SUPREME AUDIT INSTITUTION OF INDIA
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Report of the Comptroller and Auditor General of India on State Public Sector Enterprises for the period ended March 2023

Government of Chhattisgarh

Report No. 05 of 2025

(Commercial)

Report of the
Comptroller and Auditor General of India
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State Public Sector Enterprises
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Preface

This report for the period ended March 2023 is prepared for submission to the Governor of Chhattisgarh under Article 151(2) of the Constitution of India and Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as amended from time to time.

This Report deals with the functioning of State Public Sector Enterprises, and significant results of the Compliance Audits and Performance Audit.

The instances mentioned in this Report are those that came to notice in the course of the test audit during the year 2022-23, as well as those that came to notice in earlier years but could not be reported in previous Audit Reports. Instances relating to the period subsequent to the year 2022-23 have also been included, wherever related and necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

OVERVIEW

This Audit Report comprises three chapters containing snapshot of functioning of State Public Sector Enterprises of Chhattisgarh (State PSEs), one Performance Audit on Implementation of Smart City Mission in Chhattisgarh and one Compliance Audit Paragraph related to Chhattisgarh Rural Housing Corporation under the Panchayat & Rural Development Department. A synopsis of the important findings contained in this Report is discussed below.

CHAPTER-I

The Chapter covers detailed analysis of 20 State PSEs, based on their latest finalized accounts. The report further presents the oversight role of CAG in respect of compliance with various criteria and preparation and submission of financial statements by State PSEs; and with the adherence to Corporate Governance guidelines stipulated for Government Companies.

Functioning of State Public Sector Enterprises

The State Public Sector Enterprises (State PSEs) comprise of State Government Companies and Statutory Corporations. The State PSEs were established to carry out activities of commercial nature, keeping in view the welfare of the people and contribute to the State economy.

- There were 28 State PSEs in Chhattisgarh as on 31 March 2023, 27 Government Companies and one Statutory Corporation, under the audit jurisdiction of Comptroller & Auditor General (CAG) of India. Of these, 26 State PSEs were working and two were inactive. Out of 26 working State PSEs, four State PSEs were related to Power Sector.
- 25 State PSEs had backlog of 47 accounts with period of arrears ranging up to six years as at the end of 30 September 2023.
- The investment of the Government of Chhattisgarh (GoCG) in equity and long-term loans in 28 State PSEs was ₹ 7,579.09 crore against total investment of ₹ 20,961.61 crore. The outstanding long-term loans were ₹ 846.06 crore. The ratio of long term loans to equity was 1.96.

Analysis of the 20 State PSEs indicated:

- Annual turnover registered was ₹ 42,172.73 crore, which was 9.22 *per cent* of the GSDP of Chhattisgarh.
- Ten State PSEs earned profits (₹ 879.22 crore) of which top five profit earning State PSEs were Chhattisgarh State Power Generation Company Limited, Chhattisgarh State Power Transmission Company Limited, Chhattisgarh State Warehousing Corporation, Chhattisgarh Rajya Van Vikas Nigam Limited and Chhattisgarh Mineral Development Corporation. Seven State PSEs incurred losses (₹ 1,143.10 crore). Five State PSEs *viz.* Chhattisgarh State Power Distribution Company, Chhattisgarh State Civil Supplies Corporation Limited, Chhattisgarh Railway Corporation Limited, Chhattisgarh Katghora Dongargarh Railway Limited, and Chhattisgarh Kharsia Naya Raipur Railway Limited had accumulated losses of ₹ 10,252.86 crore.

- As a result of the audit of CAG during the year, significant comments were issued, highlighting inaccuracies in the Financial Statements that impacted profitability by ₹ 1,194.79 crore and assets/liabilities by ₹ 1,231.80 crore.
- Sixteen State PSEs did not conduct the mandatory requirement of four meetings of Board of Directors. Only one out of 12 State PSEs had the required number of Independent Directors. However, the Independent Directors have not conducted a separate meeting. Woman Director was not appointed in two out of eight State PSEs.
- Whole time Key Managerial Personnel were appointed only in four out of eight State PSEs, and Audit Committee was constituted in two out of 12 State PSEs.
- Only one out of 12 State PSEs has constituted the Nomination and Remuneration Committee. Out of six State PSEs, none have established vigil mechanism to report genuine concerns and grievances.

Recommendations:

The State Government may

1. Review the functioning of all loss making/ inactive State PSEs and take necessary steps to improve their financial performance/ winding up.
2. Issue necessary instructions to Administrative Departments to set targets for finalization of accounts and clearance of arrears.
3. Formulate a dividend policy for the profit making PSEs.
4. Ensure compliance with provisions of the Companies Act, 2013 for Corporate Governance and Corporate Social Responsibility requirements by the State PSEs.

CHAPTER-II

This chapter contains the result of Performance Audit of Smart Cities Mission in Chhattisgarh.

Performance Audit on 'Implementation of Smart Cities Mission' in Chhattisgarh

Why this audit

Government of India (GoI) launched (June 2015) "Smart Cities Mission (SCM)", a Centrally Sponsored Scheme with the objective to promote cities that provide core infrastructure, clean and sustainable environment and give a decent quality of life to their citizens through the application of 'smart solutions'. Smart city mission was implemented in three cities of Chhattisgarh; Raipur, Bilaspur and Nava Raipur through three Special Purpose Vehicles (SPV)[1]. The period of the Mission was initially for five years (2015-20) which was further extended up to March 2025.

As the period of the Mission was due to get over in March 2025, in view of the slow progress of implementation of the projects in the State, we conducted this audit with the objective to assess the adequacy of planning in developing smart cities, and implementation of the project as per laid down norms and within the time specified, along with prudence in financial management, and availability of functional

[1] Raipur Smart City Limited (RSCL), Bilaspur Smart City Limited (BSCL) and Nava Raipur Atal Nagar Smart City Corporation Limited (NRANSCCL)

mechanism for monitoring, evaluation, and mid-course correction.

What we found

Under the Smart City Mission, GoCG made important interventions in the urban areas by constructing smart roads, converting overhead electricity cables to underground cables, smart library, etc. and Integrated Command and Control Centre (ICCC) addressing the issue of improvement/safety in public spaces. Operationalisation of ICCC in all the three cities ensured better surveillance, traffic management, crime control etc. Besides many projects for redevelopment of gardens, plantation of trees and beautification of ponds, talabs and river front were also undertaken for visible improvement of public spaces in the cities.

As per the approved Smart City Proposals (SCPs) for three cities of Chhattisgarh, total estimated cost of projects was ₹ 9,627.70 crore, to be funded through grant from the GoI and matching grant by the GoCG *i.e.* SCM fund, by way of convergence with other Government schemes and Public Private Partnership (PPP). In addition to the SCM fund of ₹ 2,534.30 crore, projects worth ₹ 2,205 crore and ₹ 4,888.40 crore were proposed to be executed from the funds mobilised through Convergence and PPP respectively. We, however, noted that project funding arrangements were not appropriately firmed up by the State, as the projects worth ₹ 522.04 crore, initially proposed under convergence with existing Central/State Government Schemes, were not taken up for execution by the SPVs. We also observed that SPVs did not develop a revenue model to attract private partnership for execution of projects planned under PPP.

During the period 2016-17 to 2022-23, a total 476 work orders valuing ₹ 2,644.44 crore were issued representing around 27 *per cent* of the total estimated cost (₹ 9,627.70 crore) of projects. As of March 2023, only 295 works (approximately 62 *per cent*) have been completed, while 181 works were in progress. The actual expenditure incurred stood at ₹ 1,213.12 crore, which is 46 *per cent* of the awarded cost.

We observed that the progress of work was adversely affected due to delay in award of works/ execution of agreements, inability to provide clear site to contractor, frequent changes in scope of works, etc. Owing to the underutilization of available funds, GoI curtailed the scheme funds and consequently, GoCG matching grant quantum also reduced.

Instances of award of projects to the ineligible bidders, non-levy/short levy of penalty for delay in execution of works, award of additional works without inviting tenders were also observed. There was poor participation of bidders against Nava Raipur Atal Nagar Smart City Corporation Limited (NRANSCCL) tenders due to restrictive terms and conditions and award of 84 *per cent* of works to a single contractor which affected the progress of works.

Out of the total expenditure incurred on works under Area Based Development (ABD), 30 *per cent* was incurred on works that were outside the ABD area which was not in line with the objective of developing a compact area as smart city. Similarly, a total of 128 non-Information and Communication Technology (non-ICT) projects such as garden/lake beautification, playground development, storm water drain etc. worth ₹ 118.85 crore were taken up by the three SPVs under Pan-city

development which was in violation of SCM guidelines of application of Smart Solutions involving use of technology, information and data to make infrastructure and services better. Further, some of the essential features (rainwater harvesting and energy efficient green building), as prescribed by SCM guidelines, were not included in the SCPs of Raipur and Bilaspur.

Instances of non-utilization of created infrastructure such as, cycle track, smart dustbins, e-toilets, underground traffic LED signal lighting system etc. were noticed due to deficient execution & maintenance and encroachment, etc.

For the assets created by the SPVs under the mission, there was no clarity regarding future operation and maintenance of these assets except in some projects of BSCL. Further, the GoCG was yet to develop a policy to establish a dedicated and substantial revenue stream for the SPVs to ensure their self-sustainability.

State Level High Powered Steering Committee (SLHPSC) did not hold any meetings, except for approving the SCPs and forwarding the proposals to GoI (2017), to review the implementation of projects in the three SPVs in the State. Meetings of Smart City Advisory Forum (SCAF) were also not held regularly as prescribed. Assessment and monitoring through third party was also not ensured. Appointment of full-time Chief Executive Officer (CEO) was not made in any of the SPVs as mandated by SCM guidelines. Further, there were vacancies in the three SPVs across various wings, *i.e.,* administrative, finance, and technical staff affecting work efficiency.

What we recommend

The State Government may ensure:

1. Appointment of full time CEOs in all the SPVs and availability of adequate manpower for effective project execution and monitoring;
2. Mobilisation of resources through Convergence and PPP mode for implementation of projects proposed under Smart City Mission;
3. Strengthening of contract management in SPVs by strict compliance with standard tendering norms, and contract provisions;
4. Fixation of and adherence to firm timelines to operationalise the assets created and proper repair and maintenance to ensure longevity, safety and efficiency of the created assets; and
5. To develop and implement a policy to establish a dedicated and substantial revenue stream for SPVs to ensure their self-sustainability in future.

CHAPTER-III

This chapter contains one Audit Paragraph pertaining to State PSE.

Avoidable loss of interest to the tune of ₹ 5.32 crore due to non-availing of auto sweep facility (Chhattisgarh Rural Housing Corporation Limited)

Chhattisgarh Rural Housing Corporation Limited (Company) deposited an amount of ₹ 55.00 crore into Canara Bank towards lien in a general savings bank account without opting for an auto sweep facility, which led to the forgoing of interest income to the tune of ₹ 5.32 crore.

(Paragraph 3.1)

CHAPTER I

CHAPTER I

Functioning of State Public Sector Enterprises

1.1 Introduction

The State Public Sector Enterprises (State PSEs) comprise of State Government Companies and Statutory Corporations. The State PSEs were established tocarry out activities of commercial nature, keeping in view the welfare of the people and contribute to the State economy. As on 31 March 2023, there were 28 State PSEs in Chhattisgarh, as given below in ***Table 1.1***.

Table 1.1: Total number of State PSEs as on 31 March 2023

Type of State PSEs	Total
Government Companies[1]	27
Statutory Corporations[2]	01
Total	**28**

(Source: Information furnished by the Companies/Corporations)

As on 31 March 2023, there were 28 State PSEs in Chhattisgarh as detailed in ***Appendix 1,*** including 27 Government Companies and one Statutory Corporation[3]. During the year, no Government Company got dissolved, while two[4] State PSEs got merged and no Government Company came under the audit jurisdiction of the Comptroller and Auditor General of India. One[5] State PSE was debt listed on the National Stock Exchange. There are two[6] inactive State PSEs in Chhattisgarh.

Out of 28 State PSEs, 20 State PSEs had submitted at least one account for the period 2020-21, 2021-22 and 2022-23 by 30 September 2023, while one working State PSE did not submit its first accounts.

The report covers detailed analysis of 20 State PSEs, based on their latest finalised accounts. The summary of financial performance based on the latest finalised accounts of 20 State PSEs covered in this report is detailed in ***Table 1.2.***

---

1 Government Companies referred to in Section 2 (45) of the Companies Act, 2013.

2 Any Corporation set up under a statute enacted by Parliament/ State Legislature is called a Statutory Corporation.

3 Chhattisgarh State Warehousing Corporation.

4 Chhattisgarh State Power Holding Company Limited and Chhattisgarh State Power Trading Company Limited merged (June 2022) with Chhattisgarh State Power Transmission Company Limited and Chhattisgarh State Power Distribution Company Limited respectively.

5 Chhattisgarh State Power Distribution Company Limited.

6 Chhattisgarh Sondiha Coal Company Limited, CMDC ICPL Coal Limited.

Table 1.2: Summary of financial performance of working State PSEs

Particulars	Number of State PSEs	Amount (₹ in crore)
Total Number of State PSEs	28	--
State PSEs covered in this Report	20	--
Paid up capital	20	6,915.97
Long term loans	20	10,519.65
Net profit	10	879.22
Net loss	07	1,143.10
Zero Profit / loss	03	--
Dividend declared	01	3.64
Net worth	20	745.27

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

Based on nature of activities undertaken, these 20 State PSEs have been categorised into five sectors and percentage share of Turnover in Gross State Domestic Product (GSDP) is as depicted in ***Table 1.3***:

Table 1.3: Sector wise turnover vis-à-vis share of turnover of State PSEs in Gross State Domestic Product of Chhattisgarh

Sl. No.	Name of the Sector	Number of State PSEs	Turnover for the year (₹ in crore)	Percentage Share of Turnover in Gross State Domestic Product
1	Power	4	28,048.36	6.13
2	Infrastructure	4	10.40	0.002
3	Agriculture and Allied Industries	2	678.55	0.15
4	Services	8	13,294.65	2.91
5	Others	2	140.77	0.03
Total		**20**	**42,172.73**	**9.22**

(Source: Compiled from the latest financial statements of State PSEs)

The turnover (₹ 42,172.73 crore) of these 20 State PSEs was 9.22 *per cent* of the Gross State Domestic Product of Chhattisgarh (₹ 4,57,608.26 crore) for the year 2022-23 with contribution of 66.51 *per cent* by the Power sector.

Ten of the above State PSEs earned a combined profit of ₹ 879.22 crore in 2022-23, seven State PSEs incurred losses of (-) ₹ 1,143.10 crore. The remaining three State PSEs had no profit no loss during 2022-23.

1.2 Accountability framework

The audit of the financial statements of a Company in respect of financial years commencing on or after 1 April 2014 is governed by the provisions of the Companies Act, 2013. The audit of a Company in respect of the financial years that commenced earlier than 1 April 2014, however, continues to be governed by the Companies Act, 1956.

According to Section 2(45) of the Companies Act, 2013 (Act), a Government Company is one in which not less than 51 *per cent* of the paid-up capital is held by

the Central and/or State Government(s). The subsidiary of a Government Company is also covered under the definition of a Government Company. The process of audit of Government Companies is governed by the related provisions of Section 139 and 143 of the Act, *ibid*.

1.2.1 Statutory Audit

Audit of Statutory corporations is governed by their respective legislations. In case of one Statutory Corporation i.e. Chhattisgarh State Warehousing Corporation, the audit is conducted by the Chartered Accountants appointed under the respective statutes and thereafter, supplementary audit is conducted by the CAG.

1.2.2 Role of Government and Legislature

The GoCG exercises control over the affairs of these State PSEs through its administrative departments. The Chief Executive and Directors on the Board of these State PSEs are appointed by the State Government.

The State Legislature also monitors the accounting and utilisation of Government investment in the State PSEs. For this purpose, the Annual Reports of State Government Companies together with the Statutory Auditors' Reports and comments of the CAG thereon are to be placed before the Legislature under Section 394 of the Act. Similarly, the Annual Report of Statutory Corporations along with the Separate Audit Reports of CAG is to be placed before the Legislature as per the stipulations made under their respective governing Acts. The Audit Reports of CAG are submitted to the Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

1.3 Stake of Government of Chhattisgarh

The State Government stake in State PSEs falls under three broad categories, i.e. Share Capital and Loans, Special Budgetary Support by way of grants and subsidies and Guarantees of loans availed by State PSEs from Financial Institutions.

- **Share Capital and Loans -** In addition to the Share Capital Contribution, GoCG also provides financial assistance by way of loans to the State PSEs from time to time.
- **Special Financial Support -** GoCG provides budgetary support by way of grants and subsidies to the State PSEs as and when required.
- **Guarantees -** GoCG also guarantees the repayment of loans with interest availed by the State PSEs from Financial Institutions.

1.4 Investment in State PSEs

1.4.1 Equity holding and loans given to State PSEs

As per latest finalised financial statements investment in the 28 State PSEs of equity and loans for the three-year period ended 31 March 2023[7] is given in ***Table 1.4***:

Table 1.4: Total equity investment and loans in the State Public Sector Enterprises

(₹ in crore)

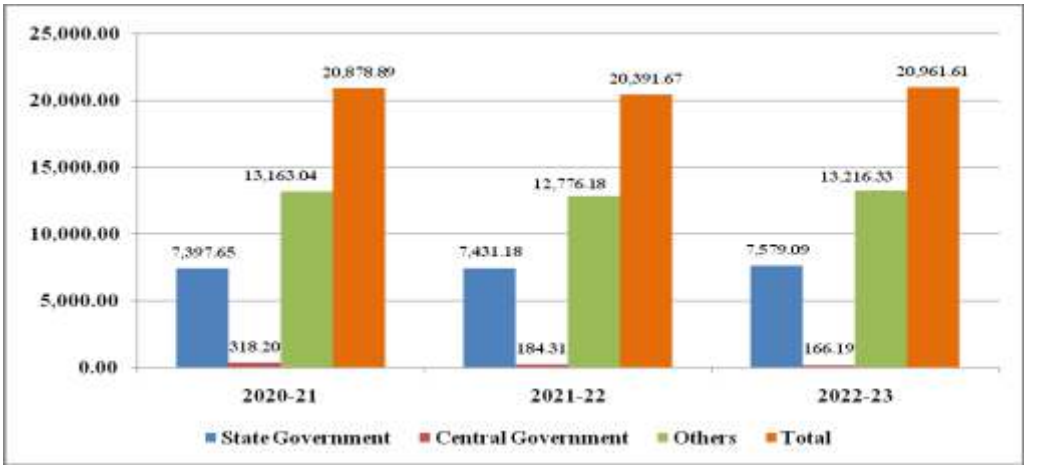
Sources of investment	As on 31 March 2021			As on 31 March 2022			As on 31 March 2023		
	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total
State Government	6,672.82	724.83	7,397.65	6,672.82	758.36	7,431.18	6,733.03	846.06	7,579.09
Central Government	25.42	292.78	318.20	25.42	158.89	184.31	35.22	130.97	166.19
Others	315.46	12,847.58	13,163.04	315.46	12,460.72	12,776.18	315.46	12,900.87	13,216.33
Total	**7,013.70**	**13,865.19**	**20,878.89**	**7,013.70**	**13,377.97**	**20,391.67**	**7,083.71**	**13,877.90**	**20,961.61**
Share of State Government in Total investment (in *per cent*)	95.14	5.23	35.43	95.14	5.67	36.44	95.05	6.10	36.16

(Source: Compiled from latest financial statements received as on 30 September 2023 and information provided by State PSEs)

It is seen that the trend in investment is dominated by long term loans taken from sources other than the Government which comprised of 92.96 *per cent* of the total loan of which, loans from State Government was a meager 6.10 *per cent*. Ratio of debt to equity was 1.96 for these State PSEs.

Chart 1.1 Investments in State PSEs

(₹ in crore)



[7] The figures of State PSEs were taken from their financial statements prior to 2022-23 as 25 PSEs did not finalise their accounts for the year 2022-23.

1.5 Special support and returns during the year

1.5.1 Information on Subsidy, Grants and Guarantees by Central/State Government

The GoCG provides financial support to State PSEs in the form of grants and subsidies through the annual budget. In addition, the GoCG provides guarantees for loans raised by the State PSEs for which it charges guarantee commission up to the rate of half a *per cent*. As per latest finalised financial statements of SPSEs, the total maximum amount guaranteed by GoCG was ₹ 9,084.44 crore and guarantee outstanding as on 31 March 2023 was ₹ 4,911.43 crore for State PSEs. Further, Grants of ₹ 9,740.33 crore were given to State PSEs. The details in respect of Subsidy, Grants and Guarantees given to State PSEs are given in ***Table 1.5:***

Table 1.5: Details regarding budgetary support to State PSEs

(₹in crore)

Sl. No.	Particulars	2020-21		2021-22		2022-23	
		No. of State PSEs	Amount	No. of State PSEs	Amount	No. of State PSEs	Amount
(i)	Grants/Subsidies provided	9	8,445.74	10	7,226.58	10	9,740.33
(ii)	Guarantees Outstanding	2	3,426.34	3	3,314.65	3	4,911.43
(iii)	Guarantee Commitment	3	6,682.28	3	11,907.28	3	9,084.44

(Source: Information furnished by the State PSEs)

1.6 Arrears in finalisation of accounts

The Financial Statements of the Companies for every financial year are required to be finalised within six months from the end of the relevant financial year *i.e.* by September end in accordance with the provisions of Section 96(1) of the Act. Failure to do so may attract penal provisions under Section 99 of the Act. Similarly, in case of Statutory Corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

Table 1.6 provides the details of progress made by State PSEs in finalisation of accounts as on 30 September 2023.

Table 1.6: Position relating to finalisation of accounts of State PSEs

Sl. No.	Particulars	2022-23
1.	Number of State PSEs	28
2.	Number of accounts finalised during the year	21
3.	Number of accounts in arrears	47
4.	Number of State PSEs with arrears in accounts	25
5.	Extent of arrears (in years)	01 to 06

(Source: Compiled on the basis of latest finalised accounts and information furnished by the State PSEs)

The administrative departments have the responsibility to oversee the activities of the State PSEs. The administrative departments concerned were also responsible to ensure that the State PSEs finalise and adopt their accounts within the stipulated period. In view of the huge arrears in submission of accounts by the State PSEs, the Accountant General (AG) had been taking up the matter regularly with the GoCG and the administrative departments concerned for liquidating the arrears of accounts of State PSEs. As on September 2023, however, 25 State PSEs had backlog of 47 accounts with period of arrears ranging up to six years, which was significant as depicted in ***Appendix 2*.**

1.7 Impact of arrears in accounts

Delay in finalisation of the accounts entail the risk of fraud and leakage of public money apart from violation of the provisions of the relevant statutes. In view of the position of arrears of accounts indicated under ***paragraph 1.6,*** the actual contribution of State PSEs to the State GDP for the year 2022-23 could not be ascertained and their contribution to State exchequer could not be reported to the State Legislature.

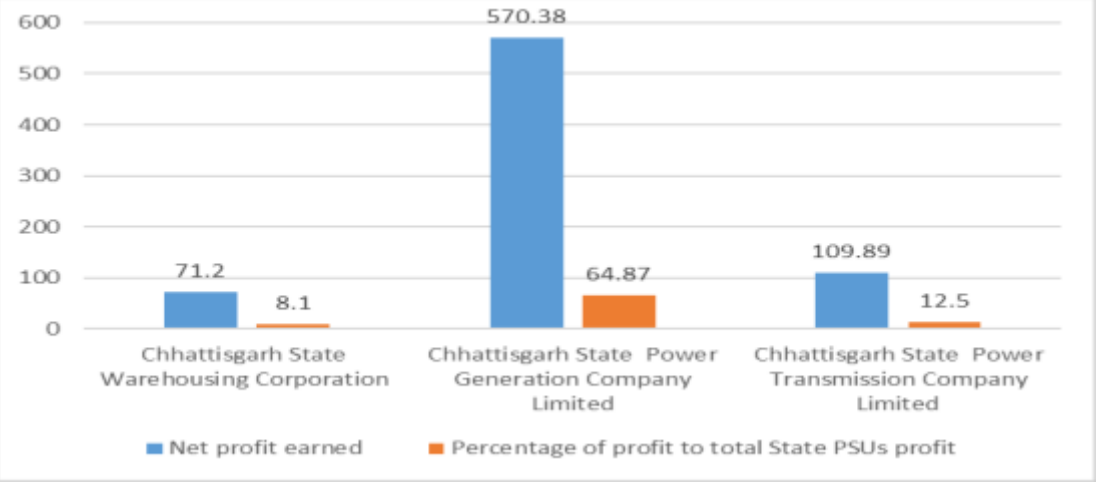
The GoCG may implement a robust monitoring and accountability system to ensure that all State PSEs adhere to the statutory deadlines for finalising and submitting accounts, thereby nurturing transparency and financial discipline within these organisations.

1.8 Performance of State PSEs as per their latest finalised accounts

1.8.1 Profit earned by State PSEs

Out of 20 State PSEs covered in this report, 10 State PSEs earned a combined profit of ₹ 879.22 crore in 2022-23 as compared to 10 State PSEs which earned profit of ₹ 863.06 crore in 2021-22. The main reason for increase in profit was increase in profit of Chhattisgarh Rajya Van Vikas Nigam Limited from ₹ 36.49 crore (2021-22) to ₹ 52.65 crore (2022-23). The top three State PSEs contributed 85.47 *per cent* of the total profit in 2022-23. The details are given in ***Chart 1.2:***

Chart 1.2: Top State PSEs which contributed maximum profit *(₹in crore)*



(Source: Compiled on the basis of latest finalised accounts of State PSEs)

1.8.2 Dividend paid by State PSEs

The GoCG had not formulated any dividend policy under which all profit making State PSEs are required to pay a minimum *percentage* of return of the profit as dividend.

Out of the 20 State PSEs, 16 had State Government equity. Dividend payout relating to these 16 State PSEs where equity was infused by the GoCG during the period is shown in ***Table 1.7***.

Table 1.7: Dividend Payout of State PSEs

(₹in crore)

Year	Total State PSEs				Dividend Payout in *per cent*
	which earned profit		which declared/ paid dividend		
1	2	3	4	5	6=5*100/3
2020-21	8	539.88	2	3.84	0.71
2021-22	10	864.67	2	1.15	0.13
2022-23	9[8]	879.15	1	3.64	0.41

(Source: Information furnished by the State PSEs)

During the year 2022-23 out of 16 State PSEs having equity of the State Government, nine State PSEs earned an aggregate profit of ₹ 879.15 crore. However, only one State PSE viz. *Chhattisgarh Rajya Van Vikas Nigam Limited* paid dividend of ₹ 3.64 crore in 2022-23 for the year 2021-22.

1.8.3 Return on Capital Employed

Return on Capital Employed (RoCE) measures a company's profitability and the efficiency with which its capital is employed. The RoCE is calculated by dividing a

[8] Kerwa Coal Limited is excluded in profit earning State PSEs as it does not have GoCG equity

company's earnings before interest and taxes by the capital employed[9]. The details of RoCE of the selected State PSEs during the period 2020-21 to 2022-23 are given in ***Table 1.8:***

Table 1.8: Return on Capital Employed

(₹ in crore)

Particulars	Year	No of State PSEs	Earnings Before Interest and Tax	Capital Employed	Return on Capital Employed *(in per cent)*
Government Companies					
Profit earning	2020-21	8	1,375.64	14,763.55	9.32
	2021-22	10	1,915.29	15,386.52	12.45
	2022-23	9	1,929.58	14,777.65	13.06
Loss incurring	2020-21	10	317.48	-2,220.04	-14.30
	2021-22	8	-798.54	-3,090.27	25.84
	2022-23	7	-360.45	-4,425.73	8.14
No profit / No loss	2020-21	3	0.00	201.54	0.00
	2021-22	3	0.00	202.12	0.00
	2022-23	3	0.00	202.12	0.00
Statutory Corporation					
Profit earning	2020-21	1	187.24	575.92	32.51
	2021-22	1	105.86	651.40	16.25
	2022-23	1	105.86	651.40	16.25
Loss incurring	2020-21	--	--	--	--
	2021-22	--	--	--	--
	2022-23	--	--	--	--
No profit / No loss	2020-21	--	--	--	--
	2021-22	--	--	--	--
	2022-23	--	--	--	--
Total	**2020-21**	**22**	**1,880.36**	**13,320.97**	**14.12**
	2021-22	**22**	**1,222.61**	**13,149.77**	**9.30**
	2022-23	**20**	**1,674.99**	**11,205.44**	**14.95**

(Source: Compiled on the basis of latest financial statements of State Public Sector Enterprises)

As could be seen from the Table, RoCE in 20 State PSEs is on an upward trend from 14.12 *per cent* in 2020-21 to 14.95 *per cent* in 2022-23. Further, RoCE of 11 out of 20 State PSEs ***(***as detailed in ***Appendix 3***), which generate their own revenue and run on commercial lines was positive (13.32 *per cent*) for the year 2022-23. The RoCE of

[9] Capital Employed = Paid up Share capital *plus* Free Reserves and surplus + Long-term loans *minus* Accumulated losses *minus* Deferred Revenue Expenditure.

remaining six State PSEs, all pertaining to non-power sector, were negative (58.73 *per cent*) for the year 2022-23. The RoCE of the remaining three State PSEs was zero during 2022-23.

1.8.4 Losses incurred

Out of 20 State PSEs, seven State PSEs incurred losses as per their latest finalised accounts at the end of March 2023. The losses incurred by these State PSEs increased to (-) ₹ 1,143.10 crore in 2022-23 from (-) ₹ 433.14 crore in 2020-21, as given in ***Table 1.9*** below:

Table 1.9: Number of State PSEs that incurred losses during 2020-21 to 2022-23

(₹ in crore)

Year	No. of loss making State PSEs	Net Loss for the year	Accumulated loss	Net worth[10]
Government Companies				
2020-21	10	-433.14	-7,907.89	-5,551.95
2021-22	08	-1,226.97	-8,921.68	-5,948.87
2022-23	07	-1,143.10	-10,034.72	-7,061.91

(Source: Compiled on the basis of latest financial statement of State PSEs)

In 2022-23, out of total loss of ₹ 1,143.10 crore incurred by seven State PSEs, major portion viz. 99.09 *per cent* amounting to ₹ 1,132.72 crore was contributed by one power sector State PSE (Chhattisgarh State Power Distribution Company Limited). Further, the details of investments in these State PSEs are given in ***Table 1.10*** below:

Table 1.10: Investment in State PSEs which have incurred losses in 2022-23

(₹ in crore)

Sl. No.	Name of Companies/ Corporation	Paid-up capital				Long Term Borrowing				Net Profit after Tax
		GoCG	GoI	Others	Total	GoCG	GoI	Others	Total	
Government Companies										
1	Chhattisgarh State Power Distribution Company Limited	2,886.54	0.00	0.00	2,886.54	64.10	130.97	1,576.61	1,771.68	-1,132.72
2	Chhattisgarh Road and Infrastructure Development Corporation Limited	4.90	0.00	0.00	4.90	0.00	0.00	1,598.68	1,598.68	-0.57
3	Chhattisgarh Police Housing Corporation Limited	2.00	0.00	0.00	2.00	0.00	0.00	558.27	558.27	-7.91
4	Chhattisgarh Infrastructure Development Corporation Limited	4.20	0.00	0.00	4.20	0.00	0.00	0.00	0.00	-0.01
5	Chhattisgarh	37.22	34.30	0.00	71.52	0.00	0.00	0.00	0.00	-1.66

[10] Net worth = Paid-up Capital + Free Reserves and Surplus – (Accumulated losses + Deferred Revenue Expenditure).

Sl. No.	Name of Companies/ Corporation	Paid-up capital				Long Term Borrowing				Net Profit after Tax
		GoCG	GoI	Others	Total	GoCG	GoI	Others	Total	
	Railway Corporation Limited									
6	Chhattisgarh Katghora Dongargarh Railway Limited	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.00	-0.14
7	Chhattisgarh Kharsia Naya Raipur Railway Limited	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.00	-0.09
Total		**2,934.86**	**34.30**	**4.00**	**2,973.16**	**64.10**	**130.97**	**3,733.56**	**3,928.63**	**-1,143.10**

(Source: Compiled on the basis of latest financial statement of State Public Sector Enterprises)

As on 31 March 2023, the total investment in seven loss making State PSEs was ₹ 6,901.79 crore in which 43.08 *per cent* was equity capital (₹ 2,973.16 crore) and 56.92 *per cent* comprised long-term loans (₹ 3,928.63 crore). Out of the total investment, GoCG invested ₹ 2,998.96 crore in terms of equity and long-term loan. Investment of ₹ 3,902.83 crore was raised from GoI and other sources.

1.8.5 Erosion of Net worth in State PSEs

Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure.

As on 31 March 2023, out of 20 State PSEs, there were five State PSEs with accumulated losses of ₹ 10,252.86 crore. Of these five State PSEs, four State PSEs incurred losses amounting to ₹ 1,134.61 crore during 2022-23 and one State PSE did not incur loss, even though it had accumulated loss of ₹ 184.71 crore as per the latest finalised accounts. Out of the 20 State PSEs, 12 State PSEs has surplus of ₹ 4,013.84 crore and three State PSEs had neither accumulated losses nor surplus, as per their latest accounts.

Out of the five State PSEs which had accumulated losses, the major portion was due to losses incurred by Chhattisgarh State Power Distribution Company Limited (CSPDCL) of ₹ 10,057.33 crore (98.09 *per cent*). However, the long-term viability of CSPDCL could not be commented upon as it operates in a monopoly environment and the revenue recovery is dependent upon various factors viz., reduction of its aggregate technical and commercial losses, decisions of sector regulator i.e. Chhattisgarh State Electricity Regulatory Commission (CSERC), operational efficiencies etc.

Table 1.11: Detail of State PSEs whose Net worth has eroded as per their latest finalised accounts

(₹ in crore)

Sl. No.	Name of State PSEs	Latest year of finalised Accounts	Total paid up capital	Net profit/ Loss after interest, tax and dividend	Accumulated losses	Net Worth	State Government equity as on 31 March 2023	State Government loan as on 31 March 2023
1	Chhattisgarh State Civil Supplies Corporation Limited	2021-22	4.43	20.64	(-)184.71	(-) 179.33	4.43	0.00
2	Chhattisgarh State Power Distribution Company Limited	2022-23	2886.54	(-) 1132.72	(-)10057.33	(-) 7149.62	2886.54	64.10
Total			**2,890.97**	**(-) 1,112.08**	**(-) 10,242.04**	**(-) 7,328.95**	**2,890.97**	**64.10**

(Source: Compiled on the basis of latest financial statement of State Public Sector Enterprises)

The net worth of the above-mentioned two State PSEs out of the five State PSEs which had accumulated losses had been completely eroded by accumulated losses and their net worth was negative. The net worth of these two State PSEs was (-) ₹ 7,328.95 crore against equity investment of ₹ 2,890.97 crore as on 31 March 2023. In these two State PSEs, the outstanding loans of the State Government as on 31 March 2023 amounted to ₹ 64.10 crore.

1.9 Result of CAG's oversight role

1.9.1 Audit of accounts of State PSEs under Section 143 of the Companies Act, 2013

As on 30 September 2023, three State PSEs submitted their accounts for the year 2022-23. Further, 17 State PSEs submitted 18 accounts for previous years spanning from 2018-19 to 2021-22.

Of the 21 accounts received during the period (October 2022 to September 2023), supplementary audit and issue of CAG's comments in respect of 14 accounts have been completed and for two accounts non-review certificate (NRC) were issued. Besides, three accounts which were pending at the beginning of October 2022, were also finalised (final comments were issued in respect of two accounts while nil comments were issued for one account). Thus, five accounts (out of 21 received during October 2022 to September 2023) were under progress at various stages. Therefore, final comments were issued in respect of 16 financial statements (***as detailed in Appendix 4***), while nil comments were issued for one financial statement.

1.9.2 Significant comments of the CAG issued as supplement to the Statutory Auditors' reports

Subsequent to the audit of the financial statements for the year 2022-23 and that of the financial statements for the previous years received by 30 September 2023, the Comptroller and Auditor General of India conducted supplementary audit of the 14 financial statements of 13 State PSEs received during the reporting period (October 2022 to September 2023). Some of the significant comments issued on the financial statements of Government Companies, are detailed in ***Appendix 5***. The financial impact of these comments on the profitability was ₹ 1,194.79 crore and on assets/liabilities was ₹ 1,231.80 crore.

1.10 Disinvestment, Restructuring and Privatisation of State PSEs and any reforms in power sector

During the year 2022-23, there was neither disinvestment of any State PSE nor was any State PSE privatised. During the year 2022-23, Chhattisgarh State Power Holding Company Limited and Chhattisgarh State Power Trading Company Limited merged (June 2022) with Chhattisgarh State Power Transmission Company Limited and Chhattisgarh State Power Distribution Company Limited, respectively, with effect from 1 April 2022.

1.11 Corporate Governance

Corporate Governance deals with the adherence to Corporate Governance principles by the Government Companies. Issues related to appointment of Independent Directors/Women Directors in the Board of Directors (BoDs) of the Government Companies, their presence in the meetings of the BoDs and the committees formed there-under, holding of meetings of the Board of Directors etc, are highlighted.

1.11.1 Introduction

Corporate Governance focuses on building the confidence of various stakeholders including customers, suppliers, employees, shareholders, bankers and society at large. A Company is directed and controlled with a system of rules, practices and process of the Corporate Governance. Further, Corporate Governance framework of any State PSE depends upon the four pillars namely transparency, full disclosures, independent monitoring and fairness to all. Adherence to the Corporate Governance brings accountability and transparency in business and enhances confidence of the stakeholders.

1.11.2 Provisions as contained in the Companies Act, 2013

The Companies Act, 2013 (Act) was enacted on 29 August 2013 replacing the Companies Act, 1956. In addition, Companies Rules, 2014 on Management and Administration, Appointment and Qualification of Directors, Meetings of Board and its powers and Accounts have been notified (March 2014) by the Ministry of Corporate Affairs. The Companies Act, 2013 together with the Rules framed there-under provides the framework for Corporate Governance. The requirements *inter-alia* provide for: Qualifications for Independent Directors along with the duties and guidelines for professional conduct Sections 149 (6) & (8) of the Act and Schedule

IV read with Rule 5 of the Companies (Appointment and Qualification of Directors), Rules, 2014.

Mandatory appointment of one Woman-Director on the board of prescribed companies {Section 149(1) of the Act}.

Mandatory establishment of certain committees like Corporate Social Responsibility Committee {Section (135)}, Audit Committee {Section 177(1)}, Nomination and Remuneration Committee {Section 178(1)}, and Stakeholders Relationship Committee {Section 178(5)}.

Holding of a minimum of four meetings of Board of Directors every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board {Section 173(1) of the Act}.

1.11.3 SEBI guidelines on Corporate Governance

Subsequent to the enactment of Companies Act, 2013, Securities Exchange Board of India (SEBI) notified (2 September 2015) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which came into effect from 1 December 2015 repealing the earlier provisions.

As on March 2023, only one out of the 26 State PSEs i.e. Chhattisgarh State Power Distribution Company Limited was debt-listed on the National Stock Exchange. As per Section 15(1)(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Regulation 16 to Regulation 27 of chapter IV shall apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five hundred crore and above. The outstanding value of listed non-convertible debt securities of Chhattisgarh State Power Distribution Company Limited was less than ₹ 500 crore (i.e. ₹ 437.12 crore) as on March 2022, therefore it was not required to comply with the provisions contained in chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding corporate governance.

1.11.4 Review of compliance by State Public Sector Enterprises of Chhattisgarh of the Corporate Governance provisions

As on 31 March 2023, there were 27 State PSEs in Chhattisgarh which were under the audit jurisdiction of the CAG. Of these, one State PSE[11] which has not submitted its financial statements since inception has been excluded from analysis. Further, out of the 26 State PSEs covered in this report, one State PSE (Chhattisgarh State Power Distribution Company Limited) is debt-listed on National Stock Exchange and one State PSE (Chhattisgarh Rajya Van Vikas Nigam Limited) is a private Company. During scrutiny of records, the observations regarding compliance with provisions of the Companies Act, 2013 and various Rules framed there under are discussed in ensuing paragraphs.

[11] Chhattisgarh Information Infrastructure Corporation Limited.

1.12 Composition of Board of Directors

The Board is a collective body of either elected or appointed persons that meet at regular intervals to devise policies for management and oversee the activities of an organisation. As per Section 2 (10) of the Companies Act, 2013, 'BoDs' or 'Board', in relation to a Company, means the collective body of the Directors of the Company.

1.12.1 Independent Directors

The presence of independent representatives on the Board, capable of taking an independent view on the decisions of the management is widely considered as a means of protecting the interests of shareholders and other stakeholders.

Section 149(6) of the Companies Act, 2013 *inter alia* stipulate that an Independent Director (ID) in relation to a Company, means a Director other than a Managing Director or a whole time director or a nominee director and is a person of integrity and possesses relevant expertise and experience. Besides, the ID shall neither be a promoter himself nor shall be related to the promoters/directors of the company or its holding, subsidiary or associate company. The ID himself or his relatives shall not have any pecuniary relationship/ transaction (other than remuneration of ID) with the company, or its subsidiary, or its holding or associate company beyond the monetary limits and during the period prescribed in this section. The ID himself or his relatives shall not hold key managerial position or any other prescribed relationship *viz.,* employee, auditors, companies secretaries, *etc.,* with the company or its holding, subsidiary or associate company during the timeframe prescribed in this section.

Section 149 (4) of the Act, 2013 provides that every listed public company shall have at least one-third[12] of the total number of directors as independent directors. Further, as per Rule 4(1)[13] of the Companies (Appointment and Qualification of Directors) Rules, 2014, Public Companies (i) having paid up share capital of ten crore rupees or more; or (ii) turnover of one hundred crore rupees or more; or (iii) have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees shall have at least two directors as independent directors.

Further, a company covered under this rule is also required to constitute an Audit Committee. Such Audit Committee shall consist of a minimum of three Directors, with Independent Directors forming a majority as per section 177(2) of the Act, 2013.

Rule further provides that where a Company ceases to fulfill any of three conditions for three consecutive years, it shall not be required to comply with these provisions until such time as it meets any of such conditions.

Further, as per Rule 4 (2), three classes of unlisted Public Company i.e. a joint venture or a wholly owned subsidiary or a dormant company is not required to appoint an ID.

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[12] For the purposes of this sub-section, any fraction contained in such one-third numbers shall be rounded off as one.

[13] For the purpose of this Rule, the paid-up share capital or turnover or outstanding loans, debentures and deposits, as the case may be, as on the last date of the latest audited financial statements shall be taken into account.

As per the information available from the State PSEs, 12 out of 25 State PSEs, which were public companies, were required to appoint IDs in compliance with provisions of the Companies Act, 2013 and Rule 4 as mentioned above during the year 2022-23. Based on the review of composition of the BoDs, Audit observed that only State PSE (Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited) had required number of IDs as given in ***Table 1.12.***

Table 1.12: Status of appointment of Independent Directors

Particulars	During 2022-23
Number of State PSEs required to appoint IDs	12
Number of State PSEs having required number of IDs	01
Number of State PSEs not having any ID	11

(Source: Compiled on the basis of information provided by State PSEs)

1.12.2 Woman Directors in the Board

Section 149 (1) of the Companies Act, 2013, read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provided for appointment of at least one Woman Director in (i) Every listed Company; or (ii) Every other Public Companies having (a) paid up share capital of ₹ 100 crore or more; or (b) turnover of ₹ 300 crore or more. Further, any intermittent vacancy of a Woman Director shall be filled up by the Board at the earliest but not later than immediate next board meeting or three months from the date of such vacancy whichever is later.

As per the information available from the State PSEs, eight State PSEs were required to appoint Women Directors during 2022-23. Of these eight State PSEs, six State PSEs had at least one Woman Director throughout the financial year 2022-23 as given in the ***Table 1.13.***

Table 1.13: State PSEs having at least one Woman Director during 2022-23

Sl. No.	Name of State PSE
1	Chhattisgarh State Marketing Corporation Limited
2	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited
3	Chhattisgarh State Power Generation Company Limited
4	Chhattisgarh State Power Transmission Company Limited,
5	Chhattisgarh State Power Distribution Company Limited
6	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited

(Source: Compiled on the basis of information provided by State PSEs)

In remaining two State PSEs, the Women Directors were not appointed as on 31 March 2023 as given in below ***Table 1.14.***

Table 1.14: State PSEs not having Woman Director during 2022-23

Sl. No.	Name of State PSE
1	Chhattisgarh State Civil Supplies Corporation Limited
2	Chhattisgarh Medical Services Corporation Limited

(Source: Compiled on the basis of information provided by State PSEs)

1.13 Appointment and functioning of Independent Directors

1.13.1 Issuance of formal letter of appointment

As per Schedule IV of the Companies Act, 2013, the appointment of Independent Directors shall be approved at the meeting (General Meeting) of shareholders. Further, the appointment of Independent Directors shall be formalised through a letter of appointment which shall set out the terms and conditions of appointment. Further, the terms and conditions of appointment of Independent Directors are also required to be posted on the Company's website.

Audit noticed that one State PSE (Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited) which had Independent Directors on its Board did not issue a formal letter of appointment to the Independent Directors. Moreover, contrary to the prescribed guidelines, the terms and conditions of appointment of Independent Directors were neither found on the Company's records and official website nor furnished to audit.

1.13.2 Training of Independent Directors

As per Schedule IV Para (III) (1), (Duties of Independent Directors) of Companies Act, 2013 the IDs shall undergo appropriate induction training and regularly update and refresh their skills, knowledge and familiarity with the Company.

As stated in ***Paragraph 1.12.1*** above, one State PSE appointed the Independent Directors on its Board. As per information available from the State PSE, it has not imparted training to the Independent Directors who were on its Board during the financial year 2022-23.

1.13.3 Attending Board meetings, meetings of Board of Committees and General meetings of the Company

Schedule IV Para (III) (3), (Duties of Independent Directors) of the Companies Act, 2013 provided that Independent Directors should strive to attend all the meetings of Board of Directors and Board Committees of which he/she is a member.

1.13.3.1 Board meetings

As stated in ***Paragraph 1.12.1*** above, only one State PSE appointed the required number of Independent Directors. Out of the two meetings of the State PSE's Board of Directors' held during 2022-23, all the Independent Directors attended both the meetings.

1.13.3.2 Meeting of Board Committees

Audit Committee – As per the information available from the only State PSE having Independent Directors on its Board, two[14] meetings of Audit Committee were held during 2022-23, which were attended by all the Independent Directors.

1.13.3.3 General meeting

Schedule IV Para (III) (5) of the Companies Act, 2013 states that Independent Directors shall strive to attend the General Meetings of the Company. As per the information available from the only State PSE having Independent Directors on its Board, the Annual General meetings[15] of the State PSE were attended by the all Independent Directors.

1.13.3.4 Separate meeting of Independent Directors

Schedule IV Para (VII) (1), (Separate Meetings of Independent Directors) of the Companies Act, 2013, requires that Independent Directors shall meet at least once in a financial year, without the attendance of non-Independent Directors and members of management. Further, all the Independent Directors of the Company shall strive to be present at such meetings to review the performance of non-independent directors and the Board as a whole. The performance of the Chairperson of the Company would also be reviewed, considering the views of Executive Directors and non-Executive Directors.

As per the information available from the State PSE which had Independent Directors on its Board during 2022-23, the Independent Directors have not conducted a separate meeting during 2022-23.

1.14 Filling up the post of Key Managerial Personnel

Section 203(1) of the Act, 2013 provides that every company belonging to such class or classes of companies, as may be prescribed, shall have whole time Key Managerial Personnel (KMP) *viz*.(i) Managing Director, or Chief Executive Officer (CEO) or Manager and in their absence, a Whole Time Director; (ii) Company Secretary; and (iii) Chief Financial Officer (CFO). Further, Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provides that every listed company and every other public company having a paid-up share capital of ₹ 10 crore or more shall have whole-time key managerial personnel. Section 203(4) of the Act, 2013 further provided that if the office of any whole-time KMP is vacated, the resulting vacancy shall be filled-up by the Board, at a meeting of the Board, within a period of six months from the date of such vacancy.

As per the information available, the paid-up capital of eight State PSEs was ₹ 10 crore or more in the financial year 2021-22. Hence, these companies were required to appoint whole time KMPs. Of these eight State PSEs, whole time KMPs were found appointed in four State PSEs[16], whereas, in remaining four State PSEs the

[14] 4th (06 April 2022) and 5th (12 December 2022) meetings of Audit Committee.

[15] 30th and 31st Annual General Meeting of the Company held on 20 April 2023.

[16] Chhattisgarh Railway Corporation Limited, Chhattisgarh State Power Distribution Company Limited, Chhattisgarh State Power Generation Company Limited and Chhattisgarh State Power Transmission Company Limited.

provisions of Companies Act, 2013 regarding appointment of KMPs was partially complied. The status of appointment of whole time KMPs by these State PSEs during the year 2022-23 is given in ***Table 1.15***:-

Table 1.15: Status of appointment of KMPs during FY 2022-23

Sl. No.	Name of State PSE	Managing Director, or Chief Executive Officer (CEO) or Manager and in their absence, a Whole Time Director	Company Secretary	Chief Financial Officer
1	Chhattisgarh Rajya Van Vikas Nigam Limited	Yes	Yes	No
2	Chhattisgarh Railway Corporation Limited	Yes	Yes	Yes
3	CMDC ICPL Coal Limited	No	No	No
4	Chhattisgarh Sondiha Coal Company Limited	Yes	Yes	No
5	Chhattisgarh State Power Distribution Company Limited	Yes	Yes	Yes
6	Chhattisgarh State Power Generation Company Limited	Yes	Yes	Yes
7	Chhattisgarh State Power Transmission Company Limited	Yes	Yes	Yes
8	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited	Yes	No	Yes

(Source: Information compiled from data furnished by the State PSEs and financial statements)

1.15 Meeting of Board of Directors and Board Committees

Section 173(1) of the Companies Act, 2013, stipulate that every company shall hold the first meeting of the Board of Directors (BoDs) within thirty days of the date of its incorporation and thereafter hold a minimum number of four meetings of its BoDs every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board. As per information available, out of 26 State PSEs, 16 State PSEs did not conduct the required number of four BoDs meetings during the year 2022-23 as detailed in ***Table 1.16*** below:

Table 1.16: State PSEs which did not conduct required number of Board meetings in a year

Sl. No.	Name of State PSE
1	Chhattisgarh State Marketing Corporation Limited
2	Chhattisgarh Railway Corporation Limited
3	Chhattisgarh Katghora Dongargarh Railway Limited
4	Chhattisgarh Kharsia Naya Raipur Railway Limited
5	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited
6	Chhattisgarh Police Housing Corporation Limited
7	Chhattisgarh Road And Infrastructure Development Corporation Limited
8	Bilaspur Smart City Limited
9	Nava Raipur Atal Nagar Smart City Corporation Limited
10	Chhattisgarh Infrastructure Development Corporation Limited
11	Chhattisgarh Mineral Development Corporation Limited
12	Kerwa Coal Limited
13	CMDC ICPL Coal Limited
14	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited
15	Chhattisgarh State Industrial Development Corporation Limited
16	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam

(Source: Information compiled from data furnished by the State PSEs and financial statements)

Further, as per the information available, 15 State PSEs did not follow the provision of keeping a gap of not more than 120 days between two consecutive meetings of BoDs during the year 2022-23. A gap range of 121-367 days was noticed in two consecutive meetings of BoDs for the State PSEs as listed in ***Table 1.17***.

Table 1.17: State PSEs which did not follow the gap of not more than 120 days between two consecutive meetings of Board of Directors

Sl. No.	Name of State PSE
1	Chhattisgarh Rajya Van Vikas Nigam Limited
2	Chhattisgarh State Marketing Corporation Limited
3	Chhattisgarh Railway Corporation Limited
4	Chhattisgarh Katghora Dongargarh Railway Limited
5	Chhattisgarh Kharsia Naya Raipur Railway Limited
6	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited
7	Chhattisgarh Police Housing Corporation Limited
8	Chhattisgarh Road And Infrastructure Development Corporation Limited
9	Bilaspur Smart City Limited
10	Raipur Smart City Limited

Sl. No.	Name of State PSE
11	Nava Raipur Atal Nagar Smart City Corporation Limited
12	Chhattisgarh Rural Housing Corporation Limited
13	Chhattisgarh Sondiha Coal Company Limited
14	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited
15	Chhattisgarh State Industrial Development Corporation Limited

(Source: Information compiled from data furnished by the State PSEs and financial statements)

1.16 Audit Committee and Other Committees of the Board

1.16.1 Audit Committee

As per Section 177 (1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014, the BoD of every listed Public Company and all public companies with a paid up capital of ₹ 10 crore or more; or having turnover of ₹ 100 crore or more; or having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding ₹ 50 crore or more, except Joint Venture Companies and wholly owned subsidiary companies shall constitute an Audit Committee.

As per the criteria, 12 State PSEs, having the requirement of Independent Directors on their Board, were required to constitute Audit Committee and as per Information available, out of 12 State PSEs, two State PSEs (Chhattisgarh State Marketing Corporation Limited and Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited) had constituted the Audit Committee. The remaining 10 State PSEs, had not constituted the Audit Committee as on 31 March 2023 as given in ***Table 1.18*** below:

Table 1.18: State PSEs which did not constitute Audit Committee

Sl. No.	Name of State PSE
1	Chhattisgarh Railway Corporation Limited
2	Chhattisgarh State Civil Supplies Corporation Limited
3	Chhattisgarh Medical Services Corporation Limited
4	Chhattisgarh Police Housing Corporation Limited
5	Chhattisgarh Road And Infrastructure Development Corporation Limited
6	Chhattisgarh Rural Housing Corporation Limited
7	Chhattisgarh Mineral Development Corporation Limited
8	Chhattisgarh State Power Distribution Company Limited
9	Chhattisgarh State Power Generation Company Limited
10	Chhattisgarh State Power Transmission Company Limited

(Source: Information compiled from data furnished by the State PSEs and financial statements)

Further, Section 177(2) of the Companies Act, 2013 provides that the Audit Committee shall consist of a minimum of three directors, with independent directors forming a majority. Further, most members of Audit Committee including its

Chairperson shall be persons with ability to read and understand the financial statements.

As per the information available from the State PSEs, though the two State PSEs wherein Audit Committee was constituted had fulfilled the criteria of having at least three members in their Audit Committee during the financial year 2022-23, only one (Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited) had independent directors[17] in the Audit Committee during 2022-23.

1.16.2 Nomination and Remuneration Committee

As per Section 178(1) of the Act, 2013 and Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014, the BoD of every listed Public Company and all public companies with a paid up capital of ₹ 10 crore or more; or having turnover of ₹ 100 crore or more; or having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding ₹ 50 crore or more, shall constitute a Nomination and Remuneration Committee (NRC).

As per information available from the State PSEs, 12 State PSEs were required to constitute the NRC. Only one State PSE (Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited) had constituted the NRC whereas 11 State PSEs as given in ***Table 1.19*** did not constitute the NRC.

Table 1.19: State PSEs which had no Nomination and Remuneration Committee

Sl. No.	Name of the State PSEs
1	Chhattisgarh State Marketing Corporation Limited
2	Chhattisgarh Railway Corporation Limited
3	Chhattisgarh State Civil Supplies Corporation Limited
4	Chhattisgarh Medical Services Corporation Limited
5	Chhattisgarh Police Housing Corporation Limited
6	Chhattisgarh Road And Infrastructure Development Corporation Limited
7	Chhattisgarh Rural Housing Corporation Limited
8	Chhattisgarh Mineral Development Corporation Limited
9	Chhattisgarh State Power Distribution Company Limited
10	Chhattisgarh State Power Generation Company Limited
11	Chhattisgarh State Power Transmission Company Limited

(Source: Information compiled from data furnished by the State PSEs and financial statements)

The Companies Act, 2013 further provides that the NRC should consist of three or more non-executive directors out of which not less than one-half shall be Independent Directors. The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the NRC but shall not chair such Committee.

[17] Chhattisgarh State Marketing Corporation Limited, though required to have independent directors on its Board, had no independent director on its Board.

As per information furnished by the only State PSE having an NRC (Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited), the composition of its NRC was as per the provisions of the Companies Act, 2013.

1.17 Whistle Blower Mechanism

Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its power) Rules provides that every listed Company; the Companies which accept deposits from the public; the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees shall establish a Vigil Mechanism for their Directors and employees to report genuine concerns and grievances about unethical behaviour, suspected fraud or violation of Company's code of conduct or ethics policy. It provides for adequate safeguards against victimisation of persons who use such mechanism.

As per information available, six[18] State PSEs were required to establish Vigil Mechanism to report genuine concerns or grievances. Of these none of the State PSE established a Vigil Mechanism/Whistle Blower Mechanism.

1.18 Corporate Social Responsibility

1.18.1 An introduction to Corporate Social Responsibility

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the local community at large. It recognises the interests of its stakeholders and the general community at large by covering sustainability, social impact and ethics. The concept of CSR rests on the ideology of give and take. Companies take resources in the form of raw materials, human resources etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society.

Section 135 of the Companies Act, 2013, deals with the subject of CSR and lays down the qualifying criteria based on net worth, turnover and net profit during any financial year for companies which are required to undertake CSR activities. The activities which may be included by the companies in their CSR policies are listed in Schedule VII of the Companies Act, 2013. The provisions of Section 135 and Schedule VII of the Companies Act, 2013 are applicable to all companies including State PSEs and makes it mandatory for any company to spend, annually at least two *per cent* of average net profit[19] of three immediate preceding financial years towards CSR activities in case it fulfills the following criteria in immediately preceding financial year:

(i) a net worth of ₹ 500 crore or more; or

(ii) turnover of ₹ 1,000 core or more; or

(iii) a net profit of ₹ 5 crore or more.

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[18] Chhattisgarh Police Housing Corporation Limited, Chhattisgarh Road and Infrastructure Development Corporation Limited, Chhattisgarh Rural Housing Corporation Limited, Chhattisgarh State Power Generation Company Limited, Chhattisgarh State Power Transmission Company Limited and Chhattisgarh State Power Distribution Company Limited.

[19] Calculated as per Section 198 of the Companies Act, 2013.

In February 2014, Ministry of Corporate Affairs (MCA) issued Companies (CSR Policy) Rules, 2014 made applicable to all companies including State PSEs w.e.f. 1 April 2014. Accordingly, the compliance of the provisions of CSR under the Companies Act, 2013 i.e. constitution of CSR Committee, formulation of CSR Policy and spending of prescribed amount on CSR activities came into force from April, 2014.

1.19 Audit findings

As of March 2023, 10 State PSEs fulfilled the eligibility criteria prescribed for CSR. Audit reviewed the compliances of extant provisions regarding CSR by 10 State PSEs[20] during the year 2022-23. The Audit findings on extent of compliance with the provisions of the Companies Act, 2013 with regard to constitution of CSR Committee, formulation and compliance of policy, planning and execution of CSR activities and monitoring and reporting thereof by the State PSEs are given in the following paragraphs.

1.19.1 Constitution of CSR Committee and its composition

As per section 135 (1) of the Act, every company having a net worth of ₹ 500 crore or more; or turnover of ₹ 1,000 core or more; or a net profit of ₹ 5 crore or more during immediately preceding financial year shall constitute a CSR committee of the Board consisting of three or more Directors. Further, as per Section 135(9), where the amount to be spent by a company under sub-section (5)[21] does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the CSR Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

Audit noticed that four[22] out of 10 State PSEs had constituted CSR committees whereas, five[23] State PSEs were not required to constitute CSR committee as per provisions of Section 135(9) of the Act, as their liability on account of CSR was less than ₹ 0.50 crore. The remaining one State PSE i.e. Chhattisgarh State Civil Supplies

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[20] Chhattisgarh State Power Generation Company Limited, Chhattisgarh State Power Transmission Company Limited, Chhattisgarh State Power Distribution Company Limited, Chhattisgarh Rajya Van Vikas Nigam Limited, Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited, Chhattisgarh Mineral Development Corporation Limited, Chhattisgarh Medical Services Corporation Limited, Chhattisgarh State Marketing Corporation Limited, Chhattisgarh State Civil Supplies Corporation Limited and Chhattisgarh State Beverages Corporation Limited.

[21] The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two *per cent* of the average net profits of the company made during the three immediately preceding financial years, or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

[22] Chhattisgarh Rajya Van Vikas Nigam Limited, Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited, Chhattisgarh State Power Generation Company Limited and Chhattisgarh State Power Transmission Company Limited

[23] Chhattisgarh State Power Distribution Company Limited, Chhattisgarh State Marketing Corporation Limited, Chhattisgarh Medical Services Corporation Limited, Chhattisgarh State Beverages Corporation Limited and Chhattisgarh Mineral Development Corporation Limited.

Corporation Limited had not constituted CSR committee though it met the required criteria under Section 135 (1).

Further, as per Section 135 (1) of the Companies Act, 2013, the CSR committee shall have at least one independent director. Out of four State PSEs where CSR committees were constituted, two State PSEs (Chhattisgarh State Power Generation Company Limited and Chhattisgarh State Power Transmission Company Limited) had not complied with the Rule of having at least one Independent Director in the committee as they had no independent director on their Board. While one State PSE i.e. Chhattisgarh Rajya Van Vikas Nigam Limited was not required to appoint an independent director on its Board being a private Company.

1.19.2 Framing of CSR policy

Section 135 (3) of the Companies Act, 2013 requires that a Company's CSR Committee shall formulate and recommend to the Board, a CSR Policy. It was seen that out of 10 State PSEs, six[24] formulated their CSR policies while the remaining four State PSEs (Chhattisgarh State Power Distribution Company Limited, Chhattisgarh Medical Services Corporation Limited, Chhattisgarh Mineral Development Corporation Limited and Chhattisgarh State Civil Supplies Corporation Limited) did not have CSR policy in place.

1.19.3 Allocation and utilisation of funds

As per provisions of Section 135 (5) of the Companies Act, 2013 the amount required to be spent by the 10[25] State PSES during 2022-23 aggregated to ₹18.30 crore, including ₹ 3.62 crore being the balance of CSR liability carried over from previous years. One State PSE i.e. Chhattisgarh State Power Distribution Company Limited which incurred losses persistently, had no liability on account of CSR during any year up to 2022-23. During 2022-23, six State PSEs spent ₹15.95 crore leaving an unspent balance of ₹2.35 crore as detailed in ***Table 1.20:***

[24] Chhattisgarh Rajya Van Vikas Nigam Limited, Chhattisgarh State Beverages Corporation Limited, Chhattisgarh State Marketing Corporation Limited, Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited, Chhattisgarh State Power Generation Company Limited and Chhattisgarh State Power Transmission Company Limited.

[25] One State PSE i.e. Chhattisgarh State Power Distribution Company Limited which incurred losses persistently, had no liability on account of CSR during any year upto 2022-23.

Table 1.20: CSR liability vis-a-vis expenditure incurred during 2022-23

(₹ in crore)

Sl. No	Name of the State PSE	Carry over amount from previous year	Amount required to be spent for the year 2022-23	Total amount required to be spent for the year 2022-23	Expenditure incurred on CSR during the year 2022-23	Unspent balance at the end of the year
1	*2*	*3*	*4*	*5=(3+4)*	*6*	*7=(5-6)*
1	Chhattisgarh Rajya Van Vikas Nigam Limited	1.40	0.54	1.94	0.83	1.11
2	Chhattisgarh State Beverages Corporation Limited	-0.03	0.19	0.16	0.21	-0.05
3	Chhattisgarh State Marketing Corporation Limited	0.41	0.00	0.41	0.00	0.41
4	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	1.37	0.53	1.90	0.44	1.46
5	Chhattisgarh Medical Services Corporation Limited	0.98	0.41	1.39	0.00	1.39
6	Chhattisgarh Mineral Development Corporation Limited	0.00	0.17	0.17	0.03	0.14
7	Chhattisgarh State Power Generation Company Limited	0.81	10.34	11.15	13.66	-2.51
8	Chhattisgarh State Power Transmission Company Limited	-1.72	2.23	0.51	0.78	-0.27
9	Chhattisgarh state Civil Supplies Corporation Limited	0.40	0.27	0.67	0.00	0.67
10	Chhattisgarh State Power Distribution Company Limited	0.00	0.00	0.00	0.00	0.00
	Total	**3.62**	**14.68**	**18.30**	**15.95**	**2.35**

(Source: Information compiled from data furnished by the State PSEs and financial statements)

Further, out of the six State PSEs which had unspent balance, only two (Chhattisgarh Rajya Van Vikas Nigam Limited and Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited) transferred their unspent CSR balance to a separate CSR account. However, Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited transferred the unspent balance to a separate CSR account beyond prescribed period of 30 days from end of the financial year.

1.19.4 Range of CSR spend

The total amount to be spent on account of CSR by the nine State PSEs during the year 2022-23 was ₹ 18.30 crore, against which these State PSEs could spend only ₹ 15.95 crore (87.16 *per cent*). Out of the nine State PSEs, four were required to spend an amount of more than ₹ 1.00 crore however, only one State PSE

(Chhattisgarh State Power Generation Company Limited) spent an amount (₹ 13.66 crore) of more than ₹ 1.00 crore during 2022-23.

1.19.5 Top spenders

Total spend on CSR activities by State PSEs is depicted in **chart 1.3** below:



(Source: Information compiled from data furnished by the State PSEs)

The top spender was Chhattisgarh State Power Generation Company Limited at ₹ 13.66 crore (85.64 *per cent* of total CSR spent by the nine State PSEs) followed by Chhattisgarh Rajya Van Vikas Nigam Limited at ₹ 0.83 crore (5.20 *per cent*).

1.19.6 Administrative overheads

As per CSR Rule 4 (6), Administrative Overheads (OH) are to be restricted to five *per cent* of overall CSR funds. The OH to be disclosed separately should include baseline studies, capacity building and other overheads. During the year 2022-23, six State PSEs incurred expenditure on CSR activities as discussed in ***Paragraph 1.19.3***. Audit, however, observed that CSR expenditure by four State PSEs (Chhattisgarh State Power Generation Company Limited, Chhattisgarh State Power Transmission Company Limited, Chhattisgarh Rajya Van Vikas Nigam Limited and Chhattisgarh State Beverages Corporation Limited) did not include any amount on account of administrative overheads. No information was furnished by the remaining two[26] State PSEs in this regard.

1.19.7 Manner of implementation of CSR activities

Rule 4 of Companies (CSR) Rules, 2014 exclusively deals with the manner in which the CSR activity is to be undertaken under section 135(1) of the Act. The Board may decide to undertake CSR activities as approved by CSR Committee through a registered trust/society or a company established by the company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise.

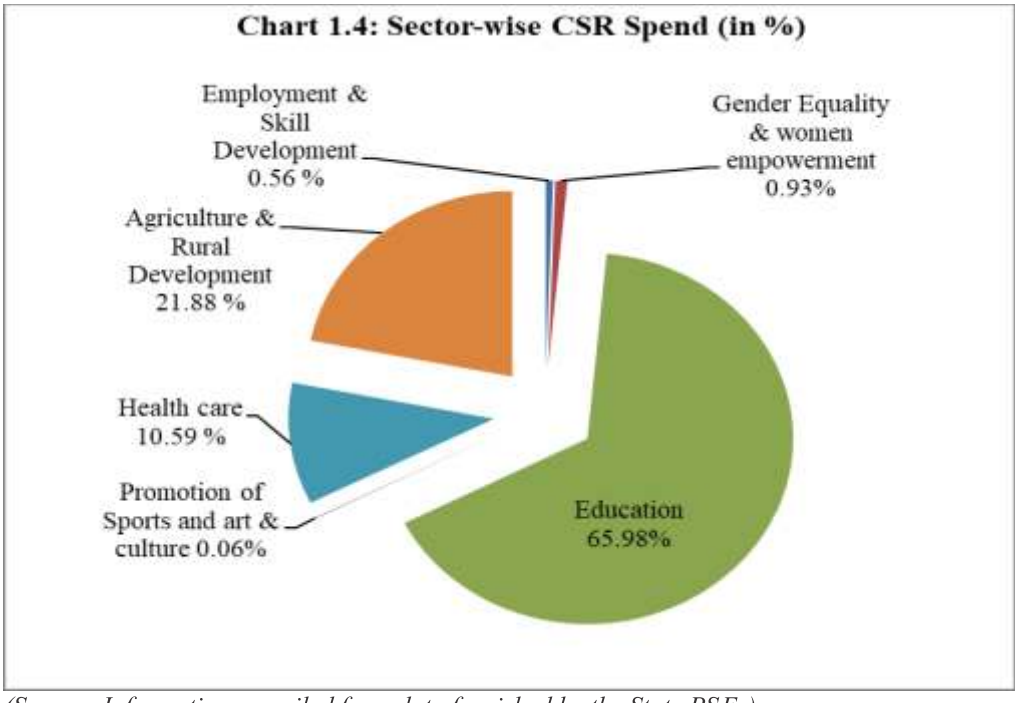
[26] Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited and Chhattisgarh Mineral Development Corporation Limited.

As discussed in ***Paragraph 1.19.3***, six State PSEs implemented the CSR activities during the year 2022-23 of which three State PSEs (Chhattisgarh Rajya Van Vikas Nigam Limited and Chhattisgarh State Beverages Corporation Limited and Chhattisgarh State Power Transmission Company Limited) implemented the CSR activities directly, while the CSR activities of other three State PSEs were executed through implementing agencies viz.– trusts, societies, Government departments, non-Government organisations etc.

1.19.8 Focus areas

The focus areas are depicted in **chart 1.4** below:

Chart 1.4: Sector-wise CSR Spend (in %)



(Source: Information compiled from data furnished by the State PSEs)

As indicated above, education sector received the maximum focus (65.98 *per cent*). Total spend under this head was ₹ 10.53 crore. Next highest spend (₹ 3.49 crore) was in Agriculture and Rural development i.e. 21.88 *per cent*.

1.19.9 District wise CSR spend

Two State PSEs (Chhattisgarh Rajya Van Vikas Nigam Limited and Chhattisgarh State Power Generation Company Limited) had undertaken CSR activities in more than one District of the State. As on 31 March 2023 there were 33 districts in Chhattisgarh, of which CSR activities were carried out in 11 districts though six out of 10 State PSEs had offices/activities in all districts of the State. Further, major portion (89.21 *per cent*) of the total CSR spend was concentrated in three districts (Mahasamund ₹ 5.31 crore, Korba ₹ 5.13 crore and Raigarh ₹ 3.80 crore).

1.19.10 Monitoring framework

As per Rule 5(2) of CSR Rules, 2014, the CSR Committee shall institute a transparent monitoring mechanism for implementation of CSR projects/ programmes/activities undertaken by the company. Audit observed that all six State

PSEs, which framed their CSR policies, had specified the monitoring mechanism in the policy. Further, Rule 8(3) of the Companies (CSR Policy) Rules, 2014 mandates following class of companies to conduct impact assessment: (i) companies with minimum average CSR obligation of ₹ 10 crore or more in the immediately preceding three financial years; and (ii) companies that have CSR projects with outlays of minimum ₹ 1.00 crore and which have been completed not less than one year before undertaking impact assessment. Impact assessment shall be carried out project-wise only in cases where both the above conditions are fulfilled. In other cases, it can be taken up by the company on a voluntary basis.

In 2022-23, one State PSE (Chhattisgarh State Power Generation Company Limited), which was required to carry out impact assessment of its completed CSR projects, did not carry out impact assessment.

1.19.11 Reporting and disclosure

As per Section 135 (2) and (4) read with Section 134 (3) (o) of the Companies Act, 2013, a Company is required to include an annual report on CSR in their Board Report and place it on the official website. The companies have to disclose the following in the prescribed format:

- Disclose contents of CSR policy, web link of CSR policy, average net profit, composition of CSR Committee, administrative overheads, prescribed amount, unspent amount, reasons for unspent amount.
- Include a responsibility statement signed by the CSR Committee that the implementation and monitoring of CSR Policy was in compliance with the CSR objective and Policy of the Company.

It was noticed that eight of the 10 State PSEs which qualified the criteria prescribed for CSR in Section 135(1) of the Companies Act, 2013, have given disclosure regarding CSR policy, web link of CSR policy, average net profit, composition of CSR Committee, administrative overheads, prescribed amount, unspent amount, reasons for unspent amount etc. in their latest finalised Boards' reports. The remaining two State PSEs (Chhattisgarh State Marketing Corporation Limited and Chhattisgarh Mineral Development Corporation Limited) did not disclose the requisite information in the latest finalised Boards' report. Besides, responsibility statement signed by the CSR Committee was not included in the latest finalised Boards' Reports in case of all the 10 State PSEs. Thus, none of the State PSE fully complied with the reporting and disclosure requirements.

1.20 Conclusion

As on 31 March 2023, there were 28 State PSEs including one Statutory Corporation. Out of 28, there are two inactive State PSEs. Out of 26 working State PSEs, only 20 State PSEs (19 Companies and one Statutory Corporation), whose accounts were in arrears for two or less years as on 30 September 2023 have been considered for detailed analysis of financial performances.

During 2022-23, these 20 State PSEs registered turnover of ₹ 42,172.73 crore, which was equal to 9.22 *per cent* of the GSDP of Chhattisgarh. The contribution of Power

sector State PSEs alone accounts for over 66.51 *per cent* of the total turnover of State PSEs during 2022-23.

The investment in equity and long-term loans in 28 State PSEs was ₹ 20,961.61 crore at the end of 31 March 2023. The outstanding long-term loans of these State PSEs increased from ₹ 13,865.19 crore to ₹ 13,877.90 crore during the year of 2020-21 to 2022-23.

The Profit earned by 10 State PSEs out of 20 State PSEs was ₹ 879.22 crore in 2022-23 as compared to 10 State PSEs which earned profit of ₹ 863.06 crore in 2021-22. Chhattisgarh State Power Generation Company Limited (₹ 570.38 crore), Chhattisgarh State Power Transmission Company Limited (₹ 109.89 crore) and Chhattisgarh State Warehousing Corporation (₹ 71.20 crore) contributed the major portion of the profit. Out of the total loss of ₹ 1,143.10 crore incurred by seven State PSEs, major loss was incurred by Chhattisgarh State Power Distribution Company Limited (₹ 1,132.72 crore).

Out of 28 State PSEs, accounts of 25 State PSEs were in arrears (24 Government Companies, one Statutory Corporation) for various reasons for the year 2022-23. State PSEs were not adhering with the prescribed timeline regarding submission of their Financial Statements as per the Companies Act, 2013. As a result, 47 accounts of 25 State PSEs were in arrears. Supplementary audit of the 14 financial statements of 13 State PSEs received during the reporting period were conducted and significant comments highlighting financial inaccuracies in financial stetements impacting the proftability was ₹ 1,194.79 crore and on assets/liabilities was ₹ 1,231.80 crore.

Out of 26 State PSEs reviewed, 25 were public companies, of which 12 State PSEs were required to appoint independent directors, however, only one State PSE appointed independent directors on its Board. As per the extant provisions, eight State PSEs were required to appoint Woman Directors, of which six State PSEs had at least one Woman-Director on their Board.

Contradictory to the provisions of the Act, 16 out of 26 State PSEs did not conduct minimum of four meetings of its Board of Directors. Besides, in case of 15 State PSEs the period between two consecutive meetings was beyond 120 days which ranged between 121 and 367 days.

Out of 26 State PSEs, 12 State PSEs were required to constitute Audit Committee; however, only two State PSEs had audit committees. No whistle blower/vigil mechanism was established in the six State PSEs which were required to comply with the provision.

During the year 2022-23, CSR committee was not constituted by one State PSE while CSR policy was not framed by four State PSEs. Out of nine State PSEs which were required to carry out CSR activities only six were compliant. The focus area of CSR spend was majorly on promotion of education (65.98 *per cent*). The areas of sports, art and culture, employment & skill development, gender equality & women empowerment and environment sustainability attracted minimal attention. The CSR expenditure was incurred in 11 out of 33 districts of the State, of which major portion of the expenditure (89.21 *per cent*) was incurred in three districts.

1.21 Recommendations

The State Government may

1. ***Review the functioning of all loss making/ inactive State PSEs and take necessary steps to improve their financial performance/ winding up.***
2. ***Issue necessary instructions to Administrative Departments to set targets for finalisation of accounts and clearance of arrears,***
3. ***Formulate a dividend policy for the profit making State PSEs.***
4. ***Ensure compliance to provisions of the Companies Act, 2013 for Corporate Governance and Corporate Social Responsibility requirements by the State PSEs.***

CHAPTER II

CHAPTER II

2 Performance Audit on Implementation of Smart Cities Mission in Chhattisgarh

2.1 Introduction

Cities are engines of growth for the economy of every nation, including India. Nearly 31 *per cent* of India's current population lives in urban areas and contributes 63 *per cent* of India's GDP (Census 2011). The Ministry of Housing and Urban Affairs (MoH&UA), Government of India (GoI) launched (June 2015) "Smart Cities Mission (SCM)" a Centrally Sponsored Scheme (CSS), with the objective to promote cities for providing (a) Core infrastructure; (b) Decent quality of life to the citizens; (c) Clean and Sustainable environment; and (d) Application of Smart Solutions.

The purpose of SCM is to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology. The period of the Mission was initially for five years (2015-20) which was further extended up to March 2025.

As per the SCM guidelines, a total of 100 cities were to be selected for implementation of SCM across the country. Out of it, in Chhattisgarh, three cities namely Raipur (May 2016), Bilaspur and Nava Raipur (June 2017) were selected. For implementation of Mission in three selected cities, three Special Purpose Vehicles (SPVs) viz. Raipur Smart City Limited (RSCL), Bilaspur Smart City Limited (BSCL) and Nava Raipur Atal Nagar Smart City Corporation Limited (NRANSCCL) were created in September 2016 and October 2017.

2.1.1 Organisational set-up

At central level, National Mission Director to Government of India is the overall in-charge of all activities related to the Mission. Similarly, at State level a State Level High Powered Steering Committee (SLHPSC) chaired by the Chief Secretary to the State Government is responsible to steer the Mission Programme in its entirety. At the city level, a Smart City Advisory Forum (SCAF) was to be established to advise and enable collaboration among various stakeholders.

At city level, implementation of development activities would be done through SPV created for the purpose. In Chhattisgarh, three SPVs were created for implementation of Mission in three selected cities viz. Raipur, Bilaspur and Nava Raipur. RSCL and BSCL are under the administrative control of the Urban Administration and Development Department (UADD) and NRANSCCL is under the administrative control of Housing and Environment Department, GoCG. Chief Executive Officer, State Urban Development Authority (SUDA) is the Nodal Officer for the Mission in the State.

The following organisational ***Chart 2.1*** shows the functional hierarchy:

Chart 2.1: Organisational chart showing the functional hierarchy of the SPVs



2.1.2 Audit Objectives

We conducted this audit with the objective to assess:

(1) Adequacy of planning in developing smart cities,

(2) Implementation of the projects as per laid down norms and within specified time

(3) Prudence in financial management, and

(4) Availability of functional mechanism for monitoring, evaluation, and mid-course correction

2.1.3 Audit Criteria

The Performance Audit findings were benchmarked against the criteria derived from the following documents:

- Smart City Mission Guidelines (issued by MoH&UA, GoI in June 2015),
- Smart City Proposals (SCPs) of individual Smart Cities submitted to MoH&UA, GoI,
- Detailed Project Report/Feasibility Report of Projects,
- Advisories and Memorandums issued by MoH&UA,
- Agenda and minutes of meetings of Board of Directors of the companies/Minutes of meeting of State Level High Powered Committee / Smart City Advisory Forum, delegation of powers, tender documents, notifications, circulars and orders issued by the GoI/GoCG from time to time,
- Terms and conditions of contract agreements for works and applicable rules and orders, and

- Schedule of Rates (SOR) and Works Manual issued by Chhattisgarh PWD, Chhattisgarh Store and Purchase Rules issued by State Government.

2.1.4 Scope of Audit and Audit Methodology

Audit was conducted during June to September 2022 and the data in the report has been updated till March 2023 in February 2024. The audit methodology included examination of files/records at the offices of all three SPVs *viz*., RSCL, BSCL and NRANSCCL for the period from 2015-16 to 2022-23 (SCM was launched in June 2015) and joint physical verifications of work sites with officials of the SPVs.

The SPVs awarded 476 work orders valuing ₹ 2,644.44 crore, of which, 202 orders of one crore and above, valuing ₹ 2,482.95 crore (93.89 *per cent*) were scrutinised in audit.

Entry conferences were held on 8 August 2022 and 16 August 2022 with the Departmental Secretaries and Managing Directors (MDs) of the SPVs to explain the objectives, scope and methodology of the Performance Audit. The draft Report was issued to the Special Secretary, Urban Administration and Development Department and Special Secretary, Housing and Environment Department, GoCG in February 2023. The replies/views of the Government have been suitably included in the report. The Exit conferences was held with Departmental Secretaries on 16 April 2024 and 20 June 2024 to discuss the findings of SPVs. The replies received from the Secretary, Housing and Environment Department, GoCG after Exit Conferences have also been suitably incorporated in the report.

2.1.5 Acknowledgement

Audit acknowledges the co-operation extended by the officials of RSCL, BSCL and NRANSCCL.

Audit Findings

Under the Smart City Mission, GoCG made important interventions in the urban areas by constructing smart roads, converting overhead electricity cables to underground cables, smart library, etc. and Integrated Command and Control Centre (ICCC) addressing the issue of improvement/safety in public spaces. Operationalisation of ICCC in all the three cities ensured better surveillance, traffic management, crime control etc. Besides many projects for redevelopment of gardens, plantation of trees and beautification of ponds, talabs, and river front were also undertaken for visible improvement of public spaces in the cities.

However, significant observations made in Audit regarding implementation of Smart City Mission are discussed in the succeeding paragraphs.

2.2 Planning and Governance

Under the SCM, cities were to prepare Smart City Proposals (SCPs) using the principles of strategic planning process containing Area Based Development plan and Pan-city initiatives. CEO, State Urban Development Agency (SUDA) acted as Mission Director for implementation of the SCM at State level and SCPs were prepared by the respective ULBs under the overall guidance of Mission Director. Three SPVs (RSCL, BSCL and NRANSCCL) were responsible for overall

implementation and governance of SCM at city level.

2.2.1 Preparation of Smart City Proposal

SCM guidelines prescribed certain essential features in form of core infrastructure e.g. assured electricity supply, adequate water supply, solid waste management, pedestrian friendly pathways etc. and smart solutions like intelligent traffic management, energy efficient street lighting etc. must form part of SCP.

Audit noticed that the SCPs of Raipur and Bilaspur did not include rainwater harvesting and energy efficient green building. Further, even though included in SCPs, the work related to essential features i.e., assured electricity supply, energy efficient green building and affordable housing under green field development, non-vehicle street/zones, smart parking, smart metering, non- motorised transport etc. were not taken up for execution during the audit period by SPVs in Raipur[1], Bilaspur[2] and Nava Raipur[3].

Audit further noticed that out of 175 projects proposed in SCPs, 14 projects (₹ 353.58 crore) were dropped on various grounds such as overlapping in the scope, do-ability, non-availability of land, abnormal delay in taking up of projects, non-interest of the stakeholders etc. during implementation stage. This indicates inadequate planning and assessment for selection of projects in the SCP and its execution.

The GoCG stated (April 2023) that the projects were dropped as these were either implemented through different departments of the State Government or found not feasible after consultation with concerned departments.

The reply itself indicates that SCP was prepared without proper assessment, planning and participation.

2.2.2 Non-Appointment of full time CEO and other staff

The SCM guidelines envisage that each SPV would be headed by a full-time Chief Executive Officer (CEO) who has to be appointed for a fixed term of three years after approval of MoH&UA and can be removed only with prior approval of MoH&UA. Further, the advisory issued (October 2018) by MoH&UA clearly states that having a full-time CEO in Smart City SPVs is expected to significantly contribute in the Ministry's pursuit towards accelerated implementation of the Mission. As per advisories issued by MoH&UA for appointment of key managerial persons as required under Companies Act, 2013, the CEO was responsible to formulate a Human Resource Policy laying down the required staff positions, their qualifications, recruitment procedures, compensation, termination procedures, etc., which was to be approved by BoD.

- Audit observed that a full-time CEO has not been appointed in any of the

1 Raipur- assured electricity supply, affordable housing under green field development & non-vehicle streets/zones

2 energy efficient & green building, affordable housing under green field development, smart parking, smart metering, non-vehicle street/zones & non-motorised transport (cycle track)

3 assured electricity supply, energy efficient green building and affordable housing under green field development & smart parking

three SPVs. The Commissioners of concerned Municipal Corporations[4] were given the additional charge of the CEO of the SPVs.

- The BoD of the three SPVs, in their 1st/2nd meeting, approved (September 2016/October 2016/August 2018) the set-up of RSCL[5], BSCL[6] and NRANSCCL[7] which included various posts for the day-to-day functioning of the SPVs, to be filled on deputation/contractual/ outsource basis. It was observed that instead of appointing technical staff on deputation/contractual basis, the staff of RMC, BMC and NRANVP were given additional charge of the posts of respective SPVs. Further, there were vacancies in three SPVs across various wings i.e. administrative, finance and technical staff affecting work efficiency and all three SPVs were functioning with deficient staff strength (***Appendix 6***).

In respect of NRANSCCL, the GoCG stated (April 2024) that as per information shared by SLHPSC to MoH&UA, CEO, NRANSCCL will be designated at the post of Managing Director and the same had been approved by BoD. In exit conference (June 2024), CEO, SUDA acknowledged the fact regarding non-deployment of full time CEO in RSCL and BSCL.

The GoCG reply did not address the issue completely, as in the absence of dedicated CEO and other staff, progress of project implementation as planned could not be ensured.

2.2.3 Shareholding pattern in SPVs

SCM guidelines provide that SPV would be established as a Limited Company under the Companies Act, 2013 and would be promoted by the State/UT and the Urban Local Bodies (ULB) jointly. The share holding pattern of 50:50 of the State/UT and the ULB is to be maintained at all times and the initial paid-up capital of the SPV would be ₹ 200.00 crore.

Audit however, observed that the initial paid-up capital of all the three SPVs was only ₹ 10.00 lakh as against the required paid-up capital of ₹ 200.00 crore. Further, in the case of RSCL and BSCL, the equity shareholding was 14:86 and in case of NRANSCCL it was 29:71 between the ULB[8] and the State Government against the requirement of 50:50 share. Thus, the share holding pattern of the SPVs was not as per the provisions of scheme guidelines.

The GoCG in its reply (April 2023) stated that the shareholding pattern of RSCL has since been complied. As regards BSCL, the GoCG stated that the shares held by various authorities are not only on behalf of the ULB but for both the GoCG and the

4 The CEO of NRANVP was given the additional charge of Managing Director of NRANSCCL as there is no ULB in Nava Raipur city.

5 CEO, Chief Financial Officer (CFO), General Manager (Land revenue), General Manager (Eng. Tech), General Manager (Communication), General Manager (IT), General Manager cum Company Secretary etc.

6 CEO, Chief Financial Officer (CFO), General Manager (Land revenue), General Manager (Eng. Tech), General Manager (Communication), General Manager (IT), General Manager cum Company Secretary etc.

7 CEO, General Manager, Deputy Manager, Company Secretary, Deputy General Manager (Finance/Land Revenue), Assistant Manager etc.

8 Shares in favour of NRANVP as there is no ULB in Nava Raipur.

ULB and it should be considered to be in the ratio of 50:50. Regarding paid up capital, GoCG stated that requirement of minimum capital of ₹ 200 crore is indicative and depends upon the requirement of SPV. In respect of NRANSCCL, while accepting the fact the GoCG stated (April 2024) that there is no ULB in Nava Raipur City thus, 50:50 ratio is not feasible and same was thus not followed. Further, shareholding pattern will be updated soon.

Reply is not acceptable as in case of BSCL, the Commissioner of the ULB, who is also CEO of BSCL, is on the Board of Directors (BoD) of the SPV holding only 14.29 *per cent* of the shares. So, the contention that the ratio of shareholding between the State Government and the ULB is 50:50 is not correct. Further, regarding the minimum paid up capital, the reply is not acceptable as the SCM guidelines specifically mentioned that the minimum paid up capital of the SPVs would be of ₹ 200 crore.

2.3 Funding arrangements

The projects under SCM were to be funded through grant from GoI and matching grant by the State Government i.e. SCM fund. In addition to this, funds could also be arranged by way of convergence with other Government scheme (Convergence) and Public Private Partnership (PPP). The total projects cost of SCPs for three cities of Chhattisgarh was ₹ 9,627.70 crore. The total project cost of SCPs to be funded through SCM, convergence and PPP was ₹ 2,534.30 crore, ₹ 2,205.00 crore and ₹ 4,888.40 crore respectively.

2.3.1 Availability of SCM funds

As per Guidelines of the scheme, GoI will provide ₹ 200 crore per city in the first year for SCM and thereafter an average of ₹ 100 crore per city for the next three years after deducting 2 *per cent* for A&OE for MoUD. The State Government and ULBs concerned together shall also contribute equal amount as matching share on release of funds by GoI. The details of grant received from GoI, grants released to SPVs and expenditure incurred by the selected three SPVs in the State during the period 2015-23 are given in ***Table 2.1***:

Table 2.1: Details of grant received and expenditure incurred by all three SPVs

(₹ in crore)

SPV	Committed funds	Total award value (No. of work)	Grant received by GoCG from GoI	GoI Share remitted to SPV	GoCG share	Total available funds	Expenditure as of March 2023	Percentage of exp. against available funds
1	2	3	4	5	6	7=5+6	8	9
RSCL	980	862.26 (313)	392	392.00	396.00	788	514.06	65
BSCL	980	853.80 (113)	245	245.00	201.00	446	435.00	98
NRANSCCL	980	928.38 (50)	243	224.50	224.50	449	264.06	59
Total	**2,940**	**2,644.44 (476)**	**880**	**861.50**	**821.50**	**1,683**	**1,213.12**	

(Source: Information provided by SPVs)

Audit observed that-

- As seen from the table above, GoCG short released the GoI grants as well as its matching share to the extent of ₹ 81 crore[9] to the SPVs. GoI grants were also curtailed due to under-utilisation of available funds by the SPVs, which was on account of slow initialisation in three years (2015-16 to 2017-18) and thereafter delay in award of works/in execution of agreements, inability to provide clear site to contractors, frequent changes in scope of works etc.
- As per the grant release orders of GoI, State should release the grant along with matching State grant within seven days of receipt of GoI grant. Meanwhile, Ministry of Finance (MoF) issued Office Memorandum dated 23 March 2021 regarding procedure of release of funds under Centrally Sponsored Schemes and monitoring utilisation of fund released through SNA which was made applicable to Smart Cities Mission in February 2022. Further, MoF, stated that the central share received should be transferred to the concerned Single Nodal Agency's (SNA's) account within a period of 21 days, and corresponding State share should be released not later than 40 days of release of central share. Audit however noted that the GoI grant was released by GoCG with a delay ranging between 10 and 1,315 days, in excess of the laid down norms.

The GoCG replied (April 2023) that the delays were due to budget shortfall and procedures, and assured timely transfer of funds in the future.

2.3.2 Sustainable source of revenue for Special Purpose Vehicles

The SCM guidelines provided that the States/ULBs shall ensure that a dedicated and substantial revenue stream is made available to the SPVs so as to make them self-sustainable.

Audit observed that the GoCG/ULBS did not ensure a dedicated and substantial stream of revenue for the SPVs. As per SCPs, future revenue of ₹ 11,270.97 crore was projected to be earned from various smart city projects, out of which ₹ 5,733.36 crore[10] was to come from PPP projects. In SCP of all three cities, projects valuing ₹ 4,888.40 crore were proposed to be undertaken under PPP. However, no project under PPP mode has been undertaken by SPVs except for smart parking project by RSCL. The only project taken up by SPV was not executed finally. As per GMIS portal, project worth ₹ 366.97 crore have been shown as undertaken in Raipur from PPP and other sources by SPV and other agencies.

Further, for completed projects under SCM, policy for revenue generation is yet to be framed by the GoCG/ULBs. In the absence of such policy, no revenue has been generated from any of the smart city project except for ₹ 28 lakh (31March 2023) from vending zone project (Youth hub) in RSCL. Further, in GMIS portal, projects of ₹ 632.35 crore have been shown as undertaken by BSCL under PPP mode, however, none of these projects were finally executed by BSCL.

Audit observed that the three SPVs in the State completed 295 works creating assets valuing ₹ 709.95 crore till March 2023. SPVs are responsible for maintaining these

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9 RSCL-₹ 0 crore, BSCL- ₹ 44 crore and NRANSCCL-₹ 37 crore

10 In RSCL this was to be 70 *per cent* of the revenue earned from PPP and in case of BSCL this was to be 75 *per cent* of the revenue earned from PPP, the rest of the revenue was to be retained by the concessionaire.

assets through SCM fund as of now. As per the GoI, MoH&UA letter dated 19 January 2022, the SPVs shall make provision for Operation & Maintenance (O&M) for the projects that have O&M component in their contract which extend beyond the mission end date i.e. June 2023 (which was further extended up to March 2025). Accordingly, SPVs created provision of O&M amounting to ₹ 151.47 crore.

Further, SCM guidelines encouraged the GoCG and the ULB to adopt best practices to create empowered SPVs by way of delegating rights and obligations of the municipal council, delegating the decision-making powers available to ULB etc. This would have also enabled the SPVs to access funds from sources such as user charges, taxes, surcharges etc. However, no initiative has been taken in firming up a future source of revenue to make the SPVs functioning sustainable. Thus, after completion of Mission and O&M period, the issue of O&M of these assets would arise in the absence of sustainable source of revenue of SPVs.

BSCL in its reply stated (August 2025) that the current annual estimated expenditure for BSCL stands in the range of ₹ 60 to 72 lakh. Against this requirement, BSCL developed multiple revenue generating projects such as parking, rental services, entry fees, advertisement etc. and from these projects the total estimated annual revenue is ₹ 1.05 crore. Thus, BSCL can comfortably sustain its recurring expenditure.

While, RSCL stated (August 2025) that direct revenue generation had been limited, so far, to the initiatives like Youth Hub (vending zone) which had demonstrated RSCL's efforts towards creating self-sustaining models. The Company is consistently exploring alternative financial mechanism including PPP models and commercial utilization of assets.

Audit is of the view that the GoCG needs to develop and implement a policy to establish a dedicated and substantial revenue stream for the SPVs to ensure their self-sustainability.

2.3.3 Diversion of SCM fund

RSCL received ₹ 19.71 crore from other departments/authorities for various works and incurred an expenditure of ₹ 26.58 crore on execution of works. RSCL did not take any concrete step to ensure recovery of the remaining amount of ₹ 6.87 crore from those departments. As a result, RSCL had to use the SCM fund for the remaining expenditure. Thus, the SCM fund was diverted for works which were not to be originally financed from SCM fund. After being pointed out by Audit (July 2022) RSCL pursued the matter with departments/authorities and recovered ₹ 4.81 crore.

The GoCG stated (April 2023) that a lot of correspondence was made with concerned departments/authorities for recovery of the balance amount. In exit conference (June 2024), MD of RSCL has stated that amount of ₹ 4.81 crore out of ₹ 6.87 crore had been recovered from the Departments/authorities.

The reply is not acceptable because the company made correspondences with Department/Authorities for recovery of SCM fund only after being pointed by the Audit. It indicates that RSCL did not take proactive action for recovery of the amount. Further, recovery of the balance amount was still pending.

2.4 Project Implementation

Smart City Mission guidelines envisaged two types of projects i.e. Area Based Development (ABD) and PAN City Smart Solutions (PAN). ABD is an approach to identify an area of the city that was to be developed into a 'smart' area, which incorporates all the essential features/elements prescribed in the SCM guidelines. PAN City Smart Solutions are additional features that are to be provided in the city. The guidelines envisage the application of smart solutions that involve the use of technology, data and information to the existing city-wide infrastructure. Three SPVs issued 476 work orders (ABD-291 and PAN-185) under SCM.

The physical and financial status of the projects executed under SCM by RSCL, BSCL and NRANSCCL as on 31 March 2023 are given in ***Table 2.2***:

Table 2.2: Overall Status of physical and financial progress of the three SPVs

(Amount ₹in crore)

Sl. No.	Name of the SPV	Total cost of projects as per SCP (no. of projects)	Total no. of work orders issued	Awarded/ Revised cost (percentage from SCP)	No. of works completed (percentage)	No. of works in progress	Expenditure (percentage from SCP)
1.	RSCL	3,939.40 (64)	313	862.26 (22)	249 (80)	64 (20)	514.06 (13)
2.	BSCL	4,009.60 (66)	113	853.80 (21)	37 (33)	76 (67)	435.00 (11)
3.	NRANSCCL	1,678.70 (45)	50	928.38 (55)	9 (18)	41 (82)	264.06 (16)
Total		**9,627.70 (175)**	**476**	**2,644.44**	**295**	**181**	**1,213.12**

(Source: Information provided by SPVs)

A total of 175 projects were sanctioned under the SCP, with an estimated cost of ₹ 9,627.70 crore. From these, 476 work orders were issued. As of March 2023, only 295 works (approximately 62 *per cent*) have been completed, while 181 works were in progress. The awarded cost amounted to ₹ 2,644.44 crore, representing around 27 *per cent* of the total planned cost. The reason for low awarded cost as compared to total cost is mainly non taking-up of planned projects of ₹ 4,886.80 crore under PPP mode. Meanwhile, the actual expenditure incurred stood at ₹ 1,213.12 crore, which is 46 *per cent* of the awarded cost and 13 *per cent* of the total project cost.

Audit noted that a total of 175 projects were included in the SCPs of the three cities. The SPVs issued 476 work orders for the implementation of the projects included in their SCPs but these work orders were not linked to individual projects of SCPs. Therefore, audit could not ascertain whether the projects, as included in the SCPs, were completed or not as of 31 March 2023. The progress of SCM in this report has been discussed in terms of these work orders issued by the SPVs.

2.4.1 Convergence with scheme of other Departments

SCM Guidelines envisages convergence of other Central and State Government Programs/Schemes with the Smart Cities Mission. At the planning stage itself, cities

must seek convergence in the SCP with AMRUT, Swachh Bharat Mission (SBM), skill development etc. By seeking convergence of other Central and State Government Programs/Schemes with the Smart Cities Mission great benefits can be derived.

In SCPs of Raipur, Bilaspur and Nava Raipur city, projects valuing ₹ 2,205 crore[11] were proposed to be undertaken through convergence. Audit observed that projects costing ₹ 522.04 crore could not be taken up for execution by the SPVs thereby limiting the derivation of benefits of convergence in implementation of projects under SCM.

Further, RSCL and BSCL had shown in Geo-spatial Management Information System (GMIS) portal that 34 works[12] costing ₹ 1,402.40 crore were undertaken through convergence. Whereas NRANSCCL did not undertake any work through convergence.

Audit observed that of the 34 works shown to have been taken up through convergence one work of RSCL namely 24X7 electric supply, costing ₹ 32.90 crore was taken up (April 2013) before the launch of Smart City Mission (June 2015) and two works of BSCL namely underground electric wiring and redevelopment of Brihaspati bazar costing ₹ 401.92 crore were not taken up for execution as of March 2023. Thus, SPVs mis-reported regarding works undertaken through convergence on the GMIS portal and audit could not draw sufficient assurance from the same.

In respect of RSCL and BSCL, the GoCG stated (April 2023) that projects under convergence were being executed by other organisations/departments. While, in case of NRANSCCL, the GoCG stated (April 2024) that NRANSCCL initially emphasised on infrastructure development but in due course of time, similar works defined under SCP were taken up by Nava Raipur Atal Nagar Vikas Pradhikaran (NRANVP) and executed by them. NRANSCCL has re-evaluated the requirement and on consultations with stakeholders, modified proposals were prepared after the approval of the Board. In future NRANSCCL may add convergence projects as defined in SCP.

The reply of the GoCG confirms that SPVs could not undertake all the works through convergence as per the approved SCPs.

2.4.2 Implementation of Area Based Development projects

Area Based Development (ABD) is an approach to identify an area of the city that was to be developed into a 'smart' area, which incorporates all the essential features/elements prescribed in the SCM guidelines. The idea is to look at compact areas and create a replicable model which will act like a light house to other aspiring cities. As per SCM guidelines, the 'strategic components of Area-Based Development in the SCM are:(i) city improvement (retrofitting), (ii) city renewal (redevelopment), and (iii) city extension (greenfield development), or a mix thereof.

The details of projects taken up by Raipur, Bilaspur and Nava Raipur for ABD, the status of projects therein and findings on their implementation are discussed below:

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[11] Raipur - ₹ 899.52 crore, Bilaspur - ₹ 1005.08 crore and Nava Raipur - ₹ 300.40 crore

[12] RSCL - 23 works costing ₹ 454.71 crore and BSCL – 11 works costing ₹ 947.69 crore.

2.4.2.1 Physical and financial progress of projects taken up under ABD

Details of physical and financial progress of the projects[13] undertaken by RSCL, BSCL and NRANSCCL of the State, as of March 2023 are given in ***Table 2.3***:

Table 2.3: Details of physical and financial progress of works undertaken in Area Based Development

(Amount in ₹ crore)

Name of selected cities	Total no. of work orders issued (value)	Stage of progress (up to March 2023)			
		No. of Works completed (in *per cent*)	No. of work in progress (in *per cent)*	Expenditure incurred	Percentage of expenditure against total awarded value
Raipur	176 (539.77)	141 (80)	35 (20)	238.46	44
Bilaspur	78 (478.14)	23 (29)	55 (71)	275.66	58
Nava Raipur	37 (626.03)	6 (16)	31 (84)	103.92	17
Total	**291 (1,643.94)**	**170 (58)**	**121 (42)**	**618.04**	**38**

(Source: Information provided by SPVs)

The above table shows that the overall percentage of works completed as of March 2023, as against the number of works undertaken under ABD by the three SPVs was 58 *per cent*. Further, financial achievement was 38 *per cent* of the cost of awarded works.

The GoCG stated (April 2023) that projects under SCM fund would be completed within the Mission period. In case of NRANSCCL, the GoCG stated (April 2024) that NRANSCCL received ₹ 420.38 crore of GoI share and ₹ 362.38 crore of GoCG share as on 20 March 2024. Out of it, ₹ 601.96 crore has been expended.

2.4.2.2 Projects taken outside ABD area

As per para 5.1 of SCM guidelines, the strategic components of ABD in the Smart Cities Mission are city improvement (retrofitting), city renewal (redevelopment) which are to be done in a specific area identified by the cities after consultations with the citizens. Projects for city extension (greenfield development) plus a Pan-city initiative in which Smart Solutions are applied can cover larger parts of the city. Advisory 13 issued by MoH&UA in September 2018 further stated that taking up projects outside the ABD area was not permissible.

[13] The companies issued multiple work orders for the implementation of projects specified in their SCPs. These work orders have been treated as separate projects and are depicted in GMIS as such.

Audit observed that out of 291 works, the SPVs executed 40 works outside the ABD area which were related to redevelopment/beautification of parks/gardens, construction of cycle tracks, tree plantation etc. These works were related to retrofitting and redevelopment and should not have been taken up outside the ABD area as it was in contravention of the SCM guidelines/advisory.

The details of these works, as of March 2023 are given in ***Table 2.4.***

Table 2.4: Details of projects taken up outside ABD area

Name of SPV	Total work orders	Awarded cost (₹ in crore)	Completed		In progress	
			Number of works	Expenditure (₹ in crore)	Number of works	Expenditure (₹ in crore)
RSCL	22	91.98	14	47.13	8	21.17
BSCL	2	93.69	0	0	2	85.06
NRANSCCL	16	207.44	1	6.94	15	25.29
Total	**40**	**393.11**	**15**	**54.07**	**25**	**131.52**

(Source: Data compiled from information provided by the three SPVs)

The GoCG stated (April 2023) in respect of RSCL that the projects are as per clause no. 2.4 of SCM guidelines where core infrastructure such as water supply, electricity, sanitation etc., were to be taken up to develop the city as smart city. Whereas, in case of BSCL, GoCG stated (April 2023) that these projects were taken up as they were strategically important and would provide immense benefits to the citizens. In case of NRANSCCL, the GoCG stated (April 2024) that Nava Raipur is a developing city and infrastructure development is being carried out as per future requirements of city planning. Most of the residential sectors and population is situated outside the ABD area of city. Thus, projects defined for the ABD area were also taken up in PAN area as per advisory -13 and para 5.1.4 & 5.2 of SCM guidelines. In these projects, ICT components are available, and some projects are partially outside the ABD area.

The reply of RSCL is not acceptable as none of the above works were related to water supply and electricity. Most of the works carried out by RSCL were in nature of redevelopment of lakes and tree plantation etc. The only work stated to be of core infrastructure was installation of STP at Nariyya Talab for rejuvenation of local Talab and all other works were mainly related to retrofitting and redevelopment which were to be carried out within ABD area only. The reply regarding BSCL is not acceptable as these works were outside the marked ABD area. Further, the reply with regard to NRANSCCL is not acceptable as advisory 13 prohibits taking up projects having some portion outside the ABD area, unless the purpose of the work is for first mile/last mile connectivity, however, the projects taken outside the ABD area in NRANSCCL did not meet these criteria.

2.4.2.3 Non-utilisation of created infrastructure

2.4.2.3 (a) Non-utilisation of cycle track built under 'Rent-a-Cycle scheme' project in Raipur City

To encourage non-motorised transport in the city, RSCL decided to take up the work of cycle track corridor at Gaurav Path, Raipur. As per the feasibility report various components such as parking station for cycle docking, bus stop for pick and drop,

benches and landscaping were to be constructed in this project.

RSCL awarded (September 2017) the work of construction of cycle track at a cost of ₹ 1.16 crore. Audit observed that various other components viz. parking station for cycle docking, bus stop for pick and drop, benches and landscaping as envisaged in the feasibility report were not taken up by RSCL. Components of Parking station for cycle docking facilitates public to rent and return bicycles therefrom, while landscaping improves the aesthetics and appearance of the track. Due to not taking up all the components, the cycle track did not prove useful and hence, it was not being used by the public. Consequently, the cycle track was encroached by vendors.

The photographs of the track taken during physical verification are shown below:





(Photographs taken on 20 July 2022)

Photograph No. 2.1 shows the encroachment by vendors

Photograph No. 2.2 shows use of cycle track for parking and missing bollards

The GoCG stated (April 2023) that the scheme was not matured and RSCL still promoted the scheme which was being used by citizens who travel by their own cycles. It was also stated that the encroachments on the cycle track are being removed with the help of ULB. The GoCG also stated that the project was implemented on pilot basis which did not turn out to be a success, but it is being used by citizens.

The reply is not acceptable as RSCL did not take up the project in entirety as envisaged in the feasibility report to assess the success on pilot basis. Due to non-execution of other components of the project, the cycle track could not be fully utilised. Hence, the objective of promoting non-motorised transport in the city through this project could not be achieved.

2.4.2.3 (b) Non-operationalisation of e-toilet and bus shelter in Raipur City

RSCL decided to take up the work of construction of Public/Community toilets with proper hygiene and sewerage system with the objective to keep the citizens healthier and maintain hygiene and cleanliness in the city.

In order to implement this project, RSCL awarded (June 2018) the work of construction of Public/Community toilets with proper hygiene and sewerage system for ₹ 2.60 crore with a completion period of three months i.e., till 21 September 2018 and Defect Liability Period (DLP) of two years which was further extended by one year up to 31 December 2022.

Audit observed that 32 e-toilets and seven bus shelters were constructed (4 November 2019) with a value of ₹ 2.23 crore. RSCL observed that maximum units of e-toilets and bus shelters were not working properly and issued notices (December 2019) to contractor for rectification soon after the installation. However, the same was not rectified by the contractor within DLP.

During physical verification, audit noticed that coin acceptance, emergency exit in e-toilets and scrolling display were not working. Non-rectification of non-functional e-toilets (LED indicators, coin acceptance, emergency exit in e-toilets and scrolling display etc.) by the contractor, resulted in non-functioning of smart features of all the 32 e-toilets as of March 2024. After DLP period, RSCL did not make any effort to rectify the smart features of toilets and to operationalise the toilets.

This led to infructuous expenditure of ₹ 1.50 crore (₹ 2.23 crore - ₹ 0.73 crore[14]). The photographs of the e-toilet taken during physical verification are shown below:





(Photographs taken on 05 July 2022)

Photograph No. 2.3 shows the encroachment by public
Latitude:21^{0}15'1"N, Longitude: 81^{0}38'46"E

Photograph No. 2.4 show e-toilet is not in working condition
Latitude: 21^{0}15'1"N, Longitude: 1^{0}38'46"E

The GoCG stated (April 2023) that contract was cancelled in December 2022 and an amount of ₹ 72.50 lakh including the amount of security deposit, EMD and remaining dues has been recovered from contractor. Further, smart toilets units installed at all 6 places are being operated and maintained by an NGO and being used by public without inconvenience.

The reply may be viewed in light of the fact that these toilets were functioning without smart features *viz.,* LED indicators, coin acceptance, scrolling display,

[14] Amount of security deposit, EMD and remaining dues forfeited by RSCL

emergency exit, *etc.* as intended under the SCM

2.4.2.3 (c) Implementation of "Grey to Green Raipur" project in Raipur City

RSCL decided to take up Tree Plantation under "Grey to Green Raipur" scheme with objective to increase greenery in the city. In order to implement the project, RSCL awarded (September 2019) the work of plantation of 5,000 trees in Southern zone, Raipur with value of ₹ 1.40 crore. As per the agreement, the contractor had to preserve the trees planted for a period of two years. It was observed that in the Southern zone, 4,414 trees were actually planted by the contractor and of these, 2,070 plants were found dead (May 2021) which were not replaced by the contractor. As a result, the expenditure of ₹ 40.56 lakh[15] incurred by RSCL in respect of these trees did not fructify. Also, due to non-replacement of dead trees, the objective to increase greenery could not be fully achieved.

The GoCG stated (April 2023) that due to sudden death (May 2021) of the contractor, it was not possible to replant trees. Therefore, in compliance with clause 37 of CPWD form B, contract was closed and security deposit of ₹ 37.06 lakh was forfeited.

The reply is factually incorrect as ₹ 37.06 lakh stated to be forfeited was in fact the amount payable to the contractor for operation & maintenance of the trees for two years and not the amount of security deposit.

2.4.2.3 (d) Infructuous expenditure of ₹1.26 crore on the project of 3 MLD STP at Budha Talab

RSCL awarded (27 February 2019) the work of design, supply, construction, installation, testing and commissioning of Sewage Treatment Plant (3 MLD) at *Budha Talab* costing ₹ 17.90 crore to M/s BHEL (Contractor) with three months of trial run and post completion operation & maintenance of entire system for 10 years including five years defect liability period.

Audit observed that work was awarded without consultation with the stakeholders. As a result, the progress of work remained slow due to agitation by the public against the project as they demanded to construct playground/garden for the locals at the project site. Due to these reasons the work was stopped (8 December 2019) at the site by the contractor after incurring an expenditure of ₹ 1.26 crore against design & drawing and construction of structure up to plinth level i.e. marking, excavation, PCC & bottom raft. Subsequently, the contract was foreclosed (September 2022) with mutual consent of RSCL and the contractor. According to the terms of foreclosure, the contractor adjusted the payment of ₹ 1.26 crore from the mobilisation advance (₹ 1.79 crore) availed by them and returned the balance amount to RSCL. Further, as per mutual consent, RSCL was free to use the work completed by BHEL as per their requirement. After the foreclosure of the contract, RSCL did not take any action to engage with stakeholders and complete the work as of June 2024. Therefore, expenditure incurred on the work could not be utilized and rendered infructuous.

[15] ₹ 2,070 x ₹ 1,959.30 (70 *per cent* of ₹ 2,799.00 per tree paid to contractor)

The GoCG stated (April 2023) that as per the compromise reached in the Lok Adalat, the contract was deemed foreclosed and all the claims of both the parties stood withdrawn.

The reply, however, does not elaborate on the efforts made by RSCL to complete the work or to utilise the executed work.

2.4.2.4 Delay in execution of works

Under ABD intervention, total 291 works were awarded by the three SPVs during the period covered in audit. Audit observed that there was delay by more than 90 days in execution of 96 works. The delay in execution of these works ranged between 93 days and 1,344 days as per the details given in ***Appendix 7.***

Some instances of delay in execution of works noticed during the test check are discussed below:

2.4.2.4 (a) Delay in implementation of 24x7 water supply with installation of SCADA & smart metering project in Raipur City

The project was first taken up by RSCL in its BoD meeting held on 9 February 2018. Thereafter, multiple Notice Inviting Tenders (NITs) were issued in different years. However, none of these NITs could be finalised and it was only in March 2022 that the work was awarded to M/s Laxmi Civil Engineering at a cost of ₹ 130.39 crore with completion date of 31 March 2024. A project of such importance faced delays due to revision in the estimates, revision in the scope of work, indecision on part of RSCL, cancellation of NITs and delay in obtaining approval from Project Formulation and Implementation Committee (PFIC). Thus, delay in finalisation and approval of estimates by RSCL delayed tendering and award of project and the project remained incomplete as of June 2024.

The GoCG stated (April 2023) that project was delayed due to enforcement of election code of conduct before Vidhan Sabha/Lok Sabha elections, non-participation of bidders in tender, modification in project in alignment with the AMRUT project etc. Further, in Exit conference (June 2024), MD of RSCL stated that this project was delayed due to congested site condition and 90 *per cent* of project was completed.

The reply is not acceptable as RSCL executed various other agreements/tenders in the same period without any hindrances. Further, the project of such importance was not taken up on priority due to lackadaisical approach which in turn delayed completion of project.

2.4.2.4 (b) Development of Green Corridor, Youth hub and Vending Zone project in Raipur City

RSCL took up the project of development of green corridor, youth hub vending zone with the objective of creating vending zone for street vendors to generate employment.

RSCL awarded (August 2020) the work at amount of ₹ 16.72 crore which was revised to ₹ 19.82 crore. However, the work was awarded without demarcation of the required land and obtaining consent of various stakeholders (Principal of Science College, revenue authority of State Government, public representatives, CSPDCL etc.). As a result, project was delayed and only work of vending zone had been

completed up to March 2024. Component of smart reading room and development of Anupam garden was still under progress (March 2024) due to delay in providing drawing of reading room and various changes in the scope of work of Anupam garden.

The GoCG stated (April 2023) that DPR was prepared after conducting proper survey and consultation with stakeholders. However, due to changes in Government, new suggestions were given by public representatives/other stakeholders resulting in delay in the work.

The reply is not acceptable as RSCL did not carry out the required preliminary activities before awarding the work which had no relation with change in Government. Further, no records relating to consultation with stakeholders before the award of work were found on record.

2.4.2.4 (c) Creating vending zone in Bilaspur City

BSCL awarded (March 2020) the work of providing and fixing 200 Modular Kiosks to create vending zone in Bilaspur City at a value of ₹ 1.92 crore with the objective of providing facility to informal market/vendors by providing modular kiosk with due date of completion in September 2020.

Audit observed that BSCL awarded (March 2020) the work without identifying the sites for the kiosks and without finalising a policy for the allotment of the kiosks. Selection of sites was done in October 2021 only in coordination with BMC. Due to delay in selection of sites and non-framing of policy for allotment, only 100 kiosks valuing ₹ 96 lakh, out of the 200 kiosks, could be constructed by the contractor till November 2023. Due to non-allotment of kiosks simultaneously to beneficiaries after the construction, there were cases of theft of material i.e. ACP sheet, window gates, illegal occupation of installed kiosks and also dilapidation of some kiosks. Thus, due to inadequate planning by BSCL, the project could not be completed and the objective of providing facility of informal market and modular kiosks remained partially achieved. The photographs of the vending zone taken during physical verification are shown below:





(Photographs taken on 22 October 2022)

Photograph No. 2.5 shows dilapidated Kiosks Latitude:22^{0}5'41"N, Longitude: 82^{0}9'1"E

Photograph No. 2.6 shows some parts were stolen Latitude:22^{0}3'48"N, Longitude: 82^{0}9'20"E

The GoCG stated (April 2023) in reply that the location and policy for allocation of modular kiosks were finalised in co-ordination with BMC. The project is back on track and placement of kiosks is targeted to be completed by June 2023. Further, in the Exit conference (June 2024), MD of BSCL stated that out of 200 kiosks, 100 kiosks had been installed and allotted to vendors and work was foreclosed in respect of remaining 100 kiosks.

Reply is not acceptable as site was finalised with discussion of BMC only in October 2021 i.e., much after award of work (March 2020). Further, out of 200 kiosks only 100 were constructed and allotted to beneficiaries at identified places till November 2023 i.e. with delay of approximately three years after scheduled date of completion i.e., September 2020. Further, foreclosing of work for remaining 100 kiosks confirms inadequate planning.

2.4.2.4 (d) Rainwater harvesting in existing buildings in Nava Raipur City

NRANSCCL awarded (December 2020) the work of rainwater harvesting in existing buildings in Nava Raipur City valuing ₹ 1.04 crore (due date of completion – 14 April 2021) with objective to provide water management and conservation and to increase recharge of ground water by capturing and facilitating rainwater percolation.

It was noticed that NRANSCCL could not provide clear site to the contractor. As a result, the contractor completed the work worth ₹ 0.39 crore only till July 2022, without constructing rainwater harvesting system in 132 blocks/units of duplex houses and the RSCL foreclosed the partially completed work as the contractor expressed the inability to complete the work due to non-availability of clear work site. Thus, due to inadequate planning, the objective of water management and conservation could not be fully achieved in the planned areas.

The GoCG stated (April 2024) that as per proposed work for rain water harvesting project, 48.70 *per cent* of roof area was managed for catching the precipitated runoff.

The main objective of recharging underground water table is parallelly achievable through Bioswale, ponds and stream development projects within Naya Raipur City.

The GoCG reply is not acceptable as DPR of Bioswale[16] was approved in August 2020 i.e., before the award of work of Rainwater harvesting work (8 December 2020). Further, the project of Rainwater harvesting project was taken up to retrofit the existing residential buildings whereas stream development projects are entirely different from rainwater harvesting. So, it is evident that the planning of these projects was done independent of the rain water harvesting project.

2.4.2.4 (e) Fire hydrant system in Government Offices in Nava Raipur City

NRANSCCL awarded (9 March 2021) the work of installation of fire hydrants in Government buildings valuing ₹ 5.17 crore with objective to provide unhindered water supply in case of fire in any building. The benefit of project is safety of human life and security of property and goods. Completion period of the work was 10 months i.e., 8 January 2022. However, the work of electrical charging of station and final testing was pending due to which the system was yet to be operationalised (March 2024). However, no action was taken by NRANSCCL for ensuring timely completion of work. Non-completion of work had resulted in non-achievement of the project objective of safety and security of human life, property and goods during fire.

The GoCG in its reply (April 2024) stated that the work has been delayed due to COVID-19 lockdown, non-availability of labour, delayed clearance of ROW maintained by forest department etc. The GoCG further stated that only electrical charging of station and final testing was pending and the project can be utilised for the safety and security of life and property during any fire outbreak.

The reply indicates that the fire hydrant system was not operationalised till date (April 2024).

2.4.2.4 (f) Storm Water Drainage System and conservation of water bodies in Nava Raipur City

The NRANSCCL awarded (6 April 2021) the work of development of storm water drainage system and conservation of water bodies in Nava Raipur Atal Nagar valuing ₹ 21.04 crore with objective of curing water pollution through Bioswales to naturally drain off the storm water to increase the ground water table (sustainable storm water management). Work was to be completed within a period of five months. The work was however still under progress, as of March 2024. Audit observed that the contractor could not complete the work due to reasons viz., extended monsoon, land issues at various places and delay in providing the revised drawings for the project.

The GoCG in its reply (April 2024) stated that the work has been delayed due to encroachment of land, COVID-19 lockdown, water logging at the work sites etc. It was also stated that the delay in providing the revised drawings is not correct as drawings were modified and issued in conjunction with the situations. All the ponds and Bioswale streams were excavated by December 2022, only cross drainage works and allied works were pending.

[16] A shallow ditch or depression in the ground that collects and filters rainwater and surface runoff, often planted with vegetation, to reduce storm water pollution and improve water quality.

The reply is not acceptable as the work was not completed even as of April 2024 despite end of pandemic and other seasonal issues such as water logging.

2.4.3 Implementation of PAN City Smart Solutions projects

As per SCM guidelines, PAN City Smart Solutions are additional features that are to be provided in the city. The guidelines envisage application of smart solutions that involve the use of technology, data and information to the existing city-wide infrastructure focusing on (i) Public Safety and Surveillance, (ii) Traffic Management, (iii) Public services, (iv) Emergency response, (v) Pollution monitoring, (vi) Real time tracking of services, (vii) public spaces, *etc.*

The details of projects taken up in Raipur, Bilaspur and Nava Raipur cities for PAN City Smart Solutions, the status of projects therein and findings on their implementation are discussed below:

2.4.3.1 Physical and financial progress of projects taken under Pan City

Details of physical and financial progress of the projects undertaken by RSCL, BSCL and NRANSCCL, as of March 2023 are given in ***Table 2.5:***

Table 2.5: Details of physical and financial progress of works undertaken in PAN City

(₹ in crore)

Name of selected cities	Stage of progress (up to March 2023)				
	No. of work order issued/value	No of works completed (*per cent*)	No of works incomplete/ in progress (*per cent*)	Expenditure in work orders executed	Percentage of expenditure against total awarded value
Raipur	137 (322.49)	108 (79)	29 (21)	275.60	85
Bilaspur	35 (375.66)	14 (40)	21 (60)	159.34	42
Nava Raipur	13 (302.35)	3 (23)	10 (77)	160.14	53
Total	**185 (1,000.50)**	**125 (68)**	**60 (32)**	**595.08**	**59**

(Source: Information provided by SPVs)

The above table shows that the overall percentage of works completed as of March 2023, as against the number of works undertaken under PAN by the three SPVs was 68 *per cent*. Further, financial achievement was 59 *per cent* of the cost of awarded works.

Audit observed that execution of 58 works out of 185 awarded works under PAN were delayed ranging from 91 days to 1,282 days. The details of these works are given in ***Appendix 8.***

The GoCG stated (April 2023) that in case of RSCL, substantial projects have been completed and stated that projects under SCM fund would be completed by June 2023.

In case of BSCL, physical progress was affected due to delay in appointment of PMC, various elections and COVID etc. In case of NRANSCCL, GoCG stated (April 2024) that due to delay in appointment of PMC and delay in award of work, the physical progress was affected. The GoCG further stated that NRANSCCL was continuously reviewing the works progress with implementing agency and de-scoped partial work.

2.4.3.2 Implementation of non-ICT works under PAN city initiative

As per para 5.1.4 of guidelines, Pan-city development envisages application of selected Smart Solutions to the existing city-wide infrastructure. Application of Smart Solutions will involve the use of technology, information and data to make infrastructure and services better. Hence, non-ICT works were not permissible as a PAN City initiative. In this regard, Audit observed that:

- RSCL took up 115 non-ICT works with value of ₹ 85.41 crore under PAN City projects such as lake and garden rejuvenation, beautification and redevelopment which was 84 *per cent* of total PAN city works. Out of these 115 awarded works, 86 works completed with an expenditure of ₹ 35.43 crore and remaining 29 works expenditure of ₹ 9.62 crore was already incurred were in progress. Thus, expenditure of ₹ 45.05 crore was incurred on these 115 works in violation of SCM guidelines.
- BSCL had taken up 12 non-ICT works valuing ₹ 15.04 crore under PAN City projects such as storm water drain with divyang friendly footpath, playground, advertisement hoardings etc. Out of these 12 awarded works, six works valuing ₹ 2.40 crore were completed with an expenditure of ₹ 1.54 crore and remaining six works valuing ₹ 12.64 crore were in progress wherein expenditure of ₹ 5.53 crore was already incurred. Thus, expenditure of ₹ 7.07 crore was incurred on these 12 works in violation of SCM guidelines.
- NRANSCCL took up one non-ICT project under PAN-City viz., Storm Water Drainage System & conservation of water bodies (₹ 18.40 crore) proposed in SCP and incurred expenditure of ₹ 10.48 crore till March 2023. This project did not include any ICT component or Smart Solutions. Thus, the expenditure of ₹ 10.48 crore incurred on this project by NRANSCCL was in violation of SCM guidelines.

These works should not have been included under the PAN-City initiative as no Smart Solution being provided through these works.

The GoCG stated (April 2023) that in case of RSCL as per Advisory 13, addition of new projects in SCP, addition of projects outside the ABD location or addition of non -ICT as PAN City initiative etc., are permissible. In respect of BSCL, it was stated that these works were non-ICT works within the ABD area. It was further stated that some of these projects affect the entire city. While in case of NRANSCCL, the GoCG stated (April 2024) that in Storm Water Drainage System & Conservation of water, ICT component will be included in the next phase for making it PAN compliant.

The reply of the GoCG in case of RSCL is not correct because as per GoI's Advisory 13 dated 8 September 2018, taking up non-ICT projects as PAN-City initiative is not permissible. In the projects pointed out in the audit observation, there is no

application of smart solutions to city wide infrastructure. Further, reply of BSCL is contradictory as these non-ICT works had been shown as PAN City projects in GMIS for SCM.

2.4.3.3 Non-utilisation of created infrastructure

2.4.3.3 (a) Supply, delivery, installation and O&M of modern fully underground waste collection bins

RSCL decided to install 30 modern underground waste collection bins at different places in the city under the component of Waste Management for PAN-City projects to achieve the overall objective of implementing a reliable underground waste collection and monitoring & tracking system to monitor waste collection, vehicles movement and maintenance etc.

The project envisaged *inter alia* installation of bin level sensors on each of the bins which would monitor the bin level and would send the alert on fill levels of the underground bins to the monitoring agency. A comprehensive Bin Monitoring System having a dashboard clearly indicating the status of bins marked on a map, was also to be implemented. Additional views on dashboard providing bin number, current location, last updated date and time and running status of vehicles etc., were also to be provided for live tracking.

RSCL awarded (28 December 2017) the project to M/s Zonta Infratech Private Ltd. (Contractor) at the contract value of ₹ 4.25 crore along with O&M period of five years. The project was completed on 1 June 2018.

Audit observed (July 2022) that installed bin level sensors and the dashboard monitoring system became non-functional during the phase of O&M soon after installation. RSCL issued first notice on 22 July 2018 to the contractor, and thereafter several notice has been issued to the contractor but the contractor failed to rectify the defects within O&M period. RSCL did not initiate any action against the contractor rather awarded an additional work of eight dustbins valuing ₹ 54.17 lakh in March 2019 to the contractor citing the requirement for additional bins in the city and performance of contractor being satisfactory.

The non-functioning of bin level sensors and the dashboard defeated the purpose of installation of smart dustbins as there was no monitoring of the level of waste in the bins and as a result, the smart dustbins have been functioning as any other normal dustbin defeating the objective of installation of smart dustbins.

A physical verification of all 30 dustbins was carried out (July 2022) during which waste accumulation in the bins was noticed and most of the bins were found damaged. The photographs of the dustbins taken during physical verification are shown below:





(Photographs taken on 5 July 2022 and 21 July 2022)
Photograph No. 2.7 and 2.8 show damaged dustbins

Thus, the purpose of installation of smart dustbins was defeated and the expenditure of ₹ 3.59 crore incurred thereon till date (March 2023) has been rendered infructuous.

The GoCG stated (April 2023) that at times, waste from the bins is not collected due to non-availability of trucks/ due to maintenance check of the vehicle. Consequently, as per Request for Proposal conditions, a total penalty of ₹ 10.97 lakh has been levied on the contractor for non-availability of trucks, sensors, hardware. It further stated that due to deficiency in services, quarterly payment had not been released from February 2021 to till date (March 2023). The contractor had repaired damaged dustbins and is continuously performing the operation and maintenance of underground bins. The contractor had promised to repair the sensors at the earliest.

Reply itself indicates that all bin level sensors and dashboards were still not functional defeating the very purpose of providing smart solution.

2.4.3.3 (b) Underground traffic LED signal lighting system at public road junctions in RMC area

RSCL proposed the work of supply, installation, testing and commissioning of underground traffic LED signal lighting system at public road junctions in RMC area with objective of enhancing public safety.

RSCL awarded (22 September 2021) the work to M/s Powertek India (contractor) at a tendered cost of ₹ 1.94 crore. The work was to be completed in four months i.e up to January 2022. The contractor could not complete the work within the scheduled time and no action as per terms and conditions of contract has been taken by RSCL. It was only in January 2023 that the contractor submitted the first Running Account (RA) Bill for the work and RSCL paid an amount of ₹ 64.67 lakh on account of the same. RSCL issued notice for (October 2023) termination of the contract as the execution of the work was not satisfactory and the installed system was not functioning. However, the contractor did not take any action to rectify the same. So, RSCL terminated the contracts in May 2024. The installed system remained non-

functional since its installation and this has resulted in an unfruitful expenditure of ₹ 61.44 lakh[17].

2.4.3.3 (c) Smart Parking

RSCL had proposed Smart Parking in SCP. The key objectives of this project were to enable relatively accurate information on the availability of parking slots in real time through monitoring the entry and exit of each vehicle in each parking lot, to enable Mobile App based parking guidance system and to direct the drivers to the available parking slots, to help traffic flow more freely in the city and to enable users to pay on the spot or reserve parking spots through the Mobile app or online portal.

RSCL invited (October 2017) a tender for Smart Parking project[18] for Raipur Smart City on PPP Model for 12 existing and 10 new parking spaces and awarded (January 2018) the work to a contractor[19] for annual minimum guaranteed fee of ₹ 1.92 crore or 43 *per cent* share of revenue earned by the contractor, whichever was higher. However, due to tardy progress of work by the contractor, RSCL terminated (June 2019) the contract.

Audit observed (July 2022) that out of the total 22 locations, parking operations were started at only one place (MLCP, Jaistambh Chowk). However, this also became non-functional as the contractor failed to deploy/provide sufficient manpower, app and equipment etc. and consequently, RSCL terminated the contract. After termination of contract, no efforts were found to have been taken by RSCL to complete this project. Thus, the objective of Smart Parking in Raipur city was not fulfilled.

The GoCG stated (April 2023) that at the time of signing of agreement, only one site (MLCP Jaistambh Chowk) was available and other existing parking sites mentioned in the agreement were operating under different parking agreements by RMC. It was decided that as and when these contracts will be over, the same will be handed over to the contractor. But due to non-performance by the contractor, the tender got terminated. Currently, RMC has taken up smart parking at different locations with different facilities.

The reply is not acceptable as the contractor started the work at only one site despite availability of other sites. Further, RSCL did not make any effort to retender the project after termination of agreement.

2.5 Tendering & Contract Management

2.5.1 Award of work to ineligible bidders

The technical as well as financial eligibility criteria forms an important part in the tendering process of the works. It is set in a way that promotes competitive bidding in the tenders and at the same time it discourages such bidders from participating in the tenders who are not capable of completing the works according to the desired specifications in a time bound manner.

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[17] ₹ 64.67 lakh - ₹ 3.23 lakh (Security Deposit)

[18] Selection of Concessionaire for design, development, implementation, operation and maintenance of Smart Parking Solution

[19] M/s Building Control Solution India Pvt. Ltd.

Audit observed in four instances of the awarding of work valuing ₹ 75.85 crore by RSCL and BSCL to the bidders who did not fulfill the eligibility criteria specified in the tenders which are enumerated below:

- **Construction of smart road component at Maharajband talab road**

RSCL awarded (13 July 2020) the work of Construction of smart road component at Maharajband talab road to M/s Anil Construction at a cost of ₹ 3.67 crore (PAC – ₹ 3.56 crore).

As per the terms and conditions of tender, the bidder must have successfully commissioned one similar work of value not less than 60 *per cent* of the probable amount of contract (PAC) i.e., ₹ 213.60 lakh or two similar works each of value not less than 35 *per cent* of PAC i.e., ₹ 124.60 lakh each or three similar works each of value not less than 25 *per cent* of PAC i.e., ₹ 89.00 lakh each.

Audit observed that M/s Anil Construction (contractor), was declared as qualified based on the experience criteria as the contractor had completed two similar works of not less than ₹ 124.60 lakh each. However, it was observed that the work order submitted by the contractor for ₹ 141.95 lakh was in fact for two separate works valuing ₹ 98.39 lakh and ₹ 43.56 lakh respectively which was considered as single work for evaluation of eligibility criteria by RSCL.

The GoCG stated (April 2023) that the work was awarded by Executive Engineer, CRRDA, Baloda Bazar in two packages, package 1 of ₹ 98.39 lakh and package 2 of ₹ 43.56 lakhs consisting of a total value of ₹ 141.95 lakh with a single agreement no. DL-08/Date 28 February 2017. The experience certificate was provided for this single work which was executed in two different packages for a total executed value of ₹ 141.95 lakh. Our judgement in qualifying the bidder was based on the experience certificate as work order does not signify the quantum of work done. The GoCG further stated that the technical bid was sent to the PMC for analysis and recommendation. PMC found the bidder as qualifying and on the basis of PMC's recommendation, RSCL declared the bidder as qualified.

The GoCG reply is factually incorrect as Executive Engineer, CRRDA, Baloda Bazar had issued two work orders/agreements and accordingly these should have been considered as two separate works and not as a single work. Further, decision of selection of any bidder rests with RSCL only and PMC's recommendation was not binding. So, the GoCG's assertion that RSCL qualified the bidder on the recommendation of PMC is not justified.

- **Beautification & Development of smart road near Maharajband Talab (Phase II)**

RSCL awarded (21 October 2021) the work of Beautification & Development of smart road near *Maharajband Talab* (Phase II) to M/s Sharad Shukla at a cost of ₹ 1.31 crore.

As per the terms and conditions of tender, the bidder must have successfully commissioned similar nature of work i.e., civil work including beautification & development work.

Audit noticed from the technical evaluation sheet that the contractor submitted the work orders relating to widening and straightening of roads in support of experience

which was not similar work, as mentioned in the tender.

The GoCG in its reply (April 2023) stated that the bidder had submitted work experience certificate for the work of "Redevelopment of R D Tiwari School" which clearly stated that the work consisted of civil work, beautification work and other works.

The reply is not acceptable, as the work of R D Tiwari school was an ongoing work, which should not be considered as commissioned work.

- **Solar PV Power plant in Bilaspur city**

BSCL awarded (18 July 2022) the work of solar PV Power plant in Domuhani near STP 2.3 MW, solar PV Power plant in Guru Ameri Gokul Nagar 2 MW and solar PV Power plant in Smriti Van Raj Kishor Nagar 2 MW to M/s Ganpati Infrastructure at a cost of ₹ 47.25 crore.

As per the terms and conditions of tender, the sole bidder/member of the consortium must have executed, in last three years, in Government Organisation: (i) Single Grid connected project of Solar PV plant/ground mounted solar plant/ Rooftop Solar Plant/Solar Powered system of not less than 1.5 MWp or (ii) Two Grid connected project of Solar PV Plant/Ground mounted Solar plant/ Rooftop Solar Plant/Solar Powered system of not less than 1 MWp each.

Audit observed (August 2022) that the successful bidder submitted the experience certificate of one Grid connected project of Solar PV Plant/ Ground mounted Solar plant/Rooftop Solar Plant/ Solar Powered system of 1.1 MWp only, against the requirement of single grid connected project of 1.5 MWp or two grid connected projects not less than 1 MWp. However, BSCL overlooked this fact and qualified an ineligible bidder and awarded the work.

The GoCG stated (April 2023) that tenders have been proposed for cancellation in BoD.

The audit acknowledges the cancellation of tenders on 13 July 2023 following the observation and emphasises the importance of strengthening internal controls to avoid similar issues in future.

- **Construction & development of conventional centre**

BSCL awarded (31 March 2022) the work of construction & development of conventional centre to Consortium M/s Raipur Construction Private Limited & Keystone Infra Build at a cost of ₹ 23.62 crore.

As per the terms and conditions of tender the bidder should have completed similar nature of work in Government organisation in the last five years for single project consisting of Reinforced Cement Concrete (RCC) framed multi-story building including services like internal & external electrification, water supply, drainage, sewerage, landscaping, firefighting, lift, area lighting/streetlight with underground cabling, road and structural glazing.

Audit observed that the successful bidder had no experience of a single completed project consisting of RCC framed multi-story building and submitted documents for experience of completed work such as development of road, sewerage, storm water, garden only. BSCL overlooked this fact and awarded the work to an ineligible

bidder.

The GoCG stated (April 2023) that the contractor submitted one work order of construction of phase-II building and infrastructure work at sector 24 Nava Raipur of contract value of ₹ 33.82 crore.

The GoCG reply is not acceptable as the work of construction of phase –II building and infrastructure work was under progress at the time of evaluation of bids.

2.5.2 Non levy/short levy of penalty/liquidated damages by RSCL

As per the terms and conditions of contract, in case of delay in completion of work, RSCL shall levy penalty as compensation on the contractors at the rate of 0.5 *per cent* per week maximum to 6 *per cent* as per clause 2 of Form A of CGPWD or at the rate as defined in respective RFP.

Audit observed four cases where the contractors completed the works with delay after the due date of completion. However, RSCL did not levy penalty of ₹ 1.57 crore on the contractors. This led to undue benefit to contractors and short recovery of penalty to the tune of ₹ 1.57 crore. The details of such instances and the GoCG's reply are detailed in ***Appendix 9***.

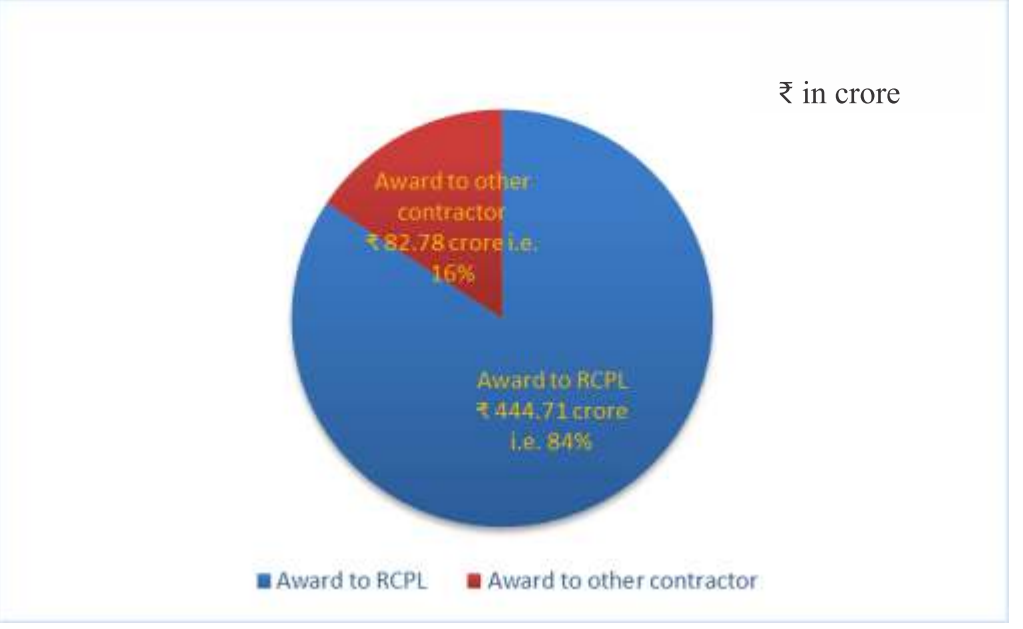
2.5.3 Award of work in NRANSCCL

Clause 3.3.7 of Manual for Procurement of Works, 2019 mentions that there must be an understanding of the size, capacity and competencies of the contractor in order to mitigate the risk of the pre-qualification criteria getting misused. Further, clause 3.3.6 (f) mentions available bid capacity as one of the attributes of the pre-qualification criteria.

In Nava Raipur Smart City, work orders for ₹ 527.49 [20] crore were awarded by NRANSCCL, out of which, works for ₹ 444.71 crore (84 *per cent*) were awarded to a single contractor, M/s Raipur Construction Private Limited, Raipur (M/s RCPL) during June 2021 to March 2022 (Chart 2.2). Further, 75 *per cent* of these were awarded in the month of March 2022.

[20] ₹ 486.81 crore (original work) + ₹ 40.68 crore (additional work)

Chart – 2.2: Award of majority work to a single contractor in NRANSCCL



Audit test checked records in NRANSCCL and observed deficiencies in tendering process and award of work by NRANSCCL as discussed below :

2.5.3.1 Pre-qualification eligibility criteria (PQC)

NRANSCCL invites open tenders for awarding works. The tender documents contain some Pre-qualification criteria (PQC) that must be met to be eligible to participate in the tender. In order to ensure fair and wide participation of bidders, these need to be drafted carefully for adequacy of competition. Further, Clause 3.3.7 of Manual for Procurement of Works, 2019 mentions that there must be an understanding of the size, capacity and competencies of the contractor in order to mitigate the risk of the pre-qualification criteria getting misused.

Audit noticed that in all the 22 tenders published by NRANSCCL up to March 2022, bid capacity criteria to assess available bid capacity of the contractor was not included in PQC. Out of these 22 tenders, 11 tenders were awarded to RCPL.

Audit observed that participation of bidders was very poor and out of 11 tenders awarded to RCPL, in five tenders with PAC amount of ₹ 211.04 crore only two bidders participated and awarded rates ranged from 8.84 to 18.46 *per cent* above the PAC amounts.

Detailed scrutiny of eligibility criteria revealed that in three tenders[21], PQC prescribed were very specific/restrictive in nature and did not capture the capacity of the bidder for the major part of the work expected to be executed. We observed the following inadequacy in the process of prescribing PQCs:

I. Absence of Bid capacity of the contractor

II. Prescribing fixed numbers of buildings constructed/number of poles etc

[21] The work of redevelopment of upgradation of various Government Schools, Development of Bus Parking, water bodies, horticulture, Anganwadi and balance work of recycled water work, Development of infrastructure work in Rakhi Village and upgradation of Government school

instead of assigning value of work executed and experience of firefighting works for installation of fire extinguisher

III. Eligibility is disproportionately higher for allied/minor part of works as compared to the major work to be executed

The GoCG stated (April 2024) that the NIT for the scoped work was widely published through print and electronic media. Pre-qualification criteria had been prepared in relation to the requirements and nature of scoped work under floated NIT. The fundamental principles of transparency, fairness, competition, economy, efficiency and accountability have been followed by NRANSCCL.

The reply of the GoCG is not acceptable as it does not explain the rationale behind not including the experience in terms of executing work of proportionate monetary value. Though the NITs were widely circulated, only two bidders could participate due to the restrictive PQE and all above works were awarded to one bidder[22].

2.5.3.2 Award of additional work along with original works

Audit noticed the following five cases where NRANSCCL awarded additional works of ₹ 40.68 crore. In four out of five cases, NRANSCCL awarded additional work on the same day as the award of the original works. These have been described in ***Table 2.6***:

Table 2.6: Details of award of additional work to existing contractors

Name of the work	Original work order value/date	Name of the contractor	Name of additional work /awarded value/ date
Construction and development of roads, park, crematorium/burial grounds	₹ 50 crore/ 31 March 2022	M/s Raipur Construction Private Limited	Construction and development of sector-22 smarter road/ ₹ 19.44 crore/31 March 2022
Development of stream, pond, park, road and allied infrastructure work at Nava Raipur	₹ 48.48 crore/ 31 March 2022	M/s Raipur Construction Private Limited, Raipur	Additional works (the work of roads under Sector-13 at a cost of ₹ 5.47 crore and Baroda Mana Road at a cost of ₹ 1.92 crore)/₹ 7.39 crore/31 March 2022
Construction and development of bus parking, water bodies, horticulture, balance work of zone 4	₹ 51.05 crore/ 31 March 2022	M/s Raipur Construction Private Limited, Raipur	Development of car parking in Sector-19/ ₹ 2.92 crore/ 31 March 2022
Development of storm water drainage system including deepening of pond, drain and allied works with tree plantations and maintenance of trees for 5 years on sector 11,12,13 and sectors 15 & 16	₹ 21.04 crore/ April 2021	M/s Raipur Construction Private Limited,	Deepening of Sendh Lake amounting to ₹ 8 crore/26 June 2021

[22] M/s Raipur Construction Private Limited.

Construction of Multilevel Parking with a connecting corridor to HOD Bhavan, Nava Raipur Atal Nagar (C.G.)	₹41.20 crore/31 March 2022	M/s Raipur construction Pvt. Ltd., Raipur (C.G)	Construction of affordable dormitory near Sathya Sai Sanjeevni Hospital, Nava Raipur amounting to ₹ 2.93 crore/ 31 March 2022

As per clause 13 of Form A of CGPWD tender document, NRANSCCL has the power to make any alteration in, omissions from, additions to, or substitutions for, the original specifications, drawings, designs and construction, that may appear to be necessary or advisable during the progress of the work. However, four additional works were awarded even before the start of the original work. So, these were not awarded as per the requirements felt necessary for the completion of the original works. Further in one case the additional work was totally different and not an extension of original work.

The GoCG stated (April 2024) that additional work was proposed to be included as per provision of General Conditions of Contract (GCC) clause 12 and F-1 Schedule-D under Scope of work (clause 12). As per GFR clause 136 (2) the additional work can be added in main work based on the urgency and criticality. Addition of projects was approved by Board of Directors and representative of MoH&UA.

The reply is not acceptable as in four cases additional work was awarded on the same date (31 March 2022) on which original work order was awarded to the contractor. Additional works were awarded to same contractor without assessing his capacity to execute all the works within prescribed timeline.

Thus, due to non-inclusion of criteria of bid capacity[23] of the contractor, the single contractor with average annual turnover of ₹ 89.12 crore[24] was awarded total 11 work aggregating ₹ 444.71 crore up to March 2022 by NRANSCCL. The schedule date of completion of these works were between January 2022 to October 2023. Further, none of the project awarded to the bidder could be completed till October 2023. As a result, NRANSCCL had to de-scope some of the works and after de-scoping work valuing ₹ 187.97 crore was retendered and awarded to four different contractors (February 2024).

The GoCG stated (April 2024) that the projects lagging constantly were re-tendered under risk and cost of contractor to achieve timely completion of projects under bid capacity criteria.

The reply substantiates the audit observation that non-inclusion of criteria of bid capacity as a pre-qualification criterion, led to award of work worth ₹ 444.71 crore to a single contractor lacking the capacity to execute the works. As a result, NRANSCCL was compelled to retender the works, which adversely affected the progress of the mission in the city.

[23] Available bid capacity = A × M × N - B, where A is the highest annual value of relevant engineering works in the last five years (adjusted for inflation), M is a multiplier (typically 1.5), N is the tendered project's duration in years, and B is the updated value of ongoing commitments for the next N years.

[24] certificate of CA dated 3 March 2022 based on audited statement of accounts of last five years of RCPL company

2.5.4 Award of additional work to existing contractors without inviting tender

The SPVs invited tenders as per the Form A/Form B of CGPWD works manual. As per clause 1 of Form A/Form B, tenders must be invited for all works proposed to be given on contract unless the amount of works proposed to be given on contract is ₹ 50,000 or less and proposed works are not necessary or directly linked/or within the scope of work originally tendered.

Audit observed the following cases where SPVs awarded additional works to existing contractors amounting to ₹ 45.76 crore without inviting fresh tenders which were not necessary or directly linked/or within the scope of work originally tendered for. These are detailed below:

- **Tree Plantation in Raipur city**

RSCL awarded (4 September 2019/18 September 2019/7 September 2019) the work of tree plantation of Northern Zone and Western Zone to M/s Jitendra Kesharwani at a cost of ₹ 2.36 crore and Southern Zone to M/s Manoj Aggarwal at a cost of ₹ 1.40 crore.

As per the terms and conditions of tender, (Form B of CGPWD) additional work up to 10 *per cent* of the original work was permissible through same agreement. Accordingly, RSCL can award additional work up to 10 *per cent* of the original work to the contractors. However, audit observed that RSCL awarded additional works of tree plantation to the same contractors amounting to ₹ 67.11 lakh, ₹ 71.32 lakh and ₹ 45.05 lakh in Northern, Western and Southern zones respectively which were above 10 *per cent* limit permitted in the tender and more than ₹ 50,000 and hence, separate tenders should have been invited for these works.

The GoCG stated (April 2023) that after plantation of tendered quantities by the contractors, additional plantation was approved which was under the originally approved estimate. Further lowest rate was received in competitive bidding and there was a possibility of receiving higher rates in fresh tenders so, additional work was awarded to the same contractors.

The reply of the GoCG is not acceptable as tender was floated in Form B of CGPWD according to which additional work up to only 10 *per cent* was permissible through the same agreement. However, RSCL, had awarded additional work in excess of the prescribed limit to the same contractors without fresh tendering, which was not in order.

- **Award of additional work along with the original work, "Redevelopment of Shastri Market"**

RSCL awarded (9 July 2020) the work of redevelopment of Shastri Market to M/s Raipur Constructions Pvt. Ltd. at a cost of ₹ 8.79 crore.

Audit noticed that RSCL decided to construct a vending zone at newly constructed Inter State Bus Terminus, Bhatagaon at a cost of ₹ 1.99 crore. RSCL awarded (8 September 2021) this work to the aforementioned contractor as additional work. As this work was completely new work, unrelated to the original work of redevelopment of Shastri Market, and more than ₹ 50,000, RSCL should have invited fresh tender

for this work.

The GoCG stated (April 2023) that due to shifting of bus terminus, existing vendors were also to be shifted so that earnings of vendors may not be affected. As per PWD Form A, existing contractor gave his consent for completing the additional works at the same quoted rate. So, in the best interest of RSCL & public and considering the utmost priority of the project, competent authority took the decision for awarding the same nature of work to the existing contractor.

The reply is not acceptable as due to award of additional works both the works delayed. The work of vending Zone which was to be completed in four months by January 2022 was completed in March 2023 and work of Shastri market, scheduled to be completed in July 2021, remained incomplete as of March 2023.

- **Award of additional work, with the original work of "Construction of smart road component at Maharajband talab road"**

RSCL awarded (13 July 2020) the work of construction of smart road component at *Maharajband talab* road to M/s Anil Construction at a cost of ₹ 3.67 crore.

RSCL revised the technical estimate of original work from ₹ 3.67 crore to ₹ 1.85 crore and also decided (October 2021) to carry out the work of connecting road to Interstate Bus Terminal from ring road and road at B.P. Pujari School at Raipur for ₹ 4.19 crore[25] as additional work through the same contractor. These were separate works at different locations and accordingly, should have been carried out through open tender according to clause 1 of Form A of CGPWD.

The GoCG stated (April 2023) that building for ISBT was handed over to RMC on 27 May 2019 and operation were soon to be started and as the existing road was not sufficient to sustain the future traffic load, it was necessary to construct this alternate road. This road was planned to be constructed in the month of August 2020 but owing to multiple lockdowns due to Covid 19, the labours kept migrating. It was also stated that labours were available only with those contractors whose works were in progress. Considering all the above practical scenarios additional work was awarded to the existing contractor as per terms & conditions of PWD Form A.

The reply of the GoCG is not acceptable as the additional work was completely new work and was not related to the original work or within the scope of work tendered for. Therefore, it should have been awarded by inviting fresh tender.

2.5.5 Non-recovery of royalty at the rate of market value of minor mineral used in the Smart city work

Rule-71 (A) of Chhattisgarh Minor Minerals Rules, 2015, amended in June 2020 stipulates that the amount equivalent to the market value of minor minerals used in construction work done through contractors should be deducted from the bills of contractors. Contractors may obtain RCC through the Collector concerned by submitting an application to mining office along with valid transit passes of the mineral used, after which amount deducted by the works department may be returned and final bills settled to contractors.

[25] (ISBT road work- ₹ 2.84 crore + B. P. Pujari School Road work- ₹ 0.34 crore + BT Road work Bhatagaon to ISBT- ₹ 0.89 crore) x (100 + 2.98 *per cent* above)= ₹ 4.19 crore

RSCL and NRANSCCL executed various construction works through contractors. Audit observed that SPVs did not incorporate aforementioned clause in the tenders and consequently, SPVs could only deduct the royalty valuing ₹ 1.25 crore from the contractors' bills and were unable to deduct the market price of minerals from contractors' bills. Non-submission of RCC by Contractor in such cases may result in short collection of royalty receipts.

In respect of RSCL, the GoCG accepted the facts and stated (April 2023) that RSCL had issued letter to the agencies for recovery of minor mineral cost and to take corrective action in the ongoing works. In respect of NRANSCCL, while accepting the audit observation the GoCG stated (April 2024) that as per suggestion of audit, above provision shall be complied with in future billing.

2.5.6 Transfer of funds to other departments

MoH&UA, GoI issued advisory No. 15 dated 14 January 2019, with an aim to reduce time lag in issuing tenders and implementation supervision, thereby facilitating faster and sustainable implementation of the projects. The advisory provided for execution of projects through the respective line departments/ Government agencies in the city that possess strong technical expertise and execution capabilities which can be leveraged in executing Smart Cities projects. This could be done by way of a tripartite agreement between the SPV, Government line department/agency and the prospective bidder. The advisory *inter alia* provided following conditions for such an arrangement:

i. Project may be identified through joint meeting of SPV and Government line department/agency as per the SCP/Mission Guidelines/circulars/ OMs/New project as approved by SPV Board.

ii. After SPV's technical sanction, the Government line department/agency may take up tender process management and supervision of the project. The SPV approval is necessary for placement of the work order on the contractor and for variations, if any.

iii. A draft tripartite agreement should be drawn under approval of the SPV and be part of the tender document for each such projects which will be awarded to the successful bidder.

iv. There shall not be any transfer of funds from SPV to Government department/agency. The payments should be disbursed directly by the SPV to the contractor on completion of each milestone as per the terms of the tender.

RSCL executed two projects i.e., Redevelopment of Binni Bai Sonkar School (₹ 5.50 crore) & fencing of transformer near major roads of ABD (₹ 0.75 crore) from Public Works Department and Chhattisgarh State Power Distribution Companies Ltd. respectively through this arrangement. Audit observed that:

i. None of these projects was identified through a joint meeting with the Government line department/agency.

ii. No approval of RSCL was taken while awarding these works by the concerned Department/Company.

iii. No tripartite agreement was signed between RSCL, line Department/Company and the contractor.

iv. RSCL transferred the fund amounting to ₹ 0.75 crore to CSPDCL for fencing work in November 2019 and ₹ 3.95 crore to the Public Works Department for School work during July 2021 to February 2022.

Thus, the conditions prescribed by the MoH&UA, GoI under advisory 15 were not followed.

2.6 Monitoring

This para discusses about the monitoring of the implementation of SCM in the State.

2.6.1 State Level Monitoring

As per the SCM guidelines, there would be a State Mission Director who will be an officer not below the rank of Secretary to the State Government, nominated by the State Government. The State Mission Director will function as the Member-Secretary of the State Level High Powered Steering Committee.

State Government appointed Chief Executive Officer of State Urban and Development Agency, GoCG (SUDA) as Mission Director for implementation of SCM. However, the State Government did not specify the role and responsibilities of the Mission Director with regard to implementation of SCM.

Apart from it, as per SCM guidelines, State Government had to establish State Level High Powered Steering Committee (SLHPSC) chaired by the Chief Secretary, to steer the Mission Programme in its entirety. One of the key responsibilities of the SLHPSC was to provide guidance to the Mission and provide State level platform for exchange of ideas pertaining to development of Smart Cities.

GoCG constituted (July 2015) SLHPSC which approved the SCP of Raipur and Bilaspur City in 2nd meeting held on 14 December 2015 and SCP of Nava Raipur Smart city in 5th meeting held on 23 March 2017. After March 2017, no SLHPSC meeting was held.

During scrutiny of records, it was observed that except for approving the SCPs for participation in the challenge for selection under SCM, the SLHPSC did not discuss or review status of implementation of projects in the three SPVs in the State. Also, the SLHPSC neither provided any guidance to the SPVs nor shared any ideas regarding the Mission to the SPVs/ULBs, as required in the SCM guidelines.

Further, no third-party Review and Monitoring Agency was appointed in Chhattisgarh for SCM and consequently, one of the key functions and responsibilities of the SPVs, as per SCM guidelines, i.e., to approve and act upon the reports of such agency could not be performed by the SPVs and no independent review and monitoring of the SCM could be done.

The GoCG in its reply (April 2023) stated that as per the SCM guidelines, SLHPSC has completed the task of overseeing interstate competition and review of SCP, thereby guiding the potential cities to get their plans approved by GoI.

The reply is not acceptable as the role of SLHPSC was to have an overarching monitoring mechanism to steer the Mission in its entirety. So, the role of SLHPSC was not limited to getting the approval for the cities but also to provide guidance to the Mission and provide State level platform for exchange of ideas pertaining to development of Smart Cities, as stipulated in the Mission guidelines.

2.6.2 City Level Monitoring

As per clause 13.3 of the Mission guidelines, a Smart City Advisory Forum (SCAF) was to be established at the city level to advise and enable collaboration among various stakeholders and its members were to include the District Collector, MP, MLA, Mayor, CEO of SPV, local youths, technical experts etc. Further, MoH&UA, GoI instructed (September 2018) to regularly hold meetings of the forum, at least once a month.

The SPVs constituted a SCAF for Smart City Projects. The number of meetings of SCAF held up to March 2023 are mentioned in ***Table 2.7***.

Table 2.7: Details of meeting of SCAF held by the SPVs

Name of the Company	Date of constitution	No. of meetings held
RSCL	30.08.2017	4 (24.04.2018, 31.08.2020, 05.10.2020, 25.01.2023)
BSCL	19.03.2020	1 (23.09.2021)
NRANSCCL	02.01.2020	3 (16.03.2020, 3.10.2020 and 3.03.2023)

(Source: Data compiled from the record of the SPVs)

The above table shows that the meetings of SCAF were not conducted regularly in any of the SPV, as instructed by MoH&UA, GoI, and as a result, the objective of fostering collaboration among various stakeholders such as public representatives, district officials, citizens etc. could not be achieved.

The GoCG in its reply (April 2023) stated that the meetings of the SCAF in RSCL could not be convened due to various elections taking place across the state, officials occupied with ongoing proceedings in the Hon'ble High Court of Chhattisgarh, intermittent lockdowns due to COVID-19 etc. In case of Bilaspur, the GoCG stated (April 2023) that the works were awarded after taking into consideration the suggestions of the participants of SCAF. In case of NRANSCCL, the GoCG stated (April 2024) that as on date, three number of meetings were conducted. Further, the change in scope of SCP was intimated to the members of SCAF to which no objections were raised by the members of SCAF.

The reply is not acceptable as the RSCL was incorporated in September 2016 and since then, only four meetings of SCAF were held, the first being in April 2018. So, it is evident that only one meeting was held before the disruptions caused by COVID-19 pandemic as well as the proceedings in the High Court (which began in December 2020). Further, in case of BSCL and NRANSCCL, GoCG in its reply did not address the issue of holding less number of meetings of SCAF than prescribed in the Mission guidelines/advisories.

2.6.3 Non finalisation of Accounts

The financial statements of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year i.e., by September end in accordance with the provisions of Section 96 (1) read with Section 129 (2) of the Companies Act, 2013 (Act).

RSCL, BSCL and NRANSCCL were incorporated on 16 September 2016, 19 September 2016 and 16 October 2017 and finalised the account up to 2019-20, 2020-21 and 2021-22 respectively. So, in contravention to the aforementioned provisions, RSCL, BSCL and NRANSCCL had three years, two years and one year arrear of accounts respectively (31 March 2023). Non-preparation of accounts not only contravenes the provisions of the Act but also results in absence of information to assess the performance, financial position and cash flow of the SPVs by the Management and stakeholders.

2.7 Conclusion

Smart City Mission was launched as a transformative programme aimed at providing a decent quality of life to the citizens in the selected cities. This was to be done by providing 'smart solutions' and creating core infrastructure in selected areas, i.e., ABD area, to make replicable models of development that other cities and other areas within the same city could follow.

Under the Smart City Mission, important interventions have been made in the urban areas by constructing smart roads, converting overhead electricity cables to underground cables, smart library etc. and Integrated Command and Control Centre (ICCC) addressing the issue of improvement/safety in public spaces. Operationalisation of ICCC in all the three cities ensured better surveillance, traffic management, crime control etc. Besides many projects for redevelopment of gardens, plantation of trees and beautification of ponds, talabs, and river front were also undertaken for visible improvement of public spaces in the cities.

However various essential and core infrastructure related projects such as sanitation including solid waste management, efficient public transport, affordable housing etc. were either not taken up for execution or taken up with delay and hence could not be completed as of June 2024. Further, some of the projects that were completed did not fully achieve their objective of providing smart facilities to citizen due to various reasons, such as poor operation and maintenance and part/deficient execution of work by contractors etc.

Some projects initially proposed under convergence were not taken up for execution resulting in limiting the derivation of benefits of convergence in implementation of projects under Smart City Mission. Mobilisation of private partnership for PPP was not seen. In the absence of a policy for dedicated and substantial revenue stream for SPVs i.e. RSCL and NRANSCCL, their financial sustainability was not ensured.

Finally, after launch of SCM and selection of cities, 38 *per cent* of works that were awarded have not been completed as of 31 March 2023 which shows the poor pace of implementation of Mission in the State.

2.8 Recommendations

The State Government may ensure:

1. ***Appointment of full time CEOs in all the SPVs and availability of adequate manpower for effective project execution and monitoring;***
2. ***Mobilisation of resources through Convergence and PPP mode for implementation of projects proposed under Smart City Mission;***
3. ***Strengthening of contract management in SPVs by strict compliance with standard tendering norms, and contract provisions;***
4. ***Fixation of and adherence to firm timelines to operationalise the assets created and proper repair and maintenance to ensure longevity, safety and efficiency of the created assets; and***
5. ***To develop and implement a policy to establish a dedicated and substantial revenue stream for SPVs to ensure their self-sustainability in future.***

CHAPTER III

CHAPTER III

COMPLIANCE AUDIT PARAGRAPH

Chhattisgarh Rural Housing Corporation Limited

3.1 Avoidable loss of interest to the tune of ₹ 5.32 crore due to non-availing auto sweep facility

Chhattisgarh Rural Housing Corporation Limited (Company) was formed (March 2018) as a Special Purpose Vehicle (SPV) under the administrative control of the Department of Panchayat and Rural Development, Government of Chhattisgarh (GoCG). The primary objectives of the Company are to make financial arrangements by obtaining loans from various financial institutions for the construction of rural houses under Pradhan Mantri Awaas Yojana - Gramin (PMAY-G).

The Company, on behalf of the GoCG, obtained loans (September 2018) amounting to ₹ 1,000 crore from Canara Bank. As per Clause 4 (b) of Supplementary Agreement (October 2018), "the Company had to ensure the availability of funds in District Mineral Fund (DMF)/ Rural Development accounts to meet repayment obligations on which the Bank would have general lien". Accordingly, the Company retained (October 2018) its Canara Bank account as a general lien and deposited ₹ 55.00 crore into this account during October 2018 and February 2019. Canara Bank offers auto-sweep facilities to its customers. This facility automatically converts funds exceeding a specified minimum balance (i.e. threshold limit of ₹ 10.00 lakh) in the bank accounts, into fixed deposits (FDs), which attract interest at prevailing rates for FDs.

Audit observed (November 2022) that the Company deposited the amount of ₹ 55.00 crore into Canara Bank towards lien; in a general savings bank account without opting for an auto sweep facility, ignoring that the auto sweep facility fetches a higher interest rate as compared to general savings bank account. Had the Company opted for an auto sweep facility for the said lien account, it could have earned higher interest at rates ranging from 3.25 *per cent* to 6.75 *per cent* during the years 2018 to 2023. This has resulted in a loss of interest to the tune of ₹ 5.32 crore, as detailed in the ***Appendix 10***.

The Company accepted the comment (August 2023) and availed the auto sweep facility (July 2023) in its savings bank account.

The audit acknowledges the corrective action taken by the Company following the observation and emphasises the strengthening of internal controls to prevent similar issues in future.

The matter was reported to the GoCG (August 2024) for their remarks. However, the reply was awaited (August 2025).

Raipur **(MOHD. FAIZAN NAYYAR)**
The : 30 October 2025 **Accountant General (Audit) Chhattisgarh**

Countersigned

New Delhi **(K. SANJAY MURTHY)**
The : 10 November 2025 **Comptroller and Auditor General of India**

Appendices

Appendix 1

(Referred to in Paragraph 1.1)

List of State Public Sector Enterprises in Chhattisgarh

Sl. No.	Government Companies
1	Chhattisgarh Rajya Van Vikas Nigam Limited (CRVVNL)
2	Chhattisgarh State Beverages Corporation Limited (CSBCL)
3	Chhattisgarh Railway Corporation Limited (CRCL)
4	Chhattisgarh Katghora Dongargarh Railway Limited (CKDRL)
5	Chhattisgarh Kharsia Naya Raipur Railway Limited (CKNRRL)
6	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)
7	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (CRBEKVNL)
8	Chhattisgarh Medical Services Corporation Limited (CMSCL)
9	Chhattisgarh Police Housing Corporation Limited (CPHCL)
10	Chhattisgarh Road And Infrastructure Development Corporation Limited (CRIDCL)
11	Bilaspur Smart City Limited (BSCL)
12	Nava Raipur Atal Nagar Smart City Corporation Limited (NRANSCCL)
13	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)
14	Chhattisgarh Mineral Development Corporation Limited (CMDC)
15	Kerwa Coal Limited (KCL)
16	Chhattisgarh State Power Distribution Company Limited (CSPDCL)
17	Chhattisgarh State Power Generation Company Limited (CSPGCL)
18	Chhattisgarh State Power Transmission Company Limited (CSPTCL)
19	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited (UCRVUL)
20	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)
21	Chhattisgarh State Information Infrastructure Corporation Limited (CSIIC)
22	Chhattisgarh State Marketing Corporation Limited (CSMCL)
23	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)
24	Raipur Smart City Limited (RSCL)
25	Chhattisgarh Rural Housing Corporation Limited (CRHCL)
26	Chhattisgarh Sondiha Coal Company Limited (CSCCL)
27	CMDC ICPL Coal Limited (CICL)
28	Chhattisgarh State Warehousing Corporation (CSWC)

Appendix 2

(Referred to in Paragraph 1.6)

Statement showing number of State Public Sector Enterprises whose accounts were in arrear as on 30 September 2023

Sl. No.	Name of the Company	A/c received upto 30 September 2023	No. of account in arrear
A. Government Companies			
1	Chhattisgarh State Power Generation Company Limited	2021-22	1
2	Chhattisgarh State Power Transmission Company Limited	2021-22	1
3	Chhattisgarh State Beverages Corporation Limited	2021-22	1
4	Chhattisgarh State Industrial Development Corporation Limited	2018-19	4
5	Chhattisgarh State Civil Supplies Corporation Limited	2021-22	1
6	Chhattisgarh Infrastructure Development Corporation Limited	2020-21	2
7	Chhattisgarh Mineral Development Corporation Limited	2021-22	1
8	Kerwa Coal Limited	2021-22	1
9	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	2021-22	1
10	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam	2019-20	3
11	CMDC ICPL Coal Limited	2018-19	4
12	Chhattisgarh Medical Services Corporation Limited	2020-21	2
13	Chhattisgarh Police Housing Corporation Limited	2021-22	1
14	Chhattisgarh Road and Infrastructure Development Corporation Limited	2021-22	1
15	Chhattisgarh Railway Corporation Limited	2021-22	1
16	Chhattisgarh Katghora Dongargarh Railway Limited	2021-22	1
17	Chhattisgarh Kharsia Naya Raipur Railway Limited	2021-22	1
18	Raipur smart City Limited	2019-20	3
19	Bilaspur smart City Limited	2020-21	2
20	Nava Raipur Atal Nagar Smart City Corporation Limited	2021-22	1
21	Chhattisgarh State Information Infrastructure Corporation Limited	First Account Not Received (arrear from 2017-18)	6
22	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited	2021-22	1
23	Chhattisgarh Rural Housing Corporation Limited	2019-20	3
24	Chhattisgarh State Marketing Corporation Limited	2019-20	3
A. Government Companies Total			**46**
B. Statutory Corporations			
1	Chhattisgarh State Warehousing Corporation	2021-22	1
B. Statutory Corporation Total			**1**
Grand Total (A+B)			**47**

Appendix 3

(Referred to in Paragraph 1.8.3)

Statement showing State Public Sector Enterprises with positive ROCE

Sl. No.	Name of the Company
Power Companies	
1	Chhattisgarh State Power Generation Company Limited
2	Chhattisgarh State Power Transmission Company Limited
3	Chhattisgarh State Power Distribution Company Limited
Non-Power companies	
1	Chhattisgarh Rajya Van Vikas Nigam Limited
2	Chhattisgarh State Beverages Corporation Limited
3	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited
4	Chhattisgarh Medical Services Corporation Limited
5	Chhattisgarh Road And Infrastructure Development Corporation Limited
6	Chhattisgarh State Warehousing Corporation
7	Chhattisgarh Mineral Development Corporation Limited
8	Kerwa Coal Limited

Appendix 4

(Referred to in Paragraph 1.9.1)

State PSEs in which Comments were issued

Sl. No.	Name of the Public Sector Enterprises	Period of comments issued
1	Chhattisgarh State Power Transmission Company Limited	2021-22
2	Chhattisgarh Rajya Van Vikas Nigam Limited	2021-22
3	Chhattisgarh State Power Distribution Company Limited	2021-22
4	Chhattisgarh Infrastructure Development Corporation Limited	2019-20
5	Chhattisgarh Infrastructure Development Corporation Limited	2020-21
6	Chhattisgarh Road And Infrastructure Development Corporation Limited	2021-22
7	Chhattisgarh State Warehousing Corporation	2021-22
8	Chhattisgarh Police Housing Corporation Limited	2021-22
9	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited	2021-22
10	Chhattisgarh State Civil Supplies Corporation Limited	2021-22
11	Chhattisgarh State Power Holding Company Limited	2021-22
12	Chhattisgarh Medical Services Corporation Limited	2019-20
13	Chhattisgarh Medical Services Corporation Limited	2020-21
14	Chhattisgarh State Power Trading Company Limited	2021-22
15	Chhattisgarh Mineral Development Corporation Limited	2021-22
16	Chhattisgarh State Industrial Development Corporation Limited	2017-18

Appendix 5

(Referred to in Paragraph 1.9.2)

Significant comments of the Comptroller and Auditor General of India issued as supplement to the Statutory Auditors' reports

Comments on Profitability

Sl. No.	Name of Company (Financial year)	Comments
1	Chhattisgarh Mineral Development Corporation Limited (2021-22)	1. Depreciation and Amortization does not include ₹ 62.60 lakh being the amount of depreciation on Company's corporate office building situated at Nava Raipur Atal Nagar for the years 2020-21 and 2021-22. The Company started working in the new office building from 14 December 2020 onwards; however, the same has not been capitalised resulting in understatement of Depreciation and overstatement of Profit by ₹ 62.60 lakh. This has also resulted in understatement of PPE and overstatement of Other Current Assets (under other advances) by ₹ 12.44 crore. 2. Other Expenses does not include ₹ 68.79 lakh being the payment made to Chhattisgarh State Power Distribution Company Limited (CSPDCL) towards installation of 1000 KVA transformer at Aridongari mines (₹ 49.60 lakh) and new service connection at Aridongari mines (₹ 19.20 lakh). Instead this amount was recognised as advances (Other Current Assets) in the accounts for the year 2021-22. This has resulted in Overstatement of Other Current Assets as well as Profit and Understatement of Expenses by ₹ 68.79 lakh.
2	Chhattisgarh Rajya Van Vikas Nigam Limited (2021-22)	Depreciation and Amortization Expenses does not include ₹ 1.48 crore being the amount of depreciation of Company's corporate office building for the years 2018-19 to 2021-22. The building was handed over on 11 April 2018 to the Company. However, the same was not capitalised. This has resulted in understatement of depreciation and overstatement of Profit by ₹ 1.48 crore. This also resulted in Understatement of PPE and Overstatement of Other Non-current Assets (Advance to Nava Raipur Atal Nagar Development Authority (NRDA) by ₹ 8.24 crore.
3	Chhattisgarh State Power Transmission Company Limited (2021-22)	Other current liabilities does not include ₹ 0.59 crore towards operation and maintenance of substations, security services, annual maintenance services etc. and ₹ 35.40 crore towards invoices/bills relating to various Capital Work in Progress pertaining to the financial year 2021-22 was not provided for in the financial statement. This has resulted in understatement of Other Current Liabilities to the extent of ₹ 35.99 crore and understatement of Capital Work-in-Progress to the extent of ₹ 35.40 crore. This has also resulted in understatement of Expenses to the extent of ₹ 0.59 crore and consequent overstatement of profit to the same extent.
4	Chhattisgarh State Power Generation Company Limited (2021-22)	Other Expenses does not include an amount of ₹ 1,179.88 crore that the Water Resource Department (WRD) had raised for water charges bill as per terms of agreement to the Company. The Company violated the payment terms of the ibid agreement and did not pay the water bill, rather showed it as contingent liability in its books of accounts. As the WRD had consistently billed and claimed the water charges as per the terms of agreement executed with the Company, a suitable provision for the same should have been made. Non-provision of the above resulted in understatement of Other Expenses as well as Current Liability by ₹ 1,179.88 crore with

Sl. No.	Name of Company (Financial year)	Comments
		corresponding overstatement of Profit by the same amount.

Comments on Financial Position

Sl. No.	Name of Company (Financial year)	Comments
1	Chhattisgarh Mineral Development Corporation Limited (2021-22)	Other Current Liabilities does not include ₹ 8.86 crore being the amount of first installment of loan from Mineral Development Fund which was due during the year 2021-22 along with penal interest ₹ 62 lakh due to non-payment of interest against the loan of 2020-21. This has resulted in understatement of Current Liabilities by ₹ 8.86 crore as well as Other Expenses by ₹ 62 lakh and overstatement of Borrowings by ₹ 8.86 crore and Profit by ₹ 62 lakh.
2	Chhattisgarh State Power Holding Company Limited (2021-22)	Other current liabilities does not include an expenditure of ₹ 118.00 lakh payable to the EDCIL (India) Limited towards work of recruitments to various posts in Chhattisgarh State Power companies in the financial year 2021-22 and bill was received in the same year but paid in financial year 2022-23. This has resulted in understatement of other current liabilities and understatement of other current assets (receivable from its subsidiaries companies) to the extent of ₹ 118.00 lakh.
3	Chhattisgarh Medical Services Corporation Limited (2020-21)	Interest for DME (Equip. Procurement) does not include ₹ 39.71 lakh towards the accrued interest on the fixed deposit of ₹ 10.00 crore which was submitted (4 February 2019 and 16 June 2020) as a letter of credit to M/s Wipro GE Healthcare Pvt. Ltd. for the purchase of CT scan machine. This has resulted in understatement of Long Term Liabilities (Fund from Govt.) as well as Other Current Assets (Interest Accrued on FD) by ₹ 39.71 lakh.
4	Chhattisgarh Medical Services Corporation Limited (2020-21)	Property, Plant & Equipment (Building) includes ₹ 3.50 crore towards the expenditure incurred on the installation of Air Conditioning system in the four Drug Warehouses situated at Raipur, Bilaspur, Ambikapur and Jagdalpur during the year 2020-21 which should have been classified under the head Electrical Installation and Equipment instead of Building. This has resulted in Understatement of Depreciation and Overstatement of Profit to the extent of ₹ 15.12 lakh due to misclassification. Apart from it, Overstatement of Building and Understatement of Electrical Installations and Equipment to the extent of ₹ 3.50 crore.
5	Chhattisgarh Police Housing Corporation Limited (2021-22)	Other Current Liabilities does not include ₹ 10.75 crore of Guarantee fees payable at the rate of 0.5 *per cent* on guarantee given by Govt. of Chhattisgarh to the Chhattisgarh Police Housing Corporation Limited for loan taken from Indian Bank (₹ 400.00 crore) and Canara Bank (₹ 400.00 crore). As on March 2022, the company has neither paid Guarantee fees nor made any provision for the same. This has resulted in understatement of Other Current Liabilities by ₹ 10.75 crore and overstatement of Reserve and Surplus to the same extent.
6	Chhattisgarh Rajya Van Vikas Nigam Limited (2021-22)	Capital Work in Progress does not include ₹ 3.00 crore towards expenditure incurred on Construction and Development of Residential Apartment for the employees as per the utilisation certificate submitted (15 March 2021) by the Chhattisgarh Housing Board Capital Project Division (project implementing agency) which was not adjusted from the advance of ₹ 5.00 crore. This has

Sl. No.	Name of Company (Financial year)	Comments
		resulted in overstatement of Other Non-Current Assets (Note:5 under Capital advances) by ₹ 3.00 crore and understatement of Capital Work-in-Progress to the same extent.

Appendix-6

(Referred to in paragraph 2.2.2)

Sanctioned strength and Person in position of the three SPVs during 2016-17 to 2022-23

Details	Sanctioned strength	Person In Position							Vacancy during the years
		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
RSCL									
Administrative	13	Not available	9	6	8	9	9	9	31 *per cent* to 54 *per cent*
Technical	4		8	6	11	11	18	11	--
Finance	3		2	2	2	2	2	1	33 *per cent* to 67 *per cent*
BSCL									
Administrative	13	2	3	4	4	4	3	5	62 *per cent* to 85 *per cent*
Technical	4	3	5	5	10	11	11	5	25 *per cent* during 2016-17
Finance	3	0	0	0	1	1	1	1	67 *per cent* to 100 *per cent*
NRANSCCL									
Administrative	13	Not Applicable	1	3	4	6	4	7	46 *per cent* to 92 *per cent*
Technical	4		0	2	2	2	2	13	50 *per cent* to 100 *per cent*
Finance	3		0	1	1	1	1	1	67 *per cent* to 100 *per cent*

Appendix-7

(*Referred to in paragraph 2.4.2.4*)

Raipur Smart City Limited

Delay in execution of works by SPVs in ABD area

(Amount ₹in crore)

Sl. No.	Name of project/work	Date of Work order	Total Value of work	Name of the contractor	Due Date of completion	Actual date of completion	Delay (in days)
1	Kari Talab redevelopment	15.04.2018	6.58	M/s Akriti Construction	14.04.2019	14.07.2021	822
2	Network of Heritage cultural area with creation of a Heritage walk	08.03.2019	1.57	M/s Rekhchand Agrawal	08.09.2019	11.01.2023	1221
3	Smart Public Toilets at 6 sites and Bus Shelters at 7 sites with advertisement rights, A-11	06.06.2018	2.60	M/s Eram Scientific Solutions (P) Ltd	28.02.2019	11.12.2019	286
4	Renovation of Anand Samaj Library, heritage Building, A- 53	28.02.2017	1.70	M/s Chunni Singh Thakur	28.05.2017	25.01.2018	242
5	Redevelopment of Moti Bagh Phase-1, A-36	28.02.2017	0.39	M/s Future Construction	28.05.2017	04.10.2018	494
6	Budha Talab drain cover work for foothpath and car park development work, A, c	05.07.2017	0.46	M/s Konark Agency	10.10.2017	30.04.2018	202
7	Healthy Heart Track at Indoor Stadium, A C	28.02.2017	1.16	M/s P I C Construction	28.05.2017	04.10.2018	494
8	Art Coloring and Painting work on wall, A-59	31.03.2017	0.17	M/s Mask Group of Artists	30.06.2017	12.11.2017	135
9	Art coloring and wall painting work in ABD area	08.12.2017	0.13	M/s Mitesh Jain	09.12.2017	20.04.2018	132
10	Art, Beautification and Mural work under Raipur Municipal Corporation, Phase-II, A-59	17.11.2017	0.05	The Art Factory	02.12.2017	01.06.2018	181
11	Art Colouring and painting work on wall	09.11.2017	0.18	M/s Mask A group artist	09.12.2017	20.04.2018	132

Sl. No.	Name of project/work	Date of Work order	Total Value of work	Name of the contractor	Due Date of completion	Actual date of completion	Delay (in days)
	under beautification and development work in ABD area, A-59						
12	Concept Art and Design Work Under "SMART CITY MISSION", A-59	23.04.2018	1.61	The Art Factory	08.06.2018	15.07.2019	402
13	Redevelopment of Moti Bagh Phase-II A-36	28.02.2019	3.08	M/s LR Brothers	28.08.2019	02.02.2021	524
14	Redevelopement of Kankali Hospital, A-42	09.10.2018	0.49	M/s ASA Engineering	10.12.2018	13.03.2019	93
15	Renovation of Mangalam Bhawan Complex Building, A, S	26.09.2018	0.93	M/s S S Infrastructure	26.01.2019	30.05.2019	124
16	Renovation of Kanji House Commercial Complex Building, A S	26.09.2018	0.96	M/s Sharda Agarwal	25.01.2019	30.05.2019	125
17	Construction work Near identified Public spaces such as toilet, Paver and CC work, A-11	14.05.2018	0.17	M/s Siddhi Vinayak Construction Company	14.06.2018	25.01.2019	225
18	Redevelopment of Naraiya Talab , A-31	21.02.2019	1.36	M/s Yash construction & supplier	21.06.2019	25.11.2019	157
19	Place Making at Various Place in ABD area A, 72	08.03.2019	1.67	M/s Sudhir Kumar Gupta	08.09.2019	27.08.2020	354
20	Development of Multi Level Parking in EAC Colony	21.02.2019	28.00	M/s Vinod Kumar Pandey	31.07.2020	31.08.2021	396
21	Selection of Agency for installation of City Signages in the city of Raipur for RSCL	14.07.2020	0.83	M/s RH AGENCY	14.07.2021	03.10.2022	446
22	Redevelopment of Shastri Market Phase - I Under Raipur Smart City Limited	07.09.2020	19.67	M/s Raipur Construction	09.07.2021	Ongoing	630
23	Redevelopment of shaheed Smarak School	14.07.2020	4.11	M/s Somani Associates	14.03.2021	13.07.2021	121

Sl. No.	Name of project/work	Date of Work order	Total Value of work	Name of the contractor	Due Date of completion	Actual date of completion	Delay (in days)
24	Redevelopment of Nagar Nigam Ground	19.10.2020	2.60	M/s Gaurav Vasudeva	14.08.2022	Ongoing	229
25	Selection of Developer for planning, Design, Construction, Beautification of Entrance Plaza OXY Zone Raipur	19.09.2020	0.80	M/s Arvind Trading Corporation	30.09.2022	04.01.2023	96
26	Landscaping Beautification of Vidhya Society Garden at Shailendra Nagar, Raipur	11.11.2020	0.32	M/s Atharv Infra	10.02.2021	11.07.2021	151
27	Landscaping Beautification of SBI Garden at Shailendra Nagar, Raipur	11.11.2020	0.19	M/s Atharv Infra	10.02.2021	11.07.2021	151
28	Supply Installation of Boat CPVC Float Style High Jeneva Jet Fountain	19.09.2020	1.00	M/s Arvind Trading Corporation	19.01.2021	31.12.2022	711
29	Redevelopment Beautification of Zora Talab	13.11.2020	1.22	M/s Sharda Agarwal	13.07.2021	Ongoing	626
30	Redevelopment Beautification of Rohnipuram Talab	13.11.2020	1.60	M/s Sharda Agarwal	13.07.2021	Ongoing	626
31	Smart Road Near Maharaj bandh Talab	13.07.2020	3.67	M/s Anil Construction	13.01.2021	Ongoing	807
32	Electrification and sanitary works in Shatabdi Nagar garden, Zone 10	11.04.2020	0.22	M/s SP Enterprises	04.02.2021	04.06.2021	120
33	Lighting Arrangement at Outdoor Stadium	09.12.2020	0.14	M/s TS Light Decoration and Electrical	09.01.2021	31.08.2021	234
34	2D Painting work in Budha Talab	09.12.2020	0.15	M/s Myth	09.03.2021	04.10.2021	209
35	Redevelopment of Budha Talab - Phase 2	26.02.2021	19.00	M/s Raipur Construction-Ganpati	26.08.2021	Ongoing	582
36	Renovation of Shaheed Smarak (Phase II)	08.03.2019	2.40	M/s L.R. Brothers, Raipur	08.09.2019	31.03.2023	1300
37	Interlocking Paver Work Near Budha Talab	10.09.2019	0.18	RMC Zone4	09.12.2019	16.03.2020	98

Sl. No.	Name of project/work	Date of Work order	Total Value of work	Name of the contractor	Due Date of completion	Actual date of completion	Delay (in days)
38	Bitumen work in Swami Vivekanand Sadar Bazar Ward	30.12.2020	0.20	RMC Zone4	30.01.2021	01.10.2021	244
39	BT & Road Marking works at Swami Vivekananda Sadar Bazar Ward No.45	30.12.2020	0.18	RMC Zone4	30.01.2021	02.10.2021	245
40	WMM Work at Maulana Abdul Rauf Ward (46) Chhotapara	12.11.2020	0.18	RMC Zone4	30.12.2020	01.08.2021	214
41	Fountain Work near Temple at Swami Vivekananda Ward no. 45	02.02.2021	0.06	RMC Zone4	02.03.2021	13.01.2022	317
42	2D & 3D Painting Work at R.D. Tiwari School	12.07.2020	0.19	RMC Zone4	07.06.2021	23.12.2021	199
43	Paver and other civil Works in Budhatalab Garden	10.09.2019	0.12	M/s Anil Construction	09.12.2019	16.03.2020	98
44	installation of i- beacon device at various locations	16.03.2020	0.01	M/s eZ Route services limited	31.03.2020	18.08.2020	140
45	Underground external Electrification work For HT & LT line from Budheshwar Chowk To Chandni Chowk	31.03.2022	7.07	M/s Parag infra	30.10.2022	Ongoing	152
46	Underground external electrification work For HT & LT line from Budhapara chowk to Budheswar Mandir Chowk	31.03.2022	4.04	M/s Parag Infra	30.10.2022	20.03.2023	141
47	Supply and installation of PA cum Music System at Budha Talab	21.10.2021	0.16	M/s Security Junctions, Raipur	21.04.2022	04.11.2022	197
48	Smart Road Development work near Maharajbandh Talab phase II	21.10.2021	1.31	M/s Sharad Shukla Raipur	30.11.2022	Ongoing	121
49	Malviya Road Lightning	31.03.2022	0.79	M/s Parag Infra	30.10.2022	Ongoing	152
50	Construction of Toilet at Dani Girls School	09.10.2020	0.57	M/s Raipur Construction	10.06.2021	31.03.2023	659
51	Renovation work of Gym Hall at Sapre	31.03.2022	0.21	M/s Balaji construction	30.10.2022	28.02.2023	121

Sl. No.	Name of project/work	Date of Work order	Total Value of work	Name of the contractor	Due Date of completion	Actual date of completion	Delay (in days)
	campus						
52	Pipe Jacking work at various places in Raipur	21.10.2021	0.78	M/s Hindustan Infra Solutions	30.11.2022	Ongoing	121
53	Fire Fighting at Jawahar Bazar Commercial Complex	25.08.2021	0.41	M/s Rajiv Pandey	25.11.2021	31.10.2022	340
54	Development of garden and boundary wall in Shatabdi nagar, Zone- 10	11.04.2020	0.19	M/s SP enterprises	04.02.2021	02.10.2022	605
55	Various works related to Hyacinth cleaning from lake at sarvodaya nagar, Pachpedi naka	30.06.2020	0.60	M/s I auto and repairing & Apex	30.07.2020	28.12.2020	151
56	Various beautification of squares and nukkads at Zone 05	27-01-2020	0.15	M/s Shivji and Company	27.04.2020	31.12.2020	248
57	Digitalisation of existing books including integration with e-kiosk	01.03.2018	0.05	M/s Entit Consultancy pvt ltd	08.03.2018	03.08.2018	148
58	Canteen Construction at RMC (Civil work)	08.11.2017	0.14	M/s Sanjeev Enterprises, Raipur	23.12.2017	20.09.2018	271
59	Canteen Construction at RMC (Pre-fabricated)	08.11.2017	0.46	M/s National Traders	23.12.2017	18.09.2018	269

Bilaspur Smart City Limited

(Amount ₹in crore)

Sl. No.	Name of project/ work	Date of Letter of Award	Total Value of work order	Name of the contractor	Due date of completion	If any additional work allotted then value of additional work	Actual date of completion	Delay (in days)
1	Construction of smart road from maharanapratap chowk to tarbahar Naka FCI chowk at Vyapar Vihar	27.09.2018	22.30	M/s Kalyan Toll Infrastructure Ltd.	03.10.2020	4.06	30.09.2022	727

Sl. No.	Name of project/ work	Date of Letter of Award	Total Value of work order	Name of the contractor	Due date of completion	If any additional work allotted then value of additional work	Actual date of completion	Delay (in days)
	road							
2	Selection of Agency/ Contractor for Slab Covering over Jawalli Nallah from Jawalli Pool to Pachari Ghat Road in Bilaspur for Bilaspur Smart City	18.02.2021	2.50	M/s VM Construction	28.08.2021	0.00	30.06.2022	306
3	Selection of Agency for Jatiya Talab Redevelopment under Bilaspur Smart City	08.09.2021	6.01	M/s Avinash Buildcon Infrastructure Pvt. Ltd.	17.12.2022	0.00	30.06.2023	195
4	Construction of smart road at mittitel gali	24.03.2018	5.99	M/s Belif Buildcon Pvt.Ltd	11.02.2019	0.00	17.10.2022	1344
5	Construction of planetarium at vyapar vihar	26.09.2018	5.44	M/s Shraddha Construction	28.08.2019	1.45	31.08.2021	734
6	Selection of Agency for Renovation Work of Proposed Incubation Centre Building	28.02.2020	0.83	M/s Sharddha Construction	03.10.2020	0	02.01.2022	456
7	Selection of Agencies on Empanelment for miscellaneous work of Civil Work, Road Junction and Median Development for Bilaspur Smart City	21.05.2020	2.31	M/s Sushant Roy	15.06.2021	0	10.01.2022	209
8	Selection of Agency for Smart Approach Road to Planetarium Building for Bilaspur Smart City	11.11.2020	2.52	M/s Abhishek Singh Thakur	04.06.2021	0.62	05.11.2021	154
9	Selection of Agency/ Contractor for Junction Improvement in Bilaspur City for Bilaspur Smart City	17.02.2021	0.57	M/s Kamal Singh Thakur	25.08.2021	0.07	30.03.2022	217

Sl. No.	Name of project/ work	Date of Letter of Award	Total Value of work order	Name of the contractor	Due date of completion	If any additional work allotted then value of additional work	Actual date of completion	Delay (in days)
10	Construction of Storm Water Drain conjugated with Divyang Friendly Footpath at City Kotwali Chowk to Arpa River under Smart City Area Development Project	11.03.2022	0.80	M/s Jyoti Traders	31.01.2023	0	15.06.2023	135
11	Design, Supply, Installation & Commissioning of Solar Photovoltaic Power Plants with Five Years onsite warrantee for Smart Bilaspur - F	24.02.2020	0.35	M/s Pearl India Marketing Services Private Limited	16.06.2020	0	11.02.2021	240
12	Construction of Storm Water Drain conjugated with Divyang Friendly Footpath from Bhartiya Nagar Chowk to Tayyaba Chowk under Smart City Area Development Project	11.03.2022	1.40	M/s Rajkumar Tiwari	31.01.2023	0.33	30.05.2023	119
13	Selection of Agency for Road Median Development Work	25.11.2019	1.34	M/s Gajraj Engineering	10.06.2020	13.67	30.06.2023	1115
14	Construction and 5 Years Complete Operation & Maintenance of Pink Toilet Complexes for Women at Various Places in the City.	25.03.2022	0.76	M/s Riveen solutions	30.09.2022	0.00	30.04.2023	182
15	Selection of Agency for Construction work of All Religion Equanimity Gate at Tayyaba Chowk for Bilaspur Smart City	01.09.2021	0.38	M/s Sushant Roy	01.12.2021	0	15.06.2023	561
16	Restoration of Various	16.11.2021	1.94	M/s Avinash Buildcon	24.03.2022	0.46	15.06.2023	448

Sl. No.	Name of project/ work	Date of Letter of Award	Total Value of work order	Name of the contractor	Due date of completion	If any additional work allotted then value of additional work	Actual date of completion	Delay (in days)
	Carriageways under Smart City Area Development Project			Infrastructure Pvt. Ltd.				
17	Construction of Divyang Friendly Footpath, Storm Water Drain, Road Widening from Sai Mandir to Ameri Railway Crossing	26.03.2022	3.05	M/s Kamal Singh thakur	30.01.2023	0	30.06.2023	151
18	School Upliftment and Modification for Facilitating Inclusion of e-Learning Platform in Bilaspur City (Group-V).	30.03.2022	4.22	M/s Jyoti Traders	30.06.2022	0	30.06.2023	365
19	School Upliftment and Modification for Facilitating Inclusion of e-Learning Platform in Bilaspur City (Group-VI).	30.03.2022	4.68	M/s Nawaz Ahmed	28.02.2022	0	30.06.2023	487
20	Selection of Agency for Providing & Fixing Modular Kiosk to Create Vending Zone for Smart Bilaspur	13.02.2020	1.92	M/s Chartered Engineering and trading enterprises	15.09.2020	0	30.08.2023	1079
21	Selection of Agency for Implementation and Operations of Embellishment of Wall/Street Art with State and Local Art, Culture and Hero's for Smart Bilaspur	07.03.2020	3.12	M/s Arvind Trading Corporation	12.03.2021	1.96	30.11.2023	993
22	Selection of Agencies on Empanelment for miscellaneous work of Landscaping, Kids play and Open Gym Equipment and Water Fountain for Bilaspur Smart City	21.05.2020	0.60	M/s Shiva Enterprises	02.07.2021	0	30.05.2023	697
23	P2 Construction of Smart Road at	27.09.2018	22.30	M/s Klyan Toll	03.10.2020	___	25.02.2022	510

Sl. No.	Name of project/ work	Date of Letter of Award	Total Value of work order	Name of the contractor	Due date of completion	If any additional work allotted then value of additional work	Actual date of completion	Delay (in days)
	Vyapar Vihar			Infrastructure Limited				
24	Construction of Divyang Friendly Footpath, Storm Water Drain, Road Widening from Nehru Chowk to Devkinandan Chowk	26.03.2022	1.62	M/s Jyoti Traders	31.01.2023	0.29	31.08.2023	212
25	Selection of Agency for City Signages for place making for Smart Bilaspur	16.03.2022	2.16	M/s Amar Enterprises	30.03.2023	0	11.09.2023	165
26	Selection of Agency for Implementation & Operation of Rent a cycle Scheme for Bilaspur Smart City	31.01.2022	0.68	M/s Shiv Shakti Dreams Homes Pvt. Ltd	25.09.2022	0	30.05.2023	247
27	Renovation and Restoration of Town Hall Building under Bilaspur Smart City	11.03.2022	1.69	M/s Kamal Singh Thakur	20.03.2023	0	28.10.2023	222
28	Construction of Storm Water Drain conjugated with Divyang Friendly Footpath along with Road Widening at Magarpara Chowk to Bharat Chowk under Smart City Area Development Project	12.03.2022	1.76	M/s Kamal Singh Thakur	31.01.2023	0	28.10.2023	270
29	External Electrification with cable laying in RCC Duct at Vyapar Vihar Smart Road, Bilaspur for Bilaspur Smart City (4th call)	23.01.2023	14.62	M/s Future Engineering	02.05.2023	3.59	23.09.2023	144

Nava Raipur Atal Nagar Smart City Corporation Limited

(Amount ₹in crore)

Sl. No.	Project Name	Work order issued date	Cost as per work order	Due date of completion	Actual date of Project Completion	Delay (in days)
1	Smart City Identity Landscaping and horticulture work at sector 15	06.06.2021	4.64	14.12.2021	18.11.2022	339
2	Fire Hydrant system in North Block sector 19	06.03.2021	5.17	14.01.2022	--	441
3	VDP Kotrabhata	08.03.2021	11.61	14.06.2022	--	290
4	Park at Mantralaya	11.06.2020	4.30	11.12.2020	31.10.2021	324
5	Rain Water Harvesting for Existing Buildings	07.12.2020	1.03	14.04.2021	28.02.2022	320
6	Design, Supply and installation/replacement of existing HPSV lamp fitting with LED light fittings on various roads at Atal Nagar	10.01.2020	5.91	09.04.2020	06.09.2020	150
7	Bioswales at sector -11 sector-12 and sector-13	05.04.2021	7.60	09.11.2021	--	507
8	Development of Land scaping and horticulture work at lake-II and adjoining area	03.11.2020	5.43	02.05.2021	16.11.2021	198

Appendix 8

(Referred to in paragraph 2.4.3.1)

Delay in execution of works by SPVs in PAN city

Raipur Smart City Limited

(Amount ₹in crore)

Sl. No.	Name of project/work	Date of work order	Total value of work	Name of the contractor	Due date of completion	Actual date of completion	Delay (in days)
1	36 Chattisgarhi	05.09.2017	0.50	M/s A & M Communications	05.03.2018	01.12.2018	271
2	Installation of LED glow sign board at Raipur City, A-59	31.03.2017	0.19	M/s Maa Gayatri Digital	30.06.2017	09.12.2019	892
3	Intelligent Traffic Management System, ITMS and Integrating Command and Control Center, ICCC	21.12.2017	210.38	M/s L & T Limited	02.08.2020	31.10.2021	455
4	Civil Works like paver, boundary wall, gate, painting etc. at various places of Smart Parking [A 62]	19.12.2018	0.50	M/s Ajay Traders	19.03.2019	02.09.2020	533
5	Civil Works at Gandhi Maidan like paver, boundary wall, gate, painting etc. at various places of Smart Parking A, 62	07.06.2018	0.07	M/s Viraj Buildcon	07.07.2018	21.02.2019	229
6	Furniture for English Medium Schools in Raipur	23.10.2020	2.72	M/s Jai Ambey Furniture/ Om Furnitures/ Bhatia Engineering works	01.11.2020	08.06.2021	219
7	Development of Mohalla Clinic (Civil and Electrical)	23.10.2020	0.45	M/s Chunni Singh Thakur	01.11.2020	08.10.2021	341
8	Garden Beautification at Trilokhi Mata Mandir	06.11.2020	0.06	M/s Public Services	06.03.2021	15.09.2021	193
9	Drip Irrigation at Gaurav Path	22.02.2020	0.58	M/s Aakriti Constructions	22.08.2020	30.11.2021	465
10	Installation Of CCTV Camera Projector Computer And Water	08.01.2018	0.06	M/s Tiwari Enterprises	08.02.2018	02.06.2018	114

Sl. No.	Name of project/work	Date of work order	Total value of work	Name of the contractor	Due date of completion	Actual date of completion	Delay (in days)
	Cooler at Anand Samaj Library						
11	Beautification and Redevelopment of Chhatwa Talab	24.03.2022	0.46	M/s J.B. construction	24.12.2022	Ongoing	97
12	Garden Development near Avanti Vihar Water Tank	11.11.2019	0.10	M/s Sharda Construction	11.03.2020	26.08.2020	168
13	Water Audit & Assessment of NRW in WSS	15.11.2019	0.55	M/s URS Verification Pvt Ltd	15.03.2020	19.08.2020	157
14	Beautification Work at Fire Brigade Chowk	08.03.2019	0.25	M/s Sidhivinayak Construction Company	08.05.2019	11.07.2020	430
15	Beautification and redevelopment of amlidih talab	29.03.2022	0.45	M/s Anil Kumar Sahu Raipur	29.12.2022	Ongoing	92
16	Beautification and redevelopment of shivnagar paithu talab	31.03.2022	0.29	M/s Anil Kumar Sahu	30.09.2022	Ongoing	182
17	Beautification and redevelopment of raja talab	29.03.2022	0.40	M/s Dubey Drillers, Raipur	29.12.2022	Ongoing	92
18	Garden Redevelopment Near Gurudwara Tatibandh	25.11.2019	0.13	M/s- Chunni Singh Thakur,Rai	25.01.2020	30.07.2020	187
19	Beautification of garden in Geetanjali Nagar	11.11.2019	0.10	M/s Shivji and Company	11.01.2020	03.11.2020	297
20	Construction of shed and paver work at Sapre Badminton hall	04.11.2019	0.07	M/s- Chunni Singh Thakur,Raipur	04.01.2020	03.12.2021	699
21	Road Marking Under Empanelled Contractor	13.11.2019	0.12	M/s RH Agency	13.02.2020	Ongoing	1142
22	Redevelopment of Siddhi Vinayak Garden, Devendra Nagar	25.03.2022	0.12	M/s Manish Kumar Tiwari, Gariyaband	25.09.2022	10.01.2023	107
23	Development of Sarvanand Garden, Devendra Nagar	24.03.2022	0.11	M/s G.M Construction , Raipur	24.09.2022	10.01.2023	108
24	Development of Chaitanya Garden,	29.03.2022	0.13	M/s- A.S. Infra	29.09.2022	10.01.2023	103

Sl. No.	Name of project/work	Date of work order	Total value of work	Name of the contractor	Due date of completion	Actual date of completion	Delay (in days)
	Devendra Nagar						
25	Beautification of MOVA Talab	29.03.2022	0.41	M/s A.S. Infra Raipur	20.09.2022	Ongoing	192
26	Beautification and Redevelopment of Mahadeva talab	14.03.2022	0.46	M/s- Dhanraj buildcon, Raipur	14.09.2022	10.01.2023	118
27	Beautification and Redevelopment of Sahupara Talab Fafadih	24.03.2022	0.34	M/s K.S. Construction, Raipur	24.09.2022	11.01.2023	109
28	Beautification and Redevelopment of Pahadi Talab	24.03.2022	0.49	M/s- Delta construction	24.12.2022	31.03.2023	97
29	Redevelopment and Beautification of Dagania Talab	30.03.2022	0.64	M/s Chunni Singh Thakur, Raipur	30.11.2022	Ongoing	121
30	Beautification and Renovation of Riddhi Siddhi Garden at tagore Nagar, LT. Arvind Dixit ward	02.08.2021	0.15	M/s Riveen Solutions	02.02.2022	04.05.2022	91
31	Beautification and Redevelopment of Shankar Nagar garden, Zone-3	31.03.2022	0.19	M/s Nathani Infrastructure	30.11.2022	20.03.2023	110
32	Beautification and Redevelopment of Guru Ghasidas Garden, Devendra Nagar	31.03.2022	0.48	M/s Delta Construction	30.11.2022	31.03.2023	121
33	Beautification and Redevelopment of Maharana Pratap Garden	25.03.2022	0.37	M/s Atharv Infra	30.10.2022	31.01.2023	93
34	Magnetic Green Board For Different School at Raipur	11.04.2020	1.66	Education department	28.12.2021	23.03.2023	450
35	Bini Bai Sonkar School Redevelopement		5.56	PWD Chhattisgarh	30.10.2022	Ongoing	152
36	Supply installation Testing and Commissioning of Mor Raipur Logo For RSCL	31.03.2022	0.60	M/s Parag Infra	30.09.2022	30.03.2023	181
37	Traffic Illumination System	22.09.2021	1.52	M/s. Powertech India	22.07.2022	12.01.2023	174

Sl. No.	Name of project/work	Date of work order	Total value of work	Name of the contractor	Due date of completion	Actual date of completion	Delay (in days)
38	Installation of Mor Raipur Logo at MLP EAC colony and other places	14.03.2022	0.12	M/s Gayatri Digital, Raipur	30.09.2022	31.12.2022	92
39	Maharajbandh talab and road electrification	03.09.2021	0.69	M/s Supertech Solutions	30.10.2022	Ongoing	152
40	Supply and installation of furnitures at J. R. Dani Girls school and other works	09.10.2020	2.00	M/s Raipur Construction	10.06.2021	28.02.2023	628
41	Construction of Toilet at Utkal Nagar Basti	06.01.2021	0.06	M/s Rathore Construction and company	01.09.2021	02.12.2021	92
42	Development of Telibandha Police Station	21.07.2020	0.25	M/s Ganpati Infrastructure	15.06.2021	Work cancelled	654
43	Covid-19 Measures	15.04.2020	12.50	M/s Vyapak Enterprises, Shubham Kiraya Bhandar, Adarsh Kiraya Bhandar etc.	09.12.2021	08.02.2023	426

Bilaspur Smart City Limited

(Amount ₹in crore)

Sl. No.	Name of project/ work	Date of Letter of Award	Total Value of work order	Name of the contractor	Due date of completion	If any additional work allotted then value of additional work	Actual date of completion	Delay (in days)
1	Agency to setup and Manage an Incubation Centre at Bilaspur	20.05.2020	1.00	M/s All India Institute of Local Self Government	09.12.2020	0	04.04.2022	481
2	Selection of Agency for Beautification of Vacant Land Near Traffic Station for Bilaspur Smart City Limited (Konher Garden)	15.06.2021	0.74	M/s Riveen Solutions	28.12.2021	0	31.12.2022	368

Sl. No.	Name of project/ work	Date of Letter of Award	Total Value of work order	Name of the contractor	Due date of completion	If any additional work allotted then value of additional work	Actual date of completion	Delay (in days)
3	LED Strip Light and Driver Lighting in Smart City Bilaspur	06.10.2020	0.10	M/s Narendra Chitrakar	21.10.2021	0	28.02.2023	495
4	High Mast Light Shifting work in Smart Bilaspur	06.10.2020	0.06	M/s Narendra Chitrakar	21.10.2021	0	25.01.2022	96
5	Construction of Storm Water Drain conjugated with Divyang Friendly Footpath from Devkinandan Chowk, Vivekananda Garden, Pratap Talkies, Doctor's Colony & CIMS Chowk to Arpa River under Smart City Area Development Project. (Ganesh Chowk to jarabhata Chowk)	11.03.2022	1.72	M/s Abhishek Singh Thakur	31.01.2023	0.41	30.05.2023	119
6	Selection of Agency for Design, Development, Implementation, Operation and Maintenance of Digital Library at Central Library for Bilaspur Smart City-Phase-2	13.01.22	2.17	M/s Ostilio Sytems Pvt Ltd	15.07.2022	0.00	Under Implementation	259
7	E-Paathshaala (Smart Classroom) project in 2 Schools for BSCL	10.09.2020	5.09	M/s iBerry Solution Pvt ltd	14.04.2021	0.01	30.09.2022	534
8	A55 Signage, wall street art and City Logo brand	___	0.02	M/s Abhay Publicity Raipur	10.02.2020	___	15.08.2023	1282

Sl. No.	Name of project/ work	Date of Letter of Award	Total Value of work order	Name of the contractor	Due date of completion	If any additional work allotted then value of additional work	Actual date of completion	Delay (in days)
9	Master System Integrator for Implementation of Intelligent Traffic Management System (ITMS), City Surveillance System and Integrated Command and Control Centre (ICCC) a) A57 Multi Modal Transit Management System MMTMS b) A59 Bilaspur Smart Card Single Card for Public Transit, Parking, Others VAS and Municipal Services integrated with Digital Wallet. c) A61 City OS Integrating the Services on a Single Platform.	30.03.2022	194.05	M/s TASL	31.03.2023	0	30.09.2023	183
10	Selection of Agency design,engineering, supply installation ,testing, commissioning, operation and maintenance of grid solar connected rooftop solar photovoltaic power plants and identified	06.07.2022	5.85	M/s Ganapati Infrastructure	20.01.2023	0	30.09.2023	253

Sl. No.	Name of project/ work	Date of Letter of Award	Total Value of work order	Name of the contractor	Due date of completion	If any additional work allotted then value of additional work	Actual date of completion	Delay (in days)
	buildings/spaces at Bilaspur							
11	Construction of Storm Water Drain conjugated with Divyang Friendly Footpath at Rajiv Gandhi Chowk to Madhyanagari Chowk through Tayyaba Chowk under Smart City Area Development Project	12.03.2022	3.20	M/s Kamal Singh thakur	31.01.2023	0	30.09.2023	242
12	Selection of Agency for Installation of Advertisement / Information Hoardings at Various Places in Bilaspur	30.03.2022	3.42	M/s Anirudh Kumar Yadu	30.11.2022	0	31.07.2023	243
13	Selection of Agency for Installation of Grid-Connected Solar Photo-voltaic system in Jatiya Lake Premise under Bilaspur Smart City	26.03.2022	2.72	M/s Lukratives Solar Solutions	30.09.2022	0	30.06.2023	273

Nava Raipur Atal Nagar Smart City Corporation Limited

(Amount ₹in crore)

Sl. No.	Project Name	Work Order Issued Date	Cost as per Work Order	Due date of completion	Actual Date of Project Completion	Delay
1	Bioswales Sector 15 & 16	04.04.2021	13.44	09.11.2021	--	507
2	Variable Message Signage system	20.09.2021	2.67	19.01.2022	06.09.2022	230

Appendix-9

(Referred to in paragraph 2.5.2)

Details of short levy of penalty by RSCL

Sl. No.	Name of the work	Work order value/ date/ Name of the contractor	Due date of completion	Actual date of completion	Penalty levied	Penalty required to be levied	Short levy of penalty
1.	Construction of *Jawahar Bazar* parking cum commercial complex	₹ 15.39 crore/ 28 April 2017/ M/s AVR Infrastructure Pvt. Ltd.	28 November 2018 (later extended to 28 November 2019)	19 January 2021	₹ 0.02 crore	₹ 1.17 crore[1]	₹ 1.15 crore
Further, as per clause 11 of Form A of CGPWD, reimbursement/refund on variation in prices of materials/P.O.L. and labour wages shall be given only for scheduled date of completion. The Company granted time extension to the contractor up to 28 November 2019 without levy of penalty and thereafter, time extension was granted with levy of penalty. Audit noticed (June 2022) that the work was completed with a delay of approximately 13 months from the extended date of completion. So, the work executed after 28 November 2019 was covered under clause 2 and price adjustment was not allowed for work beyond this period. Contrary to this provision, RSCL paid price escalation of ₹ 3.76 lakh beyond this period and upto January 2020 resulting in extension of undue benefit to the contractor. The GoCG stated (April 2023) that RSCL could not provide access to the entire site to the contractor and the entire work site was made available in September 2020 by removing the shops in a phased manner. So, the time extension upto 30 September 2020 was granted without any penalty. The GoCG further stated that after removal of encroachment, the contractor started the work but the progress of the work was quite slow due to pandemic and based on it, short penalty was levied on the contractor and escalation provided till January 2020. The GoCG reply is not acceptable. RSCL had granted time extension without penalty only up to 28 November 2019 and after that extension was granted with penalty. The work was completed on 19 January 2021. Therefore, as per Form A, RSCL was required to impose a penalty of ₹ 1.17 crore at the rate of six *per cent* instead of just ₹ 1.55 lakh for the period after 28 November 2019 till actual completion period and payment of escalation is also not justified.							
2.	Renovation of *Kanji* House	₹ 96.42 lakh/ 26 September 2018/ M/s Sharda Agarwal	10 February 2019 (later extended to 10 April 2019)	15 July 2019	₹ 0.12 lakh	₹ 5.79 lakh[2]	₹ 5.67 lakh
The GoCG stated (April 2023) that the completion certificate was issued on 15 July 2019 whereas most of the work was completed by 27 June 2019, so penalty comes to 4.5 *per cent* i.e., ₹ 4.23 lakh. Out of total penalty to be imposed, only ₹ 12,072 was deducted and letter for recovery of balance penalty has been issued to the contractor. The GoCG reply is not acceptable as the work is considered complete as on the date of issue of completion certificate and according to the completion certificate issued by RSCL, the whole work was completed on 15 July 2019. So, the maximum penalty at a rate of six *per cent* i.e., ₹ 5.79 lakh (six *per cent* of ₹ 96.42 lakh) was to be levied.							

[1] ₹ 19.55 crore (includes additional work) x 6 *per cent (*delay was 13 months after considering time extension upto 28 November 2019*)*

[2] ₹ 0.96 crore x 6 *per cent* (after considering time extension upto 10 April 2019)

Sl. No.	Name of the work	Work order value/ date/ Name of the contractor	Due date of completion	Actual date of completion	Penalty levied	Penalty required to be levied	Short levy of penalty
3.	Redevelopment of *Motibagh* Garden (Phase–II)	₹ 3.08 crore/ 28 February 2019/ M/s L.R. Brothers	15 September 2019	2 February 2021	₹ 9.84 lakh	₹ 30.80 lakh[3]	₹ 20.96 lakh
The GoCG stated (April 2023) that a penalty of four *per cent* amounting to ₹ 9.84 lakh has been deducted for contractor's fault. This penalty was decided taking all the factors into account for which sanction was sought from competent authority. The GoCG further stated that time extension was given upto 15 December 2020 and work was completed on 2 February 2021. So, there was a delay of seven weeks for which penalty of ₹ 9.84 lakh was recovered against the payable penalty of ₹ 7 lakh. The GoCG reply is not acceptable because RSCL granted time extension upto 15 December 2020 with penalty and as there was a delay in completion of work of 16 weeks, maximum penalty of ₹ 30.80 lakh should have been levied.							
4.	Landscaping & beautification of *Ghadi Chowk & Azad Chowk*	₹ 1.96 crore/ 12 October 2017/ M/s Arvind Trading Corporation	12 January 2018 (later extended to 15 May 2018)	7 September 2018	0.00	₹ 15.00 lakh[4]	₹ 15.00 lakh
The GoCG stated (April 2023) in reply that time extension upto 15 May 2018 was granted without penalty. The work was actually completed in June 2018, but the completion certificate was issued on 7 September 2018 i.e., after inauguration of the project. The reply is factually incorrect as according to the completion certificate the work was completed on 7 September 2018 and O&M was started from 8 September 2018. So, the penalty should have been levied till 6 September 2018.							

[3] ₹ 3.08 crore x 10 *per cent* = ₹ 0.31crore (As per the clause of RFP, liquidated damages (LD) of ₹ 1,00,000 per week for non-achievement of milestone subject to maximum of 10 *per cent* of total contract value should be levied on the contractor).

[4] ₹ 1,00,000 x 15 weeks (from 15 May 2018 to 6 September 2018 after considering time extension upto 15 May 2018)

Appendix 10

(Referred to in Para 3.1)

Statement showing net interest loss due to non-availing auto sweep facility on deposits

Deemed date for auto sweep transfer	Date of maturity (181 Days)	Maturity Days	Amount deposited to lien account (₹)	Funds available after transfer to auto sweep (i.e. threshold ₹ 1000000 (in ₹)	Prevailing Rate of interest (FD)	Interest loss (in ₹)
Loss of interest on first lot of Amount deposited						
10.10.2018	09.04.2019	181	83066377	82066377	6.75	2746975
09.04.2019	07.10.2019	181	85813352	84813352	6	2523488
07.10.2019	05.04.2020	181	88336840	87336840	6	2598570
05.04.2020	03.10.2020	181	90935410	89935410	5	2229905
03.10.2020	02.04.2021	181	93165315	92165315	3.3	1508229
02.04.2021	30.09.2021	181	94673544	93673544	3.3	1532910
30.09.2021	30.03.2022	181	96206454	95206454	3.25	1534389
30.03.2022	27.09.2022	181	97740843	96740843	3.25	1559118
27.09.2022	27.03.2023	181	99299961	98299961	3.25	1584245
27.03.2023	31.03.2023	4	100884206	99884206	3.25	73887
						17891716
Loss of interest on second lot of Amount deposited						
10.10.2018	09.04.2019	181	259423018	259423018	6.75	8683564
09.04.2019	07.10.2019	181	268106582	268106582	6	7977089
07.10.2019	05.04.2020	181	276083671	276083671	6	8214435
05.04.2020	03.10.2020	181	284298105	284298105	5	7049035
03.10.2020	02.04.2021	181	291347141	291347141	3.3	4767716
02.04.2021	30.09.2021	181	296114857	296114857	3.3	4845737
30.09.2021	30.03.2022	181	300960594	300960594	3.25	4850413
30.03.2022	27.09.2022	181	305811007	305811007	3.25	4928584
27.09.2022	27.03.2023	181	310739591	310739591	3.25	5008015
27.03.2023	31.03.2023	4	315747607	315747607	3.25	112458
						56437047
Loss of interest on third lot of Amount deposited						
01.11.2018	01.05.2019	181	40000000	40000000	6.75	1338904
01.05.2019	29.10.2019	181	41338904	41338904	6	1229974
29.10.2019	27.04.2020	181	42568878	42568878	6	1266570
27.04.2020	25.10.2020	181	43835448	43835448	4.75	1032535
25.10.2020	24.04.2021	181	44867983	44867983	3.3	734237
24.04.2021	22.10.2021	181	45602220	45602220	3.3	746252
22.10.2021	21.04.2022	181	46348472	46348472	3.25	746972
21.04.2022	19.10.2022	181	47095444	47095444	3.25	759011
19.10.2022	31.03.2023	163	47854455	47854455	3.25	694545

Deemed date for auto sweep transfer	Date of maturity (181 Days)	Maturity Days	Amount deposited to lien account (₹)	Funds available after transfer to auto sweep (i.e. threshold ₹ 1000000 (in ₹)	Prevailing Rate of interest (FD)	Interest loss (in ₹)
						8549000
Loss of interest on fourth lot of Amount deposited						
16.11.2018	16.05.2019	181	70000000	70000000	6.75	2343082
16.05.2019	13.11.2019	181	72343082	72343082	6	2152454
13.11.2019	12.05.2020	181	74495537	74495537	6	2216497
12.05.2020	09.11.2020	181	76712034	76712034	4.5	1711834
09.11.2020	09.05.2021	181	78423868	78423868	3.3	1283358
09.05.2021	06.11.2021	181	79707227	79707227	3.3	1304360
06.11.2021	06.05.2022	181	81011586	81011586	3.25	1305618
06.05.2022	03.11.2022	181	82317204	82317204	3.25	1326660
03.11.2022	31.03.2023	148	83643865	83643865	3.25	1102266
						14746130
Loss of interest on fifth lot of Amount deposited						
12.02.2019	12.08.2019	181	97500000	97500000	6.75	3263579
12.08.2019	09.02.2020	181	100763579	100763579	6	2998062
09.02.2020	08.08.2020	181	103761640	103761640	5	2572720
08.08.2020	05.02.2021	181	106334360	106334360	3.3	1740096
05.02.2021	05.08.2021	181	108074457	108074457	3.3	1768572
05.08.2021	02.02.2022	181	109843029	109843029	3.3	1797513
02.02.2022	02.08.2022	181	111640542	111640542	3.25	1799248
02.08.2022	30.01.2023	181	113439790	113439790	3.25	1828245
30.01.2023	31.03.2023	60	115268035	115268035	3.25	615816
						18383851
					Total Interest	**116007744**
					(-) Interest received	62845105
					Net interest loss due to non-availing auto sweep facility on deposit	**53162639**

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