



**REPORT OF THE COMPTROLLER
AND AUDITOR GENERAL
OF INDIA**

FOR THE YEAR 1983-84

GOVERNMENT OF MEGHALAYA

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PREFATORY REMARKS

This Report has been prepared for submission to Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1983-84 together with other points arising from audit of financial transactions of the Government of Meghalaya. It also includes certain points of interest arising from the Finance Accounts for the year 1983-84.

2. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1983-84 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1983-84 have also been included, wherever considered necessary.

CHAPTER—I—GENERAL

1.01 The summarised position of the accounts of the
is indicated in the

STATEMENT

Statement of financial position

As at 31.3.1983	Liabilities	As at 31.3.1984
29.24	Internal Debt including Ways and Means Advances	32.11
38.38	Loans and Advances from Central Government	45.29
	Pre—1979-80 Loans	5.89
	Non-Plan loans	23.07
	Loans for State Plan Schemes	14.84
	Loans for Central Plan Schemes	1.12
	Loans for Centrally Sponsored Plan Schemes	0.37
7.40	State Provident Fund	8.49
3.80	Deposits	4.36
1.55	Reserve Funds	1.71
1.46	Over-draft from Reserve Bank of India	2.49
1.50	Contingency Fund	1.50
1,00.65	Revenue Surplus	1,25.89
	(i) Net Revenue surplus and adjustment to end of 31st March 1983	1,00.65
	(ii) Revenue Surplus for the year ending 31st March 1984	<u>25.24</u>
1,83.98		2,21.84

**Government of Meghalaya for the year 1983-84
following statement:—**

No. 1

as on 31st March 1984

(Rupees in crores)

As at 31.3.1983	Assets	As at 31.3.1984
1,46.43	Gross Capital Outlay on Fixed Assets	1,79.49
	Investments in share of companies, Corporations, Co-operative Societies, etc.	25.53
	Other Capital Outlay	1,53.96
13.07	Loans and Advances	13.98
	Loans for power projects	6.76
	Other Development loans	4.55
	Loans to Government servants and Miscellaneous loans	2.67
0.28	Other Advances	0.28
7.39	Suspense and Miscellaneous Balances	16.41
12.36	Remittance Balances	10.03
4.45	Cash	1.65
	Cash with the Departmental Officers including permanent advance	0.01
	Investments :	
	Cash Balance Investment	1.31
	Investment of earmarked funds	0.33
1,83.98		2,21.84

Explanatory Notes

1. The summarised financial statements are based on the Finance Accounts of the State Government and are subject to notes and explanations in the said Accounts.

2. Government accounts being on cash basis, the revenue surplus has been worked out on cash basis. Consequently, amounts payable or receivable, or items like depreciation, variation in stock figures etc. do not figure in the accounts.

3. There was an unreconciled difference of Rs.5.65 crores on 31st March 1984 between the figures of over-draft as shown in the accounts (Rs.2.49 crores) and that intimated by the Reserve Bank of India (Rs.8.14 crores), which is under reconciliation.

4. "Suspense and Miscellaneous Balance" includes payments made on behalf of other Governments pending adjustment.

STATEMENT—II

Abstract of Receipts and Disbursement**Section—A—**

Receipts	
I—Revenue Receipts	1,24·95
(i) Tax Revenue	9·50
(ii) Non-Tax Revenue	7·21
(iii) State's share of Union Taxes	9·86
(iv) Non-Plan grants	25·42
(v) Grants for State's Plan Schemes	60·71
(vi) Grants for Central Plan Schemes	4·00
(vii) Grants for Centrally Sponsored Schemes	8·25
II—Revenue Deficit	...
	1,24·95

for the year 1983-84

Revenue

(Rupees in crores)

	Disbursement		
	Non-Plan	Plan	Total Plan & Non-Plan
I—Revenue Expenditure			99.71
(i) General Services	27.18	0.43	27.61
(ii) Social and Community Services	27.41	10.48	37.89
(iii) General Economic Services	1.15	1.85	3.00
(iv) Agriculture and Allied Services	8.22	12.69	20.91
(v) Industry and Minerals	1.30	1.68	2.98
(vi) Water and Power Development	0.08	0.05	0.13
(vii) Transport and Communications	6.81	0.38	7.19
	<u>72.15</u>	<u>27.56</u>	<u>99.71</u>
II—Revenue Surplus carried over to Section B			25.24
			<u>1,24.95</u>

Section B
(Rupees in

Receipts		
III Opening Cash Balance including permanent advance and Cash Balance Investment		4.12
IV Miscellaneous Capital Receipts		...
V Recoveries of Loans and Advances		1.84
(i) From Government Servants	0.81	
(ii) From others	1.03	
VI Revenue Surplus brought down		25.24
VII Public Debt-Receipts		21.27
(i) Internal Debt other than ways and means Advances	3.03	
(ii) Ways and Means Advances	8.35	
(iii) Loans and Advances from the Central Government	9.89	
VIII Public Accounts—Receipts		95.64
(i) Small Savings, Provident Fund, etc.	1.85	
(ii) Reserve Funds	0.16	
(iii) Deposits and Advances	12.95	
(iv) Suspense and Miscellaneous	9.27	
(v) Remittances	71.41	
IX Contingency Fund—Receipts		...
X Closing Over—draft		2.49
		<hr/> 1,50.60

OTHERS

(crores)

Disbursements			
III Opening Over-draft from Reserve Bank of India			1.46
IV Capital Expenditure			33.06
	Non-plan	Plan	Total
(i) General Services	0.65	2.60	3.25
(ii) Social and Community Services	1.70	13.57	15.27
(iii) General Economic Services	...	3.01	3.01
(vi) Agriculture and Allied Services	...	0.13	0.13
(v) Industry and Minerals	...	1.11	1.11
(vi) Water and Power Development	...	0.17	0.17
(vii) Transport and Communications	0.85	9.27	10.12
	3.20	29.86	33.06
V Loans and Advances Disbursed			2.75
(i) To Government Servants		1.33	
(ii) To others		1.42	
VI Revenue Deficit brought down		—	...
VII Repayment of public debt			11.48
(i) Internal Debt other than Ways and Means Advances		0.16	
(ii) Ways and Means Advances		8.35	
(iii) Repayment of Loans and Advances to the Central Government		2.97	
		—	
VIII Public Accounts-Disbursements			1,00.53
(i) Small Savings, Provident Funds etc.		0.76	
(ii) Reserve Funds		...	
(iii) Deposits and Advances		12.39	
(iv) Suspense and Miscellaneous		18.30	
(v) Remittances		69.08	
IX Contingency Fund-Expenditure		—	...
X Closing Cash Balance			1.32
(i) Cash in Treasuries		...	
(ii) Departmental Cash Balance including Advances		0.01	
(iii) Cash Balance Investment		1.31	
			1,50.60

STATEMENT III

Source of application of funds for the year 1983-84

(Rupees in crores)

I. Source

1. Revenue Receipts	1,24.95
2. Increase in Public Debt, Small Savings, Provident Funds and Reserve Funds, etc.	11.04
3. Increase in Deposits	0.56
4. Increase in Over-draft	1.03
5. Decrease in Cash Balance Investment and Cash with Departmental Officers	2.80
	<hr/> 1,40.38 <hr/>

II. Application

1. Revenue Expenditure	99.71
2. Capital Outlay	33.06
3. Lending for development and other purposes	0.91
4. Increase in Suspense and Remittance Balances (Dr.)	6.70
	<hr/> 1,40.38 <hr/>

1.02 Analysis of annual financial statements as summarised above brings out the following:—

- (i) Tax Revenue increased by Rs.2.13 crores over that of last year, mainly under Sales Tax (Rs.1.38 crores), State Excise (Rs.0.44 crore) and Taxes and Duties on Electricity (Rs.0.31 crore).
- (ii) Non-Tax revenue increased by Rs.1.22 crores over that of last year mainly under "Interest Receipts" (Rs.1.42 crores). Substantial decrease occurred under "Forests" (Rs.0.97 crore) due to less receipts from sale of timber and other forest produce.

- (iii) Out of loans and advances to municipalities, local bodies, etc., recovery of Rs.5.44 lakhs (principal: Rs.2.93 lakhs, interest: Rs.2.51 lakhs) from the Shillong Municipality was in arrears at the end of 1983-84.

According to information furnished by the Co-operation Department, the arrears in recovery of loans and interest thereon from various Co-operative Societies (270 Nos.) since 1970-71 amounted to Rs.21.36 lakhs (principal: Rs.9.40 lakhs, interest: Rs. 11.96 lakhs) as on 31st March 1984. Information about arrears in this respect had not been received from Agriculture, Relief, Housing, Civil Supplies, Industries and Revenue Departments of the Government (October 1985).

- (iv) Debt and other obligations outstanding at the end of the year amounted to Rs.91.63 crores. During the year, Rs.3.37 crores were paid as interest on Debt and other obligations and Rs.2.06 crores were realised as interest on loans, investment of cash balance, etc.
- (v) Assistance received from the Central Government for Central and Centrally Sponsored Schemes was Rs.12.25 crores. Expenditure on such schemes was Rs.7.69 crores including State's share of Rs.0.04 crore.
- (vi) Against provision in budget of Rs.61.43 crores for plan expenditure actual expenditure was only Rs.59.26 crores resulting in a shortfall of Rs.2.17 crores. Income from tax and non-tax revenue (Rs.16.71 crores) was just over 23 per cent of total non-plan revenue expenditure (Rs.72.15 crores).
- (vii) Non-Plan expenditure was Rs.75.35 crores as against Rs.61.75 crores during 1982-83. The increase was mainly under Education, Public Health, Sanitation and Water supply, Roads and Bridges and Police.
- (viii) With the fresh investment of Rs.2.78 crores during the year, the total investment in different concerns at the end of 1983-84 was Rs.25.53 crores. Accounts of Meghalaya Watches (P) Limited for the year ending December 1983 and of other eight Government Companies for the year ending March 1984 had not been finalised (October 1985). Total investment in these companies as at the end of March 1984 stood at Rs.14.07 crores. There was no return during the year on these investments.

- (ix) Contingent liability for guarantees given by the State Government for repayment of loans, etc. by Statutory Corporations, Companies and Co-operatives, etc. on 31st March 1984 was Rs.30.93 crores *plus* interest. Information as to whether any guarantee was invoked during the year was awaited (October 1985). No law under article 293 of the Constitution has been passed by the State Legislature laying down the limit within which the Government may give guarantees on the security of the Consolidated Fund of the State.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

2.1.01 The summarised position of actual expenditure during 1983-84 against grants/appropriations is as follows:—

	Original Grant/ap- propriation	Supple- mentary	Total	Actual- expendi- ture	Variation Saving (—) Excess (+)
(Rupees in crores)					
I. Revenue					
Voted	95.34	5.98	101.32	96.32	(—)5.00
Charged	4.51	0.08	4.59	3.66	(—)0.93
II. Capital					
Voted	32.77	1.13	33.90	33.07	(—)0.83
Charged	...	...	...	...	...
III. Public Debt					
Charged	26.09	...	26.09	11.48	(—)14.61
IV. Loans and Advances					
Voted	3.35	0.46	3.81	2.75	(—)1.06
V. Others—Inter State Settlement					
Voted	0.57	...	0.57	...	(—)0.57
Grand Total	162.63	7.65	170.28	147.28	(—)23.00

2.2 The following results emerge broadly from the Appropriation Audit :

2.2.01 Supplementary provision obtained during the year constituted 4.7 per cent of the original budget provision as against 2.7 per cent in the year preceding.

2.2.02 Supplementary provision of Rs. 0.68 crore obtained in 6 cases during January 1984 and March 1984 proved unnecessary. In 8 other cases additional funds required were only Rs. 2.68 crores against the supplementary grants of Rs. 3.11 crores, saving in each case exceeding Rs. 2 lakhs.

In 6 cases, supplementary provision of Rs. 2.02 crores proved insufficient (by more than Rs. 2 lakhs each) leaving an aggregate uncovered excess expenditure of Rs. 3.28 crores.

2.2.03 The overall saving was Rs. 30.75 crores in 52 grants and 6 appropriations. The overall excess (Appendix 2.1) on the other hand was Rs. 7.75 crores in 14 grants and 1 appropriation which requires regularisation under Article 205 of the Constitution.

2.2.04 In the following grants/appropriations, the expenditure fell short by more than Rs. 20 lakhs each and also by more than 10 per cent of the total provision :

Sl. No.	Description of the grant	Amount of Saving (Rs. in lakhs) (Percentage of provision)	Reasons for savings
1.	19—Secretariat—General Services—II—Public Works Department etc. (Revenue)	208.17 (38)	Reasons for the saving have not been communicated (October 1985).
2.	22—Other Administrative Services—IV Census etc. (Revenue)	20.36 (49)	Reasons for the saving have not been communicated (October 1985).
3.	36—Social Security and Welfare etc. (Revenue)	39.91 (24)	Saving was partly due to non-receipt of grants-in-aid from the Government of India (Rs. 10.68 lakhs), non-implementation of schemes (Rs. 2.95 lakhs) and less requirement of funds than anticipated. No reasons have been given for the balance of saving (October 1985).
4.	41—Co-operation, Capital Outlay on Co-operation, etc. (Capital)	25.52 (33)	Saving was attributed mainly to non-receipt of approval of the schemes from the National Co-operative Development Corporation and non-availability of eligible societies.

Sl. No.	Description of the grant	Amount of saving (Rs. in lakhs) (Percentage of provision)	Reasons for savings
5.	42—Special and Backward Areas—C—North Eastern Areas, etc. (Revenue)	95.22 (59)	Saving was mainly due to non-implementation and partial implementation of certain schemes (Rs.27.40 lakhs), non-clearance of schemes by Central Electricity Authority (Rs.50 lakhs) and non-settlement of claims for payment of compensation (Rs.4 lakhs).
6.	42—Special and Backward Areas—C—North Eastern Areas, etc. (Capital)	45.50 (14)	Saving of Rs.39.40 lakhs was due to partial/delayed implementation of certain schemes. Reasons for the balance saving have not been intimated (October 1985).
7.	45—Agriculture and Minor Irrigation, etc. (Capital)	83.00 (47)	Reasons for the saving have not been communicated (October 1985).
8.	46—Minor Irrigation, etc. (Capital)	33.01 (66)	Saving of Rs.30 lakhs was due to non-finalisation of schemes. Reasons for the balance saving have not been intimated (October 1985).
9.	49—Animal Husbandry, Housing, etc. (Revenue)	22.77 (10.21)	Saving to the extent of Rs.20.69 lakhs was due to less requirement than anticipated and due to non-filling up of some vacant posts.
10.	52—Forest, etc. (Revenue)	145.44 (30)	Saving was mainly attributed to shortfall in supply of sleepers to Railways due to non-availability of contractors, curtailment of supply of poles to Meghalaya State Electricity Board and less work in Timber Treatment and Seasoning plants.
11.	54—Industries, etc. (Capital)	50.00 (100)	Reasons for non-utilisation of the entire provision have not been intimated (October 1985).

Sl. No.	Description of the grant	Amount of saving (Rs. in lakhs) (Percentage of provision)	Reasons for savings
12.	56—Village and Small Industries, etc. (Revenue)	28.61 (18)	Saving was mainly due to late implementation of the Transport Subsidy scheme and late sanction of subsidy towards capital to private Industrial units.
13.	58—Roads and Bridges (Revenue)	418.20 (38)	Saving of Rs.150.06 lakhs was due to curtailment of expenditure under 'B—National Highways (a) Development Major Works'. Reasons for the remaining saving have not been intimated (October 1985).
14.	63—Inter state settlement (Capital)	57.28 (100)	Savings because of non-reimbursement of the share of Meghalaya in respect of repayment of Market Loan of the composite state of Assam.
15.	Appropriation—Interest payments (Revenue)	81.62 (20)	Saving was mainly due to less payment of interest on account non-receipt of loans and ways and means Advances from the Government of India.
16.	Appropriation—Internal Debt of the State Government (Capital)	1199.57 (58)	Savings because of non repayment of instalment of Principal of loans to the Life Insurance Corporation due to moratorium (Rs. 10.14 lakhs) and balance due to less availability of ways and means Advances from the Reserve Bank of India.
17.	Appropriation—Loans and Advances from the Central Government (Capital)	261.20 (47)	Saving was mainly due to non-receipt of loans from the Government of India and non-availability of ways and means Advances from Reserve Bank of India.

2.2.05 In addition to those mentioned in 2.2.04 above, substantial savings arose on account of either non-implementation or slow implementation of the plan schemes in the following cases :—

Sl. No.	Grant or Appropriation	Name of the Scheme	Total provision	Amount of savings	Percentage of savings
(Rupees in lakhs)					
1.	42—Special and Backward Areas—C—North Eastern Areas (Capital)	B. Rope Ways— (c) Ropeway Survey General	10.00	10.00	100
		F. Industries			
		(c) Share Capital to M. I. D. C. for Paper Lime Plant	50.00	37.70	75
2.	48—Area Development Loans for Minor Irrigation, etc. (Revenue)	B. Area Development Programme District Expenditure for Area Development Programmes for Forest Department Sixth Schedule (Part II) Areas	19.00	8.39	44
3.	54—Industries, etc. (Revenue)	(a) Assistance for incentive to large and medium Industries under Package scheme—Grants-in-aid	9.00	9.00	100

2.2.06 Persistent savings were noticed mainly in the following grants :

Sl. No.	Grant or Appropriation	Percentage of savings		
		1981-82	1982-83	1983-84
1.	23—Other Administrative Services—V—Miscellaneous Administrative Services (Revenue)	53	46	48
2.	33—Labour and Employment—I—A—Labour, etc. (Revenue)	33	31	28
3.	36—Social Security and Welfare—C III Welfare of Schedule Caste, Schedule Tribes and Other Backward Classes, etc. (Revenue)	27	2	24
4.	41—Co-operation, etc. (Capital)	30	24	33
5.	42—Special and Backward Areas, etc. (Revenue)	62	60	59
6.	52—Forest, etc. (Revenue)	1	56	30

Sl. No.	Grant or Appropriation	Percentage of savings		
		1981-82	1982-83	1983-84
7. 54—	Industries, etc. (Revenue)	7	10	34
8. 56—	Village and Small Industries—II—Small Industries, etc. (Revenue)	28	20	18
9. 59—	Tourism, etc. (Revenue)	18	12	28
10. 63—	Inter State Settlement (Capital)	100	100	100

2.2.07 In the following grants/appropriation the expenditure exceeded the approved provision by more than Rupees 20 lakhs and also by more than 10 per cent of the total provision.

Sl. No.	Description of the grant	Amount of excess (Rupees in lakhs) (percentage of excess)
1. 24—	Pension and Other Retirement Benefits (Revenue)	38.50 (73)
2. 27—	Medical, Family Welfare, Public Health, Sanitation and Water Supply—A—Public Health and Sanitation, etc. (Revenue)	237.85 (26)
3. 27—	Medical, Family Welfare, Public Health, Sanitation and Water Supply, etc. (Capital)	26.58 (48)
4. 28—	Public Health, Sanitation and Water Supply—B—Sewerage and Water Supply, etc. (Revenue)	336.69 (130)
5. 56—	Village and Small Industries—II—Small Industries, etc. (Capital)	36.00 (49)

Reasons for the excesses in the above cases have not been communicated (October 1985).

2.2.08 Persistent excesses were noticed mainly in the following cases:—

Sl. No.	Description of the grant	Percentage of excess		
		1981-82	1982-83	1983-84
1. 27—	Medical, Family Welfare, etc. Public Health, Sanitation and Water Supply, etc. (Revenue)	31	35	26
2. 28—	Public Health, Sanitation and Water Supply—B—Sewerage, etc. (Revenue)	84	59	130

2.2.09 According to the instructions of Government in the Assam Budget Manual (adopted by Meghalaya) rush of expenditure towards the end of the financial year should be avoided as it leads to failure to ensure adequate control and scrutiny at the level of Controlling Officers. Rush of expenditure in the month of March was noticed in the following cases—

Description of Grant	Total provision	Total expenditure	Expenditure during March	Percentage of expenditure during March to	
				Total provision	Total expenditure
(Rupees in lakhs)					
16—Police, Fire Protection, etc.	1040.24	1063.61	267.71	26	25
Revenue—Voted					
Capital—Voted	236.09	236.09	141.81	60	60
28—Public Health, Sanitation and Water Supply—B—Sewerage, etc.					
Capital—Voted	983.22	988.46	431.37	44	44
41—Co-operation, Capital Outlay on Co-operation					
Revenue—Voted	158.40	143.49	83.01	52	58
Capital—Voted	78.05	52.53	48.38	62	92
45—Agriculture, Minor Irrigation, Other Social and Community Services, etc.					
Revenue—Voted	554.62	576.69	167.91	30	29
Capital—Voted	176.00	93.00	25.00	14	27
47—Soil and Water Conservation, etc.					
Revenue—Voted	364.95	341.29	155.04	42	45
48—Area Development—Loans for Minor Irrigation, etc.	223.54	212.51	76.74	34	36
Revenue—Voted					
52—Forest, Capital Outlay on Forest					
Revenue—Voted	480.62	357.18	136.24	28	38
Capital—Voted	6.00	6.00	1.50	25	25
53—Community Development, Housing, etc.					
Revenue—Voted	403.13	398.23	231.31	57	58

2.2.10 Injudicious or inadequate reappropriations

In the following cases, the reappropriation of funds was either injudicious or inadequate:

(a) Injudicious reappropriations

Sl. No.	Head of account	Total grant	Actual expenditure	Excess (+) Saving (-)
(Rupees in lakhs)				
1.	Grant No.19—Secretariat—General Services—II Public works Department, etc.			
	459—Capital Outlay on public works			
	C—Construction			
	(a) Functional non—residential buildings under General Services			
	Sixth Schedule (Part II) Areas			
	O. 168.77			
	R. —5.00	163.77	234.18	(+)70.41
2.	Grant No. 21—Other Administrative Services—III Gazetters, etc.			
	277—Education			
	B.3—Assistance to Non-Government Secondary Schools			
	Sixth Schedule (part II) Areas			
	O. 77.10			
	S. 4.00			
	R. 5.02	86.12	76.35	(—)9.77
3.	Grant No. 28—Public Health, Sanitation and Water Supply, etc.			
	282—Public Health, Sanitation and Water Supply			
	B—Sewerage and Water Supply—			
	1. Direction and Administration			
	(b) Divisional and Sub-ordinate Officers Sixth Schedule (Part II) Areas			
	O. 92.84	77.84	93.07	(+)16.23
	R. 15.00			

Sl. No.	Head of Account	Total Grant	Actual expenditure	Excess(+) Saving(-)
(Rupees in lakhs)				
4.	Grant No.52—Forest, Capital Outlay on Forest 313—Forest K. Preservation of wild life (b) Other wild life preservation works General O.14.40 R. 7.05	21.45	0.06	(—)21.39
	(b) Inadequate reappropriations			
5.	Grant No.13—Secretariat—General Services, etc, 252—Secretariat—General Services I—Civil Department General A—Secretariat (b) Secretariat Administration De- partments (including other minor departments not shown separatly) O.54,80 R.10.41	65.21	77.09	(+)11.88
	(C) Nazareth (including) expenditure on all Grade IV staff of the entire Secretariat O. 40.90 R. 1.78	42.68	56.03	(+)13.35
6.	Grant No.16—Police, Fire Protection, etc, 255—Police E—District Police (a) District Executive Police Sixth Schedule (Part II) Areas O. 342.61 S. 39.89 R. 51.06	433.56	456.29	(+)22.73

Sl. No.	Head of Account	Total Grant	Actual Expenditure	Excess(+) Saving(-)
(Rupees in lakhs)				
7.	Grant No.27—Medical, Family Welfare, etc. 280— Medical (ii) Medical Relief (K) Other existing and new Dispensaries with or without in-door facilities Sixth Schedule (Part II) Areas O. 60.60 S. 20.90 R. 3.35	84.85	105.87	(+)21.02

2. 2.11 Absence of departmental reconciliation

To enable the departmental officers to exercise proper control over expenditure, the rules require that the departmental officers should get their expenditure figures agreed with those recorded in the books of the Accountant General every month. In respect of the accounts for 1983-84, 39 controlling officers (out of 109) had not reconciled (April 1985) their figures; the expenditure involved was Rs.1,737.69 lakhs.

2. 2.12 Delay in regularisation of excess of earlier years

Out of 8 cases of excess reported in the Report of the Comptroller and Auditor General of India for the year 1970-71, only 4 cases of excess were regularised. The excesses for 1971-72, and those for 1972-73 to 1981-82 (161 cases involving Rs.80,66.94 lakhs) mentioned in the Reports of the Comptroller and Auditor General for the years 1971-72 to 1981-82 have yet to be regularised (October 1985).

2. 2.13 Non-receipt of explanation for savings/excesses

After the close of each financial year the detailed appropriation accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the Controlling Officers requiring them to explain significant variations. For the year 1983-84, explanations for savings/excesses were either not received or where received, were incomplete in respect of 275 heads (October 1985). These formed 74 per cent of the total number of heads, the variations in which were required to be explained.

2.2.14 Trend of recoveries and credits

The demands for grants presented to the Legislature in respect of grant Nos. 6, 25 and 34 for the year 1983-84 were for gross expenditure and excluded all recoveries and credits which were to be adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits were shown separately in the Budget Estimates. During 1983-84, such recoveries were anticipated at Rs. 47.45 lakhs; actual recoveries during the year were Rs. 26.86 lakhs as detailed below :—

Sl. No.	Number and name of grant	Estimated recovery	Actuals	Amounts of shortfall as compared to estimates.	Reasons for the shortfall
(Rupees in lakhs)					
1.	6—Land Revenue, Social Security, etc.	7.00	Nil	7.00	} Reasons for the shortfall have not been intimated (October 1985)
2.	25—Aid Materials and Equipments	40.25	26.86	13.39	
3.	34—Social Security and Welfare, etc.	0.20	(a)	0.20	
Total :		47.45	26.86	20.59	

(a) Rs. 20 only.

CHAPTER III

CIVIL DEPARTMENTS

Health and Family Welfare Department**3.1 Family Welfare Programme****3.1.01 Introductory**

The Family Welfare Programme was adopted in the State since 1956 mainly for reducing birth rate, improving the health and reducing mortality of mothers and children. It is a Centrally sponsored scheme and the entire cost of the scheme is covered by assistance from the Government of India. Besides, the Government of India supplied aid materials from time to time for implementation of the scheme.

3.1.02 Organisation

At the State level the programme is being implemented by the State Family Welfare Bureau (SFWB) headed by one Joint Director of Health Service and at the District level, through five District Family Welfare Bureau (DFWB). For implementation of the scheme, the State Government also established 1 Urban Family Welfare Bureau (UFWB), 23 Rural Family Welfare Centres (RFWC) and 60 sub-centres up to 1983-84.

3.1.03 Financial aspect

During the period from 1974-75 to 1979-80, the Government of India released Rs. 88.07 lakhs for implementation of the scheme. The amount spent there-against was Rs. 77.60 lakhs.

The following table gives the position about allocations made by the Government of India during the period from 1980-81 to 1983-84; funds released there-against, expenditure incurred and the value of aid materials supplied as grants-in-aid to the State.

Year	Allocation made by the Government of India	Amount released	Expenditure incurred	Value of aid materials supplied
			(Rupees in lakhs)	
1980-81	26.32	17.19	17.59	0.75
1981-82	28.02	31.26	32.93	2.63
1982-83	37.62	41.73	44.24	5.76
1983-84	46.00	59.36	93.54	5.44
Total	137.96	149.54	188.30	14.58

3.1.04 Family Welfare Scheme

The basic objective of the scheme is promotion of informed and voluntary change in individual and social perception and behaviour so that planned parenthood is accepted and adopted into the life style of the people. The major activities consisted of sterilisation, Intra-Uterine Device (IUD), use of Conventional Contraceptive (CC) and oral pills, maternity and child health schemes, mass education and media extension, etc.

The performance of different programmes taken up by the department is indicated in the following table.

Fifth Five Year Plan (1974-75 to 1979-80)		Achievement	Percentage of shortfall in performance	Sixth Five Year Plan (1980-81 to 1983-84)		Percentage of shortfall in performance
Activities	Target			Target	Achievement	
Sterilisation	20,600	11,189	46	30,700	1,299	96
Intra Uterine Device (I U D)	8,200	3,264	60	9,400	1,319	86
Conventional Contraceptive (C C) Users and oral Pill users	25,800	7,602	71	20,400	3,897	81

The shortfall in the various programmes in the Fifth Plan ranged from 46 to 71 *per cent* and during the period from 1980-81 to 1983-84 it varied from 81 to 96 *per cent*. Government stated (March 1985) that in view of Government of India's policy that birth control measures should not be thrust on tribal population the question of achievement of targets did not arise. It was, however, noticed in audit that activities of the department in respect of Mass Education and Mass Media for increased acceptance of family planning methods to bring about attitudinal changes in the favour of small family norms, etc. were not significant and this had partly contributed to the shortfall.

3.1.05 Maternal and Child Welfare Scheme

The scheme is intended to provide immunisation of children against diphtheria, whooping cough, tetanus, small-pox, polio, typhoid, etc. The targets and achievements during the Fifth and the Sixth Five Year Plans are indicated below :—

Fifth Five Year Plan (1974-75 to 1979-80)		Achievements	Percentage of shortfall/ excess	Sixth Five Year Plan (1980-81 to 1983-84)		Percentage of shortfall/ excess
Name of programme	Target			Target	Achievement	
(in number of persons)						
Tetanus Toxoid (TT) (For mothers)	59,000	22,755	61	48,000	40,133	16
B C G	*30,000	15,752	48	1,10,000	84,830	23
Polio Vaccine	*25,000	1,233	95	52,000	35,777	31
Typhoid Vaccine	*20,000	5,861	71	61,000	33,790	45
Diphtheria—Pertussis— Tetanus Toxoid (DPT)	71,000	62,970	11	91,000	60,257	34
Diphtheria—Tetanus Toxoid (DT)	1,20,000	51,805	57	1,00,000	78,291	22
Prophylaxis against nutritional anaemia	3,30,000	5,96,652	81 (excess)	4,00,000	8,07,017	102 (excess)

Shortfall in performance in the programme (except prophylaxis against nutritional anaemia) ranged from 11 to 95 per cent during the Fifth Five Year Plan period and from 16 to 45 per cent during the years 1980-81 to 1983-84 of the Sixth Five Year Plan.

3.1.06 In respect of prophylaxis against blindness in children due to Vitamin 'A' deficiency two doses of Vitamin 'A' solution (2nd dose in sixth months) make a full course. The targets and performance in this regard are detailed below:—

	Target	Achievement	Shortfall
Fifth Five Year Plan (1974-75 to 1979-80)	Prophylaxis against blindness 3,20,000	2,04,245 (1st dose) 42,999	36 86
Sixth Five Year Plan (1980-81 to 1983-84)	4,00,000	(2nd dose) 2,37,526 (1st dose) 47,180 (2nd dose)	41 88

*The figures relate to the year 1979-80 only. (The figures or the years 1974-75 to 1978-79 were not available).

During the period from 1974-75 to 1983-84 the second dose of the prophylactic was not given to 3,51,592 children, who had been given the first dose, thus leaving the prophylactic treatment incomplete and ineffective in their cases and the expenditure thereon fruitless to a large extent.

3.1.07 It was noticed that out of 1,35,260 B C G doses issued during 1980-81 to 1983-84 by the State T B Officer, to the staff entrusted with the work of inoculation of children and others, 84,830 doses were used and there was no account for the remaining 50,430 doses (37 per cent), the shortage being attributed (August 1984) by department to breakage, expiry of validity and non-utilisation of complete doses from opened vials.

3.1.08 Distribution of Nirodh

The position of distribution and stock balances of Nirodh to end of 31st March 1984 are shown in the following table:

	Year	Stock position	Issues to Centres	Distributed by the Centres	Unused balances in DF WB & Centres
DFWB, East Khasi Hills District	1982-83	1,01,800	39,850	8,519	93,281
	1983-84	85,950 (Inclusive of receipts during the year)	17,200	10,754	75,196
DFWB, West Garo Hills District	1982-83	81,604	23,304	6,735	74,869
	1983-84	1,21,300 (Inclusive of receipts during the year)	99,400	79,139	42,161

As on 31st March 1984, the stock balance of Nirodh in the SFWB was 5,04,150 pieces. In Ganesh Das Hospital, Shillong 1,36,000 pieces were issued during the years 1982-83 and 1983-84. Of these, only 6,206 were distributed and balance 1,29,794 were lying in stock. This shows that compared to the supply, actual use of Nirodh was very low.

3.1.09 Training

There is one Regional Health and Family Training Centre at Shillong and two training centres for training of Auxiliary Nurse Mid Wives (ANMs)/Female Health Workers, one each at Shillong and Tura. Information about the targets fixed for the training could not be furnished by the Directorate of Health Services. It was noticed that during

the period from 1980-81 to 1983-84, 91 ANMs and 37 Health Volunteers (HV) were trained. The Department, however, could not furnish information in regard to the number of ANMs and HVs in position as on 31st March 1984.

The programme envisaged training of at least one Dhai for each of the Villages. As against 5,048 villages in Meghalaya, only 508 Dhais were trained to end of March 1984. Reasons for the shortfall were not intimated (October 1985).

3.1.10 Mass education and media extension

This programme envisaged implementation of a broad based mass education and media extension programme *inter-alia* to lend support to increased acceptance of family planning methods, to strengthen and enlarge the climate in support of the Family Welfare Programme and to bring about attitudinal changes in favour of small family norms.

It was seen that action for induction of population education programme had not been taken. The responsibility in this regard was entrusted to the Education Department which was yet to implement the programme (August 1984).

According to the information furnished by the respective DFWB, during the period from 1980-81 to 1983-84, 271 numbers of film shows were conducted in the two districts of East Khasi Hills and West Garo Hills which covered 2 lakhs (29 per cent) out of the total population of 6.97 lakhs. In East Khasi Hills District, out of 1,168 villages, only 77 villages were covered during the period. The number of villages covered under this activity in West Garo Hills District was not available.

3.1.11 Monitoring and evaluation

In regard to benefit under the programme for immunisation of mothers and children discrepancies were noticed between data compiled and reports furnished by the Centres and Units to the DFWB, Garo Hills and the performance reported by the DFWB to the SFWB as detailed below:—

(a) Prophylaxis against nutritional anaemia

Year		Performance reported by Centres and Units	Performance reported by DFWB to SFWB	Difference (+) More (-) Less
1981-82	Initiated	32,141	25,749	(-) 6,392
	Completed	11,971	16,637	(+) 4,666

Year	Performance reported by Centres and Units	Performance reported by DFWB to SFWB	Difference (+) More (-) Less
1982-83 Initiated	Difference small		
Completed	21,195	19,983	(-) 1,215
1983-84 Initiated	35,731	37,462	(+) 1,731
(upto November 1983)	29,929	19,308	(-) 1,621
Completed			

(b) Prophylaxis against blindness among children.

1983-84 (upto November 1983)	26,738	30,025	(+) 3,287
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The department had not so far (December 1985) created any separate monitoring cell for this programme, nor had any survey been conducted for identification of the areas lagging behind in the programme and for judging the impact of the programme in the State.

3.1.12 Overall impact of the programme

The percentage of achievement against the targets fixed in the Programme of the State as compared to the All India performance during the period from 1980-81 to 1981-82 is given below :—

Family Planning Programme

	1980-81		1981-82	
	All India	Meghalaya	All India	Meghalaya
	(in percentage)			
Sterilisation	71	5	96	5
I U D	79	19	95	19
C C Users	74	9	88	5
Oral Pill Users	18	15	24	29

Maternal and Child Welfare Scheme

	1980-81		1981-82	
	All India	Meghalaya	All India	Meghalaya
	(in percentage)			
Tetanus Toxoid	77	65	82	53
D P T	53	94	57	48
Polio	44	7	123	106
D T	90	69	86	66
Typhoid	17	46	27	50
Prophylaxis against nutritional anaemia Mothers	101	NA	101	46
Children	87	NA	103	48
Prophylaxis against blindness	69	22	70	7

The performance in Meghalaya was comparatively poor as against the All India performance except in respect of Oral Pill users and Polio (1981-82), Typhoid (1980-81) and DPT (1980-81). Government stated (March 1985) that the overall impact of the Maternal and Child Welfare Programme could be judged from the fall in the infant mortality rate per thousand from 98.9 (Urban) and 150.4 (Rural) in 1972 to 38.6 (Urban) and 67 (Rural) in 1983.

3.1.13 Other topics of interest

The validity of iron and folic acid tablets expires two years after the date of manufacture. It was noticed that a large number of expired tablets were either issued or held in stock by the DF WB, East Khasi Hills District (details below) :—

- 4,00,000 tablets—Validity expired on 31st March 1981 and were lying (large) in stock.
- 6,74,000 tablets—Validity expired on 30th November 1982 and yet issued to centres during the period from December 1982 to August 1983.
- 1,00,000 tablets—Validity expired on 31st October 1983 and yet issued to centres during the period from 17th November 1983 to 7th December 1983.
- 1,12,000 (small)—Validity expired during 1981-82 and lying in stock.
- 14,40,000 (small)—Validity expired in December 1983 and yet 9,65,000 tablets were issued to centres upto May 1984 and the balance 4,75,000 were lying in stock (June 1984).

In DF WB, West Garo Hills also 3,36,000 expired tablets were issued to centres during February and July 1982. Reasons for non-utilisation of the tablets within their validity period were not available.

3.1.14 The following medicines received in the DF WB, East Khasi Hills District were neither taken as receipts in the stock register, nor issued to centres.

Received from	Month of receipt	Name of medicines	Quantity
Government of India	March 1981	Vitamin A Solution	50 bottles
—Do—	July 1981	—Do—	400 bottles
—Do—	March 1982	Iron and folic acid tablets (large)	15,00,000 tablets
Ganesh Das Hospital	October 1981	—Do—(large)	80,000 tablets
		—Do—(small)	73,600 tablets
		Iron and folic Acid (liquid)	50 bottles

3.1.15 Summing up

—Out of funds released by the Government of India during the Fifth Five Year Plan period an amount of Rs. 10.47 lakhs remained unspent.

—Shortfall in performance under the Family Planning Programme in various methods ranged from 46 to 96 *per cent* during the Fifth and Sixth Five Year Plans (upto 1983-84).

—Shortfall in performance under Maternal and Child Welfare Scheme ranged from 11 to 95 *per cent* during the Fifth and Sixth Five Year Plans upto 1983-84.

—Course of prophylaxis against blindness was incomplete in respect of 3,51,592 children during the period from 1974-75 to 1983-84.

—Shortage of 50,430 BCG doses was attributed to leakage, expiry of validity, non-utilisation of opened vials.

—Only 508 Dhais were trained up to the end of March 1984 against the requirement of one Dhai in each of the 5048 villages.

—Mass education programme entrusted to the Education Department of the Government had not been implemented.

—Monitoring was not properly done and no survey was conducted for identification of areas lagging behind nor was any evaluation conducted to assess the impact of the programme in the State.

The matter was reported to Government in December 1984; final reply was awaited (October 1985).

Social Welfare Department

3.2 Accelerated Programme of Welfare for Women and Children and Nutrition Programme

3.2.01 Introductory

With a view to providing all supportive services, like health care, education of mothers and referral services along with supplementary nutrition for the welfare of women and children an Integrated Child Development Services Scheme (ICDS) was launched by the Government of India during the Fifth Five Year Plan as a Centrally Sponsored Scheme for provision of integrated services to children under six years as also to nursing and expectant mothers. The scheme was launched by the State in 1975.

3.2.02 Objectives

The objectives of the scheme are :—

- (i) to improve the nutritional and health status of children in the age group 0—6 years,
- (ii) to lay the foundation for proper psychological, physical and social development of the child,
- (iii) to reduce the incidence of mortality, morbidity, malnutrition and school drop-outs,
- (iv) to achieve effectively co-ordinated policy and its implementation amongst the various departments to promote child developments, and
- (v) to enhance the capability of the mother to look after the normal health and nutritional needs of the child through proper nutrition and health education.

The programme seeks to achieve the objectives with the package of services consisting of (i) Health check-up, (ii) Immunisation, (iii) Supplementary nutrition, (iv) Nutrition and health education of pregnant women and nursing mothers (v) Referral Services and (vi) Non-formal pre-school education of children in the age group 3-5 years.

3.2.03 Anganwadi is the focal point through which all the services were to be delivered to the beneficiaries. Supplementary nutrition programme, pre-school education and nutrition and health education were the direct responsibilities of the Anganwadi workers (AWWS), while delivery of health services such as, overall check-up, immunisation, referral services were to be done by the medical staff of the project area appointed by the Health Department.

3.2.04 Organisation, Administration and Management

The Director of Social Welfare is the head of the Department. At the District level, the District Social Welfare Officers (DSWOs) were responsible for co-ordination of the implementation of the scheme. At project level there is a Child Development Project Officer (CDPO) for each project.

The Health Department is to provide health components of the scheme.

3.2.95 Implementation of the Scheme

In Meghalaya, the first ICDS project was launched at Sangsak in Garo Hills during 1975-76 and up to 1979-80, altogether three such projects were established. To the end of 1983-84, eleven ICDS projects were sanctioned by the Government of India of which 7 projects were functioning.

Out of the target of 261 Anganwadis to be established up to 1979-80, the number of Anganwadis actually set up was 125. Similarly, 314 Anganwadis were established against a target of 440 during the years 1980-81 to 1983-84. The reasons for non-fulfilment of target were stated to be shortage of candidates for appointment as AWWS, drop-outs, resignations after appointment, inadequate facilities for providing training. It was noticed during test check that out of 701 sanctioned posts of AWWS in 11 projects, only 488 AWWS were in position in March 1984 and of those in position only 365 had undergone the prescribed training. Only 7 out of 488 AWWS were matriculates, 5 were illiterate and rest non-matriculates. The required guide books were not supplied to 292 AWWS. Again, out of the 40 sanctioned posts of Supervisors, only 26 were in position up to March 1984.

3.2.06 Pattern of financing/budget and expenditure

Although ICDS is a Centrally sponsored scheme, the funds for supplementary nutrition programme (SNP) were to be provided by the State Government from their own budget under the Minimum Needs Programme (MNP). The United Nations International Children's Emergency Fund (UNICEF) also provided assistance in the form of equipment etc.

The grants released by the Government of India, budget provisions and the actual expenditure of ICDS and SNP are as under:—

ICDS Projects

Year	Budget provision made by State Government	Grants released by Central Gov- ernment	Actual expendi- ture	Excess (+) Saving (—)
(Rupees in lakhs)				
Upto				
1979-80	20.50	15.65	13.37	(—)2.28
1980-81	12.00	12.37	7.50	(—)4.87
1981-82	16.00	16.24	8.43	(—)7.81
1982-83	18.00	14.67	24.88	(+)10.21
1983-84	40.00	31.96	24.57	(—)7.39
Total	106.50	90.89	78.75	(—)12.14

SNP

Budget provision made by State Government	Funds released by State Government	Actual expenditure	Excess (+) Saving (-)
(Rupees in lakhs)			
27.36	17.48	17.42	(—)0.06
8.84	7.87	7.42	(—)0.45
11.70	13.83	11.70	(—)2.13
13.80	15.10	11.51	(—)3.59
19.68	12.20	10.69	(—)1.51
81.38	66.48	58.74	(—)7.74

3.2.07 It would be seen that the expenditure incurred was less than the grants received during the Fifth Plan period and also during 1980-81, 1981-82 and 1983-84. The non-utilisation of grants was attributed by the department (April-June 1984) to the following factors:—

- (i) receipt of Government of India sanction at the fag and of the year, (ii) non-implementation of all the projects in the year of sanction and (iii) all the projects not being fully operational.

3.2.08 Supplementary nutrition of children, nursing mothers and expectant women

This component of the scheme seeks to provide supplementary nutrition for 300 days in a year to mal-nourished children below 6 years, pregnant women and nursing mothers belonging to the target group of families (Schedule caste/Schedule tribes, marginal farmers and agricultural labours). The average provision towards cost of food under this programme is 25 paise per day per child in Yellow Zone (whose upper mid-arm circumference is between 12.5 cm and 13.5 cm) and 50 paise per day for each woman in 6-9 months of pregnancy or nursing a baby up to 6 months. For children in Red Zone suffering from severe mal-nutrition (those whose mid arm circumference is less than 12.5 cm) the average provision per beneficiary is 60 paise per day.

The number of beneficiaries who received food under SNP according to the records of the Directorate was as under:—

Year	Number of project	Number of feeding centres	Beneficiaries		
			Children in Yellow Zone @ 25 paise each	Children in Red Zone @ 60 paise each	Expectant and nursing mothers
Upto					
1979-80	3	125	11,690	600	4,028
1980-81	3	147	14,849	— ...	2,986
1981-82	4	213	15,809	250	2,608
1982-83	5	301	22,927	...	2,154
1983-84	7	439	19,970	1,000	2,100

3.2.09 A test check of records revealed the following points :

- (i) The aim of the programme was to supplement nutritional intake by 200 calories and 8-10 gms of protein for children below 1 year, about 300 calories and 15 gms of protein for children between 1 to 6 years age and about 500 calories and 25 gms of protein for pregnant women and nursing mothers. But the items and quantum of food to be issued to the beneficiaries to ensure minimum calories and protein intake were not prescribed by the appropriate authority.
- (ii) For implementation of SNP, the AWWs were required to conduct a survey of all families in their areas to identify the beneficiaries eligible for supplementary nutrition. Category-wise lists of the beneficiaries were also to be kept in Anganwadis. But no such survey was conducted nor any category-wise list of beneficiaries was maintained to determine the requirement of food stuff.
- (iii) Against 300 days, the actual feeding days varied from 75 days to 225 days in a year. In Sangsak ICDS project, Rs.1.40 lakhs was sanctioned in November 1983 for providing supplementary nutrition to 3,300 beneficiaries for 150 days during 1983-84 but, though a sum of Rs.1.40 lakhs was spent, food was provided for 120 days to 1,782 beneficiaries only.
- (iv) CDPO, Bhoi Area, Umsning spent Rs.0.98 lakh on purchase of food articles in March 1984 but only Rs.0.32 lakh worth of food articles were accounted for in the stock registers. No record was available about the delivery of stores worth Rs.0.66 lakh by the supplier and their utilisation.
- (v) Therapeutic food like Balamul was to be issued to severely malnourished children in the red zone. During 1978-79 and 1979-80 the children of this category could not be identified for want of weighing scale or coloured strips etc. However, the Directorate purchased 105 tonnes of Balamul at a cost of Rs. 3.15 lakhs during 1978-79 and 1979-80 for Sangsak (63 tonnes) and Thadlaskein projects (42 tonnes). No record was available as to the actual receipt and distribution of the food.

3.2.10 Non-formal pre-school education of children

Under this component of ICDS scheme, non-formal education was to be imparted to about 40 children of 3-5 years age-group in each Anganwadi with a view to developing desirable attitudes, values and behaviour patterns. For this purpose, games and creative activities were to be organised by using in-expensive locally produced materials and toys. Articles of indoor games, building block, counting frames, paints, brushes, dholak etc. were to be made available in each Anganwadi. Field trips were also to be arranged by the AWWs. According to records of the Directorate, the number of children covered by these services to the end of 1983-84 was as under:—

Year	Number of projects	Number of Anganwadi sanctioned	Actually functioning	Target number of children	Number of children on the roll	Number of children attending
Upto						
1979-80	3	261	125	41,760	8,773	7,043
1980-81	4	353	147	14,120	7,146	5,827
1981-82	5	403	213	16,120	8,014	6,241
1982-83	7	503	301	20,120	9,921	8,995
1983-84	11	701	439	28,040	15,245	11,697

No records were available about the contents of the education imparted to the children. Moreover, no expenditure was incurred for purchase of toys and other items for effective delivery of the service. Field trips were also not arranged by the AWWs for educating the children.

3.2.11 Nutrition and health education to women

Nutrition and health education was to be offered to all women in the age group 15 to 45 years, priority being given to expectant women and nursing mothers through use of mass media and other forms of publicity, special campaign home visits by AWWs, organising short courses, demonstration of cooking and feeding etc.

It was noticed that out of the target of 68,250 women of the age group 15-45 years to be covered during 1975-76 to 1983-84, only 10,859 were actually covered, which was only 16 per cent of the target. The details about the method adopted for education, courses organised, number of home visits by AWWs, etc. were not available.

3.2.12 Health Check-up

This component of ICDS scheme seeks to provide ante-natal care of expectant women, post-natal care of nursing mothers, care of new born babies and children under 6 years of age.

It was however, noticed that the numbers of Health staff in position in the project areas were less than the sanctioned strength, as detailed below:

Year	Number of projects	A.Ws attached	Doctors		Lady Health Visitors/Public Health Nurse		Auxiliary Nurse/Midwife	
			Sanctioned	In position	Sanctioned	In position	Sanctioned	In position
1979-80	3	261	3	1	6	4	17	12
1980-81	4	353	4	2	8	4	21	16
1981-82	5	403	5	2	10	7	25	17
1982-83	7	503	5	2	10	9	25	17
1983-84	11	701	5	2	10	8	25	20

3.2.13 Health check up covered under the programme during the years 1978-79 to 1983-84 as under, was far less than the target fixed:

Year	Number of projects	Anganwadi attached	Target number children/women	Number of children/women covered by check up	Percentage coverage children/women
1978-79	2	150	4399/896	NA/621	NA/69
1979-80	3	261	11830/3512	420/946	4/27
1980-81	4	353	19960/3908	6326/1150	32/29
1981-82	5	403	30684/5906	18569/3008	61/51
1982-83	7	503	30407/5653	16817/2808	55/50
1983-84	11	701	35317/6893	18391/3661	52/53

The coverage ranged from 4 to 61 per cent in respect of children below 6 years of age and 27 to 69 per cent in respect of expectant and nursing mothers.

3.2.14 Immunisation

This health component of ICDS envisaged immunisation of all children below six years of age against Diphtheria, Whooping cough, Tetanus, Polio, Tuberculosis and Typhoid and immunisation of expectant mothers against tetanus and this was to be done through the PHCS/Sub-Centres located in the project areas.

No records were available in the Social Welfare Department as to the progress achieved in this regard. The particulars available in the Health Department revealed that achievement was far below the target as detailed under:

Year	Number of projects	Number of AW attached	Target number of children to be immunised	Number of children actually immunised		
				DPT	BCG	Polio
1978-79	2	150	4399	930	Nil	Nil
1979-80	3	261	13115	8258	Nil	Nil
1980-81	4	353	21986	1538	Nil	Nil
1981-82	5	403	28379	9875	1324	2470
1982-83	7	503	26394	9320	2456	4940
1983-84	11	701	41626	20491	3574	7869

Percentage of coverage over targets			Target number of expectant mothers to be immunised	Number of expectant mothers immunised	Percentage of coverage over targets
DPT	BCG	Polio			
21	Nil	Nil	369	106	29
62	Nil	Nil	804	367	45
7	Nil	Nil	808	296	36
34	4	8	2509	1512	60
35	9	18	2829	1222	43
49	8	17	3169	1950	61

The percentage of coverage with reference to targets ranged between 4 *per cent* to 62 *per cent*.

3.2.15 Referral Service

Pregnant mothers and children with health problems requiring specialised treatment were to be referred by the Medical Officers of PHCs to the Upgraded Public Health Centres or Sub-Division/District Headquarters hospitals. The hospital after completing the treatment would refer the mother/child back to the PHC concerned with notes of treatment given and further treatment/advice to be followed.

Records of Health Department revealed that out of 165 children referred for specialised treatment during 1981-82 to 1983-84, no follow up action was taken in 19 cases.

3.2.16 Providing safe drinking water to Anganwadi centres

The scheme envisaged that the Anganwadi centres should be selected in areas where safe drinking water was available. Out of 439 Anganwadi centres set up to end of March 1984 safe drinking water supply was not available in 249 centres.

3.2.17 Supply of Medicines to Anganwadis

The scheme envisaged supply to Anganwadis of simple, inexpensive and essential medicines for common infection and ailments of children and expectant/nursing mothers. Aggregate cost of medicines per year to be supplied to each ICDS project was as below:—

Up to 31st March 1978	Rs.6,500 per year
1st April 1978 to 31st March 1982	Rs.8,000 per year
From 1st April 1982	Rs.15,000 per year

Till 1982-83, funds were not allotted by Government for purchase of medicines for supply to the Anganwadis, reasons therefor have not been intimated (October 1985). During March 1984, orders aggregating Rs.0.29 lakh were placed for purchase of medicines for 3 ICDS projects but the supply was not received (April 1984). Thus, none of the Anganwadis was supplied medicines for the purpose (April 1984).

3.2.18. Purchase of Mopeds

The Directorate of Social Welfare purchased 9 Hero Majestic Mopeds (4 in August 1983 and 5 in November 1983) at a total cost of Rs.0.38 lakh for use by lady supervisors, who were required to visit the Anganwadis under Bhoi Area, Khliehriat and Rangram ICDS Projects frequently. It was, however, noticed that these mopeds had not been issued to any of the projects till June 1984.

3.2.19 Monitoring and evaluation

A monitoring and evaluation cell was created (February 1981) in the Directorate for appraisal of performance and assessment of effectiveness of the scheme in attaining its objectives. Although an expenditure of Rs.1.43 lakhs was incurred on the establishment of the cell during 1981-82 to 1983-84 no evaluation has so far (June 1984) been done.

3.2.20 Summing up

—As against 11 ICDS projects sanctioned in Meghalaya, only 7 projects were functioning to end of 1983-84. Again, out of the target of 701 Anganwadis to be set up, only 439 were functioning by the end of 1983-84.

—According to the figures available in the Directorate, the physical progress relating to various components of the scheme was much less than the targets.

—Out of 439 Anganwadis in operation till the end of 1983-84, safe drinking water was available only in 190. Medicines required for effective delivery of health component of ICDS were not purchased and consequently, not made available to the Anganwadis.

—Although a monitoring cell was created in the Directorate in February 1981, no monitoring and evaluation were done (June 1984).

3.2.21 Scheme of Functional Literacy for Adult Women (FLAW)

Introductory

The programme of Functional Literacy of Adult Women, a Central Sector Scheme (linked to the ICDS programme), the cost of which is borne by the Government of India, was started in Meghalaya in 1975-76 in 1 ICDS project area and was extended to 5 projects by 1982-83. The scheme seeks to provide non-formal education to illiterate women in the age group of 15-45 years with special attention to women in the age group of 15-35 years.

In order to achieve its objectives, the scheme of FLAW aims at offering non-formal education of using functional literacy as the medium in the field of (i) elements of health and hygiene, (ii) food and nutrition, (iii) home management and child care, (iv) civic education and (v) vocational and occupational skills.

3.2.22 Financial aspects

The position of funds released by the Government of India and expenditure incurred on the scheme to end of March 1984 is indicated below:—

Year	Fund released by Government of India	Expenditure incurred	Unspent balance
		(Rupees in lakhs)	
1975-76 to 1979-80	5.67	4.28	1.39
1980-81	2.42	1.49	0.93
1981-82	7.15	0.98	6.17
1982-83	4.93	3.22	1.71
1983-84	5.55	3.02	2.53
Total	25.72	12.99	12.73

Unspent balance to end of March 1984 out of the grants from the Government of India amounted to Rs.12.73 lakhs. Less utilisation of grant was attributed by the deparatment (June 1984) to non-implementation of functional literacy classes in all the Anganwadis because of poor response from the women.

3.2.23 Performance

The scheme envisages that after completion of 10 months functional literacy course in a year, a test is to be conducted and certificates to be awarded to the successful candidates. The overall performance under the scheme for the period ending 1983-84 is detailed below:—

Year	Number of projects	Number of AW attached in project areas	Target number of women population 15—45 years of age to be covered	Number of AW where classes are held	Number of women enrolled	Number of women attended
1975-76 to 1979-80	3	261	7890	263	4988	3122
1980-81	4	353	2490	83	1587	726
1981-82	5	403	3450	115	1875	880
1982-83	7	503	6060	202	4655	2514
1983-84	11	701	7050	235	4951	2782
					18056	10024

No women for whom functional literacy classes were held in the State, were awarded any certificate.

3.2.24 Evaluation

No evaluation has so far (June 1984) been done to assess the impact of the scheme.

The matter was reported to Government in December 1984; reply was awaited (October 1985).

Tourism Department

3.3 Tourism in Meghalaya

3.3.01 Introductory

The department of Tourism in Meghalaya was formed in 1972 with the creation of the separate State. In February 1977, Meghalaya Tourism Development Corporation (MTDC) was set up for undertaking commercial activities of Tourism. But due to lack of adequate resources and organisational expertise, the Corporation remained non-functional till 30th June 1984. Only from 1st July 1984, the management of Shillong Tourist Bungalow and Transport vehicles has been entrusted to the MTDC. Thus, till 30th June 1984, all activities connected with development of tourism in Meghalaya were vested only with the Directorate of Tourism, the post of the Director being looked after by the Director of Industries. Apart from the Directorate, the Department has four Tourist Information Centres each under a Tourist

Officer, at New Delhi, Calcutta, Guwahati and Tura. While policy decisions, approval of development programmes and schemes and financial sanctions rest with the Department of Tourism, the execution of the scheme, drawal of funds and their disbursements are attended to by the Directorate.

3.3.02 Plan outlay and actual expenditure

During the Fourth and Fifth Five Year Plan period (*i. e.*, upto the year 1977-78) a total expenditure of Rs.36.78 lakhs was incurred on various programmes of development of tourism in addition to non-plan expenditure of Rs.29.91 lakhs. The approved plan outlay for the period from 1978-79 to 1984-85 and the expenditure thereagainst along with non-plan expenditure up to 1983-84 are indicated in the table below :—

Sl. No.	Sectoral Programme	Annual Plan period of 1978-79 and 1979-80			Sixth Plan period (1980-85)		
		Approved Plan outlay	Total Plan expenditure	Non-Plan expenditure	Approved Plan outlay	Total Plan expenditure upto 1983-84	Non-Plan expenditure upto 1983-84
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rupees in lakhs)							
1.	Direction and Administration	0.40	0.45	4.32	2.00	...	11.60
2.	Information and Publicity	3.00	1.53	2.78	10.00	2.38	6.00
3.	Transport facilities for tourists	3.60	0.17	4.38	12.00	16.41	10.64
4.	Tourist Accommodation	11.75	7.51	1.90	155.00(a)	84.29	9.70
5.	Grants to private Bodies	...	...	...	...	...	...
6.	Share capital contribution to MTDC	2.82	2.82	...	...	1.00	...
7.	Other Schemes for beautification and recreational facilities	0.85	0.30	2.16	21.00	3.31	2.89
	Total	21.82	12.78	15.54	200.00	108.39	40.83

3.3.03 Thus the total plan expenditure during the Annual Plan periods of 1978-79 and 1979-80 was only 58.8 per cent of the approved plan outlay and that during four years of the Sixth Plan period (1980-84) works out to only 54.2 per cent of the approved plan outlay. The total expenditure is, however, not a reliable index of the physical progress because it includes monies advanced to the executing agencies which have not yet been fully utilised.

(a) Includes provision for expenditure on Barapani Complex

3.3.04 Accommodation for Tourists

Before commencement of the Sixth Plan period, the Department maintained the following rest houses for accommodation of the tourists:—

(i) Pinewood Hotel, Shillong	70 beds
(ii) Peak Lodge, Upper Shillong	8 beds
(iii) Lake View Cottage, Barapani	12 beds
(iv) Tourist Bunaglow, Thadlaskein, near Jowai	8 beds
(v) Tourist Bunaglow, Shillong Unit	34 beds
(vi) Tourist Bunaglow at Tura Peak, Tura	6 beds

The Sixth Plan provided for an outlay of Rs.155 lakhs for provision and improvement of tourist accommodation.

3.3.05 Pinewood Hotel, Shillong.

Mention was made in the Report of the Comptroller and Auditor General of India for the year 1973-74 of the Government of Meghalaya regarding irregular maintenance of accounts by the Hotel with the State Bank of India, Shillong.

3.3.06 Since 1st September 1981, the operation of the hotel has been handed over to the Indian Tourism Development Corporation (ITDC) initially for a term of 5 years. In terms of the memorandum of understanding signed by Government (Owner) and ITDC (Operator), the operator would promote the hotel and the owner would provide funds for improvement/renovation and upgrading of the hotel to bring it up to the standard of Ashok group of hotels.

3.3.07 As against Rs.60 lakhs provided for in the Sixth Plan for renovation of Pinewood Hotel, a sum of Rs.33.29 lakhs was spent to end of 1983-84 as under:

(a) For the construction of an underground water reservoir an estimate for Rs.3.22 lakhs was submitted by the Meghalaya Government Construction Corporation (MGCC) at the PWD Schedule rates for 1979-80 and the Department advanced the entire amount to the MGCC in April 1981 instead of limiting it to 90 per cent, as admissible under rules. A further sum of Rs.36,404 was paid to MGCC in March 1984 for remaining works of the underground reservoir and for giving connection to the existing supply line and to the overhead tanks by putting pumps. Although the MGCC reported to the Directorate in January 1984 that the work had already been completed, the Department did not take measurement of the work done and did not work out the value thereof at the agreed rates against the advance of Rs.3.58 lakhs paid to the Corporation. No contract deed was executed and the work was actually done during the period of three years from 1981-82 to 1983-84.

(b) On the basis of cost estimate submitted by the General Manager of Hotel Pinewood Ashok for the first phase of renovation of the hotel, a sum of Rs.19.71 lakhs was advanced to the General Manager in March 1982 for the following purposes :—

(Rupees in lakhs)

Renovation of 5 Guest room to be done by interior designer Messers Prafulla Boreta and associates	11.02
Procurement and installation of Kitchen equipments	2.75
Silver wares, cutlery, crockery and glasswares	1.44
House keeping equipments	0.96
Reconstruction of Kitchen building to be done by MGCC	3.54
Total	19.71

Out of this amount, the General Manager transferred Rs.16.17 lakhs to the Project division of the ITDC in June 1982 and reported in October 1982 that order had been placed with different parties for procurement of equipments etc. No further report about actual utilisation of the amounts was available. The balance of Rs.3.54 lakhs required for reconstruction of Kitchen was lying unutilised (July 1984) with the local management of the hotel.

(c) Another cost estimate for Rs.17.70 lakhs was submitted by the General Manager in December 1982 for the second phase of renovation of the hotel as under :—

(Rupees in lakhs)

Renovation of 20 Guest rooms	2.70
Kitchen equipment, dish washing machine	4.43
Water connection by Shillong Municipality and realignment of pipe lines by MGCC	3.57
Balance for reconstruction of Kitchen by MGCC	1.25
Architect fee and site establishment cost	2.00
ITDC consultancy fee for one year (September 1981 to August 1982)	0.75
Audio Visual equipment for photo phone	0.49
Sales and marketing of Hotel Pinewood Ashok and graphics for the hotel by ITDC	2.00
Glazing of passages etc.	0.51
Total	17.70

As against this estimate, a sum of Rs.10 lakhs was paid to the General Manager in March 1983. There was no report of actual utilisation of the amount (July 1984).

3.3.08 Rent of the buildings occupied by the hotel amounting to Rs.5.22 lakhs (monthly rent : Rs.4,950.64) had been outstanding for the period up to June 1984.

3.3.09 Peaklodge

This resort (with 8 beds), originally a part of Governor's estate, was transferred to the Department of Tourism to be run as a tourist accommodation under the management of the Pinewood Hotel. When the management of the Pinewood Hotel was handed over to the ITDC in September 1981, the Peaklodge was left out of the scope of the agreement with the ITDC and ceased to be used as a tourist accommodation from October 1981. Subsequently, the Board of Management of Hotel Pinewood Ashok decided (July 1983) to revive Peaklodge as a tourist club to be designated as "Pine Forest Tourist Club" under the management of Hotel Pinewood Ashok. Accordingly, in March 1984, an amount of Rs.4.63 lakhs was sanctioned out of the plan provisions (though the plan outlay did not provide for this) and disbursed to the General Manager, Hotel Pinewood Ashok for renovation of the lodge and purchase of furniture, equipments, crockery, cutlery, linen, carpet, etc. through ITDC. No report regarding actual utilisation of fund was available with the Department (July 1984).

3.3.10 Lake View Cottage, Barapani

In February 1981, two plots of land measuring 49 acres and 3.87 acres were acquired by the Department of Tourism at Barapani lake side at a cost of Rs.4.88 lakhs from the Meghalaya State Electricity Board. Even before formal taking over of land in February 1981, a building situated on the smaller plot was taken over by the Department during 1976-77, which after some renovation carried out in the same year through the Town Planner-cum-Director of Housing at a cost of Rs.0.54 lakh, was converted as a "Tourist Hotel" with 12 beds and designated as "Lake View Cottage". The management of this resort was also entrusted to the Pinewood Hotel. No record was available in the Department regarding its actual utilisation and financial results of its working. However, following the transfer of management of the Pinewood to the ITDC, "Lake View Cottage" was closed. The Sixth Plan provided for an outlay of Rs.10 lakhs for improvement of the "Lake View Cottage" but except providing an approach road, fencing and a gate at a total cost of Rs. 1 lakh during 1980-81, no further improvement has been carried out so far (July 1984).

3.3.11 Tourist Bungalow, Shillong

Two units of Tourist Bungalow at Shillong with 34 beds were inherited by the Government of Meghalaya from the Government of Assam in 1973.

One of the units, on RCC structure had remained incomplete (since its construction by the Government of Assam) as the ground floor and the first floor had not been constructed. In the Sixth Plan an outlay of Rs. 14 lakhs was provided for completion of the building. Because of the unpleasant surroundings, the plan to complete the building was abandoned (July 1982) and it was decided to divert the fund to build another Tourist complex at Crow-Borrow near Police Bazar.

3.3.12 Collection of revenue from Tourist Bungalow Shillong fell short of expenditure incurred for running the establishment as indicated below:—

Year	Expenditure on pay and allowances of the staff directly engaged in Tourist Bungalow	Expenditure on repairs to the building by PWD	Total expenditure	Revenue realised
			(Rupees in lakhs)	
1980-81	0.57	0.13	0.76	0.40
1981-82	0.71	0.20	0.91	0.56
1982-83	0.81	0.22	1.03	0.76
1983-84	0.89	0.23	1.12	0.53

One of the factors contributing to the loss is that room rent fixed at Rs. 8 and Rs. 10 per bed in 1978-79 was not revised thereafter despite large increases in the cost of services and maintenance.

3.3.13 Tourist Bungalow, Thadlaskein

The Tourist Bungalow at Thadlaskein (8 beds) near Jowai was constructed and furnished at a cost of Rs. 2.36 lakhs during the years from 1978 to 1980. It was requisitioned by the Deputy Commissioner, Jowai in July 1980 for accommodating Police Force. Though the building was released in March 1981, it was again requisitioned on 1st September 1982 and was released on 3rd September 1982. The building and furniture suffered damages during the use by the Police Force. In June 1983, it was proposed to repair the Bungalow for the travellers from Silchar, Mizoram, Haflong and adjacent places. The Sixth Plan also provided for an outlay of Rs. 2 lakhs for improvement of the Bungalow and the adjacent lake area. But

no repairs have been carried out nor has any development work been taken up (July 1984). In the meantime, expenditure of Rs.1.07 lakhs has been incurred on pay and allowances of the staff engaged for the tourist establishment during the period 1980-81 to 1983-84.

An amount of Rs.0.70 lakh was drawn in March 1980 for supply of water to the tourist bungalow at Thadlaskein but was refunded to Treasury on 13th April 1982.

3.3.14 Tourist Bungalow at Tura (incomplete)

The Annual Plan for 1979-80 provided for an outlay of Rs.1.25 lakhs for construction of a Tourist Bungalow at Tura. The Sixth Plan also provided for a further outlay of Rs.2 lakhs for construction and completion of the building. An estimate for Rs.3.91 lakhs (inclusive of contingency of Rs.0.19 lakh) was framed by the Town Planner-cum-Director of Housing, Meghalaya on the basis of PWD schedule of rate and was sanctioned by the Government in March 1980.

The contract for construction of the building was awarded in April 1980 on the basis of tender to a contractor at the estimated rate of Rs.3.72 lakhs with the stipulation for its completion within 12 months. In May 1981, the Department made some modifications in the Plan and specifications of the building and the extra cost involved on this account was estimated (November 1980) to be Rs 2.63 lakhs. In June 1982, the contractor asked for 40 *per cent* enhancement of rates for rise in cost of material and labour to which the department did not agree and thereby the contract was rescinded in July 1982. The final bill submitted by the contractor revealed that although he had executed about 70 *per cent* of the work, Rs.6.46 lakhs was paid (March 1984) against his entitlement of Rs.5.24 lakhs (Rs.4.45 lakhs being 70 *per cent* of the estimated cost *plus* Rs.0.79 lakh for construction of a retaining wall). Reasons for excess payment of Rs.1.22 lakhs were not on record. Besides, the relevant measurement book was reported to be missing from the Directorate.

In April 1984, the department approached the M G C C for completion of the building. The Corporation submitted an estimate of Rs.8.40 lakhs including cost of water supply, electrification and repairs to the damaged doors/windows and the retaining wall. The work had not however, been taken up (July 1984).

3.3.15 Tourist Complex Bangalow at Umiam Lake

The Sixth Plan provided for an outlay of Rs.35 lakhs for construction of Tourist Cottages and cafeteria at Umiam Lake on the 49 acres plot acquired from the Meghalaya State Electricity Board in February 1981. On the basis of the plan and estimates submitted by an architect of Bombay the cost of construction of 5 cottages with kitchen, lounge and restaurant estimated at Rs.33.80 lakhs, was entrusted to M G C C in November 1981. But no formal deed of contract was executed stipulating the time for completion of work and the rates for interim and final payments. Only an agreement was signed on 30th November 1981, which *inter alia* provides that M G C C would carry out the work according to the plan and estimates submitted by the architects and receive $7\frac{1}{2}$ per cent agency charges. Besides, 5.5 per cent architect's fee would be paid by M G C C out of the funds placed at its disposal by Government. According to financial rules and also the terms of the agreement 90 per cent of the estimated expenditure to be incurred during the financial year was to be placed at the disposal of M G C C. In October 1983, M G C C reported to the Director of Tourism that due to modification of plan and specification, the estimate was raised upwards to Rs.55.90 lakhs and asked for 90 per cent advance payment on the basis of this revised estimate. Till the end of March 1984, a total sum of Rs.39.80 lakhs was paid as advance to M G C C including Rs.2.90 lakhs for water supply installation. The quarterly progress report submitted by the M G C C for the quarter ending March 1984 showed that expenditure of Rs.11.11 lakhs only was actually incurred by the end of the year 1983-84, though the department paid a large sum of Rs.39.80 lakhs to the M G C C.

The Sixth Plan provided for an outlay of Rs.15 lakhs for construction of a Boat House at the Umiam Lake. The construction of the Boat House has not yet been taken up. Long before construction of the Boat House, two fibreglass boats were purchased in March 1980 at a cost of Rs.0.93 lakh for pleasure trips by the tourists in the lake. But, in the absence of the Boat House, these boats have been lying unused.

3.3.16 Development of Crow Borrow Complex, Shillong

The Crow Borrow property consisting of land measuring 1.45 acres and an old building was acquired in March 1982 at a cost of Rs.2.44 lakhs with the object of construction of a Tourist complex comprising an auditorium, shopping arcade and a

medium price hotel. The Sixth Plan provided for an outlay of Rs.20 lakhs for development of this complex. In March 1983, an amount of Rs.1 lakh was paid MTDC for contour survey, planning, architect's fee and preparation of a feasibility report. No survey, etc. has been conducted nor has any feasibility report been prepared upto now (July 1984).

3.3.17 Rest House at Nongpoh

The Sixth Plan provided for an outlay of Rs.4 lakhs for construction of a Rest House at Nongpoh. A proposal was mooted in December 1982 to construct a drive-in restaurant at Nongpoh near Nongkhyllem Reserved Forest at an estimated cost of Rs.3.37 lakhs. As the Government of India agreed to reimburse the cost of constructing the restaurant, a separate estimate for Rs.2.65 lakhs was sanctioned by the State Government in March 1984 for construction of an approach road and staff quarters. The amount was drawn by the Directorate of Tourism in March 1984 but was remitted to the Chief Conservator of Forests in July 1984 for actual execution. As regards the restaurant, the estimate is yet to be submitted and got approved by the Government of India (July 1984).

3.3.18 Transport Services

The Director of Tourism was maintaining a fleet of five tourist coaches and two Ambassador cars (purchased between 1974-75 to 1979-80 at a total cost of Rs.4.82 lakhs). One bus, four more chassis and a jeep were purchased between August 1980 to March 1984 at a total cost of Rs.14.94 lakhs. The jeep purchased was being used as a pool vehicle.

Out of the five tourist coaches, two were plying to Borjhar and Umroi airports to cater to the needs of air passengers. The remaining three buses were intended to be utilised for conducted tours in and around Shillong, but sight-seeing tours were started on a regular schedule only from March 1984. Of these three, two (purchased during 1974-75) were condemned and auctioned for a total sum of Rs.19,810 in July 1982 and July 1983. The third one (purchased in May 1974-cost Rs.0.50 lakh) was lying in garage since September 1983. The department could not indicate the manner of use of these three buses since their purchase in 1974-75. The reasons for the third bus lying in garage since September 1983 have also not been intimated (November 1985).

3.3.19 In respect of the four chassis purchased between March 1981 and March 1984, body building took a long time. Three chassis (two of them purchased during March 1981 and one in April 1982) were sent for body building only in March 1983 and received back as completed coaches in October 1983 (one) and January 1984 (two). The fourth chassis purchased in March 1984 was yet to be sent for body building (July 1984). One bus (purchased in August 1980) was lying in garage since September 1983.

During the period from 9th June 1982 to 5th September 1983, the Tourism Department hired a bus from the Meghalaya Transport Corporation (MTC) for carrying passengers from Shillong to Borjhar Air Port at the rate of Rs. 1,350 per round trip as none of the buses at the disposal of Tourism Department was in working condition during this period. The expenditure of Rs.1.20 lakhs on hiring a bus from MTC could have been avoided if timely action had been taken to complete the body building of the chassis mentioned above.

3.3.20 The two Ambassador cars purchased in April 1978 for hire to the tourists and visitors were used for some time during November 1978 and collected Rs. 1,968 only. The utilisation of the cars thereafter could not be intimated by the Department (November 1985).

3.3.21 It was noticed that the revenue earned out of the Transport service was much less than the expenditure incurred for running the services even without taking into account the depreciation of assets, interest on capital, overheads etc. as detailed below:—

Year	Revenue expenditure for running the service	Revenue earned in the shape of passenger fares
	(Rupees in lakhs)	
1979-80	2.89	0.71
1980-81	2.76	1.54
1981-82	2.77	1.28
1982-83	2.64	1.01
1983-84	3.56	1.68
	<hr/> 14.62	<hr/> 6.22

Reasons for such recurring losses had not been analysed by the Department (July 1984).

8.3.22 Working of Meghalaya Tourism Development Corporation

During the period from February 1977 to March 1984, the State Government paid to the Corporation a sum of Rs. 4.82 lakhs as share capital contribution. In addition, a sum of Rs.1 lakh was paid in March 1983 for survey and preparation of feasibility report relating to the Crow Borrow Complex. The accounts and the Balance Sheet of the Corporation compiled up to the year 1982-83 have not yet been audited by statutory auditor. A firm of Auditors has since been appointed (January 1985) to audit the accounts for 1977-78 only. However, these accounts revealed cumulative losses amounting to Rs.5.30 lakhs up to the end of 1982-83.

3.3.23 Information and Publicity

For publicity in promotion of tourism, an outlay of Rs.5 lakhs was provided in the Sixth Plan. It was also proposed to organise fairs and festivals to attract tourists and to promote cultural tourism for which another sum of Rs.5 lakhs was provided.

Actual expenditure on printing and advertisement during four years of the Sixth Plan (up to March 1984) was Rs.1.51 lakhs of which Rs.0.20 lakh was spent on advertisement in news papers and magazines published within the State, Rs.0.11 lakh on advertisements in news papers and magazines published outside the State, Rs.0.36 lakh in putting up hoardings and Rs.0.84 lakh on printing of two sets of view cards. The advertisements in the local news papers and magazines, which had no circulation outside the State, could not serve the purpose of motivating tourists to visit Meghalaya.

3.3.24 Development of Tourist spots

The Sixth Plan provided for an outlay of Rs.2 lakhs for improvement of a swimming pool and attached building at Shillong of which Rs.1.82 lakhs was spent during 1980-81. A further sum of Rs.1.11 lakhs was spent during 1982-83 and 1983-84 for renovation of the pool and construction of approach

road and guard wall. Of this Rs.0.61 lakh drawn during March 1983 was paid as grants-in-aid to the Shillong Swimming Club and Health Resort for carrying out further improvement and renovation of the swimming pool. Transfer of funds to a private party for renovation of Government property was unusual and contrary to financial rules of Government. No information was available about utilisation of the amount and submission of report to the Directorate. The Shillong Swimming Club and Health Resort has occupied the swimming pool complex since 22nd April 1983 for which rent has been fixed by the Government at Rs.3,000 per annum. But the rent due for payment (Rs.6,000) has not been collected so far (July 1985).

Grants-in-aid amounting to Rs.1 lakh was paid to the Shillong Golf Club in March 1981 for improvement of Shillong Golf Course, for which there was no provision in the Sixth Plan. - No record about actual improvement carried out and input of tourists was available in the Directorate. A provision of Rs. 1 lakh for beautification of Jakrem Hot Spring Area also remained unutilised to end of 1983-84.

3.3.25 Strengthening of Directorate

The Sixth Plan provided for an outlay of Rs.2 lakhs for strengthening the Directorate at different levels by imparting training as well as inducting expertise in various fields. But these proposals had not yet been implemented and the plan provision on this account had remained unutilised (July 1984).

The impact of efforts made by the Department to give publicity to the tourist attractions in Meghalaya could not be assessed as no statistical information was available regarding the total number of tourists visiting the State from year to year.

3.3.26 Summing up

—The Department spent (Rs.12.78 lakhs) only 58.8 per cent of the total annual plan provisions (Rs. 21.82 lakhs) during 1978-79 and 1979-80. Total expenditure of Rs.108.39 lakhs during 1980-84 also constituted only 54.2 per cent of the Sixth Plan outlay of Rs.200 lakhs.

—The Sixth Plan provided Rs.155 lakhs for additional tourist accommodation. But there has been no addition to the tourist accommodation so far although Rs.84.29 lakhs was spent up to March 1984.

—Rs.34.34 lakhs were advanced to the Management of Hotel Pinewood (Rs.19.71 lakhs in March 1982 for the first phase and Rs.10.00 lakhs in March 1983 for the second phase of renovation of Pinewood Hotel, Rs.4.63 lakhs in March 1984 for renovation of Peaklodge near Shillong Peak). But report about utilisation of the amount was not available with the Directorate (July 1984).

—Rent amounting to Rs.5.22 lakhs was outstanding against the hotel for the period up to June 1984.

—Although the cost (Rs.3.82 lakhs) of the establishment and maintenance of Tourist Bungalow, Shillong during 1980-81 to 1983-84 was much more than revenue (Rs.2.25 lakhs) realised, the rate of room rent fixed at Rs.8 and Rs.10 per bed in 1978-79 was not revised thereafter.

—For construction of Tourist Bungalow at Tura the contract was rescinded in July 1982, but the contractor was paid an excess amount of Rs.1.22 lakhs.

—For construction of Tourist Cottage and Cafeteria at Umiam Lake an advance of Rs.39.80 lakhs was paid to the MGCC whereas value of work done was only Rs. 11.11 lakhs up to March 1984.

—Two fibreglass boats purchased at a cost of Rs.0.93 lakh in March 1980 were not put to use (July 1984).

—Revenue earned out of the transport service for the tourists during the year 1979-80 to 1982-83 fell far short (by Rs-8.40 lakhs) of the revenue expenditure for running the service.

—Timely action for body building of three chassis purchased in March 1981 and April 1982, would have saved Rs. 1.20 lakhs on hire charges of a bus from MTC.

The matter was reported to Government in October 1984; reply was awaited (October 1985).

Community Development Department

3.4 Integrated Rural Development Programme

3.4.01 Introductory

The Centrally Sponsored "Integrated Rural Development Programme" (IRDP) was initially launched in the State in 1978-79 in 8 selected Community Development Blocks. The Programme was extended to the remaining 22 blocks by October 1980. The programme aimed at raising the families in the identified target groups consisting of the poor in rural areas (small and marginal farmers, agricultural and non-agricultural labourers) above the poverty line.

3.4.02 Organisational set up

Special Secretary to Government, Community Development Department and the Directorate of Community Development were entrusted with the implementation of the programme. A State Level Co-ordination Committee (SLCC) was set up in November 1978 to sanction plans and schemes for the programme. At the district level, the programme was executed by two District Rural Development Agencies (DRDA), one for the East Khasi, West Khasi and Jaintia Hills Districts and the other for the East Garo and West Garo Hills Districts. Although the instructions of the Government of India required a full time executive officer to be posted as Project Director in the DRDA, the post of Project Director in the K & J Hills DRDA was held by the Director of Community Development as an additional charge, while the charge of Project Officer of the Garo Hills DRDA was looked after by the Assistant Project Officer (Agriculture) in addition to his own duties.

In Garo Hills DRDA, nine out of ten posts of middle level officers (Assistant Project Officers etc.) were lying vacant. In Khasi and Jaintia Hills DRDA, three posts of Assistant Project Officers for Agriculture, Animal Husbandry and Veterinary and Economist-cum-Statistician were filled up only from June 1982, November 1982 and January 1984 respectively, while the post of Assistant Project Officer (Monitoring) was lying vacant since August 1983.

3.4.03 Funds released by the Centre and the State and expenditure

The programme is being implemented as a Centrally Sponsored Scheme on a 50 : 50 sharing basis between the Centre and the State.

Funds released by the Centre and the state for implementation of the scheme during the years 1978-79 to 1983-84 and expenditure incurred during those years are

indicated in the following table:—

Year	Opening balance		Fund released		Total
	Central	State	Central	State	
1	2	3	4	5	6
(Rupees in					
1978-79	...	...	34.75	...	34.75
1979-80	23.48	...	11.50	23.00	34.50
1980-81	31.37	19.39	4.12	36.60	40.72
1981-82	29.93	50.44	16.50	41.50	58.00
1982-83	36.71	82.22	5.37	90.00	95.37
1983-84	23.60	153.74	48.00	94.35	142.35
Total			120.24	285.45	405.69

Expenditure		Total	Total unspent balance	Percentage of unutilisation
Central	State			
7	8	9	10	11
lakhs)				
11.27	...	11.27	23.48	67.57
3.61	3.61	7.22	50.76	79.07
5.56	5.55	11.11	80.37	72.72
9.72	9.72	19.44	118.93	66.48
18.48	18.48	36.96	177.34	61.25
15.19	15.19	30.38	289.31	78.66
63.83	52.55	116.38		

It would be seen from the table that out of Rs.405.69 lakhs released (Central assistance: Rs.120.24 lakhs and State assistance: Rs. 285.45 lakhs) from 1978-79 to 1983-84, only Rs. 116.38 lakhs were spent and a total balance of Rs.289.31 lakhs constituting 71.31 per cent of funds available remained unspent till the end of March 1984.

According to the instructions of the Government of India (January 1981), the release of funds was contingent upon the formulation of Annual Plans for blocks, approval of schemes by the SLCC, and utilisation of funds already released. It was, however, noticed that funds were released on *ad-hoc* basis without any reference to the requirements based on schemes formulated and approved by the SLCC and/or proposed to be implemented in a particular year. Funds released to the DRDAs through bank drafts and remaining unspent were lying deposited in Nationalised Banks outside the Consolidated Fund.

3.4.04 Performance

The IRD Programme had a target to assist 600 families on an average per block every year.

The following table indicates the targets for coverage during the period from 1980-81 to 1983-84 and the families actually covered.

Coverage of Families under the IRDP

Year	Target Number of families to be covered		Number of families covered		Percentage of shortfall	
	K&J Hills	Garro Hills	K&J Hills	Garro Hills	K&J Hills	Garro Hills
1980-81	8,400	6,600	252	678	97	90
1981-82	10,200	7,800	58	1,342	99	83
1982-83	10,200	7,800	193	1,941	98	75
1983-84	10,200	7,800	490	569	95	93
	39,000	30,000	993	4,530		

The shortfall in the coverage of families ranged from 75 to 99 per cent.

3.4.05 Action Plans for execution of scheme

The guidelines of the IRDP envisaged preparation of a five years development profile or a perspective plan as well as annual action plan for each block after survey of resources, households etc. It was noticed that no such five year prespective plans were prepared by the DRDAs of the Khasi and Jaintia Hills and Garo Hills.

The DRDA of Khasi and Jaintia Hills also did not prepare any Annual Action Plan for the year 1980-81. The Annual Action Plans for the year 1981-82 were prepared without undertaking the pre-requisite household survey and were not approved (April 1984) by the SLCC and for the year 1983-84, the Action Plan had not been prepared. In Garo Hills DRDA, the Annual Action Plans for the period up to 1982-83 were prepared and preparation of the Action Plan for the year 1983-84 was in progress (April 1984).

Up to 31st March 1984, no schemes had been taken up for implementation under the programme in 9 blocks (7 blocks under the Khasi and Jaintia Hills DRDA and 2 blocks under the Garo Hills DRDA).

3.4.06 Meeting of the State Level Co-ordination Committee (SLCC)

According to the guidelines, the block plans were required to be approved by the SLCC. The SLCC, in addition, was to review the progress of implementation in various blocks. The records revealed that the meetings of the SLCC were held only on four occasions (March 1981, July 1981, February 1982 and March 1982) and after March 1982 no meeting was held (up to April 1984). As a result, most of the schemes were taken up in different blocks without approval of the SLCC and review of the progress of schemes was not done by the SLCC.

3.4.07 Selection of beneficiaries

According to the IRDP guidelines the beneficiaries were to consist of the poorest among the poor. The benefits under the programme were to flow to families who live below the poverty line *i.e.* whose annual income was less than Rs.3,500.

To the end of March 1984, beneficiaries numbering 8,049 (2,206 in Khasi and Jaintia Hills and 5,843 in Garo Hills) were assisted under the programme in the State. Out of these, 382 families selected in DRDA Garo Hills had an income of over Rs. 3,500 per annum.

The table below indicates the sectoral distribution of beneficiaries.

Sector	DRDA Khasi and Jaintia Hills Shillong	DRDA Garo Hills Tura	Total
(Number of beneficiaries)			
Agriculture	1,243	2,079	3,322
Irrigation	333	415	748
Animal Husbandry	20	1,825	1,845
Forestry	100	Nil	100
Fisheries	77	302	379
Village and Small Scale Industries	33	1,222	1,255
Tertiary and others	400	Nil	400
	<hr/> 2,206	<hr/> 5,843	<hr/> 8,049

3.4.08 Monitoring Cell

According to the guidelines an inter-disciplinary cell consisting of officers drawn from various concerned departments should be set up at the state level to assist in the effective implementation/monitoring of the programme. The Government of India offered to meet half the cost of such cell at the State level but no such monitoring cell was created.

3.4.09 Creation of assets and submission of reports and returns

The guidelines of the Scheme prescribed a drill for physical verification of assets supplied to/created by the beneficiaries and their income level. No such verification of assets was taken up in the State (April 1984). Besides, the Government of India fixed time schedules for submission by the DRDAs of various returns and reports district-wise in prescribed *proforma* indicating physical and financial achievements. But these returns/reports were not compiled and submitted so far (April 1984).

3.4.10 Training

The guidelines envisaged training of the beneficiaries and also the members of their families to derive the maximum benefit out of the programme, but no such training had yet been arranged (April 1984).

3.4.11 Training of Rural Youth for self employment (TRYSEM)

The object of the Training of rural Youth for self employment as a part of the IRDP, was to equip the rural youth with necessary skills and technology for self employment. Only five persons from Khasi and Jaintia Hills were trained in the Tractor Training Centre, Hissar, Haryana for repair and maintenance of tractors for four months during September to December 1982 at a cost of Rs. 0.50 lakh. These persons have not, however, entered the trade on their own so far (April 1984).

3.4.12 Evaluation

The guidelines envisaged periodical evaluation studies by Government or by outside agencies on a regular basis to assess the impact of the programme, but no such evaluation study had so far been made (April 1984).

The progress of implementation of the programme was reviewed by the Government of India in October 1983 and the reasons for poor progress was attributed to non-positioning of DRDAs, lack of staff and delay in carrying out house-hold surveys.

3.4.13 Miscellaneous

(i) The IRDP funds were to be utilised on the development of the area and not to be distributed amongst various departments/organisations, etc. It was noticed that the Directorate of Community Development had released IRDP funds amounting to Rs. 9.15 lakhs to different agencies including the Co-operation Department of the Government (details below) for construction of rural godowns.

Year	Name of the agency to whom paid	Amount paid (Rupees in lakhs)
1981-82	The Meghalaya Warehousing Corporation	1.50
1982-83	— Do —	2.30
1982-83	Registrar of Co-operative Societies	2.20
1982-83	The Meghalaya Consumer Co-operative Federation Limited	1.50
1983-84	The Meghalaya Warehousing Corporation Limited	1.65
Total		9.15

The Department did not obtain any report about the progress of work done or expenditure incurred from time to time to verify proper utilisation of money paid.

(ii) The programme envisaged maintenance at the block level of identity-cum-monitoring cards called Vikas Patrikas in respect of individual beneficiaries to watch the progress achieved from stage to stage under the programme. The Vikas Patrikas had not so far been introduced (April 1984) in the State.

(iii) According to the records, the Project Director, DRDA, Khasi and Jaintia Hills paid on 5th October 1979, Rs. 17,500 by cheque drawn on Meghalaya Co-operative Apex Bank Limited to the Block Development Officer (BDO), Bhoi for execution of schemes under the programme. When pressed by the DRDA for submission of the utilisation certificate, the BDO intimated (October 1982) that the amount could not be located in his accounts. The Bank, however, confirmed (October 1982) that the amount had been paid to the BDO. The DRDA thereafter, reported (January 1983) the matter to the Government. Further development in the matter was awaited (April 1984).

(iv) Outstanding utilisation certificates

(a) In DRDA, Khasi and Jaintia Hills, utilisation certificates for payments amounting to Rs. 2.25 lakhs during the period from 1978-79 to 1982-83 to four blocks had not so far been received (April 1984).

(b) In DRDA, Garo Hills, utilisation certificates for Rs. 4.74 lakhs released during 1978-79 and 1979-80 had not been received from various Government Departments (April 1984).

Summing up

—Non-filling up of the posts of officers and shortage of staff had affected the progress of implementation of the programme.

—Funds to the extent of Rs. 289.31 lakhs, (Central assistance : Rs. 56.41 lakhs, State assistance : Rs. 232.90 lakhs) constituting 71.31 per cent of funds released for the programme remained unspent to the end of March 1984.

—9 Blocks were not covered under the programme from 1980-81 to 1983-84.

—Coverage of families under the programme fell far short of the targets; the shortfall ranged from 75 to 99 per cent during the period from 1980-81 to 1983-84.

—In Khasi and Jaintia Hills DRDA Annual Action Plans were either not prepared or prepared without undertaking required household surveys up to 1983-84.

—No meeting of the State level Co-ordination Committee was held after March 1982 and consequently, most of the schemes under the programme were taken up without approval of the SLCC.

—Contrary to the guidelines, in Garo Hills, 382 families with income level above Rs. 3500 per annum were selected as beneficiaries.

—Monitoring Cell to assist in the effective implementation of the programme was not created.

—No evaluation study had so far been made to assess the impact of the programme in the State.

The matter was reported to Government in September 1984; reply was awaited (October 1985).

3.5 National Rural Employment Programme

3.5.01 The "Food For Work Programme" (FWP) launched by the Government of India in April 1977, was implemented by the State Government up to October 1980. The programme was thereafter restructured and renamed as "National Rural Employment Programme" (NREP) with the following objectives:—

(i) generation of additional gainful employment for the un-employed and under-employed persons in the rural areas,

(ii) creation of durable community assets for strengthening the rural infrastructure for rapid growth of rural economy and steady rise in the income levels of the rural poor and

(iii) improvement of nutritional status and living conditions of rural poor.

NREP has been included in the Sixth Five Year Plan as a Centrally sponsored scheme. The programme was initially financed by Central Government fully and with effect from 1st April 1981, the expenditure on this scheme is shared equally between the Centre and the State.

Implementation of the programme was reviewed in April 1984 and important points noticed by Audit are mentioned in the succeeding paragraphs.

3.5.02 Organisational set up

The Department of Community Development was responsible for implementation of the NREP. Planning, implementation and monitoring of the programme were the responsibilities

of a State Level Co-ordination Committee (SLCC). The Committee which was to meet at least once in three months to make a detailed review of the programme was constituted only on 23rd March 1982, held its first and second meetings on 22nd November 1982 and 26th October 1984 respectively and did not meet thereafter (March 1985).

Prior to 1982-83, the implementation of the NREP through the blocks was under the direct control of the Directorate of Community Development. In 1982-83, the District Rural Development Agencies (DRDA) were made responsible for implementation, supervision and monitoring of the programme through the blocks. There are two DRDAs for the five districts of Meghalaya, viz. one with Headquarters at Tura with 13 blocks, and the other at Shillong with 17 blocks. Bulk of the work under Social Forestry Scheme, however, was being done by the State Forest Department against the budget allotment instead of by DRDAs.

3.5.03 Financial Progress

The details of budget provision, funds released by the Government of India and the State Government and the expenditure incurred thereagainst, on the implementation of the programme during 1981-82 to 1983-84 were as under :—

Year	Allocation of funds		Unspent balance at the beginning of the year	Assistance released		Total column 4, 5&6	Actual expenditure		Unspent balance at the close of the year	Percentage of unspent balance with the funds available
	Central	State		Central	State		Central	State		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(Rupees in lakhs)										
1981-82	23.00	10.00	...	23.60	10.00	33.60	Nil	Nil	33.00	100
1982-83	22.00	22.00	33.00	17.37*	22.00	72.37	16.68	15.68	39.01	53.90
1983-84	30.00	30.00	39.01	10.00	30.00	79.01	7.32	7.32	64.37	81.47

3.5.04 The percentage of unspent balances to the funds available was 100, 53.90 and 81.47 to end of the years 1981-82, 1982-83 and 1983-84 respectively. The amount that remained unspent to end of 1983-84 was Rs.64.37 lakhs (Rs.33.28 lakhs in DRDA Khasi Hills and Rs.31.09 lakhs in DRDA Garo Hills). Government stated (March 1985) that for smooth implementation of all development programmes under NREP, the State Government had set up three DRDAs from June 1984 by re-organising the two existing DRDAs.

*Excluding 140 tonnes of rice valuing Rs.2.63 lakhs released by the Centre to the State.

3.5.05 It was noticed that sanctions to the release of assistance both by the Centre and by the State were being issued and drawn by the Community Development Department at the end of the year. The funds were actually being released to the DRDAs in the subsequent financial year. The implementation of the schemes under the programme, therefore, was taken up by the executing agencies (DRDAs through blocks) in the subsequent financial year.

3.5.06 Out of the total allocation of Rs.60 lakhs for the year 1983-84, Rs.40 lakhs were sanctioned by the Government for NREP in March 1984 and drawn by the Community Development Directorate accordingly. Rupees 34 lakhs were released to the DRDAs in April 1984 and the balance Rs.6 lakhs were released to the Forest Department.

3.5.07 NREP was launched in the State from 1981-82. Due to late release of funds to the blocks, however, no implementation could be made under the programme in 1981-82.

3.5.08 In 1982-83, a sum of Rs.31.39 lakhs was spent against the funds released in 1981-82 and Rs.1.97 lakhs against the funds released in 1982-83. Similarly a sum of Rs.8.64 lakhs was spent in 1983-84 against the funds released in 1981-82 and 1982-83 (Rs.1.61 lakhs and Rs.7.03 lakhs respectively).

3.5.09 The programme was not implemented at all by the DRDA Garo Hills till 1983-84 and the amount of Rs.16.36 lakhs released against the sanction of 1982-83 remained unutilised (April 1984). No schemes have yet been finalised and taken up for implementation.

3.5.10 Shelf of projects and Annual Action Plan

As per guidelines of the programme, a shelf of projects for the Sixth Plan period was to be prepared by the DRDAs for all the blocks in each district, so that a balanced growth could take place in the entire district and employment was available to the employment seekers. The projects in the shelf were to be arranged in order of priority and no works outside the shelf were to be taken up for execution. On the basis of the shelf of projects thus prepared and based on pre-determined priorities, Annual Action Plans were to be prepared for a district for implementation in a year and approved by the concerned DRDA before the start of the financial year.

3.5.11 In Garo Hills, neither the required shelf of projects for the Sixth Plan, nor the Annual Action Plans were prepared (April 1984). Project Officer, DRDA, Tura, however, submitted schemes for 1982-83 for 13 blocks for Rs. 8.70 lakhs in February 1984 to SLCC which was approved in March 1984.

3.5.12 Between June 1983 and November 1983, the DRDA, Shillong sanctioned 62 projects for implementation in 14 blocks. Of these only 18 projects in 3 blocks had prior clearance (November 1982) and the rest were cleared by the SLCC in October 1984.

3.5.13 Social Forestry Schemes were executed by the Forest Department on the approval of the estimates and expenditure sanction issued by the Forest Department, but no shelf of projects or Annual Action Plan were prepared nor were the schemes scrutinised and approved by the SLCC.

3.5.14 Physical Targets

The physical targets as fixed for approved schemes sectorwise and those implemented thereagainst relating to the period from 1982-83 and 1983-84 are shown below: -

Sl. No.	Sectoral Schemes	1982-83		Percentage of shortfall
		Physical target as per sanctioned schemes	Achievement thereagainst	
1.	Social Forestry	6 Nos	227.50 Hect.	...
2.	Drinking Water Well including ponds	20 Nos	20 Nos	...
3.	Village tanks and Fishery tanks and ponds	19 Nos	19 Nos	...
4.	Minor Irrigation	53 Nos	22 Nos	58.3
5.	Road including footpath	82 Nos	239.30 Kms	...
6.	Social and Water Conservation	16 Nos	34.05 Hect.	...
7.	Building/play ground/ Latrine	56 Nos	72 Nos	...
8.	Bridges	41 Nos	41 Nos	...
1983-84				
1.	School Building	3	4	...
2.	Play ground	9	...	100
3.	Village road including footpath	35 Nos (116.175 Kms)	5.65 Kms	95
4.	Bridges	7	3	57
5.	Construction of village tanks etc.	8	1	87.5
6.	Social Forestry	454 Hect.	454 Hect.	...

Note:—The DRDA Khasi and Jaintia Hills spent Rs.0.77 lakh during 1983-84 on Social Forestry work. No physical performance had, however, been shown in the returns submitted.

3.5.15 In 1982-83, while the physical targets were fixed in terms of numbers in some sectors, the achievements were reported in Hectares and Kilometres so that achievements could not be compared with targets. On a test check of some estimates of roads and footpaths executed in 1982-83, it was seen that the estimates were mostly neither supported by any plans and specifications nor were length of roads/footpaths to be executed mentioned. It was not clear how such estimates could be checked and approved without fulfilment of the basic requirements.

Government stated (March 1985) that BDO and Extension staff would be instructed to follow approved plans and estimates for execution of works.

3.5.16 There was considerable shortfall in generation of employment. Against the target of 2.80 lakhs mandays in 1982-83 and 3.40 lakhs mandays in 1983-84, only 2.13 lakhs and 1.04 lakhs mandays were generated respectively. Detailed working and the basis on which the yearly targets in mandays were arrived at and fixed in 1982-83 and 1983-84 were not on record.

Government stated (March 1985) that from now onward records of mandays would be maintained properly by the executing agencies and instruction issued to this effect accordingly.

The targets were fixed by the Government of India annually usually in consultation with the State officials mainly with reference to the allocations available, type of schemes taken up and the rate of wages paid in the previous year. Evidently, annual targets were fixed on *ad-hoc* basis and were not based on any approved scheme or shelf of projects approved by SLCC or on the basis of any specific work, performance or proposals made by the State Government. As such, the co-relation of annual employment generation targets with the schemes subsequently framed or sanctioned by the DRDA was not possible.

3.5.17 Delay in release of funds by DRDA Shillong

During the year 1983-84 (June and November 1983) the DRDA, Shillong sanctioned 62 schemes for Rs. 13.25 lakhs in 14 blocks. Against this Rs. 5.90 lakhs only was released to 14 blocks upto December 1983 against 38 works, of which one block (Mawryngkneng) could complete 3 works at a cost of Rs. 1.02 lakhs.

It was further seen that Laskain, Mawphlang and Thadlaskain blocks, which received Rs. 29,598, Rs. 14,050 and Rs. 10,400 respectively in June 1983, had not started the works (April 1984).

3.5.18 Other Points of Interest

In Nongpoh Development Block in East Khasi Hills, the NREP projects for a total sum of Rs.1.10 lakhs were executed in 1982-83 through the Secretaries of local Committees. The amounts were paid by the Block Development Officer to the Secretaries although detailed list of rural youths employed on the works and total wages due to be paid and disbursements lists with acquitances were not submitted. Consequently, there was no record in the Block to indicate that the works were got done through the village unemployed youths as required under the programme and that the wages were actually paid to them.

3.5.19 It was noticed that the Myllem Development Block (in 1982-83) and Forest Department (in 1983-84) paid wages at rates much higher than the prescribed minimum wages (Rs. 8 per day) that is, at Rs. 14, Rs. 15/- and Rs.20/- per day and in some cases at Rs.400 per month for plantation of trees by Forest Department.

3.5.20 Payments made before taking measurement of the works

While payments should follow measurement of the work done, test check of Nongpoh Development Block revealed that in some cases cited below, payments for the works were made prior to the actual dates of measurements of the works as recorded in the measurement books.

M.B. No. and date of measurement	Date of payments	Amount paid
NCDA/9/81-82 22.5.82	17.5.82	3,611.00
23.5.82	17.5.82	3,611.00
NCDB/3/82-83 18.5.82	17.5.82	3,611.00
18.5.82	17.5.82	3,611.00
18.5.82	17.5.82	3,611.00
Total		18,055.00

3.5.21 Utilisation of food grains

In 1982-83, 140 MT of rice (value : Rs.2.63 lakhs) was allotted to the State (80 MT to DRDA, Shillong and 60 MT to DRDA Tura) of which 78.355 MT was lifted by the DRDA Shillong up to December 1983 and only 33.912 MT was utilised up to December 1983 leaving a balance of 44.443 MT (19 *per cent*) with 12 blocks (April 1984).

The DRDA, Tura had not so far lifted the allotted quota (April 1984) as no schemes under NREP were implemented by it.

In respect of the works sanctioned in 1981-82 and executed in 1982-83 and 1983-84 in the State through the blocks under direct control of the Community Development Directorate, it was noticed that although the estimates of works sanctioned included value of foodgrains as part of wages, no foodgrain was issued to the labourers and the entire wages were paid in cash.

3.5.22 Maintenance of the assets

The guidelines of the Government of India required that the State Government should make adequate arrangements for maintenance of the assets created under the NREP so as to ensure that facilities to the people were available on long term basis. Allocations for this purpose were to be made in the State Budget and detailed instructions for this purpose were to be issued by the State Government to the DRDAs. It was noticed that no provision was made by the State Government for the purpose of maintenance of the assets to be created.

3.5.23 Monitoring and Evaluation

According to the guidelines of the scheme, officials in State level, District level and blocks were to closely monitor all aspects of the programme through visits to work sites in interior areas. A schedule of inspections prescribing the minimum number of field visits, etc., were to be drawn up and adhered to. It was noticed that neither any such schedules of inspections were drawn up nor were any field visits carried out at any stage. Shortage of staff was stated to be the reason for this. No evaluation studies had been made so far as only very few of the sanctioned schemes had been completed and execution of most of the schemes was still in progress.

3.5.24 Summing up

—Out of Rs. 112.37 lakhs released during the period from 1981-82 to 1983-84, Rs. 48 lakhs were spent leaving an unspent balance of Rs. 64.37 lakhs.

—NREP was only partially implemented by the DRDA, Khasi and Jaintia Hills but was not at all implemented (April 1984) by the DRDA, Garo Hills and Rs. 16.36 lakhs remained unutilised.

—The SLCC constituted on 23rd March 1982 met only twice since then.

—Schemes were implemented without preparation/approval of shelf of projects by the SLCC. Shortfall in achievement of physical targets against various schemes during 1983-84 was considerable.

—No budget provision was made for maintenance of assets created under the programme.

—No evaluation studies of the impact of the scheme had been made (April 1984).

The matter was reported to Government in September 1984; reply was awaited (October 1985).

Labour Department

3.6 Working of the Inspectorate of Boilers and Factories

3.6.01 Introductory

The Inspectorate of Boilers and Factories look after the safety, health and welfare of factory workers and the enforcement of the Factories Act, 1948, Indian Boilers Act 1923, Indian Boilers Regulations 1950 and rules made thereunder. In Meghalaya, the Inspectorate of Boilers and Factories started functioning from July 1973.

3.6.02 Organisational set up

The Secretary, Labour Department, Government of Meghalaya is ex-officio Chief Inspector of Boilers and Factories, although the Government of India had asked the State Government, October 1980, to amend the relevant

rules to provide that only a person who possessed a degree in Mechanical Engineering and had served for not less than 7 years as an Inspector of Boilers or Deputy Chief Inspector of Boilers, could be appointed Chief Inspector of Boilers.

To assist the Chief Inspector of Boilers and Factories, there are sanctioned posts of one Senior Inspector and one Inspector of Boilers and Factories. The post of senior Inspector remained unfilled from July 1973 to January 1976 and is also lying vacant from October 1980 onwards.

Section 10 of Factories Act 1948 provides for appointment of a qualified medical practitioner in the Inspectorate for exercising medical supervision and certification prescribed for any factory. But no medical practitioner has so far been appointed (September 1984).

3.6.03 Meghalaya Factories Rules and Boilers Rules

The Meghalaya Factories Rules were framed by the Inspectorate in April 1979, and approved by the Government in February 1980 but were published in the Gazette only in October 1981. Prior to publication of the Meghalaya Factories Rules, the State was following the provisions of the Assam Factories Rules. The Rules of Meghalaya Government provided for higher licence and renewal fees than those provided in the Assam Factories Rules. The delay in approval and publication of the Meghalaya Factories Rules and consequent realisation of licence and renewal fees at the lower rates of the Assam Factories Rules during 1980 resulted in less realisation of fees by Rs. 0.25 lakh. Less realisation of licence and renewal fees pertaining to the period from January to October 1981 could not be assessed in audit as required particulars were not on record of the department.

3.6.04 The draft Boilers Rules prepared by the Inspectorate, were submitted to the Government in May 1983 but their approval was awaited (April 1985).

3.6.05 Registration of Factories and renewal of licence

There were 41 Registered Factories in the State in 1973. The number of registered factories increased to 53 by 1984.

Licence to run a factory is granted by the Chief Inspector of Factories on payment of prescribed fees and is required to be renewed every year and the applications for renewal should be made by the Factory Managers before the existing licence expires. It was noticed (April 1984) that 6 factories in 1973, 5 in 1974, 4 in 1975, 2 in 1976, 3 in 1977, 5 in 1978, 8 in 1979, 6 in 1980, 13 each in 1981 and 1982 and 16 in 1983 did not renew their licences during the respective years.

The Factories Act provide that any contravention of any of the provisions of the Act or of any rules made thereunder shall be punishable with imprisonment upto three months or with fines upto two thousand rupees or with both. Reasons for non-renewal of licences were not on record. Also the department did not take any action against the defaulters under the provisions of the Act.

In 1975, the Government made the Factories Act 1948 applicable to 18 units in which manufacturing process was carried on. Of these, only one unit was registered in January 1976. Four units had deposited registration fees between 1975 and 1976 and the application for 1 unit received in September 1976 was not approved by the Inspectorate. Further information was called for by the Inspectorate from these 5 units in May—June 1982. These units have not so far been registered (April 1985). The remaining 12 units did not submit applications for registration and no penal action was initiated against these defaulting units under the provisions of the Act.

3.6.06 Other topics of interest

(i) A Press in Shillong applied for registration under the Factories Act in September 1976 and had deposited registration fees. The Inspectorate had not taken any action on the application for registration of the unit. Government stated (February 1985) that the plans of the press were being scrutinised.

(ii) The Inspectorate had conducted inspection of a welding and vulcanizing workshop at Tura in November 1975 and issued a notice on it for registration. The workshop deposited registration fee in July 1976 and applied for registration in August 1976. Thereupon, the Inspectorate called for certain documents from the workshop authorities in September 1976 and only in May 1982 they were reminded to submit the relevant documents. Thereafter, the case was not pursued by the Inspectorate and the workshop was lying unregistered (February 1985).

Similarly, in the case of a Tyre Sale Company in Khasi Hills, the Inspectorate directed the unit, after an inspection in August 1975 to apply for registration. The plan for construction submitted by the unit (October 1975) being defective, further information was called for by the Inspectorate in June 1976. The Company was lying unregistered (February 1985).

(iii) After inspection of two Motor Workshops at Tura, the Inspectorate directed (April 1976) them to apply for registration of the workshops as the number of workers employed exceeded 10. The cases were not pursued thereafter (February 1985).

(iv) Manager of a Fruit Preservation Factory in Shillong had applied to the Inspectorate in October 1976 for registration with plans and specifications of the Factory along with payment of required registration fees. The Inspectorate called for site plan and flow chart in November 1976, which were received from the Factory in March 1977. The factory had not been registered till April 1984.

Non-registration of factories in time entails loss of fees for licence and annual renewal of licence, besides failure to ensure the safety, health and welfare of the factory workers.

3.6.07 Inspection of Factories

The Inspector of Factories had inspected 3 units in Garo Hills during July-August 1975 and suggested to the Government to declare these as Factories under the Factories Act, but the decision of the Government in these cases was awaited (May 1984).

3.6.08 It was noticed in audit that the Sumer Power House Stage III, Kyrdekulai under the Meghalaya Electricity Board did not apply for registration under the Act nor was any action taken by the Inspectorate for inspection and registration of the unit.

3.6.09 Submission of returns

The Factories Rules provide that the Manager of every factory shall submit to the Inspectorate in the prescribed form one annual return (due on or before 31st January) and one half yearly return (due on or before 15th July) containing information to satisfy the Inspectorate that the provisions of the Factories Act or the orders of the Inspectorate issued from time to time were being complied with.

The position of submission of the return during the four years 1980 to 1983 is indicated below :—

Year	Returns due	Returns received
1980	55	50
1981	56	51
1982	56	41
1983	56	45

Of the defaulting factories, 5 did not submit the returns continuously for the last three years, but no penal action was taken against the defaulters under the provisions of the Act.

3.6.10 Registration of Boilers and renewal of licence

There were 16 Boilers in the State in 1973. The number of registered Boilers went up to 23 by 1984. It was noticed (May 1984) that as many as 9 Boilers in 1973, 7 in 1974, 10 in 1975, 6 in 1976, 7 in 1977, 12 in 1978, 16 in 1979, 14 in 1980, 15 in 1981, 13 in 1982, 11 in 1983 and 12 in 1984 did not renew the licence after the expiry of the prescribed period. For non-renewal of licences after expiry of prescribed periods, the department lost renewal fee totalling Rs.0.08 lakh to end of 1984.

3.6.11 Inspection of Boilers

A licence granted to a Boiler is renewable after 12 months. The rules require that each boiler should be inspected at the time of its renewal. It was noticed in audit that except in one case (at Burnihat) other boilers were not inspected at the time of renewal between July 1973 and September 1980. It was also seen that thirteen boilers (1981), ten (1982), six (1983) and nine (1984) were not inspected at the time of renewal.

3.6.12 Summing up

—The post of the Chief Inspector of Boilers and Factories was being held by a non-technical person from July 1973 and the post of Senior Inspector remained unfilled from October 1980 onwards.

—The Meghalaya Factories Rules 1980 although approved by the Government in February 1980, were published only in October 1981; the delay resulted in less realisation of fees by Rs.0.25 lakh in 1980 alone.

—Action was not taken against a number of registered factories which did not renew licences in time.

—Between 1973 and 1984 several registered boilers did not renew their expired licences and between July 1973 and September 1980 boilers were not inspected at the time of renewal of licences.

Agriculture Department

3.7 Seed Saturation Scheme

3.7.01 Introductory

Seed Saturation Scheme implemented in Meghalaya since 1972, aims at supplying seeds of high yielding and improved varieties of cereals and pulses to the farmers at 50 *per cent* cost and to cover gradually the entire cultivable land of the State under foodgrains production by these varieties of seeds.

3.7.02 Outline of the scheme and Organisational set up

Although the Seed Saturation Scheme has been under operation for over a decade, records were not available with the Department regarding formulation of the Scheme, method of implementation, evaluation of the results, etc. The implementation of the scheme involved purchase of quality seeds, selection of beneficiaries, distribution of seeds, keeping in view the area of land cultivated by each, collection of sale proceeds at subsidised rates and conducting survey to evaluate the results. But no guidelines were issued covering all these aspects except some rules for grant of subsidy of framed by the Directorate in 1972. According to these rules, subsidy was to be granted only to the deserving individuals and farming Co-operatives after due verification and enquiry by the District and Sub-divisional Agriculture Officers (DAOs and SDAOs) and the quantum of subsidy was to be determined according to the area of holding. The DAOs/SDAOs were required to maintain a register of subsidy showing details of subsidy granted to each beneficiary. No record of grant of subsidies and receipts of certificates of utilisation were maintained in the District Agricultural Offices of Jowai, Shillong, Williamnagar and Tura, which were test checked in audit (April 1984). There was also no record in these offices to show that the quantum of subsidy was based on the area of holding cultivated by each.

3.7.03 The Scheme is being implemented by the Department with the assistance of Extension Officers (EOs) and gramsevak of the Community Development (CD) blocks. On the basis of sanctions accorded by the Directorate, seeds of high-yielding and improved varieties are purchased by the DAOs/SDAO and are issued to the CD blocks for distribution to the beneficiaries indentified by the EOs and gramsevak. The sale proceeds realised by the block agency are either to be deposited in cash with the DAOs/SDAOs or challans in support of remittances to the treasuries are to be furnished to them with all supporting details. In East and West Garo Hills Districts, the seeds were also sold directly by the DAOs.

3.7.04 Financial and Physical Progress

Budget provision and expenditure incurred during the years 1974-75 to 1983-84 on the scheme are indicated below :—

Year	Budget Provision	Expenditure
	(Rupees in lakhs)	
1974-75	1.19	2.28
1975-76	4.40	4.40
1976-77	4.50	4.50
1977-78	4.00	3.73
1978-79	4.85	4.79
1979-80	13.31	13.31
1980-81	13.79	13.66
1981-82	4.00	9.54
1982-83	11.64	11.65
1983-84	17.64	15.53
<hr/>		
Total	79.32	83.39

3.7.05 In West Garo Hills District 31.80 quintals of unsold seeds lying in a temporary shed at Garobandha (value: Rs. 0.09 lakh), were damaged due to rain during May 1980 as these were not properly stored and were recommended (March 1983) to the Director of Agriculture for write off the value of the seeds. The write off sanction is awaited (August 1984).

In East and West Garo Hills District, the actual expenditure on transport was far in excess of the amounts sanctioned by the Directorate as detailed below :

District	1980-81		1981-82		1982-83		1983-84	
	Sanction	Expenditure	Sanction	Expenditure	Sanction	Expenditure	Sanction	Expenditure
	(Rupees in lakhs)							
East Garo Hills	0.04	0.25	0.04	0.28	0.05	0.33	0.05	0.27
West Garo Hills	0.08	0.51	0.08	0.53	0.08	0.29	0.06	0.67

Reasons for incurring expenditure far in excess of the sanctioned amount were not on record. No action was taken to regularise the excess expenditure of Rs. 2.65 lakhs by obtaining *ex-post-facto* sanction.

3.7.06 Records about physical progress in terms of number of beneficiaries and area covered by high-yielding variety (HYV) and improved seeds were not available in the Directorate. However, the progress during the years 1973-74 to 1979-80 as indicated in the annual plan proposals of the State Government were as under :—

Kind of seeds	(Area covered in terms of 100 hectares)		
	1973-74	1977-78	1979-80
1. Paddy	3.50	14.00	16.00
2. Wheat	1.00	2.00	2.50
3. Maize	3.50	5.00	6.00
	<hr/> 8.00	<hr/> 21.00	<hr/> 24.50

3.7.07 The area under HYV improved seeds in the State was stated to have increased from 24,500 hectares in 1979-80 to 29,000 hectares in 1980-81, 32,500 hectares in 1981-82 and 41,500 hectares in 1983-84, whereas foodgrains production in the State during the years from 1980-81 to 1982-83 remained more or less static at around 1.55 lakhs tonnes. Information about food production during the year 1983-84 was not available. Thus, the distribution of seeds under the scheme had very little impact on food production in the State.

3.7.08 Purchase of seeds

No specific guidelines were issued for purchase of seeds by the Directorate. Lump sum amounts were sanctioned by the Directorate for the districts and sub-divisions without specifying the amount to be spent on each variety of seed and their quantities. It was stated (August 1984) by the Directorate and the District Officers that the certified HYV seeds were to be purchased from National Seed Corporation and Tarai Development Corporation and improved variety of seeds were to be purchased from Assam Seed Corporation and State Farm Corporation of India. If seeds were not available with these Corporations, purchase was

to be made from local growers. There was, however, no evidence to show that the requirement of seeds was assessed in advance for placing indents with the Corporations well in time. A test check of the records of Jaintia Hills and East Khasi Hills revealed that excepting for 4 tonnes of HYV paddy purchased in Jaintia Hills district during 1980-81 at Rs.0.14 lakh, the entire quantity of 239.950 M T seeds were purchased from local growers during the years from 1980-81 to 1983-84. In East Garo Hills District also seeds were purchased mostly from local growers as indicated below:—

Year	Quantity of seed purchased from recognised agents of seed corporation	Quantity of seeds purchased from local growers
	(in quintals)	
1979-80	5.00	12 0.00
1980-81	87.40	409.82
1981-82	11.74	370.20
1982-83	176.30	408.00
1983-84	495.47	749.00

Reasons for non-purchase of seeds from the approved corporations which would have ensured the supply of quality seeds, were not on record.

In Jaintia Hills District 4 tonnes of HYV Paddy Seed were purchased during 1980-81 at a cost of Rs.9.14 lakh for distribution during 1981-82. But there was no demand for this variety of seed and the farmers were persuaded to use only 1.065 tonnes and the balance of 2.935 tonnes (value: Rs.0.11 lakh) remaining unsold and due to long storage, became unfit for use as seed or food.

3.7.09 Distribution of seeds and collection of sale proceeds

A test check of the records of District Agricultural Officers revealed that no records showing the names of beneficiaries, quantities of seed distributed, amount collected at 50 per cent cost and certificates of actual utilisation were maintained. The District and Sub-divisional Agricultural Officers, who were required to conduct verification and to select deserving farmers for grant of subsidy, were not associated with the election of beneficiaries.

3.7.10 It was seen in audit that after distribution of seeds, no watch was kept on realisation of sale proceeds at 50 per cent cost by the District Agricultural Officers. As a result, large shortfall was noticed in the collection of sale proceeds. The position as in August 1984 in respect of East Khasi Hills, East Garo Hills and West Garo Hills Districts for the years from 1980-81 to 1983-84 was as under :—

District	Year	Value of seeds distributed	Amount to be realised at 50 per cent cost	Amount realised	Balance outstanding
(Rupees in lakhs)					
1. East Khasi Hills	1980-81	0.87	0.44	0.07	0.37
(Seeds distributed through blocks)	1981-82	0.80	0.40	0.27	0.13
	1982-83	0.80	0.40	0.21	0.19
	1983-84	0.83	0.42	0.16	0.26
2. East Garo Hills	1980-81	0.47	0.24	0.08	0.16
(Seeds distributed directly by the DAO)	1981-82	0.84	0.42	0.02	0.40
	1982-83	1.12	0.56	0.03	0.53
	1983-84	0.86	0.43	0.06	0.37
3. West Garo Hills	1980-81	7.14	3.57	1.91	1.66
(Seeds distributed through Blocks)	1981-82	3.94	1.97	1.33	0.58
	1982-83	5.25	2.63	1.66	0.97
	1983-84	8.20	4.10	2.29	1.81
Total		31.12	15.58	8.15	7.43

3.7.11 In East Garo Hills District, seeds worth Rs.3.84 lakhs were distributed to the CD Blocks by the DAO during the years from 1978-79 to 1983-84. A sum of Rs.1.92 lakhs was due to be realised from the blocks at 50 per cent cost. But no records were available in the District Agricultural Officer in support of realisation of the sale proceeds.

3.7.12 The DAO West Garo Hills, received on 30th August 1984 from the BDO Zikzak block 93 challans for Rs.0.45 lakh relating to deposit of sale proceeds in treasury during the period from February 1976 to May 1984. It was stated (August 1984) by the BDO that a further sum of Rs.0.61 lakh was yet to be deposited by 11 gramsevakhs who had actually distributed the seeds to farmers. Similarly, the BDO Rongram Block sent in August 1984 challan for Rs.0.24 lakh relating to the period from October 1983 to January 1984 and stated (August 1984) that a sum of Rs.0.14 lakh was outstanding against 7 gramsevakhs. Thus no watch was kept over realisation of sale proceeds by the Department and the gramsevakhs had irregularly retained with them the money collected from the farmers.

3.7.13 A test check of the stock registers of seeds of field offices revealed that 22.354 tonnes of different seeds costing Rs. 0.63 lakh remaining as closing balances of different years were not carried forward as opening balances of the next years (details below):

Years	Quantity of seeds remained as closing balance	Value
	(in lakhs of rupees)	
East Khasi Hills District 1979-80	2.890 tonnes	0.04
West Garo Hills District 1976-77	5.440 tonnes	0.13
East Garo Hills District		
1975-66	0.024 tonnes	0.01
1976-77	1.200 tonnes	0.06
1980-81	12.800 tonnes	0.39
Total	22.354 tonnes	0.63

The department has not taken any step so far (August 1984) to investigate into the reasons for the loss.

3.7.14 Monitoring and Evaluation

Although Seeds Saturation Scheme has been in operation since 1972, no study or evaluation has been conducted so far (September 1984) with a view to assessing the impact of the scheme on the yield per hectare and total food production as well as on the *per capita* income of the beneficiaries. The progress from year to year was also not monitored by the Directorate even though a Monitoring-Cum-Evaluation Cell was set up as far back as 1976. Except for figures relating to progress of expenditure, no other District-wise and sub-division wise data about the area covered by the Scheme, number of beneficiaries, collection of sale proceeds could be made available.

3.7.15 Summing up

—No guidelines were issued to the field officers for implementation of the scheme.

—There were no records in the Directorate to indicate formulation of the scheme, method of implementation, selection of beneficiaries, area to be covered, progress to be achieved, collection and deposit of sale proceeds.

—Although the area covered by the scheme is stated to have been increased from year to year food production remained more or less static during the years 1980-81 to 1982-83.

—Seeds were mostly purchased from local growers instead of recognised Corporations selected for supply of certified seeds.

—No watch was kept over collection of sale proceeds from the Block machinery which distributed the seeds and as a result actual collection was much less than what was due.

—No evaluation was conducted to assess the impact of the scheme on food production and *per capita* income of the beneficiaries.

The matter was reported Government in November 1984; reply was awaited (October 1985).

CHAPTER IV

WORKS EXPENDITURE

Public Health Engineering Department

4.1 Extra expenditure

The work "Construction of a treatment Plant" (Estimated cost: Rs 50 lakhs) for Greater Shillong water Supply Scheme was awarded by the Chief Public Health Engineer to a contractor in April 1979 at the lump sum price of Rs.38.25 lakhs. According to the terms of agreement executed with the contractor, the work was to be completed within 18 months from the date of award. The work is, however, still (July 1984) in progress.

The agreement provided price escalation over the lump sum value of the contract on account of statutory increase in labour wages during the currency of the contract assuming labour component to be 30 *per cent* of the value of the balance contract price. The agreement also provided escalation on account of rise in price of high speed diesel oil to be reimbursed on the transport element and POL component assuming it to be 7.5 *per cent* of the value of the balance contract price.

The contractor was paid Rs.35.88 lakhs as intermediate payments to the end of November 1983, in addition to a sum of Rs.2.81 lakhs being escalation on labour (Labour wages raised from Rs.6 to Rs.8 per day with effect from 1st march 1980) and another sum of Rs.1.25 lakhs on account of escalation of the price on transport element and POL (for rise in POL cost from January 1981). It was noticed (February 1984) that although the contractor was to complete the the work by October 1980, no penal action was initiated against him despite the fact that the agreement provided escalation clauses and the cost of the labour and transport elements was likely to rise with lapse of time. In November 1983, that is, more than 3 years after the scheduled date of completion of the work, the Chief Public Health Engineer had, however, extended the time for completion of the work up to March 1984 on the application dated 5th November 1983 of the contractor without analysis of the reasons.

On account of the failure to ensure execution of the work in accordance with the terms of the original contract and due to non-completion of the work at the risk and cost of the contractor on his failure, the following extra expenditure had been incurred.

(i) Increase in wages of labour took effect from March 1980. Based on the proportionate value of work that should have been remained incomplete to the end of February 1980 as per terms of the original contract, the contractor would have been entitled to extra payment of Rs.1.70 lakhs approximately on account of price escalation on Rs.17 lakhs against Rs.2.81 lakhs paid. This entailed extra expenditure of Rs.1.11 lakhs.

(ii) Rise in price of transport element and POL took effect from January 1981 whereas the work was to be completed by October 1980. Thus, normally the contractor would not have been eligible for any extra payment on this account. Extra expenditure incurred was Rs.1.25 lakhs.

The matter was referred to Government in August 1984; reply was awaited (October 1985).

CHAPTER V

STORES AND STOCK

5. 1 Stock registers and stock verification

The priced stores ledgers in the Public Works and Public Health Engineering divisions are to be closed at the end of each month. Inspection of stores is required to be made once a year to ensure that the stock consists of serviceable and necessary articles and is priced at the market rates.

Out of 18 Public Works divisions, only 2 had closed the ledgers up to March 1984. Information about 8 divisions had not been received (March 1985). Similarly, out of 9 Public Health Engineering divisions, only 3 divisions had closed the ledgers up to March 1984. Information about 3 divisions was awaited (March 1985).

The rules require that stock should be verified at least once a year by a responsible officer not below the rank of an Assistant Engineer. In 3 Public Works divisions and 1 Public Health Engineering division, verification was not done during 1983-84. Particulars have not been received for 13 Public Works divisions and 3 Public Health Engineering divisions (March 1985).

5.2 Tools and plant registers

Each Public Works and Public Health Engineering divisions is required to close and balance its tools and plant registers monthly. Out of 18 divisions, particulars in this regard for the year 1983-84 have not been received (March 1985) from 8 Public Works divisions. Of the remaining 10, only one had closed its accounts up to 1983-84 and two up to 1982-83. The balance seven were heavily in arrears as given below :

Name of the Division	Last month for which registers were closed
1. Tura North Division	September 1979
2. National Highway Division, Shillong	September 1980
3. Jowai South Division	September 1980
4. Mechanical Division, Shillong	September 1980
5. Shillong South Division	September 1980
6. National Highway-cum-Tura Central Division	September 1980
7. Mawkyrwat Public Works (R&B) Division	Not closed since its inception (June 1982).

In the P H E department, particulars were not received (March 1985) from 3 divisions. Out of the remaining 6 divisions, 3 divisions had not closed the registers up to March 1984 (one division closed up to March 1983 and two other divisions up to September 1983). Significant arrears were noticed in the case of Public Health Engineering Division, Tura in which the register was not closed after September 1981.

5.3 Excess stock

The rules provide that the value of stores held in stock should not exceed the limit specified by Government. The value of stock held on 31st March 1984, however, exceeded the limit in the following Public Works and Public Health Engineering divisions :

Serial Number	Division	Sanctioned reserve limit	Balance on 31st March 1984	Excess over reserve stock limit
(Rupees in lakhs)				
1.	National Highway Division, Shillong	10.00	19.18	9.18
2.	Tura North (R & B) Division	19.00	26.55	7.55
3.	Nongstoin (R & B) Division	10.00	25.89	15.89
4.	Rural Water Supply Division (PHE) Williamnagar	15.00	21.13	6.13
5.	Rural Water Supply Division (PHE) Baghmara	10.00	45.73	35.73

Information in regard to stock balance to the end of March 1984 has not been received (March 1985) from 13 Public Works divisions and 7 Public Health Engineering divisions.

Public Health Engineering Department

5.4 Surplus stock

From a report submitted (March 1983) by the Executive Engineer, Greater Shillong Water Supply Division, Shillong to the Superintending Engineer (PHE), Greater Shillong Circle, Shillong, it was noticed that stock materials worth

Rs.49.49 lakhs purchased between April 1981 to January 1983 had remained mostly surplus (details below) to the requirement of the Division.

Serial Number	Name of Materials	Quantity surplus	Value (Rupees in lakhs)	Surplus materials purchased between	Quantity remaining unutilised (February 1985)
1.	Galvanised Iron Pipes (15mm to 150mm dia)	6894 Running metres	10.27	October 1982 to January 1983	6894 Running metres
2.	Cast Iron Valves (80mm to 150mm dia)	433 Nos.	12.82	April 1981 to March 1982	389 Nos.
3.	Tor steel (8mm to 32mm dia)	199 Tonnes	13.28	April 1981 to March 1982	199 Tonnes
4.	Mild Steel Rods (8mm to 20mm dia)	178 Tonnes	9.40	April 1981 to March 1982	174 Tonnes
5.	Fencing materials	5 Tonnes	0.67	April 1981 to March 1982	5 Tonnes
6.	Iron posts	2400 Nos.	3.05	April 1981 to March 1982	1600 Nos.
			49.49		

For disposal of the surplus materials, the Chief Public Health Engineer had written in March 1983 to the Public Health Engineering Department in Assam and Manipur, Irrigation Department in Assam and Tripura, Agriculture Department, North Eastern Electric Power Corporation, Shillong and Agriculture Department, Shillong that the materials could be spared on prepayment of cost. But there was no response so far (February 1984).

It was noticed in audit (February 1984) that the department has not so far (July 1984) investigated the circumstances in which the stores were procured far in excess of requirement resulting in unnecessary blocking up of Rs.49.49 lakhs. Report in regard to further development for disposal of the surplus stores is awaited (June 1985).

The matter was reported to the Government in August 1984; reply was awaited (October 1985).

5.5 Purchase of steel materials from a private party—extra expenditure

Mild steel (MS) rods and torsteel are items covered by the Director General, Supplies and Disposal rate contract of the Government of India and the Steel Authority of India Limited (SAIL) Gauhati is the supplier of steel materials to Meghalaya. All supplies of MS Rods and torsteel were being obtained by the Public Works Department and Public Health Engineering Divisions in Meghalaya through the SAIL at Gauhati.

The Superintending Engineer, Public Health Engineering, Greater Shillong Circle, Shillong had placed an order on 6th February 1981 with a firm in Calcutta for supply of 1100 tonnes of MS Rods and torsteel of sizes varying from 6 mm to 22 mm dia. The rates ranged from Rs. 4,313.88 to Rs.4,717.53 per tonne FOR Gauhati and the supply was to be completed by March 1981. The supply order was placed on the basis of negotiation without inviting quotations.

In May 1981, the Government (Public Health Engineering Department) communicated to the Chief Public Health Engineer their approval for enhancement of the rates following the Joint Plant Committee's announcement for rise in basic price of steel materials with effect from 8th/9th February 1981. The rates of the firm actually enhanced ranged from Rs. 1,316 to Rs. 1,976 per tonne for different diameters over the price initially allowed to the firm in February 1981, although the increase in basic price of steel materials as per the Joint Plant Committee's announcement effective from 8th/9th February 1981 was only Rs. 541 per tonne.

Three more supply orders were placed with the same firm by the Superintending Engineer in March, July and August 1981 for supply of additional quantity of 810 tonnes of MS Rods and torsteel at the enhanced rates and the supply of the additional quantity was to be completed by 31st March, 15th August and 30th November 1981 respectively. Altogether 1910 tonnes of MS Rods and torsteel were supplied by the firm during the period from March 1981 to March 1982 for which payment was made to the firm at enhanced rates.

The enhanced prices allowed to the Calcutta firm for MS Rods and torsteel worked out between Rs. 5629 and Rs. 6524 per tonne for different diameters and were higher than the prevailing rates for those categories with SAIL,

which were between Rs. 4207 and Rs. 5185 per tonne. The department could not give any justification for placing orders for supply of M S Rods and torsteel with the Calcutta firm at higher rates instead of procuring the same from the SAIL. This has resulted in an avoidable expenditure of Rs. 26.49 lakhs.

The matter was reported to Government in August 1984; reply was awaited (October 1985).

5.6 Unnecessary purchase resulting in blockade of funds

The reserve stock limit of the Executive Engineer, Sewerage and Drainage Division, Shillong fixed (March 1982) by Government is Rs. 10 lakhs. It was, however, noticed (March 1984) that the Division had purchased materials such as galvanised iron pipes, gun metal/brass wheel valves, brass valves, cast iron, surface box, galvanised iron bends, cast iron sluice valves, asbestos ceiling boards, brass foot valves, ridging galvanised plain sheets, iron clamp, nuts and bolts, red oxide paints and distemping materials costing Rs. 34 lakhs during the period from March 1982 to August 1983. It was noticed that the purchases were made without assessing their requirement for use in the works currently executed in the Division or in the near future and also without referring to the Purchase Board of the Department. Whole of these articles were lying unused in stock (June 1985).

Thus, unnecessary purchase has resulted in blocking of funds of Rs. 34 lakhs.

The matter was reported to Government in September 1984; reply was awaited (October 1985).

5.7 Rerolling of steel billets—non receipt of finished products

The Executive Engineer, Public Health Engineering, Hills Division, Shillong issued 2 work orders to a rerolling firm at Amingaon (Near Guwahati) in December 1981 and August 1982 for conversion of 300 tonnes of steel billets and supply of finished products viz. mild steel rods of different diameters. The terms and conditions of the work *inter-alia* provided that 10 per cent of the billets issued would be allowed as burning loss. The delivery periods according to the supply orders placed in December 1981 and August 1982 were 45 days and 60 days respectively from the date of receipts of billets.

The department supplied 301.57 tonnes of billets to the rerolling firm during the period from January 1982 to October 1982. The firm had, however, delivered only 180.84 tonnes of mild steel rods during the period from July 1982 to February 1984 as against the required quantity of 271.42 tonnes (301.57 tonnes less 10 per cent burning loss) and thereafter, stopped delivery. Although the firm failed to deliver 90.58 tonnes of the finished products even after more than two years from the dates of completion stipulated in work orders, no action had been taken against the firm as per the provisions in the agreement to levy compensation for delay and forfeiture of security deposits of Rs.0.22 lakh furnished by him. The department had not also initiated action to recover Rs.3.85 lakhs being the cost of the remaining 100.64 tonnes of billets for which finished products were not supplied.

The matter was reported to Government in August 1984; reply was awaited (October 1985).

5.8 Irregular enhancement of carriage rate of materials resulting in extra expenditure

The Superintending Engineer Public Health Engineering, Greater Shillong Circle, Shillong had placed four supply orders in February, March, July and August 1981 on a firm in Calcutta for supply of 1334 tonnes of mild steel rods (6 mm, 8 mm, 10 mm, 12 mm, 16 mm and 20 mm dia) and 577 tonnes of torsteel (8 mm, 10 mm, 12 mm, 16 mm, 20 mm and 22 mm dia) for use in different Public Health Engineering Divisions in Meghalaya. The supply orders provided for extra carriage by road from Gauhati to different destinations viz., Shillong, Jowai, Nongstoin, Tura, Mendipathar and Mawphlang at the rate of 10 paise per kilometre per quintal.

Altogether 1910 tonnes of rods and steel were supplied by the firm during the period from March 1981 to March 1982. The Superintending Engineer allowed the firm 23 paise per kilometre per quintal for delivery to Shillong, Jowai, Mawphlang and Nongstoin and 28 paise per kilometre per quintal for delivery at Mandipathar and Tura. The rates allowed for transportation of the material were even higher than the rate of 11 paise per kilometre per quintal allowed for carriage of heavy materials like torsteel, mild rods, etc. (including loading and unloading by crane) during 1981-82 in the Public Works

Division in Shillong. Reasons for enhancement of the carriage rate initially allowed as per the supply order, was neither on record nor could be justified. This has resulted in extra expenditure of Rs.4.65 lakhs to Government.

The matter was reported to Government in August 1984; reply was awaited (October 1985).

5.9 Purchase of water supply materials at higher rates-avoidable extra expenditure

The Executive Engineer, Sewerage and Drainage Division, Shillong placed on 3rd and 4th February 1983 two supply orders on two local suppliers for supply of galvanised iron (G.I.) reducing sockets, elbows, etc. at the approved rates of the Executive Engineer, Public Health Engineering (PHE) Hills Division, Shillong for the year 1982-83. The materials ordered were supplied by the local firms and payment was made in March 1983 at the approved rates.

It was noticed in Audit (March 1984) that around the same time the Executive Engineer, Sewerage and Drainage Division, Shillong also placed 15 supply orders (between 1st and 9th February 1983) at higher rates to local Suppliers for the same water supply materials for which approved rate existed with the Executive Engineer, PHE Hills Division, Shillong, without ascertaining actual requirement and without reference to the Purchase Board. Materials costing Rs.3.62 lakhs were supplied under these contracts. Purchase at higher rates entailed avoidable expenditure of Rs.1.66 lakhs. Further, the materials (received between March and May 1983) were lying unutilised (January 1985) resulting in unnecessary blocking up of funds.

The matter was reported to Government in August 1984; reply was awaited (October 1985).

Public Works Department

5.10 Unnecessary purchase of tar-testing thermometers with steel cases

During December 1981 and March 1982, the Superintending Engineer, Jowai Circle, Shillong placed four supply orders on local suppliers at Shillong for supply of 1200 tar testing thermometers (used for measuring temperature of

bitumen for premix carpeting pertaining to surface work of roads) with steel cases at the rate of Rs. 135 each set (Thermometer: Rs.85 each, steel case : Rs. 50 each). The supply orders were placed by the Superintending Engineer without ascertaining their requirement from the Division and also without referring to the Purchase Board of the Department.

Between December 1981 and March 1982, 1200 thermometers were supplied with steel cases for which Rs.1.62 lakhs was paid to the suppliers. It was seen during audit (July 1982) that only 100 thermometers supplied by one firm were entered in the Tools and Plant Account and the balance 1100 were entered in the materials at site account. The thermometers were lying unused (November 1984) and the Division could not explain the need for procuring such a large number of thermometers.

Thus, purchase of thermometers and steel cases amounting to Rs.1.62 lakhs was unnecessary and resulted in blocking up of funds.

The matter was reported to Government in December 1982; reply was awaited (October (1985)).

CHAPTER VI

REVENUE RECEIPTS

A—General

6.1 Tax revenue raised by the State

Revenue raised by the State constituted 13.37 *per cent* of the gross revenue for the year 1983-84, the balance 86.63 *per cent* being made up of State's share of divisible Union Taxes and statutory and other grants from the Government of India. Of the revenue raised by the State, tax revenue constituted 56.85 *per cent*.

Details of tax revenue for the year 1983-84, along with those for the preceding two years, are given below:—

Head of revenue	1981-82	1982-83	1983-84	Increase (+) Decrease (—) in 1983-84 with reference to 1982-83
	(In lakhs of rupees)			
1. Other Taxes on Income and Expenditure	15.72	16.77	21.09	(+) 4.32
2. Land Revenue	6.19	7.04	4.49	(—) 2.55
3. Stamps and Registration Fees	20.89	21.54	30.72	(+) 9.18
4. State Excise	1,58.77	1,90.04	2,33.70	(+) 43.66
5. Sales Tax	2,71.11	3,51.97	4,89.53	(+) 1,37.56
6. Taxes on Vehicles	47.71	56.02	74.96	(+) 18.94
7. Taxes on Goods and Passengers	27.93	24.51	31.95	(+) 7.44
8. Taxes and Duties on Electricity	10.82	2.29	33.12	(+) 30.83
9. Other Taxes and Duties on Commodities and Services	25.44	66.53	30.75	(—) 35.78
Total	5,84.58	7,36.71	9,50.31	(+) 2,13.60

6.2 Non-tax revenue of the State

Receipts from non-tax revenue constituted 43.15 *per cent* of the revenue raised by the State during 1983-84. Details of non-tax revenue under the principal heads for the year 1983-84, along with those of preceding two years, are given below:-

Head of revenue	1981-82	1982-83	1983-84	Increase (+) Decrease (-) in 1983-84 with reference to 1982-83
(In lakhs of rupees)				
1. Interest	33.64	63.86	2,06.24	(+) 1,42.38
2. Police	25.84	25.89	23.88	(-) 2.01
3. Public Works	33.65	50.71	72.75	(+) 22.04
4. Agriculture	20.88	21.29	36.25	(+) 14.96
5. Animal Husbandry	24.41	18.74	21.54	(+) 2.80
6. Forest	3,80.41	2,22.22	1,25.17	(-) 97.05
7. Miscellaneous General Services	0.01	10.09	50.20	(+) 40.11
8. Other Administrative Services	24.36	49.78	27.35	(-) 22.43
9. Others	90.39	1,36.46	1,57.91	(+) 21.45
Total	6,33.59	5,99.04	7,21.29	(+) 122.75

B—Transport Department

6.3 Assessment and collection of motor vehicles taxes

6.3.1 Operation of motor vehicles and levy of taxes thereon in Meghalaya are regulated by the Motor Vehicles Act, 1939, the Assam Motor Vehicles Act, 1936 and the Assam Passengers and Goods Taxation Act, 1962 (as adopted by Meghalaya).

While the motor vehicles tax is administered by the Commissioner of Transport under the Transport Department, the passengers and goods taxes are administered by the Commissioner of Taxes under the Finance (Taxation) Department.

6.3.2 Trend of revenue

The table below indicates the amount of taxes collected during the years 1981-82 to 1983-84:

	1981-82	1982-83	1983-84
	(In lakhs of rupees)		
Motor Vehicles Tax	47.71	56.02	74.96
Passengers and Goods Tax	27.93	24.51	31.95

6.3.3 Arrears of tax revenue

Under the Assam Motor Vehicles Taxation Act, every owner of a registered vehicle is required to pay tax in advance on or before 15th April every year or, at his option, in four instalments on or before 15th of April, July, October and January.

The District Transport Officers are required to review at periodical intervals the Combined Registration and Licence Register to ensure that tax is regularly paid and in cases of default, prompt action (*i.e.* suspension of certificate of registration, recovery of tax as arrears of land revenue etc.) is taken against the defaulters. But these provisions were not observed strictly.

As on 31st March 1983, arrears of motor vehicles tax, as reported by the District Transport Officers, Shillong, Jowai and Tura, amounted to Rs. 43.53 lakhs (including Rs. 38.98 lakhs due from the Meghalaya Transport Corporation). The year-wise break-up of the outstanding amount was not furnished by the department. A reference to *Bakijai* Register, however, revealed that the arrears in many cases related to very old period e.g., 1960-61 to 1975-76.

6.3.4 Bakijai action

(i) Under the Assam Vehicles Taxation Act, 1936, tax due from defaulters can be recovered as arrears of land revenue through revenue authorities (*Bakijai* Officers). But there were inordinate delays in referring the recovery cases to the *Bakijai* Officers. For instance, in the District Transport Office, Shillong, delays in referring 78 cases pertaining to the years in 1960-61 to 1979-80 to *Bakijai* Officers ranged between 2 to 15 years. In the same office, 37 recovery cases involving

arrears for various periods between April 1973 and July 1980 had not been referred to the *Bakijai* Officers at all. The District Transport Office had also failed to refer 10 cases involving arrears of Rs.96,067 for the period from 1973-74 to 1975-76 to the *Bakijai* Officer for recovery as arrears of land revenue.

(ii) A scrutiny of the outstanding *Bakijai* cases in Khasi Hills District showed that expeditious and proper follow-up action to realise the dues from defaulters concerned had not been taken. The table below shows poor realisation under *Bakijai* process.

Year in which cases were referred to <i>Bakijai</i> Officer	Number of cases instituted	Arrears involved Rs.	Number of cases settled	Amount realised Rs.	Percentage of realisation
1975-76	28	57,487	8	8,749	15
1976-77	67	1,81,997	7	8,717	5
1977-78	7	18,600	Nil	Nil	Nil
1978-79	3	21,392	Nil	Nil	Nil
1979-80	7	26,312	Nil	Nil	Nil
1980-81	1	2,221	Nil	Nil	Nil
1981-82	17	97,396	2	2,420	3
1982-83	1	3,327	Nil	Nil	Nil

6.3.5 Delay in disposal of offence cases

Under the Assam Motor Vehicles Taxation Act, 1936, whoever contravenes any provision of the said Act or any rules made thereunder, shall be punishable with a fine which may extend to fifty rupees and in case of persons previously convicted of an offence, it may extend to one hundred rupees, in addition to the amount of tax, if any, due from him.

Out of the 1,619 offence cases registered in the offices of the State Transport Authority and the District Transport Officers, Shillong, Jowai and Tura during the years 1980-81 to 1982-83, only 674 cases had been disposed of by realising compounding fee amounting to Rs.66,145, leaving a balance of 945 cases, which were still to be disposed of (April 1984). Of the 945 outstanding cases, 398 cases related to the year 1980-81, 191 cases to the year 1981-82 and 356 cases to the year 1982-83.

6.3.6 Evasion of tax

Under the Meghalaya Passengers and Goods Taxation (Amendment) Act, 1972, passengers and goods tax at prescribed rates is leviable on all fares and freights in respect of passengers carried and goods transported by transport vehicles. In lieu of tax payable on the basis of fares and freights, the owner of vehicles may pay tax on lump sum basis at rates prescribed by Government by notification from time to time. whereas the motor vehicles tax is assessed and collected by the district transport authorities, the assessment and collection of passengers and goods taxes have been entrusted to the Superintendent of Taxes of each district.

In Shillong, Tura and Jowai districts, 60 vehicles for which permits had been issued by the district transport authorities during the period from 1981-82 to 1983-84 were found to have not been registered with the respective Superintendents of Taxes for purposes of levy of passengers and goods tax. Failure to register these vehicles resulted in passengers and goods tax amounting to 3,22,253 (at lump sum rates) not being realised up to March 1984 alone.

6.3.7 Non-realisation of inspection fees

Under the the Motor Vehicles Act, 1939, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness issued by the prescribed authority to the effect that the vehicle complies with all requirements regarding construction, equipment and maintenance. Under the Motor Vehicle Act, the period of validity of a fitness certificate has been prescribed as not more than two years or less than six months and it is renewable thereafter. The certificate is granted or renewed under the Meghalaya Motor Vehicles Rules, 1940 by the Inspector of Vehicles, after inspection of the vehicle, which is normally done twice a year. For such inspection, a fee as prescribed in the Rules *ibid* is leviable.

In Shillong and Jowai districts, out of 850 and 193 cases test checked, vehicles were found to have not been inspected and fitness certificates granted or renewed in 241 and 160 cases during the periods from 1978 to 1983 and 1981 to 1983 respectively. In Tura, where 1,011 vehicles were registered, during the years 1980-81 to 1982-83, only 951 inspections were done, as against 2,022 inspections required to be done under the Rules (at the rate of two six-monthly inspections per vehicle. Out of 255 transport vehicles of the Meghalaya Transport Corporation, a test check of records of 106 vehicles disclosed that these had

not been inspected right from the establishment of the Corporation in October 1976. Non-inspection of vehicles resulted in loss of revenue amounting to Rs.1.18 lakhs on account of inspection fees forgone. Apart from loss of revenue, the plying of vehicles on road without fitness being certified could be a public hazard.

6.3.8 Non-levy of motor vehicle tax on vehicles owned by District Councils

Mention was made in paragraph 6.7 of the Report of the Comptroller and Auditor General of India for the year 1977-78 about non-recovery of road tax in respect of vehicles belonging to the District Councils in the State of Meghalaya, although they were not exempted from payment of such taxes.

With effect from 3rd January 1980, Government exempted all motor vehicles owned and used by the Autonomous District Councils (except those used for carriage of goods for hire or reward) from payment of tax. Taxes on such vehicles were, therefore, payable up to 2nd January 1980. But no tax was demanded or realised in respect of vehicles belonging to the Khasi Hills, Jaintia Hills and Garo Hills District Councils for various periods between 23rd October 1959 and 2nd January 1980. Tax due but not levied amounted to Rs.49,623.

6.3.9 Inter-State vehicular traffic

Inter-State vehicular traffic in goods between Meghalaya and other States is regulated by bilateral agreements, zonal agreements and the national permit scheme under the provisions of the Motor Vehicles Act, 1939. Under the zonal and national permit schemes, the owners of vehicles registered in other States, who have been permitted to ply the vehicles in Meghalaya, are required to pay composite fee at the rate of Rs. 700 *per annum*. This fee is initially collected from the vehicle owners by home State and thereafter remitted by these States to Meghalaya.

During the period from 1st April 1981 to 31st March 1983, the permit issuing authorities in Punjab, Gujarat, and Tamil Nadu realised composite fee from the vehicle owners at the rate of Rs. 150 *per annum*, instead of at the correct rate of Rs. 700 *per annum*. The mistake resulted in composite fee due to Meghalaya being realised short by Rs.8,802.

For belated payment of composite fee, a penalty of Rs.100 (Rs. 30 prior to April 1981) is chargeable from the vehicle owners concerned. In respect of belated payments made by the vehicle owners in May 1982, the State Transport Authority, Tripura charged and remitted to Meghalaya, penalty at the old rate of Rs.30 per month, instead of at Rs. 100 per month. For belated payments of composite fee in Assam during April 1981 to March 1983, the State Transport Authority, Assam did not impose and realise any penalty at all. These mistakes and omissions resulted in penalty amounting to Rs.31,350 not being realised.

The above points were reported to Government in August 1984; their reply is awaited (June 1985).

C—Taxation Department

6.4 Irregular grant of exemption from tax

Under the Central Sales Tax Act, 1956, inter-State sales of goods are exempt from levy of tax if under the sales tax law of the appropriate State, the sale or purchase, as the case may be, of such goods is exempt from tax generally. The Act also provides that a sale or purchase of any goods shall not be deemed to be exempt from tax generally under the sales tax law of the appropriate State if, under that law, the sale or purchase of such goods is exempt only in specified circumstances or under specified conditions. Under the Assam Sales Tax Act, 1947, as adopted by Meghalaya, sales of vegetables are exempt from levy of tax except when sold in sealed containers. Thus, the sale of vegetables is not exempt from tax generally under the Sales Tax Law of Meghalaya and consequently on inter-State sales of vegetables, tax under the Central Act is leviable.

In Shillong, no tax was levied on inter-State sales of vegetables amounting to Rs.6,21,99,190 made by five dealers during the periods ending 31st March 1977 to 31st March 1983. The omission resulted in tax amounting to Rs.62,19,919 not being realised.

The case was reported to the department and Government in April 1984; their replies are awaited (June 1985).

6.5 Loss of revenue due to non-registration of country spirit manufacturers

Under the Meghalaya Finance (Sales Tax) Act, 1972 on sale of country spirit, tax is leviable at the point of first sale within the State.

As per records of the Superintendent of Excise, Jowai, 132 licence holders had been manufacturing and selling country spirit through outstill shops in Jaintia Hills District since April 1978. However, only 44 manufacturers of country spirit had been registered under the Meghalaya Finance (Sales Tax) Act, 1972. The remaining 88 manufacturers of country spirit had not applied for registration, nor had the Superintendent of Taxes taken any action to register them compulsorily under the Act. According to the terms of the licence, a licence holder is required to distil a minimum of 8 bottles of 750 ml each of country spirit per day and sell at least 100 bottles in a month. Even if only 100 bottles of country spirit were sold in a month per outstill, tax amounting to Rs.5,49,957 was leviable on sales made by those 88 manufacturers of country spirit during the period from April 1978 to March 1983.

The matter was reported to the department and Government in February 1984; their replies are awaited (June 1985).

6.6 Irregular deduction of tax paid on purchase of raw materials

The Assam Finance (Sales Tax) Rules, 1956 (as adopted by Meghalaya) provide that the sales tax paid by a dealer on the purchase of raw materials for use in the State in the manufacture of taxable goods for sale would be refunded if such raw materials are actually used in the manufacture of taxable goods by the industrial units. The refund is admissible if (i) the industrial unit is registered as a small scale industrial unit with the Director of Industries of the Government of Meghalaya, (ii) a certificate is produced in the prescribed form from the Director of Industries, stating that the raw materials had been used and the tax had been paid on their purchase and (iii) the application for the refund is made by the dealer in the prescribed form within three months from the date of sale of the taxable goods, in the manufacture of which the raw materials were used.

In Shillong, a dealer, registered as a small scale industrial unit with the Director of Industries, was allowed deduction of Rs.69,590, representing the amount of tax paid on the purchase of raw materials, from the amount of tax payable on the sale of manufactured goods during the periods ending 30th September 1982 and 31st March 1983. The

deduction allowed was irregular as the dealer had failed to submit the application for refund within the prescribed period of three months and also to produce the required certificate in the prescribed form from the Director of Industries.

The matter was reported to the department and Government in April 1984; their replies are awaited (June 1985).

6.7 Turnover escaping assessment

Under the Assam Finance (Sales Tax) Act, 1956, as adopted by Meghalaya, the dealers are required to submit their returns of total turnover half yearly for the periods ending 31st March and 30th September. If a dealer fails to submit a return, the tax assessing authority shall assess the dealer to the best of his judgement. The dealer is also liable to pay penalty which may be compounded up to Rs.1,000 or double the amount of tax, whichever is greater.

In Shillong a dealer, in his return for the period ending 31st March 1979, showed his sales turnover as Rs.27,401 and was assessed to tax accordingly. As the dealer had failed to submit a return for the subsequent period ending September 1979, the assessing authority assessed him for that period on best judgement basis, determining his turnover at Rs.60,000. However, a cross verification in audit with the records of two Public Health Engineering Divisions in Shillong revealed that the dealer had supplied taxable goods valuing Rs.2,55,110 to those two Divisions alone during the periods ending 31st March 1979 and 30th September 1979. Thus, a turnover amounting to at least Rs.1,67,709 had escaped assessment, resulting in tax being levied short by Rs.10,307. Besides, penalty was leviable on the dealer for his failure to submit his return for the period ending September 1979.

The matter was reported to the department and Government in October 1983; their replies are awaited (June 1985).

6.8 Non-levy of penalty

Under the provisions of the Assam Sales Tax Act, 1947 and the Assam Finance (Sales Tax) Act, 1956, as adopted by Meghalaya, if a dealer fails to furnish the prescribed returns without reasonable cause, the assessing authority shall, with the previous sanction of the Commissioner of Taxes, levy penalty (in addition to the tax payable by the dealer) at an amount not exceeding one and a half times the amount of tax.

Three dealers, who had failed to submit their returns for favious periods falling between September 1975 and September 1982, were assessed to tax *ex-parte* at Shillong. While assessing their tax liability, the assessing authorities did not consider the question of levy of penalty for non-submission of the returns by the dealers. The maximum penalty that could be levied in these cases amounted to Rs.2.04 lakhs.

The cases were reported to the department and Government in April 1984; their replies are awaited (June 1985).

6.9 Short levy of tax

(i) Under the Assam Sales Tax Act, 1947 (as adopted by Meghalaya), sales of certain specified goods are exempt from levy of tax. However, on sales of containers of such goods, tax is leviable at the general rate of 7 per cent as an unspecified item of goods.

In Shillong, sales of containers made by four registered dealers, along with the exempted goods, were erroneously exempted from levy of tax. However, in similar other cases, value of the containers was estimated to be equal to one per cent of the gross turnover and was assessed to tax accordingly. Based on the same percentage, the value of the containers sold by the four registered dealers amounted to Rs.14,40,970, on which tax amounting to Rs.1,01,877 (including surcharge) was leviable, but was not levied.

The case was reported to the department and Government in April 1984; their replies are awaited (June 1985).

(ii) According to the Assam Sales Tax Act, 1947 and the rules made thereunder (adopted by Meghalaya), for carrying out any contract, a dealer is to be allowed exemption from payment of tax for such amount as represents the cost of labour used in carrying out such a contract, provided that the dealer produces, to the satisfaction of the assessing authority, evidence showing the cost of materials and the cost of labour separately. In all other cases, the cost of labour shall be determined at thirty per cent of the gross turnover.

At Shillong, in the assessment of a dealer doing contract works, for the periods ending March 1979 to March 1982, the assessing authority allowed deduction amounting to Rs.2,90,529 (equal to 70 per cent of the gross turnover) on account of cost of labour, although the dealer's claim was not supported by any satisfactory evidence showing the cost

of material and labour separately. In the absence of such evidence, the deduction on account of cost of labour should have been restricted to Rs.1,24,598 i.e., 30 per cent of the gross turnover. The excess allowance of deduction resulted in tax being levied short Rs.11,124.

The case was reported to the department and Government in April 1984; their replies are awaited (June 1985).

D—Forest Department

6.10 Irregular allotment of coupes

Forest coupes and *mahals* under the administration of the Forest Department are normally settled for specific periods after inviting competitive tenders.

(i) Without inviting any tenders, Government allotted ten sal selection coupes from Rongrengiri reserved forests to the Forest Development Corporation, Meghalaya during the year 1981-82. As per the agreement with the Corporation, the timber obtained on operation of the coupes was to be used by the Corporation as raw material for running a saw mill. The royalty recoverable from the Corporation was fixed at Rs.380 per cubic metre for logs of midgirth 110 centimetres and above at Rs.230 per cubic metre for logs of midgirth below 110 centimetres. The Corporation, however, did not own any saw mill and sold the timber to forest contractors. The royalty received by Government in respect of these coupes was, on an average, 43 per cent above the Government valuation.* However, earlier in the year 1980-81 the average price fetched on settlement of four sal selection coupes from the same reserved forests settled under the tender system, was about 140 per cent above Government valuation. Had the ten sal selection coupes been allotted to the Corporation even at 100 per cent above the Government valuation, Government would have had an additional revenue amounting to Rs.1,06,997.

The matter was reported to the department and Government in the January 1984; their replies are awaited (June 1985).

(ii) For the working period from 1st November 1978 to 31st October 1980, the Phuljharu *Mahals* in Garo Hills was settled for Rs.1,67,640 (i.e. Rs.83,820 per year)

*"Government valuation" represents the value of timber available from trees marked for sale in a coupe, as determined by the Department on the basis of royalty rates fixed by Government from time to time.

with the Meghalaya State Co-operative Marketing and Consumers' Federation Limited without inviting competitive tenders. The royalty received was 10 per cent above the sale price (Rs. 76,200) received for that *mahal* in respect of the earlier year from 1st November 1977 to 31st October 1978. However, for the working period from 1st November 1980 to 31st October 1981, the *mahal* was settled with the Federation for Rs. 62,865, which was equal to only 75 per cent of the sale price (Rs. 83,820) for the earlier year 1st November 1979 to 31st October 1980. For the working period from 1st November 1981 to 31st October 1982, the *mahal* was settled (January 1982) with the same Federation for Rs. 83,820 i. e. equal to the price of the *mahal* for the year 1st November 1979 to 31st October 1980. No reasons for settlement of the *mahal* for the working periods from 1st November 1978 to 31st October 1982 without following the procedure of settlement by inviting competitive tenders were on record. Had the *mahal* for the working periods from 1st November 1980 to 31st October 1981 and 1st November 1981 to 31st October 1982 been settled even at 10 per cent above the previous year's sale price in each year, as was done in the case of the working periods from 1st November 1978 to 31st October 1980, Government would have realised an additional revenue amounting to Rs. 46,939.

The matter was reported to the department and Government in January 1984; their replies are awaited (June 1985).

6.11 Loss of working period of mahal resulting in loss of revenue

Sand in river-bed *mahal* is in constant process of accumulation and depletion due to river current. Sand that is carried away by the river current during the period a *mahal* is not worked does not, therefore, become available later and the working period so lost results in loss of revenue.

In response to an advertisement (3rd March 1981) for sale of a river-bed sand *mahal* in Jowai (with an estimated quantity of 20,000 cubic metre of sand) for the working period from 15th April 1981 to 14th April 1982, two tenders were received. The sale of the *mahal* was, however, kept in abeyance by an order (21st March 1981) of the Chief Conservator of Forests. In May 1981, a Government of India undertaking requested the Forest Department to allow them to extract sand from the *mahal* during the year 1981-82 at the scheduled rate of royalty of Rs. 5 per cubic metre plus monopoly fee of Rs. 5 per cubic

metre. The request was, however, not acceded to. Instead, the two tenderers were asked (9th July 1981) to indicate whether they were willing to raise their offers to Rs. 10 per cubic metre of sand. The Chief Conservator of Forests instructed (September 1981) the Deputy Conservator of Forests, Jowai, that if neither of the tenderers agreed to raise the offer to Rs. 10 per cubic metre, the *mahal* might be settled with the undertaking as they were agreeable to pay Rs. 10 per cubic metre of sand for the stipulated quantity. Both the tenderers expressed (24th September 1981) their unwillingness to raise their offers to Rs. 10 per cubic metre of sand, but still the *mahal* was not settled with the undertaking. The reasons for non-settlement of the *mahal* with the undertaking were not on record. Eventually, the *mahal* was settled (22nd January 1982) with one of the tenderers (for Rs. 1,60,000) at the rate of Rs. 8 per cubic metre of sand for the working period from 22nd January 1982 to 22nd January 1983. The inordinate delay in settlement of the *mahal* resulted in loss of revenue amounting to Rs. 1,20,000 (in respect of the working period from 15th April 1981 to 21st January 1982, which was lost), calculated at the settled price of Rs. 1,60,000 for one year. Besides, due to non-settlement of the *mahal* with the undertaking at the scheduled rate of royalty and monopoly fee, the department had forgone a further revenue of Rs. 40,000 for the working period 22nd January 1982 to 22nd January 1983.

The case was reported to the department and Government in February 1984; their replies are awaited (June 1985).

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES
AND OTHERS

7.1 Grants

Grants paid out of Government funds during the year 1983-84 comprised about 12 *per cent* of the total revenue expenditure. The broad details of the grants are indicated below with corresponding figures for the previous year.

	1982-83	1983-84
	(Rupees in lakhs)	
Educational institutions	7,49.70	9,84.56
Co-operative Societies	61.39	88.39
District Councils	37.59	35.14
Municipalities	6.68	50.87
Other institutions	49.33	24.92
	<u>9,04.69</u>	<u>11,83.88</u>

Co-operation Department

7.2 Financial Assistance to Co-operative Societies including investments

1. Financial assistance

Government has been rendering financial assistances to Co-operative Societies in the shape of share capital, loans, grants and subsidies. Government investments in share capital at the close of each of the four years ending 31st March 1984 were as under :—

Year ending 31st March	Number of institutions	Total investment (Rupees in lakhs)
1981	987	272.97
1982	1,101	273.65
1983	1,276	324.10
1984	1,438	368.31

Dividend of Rs.12,933 was received during 1982-83 and credited to Government account. No dividend was received during 1983-84.

2. (a) The amounts of loans/grants/subsidies paid to the co-operative societies during four years ending 31st March 1984 were as follows:—

Years ending 31st March	Loan			Closing balance	Grants/subsidies paid during the year
	Opening balance	Disbursed during the year (Rupees in lakhs)	Repaid du- ring the year		
1981	57.20	8.68	1.21	64.07	65.65
1982	64.07	15.68	2.96	76.79	63.80
1983	76.79	33.40	4.20	105.99	70.74
1984	105.99	14.83	4.95	115.87	98.68

(b) The amounts of loans and interest overdue for repayment to the Government at the close of each of the four financial years ending 31st March 1984 were as follows:—

Year ending 31st March	Number of institution	Overdue amount	
		Principal	Interest
		(Rupees in lakhs)	
1981	159	6.75	6.34
1982	182	7.70	7.44
1983	201	9.13	8.09
1984	270	9.40	11.96

3. Alleged misappropriation of cash

According to the department, in 42 Co-operative societies (out of 978 societies which had received Government assistance), fund amounting to Rs.7.91 lakhs were allegedly misappropriated during the years 1975 to 1984. Of these 42 cases, 4 cases involving Rs.0.12 lakh (3 cases relating to 1976: Rs.0.05 lakh and 1 case relating to 1979: Rs.0.07 lakh) were settled by recovery of the amounts misappropriated. The year-wise break-up of the remaining 38 cases were as under:—

Year	Number of societies	Amount
		(Rupees in lakhs)
1975	11	3.62
1976	16	1.72
1977	2	0.18
1978	1	0.07
1979	2	0.15
1980	3	0.27
1981	2	1.76
1982	1	0.02
1983 } 1984 }	Nil	Nil
	38	7.79

Out of the 38 cases, 13 cases involving a sum of Rs.74,318 have been disposed of (February 1985) by the court. Of this amount, a sum of Rs.7,077 in respect of 1 case was received in May 1984. Remaining 25 cases involving a sum of Rs.7.05 lakhs were pending either with the court or with the police (February 1985).

4. Delay in completion of Audit

The position of audit as furnished by the Registrar of Co-operative Societies as on 30th June 1983 in respect of societies to which financial assistance has been extended by the Government is indicated below:—

Nature of societies	Total number of societies as on 30th June 1983	Number of societies audited	Number of societies where audit was in arrears	Extent of arrears	
				Upto 3 years	Where more than three years
Functioning	527	420	107	86	21
Non-functioning	101	64	37	26	11
Under liquidation	284	...	284	25	259
Total	912	484	428	137	291

CHAPTER VIII

GOVERNMENT COMMERCIAL AND TRADING
ACTIVITIES

SECTION I

8.1 General

This Chapter deals with the results of

- Statutory Corporations,
- Government Companies, and
- Departmentally managed Government Commercial and *quasi*-Commercial Undertakings

SECTION II

8.2 Statutory Corporations

8.2.1 Introduction

There were three Statutory Corporations in the State as on 31st March 1984 *viz.* Meghalaya Transport Corporation, Meghalaya State Electricity Board and Meghalaya State Warehousing Corporation. The accounts of the following two corporations were in arrears (August 1985) as detailed below:

Name of Corporation	Extent of arrears
(1) Meghalaya Transport Corporation	1978-79 to 1983-84
(2) Meghalaya State Electricity Board	1983-84

The position of arrears in finalisation of accounts was last brought to the notice of Government in August 1985.

Statement showing the summarised financial results of Meghalaya State Electricity Board, Meghalaya State Warehousing Corporation and Meghalaya Transport Corporation based on the latest available accounts is given in Appendix 8.1.

8.2.2 Meghalaya State Electricity Board

The Meghalaya State Electricity Board was formed on 21st January 1975 under Section 5 (i) of the Electricity (Supply) Act, 1948.

(a) Capital structure

The Capital requirements of the Board are provided in the form of loans from Government, the public, the banks and other financial institutions.

The aggregate of long-term loans (including loans from Government) obtained by the Board was Rs.84,34.12 lakhs at the end of 31st March 1983 and represented an increase of Rs.3,57.54 lakhs *i.e.*, 4.43 *per cent* on the long-term loans of Rs.80,76.58 lakhs at the end of the previous year. Details of loans obtained from different sources and outstanding at the close of two years up to 31st March 1983 are as below:

Sources	Amount outstanding as on	
	31st March 1982	31st March 1983
	(In lakhs of rupees)	
State Government	31,91.45	31,91.45
Life Insurance Corporation of India	9,28.37	10,26.78
Rural Electrification Corporation Limited	12,77.71	14,38.66
Debentures/Bonds	26,79.05	27,77.23
Total:	80,76.58	84,34.12

(b) Guarantee

Government had guaranteed the repayment of loans raised by the Board to the extent of Rs.42,15.89 lakhs and the payment of interest thereon.

(c) Financial position

The financial position of the Board at the close of the three years up to 31st March 1983 is given in the following table :

Liabilities	1980-81	1981-82	1982-83
	(In lakhs of rupees)		
(a) Loans from Government	31,91.45	31,91.45	31,91.45
(b) Other long-term loans (including bonds)	40,20.64	48,85.13	52,42.67
(c) Reserves and surplus	1,70.83	2,06.03	2,50.36
(d) Current liabilities	14,30.02	17,93.71	21,96.69
Total :	<u>88,12.94</u>	<u>1,00,76.32</u>	<u>1,08,81.17</u>
Assets			
(a) Gross fixed assets	61,58.43	62,25.80	62,70.64
(b) <i>Less</i> : Depreciation	11,83.53	13,05.00	14,35.54
(c) Net fixed assets	49,74.90	49,20.80	48,35.10
(d) Capital work-in-progress	10,06.93	16,33.94	21,62.64
(e) Current assets	25,59.37	32,70.69	37,13.76
(f) Intangible assets	2,71.74	2,50.89	1,69.67
Total :	<u>88,12.94</u>	<u>1,00,76.32</u>	<u>1,08,81.17</u>
 Capital employed :	 61,04.25	 63,97.78	 63,52.17
Capital invested :	71,11.18	80,31.72	85,14.81

Note :—(1) Capital employed represents net fixed assets (excluding capital work-in-progress) *plus* working capital.

(2) Capital invested represents long-term loans *plus* free reserves *less* intangible assets.

(d) Working results

The working results of the Board for the three years up to 1982-83 are summarised below :

	1980-81	1981-82	1982-83
	(In lakhs of rupees)		
(a) Revenue receipts	7,41.05	8,26.42	14,27.88
(b) Revenue expenditure	5,80.51	6,35.67	7,53.43
(c) Gross surplus for the year (a) — (b)	1,60.54	1,90.75	6,74.45
(d) Appropriations : Interest on loans and bonds	1,23.14	1,71.89	3,70.14
Intangible assets written off	...	18.86	1,15.44
Interest on State Government loans	...	...	1,88.87
Difference between billing and and payment by Assam State Electricity Board for Power supply (tariff not finalised)	37.40	...	...
Total :	1,60.54	1,90.75	6,74.45
(e) Total return on capital employed	1,23.14	1,71.89	6,74.45
(f) Total return on capital invested	1,23.14	1,71.89	6,74.45
(g) Rate of return on :	(Per cent)		
(i) Capital employed	2.0	2.7	10.62
(ii) Capital invested	1.7	2.1	7.92

Though the Board had met its liability for interest on Government loans amounting to Rs.1,88.87 lakhs during the year 1982-83, there was a cumulative contingent liability of Rs.23.55 crores as on 31st March 1982 towards interest on Government loans which could not be provided in the absence of adequate surplus.

(e) Operational Performance

(i) The following table indicates the operational performance of the Board for the three years ending up to 31st March 1983:

Particulars	1980-81	1981-82	1982-83
	(M. W.)		
1. Installed capacity			
(i) Thermal	5·000	5·000	5·000
(ii) Hydel	1,26·710	1,26·710	1,26·710
(iii) Others	1·954	1·954	1·954
	<u>133·664</u>	<u>133·664</u>	<u>133·664</u>
2. Normal maximum demand :	90	122	123·97
3. Power generated	(M K W H)		
(i) Thermal	nil*	nil*	nil*
(ii) Hydel	350·383	369·656	405·446
(iii) Others	2·159	0·013	0·059
	<u>352·542</u>	<u>369·669</u>	<u>405·505</u>
Total power generated :	352·542	369·669	405·505
Less : Auxiliary consumption	2·848	2·063	2·113
4. Net power generated	349·694	367·606	403·392
5. Power purchased	1·737	3·499	Nil
6. Total power available for sale	351·431	371·105	403·392
7. Power sold	317·931	341·552	375·136
8. Power supplied free of cost (staff)	0·240	0·240	Nil
9. Transmission and distribution losses	33·260	29·313	28·256
	(Percentage)		
10. Load factor	44·71	34·58	37·00
11. Transmission and distribution losses compared to total power available for sale	9·46	7·9	7·00
	(K W H)		
12. Number of units generated per K W of installed capacity	2361·00	2765·65	3033·76

*Note : As the thermal plant at Nongwalbibra (5·00 MW capacity) was permanently kept shut down since 1979-80, there was no generation of thermal power from 1979-80 onwards.

(ii) The following table gives other details about the working of the Board as at the end of the three years ending 31st March 1983 :

	1980-81	1981-82	1982-83
1. Villages/towns electrified (in numbers)	700	868	997
2. Pump sets/wells energised (in numbers)	47	53	53
3. Number of sub-stations	26	43	45
4. Transmission/distribution lines (KM)			
(i) High/Medium voltage	2812.96	3648.26	3940
(ii) Low voltage	1305.78	1505.54	1575
5. Connected load (KW)	95.201	106.835	117.72
6. Number of consumers	31,338	33,076	42,891
7. Number of employees	4,500	4,550	4,550

(f) The following table gives the details of power sold and revenue expenses and profit/loss per MW sold during the three years up to 31st March 1983:

	1980-81	1981-82	1982-83
1. Unit sold (MKWH)			
(a) Agriculture	0.014	0.019	0.020
(b) Industrial	16.068	27.316	31.374
(c) Commercial	6.891	9.647	12.500
(d) Domestic	11.019	14.776	17.202
(e) Others	283.939	289.794	314.040
Total :	317.931	341.552	375.136
2. Revenue per KWH (paise)	23.31	24.19	37.70
3. Expenditure (inclusive of total depreciation for the year but excluding interest on loan) per KWH (paise)	18.26	17.45	30.01
4. Profit per KWH (paise)	5.05	5.58	7.69

8.2.3 Meghalaya State Warehousing Corporation

Meghalaya State Warehousing Corporation was incorporated on 30th March 1973 under Warehousing Corporations Act, 1962.

1. **Capital:** The paid-up capital of Meghalaya State Warehousing Corporation was Rs.42.12 lakhs (State Government : Rs.24.06 lakhs, Central Warehousing Corporation : Rs.18.06 lakhs) as on 31st March 1984 as against Rs.36.12 lakhs at the end of the previous year.

2. **Financial position:** The table below summarises the financial position of the Corporation under broad headings for the three years up to 31st March 1984:

Liabilities	1981-82	1982-83	1983-84
	(In lakhs of rupees)		
(a) Paid up capital	27.12	36.12	42.12
(b) Reserves and surplus	2.89	2.96	3.00
(c) Trade dues and other current liabilities (including provisions)	1.82	4.20	9.42
Total :	31.83	43.28	54.54
Assets			
(a) Gross block	6.15	8.43	8.44
(b) <i>Less:</i> Depreciation	1.96	2.30	2.65
(c) Net fixed assets	4.19	6.13	5.79
(d) Capital work-in-progress	2.05	...	1.41
(e) Investments	0.90	1.13	1.40
(f) Current assets, loans and advances	24.69	36.02	45.94
Total :	31.83	43.28	54.54
Capital employed	27.06	37.95	42.31
Capital invested	30.01	39.08	45.12

Notes : (1) Capital employed represents net fixed assets *plus* working capital.

(2) Capital invested represents paid up capital *plus* long-term loans *plus* free reserves at the close of the year.

3. Working results : The following table gives the details of the working results of the Corporation for the three years up to 31st March 1984:

Particulars	1981-82	1982-83	1983-84
	(In lakhs of rupees)		
Income			
(i) Warehousing charges	1.22	1.28	1.04
(ii) Other income	1.22	1.37	2.13
Total:	2.44	2.65	3.17
2. Expenses			
(i) Establishment charges	1.11	1.57	2.00
(ii) Other expenses	1.22	0.95	1.06
Total:	2.33	2.52	3.06
3. Profit before tax	0.11	0.13	0.11
4. Provision for tax	0.01	...	...
5. Other appropriations	0.03	0.13	0.11
6. Amount available for dividend	0.07	...	...
7. Dividend paid	0.07	...	...
8. Total return on capital employed/ invested	0.11	0.13	0.11
9. Percentage of return on:			
(a) Capital employed	0.40	0.34	0.26
(b) Capital invested	0.37	0.33	0.24

4. Operational performance : The following table gives details of the storage capacity created, utilised and other information about the performance of the Corporation for the three years up to 1983-84 :

Particulars	1981-82	1982-83	1983-84
1. Number of stations covered	1	1	1
2. Storage capacity (own) created up to the end of the year (tonnes in lakhs)	0.016	0.020	0.020
3. Average capacity utilised during the year (tonnes in lakhs)	0.018	0.023	0.017
4. Percentage of utilisation	114.4	129.7	81.980
5. Average revenue per tonne (rupees)	26.13	30.64	30.89
6. Average expenses per tonne (rupees)	24.95	29.14	29.82

8.2.4 Meghalaya Transport Corporation

1. Introduction

The Meghalaya Transport Corporation was established on 1st October 1976 under Section 3 of the Road Transport Corporations Act, 1950 (hereinafter referred to as Act). The Corporation took over the assets and liabilities of the Meghalaya Transport Undertaking which had taken over the assets: Rs.90.77 lakhs and liabilities: Rs.33.59 lakhs from the Assam and Meghalaya State Road Transport Corporation on its bifurcation (1st August 1976) from the date of its formation.

2. Capital Structure

Under Section 23(1) of the Act, the capital required by the Corporation is to be provided by the State Government and the Central Government (Railways) at an agreed ratio. The Central Government (Railways) agreed to contribute to the capital investment of the Corporation from the year 1980-81 only at the rate of (i) 25 *per cent* of the value (as on 31st March 1980) of the assets transferred by the State Government to the Corporation, and (ii) 50 *per cent* of the capital contribution made by the State Government from the year 1980-81 onwards. The capital contribution at the close of 31st March 1984 as compiled in audit amounted to Rs.993.61 lakhs as shown below:

	(In lakhs of rupees)	
(i) Initial capital (value of net assets taken over)		57.18
(ii) Fund provided from own sources		6.40
(iii) Capital contribution by State Government:		
(a) up to 31st March 1980	101.36	
(b) from 1st April 1980	570.85	672.21
(iv) Capital contribution by Central Government		257.82
Total:		<hr/> 993.61

On the basis of the agreed ratio of capital contribution indicated above, the total share of the Central Government worked out to Rs.299.98 lakhs against which Rs.257.82 lakhs only were received.

Under Section 28 of the Act, the Corporation is required to pay interest on the capital contributions. Out of Rs.122.10 lakhs payable by the Corporation as interest on capital contribution, the Corporation had so far paid Rs.120.42 lakhs as interest on capital contribution (Rs.95.65 lakhs to State Government and Rs.24.77 lakhs to Central Government). An amount of Rs.1.68 lakhs was due to State Government as interest till end of the year 1983-84.

3. Financial position

The table below summarises the financial position of the Corporation under the broad headings for the two years up to 1977-78 :

Liabilities	1976-77	1977-78
	(In lakhs of rupees)	
(a) Capital	67.94	76.54
(b) Reserves and Surplus	...	...
(c) Borrowings	...	...
(d) Trade dues and other current liabilities	69.66	1,06.43
Total :	1,37.60	1,82.97
Assets		
(a) Gross block	91.91	1,05.56
(b) Less: Depreciation	5.98	18.03
(c) Net fixed assets	85.93	87.53
(d) Current assets, loans and advances	39.53	43.32
(e) Accumulated losses	12.14	52.12
Total :	1,37.60	1,82.97
Capital employed *	55.80	24.42
Capital invested **	67.94	76.54

Note : * Capital employed represents the net fixed assets *plus* working capital.

** Capital invested represents the capital contribution *plus* long-term loans *plus* free reserves.

4. Working results

The following table gives the details of the working results of the Corporation for the two years up to 1977-78:

Particulars	1976-77	1977-78
(In lakhs of rupees)		
1. (a) Operating		
Revenue	44.89	81.02
Expenditure	55.27	1,15.44
Deficit (—)	(—)10.38	(—) 34.42
(b) Non-operating		
Revenue	0.11	0.87
Expenditure	1.86	6.44
Deficit (—)	(—)1.75	(—)5.57
(c) Total		
Revenue	45.00	81.89
Expenditure	57.13	1,21.88
Loss (—)	(—)12.12	(—)39.99
2. Total interest charged to Profit and Loss Account	1.86	6.11
3. Interest on capital and loans	1.86	6.11
4. Total return on:		
Capital invested	...	...
Capital employed	...	...
5. Percentage of return on:		
(a) Capital invested	...	...
(b) Capital employed	...	...

5. Operational performance

The statistical data required to be maintained by the Corporation under Section 45 of the Meghalaya Transport Corporation Rules, 1976 were not maintained/compiled.

8.2.5 Fleet utilisation

The Corporation is operating buses and trucks. The buses are operated within the State as well as on inter-state routes and the trucks are operated for transportation of goods, parcels, etc., on Guwahati-Shillong route in accordance with the agreement with the Railways.

1. (a) Fleet position of buses

The fleet position of the Corporation during the three years ending 31st March 1984 was as follows:

	1981-82	1982-83	1983-84
(i) Number of buses held at the beginning of the year	69	88	122
(ii) Number of buses acquired	26	35	12
(iii) Number of buses disposed of	7	1	17
(iv) Fleet strength at the close of the year	88	122	117

The following table indicates the age-wise analysis of the buses at the close of the three years ending 31st March 1984:

Position as on 31st March	Number of vehicles held with life ranging			Total
	Less than 4 years	More than 4 years but less than 6 years	6 years and above	
1982	60	27	1	88
1983	87	21	14	122
1984	83	23	11	117

As per norms laid down by the Corporation (July 1980) a bus is to be condemned after completion of 6 years of life or a run of 4 lakh kilometres. The basis of fixation of such norms much below the All India average of 8 years of life and also a run of 5.5 lakh kilometres was stated to be the bad and hilly road condition. The average daily per bus coverage fixed by the Corporation is 200 kilometres.

A review in Audit of disposal of condemned vehicles revealed that (i) none of the 42 vehicles condemned during the four years ending 1983-84 had completed a run of 4 lakh kilometres. The Corporation did not find out the kilometres covered by the vehicles while proposing disposal except in six cases where the buses were inherited from the composite Corporation and kilometres covered were shown on an average 2 lakh kilometres per vehicle.

(ii) 21 vehicles (out of 42 condemned) were kept for periods ranging from 8 months to 50 months. A study of the records relating to 8 of these vehicles indicated that one had been operated for less than 3 years, 3 for less than 4 years and 4 others for less than 5 years.

(b) Utilisation of buses

The following table indicates the performance of vehicles during the 3 years up to 1983-84:

Fleet utilisation	1981-82	1982-83	1983-84
(1) Number of buses held (at the end of the year)	88	122	117
(2) Number of buses on road (at the end of the year)	60	82	84
(3) Percentage of utilisation	68.18	67.21	71.79
(4) Percentage of utilisation in other State Transport Undertakings:			
North Bengal	63.00	57.20	NA
Assam	67.20	69.60	NA
Himachal Pradesh	95.64	90.82	NA
Tripura	40.54	NA	NA

The buses were to cover an average of 200 K.M. per day as per norms fixed by the Corporation.

The actual utilisation is indicated below:

	1981-82	1982-83	1983-84
(i) Average number of buses on road	60	82	84
(ii) Total Kms. operated (in lakhs)	30.78	41.68	49.24
(iii) Effective Kms. (in lakhs)	30.04	40.03	47.13
(iv) Average utilisation per bus per day (Kms.)	140	139	160
(v) Percentage of dead (Kms.) to gross (Kms.)	2.40	3.96	4.31
(vi) Utilisation per bus per day in other State Transport Undertakings:			
(a) North Bengal	220.00	215.90	NA
(b) Assam	184.90	168.20	NA
(c) Himachal Pradesh	180.00	171.00	NA
(d) Tripura	141.00	NA	NA
(vii) Occupancy ratio (in per cent)	81	71	68

It will be seen that the Corporation did not achieve the norm of 200 kilometres per bus per day even though the norm itself was much below the actual performance of some of the other State Transport Corporations. The reason for low utilisation was attributed by the management to bad road conditions in Meghalaya.

A test check of the operational records of 5 base stations for the year 1983-84 revealed that the average utilisation of a vehicle per day was as under:

	Name of the base station	Number of buses checked	Average daily utilisation			
			Below 100 KM	100 to 150 KM	150 to 200 KM	200 KM and above
Shillong—Guwahati Route, Shillong	Shillong	19	...	1	2	16
Guwahati—Shillong Route, Guwahati	Guwahati	10	...	1	...	9
Shillong—Jowai—Khlichriat Route/ Shillong—Dawki Tamabil Route	Shillong	23	...	7	10	6
City Bus Cell	Shillong	15	13	2	...	...
Jowai	Jowai	9	2	3	3	1
Total:		76*	15	14	15	32

About 58 *per cent* of the vehicles performed less than 200 kilometres per day of which about 20 *per cent* vehicles performed less than 100 kilometres a day. The performance of buses of city Bus Cell, Jowai Station and Shillong-Jowai-Khlichriat Route/Shillong-Dawki-Tamabil Route Station was far below the norm.

The Corporation had not maintained any record showing the late departure/arrival of vehicles, cancellation of scheduled services together with details of kilometres and corresponding loss of revenue.

*Information about 8 buses of Tura Depot not available.

2. Fleet position of trucks and their utilisation

(i) The Corporation had a fleet of 19 trucks at the end of 31st March 1984 for transportation of goods, parcels, etc.

(ii) The utilisation of the trucks for the year 1981-82 and 1982-83 was as under:

	1981-82	1982-83
(i) Number of trucks held	23	23
(ii) Number of trucks on road	18	15
(iii) Percentage of utilisation	78.2	65.2
(iv) Total kilometres performed (in lakhs)	4.30	2.43
(v) Average kilometres covered per truck per day	65.45	44.37
(vi) Total dead kilometres (in lakhs)	0.01	0.29
(vii) Percentage of dead kilometres to effective kilometres (in lakhs)	0.23	11.9

The increase in dead kilometres in 1982-83 as compared to 1981-82 was attributed by the Management (August 1985) to frequent empty run of vehicles between Shillong-Guwahati-Shillong. The Corporation incurred heavy losses on the operation of trucks as per details given below :

Year	Operation expenditure	Revenue	Loss
(In lakhs of rupees)			
1980-81	31.45	13.30	18.15
1981-82	38.58	11.70	26.88
1982-83	43.94	8.94	35.00

The Corporation with a view to avoid losses in the operation of trucks decided (September 1981) that the goods transport operations should be entirely given up and Railway should be given notice that out agency goods and parcels booking would cease with effect from 1st March 1982. The out agency goods operation was closed only with effect from 1st April 1983 while the non-out agency goods operation between Shillong and Guwahati was continuing, the working results of which are yet to be worked out.

During discussion of the Draft Annual Plan for 1984-85 the working Group suggested on 31st March 1983 certain measures for improvement of the financial condition of the Corporation which included, *inter-alia* disposal of the trucks immediately so as to get some cash from their sale. Accordingly tenders for disposal of trucks were floated in July 1984 and 25 trucks were sold during September and October 1984 for Rs.9.58 lakhs against the depreciated value of Rs.1.89 lakhs.

3. Consumption of diesel oil

The Corporation had fixed a norm of 3.5 Kms per litre of diesel oil for the district services. Norms fixed by other States' Transport Corporation were higher (Assam: 4 Kms per litre and North Bengal: 3.60 Kms per litre). The station-wise data as regards to the consumption of diesel oil from the year 1980-81 to 1982-83 could not be made available to Audit. However, a test check of records in audit revealed that the average run per litre of diesel oil for the years 1980-81 to 1982-83 was 3.45 Kms, 3.42 Kms and 2.95 Kms and at the different base stations during 1983-84 was as follows:

	Kms.
Shillong—Guwahati Route (S.G.), Shillong	3.54
Guwahati—Shillong Route (G.S.), Guwahati	3.51
Shillong—Jowai—Khliehriat Route/Shillong	2.87
—Dawki—Tamabil Route (SJK/SDT), Shillong	
Jowai	2.47
Tura	3.4
Overall average:	3.16

The corresponding average consumption in some other States was as follows:

	1980-81	1981-82	1982-83
Assam	4.00	4.10	4.00
North Bengal S.T.	3.60	3.60	3.60

Thus, except for vehicles on Shillong-Guwahati route, the norm was not maintained. The test check of the records further indicated that consumption of diesel oil in a number of cases was much higher than the norm as shown below:

Name of the base station	Number of vehicles checked	Kilometres per litre				
		Up to 2 Km	2 to 2.5 Km	2.5 to 3 Km	3 to 3.5 Km	3.5 Km and above
Jowai	13	3	8	1	1	...
Guwahati	16	...	2	2	4	8
SJK/SDT	19	...	8	6	1	4
S.G. Shillong	5	...	...	1	...	4
Total:	53	3	18	10	6	16

Out of 53 buses, 37 consumed oil in excess of the prescribed norm. Of the 37 buses 2 were 6 years old, 1 was 4 years old and the remaining were less than 3 years old.

4. Maintenance and repair

The erstwhile Assam and Meghalaya States Road Transport Corporation (A. M. S. R. T. C.) had a workshop at Shillong which was transferred to Meghalaya State Transport Undertaking (August 1976). Consequent on creation of Meghalaya Transport Corporation (M. T. C.) in October 1976, the control of the workshop was vested with M. T. C.

The activities of the workshop are confined to day to day maintenance of vehicles and minor repairs to body, change of door lock *etc.* Even tyre retreading, bulk of the overhauling of engines, construction of bus bodies, *etc.*, are being got done from private workshops. The limited scope of the MTC's workshop is due to lack of adequate space in workshop building, shortage of skilled mechanics, *etc.*

To improve the workshop efficiency, plant and machinery worth Rs.22.44 lakhs were acquired (up to 31st March 1984) out of which machinery worth Rs.4.19 lakhs only has been installed and put to use (December 1984). The delay in installation of plant and machinery was mainly due to delay in acquisition of land (acquired in January 1981) and civil works (workshop building was completed in March 1984).

The number of jobs undertaken by Central Workshop, the cost of spare parts consumed and labour hours engaged during the three years ending 31st March 1984 were as under :

	1981-82	1982-83	1983-84
Number of jobs done	2109	2527	1705
Cost of spare parts consumed (in lakhs of rupees)	21.51	21.66	20.41
Labour hours engaged (hours)	40737	33503	31337

Decline in the labour hours engaged in 1983-84 as compared to 1981-82 was due to segregation of normal maintenance centre and City Bus Cell maintenance centre from the Central workshop.

No Job Cards have been maintained in the Job Costing Section. At the close of the year a statement of jobs done during the year is submitted with the title "Vehicle History Sheet" showing the labour and materials consumed against individual Jobs done at Central Workshop and the total cost of each individual job. Records have also not been maintained

to watch the actual annual cost of repair against individual vehicle, overall total cost, idle labour hours, total cost of materials consumed and total labour hours engaged during the year.

There was no system of preventive maintenance. Vehicles were attended to only when they developed defects.

Apart from the Central workshop, there are five maintenance centres for the day to day maintenance of the vehicles. The volume of work done by those maintenance centres during the year 1981-82, 1982-83 and 1983-84 was as under:

Name of maintenance centre	Volume of works done in number of jobs		
	1981-82	1982-83	1983-84
Guwahati	2889	1923	2349
Shillong (Guwahati-Shillong route started from May 1983)	...	...	367
City Bus Cell (started from March 1983)	...	...	1977
Jowai	NA	NA	1625
Shillong, Jowai, Khlieriat/Shillong, Dawki, Tamabil, Shillong Route	2517	5458	6053

The maintenance centres were required under Assam State Transport Undertaking Accounts Rule (followed by Meghalaya Transport Corporation) to send statements showing details of the cost of materials consumed and labour hours engaged against individual vehicles to Central workshop and also to Head Office for the purpose of costing. No such statements were being sent and thus the annual total repairs cost of any particular vehicle was not available either at the Central Workshop or at the Head office.

Test check of records of Central Workshop also revealed that history sheets of engines and major assemblies were not being maintained to show performance before overhauling and/or condemnation. The Corporation had not prescribed any standard time schedule for major/minor repair. It was, however, observed that the time taken for major repairs ranged from 33 days to 1455 days.

5. Overhauling of engines

The Corporation had neither fixed the life of a new engine nor the criteria for first overhauling had been determined. The Corporation had, however, fixed the norm of coverage of 30,000 kilometres in regard to overhauled engines.

Although facilities exist in the workshop for overhauling of engines, during the 3 years up to 1983-84 the Corporation got the overhauling work executed from outside agencies in 87 cases while only 28 engines were overhauled in Central workshop as per details given below :

Name of workshop	Number of job		
	1981-82	1982-83	1983-84
Central workshop	6	13	9
A	16	31	26
B	5	1	1
C	...	7	...
	27	52	36

The works were awarded without inviting tenders and the rates were fixed by negotiation. Reasons for award of work without calling for tenders were not available on record.

As per terms and conditions of work order, the overhauled engines should be able to run for 6 months or 30,000 Kms whichever is earlier. The Corporation had not maintained any records to watch whether the vehicles did run for 6 months or covered 30,000 Kms after engine overhaul.

A test check in audit of available records (day to day performance of vehicles and repairs done in workshop) of 7 vehicles revealed that performance of the overhauled engines by firm 'A' was very low as compared to the norm (30,000 Kms) fixed by the Corporation as per details given below :

Vehicle No.	Engine No.	Period run by overhauled engine	Kms covered by overhauled engine
MLX 202	M 037916	19th May 1983 to 29th November 1983	13946
MLX 252	M 061176	15th March 1983 to 27th May 1983	3959
MLX 234	M 092366	29th January 1983 to 27th June 1983	18232
MLX 219	MTI I	9th December 1982 to 19th July 1983	24604
MLX 190	M 073650	2nd August 1983 to 14th December 1983	7358
MLX 233	CWS 074445	31st October 1983 to 21st December 1983	762
MLX 191	M 106906	23rd March 1983 to 23rd March 1984	18010

No action was taken against the firm for such shortfall in performance of overhauled engines.

6. Consumption of engine oil

As per maintenance schedule prescribed by the Corporation, engine oil is to be changed after a run of 8,000 kms (change of oil before 7,500 Kms proves to be uneconomical whereas that after 8,500 Kms reduces the life of an engine).

Test check in audit also revealed that change of oil was made regardless of Km coverage which ranged from 460 Kms to 65,151 Kms. In three cases relating to SJK/SDT route, no change of oil was made even though the vehicles had run of 26,115 Kms, 43,016 Kms and 65,151 Kms. The statement given below indicates the number of cases of changes of oil made in various ranges of Kms :

Range of Km

Up to 4000	55
4001 to 7500	86
7501 to 12000	52
12,001 to 18,000	36
18,001 to 25,000	18
25,001 to 40,000	7
40,001 and above	3

Total ... 257

It would be seen from the above that out of 257 numbers of change of oil, in 141 number oil changes were made before the prescribed kilometrage while 116 numbers of changes were made later than the schedule norm of 8,000 Kms.

7. Break-down of vehicles

The table below indicates the details of break-down of vehicles for the 3 years up to 1983-84 :

	1981-82	1982-83	1983-84
(i) Total Kms covered (in lakhs)	30.04	40.03	47.13
(ii) Number of break-downs	NA	379	1326
(iii) Break-down for 10,000 Kms	1.20	0.94	2.81
(iv) Break-down per day	NA	1.04	3.63
(v) Position of break-down in other State Transport Undertakings per 10,000 Kms			
(a) Assam	2.30	2.4	2.57
(b) Himachal Pradesh	0.51	0.60	NA
(c) North Bengal	1.50	1.50	NA
(d) Tripura	2.88	NA	NA

The Corporation attributed the break-downs due to the following reasons :

- (a) Tyre puncture,
- (b) Defect in fuel pumps,
- (c) Brake failure, and
- (d) Mechanical defects.

The Corporation had not analysed the reasons for steep increase in break-down during 1983-84.

8. Accidents

The details of accidents during the 3 years period ending 31st March 1984 were as below :

	1981-82	1982-83	1983-84
(i) Kms operated (in lakh)	30.04	40.03	47.13
(ii) Number of accidents	16	21	42
(iii) Accidents per 1 lakh Kms	0.47	0.52	0.89

The accidents were analysed as under:

	1981-82	1982-83	1983-84
(a) Fatal	2	2	2
(b) Other	14	19	40
(c) Total	16	21	42

The accidents were attributed by the management to the following :

- (a) Negligence of drivers,
- (b) brake failure, and
- (c) dashing by private trucks.

The position of accidents per 1 lakh Kms in other States were follows :

	1981-82	1982-83	1983-84
(a) Assam	0.27	0.35	0.53
(b) Himachal Pradesh	0.27	0.20	NA
(c) Tripura	1.10	NA	NA
(d) North Bengal	0.20	0.20	NA

(iv) The compensation including *ex-gratia* payments made during last 3 years ending 31st March 1984 was as below :

Year	Number of cases	Amount (In lakhs of rupees)
1981-82	2	0.02
1982-83	59	1.85
1983-84	9	0.08

The position of pending claims was not available with the Corporation.

9. Procurement and performance of tyres, tubes, etc.

(a) There was no system to assess monthly, quarterly or annual requirements for tyres in the Corporation until March 1983. In most cases materials were procured from the manufacturers/dealers on the basis of the requirements received from the Chief Automobile Engineer. Supply orders were issued *ex post facto* to regularise the procurement. Out of 11 cases test checked, value of the individual supply order was between Rs.0.20 lakh and Rs.0.50 lakh in two cases, Rs.0.50 lakh and Rs.1 lakh in five cases and Rs.1 lakh and Rs.1.50 lakhs in four cases.

In some cases, advances were made and subsequently adjusted on receipt of the materials and final bills. In three cases advances amounting to Rs. 1.58 lakhs were paid to Firm E against supply order of July (Rs. 0.43 lakh), September 1980 (Rs. 0.91 lakh), and March 1981 (Rs. 0.24 lakh) for supply of 20,40 and 17 number of tyres, tubes and flaps. The firm had neither supplied the material nor refunded the amount till August 1985.

The receipt and issue of tyres as per store records during the 3 years ending 31st March were as follows :

	1981-82		1982-83		1983-84	
	New	Retreaded	New	Retreaded	New	retreaded
Receipt	837	62	1143	185	1246	227
Issue	722	57	1191	100	1238	227

Neither proper accounts showing opening balances, receipts, issues and closing balances were kept nor maximum/minimum limit and ordering level were fixed by the Corporation.

(b) As per norm, the new tyre was required to cover 25,000 to 28,000 kilometres while a retreaded tyre was to cover 15,000 kilometres. The average performance of new tyres for the 3 years period ending 31st March 1984 was 21,358 Kms, 10,675 Kms and 23,514 Kms respectively.

The corresponding performance in other State Transport Undertakings was as under :

	1981-82	1982-83	1983-84
	(In kilometres)		
Himachal Pradesh	20,735	20,320	NA
Assam	42,158	40,366	41,300
North Bengal	48,750	48,750	NA
Tripura	13,166	NA	NA

The lower performance of new tyres was attributed by the management to be due to hilly and bad conditions of roads.

The performance of new tyres in 50 cases test checked in audit was found very poor which ranges in 11 cases below 2,000 Kms, 7 cases from 2,001 to 6,000 Kms, 27 cases from 6,001 to 10,000 Kms, and 5 cases from 10,001 to 13,000 Kms and in all these cases the norm fixed by the Corporation could not be achieved. The Corporation had not investigated the reasons for premature failure of new tyres.

Similarly the kilometrage obtained from retreaded tyres test-checked was also found to be very low when compared to the norm as indicated below:

Kilometres obtained	Number of tyres
Below 5,000 Kms	7
5,001 to 10,000 Kms	15
10,001 to 13,000 Kms	1

No compensation was ever realised/claimed from the firm/firms in case of poor performance of retreaded tyres.

10. Non-accountal of stores and spare parts

The following deficiencies were noticed in the maintenance of the stores accounts :

(i) Neither priced stores ledger had been maintained in the Head Office nor any quantity account was kept in the stores Accounting Section. Bin Cards for periods prior to 1980-81, if maintained (not produced to audit for verification) had not been linked with the new cards.

(ii) In many cases new bin cards were opened during 1980-81 and 1981-82, the opening balances were not taken into account.

(iii) No physical inventory has even been taken.

(iv) The balances of stores handed over by the Assam State Transport Corporation have also not been brought into account.

(v) The quantity of spares and stores issued to workshop and maintenance centres were never reconciled with material consumption statement.

(vi) No consumption statement was ever sent by any of the maintenance centres. There was thus no check/control over proper utilisation of stores and spares.

As per statement furnished by the store sections, purchases were made in excess of immediate requirement as shown below:

	1981-82	1982-83	1983-84
	(In lakhs of rupees)		
Procurement	24.41	36.60	24.81
Consumption	19.75	34.13	NA
Excess procurement	<u>4.66</u>	<u>2.47</u>	<u>NA</u>

The Corporation has not yet prepared any inventory to show the value of accumulated balances. In the absence of any stores ledgers, the correctness of receipts, issues and balances could not be ascertained in Audit.

The Meghalaya Transport Corporation Rules 1976 provide that physical verification of all assets once a year is to be conducted. Since its incorporation physical verification was conducted only once in 1978-79 which indicated that there was excess of some stores (Rs.5,471.39) and shortage of other stores (Rs.14,052.81) but there was no indication how those excesses/shortages were determined.

The stores taken over on 18th June 1977 from Assam State Transport Corporation were physically verified in March 1982 and the position was reported as under:

Name	Quantity as per taking over statement (June 1977)	Quantity found after physical verification (March 1982)
Tata spares	96 items	15 items
Leyland spares	96 items	15 items
Ambassador spares	84 items	17 items
Tools	283 items	33 items
General stores	62 items	4 items

The actual shortages in quantity and the value were not assessed. It was stated (December 1984) that these stores were not issued but kept locked in the godown. The stores transferred included tyres and tubes which were purchased by the Assam State Transport Corporation and remained unutilised during that period were taken over by the Corporation in April 1981 for use on jeeps. These tyres and tubes, however, were not utilised and were disposed of in auction for Rs.97,000 in September 1982. The other transferred stores were also in the process of disposal. The reasons why those spare parts were not taken into stock account and issued to jobs were not on record. No investigation was also conducted in order to fix responsibility.

The Internal Auditor of the Corporation was asked to verify the physical balance during 1981-82. No inventory was prepared but reports submitted from time to time revealed various irregularities.

The Internal Auditor in his report (June 1983) pointed out that though the Bin Cards were opened from 1982 by taking into account the opening balances, the previous cards were not tagged with new cards. 153 sets of various types of spring leaves were found short. No reasons for shortages were attributed. Besides 79 sets of spring leaves and 508 number of G. P. sheets were found in the godown which were not included in the taking over statement of June 1977.

During 1981-82 to 1983-84 more than half of the spare parts were purchased from a single firm of Calcutta at manufacturer's list prices as shown below:

	1981-82	1982-83	1983-84	Total
	(In lakhs of rupees)			
Total purchase	24.42	36.60	24.91	85.93
Purchase from Calcutta firm	12.97	25.68	13.37	52.02

It would be seen from the above table that purchases made from the Calcutta firm worked out to 60.05 *per cent* of the total purchases during the three years ended 1983-84.

The Corporation could have saved Rs.9.36 lakhs by obtaining minimum 18 *per cent* discount if the purchases had been made from the manufacturer direct who allows 18 to 22 *per cent* discount on the rate list. Reasons for not obtaining the benefit of discount on rate list were not found on record.

II. Fabrication and renovation of bus bodies

(a) Though the Corporation has a body building section in its Central workshop, it could not, so far, undertake fabrication of bus bodies mainly due to absence of adequate skilled mechanics, and working space. The work, therefore, was being got done from outside firms after inviting open tenders.

The Purchase Committee recommended (28th May 1981) acceptance of rates of a firm 'G' for fabrication of bus body on 22 Tata and 27 Leyland chassis. The rates of firm 'H' also were recommended and accepted by the Board (2nd June 1981). Order was placed (21st September 1981) on firm 'G' for fabrication of 17 numbers of Tata, 5 numbers of Leyland (District Type) and 3 numbers of Leyland (Delux type) bus bodies who had already 5 numbers of bus bodies in hand. As per terms and conditions of agreement, the completed vehicles were required to be delivered within 120 working days from the date of delivery of the chassis failing which penalty at Rs. 100 per day per bus (District type) and Rs. 200 per day per bus (Delux type) was to be recovered,

Seventeen Tata-chassis (7 in July, 5 in August and 5 in September 1981 respectively) and eight Leyland chassis (3 in August 1981 and 5 in January 1982 respectively) were handed over to firm 'G'. The firm, however, failed to maintain the delivery schedule and only 2 complete buses were delivered on 8th June 1982. Consequently, 7 numbers of Tata and 5 numbers of Leyland chassis were withdrawn in July 1982 and allotted to another firm 'I' on 17th July 1982 at higher rates involving an extra expenditure of Rs. 0.44 lakh.

Though the amount of Rs.0.44 lakh was recoverable from firm 'G' under the Risk Purchase Clause of the agreement, no such claim was lodged by the Corporation with the firm. Reasons for not lodging the claim were not on record.

Besides, a penalty of Rs. 5.57 lakhs was leviable on the firm 'G' because of delay (ranging from 28 days to 508 days) in delivery of completed vehicles against which Rs. 2.93 lakhs were realised up to 31st December 1982. On a request from the firm (5th July 1983) for waiving of the penalty for delay which was due to uncertain political situation in Assam, non-receipt of raw materials from outside the State, heavy power cuts, formation of a labour union in the factory and strike and go-slow movement of the workers, the penalty was reduced (August 1983) to Rs. 1 lakh only. Accordingly the Corporation refunded (10th August 1983) Rs.1.93 lakhs without obtaining approval of the Board.

Reasons for which refund was made without the approval of the Board were not on record.

The Corporation received six Leyland chassis (cost: Rs.11.05 lakhs) from the authorised dealer of the manufacturer. An amount of Rs. 0.24 lakh was also paid (July 1981) to the dealer for transportation of chassis from Ranchi to Shillong. The dealer, however, did not transport the chassis and the work was executed by another firm to whom an amount of Rs.0.16 lakh was paid as transportation charges. The authorised dealer agreed to refund the amount (January 1983). The refund is yet to be received (August 1985).

(b) The Corporation has not so far (August 1985) undertaken any renovation work in its workshop. Eleven vehicles were sent during the period from September 1981 to June 1982 to firm 'E' for renovation of bodies (actual cost of repair was Rs. 4.14 lakhs as against the estimated cost of Rs. 3.79 lakhs) without inviting tenders.

As per terms of the work order the body builder was required to return the dismantled materials to the Corporation. No record showing receipt of such dismantled materials was available with the Corporation. However, these 11 vehicles were received during December 1981 to March 1983.

12. Account of lubricating oil

(a) The stock position of lubricating oil as per records maintained in the stores was as under:

	1981-82	1982-83	1983-84
	(in litres)		
Opening balance	1,020	52	1,120
Receipt	25,315	29,725	28,275
Total:	26,335	29,777	29,395
Issue	26,283	28,657	29,355
Closing balance:	52	1,120	40

The issues and closing balances do not reflect the correct position as issues statements of certain centres were received late and incorporated in the next year's account. The certificates of balances were not also obtained soon after close of the year to reconcile the position.

(b) Preservation and sale of lubricating oil

As per norms fixed by the Corporation 25 per cent of the lubricating oil issued is required to be salvaged for disposal to re-refining units of oil companies. Test check in audit of records maintained by the Corporation revealed that the sale of burnt oil was abnormally low as compared to the quantities available as per prescribed norm resulting in a loss of revenue amounting to Rs.19,814 as detailed below:

Year	Quantity issued	Quantity to be salvaged (in litres)	Quantity actually salvaged and disposed of	Shortfall	Value of shortages (Rupees)
1981-82	26,283	6,570.75	3,690.00	2,880.75	3,500
1982-83	28,657	7,164.25	820.00	6,344.25	7,738
1983-84	29,355	7,338.75	1,845.00	5,493.75	8,576
Total:	84,295	21,073.75	6,355.00	14,718.75	19,814

Adequate arrangement has not been made in most of the maintenance Centres and Central workshop for the salvage of the burnt oil.

13. Other points of interest

(a) Misappropriation of revenue

The Corporation issues "No objection certificates" to private truck owners for carriage of goods on the nationalised route (Guwahati-Shillong) on payment of fees and concessional tickets to students. On a check by Internal Audit (July 1983) it was revealed that certain money receipt books, cash challans and a cash book (for the period from 1st January 1981 to 21st September 1981) were missing. The Internal Auditor in a report (September 1983) pointed out a misappropriation of Rs.0.63 lakh (Rs.0.16 lakh on account of student concessional bus fare from 12th June 1981 to 31st March 1983 and Rs.0.47 lakh on account of "No objection certificates" issued to private truck owners from 28th September 1981 to 31st March 1982). The matter was reported to Police (November 1983) and Government (February 1984) at the instance of Audit. The General Manager of the Corporation suspended the concerned dealing Assistant on 26th September 1983 and the Cashier on 6th June 1984. Police investigation was still in progress (August 1985).

(b) Payment of demurrage and wharfage charges

The Corporation had an out agency agreement executed in September 1981 with the N. F. Railway, Guwahati for transportation of goods between New Guwahati to Shillong. The Corporation had engaged staff for loading and unloading of goods at New Guwahati and for transporting the goods to and from Shillong by its own trucks. In many cases, the Corporation failed to clear the wagon or take delivery of the goods within the free time allowed by the Railways for which the Railways submitted claims amounting to Rs.29.27 lakhs (demurrage : Rs.0.54 lakh and wharfage charges : Rs.28.73 lakhs) pertaining to the period from January 1977 to March 1983.

Out of this, Rs.21,838.20 were paid to the N. F. Railway on 22nd March 1982. Waiver or payment of the remaining claims was still pending (August 1985); however, the agreement was discontinued from 1st April 1983.

(c) Accident compensation

(i) Vehicle No. MLX 153 met with an accident on 9th September 1978 causing death to 9 and injuring 46 passengers. Three claims were lodged with the Motor Transport Claims Tribunal for compensation.

The Tribunal issued award on 7th November 1982 directing the Corporation to pay compensation of Rs.34,045, Rs.24,000 and Rs.4,000 respectively to the claimants within 4 months. The amount was paid on 10th December 1982.

(ii) Bus No. MLX 222 met with an accident on 30th August 1982 causing death to 16 persons and injuring 24 persons. The General Manager sanctioned *ex-gratia* payment at Rs.3,000 each to the next of the kins of the deceased persons and Rs.500 each to the 22 persons injured. Subsequently Rs.3,600 was paid to the next of the kin of another injured person who later died and Rs.200 each to 3 more passengers who were injured. A sum of Rs.59,000 was paid on 7th September 1982 to the various claimants. The damaged vehicle (cost :Rs.1.79 lakhs and book value: Rs.1.22 lakhs) was disposed of at Rs.28,000 by tender.

The vehicles were insured with an Insurance Company with the provisions of third party/passengers risk insurance. But no claim was lodged with the insurer for refund of the compensation paid.

The loss of Rs.0.94 lakh on sale of vehicle could have been made good by covering the vehicles under comprehensive risk insurance by paying a slightly higher rate of premium which was not considered by the Corporation.

The matter was reported to Government/the Corporation in September 1984; replies were awaited (March 1985).

8 2.6 Other Points of Interest

Meghalaya State Electricity Board

1. Non-realisation of hire charges

On receipt (October 1979) of an application from a Calcutta based firm duly recommended by the Superintending Engineer, Mangaldoi Circle (Irrigation), Government of Assam, the Board gave four items of its heavy machinery on hire to the firm (entrusted with the work of construction of a barrage in Assam) for periods varying from one to two months (December 1979 and February 1980). The firm paid Rs.0.38 lakh (December 1979) as advance hire charges in terms of the agreements.

The period of hire was extended from time to time up to August 1981 as per request of the hirer. No advance hire charges were realised for the periods of extension.

The firm had paid Rs.0.30 lakh (in addition to the advance) against Rs.4.02 lakhs due (including Rs.0.16 lakh as cost of damaged/missing parts) for the period from December 1979 to August 1981. The firm agreed (March 1981) to pay the balance amount after settlement of some of their bills pending with the Irrigation department of the Government of Assam.

On enquiry it was learnt from the Irrigation department that the firm had failed to execute the allotted work in time and that heavy claims were pending against the firm. The machinery was brought back (August 1981) to workshop by the Board for which an amount of Rs.0.29 lakh was spent. The Chief Engineer of the Board suggested (August 1982) that legal action against the firm should be initiated for non-payment of the outstanding hire charges. Further development was awaited (August 1985).

The matter was reported to Government/the Board (July 1984); replies were awaited (August 1985).

2. Idle outlay

(a) Mention was made in paragraph 8.4 of the Report of the Comptroller and Auditor General of India for the year 1981-82 regarding suspension of all construction works of Upper Khri Diversion Project of the Board from August 1980 pending settlement of the issue of payment of land compensation raised by the Durbar of the Syiem of Nongkhlaw.

It was noticed in audit (June 1984) that although the construction work of the project remained suspended, the division purchased store materials for Rs.42.11 lakhs during the period from September 1980 to March 1983 for use in construction works of the Upper Khri Diversion Project.

Besides, the division had received by transfer, stores worth Rs.3.87 lakhs from Kyrdekulai Hydro Electric Project on 21st May 1980 for use in the Upper Khri Diversion Project.

Out of the materials worth Rs.45.98 lakhs, the division transferred materials worth Rs.10.94 lakhs up to March 1983 and Rs.15.43 lakhs during 1983-84 to various other divisions leaving an unutilised balance of materials worth Rs.19.61 lakhs (March 1984).

Injudicious purchase/procurement of materials after suspension of activities of the project resulted in an idle outlay of Rs.19.61 lakhs. The matter regarding continuance of the division was kept in abeyance (October 1984) by transferring staff to another division.

(b) It was also noticed in audit (June 1984) that a drilling pump was purchased in August 1982 from a Calcutta firm at Rs.0.53 lakh.

The pump was lying unutilised since its procurement (August 1982) due to suspension of the Project activities (August 1980). Thus, order and purchase of the drilling pump without ascertaining the actual requirement had resulted in an idle outlay of Rs.0.53 lakh.

The matter was reported to the Board/Government (August 1984) ; replies were awaited (March 1985).

SECTION III

8.3 Government Companies

8.3.1 Introduction

There were nine Government Companies (including three subsidiaries) in the State as on 31st March 1984 as at the end of the year ending 31st March 1983.

8.3.2 Compilation of accounts

Only two companies *i. e.* Meghalaya Mineral Development Corporation Limited and Meghalaya Watches (Private) Limited finalised their accounts for the year 1983-84 and for the year ended 31st December 1983 respectively. A synoptic statement showing the summarised financial results of Meghalaya Mineral Development Corporation Limited, Meghalaya Government Construction Corporation Limited, Mawmluh-Cherra Cements Limited, Meghalaya Watches (Private) Limited based on their latest available accounts is given in Appendix 8.2. The accounts of seven Government Companies (including two subsidiaries) were in arrears (August 1985) for the period noted against each:

Name of Companies	Extent of arrears
1. Meghalaya Tourism Development Corporation Limited	1977-78 to 1983-84
2. Meghalaya Handicrafts Development Corporation Limited (Subsidiary of Meghalaya Industrial Development Corporation Limited)	1979-80 to 1983-84
3. Mawmluh-Cherra Cements Limited	1980-81 to 1983-84
4. Forest Development Corporation of Meghalaya Limited	1980-81 to 1983-84
5. Meghalaya Industrial Development Corporation Limited	1980-81 to 1983-84
6. Meghalaya Bamboo Chips (P) Limited (subsidiary of Meghalaya Industrial Development Corporation Limited)	1981-82 to 1983-84
7. Meghalaya Government Construction Corporation Limited	1981-82 to 1983-84

The position of arrears in the finalisation of accounts were last brought to the notice of Government in September 1984.

8.3.3 Paid-up capital

The aggregate paid-up capital in nine Government companies (including three subsidiaries) which was Rs. 13,47.42 lakhs as on 31st March 1983, increased to Rs. 14,58.92 lakhs as on 31st March 1984 as detailed below :

Particulars	Number of Companies	Invested by			Total
		State Government	Central Government	Others	
(In lakhs of rupees)					
(1) Companies wholly owned by State Government	5	1339.56	...	10.67	1350.23
(2) Companies jointly owned with the Central Government	1	58.69	20.00	...	78.69
(3) Subsidiaries	3	5.00	...	25.00	30.00
Total :	9	1403.25	20.00	35.67	1458.92

8.3.4 Loans

The balance of long-term loans outstanding in respect of three companies (excluding subsidiaries) as on 31st March 1984 was Rs. 953.69 lakhs (State Government : Rs. 68.68 lakhs, other parties : Rs. 885.01 lakhs) as against Rs. 954.03 lakhs as on 31st March 1983.

8.3.5 Guarantees

The State Government had guaranteed the repayment of loans (and payment of interest thereon) raised by Forest Development Corporation of Meghalaya Limited (Rs. 20 lakhs) and Mawmluh-Cherra Cements Limited (Rs. 665 lakhs) and the amounts outstanding thereagainst as on 31st March 1984 amounted to Rs. 20 lakhs and Rs. 653 lakhs respectively.

No guarantee commission was payable to Government by any of the companies.

8.3.6 Performance of the companies

Of the two companies which finalised their accounts during the year, one company, viz., Meghalaya Mineral Development Corporation Limited was under construction and the expenditure incurred was capitalised.

The following table gives the details of paid-up capital and profit of the other company, viz., Meghalaya Government Construction Corporation Limited which had finalised the accounts for the year 1980-81 with the comparative figures for the previous year :

Year	Paid-up capital	Profit	Percentage of profit to paid-up capital
	(In lakhs of rupees)		
1979-80	28.14	0.37	1.31
1980-81	28.14	0.10	0.36

The Company did not declare any dividend during the year.

Section 619 (4) and 619 (5) of the Companies Act, 1956 require that the auditor of a Government Company shall submit a copy of his audit report to the Comptroller and Auditor General of India whose comments upon or supplement to the audit report shall be placed before the annual general meeting of the company at the same time and in the same manner as the audit report.

The annual accounts of the Mawmluh-Cherra Cements Limited for the years 1978-79 and 1979-80 together with auditor's report thereon were, however, adopted in the Annual General Meeting of the Company without the comments of the Comptroller and Auditor General of India which contravened the provisions of the Companies Act, 1956.

8.4 Expansion Project of Mawmluh-Cherra Cements Limited

8.4.1 Introductory

The Cement Factory was established in 1966 with an installed capacity of 82,500 tonnes of cement per annum. The original plant having a capacity of 250 tonnes of clinker per day was commissioned in November 1966 at a total cost of Rs. 344.56 lakhs. The Company considered (May 1964) expansion of the plant to make the unit economically viable and to enable it to fully utilise the available raw materials in the State, viz., limestone and coal. A feasibility-cum-project report for expansion of the plant to 930 tonnes of clinker per day, estimated to cost Rs. 451.97 lakhs was prepared in 1966 and approved by the Company in August 1967.

8.4.2 Project estimates

Mention was made in paragraph 79.2 of the Chapter VIII of the Report of the Comptroller and Auditor General of India for the year 1973-74—Government of Meghalaya, about frequent revision of the project estimates of the expansion project which rose from Rs. 451.97 lakhs (August 1967) to Rs. 653.46 lakhs (March 1974). The table below indicates the subsequent revision of the estimates and the actual expenditure up to 31st December 1984:

Items	Original estimates as per Technical consultants June 1975	Revised estimates					Expenditure up to 31st December 1984
		January 1977	September 1977	October 1978	February 1979	December 1981	
(In lakhs of rupees)							
1. Land and site development	27.00	24.35	30.60	29.30	25.30	49.01	32.05
2. Buildings (plant and colony)	220.99	243.99	275.89	369.47	385.67	435.03	421.20
3. Plant and machinery	544.56	529.54	556.60	557.05	557.87	512.02	491.91
4. Technical know-how fee	26.00	26.00	28.00	30.00	30.00	30.00	24.26
5. Miscellaneous fixed assets	54.30	59.80	59.80	59.80	59.80	58.37	34.70
6. Pre-production expenses	59.40	68.60	61.60	102.86	124.86	274.09	158.67
7. Contingency/margin money/working capital	47.25	28.35	6.50	4.50	10.00	5.00	...
Total:	980.00	980.63	1,018.99	1,152.98	1,197.50	1,363.52	

The management attributed the following reasons for frequent revision in estimates:

- (i) delay in completion of the project,
- (ii) escalation in the price of manufactured items, and
- (iii) escalation in the price of building materials like steel, cements, etc.

8.4.3. Execution of the project

As per approved feasibility-cum-project report (1966) the schedule of works consisted of (a) placing orders for plants and machinery (August 1967), (b) inviting tenders for civil construction works (December 1967), (c) award of civil construction works (February 1968), (d) completion of deliveries of plant and machineries (February 1969), (e) completion of erection of plant and machinery (December 1969), and (f) commencement of operation (January 1970). The Company, however, failed to maintain the scheduled periods and some of the items of works were still incomplete. The Company appointed (March 1974) a Calcutta firm as technical consultant who prepared (February 1975) a supplementary project Report which was accepted and approved (June 1975) by the Company. The scheduled dates of different works according to the supplementary project Report and the actual position as on 31st March 1985 are given below :

Sl No.	Description of plants	Schedule date of completion	Actual date of completion	Reasons for delay
1.	Erection of limestone crushing plant	April 1976	June 1979	(i) As the machinery components had been stored for several years under adverse climatic condition of Cherrapunjee, considerable time had to be expended in overhauling and renovating the equipment at the various stages of the erection work. (ii) Temporary closure of the work site during the peak monsoon months.
2.	Limestone transport from crushing plant to storage hall	April 1975	June 1979	(i) Same as at serial number 1 above.
3.	Erection of clay wash mill	December 1975	50 per cent completed (July 1985)	As the plant will be required only when the factory will run at its installed capacity, the balance work will be taken up and completed by November 1985.
4.	Clay transport from wash mill to clay silo	April 1976	95 per cent completed (July 1985)	Same as at serial number 3 above.
5.	Erection of raw mill	February 1976	June 1978	Same as at serial number 1 above.

Sl No.	Description of plants	Schedule date of completion	Actual date of completion	Reasons for delay
6.	Water collection and distribution system	December 1976	June 1979	Delay in supply of machinery by the suppliers.
7.	Erection of slurry basin	December 1975	95 per cent completed (July 1985)	Same as at serial number 3 above.
8.	Erection of coal dryer	April 1977	Deliveries completed by 1980. Erection completed 95 per cent (July 1985)	The balance work will be completed by December 1985. The delay was due to late receipt of the necessary drawings and technical details from the equipment suppliers.
9.	Coal transport, storage and handling	September 1981	Not completed as the machinery was not received	The delay was due to failure of the machinery suppliers to supply the equipment in time due to labour unrest at their work. The party has been reminded to despatch the materials without further delay now that they have resumed normal production.
10.	Rotary Kiln erection :			
	1st	April 1976	1978	Same as at serial number 1 above.
	2nd	April 1977	July 1985	The delay was also due to modification and rectification works that had to be taken after proper studies with the consultants.
11.	Erection of cement mill and completion of cement mill silos	March 1977	1979	Same as at serial number 1 above.
12.	Cement packing plant	April 1977	Delivery of machineries completed by March 1984. Erection not completed (July 1985)	95 per cent) of the work was completed as at 31st March 1985. The delay was mainly due to late arrival of the erection engineer of the equipment suppliers whenever his presence is needed at site along with the necessary drawings. The balance work will be completed by November 1985.

8.4.4 Supply and erection of main plant

(a) Supply of plant

The supplier of the plant had guaranteed replacement, rectification or repair, free of cost, of any of the component/parts of the machinery or equipment found defective during operation. The guarantee was valid for six months from the date of commissioning but not later than 18 months from the date of despatch. The supply of machinery was completed by March 1974. Delay in supply was attributed by the company to non-availability of wagons, transshipment of non-dimensional machinery during monsoon and road blockade.

Even prior to identification/linking up of the non-assembled components of the plant and machineres supplied, the supplier requested (October 1973) for the release of final payment of Rs.6.47 lakhs. The company, however, agreed (November 1973) to release the payment provided a bank guarantee of the similar amount up to December 1976 was furnished by the supplier. The supplier furnished (December 1973) the Bank guarantee up to June 1975 and in consideration, the company made (January 1974) the final payment of Rs.6.47 lakhs.

Certain defects in the plant and machinery were noticed and reported (July 1975) to the supplier. The supplier refused to rectify the defects on the ground that the guarantee period had expired. The Company spent Rs.3.19 lakhs for rectification of defects.

Reasons for which the defects found in the plant and machinery were not brought to the notice of the supplier within the guarantee period were not on record.

The complete list of machinery supplied was not received by the company from the supplier. A list prepared by the consulting Engineers in 1974 on the basis of their preliminary survey at the time of erection revealed that 48 items of equipments (value: Rs.3.21 lakhs) were found missing and another 42 items (value not assessed) short supplied. The items found short were, however, replaced by the supplier without payment. The company stated (April 1985) that they had lodged claims for missing items with the Insurance Company.

(b) Erection of plant

As per the terms of the contract the work was due for completion by June 1973 which was extended to April 1975. The first kiln was commissioned in June 1978. The following points were noticed in audit:

(i) No liquidated damages for the delay in completion of the work as per the agreement (14th March 1972) were levied for the delays in supply of plant and machinery, drawings, completion of civil works, etc., which resulted in payment of compensation of Rs.6.50 lakhs to the erection contractor and interest charges amounting to Rs.25,295 at the rate of 17 *per cent* per annum on account of delay in making payment in 9 instalments starting from October 1975.

(ii) The delay in completion of work also resulted in payment of overrun charges amounting to Rs.2.40 lakhs at the rate of Rs.20,000 per month for the period from 1st January 1977 to 31st December 1977.

(iii) The Company incurred an infructuous expenditure of Rs.1.40 lakhs towards cost of staff maintained by the contractor for the period from 1st January 1978 to 31st July 1978 though erection was completed in December 1977. At the time of releasing (August 1978) the payment, the company had, however, withheld Rs.42,000 on account of non-completion of certain items of work.

(iv) The performance of the erection contractor was unsatisfactory as the Company pointed out several defects. The cost of rectification of those defects amounted to Rs.0.38 lakh for which no recovery was made from the erection contractor as the claim was preferred after the expiry of warranty period.

(v) The remaining work of erection left by the erection contractor was assessed at Rs.25,000 by the Company in October 1978 which was entrusted ((January 1983) to another contractor for Rs.8.25 lakhs. The work which was to be completed within 90 days from the date of payment of the advance (February 1983) was in progress ((March 1985).

(vi) Due to delay in erection, the Company had to incur storage-cum-erection and insurance charges amounting to Rs.6.36 lakhs for the period from 1st April 1977 to 30th June 1984 (policy covered up to 28th September 1984) as the expansion scheme was originally scheduled to be commissioned in March 1977.

8.4.5 Supply and erection of coal drying plant

An order for supply and erection of coal dryer plant of 20 tonnes per hour capacity was issued to a firm in February 1977 at Rs.39.50 lakhs for supply and Rs.4.25 lakhs for erection with a stipulation that the supply had to be completed by July 1978 and erection by November 1978. The price was subject to escalation both for labour and material. The supply of machinery was completed by June 1980 due to power cut, strike and delay in payment of second instalment of advance to the firm.

The erection work was not started up to March 1981 due to delay in supply of machinery, completion of civil works, and transportation of equipment from New Bongaigoan Railway Station. Due to delay in execution of the work the contractor claimed in December 1980 Rs.7.40 lakhs for idle labour charges, escalation in steel, interest on idle materials, tools, etc. for which the Company agreed (December 1982) to pay Rs.5.88 lakhs, out of which an amount of Rs.2.95 lakhs was paid on 10th March 1981. For the balance payment to contractor no information was made available.

Due to abnormal delay in the completion of the civil work, the erectors left the site in April 1983 leaving a certain portion of work incomplete which was estimated at Rs.75,300. The left over work was entrusted by the Company to another contractor at a cost of Rs.2,05,000 on single tender basis. This resulted in an extra expenditure of Rs.1,29,700.

The erection work was in progress (July 1985).

8.4.6 Supply of dry coal transport system

Order for dry coal transport system was placed with a firm in November 1980 for Rs.3.11 lakhs less 10 per cent discount. The delivery period was 6-8 months from the date of receipt of technically and commercially clear order with 30 per cent advance. The advance of Rs.0.84 lakh was paid on 16th January 1981. The Company incurred (December 1982) escalation charges of Rs.70,000 due to delay in sending the drawings and in payment of advance. The machinery has not yet been supplied (March 1985).

8.4.7 Supply and erection of packing plant

(a) *Supply*: On the advice of the consulting engineers, tenders were invited (January 1975) for a complete packing plant (estimated cost: Rs.30 lakhs) to meet the increased packing requirement of 900—930 tonnes of cement per day as against the existing capacity of 600-650 tonnes. Only one tender was received (4th March 1975) from firm 'A' of Bombay for Rs.7,38,100. As the quotation was found incomplete as regards to non-furnishing of earnest money, fresh tenders were invited (June 1975) from five selected firms. In response to tender enquiry only one tender was received from the same firm 'A' (September 1975) for Rs.8,33,600 with accessories but excluding certain items (16 in all). The offer was accepted and order was placed in April 1976.

In January 1976, firm 'A' was asked by the Consulting Engineers to quote for the rest 14 items which in turn offered (February 1976) five items at a cost of Rs.5,04,426. The offer was accepted in July 1976. For the remaining nine items, five selected firms were asked to quote in July 1976. In response, firm 'B' and firm 'A' quoted (September 1976) at Rs.9.30 lakhs for five items and Rs.16.80 lakhs for all 9 items respectively. As the main items were ordered with firm 'A', orders for the remaining nine items were placed with them on 18th January 1977, which resulted after allowing discount, in an extra expenditure of Rs.3.46 lakhs on 5 items (the difference of firm 'B' quoted rates of Rs.9.30 lakhs which were supplied by firm 'A' at Rs.13.14 lakhs including discount at 10 *per cent*). Thus, the total cost of the packing plant worked out to Rs.31.33 lakhs (including two more items of Rs.1.15 lakhs ordered in September 1977 on firm 'A').

The supply due by October 1977 was completed by September 1981 which adversely affected the erection schedule but no penalty could be levied in the absence of any penalty clause in purchase orders. It was stated (March 1985) by the Company that the suppliers was not agreeable for inclusion of liquidated damage clause in the supply orders.

(b) *Erection*: Tenders for the erection of packing plant were invited in September 1979 required to be opened on 30th November 1979. There was neither proper record of receipt of tenders nor the actual date of opening

the tenders was on record. This was stated (June 1980) to be due to disturbed situation in the entire North Eastern Region and also due to the absence of the Controller of Stores and Purchase. None of the tenderers furnished earnest money. The lowest rate of Rs.3.25 lakhs of a firm of Madras (valid up to 10th May 1980) was revised on 7th May 1980 to Rs.4.25 lakhs. The order was placed on the firm (September 1980) at a negotiated rate of Rs.3.90 lakhs. The work which was to be completed by February 1981 had not been completed so far (July 1985) due to the following reasons :

- (i) there was delay by firm 'A' in supply of machinery parts which was completed by September 1981,
- (ii) civil work was either incomplete or defective till December 1982,
- (iii) supervision of plant supplier was not available on many occasions, and
- (iv) there was delay in submission of the detailed drawings of the machinery by the suppliers.

Due to unusual delay in erection, the erectors demanded 25 *per cent* escalation in February 1982 and 30 *per cent* in September 1982 on account of increase in the price of steel. An escalation of Rs.70,000 was agreed to in October 1982 together with lump sum compensation of Rs.25,000 for transportation of tools and tackles as well as working team and were paid in October 1984 though the escalation clause was withdrawn from the contract.

8.4.8 Purchase of dumper

Though the requirement of dumpers as assessed in October 1975 was 8, piece-meal orders were placed with firm 'C'. Purchase of dumpers had to be made at different dates according to need and price prevailing during that period. First order was placed in September 1977 at a cost of Rs.4.28 lakhs while second order was placed in October 1978 at revised rate of Rs.4.47 lakhs against the rate of Rs.4.38 lakhs offered in August 1978 (dumper received in January 1979). Again the firm was approached in November 1980 when 100 *per cent* advance payment of Rs. 6.75 lakhs was demanded (November 1980) for availability of consign-

ment in May 1981. Order, however, was placed in April 1982 on an advance payment of Rs.7.47 lakhs against which supply was made in July 1982 at a cost of Rs.7.46 lakhs (the excess of Rs. 0.01 lakh was refunded in October 1982). This resulted in extra expenditure of Rs.0.80 lakh.

8.4.9 Purchase of air compressors

Five firms quoted their rates for air compressors in August 1973. Their rates were as per Director General of Supplies and Disposals rate contract. The rate quoted by the firm 'D' was the third lowest. Recommendation for purchase of 2 air compressors from firm 'D' was, however, made by the General Manager (Works) of the Company in March 1974 at the rate of Rs.53,200 each and accordingly order was placed. By this time, the price had undergone revision effective from 1st April 1974 to Rs.74,700 each. Order was, therefore, revised.

Thus, the delay in placing the order resulted in an extra expenditure of Rs.0.43 lakh.

8.4.10 Performance of Main Plant

(a) The performance of individual sections of plant, *i.e.*, actual production compared to guaranteed output during the years of operation is given below :

Section of the plant	Guaranteed output	(Year : July to June)					
		Average actual production					
		1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
		(In tonnes)					
1. Crusher (per hour)	200	...	101.70	86.81	93.07	115.77	105.5
2. Raw mill (Slurry) (per hour)	55	33.59	61.67	58.11	43.78	53.62	55.6
3. Kiln (per day)	340	241.85	232.94	245.88	278.57	292.92	293.28
4. Cement mill (per hour)	36	29.88	30.29	29.70	24.87	26.81	32.03

It would be seen that the performance of the different sections of the plant except Raw mill (Slurry) is less than the guaranteed output. The shortfall was stated mainly due to short supply of inputs and frequent power failures.

(b) The table below indicates the actual hours taken and norms for the maintenance of the main plants for the last 5 years :

Plants	Norms of stoppage for main- tenance	Actual stoppage (Year : July to June)					
		1979-80	1980-81	1981-82	1982-83	1983-84	1984-85 (Up to March 1985)
		(In days)					
1. Crusher (New)	52	162	148	149	161	70	81
2. Raw mill (New)	35	285	261	222	249	85	94
3. Kiln (New)	35	205	131	124	125	74	70
4. Cement mill (New)	35	279	238	197	203	63	60

The stoppage of the plant for maintenance was far in excess of the norms prescribed by the suppliers. The reasons assigned by the Company (April 1985) for excess stoppage over the norms were poor supply of limestone, inadequate supply of coal, poor quality of coal, shortage of manpower for kiln operation, breakdown of H.T. meters, frequent stoppage of old Raw mill.

(c) As per the Project Report prepared by the Consulting Engineers, the annual production target of Cement mill (new) was 2.85 lakh tonnes. The table below indicates the actual production and the guaranteed capacity for the five years ending June 1984 :

Year	Guaranteed capacity	Actual production	Percentage of actual production to guaranteed capacity
(In lakh tonnes)			
1979-80	2.85	0.54	18.95
1980-81	2.85	0.85	29.82
1981-82	2.85	0.95	33.33
1982-83	2.85	0.85	29.82
1983-84	2.85	0.96	33.68

Reasons for low production were stated to be :

- (i) delay in the commissioning of the plant and machinery, and
- (ii) breakdown of Crusher, etc.

(d) Based on 330 days of operation in a year (except 313 days in a case of crushers), the table below compares the guaranteed output of different sections of the plant to required capacity in order to produce 2.85 lakh tonnes of cement (annual production [target] per annum.

	Guaranteed output	Output for 2.85 lakh cement
	(In tonnes)	
1. Crusher	10.02	4.11
2. Raw mill (slurry)	4.36	4.40
3. Kiln (clinker)	3.37	2.82
4. Cement mill	2.85	2.85

Thus, the installed capacity of the crushers was more than double the required capacity ($10.02 - 4.11 = 5.91$) to produce 2.85 lakh tonnes of cement. The existing crusher was not in operation from the date of commissioning the new crusher (June 1979). Neither any action for disposal of the surplus old crusher had so far been taken nor any reasons for non-operation were placed on record (March 1985).

6.4.11 Civil works

(a) A firm of Bombay was appointed in 1968 for civil construction works of the expansion scheme. The work which was required to be completed (March 1970) was not completed (July 1973) due to delay in furnishing of drawings by the consultants, failure of the Company to procure steel in time or to give permission for open market procurement and non-erection of machinery. The final value of the works payable to the firm was Rs. 95.31 lakhs (including lump sum compensation of Rs. 15 lakhs). The final payment was made on 7th November 1973 without deduction of liquidated damages for delay which works out to Rs. 1,07,692. A sum of Rs. 96,534 was, however, recovered from the retention money, thus leaving a sum of Rs. 11,158 which could not be recovered.

(b) Technical consultants of the Company prepared (1975) the tender documents for the civil works at an estimated cost of Rs. 70 lakhs. The tenders were invited (February 1975) and opened on 30th May 1975. The lowest of the 3 tenders received was for Rs. 76.82 lakhs. The Tender Committee decided (6th July 1975) to retender as the consultant did not submit drawings and detailed estimates. The Company prepared a schedule of rates which was based on the rates quoted by the lowest tenderer and were 50 *per cent* more than the P.W.D. rates (1975). In response to notice inviting tenders (19th December 1975) five local firms quoted and work was awarded to 4 of them for completion within 18 months at a total cost of Rs. 125.24 lakhs as against the revised estimated cost of Rs. 93 lakhs.

The following irregularities were noticed in audit:

- (i) non-acceptance of lowest tender received in May 1975 (valued at Rs. 76.82 lakhs), delay in re-tendering by 7 months, and consequent delay in awarding works at a higher rate as compared to the lowest offer resulted in an avoidable expenditure of Rs. 48.42 lakhs;
- (ii) instead of completing the work within 18 months from the date of award the contractors took 48 to 60 months and some items of work were still to be completed (July 1985);
- (iii) no register of works was maintained to watch item-wise progress of expenditure against the estimates and to see that no work has been taken up without sanction and whether the expenditure was within the sanctioned estimate;
- (iv) measurement books were not issued serially. The entries in the measurement books were also not made chronologically. It was observed by the Manager of the Company in August 1979 that no check of measurements except calculation in respect of arithmetical accuracy was exercised. The quantities recorded therein also exceeded the estimated quantities in many cases. The payments were also made without recheck of measurements by the firm 'L' appointed (January 1981) for the purpose. A sum of Rs. 16.15 lakhs was paid on

different dates up to 16th October 1980 to firm 'H' but re-measurements were taken by firm 'L' in December 1981. An amount of Rs.23.50 lakhs was paid to firm 'I' up to 30th June 1979. The measurements were taken by the firm 'L' in June 1982;

- (v) contractors' ledger was not maintained properly. It started recording materials and their value issued to the contractors from the data available in the stores without reference to indents issued. This resulted in omission of the recovery of materials issued and their value. Issue of steel (November 1978) amounting to Rs.63,650 was not recorded in the contractors' ledger;
- (vi) there was no fool proof system for the recovery of the value of materials issued to the contractors. In certain cases materials were directly procured by the contractors and consumed in the works without routing through the stores and no account showing the quantity procured, expenditure incurred, quantity consumed and value thereof together with particulars of the work was available;
- (vii) in respect of certain works taken over by the Company, viz., administrative building, technical building, yard toilets, workshop extension, stores extension, etc., neither completion report was prepared nor final bills prepared. The details of expenditure was not worked out. Defects were also reported in many items of works, and some of them were rectified. Technical Consultants also pointed several defects on 22nd July 1979;
- (viii) firm 'H' claimed Rs.53.78 lakhs (on account of price escalation : Rs.19.71 lakhs, blockade of capital: Rs.6.63 lakhs, and supply of materials : Rs.27.44 lakhs) in 1979 which was disputed by the Company. Consequently, the matter was forwarded (October 1983) to arbitration and the arbitrator found the claims (March 1984) in favour of the contractor on the following grounds:

- (i) delay in supply of drawings and materials,
- (ii) delay in finalisation of sites,
- (iii) lack of supervisory staff,

- (iv) delay in payment of bills, and
- (v) procurement of required steel in the open market by the contractor though the contractor was not required to procure it as per the terms of the contract.

8.4.12 Summing up

(i) According to the supplementary project report (February 1975) 12 different works of the expansion project were to be completed by September 1981 but 6 works were incomplete even by July 1985.

(ii) The Company spent Rs.3.19 lakhs on rectification of main plant equipment the guarantee period of which had expired before commissioning. The Company had not recovered from the Insurance Company the value (Rs.3.21 lakhs) of 48 items of equipments found missing from supplier (May 1984).

(iii) (a) For delay in starting the work of erection of the main plant, the Company had to pay Rs.6.50 lakhs as escalation to the erection contractor.

(b) The work of erection of the plant was delayed till July 1978 and the Company had to pay Rs.3.80 lakhs to the erection contractor as overstorage charges for the period from 1st January 1977 to 31st July 1978.

(c) The defects in the erection work were rectified by the Company at a cost of Rs.3.57 lakhs but no recovery was made from the erection contractor.

(d) Erection work left incomplete by the contractor assessed at Rs.0.25 lakh was entrusted by the Company to another contractor in January 1983 for Rs.8.25 lakhs. The work was in progress (March 1985).

(e) The Company incurred expenditure of Rs. 6.36 lakhs on storage-cum-erection insurance for the period from 1st April 1977 to 30th June 1984 due to delay in erection.

(iv) The contractor for supply and erection of coal drying plant scheduled for completion in November 1978 left the work incomplete in April 1983 and the left over work estimated at Rs. 0.75 lakh was entrusted by the Company to another contractor for Rs. 2.05 lakhs.

(v) Due to delay in sending drawings and payment of advance to the firm which was to supply dry coal transport system, the Company had to incur escalation charges of Rs. 0.70 lakh.

(vi) The Company agreed to pay escalation charges of Rs. 0.70 lakh to the erection contractor for packing plant when the erection could not be completed in time due to delay in supply of machinery by another contractor, although there was no escalation clause in the contract.

(vii) The performance of crusher plant, kiln and cement mill of the plant during the period from 1978-79 to 1984-85 was less than the guaranteed output.

(viii) The hours of stoppage of the crusher, raw mill, kiln and cement mill during the years 1979-80 to 1984-85 was far in excess of the norms prescribed by the suppliers.

(ix) Actual production of cement mill during the years 1979-80 to 1983-84 was low and ranged from 18.95 to 34.87 per cent of the guaranteed capacity.

(x) Non-acceptance of lowest tender for certain civil works, delay in retendering and awarding the works resulted in avoidable expenditure of Rs. 48.42 lakhs.

(xi) Avoidable expenditure of Rs. 26.34 lakhs was incurred by the Company on price escalation (Rs. 19.71 lakhs) and blockade of capital (Rs. 6.63 lakhs) claimed by the contractor for construction of Industrial buildings because of delay in finalisation of sites, supply of drawings and materials, payment of bills, etc.

The above points were reported to the Company/Government in October 1984; replies were awaited (May 1985).

8.5 *Other Topics of Interest*

Meghalaya Watches (Private) Limited

Loss of stores

The Company receives watch components from Hindustan Machine Tools Limited (HMT), Bangalore for assembling of watches in its factory for which the Company gets assembling charges. The company returns the assembled watches to HMT alongwith rejected components.

Physical verification of stores conducted (April 1982) jointly by the representative of HMT and the officials of the Company disclosed shortages of watch components worth Rs. 0.32 lakh. The value of the lost stores was paid (June 1982) to the HMT and the loss was finally written off (August 1982) by the Company.

No claim for compensation of the loss of stores was lodged with the Company's insurers as the claim under the burglary policy could not be sustained in view of the possibility of involvement of staff in theft, pilferage, etc. Responsibility for the shortages was also not fixed.

The management stated (July 1984) that proper verification of stores could not be conducted due to heavy pressure of work. Claims for shortage of components were not lodged with the insurance company in view of possibility of involvement of staff. However, necessary preventive measures, such as physical checking of staff after duty, frequent verification of stock by respective section incharge, proper maintenance of stock accounts and maintenance of subsidiary stock register have been taken. Reply from Government was awaited (August 1985).

SECTION IV

8.6 **Departmentally-Managed Government Commercial and Quasi-Commercial Undertaking**

As on 31st March 1984 there was only one departmentally-managed Government Commercial Undertaking in the State viz., Pine Wood Hotel.

The Accounts of the Undertaking are in arrears since the year ended 31st December 1979.

The matter was last reported to Government in October 1984; reply was awaited (March 1985).

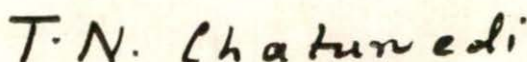


(S.K. PODDER)

Accountant General (Audit),
Assam, Meghalaya, Arunachal
Pradesh and Mizoram

Shillong,
The

Countersigned



(T. N. CHATURVEDI)

Comptroller and Auditor
General of India

New Delhi,
The 14-10-86

APPENDICES

APPENDIX 2.1

(Reference: Paragraph 2.2.03, page 14)

Grants/Appropriations where excess requires regularisation**(a) Voted Grants**

REVENUE

Sl No.	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.

1.	3— Council of Ministers	38,98,000	42,02,874	3,04,874
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Excess occurred mainly under “A—Salary of Ministers and Deputy Ministers—(i) Salary of Ministers and Ministers of State” and “F—Other Expenditure (ii) For Ministers and Ministers of State”. Reasons for the excess have not been communicated (October 1985).

2.	8—State Excise	31,23,000	32,41,939	1,18,939
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Excess occurred mainly under “A—Direction and Administration—(C) District Establishment—Sixth Schedule (Part-II) Areas”. Reasons for the excess have not been communicated (October 1985).

3.	9—Sales Tax and—1— Other Taxes and Duties on Commodities and Ser- vices	25,10,000	25,97,059	87,059
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Excess occurred mainly under “A—Direction and Administration (a) Directorate Level Organisation” and “B—Collection Charges (A) District Level Offices—Sixth Schedule (Part II) Areas”. Reasons for the excess have not been communicated (October 1985).

Sl No.	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
4.	16—Police, Fire Protection and Control, Housing—C—Government Residential Buildings, Capital Outlay on Public Works and Capital Outlay on Housing	10,40,24,000	10,63,60,886	23,36,886

Excess occurred mainly under “F—District Police (a) District Executive Police—Sixth Schedule (Part II) Areas” and (f) Expenditure on Police check-post in Indo—Bangladesh Border—General”. Reasons for the excess have not been communicated (October 1985).

5.	24—Pension and other Retirement Benefits	52,98,164	91,48,268	38,50,104
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Excess occurred mainly under “A—Superannuation and Retirement Allowance, C—Retiring Gratuity and F—Family Pension for State Government employees—General”. Reasons for the excess have not been communicated (October 1985).

6.	27—Medical, Family Welfare, Public Health, Sanitation and Water Supply — A — Public Health and Sanitation, etc.	8,99,11,225	11,36,96,343	2,37,85,118
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Excess occurred mainly under “280—Medical—II—Medical Relief—(b) Ganesh Das Hospital (including improvement thereof). Sixth Schedule (Part II) Areas, (k) Other existing and new Dispensaries with or without indoor facilities—Sixth Schedule (Part II) Areas, (1) Other existing new Primary Health Centres and Sub-centres with indoor facilities—Sixth Schedule (Part II) Areas, 281—Family Welfare—II—Mass Education—(e) Multipurpose works Scheme (including training and employment of personnel under Multipurpose works Scheme)—Sixth Schedule (Part II) Areas and 282—Public Health, Sanitation and Water Supply—II—Prevention and Control of Diseases—(A) Malaria—Sixth Schedule (Part II) Areas”. Reasons for the excess have not been communicated (October 1985).

Sl No.	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)

7.	28—Public Health, Sanitation and Water Supply— B—Sewerage, etc.	2,59,35,000	5,96,04,258	3,36.69,258
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Excess occurred mainly under 282—Public Health, Sanitation and Water Supply—B—Sewerage and Water Supply “5—Suspense (a) Stock and Other Suspense Account—Sixth Schedule (Part II) Areas”. Reasons for the excess have not been communicated (October 1985).

8.	31—Urban Development— A—General—II—Town and Regional Planning, etc.	62,71,000	62,90,603	19,603
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Excess occurred mainly under 284—Urban Development “I—Direction and Administration”. Reasons for the excess have not been communicated (October 1985).

9.	37—Social Security and Welfare—E—Other Social Security and Welfare, etc.	1,93,040	1,97,624	4,584
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Excess occurred mainly under 288—Social Security and Welfare “A—Other Programme—State Soldiers’, ‘Sailors’ and Airmen’s Board”. Reasons for the excess have not been communicated (October 1985).

10.	40—Secretariat Economic Services, etc.	26,26,000	28,98,138	2,72,138
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Excess occurred mainly under 296—Secretariat Economic Services “A—Planning Board and attached offices—(b) State and District Planning Board—General”. Reasons for the excess have not been communicated (October 1985).

11.	45—Agriculture, Minor Irrigation, Other Social and Community Services, etc.	5,54,62,000	5,76,68,937	22,06,937
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Excess occurred mainly under 306—Minor Irrigation “F—Suspense—(a) Stock and other Suspense”. Reasons for incurring expenditure without any provision under this head have not been communicated (October 1985).

Sl. (No.)	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3) Rs.	(4) Rs.	(5) Rs.
12.	46—Minor Irrigation— II— Works under Embankment and Drainage Wing P.W.D., etc.	7,90,000	12,90,987	5,00,987

Excess occurred under 333—Irrigation, Navigations, Drainage and Flood Control “G—Flood Control and Anti-Sea Erosion Projects—Each Flood Control Project—(a) (ii) Maintenance—Sixth Schedule (Part II) Areas”. Reasons for the excess have not been communicated (October 1985).

Capital

13.	19—Secretariat—General Services—II—Public Works Department, etc.	4,55,65,000	4,90,33,473	34,68,473
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Excess occurred mainly under “459—Capital Outlay on Public Works—C—Construction (a) Functional non-residential buildings under General Services—Sixth Schedule (Part II), Areas, 477—Capital Outlay on Education—B—Secondary Education—Buildings, 480—Capital Outlay on Medical—A—Medical—Allopathy—II—Medical Relief—Sixth Schedule (Part II) Areas” and “483—Capital Outlay on Housing—A—Construction (a) upgradation of Standard of Administration—Sixth Schedule (Part II) Areas”. Reasons for the excess have not been communicated (October 1985).

14.	27—Medical, Family Welfare, Public Health, Sanitation, and Water Supply, etc.	55,35,000	81,93,231	26,58,231
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Excess occurred mainly under “480—Capital outlay on Medical—A—Allopathy—I—Medical Relief (a) Buildings—Sixth Schedule (Part II) Areas.” Reasons for the excess have not been communicated (October 1985).

15.	28—Public Health, Sanitation and Water Supply—B—Sewerage	9,83,22,000	9,88,46,048	5,24,048
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Excess occurred mainly under 482—Capital outlay on Public Health, Sanitation and Water Supply—“D—Other Rural Water Supply Schemes—Sixth Schedule (Part II) Areas”, “A—Accelerated Rural Water Supply Schemes—Sixth Schedule (Part II) Areas” and “C—Rural piped Water Supply Schemes—Sixth Schedule (Part II) Areas”. Reasons for the excess have not been communicated (October 1985).

Sl. No.	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
16.	56—Village and Small Industries—II—Small Industries, etc.	73,40,000	1,09,40,000	36,00,000

Excess occurred mainly under 521—Capital Outlay on Village and Small Industries “C—Handicrafts—Share Capital Contribution to Meghalaya Handicraft Development Corporation”. Reasons for incurring expenditure without provisions under this head have not been communicated (October 1985).

(b) Charged Appropriation

17.	Appropriation—Public Service Commission	10,23,000	10,41,054	18,054
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Excess occurred under 251—Public Service Commission “State Public Service Commission—General”. Reasons for the excess have not been communicated (October 1985).

APPENDIX

(Reference: Paragraph 8.2.1,

Summarised financial results

(Figures in column 6 to

Sl No.	Name of the Corporation	Name of the Department	Year of incorporation	Period of accounts	Total capital invested
(1)	(2)	(3)	(4)	(5)	(6)
1.	Meghalaya State Electricity Board	Power (Electricity)	1975	1982-83	8514.81
2.	Meghalaya State Ware-Housing Corporation	Co-operation	1973	1983-84	45.12
3.	Meghalaya Transport Corporation	Transport	1976	1977-78	76.54

Notes: (1) Capital employed represents net fixed assets (excluding

(2) Capital invested represents long-term loans plus free paid-up Capital plus free reserves plus long-term loan for

8.1

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of Statutory Corporations

12 are in lakhs of rupees)

Profit(+) Loss(—)	Total interest charged to profit and loss accounts	Interest on long term loans	Total on capital invested (7+9)	Capital employed	Total return on capital employed (7+8)	Percentage of total return on capital invested	Percentage of total return on capital employed
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
115.44	559.01	559.01	674.45	6352.17	674.45	7.92	10.62
(+)0.11	...	...	0.11	42.31	0.11	0.24	0.26
(—)39.99	6.11	6.11	...	24.42	...	...	...

Capital work-in-progress) plus working capital.

reserves less intangible assets for Meghalaya State Electricity Board, and
Meghalaya State Warehousing Corporation.

APPENDIX

(Reference: Paragraph 8.3.2)

Summarised Financial

(Figures in column 6 to 10)

S/ No.	Name of the Company	Name of the Department	Date of incorporation	Period of accounts	Total capital invested
(1)	(2)	(3)	(4)	(5)	(6)
1.	Meghalaya Mineral Development Corporation Limited	Mines and Minerals	31st March 1981	1983-84	9.00
2.	Meghalaya Government Construction Corporation Limited	Works and Housing	26th March 1979	1980-81	28.42
3.	Mawmluh-Cherra Cements Limited	Industries	20th May 1955	1979-80	1466.42
4.	Meghalaya Watches(P) Limited	Industries	7th August 1979	1983	37.16

Note: 1. Capital employed represents net fixed assets

2. Capital invested represents paid-up capital plus

8.2

Page 144)

results of Government Companies

and 12 are in lakhs of rupees)

Profit(+) Loss(-)	Total interest charged to profit and loss accounts	Interest on long term loan	Total return on capital invested (7+9)	Percentage of total return on capital invested	Capital employed	Total return on capital employed (7+8)	Percentage on total return on capital employed
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(Under construction					7.30	...	...
(+)0.10	...	...	0.10	0.35	28.14	0.10	0.36
(-)46.17	38.87	38.87	...	...	187.70	...	...
(-)5.74	1.44	1.44	...	...	27.32	...	...

plus working capital.

long-term loan plus free reserves at the close of the year.

228

●

10

