



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Social and Economic Sectors
for the year ended 31 March 2022**



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest



Government of Meghalaya

Report No. 2 of 2023

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Comptroller and Auditor General of India
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GOVERNMENT OF MEGHALAYA
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PREFACE

This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor of Meghalaya under Article 151 of the Constitution of India for being laid on the floor of the State Legislature.

The Report contains significant results of the compliance audit of the departments of the Government of Meghalaya under Social and Economic Sectors including Health and Family Welfare, Fisheries, Agriculture and Farmers' Welfare and Power Departments. Audit observations on Revenue Sector of the Government of Meghalaya are covered in a separate Report on Revenue Sector.

The cases mentioned in this Report are those which came to notice in the course of test audit of accounts for the financial years 2020-21 and 2021-22, as well as those which came to notice in earlier years, but could not be dealt with in previous Reports. Matters relating to the period subsequent to 2021-22 have also been included, to indicate latest status wherever necessary. The Report has been finalised after considering the response of the Government/departments, whenever received.

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

OVERVIEW

OVERVIEW

The Audit Report for the year ended 31 March 2022 contains four Chapters. Chapters I to III deal with Social Sector, Economic Sector and State Public Sector Enterprises respectively. Chapter IV deals with follow up of Audit Reports.

This Report contains nine Compliance Audit paragraphs including a Subject Specific Compliance Audit paragraph on implementation of Pradhan Mantri Kisan Samman Nidhi Yojana in Meghalaya.

The findings are based on the audit of selected programmes and activities of the Government departments and State Public Sector Enterprises.

According to the extant procedure laid down, draft audit findings were sent by the Principal Accountant General (Audit) to the respective heads of departments of the State Government with a request to furnish replies within six weeks. In respect of six compliance audit paragraphs out of nine audit paragraphs included in this Report, no response was received.

A synopsis of the important findings contained in this Report is presented below:

SOCIAL SECTOR

Compliance Audit Paragraph

Health and Family Welfare Department

Inability of the State Nodal Agency to protect the interest of the Government in efficient implementation of Megha Health Insurance Scheme - IV and Pradhan Mantri Jan Arogya Yojana, had resulted in extension of undue financial benefit of ₹ 11.38 crore to the insurance company of the Scheme.

(Paragraph 1.2, Page 2)

Procurement of medicines at rates higher than the approved rates of the Central Purchase Board from non-approved manufacturers by the Director of Health Services (Medical Institutions) had resulted in avoidable excess expenditure of ₹ 0.87 crore.

***Recommendation:** The State Government may initiate inquiry to identify the reasons for procuring medicines from unapproved suppliers at higher rates and fix responsibility on the official(s) concerned for the lapses.*

(Paragraph 1.3, Page 5)

ECONOMIC SECTOR

Compliance Audit Paragraphs

Directorate of Fisheries

Injudicious selection of the site for setting up of Modern and Hygienic Fish Market at Saiden, Nongpoh led to its non-utilisation even after more than three years of completion, resulting in idle expenditure of ₹ 1.44 crore.

(Paragraph 2.2, Page 10)

Agriculture & Farmers' Welfare Department

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme was launched in February 2019 to provide income support and risk mitigation for farmers. Under this scheme, eligible farmers get income support of ₹ 6,000 per annum for meeting expenses related to agriculture and allied activities, as well as for domestic needs. The financial support is released in three equal instalments of ₹ 2,000 every four months. PM-KISAN is a central sector scheme with 100 per cent Government of India funding, operated under Direct Benefit Transfer (DBT) mode. For the purpose of this audit, data available at PM KISAN portal in respect of Meghalaya and the beneficiary documents at meg-e-district portal of all 11 District Agriculture Offices were examined.

- Beneficiary enrolment increased from 25,155 at the inception of the Scheme to 1,85,526 as of 31 March 2021, with ₹ 153.39 crore being released as financial benefits.
- The Department is yet to link beneficiaries' data with unique biometric identification seeded data. Updation and validation of beneficiary's data have not been done properly.
- Further, among the deficiencies in implementation noticed by audit, the key observations pertained to: - (i) invalid/incomplete land documents being accepted by implementing agencies and incorrect enrolment of beneficiaries, (ii) Cropped area declared under PM-KISAN Scheme exceeding the total cropped area in the State, and (iii) Scheme benefits extended to 3,923 ineligible beneficiaries amounting to ₹ 3.15 crore and ₹ 29.06 lakh had been credited to ineligible bank accounts (such as payment of scheme benefits to both husband and wife, double payment to same beneficiaries and transfer of scheme benefits to multiple beneficiaries with same bank account).
- Audit found that monitoring of the Scheme was weak as the SPMU was not set up and the State and District Level Monitoring Committees failed to identify risks of ineligible beneficiaries, ineligible bank accounts and possible fraudulent claim of cropped area submitted by beneficiaries.

Recommendations:

1. *The State Government should conduct survey of land to ensure identification of farmers/beneficiaries based on land holding system as per instructions of the MAFW and HLC.*
2. *The State Government may ensure that certificate of land holding is not allowed to be uploaded without the counter-signature of the designated authority.*
3. *The Government may investigate the reasons for not following the scheme norms by the District Agriculture Offices (DAOs) of the districts and fix responsibility accordingly.*
4. *The State Government may carry out a comprehensive review of the land records submitted by the beneficiaries to rule out fraudulent claim of scheme benefits and fix responsibility of the officials involved in deficient scrutiny of documents.*

5. *The State Government may adjust payments made to both husband and wife from subsequent instalments or recover the amount and responsibility be fixed after detailed investigation.*
6. *Immediate steps should be taken to link registered beneficiaries with unique biometric identification seeded data and make it mandatory for new registration.*
7. *The banks may be instructed to ensure the updation of KYC documents of all beneficiaries before releasing any future payments.*
8. *The State Government may investigate issues of double payment and registration of different beneficiaries with same bank account numbers and fix responsibility accordingly. The double payments may be adjusted from subsequent instalments or recovered from respective beneficiaries.*
9. *The Department should ensure that corrective action is taken promptly against failed transactions so that Scheme benefits are not denied/ delayed to eligible beneficiaries.*
10. *The State Government may expedite setting up of SPMU at State level for overall monitoring of the scheme besides ensuring availability of funds for administrative expenses.*
11. *Monitoring should be strengthened so as to eradicate ineligible beneficiaries and include left-out eligible beneficiaries.*

(Paragraph 2.3, Page 13)

Directorate of Horticulture

Due to lack of a coordinated approach in implementation of the project for modernisation and upgradation of Fruit Processing Unit at Dainadubi, North Garo Hills, the project remained incomplete even after ten years of the initial sanction of the project. The expenditure incurred on the project amounting to ₹ 1.11 crore not only proved infructuous but also deprived the local farmers of the economic benefits of modernised fruit processing facility.

Recommendation: *The State Government may investigate the matter and fix responsibility on the official(s) concerned for inordinate delay in completion of project.*

(Paragraph 2.4, Page 25)

STATE PUBLIC SECTOR ENTERPRISES

Functioning of State Public Sector Enterprises

As on 31 March 2022, the State of Meghalaya had 21 SPSEs (19 working and two non-working), which included 17 Government companies and two Statutory Corporations. The combined investment of State and Other Stakeholders as on 31 March 2022 in SPSEs under various important sectors stood at ₹ 8,140.81 crore. The investment was highest in the Power Sector SPSEs (₹ 7,477.80 crore) followed by Manufacturing Sector SPSEs (₹ 347.36 crore). The investment of the State Government (capital and long-term loans) in 21 SPSEs was ₹ 3,340.75 crore consisting of 81.20 per cent

(₹ 2.712.69 crore) towards capital and 18.80 *per cent* (₹ 628.06 crore) towards long-term loans.

(Paragraphs 3.1.1 & 3.1.2, Page 29)

As per the information furnished by the SPSEs, during 2021-22 the State Government has provided budgetary support of ₹ 668.27 crore in the form of capital (₹ 13.43 crore), long-term loans (₹ 151.26 crore), grants (₹498.58 crore) and subsidy (₹ 5.00 crore).

(Paragraph 3.1.3, Page 33)

As per the information available as on 30 September 2022, 19 working SPSEs had arrears of total 38 accounts ranging from one to six years. The highest arrears of accounts related to Meghalaya Transport Corporation (six Accounts) and Forest Development Corporation of Meghalaya Limited (five Accounts).

(Paragraph 3.1.5, Page 35)

During 2021-22, out of 19 working SPSEs, five SPSEs earned profit (₹ 3.13 crore) as per their latest finalised accounts as on 30 September 2022. Further, the accumulated losses of eight working SPSEs (₹ 3,269.51 crore) had completely eroded their paid-up-capital (₹ 1,162.48 crore).

(Paragraphs 3.1.7.2 & 3.1.7.4, Pages 38 and 39)

Compliance Audit Paragraphs

Meghalaya Power Distribution Corporation Limited (MePDCL)

Award of three works under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) Phase-I to L2 bidders instead of L1 bidder resulted in avoidable expenditure of ₹ 0.90 crore.

Recommendation: *The State Government may initiate inquiry to ascertain whether the tendering norms were deliberately contravened by the officers of the Department to allow award of work to L2 bidders and initiate disciplinary action against the erring official(s).*

(Paragraph 3.2, Page 46)

Despite advisory issued by Cabinet Secretary, injudicious decision of MePDCL for awarding works under Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) to contractors at their quoted rates resulted in avoidable expenditure of ₹ 156.14 crore.

(Paragraph 3.3, Page 49)

Re-imbursement of Insurance charges without obtaining documentary evidence in support thereof, resulted in undue financial benefits to Turnkey Contractors (TKCs) under DDUGJY and SAUBHAGYA to the tune of ₹ 1.96 crore

(Paragraph 3.4, Page 52)

Injudicious decision of the MePDCL to divert the financial assistance received under Ujwal Discom Assurance Yojana (UDAY) for payment of other loans/ liabilities of the company and by investing the balance funds in short term Fixed Deposit instead of

making immediate repayment of the outstanding loan for which the fund was released by the Government, resulted in avoidable expenditure of ₹ 2.37 crore towards payment of interest and penal interest.

(Paragraph 3.5, Page 54)

Follow up of Audit observations

Analysis of the position of outstanding paragraphs showed that 3,639 paragraphs relating to the period from 1988-89 to March 2022 were outstanding of which, 1,789 paragraphs were more than five years old.

(Paragraph 4.1, Page 57)

As of June 2022, the departments concerned did not submit *suo motu* explanatory notes in respect of nine Performance Audits and 32 Compliance Audit Paragraphs out of 25 Performance Audits and 107 Compliance Audit Paragraphs awaiting discussion by Public Accounts Committee relating to Audit Reports from the years 2010-11 to 2019-20.

(Paragraph 4.3, Page 59)

Review of 17 Reports of the PAC involving 15 Departments presented to the Legislature between April 1995 and March 2020, revealed that none of these Departments had submitted the ATNs to the PAC as of March 2022. Similarly, review of six Reports of COPU involving four Departments, viz Transport, Commerce & Industries, Tourism and Power presented to the Legislature between April 2008 and March 2020 revealed that out of 18 ATNs received, seven had been sent to the Assembly Secretariat as of March 2022.

(Paragraph 4.5, Page 60)

CHAPTER-I

SOCIAL SECTOR

CHAPTER I

SOCIAL SECTOR

1.1 Introduction

The financial profile of Government departments under Social Sector for the year ending 31 March 2022 is given in **Table 1.1.1**.

Table 1.1.1: Budget provision and expenditure of major State Government departments under Social Sector during the years 2020-21 & 2021-22

(₹ in crore)

Sl. No.	Name of Department	2020-21		2021-22	
		Total Budget provision	Expenditure	Total Budget provision	Expenditure
1.	Education, Sports & Youth Affairs and Arts & Culture	2,259.32	2,072.90	2,499.64	2,396.71
2.	Health & Family Welfare	1,243.80	1,169.06	1,732.83	1,682.40
3.	Public Health Engineering	760.28	757.47	926.70	927.05
4.	Urban Development	139.82	139.37	593.58	593.57
5.	Social Welfare	509.12	508.07	527.38	526.46
6.	Labour	86.98	86.02	55.63	57.68
7.	Housing	77.93	77.42	132.10	131.78
8.	Information and Publicity	24.31	24.63	31.79	32.01
9.	Secretariat Social Services	9.97	9.97	12.69	12.66
10.	Revenue & Disaster Management	105.58	56.41	98.22	97.80
Total		5,217.11	4,901.32	6,610.56	6,458.12

Source: Detailed Appropriation Accounts and Appropriation Accounts 2020-21 & 2021-22.

1.1.1 Planning and conduct of Audit

The audit process starts with the risk assessment of various Government departments based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns. During 2020-21, expenditure worth ₹ 2,185.63 crore (including expenditure pertaining to previous years audited during the year) and during 2021-22, ₹ 2,511.15 crore worth of expenditure (including expenditure pertaining to previous years audited during the year) was audited under Social Sector. The audit findings have been communicated to the departments concerned through 18 Inspection Reports (IRs) issued in 2020-21 and 12 IRs issued in 2021-22.

The Chapter on Social Sector contains two Compliance Audit Paragraphs as discussed in the following paragraphs.

COMPLIANCE AUDIT PARAGRAPHS

HEALTH AND FAMILY WELFARE DEPARTMENT

1.2 Undue financial benefit

Inability of the State Nodal Agency to protect the interest of the Government in efficient implementation of MHIS-IV and PMJAY had resulted in extension of undue financial benefit of ₹ 11.38 crore to the insurance company of the Scheme.

Megha Health Insurance Scheme (MHIS) is a universal health insurance scheme introduced by Government of Meghalaya (GoM) in 2012. MHIS aims to provide free health insurance benefits to all residents of Meghalaya except for State and Central government employees. Phase-IV of the Scheme, designated as MHIS-IV, has been implemented in convergence with Pradhan Mantri Jan Arogya Yojana¹ (PMJAY) for a policy period of three years covering the period from February 2019 to January 2022. Convergence of the scheme enabled enhanced insurance coverage of up to ₹ five lakh per family on a floater basis, with no restriction on size and age of the family/ family members. The scheme provides cashless treatment benefits for enrolled members. The premium charges applicable for the cover is to be shared² between Government of India (GoI) and GoM. During the time of treatment, the subscribed members produce their smart card to avail cashless treatment in empanelled hospitals in the State and identified health facilities/ hospitals across the country. The cashless treatment benefit is based on the predetermined package rates for specific health conditions.

In Meghalaya, the Director of Health Services (Medical Institutions) DHS (MI) is the Chief Executive Officer (CEO) of the State Nodal Agency (SNA) for implementation of MHIS-IV and PMJAY and M/s Reliance General Insurance Company Limited, Mumbai, selected through tendering process, was the insurer company. MHIS-IV and PMJAY targeted to cover 7,88,256 households (MHIS: 4,41,243 plus PMJAY: 3,47,013) during the policy period.

Scrutiny of records (June 2022) of the CEO, SNA pertaining to the implementation of MHIS-IV and PMJAY showed the following:

- M/s Reliance General Insurance Company Limited was selected (December 2018) as insurer for the scheme at the agreed premium of ₹ 1,630.00 per beneficiary household³ *per annum* and accordingly contract agreement was executed on 03 December 2018.
- As per Clause 8B(c), the prescribed claim ratio⁴ and its corresponding percentage towards administrative cost are:

¹ A flagship health scheme of the Government of India launched in September 2018 to achieve universal health coverage (UHC) as recommended in the National Health Policy, 2017.

² At the ratio of 90:10 between GoI and GoM subject to premium ceiling limit of ₹ 1,052.

³ GoI share: ₹ 946.80 (₹ 1,052 x 90 *per cent*) + GoM share: ₹ 683.20 (₹ 1,630.00 – ₹ 946.80).

⁴ The ratio between number of claims settled and total number of premiums paid in a financial year.

- i. Administrative cost @ 12 per cent if claim ratio is less than 60 per cent.
- ii. Administrative cost @ 15 per cent if claim ratio is between 60-70 per cent.
- iii. Administrative cost @ 20 per cent if claim ratio is between 70-80 per cent.

➤ Further, clause 21A (a) to (c) of the contract agreement *ibid* provides that the insurer shall be responsible for beneficiary identification, registration, and to ensure availability of sufficient number of IT infrastructure/kits, at the designated location so as to complete the registration drive of 50 per cent of the targeted 7,88,256 households within four months starting from 23 January 2019 to 31 May 2019⁵. The cost of registration was to be borne by the SNA.

In this regard Audit observed the following:

(A) Undue financial benefit of ₹ 3.86 crore to the insurer

Scrutiny of records showed the following:

1. The SNA intimated (15 January 2019) the insurer to deploy 130 kits for registration drive and to complete the registration process by 31 May 2019. However, the CEO, SNA had expressed (February 2019) concerns over the slow pace of registration drive.
2. The insurer requested (18 March 2019) the CEO, SNA for immediate deployment of additional 100 to 150 additional kits to speed up the registration process. The SNA in a meeting⁶ (29 March 2019), approved the deployment of 170 additional kits to speed up the registration process with the condition that the cost for deployment of the additional kits (₹ 3.69 crore) shall be adjusted out of the registration fee⁷ collected by the insurer from the beneficiaries on behalf of the SNA.
3. Despite deployment of additional 170 kits over and above the existing 130 kits, the insurer could achieve registration of only 28.28 per cent of the household as against the target of 50 per cent by May 2019, as shown in **Table 1.2.1**.

Table 1.2.1: Progress of registration on deployment of additional 170 kits

Period	Total no. of households target	No. of households registered during the period	Cumulative no. of households registered	Percentage of households registered	Target (in per cent) as per the Insurance Contract	Shortfall in percentage registration
January-February 2019	7,88,256	31,692	31,692	4.02	08	3.98
March 2019		46,704	78,396	9.94	20	10.06
April 2019		59,762	1,38,158	17.53	40	22.47
May 2019		84,769	2,22,927	28.28	50	21.72

Source: Information furnished by the CEO, State Nodal Agency, MHIS, Meghalaya.

⁵ This was extended up to 31 August 2019.

⁶ (i) CEO, MHIS & Secretary, Health & Family welfare (Chairman), (ii) Jt. CEO & DHS (MCH&FW), (iii) Financial Advisor, MHIS, (iv) State Manager, MHIS, (v) Monitoring & Control Officer, (vi) Finance & Accounts Manager and (vii) IEC & Enrolment Manager.

⁷ Total Registration fee collected was ₹ 4.52 crore (31 August 2019) @ ₹ 30 per household.

4. In view of the above, the SNA had extended the due date for completion of the registration drive up to 31 August 2019. The total registration fee collected from beneficiaries up to 31 August 2019 was ₹ 4.52 crore which was transferred (29 January 2020) in full to the SNA by the insurer in contravention of the decision taken by the SNA in the meeting dated 29 March 2019.

Audit further observed that the insurer added the deployment cost of the additional 170 kits amounting to ₹ 3.69 crore to its claim ratio leading to inflation of claim ratio to 60.48 *per cent* from the actual 57.59 *per cent* which consequently paved the way for enhancement of the administrative cost to 15 *per cent* instead of the admissible 12 *per cent*. This resulted in short refund of surplus premium to the tune of ₹ 7.55 crore as detailed in **Table 1.2.2**.

Table 1.2.2: Details of refundable amount calculated by Audit

(₹ in crore)			
Sl. No.	Parameters	Refundable amount as worked out by Audit	Amount refunded by insurer and formula adopted
1.	Gross Premium paid to insurer	128.49	128.49
2.	Total claims	74.01	74.01
3.	Cost of deployment of additional 170 kits	0	3.69
4.	Claim ratio {(2)+(3) x 100/(1)} (in per cent)	57.60	60.48
5.	Administrative Cost allowed (in per cent)	12	15
6.	Administrative Cost {(5) x (1)}	15.42	19.27
7.	Amount refundable/refunded {(1)-(2)-(3)-(6)}	39.06	31.51

Source: worked out by Audit as per Information furnished by the CEO, SNA, MHIS, Meghalaya.

As can be seen from **Table 1.2.2**, inclusion of cost of deployment of additional kits enhanced the administrative cost to 15 *per cent* and the insurer refunded (July 2020) ₹ 31.51 crore only in place of the admissible ₹ 39.06 crore which was not challenged by the SNA. Due to this, the SNA extended undue financial benefit of ₹ 3.86 crore (short refund of surplus premium of ₹ 7.55 crore reduced by ₹ 3.69 crore deposited by the insurer as Registration Fee) to the insurer.

Thus, SNA's acceptance of the refund amount of ₹ 31.51 crore from the insurer as against the admissible refund of ₹ 39.06 crore was tantamount to extending undue favour to the insurer and has resulted in loss of ₹ 3.86 crore to the State exchequer.

On this being pointed, the Department forwarded (January 2023) the reply furnished by the insurer (August 2022) which stated that inclusion of deployment cost of additional kits in the claim ratio calculation was as per agreement mutually arrived at in the meeting dated 29 March 2019. The reply is a misrepresentation of facts as it was decided in the meeting *ibid* that deployment cost of additional kits has to be met from the registration fee collected by insurer on behalf of the SNA.

(B) Delay in refund of surplus premium by the insurer within the prescribed time resulted in non-realisation of interest amounting to ₹ 7.52 crore, which tantamount to extension of undue financial benefit to the insurer to that extent.

Clause 8B(c) & (e) of the contract agreement envisages that after adjustment of a defined *per cent* towards administrative cost and after settling all claims, remaining

amount should be refunded by the insurer to the SNA within 60 days of the date of expiry of the policy cover period, failing which, the insurer shall be liable to pay interest @ one *per cent* of the refund amount due and payable to SNA for every seven days of the delay beyond 60 days.

Scrutiny of records revealed that the insurer had refunded ₹ 31.51 crore (06 July 2020) and ₹ 12.44 crore (17 September 2021) being surplus premium for the policy years of February 2019 to January 2020 and February 2020 to January 2021 respectively. This indicates that the refunds were made after a delay of 14 and 25 weeks of the due dates as shown in **Table 1.2.3**.

Table 1.2.3: Details of interest calculation for delay in refund

						(₹ in crore)
Policy Year	Amount refunded	Due date for refund	Actual date of refund	Delay period (in days)	Delay period (in weeks)	Interest payable for the delay
01 February 2019 to 31 January 2020	31.51	31-03-2020	06-07-2020	97	14	4.41
01 February 2020 to 31 January 2021	12.44	01-04-2021	17-09-2021	169	25	3.11
Total						7.52

Source: Information furnished by the CEO, State Nodal Agency, MHIS, Meghalaya.

It is seen from **Table 1.2.3** that due to delay in refund of the surplus premium a total amount of ₹ 7.52 crore was payable by the insurer being interest for the delay @ one *per cent* of the refunded amount which was not levied by the SNA. Non-realisation of interest amount to the tune of ₹ 7.52 crore was tantamount to extension of undue financial benefit to the insurer.

Thus, the SNA did not enforce the provisions of the contract agreement entered for efficient implementation of MHIS-IV and PMJAY and extended undue financial benefit of ₹ 11.38 crore (₹ 3.86 crore plus ₹ 7.52 crore) to the insurer.

The matter was reported to the Government (February 2023); their reply is awaited (March 2023).

1.3 Avoidable excess expenditure

Procurement of medicines at rates higher than the approved rates of the Central Purchase Board from non-approved manufacturers by the DHS (MI) had resulted in avoidable excess expenditure of ₹ 0.87 crore.

In Meghalaya, the DHS (MI), is responsible for establishment, administration, regulation and monitoring of Medical and Health Institutions (primary, secondary and tertiary). One of the main administrative responsibilities of the DHS (MI) is procurement of medical & surgical supplies, drugs, and consumables, *etc.* based on quarterly indents received from district health authorities. The DHS (MI) is also responsible for ensuring availability, proper storage and timely distribution of the drugs and medical/ surgical supplies to Government medical institutions across the State.

Scrutiny (May 2022) of records of the DHS (MI) pertaining to procurement of drugs and medical supplies during the period 2019-20 to 2021-22 showed that the DHS (MI) floated Notice Inviting Tender (NIT) in two bids system (Technical & Financial bids) on 05 November 2018 inviting original manufacturers for supply of Drugs and Chemicals. The technical bids were opened on 7th, 9th, 10th and 14th January 2019. Financial bids were opened by the Central Purchase Board (CPB) headed by the Additional Chief Secretary to Government of Meghalaya, Health & Family Welfare Department in its meeting dated 14 May 2019. Based on analysis of the rates quoted by the bidders, the CPB came out with the Approved Rate of Essential Drugs List-2019, containing 1,329 number of medicines along with names of approved manufacturers for supply of the drugs.

As per terms and conditions of the NIT, the rates once approved shall remain valid throughout the period covered by the contract executed with the successful tenderers. If any of the items are approved in favour of the tenderer, the tenderer shall have to supply the approved items till the end of the contract tenure, failing which all items approved in his favour shall be forfeited and such items shall be offered to the next lowest bidder. Moreover, the concerned stockists/distributors shall be blacklisted and debarred from participating in any government tender for a period of five years.

Further scrutiny showed that the CPB had approved (January 2019) M/s Maxmed Lifescience Private Limited, New Delhi and M/s East African (India) Overseas, Uttarakhand for supply of two medicines viz., (i) Dry Syrup Cefpodoxime Proxetil 50 mg + Clavulanic Acid 125 mg 30 ml (Dry Syrup) and (ii) Tablet Ofloxacin 200mg + Ornidazole 500mg (Tablet), at the rates of ₹ 53.00 per bottle and ₹ 25.00 per strip of 10 tablets respectively.

Audit observed that the DHS (MI) had placed supply orders (January to May 2019) to M/s Areng Medical Supplier, Tura for supply of two lakh bottles of Dry Syrup at the rate of ₹ 70.40 per bottle and to M/s Wholesale Pharmaceuticals, Shillong for supply of 80,370 strips of Tablets at the rate of ₹ 90.00 per strip. This has resulted in excess expenditure to the tune of ₹ 0.87 crore as detailed in **Table 1.3.1**.

Table 1.3.1: Details of procurement of medicines

(Amount in ₹)

(Amount in ₹)							
Medicine Name	Name of supplier	Supply order date/ date of invoice	Quantity procured (Bottle/ Strip)	Rate paid	Approved rate	Difference in rate (5-6)	Excess expenditure (4x7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dry Syrup Cefpodoxime Proxetil 50 mg + Clavulanic Acid 125 mg 30 ml	M/s Areng Medical Supplier, Tura	31.01.2019	1,50,000	70.40	53.00	17.40	26,10,000
		04.05.2020	50,000	70.40	53.00	17.40	8,70,000
Sub-total (A)			2,00,000				34,80,000
Tab Ofloxacin 200mg + Ornidazole (Ornidazole) 500mg	M/s. Wholesale Pharmaceuticals, Shillong	31.01.2019	60,370	90.00	25.00	65.00	39,24,050
		07.09.2020					
		31.01.2019	20,000	90.00	25.00	65.00	13,00,000
Sub-total (B)			80,370				52,24,050
TOTAL (A+B)							87,04,050

Thus, due to procurement of two medicines at a higher rate than the approved rates of the CPB from unapproved suppliers, DHS (MI) incurred avoidable excess expenditure to the tune of ₹ 0.87 crore.

On this being pointed out, the DHS (MI) stated (August 2022) that the two medicines were included in the Essential Drugs List and due to urgent requisition from districts, the medicines were procured at the market rates on emergency basis, as the approved suppliers could not supply the medicines immediately at the approved rates.

The reply is not acceptable in view of the fact that 1.50 lakh bottles of Dry Syrup and 80,370 strips of Tablet 500mg, ordered on 31 January 2019, were supplied/delivered by the suppliers only in December 2019 and September 2020 respectively *i.e.*, after 11 to 19 months from the date of placing the orders. As such, the procurement cannot be termed as emergency purchase which necessitated procurement of these medicines at higher rates. Further, the DHS (MI) could not furnish copies of indents for the medicines from the district authorities, nor did they produce recorded evidence of inability of the approved suppliers to supply the medicines. Moreover, no documentary evidence was produced in support of any action taken against the defaulting firms for breach of contractual obligations.

The matter was reported to the State Government (03 February 2023); reply is awaited (March 2023).

Recommendation: *The State Government may initiate inquiry to identify the reasons for procuring medicines from unapproved suppliers at higher rates and fix responsibility on the official(s) concerned for the lapses.*

CHAPTER-II

ECONOMIC SECTOR

CHAPTER II

ECONOMIC SECTOR

2.1 Introduction

The financial profile of Government departments under Economic Sector for the year ending 31 March 2022 is given in **Table 2.1.1**.

Table 2.1.1: Budget provision and expenditure of major State Government departments under Economic Sector during the years 2020-21 & 2021-22

(₹ in crore)

Sl. No.	Name of Department	2020-21		2021-22	
		Total Budget provision	Expenditure	Total Budget provision	Expenditure
1.	Public Works	945.51	943.34	1,626.97	1,596.23
2.	Agriculture	275.85	221.77	322.29	269.98
3.	Community & Rural Development	1,090.19	1,080.63	902.00	904.98
4.	Power	107.21	105.31	585.55	686.81
5.	Forestry and Wildlife	196.39	200.51	229.92	231.27
6.	Industries	429.05	428.72	312.75	307.13
7.	Secretariat Economic Services	21.67	21.92	557.21	558.21
8.	Transport	46.68	14.68	18.06	16.06
9.	Tourism	28.05	27.57	84.92	79.93
10.	Fisheries	40.40	39.70	33.63	33.21
11.	Co-operation	25.11	25.03	33.62	34.47
12.	Soil & Water Conservation	109.90	102.86	130.43	130.33
13.	Animal Husbandry and Veterinary	168.50	155.92	188.22	176.64
14.	Dairy Development	12.49	12.50	13.50	13.63
15.	Irrigation	279.19	268.63	189.56	188.31
16.	Census Survey and Statistics	85.21	84.96	19.36	19.15
17.	Food and Civil Supplies	6.80	-19.59	32.16	32.44
18.	Scientific Research	610.86	482.85	6.67	6.63
19.	Finance (Public Debt + Loans to Government Servants)	569.69	569.42	1162.59	2,504.54
Total		5,048.75	4,766.73	6,449.41	7,789.95

Source: Detailed Appropriation Accounts and Appropriation Accounts 2020-21 and 2021-22.

2.1.1 Planning and conduct of Audit

The audit process starts with the risk assessment of various Government departments based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns. During 2020-21, expenditure worth ₹ 4,413.33 crore (including expenditure pertaining to previous years audited during the year) and during 2021-22, ₹ 4,803.06 crore worth of expenditure (including expenditure pertaining to previous years audited during the year) was audited under Economic Sector. The audit findings have been communicated to the departments concerned through 16 Inspection Reports (IRs) issued in 2020-21 and 22 IRs in 2021-22.

The chapter on Economic Sector contains four Compliance Audit Paragraphs as discussed in the following paragraphs.

COMPLIANCE AUDIT PARAGRAPHS

FISHERIES DEPARTMENT

DIRECTORATE OF FISHERIES

2.2 Wasteful expenditure

Injudicious selection of the site for setting up of modern and hygienic fish market at Saiden, Nongpoh led to its non-utilisation even after more than three years of completion, resulting in idle expenditure of ₹ 1.44 crore.

National Fisheries Development Board (NFDB), Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture and Farmers Welfare, Government of India (GoI) accorded (December 2015) approval of ₹ 1.65 crore under NFDB 2015-16 for construction of modern and hygienic fish market at Saiden, Nongpoh with a fund sharing ratio of 55:45 between the NFDB and Government of Meghalaya (GoM). The objective of the project was to improve the livelihood of the fish farmers of the State by providing proper storage facilities and hygienic fish market for selling the harvested fish. The project included construction of (i) proper fish market building, (ii) fencing, (iii) approach road (MBT) to the fish market, (iv) rainwater harvesting, (v) installation of 11KV transformer, (vi) purchase of 22 deep freezers and two Syntex water storage tanks.

The land for construction of the fish market at Saiden village, Nongpoh measuring an area of 2,902.50 sqm was donated (September 2015) by the Dorbar Shnong, Saiden. As per Deed of Agreement executed (12 July 2019) between the Dorbar Shnong, Saiden and the Department of Fisheries, the fish market, on completion, was to be handed over to the Dorbar Shnong who shall be solely responsible for its operational expenses and maintenance, etc.

Scrutiny (May 2022) of records of the Director of Fisheries (DoF) and Superintendent of Fisheries, Ri Bhoi (SoF-RB) showed that the NFDB's share of ₹ 90.68 lakh was released as subsidy to the DoF in three instalments⁸ between December 2015 and March 2018, while the State share of ₹ 74.19 lakh was released (March 2017 and March 2019) in two instalments⁹. Out of the total fund of ₹ 1.65 crore, the DoF released an amount of ₹ 1.44 crore¹⁰ to the SoF-RB who carried out the work departmentally. The SoF-RB completed the work at a total expenditure of ₹ 1.44 crore (**Appendix-2.2.1**). The fish market was inaugurated on 17 August 2018, but was handed over to the Executive Committee, Dorbar Shnong, only on 12 July 2019¹¹ i.e., almost a year after the inauguration of the market. Reasons for delay in handing over the market complex to Dorbar Shnong, as per the MoA were not available on record. Further, the Department

⁸ ₹ 9.07 lakh on 10.12.2015, ₹ 36.27 lakh on 25.07.2016 and ₹ 45.34 lakh on 28.03.2018.

⁹ ₹ 37.09 lakh in March 2017 and ₹ 37.10 lakh in March 2019.

¹⁰ Balance ₹ 20.81 lakh (₹164.87 lakh - ₹144.06 lakh) is lying unutilised in the bank account of the DoF.

¹¹ After 327 days of the inauguration.

stated (21 September 2022) that the delay in handing over the market complex to Dorbar Shnong was on account of delay in installation of transformer and water pump.

Audit observed that in less than eight months of operation, the Headman, Saiden Village reported (29 February 2020) that they could not continue the management of this market complex and had completely stopped operations because shopkeepers were frustrated due to slow progress of business owing to low volume of customers. While reporting the above, the Executive Committee sought permission of the Fisheries Department to allow selling of other items like meat, vegetables, fruits, *etc.* to attract multiple consumers at least at the initial stage of operation. Permission for the same was granted by the Department on 19 May 2020. However, the fish market remains non-operational.

The GoM decided (30 September 2020) to invite Expression of Interest (EoI) for leasing out the fish market. Accordingly, the DoF, through the Director, Information and Public Relation, GoM, gave wide publicity (September 2021 and December 2021) of the EoI, which evoked no response. Thus, the idea of leasing out the fish market also proved unsuccessful.

To ascertain the actual location and the physical status of the assets, a joint physical verification (JPV) was conducted (12 May 2022) by the audit team and the SoF-RB. During JPV, audit observed that the market building was constructed 6.2 km away from Nongpoh market. The facilities/ assets created like main building comprising 22 stalls, filter tank for liquid waste, deep tube-well, DG set, 22 deep freezers and transformer, were lying idle. Some of the photographs taken during the JPV are given below:

		
Front view of market building	Un-utilised Fish stalls	Un-utilised Deep Freezers

The above facts suggest that no feasibility study was conducted before deciding on the site for construction of the modern fish market.

Thus, construction of the market at Saiden village, Nongpoh, 6.2 kms away from Nongpoh main market, without any feasibility study, has resulted in low footfall at the fish market and the market remained un-utilised even after passage of more than three years from the date of its completion. This resulted in idle expenditure of ₹ 1.44 crore

besides defeating the main objective of providing a modern and hygienic market for fish farmers for marketing their produce.

On this being pointed out, the Director of Fisheries stated (July 2022) that the site was approved because (i) the existing market did not have space to house a modern hygienic market, (ii) the land was provided free of cost and (iii) the location being only 200 meters from Guwahati-Shillong National Highway seemed technically ideal for logistic purposes. The DoF further added (October 2022) that joint survey and spot inspection between the officials of the Department of Fisheries and NFDB was conducted on 15 October 2015 and added further that feasibility of the project has also been reviewed with the stakeholders (Saiden Village Dorbar) and fish farmers of Ri Bhoi district.

However, the Director failed to furnish any recorded evidence of joint survey/ spot inspection or review meetings with stakeholders. Further, the initial reply of the DoF suggests that no feasibility study was conducted by the Department and the land provided free of cost by the Dorbar Shnong, Saiden was the only criteria for selection of the site for construction of a modern fish market.

AGRICULTURE & FARMERS' WELFARE DEPARTMENT

2.3 Implementation of Pradhan Mantri Kisan Samman Nidhi Yojana

2.3.1 Introduction

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme, a central sector scheme with 100 *per cent* GoI funding operated under Direct Benefit Transfer (DBT) mode, was launched in February 2019 to provide income support and risk mitigation for farmers. Under this scheme, eligible farmers get income support of ₹ 6,000 *per annum* for meeting expenses relating to agriculture and allied activities, as well as for domestic needs. The financial support is released in three equal instalments of ₹ 2,000 every four months.

2.3.1.1 Salient features and process of the scheme

The salient features¹² of the scheme are as under:

1. Payment of ₹ 6,000 per farmer family per year in three instalments of ₹ 2,000 each to be released in the months of April-July, August-November and December-March each year.
2. A landholder farmer's family is defined as "a family comprising of husband, wife and minor children, who own cultivable land as per land records of the State". Only one person from the defined farmer family is entitled to the scheme benefits, provided that the person is the landowner as per records.
3. Initially, the scheme was for small and marginal farmers with landholdings up to two hectares but was expanded *w.e.f.* 01 June 2019 to cover all farmer families irrespective of the size of the landholding. Farmers falling in certain specified categories¹³, denoting better economic status, are not covered under the scheme.
4. Identification of the beneficiaries is to be based on the existing land ownership systems in the states and payment is to be made only to those families whose

¹² As per Revised Operational Guidelines of PM-KISAN.
(<http://www.pmkisan.gov.in/Documents/Revised%20Operational%20Guidelines%20%20PM-Kisan%20Scheme.pdf>).

¹³ All Institutional landholders and farmer families in which one or more of its members belong to the following categories (i) Former and present holders of constitutional posts, (ii) Former and present Ministers/ State Ministers and former/present Members of Lok Sabha/ Rajya Sabha/ State Legislative Assemblies/ State Legislative Councils, former and present Mayors of Municipal Corporations, former and present Chairpersons of District Panchayats, (iii) All serving or retired officers and employees of Central/ State Government Ministries /Offices/Departments and its field units, Central or State PSEs and Attached offices /Autonomous Institutions under Government as well as regular employees of Local Bodies (excluding Multi-Tasking Staff (MTS)/Class IV/Group D employees), (iv) All superannuated/ retired pensioners whose monthly pension is ₹ 10,000/- or more (excluding MTS/ Class IV/ Group D employees), (v) All persons who paid income tax in the last assessment year, (vi) Professionals like Doctors, Engineers, Lawyers, Chartered Accountants and Architects registered with Professional bodies and carrying out profession by undertaking practices, (vii) Non-resident Indians (NRIs) in terms of the provisions of the Income Tax Act, 1961.

names figure in the land records, with exceptions made for North Eastern States and Jharkhand.

5. In the case of joint ownership of land where multiple farmers' families have their names recorded for a single landholding, all such families are eligible, provided they are not otherwise excluded under the scheme guidelines.

2.3.1.2 Identification, registration and validation process of beneficiaries

Responsibility of identification of beneficiaries and of ensuring correctness of beneficiary details lies entirely with the State/UT Governments. Apart from the list of farmers directly uploaded by the State Government, eligible farmers seeking scheme benefits may also directly register both through off-line mode *i.e.*, by submitting a form to the authorities, and online modes *i.e.*, through PM-KISAN web portal, mobile app and through Common Service Centres. However, payments was to be released only after verification of beneficiary details by the State Government concerned.

Beneficiary information/data, uploaded by States/UTs, is validated at the first stage by the PM-KISAN portal, and then forwarded for uploading on the Public Financial Management System (PFMS) for beneficiary account validation. After successful validation of beneficiary information by PFMS, the beneficiaries are combined in 'lots'¹⁴ by the PM-KISAN Central team. These lots are then 'opened' to states/UTs for verification and subsequent 'closure' on the PM-KISAN portal *i.e.*, the states/ UTs verify the beneficiary data and close the lots on the portal itself. For every successful closure of one 'lot', a 'Request for Fund Transfer' (RFT) is generated by State/UT authorities after these are digitally signed. The RFTs are processed as per the category of the beneficiaries *i.e.*, under General, Scheduled Caste and Scheduled Tribe corresponding with budgetary allocations. States may at times also exercise the 'stop payment' option in respect of deceased/ineligible farmers.

Aadhaar (AA biometric identification) linking has been made mandatory since 01 December 2019, and all payments are to be made only after the beneficiary data has been seeded with unique biometric identification number. Exemption from linking with unique biometric identification was granted to beneficiaries from the States of Assam and Meghalaya as well as UTs of Jammu & Kashmir and Ladakh till 31 March 2021.

2.3.2 Audit objectives, scope, and methodology

The Compliance Audit (CA) on the "Implementation of PM-KISAN" covering the period between 2018-19 and 2020-21 was conducted during August 2021 to October 2021 to examine whether (i) the process of identification, verification and selection of beneficiaries was as per prescribed guidelines; and (ii) payments to beneficiaries are made in a timely manner.

¹⁴ Consisting of a variable number of beneficiaries, as per requirement.

The audit involved scrutiny of records of the Directorate of Agriculture, Meghalaya, data available in PM-KISAN portal and the beneficiary documents at meg-e-district portal of 11 District Agriculture Offices (DAOs). The beneficiaries' records (land documents, Election Photo Identity Cards (EPICs), bank passbooks, *etc.*) as available in meg-e-district portal¹⁵ of 11 DAOs were test-checked in Audit.

2.3.3 Physical and Financial coverage of the Scheme

As on 31 March 2021, the total number of farmers/beneficiaries who have received PM-KISAN scheme benefit was 1,85,526 farmers. Year-wise position of beneficiaries and expenditure under PM-KISAN during 2018-19 to 2020-21 are given in **Table 2.3.1**:

Table 2.3.1: Physical and financial coverage during 2018-21

Year	No. of beneficiaries	No. of instalments	Amount (₹ in crore)
2018-19 (February 2019)	25,155	25,155	5.03
2019-20	1,07,976	2,13,035	42.61
2020-21	1,85,526	5,28,755	105.75
Total		7,66,945	153.39

Source: PM KISAN portal.

As seen from **Table 2.3.1**, the beneficiary enrolment under the scheme increased by 637.53 *per cent* from 25,155 in 2018-19 to 1,85,526 in 2020-21. Similarly, the amount of funds transferred to beneficiaries' account has also increased from ₹ 5.03 crore (2018-19) to ₹ 105.75 crore (2020-21).

2.3.4 Audit Findings

The audit findings are discussed in succeeding paragraphs:

2.3.4.1 Landholding system in Meghalaya for eligibility under PM-KISAN

Government of India (GoI), being aware of the prevailing landholding system in some of the North Eastern States (including Meghalaya), has provided, under Paragraph 3.5 of Operational Guidelines of PM-KISAN (pre-revised), for development of alternate implementation mechanism for eligibility of farmers for the scheme in these States.

Accordingly, Ministry of Agriculture and Farmers' Welfare (MAFW) had set up a High-Level Committee¹⁶ (HLC) to consider proposals of land use validation in North Eastern States. The HLC, in its order dated 27 November 2019, stated that there has to be some documentary proof of farmers cultivating clan/community land as on 01 February 2019 which is the cut-off date for land ownership.

In view of the above, GoM laid down the revised format of certificates for identification of beneficiaries for community and clan land in which the land ownership was required

¹⁵ The registration of farmers and uploading of beneficiary documents were carried out by the Common Service Centers at meg-e-district portal and verified by the DAOs at the portal before uploading the same in PM KISAN portal.

¹⁶ The members consisting of Minister of Agriculture & Farmers' Welfare, Minister of Development of North Eastern region (DONER), Minister of Rural Development, Chief Ministers of concerned North East States and Joint Secretary (Farmers Welfare) as Member Secretary.

to be confirmed within the cut-off date *i.e.*, on or before 01 February 2019. The certificates are required to be issued by the Headman or *Nokma* (Traditional chief) and countersigned by the District Agriculture Officer (DAO)/Agriculture Development Officer (ADO)/Horticulture Development Officer (HDO) and by the Deputy Commissioner (DC)/Additional Deputy Commissioner (ADC) of the district. This format of documentary certificate for clan land and community land for identification of farmers under PM-KISAN was sent (April 2020) by GoM to GoI for approval. However, the format is yet to be approved (February 2023) by GoI. The Agriculture Department, GoM is disbursing the benefits based on the draft format.

(A) Invalid/ incomplete land documents: Examination of records of the Director of Agriculture showed that no survey of land was carried out in Meghalaya and there were no records of *patta*¹⁷ being issued by GoM/Traditional chief to farmers.

To assess the authenticity of the land documents based on which the beneficiaries were selected, Audit had randomly selected 4,400 beneficiaries¹⁸ (3,995 individual land, 202 clan land, 109 community land, 89 lease land and five forest land) which involved payment of ₹ 4.05 crore in 20,236 instalments at the rate of ₹ 2,000 each. Test-check of the submitted land documents revealed the following:

- Certificates issued by the Headman/*Nokma*/*Sordar*/*Doloi* certifying that the beneficiaries/farmers of possessed agricultural land were without countersignature of DAO/ADO/HDO and the DC/ADC as specified in the format in respect of clan land (202 beneficiaries) and community land (109 beneficiaries), in contravention of the prescribed scheme norms.
- Certificates issued for clan and community land did not certify the fact that the ownership has been confirmed within the cut-off date *i.e.*, on or before 01 February 2019, as per Operational Guidelines and HLC meeting dated 27 November 2019.
- The alternate implementation mechanism for eligibility of farmers in Meghalaya as per HLC meeting dated 27 November 2019 was meant only for clan and community lands. However, the certificates issued by the Headmen/*Nokma*/*Sordar*/*Doloi* for clan and community land were also issued for individual land (3,995 beneficiaries), lease land (89 beneficiaries) and forest land (five beneficiaries). No land documents was obtained from individual land, lease land and forest land holders as proof of having cultivable land.

Thus, the genuineness/ credibility of 4,400 test checked beneficiaries under PM KISAN scheme remained doubtful since their eligibility under the scheme was not scrutinised by any of the Government authorities as prescribed. As such, payment of ₹ 4.05 crore made to them could not be vouchsafed in Audit. Moreover, Audit observed that the Agriculture Department did not have any data on the quantum of land owned by the

¹⁷ A land deed issued by the Traditional Chief (Raja)/Government to an individual or organisation.

¹⁸ 400 land documents each selected randomly as available in meg-e-district portal of 11 DAOs.

beneficiaries. In the absence of any credible land data, it is not known what extent of agriculture/ cultivatable land has benefited from the scheme.

The Directorate stated (January 2022) that it was difficult to get the land documents of each farmer in view of the peculiar land holding system in Meghalaya.

The reply is not acceptable because requirement of the certificates issued by the Headmen/*Nokma/Doloi/Wahdadar* for clan and community land, to be duly countersigned by DAO/ADO/HDO and by the DC/ ADC in support of necessary documentary proof of land, was made mandatory by the HLC in view of the peculiar land holding system in Meghalaya. However, the format has not been followed by the District Agriculture Offices (DAOs) of the districts for clan and community land in contravention of the prescribed scheme norms. Further, the same format of certificates meant for clan and community land were also used for individual land, lease land and forest land in contravention of the HLC instructions.

2.3.4.2 Absence of reliable beneficiary database

Paragraph 4.1 of Operational Guidelines of PM KISAN stipulates that states shall prepare database of eligible beneficiary landholder farmer families in the villages capturing the name, age, gender, category (SC/ST), Aadhaar number together with any other prescribed documents for purposes of identification such as driving licence, voter ID card, NREGA job card, or any other identification documents issued by Central/State/UT Governments or their authorities, *etc.*, bank account number and the mobile number of the beneficiaries. The responsibility of identifying the landholder farmer family eligible for benefit under the scheme shall be of the State/UT Government.

The Directorate issued (February 2019) the implementation strategy to the DAOs of all districts for implementation of PM-KISAN wherein GoM had decided that the initial phase of implementation will cover the villages already undertaken in the 10th Agriculture Census (2015-16) of the total villages of the State. Besides, all the enumerators who undertake Agriculture Census at the district in different blocks were instructed to undertake the validation of documents and necessary information of the farmers.

Audit observed from records of the Directorate that the database of Agriculture Census 2015-16¹⁹ contained information of 51,165 farmers only, of which 7,499 farmers²⁰ were extended the benefits of PM-KISAN as of March 2021. On the contrary, as per information uploaded on the PM-KISAN portal, the total number of beneficiaries who had already been extended the benefits of the scheme were 1,85,526 farmers, as of March 2021.

The Director, while accepting the audit observation, stated (January 2022) that the Agriculture Census 2015-16 was carried out only in sampled villages. As such, the Directorate did not have the full database of the farmers. The Director further added

¹⁹ The Agriculture Census 2015-16 was done only for 20 *per cent* of the sample, not the entire State.

²⁰ Based on matching of the names in the agricultural census 2015-16 and PM Database.

that the Directorate would conduct census of 100 *per cent* of the farmers in the State in the next Agriculture Census.

The reply confirms the fact that the Government did not possess reliable statistics on eligible beneficiaries for extending the benefits of PM-KISAN. In this scenario, the reliability of the data uploaded by the Directorate on the PM-KISAN portal is questionable, and veracity of genuine beneficiaries being covered under the scheme remains uncertain.

2.3.4.3 Cropped area declared under PM KISAN Scheme exceeding the State total cropped area

As per PM-KISAN guidelines, potential beneficiaries of the scheme are necessarily required to possess cultivatable land. In order to avail the scheme, the beneficiary was required to furnish proof of land holding by way of land documents. As already highlighted in **Paragraph 2.3.4.1**, due to the special nature of land holding in Meghalaya, the beneficiaries were allowed to produce documents such as certificate, in lieu of land documents, duly certified by Headman/*Nokma/Doloi*, as proof of cultivable land in possession of the beneficiary.

Audit scrutiny of PM-KISAN data for the period from 2018-19 to 2020-21 showed that out of the total 1,85,526 beneficiaries covered under the Scheme, declaration of cultivable land was available for 1,11,572 (60 *per cent*) of the total beneficiaries of PM-KISAN. Audit further noted that the total cultivatable land declared by the beneficiaries of PM-KISAN measured 9,72,477.06 ha.

Audit however noticed from records of the Directorate of Economics & Statistics, GoM that the total cropped area in Meghalaya was 3,12,166 ha in 2018-19 and 3,09,424 ha in 2020-21. This was in stark contrast to the total cultivatable land of 9,72,477.06 ha in possession of the 1,11,572 beneficiaries covered under PM KISAN. It is also pertinent to mention here that 73,954 beneficiaries did not furnish any declaration of cultivable land being possessed by them.

Thus, the PM-KISAN benefits apparently have been extended to cover cultivable land far in excess of the total cultivatable land of the State. The land area being covered under the Scheme exceeded the total cultivable land by a whopping 6.63 lakh ha (214 *per cent*).

Audit therefore concluded that the genuineness of the beneficiaries being covered under the Scheme is doubtful and the risk of claims by ineligible beneficiaries cannot be ruled out. Further, adequacy of the scrutiny done by DAOs concerned and DoA before registering the beneficiary under the scheme was questionable.

2.3.4.4 Utilisation of beneficiary database of other schemes for PM KISAN

As per Paragraph 3 of Operational Guidelines, the databases of Pradhan Mantri Fasal Bima Yojana (PMFBY)²¹, Soil Health Cards (SHCs)²² and Socio Economic and Caste Census (SECC), can also be utilised for registration of farmers under PM-KISAN.

The Director of Agriculture stated (January 2022) that the Department did not have the database of PMFBY scheme beneficiaries and SECC database. Regarding Soil Health Card (SHC), there were 1,14,629 beneficiaries, of which only 8,097 SHC beneficiaries (7.06 per cent) had been covered under the PM-KISAN scheme.

The Directorate stated (January 2022) that the convergence of beneficiary databases of SHCs with PM-KISAN was not possible in Meghalaya due to lack of data in SHC database maintained in digital mode.

Thus, the Directorate had failed to utilise the database of other similar schemes for registrations under PM KISAN scheme as envisaged in the Operational Guidelines.

2.3.4.5 Benefits extended to both husband and wife

As per Paragraph 2.3 of Operational Guidelines, a Small and Marginal landholder farmer family is defined as “a family comprising of husband, wife and minor children who collectively own cultivable land up to two hectares as per land records of the concerned State/ UT”. This implies that either a husband or a wife which is considered as a ‘Family’ are eligible for the benefits under PM-KISAN.

Examination of PM-KISAN portal data and meg-e-districts portal data of 11 DAOs revealed that during the period 2018-19 to 2020-21, 3,923 female²³ beneficiaries had received benefits under PM-KISAN. However, on verification of beneficiaries’ documents like EPIC cards from meg-e-districts portal, it was observed that husbands of these beneficiaries had also received instalments under PM-KISAN, though they were not eligible to be covered under the scheme as their spouses were already registered as beneficiaries. Thus, benefits worth ₹ 3.15 crore paid to husbands of the beneficiaries were therefore irregular. The district-wise position of such irregular payments was as under:

²¹ **PMFBY** scheme was launched in India by Ministry of Agriculture & Farmers welfare, New Delhi from Kharif 2016 season onwards. The scheme aims at supporting sustainable production in agriculture sector by way of (i) Providing financial support to farmers suffering crop loss/damage arising out of unforeseen events, (ii) Stabilising the income of farmers to ensure their continuance in farming, (iii) Encouraging farmers to adopt innovative and modern agricultural practices, (iv) Ensuring flow of credit to the agriculture sector which will contribute to food security, crop diversification and enhancing growth and competitiveness of agriculture sector besides protecting farmers from production risks.

²² Soil Health Card (SHC) is a card issued to the farmers to assess the current status of soil health.

²³ In Meghalaya majority of the population followed matrilineal system, hence female beneficiaries (wife) are considered as the genuine beneficiary.

Table 2.3.2: District-wise position of ineligible beneficiaries

Sl. No.	Name of the District	No. of ineligible beneficiaries	Amount paid to ineligible beneficiaries (Husband)
1.	East Garo Hills	235	23,26,000
2.	East Jaintia Hills	183	15,60,000
3.	East Khasi Hills	48	2,32,000
4.	North Garo Hills	112	11,78,000
5.	Ri Bhoi	151	14,10,000
6.	South Garo Hills	45	3,00,000
7.	South West Garo Hills	1,697	1,10,24,000
8.	South West Khasi Hills	176	19,16,000
9.	West Garo Hills	955	93,24,000
10.	West Jaintia Hills	59	4,02,000
11.	West Khasi Hills	262	18,00,000
Total		3,923	3,14,72,000

The above facts indicated lack of proper verification of documents submitted for registration at the district level (DAOs) since further audit analysis of the database showed that the DAOs, while uploading the data of the beneficiaries, had uploaded the name of husband under the column 'Father' instead of 'Husband'.

On this being pointed out, the Director stated (January 2022) that registrations of farmers were carried out through the Common Service Centres (CSCs) which led to many of the documents not being properly verified. Hence, many of the ineligible beneficiaries got the benefits of the scheme.

2.3.4.6 Transfer to ineligible banks account

As per Paragraph 8.1 (b) (ii) of Operational Guidelines, the correctness of beneficiary details is to be ensured by State/UT Governments and speedy reconciliation should be ensured in case of wrong/incomplete bank details of the beneficiary.

Scrutiny of PM-KISAN data in meg-e-district portal and the bank account statements pertaining to the period from 2018-19 to 2020-21 showed the following:

- Names of 33 beneficiaries with same bank account numbers have been registered twice on different dates and scheme benefits have been transferred to 66 beneficiaries registered in 'same name with same bank accounts numbers but different registration no. and date'. This resulted in duplication of beneficiaries and extension of undue scheme benefits to 33 beneficiaries amounting to ₹ 3.22 lakh (**Appendix-2.3.1**).
- Against 584 beneficiaries, only 276 bank accounts have been registered as detailed in **Table 2.3.3**.

Table 2.3.3: Statement showing linking of bank account with multiple beneficiaries

Particulars	No. of bank account(s)	Total no. of beneficiaries	Irregular payment (in ₹)
Same bank account no. registered in the name of five beneficiaries	01	05	48,000
Same bank account no. registered in the name of four beneficiaries	03	12	1,24,000
Same bank account no. registered in the name of three beneficiaries	23	69	5,82,000
Same bank account no. registered in the name of two beneficiaries	249	498	18,30,000
Total	276	584	25,84,000

Thus, transfer of scheme benefits amounting to ₹ 25.84 lakh²⁴ to 308 (584-276) beneficiaries through other beneficiaries' bank accounts was not only irregular but indicated absence of proper scrutiny and validation of documents/records at the time of registration. Audit observed that one of the main reason for such anomalies was absence of unique data-field in respect of beneficiaries.

The Directorate, while accepting the audit observation, stated (January 2022) that the CSCs and the district offices failed to detect the anomalies in the bank accounts of the beneficiaries and also that the PFMS did not reject such beneficiaries.

2.3.4.7 Denial of benefits due to non-follow up of PFMS reports

Paragraph 8.1 (b) (ii) of the Operational Guidelines stipulated that speedy reconciliation in case of wrong/incomplete bank details of the beneficiary should be ensured. Further, SOP dated 14 January 2020 for transaction failure issued by MAFW stipulated that the records for which the response received from PFMS is “transaction failure” and where the States have to take corrective measures, only those records will be opened to the States/UTs for correction under the Correction Module.

Examination of PFMS reports showed that payments to 4,160 beneficiaries were rejected by PFMS as on 31 March 2021 as detailed in **Table 2.3.4**.

Table 2.3.4: Details of rejected transactions during the period 2018-19 to 2020-21

Sl. No.	Reasons for rejection	No. of beneficiaries
1.	Unique biometric identification number should be of 12 digits and must pass the algorithm provided by UIDAI.	43
2.	Bank name is not as per PFMS Bank Master	02
3.	Rejected by bank, as per bank account number is invalid	1,537
4.	Rejected by bank, account no. does not exist in bank	2,100
5.	Rejected by bank, account status is closed	264
6.	Duplicate beneficiary name, bank account no. and bank name not allowed for same scheme	48
7.	IFSC Code either not present or currently inactive in the bank branch	14
8.	Invalid gender value. It should be F/M/T	05
9.	Rejected due to no response received from banks within specified days	147
Total		4,160

Source: PM Kisan portal.

²⁴ Considering first registered beneficiary with the bank account no. as the only eligible farmer.

The above indicates that the Directorate and the DAOs did not carry out proper scrutiny/ verification of records/information while uploading the details of the beneficiaries in the PM-KISAN portal, resulting in denial of 4,069 beneficiaries (excluding 43 beneficiaries of Sl. No. 1 and 48 beneficiaries of Sl. No. 6 who were not eligible) of the scheme benefits.

The Directorate stated (January 2022) that necessary instructions had been issued to the district offices to reconcile the PFMS reports.

2.3.4.8 State Project Monitoring Unit not set up

Paragraph 6.3 of Operational Guidelines stipulated that in line with Central Project Monitoring Unit, a State Project Monitoring Unit (SPMU) should be set up. This SPMU shall be tasked with the responsibility of overall monitoring of the scheme and shall be headed by Chief Executive Officer (CEO). SPMU shall also undertake publicity campaign (Information, Education and Communication-IEC).

Out of the amount earmarked for the first instalment, 0.25 *per cent* of that amount and 0.125 *per cent* for the subsequent instalments will be transferred by MAFW to State/UT Governments to cover the expenditure on their SPMUs, if established and for meeting other related administrative expenses including cost to be incurred for procurement of stationery, field verification, filling of prescribed formats, their certification and uploading as well as incentive for field functionaries, publicity, *etc.*

It was observed that SPMU was yet to be set up (March 2021) in the State. Thus, due to non-setting up of SPMU, funds towards administrative expense to the tune of ₹ 0.20 crore had not been received from GoI as shown in **Table 2.3.5**.

Table 2.3.5: Details of loss of administrative expenses during the period 2018-21

Year	No. of instalments	Amount (₹ in crore)	Percentage of administrative expenses	Amount of administrative expenses
2018-19	25,155	5.03	0.25	0.01
2019-20	2,13,035	42.61	0.125	0.05
2020-21	5,28,755	105.75	0.125	0.13
Total	7,66,945	153.39		0.20

Source: PM Kisan portal.

Further, non-setting up of PMU at the State level also resulted in absence of overall monitoring at higher level leading to various shortcomings in the implementation of the scheme in the State as pointed out in the preceding paragraphs.

The Directorate stated (January 2022) that the matter regarding setting up of the SPMU will be taken up with the Government.

2.3.4.9 Monitoring

Paragraph 7.1 of the Operational Guidelines provides that the State Government shall notify the State and District Level Review/Monitoring Committee.

GoM set up (February 2019) a Departmental Implementation and Monitoring Committee on PM-KISAN and the District Level Committee. The State Level Committee was headed by the Director of Agriculture and District Level Committee by

the Deputy Commissioner. The terms of reference of the District Level Committee were as given below:

- To work out the details and the process of implementing the scheme (PM-KISAN) in the respective district based on the guidelines issued by GoI and GoM.
- To validate and finalise the list of beneficiaries under the Scheme.

However, as discussed in the preceding paragraphs, the Committees at the State level as well as district level failed to fulfil their roles and responsibilities in the following areas:

- Identification, verification, updating and deletion of ineligible beneficiaries under the scheme (**Paragraph 2.3.1.2**).
- To prevent payment against ineligible beneficiaries and to recover the payment already made to ineligible beneficiaries (**Paragraph 2.3.4.6**).
- To promptly rectify failed transactions due to rejection by PFMS (**Paragraph 2.3.4.7**).

The Directorate stated (January 2022) stated that virtual meetings have been held between the State Nodal Office (SNO) with all DAOs from time to time to discuss cases of ineligibility and death cases.

2.3.5 Conclusion

The implementation of PM-KISAN by Government of Meghalaya was found deficient in many respects. Land holding document/record, which is the main criterion for identification/selection of beneficiaries for the scheme, was not checked properly and the laid down norms had not been followed. The District Agriculture Officers were not following the prescribed format of land holding certificate by the MAFW and HLC. The genuineness of the beneficiaries being covered under the Scheme is doubtful and the risk of claims by ineligible beneficiaries cannot be ruled out since land area being covered under the Scheme exceeds the total cultivable land by a whopping 6,63,053.07 ha (214 *per cent*). The Department is yet to link beneficiaries' data with unique biometric identification seeded data. Updation and validation of beneficiary's data have not been done properly. All these deficiencies had resulted in extension of scheme benefits to many ineligible beneficiaries such as payment of scheme benefits to both husband and wife, double payment to same beneficiaries and transfer of scheme benefits to multiple beneficiaries with same bank account. Non-setting up of PMU at the State level also resulted in absence of overall monitoring at higher level.

2.3.6 Recommendations

Based on the foregoing paragraphs, following recommendations are made:

1. *The State Government should conduct survey of land to ensure identification of farmers/beneficiaries based on land holding system as per instructions of the MAFW and HLC.*
2. *The State Government may ensure that certificate of land holding is not allowed to be uploaded without the counter-signature of the designated authority.*

3. *The Government may investigate the reasons for not following the scheme norms by the District Agriculture Offices (DAOs) of the districts and fix responsibility accordingly.*
4. *The State Government may carry out a comprehensive review of the land records submitted by the beneficiaries to rule out fraudulent claim of scheme benefits and fix responsibility of the officials involved in deficient scrutiny of documents.*
5. *The State Government may adjust payments made to both husband and wife from subsequent instalments or recover the amount and responsibility be fixed after detailed investigation.*
6. *Immediate steps should be taken to link registered beneficiaries with unique biometric identification seeded data and make it mandatory for new registration.*
7. *The banks may be instructed to ensure the updation of KYC documents of all beneficiaries before releasing any future payments.*
8. *The State Government may investigate issues of double payment and registration of different beneficiaries with same bank account numbers and fix responsibility accordingly. The double payments may be adjusted from subsequent instalments or recovered from respective beneficiaries.*
9. *The Department should ensure that corrective action is taken promptly against failed transactions so that Scheme benefits are not denied/ delayed to eligible beneficiaries.*
10. *The State Government may expedite setting up of SPMU at State level for overall monitoring of the scheme besides ensuring availability of funds for administrative expenses.*
11. *Monitoring should be strengthened so as to eradicate ineligible beneficiaries and include left-out eligible beneficiaries.*

The matter was reported to the Government (October 2022); their reply is awaited (March 2023).

DIRECTORATE OF HORTICULTURE

2.4 Unfruitful expenditure

Due to lack of a coordinated approach in implementation of the project for modernisation and upgradation of Fruit Processing Unit at Dainadubi, North Garo Hills, the project remained incomplete even after ten years of the initial sanction of the project. The expenditure incurred on the project amounting to ₹ 1.11 crore not only proved infructuous but also deprived the local farmers of the economic benefits of modernised fruit processing facility.

The Fruit Processing Unit (FPU) at Dainadubi in North Garo Hills (NGH) district, established in 1964, is a Government facility under the Department of Agriculture²⁵ (Horticulture Wing). The FPU is engaged in processing of locally grown horticulture products like fruits and herbs into marketable products like fruit jam, pickles, fruit juice and fruit squash and tinned fruits. The installed capacity of the unit is 30 metric tonne per annum (TPA). In the year 2011, Government of Meghalaya (GoM) proposed modernisation of the plant as many of the processing and packaging machineries had become defunct, production had become stagnant and the FPU could not generate any profit.

With the objective to upgrade the FPU at Dainadubi from its current installed capacity of 30 TPA to 66 TPA and to modernise the machinery, the Agriculture Department, GoM, sanctioned (March 2012) ₹ 1.87 crore (**Appendix-2.4.1**). The modernisation of the FPU included construction of main processing unit, office building, godown, etc. at the old site and installation of plant and machinery therein. The entire amount of ₹ 1.87 crore was withdrawn from the Treasury and credited in the bank account of the Director of Horticulture (DoH) in November 2012.

Audit scrutiny (September 2020) of records of the DoH revealed the following:

1. There was an inordinate delay in commencement of the work as the Department took two years and four months from the date of sanction of the project, to decide (August 2014) that the work was to be executed departmentally through the District Horticulture Officer (DHO), North Garo Hills, Resubelpara. The Directorate took a further two months to release (October 2014) the fund (₹ 1.81 crore²⁶) to DHO, Resubelpara. The DHO, Resubelpara commenced the work in December 2014 *i.e.*, after two years and eight months from the date of sanction of the project.
2. Shortly after the commencement of work, the Assistant Director of Horticulture (ADoH), Fruit Preservation, Dainadubi, reported (14 January 2015) to the Directorate that the site for construction of the modern factory was not suitable being in a low-lying area and at risk of flooding and the design of the plant was not as per drawing and site plan. The ADoH further reported that the proposal for

²⁵ Now renamed as 'Agriculture and Farmers' Welfare Department'.

²⁶ The balance amount of ₹ 6.34 lakh was paid to Meghalaya Industrial Development Corporation (MIDC) towards professional fees for preparation of the DPR.

construction of steam-generating boiler installation room in the front area of the factory was not in conformity with the technical specification of the food law and factory regulation and blamed the DHO, Resubelpara for not consulting a technical expert. No action was found to have been taken by the DoH in this regard. Subsequently, after three months of commencement of the work, the local NGOs forcefully stopped (09 April 2015) the construction work. At the time of stoppage of work, an expenditure of ₹ 26.48 lakh had been incurred on the project.

3. The Department entrusted (09 October 2015) the remaining work to the Engineering Wing of the District Rural Development Agency (DRDA), North Garo Hills, Resubelpara as deposit work and transferred (30 October 2015) the unutilised amount of ₹ 1.54 crore²⁷ to the Deputy Commissioner *cum* Chairman, DRDA, Resubelpara. The DRDA issued (16 June 2017)²⁸ work order at a tendered value of ₹ 1.54 crore with the direction to complete the work within 18 months *i.e.*, by December 2018.
4. Audit observed that before placing of the work order, DRDA, Resubelpara had submitted (08 February 2016) a revised estimate amounting to ₹ 97.33 lakh²⁹ for civil works, as against the original estimates of ₹ 75.94 lakh citing cost escalation. Though the revised estimates were forwarded (03 April 2016) by DoH to the Government for approval, the Government instructed (30 May 2016) DoH to obtain technical approval of the competent authority as per the instructions of the Planning Department and to re-submit the same. Audit observed that DoH had not obtained technical sanction from the competent authority till date (March 2023). In the meantime, DRDA, Resubelpara went ahead with the work and incurred an expenditure of ₹ 84.04 lakh as of February 2023 with physical progress as detailed in **Table 2.4.1**.

Table 2.4.1: Physical progress of work

Sl. No.	Particulars	Physical progress (in per cent)	Remarks
1.	Main processing unit	90	--
2.	Office building	0	Yet to be started
3.	Godown	0	In progress
4.	Toilet block	0	Yet to be started
5.	Plant and machinery	0	Yet to be procured

5. The above sequence of events suggests that the ADoH, Fruit Preservation, Dainadubi raised false concerns on the selected site and design of the work as implemented by DHO, Resubelpara as the project was executed at the same site and with the same design and specifications by DRDA, Resubelpara without any objection being raised by the ADoH, Fruit Preservation, Dainadubi or the NGOs. The false concerns raised by the ADoH led to undue delay in the execution of the project and had a cost implication of ₹ 21.39 lakh (cost escalation of the remaining part of civil work).

²⁷ ₹ 186.90 lakh – (₹ 26.48 lakh + ₹ 6.34 lakh).

²⁸ Revised work order was issued on 4 November 2017.

²⁹ The revised estimate was based on PWD (Building) SOR 2013-14 as against original SOR of 2010-11.

6. It is also pertinent to mention here that while the work of modernising the FPU has been dragging on for eight years, the Government has incurred a total expenditure of ₹ 5.70 crore on salary, wages and other operational expenses associated with the FPU, which is lying defunct since October 2021³⁰. During 2016-17 to 2021-22, all the operational expenses the FPU amounting to ₹ 5.70 crore was funded by the State Government as detailed in **Table 2.4.2**.

Table 2.4.2: Operational expenses of the FPU during 2016-17 to 2021-22

(₹ in lakh)

Year	Salary of officers/ staff	Wages for muster rolls	Materials & Supplies	Machinery & equipment	Miscellaneous expenditure ³¹	Total expenditure	Sale proceeds collected
2016-17	34.55	18.00	20.00	0.00	2.40	74.95	6.57
2017-18	37.55	15.30	20.00	1.98	11.13	85.96	2.22
2018-19	46.57	23.97	47.50	8.00	13.93	139.97	1.80
2019-20	42.87	17.00	0.00	0.00	0.00	59.87	5.85
2020-21	44.99	37.84	18.25	0.32	8.45	109.85	1.82
2021-22	57.49	41.39	0	0	0.39	99.27	1.53
Total	264.02	153.50	105.75	10.30	36.30	569.87	19.79

Source: Information furnished by the Department.

7. In the meantime, Audit conducted joint physical verification (22 October 2022) with the officials of the DHO, ADoH, Dainadubi and DRDA Resubelpara and observed that the work was lying incomplete as shown in the photographs below:



Condition of existing FPU



Incomplete New FPU

Thus, even after incurring expenditure of ₹ 1.11 crore³² on the modernisation project, the plant is nowhere ready for operations.

On this being pointed out, the DoH stated (November 2022) that the delay in completion of the FPU at Dainadubi was due to stoppage of works between October 2018 to September 2020 as there was shortage of construction materials owing to protest by various NGOs for the implementation of Citizenship Amendment Act (CAA) and due to COVID pandemic.

³⁰ Production was stopped since October 2021.

³¹ Office expenditure, advertisement, publicity, and other charges.

³² ₹ 26.48 lakh by DHO, Dainadubi + ₹ 84.04 lakh by DRDA.

The Directorate's reply does not address the issue of delay of eight years in completion of the project.

Audit assessment of the project also showed that not only the work of construction of the modern processing unit is lying incomplete, but there is also no progress in creation of other essential infrastructure like procurement and installation of machinery and equipment, construction of office space and godown, *etc.* The Directorate's reply has not thrown any light on its plans for completion of the project and operationalisation of the commercial activities in near future.

Most importantly, in the absence of technical sanction and consequent approval of the revised estimates submitted by the Directorate to the Government, the future of the said modernised FPU looks uncertain, which has not only rendered the unfruitful expenditure of ₹ 1.11 crore incurred as on date, but has also resulted in denial of economic benefits of a modernised fruit processing unit in North Garo region to the farmers.

The matter was reported to the Government (December 2022); their reply is awaited (March 2023).

Recommendation: *The State Government may investigate the matter and fix responsibility on the official(s) concerned for inordinate delay in completion of project.*

CHAPTER-III

STATE PUBLIC SECTOR ENTERPRISES

CHAPTER III

STATE PUBLIC SECTOR ENTERPRISES

3.1 Functioning of State Public Sector Enterprises

3.1.1 Introduction

This Chapter presents a summary of financial performance of Government Companies, Corporations and Government controlled other companies. In the Chapter, the term State Public Sector Enterprises (SPSEs) encompasses the State Government owned companies set up under the Companies Act, 2013 and Statutory Corporations set up under the statutes enacted by the Legislature.

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

As on 31 March 2022, the State of Meghalaya had 21 SPSEs (including two non-working) as detailed in **Table 3.1.1**.

Table 3.1.1: Total number of SPSEs as on 31 March 2022

Type of SPSEs	Working SPSEs	Non-working SPSEs ³³	Total
Government Companies ³⁴	17	2	19
Statutory Corporations	2	Nil	2
Total	19	2	21

During the period of two years (2020-21 and 2021-22), three³⁵ new companies were added to CAG's audit purview while no existing company was closed down. None of the Government companies was listed on the stock exchange which means that the shares of the SPSEs cannot be traded in the stock exchange. Both the non-working companies in the State were under the liquidation process since 1986 (Meghalaya Electronics Development Corporation) and 2021 (Meghalaya Bamboo Chips Limited).

3.1.2 Investment in SPSEs

3.1.2.1 Investment in SPSEs by all stakeholders

The investors in Meghalaya PSEs include Government of Meghalaya, Government of India and others. As on 31 March 2022, the total investment (capital and long-term

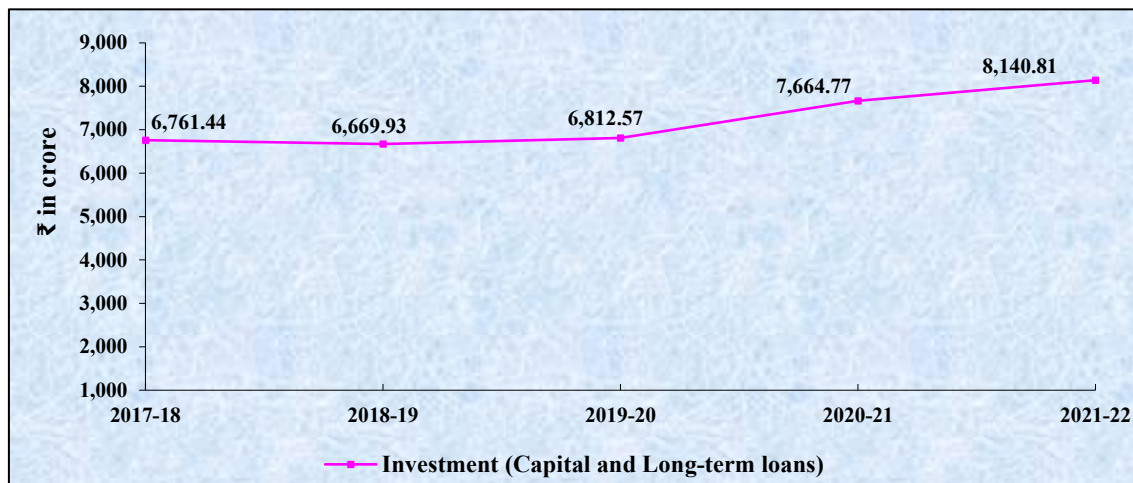
³³ During 2021-22, one company (Meghalaya Bamboo Chips Limited) was categorised as a non-working company.

³⁴ Government Companies include 'Other Companies' referred to in Section 139(5) and 139(7) of the Companies Act, 2013.

³⁵ Meghalaya Infratech Consultancy and Innovation Limited (Date of Incorporation: 3 September 2020); Meghalayan Age Limited (DOI: 17 June 2020); and Livelihood Improvement Finance Company of Meghalaya (DOI: 27 May 2009).

loans) in 21 SPSEs was ₹ 8,140.81 crore³⁶. This total investment consisted of 60.64 per cent towards capital (₹ 4,936.40 crore) and 39.36 per cent in long-term loans (₹ 3,204.41 crore). The investment has grown by 20.40 per cent from ₹ 6,761.44 crore in 2017-18 to ₹ 8,140.81 crore in 2021-22 as shown in **Chart 3.1.1**.

Chart 3.1.1: Total investment in SPSEs



Source: Information furnished by the Companies.

As seen from **Chart 3.1.1**, there was a significant increase (₹ 1,328.24 crore) in SPSEs investment during the last two years from ₹ 6,812.57 crore in 2019-20 to ₹ 8,140.81 crore in 2021-22. The increase was mainly due to increase of ₹ 1,154.01 crore in the equity capital (₹ 9.05 crore) and long term borrowings (₹ 1,144.96 crore) of Meghalaya Power Distribution Corporation Limited (MePDCL) during 2019-22. The loans of MePDCL increased mainly due to additional loans of ₹ 1,101.36 crore borrowed in equal proportion (₹ 550.68 crore each) from Power Finance Corporation Limited and Rural Electrification Corporation Limited during 2020-21 (₹ 672.86 crore) and 2021-22 (₹ 428.50 crore) for Atmanirbhar Bharat Abhiyan scheme.

3.1.2.2 Sector-wise investment in SPSEs by all stakeholders

Total investment (equity and long-term loans) of State Government and Other Stakeholders (Central Government, Holding companies, Banks, Financial Institutions, etc.,) in SPSEs under various important sectors at the end of 31 March 2018, 31 March 2021 and 31 March 2022 has been given in **Table 3.1.2**.

Table 3.1.2: Sector-wise details of total investments in SPSEs

(₹ in crore)

Name of Sector	Government/Other Companies			Statutory Corporations			Total Investment		
	2017-18	2020-21	2021-22	2017-18	2020-21	2021-22	2017-18	2020-21	2021-22
Power	6,181.06	7,017.86	7,477.80	0	0	0	6,181.06	7,017.86	7,477.80
Manufacturing	301.15	347.36	347.36				301.15	347.36	347.36
Infrastructure	159.69	174.69	177.84	0	0	0	159.69	174.69	177.84
Service	7.96	10.51	10.51	95.94	103.31	108.31	103.90	113.82	118.82

³⁶ Investment figures are provisional and as per the information provided by the PSEs as none of the 21 SPSEs had finalized their accounts for 2021-22 as of September 2022.

Name of Sector	Government/Other Companies			Statutory Corporations			Total Investment		
	2017-18	2020-21	2021-22	2017-18	2020-21	2021-22	2017-18	2020-21	2021-22
Agriculture & Allied	2.45	1.97	1.97	0	0	0	2.45	1.97	1.97
Miscellaneous	9.83	5.71	11.86	3.36	3.36	5.16	13.19	9.07	17.02
Total	6,662.14	7,558.10	8,027.34	99.30	106.67	113.47	6,761.44	7,664.77	8,140.81

Source: Information furnished by the Companies.

The comparative figures of 2017-18, 2020-21 and 2021-22 show that more than 90 per cent of total investment in SPSEs was in the power sector SPSEs. In monetary terms, during 2021-22 combined investment of State Government and other stakeholders in the power sector was ₹ 7,477.80 crore, in manufacturing sector ₹ 347.36 crore and in infrastructure sector ₹ 177.84 crore. Increase in investment under power sector from 2017-18 to 2021-22 was mainly on account of long terms loans (₹ 1,010.24 crore) borrowed by four power sector companies³⁷, whereas overall increase (₹ 64.36 crore) in investment under manufacturing and infrastructure sector during 2017-22 was mainly on account of equity investment (₹ 52.61 crore) in three SPSEs³⁸. The investment in service sector SPSEs which was meagre at around 1.54 per cent of total investment in 2017-18, further declined to 1.46 per cent in 2021-22. This is an area of concern as the service sector is the main driver of GSDP in the State (55.53 per cent in 2021-22). The Government needs to find ways of attracting higher investment in this sector to boost economic growth.

3.1.2.3 State Government's investment in SPSEs

The State Government's investment in its SPSEs is in the form of share capital, loans and special financial support by way of revenue grants.

As on 31 March 2022, the investment of the State Government (capital and long-term loans) in 21 SPSEs was ₹ 3,340.75 crore³⁹. The comparative change in Government investment in SPSEs from 2017-18 to 2021-22 is depicted in **Table 3.1.3**.

Table 3.1.3: State Government investment Capital and Long terms loans in SPSEs

(₹ in crore)

Year	Equity Capital	Long term Loans	Total
2021-22	2,712.69	628.06	3,340.75
2017-18	2,501.78	307.48	2,809.26

Source: Information furnished by SPSEs.

Of the State's total investment as on 31 March 2022, 81.20 per cent was towards capital investment and 18.80 per cent in long-term loans as against 89.05 per cent (capital) and 10.95 per cent (long-term loans) as on 31 March 2018.

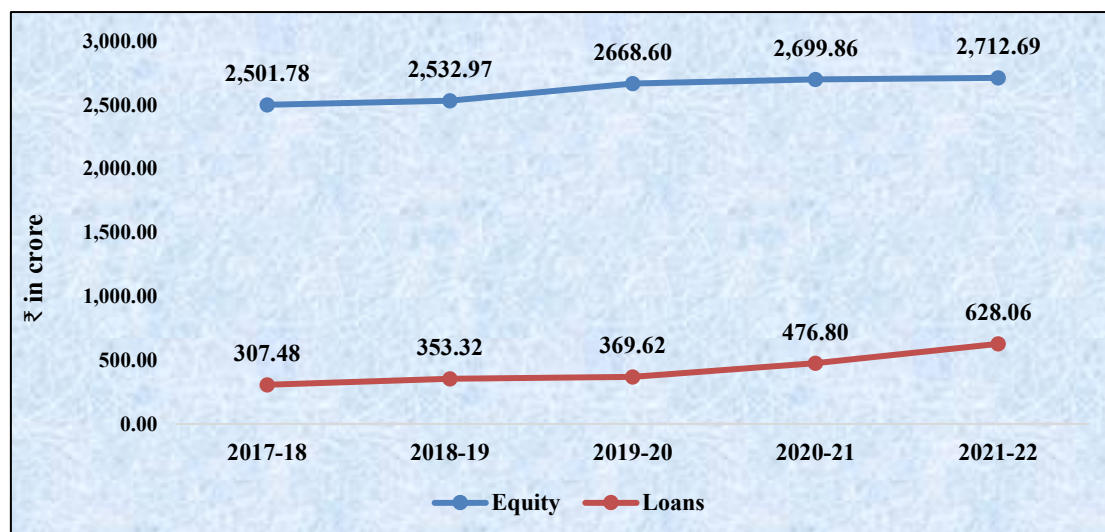
Chart 3.1.2 presents the trend of State Government investment in equity and loans in SPSEs during the last five years (2017-18 to 2021-22).

³⁷ Meghalaya Energy Corporation Limited, Meghalaya Power Generation Corporation Limited, Meghalaya Power Distribution Corporation Limited and Meghalaya Power Transmission Corporation Limited.

³⁸ Mawmluh Cherra Cements Limited (₹34.61 crore), Meghalaya Industrial Development Corporation Limited (₹ 15.00 crore) and Meghalaya Government Construction Corporation Limited (₹ 3.00 crore).

³⁹ Investment figures are provisional and as per the information provided by the SPSEs as none of the 21 SPSEs had finalised accounts for 2021-22 as of 30th September 2022.

Chart 3.1.2: State Government's investment in SPSEs



Source: Information furnished by the Companies.

From **Chart 3.1.2**, it can be observed that equity investment by the State Government grew by 8.43 *per cent* from ₹ 2,501.78 crore in 2017-18 to ₹ 2,712.69 crore in 2021-22. However, loans from the State Government jumped by more than 100 *per cent* from ₹ 307.48 crore in 2017-18 to ₹ 628.06 crore in 2021-22.

During 2021-22, out of 18 working SPSEs⁴⁰ where the State Government had made direct investment, 11 SPSEs incurred losses (₹ 726.65 crore) and only five SPSEs⁴¹ earned profit (₹ 3.13 crore) as per their latest finalised accounts while one SPSE⁴² was functioning on 'no profit no loss' basis and the remaining one⁴³ SPSE had not submitted its first annual accounts.

None of the profit making SPSEs during 2021-22 had declared any dividend. There was no recorded information about the existence of any specific policy of the State Government regarding payment of minimum dividend by the SPSEs.

The State Government's investment in SPSEs at historical value had eroded by 16.61 *per cent* in 2021-22. The losses of eight SPSEs⁴⁴ which accumulated to ₹ 3,269.51 crore had completely eroded the State's investment of ₹ 1,162.48 crore in their paid-up capital as per their latest finalised accounts.

3.1.2.4 State Government Investment in Power sector PSEs

The details of investment (equity and long-term loans) in the four power sector SPSEs as on 31 March 2022 is given in **Table 3.1.4**.

⁴⁰ In one working SPSE (Livelihood Improvement Finance Company of Meghalaya), no investment (Equity and Loans) by the State Government.

⁴¹ (1) Forest Development Corporation of Meghalaya Limited, (2) Meghalaya Mineral Development Corporation Limited, (3) Meghalaya Tourism Development Corporation Limited, (4) Shillong Smart City Limited and (5) Meghalaya State Warehousing Corporation.

⁴² Meghalaya Basin Management Agency.

⁴³ Meghalayan Age Limited.

⁴⁴ Serial no. 3, 4, 6, 7, 10, 12, 13 & 18 of **Appendix 3.1.1**.

Table 3.1.4: Investment in Power sector SPSEs as on 31 March 2022

Name of SPSE	Investment (₹ in crore)								Grand Total
	Equity			Long-Term Loans			Total		
	GoM	Others ⁴⁵	Total	GoM	Others ⁴⁶	Total	GoM	Others	
MeECL ⁴⁷	2,214.12	-	2,214.12	-	389.30	389.30	2,214.12	389.30	2,603.42
MePGCL ⁴⁸	-	925.36	925.36	260.34	736.58	996.92	260.34	1,661.94	1,922.28
MePDCL ⁴⁹	-	859.27	859.27	175.45	1,447.95	1,623.40	175.45	2,307.22	2,482.67
MePTCL ⁵⁰	-	425.59	425.59	42.19	1.65	43.84	42.19	427.24	469.43
Total	2,214.12	2,210.22	4,424.34	477.98	2,575.48	3,053.46	2,692.10	4,785.70	7,477.80

Source: Information furnished by the Companies.

As can be seen from **Table 3.1.4**, the total investment of ₹ 7,477.80 crore in Power sector SPSEs as on 31 March 2022, was made up of 59.17 *per cent* (₹ 4,424.34 crore) equity and 40.83 *per cent* (₹ 3,053.46 crore) in long-term loans. The State Government's investment (equity and loan) in power sector was 36 *per cent* (₹ 2,692.10 crore) of the total investment (₹ 7,477.80 crore) while the contribution of the State Government and others (Banks, FIs, etc.) towards the total long-term loans (₹ 3,053.46 crore) of power sector was 15.66 *per cent* (₹ 477.98 crore) and 84.34 *per cent* (₹ 2,575.48 crore) respectively.

3.1.3 Budgetary support and guarantees to SPSEs during the year

The State Government provides financial support to SPSEs in various forms through annual budgetary allocations. The details of budgetary outgo towards equity, loans and grants/subsidies in respect of SPSEs for the three years ended 2021-22 are given in **Table 3.1.5**.

Table 3.1.5: Details of budgetary support to SPSEs

(₹ in crore)

Sl. No.	Particulars	2019-20		2020-21		2021-22	
		No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
1.	Equity capital outgo from budget	3	135.53	4	31.26	7	13.43
2.	Loans given from budget	1	2.70	3	107.17	2	151.26
3.	Grants/Subsidy from budget (including capital grants)	6	(G)104.48	11	(G) 184.23	14	(G) 498.58
		2	(S)20.82	2	(S) 19.77	1	(S) 5.00
4.	Total Outgo⁵¹ (1+2+3)	9	263.53	14	342.43	17	668.27
5.	Guarantees issued during the year	1	630	0	0	0	0
6.	Guarantee commitment (cumulative)	4	1,689.82	4	1,689.82	4	1,689.82

Source: As furnished by Companies/Corporations. (G): Grants; (S): Subsidies.

Budgetary support to SPSEs in 2021-22 jumped by more than 100 *per cent* over a period of two years. In 2019-20 it was ₹ 263.53 crore, while in 2021-22 it increased by

⁴⁵ Investment of MeECL in its three subsidiary companies (MePGCL, MePDCL and MePTCL).

⁴⁶ Includes banks and other financial Institutions, etc.

⁴⁷ Meghalaya Energy Corporation Limited.

⁴⁸ Meghalaya Power Generation Corporation Limited.

⁴⁹ Meghalaya Power Distribution Corporation Limited.

⁵⁰ Meghalaya Power Transmission Corporation Limited.

⁵¹ Actual number of SPSEs, which received equity, loans, grants/subsidies from the State Government.

153.58 *per cent* to ₹ 668.27 crore. As already stated above, major recipients of budgetary support during 2021-22 were four⁵² power sector SPSEs, whose aggregate financial support was ₹ 199.08 crore (equity ₹ 1.88 crore, loan ₹ 151.26 crore and grant ₹ 45.94 crore). Besides, Meghalaya Basin Development Agency also received grant of ₹ 180.55 crore for community and livelihood schemes while Meghalaya Infrastructure Development and Finance Corporation Limited received grant of ₹ 144.50 crore for implementation of Meghalaya Integrated Transport Development Programme.

As on 31 March 2022, the Government of Meghalaya has extended guarantees to loans amounting to ₹ 1,689.82 crore in respect of four SPSEs⁵³ which availed from various institutions (Banks, Financial Institutions and others).

3.1.4 Accountability framework

The audit of the financial statements of a Company in respect of financial years commencing on or after 01 April 2014 is governed by the provisions of the Companies Act, 2013 (Act) and audit of the financial statements in respect of financial years that commenced earlier than 01 April 2014 continue to be governed by the Companies Act, 1956. The new Act has brought about increased regulatory framework, wider management responsibility and higher professional accountability.

3.1.4.1 Statutory Audit/Supplementary Audit

Statutory Auditors appointed by the Comptroller and Auditor General of India (CAG) audit the financial statements of a Government Company. In addition, CAG conducts the supplementary audit of these financial statements under the provisions of Section 143(6) of the Act.

Audit of Statutory Corporations is governed by their respective legislations. Out of two Statutory Corporations in Meghalaya, CAG is the sole auditor for Meghalaya Transport Corporation. In respect of the other Corporation (*viz.* Meghalaya State Warehousing Corporation), Chartered Accountants conduct the audit and the CAG conducts the supplementary audit.

3.1.4.2 Role of Government and Legislature

The State Government exercises control over the affairs of these SPSEs through its administrative departments. The Government appoints the Chief Executives and Directors on the Board of these SPSEs.

The State Legislature also monitors the accounting and utilisation of Government investment in the SPSEs. For this purpose, the Annual Reports of State Government Companies together with the Statutory Auditors' Reports and comments of the CAG thereon are required to be placed before the Legislature under Section 394 of the Act.

⁵² Meghalaya Energy Corporation Limited, Meghalaya Power Generation Corporation Limited, Meghalaya Power Distribution Corporation Limited and Meghalaya Power Transmission Corporation Limited.

⁵³ Meghalaya Energy Corporation Limited (₹ 630 crore), Meghalaya Power Generation Corporation Limited (₹ 665.08 crore), Meghalaya Power Distribution Corporation Limited (₹ 393.74 crore) and Meghalaya Government Construction Corporation Limited (₹ one crore).

Similarly, the Annual Reports of Statutory Corporations along with the Separate Audit Reports of CAG are required 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 State Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

3.1.5 Arrears in finalisation of accounts

The financial statements of the companies are required to be finalised within six months after the end of the 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 to be finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

Timely finalisation of accounts is important for the State Government to assess the financial health of the SPSEs and to avoid financial misappropriation and mismanagement. Persistent delay in finalisation of accounts is fraught with the risk of fraud and leakage of public money going undetected, apart from violation of the provisions of the Act.

Table 3.1.6 provides the details of finalisation of annual accounts of SPSEs as on 30 September 2022.

Table 3.1.6: Position relating to finalisation of accounts of working SPSEs

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Number of working SPSEs	16	16	17	17	19 ⁵⁴
2.	Number of accounts finalised during the year	30	16	20	16	14
3.	Number of accounts in arrears	32	32	29	30	38
4.	Number of working SPSEs with arrears in accounts	16	16	17	17	19
5.	Extent of arrears (numbers in years)	1 to 7	1 to 5	1 to 4	1 to 5	1 to 6

Source: Information furnished by the Companies.

The total number of pending accounts marginally declined from 32 in 2017-18 to 29 as on 30 September 2020, but again increased to 38 accounts in 2021-22. The highest pendency of accounts related to Meghalaya Transport Corporation (six accounts) and Forest Development Corporation of Meghalaya Limited (five accounts). Further, one SPSE (Livelihood Improvement Finance Company of Meghalaya), which was added under the audit purview of CAG during the year, had pendency of four accounts as on 30 September 2022.

⁵⁴ During 2021-22, three new SPSEs (Meghalaya Infratech Consultancy and Innovation Limited, Meghalayan Age Limited and Livelihood Improvement Finance Company of Meghalaya) having total seven accounts in arrear were added under the audit purview of CAG while one company (Meghalaya Bamboo Chips Limited) having one year accounts in arrear was categorised as a non-working company.

3.1.6 Investment by State Government in SPSEs whose accounts are in arrears

The State Government invested ₹ 744.09 crore in 18 SPSEs (equity: ₹ 37.13 crore; long term loans: ₹ 151.26 crore and grants: ₹ 555.70 crore) during the years for which the accounts of these SPSEs had not been finalised as detailed in **Table 3.1.7**.

Table 3.1.7: Investment by State Government in SPSEs having accounts in arrears

Sl. No.	Name of SPSE	Accounts finalised up to	Accounts pending finalisation	Investment by State Government during the period of accounts in arrears		
				Equity	Loans	Grants
1.	Forest Development Corporation of Meghalaya Limited	2016-17	2017-18 to 2021-22	-	-	8.99
2.	Meghalaya Industrial Development Corporation Limited	2019-20	2020-21 and 2021-22	15.00	-	-
3.	Meghalaya Government Construction Corporation Limited	2020-21	2021-22	3.00	-	0.36
4.	Meghalaya Infrastructure Development and Finance Corporation Limited	2020-21	2021-22	-	-	144.50
5.	Meghalaya Infotech Consultancy and Innovation Limited	2020-21	2021-22	0.15	-	-
6.	Meghalaya Mineral Development Corporation Limited	2020-21	2021-22	-	-	0.69
7.	Meghalaya Energy Corporation Limited	2020-21	2021-22	1.88	-	-
8.	Meghalaya Power Generation Corporation Limited	2020-21	2021-22	-	50.00	18.25
9.	Meghalaya Power Distribution Corporation Limited	2020-21	2021-22	-	101.26	21.34
10.	Meghalaya Power Transmission Corporation Limited	2020-21	2021-22	-	-	6.35
11.	Meghalaya Tourism Development Corporation Limited	2018-19	2019-20 to 2021-22	-	-	17.14
12.	Meghalaya Handloom & Handicraft Development Corporation Limited	2018-19	2019-20 to 2021-22	-	-	7.07
13.	Meghalaya Basin Management Agency	2020-21	2021-22	-	-	180.55
14.	Shilling Smart City Limited	2020-21	2021-22	-	-	45.00
15.	Meghalayan Age Limited	**	2020-21 and 2021-22	1.00	-	35.00
16.	Livelihood Improvement Finance Company of Meghalaya	2017-18	2018-19 to 2021-22	-	-	10.00
17.	Meghalaya Transport Corporation	2015-16	2016-17 to 2021-22	14.30	-	60.46
18.	Meghalaya State Warehousing Corporation	2020-21	2021-22	1.80	-	-
Total				37.13	151.26	555.70

Source: Information furnished by the SPSEs. **First Accounts not submitted.

In the absence of accounts and their subsequent audit, it cannot be verified if the investments made and the expenditure incurred thereagainst have been properly accounted for and the purpose for which the amount was invested was achieved or not.

The Government may consider setting up a special cell under the Finance Department to oversee the expeditious clearance of arrears of accounts of SPSEs. Until the accounts are made as current as possible, Government may consider not giving further financial assistance to such companies.

3.1.7 Financial Performance

3.1.7.1 Share of SPSEs in State GDP

Table 3.1.8 below provides the comparative details of working SPSEs turnover and State GDP for a period of five years ending 2021-22, based on the latest available annual accounts:

Table 3.1.8: Details of working SPSEs turnover vis-a-vis State GDP

(₹ in crore)					
Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Turnover ⁵⁵	1,136.90	1,121.40	1,203.88	1,386.14	1,388.78
State GDP ⁵⁶	29,508.30	32,175.82	34,770.40	34,718.70	37,830.11
Percentage of Turnover to State GDP	3.85	3.48	3.46	3.99	3.67

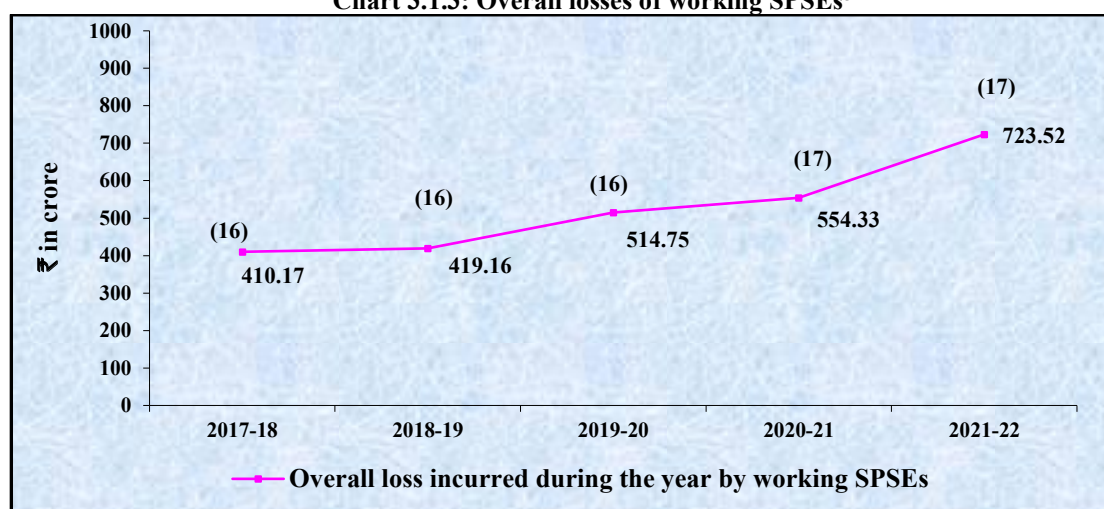
Source: Information furnished by the Companies.

From **Table 3.1.8**, it can be seen that contribution of SPSEs to the State GDP ranged from 3.46 per cent (2019-20) to 3.99 per cent (2020-21) during the five years' period (2017-22). The SPSEs' turnover registered an overall growth of ₹ 251.88 crore (22.15 per cent) during the last five years from ₹ 1,136.90 crore (2017-18) to ₹ 1,388.78 crore (2021-22). This growth in SPSEs' turnover was mainly driven by the increase of ₹ 230.72 crore in the turnover of four power sector companies from ₹ 1,025.14 crore (2017-18) to ₹ 1,255.86 crore (2021-22).

3.1.7.2 Trends of profit and losses in SPSEs

The overall position of losses incurred by the working SPSEs during 2017-18 to 2021-22 as per their latest finalised accounts as on 30 September of the respective year has been depicted in **Chart 3.1.3**.

Chart 3.1.3: Overall losses of working SPSEs⁵⁷



Figures in brackets show the number of working SPSEs in respective years.

From **Chart 3.1.3**, it can be observed that overall losses of working SPSEs during the last five years had shown an increasing trend. The high losses of the working SPSEs during the five years were mainly from power sector SPSEs. During 2020-21 and

⁵⁵ Turnover of working SPSEs as per the latest finalised accounts as on 30 September of respective year.

⁵⁶ Source: Ministry of Statistics & Programme Implementation, Government of India.

⁵⁷ As per the latest finalised accounts as on 30 September of the respective year.

2021-22, the share of losses of power sector SPSEs were to the extent of 93.55 per cent (₹ 518.58 crore) and 93.45 per cent (₹ 676.15 crore) respectively.

Details of profits earned and losses incurred by the SPSEs during 2020-21 and 2021-22 are given in **Table 3.1.9**.

Table 3.1.9: Details of profit/losses by the SPSEs during 2020-21 and 2021-22

Particulars	2020-21	2021-22
Total no. of working SPSEs	17	19 ⁵⁸
Numbers of loss making working SPSEs	12	11
Aggregate loss (₹ in crore)	556.36	726.65
Numbers of profit making working SPSEs	04	05
Aggregate profit (₹ in crore)	2.03	3.13
Number of SPSEs functioning on 'no profit no loss' basis	01	01
Newly added SPSEs, which have not submitted their first accounts	--	02 ⁵⁹

Source: As per latest finalised accounts of the SPSEs.

The details of major contributors to overall losses of working SPSEs during 2020-21 and 2021-22 as per their latest finalised accounts are given in **Table 3.1.10**.

Table 3.1.10: Major contributors to profits and losses of working SPSEs

Name of SPSE	2020-21		2021-22	
	Latest finalised accounts	Profit (+)/ loss (-)	Latest finalised accounts	Profit (+)/ loss (-)
Major losses				
Meghalaya Power Distribution Corporation Limited	2019-20	(-) 427.52	2020-21	(-) 425.48
Meghalaya Power Generation Corporation Limited	2019-20	(-) 55.87	2020-21	(-) 130.74
Meghalaya Power Transmission Corporation Limited	2019-20	(-) 3.08	2020-21	(-) 62.32
Meghalaya Energy Corporation Limited	2019-20	(-) 32.11	2020-21	(-) 57.61
Mawmluh Cherra Cements Limited	2017-18	(-) 13.84	2019-20	(-) 38.04
Major profits				
Meghalaya Tourism Development Corporation Limited	2018-19	(+) 1.18	2018-19	(+) 1.18
Meghalaya Mineral Development Corporation Limited	2019-20	(+) 0.09	2020-21	(+) 0.65
Forest Development Corporation of Meghalaya Limited	2016-17	(+) 0.46	2016-17	(+) 0.46

Source: As per latest finalised accounts of the SPSEs.

3.1.7.3 Losses of Power Sector SPSEs

The position of aggregate losses incurred by four power sector SPSEs during the past three years as per their latest finalised accounts is given in **Table 3.1.11**.

⁵⁸ Includes three new SPSEs added during 2021-22 and excludes one SPSE which was categorised as non-working during 2021-22.

⁵⁹ Including one new SPSE (Livelihood Improvement Finance Company of Meghalaya) incorporated in May 2009, which has not submitted any accounts after it was covered under CAG's audit purview (August 2021).

Table 3.1.11: Details of aggregate losses of power sector SPSEs

Year	2017-18	2018-19	2019-20	2020-21	2021-22
Total No. of power sector SPSEs	4	4	4	4	4
Number of loss making SPSEs	3	3	4	4	4
Number of profit earning SPSEs ⁶⁰	1	1	0	0	0
Net overall losses in power sector (₹ in crore)	(-) 369.72	(-) 369.19	(-) 478.54	(-) 518.58	(-) 676.15
Accumulated losses (₹ in crore)	(-) 1,812.90	(-) 1,836.03	(-) 2,314.57	(-) 3,027.36	(-)3,719.57

Source: Latest finalised accounts of the SPSEs.

3.1.7.4 Erosion of capital in SPSEs

The paid-up capital and accumulated losses of 17⁶¹ working SPSEs as per their latest finalised accounts as on 30 September 2022 were ₹ 4,888.25 crore and ₹ 4,202.56 crore respectively (**Appendix 3.1.1**).

The Return on Equity (RoE) in respect of 10 out of 17 working SPSEs was (-) 8.97 per cent as per their latest finalised accounts. The accumulated losses (₹ 3,269.51 crore) of the remaining eight⁶² working SPSEs had completely eroded their paid up capital (₹ 1,162.48 crore) as per their latest finalised accounts. Of these eight SPSEs, the primary erosion of paid-up capital was in respect of three SPSEs as detailed in **Table 3.1.12**.

Table 3.1.12: SPSEs with primary erosion of paid up capital

Name of SPSE	Latest finalised accounts	(₹ in crore)	
		Paid up capital	Accumulated losses
Meghalaya Power Distribution Corporation Limited	2020-21	858.39	2,838.34
Mawmluh Cherra Cement Limited	2019-20	197.51	272.84
Meghalaya Transport Corporation	2015-16	93.05	106.69

Source: As per latest finalised accounts of the SPSEs.

Erosion of Capital in Power Sector PSEs

The details of the capital erosion of four power sector SPSEs by their losses as per their latest finalised accounts as on 30 September 2022 has been presented in **Table 3.1.13**.

Table 3.1.13: Capital Erosion in Power Sector SPSEs during 2021-22

Sl. No.	Name of the Company	Latest finalised accounts	Paid up capital	Net loss for the year	(₹ in crore)	
					Accumulated losses	Net worth ⁶³
1	Meghalaya Power Distribution Corporation Limited	2020-21	858.39	425.48	2,838.34	(-) 1,979.95
2.	Meghalaya Power Generation Corporation Limited	2020-21	924.36	130.74	541.14	(+) 383.22
3	Meghalaya Energy Corporation Limited	2020-21	2,212.25	57.61	257.66	(+) 1,954.59

⁶⁰ During 2016-17 to 2018-19, Meghalaya Power Transmission Corporation Limited was the only power sector SPSE, which registered profit of ₹ 7.17 crore (2016-17) and ₹ 8.15 crore (2017-18 & 2018-19) as per its latest finalised accounts.

⁶¹ Excluding two newly added SPSEs (serial no. 16 & 17 of **Appendix 3.1.1**), which had not submitted any accounts to PAG, Meghalaya.

⁶² Serial no. 3, 4, 6, 7, 10, 12, 13 & 18 of **Appendix 3.1.1**.

⁶³ Net Worth means the sum total of the 'paid-up capital' and 'free reserves and surplus' minus 'accumulated losses' and 'deferred revenue expenditure'.

Sl. No.	Name of the Company	Latest finalised accounts	Paid up capital	Net loss for the year	Accumulated losses	Net worth ⁶³
4	Meghalaya Power Transmission Corporation Limited	2020-21	425.59	62.32	82.43	(+) 343.16
	Total		44,420.59	(-) 676.15	(-) 3719.57	

Source: As per latest finalised accounts of the SPSEs.

It can be seen from **Table 3.1.13** above that during 2021-22, the net worth of one power sector SPSE (MePDCL) was negative at (-) ₹ 1,979.95 crore due to complete erosion of its equity capital by the accumulated losses. The net worth of MePDCL turned negative for the first time during 2016-17 when its paid-up capital (₹ 801.20 crore) was completely eroded by the accumulated losses (₹ 961.42 crore) as per its latest finalised accounts (2014-15) as on 30 September 2017. During October 2017 to September 2022, MePDCL had finalised six annual accounts (2015-16 to 2020-21). However, the net worth of the Company remained negative during all these years.

This gradual process of incurring losses by the power sector SPSEs is a drain on the State's economy and resources. Despite constant deterioration in the overall performance of four power sector SPSEs, the State Government continued to provide significant budgetary support to these SPSEs. Analysis of records of power sector SPSEs revealed that the State Government provided budgetary support aggregating ₹ 665.68 crore to four power sector SPSEs during 2019-20 (₹ 231.97 crore), 2020-21 (₹ 234.63 crore) and 2021-22 (₹ 199.08 crore) by way of equity (₹ 133.82 crore), loans (₹ 261.13 crore) and grants/subsidy (₹ 270.73 crore). This included budgetary support of ₹ 292.09 crore provided to MePDCL during 2019-20 (₹ 50.61 crore), 2020-21 (₹ 118.88 crore) and 2021-22 (₹ 122.60 crore) by way of loans (₹ 156.52 crore) and grants/subsidy (₹ 135.57 crore).

To enable SPSEs to obtain financial assistance from Banks and Financial Institutions, the State Government provides guarantees, subject to the prescribed limits. The guaranteed amount committed by GoM in respect of three SPSEs for loans raised from various institutions (Banks, FIs and others) were ₹ 1,688.82 crore during all three years (2019-20 to 2021-22). These guarantees may become liabilities of the State Government in case of default by the borrowers (power sector SPSEs) as all of them were loss-making SPSEs having huge accumulated losses as discussed above.

3.1.8 Financial parameter

Key parameters of SPSEs financial performance as per their latest finalised accounts as on 30 September of the respective year are given in **Table 3.1.14**.

Table 3.1.14: Key Parameters of SPSEs

Particulars	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Debt	1,756.87	1,939.59	1,921.98	1,916.66	2,753.56
Turnover ⁶⁴	1,136.90	1,121.40	1,203.88	1,386.14	1,388.78

⁶⁴ Turnover of working SPSEs as per the latest finalised accounts as on 30 September of the respective year.

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Debt/ Turnover Ratio ⁶⁵ (DTR)	1.55:1	1.73:1	1.59:1	1.38:1	1.98:1
Interest Payments	154.94	166.87	251.67	236.25	303.95
Accumulated losses	2,182.97	2,229.77	2,747.35	3,466.72	4,202.56

Source: As per latest finalised accounts of the SPSEs.

3.1.8.1 Debt-Turnover Ratio

A low debt-to-turnover ratio (DTR) demonstrates a good balance between debt and income. Conversely, a high DTR can signal of having too much of debt against the income of SPSEs from core activities. Thus, the SPSEs having lower DTR are more likely to successfully manage their debt servicing and repayments.

3.1.8.2 SPSE Debt

As can be seen from **Table 3.1.14** above, SPSEs' debts had increased significantly by ₹ 836.90 crore during the last one year from ₹ 1,916.66 crore (2020-21) to ₹ 2,753.56 crore (2021-22). This was mainly due to borrowings (₹ 428.50 crore) availed by MePDCL for implementation of Atmanirbhar Bharat Abhiyan as well as the bonds (₹ 199.00 crore) issued by MeECL for funding the restructuring of high cost borrowings of its three⁶⁶ subsidiaries companies.

During the period of five years (2017-22), the Debt to Turnover Ratio (DTR) has increased from 1.55:1 (2017-18) to 1.98:1 (2021-22), which indicated deteriorated position of PSEs in servicing and repayment of their long-term debts as compared to previous years. The deterioration in the DTR was mainly due to the disproportionate growth in SPSE debts (56.73 *per cent*) during 2017-22 compared to the increase in SPSE turnover (22.15 *per cent*) during the corresponding period. Increase in the PSE debts has also led to significant increase in the interest expenditure of SPSEs during 2017-22 from ₹ 154.94 crore (2017-18) to ₹ 303.95 crore (2021-22).

3.1.9 Return on Investment on the basis of Present Value of Investment

The Rate of Real Return (RORR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for their time value. To determine the RORR on Government investment in the State SPSEs, the investment of State Government in the form of equity, interest-free loans and grants/subsidies given by the State Government for operational and management expenses less the disinvestments (if any), has been considered and indexed to their Present Value (PV) and summated. The RORR is then calculated by dividing the 'profit after tax' (PAT) of the SPSEs by the sum of the PV of Government investment.

⁶⁵ Arrived at 'total debt of all SPSEs divided by total turnover of all SPSEs' as per their latest finalised accounts.

⁶⁶ Meghalaya Power Generation Corporation Limited, Meghalaya Power Distribution Corporation Limited and Meghalaya Power Transmission Corporation Limited.

During 2021-22, as per their latest finalised accounts out of 19⁶⁷ working SPSEs where State Government had made direct investment, 11 SPSEs⁶⁸ incurred loss and only five SPSEs⁶⁹ earned profit. On the basis of return on historical value, the State Government investment had eroded by 16.61 *per cent* during 2021-22. As per the RORR where the PV of investment is considered, the State Government investment eroded by 10.30 *per cent* as shown in **Appendix-3.1.2**. This difference in the percentage of investment erosion was on account of the adjustment made in the investment amount for time value of money.

3.1.10 Impact of Audit Comments on Annual Accounts of SPSEs

During October 2021 to September 2022, 13 working companies (out of 19 working companies) had forwarded 14 audited accounts to the Principal Accountant General (Audit), Meghalaya. All the 14 accounts submitted by the 13 working SPSEs were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicated that the quality of maintenance of accounts needed to be improved substantially. The details of aggregate money value of the comments of statutory auditors and CAG are given in **Table 3.1.15**.

Table 3.1.15: Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2019-20		2020-21		2021-22	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	0.53	2	0.48	0	0
2.	Increase in loss	10	342.92	11	261.12	7	134.48
3.	Non-disclosure of material facts	5	84.59	3	57.16	8	132.82
4.	Errors of classification	1	0.59	4	49.87	4	10.97

Source: As per latest finalised annual accounts of SPSEs.

During the year 2021-22, the statutory auditors had given qualified certificates for all 14 accounts of 13 working companies. In addition, CAG had also issued qualified opinion on these 14 accounts for supplementary audit. The compliance of companies with the Accounting Standards (AS)/Indian Accounting Standards (Ind AS) remained inadequate as there were 36 instances of non-compliance with AS/Ind AS relating to 10 accounts of nine companies.

During the year 2021-22, one Statutory Corporation (Meghalaya Transport Corporation) forwarded two years' finalised accounts for which Principal Accountant General (Audit), Meghalaya is the sole auditor and both accounts were selected for audit. The other statutory corporation, namely, Meghalaya State Warehousing Corporation did not submit any accounts for audit during 2021-22.

⁶⁷ Including one SPSE (Serial no. 14 of **Appendix 3.1.1**) functioning on 'no profit no loss' basis and two newly added SPSEs (Meghalayan Age Limited and Livelihood Improvement Finance Company of Meghalaya) which had not submitted any Accounts to PAG, Meghalaya.

⁶⁸ Sl. Nos. 2, 3, 4, 5, 6, 8, 9, 10, 11, 13 and 18 of **Appendix 3.1.1**.

⁶⁹ Sl. Nos 1, 7, 12, 15 and 19 of **Appendix 3.1.1**.

3.1.10.1 Gist of some of the important comments of the statutory auditors and CAG in respect of accounts of the SPSEs are as under:

Table 3.1.16: Gist of significant comments on the accounts of the SPSEs

Sl. No.	Name of the SPSE	Comments on Accounts
1.	Meghalaya Power Distribution Corporation Limited (Year of Accounts: 2020-21)	➤ During 2019-20, CAG had pointed out short provisioning (₹ 43.37 crore) against time-barred dues (₹ 44.70 crore) against consumers whose supply was disconnected for more than two years as on 31 March 2020 in terms of Section 56 (2) of the Electricity Act, 2003. ➤ During 2020-21, further dues of ₹ 52.39 crore became time-barred while the Company has written off ₹ 11.57 crore against previous unrecoverable dues making total time-barred dues as on 31 March 2021 to ₹ 85.52 crore (₹ 44.70 crore upto 2019-20 minus ₹ 11.57 crore written off during the year plus ₹ 52.39 crore added during 2020-21). Against this, the Company has kept provisions of ₹ 2.57 crore (3 per cent of total outstanding debts) as per its declared Accounting Policy leading to short-provisioning of ₹ 82.95 crore (₹ 85.52 crore minus ₹ 2.57 crore) against time-barred dues relating to consumers whose supply was disconnected for more than two years as on 31 March 2021. ➤ This has resulted in overstatement of 'Trade Receivables-Unsecured, considered good' by ₹ 82.95 crore with corresponding understatement of 'Loss for the year' by the same extent. ➤ The 'Current Liabilities' and 'Loss for the year' of the Company were understated by ₹ 28.83 crore each due to non-provisioning towards the Power Purchase bills raised by Power Grid Corporation of India Limited (₹ 6.66 crore) and North Eastern Electric Power Corporation Limited (₹ 22.17 crore) for the year 2020-21. ➤ The Company accounted the interest of ₹ 8.56 crore payable on PFC loans for the period January 2020 to March 2020 again during the current year (2020-21), though the said liability was already provided in the accounts for 2019-20. This resulted in overstatement of 'Liabilities' and 'Loss for the year' by ₹ 8.56 crore each.
2.	Meghalaya Power Transmission Corporation Limited (Year of Accounts: 2020-21)	➤ The Company has accounted ₹ 5.75 crore, being the value of land purchased by the Company for the construction of three Sub-stations, under 'Capital-Work-in Progress' (pending commissioning of the Sub-Stations). Since land is a separate tangible asset for which, the title and possession has already been transferred (June 2013/October 2015) in the Company's favour, it should have been accounted under 'Property, Plant and Equipment' without waiting for completion of the related Sub-Stations. This has correspondingly resulted in overstatement of 'Capital Work-in-

Sl. No.	Name of the SPSE	Comments on Accounts
		Progress' and understatement of 'Property, Plant and Equipment' by the same extent. ➤ The Company has accounted ₹ 27.99 crore, being the cost of three substations and three transmission lines completed and commissioned during prior periods (February 2018 to May 2019), under 'Capital Works in Progress' instead of 'Property, Plant and Equipment' (PPE). This has resulted in overstatement of 'Capital WIP' and understatement of 'PPE' (Gross block) by ₹ 27.99 crore each with corresponding understatement of 'Depreciation' and 'Loss for the year' by ₹ 3.52 crore each (prior period: ₹ 2.04 crore; current year: ₹ 1.48 crore).
3.	Meghalaya Power Generation Corporation Limited (Year of Accounts: 2020-21)	➤ The Company has not charged depreciation (₹ 2.72 crore) on the cost of Renovation, Modernisation and Upgradation of one Hydro Project, which was completed in January 2012 but capitalised during 2016-17. This has correspondingly resulted in understatement of 'Loss for the year' (prior periods) by the same extent. ➤ The Company has not transferred the capital cost (₹ 7.70 crore) incurred on Survey and Investigation work of one project (Myntdu Leshka Hydro Electric Project Stage-I) to 'Property, Plant and Equipment' despite commissioning (April 2013) of this project. This resulted in overstatement of 'Capital Work-In- Progress' and understatement of 'Property, Plant and Equipment' (Gross Block) by ₹ 7.70 crore each with corresponding understatement of 'Depreciation' and 'Loss for the year' by ₹ 2.39 crore each.
4.	Meghalaya Energy Corporation Limited (Year of Accounts: 2020-21)	➤ The Company has not accounted ₹ 2.12 crore being the investment made in MeECL Pension Trust out of Staff Pension Fund as on 31 March 2021. This has resulted in understatement of 'Investments' and overstatement of 'Financial Assets-Cash and Cash Equivalents Balances with Banks' (Note-8) by ₹ 2.12 crore each. ➤ The Company had wrongly accounted the professional charges (₹ 6.29 crore) paid to the Consultants (Tipson Consultancy Services Limited) being part payment towards arranger's fees for issuing of MeECL Bond as 'Other Expenses', which should be accounted under the head 'Finance Cost'. This has resulted in overstatement of 'Other Expenses' and understatement of 'Finance Cost' by ₹ 6.29 crore each.
5.	Meghalaya Industrial Development Corporation Limited (Year of Accounts: 2019-20)	➤ The Company has not accounted ₹ 1.46 crore being 'Interest accrued on Fixed Deposits' for the current accounting year. This has resulted in understatement of 'Current Assets-interest accrued on fixed deposits' with corresponding overstatement of 'Loss for the year' by ₹ 1.46 crore each.

Sl. No.	Name of the SPSE	Comments on Accounts
6.	Mawmluh Cherra Cement Limited (Year of Accounts: 2019-20)	➤ The Company has not created provisions towards penalty (₹ 4.85 crore) payable to the Directorate of Mineral Resources (DMR) due to default in payment of Royalty & Cess (unpaid since 2009), on the pretext of the Company's intention to approach the State Government for waiver of said penalty. Since no correspondence was found on record to confirm the Company's contention regarding approaching the Government for waiver of the penal liability, the Company should have provided for the same based on the principles of conservatism. This has resulted in understatement of 'Current Liabilities' and 'Loss for the year' by ₹ 4.85 crore each.
7.	Meghalaya Government Construction Corporation Limited (Year of Accounts: 2020-21)	➤ The Company has not created provision of ₹ 3.76 crore against the liability towards Leave Encashment of employees as on 31 March 2021. This has resulted in understatement of 'Current Liabilities' and 'Loss for the year' by ₹ 3.76 crore each.

3.1.11 Coverage of this Report

This Chapter on SPSEs contains four compliance audit paragraphs pertaining to Meghalaya Power Distribution Corporation Limited which is under the administrative control of the Power Department.

COMPLIANCE AUDIT PARAGRAPHS

POWER DEPARTMENT

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED

3.2 Avoidable expenditure due to awarding the works to L2 bidders

Award of three works under DDUGJY Phase-I to L2 bidders instead of L1 bidder resulted in avoidable expenditure of ₹ 0.90 crore.

With a view to address the problem of inadequate and unreliable power supply in rural areas and to complete the ongoing work of rural electrification taken up under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), Government of India (GoI) launched (December 2014) Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY). The objectives of DDUGJY are (i) to provide electrification to all villages, (ii) feeder separation to ensure sufficient power to farmers and regular supply to other consumers, (iii) improvement of sub-transmission and distribution network to improve the quality and reliability of the supply and (iv) installation of meters to reduce losses. In Meghalaya, Meghalaya Power Distribution Corporation Limited (MePDCL) is the Project Implementing Agency (PIA) for DDUGJY. The funding pattern of this scheme was in the ratio of 85:15⁷⁰ between GoI and Government of Meghalaya (GoM) respectively.

Scrutiny (November-December 2020) of records of MePDCL showed that MePDCL divided the entire State into seven project areas⁷¹ for implementation of DDUGJY⁷² and submitted (August 2015) a proposal/DPR worth ₹ 1,026.93 crore. GoI, however sanctioned ₹ 100.64 crore for Phase-I and ₹ 160.69 crore for Phase-II and released a total of ₹ 180.93 crore for both the phases, as of March 2021. In addition, GoM released its share of ₹ 40.13 crore taking the total funds available with the PIA to ₹ 221.06 crore. The project was completed in January 2022 at a total cost of ₹ 273.12 crore including an outstanding liability of ₹ 90.62 crore due to the contractors.

For implementation of DDUGJY Phase I, MePDCL invited (15 October 2015) e-tender⁷³ for all the seven project areas. As per clause 30.1 of Instructions to Bidders Vol-I: Section-II, which formed part of the contract agreement, MePDCL was to award the contract to the bidder whose bid has been determined to be substantially responsive and to be the lowest evaluated⁷⁴ bid/ rate (also referred to as the L1 bidder). In order to arrive at the evaluated bid/rate, the detailed evaluations were to be carried out by correcting the arithmetical errors and rate inconsistencies as per Clause 27.2 of Instructions to Bidders Vol-I: Section-II wherein the Bidder was to ensure that the prices furnished in various price schedules are consistent with each other. In case of

⁷⁰ Five per cent as own fund and 10 per cent as lender/FI contribution.

⁷¹ East Khasi Hills, West Khasi Hills, Jaintia Hills, Ri- Bhoi, West Garo Hills, South Garo Hills, East Garo Hills.

⁷² To be executed in two phases viz., Phase I-works relating to household electrification and Phase II-works relating to household electrification, metering and system strengthening.

⁷³ A Single Stage Bid Envelope Bidding Procedure followed by e-bidding for price bids was adopted.

⁷⁴ Rates/bid price arrived by TEC after correction of arithmetical errors and rate inconsistencies.

any inconsistency in the prices furnished in the specified price schedules identified in the Bid Form for this purpose, MePDCL was entitled to consider the highest price for the purpose of bid evaluation and use the lowest of the prices in these schedules to award the Contract.

In response to the tender, 20 bidders submitted their bids. The Tender Evaluation Committee (TEC), under the Chairmanship of Chief Engineer (CE), Rural Electrification (RE), opened the bids (26 November 2015) and while declaring 16 out of 18 bidders as qualified for submission of financial bids in respect of six project areas⁷⁵, recommended re-tendering in respect of Jaintia Hills project area, as one out of the two bidders did not comply with the technical and commercial requirements as per bidding document.

Accordingly, tender for Jaintia Hills project area was re-invited (23 December 2015) for which four bids were received and all the four bidders were declared qualified for submission of financial bids.

Financial bids for six project areas and Jaintia Hills area were opened by the TEC on 14 January 2016 and 28 January 2016 respectively. Based on the recommendations of the TEC after evaluation of rates, the CE (RE), MePDCL awarded the works to four Turnkey Contractors (TKCs) during March-April 2016 and the works were completed between December 2018 and July 2019 as per the details given in **Table 3.2.1**.

Table 3.2.1: Details of DDUGJY projects, tender value, issue of Letter of Award (LoA) and date of completion

(₹ in crore)

Sl. No.	Name of Project Area	Selected contractor	Estimated cost (TV)	LoA value	Actual cost	Date of issue of LoA	Date of completion
1.	Jaintia Hills	M/s Star Infratech, Shivaji Market, Tura	6.15	6.15	10.69	18.03.2016	22.12.2018
2.	South Garo Hills		3.17	3.17	4.24	18.03.2016	08.02.2019
3.	West Garo Hills		6.44	6.44	8.85	18.03.2016	03.07.2019
4.	East Garo Hills		19.18	19.18	30.26	18.03.2016	09.05.2019
5.	Ri-Bhoi	M/s Manoj Enterprise, Tura	9.01	9.76	8.40	10.03.2016	22.12.2018
6.	East Khasi Hills	M/s Cabcon India Pvt. Ltd., Kolkata	12.59	13.01	15.05	14.04.2016	12.12.2020
7.	West Khasi Hills	M/s Dhar Construction Co., Shillong	18.79	20.05	20.27	21.04.2016	28.03.2019
	Total		75.33	77.76	97.76		

Source: Records of MePDCL. TV: Tender value.

Examination of records like comparative statements, recommendations of the TEC for LoAs and expenditure statement, showed that the LoAs in respect of three projects areas viz., (i) West Khasi Hills (ii) East Garo Hills (iii) Ri-bhoi were awarded as detailed in **Table 3.2.2**.

⁷⁵ East Khasi Hills, West Khasi Hills, Ri- Bhoi, West Garo Hills, South Garo Hills and East Garo Hills.

Table 3.2.2: Details of projects, contractors and issue of LoA

(Amount in ₹)

Name of Project areas	Name of bidders	TEC evaluated ⁷⁶ rate for issuance of LoA	Audit ranking after evaluating the comparative statement	Name of bidder to whom LoA was issued (ranking)	Loss due to non-issue of work order to L1 bidder
(1)	(2)	(3)	(4)	(5)	(6)
West Khasi Hills	M/s Cabcon India Pvt. Ltd. Kolkata	20,05,39,551 (L3)	20,05,39,551 (L1)	M/s Dhar Construction Co., Shillong (L2)	59,38,529
	M/s Dhar Construction Co., Shillong	20,64,78,080 (L1)	20,64,78,080 (L2)		
	M/s Rainbow Electrical, Shillong	20,69,40,302 (L2)	20,69,40,302 (L3)		
East Garo Hills	M/s Star Infratech Godfrey, Tura	19,18,25,644 (L2)	19,18,25,644 (L2)	M/s Star Infratech Godfrey, Tura (L2)	6,636
	M/s James R. Sangma, Tura	19,18,19,008 (L1)	19,18,19,008 (L1)		
	M/s Cabcon India Pvt. Ltd. Kolkata	19,52,87,251 (L3)	19,52,87,251 (L3)		
Ri-bhoi	M/s Reynold Nongsiej, Shillong	9,45,40,795 (L2)	9,45,40,795 (L1)	M/s Manoj Enterprise, Tura (L2)	30,50,196
	M/s Manoj Enterprise, Tura	9,75,90,991 (L1)	9,75,90,991 (L2)		
Total					89,95,361

Source: Records of MePDCL.

It can be seen from **Table 3.2.2** (column-3) that the rankings decided by the TEC on the basis of evaluated bid/rate were erroneous as the rates arrived at for M/s Cabcon India Private Limited, Kolkata for West Khasi Hills project area, M/s James R. Sangma, Tura for East Garo Hills and M/s Reynold Nongsiej, Shillong for Ri-bhoi project areas were the lowest (L1). The erroneous ranking however, led to issue of LoA to L2 bidders for these three project areas by the CE (RE), MePDCL.

Thus, awarding the works to L2 bidders (West Khasi Hills, West Garo Hills and Ri-bhoi project areas) instead of actual L1 bidders not only defeated the purpose and objective of inviting open tender but also resulted in avoidable expenditure to the tune of ₹ 0.90 crore.

On this being pointed out, GoM stated (March 2023) that at the time of opening of the price bids of DDUGJY-I on 14 December 2015, the lump sum bid prices of each bidder were recorded with and without taxes. The detailed evaluations were then carried out as per clause 27.2 of Instructions to Bidders Vol-I: Section-II and the works were awarded accordingly.

The reply does not address the issue of erroneous assignment of rankings (L-1, L-2 and L-3) as per the comparative statement prepared by the TEC which resulted in awarding of work with higher quoted price. Moreover, Audit has not pointed out inconsistencies in arriving at the evaluated bid/rate. As such, prevalence of *mala-fide* intentions and favouritism in allotment of works could not be ruled out.

Recommendation: The State Government may initiate inquiry to ascertain whether the tendering norms were deliberately contravened by the officers of the Department to allow award of work to L2 bidders and initiate disciplinary action against the erring official(s).

⁷⁶ After correcting all arithmetic errors and rate inconsistencies.

3.3 Avoidable expenditure

Despite advisory issued by Cabinet Secretary, injudicious decision of MePDCL for awarding works under SAUBHAGYA to contractors at their quoted rates resulted in avoidable expenditure of ₹ 156.14 crore.

GoI launched (October 2017) the ‘Pradhan Mantri Sahaj Bijli Har Ghar Yojana – SAUBHAGYA’ as a concurrent programme to Deen Dayal Upadhyay Gram Jyoti Yojna (DDUGJY) with an aim to ensure universal household electrification (in both rural and urban areas) by providing last mile connectivity through financial assistance to the DISCOMs/Power Department. Under the SAUBHAGYA, household electrification was envisaged to be achieved for all households in the country through two means viz., (i) providing last mile connectivity to households through grid and (ii) providing connections through stand-alone photovoltaic systems in remote and inaccessible areas not feasible to be connected with grid. The funding pattern of this scheme was in the ratio of 85:15⁷⁷ between GoI and GoM respectively. In Meghalaya, MePDCL was the Project Implementing Agency (PIA) for SAUBHAGYA.

GoM submitted its Letter of Intent to GoI for participation in the implementation of SAUBHAGYA in February 2018 and submitted (May 2018) a proposal/DPR worth ₹ 1,876.15 crore for electrification of 1,49,826 households for approval. Subsequently, GoI sanctioned ₹ 657.06 crore⁷⁸ and released (between May 2018 and December 2022) ₹ 525.30 crore for electrification of the proposed un-electrified households. In addition, GoM provided ₹ 148.67 crore between November 2019 and March 2022. The date of completion of SAUBHAGYA was initially fixed for December 2018, which was extended to December 2020 by GoI due to delay in awarding of projects by MePDCL. The project was completed only in March 2022 at a total cost of ₹ 673.04 crore including an outstanding liability of ₹ 98.48 crore due to the contractors (March 2023). Further scrutiny showed that the works were executed in two parts i.e., first, departmentally which included service connections with related infrastructure for all the 1,62,568 households⁷⁹ at a cost of ₹ 96.44 crore and the second, through Turnkey Contractors (TKCs), scope of which included other additional infrastructure works like installation of Distribution Transformers (DTRs), 11 KV lines and LT lines costing ₹ 476.68 crore.

Scrutiny (November-December 2020) of records of MePDCL showed that for execution of the works under SAUBHAGYA, MePDCL initially planned (07 September 2018) to award the work to the already existing TKCs of DDUGJY. The TKCs of DDUGJY also agreed (10 September 2018) to execute the work of SAUBHAGYA at departmental rates subject to a few minor conditions like providing interest free mobilisation advance, revision of rates for conductors and DTRs or to be

⁷⁷ Five per cent as own fund and ten per cent as lender/FI contribution.

⁷⁸ ₹ 275.73 crore on 06 August 2018, ₹ 207.96 crore on 08 October 2018 and ₹ 173.37 crore on 04 January 2019.

⁷⁹ Increase in households (HHs) electrification from 1,49,826 HHs to 1,62,568 HHs was due to increase of population/ HHs during actual execution of work and same was accorded an approval from GoI in its closure report of scheme.

supplied departmentally, etc. However, GoM decided (10 September 2018) to issue tender notice for executing the work on turnkey mode and split the work into two packages – Package A (Khasi and Jaintia Hills districts) and Package B (Garo Hills). Notice Inviting Tender (NIT) for implementation of 100 *per cent* household electrification and for providing last-mile connectivity under SAUBHAGYA, was floated (26 September 2018) under Package-A and Package-B with a corrigendum issued on 09 October 2018⁸⁰. The bidding documents included clause 1.4 under preamble (A) of volume –I: section-II Instruction to Bidders (ITB) and clause 30.2 of Volume-I: Section -II ITB, which stated that a bid submitted by a bidder for a particular package shall be treated as non-responsive if the total quoted price is found to be 10 *per cent* below or above the estimated cost of the package.

It was however noticed that the clauses *ibid i.e.*, Clause 1.4 and Clause 30.2 were deleted (09 October 2018) by the Empowered Committee (Tender)⁸¹ on the ground that they may impede participation of bidders considering that the target for completion of the scheme was December 2018.

In response to the NIT, MePDCL received four bids. The Empowered Committee (Tender), after Techno-Commercial evaluation (October 2018) recommended opening of financial bids submitted by three bidders⁸². While opening the financial bids (November 2018), one bidder⁸³ did not comply with the criteria specified in the bid document. The price quoted by two bidders were as detailed in **Table 3.3.1**.

Table 3.3.1: Quoted price of bidders

Sl. No.	Name of bidders	(₹ in crore)			
		Package A		Package B	
		Estimated cost	Rate quoted by bidders	Estimated cost	Rate quoted by bidders
1.	M/s Satnam Global Infra Projects Limited, New Delhi	173.60	269.04	179.00	325.11
2.	M/s Onycon Enterprises, Mumbai		283.82		284.61

It can be seen from the table above that the rates quoted by the lowest bidder were 55 *per cent* (Package A) and 59 *per cent* (Package B) above the estimated cost put to tender.

In the meantime, the Cabinet Secretary, GoI in a video conference (14 December 2018) with the Chief Secretary to GoM and other officials of GoM/MePDCL, suggested that the NIT of SAUBHAGYA scheme be cancelled, and works be taken up departmentally. The Cabinet Secretary reasoned that the rates quoted by the TKCs were above the

⁸⁰ Extension of date for submission of bids.

⁸¹ The Empowered Committee (Tender) comprising of the following officials of MePDCL: i) Director (Distribution) as Chairman, ii) Chief Engineer (Distribution), iii) Chief Engineer (RE), iv) Company Secretary, v) Chief Accounts Officer/Deputy Chief Accounts Officer, vi) Addl Chief Engineer (Material Management) vii) Addl. Chief Engineer (Planning & Design) was constituted (October 2017) by the MePDCL.

⁸² M/s Satnam Global Infra Projects Limited, New Delhi, M/s Onycon Enterprises, Mumbai and M/s Techno Electric & Engineering Ltd. New Delhi.

⁸³ M/s Techno Electric & Engineering Ltd. New Delhi.

estimated cost and issuing fresh tender will further delay completion of the project. GoM concurred with the proposal and advised MePDCL to comply with the directives of the Cabinet Secretary.

Despite providing assurance to the Cabinet Secretary, MePDCL went ahead with the tender and awarded (February-March 2019) the works to the TKCs, thereby extending undue financial benefit to them and resulting in avoidable expenditure as discussed below:

- Rural Electrification Corporation (REC) had clearly communicated (01 October 2018) to MePDCL that Standard Bid Documents (SBD) issued by the GoI may be customised as per the State's suitability with prior approval of State Level Standing Committee headed by the Chief Secretary on principles of transparency, financial propriety and fair competition. As such, the Empowered Committee (Tender) appointed by MePDCL's Board of Directors did not have the authority to make such changes in the SBD. In view of the facts mentioned above, the bids were liable to be declared non-responsive in terms of clause No. 1.4 under preamble (A) of volume -I: section-II Instruction to Bidders (ITB) and clause 30.2 of Volume-I: Section -II ITB.

Hence, deletion of clause No. 1.4 under preamble (A) and last para of clause 30.2 of Volume -I: Section -II Instruction to Bidders (ITB) by the Empowered Committee (Tender) was not only irregular and contrary to the directions given by REC but also provided undue financial benefits to the TKCs. Moreover, with the deletion of these significant clauses from the bid document, MePDCL was left with no mechanism to filter parties quoting unreasonably high rates.

- In spite of the assurance given by GoM to Cabinet Secretary, MePDCL negotiated (24 December 2018) the price with the contractors and both the contractors agreed to reduce their bid price by five *percentage* point thereby making the quotes 50 and 54 *per cent* above the estimated cost. MePDCL accepted the negotiated rates and issued (25 February 2019) LoA to M/s Satnam Global Infraprojects Limited for Package – A at a tender value of ₹ 260.04 crore and to M/s Onycon Enterprise, Mumbai (05 March 2019) for Package-B, at a tender value of ₹ 275.66 crore.

In this regard, Audit carried out item-wise rate comparison of common items being executed departmentally and through TKCs. It was seen that 86 out of 95 items under 'Supply component' and 44 out of 54 items under 'Erection component' were common. However, the rates quoted by the contractors were much higher than the departmental rates resulting in avoidable expenditure of ₹ 156.14 crore as shown in **Table 3.3.2**.

Table 3.3.2: Statement showing contractors and work wise avoidable expenditure

(₹ in crore)

Name of contractors	Package and component of work	Total No. of common items executed by TKCs and Department	No. of items against which the TKC rates are higher than Departmental (%)	Total cost if executed at Departmental rate	Total payment made to TKCs	Avoidable excess expenditure
M/s Satnam Global Infraprojects Limited	A – Supply	86	70 (81)	155.07	226.19	71.12
	B ⁸⁴ – Supply	86	69 (80)	107.84	157.23	49.39
	A – Erection	44	18 (41)	19.69	22.75	3.06
	B – Erection	44	23 (52)	13.93	16.78	2.85
Sub-total				296.53	422.95	126.42
M/s Onycon Enterprises	B – Supply	86	69 (80)	60.55	87.98	27.43
	B - Erection	44	23 (52)	8.04	10.33	2.29
Sub-total				68.59	98.31	29.72
Grand Total				365.12	521.26	156.14

Based on the rate comparison shown in **Table 3.3.2**, it is evident that MePDCL allowed exorbitantly higher rates to be charged by the TKCs and departmental execution of the 130 items mentioned above could have restricted the expenditure to ₹ 365.12 crore instead of ₹ 521.26 crore paid to TKCs. Thus, due to execution of SAUBHAGYA through TKCs in complete disregard to the advisory issued by the Cabinet Secretary, GoI, MePDCL had incurred avoidable expenditure to the tune of ₹ 156.14 crore.

On this being pointed out, GoM stated (March 2023) that deletion of Clause 30.2 of volume-1 Section II of ITB, was intended to allow the prospective bidders to quote their prices irrespective of any restrictions *i.e.*, to enable the prospective bidders to quote their price without compromising the quality of the work and also to enable the owner to avoid further retendering.

The reply did not address the core issue of awarding the works despite advisory from the Cabinet Secretary which was agreed to by the Chief Secretary as well as the Additional Chief Secretary (Power) to GoM.

3.4 Undue financial benefit to contractors under SAUBHAGYA and DDUGJY

Re-imbursement of insurance charges without obtaining documentary evidence in support thereof, resulted in undue financial benefit to TKCs under DDUGJY and SAUBHAGYA to the tune of ₹ 1.96 crore.

For implementation of DDUGJY and SAUBHAGYA, MePDCL issued 22 Letters of Award (LoAs) under Turnkey Contracts (TKCs). With regards to payment against insurance charges, payment conditions for work completed under DDUGJY and SAUBHAGYA were clearly stipulated in the terms and conditions in all the LoAs. The payment against supply of materials shall be on submission of specified documents. As per the terms and conditions for release of payment contained in LoA, payment against insurance charges shall be released on presenting a certified copy of insurance

⁸⁴ M/s Onycon Enterprises expressed (May 2019) their reluctance to continue with the contract citing uncertainty in extension of the scheme and also staggered receipt of funds. MePDCL decided (vide BOD approval during July 2019) to scale down the contract of M/s Onycon Enterprise by 50 *per cent*. The balance 50 *per cent* works was awarded to M/s Satnam Global Infraprojects Ltd at the same rate quoted by M/s Onycon Enterprises.

policy/insurance certificate. Further, under clause 30.1 of General Conditions of Contract, specific mention on insurance clause was made in the bidding document, which stipulates that the Contractor shall take joint insurance policy in the names of the Employer and the Contractor. The cost of insurance premium is to be reimbursed to the Contractor on submission of documentary evidence for the premium paid. It was also stipulated that the Contractor shall obtain competitive quotations for such insurance and shall take prior approval from the Employer before taking the insurance.

Scrutiny of records of MePDCL showed that during the period from June 2017 to January 2021, the Company had incurred a total expenditure of ₹ 616.89 crore (**Appendix-3.4.1**) under DDUGJY and SAUBHAGYA which included re-imbursement of ₹ 1.97 crore towards insurance charges as detailed in **Table 3.4.1**.

Table 3.4.1: Details of re-imbursement of insurance charge

(₹ in crore)				
Sl. No.	Name of scheme and contractors	Period covered	Total expenditure	Amount reimbursed as insurance charges
1.	DDUGJY (09 contractors)	01.06.2017 to 22.05.2020	166.23	0.92
2.	SAUBHAGYA (M/s Satnam Global Infraprojects Limited)	28.02.2019 to 08.01.2021	338.05	0.72
	SAUBHAGYA (M/s Onycon Enterprises)	22.03.2019 to 01.08.2020	112.61	0.33
Total			616.89	1.97

It can be seen from **Table 3.4.1** that an expenditure of ₹ 1.97 crore was incurred by MePDCL towards reimbursement of insurance charges. However, Audit observed that against these payments, certified copy of insurance policy amounting to ₹ 58,252⁸⁵ only was submitted by the TKCs of DDUGJY. Documentary evidence like insurance policy/ certificates for the remaining re-imbursement of ₹ 1.96 crore was neither available on record nor furnished to Audit, though called for (February 2022). Further, from the available insurance policy documents, it was noticed that no joint insurance policy in the names of the Employer and the Contractor was ensured and prior approval from MePDCL for taking insurance policy as stipulated in the bidding documents was also not sought. The above indicates that reimbursement of insurances was made without any documentary evidence in support of the supplies being insured, from the TKCs of DDUGJY and SAUBHAGYA.

While accepting the audit observation, the CE (Projects), MePDCL stated (August 2022) that the TKCs of DDUGJY have been intimated (April 2021) to submit copies of insurance documents, which is yet to be received (August 2022). Similarly, in respect of SAUBHAGYA, the GoM stated (March 2023) that letters were issued (10 November 2022) to two TKCs (M/s Satnam Global Infraprojects Limited and M/s Onycon Enterprise Limited) to submit the original insurance policy/insurance certificate to substantiate the amount already paid towards insurance charges within one month. However, till date (March 2023), the said firms have not submitted the

⁸⁵ (i) ₹ 53,352/- M/s Cabcon India Ltd. (Marine-cum-erection policy), (ii) ₹ 2,450 M/s Cabcon India Ltd. (Material Insurance policy) and (ii) ₹ 2,450 M/s Cabcon India Ltd. (Marine insurance policy).

certificates, hence, the amount will be recovered from the outstanding dues.

The reply clearly indicates that MePDCL failed to ensure compliance of its own set rules particularly in checking/verification of insurance documents/policy before reimbursement of the insurance charges claimed by the TKCs, which resulted in undue financial benefit to the tune of ₹ 1.96 crore to the TKCs.

3.5 Avoidable expenditure

Injudicious decision of MePDCL to divert the financial assistance received under UDAY for payment of other loans/liabilities of the company and by investing the balance funds in short-term fixed deposits instead of making immediate repayment of the outstanding loan for which the fund was released by the Government, resulted in avoidable expenditure of ₹ 2.37 crore towards payment of interest and penal interest.

Government of India (GoI), Ministry of Power (MoP) introduced (November 2015) Ujwal Discom Assurance Yojana (UDAY) with the objective to improve the operational and financial efficiency of the State-owned Power Distribution Companies (DISCOMs). The Scheme guidelines stipulated that (i) States shall take over 75 per cent of the DISCOM's outstanding debts as on 30th September 2015 over two years – 2015-16 (50 per cent) and 2016-17 (25 per cent); (ii) Banks/ Financial Institutions (FIs) shall not levy any prepayment charge on the DISCOM debt; (iii) In exceptional cases, where the DISCOM requires equity support, not more than 25 per cent of this grant may be given as equity; (iv) Banks/FIs shall waive off any unpaid overdue interest and penal interest on the DISCOM debt and refund/adjust any such overdue/penal interest paid since 1 October 2013; and (v) Participating States may get additional/priority funding through DDUGJY⁸⁶, IPDS⁸⁷, Power Sector Development Fund or other such scheme of MoP and Ministry of New and Renewable Energy (MNRE), if they meet the operational milestones outlined in UDAY.

To achieve financial turnaround of the Meghalaya Power Distribution Corporation Limited (MePDCL) which had been reeling under severe financial stress and was incurring losses since 2011-12, a tripartite Memorandum of Understanding (MoU) was entered into (09 March 2017) among GoI, Government of Meghalaya (GoM) and the MePDCL for implementation of UDAY. As envisaged in the Scheme guidelines and as per the MoU, GoM took over 75 per cent of the total outstanding debt (₹ 166.67 crore) of MePDCL as on 30 September 2015. Accordingly, GoM sanctioned (17 April 2017) an amount of ₹ 125 crore⁸⁸ for repayment of the outstanding loan which was released to MePDCL on 28 June 2017.

Scrutiny (July 2020) of records of MePDCL showed that MePDCL, despite receipt of funds under UDAY from GoM and being aware of the fact that banks/ FIs would not levy any pre-payment charges/penalty on the DISCOM debt as envisaged under the Scheme, did not pre-close the outstanding loan of ₹ 50 crore (as on 30 September 2015)

⁸⁶ Deen Dayal Upadhyaya Gram Jyoti Yojana.

⁸⁷ Integrated Power Development Scheme.

⁸⁸ Grant ₹ 93.75 crore; Equity ₹ 31.25 crore.

availed from REC and continued repayment as per the original schedule. The loan was finally closed in June 2018 *i.e.*, after 12 months of receipt (28 June 2017) of the UDAY fund.

The UDAY funds were utilised towards repayment of other loans/liabilities not covered under UDAY⁸⁹, simply to avoid them from slipping into Non-Performing Asset (NPA) and the balance fund of ₹ 103.70 crore was invested (July 2017 onwards) under short-term fixed deposits, from which the Company had earned interest amount of merely ₹ 0.26 crore (**Appendix-3.5.1**) during the period from July 2017 to October 2017.

Audit further noticed that due to non-closure of the loan availed from REC, the Company had to make an avoidable payment of ₹ 2.63 crore toward interest and penal interest during the period from July 2017 to June 2018, as detailed in **Table 3.5.1**.

Table 3.5.1: Details of interest and penal interest paid during July 2017 to June 2018

(Amount in ₹)

Months	Principal paid	Interest paid	Penal Interest paid	Total Interest paid
Jul-17	2,08,33,335	30,56,507	2,20,250	32,76,757
Aug-17	2,08,33,331	31,58,391	2,24,085	33,82,476
Sep-17	2,08,33,332	28,38,183	1,54,006	29,92,189
Oct-17	2,08,33,331	27,07,193	2,07,100	29,14,293
Nov-17	2,08,33,336	24,81,593	196435	26,78,028
Dec-17	2,08,33,331	20,01,309	0	20,01,309
Jan-18	2,08,33,336	20,30,393	3,59,376	23,89,769
Feb-18	2,08,33,331	17,46,574	1,67,204	19,13,778
Mar-18	2,08,33,336	15,64,641	1,60,505	17,25,146
Apr-18	2,08,33,331	13,53,595	1,51,035	15,04,630
May-18	2,08,33,336	0	1,02,909	1,02,909
Jun-18	2,08,33,331	13,09,933	1,11,284	14,21,217
Total		2,42,48,312	20,54,189	2,63,02,501

On this being pointed out (July 2022), the Deputy Chief Accounts Officer (Audit), MePDCL, while accepting the audit observation, informed (July 2022) that an amount of ₹ 12.53 crore was utilised for clearing the principal and interest of REC loan availed by MePGCL. The reply confirms that there was diversion of UDAY fund for other purpose.

Thus, the injudicious decision of MePDCL to divert the financial assistance received under UDAY for payment of other loans/liabilities of the Company and to invest the funds in short term fixed deposits resulted in avoidable expenditure of ₹ 2.37 crore⁹⁰.

The matter was reported to the Government (August 2022); their reply is awaited (March 2023).

⁸⁹ Repayment of loans availed by Meghalaya Power Generation Corporation Limited (MePGCL), a sister concern of MePDCL.

⁹⁰ ₹ 2.63 crore - ₹ 0.26 crore.

CHAPTER-IV

FOLLOW UP OF AUDIT OBSERVATIONS

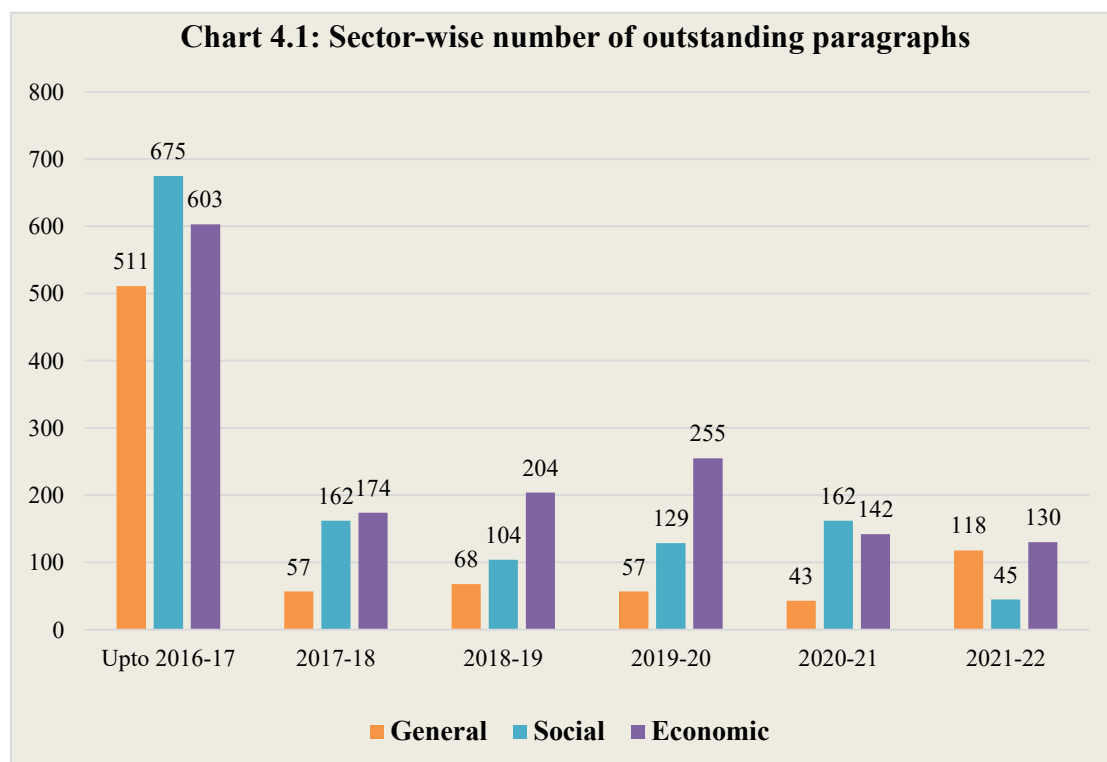
CHAPTER IV

FOLLOW UP OF AUDIT OBSERVATIONS

4.1 Response of Departments to audit findings

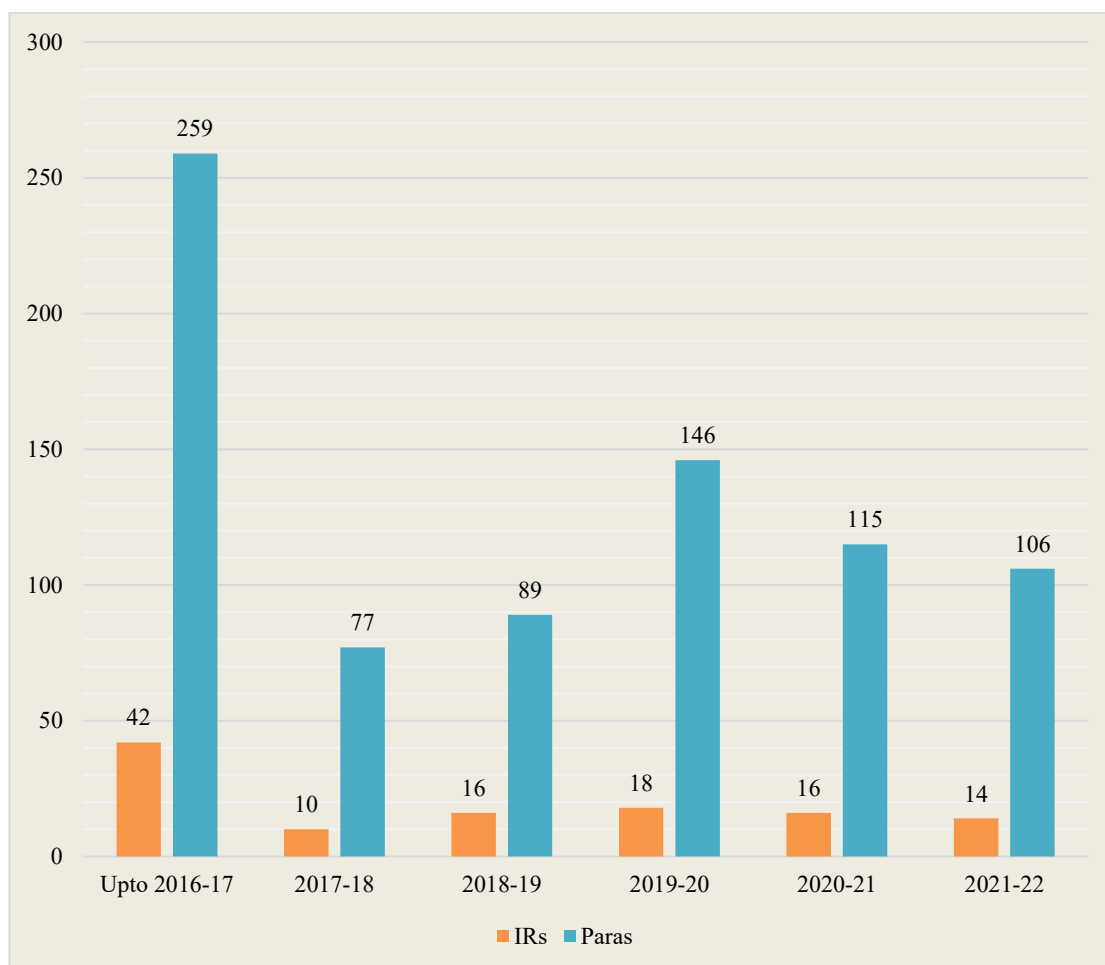
The Meghalaya Financial Rules, 1981 provide for prompt response by the Executive to the Inspection Reports (IRs) issued by the Principal Accountant General (Audit) of the State (PAG) to ensure rectificatory action in compliance with the prescribed rules and procedures and accountability for the deficiencies and lapses noticed during audit. The Heads of offices and next higher authorities are required to respond to the audit observations communicated through IRs and take corrective actions promptly. Audit observations contained in the IRs are also discussed at periodical intervals in meetings in the District/State levels by the officers of the PAG's office with officers of the concerned departments. Serious irregularities are also brought to the notice of the Heads of the Department by the PAG through a half-yearly report in respect of pending IRs to facilitate monitoring of the audit observations and for taking appropriate corrective action.

At the end of March 2022, 3,639 paragraphs pertaining to General, Social and Economic Sectors for the period 1988-89 to March 2022 were outstanding (**Appendix-4.1.1**). The year-wise break-up of the outstanding paragraphs upto 2021-22 is given in **Chart 4.1**.



Out of the total 3,639 outstanding paragraphs pertaining to 700 IRs, first reply against 792 paragraphs pertaining to 116 IRs is yet to be received from the auditees. The year-wise position of IRs and paras where even the first reply is yet to be received are shown in **Chart 4.2**.

Chart 4.2: Numbers of IRs and Paras where the first reply not received



Lack of action on IRs and audit paragraphs for long periods is fraught with the risk of perpetuating financial and compliance irregularities pointed out in those reports. It may also result in dilution of internal controls in the governance process as the irregularities pointed out in audit are not acted upon by those in charge of the governance process. This results in inefficient and ineffective delivery of public goods and services, fraud, corruption and loss to the public exchequer. The State Government, therefore, needs to institute an effective mechanism to review and take expeditious action to address the concerns flagged in the IRs and audit paragraphs.

4.2 Response of the Government to audit observations

All Heads of Departments (HoDs) are required to send their responses to draft audit paragraphs proposed for inclusion in the CAG's Report within six weeks of their receipt.

During 2020-22, ten draft paragraphs were forwarded to Addl. Chief Secretary/ Principal Secretary/Commissioner & Secretary of the departments concerned, drawing their attention to the audit findings and requesting them to send responses within the stipulated time. The matters contained in these draft paragraphs were brought to their personal attention through demi-official letters, stating that since these paragraphs were considered for inclusion in the CAG's audit report, it would be desirable to include their comments/responses to the audit findings.

Despite this, three of the departments did not furnish reply to four draft paragraphs as on the date of this Report. The responses of the Government/departments, whenever received have been appropriately incorporated in the Report.

4.3 Response of Government to audit paragraphs that featured in earlier reports

The Reports of the Comptroller and Auditor General of India are prepared and presented to the State Legislature. To ensure accountability of the Executive to the issues contained in these Audit Reports, the Public Accounts Committee (PAC) of the Meghalaya Legislative Assembly issued instructions (July 1993) for submission of *suo motu* explanatory notes by the concerned Administrative Departments within one month of presentation of the Audit Reports in the State Legislature. For this, the departments are not required to wait for any notice from PAC. *Suo motu* Explanatory Notes are yet to be received from 16 departments in respect of nine PA reports and 32 draft paragraphs which featured in the Audit Reports for the years 2010-11 to 2019-20, as on 31 December 2022. The position of *suo motu* explanatory notes not received as on 31 December 2022 is shown in **Table 4.3.1**.

Table 4.3.1: Explanatory notes not received (as on 30 June 2022)

Year of Audit Report	Date of placement of Audit Report in the State Legislature	Total performance audits (PAs) and Paragraphs in the Audit Reports		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2010-11	23 March 2012	3	14	Nil	1
2011-12	9 October 2013	2	13	Nil	4
2012-13	16 June 2014	3	12	2	1
2013-14	24 September 2015	3	16	Nil	1

Year of Audit Report	Date of placement of Audit Report in the State Legislature	Total performance audits (PAs) and Paragraphs in the Audit Reports		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2014-15	23 March 2016	3	13	Nil	4
2015-16	24 March 2017	3	9	2	3
2016-17	27 September 2018	3	7	1	1
2017-18	19 December 2019	2	8	2	5
2018-19	19 March 2021	1	6	Nil	4
2019-20	16 September 2022	2	9	2	8
Total		25	107	9	32

4.4 Discussion of Audit Reports by PAC/COPU

Of the 25 PAs and 107 compliance audit paragraphs listed in **Table 4.3.1** above, as of 31 December 2022, PAC discussed 20 compliance audit paragraphs and the Committee on Public Undertakings (COPU) discussed 14 paragraphs. While PAC had discussed two PAs, COPU discussed two PAs that featured in the Audit Reports for the period 2010-11 to 2019-20.

4.5 Response of the departments to the recommendations of the PAC/COPU

The Administrative Departments are required to take suitable action on the recommendations made in the Report of the PAC/COPU presented to the State Legislature and submit action taken notes (ATNs) indicating action taken or proposed to be taken on these recommendations. The PAC specified the time frame for submission of ATNs as six weeks upto its 32nd Report (December 1997) and six months in its 33rd Report (June 2000).

Review of 17 Reports⁹¹ of PAC involving 15 Departments⁹² presented to the Legislature between April 1995 and March 2020 revealed that none of these Departments had submitted the ATNs to the PAC as of March 2022.

Similarly, review of six Reports of COPU involving four Departments, viz., Transport, Commerce & Industries, Tourism and Power presented to the Legislature between April 2008 and March 2020 revealed that out of 18 ATNs received, seven had been sent to the Assembly Secretariat as of March 2022.

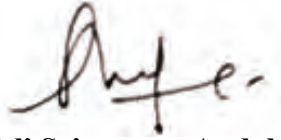
⁹¹ Between April 1995 and December 1997 (10 reports), in June 2000 (one report), April 2005 (one report), April 2007 (one report), March 2010 (one report), March 2011 (one report), March 2012 (one report) and March 2017 (one report).

⁹² Containing recommendations on 59 paragraphs of Audit Reports.

Thus, the fate of the recommendations contained in the Reports of PAC/COPU and whether they were being acted upon by the Administrative Departments could not be ascertained in audit.

During 2020-21 and 2021-22, PAC/COPU did not submit any Report to the State Legislature.

Shillong
The: 17 August 2023


(Shefali Srivastava Andaleeb)
Principal Accountant General (Audit), Meghalaya

Countersigned

New Delhi
The: 24 August 2023


(Girish Chandra Murmu)
Comptroller and Auditor General of India

APPENDICES

Appendix 2.2.1
Statement showing item-wise expenditure
(Reference: Paragraph 2.2)

Sl. No.	Particulars	Amount (in ₹)
1.	Construction of Fish market at Saiden, Nongpoh	84,53,347.00
2.	Metaling and Black Topping of approach road	5,34,950.00
3.	Construction of retaining wall cum brick wall	9,26,479.00
4.	Construction of fencing wall an approach road	9,98,078.00
5.	Construction of filter tank for liquid waste	1,19,044.00
6.	Construction of security gate	1,25,910.00
7.	Drilling/Boring of water resources	9,71,505.00
8.	Procurement of DG Sets	4,24,615.00
9.	Electrification	8,500.00
10.	Deep freezer and weighing machines	4,07,000.00
11.	Advertisement	4,725.00
12.	Transformer	6,86,181.00
13.	Holding of Fish Mela	1,00,950.00
14.	Awareness programmes	44,300.00
15.	Inauguration	5,65,818.00
16.	Inputs	34,572.00
	Total	1,44,05,974.00

Appendix-2.3.1

Statement showing payment of scheme benefits to same beneficiaries with same bank accounts

(Reference: Paragraph 2.3.4.6)

(Amount in ₹)

Sl. No.	Registration No.	Farmer's Name	Account No.	Registration Date	Rate per instalment	No. of Instalment released	Total amount Paid	Double payment
1.	ML261306022	Jir Ronghang	900145750	18-11-2019	2000	6	12000	
2.	ML267147136	Jir Ronghang	900145750	10-01-2020	2000	5	10000	10000
3.	ML257885502	Rivision Dillar	6255350008	05-10-2019	2000	6	12000	
4.	ML259155840	Rivision Dillar	6255350008	22-10-2019	2000	6	12000	12000
5.	ML258214279	Hilarius Makri	6722284308	17-10-2019	2000	6	12000	
6.	ML269235794	Hilarius Makri	6722284308	08-02-2020	2000	5	10000	10000
7.	ML257555058	Anthony Dilar	6728725371	02-10-2019	2000	6	12000	
8.	ML276991887	Anthony Dilar	6728725371	28-05-2020	2000	4	8000	8000
9.	ML256598778	Minalis M Sangma	202000278123	19-09-2019	2000	6	12000	
10.	ML274333691	Minalis M Sangma	202000278123	23-04-2020	2000	4	8000	8000
11.	ML261290890	Emphina O Sangma	202000300841	16-11-2019	2000	6	12000	
12.	ML274985822	Emphina O Sangma	202000300841	29-04-2020	2000	4	8000	8000
13.	ML260909938	Shadona Marak	202000303321	12-11-2019	2000	6	12000	
14.	ML276728492	Shadona Marak	202000303321	23-05-2020	2000	4	8000	8000
15.	ML259372254	Sapna D Sangma	202000307144	03-11-2019	2000	6	12000	
16.	ML276732169	Sapna D Sangma	202000307144	23-05-2020	2000	4	8000	8000
17.	ML260312437	Arbina Marak	202000667460	05-11-2019	2000	6	12000	
18.	ML261059589	Arbina Marak	202000667460	14-11-2019	2000	6	12000	12000
19.	ML261307885	Meristella Ronghang	702013119006	18-11-2019	2000	6	12000	
20.	ML263947819	Meristella Ronghang	702013119006	05-12-2019	2000	5	10000	10000
21.	ML214211837	Merik Khoraid	702018019823	04-04-2019	2000	6	12000	
22.	ML257885200	Merik Khyndeit	702018019823	05-10-2019	2000	6	12000	12000
23.	ML214208177	Joyanty Amsih	702018037897	04-04-2019	2000	6	12000	
24.	ML257883811	Joyanty Amsih	702018037897	05-10-2019	2000	6	12000	12000
25.	ML261308831	Ibahunlin Kurbah	702018128720	18-11-2019	2000	6	12000	
26.	ML273300772	Ibahunlin Kurbah	702018128720	31-03-2020	2000	5	10000	10000
27.	ML263195230	Silbi Amsong	702018141593	29-11-2019	2000	6	12000	
28.	ML273404201	Silbi Amsong	702018141593	05-04-2020	2000	4	8000	8000
29.	ML257883764	Moromi Khorai	702018141650	05-10-2019	2000	6	12000	
30.	ML274450411	Moromi Khorai	702018141650	25-04-2020	2000	4	8000	8000
31.	ML263207931	Sandi Amsong	702018141707	29-11-2019	2000	6	12000	
32.	ML272549251	Sandi Amsong	702018141707	23-03-2020	2000	5	10000	10000
33.	ML263205903	Enish Beypih	702018141785	29-11-2019	2000	6	12000	
34.	ML273402928	Enish Beypih	702018141785	05-04-2020	2000	4	8000	8000
35.	ML263204804	Manita Pumah	702018141990	29-11-2019	2000	6	12000	
36.	ML274055636	Manita Pumah	702018141990	07-04-2020	2000	4	8000	8000
37.	ML263138478	Sunola Sangma	702028014878	27-11-2019	2000	6	12000	
38.	ML286731832	Sunola Sangma	702028014878	19-10-2020	2000	3	6000	6000
39.	ML260911647	Tengme Marak	702039021474	12-11-2019	2000	6	12000	
40.	ML277239045	Tengme Marak	702039021474	30-05-2020	2000	4	8000	8000

Sl. No.	Registration No.	Farmer's Name	Account No.	Registration Date	Rate per instalment	No. of Instalment released	Total amount Paid	Double payment
41.	ML258052732	Ronika Sangma	XXXXXXXX772	14-10-2019	2000	6	12000	
42.	ML277813877	Ronika Sangma	XXXXXXXX 772	12-06-2020	2000	4	8000	8000
43.	ML259400776	Sovita Rabha	XXXXXXXX614	04-11-2019	2000	6	12000	
44.	ML276719878	Sovita Rabha	XXXXXXXX 614	23-05-2020	2000	4	8000	8000
45.	ML261852982	Anisa M Marak	XXXXXXXX 719	19-11-2019	2000	6	12000	
46.	ML276652088	Anisa M Marak	XXXXXXXX 719	23-05-2020	2000	4	8000	8000
47.	ML256056770	Scolastica Lyngdoh	XXXXXXXX 155	13-09-2019	2000	6	12000	
48.	ML279573856	Scolastica Lyngdoh	XXXXXXXX 155	04-07-2020	2000	4	8000	8000
49.	ML214200143	Selbineus Nonglang	XXXXXXXX 187	04-04-2019	2000	6	12000	
50.	ML258214199	Prantilis Shangpliang	XXXXXXXX 187	17-10-2019	2000	6	12000	12000
51.	ML256057485	Pailin Malngiang	XXXXXXXX 772	13-09-2019	2000	6	12000	
52.	ML278384429	Pailin Malniang	XXXXXXXX 772	21-06-2020	2000	4	8000	8000
53.	ML214252357	Marbilos Susngi	XXXXXXXX 270	08-04-2019	2000	6	12000	
54.	ML258050452	Marbilos Susngi	XXXXXXXX 270	14-10-2019	2000	6	12000	12000
55.	ML214251647	Banrika Shadap	XXXXXXXX 170	08-04-2019	2000	6	12000	
56.	ML258052217	Banrila Shadap	XXXXXXXX 170	14-10-2019	2000	6	12000	12000
57.	ML258050500	Bishalin Lyngdoh	XXXXXXXX 454	14-10-2019	2000	6	12000	
58.	ML278036363	Bishalin Lyngdoh	XXXXXXXX 454	15-06-2020	2000	4	8000	8000
59.	ML157560162	Gasen Sangma	XXXXXXXX 590	01-03-2019	2000	8	16000	
60.	ML157521745	Gojan Sangma	XXXXXXXX 590	01-03-2019	2000	8	16000	16000
61.	ML269204369	Sadinny Momin	XXXXXXXX 130	07-02-2020	2000	5	10000	
62.	ML284768655	Projiny Momin	XXXXXXXX 130	07-09-2020	2000	3	6000	6000
63.	ML211791259	Koming Shangdiar	XXXXXXXX 670	12-03-2019	2000	8	16000	
64.	ML213794642	Koming Shangdiar	XXXXXXXX 670	29-03-2019	2000	8	16000	16000
65.	ML211791476	Kyrshan Ronsang	XXXXXXXX 960	12-03-2019	2000	8	16000	
66.	ML213795990	Kyrshan Ronsang	XXXXXXXX 960	29-03-2019	2000	8	16000	16000
							Total	322000

Appendix-2.4.1
Abstract cost of FPU at Dainadubi
(Reference: Paragraph 2.4)

(₹ in lakh)

Sl. No.	Particulars	Amount
1.	Land development including construction of boundary wall/fencing, gate, approach road, internal roads, sewerage and drainage system	8.00
2.	Construction of new sheds and building and the associated electrical and plumbing works	90.00
3.	Replacement of old defunct machinery with new ones and augmentation with some necessary new items of machinery of suitable capacities.	27.00
4.	Replacement of the existing coal-fired Boiler with a new oil-fired Boiler of adequate capacity including flue gas duct and chimney.	8.75
5.	Installation of Water Treatment Plant (R.O. Plant) with storage tanks, pump and piping.	6.50
6.	Installation of a new (stand-by) noiseless DG set of suitable capacity.	7.50
7.	Inclusion of a set of Testing and measuring equipment.	2.00
8.	Consideration to include miscellaneous items like plastic crates and hygiene products like hand gloves, aprons, head caps and face masks.	0.25
	Total	150.00
9.	Professional fee for preparation of DPR (Detailed Project Report) plus service tax @10.3% (including Education Cess)	5.75
10.	Contingencies 10%	15.575
11.	Cost escalation 10%	15.575
	Grand Total	186.90

Appendix 3.1.1

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest finalised accounts as on 30 September 2022

(Reference: Paragraph 3.1.7.4)

(Figures in columns (5) to (12) are ₹ in crore)

Sl. No	Sector/Name of the SPSE	Period of Accounts	Year in which accounts finalized	Paid-up capital	Loans outstanding at the end of year	Accumulated profit (+)/ loss (-)	Turnover	Net profit (+)/ loss (-)	Capital employed	Return on capital employed	Percentage of return on capital employed
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
A. WORKING COMPANY											
AGRCULTURE AND ALLIED											
1	Forest Development Corporation of Meghalaya Limited	2016-17	2021-22	1.97	0	0	1.4	0.46	1.97	0.46	23.35
	Sector Wise Total			1.97	0.00	0.00	1.40	0.46	1.97	0.46	23.35
INFRASTRUCTURE											
2	Meghalaya Industrial Development Corporation Limited	2019-20	2021-22	157.94	0	-53.06	0.36	-1.19	104.88	-1.19	-1.13
3	Meghalaya Government Construction Corporation Limited	2020-21	2022-23	0.75	0	-26.29	50.61	-2.72	-25.54	-2.72	Not workable
4	Meghalaya Infrastructure Development and Finance Corporation Limited	2020-21	2022-23	1.00	0	-5.52	22.03	-4.03	-4.52	-4.03	Not workable
5	Meghalaya Infratech Consultancy and Innovation Limited	2020-21	2022-23	0.15	0.01	-0.01	0	-0.01	0.15	-0.01	-6.67
	Sector Wise Total			159.84	0.01	-84.88	73.00	-7.95	74.97	-7.95	-10.60
MANUFACTURING											
6	Mawmluh Cherra Cement Limited	2019-20	2021-22	197.51	147.53	-272.84	32.80	-38.04	72.2	-26.42	-36.59

Sl. No	Sector/Name of the SPSE	Period of Accounts	Year in which accounts finalized	Paid-up capital	Loans outstanding at the end of year	Accumulated profit (+)/ loss (-)	Turnover	Net profit (+)/ loss (-)	Capital employed	Return on capital employed	Percentage of return on capital employed
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
7	Meghalaya Mineral Development Corporation Limited	2020-21	2022-23	2.32	0	-6.35	0	0.65	-4.03	0.65	Not workable
	Sector Wise Total			199.83	147.53	-279.19	32.80	-37.39	68.17	-25.77	-37.80
POWER											
8	Meghalaya Energy Corporation Limited	2020-21	2022-23	2212.25	407.36	-257.66	0	-57.61	2361.95	-17.11	-0.72
9	Meghalaya Power Generation Corporation Limited	2020-21	2022-23	924.36	973.38	-541.14	257.13	-130.74	1356.6	18.84	1.39
10	Meghalaya Power Distribution Corporation Limited	2020-21	2022-23	858.39	1166.94	-2838.34	931.63	-425.48	-813.01	-337.32	Not workable
11	Meghalaya Power Transmission Corporation Limited	2020-21	2022-23	425.59	49.6	-82.43	67.1	-62.32	392.76	-50.99	-12.98
	Sector Wise Total			4420.59	2597.28	-3719.57	1255.86	-676.15	3298.30	-386.58	-11.72
SERVICE											
12	Meghalaya Tourism Development Corporation Limited	2018-19	2020-21	7.96	8.35	-8.42	19.67	1.18	7.89	1.41	17.87
	Sector Wise Total			7.96	8.35	-8.42	19.67	1.18	7.89	1.41	17.87
MICELLANEOUS											
13	Meghalaya Handloom & Handicrafts Development Corporation Limited	2018-19	2020-21	1.50	0.39	-5.06	0.13	-0.08	-3.17	-0.08	Not workable
14	Meghalaya Basin Management Agency	2020-21	2022-23	0.05	0	0	0	0	0.05	0	0.00
15	Shillong Smart City Limited	2020-21	2021-22	0.10	0	0.35	0.0	0.37	0.45	0.37	82.22

Sl. No	Sector/Name of the SPSE	Period of Accounts	Year in which accounts finalized	Paid-up capital	Loans outstanding at the end of year	Accumulated profit (+)/ loss (-)	Turnover	Net profit (+)/ loss (-)	Capital employed	Return on capital employed	Percentage of return on capital employed
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
16	Meghalayan Age Limited	First Annual Accounts (2020-21) not yet submitted									
17	Livelihood Improvement Finance Company of Meghalaya ⁹³	2017-18	Details not available due to non-submission of its accounts (2017-18) by the Company.								
	Sector Wise Total			1.65	0.39	-4.71	0.13	0.29	-2.67	-0.08	Not workable
	Total A (All sector wise working Government Companies)			4791.84	2753.56	-4096.77	1382.86	-719.56	3448.63	-418.14	-12.12
B. WORKING STATUTORY CORPORATION											
SERVICE											
18	Meghalaya Transport Corporation	2015-16	2020-21	93.05	0	-106.69	4.88	-4.43	-13.64	-4.43	Not workable
	Sector Wise Total			93.05	0.00	-106.69	4.88	-4.43	-13.64	-4.43	Not workable
MISCELLANEOUS											
19	Meghalaya State Warehousing Corporation	2020-21	2022-23	3.36	0	0.9	1.04	0.47	4.26	0.47	11.03
	Sector Wise Total			3.36	0.00	0.90	1.04	0.47	4.26	0.47	11.03
	Total B (All sector wise working Statutory Corporation)			96.41	0.00	-105.79	5.92	-3.96	-9.38	-3.96	Not workable
				4888.25	2753.56	-4202.56	1388.78	-723.52	3439.25	-422.10	-12.27
C. NON-WORKING GOVERNMENT COMPANIES											
MANUFACTURING											

⁹³ The Company at serial no. A17 incorporated on 27 May 2009 became a Government Company during 2021-22 and its audit was entrusted (August 2021) to PAG (Audit), Meghalaya. The audited accounts of the Company upto the year 2017-18 have already been adopted in its Annual General Meeting. However, the financial figures of the Company for its latest finalised accounts (2017-18) are not presently available with PAG, Meghalaya due to non-submission of its audited accounts for 2017-18.

Sl. No	Sector/Name of the SPSE	Period of Accounts	Year in which accounts finalized	Paid-up capital	Loans outstanding at the end of year	Accumulated profit (+)/ loss (-)	Turnover	Net profit (+)/ loss (-)	Capital employed	Return on capital employed	Percentage of return on capital employed
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
20	Meghalaya Electronics Development Corporation Limited	2017-18	2018-19	0	0	0	0	0	0	0	-
	Sector Wise Total			0.00	0.00	0.00	0.00	0.00	0	0.00	-
ARGICULTURE AND ALLIED											
21	Meghalaya Bamboo Chips Ltd	2020-21	2022-23	0	0	0	0	0	0	0	0.00
	Sector Wise Total			0.00	0.00	0.00	0.00	0.00	0	0.00	-
	Total C (All sector wise non-working Government Companies)			0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	Grand Total (A+B+C)			4888.25	2753.56	-4202.56	1388.78	-723.52	3439.25	-422.10	-12.27

Appendix – 3.1.2
Statement showing Rate of Real Return on Government Investment
(Reference: Paragraph No.3.1.9)

(₹ in crore)

Financial Year	Present value of total investment at the beginning of the year	Equity infused by the State government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/pr ofit after tax (PAT) for the year*
A	B	C	D	E	F	G	H	I	J	K $K = I \times (1+J)$	L $L = I + (I \times J) \div 100$	M
Upto 2012-13**		2136.62	0.00	0.00	62.33	0.00	2198.95	2198.95	6.24	2336.16	137.21	-82.08
2013-14	2336.16	89.56	0.00	0.00	100.52	0.00	190.08	2526.24	6.61	2693.23	166.99	-128.11
2014-15	2693.23	164.38	0.00	0.00	165.39	0.00	329.77	3023.00	6.22	3211.03	188.03	-221.84
2015-16	3211.03	3.31	0.00	0.00	25.02	0.00	28.33	3239.36	6.70	3456.40	217.04	-390.16
2016-17	3456.40	38.90	0.00	0.00	97.12	0.00	136.02	3592.42	6.47	3824.85	232.43	-266.93
2017-18	3824.85	90.47	0.00	0.00	115.52	0.00	205.99	4030.84	6.40	4288.81	257.97	-410.83
2018-19	4288.81	31.19	0.00	0.00	222.31	0.00	253.50	4542.31	6.53	4838.92	296.61	-419.16
2019-20	4838.92	135.65	0.00	0.00	125.30	0.00	260.95	5099.87	6.85	5449.21	349.34	-514.75
2020-21	5449.21	31.26	0.00	0.00	204.00	0.00	235.26	5684.47	6.80	6071.02	386.55	-554.33
2021-22	6071.02	13.43	0.00	0.00	503.58	0.00	517.01	6588.03	6.62	7024.16	436.13	-723.52
		2734.77			1621.09		4355.86	40525.49				

* worked out in respect of 15 SPSEs where State Government made direct investment on the basis of profit/loss as per their latest finalised accounts.

**these are cumulative figures upto 2012-13 for Columns C, D, E, F, G and H.

Year	Total earnings/loss in 2018-19	Investment by the State Government as per total of the column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2021-22	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
	Value of column M of above table	Total of the column H of above table	$A \times 100 / B$	Value of column K of above table	$A \times 100 / D$
2021-22	-723.52	4355.86	-16.61	7024.16	-10.30

Appendix 3.4.1

Reimbursement of Insurance charges towards SAUBHAGYA & DDUGJY

(Reference Paragraph 3.4)

Sl. No.	Voucher No	Date	Name of the Contractor	Name of Project	Date of issue of LOA	Bill Value (in ₹)	Payment towards Insurance (in ₹)
A: Payment of Insurance charges under DDUGJY							
1	1	01-06-2017	M/s Star Infratec	Phase-1/EGH	18.03.2016	83,56,804.00	1,07,580
2	2	16-06-2017	M/s Cabcon India Pvt. Ltd.	Phase-1/EKH	14.04.2016	2,16,71,150.00	15,042.00
3	3	16-06-2017	M/s Manoj Enterprise	Phase-1/Ri-Bhoi	10.03.2016	1,57,83,914.00	15,042.00
4	1	11-08-2017	M/s Cabcon India Pvt. Ltd.	Phase-1/EKH	14.04.2016	2,18,01,679.00	16,864.94
5	1	11-08-2017	Manoj Enterprise	Phase-1/Ri-Bhoi	10.03.2016	1,42,53,999.00	1,38,578.90
6	5	20-04-2017	M/s Dhar Construction	Phase-1/WKH	21.04.2016	1,06,16,231.89	2,10,369.00
7	4	12-05-2017	M/s Dhar Construction	Phase-1/SGH	18.03.2016	37,42,475.00	47,099.00
8	5	12-05-2017	M/s Dhar Construction	Phase-1/WGH	18.03.2016	59,46,292.00	75,535.00
9	6	26-05-2017	M/s Dhar Construction	Phase-1/JH	18.03.2016	58,24,896.00	23,760.00
10	7	26-05-2017	M/s Dhar Construction	Phase-1/WKH	21.04.2016	74,81,888.00	1,17,381.00
11	3	10-07-2017	M/s Dhar Construction	Phase-1/WKH	21.04.2016	1,60,11,837.00	3,36,938.00
12	4	12-07-2017	M/s Dhar Construction	Phase-1/EGH	18.03.2016	1,76,11,876.00	2,26,749.00
13	5	12-07-2017	M/s Dhar Construction	Phase-1/SGH	18.03.2016	41,48,441.00	51,181.00
14	6	12-07-2017	M/s Dhar Construction	Phase-1/WKH	21.04.2016	1,48,29,983.00	2,71,247.00
15	7	12-07-2017	M/s Star Infratec	Phase-1/WGH	18.03.2016	1,01,17,249.00	1,29,160.00
16	8	12-07-2017	M/s Star Infratec	Phase-1/JH	18.03.2016	1,05,29,134.00	43,497.00
17	2	17-08-2017	M/s Star Infratec	Phase-1/EGH	18.03.2016	1,30,73,508.00	1,66,766.00
18	3	17-08-2017	M/s Star Infratec	Phase-1/SGH	18.03.2016	28,64,472.00	35,886.00
19	4	17-08-2017	M/s Star Infratec	Phase-1/WGH	18.03.2016	46,23,948.00	58,369.00
20	5	17-08-2017	M/s Star Infratec	Phase-1/JH	18.03.2016	14,67,048.00	5,935.00
21	1	11-09-2017	M/s Cabcon India Pvt. Ltd.	Phase-1/EKH	14.04.2016	21,65,317.00	8,259.00
22	2	11-09-2017	M/s Star Infratec	Phase-1/EGH	18.03.2016	89,67,149.00	1,14,048.00
23	3	11-09-2017	M/s Star Infratec	Phase-1/SGH	18.03.2016	13,29,651.00	15,391.00
24	4	11-09-2017	M/s Star Infratec	Phase-1/WGH	18.03.2016	32,90,828.00	41,914.00
25	7	27-09-2019	M/s Dhar Construction	Phase-1/WKH	21.04.2016	3,03,42,826.00	4,90,716.00
26	8	27-09-2017	M/s Dhar Construction	Phase-1/WKH	21.04.2016	72,12,774.00	1,19,616.00
27	1	16-10-2017	M/s Cabcon India Ltd.	Phase-1/EKH	14.04.2016	37,23,665.00	5,657.00
28	2	16-10-2017	M/s Star Infratec	Phase-1/EGH	18.03.2016	74,77,577.00	84,550.00
29	3	16-10-2017	M/s Star Infratec	Phase-1/SGH	18.03.2016	13,02,620.00	14,181.00
30	4	16-10-2017	M/s Star Infratec	Phase-1/WGH	18.03.2016	25,68,474.00	29,368.00
31	5	16-10-2017	M/s Star Infratec	Phase-1/JH	18.03.2016	39,17,794.00	17,099.00
32	6	16-10-2017	M/s Star Infratec	Phase-1/JH	18.03.2016	31,24,465.00	11,556.00

Sl. No.	Voucher No	Date	Name of the Contractor	Name of Project	Date of issue of LOA	Bill Value (in ₹)	Payment towards Insurance (in ₹)
33	1	01-11-2017	M/s Star Infratec	Phase-1/EGH	18.03.2016	1,75,99,253.00	2,02,324.00
34	4	13-11-2017	M/s Manoj Enterprise	Phase-1/RB	10.03.2016	1,02,69,081.00	67,566.00
35	5	30-11-2017	M/s Dhar Construction	Phase-1/WKH	21.04.2016	1,13,02,747.00	1,89,005.00
36	4	20-12-2017	M/s Star Infratec	Phase-1/EGH	18.03.2016	2,09,29,775.00	2,35,230.00
37	2	24-01-2018	M/s Star Infratec	Phase-1/SGH	18.03.2016	27,35,152.00	29,902.00
38	3	24-01-2018	M/s Star Infratec	Phase-1/WGH	18.03.2016	63,59,550.00	70,897.00
39	4	24-01-2018	M/s Dhar Construction	Phase-1/WKH	21.04.2016	52,62,154.00	89,299.00
40	2	14-02-2018	M/s Star Infratec	Phase-1/JH	18.03.2016	53,15,300.00	19,628.00
41	1	28-02-2018	M/s Cabcon India Pvt. Ltd.	Phase-1/EKH	14.04.2016	1,51,99,120.00	16,621.00
42	2	28-03-2018	M/s Manoj Enterprise	Phase-1/RB	10.03.2016	63,65,279.00	52,773.00
43	3	28-03-2018	M/s Star Infratec	Phase-1/EGH	18.03.2016	63,34,535.00	74,971.00
44	4	28-03-2018	M/s Star Infratec	Phase-1/EGH	18.03.2016	1,19,55,392.00	1,35,759.00
45	5	28-03-2018	M/s Star Infratec	Phase-1/EGH	18.03.2016	90,38,374.00	1,01,867.00
46	6	28-03-2018	M/s Star Infratec	Phase-1/WGH	18.03.2016	34,71,306.00	39,951.00
47	7	28-03-2018	M/s Dhar Construction	Phase-1/WKH	21.04.2016	49,82,331.00	80,638.00
48	17	27-03-2019	M/s Rainbow Electrical	Phase-II/Ri-bhoi	15.01.2018	1,56,08,880.00	64,414.00
49	18	27-03-2019	M/s Star Infratec	Phase-II/EGH	15.01.2018	2,41,75,228.00	59,579.00
50	19	27-0-319	M/s U. N. Saha	Phase-II/SGH	15.01.2018	2,65,14,777.00	1,10,183.00
51	20	27-03-2019	M/s Dhar Construction	Phase-II/JH	15.01.2018	54,71,185.00	55,256.00
52	7	18-03-2019	M/s Cabcon India Pvt. Ltd.	Phase-1/EKH	14.04.2016	8,33,905.00	1,553.00
53	6	14-02-2019	M/s U. N. Saha	Phase-II/WKH	16.01.2018	1,62,16,547.00	76,225.00
54	4	10-01-2019	M/s Dhar Construction	Phase-1/WKH	21.04.2016	1,03,48,411.00	1,03,577.00
55	5	10-01-2019	M/s Dhar Construction	Phase-II/JH	15.01.2018	35,85,137.00	40,889.00
56	6	22-01-2019	M/s Star Infratec	Phase-II/EGH	15.01.2018	2,41,75,224.00	59,580.00
57	2	01-12-2018	M/s Rainbow Electrical	Phase-II/WKH	16.01.2018	2,00,15,117.00	83,395.00
58	5	10-12-2018	M/s G. M. Syiemlieh	Phase-II/EKH	16.01.2018	75,27,265.00	3,75,667.00
59	7	17-12-2018	M/s Dhar Construction	Phase-1/WKH	21.04.2016	14,67,124.00	13,860.00
60	8	19-12-2018	M/s Star Infratec	Phase-II/EGH	15.01.2018	5,15,96,532.00	1,27,093.00
61	2	15-10-2018	M/s Rainbow Electrical	Phase-II/Ri-bhoi	15.01.2018	1,41,12,152.00	56,142.00
62	3	14-10-2018	Ms/ Star Infratec	Phase-II/WGH	16.01.2018	3,60,34,733.00	88,431.00
63	4	23-10-2018	Ms/ Star Infratec	Phase-II/EGH	15.01.2018	4,89,11,384	1,20,316
64	5	23-10-2018	M/s Cabcon India Pvt. Ltd.	Phase-I/EKH	14.04.2016	50,82,139	4,425.00
65	9	31-10-2018	M/s Dhar Construction	Phase-II/JH	15.01.2018	1,76,12,139	1,78,408.00
66	10	31-10-2018	M/s Dhar Construction	Phase-II/JH	15.01.2018	53,20,307.00	53,720.00
67	3	14-11-2018	M/s U. N. Saha	Phase-II/SGH	15.01.2018	2,46,36,950.00	1,02,072.00
68	4	14-11-2018	M/s U. N. Saha	Phase-II/SGH	15.01.2018	36,52,243.00	15,116.00

Sl. No.	Voucher No	Date	Name of the Contractor	Name of Project	Date of issue of LOA	Bill Value (in ₹)	Payment towards Insurance (in ₹)
69	5	14-11-2018	M/s Star Infratec	Phase-II/EGH	15.01.2018	4,26,60,235.00	1,05,039.00
70	6	26-11-2018	M/s Star Infratec	Phase-II/WGH	16.01.2018	3,12,88,858.00	77,041.00
71	2	05-09-2018	M/s Star Infratec	Phase-1/EGH	18.03.2016	4,11,49,604.00	3,18,791.00
72	7	12-09-2018	M/s Dhar Construction	Phase-1/WKH	21.04.2016	3,65,664.00	12,780.00
73	8	12-09-2018	M/s Rainbow Electrical	Phase-II/Ri-bhoi	15.01.2018	20,46,072.00	9,537.00
74	9	12-09-2018	M/s Rainbow Electrical	Phase-II/WKH	16.01.2018	25,51,566.00	11,916.00
75	10	13-09-2018	M/s Cabcon India Pvt. Ltd.	Phase-1/EKH	14.04.2016	23,37,215.00	10,199.00
76	11	13-09-2018	M/s G. M. Syiemlieh	Phase-II/EKH	16.01.2018	15,38,879.00	29,750.00
77	18	25-09-2018	M/s Manoj Enterprise	Phase-II/Ri-bhoi	15.01.2018	5,55,661.00	2,768.00
78	10	06-06-2019	M/s Star Infratec	Phase-II/EGH	15.01.2018	5,22,31,930.00	1,28,442.00
79	11	06-06-2019	M/s Star Infratec	Phase-II/WGH	16.01.2018	3,87,06,885.00	95,171.00
80	12	06-06-2019	M/s Madan Trading	Phase-II/WKH	16.01.2018	17,02,400.00	840.00
81	13	06-06-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	4,25,600.00	210.00
82	16	19-06-2019	M/s Star Infratec	Phase-1/SGH	18.03.2016	32,15,635.00	24,495.00
83	17	19-06-2019	M/s Star Infratec	Phase-1/WGH	18.03.2016	69,78,074.00	52,216.00
84	19	19-06-2019	M/s Madan Trading	Phase-II/WKH	16.01.2018	2,58,77,423.00	14,033.00
85	20	19-06-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	1,18,87,772.00	7,969.00
86	1	03-05-2019	M/s Rainbow Electricals	Phase-II/Ri-bhoi	15.01.2018	51,76,669.00	21,097.00
87	2	03-05-2019	M/s Star Infratec	Phase-II/EGH	15.01.2018	3,71,37,184.00	91,457.00
88	3	03-05-2019	M/s Star Infratec	Phase-II/WGH	16.01.2018	2,94,67,869.00	72,563.00
89	6	29-05-2019	M/s Madan Trading	Phase-II/WKH	16.01.2018	1,37,61,571.00	11,061.00
90	7	29-05-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	63,77,904.00	7,557.00
91	3	04-07-2019	M/s Rainbow Electricals	Phase-II/WKH	16.01.2018	2,24,48,010.00	90,755.00
92	7	24-07-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	43,64,520.00	1,156.00
93	4	03-04-2019	M/s Star Infratec	Phase-1/JH	18.03.2016	79,23,454.00	19,466.00
94	7	10-04-2019	M/s G. M. Syiemlieh	Phase-II/EKH	16.01.2018	1,06,73,877.00	57,166.00
95	8	10-04-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	56,52,398.00	2,464.00
96	9	10-04-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	1,04,70,255.00	4,611.00
97	11	23-04-2019	M/s Rainbow Electricals	Phase-II/WKH	16.01.2018	2,50,01,183.00	1,00,290.00
98	12	23-04-2019	M/s Dhar Construction	Phase-II/JH	15.01.2018	89,14,627.00	87,144.00
99	13	23-04-2019	M/s Dhar Construction	Phase-II/JH	15.01.2018	52,56,477.00	53,064.00
100	14	23-04-2019	Shri U. N. Saha	Phase-II/SGH	15.01.2018	1,61,58,379.00	65,854.00
101	2	08-08-2019	Shri U. N. Saha	Phase-II/SGH	15.01.2018	3,88,22,423.00	1,87,986.00
102	3	08-08-2019	Shri G. M. Syiemlieh	Phase-II/EKH	16.01.2018	1,65,65,568.00	49,221.00
103	4	08-08-2019	M/s Madan Trading	Phase-II/E&WKH	16.01.2018	39,58,550.00	1,476.00
104	7	20-08-2019	M/s Rainbow Electricals	Phase-II/Ri-bhoi	15.01.2018	1,29,26,091.00	52,100.00
105	8	20-08-2019	M/s Madan Trading	Phase-II/WKH	16.01.2018	60,41,698.00	3,770.00
106	9	20-08-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	50,36,564.00	3,221.00
107	10	22-08-2019	Shri U. N. Saha	Phase-II/SGH	15.01.2018	2,94,62,611.00	1,52,853.00

Sl. No.	Voucher No	Date	Name of the Contractor	Name of Project	Date of issue of LOA	Bill Value (in ₹)	Payment towards Insurance (in ₹)
108	11	22-08-2019	Shri U. N. Saha	Phase-II/SGH	15.01.2018	17,25,924.00	8,874.00
109	11	22-09-2019	M/s Rainbow Electricals	Phase-II/WKH	16.01.2018	3,60,66,365.00	1,49,580.00
110	12	23-09-2019	M/s Madan Trading	Phase-II/WKH	16.01.2018	1,82,18,955.00	9,497.00
111	13	23-09-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	15,96,776.00	793.00
112	1	03-10-2019	M/s Madan Trading	Phase-II/WKH	16.01.2018	1,01,36,533.00	10,596.00
113	2	03-10-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	18,56,348.00	2,301.00
114	3	03-10-2019	Shri U. N. Saha	Phase-II/SGH	15.01.2018	1,49,63,436.00	78,190.00
115	9	15-10-2019	M/s Madan Trading	Phase-II/WKH	16.01.2018	12,55,633.00	2,397.00
116	10	15-10-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	3,85,801.00	631.00
117	13	28-10-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	84,32,550.00	2,857.00
118	14	28-10-2019	M/s Madan Trading	Phase-II/WKH	16.01.2018	1,96,17,035.00	8,276.00
119	4	09-01-2020	Shri U. N. Saha	Phase-II/SGH	15.01.2018	53,85,517.00	27,690.00
120	5	09-01-2020	Shri G. M. Syiemlieh	Phase-II/EKH	16.01.2018	66,09,457.00	14,458.00
121	1	22-11-2019	Shri U. N. Saha	Phase-II/SGH	15.01.2018	74,37,535.00	37,816.00
122	6	29-11-2019	M/s Madan Trading	Phase-II/WKH	16.01.2018	2,85,62,854.00	18,586.00
123	7	29-11-2019	M/s Madan Trading	Phase-II/EKH	16.01.2018	64,65,943.00	3,823.00
124	6	11-12-2019	M/s Rainbow Electricals	Phase-II/WKH	16.01.2018	3,30,00,179.00	1,35,723.00
125	3	10-02-2020	Shri G. M. Syiemlieh	Phase-II/EKH	16.01.2018	39,93,120.00	70,549.00
126	4	10-02-2020	Shri U. N. Saha	Phase-II/SGH	15.01.2018	1,76,54,700.00	90,772.00
127	5	10-02-2020	Shri U. N. Saha	Phase-II/SGH	15.01.2018	1,66,32,411.00	85,513.00
128	6	10-02-2020	M/s Star Infratec	Phase-II/WGH	16.01.2018	50,98,690.00	7,630.00
129	17	21-02-2020	M/s Star Infratec	Phase-II/EGH	16.01.2018	35,75,319.00	8,802.00
130	1	03-03-2020	M/s Madan Trading	Phase-II/WKH	16.01.2018	69,84,015.00	17,428.00
131	2	06-05-2020	Shri U. N. Saha	Phase-II/SGH	15.01.2018	48,01,853.00	24,689.00
132	3	06-05-2020	Shri G. M. Syiemlieh	Phase-II/EKH	16.01.2018	2,22,02,806.00	53,714.00
133	4	06-05-2020	M/s Dhar Construction	Phase-II/JH	15.01.2018	4,63,957.00	12,675.00
134	7	22-05-2020	M/s Cabcon India Pvt. Ltd.	Phase-I/EKH	14.04.2016	58,38,263.00	6,762.00
TOTAL (A)						1,66,22,76,022.89	91,69,817.84

B: Statement of Insurance charges claim paid to M/s Satnam Global Infraprojects Ltd under SAUBHAGYA			
Bill No	Date of Payment	Bill Value (in ₹)	Insurance (in ₹)
Package A			
1	28.02.2019	87,61,191.00	13,248.00
2		30,07,482.00	6,385.00
3		1,51,90,028.00	20,053.00
4		1,73,74,189.00	44,976.00
5		1,12,36,459.00	14,833.00
6		3,97,92,398.00	78,063.00
7	06-03-2019	2,71,98,165.00	61,271.00
8	08-03-2019	2,40,46,110.00	40,505.00
9		2,47,86,581.00	45,136.00
10		2,82,92,554.00	59,439.00

B: Statement of Insurance charges claim paid to M/s Satnam Global Infraprojects Ltd under SAUBHAGYA			
Bill No	Date of Payment	Bill Value (in ₹)	Insurance (in ₹)
Package A			
11	18-03-2019	3,38,18,597.00	78,608.00
12		3,56,38,752.00	69,663.00
13	20-03-2019	1,17,61,143.00	29,366.00
14		1,37,31,374.00	20,198.00
15		1,57,39,728.00	29,595.00
16		1,95,38,953.00	25,794.00
17		3,53,52,427.00	54,693.00
18		1,69,78,281.00	23,928.00
19	26-03-2019	1,66,32,570.00	25,582.00
20	30-03-2019	62,85,924.00	11,664.00
21	01-04-2019	1,48,67,318.00	30,303.00
22	04-04-2019	24,49,16,948.00	56,784.00
23			47,201.00
24			51,824.00
25			50,877.00
26			50,900.00
27			51,079.00
28			20,499.00
29			41,378.00
30			8,075.00
31-38	18-04-2019	15,40,17,570.00	3,58,133.00
39-44	29-04-2019	13,79,75,069.00	2,81,752.00
45-55	08-05-2019	27,84,24,842.00	4,97,691.00
56-61	29-05-2019	11,48,69,134.00	1,95,330.00
62	11-07-2019	3,71,33,996.00	60,649.00
63	11-07-2019	1,59,57,913.00	27,729.00
64-66	01-08-2019	5,31,47,080.00	1,30,445.00
67	13-08-2019	3,62,23,940.00	53,506.00
68-70	29-08-2019	5,68,91,324.00	1,24,901.00
1 to 4	15-11-2019	8,12,93,378.00	1,33,905.00
5 to 8	22-11-2019	10,33,32,945.00	1,58,646.00
9 & 10	25-11-2019	4,58,76,505.00	64,539.00
11	17-12-2019	2,75,56,963.00	71,366.00
12	15-01-2020	3,98,30,106.00	56,138.00
13 & 14	20-01-2020	5,17,26,544.00	85,793.00
15 & 16	13-03-2020	11,92,75,287.00	1,71,441.00
17	23-03-2020	5,26,66,523.00	74,738.00
18 & 19	03-06-2020	5,70,22,638.00	84,570.00
20	23-10-2020	5,08,28,796.00	1,07,186.00
21	19-01-2021	2,04,07,555.00	45,566.00
Package B			
1	30-09-2019	16,61,45,692.00	4,30,000.00

B: Statement of Insurance charges claim paid to M/s Satnam Global Infraprojects Ltd under SAUBHAGYA			
Bill No	Date of Payment	Bill Value (in ₹)	Insurance (in ₹)
Package A			
2	15-11-2019	7,57,01,830.00	2,15,182.00
3	25-11-2019	12,20,97,502.00	3,21,280.00
4	25-11-2019	1,40,15,954.00	41,811.00
5	25-11-2019	17,67,400.00	20,000.00
7	29-11-2019	1,99,49,322.00	50,960.00
8	15-01-2020	4,08,32,117.00	1,16,299.00
9	15-01-2020	6,12,61,198.00	1,60,935.00
10	13-03-2020	4,34,94,416.00	1,15,090.00
11	29-11-2019	10,70,05,070.00	3,61,897.00
12	23-03-2020	10,80,00,000.00	3,11,689.00
13	01-04-2020	15,01,37,827.00	3,83,523.00
	23-10-2020	11,29,59,351.00	2,89,302.00
16	16-10-2020	12,04,66,187.00	3,50,441.00
17	08-01-2021	3,72,12,005.00	94,790.00
TOTAL (B)		3,38,04,51,151.00	72,09,143.00

Source: Bill Register maintained by Accounts Section MeECL

C: Statement of Insurance charges claim paid to M/s Onycon Enterprises under SAUBHAGYA			
Bill No	Date of Payment	Bill Value (in ₹)	Insurance (in ₹)
1	22-03-2019	11,45,88,162.00	3,26,301.00
2	29-03-2019	6,13,01,640.00	1,60,975.00
3	30-03-2019	2,84,47,165.00	85,127.00
4	02-04-2019	1,25,73,636.00	38,650.00
5	10-04-2019	4,80,81,897.00	1,29,804.30
7	12-04-2019	10,87,29,832.31	2,89,273.44
8	13-04-2019	6,81,12,192.67	2,04,955.89
9	20-04-2019	5,15,99,667.30	1,52,535.02
10	27-04-2019	4,58,10,595.00	1,37,679.00
11	01-06-2019	11,70,01,191.00	4,09,238.00
12	07-06-2019	7,55,92,534.00	2,22,971.00
13	17-10-2019	5,39,41,937.00	1,65,533.98
14	02-12-2019	10,70,05,070.78	2,73,660.04
1		10,70,05,010.00	3,61,891.00
15		5,04,04,632.00	1,29,592.00
16		3,45,96,193.00	1,09,840.00
17	01-08-2020	4,12,69,002.60	1,05,791.00
TOTAL (C)		1,12,60,60,357.66	33,03,817.67

Source: Bill Register maintained by Accounts Section MeECL.

Appendix 3.5.1
Investment of UDAY Fund in Short Term Deposit Receipts
(Reference: Paragraph 3.5)

(Amount in ₹)

Sl. No.	Bank	FD Details	Transaction Date	Amount Invested	Tenure	Interest p.a. (in per cent)	Date of Maturity	Maturity Amount	Interest earned	Date of closure
1.	SBI Laitumkrah	36977207282	01.07.2017	10370,00,000	15 days	3.75	15.07.2017	10385,98,116	15,98,116	18.07.2017
2.		37036439624	24.07.2017	1911,00,000	7 days	3.75	31.07.2017	1912,37,435	1,37,435	31.07.2017
3.		37036599587	24.07.2017	1533,00,000	7 days	3.75	31.07.2017	1534,10,250	1,10,250	
4.		37036600913	24.07.2017	1244,00,000	7 days	3.75	31.07.2017	1244,89,466	89,466	
5.		37062860405	31.07.2017	911,00,000	1 year	4.25	31.07.2018	911,00,000	0	30.08.2017
6.		37062252411	31.07.2017	1533,00,000	1 year	4.25	31.07.2018	1533,00,000	0	08.08.2017
7.		37052857813	31.07.2017	1244,00,000	1 year	4.25	31.07.2018	1244,00,000	0	06.09.2017
8.		37052850078	31.07.2017	16,00,000	1 year	6.75	31.07.2018	16,04,743	4,743	24.08.2017
9.		37127358380	31.08.2017	17,50,000	1 year	6.75	31.08.2018	17,57,983	7,983	06.10.2017
10.		37147106290	7.9.2017	419,00,000	1 year	4.25	31.7.2018	419,00,000	0	
11.		37147187410	9.9.2017	525,00,000	1 year	4.25	31.7.2018	525,00,000	0	
12.	SBI Shillong main branch	37081607121	10.08.2017	72,31,000	1 year	6.75	10.08.2018	72,94,197	63,197	
13.		37081600715	10.08.2017	90,00,000	1 year	6.75	10.08.2018	90,78,658	78,658	
14.		37081600023	10.08.2017	90,00,000	1 year	6.75	10.08.2018	90,78,658	78,658	
15.		37081599436	10.08.2017	90,00,000	1 year	6.75	10.08.2018	90,78,658	78,658	
16.		37081598749	10.08.2017	90,00,000	1 year	6.75	10.08.2018	90,78,658	78,658	
17.		37081598079	10.08.2017	90,00,000	1 year	6.75	10.08.2018	90,78,658	78,658	
18.		37081589949	10.08.2017	90,00,000	1 year	6.75	10.08.2018	90,78,658	78,658	
19.		37081588651	10.08.2017	90,00,000	1 year	6.75	10.08.2018	90,78,658	78,658	
Total									25,61,796	

Appendix 4.1.1
Department wise break-up of Outstanding IRs and Paras
(Reference: Paragraph 4.1)

Department	Upto 2016-17		2017-18		2018-19		2019-20		2020-21		2021-22	
	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
General												
District Council Affairs	2	12	1	5	0	0	0	0	1	3	1	5
KHADC	3	30	1	20	0	0	1	14	0	0	1	24
JHADC	4	31	0	0	0	0	0	0	1	16	1	25
GHADC	17	175	1	16	0	0	0	0	1	19	0	0
Sainik Board	3	4	0	0	0	0	0	0	0	0	0	0
Revenue & Disaster Management	3	8	0	0	0	0	0	0	0	0	1	6
Election	6	30	0	0	1	6	0	0	0	0	1	10
Printing & Stationery	1	2	0	0	0	0	2	17	0	0	1	4
Programme Implementation	1	2	0	0	0	0	0	0	0	0	0	0
General Administration	3	17	0	0	3	19	0	0	0	0	0	0
Secretariat Administration	3	10	1	4	0	0	0	0	0	0	2	10
Governor's Secretariat	2	3	0	0	0	0	0	0	0	0	0	0
Meghalaya Legislative Assembly	3	29	1	12	0	0	0	0	0	0	0	0
District Administration	16	55	0	0	2	15	0	0	0	0	0	0
Home (Police) & NEPA	16	53	0	0	0	0	4	22	1	5	3	19
Home (Civil Defence & Home Guards)	1	1	0	0	0	0	2	4	0	0	1	5
Home Jail	3	9	0	0	2	9	0	0	0	0	2	10
Planning & Law	1	9	0	0	2	12	0	0	0	0	0	0
Director of Accounts and Treasuries Shillong	3	6	0	0	1	7	0	0	0	0	0	0
State Council of Science and Technology and Environment	1	13	0	0	0	0	0	0	0	0	0	0
Meghalaya Information Technology Society	1	12	0	0	0	0	0	0	0	0	0	0
Additional Project Director supporting	0	0	0	0	0	0	0	0	0	0	0	0

Department	Upto 2016-17		2017-18		2018-19		2019-20		2020-21		2021-22	
	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
Human Capital Project (ADB)												
Total	93	511	5	57	11	68	9	57	4	43	14	118
Social												
Social Welfare	10	36	0	0	5	19	0	0	0	0	0	0
Health	24	85	5	28	2	28	6	33	1	10	1	2
Education	28	96	5	27	0	0	5	24	2	29	0	0
Sports	4	20	2	11	0	0	0	0	1	10	0	0
Labour	0	0	0	0	1	13	0	0	0	0	0	0
PHE	28	122	4	26	0	0	0	0	9	81	1	3
NERCORMP	1	8	0	0	0	0	0	0	1	12	0	0
Meghalaya State Rural Livelihood Society	1	4	0	0	0	0	0	0	0	0	0	0
Meghalaya State Skill Development	1	14	0	0	0	0	0	0	0	0	0	0
State Education Mission Authority	0	0	0	0	0	0	0	0	1	8	0	0
MBOCWBB	3	20	1	2	0	0	1	8	0	0	0	0
Information & Public Relation	3	10	0	0	0	0	2	16	1	10	0	0
Housing	7	39	2	8	0	0	0	0	0	0	0	0
Municipal Boards	23	183	6	60	6	36	6	40	1	2	6	40
Urban Affairs	5	8	0	0	2	8	0	0	0	0	0	0
MUDA	5	30	0	0	0	0	1	5	0	0	0	0
Arts & Culture	0	0	0	0	0	0	0	0	0	0	0	0
Tourism	0	0	0	0	0	0	1	3	0	0	0	0
Total	143	675	25	162	16	104	22	129	17	162	8	45
Economic												
PWD	44	179	6	44	11	65	8	77	3	29	8	78
Water Resources	14	41	0	0	0	0	0	0	4	26	2	9
Border Area	11	45	2	14	0	0	0	0	0	0	0	0
C&RD	32	93	3	14	6	36	0	0	0	0	0	0
Soil & Water Conservation	4	16	0	0	2	9	0	0	1	10	1	5
Meghalaya Basin Development Authority	0	0	0	0	0	0	1	14	1	5	0	0
State Institute of Rural Development	2	9	0	0	0	0	0	0	0	0	0	0
State Rural Employment Society	1	5	0	0	0	0	0	0	0	0	0	0
Agriculture & Horticulture	3	10	1	1	1	10	1	5	1	13	0	0
Sericulture	4	8	0	0	0	0	1	8	0	0	0	0
Co-operation	8	11	0	0	0	0	0	0	0	0	0	0
Fisheries	2	12	0	0	0	0	1	25	0	0	0	0

Department	Upto 2016-17		2017-18		2018-19		2019-20		2020-21		2021-22	
	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
Commerce & Industries	12	31	2	31	5	21	2	11	1	10	0	0
Mining & Geology	17	61	4	25	1	1	5	34	0	0	1	6
Power	11	24	4	17	5	15	3	25	5	26	2	7
ICAR	4	7	1	2	1	1	1	3	0	0	0	0
Animal Husbandry & Vety.	4	8	2	5	2	6	0	0	0	0	0	0
Transport	7	18	6	19	7	30	6	38	6	17	1	1
Legal Metrology	0	0	0	0	0	0	2	9	1	6	0	0
Forest Development Corporation of Meghalaya Ltd	0	0	1	2	0	0	0	0	0	0	1	5
Special Purpose Vehicle (SPV)	1	20	0	0	0	0	0	0	0	0	2	19
Meghalaya Basin Management Agency (MBMA)	0	0	0	0	0	0	1	3	0	0	0	0
Director Land Record and Survey	3	5	0	0	1	6	0	0	0	0	0	0
DC Land Revenue	0	0	0	0	1	4	1	3	0	0	0	0
Total	184	603	32	174	43	204	33	255	23	142	18	130

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