

## Preface

- 1 This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
- 2 Chapter-I deals with the findings of performance audit in the Information and Technology Department; Scheduled Tribes and Scheduled Castes Development Department; Women and Child Development Department, while Chapter-II deals with the findings of transaction audit in Agriculture; Panchayat and Rural Development; Public Health and Family Welfare and Public Works Departments. Chapter-III includes comments based on integrated audit of the Commerce and Industries Department.
- 3 The observations arising out of audit of Government commercial and trading activities are included in Chapter-IV of this Report.
- 4 The cases mentioned in the Report were observed during the course of test audit of accounts for the year 2009-10 as well as those which were observed in earlier years but could not be included in previous reports. Matters relating to the period subsequent to 2009-10 have also been included, wherever necessary.

## OVERVIEW

This Report comprises four Chapters which include four performance audits, an integrated audit of the Commerce and Industries Department and 19 paragraphs on audit of financial transactions of various Government departments, Government Companies and Statutory Corporations.

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

### 1. Integrated Child Development Services

Integrated Child Development Services (ICDS), a Centrally sponsored scheme, was launched in 1975 with a view to improve the nutritional and health status of children under six years of age and their holistic development through pre-school education in Anganwadi Centres. The scheme also envisaged taking care of the health and nutritional status of pregnant and lactating women. A review of the implementation of the ICDS scheme in the State revealed several deficiencies such as short coverage of all eligible beneficiaries under the scheme due to inadequate survey and lack of monitoring; interruption in distribution of supplementary nutrition; supply of supplementary nutrition containing less calories and protein to the beneficiaries; expenditure on ineligible beneficiaries and accumulation of rice with the agencies due to issue of rice without verification of available stock. Serious deficiencies were also noticed in implementation of other components of the scheme i.e non-procurement of medicine kits and pre-school kits. The percentage of malnourished children and the infant mortality rate in the State remained higher than the national levels. Poor infrastructural facilities such as non-availability of buildings, drinking water and toilets were also some of the failures which affected the successful implementation of the scheme.

*(Paragraph 1.1)*

### 2. Promotion of Education for Scheduled Caste and Scheduled Tribe Children

The State Government implemented various Central as well as State schemes for promoting the educational interests of children belonging to Scheduled Castes (SC) and Scheduled Tribes (ST) through the Tribal Development Department. It was observed that the department had not prepared any Perspective or Annual Plan for implementation of these schemes and also for identifying eligible SC and ST children. A review of the implementation of some of these schemes, revealed several deficiencies like delayed release of funds for payment of scholarships, non-reconciliation of scholarship amounts, non-establishment of book banks, short distribution of cycles to SC and ST girl

students, purchase and distribution of text books in excess of requirements, non-completion of residential and non-residential buildings and acute shortage of teaching staff.

*(Paragraph 1.2)*

### **3. IT Audit on 'e-procurement project'**

The Government introduced an electronic procurement project for procuring works and services as a significant initiative to increase transparency, accountability, efficiency and economy in procurement using information technology (IT). A review of the project revealed that though the State Government made significant achievements in addressing some of the problems associated with the bidding process with the implementation of the project, the overall project objectives, however, remained unachieved due to non-implementation of the associated modules. There were few management information system (MIS) reports being generated from the system to assist efficient procurement and in showcasing transparency in vendor selection. Even the e-tendering module was partially implemented with important details like the winning bidder, cancellation of tenders, etc. not being recorded in the system. There were significant shortcomings in the procedures followed for authenticating the electronic bids using digital signatures and in ensuring secured processing of the bids. Even after three years of use of the application, the system was only undergoing testing, acceptance and security certification and so far no mid-term review was conducted by the department to assess the efficacy of the system and also to identify the bottlenecks.

*(Paragraph 1.3)*

### **4. Integrated Audit of Commerce and Industries Department**

Integrated audit of the Department of Commerce and Industries revealed absence of adequate planning, poor programme management and lack of internal control. The quality of budgetary and financial management was deficient as there were persistent savings each year. There was no institutional mechanism for assessing the effectiveness of various subsidy/exemption schemes implemented by the department. Deficiencies were noticed in the implementation of various Central and State Government schemes as benefits were extended even to ineligible industries/projects. Funds earmarked for various infrastructural development works remained blocked with different agencies. There was shortage of staff and the internal control wing was non-functional.

*(Paragraph 3)*

### **5. Audit of Transactions**

Audit of financial transactions in various departments of the Government revealed instances of embezzlement, avoidable expenditure, excess payment, unauthorized expenditure, idle expenditure and irregular expenditure amounting to ₹ 37.18 crore in the Agriculture Department (₹ 2.52 crore), the

Panchayat and Rural Development Department (₹ 35.62 lakh), the Public Health and Family Welfare Department (₹ 33.42 crore), and the Public Works Department (₹ 88.19 lakh).

*(Paragraphs 2.1 to 2.5)*

## **6. Government Commercial and Trading Activities**

There were 15 Government Companies and two Statutory Corporations under the control of the State Government, as on 31 March 2010. The total investment in these PSUs was ₹ 4,329.85 crore. As per their latest finalised accounts as on 30 September 2010, eight PSUs had shown profit of ₹ 480.01 crore and four PSUs incurred loss of ₹ 4.44 crore. Fifteen PSUs had not finalised their 37 accounts as on 30 September 2010.

*(Paragraphs 4.1.2, 4.1.7, 4.1.16 and 4.1.22)*

## **7. Power Generation Activities of Chhattisgarh State Power Generation Company Limited**

In Chhattisgarh, the generation of power upto 31 December 2008 was carried out by the erstwhile Chhattisgarh State Electricity Board. Consequent to unbundling of the Board, from 1 January 2009, the generation of power is carried out by the Chhattisgarh State Power Generation Company Limited. The performance audit was conducted to assess economy, efficiency and effectiveness of activities relating to planning, project management, financial management, operational performance, environment issues and monitoring by the top Management. There were deficiencies in project planning and formulation. The Board had taken up the Bhaiyathan Thermal Power Project without obtaining forest clearance from MoEF due to which the implementation of the project became uncertain resulting in blocking up of ₹ 66.50 crore. Further, the Board established a cogeneration plant at Kawardha without assessing the availability of requisite fuel. This resulted in operational loss of ₹ 12.61 crore. One hydro-electric and one thermal power project planned by the Company could not be commenced due to non-fulfillment of stipulated conditions of initial clearances, lack of vigorous persuasion and selection of disputed land for the project. None of the four power projects implemented was completed in time and there were delays ranging from eight to 36 months. This resulted in cost overrun of ₹ 187.72 crore besides generation loss of 4239.14 Million Units (MU) valued at ₹ 1245.19 crore. The Company extended undue financial benefits to various contractors by allowing interest free mobilisation advances amounting to ₹ 188.87 crore. Consumption of coal and fuel oil in excess of the prescribed norms resulted in avoidable expenditure of ₹ 361.03 crore. Further, due to deployment of excess manpower as compared to the CEA norms, the Company had to bear extra expenditure of ₹ 267.47 crore. The Company failed to avail of interest subsidy of ₹ 243.60 crore under the Accelerated Generation and Supply Programme due to delay in commissioning of the Dr. Shyama Prasad Mukherjee Thermal Power Station. Delayed submission of tariff petitions resulted in depriving the consumers of the benefit of lower tariff during 2006-08 amounting to ₹ 248.15 crore.

Further, the Chhattisgarh State Electricity Regulatory Commission disallowed expenditure of ₹ 101.43 crore in 2009-10 on account of underperformance by the Company for reasons deemed to be controllable. The Company did not adhere to the provisions of various environmental Acts, Regulations and norms which may adversely impact the environment.

*(Paragraph 4.2)*

**8. Audit of Transactions in Government Companies and Statutory Corporations**

Chhattisgarh State Civil Supplies Corporation Limited incurred avoidable expenditure of ₹ 12.11 crore due to non-payment of Advance Income Tax and non-submission of IT Return in time.

*(Paragraph 4.3.1)*

Fixation of selling price of soyabean oil by Chhattisgarh State Civil Supplies Corporation Limited without reckoning the element of Central Sales Tax led to loss of ₹ 80.98 lakh.

*(Paragraph 4.3.2)*

Chhattisgarh State Civil Supplies Corporation Limited failed to include all incidental costs in fixation of selling price, resulting in loss of ₹ 62.33 lakh.

*(Paragraph 4.3.3)*

Chhattisgarh State Beverages Corporation Limited incurred extra expenditure of ₹ 27.89 lakh due to delay in payment of cost of land.

*(Paragraph 4.3.6)*

Inadequate efforts of Chhattisgarh *Rajya Beej Evam Krishi Vikas* Nigam Limited in clearance of accounts arrears resulted in shortfall in remittance of advance tax and consequent payment of interest of ₹ 52.68 lakh on income tax.

*(Paragraph 4.3.8)*

# CHAPTER-I PERFORMANCE AUDIT

## WOMEN AND CHILD DEVELOPMENT DEPARTMENT

### 1.1 Integrated Child Development Services

#### Highlights

Integrated Child Development Services, a Centrally sponsored scheme, was launched in 1975 with a view to improve the nutritional and health status of children under six years of age and their holistic development through pre-school education in Anganwadi centres. The scheme also envisaged taking care of the health and nutritional status of pregnant and lactating women. The review revealed that all the eligible beneficiaries could not be covered under the scheme due to inadequate surveys, improper planning, non-availability of adequate project staff and lack of monitoring and supervision. Serious deficiencies were noticed in implementation of other components of the scheme such as referral services and growth monitoring. Implementation of the scheme also got affected due to poor infrastructural facilities such as non-availability of buildings for Anganwadi centres, drinking water and toilets. There were considerable delays in completion of Anganwadi centre buildings.

Funds released for Supplementary Nutrition ranging between ₹ 15.11 crore and ₹ 132.61 crore remained unutilised due to inadequate surveys and improper assessment of eligible beneficiaries.

*(Paragraph 1.1.8)*

Inclusion of ineligible beneficiaries for the Supplementary Nutrition Programme resulted in avoidable expenditure of ₹ 11.07 crore.

*(Paragraph 1.1.10.4)*

Issue of rice without verification of available stock and non-reconciliation of stock position led to accumulation of 2045.13 MT rice with the agencies in six test-checked projects.

*(Paragraph 1.1.10.5)*

Government of India funds amounting to ₹ 5.96 crore for diarrhoea, de-worming and skin diseases of children remained unutilised due to non-supply of medicine kits to the Anganwadi centres.

*(Paragraph 1.1.11.2)*

Even after 35 years of implementation of the scheme, the infant mortality rate remained at 57 per 1000 live births as against the all-India figure of 53. Similarly, the percentage of malnourished children stood at 51.31 as compared to the national percentage of 42.50.

*(Paragraph 1.1.11.4)*

Funds amounting to ₹ 42.74 lakh for developing learning attitudes and values for emotional and mental preparation of children before primary education remained unutilised due to non-procurement of pre-school education kits.

*(Paragraph 1.1.13.1)*

There were considerable delays, ranging from three to eight years in construction of Anganwadi Centres.

*(Paragraph 1.1.14.2)*

### **1.1.1 Introduction**

The Integrated Child Development Services (ICDS) scheme launched in 1975, aims at holistic development of children up to six years of age, adolescent girls, pregnant and lactating mothers. This is a Centrally sponsored scheme wherein Government of India (GOI) is responsible for programme planning and infrastructure funding while the State Government is responsible for programme implementation. It provides a package of services comprising supplementary nutrition, immunization, health check-ups, referral services, non-formal pre-school education, health and nutrition education. The objective of the scheme is to reduce the incidence of mortality, morbidity, malnutrition and school dropouts, improve the nutritional and health status of children under six years and enhance the capacity of their mothers to look after the normal health and nutritional needs of their children. At present, 163 ICDS projects are being implemented in the State covering 34,937 Anganwadi Centres (AWCs).

### **1.1.2 Organisational set up**

The Secretary-cum-Commissioner, Women and Child Development Department (W&CD), is head of the department and overall in-charge of implementation of the scheme. At the district level, the Commissioner is assisted by District Programme Officers (DPOs). Actual implementation of scheme is carried out at the block level by Child Development Project Officers (CDPOs) through Anganwadi Workers (AWWs) and Anganwadi Helpers (AWHs) in Anganwadi and mini-Anganwadi Centres.

### **1.1.3 Audit Objectives**

Performance audit of the ICDS scheme was conducted with a view to assess whether:

- proper planning was being done for implementation of the scheme;

- allocation, release and utilisation of funds for the scheme were adequate and effective;
- services such as the supplementary nutrition programme (SNP), immunization, health services, growth/weight monitoring, referral services, pre-school education, nutrition and health education etc. were provided to the beneficiaries;
- the various components of the scheme essential for delivery of services to the beneficiaries such as infrastructure, management and institutional development, staffing and training were efficiently implemented as envisaged; and
- the existing monitoring system was adequate to ensure effective implementation of the scheme.

#### 1.1.4 Audit criteria

- Instructions issued by GOI and the decision of the Supreme Court on universalisation of ICDS services<sup>1</sup>.
- Scheme guidelines and instructions of the State Government.

#### 1.1.5 Scope of Audit and Audit Methodology

Performance audit of the scheme was carried out from January to July 2010, covering the period from 2005-06 to 2009-10. Five out of 18 districts and two ICDS projects in each selected district were included for test check by applying the method of Simple Random Sampling without Replacement (SRSWOR). Further, 10 AWCs within each project were randomly selected. Audit scrutinised records maintained in the Directorate of W&CD, five<sup>2</sup> DPOs, 10<sup>3</sup> CDPOs and 100 AWCs.

The performance audit commenced with an entry conference on 14 June 2010 with the Secretary-cum-Commissioner, W&CD Department. An exit conference with the Secretary was held on 02 November 2010.

#### Audit findings

##### 1.1.6 Planning

The State Government was responsible for implementation of different services under the ICDS scheme. For this, surveys of all the families were to be conducted by AWWs/AWHs in the project areas for identifying eligible beneficiaries and enrolling them for providing services under ICDS. These

<sup>1</sup> Judgement on writ petition No. 196 of 2001 between People's Union for Civil Liberties and Union of India and others dated 13.12.2006.

<sup>2</sup> Durg, Raipur, Rajnandgaon, Jagdalpur and Jashpur.

<sup>3</sup> Arang, Bastar, Bakawand, Dongargarh, Durg (urban), Khairagarh, Kunkuri, Patan, Pathalgaon, Raipur (urban).



surveys were to be followed by repeat surveys once in every year. On the basis of data available in the survey registers, Annual Action Plans (AAPs) were to be prepared for effective implementation of the scheme.

Test check of the records of the selected AWCs revealed that survey registers were not maintained properly and complete information i.e. child population, live births, still births, adolescent girls, pregnant and lactating mothers etc. from the concerned AWCs were not available in the register. No AAPs were prepared.

During the exit conference, the Government stated (November 2010) that implementation of the scheme was done on the basis of surveys made by AWWs/AWHs. Benefits of the scheme were given to all beneficiaries who came to AWCs. The AAPs and budget are coterminous in implementation of the scheme.

The reply of the Government is not acceptable as no proper record of surveys as stated above, were maintained.

### 1.1.7 Funding pattern

Prior to 2005-06, *cent per cent* financial assistance for inputs other than SNP was being provided by GOI. In the case of SNP, the States were to provide funds out of their own resources. From 2005-06, *50 per cent* of the expenditure on SNP was to be provided by the State Government. The share of the Centre and State for all other components of ICDS was, however, modified to 90:10 from 2009-10.

### 1.1.8 Budgetary Management

The position of allotment, expenditure and savings made under SNP and other components of ICDS are mentioned below:

**Table-1: Year-wise allotment, expenditure and savings**  
(₹ in crore)

Year	Supplementary Nutrition Programme			Other components of ICDS		
	Allotment	Expenditure	Savings (Percentage)	Allotment	Expenditure	Savings (Percentage)
2005-06	126.76	111.65	15.11 (12)	82.52	61.29	21.23 (26)
2006-07	209.97	77.36	132.61 (63)	107.01	74.83	32.18 (30)
2007-08	202.64	139.24	63.40 (31)	137.02	99.10	37.92 (28)
2008-09	206.28	188.96	17.32 (8)	179.63	144.55	35.08 (20)
2009-10	337.94	216.47	121.47 (36)	248.47	179.43	69.04 (28)
<b>TOTAL</b>	<b>1083.59</b>	<b>733.68</b>	<b>349.91(32)</b>	<b>754.65</b>	<b>559.20</b>	<b>195.45 (26)</b>

(Source: Allotment and expenditure statements furnished by the department)

It is evident from the table that during the years 2005-06 to 2009-10, the department had incurred expenditure of ₹ 1292.88 crore (₹ 733.68 crore + ₹ 559.20 crore) as against the allotment of ₹ 1838.24 crore (₹ 1083.59 crore + ₹ 754.65 crore) under the scheme. There were savings of eight to 63 *per cent* of funds in SNP. These savings were due to incorrect

Improper assessment and inadequate survey of eligible beneficiaries resulted in savings

assessment of the number of eligible beneficiaries i.e. the number of actual beneficiaries were much lower than that projected during preparation of the budgets. During 2006-07, the savings were 63 *per cent*, which was due to non-adoption of revised rates<sup>4</sup> prescribed by GOI. Similarly, non-utilisation of funds during 2009-10 was mainly due to delay in implementation of the ready-to-eat food programme. Savings in other components of ICDS, which were between 20 and 30 *per cent*, were mainly due to non-filling up of the vacant posts in the project.

On this being pointed out, the Government stated (September 2010) that the budget was prepared on the basis of eligible beneficiary surveyed and the savings in SNP occurred due to non-operationalisation of all the sanctioned AWCs, non-finalisation of the court cases on recruitment, local elections, Naxalite problems and issue of new guidelines by GOI for distribution of ready-to-eat food.

The department should have taken immediate steps for adoption of the revised rates of GOI to provide the intended benefits of new programmes. Moreover, proper assessment of actual beneficiaries should have been done by the department.

#### ***1.1.8.1 Non-obtaining of Utilisation Certificates***

The State Government had provided funds for maintenance of completed/owned AWCs at the rate of ₹ 2,400 per annum per AWC. The amounts were given to the AWWs who were submitting original vouchers to their Project Officers. On the basis of these vouchers, Project Officers were required to issue utilisation certificates (UC) to the DPOs.

Test check of records of the 10 selected project offices revealed that a total amount of ₹ 40.94 lakh was given to the AWWs for maintenance of 853 AWCs during the period from 2008 to 2010. However, all the Project Offices failed to submit UCs to the DPOs. Original vouchers were also not made available to Audit. In the absence of these, the authenticity of the expenditure could not be ascertained.

On this being pointed out, the Government stated (September 2010) that instructions would be issued to all the DPOs and Project Officers to submit the UCs to the Directorate.

### **1.1.9 Programme implementation**

#### ***1.1.9.1 Status of ICDS projects and Anganwadi Centres in the State***

The actual implementation of the scheme is carried out by Project Officers at the block level through AWCs at the village level. The position of sanctioned

<sup>4</sup> Category of Beneficiaries	Pre-revised norms	Revised norms.
6 months to 6 years children (normal)	₹ 1.00	₹ 2.00
Pregnant and lactating women	₹ 2.00	₹ 2.70
6 months to 6 years children (malnourished)	₹ 2.00	₹ 2.30

and operational AWCs during 2005-06 to 2009-10 was as under:

**Table-2: Position of sanctioned and operational ICDS projects and AWCs**

Year	Number of ICDS Projects		Number of Anganwadi Centres	
	Sanctioned	Operational	Sanctioned	Operational
2005-06	158	152	29437	20286
2006-07	158	153	29437	26801
2007-08	158	158	29437	29373
2008-09	163	161	34937	33470
2009-10	163	163	34937	34937

(Source: As per information furnished by the department)

**1.1.9.2 Less coverage of beneficiaries.**

Out of 46.75 lakh eligible beneficiaries, only 23.62 lakh were benefited under the scheme

As per GOI instructions (March 2006), all children below the age group of six years and pregnant and lactating women were to be provided supplementary nutrition as per norms, irrespective of their nutrition or the income status of the family to which they belonged. Accordingly, survey of all eligible beneficiaries was required to be done by AWWs once in a year to ensure enrolment of beneficiaries for coverage under SNP. In the test-checked AWCs, it was observed that although tentative data on surveyed beneficiaries was reported in the monthly progress reports, the survey registers were not properly maintained by the AWWs.

The position of eligible, surveyed, enrolled and actual beneficiaries in the State during 2005-06 to 2009-10 was as follows:

**Table-3: Details of eligible, surveyed, enrolled and actual beneficiaries**

Year	Eligible <sup>5</sup> as per ESD	Surveyed by W&CD	Percentage of surveyed over eligible beneficiaries	Enrolled in AWCs	Percentage of enrolled over eligible beneficiaries	Actually benefited under the scheme	Percentage of benefited over eligible beneficiaries
1	2	3	4	5	6	7	8
2005-06	4264862	2349402	55	2127794	50	1804331	42
2006-07	4417811	3104861	70	2597161	59	2096058	47
2007-08	4551803	3392702	75	NA	NA	2362082	52
2008-09	4655316	3583304	77	3044684	65	2495513	54
2009-10	4675908	3455785	74	2918386	62	2362371	51

(Source: Monthly progress reports of ICDS and Economics and Statistics Department [ESD])

From the above table, it may be observed that as on March 2010, out of a total of 46.75 lakh eligible beneficiaries (projected population based on census, 2001 by ESD), only 34.55 lakh (74 per cent) were surveyed by the AWWs, leaving 12.20 lakh (26 per cent) eligible beneficiaries uncovered under the

<sup>5</sup> Population of children below six years and pregnant and lactating women.

scheme. Further, of the 34.55 lakh beneficiaries, only 23.62 lakh (68 per cent) were provided SNP under the scheme. Thus, almost 10.93 lakh (32 per cent) eligible beneficiaries in the State were not provided SNP under the scheme even after being surveyed.

During test check of records of five districts, it was observed that in four<sup>6</sup> districts, 65 to 70 per cent of eligible beneficiaries were surveyed, whereas in Durg district, only 50 per cent were surveyed. The percentage of the population which benefitted under SNP was 54 to 57 in three<sup>7</sup> districts whereas in Durg and Raipur this was only 34 and 42 respectively.

On this being pointed out, the department stated (September 2010) that due to the hilly area, difficult geographical conditions and scattered distribution of population, the coverage of beneficiaries was less. Further, during the exit conference, the Government stated (November 2010) that as eligible/surveyed beneficiaries did not necessarily avail of the benefits of ICDS, the coverage of beneficiaries was a variable factor. The number of AWCs had been increased to 54,000 from the existing 34,937 and more coverage was expected hereafter.

The reply is not acceptable, as surveys of all eligible beneficiaries had not been done by the AWWs as envisaged in the guidelines to ensure enrolment of beneficiaries for coverage under SNP. Further, 10.93 lakh eligible beneficiaries had been deprived of the benefit of the scheme even after being surveyed.

### 1.1.10 Supplementary Nutrition Program (SNP)

As per the scheme guidelines (February 2007), supplementary nutrition consisting of rice, processed soya, mixed *dal*, *gur* etc. were to be provided to beneficiaries. While cooked food was to be given to children in the age group of three to six years, take home ration (THR) was to be distributed to children below three years and to pregnant and lactating women at the AWCs.

#### 1.1.10.1 Interruption in distribution of supplementary nutrition.

As per an order (October 2004) of the Supreme Court and instructions of GOI, supplementary nutrition should be provided at AWCs to eligible beneficiaries for 300 days in a year. Accordingly, each AWC should distribute supplementary nutrition for at least 25 days in a month. The responsibility of providing rice and other food supplements was with the agencies or self help groups (SHG). As per the agreements between the agencies and the Project Officers, in cases of interruption in supply of these items at the AWCs, the Project Officers were empowered to impose penalties and could also revoke the agreements and assign other agencies to supply the items.

During scrutiny of attendance registers, consumption registers and information furnished by the AWWs at the 100 test-checked AWCs (*Appendix-1.1*), it

Out of the 100 test-checked AWCs, 56 to 84 AWCs had distributed THR for less than 300 days

<sup>6</sup> Jagdalpur, Jashpur, Raipur and Rajnandgaon.

<sup>7</sup> Jagdalpur, Jashpur and Rajnandgaon.

was observed that the number of AWCs which had distributed THR for less than 300 days was 84 in 2007-08, 60 in 2008-09 and 56 in 2009-10.

While compiling monthly information about distribution of THR in the test-checked AWCs during the years 2007-08 to 2009-10, it was observed that THR had not distributed in one month by 44 AWCs, two months by 34 AWCs and three months by 12 AWCs. Moreover, THR was not distributed for six months by AWC, Patelpara (Raipur urban) in 2007-08 and by AWC, Kumhali (Patan) in 2009-10. Similarly, THR was not distributed for eight months by AWC, Murmunda (Dongargarh) in 2008-09 (*Appendix-1.1*).

On this being pointed out, the Government stated (September 2010) that a new system for SNP had been introduced from April 2007 and the responsibility for providing rice and other food supplements at the AWCs had rested with the agencies/SHGs. Therefore, there had been some interruption in the implementation of the scheme in the initial years.

The reply is not acceptable as the interruptions were noticed during the period 2007-08 to 2009-10. Moreover, Project Officers had neither penalised the defaulting agencies nor revoked their agreements. Due to shortfall in distribution of THR for 300 days, proper nutrition could be not provided to eligible beneficiaries.

#### ***1.1.10.2 Quality of food***

##### ***(i) Supply of supplementary nutrition containing less calories and protein***

**Inadequate calories and protein provided to beneficiaries**

The main objective of SNP was to improve the nutritional and health status of children below the age of six years as well as pregnant and lactating women by providing food supplements as per the nutritional norms of GOI (in terms of calories and protein).

In order to provide desired nutrition to the beneficiaries, SNP (Rice based nutrition) was launched from April 2007. Details of norms of nutritional value, distributed and non-distributed nutrition is detailed in **Table-4**.

**Table-4: Details of Nutritional value of Supplementary Nutrition**

Category of beneficiary	Total nutritional value of SNP as per norms			Weightage of rice in supplementary nutrition norms			Weightage of Gur, processed soya, dal, vegetables in supplementary nutrition norm		
	Qty (gm)	Calorie	Protein	Qty (gm)	Calorie (in per cent)	Protein (in per cent)	Qty (gm)	Calorie (in per cent)	Protein (in per cent)
Children 6 months to 3 years (Normal)	140	493.20	15.96	100	70	43	40	30	57
Children 6 months to 3 years (Malnourished)	195	685.30	23.21	140	70	41	55	30	59
Children 3 years to 6 years (Normal)	128	401.75	13.22	70	60	36	58	40	64
Children 3 years to 6 years (Malnourished)	203	657.20	19.18	140	73	50	63	27	50
Pregnant and lactating mothers	185	652.80	20.81	140	74	46	45	26	54

(Source: Reports of SNP and Form-7 maintained by Project Offices)

Scrutiny of records of eight<sup>8</sup> out of 10 Project Offices revealed that during the years 2008-09 and 2009-10, rice was distributed consistently which contained nutritional value ranging from 60 to 74 *per cent* of calories and 36 to 50 *per cent* of protein as shown in table above. However, the food supplements like *gur*, processed soya, mixed *dal* and vegetable were not provided consistently to the beneficiaries as per the prescribed nutritional norms. This might have led to short distribution of food supplements which deprived the beneficiaries from availing of the benefit of the complete nutritional value of food supplements. It was further observed that in Rajnandgaon district, *gur* and soya were not distributed during the rainy season reportedly due to fungus problem.

On this being pointed out, the Government stated (September 2010) that during the years 2007-09, there was an abnormal increase in the prices of the food supplements but the rates had not been revised by the GOI. Thus the department faced difficulties in providing all the food supplements as per norms. During the exit conference, the Secretary, W&CD department stated (November 2010) that the ICDS scheme was not just to provide SNP to the beneficiaries for eradicating malnutrition. The objective of the scheme was to sensitize eligible beneficiaries regarding nourishment, health check-ups and health and nutrition education.

The reply is not acceptable as no alternative food supplements as envisaged in the guidelines were provided to the beneficiaries to ensure complete nutrition as per the norms.

<sup>8</sup> Bakawand, Bastar, Dongargarh, Durg (urban), Khairagarh, Kunkuri, Patan, Pathalgaon.

**(ii) Deficiencies in distribution of ready-to-eat food**

As per directions (February 2009) of GOI, under the programme for distribution of ready-to-eat food, a wheat-based supplementary nutrition programme was started by the State Government from September 2009. As per the scheme guidelines of August 2009, the ready-to-eat food was to be packed in prescribed quantities of 750 gm, 960 gm and 1200 gm in plastic packets, specifically indicating vital information viz. name of the SHG/manufacturer, date of manufacturing, expiry date, quantity, batch number, nutritional value of the ready-to-eat food etc. The ready-to-eat food was to be consumed within three months from the date of manufacturing.

During scrutiny of the records of the test-checked AWCs, it was observed that in six<sup>9</sup> AWCs, information regarding manufacturing and expiry dates, weight, batch number were not printed on the packets of ready-to-eat food. As these AWCs had no weighing machines, it was difficult to distribute the THR to the beneficiaries in prescribed quantities. Distribution of expired ready-to-eat food also could not be ruled out in the absence of expiry dates, batch numbers and other details.

On this being pointed out, the Government stated (September 2010) that as ready-to-eat food was prepared and provided by women's SHGs for the first time, some deficiencies were noticed due to lack of experience. The department had since provided training from time to time to the groups to improve the implementation of the scheme.

The reply is not acceptable as the instructions for ready-to-eat food programme were issued by GOI in February 2009 and the department should have ensured that the vital information mentioned in the guidelines was printed on the ready-to-eat food packets.

**1.1.10.3 Undue aid to Self Help Groups**

As per the instructions, the wheat required for preparation of ready-to-eat food is provided by the Government to the SHGs. The ready-to-eat food was to be prepared in such a way that it contained calories and protein as per Government standards<sup>10</sup>. To ensure the nutritional values of the ready-to-eat food, samples were to be sent to the Nutrition Board, Mumbai and payments to SHGs were to be made according to the test results. In case of non-receipt of test reports, the payments to SHGs were to be restricted to 90 *per cent* of the total claimed amounts. The balance 10 *per cent* was to be paid only after receipt of the test reports.

Audit noticed (July 2010) that although samples were sent by the Project Offices to the Nutrition Board, no test reports of the samples were received. A total amount of ₹ 3.14 crore was paid to the SHGs during the year 2009-10, without deducting 10 *per cent* from their bills. Thus irregular payment of

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<sup>9</sup> Badedeora I & II (Bakawand project); Kumhidol, Pakargaon, Raghunthpur, Thakurmuda (Pathalgaon Project).

<sup>10</sup> Each 100 gm of mix to contain 403.5 calories and 13.58 gm of protein.

₹ 31.35 lakh was made to SHGs in violation of the scheme guidelines.

On this being pointed out, Government accepted (September 2010) the fact and stated that the system of examination of food was not in place in the initial months. However, detailed information would be sought from DPO, Jashpur and necessary action would be taken.

#### **1.1.10.4 Expenditure on ineligible beneficiaries**

**Expenditure of ₹ 11.07 crore due to inclusion of ineligible beneficiaries**

According to the instructions of GOI, categories of eligible beneficiaries under SNP included children below the age of six years and pregnant and lactating women. The AWWs and AWHs were not eligible beneficiaries under the scheme.

However, scrutiny of records of the Project Offices and AWCs and progress reports at the block, district and State levels, it was observed that during 2007-08 and 2008-09, the AWWs and AWHs availed of the benefits under the scheme and an amount of ₹ 11.07 crore was incurred on providing supplementary nutrition to them. This expenditure was irregular as only children below the age of six years, pregnant and lactating women were to be benefitted under the scheme. The AWWs/AWHs were not categorised as beneficiaries in the guidelines.

On being pointed out, Government accepted (September 2010) the fact and stated that prior to 2007, AWWs/AWHs were supposed to taste the quality of food before its distribution. However, no specific instructions had been issued by the department for inclusion of AWWs/AWHs as eligible beneficiaries under the new programme commenced from April 2007. It was further stated that instructions would be issued to exclude the AWWs/AWHs from the list of eligible beneficiaries. This clearly indicated lack of monitoring on the part of the department.

#### **1.1.10.5 Accumulation of rice with the agencies**

**Issue of rice without verification of available stock led to accumulation of rice with agencies**

Rice under SNP was provided by GOI through the Food Corporation of India (FCI) at the Below Poverty Line (BPL) rate of ₹ 6250 per MT. According to instructions issued (February 2007) by the State Government, Project Officers of ICDS projects were to assess the quantities of rice required in each month, keeping in view the number of eligible beneficiaries for SNP in their projects. After compilation of the demands of each project, the DPOs issued orders to the Chhattisgarh State Civil Supplies Corporation (CSCSC) to supply the rice to Fair Price Shops (FPS). The SHGs were to lift the rice from FPS and supply it to the AWCs. To avoid interruption in distribution of SNP, additional rice for 15 days to one month in every AWC was to be kept as stock. The details of rice received, distributed, consumed and closing balance were to be maintained by both AWCs and SHGs/agencies and monitored by the project Officers.

Test check of records of all the 10 projects revealed that the stock position of



rice was maintained as per requirement in four<sup>11</sup> projects. However, in the remaining six<sup>12</sup> projects, monthly assessments of the actual requirements of rice were done without considering the number of beneficiaries and also without taking into account the closing stock of rice available with the AWCs. Thus the assessment of the demand for rice was made on the basis of average monthly consumption. Accordingly, rice was supplied to the agencies without reconciliation and verifying the stock position. This resulted in accumulation of 2045.13 MT of rice with the SHGs/agencies in these six projects. The details of issue and consumption of rice in respect of these projects during 2007-08 to 2009-10 are as follows:

**Table-5: Details of rice available with the Agencies**

(Quantity in MT)

Sl. No	Name of Project	Rice issued to agencies by FPS	Consumption in AWCs	Closing balance to be available with agency	Closing balance as per project office records (on March 2010)	Rice available with the agencies (SHG/sarpanch)
A	B	C	D	E= (C-D)	F	G = (E-F)
1	Bakawand	3408.19	2147.27	1260.92	47.43	1213.49
2	Pathalgaon	2342.83	1986.69	356.14	58.50	297.64
3	Kunkuri	1063.85	771.81	292.04	63.25	228.79
4	Arang	2769.33	2535.17	234.16	90.80	143.36
5	Khairagarh	1937.19	1862.28	74.91	Not Available	74.91
6	Durg (urban)	1020.30	928.76	91.54	4.60	86.94
	<b>TOTAL</b>	<b>12541.69</b>	<b>10231.98</b>	<b>2309.71</b>	<b>264.58</b>	<b>2045.13</b>

(Source: Reports and statements furnished by the Project Offices)

Further, stock registers and consumption records (Form-7) of the AWCs also showed that distribution of SNP was hampered due to non-availability of rice with them. Thus, it is evident that rice was supplied to the agencies but they had not supplied the rice to the AWCs as per their actual requirement. The remaining quantity of rice should have been recovered from the agencies before issuing additional rice to them.

On this being pointed out, the Government stated (September 2010) that detailed information from the concerned officers would be collected for receiving the excess quantity of rice at the AWCs. Moreover, recoveries would be made, if required. During the exit conference, it was stated (November 2010) that advance stocking for three months was done to avoid interruption in the services.

The reply is not acceptable as the guidelines provided for advance stocking for 15 to 30 days only. Moreover, interruptions were noticed in the distribution of SNP despite having advance stocks for seven months with the SHGs. This clearly indicated lack of monitoring on the part of the department over the distribution of rice issued to the agencies. The department should have verified the available stock with the AWCs before issue of fresh rice.

<sup>11</sup> Bastar, Dongargarh, Patan and Raipur (urban).

<sup>12</sup> Arang, Bakawand, Durg (urban), Khairagarh, Kunkuri and Pathalgaon.

### 1.1.11 Health Check-ups

Health check-ups include health care of children less than six years of age, antenatal care of expectant mothers and postnatal care of nursing mothers. The various health services provided for children by Anganwadi workers with cooperation from Health Department staff includes immunization, regular health check-ups, immunization, recording of weight, management of malnutrition, treatment of diarrhoea, medicines for de-worming, distribution of simple medicines etc.

#### 1.1.11.1 Delays in immunization of beneficiaries.

Immunization of beneficiaries was to be done by the AWWs through coordination with the staff of the Health Department in respect of six preventable diseases—polio, diphtheria, pertussis, tetanus, tuberculosis and measles. These were major preventable causes of child mortality, disability, morbidity and related malnutrition. Immunization of pregnant women against tetanus also reduced maternal and neonatal mortality.

Test check of immunization registers maintained by the AWCs revealed that although the names of the immunized beneficiaries were recorded by the AWWs, important vaccines such as BCG to new-born babies, measles vaccines to nine month old children and tetanus injection to pregnant women were given with delays ranging from one month to five months.

On this being pointed out, the Government stated (September 2010) that the vaccinations were given in coordination with the Health Department. The Supervisors and AWWs had been instructed to coordinate with the field staff of the Health Department for timely vaccinations of the beneficiaries.

#### 1.1.11.2 Non-supply of medicine kits to AWCs

**Non-  
procurement of  
medicine kits  
of ₹ 5.96 crore**

ICDS guidelines envisage that every AWC should be equipped with medicines for treatment of diarrhoea, de-worming, skin diseases etc. To fulfill this requirement, GOI provided funds under ICDS for procuring medicine kits (containing first aid boxes and simple medicines) worth ₹ 600 to each AWC every year. GOI reiterated (December 2008) that medicines kits should be provided to each AWC every year.

Audit scrutiny revealed that during 2007-08 to 2009-10, the department had not purchased any medicine kits. This resulted in non-utilisation of funds amounting to ₹ 5.96 crore, provided by GOI.

On this being pointed out, the Government stated (September 2010) that due to delay in finalisation of the tender for procurement of medicine kits by the Chhattisgarh State Industrial Development Corporation (CSIDC), supply of medicine kits could not be made in 2007-08 and informed that a decision had since been taken by the department for inviting tenders for procurement of the medicine kits.

**1.1.11.3 Growth/Weight monitoring of children**

Non -availability of weighing machines hampered growth monitoring of children

The World Health Organisation (WHO) had developed new international standards for assessing the physical growth and nutritional status of children. The Ministry of W&CD, GOI had adopted the revised standards from 15 August 2008, according to which, the weight of every child below six years was to be taken at regular intervals and recorded in their growth charts in categories such as normal, Grade I and Grade II for malnourished children and Grade III and Grade IV for severely malnourished children.

Records of test-checked projects revealed that out of 2,608 AWCs, weighing machines were available in 1,801 AWCs but revised growth charts were not available in any of the AWCs (as on March 2010). Due to non-availability of weighing machines and revised growth charts in some AWCs, weighing of children and recording the weight in the charts were not possible.

On this being pointed out, the Government stated (September 2010) that presently new growth charts had been distributed in the AWCs and weighing machines would be provided to the remaining AWCs in 2010-11.

The department should have taken steps to provide weighing machines and revised growth charts in a timely manner to monitor the improvements in the nutritional status of children.

**1.1.11.4 Status of Malnutrition and Infant Mortality Rate (IMR)**

IMR and percentage of malnourished children remained higher than the national level

The objective of the scheme was to reduce the incidence of mortality and malnutrition as well as to improve the nutritional and health status of children under six years age group. Details of the infant mortality rate and the number of malnourished children are given below:

**Table-6: Year-wise details of IMR and malnourished children**

Year	Infant Mortality Rate (per 1000 live births)		Year	Malnourished Children ( 0 - 6 years)
	National level	State level		State level (percentage)
SRS-2005	58	63	2006	56.34
SRS-2006	57	61	2007	54.14
SRS-2007	55	59	2008	53.99
SRS-2008	53	57	2009	53.93
			2010	51.31

(Source: Sample Registration Survey (SRS) by Registrar of Census).

(Source: Information furnished by the department).

It may be seen from the above **table** that though the IMR and percentage of malnourished children came down from 63 to 57 and 56.34 to 51.31 *per cent* respectively, the same still remained high as compared to the national level of 53 and 42.50 *per cent* respectively. Even though there was a marginal reduction in the percentage of malnourished children in the State during the period, it was noticed that the percentage of malnourished children in

Bakawand and Bastar projects was 61 and 62 *per cent* respectively.

On this being pointed out, the Government stated (September 2010) that as per the National Family Health Survey (NFHS) II and III, improvement in the percentage of malnourished children and IMR in the State was better than the national level. It was further stated that relentless efforts were being made by the department to implement the scheme to bring down the percentage of malnourished children through community based SNP and awareness among the community.

During the exit conference, the Government stated (November 2010) that reducing the IMR was the responsibility of the Health Department and W&CD helped them at village level.

The reply is not acceptable as reducing the IMR and the percentage of malnourished children were the objectives of the ICDS scheme. Moreover, the percentage of malnourished children and IMR was still higher in comparison to the national level as per the SRS Bulletin<sup>13</sup>.

### **1.1.12 Referral Services**

#### ***1.1.12.1 Non-maintenance of register of referral services***

During health check-ups and growth monitoring, malnourished children in need of prompt medical attention, are referred to Primary Health Centres (PHC) or City Hospitals. Anganwadi workers are also oriented to detect disabilities in children by enlisting all such cases in a special register for referring them to the Medical Officer of the PHCs or City Hospitals.

Scrutiny of records of 100 test-checked AWCs revealed that this register was not maintained in any of the AWCs. In the absence of this, referral services if any provided to the children and follow up of referred cases could not be ascertained in Audit.

On this being pointed out, the Government stated (September 2010) that ‘the Chief Minister’s *Bal Sandarbh* Scheme’ had been started from June 2009 and malnourished children were being monitored under this scheme.

The reply is not acceptable as registers of referral services were not being maintained and in the absence of the same, the extension of referral services could not be ascertained as stated above.

### **1.1.13 Non-formal Pre-school education**

With a view to develop a learning attitude and values for emotional and mental preparation before primary education, children in the age group of three to six years of age were to be imparted non-formal pre-school education (PSE) in AWCs. As per data furnished by the department, no PSE was given to the children in 1,364 out of 34,937 AWCs.

<sup>13</sup> *Sample Registration Survey (SRS) conducted by Registrar of Census, GOI.*

### 1.1.13.1 Non-procurement of PSE kits

Funds for procurement of PSE kits<sup>14</sup> were provided by GOI at the rate of ₹ 500 per operational AWC every year. The allotments were given to the DPOs for procurement and distribution of kits to the AWCs.

It was noticed that DPOs, Jashpur and Raipur had surrendered funds amounting to ₹ 4.88 lakh and ₹ 11.47 lakh in 2005-06 respectively, which were allocated for purchase of PSE kits. In 2006-07, DPO, Jagdalpur had surrendered funds amounting to ₹ 13.41 lakh, as the funds were received at the end of the year, while no funds were allotted to DPO, Jashpur for purchase of PSE kits. Similarly, DPO, Rajnandgaon had not procured PSE kits despite availability of funds and kept the funds of ₹ 8.10 lakh in a bank account in 2008-09. This resulted in non-utilisation of GOI funds totalling ₹ 42.74 lakh, thereby depriving the children from developing a learning attitude and values for emotional and mental preparation before primary education.

On this being pointed out, the Government stated (September 2010) that PSE kits had to be procured at the district level but in some districts, the procurement was not done. Efforts were being made to procure the kits every year as per instructions of GOI.

### 1.1.14 Infrastructure facilities

#### 1.1.14.1 Non-availability of basic infrastructure in AWCs

As per scheme guidelines, each AWC was required to accommodate 40 children during the day for pre-school education and consumption of cooked food provided under SNP. As per GOI instructions, drinking water facilities and toilet facilities were necessary in the AWCs. It was observed that out of 34,937 AWCs functioning in the State, 13,097 (37 per cent) had no building of their own and were functioning from rented rooms/cottages. Of these 13,097 AWCs, only 10,057 AWCs (77 per cent) had drinking water facilities and 5,231 AWCs (40 per cent) had toilet facilities.

This indicated that the department had failed to provide basic facilities in some of the AWCs.

#### 1.1.14.2 Slow progress in construction of AWCs

Since formation of the State (November 2000), construction of 20933 AWCs was sanctioned (2001-02 to 2009-10) under various schemes. Out of these, 7,075 AWCs were sanctioned by the W&CD Department. The estimated cost of construction of each AWC was between ₹ one lakh and ₹ 2.25 lakh. The amount was given to Rural Engineering Services (RES) and Janpad Panchayats of respective districts and blocks to complete the work within the stipulated period of three months from the date of release of funds.

Considerable delays of three to eight years in construction of AWCs

<sup>14</sup> Consists of hand balls, flying discs, color blocks, plastic items, educational charts, pictures etc.

It was noticed that as of March 2010, out of 7,075 AWCs, construction of 4,242 AWC buildings had been completed, that of 1,294 AWCs was in progress and construction of 1,539 AWCs was still to be started. An amount of ₹ 45.42 crore had remained with the agencies (December 2009). Construction was not completed even after the lapse of three to eight years (*Appendix-1.2*) despite deposit of funds. Thus the benefit of suitable accommodation with basic amenities could not be provided to the beneficiaries due to non-completion of the AWCs.

On this being pointed out, the Government stated (September 2010) that effective steps were being taken by the department to complete these buildings. It was further stated that periodical review meetings of the officials were being held to monitor the progress of construction works.

### 1.1.15 Manpower Management and Training

#### 1.1.15.1 Vacancies in vital posts in the department

The manpower position as of March 2010 in the W&CD Department was as under:

**Table -7: Details of Manpower Position of the Department**

Designation	Sanctioned	Persons in position	Vacant	Percentage of vacancy
CDPO/ACDPO	266	131	135	51
Supervisor	1617	761	856	53
AWW	34937	34057	880	03
AWH	34937	33428	1509	04

(Source: Information furnished by the department)

It is evident from the above table that there were vacancies in important posts i.e. CDPO/ACDPO and Supervisors, which were largely responsible for effective implementation and monitoring of the ICDS scheme at the field level and no steps had been taken by the department to fill up these posts to ensure successful implementation of scheme.

It was also observed that in Jashpur, against eight sanctioned posts no regular CDPO was working and in Jagdalpur out of 13 sanctioned posts, only seven were filled. Similarly, against 214 sanctioned posts of Supervisors, only 138 had been filled up in these two districts. Due to vacancies, Supervisors were allotted 40 to 60 AWCs against the norm of 25 AWCs for monitoring and supervision of services provided under ICDS.

On this being pointed out, the Government stated (September 2010) that recruitment for the post of CDPOs was being done by the Public Service Commission and steps were also being taken to fill up other vacant posts through departmental promotions. It was further stated that appointment orders had since been issued to fill up 624 posts of Supervisors.

### **1.1.15.2 Training to AWW/AWH**

**Inadequate training to AWWs/ and AWHs**

Training and capacity building is the most crucial element in the ICDS scheme, as the achievement of the programme goals largely depends upon the effectiveness of frontline workers in improving service delivery under the programme. Since the inception of the ICDS scheme, GOI had formulated a comprehensive training strategy for ICDS functionaries. There are two types of regular training imparted to AWWs/AWHs viz., induction training (on initial appointment) to all AWWs/ AWHs and refresher training (once in every two years).

Scrutiny of records of the 10 selected projects revealed that out of a total of 5,023 AWWs/AWHs, basic training was imparted to 3,517 AWWs/AWHs and 2,093 AWWs/AWHs were due for refresher training (as of March 2010). The huge gap in training of AWWs/AWHs indicated that the department had failed to upgrade the skills of these personnel for effective discharge of their duties.

On this being pointed out, the Government stated (September 2010) that annual calendars for training were prepared at the State level and accordingly, training was imparted to AWWs/AWHs.

The reply is not acceptable as basic and refresher trainings could not be imparted to all the AWWs/AWHs for upgrading their skills.

### **1.1.16 Monitoring and supervision**

**Lack of monitoring and supervision due to shortage of staff at projects**

For ensuring effective programme planning, implementation and monitoring, GOI prescribed the submission of periodical reports viz., monthly progress reports by Supervisors/CDPOs to the Directorate. The supervisors were required to undertake field visits of at least 25 AWCs in a month.

Details of visits made by CDPOs and DPOs to AWCs within their jurisdiction to monitor their operations were not available in any of the test-checked districts/ blocks. However, information furnished by AWWs of test-checked 100 AWCs revealed that the frequency of visits by the CDPOs was negligible i.e. one or two AWCs in a month. Supervisors of the concerned centres had visited only 10 to 15 AWCs in a month.

Thus there was inadequate monitoring and supervision of scheme. Further, acute shortage of supervisory staff also adversely affected the implementation of the programme.

On this being pointed out, the Government stated (September 2010) that vacant posts of Supervisors had been filled up. Moreover, nutrition surveillance programmes were also being implemented for effective monitoring of the scheme.

### 1.1.17 Internal Audit

Internal audit is conducted to examine and evaluate the level of compliance with departmental rules and procedures so as to provide a reasonable assurance on the adequacy of internal control system of the department. However, no internal audit was done during the last five years.

On this being pointed out, the Government stated (September 2010) that an internal audit wing could not be set up due to acute shortage of staff. It was however, stated that a proposal had been sent to the Finance Department for sanction of additional posts and an internal audit cell would be set up on receipt of the sanction.

### 1.1.18 Conclusion

The programme aimed at improving the nutritional level of children below six years of age as well as pregnant and lactating women. Funds amounting to ₹ 1292.88 crore were spent on the programme during 2005-10, but it failed to achieve its objectives due to coverage of only 49 *per cent* of the eligible beneficiaries. A total of 23.13 lakh children and women remained uncovered, largely due to ineffective surveys and less number of AWCs. Interruptions were noticed in the distribution of supplementary nutrition due to non-availability of foodgrains at AWCs despite huge quantities of rice lying with the agencies. Supplementary nutrition containing less calories was distributed. Though funds were allocated by GOI for medicines and PSE kits to the AWCs, they were not supplied annually, thereby depriving the beneficiaries. Growth of children was not monitored due to the absence of weighing machines and growth charts. Both IMR and the percentage of malnourished children reduced but the same remained high in comparison to the national level. Infrastructure facilities like building, safe drinking water, toilets, etc., were not adequate in the AWCs. Monitoring and supervision of the programme was inadequate due to vacancies in key posts.

### 1.1.19 Recommendations

- The department needs to carry out proper surveys to identify all the eligible beneficiaries and bring them under the coverage of the scheme.
- Annual Action Plans and budget estimates should be prepared for implementation of the scheme only after surveys and assessment of the beneficiaries to avoid savings of the allotted funds.
- Adequate steps should be taken to ensure distribution of supplementary nutrition with complete nutrition value as per norms.
- Requirement of rice, RTE and food supplements should be assessed after verification of available stock with the agencies.
- Medicine kits, PSE kits, growth charts and weighing machines should be provided to all the AWCs in sufficient quantities for effective implementation of the scheme.



- Referral services and pre-school education should be streamlined.
- Immediate steps should be taken to complete the construction of all the ongoing AWCs and to start the remaining AWCs.
- Efforts should be made to provide infrastructure facilities such as building, safe drinking water, toilets etc., in all AWCs.
- In order to ensure proper implementation of the scheme, there is a need to fill up the vacant posts and impart essential training to upgrade skills.
- Monitoring of AWCs by DPO/CDPO/Supervisors as per guidelines should be ensured for effective implementation of the scheme.
- An internal audit wing should be put in place to ensure internal controls.

**SCHEDULED TRIBES AND SCHEDULED CASTES  
DEVELOPMENT DEPARTMENT**

**1.2 Promotion of education for Scheduled Caste and Scheduled  
Tribe children**

**Highlights**

For promoting the educational interests of Scheduled Castes (SC) and Scheduled Tribes (ST), the State Government implemented various Central as well as State schemes. Performance audit of the major schemes revealed that due to lack of planning and deficiency in identification of children in the age group of six to 14 years, the benefits could not be extended to the eligible beneficiaries. There were considerable delays in disbursement of scholarships to students as well as free cycles to girl students. The schools and ashrams in the test-checked districts lacked basic amenities like drinking water, toilets and bathrooms. Implementation of various schemes could not achieve the desired results due to acute shortage of teaching staff and non-availability of school and residential buildings. Despite incurring expenditure of ₹ 4974.11 crore during 2005-10, the department failed to enhance the enrolment and reduce the dropout rates of SC and ST children in its schools.

Lack of planning and deficiencies in identification of SC and ST students led to savings, ranging between five and 21 per cent.

*(Paragraph 1.2.7)*

SC and ST students were deprived of timely financial assistance due to belated release of funds amounting to ₹ 13.95 crore during 2005-10.

*(Paragraph 1.2.7.1)*

Construction of ashrams and hostels remained incomplete despite availability of funds amounting to ₹ 62.23 crore.

*(Paragraph 1.2.8.4 [a] and [b])*

Procurement of textbooks in excess of requirement led to avoidable expenditure of ₹ 1.50 crore.

*(Paragraph 1.2.8.9)*

The vacancies of teaching staff in primary and middle schools and in high and higher secondary schools ranged between 32 and 43 per cent.

*(Paragraph 1.2.10.1)*

Dropout rates of SC and ST children in the primary schools of the department ranged between 21 and 66 per cent in the State and were much above the envisaged rate of less than 10 per cent.

*(Paragraph 1.2.11.2)*

### **1.2.1 Introduction**

Under Article 46 of the Constitution of India, the State has a responsibility for promoting the education and economic interests of the weaker sections of the society, particularly those belonging to Scheduled Castes (SC) and Scheduled Tribes (ST). As per the census of 2001, SCs and STs constituted 11.61 *per cent* (24.18 lakh) and 31.76 *per cent* (66.16 lakh) of the State's population respectively. The literacy rate of SCs and STs in the State was 63 and 52 *per cent* as against the national literacy rate of 55 and 47 *per cent* of SCs and STs respectively and the State's average literacy rate of 65 *per cent*. In order to increase enrolment and to reduce the dropout rates of SC and ST students in educational institutions, the Government of India (GOI) and the State Government are implementing various schemes as detailed in *Appendix-1.3* for promotion of their education.

### **1.2.2 Organisational set-up**

The Secretary, Scheduled Tribes (ST) and Scheduled Castes (SC) Development Department (Department) exercises overall control over the implementation of educational schemes relating to SCs and STs in the State. The Commissioner, Scheduled Tribes and Scheduled Castes development (CTD) is the Chief Controlling Officer of the department and is assisted by the Director, Additional Directors and Deputy Commissioners at the State level, Assistant Commissioners, Tribal Development (ACTD) at the district level and Block Education Officers (BEO) and Principals of Higher Secondary Schools at the block level to implement the schemes.

### **1.2.3 Audit objectives**

The performance audit was conducted to assess whether:

- proper planning was done for effective implementation of the schemes;
- allocation, release and utilisation of funds earmarked for various schemes were adequate and effective;
- implementation of educational schemes were as per the guidelines and were carried out in an effective and efficient manner;
- various educational indicators like gross enrolment rate, transition rate, etc., were improved and dropout rates were reduced; and
- the monitoring system at various levels was functioning effectively.

### **1.2.4 Audit criteria**

The main criteria to arrive at the audit conclusions were:

- Annual Plans of the department.
- Norms and conditions specified in the scheme guidelines.
- Budget estimates.

### 1.2.5 Audit methodology and sampling

Performance audit of the implementation of schemes related to educational development of SCs and STs was conducted (February-July 2010) for the period 2005-10, covering Central and State schemes. The audit was conducted through test check of records of CTD and field functionaries in five<sup>1</sup> out of 18 districts (28 *per cent*). These districts were selected by the Simple Random Sampling method. Five units each of primary schools, middle schools, high schools, higher secondary schools, colleges and boys' and girls' ashrams; one BEO, one *Eklavya*<sup>2</sup> school and two non-government organisations (NGOs) were test-checked in each selected district. Entry and the exit conferences were held with the Secretary, Scheduled Tribes and Scheduled Castes Development Department, Government of Chhattisgarh on 12 July 2010 and 24 September 2010 respectively.

The results of performance audit are mentioned in the succeeding paragraphs.

### 1.2.6 Planning

For effective implementation of schemes in the State, proper planning and identification of the total number of SC and ST children in the age group of six to 14 years were essential. It was noticed that the department had not prepared any Perspective or Annual Plan for implementation of the schemes and also for identifying the eligible SC and ST children. The department did not have any district-wise data about the total number of the SC and ST children, except for the SC and ST students enrolled in the schools. Due to this, the department was not in a position to know the number of eligible children in the age group of six to 14 years who were out of schools in the State.

At the exit conference, the Government stated (September 2010) that as per the existing practice, physical targets were fixed by adding approximately 10 *per cent* to the figures of the previous year.

The reply is not acceptable as the department was implementing the schemes on the basis of ad-hoc data, without ascertaining the actual number of eligible children. In the absence of data, it is likely that some eligible children were deprived of the benefits of the various schemes for promotion of education of SC and ST children.

### 1.2.7 Financial Management

Funds for these schemes are provided to the department by GOI as well as by the State Government. While 100 *per cent* funds are provided by the GOI in respect of Central sector schemes, funds are shared by the GOI and the State Government in respect of Centrally sponsored schemes. In respect of State schemes, the funds are provided by the State Government.

<sup>1</sup> Jagdalpur, Jashpur, Kanker, Raigarh and Raipur.

<sup>2</sup> The residential school for SC and ST children studying in class six to 12.

Details in respect of the funding of different Centrally sponsored schemes and State schemes for promotion of education for Scheduled Caste and Scheduled Tribes are given below:

**Table-1.1: Funding pattern of schemes for education of SCs and STs**

Sl.No.	Name of scheme	Funding pattern
<b>A</b>	<b>Centrally Sponsored Schemes</b>	
1	Pre-Matric scholarships for children whose parents were engaged in unclean occupations	Committed liability to be borne in full by the State. Expenditure over and above the committed liabilities to be shared in ratio of 50:50 by GOI and State Government.
2.	Post-Matric scholarships	100 per cent by GOI and excess over the committed liability to be borne by the State Government.
3	Book Bank Schemes	50:50 by GOI and State Government
4	Constructions of hostels and ashram buildings.	50:50 by GOI and State Government
5.	Coaching and allied schemes	50:50 by GOI and State Government
6	<i>Eklavya</i> model schools	100 per cent by GOI
<b>B</b>	<b>State Schemes</b>	
7	(a) Pre-Matric scholarships, (b) Stipend, (c) <i>Kanya Saksharta Protsahan Yojana</i> , (d) <i>Saraswati Cycle Yojana</i> , (e) Free text books to girls studying in high schools, (f) Free uniforms, (g) <i>Jawahar Utkarsh Yojana</i> , (h) Maintenance of hostels, (i) Pre-examination training center, (j) Pilot and Air hostess scheme and (k) Computer Training Schemes.	Being State Plan schemes, expenditure to be borne 100 per cent by the State Government.
8	Grant-in-aid to voluntary organization	90:10 by Government and voluntary organisation.

(Source: Guidelines issued by the Government)

The department incurs expenditure under Major Head 2225-Tribal Welfare under nine<sup>3</sup> grants. The details of allotment and expenditure is given in **Table-1.2**.

**Table-1.2: Allotment and Expenditure during 2005-10**

(₹ in crore)

Year	Allotment		Expenditure		Total		Saving with percentage		
	Central	State	Central	State	Allotment	Expenditure	Central	State	Total
2005-06	93.25	689.83	86.15	536.09	783.08	622.24	7.10(8)	153.74(22)	160.84(21)
2006-07	90.06	756.40	89.49	661.99	846.46	751.48	0.57(.6)	94.41(12)	94.98(11)
2007-08	110.36	905.92	103.65	812.52	1016.28	916.17	6.71(6)	93.40(10)	100.11(10)
2008-09	187.50	1093.18	185.41	929.49	1280.68	1114.90	2.09(1)	163.69(15)	165.78(13)
2009-10	157.00	1501.32	152.86	1416.46	1658.32	1569.32	4.14(3)	84.86(6)	89.00(05)
<b>Total</b>	<b>638.17</b>	<b>4946.65</b>	<b>617.56</b>	<b>4356.55</b>	<b>5584.82</b>	<b>4974.11</b>	<b>20.61</b>	<b>590.10</b>	<b>610.71</b>

(Source : As per allotment and expenditure figures furnished by CTD)

<sup>3</sup> Grant numbers 15, 32, 33, 41, 49, 64, 66, 67 and 82.

It is evident from the table that the department could not utilise the allotted funds during the review period. The savings were more than 10 *per cent* during the period except in 2009-10, where the savings was only five *per cent*.

The Government accepted (September 2010) the audit observation at the exit conference and stated that the savings were mainly due to non-filling of vacant posts of teachers and non-completion of various construction works.

This clearly indicates lack of proper planning and also non-initiation of effective steps on the part of the department for filling of the vacant posts and completion of the various construction works.

### ***1.2.7.1 Delayed release of funds for scholarships by ACTD***

As per the provisions of pre and post-Matric scholarship schemes, the scholarships were payable in two instalments i.e. by 30 September for the first four months (June to September) of the academic session<sup>4</sup> and by 31 January for the next six months (October to March) at the prescribed rates in each academic session.

**Delay in  
release of  
scholarships of  
₹ 13.95 crore**

Test check of records of ACTD, Jagdalpur, Jashpur and Raigarh districts revealed that as against the stipulated time frame, disbursement of the second instalments of State and post-Matric scholarships amounting to ₹ 7.92 crore and ₹ 6.03 crore respectively were released to BEOs in the subsequent academic sessions as shown in *Appendix-1.4*. The delayed disbursement of scholarships deprived the SC and ST students from receiving the financial benefits in time.

On this being pointed out ACTD, Jagdalpur, Jashpur and Raigarh stated (July 2010) that delayed distribution of second instalments was mainly due to late receipt of funds from CTD.

The Government accepted (September 2010) the audit observation at the exit conference and intimated that instructions would be issued to all ACTDs to ensure timely payment of scholarships to the students.

### ***1.2.7.2 Non- reconciliation of scholarships amount***

As per the instructions of the CTD, ACTDs are solely responsible for distribution and reconciliation of scholarships in their respective districts. Headmasters are required to submit the bank scrolls to the BEOs after distribution of scholarships and BEOs are in turn required to submit the respective bank scrolls to ACTDs before 15 October and 28 February of each year. Similarly Principals are also required to submit the bank scrolls to ACTD within the stipulated period as mentioned above.

**Scholarships  
totalling  
₹ 42.34 crore  
remained  
un-reconciled**

<sup>4</sup> Academic session-June to March.

Test check of records of ACTD, Jagdalpur, Jashpur and Raigarh districts revealed that huge scholarship amounts remained un-reconciled during 2005-10. The position of distribution and adjustment of pre and post-Matric scholarships were as under:

**Table-1.3: Details of unreconciled scholarship amounts during 2005-10**

(₹ in crore)

Name of scholarships	Distributed amount	Reconciled amount	Un-reconciled amount
Pre-Matric ST	34.25	13.40	20.85
Pre-Matric SC	7.50	1.85	5.64
Post-Matric ST	17.30	6.78	10.53
Post-Matric SC	6.65	1.33	5.32
<b>Total</b>	<b>65.70</b>	<b>23.36</b>	<b>42.34</b>

(Source: Compiled from data furnished by ACTDs)

The details of the unreconciled amounts of three districts are shown in *Appendix-1.5*. It would be seen from the above table that scholarships amounting to ₹ 23.36 crore (out of ₹ 65.70 crore) were reconciled during 2005-10 and a total amount of ₹ 42.34 crore, representing 64 per cent of the distributed amount, remained un-reconciled. Due to non-receipt of bank scrolls, it could not be ascertained whether the scholarship amounts were actually paid to the students.

On this being pointed out in audit, ACTDs, Jagdalpur, Jashpur and Raigarh districts stated (July 2010) that paid vouchers were being collected for reconciliation and the results would be intimated in due course. The reply does not explain the reasons for the delays of one to four years in reconciliation and improper accounting of the fund.

The Government accepted (September 2010) the points raised by Audit in the exit conference and intimated that a special drive would be carried out to reconcile the figures within six months.

### **1.2.7.3 Non-accountal of scholarship amounts drawn in cash book**

**Non-accountal of scholarship of ₹ 22.69 crore in cash book**

As per Rule 53 of the Treasury Code, all monetary transactions should be exhibited in the Cash Book by the Drawing and Disbursing Officer. Test check of records of ACTD, Raigarh revealed that during 2005-10, funds to the tune of ₹ 22.69 crore pertaining to pre and post-Matric scholarships were drawn from the treasury and deposited in the nodal bank without any entries in the cash book, in violation of the above provisions.

On being pointed out in audit, ACTD, Raigarh accepted (July 2010) the irregularity and stated that the observations made by Audit had been noted for future compliance.

The Government accepted (September 2010) the audit observation at the exit conference and stated that instructions would be issued to all ACTDs to follow the procedures in future.

## 1.2.8 Implementation of schemes

The department implemented various Central and State Government schemes as mentioned in *Appendix-1.3* for promotion of education of SC and ST children.

Irregularities noticed in the implementation of Central and State schemes are discussed in the following paragraphs.

### Centrally Sponsored Schemes

#### 1.2.8.1 *Pre-Matric scholarships for children whose parents were engaged in unclean occupations*

The unclean occupation scholarship scheme is a special Centrally Sponsored Scheme. The objective of the scheme is to provide financial assistance to enable the children of scavengers of dry latrines, tanners, flayers and sweepers who have traditional links with scavenging, to pursue pre-Matric education. These scholarships are sanctioned in ACTDs and released to the BEOs and BEOs in turn release the scholarship amounts to Headmasters for disbursement to the students.

**Fourteen per cent students were not paid pre-matric scholarship under the scheme**

During scrutiny of records of five test-checked ACTDs, it was noticed that in ACTD, Raipur, 4,650 students were identified for payment of scholarships and an amount of ₹ 86.03 lakh was sanctioned by the ACTD under the scheme in the year 2009-10. Out of this, scholarships amounting to ₹ 73.62 lakh were paid to 3,979 students. This resulted in non-payment of scholarships of ₹ 12.41 lakh to 671 (14 per cent) students.

On this being pointed out, the ACTD stated (April 2010) that the short coverage was due to lack of allotment of funds.

The Government stated (September 2010) in the exit conference that the reasons would be verified and intimated to Audit.

#### 1.2.8.2 *Post-Matric scholarship scheme*

The objective of the Post-Matric scholarship scheme (PMS) scheme is to provide financial assistance to SC and ST students studying in private as well as Government colleges at the post-Matriculation level to enable them to complete their education. As per the guideline of PMS, ACTDs should develop mechanisms whereby applications for scholarships should be received up to 30 June from BEOs and Principals in the ACTD offices every year, so that demands could be raised for allotments of funds to the CTD. On receipt of the allotments, ACTDs would distribute scholarships in two instalments i.e. by 30 September for the first four months (June to September) of the academic session<sup>5</sup> and by 31 January for the next six months (October to March) at the prescribed rates in each academic session and reconcile the disbursed amount by 15 October and 28 February respectively.

<sup>5</sup> Academic session-June to March.



Scrutiny of implementation of the schemes revealed the following deficiencies/irregularities:

**(a) Short coverage of students under PMS**

As per the guideline of PMS, all SC and ST students studying at the post-Matric level should be covered for payment of scholarships.

**PMS scholarship not given to 13403 students**

Scrutiny of records of the five test-checked ACTDs, it was observed in three ACTDs<sup>6</sup> that 84,570 SC and ST students (3,605 in Jagdalpur, 34,693 in Kanker and 46,272 in Raipur) were identified under the scheme. Out of these, only 71,167 students were covered and 13,403 (16 per cent) students remained uncovered. The position of students covered and scholarships paid was as under:

**Table-1.4: Details of short coverage of students under Post-Matric Scholarship**

District	Year	Category	Sanctioned		Covered		Short Coverage	
			No. of students identified	Scholarship amount sanctioned	No. of students covered	Scholarship amount paid	Short coverage of students	Amount undisbursed
Jagdalpur	2008-09 to 2009-10	ST	3312	1.19	2936	0.79	376	0.40
	2008-09	SC	293	0.20	269	0.16	24	0.04
Kanker	2005-06 to 2009-10	ST	28912	5.51	26022	4.30	2890	1.21
	2005-06 to 2009-10	SC	5781	1.11	5203	0.71	578	0.40
Raipur	2007-08 to 2009-10	ST	24318	10.29	19043	7.54	5275	2.75
	2007-08 and 2009-10	SC	21954	8.48	17694	6.23	4260	2.25
		<b>Total</b>	<b>84570</b>	<b>26.78</b>	<b>71167</b>	<b>19.73</b>	<b>13403</b>	<b>7.05</b>

(Source: Compiled from information furnished by ACTDs)

The table indicates that as against the sanctioned amount of ₹ 26.78 crore, the actual payment made was ₹ 19.73 crore. This led to non-payment of scholarships amounting to ₹ 7.05 crore to 13403 students.

On this being pointed out in audit, ACTD, Kanker stated (May 2010) that due to the absence of students, the scholarships could not be paid. ACTD, Jagdalpur and Raipur stated that due to lack of allotment of funds, the remaining students could not be covered.

The Government accepted (September 2010) the audit observation in the exit conference and intimated that appropriate instructions would be issued to all ACTDs to ensure coverage of all eligible students.

**(b) Excess reimbursement of fees to private college**

As per instructions (2006) of GOI, the full amount of fees of SC and ST students charged by Government institutions would be reimbursed under the scheme and in case the students joined private colleges, the reimbursement of fees paid would be limited to the fees prescribed for government colleges.

<sup>6</sup> Jagdalpur, Kanker and Raipur districts.

Excess payment of ₹ 8.79 lakh to private college

During scrutiny of the records of five test-checked districts, it was noticed that in ACTD, Kanker that reimbursement of fees of ₹ 11.79 lakh for 308 students was made to the Bhavsingh Arts and Science College during 2006-10, instead of the reimbursable amount of ₹ three lakh as detailed in *Appendix-1.6*. This resulted in excess payment of ₹ 8.79 lakh.

On this being pointed out, the ACTD, Kanker replied (May 2010) that the reimbursement was made as per the rules of the college. The reply is not tenable as the fees were to be reimbursed as per the instructions of GOI.

While accepting (September 2010) the audit observation in the exit conference, the Government stated that an inquiry would be conducted for verification of facts and appropriate action would be taken against the officials responsible for excess payment.

### **1.2.8.3 Book Bank Schemes**

The book bank scheme, a Centrally sponsored scheme, aims to provide SC and ST students the latest version of text books and to reduce dropouts from professional courses. Funds were to be provided to professional colleges by the department for purchase of books by the colleges. Under the scheme, book banks were to be set up in all medical, engineering, agriculture, law, veterinary colleges and institutes imparting chartered accountancy (CA), Master of Business Administration (MBA) and similar courses, for benefit of SC and ST students, who were in receipt of PMS. The State Government was to constitute an expert committee consisting of members from selected colleges to decide the sets of textbooks required for each course and estimates were to be worked out accordingly. One set of books was to be purchased for two students of all professional courses except for post-graduate and CA courses, where one set was to be purchased for each student.

Non-establishment of book banks for SC and ST students in professional colleges

Test check of records of five professional colleges, at Jagdalpur and Raipur, revealed that though 1,282<sup>7</sup> SC and ST students were studying in professional colleges and were eligible for availing of the benefits of the book bank scheme, no book bank was, however, established for them in these colleges. As a result, the benefit of the book bank scheme could not be provided to these students by the colleges.

On this being pointed out in audit, the principals of these colleges stated (July 2010) that funds were not provided by the department under the book bank scheme due to which books for SC and ST students could not be purchased.

The Government intimated (September 2010) in the exit conference that the matter would be taken up with the concerned colleges as to why the proposals for establishment of book bank for SC and ST students were not submitted.

<sup>7</sup> Jagdalpur- 1037 (Government Medical College-150, Government Engineering College-392 and Government Girls Polytechnic College-495), Raipur- 245 (Government Dental College - 145 and Government Ayurvedic College -100).

Secretary, SC& ST Department further stated that the book bank scheme had since been merged (2005-06) with PMS.

#### 1.2.8.4 Construction of hostels and ashram buildings

For providing residential facilities to SC and ST students, construction of hostel<sup>8</sup> and ashram<sup>9</sup> buildings were to be carried out in rural and urban areas under the Centrally sponsored scheme. Under the scheme, funds for construction of hostel and ashram buildings are equally shared by GOI and State Government.

##### (a) Hostel buildings

Construction of 114 hostel buildings remained incomplete

Scrutiny of implementation of the scheme revealed that funds totalling ₹ 48.65 crore for construction of 140 hostels for SC and ST students were released during 2005-09. These hostels were to be completed within six to 12 months from the dates of issue of the work orders. However, it was noticed that even after lapse of five years, 56 hostel buildings were at various stages of completion. The department could only complete 26 hostel buildings while construction of the remaining 58 hostel buildings had not been taken up till August 2009 as detailed below:

Table -1.5 : Details of construction of hostel buildings as of July 2010

(₹ in lakh)

Year	Target		Achievements						Total expenditure	Balance amount
			Completed		Under construction		Not taken up			
	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial		
2005-06	17	679.15	9	373.03	7	141.08	1	0	514.11	165.04
2006-07	46	1162.56	17	307.90	23	439.50	6	2.73	750.13	412.43
2007-08	30	1171.73	0	0.00	24	597.64	6	0.04	597.68	574.05
2008-09	47	1851.23	0	0.00	02	10.48	45	0.00	10.48	1840.75
<b>Total</b>	<b>140</b>	<b>4864.67</b>	<b>26</b>	<b>680.93</b>	<b>56</b>	<b>1188.70</b>	<b>58</b>	<b>2.77</b>	<b>1872.40</b>	<b>2992.27</b>

(Source: Data provided by CTD)

Thus, despite availability of funds amounting to ₹ 29.92 crore, the department failed to complete the construction works in time, which pointed towards lack of proper monitoring and supervision.

##### (b) Ashram buildings

Construction of 90 ashram buildings remained incomplete

Scrutiny of CTD records revealed that for construction of 95 Ashram buildings, funds amounting to ₹ 39.55 crore were released to CTD during 2006-09. The works were to be completed within nine to 12 months from the date of issue of work order. Out of the 95 sanctioned works, only five works could be completed and 52 buildings were at different stages of construction even after the lapse of two to four years despite incurring expenditure of

<sup>8</sup> SC and ST students, who were otherwise unable to continue their education due to poor economic conditions, were to be provided hostel accommodation.

<sup>9</sup> Residential schools meant to provide necessary environment conducive to learning for educational development of SC and ST students.

₹ 7.06 crore. The construction of the remaining 38 ashrams had not been started till date. The details are given below:

**Table-1.6 : Details of construction of ashram buildings as of July 2010**

(₹ in lakh)

Year	Target		Achievements						Total expenditure	Balance amount
			Completed		Under construction		Not taken up			
	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial		
2006-07	22	395.81	5	18.44	17	329.45	0	0	347.89	47.92
2007-08	46	1874.04	0	0	32	328.75	14	0	328.75	1545.29
2008-09	27	1685.16	0	0	03	47.64	24	0	47.64	1637.52
<b>Total</b>	<b>95</b>	<b>3955.01</b>	<b>5</b>	<b>18.44</b>	<b>52</b>	<b>705.84</b>	<b>38</b>	<b>0</b>	<b>724.28</b>	<b>3230.73</b>

(Source: Data provided by CTD)

Thus, despite availability of funds, the department failed to complete the construction works in time and the benefit of ashrams and hostels could not be extended to the SC and ST students.

The Government accepted (September 2010) the audit observation during the exit conference and intimated that the main reason for delays of construction of ashram and hostel buildings works was the Naxal problem. It was further stated that instructions had since been issued to District Collectors to change the places of construction wherever necessary and complete the works as early as possible.

**(c) Lack of basic facilities in ashrams, hostels and school buildings**

**Schools, hostels and ashrams were running without basic facilities**

A test check of records and subsequent joint physical verification by the Audit team and the Superintendents of Ashrams and Hostels/ Principals of schools, it was noticed that basic facilities such as toilets, bathrooms, drinking water etc., were not provided to either hostellers or day scholars as detailed below:

- In Jagdalpur, toilet facilities were not provided in 20 out of 59 ashrams, 13 out of 81 hostels, 878 out of 1235 primary schools, 158 out of 298 middle schools, 38 out of 93 high schools and 38 out of 51 higher secondary schools.
- In Raigarh, there were no toilet facilities in 14 out of 96 hostels; 17 schools had no bathrooms and seven schools had no drinking water facilities. Out of 40 ashrams, three had no toilets, six had no bathrooms and four had no drinking water facilities.
- In Raipur, there were no toilets and bathroom facilities in four out of 10 ashrams.

The Government accepted (September 2010) the audit observation during the exit conference and intimated that action for providing basic facilities in ashrams, hostels and schools would be taken up soon.

### 1.2.8.5 Eklavya model school

Non-completion of buildings even after delay of one year

With a view to providing quality education to SC and ST students, the Government decided (October 2006) to establish eight *Eklavya* residential model schools in the State.

Scrutiny of records of ACTD, Jagdalpur, Jashpur, Kanker and Raigarh districts revealed that funds amounting to ₹ 15.25 crore were provided to these ACTDs for construction of *Eklavya* residential school buildings under the scheme and these buildings were to be completed within 18 months as shown in *Appendix-1.7*. However, the buildings could not be completed despite incurring expenditure of ₹ 14.12 crore till date.

The Government, during the exit conference, intimated (September 2010) that the *Eklavya* model school building of Raigarh district had since been completed and inaugurated by the Hon'ble Chief Minister. The remaining works would be completed at the earliest possible.

## State Schemes

### 1.2.8.6 Pre-Matric Scholarships<sup>10</sup>

The objective of the scheme is to provide State scholarships to SC and ST students, who are studying in Classes III to X to continue their education. The norms for payment of scholarship for 10 months (June to March) are as under:

**Table-1.7 : Details of scholarships rate payable to students**

Class	Rate for 10 months (June to March)	
	Boys	Girls
Class- III to V	Nil	₹ 250
Class- VI to VIII	₹ 300	₹ 400
Class- IX to X	₹ 400	₹ 500

(Source: Guidelines issued by the State Government)

#### (a) Short payment of scholarships to ST students

Students deprived of pre-Matric scholarships

Scrutiny of the records of five test-checked districts revealed that, in ACTD, Jagdalpur as against the sanction of ₹ 6.90 crore for payment of scholarships to 2,05,799 ST students, scholarships amounting to ₹ 6.20 crore were distributed to 1,85,649 ST students. This led to short disbursement of scholarships of ₹ 70 lakh to 20,150 students during 2008-10.

On this being pointed out in audit, ACTD, Jagdalpur stated (July 2010) that due to lack of allotment of funds, the remaining students could not be covered and the demand for additional funds had been raised from the CTD. After receipt of the funds, the same would be paid to the students.

The Government stated (September 2010) at the exit conference that the reasons for short payment would be verified and intimated to Audit.

<sup>10</sup> Also known as State Scholarship.

**(b) Non-obtaining of signatures of students on bank scrolls**

As per the instructions (June 2003) of CTD, signatures of students were to be obtained on bank scrolls in support of payment of scholarships to them.

**Distribution of ₹ 3.46 lakh without obtaining signatures of students**

During scrutiny of paid vouchers of scholarships received from the Principal, Government Higher Secondary School, Adaval under BEO, Jagdalpur, it was noticed that though scholarships amounting to ₹ 3.46 lakh were paid to the students during 2008-10, signatures of the students were not obtained on the bank scrolls. Thus, in the absence of the signatures of the students on the bank scrolls, it could not be ascertained whether the scholarship amounts were actually paid to them.

On this being pointed out, the BEO, Jagdalpur stated (July 2010) that the factual position would be investigated.

While accepting (September 2010) the audit observation at the exit conference, the Government stated that the reasons would be investigated and intimated to Audit.

**1.2.8.7 Kanya Saksharta Protsahan Yojana**

*The Kanya Saksharta Protsahan Yojana*, a State Government scheme, aims to encourage Class V passed SC and ST girl students to continue their studies in Class VI. Under the scheme, scholarships amounting to ₹ 500 are given to each SC and ST girl student at the beginning of the academic session as a one time incentive.

**An amount of ₹ 72.72 lakh was paid after 20 months to 14,543 ST girls**

During scrutiny of the records of five test-checked districts, it was noticed that in ACTDs, Jagdalpur, Jashpur and Raigarh, 14,543<sup>11</sup> ST girls were found enrolled in Class VI in 2008-09 but payment of scholarships amounting to ₹ 72.72 lakh was made in 2009-10 after a delay of one and half years as shown in *Appendix-1.8*.

On this being pointed out, ACTDs, Jagdalpur, Jashpur and Raigarh districts replied that due to non-receipt of allotment of funds from CTD in 2008-09, payments were made to the ST girl students in March 2010 i.e. after a delay of 20 months.

The Government intimated (September 2010) at the exit conference that funds under Special Central Assistance (SCA) were not made available by GOI in time. Hence, there was a delay in payment of the scholarships. Now the State Government was providing the scholarships out of the State fund.

**1.2.8.8 Saraswati Cycle Yojana**

The *Saraswati Cycle Yojana* is a State Government scheme under which cycles are to be distributed free of cost to all SC and ST girl students who take admission in Class IX, to encourage them to continue their education. These

<sup>11</sup> Jagdalpur- 4753, Jashpur - 4790, and Raigarh - 5000 students.

cycles are to be distributed to SC and ST girls students at the beginning of the academic session.

**(a) Short-distribution of cycles to SC and ST girl students**

**Cycles to 4,611 girl students were not distributed in 2007-08**

Out of the five test-checked districts, it was noticed that in ACTD, Jagdalpur, 7,461 SC and ST girl students were studying in Class IX during 2007-08. As against this, cycles were distributed only to 2,850 SC and ST girls. Thus, 4,611(62 per cent) girls were deprived of the benefits of the scheme in the academic session 2007-08.

On this being pointed out in audit, the ACTD replied that all the cycles received from the CTD had been distributed. This implies that the CTD had issued lesser number of cycles than required.

The Government intimated (September 2010) at the exit conference that 2,850 cycles were issued to ACTD Jagdalpur for distribution to eligible girls students.

The reply is not acceptable as the cycles should have been distributed to all the 7,461 SC and ST girl students studying in class IX.

**(b) Inordinate delay in distribution of cycles to SC and ST girl students**

Scrutiny of records of the CTD revealed that in the financial years 2008-09 and 2009-10, distribution of cycles was made only after the end of the academic session due to delayed allotment of funds.

**Cycles to SC and ST girls not distributed during the academic session**

The CTD had released funds between January and February 2009 to all the ACTDs for free distribution of cycles for the year 2008-09. The ACTDs in turn issued cheques in the last week of February 2009 to Principals/ Head-masters and they, in turn, made payments to cycle vendors in April and May 2009 on the basis of receipts of cycles provided by the girl students from the vendors.

Similarly, in 2009-10, the CTD made allotment of funds for purchase of cycles in February 2010 to all ACTDs, who in turn, placed orders to cycle manufacturers in the last week of February 2010 at Chhattisgarh State Industrial Development Corporation (CSIDC) rates, with a condition to supply the cycles within 45 days. Accordingly, supplies were received in the last week of April 2010 and the work of distribution of cycles was still going on (September 2010). Thus, in both the years, the distribution of cycles was made after the end of the academic session instead of at the beginning.

The Government, while accepting (September 2010) the audit observation at the exit conference, stated that there was a problem in finalization of the tender during 2008-09 due to which cycles were distributed in the next session. The latest position would be intimated to Audit in due course.

The issue of allotment of funds in February shows lack of commitment on the part of the department to implement the schemes as per the guidelines.

### 1.2.8.9 Free text books to girls studying in high schools

To enhance the literacy rate of girls, the State Government launched a scheme in 2005 for free distribution of text books to all girl students of Class IX and X who were studying in the schools run by the department. Rule-9 of the Chhattisgarh Finance Code provided that assessment of actual requirement was to be ascertained before purchase of any article.

**Excess purchase of text books to the tune of ₹ 1.50 crore**

During the scrutiny of records of CTD, it was noticed that the total enrolment of girl students of Class IX and X was 2,12,219 in these schools, for which the requirement of text books was 15,51,581 during 2007-08 and 2009-10. As against this, the department purchased 20,37,355 text books from the Chhattisgarh Pathya Pustak Nigam, which resulted in excess purchase of 4,85,774 text books valuing ₹ 1.50 crore (*Appendix-1.9*).

Thus, purchase and distribution of text books in excess of requirement led to avoidable expenditure of ₹ 1.50 crore.

The Government accepted (September 2010) the audit observation in the exit conference and intimated that instructions had since been issued to CTD to utilise the available books. It was further assured that realistic assessment of the requirement of text books would be made in future.

### 1.2.8.10 Free Uniforms

**Avoidable expenditure of ₹ 24.21 lakh due to change of colour of uniform**

To encourage SC and ST girl students of Class I to V to come to school, free school uniforms were being distributed by the State Government under the State scheme for free uniforms. The scheme was extended to specially backward tribe boys and girls of Classes I to VIII from the year 2006-07. From the academic session 2010-11, the CTD changed (February 2010) the colour of the uniform shirts from white to blue.

During scrutiny of records of the five test-checked districts, it was noticed that in ACTDs, Jashpur and Raipur 34,103 shirts which were lying in stock (16,056 of BEO, Gariyaband and 18,047 of ACTD, Jashpur) became obsolete due to change in the colour of the shirts.

On this being pointed out in audit ACTD, Jashpur stated (June 2010) that these shirts would be distributed in other welfare schemes. However BEO, Gariaband intimated that obsolete shirts were lying in stock.

Thus, the decision of the department to change the colour of the uniform without ascertaining the available stock led to avoidable expenditure of ₹ 24.21 lakh.

The Government accepted (September 2010) the audit observation in the exit conference and intimated that the balance stock of old uniforms in Jashpur and Raipur districts had since been distributed to the students.

The reply is not acceptable as the proof of distribution of the uniforms was not produced to Audit.



### 1.2.8.11 *Jawahar Utkarsh Yojana*

As per the guidelines of the *Jawahar Utkarsh Yojana* (JUY), high quality of education should be imparted through reputed private educational institutions to meritorious SC and ST students to make them competent to face the competition. The scheme is being implemented in all the 18 districts of the State. Under this scheme, the beneficiary students were required to ensure that their marks did not fall below 75 *per cent* in Class VIII and X from the academic session 2009-10, otherwise they would lose the benefits and fresh candidates would be selected in their place.

Fees of  
₹46.17 lakh  
paid to  
ineligible  
students

During scrutiny of records of CTD related to JUY, it was noticed that 297 students were admitted in 28 reputed private schools in 12 districts under the scheme but of these, 72<sup>12</sup> students failed to secure the prescribed percentage of marks. Thus, expenditure of ₹ 46.17 lakh incurred on payment of fees of these students was irregular.

On this being pointed out, the CTD replied that the results of Class VIII and X had not been declared when the selection committee meeting was held.

The Government informed (September 2010) at the exit conference that revised reply would be given to Audit for consideration. Secretary, SC and ST Department further informed that with a view to ensure extension of the benefits to the needy meritorious SC and ST students and also to increase their standard of education, various steps were being taken by the department.

### 1.2.8.12 *Pre-examination training centre*

Wasteful  
expenditure of  
₹92.87 lakh on  
training of SC  
and ST  
students

To motivate and bring out the talents and calibre of SC and ST students and to make them fit for getting into Class-I services, the State Government decided to train selected (selection of students for training was done through screening tests by the department) aspirants of Union Public Service Commission (UPSC) and Chhattisgarh Public Service Commission (CGPSC), through reputed private institutions and provides hostel facilities and stipend. For this purpose, Government launched the *Yuva Career Nirman Yojana* (YCNRY) in 2006. Under this scheme, 431 (Raipur-214, Bilaspur-103 and Jagdalpur-114) candidates were trained during 2007-08 to 2009-10 and an expenditure of ₹92.87 lakh was incurred.

During the scrutiny of records of CTD, it was noticed that only 12 out of 431 candidates (nearly three *per cent*) got selected for UPSC and CGPSC examination. Out of the remaining, some of the candidates were selected as *Sikshakarmi* and for other clerical level posts. This raised doubts not only on the quality of training but also on the selection of the candidates for training. Though the Government had viewed it seriously (in monitoring committee meeting held in July 2008) no action had been taken so far to improve the situation.

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<sup>12</sup> Durg - 11, Jagdalpur - 5, Kabirdham-5, Korba- 1, Rajnandgaon - 27 Raigarh - 1 Raipur-18.and Sarguja-4,

During the discussion held on 24 September 2010, the Secretary, while accepting the audit observation, informed that the scheme was being modified and expanded to cover other courses also.

### **1.2.8.13 Grant-in-aid to voluntary organization**

Non-Government Organizations (NGO) were also engaged by the Government for promotion of education for SC and ST children in the State and financial assistance was extended to these NGOs for construction of hostels as well as for running of schools.

#### **(a) Excess payments to NGOs**

As per the terms and conditions of Rule 4 of part II of Grant-in-aid Rules 2006, the Government would pay the full amount of expenditure on pay and allowances and scholarships for students. For all other expenditure, the Government would pay 90 *per cent* and the remaining 10 *per cent* would be contributed by the NGOs.

Excess  
payment of  
₹ 20.63 lakh  
to NGOs

Test check of records of ACTDs, Raigarh and Raipur revealed that, for providing education for SC and ST students, a grant amounting to ₹ 7.49 crore was sanctioned and paid to NGOs by the department during 2005-10. Out of this, ₹ 5.42 crore pertained to pay and allowances and the balance amount of ₹ 2.06 crore was incurred on other items. Since the NGO was entitled for payment of ₹ 1.85 crore (90 *per cent* of the expenditure incurred on other items) only, the actual payment of ₹ 1.85 crore made to NGOs resulted in excess payment of ₹ 20.63 lakh (*Appendix-1.10*).

On this being pointed out, ACTD, Raipur replied (April 2010) that the Government had issued orders for full payment.

The Government intimated (September 2010) in the exit conference that the matter would be investigated.

#### **(b) Non-completion of hostel and residential buildings by NGO**

As per Rule 2 of part III of the Grant-in-aid Rules 2006, grant for construction of residential and non-residential schools for SC and ST students, was to be provided to the NGO.

Fifteen  
buildings  
remained  
incomplete  
even after  
expenditure  
of  
₹ 1.12 crore  
was incurred

During scrutiny of records of five ACTDs, it was noticed that in ACTD, Jashpur, a non-recurring grant amounting to ₹ 1.71 crore was sanctioned (between September 1997 and February 2010) to an NGO '*Sanatan Sant Samaj Gahira*' for construction of 80-seater primary school hostels, 110-seater middle school hostels, 150-seater post-Matric hostels and 12 residential buildings for Superintendents and Group-D employees by the department. The amount was released in six instalments. As per the terms and conditions of release of the funds, the status of work was to be submitted by the NGO to the State Government.

Despite the lapse of 12 years and after incurring expenditure of ₹ 1.12 crore, the construction works of these hostels and residential buildings remained incomplete.

On this being pointed out in Audit, the ACTD, Jashpur replied (July 2010) that construction works amounting to ₹ 1.12 crore had been completed and the balance works are in progress. The delay in construction works was mainly attributed to receipt of funds in instalments from the Government. However, students were being accommodated in other buildings.

The Government intimated (September 2010) at the exit conference that remaining funds had since been released to the NGO with instructions to complete the works early.

### 1.2.9 Other points

#### 1.2.9.1 Water Coolers

Water coolers  
and purifiers  
costing  
₹ 10 lakh lying  
idle

The CTD allotted ₹ 10 lakh to ACTD, Jashpur in December 2008 for purchasing water coolers and purifiers for 20 girls hostels/ashrams. During scrutiny of records, the following observations were made:

- ACTD, Jashpur issued (January 2009) an order for supply of 20 water coolers at a total cost of ₹ 7.88 lakh. The water coolers were distributed to all the girls hostels/ashrams in May 2009. It was observed during physical verification that in four hostels<sup>13</sup>, water coolers were not installed and were lying idle.

On this being pointed out, ACTD replied that the water coolers would be installed during the next academic session.

- Similarly, funds were also received for purchase of water purifiers for supply of pure drinking water to hostellers in December 2008. However, the purchases were made only in February 2010 i.e. after 20 months and were not distributed to hostels/ashrams as of June 2010. On this being pointed out, the ACTD replied that due to non fulfilment of tender conditions by the supplier, tender had been cancelled and retendering was done in January 2010. The materials were supplied by the supplier in May 2010 and the same would be distributed in July 2010.

The Government, while accepting (September 2010) the audit observation in the exit conference, stated that immediate steps would be taken to make the water coolers functional.

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<sup>13</sup> 1) Government Girls Ashram, Somda (Manora), Jashpur, 2) Pre-Matric Girls SC Hostel, Jashpur, 3) Pre-Matric girls ST Hostel, Jashpur and 4) Pre-Matric ST girls Ashram, Manora.

### 1.2.9.2 Computers

Computers  
lying idle

Ten sets of computers were distributed to 10 Higher Secondary schools of each districts for development of the knowledge of computer education to the students under the Information and Communication Technology in the Schools Scheme.

- During physical verification in Government Higher Secondary Schools (Girls), Jashpur and Manora, it was found that 15 computers were not installed and were still lying in cartons. Two computers were being used for office work and one computer was given to ACTD for office work. On this being pointed out, the Principals stated that due to lack of infrastructure and electricity, the computers could not be installed.
- In Government higher secondary school, Dharpura (Jagdalpur), four computers were issued to the District Election Officer in October 2008, which had not been returned as of August 2010.

Thus, due to keeping computers either idle or allotting to other offices, SC and ST students were deprived of computer education.

The Government while accepting (September 2010) the audit observation in the exit conference stated that immediate steps would be taken to make the computers functional. It was further stated that latest position would be enquired and intimated to Audit.

### 1.2.10 Manpower Management

In order to ensure effective implementation of the various schemes for promotion of education of SCs and STs and also to increase the educational indicators, manpower management including deployment of teaching faculties is very essential.

However, deficiencies noticed during audit in the deployment of teachers are discussed in the subsequent paragraphs.

#### 1.2.10.1 Shortage of teaching staff in schools

Huge shortage  
of teaching  
staff

Test check of records of the CTD revealed that the sanctioned strength and vacancies in educational institutions of the department were as detailed in **Table-1.8.**

**Table-1.8: Details of sanctioned strength, person in position and vacancy as on March 2010**

Name of schools	Number of schools	Category of posts	Number of posts sanctioned	Person-in-position	Vacant	Percentage of Vacancy
Primary school	16941	Head Master	16941	7661	9280	55
		Asst. Teachers	37719	23962	13757	36
Middle school	6202	Head Master	6202	4145	2057	33
		Teacher	25895	17483	8412	32
High schools	422	Principal	450	367	83	18
Higher Secondary school	625	Principal	604	168	436	72
		Principal Class-I	9	4	5	56
High schools/ Higher Secondary school	1047	Lecturer	12594	7229	5365	43

(Source: Compiled from information furnished by CTD)

From the above, it would be seen that the vacancies of teaching staff in primary, middle as well as high and higher secondary schools ranged between 32 and 43 per cent.

The large vacancies in the posts of Principals, Lecturers, Head Masters and Teachers in the schools adversely affected the quality of education imparted to the SC and ST students and also revealed improper manpower management by the department.

The Government accepted (September 2010) the audit observation in the exit conference and intimated that the recruitment of teachers was in progress. The Government further stated that the posts of lecturers were vacant due to non-availability of candidates in Science and English streams.

#### 1.2.10.2 Deployment of teachers in schools

Student-teacher norms notified by the State Government were as under:

**Table-1.9: Norms for student teacher ratio**

Sl. No.	Name of school	Name of post
1	Primary School (Class 1 to 5) one teacher for every 40 pupils. If number. of students exceeds 80, one additional teacher should be posted.	One Headmaster Two Assistant Teachers (Shiksha Karmi-Grade 3)
2	Upper Primary School (Class 6 to 8) If number of students exceeds 35 one additional teacher should be posted.	One Head Master Four Teachers (Shiksha Karmi-Grade 2)

(Source: Guidelines issued by State Government)

**Deficient  
manpower  
management**

Test check of records of five BEOs revealed that there was improper and unjustified deployment of teachers in the schools as follows:

- Seven schools<sup>14</sup> with students ranging between four to 62 were running without teachers and were managed by the teachers of nearby schools.
- 27 schools<sup>15</sup> were run by a single teacher, though the number of students in these schools ranged between 54 and 227.
- In two middle schools<sup>16</sup> of Gariyaband block, three teachers were found to be posted despite non-enrolment of any student.
- In 36 schools<sup>17</sup>, eight Head Masters and 31 Assistant Teachers were posted in excess of the sanctioned strength though the enrolment in these schools ranged between 11 and 115.

The Government stated (September 2010) in the exit conference that the matter would be investigated and intimated to Audit

The above indicates lack of proper manpower planning in the department.

### 1.2.11 Impact of implementation of schemes

The Tribal Development department is entrusted to oversee the primary and upper primary education system of SC and ST children in the State. To prevent the dropout of enrolled children and to increase the enrolment of SC and ST children, GOI as well as State Government introduced various incentive schemes viz. pre-Matric scholarships, post-Matric scholarships, construction of hostels and ashrams, free text books, free uniforms, etc. for the SC and ST students. However, various shortcomings were noticed in promoting the education of SC and ST students as discussed below:-

#### 1.2.11.1 Access of children to primary and upper primary education

It was observed from the analysis of enrolment data of SC and ST students vis-à-vis number of schools of CTD that though the number of primary and middle schools increased from 13,442 to 16,941 and 2,590 to 6,202 respectively during the year 2005-10, the enrolment of SC and ST children in the schools run by the Tribal Development Department did not increase proportionately. The numbers of SC and ST students enrolled in Class I to Class VIII during 2005-10 was detailed below:

**Enrolment of children in primary level declined by 12 per cent**

<sup>14</sup> Gariyaband block (Raipur)-1, Jagdalpur block-4 and Kanker block-2.

<sup>15</sup> Bastar block-4, Bhanupratpur block-1, Gariyaband block-4 and Jagdalpur block-18.

<sup>16</sup> Nagrnar and Ood middle school.

<sup>17</sup> Bastar block-14, Gariyaband block-4, Jagdalpur block-1, and Kanker block-17.

**Table-1.10: Details of enrolment of SC and ST students in primary and upper primary schools.**

Class	Total number of SC and ST students enrolled in Tribal Department Institution with percentage (Base year as 2005-06)								
	2005-06	2006-07		2007-08		2008-09		2009-10	
		No. of students	Per-centage	No. of students	Per-centage	No. of students	Per-centage	No. of students	Per-centage
1	207228	181075	87	197179	95	147246	71	145967	70
2	157735	151547	96	169590	108	131161	83	134743	85
3	134166	126951	95	145198	108	123546	92	129533	97
4	122350	107813	88	121681	99	99062	81	118738	97
5	94231	88641	94	99917	106	80498	85	98224	104
<b>Total</b>	<b>715710</b>	<b>656027</b>	<b>92</b>	<b>733565</b>	<b>102</b>	<b>581513</b>	<b>81</b>	<b>627205</b>	<b>88</b>
6	86010	78152	91	92403	107	83587	97	92992	108
7	73675	66986	91	72275	98	62662	85	79198	107
8	68936	63428	92	69422	101	61049	89	74873	109
<b>Total</b>	<b>228621</b>	<b>208566</b>	<b>91</b>	<b>234100</b>	<b>102</b>	<b>207298</b>	<b>91</b>	<b>247063</b>	<b>108</b>

(Source: Compiled from information furnished by CTD)

The above table showed that the percentage enrolment of SC and ST children in the case of the primary level declined by 12 *per cent* and the enrolment in the case of SC and ST students in the upper primary level increased by eight *per cent* in the year 2009-10 as compared to 2005-06.

The Government intimated (September 2010) in the exit conference that the reason of the declining trend of enrolment of SC and ST children in primary schools was mainly the migration of children to nearby SSA Schools.

#### **1.2.11.2 Dropout rate of primary school students**

As per the guidelines of GOI, one of the major objectives of the various schemes implemented for promotion of education for SC and ST students by the department is to reduce the dropout rate to less than 10 *per cent*.

Analysis of enrolment data of primary and middle level revealed that the dropout rate of SC and ST students in primary schools of 13 districts ranged between 21 and 66 *per cent* during 2005-10, except in Durg district. The dropout rate in three<sup>18</sup> out of the five test-checked districts ranged between 41 and 66 *per cent* as against the norms (**Appendix-1.11**).

Thus, the high dropout rate at the primary level except in Durg district indicated low retention of SC and ST students in schools and efforts of the department to prevent the dropping out of SC and ST children from primary school was not effective.

<sup>18</sup> Jagdalpur, Jashpur and Kanker.

The Government intimated (September 2010) at the exit conference that the reason for the decline in the number of SC and ST children in primary schools was mainly the migration of children to nearby SSA Schools.

### 1.2.11.3 Poor transition rate

Poor transition rate at all levels

The transition rate of SC and ST boys and girls in the tribal educational institutions from primary to upper primary level, upper primary to high school and high school to higher secondary levels as worked out by Audit, was unsatisfactory and had a declining trend during 2005-06 to 2009-10 as detailed in *Appendix-1.12*.

It is revealed from the data that the number of children who passed out from primary, upper primary and high schools could not continue their education further as the percentage of enrolment from primary to upper primary, upper primary to high school and high school to higher secondary school decreased during the year 2006-07 and 2008-09. Though the transition rate showed a slight improvement in 2007-08 and 2009-10, the same needed further improvement.

Thus, the department failed to motivate SC and ST students, particularly girls, for continuation in further classes and the efforts of the State Government to improve educational indicators were inadequate.

The Government accepted (September 2010) the audit observation in the exit conference and stated that the matter would be reviewed and appropriate action would be taken to improve the transition rate.

### 1.2.11.4 Promotion of SC and ST girls education

Dropout rate of SC and ST girls was 52 per cent in primary and 19 to 26 per cent in the upper primary level

Scrutiny of the girl students' enrolment database of CTD revealed that despite providing various kinds of incentives and facilities to SC and ST girl students for increasing their literacy rate in the State, these schemes failed to achieve the desired objectives as the dropout rate of SC and ST girl students was 52<sup>19</sup> per cent at the primary level and between 19 and 26<sup>20</sup> per cent at the upper primary level (*Appendix-1.13*).

Despite implementing various schemes for SC and ST girl students, the low transition rate and high dropout rate in the schools indicated that remedial measures were not taken by the department to increase the transition rate and reduce the dropout rate in respect of SC and ST girl students.

The Government intimated (September 2010) at the exit conference that the reason for the high dropout rate in primary and upper primary schools of SC and ST girls was mainly migration of girls to nearby SSA Schools.

<sup>19</sup> Retention Rate (RR) =  $(48557 * 100) / 101549 = 48$ ,  $100-48=52$ .

<sup>20</sup> RR =  $(31850*100)/39124=81$ ,  $100-81=19$ , RR =  $28695*100/35940 = 80$ ,  $100-80=20$ , RR =  $31830*100/43181= 74$ ,  $100-74 =26$ .



### **1.2.12 Internal audit system**

It was seen during audit that no separate Internal Audit Wing was set up in CTD and no audit of field offices were conducted since the beginning. On this being pointed out, the CTD stated (July 2010) that an audit wing would be established in future for conducting internal audit.

The Government informed (September 2010) at the exit conference that internal audit wing had since been set up in CTD and had also started functioning.

### **1.2.13 Monitoring and evaluation**

Commissioner, Tribal Development, Madhya Pradesh issued (1991) instructions that district officers should submit Monthly Progress Reports (MPR) to CTD, who in turn would submit progress reports to the Government. The procedure was also adopted by CTD, Chhattisgarh.

In the test-checked districts, it was noticed that MPRs were sent to CTD on annual basis on demand rather than on a monthly basis. Except for releasing scholarships to schools on demand for payment, the effectiveness of implementation of the schemes was not monitored at any level.

Further, no evaluation of any of the schemes was conducted either by the department or by any independent agency so far.

The Government stated (September 2010) at the exit conference that a Management Information System (MIS) had been established in the CTD to streamline the progress of schemes in near future.

### **1.2.14 Conclusion**

The department had not identified the total number of SC and ST children in the age group of six to 14 years in the State and did not maintain any database to monitor their coverage. The implementation of the schemes for promotion of education for SC and ST students suffered in the State mainly due to under-utilisation of budget grants. Disbursement of scholarships was delayed or not made at all. Huge funds were locked up with executive agencies. Construction of hostels, ashrams and *Eklavya* buildings were delayed and basic facilities such as toilets, bathrooms and drinking water were lacking in some of them. Monitoring of the scheme was not sufficient and no evaluation of the schemes was conducted to assess their impact.

### **1.2.15 Recommendations**

- Identification of the total number of SC and ST children in the age group of six to 14 years should be carried out for proper planning and effective implementation of the schemes.
- Budget estimates should be prepared on a realistic basis after assessing the targeted SC and ST students.

- Adherence to the prescribed procedure for disbursement of scholarships should be ensured.
- All schemes for promotion of education of SCs and STs should be widely publicised for generating awareness among the targeted beneficiaries.
- A comprehensive plan for infrastructure development should be drawn up for timely completion of the construction of hostels, ashrams and *Eklavya* buildings. Steps should also be taken to improve the quality of basic amenities in the hostels, ashrams and schools.
- The monitoring mechanism should be strengthened at CTD and district levels.
- An evaluation of the educational schemes should be done to assess the impact of the scheme.

## INFORMATION TECHNOLOGY DEPARTMENT

### 1.3 IT Audit on 'e-Procurement Project'

#### Highlights

The Government of Chhattisgarh introduced electronic procurement project for procuring works and services as a significant initiative to increase transparency, accountability, efficiency and economy in procurement using information technology (IT). The project was launched on 14 August 2007 using a Public Private Partnership (PPP) model and is presently used by nine departments and 4,657 tenders amounting ₹ 13,741.32 crore were called through e-Procurement. A review of the project revealed that though the State Government made significant achievements in addressing some of the problem associated with the bidding process with the implementation of the project, the overall project objectives however remained unachieved due to non-implementation of the associated modules. There were few management information system (MIS) reports being generated from the system to assist efficient procurement and in showcasing transparency in vendor selection. Even the e-tendering module was partially implemented with important details like the winning bidder, cancellation of tenders etc. not being recorded in the system. There were significant shortcomings in the procedures followed for authenticating the electronic bids using digital signatures and in ensuring secured processing of the bids. Even after three years of use of the application, the system was only undergoing testing, acceptance and security certification and so far no mid term review conducted by the department to assess the efficacy of the system and also to identify the bottlenecks.

Main points are given below:

In the absence of system requirement specification, audit could not ascertain the availability of all tables, their location and utility in the application for which these were provided.

*(Paragraph 1.3.7)*

The system was rolled out before formal completion of Pilot phase and prior to Testing, Acceptance & certification.

*(Paragraphs 1.3.8 and 1.3.9)*

Use of same digital signature certificate (DSC) by multiple users and participation in the tendering process even after expiry of its validity defeated its very purpose of secured online bidding.

*(Paragraph 1.3.10)*

Performance of multiple jobs by single user due to non-segregation of duties rendered the system to high risk and non-accountability.

*(Paragraph 1.3.10)*

**e-Procurement modules were not fully operationalised leading to partial achievement of intended objectives.**

*(Paragraph 1.3.11)*

**Non-availability of Department's Payment Gateway in the system led to unauthorized retention of Government money by the Application Service Provider (ASP)**

*(Paragraph 1.3.12)*

**Application failed to ensure the desired level of transparency due to absence of adequate MIS and complete details of tender activity.**

*(Paragraph 1.3.13 and 1.3.14.1)*

**Price bids of 603 out of 2578 tenders were processed even after mismatch of hash value thereby questioning the system built security measures.**

*(Paragraph 1.3.20.2)*

### **1.3.1 Introduction**

The e-Procurement project in Chhattisgarh is managed by the Chhattisgarh Infotech and Biotech Promotion Society (CHiPS), a registered society promoted by the State Government and a nodal agency for implementation of IT Plans in the State. The Chief Minister heads the Governing Council of CHiPS. The project was conceptualized with the help of the National Institute for Smart Government (NISG), which was appointed as a consultant for system study leading to preparation of the request for proposal (RFP) for the e-Procurement. The RFP envisaged the implementation on a PPP model adopting build-own-operate (BOO) with no upfront financial burden on the State. The vendor was to be paid an agreed upon transaction charge for the bids being processed by the system. The project aimed at increasing the efficiency and transparency in procurement by implementing an end-to-end e-Procurement solution across all the Government departments/agencies/boards in a phased manner.

Based on open bidding for this project, a master services agreement (MSA) was signed on 19 December 2006 between CHiPS and the winning bidder, M/s Wipro Ltd. in consortium with M/s NexTenders India Pvt. Ltd., who had been selected as the private partner for the implementation of e-Procurement project in the State of Chhattisgarh.

The e-Procurement project was officially launched on 14 August 2007 and the project began with four<sup>1</sup> department w.e.f. 5 December 2007. As on the date

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<sup>1</sup> Public Works Department, Public Health & Family Welfare Department and Public Health Engineering Department and Water Resource Department.

of review, e-Procurement project had been implemented in nine<sup>2</sup> departments where all tenders above ₹ 20 lakh were processed through the e-procurement system.

### 1.3.2 Project Management Organization

The project was governed by an empowered committee headed by the Chief Secretary, which had the authority to take decisions required for implementing the e-Procurement initiatives. The empowered committee had 13 members. The CHiPS was the nodal agency to manage the implementation effort. At the departmental level, a nodal officer was identified in each of the four<sup>3</sup> pilot departments who were to coordinate the implementation effort.

### 1.3.3 Salient Features of e-Procurement Project

The e-Procurement application comprises of the following modules:

**Centralised Supplier Registration:** This module deals with registering the vendors for participating in the e-Procurement process. Each contractor has to initially register with the e-Procurement system centrally. To transact, he then needs to obtain a digital signature certificate (DSC) from a certified authority and use it at the time of bidding. This module has been implemented.

**Indent Management:** The flow of documents during the course of preparing a tender is handled by the workflow automation module. The process starts from demand aggregation of goods for procurement, making a plan for works and ends with the calculation of final probable amount of contract (PAC). The objective of using this module was to reduce the time taken in movement of documents leading to issue of tender, monitor the process to identify clog areas and taking remedial action.

**e-Tendering:** The indent management process is followed by the e-Tendering process. The e-Tendering process involves the preparation of bid invitation notice and tender documents for the e-Tendering process, receipt of bid from contractors, evaluation of the received bids and award of tender. The system publishes the detailed Notice Inviting Tender (NIT) and the tender document directly on the e-Procurement website and sends electronic alerts in the form of e-mail to the relevant registered bidders. According to the tendering

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<sup>2</sup> Animal Husbandry & Dairy Department, Chhattisgarh State Industrial Development Corporation, Panchayat and Social Welfare Department, Public Works Department, Public Health and Family Welfare Department, Public Health Engineering Department, Urban Administration & Development Department and Panchayat & Rural Development Department and Water Resource Department.

<sup>3</sup> Chhattisgarh State Industrial Development Corporation, Public Health & Family Welfare Department, Public Works Department, and Water Resource Department,

schedule provided in NIT, the intending contractors prepare and submit the bids online. The final step in the competitive bidding exercise was to evaluate the bids submitted online by the bidders, and select the eligible contractor for awarding contract.

**Contract Management:** This module covers the processes involved in between issuance of work order and completion of the work with an objective of maintaining an overview of the works in progress, monitor and measure performance of the contractor. The module has features for processing of bills associated with the work already completed, approval of bills and making payment to the supplier by transferring funds from the Government's bank account to that of the suppliers account.

**e-Auction:** The auction module is a facility that allows suppliers to dynamically out-bid their competitors within a time-frame specified by a buying agency. The auction module was to have facilities for both buying (reverse auction) and selling (forward auction) of goods, works and services.

**Catalogue Management:** In the catalogue management module, the information about rate contracts negotiated by the Government is hosted in an online environment. End users in the Government use the negotiated rate contracts and directly place orders for goods and services with the supplier community. This module was not implemented.

**e-Payments:** The e-Payments functionality facilitates online transfer of funds both inflows and outflows happening during the course of public procurement activity covering transactions such as sale of tender documents, online transfer of Earnest Money Deposit (EMD), making payments to suppliers/contractors for purchase of goods and completion of works.

**Accounting:** The accounting functionality calculates payments to be made to contractors for completion of works and for purchase of goods.

#### 1.3.4 Objectives of the project

The Government of Chhattisgarh aimed at achieving the following objectives from the implementation of the project:

**Transparency:** Introduce the maximum extent of transparency in the public procurement by making the required information available on the Internet.

**Cost Savings through higher competition:** A result of wider publicity to Government procurement opportunities.

**Cost Savings through demand aggregation:** The ability to aggregate Government departments' demand to leverage buying power with the supply market.

**Reduced inventory costs:** Improved planning and management of inventory leading to lower levels of inventory.

**Internal arbitrage:** Ensuring consistency in goods and services costs at the best price across all Departments at item level.

**Consistent and sustainable bidder development:** Enabling pre-qualified vendors the opportunity to access to other Government departments.

**Transactional effectiveness:** Eliminating or automating non-value adding steps within the procurement to enable efficient and effective processes.

**Reduced Total cost of ownership:** Understanding the supply chain and life cycle costs in procurement to establish value adding supply relationships leading to reduced cost of doing business for both Government and industry.

**Effective tender processing:** Use of different types of e-Auctions to get better prices for Government of Chhattisgarh.

**Open platform:** Level playing field and fair competitive platform for the suppliers.

**Disposals:** Accessing a wider customer base when disposing of redundant assets.

**Smart governance:** Increased transparency, monitoring and control of procurement process.

### **1.3.5 Audit Objectives**

The IT Audit of e-Procurement platform had the following objectives:

- To review whether core objectives of the e-Procurement viz. increased transparency in the bidding process, streamlining of the process, and reduction in the cost of procurement have been achieved as envisaged;
- To analyse the data for completeness, integrity, reliability and accuracy;
- To evaluate the security controls built into the system; and
- To ascertain whether adequate backup procedures have been followed.

### **1.3.6 Audit Coverage, Scope and Methodology**

The flow of transactions during e-Procurement was analysed to identify the key stages, risks and controls. After identifying these key controls and studying the organizational structure, the operation of the system was reviewed in the offices of the CH/PS, Public Works Department (PWD), Water Resource Department (WRD) and Health Department in four<sup>4</sup> selected districts. An entry conference was held with the Secretary, Department of IT, Government of Chhattisgarh on 10 June 2010 and the exit conference was held on 15 September 2010.

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<sup>4</sup> Ambikapur, Bilaspur, Durg and Raipur.

The methodology of audit involved review of documents and computer operations in the selected offices including analysis of the electronic database (containing all transaction data from inception till 31 December 2009) provided by CHiPS. The information generated from the database dumps, including exception reports prepared by Audit were compared with the manual records in the office of the Engineer-in-Chief (E-in-C), Superintending Engineer (SE) in PWD and WRD and Directorate of Health Services (DHS) and Medical Education (DME).

### **Audit Observations**

#### **1.3.7 System Requirement Specification was not available**

The e-Procurement application was to run on PPP model. The application was developed by the private partner using MS SQL Server 2005 as the database software and APS, COM in VB and VC++ as the front end development tool. The System Requirement Specification (SRS) document, a key document for understanding and reviewing the application by auditors was not available with CHiPS. On the auditor's request, a copy of the database backup containing data upto 31 December 2009 was made available, but the SRS was not provided. The CHiPS stated that no SRS was to be done by the application service provider. In the absence of SRS, Audit could not ascertain the availability of all tables, their location and utility in the application for which they were provided.

The Government stated in the exit conference that the SRS was not a part of deliverable. In case of any exit by the ASP, the issues should be addressed by the executing agency CHiPS as per agreement.

#### **1.3.8 Implementation of Pilot phase and Roll-out phase**

The implementation of e-Procurement was to be done in two phase viz. pilot and roll-out. The pilot phase was to last for six-months, during which time the ASP was to deploy all the required modules on a test basis in four<sup>5</sup> departments and the offices identified by the State Government. The performance of the ASP was to be evaluated at the end of the pilot phase. Based on successful result of evaluation, the ASP was to roll-out the system across all the departments in the State. The roll-out phase as forecasted by the State Government was to last for five years in addition to six months allocated for the pilot phase.

During scrutiny of the record, it was noticed that even after completion of three years of launch of the project, no evaluation of the performance of the project was undertaken and the go-live date for extending the system to other departments was not formally decided by the State Government.

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<sup>5</sup> Chhattisgarh State Industrial Development Corporation, Public Health and Family Welfare Department, Public Works Department and Water Resource Department.



The Government while agreeing with the audit observations in the exit conference stated that since the project was running smoothly, they did not make any difference between pilot phase and roll-out phase and they extended the implementation of the project to other departments.

### **1.3.9 Testing, Acceptance & Certification was not completed**

As per the RFP, Project Director (CEO CHiPS) e-Procurement, would undertake an exercise of testing, acceptance and certification of e-procurement system through a third party, as soon as the ASP declares the e-Procurement system to be ready for the go-live. ASP would coordinate with e-Procurement, Project Director and the nominated agency for security audit.

During scrutiny of record it was found that the security audit of e-Procurement system was awarded to M/s Standard Testing and Quality Certification (STQC), Kolkata in July 2009 at a total cost of ₹ 34 lakh. Though the firm started the security audit but the same was not completed till the date of review. However, five<sup>6</sup> more departments were included in the e-Procurement project even before the completion of testing, acceptance and certification.

The Government intimated during the exit conference that the application had already been certified by STQC and many of the State and GOI departments are using it. The department however, stated that Software-Retesting through STQC is under process.

### **1.3.10 Segregation of duties were not made by the department**

The State Government had given duties and financial power to the officers working in a department. As per system design and work-flow each and every officials had different access level. User-id and DSC had been provided to the officials for different access level.

The e-Tendering module envisaged four distinct roles i.e. uploading of tender, release of tender, closing of bid and opening of bids. In addition, in each department, an additional role of key manager was defined.

During audit, it was observed that the duties and powers had not been performed by the officials as per the system design and in most of the cases, the work was handled by one or two individuals performing the different roles using different User IDs. Further, it was noticed that in SE, PWD Ambikapur, Bilaspur and in DHS and DME, Raipur, the project was operated by the contractual staff exposing a sensitive system to high risk and lack of accountability.

The Government accepted the audit observation and stated in the exit conference that the training is being provided to departmental officials.

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<sup>6</sup> Animal Husbandry & Dairy Department, Panchayat & Rural Development Department, Panchayat and Social Welfare Department, Public Health Engineering Department, and Urban Administration & Development Department

### **1.3.11 e-Procurement modules were not fully operational**

The project was launched in August 2007 with the aim of implementing a comprehensive and end-to-end e-Procurement solution across all the Government departments/agencies/boards in a phased manner. It was observed that even in the four departments selected for the pilot phase of implementation, all the modules were not put to use by the department. Consequently, the envisaged functionality of monitoring works under execution and evaluating contractor performance were not achieved. As on the date of review as against eight modules being available and planned for only two modules of the e-Procurement application was in use, viz. Supplier Registration and e-Tendering.

The Project Coordination Committee in their first meeting (February 2007) decided to implement all the modules between April 2007 to August 2007. Subsequently the date was revised and as per the revised time schedule all these modules were to be implemented between May 2007 and August 2007. In the seventh meeting of the Committee (August 2009), CEO CHiPS informed that all the modules were developed and adopted by the user departments. As against this, only two modules were being implemented and used by nine departments till the date of review. It was evident that due to lack of coordination between CHiPS and user departments, implementation of all modules as envisaged in the system could not be implemented.

On being pointed out in audit, user departments stated that the basic infrastructure/facilities like Computer, internet connection, Data Entry Operator and trained staff were not available at the offices where the modules were to be implemented. However, reasons for non-implementation of other modules were not intimated to audit.

Thus, due to non-implementation of all modules, the objective of improving transactional effectiveness, eliminating or automating non-value adding steps within the procurement to enable efficient and effective processes could not be achieved.

The Government while agreeing with audit observations in the exit conference stated that although all modules have not been implemented but all important and high impact modules have been implemented. Due to non availability of payment gateway last two areas of the application, contract management and payment to contractors comprising six modules could not be implemented. However, the same are now being implemented and also informed that ASP has already started customizations of the remaining modules and retraining of officials on these new modules.

### **1.3.12 Department's Payment Gateway was not operational**

The e-Payments functionality facilitates online transfer of funds, both inflows and outflows, happening during the course of public procurement activity. The online transfer could be done in multiple ways such as through Credit Cards, Purchasing Cards and Internet Banking applications. In the public

procurement context, implementation of e-Payments functionality was required for facilitating payment of transaction and related charges at the time of submission of bid, online transfer of EMD and making payments to suppliers/contractors for purchase of goods and completion of works. It was the responsibility of the ASP to integrate the e-Procurement system with the payment gateway specified by the Government, while complying with and implementing accounting, audit and security procedures as prescribed by the Government of Chhattisgarh. Further, as per Government Financial Rules, the receipts and dues of the Government are to be correctly and promptly assessed, collected and duly credited to the Consolidated Fund.

During scrutiny of records it was noticed that the transaction fees and other charges for e-Procurement project were received through payment gateway of ASP on their bank account. The collected amount was later transferred by ASP to CHiPS through demand draft and the transaction charges were paid to ASP against the submission of invoice. As per the records provided, it was found that an amount of ₹ 1.69 crore was collected up to 31 December 2009 through payment gateway of ASP and out of these an amount of ₹ 1.36 crore (up to March 2010) was transferred to CHiPS. The details of amount collected by ASP, transfer of receipts to CHiPS, submission of invoice and Payment to ASP is tabulated below:

Particulars	Year			Total (Amount in ₹)
	2007-08	2008-09	2009-10	
<b>Amount collected through Payment gateway</b>	2,48,556.00	77,25,380.00	89,59,557.00 (upto Dec.09)	<b>1,69,33,493</b>
<b>Amount Transferred to CHiPS by ASP</b>	Nil	23,61,402.04	1,12,56,608.35	<b>1,36,18,010.39</b>
<b>Invoice submitted by ASP</b>	Nil	18,77,240.00	43,76,840.03	<b>62,54,080.03</b>
<b>Payment made to ASP</b>	Nil	Nil	12,77,960.00	<b>12,77,960.00</b>

*(Source: Database and payment records of CHiPS)*

It was clear from the above table that the ASP had kept the Government money for a period of one year without remitting it to CHiPS and an amount of ₹ 33 lakh was still not transferred. The CHiPS had also not transferred the due amount to concerned department.

Thus the Government revenue was collected but not duly credited to the Consolidated Fund and the system had no provision for automatic reconciliation of unsuccessful or double payment made by system during receiving of payment through payment gateway and monthly transaction charges due to ASP.

The Government stated in the exit conference that the payment gateway has since been made operational and all required modification would be carried out.

### **1.3.13 MIS Report were not provided to department /stakeholder**

As per the RFP, online MIS reporting system should be an integrated system which should provide web-based reporting for points of access like e-Procurement organization, data center and departments. Following MIS reports were to be available on the system:

- Contractor-wise reports on bids participated, won, lost, etc.
- Monthly transaction charges
- Projects on track, delayed, completed, abandoned
- Contractor performance by class of registration, contract value, type of contract/project
- Trend analysis reports detailing the user behaviour patterns providing forward-looking predictions of user interests in e-Procurement portal
- Item wise, work wise, department wise vendor participation and location wise vendor participation

During audit it was noticed that none of the above listed reports were available in the MIS module. Further, the user departments were unable to generate the MIS report that had been provided in the system as on date, viz. Tender Information Report.

Thus, the objective of better monitoring in public procurement could not be achieved due to non-availability of MIS reports.

The Government accepted the audit observation and stated in the exit conference that MIS is provided by the system. However, more reports would be customised and made available in MIS module for effective use of the system.

### **1.3.14 Incomplete information about tender activity**

#### ***1.3.14.1 Award of tender was not recorded in system***

The e-Procurement project includes eight modules. Of these modules, only two modules, Supplier management and e-Tendering have been implemented. Under the e-Tendering module online invitation of NIT, bid submission, opening of tender and comparative statement were required to be generated through system and the award of tender should be posted in the system.

During analysis of the system, it was found that the final award of work was not posted online. Total 4,657 tenders (as on 22 June 2010) were invited from the system from nine different departments but the system could not generate any reports as to whom the work was awarded due to non-posting of complete information on the system. This seriously affected the transparency objective of the e-Procurement as information regarding award of contract and the relative evaluation of bids were not available for view either by the participating bidders or by general public.

**1.3.14.2 Cancellation of tender was not marked in the system**

The system has provision to mark cancellation of tenders at different stage of tender processing.

During analysis of system it was noticed that though the field was provided for cancellation of the tender in the system but user departments were not recording the same. The system had also not properly provided or customized to capture valid reason for cancellation of tender with authority name and date of cancel order.

**1.3.14.3 Linking of re-invitation of tender not available in application**

The tendering process called for bids online on the tenders floated. Some tenders were cancelled by the department due to higher rate, single bid received, on technical ground and other reasons. In such cases, the department cancelled the tender and re-invited bids against a fresh tender notice. It is also mentioned in RFP that if re-tendering is done, the ASP will not re-charge the bidders who responded to the earlier tendering activity. Only new bidders participating in the tender would be charged.

During scrutiny of tender register maintained manually it was noticed that many tenders were re-invited for second call after first call. Further it was observed that the first call of such tenders had not been marked cancelled in the system. The linking of re-invited tender was not available in the application. Therefore the transaction charges collected accordingly which was against the provision of RFP.

The Government agreed with the audit observation and stated in the exit conference that the training has been provided to users of the application and instructions have also been issued to all the departments to ensure the same.

**1.3.15 Mid-term review of the project was not conducted**

The project was to be rolled out across all the Government departments/agencies/boards within five years. During audit it was observed that even after lapse of three years the project was implemented in nine departments and two out of eight modules could only be implemented.

So far no mid-term review of the project was undertaken to analyse the reasons for non-implementation of modules and decide upon the feasibility of implementing all the modules.

The Government agreed to the audit observation in the exit conference that no formal mid-term review of the project conducted. However, the performance of the project was monitored by the empowered committee and Task Force Committee under the Chairmanship of Principal Secretary from time to time.

### **1.3.16 Non-supply of 200 Desktops by ASP**

As per the RFP and the terms of payment, the ASP would provide 200 Desktops (PC) for implementation of the e-Procurement system. The computers were to be maintained by the partner for the full contract period (pilot and roll-out phase). Of the 200 computers, the first 100 PCs were to be deployed during the first year of implementation (August 2007) and the remaining in the second year.

During scrutiny of record (May 2010), it was found that the 200 PCs were not provided by the ASP till date. In reply CHiPS stated (June 2010) that the issue had been taken up with the ASP and the firm has assured to supply and install the same soon.

The Government stated in exit conference that 20 Desktop has since been provided by the ASP and intimated that the ASP has assured to supply the remaining Desktops in a phased manner.

### **1.3.17 Incomplete Master Data**

#### ***1.3.17.1 Schedule of Rates (SOR) master was not completed***

The application had a provision of SOR master data entry for making of indent and floating of tender. For inviting tender the information regarding item-id, item description, quantity executed, rate, total amount etc. were required to be entered directly in the system.

During the system review, it was noticed that during up-loading of NIT, the SOR master was not used and the individual items were entered manually. This not only led to delay in uploading of tender but also increased the possibility of making mistakes in direct data entry on these fields.

#### ***1.3.17.2 Item code was not systematically entered***

For creating indent for particular item, the item needs to be present in the item master. The Items are to be recorded in the Item master with unique item codes.

The analysis of database in audit revealed that for same item more than one code was allotted in the system. Further, there was neither any hierarchy nor classification for items. The system did not provide for a common item master across the departments and each department was maintaining its own item master. Due to multiple codifications it was difficult to generate meaningful MIS relating to item level procurement thereby defeating one of the project objectives.

The Government stated in the exit conference that training is being provided for feeding SOR and item code.

### **1.3.18 Inadequate training to the departmental officials**

As per the RFP, the private partner was to train Governmental end users on the e-Procurement system. The training should be provided in classroom context with hands-on experience and as downloadable e-learning lessons. The duration of training for department users and contractors was for a period of two weeks prior to go-live.

During audit it was observed that training was provided to 628<sup>7</sup> departmental officials and 114 contractors for e-Tendering and supplier registration module. Further no training was provided to departmental officials on uses of other modules viz. indent management, contract management and catalogue management modules etc.

The Government stated in the exit conference that the re-training is being provided to the user departments on the application.

### **1.3.19 Non-deployment of staff for e-Procurement cell**

The State Government had sanctioned six posts (two for manager (accounts) and one for senior project manager, manager (technology), manager (coordinator), office assistant) for constitution and implementation of the e-Procurement project.

It was observed during audit that even after expiry of the sanctioned period of three years, none of the above post were filled up, which adversely affected regular monitoring and evaluation of the project.

In reply CHiPS stated that no applicant was found eligible in spite of the posts being advertised for three times. It was further mentioned that the extension for the sanctioned posts was pending with finance department.

The Government stated in the exit conference that the recruitment process is in progress.

### **1.3.20 Security Management**

One of the key requirements from the e-Procurement system was bidder authentication and data security, whereby the bidders are able to electronically submit their bids, while maintaining confidentiality and ensuring integrity of data till the opening of bids. This was proposed to be done using the “Secure Bid” system of the vendor which relied on use of Public Key Infrastructure (PKI).

**Use of Public Key Infrastructure (PKI): DSC is used for** enabling secured and reliable communication, user identification, authorization and encryption

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<sup>7</sup> WRD-143, Health-66, PHED-133, PWD-75, CSIDC- 42, DAHD-4, DSW- 2, PARD-20 and UADD-143.

functionality. The PKI using DSC establishes a reliable and secured e-transaction platform between buyers and suppliers.

The firm has to authorise a specific individual via an authorisation certificate signed by all partners to use the DSC issued by certificate authority (CA). As per Indian IT Act 2000, it is equivalent to a non-objection certificate/power of attorney. The firm intimated to the department whenever the authorized user has been changed fresh 'authorization certificate' for the new user has to be submitted. The DSC is used within the application for ensuring confidentiality and integrity of data. After the bidder has recorded relevant bid details online, the same is saved in the system in encrypted form using the bidders Public Key, ensuring that only he is able to view and edit the data.

Hence the key control for using PKI must be that the application should identify only the authorized person participating in the bidding process by using own DSC.

***1.3.20.1 Application does not validate that only authorized DSC is used by vendor***

In the Supplier registration module of the application, the system had provision for enrolling companies/vendors and assigning them valid username/password for logging on to the application. However the authorised signatories for the companies, along with their valid DSC were not being enrolled in the application. For this reason, the application is unable to validate the DSC against the vendor login which has used the DSC.

The bidders have not submitted any document to authorize the person or persons authorised by them for using DSC. Thus for the verification for DSC used by the bidder at the time of online bid submission, neither the department nor e-Procurement system/application is in a position to verify that only the authorised person has digitally signed the bid document.

Data analysis revealed that out of total 3,776 tenders processed, more than one bid was submitted in 301 tenders using the same DSC. Further it was revealed that there were 74 Public Keys that had been used by three or more different bidder companies, and 73 DSC that had been two different bidder companies. It was also noticed that of the 1,798 distinct bidders, 977 users had DSC enrolled in the system that had already expired (as on 31 December 2009).

During review and analysis of database it was noticed that, there was no mechanism available for linking the DSC to particular bidder and to validate the signature against the DSCs authorised for use by a given bidder. The application simply uses the Public key provided by the bidder for encrypting his bid and records the public Key used along with the bid. Hence the bidder is free to use different DSC for different bids.

It was clear from the above observation that the use of DSC in application has not served the purpose of secured online bidding. Further, it raises question on the validity of the bids submitted by the bidders, as the digital signature of bids are not being checked.



The Government accepted the audit observation and stated in the exit conference that the matter has been taken up with ASP.

**Bid seal process (Hash):** The actual online submission of bids is preceded by submission of the digitally signed bid seal (Hash). The bidder cannot change any bid data after the generation of bid seal. After submission of bid seal (Hash) by the contractors, the bid round will be closed and a digitally signed tender Super-Hash prepared by department marks the bid as closed, which is equivalent to sealing the tender box. The super-Hash so generated is displayed in each contractor's login page. The next stage is for the contractors to submit their encrypted bids online after the generation of super-Hash within the date and time as stated in the tender schedule. A contractor who does not submit his bid seal (Hash) within the stipulated time will not be allowed to submit his bid. The department receiving the bids online shall first open the envelope containing 'EMD' and other related documents. In case the requirements are not complete, the commercial and other envelopes will not be opened. The department will match the hash of each envelope for tender with the hash submitted by the contractors prior to bid submission. In the event of mismatch, the tender in question may be rejected after a due process of verification by the department.

#### ***1.3.20.2 Tender was processed even after mismatching of Hash value***

During analysis of database and scrutiny of records, it was noticed that in many cases the Hashes were not matched. The application displayed the alert message at the time of opening of bid whenever the Hash of the bid generated is not matched with the Hash generated at the time of bid submitted by the bidder. However, price bid envelopes of 603 tenders (WRD-437, PWD- 153 and PHED-13) out of a total of 2,578<sup>8</sup> tenders which had mismatched hashes were processed further by the department without any enquiry about non-matching of hash. Application did not have any logs to identify the particular cases where Hash was not matched. The records of the Hashes were maintained in the database. Hence, though the system provided for checking of tampering of data (which can lead to change in Hash value), it failed to prevent the user departments from proceeding further with bid evaluation, thereby reducing the level of assurance provided by the process. Further even though these bids were required to be analysed, the same were not carried out while processing these tenders

In reply, the user departments stated that they were not aware of the importance of Hash and also stated that they have not been issued any instruction or order from CHiPS about matching of Hash, and the action to be taken in case of hash mismatch.

The Government accepted the audit observation and stated in the exit conference that instruction has since been issued to ASP to make necessary changes in the Software so that no tender will be opened if Hash is not matched.

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<sup>8</sup> WRD-1065, PWD-1277 and PHED-236.

### ***1.3.20.3 Reliance on ASP provided encryption software as against open standards software for data encryption***

The e-Procurement application uses PKI for providing data security. The manner of implementation includes encrypting of the bids by the bidder using his (Bidder's) public key, such that only he is able to view and edit the data using his Private key. The RFP had also stated (Clause 11.2.1 e-Procurement Portal Solution Requirements, Item-10) that "The system must not require the installation of Software on User's personal computers other than software normally associated with web browser operation".

During review it was noticed that the encryption and decryption itself were done using a utility provided by the ASP, which has to be separately downloaded and installed on the user's computer. Since this utility was not open standard/open source software and no assurance can be provided that the encryption does not leave a backdoor which can be exploited by a secret key known only to the ASP.

Thus, the encryption utility developed by the ASP, besides being an unknown security risk is also in violation of the terms of RFP. The Risk is perceived as real, as the vendor has already provided for a key manager facility, wherein bids encrypted for viewing by the authorised departmental user, can also be viewed with the help of an alternate key available with the Key Manager.

The Government stated in the exit conference that the encryption utility has been created to enable the use of encryption and hashing algorithms. The algorithms used for encryption is 'Advanced Encryption Standard' (AES) and the algorithm used for Hashing is 'SHA1', both of which are in the public domain and are not proprietary. STQC testing is in progress to check these features.

The reply is not acceptable as the encryption utility should be inbuilt in the software itself developed by the ASP as per clause 11.2.1 of RFP.

### ***1.3.20.4 Information Security tools and procedure were not provided***

As per the RFP, the ASP was responsible for implementing measures to ensure the overall security of e-Procurement solution and maintain the e-Procurement data. The ASP was to monitor production systems for events or activities which might compromise (fraudulently or accidentally) the confidentiality, integrity or availability of the e-Procurement services through the security controls including real-time intrusion detection tools, Audit review tools and manual processes. ASP was to develop a detailed security policy for e-Procurement solution which would be periodically updated to keep the security recommendations current and the same would be implemented. The ASP would produce and maintain system audit logs on the system for a period agreed by the ASP and the Project Director, e-Procurement, at which point they would be archived and stored at off-site or as desired. The ASP would regularly review the audit logs for relevant security exceptions. The purpose of a log would be to record all the activities to keep audit trail and to fix responsibility in case of any unforeseen activities

in the application. As per the requirements, the application was to provide the feature of audit trail.

During review it was observed that even where the data was critical and sensitive the audit log were not available with the department. The ASP did not furnish reports on use of real-time intrusion detection tools, audit review tools, manual processes, security policy for e-Procurement solution and system audit log.

Therefore, the security of the application against the threats could not be assessed by the department due to non- availability of such tools and logs.

The Government stated in the exit conference that the security features incorporated in the application ensures that all activities are logged, no unauthorised person has access to data, all sensitive data is encrypted and that the system can be restored in the minimal, possible time in case of a disaster or system crash. However, Government also stated that help of STQC would be taken to get the system tested for security penetration vulnerability.

### **1.3.21 Backup and Business Continuity Plan**

During review it was noticed that the daily backup of data was taken on hard disks (RAID Box) in the same server. The backup was neither taken in another media nor kept at remote locality to avoid unforeseen data loss.

It is recommended that the backup procedures should be reviewed considering storage of the first copy of the backup cartridges in strong room/steel cupboards and storage of second copy and original system software Compact Disks (CD) in another location.

The Government accepted the audit observation and stated in the exit conference that the Data Centre of Chhattisgarh Government is being constructed and all backup plan would be implemented.

### **1.3.22 Conclusion**

The pioneering initiative of implementation of the State-wide e-Procurement platform did not yield the desired results as out of eight modules incorporated in the application, six were not put to use. Even after lapse of three years two modules were implemented in nine departments. Steps for optimum utilization of all modules available in the application were not ensured. The data available in the system was incomplete; details of tenders awarded, rejected or cancelled were not captured due to which the actual status of a particular tender could not be ascertained. The MIS reports prescribed in the RFP were not available through the system, to ensure transparency. There were inadequate security management due to weak or poor logical controls in the system. The system was not validating the bids received from authorized representatives of the vendor to ensure legal validity of the bids. The history of log files were not maintained as prescribed in the RFP. Though the data backup was being taken at regular intervals but simultaneous backup at remote location were not kept. Thus, despite of having significant features in the

application system, the Government could not implement the application in to due to non-deployment of adequate trained staff and non-availability of basic infrastructure

### **1.3.23 Recommendations**

CHiPS immediately needs to undertake a mid-term review of the project to analyse the reasons for non-implementation of modules even after a lapse of three years, to decide upon the feasibility of implementing all the modules, and set target dates for implementation covering other departments. Complete information regarding tender activity viz. award of work, cancellation, rejection and re-invitation of tenders with appropriate reason should be captured in the application. Such information should be available on the e-procurement website of the Government for public access and also for transparency. Payment gateway of the Government should be operationalised and all feature required in application for reconciliation should be incorporated.

- The central supplier registration module should be revamped to ensure direct linkage between the Supplier/Companies and its authorised signatories/users.
- CHiPS should take immediate steps for review of DSC to avoid use of expired DSC and use of single DSC by multiple users.
- The secure bid process should be reviewed, and the data security mechanism should be certified by an independent agency.
- Clear instructions need to be issued to the various user departments of e-Procurement about the action to be taken in all such cases on Hash mismatch at bid level.
- MIS module should be strengthened and more reports provided for users at all levels.
- Audit log should be reviewed periodically by a responsible official other than the service provider so as to initiate action to improve or to plug the irregularities noticed in the system.
- A backup and recovery policy needs to be framed and suitably implemented to ensure security and availability of data.

## CHAPTER-II AUDIT OF TRANSACTIONS

### 2.1 Embezzlement

#### PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

##### 2.1.1 Suspected embezzlement

**Irregular maintenance of cash books against codal provisions and incurring expenditure without availability of cash balance led to suspected embezzlement upto ₹ 35,238 and doubtful expenditure of ₹ 62,716**

Paras 6.6.3 to 6.6.6 of the Central Public Works Accounts Code provide that the disbursing officer should check all the entries in the cash book as soon as possible after the date of their occurrence and should initial the book, dating his initials after the last entry checked. The cash book should be signed by him at the end of the month and such signature should be understood as fixing responsibility for all entries of the month inclusive of the closing balance. The cash book must be balanced on the date prescribed for closing the cash accounts of the month, but when the transactions are numerous, a weekly or daily balance is recommended and it is advisable that the cash be counted whenever a balance is struck, or at convenient intervals.

The provisions also provide that the disbursing officer should verify the totalling of the cash book or have this done by some principal subordinate who should initial it as correct. The actual balance of cash in the chest should be counted on the last working day of each month. Further, the actual balance of cash in the chest should invariably be stated in the note, both in words and figures.

Test check (January 2010) of the records of the Executive Engineer (EE), Rural Engineering Services (RES), Dhamtari revealed that during September 2006 to March 2009, the periodical closing of the cash books was not done and the entries had not been authenticated since September 2006 by the Drawing and Disbursing Officer (DDO) in token of their correctness. Some of the entries in the cash books, especially those relating to hand receipts, were overwritten/tampered with, raising doubts about their veracity, as these entries were not duly authenticated by the DDO.

Further scrutiny of entries of monthly cash receipts and cash payments from September 2006 to June 2007 revealed that the cash balances depicted in the cash books were less than the actual cash balances ranging between ₹ 1,141 and ₹ 35,238. During July 2007 to March 2009, the cash balances at the end of each month were negative ranging between ₹ 6,729 and ₹ 52,485, whereas the cash books depicted positive balances (*Appendix-2.1*).

It was also observed that during the period September 2006 to March 2009, the daily cash balances were negative ranging from ₹ 256 to ₹ 62,716 (**Appendix-2.2**) on 106 occasions indicating that expenditure was incurred without the availability of cash in chest. The negative balances were mainly due to expenditure shown through hand receipts. However, these negative balances got adjusted subsequently when cash was drawn for chest or through miscellaneous receipts.

Thus, non-observance of codal provisions in maintenance of cash book and laxity on the part of DDO to periodically verify the entries and balances in the cash book led to suspected embezzlement to the extent of ₹ 35,238 and doubtful expenditure of ₹ 62,716 over and above the available balance.

On this being pointed out in audit, the Chief Engineer, RES accepted (April 2010) the facts and stated that action against the then EE and Senior Accounts Clerk was being taken as per rules. Further, the Additional Director (Finance) in the office of the Development Commissioner also confirmed (May 2010) the facts of irregularities and observations. The Government intimated (June 2010) that facts of irregularities pointed out by Audit had been verified by the EE, RES, Dhamtari and found correct.

The matter was discussed (25 October 2010) with the Additional Secretary, Panchayat and Rural Development Department. Government agreed to the audit observations and stated that a Senior Accounts Clerk, who was entrusted with the work of maintenance of cash book, was responsible for the irregularities and had since been placed under suspension. It was further intimated that the amount recoverable would be effected from the persons concerned and necessary instructions would be issued to prevent recurrence of such irregularities in future.

## **2.2 Extra expenditure/excess payment**

### **PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT**

#### **2.2.1 Extra expenditure on purchase of medicines**

**Non-acceptance of the lowest rates for rate contract and purchase of medicines at higher rates resulted in extra expenditure of ₹ 36.86 lakh**

**Case A:** The Chhattisgarh Financial Code and Store Purchase Rules provide that purchases exceeding ₹ 50,000, should be made by calling for open tenders and purchases should be made at the lowest rate.

Test check (May 2009) of the records of the Chief Medical & Health Officer (CMHO), Kanker revealed that tenders were invited (August 2006) for purchase of medicines for the year 2006-07. During scrutiny of the approved rate list for purchase of medicines, it was observed that the second lowest rates (L2) in many cases were approved ignoring the lowest rate (L1), without any justification. Medicines worth ₹ 47.63 lakh were purchased at L2 rates and

also at rates which were higher than the approved rates, resulting in extra expenditure of ₹ 15.97 lakh as detailed in *Appendix-2.3*.

On this being pointed out (May 2009) in audit, the CMHO, Kanker replied (July 2010) that five to six types of medicines were purchased at higher rates keeping in view the public interest and also to give immediate benefits to the patients. It was also stated that the firms which quoted the lowest rates had expressed their inability to supply the medicines.

The reply is not acceptable as CMHO, Kanker had approved the higher rates other than the lower rates and the purchases were made on those higher rates without any justification. The Chief Medical and Health Officer, Kanker, also could not furnish the inability certificates from three out of the four firms which were stated to have expressed their inability to supply medicines. Further, in 10 cases, medicines worth ₹ 22.28 lakh were irregularly purchased at rates which were higher than the approved rates.

**Case B:** Director, Health Services (DHS) Raipur had provided (April 2007) ₹ 96.75 lakh and ₹ 61.04 lakh to the Chief Medical and Health Officers (CMHO) Jagdalpur and Kanker respectively for purchase and distribution of drug kits to various Community Health Centres (CHCs), Primary Health Centres (PHCs) and Sub-Health Centres (SHCs) with directions to purchase drug kits at the rate contract, if any, entered into by the State Government or at rates specified by Tamil Nadu Medical Services Corporation/Delhi Government or by following Store Purchase Rules.

Scrutiny (April and May 2009) of the records of CMHO, Jagdalpur and Kanker revealed that the CMHOs had invited (June and August 2006) tenders for purchase of medicines. The rates approved were valid upto July and October 2007 respectively and were lower than the rates of Tamil Nadu Medical Corporation. The CMHOs, however, purchased (May and June 2007) medicines worth ₹ 89.11 lakh for the drug kits at the higher rates of Tamil Nadu Medical Corporation, which led to extra cost of ₹ 20.89 lakh (*Appendix-2.4*).

On this being pointed out (May 2009) by Audit, CMHO, Jagdalpur stated that the purchase was made on Government of India approved DGS&D rate contract provided by DHS, Raipur. CMHO, Kanker stated that the purchase was made as per the rates of the Tamil Nadu Medical Services Corporation/Delhi Government provided by DHS, Raipur for immediate supply of medicines.

The reply is not acceptable, because the medicines were purchased by CMHOs, Jagdalpur and Kanker, at higher rates, although these were available at lower rates. Moreover, for regular supply to the health centres, the CMHOs had purchased medicines at the said lower rates. Thus the directions of DHS as well as Rules 9 and 10 of Chhattisgarh State Financial Code were also overlooked.

The matter was discussed (21 September 2010) with the Secretary, Public Health and Family Welfare. The Secretary agreed to the audit observation and

stated that an inquiry would be instituted to ascertain the circumstances under which the purchases were made at higher rates and responsibilities would be fixed if people were found guilty.

### 2.2.2 Excess payment

#### **Excess payment of ₹ 1.76 crore was made to the contractual staff engaged through ICMER against the Government norms**

Government of Chhattisgarh accorded (December 2002) sanction for opening a Government Dental College (GDC) at Raipur and accordingly, the Government of India granted permission (September 2003) to Director, Medical Education for establishment of the GDC at Raipur for the academic session 2003-04. Permission for further periods was to be given subject to achievement of annual targets as per Dental Council of India (DCI) norms. As per the norms of DCI, the GDC should have teaching staff, equipment, building, etc., in conformity with the minimum requirement of DCI norms. During the first two years (2003-04 and 2004-05) of its establishment, the GDC was facing difficulties in getting permission from DCI owing to its inability to fulfill the norms of DCI with respect to appointment of senior teaching staff and other requirements. Keeping in view the practical difficulties being faced by GDC in getting permission from DCI, the Government of Chhattisgarh appointed (March 2005) the International Consociation for Medical Education and Research (ICMER), New Delhi as consultant for GDC to obtain permission of DCI for the third and subsequent years till permanent recognition was granted. Consequently, Director, Medical Education (DME) entered (July 2005) into an agreement with ICMER.

As per the agreement, the ICMER was to extend consultancy services for procurement of various instruments/equipment, construction of a new Dental College building and to assist the Government for arrangement/recruitment of necessary senior faculty and teaching staff as per DCI norms, third year inspection of DCI and subsequent inspections till permanent recognition was granted by DCI. Six *per cent* of the total project cost as consultancy fees was payable to ICMER. Further, as per clause 2(vii) of the agreement, ICMER was to ensure and arrange professors and other requirements as per DCI norms and the Government was to pay monthly emoluments to professors as per Government norms i.e. at the rate of ₹ 25,000 upto September 2008 and ₹ 40,000 from October 2008 onwards.

Test check (March 2009) of records of DME, Raipur showed that 13 professors were engaged through ICMER on contractual basis at higher emoluments, over and above the Government norms, ranging from ₹ 70,000 to ₹ 1,55,000 during April 2007 to February 2009. The recognition to GDC was granted on 18 February 2009 with retrospective effect from October 2007. Consequently, the teaching staff were engaged upto February 2009 and paid ₹ 3.15 crore against the admissible amount of ₹ 59.56 lakh during the period June 2005 to February 2009 (the date of granting permanent recognition by DCI). This resulted in excess payment of emoluments of ₹ 2.56 crore.



On the consent of ICMER, DME recovered ₹ 79.20 lakh from ICMER, being the excess emoluments paid to the teaching staff for the period upto October 2007 instead of recovering excess emoluments paid upto February 2009 i.e., the month of receipt of recognition letter, as the teaching staff were engaged upto this period. Thus excess payment of ₹ 1.76 crore<sup>1</sup> made beyond Government norms (*Appendix-2.5*) was recoverable from ICMER.

On this being pointed out, DME stated (March 2009) that since the recognition to GDC was granted from October 2007, the amount worked out by Audit was not acceptable.

The reply is not acceptable as even though the recognition was granted from October 2007, the teaching staff engaged through ICMER were paid emoluments at higher rates upto February 2009. Thus, had the payment been made to teaching staff at Government rates as per the agreement with ICMER, the excess payment made to teaching staff, could have been avoided. Since the Government was liable to pay emoluments at Government rates to the teaching staff, the extra payment of ₹ 1.76 crore was the liability of ICMER and hence recoverable from ICMER, as ICMER had requested (February 2008) the DME for renewal of appointment of teaching staff for one year in view of non-receipt of recognition orders from DCI.

The matter was discussed (21 September 2010) with the Secretary, Public Health and Family Welfare department. The Secretary stated that detailed study of the agreements and other documents would be done and excess payment paid to the contractual staff over and above the Government norms from November 2007 onwards would be recovered from ICMER. He further stated that the source of meeting the excess payment to the staff would also be examined to verify whether these payments were made out of the fees collected by the Governing Body of GDC, Raipur or from the State budget allocation. In case the agreement with the ICMER had expired and no payments were due to the consultant, the excess payment would be recovered from the consultant from the payments due to it from other institutions of the State.

## **PUBLIC WORKS DEPARTMENT**

### **2.2.3 Excess payment**

#### **Use of lesser density mix resulted in excess payment of ₹ 41.36 lakh**

The Public Works Department (PWD), Government of Chhattisgarh, had prepared a rate analysis on the basis of the Standard Data Book of Ministry of Road, Transport and Highways (MORT&H) and prepared the Schedule of Rates (SOR) on the basis of rate analysis. As per Clause 12 of the agreement, work was to be executed in accordance with specifications as per SOR and MORT&H. The MORT&H specifications provided densities of 2.3 gm/cc for

<sup>1</sup> ₹ 3.15 crore-(₹ 59.56 lakh + ₹ 79.20 lakh).

semi-dense bituminous concrete (SDBC) and dense bitumen macadam (DBM) and density of 2.35 gm/cc for bituminous concrete (BC). Rates of dense bituminous macadam (DBM), bituminous concrete (BC) and semi-dense bituminous concrete (SDBC) were also calculated by taking the same density of the mixes.

Test check of the records of Executive Engineers (EE) of three divisions<sup>2</sup> revealed that the densities approved in the design mix for DBM were 2.10 to 2.12 gm/cc while for BC and SDBC, the densities were 2.26 gm/cc and 2 gm/cc respectively, which were less than the densities provided in the Standard Data Book of MORT&H and the work was executed accordingly. However, the payments were made to the contractors at the rates fixed for standard densities. As the densities of the mixes were less than the standard densities, the rates should have been deducted proportionally for lesser densities of the mixes. Thus payment at full rates against lesser density mixes resulted in excess payment of ₹ 41.36 lakh as detailed in **Appendix-2.6**.

On this being pointed out in audit, the EE, PWD (B&R) Dhamtari stated (November 2009) that although the unit calculation indices of densities for DBM and BC were taken as 2.3 and 2.35 gm/cc in the data book analysis, execution of these items required comprehensive mix design and job mix formula which envisaged working out of many details including percentage by weight of binder, coarse aggregate as per requirement and suitability of work. In such conditions, where densities of DBM and BC were derived from the appropriate process as 2.12 and 2.26 gm/cc respectively, objections in regard to it comparing with unit calculation index of standard data book analysis were not correct. The EE, PWD (B&R), Bemetara stated (September 2007) that the work was executed using limestone as aggregate and the densities of the mix could not be more than 2 gm/cc by using limestone and stated that payment was made according to the agreement. The EE, PWD (B&R), Rajnandgaon stated (February 2008) that DBM work was done according to the provisions.

The replies are not acceptable because rates of DBM, BC and SDBC were calculated and taken in the SOR by taking density of 2.3 gm/cc for DBM and SDBC and 2.35 gm/cc for BC. When the work of DBM, BC and SDBC were executed with lesser densities; the rates of the items should have been reduced proportionately.

The matter was discussed (17 September 2010) with the Principal Secretary, Public Works Department. While accepting the audit observation, the Principal Secretary stated that during execution of DBM and BC, lower density of mix might have been used and assured that necessary changes in the SOR will be made to avoid excess payments, if any.

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<sup>2</sup> (i) PWD (B&R) Division, Bemetara, (ii) PWD (B&R) Division, Dhamtari, (iii) PWD (B&R) Division, Rajnandgaon.

## 2.3 Unauthorised/avoidable expenditure

### AGRICULTURE DEPARTMENT

#### 2.3.1 Unauthorised expenditure

#### **Inadmissible assistance of ₹ 22.51 lakh was given to farmers for gap filling despite non-achievement of the survival rate of cashew plants as per norms**

Establishment of new gardens/area extension, a Centrally Sponsored Scheme, under the National Horticulture Mission (NHM) was implemented by the Government of India during 2005-06. The State Horticulture Development Society was nominated as the nodal agency for implementing the mission programme at the State level in Chhattisgarh.

As per the norms of assistance for plantation of crops including coastal horticulture under the National Horticulture Mission (NHM), the total assistance to be provided per hectare was ₹ 11,250 per beneficiary in three instalments in the ratio of 50:30:20 (₹ 5,625, ₹ 3,375 and ₹ 2,250) in the first, second and third year respectively. The assistance for the second year was to be provided subject to 75 per cent survival of the plants and for the third year, the assistance would be subject to 90 per cent survival of plants. The assistance was to be provided in the form of planting material (plants), local fencing, pit digging, fertilisers, micro-nutrients, plant protection and equipment. According to the guidelines, 100 cashew plants per hectare of land were to be planted.

Test check (February 2008 and July 2009) of records of the Director, Horticulture and Farm Forestry, Raipur revealed that 1,00,000<sup>3</sup> cashew grafts were received during August and September 2006 and supplied to farmers. These grafts were planted at Kharra and Charratangar clusters during August to October 2006 of which only 29,510<sup>4</sup> plants survived. Further 22,200 grafts were received for Kapu cluster in December 2006 i.e. after the plantation season (June to August 2006) was over and kept in nurseries but were planted in June 2007 and subsequently 7,800 grafts were received and planted in September 2007 of which only 3,370 plants survived at the end of first year. Even though the survival rate in the first year, except in two villages in Kharra cluster, was 0 to 69 per cent, 95,793<sup>5</sup> new cashew grafts were distributed for gap filling to 997 farmers of 45<sup>6</sup> villages in the same clusters during 2007-08 (*Appendix-2.7*).

Thus, the expenditure of ₹ 22.51 lakh incurred on procurement of cashew grafts (excluding 327 plants of Kharra clusters where survival rate was more than 75 per cent ) for gap filling in the second year was inadmissible as the

<sup>3</sup> Includes local collection.

<sup>4</sup> 14,530 + 14,980.

<sup>5</sup> {(38,470+31,020+26,630)-327}.

<sup>6</sup> Total 47 villages (-) 2 villages where survival rate was more than 80 per cent.

survival rate of the cashew plants in these clusters was below the required 75 per cent. Further, the excess plantation of 26,630<sup>7</sup> grafts in 300 ha in Kapu cluster in the same year indicated heavy mortality mainly due to irregular retention of 22,200 grafts for more than six months in nurseries.

On this being pointed out in audit, Director, Horticulture and Farm Forestry, Raipur stated (July 2010) that the low survival rate against the norms was due to lack of proper care in protection of the plants by the farmers. Hence, the plantation in excess of norms for gap filling was justified in the interest of the implementation of the scheme and the grafts planted during gap filling were healthy. Disciplinary action had also been initiated against the responsible officer on the basis of the audit objection.

During discussions held on 23 September 2010, the Principal Secretary admitted the audit observation and stated that since it was the initial year of plantation and the staff was not well conversant with the norms of NHM, the inadmissible expenditure was made on additional gap filling in the interest of farmers. It was also informed that the deficiencies noticed in earlier years had since been taken care of and steps had been taken to ensure the quality of plantations and also to increase the survival rate.

## **PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT**

### **2.3.2 Avoidable expenditure**

#### **Execution of same road work by two agencies led to avoidable expenditure of ₹ 35.27 lakh**

The Executive Engineer and Member Secretary, Project Implementation Unit, *Pradhan Mantri Gram Sadak Yojana*, (EE, PMGSY), Dhamtari, communicated (August 2006) the Annual Plans of road works of PMGSY for the year 2006-07 to the Chief Executive Officer (CEO), Zila Panchayat, Dhamtari with the intimation that the Annual Plan had already been approved in the general meeting (June 2005) of the Zila Panchayat without any objection.

The Chief Secretary (CS), Government of Chhattisgarh issued (December 2006) instructions to all District Collectors/District Programme Coordinators (DPC), National Rural Employment Guarantee Scheme (NREGA) that only those road works which were not included in the PMGSY's work Plan up to the year 2009, were to be taken up under NREGA.

Scrutiny (January 2010) of records of Executive Engineer, Rural Engineering Services (EE, RES), Dhamtari revealed that in total disregard to the instructions of CS, the CEO, Zila Panchayat accorded (January 2007) administrative approval for two roads namely internal road Mulle to Birejhar (NH-43 to Mulle) and Dhuma to Parsatti in Kurud block, which were already included in the Work Plan of PMGSY. These road works were earlier

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<sup>7</sup> 56,630 (30,000 plants in September 2007 and 26,630 plants in September and October 2007)-30,000 (@100 grafts per hectares for 300 hectares).

executed by RES under NREGA by providing Sub-grade, Granular Sub Base (GSB), Water Bound Macadam (WBM) Grade-I, II and III and completed by June and November 2007. An expenditure of ₹ 35.27<sup>8</sup> lakh was incurred on this. After completion of these roads by RES, these were again executed (February 2008) for Black Top (BT) road under PMGSY by EE, PMGSY, Dhamtari. The work executed by RES was not considered by the EE, PMGSY and Sub Base, GSB and WBM works already executed by the RES was re-executed as per PMGSY norms along with the other required works (OGPC and sealcoat) for BT road. Therefore, the overlapping execution of Sub Grade, GSB and WBM works on the same roads by RES and PMGSY within a span of six to seven months led to an avoidable expenditure of ₹ 35.27 lakh.

On this being pointed out, the EE, RES, Dhamtari stated (January 2010) that the works were executed after approval and sanction of the DPC/CEO, Zila Panchayat, Dhamtari. Further, the EE, PMGSY, Dhamtari stated (July 2010) that prescribed standards for construction of roads were available in the department and work was to be executed as per specification of rural roads and five years maintenance performance guarantee was to be given by the contractor. Hence, if the earlier executed work was not as per the PMGSY standards, then the entire work was to be executed afresh according to the norms and stated that videography and initial levels were recorded before starting of the work.

The reply of EE, RES was not acceptable because the reasons for taking up the work under NREGA in violation of the instructions of the CS were not stated. Thus, the wrong selection of road works and approval/award of works by CEO, Zila Panchayat in violation of instruction of CS resulted in execution of works, once under NREGA and subsequent execution of the same under PMGSY, leading to avoidable expenditure of ₹ 35.27 lakh.

During a discussion held on 25 October 2010, the Additional Secretary accepted the audit observation and intimated that the earthwork was not found up to the mark which led to construction of the road by PMGSY again. He also stated that the work done earlier by RES should have been mentioned in the detailed project report of PMGSY and the quantity already executed should have been deducted by PMGSY. Further it was stated that the EE, RES would be asked to clarify as to how the road work was taken up when the work was already included in the work plan of PMGSY. The Additional Secretary assured that instructions would be issued to all EEs of PMGSY and RES to avoid repetition of such instances.

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<sup>8</sup> ₹ 16.29 lakh (Dhuma to Parasatti) + ₹ 18.98 lakh (NH 43 to Mulle) = ₹ 35.27 lakh.

## 2.4 Idle expenditure

### AGRICULTURE DEPARTMENT

#### 2.4.1 Idle expenditure

##### **Non-installation of power pumps on tubewells resulted in idle expenditure of ₹ 2.29 crore**

The *Indira Khet Ganga* scheme which was subsequently renamed (October 2004) the *Kisan Samridhi Yojana*, was launched with a view to protect farmers from recurring droughts and preventing farmers from migrating to other States. Under this scheme, the major target was to protect farmers from loss in those rain shadow blocks of the State, where there was insufficient rainfall or uneven rainfall in the normal monsoon season due to which *kharif* crops were adversely affected. Under this scheme, subsidy for drilling of tubewells was to be provided at the rate of ₹ 18,000 to Scheduled Castes (SC) and Scheduled Tribes (ST) farmers and at the rate of ₹ 10,000 to general category farmers on their agricultural land or the actual drilling cost whichever was less. Besides this, additional subsidy at the rate of ₹ 15,000 to general category farmers and ₹ 25,000 to SCs and STs farmers was also admissible for installation of power pumps on successful tube wells. The farmers were responsible for obtaining electric connections and functioning of tubewells and the Agriculture Department and/or Superintending Engineer were required to co-ordinate for providing electrical connections to the farmers. Further, considering the difficulties faced by the farmers in getting electric connections before registration under the scheme, the Government decided (January 2007) to waive the condition of submitting the certificate of availability of electricity at the time of registration.

Test check (January 2010) of records of Deputy Director, Agriculture, Raipur and Durg revealed that 10,209<sup>9</sup> successful tubewells<sup>10</sup> were drilled during 2001-02 to 2008-09 under the scheme. Of these, on 1,696 successful tubewells (754 in SC and ST farmers agricultural land and 942 general category farmers agricultural land), no power pumps had been installed so far despite lapse of one to eight years. This resulted in unfruitful expenditure on payment of subsidy of ₹ 2.29 crore on drilling of tubewells as detailed in **Appendix-2.8**.

On this being pointed out (March 2010) in audit, Government replied (July 2010) that it had relaxed the necessity of producing certificates of availability of electric connections at the time of registration for drilling of tubewells. The Government mentioned (July 2010) that installation of pumps was a continuous process and steps for electrification were being taken and added that non-availability of resources in the Electricity Department was also a reason. As per the earlier system, the farmers were able to know the cost of

<sup>9</sup> 4938 in District Durg and 5271 in District Raipur.

<sup>10</sup> The tube well having discharge of 1500 gallons per hour is treated as successful tube well under the scheme.

electrification before filing application. However, after providing of the relaxation, the farmers were giving applications for electric connections only after drilling of successful tubewells. In such cases, if the connection cost came out to be more than the amount of subsidy provided, the farmers installed power pumps only after the arrangement of required funds which resulted in delays in installation of power pumps. It was also stated that the same amount of subsidy was being given on unsuccessful tubewells also. Hence, the amount of subsidy given on unsuccessful tubewells was not wasteful and the expenditure incurred on successful tubewells also could not be categorized as wasteful.

The reply indicates that injudicious selection of farmers for drilling of tubewells in non-electrified areas and relaxation (January 2007) of production of requisite certificates of availability of electric connections from Chhattisgarh State Electricity Board (CSEB) resulted in non-electrification of tubewells. Further, 55 per cent (939 out of 1696 tubewells) of the total tubewells drilled during 2007-08 and 2008-09 i.e. after the relaxation was given, were pending for electric connections. Thus, release of subsidy without ensuring electricity connections led to unfruitful expenditure of ₹ 2.29 crore apart from depriving the farmers of the rain shadow area from the benefits of assured irrigation facilities as envisaged in the scheme.

## **PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT**

### **2.4.2 Idle investment**

**Construction of residential quarters without proper planning and subsequent non-utilisation, even after four years, resulted in idle expenditure of ₹ 19.89 crore apart from avoidable expenditure of ₹ 44.51 lakh on payment of electricity charges**

Government of Chhattisgarh established (January 2001) the Chhattisgarh Institute of Medical Science (CIMS) which would be owned and managed by the Guru Ghasi Das (GGD) University in Bilaspur at Koni. It handed over (July 2001) the Sardar Vallabhbai Patel Government Hospital, Bilaspur and also 25 acres of land in and around the hospital, to the university for establishment of CIMS. The Government also transferred all the staff from the Government hospital to CIMS under the administrative control of GGD University in July 2001. The Government again took over (December 2007) the CIMS along with staff and infrastructure and placed it under the administrative control of the Director, Medical Education (Public Health and Family Welfare Department).

According to the norms of the Medical Council of India (MCI), for the establishment of the Medical College Regulations, 1999, a medical college or institution should be housed in a unitary campus of not less than 25 acres of land, viz. the hospital, college building including hostels for the interns, post-graduate resident doctors and nurses. For opening of a new medical college, there should be sufficient number of quarters for covering 100 per cent of the total nursing staff and resident doctors and at least 50 per cent

of the teaching staff and Class IV officials of the sanctioned strength. The Executive Council of the university approved the construction of staff quarters and accordingly 173<sup>11</sup> staff quarters costing ₹ 19.89 crore, were constructed for CIMS at Koni, adjacent to Guru Ghasidas University premises, Bilaspur. These residential quarters were constructed at a distance of more than 10 km from CIMS and were handed over to the University in March 2006 by the contractor.

During test check (March 2010) of the records of the Dean, CIMS, Bilaspur, it was noticed that even after lapse of more than four years from the date of taking possession of the staff quarters, all 173 quarters remained vacant. Though staff quarters were allotted to 12 officials in February 2009, the possession of the same was not taken by them and all these quarters remained vacant (March 2010), resulting in idle expenditure of ₹ 19.89 crore. Further, due to non-occupation of these quarters by the staff, Government had to incur avoidable expenditure of ₹ 44.51 lakh on payment of electricity charges to Chhattisgarh State Electricity Board (CSEB) during the period April 2007 to February 2010.

On this being pointed out in audit, the Dean CIMS, Bilaspur stated (March 2010) that as there was no conveyance facility from the residential quarters to the medical college hospital, these quarters were not occupied by the staff and action was being taken for disconnection of electric supply.

The matter was discussed (21 September 2010) with the Secretary, Public Health and Family Welfare department. The Secretary, while accepting the audit observation stated that the matter would be taken up with GGD University for final takeover of the quarters on payment basis. Besides, during the discussion, the Secretary instructed the officials of the department to take up the matter with the Chhattisgarh State Electricity Board (CSEB) for discontinuance of electricity connection to avoid payment of the electricity charges.

### **2.4.3 Idling of grants and non-achievement of health care facility**

#### **Improper planning led to idling of ₹ 11.40 crore and non-establishment of Indian System of Medicine and Health Centres.**

Government of India provided grants-in-aid of ₹ 12.48 crore in the financial year 2005-06 to the State Government for promoting development of health care facilities of the Indian System of Medicine and Homeopathy (ISM&H) in District Allopathic Hospitals and Health Centres of the State by constructing/renovating existing buildings, providing equipment, medicines, training etc., on the basis of a proposal submitted (December 2004) by the State Government. The guidelines for the scheme also provided for availability of minimum covered area for the specific project with the hospital for receiving grant.

Under the scheme, the Public Health and Family Welfare Department, had selected (September 2005 and March 2006) 15 District Hospitals (DH) for

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<sup>11</sup> Type I (2), Type II (48), Type III (48) & Type IV (75).



establishment of ISM&H wings, 22 Community Health Centres (CHC) for Specialized Therapy Centres and 24 Primary Health Centres (PHC) for Specialty Clinics in the State. The department appointed (September 2005) the Chhattisgarh State Industrial Development Corporation (CSIDC) as the executing agency for this work.

Scrutiny (October 2009) of records of the Director, ISM&H, Raipur revealed that without ensuring availability of prescribed space in the earmarked health centres, the Director drew the entire amount of ₹ 12.48 crore from the treasury on 31 March 2006 and out of this, deposited ₹ 12.26 crore under the civil deposit head on the same day. From this, ₹ 6.25 crore was drawn and credited to the account of CSIDC on 30 October 2006 for establishment of ISM&H wings in the Health Centres. Chhattisgarh State Industrial Development Corporation could execute works valuing ₹ 85.77 lakh in three DHs and two CHCs as of September 2008 and expressed its inability to execute construction works in the remaining 13 DHs, 22 CHCs and 24 PHCs due to non-availability of space in the health centres and also due to change in the scope of the work as well as increase in the market price. Despite non-completion of the construction works and a huge amount lying with CSIDC, the Director further credited (March 2009) an amount of ₹ 4.69 crore in the account of CSIDC. The balance amount of ₹ 1.32 crore remained in civil deposit for more than three years and lapsed (April 2009) to State revenue as the department failed to withdraw and utilise the grant within the stipulated period. After incurring an expenditure of ₹ 85.77 lakh on the construction of three ISM&H centres, the unspent balance of ₹ 10.08 crore was refunded to the Director by CSIDC in January 2010, which is still lying in the bank account of the State Health Society.

Thus obtaining grants from GOI without ensuring space availability and improper planning led to non-utilisation of grants to the tune of ₹ 11.40 crore. Moreover, non-establishment of AYUSH specialised therapy centres and specialised clinics, deprived the people of the intended benefits for which the GOI grants were released.

The matter was discussed (21 September 2010) with the Secretary, Public Health and Family Welfare. The Secretary informed that as per the original guidelines, establishment of Ayush Health Centres was to be made in the existing health centre buildings through renovation. However, subsequently Government issued permission for taking up of new construction works also. He further informed that at the time of planning of the works, adequate space were available in the health centres but at the time of construction, it was observed that some of the available space was already utilized by the health centres and the CSIDC has also expressed its inability to execute the construction work in the far and wide areas. Hence, the work was taken back from CSIDC and handed over to AYUSHDEEP Samities. After handing over of these works to AYUSHDEEP samities, the construction works were in progress. As regards the lapse of civil deposit of ₹ 1.32 crore, the department stated that the matter had been taken up with the Finance Department for release of the lapsed amount.

The reply indicates that the Government failed to utilise GOI funds for more than five years mainly due to improper planning, thereby depriving the people of the intended benefits.

## 2.5 Regularity issues and other points

### PUBLIC WORKS DEPARTMENT

#### 2.5.1 Irregular expenditure due to non-clearance of forest land

##### Execution of road work in a reserved forest area without obtaining prior permission from the Government of India led to irregular expenditure of ₹ 46.83 lakh

The Forest (Conservation) Act, 1980 provides that prior approval of the Government of India (GOI) is required for use of forest land for non-forest purposes. Further, the Central Empowered Committee constituted by the Supreme Court of India reiterated (July 2004) the order (February 2000) of the Hon'ble Supreme Court, that even the removal of grass, etc. from national parks was prohibited and if any prohibited activity was to be carried out in that area, prior permission of Supreme Court was to be obtained.

The Public Works Department accorded (May 2002) administrative approval (AA) for ₹ 1.57 crore while technical sanction (June 2002) for ₹ 1.76 crore was granted by the Chief Engineer for construction of 17.60<sup>12</sup> km all weather road from Bhumka to Sitanadi including a 5.8 km road<sup>13</sup> under the protected area of Sitanadi Sanctuary. Accordingly, the Executive Engineer (EE), Public Works Division, Dhamtari sought (September 2002) permission from the Divisional Forest Officer, Dhamtari (DFO) for executing the work in the forest area. The DFO granted (September 2002) permission for upgradation of the forest road with the condition that the forest portion of land would not be transferred, widened and after upgradation no charges/fees should be levied for its usage.

The EE, awarded (October 2002) the construction of the entire road length of 17.60 km involving three medium bridges and 31 small culverts to contractor 'A' for completion with a stipulated time period of 10 months including the rainy season.

Scrutiny (October 2009) of the records of the EE revealed that the contractor was paid ₹ 2.06 crore finally (upto February 2007) for the incomplete work, out of which, an expenditure of ₹ 46.83 lakh<sup>14</sup> (*Appendix-2.9*) was incurred on the construction work of a road, slab culverts and a medium bridge in the Sitanadi reserved forest area (5.8 km). Meanwhile, the Superintendent, Sitanadi Sanctuary requested (May 2006) the EE to furnish the requisite

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<sup>12</sup> Reach 1/2 km to 18/6 km.

<sup>13</sup> Reach 12/10 km to 18/6 km Sitanadi Sanctuary (5.8 km).

<sup>14</sup> km 12/10 to 16/8 – Earth work, GSB, WBM, slab culverts and BT- ₹ 32.45 lakh.  
km 16/10 to 18/6 - Earth work, slab and pipe culverts – ₹ 14.38 lakh.

permission of the Central Empowered Committee/Supreme Court for construction of a road inside the sanctuary area or else suspend the work. Accordingly, the DFO, Dhamtari issued (May 2006) instructions to the EE to execute the work only after obtaining permission from the Additional Principal Chief Conservator of Forest (Wildlife/Conservation), Chhattisgarh, Raipur. In view of the objection raised by the DFO, the EE sought (May 2006) permission from the DFO for completion of the balance work. However, the construction works had to be stopped (October 2006) and the approach roads to the medium bridge could not be constructed due to objections raised by the Forest Department, which required prior permission of GOI for this purpose.



In reply, the Government stated (June 2010) that AA was accorded in May 2002, prior to the orders of the Supreme Court and 5.8 km (12/10 km to 18/06 km) road came under the Sitanadi Sanctuary. Hence, the execution of road work could not be done on the reach 16/10 km to 18/06 km. Expenditure of ₹ 46.83 lakh had been incurred in this area and steps were being taken to obtain permission from the Forest Department to complete the balance work.

The contention of the Government is not correct as the work could neither be completed within the stipulated period of 10 months nor was it completed till the stoppage of work by DFO (2006). This resulted in irregular expenditure of ₹ 46.83 lakh on the incomplete road besides non-fulfillment of the objective of providing connectivity to isolated habitats and non-establishment of all weather connectivity.

### 2.5.2 Lack of responsiveness of Government to Audit

The Accountant General (Audit) arranges to conduct periodical inspections of State Government departments to check the transactions, maintenance of initial accounts in their prescribed formats, adherence to the codal provisions and internal control procedures and maintenance of basic control registers. These inspections are followed by the preparation of Inspection Reports (IRs) which contain the audit paragraphs prepared on the basis of various audit observations. These are issued to the heads of offices concerned, with copies to the next higher authorities, for examination of the audit paragraphs and reporting of compliance to the Accountant General. Outstanding paras are settled by the Accountant General on intimation of requisite follow-up action taken by the departments.

At the end of March 2010, there were 12866 outstanding paragraphs related to 3482 IRs. The year-wise break up of these outstanding IRs and paragraphs is given below:

Year	Number of outstanding IRs	Number of paragraphs
Up to 2002-03	2108	5817
2003-04	181	651
2004-05	344	1557
2005-06	238	1233
2006-07	224	1423
2007-08	49	413
2008-09	128	641
2009-2010	210	1131
<b>Total</b>	<b>3482</b>	<b>12866</b>

The department- wise break-up of these outstanding IRs and paragraphs is also indicated in *Appendix-2.10*.

#### **Pendency of inspection reports due to non-receipt of initial replies**

A review of the IRs received in the three years 2007-08, 2008-09 and 2009-10 showed that all the IRs issued were still pending due to non-receipt of satisfactory replies to the audit objections included in the IRs. In 226 cases (58 per cent), the departments did not even furnish the first replies to the IRs issued. The year-wise break-up of pending IRs and cases where first replies had not been received is given below:

Year	Number of IRs issued	Number of outstanding IRs	Cases of non-receipt of first reply
2007-08	49	49	14
2008-09	128	128	72
2009-10	210	210	140
<b>TOTAL</b>	<b>387</b>	<b>387</b>	<b>226</b>

The department-wise break-up of these outstanding IRs is listed in *Appendix-2.11*.

It is recommended that the Government should introduce adequate measures to ensure proper and timely response to the audit observations by the departments thereby reducing the pendency of paras in the IRs.

**CHAPTER –III  
INTEGRATED AUDIT OF A GOVERNMENT  
DEPARTMENT**

**COMMERCE AND INDUSTRIES DEPARTMENT**

**3 Integrated Audit of Commerce and Industries Department**

**Highlights**

The Department of Commerce and Industries is responsible for creation of adequate infrastructure for promotion of large and medium industrial enterprises in the State. Integrated audit of the department revealed absence of adequate planning, poor programme management and lack of internal control. A review of the functioning of the department brought out the following major points:

Annual Action Plans were not prepared and no targets were fixed for implementation of the various programmes under the industrial policy.

*(Paragraph 3.6.1)*

Persistent savings ranged between eight and 61 *per cent* during 2005-06 to 2009-10.

*(Paragraphs 3.6.2)*

Advances totalling ₹ 56.52 crore paid to Chhattisgarh State Industrial Development Corporation and Land Acquisition Officer, Raipur for various development works and acquisition of land for a Textile Park respectively remained unutilized.

*(Paragraph 3.6.2.2)*

The number of Micro, Small and Medium Enterprises and Large and Medium Enterprises set up in the backward districts was only 27 and six *per cent* of the total MSMEs & LMEs set up in the State during 2005-06 to 2009-10, indicating wide regional imbalances in setting up new industries

*(Paragraph 3.6.3)*

Ineligible beneficiaries were provided with subsidies totalling ₹ 7.12 crore under various schemes of the Industrial Policy 2004-09. Similarly, stamp duty exemptions of ₹ 67.13 lakh were extended to ineligible industries.

*(Paragraphs 3.7.1, 3.7.2 and 3.7.3)*

Projects/activities not covered under the Prime Minister's Employment Generation Programme were extended financial benefits totalling ₹ 1.63 crore as margin money.

*(Paragraph 3.8.2.1)*

### **3.1 Introduction**

The State of Chhattisgarh is endowed with abundant natural resources such as rich forests and huge mineral deposits. Due to easy availability of these resources, the State has immense potential for industrial development.

Chhattisgarh, with 13 *per cent* of the all India production, is the second largest mineral producing State in the country. It accounts for 20 *per cent* of India's iron ore, 17 *per cent* of coal reserves, 12 *per cent* of dolomite and 100 *per cent* of tin. Eighty *per cent* of its population is engaged in agriculture, which contributes to 40 *per cent* of the State's Gross Domestic Product (GDP). The presence of public sector undertakings in the areas of steel and mineral development and a host of private units manufacturing heavy engineering products, cement, chemicals, textiles and processed food in the State have further added to its strength.

Towards the achievement of rapid industrial growth and balanced development of various regions, the State has been formulating industrial policies since 2001. In the Industrial Policy 2004-09, the State Government announced various incentive schemes such as infrastructure subsidy, interest subsidy, stamp duty exemption, entry tax exemption, etc. to attract entrepreneurs to invest in the State. In the recently announced Industrial Policy 2009-14, the State has formulated various schemes such as interest subsidy, permanent capital investment subsidy, electricity charges exemption, land premium subsidy/concessions, stamp duty exemption, etc. for the development of industries in the State and the notification of the schemes are in the process.

The main objective of the Department of Commerce and Industries (DCI) is to create a favourable environment for increasing industrial investment and creating employment opportunities in the State by implementing various programmes of the Central and State government through its field offices and other agencies.

### **3.2 Organisational set up**

The Department of Commerce and Industries is headed by a Secretary and Commissioner to the Government of Chhattisgarh. For implementation of the programmes and activities, he is assisted by three Additional Directors, 12 Joint Directors, 40 Deputy Directors and 107 Assistant Directors. District Trade and Industries Centres (DTIC) are the implementing agencies at the district level and are headed by Chief General Managers (CGM) or General Managers (GM).

### **3.3 Audit objectives**

The audit objectives were to assess the performance of the department by examining whether:

- planning of programmes of both State as well as Central was done properly;

- adequate measures were taken for effective budgetary control and financial management;
- adequate measures were taken for effective implementation of Central schemes;
- the various programmes such as development of basic infrastructure like water supply, electricity, roads, etc. undertaken by the State Government for promotion of industries in the State were adequate;
- adequate measures were taken by the department to ensure balanced regional development by attracting industries in the economically backward areas and also to ensure participation of Scheduled Castes, Scheduled Tribes and other weaker sections in the development process; and
- monitoring and evaluation of the various schemes implemented by the department were adequate and effective.

### **3.4 Audit criteria**

The audit findings were benchmarked against the following criteria:

- Industrial Policy 2004-09 of the State.
- Guidelines issued for implementation of Central schemes.
- Instructions issued from time to time by the State Government.

### **3.5 Scope of Audit and Audit methodology**

The functioning of the department for the period 2005-06 to 2009-10 was reviewed during April-July 2010, through a test check of the records of the Commissioner, DCI and seven<sup>1</sup> out of 18 DTICs. Selection of DTICs was done on the basis of the Simple Random Sampling method. Besides, the expenditure incurred during last three years, geographical location, backwardness of districts, etc. were also considered for the selection.

An entry conference was held with the Secretary-cum-Commissioner and departmental officers on 9 June 2010 wherein audit objectives, criteria and methodology were discussed. An exit conference was held with the Officer on Special Duty, deputed by the Additional Chief Secretary, Commerce and Industry Department on 8 October 2010 to discuss the audit findings. The minutes of the meeting were countersigned (25 November 2010) by the Additional Chief Secretary, Government of Chhattisgarh, Commerce and Industry Department.

### **3.6 Audit findings**

The important points noticed during audit are discussed in the succeeding paragraphs.

<sup>1</sup> Bilaspur, Dhamtari, Durg, Raigarh, Raipur, Rajnandgaon and Sarguja.

### 3.6.1 Planning

Annual Action Plans were neither prepared nor were surveys of the districts conducted

Annual Action Plans indicating utilization of resources and implementation of programmes as per the Industrial Policy 2004-09 and other Central sector schemes were not prepared by the department. No survey of the districts was conducted for assessing the potential for industrialization, including availability of human resources, raw materials, marketing avenues, etc. As described in subsequent paragraphs, the department, apart from implementation of the regular programmes, did not undertake any significant measures for development of infrastructure for large and medium scale industries and also for balanced regional growth of the State as a whole. Further, no targets were fixed for implementation of various programmes under the industrial policy in order to achieve its objectives.

Government stated (October 2010) in the exit conference that the various activities of the department were carried out as per the strategy envisaged in the Industrial Policy 2004-09.

The Government's reply is not acceptable as although the Industrial Policy 2004-09 envisaged the strategy for carrying out the departmental activities, Annual Plans were not prepared in order to earmark targets to carry out those activities year-wise.

### 3.6.2 Financial Management

#### 3.6.2.1 Budget outlay and expenditure

The position of allotment, expenditure and savings incurred during 2005-06 to 2009-10 is shown below:

**Table-1: Table showing position of allotment, expenditure and savings**  
(₹ in crore)

Year	Allotment			Expenditure			Savings	Percentage of savings
	Plan	Non-Plan	Total	Plan	Non-Plan	Total		
2005-06	82.59	8.38	90.97	73.1	6.72	79.82	11.15	12
2006-07	93.13	8.38	101.51	86.39	6.86	93.25	8.26	8
2007-08	139.47	9.5	148.97	123.95	7.82	131.77	17.2	12
2008-09	132.22	10.75	142.97	47.17	8.54	55.71	87.26	61
2009-10	123.64	13.4	137.04	78.66	11.95	90.61	46.43	34
<b>Total</b>	<b>571.05</b>	<b>50.41</b>	<b>621.46</b>	<b>409.27</b>	<b>41.89</b>	<b>451.16</b>		

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

Percentage of savings ranged between eight and 61 per cent

As may be seen from the above, there were persistent savings in all the years and the percentage of savings ranged between 12 and 61 per cent except in 2006-07, where the saving was less than 10 per cent. Excessive savings in each year reflects inadequate financial management and monitoring of the implementation of various schemes.



On this being pointed out, the Government attributed (October 2010) the savings to delays in sanction of administrative and financial approvals and also due to declaration of the code of conduct before the General Elections of 2008-09. Government also stated that 10 *per cent* of the total budget had been withheld by the Finance Department and subsequently released at the fag end of the financial year when no plans were ready. Government however, agreed to prepare proposals in advance to ensure full utilization.

The Government's contention of excessive savings of 61 *per cent* during 2008-09 due to the declaration of code of conduct before the general elections was not acceptable since the election scheduled for the year 2008-09 could have easily been foreseen and planning should have been done accordingly to avoid savings.

### 3.6.2.2 *Blocking of funds*

#### **Blocking of funds with CSIDC and Land Acquisition Officers**

While the implementation of various schemes for promotion of industries is the responsibility of DCI through DTICs, the work relating to creation of infrastructure for setting up of industrial units is mostly executed by DCI through the Chhattisgarh State Industrial Development Corporation (CSIDC), a corporation constituted to establish industrial growth centres and parks, develop infrastructural facilities and promote the various activities of the department. Accordingly, funds for infrastructural development are released to CSIDC.

During scrutiny of records, it was revealed that huge amounts of funds released by the department were lying with CSIDC and other agencies. Some of the instances of blocking of departmental funds are discussed below:

(a) Funds aggregating ₹ 51.18 crore (*Appendix-3.1*) (₹ 17.17 crore in 2008-09 and ₹ 34.01 crore in 2009-10) were paid to CSIDC for various works viz. International Trade Fair, establishment of new industrial areas, grant for industrial park, construction of road, drains in industrial areas etc. However, neither was the information regarding completion of the works received nor were the utilization certificates (UCs) in respect of utilization of the above funds submitted by CSIDC.

On this being pointed out, the department replied (October 2010) that a letter had been sent to CSIDC calling for the UCs. Thus neither the progress of the work nor the creation of infrastructure could be ascertained. This clearly reflects lack of proper monitoring and supervision as the letter to CSIDC was issued only after being pointed out by Audit.

(b) Government of Chhattisgarh decided (March 2005) to establish an industrial area at Shyamtarai Village in District-Dhamtari in 81.69 acres land, of which 59.62 acres was private land and was to be acquired for the above purpose. Financial sanction of ₹ 3.59 crore (₹ one crore in March 2005 and ₹ 2.59 crore in March 2007) was accorded by the State Government for payment of compensation to landowners. CSIDC was made the executing agency.

Scrutiny (January 2006 and February 2009) of the records of the Director, Commerce and Industries revealed that ₹ 3.59 crore<sup>2</sup> was released to CSIDC for acquisition of the private land. Out of this, ₹ one crore was released by CSIDC to the Land Acquisition Officer (LAO), Dhamtari in September 2006 and the balance amount of ₹ 2.59 crore was retained with CSIDC since March 2007 till date (September 2010). However, DCI ordered (October 2008) the LAO, Dhamtari to denotify the acquisition of the private land. Accordingly, establishment of the industrial area at Shyamtraï was cancelled but ₹ 3.59 crore (₹ one crore with Collector, Dhamtari and ₹ 2.59 crore with CSIDC) was not refunded to the Government (March 2010).

On this being pointed out in audit, the Commissioner, Commerce and Industries stated (February 2009) that due to denotification, the industrial area could not be developed and a letter had been written to CSIDC for refund of the same. Further, the GM, DTIC, Dhamtari, stated (July 2010) that ₹ one crore had since been returned (June 2010) to CSIDC by the LAO.

The Government, in its reply, stated (July 2010) that the de-notification was done as the land selected for industrial development was an irrigated land.

Thus, selection of land for development of the industrial area without verifying the status of the land and also without conducting any feasibility study led to blocking of government funds of ₹ 3.59 crore besides keeping it out of the Government account with CSIDC and LAO, Dhamtari for more than three years.

(c) For setting up an agro-park at village Kurandi in Bastar district, ₹ 10 lakh (₹ five lakh in March 2002 and ₹ five lakh in 2002-03) was paid to CSIDC. Scrutiny revealed that the work for the park had not commenced even after the lapse of nearly eight years and the amount was lying idle with CSIDC. In reply, the department accepted (June 2010) the fact.

(d) For setting up of a textile park in villages Shakri and Dhansuli in Raipur district, funds amounting to ₹ 1.65 crore were paid (February 2008) to the LAO, Raipur. Scrutiny of records revealed that the site of the textile park was shifted to Abhanpur block of Raipur district where Government land was available. However, the amount paid to LAO, Raipur for payment of compensation to the landowners was not refunded to DTIC, Raipur and was lying idle with LAO, Raipur. This resulted in blocking of Government funds of ₹ 1.65 crore for more than 32 months.

On this being pointed out in audit, GM, DTIC, Raipur replied (May 2010) that efforts for refund of the money were being made and a letter had already been issued (February 2010) to the Collector, Raipur for refund of the above amount.

During the exit conference, the Government stated (October 2010) that a high level meeting would be held with CSIDC in this regard.

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<sup>2</sup> ₹ One crore in March 2005 and ₹ 2.59 crore in March 2007.

### 3.6.2.3 Non-recovery of loans amounting to ₹ 22.95 crore and penal interest amounting to ₹ 2.41 crore

Non-recovery of loan advanced to CSIDC

After the bifurcation of the State of Madhya Pradesh and formation of Chhattisgarh State, liabilities of the erstwhile Madhya Pradesh Finance Corporation (Chhattisgarh portion) were to be paid by CSIDC for which DCI sanctioned interest-free loans totalling ₹ 22.95 crore (₹ 11 crore during 2005-06, ₹ five crore each in 2006-07 and 2007-08 and ₹ 1.95 crore in 2008-09) to CSIDC. These, loans were to be recovered within eight years in equal instalments. In cases of delay, penal interest at the rate of three *per cent* per annum was to be imposed.

Scrutiny of records revealed that repayment of the loan had not commenced even after the lapse of more than 54 months since the sanctioning of the first instalment. Meanwhile, CSIDC had requested (April 2010) for waiver of the said loans and treatment of the loan as a grant. Thus, loans totalling ₹ 22.95 crore along with penal interest of ₹ 2.41<sup>3</sup> crore (September 2010) remained unrecovered from CSIDC.

On this being pointed out, the department stated (August 2010) that a letter to CSIDC had been issued calling for the details and also stated that CSIDC's request for waiver of the loan by converting it to grant was awaiting a decision at the Government level.

Government, while agreeing to the audit observation, stated (October 2010) during the exit conference, that a high level meeting would be held with CSIDC in this regard. The fact, however, remains that, neither the loan nor the penal interest on the loan amount was recovered (September 2010), which indicated poor financial management.

### 3.6.3 Position of growth of industries in the State

The Industrial Policy 2004-09 envisages increasing the rate of industrial growth substantially, creating maximum employment opportunities by setting up industries in all the districts across the State and ensuring balanced regional development by attracting industries in the economically backward areas of the State.

Scrutiny of the records revealed that the number of micro, small and medium enterprises (MSME) and large and medium enterprises (LME) set up in the backward districts of the State during the period 2005-06 to 2009-10 was 817 and four respectively, which constituted only 27 and six *per cent* respectively

<sup>3</sup> Penal interest calculated on ₹ 11 crore @ three *per cent* for 54 months (2006-07 to September 2010)= ₹ 1,48,50,000 plus  
₹ five crore @ three *per cent* for 42 months (2007-08 to September 2010)= ₹ 52,50,000 plus  
₹ five crore @ three *per cent* for 30 months (2008-09 to September 2010)= ₹ 37,50,000 plus  
₹ 1.95 crore @ three *per cent* for six months (April 2010 to September 2010)= ₹ 2,92,500 totalling ₹ 2,41,42,500

of the total units (3051 MSMEs and 66 LMEs) established in the entire State as detailed in *Appendix-3.2*.

Thus, there were regional imbalances in the establishment of new MSME/LME units in the State, which indicated non-achievement of the objective of balanced regional development of the State.

The Government stated (October 2010) in the exit conference that no targets were set for establishment of MSMEs and LMEs and that the number of units established may increase as the figures highlighted by Audit included only those units which had received any subsidy/exemption or registered with the department. The actual number of units established in any particular year could increase when all the units apply for registration. However, the department assured that it would set specific targets for establishment of units in each district.

### **3.7 Programme implementation**

Under the Industrial Policy 2004-09, 12 subsidy/exemption/concession schemes<sup>4</sup> were taken up in the State during 2005-10 along with Central schemes such as the Prime Minister's *Rozgar Yojana* (PMRY) and the Prime Minister's Employment Generation Programme (PMEGP). Some of the irregularities observed in implementation of the various schemes are detailed in the subsequent paragraphs:

#### **State Schemes**

##### **3.7.1 Infrastructure subsidy and interest subsidy to ineligible firms**

**Ineligible industries were provided interest subsidy.**

Under Rule 5 (i) of the Chhattisgarh State Infrastructure Subsidy Rule 2004, infrastructure subsidy is paid to new and existing small and medium-large industries on the total cost of their investment on factory buildings, sheds, plant and machinery (P&M) and Railway sidings. Further, Government of Chhattisgarh notified (August 2005) the Interest Subsidy Rule 2004 to be effective from 1 November, 2004. Under para 5 of the Rule, all new and existing small and medium-large industries were eligible for interest subsidy on the interest paid by these firms on term loans and working capital loans taken from the banks/financial institutions for establishing/running the businesses/enterprises. Under both the rules mentioned above, neither was there any provision for subsidy to the micro/tiny<sup>5</sup> sector industry nor was the item mentioned/conceptualized in the Rule.

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<sup>4</sup> Interest subsidy, Infrastructure subsidy, Electricity duty exemption, Exemption from stamp duty, Exemption from entry tax, Exemption/Concession in the premium of land allotted in industrial areas, Project report subsidy, Interest subsidy to technology upgradation, Exemption from land revenue on land diversion, Service charges for allotment of land outside industrial areas, Quality certification subsidy, Technical patent subsidy.

<sup>5</sup> Industries whose investment in P&M is not more than ₹ 25 lakh is categorized under Tiny sector.

The Government of Chhattisgarh had implemented (October 2006) the Micro Small and Medium Enterprises Development (MSMED) Act which categorised the micro/tiny, small and medium category of industries on the basis of their investment in P&M. The industries having investment in P&M below ₹ 25 lakh were categorized as micro/tiny industry as per the MSMED Act. The State Government had not separately issued any guidelines for extending the benefits to such micro/tiny sector industries after the implementation of the MSMED Act.

Scrutiny of records in Durg and Sarguja districts, however, revealed that a total of 15 industries (*Appendix-3.3*) were irregularly provided infrastructure subsidy of ₹ 82.26 lakh<sup>6</sup> and 78 industries (*Appendix-3.4*) were provided interest subsidy totalling ₹ 2.16 crore<sup>7</sup> after the implementation of the MSMED Act in the State.

On this being pointed out, the Government stated (October 2010) at the exit conference, that the Industrial Policy 2004-09 had commenced w.e.f. 1 November 2004 and the MSMED Act was implemented w.e.f. 2 October 2006 only. As per the Industrial Policy 2004-09, industries having investment of ₹ one crore in P&M were categorised under small scale industries and included industries whose investment in P&M was below ₹ 25 lakh. As such, there was no loss in extending benefits to industries whose investment in P&M were below ₹ 25 lakh. The Government, however, agreed that the ambiguity would be corrected in the 2009-14 policy.

The reply is not acceptable as in the MSMED Act, industries having investments in P&M below ₹ 25 lakh were categorized as micro/tiny sector.

**3.7.2 Non-recovery of Stamp duty of ₹ 4.01 crore despite non-submission of registration certificate/certificate of production and loss of ₹ 67.13 lakh due to issue of stamp duty exemption certificates to ineligible industries**

Under the Industrial Policy 2004-09, exemption from payment of stamp duty is given to industries on the deeds executed for purchase/lease of land, sheds and buildings for setting up industrial units as well as on execution of deeds relating to loans and advances taken by the industrial units. As per a notification (June 2005) of the Department of Finance and Planning, Small Scale Industries (SSI)/ Non-Small Scale Industries (Non-SSI) were to start production within two years/five years respectively from the dates of issue of certificates of exemption. Violation of these conditions would cause recovery of stamp duty with 12.5 per cent interest per annum from the exemption date. If the parties failed to pay the above stamp duty with interest, recoveries would be effected through Revenue Recovery Certificates (RRC). Further, under the Industrial Policy 2004-09, subsidy/exemption was provided to all industries except those mentioned in Appendix-I of the notification and Annexure-II of the Industrial Policy 2004-09. The ineligible list included

**Non-recovery of stamp duty and loss due to issue of stamp duty exemption to ineligible industries**

<sup>6</sup> Durg ₹ 37.11 lakh and Sarguja ₹ 45.15 lakh.

<sup>7</sup> Bilaspur ₹ 30.69 lakh, Durg ₹ 28.57 lakh, Dhamtari ₹ 44.64 lakh, Rajnandgaon ₹ 31.71 lakh, and Sarguja ₹ 80.83 lakh.

industries which did not produce branded products like bakery items, mineral water, spices, bread and biscuits etc.

**Stamp duty exemption to ineligible industries**

Test check of records of selected DTICs revealed that during 2005-06 to 2009-10, a total of 239 SSI units<sup>8</sup> (**Appendix-3.5**) did not submit proof of commencement of production within the stipulated time as required under the scheme and recovery of stamp duty along with interest at the rate of 12.5 per cent per annum was leviable from these beneficiaries from the exemption date. Despite this, the department neither levied stamp duty amounting to ₹ 4.01 crore<sup>9</sup> nor took any action for recovery of the stamp duty through RRC. Further, it was also observed that 50 industries<sup>10</sup> were given stamp duty exemption totalling ₹ 67.13 lakh (**Appendix-3.6**) on mortgage loan/land purchase. The activities/products of these 50 industrial units were categorized under the ineligible list under the scheme as they were not producing branded products/items which resulted in inadmissible grant of exemption of ₹ 67.13 lakh<sup>11</sup> on stamp duty.

On these being pointed out, in respect of non-submission of production certificates, the Government stated (October 2010) in the exit conference that verification of the industries had since been commenced and recoveries would be made from those industries which had not started their production. Regarding grant of exemption to ineligible industries, Government stated (October 2010) that the industries mentioned by Audit were producing branded products and hence, were eligible to take stamp duty exemptions.

The Government's reply is not acceptable as no action was initiated by the department prior to the audit objections against non-submission of production certificates which further substantiates the fact that there was lack of proper monitoring in the implementation of the policy. Government also could not furnish proof in support of the department's contention viz. certificate from Government of India, Trade Marks Registry in respect of grant of stamp duty exemption to ineligible industries but assured to furnish the proof of brands after collecting the same from them.

### **3.7.3 Subsidies of ₹12.48 lakh given to ineligible industries**

**Interest subsidy given irregularly to industries not eligible for subsidy**

Under the Industrial Policy 2004-09, subsidy/exemption is provided to all industries except the ineligible list of industries mentioned in Appendix-I of the notification and Annexure-II of the Industrial Policy 2004-09. The ineligible list includes industries which produce unbranded bakery items, mineral water, spices, bread and biscuits etc., as well as those industries whose produce are categorized under ineligible list.

Under the Industrial Policy 2004-09, infrastructure subsidy and interest subsidy are given to eligible new and existing small and medium-large

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<sup>8</sup> Dhamtari 19, Durg 112, Raipur 88, Rajnandgaon 6. and Sarguja 14

<sup>9</sup> Dhamtari ₹ 10.40 lakh, Durg ₹ 36.52 lakh, Raipur ₹ 340.36 lakh, Rajnandgaon ₹ 7.97 lakh and Sarguja ₹ 6.12 lakh.

<sup>10</sup> Dhamtari 4, Durg 3, Raipur 28, Rajnandgaon 8 and Sarguja 7.

<sup>11</sup> Dhamtari ₹ 5.05 lakh, Durg ₹ 2.75 lakh, Raipur ₹ 38.76 lakh, Rajnandgaon ₹ 6.82 lakh and Sarguja ₹ 13.75 lakh.

industries on the total cost of their investment in infrastructure and on the interest paid on term and capital loans respectively. The said policy enlists 31 types of industries which are not eligible for subsidy. Scrutiny of records revealed that the following industries were paid interest subsidy of ₹ 12.48 lakh although the firms were not eligible to receive subsidy under Industrial Policy 2004-09 due to the type of their industry/productivity:

**Table-2: List of ineligible industries sanctioned infrastructure/interest subsidy**

(₹ in lakh)

Sl. No.	Name of Industry (M/s)	Type of product	Name of subsidy	Amount paid
1	Om Shakti om Industries, Raipur	Exercise Notebook	Interest subsidy	2.23
2	Shri Krishna paper products, Raipur	Exercise Notebook	Interest subsidy	2.29
3	S.S.D Soap Industries, Raipur	Toilet soap (Non-branded)	Interest subsidy	1.32
4	G.S. Industries, Raipur	Toilet soap/ Washing soap (Non-branded)	Interest subsidy	1.47
5	Vidya Medical, Raigarh	Diagnostic centre	Infrastructure subsidy	1.03
6	Abis Aqua, Godri Rajnandgaon	Mineral water (Non-branded)	Interest subsidy	1.93
7	Vandana Flackers, Rajnandgaon	Macca Chips (Non-branded)	Interest subsidy	2.21
<b>Total</b>				<b>12.48</b>

(Source: Departmental records relating to interest subsidy)

On this being pointed out, Government stated (October 2010) in the exit conference that interest subsidy had been provided to industries producing branded products. Government assured to furnish proof of the brands after collecting the same from the industries.

The reply is not acceptable as the proof of brand names was not provided to Audit nor was it available with the department.

### **3.7.4 Non-recovery of penalty of ₹ 48.43 lakh from land allottees due to non- commencement of production**

#### **Non- recovery of penalty from land allottees**

Para 14 of the Madhya Pradesh Industries (Shed, Plot and Land Allotment) Rules 1974, (amended till 1 April 1999) as adopted by the Government of Chhattisgarh states that every land allottee should start work on his project/activity from the date of allotment of land. Land allottees, in the case of small industries, should start production within a year and in the case of medium and large industries, should start production within three years. The above time limit may be extended up to six months subject to submission of valid reasons for extension and on payment of penalty equivalent to 50 per cent of the premium.

Test check of records of DTIC, Durg revealed that 76 industrial units (**Appendix-3.7**) did not start their production within the prescribed time limit. However, GM, DTIC neither cancelled their land allotment nor collected the penalty amount of ₹ 48.43 lakh even after expiry of the time limit.

On this being pointed out, the Government stated (October 2010) in the exit conference that out of 76 industries, 27 industries had commenced their production within prescribed time limit and 25 industries had deposited penalty amounts while notices had been issued to remaining 24 industries. However, details of commencement of production and recoveries made had not been produced to Audit.

**3.7.5 Non-recovery of infrastructure subsidy amounting to ₹ 14.93 crore due to non-submission of Audited Annual Accounts**

**Non- recovery of infrastructure subsidy from firms owing to non- submission of audited Annual Accounts**

Rule 10(1) of the State Infrastructure Subsidy Rules requires all industries receiving infrastructure subsidy of more than ₹ one lakh to submit their Audited Annual Accounts for five years from the year of sanction of subsidy. Similarly, industries receiving infrastructure subsidy of less than ₹ one lakh are required to furnish details of production and sales. The Annual Accounts should be furnished within three months after the end of each financial year. Para 9(6) of the said Rule further states that if any company fails to submit its Annual Accounts within the stipulated period, it is the duty of the department to recover the amount paid to the company.

Scrutiny of records revealed that though an amount of ₹ 14.93 crore<sup>12</sup> was paid to 108 firms (**Appendix-3.8**) as infrastructure subsidy, the firms failed to submit their Audited Annual Accounts as of September 2010 as was required under the scheme. The period of delays ranged between three and 75 months. No follow up action was initiated by the department against these defaulting firms.

On this being pointed out, the Government agreed (October 2010) during the exit conference to the audit observation and stated that 50 units had since submitted their Annual Accounts. The Annual Accounts had been called for in respect of the remaining units. Recoveries of subsidies would be made in the event of non-submission of Annual Accounts and would be intimated to Audit.

**3.7.6 Irregular condonation of delay led to undue benefit of ₹ 55.08 lakh to entrepreneurs**

**Condonation of delays without valid reasons led to undue benefit to entrepreneurs**

As per Para 5.4 of the Chhattisgarh Interest Subsidy Rules 2004, the first claim for subsidy should be submitted within one year from the date of notification of the Rules or from the payment of the first instalment of the loan or from the date of commencement of production, whichever is later. The next quarterly claim should be submitted within one quarter/two quarters. Otherwise, the claim would be cancelled and a cancellation order should be passed by the GM, DTIC. The applicant can appeal to the next higher authority which can, on the basis of the circumstances/reasons, condone the delayed submission.

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<sup>12</sup> Bastar ₹ 0.90 crore; Bilaspur ₹ 0.65 crore; Durg ₹ 0.67 crore; Jashpur ₹ 0.99 crore; Kanker ₹ 0.39 crore; Kabirdham ₹ 0.15 crore; Raigarh ₹ 5.17 crore; Raipur ₹ 1.79 crore; Rajnandgaon ₹ 0.25 crore and Sarguja ₹ 3.97 crore.



Test check of records relating to interest subsidy cases revealed that despite delays ranging between two and 30 months in submission of claims, excluding the admissible period for submission, the appeal cases of 29 entrepreneurs totalling ₹ 55.08 lakh (*Appendix-3.9*) were condoned by the Commissioner, DCI, whereas appeals of 17 entrepreneurs (*Appendix-3.10*) who had cited similar reasons for delay, were not condoned. Thus, there were inconsistencies in dealing with the appeal cases.

Further, the reasons for delayed submission as stated in the appeals by all the entrepreneurs were ignorance of the provisions of the scheme. Since the entrepreneurs, who availed of the benefit of interest subsidy were aware of the time limit for submission of claims under the scheme, the condonation of the delay on this ground was not valid. This led to extension of undue benefits totalling ₹ 55.08 lakh to 29 entrepreneurs.

On this being pointed out, the Government stated (October 2010) in the exit conference that the matter would be reviewed and intimated to Audit accordingly.

### 3.8 Centrally Sponsored Schemes

#### 3.8.1 Prime Minister Rozgar Yojana (PMRY)

The Prime Minister *Rozgar Yojana*, a Centrally sponsored scheme for providing self-employment to educated unemployed youths was launched in 1993 and discontinued after March 2008. The scheme aimed at assisting eligible youths in setting up self-employment ventures in industry, service and business sectors through financial assistance and requisite training.

Test check of the records revealed the following irregularities:

##### 3.8.1.1 Non-adjustment of expenditure of ₹ 26.02 lakh on training

Training funds under PMRY were admissible up to a ceiling of ₹ 2500 per trainee for the industry sector and ₹ 1250 per trainee for the service and business sectors. Funds for a year were released by Government of India, Ministry of Micro Small Medium Enterprises to the State Government which were worked out on the estimated number of trainees of the previous years. The State Government was required to furnish utilization certificates in this regard.

Scrutiny of records of Directorate, DCI revealed that ₹ 48.64 lakh was released by GOI during 2007-08 for training. Moreover, there was a closing balance of ₹ 0.72 lakh at the end of the year 2006-07. As against the available funds totalling ₹ 49.36 lakh (₹ 0.72 lakh + ₹ 48.64 lakh) during 2007-08, the department had incurred ₹ 75.38 lakh on training of 6,813 youths of the State, out of which 618 beneficiaries were for the industry sector and 5,415 beneficiaries were for the service sector. However, the excess amount of ₹ 26.02 lakh incurred under training could not be adjusted prior to the closure of the scheme. Since this scheme had already been closed (March 2008), there

Non-  
adjustment of  
expenditure  
before closure  
of scheme

was a remote possibility of reimbursement of ₹ 26.02 lakh and the above liability might have to be borne by the State Government.

On this being pointed out, the Government stated (October 2010) in the exit conference that since the scheme had been discontinued, the excess expenditure incurred might have to be borne by the State Government. The exact amount would be assessed after collecting data from the districts and would be taken up with GOI.

### **3.8.2 Prime Minister's Employment Generation Programme (PMEGP)**

Government of India launched the Prime Minister's Employment Generation Programme (PMEGP) with effect from 15 August, 2008 with the objective of generating employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises.

#### **3.8.2.1 Inadmissible payment of margin money of ₹ 1.63 crore for projects/activities not covered under PMEGP**

**Inadmissible  
payment of  
margin money**

Under PMEGP, beneficiaries were entitled to get subsidy in the form of margin money on the total cost of their projects as per applicable rates. Para 29 of the PMEGP guidelines refers to the negative list of activities i.e. those activities which are not permitted for consideration of Government subsidy in the form of margin money.

Further, as per a clarification of GOI dated March 2009 issued by the Khadi and Village Industries Commission, activities of the agriculture/farm sector and projects which did not involve manufacturing processes, value addition and per capita investment criteria were not to be considered under PMEGP. Only the manufacturing sector, intended primarily for promoting industrialization, was to be considered.

Test check of records relating to PMEGP in the selected districts revealed that during 2008-09 and 2009-10, margin money totalling ₹ 1.63 crore was released in respect of 160 projects (*Appendix-3.11*) which were neither involved in manufacturing activities nor had any value addition capacity such as running of photo studios, TV repair shops, tailoring shops etc., and hence, were not eligible. Margin money released in these cases was in contravention of the provisions of the programme and resulted in inadmissible payment of subsidy of ₹ 1.63 crore.

On this being pointed out, the GMs of two<sup>13</sup> DTICs stated (July 2010) that the activities/cases were approved by the Task Force Committee<sup>14</sup> (TFC) while two<sup>15</sup> other GMs stated that activities/cases involving the service sector were

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<sup>13</sup> Dhamtari and Rajnandgaon.

<sup>14</sup> Task Force Committee is constituted in each district and is responsible for scrutiny of application forms of beneficiaries. This committee is chaired by the District Collector and the lead bank's Manager and representatives of Khadi & Village Industries Commission/Khadi & Village Industries Board are members. The GM, DTIC/representative of KVIB/KVIC are Member Convenors .

<sup>15</sup> Durg and Sarguja.

provided with margin money. Contentions of the GMs are not acceptable because they are Member Convenors of the TFC which is responsible for selection of beneficiaries. Also, service sector activities were not eligible under this programme as they did not involve any manufacturing process.

The Government stated (October 2010) in the exit conference that the matter would be reviewed in view of the clarification of March 2009.

### **3.9 Manpower management**

#### ***3.9.1 Lack of manpower management***

After the bifurcation of Chhattisgarh State from Madhya Pradesh, the organizational set up of the department was finalised by the Government. The set up indicated total posts sanctioned for the directorate and field offices. However, it did not indicate the details of posts to be distributed for the field organisations for functioning of district/field offices. Details of posts for field offices had not been finalised (September 2010). In the absence of this, the justification for the number of persons posted in the DTICs could not be commented upon. Also, the salaries and allowances of district units were drawn without having any specific sanction and thus were irregular. In the absence of any specified criteria for field posts, there was no justification for the men-in-position in the district offices. This indicated inadequate manpower management in the department.

Government agreed (October 2010) to the audit observation in the exit conference and stated that necessary action would be taken for distribution of the sanctioned strength as per the new organizational set up.

#### ***3.9.2 Shortage of staff and irregular attachment of staff in other departments***

The position of sanctioned strength, men-in-position and vacancies is detailed in **Appendix-3.12**. Out of a total of 789 sanctioned posts (208 posts for the directorate and 581 posts for the field offices), 469 posts were lying vacant. The vacancies were more than 50 *per cent* in respect of the clerical cadre. Despite this, five officials were sent on deputation to other departments and two<sup>16</sup> more officials were attached to other departments.

Government stated (October 2010) in the exit conference that steps were being taken to fill up the vacant posts early.

### **3.10 Internal Control**

Internal audit is an important instrument to examine and evaluate compliance with the department's rules and procedures. The department had neither prepared any working manual or code nor adopted any methodology for the effective implementation of its various policies, subsidy schemes, etc. It was

<sup>16</sup> One Asst. Manager in Directorate attached to a Minister and one Manager in DTIC Sarguja attached to Zilla Panchayat office.

observed that the internal audit wing was not functional and the directorate staff had not conducted any internal audit of the field offices during the period of review. Thus due to non-functioning of the internal audit wing, there was lack of proper financial and manpower management as well as deficiencies in the implementation of the various schemes.

### **3.11 Conclusion**

The objective of the department to ensure overall development of industries and maintain balanced regional development in the State could not be fully achieved in the absence of proper planning and targets. The quality of budgetary and financial management was deficient. Manpower management was inefficient and deployment of staff was improper. Programme management was inefficient as the number of industries set up during the period declined from 846 (2005-06) to 543 (2009-10). Moreover, there was no institutional mechanism for assessing the effectiveness of various subsidy/exemption schemes implemented by the department. As a result, the department's objective of ensuring balanced regional development by attracting industries in the economically backward areas of the State remained unfulfilled.

### **3.12 Recommendations**

- Annual Action Plans should be prepared by the department to ensure industrial growth and balanced development of the State.
- The quality of budgetary control and financial management should be strengthened to avoid repeated savings and blocking of funds.
- Concerted efforts should be made by the department in the implementation of various State and Central Government schemes so as to remove the deficiencies in implementation of the schemes.
- Effective monitoring in implementation of the schemes should be ensured so that the benefits of the schemes are derived only by the eligible beneficiaries.
- Adequate measures should be taken to recover the loans, subsidies and penal interest from defaulting/ineligible beneficiaries.
- Immediate steps should be taken to fill up the large number of vacancies and to finalise staff set up for the field offices early.
- Internal audit should be strengthened in the department with adequate manpower to review the implementation of the various schemes.

## CHAPTER-IV GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

### 4.1 Overview of State Public Sector Undertakings

#### Introduction

**4.1.1** The State Public Sector Undertakings (PSUs) consist of State Government companies and Statutory corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Chhattisgarh, the State PSUs occupy an important place in the State economy. The State PSUs registered a turnover of ₹ 5449.33 crore for 2009-10 as per their latest finalised accounts as of September 2010. This turnover was equal to 5.05 *per cent* of State Gross Domestic Product (GDP) for 2009-10. Major activities of Chhattisgarh State PSUs are concentrated in the power sector. The State PSUs earned a profit of ₹ 475.57 crore in the aggregate for 2009-10 as per their latest finalised accounts. They had employed 19,321<sup>1</sup> employees as of 31 March 2010.

**4.1.2** As on 31 March 2010, there were 17 PSUs as per the details given below. Of these, no company was listed on the stock exchange.

Type of PSUs	Working PSUs	Non-working PSUs <sup>2</sup>	Total
Government Companies	15	-	15
Statutory Corporations	2 <sup>3</sup>	-	2
<b>Total</b>	<b>17</b>	<b>-</b>	<b>17</b>

**4.1.3** During the year 2009-10, one PSU namely, Chhattisgarh Sondiha Coal Company Limited was established.

#### Audit Mandate

**4.1.4** Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government company includes a subsidiary of a Government company.

**4.1.5** The accounts of the State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors,

<sup>1</sup> As per the details provided by 10 PSUs

<sup>2</sup> Non-working PSUs are those which have ceased to carry on their operations

<sup>3</sup> Including Chhattisgarh State Electricity Board, which was unbundled into five companies with effect from 1 January 2009 as per the State Government Gazette Notification dated 19 December 2008. Further, as per the Transfer Scheme Rules, 2010 notified (31 March 2010) by Government, the properties and all interests, rights, liabilities, etc. of the CSEB stand transferred to and vested with the State Government w.e.f. 1 January 2009. Hence, CSEB did not virtually hold any assets, liabilities, etc. The name of CSEB has been included in the Chapter for reconciliation purposes as CSEB, having pendency in finalisation of accounts is appearing under *Appendix-4.1.2*

who are appointed by Comptroller and Auditor General of India (CAG) as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by CAG as per the provisions of Section 619 of the Companies Act, 1956.

**4.1.6** Audit of Statutory corporations is governed by their respective legislations. In respect of Chhattisgarh State Warehousing Corporation, the audit is conducted by Chartered Accountants and supplementary audit by CAG.

### Investment in State PSUs

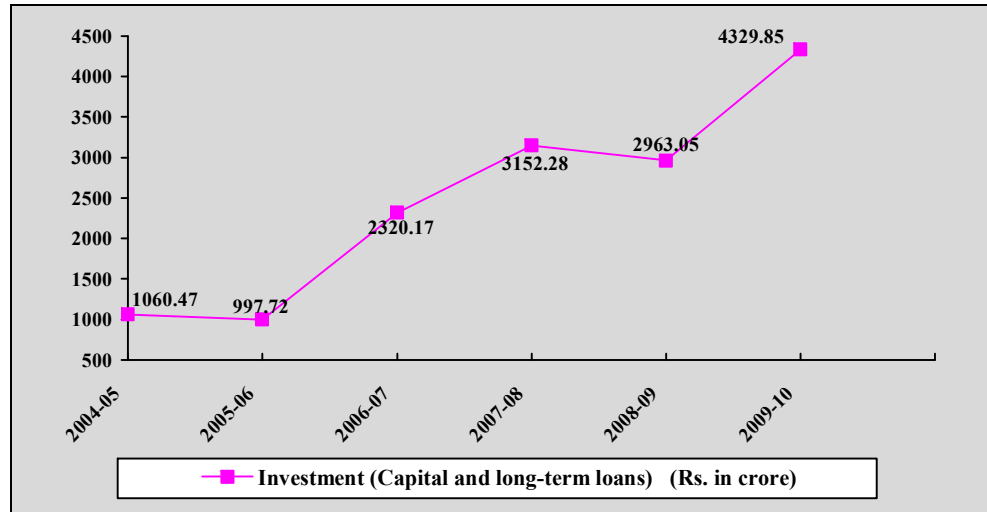
**4.1.7** As on 31 March 2010, the investment (capital and long-term loans) in 17 PSUs was ₹ 4329.85 crore as per details given below.

(₹ in crore)

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	78.25	4249.60	4327.85	2.00	-	2.00	4329.85 <sup>4</sup>

A summarised position of Government investment in State PSUs is detailed in *Appendix-4.1.1*.

**4.1.8** As on 31 March 2010, the total investment consisted of 1.85 per cent towards capital and 98.15 per cent in long-term loans. The investment has grown by 308.30 per cent from ₹ 1060.47 crore in 2004-05 to ₹ 4329.85 crore in 2009-10 as shown in the graph below.

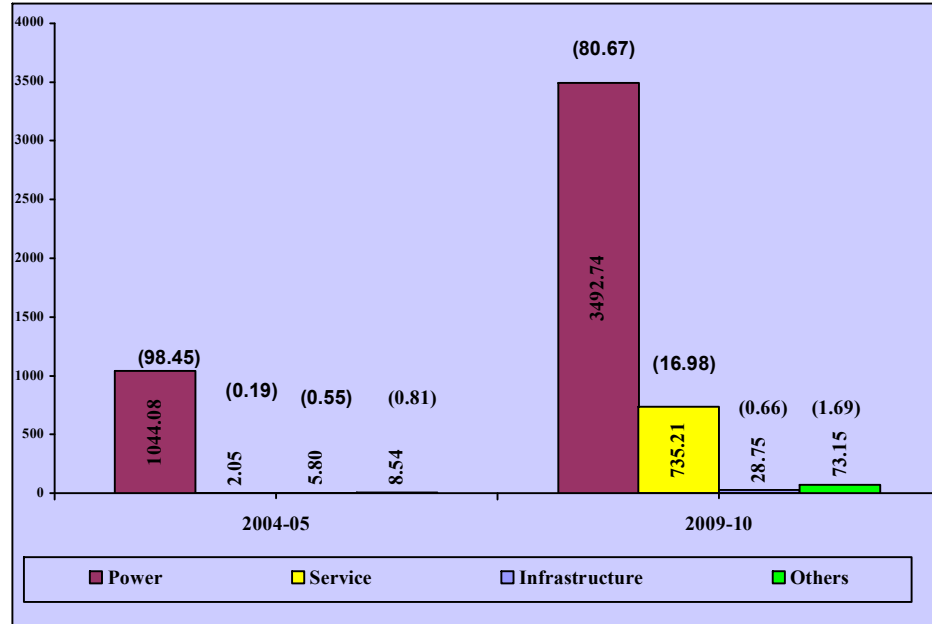


<sup>4</sup> State Government's investment in working PSU's was ₹ 503.74 crore (Share capital, Share application money and loans)

It may be seen that during the year 2009-10, there was an increase of ₹ 1,366.80 crore in the investment in State PSUs mainly due to increase of ₹ 1,004.48 crore in the investments in power sector by way of long term loans from the sources other than State Government.

4.1.9 The investment in various important sectors and percentage thereof at the end of 31 March 2005 and 31 March 2010 are indicated below in the bar chart.

(Amount ₹ in crore)



(Figures in brackets show the percentage of total investment)

As may be seen from the above chart the major investment of the State Government in PSUs was in power sector, which increased from ₹ 1,044.08 crore during 2004-05 to ₹ 3,492.74 crore during 2009-10.

#### Budgetary outgo, grants/subsidies, guarantees and loans

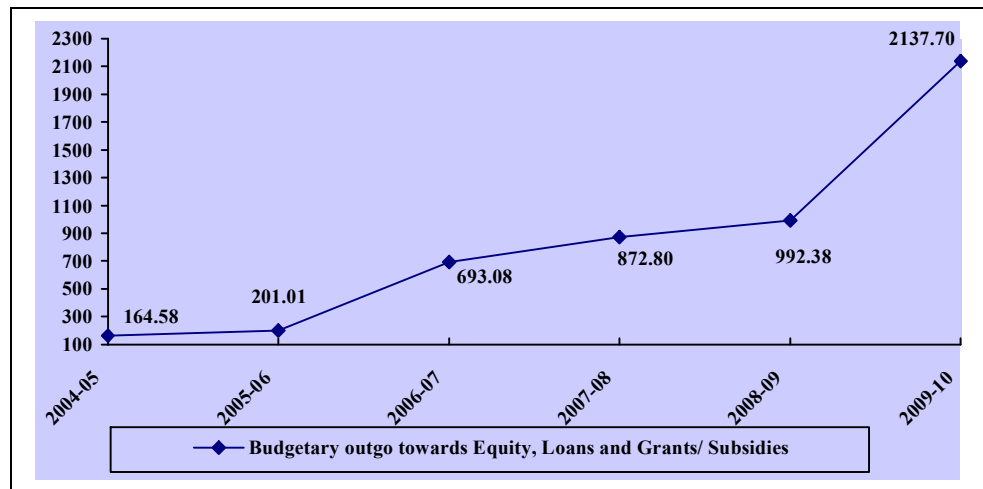
4.1.10 The details regarding budgetary outgo by the State Government towards equity, loans, grants/ subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in *Appendix-4.1.3*. The summarised details are given below for three years ended 2009-10.

(Amount ₹ in crore)

Sl. No.	Particulars	2007-08		2008-09		2009-10	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	1	1.00	-	-	-	-
2.	Loans given from budget	2	8.13	1	1.95	1	500.00
3.	Grants/Subsidy received	7	863.67	6	990.43	7	1637.70
4.	Total Outgo (1+2+3)	7 <sup>5</sup>	872.80	7 <sup>5</sup>	992.38	7 <sup>5</sup>	2137.70
5.	Loans converted into equity	-	-	1	20.11	-	-
6.	Guarantees issued	2	252.53	2	108.11	1	1.46
7.	Guarantee Commitment	2	132.36	1	22.98	2	376.53

4.1.11 The details regarding budgetary outgo towards equity, loans and grants/ subsidies for past six years are given in the graph below.

(Amount ₹ in crore)



The budgetary outgo towards Equity, Loans and Grants/Subsidies increased from ₹ 164.58 crore (2004-05) to ₹ 2,137.70 crore (2009-10). The budgetary outgo of ₹ 2,137.70 crore during 2009-10 included a major portion of budgetary support of ₹ 1,841.25 crore extended to one PSU (Chhattisgarh State Civil Supplies Corporation Limited) by way of loans (₹ 500 crore) and grants (₹ 1,341.25 crore).

4.1.12 The guarantees outstanding decreased from ₹ 132.36 crore in 2007-08 to ₹ 22.98 crore in 2008-09 but increased to ₹ 376.53 crore in 2009-10. None of the PSU has paid any guarantee fee/commission to the State Government during 2009-10.

### Reconciliation with Finance Accounts

4.1.13 The figures in respect of equity and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned

<sup>5</sup> These are the actual number of PSUs which have received budgetary support in the form of equity, loans, grants and subsidy from the State Government during the year



PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2010 is stated below.

(Amount ₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	26.38	40.13	13.75
Guarantees	433.10	376.53	56.57

**4.1.14** We observed that the differences occurred in respect of six PSUs and some of the differences were pending reconciliation since 2004-05. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

### Performance of PSUs

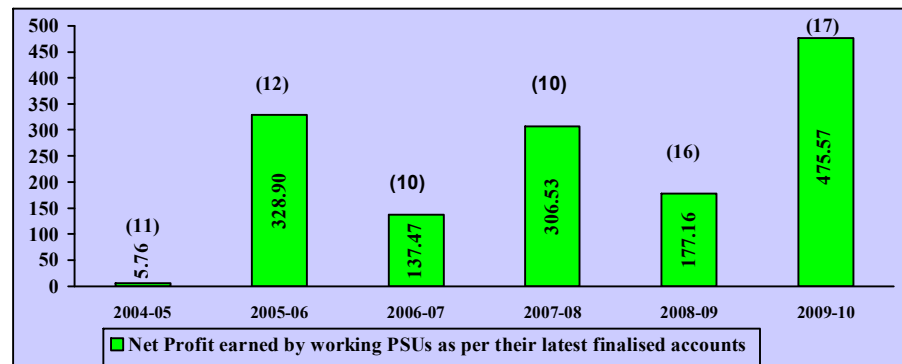
**4.1.15** The financial results of PSUs, financial position and working results of working Statutory corporations are detailed in *Appendix-4.1.2, 4.1.5, 4.1.6* respectively. The ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table below provides the details of working PSUs turnover and State GDP for the period 2004-05 to 2009-10.

(Amount ₹ in crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Turnover <sup>6</sup>	354.88	3,015.23	3,709.55	4,493.73	4,773.05	5,449.33
State GDP <sup>7</sup>	45,999.00	51,921.00	57,782.00	67,455.00	80,698.41	1,07,848.23
Percentage of Turnover to State GDP	0.77	5.81	6.42	6.66	5.91	5.05

There is steady increase in aggregate turnover of State PSUs primarily due to increase in business activities in power sector which was, however, not in proportion to the corresponding growth in the State GDP after 2007-08.

**4.1.16** Profit earned and losses incurred by State working PSUs during 2004-05 to 2009-10 are given below in a bar chart.



(Figures in brackets show the number of working PSUs in respective years)

During the year 2009-10, out of 17<sup>8</sup> working PSUs, eight PSUs<sup>9</sup> earned profit of ₹ 480.01 crore and four PSUs incurred loss of ₹ 4.44 crore as per their latest

<sup>6</sup> Turnover as per the latest finalised accounts as of 30 September 2010

<sup>7</sup> The State GDP in respect of 2009-10 is Advance estimate

finalised accounts as on 30 September 2010. Two PSUs<sup>10</sup> prepared their accounts on “no profit no loss” basis. Balance three PSUs did not finalise their first accounts. The major contributors to profit were Chhattisgarh State Electricity Board (₹ 435.29 crore), Chhattisgarh Rajya Van Vikas Nigam Limited (₹ 17.74 crore) and Chhattisgarh State Warehousing Corporation (₹ 25.10 crore). Losses were incurred by Chhattisgarh State Industrial Development Corporation Limited (₹ 2.00 crore), Chhattisgarh Mineral Development Corporation Limited (₹ 1.22 crore) and Chhattisgarh State Civil Supplies Corporation Limited (₹ 1.21 crore).

**4.1.17** The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. A review of latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of ₹ 647.80 crore and infructuous investments of ₹ 81.06 crore which were controllable with better management. Year wise details from Audit Reports are stated below.

(Amount ₹ in crore)

Particulars	2007-08	2008-09	2009-10	Total
Net Profit (+)/ loss (-) of working PSUs	306.53	177.16	475.57	959.26
Controllable losses as per CAG’s Audit Report	216.82	10.28	420.70	647.80
Infructuous investments	-	0.14	80.92	81.06

**4.1.18** The above losses pointed out by Audit Reports of CAG are based on test check of records of PSUs. The actual controllable losses would be much more. The above table shows that with better management, the profits can be enhanced substantially. The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards the need for professionalism and accountability in the functioning of PSUs.

**4.1.19** Some other key parameters pertaining to State PSUs are given below.

(Amount ₹ in crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Return on Capital Employed (Per cent)	5.03	20.56	14.35	22.76	14.38	12.09
Debt	1,021.81	958.71	2,277.16	3,108.27	2,861.68	4,249.60
Turnover <sup>11</sup>	354.88	3,015.24	3,709.55	4,493.73	4,773.05	5,449.33
Debt/ Turnover Ratio	2.88:1	0.32:1	0.61:1	0.69:1	0.60:1	0.78:1
Interest Payments	11.94	119.09	193.93	216.20	180.99	213.31
Accumulated Profits (losses)	10.77	319.28	451.76	728.52	836.89	1,808.06

**4.1.20** It may be noted that the Debt turnover ratio had improved upto 2008-09 from 2.88:1 (2004-05) to 0.60:1 (2008-09) but deteriorated marginally to

<sup>8</sup> Including erstwhile CSEB, which was unbundled into five power sector companies (serial number A-9 to 13 of *Appendix-4.1.2*) in December 2008, but had finalised its accounts upto the year 2006-07 as on 30 September 2010

<sup>9</sup> Including three companies (serial number A-9, 10 and 13 of *Appendix-4.1.2*) which have not started commercial operations but earned aggregate nominal profit of ₹ 27,042.00 out of interest income

<sup>10</sup> CMDC ICPL Coal Limited and Chhattisgarh Infrastructure Development Corporation Limited

<sup>11</sup> Turnover of working PSUs as per the latest finalised accounts as of 30 September 2010

0.78:1 in 2009-10. The accumulated profits of the State PSUs had shown gradual improvement during previous six years and had registered a growth of more than 167 times from the year 2004-05 (₹ 10.77 crore) to 2009-10 (₹ 1,808.06 crore). It shows that the performance of State PSUs is good enough to absorb the debt burden.

**4.1.21** The State Government had not formulated any dividend policy for payment of minimum return on the paid-up share capital contributed by the State Government. As per their latest finalised accounts, eight PSUs earned an aggregate profit of ₹ 480.01 crore of which only two PSUs<sup>12</sup> declared a dividend of ₹ 2.77 crore as per the provisions of the relevant Act.

#### Arrears in finalisation of accounts

**4.1.22** The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts. The table below provides the details of progress made by working PSUs in finalisation of accounts by September 2010.

Sl. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1.	Number of Working PSUs	12	10	10	16 <sup>13</sup>	17
2.	Number of accounts finalised during the year	5	5	10	9	16
3.	Number of accounts in arrears	26	31	31	36	37
4.	Average arrears per PSU (3/1)	2.17	3.10	3.10	2.25	2.18
5.	Number of Working PSUs with arrears in accounts <sup>14</sup>	12	10	10	13	15
6.	Extent of arrears	1 to 4 years	1 to 5 years	1 to 5 years	1 to 5 years	1 to 6 years

**4.1.23** From the above table it would be seen that there was increase in arrears of accounts. Concrete steps to clear the accounts need to be taken. The main reason as stated by the companies for delay in finalisation of accounts was the books of accounts not closed/reconciled. It was observed that many organisations were formed after bifurcating from the erstwhile organisations in Madhya Pradesh and importance for timely preparation and finalisation of annual accounts was not given by the management.

**4.1.24** The State Government had invested ₹ 3980.95 crore (Equity: ₹ 0.55 crore, loans: ₹ 963.61 crore, grants: ₹ 207.23 crore and others (subsidy): ₹ 2809.56 crore) in nine PSUs during the years for which accounts have not been finalised as detailed in *Appendix-4.1.4*. Delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

<sup>12</sup> Serial number A-2 and B-2 of *Appendix-4.1.2*

<sup>13</sup> Including two companies (serial number A-11 and 12 of *Appendix-4.1.2*) incorporated on 30 December 2008 and not considered to be in arrears as their first accounts were being prepared for 15 months period

<sup>14</sup> Including Chhattisgarh State Electricity Board which is not in existence

**4.1.25** The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. Though we informed the concerned administrative departments and officials of the Government of the arrears in finalisation of accounts, no remedial measures were taken. As a result of this we could not assess the net worth of these PSUs. We had also taken up (May 2010) the matter of arrears in accounts with the Chief Secretary/Registrar of Companies to expedite the backlog of arrears in accounts in a time bound manner and also discussed the issue in the meeting of COPU.

**4.1.26 In view of above state of arrears, it is recommended that:**

- **The Government may set up a cell to oversee the clearance of arrears and set the targets for individual companies which would be monitored by the cell.**
- **The Government may consider outsourcing the work relating to preparation of accounts wherever the staff is inadequate or lacks expertise.**

#### Accounts Comments and Internal Audit

**4.1.27** Nine working companies forwarded their audited (twelve) accounts to Accountant General during the period from 1 October 2009 to 30 September 2010. Eight accounts of seven companies were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved. The details of aggregate money value of comments of statutory auditors and CAG are given below.

*(Amount ₹ in crore)*

Sl. No.	Particulars	2007-08		2008-09		2009-10	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	-	-	3	1.04	1	3.92
2.	Increase in loss	1	0.92	-	-	3	5.91
3.	Non-disclosure of material facts	1	7.57	-	-	3	70.14

**4.1.28** During the year, the statutory auditors had given unqualified certificates for three accounts, qualified certificates for eight accounts and adverse certificate for one account. The compliance of companies with the Accounting Standards (AS) was generally satisfactory as there were only three instances of non-compliance with AS-15 during the year.

**4.1.29** Some of the important comments in respect of accounts of companies finalised during 2009-10 are stated below.

#### ***Chhattisgarh State Industrial Development Corporation Limited (2004-05)***

- The loss for the year was overstated by ₹ 1.53 crore due to non-accountal of service charges collected by the Company from nine entrepreneurs against allotment of land.

- The loss for the year was understated by ₹ 1.05 crore due to non-provision of accrued liabilities towards leave encashment of employees as on 31 March 2010.
- Non-provision of ₹ 90.44 lakh towards interest accrued but not due on SLR Bonds resulted in understatement of Current Liabilities as well as understatement of Loss to that extent.

**4.1.30** Similarly, two working Statutory corporations forwarded four accounts to Accountant General during the year 2009-10. Of these, audit of two accounts of one corporation (Chhattisgarh State Electricity Board) which pertained to sole audit by CAG, was completed. Both the remaining two accounts of the other corporation (Chhattisgarh State Warehousing Corporation) were also selected for supplementary audit. The details of aggregate money value of comments of statutory auditors and CAG are given below.

(Amount ₹ in crore)

Sl. No.	Particulars	2007-08		2008-09		2009-10	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1	Increase in profit	1	1.74	3	3.71	1	23.13
2	Decrease in profit	-	-	-	-	2	82.71
3	Non-disclosure of material facts	-	-	-	-	1	900.77
	<b>Total</b>		<b>1.74</b>		<b>3.71</b>		<b>1,006.61</b>

**4.1.31** During the year, two accounts of Chhattisgarh State Warehousing Corporation received qualified certificates.

**4.1.32** Some of the important comments in respect of accounts of statutory corporations are stated below.

***Chhattisgarh State Electricity Board (2004-05)***

- CSEB accounted disputed claim of ₹ 12.95 crore as revenue resulting in overstatement of Revenue from Sale of Power and overstatement of Profit to that extent.
- The Employees Cost does not include ₹ 1,924.85 crore being accrued liability on Gratuity and Pension as on 31 March 2005 as per actuarial valuation. This has resulted in understatement of Employees Cost and overstatement of Profit to that extent.
- The liability towards Earned Leave encashment does not include ₹ 182.71 crore being the accrued liability towards earned leave encashment as on 31 March 2005 resulting in understatement of Employees Cost and overstatement of Profit to that extent.
- CSEB did not account for ₹ 94.56 crore received on 31 March 2005 through State Government towards APDRP. This resulted in

understatement of current assets as well as liabilities to the same extent.

**Chhattisgarh State Electricity Board (2005-06)**

- Sundry Debtors for sale of power includes ₹ 105.78 crore in respect of Jagdalpur Region as against the actual amount ₹ 79.82 crore outstanding as on 31 March 2006. This has resulted in overstatement of Receivable against Supply of Power and overstatement of Profit by ₹ 25.96 crore.
- Provision for unbilled Revenue includes ₹ 6.09 crore in respect of Rajnandagaon Region as against the actual amount of unbilled revenue of ₹ 1.59 crore as on 31 March 2006. This has resulted in overstatement of Receivable against supply of Power and Profit by ₹ 4.50 crore.
- Income accrued but not due includes ₹ 26.74 crore being Interest accrued on fixed deposits. As against this the actual amount of interest accrued as on 31 March 2006 was ₹ 23.07 crore. This has resulted in overstatement of Income Accrued but not due and Profit for the year by ₹ 3.67 crore.
- Non-provision of ₹ 18.28 crore towards unpaid coal bills relating to the year 2005-06 has resulted in overstatement of Profit for the year and understatement of Other Current Liabilities by ₹ 18.28 crore.

**Recoveries at the instance of audit**

**4.1.33** During the course of audit in 2009-10, recoveries of ₹ 12.85 crore were pointed out to the Management of various PSUs, which were admitted by PSUs. An amount of ₹ 5.31 crore was recovered during the year 2009-10.

**Status of placement of Separate Audit Reports**

The following table shows the status of placement of various Separate Audit Reports (SARs) issued by the CAG on the accounts of Statutory corporations in the Legislature of the Government.

Sl. No.	Name of Statutory corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
1.	Chhattisgarh State Electricity Board	-	2001-02	08.12.2006	Absence of enabling provision under the Electricity Act, 2003.
		-	2002-03	25.04.2008	
		-	2003-04	01.04.2009	
		-	2004-05	09.12.2009	
		-	2005-06	22.06.2010	

2.	Chhattisgarh State Warehousing Corporation	2008-09	-	-	-
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### Disinvestment, Privatisation and Restructuring of PSUs

**4.1.35** The process of unbundling of Chhattisgarh State Electricity Board was completed as per the Electricity Act, 2003. The Board was unbundled into five companies<sup>15</sup> with effect from 1 January 2009. Allocation of assets and liabilities is under process.

### Reforms in Power Sector

**4.1.36** The State has formed Chhattisgarh State Electricity Regulatory Commission (Commission) in May 2004 under Section 17 of the erstwhile Electricity Regulatory Commission Act, 1998 with the objective of rationalisation of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licences. During 2009-10, Commission issued 49 orders (five on annual revenue requirements and 44 on others).

**4.1.37** Memorandum of Understanding (MoU) was signed in May 2000 between the Union Ministry of Power and the State Government (MP) as a joint commitment for implementation of reforms programme in power sector with identified milestones. However, no MoU was signed between the Union Ministry of Power and State of Chhattisgarh after formation of Chhattisgarh State in November 2000 bifurcating erstwhile Madhya Pradesh under Madhya Pradesh reorganisation Act. Hence the implementation of reforms programme and achievement of identified milestones could not be assessed.

<sup>15</sup> Serial number A-9 to 13 of *Appendix- 4.1.1*.

## 4.2 Performance review relating to Government Company

### Chhattisgarh State Power Generation Company Limited

#### Power Generation Activities

##### Executive Summary

Power is an essential requirement for all facets of life and has been recognized as a basic human need. In Chhattisgarh, generation of power upto 31 December 2008 was carried out by the erstwhile Chhattisgarh State Electricity Board. Consequent to unbundling of the Board, from 1 January 2009, the generation of power is carried out by the Chhattisgarh State Power Generation Company Limited. The performance audit of the Company was conducted to assess economy, efficiency and effectiveness of activities relating to Planning, Project Management, Financial Management, Operational Performance, Environment Issues and Monitoring by top management during the period 1 April 2005 to 31 March 2010.

##### **Planning**

As on 31 March 2010 against the requirement of power of 19209.62 MU, available power was 19746.18 MU, whereas the installed capacity was 5898.70 MW. There was a growth in demand of 6836.50 MU during 2005-10, whereas the capacity addition was 2387.85 MW. There were deficiencies in project planning and formulation. The Board had taken up Bhaiyathan Thermal Power Project without obtaining forest clearance from MoEF. Thus the implementation of the project became uncertain resulting in blocking up of ₹ 66.50 crore. Further, the Company established a cogeneration plant at Kawardha. However, it failed to assess the availability of requisite fuel before taking up the project. This resulted in operation loss of ₹ 12.61 crore. One Hydro-electric and one Thermal Power Project planned by the Company could not be commenced due to non-fulfilment of stipulated conditions of initial clearances, lack of vigorous persuasion and selection of disputed land for the project.

##### **Project Management**

The Company completed four power projects during the review period. However, none was completed in time and there were delays ranging from eight to 36 months resulting in generation loss of 4239.14 MU valued at ₹ 1245.19 crore. Besides, there was cost overrun of ₹ 187.72 crore in two projects.

##### **Contract Management**

The Company executed contracts valuing ₹ 8106.40 crore relating to civil works, supply of equipments and other miscellaneous works. The Company extended undue financial benefit to various contractors for execution of six power projects by allowing interest free mobilisation advances amounting to ₹ 188.87 crore during October 2003 to December 2006. Besides, due to failure of the Company to assess the reasonability of rates, it had to incur avoidable expenditure of ₹ 2.60 crore on the purchase of coal wagons.



**Operational Performance**

Consumption of coal and fuel oil in excess of the prescribed norms resulted in avoidable expenditure of ₹ 361.03 crore. Besides, due to underutilisation of bi-cable ropeway system, the Company had to incur avoidable expenditure of ₹ 3.05 crore on coal transportation. Further, due to deployment of excess manpower against the CEA norms, the Company had to bear extra expenditure of ₹ 267.47 crore. The PLF and the Plant Availability of Company's power stations were higher than the CEA norms and national average as well. Outages (planned and forced) were within the norms of CEA during the review period. However, the Company failed to replace, install and commission various equipments like Air Pre Heater, TAS/BAS system, Fire Protection System etc. as per schedule which resulted in blocking up of funds of ₹ 21.84 crore besides impairing the performance of the power stations.

**Financial Management**

The Board faced cash deficit due to poor recovery of outstanding energy bills and distribution subsidy receivable from the State Government, which resulted in increased borrowings during the review period. The Company had to suffer loss of interest subsidy of ₹ 243.60 crore under the AG&SP scheme due to delay in commissioning of DSPM TPS. There was lack of control over inventory holding. Company's thermal power stations held spares in excess of CERC norms which resulted in blocking up of ₹ 107.06 crore. Delayed submission of tariff petition resulted in depriving the consumers of benefit of lower tariff during 2006-08 amounting to ₹ 248.15 crore. Further, Chhattisgarh State Electricity Regulatory Commission disallowed expenditure of ₹ 101.43 crore in 2009-10 on account of underperformance by the Company for reasons deemed to be controllable.

**Environment Issues**

The Company did not adhere to the provisions of various Acts, Regulations and norms prescribed by the Government and Chhattisgarh State Environment Conservation Board which may adversely impact the environment. This included non-achievement of specified SPM levels, use of high ash content coal, disposal of ash, non-recycling of water etc.

**Conclusion**

The Company's failure to obtain forest clearance resulted in non-commencement/abandonment of three power projects. Four new projects of the Company were not commissioned as scheduled resulting in time and cost overrun due to inadequate project monitoring system. Company extended undue financial benefit to contractors in execution of projects. Consumption of coal and fuel oil were in excess of norms. The Company had huge outstanding dues relating to energy bills. Holding inventories of spares in excess of norms resulted in blocking up of funds. Environmental issues were also not new projects of the Company were not commissioned as scheduled resulting in time and cost overrun due to inadequate project monitoring system. Company extended undue financial benefit to contractors in execution of projects. Consumption of coal and fuel oil were in excess of norms. The Company had huge outstanding dues relating to energy bills. Holding inventories of spares in excess of norms resulted in blocking up of funds. Environmental issues were also not adequately addressed by the Company.

#### 4.2.1 Introduction

Power is an essential requirement for all facets of life and has been recognized as a basic human need. The availability of reliable and quality power at competitive rates is very crucial to sustain growth of all sectors of the economy. The Electricity Act 2003 provides a framework conducive to development of the Power Sector, promote transparency and competition and protect the interest of the consumers. In compliance with Section 3 of the *ibid* Act, the Government of India (GoI) prepared the National Electricity Policy (NEP) in February 2005 in consultation with the State Governments and Central Electricity Authority (CEA) for development of the Power Sector based on optimal utilisation of resources like coal, gas, nuclear material, hydro and renewable sources of energy. The Policy aims at, *inter alia*, laying guidelines for accelerated development of the Power Sector. It also requires CEA to frame National Electricity Plan once in five years. The Plan would be short term framework of five years and give a 15 years' perspective.

During the year 2005-06, electricity requirement in Chhattisgarh State was assessed as 12373.12 Million Units (MU) against which 12492.97 MU were available. The total installed power generation capacity of State was 3510.85 Mega Watt (MW) as on 1 April 2005 against the peak demand of 1965 MW. As on 31 March 2010 the comparative figures of requirement and availability of power were 19209.62 MU and 19746.18 MU respectively while the installed capacity was 5898.70 MW. Thus there was a growth in demand of 6836.50 MU during the review period, whereas the capacity addition was 2387.85 MW.

In Chhattisgarh, generation of power up to 31 December 2008 was carried out by the erstwhile Chhattisgarh State Electricity Board (Board) which was formed on 15 November 2000 as the successor of Madhya Pradesh Electricity Board (MPEB) after the formation of Chhattisgarh State. Consequent to the unbundling of the Board, from 1 January 2009, the generation of power in Chhattisgarh is carried out by the Chhattisgarh State Power Generation Company Limited (Company) which was incorporated on 19 May 2003 under the Companies Act, 1956 as a fully owned Government Company under the administrative control of the Energy Department of the Chhattisgarh Government. The Management of the Company is vested with a Board of Directors comprising four directors appointed by the State Government. The day-to-day operations are carried out by the Managing Director, who is the Chief Executive of the Company with the assistance of Executive Directors, Chief Engineers (who heads each Station), and Superintending Engineers. The Company had three thermal generation stations, four hydro generation stations and one cogeneration station with the installed capacity of 1780 MW, 138.7 MW and 6 MW respectively as shown in **Appendix – 4.2.1**.

The turnover of the Company was ₹ 1780.38 crore<sup>1</sup> in 2009-2010, which was equal to 32.67 per cent and 1.65 per cent of the State PSUs turnover and State Gross Domestic Product, respectively. Pending finalisation of restructuring,

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<sup>1</sup> Provisional figures.

the number of employees pertaining to the Company was not available (September 2010).

#### 4.2.2 Scope and Methodology of Audit

The present review conducted during February 2010 to June 2010 covers the performance of the erstwhile Board/ the Company during the period from 2005-06 to 2009-10. The review mainly deals with Planning, Project Management, Financial Management, Operational Performance, Environmental Issues and Monitoring by Top Management. The audit examination involved scrutiny of records at the Head Office and five<sup>2</sup> out of eight generating stations. The total installed capacity of the selected five stations is 1906 MW which worked out to 99 *per cent* of the total installed capacity. The criteria adopted for selection of generating stations was as under:

Criteria	No. of units	Unit selected	Coverage
New Thermal Power Projects	01	DSPM TPS, Korba East	100 <i>per cent</i>
Hydro Electric Power Projects	04	120 MW Hasdeo Bango Hydel Power Plant, Korba	Selection made on the basis of higher generation capacity and the coverage was 86 <i>per cent</i>
Post Refurbishment Performance	01	KTPS, Korba East	100 <i>per cent</i>
Due for Renovation/ Life Extension	01	HTPS, Korba West	100 <i>per cent</i>
Non-conventional power plant	01	Cogeneration Plant, Kawardha	100 <i>per cent</i>

The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining audit objectives to top management, scrutiny of records at Head Office and selected units, interaction with the auditee personnel, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft review to the Management for comments.

#### 4.2.3 Audit Objectives

The objectives of the performance audit were to:

##### Planning and Project Management

- To assess whether capacity addition programme taken up/ to be taken up to meet the shortage of power in the State is in line with the National Policy of Power for All by 2012;

<sup>2</sup>

a) Dr. Shyama Prasad Mukherjee Thermal Power Station (DSPM TPS), Korba East.  
 b) Hasdeo Bango Hydel Power Station, Korba.  
 c) Korba Thermal Power Station (KTPS), Korba East.  
 d) Hasdeo Thermal Power Station (HTPS), Korba West and,  
 e) Cogeneration plant at Kawardha.

- To assess whether a plan of action is in place for optimisation of generation from the existing capacity;
- To ascertain whether the contracts were awarded with due regard to economy and in transparent manner;
- To ascertain whether the execution of projects were managed economically, effectively and efficiently; and
- To ascertain whether the erstwhile Board/ Company had taken up the projects under non conventional sources such as wind, solar, biomass, etc and tap generation from captive power sources.

#### **Financial Management**

- To ascertain whether the projections for funding the new projects and upgradation of existing generating units were realistic including the identification and optimal utilization for intended purpose; and
- To assess the soundness of financial health of the generating undertakings.

#### **Operational Performance**

- To assess whether the power plants were operated efficiently and preventive maintenance as prescribed was carried out to minimise the forced outages;
- To assess whether requirements of each category of fuel were worked out realistically, procured economically and utilised efficiently;
- To assess whether the manpower requirement was realistic and its utilisation optimal;
- To assess whether the life extension (renovation and modernization) programme were ascertained and carried out in an economic, effective and efficient manner; and
- To assess the impact of R&M/LE activity on the operational performance of the Unit.

#### **Environmental Issues**

- To assess whether the various types of pollutants (air, water, noise, hazardous waste) in power stations were within the prescribed norms and complied with the required statutory requirements; and
- To assess the adequacy of waste management system and its implementation.

#### **Monitoring and Evaluation**

- To ascertain whether adequate MIS existed in the entity to monitor and assess the impact and utilize the feedback for preparation of future schemes; and
- To ascertain whether a documented and proper disaster management system was in place in all generating units.

#### 4.2.4 Audit Criteria

The audit criteria adopted for assessing the achievement of the audit objectives were:

- National Electricity Plan, norms/guidelines of CEA regarding planning and implementation of the projects;
- Standard procedures for award of contract with reference to principles of economy, efficiency and effectiveness;
- Guidelines and norms issued by Central Electricity Regulatory Commission (CERC)/ Chhattisgarh State Electricity Regulatory Commission (CSERC) in respect of
  - ❖ targets fixed for generation of power ;
  - ❖ parameters fixed for plant availability, Plant Load Factor (PLF) etc;
  - ❖ best performers in the regions/all India averages;
  - ❖ prescribed norms for planned outages; and
- Acts relating to Environmental laws.

#### 4.2.5 Financial Position and Working Results

The financial position<sup>3</sup> of the erstwhile Board for the period 2005-06 to 2008-09 (upto 31 December 2008)<sup>4</sup> is given below:

Particulars	(₹ in crore)			
	2005-06	2006-07	2007-08	2008-09 (upto 31 December 2008)
<b>A. Liabilities</b>				
Paid up Capital	23.12	23.12	23.12	23.12
Reserve & Surplus (including Capital Grants but excluding Depreciation Reserve)	1999.65	2965.81	3575.50	4458.45
Borrowings (Loan Funds)				
Secured	1948.34	2510.63	2886.94	2862.33
Unsecured				
Current Liabilities & Provisions	2657.52	2708.91	2833.20	2625.22
<b>Total</b>	<b>6628.63</b>	<b>8208.47</b>	<b>9318.76</b>	<b>9969.12</b>
<b>B. Assets</b>				
Gross Block	2636.99	2867.30	5443.75	6253.04
Less: Depreciation	1325.41	1432.22	1557.84	1798.46
Net Fixed Assets	1311.58	1435.08	3885.91	4454.58
Capital works-in-progress	1852.57	3242.32	1595.80	2038.47
Investments	920.09	514.03	593.55	275.27
Current Assets, Loans and Advances	2544.39	3017.04	3243.50	3200.80
<b>Total</b>	<b>6628.63</b>	<b>8208.47</b>	<b>9318.76</b>	<b>9969.12</b>

<sup>3</sup> Provisional and unaudited figures from 2006-07 to 2008-09.

<sup>4</sup> The figures from January 2009 was not furnished by the Company as its accounts were not finalized due to restructuring of erstwhile Board w.e.f. 01 January 2009. Compilation of accounts of successor companies of erstwhile Board is pending due to non-availability of the opening balances of newly formed companies. The opening balances of power companies have not been notified by the State Government as per restructuring plan.

The financial position furnished in the table revealed the following:

- The debt-equity ratio decreased from 0.96:1 to 0.64:1 due to increase in Reserve & Surplus.
- The Reserves and Surplus of the erstwhile Board increased by 123 *per cent* from ₹ 1999.65 crore in 2005-06 to ₹ 4458.45 crore in 2008-09 mainly due to sale of surplus power (peak and off peak) by the erstwhile Board to other power utilities.
- The borrowings of the erstwhile Board increased by 47 *per cent* from ₹ 1948.34 crore in 2005-06 to ₹ 2862.33 crore in 2008-09 mainly due to taking up of new projects.
- Net Fixed Assets increased by 240 *per cent* from ₹ 1311.58 crore in 2005-06 to ₹ 4454.58 crore in 2008-09 due to completion of new projects.
- Investments decreased by 70 *per cent* from ₹ 920.09 crore in 2005-06 to ₹ 275.27 crore in 2008-09 due to utilization of the amount for funding new project.
- The Current Assets, Loans and advances increased by 25.80 *per cent* from ₹ 2544.39 crore in 2005-06 to ₹ 3200.80 crore in 2008-09. This was mainly due to increase of receivables against supply of power, subsidy receivable from Government and increase of loans and advances.

The details of working results like cost of generation of electricity, revenue realisation, net surplus/ loss and earnings and cost *per unit* of operation are given below.

(₹ in crore)

Sl.No	Description	2005-06	2006-07	2007-08	2008-09 <sup>5</sup>
<b>1.</b>	<b>Income</b>				
	Revenue from own generation	2612.48	2633.89	2730.13	2618.39
	Other income including interest	207.54	211.42	212.04	138.30
	<b>Total Income</b>	<b>2820.02</b>	<b>2845.31</b>	<b>2942.17</b>	<b>2756.69</b>
<b>2.</b>	<b>Generation</b>				
	Total generation (In MUs)	9316.26	9624.24	10341.47	9773.33
	Less: Auxiliary consumption (In MUs)	861.64	873.78	927.20	836.83
	<b>Total generation available for Transmission and Distribution (In MUs)</b>	<b>8454.62</b>	<b>8750.46</b>	<b>9414.27</b>	<b>8936.50</b>
<b>3.</b>	<b>Expenditure</b>				
<b>(a)</b>	<b>Fixed cost</b>				
(i)	Employees cost	187.40	179.29	210.65	181.72
(ii)	Administrative and General expenses	27.24	32.08	42.93	35.28
(iii)	Depreciation	10.94	40.39	41.51	145.55
(iv)	Interest and finance charges	82.24	42.42	53.55	123.48
	<b>Total fixed cost</b>	<b>307.82</b>	<b>294.18</b>	<b>348.64</b>	<b>486.03</b>
<b>(b)</b>	<b>Variable cost</b>				
(i)	Fuel consumption				

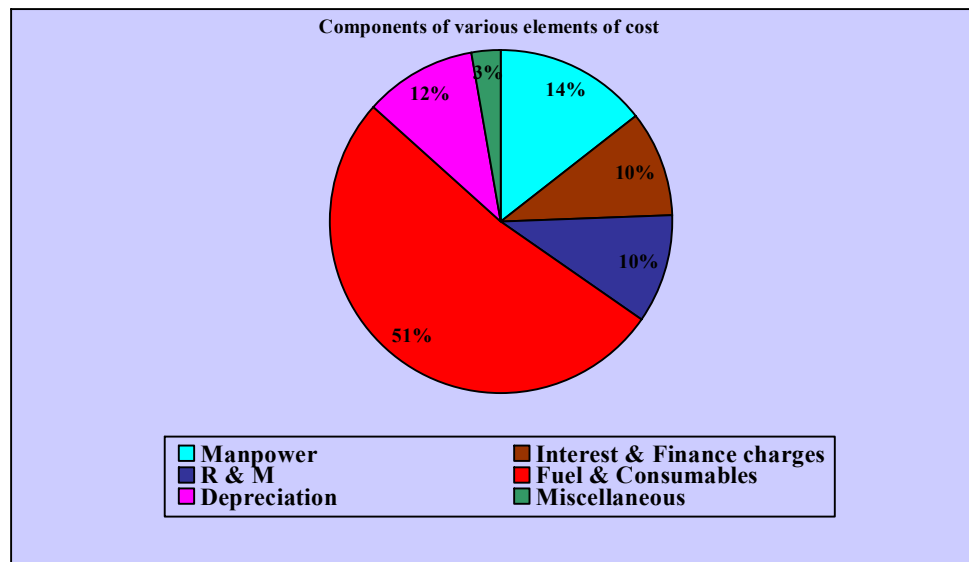
<sup>5</sup> upto 31 December 2008 i.e. before re-structuring of erstwhile Board.

	(a)	Coal	403.04	432.32	479.70	546.16
	(b)	Oil & Water	26.95	36.95	41.09	71.84
	(c)	Other fuel related cost including shortages/surplus	21.45	19.70	22.60	25.81
(iii)		Lubricants and consumables	3.93	5.10	6.12	5.27
(iv)		Repairs and maintenance	97.39	131.72	151.42	129.75
		<b>Total variable cost</b>	<b>552.76</b>	<b>625.79</b>	<b>700.93</b>	<b>778.83</b>
<b>C.</b>		<b>Total cost 3(a) + (b)</b>	<b>860.58</b>	<b>919.97</b>	<b>1049.57</b>	<b>1264.86</b>
4.		Average Realisation (₹ per unit)	3.09	3.01	2.90	2.93
5.		Fixed cost (₹ per unit)	0.36	0.34	0.37	0.54
6.		Variable cost (₹ per unit)	0.65	0.72	0.74	0.87
7.		Total cost (5+6) (₹ per unit)	1.01	1.06	1.11	1.41
8.		Contribution (4-6) (₹ per unit)	2.44	2.29	2.16	2.06
9.		<b>Profit (+)/Loss(-) (4-7) (₹ per unit)</b>	<b>2.08</b>	<b>1.95</b>	<b>1.79</b>	<b>1.52</b>

The analysis of above table is discussed in succeeding paragraphs:

### *Elements of Cost*

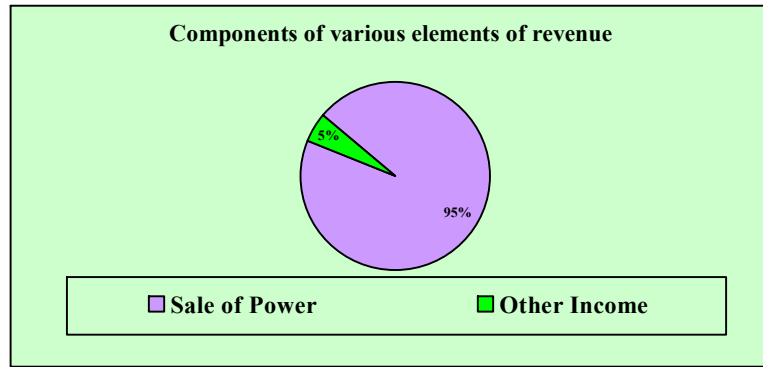
Fuel & Consumables and employee cost constitute the major elements of costs. The percentage break-up of costs for 2008-09 (upto 31 December 2008) is given below in the pie-chart.



### *Elements of revenue*

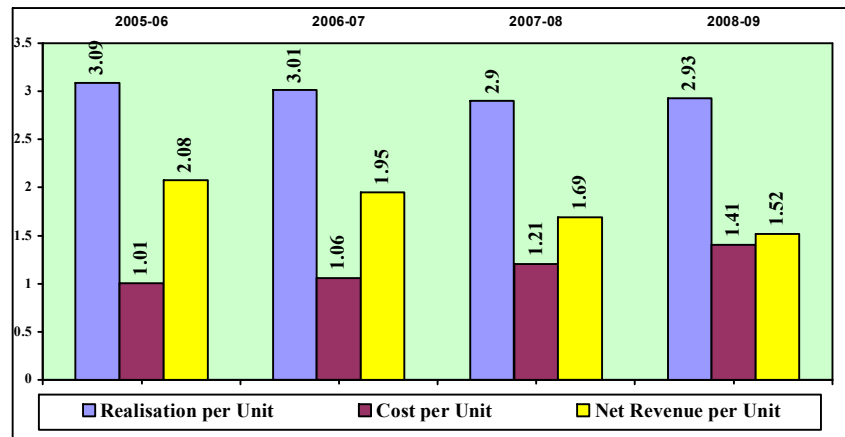
Sale of Power constitutes the major elements of revenue. The percentage break-up of revenue for 2008-09<sup>6</sup> is given below in the pie-chart.

<sup>6</sup> The data for the year 2009-10 was not furnished by the Company as its accounts were not finalised.



**Recovery of cost of operations**

The per unit cost of generation, sales realization and net revenue during the four years ending 2008-09 are shown below:



From the above graph it could be seen that the generation cost per unit increased from ₹ 1.01 in 2005-06 to ₹ 1.41 in 2008-09. However, realization per unit more or less remained same which resulted in decline of net revenue per unit from ₹ 2.08 (2005-06) to ₹ 1.52 (2008-09). It was due to operational inefficiencies of erstwhile Board/ Company. In the Tariff Petition filed by the erstwhile Board/ Company during the last five years upto 2009-10 (four petitions), it projected a total Annual Revenue Requirement (ARR) of ₹ 5427.05 crore. However, CSERC approved only ₹ 4613.28 crore rejecting the further requirement of ₹ 813.77 crore. Had the Board/ Company been able to improve its efficiency at least an additional amount of ₹ 813.77 crore could have been available for capacity addition/ life extension programmes. The reasons for enhancement of cost were mainly due to increase in expenditure on coal (29 per cent), oil & water (154 per cent), increase in administrative expenses (30 per cent) and interest & finance charges (50 per cent).

**4.2.6 Audit Findings**

We explained the audit objectives to the Company during an ‘entry conference’ held on 16 February 2010. Subsequently, audit findings were



reported to the Company and the State Government in July 2010. The reply of the Company/ Government are awaited (September 2010).

#### 4.2.7 Operational Performance

The operational performance of the erstwhile Board/ Company for the five years ending 2009-10 is given in the *Appendix-4.2.2*. The operational performance was evaluated on various operational parameters as described below. It was also seen whether the erstwhile Board/ Company was able to maintain pace in terms of capacity addition with the growing demand for power in the State. Audit findings in this regard are discussed in the subsequent paragraphs. These audit findings show that there was scope for improvement in performance.

#### 4.2.8 Planning

NEP aims to provide availability of over 1,000 Units of per Capita electricity by 2012, for which it was estimated that need based capacity addition of more than 1,00,000 MW would be required during 2002-2012 in the country. The power availability scenario in the State indicating own generation, purchase of power, peak demand and net deficit are discussed in succeeding paragraphs.

During the period from 2005-10, the actual generation was substantially less than the peak as well as average demand as shown below:

Year	Generation (MW)	Peak Demand (MW)	Average Demand (MW)	Percentage of actual generation to Peak Demand	Percentage of actual generation to Average Demand
2005-06	1064	1965	1449	54.15	73.43
2006-07	1253	2027	1607	61.82	77.97
2007-08	1169	2335	1617	50.06	72.29
2008-09	1541	2889	1880	53.34	81.97
2009-10	1507	2929	2128	51.45	70.82

As may be seen from the above, the actual generation was only 70.82 to 81.97 *per cent* of the average demand and 50.06 to 61.82 *per cent* of the peak demand.

However, the total supply after import also fell short during 2008-09 and 2009-10 to meet the peak demand as shown below:

Year	Peak Demand (MW)	Peak Demand met (MW)	Sources of meeting peak demand (MW)		Peak Deficit (Percentage of Peak Demand)
			Own	Import	
2005-06	1965	1965	1140	825	0
2006-07	2027	2027	1282	745	0
2007-08	2335	2335	1613	722	0
2008-09	2889	2840	1881	959	1.70
2009-10	2929	2880	1803	1077	1.67

It is evident from the above that the Company's own capacity to meet the peak

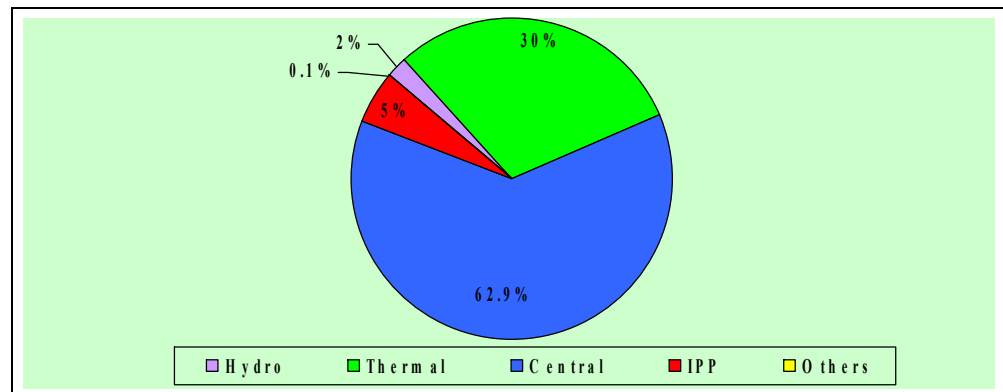
demand was only 58 per cent to 69 per cent during the period 2005-10 and the shortfall ranged between 722 MW to 1077 MW. This compelled the Company to purchase power from other sources viz. Central PSUs, traders and Captive Power Plants (CPP)/ Independent Power Producers (IPP) at higher cost. Further the Company could not meet the peak demand even after purchases during 2008-09 and 2009-10, where the shortfall was 49 MW in each year.

The Board/ Company purchased 30607.63 MU power valuing ₹ 6552.61 crore during the review period from Central pool at rates ranging from ₹ 1.407 to ₹ 1.657 per unit and from other sources at rates ranging from ₹ 1.92 to ₹ 4.01 per unit whereas its own generation cost ranged from ₹ 1.01 to ₹ 1.41 per unit.

This section deals with capacity additions and optimal utilisation of existing facilities. Environmental aspects have been discussed in subsequent paragraphs at later stage.

#### 4.2.8.1 Capacity Additions

Chhattisgarh, a coal rich State, has 16.65 per cent of coal reserve of the country and has huge potential for thermal power plants. Accordingly a number of thermal power plants have been established/ are under-construction under Central, State and IPP sector. The State had total installed capacity of 3510.85 MW (Company -1410.85 MW and Central PSU- 2100 MW) at the beginning of 2005-06 which was increased to 5898.70 MW at the end of 2009-10 (Company - 1924.70 MW, Central PSUs - 3674 MW and IPPs – 300 MW). The breakup of generating capacities, as on 31 March 2010, under thermal, hydro, Gas, Central, IPP and others is shown in the pie chart below.



The projects categorised as ‘Projects under Construction’ (PUC) and ‘Committed Projects’<sup>7</sup> (CP) earmarked for capacity addition during the review period according to NEP and are detailed below.

<sup>7</sup> National Electricity Plan defines Committed Project as Projects for which the formal approval to take up the same has been granted by the CEA.

(In MW)

Sector	Thermal	Hydro	Non-conventional Energy	Total
PUC	2000 <sup>8</sup>	7.85 <sup>9</sup>	6 <sup>10</sup>	2013.85
CP	4640 <sup>11</sup>	-	-	4640.00
<b>Total</b>	<b>6640</b>	<b>7.85</b>	<b>6</b>	<b>6653.85</b>

The particulars of capacity additions envisaged, actual additions by the erstwhile Board/ Company and peak demand vis-à-vis energy supplied in the State as a whole during review period are given below.

Sl.No	Description	2005-06	2006-07	2007-08	2008-09	2009-10
1.	Capacity at the beginning of the year (MW)	1410.85	1410.85	1423.85	1673.85	1923.85
2.	Additions planned (MW)	7	250	250	0.85	0
3.	Actual Additions (MW)	0	13	250	250	0.85
4.	Capacity at the end of the year (MW) (1 +3)	1410.85	1423.85	1673.85	1923.85	1924.70
5.	Shortfall in capacity addition (MW) (2-3)	7	237	0	-	-
6.	Demand during the year (MU)	12373.12	13083.63	13791.10	15665.14	19209.62
		Energy Supplied (MU)				
7.	a) Own sources	8454.62	8750.46	9414.27	12358.81	12371.33
	b) Import less export	4038.35	4528.51	6193.15	6965.32	7374.85
	<b>Total</b>	12492.97	13278.97	15607.42	19324.13	19746.18
8.	<b>Shortfall in demand (MU) (6 -7)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

It may be observed from the above table that the Board/ Company was in a position to meet the demand only after the purchase of power from other sources.

The thermal-hydel ratio which was 91:9 during 2005-06 went up to 93:7 after installation of DSPM Thermal Power Project (TPP). This was higher than the ideal ratio of 60:40 prescribed by CSERC.

Some important observations relating to deficient planning are given below:

#### 4.2.8.2 *Improper project formulation of Bhaiyathan Thermal Power Project resulted in blocking up of funds to the tune of ₹66.50 crore*

**Improper project formulation of BTPP resulted in blocking up of funds of ₹66.50 crore.**

Erstwhile Board decided (13 January 2005) to establish thermal power project (2X660 MW) at Bhaiyathan (BTPP) in Sarguja District with scheduled commissioning during 2011-12. It was also decided to implement this project through tariff based bidding process. This project was entirely dependent upon the regular and adequate supply of coal from the dedicated captive coal mines of Gidhmuri-Paturiya allotted (September 2004) by GoI for the project. As the above coal block is situated in the dense forest area, it required approval of the Ministry of Environment & Forest, GoI (MoEF) for diversion of 2076.532 hectares of forest land for captive coal mines. However, without obtaining the

<sup>8</sup> (A) DSPM TPP Korba East – 2X250 MW, (B) Marwa TPP – 2X500 MW and (C) Korba West TPP – 1X500 MW.

<sup>9</sup> (A) Sikasar Hydro Electric Project (HEP) – 2X3.5 MW and (B) Mini Hydel Plant, Korba West 1X0.85 MW.

<sup>10</sup> Cogeneration Plant at Kawardha.

<sup>11</sup> (A) Bhaiyathan TPP – 2X660 MW, (B) ICPL TPP (JV) – 2X660 MW, (C) Korba South TPP – 2X500 MW and (D) Banji Bundeli TPP – 2X500 MW.

forest clearance, the Board completed bidding process and selected Indiabulls Power Generation Limited for execution of the project at the levelised tariff of ₹ 0.81 per unit for 25 years. A Special Purpose Vehicle (SPV) was also formed (19 May 2008) for the implementation of the project and necessary agreements were executed (13 October 2008) with the SPV. The Company approached the MoEF only in March 2009 for diversion of forest land, which was rejected by the latter (December 2009). By that time, the Board/ Company had already incurred expenditure of ₹ 44.56 crore on land acquisition, ₹ 8.72 crore on rail infrastructure, ₹ 12.59 crore on coal block development and ₹ 0.63 crore on bidding process. After rejection of forest clearance, the implementation of project became uncertain thereby blocking the entire expenditure of ₹ 66.50 crore incurred on the project. Had the erstwhile Board assessed the density of forest in the proposed site vis-à-vis norms of MoEF before taking up the project, the lengthy process of bidding, land acquisition and expenditure thereon could have been avoided.

Management stated (September 2010) that out of the total expenditure incurred, ₹ 50.05 crore had already been paid by the SPV and balance would also be recovered before handing over the possession of land as per contract agreement. However, the Company overlooked the provisions of agreement which enabled the SPV to recover its expenditure from it, in case of land required for power plant and coal mines were not transferred to the SPV in prescribed time (December 2009).

#### **4.2.8.3 *Setting up of Cogeneration Plant without ensuring availability of fuel***

The erstwhile Board formulated a project for setting up of 6 MW cogeneration plant in the premises of Boramdeo Sahakari Shakkar Utpadak Karkhana Maryadit (BSSUKM), Kawardha using bagasse/ rice husk as fuel based on the Memorandum of Understanding (October 2003) with BSSUKM. The plant was synchronised and commercial operation commenced from August 2006. The total expenditure incurred on commissioning of the project was ₹ 16.91 crore.

**The Company suffered loss of ₹ 12.61 crore due to uneconomic operation of cogeneration plant at Kawardha.**

On review of the operations of the plant for 44 months upto March 2010, it was observed that the plant was actually operated at a very low PLF ranging from 8.69 *per cent* (2006-07) to 13.70 *per cent* (2008-09) due to initial technical problems, erratic supply of bagasse by BSSUKM and non-availability of rice husk. During this period, the plant could be operated only on 374 days as against 1100 days (44 months X 300 days / 12 months) envisaged. As a result, the cost of generation per unit worked out to ₹ 20.55 in 2006-07, ₹ 12.80 in 2007-08, ₹ 9.09 in 2008-09 and ₹ 12.57 per unit in 2009-10 as against the projected cost of ₹ 2.21 per unit and actual average revenue realisation per unit was ₹ 3.01 in 2006-07, ₹ 2.90 in 2007-08 and ₹ 2.93 thereafter. This resulted in operational loss of ₹ 12.61 crore upto March 2010. Since BSSUKM had its own power generation plant, the bagasse available with it were first used in its own plant and balance bagasse, if any, were supplied to the Board as it had not made any firm commitment to the Board for assured supply of bagasse. Similarly, the market for rice husk in Chhattisgarh is unorganised and the Board failed to assess the availability of

rice husk in the State before taking up the project. Finally, the Company started using coal as primary fuel since February 2009. Even after switching over to coal, the generation cost per unit worked out to ₹ 12.57. Thus, setting up the project without ensuring availability of required quantity of raw material resulting into heavy recurring loss to the Board/ Company.

#### 4.2.8.4 *Inordinate delay in commencement of power projects*

The following Hydro-electric and thermal Power Projects planned by the erstwhile Board could not be commenced due to lack of vigorous persuasions, non-fulfilment of stipulated conditions of initial clearances etc. by the Management as discussed below:

- Erstwhile Board decided (April 2001) to revive the Bodhghat Hydro Electric Power Project (4 x 125 MW) in Indravati River at Bastar region which was shelved in 1986 by the then MPEB as MoEF rejected the application for diversion of forest land. Subsequently, approval in principle was obtained (February 2004) from MoEF subject to fulfilment of certain conditions i.e. compensatory afforestation, study of impact on wild life and human, preparation of Catchment Area Treatment Plan etc. However, the erstwhile Board did not fulfil the key conditions of MoEF so far (June 2010) which resulted in non-commencement of a project formulated for improving the thermal hydel ratio of the Company.
- Similarly, the erstwhile Board also decided (5 April 2006) to implement 2 x 500 MW Korba South Thermal Power Project at village Risdi, Korba on 940 acre land at a total project cost of ₹ 4748.30 crore. It was observed that the land selected by the Board for setting up the plant was under dispute and a case was pending before the Honourable High Court of Chhattisgarh. Despite this, the Board deposited (3 March 2008) ₹ 1.36 crore towards service charges to Revenue Department for allotment of land. The erstwhile Board has neither been allotted the land nor the service charges of ₹ 1.36 crore refunded to the Board. Thus, selection of the disputed land and subsequent payment of service charges without finalisation of the land dispute resulted in blocking of ₹ 1.36 crore besides loss of interest of ₹ 0.24 crore upto June 2010 worked out at the interest rate of 7.5 *per cent per annum* being the minimum rate at which the Board borrowed the capital loans.

**Blocking up of funds of ₹ 1.36 crore due to selection of disputed land and consequent interest loss of ₹ 0.24 crore.**

#### 4.2.8.5 *Optimum Utilisation of existing facilities*

In order to cope up with the rising demand for power, not only the additional capacity need to be created as discussed above, but also the plan needs to be in place for optimal utilisation of existing facilities and also undertaking life extension programme/ replacement of the existing facilities which are near completion of their age besides timely repair/ maintenance. The details of the power generating units, which fell due for Renovation and Modernisation/ Life extension programmes (R&M/ LEP) (as *per* CEA norms) during the five years ending 2009-2010 vis-à-vis actually taken up are indicated in the Table below:

Sl.No.	Name of the Plant	Unit No.	Installed Capacity (MW)	Due Date (as per CEA norms)	Date when actually taken up
1.	HTPS Korba West	1	210	2008-09	Not taken so far
2.	HTPS Korba West	2	210	2008-09	Not taken so far
3.	HTPS Korba West	3	210	2009-10	Not taken so far
4.	HTPS Korba West	4	210	2010-11	Not taken so far

From the above, it may be seen that against the four units due for being taken up for R&M/ LEP, none of the unit was actually taken up as planned. In reply, the Company stated (April 2010) that due to growing demand for power, these units could not be taken up so far and the same will be taken up for R&M/ LEP after commissioning of Korba West and Marwa TPPs. The detailed observations relating to repair/ maintenance and life extension programmes are discussed in succeeding paragraphs.

#### 4.2.9 Project Management

Project management includes timely acquisition of land, effective actions to resolve bottlenecks, obtain necessary clearances from authorities, rehabilitation of displaced families, proper scheduling of various activities etc. For execution of the project, consultants are also appointed for vigorous monitoring. Notwithstanding, time and cost overruns were noticed due to absence of coordinating mechanism throughout the implementation of the projects during the review period as discussed in succeeding paragraphs.

The following table indicates the scheduled and actual dates of completion of the power stations, date of start of transmission, date of commissioning of power stations and the time overrun.

#### Time overrun

Sl. No.	Phase-wise name of the Unit	Details	As per DPR	Actual date	Time overrun (in months)
1(a)	Unit No. 1 DSPM TPS	Date of completion of unit	10.09.2006	27.01.2008	16
		Date of start of transmission	10.07.2006	30.03.2007	08
		Date of commercial operation/ commissioning of unit	10.09.2006	27.01.2008	16
1(b)	Unit No. 2 DSPM TPS	Date of completion of unit	10.01.2007	30.11.2008	22
		Date of start of transmission	10.11.2006	11.12.2007	13
		Date of commercial operation/ commissioning of unit	10.01.2007	30.11.2008	22
2.	Cogeneration Plant at Kawardha	Date of completion of unit	09.09.2004	10.08.2006	23
		Date of start of transmission	09.09.2004	10.08.2006	23
		Date of commercial operation/ commissioning of unit	09.09.2004	10.08.2006	23
3.	Sikasar Hydro Electric	Date of completion of unit	26.09.2005	19.10.2008	36

	Project	Date of start of transmission	26.09.2005	03.09.2006	11
		Date of commercial operation/ commissioning of unit	26.09.2005	03.09.2006	11
4.	1X850 KW Mini Hydel Plant at Korba West	Date of completion of unit	06.09.2008	29.05.2009	08
		Date of start of transmission	06.09.2008	29.05.2009	08
		Date of commercial operation/ commissioning of unit	06.09.2008	29.05.2009	08

It would be seen from above that out of four projects implemented during review period, none was completed in time and slippages in time schedule were avoidable at various stages of implementation as under:

- Delay in finalization of contracts
- Delay in finalizing the drawing and design
- Changes made in the technical specification after award of work
- Tardy progress in execution of work by contractors
- Non-completion of civil works even after commissioning of plants
- Lack of co-ordination
- Lack of proper monitoring and supervision by the Company

Company never imposed penalty on the contractors for delayed completion even though there was enabling provision in the contracts.

Thus, it would be seen that time overrun varied between eight to 36 months in the execution of power projects.

Cost overrun was noticed in two out of the four projects. The estimated cost of these projects, actual expenditure, cost escalation and the percentage increase in the cost are tabulated below:

(₹ in crore)

Sl. No.	Phase-wise name of the Unit	Estimated cost as per DPR	Awarded Cost	Actual expenditure as on 31 March 2010	Expenditure over and above estimate (4 – 2)	Percentage increase as compared to DPR (5) X100/(2)
	(1)	(2)	(3)	(4)	(5)	(6)
1.	DSPM TPS	1918.01	1572.62	2095.16	177.15	9.24
2.	Sikasar HEP	24.14	29.50	34.71	10.57	43.79

It would be seen from above that there was cost overrun of 9.24 per cent in DSPM TPS and 43.79 per cent in Sikasar HEP respectively.

Our findings of individual irregularities related to time and cost overrun in respect of various projects undertaken during the review period are discussed in the succeeding paragraphs.

**4.2.9.1 Dr. Shyama Prasad Mukherjee Thermal Power Station  
(DSPM TPS)**

**Generation loss of 4171.21 MU valued at ₹ 1224.68 crore due to delay in commissioning**

**Time overrun in commissioning of DSPM TPS resulted in generation loss of 4171.21 MU.**

The erstwhile Board accorded (2 March 2002) administrative approval for implementing 2 X 250 MW Thermal Power Project (TPP) at Korba East (DSPM TPS) with an estimated cost of ₹ 1918.01 crore. The work of supply and erection was awarded (11 August 2003) to BHEL at a total cost of ₹ 1700.14 crore which was subsequently revised (July 2004) to ₹ 1572.62 crore. As per the terms and conditions of the contract, the Unit I and Unit II were to be commissioned within 37 and 41 months respectively i.e. by 10 September 2006 (Unit I) and 10 January 2007 (Unit II). On scrutiny of records, it was observed that these units were completed on 27 January 2008 and 30 November 2008 respectively i.e. after a delay of 16 months and 22 months respectively. As a result, the Company had to suffer generation loss to the extent of 4171.21 MU valuing at ₹ 1224.68 crore during 11 September 2006 to 29 November 2008. The Company constituted (December 2008) a high level committee to examine the reasons for delay in commissioning of the project. The committee is yet to give its findings (September 2010).

**Cost overrun – ₹177.15 crore**

**Cost overrun of ₹ 177.15 crore due to delay in commissioning of DSPM TPS.**

Due to delay in completion of the project, the actual expenditure incurred by the Board/ Company upto 31 March 2010 was ₹ 2095.16 crore against the original estimated cost of project of ₹ 1918.01 crore. The main reasons for this additional expenditure of ₹ 177.15 crore were due to increase in EPC cost, non-EPC cost, land acquisition and site development, development of railway infrastructure and Miscellaneous and contingency expenses.

**Non-recovery of liquidated damages from the contractor**

**Undue benefit of ₹ 73.03 crore due to non-recovery of liquidated damages.**

Though the contractor completed the works after 16 and 22 months of the scheduled date, no liquidated damages was recovered as stipulated in the contract. This led to undue financial benefit of ₹ 73.03 crore<sup>12</sup> to the contractor.

**Premature synchronisation of Unit I of DSPM TPS**

As stipulated in the conditions of the contract the Unit I and Unit II of the plant should have been synchronised within 35 months and 39 months respectively and commissioned within two months from the date of synchronisation. It was observed that though Unit I of the plant was synchronised on 30 March 2007 (after a delay of eight months) with fuel oil instead of coal, it was stopped due to non availability of major auxiliaries viz. Milling system, Coal Handling Plant, Ash Handling System, DM Plant etc. Finally the plant was commissioned on 27 January 2008 i.e. after a further delay of about six months. Generally, after synchronisation of the plant,

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<sup>12</sup> Maximum 15 per cent of the value of erection contract as envisaged in the contract i.e. ₹ 486.89 crore X 15/100.



generation should have been commenced during the trial operation period. However, it was observed that in the case of Unit I, there was no generation from April 2007 to August 2007. Generation was actually started only from September 2007 and it generated 684.94 MU power as against the target of 1214.10 MU during 2007-08.

From the above it is evident that the Unit I of the DSPM TPS was synchronised prematurely, as there was no generation during the five months after synchronisation due to incomplete system. Our scrutiny revealed that the main reason for this premature synchronisation was to commission the plant on or before 31 March 2007 i.e. before Tenth Five Year Plan to avail the benefit of interest subsidy under Accelerated Generation & Supply Programme (AG&SP) Scheme. However, it could not get the interest subsidy under this scheme as discussed in *paragraph 4.2.16.1*. Further, it also resulted in delay in completion of the project and consequent generation loss.

#### **4.2.9.2 Cogeneration Plant at Kawardha**

As mentioned in *paragraph 4.2.8.3*, the erstwhile Board decided (July 2003) to set up a cogeneration power plant at Kawardha. The contract for supply, erection and commissioning of plant was awarded to Walchandnagar Industries Limited, Pune at a negotiated total price of ₹ 18.70 crore on turn key basis. Review of implementation of the project revealed the following:

##### ***Time overrun in commissioning resulted in generation loss of 50.82 MU valuing ₹15.39 crore***

**Time overrun in commissioning of Cogeneration plant resulted in generation loss of 50.82 MU.**

As per the terms of the contract, the commercial operation and power export shall be commenced on completion of the 11 month from the zero date agreed, i.e. 9 October 2003. However, the plant was actually synchronised and commercial operation commenced only from 10 August 2006 i.e. after a delay of about two years. The inordinate delay on the part of the contractor in completion of the project resulted in a generation loss of 50.82 MU valuing at ₹ 15.39 crore worked out at the projected operation levels.

**Non-recovery of liquidated damages for delay in commissioning and shortfall in performance – ₹ 6.55 crore.**

The terms and conditions of the contract provided for levy of liquidated damages/penalties for delay in commissioning as well as shortfall in performance. The plant was actually synchronised and commercial operation commenced after a delay of about two years. Further, the plant could not achieve the guaranteed efficiency and other performance parameters in respect of power generation, auxiliary consumption etc. As such the maximum penalty amounting to ₹ 6.55 crore (35 per cent of ₹ 18.70 crore) was recoverable from the firm. The Company, however, did not recover any amount towards penalty except withholding of ₹ 1.87 crore from the bills of the contractor.

#### **4.2.9.3 Sikasar Hydro Electric Project**

The erstwhile Board approved (09 October 2002) the setting up of Sikasar Hydro Electric Project (HEP) at an estimated cost of ₹ 24.14 crore. The work contract was awarded (27 September 2003) for a contract value of ₹ 29.50 crore. As per the terms of the contract, the work was to be completed within 24 months from the date of award of contract. However, the work was

actually completed only in October 2008. On scrutiny of the records the following observations were made:

***Loss of Generation 13.42 MU valued at ₹4.04 crore due to time overrun***

**Time overrun in commissioning resulted in generation loss of 13.42 MU.**

It was observed that the project was commissioned on 03 September 2006 after a time overrun of 11 months. As a result Company had to suffer generation loss of 13.42 MU valuing ₹ 4.04 crore. The main reasons for this delay were change in specifications, delay in approval of vendors, delay in finalisation of station layout and single line diagram, extra work of shot-creting, etc. which could have been avoided.

***Cost overrun - ₹10.57 crore***

Due to delay in commissioning of project, the actual expenditure incurred was ₹ 34.71 crore against the original estimated cost of ₹ 24.14 crore. Management stated (April 2010) that this additional cost was mainly due to change in technical specification of plant viz. increase in size of plant, increase in cost of civil works, increase in size of transmission line, size of power house building etc. In addition to these, some other works worth ₹ 3.78 crore were also executed which were not envisaged in the DPR. This indicates that the DPR of the project was not prepared properly.

***4.2.9.4 Mini Hydel Power Plant Unit -II at Korba West***

The erstwhile Board awarded (7 July 2007) the work for turnkey execution of 1 X 850 KW Mini Hydel Power Plant Unit II at Korba West at a total negotiated price of ₹ 4.52 crore (including taxes). As per the terms of the contract, the project should have been successfully commissioned within 14 months i.e. by 06 September 2008. On scrutiny of the record the following were observed:

***Generation loss of ₹1.08 crore due to inordinate delay in commissioning***

**Time overrun in commissioning of Mini Hydel plant resulted in generation loss of 3.69 MU.**

It was observed that contractor could complete work worth ₹ 1.06 crore only upto the scheduled date of completion. Despite repeated request to contractor, delay was noticed in every stage. Finally the power plant was commissioned on 29 May 2009. As a result the Company had to suffer generation loss of 3.69 MUs valuing ₹ 1.08 crore during 07 September 2008 to 28 May 2009.

Further, though the contract provided for recovery of liquidated damages for delay in commissioning of the project, the Company did not impose any penalty on the contractor despite delay of eight months. This resulted in extension of undue benefit of ₹ 0.42 crore to the contractor worked out at the maximum rate of 10 per cent of contract value.

***Non-conducting the Performance Guarantee Test by the turnkey contractor***

The plant was synchronised and commercial operation commenced in May 2009. However, a number of works are still pending including renovation of Draft Tube Gate, supply of balance spares, installation of protection guard, concreting of stuffing box pipe etc. and the performance test also has not been conducted so far (June 2010).

**4.2.10 Contract Management**

Contract management is the process of efficiently managing contract (including inviting bids and award of work) and execution of work in an effective and economic manner. The works are generally awarded on turn key (composite) basis to a single party involving civil construction, supplies of equipments and ancillary works.

During review period, contracts valuing ₹ 8106.40 crore were executed. The agreements related to civil works, supply of equipments and other miscellaneous works.

The instances of tardy progress of work leading to time and cost overrun in various projects undertaken during review period are given below.

***4.2.10.1 Delay in awarding of civil works of Korba West and Marwa TPP***

The erstwhile Board negotiated (March 2008) with BHEL for awarding the contract for setting up of 500 MW TPP at Korba West and 2x500 MW TPP at Marwa. During negotiation meeting, it was decided (25 March 08) to award the contracts for Boiler, Turbine and Generator (BTG) Package at ₹ 1111.00 crore and 1942.00 crore respectively. The work of Korba West TPP was to be completed by 10 October 2011. Similarly, the work of Marwa TPP was to be completed by 10 January 2012 (Unit-I) and 10 March 2012 (Unit-II). It was observed that during the negotiations regarding associated civil works, it was agreed to include the same in the scope of BHEL on actual cost plus 10 *per cent* Supervision Charges. Contrary to this, while issuing the Letter of Intent (LoI) (27 March 2008) and Notification of Award (NoA) (11 April 2008), it was stipulated that Board would place order for associated civil works and BHEL shall prepare specifications, etc. This created lot of confusion and after protracted correspondence, it was finally decided (27 December 2008) to include the same in the scope of BHEL as originally agreed. Amendment to NoA to that effect was issued on 31 December 2008 and consequently the zero date for civil works and services was also shifted from 11 April 2008 to 31 December 2008. This has delayed the award of civil works for both the projects by about eight months which may not only result in cost overrun but also consequential time overrun and delay in commissioning of the project.

**4.2.10.2 Undue favour to the contractors due to payment of interest free mobilisation advance of ₹188.87 crore**

Payment of interest free mobilisation advance of ₹ 188.87 crore resulted in undue benefit to the contractors.

As per the guidelines issued by Central Vigilance Commission (CVC) (December 1997) payment of mobilisation advance should be made only in selected works and it should be interest bearing so that the contractor does not draw undue benefit. In contravention to these guidelines, the Company paid (October 2003 to December 2006) ₹ 188.87 crore as interest free advance to the contractors for execution of six power projects. In this connection, the following were observed:

- Though the mobilisation advances were paid to ensure speedy execution of the work, none of the projects was completed in time.
- In case of DSPM TPS, though the project was commissioned in January 2008/ November 2008 an amount of ₹ 3.62 crore out of the mobilisation advance of ₹ 183.73 crore paid in May 2004 and July 2004 could not be recovered so far (May 2010) due to non-completion of other related works.
- Since the projects were funded by availing loan from Rural Electrification Corporation Limited (REC) and Power Finance Corporation Limited (PFC) with rates of interest ranging between 7.5 and 11 *per cent*, payment of interest free advance made to the contractors lacks justification. Further the slow progress of the work resulted in advance lying with the contractor for long periods.

**4.2.10.3 Avoidable expenditure of ₹2.60 crore due to rejection of tenders without analysing reasonability of rates**

Rejection of tenders without analysing rates reasonability resulted in avoidable expenditure of ₹ 2.60 crore.

The Company invited (January 2009) tender for supply of 120 Nos. Bogie Open Bottom Rapid Discharge Coal Wagons (BOBRN) for DSPM TPS. The offer of Titagarh Wagon Limited was found lowest (₹ 30.02 lakh per wagon) which was 33 *per cent* lower than the earlier tender, however, the Company rejected (April 2009) the tender without assigning any reason. The Company again invited (July 2009) fresh tenders and the offer of TEXMACO Limited (L-1) (₹ 32.19 lakh per wagon) was accepted and orders were placed (December 2009) for 120 wagons at a total cost of ₹ 38.62 crore. Thus due to rejection of valid tender without assigning any reason and procurement of 120 wagons at higher rates resulted in avoidable expenditure of ₹ 2.60 crore<sup>13</sup>.

Management stated (March 2010) that the rates finalised in subsequent tender was lower by ₹ 14.63 crore as compared to earlier tender and considered the same as wise decision. Reply failed to interpret the facts correctly that the rates obtained in the tender dated February 2009 (₹ 30.02 lakh) was much lower than the rates obtained in the subsequent tender (₹ 32.19 lakh). Further, the Management did not explain why the earlier tender was rejected.

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<sup>13</sup> (₹ 32.19 – ₹ 30.02)X 120.

## Operational Performance

Operations of the generation Company is dependent on input efficiency consisting of material and manpower and output efficiency in connection with Plant Load Factor, plant availability, capacity utilization, outages and auxiliary consumption. These aspects have been discussed below.

### 4.2.11 Input Efficiency

Coal used in thermal power stations is classified into different grades. The price of the coal depends on the grade of coal. The erstwhile Board signed (January 2001) a Memorandum of Understanding (MoU) with the South Eastern Coalfields Limited (SECL), who agreed to supply coal according to its Coal Supply Agreement (CSA) with MPEB, pending finalization of any new agreement. From 10 September 2009, a new CSA was signed by the Company (Successor of erstwhile Board) for supply of coal.

#### 4.2.11.1 Quality of coal

Each thermal station is designed for usage of particular grade of coal. Usage of envisaged grade of coal ensures optimizing generation of power and economizing cost of generation. It was seen that the grade of coal received was not always of the specified grade required by the thermal stations. During review period, erstwhile Board/ Company received 128.91 lakh MT of inferior/ ungraded coal, for which payment was made to SECL on sliding scale basis i.e. depending upon the quality/ grade of coal. However, KTPS had received 8.33 lakh MT inferior/ungraded coal during 1 April 2009 to 11 September 2009, for which payment was made as per declared/ billed grade. This resulted in avoidable payment of ₹ 8.09 crore to SECL. The Company's claim aggregating ₹ 8.09 crore towards grade differences were not admitted so far (June 2010).

Avoidable payment of ₹ 8.09 crore due to receipt of inferior grade of coal.

#### 4.2.11.2 Excess consumption of coal

The consumption of coal depends upon its calorific value. The norms fixed in the project report for various power generation stations for production of one unit of power in the State vis-à-vis maximum and minimum consumption of coal during the period of five years ending 2009-2010 is depicted in the table below.

Name of the Station	Norms fixed in the project report	Average min consumption during the year	(in kgs)
			Average max consumption during the year
KTPS PH-II	0.757	0.8677 (2006-07)	1.0486 (2008-09)
KTPS PH-III	0.612	0.7785 (2006-07)	0.9204 (2009-10)
DSPM TPS	0.740	0.7164 (2008-09)	0.7571 (2009-10)
HTPS	0.705	0.7160 (2009-10)	0.7683 (2008-09)

(Figures in brackets indicate the year in which the maximum/ minimum consumption was obtained)

Consumption of coal higher than the DPR norms resulted in excess consumption of 46.44 lakh MT coal valued at ₹ 302.02 crore.

It was observed that in respect of KTPS and HTPS, the consumption remained higher than the norms in all the years under review. Our analysis revealed that consumption above the norms resulted in excess consumption of coal to the tune of 46.44 lakh MT during the review period in the State as detailed in *Appendix – 4.2.3*. Apart from the low calorific value, the following reasons also contributed to excess consumption, which could have been *prima facie* controlled by the Management.

- High Ash content
- Air heater/ air leakage in the plant
- Low vacuum in the plant
- Seasonal variation such as increased circulating water inlet temperature in summer and choking of coal pipes in rainy season.

The value of this excess consumption of coal worked out by us amounted to ₹ 302.02 crore (detailed in *Appendix – 4.2.3*).

#### **4.2.11.3 Consumption of fuel oil in excess of norms valuing ₹59.01 crore**

CSERC fixed the norm for consumption of fuel oil per unit of electricity generated as 1.00 ml to 2.00 ml. Actual consumption during the review period at KTPS (2007-08 to 2009-10), DSPM TPS(2007-08) and HTPS (2006-07) ranged between 1.28 ml and 10.58 ml per unit resulting in excess consumption of 20315 KL fuel oil valuing ₹ 59.01 crore. This also resulted in increase in cost of generation during the period. The main reason for this excess consumption was low gross calorific value of the coal received from SECL which resulted in non achievement of fire ball load, therefore continuous oil support was kept for flame stability.

#### **4.2.11.4 Avoidable expenditure of ₹3.05 crore on coal transportation from HTPS to KTPS due to under utilisation of bi-cable ropeway system**

Under utilisation of bi-cable ropeway system resulted in avoidable expenditure of ₹ 3.05 crore on coal.

HTPS receives coal from SECL's Kusmunda mines exclusively through double conveyor system and KTPS receives coal from SECL's Manikpur, Kusmunda and other collieries through rail, road and ropeway system. Besides this, the KTPS has been receiving coal from HTPS by road from 2008-09 onwards and incurred ₹ 3.05 crore as transportation charges. Since HTPS received coal in excess of its requirement during 2008-09 and 2009-10, the Company transported 6.08 lakh MT coal from HTPS to KTPS by road. It may be mentioned here that the Company is having a bi-cable ropeway system with a capacity of 10.95 lakh MT *per annum* between Kusmunda mines to KTPS exclusively for transportation of coal. However, the Company transported only 1.00 lakh MT coal and 0.59 lakh MT during the years 2008-09 and 2009-10 respectively through this system. Had the Company utilised this system for transportation of coal from Kusmunda to KTPS instead of receipt of the same at HTPS and its subsequent transportation to KTPS, it could have saved ₹ 3.05 crore on coal transportation from HTPS to KTPS. Further, by transporting coal from Kusmunda mines to HTPS and then from HTPS to KTPS, the Company had to suffer double stacking and transit losses.

#### 4.2.12 Manpower Management

##### *Deployment of staff in excess of CEA norms resulted in extra expenditure of ₹267.47 crore*

Extra expenditure of ₹ 267.47 crore due to deployment of staff in excess of CEA norms.

Consequent upon the unbundling of erstwhile Board (19 December 2008) and Chhattisgarh State Generation Company Limited coming into existence from 1 January 2009, State Government declared (19 December 2008) that the staff strength available in the power Stations on the date would be taken as their respective sanctioned strengths, however, the same has not yet been notified by the State Government (September 2010). The position of actual manpower in position as on 31 March 2010, manpower as on 1 January 2009 and manpower as per CEA recommendation is given in *Appendix- 4.2.4*.

As per the information furnished in the *Appendix- 4.2.4*, the actual manpower available was more than the norms prescribed by CEA (except in DSPM TPS). In KTPS excess manpower in respect of technical staff ranged from 842 to 1079 and in respect of non-technical staff ranged from 123 to 218 during the review period. Similarly, in HTPS it ranged from 500 to 668 in respect of technical staff and from 36 to 163 for non- technical staff. The deployment of staff in excess of the CEA norms resulted in extra expenditure of ₹ 267.47 crore<sup>14</sup> on salaries. Despite having excessive manpower, the generating stations were regularly employing temporary/contract staff for regular jobs such as housekeeping, cleaning of coal handling plant, cleaning of condenser etc. During the years 2007-08 to 2009-10 generating stations deployed on an average 138 temporary employees annually for such jobs by incurring an expenditure of ₹ 1.35 crore during 2007-10. Besides, overtime was regularly paid to the regular staff. The overtime wages paid by generating stations during the period of review was ₹ 56.76 crore<sup>15</sup>. No action was taken to rationalise its staff strength or explore ways to utilise them optimally.

#### 4.2.13 Output Efficiency

##### *4.2.13.1 Shortfall in generation*

The targets for generation of thermal power for each year are fixed by the MoP and approved by the CEA. It was observed that the Company's all the three TPSs were able to achieve its generation targets except on four occasions as detailed below:

Year	KTPS			HTPS			DSPM		
	Target (MU)	Actual Generation (MU)	Shortfall (MU)	Target (MU)	Actual Generation (MU)	Shortfall (MU)	Target (MU)	Actual Generation (MU)	Shortfall (MU)
2005-06	2600	3197.59	-	5800	5746.39	53.61	-	-	-
2006-07	3270	3283.18	-	5800	5944.31	-	-	-	-
2007-08	3184	3203.65	-	5750	6086.37	-	1876	774.74	1101.26
2008-09	3230	3112.43	117.57	5750	6383.95	-	3400	3714.07	-
2009-10	3150	2934.36	215.64	5210	6519.62	-	3220	3838.93	-

<sup>14</sup> KTPS = ₹ 163.12 crore and HTPS = ₹ 104.35 crore

<sup>15</sup> KTPS = ₹ 25.31 crore, DSPM TPS = ₹ 0.12 crore and HTPS = ₹ 31.33 crore

From the above it may be seen that it resulted in generation loss of 1488.08 MU valued at ₹ 433.56 crore. The reasons for shortfall in achieving the target in DSPM TPS during 2007-08 was premature synchronisation of Unit I as already been discussed in *paragraph 4.2.9.1*.

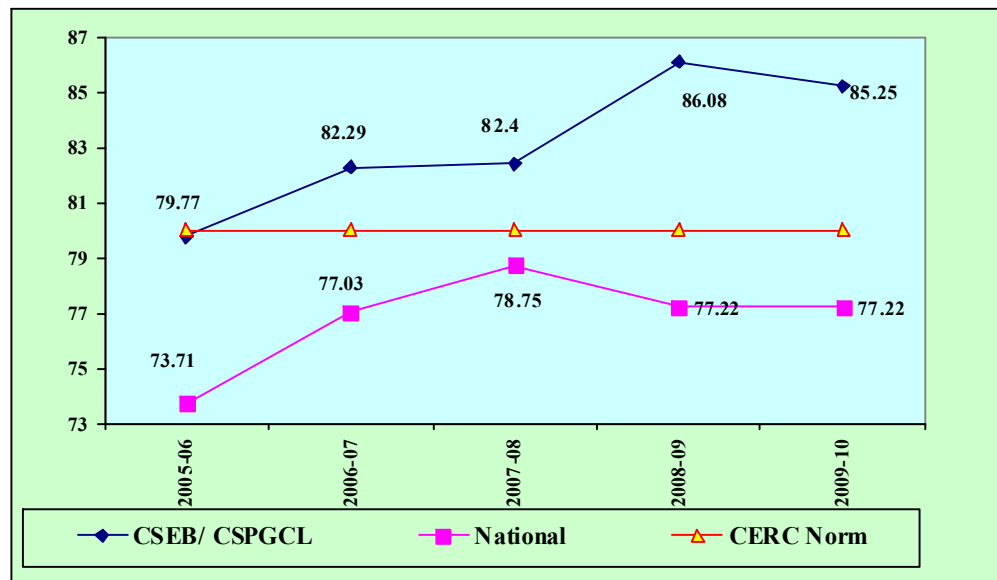
The year-wise details of energy to be generated as per design, actual generation, plant load factor (PLF) as per design and actual plant load factor in respect of the power projects commissioned up to March 2010 are given in *Appendix- 4.2.5*.

The details in the *Appendix* indicate that:

- The actual generation and actual PLF achieved were far below the energy to be generated and PLF as per design during the five years upto 2009-2010.
- As against the total designed generation of 65875.06 MU of energy during the five years ended 2009-2010 the actual generation was 54739.59 MU leading to the shortfall of 11135.47 MU (16.90 per cent), which could have been technically produced.
- As the PLF had been designed considering the availability of inputs the loss of generation (total 11135.47 MU) during the period 2005-2006 to 2009-2010 indicated that resources and capacity were not being utilised to the optimum level due to poor quality of coal, non-taking up of R&M work for HTPS, delay in taking up of annual maintenance and overhauling and non-replacement of vital equipments in time as discussed subsequently.

#### 4.2.13.2 Plant Load Factor (PLF)

Plant load factor (PLF) refers to the ratio between the actual generation and the maximum possible generation at installed capacity. According to norms fixed by CERC, the PLF for thermal power generating stations should be 80 per cent, against which the national average was 76.79 per cent during the review period. A line graph depicting the PLF of the erstwhile Board/





Company over the review period is given below:

The above graph indicates that PLF of the erstwhile Board/ Company has been much better than national average during the review period.

#### **4.2.13.3 Plant availability**

Plant availability means the ratio of actual hours operated to maximum possible hours available during certain period. As against the CERC norm of 80 *per cent* plant availability during 2004–2009 and 85 *per cent* during 2010–2014, the average plant availability of power stations was 89.13 *per cent* during the five years up to 2009-10 which was better than the national average of 84.07 *per cent*. However, the plant availability in respect of DSPM TPS was only 74.01 *per cent* in the year 2007-08. This was mainly due to excess forced outages<sup>16</sup> during the stabilisation period of the plant.

#### **4.2.13.4 Outages**

Outages refer to the period for which the plant remained closed for attending planned/ forced maintenance. We observed following deficiencies in planned and forced outages:

- In respect of KTPS and HTPS, the total number of hours lost due to planned outages increased from 4296 hours in 2005-06 to 4545 hours in 2009-10 i.e. from 4.90 *per cent* to 5.19 *per cent* of the total available hours in the respective years.
- The forced outages in HTPS and KTPS increased from 5213 hours in 2005-06 to 5437 hours in 2009-10 i.e. from 5.95 to 6.21 *per cent* of the total available hours in the respective years. The forced outages remained less than the norm of 10 *per cent* fixed by CEA in all the five years ending 31 March 2010 in both the TPSs.
- In the DSPM TPS, the forced outages were 3378.33 hours which was 19.23 *per cent* of the total 17568 hours available in 2007-08. This has resulted in a generation loss of 1621 MU valued at ₹ 470.09 crore.

#### **4.2.13.5 Auxiliary consumption of power**

##### **Thermal**

Energy consumed by power stations themselves for running their equipments and common services is called Auxiliary Consumption. Norms prescribed by CSERC in its Tariff Orders for Auxiliary consumption for Company's TPSs was ranged between 9 and 11 *per cent*. As against this, the actual auxiliary consumption of Company's two TPSs viz. HTPS and KTPS were higher than the above norms. In KTPS, the percentage of auxiliary consumption was ranged between 9.35 and 11.44 during the years 2007-08 to 2009-10. In case of HTPS, the percentage of auxiliary consumption was 9.66 during the year 2005-06. The auxiliary consumption of these TPSs was much higher in comparison with national average which was ranged between 8.29 *per cent* and 8.71 *per cent* in the same period. With reference to CSERC norms, there

<sup>16</sup> Forced outages is closure of plant in excess of prescribed limit due to break down in the system.

was excess consumption of 53.20 MU valuing ₹ 15.69 crore which could not be dispatched to the grid.

#### ***Cogeneration plant at Kawardha***

As per norms fixed by the CSERC for Cogen plant at Kawardha, the auxiliary consumption should be 8.9 *per cent* (2007-08 and 2008-09) and 10 percent (2009-10). However, the actual auxiliary consumption recorded was 31.88 *per cent* in 2007-08, 32.97 *per cent* in 2008-09 and 30.79 *per cent* in the year 2009-10. This resulted in excess consumption of 4.08 MU valued at ₹ 1.19 crore.

#### **4.2.14 Repairs & Maintenance**

To ensure long term sustainable levels of performance, it is important to adhere to periodic maintenance schedules. The efficiency and availability of equipment is dependent on the strict adherence to annual maintenance and equipment overhauling schedules. Non adherence to schedule carry a risk of the equipment consuming more coal, fuel oil and higher risk of forced outages which necessitate undertaking R&M works. These factors lead to increase in the cost of power generation due to reduced availability of equipments which affect the total power generated.

It was observed that out of 52 annual maintenance of units due during the review period, only 24 were done in time. In other cases, there was delay ranging between 24 and 579 days (details given in the *Appendix-4.2.6*). The delayed maintenance caused continuous deterioration in the condition of machines causing forced outages besides increased consumption of oil, coal and loss of generation of power as discussed in the input performance.

#### **4.2.15 Renovation & Modernisation**

R&M and refurbishment activities involve identification of the problems of unit of TPS, preparation of techno economic viability reports, preparation of DPR to lay down benefits to be achieved from these works. R&M activities are aimed at overcoming problems in operating units caused due to generic defects, design deficiency and ageing by re-equipping, modifying, augmenting them with latest technology/systems. R&M activities are undertaken in TPS operating at PLF of 40 *per cent* and below after assessing the performance and requirement of the units.

Refurbishment activities are aimed at extending economic life of the units by 15 to 20 years which have served for more than 20 years or operating at PLF below 40 *per cent*. Necessary permission and clearance for R&M and Refurbishment activities from CSERC/CEA/State Government are obtained. Residual Life Assessment (RLA) study are also conducted for all Refurbishment activities and in major R&M works. For Refurbishment and R&M activities PFC sanctions loan equal to 70 *per cent* of the estimated cost of the activity against guarantee furnished by the State Government and rest of the fund is met through internal sources or loan from State Government. In this regard, the following observations were made:

#### 4.2.15.1 Non-taking up R&M/LEP for HTPS

HTPS consists of four units of 210 MW each. These units were commissioned during 1983-86 and had rendered a useful life of about 25 years. As the station was near to complete its designed life, the erstwhile Board identified (January 2006) these units for 11th Five Year Plan in a meeting with CEA and other power utilities. However, the Company had not taken up the R&M / LE Programme till date (July 2010) due to growing demand of power in the State and has shifted the above work to 12<sup>th</sup> Five Year Plan i.e. after the commissioning of Korba West and Marwa TPPs.

#### 4.2.15.2 Non-replacement of Air Pre Heaters of Unit- I & II at HTPS

The installation of modified Rotary Air Pre Heater (RAPH) shall facilitate maximum heat recovery from hot flue gases, less auxiliary consumption and lesser erosion in flue gas ducting. Erstwhile Board decided (January 2006) for retrofitting/ replacing the existing RAPH of Unit I and II at HTPS with modified and renovated RAPH through original equipment manufacturer (OEM) to reduce the generation loss by ₹ 19.50 crore *per annum* for two units. Accordingly, order was placed (June 2007) to BHEL at a total cost of ₹ 32.14 crore.

**Non-replacement of RAPH resulted in blockage of ₹ 11.59 crore.**

It was observed that the material worth ₹ 12.15 crore for Unit-I was received in October 2008 against which ₹ 11.59 crore was released (from July 2008 to April 2009) by the Company. However, these equipments remained uninstalled (June 2010). This resulted in blockage of ₹ 11.59 crore besides non-reduction of estimated generation loss of ₹ 9.75 crore *per annum*.

Management stated (April 2010) that the prevailing system conditions which include the availability of power, system frequency, demand etc. did not permit to provide the long shut down of Unit I. However, the Company had taken up the work of Annual Overhauling of Unit I from 23 October to 07 November 2009. Had the Company taken up the Capital overhauling work in place of annual overhauling, the generation loss could have been avoided.

#### 4.2.15.3 Non-replacement of TAS/ BAS PRDS system at HTPS

The Pressure Regulating Desuperheating Station (PRDS) System for Turbine Auxiliary System (TAS)/ Boiler Auxiliary System (BAS) is one of the vital system for safe operation of Turbines. The erstwhile Board approved (October 2004) the proposal for retrofitting/ replacing the existing scheme with proposed R&M scheme i.e. supply and supervision of erection, testing and commissioning of Turbine and Boiler Auxiliary system PRDS for HTPS Korba West. Accordingly, order was placed (19 March 2007) to Dresser Valve India Private Limited at a total cost of ₹ 9.19 crore.

**Non-replacement of TAS/ BAS PRDS System resulted in blockage of ₹ 3.40 crore.**

It was observed that the supply of equipment for first PRDS station for TAS and BAS with desuperheaters was to be completed in October 2008. However, the first PRDS system for TAS and BAS was received in February 2009 and ₹ 3.40 crore was released by the Company but it was not replaced so far (June 2010) even after a lapse of more than 15 months. This resulted in blocking up of ₹ 3.40 crore. Further, it resulted in inordinate delay in

replacement of other units of HTPS as the remaining units would be replaced after the successful operation of unit selected for replacement.

Management stated (April 2010) that the delay was mainly due to analysis of loading details, development of new isometric, displacement of existing PRDS etc. which is very critical in nature and requires heavy design, engineering. However, all these exercise could have been done before placing the supply order.

#### **4.2.15.4 Non-commissioning of Fire Protection System for Coal Handling Plant at KTPS**

**Non-commissioning of Fire Protection System at KTPS resulted in locking of ₹ 6.85 crore apart from depriving of critical fire protection facility.**

The erstwhile Board issued (10 December 2008) order for Supply, Erection, Testing and Commissioning of Fire Protection system (FPS) for Coal Handling Plant at KTPS at a total cost of ₹ 7.49 crore. As per the terms of the contract, all materials should be delivered and commissioned within 40 weeks from the date of receipt of the order i.e. by 16 September 2009. It was observed that all materials worth ₹ 6.85 crore were received at site between December 2008 and June 2009. However, the system could not be commissioned so far (June 2010). Thus placing of order for FPS without plans for their installation resulted in locking up of funds of ₹ 6.85 crore for more than 12 months apart from depriving the plant for critical fire protection facility.

Management stated (August 2010) that FPS was not commissioned as it needs longer shutdown and the existing system did not permit for the longer shut down of the plant. However, it may be mentioned here that CEA had recommended (December 1983) for taking effective measures for fire fighting by all power utilities in view of the vulnerability of these plants to fire. Further, the KTPS had incurred (January 1996) a generation loss of 20.28 MU valued at ₹. 2.28 crore due to a fire accident in its unit 5 and 6.

#### **4.2.15.5 Operation & Maintenance**

The operation and maintenance (O&M) cost includes expenditure on the employees, repair & maintenance including stores and consumables, consumption of capital spares not part of capital cost, security expenses, administrative expenses etc. of the generating stations besides corporate expenses apportioned to each generating station etc. but exclude the expenditure on fuel.

**Excess O&M expenditure at HTPS resulted in loss of ₹ 23.52 crore.**

CERC in its regulation 2009 allowed O&M norm for 2009-10 as ₹ 18.20 lakh per MW in respect of 200-250 MW capacity thermal power units. In accordance with these regulation, CSERC approved (May 2009) ₹ 18.27 lakh per MW as O&M expenses for the year 2009-10. Against the above mentioned norms the total O&M cost per MW incurred by the Company for HTPS was ₹ 21.07 lakh. Thus, the expenses amounting to ₹ 23.52 crore incurred over and above the norm during the year 2009-10 added to the loss of the Company, as this amount was not considered by CSERC in tariff fixation. In respect of DSPM TPS, the per MW O&M expenditure in 2009-10 was ₹ 11.71 lakh which was significantly lower than the above norms. The details of O&M expenditure in respect of KTPS were not furnished by the Company.

### 4.2.16 Financial Management

Efficient fund management is the need of the hour in any organisation. This also serves as a tool for decision making for optimum utilisation of available resources and borrowings at favourable terms at appropriate time. The power sector companies should, therefore, streamline their systems and procedures to ensure that:

- Funds are not invested in idle inventory,
- Outstanding advances are adjusted/recovered promptly,
- Funds are not borrowed in advance of actual need, and
- Swapping high cost debt with low cost debt is availed expeditiously.

The main sources of funds were realisations from sale of power, subsidy from State/ Central Governments, loans from Banks/ Financial Institutions (FI), etc. These funds were mainly utilised to meet payment of power purchase bills, debt servicing, employee and administrative costs and system improvement works of capital and revenue nature.

Details of cash inflows and outflows of the erstwhile Board during the review period (upto December 2008) are given below:

(₹ in crore)

Sl.No.	Particulars	2005-06	2006-07	2007-08	2008-09*
<b>Cash inflow</b>					
1.	Net Profit/(loss)	395.01	432.77	464.37	764.19
2.	Add: adjustments	60.92	122.69	143.38	246.07
3.	Operating activities	609.72	179.79	67.28	56.09
4.	Investing activities	0	0	0	0
5.	Financing activities	593.56	1227.23	522.27	68.53
	<b>Total</b>	<b>1659.21</b>	<b>1962.48</b>	<b>1197.30</b>	<b>1134.88</b>
<b>Cash outflow</b>					
6.	Operating activities	442.10	418.57	335.94	62.38
7.	Investing activities	1373.83	1620.06	931.66	1251.90
8.	Financing activities	45.58	128.81	38.25	251.36
9.	Net increase/decrease in cash and cash equivalent	(202.30)	(204.96)	(108.55)	(430.76)
	<b>Total</b>	<b>1659.21</b>	<b>1962.48</b>	<b>1197.30</b>	<b>1134.88</b>

\* upto 31 December 2008

It may be seen from the above table that there was cash deficit in all the years ranging from ₹ 108.55 crore (2007-08) to ₹ 430.76 crore (2008-09). The cash deficit was overcome mainly by increased borrowings in the form of cash credit/loans from commercial banks/FI. Main reasons for cash deficit identified by us were due to poor/delay in recovery of power supply bills, locking up of funds in inventory not required immediately and heavy capital expenditure. It was observed that dependence on borrowed funds increased from ₹ 1948.34 crore in 2005-06 to ₹ 2862.33 crore in 2008-09. This entailed

interest burden of ₹ 472.75 crore (REC and PFC loan) during review period thereby increasing the operating cost of the Company. Therefore, there is an urgent need to optimise internal resource generation and vigorous persuasion of outstanding dues relating to distribution subsidy as well as effective recovery of energy bills. This would have enabled increased availability of funds to the extent of ₹ 1862.87 crore (distribution subsidy ₹ 669.01 crore and outstanding debtors for sale of power ₹ 1193.86 crore).

Some important observations relating to financial management of the erstwhile Board/ the Company are given below:

#### **4.2.16.1 Loss of interest subsidy of ₹243.60 crore under AG&SP scheme**

For implementation of the 2X250 MW DSPM TPP the erstwhile Board had availed (January 2004) loan of ₹ 1431 crore from REC. Meanwhile, GoI extended (24 December 2002) its Accelerated Generation & Supply Programme (AG&SP) to 10th Plan Period. As per the Scheme, the GoI would provide a subsidy on the interest paid on loan taken for establishment of TPP to those where order was placed before February 2004 and plant commissioned within the Plan period i.e. up to 31 March 2007. As the work order for DSPM TPP was placed on 11 August 2003, the project was also eligible for this scheme. As mentioned in *paragraph 4.2.9.1*, the target dates for commissioning of the plant were 10 September 2006 (Unit I) and 10 January 2007 (Unit II). However, the units were finally commissioned in 27 January 2008 (Unit I) and 30 November 2008 (Unit II) respectively.

**Delay in commissioning of DSPM TPS resulted in loss of interest subsidy of ₹ 243.60 crore under AG&SP scheme.**

It was observed that as the project was commissioned after 31 March 2007, the Board could not avail the benefit of interest subsidy of ₹ 13.43 crore (upto 31 March 2007) and ₹ 230.17 crore<sup>17</sup> for the remaining period of loan from GoI. Further, the Company would be required to return ₹ 10.22 crore which was received by it towards interest subsidy as per the AG&SP scheme.

#### **4.2.16.2 Non-realisation of loan given to BSSUKM and irregular adjustment of Government revenue – ₹9.95 crore**

The erstwhile Board sanctioned ₹ 8.00 crore to BSSUKM on the following conditions:

1. Loan would be guaranteed by State Government.
2. Interest would be charged at the rate of 9 per cent per annum.
3. Loan would be re-payable in six years with half yearly instalment.
4. When BSSUKM starts sale of power to Board the energy charges payable by Board would be adjusted against instalments payable by BSSUKM towards repayment of loan.

**Non-realisation of loan given to BSSUKM and irregular adjustment of Government revenue – ₹ 9.95 crore.**

The loan was disbursed in three instalments i.e. ₹ 5.00 crore in October 2002, ₹ 2.00 crore in January 2003 and ₹ 1.00 crore in August 2003 and the State Government guaranteed (January 2003) the same. As BSSUKM failed to make payment of instalments of loan and interest, the Board adjusted (June 2008) ₹ 9.95 crore against Electricity Duty and Cess payable to the

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<sup>17</sup> As calculated by the Company

Government by invoking the guarantee. Scrutiny of the records revealed that the loan was released without executing any loan agreement with BSSUKM. Further, as per the guarantee given by the State Government, the liability of the State Government would arise only when the loanee fails to repay the instalments of loan and interest and after failure of the Board to recover the same from all the available properties of the loanee. The Board, however, neither took any action for recovery of the loan from BSSUKM nor attached the available properties. Instead, the Board recovered the same from the Electricity Duty and Cess payable to State Government in contravention of the terms of guarantee and also in violation of the provisions of General Financial Rules as per which all moneys received by or on behalf of the Government either as dues of Government or for deposit, remittance or otherwise, shall be brought to Government Account without delay. Thus the adjustment made by the Board was irregular. Even after this adjustment an amount of ₹ 2.15 crore is still outstanding. Here it is pertinent to mention that the period of guarantee also expired on 31 March 2010 and there is remote possibility of the recovery of the balance amount.

#### **4.2.16.3 Inventory control**

Material and inventory management involves meticulous forecasting of requirements, procurement and utilisation of material with a view to exercising control over their receipt, storage, transfer to user units and inventory holding so as to minimise procurement and inventory holding costs. The Company had not fixed maximum, minimum and economic re-ordering level of stock. This has resulted in overstocking of various materials without any requirement and Company's valuable funds remained blocked as discussed below:

#### ***Blocking up of ₹107.06 crore due to holding of spares in excess of norms and consequent interest loss***

**Holding of spares in excess of norms resulted in locking up of ₹ 107.06 crore.**

As per the guidelines of CERC the TPSs were required to maintain spares of ₹ 4.00 lakh for each MW of installed capacity. As worked out by the Company, the value of spares to be maintained on the basis of the above guidelines was ₹ 71.20 crore. As at the end of 2009-10, the TPSs held stock of spares valued at ₹ 178.26 crore resulting in excess holding by ₹ 107.06 crore. This resulted in locking up of funds and corresponding loss of interest.

#### ***Stock of furnace Oil***

Furnace oil is secondary fuel for thermal power generation. It was observed that as on 31 March 2010 Company was holding a stock of 4694.24 KL of furnace oil valuing ₹ 13.66 crore (₹ 7.18 crore for KTPS and ₹ 6.48 crore for HTPS). The stock held by the Company was equal to 93 days consumption in respect of KTPS and 425 days consumption in respect of HTPS. From this, wide variation in the inventory holding at different TPS can be observed. In view of the same, the Company should have fixed standard norms for inventory holding at all TPS.

#### 4.2.17 Tariff Fixation

The erstwhile Board/ Company is required to file the application for approval of Generation Tariff for each year 120 days before the commencement of the respective year or such other date as may be directed by the CSERC. The Commission accepts the application filed by the Company with such modifications /conditions as may be deemed just and appropriate and after considering all suggestions and objections from public and other stakeholders, issue an order containing targets for controllable items and the generation tariffs for the year within 120 days of the receipt of the application.

The CSERC sets performance targets for each year of the Control Period for the items or parameters that are deemed to be “controllable” and which include:

- (a) Station Heat Rate;
- (b) Availability;
- (c) Auxiliary Energy Consumption;
- (d) Secondary Fuel Oil Consumption;
- (e) Operation and Maintenance Expenses;
- (f) Plant Load Factor
- (g) Financing Cost which includes cost of debt (interest), cost of equity (return); and
- (h) Depreciation.

Any financial loss on account of underperformance on targets for parameters specified in Clause (a) to (e) is not recoverable through tariffs.

The table below shows the due date of filing tariff petition, actual date of filing, date of approval by CSERC and the effective date of the revised tariff:

Year	Due date of filing of Tariff Petition	Actual date of filing	Delay in days	Date of approval of Tariff	Effective date of revised tariff
2005-06 <sup>18</sup>	--	01.03.2005	--	15.06.2005	01.07.2005
2006-07	01.11.2005	13.04.2006	163	13.09.2006	01.10.2006
2007-08	01.11.2006	17.08.2007	289	22.10.2007	01.11.2007
2008-09	01.11.2007	No petition filed			
2009-10	01.11.2008	26.02.2009	117	30.05.2009	01.07.2009

**Delayed implementation of new tariff resulted in depriving consumers of the benefit of ₹ 248.15 crore.**

From the above it may be seen that the Board/ Company never filed the tariff petition in time and the delay ranged from 117 days to 289 days. Due to the same, the CSERC made the revised tariff effective from a later date. This deprived the consumers of the benefit of lower tariff to the tune of ₹ 248.15 crore during 2006-08 as the tariff for the years 2005-06 to 2007-08 reduced the average rate of supply of power from ₹ 3.45 (2005-06) to ₹ 3.20 (2006-07) and further to ₹ 2.98 (2007-08). However, the average rate of supply was marginally increased for 2009-10 to ₹ 3.04 per unit.

<sup>18</sup> Since the CSERC was formed in 2004-05, delay in filing of the first petition has not been worked out in Audit.



**Non-allowance of expenditure by CSERC resulted in loss of ₹ 101.43 crore.**

We also noticed that CSERC did not allow various expenditure amounting ₹ 101.43 crore for the year 2009-10 on account of underperformance by the Company for reasons deemed to be controllable thereby reducing the profits.

#### **4.2.18 Environment issues**

In order to minimize the adverse impact on the environment, the GoI had enacted various Acts and statutes. At the State level, Chhattisgarh Environment Conservation Board (CECB) is the regulating agency to ensure compliance with the provisions of these Acts and statutes. MoEF, GoI and Central Pollution Control Board are also vested with powers under various statutes. The Company has no separate environmental wing at the corporate office and Chief Chemists of the concerned TPSs look after the environmental issues. Our scrutiny relating to compliance with the provisions of various Acts in this regard revealed the following:

##### **4.2.18.1 Operation of plant without consent**

- The Company was required to renew consent from CECB before the expiry of previous consent to run its power plants. However, it was observed that HTPS and DSPM TPS applied for renewal of consent to CECB in October 2009 and November 2009 respectively after expiry of the previous consent. There was delay of 32 days in each case. Renewal of consent by CECB thereafter, was not received so far (June 2010). However, the Company did not pursue in this regard. Further, it was observed that due to non-compliance with conditions set out in consent letter, the Company was issued (23 October 2009) show-cause notice for DSPM TPS and threatened with closure of plants in the interest of public health and environment.
- Similarly, for Cogeneration Plant at Kawardha, though the consent of CECB expired on 10 November 2006, the Company applied for renewal of consent only on 05 February 2010 (i.e. after a delay of 38 months 25 days). However, the renewal of consent letter by CECB thereafter, was not received so far (June 2010). Further, it was observed that due to non-compliance with conditions set out in consent letter, the Company was issued several show cause notices and threatened with closure of plants in the interest of public health and environment.

#### **Air Pollution**

Coal ash, being a fine particulate matter, is a pollutant under certain conditions when it is airborne and its concentration in a given volume of atmosphere is high. Control of dust levels (Suspended Particulate Matters - SPM) in flue gas is an important responsibility of thermal power stations. Electrostatic Precipitator (ESP) is used to reduce dust concentration in flue gases. Control of dust level is dependant on effective and efficient functioning of ESPs.

Non-achievement of specified SPM levels resulted in unproductive expenditure of ₹ 12.14 crore.

#### 4.2.18.2 Non-achievement of specified SPM levels

- ESP installed at Powerhouse II in KTPS was designed to achieve an SPM level of 300-350  $\mu\text{ gram per cubic metre}$  ( $\mu\text{g}/\text{m}^3$ ). In order to reduce the SPM level to 150  $\mu\text{g}/\text{m}^3$ , the Company placed an order for installing new ESPs. Consequently, the ESPs were installed (January 2008) at a total cost of ₹ 12.14 crore. However, CECB stated (January 2010) that based on its inspection of the power house, the recorded SPM levels were found to be higher than the norms. As the desired level of reduction in SPM levels were not achieved even after installation of new ESPs, investment of ₹ 12.14 crore was rendered unproductive.
- Against the norms of 50  $\mu\text{g}/\text{m}^3$  for emission of SPM as prescribed by CECB, the actual emission was 70 to 95 and 60 to 85  $\mu\text{g}/\text{m}^3$  for Unit I and Unit II of DSPM TPS respectively. The reason for the excess emission is mainly due to installation of ESP of lower capacity.
- ESP installed at Cogeneration plant at Kawardha was designed to achieve an SPM level of 100  $\mu\text{g}/\text{m}^3$ . CECB directed (May 2007) the Company to achieve an SPM level of 50  $\mu\text{g}/\text{m}^3$ . However, no progress was made by the Company in this regard so far (June 2010).

#### 4.2.18.3 Use of high ash content coal

As per MoEF notification (July 2003) coal based power stations located in urban, sensitive and critically polluted areas were required to use coal having less than 34 *per cent* ash on an annual weighted average basis. It was observed that the Company's all TPSs are located in Korba Industrial Cluster which is an Urban, sensitive and critical area. During review period, all three TPSs of the Company received 4.35 crore MT of coal, in which the weighted average of ash ranged from 39.3 to 46.4 *per cent*. CECB also instructed the Company (January 2008) to use washed and beneficiated coal to bring down the ash content and thereby reducing the pollution level. However, no action was taken in this regard so far (June 2010).

#### 4.2.18.4 Ash disposal

Annual generation of fly ash from all the three TPSs of the Company was around 24.74 lakh to 37.01 lakh MT. MoEF issued a notification (September 1999) which provided that every thermal plant should supply fly ash to building material manufacturing units free of cost at least for 10 years. Our scrutiny of generation and disposal of fly ash for the years under review revealed that against the total fly ash of 1.52 crore MT generated by the Company, only 57.07 lakh MT was utilised. This suggested that no concerted efforts were made to improve the utilisation of ash.

Further, MoEF issued (27 August 2003) another notification which provided that every new thermal power station should utilise 100 *per cent* fly ash generated from the date of operation. However, it was observed that DSPM TPS which was commissioned on January 2008, did not utilise any quantity out of 22.10 lakh MT fly ash generated till March 2010 and entire fly ash generated was disposed of in ash bunds due to non-availability of Dry Fly Ash Collection System (Silo).

#### 4.2.18.5 Non-commissioning of Dry Fly Ash Handling System at HTPS resulted in blocking up of funds of ₹ 29.94 crore

Non-commissioning of Dry fly ash handling system resulted in blocking up of funds ₹ 29.94 crore.

In compliance with the instruction of CECB regarding prevention of air pollution, the Company placed (October 2007) an order for installation of Dry Fly ash Handling System (DFHS) for all the four units of HTPS to Macawber Beekay Private Limited, New Delhi at a total value of ₹ 39.50 crore (supply ₹ 30.05 crore and erection ₹ 9.45 crore). As per the terms and conditions of work order, the work should have been completed within 12, 15, 18 and 21 months for unit 1, 2, 3 and 4 respectively from the date of approval of drawing (August 2008). However, it was observed that the supply of all required materials worth ₹ 29.94 crore were received during February 2008 to December 2009 and the commissioning of the system was not done so far (July 2010). This has not only resulted in non-compliance of CECB's orders, but also led to blocking up of funds to the tune of ₹ 29.94 crore besides non-reduction of air pollution.

Management stated (June 2010) that the commissioning of DFHS got delayed mainly due to approval of drawings decision of position for Silos, route for pipe racks, MCC drawing finalisation etc. However, we are of the opinion that all these exercise could have done before placing the order.

#### Noise Pollution

**4.2.18.6** Noise Pollution (Regulation and Control) Rules, 2000 aim to regulate and control noise producing and generating sources with the objective of maintaining ambient air quality. To achieve the above, noise emission from equipment be controlled at source, adequate silencing equipment should be provided at various noise sources and a green belt should be developed around the plant area to diffuse noise dispersion. The TPSs are required to record sound levels in all the areas stipulated in the rules referred to above.

Our scrutiny revealed that noise levels recorded by KTPS and HTPS during day time in industrial areas for a period of five years up to 2009-10 ranged from 78.4 to 88.2 db and 80 to 90 db respectively against the prescribed level of 75 db due to old technology based equipments in the plant. Thus, these two TPSs not only violated the laws but also made a continuous adverse impact on the environment. At the night time the prescribed level of noise should be 70 db, however the Company did not record noise levels at night in any of its TPS.

#### Water pollution

**4.2.18.7** The waste water of the power plant is the source of water pollution. As per the provisions of the Water (Prevention & Control of Pollution) Act, 1974, the TPSs is required to obtain the consent of CECB which *inter-alia* contains the conditions and stipulations for water pollution to be complied with by the TPSs.

Our scrutiny revealed that as per the norms prescribed by CECB, total

suspended solids (TSS) in effluents from the TPSs should not exceed 100 parts per million (ppm). We noticed that TSS in effluent discharges from the KTPS ranged between 119 and 133 ppm during the review period. The main reasons for exceeding TSS standards were absence of sedimentation tanks and ineffective functioning of effluent treatment plants. As both the reasons were controllable, effective and time bound steps could have avoided the non-repairable damage caused to the water bodies.

#### **4.2.18.8 Avoidable expenditure on Water Cess – ₹1.91 crore**

**Avoidable expenditure of ₹ 1.91 crore on Water Cess due to failure to bring down the water pollution to specified level.**

As per the provisions of the Water (Prevention & Control of Pollution) Cess Act, 1977 water cess at rates specified is collected for water utilised for the purposes specified in the Act *ibid*. Compliance with the standards laid down by GoI under Environment (Protection) Act, 1986 makes the consumer eligible for concessional rate of Water Cess (50 *per cent*) and also rebate in payment of Cess. In this connection, our scrutiny revealed that Company's all TPSs failed to bring down the pollution to specified levels and had to pay Water Cess of ₹ 3.82 crore during the review period at rate specified under Section 3 (2A) of the Act. Had the erstwhile Board/ Company taken effective steps, it could have become eligible for rebate. This led to avoidable payment of Water Cess of ₹ 1.91 crore.

Management stated (June 2010) that due to non-commissioning of Effluent Treatment Plant and Sewage Treatment Plant (ETP & STP), the Water Cess was paid at higher rates and after commissioning the same the rebate as per section 3 (2) will be applied for.

#### **4.2.18.9 Non-installation of Ash Water Recycling System resulted in loss of water**

**Non-installation of AWRS resulted in loss of 75.20 cubic metre water worth ₹ 2.71 crore.**

The turnkey contract awarded to BHEL for DSPM TPS included installation of Ash Water Recycling System (AWRS). For running the plant Company arranged water from Water Resources Department and paid water charges to them. It was observed that water used for disposal of ash through slurry was to be recycled through AWRS. However, AWRS was not installed as yet (September 2010). In absence of installation of AWRS, a quantity of 188.00 lakh cubic metre (cu.m) of water used for ash disposal through slurry could not be recycled during the period from August 2007 to March 2010. The quantity of water that should have been collected through recycling worked out to 75.20 lakh cu.m. (40 *per cent* of water used) valuing ₹ 2.71 crore (at the rate of ₹ 3.60 per cu. m.). Had the AWRS been installed timely the company could have saved 75.20 cu.m water worth ₹ 2.71 crore.

#### **4.2.19 Monitoring by top management**

The erstwhile Board/ Company plays an important role in the State economy. For such a giant organisation to succeed in operating economically, efficiently and effectively, there should be documented management systems of operations, service standards and targets. Further, there has to be a Management Information System (MIS) to report on achievement of targets and norms. The achievements need to be reviewed to address deficiencies and

also to set targets for subsequent years. The targets should generally be such that the achievement of which would make an organisation self-reliant. The Company developed an MIS whereby information on various operational parameters/targets to reach its headquarters on a daily/monthly/quarterly basis. These reports are regularly reviewed by the top Management of the Company.

#### **4.2.20 Internal control**

Internal control is a management tool used to provide reasonable assurance that the objectives of the organisation are being achieved in an efficient, effective and orderly manner. A good system of internal control comprise proper allocation of functional responsibilities within the organisation, proper procedures for operating and co-ordination among different units/ wings of the organisation. Review of internal control system followed by the erstwhile Board/ Company revealed the following:

- Various vital equipments remained un-installed even though the supplies were completed long back (discussed in *paragraphs 4.2.15.2 to 4.2.15.4, 4.2.18.5 and 4.2.18.9*).
- Accumulation of non moving stock and spares were noticed in all the generation Stores of the Company. Inventory management system was deficient as the Company did not fix any maximum, minimum and economic re-ordering level of stock which resulted in overstocking of various materials without any requirement and Company's valuable funds remained blocked. (discussed in *paragraph 4.2.16.3*)
- Even though the main function of Office of the Chief Engineer (Stores & Purchase : Generation) is to procure stores and spares etc. of routine nature regularly required for generating stations, no system was developed to create database and to monitor the prices of key raw material to independently assess the reasonability of the rates quoted. Instead rate reasonability was compared with the last tender and orders placed by generation entities in other States.
- In respect of items like grinding elements, ceramic lined material, conveyor belts etc., performance guarantee clause with standard performance level was incorporated in the terms and conditions. If the performance was below the standard, either the material was to be replaced or pro-rata value of the materials was to be recovered from the firms. However, performance of such material was not watched to safeguard the financial interest of the Company.
- Sometimes extension orders were placed with the same party citing urgency. As per the standing instructions, before placing any extension order prevailing market trend should have been assessed and extension order placed only if the ruling prices are higher. However, such exercise was not carried out.

## **Conclusion**

- The Company's failure to obtain requisite clearances resulted in non-commencement/ abandonment of power projects;
- Four new power projects taken up by the Company were not commissioned as per the schedule resulting in time and cost overrun due to inadequate project monitoring system;
- The Company did not recover liquidated damages from the defaulting contractors;
- Operational performance of the Company's power stations were affected due to excess consumption of fuel, excess auxiliary consumption and non-replacement/commissioning of vital equipments;
- The Company failed to take up the R&M/LE programme of HTPS during Eleventh Plan period as planned though it had already completed its designed life;
- The Company was not adhering to its own maintenance plan of power stations and there was delay in taking up of annual and capital overhauling;
- During the review period the Board faced cash deficit due to poor recovery of outstanding energy bills and subsidy receivable from the State Government which resulted in increased borrowings;
- Delayed filing of tariff petition with CSERC by the Board/ Company led to deprivation of the benefit of lower tariff to the consumers amounting to ₹ 248.15 crore during 2006-08;
- There was lack of control over inventory holding. The Company did not fix minimum/maximum level stock which resulted in excess procurement of consumable stores; and
- On the environmental side, the Company did not adhere to the provisions of various Acts, regulations and norms as prescribed resulting in adverse impact on the environment.

## **Recommendations**

The Company may consider:

- developing a mechanism to obtain necessary clearances before investing huge funds in upcoming projects;
- strengthening its project monitoring system so as to achieve project completion targets as scheduled;
- incorporating suitable clauses in all future contracts to protect its financial interests such as (a) linking supply payments to erection milestones, (b) recovery of consequential losses and (c) giving advances in accordance with CVC guidelines;
- enhancing thermal and fuel efficiencies with improved technology, to ensure consumption of fuel within the prescribed norms;
- taking up R&M/ LE Programme of HTPS Korba West at the earliest;
- adhering to the schedule for periodic maintenance plan strictly;

- filing tariff petition in time with the CSERC;
- fixing minimum, maximum and re-ordering level of various inventories; and
- ensuring strict adherence to environmental laws thereby minimising the adverse impact on environment.

### 4.3 Transaction Audit Observations

#### CHHATTISGARH STATE CIVIL SUPPLIES CORPORATION LIMITED

##### 4.3.1 Avoidable expenditure

#### **The Company incurred avoidable expenditure of ₹ 12.11 crore due to non-payment of Advance Income Tax and non-submission of IT Return in time**

As per Section 208 of Income Tax Act, 1961(Act), advance income tax shall be payable during a financial year where the amount of such tax payable by the assessee during that year is ₹ 5000 or more. Further as per section 210 read with section 211 of the Act, each person who is liable to pay advance tax under section 208 shall, of his own accord, pay it in four installments during each financial year (on or before 15 June, 15 September, 15 December and 15 March). Where the return of income for any assessment year (AY) is filed after the due date or is not filed, the assessee shall be liable to pay simple interest at the rate of one *per cent* for every month or part thereof commencing on the date immediately following the due date. Further, section 72 allows a company to carry forward its business loss and to set off the same against future business profits. Section 80, however, stipulates that business loss for an accounting year can be carried forward for setting off against the profits of subsequent years only if the Return of Income for the loss year was filed within the time limit prescribed under section 139 (1) i.e. 31<sup>st</sup> day of October of the respective assessment year.

The preparation of the annual accounts of Chhattisgarh State Civil Supplies Corporation Limited (Company) was in backlog and annual accounts of the Company for the year 2005-06 was finalised and certified by the Auditor on 9 April 2008. As per the Income Tax (IT) Return filed (24 December 2008) by the Company for the accounting year 2005-06, the Company had claimed for setting off of brought forward loss of ₹ 7.36 crore, which pertained to the accounting years 2001-02 and 2004-05. As per the provisions of the Act, the Company was eligible to avail set off of the above losses against the profits for subsequent years only if the IT Returns for the loss years (viz. accounting years 2001-02 and 2004-05) were filed within the prescribed time limits viz. by 31 October 2002 and 31 October 2005 respectively. We, however, observed that the Company filed the IT Returns for the accounting years 2001-02 and 2004-05 (AYs 2002-03 and 2005-06) belatedly in February 2005 and November 2008 respectively. As a result the claim of the Company for setting off the previous losses (₹ 7.36 crore) was disallowed by IT Department and the Company had to pay tax of ₹ 2.48 crore thereon.

Further, the Company could not assess the profit/loss on quarterly basis during the year 2005-06 and failed to pay the advance income tax as required under



sections 210 and 211 resulting in payment of penalty under the Act. On finalisation of accounts (April 2008), the Company reported profit of ₹ 44.25 crore<sup>1</sup> in 2005-06. While working out the tax liability for the accounting year 2005-06, Company adjusted the loss figures for 2001-02 and 2004-05 in anticipation of its eligibility for setting off of these brought forward losses under IT Act. We observed that the Company had to pay penalty of ₹ 9.63 crore on account of non-payment of advance tax, delayed filing of IT Returns etc. under Section 234 A (₹ 3.70 crore), 234 B (₹ 5.18 crore) and 234 C (₹ 0.75 crore) of IT Act.

Thus, delayed filing of IT Returns and failure on the part of the Company to assess its income on quarterly basis for paying advance tax resulted in non setting off of the brought forward loss and avoidable tax liability of ₹ 2.48 crore besides avoidable payment of penalty of ₹ 9.63 crore for non-payment of advance tax, delayed filing of returns, etc.

The Government stated (July 2010) that consequent upon the re-organisation of the State it took nearly two years to distribute the assets, liabilities and staff between erstwhile Madhya Pradesh State Civil Supplies Corporation and the Company. This delayed the compilation of accounts and consequently IT returns were also filed belatedly. Further, as there was loss during the years 2001-02 to 2004-05, no advance tax was paid in 2005-06.

The reply lacks justification as earlier years' performance is only a guiding factor. The subsidy from the Government against losses incurred in implementation of PDS scheme was the main source of Company's income and the same was promptly reimbursed by the Government every year. As such, the Company was aware of the fact and should have worked out the quarterly tax liability duly taking into account the said subsidy component on estimation basis. The Company should have paid advance tax accordingly within the prescribed time. Further, the Company failed to prepare accounts in time which was the prime cause for delay in filing of IT returns.

The Company needs to clear backlog of accounts in a phased manner. It should also devise a system for estimation of quarterly profits and timely payment of advance tax so as to avoid such losses in future.

#### **4.3.2 Incorrect fixation of selling price led to loss**

##### **Fixation of selling price of the soyabean oil without reckoning the element of CST led to loss of ₹ 80.98 lakh**

Government of Chhattisgarh authorised Chhattisgarh State Civil Supplies Corporation Limited (Company) to procure imported refined soyabean edible oil from the authorised Central Public Sector Undertakings (PSUs) and to distribute it to ration card holders under the Public Distribution System (PDS). The Company entered (28 April 2008) into an agreement with PEC Limited,

<sup>1</sup> The profit of ₹ 44.25 crore occurred mainly due to receipt of revenue grants of ₹ 951.78 crore from Government during 2005-06.

New Delhi, a Central PSU, for supply of 4,500 MT per month of imported soyabean oil at the rate of ₹ 57,000 per MT after deducting the subsidy element of ₹ 15,000 per MT but exclusive of Central Sales Tax (CST). The Company worked out the total cost of the oil at ₹ 57.38 per litre and also proposed to fix the selling price of oil for PDS at ₹ 58.00 per litre, which was agreed to (June 2008) by the Government. The Company procured (July-October 2008) 7202.78 MT oil (79,15,143 litre) worth ₹ 41.88 crore (including CST) from PEC Limited and distributed (July 2008 – June 2009) 7103.61 MT oil under PDS in the State.

On scrutiny (January 2010) of records, we observed that while submitting the proposal for fixation of selling price of ₹ 58.00 per litre, the company had taken into account various incidental expenses. The element of CST of two *per cent* was, however, not reckoned as part of the cost of the oil. As a result, the Company had to bear the burden of CST resulting in loss of ₹ 80.98 lakh on 7103.61 MT oil supplied through PDS.

The Government (August 2010) stated that the Company suffered loss due to fall in oil prices at national and international level which were beyond the control of the Company.

The reply was, however, silent about the failure of the Company to take into account the element of CST while fixing the selling price, which resulted in loss to the Company.

The Company, while submitting proposal to Government for fixation of selling price of commodities under PDS should take into account all the incidental expenses involved including CST so as to avoid such loss in future.

#### **4.3.3 Loss due to improper fixation of Selling Price**

##### **The Company failed to include all incidental costs in fixation of selling price resulting in loss of ₹ 62.33 lakh**

The Chhattisgarh State Civil Supplies Corporation Limited (Company) at the instance of Government of Chhattisgarh, submitted (23 January 2008) a proposal for distribution of kerosene oil at selected 350 weekly local markets (*Haat bazaars*) in rural and remote areas of the State by diverting 50 mobile outlets which were used for transportation of food grains. In the proposal submitted to State Government (January 2008), it was stated that the Company would buy the kerosene oil from the authorised dealers at ₹ 8.50 per litre and sell the same in the local markets at ₹ 10.00 per litre. The Company had projected to earn a net profit of ₹ 2000 in the sale of one trip (4000 litre) of kerosene (i.e. at ₹ 0.50 per litre). The State Government approved (02 February 2008) the proposal and the scheme was named "*Ujiyara*". The scheme was in addition to the existing Public Distribution System (PDS) and was implemented from 16 February 2008.

We noticed (January 2010) that on review (July 2008, September 2008 and October 2009) of the financial implications, the Company found that it was

actually incurring loss on implementation of the scheme. The Company reported (October 2009) loss of ₹ 74.55 lakh as of 31 March 2009 in the scheme by selling 18,36,439 litre kerosene oil at the rate of ₹ 10.00 per litre and requested the State Government to reimburse the said loss. The State Government considered (November 2009) the proposal of the Company and allowed it to raise the selling price of kerosene from ₹ 10.00 per litre to ₹ 11.00 per litre. Subsequently, the Company reported (May 2010) a total loss of ₹ 132.52 lakh<sup>2</sup> as of 31 March 2010 in the scheme and again requested the State Government to reimburse the loss. There was, however, no commitment from the Government for reimbursement of the loss incurred by the Company so far and the scheme was still in operation (September 2010).

We noticed that the main reason for loss was the inadequate selling price of the kerosene oil as while submitting the proposal to State Government for fixation of selling price, the Company failed to take into account the vehicle repair and maintenance cost and other incidental expenses. As per our working, the Company had incurred actual loss of ₹ 62.33 lakh as on March 2010, after excluding the components of fixed cost elements such as pay and allowances, etc. Thus, the Company had incurred a per litre loss of ₹ 1.74<sup>3</sup> on an average during 2008-09 and 2009-10 against the projected profit of ₹ 0.50 per litre and would continue to incur further losses at this rate till the scheme remains operational.

Government stated (June 2010) that the loss was due to usage of old vehicles which increased the transportation cost. It was further stated (June 2010) that as the Company is an authorized agency for implementation of various PDS schemes, it is bound to carry out the directives as issued by the State Government. The reply is not valid as the scheme was proposed by the Company itself and implementation of the scheme resulted into losses due to failure of the Company to take into account all related costs of distribution of kerosene oil.

In order to avoid such losses, the Company needs to carry out adequate feasibility study duly taking into account all related direct and indirect costs involved in implementation of the scheme.

#### **4.3.4 Avoidable expenditure on bank commission**

##### **Non-availment of commission free DD facility offered by PNB resulted in avoidable expenditure of ₹ 18.57 lakh**

The Chhattisgarh State Civil Supplies Corporation Limited (Company) had procured food grains from Food Corporation of India (FCI) for distribution to beneficiaries under various welfare schemes of Government of India and State Government. Payments to FCI were made by the district offices of the Company through Demand Draft (DD). Commission charges of ₹ 18.57 lakh

<sup>2</sup> Includes ₹70.19 lakh being from pay and allowances for the years 2008-09 and 2009-10.

<sup>3</sup> Average cost per litre ₹ 12.13 – Average selling price per litre ₹ 10.39.

was paid by the District Offices to various banks other than Punjab National Bank (PNB) during 2007-08 and 2008-09.

On scrutiny (January 2010) of records we observed that PNB offered (September 2005) Multi City Cheque facility and free fund remittance facility through DD to the Company. The same was accepted in October 2005 and it was decided to open accounts in PNB. The General Manager (GM) of the Company, accordingly, instructed (December 2005) the District Managers to avail the commission free DD facility offered by PNB. However, 14 out of 16 District offices having branches of PNB in their locality failed to avail the commission free facility and paid commission on DD amounting ₹ 18.57 lakh to other banks. Thus, non-implementation of the instructions of the GM to avail commission free DD facility by the District Offices resulted in avoidable expenditure of ₹ 18.57 lakh on bank commission.

The Government stated (September 2010) that offer of PNB was meant for fund transfers to district offices from Head Office and *vice versa*. However, for business purpose the cheques/DDs were obtained on payment of commission and properly accounted for. The reply is not in consonance with the issue pointed out in the para since PNB's offer already exists for free transfer of funds through cheques/drafts at par at all branches having Centralised Banking System (CBS). Further, PNB in its offer letter clearly mentioned that Commission free facility is applicable to DD also.

The Management should devise effective monitoring system to ensure that its instructions are strictly adhered to by field offices and should fix responsibility for the reported violation. Company should also explore the possibility to enter into similar arrangements with other Nationalised Banks where PNB branches are not available.

### **Chhattisgarh State Beverages Corporation Limited**

#### **4.3.5 Blocking up of funds due to selection of unsuitable site**

##### **Failure in selection of appropriate site for construction of godown led to unfruitful expenditure of ₹ 13.26 lakh and blocking of funds of ₹ 79.11 lakh**

Chhattisgarh State Beverages Corporation Limited (Company) decided (6 July 2005) to construct godowns at Raipur to avoid huge expenditure on godown rent incurred for storage of liquor. Accordingly, an application for allotment of 5.00 acres of land at Siltara Industrial Area, Raipur was submitted (24 August 2005) to Chhattisgarh State Industrial Development Corporation Limited (CSIDC) and a sum of ₹ 5.02 lakh was also deposited (26 September 2005) as advance towards land premium for the purpose. CSIDC issued (17 Oct 2005) Letter of Intent (LoI) offering 4.940 acres of land in Siltara Industrial Area, Raipur for allotment on lease for 30 years and requested the Company to deposit ₹ 61.33 lakh as full cost. However, on inspection of the site

(17 January 2006), the Company found it unsuitable for its operation, as Electrical High Tension lines were passing over it.

The Company requested (January 2006) CSIDC to allot an alternate site. In response, CSIDC intimated (March 2007) the alternate site in amenities sector in the same industrial area and informed (July 2007) that the land premium and other charges were revised with retrospective effect from 1 April 2006. Thereafter, the Company submitted (9 August 2007) specification of land site.

CSIDC issued (29 August 2007) revised LoI allotting the alternate site of 5.315 acres of land in lieu of the earlier one and requested the Company to deposit ₹ 92.37 lakh towards premium and other charges as per revised rate. The Company deposited ₹ 87.35 lakh (October 2007/ May 2008) and obtained possession of the land (16 January 2008). After a delay of 20 months from the date of depositing the amount and 17 months from obtaining possession of land, the Company found (26 June 2009) the alternate site also unsuitable for its business operation because of heavy pollution in the industrial area and hence requested CSIDC to allot land in a pollution free area in the vicinity of Raipur. CSIDC informed (7 August 2009) that no suitable land is available in its possession within a radius of 20-25 kms from Raipur. As a result even after incurring ₹ 92.37 lakh, the Company could not implement the project initiated as early as in July 2005 to construct its own godown for storage of liquor at Raipur. Out of the total payment of ₹ 92.37 lakh made by the Company, ₹ 13.26 lakh related to annual lease rent, annual maintenance charges and annual lighting charges for two years (May 2008-April 2010).

Thus, failure on the part of the Company to plan and select the appropriate site led to infructuous expenditure of ₹ 13.26 lakh on payment of annual lease rent, annual maintenance charges and annual street light charges apart from blocking of the Company's fund of ₹ 79.11 lakh due to non commencement of the construction of the godown even after lapse of 3 years. Apart from this, the Company incurred ₹ 1.38 crore towards hire charges of godown during August 2005 to May 2010.

In reply, Management/Government stated (June/July 2010) that in the year 2005 when the decision to acquire land in Siltara Industrial Area was taken, there was no pollution in the area. During inspection of site prior to execution of lease deed it was found that there were lot of pollution and therefore the site was unsuitable for storage of liquor. It was further stated that in the meeting held on 7 June 2010, the Board of Directors decided to construct godown in the land.

The reply is not acceptable as the failure of the Company in assessing the suitability of the land before taking possession (January 2008) and making payment for the land (October 2007/May 2008) led to loss to the Company. This was avoidable by better planning and timely inspection of the site. Further, the reply regarding Company's belated decision of constructing the godown on allotted site does not explain the justification on suitability of land for storage of liquor in highly polluted area.

The Management needs to set up adequate mechanism to monitor the implementation of committed capital works through better planning, timely inspection of site, etc. so as to ensure selection of appropriate land and completion of the work in time.

#### **4.3.6 Extra expenditure due to delay in payment**

##### **The Company incurred extra expenditure of ₹ 27.89 lakh due to delay in payment of cost of land**

Chhattisgarh State Beverages Corporation Limited (Company) decided (July 2005) to construct godown at Bilaspur to avoid huge expenditure on godown rent incurred for storage of liquor. Application for allotment of 5.00 acres of land at Sirgitti Industrial Area, Bilaspur was submitted (August 2005) to Chhattisgarh State Industrial Development Corporation Limited (CSIDC). CSIDC intimated (September 2005) the Company to remit ₹ 4.66 lakh as 10 per cent advance towards land premium and service charges to process the applications further. The Company deposited (26 September 2005) a sum of ₹ 4.66 lakh. CSIDC issued (11 November 2005) letter of intent (LoI) stating that 5.00 acres of land in Sirgitti Industrial Area, Bilaspur is proposed for allotment on lease for 99 years and requested the Company to deposit ₹ 49.67 lakh towards land premium (₹ 40.48 lakh), lease rent (₹ 1.01 lakh), security deposit (₹ 3.04 lakh), additional premium (₹ 4.05 lakh) and other charges (₹ 1.09 lakh) within 45 days of LoI (*viz.* by 26 December 2005), failing which the LoI would automatically stand cancelled. CSIDC had given the Company advance possession of land measuring 5.62 acres on 21 December 2005.

Scrutiny of records (August 2009) revealed that the Company did not make payment for the land premium and the other charges within the prescribed time limit (26 December 2005) and remitted ₹ 35.82 lakh<sup>4</sup> in January 2007 i.e. after delay of 13 months. In the meantime, CSIDC revised the land premium and other charges upward with retrospective effect from 1 April 2006 and demanded (November 2007) the balance amount of ₹ 43.24 lakh including the extra expenditure of ₹ 27.89 lakh on account of the said revision which was also deposited (March 2009) by the Company. Thus failure on the part of the Company to remit the land premium and other charges in time led to avoidable extra expenditure of ₹ 27.89 lakh.

Further, inaction of the Company in constructing the godown even after a lapse of more than four years of taking the possession of the land (December 2005) led to avoidable expenditure towards payment of hire charges of godown to the extent of ₹ 91.67 lakh during January 2006 to May 2010.

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<sup>4</sup> After deducting advance of ₹ 4.66 lakh from the land premium of ₹ 40.48 lakh.

In reply, the Government stated (July 2010) that for remitting the amount of land premium and other charges, necessary decision was taken by the Board of Directors only on 28 December 2006 and thereafter the amount was remitted.

The reply does not address the reasons for not including this item in the Agenda for discussion though the Board of Directors met three times between November 2005 and December 2006. Ultimately it took more than one year for the Board of Directors to decide on payment of land premium and other charges.

The company should prioritise the issues to be discussed in the Board meeting in future to avoid delay in execution of important projects and also to avoid extra expenditure.

#### **4.3.7 Loss of Interest due to idling of funds**

##### **The Company incurred loss of interest of ₹ 22.69 lakh due to parking of huge cash balances in the current account**

Chhattisgarh State Beverages Corporation Limited, Raipur (Company) was operating (since July 2002) two current accounts with Punjab National Bank one at Bilaspur and the other at Raipur. While account at Bilaspur was operated only for collection of amount, all payments were effected by the Company through the current account at Raipur. In June 2007, the company made Auto Sweep arrangement with the Raipur Branch of the Bank. As per the above arrangement, the Company would get interest at the prescribed rate ranging from 3.75 to 6.25 *per cent* on the amount kept with the bank upto 179 days provided that the minimum balance of ₹ 5.00 lakh is maintained with the bank for more than seven days.

During scrutiny of the records of the Company (August 2009), we observed that no such arrangement was made in respect of the current account maintained with Bilaspur branch. Balances ranging from ₹ 5.00 lakh to ₹ 12.77 crore were lying in the current account for the period ranging from seven to 170 days during July 2007 to August 2009. On pointing out by us (August 2009), the Company made the Auto Sweep arrangements for the current account with Bilaspur branch also with effect from September 2009. Thus, the failure on the part of the Company to make Auto Sweep arrangement with Bilaspur branch in June 2007 simultaneously with Raipur branch resulted in loss of interest of ₹ 22.69 lakh.

The Government in their reply (July 2010) stated that Auto Sweep arrangement was made in respect of current account with Bilaspur branch also with effect from September 2009. The reply is silent as to why the arrangement was not made in June 2007 simultaneously with Raipur branch.

The Company should devise a system for preparation of anticipated cash flow statement based on past business experience/commitment to ascertain surplus funds available for investments in fixed deposits so as to maximise return on surplus funds.

**Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited**

**4.3.8 Avoidable payment of interest due to pendency of accounts**

**Inadequate efforts of the Company in clearance of accounts arrears resulted in shortfall in remittance of advance tax and consequent payment of interest of ₹ 52.68 lakh on income tax**

Section 210 of the Companies Act, 1956, read with Sections 166 and 216, casts the duty on the Board of Directors of a Company to place the accounts of the Company along with Auditor's Report (including supplementary comments of CAG) in the Annual General Meeting of the shareholders within six months of the close of its financial year. As per Section 210(5), if any person, being a Director of a Company, fails to take all reasonable steps to comply with the provisions of Section 210, he shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to ten thousand rupees or with both. Similar provision exists under Section 210(6) in respect of a person who is not a Director but is charged with the duty of ensuring compliance with Section 210.

In spite of above provisions in the Companies Act, Chhattisgarh *Rajya Beej Evam Krishi Vikas* Nigam Limited has not been finalising its accounts since inception (08 October 2004) and there were arrears of six years in finalisation of its accounts as of 30 September 2010. We have been bringing out the issue of arrears in finalisation of accounts to the notice of the Chief Secretary (24 May 2010) and Registrar of Companies (24 May 2010). However, there has been no effective action to liquidate the arrears.

The Company had engaged (February/April 2007) two outside agencies for preparing the basic records and finalising the accounts. Though the said agencies have been paid ₹ 16.79 lakh (up to May 2009) and were still attending the work, the exercise proved to be ineffective as none of the accounts could be finalised till date (September 2010). This indicated lack of seriousness in Company's approach in clearance of huge arrears of pending accounts.

Further, we observed that due to delay in finalisation of accounts, the Company failed to precisely assess the profit/loss on a quarterly basis for the purpose of payment of Advance Income Tax (AIT) as required under Sections 210 and 211 of the Income Tax Act, 1961 (Act). The Company earned an estimated profit of ₹ 20.29 crore during 2005-06 to 2008-09 (₹ 0.72 crore in 2005-06, ₹ 4.43 crore in 2006-07, ₹ 7.70 crore in 2007-08 and ₹ 7.44 crore in 2008-09) and the total tax liability on the said income worked out to ₹ 7.64 crore. The Company paid only ₹ 1.71 crore (₹ 0.26 crore in 2006-07 and ₹ 1.45 crore in 2008-09) as advance tax and failed to pay advance tax in 2005-06 and 2007-08. Even the advance tax remitted was less than the tax liability as per the returned income. Further, during 2005-06 and 2006-07, the Company failed to file the Income Tax Return on due date. As a result, the



Company had to pay (February/March 2008 and March 2009) ₹ 52.68 lakh towards interest under Section 234 A/B/C of the Act (₹ 8.77 lakh u/s 234 A, ₹ 19.75 lakh u/s 234 B and ₹ 24.16 lakh u/s 234 C). Thus, inadequate efforts of the Company in clearing the backlog of accounts has resulted in accumulation of accounts arrears besides causing failure in correctly estimating the quarterly taxable income, which resulted in avoidable payment of ₹ 52.68 lakh towards interest for non payment/ short remittance of AIT and delayed submission of return.

In reply, Government admitted (July 2010) the facts and stated that specific directions were issued to the Company to prepare the accounts in time so as to avoid recurrence of similar lapse in future.

The Company should identify the constraints faced in finalisation of pending accounts and should ensure clearance of backlog of accounts in a time bound manner by taking appropriate steps through effective planning. It should also devise a system for estimation of quarterly profits and payment of advance tax so as to avoid such losses in future.

**Raipur**

**(PURNA CHANDRA MAJHI)**

**The**

**Accountant General (Audit), Chhattisgarh**

*Countersigned*

**New Delhi**

**(VINOD RAI)**

**The**

**Comptroller and Auditor General of India**

## Appendix- 1.1

(Referred to in paragraph 1.1.10.1; page no 7)

## Statement showing details of distribution of THR to beneficiaries

Name of Project	SL.No.	Name of AWCs	2007-08				2008-09				2009-10			
			No. of days of THR distribution during the year	No. of months in which THR not distributed	No. of months in which THR distributed less than 10 days	No. of months in which THR distributed for 11 to 20 days	No. of days of THR distribution during the year	No. of months in which THR not distributed	No. of months in which THR distributed for less than 10 days	No. of months in which THR distributed for 11 to 20 days	Number of days of THR distribution during the year	No. of months in which THR not distributed	No. of months in which THR distributed for less than 10 days	No. of months in which THR distributed for 11 to 20 days
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Bakawand	1	Chitalur-1	216	1	0	6	228	2	1	1	234	1	1	3
	2	Kijteli	228	0	2	4	312	0	0	0	252	0	1	3
	3	Jaibal -1	258	0	2	1	312	0	0	0	306	0	0	0
	4	Junawani	252	0	1	4	312	0	0	0	306	0	0	0
	5	Bakawand-2	288	0	0	2	306	0	0	0	306	0	0	0
	6	Amaguda	264	0	1	2	312	0	0	0	306	0	0	0
	7	Kolabal-1	276	0	1	1	306	0	0	0	306	0	0	0
	8	Bojharipadar	294	0	1	0	312	0	0	0	306	0	0	0
	9	Chotadewada-2	294	0	1	0	312	0	0	0	306	0	0	0
	10	Sonpur-1	216	1	2	3	312	0	0	0	306	0	0	0
Bastar	11	Tirtha	276	0	0	3	288	0	0	2	294	0	0	1
	12	Pathri	264	0	1	2	228	1	2	2	294	0	0	0
	13	Pallibhata	240	0	1	4	294	0	0	0	288	0	0	1
	14	Balega	198	2	2	2	240	1	1	2	306	0	0	1
	15	Ghatlohanga	300	0	0	0	306	0	0	0	300	0	0	0
	16	Chopdapara	240	0	1	5	284	0	1	1	270	0	0	3
	17	Bodanpal	189	0	2	6	282	0	0	2	258	0	0	4
	18	Lavker-1	288	0	0	2	282	0	1	1	312	0	0	0
	19	Salemata-2	252	0	1	3	264	0	0	2	210	1	0	2
	20	Lalur	288	0	0	2	282	0	0	1	306	0	0	1
Arang	21	Bhokhola-2	174	2	1	7	270	0	0	3	276	0	0	3
	22	Bhokhola-1	192	1	1	8	270	0	0	3	276	0	0	3
	23	Rasni-2	252	0	1	4	234	0	1	4	300	0	0	1

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	24	Nardaha-3	246	1	0	5	300	0	0	0	294	0	0	1
	25	Nardaha-2	253	1	0	3	307	0	0	0	304	0	0	0
	26	Palod-2	275	1	0	0	306	0	0	0	298	0	0	0
	27	Bhansoj-1	289	0	0	1	305	0	0	0	306	0	0	0
	28	Mahamaya ward	227	3	0	0	297	0	0	0	300	0	0	0
	29	Gullu-2	218	3	0	0	287	0	0	2	289	0	0	3
	30	Rasni 1	270	0	1	4	306	0	1	4	300	0	0	1
<b>Raipur urban</b>	31	Patelpara	144	6	0	0	306	0	0	0	300	0	0	0
	32	Kushalpur	308	0	0	0	305	0	0	0	298	0	0	0
	33	Kalinagar	245	2	0	1	305	0	0	0	301	0	0	0
	34	Kapanaharpara	302	0	0	0	304	0	0	0	297	0	0	0
	35	Chhatisgarh nagar	302	0	0	0	304	0	0	0	297	0	0	0
	36	New Rajendra nagar	271	0	1	1	298	0	0	0	297	0	0	0
	37	Naya talab	309	0	0	0	305	0	0	0	302	0	0	0
	38	Chunabhai-2	290	0	1	0	306	0	0	0	303	0	0	0
	39	Krushna nagar	306	0	0	0	306	0	0	0	302	0	0	0
	40	Handipura-1	305	0	0	0	308	0	0	0	296	0	0	0
<b>Pathhal-gaon</b>	41	Kukurbhuka	306	0	0	1	246	1	0	2	142	4	2	2
	42	Darrimahua	204	2	2	2	264	0	0	4	138	4	2	3
	43	Khardhodhi	180	3	1	3	228	2	1	1	186	4	0	2
	44	Pitha ama	261	1	0	2	270	0	1	1	294	0	1	0
	45	Gouripara	251	2	0	1	268	1	0	1	302	0	0	0
	46	Kadaro	259	1	0	2	282	0	0	2	228	1	2	1
	47	Firingpara	230	3	0	2	223	2	1	0	298	0	0	1
	48	Turbaama	241	2	1	1	284	1	0	0	187	3	2	1
	49	Chicknipani	265	1	1	1	309	0	0	0	168	4	1	1
	50	Pandripani	228	2	1	1	204	3	0	3	228	3	0	1
<b>Kunkuri</b>	51	Chitakbaine	242	2	0	2	272	1	0	1	306	0	0	1
	52	Dodayami	262	2	0	1	312	0	0	0	306	0	0	1
	53	Mahuatoli	312	0	0	1	306	0	0	0	300	0	0	2
	54	Dholchuan	282	1	0	1	288	1	0	0	258	2	0	0
	55	Uparkapa	210	3	0	2	300	0	0	0	288	0	1	1

	56	Rengarghat	234	3	0	1	288	1	0	0	306	0	0	1
	57	Jamchuba	300	0	0	1	312	0	0	0	312	0	0	0
	58	Dhumadand	240	2	0	2	228	3	0	0	306	0	0	1
	59	Dumertola	312	0	0	1	312	0	0	0	252	2	0	2
	60	Jaharnatoli	288	0	0	0	312	0	0	0	306	0	0	1
Khaira-garh	61	Katangikhurd	270	1	0	1	300	0	0	1	312	0	0	0
	62	Dauchoura	276	0	0	4	300	0	0	0	288	0	0	2
	63	Navagaon	306	0	0	0	306	0	0	0	300	0	0	0
	64	Sandi	240	2	0	2	282	0	1	0	312	0	0	0
	65	Sonpuri	312	0	0	0	312	0	0	0	306	0	0	0
	66	Chagurda	308	0	0	0	302	0	0	0	304	0	0	0
	67	Matamkala-1	282	1	0	0	309	0	0	0	309	0	0	0
	68	Dhelkadih	288	1	0	0	310	0	0	0	309	0	0	0
	69	Madrakuli	284	0	0	2	290	0	0	1	272	1	0	1
	70	Ganjipara	258	1	0	4	282	0	0	3	312	0	0	0
Dongar-garh	71	Bilhari	168	1	2	8	252	0	1	3	234	0	2	4
	72	Khairbana	198	1	2	5	132	5	0	4	234	2	0	2
	73	Murmunda	240	0	0	7	84	8	0	3	228	2	0	4
	74	Anynbagaon	216	1	0	7	288	0	1	0	288	0	0	0
	75	Nagtarai	216	2	0	5	264	1	0	2	306	0	0	0
	76	Harasinghi	222	2	0	3	244	1	0	3	264	0	1	2
	77	Ward No 18	192	3	0	4	294	0	0	2	294	0	0	1
	78	Vishnupur	210	2	0	5	234	1	1	3	270	0	1	1
	79	Kalari	222	0	1	7	246	1	0	5	300	0	0	1
	80	Kalyanpur	278	0	0	3	262	0	0	4	282	0	0	3
Durg urban	81	Santra badi	186	2	0	5	264	1	0	1	240	1	0	3
	82	Kotul ward 58	180	2	1	5	216	0	1	8	168	2	2	4
	83	Takiyapara-1	174	2	0	7	192	0	3	5	192	2	1	4
	84	Takiyapara-2	156	2	1	6	184	0	2	7	162	2	2	5
	85	Talwar bhavan	198	2	1	3	294	0	0	1	246	0	0	7
	86	Muktanagar	252	1	1	1	306	0	0	0	270	0	0	3
	87	Umarbadi	264	1	1	0	306	0	0	0	192	3	2	0
	88	Hospital Ward 29	222	1	0	5	306	0	0	0	258	0	2	1
	89	Ganjipara	240	0	1	5	312	0	0	0	222	0	2	3
	90	Bajrag nagar	222	0	1	6	282	0	0	4	198	0	2	6

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<b>Patan</b>	91	Kumhali	276	0	1	2	288	0	0	2	120	6	0	3
	92	Bodal	216	2	0	4	156	5	0	2	294	0	0	1
	93	Pandhar-2	210	0	1	6	270	0	1	2	282	0	1	1
	94	Pandhar-3	204	0	1	6	264	0	1	2	306	0	0	0
	95	Sankara-1	282	0	1	1	210	2	2	1	258	1	0	2
	96	Sankara-2	270	0	1	2	192	2	3	1	240	1	0	4
	97	Marra-1	258	1	0	2	216	1	2	2	276	0	0	3
	98	Matang-1	222	0	3	2	198	3	0	0	246	1	0	0
	99	Marra-2	258	2	0	3	240	1	1	3	306	0	0	0
	100	Kanakot	252	1	0	3	276	0	0	3	210	1	1	4
<b>TOTAL</b>			<b>249</b>	<b>91</b>	<b>51</b>	<b>255</b>	<b>275</b>	<b>52</b>	<b>31</b>	<b>123</b>	<b>272</b>	<b>54</b>	<b>32</b>	<b>128</b>

Year	Distribution for less than 150 days	Distribution for 151 to 200 days	Distribution for 201 to 250 days	Distribution for 251 to 299 days	Distribution for less than 300 days	Distribution for 300 and Above 300
<b>2007-08</b>	1	13	31	39	84	16
<b>2008-09</b>	2	5	19	34	60	40
<b>2009-10</b>	2	9	12	33	56	44
<b>TOTAL</b>	<b>5</b>	<b>27</b>	<b>62</b>	<b>106</b>	<b>200</b>	<b>100</b>

THR not distributed	No. of AWCs in 2007-08	No. of AWCs in 2008-09	No. of AWCs in 2009-10	Total
1 month	21	14	9	44
2 month	22	5	7	34
3 month	6	3	3	12
4 month	-	-	4	4
5 month	-	2	-	2
6 -8 month	1	1	1	3

**Appendix-1.2***(Referred to in paragraph 1.1.14.2; page no.17)***Status of progress of construction of sanctioned AWCs**

<b>Year</b>	<b>Sanctioned</b>	<b>Completed</b>	<b>Work-in -Progress</b>	<b>Not yet started</b>
<b>2001-02</b>	81	79	1	1
<b>2002-03</b>	814	783	31	0
<b>2003-04</b>	2405	2160	240	5
<b>2004-05</b>	500	355	145	0
<b>2005-06</b>	750	505	224	21
<b>2006-07</b>	700	189	340	171
<b>2007-08</b>	825	164	244	417
<b>2008-09</b>	1000	7	69	924
<b>TOTAL</b>	<b>7075</b>	<b>4242</b>	<b>1294</b>	<b>1539</b>

**Appendix-1.3**

(Referred to in paragraph 1.2.1; page no. 22)

**Statement showing the details of number of Central and State Government Schemes running for promotion of education of SC and ST students in the State**

Sl.No.	Central sector/Centrally sponsored schemes.	Sl.No.	State Schemes
1	Pre-matric scholarships for children whose parents are engaged in unclean occupations	1	"Pre-matric Scholarships"
2	Post-matric Scholarships	2	"Kanya Saksharta Protsahan Yojana"
3	Book Bank Schemes	3	"Saraswati Cycle Yojana"
4	Grant-in-aid to Voluntary Organization	4	Distribution of free text books to girls studying in high schools
5	Constructions of hostels and ashram schools	5	"Jawahar Utkarsh Yojana"
6	Eklavya Model Schools	6	Maintenance of hostels
7	Coaching and allied schemes,	7	Pre-examination training center etc. Yuva Career Nirman Yojana
		8	Stipend
		9	Ashram School Scheme
		10	Hostel Scheme
		11	"Students Bhojan Sahay "
		12	Computer Training Scheme
		13	Special educational center(Tuition Yojana)
		14	Distribution of Free Uniforms,
		15	"Agaman Bhatta"

## Appendix-1.4

(Referred to in Paragraph 1.2.7.1 at page no.25)

## Statement showing details of delayed release of second installment of scholarship

(Amount in ₹ lakh)

District Name	Year	Due date of release of 2nd instalment of scholarship	Pre Matric scholarship (SC)		Pre Matric Scholarship (ST)		Total Pre matric (SC+ ST)	Post Matric Scholarship (SC)		Post Matric Scholarship (ST)		Total Post matric (SC+ ST)
			Date	Amount	Date	Amount		Date	Amount	Date	Amount	
Jagdalpur	2006-07	31 January	31.03.07	9.45	9.02.07	52.37	61.82	13.03.07	4.35	30.03.07	2.50	6.85
				0.00	13.03.07	0.75	0.75		0.00		0.00	0.00
	2007-08			0.00		0.00	0.00	23.03.08	0.80	13.02.08	24.01	24.81
				0.00		0.00	0.00	31.03.08	0.35	31.03.08	6.00	6.35
	2008-09			0.00		0.00	0.00		0.00	18.02.09	44.55	44.55
				0.00		0.00	0.00		0.00	26.03.09	8.00	8.00
	2009-10			0.00	20.02.10	40.65	40.65	18.03.10	11.29	18.03.10	7.11	18.40
	<b>Sub-total</b>				9.45		93.77	<b>103.22</b>		16.79		92.17
Jashpur	2006-07	31 January	16.03.07	4.00	14.02.07	91.27	95.27	14.02.07	1.91	14.02.07	56.10	58.01
				0.00	16.03.07	44.63	44.63	16.03.07	3.01	16.03.07	37.00	40.01
				0.00		0.00	0.00		0.00	17.03.07	5.50	5.50
	2007-08		28.02.08	12.58	31.03.08	91.35	103.93	-	0.00	28.02.08	74.13	74.13
			31.03.08	0.51		0.00	0.51		0.00	31.03.08	8.07	8.07
	2008-09		05.03.09	6.30	5.03.09	89.26	95.56	5.03.09	4.69	5.03.09	46.58	51.27
			6.04.09	5.70	06.04.09	38.74	44.44	6.04.09	0.07	6.04.09	22.80	22.87
	2009-10		03.02.10	4.37	03.02.10	15.50	19.87	03.02.10	7.15	3.02.10	51.90	59.05
			17.02.10	6.09		0.00	6.09		0.00		0.00	0.00
			13.03.10	4.93		0.00	4.93		0.00		0.00	0.00
	<b>Sub-total</b>				44.48		370.75	<b>415.23</b>		16.83		302.08
Raigarh	2006-07	31 January	05.04.07	1.00		0.00	1.00	5.04.07	63.30	19.03.07	41.13	104.43
	2007-08		-	0.00	7.04.08	105.22	105.22	-	0.00	0	0.00	0.00
	2008-09		05.03.09	67.10	5.03.09	10.20	77.30	-	0.00	21.03.09	5.00	5.00
	2009-10		27.03.10	78.30	8.04.10	11.40	89.70	27.03.10	66.02	0	0.00	66.02
<b>Sub-total</b>			146.40		126.82	<b>273.22</b>		129.32		46.13	<b>175.45</b>	
<b>Grand Total</b>						<b>791.67</b>					<b>603.32</b>	

Source : Data furnished by ACTD of test checked districts.



**Appendix-1.5**

(Referred to in Paragraph 1.2.7.2; page no. 26)

**Statement showing non- reconciliation of scholarships during the year 2005-10**

(Amount in ₹ lakh)

Category	District name	Distributed amount	Reconciled amount	Non-reconciled amount
Pre Matric SC	Jagdapur	87.05	21.06	65.99
	Jashpur	109.98	81.38	28.60
	Raigarh	552.85	82.81	470.04
	<b>Total</b>	<b>749.88</b>	<b>185.25</b>	<b>564.63</b>
Pre Matric ST	Jagdapur	1526.92	301.68	1225.24
	Jashpur	1048.93	878.16	170.77
	Raigarh	848.80	160.27	688.53
	<b>Total</b>	<b>3424.65</b>	<b>1340.11</b>	<b>2084.54</b>
Post Matric SC	Jagdapur	135.00	3.92	131.08
	Jashpur	45.01	31.51	13.50
	Raigarh	485.18	97.70	387.48
	<b>Total</b>	<b>665.19</b>	<b>133.13</b>	<b>532.06</b>
Post Matric ST	Jagdapur	611.22	67.30	543.92
	Jashpur	736.66	550.06	186.60
	Raigarh	382.50	60.30	322.20
	<b>Total</b>	<b>1730.38</b>	<b>677.66</b>	<b>1052.72</b>
<b>Grand total</b>		<b>6570.10</b>	<b>2336.15</b>	<b>4233.95</b>

Source : Data furnished by ACTD of test checked districts.

**Appendix-1.6**

(Referred to in Paragraph 1.2.8.2(b) ; page no. 29)

**Statement showing excess expenditure on reimbursement of fees during 2006-07 to 2009-10**

Category	Type	Class	No. of students	Amount reimbursed (in ₹)	Fees in Govt. College (in ₹)	Amount reimbursable (in ₹)	Excess reimbursement (in ₹)
<b>2006-07</b>							
<b>ST</b>	Renewal	B.Sc.III	2		661	1322	
		B.A. II	6		621	3726	
		B.A. III	3		621	1863	
			<b>11</b>	<b>37812</b>		<b>6911</b>	<b>30901</b>
	New	B.Sc.I	6		711	4266	
		B.Sc.III	1		661	661	
		B.A. I	25		671	16775	
		B.A. II	1		621	621	
			<b>33</b>	<b>117108</b>		<b>22323</b>	<b>94785</b>
<b>SC</b>	New	B.Sc.I	2		711	1422	
		B.A. I	1		671	671	
			<b>3</b>	<b>11406</b>		<b>2093</b>	<b>9313</b>
<b>SUB TOTAL</b>			<b>47</b>	<b>166326</b>		<b>31327</b>	<b>134999</b>
<b>2007-08</b>							
<b>ST</b>	Renewal	B.Sc.II	5		956	4780	
		B.A. II	17		941	15997	
		B.A. III	6		941	5646	
			<b>28</b>	<b>90950</b>		<b>26423</b>	<b>64527</b>
	New	B.Sc.I	11		1016	11176	
		B.Sc.III	1		956	956	
		B.A. I	31		1001	31031	
			<b>43</b>	<b>140345</b>		<b>43163</b>	<b>97182</b>
	<b>SC</b>	Renewal	B.Sc.II	1	3585	956	956
			<b>1</b>	<b>3585</b>	<b>956</b>	<b>956</b>	<b>2629</b>
New		B.A. I	1	2938	1001	1001	
		<b>1</b>	<b>2938</b>	<b>1001</b>	<b>1001</b>	<b>1937</b>	
<b>SUB TOTAL</b>			<b>73</b>	<b>237818</b>		<b>71543</b>	<b>166275</b>

2008-09							
ST	Renewal	B.Sc.II	2		956	1912	
		B.Sc.III	4		956	3824	
		B.A. II	11		941	10351	
		B.A. III	10		941	9410	
			27	105075		25497	79578
	New	B.Sc.I	8		1016	8128	
		B.A. I	34		1001	34034	
		42	154700		42162	112538	
SC	New	B.Sc.I	3		1016	3048	
		B.A. I	2		1001	2002	
			5	18695		5050	13645
<b>SUB TOTAL</b>			<b>74</b>	<b>278470</b>		<b>72709</b>	<b>205761</b>
2009-10							
ST	Renewal	B.Sc.II	6		1094	6564	
		B.Sc.III	1		1094	1094	
		B.A. II	23		1079	24817	
		B.A. III	8		1079	8632	
			38	167845		41107	126738
	New	B.Sc.I	23		1016	23368	
		B.A. I	41		1139	46699	
		B.A. II	5		1079	5395	
		69	298945		75462	223483	
SC	Renewal	B.Sc.III	1		1094	1094	
		B.A. II	1		1079	1079	
		B.A. III	1		1079	1079	
			3	13155		3252	9903
	New	B.A. I	3		1139	3417	
		B.A. II	1		1079	1079	
		4	16650		4496	12154	
<b>SUB TOTAL</b>			<b>114</b>	<b>496595</b>		<b>124317</b>	<b>372278</b>
<b>GRAND TOTAL</b>			<b>308</b>	<b>1179209</b>		<b>299896</b>	<b>879313</b>

**Appendix-1.7***(Referred to in paragraph 1.2.8.5; page no. 32)***Detailed position of construction of Eklavya buildings***(Amount ₹in lakh)*

Name of district	Tender date	Tender amount	Issue work order date	Stipulated work period	Received amount	Expenditure amount	Position of work (as on July 2010)	Due month of complete work
Jagdalpur	30.05.2007	365.29	29.08.2007	18 months	342.00	341.84	Incomplete	Jan'09
Jashpur	31.05.2007	365.29	29.09.2007	18 months	342.00	339.07	Incomplete	Feb'09
Kanker		365.29	11.07.2007	18 months	437.00	341.41	Incomplete	Dec'08
Raigarh	17.08.2007	365.29	02.11.2007	18 months	404.23	389.90	Incomplete	Apr'09
<b>Total</b>		<b>1461.16</b>			<b>1525.23</b>	<b>1412.22</b>		

*Source : Data furnished by ACTDs*

**Appendix-1.8**

(Referred to in Paragraph 1.2.8.7 ; page no. 33.)

**Statement showing delayed payments under Kanya Saksharta Protsahan Yojana (2008-09)**

(Amount ₹ in lakh)

District name	Eligible Students	Sanctioned amount	Paid due month	Covered students	Deprived students	Amount to be paid	Date of Released amount by ACTD	Period of delay in months
Jagdalpur	5915	29.57	July'2008	1162	4753	23.77	March 2010	20
Jashpur	4790	23.95	July'2008	0	4790	23.95	March 2010	20
Raigarh	5000	25.00	July'2008	0	5000	25.00	March 2010	20
<b>Total</b>	<b>15705</b>	<b>78.52</b>		<b>1162</b>	<b>14543</b>	<b>72.72</b>		

Source : Data furnished by ACTD

**Appendix-1.9**

(Referred to in Paragraph 1.2.8.9; page no. 35)

**Statement showing excess expenditure on text books from 2007-2010**

Year	No of enrolled girls students		Required books		Books distributed by department		Excess books distributed		Expenditure should be according the enrolment (in ₹)					Actual expenditure done by department (in ₹)	Excess expenditure (in ₹)
	9th	10th	9th	10th	9th	10th	9th	10th	Rate	9 <sup>th</sup>	Rate	10th	Total		
1	2	3	4	5	6	7	6-4=8	7-5=9	10	11	12	13	11+13=14	15	15-14=16
2007-08	33024	26553	297216	185871	418306	272063	121090	86192	244	8057856	124	3292572	11350428	16171103	<b>4820675</b>
2008-09	36929	32630	258503	228410	339007	300051	80504	71641	253	9343037	246	8026980	17370017	22557642	<b>5187625</b>
2009-10	45797	37286	320579	261002	367964	339964	47385	78962	283	12960551	277	10328222	23288773	28309827	<b>5021054</b>
<b>Total</b>	<b>115750</b>	<b>96469</b>	<b>876298</b>	<b>675283</b>	<b>1125277</b>	<b>912078</b>	<b>248979</b>	<b>236795</b>		<b>30361444</b>		<b>21647774</b>	<b>52009218</b>	<b>67038572</b>	<b>15029354</b>
<b>Total 9th and 10th</b>	<b>212219</b>		<b>1551581</b>		<b>2037355</b>		<b>485774</b>		<b>52009218</b>					<b>67038572</b>	<b>15029354</b>

Source:- Data furnished by CTD

**Appendix-1.10**

(Referred to in Paragraph 1.2.8.13 (a); page no. 37)

**Details of excess payment made to NGOs during 2005-10**

(Amount ₹ in lakh)

Sl.No	Name of the NGOs	Total grant sanctioned	Amount of pay & allowances	Net grant (excluding pay and allowances)	Excess payment (10 per cent of the net grant)
1	Vivekanand Vidya Peeth, Raipur	385.03	208.94	176.09	17.61
2	Harijan sevak sangh, Raipur	42.74	38.83	3.91	0.39
3	Urus line Girls. H.S.School, Raigarh	68.94	67.08	1.87	0.19
4	Arya Vidhya sabha, Rajput,Salkiya	71.10	61.98	9.12	0.91
5	Rameshwar Gahira Guru sanskrit H.S. school, Raigarh	62.72	61.19	1.52	0.15
6	Rameshwar Gahira Guru sanskrit middle school, Raigarh	36.32	33.79	2.52	0.25
7	Rameshwar Gahira Guru boys hostel, Raigarh	22.58	17.61	4.97	0.50
8	Rameshwar Gahira Guru sanskrit middle school, Lailunga	36.60	33.53	3.07	0.31
9	Rameshwar Gahira Guru boys hostel, Lailunga	22.51	19.35	3.16	0.32
	<b>Total</b>	<b>748.54</b>	<b>542.30</b>	<b>206.23</b>	<b>20.63</b>

Source data : Data furnished by ACTDs, Raigarh and Raipur.

**Appendix-1.3**

(Referred to in paragraph 1.2.1; page no. 22)

**Statement showing the details of number of Central and State Government Schemes running for promotion of education of SC and ST students in the State**

Sl.No.	Central sector/Centrally sponsored schemes.	Sl.No.	State Schemes
1	Pre-matric scholarships for children whose parents are engaged in unclean occupations	1	"Pre-matric Scholarships"
2	Post-matric Scholarships	2	"Kanya Saksharta Protsahan Yojana"
3	Book Bank Schemes	3	"Saraswati Cycle Yojana"
4	Grant-in-aid to Voluntary Organization	4	Distribution of free text books to girls studying in high schools
5	Constructions of hostels and ashram schools	5	"Jawahar Utkarsh Yojana"
6	Eklavya Model Schools	6	Maintenance of hostels
7	Coaching and allied schemes,	7	Pre-examination training center etc. Yuva Career Nirman Yojana
		8	Stipend
		9	Ashram School Scheme
		10	Hostel Scheme
		11	"Students Bhojan Sahay "
		12	Computer Training Scheme
		13	Special educational center(Tuition Yojana)
		14	Distribution of Free Uniforms,
		15	"Agaman Bhatta"



## Appendix-1.4

(Referred to in Paragraph 1.2.7.1 at page no.25)

## Statement showing details of delayed release of second installment of scholarship

(Amount in ₹ lakh)

District Name	Year	Due date of release of 2nd instalment of scholarship	Pre Matric scholarship (SC)		Pre Matric Scholarship (ST)		Total Pre matric (SC+ ST)	Post Matric Scholarship (SC)		Post Matric Scholarship (ST)		Total Post matric (SC+ ST)
			Date	Amount	Date	Amount		Date	Amount	Date	Amount	
Jagdalpur	2006-07	31 January	31.03.07	9.45	9.02.07	52.37	61.82	13.03.07	4.35	30.03.07	2.50	6.85
				0.00	13.03.07	0.75	0.75		0.00		0.00	0.00
	2007-08			0.00		0.00	0.00	23.03.08	0.80	13.02.08	24.01	24.81
				0.00		0.00	0.00	31.03.08	0.35	31.03.08	6.00	6.35
	2008-09			0.00		0.00	0.00		0.00	18.02.09	44.55	44.55
				0.00		0.00	0.00		0.00	26.03.09	8.00	8.00
	2009-10			0.00	20.02.10	40.65	40.65	18.03.10	11.29	18.03.10	7.11	18.40
	<b>Sub-total</b>				9.45		93.77	<b>103.22</b>		16.79		92.17
Jashpur	2006-07	31 January	16.03.07	4.00	14.02.07	91.27	95.27	14.02.07	1.91	14.02.07	56.10	58.01
				0.00	16.03.07	44.63	44.63	16.03.07	3.01	16.03.07	37.00	40.01
				0.00		0.00	0.00		0.00	17.03.07	5.50	5.50
	2007-08		28.02.08	12.58	31.03.08	91.35	103.93	-	0.00	28.02.08	74.13	74.13
			31.03.08	0.51		0.00	0.51		0.00	31.03.08	8.07	8.07
	2008-09		05.03.09	6.30	5.03.09	89.26	95.56	5.03.09	4.69	5.03.09	46.58	51.27
			6.04.09	5.70	06.04.09	38.74	44.44	6.04.09	0.07	6.04.09	22.80	22.87
	2009-10		03.02.10	4.37	03.02.10	15.50	19.87	03.02.10	7.15	3.02.10	51.90	59.05
			17.02.10	6.09		0.00	6.09		0.00		0.00	0.00
			13.03.10	4.93		0.00	4.93		0.00		0.00	0.00
	<b>Sub-total</b>				44.48		370.75	<b>415.23</b>		16.83		302.08
Raigarh	2006-07	31 January	05.04.07	1.00		0.00	1.00	5.04.07	63.30	19.03.07	41.13	104.43
	2007-08		-	0.00	7.04.08	105.22	105.22	-	0.00	0	0.00	0.00
	2008-09		05.03.09	67.10	5.03.09	10.20	77.30	-	0.00	21.03.09	5.00	5.00
	2009-10		27.03.10	78.30	8.04.10	11.40	89.70	27.03.10	66.02	0	0.00	66.02
<b>Sub-total</b>			146.40		126.82	<b>273.22</b>		129.32		46.13	<b>175.45</b>	
<b>Grand Total</b>						<b>791.67</b>					<b>603.32</b>	

Source : Data furnished by ACTD of test checked districts.

**Appendix-1.5**

(Referred to in Paragraph 1.2.7.2; page no. 26)

**Statement showing non- reconciliation of scholarships during the year 2005-10**

(Amount in ₹ lakh)

Category	District name	Distributed amount	Reconciled amount	Non-reconciled amount
Pre Matric SC	Jagdapur	87.05	21.06	65.99
	Jashpur	109.98	81.38	28.60
	Raigarh	552.85	82.81	470.04
	<b>Total</b>	<b>749.88</b>	<b>185.25</b>	<b>564.63</b>
Pre Matric ST	Jagdapur	1526.92	301.68	1225.24
	Jashpur	1048.93	878.16	170.77
	Raigarh	848.80	160.27	688.53
	<b>Total</b>	<b>3424.65</b>	<b>1340.11</b>	<b>2084.54</b>
Post Matric SC	Jagdapur	135.00	3.92	131.08
	Jashpur	45.01	31.51	13.50
	Raigarh	485.18	97.70	387.48
	<b>Total</b>	<b>665.19</b>	<b>133.13</b>	<b>532.06</b>
Post Matric ST	Jagdapur	611.22	67.30	543.92
	Jashpur	736.66	550.06	186.60
	Raigarh	382.50	60.30	322.20
	<b>Total</b>	<b>1730.38</b>	<b>677.66</b>	<b>1052.72</b>
<b>Grand total</b>		<b>6570.10</b>	<b>2336.15</b>	<b>4233.95</b>

Source : Data furnished by ACTD of test checked districts.

**Appendix-1.6**

(Referred to in Paragraph 1.2.8.2(b) ; page no. 29)

**Statement showing excess expenditure on reimbursement of fees during 2006-07 to 2009-10**

Category	Type	Class	No. of students	Amount reimbursed (in ₹)	Fees in Govt. College (in ₹)	Amount reimbursable (in ₹)	Excess reimbursement (in ₹)
<b>2006-07</b>							
<b>ST</b>	Renewal	B.Sc.III	2		661	1322	
		B.A. II	6		621	3726	
		B.A. III	3		621	1863	
			<b>11</b>	<b>37812</b>		<b>6911</b>	<b>30901</b>
	New	B.Sc.I	6		711	4266	
		B.Sc.III	1		661	661	
		B.A. I	25		671	16775	
		B.A. II	1		621	621	
			<b>33</b>	<b>117108</b>		<b>22323</b>	<b>94785</b>
<b>SC</b>	New	B.Sc.I	2		711	1422	
		B.A. I	1		671	671	
			<b>3</b>	<b>11406</b>		<b>2093</b>	<b>9313</b>
<b>SUB TOTAL</b>			<b>47</b>	<b>166326</b>		<b>31327</b>	<b>134999</b>
<b>2007-08</b>							
<b>ST</b>	Renewal	B.Sc.II	5		956	4780	
		B.A. II	17		941	15997	
		B.A. III	6		941	5646	
			<b>28</b>	<b>90950</b>		<b>26423</b>	<b>64527</b>
	New	B.Sc.I	11		1016	11176	
		B.Sc.III	1		956	956	
		B.A. I	31		1001	31031	
			<b>43</b>	<b>140345</b>		<b>43163</b>	<b>97182</b>
	<b>SC</b>	Renewal	B.Sc.II	1	3585	956	956
			<b>1</b>	<b>3585</b>	<b>956</b>	<b>956</b>	<b>2629</b>
New		B.A. I	1	2938	1001	1001	
		<b>1</b>	<b>2938</b>	<b>1001</b>	<b>1001</b>	<b>1937</b>	
<b>SUB TOTAL</b>			<b>73</b>	<b>237818</b>		<b>71543</b>	<b>166275</b>

2008-09							
ST	Renewal	B.Sc.II	2		956	1912	
		B.Sc.III	4		956	3824	
		B.A. II	11		941	10351	
		B.A. III	10		941	9410	
			27	105075		25497	79578
	New	B.Sc.I	8		1016	8128	
		B.A. I	34		1001	34034	
		42	154700		42162	112538	
SC	New	B.Sc.I	3		1016	3048	
		B.A. I	2		1001	2002	
			5	18695		5050	13645
<b>SUB TOTAL</b>			<b>74</b>	<b>278470</b>		<b>72709</b>	<b>205761</b>
2009-10							
ST	Renewal	B.Sc.II	6		1094	6564	
		B.Sc.III	1		1094	1094	
		B.A. II	23		1079	24817	
		B.A. III	8		1079	8632	
			38	167845		41107	126738
	New	B.Sc.I	23		1016	23368	
		B.A. I	41		1139	46699	
		B.A. II	5		1079	5395	
		69	298945		75462	223483	
SC	Renewal	B.Sc.III	1		1094	1094	
		B.A. II	1		1079	1079	
		B.A. III	1		1079	1079	
			3	13155		3252	9903
	New	B.A. I	3		1139	3417	
		B.A. II	1		1079	1079	
		4	16650		4496	12154	
<b>SUB TOTAL</b>			<b>114</b>	<b>496595</b>		<b>124317</b>	<b>372278</b>
<b>GRAND TOTAL</b>			<b>308</b>	<b>1179209</b>		<b>299896</b>	<b>879313</b>

**Appendix-1.7***(Referred to in paragraph 1.2.8.5; page no. 32)***Detailed position of construction of Eklavya buildings***(Amount ₹ in lakh)*

Name of district	Tender date	Tender amount	Issue work order date	Stipulated work period	Received amount	Expenditure amount	Position of work (as on July 2010)	Due month of complete work
Jagdalpur	30.05.2007	365.29	29.08.2007	18 months	342.00	341.84	Incomplete	Jan'09
Jashpur	31.05.2007	365.29	29.09.2007	18 months	342.00	339.07	Incomplete	Feb'09
Kanker		365.29	11.07.2007	18 months	437.00	341.41	Incomplete	Dec'08
Raigarh	17.08.2007	365.29	02.11.2007	18 months	404.23	389.90	Incomplete	Apr'09
<b>Total</b>		<b>1461.16</b>			<b>1525.23</b>	<b>1412.22</b>		

*Source : Data furnished by ACTDs*

**Appendix-1.8**

(Referred to in Paragraph 1.2.8.7 ; page no. 33.)

**Statement showing delayed payments under Kanya Saksharta Protsahan Yojana (2008-09)**

(Amount ₹ in lakh)

District name	Eligible Students	Sanctioned amount	Paid due month	Covered students	Deprived students	Amount to be paid	Date of Released amount by ACTD	Period of delay in months
Jagdalpur	5915	29.57	July'2008	1162	4753	23.77	March 2010	20
Jashpur	4790	23.95	July'2008	0	4790	23.95	March 2010	20
Raigarh	5000	25.00	July'2008	0	5000	25.00	March 2010	20
<b>Total</b>	<b>15705</b>	<b>78.52</b>		<b>1162</b>	<b>14543</b>	<b>72.72</b>		

Source : Data furnished by ACTD

**Appendix-1.9***(Referred to in Paragraph 1.2.8.9; page no. 35)***Statement showing excess expenditure on text books from 2007-2010**

Year	No of enrolled girls students		Required books		Books distributed by department		Excess books distributed		Expenditure should be according the enrolment (in ₹)					Actual expenditure done by department (in ₹)	Excess expenditure (in ₹)
	9th	10th	9th	10th	9th	10th	9th	10th	Rate	9 <sup>th</sup>	Rate	10th	Total		
1	2	3	4	5	6	7	6-4=8	7-5=9	10	11	12	13	11+13=14	15	15-14=16
2007-08	33024	26553	297216	185871	418306	272063	121090	86192	244	8057856	124	3292572	11350428	16171103	<b>4820675</b>
2008-09	36929	32630	258503	228410	339007	300051	80504	71641	253	9343037	246	8026980	17370017	22557642	<b>5187625</b>
2009-10	45797	37286	320579	261002	367964	339964	47385	78962	283	12960551	277	10328222	23288773	28309827	<b>5021054</b>
<b>Total</b>	<b>115750</b>	<b>96469</b>	<b>876298</b>	<b>675283</b>	<b>1125277</b>	<b>912078</b>	<b>248979</b>	<b>236795</b>		<b>30361444</b>		<b>21647774</b>	<b>52009218</b>	<b>67038572</b>	<b>15029354</b>
<b>Total 9th and 10th</b>	<b>212219</b>		<b>1551581</b>		<b>2037355</b>		<b>485774</b>		<b>52009218</b>					<b>67038572</b>	<b>15029354</b>

*Source:- Data furnished by CTD*

**Appendix-1.10**

(Referred to in Paragraph 1.2.8.13 (a); page no. 37)

**Details of excess payment made to NGOs during 2005-10**

(Amount ₹ in lakh)

Sl.No	Name of the NGOs	Total grant sanctioned	Amount of pay & allowances	Net grant (excluding pay and allowances)	Excess payment (10 per cent of the net grant)
1	Vivekanand Vidya Peeth, Raipur	385.03	208.94	176.09	17.61
2	Harijan sevak sangh, Raipur	42.74	38.83	3.91	0.39
3	Urus line Girls. H.S.School, Raigarh	68.94	67.08	1.87	0.19
4	Arya Vidhya sabha, Rajput,Salkiya	71.10	61.98	9.12	0.91
5	Rameshwar Gahira Guru sanskrit H.S. school, Raigarh	62.72	61.19	1.52	0.15
6	Rameshwar Gahira Guru sanskrit middle school, Raigarh	36.32	33.79	2.52	0.25
7	Rameshwar Gahira Guru boys hostel, Raigarh	22.58	17.61	4.97	0.50
8	Rameshwar Gahira Guru sanskrit middle school, Lailunga	36.60	33.53	3.07	0.31
9	Rameshwar Gahira Guru boys hostel, Lailunga	22.51	19.35	3.16	0.32
	<b>Total</b>	<b>748.54</b>	<b>542.30</b>	<b>206.23</b>	<b>20.63</b>

Source data : Data furnished by ACTDs, Raigarh and Raipur.



**Appendix-1.11***(Referred to in Paragraph 1.2.11.2; page no. 42)***Statement showing the dropout rate of SC and ST students in the schools  
run by the Tribal Department**

Sl. No.	Name of Districts	Number of ST and SC Students enrolled in 1st class in the year 2005-06	Number of ST and SC Students enrolled in 5th class in the year 2009-10	Retention rate*	Drop out Percentage
1	Bilaspur	7625	5998	79	21
2	Dhamtari	3135	2470	79	21
3	Korba	24765	12724	51	49
4	Rajnandgaon	7317	5082	69	31
5	Raigarh	11608	8807	76	24
6	Durg	1884	2045	108	-
7	Jagdalpur	48247	20008	41	59
8	Koriya	8302	5046	61	39
9	Kanker	15536	9221	59	41
10	Jashpur	13899	4684	34	66
11	Surguja	29248	17083	58	42
12	Dantewada**	29510	10263	35	65
13	Raipur	6152	4014	65	35

*Source : Enrollment data furnished by CTD*

\*Retention rate=Number of children enrolled in V<sup>th</sup>-Repeaters(2009-10)x100/ Number of children enrolled in 1st class four years earlier (2005-06)

\*\* Includes – Bijapur, Narayapur, Dantewada

**Appendix-1.12**

(Referred to in Paragraph 1.2.11.3; page no.43)

**Statement showing transition rate of SC and ST students in the schools run by Tribal Department.**

		Year	Year	Transition rate in per cent	Year	Year	Transition rate in per cent	Year	Year	Transition rate in per cent	Year	Year	Transition rate in per cent
		05-06	06-07		06-07	07-08		07-08	08-09		08-09	09-10	
<b>Class</b>		<b>V</b>	<b>VI</b>		<b>V</b>	<b>VI</b>		<b>V</b>	<b>VI</b>		<b>V</b>	<b>VI</b>	
<b>No.of enrolled students</b>	Boys	49055	42212	86	45923	49222	107	52183	44340	85	41952	48655	116
	Girls	45176	35940	80	42718	43181	101	47734	39247	82	38546	44337	115
<b>Class</b>		<b>VIII</b>	<b>IX</b>		<b>VIII</b>	<b>IX</b>		<b>VIII</b>	<b>IX</b>		<b>VIII</b>	<b>IX</b>	
<b>No.of enrolled students</b>	Boys	37794	23616	62	34839	27757	80	37572	30949	82	32354	32890	102
	Girls	31142	16992	55	28589	22307	78	31850	23029	72	28695	28805	100
<b>Class</b>		<b>X</b>	<b>XI</b>		<b>X</b>	<b>XI</b>		<b>X</b>	<b>XI</b>		<b>X</b>	<b>XI</b>	
<b>No.of enrolled students</b>	Boys	18709	10299	55	20510	9451	46	21462	10370	48	24930	12203	49
	Girls	11430	5881	51	13870	5506	40	15903	6261	39	19882	8703	44

Source : Data furnished by CTD

**Appendix-1.13***(Referred to in Paragraph 1.2.11.4; page no 43.)*

**Status of enrolment of SC and ST girls in the schools run by the Tribal  
Department  
(with percentage base year 2005-06)**

Class	Enrolment of ST and SC students				
	2005-06	2006-07	2007-08	2008-09	2009-10
1	101549	89536	96656	72600	68707
2	75368	73090	79686	64858	62298
3	63917	59771	69468	60142	61360
4	54857	51103	58245	48140	58838
5	45176	42718	47734	38546	48557
6	39124	35940	43181	39247	44337
7	32489	30182	33747	29327	39843
8	31142	28589	31850	28695	31830
9	13614	16992	22307	23029	28805
10	11430	13870	15903	19882	22906
11	3944	5881	5506	6261	8703
12	3381	4490	6138	6435	7993

*Source : Data furnished by CTD*

	Primary Level: Retention Rate (RR) = $(48557 * 100) / 101549 = 48$ , $100-48 = 52$
	Middle Level: RR = $(31850 * 100) / 39124 = 81$ , $100-81 = 19$
	Middle Level: RR = $(28695 * 100) / 35940 = 80$ , $100-80 = 20$
	Middle Level: RR = $(31830 * 100) / 43181 = 74$ , $100-74 = 26$

**Appendix-2.1**

(Referred to in paragraph 2.1.1; page no. 65)

**Statement showing the details of cash balances during September 2006 to March 2009**

(Amount in ₹)

Month	Opening cash balance	Cash receipts during the month	Total cash during the month	Cash payments during the month	Closing cash balance as per AUDIT	Closing cash balance as per cash book	Difference
Sep-06	89	3262310	3262399	3260290	2109	109	2000
Oct-06	2109	1323026	1325135	1322945	2190	1049	1141
Nov-06	2190	1234000	1236190	1233596	2594	1453	1141
Dec-06	2594	667300	669894	668392	1502	361	1141
Jan-07	1502	1410441	1411943	1410688	1255	114	1141
Feb-07	1255	12647402	12648657	12647352	1305	64	1241
Mar-07	1305	10106095	10107400	10074527	32873	37	32836
Apr-07	32873	9153410	9186283	9148138	38145	3270	34875
May-07	38145	12891120	12929265	12892809	36456	1218	35238
Jun-07	36456	8887562	8924018	8888712	35306	68	35238
Jul-07	35306	10368610	10403916	10410645	-6729	3019	-9748
Aug-07	-6729	8142673	8135944	8146921	-10977	131	-11108
Sep-07	-10977	5866850	5855873	5866841	-10968	142	-11110
Oct-07	-10968	4594490	4583522	4618344	-34822	288	-35110
Nov-07	-34822	10257348	10222526	10255292	-32766	2544	-35310
Dec-07	-32766	6517038	6484272	6517227	-32955	2355	-35310
Jan-08	-32955	18767410	18734455	18763100	-28645	6665	-35310
Feb-08	-28645	16899890	16871245	16907140	-35895	115	-36010
Mar-08	-35895	14158700	14122805	14175290	-52485	30	-52515
Apr-08	-52485	8539600	8487115	8532370	-45255	60	-45315
May-08	-45255	17022886	16977631	17024248	-46617	598	-47215
Jun-08	-46617	10402984	10356367	10379550	-23183	734	-23917
Jul-08	-23183	1304200	1281017	1304850	-23833	1240	-25073
Aug-08	-23833	8342200	8318367	8342193	-23826	1247	-25073
Sep-08	-23826	4866778	4842952	4868011	-25059	14	-25073
Oct-08	-25059	5165000	5139941	5164949	-25008	65	-25073
Nov-08	-25008	242110	217102	240949	-23847	1226	-25073
Dec-08	-23847	11700	-12147	12810	-24957	122	-25079
Jan-09	-24957	2079900	2054943	2079827	-24884	38	-24922
Feb-09	-24884	1688610	1663726	1688631	-24905	17	-24922
Mar-09	-24905	29900	4995	29900	-24905	17	-24922
		<b>216851543</b>	<b>216447751</b>	<b>216876537</b>	<b>-428786</b>		

**Appendix-2.2***(Referred to in paragraph 2.1.1; page no.66)***Statement showing the details of day-wise cash balances for 106 days***(Amount in ₹)*

Sl. No	Date	Opening Balance	Receipt	Payment	Closing Balance
1	15-Sep-06	13438	1110	14804	-256
2	21-Nov-06	1494	0	2900	-1406
3	26-Feb-07	32807	0	49230	-16423
4	31-Jul-07	49168	740300	796197	-6729
5	28-Aug-07	25883	0	36860	-10977
6	29-Sep-07	27028	0	37996	-10968
7	1-Oct-07	-10968	0	0	-10968
8	17-Oct-07	33338	850010	887621	-4273
9	22-Oct-07	963847	0	972369	-8522
10	25-Oct-07	-8522	718	0	-7804
11	27-Oct-07	-7804	272	6040	-13572
12	31-Oct-07	-13572	0	21250	-34822
13	5-Nov-07	53211	1350000	1423947	-20736
14	6-Nov-07	-20736	2025000	2006560	-2296
15	27-Nov-07	3454	0	9830	-6376
16	30-Nov-07	-6376	0	26390	-32766
17	1-Dec-07	-32766	800	0	-31966
18	3-Dec-07	-31966	110	0	-31856
19	6-Dec-07	-31856	1100	0	-30756
20	8-Dec-07	-30756	1150000	1135267	-16023
21	10-Dec-07	-16023	18	0	-16005
22	11-Dec-07	-16005	10	0	-15995
23	15-Dec-07	9570	3000000	3011200	-1630
24	17-Dec-07	-1630	1515000	1525435	-12065
25	19-Dec-07	-12065	0	15240	-27305
26	29-Dec-07	-27305	0	5650	-32955
27	2-Jan-08	-32955	10	0	-32945
28	4-Jan-08	-32945	1950000	1933370	-16315
29	5-Jan-08	-16315	1860000	1859342	-15657
30	7-Jan-08	-15657	5300	0	-10357
31	11-Jan-08	-10357	0	18210	-28567
32	15-Jan-08	-28567	4000000	3973486	-2053
33	18-Jan-08	47	4000000	4008860	-8813
34	22-Jan-08	-8813	0	200	-9013
35	28-Jan-08	7065	0	28190	-21125
36	29-Jan-08	-21125	3400000	3393210	-14335
37	31-Jan-08	-14335	0	14310	-28645
38	1-Feb-08	-28645	10	0	-28635
39	5-Feb-08	-28635	10	0	-28625
40	11-Feb-08	-28625	4370010	4350000	-8615
41	12-Feb-08	-8615	8610	17710	-17715
42	15-Feb-08	-17715	0	27550	-45265
43	18-Feb-08	-45265	40000	0	-5265
44	28-Feb-08	125068	1600000	1787363	-62295
45	29-Feb-08	-62295	2540000	2513600	-35895

46	1-Mar-08	-35895	0	0	-35895
47	5-Mar-08	-35895	6600	0	-29295
48	11-Mar-08	-29295	1100	0	-28195
49	13-Mar-08	-28195	26000	0	-2195
50	15-Mar-08	-2195	5000000	5000000	-2195
51	19-Mar-08	27805	0	58800	-30995
52	20-Mar-08	-30995	1405000	1421490	-47485
53	28-Mar-08	-47485	0	5000	-52485
54	7-Apr-08	-52485	7500	0	-44985
55	22-Apr-08	-44985	2100	0	-42885
56	23-Apr-08	-42885	2530000	2511190	-24075
57	24-Apr-08	-24075	2000000	2000000	-24075
58	26-Apr-08	1964595	0	2000000	-35405
59	28-Apr-08	-35405	0	9850	-45255
60	1-May-08	-45255	5002100	5000000	-43155
61	2-May-08	-43155	1825010	1810411	-28556
62	3-May-08	-28556	4500000	4511920	-40476
63	6-May-08	803754	2150000	2991000	-37246
64	7-May-08	-37246	0	4790	-42036
65	8-May-08	-42036	0	2250	-44286
66	20-May-09	-14336	0	1730	-16066
67	24-May-08	59404	40	122160	-62716
68	26-May-08	-62716	9000	0	-53716
69	27-May-08	-53716	41136	0	-12580
70	29-May-08	-12580	3200	0	-9380
71	30-May-08	-9380	2530000	2547831	-27211
72	31-May-08	-27211	0	19406	-46617
73	2-Jun-08	-46617	3100000	3100000	-46617
74	6-Jun-08	-46617	2570000	2552000	-28617
75	7-Jun-08	-28617	3200000	3177000	-5617
76	12-Jun-08	19383	100	23610	-4127
77	13-Jun-08	-4127	0	8520	-12647
78	17-Jun-08	-12647	6784	6710	-12573
79	19-Jun-08	-12573	1100	0	-11473
80	28-Jun-08	-11473	0	11710	-23183
81	7-Jul-08	-23183	2100	0	-21083
82	17-Jul-08	11454	0	29235	-17781
83	23-Jul-08	-17781	0	6052	-23833
84	29-Aug-08	-23833	5000000	4999983	-23816
85	30-Aug-08	-23816	3342200	3342210	-23826
86	1-Sep-08	-23826	1520600	1520513	-23739
87	26-Sep-08	1926	0	20280	-18354
88	30-Sep-08	-18354	0	6705	-25059
89	25-Oct-08	260461	1715000	2000469	-25008
90	4-Nov-08	-25008	10	0	-24998
91	24-Nov-08	-24998	1100	0	-23898
92	27-Nov-08	-23898	241000	240949	-23847
93	15-Dec-08	-23847	11700	0	-12147
94	26-Dec-08	-12147	0	12810	-24957
95	2-Jan-09	-24957	2100	0	-22857
96	6-Jan-09	-22857	2100	0	-20757
97	16-Jan-09	768623	0	787328	-18705

98	24-Jan-09	-18705	316200	318179	-20684
99	30-Jan-09	-20684	0	4200	-24884
100	3-Feb-09	-24884	11800	0	-13084
101	16-Feb-09	75416	0	100300	-24884
102	20-Feb-09	-24884	413310	409361	-20935
103	28-Feb-09	522131	0	547036	-24905
104	5-Mar-09	-24905	22500	0	-2405
105	14-Mar-09	4995	0	22650	-17655
106	17-Mar-09	-17655	0	7250	-24905
<b>TOTAL</b>			<b>82926888</b>	<b>89183075</b>	

**Appendix-2.3**

(Referred to in paragraph 2.2.1; page no. 67)

**Statement showing list of medicines purchased at higher rates than the approved rates/quoted rates.**

Name of medicine	Name of supplier	Supply order No. date	Bill No. & date	Quantity	Rate	Amount paid	Actual lowest tender Rate	Excess paid amount in ₹ (col 6 -col 8)*col 5/100	Name of the supplier whose rate was actually lowest	
1	2	3	4	5	6		8	9	10	
Metronidazole 400 mg (10X10)	Nicky Enterprises, Mumbai	606/26.02.07	488/08.03.07	170000	51.90	88230	45.00	11730	The rate of Wilcure Remedies, Indore was the lowest, however, CMHO, Kanker had approved the higher rates offered by other suppliers.	
		574/28.02.07	493/08.03.07	160000	51.90	83040	45.00	11040		
		588/24.02.07	502/08.03.07	170000	51.90	88230	45.00	11730		
		456/19.01.07	307/16.02.07	175000	51.90	90825	45.00	12075		
		455/19.01.07	308/16.02.07	150000	51.90	77850	45.00	10350		
		454/19.01.07	309/16.02.07	175000	51.90	90825	45.00	12075		
		554/21.02.07	7552/20.03.07	190000	51.90	98610	45.00	13110		
	553/20.02.07	7553/20.03.07	190000	51.90	98610	45.00	13110			
	Anil Medical & General Stores	552/20.02.07	7554/20.03.07	190000	51.90	98610	45.00	13110		
		549/19.02.07	7557/20.03.07	190000	51.90	98610	45.00	13110		
548/19.02.07		7550/20.03.07	190000	51.90	98610	45.00	13110			
Folic Acid (10x10)	Nicky Enterprises, Mumbai	598/26.02.07	509/08.03.07	330000	29.90	98670	17.00	42570	The rate of Wilcure Remedies, Indore was the lowest, however, CMHO, Kanker had approved the higher rates offered by other suppliers.	
		630/28.02.07	462/08.03.07	10000	29.90	2990	17.00	1290		
		634/28.02.07	458/08.03.07	330000	29.90	98670	17.00	42570		
		629/28.02.07	463/08.03.07	330000	29.90	98670	17.00	42570		
		463/22.01.07	385/07.03.07	200000	29.90	59800	17.00	25800		
		464/22.01.07	384/07.03.07	300000	29.90	89700	17.00	38700		
		593/26.02.07	162/02.03.07	300000	29.90	89700	17.00	38700		
	Prompt Pharma & Surgicals, Indore	568/22.02.07	161/02.03.07	300000	29.90	89700	17.00	38700		
		604/26.02.07	163/02.03.07	300000	29.90	89700	17.00	38700		
			572/23.02.07	160/02.03.07	100000	29.90	29900	17.00		12900
	Anil Medical Agencies, Dhamtari	551/20.02.07	154/20.03.07	300000	29.90	89700	17.00	38700		
	Nahar Medical Agencies, Dhamtari	195/22.08.07	202/29.08.07	250000	28.90	72250	17.00	29750		



Cefadroxil 500 mg	Veerdeep Corp. Mumbai	487/25.01.07	16/25.02.07	25000	315.00	78750	9.75	76313	The rate of Daffodils Pharma Ltd. Was the lowest, however, CMHO, Kanker had approved the higher rates offered by other suppliers.
		489/25.01.07	14/25.02.07	25000	315.00	78750	9.75	76313	
		490/25.01.07	13/25.02.07	25000	315.00	78750	9.75	76313	
		491/25.01.07	12/25.02.07	25000	315.00	78750	9.75	76313	
Diclofenac+Paracetamol (10x10)	Nicky Enterprises, Mumbai	474/23.01.07	386/07.03.07	300000	29.90	89700	21.90	24000	The rate of Wilcure Remedies, Indore was the lowest, however, CMHO, Kanker had approved the higher rates offered by other suppliers.
		473/23.01.07	387/07.03.07	200000	29.90	59800	21.90	16000	
		619/27.02.07	473/08.03.07	250000	29.90	74750	21.90	20000	
		616/27.02.07	477/08.03.07	250000	29.90	74750	21.90	20000	
Cough Syrup	Nicky Enterprises, Mumbai	644/28.02.07	450/08.03.07	10000	9.90	99000	8.50	14000	Vapicare Pharma had quoted the lowest rate
		471/23.01.07	388/07.03.07	10000	9.90	99000	8.50	14000	
		468/22.01.07	389/07.03.07	10000	9.90	99000	8.50	14000	
		640/28.02.07	453/08.03.07	10,000	9.90	99000	8.50	14000	
Norfloxacin + TZ (10x10)	Nahar Medical Agencies, Dhamtari	179/16.08.07	188/29.08.07	10000	214.90	21490	175.00	3990	Wilcure Remedies, Indore had quoted the lowest rate
		191/21.08.07	199/29.08.07	25000	214.90	53725	175.00	9975	
		205/25.08.07	211/29.08.07	40000	214.90	85960	175.00	15960	
		196/22.08.07	203/29.08.07	25000	214.90	53725	175.00	9975	
Gentamycin	Nahar Medical Agencies, Dhamtari	162/09.08.07	176/29.08.07	20000	3.85	77000	2.64	24200	Wilcure Remedies, Indore had quoted the lowest rate
		163/10.08.07	177/29.08.07	10000	3.85	38500	2.64	12100	
Cipro 500 + Tini 600	Nahar Medical Agencies, Dhamtari	201/24.08.07	208/29.08.07	200	299.90	59980	228.50	143	Wilcure Remedies, Indore had quoted the lowest rate
		183/17.08.07	191/29.08.07	300	299.90	89970	228.50	214	
Ranitidine Domp.(10x10)	Nahar Medical Agencies, Dhamtari	181/16.08.07	190/29.08.07	50000	149.90	74950	59.00	45450	Endolabs Ltd Indore had quoted the lowest rate (rate corrected in ink)
		203/25.08.07	209/29.08.07	43200	149.90	64756	59.00	39268	
Tab. Calcium Lacted 250 mg (10x10)	Veerdeep Corp.	484/25.01.07	19/25.02.07	100000	59.90	59900	59.00	900	Wilcure Remedies, Indore had quoted the lowest rate (rate corrected in ink)
		485/25.01.07	18/25.02.07	100000	59.90	59900	59.00	900	
	Nicky Enterprises	475/23.01.07	366/07.03.07	100000	49.90	49900	19.50	30400	
		476/23.01.07	380/07.03.07	200000	49.90	99800	19.50	60800	
		617/27.02.07	476/08.03.07	200000	49.90	99800	19.50	60800	
		597/26.02.07	508/08.03.07	200000	49.90	99800	19.50	60800	

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Inj. Ceftriaxone 500 mg vials	Veerdeep Corp. Mumbai	635/28.02.07	50/09.03.07	5000	18.00	90000	13.00	25000	Wilcure Remedies, Indore quoted the lowest rate
		626/27.02.07	48/09.03.07	5000	18.00	90000	13.00	25000	
		624/27.02.07	46/09.03.07	5000	18.00	90000	13.00	25000	
		590/24.02.07	26/09.03.07	5000	18.00	90000	13.00	25000	
Inj. Amikacin 250 mg	Nahar Medical Agencies, Dhamtari	166/11.08.07	322/14.09.07	5000	14.90	74500	5.90	45000	Wilcure Remedies, Indore quoted the lowest rate
		192/21.08.07	200/29.08.07	60000	166.00	99600	134.75	18750	
Tab. Ofloxacin 200 mg	Nahar Medical Agencies, Dhamtari	197/23.08.07	204/29.08.07	60000	166.00	99600	134.75	18750	Daffodils Pharma ltd. Meerut had quoted the lowest rate.
		177/14.08.07	375/29.08.07	300000	24.90	74700	8.40	49500	
Tab. mg Dicyclomin	Nahar Medical Agencies, Dhamtari	177/14.08.07	574/30.01.08	138000	24.90	34362	8.40	22770	
<b>Total</b>						<b>4763418</b>		<b>1597406</b>	

## Appendix-2.4

(Referred to in paragraph 2.2.1; page no. 67)

## Statement showing the list of medicines for supply of drug kits purchased at higher rates

(Amount in ₹)

Sl. No	Name of supplier firm	Details of medicines	Supply order No.	Invoice No.	Rates as purchased	Rates as per tender	Difference (6-7)	Unit	Quantity purchased	Excess payment (8/9x10)	Actual amount Paid	Stock Register page	Name of Drug KIT		
1	2	3	4	5	6	7	8	9	10	11	12	13	14		
<b>CMHO, Jagdalpur</b>															
1	Mahendra Enterprises, Raipur	O.R.S. Powder	1899/21.06.07	1191/16.07.07	3.17	1.40	1.77	1	18600	32922	58962	139	A		
			1962/22.06.07	1195/16.07.07	3.17	1.40	1.77	1	18600	32922	58962	138			
			1853/20.06.07	266/15.09.07	3.17	1.40	1.77	1	12000	21240	38040	252	CHC		
	Tuteja Agencies, Sadar Bazar, Raigarh.		2157/24.6.07	191/13.09.07	3.17	1.40	1.77	1	20000	35400	63400	112	FRU		
			2049/23.6.07	185/13.09.07	3.17	1.40	1.77	1	20000	35400	63400	112			
			2361/23.6.07	169/13.09.07	3.17	1.40	1.77	1	5400	9558	17118	252	CHC		
2	Mahendra Enterprises, Raipur	Tab. Iron Folic Acid (Small)	2445/27.06.07	1206/16.07.07	11.96	11.00	0.96	100	651000	6250	77860	142	A		
			2259/25.06.07	1203/16.07.07	11.96	11.00	0.96	100	651000	6250	77860	142			
			2244/25.06.07	1199/16.07.07	11.96	11.00	0.96	100	651000	6250	77860	142			
			2142/24.06.07	1197/16.07.07	11.96	11.00	0.96	100	651000	6250	77860	142			
			1818/20.06.07	264/15.09.07	11.96	11.00	0.96	100	300000	2880	35880	250	CHC		
	Tuteja Agencies, Sadar Bazar, Raigarh.		2051/23.06.07	184/13.09.07	11.96	11.00	0.96	100	500000	4800	59800	206	FRU		
			1865/21.06.07	176/13.09.07	11.96	11.00	0.96	100	500000	4800	59800	113			
			2664/11.07.07	119/12.09.07	11.96	11.00	0.96	100	806000	7738	96398	18	NRHM		
			2700/12.07.07	120/12.09.07	11.96	11.00	0.96	100	806000	7738	96398	18			
			3	Tuteja Agencies, Sadar Bazar, Raigarh.	Tab. Furazolidine 100 mg	2023/23.06.07	205/14.09.07	12.50	11.25	1.25	10	75000	9375	93750	123
2047/23.06.07	207/14.09.07	12.50				11.25	1.25	10	75000	9375	93750	123			
2137/24.06.07	208/14.09.07	12.50				11.25	1.25	10	44400	5550	55500	123			
2155/24.06.07	210/14.09.07	12.50				11.25	1.25	10	75000	9375	93750	123			
2241/25.06.07	211/14.09.07	12.50				11.25	1.25	10	75000	9375	93750	123			
2346/26.06.07	212/14.09.07	12.50				11.25	1.25	10	75000	9375	93750	124			
1857/20.06.07	140/13.09.07	12.50				11.25	1.25	10	54000	6750	67500	206	PHC		
2237/25.06.07	193/13.09.07	12.50				11.25	1.25	10	60000	7500	75000	113	FRU		
2243/26.06.07	199/14.09.07	12.50				11.25	1.25	10	60000	7500	75000	113			
2430/27.06.07	1207/16.07.07	12.50				11.25	1.25	10	74400	9300	74400	143	A		
2349/26.06.07	1210/16.07.07	12.50				11.25	1.25	10	74400	9300	93000	143			
4	Tuteja Agencies, Sadar Bazar, Raigarh.	Tab. Aluminum Hydroxide 500 mg		2133/29.06.07		187/13.09.07	14.15	12.75	1.40	100	200000	2800	28300	210	FRU
				2182/24.06.07		161/13.09.07	14.15	12.75	1.40	100	270000	3780	38205	200	PHC
			2427/27.06.07	214/14.09.07	14.15	12.75	1.40	100	186000	2604	26319	126	ANM		

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5	Mahendra Enterprises, Raipur	Tab.Iron folic acid (large)	2358/26.06.07	1208/16.07.07	15.04	13.00	2.04	100	620000	12648	93248	143	A
			1797/20.06.07	1187/16.07.07	15.04	13.00	2.04	100	620000	12648	93248	142	
			2253/21.06.07	1202/16.07.07	15.04	13.00	2.04	100	620000	12648	93248	142	
	Tuteja Agencies, Sadar Bazar, Raigarh		2421/27.06.07	278/15.09.07	15.04	13.00	2.04	100	300000	6120	45120	204	PHC
			1778/27.06.07	173/13.09.07	15.04	13.00	2.04	100	800000	16320	80340	113	FRU
			2631/10.07.07	126/12.09.07	15.04	13.00	2.04	100	620000	12648	93248	16	NRHM
			2670/10.07.07	127/12.09.07	15.04	13.00	2.04	100	620000	12648	93248	16	
2706/12.07.07	128/12.09.07	15.04	13.00	2.04	100	620000	12648	93248	16				
6	Mahendra Enterprises, Raipur	Tab. paracetamol 500 mg	1914/21.06.07	268/15.09.07	30.87	16.50	14.37	100	240000	34488	74088	253	CHC
			2256/25.06.07	165/13.09.07	30.87	16.50	14.37	100	270000	38799	83349	207	PHC
	Tuteja Agencies, Sadar Bazar, Raigarh.		1992/22.06.07	180/13.09.07	38.87	16.50	22.37	100	200000	44740	61740	207	FRU
			1974/22.06.07	184/20.07.07	30.87	16.50	14.37	100	1116000	16037	34450	63	B
			2628/10.07.07	115/12.09.07	30.87	16.50	14.37	100	250000	35925	77175	102	NRHM
7	Tuteja Agencies, Sadar Bazar, Raigarh	Tab.Co-Trimaxazole 100+20mg	1917/21.06.07	`	46.69	30.00	16.69	100	54000	9013	25358	205	PHC
	Mahendra Enterprises, Raipur		1947/22.06.07	1193/16.07.07	46.69	30.00	16.69	100	186000	31043	86843	138	A
			1911/21.06.07	1192/16.07.07	46.69	30.00	16.69	100	186000	31043	86843	143	
8	Mahendra Enterprises, Raipur	Tab.Co-Trimaxazole SS	1788/20.06.07	1186/16.07.07	58.19	30.00	28.19	100	93000	26217	54117	141	A
			1887/21.06.07	1190/16.07.07	58.19	30.00	28.19	100	93000	26217	54117	141	
			1879/21.06.07	1189/16.07.07	58.19	30.00	28.19	100	93000	26217	54117	141	
			2367/20.06.07	1209/16.07.07	58.19	30.00	28.19	100	93000	26217	54117	139	
			2352/20.06.07	1204/16.07.07	58.19	30.00	28.19	100	93000	26217	54117	140	
			2250/25.06.07	1200/16.07.07	58.19	30.00	28.19	100	93000	26217	54117	140	
			2140/24.06.07	1198/16.07.07	58.19	30.00	28.19	100	93000	26217	54117	140	
			2038/23.06.07	1196/16.07.07	58.19	30.00	28.19	100	93000	26217	54117	140	
	Tuteja Agencies, Sadar Bazar, Raigarh.		2283/25.06.07	158/13.09.07	58.19	30.00	28.19	100	162000	45668	94267	205	PHC
			2160/24.06.07	190/13.09.07	58.19	30.00	28.19	100	100000	28190	58190	209	FRU
9	Mahendra Enterprises, Raipur	Tab. Ibuprofen 400 mg	2376/26.06.07	277/15.09.07	65.70	39.00	26.70	100	120000	32040	78900	251	CHC
			1848/20.06.07	139/13.09.07	65.75	39.00	26.75	100	108000	28890	71010	201	PHC
	Tuteja Agencies, Sadar Bazar, Raigarh		1935/21.06.07	146/13.09.07	65.75	39.00	26.75	100	108000	28890	71010	202	
			1996/22.06.07	150/13.09.07	65.75	39.00	26.75	100	108000	28890	71010	203	
			2423/27.06.07	195/14.09.07	65.75	39.00	26.75	100	100000	26750	65750	210	FRU
			2697/12.07.07	131/12.09.07	65.75	39.00	26.75	100	125000	33438	82188	120	NRHM
10	Tuteja Agencies, Sadar Bazar, Raigarh	Tab.metroni dazole 400 mg.	1845/20.06.07	138/13.09.07	65.80	38.75	27.05	100	81000	21911	53298	201	PHC
			2277/25.06.07	157/13.09.07	65.80	38.75	27.05	100	81000	21911	53298	205	
			2262/25.06.07	227/24.08.07	65.80	38.75	27.05	100	93000	25157	61194	4	NRHM
			1872/21.06.07	228/24.08.07	65.80	38.75	27.05	100	93000	25157	61194	4	

11	Tuteja Agencies, Sadar Bazar, Raigarh	<b>Tab. Norfloxacin 400 mg</b>	2381/26-6-07	167/13.09.07	109.02	89.25	19.77	100	54000	10676	58870	199	PHC	
			1999/22.06.07	149/13.09.07	109.02	89.25	19.77	100	54000	10676	58870	203		
	Mahendra Enterprises, Raipur		1977/22.06.07	1194/16.07.07	109.02	89.25	19.77	100	55800	11032	60833	139	A	
			1875/21.06.07	1188/16.07.07	109.02	89.25	19.77	100	55800	11032	60833	139		
12	Tuteja Agencies, Sadar Bazar, Raigarh.	<b>Cap. Amoxyciline 250 mg</b>	2369/26-06-07	215/14.09.07	125.30	95.00	30.30	100	74400	22543	93223	125	ANM	
			1860/20.06.07	141/13.09.07	125.30	95.00	30.30	100	40500	12272	50747	202	PHC	
			2002/22.06.07	148/13.09.07	125.30	95.00	30.30	100	40500	12272	50747	203		
	Mahendra Enterprises, Raipur		2271/25.06.07	271/15.08.07	125.30	95.00	30.30	100	60000	18180	75180	250	CHC	
			Tuteja Agencies, Sadar Bazar, Raigarh.	2448/27.06.07	196/14.09.07	125.30	95.00	30.30	100	60000	18180	75180	209	FRU
				2370/26.06.07	181/13.09.07	125.30	95.00	30.30	100	60000	18180	75180	210	
13	Tuteja Agencies, Sadar Bazar, Raigarh.	<b>Ointment Providone Iodine 500gm</b>	2451/27-06-07	172/13.09.07	132.50	75.00	57.50	1	162	9315	21465	200	PHC	
			2373/26.06.07	186/20.09.07	132.50	75.00	57.50	1	372	21390	49290	63	B	
	Mahendra Enterprises, Raipur		2176/24.06.07	274/15.09.07	132.50	75.00	57.50	1	240	13800	31800	251	CHC	
		Tuteja Agencies, Sadar Bazar, Raigarh.	2267/25.06.07	194/13.09.07	132.50	75.00	57.50	1	100	5750	13250	210	FRU	
14	Tuteja Agencies, Sadar Bazar, Raigarh	<b>Tab. Cipro+Tinidazole 500mg</b>	2167/24.06.07	163/13.09.07	210.00	205.00	5.00	100	36000	1800	75600	198	PHC	
			1842/20.06.07	137/13.09.07	210.00	205.00	5.00	100	36000	1800	75600	201		
			2056/23.06.07	155/13.09.07	210.00	205.00	5.00	100	36000	1800	75600	205		
15	Mahendra Enterprises, Raipur	<b>Tab. Ciprofloxacin 500 mg</b>	2014/23.06.07	269/15.09.07	229.08	149.00	80.08	100	40000	32032	91632	253	CHC	
			1821/20.06.07	265/15.09.07	229.08	149.00	80.08	100	40000	32032	91632	252		
			2273/25.06.07	272/15.09.07	229.08	149.00	80.08	100	40000	32032	91632	253		
			2129/24.06.07	188/13.09.07	229.08	149.00	80.08	100	40000	32032	91632	207		FRU
	2016/23.06.07		182/13.09.07	229.08	149.00	80.08	100	40000	32032	91632	206			
	2340/26.06.07		198/14.09.07	229.08	149.00	80.08	100	40000	32032	91632	206			
	2235/25.06.07		192/13.09.07	229.08	149.00	80.08	100	40000	32032	91632	206			
	Tuteja Agencies, Sadar Bazar, Raigarh.		1937/22.06.07	178/13.09.07	229.08	149.00	80.08	100	40000	32032	91632	207	PHC	
			2059/20.06.07	154/13.09.07	229.08	149.00	80.08	100	32400	25946	74221	206		
			1932/21.06.07	143/13.09.07	229.08	149.00	80.08	100	32400	25946	74221	206		
			1839/20.06.07	136/13.09.07	229.08	149.00	80.08	100	32400	25946	74221	206		
			2170/20.06.07	162/13.09.07	229.08	149.00	80.08	100	32400	25946	74221	206		
	24549/27.06.07	171/13.09.07	229.08	149.00	80.08	100	32400	25946	74221	207				
<b>Sub-total Jagdalpur</b>										<b>1805098</b>	<b>7924837</b>		<b>29%</b>	

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<b>CMHO, Kanker</b>												
<b>1</b>	Mahendra Enterprises, Raipur	Tab. Ibuprofene 400mg (10x10)	15/21-05-07	1029/23-06-07	65.75	42.9	22.85	100	75000	17138	49312	FRU
			20/20.05.07	1034/23.06.07	65.75	42.9	22.85	100	75000	17138	49312	
<b>2</b>	Mahendra Enterprises, Raipur	Tab. Furazolidione (10x10)	32/23-05-07	1046/23-06-07	12.5	11	1.50	100	24000	360	30000	FRU
<b>3</b>	Mahendra Enterprises, Raipur	Tab. ciproflo xacin 500 mg (10x10)	43/24-05-07	1027/23-06/07	229.08	156	73.08	100	40000	29232	91632	FRU
			38/24.05.07	1023/23.06.07	229.08	156	73.08	100	40000	29232	91632	
			39/24.05.07	1024/23.06.07	229.08	156	73.08	100	40000	29232	91632	
			25/22.05.07	1038/23.06.07	229.08	156	73.08	100	40000	29232	91632	
			24/22-05-07	1037/23-06/07	229.08	156	73.08	100	40000	29232	91632	
<b>4</b>	Tuteja Medical Agencies, Raigarh	Tab. Paracetamol 500mg (10x10)	52/25-05-07	7/28-06-07	229.08	156	73.08	100	30000	21924	71473	CHC
	Mahendra Enterprises, Raipur		26/22.05.07	1039/23.06.07	30.87	22.5	8.37	100	75000	6278	23152.5	
<b>5</b>	Mahendra Enterprises, Raipur	Tab. Paracetamol 500mg (10x10)	40/24-05-07	1025/23-06-07	30.87	22.5	8.37	100	75000	6278	23152.5	FRU
<b>6</b>	Tuteja Medical Agencies, Raigarh		56/25-05-07	9/28-06-07	3.67	22.5	8.17	100	140000	11718	43218	CHC
<b>7</b>	Mahendra Enterprises, Raipur	Inj. Dexamat hozone 10ml (each)	28/23-05-07	1045/23-06-07	11.75	9.25	2.50	1	5000	12500	58750	FRU
			19/21.05.07	1033/23.06.07	11.75	9.25	2.50	1	5000	12500	58750	
<b>8</b>	Mahendra Enterprises, Raipur	Cap. Amoxyc illin 250mg (10x10)	42/24-05-07	1048/23-6-07	125.30	92.00	33.30	100	60000	19980	75180	FRU
<b>9</b>	Tuteja Medical Agencies, Raigarh		50/25-05-07	5/28-06-07	125.3	92	33.3	100	35000	11655	45609	CHC
<b>Sub-total Kanker</b>										<b>283627</b>	<b>986069</b>	<b>40.38%</b>
<b>Grand Total (Jagdapur+Kanker)</b>										<b>2088725</b>	<b>8910906</b>	<b>30.62%</b>

**Appendix-2.5**

(Referred to in paragraph 2.2.2; page no.69)

**Statement showing the details of emoluments paid to Professors and recoverable amount from ICMER**

Sl. No	Name of the Professors (engaged through ICMER) S/Shri	Period for which emoluments was made	Total emoluments paid during the period (ranging from ₹ 70,000 to 1,55,000 per month)	Emoluments admissible during the period as per State Government norms @ ₹ 25,000 & ₹ 40,000 per month from 10 August 2008	Excess paid emoluments	
<b>Details of emoluments paid to the professors</b>						
		<i>From</i>	<i>To</i>	<i>(Amount in ₹)</i>		
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1	Bhupendra Kumar	Jun-05	19-Nov-06	14,04,545	4,40,833	9,63,712
2	U. Mazumdar	Jun-05	19-Dec-06	14,04,819	4,65,323	9,39,496
3	N. F. Kothari	Jul-05	Jun-06	9,62,562	3,00,000	6,62,562
4	N.B. Tripathi	Jul-05	Aug-06	11,53,620	3,50,000	8,03,620
5	P.V. Durga Rao	Feb-06	Sept-06	6,58,404	2,00,000	4,58,404
6	V.L. Indrani	Jun-06	May-07	9,29,141	3,00,000	6,29,141
7	Biswajit Mishra	08-Mar-07	Nov-08	19,72,569	5,50,000	14,22,569
8	Saranabassapa	04-Apr-07	Feb-09	37,71,556	6,50,000	31,21,556
9	C.Radhakrishnaiah	26-Apr-07	23 Apr-08	21,55,726	3,00,000	18,55,726
10	Arshad Jamai Sayeed	30-Apr-07	Feb-09	37,46,800	6,25,000	31,21,800
11	Sandesh S. Gosavi	05-May-07	Feb-09	37,39,798	6,25,000	31,14,798
12	Srinivas Kallyanpur	02-Jun-07	Feb-09	53,89,184	6,00,000	47,89,184
13	D. R. Barfiwala	Aug-07	Feb-09	42,42,044	5,50,000	36,92,044
	<b>Total</b>			<b>3,15,30,768</b>	<b>59,56,156</b>	<b>2,55,74,612</b>
<b>Details of payment made to ICMER and recoverable amount</b>						
Excess paid emoluments to the professors						2,55,74,612
Consultancy charges payable to ICMER (6 per cent of project cost i.e. ₹ 3354.88 lakh)					2,01,29,254	
(Less) Amount Paid to ICMER					1,22,08,823	
Balance amount(excess paid salary paid upto 10/2007 i.e. recognition of the college) adjusted from ICMER					79,20,431	79,20,431
<b>Recoverable amount from ICMER</b>						<b>1,76,54,181</b>

**Appendix-2.6**

(Referred to in paragraph 2.2.3; page no.70)

**Statement showing excess payment to contractor due to use of lesser density of mix**

Division/Agmt. No.	Vr. No. Date	Name of the roads	Item	Quantity executed (in cum)	Standard density (gm/cc)	Density as per approved design mix (gm/cc)	Rate paid for the item (in Rupees)	Proportionate rate of items (col. 8/6*7)	Difference in rates (col.8-9)	Excess payment (in Rupees) (col.5*10)
1	2	3	4	5	6	7	8	9	10	11
<b>PWD (B/R) Dn.Dhamtari</b>										
24DL/2006-07	17DL/18.8.07	Dhamtari – Ranitari road	<b>DBM</b>	7401.19	2.30	2.12	3200.00	2949.57	250.43	1853515
			<b>BC</b>	4897.84	2.35	2.26	3300.00	3173.62	126.38	619004
<b>PWD (B/R) Dn.Rajnandgaon</b>										
38DL/05-06	45DL/18.10.08	Dongargaon - Kokpur-Chhuriya road	<b>DBM</b>	3844.82	2.30	2.10	3050.00	2784.78	265.22	1019713
<b>PWD (B/R) Dn.Bemetara</b>										
06DL/03-04	02DL/02.09.06	Nandghat - Mungeli road	<b>SDBC</b>	1726.80	2.30	2.00	2860.00	2486.96	373.04	644172
<b>Total</b>										<b>4136403</b>



**Appendix-2.7***(Referred to in paragraph 2.3.1; page no.71)***Details of inadmissible expenditure on cashew plantation under NHM during 2006-07 and gap filling in 2007-08 in two blocks of Raigarh District.**

S.No.	Name of block	Name of cluster	Name of village	Area of land (in hectare)	No. of farmers in group	No. of cashew plants planted during 2006-07(1st year)	No. of plants survived during 1st year	Percentage of plants survived in 1st year	No. of plants provided for gap filling during 2007-08 (2nd Year)	Cost of plant (₹) including cost of transportation= (₹ 23.50/plant)
1	2	3	4	5	6	7	8	9	10	11
<b>Plantations and gap filling in the same year 2006-07</b>										
1	Gharghoda	Charratangar	Amlidih		22	2502	1002	40	1500	35250
2	Gharghoda	Charratangar	Sumada		12	2174	1174	54	1000	23500
3	Gharghoda	Charratangar	Bhendra		18	2304	34	1	2270	53345
4	Gharghoda	Charratangar	Bhengari		17	3206	1706	53	1500	35250
5	Gharghoda	Charratangar	Charmar		37	4961	1061	21	3900	91650
6	Gharghoda	Charratangar	Nawapara		27	4310	1860	43	2450	57575
7	Gharghoda	Charratangar	Kotarimaal		21	2304	804	35	1500	35250
8	Gharghoda	Charratangar	Katharapali		24	4445	1545	35	2900	68150
9	Gharghoda	Charratangar	Bilaskhar		20	3200	1000	31	2200	51700
10	Gharghoda	Charratangar	Sardap		24	3244	1544	48	1700	39950
11	Gharghoda	Charratangar	Narampur		14	1200	200	17	1000	23500
12	Gharghoda	Charratangar	Tenda		21	4252	252	6	4000	94000
13	Gharghoda	Charratangar	Bastipali		10	1747	247	14	1500	35250
14	Gharghoda	Charratangar	Konpara		13	1820	570	31	1250	29375
15	Gharghoda	Charratangar	Kantajharia		8	800	0	0	800	18800
16	Gharghoda	Charratangar	Porda		23	1970	470	24	1500	35250
17	Gharghoda	Charratangar	Salhepali		24	3160	860	27	2300	54050
18	Gharghoda	Charratangar	Choriguda		8	1300	200	15	1100	25850
19	Gharghoda	Charratangar	Terum		15	1301	1	0	1300	30550
20	Gharghoda	Charratangar	Kanchanpur		26	2800	0	0	2800	65800
<b>Sub Total</b>				<b>530.000</b>	<b>384</b>	<b>53000</b>	<b>14530</b>		<b>38470</b>	<b>904045</b>

1	2	3	4	5	6	7	8	9	10	11
21	Dharmjaigarh	Kharra	Purugha	9.600	8	960	160	17	800	18800
22	Dharmjaigarh	Kharra	Kudekela	21.010	21	2101	1136	54	965	22677.5
23	Dharmjaigarh	Kharra	Chhaal	26.000	14	2600	1210	47	1390	32665
24	Dharmjaigarh	Kharra	Sithara	19.060	18	1906	926	49	980	23030
25	Dharmjaigarh	Kharra	Bansajhar	35.900	37	3590	99	3	2491	58538.5
26	Dharmjaigarh	Kharra	Kinda	29.810	34	2981	744	25	2237	52569.5
27	Dharmjaigarh	Kharra	Kokdar	5.000	7	500	27	5	473	11115.5
28	Dharmjaigarh	Kharra	Tendumudi	6.000	14	600	0	0	600	14100
29	Dharmjaigarh	Kharra	Jampali	15.440	11	1544	873	57	671	15768.5
30	Dharmjaigarh	Kharra	Gerwani	13.000	24	1300	315	24	985	23147.5
31	Dharmjaigarh	Kharra	Kharra	90.100	47	9010	3215	36	5795	136182.5
32	Dharmjaigarh	Kharra	Khandgaon	10.400	12	1040	213	20	827	19434.5
33	Dharmjaigarh	Kharra	Koilar	7.750	6	775	55	7	720	16920
34	Dharmjaigarh	Kharra	Behramar	74.000	59	7400	658	9	6742	158437
35	Dharmjaigarh	Kharra	Hatti	30.150	26	3015	1597	53	1418	33323
36	Dharmjaigarh	Kharra	Munund	35.000	27	3500	484	14	3016	70876
37	Dharmjaigarh	Kharra	Yasi	19.090	14	1909	1326	69	583	13700.5
38	Dharmjaigarh	Kharra	Samarsingha	10.940	16	1094	884	81	210	4935
39	Dharmjaigarh	Kharra	Barbaspur	11.750	7	1175	1058	90	117	2749.5
<b>Sub Total</b>				<b>470.000</b>	<b>402</b>	<b>47000</b>	<b>14980</b>		<b>31020</b>	<b>728970</b>

**Plantations and gap filling in the same year 2007-08**

S.No.	Name of block	Name of cluster	Name of village	Area of land (in hectare)	No. of farmers in group	No. of cashew plants planted during 2007-08	No. of plants survived	Percentage of plants survived	No. of plants provided for gap filling during 2007-08	Cost of plant (₹) including cost of transportation= (₹ 23.50/plant)
40	Dharmjaigarh	Kapu	Supkalo	61.450	43	6145	635	10	5510	129485
41	Dharmjaigarh	Kapu	Barband	5.000	6	500	60	12	440	10340
42	Dharmjaigarh	Kapu	Sonpur	28.000	16	2800	300	11	2500	58750
43	Dharmjaigarh	Kapu	Bijapani	32.230	19	3223	223	7	3000	70500
44	Dharmjaigarh	Kapu	Kiria	42.560	27	4256	456	11	3800	89300
45	Dharmjaigarh	Kapu	Ganpatpur	29.500	25	2950	450	15	2500	58750
46	Dharmjaigarh	Kapu	Raimer	81.260	75	8126	1046	13	7080	166380
47	Dharmjaigarh	Kapu	Kamrai	20.000	23	2000	200	10	1800	42300
<b>Sub Total</b>				<b>300.000</b>	<b>234</b>	<b>30000</b>	<b>3370</b>		<b>26630</b>	<b>625805</b>
<b>Grand Total</b>				<b>1300.00</b>	<b>1020</b>	<b>130000</b>	<b>32880</b>		<b>96120</b>	<b>2258820</b>

Less: Cost of plants at Serial number 38 and 39 (₹7695.00) where survival rate was more than 80 per cent

2251135

**Appendix-2.8***(Referred to in paragraph 2.4.1; page no.74)***Block-wise and year-wise details of borewells pending for installation of power pumps**

Blocks	District-Raipur												District-Durg		Total	
	Kasdol		Bilaigarh		Simga		Baloda Bazar		Bhatapara		Tilda		Durg		SC/ST	Gen.
Year	SC/ST	Gen.	SC/ST	Gen.	SC/ST	Gen.	SC/ST	Gen.	SC/ST	Gen.	SC/ST	Gen.	SC/ST	Gen.	SC/ST	Gen.
2001-02			1	2	3	4		1			1	5	3	8	8	20
2002-03	2	1	5	3	17	7	5	2	11	3	6	11	7	0	53	27
2003-04		1	4	3	4	12	1	1	2	10	3	19	0	3	14	49
2004-05	2	2	7	5		7		6	2	7	1	5	3	20	15	52
2005-06	20	21	11	2	10	22	8	11	7	17	8	30	10	22	74	125
2006-07	35	14	29	22	23	44	28	27	5	16	21	26	8	22	149	171
2007-08	118	47	39	15	28	61	7	8	9	14	15	45	13	23	229	213
2008-09	44	50	51	18	38	58	5	6	47	43	18	84	9	26	212	285
<b>Total</b>	<b>221</b>	<b>136</b>	<b>147</b>	<b>70</b>	<b>123</b>	<b>215</b>	<b>54</b>	<b>62</b>	<b>83</b>	<b>110</b>	<b>73</b>	<b>225</b>	<b>53</b>	<b>124</b>	<b>754</b>	<b>942</b>

Year-wise details of borewells pending for installation of pumpset and subsidy released for drilling of such borewells						
Year	No. of successful borewells			Amount of subsidy released for drilling (Amount in ₹)		
	SC/ST	General	Total	SC/ST	General	Total
2001-02	8	20	28	140666	198200	338866
2002-03	53	27	80	928030	270000	1198030
2003-04	14	49	63	252000	490000	742000
2004-05	15	52	67	263560	520000	783560
2005-06	74	125	199	1313260	1250000	2563260
2006-07	149	171	320	2670155	1710000	4380155
2007-08	229	213	442	4104540	2130000	6234540
2008-09	212	285	497	3810467	2850000	6660467
<b>Total</b>	<b>754</b>	<b>942</b>	<b>1696</b>	<b>13482678</b>	<b>9418200</b>	<b>22900878</b>

**Appendix-2.9**

(Referred to in paragraph 2.5.1; page no.78)

**Statement showing blockage of funds due to execution of work without forest clearance**

Sl. No	Item	Total Qty. executed (in cu m)	Rate	Unit	Qty. executed between km 12/10 to 16/8 (in cu m)	MB No./Page	Amount (₹) [6x4]	Qty. executed between km 16/10 to 18/6 (in cu m)	MB No./Page	Amount (₹) [9x4]
1	2	3	4	5	6	7	8	9	10	11
1	Excavation of Subgrade	54587.970	43.00	cum	146.150	16/6-8 383/3	78031.41	729.406	17/6,17/8,17/10,18/2,p/20-35	31364.46
					214.558	13/4,p/14-15				
					942.796	16/6-18/4,p/1-13				
					511.180	13/8,13/10,12/10 p/24-54				
					<b>1814.684</b>					
2	Providing laying GSB (moorum)	5087.200	215.00	cum	1340.100	12/10 to 16/4 389/22-23	307471.50	299.250	17/8 to 18/4 389 p/90	64338.75
					90.000	16/6 p/111				
					<b>1430.100</b>					
3	WBM Grade-I	2337.900	370.00	cum	210.000	13/4-100 to 13/10 p/31	319902.00	180.000	17/10 to 18/4 p/92	0.00
					534.600	14/2 to 16/4 p/40				
					120.000	15/6 to 15/8 p/63				
					<b>864.600</b>					
4	WBM Grade-II	3655.550	380.00	cum	270.000	12/10 to 13/10 p/64	289161.00	112.500	17/10 to 18/4 p/92	42750.00
					220.950	14/2 to 14/10 p/73				
					270.000	15/2 to 15/8 & 16/2 to 4 p/78				
					<b>760.950</b>					
5	WBM Grade-III/ Grade-II second coat	3541.850	380.00	cum	225.000	13/2 to 13/10 p/71	289142.00	0.000	0	0.00
					220.900	14/2 to 14/10 p/75				
					90.000	16/2 to 16/4 p/89				
					225.000	15/2-10,383 p/153				
					<b>760.900</b>					
6	Providing tack coat	47502.500	14.80	sqm	600.000	12/10 p/84	159040.80	0.000	0	0.00
					1200.000	13/2 to 13/4 p/86				
					1200.000	13/6 to 13/8 p/93				
					1146.000	13/10 to 14/2 p/94				
					1200.000	14/4 to 14/6 p/95				
					5400.000	14/8 to 16/4 p/96 -99				
					<b>10746.000</b>					

1	2	3	4	5	6	7	8	9	10	11
7	Providing laying 20mm thick open graded premix carpet	47502.500	43.20	sqm	600.000	12/10 p/84	414720.00	0.000	0	0.00
					1200.000	13/2 to 13/4 p/86				
					1200.000	13/6 to 13/8 p/93				
					1200.000	14/4 to 14/6 p/95				
					5400.000	14/8 to 16/4 p/96 -99				
					<b>9600.000</b>					
8	Providing premix seal coat type B	47502.500	14.80	sqm	600.000	12/10 p/85	159040.80	0.000	0	0.00
					1200.000	13/2 to 13/4 p/86				
					1200.000	13/6 to 13/8 p/93				
					1146.000	13/10 to 14/2 p/94				
					1200.000	14/4 to 14/6 p/95				
					5400.000	14/8 to 16/4 p/96 -99				
					<b>10746.000</b>					
9	Construction of hard shoulder	7253.800	152.00	cum	540.000	12/10-13/10 p/104	94528.80	0.000	0	0.00
					81.900	14/2 p/112				
					<b>621.900</b>					
10	Excavation in foundation of bridges and culverts									
	(i) ordinary soil	1279.220	48.00	cum	410.928	12/10,13/6, 13/10, 14/4, 15/2,15/6,15/8, 15/10, 16/2,16/4 384	19724.54	106.920	17/4A,17/4, 17/10, 18/6, 384	0.00
					<b>410.928</b>					
	(ii) Hard soil	1198.600	56.00	cum	281.920	12/10,13/6, 13/10, 14/4, 15/2,15/6,15/8, 15/10, 16/2,16/4 384	30857.12	79.400	17/4A,17/4, 17/10, 18/6, 384	0.00
					269.100	14/2 428				
<b>551.020</b>										
						<b>499.580</b>			<b>27976.48</b>	
11	Providing CC									
	(i) M-15	407.860	1183.00	cum	52.150	14/2 428	61693.45	82.410	16/10,17/2 428	97491.03
					<b>52.150</b>					
							<b>61693.45</b>	<b>82.410</b>		<b>97491.03</b>
	(ii) M-20	261.120	1364.00	cum	0.000		0.00	84.060	16/10,17/2 428	114657.84
<b>0.000</b>										
						<b>0.00</b>	<b>84.060</b>		<b>114657.84</b>	
(iii) M-10	926.380	829.00	cum	421.220	12/10,13/6, 13/10, 14/4, 15/2,15/6,15/8, 15/10, 16/2,16/4 384	349191.38	189.180	17/4A,17/4, 17/10, 18/6, 384	0.00	
				<b>421.220</b>						
						<b>349191.38</b>	<b>257.830</b>		<b>213741.07</b>	
12	M-15 with 15% plums	536.630	1118.00	cum	191.680	14/2 428	214298.24	344.950	16/10,17/2 428	385654.10
					<b>191.680</b>					
						<b>214298.24</b>	<b>344.950</b>		<b>385654.10</b>	
13	Providing form work 2mm to 4 mm	4068.480	72.00	sqm	914.710	12/10,13/6, 13/10, 14/4, 15/2,15/6,15/8, 15/10, 16/2,16/4 384	96468.48	314.920	17/4A,17/4, 17/10, 18/6, 384	0.00
					425.130	14/2 428				
					<b>1339.840</b>					
						<b>96468.48</b>	<b>1198.420</b>		<b>86286.24</b>	

Providing and fixing RCC hume pipe										
14	(i) 1000 mm dia	165.000	2792.00	r m	120.000	12/10,13/6, 13/10, 14/4, 15/2,15/6,15/8, 15/10, 16/2,16/4 384	335040.00	90.000	17/4A,1 7/4B, 17/10, 18/6, 384	251280.00
					<b>120.000</b>		<b>335040.00</b>	<b>90.000</b>		<b>251280.00</b>
	(ii) 600 mm dia	82.500	886.00	r m	7.500	12/10,13/6, 13/10, 14/4, 15/2,15/6,15/8, 15/10, 16/2,16/4 384	6645.00	7.500	17/4A,1 7/4B,17/ 10, 18/6, 384	6645.00
					<b>7.500</b>		<b>6645.00</b>	<b>7.500</b>		<b>6645.00</b>
15	Providing and fixing steel reinforcement	43.722	1700.00	MT	5.770	14/2 428	9808.49	17.323	16/10,17 /2 428	29449.10
					<b>5.770</b>		<b>9808.49</b>	<b>17.323</b>		<b>29449.10</b>
16	Providing & planning A C pipe	40.400	43.00	r m	26.800	14/2 428	1152.40	0.000		0.00
					<b>26.800</b>		<b>1152.40</b>	<b>0.000</b>		<b>0.00</b>
Const. of filled expansion										
17	(b) 18 mm thick	54.170	361.00	sqm	12.560	14/2 428	4534.16	41.610	16/10,17 /2 428	15021.21
					<b>12.560</b>		<b>4534.16</b>	<b>41.610</b>		<b>15021.21</b>
	(c) 37 mm thick	6.000	722.00	sqm	6.000	14/2 428	4332.00	0.000		0.00
					<b>6.000</b>		<b>4332.00</b>	<b>0.000</b>		<b>0.00</b>
<b>TOTAL</b>					<b>40490.602</b>		<b>3244783.58</b>	<b>4051.759</b>		<b>1438387.44</b>
<b>Total value of work executed (Col 8 + Col 11)</b>										<b>4683171.02</b>

**Appendix-2.10**  
(Referred to in paragraph 2.5.2; page no.80)

**Department-wise details of outstanding inspection reports  
and paragraphs as on 31 March 2010**

Sl. No.	Department	IRs	Paras
1	Water Resource Department	518	2021
2	Public Health Engineering	172	795
3	Public Works Department	339	1622
4	PMGSY	43	217
5	Agriculture	121	269
6	Cooperation	108	365
7	Employment /Training & Manpower	75	187
8	Fisheries	26	55
9	Food and Civil Supplies	25	103
10	General Admn.	205	704
11	Handicrafts	25	55
12	Higher Education	74	197
13	Horticulture	48	186
14	Industries	20	83
15	Information & Public relation	28	62
16	Jail	25	83
17	Labour	13	22
18	Law & justice	37	74
19	Panchayat	338	1626
20	Police	94	266
21	Public Health & family Welfare	195	851
22	RES	72	367
23	School Education	373	865
24	Sericulture	25	82
25	Town & Country planning	14	88
26	Tribal	142	451
27	Veterinary	43	170
28	Weight & Measurement	7	14
29	Women & Child Welfare	179	524
30	Miscellaneous	98	462
	<b>Total</b>	<b>3482</b>	<b>12866</b>

**Appendix-2.11**

(Referred to in paragraph 2.5.2; page no.80)

**Department-wise abstract of outstanding inspection reports and paragraphs as on 31 March 2010**

Sl. No.	Department	Total IRs issued during years 2007-08, 2008-09 and 2009-10	Total pending IRs of years 2007-08, 2008-09 and 2009-10	Cases of non-receipt of first reply
1	Water Resource Department	22	22	16
2	Public Health Engineering	10	10	8
3	Public Works Department	41	41	11
4	PMGSY	3	3	3
5	Agriculture	17	17	10
6	Cooperation	10	10	4
7	Employment /Training & Manpower	14	14	11
8	Fisheries	12	12	8
9	Food and Civil Supplies	3	3	3
10	General Administration	26	26	12
11	Handicrafts	1	1	1
12	Higher Education	8	8	5
13	Horticulture	6	6	2
14	Industries	1	1	1
15	Information & Public relation	5	5	3
16	Jail	8	8	5
17	Labour	1	1	0
18	Law & justice	4	4	0
19	Panchayat	27	27	15
20	Police	14	14	7
21	Public Health & family Welfare	18	18	14
22	RES	7	7	1
23	School Education	41	41	27
24	Sericulture	7	7	4
25	Town & Country planning	1	1	0
26	Tribal	23	23	5
27	Veterinary	13	13	11
28	Weight & Measurement	1	1	1
29	Women & Child Welfare	35	35	31
30	Miscellaneous	8	8	7
	<b>Total</b>	<b>387</b>	<b>387</b>	<b>226</b>



**Appendix-3.1***(Referred to in paragraph 3.6.2.2(a); page no.85)***Payment made to CSIDC during 2008-09 and 2009-10***(₹ in lakh)*

Sl. No.	Name of scheme	Payment made during 2008-09	Payment made during 2009-10
1	International Trade Fair	69.27	78.45
2	Establishment of new Industrial area	1017.41	600.91
3	Construction of Udyog Bhawan	100.00	100.00
4	Payment for decree	5.00	71.30
5	Compensation paid for acquisition of land	330.77	Nil
6	CSIDC (OTS)	195.00	Nil
7	Development of Industrial Area ASIDE	Nil	15.00
8	Apparel Training design centre	Nil	141.54
9	Grant for Industrial Park	Nil	1467.99
10	Construction of Road, drain in Industrial Area	Nil	725.96
11	Supply of water in Industrial area	Nil	200.00
	<b>Total</b>	<b>1717.45</b>	<b>3401.15</b>
	<b>Grand Total</b>		<b>5118.60</b>

*(Source :Data provided by the department)*

**Appendix-3.2**

(Referred to in paragraph 3.6.3; page no.88)

**Position of growth of new MSMEs and LMEs during 2005-06 to 2009-10**

District	2005-06		2006-07		2007-08		2008-09		2009-10	
	No. of MSME	No. of LME	No. of MSME	No. of LME	No. of MSME	No. of LME	No. of MSME	No. of LME	No. of MSME	No. of LME
Koria	50	0	10	0	21	0	21	0	23	0
Sarguja	32	0	59	0	42	0	18	0	41	0
Jashpur	55	0	18	0	12	0	20	0	15	0
Raigarh	137	07	68	04	43	02	51	02	116	0
Korba	13	0	22	02	38	0	31	0	21	0
Janjgir-champa	56	04	21	01	26	0	30	01	18	0
Bilaspur	190	04	101	03	43	0	45	0	61	0
Kabirdham	16	0	08	0	20	0	06	0	04	0
Rajnandgaon	47	02	32	0	42	0	54	02	45	0
Durg	52	02	51	02	70	0	85	01	42	01
Raipur	66	13	78	05	69	0	73	02	45	0
Mahasamund	25	0	41	01	43	02	27	0	20	0
Dhamtari	08	0	0	01	55	0	51	0	53	0
Kanker	16	0	16	0	21	0	16	0	11	0
Bastar	40	0	26	0	19	01	21	0	18	0
Dantewada	10	01	06	0	17	0	09	0	03	0
Narayanpur	0	0	0	0	0	0	0	0	05	0
Bijapur	0	0	0	0	0	0	0	0	01	0
	813	33	557	19	581	05	558	08	542	01

(Source: Data furnished by department and compiled by audit)

Note: Shaded rows represent backward districts

**Appendix-3.3***(Referred to in paragraph 3.7.1, page no.89)***Statement showing irregular distribution of Infrastructure subsidy to micro/tiny sector industries in the State**

Sl No	Name of the Firm	Name of the District	Date of sanction	Investment in Plant & Machinery (₹ in lakh)	Name of the product	Upto date Payment made up to the last payment (Amount in ₹)
1	M/s Bhilai Bricks Industries	Durg	13.10.2007	10.40	Fly Ash	460001.00
2	M/s Aastha Bricks Industries	Durg	7.12.2007	11.51	Fly Ash	601360.00
3	M/s Bhilai Bricks Industries, Unit-II	Durg	7.12.2007	12.00	Fly Ash	602762.00
4	M/s R.D.Industries	Durg	20.5.2008	15.50	Fly Ash	703872.00
5	M/s Sneha Cement Works	Durg	20.5.2008	15.00	Fly Ash	740956.00
6	M/s Archana Bricks	Durg	20.5.2008	9.00	Fly Ash	602942.00
7	M/s Bhagabati Rice mill	Sarguja	15.3.2010	8.98	Rice	668299.00
8	M/s Jai Bharat Rice Mill	Sarguja	15.3.2010	5.11	Rice	336391.00
9	M/s Unique Offset	Sarguja	15.3.2010	5.11	Printing	153884.00
10	M/s Vikky Rice Mill	Sarguja	19.6.2008	10.75	Rice	780000.00
11	M/s Yash Bricks Industries	Sarguja	15.3.2010	12.00	Brick	933451.00
12	M/s Monokamana Rice Mill	Sarguja	19.6.2008	9.00	Rice	365939.00
13	M/s Shanti Steel Industries	Sarguja	19.6.2008	2.70	Furniture	67500.00
14	M/s Sandeep Agro Product	Sarguja	19.6.2008	14.00	Rice	610966.00
15	M/s Sri Ram Industries	Sarguja	19.6.2008	14.00	Rice	598633.00
	<b>Total</b>					<b>8226956.00</b>

*Source: Case files of beneficiaries furnished by department and compiled by audit.*

**Appendix-3.4**

(Referred to in paragraph 3.7.1; page no. 89)

**Statement showing payment of interest subsidy for the period from 1.9.2006 to 30.9.2010 to ineligible micro/tiny sector industries in different districts of the State after the implementation of MSMED Act.**

Sl no.	Name of the Firm	Name of the District	Period of sanction	Total Amount sanctioned (Amount in ₹)
1	M/s Maa Bhabani Rice Mill, Takhatpur	Bilaspur	8.12.2006 to 28.06.2010	178634
2	M/s Thakur Febrication,Kota	Bilaspur	25.6.2007 to 22.01.2009	21790
3	M/s Balaji Industries, Takhatpur	Bilaspur	29.9.2008 to 30.6.2010	219941
4	M/s Sahu Rice Mill,Lormi	Bilaspur	30.6.2009	63242
5	M/s Jagdish Trading Company,(Rice processing, Dal and Floor Mill)	Bilaspur	19.10.2006 to 13.01.2009	332341
6	M/s Sriram Dal Mill, Sirgitti	Bilaspur	26.2.2007 to 9.9.2010	168317
7	M/s Srima Rice Mill, Kota	Bilaspur	9.2.2009 to 28.6.2010	167607
8	M/s Shri Rice & food product	Bilaspur	31.3.2008 to 18.2.2008	163445
9	M/s Ganesh Dal Processing, Mungeli road	Bilaspur	29.1.2007 to 25.6.2008	187003
10	M/s Annapurna Agro Industries	Bilaspur	17.11.2006 to 27.03.2010	114539
11	M/s Jayaswal Rice Udyog	Bilaspur	25.11.2006 to 13.01.2009	141943
12	M/s Ganesh Dal Mill, Sirgitti	Bilaspur	29.01.2008 to 3.9.2010	210055
13	M/s Satyam Rice Industries	Bilaspur	29.11.2007 to 16.6.2010	282572
14	M/s Jayashree Rice mill, Jamkor Mungeli	Bilaspur	8.12.2006 to 21.10.2008	130377
15	M/s Ashok Mini Rice mill	Bilaspur	24.7.2008 to 30.7.10	35279
16	M/s Krushna Agro Industries	Bilaspur	30.4.2008 to 27.11.09	157510
17	M/s K.G.N Rice mill	Bilaspur	30.6.2009 to 28.7.2010	316542
18	M/s Rani Sati Industries, Kesla , Bilha	Bilaspur	28.4.2007 to 28.9.2010	178138
19	M/s Tirupati Balaji Rice Mill	Dhamtari	1.10.2006 to 30.9.2010	326596
20	M/s Upjau Agrotech	Dhamtari	1.10.2006 to 30.9.2011	260544
21	M/s Rishav Mini Rice Mill	Dhamtari	1.10.2006 to 30.9.2012	71074
22	M/s Arihant Rice Mill	Dhamtari	1.10.2006 to 30.9.2013	722814
23	M/s Kanita Mini Rice Mill	Dhamtari	1.10.2006 to 30.9.2014	105937
24	M/s Dev pipes	Dhamtari	1.10.2006 to 30.9.2015	273868
25	M/s Satish Agrotech	Dhamtari	1.10.2006 to 30.9.2016	914318
26	M/s Bafna Agro Industries	Dhamtari	1.10.2006 to 30.9.2017	267665
27	M/s Ganesh Lac Udyog	Dhamtari	1.10.2006 to 30.9.2018	205047
28	M/s Parameswari Rice Mill	Dhamtari	1.10.2006 to 30.9.2019	277619
29	M/s Matrutwa Rice Mill	Dhamtari	1.10.2006 to 30.9.2020	273927
30	M/s Pranjal Dhan Kutai Kendra	Dhamtari	1.10.2006 to 30.9.2021	108995
31	M/s Subhalaxmi Poha Udyog	Dhamtari	1.10.2006 to 30.9.2022	371602
32	M/s Reshma Rice Industries	Dhamtari	1.10.2006 to 30.9.2023	284424

33	M/s G.S.Udyog	Durg	3.6.2009	232232
34	M/s Om Industries	Durg	23.3.2008	171727
35	M/s Mahakal Ispat pvt. Ltd.	Durg	12.09.2007	2091711
36	M/s Neeraj Enterprises	Durg	31.1.2007	361986
37	M/s Krushna Rice Mill	Rajnandgaon	1.4.2007 to 30.9.2009	164624
38	M/s Jaibaba Chawal Udyog	Rajnandgaon	12.1.2007 to 28.2.2010	297224
39	M/s Arora Agro Industries	Rajnandgaon	11.12.2006 to 30.6.2010	238728
40	M/s Shri Hari Industries	Rajnandgaon	1.1.2009 to 30.6.2009	39509
41	M/s Rahul Fabrication & Engineering Works	Rajnandgaon	23.2.2007 to 31.12.2009	124674
42	M/s Sarita Poha Industries	Rajnandgaon	1.10.2007 to 30.6.2010	133489
43	M/s Gopal Rice Mill	Rajnandgaon	1.1.2007 to 31.12.2009	724929
44	M/s Kesari Readymade Udyog	Rajnandgaon	26.6.2007 to 31.12.2009	100086
45	M/s Narayan Rice Mill	Rajnandgaon	1.4.2007 to 31.3.2009	71483
46	M/s Hariom Sakti Industries	Rajnandgaon	13.10.2007 to 30.6.2010	187329
47	M/s Shivsakti Rice Mill	Rajnandgaon	1.1.2007 to 31.12.2009	350131
48	M/s Agrasen Rice Mill	Rajnandgaon	1.4.2007 to 30.6.2009	232097
49	M/s Anurag Poha Udyog	Rajnandgaon	16.3.2007 to 31.12.2008	223164
50	M/s Shankar Murmura Udyog	Rajnandgaon	1.1.2007 to 30.9.2009	163800
51	M/s Ganapati Polymers	Rajnandgaon	1.4.2007 to 30.6.2008	119862
52	M/s Kundargarhi Rice Mill	Sarguja	06.03.10 to 26.3.2010	110132
53	M/s Sankat Mochan Rice Mill	Sarguja	4.6.2008 to 7.7.2010	1055947
54	M/s Emkay Coal Earth Industries	Sarguja	31.5.2008 to 7.7.2010	430854
55	M/s Mahamaya Works	Sarguja	21.5.2008 to 6.3.2010	130527
56	M/s Ramgarh Rice Mill	Sarguja	23.7.2010 to 4.8.2007	102072
57	M/s Bhavesh Industries	Sarguja	8.11.2007 to 21.5.2008	97019
58	M/s Bishnu Kuttu Processing	Sarguja	25.3.2007 to 21.5.2008	1888
59	M/s Swastik Oil Mill	Sarguja	26.7.2006 to 21.5.2008	89010
60	M/s V.K.Steel, Industries	Sarguja	4.8.2007 to 26.3.2010	536071
61	M/s Shyam Metal Product	Sarguja	21.2.2007 to 7.2.2009	166806
62	M/s Om Shakti Metal	Sarguja	17.10.2008 to 26.3.2010	285396
63	M/s Gouri foods	Sarguja	15.6.2007 to 20.5.2008	233501
64	M/s Krushna Agro Products	Sarguja	21.5.2008	55732
65	M/s Sarguja Dona Pattal Udyog	Sarguja	6.3.2010	101321
66	M/s Suraj Industries	Sarguja	6.3.2010	122363
67	M/s Gur Industries	Sarguja	6.3.2010 & 25.3.2010	50782
68	M/s Abhishek Poha Industries	Sarguja	6.3.2010	87012
69	M/s Jayaswal Mini rice Mill	Sarguja	4.6.2008 to 7.7.2010	324385
70	M/s Ambe Pets Industries	Sarguja	1.8.2008 to 7.7.2010	446089
71	M/s Agrawal Gur Industries	Sarguja	17.10.2008 to 9.2.2009	38983

72	M/s Ashirvad food products	Sarguja	17.10.2008 to 25.3.2010	311877
73	M/s Govind Rice Mill	Sarguja	9.2.10 to 7.7.2010	616629
74	M/s Sachin Besan Udyog	Sarguja	17.10.2008 to 7.7.2010	143777
75	M/s Shyam Food Product	Sarguja	7.10.2008 to 6.3.2010	74407
76	M/s Mahamaya Feeds Industries	Sarguja	7.2.2009 to 8.7.2010	1737403
77	M/s Mahamaya Udyog	Sarguja	7.2.2009 to 11.7.2010	650401
78	M/s Kalika Poha Mill	Sarguja	11.6.2009 to 7.7.2010	83312
<b>Total</b>				<b>2,16,46,186</b>

**Appendix- 3.5**

(Referred to in paragraph 3.7.2; page no. 90)

**List of units which have not commenced their production within the stipulated time****(₹ in lakh)**

Sl. No.	Name of Unit	Stamp duty certificate issued on	Expiry date for commencement of production	Delay period (in days)	Purchase Value/ Premium Amount/Loan Amount		Loss of Stamp Duty (8.5 per cent of land value) (4 per cent of loan amount)	Interest on stamp duty (12.50 per cent)	Amount recoverable
					Loan or land cases	Amount			
<b>District-Sarguja</b>									
1	M/s Anand Steel Industries Chandarpur, Surajpur	7.4.05	7.4.07	1272	Loan	3.60	0.14	0.06	0.21
2	M/s Laxmi Agro Products, Surajpur,	20.5.05	20.5.07	1229	Loan	9.40	0.38	0.16	0.53
3	M/s Jai Mahamaya Home Products Parri, Surajpur	29.11.05	29.11.07	1036	Loan	9.50	0.38	0.13	0.51
4	Mahamaya Ayurvedic Industries	19.12.05	19.12.07	1016	Loan	6.00	0.24	0.08	0.32
5	Pashu Ahar Kendra Bhagwanpurkhurd, Surajpur	24.1.06	24.1.08	980	Loan	1.82	0.07	0.02	0.10
6	Shiv Oil Mill, Surajpur	8.2.06	8.2.08	965	Loan	9.90	0.40	0.13	0.53
7	Kalyan Gud Products Kalyanpur	21.2.06	21.2.08	952	Loan	9.50	0.38	0.12	0.50
8	Satguru Plastic Ind, Manpur	26.9.06	25.9.08	735	Loan	4.00	0.16	0.04	0.20
9	Shivram Bricks Ind, Sargawa	11.10.06	10.10.08	720	Loan	12.00	0.48	0.12	0.60
10	Vaishnavi Food Products,	22.11.06	21.11.08	678	Loan	12.00	0.48	0.11	0.59
11	Vivek Readymade Udyog	21.2.07	20.2.09	587	Loan	3.00	0.12	0.02	0.14
12	Shri Ram Oil mill Chandrapur, Surajpur	18.9.07	17.9.09	378	Loan	24.50	0.98	0.13	1.11
13	Singh Feeds Vill- Taraju, Lakhanpur	7.1.08	6.1.10	267	Loan	9.00	0.36	0.03	0.39
14	Nihal Offset, Surajpur	28.3.08	28.3.10	186	Loan	8.82	0.35	0.02	0.38
<b>District-Dhamtari</b>									
15	M/s Sheetal Ind, Vill - Sorid bhat	6.4.05	6.4.07	1273	Loan	2.89	0.12	0.05	0.17
16	M/s Neha Agarbatti Udyod Lal Bagicha ward Dhamtari	18.1.06	18.1.08	986	Loan	2.00	0.08	0.03	0.11
17	M/s Kshirsagar Dairy Products Vill-Sirri Tah-Kurud Dhamtari	6.12.06	5.12.08	664	Loan	22.50	0.90	0.20	1.10
18	M/s Sushila Dhan Prakriya Kendra, Lintara, Dhamtari	21.12.06	20.12.08	649	Loan	23.56	0.94	0.21	1.15
19	M/s Ganjir Engg Works Pachpedi	18.1.07	17.1.09	621	Loan	6.72	0.27	0.06	0.33
20	M/s Sahu Engg Works, Vill - Sihad	3.10.07	2.10.09	363	Loan	6.00	0.24	0.03	0.27
21	M/s Pawar Minerals Vill - & Tah - Kurud Dhamtari	24.10.07	23.10.09	342	Loan	20.45	0.82	0.10	0.91
22	M/s Nanda Engg Works Vill - Loharsi, Dhamtari	24.1.08	23.1.10	250	Loan	13.50	0.54	0.05	0.59
23	M/s Ghanshyam Chawal Udyog Vill - Puri, Dhamtari	7.3.08	7.3.10	207	Loan	25.00	1.00	0.07	1.07
24	M/s Jai Shree Dhan Kutai Kendra Village - Amdi Dhamtari	23.6.05	23.6.07	1195	Land	4.51	0.38	0.16	0.54
25	M/s Laxmi Dhan Kutari Kendra Vill - Sihawa Tah-Nagri, Dhamtari	30.7.05	30.7.07	1158	Land	3.00	0.26	0.10	0.36
26	M/s Vidya Agrotech Vill - Amdi	12.1.06	12.1.08	992	Land	3.50	0.30	0.10	0.40
27	M/s Shyam Rice Mill Kurud	8.3.07	7.3.09	572	Land	8.00	0.68	0.13	0.81

28	M/s Om Shri Narayan Rice Mill Vill - Kurra Dhamtari	20.4.07	19.4.09	529	Land	1.00	0.09	0.02	0.10
29	M/s Godawari Rice Mill Vill - Limtara	31.5.07	30.5.09	488	Land	4.00	0.34	0.06	0.40
30	M/s Dinesh Ind, Vill - Demar	29.8.07	28.8.09	398	Land	3.00	0.26	0.03	0.29
31	M/s Surya Pipes Vill - Borid Khurd	18.2.08	17.2.10	225	Land	4.50	0.38	0.03	0.41
32	M/s Ajay Rice Mill Vill- Sarsopuri Kurud	10.7.08	10.7.10	82	Land	11.00	0.94	0.03	0.96
33	M/s Kushal Agro Ind Vill - Mudpar	24.7.08	24.7.10	68	Land	5.00	0.43	0.01	0.43
<b>District-Rajnandgaon</b>									
34	M/s Ajit Cement Products, Raipur Naka, GE Road Rajnandgaon	27.8.05	27.8.07	1130	Land	55.00	4.68	1.81	6.48
35	M/s Sita Rice Mill Lakhlirod	6.6.06	5.6.08	847	Land	3.00	0.26	0.07	0.33
36	M/s J.K. Rao Pole Ind Vill-Phaljhar	16.6.06	15.6.08	837	Land	5.00	0.43	0.12	0.55
37	M/s Srishti Engineers, Vill-Phaljhar	16.6.06	15.6.08	837	Land	5.00	0.43	0.12	0.55
38	M/s Surya Kiran Ind, Industrial Area, Somani, Rajnandgaon	29.1.08	28.1.10	245	Land	0.06	0.01	0.00	0.01
39	M/s MLW Brick Industries, Industrial Area Somani	14.7.08	14.7.10	78	Land	0.67	0.06	0.00	0.06
<b>District-Raipur</b>									
40	M/s Bhawni pipes pvt Ltd, Sant Saddani Darbar, Boriyakala	16.2.06	16.2.08	957	Loan	50.00	2.00	0.66	2.66
41	M/s Babaji Products Boriyakala	23.2.06	23.2.08	950	Loan	8.43	0.34	0.11	0.45
42	M/s Navdurga Rice Ind, Lawan Road Baloda Bazar	27.2.06	27.2.08	946	Loan	85.00	3.40	1.10	4.50
43	M/s Shri krishna paper Products Ind Area Amashiwni	2.3.06	1.3.08	943	Loan	22.31	0.89	0.29	1.18
44	M/s Shital Pulses Vill- Surajpur, Bhatapara, Raipur	4.3.06	3.3.08	941	Loan	25.00	1.00	0.32	1.32
45	M/s Om Shakti Om Ind, Industrial Area, Amashivni, Raipur	6.3.06	5.3.08	939	Loan	22.50	0.90	0.29	1.19
46	M/s Agroha Ind, vill- Sasadoli, Nevra Tilda, Raipur	10.3.06	9.3.08	935	Loan	94.00	3.76	1.20	4.96
47	M/s Shri Ganesh Oliyocam Pvt Ltd Ind Area Siltara, Raipur	20.3.06	19.3.08	925	Loan	300.00	12.00	3.80	15.80
48	M/s Memoon Abressive Paragaon, Nawapara Rajim, Raipur	22.3.06	21.3.08	923	Loan	6.90	0.28	0.09	0.36
49	M/s Kenkun Ind., Vill- Dhanshuli, Mandir hasaud	23.3.06	22.3.08	922	Loan	23.26	0.93	0.29	1.22
50	M/s Shradha Dal Ind, Ring Road No. 2, Gondwara, Raipur	26.4.06	25.4.08	888	Loan	45.00	1.80	0.55	2.35
51	M/s Rajesh Poha Mill Vill- Kholwa, Bhatapara, Raipur	2.5.06	1.5.08	882	Loan	18.00	0.72	0.22	0.94
52	M/s Raipur Ispat Udyog Sarora	3.5.06	2.5.08	881	Loan	90.00	3.60	1.09	4.69
53	M/s Sohanlal Munshilal (HUF) Vill- Sankri, Raipur	9.5.06	8.5.08	875	Loan	90.00	3.60	1.08	4.68
54	M/s Vimal Ind Pvt Ltd Vill- Dondekhurd, Raipur	8.6.06	7.6.08	845	Loan	50.00	2.00	0.58	2.58
55	M/s B.K. Engineering Vill- Bahnakadil, Arang, Raipur	9.6.06	8.6.08	844	Loan	60.00	2.40	0.69	3.09
56	M/s Shubham Dal Mill, Khamtarai	9.6.06	8.6.08	844	Loan	24.90	1.00	0.29	1.28
57	M/s Shanta Techno Pvt Ltd Ind Area Urla, Raipur	16.6.06	15.6.08	837	Loan	91.75	3.67	1.05	4.72
58	M/s Srinivasa Maruti Steels Pvt Ltd Vill- Tendua, Raipur	21.6.06	20.6.08	832	Loan	142.00	5.68	1.62	7.30



59	M/s Ma Gayatri Wires, Ind Area Urla, Raipur	21.6.06	20.6.08	832	Loan	24.50	0.98	0.28	1.26
60	M/s Sri Krishna Roto Printers Saddu, Raipur	22.6.06	21.6.08	831	Loan	28.40	1.14	0.32	1.46
61	M/s OM Furniture Mahoba Bazar	24.6.06	23.6.08	829	Loan	35.00	1.40	0.40	1.80
62	M/s Novalty Fertilizer Ind, Vill- Dumartalab, Raipur	30.6.06	29.6.08	823	Loan	19.63	0.79	0.22	1.01
63	M/s M.S. Ind Vill-Barbanda, Dharsiva, Raipur	12.7.06	11.7.08	811	Loan	21.00	0.84	0.23	1.07
64	M/s Sri Gajanand Cattle Feed Ind Ring Road No 2, Gondwara Raipur	20.7.06	19.7.08	803	Loan	45.50	1.82	0.50	2.32
65	M/s Sri Mahavir Co, Urkura raipur	26.7.06	25.7.08	797	Loan	40.00	1.60	0.44	2.04
66	M/s NS Ispat (India) Pvt Ltd Vill Sarora Raipur	26.6.07	25.6.09	462	Loan	150.00	6.00	0.95	6.95
67	M/s Rifa Mining and Power Ltd Ind Area Urla, Raipur	27.7.06	26.7.08	796	Loan	34.40	1.38	0.38	1.75
68	M/s Sri Hari Agricultures New Changurabhata Raipur	28.7.06	27.7.08	795	Loan	9.00	0.36	0.10	0.46
69	M/s Rija Steels and Power Pvt Ltd, Vill-Bana, Raipur	4.8.06	3.8.08	788	Loan	250.00	10.00	2.70	12.70
70	M/s Indus Smelters Ltd Steel Division Ind Area Urla, Raipur	4.8.06	3.8.08	788	Loan	250.00	10.00	2.70	12.70
71	M/s Organic Chemicals Vill- Pitaiband, Nawapara Rajim	25.8.06	24.8.08	767	Loan	18.72	0.75	0.20	0.95
72	M/s H.M.R. Herbs Ind Area Urla	29.8.06	28.8.08	763	Loan	89.40	3.58	0.93	4.51
73	M/s K R Ind, Vill Dhuldul, PO- Nevra, Raipur	12.9.06	11.9.08	749	Loan	22.50	0.90	0.23	1.13
74	M/s Deepika Plastic Ind Santoshi Nagar, Boriyakhurd, Raipur	18.9.06	17.9.08	743	Loan	8.92	0.36	0.09	0.45
75	M/s Setup Services Kota, Raipur	29.9.06	28.9.08	732	Loan	85.20	3.41	0.85	4.26
76	M/s Rukmini Electricals and Components Pvt Ltd Vill-Urla	29.9.06	28.9.08	732	Loan	400.00	16.00	4.01	20.01
77	M/s Chhattisgarh Pipes Ind Vill Mantt, Station road, Tilda, Raipur	13.1.06	13.1.08	991	Loan	23.50	0.94	0.32	1.26
78	M/s Shivaj Foods Pvt Ltd Tilda Nevra, Raipur	13.10.06	12.10.08	718	Loan	96.00	3.84	0.94	4.78
79	M/s Sheela Steel Ind, Krisak Nagar, Pirda Road Vill-Jora Jila Raipur	28.10.06	27.10.08	703	Loan	25.00	1.00	0.24	1.24
80	M/s Gopal Rice Mill Vill Pangaon, Lawan Road Balodabazar, Raipur	13.11.06	12.11.08	687	Loan	200.00	8.00	1.88	9.88
81	M/s Teja Electricals Ind Area Urla	16.11.06	15.11.08	684	Loan	200.00	8.00	1.87	9.87
82	M/s Lakshmi Narayan Rice Ind Vill-Kumahri, Tehsil-Kasdol	16.11.06	15.11.08	684	Loan	52.00	2.08	0.49	2.57
83	M/s P Iron and Poymers Pvt Ltd, Vill-Sezbahar	16.11.06	15.11.08	684	Loan	45.00	1.80	0.42	2.22
84	M/s Bagdodiya Bricksand Tiles, Vill-Tarra Raipur	20.11.06	19.11.08	680	Loan	15.30	0.61	0.14	0.75
85	M/s Jawahar Paddy processing Vill Hathbandh, Tehsil Simga Raipur	22.11.06	21.11.08	678	Loan	70.00	2.80	0.65	3.45
86	M/s Sridhar Agro Products Pvt Ltd Vill matiya Raipur	2.12.06	1.12.08	668	Loan	150.00	6.00	1.37	7.37
87	M/s Datar Rice Mill Gariyaband	2.12.06	1.12.08	668	Loan	45.88	1.84	0.42	2.26
88	M/s Chhattisgarh Paddy processing and Gariyaband, Raipur	2.12.06	1.12.08	668	Loan	50.00	2.00	0.46	2.46
89	M/s Agrawal Chennal mills Pvt Ltd Ind Area, Siltara, Raipur	4.12.06	3.12.08	666	Loan	415.00	16.60	3.79	20.39

90	Shriram Traders Vill- Keshla, Tehsil Tilda, Raipur	15.12.06	14.12.08	655	Loan	50.00	2.00	0.45	2.45
91	M/s Paras Ind Vill-Kohka, PO Nevra Raipur	20.12.06	19.12.08	650	Loan	35.00	1.40	0.31	1.71
92	M/s Noori Rice Mill Mainpur Gariyaband Raipur	20.12.06	19.12.08	650	Loan	34.40	1.38	0.31	1.68
93	M/s Ajay Offset Vill-Gondwara	23.12.06	22.12.08	647	Loan	40.00	1.60	0.35	1.95
94	M/s R.S. Steels Vill-Urta Raipur	23.12.06	22.12.08	647	Loan	19.10	0.76	0.17	0.93
95	M/s Ujjwal Associates Vill Urta	4.1.07	3.1.09	635	Loan	103.00	4.12	0.90	5.02
96	M/s Sri Madhuresh Ind Vill-Khilora Abhanpur	4.1.07	3.1.09	635	Loan	20.07	0.80	0.17	0.98
97	M/s J D Ind Vill Tulsi Tilda Raipur	4.1.07	3.1.09	635	Loan	165.00	6.60	1.44	8.04
98	M/s Mahamaya Sidhi Traders and rice Ind Vill- Jota Tilda, Raipur	26.5.07	25.5.09	493	Loan	23.72	0.95	0.16	1.11
99	M/s Anand Ind Vill-Devre, Bhatapara, Raipur	26.5.07	25.5.09	493	Loan	42.00	1.68	0.28	1.96
100	M/s Om Engineering Vill-Urkura	26.5.07	25.5.09	493	Loan	6.00	0.24	0.04	0.28
101	M/s Shri Madhav Ind Vill- Pirda	29.5.07	28.5.09	490	Loan	100.00	4.00	0.67	4.67
102	M/s Satguru Grah Udyod Naharpara, Raipur	29.5.07	28.5.09	490	Loan	20.00	0.80	0.13	0.93
103	M/s Rameshwar Ispat Pvt Ltd Urta	1.6.07	31.5.09	487	Loan	116.00	4.64	0.77	5.41
104	M/s Bright Construction Siltara	1.6.07	31.5.09	487	Loan	24.00	0.96	0.16	1.12
105	M/s Tirupati Balaji Agromark Vill-Bhelwadih, Abhanpur	6.6.07	5.6.09	482	Loan	48.75	1.95	0.32	2.27
106	M/s Prem Ind Ind Ind Area Raipur	6.6.07	5.6.09	482	Loan	24.00	0.96	0.16	1.12
107	M/s Kailash and Co Vill- Dhaneli	11.6.07	10.6.09	477	Loan	148.00	5.92	0.97	6.89
108	M/s RK Rice Tech Pvt Ltd Vill-Jaroda Raipur	18.6.07	17.6.09	470	Loan	498.00	19.92	3.21	23.13
109	M/s Narayan Ind Vill-Surajpur Bhatapara Raipur	18.6.07	17.6.09	470	Loan	185.00	7.40	1.19	8.59
110	M/s Sai Ind Vill- Surajpur Bhatapara Raipur	18.6.07	17.6.09	470	Loan	50.00	2.00	0.32	2.32
111	M/s Radhe Govind Ind Vill-Jhanki Tehsil Abhanpur	22.6.07	21.6.09	466	Loan	8.50	0.34	0.05	0.39
112	M/s Yogesh Screen and Computer Graphic Vil-Khorpa	27.6.07	26.6.09	461	Loan	9.50	0.38	0.06	0.44
113	M/s Rifa Mining and Power Ltd Urta	25.6.07	24.6.09	463	Loan	9.00	0.36	0.06	0.42
114	M/s Bharat Engineering Co Urta	25.6.07	24.6.09	463	Loan	180.00	7.20	1.14	8.34
115	M/s Chhattisgarh Readymade Ind Nawapara Rajim, Raipur	25.6.07	24.6.09	463	Loan	18.00	0.72	0.11	0.83
116	M/s Vijay Food Product Gondwara	29.6.07	28.6.09	459	Loan	16.75	0.67	0.11	0.78
117	M/s Ashtha Perboiling Unit- Newra	25.6.07	24.6.09	463	Loan	20.83	0.83	0.13	0.97
118	M/s Super Sweets kalibadi Raipur	28.6.07	27.6.09	460	Loan	6.85	0.27	0.04	0.32
119	M/s Real Board and Paper Mill Vill-Siliyari Raipur	4.7.07	3.7.09	454	Loan	75.00	3.00	0.47	3.47
120	M/s Thakurji Udyog Vill- Khokhali Bhatapara Raipur	6.7.07	5.7.09	452	Loan	30.00	1.20	0.19	1.39
121	M/s Shiv Ganga Chemicals Vill-Jhanki Tehsil Abhanpur	13.7.07	12.7.09	445	Loan	20.00	0.80	0.12	0.92
122	M/s Luner Enterprises Vill-Achholi, Raipur	18.7.07	17.7.09	440	Loan	45.00	1.80	0.27	2.07
123	Amit Printers Dube Colony Raipur	31.7.07	30.7.09	427	Loan	40.00	1.60	0.23	1.83
124	M/s Ridhi Agro Ind Urkura, Raipur	31.7.07	30.7.09	427	Loan	355.00	14.20	2.08	16.28
125	M/s Shrimata Wires Bhanpuri	7.8.07	6.8.09	420	Loan	5.60	0.22	0.03	0.26

126	M/s K G N Wires Vill-Kurra, Nawapara, Rajim	8.8.07	7.8.09	419	Loan	8.95	0.36	0.05	0.41
127	M/s Nikita Metallic Pvt Ltd Ind Area Siltara, Raipur	13.8.07	12.8.09	414	Loan	177.00	7.08	1.00	8.08
<b>District-Durg</b>									
128	Vinod Engineering and Fabrication works	8.4.05	8.4.07	1271	Land	2.50	0.21	0.09	0.30
129	Marbel House	18.5.05	18.5.07	1231	Land	5.00	0.43	0.18	0.60
130	Om Rice Mill	6.1.05	6.1.07	1363	Land	6.50	0.55	0.26	0.81
131	Bhilai Bricks Industries Unit	7.7.05	7.7.07	1181	Land	1.44	0.12	0.05	0.17
132	Arpit Industries	13.7.05	13.7.07	1175	Land	1.50	0.13	0.05	0.18
133	Ishan Udyog vill. Karanja Bhilai	22.7.05	22.7.07	1166	Land	1.50	0.13	0.05	0.18
134	Taj Handicraft Manufacturing Industries	1.9.05	1.9.07	1125	Land	0.77	0.07	0.03	0.09
135	Sri Sai Udyog	9.8.05	9.8.07	1148	Land	1.70	0.14	0.06	0.20
136	Sri Shyam Udyog vill. Konari	2.8.05	2.8.07	1155	Land	1.70	0.14	0.06	0.20
137	Sri Shyam paddy processer Vill Kornari	20.9.05	20.9.07	1106	Land	1.70	0.14	0.05	0.20
138	Balaji Bricks Plant	29.10.05	29.10.07	1067	Land	0.98	0.08	0.03	0.11
139	A. K. Polymers, vill. Jewra sirsha	20.9.05	20.9.07	1106	Land	5.00	0.43	0.16	0.59
140	Tarika Home products	14.12.05	14.12.07	1021	Land	11.86	1.01	0.35	1.36
141	M.D. Bricks, Hathkhaj	27.12.05	27.12.07	1008	Land	1.25	0.11	0.04	0.14
142	Swati Rice Mill	25.1.06	25.1.08	979	Land	3.50	0.30	0.10	0.40
143	Sri Balaji Rice Mill	14.12.06	13.12.08	656	Land	4.00	0.34	0.08	0.42
144	Arti Fabrication	21.2.06	21.2.08	952	Land	5.00	0.43	0.14	0.56
145	Mukesh Udyog	21.2.06	21.2.08	952	Land	5.00	0.43	0.14	0.56
146	Harish Industries	21.2.06	21.2.08	952	Land	5.25	0.45	0.15	0.59
147	Yadav Industries	24.2.06	24.2.08	949	Land	0.47	0.04	0.01	0.05
148	P. Jai Super	16.2.06	16.2.08	957	Land	3.05	0.26	0.08	0.34
149	Maruti Agro Industries	13.3.06	12.3.08	932	Land	3.11	0.26	0.08	0.35
150	Handa Engineering Unit-2	23.3.06	22.3.08	922	Land	1.14	0.10	0.03	0.13
151	Kishore Sachdeva Industries	5.4.06	4.4.08	909	Land	1.26	0.11	0.03	0.14
152	Udayshankar Sharma vill- Bhandera	5.4.06	4.4.08	909	Land	4.00	0.34	0.11	0.45
153	Karbo Products	24.5.06	23.5.08	860	Land	10.00	0.85	0.25	1.10
154	Steel Traders	19.6.06	18.6.08	834	Land	0.30	0.03	0.01	0.03
155	Argha Assoiates	19.6.06	18.6.08	834	Land	0.12	0.01	0.00	0.01
156	Preet and Preet Combines	23.6.06	22.6.08	830	Land	1.00	0.09	0.02	0.11
157	D.P.Bansal Commercial Co. Pvt. Ltd.	23.6.06	22.6.08	830	Land	5.00	0.43	0.12	0.55
158	R. P. Industries	11.7.06	10.7.08	812	Land	0.65	0.06	0.02	0.07
159	Arora Ispat Udyog	11.7.06	10.7.08	812	Land	0.60	0.05	0.01	0.07
160	Savita Engineering Works	12.7.06	11.7.08	811	Land	0.60	0.05	0.01	0.07
161	Make and Fab Industries	12.7.06	11.7.08	811	Land	0.20	0.02	0.00	0.02
162	Reeti Agro Equipment	13.7.06	12.7.08	810	Land	0.48	0.04	0.01	0.05
163	Tamrakar Agro Industries	17.7.06	16.7.08	806	Land	2.75	0.23	0.06	0.30
164	Ganpati Tiles	8.8.06	7.8.08	784	Land	2.50	0.21	0.06	0.27
165	Ganpati Pashan Udyog	8.8.06	7.8.08	784	Land	1.62	0.14	0.04	0.17
166	K.K. Industries	14.8.06	13.8.08	778	Land	1.50	0.13	0.03	0.16
167	Durga Agro Industries	17.8.06	16.8.08	775	Land	3.95	0.34	0.09	0.42
168	Sairam Enterprises	23.8.06	22.8.08	769	Land	3.99	0.34	0.09	0.43
169	Harsh Engineers and Machinist	11.9.06	10.9.08	750	Land	0.70	0.06	0.02	0.07
170	Sahu Bricks	11.9.06	10.9.08	750	Land	5.50	0.47	0.12	0.59
171	Shiva Felt and Tar Industries	18.9.06	17.9.08	743	Land	1.20	0.10	0.03	0.13
172	Gayatri Cement Products	20.9.06	19.9.08	741	Land	1.27	0.11	0.03	0.14

173	Swarna Lab Pvt. Ltd.	26.9.06	25.9.08	735	Land	9.25	0.79	0.20	0.98
174	Gangotri Udyog Unit-2	28.9.06	27.9.08	733	Land	9.11	0.77	0.19	0.97
175	Jain Traders	29.6.06	28.6.08	824	Land	0.50	0.04	0.01	0.05
176	Vinay Chandak	10.10.06	9.10.08	721	Land	0.22	0.02	0.00	0.02
177	Balaji Industries	13.10.06	12.10.08	718	Land	0.60	0.05	0.01	0.06
178	Vidya Paddy Processing	17.10.06	16.10.08	714	Land	5.00	0.43	0.10	0.53
179	Krishna Overseas	17.10.06	16.10.08	714	Land	5.00	0.43	0.10	0.53
180	Bindal Group of Industries	19.10.06	18.10.08	712	Land	6.00	0.51	0.12	0.63
181	Pushpak Industries	20.10.06	19.10.08	711	Land	0.30	0.03	0.01	0.03
182	Sonal Stone Industries	6.11.06	5.11.08	694	Land	3.75	0.32	0.08	0.39
183	Sanjay Trading Co.	21.11.06	20.11.08	679	Land	2.88	0.24	0.06	0.30
184	S. S. D. Products	21.11.06	20.11.08	679	Land	0.90	0.08	0.02	0.09
185	Mahavir Feeds	12.12.06	11.12.08	658	Land	11.51	0.98	0.22	1.20
186	Techno India	14.12.06	13.12.08	656	Land	1.50	0.13	0.03	0.16
187	Bright Metal works	15.12.06	14.12.08	655	Land	2.00	0.17	0.04	0.21
188	A. B. Enterprises	21.12.06	20.12.08	649	Land	0.30	0.03	0.01	0.03
189	Diamond Bricks	12.1.07	11.1.09	627	Land	1.30	0.11	0.02	0.13
190	Surabhi Food products	1.2.07	31.1.09	607	Land	6.20	0.53	0.11	0.64
191	A. N. Products	5.2.07	4.2.09	603	Land	1.50	0.13	0.03	0.15
192	Set Engineering & Fabrication Shop	13.2.07	12.2.09	595	Land	0.50	0.04	0.01	0.05
193	Shiv Shakti Rice Mill	13.2.07	12.2.09	595	Land	1.00	0.09	0.02	0.10
194	Deepak Poha Udyog	28.2.07	27.2.09	580	Land	4.00	0.34	0.07	0.41
195	Ambe Fly Ash Bricks	7.3.07	6.3.09	573	Land	0.66	0.06	0.01	0.07
196	Priya Industries	21.3.07	20.3.09	559	Land	2.50	0.21	0.04	0.25
197	Komal Wires Units-2	28.3.07	27.3.09	552	Land	0.50	0.04	0.01	0.05
198	Jain Traders Unit-2	28.3.07	27.3.09	552	Land	0.50	0.04	0.01	0.05
199	Shyamji Rice Mill	18.4.07	17.4.09	531	Land	6.00	0.51	0.09	0.60
200	Shubhangi Industries	28.4.07	27.4.09	521	Land	1.00	0.09	0.02	0.10
201	Sanjay Traders	28.4.07	27.4.09	521	Land	1.25	0.11	0.02	0.13
202	Manohar Chemicals	1.5.07	30.4.09	518	Land	4.25	0.36	0.06	0.43
203	Jyoti industries	1.5.07	30.4.09	518	Land	3.00	0.26	0.05	0.30
204	Goyal Industries	7.5.07	6.5.09	512	Land	1.50	0.13	0.02	0.15
205	Associated Suppliers and Contectors	7.5.07	6.5.09	512	Land	15.00	1.28	0.22	1.50
206	Central Auto Industries	2.6.07	1.6.09	486	Land	0.35	0.03	0.00	0.03
207	Brajesh Concrete Products	5.6.07	4.6.09	483	Land	6.00	0.51	0.08	0.59
208	Taj Steel Trading co.	11.6.07	10.6.09	477	Land	1.00	0.09	0.01	0.10
209	Jai Bageshwar Udyog	14.6.07	13.6.09	474	Land	4.36	0.37	0.06	0.43
210	Vaibhav Industries	15.6.07	14.6.09	473	Land	1.04	0.09	0.01	0.10
211	Laxmi Rice mill	26.6.07	25.6.09	462	Land	2.00	0.17	0.03	0.20
212	Sharma Steel Furniture	12.7.07	11.7.09	446	Land	2.50	0.21	0.03	0.24
213	Yashasvi Industries	31.7.07	30.7.09	427	Land	5.00	0.43	0.06	0.49
214	R. P. Traders	22.9.07	21.9.09	374	Land	0.20	0.02	0.00	0.02
215	Naglia Hydrocarbon Pvt. Ltd.	25.9.07	24.9.09	371	Land	2.02	0.17	0.02	0.19
216	B.S.L. Rail Track	29.9.07	28.9.09	367	Land	2.03	0.17	0.02	0.19
217	Tirupati Bricks	29.9.07	28.9.09	367	Land	1.30	0.11	0.01	0.12
218	Tirupati Paper mill	27.10.07	26.10.09	339	Land	6.37	0.54	0.06	0.60
219	Goyal Industries Karjabhilai	22.11.07	21.11.09	313	Land	0.53	0.04	0.00	0.05
220	Bajrang Bali Rice Industries	22.11.07	21.11.09	313	Land	8.63	0.73	0.08	0.81
221	Sahu Bricks	22.11.07	21.11.09	313	Land	1.25	0.11	0.01	0.12
222	Agrasen Industries	26.11.07	25.11.09	309	Land	2.22	0.19	0.02	0.21
223	Guru Kirpa Traders Salheghori	4.1.08	3.1.10	270	Land	5.00	0.43	0.04	0.46
224	Heera Rice mill	8.1.08	7.1.10	266	Land	4.00	0.34	0.03	0.37
225	Amba Rice Industries	9.1.08	8.1.10	265	Land	0.10	0.01	0.00	0.01

226	Al Ameen plastics	10.1.08	9.1.10	264	Land	0.33	0.03	0.00	0.03
227	L. P. Metal	17.1.08	16.1.10	257	Land	1.70	0.14	0.01	0.16
228	Divyam Industries	22.2.08	21.2.10	221	Land	0.09	0.01	0.00	0.01
229	Lucky Agro	10.3.08	10.3.10	204	Land	4.00	0.34	0.02	0.36
230	Aditya Unitech	12.3.08	12.3.10	202	Land	3.33	0.28	0.02	0.30
231	Authentic Builders and Engineers Pvt. Ltd.	17.3.08	17.3.10	197	Land	2.54	0.22	0.01	0.23
232	Aditya Industries	20.3.08	20.3.10	194	Land	0.37	0.03	0.00	0.03
233	Design Automation Group	24.3.08	24.3.10	190	Land	0.86	0.07	0.00	0.08
234	Aryan Machinery	22.4.08	22.4.10	161	Land	0.73	0.06	0.00	0.07
235	Bajrang Loha Pvt. Ltd.	15.5.08	15.5.10	138	Land	40.00	3.40	0.16	3.56
236	Yashasvi Industries Unit-2	17.6.08	17.6.10	105	Land	0.60	0.05	0.00	0.05
237	Keshar Ropes	24.6.08	24.6.10	98	Land	1.70	0.14	0.00	0.15
238	Surabhi Coal Factory	3.7.08	3.7.10	89	Land	2.50	0.21	0.01	0.22
239	Ma Bamleshwari Metals	3.7.08	3.7.10	89	Land	8.00	0.68	0.02	0.70
							<b>327.78</b>	<b>73.58</b>	<b>401.36</b>

Source: Case files of beneficiaries furnished by department and compiled by audit.

Note : Interest is calculated upto 30 september 2010

**Appendix- 3.6**

(Referred to in paragraph 3.7.2; page no. 90)

**Details of ineligible industries which were provided stamp duty exemption**

(₹ in lakh)

Sl. No.	Name of district	Name of Industry	Product	Ineligibility according to annexure-1 under		Loan or land	Mortgage Loan/land	Stamp Duty on Loan 4 per cent on land 8.5 per cent
				Sl. No.	Description of product			
1	Sarguja	M/s Shitala Ma Cold Storage Bhattikala	Cold Storage	18	Job Work	Loan	144.00	5.76
2	Sarguja	Ambe Industries Chathirma	Mineral Water	19	Soda/Mineral/ Distilled water	Loan	25.00	1.00
3	Sarguja	Vaishnavi Food Products, Ambikapur	Bread and Butter	2	Confectionery, Biscuit and Bakery product	Loan	12.00	0.48
4	Sarguja	Shri Shyam Food Products Gangapur	Spice	5	Spice Grinding	Loan	15.00	0.60
5	Sarguja	Kochin Bakers Nayanpur Girverganj,	Bread and Buscuit	2	Confectionery, Biscuit and Bakery product	Land	1.63	0.14
6	Sarguja	Ishan Industry, Bhithikala	Packaged drinking water	19	Soda/Mineral/ Distilled water	Land	0.87	0.07
7	Sarguja	Kochin Bakers Nayanpur, Surajpur	Bakery products	2	Confectionery, Biscuit and Bakery product	Land	67.00	5.70
8	Durg	M/s Vivek Grinding and Packaging Industries, Vill-Khedabhara, Durg	Chilli Powder coriander Powder Wheat powder Turmeric powder	5	Masala/Mirchi Powder, Papad Making (etc.)	Loan	24.40	0.98
9	Durg	Blue Beverage, Funda Road Amleshwar, Durg	Packaging drinking water Bottle, pouch, Jar	19	Soda/Mineral/ Distilled water	Loan	23.60	0.94
10	Durg	M/s Stair Venture Vill-Nandori, Dhamdha, Durg	Mineral Water	19	Soda/mineral/ distilled water	Loan	20.63	0.83
11	Dhamtari	M/s Harsh Chemical & Soap Works Kurud, Dhamtari	Detergent Cake and Washing Powder	25	Soap & Detergent	Loan	4.21	0.17

12	Dhamtari	M/s Kshirsagar Dairy Products Vill-Sirri Tah. Kurud Dhamtari	Khowa, Paneer, Butter	3	Sweet making	Loan	22.50	0.90
13	Dhamtari	M/s Breavrich India Vill - Demar, Dhamtari	Maize Flakes	4	Namkeen making	Loan	90.00	3.60
14	Dhamtari	M/s Breavrich India Vill - Demar, Dhamtari	Maize Flakes	4	Namkeen making	Land	4.52	0.38
15	Raipur	M/s Rajshri Soap and Cosmetics Industries vill-Dhaneli, Raipur	Soap	25	Soap and detergent	Loan	52.00	2.08
16	Raipur	M/s Shri Krishna Paper Products Ind. Area Amashivni, Raipur	Note Book	8	Book binding	Loan	22.31	0.89
17	Raipur	M/s Shivaji Foods Pvt. Ltd. Tilda Nevra, Raipur	Bakery Products	2	Bakery Products	Loan	96.00	3.84
18	Raipur	M/s Shelendra Shoes Vill-Boriyakhurd, Raipur	Leather shoe	31	Leather Tannery	Loan	7.60	0.30
19	Raipur	M/s OM Engineering Vill- Urkura, Raipur	Lathe Machine workshop		Job work	Loan	6.00	0.24
20	Raipur	M/s Super Sweets KaliBadi Raipur	Khowa Paneer	3	Sweets	Loan	6.85	0.27
21	Raipur	M/s Real Board and Paper Mill Vill- Siliyari, Raipur	Paper board	8	Paper bags and paper cone	Loan	75.00	3.00
22	Raipur	M/s Radhakrishna Polymers Ind. Area Urla, Raipur	1. HDPE CAN 2.HD/HM/LD Bags	30	Polythene Bags	Loan	40.00	1.60
23	Raipur	M/s Durga Sales Vill- Boriyakala, Raipur	HDPE Bags, Non woven Bags	30	Polythene Bags	Loan	115.00	4.60
24	Raipur	M/s National Leather Vill-Paragaon, Raipur	Leather shoe	31	leather Tannery	Loan	9.50	0.38
25	Raipur	M/s Bharat Industries Vill-Saddu, Raipur	Corrogated Boxes & Exercise Note Book	8	Book binding	Loan	54.00	2.16

26	Raipur	M/s S. B. Personal Care Products Pvt. Ltd. Vill-Bendri, Raipur	Detergent powder and Soap	25	Detergent and soap	Loan	140.00	5.60
27	Raipur	M/s R. K. Water Processing Pvt. Ltd. Vill-Neurdih, Barbanda Raipur	Packaged Drinking water	19	Soda/mineral water/distilled water	Loan	28.00	1.12
28	Raipur	M/s J. D. Products Vill. Charoda Raipur	Packaged mineral water	19	Soda/mineral water/distilled water	Loan	24.99	1.00
29	Raipur	M/s Krishna Dairy Udyog Vill-Teka Fingeshwar, Raipur	Paneer Khowa, Butter	3	Sweets	Loan	7.25	0.29
30	Raipur	M/s Brijdham Polymers Pvt. Ltd. Vill. Sejbahar, Raipur	HDPE Plastic Bags, Plastic Pipe, Plastic Granules, Plastic Tubesheet	30	Polythene Bags	Loan	45.00	1.80
31	Raipur	M/s Graffic Lab Behind Pujari Park, Tagore Nagar, Raipur	Stationery Books etc.	8	Book binding	Loan	23.50	0.94
32	Raipur	M/s Imaging Photocam India Pvt. Ltd. Ind. Area Bhanpuri, Raipur	Photographic chemicals	24	Photo laboratory	Land	0.59	0.05
33	Raipur	M/s Union Ind. Vill-Sarora, Raipur	Bio-diesel bricket	14	Coal bricket coal fuel	Land	3.71	0.32
34	Raipur	M/s Real Board and Paper Mill Vill- Siliyari, Raipur	Paper board	8	Book binding paper cone, paper bags	Land	18.75	1.59
35	Raipur	M/s Babaji Products Boriyakala, Raipur	Sewai, and Nadda Making	2	Bakery products	Land	4.00	0.34
36	Raipur	M/s Sanjay Parekh Vill-Rajim, Rajim, Raipur	Rexin Bags	18	Job work	Land	0.88	0.07
37	Raipur	M/s Shivaj Foods pvt. Ltd. Nevra, Tilda, Raipur	Silver ornament Maker	2	Bakery products	Land	8.00	0.68



38	Raipur	M/s Sarliya Udyog Pvt. Ltd. Ind. Area. Ranwabhata. Raipur	Bakery Products	3	Sweets making	Land	14.00	1.19
39	Raipur	M/s R. K. Water Processing Co. Pvt. Ltd. Ind. Area Neurdih, Raipur	Dairy based Products	19	Soda/mineral water/distilled water	Land	5.00	0.43
40	Raipur	M/s Chanakya Acedmy Chanakya Campus Pandri, Raipur	Packaged Drinking water	18	Job work	Land	18.32	1.56
41	Raipur	M/s Astute Info Consultancy Pvt. Ltd. Kabeer Nagar. Raipur	Software Development	18	Job work	Land	27.85	2.37
42	Raipur	M/s Hind Biocoal, Behind Singh Pump, Manendragarh Petrol	Software Development	14	Coal bricket coal fuel	Land	0.56	0.05
43	Rajnandgaon	Sh. Ganesh Drinks and Food Product, Basarbaspur	Paneer,Ghee, Milk products	3	Making of sweets	Land	5.40	0.46
44	Rajnandgaon	M/s Vandna Flakers, Vill. Paneka, Rajnandgaon	Macca chips	4	Manufacturing of namkin	Land	1.50	0.13
45	Rajnandgaon	M/s Abis Aqua, vill. Godari, Dongargaon, Rajnandgaon	Mineral Water	19	Soda/Mineral/ Distilled water	Loan	8.00	0.32
46	Rajnandgaon	Sh. Ganesh Drinks and Food Product, Basarbaspur	Paneer,Ghee, Milk products	3	Making of sweets	Loan	74.50	2.98
47	Rajnandgaon	M/s Shivshakti agro Products Vill. Rivagahan	Macca chips	4	Making of namkin	Loan	22.50	0.90

48	Rajnandgaon	M/s Vandna Flakers, Vill. Paneka, Rajnandgaon	Macca chips	4	Manufacturing of namkin	Loan	23.75	0.95
49	Rajnandgaon	M/s Sharma Beverages vill Domardihkh urd, Ghumka Rajnandgaon	Mineral Water	19	Soda/Mineral/ Distilled water	Loan	22.00	0.88
50	Rajnandgaon	M/s Shri Ramya Bag, Vill. Khairghitti,	PVC bags & Tent	30	Polythene Bags	Loan	5.00	0.20
<b>Total</b>								<b>67.13</b>

*Source: Case files of beneficiaries furnished by department and compiled by audit.*

**Appendix-3.7***(Referred to in paragraph 3.7.4 page no. 91)***List of land allottees (Small Scale Industries) who have not started their production in prescribed time limit****Year 2005-06****(Amount in ₹)**

Sl. No.	Name of Unit	Land allotment no.	Name of Industrial Area	Date and no. of Letter of consent	No. and date of Land allotment order	Premium Paid by allottee	50 per cent of Premium
1	M/s Ganpati Steel	134/D	Heavy Industrial Area, Bhilai	1980/ 30.04.05	2113/17.05.2005	41940	20970
2	M/s Dinodiya Casting	11/K	Heavy Industrial Area, Bhilai	1366/ 20.03.06	2108/03.05.06	483475	241738
3	M/s Saudagar and Sons Steel	16/G	Heavy Industrial Area, Bhilai	1422/ 23.03.06	2101/03.05.06	202416	101208
4	M/s S. S. Re-Rollers	15/I	Heavy Industrial Area, Bhilai	1423/ 23.03.06	208/07.05.07	151812	75906
						<b>879643</b>	<b>439822</b>

**Year 2006-07**

1	Rahul Hightech	16/H	Heavy Industrial Area, Bhilai	2284/ 21-03-07	2313/23-03-07	50747	25374
2	M/s Technovations	16/F		1766/ 05.03.07	2051/13.03.07	202990	101495
3	M/s Jain Traders Unit-II	98/X	Industrial sansthan, Bhilai	1765/ 05.03.07	2296/22.03.07	8621	4311
4	M/s Jain Traders	98/W	Industrial sansthan, Bhilai	5484/ 11.09.06	6622//29.09.06	6990	3495
5	M/s Jyoti Industries	35/G, 36/F	Light Industrial area, Bhilai	1735/ 03.03.07	1744/03.03.07	144460	72230
6	M/s B.I W Fabricaters Pvt. Ltd.	6/J	Heavy Industrial Area, Bhilai	1736/ 03.03.07	2260/21.03.07	595200	297600
7	M/s Durga Industries	13/C	Heavy Industrial Area, Bhilai	1738/ 03.03.07	1900/19.03.07	69900	34950
8	M/s Komal Wares	11/Q	Heavy Industrial Area, Bhilai	1739/ 03.03.07	2297/22.03.07	9786	4893
9	M/s Lakshmi Engineering Works	11P	Heavy Industrial Area, Bhilai	4627/ 14.08.06	5780/14.09.06	46600	23300
10	M/s Jaishri Engineering	11/O	Heavy Industrial Area, Bhilai	5823/ 15.09.06	6371/26.09.06	101495	50748
11	M/s Kavita Wares	11/N	Heavy Industrial Area, Bhilai	5329/ 05.09.06	5499/11.09.06	69900	34950
12	M/s Priti Home Cares	12J,13	Heavy Industrial Area, Bhilai	1630/ 28.02.07	2182/28.02.07	50561	25281
13	M/s Sumitra Plastics	7/C	Heavy Industrial Area, Bhilai	1811/ 6.03.07	1811/6.03.08	34950	17475
14	M/s Hargulal Saileela Steel	67	Light Industrial area, Bhilai	1261/ 19.02.07	1535/24.02.07	215525	107763
15	M/s GS Technical	34/C	Light Industrial area, Bhilai	1077/ 12.02.07	1158/4.02.07	34950	17475
16	M/s Ambe Fly Ash Bricks	7/J	Heavy Industrial Area, Bhilai	1025/ 12.02.07	1786/06.03.07	29125	14563
17	M/s ABS Enterprises	9/G	Industrial sansthan, Bhilai	8680/ 10.11.06	9212/05.12.06	1748	874

18	M/s RK Sales	9/Q	Heavy Industrial Area, Bhilai	5485/ 11.09.06	5778/14.09.06	116500	58250
19	M/s Ratnam Industries	9/P	Heavy Industrial Area, Bhilai	4311/ 2.08.06	4852/18.08.06	101495	50748
20	M/s R.D Indutries	13/B	Heavy Industrial Area, Bhilai	5483/ 11.09.06	5779/14.09.06	101495	50748
21	M/s S.M. Impecs	13/E	Heavy Industrial Area, Bhilai	5828/ 13.09.06	1142/13.02.07	58250	29125
22	M/s Shiva Felt and Tar Product	13/A	Heavy Industrial Area, Bhilai	4345/ 29.08.06	5781/14.09.06	101495	50748
23	M/s Satya Iron and Steel Pvt. Ltd.	5/L	Heavy Industrial Area, Bhilai	5201/ 2.08.06	6362/29.06.06	329859	164930
24	M/s S.S. Rollers	15/I	Heavy Industrial Area, Bhilai	1423/ 23.03.06	208/7.05.07	151812	75906
25	M/s T. R. Traders	14/F	Heavy Industrial Area, Bhilai	6727/ 15.12.04	4597/11.08.06	50747	25374
26	M/s Harsh Engineering and Machining	15/J	Light Industrial area, Bhilai	5280/ 02.08.06	5447/07.09.06	58250	29125
27	M/s Sambhavi Industries	15/K	Light Industrial area, Bhilai	7048/ 16.10.06	9255/06.12.06	93200	46600
28	M/s Priya Industries	142/C	Light Industrial area, Bhilai	4622/ 14.08.06	7965/17.10.06	79220	39610
29	M/s V. N. Industries	18/P	Light Industrial area, Bhilai	4624/ 14.08.06	9213/05.12.06	55920	27960
30	M/s Lakshmi Industries	4/Q	Heavy Industrial Area, Bhilai	2275/ 08.05.06	4594/11.08.06	13980	6990
31	M/s Electronic Power and Control Unit-2	10/D	Heavy Industrial Area, Bhilai	4625/ 14.08.06	4844/18.08.06	101495	50748
32	M/s Atul PCC Pole Manufacturing	2/G	Heavy Industrial Area, Bhilai	3372/ 27.06.06	3426/30.06.06	89123	44562
33	M/s D. B. Commercial	36/B	Industrial sansthan, Bhilai	3371/ 27.06.06	3415/29.06.06	38344	19172
34	M/s Singh Enterprises	9/F	Industrial sansthan, Bhilai	3370/ 27.06.06	3498/06.07.06	1748	874
35	M/s Pragati Metals	2/K	Heavy Industrial Area, Bhilai	2984/ 7.06.06	6329.09.06	23300	11650
36	M/s Bajrang Timber Mart	6/P	Heavy Industrial Area, Bhilai	2207/ .08.05.06	3364/27.06.06	66960	33480
37	M/s Arora Ispat Udyog	3/D	Heavy Industrial Area, Bhilai	3065/ 13.06.06	3496/06.07.06	52425	26213
38	M/s R.P. Industries	3/D-I	Heavy Industrial Area, Bhilai	3369/ 27.06.06	3497/06.07.06	52425	26213
39	M/s Pilaniya Industries	43	Heavy Industrial Area, Bhilai	1547/ 26.01.07	2764/14.02.07	1200000	600000
40	M/s Rajat Steel Udyog	18/Q	Heavy Industrial Area, Bhilai	2828/ 30.05.06	2848/31.05.06	51260	25630
41	M/s Shubham Industries	15/A	Heavy Industrial Area, Bhilai	2283/ 21.03.07	2496/03.04.07	167400	83700
42	M/s Ajay Fabricaters	36	Light Industrial area, Bhilai	2508/ 03.04.07	3268/09.05.07	23300	11650
<b>Total</b>						<b>4853551</b>	<b>2426783</b>

Year 2007-08							
1	M/s Archna Bricks	7F	Heavy Industrial Area, Bhilai	2501/04.04.07	2514/04.04.07	50748	25374
2	M/s Associated Suppliers and Contractor	11/R	Heavy Industrial Area, Bhilai	2592/10.04.07	2798/23.04.07	101495	50747.5
3	M/s Sejal sales Corporation	11/S	Heavy Industrial Area, Bhilai	2591/10.04.07	3129/04.05.07	101495	50747.5
4	M/s Tanuja Industries	267	Light Industrial area, Bhilai	2763/20.04.07	2835/28.04.07	6990	3495
5	M/s Sanjay Traders	.	Light Industrial area, Bhilai	2769/20.04.07	2816/26.04.07	93200	46600
6	M/s Girija Engineering Works	7/M	Heavy Industrial Area, Bhilai	3522/9.05.07	1780/25.02.07	46600	23300
7	M/s Lakshmi Engineering	18/Z	Heavy Industrial Area, Bhilai	3526/29.05.07	3584/30.05.07	13980	6990
8	M/s Central Auto Industries	18/E	Heavy Industrial Area, Bhilai	3525/29.05.07	3585/30.05.07	34950	17475
9	M/s Dinodiya Ispat	233 to 236	Light Industrial area, Bhilai	5555/1.08.07	5565/02.08.07	27960	13980
10	M/s R. K. Camicals	7/K	Heavy Industrial Area, Bhilai	6511/07.09.07	6732/14.09.07	102520	51260
11	M/s Sai Interprises	18/F-I	Heavy Industrial Area, Bhilai	6611/11.09.07	6730/14.09.07	13980	6990
12	M/s A. S. Trading Co.	5/A,C	Heavy Industrial Area, Bhilai	6512/7.09.07	6727/14.09.07	46600	23300
13	M/s Triupati Bricks	77/B	Light Industrial area, Bhilai	6614/11.09.07	6727/14.09.07	101495	50747.5
14	M/s Super Petro Chemical and Co.	13/F	Heavy Industrial Area, Bhilai	6634/11.09.07	6728/14.09.07	116500	58250
15	M/s B.S. L. Rail Track	22/F	Heavy Industrial Area, Bhilai	6613/11.09.07	6726/14.09.07	202990	101495
16	M/s Nagliya Hydrocarbon	43/A	Heavy Industrial Area, Bhilai	6964/22.09.07	7016/24.09.07	202990	101495
17	M/s A. S Enterprises	18/X	Heavy Industrial Area, Bhilai	7329/15.10.07	7432/23.10.07	27960	13980
18	M/s Ayush Industries	14/G	Heavy Industrial Area, Bhilai	7150/29.09.07	8435/29.11.07	101495	50747.5
19	M/s Sanjari Enterprises	3/L	Heavy Industrial	6910/21.09.07	7431/23.10.07	44475	22237.5

			Area, Bhilai				
20	M/s Atheting Builders	7/A	Heavy Industrial Area, Bhilai	7299/ 06.10.07	2136/13.03.08	253735	126867.5
21	M/s V.S. Engineering and Fabricaters	7G	Heavy Industrial Area, Bhilai	7300/ 06.10.07	756/31.10.08	507474	253737
22	M/s Visva Vishal Engineering Ltd. Unit-2	2L	Heavy Industrial Area, Bhilai	9031/ 17.12.07	9096/20.12.07	609840	304920
23	M/s Sunil Hitech	43C	Heavy Industrial Area, Bhilai	8796/ 11.12.07	—	548856	274428
24	M/s Precision Engineering Corporation	139/D	Light Industrial area, Bhilai	9032/ 17.12.07	9095/20.12.07	39610	19805
25	M/s Shubhangi Industries	15/L	Light Industrial area, Bhilai	2261/ 21.03.07	2830/28.04.07	46600	23300
<b>Total</b>						<b>3444538</b>	<b>1722269</b>
<b>Year 2008-09</b>							
1	M/s Maruti Engineering works	99/A	Industrial sansthan, Bhilai	3140/ 24.04.08	3183/25.04.08	53568	26784
2	M/s Hemant Engineering	183,184/A	Light Industrial area, Bhilai	5429/ .05.07.08	6305/20.08.08	111600	55800
3	M/s Sobhagya Engineers	184/B,185	Light Industrial area, Bhilai	5428/ .05.07.08	6300/20.08.08	111600	55800
4	M/s Shri Balaji Enterprises	7/L	Heavy Industrial Area, Bhilai	8310/ 3.12.08	8623/26.12.08	156240	78120
5	M/s Kalika Pressing Works	13/G	Heavy Industrial Area, Bhilai	8660/ 27.12.08	29/03.01.09	74400	37200
<b>Total</b>						<b>507408</b>	<b>253704</b>
<b>Grand Total of 2005-06 to 2008-09</b>						<b>9685140</b>	<b>4842578</b>

Source: Case files of beneficiaries furnished by department and compiled by audit.

**Appendix-3.8***(Referred to in Paragraph 3.7.5; page no. 92 )***List of Industries granted Infrastructure subsidy which subsequently failed to submit the Audited Annual Accounts.**

Sl. No.	Name of the Unit (Ms)	District	Date of sanction of subsidy	Due date of submission	Period of delay in months	Amount of subsidy in ₹
1	Mahavir Paddy Processing Pvt. Ltd	Bastar	29.04.08	Jun-09	15	3359389
2	Umiya Paddy Parboiling Pvt. Ltd	Bastar	29.04.08	Jun-09	15	3178260
3	Baba Chawal Udyog	Bastar	18.2.09	Jun-09	15	2468705
4	Satya Power & Ispat Pvt. Ltd.	Bilaspur	20.04.07	Jun-08	27	1671485
5	Maa Durga Rice Mill	Bilaspur	30.12.06	Jun-07	39	215843
6	Garg Industries	Bilaspur	30.12.06	Jun-07	39	125843
7	Pratham Metal Industries	Bilaspur	30.12.06	Jun-07	39	99688
8	Joy Bajrang Mini Rice Mill	Bilaspur	30.12.06	Jun-07	39	118668
9	Radha Madhav Industries Pvt. Ltd.	Bilaspur	04.04.06	Jun-07	39	1116776
10	Mangal Sponge and Steel Pvt. Ltd.	Bilaspur	04.04.06	Jun-07	39	265089
11	National Tyre works	Bilaspur	18.09.07	Jun-08	27	74823
12	Harsh Industries	Bilaspur	18.09.07	Jun-08	27	310662
13	Bhaskar Fly Ash Bricks	Bilaspur	11.08.08	Jun-09	15	357943
14	Usha Cripes Manufacturing	Bilaspur	11.08.08	Jun-09	15	640926
15	Akash Rice Mill	Bilaspur	21.07.08	Jun-09	15	163650
16	R.K. Bartan Udyog	Bilaspur	11.08.08	Jun-09	15	352865
17	R. S. Fly ash Bricks	Bilaspur	16.03.10	Jun-10	3	376762
18	Chauhan Bricks	Bilaspur	16.03.10	Jun-10	3	185422
19	Jindal Ash Bricks	Bilaspur	16.03.10	Jun-10	3	396815
20	Bhilai Bricks Industries	Durg	07.12.07	Jun-08	27	602762
21	Nutan Rice Mill	Durg	03.02.07	Jun-07	39	443325
22	Bhilai Bricks Industries	Durg	13.02.07	Jun-07	39	460001
23	Astha Bricks	Durg	07.12.07	Jun-08	27	601360
24	Jain Rice Industries	Durg	07.12.07	Jun-08	27	1362146
25	Chandra Kamal Industries	Durg	20.05.08	Jun-09	15	1191510
26	R. D. Industries	Durg	20.05.08	Jun-09	15	703872
27	Sneha Cement Works	Durg	20.05.07	Jun-08	27	740956
28	Archana Bricks Industries	Durg	20.05.08	Jun-09	15	602942
29	Shivam Rice Mill	Jashpur	11.02.10	Jun-10	3	2960376
30	Swasthik Bricks	Jashpur	20.04.07	Jun-08	27	1964861
31	Shri Mahalakhmi Food Products	Jashpur	01.03.08	Jun-09	15	1703724
32	Maa Bhagabati Agro Centre	Jashpur	11.02.10	Jun-10	3	3241352
33	Saraswati Rice Mill	Kanker	01.03.08	Jun-09	15	1500000

34	Arihant Rice Mill	Kanker	25.08.08	Jun-09	15	2396866
35	Bhisma Dev Saha Shakkar Udyog	Kabirdham	18.01.05	Jun-06	51	1473027
36	Maa Shakambari Steel Pvt. Ltd	Raigarh	25.08.08	Jun-09	15	2309285
37	Raigarh Iron Industries Ltd.	Raigarh	23.06.04 &12.01.05	Jun-05	63	972918
38	Shri Shyam Ispat (India)	Raigarh	30.07.04	Jun-05	63	99434
39	M.S.Mines Ind	Raigarh	23.06.04	Jun-05	63	126611
40	Sumitra Rice Mill	Raigarh	30.07.04	Jun-05	63	194104
41	Alok Rice Mill	Raigarh	12.01.05	Jun-05	63	274908
42	Nav Durga Fuel Pvt Ltd	Raigarh	25.08.08	Jun-09	15	861480
43	Sri Ram Rice Mill	Raigarh	30.09.05	Jun-06	51	139724
44	Salino Steel Pvt. Ltd,	Raigarh	10.01.06	Jun-06	51	209640
45	Jagdamba Sponge Pvt. Ltd	Raigarh	10.02.06	Jun-06	51	1123479
46	Shobha Ispat Pvt. Ltd	Raigarh	10.02.06	Jun-06	51	2000605
47	Vimal Refractory's Pvt. Ltd	Raigarh	23.03.06	Jun-06	51	1262250
48	Maa Kali Alloys	Raigarh	10.09.09	Jun-10	3	1363804
49	Shivshakti Steel Pvt. Ltd	Raigarh	05.08.06	Jun-07	39	3385854
50	Ind Agro Synergy Ltd	Raigarh	5.08.06	Jun-07	39	5565745
51	Sri consultant Pvt. Ltd	Raigarh	13.09.06 & 27.01.07	Jun-07	39	2516520
52	Rajat Ispat Pvt Ltd	Raigarh	27.01.07	Jun-07	39	3202156
53	Suryodhya Steel Pvt. Ltd.	Raigarh	27.01.07	Jun-07	39	1948921
54	Apic Alloy Steel Ltd.	Raigarh	27.01.07	Jun-07	39	2154801
55	Oriyan Ferro Alloy	Raigarh	13.03.07	Jun-07	39	2008893
56	Alok Ispat Pvt Ltd	Raigarh	13.03.07	Jun-07	39	1999276
57	G.P. Global Ind. Pvt. Ltd	Raigarh	13.03.07	Jun-07	39	2384830
58	Balaji Ispat	Raigarh	13.03.07	Jun-07	39	1648785
59	Radha Govind Steel & Alloy Pvt. Ltd	Raigarh	13.03.07	Jun-07	39	1829360
60	Mamta Electro Castings Pvt. Ltd	Raigarh	27.01.07	Jun-07	39	1366164
61	Banke Bihari Ispat Ltd	Raigarh	27.09.07	Jun-08	27	1952353
62	Narmada Iron and Steel	Raigarh	25.09.07	Jun-08	27	1195953
63	Satguru Ispat	Raigarh	19.02.08	Jun-08	27	1320286
64	Sai Ram steel Pvt Ltd	Raigarh	19.02.08	Jun-08	27	2368513
65	Anjani Steels Pvt Ltd	Raigarh	22.06.05	Jun-06	51	1766308
		Raigarh	14.09.06	Jun-07	39	1506555
		Raigarh	30.06.06	Jun-07	39	98120
		Raigarh	27.03.10	Jun-10	3	566022
66	Udaya Sponge and Power Pvt. Ltd.	Raipur	16.05.07	Jun-08	27	1060968
67	Padam Pipes Pvt. Ltd.	Raipur	03.03.04	Jun-04	75	500000
68	A.P.I. Ispat and Powertech Pvt. Ltd.	Raipur	11.07.08	Jun-09	15	2820435
69	Bajrang Power and Ispat Ltd.	Raipur	18.02.08	Jun-08	27	12814431
70	Millennium Hightech Industries	Raipur	16.09.05	Jun-06	51	741700



71	Brij Textile Company	Rajnandgaon	11.03.10	Jun-10	3	2500000
72	Vimal Mohan Rice Mill	Sarguja	31.03.07	Jun-07	39	984836
73	J.K.Engineering works	Sarguja	31.03.07	Jun-07	39	432622
74	Mittal Paddy Processors	Sarguja	31.03.07	Jun-07	39	1094950
75	Jay Balaji Agro Products	Sarguja	31.03.07	Jun-07	39	1161449
76	Mayura Sariya Pvt. Ltd.	Sarguja	10.09.09	Jun-10	3	3500000
77	Mukesh Plastic Industries	Sarguja	31.03.07	Jun-07	39	1317384
78	Jai Bhabani Rice Mill	Sarguja	31.03.07	Jun-07	39	619080
79	Gouri foods	Sarguja	31.03.07	Jun-07	39	615559
80	Jai Hanuman Agro Product	Sarguja	31.03.07	Jun-07	39	909510
81	Radhe Mohan Rice mill	Sarguja	31.03.07	Jun-07	39	951833
82	Nikhil Udyog	Sarguja	31.03.07	Jun-07	39	392840
83	Prasad Poha & Rice Mill	Sarguja	31.03.07	Jun-07	39	355222
84	Mahamaya Gur Udyog	Sarguja	31.03.07	Jun-07	39	93757
85	Sandeep Agro Product	Sarguja	31.10.08	Jun-09	15	610966
86	Shanti Steel Industries	Sarguja	11.07.08	Jun-09	15	67500
87	Ambe Offset Printers	Sarguja	23.10.08	Jun-09	15	478302
88	Maa Mahamaya Rice Mill	Sarguja	23.10.08	Jun-09	15	978976
89	B.M Foods	Sarguja	23.03.08	Jun-08	27	3500000
90	Jai Balaji Rice Mill	Sarguja	23.03.08	Jun-08	27	1420372
91	Ambe Industries	Sarguja	23.03.08	Jun-08	27	873394
92	Manokamana Rice Mill	Sarguja	23.03.08	Jun-08	27	365939
93	Jai Balaji Gur Udyog	Sarguja	23.03.08	Jun-08	27	126025
94	Adi Shakti Gur Industries	Sarguja	23.03.08	Jun-08	27	120306
95	Sriram Industries	Sarguja	23.03.08	Jun-08	27	598633
96	V.K.Steel Industries	Sarguja	23.03.08	Jun-08	27	149923
97	Jai Bharat Rice Mill	Sarguja	23.03.10	Jun-10	3	336391
98	Yash Bricks Industries	Sarguja	23.03.10	Jun-10	3	933451
99	Vikki Rice Mill	Sarguja	23.03.10	Jun-10	3	779921
100	Unique Offset	Sarguja	23.03.10	Jun-10	3	153884
101	Bhagabati Rice Mill	Sarguja	23.03.10	Jun-10	3	668299
102	Rakesh Plastic Industries	Sarguja	23.03.10	Jun-10	3	681559
103	Saket Rolling Mills	Sarguja	01.03.08	Jun-08	27	3500000
104	Shyam Gur & Khandasari Udyog	Sarguja	25.08.08	Jun-09	15	1671485
105	Jaimatadi Gur & Khandasari Udyog	Sarguja	25.08.08	Jun-09	15	2328180
			13.10.09	Jun-10	3	
			23.03.10	Jun-10	3	
106	Saket Rolling Mills	Sarguja	20.04.07	Jun-08	27	3385854
107	Ganga Water Tank Ind.	Sarguja	10.09.09	Jun-10	3	1979288
108	Gayatri food & Khandasari	Sarguja	10.09.09	Jun-10	3	1632549
<b>Total</b>						<b>149360124</b>

**Appendix-3.9**

(Referred to in paragraph 3.7.6; page no.93)

**Statement showing cases of delay condoned by the Commissioner/Director**

Sl. No.	Name of firm/ entrepreneur	Period	Delay	Amount passed for payment (Amount in ₹)	Reasons for delay submitted by the entrepreneur
1	2	3	4	5	6
1	M/s Balaji Cement Product, Jagadapur	1.10.2006 to 31.12.2007	6 months	39374	Ignorance of the scheme
2	M/s Sri Rolling Mill, Durg	13.01.2007 to 31.3.2008	6 months	367043	Ignorance of the scheme
3	M/s Gurunank Udyog, Dhamtari	22.12.2005 to 31.12.2006	6 month 20 days	49987	Ignorance of the scheme
4	M/s Om Ganga rice industries, Janjgir champa	1.1.2006 to 31.3.2006 1.10.2006 to 30.6.2007	2 month 28 day 6 month	9070 32646	Ignorance of the scheme
5	M/s Jaimata Di Industries, Raipur	1.4.05 to 31.3.2006 1.1.2007 to 31.3.2007	1 year 6 month	94703 24925	Ignorance of the scheme
6	M/s Sriram Iron and Steel Pvt. Ltd.	24.6.2005 to 31.5.2007	1 year 3 month`	- -	Ignorance of the scheme
7	M/s Bhagabati Mini Rice Mill, Durg	16.9.2005 to 31.3.2008	8 month	210820	Ignorance of the scheme
8	M/s Chabada Marble and Tiles ,Bilaspur	1.4.2006 to 30.6.2006	2 month 15 day	35195	Ignorance of the scheme
9	M/s Mahalaxmi Gramodyoga, Raigarh	1.7.2006 to 30.9.2006 1.4.2007 to 30.9.2007	2 month and 6 month	6230 25531	Ignorance of the scheme.
10	M/s RJ Ash Product, Bilaspur	16.3.2005 to 31.3.2007	10 month	318399	Ignorance of the scheme
11	M/s Liol Fusable ink, Raipur	13.3.2005 to 31.3.2007	1 year	36814	Ignorance of the scheme
12	M/s Mahabir Udyog, Durg	5.7.2006 to 30.9.2007	2 year 6 month	93742	Ignorance of the claim
13	M/s B.K.rolling mill, Raipur	29.10.2005 to 30.9.2006	1 year 7 month	172735	Ignorance of the scheme
14	M/s Narmada Concrete Udyog, Raipur	25.9.2004 to 31.3.2006	2 year	135528	Ignorance of the provision
15	M/s Ideal Printing Press, Raipur.	20.12.2005 to 30.6.2006	1 month 11 day	135528	Ignorance of the provision
16	M/s Padmavati Agro Industries, Bastar	30.6.2003 to 31.3.2005	1 year	118352	Ignorance of the scheme
17	M/s A.G.Stone industries, Koriya	15.9.2004 to 30.9.2006	1 year 3 month	163408	Ignorance of the scheme
18	M/s Deepak Rice , Janjgir	1.4.2004 to 31.12.2005	9 month	64986	Ignorance of the scheme
19	M/s Mangalam	1.7.2002 to	1 year	68184	Ignorance of the scheme

	Enterprises, Raipur	30.9.2004				
20	M/s Binayak Rice Mill, Korba	23.11.2004 31.3.2007	to	1 year	115730	Ignorance of the scheme
21	M/s Govind Indus. Korba	6.8.2004 30.6.2005	to	5 month	75564	Ignorance of the provision
22	M/s Sri Vardhamana Indus, Durg	1.4.2006 30.6.2006	to	6 month 20 day	68498	Ignorance of the provision
23	M/s Puja Trading Company, Durg	1.7.2006 31.12.2006	to	1 month 16 day	110761	Ignorance of the scheme
24	M/s Ganjapati Ispat, Raipur	9.7.2005 30.9.2006	to	6 months	862322	Ignorance of the scheme
26	M/s Swastik Steel, Rawabhata, Raipur	22.12.2004 31.3.2006	to	1 year 4 months	344534	Ignorance of the scheme
		1.4.2006 30.6.2006	to	1 year 8 months	107213	Ignorance of the scheme
27	M/s Swastik Foods, Hatbandth, Raipur	27.9.2007 31.3.2009	to	Three months	972324	Ignorance of the scheme
28	M/s Vimal Ispat Pvt. ltd., Raipur	5.3.2005 30.6.2007	to	11 month	471146	Ignorance of the scheme
29	M/s Gurunanak Rice Mill, Kharora, Raipur	23.8.2004 31.3.2007	to	10 month	177121	Ignorance of the scheme
<b>Total</b>					<b>5508413</b>	

**Appendix-3.9**

(Referred to in paragraph 3.7.6; page no.93)

**Statement showing cases of delay condoned by the Commissioner/Director**

Sl. No.	Name of firm/ entrepreneur	Period	Delay	Amount passed for payment (Amount in ₹)	Reasons for delay submitted by the entrepreneur
1	2	3	4	5	6
1	M/s Balaji Cement Product, Jagadapur	1.10.2006 to 31.12.2007	6 months	39374	Ignorance of the scheme
2	M/s Sri Rolling Mill, Durg	13.01.2007 to 31.3.2008	6 months	367043	Ignorance of the scheme
3	M/s Gurunak Udyog, Dhamtari	22.12.2005 to 31.12.2006	6 month 20 days	49987	Ignorance of the scheme
4	M/s Om Ganga rice industries, Janjgir champa	1.1.2006 to 31.3.2006 1.10.2006 to 30.6.2007	2 month 28 day 6 month	9070 32646	Ignorance of the scheme
5	M/s Jaimata Di Industries, Raipur	1.4.05 to 31.3.2006 1.1.2007 to 31.3.2007	1 year 6 month	94703 24925	Ignorance of the scheme
6	M/s Sriram Iron and Steel Pvt. Ltd.	24.6.2005 to 31.5.2007	1 year 3 month`	- -	Ignorance of the scheme
7	M/s Bhagabati Mini Rice Mill, Durg	16.9.2005 to 31.3.2008	8 month	210820	Ignorance of the scheme
8	M/s Chabada Marble and Tiles ,Bilaspur	1.4.2006 to 30.6.2006	2 month 15 day	35195	Ignorance of the scheme
9	M/s Mahalaxmi Gramodyoga, Raigarh	1.7.2006 to 30.9.2006 1.4.2007 to 30.9.2007	2 month and 6 month	6230 25531	Ignorance of the scheme.
10	M/s RJ Ash Product, Bilaspur	16.3.2005 to 31.3.2007	10 month	318399	Ignorance of the scheme
11	M/s Liol Fusable ink, Raipur	13.3.2005 to 31.3.2007	1 year	36814	Ignorance of the scheme
12	M/s Mahabir Udyog, Durg	5.7.2006 to 30.9.2007	2 year 6 month	93742	Ignorance of the claim
13	M/s B.K.rolling mill, Raipur	29.10.2005 to 30.9.2006	1 year 7 month	172735	Ignorance of the scheme
14	M/s Narmada Concrete Udyog, Raipur	25.9.2004 to 31.3.2006	2 year	135528	Ignorance of the provision
15	M/s Ideal Printing Press, Raipur.	20.12.2005 to 30.6.2006	1 month 11 day	135528	Ignorance of the provision
16	M/s Padmavati Agro Industries, Bastar	30.6.2003 to 31.3.2005	1 year	118352	Ignorance of the scheme
17	M/s A.G.Stone industries, Koriya	15.9.2004 to 30.9.2006	1 year 3 month	163408	Ignorance of the scheme
18	M/s Deepak Rice , Janjgir	1.4.2004 to 31.12.2005	9 month	64986	Ignorance of the scheme
19	M/s Mangalam	1.7.2002 to	1 year	68184	Ignorance of the scheme

	Enterprises, Raipur	30.9.2004				
20	M/s Binayak Rice Mill, Korba	23.11.2004 31.3.2007	to	1 year	115730	Ignorance of the scheme
21	M/s Govind Indus. Korba	6.8.2004 30.6.2005	to	5 month	75564	Ignorance of the provision
22	M/s Sri Vardhamana Indus, Durg	1.4.2006 30.6.2006	to	6 month 20 day	68498	Ignorance of the provision
23	M/s Puja Trading Company, Durg	1.7.2006 31.12.2006	to	1 month 16 day	110761	Ignorance of the scheme
24	M/s Ganjapati Ispat, Raipur	9.7.2005 30.9.2006	to	6 months	862322	Ignorance of the scheme
26	M/s Swastik Steel, Rawabhata, Raipur	22.12.2004 31.3.2006	to	1 year 4 months	344534	Ignorance of the scheme
		1.4.2006 30.6.2006	to	1 year 8 months	107213	Ignorance of the scheme
27	M/s Swastik Foods, Hatbandth, Raipur	27.9.2007 31.3.2009	to	Three months	972324	Ignorance of the scheme
28	M/s Vimal Ispat Pvt. ltd., Raipur	5.3.2005 30.6.2007	to	11 month	471146	Ignorance of the scheme
29	M/s Gurunanak Rice Mill, Kharora, Raipur	23.8.2004 31.3.2007	to	10 month	177121	Ignorance of the scheme
<b>Total</b>					<b>5508413</b>	

**Appendix-3.10**

(Referred to in paragraph 3.7.6; page no. 93)

**Statement showing cases of delay not condoned by the Commissioner/Director**

Sl. No.	Name of firm/ enterprenuer	Period	Delay	Reasons for delay submitted by the entrepreneurs
1	2	3	4	5
1	M/s Karma Rice Mill, Durg	4.10.2005 to 31.3.2008	One year	Ignorance of the scheme
2	M/s Aditya Steel, Raipur	13.7.2006 to 12.7.2011	1 year 8 month	Ignorance of the scheme
3	M/s Caps Manufacturing, Bilaspur	1.1.2007 to 31.3.2007	27 days only	Ignorance of the scheme
4	M/s Shivam steel industries, Rajnandgaon	1.7.2006 to 30.9.2006 and 1.4.2007 to 30.9.2007	Six month	Wifes illness.
5	M/s Dhanjal & Brothers, Durg	23.11.2004 to 31.12.2007	1 year 3 month	Ignorance of the scheme
6	M/s Choudhury Bricks, Bilaspur	25.3.2005 to 31.12.2005	1 year 4 month	Ignorance of the scheme
7	M/s Sindh Ispat, Raipur	6.4.2006 to 5.4.2011	1 year 5 month	Ignorance of the scheme
8	M/s Geeta metal industries, Korba	28.3.2003 to 31.12.2004	4 month	Ignorance of the scheme
9	M/s Govind Industries, Korba	6.8.2004 to 30.6.2005	5 month	Ignorance of the scheme
10	M/s Sita Rice mill, Korba	1.1.2002 to 31.3.2006	2 year 5 month	Ignorance of the scheme
11	M/s Padmavati Agro Industries, Baster	30.6.2003 to 31.3.2005	1 year	Ignorance of the scheme
12	M/s J G Rice mill, Raipur	13.12.2004 to 31.3.2006	11 month	Ignorance of the scheme
13	M/s Goyal Foods Raipur	30.11.2004 to 31.3.2006	1 year 2 month	Ignorance of the scheme
14	M/s Indus Smelters, Raipur	27.11.2005 to 26.11.2006	11 month	Delay on the part of the bank.
15	M/s Kalpana Concret Udyog, Raipur	30.9.2004 to 31.3.2006	2 year	Death of mother
16	M/s Arun Traders, Champa	10.1.2006 to 9.1.2011	5 month 10 day	Ignorance of the scheme
17	M/s Teja electrical, Siltara, Raipur	17.11.2006 to 30.6.2007	3 month 7 days	Ignorance of the scheme.

**Appendix-3.11***(Referred to in paragraph no. 3.8.2 1; page no.94)***List of ineligible beneficiaries who were released margin money.**

Sl. No.	Districts	Name of Beneficiary (S/Shri)	Type of Project	Amount (₹ in lakh)
1	Bilaspur	Bhupendra Kumar Rai	Dental Lab	2.25
2	Bilaspur	Satyandra Singh	Car accessories & repairing	0.84
3	Bilaspur	Rajesh Singh	Mobile repairing	0.30
4	Bilaspur	Rajuram Sonkar	Auto repair	0.50
5	Bilaspur	Jitendra Yadav	Photo copiers	0.25
6	Bilaspur	Surendra Sahu	Photo studio	0.57
7	Bilaspur	Smt Neerja Haldar	Dry Flowers/Bamboo arts	0.25
8	Bilaspur	Ramkumar Yadav	Sound Service	0.22
9	Bilaspur	Mohanlal Kewat	Cycle repair	0.18
10	Bilaspur	Umedram Suryavanshi	Sound Service	0.35
11	Bilaspur	Smt Daroon Nisha	Sweets	0.53
12	Bilaspur	Nitin Kumar Shukla	Pump & Nozzle repair	0.45
13	Bilaspur	Pawan Singh Thakur	TV & Electricals repair	0.25
14	Bilaspur	Laxmi Pd Vishwakarma	Welding	0.35
15	Bilaspur	Smt Aanchal Sahu	Ladies Tailor & Beauty parlour	0.19
16	Bilaspur	Harish Nagdiney	Computer training centre	0.50
17	Bilaspur	Suryaprakash Patel	Electronics	0.15
18	Bilaspur	P.Ram Murti	Fabrication works	0.30
19	Bilaspur	Navin Kumar Jeswani	Mobile repairing	0.26
20	Bilaspur	Dwarika Pd Kewat	DJ Sound	0.35
21	Bilaspur	Deenlal Yadav	Sound Service & Tent house	0.35
22	Bilaspur	Amritlal Patel	Digital Photo studio	0.49
23	Bilaspur	Nareshwar Pd Kashyap	Carpentry	0.81
24	Dhamtari	Suresh Kumar	Electronic Centre	0.35
25	Dhamtari	Dameshwar Kr Sahu	Centering work	0.35
26	Dhamtari	Mayaram	Cycle stores	0.17
27	Dhamtari	Ku Vatsala Yadav	Screen Printing	0.52
28	Dhamtari	Keshwar Lal Sahu	Electric & Electronics centre	0.70
29	Dhamtari	Krishna Kumar Sahu	Ice candy	0.70
30	Dhamtari	Smt.Rinki Jhadav	Tailoring centre	0.25
31	Dhamtari	Yashwant Sahu	Auto Spares Centre	0.35
32	Dhamtari	Del Singh Mandavi	Hotel	0.17
33	Dhamtari	Dilip Kumar Sahu	Computer & Mobile centre	0.35
34	Dhamtari	Krishna Kumar Sharma	Photocopy	0.75
35	Dhamtari	Bhageshwar Sahu	Centering work	0.46
36	Dhamtari	Krishna Kumar Dhruv	Cycle Stores	0.17
37	Dhamtari	Ratanlal Nishad	Centering work	0.17
38	Dhamtari	Santosh Kr Dewangan	Auto repair	0.25

39	Dhamtari	Kamleshwar Patel	Photo studio	0.70
40	Dhamtari	Tarun Kr Sahu	Auto centre	0.35
41	Dhamtari	Harshit Kr Sinha	Tent House	0.35
42	Dhamtari	Thakur Ram Sahu	Centering work	0.35
43	Dhamtari	Deburam	Beauty Parlour	1.25
44	Dhamtari	Sukaal Ram Yadav	Furniture Mart	0.52
45	Dhamtari	Mohanlal Sinha	Kiraya Bhandar	0.72
46	Dhamtari	Ramkumar Chandan	Nadda, Namkin	0.31
47	Dhamtari	Tikeshwar Chandrakar	Engg works	0.87
48	Dhamtari	Pratap Kr Sahu	Tent house	0.70
49	Dhamtari	Banshilal Yadav	Electronics repair	0.52
50	Dhamtari	Lomas Kr Sahu	Readymade garments	0.54
51	Dhamtari	Basant Kumar Bairagi	Cycle repair	0.24
52	Dhamtari	Gulab Dewangan	Computer & Mobile repair	0.49
53	Dhamtari	Johanlal	Cycle stores	0.35
54	Dhamtari	Nand Kumar Sahu	Electronics repair & Mobile centre	0.35
55	Dhamtari	Jeevanlal Nishad	Digital Photography & videography centre	0.35
56	Dhamtari	Smt Pushpa Khandelwal	POP works	1.00
57	Dhamtari	Tulsi Sahu	Screen printing	0.26
58	Dhamtari	Bhishamlal Sahu	Computer & mobile centre	0.37
59	Dhamtari	Smt Madhuri Sahu	Computer & Photography centre	1.05
60	Dhamtari	Smt. Tomeswari Sahu	Flour mill	0.35
61	Durg	Shravan Kumar	Glass cutting, sizing and polishing	0.52
62	Durg	Shorab Khan	Tent house	1.25
63	Durg	Smt.Chameli Chouhan	Radium works	0.37
64	Durg	Shri Dashrath	Computer service	0.15
65	Durg	Bhabana Chandrabansi	Cyber café	2.40
66	Durg	Smt. Janis Reginal	Bueaty parlour	2.46
67	Durg	Shekh Abul Khar	Embroidery work	0.50
68	Durg	Gopal Krushna Sahu	Tent house	1.25
69	Durg	Daman Singh verma	Tent house	0.70
70	Durg	Shiv Kumar Thakur	Centring work and mixture machine	1.33
71	Durg	Smt Prabha Dewangan	Embroidery work	2.50
72	Durg	Anil Kumar Talreja	Electrical/Mobile repairing	1.25
73	Durg	Durga Singh Dhivar	Centering work	0.35
73	Raigarh	Ku Sonam Thaiwat	Computer centre	0.60
74	Raigarh	Sandeep Panda	Tent House	0.25
75	Raigarh	Dashrath Kumar	Auto repair	0.35
76	Raigarh	Rajesh Kr Patel	X-Ray & Pathology lab	2.10
77	Raigarh	Kamla Sahu	Electricl winding	1.09
78	Raigarh	Devendra Malakar	Electronic & Mobile centre	0.35
79	Raigarh	Chandrasekhar Singh	Centering Plates	1.75
80	Raigarh	Ku Ruchi Agrawal	Photocopy/computer	0.50



81	Raigarh	Yad Ram Yadav	Tent House	1.16
82	Raigarh	Mohan Singh Thakur	Automobile repairing centre	0.75
83	Raigarh	Najneen Begam	Beauty Parlour	0.31
84	Raigarh	Samant Kr Upadhaya	Electronic repairing	1.20
85	Raigarh	Anup Kr Singh	Centering Plates	0.15
86	Raigarh	Smt. Renu Singh	Fabrication works	1.40
87	Raipur	Ram Baghel	Flex Printing	3.32
88	Raipur	Smt Kiran Krishnani	Cattle feeds	5.88
89	Raipur	Bhanuram Khatkar	Wooden Furniture	1.11
90	Raipur	Motilal Sahu	Dairy Products	2.54
91	Raipur	Suresh Kumar Shukla	Fabrication works	0.68
92	Raipur	Siyaram Rakesh	Furniture Works	1.05
93	Raipur	Zainul Ansari	Lathe-welding works	1.35
94	Raipur	Santosh Das Manikpuri	Fabrication works	3.15
95	Raipur	Salimuddin Khan	Furniture Works	1.25
96	Raipur	Vikas Kumar Jha	Lathe works	0.79
97	Raipur	Naresh Turang	Namkeen	1.23
98	Raipur	Smt Aruna Bhonsle	Bakery	3.50
99	Raipur	Manoj Kumar Dewangan	Offset Printing	1.75
100	Raipur	Abdul Sajid	Tailoring centre	0.50
101	Raipur	Sunnykumar Patkar	Wooden Furniture	1.75
102	Raipur	Pramod Kumar Dakua	Salon	1.20
103	Raipur	Smt Shabnam Khan	Dress making	2.50
104	Raipur	Anand Thakur	Salon	1.25
105	Raipur	Dharmendra Shukla	Furniture	2.15
106	Raipur	Smt. Rashmi Srivastava	Digital Color Printing	6.25
107	Raipur	Mohd. Amjad	Wooden Furniture	6.00
108	Raipur	Ku. Zabin Banu	Masala Atta Chakki	2.35
109	Raipur	Asnu Khan	Cycle Seat covers	0.50
110	Raipur	Smt. Sunitha Namdev	Photo framing	0.75
111	Raipur	Ku. Anupama Bhagat	Boutique centre	0.44
112	Raipur	Satish Kumar Sahu	Pathology Lab	1.25
113	Raipur	Smt. Yogita Agrawal	Printing/Stationary	4.39
114	Raipur	Kisturam Sahu	Furniture	1.05
115	Raipur	Sambhu Pd Gupta	Flour mill	0.08
116	Raipur	Sanjay Kumar Sahu	Screen Printing	1.05
117	Raipur	Narsingh Sahu	Fabrication works	0.30
118	Raipur	Samir Raza	Photo studio	0.34
119	Raipur	Ramkumar Verma	DTP/Photo copy	0.93
120	Raipur	Sravan Kumar Banjare	DTP/Photo Studio	0.70
121	Raipur	Kunjram Gendre	Centering materials	1.05
122	Raipur	Devendra Kumar Sen	Salon	0.25
123	Raipur	Smt. Saroj Jharia	Computer Job Work	0.50

124	Raipur	Durgesh Jaiswal	Flex Printing	1.25
125	Raipur	Vishwajeet Harjapal	Four wheeler repairing	0.63
126	Raipur	Digeshwar Prasad	Tent House	1.75
127	Raipur	Sheikh Imran	Denting/painting	1.00
128	Raipur	Smt Najima Khan	Bakery	1.13
129	Raipur	Khemlal Patel	Auto repair	0.50
130	Raipur	Ku Poonam Talreja	Ice candy	0.79
131	Raipur	Smt. Jiteshwari Soni	Dhabha	0.75
132	Raipur	Sapan Rai	Auto repair	0.45
133	Raipur	Salmaan Khan	Seat cover	0.75
134	Raipur	Om Prakash Sahu	Furniture	0.35
135	Raipur	Deepak Kr Gupta	Laser engraving work	2.24
136	Rajnandgaon	Durgesh Singh	Computer, Photocopy, Fax centre	0.30
137	Rajnandgaon	Santosh Kumar Verma	Electricals & Electronic Repairs	1.22
138	Rajnandgaon	Smt Sharmila Thakur	Computer, Photocopy, Fax centre	0.37
139	Rajnandgaon	Nilesh Kr.Khandelwal	Electronic Repairing	0.75
140	Rajnandgaon	Hemant Das Sahu	Tiffin Supply centre	0.50
141	Rajnandgaon	Dilip Kumar	Tent & Sound	0.70
142	Rajnandgaon	Dhiren Gupta	Dairy Products	2.25
143	Rajnandgaon	Kaushal Pd Sahu	Electricals & Electronic Repairs	0.45
144	Rajnandgaon	Pavan Kumar Sahu	DTP Computer & Photostat	0.70
145	Surguja	Ram Babu Singh	Auto Garage	0.15
146	Surguja	Sashikant	Electronics/Electricals	0.15
147	Surguja	Vinod Kr Singh	Photocopy/Stationary	0.70
148	Surguja	Azam Ali	Motor Cycle Showroom	1.75
149	Surguja	Lucky Agrawal	Electronics/Electricals	0.75
150	Surguja	Ram Das Gupta	Cycle repair	0.25
151	Surguja	Sachin Kumar	Auto repair	0.25
152	Surguja	Md.Iqbal Qureshi	Offset Printing	8.42
153	Surguja	Lalji	Motorcycle repair	1.05
154	Surguja	Om Prakash	Photocopy/Kirana	0.70
155	Surguja	Banwari Lal	Auto Parts/Serviceing	0.52
156	Surguja	Rakesh Kumar	Tent House	0.85
157	Surguja	Md. Ibadur Rehman	Photo Studio	0.16
158	Surguja	Pawan Kr Soni	Photocopy	0.50
159	Surguja	Aslam Beg Khan	Photocopy/mobile repair	0.38
160	Surguja	Rajni Gupta	Offset Printing	7.35
	<b>Total</b>			<b>163.27</b>

Source: Case files of beneficiaries furnished by department and compiled by audit.

**Appendix-3.12***(Referred to in paragraph 3.9.2; page no. 95)***Table showing men-in-position against sanctioned strength**

Name of post	Post sanctioned for Directorate	Post sanctioned for field offices	Total	Posts filled in Directorate	Post filled in field offices	Number of officials on deputation	Total	Total vacancy
Director Industries	1	0	1	1	0	0	1	0
Addl. Director	3	0	3	0	0	0	0	3
Joint Director	8	4	12	3	0	1	4	8
Dy. Director	18	22	40	7	11	1	19	21
Asst. Director	27	80	107	7	60	2	69	38
Accounts Officer	1	0	1	1	0	0	1	0
Asst. Accounts Officer	2	0	2	0	0	0	0	2
Asst. Manager	14	130	144	12	70	1	83	61
Stenographer G-I	3	4	7	2	0	0	2	5
Stenographer G-II	6	14	20	0	8	0	8	12
Stenographer G-III	12	18	30	2	4	0	6	24
Superintendent	1	0	1	0	0	0	0	1
Asst. Superintendent	1	3	4	1	0	0	1	3
Junior Auditor	3	0	3	3	0	0	3	0
Asst. Grade-I	10	36	46	2	11	0	13	33
Asst. Grade-II	10	72	82	5	24	0	29	53
Accountant	1	0	1	1	0	0	1	0
Asst. Grade-III/ Steno-typist	24	72	96	6	23	0	29	67
Steno- typist	0	0	0	3	0	0	3	-3
Computer operator	12	18	30	0	0	0	0	30
Vehicle Driver	12	18	30	3	9	0	12	18
Vehicle Driver	1	0	1	0	0	0	0	1
Daftari	4	0	4	0	0	0	0	4
Sweeper	2	18	20	0	0	0	0	20
Peon/Chowkidar	18	54	72	3	24	0	27	45
Peon (Collectorate rate)	9	0	9	0	0	0	0	9
Chowkidar (Collector rate)	2	18	20	0	9	0	9	11
Process Server (Collector rate)	3	0	3	0	0	0	0	3
<b>Total</b>	<b>208</b>	<b>581</b>	<b>789</b>	<b>62</b>	<b>253</b>	<b>5</b>	<b>320</b>	<b>469</b>

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

**Appendix-4.1.1**

(Referred to in paragraph 4.1.7; page no.98)

**Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31 March 2010 in respect of Government companies and Statutory corporations**

(Figures in column 5 (a) to 6(d) are ₹ in crore)

Sl. No	Sector & Name of the company	Name of the Department	Month and year of incorporation	Paid-up capital <sup>1</sup>				Loans <sup>2</sup> outstanding at the close of 2009-10				Debt equity ratio for 2009-10 (Previous year)	Manpower (No. of employees)	
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total			
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8	
<b>A. Working Government Companies</b>														
AGRICULTURE & ALLIED														
1	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (CRBEKVNL)	Agriculture	8.10.2004	0.50	-	-	0.50	-	-	-	-	-	165	
2	Chhattisgarh Rajya Van Vikas Nigam Limited (CRVVNL)	Forest	22.5.2001	25.73	0.92	-	26.65	-	-	-	-	-	579	
<b>Sector wise total</b>				<b>26.23</b>	<b>0.92</b>	<b>-</b>	<b>27.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>744</b>	
FINANCE														
3	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)	Social Welfare	19.7.2004	5.00	-	0.00 <sup>3</sup>	5.00	-	-	-	-	-	7	
<b>Sector wise total</b>				<b>5.00</b>	<b>-</b>	<b>0.00</b>	<b>5.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	
INFRASTRUCTURE														
4	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)	Finance	26.2.2001	4.20	-	-	4.20	-	-	-	-	-	5	
5	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)	Commerce & Industries	16.11.1981	1.60	-	-	1.60	22.95	-	-	22.95	14.34:1 (14.34:1)	229	
<b>Sector wise total</b>				<b>5.80</b>	<b>-</b>	<b>-</b>	<b>5.80</b>	<b>22.95</b>	<b>-</b>	<b>-</b>	<b>22.95</b>	<b>3.96:1 (3.96:1)</b>	<b>234</b>	
MANUFACTURING														
6	Chhattisgarh Mineral Development Corporation Limited (CMDC)	Geology & Mining	7.6.2001	1.00	-	-	1.00	-	-	-	-	-	226	
7	CMDC ICPL Coal Limited (CICL) (Subsidiary of CMDC)	Geology & Mining	11.4.2008	-	-	37.00	37.00	-	-	-	-	-	-	
8	Chhattisgarh Sondiha Coal Company Limited (Subsidiary of CMDC)	Geology & Mining	30.12.2008	-	-	1.00	1.00	-	-	-	-	-	-	
<b>Sector wise total</b>				<b>1.00</b>	<b>-</b>	<b>38.00</b>	<b>39.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226</b>

<sup>1</sup> Paid up capital includes share application money/advance towards share capital

<sup>2</sup> Loans outstanding at the close of 2009-10 represent long term loans only

<sup>3</sup> Actual amount is ₹ 8,000

Sl No	Sector & Name of the company	Name of the Department	Month and year of incorporation	Paid-up capital <sup>1</sup>				Loans <sup>2</sup> outstanding at the close of 2009-10				Debt equity ratio for 2009-10 (previous year)	Manpower (No. of employees)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
<b>POWER</b>													
9	Chhattisgarh State Power Distribution Company Limited (CSPDCL) (Subsidiary of CSPHCL)	Energy	19.5.2003	-	-	0.05	0.05	-	-	-	-	-	-
10	Chhattisgarh State Power Generation Company Limited (CSPGCL) (Subsidiary of CSPHCL)	Energy	19.5.2003	-	-	0.05	0.05	-	-	-	-	-	-
11	Chhattisgarh State Power Holding Company Limited (CSPHCL)	Energy	30.12.2008	0.05	-	-	0.05	440.66	-	3051.83	3492.49	69849.80:1	16920 <sup>4</sup>
12	Chhattisgarh State Power Trading Company Limited (CSPTCL) (Subsidiary of CSPHCL)	Energy	30.12.2008	-	-	0.05	0.05	-	-	-	-	-	-
13	Chhattisgarh State Power Transmission Company Limited (CSPTCL) (Subsidiary of CSPHCL)	Energy	19.5.2003	-	-	0.05	0.05	-	-	-	-	-	-
<b>Sector wise total</b>				<b>0.05</b>	<b>-</b>	<b>0.20</b>	<b>0.25</b>	<b>440.66</b>	<b>-</b>	<b>3051.83</b>	<b>3492.49</b>	<b>13969.96:1</b>	<b>16920</b>
<b>SERVICES</b>													
14.	Chhattisgarh State Beverages Corporation Limited (CSBCL)	Commercial Tax	7.11.2001	0.15	-	-	0.15	-	-	-	-	-	51
15	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)	Food, Civil Supplies & Consumer Protection	13.3.2001	0.90	-	0.00 <sup>5</sup>	0.90	-	-	734.16	734.16	815.73:1 (389.69:1)	610
<b>Sector wise total</b>				<b>1.05</b>	<b>-</b>	<b>0.00</b>	<b>1.05</b>	<b>-</b>	<b>-</b>	<b>734.16</b>	<b>734.16</b>	<b>699.20:1 (334.02:1)</b>	<b>661</b>
<b>Total A (All sector wise working Government companies)</b>				<b>39.13</b>	<b>0.92</b>	<b>38.20</b>	<b>78.25</b>	<b>463.61</b>	<b>-</b>	<b>3785.99</b>	<b>4249.60</b>	<b>54.31:1 (4.84:1)</b>	<b>18792</b>

<sup>4</sup> Pending allocation of manpower among the five power companies, total number of employees of the erstwhile CSEB is shown against CSPHCL

<sup>5</sup> Actual amount is ₹ 7,000

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Sl No	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital <sup>1</sup>				Loans <sup>2</sup> outstanding at the close of 2009-10				Debt equity ratio for 2009-10 (Previous year)	Manpower (No. of employees)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
<b>B. Working Statutory corporations</b>													
Power													
1.	Chhattisgarh State Electricity Board <sup>6</sup> (CSEB)	Energy	15.11.2000	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>				-	-	-	-	-	-	-	-	-	-
MISCELLANEOUS													
2.	Chhattisgarh State Warehousing Corporation (CSWC)	Food	2.5.2002	1.00	-	1.00	2.00	-	-	-	-	-	529
<b>Sector wise total</b>				<b>1.00</b>	-	<b>1.00</b>	<b>2.00</b>	-	-	-	-	-	<b>529</b>
<b>Total B (All sector wise working Statutory corporations)</b>				<b>1.00</b>	-	<b>1.00</b>	<b>2.00</b>	-	-	-	-	-	<b>529</b>
<b>Grand Total (A + B)</b>				<b>40.13</b>	<b>0.92</b>	<b>39.20</b>	<b>80.25</b>	<b>463.61</b>	-	<b>3785.99</b>	<b>4249.60</b>	<b>52.95:1 (28.23:1)</b>	<b>19321</b>

<sup>6</sup> CSEB was un-bundled into five companies (Sl. No. A-9 to 13 above) w.e.f. 1 January 2009 as per State Government Gazette Notification dated 19 December 2008. As per Transfer Scheme Rules, 2010 notified (31 March 2010) by State Government, all interests, rights, properties, liabilities, etc. of CSEB stand transferred to and vested with the State Government w.e.f. 1 January 2009. As such, CSEB did not virtually hold any assets, liabilities, etc. with effect from the said date. The name of CSEB has been included in the Chapter for reconciliation purpose as CSEB, having pendency in finalisation of accounts, is appearing under Appendix 4.1.2.

## Appendix-4.1.2

(Referred to in paragraph 4.1.15; page no. 101)

## Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised

(Figures in column 5 (a) to (6) and (8) to (10) are ₹ in crore)

No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comment <sup>7</sup>	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed <sup>8</sup>	Return on capital employed <sup>9</sup>	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
<b>A. Working Government Companies</b>														
AGRICULTURE & ALLIED														
1.	Chhattisgarh Raja Beej Evam Krishi Vikas Nigam Limited (CRBEKVNL)			First Account not finalized										
2.	Chhattisgarh Raja Van Vikas Nigam Limited (CRVVNL)	2008-09	2009-10	17.99	-	0.25	17.74	31.27	(-3.91)	26.65	49.49	76.07	17.74	23.32
<b>Sector wise total</b>				<b>17.99</b>	<b>-</b>	<b>0.25</b>	<b>17.74</b>	<b>31.27</b>	<b>(-3.91)</b>	<b>26.65</b>	<b>49.49</b>	<b>76.07</b>	<b>17.74</b>	<b>23.32</b>
SFINANCE														
3.	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)	2007-08	2010-11	0.64	0.04	0.01	0.59	0.64	Non-review	5	0.96	10.06	0.63	6.26
<b>Sector wise total</b>				<b>0.64</b>	<b>0.04</b>	<b>0.01</b>	<b>0.59</b>	<b>0.64</b>	<b>Non-review</b>	<b>5</b>	<b>0.96</b>	<b>10.06</b>	<b>0.63</b>	<b>6.26</b>
INFRASTRUCTURE														
4.	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)	2005-06	2010-11	0.02	-	0.02	-	0.31	Non-review	4.20	(-0.86)	2.44	-	-
5.	Chhattisgarh State Industrial Development Corporation	2004-05	2009-10	5.70	7.50	0.20	(-2.00)	74.40	0.86	1.60	42.87	38.11	5.50	14.43

<sup>7</sup> Impact of accounts comment includes the net impact of qualifications of statutory auditors and comments of CAG and is denoted by (+) increase in profit/decrease in loss (-) decrease in profit/increase in loss

<sup>8</sup> Capital employed represents net fixed assets (including capital work in progress) plus working capital except in case of finance companies/corporation where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposit and borrowing (including refinance)

<sup>9</sup> Return on capital employed has been worked out by adding profit and interest charged to profit and loss account

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No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comment <sup>7</sup>	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed <sup>8</sup>	Return on capital employed <sup>9</sup>	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
	Limited (CSIDC)													
<b>Sector wise total</b>				<b>5.72</b>	<b>7.50</b>	<b>0.22</b>	<b>(-)2.00</b>	<b>74.71</b>	<b>0.86</b>	<b>5.80</b>	<b>42.01</b>	<b>40.55</b>	<b>5.50</b>	<b>13.56</b>
<b>MANUFACTURING</b>														
6.	Chhattisgarh Mineral Development Corporation Limited (CMDC)	2005-06	2009-10	(-)1.16	-	0.06	(-)1.22	0.86	-	1.00	(-)1.54	9.41	(-)1.22	-
7.	CMDC ICPL Coal Limited (CICL) (Subsidiary of CMDC)	2009-10	2010-11	0.00 <sup>10</sup>	-	0.00 <sup>10</sup>	-	-	-	37.00	NIL	35.68	-	-
8.	Chhattisgarh Sondiha Coal Company Limited (Subsidiary of CMDC)	2009-10	2010-11	(-)0.01	-	-	(-)0.01	-	Non-review	1.00	(-)0.01	0.39	(-)0.01	-
<b>Sector wise total</b>				<b>(-)1.17</b>	<b>-</b>	<b>0.06</b>	<b>(-)1.23</b>	<b>0.86</b>	<b>-</b>	<b>39.00</b>	<b>(-)1.55</b>	<b>45.48</b>	<b>(-)1.23</b>	<b>-</b>
<b>POWER</b>														
9.	Chhattisgarh State Power Distribution Company Limited (CSPDCL)	2007-08	2008-09	0.00 <sup>11</sup>	-	-	0.00 <sup>11</sup>	0.00 <sup>12</sup>	Non-review	0.05	0.00 <sup>11</sup>	0.05	0.00 <sup>11</sup>	0.00
10.	Chhattisgarh State Power Generation Company Limited (CSPGCL)	2007-08	2008-09	0.00 <sup>11</sup>	-	-	0.00 <sup>11</sup>	0.00 <sup>12</sup>	Non-review	0.05	0.00 <sup>11</sup>	0.05	0.00 <sup>11</sup>	0.00
11.	Chhattisgarh State Power Holding Company Limited (CSPHCL)	First Account not finalized												
12.	Chhattisgarh State Power Trading Company Limited (CSPTCL)	First Account not finalized												

<sup>10</sup> Actual amount is ₹ 2,976  
<sup>11</sup> Actual amount is ₹ 9,014  
<sup>12</sup> Actual amount is ₹ 13,046



No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comment <sup>7</sup>	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed <sup>8</sup>	Return on capital employed <sup>9</sup>	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
13.	Chhattisgarh State Power Transmission Company Limited (CSPTCL)	2007-08	2008-09	0.00 <sup>11</sup>	-	-	0.00 <sup>11</sup>	0.00 <sup>12</sup>	Non-review	0.05	0.00 <sup>11</sup>	0.05	0.00 <sup>11</sup>	0.00
<b>Sector wise total</b>				<b>0.00</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>		<b>0.15</b>	<b>0.00</b>	<b>0.15</b>	<b>0.00</b>	<b>0.00</b>
<b>SERVICES</b>														
14.	Chhattisgarh State Beverages Corporation Limited (CSBCL)	2007-08	2010-11	1.38	-	0.09	1.29	261.67	Under finalisation	0.15	1.6	1.73	1.29	74.57
15.	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)	2007-08	2010-11	72.81	73.23	0.79	(-)1.21	1905.79	Under finalisation	0.90	(-)40.00	468.82	72.02	15.36
<b>Sector wise total</b>				<b>74.19</b>	<b>73.23</b>	<b>0.88</b>	<b>0.08</b>	<b>2167.46</b>	<b>-</b>	<b>1.05</b>	<b>(-)38.40</b>	<b>470.55</b>	<b>73.321</b>	<b>15.58</b>
<b>Total A (All sector wise working Govt. companies)</b>				<b>97.37</b>	<b>80.77</b>	<b>1.42</b>	<b>15.18</b>	<b>2274.94</b>	<b>(-)3.05</b>	<b>77.65</b>	<b>52.51</b>	<b>642.86</b>	<b>95.95</b>	<b>14.93</b>
<b>B. Working Statutory corporations</b>														
<b>POWER</b>														
1.	Chhattisgarh State Electricity Board (CSEB)	2006-07	2010-11	674.55	132.46	106.80	435.29	3134.64	Under finalisation	23.12	1698.58	4974.97	567.75	11.41
<b>Sector wise total</b>				<b>674.55</b>	<b>132.46</b>	<b>106.80</b>	<b>435.29</b>	<b>3134.64</b>	<b>-</b>	<b>23.12</b>	<b>1698.58</b>	<b>4974.97</b>	<b>567.75</b>	<b>11.41</b>
<b>MISCELLANEOUS</b>														
2.	Chhattisgarh State Warehousing Corporation (CSWC)	2008-09	2009-10	26.94	0.08	1.76	25.10	39.75	(-)2.58	1.00	56.97	80.45	25.18	31.30
<b>Sector wise total</b>				<b>26.94</b>	<b>0.08</b>	<b>1.76</b>	<b>25.10</b>	<b>39.75</b>	<b>(-)2.58</b>	<b>1.00</b>	<b>56.97</b>	<b>80.45</b>	<b>25.18</b>	<b>31.30</b>
<b>Total B (All sector wise working Statutory corporations)</b>				<b>701.49</b>	<b>132.54</b>	<b>108.56</b>	<b>460.39</b>	<b>3174.39</b>	<b>(-)2.58</b>	<b>24.12</b>	<b>1755.55</b>	<b>5055.42</b>	<b>592.93</b>	<b>11.73</b>
<b>Grand Total (A + B)</b>				<b>798.86</b>	<b>213.31</b>	<b>109.98</b>	<b>475.57</b>	<b>5449.33</b>	<b>(-)5.63</b>	<b>101.77</b>	<b>1808.06</b>	<b>5698.28</b>	<b>688.88</b>	<b>12.09</b>

Note: 1. Companies at serial number A-4 and A-7 are functioning on 'no profit no loss' basis

**Appendix-4.1.3**

(Referred to in paragraph 4.1.10; page no. 99)

**Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2010**

(Figures in column 3 (a) to 6 (d) are ₹ in crore)

Sl. No	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year*				Guarantees received during the year and commitment at the end of the year <sup>13</sup>		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	2	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
<b>A. Working Government Companies</b>													
<b>AGRICULTURE &amp; ALLIED</b>													
1.	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (CRBEKVNL)	-	-	9.00	-	-	9.00	-	-	-	-	-	-
2.	Chhattisgarh Rajya Van Vikas Nigam Limited (CRVVNL)	-	-	(0.55)	(1.00)	-	(1.55)	-	-	-	-	-	-
<b>Sector wise total</b>				<b>9.00</b>	<b>(1.00)</b>	<b>-</b>	<b>9.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCE</b>													
3.	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)	-	-	-	0.15 (0.47)	-	0.15 (0.47)	1.46	2.00	-	-	-	-
<b>Sector wise total</b>		-	-	-	<b>0.15</b>	<b>-</b>	<b>0.15</b>	<b>1.46</b>	<b>2.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INFRASTRUCTURE</b>													
4.	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)	-	-	-	(0.30)	-	(0.30)	-	-	-	-	-	-
5.	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)	-	-	5.38	35.21	-	40.59	-	-	-	-	-	-
<b>Sector wise total</b>				<b>5.38</b>	<b>35.21</b>	<b>-</b>	<b>40.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Figures in bracket under column 4(a) to 4(d) indicate grants  
<sup>13</sup> Figures indicate total guarantees outstanding at the end of the year

Sl. No	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year <sup>*</sup>				Guarantees received during the year and commitment at the end of the year <sup>14</sup>		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	2	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
<b>MANUFACTURING</b>													
6.	Chhattisgarh Mineral Development Corporation Limited (CMDCL)	-	-	-	(58.52)	-	(58.52)	-	-	-	-	-	-
<b>Sector wise total</b>		-	-	-	<b>(58.52)</b>	-	<b>(58.52)</b>	-	-	-	-	-	-
<b>SERVICES</b>													
7.	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)	-	500.00	1013.30	1341.25	0.34	2354.89	-	-	-	-	-	-
<b>Sector wise total</b>		-	<b>500.00</b>	<b>1013.30</b>	<b>1341.25</b>	<b>0.34</b>	<b>2354.89</b>	-	-	-	-	-	-
<b>POWER</b>													
8.	Chhattisgarh State Power Holding Company Limited (CSPHCL)	-	-	-	100.00 (100.80)	-	100.00 (100.80)	-	374.53	-	-	-	-
<b>Sector wise total</b>		-	-	-	<b>100.00 (100.80)</b>	-	<b>100.00 (100.80)</b>	-	<b>374.53</b>	-	-	-	-
<b>Total A (All sector wise working Government companies)</b>		-	<b>500.00</b>	<b>1027.68 (0.55)</b>	<b>1476.61 (161.09)</b>	<b>0.34</b>	<b>2504.63 (161.64)</b>	<b>1.46</b>	<b>376.53</b>	-	-	-	-

\* Figures in bracket under column 4(a) to 4(d) indicate grants  
<sup>14</sup> Figures indicate total guarantees outstanding at the end of the year

**Appendix- 4.1.4**

*(Referred to in paragraph 4.1.24; page no. 103)*

**Statement showing investments made by State Government in PSUs whose accounts are in arrears**

*(Figures in Column 4 and 6 to 9 are ₹ in crore)*

Sl. No.	Name of the PSUs	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by State Government during the years for which accounts are in arrears				
				Year	Equity	Loans	Grants	Others to be specified (subsidy)
1	2	3	4	5	6	7	8	9
	<b>Working Companies/ Corporation</b>							
1	Chhattisgarh Rajya Van Vikas Nigam Limited (CRVVNL)	2008-09	26.65	2009-10	-	-	1.00	-
2	Chhattisgarh Mineral Development Corporation Limited (CMDCL)	2005-06	1.00	2006-07	-	-	-	8.71
				2007-08	-	-	41.17	-
				2008-09	-	-	-	-
				2009-10	-	-	58.52	-
3	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)	2007-08	0.90	2008-09	-	-	-	942.31
				2009-10	-	500.00	-	1341.25
4	Chhattisgarh Infrastructure Development Corporation Limited (CIDCL)	2005-06	4.20	2006-07	-	-	-	-
				2007-08	-	-	0.25	-
				2008-09	-	-	0.25	-
				2009-10	-	-	0.30	-
5	Chhattisgarh State Industrial Development Corporation Limited (CSIDCL)	2004-05	1.60	2005-06	-	11.00	-	46.98
				2006-07	-	5.00	-	75.87
				2007-08	-	5.00	-	105.48
				2008-09	-	1.95	-	17.47
				2009-10	-	-	-	35.21

(Figures in Column 4 and 6 to 9 are ₹ in crore)

Sl. No.	Name of the PSUs	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by State Government during the years for which accounts are in arrears				
				Year	Equity	Loans	Grants	Others to be specified (subsidy)
1	2	3	4	5	6	7	8	9
6.	Chhattisgarh <i>Rajya Beej Evam Krishi Vikas</i> Nigam Limited (CRBEKVNL)	First Account not finalised	-	2004-05	0.50	-	-	-
				2005-06	-	-	2.00	-
				2006-07	-	-	1.00	-
				2007-08	-	-	1.00	0.20
				2008-09	-	-	-	0.35
				2009-10	-	-	-	-
7.	Chhattisgarh <i>Nishakt Jan Vitt Avam Vikas Nigam</i> (CNJVAVN)	2007-08	5.00	2008-09	-	-	0.47	0.08
				2009-10	-	-	0.47	0.15
8.	Chhattisgarh State Electricity Board (CSEB)	2006-07	23.12	2007-08	-	-	-	106.00
				2008-09	-	-	-	29.50
9.	Chhattisgarh State Power Holding Company Limited (CSPHCL)	First Account not finalised	-	2009-10	0.05 <sup>15</sup>	440.66 <sup>15</sup>	100.80	100.00
<b>Total</b>			<b>62.47</b>		<b>0.55</b>	<b>963.61</b>	<b>207.23</b>	<b>2809.56</b>

<sup>15</sup> Investment extended during December 2008 (Company was incorporated on 30 December 2008) and included in 2009-10 as the Company had been preparing its first accounts for 15 months period up to March 2010

**Appendix- 4.1.5**

*(Referred to in paragraph .4.1.15; page no.101)*

**Statement showing financial position of Statutory corporations**

*(₹ in crore)*

<b>Working Statutory Corporations</b>			
<b>1. Chhattisgarh State Electricity Board</b>			
	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<b>A. Liabilities</b>			
Equity capital	23.12	23.12	23.12
Reserves and surplus	1,004.43	1,413.92	1855.48
Capital liabilities	851.64	1,085.55	1701.57
Loans and Advances	1,030.48	1,034.20	809.06
Subsidy	442.33	585.73	1110.33
Current liabilities and provisions	2,028.41	2,486.12	2708.91
<b>Total A</b>	<b>5,380.41</b>	<b>6,628.64</b>	<b>8208.47</b>
<b>B. Assets</b>			
Gross Block	1,915.68	2,636.99	2,867.30
Less Depreciation	1,272.21	1,325.41	1,432.22
Net Block	643.47	1,311.58	1,435.08
Capital works-in-progress	1,199.81	1,844.51	3,231.76
Investments	1,026.95	920.09	514.03
Deferred cost liabilities	1.00	1.01	1.07
Current Assets loans and Advances	2,508.41	2,544.39	3,017.04
Intangible Assets	0.77	7.06	9.49
<b>Total B</b>	<b>5,380.41</b>	<b>6,628.64</b>	<b>8,208.47</b>
<b>Capital employed</b>	<b>2,323.28</b>	<b>3,214.36</b>	<b>4,974.97</b>
<b>2. Chhattisgarh State Warehousing Corporation</b>			
	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>A. Liabilities</b>			
Paid up capital	1.00	1.00	1.00
Advances against Capital	-	-	-
Reserves and Surplus	55.10	65.29	79.04
Borrowings :			
Government	-	-	-
Others	2.47	2.30	0.41
Trade dues and current liabilities	24.94	30.66	43.20
<b>Total A</b>	<b>83.51</b>	<b>99.25</b>	<b>123.65</b>
<b>B. Assets</b>			
Gross Block	50.78	52.17	52.42
Less: Depreciation	20.51	22.37	24.13
Net fixed assets	30.27	29.80	28.29
Capital work in progress	0.80	-	-
Current assets, loan and advances	52.44	69.45	95.36
<b>Total B</b>	<b>83.51</b>	<b>99.25</b>	<b>123.65</b>
<b>Capital employed</b>	<b>57.59</b>	<b>68.59</b>	<b>80.45</b>

**Appendix-4.1.6**

(Referred to in paragraph 4.1.15; page no. 101.)

**Statement showing working results of Statutory corporations***(₹ in crore)*

<b>A. Working Statutory corporations</b>				
<b>I. Chhattisgarh State Electricity Board</b>				
	<b>Particulars</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
1	(a) Revenue receipts	2,881.13	3,019.83	3,134.64
	(b) Subsidy/Subvention from Government	0.00	0.00	0.00
	<b>Total (a+b)</b>	<b>2,881.13</b>	<b>3,019.83</b>	<b>3,134.64</b>
2	Revenue expenditure (net of expenses capitalised) including write-off of intangible assets but excluding depreciation and interest	2,473.09	2,345.62	2,441.73
3	Gross Surplus (+)/Deficit(-) for the year (1-2)	408.04	674.21	692.91
4	Adjustments relating to previous years	0.04	19.01	(-)18.36
5	Final Gross Surplus(+)/Deficit(-) for the year (3+4)	408.08	693.22	674.55
6	Appropriations:			
	(a) Depreciation (less capitalised)	47.17	53.20	106.80
	(b) Interest on Government loans	66.50	132.85	63.01
	(c) Interest on others, bonds, advance, etc. and finance charges	66.63	106.18	103.55
	(d) Total interest on loans & finance charges (b+c)	133.13	239.03	166.56
	(e) Less: Interest capitalised	0.00	20.95	34.10
	(f) Net interest charged to revenue (d-e)	133.13	218.08	132.46
	(g) Total appropriations (a+f)	180.30	271.28	239.26
7	Surplus(+)/deficit(-) before accounting for subsidy from State Government {5-6(g)-1(b)}	227.78	421.94	435.29
8	Net Surplus(+)/Deficit(-) {5-6(g)}	227.78	421.94	435.29
9	Total return on capital employed <sup>1</sup>	360.91	640.02	567.75
10	Percentage of return on capital employed	15.53	19.91	11.41
<b>II. Chhattisgarh State Warehousing Corporation</b>				
		<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
1	<b>Income</b>			
	(a) Warehousing charges	19.53	28.17	36.76
	(b) Other Income	0.74	1.73	2.99
	<b>Total (a+b)</b>	<b>20.27</b>	<b>29.90</b>	<b>39.75</b>
2	<b>Expenses</b>			
	(a) Establishment charges	6.15	6.69	7.73
	(b) Other expenses	5.62	6.79	6.92
	<b>Total (a+b)</b>	<b>11.77</b>	<b>13.48</b>	<b>14.65</b>
3	Profit(+)/Loss(-) before tax (1-2)	8.50	16.42	25.10
4	Other appropriations	8.30	16.22	24.90
5	Amount available for dividend (3-4)	0.20	0.20	0.20
6	Dividend for the year	0.20	0.20	0.20
7	Total return on capital employed <sup>16</sup>	8.66	16.59	25.18
8	Percentage of return on capital employed	15.04	24.19	31.30

**Appendix - 4.2.1***(Referred to in paragraph 4.2.1; page no. 110)***Statement showing details of power stations of the  
Chhattisgarh State Power Generation Company Limited**

Sl. No.	Name of Power Station	Capacity as on 1 April 2005 (MW)	Addition during the review period (MW)	Capacity as on 31 March 2010 (MW)
<b>A. Thermal</b>				
1 (a)	Korba Thermal Power Station (KTPS), Korba PH-II, Korba East	4X50 = 200	Nil	200
1 (b)	Korba Thermal Power Station (KTPS), Korba PH-III, Korba East	2X120 = 240	Nil	240
2	Hasdeo Thermal Power Station, Korba West (HTPS)	4X210 = 840	Nil	840
3	Dr. Shyama Prasad Mukherjee Thermal Power Station, Korba East (DSPM TPS)	Nil	2X250 = 500 (U1: 27.01.2008 U2: 30.11.2008)	500
<b>Total Thermal</b>		<b>1280.00</b>	<b>500.00</b>	<b>1780.00</b>
<b>B. Hydro Electric Power</b>				
4	Hasdeo Bango Hydel Power Station	3X40 = 120	Nil	120.00
5	Korba West Mini Hydel Power Plant	1X0.85 = 0.85	1X0.85 = 0.85 (29.05.2009)	1.70
6	Gangrel Hydel Power Station	4X2.5 = 10	Nil	10.00
7	Sikasar Hydel Power Station	Nil	2X3.5 = 7 (03.09.2006)	7.00
<b>Total Hydro-electric Power</b>		<b>130.85</b>	<b>7.85</b>	<b>138.70</b>
<b>C. Others (Non-conventional)</b>				
8	Cogeneration Plant, Kawardha	Nil	6 (10.08.2006)	6
<b>Total Generation Capacity (A+B+C)</b>		<b>1410.85</b>	<b>513.85</b>	<b>1924.70</b>



**Appendix - 4.2.2**

(Referred to in paragraph 4.2.7; page no. 117)

**Statement showing operational performance of  
Chhattisgarh State Electricity Board/Chhattisgarh State Power Generation  
Company Limited**

Sl. No	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1	Installed capacity	(MW)				
(a)	Thermal	1280	1280	1530	1780	1780
(b)	Hydel	130.85	137.85	137.85	137.85	138.70
(c)	Gas	-	-	-	-	-
(d)	Other	-	6	6	6	6
	<b>TOTAL</b>	<b>1410.85</b>	<b>1423.85</b>	<b>1673.85</b>	<b>1923.85</b>	<b>1924.70</b>
2	Normal maximum demand	1965	2027	2335	2889	2929
	Percentage increase/decrease (-) over previous year	4.74	3.16	15.19	23.73	1.38
3	Power generated	(MU)				
(a)	Thermal	8943.98	9227.49	10064.77	13210.44	13292.91
(b)	Hydel	372.28	394.04	271.07	298.83	247.15
(c)	Gas	-	-	-	-	-
(d)	Other	-	2.71	5.63	6.63	5.73
	<b>TOTAL</b>	<b>9316.26</b>	<b>9624.24</b>	<b>10341.47</b>	<b>13515.90</b>	<b>13545.79</b>
	Percentage increase/decrease (-) over previous year	12.08	3.31	7.45	30.70	0.22
4	LESS: Auxiliary consumption					
(a)	Thermal	859.30	869.67	923.52	1153.13	1170.80
	(Percentage)	9.61	9.42	9.18	8.73	8.81
(b)	Hydel	2.34	2.69	1.89	1.77	1.90
	(Percentage)	0.63	0.68	0.70	0.59	0.77
(c)	Other	-	1.42	1.79	2.19	1.76
	(Percentage)	-	52.40	31.79	33.03	30.72
	<b>TOTAL</b>	<b>861.64</b>	<b>873.78</b>	<b>927.20</b>	<b>1157.09</b>	<b>1174.46</b>
	(Percentage)	9.25	9.08	8.97	8.56	8.67
5	Net power generated	8454.62	8750.46	9414.27	12358.81	12371.33
6	Total demand (in MUs)	12373.12	13083.63	13791.10	15665.14	19209.62
7	Deficit (-)/Surplus (+) power (In MU)	-3918.50	-4333.17	-4376.83	-3306.33	-6838.29
<b>8</b>	<b>Power purchased/Sold</b>					
(a)	Within the State					
	(i) Government*	10495.15	11014.83	12372.99	16521.17	17478.40
	(ii) Private**	952.14	1557.19	2657.23	4451.63	4257.63
(b)	Other States***	1045.68	706.95	577.20	-1648.67	-1989.85
	<b>Total power purchased/ Sold</b>	<b>12492.97</b>	<b>13278.97</b>	<b>15607.42</b>	<b>19324.13</b>	<b>19746.18</b>

\* This includes net power generated by the erstwhile Board/ Company as given in Sl. No. 5 above.

\*\* It includes Power Purchased from Private CPPs, IPPs & Biomass Power Plants of the State.

\*\*\*This is a net figure i.e. purchase from other States minus sales to other States.

### Appendix - 4.2.3

(Referred to paragraph 4.2.11.2; page no. 130)

## Statement showing station-wise value of excess consumption of coal in the erstwhile Chhattisgarh State Electricity Board/Chhattisgarh State Power Generation Company Limited

Sl. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
<b>KTSP PH-II</b>						
1	Unit generated (MUs)	1610.49	1623.38	1530.75	1444.95	1402.76
2	Coal required as per norms (MT)	1219141	1228899	1158773	1093831	1061890
3	Coal consumed (MT)	1487373	1408681	1396320	1515249	1454471
4	Excess consumption (MT) (3 – 2)	268232	179782	237547	421418	392581
5	Rate per MT (₹)	585.06	601.04	640.09	688.62	705.21
6	Coal consumed per Unit (Kg.) [(3 x 1000) / 1]	0.9236	0.8677	0.9122	1.0486	1.0369
7	Value of excess coal (₹ In crore) (4 x 5)	15.69	10.81	15.21	29.02	27.69
<b>KTSP PH-III</b>						
1	Unit generated (MUs)	1587.10	1659.80	1672.91	1667.47	1531.60
2	Coal required as per norms (MT)	971305	1015798	1023821	1020492	937339
3	Coal consumed (MT)	1366098	1292236	1385135	1529846	1409672
4	Excess consumption (MT) (3 – 2)	394793	276438	361314	509354	472333
5	Rate per MT (₹)	585.06	601.04	640.09	688.62	705.21
6	Coal consumed per Unit (Kg.) [(3 x 1000) / 1]	0.8608	0.7785	0.8280	0.9175	0.9204
7	Value of excess coal (₹ in crore) (4 x 5)	23.10	16.62	23.13	35.08	33.31
<b>DSPM TPS</b>						
1	Unit generated (MUs)	–	–	774.74	3714.07	3838.93
2	Coal required as per norms (MT)	–	–	573310	2748409	2840808
3	Coal consumed (MT)	–	–	569256	2660862	2906279
4	Excess consumption (MT) (3 – 2)	–	–	Nil	Nil	65470.80
5	Rate per MT (₹)	–	–	754.89	713.09	738.11
6	Coal consumed per Unit (Kg.) [(3 x 1000) / 1]	–	–	0.7348	0.7164	0.7571
7	Value of excess coal (₹ in crore) (4 x 5)	–	–	Nil	Nil	4.83
<b>HTPS</b>						
1	Unit generated (MUs)	5746.39	5944.31	6086.37	6383.95	6519.62
2	Coal required as per norms (MT)	4051205	4190739	4290891	4500685	4596332
3	Coal consumed (MT)	4317646	4451241	4676061	4581687	4668015
4	Excess consumption (MT) (3 – 2)	266441	260502	385170	81002	71683
5	Rate per MT (₹)	549.69	609.50	661.87	759.70	748.19
6	Coal consumed per Unit (Kg.) [(3 x 1000) / 1]	0.7514	0.7488	0.7683	0.7177	0.7160
7	Value of excess coal (₹ in crore) (4 x 5)	14.65	15.88	25.49	6.15	5.36
<b>Total quantity of excess coal consumed in all thermal power stations (MT)</b>		929466	716722	984031	1011775	1002067
<b>Year wise total value of excess coal consumed in all thermal power stations (₹ in crore)</b>		53.44	43.31	63.83	70.25	71.19
<b>Total quantity of excess coal consumed during the review period (lakh MT)</b>		46.44				
<b>Total value of excess coal consumed during the review period (₹ in crore)</b>		302.02				

**Appendix - 4.2.4**

(Referred to in paragraph 4.2.12; page no. 131)

**Statement showing station-wise extra expenditure on Manpower in the erstwhile Chhattisgarh State Electricity Board/ Chhattisgarh State Power Generation Company Limited**

Sl. No.	Particulars		2005-06			2006-07			2007-08			2008-09			2009-10		
			KTSP	HTPS	DSPM	KTSP	HTPS	DSPM	KTSP	HTPS	DSPM	KTSP	HTPS	DSPM	KTSP	HTPS	DSPM
1	Manpower as on 1 January 2009	Technical	2219	2487	-	2200	2498	-	2142	2487	375	2142	2525	375	2142	2480	375
		Non-Technical	581	734	-	581	734	-	581	734	63	581	734	63	581	734	63
2	Manpower as per CEA recommendation (Less than 500 MW Unit Technical 1.15 and Non-technical 0.61 manpower per MW)	Technical	506	966	-	506	966	-	506	966	575	506	966	575	506	966	575
		Non-Technical	268	512	-	268	512	-	268	512	305	268	512	305	268	512	305
3	Actual Manpower	Technical	1585	1634	-	1514	1466	-	1403	1482	123	1348	1482	238	1439	1492	296
		Non-Technical	486	548	-	449	675	-	417	552	12	405	470	24	391	454	38
4	Excess manpower with respect to CEA recommendation (3-2)	Technical	1079	668	-	1008	500	-	897	516	-	842	516	-	933	526	-
		Non-Technical	218	36	-	181	163	-	149	40	-	137	-	-	123	-	-
5	Expenditure on Salaries (₹ in crore)	Technical	32.64	39.33	-	35.52	40.73	-	40.30	48.77	37.63	53.89	72.33	86.25	53.65	75.26	113.20
		Non-Technical	10.00	11.26	-	10.53	15.80	-	11.98	15.56	11.18	16.19	20.68	12.03	14.58	20.11	13.54
6	Extra Expenditure with respect to CEA norms (₹ in crore) [(5/3) x 4]	Technical	22.22	16.08	-	23.65	13.89	-	25.77	16.98	-	33.66	25.18	-	34.78	26.53	-
		Non-Technical	4.45	0.74	-	4.24	3.82	-	4.28	1.13	-	5.48	-	-	4.59	-	-
<b>Total extra expenditure (₹ in crore)</b>			<b>26.67</b>	<b>16.82</b>	<b>0</b>	<b>27.89</b>	<b>17.71</b>	<b>0</b>	<b>30.05</b>	<b>18.11</b>	<b>0</b>	<b>39.14</b>	<b>25.18</b>	<b>0</b>	<b>39.37</b>	<b>26.53</b>	<b>0</b>
<b>Grand Total</b>			<b>₹ 267.47 crore</b>														

**Appendix – 4.2.5***(Referred to in paragraph 4.2.13.1; page no.132)*

**Statement showing station –wise, year-wise details of energy to be generated as per design, actual generation and plant load factor as per design vis-à-vis actual in Chhattisgarh State Electricity Board/ Chhattisgarh State Power Generation Company Limited**

Year	Energy Generation (MU)		Plant load factor ( <i>per cent</i> )	
	As per design	Actual	As per design	Actual
<b>Korba East</b>				
2005-06	3854.40	3197.59	100	82.96
2006-07	3854.40	3283.18	100	85.18
2007-08	3864.96	3203.65	100	83.12
2008-09	3854.40	3112.43	100	80.75
2009-10	3854.40	2934.36	100	76.13
<b>Korba 2X250 DSPM</b>				
2005-06	–	–	–	–
2006-07	–	–	–	–
2007-08	1020.34	774.74	100	75.93
2008-09	4380.00	3714.07	100	91.39
2009-10	4380.00	3838.93	100	87.65
<b>Korba West HTPS</b>				
2005-06	7348.40	5746.39	100	78.09
2006-07	7348.40	5944.31	100	80.78
2007-08	7348.40	6086.37	100	82.49
2008-09	7348.40	6383.95	100	86.76
2009-10	7358.40	6519.62	100	88.60
<b>Total</b>	<b>65875.06</b>	<b>54739.59</b>		

**Appendix - 4.2.6**

(Referred to in paragraph 4.2.14; page no.134)

**Statement showing delay in maintenance of units-yearwise maintenance planned and done**

Sl. No	Plants Units	Capacity (MW)	2005-06			2006-07			2007-08			2008-09			2009-10		
			when due	when done	Delay in days	when due	when done	Delay in days	when due	when done	Delay in days	when due	when done	Delay in days	when due	when done	Delay in days
1	<b>KTPS</b>																
	KEB-1	50	15-Jun-05	25-Jul-05	40	16-Jul-06	26-Jun-06	0	15-Jun-07	29-Aug-07	74	01-Jul-08	17-Jun-08	0	01-May-09	24-May-09	0
	KEB-2	50	01-Jun-05	01-Jul-05	30	16-Jul-06	26-Jun-06	0	01-Jun-07	01-Jul-07	30	16-Jun-08	19-Sep-08	95	16-Jun-09	05-Dec-09	172
	KEB-3	50	01-Jul-05	05-Jul-06	369	01-Nov-06	13-Sep-07	316	01-Jan-07	03-Aug-08	579	16-Jul-08	04-Sep-09	416	01-Jun-09	Not done	Not done
	KEB-4	50	05-Sep-05	05-Sep-05	0	01-Sep-06	11-Jun-07	283	05-Sep-07	29-Aug-08	357	01-Jun-08	20-Sep-09	476	16-May-09	Not done	Not done
	KEB-5	120	16-Aug-05	11-Nov-05	86	25-Nov-06	15-Aug-06	0	16-Aug-07	15-Jul-07	0	25-Aug-08	06-Jun-08	0	25-Aug-09	07-Jun-09	0
	KEB-6	120	25-Jul-05	14-Sep-05	50	01-Nov-06	18-Jul-06	0	25-Jul-07	01-Aug-07	0	15-Sep-08	03-Jul-08	0	05-Aug-09	13-Aug-09	0
2	<b>HTPS</b>																
	KWB-1	210	01-Jun-05	02-Dec-05	183	07-Aug-06	10-Jun-06	0	01-Jun-07	25-Jun-07	24	01-Jun-08	21-Nov-08	173	01-Jun-09	23-Oct-09	144
	KWB-2	210	01-Jul-05	04-Jul-06	368	06-Sep-06	24-Sep-07	383	01-Jul-07	23-Jul-08	387	01-Sep-08	21-Jun-09	293	27-Oct-09	Not done	0
	KWB-3	210	30-Sep-05	07-Aug-05	0	07-Jul-06	04-Sep-06	59	16-Aug-07	20-Jul-07	0	01-Jul-08	13-Dec-08	164	20-Aug-09	10-Jul-09	0
	KWB-4	210	16-Aug-05	03-Aug-05	0	06-Jun-06	01-Aug-06	55	16-Aug-07	24-Aug-07	0	01-Aug-08	16-Aug-08	0	06-Oct-09	21-Aug-09	0
3	<b>DSPM TPS</b>																
	Unit-1	250	-	-		-	-		-	-		-	-		11-Jul-09	30-May-09	0
	Unit-2	250	-	-		-	-		-	-		-	-		31-Jul-09	23-Jul-09	0