

# **Report of the Comptroller and Auditor General of India**

**For the year ended 31 March 2003**

**Government of Chhattisgarh**

20 NOV 08



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## Preface

- 1 This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
- 2 Chapter I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the period from April 2002 to March 2003.
- 3 The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works, Public Health Engineering, and Water Resource Departments
- 4 The observations arising out of audit of Government commercial and trading activities is included in Chapter-VI of this Report.
- 5 The observations arising out of audit of Revenue Receipts in various Tax departments is included in Chapter VII of this Report.
- 6 The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2002-03 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2002-03 have also been included wherever necessary.





# OVERVIEW



## OVERVIEW

This Report includes two chapters on the Finances and Accounts of the Government of Chhattisgarh and five Chapters comprising six reviews/long paragraph and 48 paragraphs based on the audit of certain selected Programmes and activities and financial transactions of Government. A summary of main audit findings is presented in this overview.

### 1. An over view of the Finances of the State Government

Revenue receipts of the Government increased from Rs.4376 crore in 2001-02 to Rs.5417 crore in 2002-03 registering an increase of 23.79 per cent. The share of tax revenue (Rs.2327 crore) and non-tax revenue (Rs.957 crore) in total revenue receipts was 42.96 and 17.67 per cent respectively in 2002-03.

61 per cent revenue came from State's own resources whereas central tax transfers and grants-in-aid contributed merely 39 per cent of the total revenue.

Out of total arrears of revenue of Rs.117 crore as of March 2003, Rs.49 crore (42 per cent) were outstanding for more than five years indicating unsatisfactory tax compliance.

Total expenditure increased from Rs.5502 crore in 2001-02 to Rs.6409 crore in 2002-03 at a trend rate of 16.48 per cent.

Revenue expenditure increased from Rs.4945 crore in 2001-02 to Rs.5530 crore in 2002-03 showing an increase of 11.83 per cent. The ratio of revenue expenditure to revenue receipts decreased from 113 per cent in 2001-02 to 102.09 per cent in 2002-03.

Relative share of Plan and Capital expenditure in Total expenditure increased from 28.17 and 10.12 per cent in 2001-02 to 33.05 and 13.72 per cent, respectively in 2002-03. Share of development expenditure increased from 63.99 per cent in 2001-02 to 67.56 per cent in 2002-03.

The share of economic services in total expenditure increased from 27.27 per cent in 2001-02 to 32.88 per cent in 2002-03. The share of general services and social services decreased from 32.10 and 36.74 per cent in 2001-02 to 28.99 and 34.68 per cent, respectively in 2002-03.

Huge expenditure on salaries and pension (Rs.2214 crore) and interest payments (Rs.810 crore) during the current year consumed 55.82 per cent of revenue receipts.

Interest payments increased steadily by 11 per cent from Rs.731 crore in 2001-02 to Rs.810 crore in 2002-03 and constituted 14.65 per cent of revenue expenditure.



Capital expenditure including loans and advances disbursed and inter-state settlement increased from Rs.557 crore in 2001-02 to Rs.879 crore in 2002-03.

Revenue deficit decreased from Rs.569 crore to Rs.113 crore and fiscal deficit from Rs.1117 crore to Rs.973 crore during 2002-03.

Government invested Rs.35.84 crore in the Statutory Corporations and Co-operatives during 2002-03. While Rs.25.57 crore (71.34 per cent) was received as dividend/interest during the period from Statutory Corporations, no returns were received from Government Companies or Co-operatives.

Total revenue received from major & medium irrigation projects was Rs.53.72 crore (67 per cent) against the Revenue expenditure of Rs.80.54 crore incurred on projects in 2002-03.

Over all fiscal liabilities of the State Government increased from Rs.7421 crore in 2001-02 to Rs.8910 crore in 2002-03 at an average growth rate of 20.06 per cent per annum. These liabilities as ratio to GSDP increased from 24.52 per cent in 2001-02 to 26.76 per cent in 2002-03 and stood 1.64 times of revenue receipts.

Assistance to different Bodies/Authorities increased by 19.10 per cent from Rs.177.39 crore in 2001-02 to Rs.211.27 crore in 2002-03.

Amount of guarantees given by the Government to Joint Stock Companies, Co-operative Banks and Societies, and Municipalities, Corporations and Township was Rs.309 crore during 2002-03. The amount of guarantees outstanding as on 31 March 2003 was Rs.266 crore.

Government did not utilise any Ways and Means Advances limit of Rs.100 crore available at 6.25 per cent even for a day although it raised Rs.464.52 crore by way of market borrowing at the weighted average interest rate of 7.34 per cent.

*(Paragraphs 1.1 to 1.10)*

## **2 Appropriation audit and control over expenditure**

As against the revised grants/appropriation of Rs.9855 crore, the actual expenditure was Rs.7091 crore resulting in saving of Rs.2764 crore (28.05 *per cent*).

Supplementary provision of Rs.462.18 crore obtained in 49 cases proved unnecessary. In ten cases, the expenditure exceeded the provisions by Rs.114.59 crore.

In 66 cases, there were savings of Rupees one crore or more in each case and also more than 10 *per cent* of the total provision. In 12 cases, the entire budget



provision of Rupees one crore and more in each case aggregating to Rs.50.96 crore under various Central schemes, remained unutilised.

In 31 cases substantial savings of Rs.5 crore or more in each case and also by more than 80 per cent of the provision aggregating to Rs.604.66 crore were noticed. In 19 out of 31 schemes, the entire provision remained unutilised.

Rupees 1553.19 crore were surrendered during the year. Of this in 65 cases, Rs.1552.43 crore (99.95 per cent) were surrendered on the last day of the financial year indicating inadequate financial control over expenditure. In 116 cases of grants/appropriations, savings of Rs.1361.09 crore were not surrendered and were allowed to lapse. This included Rs.1293 crore in 34 cases, where saving exceeded Rs.5 crore in each case.

Excess expenditure of Rs.114.59 crore under 10 grants required regularisation under Article 205 of the Constitution. Excess expenditure of Rs.126.11 crore for the period from November 2000 to March 2002 had not been regularised as of October 2003.

The upgradation grants released by Government of India (GOI) during the period from November 2000 to March 2003 on the recommendation of XI<sup>th</sup> Finance Commission were reflected in Appropriation Accounts as Rs.64.66 crore, out of which Rs. 27.30 crore were reportedly kept in civil deposits, thus inflating the total expenditure. There was also a discrepancy due to non-reconciliation of figures between the records of Finance Department and the implementing departments with regard to amount expended and amount deposited.

*(Paragraph 2.1 to 2.8)*

### **3 Integrated Audit of Agriculture Department**

With a view to increase the production and productivity of crops in the State, various crop development schemes/programmes are being implemented by the Government through the Agriculture Department. But the Department failed in the dissemination of latest technologies among cultivators and in the introduction of high yielding varieties of seeds. Although an expenditure of Rs.311.29 crore was incurred during the period 2000-03, productivity remained almost stagnant due to poor implementation of various central/state sponsored schemes/programmes and lack of proper monitoring. Productivity of paddy in the State came down from 1369 kg per hectare (1996-97) to 830 kg per hectare (ha) which is far below the average national productivity (2807 kg/ha). The productivity target (2000 kg/ha) set by the Agricultural Department was not achieved. Poor performance in the allied activities of Horticulture, Agricultural Engineering, Quality Control and Soil Testing also resulted in non- fulfillment of targets. Some of the observations are as follows:

- Savings of Rs.95.25 crore during 2000-03 adversely affected the implementation of the Programmes/Schemes.



- Rs.1.15 crore paid as advance for supply of seed, implements and other purposes were lying unadjusted. Abstract Contingent (AC) bills for Rs.1.73 crore were pending adjustment, which is indicative of poor financial control. Besides, reporting of inflated GOI share of expenditure of Rs.44.89 lakh under Macro Management during 2001-03 was noticed.
- Production of cereal, pulses and oilseeds declined sharply from 73.67 lakh metric ton (MT) (2001-02) to 41.88 lakh MT during 2002-03.
- Excess payment of subsidy worth Rs.49.17 lakh under seed production and distribution programme and infructuous expenditure of Rs.86.74 lakh on Mango and Cashew plantation Scheme was noticed.
- Government gardens and agriculture farms were running at heavy losses (Rs.2.46 crore) in test-checked districts.
- Excess expenditure of Rs.2.58 crore over the prescribed ceiling was incurred on soil and water conservation measures.
- Infructuous expenditure of Rs.42.52 lakh on unsuccessful tube wells was incurred.
- Infructuous expenditure of Rs.55.57 lakh on pay and allowances of idle and attached staff was noticed in test checked districts.

*(Paragraph 3.1)*

#### **4 National AIDS Control Programme**

AIDS (Acquired Immuno Deficiency Syndrome) is caused by a virus known as Human Immuno Deficiency Retro Virus (HIV). For its prevention and control, a Centrally Sponsored Scheme-National AIDS Control Project-Phase-I (September 1992 to March 1999) and Phase-II for a period of five years from November 1999 were launched. To reduce the infection in high-risk groups, identification of the target population, providing counseling, condom promotion and treatment of Sexually Transmitted Diseases were not taken up. Chhattisgarh AIDS Control Society Raipur could utilise only Rs.2.47 crore (37 *per cent*) during 2001-03 against the approved action plans for Rs.6.73 crore. Only 18 *per cent* of the total estimated target population (15-49 years) attended the Family Health Awareness Camps during February 2002. Short fall of mandatory blood screening test for Hepatitis 'C' ranged from 41-100 *per cent* in five districts. Shortfall in target of voluntary blood collection was 47 *per cent* in the year 2002. Other short-comings noticed were:

- An allotment of Rs.49 lakh for Family Health Awareness Campaign was lying unutilised with the Director of Health Services, Raipur since May 2001. No awareness campaign was organised during that period.
- Sexually Transmitted Diseases Clinics were not functioning in six districts inspite of Rs.15.30 lakh having been released for this purpose.
- Chhattisgarh AIDS Control Society Raipur incurred expenditure of Rs.29.17 lakh without verification of execution of work relating to geru



painting, installation of hoardings and receipt and distribution of printed materials.

- Modernised Blood Banks were not established in seven districts even though grants of Rs.35 lakh were provided for this purpose.
- Equipments worth Rs.19.64 lakh were lying idle in Blood Component Separation Unit due to non-procurement of the Platelet Incubator, Generator 10 KVA and for want of licence.

*(Paragraph 3.2)*

## **5 State Scholarship for SC/ST and OBC**

The scheme of State Scholarship envisages distribution of scholarships to all Scheduled Caste (SC) and Scheduled Tribe (ST) girl students studying in classes 3 to 5, all SC/ST and OBC students studying in classes 6 to 10 and OBC students for Post Matric education in order to help them to complete their education without economic constraints.

A review of records for the period November 2000 to March 2003 revealed non-accountal of funds drawn, delayed release of funds, delayed payments of scholarship, unspent balances not being credited to Government account, irregular disbursement of scholarship out of budget allotments of subsequent years, excess and irregular issue of cheques of scholarship. The important points noticed are detailed below:

- Amount of Rs.38.09 crore drawn towards scholarship during November 2000 to March 2003 was deposited in the Bank by endorsing the bills without any entry in the cash book.
- Unspent amount of Rs. 3.07 crore was not credited to the Government account.
- Scholarship Cheques were issued for Rs.5.93 crore whereas drawal was only Rs.5.34 crore resulting in excess issual of cheques for Rs.59 lakh.
- Delayed release of funds to the tune of Rs.1.32 crore resulted in deprived eligible students of financial assistance.
- Irregular issue of cheques for Rs. 1.73 crore to Principals of Non-Government educational institutions.

*(Paragraph 3.3)*

## **6 Accelerated Irrigation Benefit Programme (AIBP)**

During 1997-98 Government of India (GOI) intervened in the Irrigation Sector by launching the Accelerated Irrigation Benefit Programme (AIBP). The objective of this programme was to accelerate the completion of ongoing Irrigation Projects, which were at an advanced stage and were languishing for want of funds. For this Central Loan Assistance (CLA) was released by GOI to the State.



Five Projects were selected in the State of Chhattisgarh for which CLA of Rs.190.65 crore and State share of Rs.127.67 crore was released during the period 1997-98 to 2002-03. An expenditure of Rs.296.37 crore on the project and Rs.82.72 crore on establishment and other items totalling Rs.379.09 crore were incurred. Some of the important findings of the review are given below:

- The objectives of the programme were not achieved within four agricultural seasons or two years. The time over runs ranged between 24 and 36 months and cost over-runs as of March 2003 ranged from Rs.1.15 crore to Rs.43.80 crore over AIBP estimates.
- As of March 2003, an irrigation potential of 0.61 lakh hectares has been created against a target of 1.14 lakh hectares. Non-utilisation of irrigation potential during the years 2000-01 to 2002-03 resulted in loss of revenue of Rs.2.52 crore.
- Diversion of AIBP funds to the tune of Rs.85.10 crore.
- Advances of Rs.37.94 crore given to Land Acquisition Officers, Forest Department of State Government and National Highway Division, Jagdalpur, for acquisition of private and forest lands and for construction of canal road crossings were charged to works without obtaining payment details. Mobilisation and secured advances of Rs.2.04 crore were irregularly booked as final expenditure in Hasdeo Bango Project while a recovery of Rs.51.78 lakh was yet to be made as of March 2003.
- Other financial irregularities involving Rs.267.82 crore were also noticed which included (i) Extra avoidable cost due to acceptance of higher tendered rates: Rs.77.46 crore, (ii) Excess administrative expenses beyond the approved norms: Rs.59.91 crore (iii) Non-completion of work led to unfruitful expenditure: Rs.30.73 crore among others.

*(Paragraph 3.4)*

## 7 Welfare of Handicapped

The Welfare of handicapped is a complex social issue involving coordination of curative, promotional and rehabilitation activities directed at different forms of handicaps involving a multitude of measures. The Department of Social Welfare in Chhattisgarh was to provide comprehensive rehabilitation services which included early detection of disability, special education, vocational training, job placement, assistance for self employment, free supply of aids and appliances with the objective of making the handicapped self reliant and economically independent.

A review revealed that several major provisions of the Acts were not enforced at all while others were implemented partially and ineffectively. Funds were underutilised in various schemes and the prescribed controls were not observed. No system of financial monitoring existed within the State, which resulted in poor resource utilisation and faulty implementation of the



programmes, thus depriving the disabled populace of opportunities and facilities available. Some of the significant findings are as under.

- Saving of Rs.1.11 crore (70.3 *per cent*) resulted in deprivation of disabled students from facilities under Integrated Education of Disabled Children Scheme in the normal schools.
- Blocking of funds to the tune of Rs.15.20 lakh (26 per cent) out of a total allotment of Rs.57.94 lakh deprived the disabled from benefits under Assistance to Disabled Persons for purchase / fitting of Aids Appliances Scheme.
- Out of Rs.3.64 crore for National Programme for Rehabilitation of Persons with Disabilities, Rs.3.08 crore (85 per cent) was parked in banks in the form of fixed deposits.
- Avoidable expenditure of Rs.31.13 lakh due to retention of staff in abolished posts.

*(Paragraph 3.5)*

## AUDIT PARAGRAPHS

### 8      **Infructuous/wasteful expenditure and overpayment**

- Injudicious adoption of costlier tack coat using bitumen in road works resulted in extra cost of Rs.95.04 lakh.

*(Paragraph 4.1.1)*

- Application of higher rate for tack coat with bitumen instead of emulsion resulted in excess payment of Rs.15.87 lakh to the contractor.

*(Paragraph 4.1.2)*

- Infructuous expenditure of Rs.21.43 lakh on preparation of site for plantation.

*(Paragraph 4.1.3)*

- Non-felling of 1.85 lakh marked trees resulted in wasteful expenditure of Rs.27.95 lakh on their marking.

*(Paragraph 4.1.4)*

- Inadmissible payment of arrears of Rs.38.65 lakh on pay fixation were not recovered in spite of Government orders.

*(Paragraph 4.1.5)*

## **9 Violation of contractual obligations/undue favour to contractors**

- Improper planning of the road works resulted in avoidable expenditure of Rs.49.13 lakh on tack coat between freshly laid bituminous courses, which also led to undue benefit of Rs.1.36 crore to the contractors.

*(Paragraph 4.2.1)*

- Non-claiming of additional bank charges on extension of validity of letter of credit and the extra cost due to differences in exchange rates on the original and revised dates of delivery resulted in loss of Rs.97.26 lakh.

*(Paragraph 4.2.2)*

## **10 Avoidable/excess/unfruitful expenditure**

- Purchase of costlier GI pipes instead of cheaper PVC pipes for use in tube wells resulted in extra cost of Rs.2.39 crore.

*(Paragraph 4.3.1)*

- Acceptance of tenders at higher rates than prevailing for similar work at same location, resulted in avoidable expenditure of Rs.10.74 lakh.

*(Paragraph 4.3.2)*

- Non-adherence to the ceiling on working expenditure on State trading in timber and bamboo resulted in excess expenditure of Rs.31.70 lakh.

*(Paragraph 4.3.3)*

- Non-deduction of 15 *per cent* of advertisement charges paid to local news papers resulted in doubtful payment of Rs.1.08 crore.

*(Paragraph 4.3.4)*

- Non-implementation of arrangements for supply of meals to indoor patients in four hospitals resulted in unfruitful expenditure of Rs.17.97 lakh.

*(Paragraph 4.3.5)*

## **11 Idle investment/idle establishment/blockage of funds**

- Machines worth Rs.40.92 lakh remained idle due to non-installation /erection for the last three years in the Government Press.

*(Paragraph 4.4.1)*

## **12 Regulatory issues and other points**

- Delay in action/follow up action to claim the interest on delayed transfer of sale proceeds of fertilisers to MARKFED resulted in non-recovery of interest of Rs.1.92 crore from Co-operative Banks.

*(Paragraph 4.5.1)*



### **13 Government companies and Statutory corporations**

- Failure to examine the quality of bags on receipt led to avoidable payment of Rs.62.71 lakh under Chhattisgarh State Civil Supplies Corporation Limited.

*(Paragraph 6.2.1)*

- Entering into agreement without assessing the demand for water led to avoidable expenditure of Rs. 2.73 crore under Chattisgarh Industrial Development Corporation.

*(Paragraph 6.2.3)*

- Delay in finalisation of tenders for procurement of electronic meters by Chhattisgarh State Electricity Board (CSEB) resulted in loss of Rs.1.90 crore.

*(Paragraph 6.2.5)*

- Variation in accepted rates for similar equipment resulted in extra expenditure of Rs.1.40 crore under CSEB.

*(Paragraph 6.2.6)*

## **REVENUE RECEIPTS**

### **14 Commercial Tax**

- Non-recovery of tax from closed units resulted in loss of Rs.1.59 crore.

*(Paragraph 7.12)*

- Incorrect determination of turnover resulted in short levy of tax of Rs.82.38 lakh.

*(Paragraph 7.13)*

- Non-levy of purchase tax Rs.84.14 lakh including interest on raw material.

*(Paragraph 7.14)*

### **15 State Excise**

- Production of alcohol not in consonance with sugar contents resulted in loss of Excise Duty of Rs.20.07 lakh.

*(Paragraph 7.23)*



**16 Taxes on Vehicles**

- Non-compliance to provisions of Adhiniyam 1991 resulted in non-levy of tax and penalty of Rs.69.33 lakh.

*(Paragraph 7.24)*

**17 Stamp Duty and Registration Fees**

- Loss of revenue of Rs.8.19 lakh due to under valuation/delay in determination of market value.

*(Paragraph 7.28)*

**18 Entertainment Duty**

- Non- payment of duty at prescribed rates resulted in non-realisation of entertainment duty of Rs.3.34 lakh

*(Paragraph 7.30)*

**19 Forest Receipts**

- Non-working of bamboo coupes resulted in loss of revenue Rs.2.38 crore.

*(Paragraph 7.31)*

- Low yield of bamboo resulted in loss of Rs.1.42 crore.

*(Paragraph 7.32)*

**20 Mining Receipts**

- Non-charging of prescribed rates resulted in short realisation of royalty of Rs.23 lakh.

*(Paragraph 7.35)*



# **CHAPTER I**

## **AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT**



## CHAPTER- I

### FINANCES OF THE STATE GOVERNMENT

#### 1.1 Introduction

The Finance Accounts of the Government of Chhattisgarh are laid out in nineteen statements, presenting receipts and expenditure, revenue as well as capital, in the Consolidated Fund, Contingency Fund and the Public Account of the State Government. The lay out of the Finance Accounts is depicted in Box 1.1.

##### Box 1.1

Statement No.1 presents the summary of transactions of the State Government - receipts and expenditure, revenue and capital, public debt receipts and disbursements etc. in the Consolidated Fund, Contingency Fund and Public Account of the State.

Statement No. 2 contains the summarised statement of capital outlay showing progressive expenditure to the end of 2002-03.

Statement No. 3 gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.

Statement No. 4 indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.

Statement No. 5 gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.

Statement No. 6 gives the summary of guarantees given by the Government for repayment of loans etc. raised by the Statutory Corporation, local bodies and other institutions.

Statement No. 7 gives the summary of cash balances and investments made out of such balances.

Statement No. 8 depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2003.

Statement No. 9 shows the revenue and expenditure under different heads for the year 2002-03 as a percentage of total revenue/expenditure.

Statement No. 10 indicates the distribution between the charged and voted expenditure incurred during the year.

Statement No. 11 indicates the detailed account of revenue receipts by minor heads.

Statement No. 12 provides accounts of revenue expenditure by minor heads under plan, State plan and centrally sponsored schemes separately and capital expenditure major head wise.

Statement No. 13 depicts the detailed capital expenditure incurred during and to the end of 2002-03.



Statement No. 14 shows the details of investment of the State Government in Statutory Corporations, Government Companies, Other Joint Stock Companies, Cooperative Banks and Societies etc. upto the end of 2002-03.

Statement No. 15 depicts the capital and other expenditure to the end of 2002-03 and the principal sources from which the funds were provided for that expenditure.

Statement No. 16 gives the detailed account of receipt, disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.

Statement No. 17 present detailed account of debt and other interest bearing obligations of the Government of Chhattisgarh.

Statement No. 18 provides the detailed account of loans and advances given by the Government of Chhattisgarh, the amount of loans repaid during the year, the balance as on 31 March 2003, and the amount of interest received during the year.

Statement No. 19 gives the details of earmarked balances of reserved funds.

## 1.2 Trend of Finances with reference to Previous year

Finances of the State Government during the current year as compared to previous year were as under:

(Rupees in crore)

2001-02	Sr.No.	Major Aggregates	2002-03
<b>Part-A Receipts</b>			
4376	1	Revenue Receipts (2+3+4)	5417
1993	2	Tax Revenue	2327
722	3	Non-Tax Revenue	957
1661	4	Other Receipts	2133
9	5	Non-Debt Capital Receipts	19
9	6	Of which, Recovery of Loans	19
4385	7	Total Receipts (1+5)	5436
<b>Part-B Expenditure</b>			
3952	8	Non-Plan Expenditure (9+11)	4291
3928	9	On Revenue Account	4260
731	10	Of which, Interest Payments	810
24	11	On Capital Account	31
3	12	Of which Loans disbursed	30
1550	13	Plan Expenditure (14+15)	2118
1017	14	On Revenue Account	1270
533	15	On Capital Account	848
78	16	Of which Loans disbursed <sup>1</sup>	29
5502	17	Total Expenditure (8+13)	6409
<b>Part-C Deficit</b>			
1117	18	Fiscal Deficit (17-7)	973
569	19	Revenue Deficit (9+14-1)	113
386	20	Primary Deficit (+) / Surplus (-) (18 - 10)	163

### 1.3 Summary of Receipts and Disbursement for the year

**Table 1:** Summarises the finances of the State Government of Chhattisgarh for the year 2002-03 covering revenue receipts and expenditure, capital receipts and expenditure, public debt receipts and disbursements and Public Account receipts and disbursements made during the year as emerging from Statement-1 of Finance Accounts and other detailed statements.

**Table 1: SUMMARY OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR 2002-03**

(Rupees in crore)							
2001-02	Receipts	2002-03	2001-02	Disbursements	2002-03		
Section-A : Revenue			Section-A : Revenue				
					Non-Plan	Plan	Total
4376	I. Revenue receipts	5417	4945	I. Revenue Expenditure	4260	1270	5530
1993	Tax revenue	2327	1746	General Services	1838	1	1839
722	Non-tax revenue	957	1915	Social Services	1356	730	2086
1176	Share of Union Taxes/ Duties	1350	1151	Economic Services	904	539	1443
485	Grants from Govt. of India	783	133	Grants-in-aid/ Contributions	162	--	162
Capital			Capital				
--	II. Misc. Capital Receipts	--	476	II. Capital Outlay	1	819	820
9	III. Recoveries of Loans and Advances <sup>2</sup>	19	81	III. Loans and Advances disbursed <sup>2</sup>	30	29	59
995	IV. Public Debt Receipts	1613	184	IV. Repayment of Public debt	413	--	413
5620	V. Public account receipts	6924	5223	V. Public account disbursements	6644	--	6644
120	Opening Balance	211	211	Closing Balance	718	--	718
11,120	Total	14184	11,120	Total	12066	2118	14184

### 1.4 Audit Methodology

Audit observations on the Finance Accounts bring out the trends in major fiscal aggregates of receipts and expenditure from the statements of the Finance Accounts for the year 2002-03



The key indicators adopted for the purpose are (i) Resources by volume and sources, (ii) Application of resources, (iii) Assets and Liabilities and (iv) Management of deficits. Audit observations have also taken into account the cumulative impact of resource mobilization efforts, debt servicing and corrective fiscal measures. Overall financial performance of the State government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates.

The reporting parameters are depicted in the Box 1.2.

<b>Box 1.2</b> <b>Reporting Parameters</b>
<p>Fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal and external debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The New GSDP series with 1993-94 as base as published by the Bureau of Economics and Statistics Department of the State Government has been used.</p> <p>For tax revenues, non-tax revenues, revenue expenditure etc, buoyancy projections have also been provided for a further estimation of the range of fluctuations with reference to the base represented by GSDP</p> <p>For most series a trend growth during 2001-2003 has been indicated. The ratios with respect to GSDP have also been depicted. Some of the terms used here are explained in <b>Appendix - V</b>.</p>

The accounts of the State Government are kept in three parts (i) Consolidated Fund (ii) Contingency Fund and (iii) Public Account. They are defined in Box 1.3.

<b>Box 1.3</b> <b>State Government Funds and the Public Account</b>	
<b>Consolidated Fund</b>	<b>Contingency Fund</b>
All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.	Contingency Fund of State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by Legislature. Approval of the legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.
<b>Public Account</b>	
Besides the normal receipts and expenditure of Government which relate to the Consolidated Fund, certain other transactions enter Government Accounts, in respect of which Government acts more as a banker. Transactions relating to provident funds, small savings, other deposits, etc. are a few examples. The public moneys thus received are kept in the Public Account set up under Article 266(2) of the Constitution and the related disbursements are made from it.	



## 1.5 State Finances by key Indicators

### 1.5.1 Resources by volumes and sources

Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consists of tax revenues, non-tax revenues, state's share of union taxes and duties and grants-in-aid from the Central Government. Capital receipts comprise of miscellaneous capital receipts like proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources viz. Market loans, borrowings from financial institutions/ commercial banks etc and advances from Government of India as well as accruals from Public accounts.

Table 2 shows that the total receipts of the State Government for the year 2002-03 were Rs. 13973 crore. Of these, the revenue receipts of the State Government were Rs. 5417 crore only, constituting 39 *per cent* of the total receipts. The balance of receipts came from borrowings and public account receipts.

TABLE 2 - RESOURCES OF CHHATTISGARH (2002-03)

		(Rupees in crore)
I. Revenue Receipts		5417
II. Capital Receipts		1632
(a) Miscellaneous Receipts	--	
(b) Recovery of Loans and Advances <sup>2</sup>	19	
(c) Public Debt Receipts	1613	
III. Public Account Receipts		6924
(a) Small Savings, Provident Funds, etc	375	
(b) Reserve Fund	256	
(c) Deposits and Advances	1058	
(d) Suspense and Miscellaneous	3389	
(e) Remittances	1846	
Total Receipts		13973

### 1.5.2 Revenue receipts

Statement-11 of the Finance Accounts details the Revenue Receipts of the Government. The Revenue Receipts of the State consist mainly of its own tax and non-tax revenues, central tax transfers and grants-in-aid from Government of India. Overall revenue receipts, their annual rate of growth, ratio of these receipts to the State's Gross Domestic Product (GSDP) and their buoyancies are indicated in Table 3.

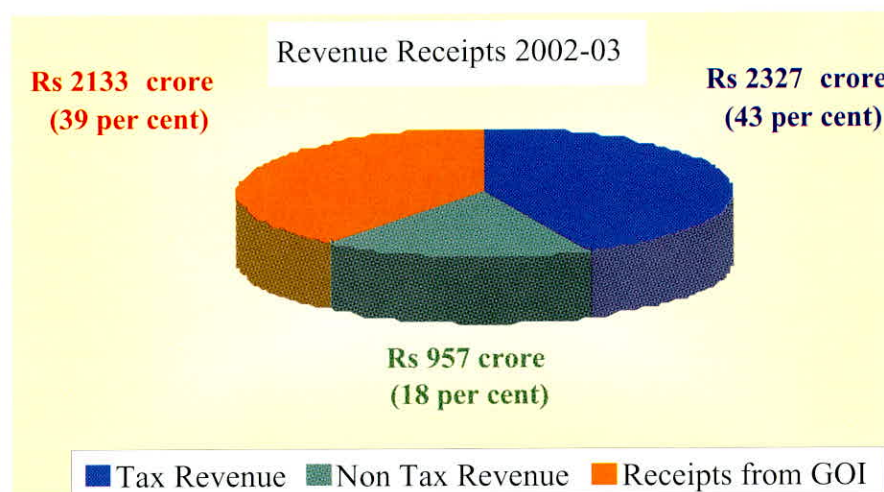
TABLE 3: REVENUE RECEIPTS-BASIC PARAMETERS  
(VALUES: RUPEES IN CRORE AND OTHERS IN PER CENT)

	2001-02*	2002-03
Revenue Receipts	4376	5417
Own taxes	45.55	42.96
Non-Tax Revenue	16.50	17.67
Central Tax Transfers	26.87	24.92
Grants-in-aid	11.08	14.45
Rate of Growth	--*	23.79
Revenue Receipts/ GSDP	14.46	16.27
GSDP Growth	.*	10.02
Revenue Buoyancy	- *	2.37

\* Chhattisgarh was created on 1<sup>st</sup> November 2000. Hence the rate of growth, revenue buoyancy and GSDP growth were not determined.

\* Chhattisgarh was created on 1<sup>st</sup> November 2000. Hence the rate of growth, revenue buoyancy and GSDP growth were not determined.

Revenue receipts of the State increased from Rs.4376 crore in 2001-02 to Rs.5417 crore in 2002-2003. The robust increase in the revenue receipts was primarily due to 61 *per cent* increase in grants in aid from Government of India, 33 *per cent* increase in non-tax revenue and moderate growth in tax revenue (17 *per cent*). An average of 61 *per cent* of the revenue had come from State's own resources. Central funds and Grants-in-aid together contributed nearly 39 *per cent* of the total revenue. The main sources of tax revenue were sales tax (47 *per cent*), State Excise (16 *per cent*), taxes on goods and passengers (11 *per cent*), Stamps and Registration fees (6 *per cent*) etc. Non-tax revenue came mainly from Mining and Metallurgical Industries (56 *per cent*) and Forestry and Wild life (11 *per cent*).



### 1.5.3 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2003 in respect of some principal heads of revenue amounted to Rs.117 crore, of which Rs.49.25 crore (42 *per cent*) were outstanding for more than 5 years.

Arrears were mainly in respect of Commercial Tax (Rs.99.22 crore), Taxes on Vehicles (Rs.3.85 crore), State Excise (Rs.13.45 crore) and Stamps & Registration Fees (Rs.0.48 crore). The arrears of revenue were more than the revenue deficit of the State (Rs.112.70 crore) and effective tax collection measures would go a long way in reducing the revenue deficits.



The source of revenue receipts under different heads and GSDP during 2000-03 is indicated in Table-4.

TABLE 4: SOURCES OF RECEIPTS: TRENDS

(Rupees in crore)

Year	Revenue Receipts	Capital Receipts			Total receipts	Gross State Domestic Product
		Non-debt receipts	Debt Receipts	Accruals in Public Account		
2000-01*	1883	01	348	2009	4241	10782
2001-02	4376	09	995	5620	11000	30265
2002-03	5417	19	1613	6924	13973	33297

## 1.6 Application of resources

### 1.6.1 Trend of Growth

Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and major head wise capital expenditure. The total expenditure of the State increased from Rs.5502 crore in 2001-02 to Rs.6409 crore in 2002-03 at a rate of 16.48 *per cent*. The rate of growth of total expenditure was higher than the rate of growth of revenue Receipts during this year.

Total expenditure of the State, its trend and annual growth, ratio of expenditure to the State's GSDP and revenue receipts and its buoyancy with regard to GSDP and revenue receipts is indicated in Table-5 below:

TABLE 5: TOTAL EXPENDITURE - BASIC PARAMETERS

(VALUE: RUPEES IN CRORE AND OTHER IN *PER CENT*)

	2001-02	2002-03
Total Expenditure	5502	6409
Rate of Growth	--	16.48
TE/GSDP	18.18	19.25
Revenue Receipts/TE	79.53	84.52
Buoyancy of Total Expenditure with		
GSDP	--	1.64
Revenue Receipts	--	0.69

The revenue expenditure accounted for most (86 *per cent*) of the total expenditure of the State Government.

In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments,

\* (1 Nov.2000 to 31st March 2001)

social and economic services and loans and advances. The relative share of these components in total expenditure is indicated in Table 6.

**TABLE 6: COMPONENTS OF EXPENDITURE - RELATIVE SHARE (IN PER CENT)**

	2001-02	2002-03	Average
General Services	32.10	28.99	30.55
Social Services	36.74	34.68	35.71
Economic Services	27.27	32.88	30.07
Grants-in-aid	2.42	2.53	2.48
Loans and advances*	1.47	0.92	1.19

While the share of general services and social services in total expenditure declined from 32.10 *per cent* and 36.74 *per cent* in 2001-02 to 28.99 *per cent* and 34.68 *per cent* in 2002-03 respectively, the relative share of Economic services increased from 27.27 *per cent* in 2001-02 to 32.88 *per cent* in 2002-03.

### 1.6.2 Incidence of Revenue expenditure

Revenue expenditure had the predominant share in total expenditure. Revenue expenditure is usually incurred to maintain the current level of assets and services. Over all revenue expenditure, its rate of growth, ratio of revenue expenditure to State's GSDP and revenue receipts and its buoyancy with both GSDP and revenue receipts is indicated in Table 7 below:

**TABLE-7: REVENUE EXPENDITURE - BASIC PARAMETERS**

(VALUE: RUPEES IN CRORE AND OTHERS IN PER CENT)

	2001-02	2002-03
Revenue Expenditure	4945	5530
Rate of Growth	--	11.83
RE/GSDP	16.34	16.61
RE as <i>per cent</i> of TE	89.88	86.28
RE as <i>per cent</i> of Revenue Receipts	113.00	102.09
Buoyancy of Revenue Expenditure		
GSDP	--	1.18
Revenue Receipts	--	0.50

Revenue expenditure of the State increased from Rs.4945 crore in 2001-02 to Rs.5530 crore in 2002-03. The non-plan component constituted 77 *per cent* of revenue expenditure while the plan expenditure was only 23 *per cent*. Sector wise expenditure shows that while the expenditure on general services (including interest payment) was 33 *per cent* (Rs.1839 crore), social services was 38 *per cent* (Rs.2086 crore) and expenditure on economic services was only 26 *per cent* (Rs.1443 crore).

\* includes Inter- state settlement



Revenue expenditure accounted for 39.58 *per cent* of the total funds available during 2002-03. This was marginally higher than the share of revenue receipts (38.77 *per cent* of the total receipts) of the State Government which led to revenue deficit. The ratio of revenue expenditure to revenue receipts declined from 113 *per cent* in 2001-02 to 102.09 *per cent* in 2002-03 and revenue deficit also declined from Rs.568.66 crore to Rs.112.70 crore.

### 1.6.3 High salary and Pension expenditure

Salaries and pension payments alone consumed nearly 41 *per cent* of the revenue receipts of the State. The expenditure on salaries and pension payments have however decreased from Rs.2284 crore in 2001-02 to Rs.2214 crore in 2002-03 as indicated in Table 8 below:

TABLE-8

(Rupees in crore)

Heads	2001-02	2002-03
Salary and pension expenditure	2283.56	2213.66
As percentage of Revenue Receipts	52.18	40.86
As percentage of Revenue Expenditure	46.18	40.03

With the increase in the number of retirees, the pension liabilities are likely to increase further in future. The State Government has not constituted any fund to meet the fast rising pension liabilities of the retired State employees. Considering the rate at which pension liabilities are increasing, reforms in the existing pension schemes assume critical importance.

### 1.6.4 Interest Payments

In absolute terms, interest payments increased steadily by 11 *per cent* from Rs.731 crore in 2001-02 to Rs.810 crore in 2002-03 primarily due to continued reliance on borrowings for financing the fiscal deficit.

TABLE-9

Year	Interest Payment	Percentage of interest payment with reference to	
	(Rupees in crore)	Revenue Receipts	Revenue Expenditure
2001-02	731	16.70	14.78
2002-03	810	14.95	14.65

## 1.7 Expenditure by Allocative Priorities

The actual expenditure of the State in the nature of plan expenditure, capital expenditure and developmental expenditure emerging from Statement 12 of Finance Accounts reflects the allocative priorities of the State. Higher the ratio of these components to total expenditure, better the quality of expenditure. Table 10 below gives the percentage share of these components of expenditure in State's total expenditure.

**TABLE 10: QUALITY OF EXPENDITURE (PER CENT TO TOTAL EXPENDITURE)<sup>3</sup>**

	<b>2001-02</b>	<b>2002-03</b>	<b>Average</b>
Plan expenditure	28.17	33.05	30.61
Capital expenditure <sup>4</sup>	10.12	13.72	11.92
Developmental expenditure	63.99	67.56	65.78

Plan expenditure increased from 28.17 *per cent* of total expenditure in 2001-02 to 33.05 *per cent* in 2002-03. Capital expenditure increased from 10.12 *per cent* in 2001-02 to 13.72 *per cent* in 2002-03.

In 2002-03 out of the developmental expenditure (Rs.4330 crore), social services accounted for (Rs.2223 crore) 51.34 *per cent* of the developmental expenditure during the year. General Education, Health and Family Welfare and Water Supply and Sanitation consumed 58.61 *per cent* of the expenditure on social sector.

**TABLE-11 SOCIAL SECTOR EXPENDITURE**

(Rupees in crore)

	<b>2001-02</b>	<b>2002-03</b>
<b>General Education</b>	<b>697</b>	<b>750</b>
<b>Medical and Public Health</b>	<b>244</b>	<b>272</b>
<b>Water Supply and Sanitation</b>	<b>254</b>	<b>281</b>
<b>Total</b>	<b>1195</b>	<b>1303</b>

Similarly the expenditure of Economic Services accounted for (Rs.2107 crore) 48.66 *per cent* of the developmental expenditure. Of which, Irrigation and Flood Control (Rs.525 crore), and Transport (Rs.428 crore) and Power (Rs.86 crore) accounted for 49.31 *per cent* of the expenditure on this sector.

**TABLE-12 ECONOMIC SECTOR EXPENDITURE**

(Rupees in crore)

	<b>2001-02</b>	<b>2002-03</b>
<b>Power</b>	<b>82</b>	<b>86</b>
<b>Irrigation and Flood Control</b>	<b>289</b>	<b>525</b>
<b>Transport</b>	<b>233</b>	<b>428</b>
<b>Total</b>	<b>604</b>	<b>1039</b>

### **1.7.1 Financial assistance to local bodies and other institutions**

Autonomous bodies and authorities perform non-commercial functions of public utility services. These bodies/authorities receive substantial financial assistance from the Government. Government also provides substantial financial assistance to other institutions such as those registered under the

<sup>3</sup> Total expenditure include expenditure on loans and advances and inter state settlement

<sup>4</sup> Includes loans and advances and inter-state settlement.



respective State Co-operative Societies Act, Companies Act, 1956, etc to implement various programmes of Government. The grants are given by Government mainly for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvements of roads and other communications facilities under municipalities and local bodies.

The quantum of assistance provided to different bodies during the period November 2000 to March 2003 was as follows:

TABLE-13

(Rupees. in crore)

Sl. No.	Assistance for	2000-01	2001-02	2002-03
1.	Education	32.38	86.75	89.94
2.	Power/Energy	--	64.25	65.00
3.	Water Supply/Sanitation/ Housing & Urban Development	4.91	8.76	34.91
4.	Agriculture and allied activities	--	15.60	16.46
5.	Any other developmental activity	0.13	2.03	4.96
	<b>Total</b>	<b>37.42</b>	<b>177.39</b>	<b>211.27</b>
	Assistance as a percentage of revenue receipts		4.05	3.90
	Percentage of assistance to revenue expenditure	--	3.59	3.82

Test-check of records of the Finance Department revealed that during the year 2002-03 financial assistance/loan of Rs.289.24 crore was sanctioned to various autonomous bodies and other agencies of Chhattisgarh State under six groups<sup>5</sup>.

Following points were noticed with reference to grant in aid given to local bodies:

**Non-utilisation of grants:** Grants in Aid rules require that grants given to grantees for a specific purpose should be utilised in full during the financial year. Balance amount, if any, should be returned to Government at the earliest. However, it was seen that the grants released during the year 2002-03 to various institutions/bodies were not utilised in full with the percentage of savings ranging from 2.92 to 100 per cent.

Two hundred and ninety nine Utilisation Certificates (UCs) amounting to Rs.41.97 crore were outstanding (as of September 2003) for the grants sanctioned during the year 2000-01 to 2002-2003.

**Arrears in Accounts:** All the grantee institutions are required to submit their annual account every year indicating the details of Financial Assistance, viz. (purpose of grant, actual expenditure incurred etc.).

<sup>5</sup> Universities and Educational Institutions (Rs.50.94 crore), Municipal Corporations and Municipalities (Rs.175.13 crore), Zila Parishads and Panchayati Raj Institutions (Rs.22.31 crore), Development Agencies (Rs.06.27 crore), Hospitals and other Charitable Institutions (Rs.0.70 crore) & Other Institutions (Rs.33.89 crore)

Though the government is requested every year to furnish this information, the details in respect of 11<sup>6</sup> organisations were awaited for the year 2000-01 to 2002-03 as of September 2003.

## 1.8 Assets & Liabilities

The Government accounting system does not attempt a comprehensive accounting of fixed assets, i.e. land, buildings etc., owned by the Government. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure. Statement 16 read with details in Statement 17 of Finance Accounts show the year-end balances under the Debt, Deposit and Remittance heads from which the liabilities and assets are worked out.

**Appendix-I** presents an abstract of such liabilities and the assets as on 31 March 2003, compared to the corresponding position on 31 March 2002. While the liabilities in this statement consist mainly of money owed by the State Government such as internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Fund, the assets comprise mainly the capital expenditure and loans and advances given by the State Government.

The liabilities of Government of Chhattisgarh depicted in the Finance Accounts, however, do not include the pension, other retirement benefits payable to serving/retired State employees and guarantees/ letters of comforts issued by the State Government. **Appendix I to IV** depict the time series data on the State Government finances for the period 2001-03.

### 1.8.1 Financial results of irrigation works

The financial results of major and medium irrigation projects with revenue expenditure of Rs.80.54 crore during the period showed that the revenue realised (Rs.53.72 crore) from projects during 2002-03 was only 67 per cent of the revenue expenditure incurred on projects.

### 1.8.2 Incomplete projects

As on 31 March 2003, there were 72 ongoing projects with a cumulative investment of Rs.2023.23 crore. The complete list of ongoing and incomplete projects was awaited.

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<sup>6</sup> Indira Gandhi Agricultural, University, Raipur (2002-03), General Manager, Dugdh Sangh Urla, Durg (2002-03), Chhattisgarh State Law Services Authority (2002-03), High Court Advocate Sangh Bilaspur (2002-03), Ramkrishnan Mission Ashram Narayanpur, Jagdalpur (2002-03), Dhamtari Christian Hospital, Dhamtari since (2000-01), Registrar Ravi Shankar University, Raipur (2000-01) Integrated Development Project Jashpur, Raigarh & Bastar (2000-01), Zila Shahkari Kendriya Bank, Raipur, Durg, Bilaspur, Raigarh, Rajnandgaon and Ambikapur (2001-02) and Marketing Co-operative Societies, Akaltara, Sargaon and Pratapur (2000-01)



### 1.8.3 Investments and returns

Investments are made out of the capital outlay by the Government to promote developmental, manufacturing, marketing and social activities. The year-wise details of investments made and dividend/interest received were as under:

TABLE 14: RETURN ON INVESTMENT

(RUPEES IN CRORE)

Year	Investment at the end of the year	Return	Percentage of return	Rate of interest on Government's market borrowing (per cent)
2001-2002	15.30	5.00	32.68	8
2002-2003	35.84	25.57	71.34	7.34

The amount of dividend declared/interest received and credited to Government was Rs.25.57 crore (71 per cent) during 2002-2003.

The investments made by the composite State of Madhya Pradesh in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives Institutions aggregating to Rs.1628 crore are yet to be apportioned between the successor States.

### 1.8.4 Loans and advances by State Government

The Government gives loans and advances to Government companies, corporations, local bodies, autonomous bodies, co-operatives, non-Government institutions, etc., for developmental and non-developmental activities. The position for the period from November 2000 to March 2003 is given below:

TABLE 15: AVERAGE INTEREST RECEIVED ON LOANS ADVANCED BY THE STATE GOVERNMENT

(Rupees in crore)

	2001-2002	2002-2003
Opening Balance	138.33	184.34
Amount advanced during the year	49.52	57.70
Amount repaid during the year	3.51	18.46
Closing Balance	184.34	223.58
Net Addition (+)/ Reduction (-)	46.01	39.24
Interest Received (Rupees in crore)	0.03	31.53
Interest received as per cent to outstanding Loans and advances	0.02	14.10
Average rate of interest paid by the State	10.73	9.96
Difference between interest paid and received	(-) 10.71	4.14

### 1.8.5 Management of cash balances

The general cash balance represents the combined balances of the Consolidated Fund, Contingency Fund and Public Account.

Under an agreement with Reserve Bank, the Government of Chhattisgarh has to maintain with the Bank a minimum balance of Rs.0.72 crore on each day with effect from 1st November 2000. The Bank informs the Government by telegram of its daily balance with the bank at the close of each working day. If this balance falls below the agreed minimum on weekly settling days, the deficiency is made good by taking Ways and Means Advances (WMA) (Normal and Special) from the Reserve Bank of India or by selling Government of India Treasury Bills. The normal WMA carries the interest rate of 6.25 percent. Besides, Overdraft (OD) is also resorted to by the State Government whenever necessary. It is observed that during 2002-03 the Government did not utilize Ways and Means Advances limit of Rs.100 crore (Rs.130 crore with effect from March 3, 2003) even for a day though it raised Rs.464.52 crore by way of market borrowings at the weighted average interest rate of 7.34 per cent.

### 1.8.6 Undischarged liabilities

**Fiscal liabilities-Public debt and guarantees:-** The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law had been passed by the State Legislature laying down any such limit

It would be observed that the overall fiscal liabilities of the State increased from Rs.7421 crore in 2001-02 to Rs.8910 crore in 2002-2003 at an average growth rate of 20.06 *per cent*. These liabilities as ratio to GSDP increased from 24.52 *per cent* in 2001-02 to 26.76 *per cent* in 2002-2003 and stood at 1.64 times of its revenue receipts and 2.71 times of its own resources comprising its own tax and non-tax revenue.

Table 16 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP revenue receipts and own resources and buoyancy of these liabilities with respect to these parameters.

TABLE-16: FISCAL IMBALANCES-BASIC PARAMETERS

(RUPEES IN CRORE AND RATIO IN PER CENT)

	2001-02	2002-03
Fiscal Liabilities	7421	8910
Rate of growth	--	20.06
Ratio of fiscal liabilities to		
GSDP	24.52	26.76
Revenue Receipts	169.58	164.48
Buoyancy of Fiscal Liabilities to		
GSDP	---	2.00
Revenue Receipts	--	0.84

Guarantees are given by the State Government for due discharge of certain liabilities like repayment of loans, share capital, etc., raised by the Statutory



Corporations, Government Companies and Co-operative Institutions etc., and payment of interest and dividend by them. These constitute contingent liability of the State. No law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limits within which Government may give guarantees on the security of the Consolidated Fund of State. Statement-IV of the Finance Accounts shows that amount of guarantees given to Joint Stock Companies, Co-operative banks and societies and to Municipalities, Corporations and Townships by the Government during the period 2002-03 was Rs.309 crore. The amount outstanding as on 31st March 2003 was Rs.266 crore. As regards the guarantees of Rs.9710 crore given by the erstwhile composite State of MP prior to 01 November 2000, the 'appointed day', these are yet to be apportioned between the successor States of MP and Chhattisgarh.

Increasing liabilities had raised the issue of sustainability of the State Government's finances. One of the indicators of sustainability of fiscal liabilities is existence of a positive indicator between the rate of growth of GSDP and the weighted interest rate on fiscal liabilities.

Debt sustainability with reference to weighted interest rate, GSDP growth rate and interest spread is indicated in Table-17.

**TABLE-17**  
**DEBT SUSTAINABILITY**  
**INTEREST RATE AND GSDP GROWTH (IN PER CENT)**

	2001-02	2002-03
Weighted Interest Rate	10.73	9.96
GSDP Growth	--	10.02
Interest spread	--	0.06

Another important indication of debt sustainability is net availability of the funds after payment of the Principal on account of the earlier contracted liabilities and interest.

Table-18 below gives the position of the receipts and repayments of internal debt over the last 2 years.

**TABLE-18: NET AVAILABILITY OF BORROWED FUNDS**  
**(RUPEES IN CRORE)**

	2001-02	2002-03
<b>Internal Debt</b>		
(a) Receipts	653.75	1179.19
(b) Repayments (Principal + Interest including sinking fund)	341.51	417.09
(c) Net funds available (a-b)	312.24	762.1
(d) Net funds available (per cent) NFA x 100/Receipts	48	65

<b>Loans and Advances from Government of India</b>		
(e) Receipts	340.86	434.12
(f) Repayments (Principal + Interest)	501.13	754.39
(g) Net funds available (e-f)	(-) 160.27	(-) 320.27
(h) Net funds available (per cent)	(-) 47	(-) 74
<b>Total Public Debt(other liabilities)</b>		
(i) Receipts	1154	1489.44
(j) Repayments (Principal + Interest)	1921	1668.66
(k) Net funds available (i-j)	(-) 767	(-) 179.22
(l) Net funds available (per cent)	(-) 66	(-) 12

## 1.9 Management of deficits

### 1.9.1 Fiscal imbalances

The deficits in Government accounts represent the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources so raised are applied are important pointers to the fiscal health.

The revenue deficit (Statement 1 of Finance Account) of the State, which is the excess of its revenue expenditure over revenue receipts, decreased from Rs.569 crore in 2001-02 to Rs.113 crore in 2002-03. The fiscal deficit, which represents the total borrowing of the Government and its total resource gap, also decreased from Rs.1117 crore in 2001-02 to Rs.973 in 2002-03. State Finances also reflected a trend of decrease in primary deficit from Rs.386 crore in 2001-02 to Rs.163 crore in 2002-03 indicated in Table-19.

**TABLE 19: FISCAL IMBALANCES - BASIC PARAMETERS**  
(VALUE: RUPEES IN CRORE AND RATIOS IN PER CENT)

	<b>2001-02</b>	<b>2002-03</b>
Revenue Deficit	569	113
Fiscal Deficit	1117	973
Primary (Deficit (-)/Surplus (+))	386	163
RD/GSDP	1.88	0.34
FD/GSDP	3.69	2.92
PD/GSDP	1.28	0.49
RD/FD	0.51	0.12

The ratio of revenue deficit to fiscal deficit has decreased from 0.50 *per cent* in 2001-02 to 0.12 *per cent* in 2002-03. As proportion to GSDP, revenue deficit had decreased to 0.34 *per cent* in 2002-03 and fiscal deficit to 2.92 *per cent*. Existence of Revenue deficit indicated that the revenue receipts of the state



were not able to meet its revenue expenditure and Government had to borrow funds to meet its current obligations.

### 1.10 Fiscal Ratios

The finance of a State should be sustainable, flexible and non-vulnerable. Table-20 below presents a summarized position of Government finances over 2001-2003, with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their applications, highlights areas of concern and capture its important facets.

The ratios of revenue receipts and State's own taxes to GSDP indicate the adequacy of the resources. The buoyancy of the revenue receipts indicates the nature of the tax regime and the State's increasing access to resources with increase in GSDP. Revenue receipts comprise not only the tax and non-tax resources of the State but also the transfers from Union Government. It indicates the sum total of the resources which the State has access to, for which there is no direct services, provisions obligations, recovery of users charges for the social and economic services provided by it and its entitlement from the central pool of resources. These ratios, showed a continuous improvement during 2001-03 indicating mobilization of resources and its sustainability.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resource mobilization. The ratio of revenue expenditure to total expenditure has gone down in 2002-03 as compared to 2001-02 whereas capital expenditure as percentage to total expenditure has increased to 13.72 *per cent* in 2002-03.

TABLE 20: RATIOS OF FISCAL EFFICIENCY (IN PER CENT)

Fiscal Ratios	2001-02	2002-03
<b>Resources Mobilisation</b>		
Revenue Receipts/ GSDP	14.46	16.27
Revenue Buoyancy		2.37
Own Tax/GSDP	6.59	6.99
<b>Expenditure Management</b>		
Total Expenditure/GSDP	18.18	19.25
Revenue Receipts/Total Expenditure	79.53	84.52
Revenue Expenditure/Total Expenditure	89.88	86.28
Capital Expenditure/Total expenditure	10.12	13.72
Development Expenditure/Total Expenditure (RE+CE)	63.99	67.56
Buoyancy of TE with RR		69.27
Buoyancy of RE with RR		49.73
<b>Management of Fiscal Imbalances</b>		
Revenue deficit (Rs. in crore)	569	113
Fiscal deficit (Rs. in crore)	1117	973
Primary Deficit (Rs. in crore)	386	163

Revenue Deficit/ Fiscal Deficit)	50.94	11.61
Other Fiscal Health Indicators		
Return on Investment	32.68	71.34
BCR	105	612
Financial Assets/ Liabilities	0.38	0.47

The revenue and fiscal deficit are showing a decreasing trend alongwith the increase in return on investment.

**Conclusions:** The new State of Chhattisgarh, comprising 16 districts of the erstwhile composite State of MP, came into existence on 1st November 2000. The process of apportionment of pre November 2000 assets and liabilities of the composite State of Madhya Pradesh and of other financial adjustments, to be done in each case with reference to the provisions of the Madhya Pradesh Re-organisation Act, 2000 is not yet complete. A realistic picture of the financial position of the State Government will emerge only after completion of this process.



# **CHAPTER II**

## **APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE**





## CHAPTER -II

### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

#### ALLOCATIVE PRIORITIES AND APPROPRIATIONS

##### 2.1 Introduction

The Appropriation Accounts prepared annually, in accordance with the requirements of Article 149 of the Constitution of India, indicate the capital and revenue expenditure on various specified services actually spent by Government vis-a-vis those authorised by the Appropriation Act in respect of both charged as well as voted items of budget.

Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants was within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution was so charged. Appropriation audit also ascertains whether the expenditure so incurred was in conformity with the law, relevant rules, and regulations.

##### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure is as follows:-

(Rupees in crore)

	Nature of expenditure	Original Grants / Appropriations	Supplementary Grants/ Appropriations	Total	Actual Expenditure	Variation Saving (-) / Excess (+)
Voted	I-Revenue	5103.17	994.33	6097.50	4920.59	(-) 1176.91
	II-Capital	929.68	290.55	1220.23	824.44	(-)395.79
	III-Loans & Advances	83.77	74.11	157.88	57.70	(-) 100.18
	<b>Total Voted</b>	<b>6116.62</b>	<b>1358.99</b>	<b>7475.61</b>	<b>5802.73</b>	<b>(-) 1672.88</b>
Charged	IV-Revenue	956.88	23.60	980.48	875.82	(-) 104.66
	V-Capital	0.33	--	0.33	0.03	(-) 0.30
	VI-Public Debt	1397.99	0.76	1398.75	413.00	(-) 985.75
	<b>Total Charged</b>	<b>2355.20</b>	<b>24.36</b>	<b>2379.56</b>	<b>1288.85</b>	<b>(-)1090.71</b>
	<b>Grand Total</b>	<b>8471.82</b>	<b>1383.35</b>	<b>9855.17</b>	<b>7091.58<sup>7</sup></b>	<b>(-) 2763.59</b>

The table presents a very unsatisfactory picture of the quality of budget preparation and financial operations of the State Government. The overall savings of Rs.2763.59 crore amounting to 32.62 *per cent* of the original appropriations, was the result of savings of Rs.2878.18 crore in 140 cases of grants and appropriations off-set by excess of Rs.114.59 crore in 10 cases of

grants and appropriations. Explanations for savings/excesses were either not received or were received incomplete in respect of 718 heads, which form 97 per cent of the total 740 heads

## 2.3 Fulfillment of allocative priorities

### 2.3.1 Appropriation by allocative priorities

Analysis of savings and excesses with reference to allocative priorities in respect of 10 grants brought out that there were heavy savings in developmental social sectors such as tribal areas sub-plan, food, civil supplies and consumer protection, education, health etc as shown below.

#### Grant No.41-Tribal Areas Sub-Plan

(Rupees in crore)

Revenue (Voted)		Total grant	Actual expenditure	Savings
Original	405.16			
Supplementary	132.10	537.26	303.21	234.05

Savings occurred mainly under, 2401-Micro management working plan-Rs.10.07 crore, 2505-Entire Employment Schemes-Rs.22.72 crore, 2515-PMGSY-Rs.45.98 crore, National Community Development Scheme-Rs.30 crore, grant to MS Housing School Samiti-Rs.10.80 crore. 2801-Grant for instantaneous energy development project-Rs.10 crore. Reasons for savings were not intimated.

#### Grant No.39-Food, Civil Supplies and Consumer Protection

(Rupees in crore)

Revenue (Voted)		Total grant	Actual expenditure	Savings
Original	187.16			
Supplementary	301.20	488.37	314.70	173.67

Savings occurred mainly under 2408-Food, Storage and Warehousing-subsidy to Nagrik Apoorti Nigam for meeting losses in procurement of food grains - Rs.32.35 crore, subsidy to State Cooperative Marketing Federation for meeting losses in procurement of food grains -Rs.39.30 crore, and under central sector schemes-Vikendrikat Uparjan Yojanantargarh Aarthik Sahayata Rs.96.91 crore. Reasons for savings were not intimated.

#### Grant No. 27 - School Education

(Rupees in crore)

Revenue (Voted)		Total grant	Actual expenditure	Savings
Original	637.19			
Supplementary	18.78	655.97	554.51	101.46

Savings occurred mainly under 2202-General Education-Operation Black Board Scheme-Rs. 14.49 crore, Government Primary Schools (for Basic Minimum Services)-Rs.62.67 crore, Higher Secondary Schools-Rs.7.84 crore. Reasons for savings were not intimated.



**Grant No.58- Expenditure on relief on account of Natural calamities and scarcity***(Rupees in crore)*

Revenue (Voted)		Total grant	Actual expenditure	Excess
Original	138.41			
Supplementary	122.27	260.68	321.50	60.82

Excess occurred mainly under 2245-Drinking water supply -Rs. 18.50 crore, Cash doles-Rs. 4.16 crore, 2702-Minor Irrigation (Agriculture)-Rs. 52.44 crore, 3054-district and other Roads-Rs. 23.06 crore, which were partly counter-balanced by saving under the head 2245-Transfer from National Calamity Contingency Fund to Calamity Relief Fund -Rs. 41.52 crore. Reasons for excess were not intimated.

**Grant No.80- Financial assistance to 3 tier Panchayati Raj Institutions (Rupees in crore)**

Revenue (Voted)		Total grant	Actual expenditure	Savings
Original	229.81			
Supplementary	36.48	266.29	220.83	45.46

Savings occurred mainly under 2202-General Education-Grant for salary to *Shiksha Karmies* for Basic Minimum Services-Rs. 28.74 crore, Mid day meals programme in Primary schools-Rs. 6.36 crore, 2235-Social Security and welfare-National old age pension-Rs. 9.00 crore. Reasons for savings were not intimated.

**Grant No.23- Water Resources Department***(Rupees in crore)*

Capital (Voted)		Total grant	Actual expenditure	Savings
Original	244.50			
Supplementary	0.40	244.90	205.07	39.83

Savings occurred mainly under 4701- Capital outlay on Major and Medium irrigation -Dam and Appurtenant works -Rs. 32.86 crore. Reasons for savings were not intimated.

**Grant No.10- Forest***(Rupees in crore)*

Revenue (Voted)		Total grant	Actual expenditure	Savings
Original	257.37			
Supplementary	0.05	257.42	227.11	30.31

Savings occurred mainly under 2406-Forestry and Wild life- State trading nationalised timber, Khair and Bamboos-Rs.2.31 crore and Bamboos - Rs. 3.98 crore. Reasons for savings were not intimated.

**Grant No.20-Public Health Engineering***(Rupees in crore)*

Capital (Voted)		Total grant	Actual expenditure	Savings
Original	20.80			
Supplementary	0.39	21.19	0.16	21.03

Savings occurred mainly under 6215-Loans for water supply and sanitation-LIC loan for New Urban Water Supply Schemes-Rs.20 crore. Reasons for savings were not intimated.

**Grant No.24 - Public Works-Roads and Bridges**

(Rupees in crore)

Revenue (Voted)		Total grant	Actual expenditure	Savings
Original	128.37			
Supplementary	20.05	148.42	132.00	16.42

Saving occurred under 3054-Roads and Bridges-Ordinary repairs-Rs. 2.79 crore, widening-Rs.2.02 crore, Renewals-Rs.4.09 crore, Strengthening-Rs.2.44 crore, Direction and administration Pro-rata Share of establishment of Grant 67-Major head 2059-Public Works-Rs.4.37 crore. Reasons for savings were not intimated.

It was also observed that:

In 66 cases expenditure fell short by more than rupees one crore in each case and also by more than 10 *per cent* of the total provision as indicated in **Appendix VI**. In 31 cases, substantial savings of Rs.5 crore or more and also more than 80 *per cent* of the provision in each case totalling to Rs. 604.66 crore were noticed. The details are given in **Appendix VII (i)**. In 19 out of 31 cases, the entire provision remained unutilized.

In 12 cases the entire budget provision of Rupees one crore and more in each case totalling to Rs.50.96 crore, provided under various central schemes remained unutilized as in **Appendix VII (ii)**.

Of the excess of Rs.114.59 crore under 10 cases of grants and appropriations, the excess under Grant No.58- Expenditure on relief on account of Natural calamity & scarcity alone amounted to Rs.60.81 crore (**Appendix VIII**).

### **2.3.2 Excess requiring regularization**

#### ***Excess over provision relating to previous years requiring regularisation***

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.126.11 crore for the years 2000-2001 (November to March) and 2001-2002 had not been regularised so far (October 2003). This was breach of legislative control over appropriation.

#### ***Excess over provision during 2002-2003 requiring regularisation***

An excess of Rs.114.51 crore under 8 cases of grants and Rs.0.08 crore under 2 cases of appropriations during the year required regularisation under Article 205 of the Constitution. Details of these are given in **Appendix-VIII**.

### **2.3.3 Original budget and supplementary provisions**

Supplementary provision of Rs.1383.35 crore obtained during the year constituted 16 *per cent* of the original provisions as against 10 *per cent* in the previous year.



#### **2.3.4 Unnecessary/excessive/inadequate supplementary provision**

Supplementary provision of Rs.462.18 crore made in 49 cases during the year proved unnecessary in view of aggregate saving of Rs.2239.06 crore as detailed in **Appendix-IX**.

In 24 cases against additional requirement of Rs.327.34 crore, supplementary grants and appropriations of Rs.822.94 crore were obtained resulting in aggregate savings of Rs.495.60 crore. Details of these cases are given in **Appendix-X**.

In 2 cases, supplementary provision of Rs.186.04 crore proved insufficient by more than Rs.10 lakh in each case, having an aggregated uncovered excess expenditure of Rs.65.90 crore as per details given in **Appendix-XI**.

#### **2.3.5 Substantial excesses**

In 8 schemes involving 6 grants expenditure exceeded the approved provision by Rs.5 crore or more and also by more than 100 *per cent* of the total provision aggregating to Rs.99.73 crore details of these are given in **Appendix XII**.

#### **2.3.6 Excessive/unnecessary re-appropriation of funds**

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where re-appropriation/surrender of funds of more than rupees one crore in each case proved injudicious are detailed in **Appendix XIII, XIV and XV**.

#### **2.3.7 Anticipated savings not surrendered**

The spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However at the close of the year 2002-03, there were 116 cases of grants/appropriations in which large savings had not been surrendered by the department. The amount involved was Rs.1361.09 crore. In 34 cases, significant amounts of available savings of Rs.5 crore and above in each case, aggregating to Rs.1293.35 crore were not surrendered as per details given in **Appendix-XVI**.

In 68 cases, Rs.1552.43 crore (99.95 *per cent*) were surrendered on the last day of March 2003, out of total surrender of Rs.1553.19 crore, indicating inadequate financial control over expenditure as detailed in **Appendix XVII**.

#### **2.4 Un-reconciled expenditure**

Departmental figures of expenditure should be reconciled with those of the Accountant General (A&E) every month. The reconciliation had, however, remained in arrears in several departments. Thirty four controlling officers did not reconcile their figures involving Rs.447.90 crore.

#### **2.5 Defective re-appropriation**

As per instructions (January 2001) of State Government and financial rules, (i) re-appropriation from salary and wages head to other heads is not permissible,

(ii) re-appropriation of fund from one grant to another grant should not be made, (iii) totals of both sides of re-appropriation sanction should tally, (iv) all sanctions of surrender / re-appropriation should be issued by the competent authority and these should be received in the Accountant General (A&E) office before closing and finalisation of accounts. Contrary to these, Rs.277.62 crore were re-appropriated/surrendered during 2002-03 by the Government as per details given in **Appendix-XVIII**.

## 2.6 *Rush of expenditure*

Uniform flow of expenditure in the year is a primary requirement of budgetary control. The rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial rules. It was, however, noticed in 14 cases, the expenditure incurred during March 2003 ranged from 36 *per cent* to 87 *per cent* of the total expenditure during the year. The details are given in **Appendix-XIX**.

## 2.7 *Budgetary control*

**2.7.1** A review of budgetary procedure and control of expenditure in case of five grants<sup>8</sup> for the year 2002-03 revealed that the expenditure control registers indicating amount of grant and re-appropriation under various schemes were not maintained or were incomplete in the controlling offices of test checked grants. Consequently upto date progressive total of monthly expenditure could not be worked out, which led to lack of proper control and non-monitoring of expenditure.

Further detailed scrutiny of test checked grants revealed the following irregularities

- Significant savings were found mainly in the schemes as detailed in **Appendix-XX**.
- There was excessive budget provision of Rs.38.87<sup>9</sup> crore under revenue voted section of four grants and Rs.37.94<sup>10</sup> crore under capital voted section of two grants.
- No expenditure was incurred under five major heads of grant number 10 and one major head under grant number 17, signifying adhoc budgeting without any requirement. Further in two major heads 6215 and 4215 of grant number 20, expenditure was less than 3 and 24 *per cent* respectively resulting in unwarranted lapses of more than 97 and 76 *per cent* of the provision. Details are given in **Appendix-XXI**.
- In 4 schemes of test checked grants, supplementary provision of Rs.9.50 crore remained unutilised and proved unnecessary. In 8 schemes supplementary provisions was excessive by Rs.4.74 crore as detailed in **Appendix-XXII(i) and XXII(ii)** respectively.

<sup>8</sup> 10-Forest, 14-Animal Husbandry, 17-Co-operation, 20-Public Health Engineering and 33-Tribal Welfare

<sup>9</sup> 10-Rs.6.90 crore, 14-Rs.6.10 crore, 17-Rs.1.37 crore, 20-Rs.24.50 crore

<sup>10</sup> 17-Rs.17.41 crore, 20-Rs.20.53 crore



- Under 6 schemes of major head 2403 of grant No.14, 61 to 100 *per cent* of total expenditure was incurred in March. Under five schemes of major head 2225, of grant No.33, 39 to 83 *per cent* of total expenditure was in March. In respect of eight schemes under three major heads (2425, 4425, 6425) 100 *per cent* expenditure as detailed in **Appendix-XXIII**, took place in March.

### **2.7.2 Injudicious surrender of funds**

Against the available savings of Rs.6.10 crore under the head 2403 of grant No.14, no amount was surrendered during the year. However, the surrender was proposed on 29th April 2003 for Rs.6.26 crore after the funds had already lapsed.

Similarly as against the final excess of Rs.48 crore, surrender of Rs.23.16 crore under the head 2225 and 2515 of grant No.33 proposed on 31 March 2003 without approval of Finance Department was unrealistic and injudicious.

### **2.7.3 Personal Ledger Accounts/Personal Deposit Account**

Financial Rules provide that no money shall be drawn from the Treasury unless required for immediate disbursement. Audit, however, noticed that Rs.4 crore was drawn under State Plan Schemes-Assistance to local bodies-Rajnandgaon Water Supply scheme (Major Head 2215- Public Health Engineering) in grant No.20 on 31st March 2003 and credited to 8443 Civil Deposit. An amount of Rs.3 crore under centrally sponsored schemes of Major Head 2215 was drawn on 31st March 2003 and was credited to 8443-Civil Deposit.

Similarly, an amount of Rs. 4.22 crore was drawn under centrally sponsored schemes of Major Head 2403 -Animal Husbandry in grant no. 14 on 31st March 2003, and credited to 8443 Civil Deposit-800 other deposits. The Director Veterinary Services attributed (September 2003) that non-receipt of sanction from the Government led to non-utilisation. The reply was not acceptable as the expenditure of Rs. 4.22 crore was incorrectly shown incurred during the year 2002-03, whereas it was actually credited to Civil Deposit for utilisation in the next year.

### **2.8 Utilisation of grants received under Eleventh Finance Commission**

On the recommendation of Eleventh Finance Commission (EFC), Government of India released upgradation grants to the State Government for various Departments.

A review of the Appropriation Accounts of the Government of Chhattisgarh (GOCG) for the period from November 2000 (the date from which the State came into existence) to March 2003, indicated that against the net budget provision of Rs. 130.44 crore released on the recommendations of Eleventh Finance Commission, a drawal of Rs.64.66 crore (about 50 *per cent*) was made. Out of the amount drawn although shown as spent, Rs. 27.30 crore were kept in '8443-Civil Deposits' (drawn on the last day of the three financial years) and thus were not actually expended. This inflated the total expenditure by 42.2 *per cent*. It was however, observed in Audit that while the records of

the Finance Department showed receipts of funds to the extent of Rs.68.64 crore, the expenditure booked in these records was Rs.51.63 crore and the balance amount of Rs.17.01 crore was shown as kept in Civil Deposits. These figures again did not reconcile with the records that were kept by various implementing departments, which indicated drawal of Rs.66.33 crore and expenditure of Rs.31.57 crore, the remaining amount of Rs.34.76 crore being kept in civil deposit.

Non-reconciliation of these figures of drawal, expenditure and amounts in deposit between the three sets of figures namely Appropriation Accounts, records of Finance Department and those of implementing Departments reflects adversely on the extent of co-ordination achieved and the state of financial management as is existing in the Finance Department.

Out of the various schemes approved according to EFC's recommendations, only 380 *Indira Gaon Ganga Yojana* (IGGY) have been completed against a target of 875 and remaining works though started were still in progress. Excess grants to the tune of Rs.1.03 crore were released to 3 department though the progress of expenditure was very poor. Details of utilisation of the fund are given in the **Appendix-XXIV**.

Concerned departments stated that utilisation certificates were awaited from the executing agencies/departments.

Further during Local Audit (August 2003) it was noticed that :

- Despite recommendations of the EFC that 75 *per cent* of the cost of construction would be met by Centre and remaining 25 *per cent* by public contributions either provided by Panchayats concerned from their own resources or by MP's/MLA's Local Development Fund, Executive Engineer, Rural Engineering Services (RES), Abhanpur incurred an expenditure of Rs.66.33 lakh during 2002-03 from Government share without obtaining any public contribution on the construction of 14 school buildings.
- During 2002-2004, Chief Executive Officer, District Panchayat, Rajnandgaon diverted Rs. 45.07 lakh for construction of 20 culverts which were not included in the recommendations of Eleventh Finance Commission.

Government stated (February 2004) that reconciliation of figure with that of the Accountant General was being carried out. The expenditure from concerned Department was also being reconciled and factual position would be intimated.



**CHAPTER III**  
**PERFORMANCE APPRAISALS**  
**AUDIT REVIEWS**





## **CHAPTER-III**

### **PERFORMANCE APPRAISALS**

### **AUDIT REVIEWS**

### **AGRICULTURE DEPARTMENT**

#### **3.1 Integrated Audit of Agriculture Department**

##### **Highlights**

With a view to increase the production and productivity of crops in the State, various crop development schemes/programmes are being implemented by the Government through the Agriculture Department. But the Department failed in the dissemination of latest technologies among cultivators and in the introduction of high yielding varieties of seeds. Although an expenditure of Rs.311.29 crore was incurred during the period 2000-03, productivity remained almost stagnant due to poor implementation of various central/state sponsored schemes/programmes and lack of proper monitoring. Productivity of paddy in the State came down from 1369 kg per hectare (1996-97) to 830 kg per hectare (ha) which is far below the average national productivity (2807 kg/ha). The productivity target (2000 kg/ha) set by the Agricultural Department was not achieved. Poor performance in the allied activities of Horticulture, Agricultural Engineering, Quality Control and Soil Testing also resulted in non- fulfillment of targets. Some of the observation are as follows:

**Non-utilisation of Rs.95.25 crore during 2000-03 adversely affected the implementation of the Programmes/Schemes.**

**(Paragraph 3.1.4)**

**Rs.1.15 crore advanced for supply of seed, implements and other purposes were lying unadjusted. Abstract Contingent (AC) bills for Rs.1.73 crore were pending adjustment, which is indicative of poor financial control. Besides reporting of inflated GOI share of expenditure of Rs.44.89 lakh under Macro Management during 2001-03 was noticed.**

**(Paragraphs 3.1.4)**

**Production of cereal, pulses and oilseeds declined sharply from 73.67 lakh metric ton (MT) (2001-02) to 41.88 lakh MT during 2002-03.**

**(Paragraph 3.1.5)**



**Excess payment of subsidy worth Rs.49.17 lakh under seed production and distribution programme and infructuous expenditure of Rs.86.74 lakh on Mango and Cashew plantation Scheme was noticed.**

**(Paragraphs 3.1.5)**

**Government gardens and agriculture farms were running at heavy losses (Rs.2.46 crore) in test-checked districts.**

**(Paragraph 3.1.5)**

**Excess expenditure of Rs.2.58 crore over the prescribed ceiling was incurred on soil and water conservation measures.**

**(Paragraph 3.1.6)**

**Infructuous expenditure of Rs.42.52 lakh on unsuccessful tube wells was incurred.**

**(Paragraph 3.1.7)**

**Infructuous expenditure of Rs.55.57 lakh on pay and allowances of idle and attached staff was noticed in test checked districts.**

**(Paragraphs 3.1.8)**

### **3.1.1 Introduction**

Chhattisgarh has an irrigation potential of 11.46 lakh ha (20 *per cent*) out of total cultivable area of 56.44 lakh ha.

The objective of the Agriculture Department was to enhance agricultural productivity through implementation of various Centrally Sponsored and State Sponsored Schemes.

### **3.1.2 Organisational set up**

Agriculture Department comprising of Agriculture, Horticulture and Agriculture Engineering wings is headed by Agriculture Production Commissioner cum Principal Secretary at the Government level who is responsible for formulating policies. The Director of Agriculture is responsible for implementation of schemes/programmes and monitoring thereof at State level. He is assisted by Additional Director/Joint Director in the Directorate and other Officers and functionaries at District and village levels who are responsible for implementation of various schemes/programmes. Additional Director, Agriculture is responsible for preparation of budget and expenditure control.

### **3.1.3 Audit Coverage**

Test-check of records relating to implementation of various programmes for the period November 2000 to March 2003 was conducted in four test checked districts viz. Bastar, Bilaspur, Raipur and Surguja in the offices of three Deputy Directors of Agriculture (DDA), one Deputy/Assistant Director of Horticulture (DDH/ADH), four Assistant Soil Conservation Officers (ASCO). Similar test check was conducted in July/August 2003 in the office of the



Director of Agriculture, Raipur covering the period from 2000-01 to 2002-03. The selection of the test checked districts were made on the basis of expenditure incurred<sup>11</sup> in these districts and to ensure adequate coverage of all the activities of the Department.

The results of test check are mentioned in the succeeding paragraphs.

### 3.1.4 Financial Management

The Department incurs expenditure under five major heads<sup>12</sup> covering nine grants<sup>13</sup>. There are 118 Drawing and Disbursing Officers (DDO's) and 26 Controlling Officers in the Department.

Based on the budget estimates, Finance Department intimates the final allotments. The expenditure is required to be restricted to these allocations.

Budget provision and expenditure as per books of Accountant General (AG) were as under:

(Rupees. in crore)

Savings of  
Rs.95.25 crore  
due to excess  
provision and  
non-utilisation  
of GOI funds

Year	Budget provision		Expenditure		Saving (Percentage)	
	Central	Total	Central	Total	Central	Total
2000-2001 (from Nov)	24.35	60.00	9.91	43.74	14.44 (59)	16.26 (27)
2001-2002	41.59	176.10	17.65	151.57	23.94 (58)	24.53 (14)
2002-2003	37.50	170.44	16.55	115.98	20.95 (56)	54.46 (32)
<b>Total</b>	<b>103.44</b>	<b>406.54</b>	<b>44.11</b>	<b>311.29</b>	<b>59.33 (57)</b>	<b>95.25 (23)</b>

While the overall savings ranged between 14 to 32 *per cent* during 2000-2003, the savings under central sector/centrally sponsored scheme ranged between 56 and 59 *per cent* which is indicative of not only faulty budgeting but also poor implementation of various schemes especially under Central sector. Director attributed (July 2003) non-utilisation to non-release/belated release of central funds. Reply is not acceptable since the Department failed to utilise Rs.9.33 crore (Rs.6.91 crore during 2000-2001 and Rs.2.42 crore during 2002-03) released by Government of India under Macro Management and Technology Mission on Oilseeds, Pulses and Maize (TMOP &M).

There was inadequate monitoring of the budgeting provisions and expenditure as brought out below.

Persistent savings of  
Rs.58.22 crore

- Persistent savings under various schemes aggregating to Rs.58.22 crore during 2000-2003 were noticed. Major savings occurred mainly under Crop Insurance Scheme (Rs.24.45 crore: 38 to 99 *per cent*), Plant

<sup>11</sup> Expenditure reported by Director during 2001-02 (Surguja) Rs.6.79 crore, (Bilaspur) Rs.7.17 crore, (Bastar) Rs.4.23 crore and (Raipur) Rs.9.64 crore (19 *per cent* of total expenditure of Rs.146.44 crore during the year)

<sup>12</sup> Major Head 2401, 2402, 2415, 2702, 2705

<sup>13</sup> Grant No. 13, 15, 41, 45, 52, 54, 64, 80, 82

Protection Scheme (Rs.46.31 lakh : 52 to 66 *per cent*) and Food Grains Crops (Rs.1.31 crore : 43 to 99 *per cent*) during November 2000 to March 2003. This indicates that due care had not been exercised in the preparation of budget estimates (*Appendix-XXV*).

**Non receipt of agricultural implements against advance payment of Rs.87.74 lakh**

- Test-check of records of three DDAs<sup>14</sup> and a DDH,<sup>15</sup> revealed that contrary to financial rules, Rs.87.74 lakh under Centrally Sponsored Schemes were advanced to Government agencies, but were reported as final expenditure to the GOI. The amounts were still lying unadjusted with the agencies as per details given in *Appendix-XXVI*. Similarly a grant of rupees one crore paid to the Mandi Board for creation of infrastructure during 2001-02 was reported as final expenditure but the utilisation certificates were still awaited.

In reply DDH and DDAs stated (May and June 2003) that action was being taken for adjusting these amounts.

**Outstanding AC Bills for Rs.1.73 crore**

- It was seen that Abstract Contingent (AC) bills amounting to Rs.1.73 crore for the period 1990-2002 were still pending for adjustment as per details given in *Appendix-XXVII*.

Submission of Detailed Contingent (DC) bills were delayed, the delay ranging between one to thirteen years In reply ASCOs stated that submission of bills will be done. But in view of the long pendency of these bills the possibility of defalcation of money cannot be ruled out. Further some officials may have already retired.

**Non-adjustment of temporary advances Rs.27.46 lakh**

- Scrutiny revealed that Rs.27.46 lakh<sup>16</sup> paid as temporary advances during 1983-2003 to the officials were not adjusted as the accounts were not rendered by the concerned officials. The delay in rendition of accounts ranged between six months to 20 years. DDOs in their reply stated that steps would be taken for adjustment of advances.

**Inflated reporting of GOI share Rs.44.89 lakh under Macro Management**

- Under Macro Management formulated in January 2001 the expenditure was to be shared in the ratio of 90: 10 between Government of India and State Government. The position of total expenditure, GOI share of actual expenditure and expenditure reported to GOI in Utilisation Certificate (UC) revealed that GOI share of expenditure in the UCs were inflated by Rs.44.89 lakh.

### 3.1.5 Programme Implementation

With a view to increase the agricultural production, 27 Central Sector/Centrally Sponsored Schemes and 18 State Plan Schemes were implemented by the Department.

<sup>14</sup> Ambikapur, Jagdalpur, Raipur,

<sup>15</sup> Raipur

<sup>16</sup> Rs.3.89 lakh: ADH Jagdalpur, Rs.11.40 lakh: DDH Bilaspur, Rs.3.97 lakh: DDA Jagdalpur and Rs.8.20 lakh: ADH Surguja



The assessment of demands of seeds, fertilisers, pesticides and other inputs was done by Director every year well in advance for Kharif and Rabi crops and physical targets for production and coverage area of cereals, pulses, oilseeds and other crops were fixed.

### ***Physical targets and achievements***

Physical targets and achievements of area covered and crop production (Kharif and Rabi) were as under:

**TABLE-I Targets and Achievements**

Name of crop	Area thousand ha; Production thousand mt											
	<i>Kharif</i>											
	2000-01				2001-02				2002-03			
	Target		Achievement		Target		Achievement		Target		Achievement	
	A	P	A	P	A	P	A	P	A	P	A	P
Cereal	4100	4979	4122	3715	3994	5794	4017	6109	3890	6131	3792	3088
Pulses	265	115.	236	135	420	268	371	229	468	301	442	276
Oil-seeds	190	92	158.	79	299	193	263	124	311	202	284	168
Others	--	--	--	--	--	--	--	--	55	15	67	18.
Total - (A)	4555	5186	4516	3929	4713	6255	4651	6462	4724	6649	4585	3550

Name of crop	<i>Rabi</i>											
	2000-01				2001-02				2002-03			
	Target		Achievement		Target		Achievement		Target		Achievement	
	A	P	A	P	A	P	A	P	A	P	A	P
Cereal	103	85	165	239	134	159	206	283	178	203	126	167
Pulses	392	197	365	181	747	435	778	457	665	472	598	349
Oilseeds	190	89	184	76	293	128	300	134	261	132	195	97
Others	---	---	65	37	--	--	74	31	81	61	76	24
Total - (B)	685	371	779	533	1174	722	1358	905	1185	868	996	637
Grand Total (A + B)	5240	5557	5295	4462	5889	6977	6009	7367	5909	7517	5581	4188

*A: Area; P: Production*

The above table shows that targets under both coverage area and production in Kharif crops could not be achieved except during 2001-02. This is inspite of the various incentives given to farmers through different schemes/programmes.

Out of 45 schemes run by the Department nine schemes viz. Integrated Cereal Development Programme (Rice), National Pulses Development Project, Oil Seeds Production Programme, *Vibhagiya Falodyan Yojna*, Cashew Development, River Valley Project and Flood Prone River Scheme, National Watershed Development Programme for Rainfed Areas, Minor Irrigation and *Indira Khet Ganga Yojna* were test checked to assess their performance.

### ***Integrated Cereal Development Programme (Rice)***

Paddy, the main crop of the State constitutes about 77 per cent of total area covered under Kharif crop. Since the productivity of paddy crops in 1996-97 at 1369 kg per hectare(kg/ha) was far below the National average of 2807 kg per hectare, the productivity of paddy was planned to be enhanced to 2000 kg per hectare within the next five years i.e. by 2000-01.

### **Non-achievement of Productivity targets**

The details of the expenditure incurred, total area under paddy, its production and productivity in rainfed areas (Kharif) were as under:

**Table 2 -Paddy Production**

*(Unit area in thousand (ha); Production in thousand MT)*

Year	Total crop area	Area covered under paddy	Production	Productivity	Allotment	Expenditure
				(Kg per hect)	(Rupees in lakh)	
2000-2001	4569	3798	3494	919	223.77	164.63
2001-02	4651	3585	5902	1646	126.17	125.17
2002-03	4800	3469	2879	830	78.00	73.33

From the above it is clear that inspite of availability of sufficient funds the targeted productivity (2000 kg per hectare) could not be achieved. No reply has been furnished by the Department (February 2004).

### **Payment of excess subsidy**

**Excess payment of subsidy amounting to Rs.41.19 lakh.**

It was observed that subsidy of Rs.61.38 lakh was paid during 2001-02 to the farmers on distribution of 10093.75 quintals of certified seed under seed production and distribution programme as against the admissible amount of Rs.20.19 lakh leading to excess payment of subsidy amounting to Rs.41.19 lakh.

### **National Pulses Development Project**

National Pulses Development Project (NPDP) was launched (1986) by GOI to increase production and productivity of pulses by adoption of improved varieties of seeds and improved technology. Under NPDP, incentives were provided to the seed growers and farmers through various components. The programme was financed jointly by Central and State Government on 75:25 basis.

State wise area under cultivation, production of pulses and productivity (Kharif and Rabi) vis-a-vis expenditure during 2000-03 were as under:

**Table 3 - Pulse Production**

*(Area thousand hectare, Production thousand ton, Productivity kg/ha)*

Year	Total crop area in the State	Area under cultivation (percentage)	Production	Productivity	Allotment	Expenditure
					(Rupees in lakh)	
2000-01	4569	601 (13)	316	525	32.27	28.02
2001-02	4651	1149 (25)	687	597	80.00	71.40
2002-03	4800	1041 (22)	626	601	60.00	46.95

The area covered under pulse crop in the State ranged between 13 to 25 per cent in Kharif and Rabi crops. The productivity of various pulses showed only a marginal increase under NPDP during 2000-03.

The component-wise physical and financial targets and achievement under this project for the period 2001-03 given in **Appendix-XXVIII** revealed the following:



Non providing due weightage to seed component

Out of total allocation of Rs.1.47 crore by Government of India, Rs.50.50 lakh (34 *per cent*) were to be utilised on seed sector, however only an expenditure of Rs.26.07 lakh (18 *per cent*) was incurred during 2001-03. Thus non-according of prescribed weightage to the seed sector adversely affected the pulse production programme.

Under Seed Village Scheme (SVS) component, which was aimed at multiplication of foundation seed into certified seed by registered seed growers/farmers, only Rs.1.67 lakh (10 *per cent*) were utilised against Rs.17 lakh provided by GOI during 2001-03 under this component. Consequently the objective of this scheme could not be achieved.

### ***Oilseeds Production Programme***

Oilseeds Production Programme (OPP) aimed at increasing the production of oilseeds by area expansion and enhancing its productivity. Various incentives were given to the farmers under the different components of the programme.

Area covered, production and productivity achieved and expenditure incurred during 2000-03 under OPP in the State were as under:

**Table 4 - Oilseed Production**

(Area in thousand ha)

Year	Total crop area in State	Area covered under Oilseeds with (percentage)	Production (thousand MT)	Productivity (kg./hectare)	Expenditure (Rs.in lakh)
2000-01	4569	342 (07)	155	454	45.53
2001-02	4651	563 (12)	257	457	131.49
2002-03	4800	479 (10)	264	552	72.09

Improper implementation of programme due to inadequate distribution/production of certified seeds

From the above table, it emerges that the area covered ranged between seven to 12 *per cent* of the total crop area during 2000-03. However, there was no significant increase in productivity despite incurring expenditure of Rs.2.49 crore during 2000-03.

Component-wise target and achievements in physical and financial terms for the period 2000-01 to 2002-03 are given in **Appendix-XXIX**.

It was observed that the following components under OPP were not given due weightage.

- Out of total allocation of Rs.2.40 crore by Government of India, Rs.0.80 crore (33 *per cent*) were to be utilised on seed sector, however only an expenditure of Rs.34.29 lakh (14 *per cent*) was incurred during 2001-03. This resulted in denial of assistance to farmers on seed component.
- Under Seed Village Scheme (SVS), inspite of availability of funds (Rs.37 lakh) for production of 7400 quintals (GOI target) of certified seeds only 12.85 quintals (negligible) were produced.

Excess expenditure of Rs. 7.98 lakh on seed treatment.

- Under seed treatment component Rs.100 per ha was admissible to the farmers as subsidy. But seeds sown in 18,043 ha area were treated at a cost of Rs.26.02 lakh against an admissible amount of Rs.18.04 lakh incurring excess payment of Rs.7.98 lakh as subsidy.

### ***Distribution of Seed Minikits***

Minikit distribution was aimed at introducing and popularising latest varieties of high yielding seeds among farmers. For this, beneficiaries were to be identified and selected well in advance of the sowing season through Agriculture Committee of the Janpad Panchyat. Director was to ensure proper stocking of minikits received from GOI and their timely distribution. On the basis of feed back received from the field units the result of new seed varieties were to be analysed at the Directorate.

A review of the distribution of Seed Minikits revealed the following deficiencies:

Irregular distribution of seed minikits worth Rs.5.44 lakh containing more than 10 years old varieties of seeds

As per GOI guidelines, minikits containing seed varieties notified within 10 years were qualified for financial assistance. Contrary to this 3746 minikits containing seed varieties notified beyond 10 years valued at Rs.5.44 lakh, were distributed to the farmers.

Gram and mustard seed minikits were distributed to the farmers in December instead of October in Surguja and Raipur districts during 2001-2003 well past the sowing season. The results of these seed minikits were also not assessed, defeating the objective of popularising the latest seed variety.

### ***Infructuous expenditure on Vibhagiya Falodyan Yojna***

#### ***Mango Plantation***

With a view to provide means for generating income to the farmers from fruit gardens, the State Government launched (September 1990) a *Vibhagiya Falodyan Yojna*. Under the scheme, 50 per cent amount of grant was to be paid to the beneficiaries in the first year in two installments for plants and plantations work and the remaining amount was to be paid for their maintenance in subsequent four years subject to verification by Class-II officer and survival of 90 per cent of the plants.

Scrutiny of records of DDH/ADH of test checked districts revealed that during 2000-03 grant amounting Rs.59.89 lakh on planting material and other inputs were distributed to 1722 identified farmers<sup>17</sup> in the first year only. No feed back was, however, received from fields units about the proper utilisation of planting materials and survival of plants after field verification. Thus the objective of income generation was not fulfilled and the expenditure incurred was rendered infructuous.

<sup>17</sup> Jagdalpur - Rs.10.89 lakh (289), Bilaspur - Rs.3.97 lakh (139), Raipur - Rs.7.40 lakh (218), Ambikapur - Rs.37.63 lakh (1076)



**Cashew development**

**Infructuous  
expenditure of  
Rs.86.74 lakh on  
Mango and cashew  
plantation**

Similarly expenditure of Rs.26.85 lakh was incurred on distribution of plants and inputs to 475 beneficiaries for planting of cashew grafted plants in 407.89 ha during 2000-03 in Bastar district. No further subsidy was paid to the farmers for their maintenance in subsequent years nor was any follow up measures taken. Consequently the impact of this income generating scheme could not be assessed. Expending of money without assessment of its fruitfulness is objectionable and indicates indifference to the plight of farmers.

ADH stated (June 2003) in reply that no financial support was received from the Director in subsequent years as the survival was less than 90 per cent. However, since no feed back on survival of these plants were submitted to the Director, the reply appears to be doubtful. The impact of the plantation on the beneficiaries could also be not assessed.

**Performance of Government gardens and agriculture farms**

Government established gardens and agriculture farms with a view to produce high quality planting material, vegetable and crop seed and to disseminate new technology in horticulture and agriculture respectively. As per Government instructions, gardens and farms were to function on a no profit no loss basis.

**Loss of Rs.2.46 crore  
on running of  
Government  
gardens/farms**

Test-check of records and information collected from 34 gardens of Bastar, Bilaspur, Raipur and Surguja districts revealed that an expenditure of Rs.2.65 crore was incurred on wages and maintenance of gardens. But only Rs.1.03 crore were realised as receipts from these gardens during 2000-03, thus incurring a loss of Rs1.62 crore (**Appendix-XXX**).

DDH/ADH attributed (May and June 2003) the loss in gardens to lack of irrigation facility, wage hike, unsuitable soil of garden and increase in cost of inputs.

Similarly a cumulative losses of Rs.84.33 lakh from five farms<sup>18</sup> was noticed on the running of these farms.

DDAs further stated (May & June 2003) that the losses were due to drought, undergrading of farm produces by the seed certification agency, lack of fencing in the farms and higher cost of transportation of farm produces to the processing units. Reply is not tenable as the production was below the norms. Thus, the farms failed to meet the demand of certified seeds and dissemination of technology to the farmers.

**Unauthorised expenditure on running of three Gardens of Bastar district**

Two gardens at Farasgaon and Tuosa and one garden at Orchha were established (1989-90) by District Planning Board (Bastar) and Abujhmad Development Authority respectively. Their maintenance was taken over by

<sup>18</sup> Rs.17.67 lakh Kerlapal, Bastar upto 1999-2000, Rs.5.55 lakh Shishal farm Bilaspur 2001-02 Rs.8.61 lakh Gariyaband 1998-99, Rs.25.93 lakh Kharri Bilari Raipur 2000-01 and Rs.26.57 lakh Chalta Sitapur, Ambikapur (Surguja) upto 1999-2000

ADH Jagdalpur as per orders of the Joint Director of Horticulture, (JDH) Jagdalpur in 1999. But no formal sanction was obtained from the Government as it involved a recurring additional liability

**Irregular expenditure of Rs.16.87 lakh on running of three un-sanctioned gardens**

Scrutiny of records of ADH Jagdalpur, however revealed that an expenditure of Rs.16.87 lakh<sup>19</sup> was incurred on maintenance of gardens during 2000-03. In reply, ADH stated (June 2003) that the powers of Additional Director was delegated to the then JDH, Jagdalpur. Reply is not tenable, as the above expenditure was required to be regularised by obtaining the sanction from the Government.

### ***Working of Soil testing Laboratories***

Soil testing laboratories were established with a view to analyse deficiencies of soil and to recommend to the farmers the right dose of fertilisers.

**31,727 farmers deprived of technical advice due to non testing of targeted number of soil samples by laboratories**

Test-check of records of soil testing laboratories situated at Bilaspur, Jagdalpur and Raipur revealed that against a target of 76,500 soil samples during the period 2000-03, only 57,124 soil samples were received from field units in these laboratories. Out of which 44,773 soil samples were analysed during 2000-03 and 12,351 samples (22 *per cent*) remained un-analysed. Thus, due to short-collection and non-testing of soil samples, 31,727 farmers were deprived of the technical advice from these laboratories.

### ***Quality control of seeds, fertilisers, pesticides and insecticides***

**Ineffective quality control system of seed, fertiliser etc.**

Agriculture Department was responsible for quality control of seeds, fertilisers, pesticides and insecticides consumed in the state. For quality control, samples were drawn by the block level officers and sent to the laboratory for analysis.

Scrutiny of the compilation of laboratory analysis reports in test-checked districts revealed that 13 seed samples (out of 471), 68 fertilisers samples (out of 1731), 58 insecticides/pesticides samples were found sub standard during 2000-03. Instead of seizing the entire stock of substandard seeds, fertilisers and insecticides, the dealers were let off with a simple warning. Licence/registration of these traders were not suspended/cancelled and no case was filed in the court. Instead these substandard stocks were sold to the farmers by these dealers.

Thus, 3330 MT of substandard fertilisers were sold to the farmers during 2000-03 in Bilaspur and Surguja district.

<sup>19</sup>

Rs. 4.62 lakh : Farasgaon, Rs 8.42 lakh : Tuosa and Rs 3.83 lakh : Orchha



### 3.1.6 Natural Resource Management

#### *River Valley Project and Flood Prone River Scheme*

Less area treated under watershed project apart from non-execution of vegetative measures and agro forestry

River Valley Project (RVP) and Flood Prone River (FPR) Schemes were launched in third and sixth Five Year Plan, with a view to enhancing the productivity of degraded land, minimizing soil erosion and preventing silt deposition in reservoirs and enhancing land capability and moisture retention regime in the watershed areas. Vegetative measures were to be given high priority.

Test-check of records of watershed project BS3w executed by ASCO RVP Pendra Road (Bilaspur) revealed that only 290 ha of degraded land could be treated after incurring an expenditure of Rs.27.96 lakh during 2000-03 against a target of 1130 ha at an estimated cost of Rs.42.20 lakh. More over vegetative measures and agro forestry works were totally ignored by the Soil Conservation Division.

In reply ASCO stated (May 2003) that the vegetative work could not be implemented due to non-receipt of allotment in time. The reply indicates that ASCO failed to plan the work as per availability of funds.

#### *National Watershed Development Project for Rainfed Areas*

The objective of watershed projects was to conserve, improve and utilise scientifically the natural endowments like land, water, plant, animal and human resources for sustainable development of crops. In Ninth Five Year Plan, (1997-2002), 131 watershed projects now in Chhatisgarh State were sanctioned for treatment of 5,42,751.50 ha land at a cost of Rs.189.96 crore. Against this Rs.34.82 crore were spent on treatment of 99,492 ha (18 per cent) land upto March 2002.

Excess expenditure of Rs.2.58 crore on land and water conservation by diverting funds from other activities.

As per norms, the utilisation of funds were to be 35 per cent of project cost on basic activities, 40 per cent on land and water conservation, 20 per cent production system and 5 per cent on household activities.

Scrutiny revealed that contrary to above norms an expenditure of Rs.16.51 (47 per cent) crore was incurred on land and water conservation against the admissible amount of Rs.13.93 crore by diverting Rs.2.58 crore from the other activities.

Rs.60.05 lakh lying unutilised with IGKVV Raipur paid for research work.

DDA, Raipur paid (March 1998) Rs.86 lakh as grant-in-aid to Indira Gandhi Krishi Vishwa Vidhyalaya (IGKVV), Raipur for research work on watershed projects. Of this, only Rs.25.95 lakh was utilised and Rs.60.05 lakh was still lying with the IGKVV even after expiry (March 2002) of the project period. But the entire amount of Rs.86 lakh was reported to GOI as utilised.

### 3.1.7 Minor Irrigation

Irrigation facilities for cultivation of only 11.46 lakh ha land were available in the State. Crops are grown in rainfed areas which largely depend on



of inspection reports issued by Accountant General Chhattisgarh, Raipur and monitoring the work of staff posted in the offices of Regional Managers at division level. But the existing arrangement of internal audit was inadequate as only 145 field units were covered against 235 units targeted during November 2000 to March 2003.

### **Poor response to audit observations**

Audit observations on serious financial and other irregularities, which could not be settled on the spot during local audit were communicated to the Head of the offices and to next higher authorities through Inspection Reports (IRs). Two hundred and eighty six IRs containing 951 paragraphs covering the period from 1981-82 to 2002-03 were pending for compliance at the end of March 2003. Of these 242 paragraphs were referred to Head of Department and 108 paragraphs to the Government for their comments. Thus, the Department failed to ensure timely compliance on pending audit paragraphs.

### **3.1.11 Monitoring and Evaluation**

Systematic, result oriented and intensified field monitoring was essential to assess the impact of the schemes/programmes. The monitoring of the schemes/programme was done through monthly progress reports which were not analysed at the Directorate level.

### **3.1.12 Conclusions**

The quality of budgetary and financial management was deficient. Manpower management was inefficient and deployment of staff improper. Programme management was ineffective as the productivity of rice declined from 1369 kg/ha in 1996-97 to 830 kg/ha. Productivity of pulses and oilseeds remained almost stagnant. Impact of distribution of seed minikits and block demonstrations were not assessed. Moreover there was no institutional mechanism for assessing the effectiveness of various schemes. Consequently no deviations or mid term correction in programme implementation could be done.

Agriculture farms and gardens are continuously running into heavy losses due to lack of supervision. Working of soil testing laboratories and training centres were far below their potential. The mechanism of quality control of seed, fertilisers and pesticides was ineffective. Impact of schemes/programmes was not evaluated. Thus, the twin goals of expansion of cultivated area and increase in production and productivity of rice, cereals, pulses and oilseeds could not be achieved despite incurring an expenditure of Rs.311.29 crore.

### **3.1.13 Recommendations**

- The quality of budgetary control and financial management needs to be strengthened.



- Targeted efforts are required to be taken in managing the latest variety of seeds and promoting the use of compost and organic manure to boost food grain productions.
- Impact of distribution of seed minikits and organising block demonstration needs to be assessed in order to achieve desired goals. The quality control measures should be made more effective.
- Regular and mid term appraisal mechanism should be introduced and progress of implementation strictly monitored so that the twin goals of expansion of cultivated area and increase in production and productivity of rice, cereals, pulses and oil seeds could be achieved.

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

### **3.2 National AIDS Control Programme**

#### ***Highlights***

AIDS (Acquired Immuno Deficiency Syndrome) is caused by a virus known as Human Immuno Deficiency Retro Virus (HIV). For its prevention and control, Government of India launched a Centrally Sponsored Scheme-National AIDS Control Project-Phase-I (September 1992 to March 1999) and Phase-II for a period of five years from November 1999 for prevention and control of disease. Aspects relating to reducing the infection in high risk groups, identification of the target population, providing counseling, condom promotion and treatment of Sexually Transmitted Diseases, however, were not taken up. Chhattisgarh AIDS Control Society, Raipur could utilise only 37 *per cent* (Rs.2.47 crore) of the funds provided in action plan during 2001-03. Only 18 *per cent* of the total estimated target population (15-49 years) attended the Family Health Awareness Camps during February 2002. Shortfall of mandatory blood screening test for Hepatitis 'C' ranged from 41 to 100 *per cent* in five districts. Shortfall in target of voluntary blood collection was 47 *per cent* in the year 2002. Other short comings noticed were:

**Rupees 49 lakh allotted for Family Health Awareness Campaign was lying unutilised with the Director of Health Services, Raipur since May 2001. No awareness campaign was organised during that period.**

*(Paragraph 3.2.5)*

**Sexually Transmitted Diseases Clinics were not functioning in six districts inspite of Rs.15.30 lakh having been released for this purpose.**

*(Paragraph 3.2.6)*

**Chhattisgarh AIDS Control Society, Raipur incurred expenditure of Rs.29.17 lakh without verification of execution of work relating to geru painting, installation of hoardings and receipt and distribution of printed materials.**

*(Paragraph 3.2.6)*

**Modernised Blood Banks were not established in seven districts even though grants of Rs.35 lakh were provided for this purpose.**

*(Paragraph 3.2.6)*

**Equipments worth Rs.19.64 lakh were lying idle in Blood Component Separation Unit due to non-procurement of the Platelet Incubator, Generator of 10 KVA and for want of licence.**

*(Paragraph 3.2.6)*



### 3.2.1 Introduction

AIDS (Acquired Immuno Deficiency Syndrome) is a severe life threatening condition, which represents the late clinical stage of infection with the Human Immuno Deficiency Retro Virus (HIV). There is as yet no cure or vaccine. HIV virus is transmitted through sexual contact (homosexual, bisexual or heterosexual), sharing of blood contaminated needles and syringes, through blood transfusion of infected persons' blood, transmission from infected mother to child etc.

In 1987, National AIDS Control Programme, a Centrally Sponsored Scheme was launched so as to create awareness of HIV/AIDS, screening of blood for HIV, and testing of individuals practicing high risk behaviour. National AIDS Control Project-Phase-I (NACP-I) was implemented from September 1992 to March 1999 for prevention and control of AIDS. Phase-II (NACP II) was implemented in November 1999 for a period of five year and is expected to be completed by October 2004. Both these programmes are cent *per cent* Centrally Sponsored Schemes.

### 3.2.2 Project objectives

The key objectives of NACP II were (1) to reduce the spread of HIV infection in India and (2) to strengthen India's capacity to respond to the HIV/AIDS on a long term basis. Operationally, the project seeks (a) to keep HIV prevalence rate below one *per cent* of adult population in areas where the epidemic is still at a nascent stage, (b) to reduce blood borne transmission of HIV to less than one *per cent* (c) to attain awareness level of not less than 90 *per cent* among the youth and others in the reproductive age group, and (d) to achieve condom use of not less than 90 *per cent* among high risk categories like commercial sex workers etc.

### 3.2.3 Organisational set up

Government of India established National AIDS Control Organisation (NACO) to work for the prevention and control of AIDS in the country. At State level, a Chhattisgarh State AIDS Control Society (CGSACS), Raipur was set up (May 2001) under the Chairmanship of Secretary, Public Health and Medical Education Department. Subsequently this society was merged with Chhattisgarh Health Society constituted in August 2002 under the Chairmanship of Minister of Public Health and Family Welfare of Chhattisgarh Government. CGSACS is now working as a Sub-Society.

District AIDS Control Society (DACS) implements the programme at district level under the chairmanship of District Collector through Chief Medical & Health Officer (CMHO) and Civil Surgeon. Dean Medical Colleges (MCs) are also implementing the Programme in attached Hospital with MCs.

### 3.2.4 Audit Coverage

The review of the scheme in audit covers the period from November 2000 to March 2003. Five populous districts<sup>24</sup> receiving heavy funding for AIDS control activities were selected for test-check. The records of the Project Director (PD), CGSACS, Raipur DACSs, Bilaspur, Durg, Raigarh, Raipur, Surguja and Dean Medical College, Raipur were audited during November 2002 to September 2003. Important observations noticed in the test check are highlighted in the succeeding paragraphs.

### 3.2.5 Financial Management

Grants upto March 1999 were released by NACO through the State Finance Department to State AIDS cell on the basis of State Budget provisions and thereafter grants were released directly to CGSACS. The position in respect of grants released by NACO and expenditure reported by CG SACS, Raipur was as under:

TABLE-1

(Rupees in crore)

Year	Amount approved		Amount received			Amount of expenditure reported	Closing balance	Shortfall with reference to action plan
	State Budget	Action plan	Opening balance	Receipt	Total			
2000-01	0.78	NIL	NIL	NIL	NIL	NIL	NIL	Budget lapsed
2001-02	1.94	--	NIL	NIL	NIL	NIL	NIL	Budget lapsed
		3.03	NIL	1.29	1.29	0.87	0.42	71 per cent
2002-03	NIL	3.70	0.42	1.85	2.27	1.60	0.67	57 per cent
<b>Total</b>		<b>6.73</b>	<b>--</b>	<b>3.14</b>	<b>--</b>	<b>2.47</b>	<b>--</b>	

Component-wise allocation of funds and expenditure incurred are shown in *Appendix-XXXII*. A perusal of the allotment and expenditure figures indicated the following lapses.

Non- utilisation of 71 and 57 per cent of approved grants

**Non-utilisation of approved grants:** CGSACS could utilise only 29 per cent (Rs.0.87 crore) and 43 per cent (Rs.1.60 crore) of the grants provided for action plans of the years 2001-02 and 2002-03 respectively.

Delay in release of funds

**Delay in release of funds:** For financial year 2001-02, grants of Rs.50 lakh were released only in November 2001 and Rs.21 lakh in May 2002 after the end of the financial year. Release of funds after completion of the financial year is highly irregular and in violation of established prudent financial practices. Further such delayed releases have adversely affected the implementation of various planned activities. Even CGSACS also released funds to DACSs after a delay of 4-5 months during 2002-03.

Closing balances of Rs.86.48 lakh requiring transfer/ adjustment to CGSACS

**Unspent balances:** Accounts of Madhya Pradesh State AIDS Control Societies (MPSACS), Bhopal showed a closing balance of Rs.86.48 lakh (September 2002) lying unutilised/unspent with Districts/Director of Health Services (DHS) of Chhattisgarh. The closing balances were not transferred/adjusted to CGSACS as balances were not confirmed by



Districts/DHS. Out of this closing balance, Rs.49.04 lakh were lying with DHS, Raipur since May 2001 due to non-organisation of required Family Health Awareness Campaign (FHAC). Remaining balance of Rs.37.44 lakh was with DACSs, of which Rs.1.29 lakh were surrendered by DACS of Raipur and Kanker to CGSACS (February 2004).

**Grants of one component utilised for other component**

**Diversion of Grants:** Grants of a component should not be utilised for any other component. But it was observed that DACS, Raipur utilised Rs.4.45 lakh (1999-01) for Family Health Awareness Campaign and DACS, Durg, spent Rs. one lakh (2002-03) for blood bank out of the grants given for Sexually Transmitted Disease (STD) control. Though STD control is a crucial element in the fight against HIV/AIDS, it was neglected despite allocation of funds/grant during 1999-03.

**DACS Sarguja and MC Raipur did not maintain separate accounts records**

**Improper/non-maintenance of separate accounts records:** Separate project accounts records were required to be maintained using double entry book keeping principles by the implementing units. A test-check of the records of DACS, Sarguja and Dean, MC, Raipur revealed non-maintenance of separate accounts records by them. The accounts were either mixed with normal records or with other schemes. Hence the correctness of the expenditure booked under this programme is doubtful. In CMHO, Surguja the balances of various schemes were so intermixed that the same could neither be bifurcated nor the final balances ascertained.

**MC Raipur did not open separate Bank Account**

**Non-opening of Separate Bank Account:** Separate bank account was required to be opened for implementation of this programme. However, Dean, MC, Raipur did not open any separate bank account. Instead, the funds were kept in Personal Deposit Account alongwith the funds of other Schemes.

These lapses indicated that adequate care was not given to the budget formulation and financial management of the programme.

### 3.2.6 Programme Implementation

#### ➤ Priority Targeted Intervention for groups at High Risk (TI)

**Less utilisation of funds in component of priority targeted intervention**

The project aims to reduce the spread of HIV in groups at high risk by identifying the target population and providing peer counseling, condom promotion, treatment of Sexually Transmitted Infections (STIs) and client programmes. For implementing these activities, Rs.1.72 crore<sup>25</sup> were approved in the action plans for the period 2001-03. Out of which CGSACS allocated only Rs. 29.30 lakh<sup>26</sup> (17 per cent) to DACSs which incurred Rs.14.53 lakh<sup>27</sup> (50 per cent) as detailed in **Appendix-XXXII**. A scrutiny of records revealed the following deficiencies in the implementation of various sub components of TI.

**Non coverage of groups at high risks**

**Groups at higher risk not covered:** Though groups at higher risk i.e. chiefly Commercial Sex Workers (CSW), Truck Drivers (TD), Injecting Drug Users

<sup>25</sup> Rs.1.72 crore (Rs.81.80 lakh for 2001-02 + Rs.90. lakh for 2002-03)

<sup>26</sup> Rs.29.30 lakh (Rs.9 lakh for 2001-02 + Rs.20.30 lakh for 2002-03)

<sup>27</sup> Rs.14.53 lakh (Rs.5 lakh for 2001-02 & Rs.9.53 lakh for 2002-03)



(IDU), Migrant Labourers, Men having Sex with Men (MSM) were identified by NACO, Audit observed that neither any such high risk group was covered nor was planned to be covered. Targeted intervention of these groups was not taken up defeating the very purpose of the scheme.

Further NACO had entrusted the task of mapping of vulnerable groups to Department for Intensive Development (DFID) which had hired M/s Black-Stone Market Facts India Limited, for this task. No progress report, however, was received (July 2003).

NGOs were not identified

**Non-involvement of voluntary organisation:** Activities relating to targeted interventions were also to be organised largely through Non-Government Organisations (NGOs), Community Based Organisations (CBOs) and the public sector using generic protocol. But CGSACS had not identified any voluntary organisations even though Rs.1.10 crore were approved in the action plans for the period 2001-03. Project Director stated (July 2003) that activities prescribed under TI programme were not yet planned.

Poor distribution of condom

**Lack of condom promotion:** The condoms were to be distributed through various channels viz. (i) Free distribution, (ii) Social marketing, (iii) Commercial Sales. Though Social Marketing and Commercial Sales are important components of the Condom Programme, no attempt was made to distribute condoms through these channels. Free distribution of condoms was started only from March 2003. Hence the main object of the programme to achieve condom use by 90 *per cent* among high risk categories was not achieved.

STD clinics not functioning in six districts

**Non functioning of STD clinics:** As Sexually Transmitted Diseases (STDs) increase the chance of HIV infection, STD control was given a major role in programme strategy. It was observed that only five out of nine STD clinics were provided grant during the year 2002-03 for functioning. Further, six newly sanctioned (2002-03) STD clinics<sup>28</sup> provided with grants of Rs.2.55 lakh each, had not started functioning (July 2003) due to non-completion of civil works. Thus grants worth Rs.15.30 lakh remained unspent adversely affecting detection, testing, treatment and counseling of STD cases.

Increasing trend of HIV/AIDS cases

**Increase of AIDS/HIV cases:** Scrutiny of reports revealed that the number of AIDS cases increased from 35 (July 2002) to 72 (March 2003) and HIV positive cases from 55 (December 2001) to 152 (March 2003).

➤ **Preventive intervention for the General Community  
(Prevention among low risk groups)**

The important activities included in this component were (a) Information, Education & Communication (IEC) and awareness campaigns, (b) Providing voluntary testing and counseling, (c) Reduce transmission by blood transfusion and occupational exposure, (d) Prevention of mother to child Transmission of HIV.



Less utilisation of funds in preventive interventions among low risk groups

Against the provision of Rs.3.78 crore<sup>29</sup> approved in the action plans for the period 2001-03 for the above activities, an expenditure of Rs.1.76 crore<sup>30</sup> was incurred (46 *per cent*) as detailed in **Appendix-XXXII**. The sub component wise performance is indicated as under:

➤ **IEC and awareness campaigns**

**Failure of Family Health Awareness Campaign (FHAC)**

Eleven thousand six hundred and eighty Family Health Awareness Camps were organised in all districts during February 2002 by incurring an expenditure of Rs.65.86 lakh (83 *per cent*) of the total grant of Rs.79.50 lakh. The objective were (a) to generate awareness and (b) to facilitate early detection and prompt treatment of Sexually Transmitted Infections (STI) and Reproductive Tract Infections (RTI). The following deficiencies were noticed in this campaign:

Meagre attendance in the camps

- Only 18 *per cent* (13.42 lakh) of the estimated target population (15-49 years) of 72.78 lakh actually attended the camps. In six<sup>31</sup> districts the number of persons actually attending the camps ranged from 2-8 *per cent* only (**Appendix-XXXIII**). For making the people aware about these camps, each house in the village was to be contacted twice during January 2002. A home visit card was to be provided to every household having a member between 15-49 years of age. However, there was nothing on record to show that distribution of card was actually done. Poor implementation of door to door publicity about the campaign could be the reason behind meagre attendance in the FHAC camps.

Treatment of only 11-34 *per cent* of referred cases was noticed

- The patients of RTI and STD detected during the camps were also not treated promptly and effectively as only 11-34 *per cent* of referred patients were treated at Primary Health Centre and Community Health Centre (PHC/CHC) in 10 districts as detailed in **Appendix-XXXIII**.
- According to Action Plan prepared by CGSACS, the average cost for RTI & STI treatment of each patient was estimated to be Rs.50 per patient. But the actual amount spent for 81,796 patients was Rs.15.19 lakh only i.e. Rs.19 per patient. Consequently the effectiveness of the treatment provided and fruitfulness of the amount spent is doubtful. In reply, PD stated (July 2003) that the actual expenditure incurred per patient and its effectiveness on treatment would be collected from DACSs and made available. Further reply was awaited (February 2004).

<sup>29</sup> Rs.3.78 crore (Rs.227.70 lakh for 2001-02 + Rs.150 lakh for 2002-03)

<sup>30</sup> Rs.1.76 crore (Rs. 16.40 + 85.07 + 65.86 +8.21 lakh)

<sup>31</sup> Dhamatri, Durg, Jashpur, Korla, Raipur and Rajnandgaon.

Avoidable expenditure of Rs.6.59 lakh on printing of excess home visit cards

- DACSs incurred an expenditure of Rs.8.98 lakh (at the rate Rs.200 per 1000 home visit cards) for printing of 44.90 lakh cards whereas only 9.96 lakh cards (one for each household for 995234 households) were required. Excess printing of 34.94 lakh cards (78 *per cent*) resulted in avoidable expenditure of Rs.6.59 lakh. In reply PD stated (January 2003) that the requirement of cards was estimated on the basis of five persons per household for a total population of 2.08 crore. The reply was not tenable as the basis of these home visit cards was to be the household and not the total population.

Irregularities in I.E.C. activities

**Irregular payment of Rs.29.17 lakh on IEC activities:** An amount of Rs.29.17 lakh was incurred (March 2003) on IEC activities i.e. geru painting (Rs.12.22 lakh), painting and rent of hoardings (Rs.13.50 lakh) and printing of leaflets, pamphlets and hand books etc (Rs.3.45 lakh). It was observed that geru painting work was not mentioned in the action plan for the year 2002-03. Neither the name of places (PHC/CHC) where work was done and dates were given nor did the concerned officer verify the execution of the work. Verification of hoardings was also not mentioned. As regards leaflets, pamphlets stock register was not produced for verification of receipt and distribution of material. Reply of the Department/Government was awaited (February 2004).

#### **Doubtful expenditure of Rs.2.92 lakh on condom promotion**

Payments released without verification of performance

A payment of Rs.2.92 lakh was made to M/s Help Advertising Agency, Raipur for performing 54 works for condom promotion at the rate of Rs.5400. Each work comprised of various activities (i) *Pauranik* Song at the rate of Rs.300 (ii) Folk song at the rate of Rs.550 (iii) Folk dance at the rate of Rs.1600 (iv) Play/Drama at the rate of Rs.2000 (v) *Kathputli* at the rate of Rs.350 (vi) Magic at the rate of Rs.600. These activities were to be performed in 146 blocks of the State. But details of these activities were not mentioned in the work order. Concerned CMHO were also not informed about these activities. Consequently payments were released without the verification of performance. Reply of CGSACS/Government was awaited (February 2004).

#### **➤ Providing voluntary testing and counseling**

**Delay in functioning of Voluntary Counseling and Testing Centres (VCTCs):** Realising the importance of the Voluntary Counseling and Testing Centres (VCTCs), NACO has decided to expand the network of voluntary counseling and testing centres upto the district level. The position of voluntary testing in the State was detailed below:



**TABLE-2***(Rupees in lakh)*

No. of districts	Year	Yearly target for testing centres	Amount approved as per action plan	Amount allocated by CGSACS	Expenditure	Centres established	Centres not functioning from out of those established	Reasons
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
16	2001-02	10	24.70	1.26	--	1	1	1) Counsellors not appointed 2) Sites are not selected
16	2002-03	10	27.40	11.39	2.29	8	8	

Against the target of 10 testing clinics, only one centre was established during 2001-02 and even that centre was not serving its intended purpose due to non-appointment of counsellors. Similarly during 2002-03 though eight more centres were opened, all the nine centres were non- functional.

**VCTCs were not functioning upto September 2003**

The reason adduced for this was that the sites were not selected besides non-appointment of counsellors. Also funds were not provided to the remaining one site i.e., Mahasamund, as blood bank was not established. VCTCs have started functioning only from October 2003.

➤ ***Reduce occupational exposure and transmission by blood transfusion:***

Realising that blood transfusion is one of the important routes of infection, NACO had put special emphasis on Blood Safety Programme so as to ensure the adequacy and safety of blood supply. Test-check of relevant records of CGSACS, revealed the following short comings:-

**Blockage of funds of Rs.35 lakh in blood banks**

At least one modernised blood bank was to be established in each district. It was observed (July 2003) that modern blood bank was not established in seven districts<sup>32</sup> due to non-selection of site and licence etc. even after providing grants of Rs.5 lakh to each. Hence funds of Rs.35 lakh were blocked and people were deprived of the intended benefits.

**Blood bank of MC Bilaspur was not upgraded**

Two existing major blood banks at MCs, Raipur and Bilaspur were targeted to be upgraded, but only one i.e. MC, Raipur could be upgraded. The other one could not be upgraded due to non-selection of site, licence, and other required formalities.

**ZBTC was not established at Bilaspur**

Two Zonal Blood Testing Centres (ZBTC) were targeted to be established in Medical Colleges (MC) at Raipur and Bilaspur. But it was observed that ZBTC was not established at MC, Bilaspur though Rs.4.12 lakh was provided during 1999-02 by MPSACS, Bhopal for this purpose. On being pointed out, Project Director stated (June 2003) that the ZBTC is being established.

NACO had sanctioned (January 2002) a "State of the Art" Model Blood Bank in the MC Raipur. But no such blood bank was established (June 2003).

**Model Blood Bank was not established BCSU not started functioning**

To promote the rational use of blood and blood products, the Blood Component Separation Units (BCSU) were to be established in MC, Raipur and Bilaspur. Necessary equipment costing Rs.19.64 lakh (2001-02) and Rs.six lakh (December 2002) for consumables etc. were provided to MC, Raipur. But the BCSU was yet to become operational (June 2003), resulting in blockade of funds and idle equipment. On being pointed out, Dean, MC, Raipur stated (June 2003) that the BCSU could not be started due to non-procurement of the Platelet Incubator, Generator 10 KVA by CGSACS and for want of licence. Hence due to non-supply of equipment costing Rs.0.95 lakh, equipment costing Rs.19.64 lakh were lying idle. No funds have been provided to MC, Bilaspur.

**Lack of initiative for opening of blood storage centres**

According to Blood Safety Action Plan of NACO (2003), blood storage centres should be established in rural areas and smaller hospitals where it is not feasible to operate blood banks. This would enable screened blood obtained from District Blood Banks to be provided in emergencies. This, however, was not even considered in the action plan of CGSACS for the year 2003-04 approved by NACO.

**Target for voluntary blood collection was not achieved**

According to Action Plan (2002-03), total collection of blood was to be increased by atleast 10 *per cent* over the previous year's collection and voluntary collection of blood by at least 30 *per cent* of the total i.e. 5000 units of Voluntary Collection. Scrutiny of records revealed that the actual blood collected was far below the targeted units. The position of blood donation from donors was as under:

**TABLE-3**

(In units)

Year	Target for collection of blood			Actual collection of blood			Shortfall in blood collection		
	Replacement donors	Voluntary donors	Total	Replacement donors	Voluntary donors	Total	Replacement donors	Voluntary donors	Total
2002	12838	5000	17838	8632	2664	11296	4206 (33 <i>per cent</i> )	2336 (47 <i>per cent</i> )	6542 (37 <i>per cent</i> )

Blood collection was to be enhanced by organising camps for motivating donors. For this purpose neither the funds nor necessary logistics have been provided so far.

**Non inter linking of all districts level blood banks**

According to the programme, proper communication facilities among blood banking services was to be provided. But it was observed that proposals for inter-linking of all district level blood banks through Internet was yet to be sent to NACO.

**Monthly inspection report not submitted by Nodal Officers**

It was desired by NACO that Monthly Inspection Report (STD, HIV/AIDS cases, collection of blood and testing etc.) should be submitted by District Nodal Officers so that they are able to submit their field observations on the various components of the programme. Neither CGSACS issued any instructions, nor the District Nodal Officers submitted their field observations through Monthly Inspection Reports. Consequently a bilateral exchange of information between the field units and CGSACS has been non-existent.



Besides, mid-term correction of any deficiencies noticed during the programme implementation was also not possible.

#### Short fall in tests of Hepatitis- C

Testing of every unit of blood was mandatory for detecting infectious diseases like Hepatitis, Syphilis, Malaria and HIV/AIDS. Scrutiny revealed that the test of Hepatitis 'C' was not found to be carried out as under:

**TABLE-4**

Sl. No.	Name of District	Period	No. of units of blood collected	No. of test of Hepatitis 'C' actually conducted	Shortfall	Percentage of shortfall
1.	2.	3.	4.	5.	6.	7.
1.	Raipur	8/02 to 12/02	1327	780	547	41
2.	Rajnandgaon	8/02 to 12/02	1242	NIL	1242	100
		1/03 to 3/03	606	NIL	606	100
3.	Bilaspur	8/02 to 12/02	1469	20	1449	99
4.	Korba	1/03 to 3/03	35	NIL	35	100
5.	Surguja	8/02 to 12/02	920	638	282	69

On this being pointed out, PD stated (July 2003) that reasons are being enquired from concerned CMHOs.

The position of samples tested in the State during screening of blood and numbers found sero reactive (HIV positive) were as under:

**TABLE-5**

Year	No of samples tested of voluntary donor	No of HIV positive	No of samples tested of replacement donor Tested	No. of HIV positive	Total No. tested	Total No. of HIV positive	Per-centage
2001	2162	8	14054	47	16216	55	0.34
2002	2664	13	8632	39	11296	52	0.46
2003 (upto March)	1230	4	3177	5	4407	9	0.20

#### HIV patient were kept uninformed

It was observed that the HIV patients were kept uninformed about their condition. A person kept ignorant about his own condition is likely to spread the infection. On this being pointed out Dean, MC, Raipur/CS, Bilaspur stated (July/September 2003) that as per instructions of NACO, the results of test were to be kept confidential. Hence the patients were not being informed. According to action plan for Blood safety of 2003 the VCTC would now convey the HIV status to the infected person.

#### ➤ *Prevention of Mother to Child Transmission (MTCT) of HIV*

#### MTCT project never took off

Prevention of HIV transmission from mother to child is another important intervention strategy in reducing the spread of the virus. A provision of Rs.6.21 lakh was made in the Action Plan (2002-03) for implementation of Mother to Child Transmission (MTCT) project in Medical Colleges and

District Hospitals. But CGSACS neither allocated funds to MCs and District Hospitals, nor was any activity started (June 2003).

➤ **Low cost AIDS care**

**Lack of care of  
AIDS/HIV patients**

The objectives under low cost AIDS care were to provide funds for home based and community based care, including increasing the availability of cost effective interventions for common opportunistic infections<sup>33</sup>. The steps proposed to be taken included improving the quality and cost effectiveness of intervention available and setting up new support services for care of persons with AIDS in partnership with NGOs & Community Based Organisations (CBOs). This was to be done through establishing small community based hospital, houses for poor patients, drop-in-centres and home based care. Though there were 72 reported cases of AIDS (March 2003) and 152 HIV positive cases, (blood screening 116 + surveillance 36 from January 2001 to March 2003) no such steps have been taken so far.

**Anti-retroviral  
therapy was not  
started**

Medicine Zidovudine (ZDV, AZT) which prolongs life, decreases opportunistic infections, increases CD4 cell count and decreases serum P 24 antigen level at a dose of 1500 mg daily, was the first agent approved for treatment of HIV disease. But this medicine was not provided since anti-retroviral therapy was not started due to non-receipt of instructions/funds from NACO in this regard.

➤ **STI/HIV/AIDS sentinel surveillance**

Surveillance of Sexually Transmitted Diseases constitutes an important component of prevention and control of HIV/AIDS. The objective of this activity was to develop an effective surveillance system and to generate a set of reliable data. The specific activities (i) HIV Sentinel surveillance in every State (ii) STI surveillance through specific survey (iii) Behaviour surveillance surveys; and (iv) AIDS cases surveillance were to be taken up. Scrutiny of records revealed the following deficiencies:

**HIV sentinel  
surveillance of other  
groups (IVDU, CSW,  
IDU, MSM etc.) was  
not conducted**

STI, Behaviour and AIDS cases surveillance were not undertaken. HIV Sentinel surveillance was to be conducted for each category of surveillance groups (STD, ANC, IVDU, CSW, IDU MSM etc).<sup>34</sup> But audit observed that this surveillance was taken up of only two groups i.e. STD and Antenatal Clinic (ANC) in eight districts<sup>35</sup> during the year 2001 and 2002. By the exclusion of major high-risk categories from the scope of the sentinel surveillance, the correctness of HIV prevalence rate is doubtful. Further, the reliability of the surveillance results and fulfillment of objectives is also questionable.

<sup>33</sup> Opportunistic infections-M.Tuberculosis, Candiadiasis, Cryptosporidium, Toxoplasma, Herpes Kaposi Sarcoma, Parasitic Infections and Others

<sup>34</sup> Sexually Transmitted Diseases (STD), Antenatal Clinic (ANC) Intervenous Drug User (IVDU), Commercial Sex Workers (CSW), Injecting Drug User (IDU), Men having Sex with Men (MSM)

<sup>35</sup> (STD-Durg, Korba, Raipur ANC-Bilaspur, Dantewada, Jagdalpur, Rajnandgaon, Raigarh)



Findings of referral centre were not received.

All HIV positive and five *per cent* of HIV negative samples of HIV sentinel surveillance were required to be sent to concerned referral centre/laboratories for further analysis. The results were to be communicated within 15 days to concerned centres. Required positive and negative samples were sent to National Institute of Hematology, Mumbai. But findings relating to this were not received and no follow up action has been done by CGSACS. The PD stated (July 2003) that the same would be collected and produced to audit. Further reply is still awaited (February 2004).

### ➤ *Training*

Training is an important function of Programme Management. A review of the training activities revealed the following irregularities.

Training programme was not arranged

**Non-arrangement of training:** According to action plan of 2002-03, training of Doctors, Nurses, ANMs and others para medical staff, and 100 private practitioners was to be completed by the end of year. Training of Anganwadi workers was also to be given special focus. A provision of Rs. 40 lakh was also made for above purposes. But not a single training programme was arranged (July 2003).

Services of District Core Trainers were not utilised

**Non-utilisation of trained District Core Trainers:** MPSACS, Bhopal arranged Training of the District Core Trainers team for specialist training (HIV/AIDS management) during 1999-2000 at MC, Raipur and Regional Health and Family Welfare Training Centre (RHFUTC), Bilaspur. These participants were expected to be the District Core Trainers and the members of the District Training Team responsible for the training of other doctors at the District and para-medical staff. Though an expenditure of Rs.5.31 lakh was incurred on the training of 291 doctors (114 Doctors MCH Raipur & 177 doctors of other districts at RHFUTC, Bilaspur), it was seen that their services were not utilised for providing further training at District Hospitals, PHC/CHCs. On this being pointed out, Dean MC, Raipur and Principal, RHFUTC, Bilaspur stated that the programme for imparting training at District Hospital or PHC/CHCs was not received from CGSACS.

Services of Doctors trained in STD surveillance were not utilised

**Non-utilisation of doctors trained in STD surveillance:** MPSACS, Bhopal provided (September 1999) Rs.2.14 lakh to CMHO, Bilaspur to conduct the training of medical officers of CHC/PHCs in syndromic approach for STD Sentinel Surveillance (test round). Accordingly 80 doctors were trained in October 1999 incurring expense of Rs.1.54 lakh. But STD surveillance was not started in the Bilaspur.

### ➤ *Inter-sectoral collaboration*

Inter sector collaboration was not made

This component aimed to promote collaboration among the public, private and voluntary sectors. According to action plans of 2001-03, attention was to be given on collaboration with Police, BSF Paramilitary at all levels viz. Panchayat, Jail departments, Industrial and Business associations and trade unions. Special awareness and advocacy workshops were to be organised for

Coal Mines workers. A provision of Rs.10.20 lakh<sup>36</sup> was also made for the above purpose. But no such activities were taken up in the state (July 2003).

### 3.2.7 Other points of interest

Irregular  
appointment of lab  
assistant

**Irregular appointment of Lab Assistants** According to Drugs and Cosmetics Rule 1999, Blood Bank Technician(s) should possess degree/diploma in Medical Laboratory Technology (MLT) from a university/institution recognised by the Central/State Government. CMHO, Bilaspur/Surguja appointed (February/March 2003) unqualified lab assistants on contract basis at the rate of Rs.6500 per month. On being pointed out CMHO, Surguja/Bilaspur stated (May/September 2003) that this would be enquired from the candidates.

### 3.2.8 Monitoring and Evaluation

Monitoring and Evaluation was to be conducted by an out side agency at baseline, interim and final year. The activities to be evaluated included Computerised Management Information System (MIS) at the State level, Training of staff and health specialists in evidence based health programme management and in conducting baseline, mid-term and final evaluation

Monitoring &  
evaluation was not  
done

Specific independent review of drugs and condom quality, surveillance and management was to be done in the second year of the project. But no monitoring and evaluation has been done as no outside agency was appointed by NACO/CGSACS. It was also noticed that MIS installed in June 2002, stopped working due to technical fault from January 2003. Thus the periodical reports required to be sent to NACO were also not sent. Resultantly an independent and objective evaluation of the implementation of this programme has become difficult. In reply it was stated that latest version of MIS Software was not received from NACO.

### 3.2.9 Conclusions

The review revealed that a number of the objectives of the programme were not achieved. Thus an exercise for mapping of the high-risk target population was not started. Priority Targeted Intervention and condom promotion for groups at high risk were not started. Selection of NGOs was not done. Modernised blood banks were not established in seven districts and Blood Component Separation Units (BCSU) was not started. Mandatory test of Hepatitis-C was not being conducted in a few districts. AIDS care activities in partnership with NGOs and Community Based Organisation by establishing small community based hospitals, houses for poor patient and home based care initiatives had not been taken up. STI/AIDS sentinel Surveillance activities and training programmes were not taken up.

### 3.2.10 Recommendations

- HIV surveillance of other categories of High risk groups i.e. Intravenous Drug Users, Commercial Sex Workers, Injecting Drugs

<sup>36</sup>

Rs.10.20 lakh (Rs.5.20 lakh for 2001-02 + Rs.5 lakh for 2002-03)



Users, Men having sex with Men should also be carried out to judge the correct HIV prevalence rate in the State.

- Immediate steps need to be taken for the establishment of blood storage centres in rural areas and smaller hospitals.
- Sufficient provisions should be made for holding the blood donation camps for enhancing the voluntary blood collection.
- Voluntary Counseling and Testing Centres should also be opened in the remaining six districts.

## **SCHEDULED TRIBE AND SCHEDULED CASTE DEVELOPMENT DEPARTMENT**

### **3.3 State Scholarship for SC/ST and OBC**

#### **3.3 Highlights**

The scheme of State Scholarship envisages distribution of scholarships to all Scheduled Caste (SC) and Scheduled Tribe (ST) girl students studying in classes three to five, all SC/ST and OBC students studying in classes six to 10 and OBC students for Post Matric education in order to help them to complete their education without economic constraints.

A review of records for the period November 2000 to March 2003 revealed non accountal of funds drawn, delayed release of funds, delayed payments of scholarship, unspent balances not being credited to Government account, irregular disbursement of scholarship out of budget allotments of subsequent years, excess and irregular issue of cheques of scholarship. The important points noticed are detailed below:

**Amount of Rs.38.09 crore drawn towards scholarship during November 2000 to March 2003 was deposited in the Bank by endorsing the bills without any entry in the cash book.**

*(Paragraph 3.3.6)*

**Unspent amount of Rs. 3.07 crore was not credited to the Government account.**

*(Paragraph 3.3.6)*

**Scholarship Cheques were issued for Rs.5.93 crore whereas drawal was only Rs.5.34 crore resulting in excess issual of cheques for Rs.59 lakh.**

*(Paragraph 3.3.6)*

**Delayed release of funds to the tune of Rs.1.32 crore deprived eligible students of financial assistance.**

*(Paragraph 3.3.7)*

**Cheques for Rs. 1.73 crore were irregularly issued to Principals of Non-Government educational institutions.**

*(Paragraph 3.3.8)*

#### **3.3.1 Introduction**

According to the census of 1991, SCs, STs and OBCs constitute about 79.02 per cent of the total population of the State. But the literacy percentage among SC and ST population in the State was only 30.92 and 27.65 respectively as against a literacy rate of 34.61 per cent for the State. With a view to provide



financial assistance to the students, a scheme of State Pre Matric Scholarship to SC/ST students and Pre Matric and Post Matric State Scholarship to OBC students were being implemented by the Tribal and Scheduled Caste Development Department of the Government of Chhattisgarh.

### **3.3.2 Salient features of the Scheme**

The State Scholarship Scheme for SC/ST students was introduced in 1972 and extended to OBC students in 1982 by Government of Madhya Pradesh. Under the scheme, the scholarship was admissible at the rates given in *Appendix-XXXIV* for 10 months of the academic session from June to March. This scholarship was admissible to regular students who were permanent residents of the State and studying in Government or Government recognised educational institutions.

This scholarship scheme was further extended (July 1988) to post matric OBC students studying in recognised institutions so as to enable them to complete their education. The components of the post matric scholarship includes maintenance allowance, reimbursement of compulsory non-refundable fees, study tour charges, etc. for the complete duration of a course. The rates differ for different disciplines.

### **3.3.3 Organisational set up**

The scheme was implemented by the Secretary, Tribal and SC Development with the assistance of the Commissioner, Tribal and SC Development (CTD) at the State level. At the District level the scheme was implemented by District Collectors (Tribal Development) through Assistant Commissioner and other functionaries including Principals of Higher Secondary Schools. The Collector was the overall controlling authority at district level. Co-ordination Committees were also to be constituted at the District level to supervise the proper execution of the scheme.

### **3.3.4 Audit Coverage**

Four out of the 16 districts of the State (25 *per cent*) i.e. districts Janjgir, Raigarh, Raipur and Surguja were selected for test-check. Surguja and Janjgir were selected since they have the highest population of ST & SC respectively. Raipur has the highest OBC population and in Raigarh District, SC and ST populations constitute 50 *per cent* of the total population.

The records of the offices of CTD Raipur, Assistant Commissioner, Tribal Development (ACTD), Surguja, Raipur and Raigarh, District Organisator, Tribal Welfare (DOTW) Janjgir and Block Education Officers, Surguja, Wadrafnagar and Chhura and Principal Government HSS for boys and girls, Gariyaband, for November 2000-2003 were test checked during December 2002 to September 2003. The results of the test check are highlighted in the succeeding paragraphs.

### 3.3.5 Funding pattern

The State Government provides the budget allocation to CTD who further allocates the funds to the District Collectors. The Collector implements the scheme through ACTD and DOTW. The required amount is drawn from the treasury and deposited in separate Nodal Bank accounts. The Collector nominates the Heads of Government educational institutions as Nodal Officers. The nodal officers intimate their bank accounts to the Collector for disbursement of the scholarship. The ACTD/DOTW transfers the funds from the nodal bank to the payee accounts of the nodal officers through crossed cheques in the name of Branch Managers and Principals.

### 3.3.6 Budget and progress of expenditure

The position of State level budget allocations and expenditure incurred during the period 2000-01 (1/November/2000 onwards) to 2002-2003 was as under:

(Rupees in crore)

Year	Budget allocation		Expenditure		Excess (+) Saving (-)	
	Pre-matric	Post-matric to OBC	Pre-matric	Post-matric to OBC	Pre-matric	Post-matric to OBC
2000-01	14.13	1.72	11.75	1.10	(-) 2.38	(-)0.62
2001-02	44.57	4.36	37.56	2.74	(-)7.01	(-)1.62
2002-03	50.38	6.49	47.14	6.93	(-) 3.24	(+) 0.44
<b>Grand Total</b>	<b>109.08</b>	<b>12.57</b>	<b>96.45</b>	<b>10.77</b>	<b>(-) 12.63</b>	<b>(-) 1.80</b>

Department failed to utilise Rs.12.63 crore (12 per cent) under Pre Matric Scholarship and Rs.1.80 crore (14 per cent) under Post Matric Scholarship during 2000-03.

Department failed to utilise 12 to 14 per cent of funds

CTD, Madhya Pradesh, Bhopal issued instructions in September 1991 that the budget allocation vis-a-vis the actual expenditure should be monitored. Audit observed that neither the budget allocation was being monitored on a regular basis nor the progress of expenditure under the schemes was being monitored. Operation of any Scheme without financial control is a matter of serious concern. CTD has not furnished any reasons for the excess/savings/short utilisation of budget allocations.

### No- accountal of drawals in Cash Book

As per provisions of the Treasury code, all monetary transactions should be exhibited in the Cash Book of the Drawing and Disbursing Officers. But it was observed that funds to the tune of Rs.38.09 crore drawn during November 2000-March 2003 were deposited in the Nodal Bank without exhibiting them in the Cash Book.

Drawals of Rs.38.09 crore were not recorded in cash book

Non-accountal of moneys in the cash books was in violation of the codal provisions. ACTD, Raigarh, Raipur and Surguja accepted the irregularity for compliance in future while DOTW, Janjgir did not furnish any reply (February 2004).



***Non crediting of unspent balances***

CTD, MP, Bhopal issued instructions in September 1991 that unspent balances of scholarship at the end of each financial year should be credited to the Government account after retaining a token amount of Rs.5,000 in the District nodal bank and Rs.500 in the bank account of nodal officers.

Audit observed that Rs.2.48 crore which remained unspent during November 2000-March 2003 was not credited to Government account by DOTW, Janjgir, ACTD, Raigarh and Raipur.

Unspent amount of Rs.3.07 crore was not credited to Government account.

In addition to the above Rs. 52.28 lakh was lying unspent with the Nodal Officers of ACTD, Surguja and Rs. 6.87 lakh in Nodal Bank of ACTD, Raipur. The same were not deposited in treasury.

ACTDs, Raigarh, Raipur, Surguja and DOTW, Janjgir agreed to take remedial action by crediting the unspent amount into the treasury. Further progress in this regard is still awaited (February 2004).

***Irregular issue of cheques***

As per provisions of the MP Treasury Code as adopted by the Government of Chhattisgarh, any expenditure incurred should be limited to the budget allotment and no excess is permitted.

Test-check of records of DOTW, Janjgir and ACTD, Raipur revealed that during 2000-2003 cheques for Rs. 5.93 crore were issued against a total drawal for Rs. 5.34 crore for payment of scholarship to SC/ST and OBC students. This resulted in irregular and excess issue of cheques for Rs.59 lakh as follows:-

Non maintenance of cash book resulted in excess issue of cheques for Rs.59 lakh

*(Rupees in lakh)*

Name of office	Category	Year	Amount drawn	Amount disbursed by issuing of cheques	Excess Disbursed
DOTW, Janjgir	SC (Pre Matric)	2000-2001	30.31	56.90	26.59
	OBC (Pre Matric)	2001-02	104.65	105.12	0.47
	OBC (Post Matric)	2000-01	28.25	47.74	19.49
	<b>Total</b>		<b>163.21</b>	<b>209.76</b>	<b>46.55</b>
ACTD Raipur	ST (Pre Matric)	2001-02	96.49	97.47	0.98
	SC (Pre Matric)	2002-03	183.87	190.94	7.07
	OBC (Post Matric)	2002-03	90.00	94.38	4.38
	<b>Total</b>		<b>370.36</b>	<b>382.79</b>	<b>12.43</b>
	<b>Grant Total</b>		<b>533.57</b>	<b>592.55</b>	<b>58.98</b>

DOTW, Janjgir accepted the irregularity while ACTD, Raipur stated that final reply would be furnished after investigation. This excess drawal of cheques could have been prevented had these officers maintained Cash Books. Action for regularising these excess drawals is still awaited (February 2004).

### **3.3.7 Irregularities in drawal of Scholarship**

#### ***Delayed release of funds for scholarship***

As per the Scheme, the scholarship was payable in two installments i.e. by 30 September for first four months and by 31 January for the next six months at the rates given in **Appendix-XXXIV** in each academic year.

Scholarship of Rs.1.32 crore for 2000-02 were released in subsequent years.

Test-check of records of CTD, Raipur, DOTW, Janjgir and ACTD, Raipur and Surguja revealed that funds for Pre Matric and Post Matric Scholarship to OBC students amounting to Rs.1.32 crore for the year 2000-02 were released for disbursement during the subsequent academic years i.e 2001-03 as detailed in **Appendix-XXXV**.

Similarly, sanction and payment of Post Matric Scholarship to OBC students amounting to Rs. 3.16 lakh for the period of 2001-02 as detailed in **Appendix-XXXVI** was also delayed. This payment was made only during 2002-03 by ACTD Raipur thus depriving over 1264 eligible needy students of timely financial assistance to continue their studies.

The ACTD, Raipur stated (May 2003) that sanctions of Scholarship were delayed due to late receipt of budget allotment while CTD, Raipur, AC, Surguja and DOTW Janjgir could not intimate the reasons for delayed release of funds.

#### ***Late drawal of scholarship***

Drawals of scholarship of Rs.11.03 crore were delayed by two to six months

Procedure laid down by the Commissioner, Tribal Development, stipulates that the scholarship amount should be drawn in June and December every year and deposited in the nodal bank by the District officers. The amounts should be remitted to the payee banks of the nodal officers through bank advice to facilitate timely disbursement of the Ist and IInd installments to the students.

It was, however, seen that the drawal of Pre Matric and Post Matric scholarship amounting to Rs.11.03 crore was delayed by two to six months (**Appendix-XXXVII**) in four test checked districts. This resulted in consequent delayed payments to the students.

The ACTD, Raigarh, Raipur and Surguja stated that the late drawals were made due to late receipt of allotment. DOTW, Janjgir did not furnish any reply. The above reply is not correct as the drawals were further delayed by two to six months after receipt of allotments from CTD.

#### ***Irregular drawal of fund from treasury***

As per provision of Madhya Pradesh Financial code, as adopted by Chhattisgarh State, sufficient funds must be provided for expenditure in the authorised grants and appropriation for the year. In case of shortages, the same is to be made good by re-appropriation of funds sanctioned by the authority competent to sanction such a re-appropriation.



Scholarship of Rs.20 lakh was drawn in excess of allotment

Test-check of records of ACTD, Raigarh, revealed that drawals for Rs.1.42 crore were made from treasury against allotment of Rs.1.22 crore for payment of Pre Matric Scholarship to ST students during 2002-2003. This resulted in excess drawal of Rs.20 lakh. Excess drawal could not be detected due to non- maintenance of cash book by ACTD, Raigarh.

ACTD, Raigarh agreed to take action after investigation from the Nodal bank. Further progress in this regard is still awaited (February 2004).

### 3.3.8 Disbursement of scholarship

#### *Irregular issue of cheques to non-government educational institutions*

CTD, Madhya Pradesh, Bhopal issued instructions in September 1997 that the non-Government educational institutions were to be attached with the nearest Government Higher Secondary schools for disbursement of scholarship. The DOTW/ACTD/BEOs were required to transfer the amount of scholarship from the nodal banks to the respective bank account of the nodal officers through bank advice.

Cheques for Rs.1.73 crore were issued to non-Government institutions in violation of Government orders

However, in Surguja and Raipur districts, cheques amounting to Rs.1.73 crore (*Appendix-XXXVIII*) were issued by BEO, Surguja (Rs.0.21 crore), Wadrafnagar (Rs.0.03 crore) and ACTD, Raipur (Rs.1.49 crore) in favour of Principals of non-government educational institutions during 2000-2003. These payments were in total violation of the above instructions.

ACTD, Raipur while accepting this irregularity stated that cheques would not be issued to the Principals of Non-Government institutions in future. The BEO, Surguja and Wadrafnagar did not furnish any reply (February 2004).

### 3.3.9 Other Irregularities

#### *Irregular diversion of funds by ACTD Raigarh and Raipur*

Scholarship of Rs.1.67 crore was diverted to Zila Panchayat

During 2000-2003, Pre Matric Scholarship worth Rs.1.67 crore pertaining to SC/ST students was diverted by ACTD, Raigarh and Raipur to Chief Executive Officer (CEO), Zila Panchayat, Raipur (Rs.76.08 lakh) and Zila Panchayat, Raigarh (Rs.90.99 lakh) (*Appendix-XXXIX*). Thereafter, this amount was received back during the same financial year from Chief Executive Officer, Zila Panchayat, Raipur and disbursed to SC/ST students. As far as Zila Panchayat, Raigarh is concerned, this amount was deposited in the Nodal Bank during the same financial year.

ACTDs, Raigarh and Raipur stated that Collector had re-appropriated the fund to CEO, Zila Panchayat, Raigarh and Raipur. This reply is not tenable because the District Collectors have not been given any such powers of re-appropriation. Hence this action of the District Collectors of Raipur and Raigarh was highly irregular. Further the sanction of competent authority to regularise such diversion has not been obtained so far (February 2004).

### ***Non-receipt of Bank scrolls***

CTD, MP Bhopal issued instructions in 1991 that the Bank scrolls (paid vouchers) from nodal banks should be obtained and forwarded to the Accountant General for adjustment.

Test-check of records of ACTD, Raigarh, Raipur, Surguja and DOTW, Janjgir revealed that the bank scrolls for Rs.22.85 crore for the period from November 2000 to March 2003 were not obtained from the nodal banks and were not forwarded to the Accountant General for adjustment as detailed under:-

(Rupees in crore)

Year	Name of office				Total
	DOTW Janjgir	ACTD Raigarh	ACTD Raipur	ACTD Surguja	
2000-2001	0.61	0.96	1.51	0.19	3.27
2001-2002	1.88	1.24	2.56	0.15	5.83
2002-2003	2.44	2.90	5.51	2.90	13.75
<b>Grand Total</b>	<b>4.93</b>	<b>5.10</b>	<b>9.58</b>	<b>3.24</b>	<b>22.85</b>

It was also observed that Bank scrolls for Rs.2.46 crore for 2000-03 were obtained from the nodal Bank by ACTD, Raipur and DOTW, Janjgir but were not forwarded to the Accountant General for adjustment. Non submission of bank scrolls resulted in non-reconciliation of figures with the figures booked by the Accountant General and did not reflect true position of accounts.

ACTD, Raigarh, Raipur and Surguja agreed to obtain Bank scrolls early while DOTW, Janjgir did not furnish specific reply. The ACTD, Raipur also agreed to forward Bank scrolls to Accountant General for adjustment. However no useful purpose would be served by forwarding these bank scrolls to the Accountant General since the accounts ending March 2003 were already finalised.

### ***Non-preparation of Bank reconciliation statement***

CTD, Madhya Pradesh, Bhopal issued instructions in March 1995 that accounts should be reconciled and a Bank reconciliation statement be prepared at the end of each month. However, ACTD, Raigarh, Raipur and DOTW, Janjgir had neither reconciled the accounts nor Bank reconciliation statements were prepared during 2000-2003. The Bank pass books were not produced to audit. ACTD, Raigarh, Raipur and DOTW, Janjgir admitted the irregularity. Corrective action in this regard is still awaited (February 2004).

### ***Non-maintenance of separate scholarship bank accounts***

CTD, Madhya Pradesh, Bhopal issued instructions in 1991 that separate bank accounts for different scholarship schemes should be maintained.

Scrutiny of records of BEO, Surguja and Principal, Government Girls Higher Secondary School, Gariyaband revealed that bank accounts for Pre Matric scholarship of SC/ST and OBC students and Post Matric scholarship of OBC students were not maintained separately. In the absence of separate Bank

Separate bank accounts were not maintained for different types of scholarship



## WATER RESOURCES DEPARTMENT

### 3.4 Accelerated Irrigation Benefit Programme (AIBP)

#### *Highlights*

During 1997-98 Government of India (GOI) intervened in the Irrigation Sector by launching the Accelerated Irrigation Benefit Programme (AIBP). The objective of this programme was to accelerate the completion of ongoing Irrigation Projects which were at an advanced stage and were languishing for want of funds. For this Central Loan Assistance (CLA) was released by GOI to the State.

Five Projects were selected in the State of Chhattisgarh for which CLA of Rs.190.65 crore and State share of Rs.127.67 crore was released during the period 1997-98 to 2002-03. An expenditure of Rs.296.37 crore on the project and Rs.82.72 crore on establishment and other items totalling Rs.379.09 crore were incurred. Some of the important findings of the review are given below:

**The objectives of the programme were not achieved within four agricultural seasons or two years. The time overruns ranged between 24 and 36 months and cost overruns as of March 2003 ranged from Rs.1.15 crore to Rs.43.80 crore over AIBP estimates.**

*(Paragraph 3.4.1 & 3.4.6)*

**As of March 2003, an irrigation potential of 0.61 lakh hectares has been created against a target of 1.14 lakh hectares. Non-utilization of irrigation potential during 2001-03 resulted in loss of Rs 2.52 crore**

*(Paragraph 3.4.6 & 3.4.7)*

**Diversion of AIBP funds to the tune of Rs.85.10 crore.**

*(Paragraph 3.4.6)*

**Advances of Rs.37.94 crore given to Land Acquisition Officers, Forest Department of State Government and National Highway Division, Jagdalpur, for acquisition of private and forest lands and for construction of canal road crossings were charged to works without obtaining payment details. Mobilisation and secured advances of Rs.2.04 crore were irregularly booked as final expenditure in Hasdeo Bango Project while a recovery of Rs.51.78 lakh was yet to be made as of March 2003.**

*(Paragraph 3.4.6)*

**Other financial irregularities involving Rs.267.82 crore were also noticed which included (i) Extra avoidable cost due to acceptance of higher tendered rates: Rs.77.46 crore, (ii) Excess administrative expenses beyond the approved norms : Rs.59.91 crore (iii) Non-completion of work led to unfruitful expenditure : Rs.30.73 crore among others**

*(Paragraph 3.4.5, 3.4.6 & 3.4.7)*



### **3.4.1 Background**

The State of Chhattisgarh is very rich in water resources except for a few pockets. The State has an estimated surface flow of 5260 crore cubic meters at 75 *per cent* dependability. The State has enunciated its Water Policy on 1<sup>st</sup> November 2001 after re-organisation of the State. Prior to re-organisation of the State, two major irrigation projects (Hasdeo and Jonk Diversion) and one medium irrigation project (Shivnath Diversion) were approved under AIBP. Thereafter two additional medium irrigation projects (Kosarteda and Barnai) were brought under AIBP at an estimated cost of Rs.375.96 crore.

Objective of the programme was to accelerate the completion of the five on-going major and medium irrigation projects, which were at an advanced stage of completion and in which substantial investments had already been made, but which were beyond the resource capability of the State Government. The programme aimed to realise the bulk benefits from the completed projects within two years (i.e. next four agricultural seasons).

### **3.4.2 Implementation Arrangement**

These Projects were originally formulated by State Government (Government of Madhya Pradesh upto October 2000 and Government of Chhattisgarh thereafter) with investment clearance by the Planning Commission.

At State level the Project is being executed by Water Resources Department (WRD) of CG State headed by an Engineer-in-Chief. Every Project is headed by a Chief Engineer who is assisted by Superintending Engineers and Executive Engineers. The programme is being monitored by the Ministry of Water Resources (MOWR), Central Water Commission (CWC) and Planning Commission at Central level and the Chief Engineers in association with CWC at State level.

### **3.4.3 Scope of Audit**

Appraisal of the performance/impact of the Programme with respect to stated objectives and examination of adequacy of mechanisms adopted for project management so as to ensure accrual of maximum benefit within a specified time frame was made in Audit between March and August 2003. The records of the Water Resources Department for the period 1997-2003 was test checked.

### **3.4.4 Financial Management**

#### ***Financing Pattern***

During 1997-99, CLA was being given in the form of loan on matching basis i.e., 1:1 Central & State share and thereafter it became 2:1 from 1999-2000 to 2002-2003. Further, 100 *per cent* loan assistance was provided under 'Fast Track' with effect from 1<sup>st</sup> February 2002 at the rate of interest prescribed by MOWR/Ministry of Finance (MOF) from time to time. The loan is repayable



in 20 annual equal installments together with the interest on outstanding balance.

However, 50 *per cent* of the loan enjoyed an initial five years repayment grace period after which repayment was to be made in 15 equal annual installments. Project wise and year-wise position of funds released (Rs.190.65 crore), funds utilised, refund of principal (Rs.4.23 crore) and interest (Rs.20.50 crore) by GOMP & GOCCG since 1997-98 to 2002-2003 is shown in the **Appendix-XL**.

### 3.4.5 Deficiencies in Project Formulation

A review of the five projects selected under AIBP reveals the following deficiencies in project.

#### *Irregular extension of time frame*

Under AIBP (normal), the projects were to be completed within two years. But the project periods were extended beyond the two years in the following projects in contravention to the AIBP guidelines.

- The Hasdeo Bango Project Proposal under AIBP gives March 2003 as completion time (i.e. Six Years). Hence inclusion of this project under AIBP (Normal) and the sanctioning of funds since 1997-98 under this programme itself was in violation of AIBP guidelines. Further, in 2002, this project was included under AIBP (Fast Track) for completion within a year. But the project remained incomplete under both normal and fast track AIBP. The delay has been stated to be on account of land acquisition and delays in the fixation of contractors for project execution.
- Acceptance of Kosarteda Project, under AIBP when project completion was planned between 2002-06 (four years) is contrary to AIBP guidelines.

In Bastar District<sup>37</sup>, the potential created, utilised and shortfall in utilisation during 2000-01 to 2002-03 is as under:

Year	Created potential (cumulative in ha)	Utilised potential (in ha)	Shortfall in utilisation (in ha)
2000-01	8,014	766	7,246
2001-02	8,014	1,097	6,917
2002-03	11,354	2,307	9,047
<b>Total</b>	<b>27382</b>	<b>4170</b>	<b>23,210</b>

When this poor utilisation of irrigation potential was pointed out, the Executive Engineer, Bastar Division stated (April 2003) that the demand for water was less due to sufficient rainfall of 1400 mm to 1600 mm in Bastar and hence irrigation potential was not being utilised. Also the maximum needs of

<sup>37</sup>

Thiramunadi D/s Medium Irrigation Project and (2) 41 Nos other minor irrigation projects

local people were fulfilled out of forest produce. Steps were being taken for sufficient utilisation of irrigation potential.

As the irrigation potential already created in Bastar District is not being fully utilised, it is doubtful whether envisaged potential of 11,120 ha in Kosarteda will ever be utilised due to no demand of water by water users. Consequently the entire project appears to be ill conceived.

- On declaration of Shivnath project as completed in June 2002 Barnai Project was sanctioned under Fast Track Programme in the year 2002-03. This was inappropriate as even the basic requirement of land acquisition (1.618 ha) was yet to take place (March 2003). Further, the declaration of Shivnath project as completed was incorrect as it was yet to be completed (March 2003).

### **Non-realisation of irrigation potential**

The Jonk Diversion Project is designed to get water only during the rainy season and there is no reservoir to ensure the supply of water during the lean period for irrigation purposes. Hence it is doubtful whether the full irrigation potential would be achieved at any time.

**Non-availability of water in river during summer rendered the expenditure of Rs.14.53 crore unfruitful.**

The entire expenditure of Rs.14.53 crore, incurred which included Rs.7.19 crore under AIBP on Shivnath Diversion was unfruitful due to non-availability of water in the river during summer months and there was no crop during winter season. Consequently, no irrigation was possible. To overcome this defect, Executive Engineer, Water Resources Division, Rajnandgaon has submitted a fresh proposal to the Chief Engineer in November 2002 to increase the height of driving head, weir with extension of width at upstream of weir and construction of cross regulators to be taken up under Plan funds of Eleventh Finance Commission. The current position is awaited (April 2003).

Further, though this project had been shown to be completed (June 2002) it is seen that work on 0.9 km of the main canal and 25.33 km of the distributaries was yet to be completed (April 2003). Hence the stated completion of the project appears to be doubtful.

### **3.4.6 Deficiencies in Project Implementation**

#### ***Progress of Programme implementation***

Project-wise additional irrigation potential targeted under the programme and achievement thereof during 1997-2003 are as mentioned below:



Shortfall in achievement ranged between 39.68 and 100 per cent. Even after extending the period of completion beyond two years, the projects remained incomplete.

Name of the Project	Year of start	Additional Irrigation potential (Hectares)		Shortfall (Hectares)	Percentage of shortfall	Date of Completion
<b>Major</b>		<b>Target</b>	<b>Created</b>	<b>Created</b>		
Hasdeo Bango	1997-98	86500	52179	34321	39.68	Not completed. The date extended upto March 2004.
Jonk Diversion	1999-2000	9569	3832	5737	59.93	--do--
<b>Medium</b>						
Shivnath Diversion	1997-98	5238	5238	Nil	0 <sup>38</sup>	Stated to have been completed in June 2002.
Kosarteda	2002-03	11120	Nil	11120	100.00	Not completed. Projected date is March 2006.
Barnai	2002-03	1485	150	1335	89.89	Not completed. The date extended upto June 2004.
<b>Total</b>		<b>113912</b>	<b>61399</b>	<b>52513</b>		

The planned potential for these projects was 2,43,379 ha, against which a potential of 1,29,467 ha was created before AIBP. Under AIBP, potential of 1,13,912 ha was to be created against which a potential of 61,399 ha was created. Out of the total created potential of 1,90,866 ha under 5 projects only 1,12,067 ha could be actually utilised.

The physical and financial status of all projects sanctioned under AIBP has been given in **Appendix-XLI & XLI-'A'**. One project (Shivnath Diversion) was stated to have been completed in June 2002 but since a portion of the canal was not completed no irrigation was achieved. The reasons for delay in completion of the projects were stated as delay in the fixation of agency for execution of the project work, land acquisition, forest clearance and slow progress of the work by the contractors.

#### **Cost and time overrun**

Five projects under AIBP were originally approved between 1973 and 1984 for Rs.130.13 crore. The latest revised cost is Rs.1200.43 crore. The cost for balance work under AIBP was proposed for Rs.375.96 crore against which an expenditure of Rs.379.09 crore was incurred as of March 2003 as shown below:

(Rupees in crore)

Sl. No.	Name of Project	Sanction (year)	Cost (original)	Cost of the Project at the time of inclusion under AIBP	Revised cost	Estimated cost under AIBP	Expenditure (upto March 2003) under AIBP	Expenditure prior to AIBP
1.	Hasdeo Bango Multi Purpose	1980	115.30	1020.00	1043.88 (yet to be approved)	304.74	348.54	583.65
2.	Jonk Diversion	1973	4.14	58.48	58.48	18.80	10.59	29.99
3.	Shivnath Diversion (Medium)	1976	0.42	12.13	16.73	4.76	7.19	7.34
4.	Kosarteda (Medium)	1980	6.01	62.60	62.60	45.06	9.02	17.54
5.	Branai (Medium)	1984	4.26	18.74	18.74	2.60	3.75	15.21
<b>Total</b>			<b>130.13</b>	<b>1171.95</b>	<b>1200.43</b>	<b>375.96</b>	<b>379.09</b>	<b>653.73</b>

Cost overrun ranged between Rs.1.15 crore and Rs.43.80 crore under AIBP.

The cost overruns as of March 2003 ranged from Rs.1.15 crore to Rs.43.80 crore over AIBP estimates. The time overruns ranged from 24 to 36 months under AIBP as shown in *Appendix-XLII*.

### Financial Mismanagement

*During the course of test check, the following irregularities were noticed as below:*

#### Excess reimbursement of CLA

Excess reimbursement of CLA of Rs.27.26 crore resulted in avoidable interest payment of Rs.3.95 crore.

During 1997-2003, a CLA of Rs.190.65 crore, was released to the State Government. Against this an expenditure of Rs.296.37 crore on work proper and Rs.82.72 crore on establishment (administration) was incurred. The State share of expenditure was Rs.127.67 crore on work proper (*Appendix-XLIII*). But the State Government could not provide its share of expenditure, and Rs.27.26 crore was reimbursed as loan in excess of admissibility resulting in avoidable interest payment of Rs.3.95 crore.

#### Diversion of Funds

Excess expenditure of Rs.59.91 crore was incurred on administration.

As per AIBP guidelines establishment costs upto 15 per cent of CLA was provided. This expenditure was to be adjusted against the State share from the year 2001-02 onwards. But expenditure of Rs.85.10 crore incurred on salary of work charged establishment and daily waged labourers, regular establishment, miscellaneous items and percentage charges were booked to work proper for claiming CLA (*Appendix-XLIV*). Further an excess administrative expenditure of Rs.59.91 crore over and above the permissible limit of 15 per cent also took place.



**Booking of advance payment as final expenditure**

Advance payment of Rs.21.50 crore was treated as final expenditure. Payment of Rs.16.44 crore though made, the land is yet to be acquired.

- Advance payment of Rs.21.50 crore made to Land Acquisition Officers (LAO) was booked as final expenditure. But complete land acquisition alongwith paid vouchers were awaited from LAO (July 2003). Similarly payment of Rs.16.44 crore (upto March 2002; Rs.9.40 crore and during 2002-03; Rs.7.04 crore) has been made to the Forest Department, but the land is yet to be acquired for Kosarteda Project.

Advances of Rs.51.78 lakh were pending for recovery.

- Mobilisation advance of Rs.1.74 crore and Secured advance of Rs.30.62 lakh paid to contractors was charged to works. Against this, mobilisation advance of Rs.35.39 lakh and secured advance of Rs.16.39 lakh was pending recovery (March 2003) in respect of Hasdeo Bango Project.

Advance payment of Rs.69 lakh was booked as final expenditure without actual work done.

- Advance payment of Rs.69 lakh was made to the Executive Engineer, National Highway Division, Jagdalpur for constructing a canal crossing on road of Kosarteda Project. The same has been booked as final expenditure of the project without execution of the actual work.

**Non-construction of Canals and Distributaries**

Penalty of Rs.2.13 crore was not imposed on the contractor for delay.

- As per terms of the contract, earthwork of the whole canal system of Kharasia Branch Canal of Hasdeo Bango Project from 24.60 km to 42 km including its distributary system of Barduli and Parsadih Distributary System was to be completed by 15 December 2002. The whole contract work was to be completed by 13 May 2003. But the work was not completed by the due date and extension of time upto 15 February 2004 has been granted with out indicating whether penalty would be imposed or not. Non-imposition of penalty of Rs.50,000 per day as per clause 3.13 of the contract for the period 16 December 2002 to 14 February 2004 will lead to a loss of Rs.2.13 crore to the exchequer.

In reply Executive Engineer, Hasdeo Bango Canal Division No.3, Sakti stated that action would be taken as per decision of Government/Higher authorities. But, action could have been taken by the EE himself as per terms of contract. Hence this reply is not acceptable.

- Jonk Diversion Scheme was started in 1973-74 and envisaged construction of a diversion weir across river Jonk, a tributary of Mahanadi. A 72 km long main canal on the right bank was also conceived to create an irrigation potential of 14,569 ha. The project, which was scheduled to be completed in June 1981 is still incomplete as of March 2003.
- For earthwork on the main canal from RD 39500 to 40830 m and 40950 to 41400 of Shivnath Diversion Project, tender of M/s Uphadhay was accepted at contract value of Rs.36.22 lakh against

estimated value of Rs.25.64 lakh i.e. 41.93 *per cent* above USR in force from 1991. The work was to be completed within nine months (agreement No.22/DL of 1998-99) including the rainy season from July 1998.

**Incomplete work rendered the expenditure of Rs.17.96 lakh unfruitful.**

Since the work was not completed as per schedule, extension of time to complete the work upto 10 October 2000 was granted invoking the penal clause. The work of Rs.17.96 lakh was executed, measured and paid. Thereafter the contractor left the work incomplete and the contract was rescinded under clause 4.3.3.3. of agreement in April 2001. But the unfinished work has neither been measured nor the balance work got done from any other agency resulting in unfruitful expenditure of Rs.17.96 lakh. Penal action against the contractor for recovery of eight *per cent* of the work cost (Rs.25.64 lakh) i.e. Rs.2.05 lakh has also not been taken by the competent authority (Chief Engineer).

**The expenditure of Rs.9.02 crore on the project incurred without creation of irrigation potential**

- The Kosarteda Medium Irrigation Project envisaged construction of an earthen dam across Kosarteda Nalla, a tributary of Markandi river near village Salemeta in Bastar district. The project was to be completed by 1985. In 2002-03, the project was brought under AIBP. Expenditure of Rs.9.02 crore during the year 2002-03 (under AIBP) was incurred without creation of any irrigation potential due to non-acquisition of land and non-completion of canal system.

**Canal and distributories remained incomplete rendering Rs.3.75 crore unfruitful.**

- The Barnai Project envisaged construction of a 2010 m long and 24.72 m high earthen dam across river Barnai in Ambikapur Tehsil of Surguja district. The project was brought under "Fast Track Programme" of AIBP during the year 2002-03. Portion of Canal and Distributories remained incomplete. Consequently the irrigation potential could not be utilised rendering the entire expenditure of Rs.3.75 crore unfruitful.

### ***Deficiencies in contract management***

#### ***Hasdeo Bango Project***

**Acceptance of higher rate tenders resulted in extra cost of Rs.77.46 crore.**

As shown in **Appendix-XLV**, rates ranging between 20.20 *per cent* and 48.46 *per cent* above USR were accepted in February 2002 for earthwork and structures of Kharasia Branch canal. This was abnormally on the higher side. But the trend of rates during December 2001 and January 2002 ranged between 17.03 *per cent* to 45.02 *per cent* below USR and 16.20 *per cent* below USR in May 2002 and 8.99 *per cent* below USR in June 2002<sup>39</sup> this indicating a continuing downward trend. This resulted in extra cost of Rs.77.46 crore for contracts at sl.no.6 to 8 when compared with rate at sl.no.5 which is 17.03<sup>40</sup> *per cent* below USR.

<sup>39</sup> The period of acceptance of tender shown at Sl.No.5 was closer to the tender at Sl.No.7 as such the comparison with rate at Sl.No.5 was made

<sup>40</sup> The period of acceptance of tender shown at Sl.No.5 was more closer to the tender at Sl.No.7 as such the comparison with rate at Sl.No.5 was made.



In reply, the CE stated (July 2003) that the rates ranging upto 17.03 *per cent* below USR 1998 were accepted by the Government or CE in public interest although the rates of tenders were not workable. The work at 17.31 to 18 km (S.No.3), 18 to 19 km (S.No. 4) and 19 to 20 km (S. No.2) could not be completed by the contractors and contracts were rescinded under clause 4.3.3.3 of agreement. Regarding work at S. No. 6 of **Appendix-XLV**, it was stated that the average bed filling was four m and bank filling was to be done, for which the earth had to be transported beyond two km. Regarding acceptance of tender of M/s Prasad & Co. it was stated that the tender was invited on lump sum contract on 'Turn Key Basis' and the work of survey, drawing, design, construction and maintenance of canal for two years was also included. The payment for extra items, increase in quantity and escalation were not to be made and as such the comparison of rates at item rate on form 'B' with 'Turn Key Tender' would not be justified.

The reply of the CE is not acceptable since the works stated by him are not those being compared and the rates accepted were on the higher side for contract at Sl.no.6 and 8 of the **Appendix-XLV** which were item rate tenders. The trend of tenders was below USR as compared with Sl. No.5 of **Appendix-XLV**. Regarding tender on 'Turn Key Basis' the reply is also not acceptable as the work was awarded at an estimated cost of Rs.117 crore after detailed estimate was accepted on the expert survey of the contractor himself. Hence the question of payment for excess quantity and extra items did not arise. The work of drawing & designs could have been done by departmental staff. Moreover the work was delayed by the contractor and extension of time has been granted upto 14 February 2004 to complete the work. Further payment of escalation also did not arise as the contracts were awarded for the period upto 12 months or lesser.

No reply was furnished regarding acceptance of tender (Sl. No. 8) of Shri Hardayal Singh Patel by the CE. Moreover, no attempt was made to negotiate the single tender rate of Shri Hardayal Singh to realistic level.

The construction of Kharasia Branch Canal from 24.60 km to 42 km including its distribution system was to be executed on Turn Key Basis under supervision of Executive Engineer, (EE) Hasdeo Bango Canal Division, Kharasia. Scrutiny of records revealed the following:

**Reduction in quantum of work resulted in undue benefit of Rs.2.92 crore to the contractor.**

- According to Annexure F1 and F2 of the agreement 31.522 per cent of the contract value of Rs.173.70 crore was provided for canal length from 24.60 km to 42 km. But the length of canal was reduced to 41.07 km from 42 km, without any commensurate reduction in cost resulting in undue benefit to the contractor for Rs.2.92 crore.
- As per sanctioned estimate and approved payment schedule, the quantity of earthwork for bunds was 11,79,582 cu m including watering and compaction and all leads and lifts at the rate of Rs.53 per cu m amounting to Rs.6.25 crore. Against this, payment for 14,76,133 cu m amounting to Rs.7.82 crore was made resulting in excess payment over the sanctioned schedule. The undue benefit to the contractor was to the tune of Rs.1.57 crore.



**Non-deduction of 10 per cent shrinkage resulted in excess payment of Rs.78.24 lakh to the contractor.**

- The dry density should not have been less than 90 per cent of Maximum Dry Density in case of unlined canal more than 3m height, as per clause 4.17.8 (compaction) of Agreement Vol-III. But the shrinkage of 10 per cent was not deducted from total compacted quantity of earthwork for bunds for 14,76,133. cu m resulting in over payment and consequent undue financial benefit to the contractor by Rs.78.24 lakh. Moreover, compaction at RD 26170, 26190m and 26360 to 26390m was found to be below standard as per test reports. The department admitted this fact and stated that recovery for sub standard works would be made. But no rectification was done by the contractor nor has any recovery been made (September 2003).

**Non-utilisation of moorum at excavation site resulted in avoidable liability of Rs.9.69 lakh.**

- Hard moorum of 99,171 cu m was available at site for excavation. Even then transportation charges from 8.50 km for hard moorum was allowed at the rate of Rs.65.97 per cu m for 14689 cu m resulting in irregular payment of Rs.9.69 lakh.

No reply in this regard has been furnished by the Executive Engineer (September 2003).

The work of construction of Burduli and Parsadih Distributory system of Sakti Branch Canal was to be executed on Turn Key Basis under the supervision of the Executive Engineer, Canal Division No.III (EE), Sakti. Payment of Rs.2.31 crore (gross value of work done Rs.2.47 crore) was made upto 12 May 2003 against a total contract cost of Rs.6.97 crore. The scrutiny of records revealed the following:

**Payment for part execution of survey, etc. resulted in undue benefit of Rs.23.96 lakh**

- The payment for survey, drawing, designing, estimation etc. was to be made only after completion of all processes. But extra contractual payment of Rs.23.96 lakh was made between July 2002 and May 2003 for part activities resulting in undue financial aid to the contractor. The work is yet to be completed.

**Payment for part execution of earthwork resulted in undue benefit of Rs.1.16 crore.**

- Payment for earthwork was to be made only after completion of earthwork of the whole canal system. But payment of Rs.1.16 crore was made on part execution of earthwork i.e. excavation and benching of canal resulting in undue financial aid to the contractor. The earthwork for the whole canal system is yet to be taken up (September 2003).

In reply the Executive Engineer, Canal Division no.3, Sakti stated that the payment was made as per payment schedule approved by the competent authority. The reply is not acceptable because as per schedule F of the agreement the payments were to be released only on completion of complete item of work. Hence the payments were released in violation of the contractual terms.

**Non-deduction of additional security resulted in undue benefit of Rs.25.51 lakh.**

- The balance work of construction of earthwork and cement concrete lining of Hasdeo Left Bank Canal from 48 km to 49.77 km (tail side) was awarded to M/s Raipur Construction Company Limited for Rs.0.98 crore in June 2000 (agreement No-20 of 2000-01). The



completion period was 14 months including the rainy seasons. Payments released upto April 2003 amounted to Rs.1.08 crore. However, the contractor after completing the items of work bearing higher rate (earthwork & concrete items) left the items of work of lower rate unfinished. But out of the additional security deposit of Rs.33.96 lakh for unbalanced rate<sup>41</sup>, recovery of Rs.8.45 lakh only was made from the contractor resulting in undue financial benefit of Rs.25.51 lakh to the contractor.

Clause 4.3.3 of the agreement for works stipulates that works left incomplete by the contractor, can be entrusted by Executive Engineer to another contractor or got completed departmentally at the risk and cost of the defaulting contractor.

**Extra cost of Rs.6.17 crore and other dues of Rs.73.68 lakh were not recovered from the defaulting contractor.**

Audit scrutiny revealed that 10 works left incomplete by the contractors were got executed from other agencies/contractors. But extra cost of Rs.6.17 crore and other dues Rs.73.68 lakh as detailed in the *Appendix-XLVI* were not recovered from the defaulting contractors (July 2003).

In reply the Executive Engineer stated that the action to recover the extra cost and other dues was being taken. Further developments in this regard is awaited (February 2004).

The schedule (G) and clause 3.11(A) of agreement specify that the quoted rates of the contractor should be inclusive of leads and lifts and in no case separate payment for leads and lifts or for any materials including water shall be payable.

However, higher rates on account of extra lead for earthwork of bringing the soil from borrowed area were sanctioned and paid to different contractors resulting in inadmissible payment of Rs.49.16 lakh as shown in *Appendix-XLVII*.

**Separate sanction of rates for lead and lift resulted in inadmissible payment of Rs.49.16 lakh.**

The reply of the Executive Engineer, Hasdeo Canal Divisions, Sakti in all the above cases that extra payment was as per sanction and that quality of soil necessitated extra lead payment is untenable as the rate fixed as per clause 1(a) of 'G' schedule is inclusive of all lead for bringing soil from neighbouring areas at contractor's cost and no extra lead was admissible.

### ***Shivnath Diversion Project***

**Acceptance of higher rates in comparison with lowest rejected tender resulted in extra cost of Rs.5.62 lakh.**

Sealed item rate tenders in form 'B' for the work 'Construction of Kirgi Minor MOD, Earthwork of Main Canal' estimated to cost Rs.28.68 lakh were invited in September 1999 from A-2 to A-5 class contractors. The six tenders received were opened in October 1999. The tendered rates were ranging between 9.19 per cent below and 15.38 per cent above USR.

<sup>41</sup>

When contractor quotes rate for some items on higher side while for some items on lower side in item rate contracts, such tenders are called unbalanced or front end loaded tenders, necessitating additional security deposit to prevent the contractors from finishing higher rate items first and leaving lower rate items incomplete.

After assessment of post qualification, two contractors were found qualified on the justification of bid capacity. However it is seen that all the three rejected contractors were also classified by Engineer-in-Chief as A-3 contractors and were consequently entitled to bid for this work. Rejection of these three eligible contractors on the basis of lesser bid capacity was irregular as per the Departments norms. Acceptance of the rate of Shri R.S.Tiwari (L-4) resulted in extra cost of Rs.5.62 lakh compared to L1.

### ***Kosarteda Irrigation Project***

Tender for excavation of main canal of Kosarteda Project excluding structures gap were invited in September 2002 in four groups.

Acceptance of higher rate without wide publicity resulted in extra cost of Rs.23.12 lakh.

The acceptance of tenders for Group-III (9.77 per cent below) and IV (1.27 per cent below) were on higher side when compared to the rate for Group No.I (20.20 per cent below) resulting in extra cost of Rs.23.12 lakh. Moreover all the four groups were awarded to the same contractor M/s UAN Construction Ltd.

Following shortcomings were also found in the Notice Inviting Tenders (NIT):

NIT was published in only two regional Hindi Newspapers viz. Nav Bharat, Raipur and Desh Bandhu, Bilaspur on 1st and 2nd October 2002 respectively. Thus wide publicity in All India Newspapers and English Newspapers was not given as required under paragraph 2.077 of MP Works Department Manual (as applicable to Chhattisgarh State).

In reply, the EE, Tribal Development Pilot Project (TDPP) Division stated (April 2003) that tenders were received not only from Chhattisgarh and MP but also from Haryana, Andhra Pradesh, Maharashtra etc. hence, wide publicity is self evident. Every Contractor quoted higher rates than M/s UAN Constructions Ltd., indicating problems in execution of works in these areas. Also the rates were quite low when compared to prevailing labour prices, etc.,

This reply is not acceptable, as it is not clear how a NIT published only in two regional hindi dailies received responses from far and wide. The rate should have been brought to realistic levels by negotiation or by the re-tendering for group no. (iii) & (iv) as all the works were awarded to one and the same contractor.

### **3.4.7 Other points of interest**

#### ***Substandard work***

Use of un-tested cement and non-testing of works rendered work costing Rs.33.04 crore substandard.

- According to clause 4.21 and 4.58.1 to 4.58.4 of the Turn Key agreement, contractor was required to purchase the cement from cement factory whose production capacity was more than 450 MT per day. Similarly steel was to conform to ISI specification and to produce proof of purchase viz. Purchase bills supported by delivery challans and excise gate passes with test reports. Although the payment of Rs.30.73 crore was released (August 2003) in Kharasia Division and Rs.2.31 crore in Sakti Division of Hasdeo Bango Project, no proof of



purchase of cement and steel with test-reports as required were available with the Divisions. Tests were also not carried out by the Department as required.

In reply the Executive Engineer stated that contractor has already been instructed for submission of purchase bills and test certificates. Since works worth Rs.33.04 crore have been completed and payments released, no purpose will be served by making these available now. Moreover the possibility of substandard material having been utilised could also not be ruled out.

**Short consumption of cement resulted in undue benefit of Rs.0.51 crore to the contractor**

As per mix designs approved, the requirement of cement for concrete grade M-10, M-15, M-25, M-30, and M-35 for 18235.811 cu m was 1,14,775 bags. Against this, 73,928 bags were only consumed resulting in short consumption of 40,847 bags. The undue financial benefit to the contractor has been estimated at Rs.0.51 crore.

**Non-testing of materials used in work resulted in substandard work of Rs.1.34 crore**

- As per the contract for seven works costing Rs.1.34 crore of Shivnath Project, quality control of material utilised in the work were to be tested by an independent quality control laboratory at the cost of the contractor. However no tests were conducted.

In reply the Executive Engineer, Water Resources Division, Rajnandgaon stated that tests were not conducted due to less quantity of work and he was satisfied with the quality and therefore the work was accepted. The reply is not acceptable since the contractual conditions have been violated by the Executive Engineer. Release of Rs.1.34 crore without the tests was also irregular.

**Non-testing of materials and work rendered the work of Rs.1.92 crore substandard**

- As per terms of the agreement, qualified engineers were to be engaged by the contractors to supervise the work done. Similarly, materials used in works were to be got tested by the quality control sub division functioning under the division of Barnai Project.

However, neither the engineers were engaged for supervision, nor the materials used were tested for quality specifications. Thus the works executed through the contractor for Rs.1.92 crore during 2002-03 cannot be treated as standard works.

#### ***Loss of revenue due to under utilisation/non- utilisation of irrigation potential***

**Short utilisation of irrigation potential resulted in loss of revenue of Rs.2.19 crore.**

- Though an irrigation potential of 52,179 ha was created during the years 1999-2000 to 2002-03, the utilisation of this potential during the years 2000-01 to 2002-03 was nil resulting in loss of revenue of Rs.2.19 crore.

In reply CE, Hasdeo Project stated (July 2003) that the utilisation of irrigation water in the Kharif season is meant for prospective irrigation and it is not mandatory for the farmers to utilise irrigation for Kharif crop unless they sign the long term agreement. During years of timely rainfall, farmers have the tendency not to sign the irrigation demand agreement. Secondly, the farmers

are not readily willing to opt for the Rabi and the perennial crops as they are accustomed to sow paddy crops only. To encourage farmers to take Rabi and perennial crops, the Government of Chhattisgarh has banned the supply of irrigation water for summer paddy from 2000-01, which has also affected the potential utilisation. Besides the farmers are taking substantial time in opting for Rabi and other perennial crops.

From the above reply it appears that the investment in the Project was made without proper assessment of the actual demand. Consequently, the irrigation benefits may never be fully realised.

**Non-utilisation of  
irrigation potential  
resulted in loss of  
revenue of  
Rs.13.40 lakh**

- The irrigation potential for Jonk diversion Scheme was created for 3,832 ha in the years 2001-02 and 2002-03. But the utilisation was nil resulting in loss of Rs.13.40 lakh as the project was designed to get water only during rainy season and there is no reservoir to ensure the supply of water during lean period for irrigation purposes. In reply the Executive Engineer stated that the shortfall in utilisation was due to shortfall in rains.

**Non-utilisation of  
irrigation potential  
resulted in loss of  
revenue of  
Rs.19.34 lakh.**

- The irrigation potential of Shivnath project could not be utilised since a portion of canal was still incomplete resulting in loss of revenue of Rs.19.34 lakh. The non-utilisation of irrigation potential was attributed to the non-availability of water and non-execution of agreement with farmers indicating poor planning.

#### ***Inadmissible payment to Water Users Association***

**Payment of  
Rs.31.62 lakh made  
to the Water User's  
Association was  
inadmissible.**

The Government of Madhya Pradesh, Water Resources Department instructed (May 2000) that payment of Rs.50 per hectare for Culturable Command Area (CCA) for operation/maintenance/repair of dams, canals, minors and distributories was to be given to Water Users Association (WUA) annually. The payment of Rs.31.93 lakh at the rate of Rs.50 per ha per year for CCA of 63,854.24 ha was to be made from the year 2000-01 but the payment was made from 1999-2000 onwards resulting in inadmissible payment of Rs.31.62 lakh

#### ***3.4.8 Monitoring and evaluation***

At State level monitoring mechanism under Engineer-in-Chief is not functioning properly. Evaluation of the impact of AIBP was stated to be conducted by the State and CWC but evaluation report was not available. This fact has been admitted by E-in-C (September 2003).

#### ***3.4.9 Conclusions***

Impact of AIBP on increasing irrigational potential in the State could not be assessed due to non-completion of all the five projects. Little benefit was derived by farmers from the potential created under Shivnath Diversion as the same could not be utilised. Selection of projects under AIBP and Fast Track was faulty and consequently the objectives of the Programme could not be realised. The execution of projects has been delayed abnormally and irrigation



potential as desired could not be achieved. Created irrigated potential was also not properly utilised. Of the five irrigation projects under AIBP a total potential of 61,399 ha was created at a cost of Rs.379.09 crore against the envisaged potential of 1,13,912 ha at a cost of Rs.375.96 crore. Actual utilisation was 3,500 ha only and nearly 57,899 ha remained unutilised due to poor demand/lack of rains, etc resulting in loss of revenue of Rs.2.52 crore.

#### **3.4.10 Recommendations**

- Careful attention should be paid to project formulation and only viable projects should be selected under AIBP. While formulating the projects for execution, guidelines, prescribed rules and regulations should be strictly adhered to.
- Execution of works should be strictly according to the contract provisions and specifications and quality control measures should be strictly enforced.
- Awareness among the farmers is to be created by the Water Resources Department instead of Agriculture Department so as to utilise the irrigation facilities created for Rabi crop. Call centres may be opened as in Haryana State.

The matter was reported to Government (October 2003); reply was awaited (March 2004).

## SOCIAL WELFARE DEPARTMENT

### 3.5 Welfare of Handicapped

In Chhattisgarh, a separate Department under the Directorate of Panchayat and Social Welfare, was formed in 2000-01 to provide comprehensive rehabilitation services including early detection of disability, special education, vocational training, job placement, assistance for self employment and free supply of aids and appliances. The objective was to make the handicapped self reliant and economically independent.

According to National Sample Survey, the disabled constituted 1.9 *per cent* of the total population of the country in 1991. Persons with locomotor disabilities constituted 49.2 *per cent* of the disabled population. Of the disabled population, 80 *per cent* lived in rural areas where services, facilities and medical assistance were rudimentary. Survey conducted by State Social Welfare Department Chhattisgarh State in July 2001 revealed that out of a total population of 2.08 crore, about 3.48 lakh persons were disabled. This constituted 1.67 *per cent* of the total population, which is less than the national percentage of 1.9.

#### 3.5.1 Schemes for the Welfare of the Handicapped

A review of implementation of various Central and State schemes for welfare of handicapped revealed that although the funds were available they were not fully utilised and the same remained unspent on the welfare of Handicapped. Further, survey was also not carried out so as to identify and cover the entire populace of disabled in the State and the Committee constituted to review and co-ordinate the welfare activities of the State remained largely non functional as brought out in the succeeding paragraphs.

Against allotments of Rs.5.74 crore by Government of India (GOI) and Rs.28.74 crore by Government of Chhattisgarh (GOCG), expenditure of Rs.2.17 crore and Rs 27.43 crore respectively were incurred on the welfare of the handicapped during the year November 2000 to March 2003. Thus Rs.4.88 crore(14.15 *per cent*) remained unutilised and the eligible disabled were deprived of the benefit to that extent.

The Department replied that expenditure was not incurred due to dearth of human resources and due to lengthy administrative procedure. The reply is not convincing because the schemes were to be implemented at the district level where there was no shortage of staff.

- ***The Persons With Disabilities Act (PWD)***

The Persons with Disabilities (PWD) Act, 1995 enacted by Government of India aims at identification, information sharing, generation of public



awareness, access to facilities, education, training, employment and prevention of disability etc.

A review of the implementation of the Act revealed that although the State Executive Committee (SEC) as well as the State Co-ordination Committee (SCC) were required to review and co-ordinate the welfare activities of the various Government/non-Government organisations dealing with the Act, they met only once during the period from November 2000 and March 2003.

Further, under the provisions of the PWD Act, the State Government was required to issue disability cards after undertaking survey, investigation and research concerning the cause of disabilities. As on 22 July 2001 against a population of 3.48 lakh disabled persons in the State, only 0.49 lakh (14 *per cent*) were issued disability cards. No steps have been taken to cover the unidentified disabled population. Similarly, no efforts were made to screen children for identifying "at risk" cases.

- ***Assistance to Disabled Persons for Purchase/Fitting of Aids and Appliance Scheme (ADIP)***

This scheme aimed at helping the disabled by bringing suitable, durable, sophisticated/scientifically manufactured, standard appliances so as to promote the physical/social/psychological rehabilitation by enhancing their economic potential and reducing the effects of disabilities. The scheme is implemented through the District Rehabilitation Centre (DRC).

Audit scrutiny revealed that against an allotment of Rs.57.94 lakh an amount of Rs.11.86 lakh was parked in different banks for a period upto 48 months. Besides, Rs.3.34 lakh pertaining to other agencies also remained unspent. Thus, an amount of Rs.15.20 lakh (26 *per cent*) remained unspent and hence deprived the needy disabled of the benefits under the Scheme.

- ***National Programme for Rehabilitation of Persons with Disabilities (NPRPD)***

This programme is funded by GOI with the objective of providing comprehensive door step rehabilitation services to persons with disabilities especially in rural areas. Audit scrutiny revealed that out of Rs.3.64 crore released by the GOI, Rs.3.08 crore (85 *per cent*) was parked in banks in the form of fixed deposits.

Social Welfare Department in reply ascribed short utilisation of funds to late selection of grass root level workers and other administrative delays. The reply indicated the lack of adequate seriousness on the part of Government in implementing the programme.

- ***Integrated Education of Disabled Children Scheme (IEDCS)***

IEDCS is Centrally Sponsored Scheme aimed at integrating disabled students in normal schools by providing financial assistance in the form of books and stationery allowance, free uniforms, transport facilities and appliances etc.

Audit scrutiny of the scheme implementation revealed that out of Rs.1.58 crore allocated, Rs.1.11 crore remained unspent (70.3 *per cent*).

Director of Public Instruction (DPI) stated that less expenditure was due to the recent formation of the State of Chhattisgarh and non-constitution of IEDCS cell in the Department. Non-utilisation of allotted funds resulted in deprivation of disabled children to their entitled facilities.

The amount of expenditure incurred (Rs.46.74 lakh) under the scheme was also not got reimbursed from Government of India due to non-submission of detailed proposals and non-assessment of financial requirements. This resulted in unnecessary burden on the State Exchequer.

- ***District Rehabilitation Centre (DRC)***

DRC, a *cent per cent* Central Sector Scheme was established in 1986 at Bilaspur. The function of this centre was not only to identify handicapped, but also to provide treatment, artificial limbs, devices, impart education, training and employment guidance in the direction of rehabilitation. This centre was also entrusted with the prevention of disabilities by early intervention and adopting awareness methods like distribution of pamphlets and publicizing the information by beating drums, using channels of mass media organising camps, street plays, banners etc. It was also meant to conduct orientation programmes, promote education and vocational training.

The Centre did not achieve its prescribed targets regarding holding rural camps, identification of disabled, rendering of treatment services to registered disabled, in providing artificial limbs and implements and family services during the period November 2000-March 2003 and the shortfall in achievements of various targets ranged between 3 to 13 *per cent* and 40 to 66 *per cent*.

Further, in order to ensure a comprehensive rehabilitation service to persons with disabilities, three District Disabled Rehabilitation Centres (DDRCs) were formed at Durg, Raipur (February 2002) and Raigarh (April 2001). DRC, Bilaspur was made the implementing agency for the former two DDRCs.

DDRC, Raipur incurred 75 *per cent* of the expenditure on aids and appliances and 3 *per cent* on honoraria, DDRC, Durg incurred 24 *per cent* of expenditure on aids and appliances and 48 *per cent* on honoraria. No reasons were given for incurring almost double expenditure on honoraria when compared with that on aids and appliances.

Government of India, Ministry of Welfare, issued instructions (January 1991) that the posts which had been abolished were to be phased out gradually by adjusting the staff either in the same Department or some other sister Departments.

Test-check (May 2003) of records of DRC, Bilaspur revealed that the 10 posts created in October 1988 for a period of two years were declared abolished. However, the staff appointed against these posts continued in position



resulting in irregular drawal of pay and allowances of Rs.31.13 lakh for the period 1998-99 to 2002-03.

The District Rehabilitation Officer (DRO), Bilaspur stated that the matter was under consideration of the Government. However, the staff continues to draw their pay and allowances against abolished posts.

### **3.5.2 Monitoring**

The Department did not evolve any mechanism for continuous monitoring of programme implementation nor were the results of implementation evaluated. Consequently, the effectiveness of various schemes targeted towards the welfare of the handicapped could not be properly evaluated.

### **3.5.3 Conclusions**

Funds earmarked for implementing various provisions of the Act were not utilized and there were huge shortfalls in conducting camps to identify the disabled as well as supply of aids and appliances, thus depriving the disabled from intended benefits. Poor financial management/monitoring resulted in poor resource utilisation and faulty implementation of the programmes which deprived the disabled populace of opportunities and facilities available.

### **3.5.4 Recommendations**

- The Department should adopt scientific methods of survey for estimating the population of disabled in the State;
- Urgent implementation should be ensured of various sections of the PWD Act 1995 which have remained unimplemented;
- The Department should speed up the pace of identification and training of Community Based Rehabilitation Workers (CBRWs) and Multipurpose Rehabilitation Workers (MRWs), provisions of multipurpose kits to MRWs and development of District and State Resource Centres.

The above points were referred to Government in October 2003, reply has not been received (March 2004).





# **CHAPTER IV**

**TRANSACTION AUDIT  
OBSERVATIONS**

**AUDIT PARAGRAPHS**

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## CHAPTER-IV

### TRANSACTION AUDIT OBSERVATIONS

#### AUDIT PARAGRAPHS

#### 4.1 Infertuous/wasteful expenditure and overpayment

##### PUBLIC WORKS DEPARTMENT

#### 4.1.1 Injudicious adoption of costlier tack coat for road works

##### **Injudicious adoption of costlier tack coat using bitumen in road works resulted in extra cost of Rs.95.04 lakh.**

The Ministry of Road Transport and Highways (MORTH) specifications (Third Revision) April 1995 for road and bridge works as amended in January 1998 stipulates that the binder used for tack coat shall be bituminous emulsion or cutback as specified in the contract. However, the Schedule of Rates (SOR) for road works effective from June 2000 and as amended in April 2002 provided rates for tack coat using both cationic emulsion and bitumen.

Scrutiny of the records of the 6 PWD (B/R) Divisions<sup>42</sup>, revealed that costlier items of tack coat using bitumen at the rate of Rs.6.20 on black topped surface (BT) and Rs.12.10 per square metre (sq.m) on granular surfaces (not primed) were provided for in the estimates and agreements for road works instead of the cheaper items using cationic emulsion at the rate of Rs.3.70 and Rs.6.10 per sq.m respectively.

Thus, execution of the road works using the costlier items of tack coat with bitumen, on black topped (1966824.60 sq.m) and granular surface (101368.61 sq.m), resulted in extra cost of Rs.95.04 lakh including tendered *per cent*.

On this being pointed out, Engineer-in-Chief stated (September 2003) that Clause 503 stipulates an option with the Engineer-in-Charge to provide tack coat with bitumen as included in the SOR.

The reply was not tenable as the MORTH specifications did not provide any option to the Engineer-in-Charge for using bitumen.

The matter was reported to Government. The Government forwarded (December 2003) the reply of Engineer-in-Chief.

<sup>42</sup>

(Pendra Road, Ambikapur, Dantewara, Rajnandgaon, Bemetra and Division No.3, Raipur)

#### **4.1.2 Undue favour to contractors**

**Application of higher rate for tack coat with bitumen instead of emulsion resulted in excess payment of Rs.15.87 lakh to the contractor.**

The estimate for upgradation and improvement of four roads under Division No.3, Raipur provided for tack coat with emulsion as per MORTH specifications. The works were awarded to four contractors. One of the contractors after drawing the agreement (January 2002) for Rajim-Mahasamund Road requested (March 2002) to execute the work of tack coat with bitumen instead of emulsion without showing any additional financial implications. The Chief Engineer (CE) granted permission (July 2002) for the use of bitumen. The other three contractors also executed the work with bitumen instead of emulsion and were paid accordingly.

Scrutiny of the records revealed that payment for the item of tack coat was made to the four contractors at the rate applicable for bitumen in violation of the agreements and without the approval of the Chief Engineer resulting in excess payment of Rs.15.87 lakh.

On being pointed out, Engineer-in-Chief stated (September 2003) that as per clause 503 of MORTH specification where the tack coat consists of emulsion, the surface shall be slightly damp but not wet.

The reply is not tenable, as the provisions of MORTH specifications did not provide for any such clause stipulating that emulsion shall be applied on damp surface.

The matter was reported to Government in July 2003. The Government forwarded (December 2003) the reply of Engineer-in-Chief .

### **FOREST DEPARTMENT**

#### **4.1.3 Infertuous expenditure on compensatory afforestation**

**Infertuous expenditure of Rs.21.43 lakh was incurred on preparation of site for plantation as plantation was not done subsequently.**

Site preparation involving construction of Cattle Proof Trench (CPT) and pit excavation work is to be carried out just prior to plantation work so that plantation work could be taken up during the months of June and July of that year. If the plantation work is not taken up in these specified months, the entire expenditure on site preparation becomes unfruitful.

During test-check of records of Katghora Forest Division, it was noticed that an allocation of Rs.71 lakh was made for 310 hectares of compensatory afforestation under DFO, Korba. Accordingly site preparation work in seven compartments (310 ha) (upto June 2001) and plantation work in one



compartment (50 hectares) (July 2001) was carried out by Korba Division at a cost of Rs.23.63 lakh. In another compartment, plantation work could not be taken up after incurring an expenditure of Rs.3.74 lakh because of encroachments. No plantation work was carried out by DFO, Korba in the remaining five compartments as sufficient saplings were not raised.

In September 2001, the division was bifurcated and these seven compartments were shifted to the newly created Katghora Division. The balance amount of Rs.47.57 lakh was also transferred (January 2002) to the newly created Division.

Since no plantation work was carried out in June-July 2001 by Korba Division in the five compartments, fresh expenditure of Rs.21.43 lakh had to be incurred again during July and August 2002 on site preparation in these five compartments (250 ha) by Katghora division. This resulted in an infructuous expenditure of Rs.21.43 lakh.

The matter was reported to Government in September 2003. In reply, Government (November 2003) stated that Korba Division incurred Rs.23.63 lakh and Katghora Division Rs.14.68 lakh in the 310 ha area totalling Rs.38.31 lakh and there was no duplication of expenditure.

The reply is incorrect since the detailed expenditure statements furnished by the Divisions indicated that a fresh expenditure of Rs.21.43 lakh had taken place in the five compartments (250 ha) transferred to Khatghora Division in July 2002. Moreover, this expenditure was incurred by Khatghora Division for the 250 hectares transferred to it and not for 310 hectares as stated in the reply. Thus failure to carry out timely plantation work resulted in an infructuous expenditure of Rs.21.43 lakh.

#### **4.1.4 Wasteful expenditure on marking of trees for felling**

##### **Non-felling of 1,85,029 marked trees resulted in wasteful expenditure of Rs.27.95 lakh on their marking**

Coupes due for felling as per working plan are marked for felling in the following year. If the marked trees are not felled in the due year, the expenditure on remarking have to be incurred again.

Test-check of the records (December 2001 and April 2002) of three divisions (Rajnandgaon, Korba and Durg) revealed that as against 1,92,563 trees marked for felling during 2000-2002, only 7534 trees (3.91 *per cent*) were actually felled in the due period. Non-felling of 1,85,029 trees led to a wasteful expenditure of Rs.27.95 lakh on marking them.

On being pointed out DFO, Rajnandgaon replied that expenditure on marking of trees was incurred as per the working plan but felling was not done in pursuance of Court orders. DFO, Durg replied that marking was done as per orders of superiors. DFO, Korba replied that felling was not done as per Court's order.

Above replies are not tenable as the Court had already banned the felling of trees with effect from 18 December 1999. Hence Department should not have taken any steps to incur expenditure on marking of trees for felling during the years 2000-01 and 2001-02. The above action of marking of trees for felling during the currency of the court orders resulted in a loss of Rs.27.95 lakh.

The matter was reported (September 2003) to Government; reply had not been received (February 2004).

## **HOME DEPARTMENT**

### **4.1.5 Non-recovery of inadmissible payment of arrears on pay-fixation**

#### **Inadmissible payment of arrears of Rs.38.65 lakh on pay fixation were not recovered in spite of Government orders**

The Madhya Pradesh Government, Home Department (August 2000) had sanctioned adhoc increment of Rs.70 to Ministerial Staff from 1st April 1981. Subsequently this order was cancelled by the Government of Madhya Pradesh in February 2001. The Government of Chhattisgarh too vide Finance Department order of August 2001 issued instructions that the benefit of adhoc increment of Rs.70 given to Ministerial staff is irregular and illegal and is to be recovered immediately from the concerned police employees.

A test-check (July 2002 and November 2002) of records of Superintendent of Police (SP, Raigarh and Superintendent of Police Training Schools (SP, PTS), Rajnandgaon and further information collected in July 2003 revealed that the payment of arrears of Rs.33.18 lakh was made in July 2001 and Rs.16.88 lakh in May 2001 by SP, Raigarh and SP, PTS Rajnandgaon respectively.

SP, Raigarh has, however, recovered Rs.11.41 lakh in September 2001, but no recovery has been made by SP, PTS Rajnandgaon. Thus, the recovery of irregularly paid arrears of Rs.38.65 lakh was still outstanding (July 2003).

On being pointed out in Audit, SP, Raigarh stated (July 2003) that a stay order against recovery was granted in favour of applicants by Madhya Pradesh State Administrative Tribunal (MPSAT), Raipur till next date. SP, PTS Rajnandgaon also stated that matter is under consideration at SAT, Jabalpur.

The replies are not acceptable because the payment of arrears were made on the basis of cancelled order of Madhya Pradesh Government. Since no orders were issued by the Chhattisgarh Government for the payment of arrears to Chhattisgarh Ministerial staff, the payment of arrears was irregular. Moreover, the offices of Madhya Pradesh SAT, Raipur and Jabalpur had been abolished by Central Government with effect from 17th April 2003. The cases have since been transferred to Honourable High Court of Chhattisgarh, Bilaspur.



The matter was reported to Government (September 2003) and the reply had not been received (February 2004).

## **4.2 Violation of contractual obligations/undue favour to contractors**

### **PUBLIC WORKS DEPARTMENT**

#### **4.2.1 Avoidable expenditure on tack coat between freshly laid bituminous courses**

**Improper planning of the road works resulted in avoidable expenditure of Rs.49.13 lakh on tack coat between freshly laid bituminous courses, which also led to undue benefit of Rs.1.36 crore to the contractors**

As per the specifications of MORTH, tack coat on a freshly laid bituminous course can be dispensed with, if the subsequent bituminous course is overlaid the same day without opening it to traffic. The specifications further stipulate that the Bituminous Macadam (BM) shall be covered with either the next pavement course or wearing course, as the case may be, without any delay and if there is delay, the course shall be covered by a seal coat before allowing the traffic over it which shall not be paid for separately.

In violation of these guidelines, EE/SDO of four divisions<sup>43</sup>, allowed traffic to pass over the freshly laid BM works without covering the BM by a seal coat at the contractors' cost. This necessitated a tack coat on the BM for laying of the next course of BM or the wearing course of Semi Dense Bituminous Concrete (SDBC) at an extra cost of Rs.49.13 lakh. Had the work been properly planned, this extra expenditure could have been avoided. Non-sealing of the BM before allowing the traffic to pass over it also resulted in undue benefit of Rs.1.36 crore to the contractors.

In reply, Engineer-in-Chief stated (October 2003) that the works were done on road sharing widths of 3 m to 3.65 m. As the paver cannot lay BM in half width on single lane road, BM was done in full width. Since the traffic was allowed to pass over the immediately compacted BM surface, tack coat was applied instead of sealing the BM, before laying the wearing course.

The reply is not acceptable as the Department was already aware of the width of existing road and the requirement of tack coat should have been sorted out during estimation itself. Further, the National Highway Divisions, Raipur and

<sup>43</sup> B & R Division, No.3 Raipur, Champa-Janjgir and National Highway Division No.2, Raipur and Bilaspur

Bilaspur had done the works in roads having 7m width where the traffic could have easily been diverted utilising half the width of the road. By allowing traffic over the freshly laid BM without sealing it, as is mandatory as per specifications, the contractors were allowed undue benefit of Rs.1.36 crore apart from an extra cost of Rs.49.13 lakh.

The matter was reported to Government in August 2003; no specific comments on the reply of the Engineer-in-Chief had been received (February 2004).

## **AVIATION DEPARTMENT**

### **4.2.2 Loss on account of delay in supply of Helicopter**

**Non-claiming of additional bank charges on extension of validity of letter of credit and the extra cost due to differences in exchange rates on the original and revised dates of delivery resulted in loss of Rs.97.26 lakh**

As per agreement between the Government of Chhattisgarh and M/s Eurocopter (July 2001) regarding purchase of a helicopter for Rs.16.30 crore (EURO 37.50 lakh), latter had to deliver the EC 135 helicopter on or before 15 May 2002. However, the firm delivered the helicopter only on 16 June 2002, after a delay of one month. The department had to pay Rs.16.89 crore (Rs.4.89 crore advance on 12 October 2001 and Rs.12 crore balance on 5 July 2002) to the firm for the EURO 37.50 lakh at the prevailing exchange rates.

According to clause 5.1.2 of the agreement, the department was entitled to claim direct damages caused by late delivery of the helicopter. Scrutiny of the records revealed that the department did not claim additional bank charges of Rs.18.51 lakh on extending the validity of letter of credit and the differential cost of Rs.78.75 lakh due to variation in exchange rates (15 May 2002 and 16 June 2002) resulting in loss of Rs.97.26 lakh.

On this being pointed out, the Director, Aviation stated (May 2003) that the details of excess expenditure due to extension of letter of credit would be collected from the Bank and proceedings to recover it from the firm would be initiated. Principal Secretary (Home & Aviation Department) replied (October 2003) that the company in its reply to the notice issued to the firm had clarified that three weeks delay was caused due to additional training imparted to the pilots and the company had to incur additional charges of 50,000 Euro besides providing spares of helicopter costing 20,000 Euro free of charge. In addition to this technical assistance costing 12088.15 Euro was also extended on the request of the State Government. Thus three week's delay in supply of helicopter and variation in exchange rate causing additional liability to the Government had been indirectly compensated by the company.



The reply of the Department is not acceptable because all training to be imparted to the pilots was the responsibility of the seller and already provided for in the contract. Hence the question of payment of Euro 50000 for any additional training does not arise. Further spares and technical assistance stated to have been given free of charge are extra contractual and it is doubtful if these spares could be imported without amendment to the purchase contract. Assuming that these spares and services worth Euro 82,088 was given free of charge, even then their value in rupees is Rs.37.54 lakh whereas the loss due to non-claiming of damages is Rs.97.26 lakh.

Thus, the State Government incurred a net loss of Rs.59.72 lakh due to late delivery of helicopter which has not been claimed so far.

### **4.3 Avoidable/ excess/unfruitful expenditure**

## **PUBLIC HEALTH ENGINEERING DEPARTMENT**

### **4.3.1 Avoidable expenditure on utilisation of costlier GI pipes**

#### **Purchase of costlier GI pipes instead of cheaper PVC pipes for use in tube wells resulted in extra cost of Rs.2.39 crore**

The Manual on Water Supply published by the Central Public Health Engineering and Environment Organisation (CPHEEO), Government of India permitted the use of PVC pipes in Water Supply Schemes (WSS) as PVC pipes are corrosion resistant as well as a cheaper option.

In many districts of Chhattisgarh, drinking water has excessive iron content resulting in metallic taste and rendering it unsuitable for domestic and industrial use. This water is rendered potable by the installation of Iron Removal Plants. Usage of GI pipes lead to further iron contamination and this can be checked by the usage of PVC pipes for WSS.

Though the advantages of using PVC pipes in tube wells was well known, 20 Public Health Engineering Divisions<sup>44</sup> procured costlier GI pipes of 125 mm dia and 150 mm dia costing Rs.3.49 crore between May 2001 and March 2003 for use as casing pipes. The comparative cost of PVC pipes for this purpose was Rs.1.10 crore only. This resulted in extra cost of Rs.2.39 crore in comparison to PVC pipes.

On this being pointed out, Engineer-in-Chief (September 2003) agreed that PVC casing pipes upto 100 mm and reinforced plastic casing and fibre glass

<sup>44</sup> E.Es. PHE Dns. Mahasamund, Jagdalpur, Raipur, Dhamtari, Durg, Rajnandgaon, Kawardha, Bilaspur, Korba, Champa, Raigarh, Jashpur, Ambikapur, Korla Kanker, Dantewara and E/M Dns. Raipur, Bilaspur, Jagdalpur and Ambikapur.

for dia upto 400 mm are coming into vogue. He further stated that PVC casing pipes are being used in 30 *per cent* tube wells and upto 12 m depth. The reply reveals that PVC pipes are suitable for usage especially in iron bearing water so that further contamination of water with iron can be prevented.

The matter was reported to Government in August 2003; reply had not been received (February 2004).

## **WATER RESOURCES DEPARTMENT**

### **4.3.2 Avoidable expenditure due to acceptance of tenders at higher rates**

#### **Acceptance of tenders at higher rates than prevailing for similar work at same location, resulted in avoidable expenditure of Rs.10.74 lakh**

Executive Engineer (EE), Water Resources Division, Kanker split the composite earth work of main bund at Pakhanjore Village (PV-36) estimated to cost Rs.83.09 lakh into 3 groups (Group I : Rs.26.85 lakh, II: Rs.41.15 lakh and III: Rs.15.09 lakh) and invited tenders in January 2001.

Lowest tender of third group at 35.91 *per cent* above (Rs.20.51 lakh) unified schedule of rates (USR-1998) was accepted in March 2001 by the Superintending Engineer (SE), Indrawati Project Circle, Jagdalpur while for the other two groups lowest tenders at 51.99 and 52.13 *per cent* above (Rs.40.80 lakh & Rs.62.60 lakh) USR respectively were accepted by the Chief Engineer (CE) Mahanadi Godawari Basin, Raipur in March 2001. However no attempt was made to negotiate the rates with the two tenderers so as to reach at competitive rates. Against the contracts for Rs.1.24 crore, the contractors executed and completed (between November 2002 and February 2003) the works costing Rs.1.25 crore.

Scrutiny in audit revealed (July 2001) that the items of works were same in all the groups. However, the rates accepted by the CE at the rate of 51.99 *per cent* and 52.13 *per cent* above USR were on higher side than those accepted by the SE, at the rate of 35.91 *per cent* above USR. This resulted in extra cost of Rs.11 lakh. On actual execution, an avoidable expenditure of Rs.10.74 lakh was incurred.

On being pointed out in audit the Engineer-in-Chief stated (February 2003) that in the vicinity of Bastar area the rates accepted for earth work on bund ranged from 50.21 to 55.05 *per cent* above USR and the rates for Nominal Muster Roll (NMR) and piece works sanctioned (December 2000) by CE were 59 *per cent* above USR. Thus the accepted rate of 51.99 and 52.13 *per cent* above USR were not on higher side.

The reply was not acceptable in view of the fact that the work was the same and had only been split. Moreover there was no change in local conditions and the rate accepted for third group at 35.91 *per cent* above USR only was



available for comparison and negotiation. However no such attempt was made, and the quoted rates were accepted by the Chief Engineer.

The matter was reported to Government in August 2003; reply had not been received (January 2004).

## FOREST DEPARTMENT

### 4.3.3 Non-adherence to ceiling on working expenditure

#### **Non-adherence to the ceiling on working expenditure on State trading in timber and bamboo resulted in excess expenditure of Rs.31.70 lakh**

The Additional Principal Chief Conservator of Forest (Production) has prescribed a ceiling on the working expenses on State trading in timber and bamboo from time to time. This was to ensure that the expenditure was commensurate with the Production of Timber and bamboo. In February 1997, a ceiling on labour was fixed at 12.5 man days per cu.m at the prevailing labour rates (Cubic Meter) for timber and @ 12 man days per notional tonne (N.T.) for bamboo for the period 1996-97 onwards excluding transportation. The order stipulated that the concerned Conservator of Forest should ensure that the expenditure did not exceed the ceiling under any circumstances. The actual expenditure on transportation was to be allowed in addition to the above ceiling.

Test-check of records (April - August 2002) revealed that in Forest Division (General) Raipur, expenditure of Rs.69.66 lakh (excluding transportation cost) was incurred during 2000-2001 on production of 6937.022 cu.m of timber exceeding the admissible expenditure of Rs.54.39 lakh by Rs.15.26 lakh whereas in Forest Division (General) Khairagarh, expenditure of Rs.1.96 crore excluding transportation cost, incurred during 2001-02 (June 2002) on production of 23268 N.T. bamboo (7293 Commercial 15975 Industrial) exceeded the admissible expenditure of Rs.1.80 crore by Rs.16.44 lakh.

The Government stated (November 2003) that the expenditure was inclusive of expenditure on maintenance of 607 notional tonne industrial bamboo at Bamleswari and 10711 notional tonne at Pepariya depots. It was also stated that the rate of labour during October 2001 and March 2002 was Rs.67.87. In case of timber, the Government stated (November 2003) that excess expenditure was incurred on upkeep of depots and check posts.

The reply is not tenable as these elements have already been included in norms of expenditure. Further, the detailed expenditure statement furnished by DFO Khairagarh did not show any expenditure having separately been made on maintenance of industrial bamboo. The labour rate paid during the period was only Rs.64.43 and not Rs.67.87 as mentioned in the reply. The labour rates of Rs.67.87 stated to have been paid was the labour rate for the period April 2002 to September 2002 and the same was notified only in September 2002. Hence

the question of paying the higher rate between October 2001 and March 2002 did not arise.

Thus, due to non-adherence to ceiling of the working expenses in State trading prescribed by the department, a loss of Rs.31.70 lakh was incurred.

## **PUBLIC RELATION DEPARTMENT**

### **4.3.4 Doubtful payment due to non-deduction of 15 per cent of advertisement charges**

#### **Non-deduction of 15 per cent of advertisement charges paid to local news papers resulted in doubtful payment of Rs.1.08 crore**

As per Gazette notification of Madhya Pradesh State Government (April 1997) applicable to the State of Chhattisgarh, a deduction of 15 per cent was to be made from advertisement dues of all news papers which have not implemented the recommendations of 'Manisana' Wage Board appointed by the Government of India for determining the pay scale of working journalists.

Test-check (May 2003) of the records of the Director, Public Relations (DPR) and further information collected in July 2003 revealed that the DPR had paid Rs.7.22 crore (November 2000 to June 2003) to 272 local news papers without ascertaining the status of implementation of wage board recommendations. Full payment of the advertising dues without ascertaining the status of implementation of Wage Board recommendations by these newspapers was irregular.

The Commissioner admitted to the non-deduction and stated (November 2003) that pending finalisation of a new policy, the advertisement policy of the undivided MP State was being followed by Chhattisgarh. Further information regarding implementation of Wage Board recommendation was being collected from the Management/publishers of news papers.

Thus, the payment of Rs.1.08 crore to these local newspapers without ascertaining the status of implementation of Wage Board recommendations by them was irregular and required to be recovered, if found necessary.



## PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

### 4.3.5 Unfruitful expenditure on pay and allowances of cooks

**Non-implementation of arrangements for supply of meals to indoor patients in four hospitals resulted in unfruitful expenditure of Rs.17.97 lakh.**

Health organisations run by Central Government<sup>45</sup> under Dandakaranya (DNK) project were handed over to State Government<sup>46</sup> in November 1985. Posts of nine cooks in civil hospitals/community health centres/primary health centres for providing meals to indoor patients had been sanctioned by the Central Government.

A test-check of records of CM&HO, Ambikapur (May 2003) and CM&HO, Kanker (June 2003) revealed that in four units<sup>47</sup> five cooks had been drawing pay and allowances during the period April 1992 to July 2003 although no arrangements for providing meals to indoor patients existed in these PHC's/Civil hospitals. Thus an expenditure of Rs.17.97 lakh incurred upto July 2003 on the pay and allowances of these cooks was unfruitful.

In reply, both the CM&HOs accepted the fact and stated (August 2003) that mess arrangements for providing meals to indoor patients were not started for want of budget allotment. Meanwhile the cooks were being used as peons/wards boys and would soon be transferred to other units.

The reply is not correct because Budget allotments have been regularly received by both the CM&HOs during the period 1992 to 2003. While CM&HO, Kanker surrendered it in toto every year, CM&HO, Ambikapur did not utilise the budget in the two units in question<sup>48</sup>. Besides there were no vacant posts of peons/ward boys in these units and deployment of cooks for these duties caused an excess working strength which is not justifiable.

CM&HO, Ambikapur has not given any proposal for transfer of two idle cooks. However, CM&HO, Kanker (September 2003) has sent a transfer proposal of idle cooks to Director Health, Raipur. The proposal was still pending for approval.

The matter was reported to the Government in September 2003; the reply is awaited (February 2004).

<sup>45</sup> (Rehabilitation Department)

<sup>46</sup> (Health Department)

<sup>47</sup> PHC Ramanujganj, PHC Kamleshwarpur, PHC Kapsi, CS Pakhanjur

<sup>48</sup> Ramanujganj, Kamleshwarpur.

#### **4.4 Idle investment/idle establishment/blockage of funds**

### **REVENUE DEPARTMENT**

#### **4.4.1 Idle Outlay**

**Machines worth Rs.40.92 lakh remained idle due to non-installation/erection for the last three years**

Consequent upon the creation of the new State of Chhattisgarh, the Deputy Controller, Central Printing Press, Bhopal transferred (October 2000) twenty printing and allied machines costing Rs.81.44 lakh including computers worth Rs.3.73 lakh, to Government Regional Press, Rajnandgaon, though 26 machines were already functioning there.

Scrutiny of records (June 2002) of Deputy Controller, Government Regional Press, Rajnandgaon and further information collected in July 2003 revealed that of these twenty machines, four machines, purchased during 1997-2000, having a depreciated value of Rs.37.71 lakh were not installed/erected even after a lapse of 34 months after their transfer from Madhya Pradesh. Similarly three computers having a depreciated value of Rs.3.21 lakh were also lying idle since October 2000 for want of operators. Thus the machines worth Rs.40.92 lakh remained idle.

On this being pointed out, the Government admitted (August 2003) the above fact. They further stated that all the four machines (folding machine, camera, cutting machine and Ajit machine 620) would be installed at Printing Press, Raipur but no mention has been made with respect to installation of computers. However no printing press has been established at Raipur (January 2004). No steps have been taken by the Department to ensure installation and utilisation of these idle machines/computers.



## 4.5 Regulatory issues and other points

### CO-OPERATIVE DEPARTMENT

#### 4.5.1 Non recovery of interest on delayed remittances of sale proceeds of fertilisers by Co-operative Bank

##### Delay in action/follow up action to claim the interest on delayed transfer of sale proceeds of fertilisers to MARKFED resulted in non-recovery of interest of Rs.1.92 crore from Co-operative banks

As per instructions issued by the Registrar, Madhya Pradesh Co-operative Society, Bhopal (March 1985), bank drafts of sale proceeds of fertilizers should be credited to the fertilizer sale account of the District Central Co-operative Bank. This amount is required to be credited the same day to MARKFED's fertilizer sale collection account through the Divisional Branch of the Apex Bank. If the bank fails to transfer the amount on same day, it would be liable to pay interest at the rate of 16.5 *per cent* per annum for the period of delay plus a penal interest of one *per cent* after a grace period of 14 days.

Test-check of records of District Marketing Officer, Raigarh (August 2001) and further information collected (August 2003), revealed that out of the bank drafts received on account of sale proceeds of fertilizers amounting to Rs.40.69 crore<sup>49</sup> for the period October 1998 to March 2003, Rs.39.87 crore<sup>50</sup> were transferred to Divisional Branch of the Apex Bank with delays ranging from 1 to 151 days for crediting the same to MARKFED's account. Consequently the bank was liable to pay Rs.1.92 crore<sup>51</sup> as interest for the period of delayed credit. Further an amount of Rs.0.82 crore from the above period remained to be transferred to MARKFED's account as on 31 March 2003.

On this being pointed out (August 2003 and January 2004), District Marketing Officer, Raigarh stated that the interest claims for the period from October 1998 to March 2003 had been preferred (October 2001 and August 2002) to the bank and registered notices were also issued to bank to deposit the amount.

The reply is not acceptable because except for preferring an initial claim, no reminders or follow up action has been taken. No attempts have also been made to consolidate the year wise outstandings and to prefer progressive claims showing recoveries of outstanding dues. Since the amount of interest of Rs.1.92 crore were not transferred by the Bank, a case has been registered

<sup>49</sup> (Rs.26.69 crore from October 1998 to October 2000 and Rs.14 crore from November 2000 to March 2003)

<sup>50</sup> (October 1998 to October 2000 - Rs.23.06 crore and November 2000 to March 2003 - Rs.16.81 crore)

<sup>51</sup> (1 crore from October 1998 to October 2000 and 92 lakh from November 2000 to March 2003)

(November 2003) in the Court of Registrar, Co-operative Societies, Raipur at the instance of audit.

The matter was reported (September 2003 and November 2003) to Government; reply had not been received (February 2004).



# **CHAPTER V**

## **INTERNAL CONTROL SYSTEM IN GOVERNMENT DEPARTMENT**

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## **CHAPTER V**

### **INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ARRANGEMENT**

#### **TRIBAL AND SCHEDULED CASTE DEVELOPMENT DEPARTMENT**

##### **5.1 Evaluation of Internal Control Mechanism**

###### **5.1.1 Introduction**

Internal Control Mechanisms exists to provide independent assurance to the senior management on adequacy of internal control framework of the Department. It helps to ensure that the provisions of Codes, Manuals, and Rules as laid down by the Government are being complied with. Adherence to these Rules and Manuals provide reliability and consistency to financial reporting, effectiveness and efficiency to Department's operations.

An evaluation of Internal Control Mechanism was taken up in Tribal and Scheduled Caste Development Department (Department) since the formation (November 2000) of the new State of Chhattisgarh. There were 869 units (District level : 45, Block level : 170 and other : 654) working under the Commissioner of the Department. Based on a test-check of the records of the office of the Commissioner during December 2003-January 2004, the following comments are offered.

###### **5.1.2 Evaluation of Internal Control System**

###### ***Budgetary control***

Immediately after the approval of the budget by the Legislature, Finance Department intimates the final allotments of funds to the Controlling Authority of the Department, who in turn allocates them to the Directing Offices for further distribution among the field units. The Department is responsible for control over expenditure against the sanctioned grant or appropriation placed at its disposal.

The Departmental figures of expenditure are required to be reconciled periodically with those booked in the office of the Accountant General, Chhattisgarh before closing of the accounts for the year. Moreover, no money shall be drawn from the treasury unless it is required for immediate disbursement, nor shall it be drawn for depositing under Civil-Deposits to avoid lapse of budget grant. Hence a regular flow of expenditure is a primary requirement of budgetary control.

Contrary to above provisions during test check of Internal Control Mechanism of the Department during 2000-03 (from 1st November 2000 to 2002-03), it was noticed that :

***Non-maintenance of expenditure control register***

Monthly statement of expenditure was not being received regularly by the Controlling Officer from the subordinate units and expenditure control registers were also either not maintained or were incomplete in the office for the period 2000-01 and 2001-02. The reasons stated (January 2004) were delayed receipt of expenditure statements from districts and shortage of staff in the Directorate.

But the above reply cannot be accepted because maintenance of expenditure control register is a primary requisite for exercising financial control. In its absence, proper monitoring of expenditure could not be done.

***Defective preparation of budget estimates***

The procedure followed in test-checked grants revealed that there had been huge anticipated savings upto 53.60 *per cent* under 183 schemes. The anticipated savings of Rs.81.39 crore during November 2000 to March 2003 were surrendered on last day of March each year. Brief description is as under:

**Table : Budget Allotment and Expenditure**

*(Rupees in crore)*

Year	Number of schemes covered	Budget allocation	Anticipated savings/surrender	Total grant	Actual expenditure	Final savings
2000-01 (Nov 2000 to March 2001)	24	81.95	17.78	64.17	36.88	27.29
2001-02	76	151.65	33.20	118.45	97.83	20.62
2002-03	83	174.29	30.41	143.88	126.22	17.66
<b>Total</b>	<b>183</b>	<b>407.89</b>	<b>81.39</b>	<b>326.50</b>	<b>260.93</b>	<b>65.57</b>

The above table shows that demands for budget estimates were not assessed properly and were prepared on adhoc basis. This led to excessive budget provision of Rs.81.39 crore and final savings of Rs.65.57 crore during 2000-01 to 2002-03. The anticipated savings were reportedly (January 2004) due to non-receipt of demands from the districts. The reply is not tenable in the light of the fact that while estimating the budget, the detailed requirements of funds were received from every district. This is indicative of unrealistic budget preparation.

It was also noticed that the budget provision of Rs.48.99 crore in 25 Central Sector/Centrally sponsored schemes specially under the schemes like Grant to Residential School Society, Grant to Tribal Development Society and Operation Black Board remained completely unutilised. The entire budget provisions under these schemes were surrendered on last day of March every year. The reasons were attributed (January 2004) to late receipt of sanctions i.e. October-November from GOI and also non receipt of demands from subordinate units. The reply was not tenable as the Department was well aware



about the months in which the funds from GOI were usually received. The Department should have accordingly ensured the utilisation of funds before March. Further, the demand from subordinate units were already with the Department while preparing the budget estimates.

### ***Excess over Budget Provision***

The following schemes under grant No.33 showed excess expenditure during 2000-01 to 2002-03 as detailed below:

(Rs.in crore)

Grant No.33	2000-01			2001-02			20002-03		
Name of the Schemes	Budget provision	Actual expenditure	Excess over budget	Budget provision	Actual expenditure	Excess over budget	Budget provision	Actual expenditure	Excess over budget
<b>Non plan/plan</b>									
2739-Training schools	00.11	00.27	00.16	00.57	00.45	--	00.59	00.47	--
2772-Primary Schools Pay & Allowances	42.59	40.26	--	86.40	113.91	27.51	94.95	137.18	42.23
3492-Middle Schools Pay & Allowances	23.73	16.89	--	47.05	60.84	13.79	50.31	57.48	7.17

The Commissioner, Tribal Development stated (January 2004) that the demands for supplementary grants could not be made since the position of actual expenditure came to knowledge only at the closure of the financial year. These excesses have not been regularised so far (January 2004) which shows that monitoring of expenditure at Director Level was not sufficient/adequate.

### ***Rush of expenditure***

The expenditure control registers for 2000-01 and 2001-02 pertaining to all eight grants<sup>52</sup> dealt with by the Department were incomplete. Therefore, expenditure figures exclusively for last quarter or for the month of March of these two years were not available. During 2002-03, under four grants related to special component plan for Scheduled Caste, Welfare of Backward Classes and Tribal Area sub plan, the expenditure incurred was 20 *per cent* or above of the total expenditure of the year.

The Commissioner stated (January 2004) that late receipt of expenditure statements of schemes from the field and late receipt of sanctions on account of Central Sector/Centrally Sponsored Schemes were the reasons for rush of expenditure during March. The reply indicated the tendency of utilising the budget provisions at the fag end of the financial year and lack of control over expenditure.

### ***Non-reconciliation of expenditure***

The Commissioner, had partially reconciled the Departmental figures of expenditure with those booked by the Accountant General, Chhattisgarh, Raipur during 2000-01 to 2002-03.

<sup>52</sup>

Grants number 15-special Component Plan for Scheduled castes, 33-Tribal Welfare, 41-Tribal Area Sub-Plan, 49-Welfare of Scheduled castes, 64-Special Component Plan for Scheduled castes, 66-Welfare of Backward Classes, 77-International Fund and 82-Tribal Area Sub PlanPlan

The Commissioner stated (January 2004) that expenditure of some of the months booked by Accountant General, Chhattisgarh, could not be made available for the purpose of reconciliation of Departmental expenditure figures. The reply was not correct as expenditure figures were always open for reconciliation in the Accountant General's Office and it was incumbent on the Department to send reconciliation parties to Accountant General's office.

### ***Funds lying under Civil Deposits***

Financial Rules provide that no money shall be drawn from treasury unless required for immediate disbursement but it was observed that a total sum of Rs.3.93 crore was lying unspent as of January 2004 under MH 8443-Civil Deposit, 800-Other Deposits since 2000-01.

### ***Other basic records***

A test check of records meant for financial control such as Cash Books, Bill Registers, Challans files, register of AC/DC Bills etc revealed the following discrepancies:

Financial rules regarding handling of cash provide that an analysis of the cash balance showing the details of balance under each class should be recorded in the Cash Book at the end of the month.

There had always been heavy cash book balances as indicated below:

<b>Date</b>	<b>Cash book balance (Rupees)</b>
31.3.2001	1,69,756
31.3.2002	6,70,194
31.3.2003	5,34,520
31.10.2003	4,19,35,844
30.11.2003	2,94,88,540
31.12.2003	2,97,68,364

- Excluding the undisbursed bank drafts for Rs.2,86,24,976.00, the balance amount of Rs.11,43,388.00 was available in cash (31 December 2003). In spite of holding heavy cash balances, there was no security arrangements for the custody of cash. There was also no cash chest with double lock system and the cash chest was not embedded in the wall.
- Regular physical verification of cash balance was never conducted by the DDO nor periodical surprise check of cash conducted by any authority. This was a serious lapse on the part of the DDO.
- The details/analysis of cash book balances were never recorded on last working day of a month.
- Drawals from the treasury were not verified and a fortnightly certificate to that effect was also not found recorded in the cash book.
- Treasury voucher numbers were not regularly found recorded in the bill register.



- Security bonds had not been submitted by the official dealing with cash and stores.

### **5.1.3 Stores Management and Inventory Control**

Perusal of inventory control mechanism for the period from November 2000 to December 2003 revealed that

As per the rules, a physical verification of all stores should be made at least once in every year subject to the condition that the verification is not entrusted to a person who is the custodian, the ledger keeper or the accountant of the stores being verified. The responsibility of physical verification of store shall be entrusted to a responsible officer who is independent of the subordinate authority in-charge of the stores.

- though separate stock registers for perishable and non-perishable items were maintained in the Commissioner's office, annual physical verification of actual balances of permanent items with reference to stock register balances was never conducted during the period covered under scrutiny.

Thus actual inventory did not represent a reliable status of stock. In the absence of physical verification, it was not possible to classify items as old, damaged, short/surplus or unserviceable items and consequently no action for their disposal has been initiated.

- store-stock accounts for the financial years from 2000-01 to 2002-03 were also not prepared by the Department.

The Department replied (December 2003) that a Committee for physical verification of stores-stocks was constituted in May 2003 to conduct physical verification and prepare a list of old, damaged, short/surplus, unserviceable items. It was also stated that work relating to the preparation of store-stock accounts was in progress.

From the above reply it is clear that inventory control was not accorded its due priority. The possibility of stores/stocks being pilfered cannot also be ruled out.

### **5.1.4 Evaluation of Internal Audit System:**

#### **Organisation of Internal Audit Wing**

A separate Internal Audit Wing was in existence in the office of the Commissioner, under the supervision of an Accounts Officer. A Deputy Director was made in-charge of the wing under overall control of the Commissioner.

According to Department's set-up, three posts of Accounts Officers and five posts of Junior Accounts Officers were sanctioned for audit and accounts functions. Against this, only one Accounts Officer and one Junior Accounts Officer were working in the audit wing. The staff was primarily engaged in accounts work only. Though the Directorate was liable to conduct the audit in 45 district level units of the Department, the same was not being done. The

reasons for deployment of internal audit staff to accounts keeping functions were not intimated by the Commissioner.

### ***Internal auditing standards***

Internal auditing standards, periodicity of audit based on annual expenditure of auditee units and audit plans were not drawn by the Department. The reason was stated to be shortage of staff.

### ***Training of audit personnel***

There were no arrangements for imparting the training to accounts/audit staff of the Department on topics like various types modern auditing practices viz performance audit, financial audit, value for money audit etc, financial rules and regulations, departmental schemes etc.

### ***5.1.5 Conclusions***

The internal control system of the Department has not been functioning effectively. The budgetary control mechanism is weak. Internal audit wing is not functional and no mechanism exists for ensuring compliance to Departmental rules and financial discipline. Internal audit of none of the 869 subordinate units had been taken up during the period covered by test-check.

### ***5.1.6 Recommendations***

1. The department should devise a manual/code of internal audit providing periodicity and detailed procedure for carrying out audit and rectification of errors noticed during internal audit.
2. The staff strength required for internal audit should be assessed to cover the audit within a reasonable time frame and full deployment made.



# **CHAPTER VI**

## **GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES**





## CHAPTER-VI

### GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

#### 6.1 Overview of Government companies and Statutory corporations

##### 6.1.1 Introduction

As on 31 March 2003, there were six Government companies and two Statutory corporations (all working) as against six Government companies and one Statutory corporation as on 31 March 2002 (all working) under the control of the State Government. The accounts of the Government companies (as defined in Section 617 of Companies Act, 1956) are audited by Statutory Auditors who are appointed by the Comptroller and Auditor General of India (CAG) as per provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 (4) of the Companies Act, 1956. The audit arrangements of Statutory corporations are as shown below:

Sl. No.	Name of the Corporation	Authority for audit by the Comptroller and Auditor General of India	Audit arrangement
1.	Chhattisgarh State Electricity Board (CSEB)	Section 69(2) of the State Electricity (Supply) Act 1948	Sole audit by CAG
2	Chhattisgarh State Warehousing Corporation	Section 31(8) of the State Warehousing Corporation Act, 1962	Chartered Accountants and supplementary audit by CAG

The details of all the Government companies and Statutory corporations are given in *Appendices -XLVIII, XLIX, L.*

##### 6.1.2 Working Public sector undertakings (PSUs)

###### *Investment in working PSUs*

Total investment in seven working PSUs (six Government companies and one Statutory corporation) and eight working PSUs (six Government companies and two Statutory corporations) at the end of March 2002 and March 2003 respectively was as follows:

(Rupees in crore)

Year	Number of working PSUs	Investment in working PSUs			
		Equity	Share application money	Loans	Total
2001-02	7 <sup>53</sup>	3.40	1.00	1.00	5.40
2002-03	8 <sup>1</sup>	10.94	0.50	34.57	46.01

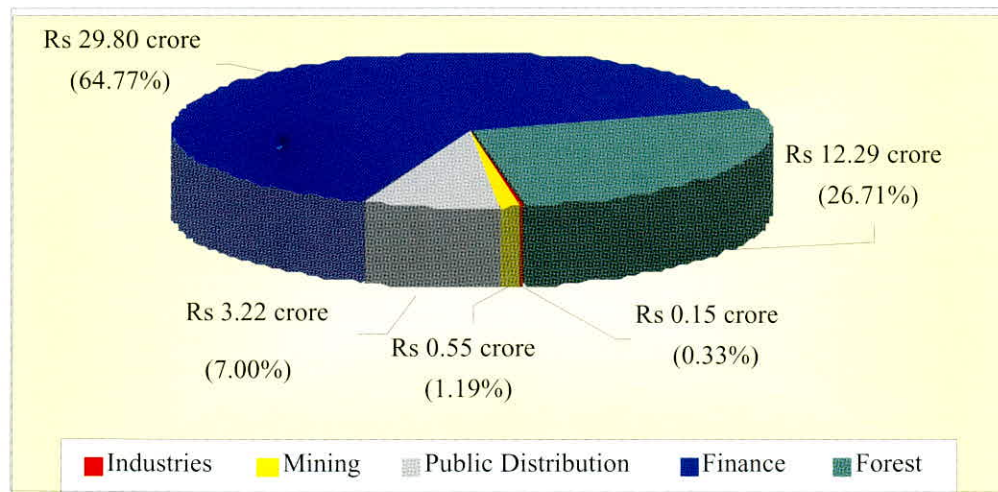
An analysis of investment in PSUs is given in the following paragraphs.

The investment (equity and long term loans) in various sectors and percentage thereof at the end of March 2003 and March 2002 are indicated in the following pie charts:

### Sector-wise investment in working Government companies and Statutory corporations as on 31 March 2003

(Figures within brackets indicate percentage of investment)

(Rupees in crore)

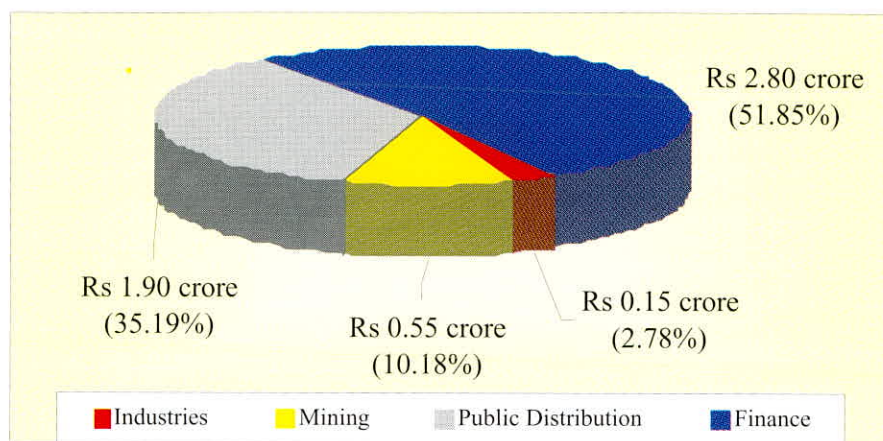




### Sector-wise investment in working Government companies and Statutory corporation as on 31 March 2002

(Figures within brackets indicate percentage of investment)

(Rupees in crore)



### 6.1.3 Working Government companies

Total investment in six working Government companies at the end of March 2002 and March 2003 respectively was as follows:

(Rupees in crore)

Year	Number of companies	Investment in working Government companies			
		Equity	Share application money	Loans	Total
2001-02	6 <sup>54</sup>	3.40	1.00	1.00	5.40
2002-03	6	10.94	--	33.75	44.69

The summarised position of Government investment in these Government companies in the form of equity and loans is detailed in **Appendix-XLVIII**.

As on 31 March 2003, the total investment in working Government companies comprised 24 per cent in equity capital and 76 per cent in loans as compared to 81 per cent and 19 per cent respectively as on 31 March 2002. The debt equity ratio in 2002-03 was 3.08:1

<sup>54</sup>

Information regarding investment in Chhattisgarh Rajya Van Vikas Nigam Limited was not available.

#### 6.1.4 Working Statutory corporations

The total investment in one and two working Statutory corporations at the end of March 2002 and 2003 respectively was as follows:

(Rupees in crore)

Name of corporation	2001-02		2002-03	
	Capital	Loans	Capital	Loans
Chhattisgarh State Electricity Board	NA	NA	NA	NA
Chhattisgarh State Warehousing Corporation	--	--	0.50	0.82
<b>Total</b>	--	--	<b>0.50</b>	<b>0.82</b>

NA - Not available

The total investment in one working Statutory corporation i.e. Chhattisgarh State Electricity Board was not available at the end of March 2002 and March 2003 due to non-apportionment of assets and liabilities between MPSEB<sup>55</sup> and CSEB.

The summarised position of investment in working Statutory corporations in the form of equity and loans is detailed in *Appendix-XLVIII*.

#### 6.1.5 Budgetary outgo, grants/subsidies, guarantees, waiver of dues and conversion of loans into equity

The details regarding budgetary outgo, grants/subsidies, guarantees issued, waiver of dues and conversion of loans into equity by State Government in respect of Government companies and Statutory corporations are given in *Appendices-XLVIII and L*.

The budgetary outgo (in the form of equity capital and loans) and grants/subsidies from the State Government to Government companies and Statutory corporations for the two years up to 2002-03 are given below:



(Rupees in crore)

	2001-02				2002-03			
	Companies		Corporations		Companies		Corporations	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Equity capital outgo from budget	3	2.45	--	--	--	--	--	--
Loans given from budget	1	1.00	--	--	1	27.00	--	--
Other grants/subsidy	2	6.59	--	--	2	258.19	1	62.87
<b>Total outgo</b>	<b>4<sup>56</sup></b>	<b>10.04</b>	<b>--</b>	<b>--</b>	<b>3<sup>56</sup></b>	<b>285.19</b>	<b>1</b>	<b>62.87</b>

### 6.1.6 Finalisation of accounts by PSUs

The accounts of the Government companies for every financial year are required to be finalised within six months from the end of relevant financial year under sections 166, 210, 220 and 619 of the Companies Act, 1956, read with Section 19 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

As per Section 210 (4) of the Companies Act, 1956, the accounts of a company are to be laid before the company in the first annual general meeting within 18 months from the date of incorporation. However, as could be noticed from *Appendix-XLIX*, the first accounts of all the Government companies were not finalised (October 2003).

### 6.1.7 Response to Inspection Reports, draft paragraphs and reviews

Audit observations noticed during audit and not settled on the spot are communicated to the heads of PSUs and concerned departments of State Government through Inspection Reports. The heads of PSUs are required to furnish replies to the Inspection Reports through respective heads of departments within a period of six weeks. In respect of Inspection Reports issued up to September 2003 pertaining to seven PSUs, 971 paragraphs in 385 Inspection Reports remained outstanding at the end of November 2003. Of these, 363 Inspection Reports containing 869 paragraphs had not been replied to for more than one year. Department-wise break-up of Inspection Reports and Audit observations outstanding as on 30 September 2003 is given in *Appendix-LI*.

Similarly, draft paragraphs on the working of PSUs are forwarded to the Principal Secretary/Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks. However, of seven draft paragraphs forwarded to the various departments in August 2003, as detailed in **Appendix-LII**, reply to one paragraph has been received (December 2003).

It is recommended that the Government should ensure that: (a) procedure exists for action against officials who fail to send replies to Inspection Reports/draft paragraphs/reviews as per the prescribed time schedule; (b) action to recover loss/outstanding advances/overpayment is taken in a time bound schedule; and (c) the system of responding to the audit observations is revamped.

#### **6.1.8 Position of discussion of Audit Reports (Commercial) by the Committee on Public Undertakings (COPU)**

The Committee on Public Undertakings (COPU) of Chhattisgarh State was formed on 17 April 2001 comprising nine members including chairman. As there was no Audit Report pertaining to Chhattisgarh State, the COPU took up for discussion those reviews/paragraphs relating to the new State which stood included in Audit Reports for 1999-2000 and 2000-01 of composite Madhya Pradesh State.

The status of Audit Reports (Commercial) and paragraphs pending for discussion in the COPU at the end of October 2003 is shown below :

Audit Report for the year	Number of reviews and paragraphs appeared in Commercial Chapter of Audit Report		Number of Reviews and paragraphs pending for discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1999-2000	2	-	2	-
2000-01	1	-	1	-
2001-02	-	2	-	2
<b>Total</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>



## **AUDIT PARAGRAPHS**

### **6.2 GOVERNMENT COMPANIES**

#### **FOOD, CIVIL SUPPLIES AND CONSUMER PROTECTION DEPARTMENT**

#### **CHHATTISGARH STATE CIVIL SUPPLIES CORPORATION LIMITED**

##### **6.2.1 Avoidable payment due to failure to ensure quality of bags**

##### **Failure to examine the quality of bags on receipt led to avoidable payment of Rs.62.71 lakh being the value of sub standard bags**

The Company invited (November 2001) tenders for procurement of 'ek bharti gunny bags' and negotiated the rate of Rs.14.85 per bag with the tenderers on the condition that quality of bags would be examined by District Committee (comprising District Collector, District Managing Officer or District Manager of the Company and Food Officer).

The Company, without including any such condition in the purchase orders to ensure quality, placed (November 2001) orders on different firms for supply of 15 lakh bags against which it received 14.44 lakh bags. As per purchase order, only 10 *per cent* payment was to be made on receipt and balance 90 *per cent* on examination of quality of bags.

Audit observed (June 2002 and June 2003) that the Company, without examining the quality, utilised all bags and released the entire payment. Later on, a Committee formed by the Government to investigate complaints of quality of bags, observed (December 2001) that out of 14.44 lakh, 2.01 lakh bags were not fit for use and 3.28 lakh bags were found fit only to the extent of 25 and 75 *per cent*.

Consequently, the Company issued (June 2002) instructions to field offices to regulate payment accordingly to the degree of quality of bags. Audit observed that these instructions were not complied with as these bags had already been put to use and the source of supply could not be identified due to mixing of bags from different suppliers. Had the Company incorporated a clause in the purchase order for recovery for substandard quality from the balance 90 *per cent*, it could have avoided the extra payment.

Thus, Company's non-adherence to requisite condition for acceptance of gunny bags at the initial stage as was required by the State Government, coupled with its failure to include suitable clause in the purchase order and examine the quality of bags before releasing payment and procurement of gunnies against such defective purchase order, resulted in acceptance of substandard quality and consequential avoidable payment of Rs.62.71 lakh (*Appendix-LIII*).

Management stated (June 2003) that due to shortage of bags, it had used them without verifying their quality. Further, the quality of bags was verified only when the bags had been stacked (i.e. after filling them with paddy).

The reply was not convincing since 90 *per cent* payment was to be made only after inspection of the quality of the bags supplied. Since the Company failed to verify the quality of gunny bags before their use, it had no option but to accept and pay for the substandard bags at the agreed rates.

The matter was reported to Government (August 2003); their reply had not been received (December 2003).

## **FOREST DEPARTMENT**

### **CHHATTISGARH RAJYA VAN VIKAS NIGAM LIMITED**

#### **6.2.2 Failure to utilise own funds led to avoidable expenditure**

##### **Failure to utilise surplus funds for repayment of high cost loan resulted in avoidable expenditure of Rs.47.90 lakh**

The erstwhile Government of Madhya Pradesh had undertaken wasteland development through Tree Co-operative Scheme since 1991-92. This scheme was being implemented by the Forest Department and funded by Madhya Pradesh Rajya Van Vikas Nigam Limited which had availed loan of Rs.25.22 crore from a consortium of five banks<sup>57</sup> bearing interest of 12 *per cent* per annum.

Chhattisgarh Rajya Van Vikas Nigam Limited (Company), formed (May 2001) on bifurcation of the State of Madhya Pradesh, accepted a liability of Rs.11.59 crore out of the aforesaid loan. The Company repaid (February-March 2003) the entire outstanding loan.

Audit scrutiny (June 2003) revealed that the Company was keeping, throughout the year (2002-03), minimum balances between Rs.7.37 crore and

<sup>57</sup>

Central bank of India, State Bank of Indore, Bank of Baroda, Punjab & Sind Bank and Canara Bank



Rs.17.46 crore in multiple option deposits (MOD) with various banks<sup>58</sup> fetching interest at the rates between 5.50 and 8.75 *per cent* per annum. The Company continued to pay during the same period interest at 12 *per cent* on the loan. Had the Company utilised the invested funds towards repayment of loan, it could have saved Rs.47.90 lakh towards extra payment of interest. Thus, the Company's failure to utilise its own funds judiciously, resulted in avoidable expenditure of Rs.47.90 lakh towards interest.

Management stated (June 2003) that the funds were kept in deposit accounts to meet day-to-day requirements of the Company.

The reply was not tenable as (a) the minimum balance of Rs.7.37 crore was available as investments throughout the year even after Company's meeting out its average monthly requirements of Rs.1.32 crore and (b) the Company continued to retain its investments upto March 2003, even after repayment of entire outstanding loan. It proved that it had surplus funds which were not judiciously utilised for discharging high-cost loan.

The Government stated (October 2003) that the loan was to be repaid by March 2004 out of the forest receipts expected to be earned from the scheme. Forest Department, however, did not remit the earnings to the Company. But on the expectation of the sum to be received from Forest Department the Company repaid Rs.2.78 crore, Rs.4.41 crore and remaining Rs.4.40 crore were during 2001-02, 2002-03 and March 2003 respectively and saved an interest of Rs.76.69 lakh. The reply is not tenable because had the Company repaid the loan, one year earlier out of the balance available, Rs.47.90 lakh could have been saved.

## COMMERCE AND INDUSTRIES DEPARTMENT

### CHHATTISGARH INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

#### 6.2.3 Failure to assess the demand for water led to avoidable expenditure

#### Entering into agreement without assessing the demand for water led to avoidable expenditure of Rs.2.73 crore

Borai Industrial Growth Centre of Chhattisgarh State Industrial Development Corporation Limited (Company) had been functioning since 1989 with infrastructural facilities (cost Rs.5.03 crore) including water supply arrangements like intake well, rising main and overhead tank to meet the

demand of 30 million litres per day (MLD) of which distribution system, pumps, electricals were meant to meet the demand of 10 MLD.

Despite being aware of the existing capacity, the Company, without assessing the requirement of water supply, entered (October 1998) into Build, Operate, Own and Transfer (BOOT) agreement on tender basis with a private firm viz. Radius Water Limited (RWL) in Rajnandgaon for supply of water to the industrial units at the centre. As per terms of agreement, RWL was to develop, construct, commission, own, operate and maintain water supply project for 30 MLD capacity using its own funds.

The terms of agreement *inter-alia*, stipulated, that

- (a) RWL would construct an overflow barrage at 96 M downstream of existing intake well, repair and maintain the existing assets;
- (b) the concession period for operation and maintenance of water supply by RWL would be 20 years after project construction period;
- (c) the Company would lease out the existing assets (cost Rs.5.03 crore) to RWL at a token fee of rupee one per year to be in force for the entire concession period; and
- (d) the Company was to pay for a minimum of four MLD of water. In other words, payment was to be made for four MLD or for the actual consumption whichever being higher.

Water supply under the BOOT agreement started in December 2000.

Audit noticed (July 2002) that actual consumption of water by various industrial units during December 2000 to June 2002 was only 1.90 MLD, (i.e. far less than the existing capacity of 10 MLD). As RWL was to create additional facilities only when there was increase in demand above 10 MLD and the Company was already having infrastructural facilities for a projected demand of 30 MLD, the necessity to enter into BOOT agreement lacked justification.

The Company paid Rs.5.19 crore (Rs.15.71 lakh per month [average]) towards water charges for a minimum of four MLD of water during December 2000 to August 2003. The charges payable with reference to actual consumption (1.90 MLD), however, worked out to Rs.2.46 crore only. Thus, Company's agreeing to pay for minimum demand of four MLD without proper assessment of demand, resulted in avoidable expenditure of Rs.2.73 crore (Rs.5.19 crore minus Rs.2.46 crore)

Leasing out the existing facilities (cost Rs.5.03 crore) for an annual token fee of one rupee by the Company, particularly when there had been no increase in demand, was tantamount to extending undue favour to RWL.

The Management stated (July 2002) that by entering into BOOT agreement the Company saved Rs.39.72 lakh during 18 months ended May 2002 (on an



average of Rs.2.21 lakh per month) being the expenditure towards operation and maintenance and Establishment cost. Further, it had been getting revenue from the industrial units for supply of water to them.

The reply was not tenable as these savings would have accrued to the Company had it restricted the payment of water charges to RWL to the actual consumption of 1.90 MLD. Further, the average monthly revenue (Rs.12.45 lakh) realised by it had always been far less than the average monthly water charges (Rs.15.71 lakh) paid by it.

Thus, entering into agreement with unreasonable terms was detrimental to the interest of the Company and was, therefore, not justified.

The matter was reported to Government (August 2003); their reply had not been received (November 2003).

#### **6.2.4 Irregular grant of concession**

##### **Company granted concession in premium of Rs.59 lakh in violation of orders of Government**

Audyogik Kendra Vikas Nigam (Raipur) Limited, renamed as Chhattisgarh Industrial Development Corporation Limited, Raipur (Company) has been engaged in providing land at concessional rates for setting up of industrial units in Chhattisgarh.

With a view to attracting, to the State, heavy industries involving huge capital investment, erstwhile Government of Madhya Pradesh (now Government of Chhattisgarh) (Government) issued (January 1989) orders providing, *inter alia*, 50 per cent concession in premium of land for setting up heavy industrial units. The Government clarified (July 2001) that the units established in industrial area which had already availed of concession (under 'special concession package' of Industrial Policy and Working Plan 1994), were no longer entitled to any concession again.

The Company allotted (December 2002) 77.05 acres of land to Prakash Industries Limited, Champa (unit) for expansion of its existing industrial unit (Sponge Iron Industry), and granted concession of Rs.59 lakh (50 per cent) in premium of land so allotted, although the unit had availed of the concession at the time of its installation.

Thus, the irregular grant of the concession by the Company, in violation of specific orders of the Government was tantamount to extension of undue favour to the unit, resulting in loss of revenue of Rs.59 lakh.

Management stated (April 2003) that concession to the unit was granted as per Paragraph 5-Ga of Government's orders of January 1989, according to which it was entitled to the concession for its expansion also.

The reply was not tenable, as the concession under the subsequent orders of the Government issued in May 1995 was available only to new units and not for expansion of any existing unit.

The matter was reported to Government (August 2003); their reply had not been received (December 2003).

## **STATUTORY CORPORATION**

### **CHHATTISGARH STATE ELECTRICITY BOARD**

#### **6.2.5 Delay in finalisation of tender for the procurement of electronic energy meters**

##### **Delay in finalisation of tenders led to loss of Rs.1.90 crore**

Chhattisgarh State Electricity Board decided (December 2000) that immediate requirement of meters could be purchased by placing extension orders on the orders placed by Madhya Pradesh Electricity Board (MPEB) in the recent past. Thereafter, Board had decided to float open tender for procurement of meters required from time to time. No extension orders were to be placed beyond 30 June 2001.

Accordingly, Board had floated its own tender specification (TS-30) for procurement of 3,72,500 single phase meters and 30,500 three phase meters. Tender was due for opening in May 2002.

However, without finalising own tender in time, the Board placed (August 2002) three extension orders on MPEB's TS-2416 for procurement of one lakh single phase electronic meters at the rate of Rs. 690 per metre. All the meters were received and payments made within 30 days.

Subsequently, after a delay of eight months, the Board finalised (February/March 2003) TS-30, in which the rate of single phase meter with box including all charges was Rs.499.50 per meter which was less by Rs.190 (Rs.690 – Rs.499.50) than the rate in MPEB's extension order at TS-2416. Thereafter four purchase orders on different firms for procurement of 2,72,000 single phase electronic meters were placed.

Thus, the delay in finalisation of TS 30 and placement of extension orders under TS 2416 for one lakh single phase electronic meters in August 2002 in deviation from Board's decision of December 2000 has resulted in loss of Rs.1.90 crore.

The Board stated (April 2003) that due to procedural delay, the finalisation of tender has been delayed. The reply of the Board is not tenable in view of the fact, if the Board had finalised its own tender in time and placed purchase orders accordingly, the loss of Rs.1.90 crore could have been avoided.



The matter was reported to Government (August 2003); their reply had not been received (December 2003).

**6.2.6 Avoidable expenditure due to acceptance of higher rates for procurement of similar equipment**

**Variations in accepted rates for similar equipment resulted in extra expenditure of Rs.1.40 crore**

The Chhattisgarh State Electricity Board issued three letters of intents (LOI) i.e. two to EMCO Limited, Thane (November 2001 and June 2002) and one to Asia Brown Boveri Limited (ABBL), Vadodara (April 2002) for the construction of 132/33 KV sub-station at Rajim, Mungeli and Sakti on turnkey basis at a total cost of Rs.8.05 crore and Rs.4.56 crore, respectively. As per the LOI, the scope of work to be executed in the above three places was similar in nature. Detailed purchase orders were placed on EMCO Limited, (January and July 2002) and ABBL (May 2002) for supply of structure and equipment etc. for construction of the above sub-stations.

On comparison of the rates accepted from the lowest tender to whom the works were awarded for the construction of the three sub-stations, it was noticed that there were wide variations in rates accepted for similar major equipment. This has resulted in extra expenditure of Rs.1.40 crore.

The Board stated (June 2003) that as the work was awarded on turnkey basis, total rates offered were only compared and individual item-wise rates were not compared. Board also stated that the difference in cost of the sub-stations was due to variations in quantum of work, site conditions involved, etc.

The reply of the management is not tenable in view of the fact that the rates of equipment in respect of all the sub-stations were known before awarding the contract. Consequently the lowest accepted rates in a tender should have been utilised to negotiate and obtain reduction in the rates quoted against the other tenders. Moreover, even in the case of Rajim and Mungeli where the work was awarded to the same contractor with same number of 132/33 KV bays and capacitor banks, the accepted rates of Mungeli was higher by Rs.25 lakh. Thus, failure of the Board to negotiate the rates resulted in extra expenditure of Rs.1.40 crore.

The matter was reported to Government (August 2003); their reply had not been received (December 2003).

**6.2.7 Loss due to acceptance of higher rates on purchase of equipment**

**Acceptance of higher rates resulted in extra expenditure of Rs.51 lakh**

The Chhattisgarh State Electricity Board, simultaneously, issued two letters of intent (LOI) to Crompton Greaves Limited, Chennai (CGL) and Asia Brown Boveri Limited, Vadodara (ABBL) in August 2001 for construction of two

new 132/33 KV sub-stations at Dongargarh and Kanker on turnkey basis at a total cost of Rs. 4.33 crore and Rs. 3.22 crore, respectively. As per the LOI, the scope of works to be executed in both the places were similar in nature. Detailed purchase orders were placed in October 2001, on CGL and ABBL for supply of material, erection, testing and commissioning of sub-stations at Dongargarh and Kanker.

On comparison of the accepted rates for the construction of the above sub-stations, it was noticed that the rates for similar major equipment were higher in Dongargarh compared to Kanker. The acceptance of higher rates and subsequent award of work to CGL for the construction of new sub-station at Dongargarh has resulted in an overall extra expenditure of Rs.1.11 crore (Rs.4.33 crore-Rs.3.22 crore).

The Board stated (June 2003) that the difference in total contract rate was due to difference in quantities of equipment required for 132 KV Bays at Dongargarh sub-station.

The reply of the Board is not tenable, in view of the fact that even after taking into account the extra cost of Rs.60.49 lakh incurred for the extra equipment required at Dongargarh, the net extra expenditure on the construction of Dongargarh sub-station worked out to Rs.51 lakh, (Rs.1.11 crore-Rs.0.60 crore).

The matter was reported to Government (August 2003); their reply had not been received (December 2003).



# **CHAPTER VII**

## **REVENUE RECEIPTS**





## CHAPTER VII

### REVENUE RECEIPTS

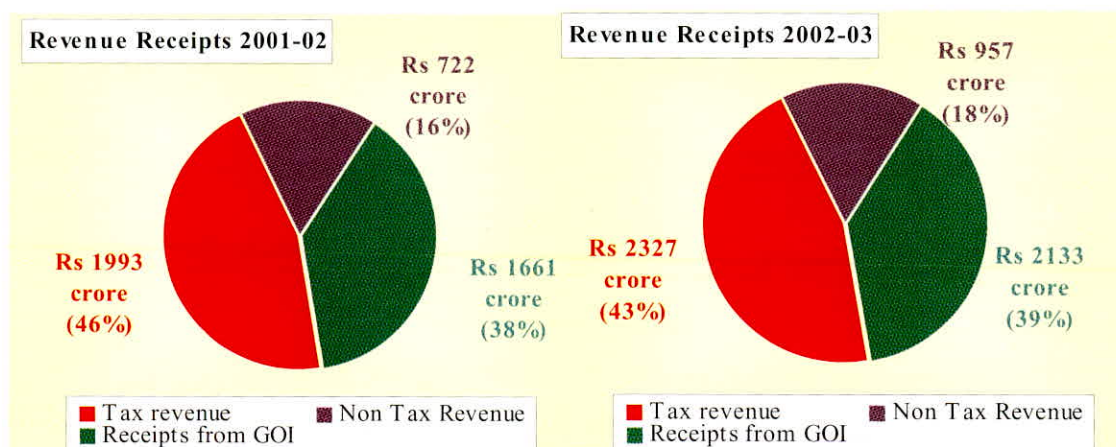
#### GENERAL

#### 7.1 Trend of Revenue Receipts

The tax and non-tax revenue raised by the Government of Chhattisgarh during the year 2002-03, the State's share of divisible Union taxes and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding two years are given below:

Sl. No.	Particulars	(In crore of rupees)		
		(November 2000 to March 2001)	2001-2002	2002-03
I.	<b>Revenue raised by the State Government</b>			
(a)	Tax revenue	749.69	1993.13 <sup>59</sup>	2327.44
(b)	Non-tax revenue	288.23	722.38	956.56
	<b>Total</b>	<b>1037.92</b>	<b>2715.51</b>	<b>3284.00</b>
II.	<b>Receipts from the Government of India</b>			
(a)	State's share of divisible Union taxes	509.94	1175.80 <sup>59</sup>	1349.90
(b)	Grants-in-aid	335.06	484.39 <sup>59</sup>	783.40
	<b>Total</b>	<b>845.00</b>	<b>1660.19<sup>59</sup></b>	<b>2133.30</b>
III.	<b>Total receipts of the State (I + II)</b>	<b>1882.92</b>	<b>4375.70<sup>59</sup></b>	<b>5417.30</b>
IV.	<b>Percentage of I to III</b>	<b>55</b>	<b>62</b>	<b>61</b>

The percentage of revenue receipts from various sources is shown in the chart given below:



**7.1.1** The details of tax revenue raised during the year 2002-03 alongwith the figures for the preceding two years are given below:

Sl. No.	Head of revenue	(In crore of rupees)			Percentage of increase (+) or decrease (-) in 2002-03 over 2001-02
		2000-01 (11/2000 to 3/2001)	2001-02	2002-03	
1.	(a) Commercial Tax	353.60 <sup>60</sup>	563.91	768.08	(+) 36.21
	(b) Central Sales Tax	--	376.19	334.35	(-) 11.12
2.	State Excise	122.64	313.61	361.73	(+) 15.34
3.	Stamps and Registration Fees	62.37	121.35	148.10	(+) 22.04
4.	Taxes and Duties on Electricity	79.76	226.06	244.33	(+) 8.08
5.	Taxes on vehicles	35.21	124.88	157.81	(+) 26.37
6.	Taxes on goods and passengers	60.97	196.27	251.55	(+) 28.17
7.	Other taxes on income and expenditure-tax on professions, trades, callings and employment's including Hotel Receipts Tax	28.56	47.62*	42.41	(-) 10.94
8.	Other taxes and duties on commodities and services	2.77	6.67*	6.52	(-)2.25
9.	Land Revenue	3.81	16.57	12.56	(-) 24.20
10.	Taxes on Agricultural Income	--	--	--	--
	<b>Total</b>	<b>749.69</b>	<b>1993.13*</b>	<b>2327.44</b>	<b>(+) 16.77</b>

(\*) The figures are at variance as compared to Audit Report 2001-02 due to readjustment of revenue receipts between revenue raised by the State Government and receipts from the Government of India - 'State's share of divisible union taxes'.

The reasons for variations though called for from the departments were awaited (February 2004).

<sup>60</sup>

Separate figures of Central Sales Tax is not available hence CST is included in the above figures of Commercial Tax



**7.1.2** The details of the major non-tax revenue raised during the year 2002-03 alongwith the figures for the preceding two years are given below:

	Head of revenue	(In crore of rupees)			Percentage of increase (+) or decrease (-) in 2002-03 over 2001-02
		2000-01 (11/2000 to 3/2001)	2001-02	2002-03	
1.	Interest Receipts	3.47	49.12	95.65	(+) 94.73
2.	Dairy Development	0.00	0.00	0.00	0.00
3.	Other non Tax Receipts	19.54	48.42	77.26	(+) 59.56
4.	Forestry and Wild Life	45.77	98.19	105.84	(+) 7.79
5.	Non-ferrous Mining and Metallurgical Industries	199.19	454.04	538.14	(+) 18.52
6.	Miscellaneous General services (including lottery receipts)	0.71	6.04	1.99	(-) 67.05
7.	Power	NA	NA	NA	NA
8.	Major and Medium Irrigation	10.38	38.20	53.73	(+) 40.65
9.	Medical and Public Health	0.17	3.28	2.40	(-) 26.83
10.	Co-operation	2.72	3.58	3.99	(+) 11.45
11.	Public works	1.89	6.95	10.03	(+) 44.32
12.	Police	0.90	2.70	2.59	(-) 4.07
13.	Other administrative Services	3.49	11.86	64.94	(+) 447.55
	<b>Total</b>	<b>288.23</b>	<b>722.38</b>	<b>956.56</b>	<b>(+) 32.42</b>

Reasons for variations though called for from the departments were awaited (February 2004). However, the Finance Department has attributed the abnormal increase under other administrative services, to misclassification.

## **7.2 Comment on follow-up in Government revenue**

In the budget speech for the financial year 2002-03 the Finance Minister presented an estimate of Rs.5384.46 crore for revenue receipts comprising tax revenue of Rs.2745.91 crore and non tax revenue of Rs.873.39 crore. The actual revenue receipts for tax and non-tax revenue were Rs.2856.14 crore and Rs.956.56 crore respectively. The increase in tax revenue was four *per cent* and in non-tax revenue it was 10 *per cent*. The estimated revenue deficit was Rs.495.54 crore. Actual deficit was much lesser than estimated at Rs.113 crore.

The Government of Chhattisgarh had drawn up a mid term fiscal reform programme for 2000-01 to 2004-05 (March 2003). The measures proposed by the State Government for fiscal reforms were principally (a) widening tax base, (b) increasing tax rate on year to year basis, (c) undertaking comprehensive study on indexation of user charges etc. As per assumptions adopted by the State Government in mid term fiscal reform programme the growth in tax revenue was expected at seven *per cent* in 2002-03 over 2001-02 where as it was 21 *per cent* for non-tax revenue. The percentage of actuals for 2002-03 over 2001-02 was 17 and 32 *per cent* for tax and non-tax revenue respectively.

### 7.3 Variations between budget estimates and actuals

The variations between the budget estimates and actuals of revenue receipts for the year 2002-03 in respect of the principals heads of tax and non-tax revenue are given below:

*(In crore of rupees)*

Sl. No.	Head of revenue	Budget estimates	Actuals	Variations excess (+) or Shortfall (-)	Percentage variation
1.	Commercial Tax	918.26	1102.43	(+) 184.17	20.06
2.	State Excise	390.00	361.73	(-) 28.27	7.25
3.	Stamp Duty and Registration Fees	143.10	148.10	(+) 5.00	3.49
4.	Taxes and Duties on Electricity	251.00	244.33	(-) 6.67	2.66

**Commercial Tax :** The reasons for variations were due to positive business atmosphere during the year.

**Taxes and Duties on Electricity:** The reasons for variations were due to less consumption of electricity.

The reasons for variations in respect of other heads though called for had not been received from the concerned Departments (December 2003).

### 7.4 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the years 2000-01, 2001-02 and 2002-03 alongwith the relevant All India average percentage of expenditure on collection for 2001-02 were as follows:



(In crore of rupees)

Sl. No.	Head of revenue	Year	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage for the year 2001-02
1.	Commercial Tax	2000-01 (11/2000 to 3/2001)	353.60	3.83	1.08	
		<b>2001-02</b>	<b>940.09</b>	<b>10.44</b>	<b>1.11</b>	<b>1.26</b>
		2002-03	1102.43	11.60	1.05	
2.	Taxes on Vehicles	2000-01 (11/2000 to 3/2001)	35.21	0.93	2.64	
		<b>2001-02</b>	<b>124.88</b>	<b>3.61</b>	<b>2.89</b>	<b>2.99</b>
		2002-03	157.81	3.94	2.50	
3.	State Excise	2000-01 (11/2000 to 3/2001)	122.64	10.65	8.68	
		<b>2001-02</b>	<b>313.61</b>	<b>39.71</b>	<b>12.66</b>	<b>3.21</b>
		2002-03	361.73	22.94	6.34	

#### 7.5 Collection of Commercial Tax per assessee

(In crore of rupees)

Year	No. of assesseees	Commercial Tax Revenue	Revenue/Assessee
2000-01	39714	353.60	0.009
2001-02	42581	940.09	0.022
2002-03	44644	1102.43	0.025

#### 7.6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2003 in respect of some principal heads of revenue amounted to Rs.117.00 crore of which Rs.49.25 crore were outstanding for more than five years as detailed in the following table:

(In crore of rupees)

Sl. No.	Head of Revenue	Amount outstanding as on 31 March 2003	Amount outstanding for more than 5 years as on 31 March 2003	Remarks
1.	Commercial Tax	99.22	44.80	--
2.	Taxes on Vehicles	3.85	1.03	
3.	State Excise	13.45	3.19	
4.	Stamps & Registration Fees	0.48	0.23	
		<b>117.00</b>	<b>49.25</b>	

Thus the arrears of revenue were more than the revenue deficit of the State (Rs.112.70 crore). Effective tax collection measures would go a long way in reducing the mounting deficits.

## 7.7 Arrears in assessments

The details of cases pending assessment at the beginning of the year 2002-03, cases becoming due for assessment during the year, cases disposed of during the year and number of cases pending finalisation at the end of the year

Name of Tax	Opening Balance	New cases due for assessment during 2002-03	Total assessment due	Cases disposed of during 2002-03	Balance at the end of the year	Percentage of Column 5 to 3
1.	2.	3.	4.	5.	6.	7.
Commercial Tax	53487	53088	106575	68852	37723	129.69
Professional Tax	26324	25660	51984	26518	25466	103.34
Entry Tax	23040	27270	50310	34345	15965	125.94
Luxury Tax	106	155	261	149	112	96.12
<b>Total</b>	<b>102957</b>	<b>106173</b>	<b>209130</b>	<b>129864</b>	<b>79266</b>	<b>122.31</b>

The Department stated that continuous assessment proceedings were going on as per Act for preferring time barring cases (January 2004).

## 7.8 Evasion of tax

The details of cases of evasion of tax detected by the Commercial Tax and State Excise Departments, cases finalised and the demands for additional tax raised as reported by the Departments are given below:

Sl. No.	Name of tax/duty	Cases pending as on 31 March 2002	Cases detected during 2002-03	Total	No. of cases in which assessments/ investigations completed and additional demand including penalty etc., raised		No. of cases pending finalisation as on 31 March 2003
					No. of cases	Amount of demand (in lakh of rupees)	
1.	Commercial Tax	26	26	52	32	145.05	20
2.	State Excise	31	304	335	318	2.11	17



## 7.9 Refunds

The number of refund cases pending at the beginning of the year 2002-03, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2002-03, as reported by the Departments are given below:

<i>(In crore of rupees)</i>					
Sl.No.		Commercial Tax		State Excise	
		No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	91	1.30	04.	0.04
2.	Claims received during the year	1647	10.91	01	0.01
3.	Refunds made during the year	1521	10.43	--	--
4.	Balance outstanding at the end of the year	217	1.78	05	0.05

## 7.10 Results of audit

Test-check of records of Commercial Tax, Land Revenue, State Excise, Motor Vehicle Tax, Stamps and Registration Fees, Electricity Duty, Other Tax Receipts, Forest Receipts and other Non-Tax Receipts conducted during the year 2002-03 revealed under assessment/short-levy/loss of revenue amounting to Rs.414.58 crore in 61,293 cases. During the course of the audit the Departments accepted under-assessment of Rs.165.52 crore in 57,494 cases pointed out in 2002-03 and earlier years and recovered Rs.0.55 crore. No replies have been received in respect of the remaining cases.

This report contains 27 paragraphs relating to non-levy/short-levy of taxes, duties, interest and penalties etc. involving Rs.11.04 crore. The Department/Government have accepted audit observations involving Rs.1.65 crore of which Rs.0.03 crore had been recovered upto January 2004. No reply has been received in the other cases.

## 7.11 Response of the departments to draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the report of the Comptroller and Auditor General of India are forwarded by the Audit Office to the head of the Departments concerned, drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from Departments are invariably indicated at the end of each such paragraph included in Audit Report.

27 draft paragraphs included in this report were sent to the Heads of the Departments concerned by name (between August 2003 and October 2003). In 285 cases, the Heads of the Departments did not send replies to the draft paragraphs despite issue of reminders (December 2003).

## TAX REVENUE

### COMMERCIAL TAX

#### **7.12 Non-recovery of Commercial Tax from closed units**

##### **Non-recovery of tax from closed units resulted in loss of Rs.1.59 crore**

Under Madhya Pradesh General Tax Act, 1958 and notifications issued thereunder as applicable to the state of Chhattisgarh an industrial unit availing of exemption from payment of tax/deferment of tax under the Tax Exemption Scheme, 1986, shall keep such industrial unit in operation during the period of exemption and also for a further period of five years from the date of expiry of the exemption period. Violation of the conditions of the notification shall render the Eligibility Certificate liable for cancellation with consequent recovery of the amount of exemption availed by the unit.

Test-check of records of Regional Office, Raipur, revealed that a dealer assessed for the period 1998-99 was holding Eligibility Certificate for deferment of payment of tax for the period 1 April 1994 to 21 June 1999. Consequently the assessee was required to keep the industry in operation upto 21 June 2004 i.e. five years from the date of expiry of the period of deferment. The industrial unit was closed in 1998-99. Hence, it was not eligible to avail the benefit of tax deferment amounting to Rs.1.59 crore as it did not fulfil even the basic condition of keeping the unit in operation for the initial period of deferment i.e. upto 21 June 1999.

After this was pointed out in Audit in October 2002 the Assessing Officer stated that State Level Committee can extend this period. This reply is not relevant as the industrial unit had closed down even before completion of the initial exemption period. Hence, the issue of granting extension by the State Level Committee did not arise. The Deputy Commissioner Commercial Taxes informed in this case in February 2004 that the registration of the dealer had been cancelled.

The matter was reported to Government in September 2003; their reply had not been received (January 2004).

#### **7.13 Incorrect determination of turnover**

##### **Incorrect determination of turnover resulted in short levy of tax of Rs.82.38 lakh**

Under Section 2(U) of Madhya Pradesh Commercial Tax Act, 1994 (as adopted by Chhattisgarh state) and decisions thereon<sup>61</sup>, the expenditure incurred on freight or delivery charges on door delivery basis would form part of the sale price.

<sup>61</sup> *Decision of Hon'ble High Court of MP in case of M/s Birla Jute & Industries Ltd Vs Coal India Ltd & Others (1997)19TLD 233*



Test-check of records of one Regional Office<sup>62</sup> and two Circle Offices<sup>63</sup> revealed that in 24 cases of 18 dealers assessed between June 1998 and January 2002 for the period 1995-96 to 1999-2000, transportation charges amounting to Rs.9.70 crore were not included in taxable turnover although it was part of the sale price. This resulted in short levy of tax of Rs.82.38 lakh.

This was pointed out in audit between November 2000 and February 2003 and the Assessing Officer replied that freight charges were charged separately and were not included in the sale price in the light of Hon'ble Supreme Court's decision in case of M/s Bangalore Soft Drink Pvt. Ltd Vs State of Karnataka and Another<sup>64</sup>.

The reply is not tenable as in the case of M/s Bangalore Soft Drink Pvt. Ltd. Vs State of Karnataka, the contract did not provide for transportation nor was it a part of the sale price. Instead the goods were transported by the dealer under a separate arrangement. In the instant case the price mentioned in the contract was on door delivery basis and formed a part of sale price. Moreover no separate contract for transportation of goods existed.

The matter was reported to the Department and the Government in September 2003; their replies had not been received (January 2004).

#### 7.14 Non-levy of purchase tax

##### Non-levy of purchase tax Rs.75.82 lakh and interest of Rs.8.32 lakh on raw material

In terms of Government notification dated 24 May 1996 issued under Madhya Pradesh Commercial Tax Act, 1994, and Rules made there under purchase tax is leviable on purchase value of raw material in cases where raw material is purchased without payment of tax for use in manufacturing. Further, if a dealer fails to pay the amount of tax according to the return he shall be liable to pay interest under section 26 (4) of the said Act. Audit scrutiny revealed that there was short levy of tax of Rs.84.14 lakh as detailed below:

Name of unit	Period of a/c Date of assessment (No. of cases)	Name of commodity Taxable amount	Rate of tax		Tax short levied Rs.	Brief of objection	Departments reply	Audit remarks
			Levia-ble	Levied				
AC Bilaspur	1997-98 Aug 2001(1)	Soyabean Rs.387.00 lakh	1 per cent	NIL	3.87 lakh  8.32 lakh	Purchase tax on raw material not levied  Interest	Purchase was made from registered dealer. Hence purchase tax was not leviable.	Purchase tax on soyabean was leviable as it was not sold but used as raw material and tax on soyabean was leviable on last point. In addition interest of Rs.8.32 lakh is payable under section 26(4) of Act.
AC Bilaspur	2000-01 Nov 2001(1)	Chapadi Rs.486.00 lakh	4.6 per cent	NIL	22.35 lakh 2.76 lakh	-do- interest	Purchase tax was not levied as per CST circular dt.6.4.88	Purchase tax is leviable in view of decision of Hon'ble High Court of MP <sup>65</sup>

<sup>62</sup> Assistant Commissioner, Durg

<sup>63</sup> Commercial Tax Officer, Circle-I and II, Durg

<sup>64</sup> Decision of Hon'ble Supreme Court of India in the case of State of Karnataka & Another Vs Bangalore Soft Drink Pvt. Ltd (2000)STC Volume 117 Page 413-419

<sup>65</sup> Decision of Hon'ble High Court of Madhya Pradesh in the case of Govind Prasad Agrawal Vs Sales Tax Officer Seoni and other (1997) 30VKN13

AC Raipur	1998-99 Dec 2001(1)	Rice bran Rs.1023.00 lakh Deoiled cake Rs.257.15 lakh	4 per cent  2.3 per cent	NIL  NIL	40.92 lakh  5.92 lakh	-do-  -do-	Department stated that rice bran and de-oiled cake were one and the same as per decision of High Court of Karnataka <sup>66</sup> .	The reply is not tenable as the decision of Karanataka High Court was on the provisions of Act of Karnataka. Oil cake including de-oiled cake is taxable under Schedule-II of Chhattisgarh Act.
<b>TOTAL</b>					<b>84.14 lakh</b>			

The matter was reported to the Department and the Government in September 2003; their replies had not been received (January 2004).

## 7.15 Non-levy of Entry Tax

### Non-levy of entry tax of Rs.19.45 lakh on purchase of raw material purchased from unregistered dealers

Under Madhya Pradesh *Ke Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam*, 1976 (Entry Tax Act, 1976) entry tax at the rate of one per cent shall be leviable on raw material used in the manufacture of other goods. In case of any default in payment, penalty at the rate of three times the dues is leviable under Section 13 of the above Act read with section 69(2) of the Chhattisgarh Commercial Tax Act, 1994.

**7.15.1** Test-check of records at Regional Office, Bilaspur, revealed that in the case of a dealer assessed for the period 2000-2001 in November 2001, lac valuing Rs.4.86 crore was purchased from unregistered dealers for use in manufacture of chapri. Entry tax amounting to Rs.4.86 lakh leviable at the rate of one per cent was not levied. The purchase was also not shown in returns. Thus a penalty of Rs.14.59 lakh (three times the tax) was also leviable. This resulted in total non-levy of entry tax and penalty of Rs.19.45 lakh.

On this being pointed out in October 2002, the Assessing Officer stated that as per circular<sup>67</sup> issued by the Commissioner, Sales tax, Indore, no tax (purchase tax, sales tax, entry tax) was leviable on lac. The reply is not tenable because the MPGST Act, 1958 under which the circular was issued had already been superceded in 1994 by the new MP Commercial Tax Act, 1994. Moreover MPCT Act of 1994 does not contain provisions of the circular No.12/88/19/3493 of 1988. In addition, lac is taxable under schedule II Part V entry 18.

The case was reported to the Department and Government (October 2003), their reply had not been received (January 2004).

**7.15.2** It was noticed at Regional Office Raipur, that a dealer assessed for the period 1998-99 in December 2001 consumed rice bran valued at Rs.10.26 crore in manufacture of oil and oil cake but entry tax amounting to Rs.10.26 lakh was not levied. Penalty was also separately leviable at the rate of three

<sup>66</sup> Decision of High Court of Karnataka in the case of Oil seeds and Oil trade and Industries (1988)STC 234

<sup>67</sup> Circular-Commissioner, Sales Tax No.12/88/19/3493 dated 6.4.1988



times of tax. This resulted in total non-levy of tax Rs.41.04 lakh inclusive of penalty.

This was pointed out in October 2002 and the Assessing Officer stated that rice bran was tax free under Schedule I being husk of grain. The reply is not tenable as in the case of M/s Chordia, Kavelu Udyog Vs State of Madhya Pradesh it has been held that rice bran is an item distinct from husk and hence liable to be taxed under the aforesaid Act.

The case was brought to the notice of the Department and Government in October 2003; their replies had not been received (January 2004)

#### **7.16 Incorrect exemption from payment of tax to new industries**

##### **Incorrect exemption from payment of tax to new industries, resulted in loss of revenue of Rs. 59.76 lakh**

Under the Madhya Pradesh General Sales Tax Act, 1958 and notifications issued there under, new industrial units of eligible categories holding eligibility certificates under Tax Exemption Scheme of 1994 are exempted from payment of tax on sale of goods manufactured on or after 06 May 1994 for a specified period.

Test-check of records of Regional Assistant Commissioner, Raipur revealed that an industrial unit assessed for the period 1998-99 was allowed exemption from payment of tax under the above scheme for the period 19 March 1994 to 18 March 2001. The Industrial unit was not entitled to benefit under this scheme as the production was started by it prior to the notified date i.e. before 06 May 1994. The entire amount of Rs.59.76 lakh for the period March 1994 to March 1998 availed of by the unit as tax exemption was to be recovered.

On this being pointed out in audit in October 2002 the Assessing Officer replied that eligibility certificate issued by Industries Department was binding on authority. Reply is not tenable as industrial unit started production on 19 March 1994 i.e. before the introduction of Tax Exemption Scheme 1994 (6 May 1994) and hence the unit was not eligible for exemption under this Scheme. His eligibility certificate was liable to be cancelled and the matter should have been brought to the notice of District Level Committee.

The matter was reported to the Department and Government in September 2003; their replies had not been received (January 2004).

#### **7.17 Incorrect grant of exemption to new industries**

##### **Incorrect grant of exemption to new industries resulted in non-levy of tax of Rs.5.66 lakh**

As per Section 12 of Chhattisgarh Commercial Tax Act, 1994 and notification No.108 dated 6 October 1994 issued thereunder an industrial unit holding an

eligibility certificate is exempted from payment of tax on sale of goods manufactured by it.

Test check of records at Regional Office, Durg revealed that a dealer was assessed for the period 1996-97 in September 2001 and exemption from payment of tax on sale of sprinkler irrigation system valued at Rs.2.83 crore was allowed. This was not covered by the eligibility certificate and resulted in non-levy of tax of Rs.5.66 lakh.

The matter was reported to the Department and the Government in August 2003; their replies had not been received (January 2004).

#### **7.18 Non-Imposing of Penalty**

##### **Non-deposit of tax attracted the penalty of Rs.18.35 lakh**

Under Section 69 of Chhattisgarh Commercial Tax Act, 1994, if the total tax shown as payable according to the return and paid by the dealer is less than eighty *per cent* of the total tax assessed, it will be deemed that the dealer has concealed his turn over and the Commissioner or the appellate or the revisional authority may initiate proceedings separately for imposition of a minimum penalty of five times the tax evaded.

Test-check of records of Regional Office, Raipur revealed that a dealer reassessed in August 2001 for the period 1995-96 did not deposit any tax against the self admitted entry tax of Rs.3.67 lakh payable by him as per returns submitted by him. Non-deposit of tax attracts minimum penalty of Rs.18.35 lakh for which proceedings have not been initiated.

The Assessing Officer agreed to take action and the case was sent to Additional Commissioner for revision under Section 62(3) (April 2003) but action was yet to be initiated (February 2004).

The matter was reported to the Department and the Government in August 2003; their replies had not been received (January 2004).

#### **7.19 Non-levy of tax**

##### **Non-collection of tax on sale of Bardana resulted in non-levy of tax of Rs.16.53 lakh**

Madhya Pradesh General Sales Tax Act, 1958 and rules made thereunder (as adopted by Chhattisgarh State) provides that tax paid bags if sold with taxable goods shall be taxed as taxable goods. This view was upheld by Hon'ble Supreme Court too.

Test check of records of Regional Office, Bilaspur revealed that a cement dealer who was re-assessed for the year 1991-92 in May 1998 sold tax paid



bardana<sup>68</sup> worth Rs.193.49 lakh alongwith taxable goods. The assessment was done without collecting tax on sale of bardana resulting in short recovery of tax amounting to Rs.16.53 lakh.

On this being pointed out in September 2000 the Assessing Officer stated that action would be taken in the light of decision of Supreme Court<sup>69</sup>.

The matter was reported to the Department and the Government in August 2003; their replies had not been received (January 2004).

## **7.20 Non-levy of tax and penalty**

### **Tax recovered by the dealer on subsequent sale resulted in non-levy of tax of Rs.4.80 lakh, penalty Rs. 0.18 lakh and interest thereon of Rs.7.29 lakh**

Under the Central Sales Tax Act, 1956 and Rules made thereunder if any person collects any amount by way of tax in contravention of the provisions of the Act, he shall be punishable with simple imprisonment which may extend to six months or with fine or with both; and when it is a continuing offence, with a daily fine which may extend to fifty rupees for every day during which the offence continues.

Test-check of the records of Circle Office, Durg revealed that a dealer was assessed for the period 1998-99 in October 2001 and sold goods valued at Rs.1.20 crore against the strength of declarations in form E-1 & C. No tax was leviable as it was a subsequent sale. The dealer however, recovered tax of Rs.4.80 lakh on the above sale and did not deposit it in the Government account in contravention of the provisions of Act. Consequently a penalty of Rs.18,250 for the period April 1998 to March 1999 and interest of Rs.7.29 lakh for the period April 1999 to December 2003 was also leviable. The Department had neither initiated any action to recover the irregularly collected tax nor started the proceedings for levy of penalty as required under the Act. This resulted in total loss of Rs.12.27 lakh to the Government.

On being pointed in audit in February 2003, the Assessing Officer replied in February 2003 that it was a subsequent sale under section 6(2) of the Act, hence no tax was leviable. The reply was not tenable as the dealer had collected tax in contravention of the provisions and the collected tax was not deposited with the Government.

The matter was reported to the Department and the Government in September 2003; their replies had not been received (January 2004).

<sup>68</sup> Bardana is a packing material

<sup>69</sup> Decision of Supreme Court of India in case of Premier Breweries Vs State of Kerala (TLD-1999) Page 241

## 7.21 Incorrect exemption on subsequent sale

### Incorrect deduction on subsequent sale resulted in non-levy of Central Sales tax of Rs.1.36 lakh

Under section 6(2) of Central Sales Tax Act, 1956 where a sale of any goods has been effected by transfer of documents of title to such goods during their movement from one state to another, any subsequent sale during such movement effected by a transfer of document of title to such goods shall be exempted from tax provided the dealer furnished certificates in form 'E-1' supported with 'C' form.

In audit of records of Circle Office Raipur it was observed that a dealer was re-assessed in December 1999 for the period 1993-94 and deduction of Rs.17.02 lakh was allowed on the sale of feed plate and M.S. bearing plate on production of 'E-1' forms treating it as subsequent sale without production of 'C' forms. This resulted in incorrect deduction on account of subsequent sale and consequent non-levy of central sales tax amounting to Rs.1.36 lakh at the rate of eight *per cent* being the sale value of the declared goods.

The matter was reported to the Department and Government in August 2003; their replies had not been received (January 2004).

## 7.22 Application of incorrect rate of tax

### Incorrect application of rate of tax resulted in loss of revenue of Rs.1.71 lakh

Under the Madhya Pradesh Commercial Tax Act (as adopted), Rules and notifications issued thereunder, tax is leviable on different commodities at the rates mentioned in Schedule-II.

Test check of records revealed that there was short levy of tax of Rs.1.71 lakh due to incorrect application of rates as detailed below:

Name of Unit No. of cases	Period of Accounts Date of assessment	Name of Commodity Taxable Amount (in lakh of Rs)	Rate of tax inclusive of SC @ 15%		Tax short levied in lakh of Rs.	Brief of objection	Department 's reply	Audit comments Remarks
			Leviable	Levied				
Circle Office Bilaspur 2	1999-2000 June 2000	Computer Parts 23.57	6.9 <i>per cent</i>	2.3 <i>per cent</i>	1.08	Tax was levied at lower rate	Tax was levied in view of notification 22 dt.9.5.1997.	The reduced rate was not applicable to computer parts
Circle Office Mahasamund 1	1997-98 December 2000	Mahua flowers 28.00	9.2 <i>per cent</i>	6.9 <i>per cent</i>	0.63	-do-	Tax demand of Rs.0.63 lakh raised	Recovery is awaited.

The cases were reported to the Department in August 2003; their reply had not been received (January 2004).



## STATE EXCISE

### 7.23 Production of alcohol not in consonance with sugar contents

#### **Production of alcohol not in consonance with sugar contents resulted in loss of excise duty — Rs.20.07 lakh**

Madhya Pradesh Distillery Rules, 1995 (Rules) (as adopted by Chhattisgarh State) provides that the Distillery Officer shall draw a number of samples of molasses at such intervals as may be prescribed by the Excise Commissioner from time to time and send to the Departmental Laboratory for chemical analysis. On the basis of the report furnished by Departmental Laboratory, the Distillery Officer shall calculate the minimum quantity of alcohol as per the Rules.

Test-check of records of a distillery<sup>70</sup> of Bilaspur District revealed that 57 samples of molasses drawn by the department during June to November 2001 were sent late to the Department Laboratory by nine days to six months and tested after a delay of one month to eight months. This resulted in reduction of sugar content from 42.37 *per cent* found in distillery reports to 36.86 *per cent* in departmental test report. The distiller used 26550 quintal molasses during this period and produced 8.97 lakh proof litre alcohol against a minimum essential yield of 9.81 lakh proof litre as per chemical analysis reports of the distillery. Consequently there was a short fall in recovery of alcohol of 0.84 lakh proof litre leading to a loss of Excise Duty of Rs.20.07 lakh.

On this being pointed out in audit, the Assistant Excise Commissioner, Bilaspur stated in June 2002 that production of alcohol was more than the norms fixed under the Rules. The reply is not tenable because the delay in testing of the samples had led to the reduction of sugar contents in the molasses and corresponding low output and hence could not be used as a yardstick for comparison.

The matter was reported to the Department and Government in September 2003; their replies had not been received (January 2004).

## TAXES ON VEHICLES

### 7.24 Short/non-levy of vehicle tax and penalty

#### **Non-compliance to provision of Adhiniyam, 1991 resulted in non-levy of tax and penalty of Rs.69.33 lakh**

According to the provisions of the Madhya Pradesh *Motoryan Karadhan Adhiniyam*, 1991 (*Adhiniyam*, 1991) as applicable in Chhattisgarh State and Rules made thereunder, tax is leviable at the prescribed rates on every vehicle used or kept for use in the State. In case of non-payment of tax due, the owner

<sup>70</sup>

*M/s Welcome Distillery, Bilaspur*

shall, in addition to the payment of tax due, be liable to pay penalty at the rate of one-third of the unpaid amount of tax for the default of each month or part thereof but not exceeding twice the unpaid amount of tax.

**7.24.1** Test check of records of 3<sup>71</sup> Regional Transport Officers (RTO) for the period between June 1997 and March 2001 revealed that vehicle tax of Rs.23.39 lakh was not/short levied on 33 public service vehicles inclusive 12 vehicles of Madhya Pradesh, Maharashtra and Orissa State Road Transport Corporations plying under reciprocal transport agreements and six vehicles plying on interstate permits issued by Bihar state. In addition to tax, penalty of Rs.45.94 lakh was leviable but not levied. This resulted in non/short levy of tax of Rs.69.33 lakh, including penalty.

On this being pointed out in audit the RTO, Ambikapur and Raipur stated in February 2000 and January 2002 that the cases were being scrutinised and action would be taken thereafter. The RTO Bilaspur stated in June 2001 that all related vehicles were in the jurisdiction of the RTO Raigarh and he was being intimated for recovery.

The matter was reported to the Department and the Government in August 2003; their replies had not been received (January 2004).

**7.24.2** Test-check of records of RTO, Raipur revealed that in two cases, the vehicle tax of Rs. 0.75 lakh for the period between April 1996 and March 1999 was not levied due to wrong classification of vehicles. In addition to tax, penalty of Rs.1.49 lakh was also leviable but not levied. This resulted in loss of revenue of Rs.2.24 lakh.

On this being pointed out in November and December 1999 the RTO, Raipur stated in December 1999 that demand notice would be issued after verification for recovery of tax.

The matter was reported to the Department and the Government in August 2003; their replies had not been received (January 2004).

#### **7.25 Non-levy of vehicle tax and penalty due to incorrect acceptance of deposit of permits**

**Incorrect acceptance of deposit of permits of reserve vehicles resulted in non-levy of vehicle tax and penalty of Rs.12.57 lakh.**

As per proviso to rule 12 of the *Motoryan Karadhan Adhiniyam*, 1991 the stage carriage permit holder having more than one reserve vehicle would not be allowed to deposit permit on the basis of mechanical break down or repair and maintenance. Further if the tax due on a motor vehicle under the *Motoryan Karadhan Adhiniyam*, 1991 has not been paid, the owner shall, in addition to the tax be liable to pay a penalty at the rate of one third of the unpaid amount

<sup>71</sup> Regional Transport Officer, Ambikapur, Bilaspur and Raipur



of tax for the default of each month or part thereof but not exceeding twice the unpaid amount of tax.

Test-check of records of the RTO, Bilaspur revealed that for the period from August 2000 and March 2001 deposit of permits from five permit holders having more than one reserve vehicles was incorrectly accepted which resulted in non-levy of vehicle tax of Rs.12.57 lakh inclusive of penalty of Rs.8.25 lakh.

After this was pointed out in June 2001, the RTO stated in June 2001 that factual position would be intimated on scrutiny of records.

The matter was reported to the Department and the Government in September 2003; their replies had not been received (January 2004).

## LAND REVENUE

### **7.26 Non-levy of process expenses**

#### **Non-levy of process fees resulted in loss of revenue of Rs. 4.60 lakh**

Provisions of Madhya Pradesh Lokdhan (*Shodhan Rasion Ki Vasuli Adhiniyam, 1987*) read with para 4 of Commissioner, Institutional Finance, Government of Madhya Pradesh, Bhopal Order dated 6<sup>th</sup> March 1996 which is applicable with effect from 1<sup>st</sup> April 1995 provide for inclusion of processing charges at the rate of three *per cent* of the principal amount of revenue due from defaulters in the Revenue Recovery Certificate.

Test-check of records of three tehsils (Antagarh, Tilda, Bijapur) of district Kanker, Raipur, Dantewara between July 2002 and September 2002 revealed that process fees of Rs.4.60 lakh were not included while raising the demand of principal amount of Rs.1.53 crore for the period from 1998-99 to 2001-02. This resulted in a loss of Rs.4.60 lakh to the Government.

The matter was reported to the Department and Government in August 2003, their replies had not been received (January 2004).

### **7.27 Non-levy/realisation of interest/rent**

#### **Non-payment of premium and lease rent on due rates resulted in non-levy of rent of Rs.1.31 lakh and interest of Rs.7.16 lakh**

Revenue Book Circulars (RBC's) read with conditions of allotment of land (April 1993) provide that nazul land can be allotted on permanent lease on payment of premium and ground rent from the date of possession at prescribed rates. Rent is recoverable every year on or before commencement of the financial year. In case of default, interest at the rate of 15 *per cent* on all Government dues is also recoverable from the year 1989.

Test-check of records of Tehsildar, Palari (Baloda Bazar) revealed that open land measuring 2.50 acres was allotted to Madhya Pradesh Electricity Board (now Chhattisgarh Electricity Board) on payment of premium and ground rent of Rs.4.36 lakh and Rs.0.32 lakh per annum respectively.

For the period 1987-88 to 2002-03, against the amount of Rs.9.59 lakh due on account of premium and rent, the lessee deposited Rs.8.28 lakh. As a result Rs.1.31 lakh on account of lease rent for the period 1999-2000 to 2002-03 remained unrecovered. Besides interest of Rs.7.16 lakh for default was also leviable for delayed payment of Government dues which was neither demanded by the Department nor paid by the lessee. Thus Rs.8.47 lakh on account of rent and interest remained unrealised.

On being pointed out in audit, Government, intimated in November 2003 that a demand notice for payment Rs.8.47 lakh and Rs.1.46 lakh of processing charges totalling Rs.9.93 lakh has been issued to the Executive Engineer, Civil, Chhattisgarh Electricity Board, Raipur through the Tehsildar, Raipur. However, details of actual recovery had not been received (January 2004).

## **OTHER TAX REVENUE**

### **STAMP DUTY AND REGISTRATION FEES**

#### **7.28 Loss of revenue due to undervaluation/delay in determination of market value**

#### **Loss of revenue of Rs.8.19 lakh due to undervaluation/delay in determination of market value.**

The Indian Stamp Act 1899 (Act) as applicable to Chhattisgarh requires that every Conveyance Deed should specify the market value of the property on the basis of which leviable stamp duty and registration fee is determined. The Act empowers a Sub-Registrar to refer the documents to the Collector of Stamps for determination of market value of the property if there are reasons to believe that it has not been correctly set forth in the documents. As per Government instructions (March 1977) cases referred to the Collector for determination of market value by Sub-Registrars are to be finalised within a period of nine months from the date of referral to the Collector. If value set forth in the document is believed to be untrue the penalty shall be levied on the executant which is Rs.5000 per document.

Test-check of records of two<sup>72</sup> Sub-Registrars' revealed that in 31 documents registered between March 1999 and February 2002, the value of properties mentioned was lower than the prevailing average market value of similar properties in the same *Patwari Halka*/Ward. Besides, in certain documents

<sup>72</sup> Pandariya (Rajnandgaon) and Pathalgaon (Raigarh)



land of irrigated villages was valued as unirrigated without certification by Irrigation Department.

The Sub-Registrars did not refer the cases to the Collector for determination of market value and stamp duty leviable thereon. This resulted in short realisation of Rs. 6.64 lakh of stamp duty and registration fee. In addition to this fine of Rs.5000/- in each case amounting to Rs.1.55 lakh was also leviable under Section 64 of the Act *ibid*.

On this being pointed out in audit, the Sub-Registrar, Pandariya stated in July 2002 that certificate from Irrigation Department would be obtained. The reply is not tenable because as per the guidelines for valuation of irrigated land, these villages fall under the Command Area and the agriculture land of such villages was to be valued at the rate applicable to irrigated land.

The Sub-Registrar, Pathalagaon stated in January 2002 that cases would be referred to the Collector. Further report in the matter had not been received (January 2004).

#### **7.29 Short levy of stamp duty and registration fee due to misclassification**

##### **Misclassification of instruments resulted in short levy of stamp duty and registration fee of Rs.1.28 lakh**

As per provisions of Indian Stamp Act, 1899, bond includes any instrument whereby a person obliges himself to pay money to another, on the condition that obligation shall be void if a specified act is performed or not performed, as the case may be, stamp duty at the rate of four *per cent* of sum set forth in document and advalorem registration fee is chargeable on the bond. On the other hand, an agreement is chargeable with stamp duty of Rs.50 and registration fee of Rs.10 only.

Test-check of records of Sub Registrar Balod (Durg) revealed (November 2001) that two documents, classified as agreements were registered in September 1999 and executed on 22 April 1999 between Nagar Palika, Balod and Director, Town and Country Planning Madhya Pradesh, Bhopal. The Nagar Palika received a sum of Rs.26.67 lakh for the Integrated Development of Small and Medium Town Scheme including construction of shops. As per terms and conditions of the instruments, the Nagar Palika was liable to do specific acts and a violation thereof the whole of the grant and interest thereon became payable to the State Government. As such the instruments should have attracted the levy of duty as bonds and not as agreements. The mistake resulted in short-levy of stamp duty and registration fee of Rs.1.28 lakh.

After this was pointed out in audit in November 2001, the case was referred to the Court of Collector of Stamps who upheld the audit observation in March 2003. However no recovery had been made (December 2003).

The matter was reported to the Inspector General Registration and Government in (September 2003); their replies had not been received (January 2004).

## ENTERTAINMENT DUTY

### **7.30 Non-realisation of entertainment duty**

#### **Non-payment of duty at prescribed rates resulted in non-realization of entertainment duty of Rs.3.34 lakh**

Entertainment Duty and Advertisement Tax Act, 1936 as amended from time to time and adopted by the State of Chhattisgarh provides for levy of entertainment duty on cable operators at the rates prescribed in the Act. Security deposit at the rate of 50 *per cent* of duty is also required to be deposited by the operators.

Test-check of records of District Excise Officer, Koriya and Surguja revealed in August and November 2002 that 14 cable operators did not pay the entertainment duty and security deposit at all and two cable operators did not pay full amount due during the period from August 2001 to October 2002. The dues were also not demanded by the Department. This resulted in non-realisation of entertainment duty and security deposit of Rs.3.34 lakh.

On being pointed out the District Excise Officer, Koriya stated in November 2002 that necessary action would be taken after investigation; the District Excise Officer Surguja stated in August 2002 that dues would be recovered from cable operators.

The matter was reported to Excise Commissioner and Government in January 2003. In reply the Excise Commissioner intimated in July 2003 that an amount of Rs.0.80 lakh had been recovered by DEO Koriya. Further information relating to recovery of the remaining amount was awaited (January 2004). Reply of Government had not been received (January 2004).

## NON-TAX REVENUE

### FOREST RECEIPTS

#### **7.31. Loss of revenue due to non-working of Bamboo coupes**

#### **Non-working of Bamboo coupes resulted in loss of revenue of Rs.2.38 crore**

Chief Conservator of Forests, (Nationalisation) issued directions in October 1975 that all the bamboo clumps wherever they exist in a coupe and under whatever density of crop are to be worked without exception and no area in a coupe is to be left unworked. Under compelling circumstances, if it becomes



necessary that coupes are not to be worked, due sanction of the Conservator of Forests must be obtained well in time and duly recorded in the coupe control forms.

Test-check of records of Divisional Forest Officer (General), Dantewara, revealed that 42 bamboo coupes (workable area 14,322.524 hectares) were left unworked during the year 1998-99 and 2000-2001 without the sanction of the Conservator of Forests which resulted in loss of revenue of Rs.2.38 crore to Government.

On this being pointed out in audit the Divisional Officer stated in March 2002 that as the felling of these coupes was unprofitable, the coupes were left unworked. Action for writing off these coupes was being taken separately. The reply is not tenable in the light of direction issued by the CCF, Nationalisation, in October 1975.

The matter was reported to the Principal Chief Conservator of Forests (PCCF)/Government in September 2003; their reply had not been received (January 2004).

### **7.32 Loss due to low yield of Bamboo**

#### **Low yield of Bamboo resulted in loss of Rs.1.42 crore**

The estimated yield of bamboo from the coupe is determined by survey and by drawing sample plots in coupe. Chief Conservator of Forest (Production) in November 1997 directed that there should be no abnormal variation between estimated and actual quantity of bamboo. Further as per departmental instructions (January 1984) variation of upto 10 *per cent* is allowed between the estimated and actual yield of timber. No such norms were, however, fixed for possible variation in estimated and actual production of bamboo.

The test-check of records of the Divisional Forest Officer (General) Narainpur, revealed in April 2002 that 3374 tonnes of commercial and 9288 tonnes of industrial bamboo were extracted from a total area of 7960.351 hectares, as against the estimated yield of 4000 tonnes of Commercial and 20000 tonnes of Industrial bamboo, during 2000-2001. Even after allowing 10 *per cent* variation as in the case of timber, the shortfall in yield was to the extent of 226 tonnes and 8712 tonnes of commercial and industrial bamboo respectively, which resulted in loss of Rs.1.42 crore.

On this being pointed out in April 2000, the DFO (General) Narainpur, stated in August 2003 that no sample plotting was done as required for estimation of bamboo yield. Hence, action was being taken against the defaulting officials.

The matter was reported to the Government and PCCF in September 2003, their reply had not been received (January 2004).

### **7.33 Loss of revenue due to low yield of timber**

#### **Low yield of timber resulted in loss of Rs.27.23 lakh.**

The work of marking and felling is done under the supervision of technically qualified officers. Further as per departmental instructions (January 1984) variation upto maximum of ten percent is allowed between the estimated and actual yield of timber. In case variation exceeds the above percentage, the reasons are to be ascertained and result thereof intimated to Additional Principal Chief Conservator of Forest (Production) (APCCF).

Test-check of records of the Divisional Forest Officer (General), Raipur in April 2002 revealed that 33,137 trees were marked and felled during 2000-01 from four coupes of Deopur and Sonakhan ranges. As against the estimated quantity of 1148 cubic meters of timber only 737.630 cubic meters of timber were extracted even though there was no difference between the number of trees marked and felled. Even after allowing for the permissible variation of 10 *per cent*, the shortfall in yield was to the extent of 295.570 cubic meters of timber valued at Rs.27.23 lakh resulting in loss of revenue to the Government. The reasons for short fall in production were also not investigated.

On this being pointed out in audit in April 2002 the Divisional Forest Officer stated that low yield was due to hollowness / low girth of trees. The reply is not tenable as the shortfall was far in excess of the permissible limit and the reasons for this very low yield were not investigated to determine the exact reasons.

The matter was reported to the PCCF and Government in August 2003; their reply had not been received (January 2004).

## **MINING RECEIPTS**

### **7.34 Non-realisation of royalty**

#### **Non-charging of prescribed rates resulted in non-realization of royalty of Rs.32.39 lakh.**

Mines and Minerals (Regulation & Development) Act, 1957 provides that a lessee is liable to pay royalty on minerals extracted and removed from the leased area during a month by the prescribed date and at prescribed rates. In view of the decision of Hon'ble Supreme Court (October 1998),<sup>73</sup> the lessee is also liable to pay royalty on minerals supplied to their employees for domestic use.

A test-check of records of Mining Officer, Korba revealed in January 2003 that the lessee M/s South Eastern Coal Fields Ltd. did not deposit Rs.32.39 lakh of royalty on account of 30658.68 MT coal minerals supplied to their

<sup>73</sup>

*State of Orissa Vs M/s Steel Authority of India Ltd VI (1998) SLP553*



employees for domestic use during April 2000 to March 2002. Neither assessment was done nor demand was raised.

On this being pointed out in audit in January 2003 the Mining Officer stated that royalty was not leviable under section 9(2) of the Act, 1957. Reply is not tenable in view of the decision of Honourable Supreme Court in State of Orissa Vs M/s Steel Authority of India Ltd., VI (1998) SLP 553 dated 14th October 1998

The matter was reported to Government in August 2003; their reply had not been received (January 2004).

### **7.35 Short realisation of royalty**

#### **Non-charging of prescribed rates resulted in short realization of royalty of Rs.23 lakh.**

According to Section 9(1) of Mines and Minerals (D&R) Act, 1957, the holder of a mining lease shall pay royalty in respect of any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area at the rate specified in the second schedule in respect of that mineral.

Test-check of records of Mining Office, Durg revealed that M/s ACC Jamul Village, Patharia had extracted and removed 9,30,900 MT of lime stone between April 2000 and June 2001 for which royalty of Rs.3.37 crore was payable but only Rs.3.14 crore was paid. This resulted in short realisation of royalty of Rs.23 lakh.

The matter was reported to the Director, Geology and Mining and the Government in August 2003; their replies had not been received (January 2004).

### **7.36 Non-realisation of rent and interest**

#### **Non-payment of dead rent on due rates resulted in non-realization of rent and interest of Rs.6.15 lakh.**

According to the provisions of the Mines and Minerals (D and R) Act, 1957 and Mineral Concession Rules, 1960 a lessee is liable to pay royalty on minerals removed from the leased area or dead rent as the case may be, by the prescribed date, failing which he is liable to pay interest at 24 *per cent* per annum from the sixtieth day of the expiry of the stipulated date. Further, as per Government instructions (September 1995) the dead rent is to be paid by the lessee by 20th January of every year.

Test check of records of Mining Office, Raigarh revealed (November 2000) that a lessee<sup>74</sup> paid dead rent of Rs.5,08,118/- in two installments (August 2002 and January 2003) as against Rs.6,21,600/- payable for the period from 1995 to 2003. Consequently Rs.1,13,482/- was short paid on which interest of Rs.1.10 lakh was also recoverable upto January 2004. Further dead rent was not paid on due dates, on which interest amounting to Rs.3.92 lakh on belated payments was not recovered resulting in non-realisation of revenue of Rs.6.15 lakh.

On this being pointed out the Mining Officer admitted the lapse and agreed to recover the unpaid rent and payable interest (January 2004).

The matter was reported to the Director, Geology and Mining and Government in August 2003 and followed by reminder in February 2004; their reply had not been received (February 2004).

## **OTHER NON-TAX REVENUE**

### **PUBLIC WORKS DEPARTMENT**

#### **7.37 Short/Non-recovery of licence fee of residential building (classified) worth Rs.2.15 lakh**

#### **Incorrect application of rates/non-realization of licence fees resulted in short/non-recovery of licence fees of Rs.2.15 lakh.**

New rates of licence fee for residential buildings were made applicable with effect from 1 July 2000 and January 2001 Vide Madhya Pradesh Government, Home Department (General) orders dated 24 June 2000 and Chhattisgarh Government, Home Department orders dated 19 March 2001, respectively.

Test-check of records of the Executive Engineer PWD.(B/R) Khairagarh Division revealed in November 2002 that licence fee was either recovered at old rates or not recovered. This resulted in non-recovery of Rs.1.93 lakh in 7 cases and short recovery of Rs.0.22 lakh in 170 cases.

After this was pointed out in audit in November 2002, the Executive Engineer replied in November 2002 that action would be taken.

The matter was referred to the Engineer-in-Chief and the Government in September 2003; their reply had not been received (January 2004).



## FOOD AND CIVIL SUPPLIES DEPARTMENT

### 7.38 Non/short levy of licence fee of Government building

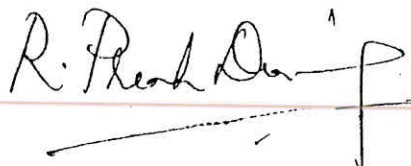
**Incorrect application of rates resulted in short realization of licence fees of Rs.1.03 lakh.**

As per Government of Madhya Pradesh (Applicable to Chhattisgarh Government) order dated 23 June 1979 effective from 1st July 1979 licence fee was leviable at the rate of Rs.2.55 per square metre in cases where the plinth area was more than 75 square metres in the case of Government buildings.

Test-check of records of the Food Office, Raipur in December 2002 revealed that four godowns (2239.64 square metres plinth area) occupied by Food Department were let out to the Central Ware Housing Corporation at a fixed monthly license fee of Rs.4000 (Rs.1000/- each), as against the prescribed rate of Rs.5711 per month resulting in non/short levy of license fee of Rs.1.03 lakh from April 1998 to March 2003.

After this was pointed out in audit in February 2003, the Department agreed to recover the amount (September 2003). However, no details of any recovery have been intimated by the Department so far (January 2004).

The matter was reported to the Department and the Government in September 2003; replies had not been received (January 2004).



Raipur  
The 08 OCT 2004

(PREMAN DINARAJ)  
Accountant General Chhattisgarh

Countersigned



New Delhi  
The 26 OCT 2004

(VIJAYENDRA N. KAUL)  
Comptroller and Auditor General of India





# **APPENDICES**





**APPENDIX - I**  
**SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF CHHATTISGARH**  
**AS ON 31 MARCH 2003**  
*(Referred to Paragraph 1.8)*

(Rupees in crore)

As on 31-03-2002	LIABILITIES	As on 31-03-2003	
<b>2549.96</b>	<b>Internal Debt</b>		<b>3682.63</b>
1422.87	Market Loans bearing interest	1872.86	
1.23	Market Loans not bearing interest	1.24	
209.77	Loans from other Institutions	289.28	
NIL	Ways and Means Advances	NIL	
	Overdrafts from Reserve Bank of India	NIL	
916.09	Special Security Issued to NSS fund of Central Government	1519.25	
<b>3105.14</b>	<b>Loans and Advances from Central Government</b>		<b>3172.78</b>
119.05	Pre 1984-85 Loans	105.76	
898.89	Non-Plan Loans	667.24	
2034.05	Loans for State Plan Schemes	2348.48	
15.28	Loans for Central Plan Schemes	14.18	
37.87	Loans for Centrally Sponsored Plan Schemes	37.12	
<b>40.02</b>	<b>Contingency Fund</b>		<b>40.02</b>
<b>1109.93</b>	<b>Small Savings, Provident Funds etc.</b>		<b>1148.37</b>
<b>501.49</b>	<b>Deposits</b>		<b>640.20</b>
<b>196.60</b>	<b>Reserve Funds</b>		<b>350.87</b>
<b>(-) 81.65</b>	<b>Suspense and Miscellaneous Balances</b>		<b>(-) 196.99</b>
7421.49			8837.88
<b>ASSETS</b>			
<b>2181.36</b>	<b>Gross Capital Outlay on Fixed Assets</b>		<b>3001.15</b>
15.30	Investments in shares of Companies, corporations etc.	35.84	
2166.06	Other Capital Outlay	2965.31	
<b>184.35</b>	<b>Loans and Advances</b>		<b>223.59</b>
5.13	Loans for Power Projects	10.13	
180.75	Other Development Loans	214.76	
(-) 1.53	Loans to Government servants and Miscellaneous Loans	(-) 1.30	
	Reserve Fund Investments		
<b>Nil</b>	<b>Appropriation to Contingency Fund</b>	<b>--</b>	<b>--</b>
<b>(-) 1.70</b>	<b>Advances</b>		<b>(-) 2.76</b>
<b>241.41</b>	<b>Remittance Balance</b>		<b>178.99</b>
<b>210.89</b>	<b>Cash</b>		<b>718.16</b>
0.10	Cash in Treasuries and Local Remittances	(-) 12.13	
(-) 111.62	Deposits with Reserve Bank	(-) 246.29	
4.69	Departmental Cash Balance including permanent cash imprest	6.05	
317.72	Cash Balance Investments	970.53	
<b>4579.40</b>	<b>Deficit on Government Account</b>		<b>4692.10</b>
568.66	(i) Revenue Deficit of the current year / period	112.70	
	(ii) Miscellaneous Govt. Account	--	
3970.74	(iii) Accumulated deficit	4579.40	
40.00	(iv) Appropriation to Contingency Fund		
<b>25.78</b>	<b>Inter State Settlement</b>		<b>26.65</b>
7421.49			8837.88

**APPENDIX - II**  
**ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2002-03**

(Referred to Paragraph 1.8)

(Rupees in crore)

RECEIPTS			DISBURSEMENTS					
2001-02			2002-03	2001-02		2002-2003		
						Non-Plan	Plan	Total
		Section-A: Revenue						
4375.69	I.	Revenue receipts	5417.30	4944.35	Revenue expenditure	4260.28	1269.72	5530.00
1993.13		-Tax revenue	2327.44	1746.23	General Services	1838.39	0.47	1838.86
				1914.75	Social Services	1355.88	730.57	2086.45
722.38		Non Tax Revenue	956.56	695.44	-Education, Sports, Arts and Culture	569.05	175.20	744.25
				231.54	-Health and Family Welfare	141.48	110.43	251.91
1175.80		-State's share of Union Taxes	1349.90	197.67	-Water Supply, Sanitation Housing and Urban Development	59.73	173.71	233.44
180.88		-Non-Plan grants	195.15	7.47	-Information and Broadcasting	11.00	0.50	11.50
				502.81	-Welfare of Scheduled Castes/Scheduled Tribes/Other Backward Classes	363.50	158.80	522.30
148.03		-Grants for State Plan Scheme	263.70	21.12	-Labour and Labour Welfare	13.49	7.53	21.02
				257.76	-Social Welfare and Nutrition	196.53	104.40	300.93
155.47		-Grants for Central and Centrally sponsored Plan Schemes	324.55	0.94	Others	1.10	--	1.10
				1150.58	Economic Services	904.38	538.68	1443.06
				467.37	-Agriculture and Allied Activities	403.15	253.77	656.92
--		--	--	342.53	-Rural Development	113.55	197.49	311.04
--		--	--	--	-Special Areas Programme	--	--	--
--		--	--	84.35	-Irrigation and Flood Control	130.59	28.24	158.83
--		--	--	82.43	-Energy	60.00	26.22	86.22
--		--	--	35.22	-Industries and Minerals	14.83	23.84	38.67
--		--	--	131.38	-Transport	175.86	5.84	181.70
--		--	--	0.02	-Science, Technology and Environment	0.58	--	0.58
--		--	--	7.28	-General Economic Services	5.81	3.28	9.09
				132.79	Grant-in-aid and contribution	161.64	--	161.64
568.66	II.	Revenue deficit carried over to Section B	112.70		II- Revenue surplus carried over to Section B	--	--	--
4944.35		Total - A	5530.00	4944.35	Total	4260.28	1269.72	5530.00
		Section-B						
119.69	III	Opening cash balance including permanent advances and cash balance investment	210.89		III. Opening over draft from RBI			
					IV. Capital outlay			
	IV	Miscellaneous Capital Receipts		20.08	General Services		19.22	19.22
				106.46	Social Services		136.82	136.82
				2.05	Education, sports , Arts and culture		6.22	6.22
				12.41	Health and Family Welfare		19.61	19.61
				56.18	Water supply, sanitation, Housing and Urban development		47.80	47.80
				--	Information and Broad Casting		--	--
				34.86	Welfare of SC, ST and OBC		49.11	49.11
				0.84	Social Welfare and Nutrition		14.03	14.03
				0.12	Other Social Services		0.05	0.05
				349.71	Economic Services	0.78	662.97	663.75
				18.87	Agriculture and allied activities	0.74	22.44	23.18
				22.45	Rural Development	--	23.68	23.68
				204.19	Irrigation and flood control	--	365.88	365.88
					Energy	--	--	--
				2.92	Industry and Mineral	0.04	4.38	4.42
				101.12	Transport		246.59	246.59
				0.16	General Economic Services	--	--	--
				476.25	Total (Capital account)	0.78	819.01	819.79



## APPENDIX - II (Continued)

RECEIPTS				DISBURSEMENTS			
2001-02			2002-03	2001-02		2002-03	
5.57	V	Inter State Settlement	0.23	31.35	V. Inter State settlement	--	1.10
3.51	VI	Recoveries of Loans and Advances	18.46	49.52	VI. Loans and Advances disbursed	--	57.70
--		--From Power Projects	--		--For Power Projects	5.00	--
2.38		--From Government Servants	2.46		--To Government Servants	2.68	--
1.13		--From others	16.00	--	--To others	50.02	--
	VII	Revenue Surplus brought down	--	568.66	VII. Revenue deficit brought down	--	112.70
994.61	VIII	Public debt receipt	1613.31	184.02	VIII. Repayment of public debt		413.00
653.75		--Internal debt other than ways and means advances and overdraft	1179.19	45.12	--Internal debt other than ways and means advances and overdraft	46.52	--
--		--Net transactions under Ways and means advances including overdraft	--	--	--Net transactions under Ways and means advances including overdraft	--	--
340.86		--Loans and advances from Central Government	434.12	138.90	--Repayment of loans and advances to Central Government	366.48	--
	IX	Appropriation to Contingency Fund	--	--	IX. Appropriation to Contingency Fund	--	--
	X	Amount transferred to Contingency Fund	--	(-) 0.02	X. Expenditure from Contingency Fund	Nil	--
5620.09	XI	Public Account receipts	6923.52	5222.80	XI. Public Account disbursements	--	6643.95
428.45		--Small Savings and Provident Funds	374.75	343.16	--Small Savings and Provident Funds	336.31	--
149.42		--Reserve funds	256.20	15.29	--Reserve Funds	101.92	--
2784.30		--Suspense and Miscellaneous	3389.04	2771.58	--Suspense and Miscellaneous	3504.38	--
1355.85		--Remittance	1845.57	1370.52	--Remittances	1783.15	--
902.07		--Deposits and Advances	1057.96	722.25	--Deposits and Advances	918.19	--
--	XII	Closing Overdraft from Reserve Bank of India	--	210.89	XII. Cash Balance at end of the year	--	718.16
				0.10	Cash in treasuries and local remittances	(-) 12.13	--
				(-) 111.62	--Deposits with Reserve Bank	(-) 246.29	--
				4.69	--Departmental cash Balance including permanent cash imprest	6.05	--
				317.72	--Cash Balance Investment and Investment of Earmarked Funds	970.53	--
6743.47		Total -B	8766.40	6743.47	Total-B		8766.40

## APPENDIX - III

## SOURCES AND APPLICATION OF FUNDS

(Referred to Paragraph 1.8)

(Amount in crore of rupees)

2001-02		SOURCES	2002-03		
Amount	Per cent		Amount	Per cent	
4375.69	78	Revenue receipts	5417.30	77	
3.51	--	Recoveries of Loans and Advances	18.46	--	
810.59	15	Increase in Public debt	1200.30	17	
411.96	07	Receipts from Public account	--	394.91	06
85.29		a. Increase in Small Savings	38.44	--	--
179.82		b. Increase in Deposits and Advances	139.77	--	--
134.13		c. Increase in Reserve funds	154.28	--	--
		d. Effect of remittances transactions	62.42	--	--
12.72		e. Suspense & Misc.			
		Decrease in closing cash balance			
5601.75	100	Total	7030.97	100	
		APPLICATION			
4944.35	88	Revenue expenditure	5530.00	79	
49.52	01	Lending for development and other purposes	57.70	01	
476.25	09	Capital expenditure	819.79	12	
(-) 0.02	--	Net effect of Contingency Fund transactions	Nil		
14.67		Application From Public Account	115.34	--	
		a. Net effect of Suspense and Miscellaneous transactions	115.34		
		b. Miscellaneous Government Account			
		c. Effect of Remittance transactions			
91.20	02	Increase in closing cash balance	507.27	08	
25.78		Inter State Settlement	0.87		
5601.75	100	Total	7030.97	100	

## Explanatory Notes for Appendix I, II and III :

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on government account, as shown in Exhibit I, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements etc.
4. There was a difference of Rs.0.76 crore (credit) between the figures reflected in the accounts i.e. Rs.24628.99 lakh (credit) and that intimated by Reserve Bank of India Rs.24553.14 lakh (credit) regarding "Deposits with Reserve Bank" included in the cash balance. After close of 31 March 2003 accounts, the net difference to be reconciled was Rs.0.76 crore (credit).



**APPENDIX - IV**  
**AN ANALYSIS OF STATE GOVERNMENT FINANCES**

(Referred to Paragraph 1.8)

		(Rupees in crore)
2001-02		2002-03
	Part A. Receipts	
<b>4376(81)</b>	<b>1. Revenue Receipts</b>	<b>5417 (77)</b>
1993(46)	(i) Tax Revenue	<b>2327 (43)</b>
940(47)	Taxes on Sales, Trade, etc.	1102 (47)
314(16)	State Excise	362 (16)
121(6)	Stamps and Registration Fees	148 (06)
196(10)	Taxes on Goods and Passengers	252 (11)
422 (21)	Other Taxes	463(20)
722 (16)	(ii) Non Tax Revenue	<b>957 (18)</b>
454 (63)	Mining and Metallurgical Industries	538 (56)
98 (14)	Forestry and Wild Life	106 (11)
170 (5)	Others	313 (33)
1176 (27)	(iii) State's share in Union taxes and duties	<b>1350 (25)</b>
485 (11)	(iv) Grants in aid from GOI	<b>783 (14)</b>
--	<b>2. Misc. Capital Receipts</b>	-- --
<b>4376</b>	<b>3. Total revenue and Non Debt capital receipts (1+2)</b>	<b>5417</b>
<b>04</b>	<b>4. Recovery of Loans and Advances</b>	<b>19</b>
<b>05</b>	<b>4 (a). Inter State Settlement</b>	
<b>995 (18)</b>	<b>5. Public Debt Receipts</b>	<b>1613</b>
654 (66)	Internal Debt (Excluding. Ways & Means Advances & Overdrafts)	1179(73)
--	Net transactions under ways and means advances and overdraft	-- --
341 (34)	Loans and Advances from Government of India	434 (27)
<b>5380</b>	<b>6. Total receipt in the Consolidated fund (3+4+4(a)+5)</b>	<b>7049</b>
--	<b>7. Contingency Fund receipts</b>	<b>Nil</b>
<b>5620</b>	<b>8. Public Account receipts</b>	<b>6924</b>
<b>11000</b>	<b>9. Total receipts of the State (6+7+8)</b>	<b>13973</b>
	<b>Part B. Expenditure/Disbursement</b>	
<b>4945 (90)</b>	<b>10. Revenue expenditure</b>	<b>5530 (86)</b>
1016 (21)	Plan	1270 (23)
3928 (79)	Non Plan	4260 (77)
1746 (35)	General Services (incl. interest payments)	1839 (33)
1915 (39)	Social Services	2086 (38)
1150 (23)	Economic Services	1443 (26)
133 (3)	Grants-in-aid and Contributions	162 (03)

2001-02		2002-03
476 (9)	<b>11. Capital Expenditure</b>	<b>820 (13)</b>
455 (96)	Plan	819 (99.9)
21 (4)	Non Plan	01(0.1)
20 (4)	General Services	19 (02)
106 (22)	Social Services	137 (17)
350 (74)	Economic Services	664 (81)
50 (1)	<b>12. Disbursement of Loans and Advances</b>	<b>58 (01)</b>
31	<b>12(a) Inter State Settlement</b>	<b>01</b>
5502	<b>13. Total expenditure (10+11+12+12[a])</b>	<b>6409</b>
184	<b>14. Repayment of Public Debt</b>	<b>413</b>
45 (24)	Internal Debt (excluding Ways & Means Advances and Overdrafts)	47 (11)
--	Net transactions under Ways and Means Advances and Overdraft	--
139 (76)	Loans and Advances from Government of India	366 (89)
(-) 0.02	<b>15. Appropriation to Contingency Fund</b>	<b>Nil</b>
5686	<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>6822</b>
--	<b>17. Contingency Fund disbursements</b>	<b>--</b>
5223	<b>18. Public Account disbursements</b>	<b>6644</b>
10909	<b>19. Total disbursement by the State (16+17+18)</b>	<b>13466</b>
	<b>Part C. Deficits</b>	
569	<b>20. Revenue deficit (1-10)</b>	<b>113</b>
1117	<b>21. Fiscal deficit (3+4+4[a]-13)</b>	<b>973</b>
386	<b>22. Primary deficit (21-23)</b>	<b>163</b>
	<i>Part D. Other data</i>	
731	<b>23. Interest payments (included in revenue exp.)</b>	<b>810</b>
0.01	<b>24. Arrears of Revenue (Percentage of Tax &amp; non-Tax Revenue Receipts)</b>	<b>3.56</b>
177	<b>25. Financial assistance to local bodies etc.</b>	<b>211</b>
--	<b>26. Ways and Means Advances/Overdraft availed (days)</b>	<b>--</b>
--	<b>27. Interest on WMA/Overdraft</b>	<b>--</b>
30265	<b>28. Gross State Domestic Product (GSDP)</b>	<b>33297</b>
7463	<b>29. Outstanding debt (year-end)</b>	<b>8429</b>
466	<b>30. Outstanding guarantees* (year-end)</b>	<b>266</b>
508	<b>31. Maximum amount guaranteed (year-end)</b>	<b>309</b>
59	<b>32. Number of incomplete projects</b>	<b>72</b>
1597	<b>33. Capital blocked in incomplete projects</b>	<b>2023</b>

Notes : (i) Figures in brackets represent percentages, rounded to total of each sub-heading  
 \* Rs.9710 crore retained in Madhya Pradesh for apportionment between the successor States of MP and Chhattisgarh



# APPENDIX-V

(Reference: Paragraph 1.4)

List of terms used in the Chapter - I and basis for their calculation

Terms	Basis for calculation
Buoyancy of a parameter	$\frac{\text{Rate of Growth of the parameter}}{\text{GSDP Growth}}$
Buoyancy of a parameter (X) with respect to another parameter (Y)	$\frac{\text{Rate of Growth of the parameter (X)}}{\text{Rate of Growth of the parameter (Y)}}$
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount}) - 1] * 100$
Trend/Average	Trend of growth over a period of 5 years $(\text{LOGEST}(\text{Amount of 1996-97}:\text{Amount of 2001-02}) - 1) * 100$
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	$\text{Interest Payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] * 100$
Interest spread	GSDP growth - Weighted Interest rates
Interest received as <i>per cent</i> to Loans Advanced	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
Revenue Deficit	Revenue Receipt - Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances - Revenue Receipts - Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit - Interest Payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-Plan Revenue Expenditure excluding debits under 2048-Appropriation for Reduction or Avoidance of Debt.

## APPENDIX-VI

(Referred to in Paragraph 2.3.1 )

CASES WHERE EXPENDITURE FELL SHORT BY MORE THAN RUPEES ONE CRORE  
AND ALSO BY MORE THAN 10 PER CENT OF THE TOTAL PROVISION

(Rupees in crore)

Sl. No.	Grant No and Name	Amount of saving (% of provision)	Main reasons for saving
1.	2.	3.	4.
<b>(A) REVENUE VOTED</b>			
1.	01 General Administration	7.47 (21.48)	Vidhan Sabha Session, late receipt of telephone bills, Petrol Pump Bills, verified bills from Minister, less Income tax for Ministers, 10 % economy cut and ban on payment, non-incurrence of expenditure in the maintenance work, Non-drawal of salary by some Ministers and non-acquiring of the rental houses by Ministers (1.64 crore). Reasons for balance saving have not been intimated.
2.	02 Other expenditure pertaining to General Administration Department	1.86 (57.73)	Not intimated (August 2003).
3.	05 Jail	3.07 (11.31)	Non-filling of vacant posts economy measures, non-receipt of sanction from Government (1.43 crore). Reasons for balance saving have not been intimated (August 2003).
4.	06 Expenditure pertaining to Finance Department	139.19 (25.85)	Not intimated (August 2003).
5.	07 Expenditure pertaining to Commercial Tax Department	35.22 (46.60)	Less running of Departmental Liquor shops, implementation of license system, economy measures. Reasons for balance saving not intimated (August 2003).
6.	08 Land Revenue and District Administration	14.69 (14.78)	Non-release of funds by State and Central Government, Non-release of funds by Central Government, Non-posting of Officers/staff (2 crore). Reasons for balance saving not intimated (August 2003).
7.	09 Expenditure pertaining to Revenue Department	2.45 (55.17)	Vacant posts, economy measures, non-establishment of Government press in Raipur, economy measures, replacement of limited number of machinery (2.33 crore). Reasons for balance saving not intimated (August 2003).



8.	10	Forest	30.31 (11.77)	Control over expenditure, vacant posts, winding up of forest circle production, less receipt of food grains, non-sanctioning of posts of offices/employees, naxalite activities on cutting & carriage of bamboo (24.41 crore). Reasons for balance saving not intimated (August 2003).
9.	11	Expenditure pertaining to Commerce and Industry Department	4.42 (26.18)	Non-availability of sanction from Finance Department for new industrial policies, less demand under State capital cost investment Scheme ( 3.25 crore) Reasons for balance saving not intimated (August 2003).
10	12	Expenditure pertaining to energy Department	28.16 (22.63)	Not intimated (August 2003).
11.	13	Agriculture	32.67 (35.76)	Not intimated (August 2003).
12	14	Expenditure pertaining to Animal Husbandry Department	5.88 (10.58)	Vacant posts (0.02 crore) Reasons for balance saving not intimated (August 2003).
13	15	Financial assistance to 3 tier panchayat raj institutions under special component plan for SCs	7.55 (25.76)	Not intimated (August 2003).
14	17	Co-operation	1.62 (14.05)	-do-
15	18	Labour	2.66 (31.05)	-do-
16	19	Public Health and Family Welfare	54.07 (25.40)	-do-
17	20	Public Health Engineering	26.94 (19.43)	-do-
18	21	Expenditure pertaining to Housing and Environment Department	6.58 (30.09)	Non-receipt of sanction from Finance Department, non-receipt of demand (4.19 crore). Reasons for balance saving not intimated (August 2003).
19	24	Public Works-Roads and Bridges	16.42 (11.06)	Late of receipt of Administrative sanction though all works were sanctioned in 1st Supplementary estimate but departmental process delayed the work (4.30 crore) Reasons for balance saving not intimated (August 2003).
20	25	Expenditure pertaining to Mineral Resources Department	11.07 (70.37)	Vacant posts, reorganisation of State employees transferred to other Department (0.01 crore) Reasons for balance saving not intimated (August 2003).
21	27	School education	101.46 (15.46)	Less provision under DPEP Scheme due to All Education Movement (9.03 crore) Reasons for balance saving not intimated (August 2003).
22	28	State Legislature	2.66 (29.57)	Not intimated (August 2003).

23	29	Administration of Justice and elections	18.05 (43.24)	Non-utilisation of provision as the Gram Nyayalay was not running properly, non-posting of officers of staff in Dantewada district court, less receipt of TA & Wages Bills (0.58 crore) Reasons for balance saving not intimated (August 2003).
24	30	Expenditure pertaining to Panchayat & Rural Development Department	66.08 (36.61)	Not intimated (August 2003).
25	31	Expenditure pertaining to Planning, Economics & Statistics Department	3.06 (43.45)	Not intimated (August 2003).
26	32	Expenditure pertaining to Public relations Department	3.81 (23.75)	-do-
27	36	Transport	4.82 (47.92)	-do-
28	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	173.67 (35.56)	-do-
29	41	Tribal areas Sub-Plan	234.05 (43.56)	Non-receipt of grants to State Small Forest Federation from Government of India & from National Cooperative Development Corporation, Non-receipt of Central Share from Central Government in time, demands from district, surrenders by the district (42.72 crore).Reasons for balance saving not intimated (August 2003).
30	44	Higher education	16.89 (17.64)	Not intimated (August 2003).
31	47	Technical education & non power planning department	8.28 (19.31)	Vacant posts in technical institutes non-receipt of proposals to organise teachers seminars (2.40 crore). Reasons for balance saving not intimated (August 2003).
32	48	Grant for up gradation of Administration under 11th Finance Commission	7.29 (36.34)	Non-receipt of funds from Government of India and non-completion of working plan (5.55 crore). Reasons for balance saving not intimated (August 2003).
33	49	Scheduled Caste Welfare	1.89 (12.69)	Not intimated (August 2003).
34	55	Expenditure pertaining to Women and Child Welfare	30.54 (25.16)	Vacant posts, less amount sanctioned by Government of India in Training, non-accord of permission for drawal of funds by Finance Department (16.88 crore) Reasons for balance saving not intimated (August 2003).
35	56	Rural industries	4.23 (28.63)	Closing of district village industries office in the scheme (0.008 crore) Reasons for balance saving not intimated (August 2003).



36.	61	Externally aided projects pertaining to Public Health and family welfare	3.54(83.21)	Not intimated (Aug 2003).
37	64	Special component plan for SCs	43.11 (34.57)	Non-receipt of central share, non-receipt of sanction from Finance Department, Non-receipt of demands from district (6.21 crore) Reasons for balance saving not intimated (August 2003).
38	69	Urban administration and Development Department- Urban Welfare	2.14 (43.83)	Not intimated (August 2003).
39	77	Externally Aided Projects pertaining to Development of Tribal Areas in Bilaspur Division	6.40 (80)	Not intimated (August 2003).
40	78	Externally Aided Projects pertaining to Rural Industries Department	2.28 (44.47)	Not intimated (August 2003)
41	79	Expenditure pertaining to Medical Education Department	13.06 (20.77)	Not intimated (August 2003)
42	80	Financial Assistance to 3 tier Panchayat Raj Institutions	45.46 (17.07)	-do-
43	82	Financial Assistance to 3 tier Panchayati Raj Institutions under tribal area sub-plan	17.33 (17.06)	Non-availability of funds (6.16 crore) Reasons for balance saving not intimated (August 2003).
	<b>(B)</b>	<b>REVENUE (Charged)</b>		
44	01	General Administration	1.49 (44.80)	Vacant post against sanctioned strength and economy measures (0.26 crore) Reasons for balance saving not intimated (August 2003).
45	12	Expenditure pertaining to Energy Department	4.54 (45.36)	Not intimated (August 2003)
46	29	Administration of Justice and Elections	1.36 (33.57)	Not intimated (August (2003).
47	81	Financial Assistance to urban bodies	2.87 (47.89)	Non-drawal due to non-receipt of bills of local bodies.
	<b>(C)</b>	<b>CAPITAL (Voted)</b>		
48	06	Expenditure pertaining to Finance Department	6.01 (46.19)	Not intimated (August 2003)
49	08	Land revenue and district administration	3.79 (92.82)	-do-
50	12	Expenditure pertaining to Energy Department	33.80 (87.11)	Not intimated (August 2003)
51	17	Co-operation	34.51 (64.59)	-do-
52	20	Pubic Health Engineering	21.03 (99.24)	-do-

## APPENDIX-VII(i)

(Referred to in Paragraph 2.3.1 )

## CASES INVOLVING SUBSTANTIAL SAVINGS UNDER THE SCHEME

(Rupees in crore)

Sl. No.	No. and Name of Grant	Name of the Scheme	Total Grant	Actual Expenditure	Amount of Saving	Percentage of Saving
1.	2.	3.	4.	5.	6.	7.
<b>(A) - REVENUE VOTED</b>						
1.	06 Expenditure pertaining to Finance Department	2070-800-224 Other expenditure	110.00	-	110.00	100%
2.	Expenditure pertaining to Finance Department	2071-01-102-3080 Payment of commuted value of pensions in India	25.00	4.31	20.69	83%
3.	07 Expenditure pertaining to Commercial Tax Department	2039-104-4173 Purchase of Spirit	29.00	5.09	23.91	82%
4.	12 Expenditure pertaining to energy department	2801-80-101-0101-4841 Grants-in-aid to instantaneous energy development project	36.33	5.00	31.33	86%
5.	13 Agriculture	2401-110-0101-8702 National Agricultural Insurance Scheme	9.05	0.05	9.00	99%
6.	19 Public Health and Family Welfare	2210-03-103-2777 Primary Health Centre (Basic Service)	16.87	-	16.87	100%
7.	Public Health and Family Welfare	2211-800-0801-2498 Supply of conventional contraceptives	5.86	-	5.86	100%
8.	Public Health and Family Welfare	2211-800-0801-6106 Universal Immunisation	12.18	-	12.18	100%
9.	23 Water Resources Department	2701-01-204-2894 Barrage and canals	8.70	0.78	7.92	91%
10.	25 Expenditure pertaining to Mineral Resources Department	2853-02-797-5390 Transfer to Mineral Fund	10.00	-	10.00	100%
11.	27 School Education	2202-01-101-0701-7587 Operation Black Board Scheme	14.70	0.21	14.49	99%
12.	29 Administration of Justice and Elections	2015-105-4311 Charges for conduct of Elections to Parliament	6.00	0.01	5.99	99.83%



13.	41	Tribal Areas Sub-plan	2801-80-796-101-0102-4841 Grant for instantaneous Energy Development Project	10.00	-	10.00	100%
14.		Tribal Areas Sub-plan	2505-01-796-702-0702-5372 Entire Employment Schemes	22.80	0.08	22.72	99.64%
15.		Tribal Areas Sub-plan	2515-796-102-0802-4855 Pradhan Mantri Gram Sadak Yojana	45.98	-	45.98	100%
16.		Tribal Areas Sub-plan	2408-01-796-190-0802-4987 Functioning of Mobile Fair price shops	5.00	-	5.00	100%
17.		Tribal Areas Sub-plan	2408-01-796-190-0802-4994 Construction of Godown grid	5.00	-	5.00	100%
18	80	Financial Assistance to 3-Tier Panchayati Raj institutions	2235-60-102-0101-5401 National Old Age Pension	9.00	-	9.00	100%
			<b>TOTAL (A)</b>	<b>381.47</b>	<b>15.53</b>	<b>365.94</b>	
<b>(B) - REVENUE CHARGED</b>							
1.		Interest payments and servicing of debts	2049-01-101-5426-7.80% Chhattisgarh State Development Loan 2012	8.32	0.01	8.31	99.92 %
2.		Interest payments and servicing of debts	2049-01-200-3087 Interest on loan from LIC of India	6.38	-	6.38	100 %
3.		Interest payments and servicing of debts	2049-01-200-3089 Interest on Ways and Means advances and to meet short falls in cash balance received from RBI	21.00	-	21.00	100 %
4.		Interest payments and servicing of debts	2049-60-701-4198 Government Employee Group Insurance Scheme	35.00	-	35.00	100 %
5.		Interest payment and servicing of debt	2049-60-701-4209 Interest on Government Servants Family Benefit fund Schemes	6.00	-	6.00	100 %
			<b>TOTAL (B)</b>	<b>76.70</b>	<b>0.01</b>	<b>76.69</b>	
<b>(C) - CAPITAL VOTED</b>							
1.	12	Expenditure pertaining to Energy Department	6801-800-0101-4842 Loans for Instantaneous Energy Project	38.80	5.00	33.80	87%
2.	17	Cooperation	4408-02-191-0910-5054 Formation of Warehouses	14.36	-	14.36	100 %
3.	20	Public Health Engineering	6215-01-101-0101-5368- LIC loan for new Urban Water Supply Schemes	20.00	-	20.00	100 %

4.	21	Expenditure pertaining to Housing and Environment Department	4216-02-190-0101-4385 Housing Scheme for economically weaker section	5.00	-	5.00	100 %
5.	24	Public Works Roads & Bridges	5054-04-337-0101-1222 Construction of Rural roads under Basic Minimum Services	14.54	-	14.54	100 %
6.	30	Expenditure pertaining to Panchayat and Rural Development Department	4515-800-0801-4855 Prime Minister Gram Sadak Yojana	60.50	0.20	60.30	99.67 %
7.	45	Minor Irrigation Works	4702-101-0101-5059 Minor Irrigation Arrangement for Drought Eradication	5.00	-	5.00	100 %
8.	68	Public Works relating to tribal areas sub plan buildings	4235-02-796-102-0102-337 Construction and Repairs of Anganwadies	11.00	1.97	9.03	82 %
			<b>TOTAL (C)</b>	<b>169.20</b>	<b>7.17</b>	<b>162.03</b>	
			<b>TOTAL (A) + (B) + (C)</b>	<b>627.37</b>	<b>22.71</b>	<b>604.66</b>	



## APPENDIX-VII(ii)

(Referred to in Paragraph 2.3.1 )

CASES WHERE ENTIRE BUDGET PROVISION UNDER  
CENTRAL SCHEMES REMAINED UNUTILISED

(Rupees in crore)

Sl. No.	Grant No and Name	Head of Account	Budget provision not utilised
1.	2.	3.	4.
<b>(A) CENTRALLY SPONSORED SCHEME</b>			
1	19 Public Health and Family Welfare	2210-06-101-0701-5026 Grant-in-aid for formation of Chhattisgarh State Illness Assistant fund	1.00
2	37 Tourism	5452-01-101-0701-7630 Central Share in Centrally Sponsored Schemes	3.00
3	56 Rural Industries	2851-105-0701-5406- Establishment of Chhattisgarh Haat	1.61
4	80 Financial Assistance to 3 tier Panchayati Raj Institutions	2202 - 02 - 103 - 0701 - 5303 - Non-Formal Education Centres (60 : 40 (SCRT))	1.79
		<b>TOTAL (A)</b>	<b>7.40</b>
<b>(B) - CENTRAL SECTOR SCHEMES</b>			
1	19 Public Health and Family welfare	2211-800-0801-2498 Supply of conventional contraceptives	5.86
2	Public Health and Family welfare	2211-800-0801-6106 Universal Immunisation	12.18
3	Public Health and Family welfare	3606-237-0801-2498 Supply on conventional contraceptives	2.01
4	Public Health and Family welfare	3606-237-0801-4244 Malaria	3.51
5	41 Tribal Areas Sub-Plan	2408 - 01-796-190-0802-4987 Functioning of Mobile Fair Price Shops	5.00
6	Tribal Areas Sub-Plan	2408-01-796-190-0802-4994 Construction of Godown grid	5.00
7	Tribal Areas Sub-Plan	6408-01-796-190-0802-4987 Functioning of Mobile Fair Price Shops	5.00
8	Tribal Areas Sub-Plan	6408-01-796-190-0802-4994 Construction of Godown grid	5.00
		<b>TOTAL (B)</b>	<b>43.56</b>
		<b>TOTAL (A) + (B)</b>	<b>50.96</b>

## APPENDIX-VIII

(Referred to in Paragraph 2.3.2)

## EXCESS OVER GRANT / APPROPRIATION REQUIRING REGULARISATION

(Rupees in crore)

Sl. No.	Grant No. & Name	Total Grant/ Appropriation	Actual expenditure	Amount of Excess	Main reasons
1.	2.	3.	4.	5.	6.
<b>(A) - REVENUE VOTED</b>					
1	33 Tribal Welfare	298.73	346.83	48.10	Not intimated (August 2003).
2.	37 Tourism	3.20	3.24	0.04	Not intimated (August 2003).
3.	45 Minor Irrigation Works	10.29	10.58	0.29	Not intimated (August 2003).
4.	58 Expenditure on relief on account of Natural Calamity & Scarcity	260.68	321.50	60.81	Not intimated (August 2003).
<b>TOTAL (A)</b>		<b>572.90</b>	<b>682.15</b>	<b>109.24</b>	
<b>(B) - REVENUE CHARGED</b>					
1.	20 Public Health Engineering	0.12	0.13	0.01	Not intimated (August 2003).
2	67 Public Works Buildings	0.07	0.14	0.07	Not intimated (August 2003).
<b>TOTAL (B)</b>		<b>0.19</b>	<b>0.27</b>	<b>0.08</b>	
<b>(C) - CAPITAL VOTED</b>					
1.	10 Forest	2.02	2.16	0.14	Not intimated (August 2003).
2.	15 Financial assistance to 3 tier Panchayati Raj institution under special component plan for Scheduled Castes	0.60	0.64	0.04	Not intimated (August 2003).



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3.	24	Public Works Roads and Bridges	118.79	123.87	5.08	Not intimated (August 2003).
4.	82	Financial assistance to 3 Tier Panchayati Raj institution under Tribal area sub-plan	0.64	0.65	0.01	Not intimated (August 2003).
		<b>TOTAL (C)</b>	<b>122.065</b>	<b>127.317</b>	<b>5.27</b>	
		<b>TOTAL (A) + (B)+(C)</b>	<b>695.155</b>	<b>809.737</b>	<b>114.59</b>	

## APPENDIX-IX

(Referred to in Paragraph 2.3.4)

## CASES WHERE SUPPLEMENTARY PROVISION PROVED UN-NECESSARY

(Rupees in crore)

Sl. No.	No and Description of Grant/ Appropriation	Original Grant/ Appropriation	Supplementary grant/ appropriation	Actual expenditure	Savings
1.	2.	3.	4.	5.	6.
<b>(A) - REVENUE VOTED</b>					
1.	01 General Administration	32.66	2.15	27.33	7.48
2.	02 Other Expenditure pertaining to General Administration	2.78	0.44	1.36	1.86
3.	04 Other Expenditure pertaining to Home Department	2.09	0.05	1.42	0.72
4.	06 Expenditure pertaining to Finance Department	482.42	56.05	399.28	139.19
5.	07 Expenditure pertaining to Commercial Tax Department	69.42	6.16	40.36	35.22
6.	08 Land Revenue and District Administration	98.48	0.87	84.66	14.69
7.	10 Forest	257.37	0.05	227.11	30.31
8.	11 Expenditure pertaining to Commerce & Industry Department	13.39	3.50	12.47	4.42
9.	13 Agriculture	91.21	0.15	58.69	32.67
10.	15 Financial assistance to 3-tier Panchayat Raj institutions under special component for SC	25.05	4.27	21.77	7.55
11.	18 Labour	8.20	0.37	5.91	2.66
12.	19 Public Health and Family Welfare	187.92	24.92	158.77	54.07
13.	20 Public Health Engineering	132.09	6.59	111.74	26.94
14.	21 Expenditure pertaining to Housing & Environment Department	17.45	4.41	15.28	6.58
15.	25 Expenditure pertaining to Mineral Resources Department	15.66	0.07	4.66	11.07
16.	27 School Education	637.19	18.78	554.51	101.46



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17.	28	State Legislature	8.42	0.56	6.32	2.66
18.	29	Administration of Justice & Elections	36.26	5.49	23.70	18.05
19.	31	Expenditure pertaining to Planning Economics and Statistics Department	6.79	0.26	3.99	3.06
20.	32	Expenditure pertaining to Public Relations Department	13.85	2.18	12.22	3.81
21.	34	Social Welfare	7.29	0.54	6.88	0.95
22.	36	Transport	9.32	0.74	5.24	4.82
23.	40	Expenditure pertaining to Ayacut Department	1.04	0.33	0.84	0.53
24.	41	Tribal Areas Sub-Plan	405.16	132.10	303.21	234.05
25.	44	Higher Education	89.36	6.39	78.86	16.89
26.	47	Technical Education & Man Power Planning Department	42.14	0.74	34.60	8.28
27.	48	Grant for upgradation of Administration under 11th Finance Commission	19.28	0.77	12.76	7.29
28.	49	Scheduled Caste Welfare	13.89	0.99	12.99	1.89
29.	51	Religious Trusts and Endowments	0.63	0.01	0.43	0.21
30.	55	Expenditure pertaining to Women & Child Welfare	113.47	7.94	90.87	30.54
31.	56	Rural Industries	12.17	2.61	10.55	4.23
32.	60	Expenditure pertaining to District Plan Schemes	13.88	9.40	12.19	11.09
33.	64	Special component plan for Scheduled Caste	104.30	20.41	81.60	43.11
34.	67	Public Works Building	80.45	0.60	76.92	4.13
35.	80	Financial Assistance to three tier Panchayat Raj Institutions	229.81	36.48	220.83	45.46
36.	82	Financial assistance to 3 tier Panchayats Raj institutions under tribal area sub-plan	95.94	5.62	84.23	17.33
		<b>TOTAL (A)</b>	<b>3376.83</b>	<b>362.99</b>	<b>2804.55</b>	<b>935.27</b>
		<b>(B) - REVENUE CHARGED</b>				
1		Interest payments	922.55	23.32	852.86	93.01
2	01	General Administration	3.30	0.04	1.84	1.50

3	06	Expenditure pertaining to Finance Department	0.01	0.01	-	0.02
4	07	Expenditure pertaining to Commercial Tax Department	7.01	0.02	7.00	0.03
5	19	Public Health and Family Welfare	0.08	0.05	0.01	0.12
6	29	Administration of Justice & Elections	3.98	0.05	2.68	1.35
	TOTAL (B)		936.93	23.49	864.39	96.03
(C) CAPITAL VOTED						
1	12	Expenditure pertaining to Energy department	15.00	23.80	5.00	33.80
2	20	Public Health Engineering	20.80	0.39	0.16	21.03
3	23	Water Resources Department	244.50	0.40	205.07	39.83
4	41	Tribal Areas Sub-Plan	186.98	36.75	145.09	78.64
5	60	Expenditure pertaining to District Plan Scheme	13.88	9.40	12.19	11.09
6	64	Special Component Plan for Scheduled Castes	54.68	4.20	21.26	37.62
	TOTAL (C)		535.84	74.94	388.77	222.01
(D) - CAPITAL CHARGED						
1	Public Debt		1397.99	0.76	413.00	985.75
	TOTAL (D)		1397.99	0.76	413.00	985.75
	Grand Total (A+B+C+D)		6247.59	462.18	4470.71	2239.06



## APPENDIX-X

(Referred to in Paragraph 2.3.4)

## CASES WHERE SUPPLEMENTARY PROVISION OBTAINED PROVED EXCESSIVE

(Rupees in crore)

Sl. No.	No and Description of Grant/ Appropriation	Original Grant/ Appropriation	Supplemen- tary grant/ appropriation	Actual expend- iture	Savings
1.	2.	3.	4.	5.	6.
<b>(A) - REVENUE VOTED</b>					
1.	03 Police	291.63	32.20	302.52	21.31
2.	05 Jail	19.72	7.47	24.11	3.08
3.	12 Expenditure pertaining to Energy Department	87.32	37.12	96.28	28.16
4.	14 Expenditure pertaining to Animal Husbandry Department	47.80	7.77	49.69	5.88
5.	16 Fisheries	5.18	0.53	5.18	0.53
6.	17 Cooperation	9.70	1.83	9.91	1.62
7.	23 Water Resources Department	82.81	11.13	87.00	6.94
8.	24 Public Works Roads & Bridges	128.37	20.05	132.00	16.42
9.	26 Expenditure pertaining to Culture Department	3.13	0.85	3.44	0.54
10.	30 Expenditure pertaining to Panchayat & Rural Development Department	109.37	71.11	114.40	66.08
11.	39 Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	187.17	301.20	314.70	173.67
12.	42 Public works relating to Tribal Area sub-plan - Road and Bridges	59.81	115.70	119.62	55.89
13.	43 Sports and Youth Welfare	1.72	0.45	1.90	0.27
14.	66 Welfare of Backward Classes	18.91	1.63	19.44	1.10
15.	79 Expenditure pertaining to Medical Education Department	48.04	14.88	49.85	13.07
16.	81 Financial Assistance to Urban Bodies	193.52	7.89	198.58	2.83
	<b>TOTAL (A)</b>	<b>1294.20</b>	<b>631.81</b>	<b>1528.62</b>	<b>397.39</b>

1.	2.	3.	4.	5.	6.
<b>(B) - CAPITAL VOTED</b>					
1	17 Cooperation	17.39	36.04	18.92	34.51
2	39 Expenditure pertaining to Food, Civil Supplies and Consumer Protection	1.00	0.50	1.27	0.23
3	42 Public works relating to Tribal area Sub-plan roads & Bridges	59.81	115.70	119.62	55.89
4	45 Minor Irrigation Works	20.97	20.00	39.34	1.63
5	57 Externally aided projects pertaining to Water Resources Department	4.50	3.52	6.86	1.16
6	67 Public Works Buildings	36.16	8.37	43.42	1.11
7	75 NABARD aided projects pertaining to Water Resources Department	27.00	6.00	29.74	3.26
8	78 Externally aided projects pertaining to Rural Industries Department	0.50	1.00	1.08	0.42
	<b>TOTAL (B)</b>	<b>167.33</b>	<b>191.13</b>	<b>260.25</b>	<b>98.21</b>
	<b>Grand Total (A + B)</b>	<b>1461.53</b>	<b>822.94</b>	<b>1788.87</b>	<b>495.60</b>
<b>Additional Requirement</b>		<b>Col.5(-)Col.(3)</b>		<b>327.34</b>	

## APPENDIX-XI

(Referred to in Paragraph 2.3.4)

## CASES WHERE SUPPLEMENTARY PROVISION WAS INSUFFICIENT

(Rupees in crore)

Sl. No.	Number and description of Grant / Appropriation	Original provision	Supplementary provision	Actual Expenditure	Final excess
1.	2.	3.		4	
<b>(A) - REVENUE VOTED</b>					
1	58 Expenditure on relief on account of natural calamities and scarcity	138.41	122.27	321.50	60.82
	<b>TOTAL (A)</b>	<b>138.41</b>	<b>122.27</b>	<b>321.50</b>	<b>60.82</b>
<b>(B) - CAPITAL (VOTED)</b>					
1.	24 Public Works - Roads & Bridges	55.02	63.77	123.87	5.08
	<b>TOTAL (B)</b>	<b>55.02</b>	<b>63.77</b>	<b>123.87</b>	<b>5.08</b>
	<b>Grand Total (A) + (B)</b>	<b>193.43</b>	<b>186.04</b>	<b>445.37</b>	<b>65.90</b>



## APPENDIX-XII

(Referred to in Paragraph 2.3.5)

## CASES INVOLVING SUBSTANTIAL EXCESSES UNDER THE SCHEME

(Rupees in crore)

Sl. No.	Grant No. and Name		Name of the Scheme	Total provision	Actual expenditure	Amount of excess	Percent -age of Excess
1.	2.		3.	4.	5.	6.	7.
(A) - REVENUE VOTED							
1	12	Expenditure pertaining to energy department	2045-103-4281 Collection charges electricity duty	1.09	6.46	5.37	493
2	19	Public Health and Family Welfare	2210-03-103-0101 State Plan Schemes (Normal) 2777 Primary Health Centre	20.57	45.85	25.28	123
3	23	Water Resources Department	2701-03-800-2250 Canal and Tanks	5.00	14.17	9.17	183
4	32	Expenditure pertaining to Public Relations Department	2220-01-001- State Plan Scheme (Normal) 2320 - Direction & Administration	4.77	10.44	5.67	119
5	41	Tribal Areas Sub-Plan	2505-01-796-701-0702 Centrally Sponsored Schemes 5372 - Entire Employment Scheme	5.52	28.24	22.72	412
			TOTAL (A)	36.95	105.16	68.21	
(B) - CAPITAL (V)							
1.	24	Public Works Roads & Bridges	5054-03-101-0101-4151 Construction of Major Bridges	1.08	8.27	7.19	666
2		Public Works Roads & Bridges	5054-04-800-0101-1222 Construction of rural roads under basic minimum services	1.12	14.46	13.34	1191
3		Public Works Roads & Bridges	5054-04-800-0101-2457 Minimum Needs Programme	0.56	11.55	10.99	1963
			TOTAL (B)	2.76	34.28	31.52	
			TOTAL (A) + (B)	39.71	139.44	99.73	

## APPENDIX-XIII

(Referred to in Paragraph 2.3.6)

**INJUDICIOUS SURRENDER / IRREGULAR / INCORRECT RE-APPROPRIATION/SURRENDER**

(a) Some of the cases in which funds were injudiciously withdrawn by the re-appropriation / Surrender, although accounts already shown excess over provisions, are mentioned below:-

(Rupees in crore)

Sl. No.	Grant No. and Head of account	Original + Supplementary Provision	Actual expenditure	Excess before reappropriation	Reappropriation / Surrender	Final excess
1	2	3	4	5	6	7
1.	03-Police 2055-109-4491 General Expenditure	110.17	123.27	13.10	(-) 1.31	14.41
2.	41-Tribal areas sub-plan 2505-01-796-701-0702-5372 Entire Employment Scheme	27.55	28.24	0.69	(-) 22.03	22.72
3.	42-Public works relating to Tribal areas sub-plan Roads & Bridges 5054-03-796-337-0102-3710 State High Way	6.33	12.27	5.93	(-) 5.03	10.97
4.	42-Public Works relating to Tribal area sub-plan Roads & Bridges 5054-04-796-800-0102-6590 Construction of rural roads under NABARD loan assistance	21.07	23.34	2.27	(-) 6.39	8.66
5.	80 - Financial Assistance to 3-tier Panchayati Raj Institution 2235-60-102-9142 Social Security & Welfare	40.61	48.51	7.9	(-) 1.68	9.58



APPENDIX-XIV

(Referred to in Paragraph 2.3.6)

**SOME OF THE CASES IN WHICH FUNDS WERE INJUDICIOUSLY WITHDRAWN BY RE-APPROPRIATION / SURRENDER, IN EXCESS OF AVAILABLE SAVING, RESULTING IN FINAL EXCESS**

(Rupees in crore)

Sl. No.	Grant No. and Head of account	Original + Supplementary Provision	Actual expenditure	Available Savings	Re-appropriation / Surrender	Final excess
1	2	3	4	5	6	7
1	01-General Administration 2052-090-4327-Secretariat	15.50	10.96	4.54	4.72	0.18
2.	05-Jail 2056-101-938-Central and District Jails	18.51	16.64	1.87	2.97	1.10
3.	09-Expenditure pertaining to Revenue Department 2058-102-2820-Printing, Storage & Distribution of Forms	3.61	1.91	1.70	1.71	0.01
4.	10-Forest 2406-01-101-3877 Regional Forest Circle	88.00	83.06	4.94	7.19	2.25
5.	21-Expenditure pertaining to Housing and Environment Department 4216-01-106-0101-7552 Construction of residential buildings for employees	6.00	3.54	2.46	3.00	0.54
6.	21-Expenditure pertaining to Housing & Environment Department 4217-01-051-0101-5050 Environment Reform	3.00	0.93	2.07	2.10	0.03
7.	24-Public Works Roads & Bridges 5054-03-101-0101 State Plan, Schemes (Normal) 6589- Construction of Major Bridges under NABARD Loan Assistance	16.44	13.63	2.81	6.14	3.33

(1)	(2)	(3)	(4)	(5)	(6)	(7)
8.	33 - Tribal Welfare 2225-02-277-2675 Post Metric Scholarships	9.69	4.81	4.88	5.39	0.51
9.	33-Tribal Welfare 2225-02-277-0101-1395 Hostels	22.71	21.50	1.21	2.24	1.03
10.	41-Tribal areas sub-plan 2406-01-796-800-0910- NCDC 5167 - Construction of Godowns for forest produce collection	16.69	8.09	8.6	8.59	0.01
11.	41-Tribal areas sub-plan 2225-02-796-277-0102- 581 Higher Secondary School	21.87	17.98	3.89	5.51	1.62
12.	41-Tribal areas sub-plan 2236-02-796-101-0102- 414 Special Nutrition Programme in Tribal Areas	9.30	8.25	1.05	1.16	0.11
13.	41-Tribal areas sub-plan 2236-02-796-101-0102- 4851 Pradhan Mantri Gramodaya Yojana	4.95	3.71	1.24	1.54	0.30
14.	47-Technical education and man power planning department 2203-105-0101-2668 Polytechnic Institutions	8.63	7.16	1.47	1.49	0.02
15.	47-Technical education and man power planning department 2203-112-0101-502- Engineering College	10.70	8.8	1.90	2.00	0.10
16.	48-Grant for upgradation of administration under 11th Finance Commission 4216-01-106-1301-4848 Grant for upgradation of administration under 11th Finance Commission	14.14	10.99	3.15	3.61	0.46



(1)	(2)	(3)	(4)	(5)	(6)	(7)
17.	55-Expenditure pertaining to Women and Child Welfare 2235-02-102-0801-5355 Training to Anganwadi Workers under Integrated Child Development Scheme	9.86	2.75	7.11	7.26	0.15
18.	55-Expenditure pertaining to Women and Child Welfare 2236-02-101-0101-9050 Minimum Needs Programmes Special Nutrition Scheme	27.95	23.62	4.33	5.92	1.59
19.	64-Special component Plan for Scheduled Caste 2225-01-789-800-0703-5191 Assistance / Rehabilitation assistance under Atrocity Prevention Act for SC/ST	2.48	1.33	1.15	1.37	0.22
20.	64-Special Component Plan for Scheduled Caste 2225-01-793-102-0603-4675 Self Employment Scheme	4.35	2.18	2.17	2.18	0.01

#### APPENDIX-XV

(Referred to in Paragraph 2.3.6)

#### CASES OF UNNECESSARY AUGMENTATION OF FUNDS BY RE-PPROPRIATION DESPITE SAVING

(Rupees in crore)

Sl. No.	Grant No. and Head of account	Original + Supplementary Provision	Actual expenditure	Available Savings	Reappropriation / Surrender	Final Saving
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	07-Expenditure pertaining to Commercial tax Department 2039-001-122-Superintendence	2.07	1.50	0.57	1.33	1.90

## APPENDIX-XVI

(Referred to in Paragraph 2.3.7)

## LAPSING OF BUDGET PROVISION

(Rupees in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Total available saving	Amount not surrendered (% age to total saving)
(1)	(2)	(3)	(4)	(5)
<b>(A) REVENUE-VOTED</b>				
1.	03	Police	21.31	8.60 (40)
2.	06	Expenditure pertaining to Finance Department	139.19	136.75 (98)
3.	07	Expenditure pertaining to Commercial Tax Department	35.22	35.22 (100)
4.	08	Land Revenue and District Administration	14.69	12.10 (82)
5.	10	Forest	30.31	5.54 (18)
6.	12	Expenditure pertaining to Energy Department	28.16	28.16 (100)
7.	13	Agriculture	32.67	32.67 (100)
8.	14	Expenditure pertaining to Animal Husbandry Department	5.88	5.88 (100)
9.	15	Financial Assistance to 3-tier Panchayati Raj Institutions under special component plan for Scheduled Castes	7.55	7.01 (93)
10.	19	Public Health & Family Welfare	54.06	54.06 (100)
11.	20	Public Health Engineering	26.94	26.94 (100)
12.	23	Water Resources Department	6.94	6.94 (100)
13.	24	Public Works-Roads and Bridges	16.42	11.51 (70)
14.	25	Expenditure pertaining to Mineral Resources Department	11.07	11.07 (100)
15.	27	School education	101.46	101.46 (100)
16.	29	Administration of Justice and Elections	18.05	18.05 (100)
17.	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	173.67	173.67 (100)
18.	41	Tribal Areas Sub-Plan	234.05	107.79 (46)
19.	44	Higher Education	16.89	7.29 (43)
20.	64	Special component plan for SC's	43.11	14.69 (34)
21.	79	Expenditure pertaining to Medical Education Department	13.07	13.07 (100)
22.	80	Financial Assistance to 3 tier Panchayati Raj Institutions	45.46	45.19 (99)
23.	82	Financial Assistance to 3 tier Panchayati Raj Institutions under Tribal Area Sub-Plan	17.33	8.62 (50)
		<b>Total (A)</b>	<b>1093.50</b>	<b>872.27</b>



(1)	(2)	(3)	(4)	(5)
<b>(B) REVENUE CHARGED</b>				
24.		Interest payment	93.02	93.02(100)
		<b>TOTAL (B)</b>	<b>93.02</b>	<b>93.02</b>
<b>(C) CAPITAL VOTED</b>				
25.	06	Expenditure pertaining to Finance Department	6.01	5.02 (84)
26.	12	Expenditure pertaining to Energy Department	33.80	33.80 (100)
27.	17	Co-operation	34.51	32.81 (95)
28.	20	Public Health Engineering	21.03	21.03(100)
29.	23	Water Resources Department	39.83	39.83 (100)
30.	30	Expenditure pertaining to Panchayat and Rural Department	60.36	60.36 (100)
31.	41	Tribal Areas Sub-Plan	78.64	74.40 (95)
32.	60	Expenditure pertaining to District Plan Schemes	11.09	11.09 (100)
33.	64	Special component plan for SC's	37.62	24.69 (66)
34.	68	Public Works relating to Tribal Areas Sub-Plan-Buildings	27.28	25.03 (92)
		<b>TOTAL (C)</b>	<b>350.17</b>	<b>328.06</b>
		<b>GRAND TOTAL (A+B+C)</b>	<b>1536.69</b>	<b>1293.35</b>

**APPENDIX - XVII**  
(Referred to in Paragraph 2.3.7)

**SURRENDER OF FUNDS**

Total amount of sanction of surrenders issued on 31 March 2003						In Rupees
Sl. No.		Nature of Account	Upto 28 February.2003	1 March 2003 to 30 March .2003	On 31 March 2003	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Int. pay-ment	Rev(c)	--	--	--	--
2.	Public Debt	Cap(c)	--	--	9,85,74,85,000	9,85,74,85,000
3	01	Rev(v)	--	--	5,27,85,496	5,27,85,496
4.		Rev(c)	--	--	38,95,878	38,95,878
5.	03	Rev(v)	--	--	12,71,10,000	12,71,10,000
6.		Rev(c)	--	--	10,37,000	10,37,000
7.	04	Rev(v)	--	--	37,000	37,000
8.	05	Rev(v)	--	--	3,12,84,891	3,12,84,891
9.	06	Rev(v)	--	--	2,44,44,000	2,44,44,000
10.		Rev(c)	--	--	10,000	10,000
11.		cap(v)	--	--	99,35,832	99,35,832
12.	08	Rev(v)	--	--	2,58,60,000	2,58,60,000
13.	09	Rev(v)	--	--	2,36,82,000	2,36,82,000
14.		cap(v)	--	--	49,86,000	49,86,000
15.	10	Rev(v)	--	--	24,76,98,000	24,76,98,000
16.		Rev(c)	--	--	15,75,000	15,75,000
17.	11	Rev(v)	--	--	4,32,99,684	4,32,99,684
18.		Rev(c)	--	--	5,000	5,000
19.		Cap(v)	--	--	41,04,900	41,04,900
20.	15	Rev(v)	--	--	54,07,959	54,07,959
21.	17	Rev(v)	--	--	43,49,000	43,49,000
22.		Cap(v)	--	--	1,70,00,000	1,70,00,000
23.	21	Rev(v)	--	--	9,07,43,000	9,07,43,000
24.		Cap(v)	--	--	67,11,72,000	67,11,72,000
25.	22	Rev(v)	--	--	19,63,596	19,63,596
26.	24	Rev(v)	--	--	4,90,90,000	4,90,90,000
27.		Rev(c)	--	--	40,000	40,000
28.		Cap(v)	--	--	8,19,26,000	8,19,26,000
29.		Cap(c)	--	--	2,04,000	2,04,000



(1)	(2)	(3)	(4)	(5)	(6)	(7)
30.	<b>26</b>	Rev(v)	--	--	51,41,927	51,41,927
31.	<b>30</b>	Rev(v)	--	--	60,45,92,200	60,45,92,200
32.	<b>32</b>	Rev(v)	--	--	4,15,16,091	4,15,16,091
33.	<b>33</b>	Rev(v)	--	--	23,15,45,173	23,15,45,173
34.		Rev(c)	--	--	1,00,000	1,00,000
35.	<b>34</b>	Rev(v)	--	--	19,87,000	19,87,000
36.	<b>35</b>	Rev(v)	--	--	19,43,000	19,43,000
37.		Rev(c)	--	--	50,000	50,000
38.		Cap(v)	--	--	50,33,000	50,33,000
39.	<b>40</b>	Rev(v)	--	50,76,000	--	50,76,000
40.		Cap(v)	--	5,60,000	--	5,60,000
41.	<b>41</b>	Rev(v)	--	--	1,26,26,00,012	1,26,26,00,012
42.		Cap(v)	--	--	4,24,23,000	4,24,23,000
43.	<b>42</b>	Cap(v)	--	--	63,99,53,000	63,99,53,000
44.		Cap(c)	--	--	3,84,000	3,84,000
45.	<b>44</b>	Rev(v)	--	--	9,60,39,000	9,60,39,000
46.	<b>47</b>	Rev(v)	--	--	4,53,27,838	4,53,27,838
47.		Cap(v)	--	--	2,56,300	2,56,300
48.	<b>48</b>	Rev(v)	--	--	6,40,78,000	6,40,78,000
49.		Cap(v)	--	--	4,86,50,000	4,86,50,000
50.	<b>49</b>	Rev(v)	--	--	2,12,44,492	2,12,44,492
51.	<b>53</b>	Cap(v)	--	--	1,00,00,000	1,00,00,000
52.	<b>55</b>	Rev(v)	--	--	27,55,58,000	27,55,58,000
53.	<b>58</b>	Rev(v)	--	--	3,04,03,000	3,04,03,000
54.		Rev(c)	--	--	20,00,000	20,00,000
55.		Cap(v)	--	--	1,67,71,000	1,67,71,000
56.	<b>64</b>	Rev(v)	--	--	28,42,10,177	28,42,10,177
57.		Cap(v)	--	--	12,93,33,000	12,93,33,000
58.	<b>66</b>	Rev(v)	--	--	1,19,83,815	1,19,83,815
59.	<b>67</b>	Rev(v)	--	--	60,900	60,900
60.		Cap(v)	--	--	4,04,47,000	4,04,47,000
61.	<b>68</b>	Cap(v)	20,00,000	--	2,05,00,000	2,25,00,000
62.	<b>69</b>	Rev(v)	--	--	2,13,32,367	2,13,32,367
63.	<b>76</b>	Cap(v)	--	--	50,00,000	50,00,000
64.	<b>77</b>	Rev(v)	--	--	6,40,00,000	6,40,00,000
65.	<b>80</b>	Rev(v)	--	--	26,78,000	26,78,000

(1)	(2)	(3)	(4)	(5)	(6)	(7)
66.	81	Rev(v)	--	--	1,48,000	1,48,000
67.		Rev(c)	--	--	2,87,36,117	2,87,36,117
68.	82	Rev(v)	--	--	8,71,16,490	8,71,16,490
			20,00,000	56,36,000	15,52,42,73,135	15,53,19,09,135
					99.95%	

**APPENDIX - XVIII**  
(Referred to in Paragraph 2.5)

**Defective sanctions of Re-appropriation / surrender**

Sl. No.	No. of Sanction	Grant No.	Amount (Rs. in lakh)	Particulars of Irregularities
(1)	(2)	(3)	(4)	(5)
1.	16	Interest payment 01,02,03,04,11,25, 29,36,37,41,46,47, 64,80,82	15883.6	Delay in receipt of sanction
2.	20	6,7,11,12,14,15,16, 18,27,29,40,43,56, 64,71,78,80,81,82	11875.52	Sanctions were issued after close of financial year
3.	1	56	3.08	Re-appropriation from one grant to another
			27762.2	



25.	6408-6568-Loans to State Cooperative Banks to improve the Agriculture credit fund	1.00	-	1.00
26.	6408-910- Grant to improve the credit of Agriculture funds	2.00	-	2.00
27.	2425-8276-Financial aid to women Cooperative Societies	5.00	-	5.00
28.	6425-8235-Loans to Women Cooperative Societies	5.00	-	5.00

#### APPENDIX-XXI

(Referred to in paragraph 2.7.1)

Cases where no/less expenditure was incurred against the allotment

(Rupees in lakh)

Grant number	Major Head	Provision	Actual expenditure	Percentage
10-Forest	2055(voted)	77.34	Nil	0
	2235(voted)	0.05	Nil	0
	2402(voted)	5.00	Nil	0
	6401(voted)	1.50	Nil	0
	7610(voted)	1.00	Nil	0
17-Cooperation	4408(voted)	773.00	Nil	0
20-PHE	6215(voted)	2050.00	50.00	3
	4215(voted)	68.75	16.10	23

## APPENDIX-XXII (i)

(Referred to in paragraph 2.7.1)

## Cases in which supplementary provision under schemes proved unnecessary

(Rupees in lakh)

SI No.	Grant number and name of scheme	Original provision	Supplementary provision	Expenditure	Saving
<b>10-Forest</b>					
1.	2406-005-6025-Survey & Utilisation of Forest	7.50	1.50	6.91	2.09
<b>20-PHE</b>					
2.	4215-0101-5403 Rural Piped Water Supply Scheme	0	38.75	0	38.75
<b>17-Co operative</b>					
3.	4425-2754-Investment in shared capital of primary credit societies	100.00	200.00	--	300.00
4.	4408-5054- Construction of stores	42.85	710.15	--	753.00
	<b>Total</b>		<b>950.40</b>		<b>1093.84</b>

## APPENDIX-XXII(ii)

(Referred to in paragraph 2.7.1)

## Cases in which supplementary provision under schemes proved excessive

(Rupees in crore)

SI No.	Grant number and name of scheme	Original provision	Supplementary provision	Expenditure	Saving
<b>14-Animal Husbandry</b>					
1.	2403-101-2549 N.P. Vetenary Hospital & Dispensaries	16.87	0.83	17.10	0.60
2.	2403-101-1108- Intensive Cattle Development Project	7.05	0.82	7.10	0.77
3.	2403-101-2549 Plan Vet. Hospital & Disp.	2.15	0.38	2.36	0.17
4.	2403-1342-Development of Fodder Farms Plan	0.02	0.69	0.52	0.19
5.	2403-8703- Milk production and Infrastructure	0.40	3.79	3.79	0.40
<b>17-Co-operation</b>					
6.	2425-5402-Integrated Co-operative Dev. Project Jashpur (Grant)	0.00	0.23	0.13	0.10
7.	6408-5054- Formation of Warehouse (Loan)	0.63	8.78	6.95	2.46
8.	6425-5402-Integrated co operative Development Project Jashpur (Loan)	0.00	0.24	0.19	0.05
	<b>Total</b>				<b>4.74</b>



## APPENDIX-XXIII

(Referred to in paragraph 2.7.1)

## Rush of expenditure under schemes

(Rupees in lakh)

Sl No.	Grant Number/Major head and name of schemes	Total expenditure	Expenditure in March	Percentage
<b>14-Animal Husbandry</b>				
1.	2403-101-9491- Establishment of new Veterinary Dispensaries	8.22	5.45	66
2.	2403-3585-Foot and mouth disease vaccination scheme	24.73	22.27	90
3.	2403-3786-Reinderpest	21.24	12.86	61
4.	2403-1342- Development of Fodder Farms	51.55	50.19	97
5.	2403-8703- Milk Production and infrastructure	379.20	379.20	100
6.	2403-109-800-8704- other expenditure	55.00	55.00	100
<b>33-Tribal welfare</b>				
7.	2225-9417-Grant in aid for H.S education to Rural & Urban bodies	18.96	8.19	43
8.	2225-9418- Grant in aid for secondary education to Rural & urban bodies	37.67	14.82	39
9.	2225-307- Grant in aid to non-Government institutions	244.22	202.21	83
10.	2225-5898- Construction work	24.74	10.98	44
11.	2225-172-G in aid to Tribal Co-operative Development	3.57	1.75	49
<b>17-Co-operation</b>				
12.	2425-5422-Akekrat Sahkari Vikas Pariyojna Raigarh	52.72	52.72	100
13.	2425-3350-Donation to Training Centre	2.70	1.35	50
14.	2425-303-Cooperative Education Scheme for non Government person	3.60	1.80	50
15.	2425-6573-Strengthening of Agriculture credit stabilization fund	2.00	2.00	100
16.	2425-5402-Integrated co-operative Development Project Jashpur	12.77	12.77	100
17.	4425-5402 -do- (Investment)	42.67	42.67	100
18.	4425-5422—do- Raigarh	133.20	133.20	100
19.	6425-5402 -do- Jashpur (Investment)	18.54	18.54	100
20.	6425-5422- -do- Raigarh	65.57	65.57	100
21.	6425-3242- Purchase of Debentures Floated by the State Co-operative Land Dev. Bank	12.71	12.71	100

## APPENDIX-XXIV

(Referred to in Paragraph 2.8)

Statement showing the details of utilisation upgradation grant recommended by the Eleventh Finance Commission (EFC) for the year ending March 2003

(Rupees in lakh)

Sl. No.	Section/Scheme	Amount received from GOI till March 2003 as intimated by Finance Department	Amount received till March 2003 as intimated by the departments	Expenditure as per the figure of Finance department	Expenditure intimated by the departments	Expenditure as percentage of received funds as per finance department	Expenditure as percentage of received funds as per the departments	Comments
1.	2.	3.	4.	5.	6.	7.	8.	9.
1.	District Administration	2126.43	2126.43	2126.43	427.96	100	20.13	Rs.2126.43 lakh allotted to nine district collectors, the details of expenditure in respect of construction of residential quarters and non-residential quarters, infrastructure for the year 2002-03 are called for from the concerned district collectors. The utilisation certificates are awaited.
2.	Police							
(a)	PS buildings	188.23	193.72	181.27	60.00	96.30	30.97	The utilisation certificates are awaited from SP's. It is doubtful whether the construction of PS buildings completed or not. CE, PWD had not allotted the amount to EE's, hence expenditure could not be done.
(b)	Women personnel	57.51	78.53	42.30	42.30	73.55	53.86	The utilisation certificates are awaited from concerned SP, Rs.36.23 lakh was kept in 'K' deposit.
(c)	Equipments and Weapons	164.50	164.50	108.90	108.90	66.20	66.20	Rs.55.60 lakh was kept in 'K' deposit.
(d)	F. Sc. Lab	72.39	62.39	Nil	Nil	Nil	Nil	All the amount of Rs.62.39 lakh was kept in K-deposit.
(3)	Prison administration	84.46	84.46	79.60	79.60	94.25	94.25	Rs.4.86 lakh kept in 'K' deposit, the utilisation certificates are awaited from concerned EE, PWD.



Appendices

1.	2.	3.	4.	5.	6.	7.	8.	9.
(4)	Fire services	442.81	366.81	383.89	366.81	86.69	100	The expenditure for Rs.209.10 lakh had been incurred by the various municipalities. The utilisation certificate had also been furnished by them for the same amount.
(5)	Judicial administration	791.01	791.01	349.20	320.76	44.14	40.55	Utilisation certificate for Rs.320.76 lakh received. The remaining amount will be utilised within five years as per recommendation of eleventh finance commission. As such the amount could not be utilised in full.
(6)	Fiscal administration	315.00	315.00	10.84	10.84	3.44	3.44	Rs.304.16 lakh kept in 'K' deposit first phase completed in computerisation of treasuries due to delay for implementation of vat scheme by Government of India, Rs.150 lakh could not be utilised.
(7)	Health Services	603.30	593.30	591.04	591.01	97.97	97.97	Rs.10 lakh less released by the finance department to health department.
(8)	Elementary education	590.83	617.14	448.23	448.23	75.86	94.00	The utilisation certificate are awaited from concerned CEO, Zila Panchayat. An amount of Rs.474.99 lakh had been released for construction to the implementing agencies, the reasons for not releasing full amount has not been furnished.
(9)	Computer Education	619.20	381.20	68.80	Nil	11.11	Nil	Rs.68.80 lakh drawn and kept in K-deposit. Balance amount could not be drawn due to non-taking decision at Government level.
(10)	Public libraries	37.20	37.20	37.20	27.20	100	73.12	Rs.10 lakh kept in K-deposit. Education department was authorised by Government for creation of corpus funds.
(11)	Heritage protection	26.34	26.34	26.34	17.56	100	66.67	Rs.8.78 lakh kept in K-deposit. Utilisation certificates are awaited.

1.	2.	3.	4.	5.	6.	7.	8.	9.
(12)	Aug. of traditional water resources	744.87	795.28	708.38	566.12	95.10	71.18	
(a)	Revenue Department	--	349.24	303.69	161.43	--	--	Rs.349.24 lakh was allotted till March 2003, Rs.161.43 lakh was shown as expenditure but utilisation certificates are awaited.
(b)	PHE department	--	446.04	404.69	404.69	--	--	Finance Department released Rs.367.04 lakh where as PHE department intimated that Rs.446.04 lakh have been received. Further Engineer in Chief has released total amount of Rs.328 lakh (2001-02 : Rs.158 lakh, 2002-03 : Rs.170 lakh) in the whole State. Expenditure was shown Rs.404.69 lakh. Hence the figure of expenditure appears to be in correct. The utilisation certificates are received for Rs.169.22 lakh only.
	<b>Grand Total</b>	<b>6864.17</b>	<b>6633.31</b>	<b>5162.42</b>	<b>3067.29</b>			



**APPENDIX-XXV***(Referred to in paragraph 3.1.4)***Statement showing significant cases of persistent savings during 2000-03****Grant No.13 Agriculture***(Rupees in lakh)*

Sl. No.	Head	Amount of saving with percentage of saving to total provision		
		2000-01	2001-02	2002-03
1.	2401-Crop Husbandry 001-Direction & Administration 4288-Direction (staff headquarter level)	25.50 (52)	92.41 (53)	60.52 (40)
2.	0101-State Plan Schemes 4112-Expenditure for the first phase of the State Plan Intensive Extension Project	28.79 (19)	373.82 (56)	26.29 (7)
3.	102-Food grains crops 0701-Centrally sponsored schemes 921-Pulse Crop production	30.18 (99)	88.40 (85)	12.79 (43)
4.	105-Manures & Fertilizers 0101-State Plan Schemes 1060-Establishment of manure quality control laboratory	4.39 (58)	7.70 (58.7)	--
5.	107-Plant protection scheme 0101-State Plan Schemes 2680-Plant protection scheme	9.94 (66)	20.51 (56.9)	15.86 (52)
6.	108-Commercial Crops 0801-Central Sector Schemes 4838-Micro Management working plan	81.97 (14)	1051.55 (52)	811.94 (49)
7.	113-Agriculture Engineering 4204-Government Machine Tractor Station Scheme	19.70 (35)	15.50 (13)	18.88 (15)
8.	119-Horticulture & Vegetables crops 0101-State Plan Schemes 2013-Establishment of new gardens & Nurseries	104.92 (43)	133.87 (25)	60.31 (14)
9.	655-Integrated Horticulture development	60.39 (66.5)	71.26 (40)	57.35 (36)
10.	2851-Scheme of vegetable production around big cities	9.66 (55)	15.33 (60)	1.94 (11)
11.	9188-Horticulture Development programm	20.51 (46.6)	32.57 (30)	13.23 (13)
12.	110-Crop Insurance 0101-State Plan Scheme 8702-National Agriculture Insurance Scheme	100.00 (81)	1443.90 (38)	900.78 (99)
	<b>Total</b>	<b>495.95</b>	<b>3346.82</b>	<b>1979.89</b>

**APPENDIX-XXVI**

(Referred to in paragraph 3.1.4)

*Statement showing details of drawals of funds without requirements**(Rupees in lakh)*

Year	Name of DDO	Amount drawn in advance	Name of Agency to whom paid	Purpose
2000-01	DDA Jagdalpur (Bastar)	0.47	Indra Gandhi Krishi Vishwa Vidyalya	Cost of Certified seeds
	-do-	1.26	Agriculture Engineer Raipur	Agricultural Implements
	-do-	0.21	M.P.Raj Beej Vikas Nigam	Cost of Certified seeds
	DDH Raipur	12.68	M.P. State Agro Corporation	For supply of drip sets
		<b>14.62</b>		
2001-02	DDA Ambikapur (Surguja)	2.43	Mandi Board	Paddy Seed & I PM Kits
	DDA Raipur	50.00	-do-	Cost of Certified Paddy seeds
	DDH Raipur	15.00	Marketing Federation CG State	For supply of drip sets
		<b>67.43</b>		
2002-03	DDA Ambikapur	4.49	I.G.K. V.V.	For supply of sprinkler & seeds
	-do-	0.53	-do-	For Supply of low lift pumps
	DDA Jagdalpur (Bastar)	0.20	-do-	Agricultural implements
	-do-	0.46	Mandi Board	IPM Kits
	-do-	0.01	Agriculture Engineer Jagdalpur	Agricultural implements
		5.69		
	<b>Grand Total</b>	<b>87.74</b>		

**APPENDIX-XXVII**

(Referred to in paragraph 3.1.4)

*Statement showing details of outstanding DC bills**(Rupees in lakh)*

Sl. No.	Name of District	Name of DDO	Year	Unadjusted amount of DC Bills
1.	Raipur	ASCO Baloda Bazar	May 1999	2.00
2.	Bastar	ASCO Jagdalpur	November 1990 to January 1997	13.47
3.	Koria	ASCO Baikunthpur	March 1994	5.94
4.	Dantewada	ASCO Beejapur	March 1992 to March 1999	62.51
5.	-do-	SDO Beejapur	January to June 1993	6.18
6.	Kanker	ASCO Kanker	1992 To 1999	37.47
7.	Bilaspur	ASCO Pendra Road	March 1993 to March 1996	12.69
8.	Raipur	ASCO (SMS) Raipur	July 2002	1.40
9.	Rajnandgaon	ASCO Rajnandgaon	2000-2002	22.25
10.	Janjgir-Champa	ASCO Sakti	March 1995	8.90
		<b>Grand Total</b>		<b>172.81</b>



## APPENDIX-XXVIII

(Referred to in paragraph 3.1.5)

Statement showing the component wise targets and achievements in physical and financial terms for the period 2001-03 under NPDP

(Rupees in lakh)

Sl. No.	Component	Physical				Financial		
		Unit	GOI Target	State Target	Achievement	GOI Target	State Target	Achievement
	<b>Seed Sector</b>							
1.	Purchase of breeder seeds	Quintal	88	195.40	124.35	3.50	7.82	5.47
2.	Production of foundation seeds	"	1900	1185.80	236.35	9.50	5.93	1.40
3.	Production of certified seeds under (SVS)	"	3400	2767.00	351.16	17.00	13.84	1.67
4.	Distribution of certified seeds	"	2563	2410.00	3275.74	20.50	19.28	17.53
	<b>Total</b>					<b>50.50</b>	<b>46.87</b>	<b>26.07</b>
	<b>Non Seed Sector</b>							
5.	Distribution of seed mini kits	Number	-	33777	33167	-	-	1.30
6.	Block demonstration	Hectare	604	592.00	636.00	13.50	13.24	13.56
7.	IPM Demonstration	"	933	871.00	891.00	14.00	13.04	13.61
8.	Seed treatment	"	5500	7096.00	15345.32	5.50	7.10	10.17
9.	Distribution of Rhizobium culture	"	8000	8000.00	43025.00	4.00	4.00	9.64
10.	Plant protection chemicals	"	-	-	-	-	-	-
11.	Plant protection equipments	Number	679	979	2334	9.50	12.52	11.98
12.	Improved farm implements	"	180	272	578	9.00	6.88	1.97
13.	Distribution of sprinkler sets	"	380	399	220	25.00	27.38	14.17
14.	Distribution gypsum pyrite	Hectare	1340	943	1207.00	6.70	4.72	4.76
15.	Micro Nutrients	"	1500	2494	2345.00	3.00	4.99	5.60
16.	Farmers training	Number	39	40	33.00	6.00	6.00	4.74
17.	Staff contingency	"	-	-	-	-	-	-
18.	NPV Distribution for pod Borer	"	-	-	-	-	-	0.78
	<b>TOTAL</b>					<b>96.20</b>	<b>99.87</b>	<b>92.28</b>
	<b>Grand Total</b>					<b>146.70</b>	<b>146.74</b>	<b>118.35</b>

## APPENDIX-XXIX

(Referred to in paragraph 3.1.5)

## Statement showing the component wise details of physical and financial targets and achievements during 2001-03 under OPP

(Rupees in lakh)

Sl. No.	Components	Physical				Financial		
		Unit	GOI Target	State Target	Achievement	GOI Target	State Target	Achievement
	<b>Seed Sector</b>							
1.	Purchase of Breeder seeds	Quintal	105	76.30	48.25	4.00	2.89	1.59
2.	Production of foundation seeds	"	1800	1250	129.15	9.00	6.25	0.89
3.	Distribution of certified seeds	"	3750	9355.55	11605.48	30.00	58.33	31.78
4.	Production of certified seeds (SVS)	"	7400	5000	12.85	37.00	25.00	0.03
	<b>Total</b>					<b>80.00</b>	<b>92.47</b>	<b>34.29</b>
	<b>Non seed Sector</b>							
5.	Block Demonstration	Hectare	865	865	5564	17.30	25.59	35.70
6.	Improved farm Implements	Number	360	254	530	18.00	10.06	1.69
7.	Distribution of Sprinkler Sets	"	328	328	199	41.00	41.00	14.30
8.	Seed Treatment	Hectare	4000	6228	18043	4.00	6.23	26.02
9.	Integrated Pests Management (IPM)	"	1041	713	878	15.60	10.70	17.91
10.	Plant Protection Implements	Number	785	858	1749	11.00	11.00	13.24
11.	Distribution of Rhizobium Culture	Hectare	6000	6000	13137	3.00	3.00	18.96
12.	Distribution of Gypsum Pyrite	"	5000	3551	3738	25.00	17.32	13.16
13.	Micronutrients	"	3500	3000	3756	7.00	6.00	6.77
14.	Plant Protection Chemicals	"	1400	1065	1935	7.00	5.33	11.27
15.	Distribution of Minikits	Number	-	57500	89189	-	-	1.37
16.	Farmers Training	"	73	73	62	11.00	10.95	8.90
17.	Contingency	-	-	-	-	-	-	-
	<b>Total</b>					<b>159.90</b>	<b>147.18</b>	<b>169.29</b>
	<b>Grand Total</b>					<b>239.90</b>	<b>239.65</b>	<b>203.58</b>



## APPENDIX-XXX

(Referred to in paragraph 3.1.5)

Statement showing the details of expenditure on wages maintenance and income of gardens during 2000-2003

(Rupees in lakh)

Name of District	Number of Garden	2000-01			2001-02			2002-03		
		Expe. on wages maintenance etc.	Total income	Excess of exp. over revenue	Exp. on wages maintenance etc.	Total income	Excess of exp. over Revenue	Exp. on wages maintenance etc.	Total income	Excess of exp. over Revenue
Ambikapur	13	33.47	19.09	14.38	48.73	15.58	33.15	54.18	17.76	36.42
Bilaspur (x)	10	16.28	10.48	5.80	13.70	7.85	5.85	10.97	5.05	5.92
Jagdalpur (xx)	8	11.88	2.00	9.88	19.80	2.46	17.34	32.03	4.54	27.49
Raipur	3	1.33	0.66	0.67	10.69	7.05	3.64	12.27	10.46	1.81
<b>Total</b>	<b>34</b>	<b>62.96</b>	<b>32.23</b>	<b>30.73</b>	<b>92.92</b>	<b>32.94</b>	<b>59.98</b>	<b>109.45</b>	<b>37.81</b>	<b>71.64</b>

Total expenditure during 2000 to 2003 = Rs.2.65 crore

Total Receipts during 2000 to 2003 = Rs.1.03 crore

Loss incurred (Rs.2.65 crore - Rs.1.03 crore) = Rs.1.62 crore

## APPENDIX-XXXI

(Referred to in paragraph 3.1.7)

## Statement showing the details of incomplete works under Micro Minor Irrigation Scheme

(Rupees in lakh)

Sl. No.	Name of Districts	Name of executing agency	Name of incomplete work	Year of sanction	Amount sanctioned	Expenditure	Reasons
1.	Bilaspur	ASCO NWS Pendra Road	Moh Bandha Minor Irrigation Tank MIT	2000-01	4.94	2.35	Land dispuse
2.	Rajandgaon	ASCO Rajandgaon	Khapari Massoi MIT	1998-99	5.39	1.18	Incomplete
3.	Bilaspur	ASCO Bilaspur	Basha MIT	2000-01	9.88	7.59	"
4.	Bilaspur	ASCO Bilaspur	Kaparia Khurd MIT	2001-02	8.21	8.20	"
5.	Bilaspur	ASCO Bilaspur	Kekiti MIT	2001-02	3.83	3.80	"
6.	Bilaspur	ASCO Bilaspur	Kuseli MIT	2001-02	4.48	4.41	"
7.	Raipur	ASCO Raipur	Manpasar MIT	1998-99	7.57	7.00	"
8.	Raipur	ASCO Raipur	Mokhla MIT	1999-2000	9.13	8.95	"
9.	Raipur	ASCO Raipur	Semra MIT	1999-2000	9.94	2.00	"
10.	Raipur	ASCO Raipur	Ulva MIT	2000-01	7.31	2.00	"
11.	Raipur	ASCO Raipur	Lamkani MIT	2000-01	4.39	1.00	"
12.	Dantewara	ASCO Dantewara	Pondum MIT	1998-99	7.40	5.93	"
13.	Dantewara	ASCO Dantewara	Ichowara MIT	1998-99	9.99	9.50	"
14.	Dantewara	ASCO Dantewara	Birstchpal II MIT	1998-99	3.69	3.10	"
15.	Dantewara	ASCO Dantewara	Chirpurpal MIT	1998-99	3.14	0.51	"
16.	Dantewara	ASCO Dantewara	Chanpel MIT	2001-02	11.55	1.70	"
17.	Dantewara	ASCO Dantewara	Koyabekor MIT	2001-02	9.79	4.00	"
18.	Kawardha	ASCO Karwardha	Irrigation Tank Shobhanapur	2001-02	17.24	8.50	
19.	Kawardha	ASCO Kawardha	Lata Imi Tank	2001-02	7.79	3.86	
20.	Jagdalpur (Bastar)	ASCO Kondagaon	Malgaon water harvesting tank	2000-01	-	1.49	
GRAND TOTAL						87.07	



**APPENDIX-XXXII**  
(Referred to in paragraph 3.2.5 and 3.2.6)

**Statement of financial position of Chhattisgarh Health Society (Sub Society AIDS)**

(Rupees in lakh)

S No. of Action Plan	Name of Component	Budget Approved in Action Plan			Amount received from NACO		Amount allocated by SACS			Total allocati-on	Expenditure Reported			Balance	
		2001-02	2002-03	Total	2001-02	2002-03	2001-02	Opening Balance	2002-03	2002-03 (9+10)	2001-02	2002-03	Total	2001-02 (8-12)	2002-03 (11-13)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1.	Priority targeted intervention against HIV/AIDS including prevention among High Risk Group														
1.1	Minor Civil Works	2.60	5.00	7.60	Note*	Note*			4.8	4.80		0.80	0.80		4.00
1.2	Grants for STD Clinics for purchase of consumables and medicines	9.00	15.00	24.00			9.00	4.00	11.00	15.00	5.00	7.23	12.23	4.00	7.77
1.2.1	Equipment for STD Clinic	--	5.00	5.00					4.50	4.50		1.50	1.50		3.00
1.2.2	Condom Promotion and Procurement	--	20.00	20.00						0		0	--		0.00
1.4	NGO Support for TI	70.20	40.00	110.20						0		0	--		0.00
1.5	Consultant Services for mapping IIRG and evaluation of TI project	--	5.00	5.00						0		0	--		0.00
	<b>Sub-Total</b>	<b>81.80</b>	<b>90.00</b>	<b>171.80</b>			<b>9.00</b>	<b>4.00</b>	<b>20.30</b>	<b>24.30</b>	<b>5.00</b>	<b>9.53</b>	<b>14.53</b>	<b>4.00</b>	<b>14.77</b>
2	Prevention Intervention among the General Community including Prevention among Low Risk Groups														
2.1	Minor Civil Works for blood banks and VCTCs	--	10.00	10.00					8.26	8.26		0.80	0.80		7.46
2.2	IEC and Awareness	75.40	43.89	119.29					36.72	36.72		36.72	36.72		0.00
2.3	School Aids Education programme	9.10	20.00	29.10						0		0	--		0.00
2.4	Voluntary Counselling Centres	24.70	27.40	52.10			1.26	1.26	6.88	8.14	0	2.29	2.29	1.26	5.85
2.5	Blood Safety	38.72	35.00	73.72			25.87	9.47	37.26	46.73	16.40	33.58	49.98	9.47	13.15
2.6	Procurement of equipment for new blood bank	0.28	7.50	7.78					15.90	15.90		11.68	11.68		4.22
2.7	Provision for implementation of MTCT project in Medical College and District Hospitals	--	6.21	6.21						0		0			0.00
2.8	Family Health awareness campaign	79.50	--	79.50	79.50		79.50	13.64		13.64	65.86	8.21	74.07	13.64	5.43
	<b>Sub-Total</b>	<b>227.705</b>	<b>150.000</b>	<b>377.70</b>	<b>79.50</b>	<b>--</b>	<b>106.63</b>	<b>24.37</b>	<b>105.02</b>	<b>129.39</b>	<b>82.26</b>	<b>93.28</b>	<b>175.54</b>	<b>24.37</b>	<b>36.11</b>

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
3	Low Cost AIDS Care														
3.1	Drugs for OI and PEP Drugs	3.90	5.00	8.90					5.00	5.00		4.99	4.99		0.01
	<b>Sub-total</b>	<b>3.90</b>	<b>5.00</b>	<b>8.90</b>			<b>0.00</b>	<b>0.00</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	<b>4.99</b>	<b>4.99</b>	<b>0.00</b>	<b>0.01</b>
4	Institutional Strengthening												--		
4.1	Purchase of Vehicles	--	9.00	9.00					7.72	7.72		7.72	7.72		0.00
4.2	Sentinel Surveillance	--	8.00	8.00					3.79	3.79		3.60	3.60		0.19
4.3	Training and Fellowship	26.00	40.00	66.00					8.88	8.88		8.88	8.88		0.00
4.4	Monitoring and Evaluation	--	0.00	0.00						0		0	--		0.00
4.5	-Salary of regular and contractual staff	26.00	33.00	59.00					10.46	10.46		10.46	10.46		--
4.6	-furnitures, fixures and office equip.	3.90	20.00	23.90					18.02	18.02		18.02	18.02		--
4.7	-Maint. Of office, equipments and vehicles	7.80	10.00	17.80			13.87	13.68	5.81	19.49	0.19	3.02	3.21	13.68	16.47
	<b>Sub-total</b>	<b>63.70</b>	<b>120.00</b>	<b>183.70</b>			<b>13.87</b>	<b>13.68</b>	<b>54.68</b>	<b>68.36</b>	<b>0.19</b>	<b>51.70</b>	<b>51.89</b>	<b>13.68</b>	<b>16.66</b>
5	Inter-sectoral Collaboration												--		
5.1	IEC and Awareness	5.2	5.00	10.20								0	--		0.00
	<b>Sub-total</b>	<b>5.20</b>	<b>5.00</b>	<b>10.20</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>		<b>---</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total</b>	<b>382.31</b>	<b>370.00</b>	<b>752.305</b>	<b>129.50</b>	<b>185.00</b>	<b>129.50</b>	<b>42.05</b>	<b>185.00</b>	<b>227.05</b>	<b>87.45</b>	<b>159.50</b>	<b>246.95</b>	<b>42.05</b>	<b>67.55</b>

**Note :** Component-wise funds were not received from NACO; Rs.50lakh were released in 2001-02 and Rs.185 lakh were released in 2002-03.



**APPENDIX-XXXIII**

(Referred to in paragraph 3.2.6)

**Statement showing the number of persons attended the camps and  
RTI/STI cases referred and treated**

(As per District and State Reports)

Sl. No	Name of District	Total estimated target population 15 to 49 years	Number of persons actually attended camp	Percentage of attendance	Number of RTI/STI cases referred	Number of persons treated	Percentage of shortfall of treatment
1.	2.	3.	4.	5.	6.	7.	8.
1	Bilaspur	7,97,219	117793	15	2964	11,188	
2	Dantewada	3,46,303	155364	45	4115	3,134	24
3	Dhamtari	248150	8218	3	437	5,258	
4	Durg	1023015	24302	2	1976	7,447	
5	Jagdalpur (Bastar)	508423	62798	12	4623	4,111	11
6	Janjgeer (Chapa)	454830	122045	27	1439	957	34
7	Jashpur	253785	18184	7	1769	4,813	
8	Kanker	352511	118654	34	918	2,941	14
9	Kawardha	254083	48749	19	3966	2,971	25
10	Korba	295005	150392	51	2155	1,707	21
11	Koriya	207610	17335	8	3413	2,969	13
12	Mahasamund	174663	9269	12	863	963	
13	Raigarh	485975	129376	27	4267	2,984	30
14	Raipur	783137	33330	4	791	6,738	
15	Rajnandgaon	671000	27009	4	3578	2,624	27
16	Surguja	824631	299973	36	32387	23,959	26
	<b>Total</b>	<b>7680340</b>	<b>1342791</b>	<b>17</b>	<b>69661</b>	<b>84,764</b>	
	<b>As per State Report</b>	<b>7278235</b>	<b>1342791</b>	<b>18</b>	<b>72156</b>	<b>81796</b>	

## APPENDIX-XXXIV

(Referred to in Paragraph 3.3.2)

## Rates of scholarship payable to ST/SC/OBC students

Applicable from November 2000-01

(In Rupees)

Sl. No.	SC/ST			OBC	
	Class	Boys	Girls	Boys	Girls
1.	3 to 5	--	150	--	--
2.	6 to 8	200	300	150	225
3.	9 to 10	300	400	225	300
Applicable from 2001-02					
1.	3 to 5	--	250	--	--
2.	6 to 8	300	400	150	225
3.	9 to 10	400	500	225	300

## APPENDIX-XXXV

(Referred to in Paragraph 3.3.7)

## Statement showing the delayed release of Scholarship

(Rupees in lakh)

CTD letter No. & Date	Nature of Scholarship	Scholarship pertains to the year	Allotment released during the year	Name of District	Amount released	Total Amount
CTD Raipur No. Budget/3/2001-02/7713 dated 28-11-01	Scholarship to OBC Post Matric	2000-2001	2001-2002	Janjgir	Rs.52.28	52.28
CTD Raipur No. Budget/3/02-03/4658 dt.27.5.2002		2000-01	2002-03	Surguja	7.01	7.01
CTD Raipur No. Budget/3/2002-03/5534 dated 2-7-02	-do-	2001-2002	2002-2003	Janjgir	Rs.5.15	
	-do-	2001-2002	2002-2003	Durg	Rs.57.67	
	Scholarship to OBC Pre Matric	-do-	-do-	Durg	Rs.10.00	72.82
					<b>Grand Total</b>	<b>132.11</b>

## APPENDIX-XXXVI

(Referred to in Para 3.3.7)

## Statement showing the delay in sanction and payment of scholarship in the office of ACTD Raipur

(Rupees in lakh)

Nature of scholarship	Name of office	Scholarship pertaining to year	Paid and sanctioned during the year	Amount	Cheque No.& date
OBC Post Metric	Govt. H.S.S.School, Mandhar	2001-02	2002-03	0.71	283325/4.9.2002
	Govt. Ayurvedic Post Graduate College, Raipur	2000-01	2002-03	1.28	110267/22.10.2002 110268/22.10.2002
	Govt. Engineering College, Raipur	2001-2002	2002-2003	1.17	2833830/4.9.2002
<b>Total</b>				<b>3.16</b>	



**APPENDIX-XXXVII**

(Referred to in Paragraph 3.3.7)

**Statement showing the late drawal of scholarship**

(Rupees in lakh)

Sl.No.	Name of office	Nature of scholarship	Year	Delay ranging from		
				2 to 6 months		
				Bill No.	Date	Amount
1.	2.	3.	4.	5.	6.	7.
1.	AC Surguja	ST (Pre Matric)	2000-01	768	3/01	8.00
				745	3/01	15.00
				746	3/01	5.00
				747	3/01	5.00
						<b>33.00</b>
		OBC (Pre Matric)	2000-01	769	3/01	2.00
				770	3/01	4.00
						<b>06.00</b>
		SC (Pre Matric)	2001-02	742	3/02	4.00
				744	3/02	4.00
				745	3/02	4.25
						<b>12.25</b>
		ST (Pre Matric)	2001-02	647	3/02	8.00
				650	3/02	8.68
				663	3/02	8.68
				666	3/02	2.00
				667	3/02	1.64
						<b>29.00</b>
		OBC (Pre Matric)	2001-02	648	3/02	3.00
				652	3/02	4.00
				662	3/02	5.00
				665	3/02	2.00
				739	3/02	0.50
						<b>14.50</b>
		OBC (Post Matric)	2001-02	741	3/02	4.00
				743	3/02	3.00
				746	3/02	3.00
				750	3/02	2.02
						<b>12.02</b>
		SC (Pre Matric)	2002-03	296	9/02	2.30
				659	3/03	3.00
				626	3/03	1.36
				660	3/03	2.00
				661	3/03	1.00
				705	3/03	1.25
						<b>10.91</b>
		ST (Pre Matric)		622	3/03	2.00
				623	3/03	2.00
				624	3/03	1.00
				625	3/03	5.00
				637	3/03	1.00

						<b>11.00</b>
		OBC (Post Matric)		610 611	3/03 3/03	1.00 1.00
						<b>2.00</b>
				<b>2 to 6 months</b>		
1.	AC Surguja			<b>130.68</b>		
2.	DOTW Janjgir	OBC (Pre Matric)	2000-01	524 525 534	3/01 3/01 3/01	25.00 35.00 25.00
						<b>85.00</b>
		OBC (Post Matric)	2000-01	523	3/01	20.00
						<b>20.00</b>
		ST (Pre Matric)	2002-03	592	3/03	2.00
						<b>2.00</b>
		OBC (Pre Matric)	2002-03	549 550 551 552	3/03 3/03 3/03 3/03	9.50 9.50 9.50 3.02
						<b>31.52</b>
				<b>2 to 6 months</b>		
	<b>DOTW Janjgir</b>	<b>Total</b>		<b>138.52</b>		
3.	ACTD Raipur	ST (Pre Matric)	2001-02	560	9/01	30.00
						<b>30.00</b>
			2002-03	843 844 1253 2008 2009	12.02 12/02 3/03 -do- -do-	40.00 6.00 5.00 8.00 9.00
						<b>68.00</b>
		SC (Pre Matric)	2001-02	522 546 1239	9/01 9/01 3/02	2.00 2.00 30.00
						<b>34.00</b>
			2002-03	1290 to 1292 1302 to 1312 1429	3/03 3/03 -do-	29.55 87.85 13.01
						<b>130.41</b>
		OBC (Pre Matric)	2001-02	523 524 1284 to 1294	9/01 -do- 3/02	20.00 30.00 106.00
						<b>156.00</b>
			2002-03	776 1227 to 1236	11/02 3/03	60.00 80.00
						<b>140.00</b>



	ACTD Raipur			2 to 6 months		
		<b>Total</b>		<b>558.41</b>		
4.	ACTD Raigarh	OBC (Pre Matric)	2000-01	1668	3/01	2.00
						<b>2.00</b>
		SC (Pre Matric)	2001-02	655	9/01	0.05
				657	9/01	0.50
				658	9/01	2.50
				659	9/01	2.00
				660	9/01	0.20
				661	9/01	0.30
				1636	3/02	15.00
						<b>20.55</b>
		ST (Pre Matric)	2001-02	680	9/01	17.50
				708	9/01	2.00
				709	9/01	6.00
				710	9/01	5.00
				711	9/01	1.00
				1794	3/02	8.47
				1796	3/02	0.50
				1797	3/02	0.50
				1903	3/02	9.00
				1904	3/02	9.00
						<b>58.97</b>
		OBC (Pre Matric)	2001-02	703	9/01	0.40
				704	9/01	17.20
				705	9/01	12.00
				706	9/01	0.40
				1783	3/02	1.00
				1819	3/02	2.50
				1821	3/02	3.00
				1822	3/02	0.50
				1905	3/02	6.00
				1906	3/02	5.00
						<b>48.00</b>
		OBC (Post Matric)	2001-02	698	9/01	2.00
				699	9/01	0.20
				700	9/01	7.80
				701	9/01	1.50
				702	9/01	0.50
				1798	3/02	3.00
				1799	3/02	3.00
				1800	3/02	4.00
						<b>22.00</b>
		ST (Pre Matric)	2002-03	1014	10/02	20.00
				1015	10/02	65.00
				1016	10/02	3.00
				1017	10/02	1.00

				1476	2/03	5.00
				1477	2/03	20.00
						<b>114.00</b>
		OBC (Pre Matric)	2002-03	1576	3/03	5.00
				1627	3/03	5.00
						<b>10.00</b>
	ACTD Raigarh			<b>2 to 6 months</b>		
		<b>Total</b>		<b>275.52</b>		
				<b>2 to 6 months</b>		
	ACTD Surguja			130.68		
	DOTW Janjgir			138.52		
	ACTD Raipur			558.41		
	ACTD Raigarh			275.52		
	<b>Grand Total</b>			<b>1103.13</b>		



**APPENDIX-XXXVIII**  
(Referred to in Paragraph 3.3.8)

**Statement showing the irregular issue of cheques to principals of non-Government institutions**

(Rupees in lakh)

Name of Office		November 2000-01	2001-02	2002-03	Grand Total
BEO Surguja	State Scholarship to ST	6.52	6.86	3.44	16.82
	SC	1.38	0.59	0.12	2.09
	OBC	0.64	0.88	0.17	1.69
	Post Matric to OBC	0.03	0.03	0.16	0.22
	<b>Total</b>	<b>8.57</b>	<b>8.36</b>	<b>3.89</b>	<b>20.82</b>
BEO Wadraf Nagar	State Scholarship to ST	0.66	1.15	1.54	3.35
	SC	0.01	0.01	0.03	0.05
	OBC	0.06	0.05	0.08	0.19
	Post Matric to OBC	--	--	--	--
	<b>Total</b>	<b>0.73</b>	<b>1.21</b>	<b>1.65</b>	<b>3.59</b>
ACTD Raipur	State Scholarship to ST	11.47	19.50	21.60	52.57
	SC	0.81	1.24	1.46	3.51
	OBC	4.74	7.02	12.78	24.54
	Post Matric to OBC	18.27	16.82	33.07	68.16
	<b>Total</b>	<b>35.29</b>	<b>44.58</b>	<b>68.91</b>	<b>148.78</b>
	<b>Grand Total</b>	<b>44.59</b>	<b>54.15</b>	<b>74.45</b>	<b>173.19</b>

**APPENDIX-XXXIX**  
(Referred to in Paragraph 3.3.9 )

**Irregular diversion of fund to CEO Zila Panchayat**

(Rupees in lakh)

Year	Category	Grant No./ Major Head	Amount diverted		Total
			By ACTD Raipur	By ACTD Raigarh	
2000-01	ST Scholarship	82/2225/1392	7.20		
			<b>7.20</b>		
	SC Scholarship	15/2225/5133	61.88	45.44	
		-do-	7.00		
			<b>68.88</b>	<b>45.44</b>	<b>121.52</b>
2002-03	SC Scholarship	15/2225/5133	--	39.00	
		15/2225/6175	--	2.30	
		-do-	--	4.25	
	<b>Total</b>			<b>45.55</b>	<b>45.55</b>
	<b>Grand Total</b>				<b>167.07</b>

**APPENDIX-XL**  
(Referred to in paragraph 3.4.4 )

**Project-wise and year-wise position of funds released, utilised and refunded under Accelerated  
Irrigation Benefit Programme (AIBP)**

(Rs. in crore)

Sl. No.	Name of Project	Year	Funds released by MOWR / MO	State share on work proper	Funds utilised			Refunded				Balance out standing for payment		Rate of Interest (per cent)
								Due for payment during the year		Actually repaid during the year				
								Prin- cipal	Inte- rest	Prin- cipal	Inte- rest	Prin- cipal	Inte- rest	
					Work proper	Est.	Total							
1.	Hasdeo Bango Major Multipurpose Project	1997-98	4.25	1.28	2.55	14.07	16.62	0.53	2.62	0.53	2.62	--	--	13
		1998-99	9.00	4.86	9.73	22.28	32.01	0.90	4.42	0.90	4.42	--	--	13, 12.50
		1999-2000	8.60	4.27	12.81	12.42	25.23	0.65	3.14	0.65	3.14	--	--	12.50
		2000-2001	12.93	6.70	20.09	9.60	29.69	0.65	3.19	0.65	3.19	--	--	12.50
		2001-2002	45.00	23.79	71.36	11.00	82.36	1.13	5.40	1.13	5.40	--	--	12
		2002-2003	96.76	76.73	150.37	12.26	162.63	--	--	--	--	--	--	11.50
		176.54	117.63	266.91	81.63	348.54	3.86	18.77	3.86	18.77	--	--	--	
2.	Jonk Diversion Major Project	1999-2000	1.00	0.11	0.34	0.04	0.38	0.08	0.37	0.08	0.37	--	--	12.50
		2000-2001	--	0.33	0.98	--	0.98	--	--	--	--	--	--	12.50
		2001-2002	2.60	1.30	3.91	0.04	3.95	0.07	0.31	0.07	0.31	--	--	12.00
		2002-2003	2.67	1.74	5.23	0.05	5.28	--	--	--	--	--	--	11.50
			6.27	3.48	10.46	0.13	10.59	0.15	0.68	0.15	0.68	--	--	--
3.	Shivnath Diversion Medium Irrigation Project	1997-1998	0.25	0.30	0.60	0.05	0.65	0.03	0.15	0.03	0.15	--	--	13
		1998-1999	0.50	0.38	0.77	0.06	0.83	0.05	0.25	0.05	0.25	--	--	13, 12.50
		1999-2000	0.92	0.33	1.00	0.08	1.08	0.07	0.33	0.07	0.33	--	--	12.50
		2000-2001	1.00	0.65	1.94	0.15	2.09	0.05	0.25	0.05	0.25	--	--	12.50
		2001-2002	0.60	0.55	1.66	0.13	1.79	0.02	0.07	0.02	0.07	--	--	12.00
		2002-2003	0.27	0.23	0.69	0.06	0.75	--	--	--	--	--	--	11.50
			3.54	2.44	6.66	0.53	7.19	0.22	1.05	0.22	1.05	--	--	--
4.	Kosarteda medium Irrigation Project	2002-2003	3.00	2.99	8.96	0.06	9.02	--	--	--	--	--	--	11.50
5.	Barnai Medium Irrigation Project	2002-2003	1.30	1.13	3.38	0.37	3.75	--	--	--	--	--	--	11.50
Grand Total			190.65	127.67	296.37	82.72	379.09	4.23	20.5	4.23	20.5	--	--	--

\* The expenditure of Rs.39.91 crore on Singhara and Kurda distributaries of Kharasia Branch canal, which was not approved by Planning Commission and under AIBP, was included in expenditure of work proper in the year 2002-03



**APPENDIX-XLI**  
(Referred to in paragraph 3.4.6)

**Details of Project approved as per the AIBP guidelines**

Ref.No. five year plan from first plan	Name of project	Year of sanction	Date of invest- ment clearance by the planning commissi on	Project cost original	Latest revised cost under AIBP	Latest re-revised cost	Cost for balance work under AIBP	Expend- iture upto March 2003 under AIBP	Total CLA released	Ultimate irrigation potential	Potential created before launch of AIBP	Potential to be created under AIBP	Potential created after launch of AIBP	Potential actually utilised which was created under AIBP	Reasons for inclusion
				(Rupees in crore)						(Potential in hectare)					
1.	2.	3	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1.6th Plan	Hasdeo Bango Major Multipur pose Project	1980	1980	115.30	1020.00	1043.88	304.74	348.54	176.54	209000 (including 7600 for Parsahi LIS)	122500	86500	52179	3500	Due to paucity of fund
2	Jonk Diversion Major Irrigation Project	1973	1975	4.14	58.48	58.48	18.80	10.59	6.27	14569	5000	9569	3832	nil	-do-
3.5th Plan	Shivnath Diversion Medium Project	1976	--	0.42	12.13	16.73	4.76	7.19	3.54	5870	632	5238	5238	nil	-do-
4.6th Plan	Kosarted a Medium Irrigation Project	1980	1981	6.01	62.60	62.60	45.06	9.02	3.00	11120	NIL	11120	NIL	nil	-do-
5.6 th Plan	Barnai Project Irrigation Project	1984	1984	4.26	18.74	18.74	2.60	3.75	1.30	2820	1335	1485	150	nil	-do-
Total				130.13	1171.95	1200.43	375.96	379.09	190.65	243379	129467	113912	61499	3500	

## APPENDIX-XLI[A]

(Referred to in paragraph 3.4.6)

## Physical status of all Projects sanctioned under AIBP as on 31 March 2003

Sl No.	Name of Project	Date of sanction by MOWR	Date of Commencement	Stipulated date of completion	Revised date for completion	Reasons for delay	Physical Progress					
							Head work			canal		
							Prior to AIBP	under AIBP	total	Prior to AIBP	under AIBP	total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1.	Hasdeo Bango Major Multipurpose Project	October 1997	9 October 1997	March 2003	March 2004	Fixation of agency and acquisition of land	99%	--	99%	70%	15%	85%
2	Jonk Diversion Major Irrigation project	16 Nov 1998	99-2000	March 2001	March 2004	Land acquisition	100%	--	100%	65%	15%	80%
3	Shivnath Diversion Medium Irrigation Project	NA	1997-98	June 1999	Completed June 2002	Acquisition of land	95%	5%	100%	68%	32%	100%
4	Kosarteda Medium Irrigation Project	29 October 2001	23 December 2002	June 2004	March 2006	Forest clearance	58%	--	58%	18%	--	18%
5	Barnai Medium Irrigation Project	22 October 2002	November 2002	March 2003	June 2004	Slow progress by contractors and in land acquisition cases	90%	8%	98%	65%	15%	80%



## APPENDIX-XLII

(Referred to in paragraph 3.4.6)

Cost &amp; Time overrun of projects both completed as well as under progress

Sl No	Name of Project	Duration	Expenditure incurred (Rs.in crore)	Time overrun (in months)	Cost overrun (Rs. in crore)	Remarks due date of completion as per original estimate prior to AIBP
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Hasdeo Bango Major Multipurpose Project	1980 to 2003 (Incomplete)	932.19 (total) 348.54(AIBP)	204 (total) NIL AIBP	816.89 (Total) 43.80 (AIBP)	1986
2.	Jonk Diversion Major Irrigation Project	1973 to 2003 (Incomplete)	40.58 (Total) 10.59(AIBP)	261 (total) 24 (AIBP)	36.44 (Total) NIL (AIBP)	June 1981
3.	Shivnath Diversion Medium Irrigation Project	1976 to June 2002	14.53 (Total) 7.19 (AIBP)	300 (total) 36 (AIBP)	14.11 (Total) 2.43 (AIBP)	1977-78
4.	Kosarteda Medium Irrigation Project	1980 to 2006 (Projected)	26.56 (Total) 9.02 (AIBP)	216 (total) NIL (AIBP)	20.55 (Total) NIL (AIBP)	1985
5.	Barnai Medium Irrigation Project	1984 to 2003 (Incomplete)	18.96 (Total) 3.75 (AIBP)	195 (total) NIL	14.70 (Total) 1.15 (AIBP)	January 1987

## APPENDIX-XLIII

(Referred to in paragraph 3.4.6)

## Statement showing the financial outlay and expenditure on work proper and establishment

(Rupees in crore)

Sl. No.	Name of Project	Year	CLA	State Share for work proper	CLA Admissible	Expenditure		Total	Excess release of CLA
						Work proper	Estab-lishment		
1.	Hasdeo Bango (Major Irrigation Multi-purpose Project)	1997-98	4.25	1.28	1.27	2.55	14.07	16.62	--
		1998-99	9.00	4.86	4.87	9.73	22.28	32.01	--
		1999-2000	8.60	4.27	8.54	12.81	12.42	25.23	
		2000-2001	12.93	6.70	13.39	20.09	9.60	29.69	
		2001-02	45.00	23.79	47.57	71.36	11.00	82.36	
		2002-03	96.96	76.73	73.64	150.37 <sup>1</sup>	12.26	162.63	
		<b>Total</b>	<b>176.54</b>	<b>117.63</b>	<b>149.28</b>	<b>266.91</b>	<b>81.83</b>	<b>348.54</b>	<b>27.26</b>
2.	Jonk Diversion (Major Irrigation Project) (Phase III)	1999-2000	1.00	0.11	0.23	0.34	0.04	0.38	
		2000-01	--	0.33	0.65	0.98	--	0.98	
		2001-02	2.60	1.30	2.61	3.91	0.04	3.95	
		2002-03	2.67	1.74	3.49	5.23	0.05	5.28	
		<b>Total</b>	<b>6.27</b>	<b>3.48</b>	<b>6.98</b>	<b>10.46</b>	<b>0.13</b>	<b>10.59</b>	
3.	Shivnath Diversion (Medium Irrigation Project)	1997-98	0.25	0.30	0.30	0.60	0.05	0.65	
		1998-99	0.50	0.38	0.39	0.77	0.06	0.83	
		1999-00	0.92	0.33	0.67	1.00	0.08	1.08	
		2000-01	1.00	0.65	1.29	1.94	0.15	2.09	
		2001-02	0.60	0.55	1.11	1.66	0.13	1.79	
		2002-03	0.27	0.23	0.46	0.69	0.06	0.75	
		<b>Total</b>	<b>3.54</b>	<b>2.44</b>	<b>4.22</b>	<b>6.66</b>	<b>0.53</b>	<b>7.19</b>	
4.	Kosarteda (Medium Irrigation Project)	2002-03	3.00	2.99	5.97	8.96	0.06	9.02	
5.	Barnai (Medium Irrigation Project)	2002-03	1.30	1.13	1.69	3.38	0.37	3.75	
	<b>Grand Total</b>		<b>190.65</b>	<b>127.67</b>		<b>296.37</b>	<b>82.72</b>	<b>379.09</b>	<b>27.26</b>

<sup>1</sup> The Expenditure of Rs.39.91 crore in Singhara and Kurda distributaries of Kharasia Branch canal, which was not approved by planning commission and under AIBP, was included in expenditure on work proper in 2002-03



**APPENDIX-XLIV**  
*(Referred to in paragraph 3.4.6)*  
**Diversion of funds**

SI No.	Name of Project	Year	Amount (Rs. in crore)	Activity for which fund was diverted
(1)	(2)	(3)	(4)	(5)
1.	Hasdeo Bango Major Multipurpose Project	1997-98 to 2002-03	82.75 <sup>1</sup>	Salary of work charged establishment and daily wages labours, regular establishment and misc. items
2.	Jonk Diversion Major Irrigation Project	99-2000 to 2002-03	0.85	Salary work charged establishment, daily wages labours and misc. items and percentage charges
3.	Shivnath Diversion Medium Irrigation project	1997-98 to 2002-03	0.58	Salary work charged establishment, daily wages labours & misc. items.
4.	Koserteda Medium Irrigation Project	2002-03	0.17	Salary of work charged establishment, daily wages labours etc.
5.	Barnas Medium Irrigation Project	2002-03	0.75	-do-
	<b>TOTAL</b>		<b>85.10</b>	

<sup>1</sup> Including expenditure of Rs.39.91 crore on construction of Singhara and Kurda Distributory System of Kharasia Branch canal with irrigation potential of 38400 ha which was not included in the AIBP scope of work and was not sanctioned/approved by the C.W.C/Planning Commission

## APPENDIX-XLV

(Referred to in paragraph 3.4.6)

Statement showing the tenders accepted during December 2001 to June 2002 in respect of Kharasia Branch canal (KBC) as below:

Sl. No.	Particulars of work	Name of contractor	Estimated cost (Rs.in lakh)	Contract value (Rs. in lakh)	Date of acceptance
1.	2.	3.	4.	5.	6.
1.	Earth work and structures from km 20 to 21	M/s Laxmi Const. Co.	102.69	84.62 (17.59 % below)	14 December 2001
2.	-do- 19 to 20 km	M/s Integral Const. Co.	140.16	77.48 (44.718 % below)	2 January 2002
3.	-do- 17.31 to 18	-do-	330.04	181.46 (45.02 %) below	21 January 02
4.	-do- 18 to 19	-do-	272.11	150.17 (44.81 %) below	21 January 02
5.	-do- 21 to 23	M/s Rani Sati Granite	189.23	157.00 (17.03 %) below	21 January 02
6.	-do- 15 to 15.975	M/s Jaya Const.	157.05	188.77 (20.20 %) above	5 February 02
7.	Balance work of LBC system under turn key tender (complete work from km 24.60 to 42 of KBC with distributories and minors, Singhara & Kurd distributories from KBC (Tail); Barduli and Parsadih Distributories of Sakti Branch canal (Tail)	M/s Prasad & Co.	11700.00	17370.00 (48.46 %) above	7 February 02
8.	Earth work and structures of Jujang Judga Distributory and Jagdalli Canal under KBC	M/s Handayal Singh Patel (Single Tender)	76.20	88.21 (15.76 %) above	8 February 02
9.	Earth work and structures from km 23 to 24.60 of KBC	M/s Jaya Const.	105.11	88.06 (16.22 %) below	28 May 02
10.	Earth work & structures of Sakti Distributory under KBC	M/s Rani Sati Granite	119.84	109.07 (8.99 %) below	20 June 02

(Rupees in lakh)

(i)	For contract at Sl.No.6 : Rs.188.77 lakh - (Rs.157.05 lakh x 82.97 %)	58.47
(ii)	For contract at Sl.No.7 : Rs.17370.00 lakh - (Rs. 11700.00 lakh x 82.97 %)	7,662.51
(iii)	For contract at Sl.No.8 : Rs.88.21 lakh - (Rs.76.20 lakh x 82.97 %)	24.99
		<b>7745.97</b>



**APPENDIX-XLVI**  
(Referred to in paragraph 3.4.6)

**Statement showing extra costs and other dues recoverable from defaulting contractors**

S. No.	Name of Division	Name of work	Estimated cost (Rs.in lakh)	Agt. No & year	Amount (Rs.in lakh)	Tender per cent on USR	Name of Contractor (Original)	Incomplete Bill/Voucher		Balance work (Rs.in lakh)	Agt. & Year	Amount (Rs.in lakh)	Tender per-centage	Name of Contractor (subsequent)	Vr.No. & Date	Amount (Rs.in lakh)	Extra cost (Rs.in lakh)	Other dues		Total recover-able amount (Rs.in lakh)
								No.	Amount									Nomen-clature	Amount (Rs.in lakh)	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.
1.	Hasdeo Bango Canal Division-2 Champa	Construction of cement concrete lining from RD 18 km to 25 km of Left Bank Main Canal	247.78	18DL 92-93	241.53	2.53 below	M/s Laxmi Const. Co.Sakti	20 DL 29.09.01	322.71 (including extra items)	5.54	11DL 02-03	10.76	--	Shri Radhe shyam Agrawal	--	--	5.22	Machinery advance principal Interest Penalty for delay incompletion work	3.00 4.70 19.84	
																	5.22		27.54	32.76
2.	-do-	Construction of cement concrete lining of left bank main canal RD 25 km to 32 km	292.95	20DL 92-93	270.53	7.65 below	M/s Gauri Shankar Agrawal	57DL 26.2.98	283.99 including extra items	48.91	11DL 02-03	104.82	--	Shri Radhe Shyam Agrawal	--	--	55.91	Penalty for delay in-completion of work	6.67	62.58

Left over work of Sl.No.1 and 2 alongwith some other work were awarded to Shri Radheshyam Agrawal vide Agt No.11DL of 2002-03 for Rs.167.12 lakh

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.
3.	Hasdeo Bango Canal Division VI Nandelibhata Sakti	Construction of earth-work and cement concrete lining of Hasdeo Left Bank Canal from 48 km to 49.77 (tail side)	--	<u>19DL</u> 92-93	57.74	--	Shri D.Govinda	13th RA bill (pending)	24.85	32.89	<u>20DL</u> 00-01	97.90	--	M/s Raipur Const. Co.	6th RA Bill Vr.21 DL dt. 24.4.03	108.81	15.90	Machinery advance Principal Interest Cost of hard rock Work below specification	4.50 5.36 1.32 8.00	
																	15.90		19.18	35.08
4.	-do-	Construction of earth-work cement concrete lining and RCC retaining wall from RD 43000 m to 43430 m of Hasdeo Left Bank Canal	61.88	<u>7DL</u> 93-94	55.76	9.90 below	Shri D.Govinda	--	--	--	<u>3DL</u> 98-99	94.82	93.04 above	Shri Hardayal Singh Patel	8.2.2002	107	51.74	Machinery advance and interest thereon	8.99	60.73
5.	Hasdeo Bango Canal Division-III Sakti	Balance earth-work and cement concrete lining of left bank canal from RD 35000 m to 36120 m	75.94	<u>25EE</u> 92-93	42.60	43.91 below	U.S.Jaiswal	<u>Upto</u> 30.4.98	28.43 (excluding extra item)	14.17	<u>19EE</u> 00-01	19.18	22.83 below	M/s Jatin Const. Co.	IV and final (pending incomplete)	13.88	2.95	--	--	2.95



1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.
	-do-	-do-	24.86	<u>19EE</u> <u>2000-</u> <u>01</u>	19.18	22.83 below	Shri Jatin Const. Co.	IV and final (pending incom- plete)	13.88	5.30	<u>14EE</u> 02-03	22.49	91.34 above	Shri Ajit Kumar Sehgal	<u>11DL</u> 22.4.2003 (final)	21.12	19.07	--	--	19.07
6.	-do-	Con- struction of cross regulator cum VRB and Head regulator at RD 25050 m of Sakti Branch canal	10.75	<u>16EE</u> 96-97	11.22	4.30 below	Shri Fatte Chand Agrawal	II and Final (pending)	0.73	10.49	<u>5EE</u> 02-03	16.07	72.57 above	Shri Taru Singh Patel	<u>45DL</u> 30.4.2003 (4th RA Bill)	13.86	6.36	--	--	6.36
7.	-do-	Con- struction of earth- work from RD 23000 m to 25000 m including structures viz. Head regulator at RD 23610 m. RD 23850 m and CD at RD 24120 m of Sakti Branch canal	19.59	<u>10EE</u> 93-94	16.56	15.48 below	M/s Yashini Const. Co.	--	--	--	<u>2EE</u> 02-03	8.50	--	Shri Kedarnath	--	--	--	--	--	--
											<u>15EE</u> 02-03	8.15		Shri Madanlal Agrawal	--	--	7.72	Cost of cement, steel and Hard Rock	11.30	19.02

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.
8.	Hasdeo Bango Canal Division No.5 Kharsia Dist. Raigarh	Const. of Kharsia Branch canal (KBC) from km 17.31 to km 18 of Minimata Bango Project	330.04	<u>13DL</u> 01-02	181.46	45.02 Below	M/s Integral Constructui on Company Vijayawada (A.P.)	IInd Incom-plete Pending	41.10	140.35	<u>35DL</u> 01-02	330.01	29.44 above	M/s SEW Const. Ltd.Hyderabad	<u>11DL</u> 11.7.03	278.12	189.65	--	--	189.65
9.	-do-	Const. Of Kharasia Branch Canal (KBC) from km. 18 to km 19 of Minimata Bango Project	272.11	<u>14DL</u> 01-02	150.17	44.81 below	M/s Integral Constructui on Company Vijayawada (A.P.)	IInd Incom-plete Pending	15.76	134.41	<u>36DL</u> 02-03	314.52	29.47 Above	-do-	<u>19DL</u> 18.5.03	275.33	181.00	--	--	181.00
10.	-do-	Const. Of Kharasia Branch Canal (KBC) from km 19 to km 20 of Minimata Bango Project	140.16	<u>12DL</u> 01-02	77.48	44.718 below	M/s Integral Constructui on Company Vijayawada (A.P.)	IInd Incom-plete Pending	17.22	60.27	<u>37DL</u> 02-03	143.62	29.47 Above	Shri P.Janki Rama Rajn Vishakhapatnam	<u>18DL</u> 20.5.03	64.34	81.10	--	--	81.10
														Grand Total			616.62	--	73.68	690.30



## APPENDIX-XLVII

(Referred to in paragraph 3.4.6)

## Hasdeo Bango Project

## Statement showing inadmissible expenditure by allowing higher rates for earthwork

Sl.No.	Agreement No. & Year	Name of Division	Name of contractor	Probable amount of contract (Rs. in crore)	Quantity of earth work (M <sup>3</sup> )	Rate/sanctioned rate-rate of item No.1(a) of 'G' Schedule (Rs.per M <sup>3</sup> )	Inadmissible payment (Rs. in lakh)
1.	3 of 1999-2000	Canal Division No. 6 Sakti	Shri Natwarlal Agrawal	1.50	125590.09	18.40 (52.40 - 34.00)	23.11
2.	5 of 2001-2002	-do-	-do-	1.20	14470.57	12.00 (38.00 - 26.00)	1.74
3.	1 of 1999-2000	Canal Division No. 3 Sakti	Shri C.B.Morarka	2.15	210410.56	11.13 (37.13 - 26.00)	23.42
4.	26 of 2001-02	Hasdeo Barrage Dn. Korba	Shri B.B.Verma	0.13	3070.79	29.00 (84.00 - 55.00)	0.89
					Total		49.16

## APPENDIX-XLVIII

(Referred to in paragraph 6.1.1, 6.1.3, 6.1.4 and 6.1.5)

Statement showing particulars of capital, loans/equity received out of budget, other loans and loans outstanding as on 31 March 2003 in respect of Government companies and Statutory corporations

(Figures in column 3(a) to 4(f) are Rupees in lakh)

Sl. No	Sector and name of the Company	Paid-up capital at the end of the current year					Equity/ loans received out of Budget during the year		Other loans received during the year @	Loans** outstanding at the close of 2002-03			Debt equity ratio for 2002-03 (Previous year) 4f/3e
		State Government.	Central Government	Holding Company	Others	Total	Equity	Loans		Govt.	Others	Total	
1.	2.	3 (a)	3 (b)	3 (c)	3 (d)	3 (e)	4 (a)	4 (b)	4 (c)	4 (d)	4 (e)	4 (f)	5
A.	Government companies												
	Working												
(a)	Industries												
1.	Chhattisgarh State Beverages Corporation Limited	14.54	--	--	--	14.54	--	--	--	--	--	--	--
	Total (a)	14.54	--	--	--	14.54	--	--	--	--	--	--	--
(b)	Forest												
2.	Chhattisgarh Rajya Van Vikas Nigam Limited	562.09	92.40	--	--	654.49	--	--	--	--	574.78	574.78	0.88:1 (---)
	Total(b)	562.09	92.40	--	--	654.49	--	--	--	--	574.78	574.78	0.88:1 (--)
(c)	Mining												
3	Chhattisgarh Mineral Development Corporation Limited	55.00				55.00	--	--	--	--	--	--	--
	Total (c)	55.00				55.00							



# Appendices

1.	2.	3 (a)	3 (b)	3 (c)	3 (d)	3 (e)	4 (a)	4 (b)	4 (c)	4 (d)	4 (e)	4 (f)	5
(d)	<b>Public distribution</b>												
4.	Chhattisgarh State Civil Supplies Corporation Limited	90.00	--	--	0.07	90.07	--	--	--	100.00	--	100.00	1.11:1 (1.11:1)
	<b>Total (d)</b>	<b>90.00</b>	<b>--</b>	<b>--</b>	<b>0.07</b>	<b>90.07</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>100.00</b>	<b>--</b>	<b>100.00</b>	<b>1.11:1 (1.11:1)</b>
5.	Chhattisgarh Infrastructure Development Corporation Ltd.	120.00	--	--	--	120.00		2700.00		2700.00	--	2700.00	22.5:1 (--)
6.	Chhattisgarh state Industrial Development Corporation Ltd.	160.00	--	--	--	160.00		--	--	--	--	--	--
	<b>Total (e)</b>	<b>280.00</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>280.00</b>		<b>2700.00</b>	<b>--</b>	<b>2700.00</b>		<b>2700.00</b>	<b>9.64:1 (--)</b>
	<b>Total (A)</b>	<b>1001.63</b>	<b>92.40</b>	<b>--</b>	<b>0.07</b>	<b>1094.10</b>		<b>2700.00</b>	<b>--</b>	<b>2800.00</b>	<b>574.78</b>	<b>3374.78</b>	<b>3.08:1 (0.23:1)</b>
<b>B</b>	<b>Statutory corporations</b>												
1.	Chhattisgarh State Electrical Board.	Information not available due to non-apportionment of assets and liabilities of MPEB between successor state i.e. MPSEB & CSEB											
2.	Chhattisgarh State Warehousing Corporation	50.00	--	--	--	50.00	--	--	82.06	--	82.06	82.06	1.64:1 (--)
	<b>Total (B)</b>	<b>50.00</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>50.00</b>	<b>--</b>	<b>--</b>	<b>82.06</b>	<b>--</b>	<b>82.06</b>	<b>82.06</b>	<b>1.64:1 (--)</b>
	<b>GRAND TOTAL (A+B)</b>	<b>1051.63</b>	<b>92.40</b>	<b>--</b>	<b>0.07</b>	<b>1144.10</b>	<b>--</b>	<b>2700.00</b>	<b>82.06</b>	<b>2800.00</b>	<b>656.84</b>	<b>3456.84</b>	<b>3.02:1 (0.23:1)</b>

Note:

figures are provisional and as forwarded by the Companies/Corporations.

\*\* Loans outstanding at the close of 2002-03 represents long-term loans only.

@ Includes bonds, debentures, inter-corporate deposits etc.

## APPENDIX-XLIX

(Referred to in paragraph 6.1.1 and 6.1.6)

Summarised Financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised

(Figures in columns 7 to 12 &amp; 15 are Rupees in Lakh)

Sl. No.	Sector and Name of Company	Name of Department	Date of incorporation	Period of accounts	Year in which accounts finalised	Net Profit (+)/ Loss (-)	Net Impact of audit comments	Paid-up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed (A)	Total return on capital employed (B)	Percentage of total return on capital employed	Arrers in accounts in terms of years	Turn-over	Manpower
1.	2.	3.	4.	5.	6.	7.	8.	9.	10	11	12	13.	14.	15	16
A.	<b>Government Companies</b>														
	<b>Working</b>														
(a)	<b>Industries</b>														
1	Chhattisgarh State Beverages Corporation Limited	Excise	16.11.2001	--	--	--	--	14.54	--	--	--	--	--	--	29
	<b>Total (a)</b>	--	--	--	--	--	--	<b>14.54</b>	--	--	--	--	--	--	29
(b)	<b>Forest</b>														
2	Chhattisgarh Rajya Van Vikas Nigam Limited	Forest	22.5.2001	--	--	--	--	654.49	--	--	--	--	--	1548.12	654
	<b>Total(b)</b>		--	--	--	--	--	<b>654.49</b>	--	--	--	--	--	<b>1548.12</b>	<b>654</b>
(c)	<b>Mining</b>														
3	Chhattisgarh Mineral Development Corporation Limited	Geology and Mining	7.6.2001	--	--	--	--	55.00	--	--	--	--	--	403.13	246
	<b>Total (c)</b>		--	--	--	--	--	<b>55.00</b>	--	--	--	--	--	<b>403.13</b>	<b>246</b>
(d)	<b>Public distribution</b>														
4	Chhattisgarh State Civil Supplies Corporation	Food, Civil Supplies and Consumer Protection	13.3. 2001	--	--	--	--	90.00	--	--	--	--	--	--	270
	<b>Total (d)</b>		--	--	--	--	--	<b>90.00</b>	--	--	--	--	--	--	<b>270</b>



# Appendices

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
(e)	<b>Finance</b>														
5	Chhattisgarh Infrastructure Development Corporation Ltd.	Finance	26.2.2001	--	--	--	--	120.00	--	--	--	--	--	--	901
6.	Chhattisgarh State Industrial Development Corporation Ltd.	Commerce & Industries	16.11.1981	--	--	--	--	160.00	--	--	--	--	--	--	155
	<b>Total (e)</b>		--	--	--	--	--	<b>280.00</b>	--	--	--	--	--	--	<b>1056</b>
	<b>Total (A)</b>							<b>1094.03</b>						<b>1951.25</b>	<b>2255</b>
<b>B</b>	<b>Statutory Corporation</b>														
1.	Chhattisgarh State Electrical Board.	Energy	15.11.2000	--	--	--	--	--	--	--	--	--	--	250040.00	17569
2.	Chhattisgarh State Warehousing Corporation	Food	2.5.2002					50.00						--	478
	<b>Total (B)</b>		--	--	--			<b>50.00</b>						<b>250040.00</b>	<b>18047</b>
	<b>Grand Total (A+B)</b>							<b>1144.03</b>						<b>251991.25</b>	<b>20302</b>

- (A) Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in case of finance companies/corporations where the capital employed is worked out as the mean of aggregate of the opening and closing balance of paid-up capital, free reserves, bonds, deposits and borrowings (including refinance)
- (B) Return on capital employed represents net surplus plus or net loss minus interest on borrowed funds charged to Profit and Loss Accounts.

## APPENDIX-L

(Referred to in Paragraph 6.1.1 &amp; 6.1.5)

Statement showing subsidy received, guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year and subsidy receivable and guarantees outstanding at the end of March 2003

(Figures in columns 3(a) to 7 are in Rupees in lakh)

Sl No.	Name of the public Sector undertaking	Subsidy and grants received during the year *				Guarantees received during the year and outstanding at the end of the year*					Waiver of dues during the year				Loans on which moratorium allowed	Loans converted into equity during the year
		Central Govt.	State Govt.	Others	Total	Cash Credit from Banks	Loans from other sources	Letter of Credit opened by banks in respect of imports	Payment obligation under agreement with foreign consultants or contractors	Total	Loans repayment written off	Interest waived	Penal interest waived	Total		
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	6	7
A.	Working Government Companies															
a.	Public Distribution															
1.	Chhattisgarh State Civil supplies Corporation		25406.93 (347.45)	--	25406.93 (347.45)											
	Total (a)		25406.93 (347.45)	--	25406.93 (347.45)											
b.	Finance															
2	Chhattisgarh State Industrial Development Corporation	376.41 (200)	412.07 (311.08)	--	788.48 (511.08)											
	Total (b)	376.41 (200)	412.07 (311.08)	--	788.48 (511.08)											
	Total A	376.41 (200)	25819.00 (658.53)		26195.41 (858.53)											
B.	Statutory Corporation															
1.	Chhattisgarh State Electricity Board	1938.00 (NA)	6287.00 (NA)	--	8225.00 (NA)											
	Total (B)	1938.00 (NA)	6287.00 (NA)	--	8225.00 (NA)											
	Total (A+B)	2314.41 (200)	32106.00 (658.53)	--	34420.41 (858.53)											

\*

Figures in brackets under columns 3(a) to 3(d) represent grants and those under columns 4(a) to 4(e) represent guarantees outstanding at the end of the year.



## APPENDIX-LI

(Referred to in paragraph 6.1.7)

Statement showing the department-wise outstanding Inspection Reports (IRs)

Sl. No.	Name of Department	Number of PSUs	Number of outstanding IRs	Number of outstanding paragraphs	Years from which paragraphs outstanding
1.	Energy	1	370	874	1973-74
2.	Industries & Commerce	1	6	23	1994-95
3.	Forest	1	2	11	2001-02
4.	Food & Civil Supplies	1	2	25	2001-02
5.	Finance	1	2	8	2001-02
6.	Geology & Mining	1	2	17	2001-02
7.	Excise	1	1	13	2002-03
	<b>Total</b>	<b>7</b>	<b>385</b>	<b>971</b>	

## APPENDIX-LII

(Referred to in paragraph 6.1.7)

Statement showing department-wise draft paragraphs replies to which are awaited

Sl. No.	Name of Department	Number of draft paragraphs	Period of issue	Remark
1.	Energy	3	August 2003	
2.	Commerce & Industries	2	August 2003	
3.	Forest	1	August 2003	Reply received
4.	Geology and Mining	1	August 2003	
5.	Food, Civil Supplies and consumer protection	1	August 2003	
	<b>Total</b>	<b>08</b>	<b>--</b>	

**APPENDIX-LIII**  
(Referred to in paragraph 6.2.1)

**Avoidable expenditure due to failure to ensure quality**

**(I) Bags found not fit for use**

District	Number of bags	Value (RS.) (@ R.14.85 Per Bag)
Janjgeer	119833	1779520
Korba	60910	904514
Raigarh	20817	309132
<b>Total</b>	<b>201560</b>	<b>2993166</b>

**(II) Bags found substandard**

**Bilaspur District**

Extent of fitness (Per cent)	Number of bags	Extent of unfitness (per cent)	Value (Rs.) (@ Rs.14.85 per bag)
75	6921	25	25694
50	88485	50	657001
25	233048	75	2595572
<b>Total</b>	<b>328454</b>		<b>3278267</b>
<b>Grand total (I) and (II)</b>			<b>62,71,433</b>



# ERRATA

Sr. No.	Particulars	For	Read as
1.	Para 2.3.7 2 <sup>nd</sup> para (first line) page 23	In 68 cases	In 65 cases
2.	Para 3.4.6 3 <sup>rd</sup> para (last line) page 73	the single tender rate of Shri Hardyal Singh to realistic level	and bring down the single tender rate of Shri Hardyal Singh to realistic level
3.	Para 3.5.1 9 <sup>th</sup> line from below page 82	double expenditure	double the expenditure
4.	Para 6.2.1 4 <sup>th</sup> para 2 <sup>nd</sup> line page 111	regulate payment accordingly to the degree of quality of bags	regulate payment according to the degree of quality of bags
5.	Para 6.2.2 Last para 6 <sup>th</sup> line Page 113	were during 2001-02, 2002-03 and March 2003 respectively and saved an	during 2001-02, 2002-03 and March 2003 respectively and saved an
6.	Para 6.2.5 fourth para 3 <sup>rd</sup> line page 116	box including all charges was Rs.499.50 debt per meter which was less by	Box including all charges was Rs.499.50 per meter which was less by
7.	Para 7.14 Top Gist page 127	Non-levy of purchase tax Rs.75.82 lakh	Non-levy of purchase tax of Rs.75.82 lakh
8.	Para 7.38 2 <sup>nd</sup> para 3 <sup>rd</sup> line page 143	Central Ware Housing Corporation	Central Warehousing Corporation

# ERRATA

Particulars

For

Read as

Para 2.3.7 2<sup>nd</sup> para (first line) page 23

In 68 cases

In 65 cases

Para 3.4.6 3<sup>rd</sup> para (last line) page 73

the single tender rate of  
Shri Hardyal Singh to realistic level

and bring down the single tender rate of  
Shri Hardyal Singh to realistic level

Para 3.5.1 9<sup>th</sup> line from below page 82

double expenditure

double the expenditure

Para 6.2.1 4<sup>th</sup> para 2<sup>nd</sup> line page 111

regulate payment accordingly to the degree  
of quality of bags

regulate payment according to the degree  
of quality of bags

Para 6.2.2 Last para 6<sup>th</sup> line Page 113

were during 2001-02, 2002-03 and March  
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respectively and saved an

Para 6.2.5 fourth para 3<sup>rd</sup> line page 116

box including all charges was Rs.499.50 debt  
per meter which was less by

Box including all charges was Rs.499.50  
meter which was less by

Para 7.14 Top Chist page 127

Non-levy of purchase tax Rs 75.82 lakh

Non-levy of purchase tax of Rs 75.82 lakh

Para 7.38 2<sup>nd</sup> para 3<sup>rd</sup> line page 143

Central Ware Housing Corporation

Central Warehousing Corporation









