

CHAPTER-II

ECONOMIC SECTOR

CHAPTER II: ECONOMIC SECTOR

2.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2019 deals with findings on audit of the State Government units under Economic Sector.

Table 2.1.1 provides the net budget provision and expenditure of major State Government departments under Economic Sector during the year 2018-19:

Table 2.1.1

(₹ in crore)

| Sl. No. | Name of Department | Budget provisions (Original and Supplementary) | Expenditure |
|---------|---------------------------------|--|----------------|
| 1. | Public Works | 1002.09 | 935.35 |
| 2. | Agriculture | 354.40 | 228.37 |
| 3. | Community & Rural Development | 1579.59 | 829.31 |
| 4. | Power | 457.10 | 203.38 |
| 5. | Forest and Wildlife | 237.06 | 138.24 |
| 6. | Industries | 158.78 | 107.94 |
| 7. | Mining & Geology | 97.92 | 94.68 |
| 8. | Fisheries | 73.15 | 56.64 |
| 9. | Co-operation | 72.55 | 64.52 |
| 10. | Soil & Water Conservation | 274.86 | 99.15 |
| 11. | Animal Husbandry and Veterinary | 159.38 | 124.77 |
| 12. | Tourism | 89.70 | 22.90 |
| 13. | Irrigation | 224.99 | 153.13 |
| 14. | Secretariat Economic Services | 540.20 | 383.16 |
| 15. | Transport | 77.11 | 67.80 |
| | | 5398.88 | 3509.34 |

Source: Budget Estimates, Appropriation Acts and Appropriation Accounts.

2.1.1 Planning and Conduct of Audit

Audit process starts with risk assessment of various departments of Government based on expenditure incurred, criticality/ complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns. During 2018-19, we conducted Audits involving expenditure of ₹ 1150.08 crore (including expenditure pertaining to previous years audited during the year) of the State Government under Economic Sector. The Chapter contains one Performance Audit on “Tourism Development in Meghalaya” and two Compliance Audit Paragraphs, as discussed in the succeeding paragraphs.

PERFORMANCE AUDIT

TOURISM DEPARTMENT

2.2 Development of Tourism Activities in the State of Meghalaya

2.2.1 Introduction

Tourism is a major source of revenue for countries around the world. It has tremendous income and employment ripple effects that spread far beyond the actual tourism activity itself and have a positive bearing on almost all major economic activities of a State/Country. Meghalaya is a land of immense natural beauty with rich cultural heritage and provides ample scope to attract tourists. The mountain ranges, valleys, forests and biodiversity, rivers, waterfalls, lakes and cultural diversities are basic resources with tremendous potential for development of tourism in the State through destination and product planning. For growth of tourism in the State, the Government of India (GoI) and the State Government have been funding several tourism projects for creation of infrastructure, brand promotion and human resource development.

2.2.1.1 Contribution of Tourism to the State's GSDP

Gross State Domestic Product (GSDP) is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP is an important indicator of the robustness of the State's economy. Tourism being a multi sectoral activity has the capacity to stimulate different sectors and encourage growth of the economy. **Table 2.2.1** indicates the trends in the annual growth of State's GSDP at current prices and the contribution of Tourism Sector to it:

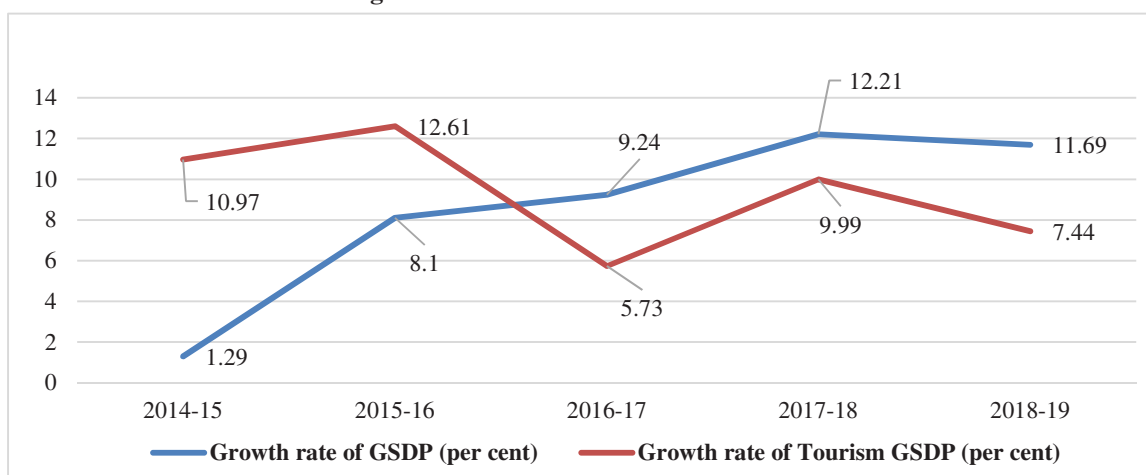
Table 2.2.1: Trends in Gross State Domestic Product and contribution of State Tourism Sector

| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|---------|---------|---------|---------|---------|
| Gross State Domestic Product (₹ in crore) | 23,235 | 25,117 | 27,439 | 30,790 | 34,389 |
| Growth rate of GSDP (<i>per cent</i>) | 1.29 | 8.1 | 9.24 | 12.21 | 11.69 |
| Tourism GSDP (₹ in crore) | 698 | 786 | 831 | 914 | 982 |
| Growth rate of State Tourism GSDP (<i>per cent</i>) | 10.97 | 12.61 | 5.73 | 9.99 | 7.44 |
| Contribution of State Tourism Sector to Total GSDP (<i>per cent</i>) | 3.00 | 3.13 | 3.03 | 2.97 | 2.86 |

Source: Directorate of Economics and Statistics, Government of Meghalaya.

The share of Tourism Sector to the State's Gross State Domestic Product (GSDP) remained static at around three *per cent* during the five year period 2014-19. While Meghalaya's Gross State Domestic Product (GSDP) grew at a Compounded Annual Growth Rate (CAGR) of 8.51 *per cent* between 2014-15 and 2018-19, the share of Tourism GSDP grew at a CAGR of 9.35 *per cent* during the period. Though, the CAGR of Tourism Sector was higher than the CAGR of GSDP of the State, its growth declined during the period 2014-19 from 10.97 to 7.44 *per cent* as can be seen from the following chart.

Chart 2.2.1: GSDP growth rate of the State and the State Tourism sector

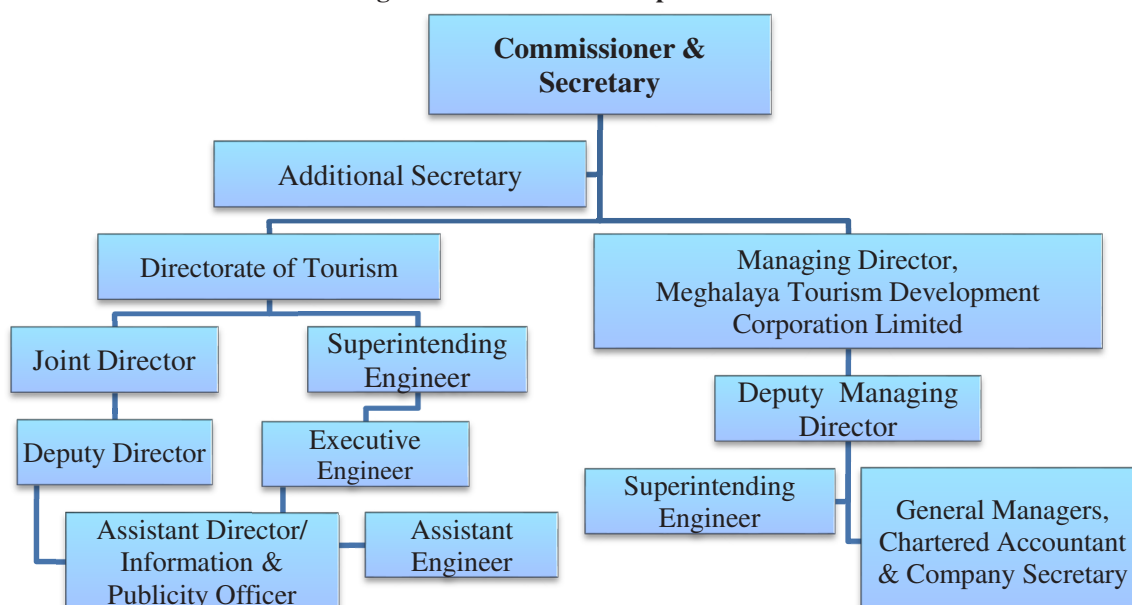


2.2.2 Organisational set up

Department of Tourism (Department), Government of Meghalaya (GoM) is the nodal agency for framing policies and programs for the development and promotion of tourism in the State headed by the Commissioner and Secretary, who is assisted by an Additional Secretary. At the Directorate level, the Director of Tourism (DoT), is the head functionary who is responsible for implementation/ execution of the policies of the Government.

The Meghalaya Tourism Development Corporation Limited (MTDC), a company fully owned by the Government, functions under the administrative control of Department of Tourism, GoM. MTDC is engaged in execution of projects as well as development of tourist infrastructure in the State. **Chart 2.2.2** depicts the organogram of the Department:

Chart 2.2.2: Organisational Chart of Department of Tourism



2.2.3 Audit Objectives

The Performance Audit (PA) was conducted with a view to assess whether strategies were developed to overcome constraints and realise the objectives of Meghalaya Tourism Policy (MTP), 2011 such as:

- creation of basic infrastructure for Tourism development were undertaken;
- adequate efforts were made to encourage and provide assistance to promote private investment and entrepreneurship development in Tourism sector;
- tourism development was undertaken in a manner so as to ensure sustainability and conservation of the State's environment and natural resources;
- projects were effectively implemented and managed; and
- Brand Promotion and marketing activities for various types of tourism *i.e.*, eco-tourism, rural tourism, adventure tourism, *etc.* were appropriate and adequate.

2.2.4 Audit Criteria

The following sources of audit criteria were identified:

- National Tourism Policy 2002 and Meghalaya Tourism Policy (MTP), 2011;
- State Budget;
- Directions/ Guidelines issued by Ministry of Tourism, GoI and GoM;
- Departmentally prescribed monitoring mechanism.

2.2.5 Audit Sampling and Methodology of Audit

The PA covered the activities of the Department, the DoT and MTDC during the period 2014-19. Audit also selected 90 (out of 174) tourism projects/ tourism properties, created in the State, for detailed audit scrutiny. The details of selection made are as under:

Table 2.2.2: Details of projects implemented and selected for audit

| Projects | No. of projects | Status of the project | No & percentage of selection | Method of selection |
|--|-----------------|----------------------------|------------------------------|--|
| I. Project under the Directorate of Tourism (DoT) | | | | |
| a. Leased out property | 22 | Completed | 22(100) | - |
| b. Other projects: | | | | The projects were stratified based on monetary value and then selected based on three distinct geographical region of the State. |
| (i) ₹ 50 lakh & above | 13 | Completed | 13*(100) | |
| (ii) ₹ 10 lakh & above but below ₹ 50 lakh | 60 | | 20(33) ** | |
| (iii) Below ₹ 10 lakh | 55 | | 11(20) *** | |
| Total of a+b | 150 | | 66 | |
| Project under MTDC | | | | |
| c. leased out | 15 | Completed | 15 (100) | - |
| d. owned | 09 | Completed-07 Ongoing-02 | 9 (100) | - |
| Total of c+d | 24 | | 24 | |
| Total of a+b+c+d | 174 | | 90 | |

* The completed projects were at East Jaintia Hills-2, East Khasi Hills-3, West Khasi Hills-3, West Garo Hills-1, South Garo Hills-1, Ri Bhoi-1, South West Garo Hills-1 and North Garo Hills-1.

** The projects were selected based on the region from the following districts: South Garo Hills-1, East Garo Hills-1, East Khasi Hills-10, West Khasi Hills-1, Ri-bhoi-2, West Garo Hills-3, West Jaintia Hills-1 and South West Khasi Hills-1.

*** East Khasi Hills-3, West Jaintia Hills-1, South Garo Hills-1, West Garo Hills-1, DoT organised festivals at Mumbai -3, Ahmedabad -1 and Dubai -1.

The PA commenced with an Entry Conference (03 September 2019) wherein we explained audit objectives, scope, methodology and criteria to the representatives of the Tourism Department and officers of MTDC. Audit methodology included analysis of the data/ records with reference to the audit criteria, issue of audit queries, interaction with personnel of the auditee entity, issuing of draft Audit Report to the Management for their comments and Joint Physical Verification (JPV) of 12 projects³. The Exit Conference was held on 17 January 2020 to discuss the audit findings.

2.2.6 Acknowledgement

The Indian Audit & Accounts Department acknowledges the cooperation extended by the officers and staff of Department of Tourism and MTDC in carrying out this assignment.

Audit Findings

Significant Audit findings relating to the development of tourism activities in the State noticed during the PA are discussed in the succeeding paragraphs.

2.2.7 Tourist arrival

Tourism has a positive impact on local economy in terms of income generation and employment creation. It is linked with a chain of economic activities starting from major infrastructure development to local transport network where local people facilitate last mile connectivity. Hospitality industry along with activities related to road side shops to meet the day to day needs of the tourists, local indigenous production including food, souvenir items and other artisan products are also escalated with the development of tourism. Both skilled and unskilled labour find opportunity to be associated with tourism sector leading to employment generation in the local economy. The increase in arrival of the tourist benefits varied sectors of the economy.

2.2.7.1 Tourist arrival in the State vis-a-vis All India

Table 2.2.3 depicts inflow of tourists in India *vis-à-vis* the State during 2014-19:

Table 2.2.3: Inflow of Tourists in India and in Meghalaya (in lakh)

| Year | Tourist inflow in India | | | Tourist who visited Meghalaya | | | |
|---------|-------------------------|---------|-------|-------------------------------|---------|-------|--|
| | Domestic | Foreign | Total | Domestic | Foreign | Total | Percentage of total tourist visiting the State |
| 2014-15 | 12828 | 223 | 13051 | 7.18 | 0.09 | 7.27 | 0.06 |
| 2015-16 | 14320 | 233 | 14553 | 7.51 | 0.08 | 7.59 | 0.05 |
| 2016-17 | 16154 | 247 | 16401 | 8.31 | 0.08 | 8.39 | 0.05 |
| 2017-18 | 16525 | 269 | 16794 | 9.91 | 0.12 | 10.03 | 0.06 |
| 2018-19 | 18549 | 289 | 18838 | 11.98 | 0.18 | 12.16 | 0.06 |

Source: Ministry of Tourism Website (GoI) and Directorate of Tourism (GoM).

The table above shows that the number of tourists arriving in the State increased over the period from 2014-15 to 2018-19 and the average percentage growth was

³ Eleven completed projects and 1 on-going project *viz.*-Orchid Restaurant, Polo, State Convention Centre, Pinewood Hotel, OLR-Umiam, Wards Lake, TIC, Shillong, TIC, Nongpoh, 3 Homestays, Water Sports Complex, Umiam (Completed) and Swadesh Darshan (Ongoing).

14 per cent. Thus, the State needed to evolve strategies to successfully attract a larger section of the tourists of both domestic and foreign categories arriving in India.

2.2.7.2 Tourist arrival in the North-Eastern States

Table 2.2.4 shows the tourist arrival (both domestic and foreign) to the North-Eastern States during 2014-15 to 2018-19.

Table 2.2.4: Inflow of Tourists in the North-Eastern States (in lakh)

| State | 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 | | 2018-19 | |
|------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Tourist Arrival | Share per cent | Tourist Arrival | Share per cent | Tourist Arrival | Share per cent | Tourist Arrival | Share per cent | Tourist Arrival | Share per cent |
| Arunachal Pradesh | 3.41 | 4.76 | 3.58 | 4.44 | 3.92 | 4.96 | 4.51 | 4.64 | 5.2 | 5.19 |
| Assam | 48.48 | 67.68 | 55.17 | 68.46 | 51.73 | 65.41 | 60.74 | 62.52 | 58.93 | 58.87 |
| Manipur | 1.18 | 1.65 | 1.49 | 1.85 | 1.54 | 1.95 | 1.57 | 1.62 | 1.83 | 1.83 |
| Meghalaya ⁴ | 7.25 | 10.12 | 7.59 | 9.42 | 8.39 | 10.61 | 10.03 | 10.32 | 12.16 | 12.15 |
| Mizoram | 0.69 | 0.96 | 0.67 | 0.83 | 0.68 | 0.86 | 0.69 | 0.71 | 0.78 | 0.78 |
| Nagaland | 0.61 | 0.85 | 0.67 | 0.83 | 0.61 | 0.77 | 0.68 | 0.7 | 1.07 | 1.07 |
| Sikkim | 6.12 | 8.54 | 7.44 | 9.23 | 8.13 | 10.28 | 14.25 | 14.67 | 14.97 | 14.95 |
| Tripura | 3.88 | 5.42 | 3.98 | 4.94 | 4.07 | 5.15 | 4.69 | 4.83 | 5.17 | 5.16 |
| Total | 71.62 | | 80.59 | | 79.07 | | 97.16 | | 100.11 | |

Source: India Tourism Statistics, MoT, GoI, Market Research Division.

The table above shows that Assam continued to be the largest attraction to tourists arriving in North East. Meghalaya had the highest number of tourist arrivals amongst the comparable seven North-Eastern states⁵ during 2014-15 to 2016-17 which ranging from 9.42 to 10.61 per cent of the total tourist arrivals during the period. However, during 2017-18 and 2018-19, the State was relegated to the second spot after Sikkim with 10.32 per cent and 12.15 per cent respectively despite an increase in tourist footfall during the period. The State thus had a potential to improve upon tourism activity with improved promotional and infrastructure measures, as discussed hereafter.

Planning

2.2.8 Implementation of Meghalaya Tourism Policy, 2011

2.2.8.1 Planning

Planning is an essential process to develop strategies and schedule tasks to accomplish the objectives of the policy, which requires framing well thought out action plans with proper linkages to each objective. The detailed action plans help in achieving each of the objectives after analysing the strengths and the constraints of the organisation in the given scheme of things.

With the evolving role of the tourism sector as a major engine of economic growth and to provide economic opportunities to the local communities while preserving the eco-system and the ethnic identity of the people, Meghalaya formulated the MTP 2011

⁴ Although the information from India Tourism Statistics, MoT, GoI, Market Research Division is at a slight variance from the information furnished by the DoT (GoM), it is used here to compare all the North Eastern States for being from the same source and hence maintain uniformity.

⁵ Assam attracts a large number of tourist as it enjoys a large geographical area and has numerous areas of tourist interest as compared to other North Eastern states.

(February 2011). The policy aimed to encourage private investment, develop entrepreneurship, ensure sustainability and conserve the environment and natural resources while undertaking Tourism development projects. MTP also advocated preparation of a tourism plan in concurrence with the objectives of the policy.

Even after more than eight years of having a policy, the Department/ DoT/ MTDC had not prepared any plans to achieve its objectives as laid down in its policy document. Audit observed that, other than creating infrastructure, the Department had not fixed any specific targets nor had put any medium term/ long term action plan in place to measure the progress made in achieving the objectives laid down in its policy document such as plans to promote private investment and entrepreneurship, brand promotion and marketing activities for eco-tourism, rural tourism, adventure tourism, *etc.* The infrastructure created consisted of mainly Hotels and Way Side Amenities. The construction plans of these projects also did not address the issue of sustainability (pointed out in **paragraph 2.2.18.1**).

The Department (October 2019/ January 2020) while accepting the audit observation stated that it had no medium term/ long term action plan and assured to prepare short term and Medium term action plan within the framework of the policy.

2.2.8.2 Setting up an Advisory Board

Paragraph 5(j) of the MTP 2011 had envisaged setting up an Advisory Board to provide direction towards development of Tourism Industry in the State and take the responsibility of bringing in or facilitating synergy and co-ordination with other inter related departments.

The Department did not constitute the Advisory Board to avail the benefit of advice of the Board for achieving the goals of having a well-defined inter related departmental co-ordination. Thus a focussed direction for tourism development was found missing.

The Department in its reply (October 2019/ January 2020) agreed to examine the formation of the Advisory Board.

2.2.9 Reliable Database of Tourists

An accurate, up-to-date, and comprehensive database number of persons/ households engaged directly in the tourism sector would also lay the foundation for the development of a tourism master plan for the State, outlining the different tourism strands such as festivals, rural tourism, *etc.* that have potential and can be developed fruitfully. Creation of a reliable database, such as people engaged in rural tourism, footfalls of tourist during festivals, *etc.* will allow the appropriate plans and policy measures to be set up. Planning and appropriate policy measures are possible when the data allows a detailed analysis of trends, seasonality, and so on. A comprehensive data base would facilitate synergies towards achievement of goals.

In this regard, Audit noticed the following deficiencies:

2.2.9.1 During 2014-19, the State organised 54 festivals across the State by incurring an expenditure of ₹ 2.96 crore (details in **paragraph 3.2.20.1**). It, however,

had no data of tourist footfalls during the time of festivals. In absence of data of footfalls of tourists at the time of festivals, the outcome of promotional plan to showcasing the State as a popular tourist destination remains unknown.

In its reply, the Department stated (January 2020) that the tourist footfall is collected from homestays, hotels, guest house, *etc.* located in the districts where the event/festival is organised. It however, did not furnish any data showing the data of tourist footfalls at the time of the festivals.

2.2.9.2 Paragraph 8 of MTP 2011 points out that Rural Tourism has emerged as a new concept and in this context, Meghalaya is fast evolving as a responsible and sustainable tourism product with an important social objective through people's participation. The policy goes on to state that the prime objective is to harness the vast untapped rural tourism prospects of the State so that their multiplier benefit filters out directly to the rural communities.

Audit noticed that in spite of the policy declaration, the Department did not possess any data regarding number of persons/ households engaged directly in tourism sector in the State, even though this was for the development of rural tourism in the State.

The Department (January 2020) admitted the requirement of database and assured to do so after due examination. The Department also stated that they are in the process of creating Information Technology platform to capture and analyse the data.

2.2.10 Failure to create a Land Bank

Land is the most vital requisite for setting of tourism units. A study report⁶ titled 'A Vision Document for the State of Meghalaya 2030' brought out (December 2012) by the National Institute of Public Finance and Policy, New Delhi, pointed out the constraint that tourism expansion is heavily dependent on roads as the State is landlocked, with no rail, water, or air transport infrastructure. The report also highlighted that this major issue of availability of land for tourism development needs to be tackled by the Department.

Land in Meghalaya may broadly be classified into three categories: (i) community land; (ii) private land; and, (3) Government land. Most of land are however, either owned by the community or privately owned. It is thus imperative that Government would acquire and create land bank at various places for the purpose of setting up tourism units. Paragraph 20 of MTP 2011 addressed the issue of land availability which states '*A land bank⁷ for tourism development is to be created by acquiring land at various places*'.

⁶ Study commissioned Government of Meghalaya vide Letter No. PLA.86/2008/23 dated 07 May 2009.

⁷ A large area of land held by a public or private organisation for future development or disposal.

The Urban Affairs Department allotted the Tourism Department 61.79 acres⁸ of land (21.79 acres at Mawdiangdiang, Shillong and 40 acres at Umsawli, Shillong) for tourism related projects. The Department did not create any land bank in other districts of the State for creation of tourism infrastructure till January 2020.

Audit observed that the projects ‘**Construction of cottages and food path at Mawlongbna**’ and ‘**Construction of cottages and food path at Riwai village**’ got delayed for over a year due to land issues. In other instances, two eco-camps⁹ (sanctioned during March 2017) which were to be set up at Rengrigkgre and Rongrekgre had to be shifted to Chiokgre and Bolkinggre due to disputes over possession of land. Further, land acquisition problem delayed one more project (Sohpetbneng) under the ‘Swadesh Darshan Scheme’, which was to be completed by December 2018, but is still on-going (September 2019).

Thus, non-creation of land bank in the State for tourism development as envisaged in MTP, 2011 delayed completion of various projects within the scheduled time, impacting creation of infrastructure for tourism in the State.

Department stated that (January 2020) they are in the process of utilising the already created land bank at Umsawli for development of a five-star Hotel/ Resort. They did not state anything on non-creation of land bank.

2.2.11 Safety and Security of Tourists

The success or failure of a tourism destination largely depends on the administration’s ability to provide a safe and secure environment for visitors. Paragraph 6 of the MTP 2011 planned forming of a specialised Tourist Police for providing effective security to tourists. Fifteen State Governments/ UT Administrations¹⁰ have deployed tourist police in one form or the other for the security and safety of the tourists.

It was seen that the Police Department continued to deploy police personnel to tourist spots from local Police Stations and Outposts on a need basis. A committed force was not in place. The Department had also not put in place a structured framework of co-ordination between the police and the community on providing guidance to tourists.

Though the Assistant Inspector General of Police (Admn) brought (February 2019) to the notice of the Home Department, the need of having a dedicated manpower to exclusively function as Tourist Police since the present arrangement was very ad-hoc and was being made at the cost of normal duty of the local Police station/ outpost, the proposal remained on paper only. Information collected from the State Police

⁸ The Govt. of Meghalaya, Urban Affairs Department had acquired 914.54 acres of land as on 12.03.2007 for New Shillong Township for provision of infrastructure, housing, institutional, administrative and recreational uses.

⁹ Camps with facilities like Nok-Achik (dwelling of Garo families), Borang (Tree House), etc. in a traditional form for the experience of the tourists.

¹⁰ Delhi, Goa, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Odisha, Punjab, Madhya Pradesh, Uttar Pradesh, Rajasthan, Andhra Pradesh, Nagaland and Arunachal Pradesh.

Department (December 2019) revealed that during the period under review, 48 cases¹¹ of crimes/ accidents against tourists were registered in different districts of Meghalaya during the period.

No action was taken for creation of a dedicated Tourist Police force. Besides, there were also no provisions for 24X7 toll free help line number for tourists.

DoT, while accepting the Audit observation stated that the same is under examination (August 2019). Department further replied (January 2020) that they are taking the help of toll free helpline number of the Ministry of Tourism, GoI for safety of the tourists.

2.2.12 Absence of Trade Rules

Meghalaya is a landlocked State, with no rail, water, or air (except to Kolkata through Umroi Airport) transport to other parts of the country. The State's closest link to the rest of the country is through Guwahati. Thus, tourism expansion is heavily dependent on roads. In order to regulate tourism activities in the State specially to obviate exploitation of the tourists by private agencies/ traders/ hotels/ restaurants/ shops and Taxi operators and to help build a positive image of State Tourism, it was necessary to have Trade Rules¹² in place.

During the review period, the State had not formulated any Trade Rule in order to address these issues. It also did not have prepaid Taxi Services/ luxury buses at Government regulated rates between Shillong to Guwahati Railway station/ Airport and Umroi Airport and the tourists are left at the mercy of taxi operators.

The Department of Tourism, however have only in (June 2019) drafted the 'Meghalaya Registration of Tourist Trade Bill, 2019' and placed it in public domain for comments of stakeholders, and the same was yet to be finalised (January 2020). The Department in its reply (January 2020) reiterated these facts.

Funds Management

The development of tourism very much relies on the development of appropriate infrastructure, such as accommodation, restaurants, tours and transport, *etc.* Implementation of projects for creation of infrastructure envisages meticulous planning, effective execution and professional management to complete the projects in time within the cost and ensure performance.

Table 2.2.5 summarises the status of projects and budget and utilisation of funds by Tourism Department during 2014-19 for execution of projects:

¹¹ 27 theft, 1 burglary, 1 murder, 15 accident cases and 4 cases of harassment. The data from East Garo Hills could not be made available to audit.

¹² A Trade Rule should ideally have provisions to register persons/ service providers who deal with tourists such as Hotel, Tour operator and Online Service Providers; provisions for fixation of fair rates of hotels, tour operators; provisions for fixation of standards for sanitation and hygiene; provisions for blacklisting/ punishment for offences/ malpractices, *etc.*

Table 2.2.5: Status of Projects, budget provision and utilisation of fund (₹ in crore)

| Year | Projects completed each year | Projects yet to be completed | Year-wise expenditure on completed projects | Budget Provision | Fund released and utilised | Percentage of fund released | Balance |
|--------------|------------------------------|------------------------------|---|------------------|----------------------------|-----------------------------|---------------|
| 2014-15 | 32 | 2 | 6.53 | 30.48 | 17.14 | 56 | 13.34 |
| 2015-16 | 16 | - | 3.75 | 113.91 | 19.91 | 17 | 94 |
| 2016-17 | 32 | 5 | 6.81 | 32.69 | 25.73 | 79 | 6.96 |
| 2017-18 | 14 | 4 | 2.08 | 42.00 | 23.53 | 56 | 18.47 |
| 2018-19 | 19 | 4 | 2.13 | 98.86 | 24.70 | 25 | 74.26 |
| Total | 113* | 15** | 21.30 | 317.94 | 111.01 | 35 | 207.03 |

Source:-Appropriation Accounts.

* Projects include projects of DoT viz., Infrastructure-46; Brand Promotion and Marketing-52; Capacity Building-2; and Others-13 funded by GoI, GoM and NEC excluding lease out properties.

** Infrastructure projects.

The table above shows that against the budget provision of ₹ 317.94 crore, only ₹ 111.01 crore (35 per cent) was released and utilised by the Department during the period of review. The Department replied (January 2020) that they keep a provision for Central Sector Schemes (CSS) in the budget; however, there is a delay in release of funds by the Government of India. Since all the projects/ schemes are not funded by GoI, the shortfall in release of funds of the State Government remained a cause for concern.

The audit findings in respect of the execution of projects and delay in utilisation of funds is brought out in the succeeding paragraphs.

2.2.13 Expenditure under Tourism Sector

The expenditure under Tourism Sector as compared to the State's total expenditure is given below:

Table 2.2.6: Expenditure under Tourism Sector vis-à-vis total expenditure of the State

(₹ in crore)

| Year | Total Expenditure of the State | Expenditure under Tourism Sector | Percentage of expenditure under tourism sector |
|---------|--------------------------------|----------------------------------|--|
| 2014-15 | 7426.46 | 17.14 | 0.23 |
| 2015-16 | 7616.97 | 19.91 | 0.26 |
| 2016-17 | 9657.17 | 25.73 | 0.27 |
| 2017-18 | 9428.17 | 23.53 | 0.25 |
| 2018-19 | 11762.71 | 24.70 | 0.21 |

Source: Appropriation Accounts.

The impact of lack of medium term/ long term action plan coupled with declining percentage of expenditure on the tourism sector and ineffective implementation and management of tourism infrastructure projects have largely contributed to the reduction in the State's position in North Eastern states for attracting the highest number of tourist arrivals in the State.

2.2.14 Non release of State Share and delay in submission of Utilisation Certificates (UCs)

The major infrastructural projects funded under Centrally Sponsored Schemes (CSS) was to be shared between GoI (90 per cent) and the State Government (10 per cent). Due to delay in release of State Share and delay in submission of UCs, the ongoing

projects of Eco-tourism in Garo Hills are also facing time over run. We also noticed delays in furnishing of UCs by DoT causing delay of projects as summarised below:

2.2.14.1 Eco-Tourism

The Eco-Tourism Circuit covering Garo Hills (East, West and South) was proposed in order to preserve the locations for tourists to provide the facilities in traditional forms and experience the joy of angling and living in natural surroundings. It was proposed to develop these locations as Eco camps with facilities like Nok-Achik (dwelling of Garo families), Borang (Tree House), *etc.* in a traditional form for the experience of the tourists. Out of the 12 locations¹³ originally selected, two locations¹⁴ were later on replaced due to disputes over the possession of land.

The DPR was prepared by MTDC at the project cost of ₹ 14.90 crore and forwarded to DoT and the same was vetted by Meghalaya Public Works Department (Buildings) and the project was approved for ₹ 14.39 crore. NEC released ₹ 3.75 crore as first instalment (March 2017) out of 90 *per cent* of its share.

As per the sanction order, State Government was to release its share immediately on receipt of this central share. It was however, observed that the State Government released its share of ₹ 0.38 crore after a lapse of two years (March 2019). Due to delay in submission of the UCs by MTDC, NEC did not release the 2nd Instalment for implementation of the project which was also one of the reasons for the slow progress of the work.

MTDC stated (September 2019) that due to delay in release of fund by GoM and also due to inhospitable geological condition during monsoon season, commencement of work got delayed. Department stated (January 2020) that release of State share did not cause delay; the works commenced only after completion of codal formalities in June 2017.

The fact remains that development of eco-friendly projects was not taken up seriously since only 45 *per cent* of the total works was completed up to September 2018. All these delays have impacted creation of tourist facilities and thereby increase in tourism.

2.2.14.2 Improvement of Marngar Lake into a Tourist spot

NEC accorded its approval (July 2012) for the revised project cost in which, ₹ 3.58 crore was to be NEC's share and ₹ 0.40 crore being the State share.

Scrutiny of records showed that the NEC had released ₹ 2.20 crore in two instalments amounting ₹ 0.29 crore (March 2008) and ₹ 1.91 crore (March 2009). The project was due for completion by July 2014 but till March 2014, Department could submit UC of ₹ 0.87 crore of NEC share only leaving the unspent balance as ₹ 1.33 crore. We further noticed that NEC conveyed (March 2016) a further sanction of ₹ 0.62 crore only as

¹³ (i) Mandalgre, (ii) Ampahanggre, (iii) Rengrigre, (iv) Rongregre, (v) Jakopgre, (vi) Nengmandalgre, (vii) Gitokgre, (viii) Bawegre, (ix) Rapdikgre (under East Garo Hills), (x) Dalmagre (under West Garo Hills), (xi) Gambagre, (xii) Bolsalgre (under South Garo Hills).

¹⁴ Rengrigre and Rongregre were replaced with Chiokgre and Bolkinggre.

final instalment treating ₹ 0.76 crore¹⁵ as lapsed due to delay in submission of UCs. It was also observed that DoT could submit the UC of the final instalment released by NEC only after November 2017. Audit also noticed that due to lapse of fund, three important components¹⁶ of the work sanctioned (July 2012) could not be taken up by DoT.

Department stated (January 2020) that the project has been completed and made operational.

The fact however remained that due to delays in release of funds and submission of UCs the project which was scheduled to be completed in July 2014 could be completed after a lapse of more than five years. Moreover, the Department treated the work as completed even though three important components of work could not be taken up due to lapse of funds.

2.2.14.3 Holiday IQ content Generation campaign proposal

‘HolidayIQ.com’, an online travel community and information portal, submitted (July 2016) a proposal to the Tourism Department a scheme to promote Meghalaya Tourism by encouraging citizens of Meghalaya/ entrepreneurs to create digital tourism content for the State and run the content in its portal. Tourism Department forwarded (August/ September 2016) the proposal to NEC with a request to release ₹ 20.00 lakh for logistic and publicity for the entire campaign. NEC accorded its approval and released ₹ 8.27 lakh as first instalment (March 2017). The GoM also conveyed its sanction of ₹ 0.83 lakh in March 2017. It was seen that the Department ran the campaign for one and half years till August 2018 and the remaining funds of ₹ 10.90 lakh could not be utilised. There were delays in submission of UC of ₹ 9.10 lakh of more than one and a half year, which also impacted receipt of further funds of ₹ 9.73 lakh received only in January 2019. In the Exit Meeting (January 2020), Department accepted the fact and stated that remaining work valuing ₹ 10.90 lakh was still pending.

Programme Implementation

Various documents¹⁷ indicate the State Government’s intention to develop the tourism potential of the State by developing infrastructure and tourism-related assets and by exploring the State’s tourism potential in water sports, wildlife, trekking, adventure tourism, and eco-tourism. The shortcomings noticed during audit are discussed in the succeeding paragraphs.

¹⁵ ₹ 138.27 lakh - ₹ 62 lakh.

¹⁶ a. Hillock near water world, b. Arch Passage in rock garden and c. Waste water & Sewage Effluent Pipe leading to outlet *etc.*

¹⁷ (i) MTP 2011, North Eastern Council’s Integrated Tourism Master Plan for North Eastern Region, December 2011, (ii) Government of Meghalaya commissioned study - ‘A Vision Document for the State of Meghalaya 2030’ by National Institute of Public Finance and Policy, New Delhi December 2012 and (iii) documents and records of Department of Tourism and Directorate of Tourism/MTDC.

2.2.15 Facilities for Private Investment and Entrepreneurship Development

MTP 2011, stipulates that the Department will facilitate and has initiated the development of tourism infrastructure projects on a Public Private Partnership (PPP) basis. The MTP 2011 also envisaged drawing up of comprehensive plans to create a pool of trained manpower for realising the future tourism vision.

In this connection, the following observations are made:

2.2.15.1 Revenue loss on leased properties

Efficient utilisation of the available assets under the PPP mode, timely generation of revenue from the leased properties and enforcing the terms and conditions of the agreement with the lessees, are prerequisite for providing better facilities to the tourists and availability of resources for the future upkeep of the assets.

Scrutiny of records however, revealed that up to March 2019, DoT/ MTDC had leased out 37 properties to private parties for running and maintenance of assets. Audit observed issues such as revenue loss due to failure to award the lease/ enforcing the provisions of the agreement, undue favour to the lessee, short realisation of lease rent, failure to explore better offers for lease property and failure to realise revenue amounting to ₹ 0.80 crore from nine properties¹⁸. **Appendix 2.2.1** details these deficiencies.

The Department in its reply (January 2020) admitted that the operation and maintenance of these assets in many places given the location, *etc.* are not very attractive to private parties and it was the mandate of the Department to create public goods for the tourist even if they may not make a profit given the low footfall in some tourist locations. In respect of the properties leased by MTDC, the Department also gave properties-wise reply which have been incorporated in **Appendix 2.2.1**. The reply of the Department only indicates that properties were created without proper planning and in areas having low tourist footfall.

2.2.15.2 Operation of Crowborough Hotel Project under PPP mode

Mentioned was made in Paragraphs 7.2.11 and 4.7(ii) of the Reports of the Comptroller & Auditor General of India for the years 2005-06 and 2013-14 respectively regarding abnormal delay in completion of a proposed three-star, Hotel Crowborough in the heart of the city in Shillong, by MTDC although the project was to be completed by November 1988. After settlement of disputes, the Government decided to complete the building on a Public-Private Partnership mode and awarded the lease to one Lessly Shylla on a 'build, operate and transfer' basis (May 2008) for 33 years at an annual lease rent of ₹ 1.73 crore subject to escalation a block of every three years. The proposed hotel was to be a five-star hotel have 104 rooms and amenities such as a

¹⁸ 1. Anogre Tourist Centre; 2. Mawlein Wayside Amenities; 3. Mawkdok Way Side Amenities; 4. Kutmadan Tourist Facilities; 5. Asanang Tourist Lodge; 6. Orchid Lodge; Tura; 7. Wards Lake Cafeteria; Shillong; 8. Drive Inn Restaurant; Nongpoh and 9. Baghmara Tourist Lodge.

restaurant, coffee shop, bar, disco, banquet hall, beauty parlour, health club with sauna and a shopping arcade and a state-of-the-art convention centre.

Scrutiny revealed that the lessee¹⁹ was to complete the project by August 2014 but had not completed the same (July 2019). MTDC desired (July 2016) to terminate the lease and the matter was referred (July 2016) to the Arbitrators, who further granted (September 2017) an extension of three years (September 2020).

Thus, the project which was to be completed by November 1988, remained incomplete even after 31 years of its initial proposed date of completion and the objective of MTDC to provide luxurious accommodation to high-end tourists, businessmen, *etc.* remained unfulfilled. The Department in its reply (January 2020) stated that the progress of the project has picked up pace with a target to complete the hotel by September 2020.

2.2.15.3 Meghalaya Tourism Development and Investment Promotion Scheme

The MTP, 2011 intends to promote the sector through public-private partnerships by extending several incentives to encourage private entities to develop infrastructure and tourism-related assets. Accordingly, the Government promulgated Meghalaya Tourism Development and Investment Promotion Scheme, 2012 (MTDIPS), which provides subsidy of 30 *per cent* of the project cost of homestays and resorts, subject to a maximum limit of ₹ 16.00 lakh and ₹ 1.00 crore respectively.

Audit scrutiny (September 2019) showed that during 2014-19, GoM sanctioned 11 homestays/ resorts out of 23 applications received under MTDIPS 2012 for ₹ 0.98 crore. The reasons for rejection of applications were incomplete documentation, change of location and absence of bank support in some cases.

Given the fact that the scheme was conceived for boosting building up of tourism infrastructure and encouraging private sector participation, the number of beneficiaries under the scheme suggest that the incentives have not been very successful in attracting entrepreneurs.

2.2.15.4 Capacity Building Programme

Meghalaya Tourism Policy 2011 envisaged a well-designed plan for capacity building and manpower training that will help make tourism development successful. The aim of the HRD plan was to create an efficient and professional manpower base in the tourism sector.

It was observed that the Department did not take any action to prepare long term plan for training needs analysis (TNA) or setting of Annual target for number of persons to be trained. Besides, the DoT did not have robust mechanism to monitor the status of employment of local persons both in formal as well as informal sector as envisaged in the policy.

We noticed that during the period under review, the Tourism Department had trained 873 persons in four courses for a cost of ₹ 0.97 crore as shown in the following table.

¹⁹ Shri Lessly Shylla.

Table 2.2.7: Details of training programme undertaken by Tourism Department

(₹ in lakh)

| Sl. No. | Work order date | Name of the provider/ service provider | Name of the course | Duration of the course | No. of Trainees trained | Amount |
|--------------|-----------------|---|----------------------------|------------------------|-------------------------|--------------|
| 1. | 29.06.15 | 1. IL&FS Skills Development Corporation Limited, Dhankheti, Shillong | Food and Beverage Services | 2 months | 150 | 46.52 |
| | | 2. Basic Academy for Building Life Long Employability, Lachumiere, Shillong | Basic Front Office | 2 months | 100 | |
| 2. | 15.02.16 | Avenues Nongthymmai, Shillong | Basic House keeping | 2 months | 150 | |
| 3. | 13.10.16 | IL&Fs Skills Development Corporation Limited | Food and Beverage services | 2 months | 432 | 50.25 |
| 4. | 25.07.18 | Indian Institute of Tourism and Travel Management | Tourist Guide | 2 months | 41* | N.A |
| Total | | | | | 873 | 96.77 |

**Program conducted by IITTM during 2018-19 on tourist guides.*

DoT, however could not provide the data for actual number of trainees placed or who set up own enterprise after undergoing the training.

The Department replied (January 2020) that MSSDS has provided skill development training to 3128 persons after July 2018 and out of them, 2155 persons were placed in tourism/ hospitality sector. The details of the states where the placement was provided was not mentioned. The Department should prepare a database of the employment of persons trained by them.

2.2.16 Execution of projects and capacity utilisation

2.2.16.1 Delays in Project completion

As detailed in **Table 2.2.2**, the DoT had 128 tourism projects under it, excluding the 'leased out property' of which, DoT completed (May 2019) 113 tourism related projects undertaken by it during 2014-19. Audit reviewed 44 projects (completed 29; ongoing 15) and observed that there were delays of 3-36 months in case of 18 projects. In five projects the DoT attributed the delay to reasons such as non-availability of land, early monsoon and delay in signing agreement. Attributing the delay to monsoon is however, not acceptable as onset of monsoon is a known and recurring phenomenon and the Department should have planned for the same in advance. For the remaining 13 projects, the Department did not furnish any reasons for the delay despite being asked for (August 2019). The details of the 18 projects have been given in **Appendix 2.2.2**.

Similarly, MTDC had 24 tourism projects under it and out of these two were ongoing (May 2019). Audit reviewed all 24 projects²⁰ (completed 22; ongoing 02) and observed that there were inordinate delays in one on-going projects, apart from the **Crowborough Hotel Project**, which has been discussed in detail in **paragraph 2.2.15.2**, as detailed below.

²⁰ *Swadesh Darshan Scheme* has been counted as one project even though the scheme consisted of four projects under it.

Swadesh Darshan Scheme: Ministry of Tourism (MoT), GoI, launched the *Swadesh Darshan Scheme* for integrated development of theme based tourist circuits in the country in 2014-15. This scheme is envisioned with the idea of positioning the tourism sector as a major engine for job creation, driving force for economic growth, building synergy with various sectors to enable tourism to realise its potential.

Under the Scheme, Ministry of Tourism, GoI sanctioned (July 2016) four projects²¹ at an estimated cost of ₹ 99.13 crore in Meghalaya. Though, these were to be completed by December 2018, three projects under the scheme were still in-progress (September 2019).

Examination of records showed that time over-run of the projects was attributable to the delay in finalisation of tenders due to re-tendering for certain components of the work, delay in release of fund by the State Government and land acquisition problem in few cases. Though the projects were to be completed by December 2018, MTDC (implementing agency) had achieved a physical progress of 80 *per cent* and utilised ₹ 67.65 crore out of ₹ 79.31 crore disbursed by the MoT till September 2019. **Appendix 2.2.3** gives the present status of implementation of the four projects under the *Swadesh Darshan Scheme*.

Audit noticed that the Secretary, MoT, GoI, in her letter (February 2018) expressed concern about the slow progress of implementation of the Swadesh Darshan Projects. The Department while admitting the fact (January 2020) of time-overrun of the projects stated that due to problems of land issue with the local community, the work components at Sohpetbneng were delayed.

2.2.16.2 Tourist inflow and occupancy of MTDC operated hotels

The main objective of MTDC, (set up in 1977) was to manage and operate its four hotels²², having a capacity of 120 rooms and also to adopt methods necessary to attract tourists in large numbers. The MTP, 2011 also stipulated that the Corporation should make efforts to increase its revenue to enable it to carry out promotional activities. As such, it is incumbent upon MTDC to play a major role in attracting tourists in its managed hotels/ lodges and thereby generate revenue and aid the process of promotional of tourist activities and growth of tourist inflow.

Table 2.2.8 shows year-wise details of domestic and foreign tourists who visited the State as well as number of tourists who availed accommodation in MTDC operated hotels/ lodges during 2014-19.

²¹ 1. Lake View Complex, Umiam; 2. U Lum Sohpetbneng; 3. Mawdiangdiang and 4. Orchid Lake Resort and Water Sports Complex, Umiam.

²² 1. Orchid Hotel, Polo -, 29 rooms. Pine Wood Hotel, Shillong – 40 rooms 3. Orchid Lake Resort, Umiam – 27 rooms and 4. State Convention Centre, Shillong 24 rooms.

Table 2.2.8: Details of Tourist who visited the State and stayed in MTDC operated hotels/ lodges

| Year | (in lakh) | | | | | | Percentage of tourists who stayed in MTDC's operated Hotels/ Lodges | | |
|--------------|-------------------------------|-------------|--------------|---|--------------|-------------|---|-------------|-------------|
| | Tourist who visited Meghalaya | | | Tourists who stayed in MTDC operated Hotels/ Lodges | | | Domestic | Foreign | Total |
| | Domestic | Foreign | Total | Domestic | Foreign | Total | | | |
| 2014-15 | 7.18 | 0.09 | 7.27 | 0.26 | 0.004 | 0.264 | 3.62 | 4.44 | 3.63 |
| 2015-16 | 7.51 | 0.08 | 7.59 | 0.23 | 0.006 | 0.239 | 3.06 | 7.5 | 3.15 |
| 2016-17 | 8.31 | 0.08 | 8.39 | 0.19 | 0.004 | 0.194 | 2.29 | 5 | 2.31 |
| 2017-18 | 9.91 | 0.12 | 10.03 | 0.19 | 0.003 | 0.193 | 1.92 | 2.5 | 1.92 |
| 2018-19 | 11.98 | 0.18 | 12.16 | 0.18 | 0.007 | 0.187 | 1.50 | 3.89 | 1.54 |
| Total | 44.89 | 0.55 | 45.44 | 0.87 | 0.017 | 0.89 | 1.93 | 3.09 | 1.96 |

Source: Directorate of Tourism (GoM) and MTDC.

The table above shows that while tourist inflow in the State increased from 7.27 lakh in 2014-15 to 12.16 lakh (67 per cent) during 2018-19, the number of tourists who stayed in MTDC's operated Hotels/ Lodges decreased from 0.26 lakh to 0.18 lakh (30 per cent) during the same period.

Table 2.2.9 provides year-wise occupancy of four MTDC's operated Hotels/ Lodges during the review period:

Table 2.2.9: Details of year-wise occupancy of four MTDC's operated Hotels/Lodges

| Year | Number of rooms available during the years | Number of rooms sold during the year | Percentage of occupancy of rooms |
|---------|--|--------------------------------------|----------------------------------|
| 2014-15 | 39931 | 14030 | 35 |
| 2015-16 | 44194 | 19378 | 44 |
| 2016-17 | 42000 | 15833 | 38 |
| 2017-18 | 43268 | 17584 | 41 |
| 2018-19 | 40503 | 14266 | 35 |

Source: MTDC.

The table above shows that MTDC, which was a nodal agency of the Government responsible for development of tourism in the State, was able to achieve an occupancy rate of only 35 to 44 per cent of the rooms available to it during 2014-15 to 2018-19.

2.2.16.3 Manpower management in MTDC

Meghalaya Tourism Development Corporation (MTDC) has been set up for development and promotion of Tourism in Meghalaya. Availability of skilled manpower is key for its success.

The person-in-position (PIP) against the sanctioned strength (SS) of MTDC revealed that there was acute shortage of manpower (both in Executive and Non-executive category) during the period 2014-19 as shown under:

Table 2.2.10: SS and MIP of MTDC

| Year | Sanctioned | | PIP ²³ | | Shortage (percentage of shortage) | | Some important post vacant during the year |
|---------|------------|----------------|-------------------|----------------|-----------------------------------|----------------|--|
| | Executives | Non Executives | Executives | Non Executives | Executives | Non Executives | |
| 2014-15 | 15 | 221 | 6 | 172 | 9(60) | 49(22) | GM (Personnel) |
| 2015-16 | 15 | 221 | 7 | 171 | 8(53) | 50(23) | GM (Personnel) |
| 2016-17 | 15 | 221 | 7 | 157 | 8(53) | 64(29) | GM (Personnel) |

²³ Includes both regular and contractual staff.

| Year | Sanctioned | | PIP ²³ | | Shortage (percentage of shortage) | | Some important post vacant during the year |
|---------|------------|----------------|-------------------|----------------|--------------------------------------|----------------|--|
| | Executives | Non Executives | Executives | Non Executives | Executives | Non Executives | |
| 2017-18 | 15 | 221 | 8 | 161 | 7(47) | 60(27) | - |
| 2018-19 | 15 | 221 | 6 | 148 | 9(60) | 73(33) | GM (Finance), GM (Personnel) |

Source: MTDC.

The table above shows that during 2014-19, the shortage in the executive cadre ranged between 47 and 60 per cent and in non-executive cadre between 22 and 33 per cent. Even important posts like GM (Finance) and GM (Personnel) were lying vacant during the review period. Coupled with other factors, the operations of MTDC were loss making, with an accumulated loss of ₹ 9.61 crore as on 31 March 2018. The MTDC had also outstanding statutory liabilities to the Taxation Department of ₹ 35.45 crore.

Thus, the performance of MTDC indicates that despite having an advantage over rest of the industry it failed to attract tourists and increase its revenue to enable it carry out promotional activities as envisaged in the MTP, 2011. On the other hand, it was found besieged with issues such as poor maintenance of its hotels and lodges, shortage of man-power, increasing financial liability and rising financial losses.

Department accepted (January 2020) the fact of shortage of manpower in executive as well as non-executive cadre during the review period due to constrained financial position of the company.

2.2.17 Management of properties

Proper project management is considered necessary for implementation of the projects economically, efficiently and effectively. We noticed following deficiencies in management of the projects.

2.2.17.1 Adventure tourism

Meghalaya has immense potential for adventure related activities including adventure sports like rock climbing, paragliding, parasailing, etc. The MTP 2011 highlights that at present caving is the most vibrant and visible tourism activity in the State, followed by nature walks and treks on the numerous living root bridges. The MTP 2011 also envisages promoting adventure tourism in the State and assigns the responsibility upon MTDC to support and promote water sports in the State.

Out of the four projects sanctioned under the *Swadesh Darshan Scheme*, three projects contained several components of adventure tourism such as development of floating barge, jogging trail and cycling track, development of canopy walk, speed boat, construction of rescue watch tower, procurement of rescue motor boat, etc. Though, the completion date of these projects was December 2018, they were still in-progress (September 2019). Thus, the Department has not yet been able to augment the adventure tourism infrastructure in the State to that extent.

Audit also scrutinised and physically verified the procurement of equipment for the Water Sports Complex, Umiam and the audit finding in respect of these are given in succeeding paragraphs.

(i) Ungainful utilisation of Parasailing equipment

Based on the proposal for setting up Adventure sports Parasailing activities at Umiam, GoM sanctioned (March 2014 and December 2016) the project for ₹ 38.63 lakh. After inviting tender, DoT issued (February 2015) the work order for supply and installation of parasailing equipment to M/s Pioneer Adventure Tours (M/s PAT). M/s PAT accordingly supplied (May 2015) the parasailing equipment costing ₹ 38.63 lakh and payment was made to the firm. The equipment were handed over (July 2016) to MTDC for operation.

Audit scrutiny however, showed that the parasailing activities could not be made operational at Umiam owing to following reasons:

- Feasibility study for operationalising parasailing activities at Umiam was not carried out before getting the proposal sanctioned;
- The parasailing boat has a power of 100 Horse Power (HP) whereas requirement was for higher capacity;
- Landing and take-off on the ground was not possible due to the difficult terrain at Umiam Water Sports Complex.

Till the date of audit (August 2019), the equipment was lying idle in the Water Sports Complex, Umiam for more than three years. Thus, not only the expenditure of ₹ 38.63 lakh incurred on procuring parasailing equipment has become infructuous but more importantly failure to conduct a feasibility study and procure equipment of correct specification has also resulted in the objective of the Department to set up an Adventure Sports Parasailing activities at Umiam remaining unfulfilled.

Department stated (January 2020) that M/s PAT will start trial run for operationalising the parasailing equipment. The Department's reply is not convincing and responsibility needs to be fixed for procuring equipment in haste without proper feasibility study.

(ii) Water Sports Complex at Umiam

Audit scrutiny (July 2019) showed that the agreement for supply of floating barge, rescue motor boat, speed boat, water scooters, body jorb and lifesaving equipment, etc. at Water Sports Complex, Umiam was signed with Cleghorn Meg Company Private Limited, Kolkata in August 2018. Work order valuing ₹ 6.47 crore for the supply was issued (September 2018) to the firm with a stipulation to supply the items within 12 months from the date of signing of agreement. The firm delivered all the items by May 2019.

During JPV (July 2019) of Water Sports Complex, Umiam and based on preliminary reply from MTDC, audit observed that four Water scooters (costing of ₹ 26.04 lakh), have remained un-operational, as the complex has no back-up for power source. Thus, indicating that equipment were procured without proper planning and due diligence.

Department stated (January 2020) that the water scooters supplied by Cleghorn Meg Company Private Limited had developed some technical problems which required service through the supplier. Action taken to resolve the problem was however not communicated, and the project remained a non starter.

2.2.18 Development of Tourism so as to ensure Sustainability

The NITI Aayog's Report of Working Group II on Sustainable Tourism in the Indian Himalayan Region published in August 2018 points out that tourism is one of the main development sectors for the Himalaya and it can be the engine to drive future development in the region. This would only be possible if the development adheres to principles of sustainability.

Audit examined the steps taken by the Tourism Department in promoting sustainable tourism. The findings are given in the succeeding paragraph.

2.2.18.1 Sustainability issues in implementation of tourism projects

As per Para 3 of MTP 2011, Tourism development will be undertaken in a manner so as to ensure sustainability and conservation of the State's environment and natural resources. The MTP 2011 spelt out its objective of 'going green' by encouraging hotel operators to strictly adhere to minimum standards with regards to environmental performance and health standard. The policy also envisages developing tourism by promoting a clean, healthy and safe environment.

Audit scrutinised 18 projects implemented by DoT during the review period, of which 17 projects had no provisions for preservation of environment and natural resources while executing them. The estimates (**Appendix 2.2.2**) had no provisions for sustainable measures such as installation of solar power, rainwater harvesting, *etc.* Moreover, none of the estimates contained the analysis regarding sustainability of the project undertaken.

Similarly, Audit also scrutinised the *Swadesh Darshan Scheme* being implemented by MTDC. The detailed project report of this scheme has taken into account issues such as bringing about sustainable development, solid waste management, construction of public toilets, solar lighting, *etc.* As mentioned in **paragraph 2.2.16.1**, the projects under the Scheme are however, yet to be completed.

Department accepted (January 2020) the audit observation on sustainability.

2.2.18.2 Waste management by homestays

The Meghalaya Tourism Development and Investment Promotion Scheme, 2012 (MTDIPS), which provides a subsidy of 30 *per cent* of the project cost for homestays and resorts, subject to a maximum of ₹ 16.00 lakh and ₹ 1.00 crore respectively, should have provision for solid waste management with incinerators and rain water harvesting.

During 2014-19, 11 homestays/ resorts were sanctioned under MTDIPS. Audit conducted Joint Physical verification (September 2019) of three homestays²⁴. However, none of the homestays had provision of solid waste management with incinerators or rainwater harvesting despite subsidy of ₹ 14.26 lakh given to them. Department had not taken any action for the violation (September 2019).

On being pointed out the Department accepted (January 2020) the audit observation.

2.2.18.3 Non-compliance to directive of the CPCB/ SPCB on installation of Dustbins at Myntdu River

As the pollution level in Myntdu river at Jowai, Jaintia Hills had risen to unimaginable proportions because of high acidic content, National Green Tribunal (NGT) in its order (April 2017) directed the Central Pollution Control Board (CPCB) to work with the State Pollution Control Board (SPCB) for mitigating the level of pollution in the river. Pursuant to the order, a joint inspection was conducted (May 2017) by Regional Directorate, CPCB and SPCB, Meghalaya. The report castigated various Department/ Agencies including the Tourism Department for not taking any steps to provide requisite infrastructure for mitigating the level of pollution in the river. The report pointed out that Tourism Department which projects the pristine glory of the river had not taken any steps to provide requisite infrastructure to ensure that waste left behind by tourists is disposed of in a proper manner. It then directed the Department to place bins for waste in all the tourist spots in the area and make the necessary arrangement for collection of waste generated on regular basis.

Audit observed that, despite the directive, the Department has not installed (August 2019) waste bins in the tourist spots near the Myntdu River.

On being pointed out, the Department replied (August 2019/ January 2020) that the Tourist Officer, Jowai was instructed (August 2019) to approach the Chief Executive Officer, Jowai Municipal Board for installation of free dustbins. No further development in this regard was however, found on record.

2.2.19 Capacity of the Department to execute tourism projects

Audit findings indicate that DoT/ MTDC have neither been able to attract experienced contractors with good track records to execute tourism projects nor develop the competence themselves to execute projects successfully on time. Most of the schemes conceived by the DoT/ MTDC suffered from inordinate delays and infructuous execution, mainly due to deficient capacity, either technical or financial, of the contractors to execute these projects.

Audit has already commented on persistent delay in completion of important projects such as *Swadesh Darshan Scheme*, Eco-Tourism, Improvement of Marngar Lake into a Tourist spot, *Holiday IQ* content Generation campaign, Construction of cottages & footpath at Riwai and Mawlongbna villages, *etc.* in preceding paragraphs. These

²⁴ Shri Ian Andrew Khongmen, Baniun, Smti Merybell Khongsni, Pynursla and Smt R.B. Kharkongor, Nongshilliang, Nongthymmai.

projects were either running far beyond their scheduled date of completion or were completed after a delay of more than five years.

The inordinate delay of more than 32 years in completing the Crowborough Hotel also highlights serious capacity gap of the State in executing tourism related projects professionally. Not only did the Government fail to benefit from the ‘BOT’ model in attracting private investment for completing the five-star hotel project in the heart of the city, but instead they had to lend ₹ 45 crore (through Meghalaya Industrial Development Corporation) to the joint venture, created for execution of the project.

The Department has failed to provide any specific explanation of delays in most of the projects. However, reasons like re-tendering of certain work components, issues regarding land acquisition *etc.* in many cases, are pointers that DOT/ MTDC have been unable to attract investors/ developers of high calibre to deliver quality projects in time.

2.2.20 Physical verification of assets created

DoT and MTDC are responsible for repair and maintenance of assets created by it. Even the terms of sanction of GOI for various projects envisaged upon the State Government to undertake responsibility for maintenance and management of facilities created out of GoI funds. Audit conducted (July/ September 2019) JPV of 12 projects²⁵ and found that the DoT/ MTDC had not prioritised proper upkeep of assets created, as detailed below:

2.2.20.1 Orchid Hotel & Restaurant, Polo

The hotel had only 10 rooms, out of 29 rooms available, which are saleable. The remaining 19 rooms were in a shabby condition and had deficiencies such as flaky and damp walls, fungus formation inside the room, insufficient light because of damage electrical connection, damaged wooden floor, *etc.* The hotel did not have the facilities of wi-fi. The hotel had only one aqua-guard to cater to supply of drinking water to its guests and staffs, the electrical connections in some rooms were not working and hence had insufficient light.

Department in its reply admitted (January 2020) that many of the rooms are not saleable for want of maintenance. It also stated that MTDC has decided to float an ‘Expression of Interest’ for renovation of the building and that the Department is conducting a feasibility study through a consultant.

2.2.20.2 Tourist Information Centre, Shillong

Meghalaya has 13 Tourist Information Centres (TIC) all across the State. The TIC at Police Bazaar, Shillong besides providing information to tourists also conducts local package tours, booking of taxis and hotels. During physical verification (July 2019) of the TIC, Shillong, it was found that the centre had no provision of online booking and card payment for conducted tours, booking of taxis, hotels, *etc.*, and was thus tourist unfriendly.

²⁵ 11 completed projects and one on-going project.

Department agreed (January 2020) to implement online booking/ card payment facilities at an early date.

2.2.20.3 Nokrek Biosphere Reserve

Nokrek National Park, the core area of Nokrek Biosphere Reserve, is a national park located approximately 35 kms from Tura in West Garo Hills district of Meghalaya.

UNESCO declared this National park to its list of Biosphere Reserves in May 2009. Besides having wild animals, the area is also noted for ‘Memang Narang’ the original and the parent of all citrus fruits. A JPV was conducted (September 2019) to the last point of buffer zone of Nokrek Reserve.



Photograph 2.2.1.: Poor road towards Nokrek.

The approach road towards Nokrek was in extremely poor condition pointing towards lack of proper maintenance and indifference of the DoT to encourage tourists to the Reserve by creating proper approach road.

Department while accepting the fact (January 2020) assured to look into the matter considering the feasibility.

2.2.21 Brand Promotion and Marketing

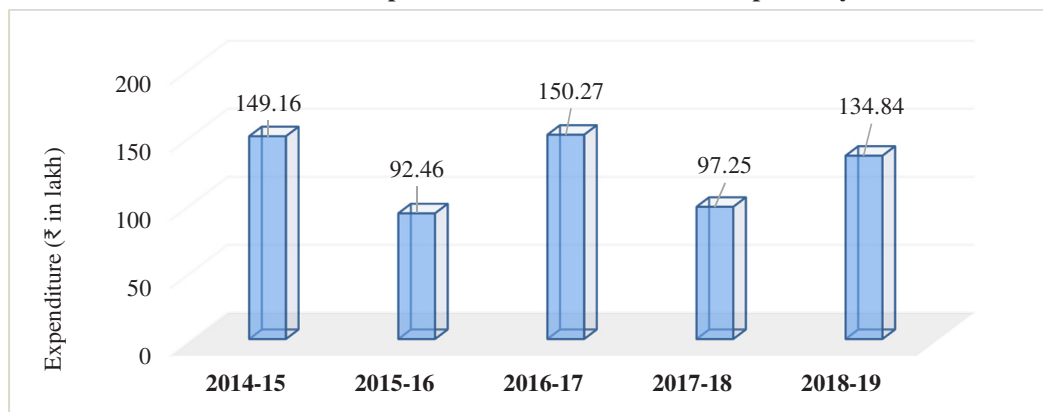
Para 5 (g) of MTP 2011 envisaged to develop an effective marketing strategy so as to provide a positive image for Meghalaya in the national and international market as a unique and preferred destination to visit. The marketing plan was to be developed after a thorough investigation of the tourism products in Meghalaya and the markets that it is targeting. The plan also included promotion of festivals and tribal sports, promotion of local handicrafts and cuisine, familiarisation tours for tour operators from outside the State for better knowledge of the places of tourist interest in Meghalaya. The audit findings in this regard is discussed in the succeeding paragraphs.

MTP 2011 envisaged promotion, publicity and marketing of tourism products in a well-planned manner at national and international level. Further, adequate advertisement and publicity is required to attract more and more number of domestic and foreign tourists.

It can be seen from the **table 2.2.5** above that the share of expenditure on the tourism sector ranged only between 0.21 and 0.27 *per cent* during 2014-19. This expenditure further showed a declining trend during 2017-18 and 2018-19, clearly limiting the scope for expansion of tourism infrastructure in the State.

We observed that the Department had spent only ₹ 6.24 crore (about two *per cent* of total budget of tourism) during 2014-19 towards advertisement and publicity as depicted in **Chart 2.2.3:**

Chart 2.2.3: Expenditure in advertisement and publicity



Audit observed that there was no consistency in advertisement and publicity as displayed by pattern of expenditure. Moreover, no fund was sanctioned for promotion of brand Meghalaya by the Department through electronic media during 2014-19.

Further, even though the share of expenditure on the tourism sector declined during 2017-18 and 2018-19, the Tourism Department further reduced its expenditure on advertisement and publicity from ₹ 1,50 crore in 2016-17 to ₹ 0.97 crore in 2017-18 and ₹ 1.35 crore in 2018-19, indicating the low priority it accorded to advertisement and publicity.

Department in its reply stated (January 2020) that on the question of consistency in advertisement, the Department has taken up publicity based on the proposals received considering their reach and also the area where the Department wants to promote its brand and that it also take up publicity during lean periods though radio and also through social media. The fact however, remains that the expenditure on the tourism sector declined during 2017-18 and 2018-19 indicating that advertisement and publicity did not get the financial support as during 2016-17.

2.2.21.1 Festivals

Meghalaya is home of numerous fairs and festivals that attract not only local people but also visitors from outside the state especially during the State's major festivals such as Behdienkhlam, Nongkrem Dance, Wangala Dance and Cherry Blossom²⁶.

During 2014-19, the State conducted 54 festivals across the State and the Department provided fund amounting ₹ 2.96 crore for organising the festivals during the same period (**Appendix 2.2.4**). The DoT however, stated (December 2019) that they did not carry out any Impact Study/ Review of the festivals organised, for which financial support was provided by the Department. It however, did not furnish any data showing the data of tourist footfalls at the time of the festivals. In absence of data of footfalls of tourists at the time of festivals as well as study of impact assessment, the outcome of

²⁶ The **Cherry Blossom Festival in Shillong** celebrates the unique autumn flowering of Himalayan **Cherry Blossoms** with community events such as live music gigs, a beauty pageant, and stalls showcasing the cuisine, wine, arts and craft of the region. This festival being one of the unique kind in the country, has a potential for promoting the State as a tourist destination in a large scale.

promotional plan to showcasing the State as a popular tourist destination will remain unknown.

2.2.21.2 Web Portal of Tourism Department

The Department has initiated advertisement and publicity of Meghalaya Tourism through official web portal of the Department. However, Audit observed that the information as uploaded in the web portal are not being updated on a regular basis which gives misinformation to the potential tourists as well as other stake holders at large which are as detailed below:

1. The Population of Meghalaya, percentage of literacy, area in sq.km was not updated in the web portal as per latest census (2011).
2. As per data furnished by the DoT, there are 15 TICs including Guwahati, Kolkata and New Delhi. However, in the website, only 12 TICs are listed.
3. The information relating to number of hotels/ lodges, restaurants, banks, ATMs, hospitals, places of attractions also need to be updated for the benefits of the tourists.

No Tourist grievance redressal mechanism was also found to be available in the web portal. DoT while accepting the Audit observation (October 2019), stated that they have already taken corrective actions for updation of the website. In this regard, the Department also stated that a new website is under development with the assistance of National e-Governance Division (NeGD) under the Ministry of Electronics and Information Technology for providing up- dated and detailed information on tourist destinations in Meghalaya.

2.2.22 Good Practices

The infrastructure maintained by the community at the Chandigre resort gave a pleasant experience while conducting JPV (September 2019) by the Audit team considering the apiculture activities and cultivation of organic fruits and vegetables.



Photograph 2.2.2: Chandigre Eco-Resort.

The initiative taken by the Department to use Solar Energy at the cottages constructed at Nongkhnum River Island in West Khasi Hills is a good step towards sustainability.

2.2.23 Conclusion

The Performance Audit brought out that despite the State being known for its exotic tourist locations and ‘Shillong’ being referred to as ‘Scotland of the East’, the State lost its position as the top tourist destination in North-East. Lack of focused planning and

absence of any medium term/ long term action plan for development of tourism activities in the State led to non-achievement of objective enumerated in MTP, 2011 despite the State having a huge potential for eco-tourism, rural tourism, adventure tourism, *etc.* The implementation of the tourism related projects both of the Department and MTDC was marred by inordinate delays mainly due to poor project management and delays in execution of projects though funds were available. The 37 properties leased by the Department to private parties saw revenue losses in nine properties instead of gains due to failure to enforce provisions of the lease agreements. The Crowborough Hotel project in Shillong, for providing luxury accommodation to high end tourists under PPP mode continued to be non-operational though it was to be completed by August 2014. Tourism development activities were undertaken without factoring issues of sustainability and conservation of the State's environment and natural resources. The MTDC's operated Hotels/ Lodges witnessed decrease in the number of boarders even while the tourist inflow in the State had increased during the review period. No review of impact assessment for organising the festivals were conducted neither the data of tourist footfalls during festivals were maintained. Advertisement and publicity initiatives were inadequate. The Department had not provided environment friendly measures of rain water harvesting, solar power in the test checked 18 projects despite policy statement to encourage environment sustainable tourism.

2.2.24 Recommendations

- *The Department needs to adopt a focused strategy for broad stakeholder engagement and sustainable development principles for ensuring inclusive growth in the Tourism Sector by providing economic development opportunities in both urban and rural areas.*
- *The Department may ensure timely completion of tourism related projects. The Department may review the Crowborough Hotel project to make it operational.*
- *The Department needs to improve its fund management on projects and activities to avoid lapse/ loss of funds.*
- *The Department needs to put in place action plan to measure the progress made in encouraging private investment and in developing entrepreneurship including rural tourism.*
- *The Department needs to regulate the taxi related services in the State in general and at Guwahati Railway Station and Airport in particular to improve road connectivity to tourists coming to the State.*
- *The MTDC needs to manage its leased properties professionally to earn revenue to sustain itself and to carry out promotional activities.*
- *Impact assessment for organising the festivals should be conducted and data of tourist footfalls attending State managed festivals should be collected and feedback solicited from visitors to improve organising of such events to attract more tourists.*
- *The State may ensure sustainability and conservation of the environment and natural resources while undertaking tourism development, in keeping with its own policy.*

COMPLIANCE AUDIT PARAGRAPHS

ANIMAL HUSBANDRY AND VETERINARY DEPARTMENT

2.3 Unproductive expenditure

Failure of the Animal Husbandry & Veterinary Department to make the Livestock Demonstration Farm at Kyrdemkulai functional resulted in unproductive expenditure of ₹ 51.29 lakh, defeating the objective of imparting training to the beneficiaries.

Government of Meghalaya accorded (29 March 2014) administrative approval and sanctioned an amount of ₹ 51.29 lakh to the Director, Animal Husbandry & Veterinary Department (AH&VD) for 'Construction of Livestock Demonstration Farm for Trainees at Kyrdemkulai'. The purpose of establishing this farm was to impart training on piggery, dairy and poultry. The Executive Engineer (Civil Engineering Wing) (EE (CEW)), AH&VD invited (May 2014) tender for the work and work orders were issued to 20 contractors for different item of works between July to November 2014.

Scrutiny of records (April-May 2017) revealed that the work was completed in June 2015 at an expenditure of ₹ 51.29 lakh and the Livestock Demonstration Farm was handed over (August 2015) by the EE, CEW, AH&VD to the Manager, Cattle/ Pig/ Poultry Farm, Kyrdemkulai, Ri-Bhoi District. Audit conducted (May 2017) a joint physical verification of the Livestock Demonstration Farm along with officials of the AH&VD and noticed that the Department had not procured any livestock nor had any training/ demonstration on piggery, dairy and poultry been conducted.

Audit noticed that the Demonstration Farm was lying idle and has not been put to use since the Department has not made any budget provision for funds to make the Livestock Demonstration Farm functional. Thus, it could be observed that non-provisioning of funds by the Department resulted in the Livestock Demonstration Farm lying idle since June 2015, besides rendering the entire expenditure of ₹ 51.29 lakh unproductive. Further, the possibility of deterioration of the infrastructure in the absence of maintenance and operation cannot be ruled out.

In reply (May 2020), the State Government stated that the Department can impart training and knowledge to the Veterinary Assistants and Farmers with the existing staff and also assured that budget proposals will be made during 2020-21 to make the Demonstration Farm functional.

AGRICULTURE & FARMERS' WELFARE DEPARTMENT

2.4 Unproductive expenditure

Modernisation and Upgradation of Fruit Processing Unit (FPU), Shillong failed to augment the installed capacity (from 60 Tonnes per Annum to 136 Tonnes per Annum) leading to unproductive expenditure of ₹ 1.12 crore.

The Fruit Processing Unit (FPU) at Shillong, Meghalaya was set up in 1955 and is run by the Directorate of Horticulture, Government of Meghalaya. The existing range of products of this FPU includes fruit squashes, fruit jam, canned fruits, pickle, *etc.* and it has an installed capacity of 60 tonnes per annum (TPA). A large number of processing and packaging machinery had however, become defunct due to prolonged use leading to a decline in production.

The Director of Horticulture requested (March 2009) the Meghalaya Industrial Development Corporation²⁷ (MIDC) to prepare a Detailed Project Report (DPR) for modernisation of the FPU. MIDC expressed its willingness (June 2009) and submitted (July 2012) the DPR²⁸ to the Director, Horticulture for which an amount of ₹ 7.61 lakh was paid as professional fees in February 2013.

The DPR suggested enhancement of capacity of the FPU from 60 TPA to 136 TPA by replacing the defunct machinery and inclusion of additional machinery as well as taking up some civil works to enable the unit to improve its performance and to operate successfully as a standalone profit centre. Further, based on the nature of industry, capacity of the unit, types of machinery, utilities and services involved, the DPR assessed the total implementation period of the modernisation & expansion project as five months from the zero date *i.e.*, disbursement of fund by the State Government.

Government of Meghalaya, Agriculture Department sanctioned (March 2012) ₹ 184.27 lakh for Modernisation and Upgradation of FPU at Shillong as per following details:

Table 2.4.1: Abstract of cost of the project

| Sl. No. | Particulars | Amount (₹ in lakh) |
|---------------------------|---|--------------------|
| 1 | Building & Civil | 44.25 |
| 2 | Plant & Machinery | 32.95 |
| 3 | Utilities, Services & Misc. Fixed Assets | 27.35 |
| 4 | Preliminary & Post-operative expenses | 6.60 |
| 5 | Provision for contingency expenses @ 5 per cent | 5.56 |
| Total Capital Cost | | 116.71 |
| 6 | Margin Money for working capital (1 st year) | 29.95 |
| 7 | Professional fee for preparation of DPR | 6.90 |
| Total | | 153.56 |
| 8 | Contingencies @ 10 per cent | 15.36 |
| 9 | Cost escalation @ 10 per cent | 15.35 |
| Grand Total | | 184.27 |

Source: Sanction Order.

²⁷ MIDC was incorporated (1971) under the Companies Act, 1956 with the objective to promote and advance the industrial development of the State of Meghalaya.

²⁸ MIDC had commissioned the services of West Bengal Consultancy Organisation Limited, Kolkata for preparation of the DPR.

Audit observed that even after more than seven and half years of sanction, the Department was unable to enhance the installed capacity of the unit, because of the following reasons:

- Director of Horticulture withdrew the sanctioned amount of ₹ 184.27 lakh in October 2012 but instead of releasing the amount to the implementing unit²⁹, the amount was initially kept idle till September 2014, after which, Director of Horticulture transferred funds of ₹ 176.66 lakh (₹ 184.27 *minus* ₹ 7.61 lakh³⁰) Secretary, Meghalaya State Agricultural Marketing Board (MSAMB³¹), Shillong. Reasons for transferring the funds to the MSAMB was neither indicated in the release order nor found on record.

In October 2015, the Director of Horticulture again went back on their decision and instructed MSAMB to transfer the money to the ADH (FP), Shillong who received the amount of ₹ 176.66 lakh in November 2015. Thus, the Director of Horticulture took three years to release the funds to the implementing unit for the project.

- Building & Civil works of the project were executed by the Meghalaya Power Generation Corporation Limited³² (MePGCL). There was, however nothing on record produced to audit to indicate the basis on which the MePGCL was selected for execution of the project work. The ADH (FP) released an amount of ₹ 112.59 lakh from December 2015 to March 2019 to MePGCL after which the MePGCL handed over the completed civil works to the ADH (FP) in February 2019. Audit, however, observed that the expenditure on civil works had exceeded the sanctioned estimate on civil works by ₹ 68.34 lakh³³. Further, as of November 2019, the Directorate still had the remaining funds of ₹ 64.07 lakh³⁴, which was adequate to procure Plant & Machinery, Utilities, Services & Misc. Fixed Assets³⁵ but the funds earmarked as margin money for working capital had been diverted towards civil works.

In the meantime, the actual quantity of fruits processed by the unit has come down from 33.94 TPA in 2011-12 to 26.70 TPA in 2018-19.

Thus, inordinate delay in release of funds by Director of Horticulture and lack of proper planning and lacklustre approach of the Director of Horticulture and the ADH (FP) in execution of the project has not only delayed the project by more than six years but also led to unproductive expenditure of ₹ 112.59 lakh.

In reply (June 2020), the Joint Secretary, Agriculture & Farmers' Welfare Department stated that MePGCL was a Government Company and therefore the work was given to

²⁹ Assistant Director of Horticulture, Fruit Processing (ADH (FP)).

³⁰ The amount of ₹ 7.61 lakh was retained for making payment to MIDC being professional fee for preparation of DPR which was paid to the MIDC in December 2011 & February 2013.

³¹ Meghalaya State Agricultural Marketing Board was set up in 1983 with its headquarter at Shillong, to develop marketing infrastructural facilities and to provide marketing support to the farmers in the State

³² Subsidiary of the Meghalaya Energy Corporation Limited a Government of Meghalaya's PSU.

³³ ₹ 112.59 lakh *minus* ₹ 44.25 lakh.

³⁴ ₹ 176.66 lakh *minus* ₹ 112.59 lakh.

³⁵ ₹ 32.95 lakh *plus* ₹ 27.35 lakh.

them directly. The reply was however, silent regarding other observations such as, outcomes of the modernisation of the FPU and reasons for delay in release of fund by the Director of Horticulture, reasons for incurring expenditure in excess (₹ 68.34 lakh) of the estimate cost of civil works as well as diversion of working capital (₹ 29.95 lakh) towards civil works and failure to replace the required additional machinery.

The Government may institute an enquiry on the project and fix responsibility/ accountability for the delays and failure of the project.

