



**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings
for the year ended March 2019**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Madhya Pradesh
Report No. 4 of 2021

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Comptroller and Auditor General of India
on
Public Sector Undertakings
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**Government of Madhya Pradesh
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Preface

This Report has been prepared for submission to the Government of Madhya Pradesh under the provisions of Section 19-A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the State Legislature. It deals with the results of audit of Government Companies and Statutory Corporations of the Government of Madhya Pradesh for the year ended 31 March 2019.

2. The accounts of Government Companies are audited by the Comptroller and Auditor General of India under Section 143 of the Companies Act, 2013. Reports in relation to the accounts of a Government Company or Corporation are submitted to the Government by the CAG for laying before the Legislature of Madhya Pradesh. The audit arrangements of Statutory Corporations are prescribed under the respective Acts through which the Corporations are established.

3. The information in this Report is based on the audited/ provisional accounts of the PSUs and the information furnished by them for the years for which the accounts were in arrears. The impact of finalization/ revision, if any, of the accounts by the PSUs would be reflected in the future Reports.

4. The instances mentioned in this Report are those, which came to notice in the course of test audit during the period 2018-19, as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Matters relating to the period subsequent to 2018-19 have also been included, wherever necessary.

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

Overview

This Report contains four Chapters, as detailed below:

Chapter 1: Functioning of State Public Sector Undertakings (PSUs)

This Chapter contains sector-wise investment in the State PSUs and status of submission of accounts.

As on 31 March 2019, all 71 PSUs in Madhya Pradesh (including 68 Government Companies and three Statutory Corporations) were under the audit jurisdiction of the CAG. Of the 71 PSUs, 11 PSUs relate to Power Sector and 60 PSUs relate to Non-Power Sector. Out of the 71 PSUs, 55 PSUs (two Statutory Corporations and 53 Government Companies) had submitted latest accounts by 31 December 2019.

As per their latest finalised Accounts, the State PSUs registered an annual turnover of ₹ 92,696.40 crore, which was equal to 11.45 *per cent* of the Gross State Domestic Product (GSDP) of Madhya Pradesh during 2018-19. As on 31 March 2019, the investment of the Central and State Governments and Others in the equity and long term loans in these 71 PSUs was ₹ 85,687.61 crore. Out of the State Government's total investment (equity, loans and subsidy/ grant) of ₹ 5176.66 crore in the PSUs during the period from 2016-17 to 2018-19, the Power Sector PSUs received an investment of ₹ 3219.33 crore (62.19 *per cent*).

Chapter 2: Functioning of Power Sector PSUs

This Chapter contains the financial position and an analysis of the financial performance of the Power Sector PSUs.

During 2018-19, the aggregate turnover of the Power Sector PSUs was ₹ 77,617.28 crore, which constituted 9.59 *per cent* of the GSDP of Madhya Pradesh. The present value of total investment at the end of the year in these PSUs was ₹ 87,154.15 crore. The total loss incurred by these PSUs was ₹ 6,944.74 crore during 2018-19 as against the total loss of ₹ 1405.93 crore incurred during 2016-17. During 2018-19, out of these 11 PSUs, three PSUs (Madhya Pradesh Power Generating Company Limited, Madhya Pradesh Power Transmission Company Limited & Bansagar Thermal Power Company Limited) earned a profit of ₹ 216.80 crore and three PSUs (Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited, Madhya Pradesh Poorva Kshetra Vidyut Vitaran Company Limited & Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited) incurred a loss of ₹ 7,158.48 crore. One PSU (Dada Dhuni Wale Khandwa Power Limited) incurred a marginal loss of ₹ 3.06 crore while four PSUs (MP Urja Vikas Nigam, MP Power Management Company Limited, Shahpura Thermal Power Company Limited & Shri Singaji Power Project Limited) reported neither profit nor loss. During the years 2016-19, the rate of Return on Capital employed in Power Sector PSUs ranged between 8.06 *per cent* and 25.51 *per cent*. Huge losses of the DISCOMs during the three-year period 2016-19 had contributed to the overall losses of the Power Sector PSUs.

As against the paid-up capital of ₹ 43,893.88 crore, the accumulated losses reported by these PSUs were ₹ 54,289.56 crore, resulting in a negative net worth of ₹ 26,824.25 crore.

Chapter 3: Functioning of PSUs (Non-Power Sector)

This Chapter contains financial position and an analysis of the financial performance of the 60 PSUs (Non-Power Sector).

As on 31 March 2019, 60 PSUs, (including 16 inactive PSUs) pertained to Non-Power Sector. The 44 working PSUs included 42 Government Companies and two Statutory Corporations. During 2018-19, the aggregate turnover of the 31 working PSUs covered in

this Report was ₹ 15,079.12 crore and total investment in these PSUs was ₹ 6,085.48 crore. The 31 PSUs covered in this Report earned an aggregate profit of ₹ 327.70 crore during 2018-19. Fifteen PSUs earned profits, nine PSUs incurred losses and seven PSUs had neither profit nor loss. During the years 2016-19, the rate of Return on capital employed in 31 PSUs covered in this Report ranged between 8.82 *per cent* and 19.45 *per cent*. Major profit-making PSUs during the year 2018-19 were MP Warehousing and Logistics Corporation (₹ 156.52 crore), MP State Mining Corporation Limited (₹ 107.47 crore) and MP Rajya Van Vikas Nigam Limited (₹ 88.65 crore).

As against the paid-up capital of ₹ 1,958.03 crore, the accumulated profit reported by the 31 PSUs covered in this Report was ₹ 1,540.78 crore, resulting in a net worth of ₹ 6,436.59 crore.

Chapter 4: Compliance Audit Observations

Compliance Audit is an independent assessment of whether a given subject matter (an activity, financial or non-financial transaction, information in respect of an entity or a group of entities) complies in all material aspects with applicable laws, rules, regulations established codes etc. and the general principles governing sound public financial management and the conduct of public officials.

Compliance Audit of State PSUs brought out instances of non-compliance with applicable rules, codes and manuals, lapses in management of public resources and failure to adhere to norms of propriety. Significant issues in this regard are discussed in the succeeding paragraphs:

4.1 Allotment/ transfer of land in Industrial Areas

Madhya Pradesh Industrial Development Corporation Limited (Company) is designated as the nodal agency to work as the single window secretariat for investment facilitation and promotion in the State. The Company is entrusted with promoting, encouraging and developing industries and industrialization by developing Industrial Areas. The Company adopted the Land Allotment Rules issued by GoMP for the allotment/ transfer of land to industrial units.

The Company did not comply with various provisions of Land Allotment Rules, 2015 relating to timely commencement of business. Monitoring system was inadequate and there were cases of excess allotment of land, continuance of restricted activity by allottees and deficiencies in land transfer cases in violation of the Rules. The Company also did not comply with the Rules/ GoMP orders while finalizing the land rates and Annual Maintenance Charges, and recovery of dues.

4.2 Implementation of Phase-IX of commercial plantation

Madhya Pradesh Rajya Van Vikas Nigam Limited, Bhopal (Company) was incorporated with the objective of accelerating and increasing forestry production by plantation of species which are of higher economic value, fast growing and capable of diversified use for industrial and commercial purposes. It implemented Phase-IX (2015-16 to 2019-20) of commercial plantation in accordance with Project Report approved in December 2014 and norms and guidelines issued by Company for plantation.

Four Divisions out of eight Divisions sampled for audit could not achieve the teak plantation growth norms. Four Divisions did not prepare proposals for lantana eradication with maps containing GPS coordinates. Besides, there was delay in approval of Working Plans by Company for five Divisions.

4.3 Implementation of Swadesh Darshan Scheme of Government of India

The Union Ministry of Tourism (MoT), launched the Swadesh Darshan Scheme (Scheme) in 2014-15 for integrated development of theme-based tourist circuits. Madhya Pradesh State Tourism Development Corporation Limited (Company) and Madhya Pradesh Tourism Board (Board) were entrusted with the development of four Circuits (Wildlife, Buddhist, Heritage and Eco Circuits) of which two circuits viz., Wildlife and Heritage were examined in audit.

The Company submitted the Detailed Project Report (DPR) to MoT indicating availability of land/ permission/ clearances without ensuring actual availability of permissions/ clearances, which resulted in components/ works being either dropped or executed with delays. Fourteen work orders, out of 32 sampled, were completed with delays and one work order remained incomplete as of March 2020. There were avoidable delays in tendering and award of works.

The Company deviated from the Scheme Guidelines/ DPR and executed nine works at its own commercial units, even though these were not included in the DPRs. Except in the cases of leasing out of Way-Side Amenities, the Company was yet to execute agreement with other Departments for the Operation and Maintenance of the facilities, which were handed over to them.

4.4 Procurement, Repairs and Maintenance of Transformers

Madhya Pradesh Power Transmission Company Limited (Company) procured/ repaired the transformers of various capacities for development and maintenance of an efficient intra-state transmission system.

The Company awarded 19 contracts for procurement of 155 transformers for own use (for the construction of sub-stations departmentally) at a total cost of ₹ 452.32 crore. The Company could not ensure economical procurements, as same capacity transformers were purchased at higher price when compared to previous purchases. The Company also failed to restrict the rate of procurements made from L-2 bidder up to that of L-1 and failed to incorporate the Price Fall Back clause and 50 *per cent* quantity reduction clause in the agreement. In 12 turnkey contracts out of 18 turnkey contracts, the Company awarded the contract including the procurement/ supply of transformers by ignoring the recommendation of Best Practices In Transmission System (BPITS), which led to payment of higher price of ₹ 58.15 crore when compared to the cost of the transformers of the same capacity purchased directly by the Company for departmental construction during the same period.

The Company could not manage the funds efficiently as it suffered losses on account of avoidable payment of interest to Financial Institutions. Besides, blocking of funds occurred in cases where the commissioning was delayed, as the supply of transformers was received without ensuring readiness of the site for erection. It also suffered loss on account of release of interest-free Mobilization Advance to the supplier firms out of its interest-bearing funds.

4.5 Revenue Billing and Collection Efficiency in DISCOMs

Three Power Distribution Companies (DISCOMs) viz., Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL), Madhya Pradesh Poorva Kshetra VidyutVitaran Company Limited (MPPoKVVCL) and Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL) are entrusted with reliable and quality power distribution in the State for agriculture, households and industries at competitive rates. The billing of energy consumption is required to be done as per provisions of Supply Code and Tariff orders issued by MPERC.

All three DISCOMs failed to reduce the distribution losses up to the target level of 15 *per cent* to 19 *per cent* as fixed by MPERC during 2016-17 to 2018-19. The higher

distribution losses adversely affected the billing efficiency of the DISCOM, due to which, the billing efficiency of the DISCOMs ranged between 62.77 *per cent* to 83.83 *per cent* during 2016-2019. DISCOMs, in violation of the provisions of the Supply Code, resorted to unwarranted provisional billing. The high incidence of provisional billing against metered consumers also increased significantly during 2018-19 compared to the 2016-17. 37.52 *per cent* of total metered consumers (40,85,361 no.) were billed provisionally during 2018-19 in comparison to 15.66 *per cent* of total metered consumers (35,92,736 no.) billed provisionally during 2016-17 in respect of 15 field units sampled for audit.

Further, 51 HT consumers were short billed by ₹ 26.70 crore due to not adhering to the relevant provisions of the Supply Code and Tariff orders.

Collection efficiency improved only in MPMKVVCL from 86.25 to 87.43 *per cent*, whereas it declined by 8.52 *per cent* and 5.57 *per cent* in MPPaKVVCL and MPPoKVVCL respectively during 2016-17 to 2018-19. This was mainly due to non-disconnection of defaulting consumers, failure in persuasion with Government Departments, delays in realisation of dues from permanently disconnected consumers and temporary connections. As a result, arrears of ₹ 2,619.96 crore remained unrecovered (November 2019) in 15 sampled field units.

Chapter 1

Functioning of State Public Sector Undertakings

1.1 Introduction

Public Sector Undertakings (PSUs) are established by Governments to carry out activities of a commercial nature for the development of the State as well as to cater to the welfare of its people.

As on 31 March 2019, there were 71 State PSUs¹ in Madhya Pradesh (68 Government Companies and three Statutory Corporations²) under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). None of these PSUs was listed on the stock exchange (s). The details of PSUs are given below in **Table 1.1**:

Table 1.1: Details of PSUs as of 31 March 2019

	Nature of PSUs	Total no. of PSUs
	Total No. of PSUs	71
A	No. of Government Companies	36
B	No. of Statutory Corporations	2
C	Total no. of Working PSUs (A+B)	38
D	No. of PSUs under liquidation	5
E	No. of defunct PSUs	12
F	No. of PSUs that had not commenced operations	7
G	Total no. of inactive PSUs (D+E+F)	24
H	No. of working PSUs with accounts in arrears*	09
I	Total number of PSUs not covered in this Report (G+H)	33

* Pending for three years to 30 years

(Source: Accounts/ information furnished by PSUs)

Out of 71 PSUs, 55 PSUs (11 Power Sector PSUs and 44 Non-Power Sector PSUs) had submitted at least one account for the period 2016-17, 2017-18 and 2018-19 by 31 December 2019.

Out of these 55 PSUs, this Report covers only 38 PSUs (seven Power Sector PSUs and 31 Non-Power Sector PSUs) as detailed in **Annexure 1.1 (A)**, and the remaining 17 PSUs (four Power Sector PSUs and 13 Non-Power Sector PSUs) were inactive, as detailed in **Annexure 1.1 (B)**.

Thus, this Report does not include 33 PSUs (17 PSUs whose latest accounts were available but were inactive, and 16 PSUs which have been inactive for over two years and up to 30 years and also those working PSUs that have not submitted their accounts at least upto 2016-17, as detailed in **Annexure 1.1 (B)**.

During 2018-19, the working PSUs, as per their latest finalised accounts, registered a turnover of ₹ 92,696.40 crore, which constituted 11.45 per cent of the GSDP (₹ 8,09,327 crore) of Madhya Pradesh. As of March 2019, the working PSUs had a work force of around 0.60 lakh employees.

¹ During 2018-19, incorporation of five Government Companies was intimated to Audit. B-Nest Foundation, Satna Smart City Development Corporation Ltd., Sagar Smart City Development Corporation Ltd., Burhanpur City Transport Service Ltd. & Raflam Bus Service Ltd.

² Madhya Pradesh State Warehousing and Logistic Corporation (MPSW&LC), Madhya Pradesh Financial Corporation (MPFC) and Madhya Pradesh State Road Transport Corporation (MPSRTC).

1.2 Investment in PSUs

1.2.1 Stake of Government of Madhya Pradesh

The State Government has a significant financial stake in these PSUs in the form of the following:

- (i) **Share Capital and Loans:** In addition to the share capital contribution, the State Government also provides financial assistance by way of loans to the PSUs from time to time.
- (ii) **Special Financial Support:** The State Government provides budgetary support by way of grants and subsidies to the PSUs, as required.
- (iii) **Guarantees:** The State Government also guarantees the repayment of loans with interest, availed by the PSUs from Financial Institutions.

The sector-wise summary of investment (equity and long-term loans) in 71 PSUs as on 31 March 2019, is detailed in **Table 1.2:**

Table 1.2: Sector-wise investment in PSUs

(₹ in crore)

Name of the Sector	Government Companies		Statutory Corporations		Total PSUs	Investment		
	Working	Inactive	Working	Inactive		Equity*	Long Term Loans*	Total
Power	11	00	00	00	11	27,465.31	50,136.35	77,601.66
Agriculture & Allied	02	00	01	00	03	50.67	0.00	50.67
Service	15	00	00	00	15	553.00	3,280.77	3,833.77
Infrastructure	13	01	00	01	15	1,220.16	1,412.10	2,632.26
Manufacturing	06	12	00	00	18	150.91	137.80	288.71
Finance	06	02	01	00	09	536.13	744.41	1,280.54
Total	53	15	02	01	71	29,976.18	55,711.43	85,687.61

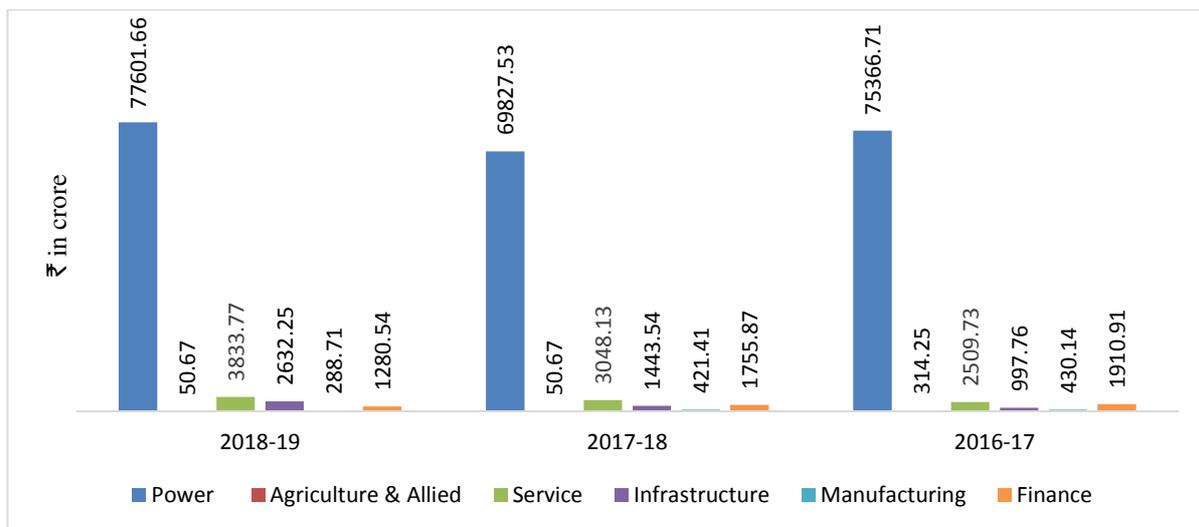
*Equity includes share application money and long-term loans include loans from Central and State Governments, Public Financial Institutions and Commercial Banks

(Source: Accounts/ information furnished by PSUs)

As on 31 March 2019, the total investment in PSUs comprised 34.98 per cent of equity capital and 65.02 per cent of long-term loans. The long-term loans in 55 PSUs whose latest accounts are available, consisted of ₹ 30,289.86 crore provided by the Central and State Governments and ₹ 24,730.59 crore raised from other sources. The thrust of State Government's investment in PSUs was mainly in power sector during the last three years. Out of the total equity investment of ₹ 5,176.66 crore during the period from 2016-17 to 2018-19, the share of Power Sector was 62.19 per cent (₹ 3,219.33 crore).

The pattern of State Government investment (equity and long-term loans) in various important sectors as at the end of the year from 2016-17 to 2018-19 is indicated in **Chart 1:**

Chart 1: Sector-wise investment in PSUs



(Source: Accounts/ information furnished by PSUs)

1.3 Accountability framework

A Government Company or any other Company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments or partly by Central Government and partly by one or more State Governments, is subject to audit by the CAG. Audit of Government Companies is governed by respective provisions of Sections 139 and 143 of the Companies Act, 2013. Section 2 (45) defines a 'Government Company' as one in which not less than 51 *per cent* of the paid-up share capital is held by the Government(s). A Government Company includes a subsidiary of a Government Company.

Statutory Auditors of the Government Companies are appointed by the CAG under Section 139 of the Companies Act, 2013 for conducting audit of accounts of PSUs in accordance with Section 143 (5) of the Companies Act, 2013. The accounts of PSUs are subject to supplementary audit by the CAG under Section 143 (6) of the Companies Act, 2013. The CAG plays an oversight role by monitoring the performance of the Statutory Auditors. This role is discharged by means of the following:

- (i) Issuing directions to the Statutory Auditors under Section 143(5) of the Companies Act, 2013; and
- (ii) Supplementing or commenting upon the Statutory Auditor's Report under Section 143 (6) of the Companies Act, 2013.

Audit of Statutory Corporations is governed by their respective legislations. Of the three Statutory Corporations (MPSRTC, MPSW&LC and MPFC), the CAG is the sole auditor in respect of MPSRTC. The audit of MPSW&LC and MPFC is conducted by Chartered Accountants, followed by Supplementary audit by the CAG.

1.4 Submission of Accounts by PSUs

1.4.1 Status of finalisation and submission of accounts by PSUs

According to Sections 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of the Government Company is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation, laid before State Legislature together with a copy of the Audit Report and any comments

upon or supplement to the Audit Report, by the CAG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the PSUs from the Consolidated Fund of the State. The status of submission of accounts by PSUs as of 31 December 2019 is given in **Table 1.3:**

Table 1.3: Status of submission of accounts by PSUs

	PSUs	Total no. of PSUs	No. of PSUs whose Accounts were received as of 31 December 2019				No. of PSUs with accounts in arrears*
			Up to 2018-19	Up to 2017-18	Up to 2016-17	Total	
A	No. of Government Companies	36	16	16	04	36	0
B	No. of Statutory Corporations	02	02	00	00	02	0
C	Total Working PSUs	38	18	16	04	38	0
D	No. of defunct PSUs	12	09	0	0	09	03
E	No. of PSUs that had not commenced operations	07	06	0	01	07	0
F	No. of PSUs under liquidation	05	0	0	01	01	04
G	Total No. of inactive PSUs	24	15	00	02	17	07
H	No. of working PSUs with accounts in arrears*	09	0	0	0	0	09 ³
I	Total no. of PSUs not covered in this Report	33	15	0	02	17	16
J	Total	71	33	16	06	55	16

*Pending for three years to 30 years

(Source: Annual accounts submitted by PSUs)

Section 96 of the Companies Act, 2013 requires every Company to hold an AGM of the shareholders once in every calendar year. It also specifies that not more than 15 months shall elapse between the date of one AGM and that of the next AGM. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM. Section 129 (7) of the Companies Act, 2013 provides for levy of penalties like fine and imprisonment of the persons including Directors of the Company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013. There is no Audit Report on PSUs pending for placement in the State Legislature.

1.4.2 Role of Government and Legislature

The State Government exercises control over the affairs of these PSUs through its Administrative Departments. The Chief Executive and Directors of the Board are appointed by the Government.

State Legislature also monitors the accounting and utilization of Government investment in the PSUs. Towards this end, the Annual Reports of State Government Companies, together with the Statutory Auditors' Reports and comments of the CAG are to be placed before the Legislature under Section 394 of the Companies Act. Separate Audit Reports are also required to be placed before the Legislature in case of Statutory Corporations as stipulated in the respective Acts.

Audit Reports of the CAG are submitted to the Government for placing before the Legislature under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

³ This includes five PSUs whose first accounts were not received.

1.5 Follow-up action on Audit Reports

The Reports of the CAG are products of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. As per the instructions issued (May 2016) by the Finance Department of the Government of Madhya Pradesh, all Administrative Departments are required to submit replies/ Explanatory Notes to paragraphs/ Performance Reviews included in the Audit Reports of the CAG within a period of three months of their presentation in the Legislature in the prescribed format, without waiting for any questionnaires from the Committee on Public Undertakings (COPU).

As on 31 March 2020, replies/ Explanatory Notes to two out of six paragraphs of Audit Report 2016-17 were yet to be received from the Department of Industrial Policy and Investment Promotion and Public Works Department.

1.6 Discussion of Audit Reports by the Committee on Public Undertakings (COPU)

The status of discussions of Performance Audits and Compliance Audit paragraphs relating to both Power Sector PSUs and Non-Power Sector PSUs that featured in Audit Reports (PSUs) as on 31 March 2020 by the COPU is given in **Table 1.4**:

Table 1.4: PAs/Paragraphs discussed vis-a-vis featured in Audit Reports

Year of the Audit Report (Commercial/PSU)	Number of Performance Audits/ Compliance Audit Paragraphs			
	Appeared in Audit Report		Paragraphs discussed	
	Performance Audits (PAs)	Compliance Audit Paragraphs	Performance Audit (PAs)	Compliance Audit Paragraphs
Power Sector PSUs				
2015-16	01	06	01	06
2016-17	02	06	02	06
Total	03	12	03	12
Non-Power Sector PSUs				
2015-16	02	09	02	09
2016-17	-	06	-	04
Total	02	15	02	13

(Source: Compiled by O/o the Accountant General (Audit-II) Madhya Pradesh)

Therefore, there was no pendency in discussion of any PA or Compliance Audit Paragraphs by the COPU.

1.7 Compliance to Reports of COPU

All the concerned Departments are required to furnish Action Taken Notes (ATNs) on the recommendations made by the COPU, within three months of publication of the recommendations. ATNs on 38 Paragraphs pertaining to COPU Recommendation Reports presented in the State Legislature had not been received (March 2020), as detailed in **Table 1.5**:

Table 1.5: Compliance to COPU Reports

Year of the COPU Report	Total number of Reports of COPU	Total number of recommendations in COPU Reports	Number of recommendations where ATNs were not received
2000-01	01	29	01
2001-02	01	41	10
2009-10	03	03	03
2010-11	03	59	23
2011-12	01	01	01
Total	09	133	38

(Source: Compiled by O/o the Accountant General (Audit-II), Madhya Pradesh)

Similarly, ATNs on 202 recommendations pertaining to 34 Reports of the COPU presented in the State Legislature in respect of Non-Power Sector PSUs had not been received (March 2020). Further, the COPU recommendations pertaining to PAs/ Compliance Audit Paragraphs which appeared in AR 2012-13 and onwards are yet to be received.

Although the PAs/ Compliance Audit Paragraphs are adequately discussed and there is no pendency for the years 2015-16 and 2016-17, the COPU recommendations pertaining to PAs/ Compliance Audit Paragraphs which appeared in AR 2012-13 and onwards are yet to be received.

Chapter - 2

Functioning of Power Sector PSUs

2.1 Introduction

Power sector PSUs play an important role in the economy of the State by providing critical infrastructure required for growth and development of the State. The PSUs in this sector also add significantly to the Gross State Domestic Product (GSDP) of Madhya Pradesh as can be seen from the ratio of these PSUs' turnover to GSDP. Table below provides the details of turnover of the Power Sector PSUs and GSDP of Madhya Pradesh for a period of three years ending March 2019.

Table 2.1: Turnover of Power Sector PSUs vis-a-vis GSDP of Madhya Pradesh

Particulars	(₹ in crore)		
	2016-17	2017-18	2018-19
No. of PSUs	11	11	11
Turnover	64,162.93	66,043.29	77,617.28
Percentage change of turnover compared to preceding year	11.55	2.93	17.52
GSDP of Madhya Pradesh	6,39,219.67	7,07,046.99	8,09,327.00
Percentage change in GSDP as compared to GSDP of preceding year	20.51	10.61	14.47
Percentage of turnover to GSDP of Madhya Pradesh	10.04	9.34	9.59

(Source: Turnover figures: Accounts/ information provided by the Power Sector PSUs and GSDP figures: Economic Review 2018-19 of Government of Madhya Pradesh)

The percentage turnover of Power Sector PSUs relative to GSDP hovered between 9.34 and 10.04 per cent during the three year period 2016-19. The Compounded Average Annual Growth¹ of GSDP was 8.18 per cent during the last three years while the turnover of Power Sector PSUs recorded lower compounded annual growth rate of 6.55 per cent during the same period.

2.1.1 Formation of Power Sector PSUs

The State Government enacted (February 2001) the Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (MPVSA 2000) which *inter alia* provided for reorganisation of electricity industry and preparation of a scheme for transferring the powers, duties and functions of Madhya Pradesh State Electricity Board (MPSEB) to one or more Power Sector companies of the State Government.

2.1.2 Unbundling of MPSEB

The State Government formulated (30 September 2003) the Madhya Pradesh Power Sector Reforms Transfer Scheme, 2003 (MPPSRT Scheme 2003) for unbundling of MPSEB and transfer of assets, properties, liabilities, obligations, proceedings and personnel of MPSEB to five Power Sector Companies (*viz.* Madhya Pradesh Power Generating Company Limited (MPPGCL), Madhya Pradesh Power Transmission Company Limited (MPPTCL), Madhya Pradesh Poorva Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL), Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL) and Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL)). These five Power Sector Companies came into existence *w.e.f.* November 2001 and all the assets and liabilities

¹ Rate of Compounded Annual Growth $\{[(\text{Value of 2018-19}/\text{Value of 2016-17})^{(1/3 \text{ years})}-1]*100\}$.

of MPSEB (including equity of ₹ 3,528.02 crore² and loans of MPSEB of ₹ 1,151.57 crore) were distributed among these Companies according to the provisions of the MPPSRT Scheme 2003. The State Government incorporated one other Power Sector Company viz. *Madhya Pradesh Urja Vikas Nigam Limited* (MPUVNL) by infusing equity of ₹ 0.69 crore in 1982-83. Besides these six Companies and (*erstwhile Madhya Pradesh Power Trading Company Limited*) *Madhya Pradesh Power Management Company Limited* (MPPMCL)³, four⁴ other Power Sector companies were incorporated (February 2007 to October 2011) as subsidiary companies of MPPMCL/ MPPGCL. These PSUs did not commence any commercial activities as of 2018-19 even after eight years of their incorporation and one of them has already gone into liquidation⁵. Therefore, this Report does not include these four PSUs which were under liquidation or have not commenced operations as of 2018-19 as detailed in *Annexure 2.1*.

2.2 Restructuring, Disinvestment and Privatisation of Power Sector PSUs

During the year 2018-19, there was no disinvestment of any Power Sector PSU in Madhya Pradesh nor was any of these PSUs privatised.

2.3 Investment in Power Sector PSUs

The activity-wise investment of Central and State Governments and Others (equity and long-term loans) in the Power Sector PSUs as on 31 March 2019 is given in **Table 2.2**:

Table 2.2: Activity-wise investment in Power Sector PSUs

Activity	Number of PSUs	Equity	Long term loans	Total
Generation of Power	1	6310.29 ⁶	12304.92	18615.21
Transmission of Power	1	3294.35	2666.84	5961.19
Distribution of Power	3	17715.31	35137.28	52852.59
Others ⁷	2	100.21 ⁸	18.99	119.20
PSUs not covered in this Report ⁹	4	45.15	8.31	53.47
Total	11	27465.31	50136.34	77601.65

(Source: Compiled based on annual accounts of PSUs)

As on 31 March 2019, the total investment in Power Sector PSUs comprised of 35.39 per cent equity capital and 64.61 per cent long-term loans. Out of the above, an investment of ₹ 53.47 crore was made in four PSUs not covered in this Report as these were inactive PSUs (Paragraph 1.1).

The long term loans in Power Sector PSUs consisted of ₹ 28,023.66 crore (55.89 per cent) advanced by the State Government and ₹ 22,112.68 crore (44.11 per cent) raised from other

² MPPGCL (₹ 1,915.08 crore), MPPTCL (₹ 730.43 crore), MPPoKVVCL (₹ 284.08 crore), MPMKVVCL (₹ 351.88 crore) and MPPaKVVCL (₹ 246.55 crore).

³ As holding company of the three DISCOMs.

⁴ Bansagar Thermal Power Company Limited (9-6-2011), Shahpura Thermal Power Company Limited (5-2-2007), Dada Dhuniwale Khandwa Power Limited (25-2-2010), Sri Singaji Power Project Limited (12-10-2011).

⁵ Dada Dhuniwale Khandwa Power Limited (2017-18).

⁶ Excluding an amount of ₹ 0.25 crore invested by holding company at Sl. no. A1 of *Annexure 2.1* in the subsidiaries at Sl. No. E10 and E11.

⁷ Sl. No. D6 and D7 of *Annexure 2.1*.

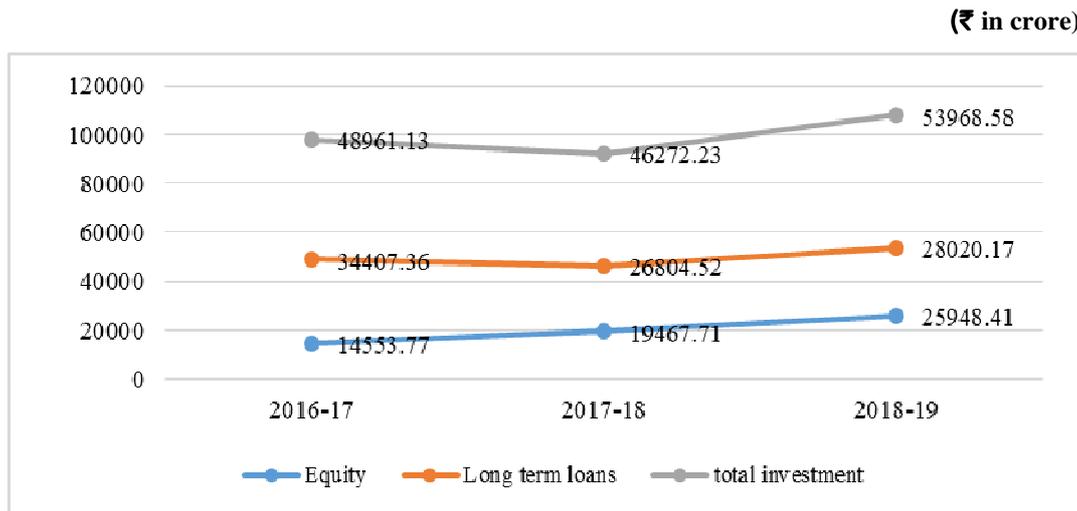
⁸ Excluding an amount of ₹ 16428.32 crore invested by holding company at Sl. No. D7 in the subsidiaries at Sl. No. C3, C4, C5, E8 and E9 of *Annexure 2.1*.

⁹ Sl. No. E8 to E11 of *Annexure 2.1*.

financial institutions. During 2016-17, 2017-18 and 2018-19, the State Government has taken over ₹ 12,689.99 crore (48.71 per cent) of the outstanding debts (₹ 26,054 crore) of the DISCOMs as on 30 September 2015 under Ujwal DISCOM Assurance Yojana¹⁰ (UDAY) Scheme.

The year-wise details of investment made by the State Government in the form of equity and long term loans in the Power Sector PSUs during the period 2016-17 to 2018-19 are given in **Chart 2.1**:

Chart 2.1: Total investment of GoMP in Power Sector PSUs



2.4 Budgetary Support to Power Sector PSUs

The Government of Madhya Pradesh provides financial support to Power Sector PSUs in various forms through its annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, during the year in respect of Power Sector PSUs for the last three years ending March 2019 are given in **Table 2.3**:

Table 2.3: Details relating to budgetary support to Power Sector PSUs

(₹ in crore)

Sl.No.	Particulars	2016-17		2017-18		2018-19	
		No. of PSUs	Amount	No. of PSUs ¹¹	Amount	No. of PSUs	Amount
(i)	Equity Capital	6	196.93	3	4,913.94	5	1,754.89
(ii)	Loans	6	3,201.44	3	217.12	3	174.72
(iii)	Grants/Subsidies	3	6,273.12	4	9,648.21	2	11,730.32
	Total Outgo (i+ii+iii)	6	9,671.49	4	14,779.27	5	13,659.93
(iv)	Loans converted into equity	3	3,557.00	3	4,010.99	0	0
(v)	Guarantees Outstanding	6	10,086.05	4	2,772.16	6	6,679.22
(vi)	Guarantee Commitment	6	17,809.92	4	6,736.26	6	14,019.24

(Source: Annual accounts of PSUs/ information furnished by the Companies)

¹⁰ Scheme launched by the Ministry of Power, Government of India for financial and operational turnaround of DISCOMs.

¹¹ GoMP released equity directly to the three DISCOMS on behalf of their holding company i.e. MPPMCL against which these subsidiaries issued shares to their holding Company. Therefore, for the purpose of infusion of Government's fund, only holding company on behalf of its subsidiaries has been considered. Remaining one Power Sector PSU is Madhya Pradesh Urja Vikas Nigam Limited.

The Ministry of Power (MoP) launched UDAY Scheme in November 2015 for operational and financial turnaround of Distribution Companies (DISCOMs). The provisions of UDAY and status of implementation of the Scheme by the DISCOMs are discussed under **Paragraph 2.8** of this Chapter.

2.4.1 Guarantee Fee

The GoMP provides guarantee under Madhya Pradesh Government Guarantees Rules (MPGGR), 2009 for PSUs to seek financial assistance from banks and financial institutions. The Government decided (February 2011) to charge guarantee commission at the rate of half a *per cent* to one *per cent* per annum in case of loan availed by PSUs from banks/ financial institutions without any exception under the provisions of the MPGGR 2009. Outstanding guarantee commitments increased by 108.17 *per cent* from ₹ 6,736.26 crore in 2017-18 to ₹ 14,019.24 crore in 2018-19. During the year 2018-19, guarantee commission of ₹ 14.68 crore was paid by the PSUs to the State Government.

2.5 Reconciliation with Finance Accounts

The figures in respect of equity, loans and guarantees outstanding as per the records of State PSUs should agree with the figures appearing in the Finance Accounts of the Government of Madhya Pradesh. In case the figures do not tally, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. The position in this regard as on 31 March 2019 is given in **Table 2.4**:

Table 2.4: Equity, Loans and Guarantees outstanding as per Finance Accounts vis-à-vis records of Power Sector PSUs

(₹ in crore)				
Outstanding in respect of	No. of PSUs	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
(A)	(B)	(C)	(D)	(E) = (C)-(D)
Equity	04	30,884.76	25,948.41	4,936.35
Loans	07	33,162.07	28,023.66	5,138.41
Guarantees	06	6,675.28	6,679.23	- 3.95

(Source: Compiled based on information received from PSUs and Finance Accounts)

The differences in the figures of equity, loans and guarantees were pending for reconciliation since long. The matter was taken up with the PSUs/ Departments from time to time. The State Government and the Power Sector PSUs should take concrete steps to reconcile the differences in a time bound manner.

2.6 Submission of Accounts by Power Sector PSUs

2.6.1 Timeliness in preparation of accounts by Power Sector PSUs

Section 96(1) of the Companies Act, 2013 requires that the PSUs finalise their accounts within six months from the end of the relevant financial year, i.e., by September end. Failure to do so may attract penal provisions under Section 99 of the Companies Act, 2013. The following table provides details of progress made by the Power Sector PSUs in finalization of their accounts as on 31 December 2019:

Table 2.5: Position relating to finalisation of Accounts of Power Sector PSUs

Sl. No.	Particulars	2016-17	2017-18	2018-19
1.	No. of PSUs	11	11	11
2.	No. of Accounts submitted during the year	08	13	12
3.	No. of PSUs which finalised Accounts for the current year (2018-19)	05	07	09
4.	No. of previous year Accounts finalised during the year	03	06	03
5.	No. of PSUs with arrears in Accounts	06	04	02
6.	No. of Accounts in arrears	06	04	2 ¹²
7.	Extent of arrears	One year	One year	One year

(Source: Compiled based on accounts of PSUs received till 31 December 2019)

The Energy Department, GoMP as the Administrative Department of Power Sector PSUs, has the responsibility to oversee the activities of these entities. Therefore, it has to ensure that the accounts are finalized by these PSUs and adopted by their respective Board of Directors within the stipulated period.

2.6.2 Impact of non-finalisation of Accounts

Delay in finalization of accounts carries the risk of fraud and leakage of public money going undetected apart from violating the provisions of the relevant Statutes. It is therefore, recommended that the State Government take appropriate steps expeditiously to liquidate the arrears in finalization of accounts.

2.7 Performance of Power Sector PSUs

The financial position and working results of 11 Power Sector PSUs as per their latest finalised accounts as of 31 December 2019 are detailed in *Annexure 2.1*.

Public Sector Undertakings are expected to yield reasonable return on investment made by the Governments. The profitability of a Company is traditionally assessed through return on investment, return on equity and return on capital employed. Rate of Real Return on Investment is the percentage of profit or loss to the Present Value (PV) of total investment. The Rate of Real Return measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for their time value. It assumes significance when compared with the conventional Rate of Return (RoR), which is calculated by dividing the Profit After Tax (PAT) by the sum of all such investments counted on historical cost basis. Investment for this purpose include equity and interest free loans. Return on Capital Employed is a financial ratio that measures the company's profitability and the efficiency with which its capital is used and is calculated by dividing company's earnings before interest and taxes by capital employed. Return on Equity is a measure of performance calculated by dividing net PAT by the shareholders' fund.

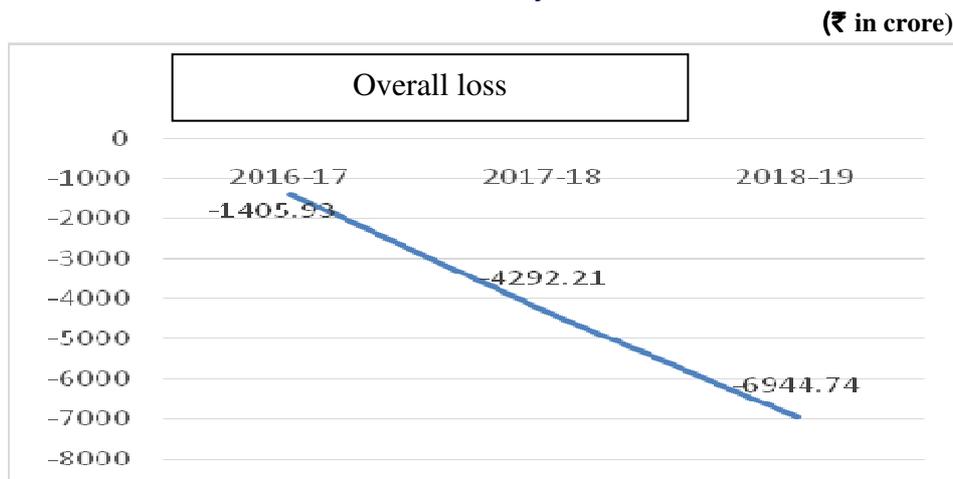
2.7.1 Rate of Real Return on Investment

Rate of Real Return on Investment is the percentage of profit or loss to the total investment. The overall position of profit earned/ losses incurred¹³ by the Power Sector PSUs during 2016-17 to 2018-19 is depicted in **Chart 2.2**:

¹² One account of MPUVNL and DDKPPL each (the accounts of DDKPPL received upto FY 2016-17, however the PSU being under liquidation w.e.f. 15.11.2017, the account for 2017-18 is considered as in arrear).

¹³ Figures are as per the latest finalised accounts during the respective years.

Chart 2.2: Losses incurred by Power Sector PSUs



The loss incurred by the 11 Power Sector PSUs was ₹ 6,944.74 crore in 2018-19 against ₹ 1405.93 crore in 2016-17. According to the latest finalised accounts of seven PSUs covered in this Report, two PSUs (MPPGCL, MPPTCL) earned a profit of ₹ 216.73 crore, three PSUs (MPoKVVCL, MPaKVVCL and MPMKVVCL) incurred a loss of ₹ 7,158.48 crore and two¹⁴ PSUs had break-even status (**Annexure-2.1**). Out of the four PSUs not covered in this Report, only one PSU i.e. BTPCL earned a marginal profit of ₹ 0.07 crore.

Out of the total profit of ₹ 216.73 crore, MPPGCL alone earned a profit of ₹ 171.50 crore, which constituted 79.13 per cent of the total profits of profit-making PSUs, while MPMKVVCL (₹ 3,837.52 crore) and MPPoKVVCL (₹ 2,896.68 crore) contributed substantially (94.10 per cent) to the total loss of ₹ 7,158.48 crore of the DISCOMs.

The number of Power Sector PSUs that earned profit/ incurred loss during 2016-17 to 2018-19 is given in **Table 2.6**:

Table 2.6: Number of Power Sector PSUs which earned profit/ incurred loss

Financial year	Total No. of PSUs	Number of PSUs which reported profits during the year	Number of PSUs which reported loss during the year	Number of PSUs which reported 'Nil' profit/ loss during the year
2016-17	11	2	5	4
2017-18	11	3	3	5
2018-19	11	3	4	4

2.7.1.1 Rate of Real Return on the basis of historical cost of investment

Out of 11 Power Sector PSUs, the State Government infused funds in the form of equity, long term loans and grants/ subsidies in eight PSUs only. The State Government did not infuse any direct funds in the other three PSUs (Shahpura Thermal Power Company Limited, Shri Singaji Power Project Limited and Dada Dhuni Wale Khandwa Power Limited) as of 2018-19. The entire equity of the three PSUs which are subsidiaries of two PSUs¹⁵, was contributed by the concerned holding Companies.

The Return on Investment (RoI) from the eight PSUs was calculated on the investment made by the State Government in the form of equity and loans. In the case of loans, only long term

¹⁴ Net expenses of MPPMCL are entirely distributed amongst its subsidiary companies on whose behalf it functions and the operational loss of MPUVNL have been transferred to GoMP.

¹⁵ MPPGCL and MPPMCL.

loans are considered as investment. Further, the funds made available in the form of grants/subsidies have not been reckoned as investment since they do not qualify to be considered as investment. The grants given to the Power Sector PSUs under the UDAY Scheme during 2016-17 to 2018-19 has been considered as investment, since this grant was given by the GoMP to take over the debts of the DISCOMs due to banks and financial institutions.

The investment of State Government in these eight PSUs has been arrived at by considering the equity (initial equity net of accumulated losses plus the equity infused during the later years), adding long term loans and deducting long term loans which were later converted into equity for each year.

The investment of State Government as on 31 March 2019 in these eight PSUs was ₹ 53,968.58 crore consisting of equity of ₹ 25,948.41 crore and long term loans of ₹ 28,020.17 crore as detailed in *Annexure 2.2*.

The RoI on historical cost basis for the period 2016-17 to 2018-19 is given below:

Table 2.7: Rate of Real Return on GoMP investment on historical cost basis

Financial year	Funds infused by the GoMP in form of Equity and Loans on historical cost basis (₹ in crore)	Total Earnings/Losses ¹⁶ (₹ in crore)	Return on Investment (in per cent)
2016-17	48,961.13	-1405.93	-2.87
2017-18	46,272.23	-4292.21	-9.28
2018-19	53,968.58	-6944.74	-12.87

The return on investment of the Power Sector PSUs ranged from (-) 2.87 *per cent* during 2016-17 to (-) 12.87 *per cent* in 2018-19. Losses appear relatively less during 2016-17 mainly due to increase in income of the three DISCOMs because of grant received under UDAY Scheme. Also, the decrease in GoMP funds during 2017-18 was mainly due to decrease in loans of all the three DISCOMs and MPPTCL.

2.7.1.2 Rate of Real Return on the basis of Present Value of Investment

In view of the significant investment by State Government in the eight PSUs, return on such investment is essential from the perspective of State Government. Traditional calculation of return based only on historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the present value of money. Therefore, the real return on investment has also been calculated after considering the Present Value (PV) of money. PV of the State Government investment was computed where funds had been infused by the State Government in the form of equity, long term loans and capital grants since finalisation of the Balance Sheets of these Companies after unbundling of erstwhile MPSEB (2000-01) to 31 March 2019.

Present value of the State Government investment in Power Sector PSUs was computed on the basis of following assumptions:

- Long term loans and Capital grants have been considered as investment infusion by the State Government;
- In those cases where interest free loans given to the PSUs, were later converted into equity, the amount of loan converted into equity has been deducted from the amount of interest free loans and added to the equity of that year;

¹⁶ As per annual accounts of the respective years.

- The funds given under UDAY Scheme are considered as investment; and
- The average rate of interest on Government borrowings for the concerned financial year¹⁷ was adopted as discount rate for arriving at Present Value since these represent the cost incurred by the Government towards investment of funds for the year.

For the period 2016-17 to 2018-19, two PSUs¹⁸ prepared their accounts on no-profit and no-loss basis, two PSUs¹⁹ have been earning profit consistently, whereas three PSUs²⁰ incurred losses (MPPaKVVCL incurred profit in 2016-17). The remaining four PSUs (have not commenced commercial operations as of 2018-19.

The position of State Government investment in the eight PSUs²¹ in the form of equity, loans and capital grants since inception of these Companies to 31 March 2019 and the consolidated position of the PV of the State Government investment relating to these since 2000-01 to 31 March 2019 is indicated in **Table 2.8**:

Table 2.8: Year-wise details of GoMP investment and PV of Government funds from 2000-01 to 2018-19

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by State Government during the year	Loans and capital grants given by State Government during the year	Total investment during the year	Average rate of interest on Government borrowings (in %)	Total investment at the end of the year	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year ²²
i	ii	iii	iv	v=iii+iv	vi	vii=ii+v	viii={vii*(1+vi)/100}	ix={vii*vi/100}	x
2000-01	2544.08	-478.85	97.52	-381.33	9.94	2162.75	2377.73	214.98	-1,374.03
2001-02	2377.73	0.00	191.68	191.68	9.19	2569.41	2805.54	236.13	-1,477.23
2002-03	2805.54	-61.53	-1874.87	-1936.40	8.81	869.14	945.71	76.57	-1,476.97
2003-04	945.71	0.25	0.00	0.25	9.41	945.96	1034.97	89.01	-157.5
2004-05	1034.97	0.00	682.04	682.04	8.96	1717.01	1870.86	153.84	148.36
2005-06	1870.86	3949.23	3763.30	7712.53	7.33	9583.39	10285.85	702.46	1,241.50
2006-07	10285.85	162.75	198.01	360.76	7.86	10646.61	11483.43	836.82	554.84
2007-08	11483.43	774.11	-3739.92	-2965.81	7.72	8517.62	9175.18	657.56	-1,729.70
2008-09	9175.18	2048.89	1139.66	3188.55	7.24	12363.73	13258.87	895.13	-3,218.73
2009-10	13258.87	2659.40	1515.05	4174.45	6.94	17433.32	18643.19	1209.87	-3,616.38
2010-11	18643.19	-114.24	1281.62	1167.38	7.07	19810.57	21211.17	1400.61	-2,147.35
2011-12	21211.17	1017.28	5029.04	6046.32	6.91	27257.49	29140.99	1883.49	-2,469.05
2012-13	29140.99	953.84	6613.06	7566.90	6.75	36707.89	39185.67	2477.78	-4,280.84
2013-14	39185.67	893.44	3743.04	4636.48	6.69	43822.15	46753.85	2931.70	-6,197.61

¹⁷ The average rate of interest on Government borrowings was adopted from the Reports of the C&AG of India on State Finances (Government of Madhya Pradesh) for the concerned year wherein the calculation for the average rate for interest paid = Interest Payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

¹⁸ MPPMCL and MPUVNL.

¹⁹ MPPGCL and MPPTCL.

²⁰ MPPoKVVCL, MPPaKVVCL and MPMKVVCL

²¹ The PV of the investment has been calculated in respect of those eight PSUs only where GoMP funds have been infused in the form of equity, loans and grants. In respect of remaining three PSUs, as there is no operational income, the same were not considered.

²² Total Earnings for the year depict total of net earnings (profit/ loss) for the concerned year relating to those Power Sector PSUs where funds were infused by State Government.

2014-15	46753.85	1204.35	9338.05	10542.40	6.73	57296.25	61152.29	3856.04	-6,588.09
2015-16	61152.29	637.23	2325.81	2963.04	6.86	64115.33	68513.64	4398.31	-4,994.09
2016-17	68513.64	196.93	3260.89	3457.82	6.72	71971.46	76807.94	4836.48	-5,546.12
2017-18	76807.94	4913.94	-7599.35	-2685.41	6.67	74122.53	79,066.51	4943.97	-4,289.15
2018-19	79066.51	1754.90	692.02	2446.92	6.92	81513.42	87154.15	5640.73	-6941.75
Total		20511.92	26656.65	47168.57					

The balance of investment of the State Government in the eight Power Sector PSUs at the end of the year increased to ₹ 49,712.65 crore in 2018-19 from ₹ 2,544.08 crore in 2000-01 as the State Government made further investment in the form of equity (₹ 20,511.92 crore), loans and Capital Grants (₹ 26,656.65 crore).

The PV of investment of the State Government as of 31 March 2019 worked out to ₹ 87,154.15 crore.

It could be seen that total earnings for the year relating to these PSUs remained negative during 2000-01 to 2018-19 (except during the years 2004-05 to 2006-07). Thus, these PSUs had not even recovered the cost of funds to the Government. In the reporting year 2018-19, these Companies have reported highest ever loss of ₹ 6,941.75 crore.

Further, the Government has also given equity/ grant of ₹ 7,568 crore in 2016-17, ₹ 4,621.99 crore in 2017-18 and ₹ 500 crore in 2018-19 to the three DISCOMs under UDAY Scheme for taking over the debts of these DISCOMs due towards banks and financial institutions. This grant is considered as investment of the State Government while calculating the return on investment.

2.7.2 Erosion of Net worth

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

As on 31 March 2019, out of the seven working PSUs, there were five PSUs with accumulated losses of ₹ 54,278.10 crore. Three PSUs incurred losses in the year 2018-19 amounting to ₹ 7,158.48 crore and two PSUs had not incurred loss in the year 2018-19; however these had accumulated losses of ₹ 3,217.12 crore.

Net worth of three out of seven PSUs covered in this Report had been completely eroded by accumulated losses and their net worth was negative. The net worth of these three PSUs was (-) ₹ 33,345.67 crore against equity investment of ₹ 17,715.31 crore in these PSUs as on 31 March 2019. (*Annexure 2.1*).

In all the three PSUs whose capital had been eroded, Government loans outstanding as on 31 March 2019 amounted to ₹ 25,726.88 crore.

Out of the four PSUs not covered in this Report, the Net Worth of only one PSU i.e. BTPCL was eroded.

The **Table 2.9** indicates paid up capital, accumulated profit/ loss and net worth of the three Power Sector PSUs whose net worth has been eroded during the period 2016-17 to 2018-19:

Table 2.9: Net worth of loss making Power Sector PSUs during 2016-17 to 2018-19

(₹ in crore)

Year	Number of PSUs	Paid up Capital at end of the year	Accumulated Profit (+)/ Loss (-) at end of the year	Deferred revenue Expenditure	Net worth
2016-17	3	9,973.21	-37,131.92	-	-27,158.71
2017-18	3	14,040.00	-42,032.03	-	-27,992.03
2018-19	3	17,715.31	-51,060.98	-	-33,345.67

2.7.3 Dividend Payout

The State Government had formulated (July 2005) a dividend policy under which all profit making PSUs are required to pay a minimum return of 20 *per cent* on profit after tax. As per the latest finalised accounts, out of 11 Power Sector PSUs, three PSUs earned an aggregate profit of ₹ 216.80 crore but none of them declared dividend. Dividend payout where equity was infused by GoMP during the period is shown in **Table 2.10**:

Table 2.10: Dividend Payout during 2016-17 to 2018-19

(₹ in crore)

Year	Total PSUs where equity infused by GoMP during the year		PSUs which earned profit during the year		PSUs which declared/ paid dividend during the year		Dividend Payout Ratio (<i>per cent</i>)
	No. of PSUs	Equity infused by GoMP	No. of PSUs	Equity infused by GoMP	No. of PSUs	Dividend declared/ paid by PSUs	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)=vii/v*100
2016-17	8	196.93	2	445.45	0	0	0
2017-18	8	4,913.94	3	2,655.70	0	0	0
2018-19	5	1,754.90	2	159.28	0	0	0

(Source: Accounts and information furnished by PSUs)

During the period 2016-17 to 2018-19, two to three PSUs earned profits; however, none of these PSUs declared/ paid dividend to GoMP. In fact, none of these companies have declared/ paid dividend to GoMP since their inception.

2.7.4 Return on Equity

Return on Equity (RoE)²³ is a measure of financial performance²³ to assess how effectively the management is using Company's assets to create profits. It is calculated by dividing net income (i.e. net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if net income and equity are both positive numbers.

Shareholders' Fund of a Company is calculated by adding paid up capital and free reserves net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's stakeholders if all assets were sold and all debts repaid. A positive Shareholders' fund reveals that the Company has enough assets to cover its liabilities, while negative Shareholder's Funds means that liabilities exceed assets.

RoE has been computed in respect of Power Sector PSUs covered in this Report where funds have been infused by GoMP. The details of Shareholders' funds and RoE of the Power Sector PSUs during the period from 2016-17 to 2018-19 are given in **Table 2.11**:

²³ Return on Equity = (Net Profit after Tax and preference Dividend/Equity) *100.

Table 2.11: Shareholders’ fund and RoE of Power Sector PSUs

	Year	No. of PSUs	Net Income/ total Earnings for the year ²⁴ (₹ in crore)	Shareholders’ Fund (₹ in crore)	RoE (in per cent)
Profit Earning	2016-17	3	617.17	- 908.18	-
	2017-18	2	65.21	6043.89	1.08
	2018-19	2	216.73	6,387.52	3.39
Loss Incurring	2016-17	2	- 2020.87	- 20,863.33	-
	2017-18	3	- 5,277.38	- 27,413.62	-
	2018-19	2	- 7,158.48	- 33,345.67	-
No Profit/ No Loss	2016-17	2	--	6,074.81	-
	2017-18	3	--	10,412.76	-
	2018-19	2	--	100.21	-
Total	2016-17	7	- 1403.70	- 15,696.70	-
	2017-18	7	- 5,212.17	- 10,956.97	-
	2018-19	7	- 6,941.75	- 26,857.94	-

(Source: Accounts and information furnished by PSUs)

As can be seen from the above table, both the Shareholders’ fund and the net income were negative during all the three years ending March 2019. Shareholders’ fund is appearing negative for the profit earning PSUs due to inclusion of loss ridden MPPaKVVCL. During 2016-17, MPPaKVVCL registered profit mainly due to grant received under UDAY Scheme. Negative Shareholders’ fund indicates that the liabilities of the Power Sector PSUs have exceeded the assets and instead of PSUs paying returns to the shareholders, the shareholders owe money to the creditors of the working Power Sector PSUs.

2.7.5 Return on Capital Employed

Return on Capital Employed (RoCE) is a profitability metric that measures the long term profitability and efficiency with which the total capital is employed by a company. RoCE is an important decision metric for long term lenders.

RoCE is calculated by dividing a company’s profit/ earnings before interest and taxes (EBIT) by capital employed²⁵. The details of RoCE of seven working PSUs during the period from 2016-17 to 2018-19 are given in **Table 2.12**:

Table 2.12: RoCE of Power Sector PSUs

	Year	No. of PSUs	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (in per cent)
Profit earning	2016-17	3	2,442.92	11,667.34	20.94
	2017-18	2	3,873.51	20,084.62	19.29
	2018-19	2	1,812.80	21,359.28	8.49
Loss incurring	2016-17	2	- 961.51	2,578.35	-
	2017-18	3	888.64	2,955.20	30.07
	2018-19	2	- 3,968.14	1,791.60	-
No profit/ No loss	2016-17	2	196.11	6,577.97	2.98
	2017-18	3	303.93	10,738.84	2.83
	2018-19	2	154.88	119.20	129.93
Total	2016-17	7	1,677.52	20,823.66	8.06
	2017-18	7	5,066.08	33,778.66	15.00
	2018-19	7	5,935.82	23,270.08	25.51

(Source: Accounts and information furnished by PSUs)

²⁴ As per annual accounts of the respective years.

²⁵ Capital employed = Paid up share capital + free reserves and surplus + long term loans – accumulated losses - deferred revenue expenditure. Figures are as per the latest year for which accounts of the PSUs are finalised.

The RoCE of the Power Sector PSUs ranged between 8.06 *per cent* and 25.51 *per cent* during the period 2016-17 to 2018-19. EBIT and Capital employed appear positive mainly due to the fact that all the Power Sector PSUs are heavily debt ridden and finance cost forms a major part of their expenditure. Consequently, RoCE appears positive, though the Power Sector PSUs are running into heavy losses as discussed in previous paragraph.

2.7.6 Analysis of Long term loans of the Power Sector PSUs

The ability of the Power Sector PSUs to service the debt owned by them to the Government, banks and other financial institutions is assessed through the Interest Coverage Ratio (ICR) and Debt Turnover Ratio (DTR).

2.7.7 Interest Coverage Ratio

The ICR is used to determine the ability of a Company to pay interest on outstanding debt and is calculated by dividing EBIT by interest expenses of the same period. The lower the ratio, the lesser the ability of the company to pay interest on debt. An ICR of below one indicates that the Company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio of PSUs covered in this Report which had outstanding loans during the period from 2016-17 to 2018-19 are given in **Table 2.13**:

Table 2.13: Details of ICR of Power Sector PSUs

Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	ICR	Number of PSUs having liability of loans from Government and Banks and other financial institutions	Number of companies having ICR more than 1	Number of companies having ICR less than 1
2016-17	3,441.12	1,577.81	0.46:1	7	3	4
2017-18	4,307.36	-468.30	-0.11:1	7	3	4
2018-19	4,748.77	-2000.46	-0.42:1	6	3	3

(Source: Accounts and information furnished by PSUs)

It was observed that the overall ICR of Power Sector PSUs ranged between (-) 0.42:1 to 0.46:1 during 2016-17 to 2018-19. The ICR appeared contrary during the year 2016-17 only due to income booked by DISCOMs on account of grants received under UDAY. The number of PSUs with interest coverage ratio of more than one was consistent during the period from 2016-17 to 2018-19.

2.7.8 Debt-Turnover Ratio

During the last three years, the turnover of 11 PSUs recorded compounded annual growth of 6.55 *per cent* and compounded annual growth of debt was (-) 0.31 *per cent* due to which the Debt-Turnover Ratio improved from 0.78 in 2016-17 to 0.65 in 2018-19 as given in table below:

Table 2.14: Debt-turnover Ratio of Power Sector PSUs

Particulars	(₹ in crore)		
	2016-17	2017-18	2018-19
Debt from Government and others (Banks and Financial Institutions)	50,609.58	44,345.07	50,136.35
Turnover	64,162.93	66,043.29	77,617.28
Debt-Turnover Ratio	0.78:1	0.67:1	0.65:1

(Source: Accounts and information furnished by PSUs)

2.8 Assistance under Ujwal DISCOM Assurance Yojana (UDAY)

The Government of India (GoI) launched Ujwal DISCOM Assurance Yojana on 20 November 2015 for operational and financial turnaround of DISCOMs. As per the provisions of UDAY Scheme, the participating States were required to undertake the following measures for operational and financial turnaround of DISCOMs.

2.8.1 Scheme for improving operational efficiency

The participating States were required to undertake various targeted activities for improving the operational efficiencies like compulsory feeder and distribution transformer (DT) metering, consumer indexing and GIS mapping of losses, upgrading or changing transformers and meters, smart metering of all consumers consuming above 200 units per month, Demand Side Management (DSM) through energy efficient equipments, quarterly revision of tariff, comprehensive Information, Education and Communication (IEC) campaign to check theft of power, assure increased power supply in areas where the AT&C losses have been reduced. The timelines prescribed for these targeted activities were also required to be followed so as to ensure achievement of the targeted benefits *viz.* ability to track losses at feeder and DT level, identification of loss making areas, reduce technical losses and minimize outages, reduce power theft and enhance public participation for reducing the theft, reduce peak load and energy consumption *etc.* The outcomes of operational improvements were to be measured through indicators *viz.* reduction of AT&C loss to 15 *per cent* by 2019-20 as per loss reduction trajectory finalised by the Ministry of Power, GoI and States, reduction in gap between average cost of supply and average revenue realised to zero by 2019-20.

2.8.2 Scheme for financial turnaround

The participating States were required to take over 75 *per cent* of DISCOMs' debt by 2020-21 *i.e.* 21.80 *per cent* in 2016-17 and 13.30 *per cent* each year from 2017-18 to 2020-21. The scheme for financial turnaround *inter alia* provided that:

- State will issue non-SLR bonds to raise funds for providing grant/ loan/ equity to the Madhya Pradesh Power Distribution Companies.
- Takeover of debt shall be in the order of non-Capex GoMP debt, followed by debt with highest cost.
- Transfer of funds to the DISCOMs by the State in 2016-17 will be as equity and the remaining transfer in the form of grant.

2.8.3 Implementation of UDAY Scheme

The status of implementation of UDAY Scheme is detailed below:

(a) Achievement of operational parameters

The achievements *vis-a-vis* targets under UDAY Scheme regarding different operational parameters relating to the three State DISCOMs are given in **Table 2.15**:

Table 2.15: Parameter-wise performance vis-a-vis targets for the year 2018-19

Parameter of UDAY Scheme	Target period as per MoU	Target	Actual
Financial turnaround			
Takeover of loans of DISCOMs by GoMP by conversion into equity/grant (in ₹ crore)	2018-19	4622.00	500.00
Reduction of AT & C Losses (in per cent)	2018-19	17.00	30.16
Elimination of ACS - ARR gap (upto ₹ per unit)	2018-19	0.03	2.68
Tariff Revision in time	2018-19	Timely filing of tariff petition	Tariff for FY 2018-19 revised on 03.05.2018
Billing efficiency (in per cent)	2018-19	83.00	72.04
Collection efficiency (in per cent) ²⁶	2018-19	100.00	100.00
Operational turnaround			
Distribution transformers metering (Urban) (in nos.)	2018-19	84,115	73,652
Distribution transformers metering (Rural) (in nos.)	2018-19	4,47,873	2,03,908
Feeder metering (Rural) (in nos.)	2018-19	11,854	13,968
Rural feeder audit (in nos.)	2018-19	11,618	12,316
Smart metering above 500 KWH (in nos.)	2018-19	2,96,644	54,046
Electricity access to un-connected households (nos. in lakh)	2018-19	137.39	138.40
Distribution of LEDs under UJALA scheme (nos. in lakh)	2018-19	300.40	173.74
Physical feeder segregation (in nos.)	2018-19	6862	6946

(Source: Information furnished by the three DISCOMs)

The State has performed poorly in meeting the target for Distribution Transformers (DTR) and smart metering. Further, going by the current trend of progress, the State will find it difficult to achieve the most important target of reduction of AT&C losses to 15 per cent by 2019-20.

2.8.4 Implementation of Financial Turnaround

The GOMP conveyed (December 2015) its 'in principle' consent to the MoP, GoI to take benefit of the UDAY Scheme. Thereafter, tripartite Memorandum of Understanding (MoU) was signed (10 August 2016) amongst the MoP, the GoMP and MPPMCL, on behalf of its three subsidiary State DISCOMs i.e. MPMKVVCL/ MPPoKVVCL/ MPPaKVVCL). As per provisions of the UDAY Scheme and tripartite MoU among the State Government, GoI and the DISCOMs, out of total outstanding debt (₹ 34,739 crore) pertaining to the three State DISCOMs as on 30 September 2015, GoMP had to take over 75 per cent (₹ 26,054 crore) by 30 September 2020. However, the State Government had not honoured its commitment fully. It took over debt of ₹ 12,689.99 crore (48.71 per cent) during the period 2016-17 to 2018-19 as detailed in **Table 2.16**:

²⁶ As against the above, collection efficiency was between 86.97 and 89.57 per cent in respect of the three DISCOMs during 2018-19 based on the information furnished to audit as reported in the Compliance Audit Report on 'Revenue billing and collection efficiency in DISCOMs' as included in this Report.

Table 2.16: Implementation of UDAY Scheme

Year	Equity Investment		Grant		Total	
	Target	Achievement ₹ in crore (Per cent)	Target	Achievement ₹ in crore (Per cent)	Target	Achievement ₹ in crore (Per cent)
2016-17	7568.00	3,557.00 (47.00)	-	4,011.00	7568.00	7,568.00 (100.00)
2017-18	-	4,010.99	4622.00	611.00 (13.22)	4622.00	4,621.99 (100.00)
2018-19	-	-	4622.00	500.00 (10.81)	4622.00	500.00 (10.81)
Total	7568.00	7,567.99 (100.00)	9244.00	5,122.00 (55.41)	16812.00	12,689.99 (75.48)

(Source: Information furnished by DISCOMs)

The remaining amount of ₹ 13,364.26 crore was to be converted into grant over a period of two years i.e. 2019-20 and 2020-21. As evident from **Table 2.16**, targets for investment in the form of grant could not be met for the year 2018-19.

2.9 Comments on Accounts of Power Sector PSUs

Out of the eleven Power Sector PSUs, 10 PSUs forwarded 12 audited accounts to the Accountant General during the period 1 January 2019 to 31 December 2019. Of these, nine accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and supplementary audit conducted by the CAG indicated that the quality of accounts needs to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the CAG for the accounts of 2016-17 to 2018-19 are detailed in **Table 2.17**:

Table 2.17: Impact of audit comments on the accounts of Power Sector PSUs

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	2	10,063.26	0	0	3	254.79
2.	Increase in profit	-	-	0	0	0	0
3.	Increase in loss	1	162.63	1	217.27	1	14.88
4.	Decrease in loss	-	-	-	-	1	258.15
5.	Non-disclosure of material facts	1	7.98	-	-	4	786.75
6.	Errors of classification	2	136.71	1	3,841.00	8	4,780.55

(Source: Comments of the Statutory Auditors/ C&AG in respect of Government Companies)

In respect of 12 accounts received during the period from 1 January 2019 to 31 December 2019, the Statutory Auditors had issued qualified certificates on seven²⁷ accounts. The compliance to the Accounting Standards by the PSUs remained poor as the Statutory Auditors pointed out 19 instances of non-compliance to the Accounting Standards in four accounts.

²⁷ Accounts of PSUs at S. No. A1, C1, C2 (for FY 2017-18 and 2018-19 both), C3, D2 (for FY 2017-18 and 2018-19 both) of Annexure 2.1.

Chapter - 3

Functioning of PSUs (Non-Power Sector)

3.1 Introduction

As on 31 March 2019, there were 60 State Public Sector Undertakings (PSUs) in the Non-Power Sector. These PSUs were incorporated during the period 1925-26 to 2018-19 and included 57 Government Companies and three Statutory Corporations viz. Madhya Pradesh Financial Corporation (MPFC) and Madhya Pradesh Warehousing and Logistics Corporation (MPW&LC) and the non-functional, Madhya Pradesh State Road Transport Corporation (MPSRTC). Nine PSUs¹ had not commenced commercial activities or first accounts were not received as of 31 December 2019. During the year 2018-19, 16 PSUs² were non-functional; five PSUs³ were added; seven PSUs⁴ were merged with MPIDC and MP State Textile Corporation Limited was wound up.

The nature of these 60 PSUs along with status of receipt of annual accounts is indicated in **Table 3.1:**

Table 3.1: Details of coverage and nature of PSUs

Nature of the PSUs	Total number	Number of PSUs covered in the Report			Total	Number of PSUs not covered in the Report
		Accounts received up to				
		2018-19	2017-18	2016-17		
Government Companies	57	10	15	04	29	28
Statutory Corporations	03	02	0	0	02	01
Total PSUs	60	12	15	04	31	29

Of the 60 State PSUs, 44 PSUs had submitted accounts of at least one year from 2016-17 to 2018-19. Of these 44 PSUs, 31 PSUs are covered in this Report (*Annexure 3.1*) as the balance thirteen PSUs were inactive. Thus, the Report does not include 29 PSUs i.e. 13 PSUs whose latest accounts are available but are inactive and 16 PSUs which have been inactive for over two years and up to 30 years or whose accounts are in arrears for three years or more (*Para 1.1 and Annexure 3.2*).

The State Government provides financial support to the PSUs in the form of equity, loans and grants/ subsidy from time to time. Of the 44 PSUs⁵ whose latest accounts are available, the State Government invested funds in only 25 State PSUs. The State Government did not infuse any funds in 19 companies, which are Joint Venture/ Subsidiaries of PSUs. Equity of these 19 Joint venture/ subsidiary companies was contributed by the respective Co-partner/ Holding Companies.

3.1.1 Contribution to Economy of the State

A ratio of turnover of the 31 PSUs covered in this Report (*Annexure 3.1*) to the Gross State Domestic Product (GSDP) shows the extent of activities of these PSUs in the State economy. **Table 3.2** provides the details of turnover of State PSUs (Non-Power Sector) and GSDP of Madhya Pradesh for a period of three years ending March 2019:

¹ Of the nine PSUs, there were five companies which have not submitted their first accounts.

² This includes 15 Government companies (11 non-functional and 04 under-liquidation) and one Statutory Corporation (MPSRTC).

³ (1) B-Nest Foundation, (2) Satna Smart City Development Corporation Limited, (3) Sagar Smart City Corporation Limited, (4) Burhanpur City Transport Services Limited, (5) Ratlam Bus Services Limited.

⁴ Six AKVNs (Rewa, Bhopal, Indore, Jabalpur, Ujjain, Sagar) and IIDC Gwalior.

⁵ This includes 31 PSUs as per *Annexure 3.1* and 13 PSUs at Sl. No. 10 to 13 and 15 to 23 of *Annexure 3.2*.

**Table 3.2: Details of turnover of State PSUs (Non-Power Sector)
vis-à-vis GSDP of Madhya Pradesh**

Particulars	2016-17	2017-18	2018-19
Total no. of working PSUs (covered in this Report)	44	38	31
No. of working PSUs which furnished their Accounts/ information up-to year	21	19	12
Turnover of PSUs (₹ in crore)	15,499.77	15,651.26	15,079.12
Percentage change in turnover as compared to turnover of preceding year	-28.32	0.98	-3.66
GSDP of Madhya Pradesh (₹ in crore)	6,39,219.67	7,07,046.99	8,09,327.00
Percentage change in GSDP as compared to GSDP of preceding year	20.51	10.61	14.47
Percentage of Turnover to GSDP of Madhya Pradesh	2.42	2.21	1.86

(Source: Turnover figures: Information furnished by the Non-Power PSUs and GSDP figures: Economic Review 2018-19 of Government of Madhya Pradesh)

The increase/ decrease in turnover of the PSUs ranged between 0.98 per cent and -28.32 per cent during the period 2016-19, whereas increase in GSDP of the State ranged between 10.61 per cent and 20.51 per cent during the same period. Percentage share of turnover of State PSUs to GSDP of the State has been declining year on year. The compounded annual growth⁶ of GSDP was 8.18 per cent during the last three years. The compounded annual growth rate is a useful method to measure growth rate over multiple time periods. Against the compounded annual growth rate of 8.18 per cent of the GSDP, the turnover of Non-Power Sector PSUs recorded a negative compounded annual growth rate of 0.91 per cent during the last three years. This resulted in decrease in the share of turnover of these PSUs to the GSDP from 2.42 per cent in 2016-17 to 1.86 per cent in 2018-19.

3.2 Investment in PSUs (Non-Power Sector)

Details of investment in equity and long term loans in 31 State PSUs⁷ up to 31 March 2019 are given in *Annexure 3.3*.

The PSUs covered in this Report fall in the following three categories:

- 1. PSUs not in open market competition (monopolistic PSUs):** Out of the 31 PSUs covered in this Report, three PSUs⁸ fall under this category, as they have monopolistic/ oligopolistic nature of operations i.e. their operations do not have any competition or have very limited competition.
- 2. PSUs with assured income:** This category includes PSUs whose major income comes from assured sources of income such as Government grants/ subsidies, centage, commission, interest on bank deposits etc. 25 PSUs fall under this category.
- 3. PSUs in competitive sector:** This category includes three PSUs⁹, which are open to market competition.

The sector-wise summary of investment in these State PSUs as on 31 March 2019 is given in **Table 3.3**:

⁶ Rate of Compounded Annual Growth $[(\text{Value of 2018-19}/\text{Value of 2016-17})^{(1/3 \text{ years})}-1]*100$.

⁷ Total 60 PSUs -29 PSUs whose accounts were in arrear for three years or more or were defunct/ under liquidation or first accounts were not received or were not due.

⁸ MPRVVNL, MPJNM and MPSMCL.

⁹ MPSTDCL, MPHCL and MPFC.

Table 3.3: Sector-wise investment in PSUs (Non-Power sector)

Sector	No. of PSUs	Investment (₹ in crore)								Total
		Equity				Long term loans				
		GoMP	GoI	Others ¹⁰	Total	GoMP	GoI	Others ¹¹	Total	
PSUs in Monopolistic Sector	03	140.13	1.39	0.00	141.52	0.00	0	0.00	0	141.52
PSUs with assured income	25	71.75	1.87	1220.45	1294.07	2019.11	0	1609.42	3628.53	4922.60
PSUs in Competitive Environment	03	497.67	0.00	24.00	521.67	0.00	0	499.69	499.69	1021.36
Sub-total (A)	31	709.55	3.26	1244.45	1957.26	2019.11	0	2109.11	4128.22	6085.48
PSUs not covered in this Report	29	396.72	42.53	114.36	553.61	837.56	0	609.30	1446.86	2000.47
Sub-total (B)	29	396.72	42.53	114.36	553.61	837.56	0	609.30	1446.86	2000.47
Total	60	1106.27	45.79	1358.81	2510.87	2856.67	0	2718.41	5575.08	8085.95

(Source: Annual accounts and information furnished by PSUs)

As on 31 March 2019, the face value¹² of total investment (equity and long term loans) in 31 PSUs covered in this Report was ₹ 6085.48 crore. The investment consisted of 32.16 per cent towards equity and 67.84 per cent in long-term loans. The long term loans advanced by the State Government constituted 48.91 per cent (₹ 2019.11 crore) of the total long term loans whereas 51.09 per cent (₹ 2,109.11 crore) of the total long term loans were availed from other financial institutions like HUDCO, SIDBI and Financial Banks etc.

The investment has increased by 16.64 per cent from ₹ 5,217.35 crore in 2016-17 to 6,085.48 crore in 2018-19. The investment increased due to addition of ₹ 590.20 crore and ₹ 277.93 crore towards equity and long term loans respectively during 2016-17 to 2018-19.

3.3 Disinvestment, Restructuring and Privatisation of PSUs (Non-Power Sector)

During the year 2018-19, no disinvestment, restructuring or privatisation was done by the State Government in State PSUs.

3.4 Budgetary Support to PSUs (Non-Power Sector)

The Government of Madhya Pradesh (GoMP) provides financial support to State PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and loans converted into equity during the year in respect of State PSUs for the last three years ending March 2019 are as detailed in Table 3.4:

Table 3.4: Details regarding budgetary support to State PSUs

Sl. No.	Particulars ¹³	(₹ in crore)					
		2016-17		2017-18		2018-19	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
(i)	Equity capital outgo	4	110.58	1	25.00	1	109.00
(ii)	Loans given	3	310.47	3	273.50	3	500.44
(iii)	Grants/Subsidy provided	17	1,831.26	19	1,306.72	13	1,195.80
	Total Outgo (i+ii+iii)	21	2,252.31	21	1,605.22	14	1,805.24
(iv)	Guarantees Outstanding	5	1,737.68	6	313.17	3 ¹⁴	2,739.68

(Source: Annual accounts/ information furnished by the PSUs)

¹⁰ Others includes investment by Holding Companies, Financial Institutions, Banks, etc.

¹¹ Same as F/n 10 above.

¹² The original cost of the equity shares paid by the subscribers to the equity shares.

¹³ Amount represents outgo from State Budget only.

¹⁴ MPFC (₹ 1250.00 crore), MPPH&IDC (₹ 507.18 crore) and MPIDC (₹ 982.50 crore).

The subsidy/ grants given by the State Government was primarily to promote investment and development of smart cities.

GoMP provides guarantees under Madhya Pradesh Government Guarantees Rules (MPGGR), 2009 for PSUs to seek financial assistance from banks and financial institutions. The GoMP decided (February 2011) to charge guarantee commission at the rate of half a *per cent* to one *per cent* per annum in case of loan availed by PSUs from banks/ financial institutions without any exception under the provisions of the MPGGR 2009. Outstanding guarantee commitments stood at ₹ 2,739.68 crore in 2018-19. During the year 2018-19, no guarantee commission was paid by these PSUs to the State Government.

3.5 Reconciliation with Finance Accounts

The figures in respect of equity, loans and guarantees outstanding as per the records of all State PSUs should agree with the figures appearing in the Finance Accounts of the Government of Madhya Pradesh. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. The position in this regard as on 31 March 2019 is given in **Table 3.5**:

Table 3.5: Equity, Loans and Guarantees outstanding as per Finance Accounts *vis-à-vis* records of State PSUs

(₹ in crore)				
Amount outstanding in respect of	No. of PSUs	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
(A)	(B)	(C)	(D)	(E) =(C)-(D)
Equity	19	1,205.23	859.85	345.38
Loans	06	2,195.60	2,265.69	70.09
Guarantees	03	1,270.58	2,739.68	1,469.10

(Source: Information received from PSUs and Finance Accounts)

Audit observed that out of 60 State PSUs, such differences occurred in respect of 20 PSUs as shown in **Annexure 3.4**. The differences between the figures have been persisting for several years. The issue of reconciliation of differences is being taken up with the PSUs and the Departments from time to time. Major difference in balances of equity/ loan/ guarantee was observed in the case of Madhya Pradesh Industrial Development Corporation (₹ 982.50 crore towards guarantee), Madhya Pradesh Urban Development Corporation (₹ 448.00 crore towards equity), Madhya Pradesh Financial Corporation Limited (₹ 487.01 crore towards guarantee) and MP Police Housing and Infrastructure Development Corporation Limited (₹ 107.86 crore towards loans). The State Government and the respective PSUs should reconcile the differences in a time-bound manner.

3.6 Submission of Accounts by PSUs (Non-Power Sector)

3.6.1 Timeliness in preparation of Accounts by the PSUs

Accounts for the year 2018-19 were required to be finalized by all the working PSUs by 30 September 2019. However, out of 60 PSUs only 44 PSUs (including two Statutory Corporations) were required to submit their accounts. Of these 44 PSUs, 31 PSUs submitted 39 latest accounts (of one of the years from 2016-17 to 2018-19). Out of these, only 15 PSUs (including two working Statutory Corporation) submitted their accounts for the year 2018-19 for audit by CAG on or before 31 December 2019¹⁵ and five PSUs have not submitted their first accounts, whereas accounts of 29 PSUs were in arrears.

¹⁵ For 2016-17, 2017-18 and 2018-19, Accounts received till 31 December 2019 were considered.

Details of arrears in submission of accounts of PSUs (Non-Power Sector) as on 31 December 2019 are given in **Table 3.6**:

Table 3.6: Status of submission of Accounts by working PSUs

Particulars	Government Companies/ Statutory Corporations		
	2016-17	2017-18	2018-19
Total No. of PSUs	44	47	60
Total No. of Working PSUs which are required to furnish their accounts	44	47	44
No. of accounts submitted during current year	40	41	39
No. of PSUs whose accounts are current (2018-19)	21	20	15
No. of previous years accounts finalised during current year	19	21	24
No. of PSUs with accounts in arrears	23	27	29
No. of accounts in arrears	48	52	55
Extent of arrears	1 to 13 years	1 to 14 years	1 to 15 years

(Source: Accounts finalised by PSUs as on 31 December of the relevant year)

Following are the PSUs with substantial arrears of accounts:

- MP Adivasi Vitta Evam Vikas Nigam Ltd. (since 2003-04)
- MP Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Ltd. (since 2010-11)
- MP Rajya Setu Nirman Nigam Ltd. (since 1989-90)

The Administrative Departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The concerned Departments were informed regularly regarding arrears in accounts.

As of 31 December 2019, GoMP had provided ₹ 2,179.76 crore (Equity: ₹ 134.03 crore Loan: ₹ 575.24 crore, Grant: ₹ 450.34 crore and Subsidy: ₹ 1020.15 crore) to 12 of the 29 working State PSUs during the period for which, their accounts were in arrears. PSU-wise details of investment made by State Government during the years for which accounts are in arrears are shown in **Annexure 3.5**.

In the absence of accounts and their subsequent audit, it could not be ascertained in remaining 36 PSUs whether the investments and expenditure incurred had been properly accounted for and the funds were utilized for the purpose for which these were provided by the State Government.

3.6.2 Timeliness in preparation of Accounts by inactive PSUs

There are 16 non-working/ inactive PSUs out of which nine PSUs submitted their latest accounts for audit as detailed in **Table 3.7**:

Table 3.7: Position of accounts in respect of Inactive PSUs

Sl. No.	Name of the PSU	Last financial Year up to which Accounts finalised	Period for which accounts are in arrears
1.	MP Rajya Setu Nirman Nigam Ltd.	1989-90	1990-91 to 2018-19
2.	MP AMRL (Semaria) Coal Company Ltd.	2018-19	-
3.	MP AMRL (Morga) Coal Company Ltd.	2018-19	-
4.	MP AMRL (Bicharpur) Coal Company Ltd.	2018-19	-
5.	MP AMRL (Marki Barka) Coal Company Ltd.	2018-19	-

6.	MP Jaypee Coal Ltd.	2018-19	-
7.	MP Monnet Mining Company Ltd.	2018-19	-
8.	MP Jaypee Coal Fields Ltd.	2018-19	-
9.	MP Jaypee Minerals Ltd.	2018-19	-
10.	M.P. Sainik Coal Mining Private Ltd.	2018-19	-
11.	MP & Maharashtra Minerals & Chemicals Ltd.	2001-02	2002-03 to 2018-19
12.	MP State Road Transport Corporation	2007-08	2008-09 to 2018-19
13.	MP Panchayati Raj Vitta Evam Gramin Vikas Nigam Ltd.	2005-06	2006-07 to 2018-19
14.	MP Film Development Corporation Ltd.	2009-10	2010-11 to 2018-19
15.	Optel Telecommunication Ltd.	2009-10	2010-11 to 2018-19
16.	MP Vidyut Yantra Ltd.		Under liquidation

(Source: Compiled by O/o the AG (Audit-II) MP, Bhopal)

3.6.3 Impact of non-finalisation of Accounts of PSUs (Non-Power Sector)

The delay in finalisation of accounts may result in risk of fraud and leakage of public money, if any, going undetected apart from violation of the provisions of the relevant statutes. In view of the above state of arrears of accounts, the actual contribution of the PSUs (Non-Power Sector) to State GDP and their profitability including profit earned/ loss incurred for the year 2018-19 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

It is, therefore, recommended that the Administrative Department should strictly monitor and issue necessary directions to set specific timelines for individual PSUs to liquidate the arrears in accounts. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to clear the arrears in accounts in a time bound manner.

3.7 Placement of Separate Audit Reports of Statutory Corporations

Out of the three Statutory Corporations, two Corporations had forwarded their accounts of 2018-19 by 31 December 2019. The Separate Audit Reports (SARs) of the CAG on the accounts of Statutory Corporations are to be laid before the Legislature as per the provisions of the respective Acts. The status of annual accounts of Statutory Corporations and placement of their SARs in Legislature is detailed in **Table 3.8**:

Table 3.8: Status of placement of SAR of the Statutory Corporations

Sl. No.	Name of the Corporation	Year of Accounts	Month of placement of SAR
1	Madhya Pradesh State Warehousing Corporation	2016-17	Placed before the legislature on 20.12.2019
		2017-18 and 2018-19	Accounts not finalised
2	Madhya Pradesh Financial Corporation	2016-17	Yet to be placed before the legislature
		2017-18 and 2018-19	Accounts not finalised
3	Madhya Pradesh State Road Transport Corporation	2007-08	No information furnished
		2008-09 onwards	Accounts not finalised

(Source: Information provided by Legislative Assembly and website of Madhya Pradesh Legislative Assembly)

3.8 Performance of PSUs (Non-Power Sector)

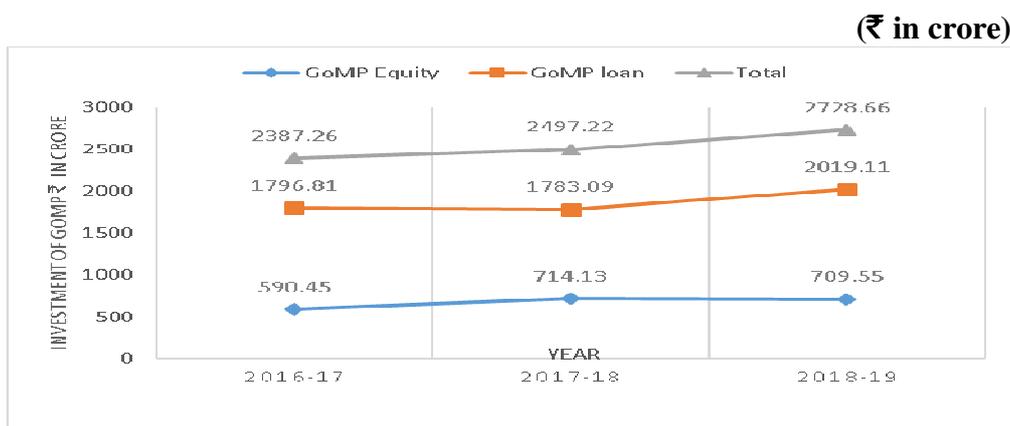
The financial position and working results of the 31 State PSUs covered in this Report as per their latest finalised accounts¹⁶ as of 31 December 2019 are detailed in **Annexure 3.1**.

¹⁶ Latest finalised accounts for the years 2016-17 to 2018-19.

The PSUs are expected to yield reasonable return on investments made by the Government in these PSUs. The total investment of State Government and others in these PSUs was ₹ 6,085.48 crore consisting of equity of ₹ 1,957.26 crore and long term loans of ₹ 4,128.22 crore. Out of this, GoMP has invested ₹ 2,728.66 crore in the 16 PSUs in the form of equity of ₹ 709.55 crore and long term loans of ₹ 2,019.11 crore.

The year- wise investment of GoMP in the PSUs covered in this Report during the period 2016-17 to 2018-19 is as follows:

Chart 3.1: Total investment of GoMP in PSUs



The profitability of a company is traditionally assessed through Return on Investment (RoI), Return on Equity (RoE) and Return on Capital Employed (RoCE). Return on Investment measures the profit or loss made in a fixed year relating to the amount of money invested in the form of equity and long term loans and is expressed as a percentage of profit to total investment. Return on Equity is a measure of performance calculated by dividing net profit after tax by shareholders' fund. Return on Capital Employed is a financial ratio that measures the company's profitability and the efficiency with which its capital is used and is calculated by dividing company's earnings before interest and taxes by capital employed.

3.8.1 Rate of Real Return on Investment

Return on investment is the percentage of profit or loss to the total investment. As per the latest finalized accounts of the 31 State PSU covered in this Report, 15 PSUs earned a profit of ₹ 428.67 crore and nine PSUs incurred losses of ₹ 100.97 crore as detailed in **Annexure 3.1**. The number of PSUs that earned profit was 15 in 2018-19 as compared to 18 in 2017-18. The profit earned has slightly decreased to ₹ 327.70 crore from ₹ 330.40 crore in 2017-18. Major profit making PSUs during the year 2018-19 were MP Warehousing and Logistic Corporation (₹156.52 crore) and MP State Mining Corporation Limited (₹ 107.47 crore).

The number of PSUs that earned profit/ incurred loss during the three-year period 2016-19 is given in **Table 3.9**:

Table No 3.9: PSUs earned profit/ incurred losses (Non-Power Sector)

Financial Year	Total no. of State PSUs (Non-Power Sector)	No. of PSUs which earned profit during the year	No. of PSUs which incurred loss during the year	No. of PSUs reporting no profit/ no loss during the year
2016-17	44	25	4	15
2017-18	38	18	8	12
2018-19	31	15	9	07

(Source: Compiled based on latest finalized annual accounts of PSUs)

3.8.2 Rate of Real Return on the basis of historical Cost of Investment

Out of 31 PSUs covered in this Report, the State Government infused funds in the form of equity, interest free loans and subsidies/ grants in 16 State PSUs. An analysis of the earnings vis-à-vis investments was carried out to assess the profitability of these PSUs. The Rate of Real Return on Investment (RoI) for the State PSUs (Non-Power Sector) has been calculated on the total investment (investment by State Government, Central Government and Others). In the case of PSUs formed due to demerger, the initial investment in equity and loans is considered at the carrying amounts as on the date of their incorporation. Further, apportionment of assets and liabilities between the successor demerged PSUs resulted in a Reorganisation/ Demerger Adjustment Reserve (surplus/ deficit), which is considered as investment of the State Government.

As on 31 March 2019, total investment of State Government in these 16 PSUs on the basis of historical cost stood at ₹ 2728.66 crore. The sector-wise RoI on historical cost basis for the period 2016-17 to 2018-19 is given in **Table 3.10**:

Table 3.10: Return on the basis of historical cost of investment

(₹ in crore)						
Year	Funds invested by State Government in Equity and Long term loans	Funds invested by Central Government in Equity and Long term loans	Funds invested by Others in Equity and Long term loans	Total investment in Equity and Long term loans	Total Earnings/ Losses for the year	RoRR (in per cent)
Monopolistic Sector						
2016-17	95.13	1.39	0.00	96.52	156.48	162.12
2017-18	140.13	1.39	0.00	141.52	154.74	109.34
2018-19	140.13	1.39	0.00	141.52	196.00	138.50
Assured income						
2016-17	2243.26	12.55	1318.60	3574.41	178.34	4.99
2017-18	1859.42	1.87	1933.38	3794.67	180.71	4.76
2018-19	2090.86	1.87	2829.87	4922.60	178.81	3.63
Competitive Sector						
2016-17	384.44	0.00	1149.88	1534.32	12.66	0.83
2017-18	497.67	0.00	953.55	1451.22	5.05	0.35
2018-19	497.67	0.00	523.69	1021.36	-47.11	-4.61
Grand Total						
2016-17	2722.83	13.94	2468.48	5205.25	347.48	6.68
2017-18	2497.22	3.26	2886.93	5387.41	340.50	6.32
2018-19	2728.66	3.26	3353.56	6085.48	327.70	5.38

(Source: Accounts and information furnished by PSUs)

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

An analysis of the earnings vis-à-vis investments in respect of those 16 PSUs where funds had been infused by the State Government was carried out to assess the profitability of these PSUs. Traditional calculation of return based only on the basis of historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the present value of money. Therefore, real return on investment has also been calculated after considering the Present Value (PV) of money. PV of the State Government investment was computed where funds had been infused by the State Government in the form of equity, interest free/ defaulted loans and capital grants in these companies as of 31 March 2019. During this period, these PSUs had a positive return on investment during the years 2013-14 to 2018-19. The real return on investment for these years has, therefore, been calculated and depicted on the basis of PV.

The PV of the State Government investments in these PSUs was computed on the following assumptions:

- Loans have been considered as fund infusion by the State Government. However, in case of repayment of loans by the PSUs, the PV was calculated on the reduced balances of loans over the period. The funds made available in the form of grant/ subsidy have not been reckoned as investment except capital grant since they do not qualify to be considered as investment.
- The average rate of interest on Government borrowings for the concerned financial year¹⁷ was adopted as discount rate for arriving at Present Value since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the Government.

The PSU-wise position in this regard is given in **Annexure 3.6**. Further, consolidated position of PV of the State Government investment relating to these PSUs for the same period is indicated in **Table 3.11**:

Table 3.11: Year-wise details of GoMP investment by State Government and its PV for the period 2000-01 to 2018-19

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Interest free/defaulted Loans and grants given by the State Government during the year ¹⁸	Total investment during the year	Average rate of interest on Government borrowings (in %)	Total investment at the end of the year	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total Earn-ings for the year ¹⁹
i	ii	iii	iv	v=iii+iv	vi	vii=ii+v	viii={vii*(1+vi)/100}	ix={vii*vi}/100}	x
2000-01	224.62	4.00	-16.13	-12.13	9.94	212.49	233.61	21.12	6.13
2001-02	233.61	-4.10	-25.13	-29.23	9.19	204.38	223.16	18.78	19.01
2002-03	223.16	17.42	16.46	33.88	8.81	257.05	279.69	22.65	9.22
2003-04	279.69	1.79	-47.40	-45.61	9.41	234.08	256.11	22.03	0.70
2004-05	256.11	12.30	-	12.30	8.96	268.41	292.46	24.05	33.78
2005-06	292.46	11.89	58.57	70.46	7.33	362.92	389.52	26.60	40.73
2006-07	389.52	174.38	0.38	174.76	.86	64.28	608.63	44.35	93.50
2007-08	608.63	65.00	-58.50	6.50	7.72	615.13	662.62	47.49	91.17
2008-09	662.62	16.20	-	16.20	7.24	678.82	727.96	49.15	67.60
2009-10	727.96	6.00	15.69	21.69	6.94	749.65	801.68	52.03	124.97
2010-11	801.68	26.38	-2.10	24.28	7.07	825.96	884.36	58.40	141.55
2011-12	884.36	10.00	9.45	19.45	6.91	903.81	966.26	62.45	156.03
2012-13	966.26	-15.38	72.89	57.51	6.75	1,023.77	1,092.87	69.10	221.73
2013-14	1,092.87	30.00	90.43	120.43	6.69	1,213.30	1,294.47	81.17	287.49
2014-15	1,294.47	94.28	136.32	230.60	6.73	1,525.07	1,627.71	102.64	324.23
2015-16	1,627.71	41.72	73.76	115.48	6.86	1,743.19	1,862.77	119.58	366.79
2016-17	1,862.77	-50.73	1,349.49	1,298.76	6.72	3,161.53	3,373.99	212.46	343.39
2017-18	3,373.99	160.00	-2.73	157.27	6.67	3,531.26	3,766.79	235.53	287.96
2018-19	3766.79	109.00	392.30	501.30	6.92	4268.09	4563.44	295.35	327.70
Total		710.15	2,063.75	2,773.90					

¹⁷ The average rate of interest on Government borrowings was adopted from the Reports of the C&AG of India on State Finances (Government of Madhya Pradesh) for the concerned year wherein the calculation for the average rate for interest paid = Interest Payment/ [(Amount of Previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/ 2]*100.

¹⁸ Negative figures of loans shown in this column represent repayment of loans by the PSUs to the State Government during the concerned year.

¹⁹ Total Earning for the year depicts total of net earnings (profit/ loss) for the concerned year relating to those 16 PSUs (Non-Power Sector) where funds were infused by State Government. In case where annual accounts of any PSU was pending during any year then net earnings (profit/ loss) for that year has been taken as per latest audited accounts of the concerned PSU.

Investment by the State Government in these PSUs at the end of the year increased to ₹ 2,998.52 crore in 2018-19 from ₹ 224.62 crore in 2000-01 as the State Government made further investments in form of equity (₹ 710.15 crore) and loans/ capital grant (₹ 2063.75 crore) during the period 2000-01 to 2018-19. The PV of funds infused by the State Government upto 31 March 2019 amounted to ₹ 4563.44 crore. During 2000-01 to 2003-04, these companies earned some profits, though, total earnings remained below the minimum expected return to recover cost of funds infused in these PSUs. From 2004-05 onwards, these companies started earning sufficient profits to recover cost of funds infused, as 10 PSUs²⁰ earned substantial profits during this period.

3.8.4 Erosion of Net worth

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

As on 31 March 2019 six PSUs²¹ had accumulated losses of ₹ 22.71 crore. Of these, four PSUs incurred losses during 2018-19²² amounting to ₹ 12.44 crore and two PSUs had not incurred loss in the year 2018-19, even though they had accumulated loss of ₹ 4.91 crore.

Net worth of only one PSUs viz., MP Plastic City Development Corporation Gwalior Limited out of 31 PSUs covered in this Report had been completely eroded. The net worth was (-) ₹ 0.55 crore against equity investment of ₹ 2.27 crore in this PSU as on 31 March 2019 (*Annexure 3.1*).

3.8.5 Dividend Payout

The State Government had formulated (July 2005) a dividend policy under which all profit making PSUs are required to pay a minimum return of 20 per cent of the profit after tax.

Of the 31 PSUs covered in this Report, Dividend Payout relating to 16 PSUs where equity was infused by State Government during the period is shown in **Table 3.12**:

Table 3.12: Details of Dividend Payout of 16 PSUs

Year	PSUs where equity infused by GoMP		PSUs which earned profit during the year		PSUs which declared/ paid dividend during the year		Dividend Payout Ratio (per cent)
	No. of PSUs	Equity infused by GoMP	No. of PSUs	Profit earned by PSUs where Equity infused by GoMP	No. of PSUs	Dividend declared/ paid by PSUs	
1	2	3	4	5	6	7	8=7/5*100
2016-17	17	600.13	14	337.69	4	43.38	12.85
2017-18	17	714.13	12	374.70	6	45.63	12.18
2018-19	16	709.55	11	423.78	7	46.62	11.00

During the period 2016-17 to 2018-19, the number of PSUs which earned profits ranged between 11 and 14 PSUs. During this period, number of PSUs which declared/ paid dividend to GoMP ranged between four and seven PSUs.

²⁰ MPRVVN, MPSMCL, MPAIDCL, MPLUN, MPPHSCL, MPRDCL, MPSEDC, MPWLCL, MPIDC and MPSTDCL.

²¹ MPUDC, MPPCDC Gwalior Limited, PACL, JSCDCL, ISCDCL and MPHCL.

²² Annual Accounts for the year 2018-19 of M.P. Urban Development Corporation Limited was not received, thus the information is compiled on the basis of Annual Account of 2017-18.

The Dividend Payout Ratio during 2016-17 to 2018-19 ranged between 11.00 and 12.85 per cent only.

Of these seven PSUs which declared/ paid dividend during 2018-19, two PSUs²³ declared dividend lower than the prescribed limit and five PSUs²⁴ declared dividend as per the dividend policy.

3.8.6 Return on Equity

Return on Equity (ROE) is a measure of financial performance to assess how effectively management is using shareholders' fund to create profit. It is calculated by dividing net income (i.e., net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any Company if net income and shareholders' fund are both positive numbers.

Shareholders' fund of a Company is calculated by adding paid up capital and free reserves net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a Company's stakeholders if all assets were sold and all debts paid. A positive Shareholders' fund reveals that the Company has enough assets to cover its liabilities while negative shareholders' funds means that liabilities exceed assets.

In respect of 31 PSUs covered in this Report, where funds had been infused by the State Government, both the Shareholders' fund and the Net Income were positive during the three-year period 2016-17 to 2018-19 as given in **Table 3.13**:

Table 3.13: Return on Equity

(₹ in crore)					
Details	Year	Number of PSUs	Net Profit/ Loss	Shareholders' Fund	RoE (in per cent)
	(i)	(ii)	(iii)	(iv)	(v)=(iii/iv)*100
Profit earning	2016-17	24	350.95	2453.89	14.30
	2017-18	18	380.01	1908.61	19.91
	2018-19	15	428.67	4075.86	10.51
Loss making	2016-17	5	-3.28	-73.47	4.46
	2017-18	8	-49.61	666.21	-7.45
	2018-19	9	-100.95	1624.74	-6.21
No Profit / No Loss	2016-17	15	0	115.28	0.00
	2017-18	12	0	655.72	0.00
	2018-19	7	0	706.72	0.00
Total	2016-17	44	347.67	2495.70	13.93
	2017-18	38	330.40	3230.54	10.23
	2018-19	31	327.72	6407.32	5.11

(Source: Accounts and information furnished by PSUs)

It can be seen from above table that ROE of profit earning PSUs ranged between 10.51 per cent (2018-19) to 19.91 per cent (2017-18). In 2018-19 the Shareholders' fund increased by 113 per cent due to which ROE has decreased.

3.8.7 Return on Capital Employed

Return on Capital Employed (RoCE) is a profitability metric that measures the long-term profitability and efficiency with which the total capital is employed by a company. RoCE is an important decision metric for long term lenders. The significance of RoCE becomes obvious when it is juxtaposed against RoE, which measures the efficiency with which a

²³ MPWLC and MPRVVNL.

²⁴ MPSMCL, MPSAID, SRMPHHVNL, MPPHSCL and MPLUN.

company's assets have been used to create profits for its shareholders. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed.

The details of total RoCE of all the 31 PSUs covered in this Report during the period 2016-17 to 2018-19 are given in **Table 3.14**:

Table 3.14: RoCE of PSUs

(₹ in crore)

Details	Year	Number of PSUs	EBIT	Capital Employed	RoCE (in per cent)
1	2	3	4	5	6=(4/5)*100
Profit earning	2016-17	24	890.66	5646.26	15.77
	2017-18	23	513.20	4926.09	10.42
	2018-19	19	1884.22	8272.38	22.78
Loss making	2016-17	5	10.64	88.83	11.98
	2017-18	5	-9.81	277.35	-3.54
	2018-19	5	-8.73	852.71	-1.02
No Profit / No Loss	2016-17	15	0	224.54	0.00
	2017-18	10	0	506.21	0.00
	2018-19	7	0	516.82	0.00
Total	2016-17	44	592.83	5959.63	9.95
	2017-18	38	503.39	5709.65	8.82
	2018-19	31	1875.49	9641.91	19.45

(Source: Accounts and information furnished by PSUs)

The RoCE of the PSUs ranged between 8.82 per cent and 19.45 per cent during the period 2016-17 to 2018-19.

3.8.8 Analysis of Long Term Loans of the PSUs

Analysis of the Long Term Loans of the PSUs during 2016-17 to 2018-19 was carried out to assess the ability of the companies to serve the debt owed to the Government, banks and other financial institutions. This is assessed through the Interest Coverage Ratio and Debt Turnover Ratio.

3.8.9 Interest Coverage Ratio

Interest Coverage Ratio (ICR) is used to determine the ability of a Company to pay interest on outstanding debt and is calculated by dividing Earnings before Interest and Taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser the ability of the PSU to pay interest on debt. An interest coverage ratio below one indicates that the PSU was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio of the PSUs covered in the Report which had outstanding loans during the period from 2016-17 to 2018-19 are given in **Table 3.15**:

Table 3.15: Interest coverage ratio of PSUs having liability of loans

Year	Earnings Before Interest and Tax (EBIT) (₹ in crore)	Interest (₹ in crore)	ICR	Number of PSUs having liability of loans	Number of PSUs having ICR more than one	Number of PSUs having ICR less than one
2016-17	16.06	122.70	0.13:1	15	12	3 ²⁵
2017-18	106.71	84.32	1.27:1	15	11	4 ²⁶
2018-19	21.53	78.19	0.27:1	11	0	11

(Source: Accounts and information furnished by PSUs)

²⁵ MPAKVN (Indore) Ltd., MPAKVN (Rewa) Ltd. and MPJML.

²⁶ MPAKVN (Indore) Ltd., MPPCDC (Gwalior) Ltd., MPSCSCL and MPFC.

All 11 State PSUs having liability of loans during 2018-19, had interest coverage ratio of less than one, which indicates that these PSUs could not generate sufficient revenues to meet their expenses on interest during the period. Madhya Pradesh State Civil Supply Corporation received interest free long term loan from the Government.

3.8.10 Debt Turnover Ratio

During the last three years ended March 2019, the debt-turnover ratio of 31 PSUs covered in this Report ranged between 0.23:1 and 0.27:1. Further, the turnover of Non-Power Sector PSUs recorded a negative compounded annual growth rate of 0.91 per cent during last three years, as given in **Table 3.16**:

Table 3.16: Details of Debt Turnover Ratio of PSUs

Particulars	(₹ in crore)		
	2016-17	2017-18	2018-19
Debt from Government/ Banks/ Financial Institutions	3,850.29	3,543.18	4,128.22
Turnover	15,499.77	15,651.26	15,079.12
Debt-turnover Ratio	0.25:1	0.23:1	0.27:1

(Source: Accounts and information furnished by PSUs)

3.9 Winding up of inactive PSUs (Non- Power Sector)

As of 31 March 2019, 16 PSUs having a total investment of ₹ 706.63 crore which were non-functional. Of these, Madhya Pradesh Road Transport Corporation (₹ 683.31 crore) and Optel Telecommunication Limited (₹ 17.12 crore) had maximum investment as on 31 March 2019. The number of non-functional PSUs at the end of each year during last three years ended 31 March 2019 is given in **Table 3.17**:

Table 3.17: Non-functional State PSUs

Particulars	2016-17	2017-18	2018-19
No. of non-functional PSUs	17	16	16
Out of above, no. of PSUs which were under liquidation	4	4	4

(Source: Compiled from the information included in Audit Report (PSU), GoMP of respective years)

As regards remaining 12 non-functional PSUs, with arrears of accounts ranging up to 29 years²⁷, the GoMP may take appropriate decision regarding winding up these PSUs. One of the State PSU i.e. MP State Textile Corporation, having GoMP Equity of ₹ 6.86 crore and loan of ₹ 86.71 crore has been wound-up during the year 2018-19.

3.10 Comments on Accounts of PSUs (Non-Power Sector)

Of the 44 PSUs whose latest accounts were available, 31 PSUs forwarded 39 audited accounts to the Accountant General during the period from 1 January 2019 to 31 December 2019. Of these, 29 accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and supplementary audit conducted by the CAG indicated that the quality of accounts needs to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the CAG are detailed in **Table 3.18**:

²⁷ Companies at Sl. No. IIIA 14 to IIIA 24 and IIIB 25 of the Annexure-3.2.

Table 3.18: Impact of audit comments on State PSUs (Non-Power Sector)

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		Number of accounts	Amount	Number of accounts	Amount	Number of accounts	Amount
1.	Decrease in profit	11	446.68	02	0.27	6	26.99
2.	Increase in profit	-	-	-	-	5	2.02
3.	Increase in loss	3	-1.52	02	0.74	-	-
4.	Decrease in loss	-	-	01	0.12	1	0.12
5.	Non-disclosure of material facts	3	1.87	01	107.02	5	6.28
6.	Errors of classification	6	36.11	07	521.14	17	590.58

(Source: Comments of the Statutory Auditors/ C&AG)

During the year 2017-18, the Statutory Auditors had issued qualified certificates on 17 accounts. Compliance to the Accounting Standards by the PSUs remained poor as the Statutory Auditors pointed out 23 instances of non-compliance to the Accounting Standards in 11 Accounts.

The State has three Statutory Corporations viz., (i) Madhya Pradesh State Road Transport Corporation (MPSRTC), (ii) Madhya Pradesh Financial Corporation (MPFC) and (iii) Madhya Pradesh Warehousing and Logistics Corporation (MPWLC). The CAG is sole auditor in respect of only one corporation, viz. MPSRTC, which was non-functional. Other two working Statutory Corporations forwarded their annual accounts for the year 2018-19. Both the accounts were selected for supplementary audit.

The details of aggregate money value of the comments of Statutory Auditors and supplementary audit by the CAG in respect of Statutory Corporations are given in **Table 3.19:**

Table 3.19: Impact of audit comments on Statutory Corporations

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		Number of accounts	Amount	Number of accounts	Amount	Number of accounts	Amount
1.	Decrease in profit	2	7.04	-	-	-	-
2.	Increase in profit	-	-	-	-	1	1.06
3.	Increase in loss	-	-	1	17.51	-	-
4.	Decrease in loss	-	-	-	-	-	-
5.	Non-disclosure of material facts	-	-	-	-	1	0.08
6.	Errors of classification	-	-	1	103.31	1	109.80

(Source: Comments of the Statutory Auditors/ C&AG)

Chapter - 4

Compliance Audit Observations

4.1 Allotment/ transfers of land in Industrial Areas by Madhya Pradesh Industrial Development Corporation Limited

4.1.1 Introduction

Madhya Pradesh Industrial Development Corporation Limited¹ (Company), has been designated (2004) as the single window secretariat for facilitating and promoting investment in the State. The Company functions under the administrative control of the Industrial Policy and Investment Promotion Department (Department) of the Government of Madhya Pradesh (GoMP). Its five Regional Offices (ROs) at Indore, Bhopal, Jabalpur, Rewa and Gwalior have been tasked with promoting, encouraging and developing industries and industrialization in the State through development of Industrial Areas (IAs)/ Growth Centres (GCs)/ Special Economic Zones (SEZs)/ Industrial Parks (IPs) as well as the requisite industrial infrastructure like roads, water supply, electrification, etc.

4.1.2 Audit Objectives

Compliance audit of the activities of the Company was conducted with the objective of assessing whether the land allotment/ transfer process was transparent, the land premium, lease rent and development charges were applied in accordance with applicable rules, regulations, guidelines, etc. and whether there was a proper monitoring mechanism.

4.1.3 Sources of Audit Criteria

Audit findings were benchmarked against the criteria sourced from the following:

- Madhya Pradesh State Industrial Land and Industrial Buildings Management Rules, 2015 (Rules);
- Industrial Promotion Policy, 2014 and amendment of December 2018; and
- Decisions, orders and policies of GoMP and the Board of Directors (BoD) for alienation, acquisition, allotment and fixation of lease premium, lease rental, development charges, annual maintenance charges, etc.

4.1.4 Audit Scope and Methodology

Audit of the Company was carried out during June-August 2019 and covered the land allotment and transfer transactions of the Company during the three year period of 2016-17 to 2018-19. Audit methodology involved scrutiny of the relevant records at the Corporate Office of the Company, as well as at three of its ROs² (Gwalior, Bhopal and Indore). Joint physical inspection of three Industrial Areas³ that transacted the highest allotments was carried out along with the Departmental authorities.

The details of total cases of land allotments, transfers, units due for commencement of production and selected sample for audit scrutiny pertaining to the period from 2016-17 to 2018-19 are given below:

¹ Formerly known as Madhya Pradesh Trade and Investment Facilitation Corporation Limited (MPTRAI FAC).

² Selected on the basis of random sampling, using Interactive Data Extraction and Analysis (IDEA) software.

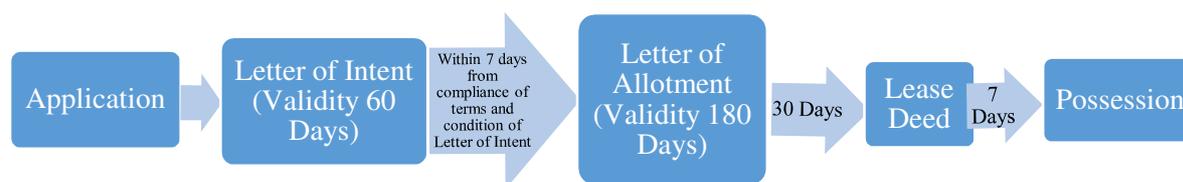
³ Malanpur (RO, Gwalior), Bagroda (RO, Bhopal) and Pithampur III (RO, Indore).

Table 4.1.1: Selection of cases for audit scrutiny

Particulars	RO Gwalior	RO Bhopal	RO Indore	Total
Land Allotment cases	48	558	235	841
<i>Selected for scrutiny</i>	16	37	85	138
Units due for commencement of production	22	21	95	138
<i>Selected for scrutiny</i>	6	6	29	41
Land Transfer cases	40	65	89	194
<i>Selected for scrutiny</i>	11	18	23	52

4.1.5 Audit Findings

The land allotment and transfer was to be made as per the Rules⁴ issued by GoMP from time to time. The procedure for land allotment and the relevant timelines are detailed below:



Audit findings in this regard are discussed in the following paragraphs.

4.1.5.1 Allotment of land to highly polluting and dangerous category of industries

Clause 4 (vi) of the Rules provides that land to highly polluting and dangerous category of industries like those manufacturing pesticides, carbon black and others (Annexure A of the Rules) was to be allotted in those Industrial Areas only, where a separate zone has been earmarked for such industries.

Audit observed that no separate zone was earmarked for such industries and land was allotted to the following highly polluting and dangerous industry units in the Industrial Areas:

Table 4.1.2: Details of allotment to highly polluting and dangerous category of industries

Sl. No.	Name of Unit	Nature of Industry	Month of Allotment	RO
1	M/s Vandana Plastic	Tyre processing oil (with carbon black as its by-product)	June 2016	Indore
2	M/s Kush Agro Crop Science	Pesticides	May 2017	

Government replied (June 2020) that these units are not covered in Annexure A of the Rules.

The reply is not correct, as pesticides and black carbon are covered at Sl. No. 2(iii) and 3(ii) of Annexure A to Rule 4(1)(vi).

4.1.5.2 Continuation of restricted activity by a unit

As per Clause 4(1) of the Rules, industries performing restricted activities, *inter alia*, include Cement Concrete Mixture plants, which are not eligible for allotment of land in an Industrial Area.

Audit observed that the Company allotted (September 2007) land to M/s Prem Stone Industries for establishing a Stone Cutting and Polishing unit. Instead, it commenced a Cement Concrete Mixture Plant and operated till June 2017 when the allottee requested for its

⁴ Land Allotment Rules, 2015 (applicable w.e.f. April 2015).

transfer to another allottee. In spite of being aware of the violation (May 2012), the Company did not cancel the allotment. The new allottee also continued to operate the same plant until cancellation of the allotment.

The Company replied (June 2020) that the allotment to the new allottee had been cancelled in June 2019 due to running of Cement Concrete Mixture Plant.

Cancellation of the allotment after lapse of substantial period of noticing the prohibited activity reflects poor monitoring mechanism of the Company.

4.1.5.3 Allotment of excess land in violation of Rules

As per Clause 6 of the Rules, the covered area should neither be less than 40 *per cent* nor more than 60 *per cent* of the plot area. The total requirement of land would have to be decided by the Company accordingly. Also, as per Clause 4(viii) of the Rules, land can be allotted to units falling under the provisions of IT Investment Policy⁵ of Department of Science and Technology (DoST), GoMP.

Audit observed that land allotments in the following cases were not as per Rules:

Table 4.1.3: Details of allotment of excess subsidised land

Name of Unit	Covered area as per application submitted by the unit (Sq.mts)	Maximum eligibility of land as per Rules (Sq.mts)	Actual land allotted (Sq.mts)	Excess allotment (Sq.mts)	Allotment date
M/s Ajanta Pharma	13,049	32,623.00 ⁶	1,91,982.00	1,59,359.00	September 2018
M/s Pratap Technocrats	Not applicable as the allotment was as per IT Investment Policy 2016	9,388.70 ⁷	41,132.84	31,744.10	September 2018

- In the case of M/s Ajanta Pharma, the Company's failure to assess allottable land as per Rules resulted in excess allotment of 1,59,359 Sq. mts of land and consequent benefit of ₹ 8.96 crore⁸ to the allottee;
- In case of M/s Pratap Technocrats, in deviation from the eligibility criteria mentioned in the Policy, the unit was allotted excess 7.88 acres (31,744.10 Sq. mts) of land with the undue rebate on the entire area of 10.16 acres (41,132.84 Sq. mts) land, resulting in additional benefit of ₹ 37.51 lakh to the unit; and
- Besides the above, the Company allotted 2,85,000 Sq. mts of land to M/s Wonder Cement without assessing its eligibility as per Rules. Since the unit has not submitted the

⁵ As per the provision of the IT, ITeS and Electronic System Design and Manufacturing Policy 2016, a unit in the ESDM Sector would be eligible for allotment of land at concessional rate. The maximum area to be allotted shall be arrived on the basis of one acre land for every 50 people employed in the core operation (main economic activity) and shall *exclude* people employed in support services, such as security guards, gardening, drivers etc. and the rebate of 75 *per cent* on the cost of the land allotted was to be allowed.

⁶ Maximum eligible land = 13,049 Sq.m.*100/40=32,623 Sq.m.

⁷ The unit proposed employment for 316 persons (including 200 unskilled workers) in its application. Thus, unit was eligible for 2.32 acres (one acre*116 employees/50 employees); 2.32 acres = 9,388.70 Sq. mtr. of land.

⁸ Premium (with rebate) for eligible area i.e. 32,623 sq.m ₹ 2.40 crore + premium (without rebate) for additional area i.e. 1,59,359 sq. m. ₹ 30.60 crore = ₹ 33.00 crore (-) premium charged ₹ 24.04 crore = ₹ 8.96 crore.

proposed covered area to be constructed as per Clause 6 of Allotment Rules, the quantum of land to be allotted and excess land allotted cannot be ascertained.

In response, Government stated (June 2020) as follows:

- In case of M/s Ajanta Pharma, with a view to attract capital investment and proposed employment, the land was allotted with the approval of Managing Director, MPTRIFAC;
- In case of M/s Pratap Technocrats Limited, the land was allotted as per the GoMP letter dated 28 January 2017, where the instructions were issued to provide a concession of 75 per cent in the value of land as provided in the IT Investment policy 2016; and
- In case of M/s Wonder Cement, the land was allotted in line with the Department's approval for allotment vide letter dated 26 August 2016. Further as per the Rule 12(i) of Rules, the Government is empowered to allot the land.

The reply is not acceptable as:

- In case of M/s Ajanta Pharma, the fact of excess allotment has not been mentioned in the note submitted to Managing Director, MPTRIFAC as is being done in other cases submitted to MD;
- In case of M/s Pratap Technocrats Private Limited, the reply is incorrect, as the IT Investment Policy referred to in the GoMP letter clearly caps the area of subsidized land to be allotted at one acre for every 50 jobs created. Though the concession of 75 per cent is considered, the quantum of subsidized land has not been ascertained as per IT Policy; and
- In case of M/s Wonder Cement, Department's approval dated 26 August 2016 clearly mentioned that the land was to be allotted as per the provisions of the Land Allotment Rules 2015, which necessitates the disclosure of 'covered' area, which has not been complied with.

Thus, in violation of laid down rules and procedures, the Company had allotted excess land in these cases.

4.1.5.4 Non-commencement of production by the units in allotted cases

Clause 15(i) of the Rules states that the industrial units have to start their production within a specified time⁹, failing which, they have to apply for extension stating the reasons thereof. The extension for the first year would be given without a penalty, but with a condition to make 50 per cent investment of the proposal. However, the next extension would be given with a penalty of 10 per cent of the premium. Also, as per Clause 11(a) of the lease deed, if a lessee fails to invest the minimum fixed investment (25 per cent) within three years from the date of allotment, the amount of concession would be recovered along with 12 per cent interest.

Audit scrutiny revealed the following:

- Out of the 138 selected cases, 22 units could not commence production during the stipulated period and without any application for extension, continued possession of land.

⁹ Micro and SSI within two years, medium industries in three years and large units within four years from the date of possession.

The Company was unaware of the current status¹⁰ of the envisaged projects and did not initiate any further action as per Rules (*Annexure 4.1.1*).

- Amongst the cases allotted prior to 2016-17 but becoming due for commencing production during the audit period, out of the 41 selected cases, 21 units¹¹ were yet to commence production and had submitted application for extension where further action taken by the Company was not found on records (*Annexure 4.1.2*).

The Company has not carried out regular inspections to watch the progress of commencement of production/ activity and no penal action has been taken against the lessee units for delayed/ non-commencement of production.

Government replied (June 2020) that notices were issued for non-commencement of activities. 14 units (RO, Indore) have started their production, one unit (RO, Indore) has started trial production and six (three units of RO Bhopal and three units of RO Indore) units that have not started the production, have been served notices. It was further stated that notices would be issued to those units that are under implementation stage.

4.1.5.5 Deficiencies in land transfer cases

The Company, besides making fresh allotments of land, also allowed transfer of land as regulated by the Rules. Audit examined 52 land transfer cases and noticed the following cases of deviation/ non-compliance:

- The Company allowed transfer of land in five cases¹² without ensuring minimum investment by the allottees as required in Clause 18(b)(i)¹³ of the Rules;
- The Company violated Clause 42(ii)¹⁴ of the Rules in four cases¹⁵ wherein on cancellation of original lease deed (discontinuance of business/ non-commencement of operation), it allowed transfer of land instead of allotting the land afresh (as per details in *Annexure 4.1.3*);
- The Company did not adhere to Clause 18(a)(5)¹⁶ and thus failed to recover development charges from the new allottees in three cases¹⁷, where old allottees had not paid the same, resulting in undue benefit to the allottees and loss to Government exchequer to the tune of ₹ 3.30 crore; and

¹⁰ Actual schedule of implementation, financial arrangements, plant and machinery installed at the site, power connection and production commencement status.

¹¹ Three units of RO, Bhopal and 18 units of RO, Indore.

¹² M/s Airen Agro Sales Private, M/s Prem Stone Industries, M/s Ratan Basic Drugs, M/s IFB Industries and M/s Decore Exxoils Private limited.

¹³ Transfer of land to other parties can only be permitted if transferor unit had invested minimum 25 per cent of proposed investment (as per application for land allotment) in Fixed Capital.

¹⁴ If the Lease Deed is cancelled, the lessee can sell machinery, building etc. established on land and can submit an application to competent authority to transfer the land in favour of other party within three months from the cancellation of Lease Deed.

¹⁵ M/s Ratan Basic Drugs, M/s Al-Subh Aarambh Buildcon and Services Limited, M/s IFB Industries and M/s Decore Exxoils Private Limited (prior to takeover by M/s. Decore in November 2004, M/s progressive Extractions & Export Private Limited).

¹⁶ If the original allottee has not paid the development charges at the time of allotment, the same would be collected from the new unit (transferee) at the time of transfer.

¹⁷ M/s Aman Sethi/ BR Overseas, M/s Decore Exxoils/ Badri Cotsyn and M/s Excellent Packaging/ Nobel corrugators.

- In the absence of periodic inspections, the Company failed to identify allottees who could not complete minimum construction on the allotted land within stipulated time and levy penalties as specified under Clause 15 (vi)¹⁸ of the Rules.

Government replied (June 2020) as follows:

- As the units had already started operation/ production, there was no need to obtain the proof of investment;
- The permission of transfer was accorded as per approval from appropriate authority (MPTRIFAC);
- Development charges were not recovered as per the GoMP order dated 8 May 2018¹⁹; and
- The inspections were carried out as per need basis.

The reply is not acceptable in view of the following:

- The land was allotted at concessional rates to ensure industrialisation/ employment generation in the region. The Company should have therefore obtained proof of investment/ continuation of business (like value of investments/ assets as per annual audited balance sheet) at regular intervals, and specially before allowing transfer, to ensure compliance to the condition of minimum investment;
- Allowing transfer of land by units who had defaulted in payment of dues, and had also not commenced operations within the stipulated time, was against the provisions of the Rules;
- The said order clearly stated that Development Charges shall not be payable upon transfer in cases where land was utilized for industrialization. As these units have not commenced production or have discontinued production since long, they were not covered under this exception; and
- Carrying out inspection as per need clearly indicates that there was no systematic monitoring system to identify cases of failure to commence production within the stipulated period, resulting in non-compliance to the Rules.

In the absence of effective system to monitor compliance to the Rules/ terms and conditions of allotment by the allottees/ lessees, the Company was unable to take requisite action in the case of allottees who failed to commence operations within the stipulated period.

4.1.5.6 Non-revision of land premium rates as per the directions of State Government

Clause 9 (v) of the Allotment Rules (2015) provides that rates of land be fixed as per the Collector Guidelines of the Industrial Area and approved by the BoD. Further, GoMP directed (January 2016)²⁰ that the ROs should enhance the rates in their respective Industrial Areas to the prevailing rates if the rates worked out as per Clause 9 (v) (after allowing

¹⁸ The allottee unit would complete the minimum construction on the allotted land for the utilization of land within three/ five years (Allotment Rules 2015) from the date of commencement of production. Otherwise, unused land would be taken back from the allottee and the premium of unused land will not be refunded and the same land would be allotted to new allottee charging premium at the prevailing rates. In cases where it is not possible to allot land to new units, lease rent equivalent to 15 times of prevailing annual lease rent would be charged from the allottee.

¹⁹ As per the order dated 8 May 2018, the Development Charges shall not be payable in land transfer cases where land was already in use for industrialisation.

²⁰ Reiterated by MPTRIFAC (February 2016).

prescribed discount) are less than the prevailing land premium rate in that area/ adjoining areas.

Audit observed that land premium rates as per the revised Rules were lower than the prevailing land premium in respect of 10 Industrial Areas²¹ in RO at Indore and Bhopal. However, they did not increase the prevailing premium rates. As a result, there was a short recovery of ₹ 1.43 crore²² in RO Bhopal and ₹ 22.99 crore²³ in RO Indore (Details are given in **Annexure 4.1.4 and 4.1.5**). Whereas, in RO Gwalior, land premium rates²⁴ were increased as per GoMP orders for allotments where rates went below the prevailing rates and BoD approval was obtained.

Government replied (June 2020) that the rates of land premium have been decided after the approval of BoD and the rates fixed were rational and as per Rules.

The reply is not acceptable. Non-enhancement of the rates, wherever required, lead to financial loss to the Company.

4.1.5.7 Non-revision of Annual Maintenance Charges (AMC)

As per Clause 9(iv) of the Rules, ROs shall assess/ calculate the Annual Maintenance Charges (AMC) by proportionately dividing entire maintenance cost by the total allocable land and work out/ fix rate of AMC per Sq. m. and collect the same based on land allotted to the respective unit. AMC charged per Sq.m. during the period 2016-17 to 2018-19 is detailed below:

Table 4.1.4: Annual Maintenance Charges for 2016-17 to 2018-19

Name of the RO	2016-17		2017-18		2018-19	
	SSI/Medium	Large	SSI/Medium	Large	SSI/Medium	Large
RO, Indore	6.00 to 30.00	8.00 to 30.00	6.00 to 30.00	7.00 to 30.00	5.00 to 30.00	7.00 to 30.00
RO, Bhopal	6.46	8.61	6.46	8.61	6.00	8.00
RO, Gwalior	6.00	6.00	6.00	6.00	6.00	6.00

(₹ per Sq.m.)

Government replied (June 2020) that the AMCs were fixed for the years 2016-17 to 2018-19 by the Board of Directors of the Company.

Audit observed that although the rates of AMC were approved by the BoD, the method of calculation was not available on record. Hence, the correctness/ adequacy of the AMC charges to recover the cost could not be vouched in Audit.

4.1.5.8 Non-realization of outstanding dues from the industrial units

As per Clauses 9 (ii) and (iv) of the Rules, the Company is to recover the annual lease rent as well as AMC as per existing rates fixed from time to time. In case of delay, the amount was to be recovered with interest @ 10 per cent per annum as per Clause 10(iii). Also, as per common terms and conditions of the lease deed, the lease would be deemed to have been cancelled if lease rent and maintenance charges, or any part thereof, remains unpaid for six calendar months since becoming due, and the lessees fail to make remedy for the breach

²¹ Mandideep, Bagroda, Acharpura and Kiratpur (RO, Bhopal), Pitampur I and II, Pitampur III, SEZ, Meghnagar and Nimrani (RO, Indore).

²² Land allotment (30 cases out of 37 selected cases) and transfer cases (in all 18 selected cases).

²³ Land allotment (40 cases out of 85 selected cases) and transfer cases (in all 23 selected cases).

²⁴ For those slab/ size of allotments, where rates were lower than prevailing premium under new telescopic method of rebate.

within 60 days of notice given by the lessor or become insolvent or enter into an agreement with these creditors for composition of the industry.

Out of the selected 190 cases (138 allotment cases and 52 transfer cases) examined, Audit observed that an amount of ₹ 2.31 crore²⁵ was outstanding (June 2019) towards lease rent, AMC, interest, etc. from 75 units. Of these, ₹ 1.60 crore was outstanding for recovery from five²⁶ units.

Government replied (June 2020) that Company had been established with a view to provide industrial infrastructure and give subsidised land to industrialists in the State, and not for the purpose of cancellation of the allotments on the basis of faults of the allottees. Also, recovery of dues is a continuous process and notices are issued for recovery.

Conclusion

As brought out in the foregoing paragraphs, the Company has not complied with the Rules governing allotment/ transfer of land to industrial units in several cases in terms of monitoring the commencement of operations by allottees, finalizing appropriate land premium rates, annual maintenance charges etc., which could potentially impact achievement of the objective of industrialization and generation of employment in the State.

Recommendations

The Company should ensure strict compliance with Land Allotment Rules, allotment orders, terms and conditions of the lease deed with regard to commencement of business by the allottees and timely payment of dues, so as to achieve envisaged objective of industrialisation and generation of employment in the State in a time-bound manner.

²⁵ Out of this, ₹ 1.85 crore is outstanding since last two years and ₹ 0.46 crore is outstanding since last one year.

²⁶ One unit of RO, Bhopal (₹ 0.81 crore from April 2018), one unit from RO, Gwalior (₹ 0.43 crore from March 2017 onwards) and three units of RO, Indore (₹ 0.36 crore from April 2018 onwards). One unit of RO, Gwalior has not started activities and the allotted plot was vacant as physically verified by the Audit in September 2019.

4.2 Implementation of Phase-IX of commercial plantation by Madhya Pradesh Rajya Van Vikas Nigam Limited

4.2.1 Introduction

Madhya Pradesh Rajya Van Vikas Nigam Limited, Bhopal (Company) was incorporated (July 1975) as a fully owned Company of Government of Madhya Pradesh (GoMP) with the objective of accelerating and increasing forestry production by plantation of fast growing species of higher economic value and capable of diversified use for industrial and commercial purposes by implementing projects for raising commercial plantations of Teak, Bamboo and mixed miscellaneous species in a phased manner.

4.2.2 Phase-IX of commercial plantation by the Company

The Company prepares the Project Report, which is a phase-wise programme of plantation for a period of five years containing detailed targets, technical parameters, monitoring and evaluation, project cost, yield and revenue, financial analysis, etc. The work planned to be undertaken in the Phase is further divided into annual micro plans²⁷ approved by Chief General Manager (CGM) for each coupe²⁸ at the Division²⁹ level.

The Company implemented eight Phases and currently implementation of Phase-IX (2015-16 to 2019-20) was in progress. The preparation of Project Report for Phase IX was initiated in September 2013 and approved by the Board of Directors (BoD) in December 2014. The objectives of Phase-IX of the project were to:

- i) Improve ecological status of area by enrichment of forest cover;
- ii) Convert low valued / degraded/ poor site quality forests into high value man made forests to obtain quality produce for diversified use as commercial, industrial and domestic forest produce;
- iii) Increase the bio-diversity of the area and mitigate climate change effect;
- iv) Realize maximum production and financial return in minimum possible time and period by adopting intensive management practices; and
- v) Improve social-economic condition of local people by generating sustainable employment.

The year wise budget for the Phase-IX was ₹ 439.90 crore for the year 2015-16 to 2023-24 and actual expenditure was ₹ 278.11 crore during 2015-16 to 2019-20.

4.2.3 Audit Objectives

Compliance audit of the activities of the Company was taken up with the following objectives:

- Pre-plantation activities³⁰ including nursery maintenance, were carried out as per the prescribed plan, norms and guidelines; and
- Plantation and its maintenance were undertaken as per the prescribed plan, norms and guidelines.

²⁷ Micro plan is a plan containing basic details, description of area and technical details of prescription to be applied in plantation and activity-wise estimated cost for a coupe.

²⁸ Coupe is a small division of a compartment identified for yearly felling and subsequent plantation.

²⁹ The Company has 11 Divisions.

³⁰ Pre-plantation activities include selection of area, plantation stock, area preparation, etc.

4.2.4 Source of Audit Criteria

The criteria adopted for audit is derived from the following sources:

- State Forest Policy and Forest Conservation Act, 1980;
- Policy, rules, decisions, guidelines issued by the Ministry of Environment and Forest (MoEF), Government of India (GoI)/ Department of Forest, GoMP/ Compensatory Afforestation Management and Planning Authority (CAMPA)/ Finance Commission, and the Company;
- Agenda and minutes of the BoD Meetings of the Company related to various plantation activities; and
- Norms for plantation, maintenance of plantation, prescribed in the Phase-IX (Project Report) and ten years' Working Plan, Annual Micro Plans of the Divisions.

4.2.5 Audit Scope and Methodology

Audit was conducted from August 2019 to November 2019, covering the three year period 2016-17 to 2018-19 relating to Phase-IX commercial plantation. The Head Office of the Company and eight³¹ out of total 11 Divisions were selected³² for detailed scrutiny of records covering 78.06 per cent (3.06 lakh hectare) of the total land base of the Company (*Annexure 4.2.1*). Entry conference was held in August 2019 wherein audit objectives, criteria, scope and methodology were discussed with the Managing Director of the Company. Exit conference was held in July 2020 with the Principal Secretary, Forest Department, GoMP and Managing Director of the Company to discuss audit findings and their response/ replies were considered appropriately.

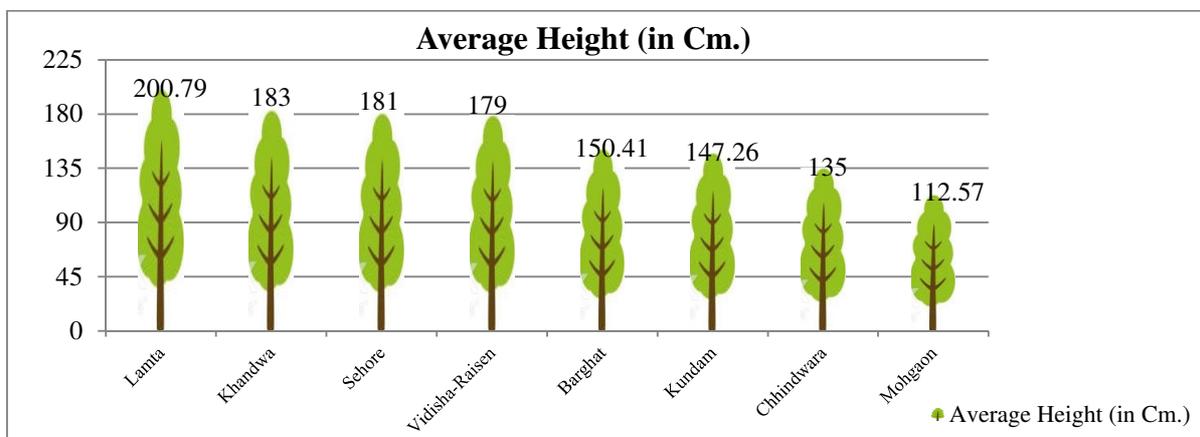
4.2.6 Audit Findings

The Company's activities can be categorised mainly into five stages, viz. selection of area, raising and maintaining planting stock in nurseries, area preparation, planting and maintenance of plantations. Significant audit findings are discussed below.

4.2.6.1 Patterns of growth in plantations

The Company has fixed growth standards (October 2003) for rainfed teak at 180 cm. height and 8 cm. girth in the third year of plantation with a survival rate of 80 per cent.

Growth, in terms of girth and survival, was as per the norms and the height of plantation measured in 2018 (in third year of plantation) for sampled Divisions are given below:



³¹ Vidisha-Raisen, Sehore, Khandwa, Chhindwara, Barghat-Seoni, Lamta-Balaghat, Kundam-Jabalpur and Mohgaon-Mandla.

³² On the basis of random sampling, using Interactive Data Extraction and Analysis (IDEA) software.

Growth in three Divisions surpassed the targets, while one Division nearly achieved and four Divisions could not achieve the growth targets. Apart from the natural adverse site and weather conditions, inadequate growth was mainly attributable to various controllable factors.

4.2.6.2 Disputed/ encroached forest land

As per Para 3.3 of the Policy of Land Transfer (May 2003), no disputed land was to be transferred by the Forest Department to the Company.

During the period 2016-19, the Department transferred 19,417.27 hectare land over eight Divisions to the Company, including disputed/ encroached land of 1047.51 hectare (350.77 hectare i.e. 0.11 *per cent* of encroachment was cleared by the Company subsequently) (**Annexure 4.2.2**). As of 31 March 2019, the Company had 10883.18 hectare (2.79 *per cent*) of encroached land out of its total land holding. Since the Company includes the encroached land in its plan for plantation activities, it results in non-achievement of targets with reference to plantation areas.

Further, land was transferred by the Department to the Company after a joint survey. Thus, it was the responsibility of both the Company and the Department to identify and transfer land which was not encroached/ disputed.

Government stated (July 2020) that Policy of Land Transfer emphasizes transfer of land in the vicinity of land in possession of the Company to avoid honeycombing and facilitate administrative control and transfer cannot be rejected based on little patches of encroachment. It was further stated that the term ‘disputed land’ is used only for dispute between the Revenue Department and Forest Department and that, encroachment cannot be termed as disputed land.

The reply of Government is not acceptable, since 5.39 *per cent* of total land transferred to the Company during audit period was encroached and it hinders the achievement of targets due to its inclusion in the plans.

4.2.6.3 Preparation of map for lantana eradication with GPS reading

As per Company’s instructions (September 2015), Lantana eradication in plantation area was to be proposed based on Global Positioning System (GPS) surveyed map containing GPS coordinates to ensure exact location, proper monitoring, avoid extra expenditure and risk of non-eradication of lantana.

Audit observed that four Divisions (Kundam (in 2016-17), Barghat (in 2016-17 and 2017-18), Vidisha-Raisen (2018-19, no need in 2016-17 and 2017-18) and Lamta (in 2016-17, 2017-18 and 2018-19) did not prepare proposals with GPS surveyed maps and the Personal Digital Assistants (PDA) for the plantation year 2016-19 failing the basic objective of proper monitoring and control as intended by this system.

Government accepted (July 2020) the audit observation in respect of three Divisions³³ and stated that in one Division (Vidisha-Raisen) the GPS maps were used during 2018-19. Government further stated that it had directed the Company to utilise the PDAs procured for the purpose.

The records produced to audit in respect of Vidisha-Raisen Division, however, do not support the contention of the Government.

³³ Kundam, Barghat and Lamta.

4.2.6.4 Use of fertilisers by the Divisions

The Divisions were required to carry out soil testing for each plantation site by sending soil samples to State Forest Research Institute (SFRI), Jabalpur every year and nutrients as recommended by the SFRI were to be applied and administered by the Division in accordance with Para 1.11³⁴, 5.6.1.4³⁵ and 5.6.1.5³⁶ of the Project Report regarding 'Maintenance of Plantation'. The details such as name of nutrients dose/ plant, method of application, etc. were to be mentioned in the micro plans of plantation site concerned.

Audit noticed that three Divisions (Khandwa and Sehore during 2017-18; 2018-19 and Kundam Division during 2016-17 and 2018-19) did not conduct soil testing annually. Soil-testing, conducted annually by other five Divisions (Vidisha-Raisen, Lamta, Barghat, Mohgaon and Chhindwara) recommended for Urea (Nitrogen) and Potash (MOP). However, ignoring the recommendations of the soil testing results, the Company issued (May 2002/ July 2016) instructions for usage of only Di Ammonia Phosphate (DAP)³⁷ during the first and second year of plantation to all the Divisions.

Audit observed that the Divisions had administered fertilizers on an ad-hoc basis, as two Divisions³⁸ administered Urea and Potash only in 2016 whereas five Divisions³⁹ did not administer Urea and Potash at all during the entire audit coverage period.

Government stated (July 2020) that the issue of providing fertiliser on the basis of soil testing was discussed at Head Office during 2016 and it was decided to provide only DAP as per the prevalent practice. It was further stated that, the SFRI recommendations were not economically feasible as the cost was more than potential increase in revenue.

The reply is not acceptable as the BoD of the Company has not taken the decision to provide the fertilisers on the recommendations of SFRI and instead administered the DAP for four years by considering the lower fertile area to be planted in Phase-IX. Further, the increase in cost by use of fertilisers on the basis of scientific soil testing can be compensated by higher production obtained from proper growth of plantation as observed by Company in comparative study.

Thus, the nutrients required for optimum growth could not be gauged/ administered, which resulted in under-growth of plantations (commented in para on *Patterns of growth in plantations*) leading to short production from teak plantation than the estimates.

4.2.6.5 Delay in approval of Working Plan of the Divisions

According to the Working Plan Code, 2004, published by the MoEF, GoI, every forest is managed/ harvested as per the Working Plan⁴⁰ duly approved by MoEF, GoI. As felling activity is to be carried out as per the approved Working Plan, any delay in its preparation/ approval, beyond expiry of the ongoing Working Plan, delays the process of felling and transportation and the subsequent plantation in the area.

³⁴ Soil testing for every soil type in each site will be done by the SFRI, Jabalpur.

³⁵ Nutrients as per the detailed project report and recommendation of SFRI on the basis of soil analysis will be applied.

³⁶ As the requirement of nutrients of all plantation sites may not be the same, the quantity and amount may vary from site to site.

³⁷ Based on the 90 per cent of the plantation for 30 gm. DAP per plant for first year and 40 gm. of DAP for second year.

³⁸ Lamta and Barghat.

³⁹ Mohgaon, Chhindwara, Vidisha-Raisen, Sehore and Khandwa.

⁴⁰ The Working Plan for a period of ten years is prepared/ implemented by the Divisions with the approval of MoEF, GoI.

Audit observed that preparation/ approval of the Working Plan was delayed as discussed below:

- In respect of four Divisions (Kundam, Barghat, Lamta and Mohgaon), the Working Plan for 2017-18 expired on 31 March 2018 and the Working Plan 2018-19 was approved by MoEF only after September 2018 (when felling was to commence) with delays⁴¹ ranging from 10 to 12 months; and
- In respect of Chhindwara Division, the last Working Plan was valid until 31 March 2019 and the succeeding Working Plan was not approved as of October 2020.

Due to the above mentioned delays, felling could not be executed in 619 hectare⁴² during 2018-19 (felling period of September 2018 to July 2019) in these four Divisions, which impacted plantation due during 2019-20 and future realisation of production by one year.

The Company replied (July 2020) that the Working Plan is a detailed scientific report, which requires 2 to 3 years for preparation, as it involves the activities of ensuring availability of forest land, forest survey, stock mapping, preparation of maps, etc. and Divisions are facing problems of shortage of staff and resources. It was further submitted that the shortfall in felling was carried out in the following year and completed.

The reply is not acceptable since the Company directed the Divisions to commence planning only 19 months (August 2016) prior to expiry of the current plan and itself took approximately 9-10 months in review of final report of Working Plan and another 4.5 months in sending the Plan to Department of Forest, GoMP.

4.2.6.6 Fixation of annual targets

The Project Report proposed year-wise targets of plantation for each Division of the Company for the period 2015-20.

Audit observed that the overall annual targets fixed⁴³ by the Company for five-year period 2015-20 were 19.01 *per cent* less than the targets envisaged in the Project Report. The actual plantation remained 20.03 *per cent* (34026.46 hectare from 42105.53 hectare) short of the targets fixed under Phase-IX (*Annexure 4.2.3*). The main reasons for short fixation were as follows (details given in *Annexure 4.2.4*):

- Non-availability of plantable area in various coupes on account of non-availability of suitable plantable area, court cases, opposition of felling by various groups, transfer of encroached land by Department;
- Inclusion of wrong/ non-plantable coupe/ encroached land in planning stage; and
- Non-inclusion of targets for Bamboo, Khamer, Aonla.

The Company and Government stated (September 2019 and July 2020) that targets fixed in Project Report were for five years which were based on past experience and annual targets were fixed based on Working Plan. Further, non-availability of plantation area was due to transfer and inclusion of encroached/ disputed lands in Project Report, opposition in felling by various groups and inclusion of different type of areas in each coupe lead to difference in gross and net plantation area.

⁴¹ The Working Plan approval in four Divisions (Kundam, Barghat, Lamta and Mohgaon) was delayed by 10 months (30 January 2019), 12 months (6 March 2019), 10 months (30 January 2019) and 10 months (30 January 2019) respectively from expiry of previous Working Plan in March 2018.

⁴² Kundam (93 Hectare), Barghat (103 Hectare), Lamta (405 Hectare) and Mohgaon (18 Hectare).

⁴³ Targets and achievement in respect of all the Divisions is considered for reporting.

The reply is not acceptable. As per Para 4.2 of Project Report, the actual availability of suitable area for plantations was to be determined after preparation of treatment maps and the projected Division-wise targets could be changed but without altering the overall projected targets. This was not fully complied with to achieve the targets envisaged in Project Report.

4.2.6.7 Non-plantation of species approved in Project Report

As per the Project Report, based on Cost Benefit Ratio (CBR) and Internal Rate of Return (IRR), five species (Commercial Rainfed Teak, Commercial Rainfed Bamboo, Commercial Rainfed Khamer, High Input Aonla and High Input Teak) were found viable for plantation and targets were fixed for their plantation during the five-year period 2015-20. (*Annexure 4.2.5*).

However, the Company, while fixing the annual targets for the Divisions, ignored the objective in respect of bio-diversity in the Project Report. It fixed lower targets for Bamboo plantation and did not plan for plantation of High Input Aonla and Commercial Rainfed Khamer (*Annexure 4.2.6*).

The Company stated (September 2019) that although Aonla, Bamboo and Khamer were planned for plantation in Phase-IX, these were not planted due to insufficient production in 2010 and 2011.

Government stated (July 2020) that the plantation was carried out as per the field survey of coupes identified for plantation in Working Plan and based on past unsuccessful experience with Bamboo, Khamer and Aonla, these were not planted. It was further stated that the CBR and IRR are applicable for 35 years only and the maturity periods differ for different species and hence cannot be compared; if the targets in Project Report are not realistic these may be reviewed and modified suitably by the Company.

The reply is not acceptable. The Company should have set realistic targets based on its past experience regarding production from Bamboo, Khamer and Aonla plantations, and recalculated the CBR and IRR in the Project Report, which was prepared in December 2014.

4.2.6.8 Plantation through poly-pots method

As per Para 5.5.5 of the Project Report, to carry out a comparative study of growth and survival of plantation of teak by root-shoots, 10 *per cent* area of each coupe was to be planted using poly-pot method and the remaining 90 *per cent* was to be planted by way of root-shoots, as poly-pots are more expensive compared to root-shoots.

Audit review of the plantation pattern followed in the selected Divisions during the audit coverage period revealed the following:

- There was no uniformity amongst the Divisions in complying with the Project Report with regard to plantation, as detailed below:

Year	Poly-pot plantation as per provision (no. of Divisions)	Poly-pot plantation in excess of provision (no. of Divisions)	No poly-pot plantation (no. of Divisions)
2016-17	3 (one partial)	0	5
2017-18	1	3 (100 <i>per cent</i> plantation)	4
2018-19	1	3 (90 <i>per cent</i> plantation)	4

- No comparative analysis of growth was done in Chindwara Division, where poly-pots plantation was carried out; and

- Excess expenditure due to coverage of poly-pot plantation beyond 10 *per cent* worked out to ₹ 23.97 crore⁴⁴ in three Divisions⁴⁵ in 2017-18 and 2018-19 when compared to cost of root shoots plantation (*Annexure 4.2.7*).

The absence of comparative study will lead to un-informed decision making in future planning for plantation and impact the growth and production from future plantation.

In response, the Company (September 2019) and the Government stated (July 2020) following:

- Poly-pot plantation was not carried out as per provisions in three Divisions since the soil was not apt for it and it was carried out partially in one Division where the soil was found degraded, since poly-pots is thrice more expensive than root shoots; and
- Three Divisions had higher poly-pot plantation since 2006 owing to low fertility and excessive biotic pressure and in 2017 plantation was done from grants received from CAMPA; thus no extra expenditure was incurred.

The reply is not acceptable since the Company failed to implement the Project Report on a uniform basis and also outcome of 10 *per cent* area plantation using poly-pot method was not known. It further indicates that the provisions in the Project Report are general in nature and do not recognise the basic issues relating to conditions where poly-pot plantation is to be applied.

Conclusion

The Company could not carry out the envisaged plantation due to short fixation of targets for plantation and non-adherence to various provisions of Project Report. There was non-plantation of species specified in Project Report and non-compliance with the directions for carrying out poly-pot/ root shoot plantation in specified percentage to study the growth and survival of teak plants.

Recommendations

- **Project Report may be prepared in a more realistic manner considering factors related to each Division to the extent possible, rather than issuing general directions.**
- **The Company may commence the activities of preparation of Working Plan sufficiently in advance so that the new Working Plan could be approved before expiry of the existing Working Plan.**

⁴⁴ Difference of ₹ 21.37 per poly-pot plant. Extra expenditure does not take into account the higher revenue if any due to higher yield of Poly-pot plantation, as there was no data.

⁴⁵ Vidisha- Raisen, Sehore and Khandwa.

4.3 Implementation of Swadesh Darshan Scheme of Government of India

4.3.1 Introduction

The Ministry of Tourism (MoT), Government of India (GoI) launched the Swadesh Darshan Scheme (Scheme) in 2014-15 for integrated development of theme-based tourist circuits⁴⁶ in India with the idea of positioning the tourism sector as a major engine for job creation and driving force for economic growth as well as build synergy with various sectors to enable tourism to realise its potential in this regard.

The objective of the Scheme was to develop potential tourist circuits in a planned and prioritised manner, promote cultural and heritage value of the country and create employment through active involvement of local communities. The duration of the Scheme was 14th Finance Commission period (April 2015 to March 2020).

The Scheme being a central sector scheme was 100 per cent centrally funded and GoI sanctioned (December 2015 to September 2017) Central Financial Assistance (CFA) of ₹ 359.75 crore for development of four circuits⁴⁷ in the State of Madhya Pradesh. Planning for proper execution of Scheme and the process of leasing out way side amenities created under the Scheme was the responsibility of the Madhya Pradesh Tourism Board (Board). Execution of Scheme involving construction of facilities, submission of Utilisation Certificates, etc. was the responsibility of the Madhya Pradesh State Tourism Development Corporation Limited (Company).

The map indicating the destinations of four circuits to be developed under the Scheme is given below:

Picture 4.3.1: Circuits developed under the Swadesh Darshan Scheme in Madhya Pradesh



4.3.2 Audit Objectives

Compliance Audit was conducted with a view to assess whether the Scheme Guidelines were complied with by the Company and the Board with respect to:

- Planning and implementation of the Scheme; and
- GoI's grants and the assets created were utilized for the envisaged purposes.

⁴⁶ A Circuit means connection of at least three major tourist destinations (with defined entry and exit points) which are distinct and apart, to encourage the tourists to visit the other similar places nearby.

⁴⁷ Wildlife Circuit (₹ 92.22 crore), Buddhist Circuit (₹ 74.94 crore), Heritage Circuit (₹ 92.97 crore) and Eco Circuit (₹ 99.62 crore).

4.3.3 Sources of Audit Criteria

Audit findings were benchmarked against the criteria sourced from the following:

- Swadesh Darshan Scheme Guidelines (Guidelines), terms and conditions of sanction accorded by the MoT for development of circuits;
- Detailed Project Reports (DPR) of the circuits approved by the MoT;
- Agenda and Minutes of Meetings of Board of Directors (BoD) of the Company and Board and State Level Monitoring Committee (SLMC), delegation of financial powers at various levels;
- Timelines for completion of works as per Sanction Orders and Work Orders;
- Guidelines, circulars and instructions issued by the GoI/ GoMP with regard to implementation of the Scheme; and
- Works Manual, instructions, circulars, Schedule of Rates (SOR) issued by Madhya Pradesh Public Works Department (MPPWD).

4.3.4 Scope and Methodology of Audit

Audit was conducted from November 2019 to January 2020, covering the three-year period 2016-17 to 2019-20. The Entry Conference was held in November 2019 and Exit meeting was held in August 2020 with the Managing Director of the Company and Deputy Secretary of Tourism Department (Department), GoMP. Out of the four circuits planned and sanctioned under the Scheme for the State, Wildlife circuit and Heritage circuit with a total sanctioned project cost of ₹ 191.99 crore (Wildlife circuit ₹ 92.22 crore and Heritage circuit ₹ 99.77 crore comprising 53.37 per cent of sanctioned project cost) were selected for Audit based on the progress of work⁴⁸ as of 31 March 2019.

The Company placed a total of 120 Work Orders valuing ₹ 125.95 crore (76 Work Orders valuing ₹ 58.23 crore under Wildlife Circuit and 44 Work Orders valuing ₹ 67.72 crore under Heritage Circuit) for development of the above two selected Circuits. Out of these, all the 32 Work Orders valuing ₹ 1.00 crore and above, totaling ₹ 100.19 crore (12 Work Orders valuing ₹ 41.28 crore for Wildlife Circuit and 20 Work Orders valuing ₹ 58.91 crore for Heritage Circuit) were selected for detailed scrutiny (*Annexure 4.3.1*). These represented nearly 71 per cent and 87 per cent of the value of Work Orders under the Wildlife Circuit and Heritage Circuit respectively.

4.3.5 Audit Findings

4.3.5.1 Implementation of the Scheme as per approved components

As per approval/ sanction of GoI, the GoMP was required to submit an undertaking to the MoT that adequate land free of encumbrance was available and was in possession of the State Government to accommodate all the features of the project. Further, as per Clause 9 of the Sanction Order, the GoMP was also required to take all necessary clearances as per prevailing rules and regulations, including those relating to environment, forest and pollution control, before undertaking the project.

However, the GoMP did not consider the above aspects in the Detailed Project Report (DPR). Instead it submitted (October 2015) undertakings to this effect to GoI and requested

⁴⁸ Wildlife Circuit (80.00 per cent); Heritage Circuit (71.36 per cent); Buddhist Circuit (63.89 per cent) and Eco Circuit (55.36 per cent).

(November 2015) for release of Scheme funds. The funds were released⁴⁹ (December 2015) by the GoI as per the Sanction Order.

Status of completion of Wildlife and Heritage Circuit as on 31 March 2020 is given in **Table 4.3.1:**

Table 4.3.1: Status of completion of Wildlife and Heritage Circuit as on 31 March 2020

Name of Circuit	Date of submission of DPR by GoMP	Date of approval of DPR by GoI	Amount sanctioned by GoI (₹ in crore)	Scheduled date of completion as per Sanction Order	Expenditure incurred (₹ in crore)	Actual Physical Progress (in per cent)	Status of Physical Completion of Components of Circuit
Wildlife	06.10.2015	07.12.2015	92.22	06.06.2018	81.84 (88.74 per cent)	99.75	Total Components – 127
							Not Taken up ⁵⁰ - 5
							Completed -120
							Not Completed – 2
Heritage	08.09.2016	19.09.2016	99.77	18.03.2019	74.39 (74.56 per cent)	96.47	Total Components – 220
							Not Taken up ⁵¹ - 27
							Completed -167
							Not Completed – 26

A. Wildlife Circuit:

Audit observed that GoMP did not consider the aspect of obtaining ‘No Objection Certificate (NOC)’ from National Tiger Conservation Authority (NTCA) for carrying out the approved components of works⁵² (valuing ₹ 3.15 crore) in the buffer zone of Panna National Park and Pench National Park, in the DPR. After the observation of GoI, the Principal Secretary (Tourism), GoMP requested (September 2015) NTCA for granting required permissions for executing works in the buffer zones of National Parks. However, neither the permission nor any denial from NTCA for carrying out the work was found on records produced to Audit. After lapse of 30 months from the month of original sanction of the Scheme, the MoT, based on the request of the Company/ GoMP, shifted (July 2018) the sanctioned amount of these components to additional works at Bandhavgarh National Park and for additional work of construction of Tourist Facilitation Center (TFC) at Jabalpur. Thus, the works in Panna National Park and Pench National Park were shelved and the component of works shifted for TFC at Jabalpur and Bandhavgarh National Park was completed (July 2019 and June 2020 respectively) with a delay of one year and two years from the scheduled completion of Wildlife Circuit (June 2018).

⁴⁹ 20 per cent of the total CFA as first instalment for starting the work.

⁵⁰ Dropped, re-appropriated and not taken up.

⁵¹ Same as F/n 50 above.

⁵² Work of canopy walk and camping site at Panna National Park and canopy walk and *Machaans* at Pench National Park.

B. Heritage Circuit:

i) The Company could not implement 15 components⁵³ of work valuing ₹ 21.56 crore, due to non-availability of place⁵⁴ and not obtaining permission for construction from Archaeological Survey of India (ASI)⁵⁵/ Forest Department⁵⁶ (**Annexure 4.3.2 and 4.3.3**) mainly due to non-inclusion of this aspect in project DPR. As a result, the MoT issued (March 2019) revised Sanction Order and reduced the CFA by ₹ 6.80 crore (from ₹ 99.77 crore to ₹ 92.97 crore) by dropping three components⁵⁷. Further, three⁵⁸ other components were also dropped by MoT and the corresponding CFA of ₹ 2.00 crore was re-appropriated towards additional components of works at Kutni Dam at Pathariya Fort and for Solar Illumination at Orchha. However, the said works remained incomplete till date (March 2020) mainly due to delayed re-appropriation.

Similarly, in the case of nine⁵⁹ approved components, GoMP could not obtain permission from ASI on time. Hence, based on the proposal of the GoMP, the MoT approved (March 2019) reduction in the CFA by ₹ 2.08 crore and corresponding re-appropriation of CFA towards addition in CFA of other six⁶⁰ approved components, of which two⁶¹ works are yet to be completed (March 2020) mainly due to delayed re-appropriation.

ii) GoMP failed to acquire land⁶² from the State Authorities in time for four approved components⁶³ valuing ₹ 3.00 crore at Bhimbetka. Subsequently, the MoT, GoI approved (January 2020) to drop these components of works and consequent reduction of corresponding CFA of ₹ 3.00 crore.

⁵³ Construction of Tansen Museum of Music, development in Kakan Math, Tourist Facilitation Center and Tourist Information Center at Yellow Building in Khajuraho, illumination at various monuments in Khajuraho, Raneh Fall, illumination at various monuments in Chanderi, development at Gwalior Fort, development of Bateshwar Temple Complex, development of Padhavli, development of Mitawali, development around of Heritage Gate (GudriDarwaza), public amenities near various monuments, Dhubela, development at RewaTaal and development Around Various Monuments.

⁵⁴ One Component - Construction of Tansen Museum of Music.

⁵⁵ Thirteen Components - Development in Kakan Math, Tourist Facilitation Center and Tourist Information Center at Yellow Building in Khajuraho, Illumination at various monuments in Khajuraho, illumination at various monuments in Chanderi, development at Gwalior Fort, development of Bateshwar Temple Complex, development of Padhavli, development of Mitawali, development around of Heritage Gate (Gudri Darwaza), public amenities near various monuments at Khajuraho, Dhubela, development at RewaTaal and development Around Various Monuments at Mandu.

⁵⁶ One Component - Raneh Fall.

⁵⁷ Tansen Museum of Music, development in Kakan Math and Tourist Facilitation Centre and Tourist Information Center at Yellow Building in Khajuraho.

⁵⁸ Illumination at various monuments in Khajuraho, Raneh Fall and Illumination at various monuments in Chanderi.

⁵⁹ Development at Gwalior Fort, development of Bateshwar Temple Complex, development of Padhavli, development of Mitawali, development around of Heritage Gate (Gudri Darwaza), public amenities near various monuments, Dhubela, development at Rewa Taal and development around Various Monuments.

⁶⁰ Development around Baija Taal, development around Italian Garden, development around Laxmi Bai Smarak, Other works at Orchha, Pathariya Fort at Kutani Dam, Solar Illumination and Focus light at Badal Mahal.

⁶¹ Baija Taal and other works at Orchha.

⁶² A proposal for acquiring land of 0.405 hectare was submitted (August 2017) by the Company to Forest Department, which instructed (March 2019) the Company to submit the proposal on online portal. The Company, instead of applying for permission for land on online portal, taken up (August 2019) the matter with Collector, Raisen to take up necessary action in this regard. However, subsequently it was revealed that it was a revenue land and the same could not be acquired by the Company in time.

⁶³ Construction of Rock Art museum, interpretation center, Souvenir Shop, Public Amenities and other works.

The Department stated (August 2020) that after obtaining in-principle availability of land and in-principle NOCs⁶⁴ from the concerned Departments only, the components of works were included in respective DPRs. However, subsequently based on the actual position at the time of execution of work, final permission was not accorded by the concerned Departments. It was clarified by the Company (August 2020) that letter was written to NTCA for intimation only and not for obtaining permission.

The reply is not acceptable since clear permission was to be obtained from appropriate authorities⁶⁵ before inclusion of the same in the DPRs, but the GoMP had given undertaking to MoT for release of funds, without ensuring final NOCs/ permissions. Further, letter written to the NTCA was for obtaining NOCs for the works and was not intimation.

4.3.5.2 Delays in tendering and awarding works

As per Clause 6 of the Sanction Orders, the components of works sanctioned were to be completed within a period of 30 months from the date of sanction of the Wildlife Circuit and Heritage Circuit, i.e. by June 2018 and March 2019 respectively. However, there were delays in floating of tenders and awarding of work as indicated in **Table 4.3.2**:

Table 4.3.2: Delays in tendering, awarding of works and completion of works vis-à-vis Sanction Orders

Delay range (in Days)	No. of cases of delay in tender proceedings			No. of cases of delay in award of works			No. of cases of delay in completion of work		
	Wildlife Circuit	Heritage Circuit	Total	Wildlife Circuit	Heritage Circuit	Total	Wildlife Circuit	Heritage Circuit	Total
No Delay	0	1	1	0	0	0	3	14	17
> 0 – 30	0	0	0	0	0	0	0	0	0
> 30 – 90	6	8	14	0	0	0	1	0	1
> 90 – 180	1	1	2	1	2	3	1	1	2
>180- 365	2	2	4	6	6	12	2	1	3
>365- 730	1	5	6	3	9	12	5	4*	9
> 730	2	3	5	2	3	5	0	0	0
Total	12	20	32	12	20	32	12	20	32

* Works under one Work Order of Heritage Circuit have not been completed (May 2020) even after lapse of 410 days from the Scheduled Date of Completion of Heritage Circuit (March 2019).

Audit observed that in 31 Work Orders⁶⁶ out of the 32 Work Orders examined, the tenders were floated with delays ranging from 35 days to 1164 days from the sanction dates. All the 31 Work Orders were awarded to the Contractors with delays ranging from 171 days to 1187 days from the date of approval of the project by GoI (**Table 4.3.2** and **Annexure 4.3.4**). This indicates lack of preparedness by the Company to execute the Sanction Orders timely.

As per Para 23.1 of the Tender Document, the successful bidder was required to submit the Performance Security and sign the Contract Agreement within 15 days from the date of issue of Letter of Acceptance (LoA). Audit observed that in case of 29 Work Orders⁶⁷, the successful bidders delayed submission of the Performance Security and signing of Contract Agreement by 3 days to 227 days⁶⁸ (**Annexure 4.3.4**). This contributed to subsequent delays in completion of works to be executed under these Work Orders. As a result, works under 14 Work Orders were completed with delays ranging from 34 days to 610 days from the scheduled date of completion of Wildlife and Heritage Circuits and the works under

⁶⁴ Provisional approval for availability of land and NoC from concerned Departments, subject to final approval for the same subsequently.

⁶⁵ NTCA in case of Wildlife Circuit and ASI in case of Heritage Circuit.

⁶⁶ 12 Work Orders under Wildlife Circuit and 19 Work Orders under Heritage Circuit.

⁶⁷ 11 Work Orders under Wildlife Circuit and 18 Work Orders under Heritage Circuit.

⁶⁸ Wildlife Circuit – 3 days to 167 days and Heritage Circuit – 3 days to 227 days.

one Work Order were not completed so far (May 2020). Works under the remaining 17 Work Orders were completed on time.

Government stated (August 2020) that the delay in tendering, submission of Performance Security and awarding of works was due to delayed finalisation of acquisition of land, not obtaining of requisite permissions from various agencies, not obtaining possession of site, delay in design and drawing of works, etc.

4.3.5.3 Execution of Work Orders

As per the terms of the Work Orders, the Contractors were required to complete the assigned works within the stipulated time period. In respect of 10 Work Orders, the Contractors could start the work with delays ranging from 23 days to 420 days mainly due to reasons attributable to the Company, like non-availability of NOCs, non-finalisation of revenue land from Forest Department/ ASI/ Revenue Department for construction of components of works and non-synchronisation of activities, like delay by the Architect in finalising the design and drawing of the works, approval of script and layout drawing by ASI, etc. (*Annexure 4.3.5*). As a result, works under the above Work Orders were completed with delays ranging from 56 days to 851 days with respect to the time period as per Work Orders, delaying the upgraded facilities to tourists.

Audit examination of execution of the 32 sampled Work Orders revealed the following deficiencies:

- **Construction of cafeteria, parking, compound wall, etc. Near Mukundpur Zoo (Wildlife Circuit):** Tender for the work was invited (February 2016) after notification (January 2014) of revised tender documents. However, the Company without any recorded reason, adopted the eligibility criteria for selection of contractor, as per the pre-revised tender documents. Thus, the Company did not comply with Clause 14 and Annexure 4.3.1 of the Tender Documents⁶⁹, regarding physical and financial pre-qualification criteria for deciding eligibility of the bidders. This work was completed by the contractor with a delay of 424 days from the scheduled date of completion mainly due to health problem of partner, death of partner, forest issues and allotment of additional works; and
- In violation of Para 2.075⁷⁰ of MPPWD's Manual, the Company allotted the works for execution of new components valuing ₹ 12.60 crore to the existing Contractors under 12 sampled Work Orders of Wildlife Circuit (*Annexure 4.3.6*), at the same rates/ terms and conditions instead of inviting fresh tenders.

GoMP in its reply stated (August 2020) that:

- Tender for the work of construction of cafeteria, parking, compound wall, etc. near Mukundpur Zoo was already evaluated as per prequalification criteria as per Form-A; and
- Though, the additional works were of different components, their nature was similar to the original work. Hence, the same were allotted to existing Contractors, to ensure completion of works in time.

The reply is not acceptable as:

- The NIT for the construction work of cafeteria, parking, compound wall, etc. near Mukundpur Zoo (Wildlife Circuit), was invited (February 2016) by the Company after

⁶⁹ Revised Tender Documents notified by MPPWD vide Appendix 2.10 effective from 01 January 2014.

⁷⁰ Para 2.075 of Madhya Pradesh Work Department Manual provided that tenders must be invited for all the proposed works valuing more than ₹ 15,000. Hence, the Company was required to invite tenders for executing different components of works of the Scheme.

considerable period from notification of new tender document (January 2014). Thus, the qualification criteria as prescribed in the notification of new tender document should have been followed; and

- Awarding of work to existing Contractors owing to similar nature of work cannot be undertaken without any cost analysis that it may be beneficial to the Company. Further, the objective of completion of works in time was also not achieved as 10 out of the 12 referred to works were delayed by 28 days to 969 days.

4.3.5.4 Delay in completion of works

As per terms of the Tender Document, the Contractor was required to complete the assigned work within the stipulated time period (including rainy season). However, in case of 10 out of 32 Work Orders, the work was completed with delays ranging from 119 days to 969 days due to factors like non-shifting of electrical lines, restriction on movement of material by Forest Department, death of partner, heavy rainfall, increase in quantum of work, etc.

In case of seven Work Orders, the Company granted extension of time to the Contractors on various grounds without imposing penalty of ₹ 70.54 lakh. The extension granted to the Contractors on these grounds, was not justified as the same did not fall under the category of Force Majeure as per terms of Contracts. The Company had also not imposed penalty of ₹ 53.36 lakh, in case of three Work Orders, so far (October 2020), for delay in completion of work by the Contractors. (*Annexure 4.3.7*).

GoMP stated (August 2020) that it had accorded time extension to the Contractors without levy of penalty on justified grounds, as the works were actually affected due to heavy rain, death of partner, etc. However, in some cases, GoMP stated that the penalty, if any, would be recovered from the final bills of works.

4.3.5.5 Monitoring of the Company in execution of works through Forest Department

As some of the works under Wildlife Circuit were to be carried out in Forest areas, the Company decided (May 2016 to February 2017) to entrust the execution of these works to respective National Park Authorities (Forest Department) based on a proposal received from the Forest Department. In such cases, as per the terms of the Sanction Order and release order, the Company, being the implementing agency of the Scheme, was responsible for monitoring of works, getting the works executed in time and ensuring monthly submission of physical and financial progress by Forest Department.

Audit observed that the Company did not institute a monitoring mechanism to monitor physical and financial progress of the works to be executed through the Forest Department. It allotted seven components⁷¹ of works in five National Parks and disbursed (May 2016 to December 2016) ₹ 3.24 crore to Park Authorities for their execution. The Park Authorities completed (April 2019 to February 2020) the works⁷², with delay ranging from 10 months to 20 months from the scheduled date of completion (June 2018) of the Circuit due to non-

⁷¹ Mukundpur National Park - Canopy Walk, Kanha National Park - *Machaan-s* and Forest Walking trails, Pench Tiger Reserve - Nature Trails, Bandhavgarh Tiger Reserve - *Machaan-s* and Signages, Sanjay National Park - Canopy Walk.

⁷² Mukundpur National Park - Canopy Walk (August 2019), Kanha National Park - *Machaan-s* and Forest Walking trails (September 2019), Pench Tiger Reserve - Nature Trails (November 2019), Bandhavgarh National Park - *Machaan-s* and Signages (February 2020) and Sanjay National Park - Canopy Walk (April 2019).

finalisation of land by the Park Authorities for construction, revision in estimates of the work by the Forest Department, delay in submission of drawing by the Architect, etc.

In the absence of any monitoring mechanism in place, the Company failed to monitor the financial and physical progress of the work assigned to the Forest Department, resulting in delay in completion/ non-completion of works.

GoMP stated (August 2020) in its reply that:

- Efforts were made by the Company to obtain progress of the works and Utilisation Certificates (UCs) from respective Park Authorities by conducting meetings with them at various levels. UCs for the entire scheme fund released to Park Authorities, have been received now; and
- Due to delay in finalisation of land, change in drawing due to Right of Way (RoW) issue and non-availability of skilled agency for execution of work, the said works were delayed.

4.3.5.6 Handing over of assets created

Para 8 of the Sanction Order of Heritage Circuit provided that GoMP/ Company would be responsible for maintenance and management of created facilities. An undertaking was given by GoMP to the effect that the facilities/ assets created from the CFA received from GoI were to be operated and maintained by the Company, National Parks authorities, Archaeological Survey of India and by Public-Private-Partnership (PPP) mode in accordance with the location/ nature of those facilities/ assets. Further, GoMP also assured GoI that it would have necessary arrangement/ agreement for operation and maintenance (O&M) of the created assets.

Audit observed that:

- i. Except in the cases of leasing out of Way Side Amenities (WSA), no agreement/ arrangements for the O&M of the assets handed over to the Forest Department, ASI or any other agency, were found on record.
- ii. The Board delayed tendering/ handing over of WSAs at three locations⁷³ ranging from four months to 21 months, resulting in postponing of the intended benefits of the facilities to the tourists.

GoMP stated (August 2020) that while no agreement had been executed with any agency for O&M of the created assets, the facilities are being operated and maintained by the Company/ Forest Department/ ASI effectively as they are also Government agencies. Further, the delay in leasing of WSAs were procedural and unavoidable.

Proper co-ordination between the Company and the Board is required, so that tendering for WSA can be initiated by the Board well in advance and gap between construction and leasing out of WSA is minimised.

4.3.5.7 Utilisation of the CFA in non-compliance to Scheme Guidelines and submission of wrong Utilisation Certificates

As per Para 5.1 of the Scheme Guidelines (issued in December 2015 and revised in July 2018), the funds under the Scheme were to be released by GoI to the Company in five

⁷³ Karhaiya, Obedullaganj and Rohaniya WSAs.

instalments⁷⁴ for execution of works. In order to get disbursement of next instalment, UCs for utilisation of minimum 75 per cent of the CFA received in previous instalment, were to be submitted to GoI. The Company received (June 2020) CFA amounting to ₹ 78.78 crore under the Wildlife Circuit against the sanctioned amount of ₹ 92.22 crore and ₹ 85.33 crore under the Heritage Circuit against the sanctioned amount of ₹ 92.97 crore.

Scrutiny of the receipt of CFA from GoI and UCs submitted by the Company revealed the following discrepancies:

i. In respect of the works of Forest Information Centre (FIC) and Solar Lighting System at Bandhavgarh National Park, the Company submitted (December 2016) wrong excess UC of ₹ 35.73 lakh. The works were actually taken up (October 2017 and March 2019) after the date of submission of UCs and the actual expenditure at the time of submission of UC was 'Nil'. The reasons for submission of wrong excess UCs were not available on record.

GoMP stated (August 2020) that ₹ 15.46 lakh was utilised (December 2016) in FIC from another ongoing work order before October 2017 and as per UC submitted (November 2016) by Bandhavgarh National Park, ₹ 33.73 lakh were spent by it on Solar Lighting.

The reply is not correct as ₹ 15.46 lakh was actually utilised in White Tiger Forest Lodge - Bandhavgarh, which is a commercial hotel of the Company, not FIC. Further, as per UC submitted (November 2016) by Bandhavgarh National Park ₹ 33.73 lakh was utilised towards Solar Pumps and Boring not Solar Lighting.

ii. Para 4.4 of the Scheme provided that there would not be any duplication/ overlap of works with other Schemes of the Government of India. The Company, in violation of the above, included the work of Slimnabad WSA⁷⁵ in DPR of Wildlife Circuit, which was being developed under another GoI funded Scheme namely 'Mega Circuit Jabalpur' and the work upto plinth level was already completed in that Scheme. The Company incurred an additional expenditure of ₹ 74.94 lakh on the work from the CFA of Wildlife Circuit.

GoMP stated (August 2020) that due to withdrawal of Mega Circuit Jabalpur Scheme by GoI, the work of Slimnabad WSA remained incomplete. As exact location of WSA was not finalised in sanction of Wildlife Circuit, this WSA was identified to be completed under Wildlife Circuit due to suitability of its location and with intension of optimum utilisation of partially completed WSA.

Reply is not acceptable as even after identification of partially completed WSA to be developed under Wildlife Circuit, corresponding value of already completed work was not reduced from the sanctioned CFA.

iii. The Scheme guidelines did not provide for utilisation of CFA for carrying out works in existing infrastructure/ facilities owned/ commercially operated by the Company. However, the Company allotted nine works valuing ₹ 11.46 crore for executing the works at its own commercial units, which were also not included in DPR and incurred an expenditure of ₹ 4.07 crore on the same (**Annexure 4.3.8**), thereby diverting the Scheme Funds. Approval of GoI for the same was also not obtained by the Company.

Government stated (August 2020) that the works in existing infrastructure of the Company were not explicitly denied/ barred in Scheme Guidelines. The executed works were necessary in view of providing better facilities to the tourists and were within the sanctioned amount of

⁷⁴ 20 per cent, 30 per cent, 30 per cent, 15 per cent and 5 per cent of sanctioned CFA in the first, second, third, fourth and fifth instalment respectively.

⁷⁵ The Work Order was placed in November 2014 and put on hold (April 2015) due to non-receipt of funds from Central Government. Financial progress of work at the time of stoppage of work was ₹ 13.28 lakh.

CFA. The Department, in its reply (August 2020) clarified that in the DPR only components and locations were approved and not the exact place/ land where the components were to be executed.

The reply is not satisfactory as these components of works and execution of the said works were not included in DPRs and were not sanctioned by GoI rather, these works were executed by diverting funds from other approved components.

iv. As per Para 8 of the Sanction Order of Heritage Circuit, the GoMP/ Company were responsible for maintenance and management of created facilities. In violation of the above, the Company awarded the work for construction of Light and Sound show at Mandu (₹ 4.62 crore) and the work of its Operation and Maintenance (₹ 1.00 crore⁷⁶) for five years to M/s Tricolor India Schauspiel Pvt. Ltd., Noida⁷⁷ from the CFA of the Heritage Circuit against the administrative and financial sanction of ₹ 4.50 crore for the work of Sound and Light Show, Mandu. Approval of GoI for excess amount of ₹ 1.12 crore was not obtained. Further, the Company had already incurred an expenditure of ₹ 5.17 crore against the said Work Order.

Though the Company demanded (December 2019) the funds for the Operation and Maintenance from State budget, the same has not been received (August 2020).

v. The Company disbursed (May 2016) ₹ 26.19 lakh⁷⁸ to Sanjay Tiger Reserve for executing works of Parking and FIC through the Forest Department. However, after lapse of 10 months, the Company took up the execution of the work (March 2017) itself and issued Work Order for the same. The fund released to the Forest Department remained unutilised and was refunded to the Company in July 2018 i.e. after lapse of two years from the date of its disbursement. Both the works were completed (January 2019) with a delay of seven months from the scheduled date of completion of Wildlife Circuit (06 June 2018).

Government stated (August 2020) that the works of Parking and FIC at Sanjay National Park have been completed.

The reply is not acceptable because, though the works were completed but the same have been delayed by seven months.

4.3.5.8 Monitoring of Swadesh Darshan Scheme

Monitoring of Swadesh Darshan Scheme by Government of India: As per Para 6 “Monitoring” of the Scheme Guidelines, monitoring of progress of works under Wildlife Circuit and Heritage Circuit was done by Government of India (GoI) by obtaining monthly monitoring frameworks from the Company/ Board. In addition to that, regular monitoring meetings were to be held by MoT, Mission Directorate and Central Sanctioning and Monitoring Committee (CSMC). After considering the progress, MoT re-appropriated/ dropped various components of works by re-appropriating/ curtailing the corresponding CFA.

Monitoring of Swadesh Darshan Scheme by Government of Madhya Pradesh: Monitoring of the progress of works under Wildlife and Heritage Circuits was done by State Level Monitoring Committee (SLMC) constituted by GoMP. In addition to that monthly monitoring frameworks were obtained by GoMP from the Company/ Board and project consultants were also appointed for planning and monitoring works.

⁷⁶ Sound and Light show at Mandu has been completed on 10 February 2019, operation and maintenance work has been started by the Contractor, for which the payment is pending.

⁷⁷ To whom the work of construction of Sound and Light Show was also awarded.

⁷⁸ ₹ 21.20 lakh towards Forest Information Center and ₹ 4.99 lakh towards Parking Area Development.

During audit it was observed that regular meetings were held at State and Centre level to monitor the progress of work.

Conclusion

As per the Sanction Orders, the Scheme was to be completed by March 2020 viz. the duration of the 14th Finance Commission. Major part of both the Circuits have been completed and the Circuits have been operational and open to tourists with minor works being continued simultaneously at few places. There were avoidable delays in tendering and award of work which pushed back the completion schedule of the works.

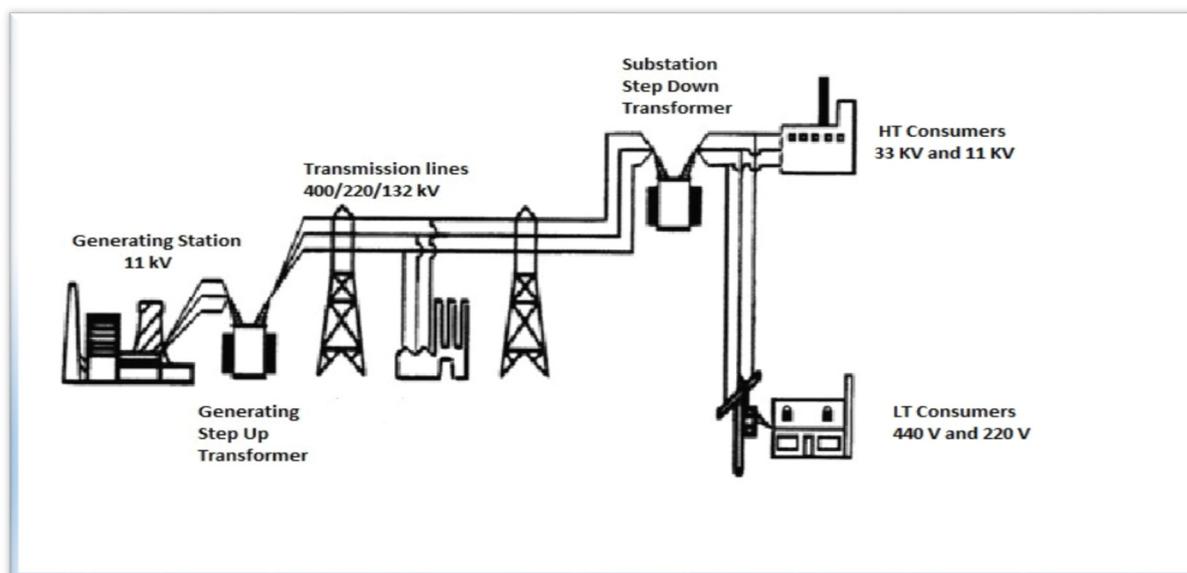
4.4 Procurement, Repairs and Maintenance of Transformers in Madhya Pradesh Power Transmission Company Limited

4.4.1 Introduction

The Madhya Pradesh Power Transmission Company Limited (Company) was incorporated (November 2001) under the Companies Act, 1956 as a fully owned Company of the Government of Madhya Pradesh (GoMP), on unbundling the erstwhile Madhya Pradesh State Electricity Board (MPSEB) with the objective of developing and maintaining an efficient, adequate and properly coordinated transmission system in the State. The Company functions under the overall administrative control of the Energy Department (Department) of GoMP headed by the Principal Secretary, Energy.

4.4.2 Role of Transformers in activity of the Company

A transformer is a static equipment installed in the transmission network (at EHV sub-stations) for stepping up or stepping down of voltage. Power is usually generated at relatively low voltage and to reduce the transmission loss, it is stepped up to high voltage of 132 KV, 220 KV and 400 KV through power transformers for transmission to load despatch centres. At load despatch centres, it is stepped down to 132 KV, 66 KV and 33 KV for supplying electricity to Distribution utilities. The various types of power transformers used in transmission network are mainly of 40 Mega Volt Ampere (MVA), 63 MVA, 100 MVA, 160 MVA and 315 MVA. A pictorial representation of the transmission process is given below:



The status of sub-stations, transformers (the capacity of transformers varies between 40 MVA to 315 MVA) installed at various sub-stations and transformation capacity of the Company as on 31 March 2019 is given in the table below:

Table 4.4.1: Details showing the status of sub-stations, transformers and transformation capacity

Sl. No.	Particulars	Status
1	Number of sub-stations	366
2	Number of Transformers	887
3	Transformation capacity (in MVA)	60,731

(Source: Information provided by the Company)

4.4.3 Audit Objectives

Audit of the Company was carried out with the objective of assessing the following:

- Whether transformers were procured in a transparent and timely manner in accordance with the applicable rules and norms; and
- Whether repairs transformers were undertaken in an efficient manner.

4.4.4 Sources of Audit Criteria

Audit findings were benchmarked against the criteria sourced from the following:

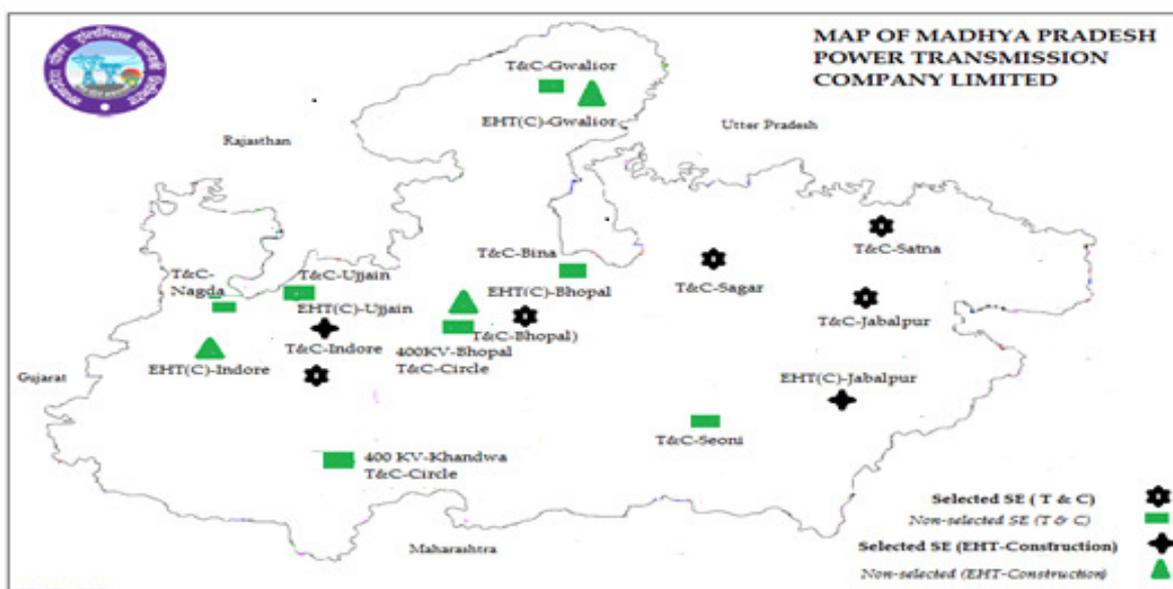
- Norms and standards of Madhya Pradesh Electricity Regulatory Commission (MPERC), Central Electricity Authority (CEA) and Central Electricity Regulatory Commission (CERC);
- Purchase and Stores Manual/ procedures of Company, terms and conditions of tender for supply and Repair and Maintenance (R&M) of transformers;
- Long term and annual plans prepared by the Company; and
- Agenda and Minutes of Board of Directors (BoD) Meetings.

4.4.5 Scope and Methodology of Audit

Audit was conducted from October 2019 to December 2019, covering the three-year period 2016-17 to 2018-19. The Corporate Office of the Company and seven out of 12 Testing and Communication Circles⁷⁹ were selected⁸⁰ for scrutiny of records.

The locations of Testing & Communication (T&C) Circles and Extra High Tension-Construction (EHT-Construction) Circles of the Company are given in the Map below:

Picture 4.4.1: Map showing T&C Circles and EHT-Construction Circles in Madhya Pradesh



The details of procurement of transformers and repairs undertaken during 2016-17 to 2018-19 are given in the **Table 4.4.2**:

⁷⁹ Out of 12 Testing & Communication (T&C) Circles, five Circles were selected for audit. Out of five EHT-Construction (EHT-Construction) Circles, two Circles were selected.

⁸⁰ On the basis of random sampling, using Interactive Data Extraction and Analysis (IDEA) software.

Table 4.4.2: Details showing year-wise expenditure incurred on procurement of transformers and R&M of Sub-Stations

Year	Own procurement				Turnkey procurement				Exp. on R&M of S/s (including T/fs)
	No. of contracts	No. of transformers procured	No. of transformers supplied/ Commissioned as on August 2020	Expenditure (₹ in crore)	No. of contracts	No. of transformers procured	No. of transformers supplied/ Commissioned as on August 2020	Expenditure (₹ in crore)	
2016-17	8	64	64/50	211.00	9	31	31/31	124.95	52.83
2017-18	4	41	41/41	100.30	3 ⁸¹	0	0	0	51.98
2018-19	7	50	42/26	141.02	9	17	17/12	54.10	50.23
Total	19	155	147/117	452.32	21	48	48/43	179.05	155.04

(Source: Information provided by the Company)

Audit examined all 19 contracts of the Company's own procurement of transformers, 21 turnkey contracts (out of 21 Turnkey Contracts, transformers were supplied in 18 contracts only, which were examined) involving supply of transformers, and all three agreements of repair of damaged transformers executed by the Company during 2016-17 to 2018-19.

4.4.6 Audit Findings

The Company neither has any procurement manual nor any procurement plan⁸² for procurement of transformers. For procurement of transformers, the requirements are sent by the field units in a piece-meal basis, which are financially and technically vetted by the Planning and Design Wing of the Company. After financial and technical vetting, the Procurement Wing invites tenders for procurement of transformers in an ad-hoc manner. On the basis of Comparative Statement prepared for the financially and technically qualified bidders, the purchase orders are placed on the lowest (L-1) bidder. Due to large quantity to be supplied, the Company distributes the tendered quantity amongst the qualified bidders by counter offering the L-1 rates to them. Irregularities noticed in procurement of transformers are discussed in the succeeding paragraphs.

4.4.6.1 Deficiencies in procurement of Transformers for own use

During the period 2016-17 to 2018-19, the Company awarded 19 contracts for procurement of 155 transformers for own use (transformers procured by the Company for use in departmentally constructed sub-stations or capacity augmentation) at a total cost of ₹ 452.32 crore. Audit examined all the contracts and observed the following:

1. In one case, the Company procured (January 2017) transformers of 160 MVA capacity at rates which were found to be higher than the previous purchases (December 2016) of the same capacity of transformers, resulting in extra expenditure of ₹ 2.25 crore⁸³.
2. In the remaining 18 contracts, the Company has either not invited tenders of the same capacity of transformers in the same year, or the rates were not comparable due to different specification of the tenders.

⁸¹ In three turnkey contracts, no transformers were supplied by turnkey contractors.

⁸² As pointed out in Audit Report (PSUs) 2016-17, the Company was not preparing CAPEX plans as required under the Guidelines for Capital Expenditure issued (July 2005) by the MPERC.

⁸³ For 15 transformers, difference being ₹ 0.15 crore*15 = ₹ 2.25 crore [ex-works price per transformer being ₹ 3.58 crore (excluding the cost of oil and spares valuing ₹ 0.37 crore) under tender no. TR-108/2016 against ₹ 3.43 crore under tender no. TR-07/2016].

The Government in its reply (September 2020) stated that there was a difference in scope of supply as the transformers supplied under previous tenders were without oil and those supplied under subsequent tenders were with oil.

The reply is incorrect as the cost of transformer oil has already been de-loaded by Audit for calculating the excess expenditure.

3. In two cases, the Company failed to restrict the rate of procurements made from L-2 bidder to that of L-1 rate without recording any reasons. Consequently, the Company had to incur an avoidable expenditure of ₹ 1.05 crore. The details are given below:
 - a. The Company floated (November 2017) tender (TR-42/2017) for procurement of total 11 nos. of 160 MVA transformers. M/s BHEL and M/s BBL emerged as L-1 (₹ 4.31 crore) and L-2 (₹ 4.37 crore) bidders respectively, with a difference of ₹ 0.06 crore per transformer. In its endeavour to safeguard itself against any unforeseen risk with any of the suppliers, the Company decided to spread the order (seven nos. to L-1 and four nos. to L-2 bidder) amongst these two suppliers. However, while placing order (February 2018) on the L-2 bidder, the Company did not restrict its offer to the L-1 rates. Further, order for two more transformers was placed (January 2019) on L-2 bidder at the original rates offered (L-2) by that firm. This resulted in avoidable excess expenditure amounting to ₹ 0.36 crore on procurement of six transformers from L-2 firm.
 - b. Similarly, the Company floated (October 2018) tender (TR-68/2018) for procurement of four nos. 315 MVA transformers. M/s T&R and M/s BHEL emerged as L1 (₹ 9.19 crore) and L-2 (₹ 9.42 crore) bidders respectively, with a difference of ₹ 0.23 crore. While placing order (January 2019) on the L-2 bidder, it did not restrict its offer to the L-1 rates and further, order for one more transformer was placed (July 2019) on the L-2 bidder at the originally offered (L-2) rates. This resulted in avoidable excess expenditure amounting to ₹ 0.69 crore on procurement of three transformers from L-2 firm.

The Government in its reply (September 2020) stated that the rates of counter offer were worked out considering the value of load losses and oil quoted by L-1 and L-2 bidders. Further, Audit has taken ex-works price instead of Free on Rail Destination (FORD) price for comparison.

The reply is not acceptable as Audit has already taken the FORD rates for comparison, not the ex-works rates, as quoted by the Government. Financial bid is considered only of those bidders who qualify technical parameters. So, the value of load losses (notional cost, for which no payment is done to the firms) shall not form the basis for price difference for deciding the L-1 bidder. Even in case of the FORD rates, the rate offered to L-2 bidder shall not be more than the rate quoted by L-1 bidder.

4. In one case, due to non-incorporating of Price Fall Back clause⁸⁴ and 50 per cent quantity reduction clause in the agreement (as is being done by Transcos in other States), the Company could not avail of the benefit of reduced price (upon receipt of lower quotes for

⁸⁴ Price Fall Back clause stipulates that “If the price of the equipment ordered under the specification remains unsupplied within the scheduled/ contractual delivery period and up to the finalization of the new tender and price of the equipment falls in new tender, then the contractor will reduce the price of the equipment to the level of new tender price and if they fail to do so, previous unsupplied quantity will be cancelled without prejudice”.

the same product in subsequent tender) and had to incur an extra expenditure of ₹ 1.20 crore⁸⁵.

The Government in its reply (September 2020) stated that being pointed out by Audit, necessary provision for price fall back for balance quantity has now been incorporated in tender bidding document.

Government accepted the Audit observation and incorporated the clause in the format of the tender bidding document.

4.4.6.2 Deficiencies in procurement of transformers from Turn Key Contractors

Para 5 (i) of Best Practices In Transmission System (BPITS) notified (January 2002) by Central Electricity Authority (CEA), Ministry of Power, Government of India stipulated that in case of turnkey contracts, sub-stations may be packaged for turnkey execution except transformer/ reactors which may be procured separately by the Company and erected by the turnkey contractor.

Audit examined 18 turnkey contracts⁸⁶ in which the Company procured 48 transformers for construction work of 132 KV, 220 KV and 400 KV sub-stations during 2016-17 to 2018-19, and observed the following:

- The Company awarded 12 turnkey contracts (eight in 2016-17 and four in 2018-19) including the responsibility of procurement/ supply of transformers, ignoring the recommendation of BPITS as stated above. Had the Company followed the best practices, they could have saved ₹ 58.51 crore, as it ended up paying higher price (11.39 *per cent* to 84.34 *per cent*) for 48 transformers (31 transformers in 2016-17 and 17 transformers in 2018-19) to five turnkey contractors, when compared to the cost of the transformers of the same capacity purchased directly by the Company during the same period, as detailed in **Annexure 4.4.1**.
- In case of one turnkey contract, the rates of 12 transformers (three transformers of 160 MVA and nine transformers of 50 MVA) awarded (March 2016 to June 2016) by the Company during the year 2016-17 were found to be higher by ₹ 5.60 crore, when compared to previous procurement of transformer of same capacity, as detailed in **Annexure 4.4.2**. However, no effort was made by the Company to negotiate with the Turnkey Contractors to get the lowest price earlier received and the turnkey contracts were finalised at higher rates.

The Government in its reply (September 2020) stated that the prices in turnkey contracts are compared and decided for complete package in accordance with evaluation criteria provided in the tender. Negotiation on the basis of prices of transformers or any other equipment and material is not done and it is not practically possible.

⁸⁵ In tender no. KfW/ MPPTCL/ TR-108 for procurement of 15 transformers of 160 MVA in which ex-works rate of ₹ 3.58 crore (excluding the cost of oil and spares valuing ₹ 0.37 crore) per transformer was L-1 with the supply schedule of 20 months (started from 6 months from the date of supply order and completed at 20th month @ one transformer each month) to be completed up to the month of September 2018. In tender no. TR-07/2016, for procurement three transformers of 160 MVA, the L-1 ex-works rates was ₹ 3.43 crore per transformer (three initial plus two additional) with the delivery schedule of completion of supply up to November 2017. ₹ 1.20 crore = (₹ 3.58 crore - ₹ 3.43 crore) * 8 transformers (being 50 *per cent* of initial tender).

⁸⁶ Out of the total 21 contracts executed for purchase of transformers in the audited period, there were no procurement actually made against three contracts.

The reply is flawed as Audit has pointed out the non-adherence to the provisions of BPITS during the time of framing the contracts themselves, due to which the Company incurred higher prices for procurement of 48 transformers from the turnkey contractors. Further, even the CVC guidelines allow to negotiate with L1 bidder in the financial interest of the Company after due recording of the reasons.

4.4.6.3 Uneconomical execution of procurement contracts

The Company avails 70 per cent of the project cost⁸⁷ in the form of loans from Financial Institutions⁸⁸ (FIs) and thus, an efficient fund management is necessary for minimizing the financial cost.

Audit observed the following deficiencies in procurement of transformers which resulted in avoidable financial burden on the Company:

- The supply of 60 transformers⁸⁹ was received without ensuring readiness of the site for erection, resulting in delays in commissioning ranging from 3 to 28 months (as per details in **Annexure 4.4.3 and 4.4.4**) in their installation. Payment for these transformers was released to the supplier firms immediately after supply, resulting in avoidable payment of interest of ₹ 9.60 crore⁹⁰ to FIs besides blockage of funds to the tune of ₹ 296.51 crore as the payment could have been postponed at least if the supply was synchronized with erection activity. Further, due to these delays, substantial guarantee period (the transformer comes with a manufacturer's guarantee period of 60 months) of the transformers lapsed even before their installation.

Table 4.4.3: Details of Transformers lying idle

(₹ in crore)					
Sl. No.	Year	Number of Transformers that were lying idle	Idle period (months)	FORD price	Interest loss
Own procurement cases					
1	2016-17	18	3-15	82.77	4.14
2	2017-18	6	3-7	18.64	0.67
3	2018-19	4	3-5	9.24	0.24
Procurement under Turnkey contracts					
1	2016-17	18	3-28	135.33	3.87
2	2017-18	-	-	-	-
3	2018-19	05	3-8	50.53	0.68
Total		51	3-28	296.51	9.60

- Audit noticed that the clause of levying of interest on unadjusted amount of Mobilization Advance (MA) was not incorporated in NIT of various projects [Kreditanstalt fur Wiederaufbau Banking group (kfw), ADB, JICA] consistently. The Company released ₹ 17.83 crore as interest-free mobilization advance in 14 transformer supply contracts (out of 19 own procurement Contracts). As the Company disbursed its interest bearing funds to the supplier firms as interest-free advance, it suffered loss of interest of ₹ 1.44 crore⁹¹

⁸⁷ In case of ADB and JICA funded projects.

⁸⁸ Kreditanstalt fur Wiederaufbau Banking group/ Asian Development Bank/ Rural Electrification Corporation/ Power Finance Corporation at the prevailing rates (ranging from 11.50 per cent to 12 per cent) of interest.

⁸⁹ Value ₹ 110.65 crore of 28 transformers received in 8 contracts out of the 19 own procurement contracts and 32 transformers valuing ₹ 185.86 crore received in 11 cases out of the 21 turnkey contracts.

⁹⁰ Calculated for (i) ₹ 110.65 crore at the rate of 11.50 per cent/ 12 per cent and (ii) ₹ 185.86 crore at the rate of 12 per cent being the lowest rate for 70 per cent of the value of the transformers till July 2020 after allowing two months period as lead time for erection.

⁹¹ Amount of MA- ₹ 17.83 crore, 70 per cent of ₹ 17.83 crore = ₹ 12.48 crore, interest on ₹ 12.48 crore for one year at the rate of 11.50 per cent = ₹ 1.44 crore.

assuming that full advance have been recovered within one year⁹² from the date of release.

- Out of 887 transformers installed up to period 2018-19, the load in respect of eight transformers remained between 2.50 to 24.06 *per cent* (as detailed in *Annexure 4.4.5*) which indicates that the Company erred in assessing the realistic load growth prior to taking up the project, without the confirmation of the user utilities, i.e. DISCOMs. Thus, the investment amounting to ₹ 28.28 crore in the transformers installed on these underutilised substations remained blocked.
- Three transformers valuing ₹ 18.34 crore procured and installed (December 2018) at 220 KV sub-station, Suwasara could not be put to commercial use even after one year from the period of their installations due to non-completion of some minor civil works by the Company. This resulted in blockage of funds.

The Government accepted (September 2020) the audit observations and stated that the supply of material should have been received at the time of actual requirement at site to avoid idling of funds. It also stated that efforts are being made to synchronize the erection activity with receipt of equipment/ material. It further stated that:

- Terms of interest-free MA were included in a few NITs/ Tenders under JICA-II projects;
- The sub-station capacity requirements were worked out on the basis of load forecast, normally envisaging a time horizon of five years. Therefore, they are always subject to a certain amount of uncertainty; and
- The transformers of Suwasara sub-station could not be energised due to delay in charging of 50 MVA transformer.

The reply is not acceptable as:

- The condition of releasing MA was not uniform across all the Tenders/ NITs. Further, most of the contracts were silent about the terms and conditions of recovery/ adjustment of the MA. In the absence of specified recovery period, huge sums paid as MA were lying unrecovered for period as high as 20 months;
- Audit had also commented earlier in respect of two Sub-stations, i.e. Gwalior-II and Sirmour (Paragraph 2.1.25 of C&AG's Audit Report for the year 2016-17), that the Company failed to assess the load requirement properly due to which the sub-stations are loaded with only 25 *per cent* of their installed capacity, still Management has not taken proper steps to assess the load requirement; and
- In case of Suwasara sub-station, Government's reply confirms the audit contention that two transformers of 160 MVA were still lying unutilized as on September 2020 due to non-completion of minor civil works.

4.4.6.4 Non-repair of damaged transformers

The Central Electricity Authority (CEA) and Central Electricity Regulatory Commission (CERC) stipulate the following norms for the transformer, being the costliest equipment in a sub-station:

⁹² The supply of the transformers begins after three to six months from the date of LOI issued to the firm and the firms submitted their bills against the supply within two months. As such, the amount of interest free MA could have been recovered at least after eight months to one year.

- It is expected to serve the entire life of a sub-station, which is considered to be 35 years; and
- As ageing of the transformer is generally not the main reason⁹³ of failure, so before declaring the transformer unserviceable, a detailed examination by the technical as well as financial experts, along with transformer repairer firm, should be done so that expected cost of repair of damaged transformer could be assessed to decide whether repair will be economical or not.

Audit noticed that:

- The Company did not have any Repair and Maintenance Plan (R&M Plan);
- For the served life, the Company fixed the criteria of useful life of transformer as 25 years in contravention of the norms of 35 years as fixed by the CEA/ CERC; and
- The officials of the Survey Committee⁹⁴ declared the damaged transformers as uneconomical taking into account only the life served by the transformer, without assessing the cost of repair, in most of the cases. During the period 2016-17 to 2018-19, out of eleven damaged transformers, nine transformers of various capacities were declared uneconomical for repair by the Survey Committee without assessing the cost of repair, as detailed in **Annexure 4.4.6** which is against the financial propriety and CEA/ CERC norms.

The Government stated (September 2020) that there existed R&M Fund. Further, as per the evidences furnished by the Company, out of the 11 damaged transformers, only two transformers were declared as uneconomical for repair on the basis of assessment of repairability, and not the others.

The reply confirms the Audit contention, as the Government has furnished documentary evidence for assessment of reparability of only two transformers, whereas nine were actually replaced. This *inter alia* proves that the Company has not been following the best practices while taking the repair/ replacement decision. The reply is silent about the existence of R&M Plan. The Uttar Pradesh Power Company follows a system wherein a transformer is considered feasible for repair if the repair cost is not more than 40 *per cent* of the cost of a new transformer of the same capacity. Some yardstick on same/ similar lines can be adopted by the Company.

4.4.6.5 Avoidable expenditure on repair of transformer

When the Company decides to repair a damaged transformer, it generally asks the Original Equipment Manufacturers (OEMs) to offer their rates for repair. After assessing the economy of the repair, the Company places work orders to the OEMs to repair the damaged transformers. Only three agreements have been executed by the Company with OEMs for repairing the transformers during 2016-17 to 2018-19.

Audit noticed that a 400 KV transformer was damaged/ tripped in June 2015. The detailed checking (September 2015) indicated that there was earth fault on 'R' phase of territory winding of the transformer, for which the OEM offered (October 2015) the rate of ₹ 2.56 crore for repair. However, the Company asked the OEM to submit offer for replacement of all three windings, i.e. 'R', 'Y' and 'B' phases and placed (June 2016) work

⁹³ Bushing failure, insulation failure, OLTC failure etc. are the main contributor towards failure of transformer.

⁹⁴ Comprising of the Superintending Engineer (T&C), Executive Engineer (T&C) and Regional Account Officer of the respective area.

order to OEM for repair of the transformer at ₹ 4.59 crore, without citing any reason on record and the work was completed in June 2017. Thus, due to unwarranted repair of ‘Y’ and ‘B’ phases of the transformer which were not damaged as per MoM with the Officials of the Company and OEM, the Company incurred an avoidable expenditure of ₹ 2.03 crore (₹ 4.59 crore - ₹ 2.56 crore).

Government stated (September 2020) that the failed transformer had already served for 10 years during which the paper insulation of other phases would also have deteriorated. Therefore, it was considered economical to get all the three phases repaired in anticipation of failure of other windings.

The reply is not justified as during inspection of damaged transformer by the OEM and Company’s officials, only winding of ‘R’ phase was found to be defective. The anticipation of possible deterioration of the ‘Y’ and ‘B’ phase windings appears to be only presumptive.

Conclusion

The Company neither has any Procurement Manual nor prepares any procurement plan for transformers. The transformers are requisitioned by the field units on a piece-meal basis and procured through open tender, after financial and technical vetting by the Planning and Design Wing of the Company. Audit observed that the Company assessed the need of procurement of transformers neither on an annual basis nor long-term transmission system plan basis and failed to derive the benefit of systematic purchases. The Company procured transformers from turnkey contractors at higher rates in contravention to the recommendations of the CEA. Further, due to absence of any Repair and Maintenance Plan, the Company did not carry out any cost benefit analysis to repair or replace the damaged transformers and declared them as uneconomical for repair on the served life basis, which is contrary to the established norms.

Recommendations

- **The Company may assess its annual requirement on the basis of ongoing as well as augmentation works and prepare annual procurement plan accordingly.**
- **A Repair and Maintenance plan may be drawn up so as to make efficient repair instead of declaring the damaged transformers as uneconomical for repair even before it has exhausted its useful life, or replacement decisions to achieve economy in operations.**
- **The Company should strive to comply with the provisions of MPERC/ CEA regulations/ GoMP orders particularly with regard to purchase of transformers from turnkey contractors and repair/ replacement of transformers.**

4.5 Revenue billing and collection efficiency in DISCOMs

4.5.1 Introduction

The unbundling of the erstwhile Madhya Pradesh State Electricity Board (MPSEB) led to the incorporation⁹⁵ of three Power Distribution Companies (DISCOMs) viz. Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL)⁹⁶, Madhya Pradesh Poorva Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL)⁹⁷ and Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL)⁹⁸ under the administrative control of the Energy Department (Department), Government of Madhya Pradesh (GoMP). These DISCOMs were entrusted with reliable and quality power distribution in the State for agriculture, households and industries at competitive rates.

4.5.2 Audit Objectives

Compliance audit of the DISCOMs was conducted with the objective of assessing whether billing for energy consumption and collection of revenue was in accordance with the provisions of Electricity Supply Code and Tariff Orders.

4.5.3 Sources of Audit Criteria

Audit findings were benchmarked against the criteria sourced from the following:

- The Electricity Act, 2003 and Madhya Pradesh Electricity Supply Code, 2013 (Supply Code);
- Retail Supply Tariff Orders (Tariff Orders) issued by Madhya Pradesh Electricity Regulatory Commission (MPERC) from time to time;
- Agenda and Minutes of meetings of Board of Directors (BoD) of the DISCOMs; and
- Orders/ Guidelines/ Circulars/ Instructions issued by the Energy Department, GoMP and MPERC from time to time.

4.5.4 Audit Scope and Methodology

Audit was conducted from June 2019 to November 2019, covering the three-year period 2016-17 to 2018-19. Audit methodology involved a scrutiny of records at the Corporate Office and five field units (O&M Circle Offices) of each of the DISCOMs⁹⁹ selected on a random sample basis as detailed in **Table 4.5.1**:

⁹⁵ MPMKVVCL and MPPoKVVCL were incorporated in May 2002 and MPPaKVVCL was incorporated in July 2002 as 100 per cent subsidiaries of Madhya Pradesh Power Management Company Limited.

⁹⁶ MPMKVVCL (Corporate Office at Bhopal) serves the districts of Bhopal, Hoshangabad, Harda, Vidisha, Raisen, Sehore, Rajgarh, Betul, Gwalior, Datia, Bhind, Morena, Sheopur, Guna, Ashoknagar and Shivpuri.

⁹⁷ MPPoKVVCL (Corporate Office at Jabalpur) serves the districts of Jabalpur, Seoni, Narsinghpur, Mandla, Umariya, Balaghat, Dindori, Katni, Chhindwara, Sagar, Damoh, Tikamgarh, Niwari, Chhatrapur, Panna, Sidhi, Singrauli, Shahdol, Anuppur, Rewa and Satna.

⁹⁸ MPPaKVVCL (Corporate Office at Indore) serves the districts of Indore, Burhanpur, Alirajpur, Khargone, Khandwa, Dewas, Dhar, Jhabua, Ujjain, Barwani, Shajapur, Mandsaur, Neemuch, Agar and Ratlam.

⁹⁹ Each DISCOM had total number 15 Circle Offices under its jurisdiction.

Table 4.5.1: Details of the field units selected in each DISCOM

Sl. No.	MPMKVVCL	MPPoKVVCL	MPPaKVVCL
1	SE (O&M), Hoshangabad	SE (O&M), Satna	SE (City), Indore
2	SE (O&M), Sheopur	SE (O&M), Chhindwara	SE (O&M), Mandasaur
3	SE (O&M), Betul	SE (O&M), Chhatarpur	SE (O&M), Khargone
4	SE (O&M), Gwalior	SE (O&M), Rewa	SE (O&M), Barwani
5	SE (O&M), Rajgarh	SE (O&M), Katni	SE (O&M), Shajapur

Further, records of billing data for the month of March each year during the period 2016-19 were selected for detailed scrutiny.

Out of a total of 2,666 High Tension (HT) consumers in the 15 selected field units¹⁰⁰ of the three DISCOMs, the records relating to 356 cases¹⁰¹ of consumers were selected¹⁰² for detailed scrutiny.

The Entry Conference was held with Chief General Manager/ Chief Financial Officer of MPMKVVCL, MPPoKVVCL and MPPaKVVCL on 3 June 2019, 15 July 2019 and 22 July 2019 respectively. Exit meeting with the Department and Managing Director of the DISCOMs could not be held till August 2020 in spite of repeated requests.

4.5.5 Distribution mechanism in the DISCOMs

As of 31 March 2019, there were a total of 1,55,80,051 consumers having a connected load of 2,62,76,148 KW¹⁰³ under all categories (LT: Domestic, Commercial, Agriculture connections & others and HT Consumers) serviced by the three DISCOMs.

The DISCOMs generate the monthly bills of the consumers, except for flat billing consumers, as per the provisions of the Supply Code and Tariff Orders issued from time to time. MPERC, while finalising the Tariff Orders, fixes the targets for the distribution losses for each DISCOM, and any losses over and above the target level are to be borne by the DISCOMs.

The financial sustainability of DISCOMs primarily depends on the minimization of distribution losses and maximization of their billing and collection efficiency. The incidence of distribution losses¹⁰⁴ in the power distribution system and billing/ collection efficiency is given **Chart 4.5.1**:

¹⁰⁰ The selection of units was done on random sampling basis which was also approved by Nodal Statistical Officer.

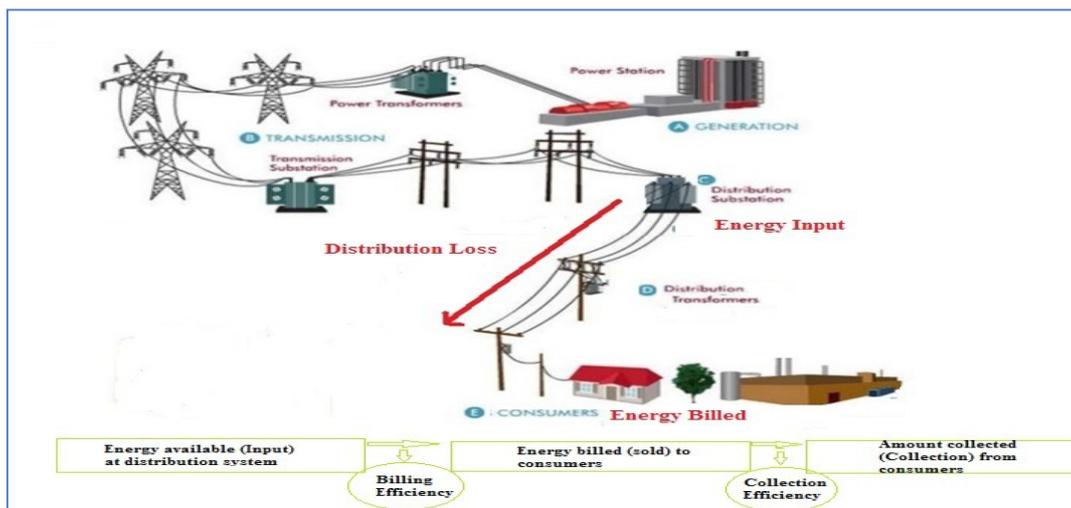
¹⁰¹ MPMKVVCL-116, MPPoKVVCL-108 and MPPaKVVCL-132.

¹⁰² Selection of consumers on the basis of judgmental sampling.

¹⁰³ MPMKVVCL- Total 43,88,117 consumers having a connected load of 80,19,631 KW (March 2019).
MPPaKVVCL- Total 53,53,179 consumers having a connected load of 1,08,32,062 KW (March 2019).
MPPoKVVCL- Total 58,38,755 consumers having a connected load of 74,24,455 KW (March 2019).

¹⁰⁴ Distribution losses are the difference between energy injected into the DISCOMs and the energy billed to the consumers by the DISCOMs.

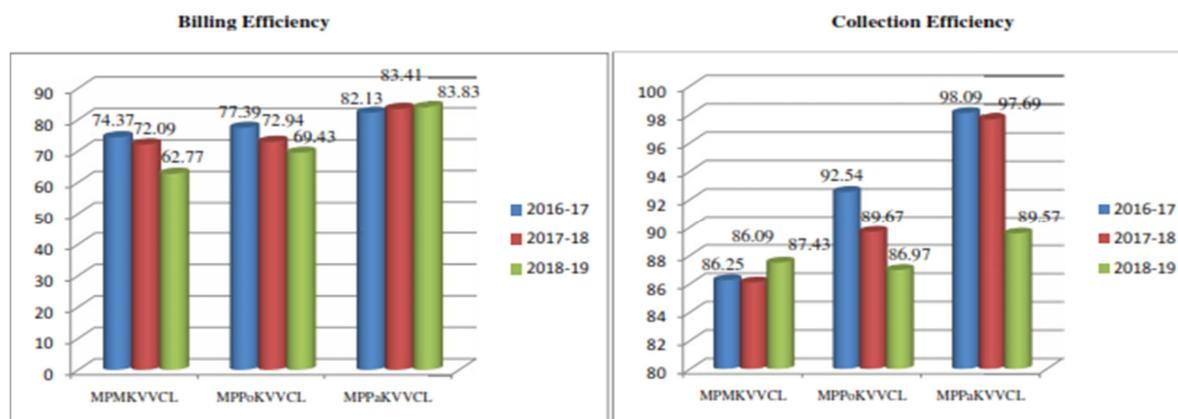
Chart 4.5.1: Chart showing Electricity distribution system and losses



Thus, it is vital for the DISCOMs to improve their billing efficiency¹⁰⁵ to minimise their distribution losses by reducing the gap between units injected to DISCOMs and units billed to the consumers. Further, improvement in collection efficiency¹⁰⁶ by strengthening the system of realisation of dues against the units billed is required for financial sustainability of the DISCOMs.

The position of billing efficiency and collection efficiency with respect to units input during the previous three years (2016-17, 2017-18 and 2018-19) are given below:

Chart 4.5.2: Chart showing the Billing and Collection Efficiency as a percentage of units input in DISCOMs



(Source: R-15, Annual financial statements and details worked out by Audit)

As it is evident from the chart above, during the period 2016-17 to 2018-19, the billing efficiency improved only in MPPaKVVCL from 82.13 per cent to 83.83 per cent whereas in MPPoKVVCL and MPMKVVCL, the billing efficiency declined by 7.96 per cent and 11.60 per cent respectively. Similarly, the collection efficiency improved only in MPMKVVCL from 86.25 per cent to 87.43 per cent, whereas in MPPaKVVCL and MPPoKVVCL collection efficiency declined by 5.57 per cent and 8.52 per cent respectively. However, all the three DISCOMs continuously failed to achieve the targets fixed by MPERC during the audit period as detailed in table below. Details are available in (Annexure 4.5.1).

¹⁰⁵ Billing Efficiency is the proportion of units sold/ billed to consumers against the total units of power injected/ supplied.

¹⁰⁶ Collection Efficiency is the proportion of revenue realised against total revenue billed.

Table 4.5.2: Statement showing the details of billing efficiency, distribution losses and excess losses against the targets fixed by MPERC

Name of the Discoms	FY	Energy Input (in MUs)	Energy sold (in MUs)	Billing Efficiency (in per cent)	Losses incurred (in per cent)	Target fixed by MPERC (in per cent)	Excess against the target fixed by MPERC (in per cent)	Loss (in MUs)
MPMKVVCL	2016-17	19268.20	14328.82	74.37	25.63	19	6.63	1277.48
	2017-18	21235.65	15308.23	72.09	27.91	18	9.91	2104.45
	2018-19	23928.64	15020.57	62.77	37.23	17	20.23	4840.76
MPPoKVVCL	2016-17	17326.78	13409.47	77.39	22.61	18	4.61	798.76
	2017-18	19333	14102.00	72.94	27.06	17	10.06	1944.90
	2018-19	21142.90	14680.33	69.43	30.57	16	14.57	3080.52
MPPaKVVCL	2016-17	21387.40	17565.20	82.13	17.87	16	1.87	399.94
	2017-18	22323.96	18621.22	83.41	16.59	15.5	1.09	243.33
	2018-19	24572.40	20598.63	83.83	16.17	15	1.17	287.50

(Source: R-15 and Annual Financial Statement furnished by the PSUs and details worked out by Audit)

4.5.6 Audit Findings

4.5.6.1 Incorrect reporting of Billing Efficiency

As per the methodology prescribed (May 2013) by the Department, billing efficiency was to be computed by dividing total energy sold/ billed to consumers from the units injected. Further, as per the established practice, sale units cannot be more than the units available/ purchased.

Audit review of reported data at Corporate Office of the DISCOMs and selected field units revealed that the DISCOMs reported inflated billing efficiency by 0.01 per cent to 10.49 per cent (during 2016-17 to 2018-19) by including additional units which were not billed to the consumers in contravention of the orders of the Department, as detailed in **Table 4.5.3:**

Table 4.5.3: Details of the excess reported billing efficiency

DISCOMs	Billing efficiency excess reported (in per cent)		
	2016-17	2017-18	2018-19
MPMKVVCL	10.49	9.57	NA
MPPoKVVCL	0.19	0.08	0.03
MPPaKVVCL	0.00	0.01	0.07

(Source: Calculated by Audit on the basis of information furnished by DISCOMs)

On review of the billing efficiency as reported by the MPMKVVCL, MPPoKVVCL and MPPaKVVCL in their Annual Financial Statements (*details given in Annexure 4.5.2*), it was observed that:

- MPMKVVCL included 2019.67 MUs and 2031.82 MUs additional units (which were not billed to the consumers) in its energy sold to show improved billing efficiency by 10.49 per cent and 9.57 per cent during 2016-17 and 2017-18 respectively, in contravention of the orders of the Department; and

- Out of 15 field offices, one field unit¹⁰⁷ in MPPoKVVCL and one field unit¹⁰⁸ in MPPaKVVCL were showing billing efficiency at the rate of more than 100 per cent due to generating the bills against assessed consumption¹⁰⁹ and booking of normative units¹¹⁰ in case of agriculture consumers, in contravention of the established practice¹¹¹ of sale. As a result, MPPoKVVCL and MPPaKVVCL reported inflated billing efficiency of up to 0.19 per cent and 0.07 per cent respectively during 2016-17 to 2018-19.

Government in its reply stated (September 2020) that:

- In case of MPMKVVCL, the actual consumption of flat rate consumers/ agricultural pumps was much higher than the units allowed by MPERC. Therefore, adjustment of additional units was made in the books of accounts. However, no such adjustment was made from 2018-19; and
- In case of MPPaKVVCL and MPPoKVVCL, consumption pattern of the irrigation pumps varies in each area of the DISCOM based on water availability. The normative units fixed by MPERC are based on average units consumed in different districts of the DISCOM as well as State of Madhya Pradesh as a whole. Due to variance in the consumption pattern, the sold units may be booked more than input so as to bear the loss on account of normative billing units of other districts. The inflated billing in the reported districts was not due to assessed units on account of defective meters.

The reply of the Government is not acceptable as

- Additional units booked by MPMKVVCL during 2016-17 and 2017-18 were not in the line with the Tariff Orders; and
- The losses of one field unit should not be adjusted with other field units by booking of higher sold units and leading to inflated billing.

4.5.6.2 Failure in achieving the target of billing efficiency fixed by MPERC

All the DISCOMs registered distribution losses over and above the targets fixed by MPERC as given in **Table 4.5.2** above. Out of the 15 field units selected, only three field units¹¹² achieved the target levels whereas, 12¹¹³ field units failed to reduce the distribution losses upto the target levels fixed by MPERC (**Annexure 4.5.3**). The aggregate summarised position of the distribution losses in 12 field units (DISCOM-wise) is detailed in the **Table 4.5.4**:

¹⁰⁷ Field unit Chhindwara (MPPoKVVCL).

¹⁰⁸ Field unit Mandsaur (MPPaKVVCL).

¹⁰⁹ Billing against assessed consumption means the generation of bill on basis of previous three months' average or billing against assumed units.

¹¹⁰ Normative units are the units fixed by MPERC for energy accounting in the case of flat billing of agricultural consumers i.e. 1590 units per HP per annum in 2018-19.

¹¹¹ As per the established practice of sale, sold units cannot be more than units purchased for sale.

¹¹² Mandsaur, Indore (MPPaKVVCL) and Chhindwara (MPPoKVVCL)

¹¹³ MPMKVVCL: Hoshangabad, Betul, Gwalior, Sheopur and Rajgarh; MPPoKVVCL: Satna, Rewa, Katni and Chhatarpur; and MPPaKVVCL: Shajapur, Barwani and Khargone.

Table 4.5.4: Details of distribution losses (in MUs) incurred by 12 units in excess of the targets

DISCOM	FY	Energy Input (in MUs)	Energy sold (in MUs)	Billing Efficiency (in per cent)	Losses incurred by DISCOMs (in per cent)	Target fixed by MPERC (in per cent)	Excess against the target fixed by MPERC (in per cent)	Loss in MUs	Value of the loss of units as per ABR ¹¹⁴ (₹ in crore)
MPMKVVCL	2016-17	6048.87	3842.31	63.52	36.48	19.00	17.48	1057.32	689.86
	2017-18	6733.65	4085.35	60.67	39.33	18.00	21.33	1436.24	1031.98
	2018-19	7414.19	4699.56	63.39	36.61	17.00	19.61	1454.30	1025.92
	Sub-group total								3947.87
MPPoKVVCL	2016-17	5540.94	4118.63	74.33	25.67	18.00	7.67	424.94	236.28
	2017-18	6620.55	4417.22	66.72	33.28	17.00	16.28	1077.84	673.09
	2018-19	7260.00	4491.09	61.86	38.14	16.00	22.14	1607.31	1074.38
	Sub-group total								3110.09
MPPaKVVCL	2016-17	3819.23	2871.73	75.19	24.81	16.00	8.81	336.42	195.71
	2017-18	3943.56	3030.53	76.85	23.15	15.50	7.65	301.84	192.02
	2018-19	4346.03	3315.44	76.29	23.71	15.00	8.71	378.89	240.21
	Sub-group total								1017.15
Grand Total								8075.11	5361.55

(Source: Information furnished by the Management)

Thus, failure of the DISCOMs in complying with the losses targets fixed by MPERC resulted in losses to the extent of ₹ 5,361.55 crore (MPMKVVCL- ₹2,749.76 crore, MPPoKVVCL- ₹ 1983.85 crore and MPPaKVVCL- ₹ 627.94 crore) during 2016-17 to 2018-19 in respect of 12 selected field units (**Annexure 4.5.3**) which could not be realised through tariff and had to be borne by the DISCOMs.

Government stated (September 2020) that efforts were being made to reduce the losses through meterisation, Distribution Transformers (DTRs)¹¹⁵, Automatic Meter Reading meters and installation of Capacitor Banks (CBs)¹¹⁶. Further, in case of MPPaKVVCL, the position of distribution losses has improved during 2018-19. In respect of MPPoKVVCL and MPMKVVCL, it stated that paucity of funds is the main reason for shortfall in meterisation.

Despite efforts made by the DISCOMs as stated in the reply, 14.27 per cent of rural domestic consumers and 80.86 per cent of agriculture DTRs were still unmetered as of March 2019. Further, CBs were not installed on 29.34 per cent of the sub-stations (March 2019). The status of meterisation in rural areas and installation of CBs are indications that steps taken by the DISCOMs to strengthen the infrastructure were insufficient despite strengthening of infrastructure being emphasised by MPERC and UDAY Scheme also.

Consequently, no DISCOM could reduce the distribution losses up to the targets fixed by MPERC during 2016-17 to 2018-19

4.5.6.3 Deficiencies in infrastructure

For reduction in distribution losses, the infrastructure i.e. 100 per cent meterisation, smart metering and installation of CBs for recording of units injected and units billed should be adequate and efficient. Audit noticed the following deficiencies in respect of DTR meterisation, smart meters and CBs:

¹¹⁴ Average Billing Rate means total demand raised to the consumers divided by total sold units.

¹¹⁵ Meterisation for DTRs is required for recording actual units consumed and billed, so as to identify theft prone areas (in totality for a group of consumers availing supply from a given DTR).

¹¹⁶ Capacitor Banks are the equipment's installed at the sub-stations (SSs) to save energy and minimise distribution loss.

- **Shortfall in meterisation:** Despite directives issued (2016) by MPERC for 100 per cent meterisation of Distribution Transformers (DTRs), 78.13 per cent¹¹⁷ of DTR's were not metered and meters of 57.31 per cent¹¹⁸ of the metered DTRs were lying defective or meter reading not taken (*details given in Annexure 4.5.4*) as of 31st March 2019 in the selected field units;

- **AMR based meter reading:** Automatic Meter Reading (AMR) based meter reading is an important tool for increasing billing efficiency, as it avoids provisional billing. However, 36.09 per cent LT high value consumers¹¹⁹ (*Annexure 4.5.5*) were not being billed (March 2019) using AMR either due to absence of AMR enabled meters or installation of meters without modem¹²⁰; and

- **Capacitor Banks (CBs):** These are the equipment's installed at the sub-stations (SSs) to save energy and minimise distribution loss. CBs were not installed in 409 SSs out of a total 1,394 SSs in 15 selected field units (*Annexure 4.5.6*). Had the CBs been installed, the DISCOMs could have saved 2323.94 MUs¹²¹ in a year¹²².

Government replied (September 2020) that the work plan is being prepared and continuous efforts are being made to increase the infrastructure of DTR metering, AMR meters and capacitor banks.

The reply of the Government is not acceptable, as continuous efforts being done by DISCOMs did not prove its sufficiency and 80.86 per cent of agriculture DTRs were still unmetered (March 2019). The DISCOMs could not submit any effective plan before MPERC for achieving this target (March 2019).

4.5.6.4 High incidence of provisional billing

As per Clause 8.35 (b)¹²³, read with Clause 8.21¹²⁴ of the Supply Code, provisional billing should have been done upto a maximum of one month for defective meters only.

The aggregate position of billing of unmetered and metered (provisional as well as actual) consumption in DISCOMs as on March 2019 is as depicted in the **Chart 4.5.3**:

¹¹⁷ 2,16,620 DTRs out of 2,77,249 DTRs.

¹¹⁸ 34,749 DTRs out of 60629 metered DTRs.

¹¹⁹ 13,693 out of total 37,937LT consumer having load more than 10 KW.

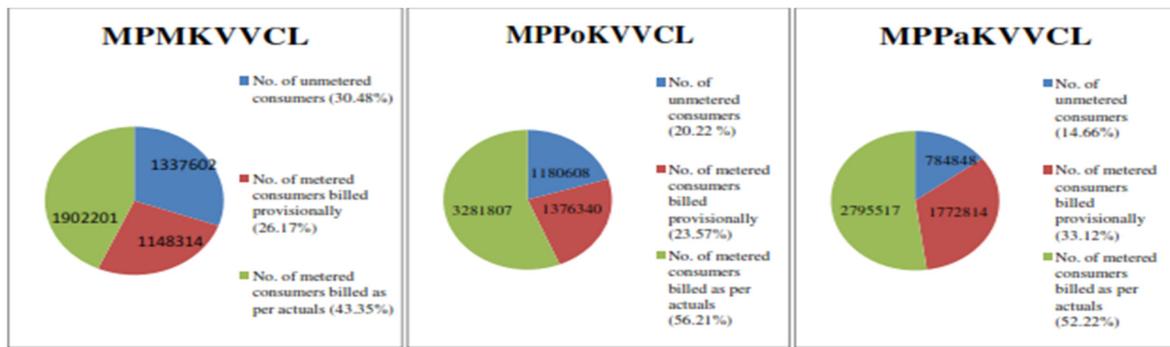
¹²⁰ A device which enables communication of reading at remote server from meter installed at consumer's premises without which the AMRs purpose could not be achieved.

¹²¹ 613.50 MVAR (613500 KVAR) (total capacity of *Annexure-4.5.6*)*3.788 MUs (As one MVAR of CB saves 3.788 MUs on average basis in a year) = 2323.94 MUs.

¹²² Losses worked out for the year 2018-19.

¹²³ If during the period when the main meter is defective, the check meter is not installed or is also found defective, the quantity of electricity supplied shall be determined on the basis of average monthly consumption of previous three months meter reading cycles.

¹²⁴ Defective meters should be replaced within fifteen days in urban area and thirty days in rural area.

Chart 4.5.3 Chart showing total consumers being billed without metered consumption

Analysis of the billing data and revenue statement (R-15) in the 15 sampled field units revealed that the percentage of provisional billing against metered consumers was not only high at the end of March 2019 but increased in comparison to 2016-17 as shown in **Table 4.5.5** below and detailed in **Annexure 4.5.7**.

Table 4.5.5: Details showing the aggregate position of provisional billing in sampled field units during 2016-17 to 2018-19

DISCOMs	2016-17			2017-18			2018-19		
	Total No. of metered consumers (Nos.)	Provisional Billing (Nos.)	Per cent	Total No. of metered consumers (Nos.)	Provisional Billing (Nos.)	Per cent	Total No. of metered consumers (Nos.)	Provisional Billing (Nos.)	Per cent
MPMKVVCL	833680	115085	13.80	877159	490654	55.94	954338	440416	46.15
MPPoKVVCL	1309839	367154	28.03	1413879	389385	27.54	1495363	607919	40.65
MPPaKVVCL	1449217	80485	5.55	1537098	63833	4.15	1635660	484362	29.61

(Source: R-15 and information furnished by the Management)

Audit noticed that the DISCOMs resorted to provisional billing in the following cases, due to which billing efficiency could not be assessed realistically:

- **Provisional billing of non-defective metered consumers:** Though provisional billing was to be done only in case of defective meters, the DISCOMs continued to bill 21.46 per cent¹²⁵ metered consumers on provisional basis despite having installed and working meters during audit period.

Government replied (September 2020) that the billing against assessed consumption is done in the case of consumers whose meter reading is found suspicious/ not satisfactory. However, in case of MPPaKVVCL, Government accepted that it is not possible for them to curb pilferage of energy due to scarcity of staff.

- **Provisional billing when metered consumption was available:** Further, the field units of the DISCOMs, in violation of the pronouncements of the Electricity Ombudsman¹²⁶, levied total of 45.30 MUs (for 62,222 consumers), 49.61 MUs (48,459 consumers) and 24.97 MUs (29,573 consumers) additionally as assessed units in the bills of the consumers whose metered consumption was available for billing during 2016-17, 2017-18 and 2018-19 respectively (as detailed in **Annexure 4.5.9**).

¹²⁵ Out of total 9,54,338 metered consumers, 3,27,729 consumers in MPMKVVCL, 2,72,797 consumers out of total 14,95,363 metered consumers in MPPoKVVCL and 2,76,112 consumers out of total 16,35,660 metered consumers in MPPaKVVCL as of March 2019.

¹²⁶ While deciding a case (L0026212, dated May 2013 and W0357416, dated February 2017) the Electricity Ombudsmen clearly pronounced that as per Section 8.35 of the Supply Code, assessed units should be levied when the consumer meter is stopped/ defective and no assessed units should be levied when the meter consumption is available for billing.

Government reiterated (September 2020) that billing against assessed consumption is done in the case of consumers whose meter reading is found suspicious/ not satisfactory.

The above replies are not acceptable because as per Supply Code, there is provision of provisional billing in case of defective meters only and not on account of reading found suspicious/ not satisfactory. In these cases, metered consumption was available, in spite of this, additional units (assessed consumption) were also levied. Further, assessed units cannot be levied on suspicion basis.

- **Replacement of defective meters:** The DISCOMs did not comply with the relevant provisions of the Supply Code w.r.t. replacement¹²⁷ of defective meters in 12 field units¹²⁸ out of total 15 sampled field units. The replacement of defective meters ranged between 4,532 (6.70 per cent) and 12,780 (68.02 per cent) during 2016-17 to 2018-19 in all three DISCOMs (*Annexure 4.5.8*). Due to this, 1,12,687 (11.81 per cent), 3,35,122 (22.41 per cent) and 2,08,250 (12.73 per cent) meters were lying defective in MPMKVVCL, MPPoKVVCL and MPPaKVVCL respectively in 2018-19.
- **Continuous provisional billing:** In case of the 15 selected field units, 14.58 per cent¹²⁹ metered consumers were being billed on provisional basis for three years continuously whereas Supply Code provides that provisional billing is only applicable for a maximum period of one month and only in case when meter is defective (*Annexure 4.5.10*). The continuous provisional billing was done due to defective meters and not taking meter readings.

Government stated (September 2020) that replacement of defective meters is a continuous process and vigorous efforts are being made to replace the defective meters in the field units.

The reply of the Government is not acceptable as replacement of defective meters did not show any improvement. The replacement of defective meters in the selected 12 field units ranged from 8.20 per cent to 55.13 per cent during 2018-19 against 7.53 per cent to 65.55 per cent of 2016-17. Further, out of total 56,89,566 consumers, 40,85,361 consumers were metered (March 2019) and 8,76,638 metered consumers (21.46 per cent) were billed provisionally despite the meters not being defective in selected field units.

4.5.6.5 Non-installation of meters for agricultural consumers

The field units release the connections to irrigation pumps under agriculture category (Category-5). Out of total 56,89,566 consumers only 10,71,679 (18.80 per cent) consumers¹³⁰ are covered under the category of irrigation pumps in 15 selected field units as of March 2019. Against these total agricultural consumers, only 2,387 (0.22 per cent) agricultural consumers were metered.

¹²⁷ Replacement of defective meters ranged between 6.7 per cent to 68.02 per cent, 11.28 per cent to 39.13 per cent and 7.53 per cent to 88.92 per cent in MPMKVVCL, MPPoKVVCL and MPPaKVVCL respectively.

¹²⁸ MPMKVVCL-Hoshangabad, Betul, Gwalior, Sheopur and Rajgarh. MPPoKVVCL- Satna, Rewa, Katni, Chhatarpur and Chhindwara, MPPaKVVCL-Mandsaur and Khargone.

Percentage of replacement of meters in three field units (Shajapur, Barwani and Indore City) of MPPaKVVCL ranging between 46.80 per cent to 88.92 per cent so considered as satisfactory.

¹²⁹ Out of total 4,40,416 LT metered consumers 1,16,210 were provisionally billed in MPMKVVCL, out of total 6,07,919 LT metered consumers 1,04,384 were provisionally billed in MPPoKVVCL and out of total 4,84,362 LT metered consumers 2,902 (figure pertains to town area only and other data not available) were provisionally billed in MPPaKVVCL.

¹³⁰ Total agricultural consumers/ total Consumers: MPMKVVCL-2,97,609/ 15,37,958; MPPoKVVCL-4,11,090/ 21,49,106; and MPPaKVVCL-3,62,980/ 20,02,502.

In respect of electricity consumption by the irrigation pumps of agriculture consumers, MPERC vide its Tariff Order for the year 2018-19 approved normative units of 1590 units/ HP annum for connections for both rural and urban areas for claim of subsidy from the GoMP. Further, MPERC instructed that the actual consumption would be considered for energy audit and accounting purposes and emphasized for 100 *per cent* meterisation for all connections.

However, the DISCOMs contested that the actual consumption of these agricultural consumers was higher than the normative units fixed by MPERC, and requested to fix the normative units at 1680 units/ HP/ annum for rural connections and 1740 units/ HP/ annum for urban connections in its Aggregate Revenue Requirement (ARR) for the year 2018-19. MPERC found the claim of the DISCOMs without basis of actual consumption pattern. But the DISCOMs could not submit actual pattern of consumption as meters for agricultural DTRs were not installed. As the DISCOMs failed to submit the reliable supporting data for their claim, MPERC did not consider the normative units proposed by the DISCOMs.

Government replied (September 2020) that 100 *per cent* meterisation could not be done due to paucity of funds and therefore, agriculture consumers were billed at flat rates.

The reply is not acceptable as considering the directives of MPERC (2016), it was the responsibility of the DISCOMs to prepare the detailed plan and arrange the required funds for achieving the target of 100 *per cent* meterisation. Further, the agriculture pump consumers are billed as per flat billing rate but MPERC demands for the metered data for fixation of normative units (on which basis tariff subsidy is claimed from State Government) in Tariff Order, thus due to non-submission of requisite metered data by the DISCOMs, MPERC could not fix the normative units as proposed by them.

4.5.6.6 Deficiencies in enforcement activities

Prevention of theft of electricity aims at reduction in line losses and improving billing efficiency. The DISCOMs fix targets for their field units to carry out raids to prevent theft of electricity and assess the detected theft cases as per the provision envisaged in Clause 2.2¹³¹ of Section 10 of Supply Code 2013.

Audit scrutinised the performance of enforcement and assessment of theft cases detected and observed the following deficiencies:

- MPMKVVCL and MPPoKVVCL fixed the target of raid checking to be performed by the field units. Against the targets fixed, the field units of these two Discoms were to perform the raid activities. However, MPPaKVVCL did not fix any targets of raid checking for its field units, the raids were conducted by the field units on random basis. Audit observed that the field units of two DISCOMs, viz. MPMKVVCL and MPPoKVVCL continuously failed to achieve the targets fixed for raid checking. The compliance against the targets ranged between 34.75 *per cent* and 68.66 *per cent* during 2016-17 to 2018-19. Audit further noticed that irregularities noticed against the checking performed by the field units were in range of an average of 19.24 *per cent* to 40.13 *per cent* cases (*Annexure 4.5.11*). Despite the significant number of detection of irregularities noticed during raid checking, the field units did not comply with the targets fixed for raid checking. This also indicated the negligent behaviour of the Discoms in performance of raid checking.

¹³¹ Clause 2.2 of the Section 10 of Supply Code stipulates that when a case of theft of energy is detected, the Authorized Officer shall assess the energy consumption under Section 135 of the Electricity Act, 2003, for the entire period during which such theft of electricity was detected or for a period of 12 (twelve) months immediately preceding the date of inspection, whichever is less. The assessment order would comprise of fixed charges, energy charges and other applicable charges as per applicable tariff.

Government stated (September 2020) in respect of MPPoKVVCL, that the targets could not be achieved due to shortage of manpower and manual work flow. Further, MPMKVVCL, contested that the actual number of connections checked was more than the numbers as reported by Audit because the field units did not report the cases where no irregularities were found. Regarding non fixation of targets in respect of MPPaKVVCL, it stated that fixation of any arbitrary targets for raid did not seem viable and might not yield required output as the field staff might resort to unwarranted checking to increase the number of raids.

The reply indicates that the DISCOMs were not following a uniform practice for conducting raids which is a major tool of monitoring to prevent theft. In case of MPPaKVVCL regarding not fixing any target of raids, MPPaKVVCL did not frame any alternate plan for enforcement activities to check the theft of power. Also, the reply is not correct in respect of MPMKVVCL as Audit did include all the cases (including the cases where no irregularity was found) to determine the number of actual checking performed against the targets.

- With regard to assessment of theft cases¹³² of agriculture pump connections, Audit observed that the DISCOMs, in contravention of Clause 2.2 of Section 10 of the Supply Code 2013, considered the theft period for one crop season (which is generally one to five months) instead of 12 months as provisioned in the Supply Code. This incorrect basis of assessment led to short billing by ₹ 6.97 crore (*Annexure 4.5.12*) and the DISCOMs had to suffer loss to the same extent.

Government in its reply stated (September 2020) that the authorised officer is empowered to detect the period of theft and in case of agricultural pump connections, the period of theft is determined considering crop period and on the basis of enquiry with nearby farmers.

The reply is not tenable as the Supply Code, 2013 does not provide considering the crop period as theft period in case of agriculture pump connections. Further, as per the provisions of the Supply Code 2013, the authorized officer shall assess the energy consumption for the entire period during which such theft of electricity was detected or for a period of 12 (twelve) months immediately preceding the date of inspection, whichever is less. Therefore, detection of theft period by authorised officer for assessment of energy consumption should be based on evidence, and not discretionary.

Further, in respect of assessment of cases of theft of electricity and settled through *Lok Adalat*, new connections would have to be released to the applicants in case they do not have one. Audit checked a total of 33,119 cases (domestic, non-domestic and agriculture pump connections) settled during 2016-17 to 2018-19 in 15 selected field units and noticed that no new connections were released while settling these cases by the field units, in violation of the terms and conditions of *Lok Adalat*. The reason as quoted by the field units was that realisation of assessed amount from the consumers was their priority and connection was to be realised at the request of the consumers. Thus, by not releasing connections, the DISCOMs had to suffer the loss of revenue of ₹ 8.00 crore (considering the minimum charges) in 15 selected field units (*Annexure 4.5.13*).

The reasons are flawed as the connections should have been released as required under the terms and conditions for the settlement of the cases under *Lok Adalat*, which would have also minimized the theft of electricity.

The Government replied (September 2020) that new connection is served to the consumers where release of permanent connections is found feasible.

¹³² Audit test checked 1,537 cases of agriculture pump connections theft cases out of total 99,838 cases settled in 15 field units during 2016-19.

The reply is incorrect as waiver of assessment amount was subject to release of new connection besides the Government did not furnish the details of consumers where serving the connection was not feasible.

4.5.6.7 Discrepancies in billing of HT Consumers

Billing of HT consumers is to be done as per the provisions of the Supply Code and Tariff Orders issued by MPERC from time to time.

Audit scrutinised the billing files of 356 HT consumers¹³³ out of a total of 2,666 HT consumers in 15 selected field units of the DISCOMs and noticed the following discrepancies in the billing of 94 HT consumers:

- In contravention of the orders of MPERC and the decisions of Electricity Ombudsman regarding Rural Area Rebate¹³⁴ to be allowed to HT consumers, 43 HT consumers were not allowed eligible rebate in rural areas¹³⁵ resulting in excessive billing of these HT consumers by ₹ 12.30 crore during 2016-17 to 2018-19 (*Annexure 4.5.14*);

Government agreed (September 2020) with the audit observation in the case of 4 HT consumers of MPPoKVVCL. With regard to the remaining 39 cases it was replied (September 2020) that 24 hours uninterrupted supply through urban/ industrial feeder was being provided to these consumers. It also clarified that the MPERC directed (November 2018) the Electricity Ombudsmen to re-examine the issue of providing this rebate to consumers getting 24 hours uninterrupted supply in rural area.

The reply is not acceptable as reason for extending rebate to the consumers getting 24 hours uninterrupted supply in urban/ industrial and rural areas was also not accepted by the Electricity Ombudsmen in various cases¹³⁶.

- Ten HT consumers of five field units were applied incorrect Tariff category in contravention to the provisions of the Tariff Orders issued by MPERC. Consequently, these HT consumers were short billed by ₹ 3.61 crore (*Annexure 4.5.15*).

Though Government agreed to the audit observation in case of 10 HT consumers, the recovery against 9¹³⁷ out of these 10 HT consumers was still pending (September 2020).

- In contravention of Section 4.43¹³⁸ of Madhya Pradesh Supply Code, 2013, permanent connections were served to 29 HT consumers (in five field units¹³⁹) who were eligible for temporary connections. Since rates of energy charges in permanent connection is

¹³³ MPMKVVCL- 116, MPPoKVVCL-108 and MPPaKVVCL-132.

¹³⁴ As per the provisions in the Tariff Orders issued by MPERC, 5 per cent rebate would be allowed against Fixed Charges and reduction in Minimum Consumption (kwh) at the rate of 20 per cent would be allowed for the consumers of HV-3 (Industrial and non-industrial consumers) getting supply through feeders of predominantly rural areas.

¹³⁵ The State Government notified rural areas vide notification No.2010/F13/05/13/2006 dated 25 March 2006. Hon'ble MPERC adopted the same definition of rural area as given in the aforesaid notification for identifying the rural area in all the Tariff Orders.

¹³⁶ Case no. L00-33-66, L00-46-17 and L00-22-17.

¹³⁷ Full recovery in case of consumer M/s Eklavya Awasiya Vidhayalaya (sl. no. 1), has been made and partial recovery in case of consumer M/s JawaharNavodayaVidhalaya (sl. no.3) has been made. One consumer i.e. M/s WCL has filed (February 2020) court case in the High Court, Jabalpur against the notice of recovery and change of tariff served by the MPMKVVCL, the matter is still sub-judice (September 2020) of *Annexure-4.5.15*.

¹³⁸ Any person requiring power supply for purpose that is temporary in nature, for a period of less than one year/two years may apply for temporary power supply. The period of temporary connections can be extended up to five years for construction of buildings/ power plants and for the purpose of setting up of industries.

¹³⁹ Betul (three connections), Rajgarh (15 connections), Chhindwara (one connection), Barwani (one connection) and Mandsaur (nine connections).

comparatively lower than temporary connections, the DISCOMs had to suffer loss of revenue of ₹ 22.64 crore (*Annexure 4.5.16*).

Government agreed (September 2020) with the observation in case of 15 HT consumers out of 29 HT consumers. Further, in case of 5 HT consumers pertaining to connection for construction purposes, Government replied that the permanent connections were served to these consumers either on the basis of their application or considering the conditions of temporary supply for the maximum period of 5 years as per Supply Code. In case of 9 HT temporary consumers of solar generators, Government stated that the condition of minimum consumption shall not be applicable. Billing is done on the basis of demand recorded on each occasion of availing supply during the billing month.

The reply of Government is not acceptable as MPERC while deciding a writ petition (12/2015) clarified that the construction purpose is temporary in nature, irrespective of the connection period and allowance of permanent connections for construction purposes is not in line with provisions of Supply Code. In case of 9 HT temporary consumers of solar generators, the condition of minimum consumption and billing on the basis of energy recorded during the billing month on highest monthly demand as quoted by the Government is incorrect for billing of the fixed charges to consumers under the temporary category¹⁴⁰.

- In violation of Clause 3.4¹⁴¹ of Supply Code, 12 HT consumers in seven field units were allowed contracted load lower than the minimum required load of 100 KVA for 33 KV supply voltage. Due to not increasing the contracted load upto the minimum required load, these consumers were short billed by ₹ 0.45 crore on account of levying short fixed charges during April 2016 to March 2019 (*Annexure 4.5.17*).

Government agreed (September 2020) with the audit observation in one case of MPMKVVCL¹⁴². Further in case of MPPaKVVCL and MPPoKVVCL, it replied that connections at the load below 100 KVA at 33 KVA voltage were served to the consumers prior to Supply Code, 2013 and prior to Electricity Act, 2003 and its provisions cannot be applied retrospectively.

The reply of Government regarding MPPaKVVCL and MPPoKVVCL is not acceptable as it has accepted the audit observation with respect to MPMKVVCL in a similar case. Further, audit worked out the short billing after the date of notification of Supply Code, 2013 and not with retrospective effect.

Thus, it is evident from the above that out of 356 selected HT consumers in 15 field units, 51 HT consumers were short billed by ₹ 26.70 crore¹⁴³ and 43 HT consumers were billed excess by ₹ 12.30 crore due to not adhering to the relevant provisions of the Supply Code and Tariff Orders.

¹⁴⁰ As per provision 1.17(c) of Tariff Order the billing demand for fixed charges in case of temporary connection shall be the demand requisitioned by the consumer or the highest monthly maximum demand during the period of supply commencing from the month of connection, ending with the billing month whichever is higher.

¹⁴¹ Clause 3.4 of Supply Codes Provides that the minimum contract demand of a consumer should be 100 KVA at supply voltage of 33 KV, provided that if the licensee is satisfied that there are sufficient grounds for deviation in the norms above stated and such deviation is technically feasible, it may grant the same for reasons to be recorded in writing.

¹⁴² In case of M/s Dwaraka insulation (at sl. no. 1 of the *Annexure-4.5.17*, recovery of ₹ 6.88 Lakh was made. In case of M/s Raj Industries (at sl. no.2 of the *Annexure- 4.5.17*), necessary approval from MPERC for deviation in load at 33 KVA had already been taken in 2008.

¹⁴³ ₹ 3.61 crore+ ₹ 22.64 crore+₹ 0.45 crore=₹ 26.70 crore.

4.5.6.8 Accumulation of arrears in revenue

The field units of DISCOMs have the responsibility for realisation of the revenue billed to the consumers. To improve the financial health of the DISCOMs, it is required to reduce the arrears of revenue and increase the collection efficiency. The position of arrears in various categories of consumers in 15 sampled field units is summarised in **Table 4.5.6** and (*Annexure 4.5.18*):

Table 4.5.6: Details of arrears in revenue realization in sampled field units

(₹ in crore)				
Name of DISCOMs	No. of field units selected	March 2017	March 2018	March 2019
MPMKVVCL	5	1287.76	1749.74	1269.30
MPPoKVVCL	5	612.97	901.06	704.15
MPPaKVVCL	5	621.49	588.44	646.51
Total	15	2522.22	3239.24	2619.96

(Source: R-15 statement)

The above table indicates that the arrears of revenue realization in all categories of consumers¹⁴⁴ increased during 2016-17 to 2017-18. However, the arrears decreased in 2018-19 in comparison to 2017-18 (mainly in domestic category) due to launch (2018) of the *Mukhya Mantri Bakaya Bill Mafi Yojana* by the GoMP under Sambal Yojana.

- **Disconnection of defaulting consumers:** In violation of Clause 9.14¹⁴⁵ of the Supply Code, the DISCOMs failed to disconnect the connections of the defaulting consumers and the arrears continued to accumulate in such cases. Analysis of arrears in the sampled field units revealed that an amount of ₹ 504.03 crore¹⁴⁶ was due as of 31st March 2019 from 7,62,198 consumers having arrears of more than one year but still not disconnected (*Annexure 4.5.19*). The period of arrears ranged from 12 to 36 months.
- **Non-recovery of dues from Government Departments:** The DISCOMs also failed to take effective steps for recovery of its dues from various Government (Central and State) Departments which increased from ₹ 77.09 crore during March 2017 to ₹ 147.95 crore in March 2019;
- **Non-follow up of Revenue Realisation Certificates (RRCs):** After finalisation of Permanent Disconnection (PD) of the consumers, the recovery of the dues should have been done on priority by issue of RRCs within six months of non-realisation of the dues against the PD cases. In the 15 sampled field units, the arrears after finalisation of PD of the consumers was ₹ 208.77 crore against 5,75,167 consumers as of March 2019 (*Annexure 4.5.20*). Out of these, arrears of ₹ 106.55 crore pertained to 2,48,724 consumers who were permanently disconnected 3 years earlier but the amount could not be realised till date (November 2019). Audit further noticed that out of 2,48,724 permanent disconnected consumers, in the case of 40,205 consumers, RRCs of ₹ 26.10 crore were issued for realisation of arrears. Remaining 2,08,519 cases of arrears of ₹ 80.45 crore were pending for further action, i.e. issuance of

¹⁴⁴ Domestic, non-domestic, public water works, LT industry, irrigation pumps, other agricultural and HT consumers.

¹⁴⁵ Clause 9.14 of Supply Code stipulates that the service connection of the consumer would be liable to be disconnected after 15 days of the notice served after due date given in monthly bills, if a consumer fails in payment of any bill in full by the due date.

¹⁴⁶ ₹ 244.45 crore due from 3,58,620 consumers in MPMKVVCL, ₹ 211.36 crore due from 3,41,309 consumers in MPPoKVVCL and ₹ 48.22 crore due from 62,269 consumers in MPPaKVVCL.

RRCs as of March 2019. This resulted in accumulation of arrears against PD cases and adversely affected collection efficiency.

• **Temporary connections:** DISCOMs should have obtained advance amount in case of temporary connections as per Clauses 4.47 and 4.50¹⁴⁷ of the Supply Code and strictly monitored the monthly bills of these connections so that there is no accumulation of arrears. However, Audit noticed that there were huge arrears amounting to ₹ 20.87 crore in 15 selected field units after finalisation of PD of temporary connections (*Annexure 4.5.21*).

Thus, due to deficiencies in disconnection of defaulting consumers, failure in persuasion with Government Departments, negligence in realisation of dues against PD consumers and temporary connections as discussed above, the arrears of ₹ 2,619.96 crore in 15 sampled field units remained unrecovered as of November 2019.

Government stated (September 2020) that continuous efforts were being made to recover the dues from the defaulting consumers and dues against Government Departments. In case of RRCs, efforts are also being made to recover the same but 100 *per cent* recovery in RRCs is not possible. Further, in case of dues against permanently disconnected temporary connections, efforts were being made to recover the dues and concerned officers would be held responsible in case of non-recovery.

The reply is not acceptable as collection efficiency in 2018-19 decreased in comparison to 2016-17 in case of MPPoKVVCL and MPPaKVVCL indicating that efforts made for realization of dues were inadequate. However, in case of MPMKVVCL, the collection efficiency increased by 1.18 *per cent* in 2018-19 against 2016-17.

4.5.6.9 Undue waiver of arrears of consumers in Sambal Yojana

As per Section 138 (interference with meters and works of licensee) of the Electricity Act, 2003, whoever unauthorisedly reconnects the electric line(s) or other works which have been disconnected (due to arrears), shall be punishable with imprisonment for a term of up to three years, or with a fine up to ten thousand rupees, or both. This penalty or fine should have been treated as assessed amount as civil liability in these cases.

Further, the GoMP instructed (August 2018) DISCOMs (in Sambal Yojna¹⁴⁸) to take back all litigations pending under Sections 135 and 138 and decided to waive off all civil liabilities pending against these cases. The arrears of the civil liabilities were to be borne by GoMP and DISCOMs in the ratio of 50:50.

During test-check of the records of the field units, Audit observed that in six field units¹⁴⁹ out of 15 sampled field units, while booking cases under Section 138 of the Electricity Act, 2003 in respect of the agriculture pump connections, the field units incorrectly included regular electricity arrears amounting to ₹ 3.40 crore (*Annexure 4.5.22*) in the amount of civil liability (fine and litigation amount) assessed under Section 138 and waived off (August/September 2018) the same in violation of the terms and conditions of the Scheme.

¹⁴⁷ In case of temporary connections, the licensee (DISCOMs) should charge energy bills in advance against the estimated consumption of 90 days and the advance should not be less than the charges for actual consumption.

¹⁴⁸ In June 2018, the State Government launched Sambal Yojna under which two schemes i.e. *Saral Bijli Scheme* (flat billing at ₹ 200) for registered labour/ karmkar and *Mukhaya mantra Bakaya Bill Mafi scheme* for BPL and registered labour/ karmkar (clearance of dues of these consumers as on June 2018). Further, the Government also decided to settle the cases booked under Section 138 and 135 against registered labour, BPL and agricultural pump connections.

¹⁴⁹ Hoshangabad, Rajgarh, Satna, Rewa, Chhindwara and Mandsaur.

Government stated (September 2020) that MPPoKVVCL had issued directions to re-examine the cases under Section 138. MPPaKVVCL had partially re-examined the cases pointed out by Audit and revised claim to GoMP was under process. MPMKVVCL assured that action to recover arrears from the farmers will be made.

Though the Government confirmed the audit observation but recovery was still pending (September 2020). Also the reply is silent about action taken for fixing the responsibility in case of MPPoKVVCL and MPMKVVCL.

Conclusion

It is evident from preceding paragraphs that the DISCOMs reported incorrect Billing Efficiency by booking additional units of sale. They resorted to provisional billing extensively, in violation of the various provisions of the Supply Code and Tariff Orders, which also impacted realistic reporting of billing efficiency of the DISCOMs. All this had adverse impact on the financial health of DISCOMs.

Recommendations

- **The DISCOMs need to comply with the provisions of Tariff Orders, Supply Code and directives of MPERC scrupulously and ensure correct billing of consumers and collection of revenue to achieve higher billing and collection efficiency.**
- **Appropriate steps need to be taken expeditiously to recover the dues by disconnection of defaulting consumers, vigorous persuasion with the Government Departments and defaulting consumers for realisation of dues from Permanently Disconnected consumers and temporary connections.**

Bhopal
The 28 June 2021



(BIJIT KUMAR MUKHERJEE)
Accountant General (Audit-II)
Madhya Pradesh

Countersigned

New Delhi
The 30 June 2021



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Annexures

Annexure-1.1 (A)
(Reference to Paragraph 1.1)

Details of PSUs				
		Sl. No.	Name of Companies	Year of Accounts received
	A	Active PSUs with latest Accounts		
		Government Companies		
PSUs Covered in this Report	Power	1	Madhya Pradesh Power Generating Company Limited (MPPGCL)	2018-19
		2	Madhya Pradesh Power Transmission Company Limited (MPPTCL)	2018-19
		3	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL)	2018-19
		4	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL)	2018-19
		5	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL)	2018-19
		6	Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL)	2017-18
		7	MP Power Management Company Limited (MPPMCL)	2018-19
	Non-Power	8	Madhya Pradesh State Agro Industries Development Corporation Limited (MPSAIDCL)	2017-18
		9	Madhya Pradesh Rajya Van Vikas Nigam Limited (MPRVANL)	2017-18
		10	The Provident Investment Company Limited (PICL)	2017-18
		11	M.P. Urban Development Company Limited (MPUDCL)	2017-18
		12	Madhya Pradesh State Electronics Development Corporation Limited (MPSEDCL)	2017-18
		13	M.P. Industrial Development Corporation Limited (MPIDCL)	2016-17
		14	Madhya Pradesh State Tourism Development Corporation Limited (MPSTDCL)	2016-17
		15	Madhya Pradesh Public Health Services Corporation Limited (MPPHSCL)	2018-19
		16	Sant Ravidas Madhya Pradesh Hastha Shilp Evam Hath KarghaVikas Nigam Limited	2017-18
		17	Madhya Pradesh State Civil Supply Corporation Limited (MPSCSCL)	2016-17
		18	Ujjain Smart City Development Corporation Limited (USCDCL)	2018-19
		19	Bhopal Smart City Development Corporation Limited (BSCDCL)	2017-18
		20	Gwalior Smart City Development Corporation Limited (GSCDCL)	2018-19
		21	Jabalpur Smart City Development Corporation Limited (JSCDCL)	2018-19
		22	Indore Smart City Development Corporation Limited (ISCDCL)	2018-19
		23	Madhya Pradesh LaghuUdyog Nigam Limited (MPLUNL)	2016-17
		24	DMIC Pithampur Jal Prabhandhan Limited (DMICPJPL)	2018-19
		25	Madhya Pradesh Jal Nigam Maryadit (MPJNM)	2017-18
		26	Madhya Pradesh Plastic City Development Corporation Gwalior Limited (MPPCDCGL)	2018-19
		27	Madhya Pradesh Road Development Corporation Limited (MPRDCL)	2017-18
		28	Pithampur Auto Cluster Limited (PACL)	2018-19

Details of PSUs			
	Sl. No.	Name of Companies	Year of Accounts received
	29	Jabalpur Electronics Manufacturing Park Limited (JEMPL)	2017-18
	30	Bhopal Electronics Manufacturing Park Limited (BEMPL)	2017-18
	31	Madhya Pradesh State Mining Corporation Limited (MPSMCL)	2018-19
	32	Madhya Pradesh Hotel Corporation Limited (MPHCL)	2017-18
	33	DMIC Vikram Udyogpuri Limited	2018-19
	34	Madhya Pradesh Plastic Park Development Corporation Limited (MPPPDCL)	2017-18
	35	Sagar Smart City Limited (SaSCL)	2017-18
	36	Satna Smart City Limited (SSCL)	2017-18
	Statutory Corporations		
	37	Madhya Pradesh Financial Corporation (MPFC)	2018-19
	38	Madhya Pradesh Warehousing and Logistics Corporation (MPWLC)	2018-19

Annexure-1.1 (B)
(Reference to Paragraph 1.1)

Details of PSUs				
	Sl. No.	Name of Companies	Year of Accounts received	
PSUs Not Covered in this Report	A	Inactive PSUs with latest Accounts		
	Non-Power	Defunct		
		1	MP Jaypee Minerals Limited	2018-19
		2	MP AMRL (Semaria) Coal Company Limited	2018-19
		3	MP AMRL (Morga) Coal Company Limited	2018-19
		4	MP AMRL (Bicharpur) Coal Company Limited	2018-19
		5	MP AMRL (Marki Barka) Coal Company Limited	2018-19
		6	MP Jaypee Coal Limited	2018-19
		7	MP Monnet Mining Company Limited	2018-19
		8	MP Jaypee Coal Fields Limited	2018-19
	9	M.P. Sainik Coal Mining Private Limited	2018-19	
		Business not commenced		
	Power	10	Shahpura Thermal Power Company Ltd (STPCL)	2018-19
		11	Bansagar Thermal Power Company Ltd (BTPCL)	2018-19
		12	Shri Singaji Power Project Limited (SSPPL)	2018-19
	Non-Power	13	M.P. Venture Finance Trustee Limited (MPVFTL)	2018-19
		14	Madhya Pradesh Metro Rail Company Limited (MPMRCL)	2016-17
		15	Narmada Basin Projects Company Limited (NBPCL)	2018-19
		16	M.P. Venture Finance Limited (MPVFL)	2018-19
		PSUs under liquidation		
	Power	17	Dada Dhuniwale Khandwa Power Ltd (DDKPL)	2016-17
	B	PSUs with Accounts in arrears		
	Non-Power	B. (i) Inactive PSUs with Accounts in arrears		
Ceased to operate				
1		Madhya Pradesh Rajya Setu Nirman Nigam Limited	1989-90	
2		Madhya Pradesh & Maharashtra Minerals & Chemicals Limited	2001-02	
Statutory Corporations				
3		Madhya Pradesh State Road Transport Corporation	2007-08	
PSUs under liquidation				
4		MP Vidyut Yantra Limited	1989-90	
5		Madhya Pradesh Film Development Corporation Limited	2009-10	
6		Optel Telecommunication Limited	2009-10	
7	Madhya Pradesh Panchayati Raj Vitta Evam Gramin Vikas Nigam Limited	2005-06		

Details of PSUs			
	Sl. No.	Name of Companies	Year of Accounts received
	B. (ii) Working PSUs not covered due to arrears of Accounts		
	8	Madhya Pradesh State Industrial Development Corporation Limited (MPSIDCL)	2014-15
	9	Madhya Pradesh Police Housing Corporation Limited (MPPHCL)	2015-16
	10	Madhya Pradesh Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Limited (MPPAVVNL)	2010-11
	11	Madhya Pradesh Adivasi Vitta Evam Vikas Nigam Limited (MPAVVNL)	2003-04
	12	Madhya Pradesh Tourism Board (MPTB)	First Accounts not received
	13	Singrauli Airport Company Limited (SACL)	
	14	B-Nest Foundation	
	15	Burhanpur City Transport Service Limited	
	16	Ratlam City Transport Services Limited	

Annexure-2.1

(Reference to Paragraphs 2.1.2, 2.7, 2.7.1 and 2.7.2)

Summarised financial position and working results of Power Sector PSUs for the latest year for which accounts were finalised

(₹ in crore)

Sl. No.	Sl. No.	Activity & Name of the Power Sector PSU	Period of Accounts	Net Profit/loss before Interest & Tax	Net Profit/Loss after Interest & Tax	Turnover	Paid-up capital	Capital Employed (Shareholders' Fund + Long Term Borrowing) ¹	Net-worth ²	Accumulated Profit/ Loss
1	2	3	4	5	6	7	8	9	10	11
A.		Generation								
1	1	MP Power Generating Company Limited (MPPGCL)	2018-19	1409.56	171.50	10080.14	6310.54	15600.82	3295.90	-3014.39
		Sub-total		1409.56	171.50	10080.14	6310.54	15600.82	3295.90	-3014.39
B.		Transmission								
2	1	MP Power Transmission Company Limited (MPPTCL)	2018-19	403.24	45.23	2973.82	3294.35	5758.46	3091.62	-202.73
		Sub-total		403.24	45.23	2973.82	3294.35	5758.46	3091.62	-202.73
C.		Distribution								
3	1	MP Poorv Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL)	2018-19	-1809.24	-2896.68	9693.90	6092.01	804.05	-11586.09	-17678.10
4	2	MP Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL)	2018-19	496.94	-424.28	13993.92	5673.96	4154.40	-5746.62	-11420.58
5	3	MP Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL)	2018-19	-2655.84	-3837.52	10930.36	5949.34	-3166.85	-16012.96	-21962.30
		Sub-total		-3968.14	-7158.48	34618.18	17715.31	1791.60	-33345.67	-51060.98
D.		Others								
6	1	MP Urja Vikas Nigam Limited (MPUVNL)	2017-18	0.00	0.00	252.97	0.69	0.69	0.69	0.00
7	2	MP Power Management Company Limited (MPPMCL)	2018-19	154.88	0.00	29692.08	16527.84	118.51	99.52	0.00
		Sub-total		154.88	0.00	29945.05	16528.53	119.20	100.21	0.00
		Total of covered in this Report (A+B+C+D)		-2000.46	-6941.75	77617.19	43848.73	23270.08	-26857.94	-54278.10

¹ Capital employed is the sum total of shareholders' funds and long term loans.

² Net worth is the sum total of the paid up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure.

Sl. No.	Sl. No.	Activity & Name of the Power Sector PSU	Period of Accounts	Net Profit/loss before Interest & Tax	Net Profit/Loss after Interest & Tax	Turnover	Paid-up capital	Capital Employed (Shareholders' Fund + Long Term Borrowing) ¹	Net-worth ²	Accumulated Profit/ Loss
1	2	3	4	5	6	7	8	9	10	11
E.		Not covered in this Report								
8	1	Shahpura Thermal Power Company Limited (STPCL)	2018-19	0.00	0.00	0.01	0.05	4.90	0.09	0.04
9	2	Bansagar Thermal Power Company Limited (BTPCL)	2018-19	0.08	0.07	0.08	0.05	0.68	-2.81	-2.86
10	3	Shri Singaji Power Project Limited (SSPPL)	2018-19	0.00	0.00	0.00	0.05	0.04	0.04	-0.01
11	4	Dada Dhuniwale Khandwa Power Limited (DDKPL)	2016-17	-2.23	-3.06	-	45.00	36.38	36.38	-8.62
		Total of not covered in this Report (E)		-2.15	-2.99	0.09	45.15	42.01	33.70	-11.46
		Grand Total		-2002.62	-6944.74	77617.28	43893.88	23312.09³	-26824.25	-54289.56

³ While calculating the Capital Employed and Net worth of holding companies at Sl. No. A1 and D7, the investment of ₹ 0.25 core and ₹ 16428.32 crore respectively in their subsidiaries (E10 and E11 of MPPGCL and C3, C4, C5, E8 and E9 of MPPMCL) has been excluded.

Annexure-2.2

(Reference to Paragraph 2.7.1.1)

Statement showing paid-up Capital and Loans outstanding as on 31 March 2019 in respect of Power Sector PSUs

(₹ in crore)

Sl. No.	Sector and Name of the PSU	Paid-up Capital				Outstanding Loans			
		State Govt.	Central Govt.	Others	Total	State Govt.	Central Govt.	Others	Total
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)
A. Working PSUs									
1	MP Power Generating Company Limited (MPPGCL)	6125.54	0.00	185.00	6310.54	186.15	0.00	12118.76	12304.92
2	MP Power Transmission Company Limited (MPPTCL)	3294.35	0.00	0.00	3294.35	2088.15	0.00	578.69	2666.84
3	MP Poorv Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL)	0.00	0.00	6092.01	6092.01	9421.34	0.00	2968.80	12390.14
4	MP Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL)	0.00	0.00	5673.96	5673.96	8135.04	0.00	1765.99	9901.03
5	MP Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL)	0.00	0.00	5949.34	5949.34	8170.50	0.00	4675.61	12846.11
6	MP UrjaVikas Nigam Limited (MPUVNL)	0.69	0.00	0.00	0.69	0.00	0.00	0.00	0.00
7	MP Power Management Company Limited (MPPMCL)	16527.84	0.00	0.00	16527.84	18.99	0.00	0.00	18.99
	Total	25948.41	0.00	17900.31	43848.72	28020.17	0.00	22107.85	50128.03
B. Non-working PSUs									
1	Shahpura Thermal Power Company Limited (STPCL)	0.00	0.00	0.05	0.05	0.00	0.00	4.82	4.82
2	Bansagar Thermal Power Company Limited (BTPCL)	0.00	0.00	0.05	0.05	3.49	0.00	0.00	3.49
3	Shri Singaji Power Project Limited (SSPPL)	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00
4	Dada Dhuni Wale Khandwa Power Limited (DDKPL)	0.00	0.00	45.00	45.00	0.00	0.00	0.00	0.00
	Sub total	0.00	0.00	45.15	45.15	3.49	0.00	4.82	8.31
	Grand Total	25948.41	0.00	17945.46	43893.87	28023.66	0.00	22112.68	50136.34

Annexure-3.1
(Reference to Paragraphs 3.1, 3.1.1, 3.8, 3.8.1 and 3.8.4)
Summarised financial position of State PSUs (Non-Power Sector) as per latest finalised accounts

(₹ in crore)

Sl. No.	Sl. No.	Sector and Name of the PSU	Period of Accounts	Year in which accounts finalised	Net Profit/loss before Interest & Tax (EBIT)	Net Profit/Loss after Interest & Tax	Turnover	Paid-up capital	Capital Employed (Shareholders' Funds + Long Term Borrowing)	Net-worth	Accumulated Profit/Loss
1	2	3	4	5	6	7	8	9	10	11	12
I PSUs working in Monopolistic environment											
A. Government Companies											
1	1	MP Rajya Van Vikas Nigam Limited	2017-18	2018-19	92.87	88.65	108.89	39.32	456.36	456.36	362.19
2	2	MP Jal Nigam Maryadit	2017-18	2018-19	-0.12	-0.12	0.00	100.00	105.31	105.31	5.31
3	3	MP State Mining Corporation Limited	2018-19	2019-20	170.58	107.47	168.25	2.20	516.55	516.55	42.96
		Sub-total			263.33	196.00	277.14	141.52	1078.22	1078.22	410.46
II Centage/ Commission/ Interest etc. earning PSUs											
A. Government Companies											
4	1	MP State Agro Industries Development Corporation Limited	2017-18	2019-20	35.76	20.83	966.69	3.30	191.76	191.76	169.90
5	2	M.P. Urban Development Corporation Limited	2017-18	2019-20	-6.82	-6.08	2.46	1.00	699.77	495.92	-9.08
6	3	MP Laghu Udyog Nigam Limited	2016-17	2019-20	21.14	13.12	103.06	2.83	145.65	145.65	126.61
7	4	Madhya Pradesh State Civil Supplies Corporation Limited	2016-17	2018-19	1268.24	-27.24	12796.07	8.47	155.15	49.13	40.66
8	5	MP Public Health Services Corporation Limited	2018-19	2019-20	7.11	4.95	5.88	10.00	28.38	28.38	18.38
9	6	The Provident Investment Company Limited	2017-18	2018-19	-1.63	-1.66	1.12	0.50	25.21	19.40	18.90
10	7	MP Road Development Corporation Limited	2017-18	2019-20	18.41	14.24	61.03	20.00	269.90	269.90	234.21

Sl. No.	Sl. No.	Sector and Name of the PSU	Period of Accounts	Year in which accounts finalised	Net Profit/loss before Interest & Tax (EBIT)	Net Profit/ Loss after Interest & Tax	Turnover	Paid-up capital	Capital Employed (Shareholders' Funds + Long Term Borrowing)	Net-worth	Accumulated Profit/ Loss
1	2	3	4	5	6	7	8	9	10	11	12
11	8	MP State Electronics Development Corporation Limited	2017-18	2018-19	10.00	6.98	105.10	21.91	75.81	58.69	25.64
12	9	DMIC Vikram Udyogpuri Limited	2018-19	2019-20	2.53	-1.06	0.00	112.86	318.50	118.31	5.45
13	10	DMIC Pithampur Jal Prabhandhan Limited	2018-19	2019-20	0.05	0.02	0.00	35.00	40.32	40.32	5.32
14	11	Pithampur Auto Cluster Limited	2018-19	2019-20	5.62	4.05	10.18	12.89	70.62	70.62	-4.19
15	12	MP Plastic Park Development Corporation Limited	2017-18	2018-19	0.00	0.00	0.00	13.40	13.56	13.56	0.16
16	13	MP Plastic City Development Corporation Gwalior Limited	2018-19	2019-20	-0.16	-1.63	0.00	2.27	22.42	-0.55	-2.82
17	14	Sant Ravidas MP Hastha Shilp Evam Hath Kargha Vikas Nigam Limited	2017-18	2019-20	0.04	0.04	27.08	1.26	25.44	25.44	2.81
18	15	Jabalpur Electronics Manufacturing Park Limited	2017-18	2019-20	0.00	0.00	0.00	0.05	26.43	23.36	0.00
19	16	Bhopal Electronics Manufacturing Park Limited	2017-18	2019-20	0.00	0.00	0.00	0.05	36.04	36.04	0.00
20	17	Ujjain Smart City Development Corporation Limited	2018-19	2019-20	0.00	0.00	0.02	200.00	200.00	200.00	0.00
21	18	Bhopal Smart City Development Corporation Limited	2017-18	2019-20	0.57	0.40	0.00	200.00	200.40	200.40	0.00
22	19	Gwalior Smart City Development Corporation Limited	2018-19	2019-20	0.02	0.00	0.00	200.00	428.14	428.14	0.00
23	20	Jabalpur Smart City Development Corporation Limited	2018-19	2019-20	0.00	-0.76	0.63	200.00	199.07	199.07	-0.93
24	21	Indore Smart City Development Corporation Limited	2018-19	2019-20	0.27	-3.97	1.69	200.00	195.03	195.03	-4.97
25	22	Satna Smart City Development Corporation Limited	2017-18	2019-20	0.00	0.00	0.00	0.10	1.62	1.62	0.00
26	23	Sagar Smart City Development Corporation Limited	2017-18	2019-20	0.00	0.00	0.00	40.10	40.10	40.10	0.00

Sl. No.	Sl. No.	Sector and Name of the PSU	Period of Accounts	Year in which accounts finalised	Net Profit/loss before Interest & Tax (EBIT)	Net Profit/Loss after Interest & Tax	Turnover	Paid-up capital	Capital Employed (Shareholders' Funds + Long Term Borrowing)	Net-worth	Accumulated Profit/Loss
1	2	3	4	5	6	7	8	9	10	11	12
27	24	MP Industrial Development Corporation Limited	2016-17	2019-20	0.11	0.06	0.11	0.80	1917.67	13.96	0.06
		Sub-total			1361.26	22.29	14081.12	1286.78	5326.98	2864.24	626.11
B. Statutory Corporation											
28	1	Madhya Pradesh Warehousing and Logistics Corporation	2018-19	2019-20	221.72	156.52	503.80	8.06	989.85	989.85	476.04
		Sub Total (Corporation)			221.72	156.52	503.80	8.06	989.85	989.85	476.04
Total of Centage/ Commission/ Interest etc. earning PSUs					1582.98	178.81	14584.92	1294.84	6316.83	3854.09	1102.15
III PSUs in Competitive Environment Sector											
A. Government Companies											
29	1	MP State Tourism Development Corporation Limited	2016-17	2019-20	13.53	10.92	109.24	113.97	1067.11	1067.11	16.80
30	2	Madhya Pradesh Hotel Corporation Limited	2017-18	2018-19	0.61	0.42	9.63	1.60	4.88	0.88	-0.72
		Sub-total			14.14	11.34	118.87	115.57	1071.99	1067.99	16.08
B. Statutory Corporation											
31	1	Madhya Pradesh Financial Corporation	2018-19	2019-20	15.04	-58.45	98.20	406.10	1174.87	436.29	12.09
		Sub Total			15.04	-58.45	98.20	406.10	1174.87	436.29	12.09
Total of Competitive Environment Sector PSUs					29.18	-47.11	217.07	521.67	2246.86	1504.28	28.17
Grand Total					1875.49	327.70	15079.12	1958.03	9641.91	6436.59	1540.78

Annexure-3.2
(Reference to Paragraph 3.1)
Details of State PSUs (Non- Power Sector) not covered in this Report

(₹ in crore)

Sl. No.	Sector & Name of the PSU	Period of accounts	Year in which finalised	Net profit/ loss after dividend, Interest & Tax	Turnover	Paid up capital
1	2	3	4	5	6	7
I	Functional PSUs whose accounts are in arrear for three years or more					
1	MP Pichhara Varg Tatha Alpsankhyak Vitta EvamVikas Nigam Limited	2010-11	2018-19	0.74	2.36	8.55
2	MP Adivasi Vitta Evam Vikas Nigam Limited	2003-04	2011-12	0.00	4.38	18.36
3	MP State Industrial Development Corporation Limited	2014-15	2018-19	19.38	2.95	81.09
4	MP Police Housing and Infrastructure Development Corporation Limited	2015-16	2018-19	13.97	38.05	4.58
	Sub Total			34.09	47.74	112.58
II	Functional PSUs which had not commenced business/ First Accounts not received (FANR)					
5	Singrauli Airport Company Limited	FANR	NA	NA	NA	NA
6	MP Tourism Board	FANR	NA	NA	NA	NA
7	B-Nest Foundation	FANR	NA	NA	NA	NA
8	Burhanpur City Transport Service Limited	FANR	NA	NA	NA	NA
9	Ratlam Bus Services Limited	FANR	NA	NA	NA	NA
10	Narmada Basin Projects Company Limited	2018-19	2019-20	0.23	0.00	5.00
11	MP Metro Rail Company Limited	2016-17	2018-19	-0.18	0.00	30.00
12	M.P. Venture Finance Limited	2018-19	2019-20	0.00	0.00	0.30
13	M.P. Venture Finance Trustee Limited	2018-19	2019-20	0.00	0.00	0.01
	Sub Total			0.05	0.00	35.31
III	Non-functional PSUs					
A	Government Companies					

Sl. No.	Sector & Name of the PSU	Period of accounts	Year in which finalised	Net profit/ loss after dividend, Interest & Tax	Turnover	Paid up capital
1	2	3	4	5	6	7
14	MP Rajya Setu Nirman Nigam Limited	1989-90	1993-94	0.00	0.00	5.00
15	MP AMRL (Semaria) Coal Company Limited	2018-19	2019-20	-0.01	0.00	1.00
16	MP AMRL (Morga) Coal Company Limited	2018-19	2019-20	-0.01	0.00	1.00
17	MP AMRL (Bicharpur) Coal Company Limited	2018-19	2019-20	-0.17	0.00	1.00
18	MP AMRL (MarkiBarka) Coal Company Limited	2018-19	2019-20	-0.01	0.00	1.00
19	MP Jaypee Coal Limited	2018-19	2019-20	-3.27	0.00	10.00
20	MP Monnet Mining Company Limited	2018-19	2019-20	-1.03	0.00	2.00
21	MP Jaypee Coal Fields Limited	2018-19	2019-20	0.01	0.00	10.00
22	MP Jaypee Minerals Limited	2018-19	2019-20	1.03	0.00	61.22
23	M.P. Sainik Coal Mining Private Limited	2018-19	2019-20	0.00	0.00	0.33
24	MP & Maharashtra Minerals & Chemicals Limited	2001-02	2019-20	0.00	0.00	0.30
	Sub Total			-3.46	0.00	92.85
B	Statutory Corporation					
25	MP State Road Transport Corporation	2007-08	2008-09	0.00	210.05	141.81
	Sub Total			0.00	210.05	141.81
IV	PSUs Under Liquidation					
	Government Companies					
26	MP Panchayati Raj Vitta Evam Gramin Vikas Nigam Limited	2005-06	2006-07	0.00	0.00	0.16
27	MP Film Development Corporation Limited	2009-10	2010-11	0.00	0.00	1.04
28	Optel Telecommunication Limited	2009-10	2010-11	0.00	0.00	23.97
29	MP Vidyut Yantra Limited	0	0	0.00	0.00	1.50
	Sub Total			0.00	0.00	26.67
	Total of all sectors			30.68	257.79	409.22

Annexure-3.3

(Reference to Paragraph 3.2)

Statement showing position of equity and outstanding loans relating to PSUs (Non-Power Sector) as on 31 March 2019

₹ in crore)

Sl. No.	Sector & Name of the PSU	Name of the Department	Month and year of incorporation	Equity at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19				
				GoMP	GoI	Others	Total	GoMP	GoI	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6(b)	6 (c)	6 (d)	
I. PSUs working in Monopolistic environment												
Government Companies												
1	1	Madhya Pradesh Rajya Van Vikas Nigam Limited	Forest Department	24-Jul-75	37.93	1.39	0.00	39.32	0.00	0.00	0.00	0.00
2	2	Madhya Pradesh Jal Nigam Maryadit	Public Health Engineering Department	09-Jul-12	100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00
3	3	Madhya Pradesh State Mining Corporation Limited	Mineral Resources Department	19-Jan-62	2.20	0.00	0.00	2.20	0.00	0.00	0.00	0.00
Sub Total					140.13	1.39	0.00	141.52	0.00	0.00	0.00	0.00
II. Centage/ Commision/ Interest etc. earning PSUs												
a) Government Companies												
4	1	Madhya Pradesh State Agro Industries Development Corporation Limited	Fruit processing & Horticulture Department	21-Mar-69	2.10	1.20	0.00	3.30	0.00	0.00	0.00	0.00
5	2	M.P. Urban Development Corporation Limited	Department of Urban Development & Housing	27-Apr-15	1.00	0.00	0.00	1.00	0.00	0.00	904.66	904.66
6	3	Madhya Pradesh Laghu Udyog Nigam Limited	Micro, Small and Medium Entrepreneur Department	28-Dec-61	2.67	0.15	0.00	2.82	0.00	0.00	0.00	0.00
7	4	Madhya Pradesh State Civil Supplies Corporation Limited	Food, Civil Supplies & Consumer Protection	03-Apr-74	8.47	0.00	0.00	8.47	98.28	0.00	7.74	106.02
8	5	Madhya Pradesh Public Health Services Corporation Limited	Department of Public Health & Family Welfare	06-Mar-14	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00
9	6	The Provident Investment Company Limited	Finance Department	04-Feb-26	0.50	0.00	0.00	0.50	0.00	0.00	0.00	0.00

Sl. No.	Sector & Name of the PSU	Name of the Department	Month and year of incorporation	Equity at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19				
				GoMP	GoI	Others	Total	GoMP	GoI	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6(b)	6 (c)	6 (d)	
10	7	Madhya Pradesh Road Development Corporation Limited	Public Works Department	14-Jul-04	20.00	0.00	0.00	20.00	0.00	0.00	0.00	0.00
11	8	Madhya Pradesh State Electronics Development Corporation Limited	Department of Commerce & Industry	18-Nov-83	21.91	0.00	0.00	21.91	17.12	0.00	0.00	17.12
12	9	DMIC Vikram Udyogpuri Limited	Department of Industry Policy & Investment Promotion	18-Mar-10	0.00	0.00	112.86	112.86	0.00	0.00	200.19	200.19
13	10	DMIC Pithampur Jal Prabhandhan Limited	Department of Industry Policy & Investment Promotion	27-Mar-14	0.00	0.00	35.00	35.00	0.00	0.00	0.00	0.00
14	11	Pithampur Auto Cluster Limited	Commerce & Industry	27-Dec-04	0.00	0.00	12.12	12.12	0.00	0.00	0.00	0.00
15	12	Madhya Pradesh Plastic Park Development Corporation Limited	Department of Industry Policy & Investment Promotion	01-Apr-13	0.00	0.00	13.40	13.40	0.00	0.00	15.00	15.00
16	13	Madhya Pradesh Plastic City Development Corporation Gwalior Limited	Department of Industry Policy & Investment Promotion	29-Jul-16	0.00	0.00	2.27	2.27	0.00	0.00	20.41	20.41
17	14	Sant Ravidas Madhya Pradesh Hastha Shilp Evam Hath Kargha Vikas Nigam Limited	Kutir evam Gramoudhog Department	28-Nov-81	0.02	0.52	0.72	1.26	0.00	0.00	0.00	0.00
18	15	Jabalpur Electronics Manufacturing Park Limited	Department of Science & Technology	18-Jan-16	0.00	0.00	0.05	0.05	0.00	0.00	3.07	3.07
19	16	Bhopal Electronics Manufacturing Park Limited	Department of Science & Technology	18-Jan-16	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00
20	17	Ujjain Smart City Development Corporation Limited	Urban Development and Housing Department	02-Nov-16	0.00	0.00	200.00	200.00	0.00	0.00	0.00	0.00
21	18	Bhopal Smart City Development Corporation Limited	Urban Development and Housing Department	14-Mar-16	0.00	0.00	200.00	200.00	0.00	0.00	0.00	0.00
22	19	Gwalior Smart City Development Corporation Limited	Urban Development and Housing Department	25-Oct-16	0.00	0.00	200.00	200.00	0.00	0.00	0.26	0.26

Sl. No.	Sector & Name of the PSU	Name of the Department	Month and year of incorporation	Equity at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19				
				GoMP	GoI	Others	Total	GoMP	GoI	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6(b)	6 (c)	6 (d)	
23	20	Jabalpur Smart City Development Corporation Limited	Urban Development and Housing Department	14-Mar-16	0.00	0.00	200.00	200.00	0.00	0.00	0.00	0.00
24	21	Indore Smart City Development Corporation Limited	Urban Development and Housing Department	11-Mar-16	0.00	0.00	200.00	200.00	0.00	0.00	0.00	0.00
25	22	Satna Smart City Development Corporation Limited	Urban Development and Housing Department	20-Oct-17	0.00	0.00	0.10	0.10	0.00	0.00	0.00	0.00
26	23	Sagar Smart City Development Corporation Limited	Urban Development and Housing Department	20-Oct-17	0.00	0.00	40.10	40.10	0.00	0.00	0.00	0.00
27	24	MP Industrial Development Corporation	Urban Development and Housing Department	14-Feb-77	0.80	0.00	0.00	0.80	1903.71	0.00	458.09	2361.80
		Sub Total			67.47	1.87	1216.67	1286.01	2019.11	0.00	1609.42	3628.53
	b)	Statutory Corporations										
28	1	Madhya Pradesh Warehousing and Logistics Corporation	Food, Civil Supplies & Consumer Protection	19-Feb-58	4.28	0.00	3.78	8.06	0.00	0.00	0.00	0.00
		Sub Total (Corporations)			4.28	0.00	3.78	8.06	0.00	0.00	0.00	0.00
		Total of Centage/Commission/Interest etc. earning PSUs			71.75	1.87	1220.45	1294.07	2019.11	0.00	1609.42	3628.53
	III.	Competitive Environment Sector PSUs										
	a)	Government Companies										
29	1	Madhya Pradesh State Tourism Development Corporation Limited	Tourism Department	24-May-78	113.97	0.00	0.00	113.97	0.00	0.00	0.00	0.00
30	2	Madhya Pradesh Hotel Corporation Limited	Tourism Department	31-Jan-85	0.00	0.00	1.60	1.60	0.00	0.00	4.00	4.00
		Sub Total			113.97	0.00	1.60	115.57	0.00	0.00	4.00	4.00
	b)	Statutory Corporations										
31	1	Madhya Pradesh Financial Corporation	Finance Department	30-Jun-55	383.70	0.00	22.40	406.10	0.00	0.00	495.69	495.69
		Sub Total			383.70	0.00	22.40	406.10	0.00	0.00	495.69	495.69

Sl. No.	Sector & Name of the PSU	Name of the Department	Month and year of incorporation	Equity at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19				
				GoMP	GoI	Others	Total	GoMP	GoI	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6(b)	6 (c)	6 (d)	
	Total Competitive Environment Sector			497.67	0.00	24.00	521.67	0.00	0.00	499.69	499.69	
	Grand Total (PSUs covered in the Report) (A)			709.55	3.26	1244.45	1957.26	2019.11	0.00	2109.11	4128.22	
32	1	MP Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Limited	Picchra Varg Kalyan Department	29-Sep-94	10.75	0.00	0.00	10.75	0.58	0.00	0.00	0.58
33	2	MP Adivasi Vitta Evam Vikas Nigam Limited	Schedule Tribe Welfare Department	29-Sep-94	25.50	10.68	0.00	36.18	0.00	0.00	0.00	0.00
34	3	MP State Industrial Development Corporation Limited	Department of Commerce & Industry	13-Sep-65	81.09	0.00	0.00	81.09	246.01	0.00	1.63	247.64
35	4	MP Police Housing and Infrastructure Development Corporation Limited	Home Department	31-Mar-81	4.56	0.00	0.00	4.56	0.00	0.00	507.18	507.18
36	5	Singrauli Airport Corporation Limited	Civil Aviation Department	18-Feb-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	6	MP Tourism Board	Tourism Department	10-Apr-17	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00
38	7	B-Nest Foundation	Urban Development and Housing Department	23-Apr-18	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00
39	8	Burhanpur City Transport Service Limited	Urban Development and Housing Department	04-Dec-14	NA	NA	NA	NA	NA	NA	NA	NA
40	9	Ratlam Bus Services Limited	Urban Development and Housing Department	20-Dec-17	NA	NA	NA	NA	NA	NA	NA	NA
41	10	Narmada Basin Projects Company Limited	Narmada Valley Development Department	27-Oct-11	5.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00
42	11	MP Metro Rail Company Limited	Urban Development and Housing Department	09-Jul-15	143.39	0.00	0.00	143.39	0.00	0.00	0.00	0.00
43	12	M.P. Venture Finance Limited	Finance Department	31-Mar-15	0.26	0.00	0.04	0.30	0.50	0.00	0.00	0.50
44	13	M.P. Venture Finance Trustee Limited	Finance Department	11-May-15	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00
45	14	MP RajyaSetuNirman Nigam Limited	Public Works Department	04-Oct-78	5.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00
46	15	MP AMRL (Semaria) Coal Company Limited	Mineral Resources Department	19-Nov-09	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00

Sl. No.	Sector & Name of the PSU	Name of the Department	Month and year of incorporation	Equity at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19				
				GoMP	GoI	Others	Total	GoMP	GoI	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6(b)	6 (c)	6 (d)	
47	16	MP AMRL (Morga) Coal Company Limited	Mineral Resources Department	19-Nov-09	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00
48	17	MP AMRL (Bicharpur) Coal Company Limited	Mineral Resources Department	19-Nov-09	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00
49	18	MP AMRL (MarkiBarka) Coal Company Limited	Mineral Resources Department	19-Nov-09	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00
50	19	MP Jaypee Coal Limited	Mineral Resources Department	14-May-09	0.00	0.00	10.00	10.00	0.00	0.00	0.00	0.00
51	20	MP Monnet Mining Company Limited	Mineral Resources Department	16-Nov-09	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.00
52	21	MP Jaypee Coal Fields Limited	Mineral Resources Department	04-Jan-10	0.00	0.00	10.00	10.00	0.00	0.00	0.00	0.00
53	22	MP Jaypee Minerals Limited	Mineral Resources Department	21-Feb-06	0.00	0.00	61.22	61.22	0.00	0.00	98.99	98.99
54	23	M.P. Sainik Coal Mining Private Limited	Mineral Resources Department	22-Jul-05	0.00	0.00	0.33	0.33	0.00	0.00	0.00	0.00
55	24	MP & Maharashtra Minerals & Chemicals Limited	Mineral Resources Department		0.00	0.00	0.30	0.30	0.00	0.00	1.50	1.50
56	25	MP State Road Transport Corporation	Transport Department	21-May-62	109.96	31.85	0.00	141.81	573.35	0.00	0.00	573.35
57	26	MP Panchayati Raj VittaEvamGraminVikas Nigam Limited	Panchayat and Rural Development	30-Mar-81	0.16	0.00	0.00	0.16	0.00	0.00	0.00	0.00
58	27	MP Film Development Corporation Limited	Department of Culture	16-Dec-81	1.04	0.00	0.00	1.04	0.00	0.00	0.00	0.00
59	28	Optel Telecommunication Limited	Commerce & Industry	23-Dec-88	0.00	0.00	23.97	23.97	17.12	0.00	0.00	17.12
60	29	MP VidyutYantra Limited	Commerce & Industry	03-Dec-74	0.00	0.00	1.50	1.50	0.00	0.00	0.00	0.00
		Total (PSUs not covered in the Report)(B)			396.72	42.53	114.36	553.61	837.56	0.00	609.30	1446.86
		Total A+B			1106.27	45.79	1358.82	2510.87	2856.67	0.00	2718.41	5575.08

Annexure-3.4

(Reference to Paragraph 3.5)

Statement showing difference between Finance Accounts of Government of Madhya Pradesh and Accounts of the State PSUs (Non-Power Sector) in respect of balances of Equity, Loans and Guarantee as on 31 March 2019

(₹ in crore)

Sl. No.	Name of PSU	As per records of the State PSUs			As per Finance Accounts of Government of Madhya Pradesh			Difference		
		Paid-up capital	Loans Outstanding	Guarantee Committed	Paid-up capital	Loans Outstanding	Guarantee Committed	Paid-up capital	Loans Outstanding	Guarantee Committed
1	MP Rajya Van Vikas Nigam Limited	37.93	0.00	0.00	2.97	0.00	0.00	34.96	0.00	0.00
2	MP State Mining Corporation Limited	2.20	0.00	0.00	1.61	0.00	0.00	0.59	0.00	0.00
3	MP State Agro Industries Development Corporation Limited	2.10	0.00	0.00	1.41	0.00	0.00	0.69	0.00	0.00
4	M.P. Urban Development Corporation Limited	1.00	0.00	0.00	449.00	0.00	0.00	-448.00	0.00	0.00
5	MP Laghu Udyog Nigam Limited	2.68	0.00	0.00	1.96	0.00	0.00	0.72	0.00	0.00
6	Madhya Pradesh State Civil Supplies Corporation Limited	8.47	98.28	0.00	8.47	0.00	0.00	0.00	98.28	0.00
7	MP Public Health Services Corporation Limited	10.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00
8	The Provident Investment Company Limited	0.50	0.00	0.00	0.37	0.00	0.00	0.13	0.00	0.00
9	MP State Electronics Development Corporation Limited	21.91	17.12	0.00	17.93	0.00	0.00	3.98	17.12	0.00
10	DMIC VikramUdyogpuri Limited	0.00	0.00	0.00	0.40	0.00	0.00	-0.40	0.00	0.00
11	Madhya Pradesh Warehousing and Logistics Corporation	4.28	0.00	0.00	4.43	0.00	0.00	-0.15	0.00	0.00
12	MP State Tourism Development Corporation Limited	113.97	0.00	0.00	161.21	0.00	0.00	-47.24	0.00	0.00
13	Madhya Pradesh Financial Corporation	383.70	0.00	1250.00	357.60	0.00	762.99	26.10	0.00	487.01
14	MP Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Limited	10.75	0.58	0.00	11.65	0.00	0.00	-0.90	0.58	0.00
15	MP AdivasiVittaEvamVikas Nigam Limited	25.50	0.00	0.00	26.18	0.00	0.00	-0.68	0.00	0.00

Sl. No.	Name of PSU	As per records of the State PSUs			As per Finance Accounts of Government of Madhya Pradesh			Difference		
		Paid-up capital	Loans Outstanding	Guarantee Committed	Paid-up capital	Loans Outstanding	Guarantee Committed	Paid-up capital	Loans Outstanding	Guarantee Committed
16	MP State Industrial Development Corporation Limited	81.09	246.01	0.00	58.43	187.74	0.00	22.66	58.27	0.00
17	MP Police Housing and Infrastructure Development Corporation Limited	4.58	0.00	507.18	1.28	107.86	507.59	3.30	-107.86	-0.41
18	MP Industrial Development Corporation	0.80	1903.70	982.50	0.33	1900.00	0.00	0.47	3.70	982.50
19	Narmada Basin Projects Company Limited	5.00	0.00	0.00	0.00	0.00	0.00	5.00	0.00	0.00
20	MP Metro Rail Company Limited	143.39	0.00	0.00	100.00	0.00	0.00	43.39	0.00	0.00
	Total	859.85	2265.69	2739.68	1205.23	2195.60	1270.58	-345.38	70.09	1469.10

^Vide GoI (Ministry of Corporate Affairs) order dated 25 Oct. 2018, seven companies (AKVN Indore, AKVN Bhopal, AKVN Jabalpur, AKVN Rewa, AKVN Sagar, AKVN Ujjain and IIDC Gwalior have been merged into MP Trade and Investment Facilitation Corporation Limited (MPTRIFAC). After merger of these companies with MPTRIFAC (subsequently renamed as MPIDC Bhopal) the company has neither submitted its Financial Statements nor the information called-for w.r.t. for the AR 2018-19. Therefore, due to non availability of financial data after the merger, from the Company as well as in the Finance Account, we could not comment on reconciliation.

Details as per records of the State PSUs in respect of PSUs mentioned at Sl. No. 6, 8 and 20 have been taken from previous years AR (PSUs) as these PSUs have neither submitted its financial Statements for 2018-19 nor any information was received.

Annexure-3.5
(Reference to Paragraph 3.6.1)

Details of State Government investment in State PSUs (Non-Power Sector) accounts of which were in arrears during the period

(₹ in crore)

Sl. No.	Name of the PSU	Paid up capital as per latest accounts finalised	Period upto which accounts finalized	Period for which accounts are in arrears	Investment made by the State Government during the year for which Accounts are in arrears				Total
					Equity	Loans	Capital Grant*	Subsidy	
1	2	3	4	5	6	7	8	9	10
Working PSUs									
Arrears 1 Years									
1	Madhya Pradesh Jal Nigam Maryadit*	100.00	2017-18	2018-19	0.00	0.00	2.70	0.00	2.70
2	Madhya Pradesh State Electronics Development Corporation Limited	21.91	2017-18	2018-19	0.00	0.00	0.00	110.90	110.90
3	Madhya Pradesh Plastic Park Development Corporation Limited *	13.40	2017-18	2018-19	0.00	0.00	10.00	0.00	10.00
4	Sant Ravidas Madhya Pradesh Hastha Shilp Evam Hath Kargha Vikas Nigam Limited*	1.26	2017-18	2018-19	0.00	0.00	16.60	0.00	16.60
5	Bhopal Smart City Development Corporation Limited	200.00	2017-18	2018-19	0.00	0.00	93.00	0.00	93.00
	Sub-total				0.00	0.00	122.30	110.90	233.20
2 to 5 year **									
6	Madhya Pradesh State Tourism Development Corporation Limited	113.97	2016-17	2017-18	0.00	0.00	0.00	47.10	47.10
				2018-19	0.00	0.00	0.00	32.44	32.44
7	MP Industrial Development Corporation	0.80	2016-17	2017-18	0.00	250.00	3.15	512.40	765.55
				2018-19	0.00	250.00	0.00	0.00	250.00
8	M.P. Metro Rail Company Limited	143.39	2016-17	2017-18	5.00	0.00	0.00	0.00	5.00
				2018-19	109.00	0.00	0.00	0.00	109.00
9	MP Tourism Board*	10.00	FANR	2017-18	10.00	0.00	180.37	0.00	190.37
				2018-19	0.00	0.00	111.20	0.00	111.20

Sl. No.	Name of the PSU	Paid up capital as per latest accounts finalised	Period upto which accounts finalized	Period for which accounts are in arrears	Investment made by the State Government during the year for which Accounts are in arrears				Total
					Equity	Loans	Capital Grant*	Subsidy	
1	2	3	4	5	6	7	8	9	10
10	Madhya Pradesh State Industrial Development Corporation Limited	81.09	2014-15	Upto 2017-18	0.00	44.32	0.00	0.00	44.32
				2018-19	0.00	22.16	0.00	0.00	22.16
Sub-total					124.00	566.48	294.72	591.94	1577.14
Above 5 year**									
11	Madhya Pradesh Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Limited*	10.75	2010-11	Upto 2017-18	3.70	8.76	3.68	104.30	120.44
				2018-19	0.00	0.00	0.59	30.00	30.59
12	Madhya Pradesh Adivasi Vitta Evam Vikas Nigam Limited*	36.18	2003-04	Upto 2017-18	6.33	0.00	25.45	165.00	196.78
				2018-19	0.00	0.00	3.60	18.01	21.61
Sub Total					10.03	8.76	33.32	317.31	369.42
Total					134.03	575.24	450.34	1020.15	2179.76

*Bifurcation of grant into Capital and Revenue is not furnished by the Companies mentioned at the Sl. No. 1, 3, 4, 9, 11 and 12, therefore total grant has been taken here.

** The information in respect of investment for year up to 2017-18 has been taken from previous report (2017-18) (except MP Tourism Development Corporation Limited, MP Metro Rail Company Limited)

Annexure-3.6

(Reference to Paragraph 3.8.3)

Statement showing State Government funds infused in State PSUs (Non-Power Sector) during the period from 2000-01 to 2018-19

(₹ in crore)

A. PSUs working in Monopolistic environment												
Year	Madhya Pradesh Rajya Van Vikas Nigam Limited				Madhya Pradesh Jal Nigam Maryadit				Madhya Pradesh State Mining Corporation Limited			
	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants
2000-01	14.05	49.62	0	0	0	0	0	0	2.2	0	0	0
2001-02	-5.62	-20.12	0	0	0	0	0	0	0	0	0	0
2002-03	0	0	0	0	0	0	0	0	0	0	0	0
2003-04	29.5	-29.5	0	0	0	0	0	0	0	0	0	0
2004-05	0	0	0	0	0	0	0	0	0	0	0	0
2005-06	0	0	0	1.15	0	0	0	0	0	0	0	0
2006-07	0	0	0	4.94	0	0	0	0	0	0	0	0
2007-08	0	0	0	4.91	0	0	0	0	0	0	0	0
2008-09	0	0	0	4.63	0	0	0	0	0	0	0	0
2009-10	0	0	0	4.6	0	0	0	0	0	0	0	0
2010-11	0	0	0	0.45	0	0	0	0	0	0	0	0
2011-12	0	0	0	4	0	0	0	0	0	0	0	0
2012-13	0	0	0	26.05	0	0	0	0	0	0	0	0
2013-14	0	0	0	15.14	25	0	0	0	0	0	0	0
2014-15	0	0	0	3.94	15	0	0	0	0	0	0	0
2015-16	0	0	0	10.1	15	0	0	0	0	0	0	0
2016-17	0	0	0	15	0	0	0	0	0	0	0	0
2017-18	0	0	0	8.22	45	0	0	0	0	0	0	0
2018-19	0	0	0	0	0	0	0	2.7	0	0	0	0

B. PSUs with assured income from centage, commission, revenue grants/subsidies, etc.

Year	Madhya Pradesh State Agro Industries Development Corporation Limited				The Provident Investment Company Limited				M.P. Urban Development Corporation Limited				M.P. Trade and Investment Facilitation Corporation Limited			
	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants
2000-01	2.09	1.97	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0
2001-02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002-03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004-05	0	0	0	0	0	0	0	0	0	0	0	0	0.8	0	0	0
2005-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006-07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007-08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008-09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2009-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2010-11	0	-1.97	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2011-12	0	7.59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2012-13	0	-7.59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013-14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014-15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015-16	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
2016-17	0	0	0	0	0	0	0	0	0	0	0	0	0	1416.98	0	0
2017-18	0	0	0	0	0	0	0	0	0	0	0	0	0	250	0	0
2018-19	0	0	0	0	0	0	0	0	0	0	0	0	0	-249.29	0	0

B. PSUs with assured income from centage, commission, revenue grants/subsidies, etc.																
Year	Sant Ravidas Madhya Pradesh Hastha Shilp Evam Hath Kargha Vikas Nigam Limited				Madhya Pradesh Laghu Udyog Nigam Limited				Madhya Pradesh State Civil Supplies Corporation Limited				Madhya Pradesh Public Health Services Corporation Limited			
	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants
2000-01	0.02	0.34	0	0	2.68	0	0	0	12	3.67	0	0	0	0	0	0
2001-02	0	0	0	0	0	0	0	0	0	-3.51	0	0	0	0	0	0
2002-03	0	0	0	0	0	0	0	0	0	-0.16	0	0	0	0	0	0
2003-04	0	-0.28	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004-05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005-06	0	0	0	0	0	0	0	0	-3.53	0	0	0	0	0	0	0
2006-07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007-08	0	0.07	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008-09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2009-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2010-11	0	-0.13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2011-12	0	0.35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2012-13	0	-0.22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013-14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014-15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015-16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2016-17	0	-0.13	0	0	0	0	0	0	0	87.05	0	0	10	0	0	0
2017-18	0	0	0	0	0	0	0	0	0	11.23	0	0	0	0	0	0
2018-19	0	0	0	16.6	0	0	0	0	0	0	0	0	0	0	0	0

B. PSUs with assured income from centage, commission, revenue grants/subsidies, etc.

Year	Madhya Pradesh Road Development Corporation Limited				Madhya Pradesh State Electronics Development Corporation Limited				Madhya Pradesh Warehousing and Logistics Corporation			
	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants
2000-01	0	0	0	0	21.91	0	0	0	4.8	0.46	0	0
2001-02	0	0	0	0	0	0	0	0	0	0.95	0	0
2002-03	0	0	0	0	0	0	0	0	-0.52	-0.09	0	0
2003-04	0	0	0	0	0	0	0	0	0	-1.32	0	0
2004-05	10	0	0	0	0	0	0	0	0	0	0	0
2005-06	10	0	0	0	0	0	0	0	0	0	0	0
2006-07	-8.5	0	0	0	0	0	0	0	-3.28	0	0	0
2007-08	0	0	0	0	0	0	0	0	0	0	0	0
2008-09	6.5	0	0	0	0	0	0	0	3.28	0	0	0
2009-10	1	0	0	0	0	17.12	0	0	0	0	0	0
2010-11	1	0	0	0	0	0	0	0	0	0	0	0
2011-12	0	0	0	0	0	0	0	0	0	0	0	0
2012-13	0	0	0	0	0	0	0	0	0	82.21	0	0
2013-14	0	0	0	0	0	0	0	0	0	90.43	0	0
2014-15	0		0	0	0	0	0	0	0	0	0	0
2015-16	0		0	0	0	0	0	0	0	0	0	0
2016-17	0		0	0	0	0	0	0	0	90.94	0	0
2017-18	0		0	0	0	0	0	0	0	-263.58	0	0
2018-19	0	0	0	0	0	0	0	0	0	0	0	0

C. PSUs working in Competitive environment								
Year	Madhya Pradesh State Tourism Development Corporation Limited				Madhya Pradesh Financial Corporation			
	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants	Equity	Interest free Loans	Loans on which interest payment has been defaulted	Capital Grants
2000-01	23.47	0	0	0	62.54	3.47	0	0
2001-02	1.5	0	0	0	0	-1.74	0	0
2002-03	0	0	0	0	0	0	0	0
2003-04	0	0	0	0	-9.76	-0.3	0	0
2004-05	0	0	0	0	1.5	0	0	0
2005-06	0	0	0	0	5.42	58.57	0	0
2006-07	0	0	0	0	187.58	0	0	0
2007-08	0	0	0	0	65	-58.57	0	0
2008-09	0	0	0	0	6.42	0	0	0
2009-10	0	0	0	0	5	-1.43	0	0
2010-11	0	0	0	0	25.38	0	0	0
2011-12	0	0	0	10.69	5	0	0	0
2012-13	0	0	0	8.68	-15.38	0	0	0
2013-14	0	0	0	19.6	5	0	0	0
2014-15	0	0	0	18.34	5	0	0	0
2015-16	0	0	0	34.89	5	0	0	0
2016-17	0	0	0	64.63	5	0	0	0
2017-18	89	0	0	60.5	25	0	0	0
2018-19	0	0	0	0	0	0	0	0

Annexure-4.1.1
(Reference to Paragraph 4.1.5.4)

Statement showing cases due for commencing production to whom allotment was made during the audit period

Sl. No.	Name of Unit	Name of Industrial Area	Area (In sq.m.)	Date of Allotment	Date of Lease Deed	Date of Possession	Proposed Date of Production	Actual Status	Proposed Employment (In No.)	Proposed Capital Investment (₹ in lakh)
1	M/s Bharat Fabrication	MSME Acharpura	930.00	03-09-2016	20-3-2017	22-8-2017	Mar-19	NA	20	14.00
2	M/s Ramnani Industries	MSME Acharpura	930.00	02-07-2016	8-9-2016	NA	Sep-18	NA	5	10.00
3	M/s AS Aluplast & Engineering	MSME Acharpura	885.00	15-07-2016	30-9-2016	NA	Sep-18	NA	50	16.00
4	M/s Saraswati Printers	Bagroda	930.00	30-05-2016	26-7-2016	23-8-2016	Sep-18	NA	15	14.65
5	M/s Jain Plast	MSME Acharpura	930.00	06-08-2016	23-12-2016	NA	Dec-18	NA	140	15.00
6	M/s Manali Industries	MSME Acharpura	930.00	30-06-2016	1-8-2016	NA	Aug-18	NA	100	21.00
7	M/s M. M. Industries	Bagroda	930.00	24-09-2016	5-11-2016	NA	Nov-18	NA	15	13.00
8	M/s Rajyoga Educational Found	Acharpura	5787.00	06-10-2016	29-10-2016	4-11-2016	Nov-18	Nov 2017 Boundary wall 80 per cent	0	16.00
9	M/s VS Industries	Jaderua	1200.00	28-07-2016	9-8-2016	NA	Sep-18	NA	8	52.00
10	M/s Mansvi Plast And Rubber Llp	Pithampur-3 Bagdoon	2,700.00	03-06-2016	12-8-2016	10-9-2016	Sep-18	NA	16	30.00
11	M/s Commercial Synbags	SEZ Phase-1	3,825.70	24-05-2016	11-8-2016	NA	Aug-18	NA	150	14.49
12	M/s Trimbkeshwar Agro Industries Pvt. Ltd.	Meghnagar	465.00	04-10-2016	19-5-2017	NA	May-19		15	1.00

Sl. No.	Name of Unit	Name of Industrial Area	Area (In sq.m.)	Date of Allotment	Date of Lease Deed	Date of Possession	Proposed Date of Production	Actual Status	Proposed Employment (In No.)	Proposed Capital Investment (₹ in lakh)
13	M/s Haarish Auto Industries Pvt Ltd	Pithampur-3 Bagdoon	2,787.00	15-12-2016	29-12-2016	NA	Dec-18	NA	20	50.00
14	M/s AAR Herbal Extractions Pvt. Ltd.	IIDC Nimrani	4,608.00	04-08-2016	24-1-2017	25-2-2017	Jan-19	NA	30	250.00
15	M/s MM Foods	Namkeen Cluster	500.00	31-03-2017	23-5-2017	9-7-2018	May-19	NA	13	23.80
16	M/s Raghuvanshi Industries	Pithampur-3 Bagdoon	1,858.00	03-05-2016	27-5-2016	15-6-2016	Jun-18		5	28.00
17	M/s Kaushal Udyog	Pithampur-2	5,000.00	03-06-2016	19-7-2017	4-8-2017	Aug-17	NA	0	100.00
18	M/s Radha Madhav Industries	Pithampur-3 Bagdoon	930.00	18-05-2016	3-9-2016	17-4-2017	Apr-19	NA	5	15.00
19	M/s M & D Enviro Solutions	Pithampur-3 Bagdoon	950.00	10-08-2016	5-11-2016	5-11-2016	Nov-18	NA	9	45.00
20	M/s Simran Polymers	Apparel Cluster	496.00	16-03-2017	11-5-2017	NA	May-19		6	30.00
21	M/s Babashree Enterprises	Pithampur-3 Bagdoon	1,255.00	28-12-2016	19-1-2017	4-2-2017	Feb-19		10	23.60
22	M/s Dhoot Transmission	Pithampur-5	21,728.00	30-06-2016	1-7-2016	NA	Jul-18	NOC	275	295.00
			60,554.70						907	1,077.54

Annexure-4.1.2

(Reference to Paragraph 4.1.5.4)

Statement showing cases due for commencing production to whom allotment was made before 2016-17

Sl. No.	Name of Unit	Area	Area (In sq. m.)	Proposed Investment (₹ in lakh)	Proposed Employment (No.)	Date of Lease Deed	Date of Possession	Month of Production due	Date of Commencement of Production	Whether the Inspection carried out to know the current status of the unit	Whether Applied for Extension
RO, Indore											
1	M/s Pratiksha Home Products	Pithampur-3-Bagdoon	705.00	30.50	20	Jun-16	NA	Jun-18	NA	NO	NO
2	M/s MaaShardaAgritech	Pithampur-3-Bagdoon	929.00	30.00	12	Jan-16	Feb-16	Feb-18	NA	NO	NO
3	M/s ShrimaaPackartLlp	Pithampur-3-Bagdoon	2,380.00	45.00	23	Dec-14	Jan-15	Jan-17	NA	NO	NA
4	M/s Avanta Pump Industries	Pithampur-3-Bagdoon	465.00	2.50	20	Sep-15	Oct-15	Oct-17	NA	NO	NO
5	M/s Meghnagar Organic Pvt. Ltd.	Meghnagar	5,000.00	129.00	20	Jul-14	Dec-14	Jul-16	NA	NO	NO
6	M/s Millennium Baby Care	Pithampur-2	8,813.00	1800.00	120	Nov-15	Dec-15	Dec-18	NA	NO	NO
7	M/s Kutch Chemical Industries Ltd.	Meghnagar	14,810.00	2904.00	100	Mar-15	NA	Mar-19	NA	NO	NO
8	M/s Aurum Fusion Private Ltd.	Pithampur-3-Bagdoon	1,541.00	82.00	7	Oct-15	Nov-14	Nov-16	NA	NO	NO
9	M/s Okay Fern Precision Castings Pvt. Ltd.	Pithampur-3-Bagdoon	7,800.00	300.00	50	Feb-16	Feb-16	Feb-18	NA	NO	NO
10	M/s Soham Vocational Centre Private Limited	Pithampur-3-Bagdoon	563.00	88.09	10	Oct-14	Feb-15	Feb-17	NA	NO	NO
11	M/s Pan Millennium Industries	Pithampur-3-Bagdoon	1,174.00	80.00	6	Sep-15	Sep-15	Sep-17	NA	NO	NO
12	M/s Shri Sai Enterprises	Pithampur-3 Bagdoon	3,067.00	354.00	58	Jul-15	NA	Jul-17	NA	NO	NO
13	M/s Torrent Pharmascuticals	Pithampur-3-Bagdoon	11,872.00	400.00	100	Jun-16	Jul-16	Jul-18	NA	NO	NO
14	M/s Rajasthan Patrika Pvt Ltd	RudhiBhaw Singh Pura	3,770.00	180.00	100	Feb-16	Jun-16	Jun-18	Not started	YES	NO
15	M/s Super Hygiene Products Pvt. Ltd.	Pithampur-3-Bagdoon	22,500.00	900.00	41	Feb-16	NA	Feb-19	NA	NO	NO
16	M/s Man Tubinox Limited	Pithampur-3-Bagdoon	61629.00	9747.00	210	Jun-15	Jun-15	Jun-19	Not started	YES	NO
17	M/s V.E. Commercial Vehicles Pvt. Ltd.	Pithampur-1	26455.00	55.00	1810	Aug-14	NA	Aug-18	NA	NO	NO
18	M/s Lupin Limited	SEZ, Pithampur	37235.00	1800.00	20	Feb-16	NA	Feb-19	NA	NO	NO
RO, BHOPAL											
1	M/s Agathi Health care	Pilukhedi	4000.00	324.00	30	Apr-15	NA	Apr-17	Not started	YES	NO
2	M/s Sakaria Enterprises	Pilukhedi	6370.00	330.00	35	May-14	NA	Aug-16	Not started	NO	NO
3	M/s DangiKrishi Kendra	Jamnarbargi	450.00	40.00	15	Mar-16	NA	May-18	Not started	NO	NO

Annexure-4.1.3
(Reference to Paragraph 4.1.5.5)
Details of irregular transfer of cases

Sl. No.	Name of Unit	Remarks
1	M/s Ratan Basic Drugs	<p>Lease Deed of the land allotted (December 1980) to M/s Ratan Basic Drugs was cancelled (March 2007) owing to non-establishment of production unit and default in payment of outstanding dues. Upon receipt of application (March 2013), the competent Authority withdrew the termination notice (June 2013) with an instruction to commence the business operations within one year, which was further relaxed till January 2016. However, when the unit did not start production till February 2016, the Lease Deed was cancelled and possession of land was taken back (March 2016). M/s Ratan Basic Drugs applied (May 2017) to transfer the land (<i>without having the title of the said land anymore</i>) in favour M/s Divine Engineering Consulting Group. The land was transferred (July 2017) instead of treating the case as a fresh allotment leading to short recovery of premium i.e. it realised only 10 <i>per cent</i> of the prevalent premium (transfer fees) instead of 100 <i>per cent</i>, (which it could have realised by treating the case as a fresh allotment).</p> <p>The Government replied (June 2020) that the cancellation of lease was withdrawn and transfer was allowed on the basis of orders given by the appellate authority.</p> <p>The reply is not acceptable as the Company acted ultra vires while entertaining transfer application from a unit which no longer had title/ possession of the subject land.</p>
2	M/s Al-Subh Aarambh Buildcon and Services Limited	<p>Audit noticed that upon termination of Lease Deed (January 2018 and September 2013), the allottee unit concerned filed appeal (February 2018 and October 2013) respectively. The Appellate Authority allowed (April 2018 and August 2014) one year time to commence production activities. Else, the Lease Deed termination will come into effect. However, the allottees concerned, instead of taking prescribed action, applied (October 2018 and January 2016 respectively) to transfer their land to some other parties and the same was allowed (October 2018 and November 2016) without apprising appellate authority. Hence, the Company should have reinstated the termination of Lease Deed and re-allotted the land afresh duly collecting 100 <i>per cent</i> land premium, instead of transferring it for mere 10 <i>per cent</i> transfer fee.</p> <p>The Government replied (June 2020) that the cancellation of lease was withdrawn and transfer was allowed on the basis of orders given by the appellate authority.</p> <p>The reply is not acceptable as the Company did not follow the orders of appellate authority in letter and spirit. It allowed the defaulting allottees to conveniently enjoy the possession of industrial land and defer/ hinder the development and finally quit by transferring the subject land.</p>
3	M/s IFB Industries	<p>RO Bhopal allotted (November 1981) industrial land to M/s Progressive Extractions & Export Private Limited in Industrial Area Mandieep, Bhopal. The unit was sick and it was purchased (November 2004) by M/s Bhaskar Exxoils Limited (later renamed as M/s Decore Exxoils Private Ltd w.e.f. 31/12/2013) but the Lease Deed was executed (March 2009) with a delay of more than four years. RO, Bhopal later discovered (March 2015), that the unit was closed and the outstanding dues stood at ₹ 10.70 lakh. Subsequently, a 60 days' notice was served (August 2015 and May 2018) to the unit, to deposit the outstanding dues else the Lease Deed was liable to be cancelled. However, the unit did not turn up. Later the allottee applied (January 2019) to transfer the land to M/s Badri</p>
4	M/s Decore Exxoils Private Limited (prior to takeover by Decore in November 2004, M/s Progressive	<p>RO Bhopal allotted (November 1981) industrial land to M/s Progressive Extractions & Export Private Limited in Industrial Area Mandieep, Bhopal. The unit was sick and it was purchased (November 2004) by M/s Bhaskar Exxoils Limited (later renamed as M/s Decore Exxoils Private Ltd w.e.f. 31/12/2013) but the Lease Deed was executed (March 2009) with a delay of more than four years. RO, Bhopal later discovered (March 2015), that the unit was closed and the outstanding dues stood at ₹ 10.70 lakh. Subsequently, a 60 days' notice was served (August 2015 and May 2018) to the unit, to deposit the outstanding dues else the Lease Deed was liable to be cancelled. However, the unit did not turn up. Later the allottee applied (January 2019) to transfer the land to M/s Badri</p>

Extractions & Export Private Limited)	<p>Cotsyn Private Ltd. which was allowed (February 2019) by the Company. The Government replied (June 2020) the unit has paid (February 2019) its outstanding dues and accordingly transfer was allowed by the competent authority.</p> <p>The reply is not acceptable as the Company did not ensure whether the main objective i.e. investment/ development has been done or not and allowed the units to transfer the plot instead of cancelling the plot.</p>
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Annexure-4.1.4

(Reference to Paragraph 4.1.5.6)

**Statement showing short recovery of land premium in land allotment and transfer cases
(RO, Bhopal)**

A. Land Transfer Cases (RO, Bhopal)						
Sl. No.	Name of the transferor	Industrial Area	Area of Land (in Sq. M)	Transfer fee to be charged (₹)	Transfer fee actually charged (₹)	Transfer fee lesser charged (₹)
1	M/s Decroe Exxoils	Mandideep	40412.82	6167866.00	6016231.00	151635.00
2	M/s Ratan Basics	Mandideep	12140.57	1214057.00	697871.90	516185.10
3	M/s IFB Industries	Mandideep	20006.67	2426398.00	2274763.00	151635.00
4	M/s Arien Agro sales	Mandideep	2248.00	224800.00	73266.66	151533.34
5	M/s Baba Heavy Fabricators	Mandideep	5950.00	621928.00	296110.00	325818.00
6	M/s Anvi Enterprises	Mandideep	3284.00	328400.00	111257.00	217143.00
7	M/s Excellent Paceyging	Mandideep	1858.00	185800.00	58965.40	126834.60
8	M/s Concor industries	Mandideep	2021.78	202179.00	64971.50	137207.50
9	M/s Netajee Kaya kalp remedies	Mandideep	1200.00	120000.00	34836.50	85163.50
10	M/s Bhopal metal industries	Mandideep	977.65	97765.00	53366.00	44399.00
11	M/s CNC Advance Machining	Mandideep	2314.12	231412.00	75691.00	155721.00
12	M/s Arestro Pharma	Mandideep	48562.27	7662068.00	7510433.00	151635.00
13	M/s Al Subha Arambh Buildcon Services Pvt. Ltd	Mandideep	1393.39	133939.00	48928.00	97411.00
14	M/s Industrial Packaging	Mandideep	1862.20	186220.00	59120.00	127100.00
15	M/s Shivraj Engineering	Pilukhedi	1200.00	48000.00	6336.50	41663.50
16	M/s Surya Gases	Mandideep	3724.39	372439.00	127406.00	245033.00
17	M/s Prem stones	Mandideep	2783.51	278351.00	92904.00	185447.00
18	M/s MKVVCL	Mandideep	2509.31	250931.00	82949.00	168082.00
Total A (Land Transfer Cases)				20752553.00	17685406.46	3079646.54
B. Land Allotment Cases (RO, Bhopal)						
Sl. No.	Name of unit	Name of Area	Area (Sq. Meters)	Premium to be recovered (₹)	Premium actually recovered (₹)	Premium short recovery (₹)
1	M/s Bharat Fabrication	MSME Acharpura	930.00	186000.00	95200.00	90800.00
2	M/s Ramnani Industries	MSME Acharpura	930.00	186000.00	95200.00	90800.00
3	M/s AS Aluplast & Engineering	MSME Acharpura	885.00	177000.00	88900.00	88100.00
4	M/s Expert Engineering Works	MSME Acharpura	930.00	186000.00	95200.00	90800.00
5	M/s Shree Sai Enterprises	Bagroda	930.00	186000.00	61200.00	124800.00
6	M/s Mata Gujri Grah Udyog	Kiratpur	1425.00	35625.00	29375.00	6250.00
7	M/s Saraswati Printers	Bagroda	930.00	186000.00	61200.00	124800.00

8	M/s Rajyoga Education and Research Foundation	SEZ Acharpura	5787.00	1157400.00	857815.00	299585.00
9	M/s Balaji Traders	Kiratpur	1300.00	32500.00	26250.00	6250.00
10	M/s Msp Offset	Bagroda	930.00	186000.00	61200.00	124800.00
11	M/s Kamal Industries	MSME Acharpura	930.00	186000.00	95200.00	90800.00
12	M/s Gurudatt Parulkar	Bagroda	930.00	186000.00	61200.00	124800.00
13	M/s Hibaba Foods	MSME Acharpura	930.00	186000.00	95200.00	90800.00
14	M/s Shri Ram Enterprises	MSME Acharpura	930.00	186000.00	95200.00	90800.00
15	M/s Alok Multiproducts Industries	Bagroda	930.00	186000.00	61200.00	124800.00
16	M/s Manthan Construction	Bagroda	930.00	186000.00	61200.00	124800.00
17	M/s J. K. & Sons	Bagroda	930.00	186000.00	61200.00	124800.00
18	M/s Shri Sai Enterprises	Kiratpur	1300.00	32500.00	26250.00	6250.00
19	M/s Bag Karkhana	MSME Acharpura	930.00	186000.00	95200.00	90800.00
20	M/s Sai Ira Tech	Bagroda	930.00	186000.00	95200.00	90800.00
21	M/s Super Kisan Industries	MSME Acharpura	1739.30	347800.00	104251.00	243549.00
22	M/s Porwal Auto Components Limited	Bagroda	4650.00	930000.00	198000.00	732000.00
23	M/s Jain Plast	MSME Acharpura	930.00	186000.00	95200.00	90800.00
24	M/s Manali Industries	MSME Acharpura	930.00	186000.00	95200.00	90800.00
25	M/s Abhinav Enterprises	Bagroda	930.00	186000.00	61200.00	124800.00
26	M/s Lucky Enterprises	MSME Acharpura	820.00	164000.00	39900.00	124100.00
27	M/s Aditya Enterprises	Bagroda	930.00	186000.00	61200.00	124800.00
28	M. M. INDUSTRIES	Bagroda	930.00	186000.00	61200.00	124800.00
29	M/s Nature Bio Foods Limited	Mandideep	20072.41	20072410.00	12875589.00	7196821.00
30	M/s Indian Rare Earths Limited	MSME Acharpura	101211.88	1000000.00	665000.00	335000.00
Total B (Land Allotment Cases)				27669235.00	16475330.00	11193905.00
Grand Total (A+B)						1,42,73,551.54

Annexure-4.1.5
(Reference to Paragraph 4.1.5.6)
Statement showing short recovery of land premium in land allotment and transfer cases
(RO, Indore)

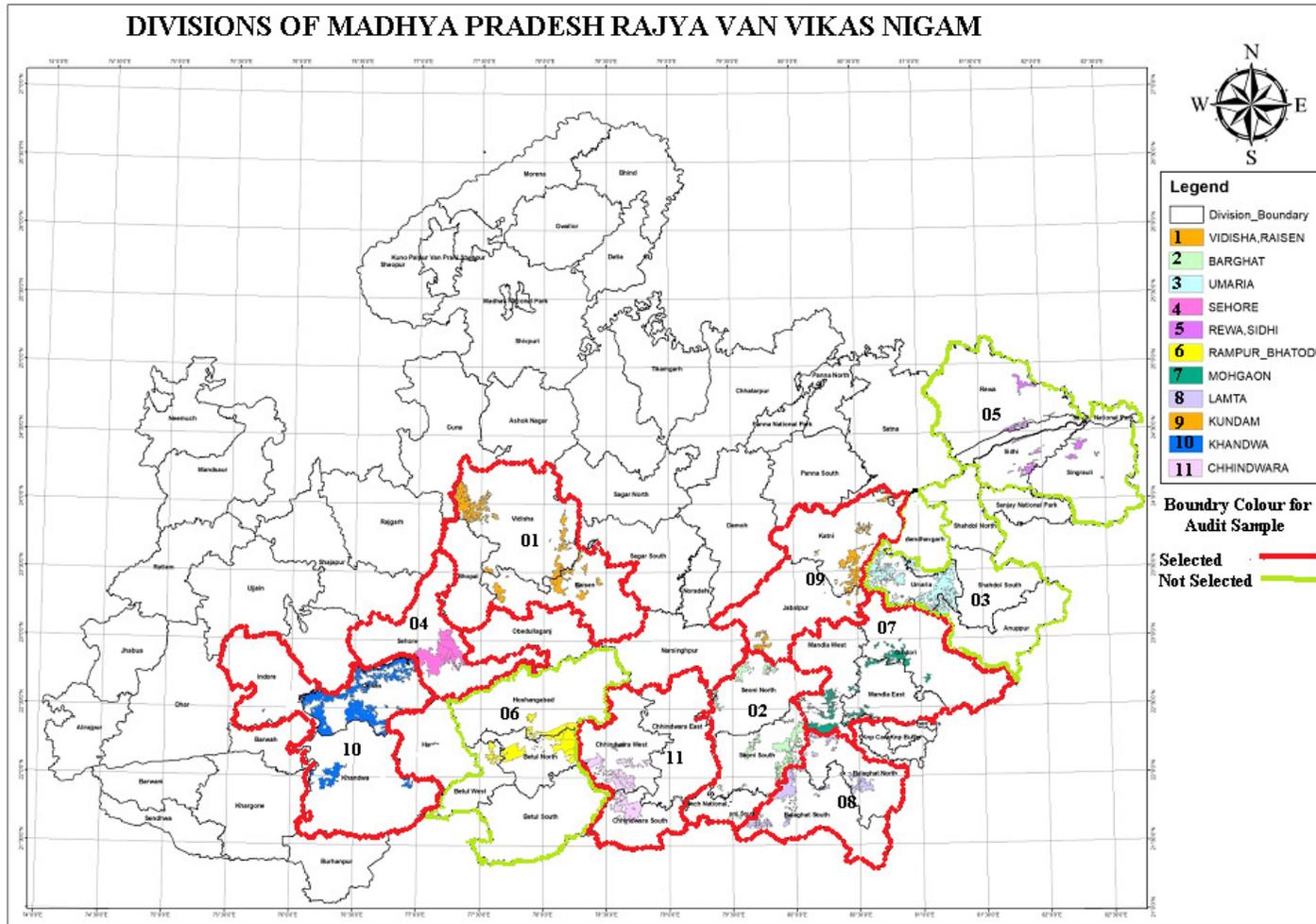
A. Land Allotment Cases (RO, Indore)					
Sl. No.	Name of the transferor	Area of Land (Sq. Meters)	Premium charged (₹)	Premium to be charged (₹)	Premium lesser charged (₹)
1	M/s specially organics	23819.00	13550365.00	21437100.00	7886735.00
2	M/s Dhoot Transmission P 5	21728.00	18868380.00	20831880.00	1963500.00
3	M/s Flex Generics	15815.76	5065344.00	19770000.00	14704656.00
4	Kaushal Udyog Pithampur II	5000.00	2536500.00	4500000.00	1963500.00
5	Macwll Food P I	4065.00	1018855.00	3658500.00	2639645.00
6	M/s Mothersons limited P5	30341.00	30366735.00	32330235.00	1963500.00
7	M/s Radha Madhav Industries P3	930.00	227120.00	837000.00	609880.00
8	M/s Zt Steering P5	26246.00	24899910.00	26863410.00	1963500.00
9	M/s Altis Industries P5	28524.00	20658040.00	29379540.00	8721500.00
10	M/s Babashree P 3	1255.00	335670.00	1129500.00	793830.00
11	M/s Genpach International SEZ II	16535.44	5341609.00	20669300.00	15327691.00
12	M/s Alankaran P3	18476.00	5294484.00	16628400.00	11333916.00
13	M/s Jalpadevi Engineering P3	56188.00	40578480.00	50569200.00	9990720.00
14	M/s Malwa Floor Mills P3	929.00	113643.00	836100.00	722457.00
15	M/s Raghuvanshi Industries PIII	1858.00	537072.00	1672200.00	1135128.00
16	M/s Hitech Competent P3	11543.00	2978862.00	10388700.00	7409838.00
17	M/s Alkem Labs SEZII	125275.00	14430000.00	168996000.00	24696000.00
18	M/s Aerawat Agro Industries	854.00	101202.00	769050.00	667848.00
19	M/s PSA Chemiclas SEZ	21402.36	8018265.00	26752950.00	18734685.00
20	M/s Rusan Pharma SEZ II	24290.00	16022400.00	30362500.00	14340100.00
21	M/s Commercial Synbags SEZ-1	3825.70	1373069.00	4782125.00	3409056.00
22	M/s Aon Textiles P 3	1500.00	417500.00	1350000.00	932500.00
23	M/s Manasvi Plast and Rubber P3	2700.00	818300.00	2430000.00	1611700.00
24	M/s Haarish Auto Industries P3	2787.00	847358.00	2508300.00	1660942.00
25	M/s Shankar Soya SEZ II	7850.00	2006400.00	9812500.00	7806100.00
26	M/s AA Harbal Products Nimrani	4608.00	313776.00	2764800.00	2451024.00
27	M/s M & D Envoirement Solutions P 3	950.00	233800.00	855000.00	621200.00
28	M/s Ambika Fabricators P 3	929.00	113643.00	836100.00	722457.00
29	M/s Ajanta Pharma	191982.00	240358080.00	265054080.00	24696000.00
30	M/s Rcox Multipack Private Limited P2	3719.00	1852446.00	3347100.00	1494654.00
31	M/s Shakti Polytap Nimrani	4608.00	313776.00	2764800.00	2451024.00
32	M/s Abhay Plast P5	4982.00	1266334.00	4483800.00	3217466.00
33	M/s Mohani Health P 3	15555.00	7761175.00	13999500.00	6238325.00
34	M/s Food Pazzesco P 3	4050.00	1266334.00	4483800.00	3217466.00
35	M/s TS Fine Chemicles Nimrani	864.00	22104.00	518400.00	496296.00

36	M/s Mohan Iron and Steel P3	929.00	113643.00	836100.00	722457.00
37	M/s Vandana Plastic and Rubber P3	2700.00	818300.00	2430000.00	1611700.00
38	M/s Kushagro Crop Science Nimrani	864.00	22104.00	518400.00	496296.00
39	M/s Suvan Edibles FPP Nimrani	12166.00	686952.00	7299600.00	6612648.00
40	M/s Shri paper products P 3	24586.00	14190810.00	22127400.00	7936590.00
Total A (Land Allotment)					225974530.00
B. Transfer Cases (RO, Indore)					
Sl. No.	Name of transferer	Area (Sq. Meters)	Premium actually charged (₹)	Premium to be charged (₹)	Premium less charged (₹)
1	M/s Man Trucks India Pithampur	343082.00	73241044.00	73437394.00	196350.00
2	M/s Chouhan enterprises Pithampur	5000.00	158650.00	450000.00	291350.00
3	M/s Preeti Automotive Pithampur	1213.00	51424.20	109170.00	57745.80
4	M/s Uno foods private limited Pithampur	10000.00	451150.00	900000.00	448850.00
5	M/s Ved industries Pithampur	1802.30	51845.15	162202.50	110357.35
6	M/s Automan Prometal man Pithampur	7500.00	242150.00	675000.00	432850.00
7	M/s Perfect Industries Pithampur	929.00	72517.20	167220.00	94702.80
8	M/s Jain engineering Pithampur	3717.00	115764.40	334530.00	218765.60
9	M/s Pragna Industries Pithampur	880.00	33642.00	79200.00	45558.00
10	M/s Bhagyawanti granites Pithampur	5000.00	158650.00	450000.00	291350.00
11	M/s Aman Machine Pithampur	1800.00	51770.00	162000.00	110230.00
12	M/s Crist Industries Pithampur	1858.00	85867.20	167220.00	81352.80
13	M/s Puriety International Pithampur	1394.00	61089.60	125460.00	64370.40
14	M/s Bajaj rubber Pithampur	4060.00	127254.00	365400.00	238146.00
15	M/s Decora Tubes Pithampur	5574.00	614638.00	1003320.00	388682.00
16	M/s Jai industries Pithampur	900.00	21710.00	81000.00	59290.00
17	M/s Airforce Mkt Pithampur	929.00	22678.60	83610.00	60931.40
18	M/s Royal Engineering Pithampur	929.00	22678.60	83610.00	60931.40
19	M/s Decora Tubes Pithampur	6138.66	720229.42	900000.00	179770.58
20	M/S Yash Dianisis Controal Pvt Limited Pithampur	4181.00	131295.40	376290.00	244994.60
21	M/s Indore Plastic Pithampur	1813.50	83491.43	163215.90	79724.47
22	M/s Gudia Chemicals Pithampur	929.00	22678.60	83610.00	60931.40
23	M/s Vine Industries Pithampur	2787.00	84735.80	250830.00	166094.20
Total B (Transfer Cases)					3983328.80
Grand Total (A+B)					22,99,57,858.80

Annexure-4.2.1

(Reference to Paragraph 4.2.5)

Map showing Divisional area of MPRVVNL and area of plantation



Annexure-4.2.2
(Reference to Paragraph 4.2.6.2)

Details of land in possession of Divisions and Land taken/ removed with encroachment during 2016-17 to 2018-19

(in hectare)

Name of Division	Total land in possession as on 1 April 2016	Land taken during 2016-19	Total land in possession as on 31 March 2019	Total encroached land as on 1 April 2016	Encroached land taken during 2016-19	Removal of Encroachment during 2016-19	Total encroached land as on 31 March 2019	Land in which plantation is yet to be done as on 31 March 2019
1	2	3	4 (2+3)	5	6	7	8 (5+6-7)	9
Kundam	33943.45	1412.05	35355.50	16.54	0.00	0.00	16.54	3560.97
Barghat	49724.24	Nil	49724.24	53.56	0.00	0.00	53.56	5145.00
Lamta	52449.38	Nil	52449.38	0.59	0.00	0.00	0.59	12104.60
Mohgaon	62877.75	3452.34	66330.09	25.02	17.54	4.62	37.94	10219.32
Vidisha-Raisen	24807.65	5630.06	30437.71	7704.12	496.62	340.00	7860.74	685.16
Sehore	9601.88	5440.69	15042.57	1302.55	533.35	0.00	1835.90	3705.41
Khandwa	27468.20	1197.97	28666.17	1059.26	0.00	6.15	1053.11	3088.54
Chhindwara	25783.62	2284.15	28067.77	24.81	0.00	0.00	24.81	2284.15
Sub total 1	286656.16	19417.27	306073.43	10186.44	1047.51	350.77	10883.18	40793.15
Umaria	31800.68	*	31800.68	*	*	*	*	3124.00
Rampur-Bhatodi	33714.56	*	33714.56	*	*	*	*	2822.54
Rewa-Sidhi	18914.87	*	18914.87	*	*	*	*	5879.16
Sub total 2	84430.11	*	84430.11	*	*	*	*	11825.70
Grand Total	371086.27	19417.27	390503.54		1047.51	350.77	10883.18	52618.84

* No data taken as not selected for audit.

Annexure-4.2.3
(Reference to Paragraph 4.2.6.6)

Targets of plantation as per Project Report for IXth Phase, Annual targets fixed by the Company and actual plantations during 2015-16 to 2019-20

Year	Name of Project Division	Target of Plantation as per IX th Phase (net area in Hectare)	Annual Targets fixed by Company (net area in Hectare)*	Actual Plantation (net area in Hectare)*	Shortfall in fixation of Annual Target with respect to IX th Phase		Shortfall in achievement of Annual targets fixed by Company	
					Net area in Hectare	In percentage	Net area (in Hectare)	In percentage
1	2	3	4	5	6	7	8	9
2015-16	Barghat-Seoni	590.00	595.50	581.35	5.50	-	-14.15	-2.38
2015-16	Chhindwada	1594.55	822.00	812.00	-772.55	-48.45	-10.00	-1.22
2015-16	Khandwa	1247.85	1150.00	1140.00	-97.85	-7.84	-10.00	-0.87
2015-16	Kundam-Jabalpur	1594.00	1275.00	1653.00	-319.00	-20.01	378.00	-
2015-16	Lamta-Balaghat	1052.51	763.50	741.50	-289.01	-27.46	-22.00	-2.88
2015-16	Mohgaon-Madla	675.00	714.10	661.44	39.10	-	-52.66	-7.37
2015-16	Rampur Bhatodi- Betul	0.00	0.00	0	0.00	-	0.00	-
2015-16	Rewa-Sidhi	0.00	605.00	611.60	605.00	-	6.60	-
2015-16	Sehore	1179.01	1005.00	1000.00	-174.01	-14.76	-5.00	-0.50
2015-16	Umaria	0.00	361.00	346.00	361.00	-	-15.00	-4.16
2015-16	Vidisha Raisen- Bhopal	1791.09	1345.00	1340.00	-446.09	-24.91	-5.00	-0.37
2015-16	Total	9724.01	8636.10	8886.89	-1087.91	-11.19	250.79	2.90
2016-17	Barghat-Seoni	674.00	596.00	556.50	-78.00	-11.57	-39.50	-6.63
2016-17	Chhindwada	1598.25	990.00	990.00	-608.25	-38.06	0.00	-
2016-17	Khandwa	1333.78	1160.00	1160.00	-173.78	-13.03	0.00	-
2016-17	Kundam-Jabalpur	478.03	446.00	446.00	-32.03	-6.70	0.00	-
2016-17	Lamta-Balaghat	1035.77	778.00	740.03	-257.77	-24.89	-37.97	-4.88
2016-17	Mohgaon-Madla	670.00	702.50	697.19	32.50	-	-5.31	-0.76
2016-17	Rampur Bhatodi- Betul	480.00	0.00	0	-480.00	-100.00	0.00	-

Year	Name of Project Division	Target of Plantation as per IX th Phase (net area in Hectare)	Annual Targets fixed by Company (net area in Hectare)*	Actual Plantation (net area in Hectare)*	Shortfall in fixation of Annual Target with respect to IX th Phase		Shortfall in achievement of Annual targets fixed by Company	
					Net area in Hectare	In percentage	Net area (in Hectare)	In percentage
1	2	3	4	5	6	7	8	9
2016-17	Rewa-Sidhi	227.00	263.00	263.00	36.00	-	0.00	-
2016-17	Sehore	1153.20	1200.00	1200.00	46.80	-	0.00	-
2016-17	Umaria	560.00	365.00	365.00	-195.00	-34.82	0.00	-
2016-17	Vidisha Raisen- Bhopal	582.67	1015.00	965.00	432.33	-	-50.00	-4.93
2016-17	Total	8792.70	7515.50	7382.71	-1277.20	-14.53	-132.79	-1.77
2017-18	Barghat-Seoni	631.00	467.50	477.00	-163.50	-25.91	9.50	-
2017-18	Chhindwada	1392.66	600.00	600.00	-792.66	-56.92	0.00	-
2017-18	Khandwa	430.04	710.00	710.00	279.96	-	0.00	-
2017-18	Kundam-Jabalpur	394.71	388.00	388.00	-6.71	-1.70	0.00	-
2017-18	Lamta-Balaghat	1035.51	671.50	678.53	-364.01	-35.15	7.03	-
2017-18	Mohgaon-Madla	690.00	482.50	466.50	-207.50	-30.07	-16.00	-3.32
2017-18	Rampur Bhatodi- Betul	480.00	269.60	269.60	-210.40	-43.83	0.00	-
2017-18	Riwa-Sidhi	220.00	170.00	170.00	-50.00	-22.73	0.00	-
2017-18	Sehore	1190.98	755.00	755.00	-435.98	-36.61	0.00	-
2017-18	Umaria	600.00	365.00	352.24	-235.00	-39.17	-12.76	-3.50
2017-18	Vidisha Raisen- Bhopal	480.00	1085.00	1085.00	605.00	-	0.00	-
2017-18	Total	7544.90	5964.10	5951.87	-1580.80	-20.95	-12.23	-0.21
2018-19	Barghat-Seoni	592.00	568.00	546.00	-24.00	-4.05	-22.00	-3.87
2018-19	Chhindwada	1384.19	665.00	665.00	-719.19	-51.96	0.00	-
2018-19	Khandwa	477.53	736.00	556.00	258.47	-	-180.00	-24.46
2018-19	Kundam-Jabalpur	443.85	327.50	327.50	-116.35	-26.21	0.00	-
2018-19	Lamta-Balaghat	804.61	900.50	882.50	95.89	11.92	-18.00	-2.00

Year	Name of Project Division	Target of Plantation as per IX th Phase (net area in Hectare)	Annual Targets fixed by Company (net area in Hectare)*	Actual Plantation (net area in Hectare)*	Shortfall in fixation of Annual Target with respect to IX th Phase		Shortfall in achievement of Annual targets fixed by Company	
					Net area in Hectare	In percentage	Net area (in Hectare)	In percentage
1	2	3	4	5	6	7	8	9
2018-19	Mohgaon-Madla	590.00	503.00	498.00	-87.00	-14.75	-5.00	-0.99
2018-19	Rampur Bhatodi- Betul	480.00	341.40	336.40	-138.60	-28.88	-5.00	-1.46
2018-19	Riwa-Sidhi	240.00	309.00	307.00	69.00	-	-2.00	-0.65
2018-19	Sehore	1109.17	770.00	720.00	-339.17	-30.58	-50.00	-6.49
2018-19	Umaria	550.00	374.00	374.00	-176.00	-32.00	0.00	-
2018-19	Vidisha Raisen- Bhopal	480.00	1040.00	1040.00	560.00	-	0.00	-
2018-19	Total	7151.35	6534.40	6252.40	-616.95	-8.63	-282.00	-4.32
2019-20	Barghat-Seoni	480.00	120.50	98.50	-359.50	-74.90	-22.00	-18.26
2019-20	Chhindwada	1235.64	325.00	320.00	-910.64	-73.70	-5.00	-1.54
2019-20	Khandwa	527.21	1027.00	1027.00	499.79	94.80	0.00	-
2019-20	Kundam-Jabalpur	480.00	580.00	503.00	100.00	20.83	-77.00	-13.28
2019-20	Lamta-Balaghat	872.54	303.50	313.00	-569.04	-65.22	9.50	-
2019-20	Mohgaon-Madla	2517.00	784.00	991.41	-1733.00	-68.85	207.41	-
2019-20	Rampur Bhatodi- Betul	480.00	275.00	264.68	-205.00	-42.71	-10.32	-3.75
2019-20	Rewa-Sidhi	223.00	278.00	278.00	55.00	24.66	0.00	-
2019-20	Sehore	1117.19	780.00	780.00	-337.19	-30.18	0.00	-
2019-20	Umaria	480.00	187.00	187.00	-293.00	-61.04	0.00	-
2019-20	Vidisha Raisen- Bhopal	480.00	790.00	790.00	310.00	64.58	0.00	-
2019-20	Total	8892.58	5450.00	5552.59	-3442.58	-38.71	102.59	1.88
	Grand Total	42105.53	34100.10	34026.46	-8005.43	-19.01	-427.02	-1.25

* excludes target for deposit work and plantation for NTPC.

Note: Shortage in actual plantation was 20.03 per cent with respect to targets in Project Report of Phase-IX plantation targets.

Annexure-4.2.4
(Reference to Paragraph 4.2.6.6)
Details of shortcoming in fixation and achievement of plantation targets

Year due for felling (previous year of plantaion)	Coupe No.	Area (in Hectares)	Reasons for not felling / planting
Lamta Division			
2015-16	1155VIII	40.00	Whole coupe area was under C Type, as it includes 40 hectare area found planted in the year 1983.
2015-16	1817VIII	42.29	5 hectare area was under A Type and 37.29 hectare area found planted in the year 1986.
2015-16	1526VIII	60.00	10 Hectare area of coupe was under A type and 50 hectare area was found planted in the year 1980 to 1983.
2015-16	1521VIII	50.00	10 Hectare area of coupe was under A type and in 50 hectare area was found planted in the year 1960 to 1967.
2016-17	1414, 1434		The gross area and net area was found to be short by 42.30 hectare and 24.20 hectare against the initial survey.
2017-18	1814, 563		Net area was reduced by 8 hectare due to area being water logged and high slope.
Barghat Division			
2015-18		6000 (anticipated)	No land was transferred from the Forest Department as anticipated in Project Report.
2016-17	403 IXA	7.67	Land was found unsuitable for plantation due to rocky surface or encroachment. It was proposed (December 2015) to Forest Department for cancellation of handing over of land.
2016-17	P-61 IXA	34.86	
2016-17	P-82 IXC	38.98	
2016-17	P-85 IXD	46.70	
2016-17	180 IXF	57.00	
2016-17	P547 IXE	31.04	
2017-18	P-62 XB	19.17	
2017-18	P-546 XE	9.90	
2017-18	P-548 XF	50.09	
Kundam Division			
2015-16	161-VIII	39.05	Company has not taken possession of the compartment due to encroachment.
2016-17	161-IX	60.00	
2017-18	161-X	47.24	
Mohgaon Division			
2015-16	938 VIII, 940 VIII, 44 VIII, 43 VIII, 858 VIII, 390 VIII, 37-III and 40 VIII	413.80	Land could not be considered for felling due to opposition by Forest Committee.

Year due for felling (previous year of plantaion)	Coupe No.	Area (in Hectares)	Reasons for not felling / planting
2016-17	948 IX	87.40	Could not be considered for felling due to opposition by villagers.
	385 IX,	354.30	Could not be considered for felling due to pending court cases.
	44 IX,		
	36 IX and 51 IX		
	956 IX	190.00	Could not be planted due to absence of plantable 'B' type area.
725	52.00	Plantation could be carried out only in 42 hectare instead of planned 52 hectare due to opposition by villagers.	
2017-18	950X, 390X, 385X, 400X and 163X	383.85	Could not be considered for felling due to opposition by villagers.
	904	5.00	Could not be planted due to opposition for felling in coupe by villagers.

Annexure-4.2.5
(Reference to Paragraph 4.2.6.7)

Details of species wise targeted area of plantation, Cost Benefit Ratio and Internal Rate of Return as given in para 4.1 and 4.4 of Project Report

Sl. No.	Type of plantation	Net Area for plantation (in Hectare)	Cost Benefit Ratio (in 35 years)	Internal Rate of Return (in 35 years)	Percentage of plantation
1	Commercial Rainfed Teak	40000	1.00: 4.13	18.66	92.27
2	Commercial Rainfed Bamboo	1250	1.00: 4.90	21.27	2.88
3	Commercial Rainfed Khamer	250	1.00: 2.71	16.8	0.58
4	High Input Aonla	1250	1.00: 9.30	31.72	2.88
5	High Input Teak	600	1.00: 1.83	13.56	1.38

Annexure-4.2.6
(Reference to Paragraph 4.2.6.7)

Details of targets and achievement for Bamboo, Khamer and Aonla

(Area in hectare)

Species	Year	Targeted Area as per Project Report	Targeted Area as per Annual Target	Plantation Area as per actual	Short fixation of Annual Targets	Short plantation as against Annual Target
Bamboo	2015-16	250	75	264	-175	0
	2016-17	220	154	69	-66	-85
	2017-18	220	92	92	-128	0
	2018-19	220	30	30	-190	0
	2019-20	250	0	0	-250	0
	Total		1160	351	455	-809
Khamer	2015-16	50	0	0	-50	0
	2016-17	35	0	0	-35	0
	2017-18	35	0	0	-35	0
	2018-19	35	0	0	-35	0
	2019-20	50	0	0	-50	0
	Total		205	0	0	-205
Aonla	2015-16	250	0	0	-250	0
	2016-17	185	0	0	-185	0
	2017-18	185	0	0	-185	0
	2018-19	185	0	0	-185	0
	2019-20	250	0	0	-250	0
	Total		1055	0	0	-1055
Grand Total		2420	351	455	-2069	-85

Annexure-4.2.7
(Reference to Paragraph 4.2.6.8)

Calculation of excess cost incurred due to poly-pot plantation in excess area of 10 per cent area.

Year of plantation	Name of Division	Plantation Area (in hectare)	No. of poly-pot plants planted	No. of rootshoot plants planted	Total plants planted	10 per cent of total plants to be planted through poly-pot	Excess poly-pot plantation	Excess cost incurred (₹) (by excess cost of ₹ 21.37 per pot)
2017-18	Vidisha-Raisen	1075	2674600	0	2674600	267460	2407140	51440582
2017-18	Sehore	745	1846298	0	1846298	184630	1661668	35509849
2017-18	Khandwa	700	1740665	0	1740665	174067	1566599	33478210
2018-19	Vidisha-Raisen	1040	2327520	260000	2587520	258752	2328768	49765772
2018-19	Sehore	720	1608684	180000	1788684	178868	1609816	34401759
2018-19	Khandwa	736	1697470	131250	1828720	182872	1645848	35171772
Total		5016	11895237	571250	12466487	1246649	11219838	239767944

Annexure-4.3.1
(Reference to Paragraph 4.3.4)
List of Work Orders selected for Audit under Wildlife Circuit and Heritage Circuit

Sl. No.	Name of work	Name of Component	Name of Contractor	Value of work (in ₹)	Date of award of work
Wildlife Circuit- 12 Work Order					
1	Construction of cafeteria, Amphitheatre, log huts and other development work at Kanha National Park Distt- Mandla.	Kanha National Park (Mukki Gate)	M/s M.K. Engineers Group, Bhopal	110000000	06-06-2016
2	Construction of cafeteria, Amphitheatre, log huts and other development work at Kanha National Park Distt- Mandla.	Kanha National Park (Kisli Gate)	M/s M.K. Engineers Group, Bhopal	50000000	06-06-2016
3	Construction of cafeteria open air theater 09 no log huts parking and other work in buffer area of Panna National Park Panna.	Panna National Park	Sanjana Construction	50000000	20-09-2016
4	Construction of cafeteria, Amphitheatre, compound wall, fencing, camping site and other development work in Buffer area of Panch National Park, Seoni.	Pench National Park	M/s Manas Construction, Bhopal	40120000	29-07-2016
5	Construction of compound wall, chain link fencing, parking area, cafeteria, log huts and other work in Buffer Zone of Sanjay National Park Distt. Sidhi	Sanjay National Park	M/s Paramount Engineers Group, Bhopal	38323000	01-10-2016
6	Construction of forest Information Centre, open air amphitheater, compound wall, chain link fencing, canopy walk, parking and other development work near Panpatha Buffer Zone Bandhavgarh National Park Distt. Umariya.	Bandhavgarh National Park	M.K. Engineers Group, Bhopal	35000000	04-10-2017
7	Construction of Forest Information Centre, Gate and other work at Sanjay National Park at Sidhi	Sanjay National Park	M/s Kamlesh Tiwari, Rewa	33700000	31-03-2017
8	Construction of machan, buffer zone entry gate, parking, pathway and solar lighting etc. at Bandhavgarh distt. Umariya under sanctioned Wildlife Circuit.	Bandhavgarh National Park	Vinod Kumar Pandey, Bhopal	11920000	08-03-2019
9	Construction of Canopy walk at Sanjay National Park Sidhi	Sanjay National Park	M/s Paramount Engineers Group, Bhopal	11581000	06-10-2018

Sl. No.	Name of work	Name of Component	Name of Contractor	Value of work (in ₹)	Date of award of work
10	Construction of Way Side Amenities gram Rohaniya Tehsil Maihar Distt. Satna	Way Side Amenities	M/s Sanjana Construction, Bhopal	11300000	15-06-2017
11	Construction of cafeteria, parking, compound wall etc. Work near Mukundpur Zoo Distt. Satna.	Mukundpur National Park	M/s Astha Engineering Satna	10822000	23-07-2016
12	Construction of way side amenities between Seoni-Chhindwara.	Way Side Amenities	M/s M.K. Engineers Group, Bhopal	10000000	24-08-2016
Wildlife Circuit - 12 Work Orders				412766000	
Heritage Circuit					
1	Construction of Convention Center at Khajuraho Chhatarpur	Khajuraho and Surrounding	VG Infraventures Pvt. Ltd.	196300000	15-11-2017
2	Implementation of Sound and Light Show at Jahaz Mahal Parisar Mandu.	Mandu	Tricolor India Schauspiel Pvt. Ltd. Noida	56200000	15-03-2017
3	Construction of public amenities, development, pathway, parking and other work at Baradari, Italian Garden and Gopal Mandir Gwalior.	Gwalior and Surrounding	Paramount Engineers Group, Bhopal	34000000	22-08-2017
4	Construction of cafeteria office block rest area and other work at Pathariya fort Kutni dam Khajuraho	Khajuraho and Surrounding	Sanjana Construction	34000000	14-06-2017
5	Construction of Public amenities, Development, Beautification and other works at Baijatal Gwalior.	Gwalior and Surrounding	Kasana Construction, Bhopal	32500000	08-08-2017
6	Development of public facility, souvenir shop, parking and other work at Gwalior Fort Gwalior (Gwalior Gate, Urvai Gate, Saas Bahu Mandir, Gurudwara, Sound and light show	Gwalior and Surrounding	M.K. Engineers Group, Bhopal	30000000	02-08-2017
7	Development of public amenities, parking, pathway and other work at Bateshwar and Padawali Morena.	Gwalior and Surrounding	Paramount Engineers Group, Bhopal	24000000	26-09-2017
8	Construction of public facility and development work surrounding of Baiju Bawara Samadhi, Chakla Bawdi Dilli Dharwaza, Dholia Darwaja near Chanderi Distt. Ashoknagar.	Chanderi	Pandey Brothers Construction, Chanderi	22000000	10-04-2017
9	Landscaping work for various places at Gwalior.	Gwalior and Surrounding	Raj Mangal Developers, Shivpuri	17200000	08-03-2018

Sl. No.	Name of work	Name of Component	Name of Contractor	Value of work (in ₹)	Date of award of work
10	Development of public amenities, parking, retaining Wall and other work at Laxmi Bai Smarak Gwalior.	Gwalior and Surrounding	Shastri Builders, Gwalior	16500000	20-04-2017
11	Construction of TFC internal electrification work at Mandu distt Dhar	Mandu	MK Engineers Group	15700000	16-02-2018
12	Construction of TRC Orchha	Orchha	M/s Kripa Ram Yadav	15500000	09-03-2017
13	External electrification work at convention center Khajuraho	Khajuraho and Surrounding	VG Infra ventures Pvt. Ltd	13500000	10-06-2019
14	Providing and fixing stone articles at various tourist places in Gwalior and Chambal Division.	Gwalior and Surrounding	Harsh wardhan Infratech Pvt. Ltd., Bhopal	13000000	13-02-2018
15	Providing and fixing of lighting work at convention center Khajuraho	Khajuraho and Surrounding	VG Infra ventures Pvt. Ltd	12806000	25-10-2019
16	Construction of theme park at Shilp Gram Khajuraho distt. Chhatarpur	Khajuraho and Surrounding	Shastri Builder	12657000	21-08-2018
17	Development of public amenities, parking, pathway and other work at Mitawali Morena	Gwalior and Surrounding	Paramount Engineers Group, Bhopal	12500000	26-09-2017
18	Providing and fixing of HVAC work at convention center Khajuraho	Khajuraho and Surrounding	Volga air technologies Bhopal	10330000	09-07-2019
19	Construction of Way Side Amenities i/c internal elect. Work at Obedullaganj Distt. Raisen	Way Side Amenities	M/s Om Construction	10300000	23-03-2018
20	Construction of pedestrian bridge at Kutni dam Pathariya fort at Khajuraho distt Chhatarpur.	Khajuraho and Surrounding	Paramount Engineers Group	10059000	13-04-2018
Heritage Circuit - 20 Work Orders				589052000	

Annexure-4.3.2

(Reference to Paragraph 4.3.5.1)

Details of Components dropped by Government of India due to not obtaining land from GoMP or due to not obtaining permission from Archeological Survey of India (ASI) and Forest Department

Sl. No.	Location	Component	Original Sanction (₹ in lakh)	Remarks	Reason
Components of works dropped and CFA was reduced					
1	Gwalior and surrounding	Tansen Museum of Music	300.07	Component was dropped due to non-availability of land and full amount except ₹ 2.45 lakh was reduced. ₹ 2.45 lakh was shifted to Solar illumination at Baija Taal.	In order to make this Music Museum of high standards, place allotted for its construction at two floors of old Accountant General Office was not felt sufficient. Hence, demand for additional space at three floors of the building was made by the Company. However, some government offices were running in the demanded space. Subsequently that portion of building was provided/ earmarked (January 2018) by GoMP for development of control and command center for Smart City under Smart City Scheme of GoI. Subsequently, the Company tried to obtain land at alternate place in Gwalior for development of Museum, however, no suitable land was finalised by GoMP and the Company. As a result, GoMP proposed (March 2018) to shift the Museum of Music from Gwalior to Jehangir Mahal, Orchha as space at existing Museum (Jehangir Mahal, Orchha) was available for its extension and construction of Museum of Music. Shifting of Music Museum was not agreed by GoI and the amount of ₹ 447.64 lakh (including amount of Kakan Math component) was reduced from Central Financial Assistance (CFA).

Sl. No.	Location	Component	Original Sanction (₹ in lakh)	Remarks	Reason
2	Gwalior and surrounding	Development in Kakan Math	150.02	Permission not provided by ASI. Amount was shifted to Tansen Museum of Music for execution of other components. Component was finally dropped.	Archeological Survey of India (ASI) had not provided No Objection Certificate (NOC) for development of monuments located in Kakan Math and application of the Company for NOC was rejected (April 2017) by ASI. It was suggested by the ASI to find alternatives for construction of components outside protected area.
3	Khajuraho and Surrounding	TFC and TIC at Yellow Building	200.04	Component was dropped, as ASI has not given permission and not handed over Yellow Building.	Yellow Building located at Khajuraho is under the control of ASI. An old museum is located in Yellow Building. ASI has constructed a new museum building, however, some old idols and material is kept in old Yellow Building itself. In view of this, ASI has denied (December 2017) in handing over Yellow Building to the Company for construction of TFC and TIC. GoMP proposed (September 2018) to MoT, GoI to shift TFC at Hotel Payal, Khajuraho (a commercial unit of the Company). Shifting of TFC was not agreed by GoI and the amount of ₹ 200.04 lakh was reduced from CFA.
Components of works dropped and CFA was re-appropriated					
4	Khajuraho and Surrounding	Illumination at various monuments	50.02	Shifted to Solar Illumination of various monuments at Orchha	In view of difficulty in obtaining permission for solar illumination in ASI protected monuments, GoMP proposed (April 2018) to MoT, GoI to drop this component and shift the same towards solar illumination and focus light at Orchha, which was agreed to by the GoI.

Sl. No.	Location	Component	Original Sanction (₹ in lakh)	Remarks	Reason
5	Khajuraho and Surrounding	Raneh Fall	100.35	Component is to be shifted to Kutni Dam as National Park Authorities are not providing NOC.	Raneh Fall was under the jurisdiction of Panna National Park. However, permission for carrying out development work at Raneh Fall was not accorded by Field Director, Panna National Park. As a result, the Component was dropped and its fund of ₹ 100.35 lakh was shifted to Pathariya Fort at Kutni Dam.
6	Chanderi	Illumination at various Monuments	50.05	All the illumination sanctioned at various places at Chanderi is to be shifted at Badal Mahal Chanderi.	In view of difficulty in obtaining permission for solar illumination in ASI protected monuments, GoMP proposed (April 2018) to MoT, GoI to drop this component and shift the same towards solar illumination and focus light at Badal Mahal Chanderi, which was agreed to by the GoI.

Annexure-4.3.3
(Reference to Paragraph 4.3.5.1)

Details of Components where shifting/ re-appropriation was made due to non-availability of land and permission from Archeological Survey of India

Sl. No.	Location	Component	Original Sanction (₹ in lakh)	Revised Sanction (₹ in lakh)	Nature of Change in component	Remarks	Corresponding change in Sl. No.
Reduction in CFA of components of works							
1	Gwalior and surrounding	Development at Gwalior Fort	350.02	309.58	Reduced	₹ 40.44 lakh sanctioned for public amenities is to be shifted to Baija Taal and Laxmi Bai Smarak for different components because ASI is not providing permission.	10, 12
2	Gwalior and surrounding	Development of Bateshwar Temple Complex	150.03	128.40	Reduced	₹ 21.63 lakh sanctioned for Solar Illumination is shifted to same components at Baija Taal.	10
3	Gwalior and surrounding	Development of Padhavli	150.09	136.40	Reduced	₹ 13.69 lakh sanctioned for Solar Illumination and focus light is shifted to same components at Baija Taal.	10
4	Gwalior and surrounding	Development of Mitawali	150.05	139.00	Reduced	₹ 11.06 lakh sanctioned for solar illumination and focus light is to be shifted for same components at Italian garden.	11
5	Orchha	Development around of Heritage Gate (Gudri Darwaza)	30.04	22.26	Reduced	₹ 7.78 lakh sanctioned for solar illumination is to be shifted to Jehangir Mahal, Orchha for same components.	13
6	Khajuraho and Surrounding	Public Amenities near various monuments	150.13	71.98	Reduced	₹ 17.15 lakh is to be shifted to Orchha for Solar Illumination of monuments. (Previous sanction for solar illumination at public amenities in various places) and ₹ 61 lakh to be shifted to Kutni Dam for other components.	13, 14
7	Khajuraho and Surrounding	Dhubela	175.14	166.36	Reduced	₹ 8.76 lakh to be shifted to Orchha for illumination of various monuments.	13
8	Mandu	Development at Rewa Taal	100.08	92.39	Reduced	₹ 7.70 lakh for illumination and solar focus light is to be shifted for illumination of Baija Taal Gwalior.	10
9	Mandu	Development Around Various Monuments	50.10	31.20	Reduced	₹ 18.90 lakh for illumination and solar focus light is to be shifted to Italian Garden Gwalior for same components.	11, 12
Sub-Total			1305.68	1097.57	₹ 208.11 lakh reduced		

Sl. No.	Location	Component	Original Sanction (₹ in lakh)	Revised Sanction (₹ in lakh)	Nature of Change in component	Remarks	Corresponding change in Sl. No.
Addition in CFA of components of works							
10	Gwalior and surrounding	Development around Baija Taal	600.04	637.81	Added	₹ 21.63 lakh added from Bateshwar Temple, ₹ 2.45 lakh from Tansen Museum of Music and ₹ 13.69 lakh from Padhavli for Solar Illumination and Solar Focus light is to be shifted to Baija Taal.	1, 2, 3, 8
11	Gwalior and surrounding	Development around Italian Garden	300.06	368.42	Added	₹ 20.22 lakh sanctioned for public amenities at Gwalior fort is to be shifted for restoration of stone fountains and ₹ 10.47 lakh from Laxmi Bai Smarak, ₹ 11.06 lakh from Mitawali, ₹ 7.70 lakh from Rewa Taal Mandu and ₹ 18.90 lakh from Mandu sanctioned for illumination and focus light.	4, 9
12	Gwalior and surrounding	Development around Laxmi Bai Smarak	150.05	159.80	Added	₹ 20.22 lakh shifted from component development of Gwalior Fort for different components and ₹ 10.47 lakh sanctioned for solar illumination is to be shifted to Italian garden for same components.	1, 9
13	Orchha	Other	70.13	153.83	Added	Re-appropriation of amount for illumination and solar focus light at various monuments (increased from ₹ 49.41 lakh to ₹ 133.11 lakh)	5, 6, 7 and Sl. No. 4 of Annexure-4.3.2
14	Khajuraho and Surrounding	Pathariya Fort at Kutni Dam	400.26	561.61	Added	₹ 100.35 lakh is to be shifted from Raneh Fall and ₹ 61 lakh is to be shifted from Public Amenities near various monuments for components bridge and toilet.	6 and Sl. No. 5 of Annexure-4.3.2
15	Chanderi	Solar Illumination and Focus light at Badal Mahal	0	50.05	Added	New Components, all the illumination sanctioned at various places at Chanderi is to be shifted at Badal Mahal, Chanderi.	Sl. No. 6 of Annexure-4.3.2
Sub-Total			1520.54	1931.52		₹ 410.98 lakh added	

Annexure-4.3.4
(Reference to Paragraph 4.3.5.2)
Delay in tendering and awarding works

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(3)- date of approval	(9)=(5)- date of approval	(10)=(5)- (4)+15 days	(11)=(7)- (6)	(12)=(7)- scheduled completion as per Sanction Order	(13)
Wildlife Circuit (Scheduled date of completion as per Sanction Order – 06 June 2018)												
1	Construction of forest Information Centre, open air amphitheater, compound wall, chain link fencing, canopy walk, parking and other development work near Panpatha Buffer Zone Bandhavgarh National Park Distt. Umaria.	25-May-17	24-Jun-17	04-Oct-17	03-Sep-18	06-Feb-20	535	667	87	521	610	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining availability of land, the work was taken up with delay.

¹ Notice Inviting Tender.

² Letter of Acceptance.

³ Wildlife Circuit – 07 December 2015 and Heritage Circuit – 19 September 2016.

⁴ Work was to be awarded within 15 days from the date of issue of LOA.

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
2	Construction of machan, buffer zone entry gate, parking, pathway and solar lighting etc. at Bandhavgarh distt. Umariya under sanctioned Wildlife Circuit.	13-Feb-19	06-Mar-19	08-Mar-19	07-Jun-19	06-Feb-20	1164	1187	No Delay	244	610	GoMP while accepting the observation, stated (August 2020) that the works were earlier allotted to the Forest Department for execution. However, due to non finalisation of location in time, the work was taken up with delay.
3	Construction of Forest Information Centre, Gate and other work at Sanjay National Park at Sidhi	08-Jun-16	20-Sep-16	21-Mar-17	20-Feb-18	28-Jun-19	184	470	167	493	387	GoMP while accepting the audit observation, stated (August 2020) that due to delay in preparation of work plan and detailed design, the work was taken up with delay.
4	Construction of Way Side Amenities gram Rohaniya Tehsil Maihar Distt. Satna	24-Oct-16	24-Dec-16	15-Jun-17	14-Mar-18	26-Feb-19	322	556	158	349	265	GoMP while accepting the audit observation, stated (August 2020) that due to delay in preparation of work plan and detailed design, the work was taken up with delay.
5	Construction of Canopy walk at Sanjay National Park Sidhi	13-Aug-18	18-Sep-18	06-Oct-18	05-Feb-19	02-04-2019	980	1034	3	56	300	GoMP while accepting the observation, stated (August 2020) that the works were earlier allotted to the Forest Department for execution. However, due to non finalisation of location in time, the

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
												work was taken up with delay.
6	Construction of cafeteria, parking, compound wall etc. Work near Mukundpur Zoo Distt. Satna.	12-Feb-16	24-Apr-16	23-Jul-16	22-Mar-17	20-May-18	67	229	75	424	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining permission and non-availability of land, the work was taken up with delay.
7	Construction of compound wall, chain link fencing, parking area, cafeteria, log huts and other work in Buffer Zone of Sanjay National Park Distt. Sidhi	21-Apr-16	16-May-16	01-Oct-16	31-Aug-17	10-Jul-18	136	299	123	313	34	GoMP while accepting the audit observation, stated (August 2020) that due to finalisation of design and drawing by consultant, the work was taken up with delay.
8	Construction of cafeteria, Amphitheatre, log huts and other development work at Kanha National Park Distt- Mandla.	12-Feb-16	12-May-16	01-Jun-16	30-Apr-18	02-Nov-18	67	177	5	186	149	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining permission from Forest Department, the work was taken up with delay.
9	Construction of cafeteria, Amphitheatre,	12-Feb-16 ⁵	05-May-16	29-Jul-16	28-Mar-17	28-Mar-18	67	235	70	365	No Delay	GoMP while accepting the audit observation, stated (August 2020)

⁵ Even after opening of price bids on 22 February 2016, no action was taken by the Company to award the work. The Company without recording any reason, again initiated tender proceedings on 07 April 2016. The work was finally awarded on 29 July 2016 to M/s Manas Constructions, Bhopal with a delay of eight months from the date of approval of the project. The work was completed on 28 March 2018 by the contractor with a delay of one year from scheduled completion date.

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
	compound wall, fencing, camping site and other development work in Buffer area of Pench National Park, Seoni.											that due to delay in obtaining availability of land, the work was rendered and taken up with delay.
10	Construction of cafeteria, Amphitheatre, log huts and other development work at Kanha National Park Distt- Mandla.	12-Feb-16	05-May-16	06-Jun-16	05-Feb-17	02-Oct-19	67	182	17	969	483	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining possession of land and buffer area, the work was taken up with delay.
11	Construction of way side amenities between Seoni-Chhindwara.	08-Feb-16	02-Mar-16	24-Aug-16	23-May-17	24-Apr-17	63	261	160	No Delay	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining possession of land, the work was taken up with delay.
12	Construction of cafeteria open air theater 09 no log huts parking and other work in buffer area of Panna National Park Panna.	12-Feb-16	06-Apr-16	20-Sep-16	19-Sep-17	18-Jan-20	67	288	152	851	591	GoMP while accepting the audit observation, stated (August 2020) that due to delay in finalisation of design and drawing by consultant, the work was taken up with delay.
Heritage Circuit (Scheduled date of completion as per Sanction Order – 18 March 2019)												
13	External electrification work at Convention	01-Feb-19	07-Mar-19	10-Jun-19	09-Oct-19	30-Sep-20	865	994	80	357	562	GoMP while accepting the audit observation, stated (August 2020) that in view of delay in

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
	Center Khajuraho											completion of civil work of convention Centre, the work of external electrification, fixing of AC and HVAC and Fixing of lighting were also taken up with delay.
14	Providing and fixing of HVAC work at Convention Center Khajuraho	21-Feb-19	14-Jun-19	09-Jul-19	08-Jan-20	30-Sep-20	885	1023	10	266	562	
15	Providing and fixing of lighting work at Convention Center Khajuraho	11-Feb-19	03-Jun-19	25-Oct-19	24-Feb-20	30-Sep-20	875	1131	129	219	562	
16	Implementation of Sound and Light Show at Jahaz Mahal Parisar Mandu.	22-Jul-16	04-Jan-17	15-Mar-17	14-Sep-17	10-Feb-19	No delay	177	55	514	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to change of place of sound and light show, delay in approval of final script by ASI and other procedural aspects, the work was delayed.
17	Development of public facility, souvenir shop, parking and other work at Gwalior Fort, Gwalior (Gwalior Gate, Urvai Gate, Saas Bahu Mandir, Gurudwara, Sound and Light show)	15-Nov-16	23-Dec-16	02-Aug-17	01-Jul-18	20-May-18	57	317	207	No Delay	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining possession of site/ land, the work was taken up with delay.

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
18	Providing and fixing stone articles at various tourist places in Gwalior and Chambal Division.	27-Nov-17	29-Dec-17	13-Feb-18	12-May-18	09-Jun-18	434	512	31	28	No Delay	GoMP while accepting the audit observation, stated (August 2020) that in view of delay in completion of basic civil work at various sites, the work of fixing the stone was taken up/ completed with delay.
19	Development of public amenities, parking, pathway and other work at Mitawali, Morena	15-Nov-16	18-Sep-17	26-Sep-17	25-Mar-18	23-Mar-18	57	372	No Delay	No Delay	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining possession of site from the ASI, the work was taken up with delay.
20	Construction of Public amenities, Development, Beautification and other works at Baijatal, Gwalior.	24-Oct-16	09-Dec-16	08-Aug-17	07-Jul-18	15-May-18	35	323	227	No Delay	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining possession of site/ land, the works were taken up with delay.
21	Construction of public amenities, development, pathway, parking and other work at Baradari, Italian Garden and Gopal Mandir Gwalior.	24-Oct-16	04-Aug-17	22-Aug-17	21-Jul-18	15-Jun-18	35	337	3	No Delay	No Delay	

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
22	Development of public amenities, parking, pathway and other work at Bateshwar and Padawali, Morena.	15-Nov-16	18-Sep-17	26-Sep-17	25-May-18	23-Mar-18	57	372	No Delay	No Delay	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining permission/possession of site from the ASI, the work was taken up with delay.
23	Development of public amenities, parking, retaining wall and other work at Laxmi Bai Smarak, Gwalior.	15-Nov-16	23-Dec-16	01-Apr-17	19-Oct-17	15-Feb-18	57	194	84	119	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining possession of site/ land, the work was taken up/ completed with delay.
24	Construction of public facility and development work surrounding of Baiju Bawara Samadhi, Chakla Bawdi, Dilli Dharwaza, Dholia Darwaja near Chanderi Distt. Ashoknagar.	31-Jan-17	03-Mar-17	10-Apr-17	09-Oct-17	30-Mar-18	134	203	23	172	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining permission from ASI/Nagar Parishad, the work was taken up/ completed with delay.
25	Landscaping work for various places at Gwalior.	27-Nov-17	09-Feb-18	08-Mar-18	07-Jun-18	06-Jun-18	434	535	12	No Delay	No Delay	GoMP while accepting the audit observation, stated (August 2020) that in view of delay in completion of basic civil work at various sites, the landscaping works were taken up with delay.

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
26	Construction of Way Side Amenities i/c internal elect. Work at Obedullaganj Distt. Raisen	08-Nov-17	01-Dec-17	23-Mar-18	22-Jul-18	22-Dec-18	415	550	97	153	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in finalisation of land for constructions, the work was taken up/ completed with delay.
27	Construction of TFC internal electrification work at Mandu distt Dhar	22-Jun-17	08-Sep-17	16-Feb-18	15-Aug-18	19-Sep-18	276	515	146	35	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in finalisation of land for constructions, the work was taken up/ completed with delay.
28	Construction of TRC Orchha	06-Dec-16	28-Jan-17	09-Mar-17	08-Sep-18	07-Dec-18	78	171	25	90	No Delay	GoMP while accepting the audit observation, stated (August 2020) that due to delay in finalisation of drawing and BOQ and demolition of old existing wall, the work was taken up/ completed with delay.
29	Construction of cafeteria office block rest area and other work at Pathariya fort Kutni dam Khajuraho	06-Dec-16	08-Feb-17	14-Jun-17	13-Dec-18	27-Jan-20	78	268	111	410	315	GoMP while accepting the audit observation, stated (August 2020) that due to delay in finalisation of drawing and BOQ due to difficult site conditions, the work was taken up with delay.

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
30	Construction of Convention Center at Khajuraho, Chhatarpur	29-Jun-17	08-Sep-17	15-Nov-17	14-Nov-18	Not Completed (NC)	283	422	53	NC ⁶	NC	GoMP while accepting the audit observation, stated (August 2020) that due to delay in identification of land and finalization of shop drawing by separate consultant, the work was taken up with delay.
31	Construction of theme park at Shilp Gram Khajuraho distt. Chhatarpur	12-Jan-18	20-Feb-18	21-Aug-18	21-Jun-19	30-Aug-19	480	701	167	70	165	GoMP while accepting the audit observation, stated (August 2020) that due to delay in obtaining permission from Ministry of culture, GoI, and delay in site clearance, the work was taken up with delay.
32	Construction of pedestrian bridge at Kutni dam Pathariya fort at Khajuraho distt Chhatarpur.	15-Dec-17	06-Jan-18	13-Apr-18	12-Sep-18	15-Feb-19	452	571	82	156	No Delay	GoMP stated that due to presence of excessive water in the dam and hindrance in approach road, the work was taken up/completed with delay. Reply is not acceptable as additional works of bridge and viewing

⁶ Delay in completion of civil work of convention center has resulted in consequent delay in completion of three related works amounting to ₹ 3.66 crore (Sl. No. 13, 14 and 15 of this Annexure).

Sl. No.	Name of work	Date of NIT ¹	Date of LOA ²	Date of award of work	Scheduled Completion date	Actual Completion date	Delay in NIT from the date of GoI approval ³	Delay in award of work from the date of GoI approval	Delay in award of work from the date of LOA ⁴	Delay in completion of work as per Work Order	Delay in completion of work as per Sanction Order	Reply of the company and remarks of Audit
												gallery, public toilets and drinking water, safety railing for steps were included (March 2019) in the scope of work subsequently, which contributed in delayed completion of work.

Annexure-4.3.5
(Reference to Paragraph 4.3.5.3)
Delay in start of work by the Contractors

Sl. No.	Name of work	Date of award of work	Name of Contractor	Date of Actual Completion	Delay in completion (days)	Delay in start of works (days)	Reasons for delay	Reply of the company and remarks of Audit
1	Construction of forest Information Centre, open air amphitheater, compound wall, chain link fencing, canopy walk, parking and other development work near Panpatha Buffer Zone Bandhavgarh National Park Distt. Umaria.	4-Oct-17	M.K. Engineers Group, Bhopal	06-Feb-20	521	90	Company did not obtain No Objection Certificate (NOC) from forest department for construction of Forest Information Center, open air theatre, compound wall, chain link fencing, canopy walk, parking, etc. near Panpatha Buffer Zone, Bandhavgarh National Park.	GoMP stated (August 2020) that the delay in start of work, due to change in place of execution of work, was not in the control of the Company. Reply is not acceptable as the Company could not identify suitable land for work execution, which resulted in change of place (land) and consequent delay in start of work.
2	Construction of machan, buffer zone entry gate, parking, pathway and solar lighting etc. at Bandhavgarh distt. Umariya under sanctioned wildlife circuit.	8-Mar-19	Vinod Kumar Pandey, Bhopal	06-Feb-20	244	114	The Company has not handed over site of White Tiger Forest Lodge to the Contractor for carrying out work upto 30 June 2019 mainly due to its commercial operation.	GoMP while accepting the observation, stated that in view of operation of resort, the work was delayed.
3	Construction of Forest Information Centre, Gate and other work at Sanjay National Park at Sidhi	21-Mar-17	M/s Kamlesh Tiwari, Rewa	28-Jun-19	493	90	Company did not obtain NOC from forest department for construction of Forest Information Center, Cafeteria, Open Air Theatre, Parking and other works near Sanjay National Park before award of work. Further, No Objection Certificate (NOC) for identified revenue land	GoMP while accepting the observation, stated that due to delay in obtaining land clearance and other permissions, the works were delayed.

Sl. No.	Name of work	Date of award of work	Name of Contractor	Date of Actual Completion	Delay in completion (days)	Delay in start of works (days)	Reasons for delay	Reply of the company and remarks of Audit
							for construction of Forest Information Center (FIC), open air theatre, parking and cafeteria was not issued from Park Management.	
4	Construction of Way Side Amenities gram Rohaniya Tehsil Maihar Distt. Satna	15-Jun-17	M/s Sanjana Constructions, Bhopal	26-Feb-19	349	40	The Company did not provide the required land for construction of Way Side Amenity in Rohaniya in time.	
5	Construction of Canopy walk at Sanjay National Park Sidhi	6-Oct-18	M/s Paramount Engineers Group, Bhopal	02-Apr-19	56	45	The Company did not obtain complete Right of Way from forest department for construction of Canopy Walk at Sanjay National Park before award of work. Further, there were frequent changes in layout of the work three times	
6	Construction of cafeteria, parking, compound wall etc. Work near Mukundpur Zoo Distt. Satna.	23-Jul-16	M/s Astha Engineering Satna	20-May-18	424	75	The Company did not obtain NOC from forest department for construction of Cafeteria, parking, compound wall before award of work. Further, permission for diversion of forest land for non-forest use was also delayed	
7	Construction of compound wall, chain link fencing, parking area, cafeteria, log huts and other work in Buffer Zone of Sanjay National Park Distt. Sidhi	1-Oct-16	M/s Paramount Engineers Group, Bhopal	10-Jul-18	313	23	The Company did not obtain NOC from forest department for construction of cafeteria and parking space before award of work.	
8	Construction of cafeteria open air theater 09 no log	20-Sep-16	Sanjana Construction	18-Jan-20	851	240	The Company did not obtain No Objection Certificate	

Sl. No.	Name of work	Date of award of work	Name of Contractor	Date of Actual Completion	Delay in completion (days)	Delay in start of works (days)	Reasons for delay	Reply of the company and remarks of Audit
	huts parking and other work in buffer area of Panna National Park Panna.						(NOC) from forest department for Construction of cafeteria, open air theatre, 9 Log Huts, parking and other work in buffer area of Panna National Park before award of work	
9	Construction of public facility and development work surrounding of Baiju Bawara Samadhi, Chakla Bawdi Dilli Dharwaza, Dholia Darwaja near Chanderi Distt. Ashoknagar.	10-Apr-17	Pandey Brothers Construction, Chanderi	30-Mar-18	172	90	The Company did not obtain complete Right of Way from Archeological Survey of India (ASI) for construction of public facilities and development work surrounding of Baiju Bawara Samadhi, Chakla Bawadi, Dilli Dharwaza, Dholia Darwaza near Chanderi under Heritage Circuit	GoMP while accepting the observation, stated that due to delay in obtaining permission from ASI and Municipal Council, the work was delayed.
10	Implementation of Sound and Light Show at Jahaz Mahal Parisar Mandu.	15-Mar-17	M/s Tricolor India Schauspiel Pvt. Ltd., Noida	10-Feb-19	514	420	After award of work in March 2017, approval of the script, layout drawing by the Company and final approval was accorded (May 2018) by Archeological Survey of India with a delay of 14 months from the date of work order mainly due to change in location of Light and Sound Show from Jahaz Mahal to Hindola Mahal. The work was finally completed by the contractor on 10 February 2019 within a delay of 17 months from the scheduled completion date.	GoMP while accepting the audit observation, stated that due to delay in obtaining possession of site, the work was taken up with delay.

Annexure-4.3.6
(Reference to Paragraph 4.3.5.3)

Award of new components of works to the existing Contractors without inviting new tenders

Sl. No.	Name of work	Name of Contractor	Original PAC ⁷ (₹ in crore)	Quoted Rate (below SOR) in per cent	Month of allotment of components of additional works	Name of Components allotted to the existing Contractor	Value of components of additional works (₹ in crore)
1	Construction of forest Information Centre, open air amphitheater, compound wall, chain link fencing, canopy walk, parking and other development work near Panpatha Buffer Zone Bandhavgarh National Park Distt. Umaria.	M.K. Engineers Group, Bhopal	2.40	35.54	Aug-18	Entry gate at main road for Panpatha, approach road, parking, chain link fencing, camping site development, cafeteria, kitchen, forest walking trails, canopy walk extension, pathway	1.54
2	Construction of Forest Information Centre, Gate and other work at Sanjay National Park at Sidhi	M/s Kamlesh Tiwari, Rewa	2.10	31.36	June/July 2018 and March/June 2019	Common toilet, chainlink fencing, pathway, boring and open-air theatre + Drainage system	1.27
3	Construction of cafeteria, parking, compound wall etc. Work near Mukundpur Zoo Distt. Satna.	M/s Astha Engineering, Satna	1.20	28.97	Mar-18	additional components of camping site and Cafeteria	0.33
4	Construction of compound wall, chain link fencing, parking area, cafeteria, log huts and other work in Buffer Zone of Sanjay National Park	M/s Paramount Engineers Group, Bhopal	3.50	36.22	Dec-17	Up gradation of existing/ old building	1.60
5	Construction of cafeteria amphitheater, compound wall, fencing, camping site and other development work in Buffer area of Pench National Park, Seoni.	M/s Manas Construction, Bhopal	2.50	33.21	May-17	Boring and Canopy Walk	1.23
6	Construction of cafeteria amphitheater, log huts and other development work at Kanha National Park Distt-Mandla.	M/s M.K. Engineers Group, Bhopal	2.50	34.64	Sep-17	forest information system, canopy walk, pathway, staff quarter and other works	2.50

⁷ PAC = Probable Amount of Contract.

Sl. No.	Name of work	Name of Contractor	Original PAC ⁷ (₹ in crore)	Quoted Rate (below SOR) in per cent	Month of allotment of components of additional works	Name of Components allotted to the existing Contractor	Value of components of additional works (₹ in crore)
7	Construction of cafeteria open air theater 09 no log huts parking and other work in buffer area of Panna National Park, Panna.	Sanjana Construction	4.00	28.00	May-17	Tourism Information Centre and Gate	1.00
8	Providing and fixing stone articles at various tourist places in Gwalior and Chambal Division.	Harshwardhan Infratech Pvt. Ltd., Bhopal	0.85	12.51	May-18	Stone Jali on the wall treatment in Bejatal	0.45
9	Development of public amenities, parking, pathway and other work at Bateshwar and Padawali, Morena.	Paramount Engineers Group, Bhopal	1.50	24.24	Feb-18	Parking Development at Bateshwar	0.68
10	Construction of public facility and development work surrounding of Baiju Bawara Samadhi, Chakla Bawdi Dilli Dharwaza, Dholia Darwaja near Chanderi, Distt. Ashoknagar.	Pandey Brothers Construction, Chanderi	1.10	29.95	Jan-18	Tourist Facilitation Centre	1.10
11	Landscaping work for various places at Gwalior.	Raj Mangal Developers, Shivpuri	1.32	26.66	May-18	Landscaping work of additional location of location of Kuno Palpur Madikheda	0.40
12	Construction of TRC Orchha	M/s Kripa Ram Yadav	1.05	30.74	Apr-18	Boundary wall, pathway etc.	0.50
Total							12.60

Annexure-4.3.7
(Reference to Paragraph 4.3.5.4)
Delay in completion of works by the Contractor

Sl. No.	Name of works	Contract Value ⁸ (₹ in lakh)	Quoted Rate (below SOR) in per cent	Scheduled Date of Completion	Actual Date of Completion	Delay on which the Contractor was to be charged penalty (in Days)	Penalty on the delay ⁹ (₹ in lakh)	Remarks of Audit
Cases of undue extension by the Company								
1	Construction of Forest Information Centre, Gate and other work at Sanjay National Park at Sidhi	271.24	31.36	20-Feb-18	28-Jun-19	180	24.41	<p>The Company granted (February 2018 to June 2019) extension to the Contractor for 14 months i.e. upto 20 April 2019 after including six months for rainy season, death of partner, etc. without imposing penalty.</p> <p>As, the work completion period upto 20 February 2018 was inclusive of rainy season and death of partner is personal issue of contractor, the extension of six months, on the ground of rainy season and death of partner, was not justified as the same did not fall under the category of Force Majeure.</p> <p>Further, the Company regularised (February 2020) the delay of 490 days in completion of work and granted time extension on other grounds viz. stoppage of work by Forest Department, ban on sand mining, high tension electric line, etc. by levying token penalty of ₹ 35,494 for three days only.</p>
2	Construction of Way Side Amenities gram Rohaniya, Tehsil Maihar, Distt. Satna	85.17	37.10	14-Mar-18	26-Feb-19	113	4.86 ¹⁰	<p>The Company granted (March 2019) extension to the Contractor for 207 days i.e. upto 07 October 2018 after including 87 days for not providing land in time, increase in quantum of work, etc. and 120 days for road level above workplace resulting in logging of rainwater at workplace and work in progress at National Highway resulting in lack of connectivity by imposing a nominal penalty of ₹ 24,878 for seven days</p>

⁸ Value of Contract after considering original value of work and additional work allotted to the Contractor and applying reduction of quoted *per cent* rates.

⁹ At the rate of 0.05 *per cent* of Contract Value per day subject to maximum of 10 *per cent* of Contract Value, where Contract Value = PAC x (100-Quoted Rate)/100.

¹⁰ Penalty for 120 days: ₹ 5.11 lakh less Penalty recovered by the Company: ₹ 0.25 lakh.

Sl. No.	Name of works	Contract Value ⁸ (₹ in lakh)	Quoted Rate (below SOR) in per cent	Scheduled Date of Completion	Actual Date of Completion	Delay on which the Contractor was to be charged penalty (in Days)	Penalty on the delay ⁹ (₹ in lakh)	Remarks of Audit
								only. As, the work completion period upto 14 March 2018 was inclusive of rainy season, the extension of 120 days, as against the extension of 160 days demanded on the ground of rainy season and road construction, was not justified as the same did not fall under the category of Force Majeure.
3	Construction of cafeteria, parking, compound wall etc. Work near Mukundpur Zoo, Distt. Satna.	118.24	28.97	22-Mar-17	20-May-18	171	1.81 ¹¹	The contractor claimed time extension for 485 days (i.e. upto 20 September 2018) citing various reasons such as stoppage of work by the Forest Department (75 days), health problem of partner (60 days), death of partner (150 days), ban on sand mining (20 days), restriction of material movement by forest department (90 days) and increase in PAC (90 days). The Company granted (April 2019) extension to the Contractor for 424 days i.e. upto 20 May 2018 after including 36 days for ill health of the partner and 150 days for death of partner by levying a nominal penalty of ₹ 15,810 for 15 days only. As, the ill health and death of partner of the contractor firm was their personal issue and extension of the work on this ground should not have been granted without levy of penalty. However, the Company granted extension of 186 days, as against the extension of 210 days demanded on this ground, which was not justified as the same did not fall under the category of Force Majeure.
4	Construction of compound wall, chain link fencing,	383.23	36.22	31-Aug-17	10-Jul-18	23	4.31 ¹²	The contractor claimed time extension for 374 days (i.e. upto 14 September 2018) citing various reasons such as stoppage of work by the Forest Department

¹¹ Contract Value - ₹118.24 lakh x 0.0625 per cent rate of penalty per week/ 7 days * (186 days – 15 days).

¹² Penalty for 23 days: ₹ 4.41 lakh less Penalty recovered by the Company: ₹ 0.10 lakh.

Sl. No.	Name of works	Contract Value ⁸ (₹ in lakh)	Quoted Rate (below SOR) in per cent	Scheduled Date of Completion	Actual Date of Completion	Delay on which the Contractor was to be charged penalty (in Days)	Penalty on the delay ⁹ (₹ in lakh)	Remarks of Audit
	parking area, cafeteria, log huts and other work in Buffer Zone of Sanjay National Park, Distt. Sidhi.							(23 days), ban on sand mining due to rain (28 days), increase in PAC (240 days), not proving site (83 days). The Company granted (October 2018) extension to the Contractor for 313 days i.e. upto 10 July 2018 after including 23 days for rainy season by imposing a nominal penalty of ₹ 10,000 only. As, the work completion period upto 31 August 2017 was inclusive of rainy season, the extension of 23 days, as against the extension of 28 days demanded on the ground of rainy season, was not justified as the same did not fall under the category of Force Majeure.
5	Construction of cafeteria amphitheatre, compound wall, fencing, camping site and other development work in Buffer area of Pench National Park, Seoni.	355.00	33.21	28-Mar-17	28-Mar-18	150	26.58 ¹³	The Contractor claimed time extension for one year (i.e. upto 28 March 2018) citing various reasons such as heavy rainfall in the area and interruption in work due to dispute of land (three months), increase in PAC and pending finishing work (seven months), carrying out suggested changes and repairs (two months). The Company granted (April 2017, December 2017 and January 2018) extension to the Contractor for upto 28 March 2018 without imposition of penalty (365 days) and levied only token penalty of ₹ 5,000. As, the work completion period upto 28 March 2017 was inclusive of rainy season (three months) and changes/ repairs in the work (two months) are attributable to poor workmanship of the contractor, the extension of five months, on the ground of rainy season and changes/ repairs in the work, was not justified as the same did not fall under the category of Force Majeure. Hence, the Company should have grant extension for five months (150 days) with the condition of imposition of penalty.

¹³ Penalty for 150 days: ₹ 26.63 lakh less Penalty recovered by the Company: ₹ 0.05 lakh.

Sl. No.	Name of works	Contract Value ⁸ (₹ in lakh)	Quoted Rate (below SOR) in per cent	Scheduled Date of Completion	Actual Date of Completion	Delay on which the Contractor was to be charged penalty (in Days)	Penalty on the delay ⁹ (₹ in lakh)	Remarks of Audit
6	Construction of pedestrian bridge at Kutni dam, Pathariya fort at Khajuraho, distt Chhatarpur.	100.59	14.6	12-Sep-18	15-Feb-19	70 ¹⁴	3.17 ¹⁵	The contractor claimed time extension for 207 (i.e. upto 17 April 2019) citing various reasons such as increase in PAC (85 days) and pending decision regarding railing and floor (52 days) etc. The Company granted extension to the Contractor for 149 days with imposition of penalty of ₹ 0.35 lakh only. As, the Company allotted (date was not mentioned however additional Performance Guarantee was sought vide letter dated 30.01.2019) additional work of ₹ 35.89 lakh to the same contractor for additional elements of railing and extension was granted for 85 days due to additional work. However, the work was completed by the Contractor on 15/02/2015 after 15 days from the date of seeking additional guarantee. Hence extension given by the company is not justifiable.
7	Construction of cafeteria open air theatre 09 no log huts, parking and other work in buffer area of Panna National Park, Panna.	360.00	28	19-Sep-17	18-Jan-20	30	5.40	The contractor claimed time extension for 840 days i.e. upto 18 January 2020, citing various reasons such as increase in work (270 days), mobilisation period (30 days), stoppage of work by Forest Department (90 days), change in design and drawing (180 days), ban on sand mining (120 days) and stop of work by MD (150 days). The Company granted extension to the Contractor for 830 days without imposition of penalty. Penalty for delay of balance 10 days amounting to ₹ 50,230 was recovered from the Contractor. As no such separate mobilisation period is allowed to Contractor under the terms of Work Order, extension of 30 days on this ground was not justified.
Sub-Total							70.54	

¹⁴ Time extension due to increase in quantum of work: 85 days less days from the date of intimation of additional work after which work was actually completed: 15 days.

¹⁵ Penalty for 70 days: ₹ 3.52 lakh less Penalty recovered by the Company: ₹ 0.35 lakh.

Sl. No.	Name of works	Contract Value ⁸ (₹ in lakh)	Quoted Rate (below SOR) in per cent	Scheduled Date of Completion	Actual Date of Completion	Delay on which the Contractor was to be charged penalty (in Days)	Penalty on the delay ⁹ (₹ in lakh)	Remarks of Audit
Cases of non-recovery of damages								
8	Construction of cafeteria Amphitheatre, log huts and other development work at Kanha National Park distt-Mandla.	326.80	34.64	05-Feb-17 (extended date: 31-Dec-17)	02-Oct-19	640	32.68	The contractor has completed (October 2019) the work with a delay of 640 days from the extended schedule date of completion (31.12.2017). However, no documents from contractor in respect of extension of work were found received in the records and the Company has only withheld the amount and not deducted the penalty of ₹ 32.68 lakh.
9	Development of public amenities, parking, retaining Wall and other work at Laxmi Bai Smarak Gwalior.	124.84	24.5	19-Oct-17	15-Feb-18	119	7.43	The contractor claimed time extension for four months (i.e. upto 18 February 2018) citing various reasons such as change in design and drawing of the work and not providing Right of Way (RoW) of the site. The Company granted (December 2017) extension to the Contractor for four months i.e. upto 18 February 2018 with imposition of penalty. However, the Company has not recovered the same and post facto extension without levy of penalty was accorded.
10	Construction of public facility and development work surrounding of Baiju Bawara Samadhi, Chakla Bawdi Dilli Dharwaza, Dholia Darwaja near Chanderi, Distt. Ashoknagar.	154.11	29.95	09-Oct-17	30-Mar-18	172	13.25	The contractor claimed time extension upto 31 March 2018 citing various reasons such as encroachment, other ongoing work by ASI, allotment of additional work of ₹ 1.10 crore to the Contractor. The Company granted (January 2018) time extension to the Contractor upto 31 March 2018 with imposition of penalty. However, the Company has not recovered the damages from the Contractor.
Sub-Total							53.36	

Annexure-4.3.8

(Reference to Paragraph 4.3.5.7)

Details of works carried out by the Company in its own commercial assets under Swadesh Darshan Scheme

Sl. No.	Name of Work	National Park	Name of Contractor	Value of work (in ₹)	Date of Work Order	Actual Expenditure (in ₹)	Date of completion	Remarks of Audit	Reply of the company and remarks of Audit
1	Supply, installation, testing and commissioning of 30 KVA DG set for TRC Sarahi, distt. Mandla.	Kanha National Park (Mukki Gate)	Sanghi Sales, Bhopal	5,05,000	15/01/2018	5,47,432	10/02/2018	The work was carried out by the Company on its own commercial residential unit by diverting Scheme Funds of the Wildlife Circuit received for construction of Electric Sub-station (₹ 20 lakh) and Solar Lighting System (₹ 30.25 lakh) in Sanjay National Park without approval of Ministry of Tourism.	GoMP stated (August 2020) that in order to provide improved power supply for log huts, the work was taken up. Reply is not acceptable as the said work was not provided under the components of works sanctioned by GoI.
2	Supply and installation Air conditioners for rooms and restaurant at hotel Parsuli resort Parsuli distt. Sidhi	Sanjay National Park	Alfa Communication, Bhopal	14,00,000	31/10/2017	11,31,741	10/11/2018	The work was carried out by the Company on newly constructed/ renovated rooms and restaurant of its own commercial residential unit by diverting Scheme Funds of the Wildlife Circuit received for construction of Electric Sub-station (₹ 20 lakh) and Solar Lighting System (₹ 30.25 lakh) in Sanjay National Park without approval of Ministry of Tourism.	GoMP stated (August 2020) that in order to provide improved facilities to tourists, the said work was executed from the components of log huts. Reply is not acceptable as the said work was not provided under the components of works sanctioned by GoI.
3	External electrification work, bollard lighting cable,	Sanjay National Park	Vibha Electrical	36,70,000	04/09/2017	28,76,625	05/11/2018	The work was carried out by the Company on newly constructed/ renovated rooms and restaurant of its own commercial	GoMP stated (August 2020) that in order to provide improved power supply for log huts, the work was

Sl. No.	Name of Work	National Park	Name of Contractor	Value of work (in ₹)	Date of Work Order	Actual Expenditure (in ₹)	Date of completion	Remarks of Audit	Reply of the company and remarks of Audit
	shifting of main panel from old block at Parsuli resort Parsuli distt. Sidhi							residential unit by diverting Scheme Funds of the Wildlife Circuit received for construction of Electric Sub-station (₹ 20 lakh) and Solar Lighting System (₹ 30.25 lakh) in Sanjay National Park without approval of Ministry of Tourism.	taken up. Reply is not acceptable as the said work was not provided under the components of works sanctioned by GoI.
4	11 KV line extensions and DP structure work at Kath Bangla and 11 KV shifting work for Badkadol Parsuli Resort Sidhi.	Sanjay National Park	Ruchi Mishra, Rewa	14,81,000	23/02/2018	8,93,225	29/05/2018	The work was carried out by the Company on its own commercial residential unit of Parsuli Resort and Way Side Amenity Kath Bangla by diverting Scheme Funds of the Wildlife Circuit received for construction of Electric Sub-station (₹ 20 lakh) and Solar Lighting System (₹ 30.25 lakh) in Sanjay National Park without approval of Ministry of Tourism.	GoMP stated (August 2020) that in order to provide improved power supply for Cafeteria and Camping site at Kath Bangla campus, the work was taken up from the components of AC. Reply is not acceptable as the said work was not provided under the components of works sanctioned by GoI.
5	Construction of swimming pool, retaining wall at Bagheera Jungle Resort, Sarhi Resort.	Kanha National Park (Mukki Gate)	M/s Manoj Kumar Chimaniya, Bhopal.	51,00,000	13/08/2019	19,17,000	Completed (date not furnished)	The work was carried out by the Company on its own commercial residential unit of Bagheera Jungle Resort, Sarhi by diverting Scheme Funds of the Wildlife Circuit received for construction of Kanha National Park (Mukki Gate - ₹ 17.85 crore) in	GoMP stated (August 2020) that in order to provide improved facilities to tourists at Sarhi Gate of Kanha National Park, the work was taken up. The FIC, log huts, reception, etc. constructed at Sarhi Gate under the scheme were named as Sarhi

Sl. No.	Name of Work	National Park	Name of Contractor	Value of work (in ₹)	Date of Work Order	Actual Expenditure (in ₹)	Date of completion	Remarks of Audit	Reply of the company and remarks of Audit
								Kanha National Park without approval of Ministry of Tourism.	Resort, which is not an existing unit of the Company. Reply is not acceptable as the Company had taken up the works of swimming pool, retaining wall, etc., which were not provided under the components of works sanctioned by GoI.
6	Construction of forest Information Centre, open air amphitheatre, compound wall, chain link fencing, canopy walk, parking and other development work near Panpatha Buffer Zone Bandhavgarh National Park, Distt. Umaria.	Bandhavgarh National Park	M.K. Engineers Group, Bhopal	3,50,00,000	04/10/2017	38,96,000	06/02/2020	The Company allotted work of ₹ 21.21 lakh to the Contractor for construction of pathway, waiting area, garden, parking, sitting area and landscaping in existing/old White Tiger Forest Lodge the Company, which was not a part of DPR of the project and was a commercial residential unit of the Company. Further, the Company has also approved (March 2019) for utilisation of Non-SOR items of ₹ 17.75 lakh in existing/old White Tiger Forest Lodge the Company to modify its appearance to match jungle look. The	GoMP stated (August 2020) that the GoI had approved the works of construction of log huts under the scheme, which are also commercial assets. It was further stated that Project Management Consultant, appointed by GoI, had seen the works executed at WTFL and reported the same to GoI. Hence, the works were taken up within the scheme guidelines. However, the details of works will be submitted to GoI along with Project Closure Report for approval. Reply is not acceptable

Sl. No.	Name of Work	National Park	Name of Contractor	Value of work (in ₹)	Date of Work Order	Actual Expenditure (in ₹)	Date of completion	Remarks of Audit	Reply of the company and remarks of Audit
								Company has not obtained any approval from GoI for diversion of CFA of ₹ 38.96 lakh.	as the execution of works in existing assets of the Company i.e. WTFL was not provided under the components of works sanctioned by GoI.
7	Construction of machan, buffer zone entry gate, parking, pathway and solar lighting etc. at Bandhavgarh, distt. Umariya under sanctioned Wildlife Circuit.	Bandhavgarh National Park	Vinod Kumar Pandey, Bhopal	1,19,20,000	08/03/2019	77,51,000	06/02/2020	The Company has allotted work of ₹ 77.51 lakh to the Contractor for construction of garden in front, paved platform, pavillion, pond, pathway to guest rooms, dining area outdoor, dining area outdoor near banyan tree in existing/ old White Tiger Forest Lodge the Company, which was not a part of DPR of the project and was a commercial residential unit of the Company. Further, the Company has also not obtained any approval from GoI for diversion of CFA.	GoMP stated (August 2020) that the details of works executed under the scheme along with details of actual expenditure, tenders, photos of works, etc. will be submitted to GoI along with Closure Report. Reply is not acceptable as the execution of works in existing assets of the Company i.e. WTFL was not provided specifically under the components of works sanctioned by GoI and the Company had not obtained prior approval of GoI in this regard.
8	Construction of compound wall, chain link fencing,	Sanjay National Park	M/s Paramount Engineers Group,	3,83,23,000	01.10.16	1,77,28,000	10/07/2018	The Company has allotted additional work of ₹ 1.60 crore to the Contractor for up-gradation, flooring,	GoMP stated (August 2020) that the works were executed in Parsili Resort with a view to

Sl. No.	Name of Work	National Park	Name of Contractor	Value of work (in ₹)	Date of Work Order	Actual Expenditure (in ₹)	Date of completion	Remarks of Audit	Reply of the company and remarks of Audit
	parking area, cafeteria, log huts and other work in Buffer Zone of Sanjay National Park Distt. Sidhi		Bhopal					<p>kitchen extension and toilet construction of existing/ old building of Parsili Report the Company, which was not a part of DPR of the project and was a commercial residential unit of the Company. Further, the Company has also not obtained any approval from GoI for diversion of CFA.</p> <p>Further, any expenditure on the operation of the assets created under the scheme was not provided in the approved DPR. In case of cafeteria constructed in Mukundpur National Park under the scheme also, the Company had procured (March 2018) inventory for its operation from its own funds. However, in the case of log huts constructed in Sanjay National Park vide this work order, the Company has utilised (November 2017) scheme fund of ₹ 17.28 lakh for procurement of stores and inventories for</p>	<p>provide all the facilities to the tourists at single place and purchased inventory items for uninterrupted operation of kitchen at Parsili Report.</p> <p>Reply is not acceptable as the execution of works in existing assets of the Company i.e. Parsili Resort was not provided under the components of works sanctioned by GoI and the Company had not obtained prior approval of GoI in this regard.</p>

Sl. No.	Name of Work	National Park	Name of Contractor	Value of work (in ₹)	Date of Work Order	Actual Expenditure (in ₹)	Date of completion	Remarks of Audit	Reply of the company and remarks of Audit
								commercial operation of log huts instead of its own funds.	
9	Landscaping work for various places at Gwalior	Gwalior and Surrounding	M/s Raj Mangal Developers, Shivpuri	1,72,00,000	08/03/2018	40,00,000	06/06/2018	The Company allotted (May 2018) additional work of ₹ 40 lakh to the same contractor for landscaping work of two additional locations namely Kuno Palpur (₹ 25 lakh) and Madikheda (₹ 15 lakh) which were not included in the Heritage Circuit. It was initially proposed to complete the works from State Government Budget and corporation Budget Separately. However, actual payment for entire work including these works (₹ 34.62 lakh) was made from the fund of Heritage Circuit.	GoMP stated (August 2020) that due to system error, all the expenditure had been booked under Heritage Circuit and rectification has being done by passing reverse entry. Reply is not acceptable as the Company has not furnished copy of rectification entry to Audit. Further, allocation of state budget and corporation budget for the same was also not furnished.
Total Amount				11,45,99,000		4,07,41,023			

Annexure-4.4.1
(Reference to Paragraph 4.4.6.2)
Details of Transformer procurement in Turnkey Contracts

(₹ in crore)

Sl. No.	Year	Agency	W. O. no.	Date	Capacity of transformer (in MVA)	Unit FORD price in Rs.	Quantity (Nos.)	Total Cost	Qty. of T/f oil (in KL)	Rate per KL	Cost of T/f oil	FORD Cost of TKC Transformer without Oil (per Unit)	Total FORD Cost of TKC Transformer without Oil	Company's own Procurement (unit FORD Price)	Percentage increase from Company's own procurement (in per cent)	Total Company's cost	Total difference in cost	
1	2	3	4	5	6	7	8	9	10	11	12	13 (7-12)	14 (13*8)	15	16	17 (15*8)	18 (14-17)	
1	2016-17	ADB-III	TR- 504/ PACKAGE-A	03.05.2016	160MVA 220/132	6.54	2	13.08	NA	NA	NA	NA	13.08	4.037	62.00	8.07	5.01	
2			TR-505/ PACKAGE-B	03.05.2016	160MVA 220/132	6.48	2	12.97	NA	NA	NA	NA	12.97	4.037	60.63	8.07	4.90	
							50MVA 132/33	2.98	3	8.93	NA	NA	NA	8.93	2.095	42.13	6.29	2.65
3			TR-509/ PACKAGE-F	17.03.2016	160MVA 220/132	6.83	1	6.83	NA	NA	NA	NA	6.83	4.037	69.15	4.04	2.79	
							50MVA 132/33	3.66	2	7.31	NA	NA	NA	7.31	2.095	74.57	4.19	3.12
4			TR-506/ PACKAGE-C	30.03.2016	50 MVA 132/33	3.84	3	11.51	NA	NA	NA	NA	11.51	2.095	83.11	6.29	5.22	
5			TR-508/ PACKAGE-E	13.06.2016	50 MVA 132/33	3.29	4	13.15	NA	NA	NA	NA	13.15	2.095	56.97	8.38	4.77	
6			TR-503/Lot-2	01.03.2014	63 MVA 132/33	4.01	1	4.01	37	0.004385	0.16	3.85	3.85	2.090	84.34	2.09	1.76	
					40 MVA 132/33	2.43	2	4.85	31	0.004385	0.14	2.29	4.58	1.632	40.40	3.26	1.32	
7	TR-501/Lot-2	01.03.2014	160 MVA 220/132	6.29	4	25.15	NA	NA	NA	NA	25.15	4.037	55.78	16.15	9.01			
8	TR-502/Lot-1	01.03.2014	63 MVA 132/33	4.01	1	4.01	37	0.004385	0.16	3.85	3.85	2.090	84.34	2.09	1.76			
					40 MVA 132/33	2.43	6	14.56	31	0.004385	0.14	2.29	13.74	1.632	40.40	9.79	3.95	
					Total		31						124.95			78.71	46.27	

Sl. No.	Year	Agency	W. O. no.	Date	Capacity of transformer (in MVA)	Unit FORD price in Rs.	Quantity (Nos.)	Total Cost	Qty. of T/f oil (in KL)	Rate per KL	Cost of T/f oil	FORD Cost of TKC Transformer without Oil (per Unit)	Total FORD Cost of TKC Transformer without Oil	Company's own Procurement (unit FORD Price)	Percentage increase from Company's own procurement (in per cent)	Total Company's cost	Total difference in cost	
9	2018-19	ADB-III	TR-512/TK	20.04.2018	40 MVA 132/33	2.56	3	7.68	31	0.004385	0.14	2.42	7.27	1.632	48.51	4.89	2.37	
10			TR-513/TK	20.04.2018	40 MVA 132/33	2.54	2	5.07	31	0.004385	0.14	2.40	4.80	1.632	47.19	3.26	1.54	
11			TR-511/TK	20.04.2018	160 MVA 220/132	5.21	4	20.83	NA	NA	NA	NA	NA	20.83	4.440	17.30	17.76	3.07
				20.04.2018	50 MVA 220/33	3.43	2	6.86	NA	NA	NA	NA	NA	6.86	3.080	11.39	6.16	0.70
12			TR-510/TK	20.04.2018	40 MVA 132/33	2.53	6	15.16	31	0.004385	0.14	2.39	14.34	1.632	46.51	9.79	4.55	
					Total		17						54.10			41.87	12.24	
					Grand Total		48						179.05			120.57	58.51	

Annexure-4.4.2
(Reference to Paragraph 4.4.6.2)

Details of differences in rates of transformers of same capacity purchased under Turnkey Contracts

(₹ in crore)

Sl. No.	Year	Transformer type/ Capacity	Tender Number (L-1)	Tender Rate per Unit	Subsequent Tender Number	Rate per unit in subsequent Tender	Difference of Rate	Quantity of subsequent tender (Nos)	Amount (Col. 8*Col. 9)
1	2	3	4	5	6	7	8	9	10
1	2016-17	160MVA	TR-505/PACKAGE-B	6.61	TR- 504/PACKAGE-A	6.67	0.06	2	0.12
2	2016-17	160MVA	TR-505/PACKAGE-B	6.61	TR-509/PACKAGE-F	6.91	0.30	1	0.30
3	2016-17	50MVA	TR-505/PACKAGE-B	3.03	TR-509/PACKAGE-F	3.70	0.66	2	1.32
4	2016-17	50MVA	TR-505/PACKAGE-B	3.03	TR-506/PACKAGE-C	3.89	0.86	3	2.58
5	2016-17	50MVA	TR-505/PACKAGE-B	3.03	TR-508/PACKAGE-E	3.35	0.32	4	1.28
							Total		5.60

Annexure-4.4.3
(Reference to Paragraph 4.4.6.3)
Details of procurement and utilization of transformers during 2016-17 to 2018-19

Sl. No.	Year	Order No.	Capacity of transformers	Number of transformer procured	Transformer wise month of receipt of supply	Transformer wise month of Utilisation	FORD Price (₹ in crore)	Period (months) for which the material was lying idle leaving two months from the date of receipt (up to 07/2020)	Rate of interest (in per cent)	Loss of interest on 70 percent of the value of the Material (₹ in crore)
1	2016-17	04-01/TR-07/2016/160MVA /SI/04581-3 dtd.16.12.2016	220 KV, 160 MVA (Qty-3nos.)	3 rd unit	07.12.17	DOC -30.04.18	3.54	3	12	0.07
2		04-01/KfW/MPPTCL/TR-108/Lot-I/SI/04591-6 dtd. 31.01.2017	400/220/33kV, 315 MVA (Qty-6nos.)	1 st unit	22.12.18	DOC- 09.03.20	8.00	12	11.5	0.64
				2 nd unit	23.12.18	DOC-25.08.19	8.00	8	11.5	0.43
				3 rd unit	21.05.19	Not yet commissioned	8.00	12	11.5	0.64
				4 th unit	27.08.19	Not yet commissioned	8.00	9	11.5	0.48
				5 th unit	03.11.19	Not yet commissioned	8.00	7	11.5	0.38
3		04-01/KfW/MPPTCL/TR-108/Lot-II/SI/04592-7 dtd. 31.01.2017	220/132/33 kV, 160 MVA (Qty-15nos.)	1 st unit	12.03.19	DOC- 30.11.19	4.04	7	11.5	0.19
				2 nd unit	09.06.19	DOC- 13.12.19	4.04	4	11.5	0.11
				3 rd unit	19.05.19	DOC- 29.02.20	4.04	7	11.5	0.19
				7 th unit	25.11.19	Not yet commissioned	4.04	6	11.5	0.16
				8 th unit	13.11.19	Not yet commissioned	4.04	6	11.5	0.16
				9 th unit	22.01.20	Not yet commissioned	4.04	4	11.5	0.11
				10 th unit	08.03.20	Not yet commissioned	4.04	3	11.5	0.08
4		04-01/KfW/MPPTCL/TR-108/Lot-III/SI/04593-8 dtd. 31.01.2017	132/33 kV, 63 MVA (Qty-6nos.)	1 st unit	06.08.18	DOC-12.03.19	2.30	5	11.5	0.07
				2 nd unit	08.08.18	DOC- 10.04.19	2.30	6	11.5	0.09
	5 th unit			03.02.19	DOC- 05.05.20	2.30	15	11.5	0.23	

Sl. No.	Year	Order No.	Capacity of transformers	Number of transformer procured	Transformer wise month of receipt of supply	Transformer wise month of Utilisation	FORD Price (₹ in crore)	Period (months) for which the material was lying idle leaving two months from the date of receipt (up to 07/2020)	Rate of interest (in per cent)	Loss of interest on 70 percent of the value of the Material (₹ in crore)
				6 th unit	15.10.19	DOC- 21.03.20	2.30	3	11.5	0.06
			132 KV 40 MVA (Qty-3nos.)	1 st unit	02.08.18	DOC-17.02.19	1.75	4	11.5	0.05
5	2017-18	04-01/TR-42/2017/160MVA/SI/04660-5 dtd. 06.02.2018	220 KV, 160 MVA (Qty-7nos.)	1 st unit	09.02.19	DOC- 20.07.19	3.65	3	12	0.08
				4 th unit	27.03.19	DOC- 22.12.19	3.65	7	12	0.18
				5 th unit	12.07.19	DOC- 30.12.19	3.65	4	12	0.10
				6 th unit	23.08.19	DOC- 05.05.20	3.65	6	12	0.15
6		TR-43/2017/50 MVA/SI	50 MVA, 132/33 kV (Qty. 16 nos.)	6 th unit	05.03.19	DOC-16.09.19	2.02	4	12	0.06
				16 th unit	08.03.19	DOC- 27.11.19	2.02	7	12	0.10
7	2018-19	04-01/TR-25/2018/50MVA/SI/04684-5 dtd.28.08.2018	220/33 KV, 50 MVA (Qty-3nos.)	1 st unit	09.04.19	DOC- 14.11.19	2.82	5	12	0.10
8		04-01/JICA-II/MPPTCL/TR-205/SI/04709-5 dt. 04.10.18	132/33KV, 50 MVA Power Transformer (Qty.-22noc)	3 rd unit	12.12.19	DOC- 04.06.20	2.14	4	12	0.06
				5 th unit	17.02.20	DOC- 30.07.20	2.14	3	12	0.04
				6 th unit	08.02.20	DOC- 17.07.20	2.14	3	12	0.04
			Total	28			110.65			5.05

Annexure-4.4.4

(Reference to Paragraph 4.4.6.3)

Details of procurement and utilization of transformers during 2016-17 to 2018-19 (Turnkey Contract)

Sl. No.	Year	W.O. no.	Date of work order	Capacity of transformer	Unit FORD price (₹ in crore)	Quantity (in Nos.)	Total Cost (₹ in crore)	Actual Quantity received by delay	Month of supply of transformer	Month of installation of transformer	Period (month) for which the material was lying idle leaving two months from the date of receipt (up to Nov. 2019)	Rate of interest (in Percent)	Loss of interest on 70 percent of the value of the material (₹ in crore)
1	2	3	5	6	7	8	9	11	12	13	14	15	16
1	2016-17	TR-505/PACKAGE-B	03.05.16	160MVA	6.61	2	13.22	1	Feb-18	Aug-18	4	12	0.19
			03.05.16	50MVA	3.03	3	9.1	1	Feb-18	Jul-18	3	12	0.06
			3.03	1	Jan-18			Jun-18	3	12	0.06		
2		TR-509/PACKAGE-F	17.03.16	160MVA	6.91	1	6.91	1	Apr-17	Dec-17	6	12	0.29
3		TR-506/PACKAGE-C	30.03.16	50 MVA	3.89	3	11.68	1	Jun-18	Dec-18	4	12	0.11
4		TR-508/PACKAGE-E	13.06.16	50 MVA	3.35	4	13.4	1	Apr-18	Sep-18	3	12	0.07
					3.35			1	Nov-18	Mar-19	3	12	0.07
5		TR-503/Lot-2	01.03.14	63 MVA	4.01	1	4.01	1	Mar-16	Jan-18	20	12	0.56
				40 MVA	2.43	4	9.71	1	Jul-16	Nov-17	14	12	0.24
6					2.43					1	Sep-16	Apr-18	17
					7	TR-501/Lot-2	01.03.14			160 MVA	6.29	8	50.31
		6.29	1	Jul-16				Jan-17	4	12	0.18		
8	TR-502/Lot-1	01.03.14	40 MVA	2.43	7	16.99	1	Jul-16	Mar-18	18	12	0.31	
				2.43			1	Apr-16	Nov-16	5	12	0.09	
				2.43			1	Apr-16	Jan-18	19	12	0.32	
				2.43			1	May-16	Oct-16	3	12	0.05	
				2.43			1	May-16	Nov-18	28	12	0.48	
				2.43			1	Jul-16	Nov-17	14	12	0.24	
9	TR-512/TK	20.04.18	40 MVA	2.56	3	7.68	1	Mar-19	Sep-19	4	12	0.07	
10	TR-511/TK	20.04.18	160 MVA	5.21	4	20.83	1	Mar-19	Nov-19	8	12	0.29	
			50 MVA	5.21			1	Aug-19	Nov-19	3	12	0.11	
11	TR-510/TK	20.04.18	50 MVA	3.43	2	6.86	1	Jun-19	Nov-19	5	12	0.12	
			40 MVA	2.53	6	15.16	1	Apr-19	Nov-19	5	12	0.09	
					85.14		185.86	32		Total			4.54

Annexure-4.4.5
(Reference to Paragraph 4.4.6.3)
Details of idling of transformers

(₹ in crore)

Sl. No.	Name of SSs	Capacity of SSs	Capacity of transformer installed (in MVA)	Total capacity	Cost of transformer (₹ in crore)	Max. load recorded in 2018-19, (in MVA)	Percentage of load recorded to installed capacity
1	132KV BISNOOR	132KV	50	50	2.10	08	16.20
2	132KV SATNA-II	132KV	50+50	100	4.20	21	20.50
3	132KV BUDHA	132KV	50	50	2.10	12	24.06
4	220KV MORENA	132KV	63	63	2.09	10	15.73
5	400KV JULWANIA	132KV	40	40	1.63	01	2.50
6	220KV BHANPURA	220KV	160	160	4.04	26	15.94
7	220KV GWALIOR-II	220KV	160+160	320	8.08	61	19.06
8	220KV SIRMOUR	220KV	160	160	4.04	36	22.25
			Total		28.28		

Annexure-4.4.6
(Reference to Paragraph 4.4.6.4)
Details of transformers damaged during 2016-17 to 2018-19 and declared uneconomical for repair

Sl. No.	Name of SSs	Capacity of transformer damaged	Year of Manufacturing of transformer	Date of damage	Served Life (in Years)	Reason of damage	Date Survey report
1	220 KV, South Zone , Indore	40 MVA	1995	17.08.2016	21	Differential tripped indication and PRV	04.09.2018
2	132 KV, Choural	40 MVA	1991	25.09.2016	25	Differential tripped indication and Bucholz indication	03.08.2018
3	220 KV, Ujjain	40 MVA	1994	22.06.2017	23	Differential tripped indication	Under process
4	132 KV, Chhindwara	40 MVA	1996	19.09.2017	21	Tripped at the time of feeding fault of 33 KV	22.01.2019
5	400 KV, Bina	315 MVA	1991	15.01.2018	27	Differential tripped indication and Bucholz, PRV indication	02.01.2019
6	400 KV, Bina	315 MVA	1991	14.02.2018	27	Differential tripped indication and Bucholz, PRV indication	02.01.2019
7	132 KV, Piparia	40 MVA	1995	24.06.2018	23	Tripped at the time of feeding fault of 33 KV	27.07.2019
8	132 KV, Ghatabillod	40 MVA	1991	02.06.2018	27	Differential tripped indication and Bucholz, indication	02.11.2019
9	400 KV, Ashta	160 MVA	1990	23.07.2018	28	Differential tripped indication and Bucholz, PRV indication	31.05.2019

Annexure-4.5.1
(Reference to Paragraph 4.5.5)

Statement showing the details of billing efficiency, distribution losses and excess losses against the targets fixed by MPERC

Name of the Discoms	FY	Energy Input (in MUs)	Energy sold (in MUs)	Billing efficiency	Losses incurred by the circle (in per cent)	Target fixed by MPERC (in per cent)	Excess against the target fixed by MPERC (in per cent)	Loss in MUs
MPMKVVCL	2016-17	19268.2	14328.82	74.37	25.63	19	6.63	1277.48
	2017-18	21235.65	15308.23	72.09	27.91	18	9.91	2104.45
	2018-19	23928.64	15020.57	62.77	37.23	17	20.23	4840.76
MPPoKVVCL	2016-17	17326.78	13409.47	77.39	22.61	18	4.61	798.76
	2017-18	19333	14102	72.94	27.06	17	10.06	1944.90
	2018-19	21142.90	14680.33	69.43	30.57	16	14.57	3080.52
MPPaKVVCL	2016-17	21387.4	17565.2	82.13	17.87	16	1.87	399.94
	2017-18	22323.96	18621.22	83.41	16.59	15.5	1.09	243.33
	2018-19	24572.4	20598.63	83.83	16.17	15	1.17	287.50

(Source: R-15, Annual financial statement and details worked out by Audit)

Annexure-4.5.2
(Reference to Paragraph 4.5.6.1)

Statement showing the details of billing efficiency reported in annual financial statements *vis-à-vis* excess / short reporting

Name of Discoms	FY	Energy Input (in MUs)	As reported in Annual Financial Statement		Reporting should have been in Annual Financial Statement		Excess/short shown in Annual Financial Statement	
			Energy sold (MUs)	Billing Efficiency (in per cent)	Energy sold (MUs)	Billing Efficiency (in per cent)	Energy sold (MUs)	Billing Efficiency (in per cent)
MPMKVVCL	2016-17	19268.20	14328.82	74.37	12309.15	63.88	2019.67	10.49
	2017-18	21235.65	15308.23	72.09	13276.41	62.52	2031.82	9.57
	2018-19	23928.64	15020.57	62.77	15020.57	62.77	0.00	0.00
MPPoKVVCL	2016-17	17326.78	13409.47	77.39	13376.64	77.20	32.83	0.19
	2017-18	19333.00	14102.00	72.94	14085.30	72.86	16.70	0.08
	2018-19	21142.90	14680.33	69.43	14673.50	69.40	6.83	0.03
MPPaKVVCL	2016-17	21387.40	17565.20	82.13	17565.20	82.13	0.00	0.00
	2017-18	22323.96	18621.22	83.41	18617.42	83.40	3.80	0.01
	2018-19	24572.40	20598.63	83.83	20581.83	83.76	16.80	0.07

(Source: R-15, Annual Financial Statements and details worked out by Audit)

Annexure-4.5.3

(Reference to Paragraph 4.5.6.2)

Statement showing position of the billing efficiency achieved by field units of the DISCOMs against distribution losses

Discoms	Name of field units	FY	Energy Input (in MUs)	Energy sold (in MUs)	Billing efficiency (per cent)	Losses incurred by the field units (per cent)	Target fixed by MPERC (per cent)	Excess losses against the target fixed by MPERC (per cent)	Loss (in MUs)	Average billing rate (ABR)	Value of the loss of units as per ABR (₹ in crore)
MPMKVVCL	Hoshangabad	2016-17	1617.33	1009.34	62.41	37.59	19	18.59	300.70	6.19	186.13
		2017-18	1867.79	1085.45	58.11	41.89	18	23.89	446.14	6.75	301.14
		2018-19	2084.85	1245.31	59.73	40.27	17	23.27	485.12	6.72	326.0
	Gwalior	2016-17	1630.7	961.4	58.96	41.04	19	22.04	359.47	7.18	258.10
		2017-18	1923.8	1048	54.48	45.52	18	27.52	529.52	7.80	413.02
		2018-19	2104.3	1189.4	56.52	43.48	17	26.48	557.17	7.57	421.78
	Betul	2016-17	985.6	721.43	73.20	26.80	19	7.80	76.91	6.22	47.84
		2017-18	971.17	719.05	74.04	25.96	18	7.96	77.31	6.75	52.18
		2018-19	1034.41	789.97	76.37	23.63	17	6.63	68.59	6.69	45.89
	Sheopur	2016-17	643.96	355.73	55.24	44.76	19	25.76	165.88	6.33	105.0
		2017-18	790.34	395.93	50.10	49.90	18	31.90	252.15	7.03	177.26
		2018-19	847.7	510.05	60.17	39.83	17	22.83	193.54	6.85	132.58
	Rajgarh	2016-17	1171.34	794.41	67.82	32.18	19	13.18	154.38	6.14	94.79
		2017-18	1180.55	836.92	70.89	29.11	18	11.11	131.13	6.74	88.38
		2018-19	1343.03	964.83	71.84	28.16	17	11.16	149.88	6.65	99.67
MPPoKVVCL	Rewa	2016-17	1413.01	872.15	61.72	38.28	18	20.28	286.52	5.37	153.86
		2017-18	1676.31	997.54	59.51	40.49	17	23.49	393.80	5.51	216.98
		2018-19	1776.57	927.2	52.19	47.81	16	31.81	565.12	6.40	361.68
	Satna	2016-17	1978.42	1594.23	80.58	19.42	18	1.42	28.07	6.64	18.64
		2017-18	2463.76	1728.54	70.16	29.84	17	12.84	316.38	7.03	222.42
		2018-19	2672.47	1810.08	67.73	32.27	16	16.27	434.79	7.42	322.62

Discoms	Name of field units	FY	Energy Input (in MUs)	Energy sold (in MUs)	Billing efficiency (per cent)	Losses incurred by the field units (per cent)	Target fixed by MPERC (per cent)	Excess losses against the target fixed by MPERC (per cent)	Loss (in MUs)	Average billing rate (ABR)	Value of the loss of units as per ABR (₹ in crore)	
	Katni	2016-17	845.27	656.58	77.68	22.32	18	4.32	36.54	6.17	22.55	
		2017-18	993.8	652	65.61	34.39	17	17.39	172.85	7.13	123.24	
		2018-19	1057.12	688.93	65.17	34.83	16	18.83	199.05	7.35	146.3	
	Chhatarpur	2016-17	1304.24	995.67	76.34	23.66	18	5.66	73.81	5.6	41.33	
		2017-18	1486.68	1039.14	69.90	30.10	17	13.10	194.80	5.67	110.45	
		2018-19	1753.84	1064.88	60.72	39.28	16	23.28	408.35	5.97	243.78	
	Chhindwara*	2016-17	1293.71	1208.49	93.41	6.59	18	0.00	0.00	0.00	0.00	0.00
		2017-18	1334.52	1160.87	86.99	13.01	17	0.00	0.00	0.00	0.00	0.00
		2018-19	1467.42	1269.44	86.51	13.49	16	0.00	0.00	0.00	0.00	0.00
MPPaKVVCL	Shajapur	2016-17	988.39	593.76	60.07	39.93	16	23.93	236.49	5.85	138.35	
		2017-18	953.34	627.06	65.78	34.22	15.5	18.72	178.51	6.41	114.43	
		2018-19	1053.02	683.68	64.93	35.07	15	20.07	211.39	6.37	134.65	
	Barwani	2016-17	854.14	678.34	79.42	20.58	16	4.58	39.14	5.77	22.58	
		2017-18	904.47	680.66	75.26	24.74	15.5	9.24	83.62	6.33	52.93	
		2018-19	999.76	765.88	76.61	23.39	15	8.39	83.92	6.32	53.03	
	Khargone	2016-17	1976.7	1599.63	80.92	19.08	16	3.08	60.80	5.72	34.78	
		2017-18	2085.75	1722.81	82.60	17.40	15.5	1.90	39.65	6.22	24.66	
		2018-19	2293.25	1865.88	81.36	18.64	15	3.64	83.38	6.30	52.53	
	Indore City*	2016-17	2676.22	2195.79	82.05	17.95	16	1.95	0.00	0.00	0.00	0.00
		2017-18	2764.3	2292.7	82.94	17.06	15.5	1.56	0.00	0.00	0.00	0.00
		2018-19	2893.4	2456.8	84.91	15.09	15	0.09	0.00	0.00	0.00	0.00
	Mandsaur*	2016-17	1044.28	1030.54	98.68	1.32	16	0.00	0.00	0.00	0.00	0.00
		2017-18	1112.6	1116.4	100.34	-0.34	15.5	0.00	0.00	0.00	0.00	0.00
		2018-19	1226.9	1243.7	101.37	-1.37	15	0.00	0.00	0.00	0.00	0.00

(Source: R-15 and Information furnished by the Management)

Annexure-4.5.4
(Reference to Paragraph 4.5.6.3)

Statement showing details of total DTRs, DTRs where meters were installed/ not installed and meter readings were not taken

Name of Discom	Name of the units	Total No. of DTRs	No. of DTRs where meters are not installed	DTRs where meters are installed			Total No. of DTRs where meter readings are not being taken	Percentage of DTRs without meter readings
				No. of DTRs where meters are installed	No. of DTRs where meter readings are being taken	No. of DTRs where meter readings are not being taken		
MPMKVVCL	Hoshangabad	30608	22607	8001	8001	0	22607	73.86
	Betul	14423	12377	2046	352	1694	14071	97.56
	Gwalior	21507	17294	4213	4213	0	17294	80.41
	Sheopur	19501	18447	1054	1054	0	18447	94.60
	Rajgarh	31650	22736	8914	1828	7086	29822	94.22
	Sub-group Total	117689	93461	24228	15448	8780	102241	86.87
MPPoKVVCL	Satna	20888	18340	2548	365	2183	20523	98.25
	Rewa	19979	15715	4264	970	3294	19009	95.14
	Katni	8907	5478	3429	764	2665	8143	91.42
	Chatarpur	15318	12383	2935	2827	108	12491	81.54
	Chhindwaara	17920	14681	3239	555	2684	17365	96.90
	Sub-group Total	83012	66597	16415	5481	10934	77531	93.40
MPPaKVVCL	Shajapur	11395	10988	407	0	407	11395	100.00
	Barwani	15246	12899	2347	516	1831	14730	96.62
	Mansaur	20472	14816	5656	0	5656	20472	100.00
	Indore	11137	1002	10135	3835	6300	7302	65.57
	Khargone	18298	16857	1441	600	841	17698	96.72
	Sub-group Total	76548	56562	19986	4951	15035	71597	93.53
Grand Total	277249	216620	60629	25880	34749	251369	90.67	

(Source: Information furnished by the Management)

Annexure-4.5.5

(Reference to Paragraph 4.5.6.3)

Statement showing details of total no. of LT high value consumers, LT high value consumers where AMR meters are installed/ not installed and meter readings not being taken

Name of Discoms	Name of the field units	Total No. of LT High Value ¹⁶ consumers	No. of LT High Value consumers where AMR meters are not installed	LT High Value consumers where AMR meters are installed			Total No. of LT High Value consumers where meter readings are not being taken	Percentage of consumers without AMR meter readings (column8*100/ column3)
				No. of LT High Value consumers where AMR meters are installed	No. of LT High Value consumers where meter readings are being taken	No. of LT High Value consumers where meter readings are not being taken		
1	2	3	4	5	6	7	8 =(4+7)	9
MPMKVVCL	Hoshangabad	2233	1403	830	830	0	1403	62.83
	Betul	443	58	385	385	0	58	13.09
	Gwalior	697	15	682	682	0	15	2.15
	Sheopur	93	9	84	84	0	9	9.68
	Rajgarh	1105	773	332	198	134	907	82.08
	Sub-group Total		4571	2258	2313	2179	134	2392
MPPoKVVCL	Satna	2766	2048	718	526	192	2240	80.98
	Rewa	1721	1295	426	426	0	1295	75.25
	Katni	1865	1550	315	208	107	1657	88.85
	Chatarpur	1897	1675	222	182	40	1715	90.41
	Chindwara	1967	959	1008	918	90	1049	53.33
	Sub-group Total		10216	7527	2689	2260	429	7956
MPPaKVVCL	Shajapur	706	219	487	487	0	219	31.02
	Barwani	820	11	809	809	0	11	1.34
	Mansaur	2821	0	2821	312	2509	2509	88.94
	Indore	17336	55	17281	17110	171	226	1.30
	Khargone	1467	0	1467	1087	380	380	25.9
	Sub-group Total		23150	285	22865	19805	3060	3345
Grand Total		37937	10070	27867	24244	3623	13693	36.09

¹⁶ LT Consumers having load more than 10 KW. Source- information furnished by Management

Annexure-4.5.6

(Reference to Paragraph 4.5.6.3)

Statement showing details of total no. of 33/11 KV SSs, SSs where CBs are installed/ not installed and required capacity

Name of Discom	Name of the units	Total No. of 33/11 KV SSs	No. of SSs where CBs are installed	No. of SSs where CBs are not installed	Total Required capacity (KVAR) of CBs (1500 KVAR per SS)
MPMKVVCL	Hoshangabad	121	88	33	49500
	Betul	91	52	39	58500
	Gwalior	108	66	42	63000
	Sheopur	72	57	15	22500
	Rajgarh	101	72	29	43500
	Sub-group Total	493	335	158	237000
MPPooKVCL	Satna	70	44	26	39000
	Rewa	83	38	45	67500
	Katni	57	29	28	42000
	Chhatarpur	83	54	29	43500
	Chhindwara	111	72	39	58500
	Sub-group Total	404	237	167	250500
MPPaKVCL	Shajapur	91	79	12	18000
	Barwani	70	64	6	9000
	Mansaur	104	90	14	21000
	Indore city	116	74	42	63000
	Khargone	116	106	10	15000
	Sub-group Total	497	413	84	126000
	Grand Total	1394	985	409	613500

(Source: Information furnished by the Management and details worked out by audit)

Annexure-4.5.7

(Reference to Paragraph 4.5.6.4)

Statement showing the details of total metered consumers, provisionally billed metered consumers and the percentage of provisionally billed consumers against total metered consumers

Name of Discoms	Name of field units	2016-17			2017-18			2018-19		
		Total No. of metered consumers	Provisional Billing (in Nos.)	Per cent	Total No. of metered consumers	Provisional Billing (in Nos.)	Per cent	Total No. of metered consumers	Provisional Billing (in Nos.)	Per cent
MPMKVVCL	Hoshangabad	254690	20902	8.21	257905	105108	40.75	279264	108134	38.72
	Betul	171153	42617	24.9	183869	61411	33.4	204938	64297	31.37
	Gwalior	152811	32954	21.57	165833	124851	75.29	191647	116187	60.63
	Sheopur	72756	8388	11.53	78928	63109	79.96	82708	60252	72.85
	Rajgarh	182270	10224	5.61	190624	136175	71.44	195781	91546	46.76
	Sub-Total	833680	115085	13.8	877159	490654	55.94	954338	440416	46.15
MPPokVVCL	Satna	279515	100800	36.06	292286	110304	37.74	302921	141892	46.84
	Rewa	225748	71284	31.58	248758	92847	37.32	255427	120031	46.99
	Katni	185541	32304	17.41	203761	44125	21.66	214062	105463	49.27
	Chhatarpur	287533	109284	38.01	311785	93686	30.05	340807	123760	36.31
	Chhindwara	331502	53482	16.13	357289	48423	13.55	382146	116773	30.56
	Sub-Total	1309839	367154	28.03	1413879	389385	27.54	1495363	607919	40.65
MPPaKVVCL	Shajapur	137058	3763	2.75	140251	4013	2.86	147882	3830	2.59

Name of Discoms	Name of field units	2016-17			2017-18			2018-19		
		Total No. of metered consumers	Provisional Billing (in Nos.)	Per cent	Total No. of metered consumers	Provisional Billing (in Nos.)	Per cent	Total No. of metered consumers	Provisional Billing (in Nos.)	Per cent
	Barwani	192146	3312	1.72	209709	2154	1.03	229133	164348	71.73
	Mandsaur	248350	2137	0.86	271489	1645	0.61	277291	103098	37.18
	Khargone	269233	6875	2.55	294881	6572	2.23	332111	175157	52.74
	Indore City	602430	64398	10.69	620768	49449	7.97	649243	37929	5.84
	Sub-Total	1449217	80485	5.55	1537098	63833	4.15	1635660	484362	29.61
	Grand Total (A+B+C)	3592736	562724	15.66	3828136	943872	24.66	4085361	1532697	37.52

(Source: R-15 and information furnished by the Management)

Annexure-4.5.8
(Reference to Paragraph 4.5.6.4)

Statement showing percentage of replacement of defective meters during 2016-17 to 2018-19

Name of Discom	Name of the units	Percentage of replacement		
		2016-17	2017-18	2018-19
MPMKVVCL	Hoshangabad	41.56	64.97	55.13
	Betul	65.55	68.02	44.81
	Gwalior	21.64	32.67	31.96
	Sheopur	27.75	6.70	8.20
	Rajgarh	25.65	34.57	46.11
	Range of replacement in company	21.64-65.55	6.70-68.02	8.20-55.13
MPPoKVVCL	Satna	35.64	26.38	35.93
	Rewa	21.36	14.80	25.51
	Katni	11.92	33.78	17.22
	Chhatarpur	12.23	18.40	11.28
	Chhindwara	23.40	21.96	39.13
	Range of replacement in company	11.92-35.64	14.80-33.78	11.28-39.13
MPPaKVVCL	Shajapur*	71.18	71.55	72.33
	Barwani*	76.37	46.80	65.60
	Mandsaur	22.65	20.69	30.67
	Indore City*	79.38	88.92	85.74
	Khargone	7.53	8.60	16.97
	Range of replacement in company	7.53-79.38	8.60-88.92	16.97-85.74

(Source: Information furnished by the Management and details worked out by audit)

*Percentage of replacement of meters in these three field units ranging between 65.6 to 85.74 percent so considered as satisfactory

Annexure-4.5.9

(Reference to Paragraph 4.5.6.4)

Statement showing the details of the metered consumers being billed as per assessed consumption

Name of DISCOM	Name of the field units	2016-17		2017-18		2018-19		Total	
		Nos. of consumers	Units (MUs)						
MPPMKVVCL	Hoshnagabad	2103	0.96	1336	1.05	701	0.62	4140	2.63
	Betul	19895	6.07	9081	3.66	4355	2.29	33331	12.02
	Gwalior (O&M)	Not Available	Not Available						
	Sheopur	150	0.13	32	0.07	10	0.02	192	0.22
	Rajgarh	2663	1.79	2971	2.4	629	0.59	6263	4.78
	Sub-Total (A)	24811	8.95	13420	7.18	5695	3.52	43926	19.65
MPPoKVVCL	Satna	1232	7.22	1312	16.98	2048	3.11	4592	27.31
	Rewa	2648	3.43	2084	3.69	1187	3.34	5919	10.46
	Katni	118	0.26	18	0.08	26	0.08	162	0.42
	Chhatarpur	174	0.78	358	0.44	566	0.18	1098	1.40
	Chhindwara	7991	4.49	11162	5.36	8666	3.95	27819	13.80
	Sub-Total (B)	12163	16.18	14934	26.55	12493	10.66	39590	53.39
MPPaKVVCL	Shajapur	3103	2.38	1300	1.29	77	0.35	4480	4.02
	Barwani	2868	1.69	3658	1.80	1532	0.83	8058	4.32
	Mandsaur	8364	3.29	986	1.02	1525	2.89	10875	7.20
	Indore	10387	12.30	13921	11.44	8137	6.57	32445	30.31
	Khargoen	526	0.51	240	0.33	114	0.15	880	0.99
	Sub-Total (C)	25248	20.17	20105	15.88	11385	10.79	56738	46.84
	Grand Total (A+B+C)	62222	45.3	48459	49.61	29573	24.97	140254	119.88

(Source: Analysis done and details worked out by Audit, on the basis of information furnished by Management)

Annexure-4.5.10

(Reference to Paragraph 4.5.6.4)

Statement showing the details of metered consumers being provisionally billed continuously for more than three years as on 31 March 2019

Name of DISCOM	Name of the field units	No. of consumers
MPMKVVCL	Hoshangabad	31,687
	Betul	16,037
	Gwalior	Not Available
	Sheopur	940
	Rajgarh	67,546
	Sub-group Total	1,16,210
MPPoKVVCL	Satna	12,940
	Rewa	43,405
	Katni	7,376
	Chhatarpur	28,274
	Chhindwara	12,389
	Sub-group Total	1,04,384
MPPaKVVCL	Shajapur	43
	Barwani	1,983
	Mandsaur	19
	Indore city	856
	Khargone	1
	Sub-group Total	2,902
	Grand Total	2,23,496

(Source: Information furnished by the Management)

Annexure-4.5.11

(Reference to Paragraph 4.5.6.6)

Statement showing the details of targets of raid checking, irregularities noticed and short fall in targets

Name of Discom	Name of the units	2016-17					2017-18					2018-19				
		Target	Actual no. of connections checked	Irregularities noticed	Per cent of irregularities noticed against the checking done	Short fall in target	Target	Actual no. of connections checked	Irregularities noticed	Per cent of irregularities noticed against the checking done	Short fall in target	Target	Actual no. of connections checked	Irregularities noticed	Per cent of irregularities noticed against the checking done	Short fall in target
MPMKVVCL	Hoshangabad	48000	16731	4223	25.24	31269	48000	19786	4831	24.42	28214	48000	18480	4503	24.37	29520
	Betul	36000	12628	5310	42.05	23372	36000	12027	3591	29.86	23973	36000	8287	2720	32.82	27713
	Gwalior	34000	10982	6658	60.63	23018	34000	11556	6527	56.48	22444	34000	8355	4514	54.03	25645
	Sheopur	22000	5125	1525	29.76	16875	22000	3078	1019	33.11	18922	22000	2375	794	33.43	19625
	Rajgarh	33000	12880	5697	44.23	20120	33000	13678	5610	41.01	19322	33000	8884	2676	30.12	24116
	Sub-group Total	173000	58346	23413	40.13	114654	173000	60125	21578	35.89	112875	173000	46381	15207	32.79	126619
MPPooKVVCL	Satna	47239	48868	16510	33.78	NA	48072	61873	21134	34.16	NA	45570	29704	6673	22.46	15866
	Rewa	48283	34412	9053	26.31	13871	49112	26013	8122	31.22	23099	44948	13589	4217	31.03	31359
	Katni	26640	19686	6705	34.06	6954	26636	24622	9222	37.45	2014	25389	13965	2454	17.57	11424
	Chatarpur	53676	24172	11328	46.86	29504	51996	22636	5791	25.58	29360	52425	10958	3080	28.11	41467
	Chindwara	76556	43362	4414	10.18	33194	76556	38130	3115	8.17	38426	75309	26784	1858	6.94	48525
	Sub-group Total	252394	170500	48010	28.16	83523	252372	173274	47384	27.35	92899	243641	95000	18282	19.24	148641

(Source: Information furnished by the Management and details worked out by Audit)

Annexure-4.5.12

(Reference to Paragraph 4.5.6.6)

Statement showing the details of theft cases settled in Lok Adalat, number of sample selected of agriculture pump connections and short assessment

Name of DISCOMs	Sl. No.	Name of the field units	Total no. of theft cases settled in Lok Adalat	No. of sample checked of agriculture pump connections	Short Assessment (₹ in crore)
MPMKVVCL	1	Hoshangabad	5793	105	0.49
	2	Betul	10177	253	1.34
	3	Gwalior	NA	NA	NA
	4	Sheopur	5259	44	0.33
	5	Rajgarh	16433	116	0.51
			Sub-Total (A)	37662	518
MPPoKVVCL	1	Satna	4232	100	0.49
	2	Rewa	10692	125	0.54
	3	Katni	3046	39	0.17
	4	Chhatarpur	16097	105	0.30
	5	Chhindwara	6123	207	0.83
			Sub-Total (B)	40190	576
MPPaKVVCL	1	Shajapur	8043	100	0.50
	2	Barwani	6244	100	0.50
	3	Mandsaur	3590	142	0.76
	4	Khargone	4109	101	0.21
			Sub-Total (C)	21986	443
Grand Total (A+B+C)			99838	1537	6.97

(Source: Information furnished by the Management and details worked out by Audit)

Annexure-4.5.13

(Reference to Paragraph 4.5.6.6)

Statement showing the details of theft cases settled in Lok Adalat, connections not released and loss of revenue (considering the minimum charges) as on March 2019

Name of DISCOMs	Sl. No.	Name of field units	2016-17			2017-18			2018-19		
			No. of cases settled in Lok Adalat	No. of new connections released	Loss of revenue (₹ in lakh)	No. of cases settled in Lok Adalat	No. of new connections released	Loss of revenue (₹ in lakh)	No. of cases settled in Lok Adalat	No. of new connections released	Loss of revenue (₹ in lakh)
MPMKVVCL	1	Hoshangabad	470	0	24.14	374	0	9.1	248	0	2.23
	2	Betul	878	0	65.68	746	0	27.99	189	0	3.17
	3	Gwalior	NA	NA	NA	NA	NA	NA	NA	NA	NA
	4	Sheopur	198	0	9.39	309	0	8.58	233	0	2.8
	5	Rajgarh	804	0	55.61	1110	0	37.02	386	0	6.6
			Sub-Total (A)	2350	0	154.82	2539	0	82.69	1056	0
MPPoKVVCL	6	Satna	859	0	38.52	1118	0	18.65	257	0	1.67
	7	Rewa	1538	0	58.14	1455	0	29.73	529	0	10.62
	8	Katni	725	0	20.89	731	0	6.26	290	0	5.48
	9	Chhatarpur	2988	0	69.67	1479	0	20.25	4097	0	16.97
	10	Chhindwara	1713	0	68.7	1453	0	30.41	254	0	2.84
			Sub-Total (B)	7823	0	255.92	6236	0	105.3	5427	0
MPPaKVVCL	11	Shajapur	299	0	18.27	530	0	16.93	236	0	2.97
	12	Barwani	320	0	17.09	597	0	15.63	383	0	5.61
	13	Mandsaur	767	0	17.76	417	0	10.85	121	0	1.65
	14	Indore City	421	0	4.8	325	0	1.67	734	0	1.77
	15	Khargone	142	0	3.25	451	0	4.24	1945	0	26.95
			Sub-Total (C)	1949	0	61.17	2320	0	49.32	3419	0
Grand Total (A+B+C)			12122	0	471.91	11095	0	237.31	9902	0	91.33

(Source: Information furnished by the Management and details worked out by Audit)

Total loss of revenue = ₹ 4.72 crore + ₹ 2.37 crore + ₹ 0.91 crore = ₹ 8.00 crore

Annexure-4.5.14
(Reference to Paragraph 4.5.6.7)
Statement showing the details of HT consumers who were not allowed Rural Area Rebate

Name of the field unit	Sl. No.	Name of HT consumers	Area where industry situated	Consumer ID	Amount of rural area rebate not allowed (in ₹)				
					2016-17	2017-18	2018-19	Total	Total
MPMKVVCL									
Hoshngabad	1	MS Ayush Stone Crusher Dhanwada	Dhanwada	2454400594168	7872.50	134117.50	128902.50	270892.50	918272.25
	2	The Principal JawaharNavodayaVidhalaya	Charuva	2454400594073	23346.00	30879.00	29025.00	83250.00	
	3	M/s Atal Enterprises	Dhalwada Kala	2454600594180	0.00	4590.00	32283.00	36873.00	
	4	M/S Jyoti Construction Company	Sarsud	2454400594179	0.00	15529.50	82135.50	97665.00	
	5	M/s Radha Stone Crusher	Dhanwada	2454400594172	0.00	95625.00	105391.5	201016.50	
	6	MsBhagwati Enterprises		2454400594178	0.00	14484.00	62679.00	77163.00	
	7	The Principal govt. Polytecnic collage	Somalwalakhurd	2454500594176	0.00	6060.00	9450.00	15510.00	
	8	MS Shree Jambh Construction Co	Sarangpur	24544594183	0.00	0.00.00	82071.75	82071.75	
	9	M/S Pandav Agro Food Processing	Dhandiya	2454600594187	0.00	0.00.00	53830.50	53830.50	
Betul	10	M/s Balaji Associates	BothiyaBrahmanwara	2132024736	80917.25	99566.00	103479.00	283962.25	827467.30
	11	M/s Oriental Nagpur-Betul Highway	Saikhamra	6317461717	53865.00	57849.00	58050.00	169764.00	
	12	M/s Oriental Nagpur Betul Highway Pvt. Ltd.	Milanpur	8407774119	53865.00	57849.00	58050.00	169764.00	
	13	M/S Hanumant Sugar Pvt. Ltd. At. Vill. Jeen Danora	JeenDanora	5609933765	0.00	40545.00	42916.50	83461.50	
	14	M/s. Rajendra sing kiledar Construction	Nagar kot	5139701557	37975.50	41230.00	41310.00	120515.50	
Sheopur	15	M/s Namdhari Cot. Oil	Karhal	4387022000	25619.50	26950.50	29455.05	82025.05	203148.85
	16	M/s Mungiya Bio Fuels	SoinKalan	2002814418	36119.50	46448.30	38556.00	121123.8	
Rajgarh	17	M/s Bhavna Engineering	Nidrakhedi	7941252601	0.00	0.00	34051.00	34051.00	289183.00
	18	M/s Madhu Milan ind ltd.	Arniya	4773904111	15804.00	31158.00	16797.00	63759.00	
	19	M/s Kushal Singh	Karkara	4210037387	36402.00	74717.00	80254.00	191373.00	

Name of the field unit	Sl. No.	Name of HT consumers	Area where industry situated	Consumer ID	Amount of rural area rebate not allowed (in ₹)				
					2016-17	2017-18	2018-19	Total	Total
Total of MPMKVVCL									2238071.40
MPPooKVVCL									
Satna	1	Bhilai J.P.Cement	Baboopur	2472832000	2421832.00	1715605.00	1722091.00	5859528.00	110616989.00
	2	Ms.K.J.S.Cement Ltd.	Amiliya	4081832000	3946740.00	4265335.00	4387120.00	12599195.00	
	3	Ms.Prism Cement .Unit-II	Mankahari	3472832000	9109100.00	7741788.00	7606669.00	24457557.00	
	4	Prism Cement Ltd UNIT-1	Bathiya	7732832000	7726606.00	7021391.00	7183604.00	21931601.00	
	5	Reliance Cement Co. Pvt. Ltd.	Bharaul	5988390373	14449747.00	15531586.00	15787776.00	45769109.00	
Rewa	6	Ms.Maa Poly Packs Industries Pvt. Ltd.	Dihya	2315571654	202360.00	303746.00	309162.00	815268.00	7208664.00
	7	JaypeeBela Plant	Naubasta	1871832000	1287440.00	2167203.00	2662650.00	6117293.00	
	8	M/s Shukla Agritech Ltd. Bhundaha	Bhundaha	5492478096	48492.00	54942.00	56645.00	160079.00	
Katni	9	M/s Om trading company	Barethikala	1152093069	34940.00	38458.00	42626.00	116024.00	521481.00
	10	M/s Tejashwani Mining	ChhaparaBahoriband	7449354366	91300.00	87648.00	90882.00	269830.00	
Chhartapur	11	M/s Ojaswi Marble and Granite	Hardua	998132000	80803.00	90540.00	80308.00	251651.00	167039.00
	12	Navratan minerals	GHOORA	3780003834	0.00	0.00	25994.00	25994.00	
	13	Shree Jee Mineral	PEERA	7438783322	0.00	0.00	64961.00	64961.00	
Chhindwara	14	Vindhyanchal Minerals	LAKHARI	9881832000	20797.00	26106.00	29180.00	76084.00	578826.00
	15	Krishna Belts Pvt. Ltd.	Satnoor	1406952000	92859.00	87385.85	125092.80	305337.70	
	16	Ms Madhya Pradesh Check post Develpoment Company Ltd.	Satnoor	7834367949	43092.00	37826.15	46440.00	127358.20	
	17	Jugnu Foods Pvt. Ltd.	Rohnakala	4732425292	21150.00	56079.45	68901.00	146130.50	
Total of MPPoKVVCL									119092999
MPPaKVVCL									
Mandsaur	1	M/S Sonic biochem Extraction	Tharod	7065904000	280829.00	304424.65	303169.50	888423.15	1211988.45
	2	M/S Dony Polo Udhyog Ltd,	Makdavan	4186904000	14749.00	15690.10	16269.00	46708.10	
	3	MS Jai Hanuman Industries	Dudhakhedi	8355803508	34640.50	31577.50	36000.90	102218.90	
	4	M/S Jyoti Minerals	Katlar	4103960871	25114.45	76389.85	73134.00	174638.30	
Khargoen	5	M/S AgrawalDistillary	Sabalpur	743528189	0.00	65282.00	117550.00	182832.00	458344.00
	6	M/s AshutoshBansal	Selda	1592051910	23641.00	94250.00	80325.00	198216.00	
	7	MS Indus Mega Food Park Pvt.	Dudgoan	3435904000	21116.00	28639.00	27540.00	77296.00	
Total of MPPaKVVCL									1670332.45
Grand Total of all three Discoms (MPMKVVCL+MPPooKVVCL+MPPaKVVCL)									12,30,01,403

(Source: Analysis done and details worked out by Audit on the basis of information furnished by the Management)

Annexure-4.5.15

(Reference to Paragraph 4.5.6.7)

Statement showing details of HT consumers whose billing was done against incorrect Tariff Category

Name of field units	S. No.	Name of the consumers	Consumer ID	Purpose of industry	Load (KVA)	Tariff Category applied	Tariff category to be applied	Amount of short billed (in ₹)	Period of short billing taken
MPMKVVCL									
Hoshngabad	1	M/s EklavayaAwasiayVidhalaya	500594162	School	150	HV-6.1	HV-3.2	425000	April 2016 to May 2019
Betul	2	M/s WCL	7910232000	water supply to townships	180	HV-5.1	HV-2.1	15184160	July 2016 to June 2019
	3	M/s JawaharNavodayaVidhalaya	333627552	School	100	HV-6.1	HV-3.2	695746	April 2017 to June 2019
Sub-group Total (A)								16304906	
MPPoKVVCL									
Satna	4	M/s Mahatma Gandhi ChitrakootGramodaya University	5691832000	University	150	HV-6.1	HV-3.2	1773770	April 2014 to December 2018*
Sub-group Total (B)								1773770	
MPPaKVVCL									
Indore City	5	M/s Aishwarya Builders	474904000	Two floors of commercial space in metro tower	400	HV-3.3 (Shopping Mall)	HV-3.2 (Non-industrial)	1896135	April 2016 to March 2019
	6	M/s Exotic Exporter	2144904000	Business park for corporate sector	750	HV-3.3 (Shopping Mall)	HV-3.2 (Non-industrial)	6688405	April 2016 to March 2019
	7	M/s Vidhyaraj	2775640004	Used by two firms as commercial space	250	HV-3.3 (Shopping Mall)	HV-3.2 (Non-industrial)	201000	April 2016 to March 2019
	8	M/s Brilliant Estate	5265904000	Residential property being used for commercial space	160	HV-3.3 (Shopping Mall)	HV-3.2 (Non-industrial)	146880	April 2016 to March 2019
	9	M/s Vikram Heights	9769968188	Commercial offices and residential uses	90	HV-3.3 (Shopping Mall)	HV-3.2 (Non-industrial)	97200	April 2016 to March 2019
	10	M/s Aaron developers	8925904000	Township connection	200	HV-6.2	HV-3.2 (Non-industrial)	8967857	April 2016 to March 2019
Sub-group Total (C)								17997477	
Grand Total of MPMKVVCL and MPPoKVVCL and MPPaKVVCL(A+B+C)								36076153	

(Source: Analysis done and details worked out by Audit on the basis of information furnished by the Management)

*Connection was old, the loss was worked out for the maximum period as per availability of records/information.

Annexure-4.5.16
(Reference to Paragraph 4.5.6.7)

Statement showing the details of HT consumers whose billing was done against permanent connection tariff instead of temporary connection tariff

Name of Discoms	Name of field units	Name of HT consumers	Account ID	Purpose of connection	Load (KVA)	Period of connections	Loss of revenue (in ₹)
MPMKVVCL	Betul	M/s BHEL	9697022000	Construction	60	September 2010 to June 2018*	1899907
		M/s Macnally Bharat Engg. Co. Ltd	594096	Construction	100	March 2011 to Feb 2015*	3323691
		M/s Macnally Bharat Engg. Co.Ltd	594095	Construction	100	April 2011 to August 2017*	4497688
	Rajgarh	Oriental Structure Ltd. Dehribaman Pachore	2928932126	Construction	900	January 2017 to August 2019	15762774
		Oriental Structure Ltd. Dehribaman Pachore	3987230444	Construction	700	January 2017 to August 2019	10984886
		Project Manager Dilip Buildcon, Kotrakundaliya Dam	4688443583	Construction	250	January 2016 to August 2019	36167120
		Project Manager Dilip Buildcon, Mohanpua Dam	7022222888	Construction	900	November 2014 to May 2017*	37242438
		Project Manager Dilip Buildcon, Jogidata, NH-03	851972648	Construction	180	September 2016 to August 2019	19722943
		Project Manager Dilip Buildcon, Banskhedhi	4950553469	Construction	100	October 2014 to December 2018*	13992169
		Gautam Freight PVT. LTD	219098717	Start up of power plant/synchronization with the grid	1250	April 2016 to March 2019	1570351
		M/s Rsquire	5672682608	Start up of power plant/synchronization with the grid	625	April 2016 to March 2019	275173

Name of Discoms	Name of field units	Name of HT consumers	Account ID	Purpose of connection	Load (KVA)	Period of connections	Loss of revenue (in ₹)
		Tuhina Enterprises	2168241469	Start up of power plant/synchronization with the grid	1000	April 2016 to March 2019	1553966
		M/s ShivVani Energy Ltd.	8465246046	Start up of power plant/synchronization with the grid	2500	April 2016 to March 2019	17573355
		KRBL LTD.	4694956813	Start up of power plant/synchronization with the grid	100	April 2016 to March 2019	2261028
		M/s Adora Energy	6469501746	Start up of power plant/synchronization with the grid	1500	April 2016 to March 2019	17169627
		ACME Solar Energy	2946607528	Start up of power plant/synchronization with the grid	2500	April 2016 to March 2019	6511905
		Avon Cycle Ltd. Ludhiana	4382944245	Start up of power plant/synchronization with the grid	200	January 2018 to march 2019	2463953
		M/s Natural Gold Pulse and floor	6799727115	Start up of power plant/synchronization with the grid	1000	May 2018 to March 2019	1631033
Sub-Total							194604007
MPPoKVVCL	Chhindwara	Arcons Infrastructure and construction	8925904000	Construction	150	July 2018 to September 2019	3919088
Sub-Total							3919088
MPPaKVVCL	Mandsaur	M/S D.J ENERGY P LTD (CIRCUIT II)	343808157	Start up of power plant/synchronization with the grid	1	April 2016 to June 2016	48880
		M/S Rewa Ultra Mega Solar Ltd, (RUMS)	2521155462	Start up of power plant/synchronization with the grid	1	June 2017 to March 2019	3147264
		M/S Friend Salt & Allied Block (I) Pvt. Ltd,	4029807717	Start up of power plant/synchronization with the grid	1	August 2016 to March 2019	437031

Name of Discoms	Name of field units	Name of HT consumers	Account ID	Purpose of connection	Load (KVA)	Period of connections	Loss of revenue (in ₹)
		M/S Avengers Solar Pvt.Ltd.,	6244573098	Start up of power plant/synchronization with the grid	1	September 2017 to March 2019	2682561
		M/S FOCAL ENERGY SOLAR ONE INDIA PVT LTD	6360849775	Start up of power plant/synchronization with the grid	1	April 2016 to March 2019	17074290
		M/s Suzlon global Services limited	7479114643	Start up of power plant/synchronization with the grid	1	April 2016 to June 2016	181467
		M/S Wind World India Ltd,(Rewas-Devda-2nd)	7570614319	Start-up of power plant/synchronization with the grid	1	April 2016 to June 2016	68432
		M/S SEILVOLTA & SEL SITARA PVT LTD	8915175574	Start up of power plant/synchronization with the grid	1	April 2016 to March 2019	653094
		M/s D.J. Energy Pvt Ltd	9458358387	Start up of power plant/synchronization with the grid	1	April 2016 to June 2016	219960
	Barwani	M/s Executive Engineer, NVDA		Construction	150	August 2015 to July 2019*	3372683
Sub-Total							27885662
Grand Total							226408757

(Source: Analysis done and details worked out by Audit)

*Connections were old, the loss was worked out for the maximum period as per availability of records/information.

Annexure-4.5.17

(Reference to Paragraph 4.5.6.7)

Statement showing the details of short billing due to not increasing the contracted load up to the minimum required load as per the provisions of Supply Code

Name of Discoms	Name of field units	Name of HT consumers	Load (KVA)	Amount of short billed (₹)	Period of short billing
MPMKVVCL	Betul	M/s Dwarka I&C Pvt. Ltd	75	392788	April 2016 to March 2019
	Gwalior	M/s Raj industries	60	589338	April 2016 to March 2019
MPPoKVVCL	Rewa	Director, All India Radio	94	75600	April 2016 to March 2019
	Chhindwara	M/s SDO teleohone	90	135019	April 2016 to March 2019
		M/s Commisioner milk scheme	93	44003	April 2016 to March 2019
		M/s. All India Radio	85	162080	April 2016 to March 2019
MPPaKVVCL	Shajapur	JawaharNavodayaVidhalaya	70	260490	April 2016 to March 2019
	Barwani	M/s Mahamritunjiya Hospital	60	544320	April 2016 to March 2019
	Indore City	M/s Rock hard tyre	60	643680	April 2016 to March 2019
		M/s National Agri	60	639450	April 2016 to March 2019
		M/s Organic intermediates	60	643680	April 2016 to March 2019
		M/s Digambarjain	75	332210	April 2016 to March 2019
Total				4462658	

(Source: Analysis done and details worked out by Audit on the basis of information furnished by the Management)

Annexure-4.5.18

(Reference to Paragraph 4.5.6.8)

Statement showing the aggregate position of arrears of various categories in the selected field units of DISCOMs

(₹ in crore)

Name of Discoms	No. and name of field units	Category of consumers	Mar-17	Mar-18	Mar-19
MPMKVVCL (A)	5 (Hoshangabad, Gwalior, Betul, Sheopur and Rajgarh)	Domestic	900.56	1225.82	549.33
		Non-domestic	66.73	83.41	108.76
		Public water works/Street lights	15.05	22.44	25.32
		LT industry	24.77	31.86	42.33
		Irrigation pumps	251.83	350.72	500.15
		Other Agriculture	1.30	1.59	2.49
		HT	27.52	33.90	40.91
		Total	1287.76	1749.74	1269.30
MPPoKVVCL (B)	5 (Satna, Rewa, Katni, Chhtarpur and Chhindwara)	Domestic	406.01	649.54	289.07
		Non-domestic	32.53	45.17	80.29
		Public water works/Street lights	8.25	12.71	29.18
		LT industry	10.13	12.67	21.15
		Irrigation pumps	43.96	76.98	154.76
		Other Agriculture	0.15	0.23	0.36
		HT	111.94	103.76	129.33
		Total	612.97	901.06	704.15
MPPaKVVCL (C)	5 (Shajapur, Barwani, Mandsaur, Indore city and Khargone)	Domestic	228.11	322.62	193.43
		Non-domestic	24.41	25.80	49.54
		Public water works/Street lights	18.04	28.43	60.16
		LT industry	3.12	3.43	9.24
		Irrigation pumps	20.69	22.41	50.79
		Other Agriculture	0.09	0.07	0.08
		HT	327.05	185.68	283.26
		Total	621.49	588.44	646.51
		Grand Total (A+B+C)	2522.22	3239.24	2619.96

(Source: R-15 and information furnished by the Management)

Annexure-4.5.19

(Reference to Paragraph 4.5.6.8)

Statement showing the details of consumers under various categories who were having arrears more than one year but still not disconnected as on March 2019

(₹ in crore)

Name of Discom	Name of field units	Domestic		Non-domestic		Industrial		Total	
		Nos	Amount	Nos.	Amount	Nos.	Amount	Nos.	Amount
MPMKVVCL	Hoshangabad	16261	12.00	1168	2.32	288	0.70	17717	15.02
	Betul	83032	11.50	2961	2.08	372	0.48	86365	14.06
	Rajgarh	168583	70.08	5424	11.95	1000	6.38	175007	88.41
	Gwalior	Not available							
	Sheopur	77688	105.60	1843	21.35	0	0	79531	126.95
	Sub-group Total	345564	199.18	11396	37.70	1660	7.56	358620	244.44
MPPoKVVCL	Satna	68418	69.46	794	2.15	0	0	69212	71.61
	Rewa	93078	46.32	4126	12.84	352	1.01	97556	60.16
	Katni	85487	38.29	7623	11.70	825	3.32	93935	53.31
	Chhindwara	50726	10.01	4114	5.16	827	1.24	55667	16.41
	Chhatarpur	24116	7.21	765	2.38	58	0.28	24939	9.87
	Sub-group Total	321825	171.29	17422	34.23	2062	5.85	341309	211.36
MPPaKVVCL	Shajapur	1551	0.96	459	0.82	2	0.01	2012	1.79
	Indore (city)	19820	23.14	3880	7.09	71	0.48	23771	30.71
	Khargone	1262	0.48	261	0.15	1	0.00	1524	0.63
	Barwani	141	0.06	17	0.03	0	0	158	0.09
	Mansaur	32557	12.28	2133	2.38	114	0.34	34804	15.01
	Sub-group Total	55331	36.92	6750	10.48	188	0.83	62269	48.22
Grand Total	722720	407.39	35568	82.41	3910	14.24	762198	504.03	

(Source: Information furnished by the Management)

Annexure-4.5.20

(Reference to Paragraph 4.5.6.8)

Statement showing the details of arrears against consumers who were permanently disconnected (PD), PD before three years, RRCs issued against PD cases and pending cases for further action to be taken as on March 2019

(₹ in crore)

Name of Discoms	Name of the units	March 2019							
		Arrears after PD		PD cases above 3 years		RRCs issued against PD cases above 3 years		Balance	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
MPMKVVCL	Hoshangabad	46845	17.22	32345	8.40	11213	4.39	21132	4.01
	Betul	29494	7.03	11864	4.24	5723	2.82	6141	1.42
	Gwalior	9962	20.77	4526	11.24	1223	3.22	3303	8.02
	Sheopur	5611	9.43	2224	4.39	772	1.14	1452	3.25
	Rajgarh	43769	27.9	16632	10.32	3158	1.76	13474	8.56
	Sub-group Total	135681	82.35	67591	38.59	22089	13.33	45502	25.26
MPPoKVVCL	Satna	51878	19.12	9653	2.90	2142	1.35	7511	1.55
	Rewa	65385	28.46	56558	26.11	5972	2.46	50586	23.65
	Katni	62974	15.73	30597	7.47	0	0	30597	7.47
	Chhatarpur	109069	22.66	26284	10.64	0	0	26284	10.64
	Chhindwara	10986	3.01	1736	0.54	231	0.04	1505	0.50
	Sub-group Total	300292	88.98	124828	47.66	8345	3.85	116483	43.81
MPPaKVVCL	Shajapur	16255	11.83	27067	7.38	2669	4.75	24398	2.63
	Barwani	6381	2.1	360	0.08	0	0	360	0.08
	Mansaur	12392	1.68	4081	0.93	2775	0.63	1306	0.30
	Indore City	92152	14.29	24796	11.9	4327	3.54	20469	8.36
	Khargone	12014	7.54	1	0.01	0	0	1	0.01
	Sub-group Total	139194	37.44	56305	20.3	9771	8.92	46534	11.38
	Grand Total	575167	208.77	248724	106.55	40205	26.10	208519	80.45

(Source: Information furnished by the Management)

Annexure-4.5.21

(Reference to Paragraph 4.5.6.8)

Statement showing the details of arrears against temporary connections which were permanently disconnected as on March 2019

(₹ in crore)

Name of Discom	Sl. No.	Name of the units	Amount of arrears
MPMKVVCL	1	Hoshangabad	0.24
	2	Betul	0.98
	3	Gwalior	0.3
	4	Sheopur	0.08
	5	Rajgarh	0.43
		Sub-group Total	2.03
MPPoKVVCL	1	Satna	1.74
	2	Rewa	3.38
	3	Katni	1.25
	4	Chhatarpur	1.85
	5	Chhindwara	1.04
		Sub-group Total	9.26
MPPaKVVCL	1	Shajapur	0.65
	2	Barwani	0.17
	3	Mansaur	0.13
	4	Indore (city)	7.45
	5	Khargone	1.18
		Sub-group Total	9.58
	Grand Total	20.87	

(Source: Information furnished by the Management)

Annexure-4.5.22

(Reference to Paragraph 4.5.6.9)

Statement showing the details of arrears of agriculture pump connections waived off in Sambal Yojna

Name of Discoms	Sl. No.	Name of field units	Total No. of cases of Section 138 settled in Sambal Yojna	No. of cases test checked	Undue waiver of arrears (₹ in crore)
MPMKVVCL	1	Hoshnagabad	10341	55	0.3
	2	Rajgarh	2636	204	1.31
		Sub-Total (A)	12977	259	1.61
MPPoKVVCL	3	Satna	3788	70	0.32
	4	Rewa	2761	111	1.09
	5	Chhindwara	1326	74	0.24
		Sub-Total (B)	7875	255	1.65
MPPaKVVCL	6	Mandsaur	605	21	0.12
		Sub-Total (C)	605	21	0.12
Grand Total (A+B+C)			21457	535	3.40

(Source: Information furnished by the Management and details worked out by Audit)

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