सत्यमेव जयते

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

FOR THE YEAR 1979-80

GOVERNMENT OF MEGHALAYA

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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1979-80 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 1979-80.

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 1979-80 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 1979-80 have also been included, wherever considered necessary.

3. The points brought out in this Report are not intended to convey or to be understood as conveying any general reflection on the financial administration by the department/bodies/authorities concerned.

CHAPTER I

GENERAL

1.1 Summary of transactions

The receipts and expenditure of the Government of Meghalaya for the year 1979-80 are given below alongside the corresponding figures for the preceding year :—

	1978-79	1979-80
	(in crores of rupees)	
I. Consolidated Fund		
(i) Revenue—		
Revenue Receipts	55·01	60·40
Revenue Expenditure	40·40	45·95
Revenue Surplus (+)	(+) 14·61	(+) 14·45
(ii) Public Debt (net)		
Receipts	2·88	3·34
Repayments	0·82	0·24
Increase (+)	(+) 2·06	(+) 3·10
(iii) Capital Expenditure—		
Increase (—)	(—) 12·18	(—) 16·30
(iv) Loans and Advances—		
Recoveries	0·70	0·38
Disbursements	1·13	0·99
Net outgo (—)	(—) 0·43	(—) 0·61
(v) Inter-State Settlement—		
Net outgo (—)	Nil	(—) 0·48
(vi) Transfer to the Contingency Fund—		
Increase (—)	(—) 0·75	Nil
II. Contingency Fund (Net)		
Increase(+)/ Decrease(—)	(+) 0·75	...
III. Public Account		
Receipts	2,66·99	3,39·52
Disbursements	2,66·36	3,41·58
Increase(+)/ Decrease(—)	(+) 0·63	(—) 2 06
Net of I to III { Surplus(+) / Deficit(—)	(+) 4·69	(—) 1·90
Opening Cash Balance	(—) 6·25	(—) 1·56
Closing Cash Balance	(—) 1·56	(—) 3·46*

* The closing cash balance given above includes Rs. (—) 3·46 crores under "Deposits with Reserve Bank" while the figure intimated by the Reserve Bank of India was (Rs. (—) 2·35 crores). Out of the net difference of Rs.1·11 crores (credit), Rs.1·16 crores (credit) has since been reconciled. The remaining net difference of Rs.0·05 crore (debit) is under reconciliation (May 1981).

1.2 Revenue surplus

The estimates of the revenue receipts as per budget and the actual receipts during 1979-80 alongside corresponding figures for the two preceding years are given below. No new tax was levied during the year save for subjecting "Gur and Molasses" also to sales tax at 7 per cent.

Year	Budget	Budget taking into account changes in revenue	Actuals receipts	Percentage variation of actuals over budget
		(in crores of rupees)		
1977-78	42·63	42·83	48·11	(+) 12
1978-79	53·42	53·42	55·01	(+) 3
1979-80	58·73	58·77	60·40	(+) 3

The estimates of expenditure on revenue account as per budget and as modified by supplementary provisions as also the actual expenditure during 1979-80 alongside the corresponding figures for 1977-78 and 1978-79 are given below:—

Year	Budget	Budget modified by supplementary provisions	Actuals	Percentage variation of actuals over modified estimates
		(in crores of rupees)		
1977-78	36·88	41·38	37·93	(—) 8
1978-79	42·43	44·02	40·40	(—) 8
1979-80	47·54	51·03	45·95	(—) 10

While the receipts in 1979-80 exceeded the estimates by Rs.1·63 crores, the expenditure fell short of the modified estimates by Rs.5·08 crores and the year ended with a revenue surplus of Rs.14·45 crores as against Rs.11·19 crores estimated in the original budget for the year. Comments on savings in expenditure are given in Chapter II.

1.3 Analysis of revenue receipts

The major components of revenue received during 1979-80 are given in Appendix 1·1 alongside the corresponding figures for the previous year.

According to the Government, the following measures were taken during 1979-80 for mobilisation of additional resources (including post-budget measures):—

	Expected yield of revenue during 1979-80 (in lakhs of rupees)
(i) Increase in the rate of sales tax with effect from 1st April 1979 on (i) ready-made garments (other than cotton) from 1 per cent to 6 per cent (ii) items like fountain pen, umbrella, hollow block and cement from 6 per cent to 7 per cent (iii) on India made "foreign liquor" from 25 per cent to 40 per cent, (iv) on items like perfume and electrical goods from 7 per cent to 10 per cent and (v) on country spirit from 14 per cent to 15 per cent	8·94
(ii) Imposition of sales tax on gur and molasses at 7 per cent with effect from 1st April 1979	0·32
(iii) Increase in the rate of purchase tax on timber from 7 per cent to 15 per cent with effect from 1st August 1979	3·76
(iv) Increase in the rate of Registration fees by 25 per cent with effect from 29th November 1979	0·10
Total—	13·12

The actual revenue collected during 1979-80 against the estimated receipt of Rs.13·12 lakhs has not been intimated (May 1981).

Grants of Rs.46·19 crores received by the State Government from the Government of India constituted 76 per cent of its total revenue receipts for the year. It was 80 per cent for the preceding year. As compared to the preceding year the significant variations in receipts are given below:—

(i) The increase in Land Revenue from Rs.1·91 lakhs in 1978-79 to Rs.10·58 lakhs in 1979-80 was on account of better collection of arrears during the year.

(ii) The increase in receipts of Sales Tax from Rs.1·60 crores in 1978-79 to Rs.1·97 crores in 1979-80 was partly the result of increase in rates of sales tax on a number of items (including mainly liquor, perfumes and electrical goods) and in rates of purchase tax on timber, all of which was expected to yield additional revenue of Rs.13 lakhs in 1979-80.

(iii) The increase of Rs.28·11 lakhs in interest receipts, which were Rs.80·86 lakhs in 1979-80, was the result of increase in investment of cash balances.

(iv) The decrease in Forest receipts from Rs.2·21 crores in 1978-79 to Rs.1·22 crores in 1979-80 was on account of less sale of timber and other forest produce during the year.

According to information furnished by the Government, collection of revenue of Rs.284·52 lakhs was in arrears as on 31st March 1980, as shown below:—

Nature of revenue	Amount (in lakhs of rupees)
(i) Taxes on goods and passengers	1,72·25
(ii) Sales Tax	68·93
(iii) Electricity duty	15·97
(iv) Royalties on mines and minerals	25·93
(v) Co-operation	1·44

Information about arrears in collection of revenue is still awaited from the Departments of Revenue, Forest, Excise and Transport (May 1981).

1.4 Expenditure on revenue account

The expenditure on revenue account during the year 1979-80 under the principal service sectors and under Plan and non-Plan headings alongside the provision of funds made thereunder is given in Appendix 1.2. The expenditure generally showed an increasing trend.

The Plan expenditure on land records had gone up from Rs 2·76 lakhs in 1978-79 to Rs.18·30 lakhs in 1979-80 on account of taking up of Cadastral survey by the Directorate of Land Records. The charges on collection of motor vehicles taxes registered a drop on acount of non-execution of minor works and non-installation of weigh bridge during the year.

Of Rs.4.56 crores expended on Plan side on Social and Community Services, Rs.1·30 crores were on Education, Rs.76 lakhs on Medical, Rs.31 lakhs on Family Welfare, Rs.60 lakhs on Public Health, Sanitation and Water Supply, Rs.23 lakhs on Government Residential Buildings, Rs.15 lakhs on Welfare of Scheduled Tribes, Rs.34 lakhs on Social Welfare and Rs.45 lakhs on relief road works. Compared to the previous year, on Education the expenditure decreased by Rs.45 lakhs, by Rs.7 lakhs on Medical, by Rs.8 lakhs on Public Health, Sanitation and Water Supply and by Rs.15 lakhs on Welfare of Scheduled Tribes. There were increases by Rs.13 lakhs on Family Welfare, by Rs.4 lakhs on Government Residential Buildings, by Rs.12 lakhs on other Social Welfare expenditure and by Rs.49 lakhs on Relief on account of Natural Calamities. The notable increase in non-Plan expenditure in 1979-80 was on Education by Rs. 1 crore over the expenditure of Rs.4·42 crores in 1978-79.

Compared to preceding year, in 1979-80, under General Economic Services, Plan expenditure on Special and Backward Areas decreased from Rs.53 lakhs to Rs.20 lakhs, on Soil and Water Conservation from Rs. 24 lakhs to Rs.3 lakhs and Animal Husbandry from Rs.13 lakhs to Rs.1 lakh while it increased on Co-operatives from Rs.48 lakhs to Rs.57 lakhs. The non-Plan expenditure increased by Rs.15 lakhs mostly on regulating and promoting co-operatives.

Compared to preceding year, in 1979-80, under Agriculture and Allied Services, the Plan expenditure increased by Rs.77 lakhs, mostly on manures and fertilisers (from Rs.9 lakhs to Rs.15 lakhs), high yielding varieties programme (from Rs.5 lakhs to Rs.13 lakhs), new schemes for small and marginal farmers and agricultural labour (Rs.15 lakhs), soil conservation schemes (from Rs.1,11 lakhs to Rs.1,35 lakhs), dairy development (from Rs.8 lakhs to Rs.16 lakhs), forest conservation and development (from Rs.13 lakhs to Rs.23 lakhs), farm forestry (from Rs.2 lakhs to Rs.11 lakhs) and community development roads programme (from Rs.7 lakhs to Rs. 26 lakhs). Expenditure decreased on development of hill areas (from Rs.1,75 lakhs to Rs.1,41 lakhs), community development nutrition programme (from Rs.25 lakhs to Rs.15 lakhs) and rural road works community development programme (from Rs. 12 lakhs to Rs. 5 lakhs). Under 'other expenditure,' on rural works of community development programme, Rs.35 lakhs were expended against

negligible expenditure in 1978-79, consequent on execution of various schemes under Integrated Rural Development Programme. The increase in non-Plan expenditure was mostly on soil conservation schemes and decrease under "other expenditure" on Forests on account of adjustment of receipts for supply of timber to the Railways in earlier years as reduction of expenditure during the year.

Compared to preceding year, in 1979-80, the increase in Plan and non-Plan expenditure, taken together, under "Other Economic Services", occurred on Industrial Estates (from negligible amount to Rs.6 lakhs), small scale industries (from Rs.15 lakhs to Rs.24 lakhs), sericulture industries (from Rs.20 lakhs to Rs.28 lakhs), village and small industries 'other expenditure' (from Rs.7 lakhs to Rs.21 lakhs) on account of expansion of activities in Mendipathar Industrial Estate as well as in soap making section of training institute, supply of more rearing and spinning appliances for Eri industry, establishment of Regional Foreign Rapeseed Station and more expenditure on development of industrial areas during the year and on strategic and border roads (from Rs.57 lakhs to Rs.1,35 lakhs).

1.5 Capital expenditure

(i) The capital expenditure during the year 1979-80 under the principal service sectors and under Plan and non-Plan headings alongside the provision of funds made thereunder is given in Appendix 1.3.

Under General Services, Rs.70 lakhs were expended on Plan side on Public Works, mostly on works each costing less than Rs.25 lakhs.

Under Social and Community Services, the increase in Plan outlay compared to the previous year was mostly on rural piped water supply schemes (from Rs.1·62 crores to Rs.3·96 crores) and urban water supply schemes (from Rs.98 lakhs to Rs.2·09 crores).

Under Economic Services, the expenditure in 1979-80 was Rs.8.67 crores compared to Rs.8.29 crores in the preceding year mainly because of more outlay on Road and Water Transport (Rs.42 lakhs), on Roads and Bridges (Rs.47 lakhs) and on Flood Control Projects (Rs.31 lakhs) while there was less outlay on Industry and Minerals (Rs.88 lakhs).

1.6 Loans and advances by the Government

(i) The loans and advances disbursed and recovered by the Government during 1979-80, the budget estimates and budget as enhanced by supplementary provision, alongside the corresponding figures for the two preceding years, are given in Appendix 1.4.

Against loans of Rs.94 lakhs for Social and Community Services outstanding on 31st March 1980 (Rs.20 lakhs disbursed in 1979-80 mostly on low and middle income group housing schemes), no interest had been received in 1978-79 and 1979-80.

Under General Economic Services, against loans for Co-operation (Rs.13 lakhs disbursed in current year and total of Rs.57 lakhs outstanding at the end of the year) and loans for Rs.24·50 lakhs outstanding with Autonomous District and Regional Councils, no interest was received in 1979-80.

Under Agriculture and Allied Services, no fresh loans were disburesd in the last two years and no interest on the outstandings of Rs.13·50 lakhs was received in the last two years.

Against outstanding loan of Rs.35 lakhs given for small scale industries and Rs.6·7 crores to Electricity Board, which were outstanding on 31st March 1980, no interest was received during the year.

(ii) Roceoveries in arrears

Out of loans and advances to municipalities, local bodies, etc., recovery of Rs.2·37 lakhs (principal : Rs.0·98 lakh; interest : Rs.1·39 lakhs) due from the Shillong Municipality (over the last 8 years) was in arrears at the end of 1979-80.

Complete information on recovery of principal and interest of loans and advances, of which the detailed accounts are maintained by the departmental officers under the Government, had not been received (May 1981) from 14 such officers under 12 departments. The matter has been brought to the notice of the Secretaries to the departments of the Government demi-officially by the Accountant General.

According to information furnished by the Housing, Industries, Relief and Rehabilitation, Revenue and Co-operation departments, recovery of Rs.55·28 lakhs (principal : Rs.33·41 lakhs and interest : Rs.21·87 lakhs) was in arrears in respect of some of the loans, as shown below—

Category of loans	Loan advanced to end of March 1980	Amount overdue for recovery				Total due as on 31st March 1980
		For 1976-77 and earlier years	1977-78	1978-79	1979-80	
		(in lakhs of rupees)				
(i) Loans for low income group housing schemes	*					
Principal		5·34	...	...	...	5·34
Interest		4·19	0·06	0·01	...	4·26
(ii) Loans for middle income group housing schemes	*					
Principal		1·79	0·05	...	...	1·84
Interest		6·25	0·11	...	...	6·36
(iii) Industrial Loans	*					
Principal		7·08	0·42	0·17	...	7·67
Interest		2·71	0·13	0·05	...	2·89
(iv) Rehabilitation loans to displaced goldsmiths	*					
Principal		2·96	0·08	0·06	...	3·10
Interest		1·11	0·04	0·03	...	1·18
(v) Rehabilitation loans to displaced persons	*					
Principal		8·24	0·75	0·79	0·45	10·23
Interest		1·27	0·22	0·23	0·14	1·86
(vi) Loans to co-operative societies	*					
Principal		5·23	...	...	...	5·23
Interest		5·32	...	...	...	5·32
Total	*					
Principal		30·64	1·30	1·02	0·45	33·41
Interest		20·85	0·56	0·32	0·14	21·87

*Complete information is not available due to non-allocation between the two States of balance of loans outstanding prior to the formation of Meghalaya from erstwhile Assam.

(iii) Acceptance of balances of loans

The balances of loans and advances as per ledger maintained by the Accountant General are communicated to the concerned departmental officers responsible for maintaining detailed accounts, every year for verification, acceptance and confirmation. Confirmation of the balances communicated to them had not been received from the following departmental officers.

Nature of loans/ advances	Department concerned	Confirmation of acceptances awaited from departmental officers (number)	Earliest year from which acceptances are awaited	Amount outstanding on 31st March 1980
				(in lakhs of rupees)
(i) Loans to the Meghalaya State Electricity Board and the Assam State Electricity Board	Power	5	1970-71	1,18·00
(ii) Loans to Autonomous Districts and the Regional Councils	District Council Affairs	11	1971-72	27·00
(iii) Loans for Agriculture	Agriculture	10	1973-74	13·71
(iv) Loans for Housing	Housing	17	1973-74	67·01
(v) Loans to Co-operative Societies	Co-operation	10	1973-74	56·09
(vi) Loans for relief measures	Revenue	5	1973-74	10·63
(vii) Loans for Village and Small Industries	Small Scale Industry	48	1972-73	9·25
(viii) Loans to repatriates from Burma	Revenue	5	1974-75	2·62
(ix) Loans to Municipal Corporation	Municipal Administration	5	1971-72	4·31
(x) Loans for Welfare of Scheduled Tribes and Regional District Councils	Welfare of Scheduled Tribe	1	1977-78	6·15
(xi) Business loans for non-agriculturist families of new migrants from erstwhile East Pakistan	Relief and Rehabilitation	1	1977-78	0·18
(xii) Housing loans for non-agriculturist families of new migrants from erstwhile East Pakistan	Relief and Rehabilitation	1	1977-78	0·12

1·7 Sources of funds for capital expenditure and net outgo under loans and advances

The capital expenditure (Rs.16·30 crores) and the net outgo under loans and advances (Rs.0·60 crore) during 1978-79 were financed by the State Government mainly from Revenue Surplus (Rs.14·45 crores) and net addition to internal debt (Rs.1·34 crores) and loans and advances from Central Government (Rs.1·75 crores).

1·8 Debt position

(i) Summary of public and other debts outstanding at the end of the year (full particulars given in Statement No.16 of Finance Accounts 1979-80) and of the two preceding years is given below :—

	Public debt as on 31st March		
	1978	1979	1980
	(in crores of rupees)		
Market loans	8·60	8·60	9·98
Loans and advances from the Government of India	23·32	24·86	26·61
Other loans	0·72	1·24	1·20
Small Savings, Provident Fund, etc.	3·98(a)	3·51	4·37
Total	36·62(a)	38·21	42·16

(ii) *Deposit liabilities*: The debts mentioned above do not include earmarked and other funds as also certain deposits held by Government which it is liable to repay. The amount of such liabilities at the end of March 1980 was Rs.4·07 crores.

(iii) *Market loans* : A loan for Rs.1·38 crores was raised during the year 1979-80. It bears 6 per cent interest and is redeemable at par in 1989.

(iv) *Interest burden* : During 1979-80, Rs.1,30·73 lakhs were paid as interest on debt and other obligations and Rs.80·86 lakhs were realised as interest from loans given out, on investments, etc. The net interest charges (Rs.49·87 lakhs) represented 1·17 per cent of the total revenue receipts. Amounts of interest paid on Internal Debt, Provident Fund etc. and on loans from Central Government were Rs.0·62 crore, Rs.0·35 crore and Rs.0·34 crore against net addition to debt during the year of Rs.1·34 crores, Rs.0·86 crore, and Rs.1·75 crores respectively.

(a) Differs by Rs.+0·01 crore from the figures in the Audit Report for the year 1977-78 due to rouding off.

(v) *Ways and means advances and overdraft*: No ways and means advances was taken from the Reserve Bank of India or from the Central Government during the year.

(vi) *Short term debits and credits*:—Under the procedure for making payments on behalf of Central and other State Governments, Railways, Defence, Posts and Telegraphs and Supply Department of the Government of India and for recovering moneys from them, substantial amounts are paid out of the cash balance of the State Government and also moneys are received. While their long term net impact on the cash balances and the accounts (as reflecting all the annual transactions) should be marginal, for various reasons they have grown in size over the years. As at the end of March 1980, the net impact in respect of transactions adjusted under suspense heads was Rs. 3·14 crores (debit) but details of the transactions were not available from the Treasury Officers, Public Works divisions and various other agencies rendering services or making supplies. Likewise, the net impact of transactions adjusted under remittance heads was Rs. 1·28 crores (debit) but details of the transations were not available from the various treasury officers, Public Works and other divisions and other accounting authorities (details in Statement No.15 of Finance Accounts 1979-80).

1·9 Guarantees given by the Government

(i) The Government has guaranteed to third party lenders repayment of loans raised by statutory corporations, co-operative societies, etc. Such guarantees are in the nature of contingent liabilities on the State revenues. A summary of such contingent liabilities is given below. (Details are given in Statement No.5 of the Finance Accounts 1979-80).

Body on whose behalf guarantee was given	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1980
	(in lakhs of rupees)	
Statutory corporation (one)	21,95·00 *plus* interest	21,95·00
Government company (one)	6,65·00 *plus* interest	6,65·00
Co-operative societies (four)	43·00 *plus* interest	37·40 *plus* interest 1·12

In the last five years no guarantee had been invoked by any of the third party lenders.

1·10 Investments

During 1979-80, the Government invested Rs. 1·6 crores, in all, in Meghalaya Transport Corporation (Rs. 67 lakhs), Meghalaya Industrial Development Corporation (Rs. 74 lakhs), Meghalaya Handicraft Development Corporation (Rs. 3 lakhs) and co-operative societies (Rs. 16 lakhs).

The Meghalaya Transport Corporation, in which Rs.1·91 crores stand invested, has not prepared its final accounts since its formation in October 1976. The Mawmluh-Cherra Cements Limited, in which Rs. 7·40 crores stand invested, made a loss of Rs. 45 lakhs in the year ended 30th June 1977 after which results of working are awaited. Full details of the investments are given in Statement No.13 of Finance Accounts, 1979-80. Information on the net worth of the companies is awaited from the Government and results of working of co-operative societies (in which Rs. 2·15 crores stand invested) are awaited from the year 1976-77 onwards from the Department. No dividend was declared during 1979-80 by any of the Government companies, statutory corporations or co-operative societies.

1·11 Plan Performance

Against the provision of Rs. 17,50·79 lakhs for Plan expenditure under Revenue Section and Rs. 17,42·00 lakhs under Capital Section during 1979-80, the expenditure was Rs. 14,97·31 lakhs and Rs. 16,25·75 lakhs respectively. Against the provision for plan loans and advances of Rs. 1,02·69 lakhs during 1979-80, disbursement was Rs. 62·62 lakhs. The shortfall under Family Welfare was Rs. 21·38 lakhs, out of provision of Rs. 52·32 lakhs, due mainly to non-preparation of plans and estimates for construction of buildings, etc. reportedly on account of non-establishment of technical wing under the Engineering Cell. On Public Health, Sanitation and Water Supply, against provision of Rs. 1,13·85 lakhs, expenditure was only Rs.59·96 lakhs mainly due to less expenditure on "National Malaria Eradication Programme" and on Sewerage and Water Supply schemes because of change in the pattern of assistance by the Government of India from cent per cent to 50 per cent in respect of certain Centrally sponsored schemes and non-creation of division and sub-divisions, respectively. On Special and Backward Areas, against provision of Rs. 39·46 lakhs, expenditure was only Rs.20·26 lakhs mainly due to less expenditure on "Regional Foundation Seed

Potato Farm" and on "Regional Garden Horticultural Nursery for Citrus-cum-Store fruits" on account of non-implementation of some schemes. On Minor Irrigation, against provison of Rs. 88·00 lakhs, expenditure was only Rs. 60·50 lakhs mainly due to non-sanction of some schemes during the year. On Animal Husbandry, against provision of Rs.91·30 lakhs, expenditure was only Rs.68·87 lakhs due mainly to unfilled vacancies and non-construction of Directorate Building. On Village and Small Industries, against provision of Rs. 1,23·67 lakhs, expenditure was only Rs. 76·87 lakhs due mainly to non-implementation of the "scheme for subsidy towards capital to private industrial units" and "schemes for District Industrial Centre" in two districts of the State. On capital outlay on Public Works against provision of Rs.92·65 lakhs, expenditure was only Rs. 69·61 lakhs mainly due to non-finalisation of the scheme for "Upgradation of standards of Administration". On capital outlay on Special and Backward Areas, against provision of Rs. 2,34·30 lakhs, expenditure was only Rs. 1,58·66 lakhs due mainly to scarcity of building materials etc. On loans for power projects, against provision of Rs. 38·00 lakhs, there was no disbursement.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2·1 Summary

The expenditure was budgeted under 63 grants and 9 charged appropriations. Out of Rs. 50·07 crores for revenue expenditure (voted), there was a net saving of Rs. 3·98 crores, made up of a saving of Rs. 5·05 crores (10·09 per cent) in 49 grants and excess of Rs. 1·07 crores (2·14 per cent) in 9 grants. Out of Rs. 21·86 crores for capital expenditure (voted), there was a net saving of Rs. 3·86 crores, made up of a saving of Rs. 3·98 crores (18·21 per cent) in 14 grants and excess of Rs. 0·12 crore (0·35 per cent) in 1 grant. Out of Rs. 1·59 crores for revenue expenditure (charged), there was a saving of Rs. 0·12 crore, made up of a saving of Rs. 0·12 crore (7·55 per cent) in 4 charged appropriations and excess of Rs.5,943 only in 1 charged appropriation and, out of Rs. 3·13 crores for capital expenditure (charged), there was a saving of Rs. 2·89 crores (92·33 per cent) in 2 charged appropriations. Further details are given in Appendix 2·1.

The grants/appropriations where the excess/saving (of Rs. 5 lakhs or more) was beyond 10 per cent of the total provision, along with details of the excess/saving and reasons where available, are given below:

Serial number	Number and name of grant or appropriation	Amount of provision Original (O) Supplementary (S) Total (T)	Expenditure	(+) Excess (—) Saving (percentage of provision)
		(in lakhs of rupees)		
(i)	10—Taxes on Vehicles etc.	O. 22·85		
	(Revenue—Voted)	S. —		
		T. 22·85	16·55	(—) 6·30 (28%)

Only Rs. 6·26 lakhs were spent, against the provision of Rs. 10·32 lakhs for the District transport officers and Secretary, Regional Transport Authority, because of the post-budget decision not to instal weigh bridges. In the preceding year also there was a saving of Rs. 4·01 lakhs (40 per cent) on this item.

Serial number	Number and name of grant or appropriation	Amount of provision Original (O) Supplementary (S) Total (T)	Expenditure	(+) Excess (—) Saving (percentage of provision)
		(in lakhs of rupees)		
(ii)	11—Water and Power Development Services etc. (Capital—Voted)	O. 38·00		
		S. —		
		T. 38·00	Nil	(—) 38·00 (100%)

The entire provision of Rs. 38 lakhs remained unutilised due to non-release of funds to the Electricity Board as the Board floated a loan from the public to meet its requirement of funds.

(iii)	18—Stationery and Printing (Revenue—Voted)	O. 46·11		
		S. 1·12		
		T. 47·23	41·31	(—) 5·92 (13%)

There was a saving of Rs. 5·56 lakhs in respect of the machine printing branch under the Government, against provision of Rs. 10·51 lakhs.

(iv)	19—Secretariat-General Services, etc. (Revenue—Voted)	O. 2,38·71		
		S. —		
		T. 2,38·71	1,94·59	(—) 44·12 (18%)

Against provision of Rs. 1·68 crores for purchase of stock (under suspense account) and machinery and equipment etc., there was expenditure of Rs. 2·23 crores. Also, there was

excess of Rs. 30·84 lakhs over the provision of Rs. 61·96 lakhs on Direction and Administration. But recoveries on account of stores, machinery and equipment issued were Rs. 2·15 crores against anticipated amount of Rs. 0·94 crore.

Serial number	Number and name of grant or appropriation	Amount of provision Original (O) Supplementary (S) Total (T)	Expenditure	(+) Excess (—) Saving (percentage of provision)
		(in lakhs of rupees)		
(v)	19—Secretariat-General Services, etc. (Capital—Voted)	O. 2,97·67 S. — T. 2,97·67	1,56·88	(—) 1,40·79 (47%)

Against provision of Rs. 20 lakhs and Rs. 41 lakhs for up-gradation of standards of administration by construction of public works under General and Sixth Schedule Areas, there was no expenditure. Against provision of Rs. 36 lakhs for construction of buildings in Sixth Schedule Areas for upgradation of standards of administration also, there was no expenditure. Against provision of Rs. 32·50 lakhs for construction of major residential building works in Sixth Schedule Areas, the expenditure was only Rs. 17·32 lakhs. The reasons for these savings were stated to be non-finalisation of schemes. On construction of functional non-residential buildings in Sixth Schedule Areas, expenditure was only Rs. 45·85 lakhs against provision of Rs.57·55 lakhs because of non-finalisation of sites and non-availability of materials.

(vi)	20—Other Administrative Services, etc. (Revenue—Voted)	O. 59·68 S. — T. 59·68	50·19	(—) 9·49 (16%)

Against provision of Rs. 36·40 lakhs for creation and raising of Border Wing, Home Guards (General), the expenditure was Rs. 32·22 lakhs.

(vii)	24—Pensions and other Retirement Benefits (Revenue—Voted)	O. 21·00 S. — T. 21·00	14·22	(—) 6·78 (32%)

Saving was Rs. 2·50 lakhs out of provision of Rs.3·00 lakhs for payment of commuted value of pensions. Against provision of Rs·4·32 lakhs for payment of retiring gratuity, expenditure was Rs.2·31 lakhs.

Serial number	Number and name of grant or appropriation	Amount of provision Original (O) Supplementary (S) Total (T)	Expenditure	(+)Excess (—)Saving (Percentage of provision)
			(in lakhs of rupees)	
(viii)	28—Public Health, Sanitation and Water Supply, etc. (Revenue—Voted)	O 1,56·19 S 6·00 T 1,62·19	54·94	(—)1,07·25 (66%)

Against net provision (expenditure on purchases less recovery on issues) of Rs.17·00 lakhs for stock under 'Suspense', there was no expenditure but only recovery of Rs.52·59 lakhs. Against provision of Rs.15·00 lakhs for Rural Circle and executive establishment of the Superintending Engineer (Sixth Schedule Areas), the expenditure was Rs.2·94 lakhs. Saving was due to non-establishment of a new division and sub-divisions. Against provision of Rs.16·48 lakhs for major works of construction and maintenance of departmental non-residential buildings (Sixth Schedule Areas), expenditure was Rs.7·82 lakhs. Saving was due to non-taking up of some construction works owing to dearth of materials. There was no expenditure against a provision of Rs.5·00 lakhs for Water Pollution Control Board and Public Health Laboratory (Sixth Schedule Areas) due to non-establishment of Water Pollution Control Board.

(ix)	33—Labour and Employment. (Revenue—Voted)	O 43·86 S — T 43·86	27·21	(—)16·65(38%)

Saving occurred in respect of Meghalaya Civil Task Force (General) (provision: Rs.17·33 lakhs; expenditure: Rs.7·28 lakhs) because of non-raising of four platoons (Rs.8·54 lakhs) and non-purchase of vehicles (Rs.1·56 lakhs). In the preceding year also there was a saving of Rs.11·29 lakhs under this head for similar reasons.

(x)	36—Social Security and Welfare—Welfare of Scheduled Castes, etc. (Revenue—Voted)	O 77·06 S 4·56 T 81·62	65·81	(—)15·81(19%)

Against provision of Rs.9·50 lakhs for Integrated Child Development Scheme (General) expenditure was (Rs.4·63 lakhs only reportedly because of less allotment of funds by the Government of India.

Serial number	Number and name of grant or appropriation	Amount of provision Original (O) Supplementary (S) Total (T)		Expenditure	(+)Excess (—)Saving (percentage of provision)
				(in lakhs of rupees)	
(xi)	42—Special and Backward Areas	O	39·46		
	(Revenue—Voted)	S	—		
		T	39·46	20·27	(—)19·19(49%)

Against the provision of Rs.5·00 lakhs each for (i) Regional Foundation Seed Potato Farm (Sixth Schedule Areas) and (ii) Regional Garden Nursery for Citrus-*cum*-Store Fruits (General), there was no expenditure because of non-finalisation of scheme for establishment of the farm in the case of the former and because of handing over of the scheme to the Indian Council of Agricultural Research in the case of the latter. Against a provision of Rs.2·83 lakhs for Central Poultry Breeding Farm, Kyrdemkulai (General), there was negligible expenditure because of non-finalisation of requirements of materials to be purchased for the farm. Against provision of Rs.3·96 lakhs for coffee nursery (Sixth Schedule Areas), the saving was Rs.2·32 lakhs because of post-budget decision of Government to reduce the area of coffee nursery plantation.

(xii)	42—Special and Backward Areas	O	2,34·30		
	(Capital—Voted)	S	—		
		T	2,34·30	1,58·66	(—)75·64(32%)

Against provision of Rs.2,00 lakhs for schemes for development of regional roads (Sixth Schedule Areas), expenditure was Rs.1,35 lakhs. Against provision of Rs.20·00 lakhs for Regional Students' Hostel at Shillong, expenditure was Rs.8·86

lakhs. Saving was mainly because of slow progress of work on account of abnormal situation in the State (Rs.66·10 lakhs) and because of scarcity of building materials (Rs.11·00 lakhs).

Serial number	Number and name of grant or appropriation	Amount of provision Original (O) Supplementary (S) Total (T)		Expenditure	(+)Excess (—)Saving (Percentage of provision)
				(in lakhs of rupees)	
(xiii)	43—Other General Economic Services	O	20·35		
	(Revenue—Voted)	S	—		
		T	20·35	15·19	(—)5·16(25%)

Saving was mainly under Centrally sponsored schemes of Economic Census (General) (provision: Rs.1·50 lakhs; expenditure: Rs.0·41 lakh) and Survey of Social Consumption (General) (provision: Rs.1·15 lakhs; expenditure: nil).

(xiv)	45—Agriculture, etc.	O	3,47·31		
	(Revenue—Voted)	S	15·00		
		T	3,62·31	3,14·06	(—)48·25(13%)

Saving was mainly due to non-sanction of shallow tube wells programme (Rs.6·90 lakhs), non-taking up of Ichamati Lift Irrigation Project as fresh survey was to be done (Rs.6·25 lakhs), non-sanction of co-ordinated research project on fruits and vegetables (entire provision of Rs.5·00 lakhs), non-completion of some works under flow irrigation works (Sixth Schedule Areas) for want of cement (Rs.4·83 lakhs), non-availability of of technical persons to fill vacancies (Rs.4·55 lakhs) and less allocation of funds for Investigation Division of Minor Irrigation Organisation (Rs. 2·00 lakhs).

(xv)	46—Minor Irrigation etc.	O	42·00		
	(Capital—Voted)	S	—		
		T	42·00	53·74	(+)11·74(28%)

Against provision of Rs.27·00 lakhs for works under flood control and anti-erosion projects (Sixth Schedule Areas), expenditure was Rs. 53·50 lakhs.

Serial number	Number and name of grant or appropriation		Amount of provision Original (O) Supplementary (S) Total(T).	Expenditure	(+) Excess (—) Saving (percentage of provision)
				(in lakhs of rupees)	
(xvi)	49—Animal Husbandry (Revenue—Voted)	O	1,62·37		
		S	—		
		T	1,62·37	1,34·25	(—)28·12(17%)

Against provision of Rs. 6·05 lakhs for assistance to Small Farmers and Agricultural Labourers under the Poultry Production Progra me (Sixth Schedule Areas), saving was Rs. 5·48 lakhs mainly because of unfilled vacancies. Against provision of Rs. 10·67 lakhs for construction and maintenance of departmental buildings (General), saving was Rs. 4·37 lakhs because of non-sanction of construction of building for Directorate (for Rs. 1·50 lakhs). Against provision of Rs. 3·96 lakhs for assistance to Small Farmers and Agricultural Labourers for rearing of cross breed heifers (Sixth Schedule Areas), saving was Rs. 3·93 lakhs because of non-avilability of such heifers.

(xvii)	56—Village and Small Industries, etc. (Revenue—Voted)	O	1,22·57		
		S	—		
		T	1,22·57	73·09	(—)49·48(40%)

Provision of Rs. 20·00 lakhs for subsidy towards capital to private industrial units (General) remained unutilised because of non-implementation of the scheme (as in the preceding year in regard to provision of Rs. 10·00 lakhs). Against provision of Rs. 21·05 lakhs for District Industrial Centres (Sixth Schedule Areas), saving was Rs. 17·61 lakhs due to non-implementation of the scheme in Khasi and Jaintia hills districts.

(xviii)	58—Roads and Bridges (Revenue—Voted)	O	3,02·33		
		S	—		
		T	3,02·33	3,98·51	(+)96·18 (32%)

Against the provision of Rs. 24·81 lakhs for Border Roads (Dantak) (Sixth Schedule Areas), expenditure was Rs. 95·91 lakhs. Against provision of Rs. 2,22 lakhs for maintenance and repairs of District and other roads (Sixth Schedule Areas), expenditure was Rs. 2,59 lakhs.

Serial number	Number and name of grant of appropriation	Amount of provision Original (O) Supplementary (S) Total (T)		Expenditure	(+) Excess (—) Saving (percentage of provision)
				(in lakhs of rupees)	
(xix)	58—Roads and Bridges	O	5,98·08		
	(Capital-Voted)	S	—		
		T	5,98·08	4,92·50	(—)1,05·58 (18%)

Against provision of Rs. 1,11 lakhs for construction of strategic roads (Sixth Schedule Areas), saving was Rs. 1,07 lakhs because of non-finalisation of schemes during the year.

(xx)	59—Tourism (Revenue—Voted)	O	21·77		
		S	—		
		T	21·77	14·22	(—)7·55(35%)

Saving was due mainly to non-utilisation of provision for construction of tourist accommodation at Shillong (Rs. 2·50 lakhs), at Tura (Rs. 1·25 lakhs) and at Nongpoh (Rs. 0·82 lakh).

(xxi)	63—Inter-State Settlement	O	89·81		
		S	—		
	(Capital Voted)	T	89·81	70·06	(—)19·75(22%)

Against provision of Rs. 89·81 lakhs for servicing and repayment of market loans of composite State of Assam, expenditure was Rs. 70·06 lakhs. Saving was because of payment of share in respect of the year 1974-75 to 1977-78 only instead of upto 1978-79.

(xxii)	Internal Debt of the State Government	O	1,05·47		
		S	—		
	(Capital-Charged)	T	105·47	9·41	(—)96·06 (91%)

Entire provision of Rs. one crore for repayment of Ways and means advances from the Reserve Bank of India remained unutilised because no such advance was taken during the year.

Serial number	Number and name of grant or appropriation		Amount of provision Original (O) Supplementary (S) Total (T)	Expenditure	(+) Excess (—) Saving (percentage of provision)
				(in lakhs of rupees)	
(xxiii)	Loans and Advances from the Central Government (Capital-Charged)	O	2,08·00		
		S	—		
		T	2,08·00	15·23	(—) 1,92·77 (93%)

Entire provision of Rs. 2 crores made for repayment of ways and means advances to the Central Government remained unutilised as no such advance was obtained.

2.2 Excess over grants/charged appropiations requiring regularisation

(a) Grants

There was excess of Rs.1,19,17,491 in 9 grants in the Revenue Section and in 1 grant in the Capital Section which require regularisation under Article 205 of the Constitution. Excess of Rs.5,943 in one appropriation in Revenue Section also requires regularisation. Except for the major excesses in grant no. 46 (capital section) and grant no. 58 (revenue section) detailed in paragraph 2.1, the others are listed in Appendix 2.2.

2.3 Supplementary grants/charged appropriations

(a) During the year, supplementary grants of Rs.3,48·84 lakhs, Rs.1,16·10 lakhs and Rs.8·59 lakhs were obtained under 21,4 and 3 grants in the Revenue, Capital and Loans and Advances sections respectively. Supplementary appropriations for Rs 0·98 lakh were also obtained in respect of charged expenditure under 2 appropriations in the Revenue section and one approprition in the Capital section (Rs.531 only).

The details of unutilised supplementary grants/charged appropriations where the expenditure fell short of the provision in grants/appropriations by a margin of Rs.5 lakhs or more and was also more than 10 per cent of the total provision have been mentioned in the analysis in paragraph 2.1.

2.4 Unutilised provision and persisting shortfalls in utilisation

(a) Rupees 12·04 crores remained unutilised in 49 grants in the Revenue section (Rs.5·05 crores), 14 grants in the Capital section (Rs.3·98 crores), 4 charged appropriations in the Revenue section (Rs.0·12 crore) and 2 charged appropriations in the Capital section (Rs.2·89 crores). In 19 grants and 2 charged appropriations, the saving (more than Rs.5 lakhs in each case) was more than 10 per cent of the total provision. The details in respect of major savings have been mentioned in paragraph 2.1. Some of the schemes where provisions remained substantially/wholly unutilised, (other than those mentioned in paragraph 2.1) are given below:—

Serial number	Number and name of grant/head/scheme	Provision	Saving	
			Amount	Percentage
		(in lakhs of rupees)		
(i)	21. Other Administrative Services, etc.			
	277. Education:—			
	C. Special Education			
	1. Adult Education			
	(h) Non-formal Education Part time Education			
	General	4·00	4·00	100

Saving was attributed to non-implementation of the scheme; reasons for non-implementation of the scheme have not been intimated (May 1981).

(ii)	27. Medical, etc.			
	282. Public Health, Sanitation and Water Supply			
	Centrally Sponsored Schemes			
	(h) National Programme for visual impairments and control of blindness			
	Sixth Schedule (Part II) Areas	5·00	5·00	100
	(j) Establishment of Homeopathic College			
	General	5·00	5·00	100

Savings were stated to be due to non-sanction of the schemes by the Government of India. Specific action taken by the department for obtaining sanction to the schemes has not been intimated (May 1981).

Serial number	Number and name of grant/head/scheme	Provision	Saving	
			Amount	Percentage
		(in lakhs of rupees)		
(iii)	28. Public Health, etc.			
	282. Public Health, Sanitation and Water Supply			
	(c) Water Pollution Control Board and Public Health Laboratory			
	Sixth Schedule (Part II) Areas	5·00	5·00	100

As in the previous year, this year also the entire provision remained unutilised due to non-setting up of Water Pollution Control Board.

(iv)	42. Special and backward Areas, etc.			
	299. Special and Backward Areas			
	A. Agriculture			
	(a) Seed Farm			
	(1) Regional Foundation Seed Potato Farm			
	Sixth Schedule (Part II) Areas	5·00	5·00	100

Saving was stated to be due to non-finalisation of land acquisition for establishment of the Regional Foundation Seed Potato Farm.

(v)	45. Agriculture, etc.			
	306. Minor Irrigation Centrally Sponsored Schemes			
	(a) Strengthening of surface water-Minor Irrigation Organisation (Investigation Division)			
	General	6·00	5·02	84

Saving was attributed to less allocation of funds based on priorities.

Serial number	Number and name of grant/head/scheme	Provision	Saving	
			Amount	Percentage
			(in lakhs of rupees)	
305.	Agriculture			
	Centrally Sponsored Schemes			
	H. Horticulture			
	(a) Co-ordinated research project on fruits and vegetables			
	Sixth Schedule (Part II) Areas	5·00	5·00	100

The entire provision remained unutilised due to non-sanction of the scheme during the year.

(vi) 49. Animal Husbandry, etc.

310.	Animal Husbandry			
	Central Sector Schemes			
	G. Poultry Development			
	(a) Assistance to Small Farmers and A.L. for poultry production programme			
	Sixth Schedule (Part II) Areas	6·05	5·48	91

Saving was stated to be due mainly to unfilled vacancies.

In the previous two years also, substantial savings occurred under this head.

(vii) 56. Village and Small Industries, etc.

321.	Village and Small Industries			
	Centrally Sponsared Schemes			
	B. Other Expenditure			
	(b) Subsidy towards capital to Private Industrial units			
	General	20·00	20·00	100

As in the previous year, this year also the entire provision remained unutilised due to non-implementation of the scheme. Reasons for non-implementation of the scheme have not been intimated (May 1981).

Serial number	Number and name of grant/head/scheme	Provision	Saving	
			Amount	Percentage
			(in lakhs of rupees)	
	Centrally Sponsored Schemes			
	A. Other Village Industries			
	(c) District Industrial centre			
	Sixth Schedule (Part II) Areas	21·05	17·61	84

Saving was stated to be due mainly to non-implementation of the scheme in Khasi and Jainta hills districts.

In the previous year also, saving of Rs.4·09 lakhs occurred under this head.

Capital section

(viii) 19.	Secretariat, etc.			
459.	Capital Outlay on Public Works			
	C. Construction			
	(d) Upgradation of standard of Administration			
	General	20·00	20·00	100
	Sixth Schedule (Part II) Areas	41·00	41·00	100
483.	Capital Outlay on Housing			
	A. Government Residential Buildings			
	A. Construction			
	(b) Upgradation of standard of Administration			
	Sixth Schedule (Part II) Areas	36·00	36·00	100

Savings were stated to be due to non-finalisation of the scheme during the year.

Reasons for non-finalisation of the scheme have not been intimated (May 1981).

Serial number	Number and name of grant/head/scheme	Provision	Saving	
			Amount	Percentage
		(in lakhs of rupees)		
(ix)	28. Public Health, Sanitation, etc.			
	482. Capital Outlay on Public Health, Sanitation and Water Supply			
	A. Sewerage Scheme			
	Sixth Schedule (Part II) Areas	12·85	12·83	100 (nearly)

Reasons for saving have not been intimated (May 1981).

(x)	58. Roads and Bridges, etc.			
	537. Capital Outlay on Roads and Bridges			
	C. Strategic and Border Roads			
	(a) Construction of strategic roads			
	Sixth Schedule (Part II) Areas	1,11·10	1,06·70	96

Saving was attributed to non-finalisation of the schemes during the year.

(b) Persistent shortfalls in utilisation of provision occurred under the following heads during the last three years.

Serial number	Head	1977-78		1978-79		1979-80	
		Provision	Saving	Provision	Saving	Provision	saving
				(in lakhs of rupees)			
(i)	298.—Co-operation						
	A. Direction and Administration						
	Sixth Schedule (Part II) Areas.	10·26	3·73	10·91	3·79	11·25	6·34

Savings during these three years were stated to be due mainly to unfilled vacancies.

(ii)	608.—Loans to Co-operative Societies						
	(ii) Central Sector Scheme (N.C.D.C.)						
	B. Warehousing and Marketing Co-operatives						
	(a) Loans for construction of godowns to Co-operative Apex Marketing Federation.						
	General	2·50	2·50	5·00	1·73	5·00	4·29

Savings in 1977-78 and 1978-79 were due to non-fulfilment of necessary conditions required for construction of godowns, and release of less grant respectively. Saving in 1979-80 was due to non-receipt of approval to the scheme from the National Co-operative Development Corporation during the year.

(iii)	299.—Special and Backward Areas—						
	A. Agriculture						
	II. Crops Husbandry—						
	(a) Seed Farm						
	(1) Regional Foundation Seed Potato Farm						
	General	23·85	5·84	14·74	14·74	5·00	5·00

Savings during these three years were attributd to non-finalisation of land acquisition proceedings.

Serial number	Head	1977-78		1978-79		1979-80	
		Provi-sion	Saving	Provi-sion	Saving	Provi-sion	Saving
				(in lakhs of rupees)			
	II. (b) Horticulture						
	(i) Regional Garden						
	Nursery for Citrus-*cum*-store fruits						
	General	5·90	3·54	12·72	12·72	5·90	5·00

In 1977-78 the saving was attributed to less requirements of funds, whereas in 1978-79 the saving was due to non-finalisation of land acquisition at Barapani. In 1979-80, the saving was due to handing over implementation of the scheme to the Indian Council of Agricultural Research.

	(iv) 499.—Capital Outlay on Special and Backward Areas						
	C. Education						
	(a) Regional Students' Hostel at Shillong						
	General	10·00	7·50	17·00	13·76	20·00	11·74

Saving in 1977-78 was attributted to delay in finalisation of site. Reasons for saving in 1978-79 have not been intimated. Saving in 1979-80 was stated to be due mainly to scarcity of building materials.

	(v) 310.—Animal Husbandry						
	Central Sector Schemes						
	G. Poultry Development						
	(a) Assistance to Small Farmers and A.L for Poultry Production Programme						
	Sixth Schedule (Part II) Areas	25·38	25·35	11·86	11·20	6·05	5·48

Reasons for savings during the years 1977-78 and 1978-79 have not been intimated. Saving during 1979-80 was attributed to unfilled vacancies.

Serial number	Head	1977-78		1978-79		1979-80	
		Provision	Saving	Provision	Saving	Provision	Saving
		(in lakhs of rupees)					
(vi)	314.—Community Development Centrally Sponsord Schemes						
	B. Community Development Programme						
	6. Nutrition						
	(a) Applied Nutrition Programme Sixth Schedule (Part II) Areas	8·70	8·70	9·44	4·47	12·33	7·13

Saving in 1977-78 was attributed to non-implementation of the scheme during the year. Reasons for saving in 1978-79 have not been intimated. In 1979-80 the Saving was attributed to non-receipt of financial assistance from UNICEF.

2·5 Non-receipt of explanations for savings/excesses

For the year 1979-80, explanations for savings/excesses were either not received or where received were incomplete in respect of 368 heads (February 1981). These formed 49 per cent of the number of heads, the variations in which were required to be explained by the various Government departments for inclusion in the Appropriation Accounts for the information of the Legislature.

2·6 Control of expenditure by departmental officers

To enable the departmental officers to exercise proper control over expenditure, the rules require that the departmental officers should get their departmental expenditure figures agreed with those recorded in the books of the Accountant General every month. In respect of accounts for 1979-80, 33 controlling officers (out of 102) had not reconciled their figures for any month. Rupees 18,91·44 lakhs under 24 major heads out of 82 major heads remained unreconciled (February 1981). Failure/Delay in reconciliation by the departmental officers was reported to the Government in September 1980; reply is awaited (May 1981).

2·7 Drawal of funds in advance of requirements

Animal Husbandry and Veterinary Department

2·7·1 According to the rules, money is to be drawn only when it is needed for immediate disbursement, and the amount remaining unspent should be refunded into the treasury.

A test check (April 1980) of the accounts of the Assistant Dairy Development Officer, Tura showed that, after Government sanctioned (February 1978) purchase of a chilling plant for installation at Gamol, the entire sanctioned amount (Rs.1·39 lakhs) was drawn from the treasury in March 1978 by the Officer. Only in December 1978, Rs.0·70 lakh were paid to the firm as advance. In June 1979, the chilling plant was received and the remaining amount (Rs.0·69 lakh) paid to the firm.

A further amount of Rs.0·23 lakh, drawn in March 1979 for purchase of additional equipment for chilling plant and cream separator, was in hand unutilised till the time of audit. Coil and compressor (cost : Rs.0·10 lakh) for which separate orders had been placed with the same firm were received only in December 1980 while expenditure on machinery (Rs.2·68 lakhs) and buildings (Rs.3·08 lakhs) had already been incurred by Assistant Dairy Development Officer, Tura.

Installation and commissioning of the chilling plant had not been done so far (January 1981).

Education Department

2·7·2 During a test check of the accounts of the Librarian, State Central Library, Shillong, it was noticed that amounts sanctioned for purchase of books, etc. were drawn at the end of each financial year to avoid lapse of budget grant and retained outside Government account in a bank in the form of deposits-at-call and bank drafts, in contravention of the financial rules. These amounts were spent later as and when supply of books was received. The delay in disbursement from the date of drawal ranged between 1 and 13 months.

Further, Rs.0·81 lakh representing the cost of books purchased from a local firm were drawn on regular contingent bill supported by a certificate that the books had been received in good condition and entered in stock register, as required under the rules. Although the amount was disbursed to the firm on 31st March 1980, the name of the books so purchased could not be traced in the stock register (Accession Register) even in May 1980.

CHAPTER III

CIVIL DEPARTMENTS

Agriculture Department

3. 1 Purchasc of Pesticides

4,500 Kgs. of pesticides (Dithana-M 45) were purchased on 5th March 1979 by the District Agricultural Officer, Shillong at the rate of Rs.41·02 per kg. approved for the year 1978-79 by the Director of Agriculture on the basis of tenders received. The bill of the supplier could not be paid in March 1979 reportedly due to paucity of funds. In July 1979 the supplier submitted a fresh bill for the above supply (accounted for in the stock register on 5th March 1979) at the rate of Rs.49·36 per kg. which was the rate approved by the Director of Agriculture for supply during 1979-80 by the same supplier. The bill was paid in full in November 1979 resulting in an over payment of Rs.0·38 lakh. At the instance of Audit, the over-paid amount was recovered and deposited into treasury in November 1980.

Animal Husbandry and Veterinary Department

3·2 Poultry Development Scheme—Review

3·2·1 Introductory

The poultry development programme was undertaken in the State during the Fifth Five Year Plan (1974-79) and in 1979-80 with the objective of up-grading the local stock by progressive cross breeding with superior exotic varieties and increasing the annual production of eggs in the State from 190 lakhs (in 1974) to 294 lakhs. Rupees 80·82 lakhs were spent on the programme during the Fifth Plan period and Rs.18·21 lakhs in 1979-80 mainly on expanding 4 of the 5 existing poultry farms, establishing two new farms and completing the regional farm at Kyrdemkulai. Of the five poultry farms established between 1952-53 and 1970-71 at Bhoi, Jowai, Tura, Mawrynkneng and Upper Shillong, only the first four continued through the Fith Plan. Two new farms (at Nongstoin in West Khasi Hills and Williamnagar in East Garo Hills) were established during 1975-76 and 1976-77. The capacity for rearing of birds was expanded from 1,200 to 2,400 at Jowai,

from 300 to 600 at Tura and from 500 to 1,200 at Mawryngkneng. In 1979-80, two more new farms (one at Mairang in West Khasi Hills and the other at Phulbari in West Garo Hills) were established; but production is still to start as no birds had been put there (February 1981).

3·2·2 Pefrormance

(i) *Rearing*: Targets had been set only for the years 1977-78, 1978-79 and 1979-80 for the number of birds to be reared in the farms. Against the total available capacity of 8,200 birds in 6 farms, the targets were 6,500 birds in 1977-78, 6,300 birds in 1978-79 and 6,800 birds in 1979-80. The number of birds reared during the three years 1977-78 to 1979-80 as against the targets is given in Appendix 3·1.

While the farms at Tura, Williamnagar and Nongstoin exceeded or reached their targets, the achievements in Bhoi, Jowai and Mawryngkneng fell short of the targets and further the target fixed for Jowai and Mawryngkneng was well below their capacity. The overall utilisation of available capacities in the three years averaged 36·99 per cent in Jowai, 61·90 per cent in Mawryngkneng and 60·26 per cent in Bhoi, while the utilisation equalled or exceeded the capacity in the other 3 centres. The reasons for shortfall and lowering of targets were not on record nor investigated (November 1980).

(*ii*) *Production of eggs*: According to the norms of the Government of India, Ministry of Agriculture and circulated by the department in February 1979, the layers at the farms should give at least 180 eggs per layer per year. The production per layer per year averaged 138 at Bhoi, 88 at Jowai and 135 at Mawryngkneng during the six years 1974-80 and 95 at Williamnagar and 136 at Tura during the 5 years 1974-79. In other words, the overall average production of eggs in the 6 farms was only 66 per cent of the norms and ranged from 49 per cent to 77 per cent in individual farms. In 1978-79, there was a general fall in production compared to the average ; the reasons for which were not on record nor stated. The details of targets and production in the 6 centres in the last 3 years are given in Appendix 3·2.

The department had not investigated the reasons for the low productivity.

(*iii*) *Hatching results*: The installed capacities of incubators in use and their utilisation during the years 1974-75 to 1979-80 are given below:

Year	Actual capacity in use (eggs per year)	Number of eggs set in incubators	Percentage of utilisation
1974-75	60,000	25,351	42·2
1975-76	60,000	51,254	85·4
1976-77	78,400	62,563	79·8
1977-78	87,600	63,117	72·05
1978-79	1,28,800	50,024	38·84
1979-80	1,28,800	29,077	22·58

During the years 1977-78 to 1979-80, though the incubators could take 87,600 eggs to 1,28,800 eggs and the average daily production of eggs in the farm was 700 (which *prima facie* could have fed the incubators to full capacity) and the number of loadings averaged 56 per year (each loading capable of taking around 12,100 eggs), the utilisation was very low being only 45 per cent against the norm of 70 per cent; the reasons were not on record nor stated (May 1981).

The Central Hatchery and Chick Rearing Farm at Bhoi had facilities for mechanical incubation and hatching even before the Fifth Plan period. During the Fifth Plan, two more hatcheries were to be started and the farm at Tura purchased an incubator of 2,500 eggs capacity in June 1976 at a cost of Rs.0·09 lakh. This had not been put to use (till September 1979) due to shortage of technical staff and, against 24,500 chicks to be produced as per norms (valued at Rs.0·98 lakh) annually, the production was nil. The hatchery at Tura was reportedly brought into use in December 1979. The department stated in May 1981 that no action was taken either to train people or recruit technical staff consequent on the decision that the State should have only one hatchery farm at Nayabunglow instead of two at Jowai and Tura. It is not clear, however, why the farms at Jowai and Tura are being continued without trained technical staff.

The norm prescribed by the department for hatching yield was 70 per cent. On the average, only 54 per cent of the eggs set in the incubators during the years 1974-78 hatched successfully. The shortfall, in comparison to the norm at Bhoi (which was 53 per cent), amounted to a loss of 42,000 chicks worth about Rs.1·68 lakhs. The targets and production in the last three years are given in Appendix 3·2.

During the period from 7th June 1979 to 27th July 1979, no eggs were loaded in the incubators but the reasons were not on record nor stated (May 1981). The loss due to its non-use amounted to Rs.0·10 lakh (approximately).

(*iv*) *Mortality of chicks*: According to the prescribed norms, mortality of chicks due to natural causes should not exceed 7 per cent upto 12 weeks, 4 per cent upto 24 weeks and 1 per cent thereafter. The average mortality during the years 1974-80 was, however, 45 per cent at Bhoi, 16 per cent at Jowai and 20 per cent at Mawryngkneng. In Tura and Williamnagar, it was 11 and 50 per cent respectively during the 5 years 1974-79 ; the overall average was 24 per cent.

No reasons were given by the department for the persistently high mortality rate at Bhoi.

Even allowing 7 per cent mortality uniformly for all ages of birds, during the 6 years 1974-80, 1·06 lakhs of birds were lost over and above the norm, involving a loss of Rs.4·24 lakhs (approximately).

(*v*) *Excessive issue of poultry feed*:

As per norms, the maximum poultry feed that should be issued to a layer/grower bird is 120 grams per day. During 1978-79 and 1979-80, in the poultry farm at Bhoi, the issue of feed was 25 and 71 per cent respectively in excess of the norm, resulting in over-issue of feed valuing Rs.1·25 lakhs. The issues were not also entered in the stock registers regularly and the stocks were not verified physically at the prescribed intervals.

3·2·3 Regional Poultry Breeding Farm, Kyrdemkulai

(i) In 1973-74, the Government decided to set up a regional poultry breeding farm at Kyrdemkulai for producing annually 4 lakh cross bred chicks from the year 1975-76, by maintaining 3,000 layers of two strain (White Leghorn and Australorp) to meet the needs of private farmers and of pureline strains required by Government farms. Land development and buildings (poultry sheds, hatchery building, staff quarters etc.) were completed by April 1976 (one year behind scheduled). Sixth incubators were purchased in August 1976. Operations were, however, started only from 1977-78, with purchase of 1,397 birds. Earlier, in December 1976, 4,207 birds (costing Rs.0·15 lakh), purchased without prior inspection and without testing their suitability, were found unsuitable for breeding purposes. Of these, 2,176 birds reportedly died in the farm during 1976-77. Disposal of the remaining birds has not been intimated by the department.

(ii) *Hatchery*: Six incubators, of 2,500 eggs capacity each, were used for hatching from January 1979 onwards but the efficiency of performance was not fully upto the norm (details in table below) ; the utilisation of incubtor capacity itself was very low at 26·37 per cent.

Years	Number of eggs set in incubators	Number of eggs rejected	Number of live chicks hatched	Percentage efficiency of hatchery (norm 70 per cent)
1978-79	6,631	1,110	6,492	67·41
1979-80	56,322	14,817	28,570	57·07
1980-81 (upto October 1980)	48,133	9,738	32,857	68·26

(iii) *Production of eggs and chicks*: The production of eggs and chicks *vis-a-vis* the targets for the years 1977-78 to 1979-80 was as below ;

Target		Achievement	Percentage of shortfall
Production of eggs--			
1977-78	2,50,000	1,00,511	59·8
1978-79	1,00,000	87,475	12·6
1979-80	3,00,000	2,60,149	13·28
Production of chicks			
1977-78	Nil	Nil	Nil
1978-79	35,000	6,392	81·8
1979-80	75,000	28,550	61·93
1980-81 (upto-October 1980)	N.A.	32,857	N.A.

The production of chicks was far below the original expectation of 4 lakhs per year. Production of Leghorn and Australorp pureline strains has not been taken up so far (November 1980).

(iv) The farm worked at loss as per receipts and expenditure figures for 1978-79 and 1979-80 given below ;

	1978-79	1979-80
	(in lakhs of rupees)	
Expenditure	2·64	4·42
Receipts	0·45	2·00
Excess of expenditure over receipts	2·19	2·36

N. A. :—Not available.

The farm Manager drew Rs.60,384 in bank drafts, in March 1980, against proforma bills submitted by firms in that month for supply of automatic egg setter and air conditioner; those however have not still been supplied (November 1980).

3·2·4 Subsidised distribution of chicks, poultry and Ducks

(*i*) *Intensive egg and Poultry production-cum-marketing centre*: Rs. 0·30 lakh in October 1974, Rs. 1·04 lakhs in September 1975, Rs.1·05 lakhs in September 1976 and Rs. 0·50 lakh in June 1977 were sanctioned for distribution of chicks at 75 per cent subsidy to local breeders as incentive to them to take up poultrry rearing and thereby intensify egg production. Distribution was in units of either 200 one month old birds or 125 two month old birds except in October 1974 when it was in units of 126 chicks. The estimated cost of each units was Rs. 3,000 (Rs.2,960 in October 1974). The total expenditure incurred amounted to Rs. 2·37 lakhs but as the scheme failed to evoke any response from the private breeders in was not continued in 1978-79. No marketing centre was also set up. There was also delay on implementation of the scheme as detailed below:—

Year of sanction	Units sanctioned	Period of actual distribution
1974-75	10	October 1974 to December 1976
1975-76	25	January 1977 to February 1978
1976-77	27	April 1978 to April 1979
1977-78	9	March 1979 to July 1980

The scheme was to be implemented by the existing staff but the department entertained additional non-technical staff and incurred an expenditure of Rs. 0·53 lakh on their salaries and allowances during the four years 1974-78.

There was no record of the follow up action taken by the department to watch utilisation of the subsidised birds nor of any assessment of egg production before the next distribution. The Assistant Poultry Development Officer had been instructed by the District Animal Husbandry and Veterinary Officer, East Khasi Hills in January 1979 to carry out spot verification of all the beneficiaries and submit a report, which is still awaited (November 1980).

(ii) Distribution of 75 units of poultry at 75 per cent subsidy, each unit consisting of 1 male and 9 female birds of 3 to 4 months age costing Rs. 160, was done in Khasi Hills between February 1976 and April 1977. In Garo Hills, out of 263 birds purchased in 1973 and 678 birds purchased in February-March 1976, till April 1976 only 60 units (consisting of 10 birds each) were distributed to 55 beneficiaries. In Jaintia Hills, no unit was distributed. The scheme was not continued after 1975-76. Reasons for non-continuance of the scheme after incurring expenditure of Rs. 1·10 lakhs are awaited from the department (May 1981).

(iii) *Duck Units* : The Government sanctioned Rs. 0·50 lakh in March 1979 to cover subsidy on distribution of 500 duck units (each of one improved drake and 2 geese) in the border areas and bank drafts drawn on 31st March 1979 for the amount were sent in April 1979 by the Director to three district offices ; they remain unutilised so far (November 1980). Even preliminary steps like inviting applications, selecting beneficiaries etc. had not been done till November 1980. The District Animal Husbandry and Veterinary Officer, East Khasi Hills stated (November 1980) that the scheme could not be implemented due to non-availability of improved drakes and geese from Assam. In 1979-80 again, similar amount of Rs. 0·50 lakh provided under the scheme was not utilised. Steps taken to implement the scheme or abandon it have not been intimated (May 1981).

3·2·5 Assistance to small farmers etc.

In 1975-76, a scheme for assisting small and marginal farmers and landless agricultural labourers in Khasi and Jaintia Hills by subsidising the cost of poultry, its housing and feed to the extent of 25 per cent to small farmers and 33⅓ per cent to marginal farmers andl landless agricultural labourers and arranging institutional finance to meet the remaining cost was started. Till

1978-79, the scheme was financed fully by Central assistance and, thereafter, the cost was to be shared by the Centre and the State equally. From 1975-76 to 1979-80, out of Rs. 13·16 lakhs sanctioned for distribution of 831 units (each unit of 55 of 3 month old pullets) of poultry Rs. 9·91 lakhs were for assistance as subsidy. Rs. 9·91 lakhs were drawn (Rs. 1·72 lakhs in 1975-76, Rs.6·86 lakhs in 1976-77, Rs. 1·16 lakhs in 1977-78, Rs. 0·08 lakh in 1978-79 and Rs. 0·09 lakh in 1979-80); of this, Rs. 0·49 lakh were spent as subsidy between April 1976 and March 1979 and the undisbursed amount of Rs. 9·42 lakhs is in deposit in a bank and has not been refunded so far (November 1980).

24 poultry units were subsidised in 1977-78 (subsidy—Rs.0·18 lakh) but due to the farmers' reluctance to take to modern poultry keeping, they were reportedly not successfully reared. Subsidy of Rs.0·03 lakh sanctioned in 1979-80 for four units has not been utilised so far (November 1980). Although the scheme was not implemented in 1976-77 and 1978-79 and the subsidy given in 1977-78 and 1979-80 was far less than programmed for, the department entertained staff including non-technical staff from 1976-77 for the scheme and spent Rs.1·09 lakhs on their salaries and allowances during the period from 1976-77 to 1979-80.

The department stated (November 1980) that the staff was subsequently (after 1976) engaged on pig production programme in Jaintia Hills in addition to poultry production programme there and in East and West Khasi Hills. The progress in implementation of the scheme was stated to be slow because of reluctance of the finanical institutions to give finance under the scheme (to meet their non-subsidised cost) and the department was considering revision of the scheme to enable speedy implementation. Final decision is awaited.

3·2·6 Summing up : During the six year period 1974-80, about Rs.99·00 lakhs were spent on poultry development schemes. Production of eggs in the farms and the results of breeding activities were, however, not effectively monitored. The department had not made any assessment of how far the objectives of the schemes had been achieved.

In four out of six farms, the number of birds reared fell short of the targets by 4 to 45·3 per cent. Production of eggs averaged 66 per cent of the norm fixed by the department. The department had not investigated the reasons for the shortfall. Mortality among birds averaged 24 per cent against the prescribed norm of upto 7 per cent.

In hatching eggs, only 54 per cent success was achieved against the norm of 70 and the capacities of the incubators were under utilised by 57 per cent during the six years 1974-80. Issue of feed to layers and growers during 1978-79 and 1979-80 was 48 per cent above the prescribed norm, valuing of Rs.1·25 lakhs.

Production of eggs and chicks at the North Eastern Regional farm at Kyrdemkulai started late by 2 years and averaged 28 per cent and 72 per cent of the target respectively. Utilisation of the incubator capacity averaged 26·37 per cent only and the expenditure exceeded the revenue receipts by Rs.4·55 lakhs.

Rs.15·96 lakhs were spent on intensive egg and poultry production through subsidised distribution of chicks, poultry and ducks to farmers but the schemes failed and were discontinued without evaluation or arriving at a definite decision. Rs.15·96 lakhs remained unspent.

The foregoing observations were referred to the Government in December 1980 ; reply is awaited (May 1981).

Forest Department

3·3 Infructuous expenditure on collection of teak seeds

To meet the demand for teak seeds of the Meghalaya Forest Development Corporation (M. F. D.C.), for which indent (of 12,000 kilograms) was received in January 1979, the Divisional Forest Officer, Garo Hills, Tura asked (February 1979) all the Range Officers and Beat Officers to collect as much teak seeds as possible for supply to the (M.F.D.C.). The selling price of seed was fixed at Rs. 3·00 per kilogram taking into consideration the wages paid to labourers for collection of seeds.

Out of 9,395 kilograms of teak seeds collected by the Range Officers and Beat Officers, only 2,100 kilograms were lifted by the M. F. D. C. In March 1979, M. F. D. C. expressed its inability to lift any more teak seeds as it had met its requirements from other sources (Goalpara and Kamrup Forest divisions of Government of Assam), Divisional Forest Officer, Garo Hills not being able to guarantee supply of the full quantity of seeds required. The seeds (with life of 4 to 5 months) collected in excess could not be disposed of till the time of audit (December 1979). The expenditure (Rs.0·22 lakh) incurred on collection of 7,295 kilograms of excess seeds had proved infructuous.

The matter was referred to the Department/Government in September 1980; reply is awaited (May 1981).

Industries Department

3·4 Uneconomic running of Raw-materials Depot at Shillong

Mention was made in paragraph 30 of the Audit Report, 1973-74 about the uneconomic running of the Raw-materials-*cum*-Sales Depot at Shillong. Continuance of the Depot, however, was sanctioned every year without proposing/taking remedial steps to run it economically.

The sales receipts of the Depot continued to decline year after year while its running cost increased as shown below:—

Year	Expenditure on pay and allowances of staff	Sales receipts	Purchases
	(in lakhs of rupees)		
1976-77	0·31	0·09	0·66
1977-78	0·48	0·02	0·82
1978-79	0·38	0·01	Nil
1979-80	0·42	0·01	Nil

The prescribed 3 per cent margin on sales could hardly cover the pay and allowances of the staff which was much more than the gross sales. In addition, expenditure on rent for accommodation (Rs.0·05 lakh) was incurred.

No reserve stock limit (stock around Rs.3 lakhs) was fixed by the Government and stores continued to be procured year after year without reference to the sales and demand. Physical verification of stock had not been conducted at any time in the last seven years.

Out of Rs.0·09 lakh of sale proceeds from April 1976 to September 1976, only Rs.0·04 lakh were deposited with the Assistant Director of Industries in May 1978; mode of disposal of the balance amount was not intimated to Audit (August 1980).

The Assistant Director of Industries, Shillong stated (January 1981) that initially raw materials were being purchased by small-scale industries units for their use. But, subsequently, with the advent of more selling agents in the market, there was no demand for raw materials by the small industries units from the Depot and the sales got reduced to a great extent. He added that a suggestion had been made (November 1978) to the Government to reorganise the Depot with a better location in a commercial area to cater to the needs of small scale industries units in respect of scarce raw materials, whose prices in the open market at Shillong and Gauhati were higher than the Government approved rate. Decision of the Government had not been received (January 1981).

The case was referred to the Government in September 1980; reply is awaited (May 1981).

Police Department

3·5 Extra expenditure due to non-acceptance of lower tender

Of the five tenders received in June 1979 for supply of tarpaulins, the lowest was from a firm in Calcutta, but the Purchase Board of the Police Department accepted a higher tender from a firm in Gauhati on the ground that it was the only firm on rate contract with the Director General Supplies and Disposal (D.G.S. & D). Accordingly, the Inspector General of Police, Meghalaya procured (December 1979) 70 tarpaulins from this firm for Rs.0·93 lakh. It was, however, noticed in audit (August 1980) that the Gauhati firm had no rate contract with the (D.G.S. & D) nor had any copy of its D.G.S. & D. rate contract been furnished by the firm as required in the notice inviting tenders. The Gauhati firm had only mentioned in the tender that its products were according to D.G.S. & D. specification. This appears to have been construed by the Purchase Board to mean that the firm had a rate contract with D.G.S. & D; there was no indication that the specification of the other tenderers was not acceptable.

Non-acceptance of the lowest tender in this case resulted in extra expenditure of Rs.0·32 lakh.

The case was referred to the Government in October 1980; reply is awaited (May 1981).

Public Health Department

3·6 Scheme for Primary Health Centres-Review

3·6·1 Introduction

The scheme for health care in rural areas was started in October 1953 by the Government of India; initially, one Primary Health Centre (PHC) and three Sub-Centres (SC) were to be set up in each Community Development Block. In the fifth five-year plan, under the Minimum Needs Programme, one PHC per block with a population of 80,000 to 1 lakh, assisted by 8 to 10 SCs each serving a population of 10,000, was to be set up and one out of every four PHCs was to have a 30 bed rural hospital. In April 1976, the scale was increased to one PHC for a population of 20,000 and one Sub-Centre for every 5,000 citizens and a separate PHC was to house the 30-bed rural hospital. Also, one auxiliary nurse midwife for every 5,000 of population and fullest utilisation of indigenous *dhais* by training them to cover shortage of auxiliary nurse midwives in the country were to be aimed at. Health examination for every child at the time of admission to school and again after five years and before leaving the school, ante-natal, post-natal and baby care clinics at the PHC and SC and rural medicine chests with each Gram Sevak were also visualised.

3·6·2 Performance

At the end of 1973-74, there were 10 PHCs with 84 beds and 20 SCs. The targets for setting up more PHCs, SCs and 30 bed hospitals and the achievement thereagainst during the years 1974-75 to 1978-79 were as under.

Year	Target			Achievemen		
	PHC	SC	Up-graded hospital	PHC	SC	Up-graded hospital
1974-75	3	10	2	...	...	...
1975-76	3	10	2	2	...	...
1976-77	2	10	2	...	...	...
1977-78	1	10	...	4	...	...
1978-79	1	6	...	4	...	...
Total	10	46	6	10	...	...

The expenditure incurred during the period was Rs.1,27·46 lakhs against Budget provision and Plan provision of Rs.66·96 lakhs and Rs.45·86 lakhs respectively. The shortfalls in achievement were, however, attributed (September 1979) by the Director of Health Services (DHS) to financial constraints, apart from delays in selection of sites owing to demands and counter demands from public, and delay in completion of construction works by the executing agencies, *viz.* Public Works Department and Public Health Engineering Department (*see* para 3·6·3 on delays and irregularities).

The non-recurring expenditure from 1976-77 to 1978-79 in nine of the existing 10 PHCs (Rs.27·44 lakhs) far exceeded the prescribed norm of Rs.0·72 lakh per annum as prescribed by the Government of India in April 1973. Construction work for sub-centres was not taken up reportedly because the estimated cost of construction was far above the prescribed norm of Rs.0·15 lakh per sub-centre.

As per population norm, in the 24 blocks in the State, for the rural population of 8.65 lakhs, 43 PHCs and 173 SCs were needed but 20 PHCs and 20 SCs were functioning with 34 Medical Officers in all. The number of beds in the PHCs remains at 84 (*see* para 3.6.4 on their utilisation).

3. 6.3 Delays and irregularities in construction

(i) The Public works Department (P. W. D) and the Public Health Engineering Department (P.H.E), entrusted with the construction of PHCs and SCs, completed the works after delays ranging from 12 to 54 months, reportedly because of paucity of funds, delay in selection of sites by the block development committees and non-availability of building materials. In some cases, delay was due to non-completion of work within the prescribed time limit by the contractor.

(ii) The work of constructing buildings for the PHC at Sahiong, entrusted to a contractor in June 1975, had to be stopped (in September 1977) after incurring expenditure of Rs.1·42 lakhs (on constructing approach road and preparing the site) reportedly because the site, a hillock with a steep grade, donated by the public was considered unsuitable and the cost of water supply arrangements was also estimated to be very high. The PHC was started in

June 1978 in near by buildings constructed originally for a basic training centre. The decision of the Government on utilisation of the hillock site developed at a cost of Rs.1·42 lakhs is awaited and the expenditure has remained infructuous so far (September 1980).

(iii) The work of construction of 20-bed Nichols Roy Memorial Hospital at Cherrapunji (estimated cost: Rs.6·49 lakhs) was entrusted to a contractor in January 1970 by the Shillong South Division, stipulating completion in six months. The work was completed in August 1976, after 6 years delay. Rupees 0·14 lakh had been deducted from the payment due to the contractor in March 1975, as liquidated damages for the delay. On a representation from the contractor, the amount was refunded in July 1975 and it was decided to take appropriate action, in accordance with the agreement, for realising compensation for the delay subject to the maximum of ten per cent of the estimated cost of the tender *i. e.* upto Rs.0·65 lakh.

After inspection of the hospital building and the staff quarters in June 1977, the Civil Surgeon, East Khasi Hills and the Sub-Divisional Officer, P. H. E. Sub-Division did not recommend its use as hospital, because the main indoor patient ward, out-patient wing, X-Ray room and staff quarters were leaking very badly. However, the Medical Department took over the buildings in November 1977 and some repairs were done but with little success; nevertheless the PHC started functioning in the building from January 1978. The department decided on 19th January 1979 to replace the asbestos corrugated sheet roofing by corrugated iron sheet roofing and carry out other repair work at an estimated cost of Rs. 2·17 lakhs. As a result, the earlier expenditure of Rs. 0·67 lakh (Rs.0.50 lakh on asbestos corrugated sheet roofing, Rs.0·10 lakh on labour for dismantling and Rs.0.07 lakh on wood work) became infructuous. But no compensation for delay or less had been realised from the contractor and no reasons were on record (September 1980).

(iv) The work of construction of the buildings for Rongjeng PHC (not yet functioning) at a cost of Rs.1·49 lakhs was divided into fiive groups and entrusted by the Tura North Division to contractors in August 1974 with the stipulation that the work should be completed in four months. Although works in Groups III to V *viz.* staff quarters,

were completed in July 1976 at a cost of Rs.1·12 lakhs (against estimate of Rs.0.19 lakh) the works in Groups 1 (Hospital building) and II (Medical Officer's quarters) have not been started so far (August 1979) because of non-availability of site for the purpose. But according to the Civil Surgeon, Tura, the site was handed over to P. W. D on 26th March 1973.

(v) Building of Khliehriat PHC could not be used from 1966 because its roof started leaking heavily and though PHC was functioning patients were not admitted. Work of replacing the corrugated sheet roofing, etc. was entrusted by the Jowai North Division to nine contractors in October 1972 stipulating completion within six months. Some petty repair works were done by the contractors upto 1975-76 and Rs.1·34 lakhs were spent. No further work or replacement of corrugated iron sheets has been done so far (October 1979) and the roof is stated to be continuing to leak. Reasons for non-completion of the work were not on record.

(vi) *Electricity and water*: According to the instructions issued (April 1973) by the Government, availability of electricity, safe drinking water and road communication should be kept in view while locating PHCs, since without these amenities the PHCs were unlikely to attract suitable staff or function effectively. But out of 20 PHCs and 20 SCs only 8 PHCs had been supplied with electricity. For electrification of the other centres, the matter was stated to be under correspondence with the P.H.E. Divisions. Ring wells are the main sources of water; in respect of 14 PHCs in West Garo, Jaintia and East Khasi districts, the medical officers in-charge stated (July/September 1979) that the water supply arrangements were inadequate and adversely effected the functioning of the centres. Steps taken/proposed to remedy the difficulties were not on record nor stated.

3.6.4 Utilisation of facilities created :

(i) *Beds*: Out of 84 beds (in which diet was to be provided) in 14 PHCs in West Garo Hills, Jaintia Hills and East Khasi Hills districts, 48 beds (in 8 PHCs) were not utilised at all.

The details of utilisation in the remaining 6 PHCs are given below:

District	PHC with beds with diet	PHCs utilising beds with diet	Patient days available per year on which beds could be utilised	Days for which beds were actually utilised by patients		
				1976-77	1977-78	1978-79
East Khasi Hills	5	3	11,680	1,679	1,433	368
West Garo Hills	7	2	4,380	4,380	4,380	4,380
Jaintia Hills	2	1	2,190	...	215	116
Total:	14	6	18,250	6,059	6,028	4,864

Note: The figures for West Garo Hills were taken from the reports of the Civil Surgeon.

Non-utilisation of any bed in 8 PHCs was attributed to acute shortage of water in five centres, non-availability of suppliers of articles of diet, lack of provision for sanitary latrines and cooking arrangements in most of the centres and roofs of buildings leaking severely in three centres. Reasons for low utilisation of beds in 4 PHCs were not on record.

(ii) *Out patients*: During 1977-78 and 1978-79, the number of out patients treated varied widely as detailed below:

PHCs of (number of PHCs within brackets)	1977-78		1978-79	
	Highest number treated per day per centre	Lowest number treated per day per centre	Highest number treated per day per centre	Lowest number treated per day per centre
East Khasi Hills (5)	28	3	39	4
West Garo Hills (7)	60	39	70	5
Jaintia Hills (2)	19	17	26	17

It was stated that the number of outpatients was low because of poor means of communication. The wide variation was stated to be under investigation.

(iii) *Visits*: The number of patients treated in villages and at sub-centres is detailed below:

Year	Number of patients treated in villages	Number of patients treated in sub-centres
1976-77	570	2676
1977-78	2903	2933
1978-79	2204	3182

Children were not medically examined in the schools during the years 1976-77 to 1978-79

According to the medical officers of PHCs, visits by them to the Sub-centres and the villages along with para medical staff for giving treatment and health education did not materialise for want of conveyance. Steps taken/proposed to be taken to remedy this difficulty were not on record nor stated.

(iv) *Medicine chests*: No medicine chest was provided to any of the 180 Gram Sevaks though required under the seheme and medical aid was not made available in villages which were inaccessible due to lack of roads or weather conditions.

(v) *Midwives*: As per norm of one auxiliary nurse midwife (ANM) for every 5000 population, 134 ANMs were needed in the three districts of West Garo, Jaintia and East Khasi for a population of 6·69 lakhs but only 53 ANMs were posted, 39 in the 17 PHCs and 14 in 12 SCs, as on 31st March 1979. Moreover, the population served by an ANM, as per information furnished by the centres, averaged only 1030 and not 5000.

The Director of Health Services stated in October 1979 that the shortage of ANMs was due to non-availability of qualified staff and non-release of some ANMs by the Government of Assam. One training centre for ANMs was opened at Tura during 1979-80 to make good the shortages.

3.6.5 Evaluation:

There was no evaluation by the Government of the impact of the scheme either in terms of increase in the number of rural population to whom medical benefits became available or for making the norms realistic or to see whether the benefits to the population had really improved commensurately with the expenditure on construction etc.

According, however, to the Directorate of Economics and Statistics, Census office, the estimated death rate per thousand of rural population in Meghalaya have fallen as indicated below:

Year	Death rate (Rural)
1971	32·7
1972	18·63
1973	14·5
1974	10·68
1975	23·55
1976	17·6
1977	Not avilable
1978	9·5
1979	9

The D. H. S. stated (October 1979) that no evaluation in the true sense had been taken up. It was added, however, that assessment of the impact of the scheme was being attempted in terms of mortality and morbidity statistics in the rural areas. But it was noticed in audit that the PHCs had not maintained any records to generate such statistics.

3.6.6 Purchase of Medicine and Equipment:

(i) The cost of medicines purchased during the years 1976-77 to 1978-79 was as under:

(in lakhs of rupees)

Districts	1976-77	1977-78	1978-79	Total
East Khasi Hills	0·53	0·93	1·05	2·51
West Garo Hills	2·54	7·41	9·67	19·62
Jaintia Hills	0·16	0·05	0·03	0·24

The annual limits prescribed for such expenditure were Rs.0·68 lakh, Rs. 1·00 lakh and Rs. 0·28 lakh in the three districts respectively. In the case of East Khasi Hills, while the expenditure increased beyond the limit, the number of in-patients decreased over the years. In Jaintia Hills, though the number of outdoor patients did not decrease, expenditure on medicines was very low. The expenditure on medicines in West Garo Hills included Rs. 6.69 lakhs (1976-77: Rs.0·10 lakh; 1977-78: Rs.3·49 lakhs; 1978-79: Rs. 3·10 lakhs) spent on medicines for Tura Civil Hospital and outlying dispensaries. No orders of the competent authority, nor any reasons, for such diversion of funds, meant for PHCs, was made available to Audit. Also, Rs. 1·69 lakhs were shown as spent during 1978-79 on purchase of medicines for 9 Sub-centres, which had not been set up (October 1979). In the absence of stock register, whereabouts of the medicines and their utilisation, if any, could not be checked in audit.

Stock registers of medicines were not maintained in the PHCs of Laskein and Assanangiri during 1977-78 and 1978-79; registers in three other centres, Pynursla, Pomlum and Zikzak, could not be made available to Audit (July 1979).

(ii) Every PHC was to be provided with a refrigerator for storage of vaccines and sera. 6 PHCs in the three districts had been provided with 7 refrigerators under UNICEF assistance. 6 of them, received between 1966 and 1970, were lying unused from 1973-74 either for want of electricity or for want of repairs. One X-ray Unit costing Rs.0·17 lakh, purchased in March 1962 for use in Baghmara PHC was lying idle as there was no room for it. There was also no electric connection available to run it.

(iii) During the years 1976-77 to 1978-79, purchase of different kinds of surgical dressings was made for a value of Rs.27·94 lakhs. In 5 centres, dressings valued at Rs.8·69 lakhs remained unutilised although the bulk of the purchases was made before 1978-79. Surgical dressings costing Rs.5·94 lakhs purchased for the centres at Assanangiri (Rs.2·09 lakhs), Laskein (Rs.2·48 lakhs) and Chekpat (Rs.1·37 lakhs) were found not recorded in the stock registers of the centres. The dressings had not been physically verified by the officers concerned in the centre (August 1979).

(iv) 6,959 packets of suture needles and 23,541 packets of surgical knife blades purchased at a cost of Rs.3·42 lakhs were lying unused. No norms for purchase of these items had been

prescribed by the department. In the light of the audit finding, the D.H.S. stated (October 1979) that the indenting officers were being instructed not to place any more indents for these items. In the Betasing PHC, surgical goods valued at Rs.0·94 lakh were received in September 1978 but bills for them, with a certificate that the goods had been received, had been paid earlier in March 1978.

3.6.7 Summing up

(i) Under the scheme, Rs. 1,27·46 lakhs were spent during the period 1974-79 and 10 PHCs, in addition to the existing 10, were set up. But no sub-centre or up-graded hospital was set up against the target of 46 and 6 respectively, because of financial constraints, delays in selecting sites, and the scale of Rs.0·15 lakh fixed for construction of sub-centres being inadequate. Delays in completion of construction works ranged between 12 and 54 months. Of the 10 new PHCs, 2 are not working in their own buildings despite expenditure of Rs.3·92 lakhs on construction of buildings for them. The 20-bed hospital at Cherrapunji (for which a building was started in January 1970) could start functioning only in November 1977 when the building was handed over to the department. Rs.0·67 lakh were spent extra on the building but no compensation or penalty had been realised from the contractor.

(ii) In 8 of the 14 PHCs in the districts of West Garo Hills, Jaintia Hills and East Khasi Hills, the beds (in which diet was to be provided), were not utilised at all due to acute shortage of water, non-availability of suppliers of articles of diet, lack of sanitary latrines and cooking arrangements and severely leaking roofs. The average number of out-patients treated per day percentre during the years 1977-78 and 1978-79 ranged from 3 to 60 and did not go up because of inadequate communications. Against the requirement of 134 Auxiliary Nurse Midwives (ANMs) in the three districts (covered by review), only 53 ANMs were posted as at the end of March 1979 and they catered to only one fifth of the population they were expected to serve. One training centre was opened at Tura during 1979-80 to make good of the shortage of ANMs.

(iii) There was no evaluation of the impact of the scheme either in terms of increase in the number of persons in rural areas to whom medical benefits were made available or of construction cost *vis-a-vis* benefits provided or for realistic revision of the norms.

(iv) Medicines worth Rs.6·69 lakhs, purchased from funds meant for PHCs, were diverted to Tura Civil hospital during the years 1976-77 to 1978-79; during 1978-79 medicines worth Rs.1·69 lakhs were purchased for 9 sub-centres which had not been set up. Six refrigerators, received between 1966 and 1970, for PHCs remained unutilised for want of electricity or repairs. One X-ray unit costing Rs.0·17 lakh purchased in March 1962 for use in Baghmara PHC is lying idle for want of room to instal it and lack of electric connection.

The foregoing observations were referred to the Government in January 1980; reply is awaited (May 1981).

Revenue Department

3.7 Delay in realisation of interest and recovery of loan

For purchase and distribution of agricultural inputs for Rabi programme during 1975-76, the Government of India sanctioned (September 1975) a short term loan of Rs.25 lakhs to the Government of Meghalaya. The loan was repayable in one instalment together with interest, after six months from the date of drawal. The rate of interest was 5½ per cent, penal rate for delay in repayment of loan being 7½ per cent.

Government drew the sanctioned amount of loan in February-March 1976 and handed over the amount to the Meghalaya Co-operative Apex Bank Limited, Shillong (end of March 1976), on the same terms and conditions as prescribed by the Government of India (excepting rate of interest, which was 6 per cent), for relending to cultivators to enable them to procure agricultural inputs during 1975-76.

The Government of Meghalaya repaid the loan with interest in May 1976 but the bank had repaid only a part of the principal *viz.*, Rs.14·49 lakhs, in six instalments between March 1977 and June 1978. In February 1980 the outstanding balance of pricipal and interest stood at Rs.10·51 lakhs and Rs.3·83 lakhs (including penal interest of Rs.0·36 lakhs respectively. Government had not taken any steps to realise the amount of interest and the outstanding balance of loan.

The matter was referred to the Department/Government in September 1980 ; reply is still awaited (May 1981).

Soil Conservation Department:

3.8 Jhum control scheme

3. 8. 1 Introduction

About 3.5 lakhs of people in the State traditionally depend on the "Jhum" mode of shifting cultivation (involving destruction and burning of forests) on about 76,000 hectares of land, annually, leading to loss of fertile topsoil, non-optimal utilisation of forests, heavy run off during monsoon and shortage of water during winter.

Upto the end of the Fourth Five Year Plan, Rs.1,26·14 lakhs were spent on soil conservation including jhum control measures with emphasis on land improvement by terracing, reclamation and afforestation. During the Fifth Plan, "Jhum control scheme" was taken up for settling the *jhumias* (shifting cultivators). Five soil conservation divisions were to develop in five districts permanent cultivation sites of 2 hectares per family and provide seeds, plants, manure and fertilizers free of cost in the first year.

A State Level Committee (S. L. C.) chaired by the Chief Secretary was to co-ordinate and review the scheme periodically at least once in four months (the committee met once in 1974, twice in 1975 and twice in 1978). A "District Co-ordination Committee" (D. C. C.) in each district chaired by the Deputy Commissioner was to advise on regrouping of villages and location of settlement areas (none was formed in West Khasi and East Garo Hills ; in East Khasi it was formed only in November 1978).

No survey or collection of data on the soil conditions, crops, climate etc., for land use planning or for selection of suitable permanent cultivation sites, was done. Reasons were not on record.

Selection of settlement sites was done only by the District office staff without reference to any committee. Selection of families to be settled on the cultivation sites was made by the Clan Chief or Sirdar without any reference to any Committee. According to the S.L.C. (August 1978), *jhumias* had not always been selected for settlement on the sites.

3.8.2 Targets and achievements

The targets and achievements under the various components of the scheme are given below :

Items	Target	Achievement
1. Land development	8,070 hectares (Rs.1,76·49 lakhs)	5,266 hectares (Rs.1,67·48 lakhs)
2. Afforestation	2,611 hectares (Rs.31·42 lakhs)	3,287 hectares (Rs.41·03 lakhs)
3. Irrigation	2,750 hectares (Rs.53·05 lakhs)	2,097 hectares (Rs 53·82 lakhs)
4. Dwelling houses	1,940 nos. (Rs.58·58 lakhs)	1,665 nos. (Rs.33·30 lakhs)
5. Drinking water facilities	30 nos. (Rs.2·65 lakhs)	72 nos. (Rs.2·41 lakhs)
6. Link roads	30 Km. (Rs.17·30 lakhs)	121 Km. (Rs.22·96 lakhs)
7. Follow-up grants	Rs 67·93 lakhs	Rs.58·71 lakhs
8. Number of families benefited	3,600 nos. (72 centres)	2,931 nos. (55 centres)
Total expenditure	Rs.4,07·42 lakhs	Rs.3,79·71 lakhs.

The shortfalls were attributed to non-availability of suitable land, public opposition to taking land, the land tenure system and the change in ownership pattern caused by the change in agricultural methods. In May 1978 the S. L. C. suggested legislative measures to change the system of land tenure but no action had been taken so far (September 1980).

To avoid shortfall in expenditure on the scheme as a whole, the department diverted funds from the other components of the scheme (where there were shortfalls) to afforestation, resulting in more afforestation as compared to the targets.

3.8.3 Land development

(i) Land development was taken up from 1970-71; the land was reclaimed and terraced mostly by departmentally engaging labourers and five different rates were fixed ranging between Rs.850 and Rs.2,000 per hectare of land depending on the slope. In Nongstoin range (*e. g.* Umtaumkaduh centre), all payments were made at the rate applicable for the maximum slope, the actual slope being not mentioned either in the measurement books or in the muster rolls. In Killing, Rs.2·84 lakhs were spent during 1975-76 to reclaim 129 hectares of land; even on the basis of the maximum rate of Rs.2,000 per hectare, the amount should have been Rs.2·58 lakhs and there was extra expenditure of at least Rs.0·26 lakh. During 1977-78, for terracing 40 hectares in Syntonbullia under Shillong Range, Rs.80,000 were spent on wages as for maximum slope without any measurement or record of slope. The earthwork measurements also did not mention the volume of earthwork done but merely the area covered.

(ii) During 1978-79, against target of 300 hectares in Nongstoin division, due to difficulties in selection, no new centre was opened and in Shillong Division only 20 hectares of land were developed and distributed at the rate of one hectare per family instead of two, considered necessary for a family to live on.

(iii) Expenditure sanctions to the schemes had been issued in February and March every year; land development works were completed and the families also settled within these two months. Settlement had not been done after preparing the land properly (*see* also para 3.8.6).

(iv) Savings under other heads were utilised to purchase more machinery, tools and plant, and equipment without any assessment of the requirement (none on record); during 1974-79, 109 power tillers, 24 tractors and 3 bull-dozers were purchased at a cost of Rs.51·56 lakhs. Of these 20 power tillers, 5 tractors and 2 bull-dozers were used in Shillong Division to develop 670 hectares of land (1975-76: 200 hectares, 1976-77: 300 hectares, 1977-78: 150 hectares and 1978-79: 20 hectares), but have remained idle after March 1979. Expenditure on wages and salaries of drivers and handymen was Rs.2·88 lakhs (as compared to the target of Rs.176 lakhs for development of 8070 hectares).

No log books had been maintained for power tillers and bull-dozers. The log books for tractors did not indicate the quantity of petrol, oil and lubricant purchased and consumed; the tractors the had been used mostly for carrying materials to the centres and other places even though tractors with attached ploughing accessories had been purchased.

3·8·4 Afforestation

Afforestation was to provide employment to *Jhumias* in the lean season in reforesting the abandoned Jhum lands where forests had been destroyed. No norm indicating the area for afforestation, per family settled, was, however, prescribed by the department. Against the target of afforestation of 2500 hectares of abandoned Jhum lands at a cost of Rs.26·88 lakhs, 3287 hectares were afforested at a cost Rs.41·03 lakhs, even though the number of settled families, to be provided employment in lean season on afforestation work, fell short of the target.

3·8·5 Irrigation

Under the scheme, irrigation facilities were to be provided to develop lands to the maximum extent possible. Small irrigation projects on a minor scale were taken up from 1974-75 within the limitations of topography of hilly areas. Against a tentative target of 2750 hectares of command area at a cost of Rs.53·05 lakhs during the five years 1974-79, 2097 hectares were brought under irrigation at a cost of Rs.53·82 lakhs. Reasons for the shortfall in the area covered even after over spending the provision were not on record nor stated.

3·8·6 Dwelling houses

Grant of Rs.2,000 was given to each family, settled for permanent cultivation, towrads the cost of construction materials required by them for constructing houses. Against the target of 1940 families, grants were given to 1665 families; reasons for shortfall were not on record nor stated. It was noticed that seven persons had been paid grants twice in

Nongpoh range. It was also noticed that in Killing jhum control centre, grants had been paid to some families even before the list of families to be settled had been finalised. The finalised list could not also be produced to Audit. In the same centre, 39 houses were destroyed by fire and 13 houses which remained were seen to be vacant during 1977-78. The whereabouts of the 52 families who were reportedly settled and should have been occupying the houses were not on record nor stated. 39 families in six jhum control centres under Tura Division left their houses in 1974-75 for reasons not known. The utilisation of land allotted to them in the last four years could not also be intimated to Audit. In October 1977, the Divisional Officer, Tura had stated that in some centres people had abandoned the terraced land because of absence of irrigation facilities. No steps had apparently been taken to remedy their difficulties and attract them back.

3·8·7 Follow up grants

Each family was to be provided seeds, plants, manures and fertilizers at Rs. 150 per hectare of land developed in the first year and at 50 per cent subsidy in the second year. In Shillong Division, 432 hectares and 250 hectares were developed in 1974-75 and 1975-76 respectively (against target of 400 and 250 hectares). Rupees 0·57 lakh were paid as grants for 250 hectares of land developed during 1975-76 instead of Rs. 0·38 lakh leading to an overpayment of Rs. 0·19 lakh. During 1978-79, in Shillong Division Rs. 0·31 lakh were spent as grants for 20 hectares of land developed during the year and 150 hectares of land developed during 1977-78, instead of Rs. 0·12 lakh as per norms, leading to excess payment of Rs. 0·19 lakh.

3·8·8 Impact of the scheme

The Impact of the scheme in settling *jhumias* giving them roots in permanent agricultural occupation and through other socio economic incentives had not been evaluated. Except for annual progress reports submitted to the Directorate by the divisions, there was not also any comprehensive report analysing the shortfalls or success of the various components of the scheme to facilitate proper approach for attainment of the objective. The department had not taken any follow up action to ensure that the families settled did not go back for doing jhum cultivation. Information as to whether all these families were still doing jhum cultivation was not available with the department.

3·8·9 Summing up

Rupees 3,86·68 lakhs were spent during the years 1974-79, for settling *jhumias* (shifting cultivators) for parmanent cultivation in groups.

No survey or collection of data on soil conditions, crops, climate etc. for land use planning and for selection of suitable permanent cultivation sites was done.

The State Level Committee and the District Co-ordination Committees had not functioned as required; selection of sites had been done by the district office staff and selection of families for permanent cultivation had been done by the Clan Chief or Sirdar of the locality.

Non-availability of suitable land, public opposition to taking land, the land tenure system and the change in the ownership pattern consequent on the change in agricultural methods had affected the programme adversely.

Although there were five different rates for land development depending on the slope of the land, payments were made at the maximum rate without measurement of the slope and Rs. 0·26 lakh were spent extra.

Machinery, like power tillers, tractors and bulldozers, procured for land development remanied idle.

The whereabouts of 52 families who had deserted were not available nor reasons for desertion by them were investigated; manner of utilisation of their land in the last four years was also not available.

The impact of the scheme in settling *jhumias*, giving them roots in permanent agricultural occupation and through other socio economic incentives had not been evaluated. Except for annual progress reports submitted to the Directorate by the divisions, there was not also any comprehensive report analysing the shortfalls or success of the various components of the scheme.

No progress has so far been made in settlement of the remainig 669 families out of 3600 families proposed to be settled during 1974-79, for want of suitable land (January 1981).

The foregoing observations were referred to the Government in November 1980; reply is awaited (May 1981).

3·9 Extension of hostel building at Burnihat

A tender for Rs.0·60 lakh, received in December 1978 for the work of hostel building at Conservation Training Institute, Burnihat (estimated cost: Rs.0·60 lakh), was not accepted by the Director of Soil Conservation Meghalaya becuase there was no other tender. In response to a fresh notice (February 1979) allowing 8 days time (16 days time had been allowed on the first occasion), two tenders were received of which the lower one (Rs.0·74 lakh) was again from the solitary tenderer on the first occasion. On both occasions, the notice inviting tenders had not been given wide publicity by publishing it in the Meghalaya Gazette or newspapers, reportedly due to lack of time. The work was entrusted for at Rs.0·74 lakh (to be completed by March 1979) to the lower tenderer without making any attempt to negotiate with him to reduce his rate to his earlier (December 1978) quoted rate of Rs.0·60 lakh; reasons for not negotiating were not on record nor stated.

On the basis of recordings in the measurement book, for phases I and II of the work, Rs.0·72 lakh were drawn on 31st March 1979 on two self cheques and disbursed (according to the cash book) to the contractor. But it was noticed (June 1979) that the cheques were in the custody of the Co-ordinator in the Institute till 22nd May 1979 when they were sent to the bank for encashment. Further, the contractor applied to the department on 8th May 1979 for arranging supply of 2.5 tonnes of steel required for the work indicating clearly that construction was not complete till that date.

Supply Department

3·10 Non-recovery of incidental charges

To meet the administrative costs involved in making allotments of rice received for distribution in the State from the Central pool, the Government decided in September 1972 to levy incidental charges at rupee one per quintal on wholesale traders who lift rice for distribution within the State. The retail price was also raised to that extent.

Letters allotting rice from Central pool to wholesale traders are issued only on production of a receipted treasury challan showing that they have remitted to Government the cost of rice to be allotted together with the incidental charges. In addition to wholesale traders, rice was also allotted to some stockists with effect from April 1973, but incidental charges were recovered only partly from them (stockists) and that too not in advance. The outstanding amount of incidental charges to be recovered from 15 stockists as at the end of March 1980 was Rs.3·35 lakhs. Reasons for non-collection of the advance/part collection of the incidental charges from the stockists were not on record nor stated.

The case was referred to the Government in November 1980 ; reply is awaited (May 1981).

CHAPTER IV

WORKS EXPENDITURE

Public Works Department

4·1 Infructuous purchase

In March 1974, the Executive Engineer, Tura East (Roads and Buildings) Division received on transfer from Tura North Division a fabricated structure of 100 feet span, reportedly costing Rs. 0·68 lakh, for the work "Construction of Rongjeng Mawgsang Adokgiri Road, Section I". The transfer was occasioned by the Dainadubi Sub-division coming under Tura East division from Tura North division. The structure remained idle at site for more than 5 years and was taken back to "stock" in November 1979 and still remained unused. No information could be given to Audit why it was purchased and when. The authority under whose orders the structure had been purchased could not also be intimated to Audit nor was the information on record.

The matter was referred to the Government in November 1980; reply is awaited (May 1981).

Public Works Department/Public Health Engineering Department

4·2 Failure to effect recoveries

(i) From April 1967 and until March 1972, division rendering services or making supplies to other divisions were to claim payments in cash or by cheque/bank draft within ten days of rendering services or making supplies. It was seen that Rs. 68·50 lakhs on account of such services or supplies and shown in accounts under cash settlement suspense account remained to be recovered (September 1980). Of these Rs.15·19 lakhs were recoverable from the divisions of Assam. The records did not contain full particulars of the services rendered or supplies made and possibility of losses and irregularities being concealed in the dues for recovery cannot be ruled out. Claims for Rs. 21·68 lakhs remained to be settled pending verification of materials stated to have been supplied from as far back as 1960-61.

In Tura North Division, Tura East Division and Shillong South Division, Rs.6·61 lakhs, Rs.3·49 lakhs and Rs.1·26 lakhs respectively were due for recovery from other divisions which had still not completed verification of the materials received, though some of the materials related to 1960-61 and onwards.

(ii) Even after issue of orders in March 1972 requiring receipt of pre-payment before rendering services or making supplies in Public Works and Public Health Engineering Divisions, supplies valuing Rs. 76·06 lakhs were made to other Divisions from April 1972 to 31st March 1979 without receiving payment first. Of this, Rs.38·98 lakhs were still to be recovered (September 1980) and figures as unsettled in the cash settlement suspense account. It was noticed in the Shillong South Division and Shillong Central Division in particular that materials valuing Rs. 29·66 lakhs had been despatched to other divisions during April 1973 to March 1980 without receiving pre-payment, though the despatch was after issue of orders in March 1972 requiring such pre-payment.

(iii) It was seen that, instead of getting pre-payment for services rendered, the Shillong Mechanical Division without any basis, and irregularly, showed the value of services rendered to other divisions for (Rs. 11·08 lakhs) in the account as refund of Public Works deposits, though no deposit or credit had been received earlier.

The cases wre been referred to the Government in November 1980 ; reply is awaited (May 1981).

4·3 Miscellaneous Works Advances

Rupees 203·86 lakhs of Public Works advances were outstanding for recovery on 31st March 1980 (Rs.182·32 lakhs in Public Work Divisions and Rs. 21·54 lakhs in Public Health Engineering Divisions). In 15 divisions (out of 22 divisions in the State), the following types of cases, some without sanction and some outside the rules, were noticed :

(i) As mentioned in paragraph 4·5 of the Audit Report 1978-79, expenditure of Rs. 4·42 lakhs incurred on running of lorries in the Barengapara (Roads and Buildings) Division, adjusted as advances, remained unallocated to works for over 9 years (September 1980). Similarly, Rs. 56·29 lakhs spent on running of lorries of the division from June 1969 to March 1980 and adjusted as advances remained unallocated to works (September 1980), in the 15 divisions mentioned in Appendix 4·1. Reasons for non-allocation were not on record nor stated (September 1980).

(ii) Though Government had issued orders in March 1972 that materials should be transferred to other divisions only on cash payment and not on credit, in seven divisions, *viz.* Shillong Central

Division, National Highway Division, Shillong, Shillong West Division, Tura Public Health Engineering Division, Jowai North Division, Shillong South Division and Barengapara Division, materials valuing Rs.23·44 lakhs issued to other divisions between August 1972 and March 1980 and adjusted in accounts as advances paid remain unrecovered so far (February 1981).

(iii) Government had also ordered in March 1972 that payments made to other divisions for supply of materials should be charged to the works immediately and receipt of materials watched through suitable ledgers and records maintained in the division. But advance payments of Rs.24·07 lakhs in Shillong South Division, Rs.6·81 lakhs in Shillong North Division and Rs.1·09 lakhs in Nongstoin Division made from March 1973 to March 1980 are still shown as advances without being charged to the works concerned, pending verification of the materials received.

(iv) Expenditure of Rs.2·19 lakhs was incurred in Shillong Central Division on bamboo fencing in 1972, 1977 and 1979 but it has not been recovered so far from the district officer on whose behalf it was incurred (September 1980). Similarly, expenditure of Rs.0·27 lakh incurred in Tura North Division in July 1972 has also not been recovered from the district officer so far (September 1980).

(v) In Shillong Mechanical Division, Rs.21·11 lakhs were paid on behalf of other divisions for purchase of machinery which had reportedly been received in the latter divisions, some, as far back as 1968. The details on record do not, however, give a clear picture of the divisions which received the machinery and the payments adjusted as advances have not been recovered so far (September 1980).

(vi) In four divisions, *viz.* National Highway Division, Shillong, Mawsynram Division, Tura North Division and Tura South Division, materials valuing Rs.3·85 lakhs, which were found short from March 1955 to February 1980, were adjusted in accounts as advances recoverable; the loss has not been made good so far (September 1980).

(vii) In 4 Divisions, Shillong Central Division, Shillong Mechanical Division, National Highway Division and Nongstoin Division, advance payments amounting to Rs.24·78 lakhs made to suppliers, from March 1967 to February 1980, have not been adjusted to final heads (works concerned) either due to non-receipt of materials or pending verification of the materials received.

The cases were referred to the Government in November 1980 ; reply is awaited (May 1981).

4.4 Expenditure incurred without sanction or in excess of sanctioned estimates

Ordinarily, no new work may be commenced or any liability incurred in respect thereof till its detailed estimate is sanctioned. Further, a revised estimate is to be prepared when the sanctioned estimate is likely to be exceeded by more than 5 per cent.

Further to similar cases reported in earlier Audit Reports, Rs.31·65 lakhs were spents by the Public Works Department upto March 1980 on works for which detailed estimates had not been sanctioned.

In respect of nine works of the Public Works Department and one of the Public Health Engineering Department with sanctioned estimates above Rs. one lakh each, the expenditure upto the end of 1979-80 had exceeded the sanctioned estimates by more than 5 per cent, the aggregate excess being Rs.13·52 lakhs and Rs.0·33 lakh respectively.

Particulars of individual works are mentioned in Appendix 4.2.

Public Health Engineering Department

4.5 Creation of division without sufficient work-load

The Sewerage and Drainage Division, Shillong was created in April 1974 to attend to disposal of sewerage in the town of Shillong and also to convert dry latrines into sanitary ones. 12 repair works and 9 minor works of other Public Health

Engineering divisions were also entrusted to this division as a temporary measure. Expenditure incurred on maintenance of staff of the division, works done and expenditure thereon over the years are given below:—

Year	Expenditure on staff	Expenditure on works executed	Quantity and items of work done
(1)	(2)	(3)	(4)
		(in lakhs of rupees)	
1974-75	0·86	0·07	One repair work
1975-76	1·67	1·01	One minor work
1976-77	1·68	0·26	One minor work
1977-78	2·05	0·07	One repair work
1978-79	2·18	4·00	Seven repair works and six minor works
1979-80	2·69	1·55	Three repair works and one minor work

In July 1977, lack of work in the division was intimated to the Chief Engineer, Public Health Department, and, in July 1978, all works relating to construction of medical buildings of the Health and Family Welfare Department in the Khasi Hills Division were entrusted to this division till the "Shillong Sewerage Disposal scheme including sewerage treatment" came up for implementation. This was to be only after completion of "Greater Shillong Water Supply Scheme" to which it is linked and is not likely before March 1985. But even in 1979-80, only Rs.1·55 lakhs worth of such additional work was done.

The case was referred to the Government in September 1980; reply is awaited (May 1981).

4.6 Infructuous expenditure

The Mawbri Water Supply Scheme, approved by the Government in November 1974 at a cost of Rs.3·94 lakhs in January 1975, was taken up for execution in March 1975. It had received technical approval also.

In April 1975, the villagers of Mawtewcng lodged a complaint with the department that the existing irrigation facilities would be affected if the source selected for the water supply scheme was tapped. However, work on the scheme continued without this dispute being settled. In March 1977, the work had to be discontinued and left incomplete because of the departmental view on adequacy of the water source for both drinking water supply and irrigation not having been established with supporting figures. The expenditure (Rs. 1·19 lakhs) incurred on the scheme has been infructuous so far.

The matter was referred to the Department/Government in September 1980; reply is awaited (May 1981).

4.7 Greater Shillong Water Supply Scheme

(*a*) *General*

The Greater Shillong Water Supply Scheme, though approved in 1971-72 at a cost of Rs.4·39 crores and revised in September 1975 to Rs.8·16 crores, could not be started till 1978-79 because of public protests that the proposed reservoir at Laitlyngkot (5 Km. away from Shillong) would submerge cultivable land. In 1978-79, the intake point was shifted from Laitlyngkot to Mawphlang (25 Km. from Shillong), the estimate was revised to Rs.23·90 crores and an agreement executed between the villagers and Government on location of the intake point. The Administrative approval and technical sanction were accorded in January 1979 and March 1979 respectively.

The department procured Rs.115·30 lakhs worth of pipes during 1974-1979 but tenders for laying of pipes under the scheme are still to be called (September 1980), thereby locking up scarce development funds for several years.

(b) Extra expenditure due to subsequent inclusion of certain items

In response to an invitation for lump sum tenders (July 1979) for "Construction of intake structure, pump houses *etc.*" (estimated cost: Rs.2,90 lakhs), the tender submitted by contractor "S" for Rs.2,49·75 lakhs was found the lowest. The contractor also, offered to do maintenance for one year for Rs.2·35 lakhs. After opening the tenders, the Chief Public Health Engineer asked (September 1979) for some clarifications/confirmation/withdrawal of certain points/ conditions from contractor "S". On this, the contractor demanded extra price (on seven items) amounting to Rs.17·10 lakhs, over and above the lump sum price. The department accepted the extra demand of the contractor as the rate of the contractor was still the lowest even with this extra demand and executed an agreement (October 1979) with him for Rs.2,69·20 lakhs.

The extra price (Rs.17·10 lakhs) agreed to, inter-alia, included payment of sales tax (Rs.9·30 lakhs), jungle clearance (Rs.0·70 lakh) and cost of arranging for water and electricity (Rs.3·99 lakhs). The basis, as available, for this increase was as follows:—

(i) In the original tender, contractor "S" had stipulated that his offer included sales tax (at 4 per cent) on all materials and equipment to be purchased by him provided the department furnished necessary sales tax declaration forms. The value of materials and equipment included in Rs.1,23 lakhs, being lump sum payment for installed 'Mechanical and Electrical works', was, however, not made available to Audit. The department stated that the department could not issue necessary declaration forms for purchase of materials by the contractor and consequently the contractor asked for an extra amount of Rs.9·30 lakhs, to which the Government agreed. No calculation showing how the amount was arrived at was on record; it appeared that the extra amount represented 8 per cent on a little less than the lump sum of Rs.1,23 lakhs, but without relating it to the cost of the materials component, which would have been much less.

(ii) In the tender, the contractor had stipulated that the site of work "duly cleared" should be handed over to him. As the department wanted the contractor (September 1979) to delete the words "duly cleared", the contractor asked for extra payment of Rs.0·70 lakh for clearing the jungle and uprooting trees, etc. The department had agreed to the extra payment without assessing the volume of work involed and verifying if Rs.0·70 lakhs worth of clearing work was really involved.

(iii) The contractor had also stipulated in his tender that the department should arrange to provide free electric power at the proposed intake pump house work site, etc. and at various points along the route of the pipe lines and also arrange for supply of water for constructional purposes and domestic use at the site of work and at the camp site respectively, free of charge. Water and power required for testing of various structures/equipment/pipe line were also to be arranged by the department free of charge at required points contiguous to the site of work.

In September 1979, the department asked the contractor to specify his requirement of electric power and agreed to supply water at one point. The contractor asked for Rs.3·99 lakhs extra because of the department not providing water and electricity for testing, welding and construction of pipe supports along the pumping main route. The department agreed to the extra payment without verifying whether the amount was fully justified on the basis of the cost involved in providing necessary electric and water points.

(c) *Carriage of pipes*: For carriage of cast iron pipes for Greater Shillong Water Supply Scheme from outside the State to the site, the contract was given to the lowest tenderer and to the second lowest tenderer at the rate of the lowest tenderer. The lowest tenderer had stipulated that in the event of failure to load full 10 tonnes per truck, he would still charge for a minimum load of 10 tonnes per truck per trip. In the two months of March and April 1979 (61 days), 1247 tonnes of pipes were carried from Khardah in West Bengal in 223 trips at a cost of Rs.9·93 lakhs charged as for 2230 tonnes. Had the materials been bulked at 10 tonnes per trip, the number of trips between the same two points having averaged nearly 4 per day, the payment would have been only about Rs.5·55

lakhs resulting in saving of about Rs.4·38 lakhs. Reasons for failure of the contractors to carry full truck load of materials and for the department not raising the issue with them were not on record nor stated.

(d) *Irregular selection of tender* : In response to the tender floated by the Chief Public Health Engineer for construction of a water treatment plant of capacity 34·05 million litres per day (mld.), with provision for expansion by 17·25 mld. on turnkey basis, eight reputed firms quoted lump sum rates to their own design. In the comparative statement of tenders, the department made some adjustments and loadings on the quoted rates to allow for differences in the offers (without any discussion with the tenderers or their representatives). After these adjustments, the lumpsum quotations of the three lowest tenderers worked out as follows :

As quoted		After adjustments
Firm 'A' Rs.32·35 lakhs	...	Rs.40·33 lakhs
Firm 'B' Rs.33·14 lakhs	...	Rs.38·34 lakhs
Firm 'C' Rs.33·50 lakhs	...	Rs.38·24 lakhs

The tender of "C" thereby became the lowest and was accepted. It was, however, seen that the notice inviting tender had not specified the capacity of the 'Back wash tank'; while the design of "B" was for 600 cubic metres tank, that of "C" and "A" was for 220 and 380 cubic metres tanks respectively. A sum of Rs 0·30 lakh was added to the quotation of tenderer "C" to adjust it from 220 to 600 cubic metres tank while the quotation of tenderer "A" was increased by Rs.1·03 lakhs to adjust it from 380 to 600 cubic metres (though it could have been only Rs.0·17 lakh). Again, quotation of tenderer "A" of Rs.2·10 lakhs for pneumatic control system was increased by Rs.2·88 lakhs on the basis of the quotation of tenderer "B" *viz.* Rs.4·98 lakhs, but not of "C" who had quoted Rs.4·07 lakhs. Tenderer "C" had offered rebate of Rs.1·50 lakhs if no rock, hard or soft or of any kind, was encountered in excavation upto design level but stipulated extra payment at Rs.25·00 per cubic metre in case rock was found in the course of excavation. In the comparative statement, a deduction of Rs.1·50 lakhs was made in 'C' 's quotation on account of this

promise without considering whether in a hilly area, like Mawphlang, this was likely; in fact, the department later paid Rs.0·65 lakh to the contractor for excavation of rock. But for these unjustified and unexplained adjustments, the tender of 'C' would not have been the lowest.

(e) *Unintentional extra advance*: The contractor bidding for intake structure, pump house etc. had stipulated in his tender that the department would pay 15 per cent of the contract value as advance for mechanical, electrical and civil engineering works. Accordingly, 15 per cent advance payment of Rs.40·30 lakhs on the total contracted value of Rs.269·20 lakhs including Rs.2·35 lakhs on account of maintenance of the plant for one year was paid to the contractor in September 1979. Advance payment of Rs.0·35 lakh at 15 per cent on Rs.2·35 lakhs was not admissible and resulted in extra advance to the contractor, which has not been adjusted till now.

The case was referred to the Government in December 1980; reply is awaited (May 1981).

CHAPTER V

STORES AND STOCK

5.1 Synopsis of stores accounts

A synopsis of stores accounts of the Public Works, Public Health Engineering and Stationery and Printing departments for 1979-80 is given below:—

Serial number	Department	Stores	Balance on 1st April 1979	Receipts during the year	Issues during the year	Balance on 31st March 1980
			(in lakhs of rupees)			
1.	Public Works	Small stores, building materials, painters' stores, etc.	31·48	203·91	233·21	2·18
2.	Public Health Engineering	—do—	(—)59·48	194·97	247·56	(—)112·07*
3.	Meghalaya Government Press	Stationery, printing and binding materials	2·16	3·93	3·11	2·98

5.2 Accounts not received

Stationery Stock Depot, Meghalaya, Shillong has not compiled the accounts for 1978-79 and 1979-80 so far (January 1981). As already stated in the earlier Audit Reports, complete accounts of non-judicial, judicial and entertainment tax stamps, from 1970-71 onwards, have not been received from the treasuries (January 1981). The position has been brought to the notice of the Secretary to the Government, demiofficially.

5.3 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 having regard to market rates.

**Minus* balances arise due to non-receipt, non-acceptance or non-accountal of debit advices corresponding to receipt of stores which have been accounted for in works ; they also arise on account of higher issue rates as compared to purchase cost.

Out of 16 Public Works divisions, in not a single division had the ledgers been closed upto March 1980; the position as at the end of September 1980 was as under:

Name of division	Latest month upto which the ledgers had been closed
1. National Highway Division, Shillong	September 1977
2. Mechanical Division, Shillong ...	September 1976
3. Shillong Central Division ...	September 1979
4. Shillong South Division ...	September 1976
5. Shillong North Division ...	September 1977
6. Mawsynram Division ...	September 1976
7. Shillong West Division ...	September 1979
8. Tura South Division ...	September 1977
9. Tura East Division ...	September 1976
10. Barengapara Division ...	September 1979
11. South Jowai Division ...	September 1979
12. North Jowai Division ...	September 1971
13. Nongstoin Division ...	September 1977
14. Tura North Division ...	September 1978
15. Estate Officer, P. W. D (R. & B.), Shillong ...	April 1976
16. Jowai Central Division ...	(New division created on 8th January, 1980.)

Out of 7 Public Health Engineering Divisions, in only one (Greater Shillong Water Supply Division) had the ledgers been closed upto March 1980; the position as at the end of September 1680 was as under:—

Name of division	Latest month upto which the ledgers had been closed
1. Rural Water Supply Division, Williamnagar	September 1977
2. Rural Water Supply Division, Nongstoin	September 1977
3. Rural Water Supply Division, Jowai	September 1978
4. Public Health Engineering Division, Tura	September 1978
5. Public Health Engieering (Hills) Division, Shillong	September 1979
6. Sewarage and Drainage Division, Shillong	No stock held in division.

The rules require that the stock should be verified at least once a year by a responsible officer not below the rank of an Assistant Engineer. During 1979-80, such verification was done only in 5 Public Works divisions out of 16 divisions; the position as at the end of September 1980 was as under:—

Name of division	Month after which physical verification not conducted
1. National Highway Division, Shillong	June 1978
2. Nongstoin Division	March 1979
3, Shillong Central Division	September 1979
4. Shillong South Division	December 1979
5. Shillong North Division	February 1979
6. Mawsynram Division	July 1979
7. Tura South Division	May 1979
8. Tura East Division	December 1979
9. Estate Officer, P. W. D. (R.&B,), Shillong	March 1978
10. North Jowai Division	July 1977
11. Jowai Central Division	(New division created on 8th January 1980).

Verification of stores in 6 Public Health Engineering divisions (out of 7 divisions) had not been conducted as at the end of September 1980; the last verification done was as under:—

Name of division	Month after which physical verification not conducted
1. Rural Water Supply Division, Nongstoin	September 1978
2. Rural Water Supply Division, Jowai	September 1978
3. Rural Water Supply Division, Williamnagar	September 1979
4. Public Health Engineering Division, Tura	September 1979
5. Greater Shillong Water Supply Division	September 1979
6. Public Health Engineering (Hills) Division, Shillong	September 1979

In Sewerage and Drainage division, not stocking stores, no accounts were maintained.

5.4 Tools and plant registers

Each Public Works and Public Health Engineering division is required to close and balance its tools and plant registers (called ledgers) each month.

Out of 16 Public Works divisions in only one (National Highway Division, Shillong) had the ledger been closed upto March 1980; the position as at the end of September 1980 was as under:—

Name of division	Month in which ledgers were last closed
1. Shillong South Division	September 1976
2. Shillong North Division	September 1977
3. Shillong Central Division	December 1977
4. Mechanical Division, Shillong	September 1977
5. Tura North Division	September 1977
6. Tura East Division	September 1977
7. Estate Officer, P. W. D. (R.&B,) Shillong	December 1977
8. Barengapara Division	September 1978
9. Tura South Division	September 1978
10. North Jowai Division	September 1978
11. South Jowai Division	September 1979
12. Nongstoin Division	September 1979
13. Mawsynram Division	September 1978
14. Shillong West Division	September 1979
15. Jowai Central Division	(New division created on 8th January 1980)

Out of 7 Public Health Engineering divisions, in none had the ledger been closed upto March 1980; the position as at the end of September 1980 was as under :---

Name of division	Month in which the ledgers were last closed
1. Rural Water Supply Division, Nongstoin	September 1978
2. Greater Shillong Water Supply Division	August 1978
3. Public Health Engineering (Hills) Division, Shillong	November 1978
4. Rural Water Supply Division, Jowai	September 1979
5. Rural Water Supply Division, Williamnagar	September 1979
6. Public Health Engineering Division, Tura	September 1979
7. Sewerage and Drainage Division, Shillong	(No tools and plant stocked in the division)

The matter was referred to the Government in February 1980; reply is awaited (May 1981).

5.5 **Purchase in excess of requirements**

500 running metres of N P 2 hume pipes of dia. 120 cm. costing Rs.2·68 lakhs were received in the Nongstoin (Roads and Buildings) division during the period March 1975 to October 1975 against an order placed by the Additional Chief Engineer; it was not against any indent originated by the division. Only 177·50 running metres of pipe were utilised in works till April 1980 and balance 322·50 running metres costing Rs.1·73 lakhs are still lying unused (March 1981). It was also noticed that the works remaining to be executed by the division did not require N P 2 hume pipes and so there was little prospect of their utilisation. No attempts had also been made to transfer the pipes to any other division, though they would be generally required in some cases.

5.6 Unnecessary purchase

In June 1979, the agents of a firm in Calcutta supplying spares for Jessops road rollers informed the Additional Chief Engineer (A.C.E.), Public Works Division (Roads and Buildings) that their rate contract with the Directorate General of Supplies and Disposals for supply of spares would expire on 30th June 1979. The A. C. E., P. W. D. (R. & B.), thereupon asked the Executive Engineer, Mechanical Division, Shillong to indent spare parts required by him by 15th June 1979. The latter, however, pointed out that the stock in the division (value: Rs.14·35 lakhs) was already in excess of the reserve stock limit of Rs.14 lakhs, as most of the materials purchased earlier had remained unutilised.

Nevertheless, the Additional Chief Engineer, Public Works Department (Roads and Buildings) placed orders (June 1979) for supply of spare parts for Jessop road rollers valued at Rs.3·28 lakhs on the firm in Calcutta under the rate contract, but the purchase was not against any specific requirement of the division, as stated by the Executive Engineer (November 1980). Spares valuing Rs.1·26 lakhs had been utilised by the division upto November 1980 out of the purchases so made.

It was, however, noticed in audit (October 1979) that the above order included eight items of spares costing Rs.0·21 lakh which were already in stock since their purchase in March 1974 and for the disposal of which the division had already moved the Additional Chief Engineer in August 1978.

The cost of spare parts so purchased was charged in accounts by the division to "Acquisition and maintenance of machines etc., repair charges of tools and plant" instead of to "Stock" in order to avoid showing further excess holding beyond the reserve stock limit. Action taken, if any, by the division to reduce the level of non-moving stores was not stated nor available on record.

CHAPTER—VI

REVENUE RECEIPTS

Taxation Department

6.1 Non-levy of penalty

Under the provisions of the Assam Sales Tax Act and the Assam Finance (Sales Tax) Act, 1956 as adapted 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 payble by the dealer, at an amount not exceeding one and a half times the amount of tax.

(a) It was seen in audit of the records of the Superintendent of Taxes, Shillong, that a dealer failed to submit his returns under the Meghalaya Sales Tax Act, for the period ending 30th September 1966 to 31st March 1979 even though notices for imposition of penalty under the provisions of the Act were issued to the dealer from time to time. The dealer was, however, assessed *ex-parte* for all these periods. The assessment records revealed that during assessment the assessing authority neither considered the question of levy of penalty nor made any reference to the Commissioner for sanction required under the Act. The penalty involved was Rs.0·13 lakh calculated at one and a half times of the tax assessed.

(b) Another dealer was assessed *ex-parte* under the Meghalaya Sales Tax Act and the Meghalaya Finance (Sales Tax) Act for the periods ending 31st march 1969 to 30th September 1978 as the dealer failed to furnish the prescribed returns. In this case also no penalty proceedings were initiated. The penalty involved was Rs.61,729 calculated at one and a half-times of tax assessed, and was not levied.

The cases were reported to Government in September 1980; reply is awaited (May 1981).

6.2 **Non-levy of interest**

(a) Under the Assam Purchase Tax Act, 1967, as adapted by Meghalaya, if any registered dealer does not pay within the prescribed date into Government treasury the full amount of tax due from him under this Act on the basis of the return or his account books or on service of notice, the dealer becomes liable to pay simple interest at graded rates from 6 to 24 pei cent per annum.

It was seen in audit of the Superintendent of Taxs, Shillong, that a dealer failed to deposit the tax pertaining to various quarterly periods ending 31st March 1975 to 30th September 1979 within due dates. However, no interest was levied in this case, resulting in loss of revenue of Rs.1·31 lakhs on amount of interest payable for the period upto 31st March 1980.

In November 1980, Government stated that the case was reopened and interest (Rs.1·31 lakhs) was levied on the dealer. Report on further developments is awaited (May 1981).

(b) Similarly, under the Central Sales Tax Act, 1956, every registered dealer is required to furnish returns of taxable turnover in the prescribed from to the Superintendent of taxes within the prescribed time and to pay into the treasury the full amount of tax due from him under the Act on the basis of the return within the prescribed date. For failure to pay the tax in time the Act provides for levy of interest at rates prescribed in the General Sales Tax Law of the State.

It was seen in audit of the records of the Superintendent of Taxes, Shillong, that a dealer did not deposit the tax for the period ending 30th September 1975 under the Central Sales Tax Act within due dates. However, no interest on belated payments was levied in this case, resulting in non-levy of interest of Rs.0.15 lakh.

The case was reported to Government in Septemeber 1980; reply is awaited (May 1981).

6.3 Non-verification of way bills received from Sales tax check post by the Superintendent of Taxes

Under the Assam Sales Tax Act as adapted by Meghalaya, tax is levied at the first point of sale by a manufacturer or an importer. The Assam Purchase Tax Act as applicable to Meghalaya envisages a levy of tax on certain specified goods on last purchase within the state. Omission to make entries of purchase or sale in the books of accounts in respect of taxable goods imported from other States or exported to other States might lead to evasion of Sales Tax. To check such evasion, the Acts mentioned above provide for establishment of check-post at strategic points along the borders of neighbouring States. The first such check-post was established by the Government of Meghalaya in September 1979 at Burnihat in East Khasi Hills District.

After the establishment of the checkpost any person, who seeks to import any goods by road into the State from any place outside the State or exports any goods by road from the State to any place outside the State, is required to furnish a declaration in triplicate containing certain prescribed particulars. The Officer-in-charge of the checkpost, after satisfying himself that the goods transported are in accordance with the particulars furnished in the way-bill, is to return two copies thereof to the driver or to the person in charge of the vehicle after putting the seal "Checked" on the back of each with dated signature. On one of these two copies, the checkpost officer is required to endorse the particulars of the Superintendent of Taxes to whom it shall be surrendered. The copy retained at the checkpost is required to be sent within three days to the Superintendent of Taxes of the area where the Consignor or the Consignee has his place of business in the State for checking up the particulars furnished in the way-bill with reference to the accounts records of the Consignor/ Consignee.

As soon as a way-bill is received from a checkpost or from a vehicle the unit officer is required to enter the same in the register maintained for the purpose and thereafter pass it on to the Inspector of Taxes for verification with reference to the account records of the Consignor/Consignee and report within seven days from the date of receipt by him.

It was seen in Audit of the records of the Superintendent of Taxes, Shillong that about 25,000 way-bills were received from the checkpost at Burnihat (since inception). Out of these not a single bill was entered in the Register and verified by the Inspectors. A test check of 1,000 way-bills (from 1.9.1979) disclosed that taxable goods of estimated value (as per way-bills) of Rs.33·42 lakhs were imported and taxable goods of estimated valule of about Rs.16·52 lakhs were exported involving tax effect of Rs.3 lakhs (calculated at the minimum rate of 6 paise in the rupee) through the Burnihat checkpost and way-bills in support thereof were sent to the Superintendent of Taxes, Shillong for follow-up action which however, was not taken.

In the absence of follow-up action, the taxing authorities could not have ensurred that the purchase and sale of goods imported/exported by road were actually accounted for in the dealers' books and accounts and tax paid thereon.

The matter was reported to Government in September 1980 ; reply is awaited (May 1981).

6.4 Irregular exemption

Under the provisions of the Assam Sales Tax Act 1947 as adapted by Meghalaya 'Sale price' for the purpose of assessment means the amount payable to a dealer as valuable consideration for-(a) the sale or supply of goods or (b) the carrying out of any contract, less such fraction of such amount as represents the prescribed proportion of the cost of labour used in carrying out such contract. Rules further provide that the proportion of the cost of labour shall be 30 per cent in cases where a dealer fails to produce, evidence showing the cost of labour in respect of a contract to the satisfaction of the Superintendent of Taxes.

It was seen in audit of the records of the Superintendent of Taxes, Shillong, that a dealer submitted his returns for the periods ending 31st March 1977 and to 31st March 1979 under the Act, showing gross turn-over aggregating to Rs.8·18 lakhs. Out of this, deduction for amount

aggregating to Rs.6.23 lakhs (76 per cent) was claimed by the dealer as labour charges, which was accepted by the assessing officer. There was, however, nothing on record to indicate that the dealer produced evidence showing the cost of materials and cost of labour separately. Accordingly deduction on account of labour charges should have been restricted to 30 per cent under the provisions of the Act, ibid. The excess deductions allowed thus resulted in under-assessment of tax of Rs. 0·22 lakh under the Act.

The case was reported to Government in September 1980; reply is awaited (May 1981).

CHAPTER VII

FINANANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7·1 Grants

During 1979-80, Rs.5,65·15 lakhs (about 12 per cent of revenue expenditure during the year) were paid as grants to private institutions, local bodies, etc., as shown below:—

	Amount (in lakhs of rupees)
Educational institutions	4,40·94
Co-operative Societies	69·95
District Councils	17·85
Municipalities	6·33
Other institutions	30·08
Total	5,65·15

7.2 Utilisation certificates

Grants/loans for various purposes are sanctioned to District Councils, Municipalities and other non-Government bodies/ institutions by Administrative Departments, Heads of Departments and authorities subordinate to them, according to the powers delegated to each of them. The authority signing or countersigning the bill for drawal of the grant/loan and its disbursement is required to watch (a) the fulfilment of the conditions subject to which it was sanctioned and (b) its utilisation for the purpose for which it was sanctioned. According to the rules, in all cases in which conditions are attached to the utilisation of grants, certificates of utilisation of grants should be obtained from the grantees and after verificaton and acceptance furnished to the Accountant General by the departmental officers within a reasonable time.

Against grants for Rs.35,36·97 lakhs paid to various bodies/ authorities between 1970-71 and 1979-80, utilisation certificates for Rs.8,55·71 lakhs (disbursed on 1293 occasions) had not been received upto the end of September 1980. The year-wise break-up of the outstanding utilisation certificates is given in Appenix 7.1.

Of the above, certificates for Rs. 6,27·25 lakhs (disbursed on 863 occasions) were pending for more than three years.

7·3 Non-submission of accounts of bodies/authorities financed by the Government

Accounts of bodies/authorities which had been paid grants/loans of not less than Rs.5 lakhs in a year are required to be furnished by the grantees to the sanctioning departments which are to forward them to the Accountant General. This enables the latter to determine which are the bodies substantially financed, by Government in order to take up their audit. However, accounts for 1977-78 (from 4 bodies), 1978-79 (from 5 bodies) and 1979-80 (from 2 bodies) had not been received by the Accountant General.

Forest Department

7.4 Unfruitful expenditure

For implementation of various forest schemes, the Chief Conservator of Forests, Meghalaya sanctioned grants (totalling Rs.10·89 lakhs) to the District Councils during the period January 1976 to September 1977. Preliminary work which was necessary prior to plantation, *i.e.* jungle cutting, site preparation, manuring etc., had been done over 1020 hectares in the previous years by three of the District Councils (940 hectares in Garo Hills for teak plantation, 40 hectares each in Khasi Hills and Jaintia Hills for pine plantation) but the area was not utilised for plantation purposes.

In January 1979, the Chief Conservator of Forests ordered that the amount spent on preliminary works on land which was not utilised for creation of forest in Garo Hills (Rs.1·27 lakhs) should be deducted from the amount of grants (Rs.1·85 lakhs) to be sanctioned to the District Council of Garo Hills during 1978-79. But no deduction had been made on this account; in respect of Khasi and Jaintia Hills no order for recovery had even been issued. No reasons were given, nor were these available on record.

The matter was referred to the Department/Government in September 1980 ; reply is awaited (May 1981).

CHAPTER VIII

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

Section A—General

8·1 This chapter deals with the results of audit of:

—Statutory Corporations,

—Government Companies, and

—Departmentally managed Government commercial and *quasi*-commercial undertakings.

Section B—Statutory Corporations

8·2 As on 31st March 1980, there were three Statutory Corporations in the State *viz.*, Meghalaya State Electricity Board, Meghalaya State Warehousing Corporation and Meghalaya Transport Corporation. The accounts of Meghalaya State Electricity Board for the years 1978-79 and 1979-80 were in arrears. The accounts of Meghalaya State Warehousing Corporation for the year 1979-80 were in arrears. The Meghalaya Tranport Corporation had not finalised its accounts for any of years since its formation on 1st October 1976 (May 1981).

The summarised financial results of Meghalaya State Warehousing Corporation for 1978-79 are given in Appendix 8.1.

Meghalaya State Electricity Board

8.3 Extra expenditure

The Chief Engineer awarded the work of construction of 'Anchors and Saddles' for Kyrdemkulai Penstock (estimated cost: Rs. 9·40 lakhs) to a contractor on the basis of his tendered rates (March 1976) and the work was to be completed within 20 months. The agreement provided that the quantities were approximate and liable to variation during execution without any extra claim from the contractor.

The final drawings were received piecemeal from the Central Water Commission (July 1976 to June 1977) during the execution of the work. These drawings necessitated increased quantities of work for some items, in particular the concrete work which increased from 2450 cu m. to 5600 cu m.

The work was completed (October 1979) by the contractor and the final bill (value : Rs. 28·23 lakhs) was paid in December 1979.

During test check it was noticed that on the basis of a report submitted by the Superintending Engineer to the Chief Engineer (October 1978) that due to increase in the concrete work the contractor had to open a new quarry for extracting additional boulders for use in the concrete work, the contractor was allowed an extra payment of Rs. 0·63 lakh representing the estimated expenditure for carrying the additional quantity of boulders (3,150 cu m.) from the new quarry to the work site (distance : 6·5 Kms.) on the basis of an analysis made by the Executive Engineer, Penstock and Power House Division, treating this as a supplementary item of work. This extra payment was regularised by the Board (February 1980) on the considerations that extra expenditure had been incurred by the contractor who was also the first Meghalayan tribal to undertake work in connection with construction of a hydel project in the State.

It may be mentioned, however, that the agreement stipulated collection and transportation of boulders from quarries within a distance of 8 Kms. from the work site and since the new quarry was only at a distance of 6·5 Kms, the payment made to the contractor was not admissible. Besides, the extra expenditure so authorised actually represented the total probable cost of supply of 3,150 cu m. of boulders (including loading, carriage, unloading and handling, *etc.*) from the new quarry to the crushing plant without any deduction for the charges that would have been incurred had the boulders been obtained from the first quarry and forming part of the contract rates which were inclusive of the cost of materials, supplies and labour, *etc.*

The matter was brought to the notice of the Government in September 1980 ; reply is awaited (May 1981).

8·4 Financial aid to a contractor

In September 1977, the Board sanctioned a loan of Rs.2.50 lakhs to a contractor who had been awarded the work construction of Main Earth Dam and Five Saddle Dykes at Kyrdemkulai Hydroelectric Project (October 1975). The loan was to be given (against a bank guarantee) out of the contractors security deposit of Rs.5·40 lakhs and was to carry simple interest at 12.5 *per cent* per annum for the period up to 31st March 1978 by which time the works were to be completed. In the event of failure to repay the loan within this period, the contractor was to pay interest at the ruling bank rate for working capital finance from the date of default to the date of repayment.

The contractor furnished a bank guarantee for Rs.2·80 lakhs in November 1977 and the loan was released in December 1977.

The works were completed by the contractor between August and October 1978 and he was granted extension of time by the Chief Engineer (October 1979).

The security deposit of the contractor was released by the Board in January 1979 (Rs.7·26 lakhs) and April 1980 (Rs.3·09 lakhs) without recovery of interest of Rs.0·27 lakh for the period December 1977 to October 1978.

The matter was reported to the Board/Government in September 1980; reply is awaited (May 1981).

8.5 Overpayment

The works of construction of tunnel for connecting Kyrdemkulai and Nongmahir Pondages including inlet and outlet works (estimated cost : Rs. 88·00 lakhs) under the Tunnel Construction Works Division was awarded by the Chief Engineer to a contractor (October 1971) on the basis of his tender. The work order stipulated completion of the work by the end of April 1975.

The work commenced in January 1972 was completed in February 1978 and the final bill for the work (total cost: Rs. 137·48 lakhs) was paid in April 1980.

The work included plain cement oncreate lining in the tunnel. In the course of execution of the work, on actual site considerations, the design thickness of the lining was reduced (June 1972) from 8″ to 6″ by the Chief Engineer. Thereupon the contractor claimed (July 1973) an enhancement in the rate of this item stating that due to this change in thickness of lining while the quantity of plain cement concrete work would be reduced, the fixed costs like shuttering etc. would remain the same.

The Chief Engineer held (December 1973) that the claim was justified, and that the tender specifications did not provide for a decrease in the thickness and allowed the contractor's claim subject to proper check.

The rate for this item of work was actually fixed by the Chief Engineer in August 1979 at Rs. 344·60 per cu m. treating this as a supplementary item of work not covered by the original tender.

During test check in Audit (August 1980) it was noticed that :

(a) There was a special provision in the agreement providing for changes in the tender dimensions or drawings and requiring the contractor to execute the works on the basis of such changed drawings or specifications without any additional claim whatsoever.

(b) (i) The Board had neither determined the element of fixed cost involved in providing shuttering and curing, *etc.* in the contracted rate of Rs.290 per cu m. for plain cement concrete work with 8″ thick lining nor worked out the proportionate increase in the fixed cost due to reduction in the lining thickness from 8″ to 6″. However, on the basis of the rates of different items mentioned in connection with the rate analysis for the supplementary item, the fixed charges like shut tring, curing, *etc.* for plain cement concrete lining with 8″ thickness worked out to Rs. 46·84 per cum.

(ii) Against an estimated quantity of 7,730 cu m of plain cement concrete work 397·60 cu m of work was done in 8″ thick lining and paid for at the contracted rate of Rs. 290 per cu m against the balance of 7,332·40 cu m of work, the work actually done was 5,914·22 cu m. due to a reduction in the lining thickness.

(iii) Had the contractor been paid the fixed charges in respect of reduction in the quantity of work (1,418·18 cu m) at the rate of (Rs.46·84 per cu m in addition to payment at the contracted rate for the quantity of work actually done, the total payment would have been Rs. 17·82 lakhs as against Rs.20·38 lakhs actually paid at enhanced rates by treating it as a supplementary item of work. This had resulted in an overpayment of Rs. 2·56 lakhs.

The matter was reported to the Government/Board (November 1980) ; reply is awaited (May 1981).

8·6 Short recovery of rebate

The agreement with a contractor (May 1973) for the work of construction of Kyrdemkulai Dam under the Dam and Dyke Division, Sumer provided that a rebate of 3·5 *per cent* would apply to all the rates quoted by the contractor against various items of work mentioned in the bill of quantities for the total value of work done up to Rs. 109·90 lakhs and that no rebate would be admissible for the work done beyond the limit of Rs.109·90 lakhs and on the value of extra items.

The final bill for the work (gross value : Rs. 150·79 lakhs) paid in March 1980 included Rs. 8·92 lakhs as the value of 24 extra items. The total value relating to various items of work mentioned in the bill of quantities (other than the value of extra items) being Rs.1,41·87 lakhs the rebate at the rate of 3·5 *per cent* was admissible, as per the agreement, up to the ceiling limit of Rs.109·90 lakhs. It was, however, noticed in Audit (July 1980) that against an admissible rebate of Rs.3·85 lakhs a total rebate of Rs.3·66 lakhs had been adjusted in the final bill resulting in a short recovery of Rs.0·19 lakh.

The matter was reported to the Government/Board (November 1980); reply is awaited (May 1981).

Section—C—Government Companies

8·7 As on 31st March 1980, there were seven* Government Companies in the State *viz.*, the Meghalaya Industrial Development Corporation Limited, the Mawmluh-Cherra Cements Limited, the Forest Development Corporation of Meghalaya Limited, the Meghalaya Government Construction Corporation Limited, the Meghalaya Handicraft Development Corporation Limited, the Meghalaya Watches Private Limited and the Meghalaya Bamboo Chips Private Limited.

The last three Companies had been incorporated in January 1979, August 1979 and September 1979 respectively as subsidiaries of the Meghalaya Industrial Development Corporation Limited.

The accounts of the Companies were in arrear (May 1981) as detailed below:

Name of the Company	Extent of arrear
Mawmluh-Cherra Cement Limited	1977-78 to 1979-80
Forest Development Corporation of Meghalaya Limited	1979-80
Meghalaya Industrial Development Corporation Limited	1979-80
Meghalaya Government Construction Corporation Limited	1979-80

The Meghalaya Watches Private Limited and Meghalaya Bamboo Chips Private Limited incorporated during 1979-80 had not finalised their first accounts so far (May 1981).

*This excludes Meghalaya Tourism Development Corporation Limited the status of which is not known.

A synoptic statement showing the summarised financial results of the Forest Development Corporation Limited and Meghalaya Handicraft Development Corporation Limited based on their latest available accounts, is given in Appendix 8.2.

Section D

Departmentally-managed Government commercial and quasi-commercial undertakings

Tourism Department

8.8 As on 31st March 1980, there was one departmentally-managed commercial undertaking in the State, *viz.*, Pinewood Hotel.

The Hotel earned a net profit of Rs. 1·69 lakhs during the year ended 31st December 1978. The accounts for the year ended 31st December 1979 were in arrears (May 1981).

8·9 Unauthorised issue of wine and spirit

Pinewood Hotel, Shillong is not authorised to issue wine and spirit *etc.* free of cost for entertainment purposes. However, a review (November 1980) of the stock accounts revealed the following :—

(i) During December 1978 wines and spirit valued at Rs. 0·19 lakh (issue price) was shown as issued free of cost for entertainment purposes. No requisition or written demand for such issue could, however, be produced (November 1980) to Audit.

(ii) Besides, during the year 1978 wines and spirit valued at Rs. 0·08 lakh were issued to certain guests against issue slips signed by the General Manager the value of which was not recovered.

The General Manager stated (November 1980) that free issue of wines and spirits, *etc.* to certain important guests was necessary for good relationships.

The matter was reported to the Government/Management (December 1980); reply is awaited (May 1981).

CHAPTER IX

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

9·1 Outstanding audit observations

(a) Audit observations on financial transactions of the Government communicated to the departmental authorities can lead to avoidance of waste and better value for money if action is taken to rectify the defects and omissions. Half-yearly reports on observations outstanding for more then six months are forwarded to the Government to enable it to monitor the delay in taking action.

The number of audit observations communicated upto end of March 1980 and on which action was outstanding at the end of January 1981 and the corresponding numbers communicated upto the end of the two preceding years are given below:

	At the end of		
	October 1978	February 1980	January 1981
Number of observations on which action was pending	15,980	20,109	21,527
Amount involved (in crores of rupees)	12·35	16·85	16·34

The following departments have not taken action on comperatively large number of outstanding audit observations including many relating to years before 1971-72.

Department	Number	Year of issue of earliest outstanding observation	Total amount involved (in lakhs of rupees)
Public Works	12,047	1963-64	4,69·81
Social Security and Welfare	75	1971-72	3,90·70
Industries, Sericulture and Weaving	906	1970-71	1,54·56
Community Development	902	1970-71	1,25·79
Agriculture	823	1970-71	1,15·62

(b) Audit observations of the following nature merit serious attention since frauds or misappropriations may be concealed behind them.

Nature of observations	Number of items	Amount involved (in lakhs of rupees)
Payee's receipts not received	3,944	3,87·60
Vouchers not received	13,573	4,92·69
Detailed contingent bills for lump sum drawals not received	1,443	1,89·94

The departments from which payees' receipts were wanting in many cases are mentioned below:

Department	Number	Amount involved (in lakhs of rupees)
Agriculture	652	99·55
Home (Police)	510	53·16
Community Development	357	52·14
Home (Jails)	48	40·05
Industries (inluding Sericulture and Weaving)	578	33·42
Social Security and Welfare	14	11·61
Public Works	112	10·60
Mines and Minerals	114	10·57

The departments from which supporting vouchers were wanting in many cases are given below:

Department	Number	Amount involved (in lakhs of rupees)
Public Works	11,047	4,54·40
Public Health Engineering	1,833	38·29

The facility of drawing lump sum amounts as advances on abstract contingent bills is intended to expedite certain types of payments but detailed contingent bills (containing all particulars of expenditure with supporting vouchers and acquittances) are to be sent by the drawing and disbursing officers to the Accountant General not later then the 25th of the month following the month of drawal. In the absence of detailed contingent bills, neither the Department nor the Accountant General can be satisfied that the amounts were spent for the purpose or purposes for which they had been drawn. Non-submission of detailed contingent bills was comparatively heavy in the following departments:

Department	Number	Amount involved (in lakhs of rupees)
Community Development	476	65·18
Famine Relief	61	37·68
Road and Water Transport	79	17·61
Agriculture	171	16·07
Industries (including Sericulture and Weaving)	53	12·65

9·2 Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the Heads of the Offices and to the next higher departmental authorities through audit inspection reports. The more important irregularities are also reported to the Heads of Departments and the Government for initiating immediate corrective action. On 755 inspection reports issued upto March 1980 action was pending till the end of January 1981 as shown below alongside corresponding figures for reports issued upto the end of the two preceding years.

	As at the end of October 1978	As at the end of February 1980	As at the end of January 1981
Number of inspection reports on which action was pending	726	711	755
Number of paragraphs	4,589	4,596	3,995

Of the 755 reports outstanding at the end of January 1981, 96 relate to revenue receipts. On 47 inspection reports (including 3 relating to revenue receipts) even the first replies had not been received even though Government has prescribed that first replies should be sent within five weeks.

M. Prem Kumar

Shillong,
The

(M. PREM KUMAR)
Accountant General
Meghalaya, Arunachal Pradesh and Mizoram

Countersigned

Prakash

New Delhi,
The 16-09-81

(GIAN PRAKASH)
Comptroller and Auditor General of India

APPENDICES

APPENDICES

APPENDIX 1.1

Analysis of Revenue Receipts

(Reference : Paragraph 1.3, page 2)

	1978-79	1979-80	Amount of increase (+) decrease (−)
	(in lakhs of rupees)		
A. Revenue raised by the State Government			
(i) Tax Revenue (other than States' share of Union Taxes)	3,38·85	4,04·14	(+)65·29
(ii) Non-tax Revenue	4,14·05	3,64·87	(−)49·18
Total of 'A'	7,52·90	7,69·01	(+)16·11
B. Receipts from the Government of India—			
(i) States' share of Union Taxes—			
(a) Taxes on Income other than Corporation Tax	1,27·19	1,53·95	(+)26·76
(b) Union Excise Duties	2,29·46	4,98·31	(+)2,68·85
(c) Estate Duty	1·89	...	(−)1·89
(ii) Statutory and other grants—			
(a) Non-Plan Grants	17,91·37	18,51·17	(+)59·80
(b) Grants for State Plan Schemes	21,28·50	23,88·44	(+)2,59·94
(c) Grants for Central Plan Schemes	2,35·18	1,92·85	(−)42·33
(d) Grants for Centrally Sponsored Schemes	2,34·88	1,86·45	(−)48·43
Total of 'B'	47,48·47	52,71·17	(+)5,22·70
Total—Revenue Receipts	55,01·37	60,40·18	(+)5,38·81

APPENDIX 1.2

Expenditure on Revenue Account

(**Reference : Paragraph 1.4, page 4**)

Plan 1979-80

Sector/sub-sector	Budget estimates	Budget *plus* Supplementary grants	Actuals
	(in lakhs of rupees, actuals for preceding year within brackets)		
A. General Services—			
(b) Fiscal Services	20·20	20·20	18·30 (4·70)
(d) Administrative Services	29·95	29·95	17·30 (26·86)
B. Social and Community Services	4,95·89	5,54·92	4,56·17 (4,43·11)
C. Economic Services—			
(a) General Economic Services	1,08·27	1,08·78	83·52 (1,08·17)
(b) Agriculture and Allied Services	7,78·66	8,47·81	7,97·15 (7,20·16)
(c) Industry and Minerals	1,57·87	1,62·11	1,13·14 (89·08)
(d) Water and Power Development	3·00	3·00	Nil (Nil)
(e) Transport and Communications	24·02	24·02	11·73 (11·11)
Total—Plan	16,17·86	17,50·79	14,97·31 (14,03·19)

APPENDIX 1.2—*contd.*

Non-Plan 1979-80

Sector/sub-sector	Budget estimates	Budget *plus* Supplementary grants	Actuals
	((in lakhs of rupees, actuals for preceding year within brackets)		
A. General Services—			
(a) Organs of State	77·65	92·72	83·63 (64·21)
(b) Fiscal Services	56·83	57·37	45·95 (52·11)
(c) Interest payments and servicing of debt	1,38·67	1,38·67	1,30·73 (1,98·14)
(d) Administrative Services	8,48·83	8,78·92	8,42·10 (7,12·06)
(e) Pension and Miscellaneous General Services	21·05	21·05	14·22 (14·02)
B. Social and Community Services	10,88·54	11,06·80	9,80·39 (7,95·19)
C. Economic Services—			
(a) General Economic Services	66·77	67·37	57·80 (43·12)
(b) Agriculture and Allied Services	4,42·40	5,93·75	4,50·50 (3,87·40)
(c) Industry and Minerals	89·53	89·53	85·23 (51·35)
(d) Water and Power Development	6·00	6·00	6·09 (3·72)
(e) Transport and Communcation	3,00·08	3,00·08	4,01·02 (3,15·54)
Total—Non-Plan	31,36·35	33,52·26	30,97·66 (26,36·86)
GRAND TOTAL	47,54·21	51,03·05	45,94·97 (40,40·05)

APPENDIX—1·3

Expenditure on Capital Account

(Reference : Paragraph 1·5, page 6)

Year	Budget	Budget *plus* supplementary grants	Actuals	Percentage variation of actuals over supplementary budget
			(in crores of rupees)	
1977-78	8·76	9·87	8·38	(—) 15
1978-79	11·75	13·73	12·18	(—) 11
1979-80	18·36	19·52	16·30	(—) 16

Plan—1979-80

Sector/ Sub-sector	Budget estimates	Budget *plus* supplementary grants	Actuals
	(in lakhs of rupees, actuals for preceding year within brackets)		
Capital Expenditure on:—			
(i) General Services	92·65	92·65	69·61 (70·25)
(ii) Social and Community Services	6,20·47	7,20·48	6,92·69 (3,19·13)
(iii) Economic Services			
(a) General Economic Services	2,48·80	2,49·90	1,74·27 (1,72·14)
(b) Agriculture and Allied Services	19·00	19·00	3·59 (9·01)
(c) Industry and Minerals	76·00	78·99	76·99 (1,64·59)
(d) Water and Power Development	27·00	27·00	53·50 (22·63)
(e) Transport and Communications	5,41·98	5,53·98	5,55·10 (4,48·02)
Total - Plan	16,25·90	17,42·00	16,25·75 (12,05·77)

APPENDIX 1·3—*concld.*

Non-Plan 1979-80

Sector/sub-scetor	Budget estimates	Budget *plus* supplementary grants	Actuals
	(in lakhs of rupees, actuals for preceding year in brackets)		
Capital Expenditure on—			
(i) General Services	62·55	62·55	Nil (Nil)
(ii) Social and Community Services	36 00	36·00	Nil (0·23)
(iii) Economic Services—			
(b) Agriculture and Allied Services	...	...	—0·45* (—2·64)*
(e) Transport and Communications	1,11·10	1,11·10	4·40 (15·03)
Total—Non Plan	2,09·65	2,09·65	3·95 (12·62)
GRAND TOTAL	18,35·55	19,51·65	16,29·70 (12,18·39)

* *Minus* expenditure is due to more receipts under this head.

APPENDIX—1·4

Loans and Advances given by Government

(Reference : Paragraph 1·6 page 7)

Disbursements

Year	Budget	Budget *plus* supplementary grants	Actuals	Percentage variation of actuals over supplementary budget
			(in lakhs of rupees)	
1977-78	3,14·31	3,70·02	3,51·03	(—) 5
1978-79	88·85	1,24·37	1,13·46	(—) 9
1979-80	1,35·25	1,43·84	99·22	(—)31

Recoveries

Year	Budget	Actuals	Percentage variation of actuals over budget
			(in lakhs of rupees)
1977-78	57·10	24·52	(—) 57
1978-79	48·95	70·47	(+) 44
1979-80	52·29	38·46	(—) 26

APPENDIX

Sectoral Summary for

Categories	1977-78		
	Outstanding balance on 1st April 1977	Loans disbursed	Loans recovered
1. Loans for Social and Community Services	46·70	23·21	4·02
2. Loans for Economic Services :—			
(i) General Economic Services	42·29	0·90	0·65
(ii) Agriculture and Allied Services	20·83	...	5·40
(iii) Industry and Minerals	18·42	3·50	0·44
(iv) Water and Power Development	3,90·50	2,80·00	...
Total—Loans for Economic Services	4,72·04	2,84·40	6·49
3. Loans to Government Servants, etc.	31·01	43·42	14·01
4. Miscellaneous loans	0·62	...	...
Total	5,50·37	3,51·03	24·52

1·4—*concld.*

last three years

1978-79			1979-80			Outstanding balance on 31st March 1980
Outstanding balance on 31st March/ 1st April 1978	Loans disbursed	Loans recovered	Outstanding balance on 31st March/ 1st April 1979	Loans disbursed	Loans recovered	
			(in lakhs of rupees)			
65·89	15·93	3·71	78·11	19·90	4·04	93·97
42·54	29·99	0·60	71·93	12·65	2·88	81·70
15·43	...	1·26	14·17	...	0·66	13·51
21·48	4·00	0·59	24·89	11·25	0·75	35·39
6,70·50	...	...	6,70·50	...	...	6,70·50
7,49·95	33·99	2·45	7,81·49	23·90	4·29	8,01·10
60·42	63·54	64·31	59·65	55·42	30·13	84·94
0·62	...	...	0·62	...	...	0·62
8,76·88	1,13·46	70·47	9,19·87	99·22	38·46	9,80·63

APPENDIX 2·1

Summary of excesses/savings in grants and appropriations

(Reference: Paragraph 2·1, page 14)

(in crores of rupees)

		Revenue	Capital	Loans and advances	Public debt	Inter-State Settlement	Total
Authorised to be spent (grants and charged appropriations) :—							
Original ...	Voted	46·59	18·36	1·35	...	0·90	67·20
	Charged	*1·58*	...	...	*3·13*	...	*4·71*
	Total	48·17	18·36	1·35	3·13	0·90	71·91
Supplementary ...	Voted	3·48	1·16	0·09	...	...	4·73
	Charged	*0·01*	(*a*)	...	...	...	*0·01*
	Total	3·49	1·16	0·09	...	...	4·74
Grand Total ...	Voted	50·07	19·52	1·44	...	0·90	71·93
	Charged	*1·59*	(*a*)	...	*3·13*	...	*4·72*
	Grand Total	51·66	19·52	1·44	3·13	0·90	76·65
Actual expenditure (grants and charged appropriations)	Voted	46·09	16·31	0·99	...	0·70	64·09
	Charged	*1·47*	(*a*)	...	*0·24*	...	*1·71*
	Total	47·56	16·31	0·99	0·24	0·70	65·80
Short fall (—) / Excess (+)	Voted	—3·98	—3·21	—0·45	...	—0·20	—7·84
	Charged	*—0·12*	...	...	*—2·89*	...	*3·01*
	Total	—4·10	—3·21	—0·45	—2·89	—0·20	—10·85

(a) Rs.531 only.

APPENDIX 2·2

Grants/appropriations where excess requires regularisation

(Other than these mentioned in paragaraph 2·1)
(Reference: Paragaph 2·2, page 22)

Serial number	Number and name of grant	Total grant	Expenditure	Excess
		Rs.	Rs.	Rs.
	Revenue Section—Grants	(Election Department)		
1.	5-Elections	22,59,873	23,38,128	78,255

Excess was because mainly of increased expenditure on account of intensive revision of electoral rolls as directed by the Election Commission (Rs. 0·39 lakh).

		(Excise Department)		
2.	8—State Excise	12,55,000	12,68,247	13,247

Excess was due mainly to increased expenditure on maintenance of vehicles and on travelling allowances (Rs.0·53 lakhs).

		(Secretariat Administration Department)		
3.	13–Secretariat General Services—I—Civil Departments, Secretariat etc.	1,02,53,270	1,04,66,887	2,13,617

Excess was mainly because of the post-budget decision of the Government to sanction additional dearness allowance, winter allowance, medical allowance, house rent allowance and hill allowance to all categories of employees (Rs.1·78 lakhs).

		(Home-Police Department)		
4.	16—Police and Fire Protection and Control, etc.	4,08,76,356	4,14,29,722	5,53,366

Excess occurred mainly under "255. Police-District Police (a) District Executive Police—Sixth Schedule (Part II) Areas" (Rs. 29·62 lakhs), part of which (Rs. 8·48 lakhs) was attributed to increased expenditure on travel and maintenance of vehicles and dearness allowance. Reasons for balance excess are awaited (May 1981). The excess was despite saving of the entire provision of Rs. 15·25 lakhs on modernisation of Criminal Investigation Department and Vigilance, reasons for which are awaited (May 1981).

APPENDIX 2·2—*contd.*

Serial number	Number and name ef grant	Total grant	Expenditure	Excess
		Rs.	Rs.	Rs.
		(General Administration Department)		
5.	22—Other Administrative Services—IV—Census, Vital Statistics, Guest Houses, etc.	11,90,000	12,77,758	87,758

Excess occurred mainly under "265. Other Administrative Services—C. Guest houses, Government hostels, etc.—(b) Meghalaya House, Calcutta—General" (Rs.1·15 lakhs). Reasons for the excess have not been intimated (May 1981).

		(Public Health Department)		
6.	25-Aid Materials and Equipments	12,85,000	13,04,934	19,934

Excess was because mainly of adjustment of value of more materials and equipments received from the Government of India under 'Family Welfare Programme" (Rs. 3·52 lakhs). This was despite savings under other heads.

		(Border Area Development/Education/ Co-operation Department)		
7.	48—Area Development, loans for Minor Irrigation, Soil Conservation and Area Development	1,46,63,000	1,47,92,651	1,29,651

Excess was because of payment of more grants to non-Government schools in border areas for building projects (Rs. 11·44 lakhs) and more assistance to the Meghalaya State Co-operative Marketing and Consumers' Federation for implementation of Agro-Custom-Hiring Scheme in border areas (Rs. 6·57 lakhs). This was despite saving in expenditure on rural roads (Rs. 5·75 lakhs) mainly because of dearth of materials and of the entire provision of Rs. 4·50 lakhs for pig breeding units (Sixth Schedule Areas due to post-budget decision of the Government to change the pattern of the scheme.

APPENDIX 2·2—*concld.*

Serial number	Number and name of grant	Total grant	Expenditure	Excess
		Rs.	Rs.	Rs.
	(Sericulture and Weaving Department)			
8.	55—Village and Small Industries —I— Handloom and Sericulture, and Housing, etc.	72,86,000	73,16,409	30,409

Excess occurred mainly under "321. Village and Small Industries—B. Handloom Industries (h) Handloom Co-operative Societies-Sixth Schedule (Part II) Areas" (Rs. 4·49 lakhs). Reasons for the excess have not been intimated (May 1981).

Charged appropriation

Name of appropriation	Total appropriation	Expenditure	Excess
	Rs.	Rs.	Rs.
	(Public Service Commission Department)		
Public Service Commission	*4,36,000*	*4,41,943*	*5,943*

The Department stated that the excess was due to unforeseen reasons.

APPEN

Targets and achievement

(Reference: Paragraph

Name of farm	Rearing capacity	1977-78		
		Target	Achievement	Percentage of shortfall
Tura	600	500	1,368	Nil
Bhoi	3,000	3,000	2,119	29·4
Jowai	2,400	1,000	1,288	Nil
Mawryngkneng	1,200	1,000	568	42·2
Williamnagar	500	500	700	Nil
Nongstoin	500	500	800	Nil

DIX 3.1

in poultry rearing

3.2.2., page 33)

1978-79			1979-80			Percentage of shortfall in best achievement compared to capacity
Target	Achievement	Percentage of shortfall	Target	Achievement	Percentage of shortfall	
500	1,984	Nil	1,000	900	10	Nil
3,000	1,641	45·3	3,000	1,673	44·23	29·36
800	768	4	1,000	608	39·2	46·33
1,000	561	43·9	800	1,103	Nil	8·08
500	357	28·6	500	506	Nil	Nil
500	700	Nil	500	500	Nil	Nil

APPEN

Targets and achievements in production of eggs

(Reference: Paragraph

	1977-78		
	Target	Achievement	Percentage of shortfall
1. Eggs to be produced (in numbers)			
Bhoi	2,70,000	2,33,375	13·6
Jowai	1,20,000	69,346	42·2
Tura	60,000	61,506	...
Mawryngkneng	1,20,000	44,437	63
Williamnagar	30,000	33,168	...
Nongstoin	30,000	17,752	40·83
2. Eggs to be loaded into incubator (in numbers)			
Bhoi	1,20,000	63,117	47·4
3. Chicks to be produced from eggs loaded (in numbers)			
Bhoi	50,000	43,585	12·83

DIX 3.2

hatching and production of chicks

3·2·2 pages 33 and 35)

1978-79			1979-80		
Target	Achievement	Percentage of shortfall	Target	Achievement	Percentage of shortfall
2,16,000	1,68,056	22·2	4,00,000	2,40,448	39·89
69,600	66,790	4·04	1,20,000	31,279	72·27
60,000	56,725	5·46	1,20,000	22,600	76·17
1,20,000	24,173	79·9	1,20,000	52,847	55·96
30,000	23,150	22·83	90,000	11,055	87·72
30,000	21,329	28·9	30,000	20,000	33·33
75,000	50,024	33·3	75,000	27,900	62·80
33,600	26,202	22·02	36,500	17,329	52·52

APPENDIX 4·1

Expenditure on running lorries of division debited to Miscellaneous Works Advances

(Reference : Paragraph 4·3, page 63)

Serial number	Name of the Division	Period to which the expenditure relates	Amount
			(in lakhs of rupees)
(i)	Tura North Division	December 1969 to March 1978	13·68
(ii)	Shillong Mechanical Division	April 1969 to March 1979	7·55
(iii)	Tura South Division	June 1973 to November 1977	7·01
(iv)	National Highway Division, Shillong	June 1969 to March 1980	5·86
(v)	Jowai North Division	December 1969 to November 1979	4·71
(vi)	Shillong South Division	March 1970 to August 1973	3·09
(vii)	Tura Public Health Engineering Division	November 1970 to November 1979	2·65
(viii)	Tura East Division	June 1975 to July 1979	2·50
(ix)	Mawsynram Division	June 1969 to April 1975	1·93
(x)	Shillong Central Division	April 1972 to March 1978	1·82
(xi)	Public Health Engineering (Rural Water Supply Scheme) Division, Simsanggiri	October 1976 to November 1979	1·66
(xii)	Nongstoin Division	September 1969	1·58
(xiii)	Jowai South Division	July 1975	1·11
(xiv)	Public Health Engineering Hills Division, Shillong	February 1974 to March 1975	0·66
(xv)	Shillong West Division	August 1976 to March 1977	0·48
		Total:	56·29

APPENDIX 4·2

Expenditure incurred on works without sanction of estimates/in excess of sanctioned estimates

(Reference : Paragraph 4·4, page 65)

A. Expenditure incurred on works without sanction of estimates—

Serial number	Division	Work	Expenditure to the end of March 1980 (in lakhs of rupees)
(1)	(2)	(3)	(4)
1.	Shillong Central Division, Shillong	(i) Annual repair to Howell Roads	0·65
		(ii) Annual repair to U/M Road in S. & M. work cell of Shillong Central Division	6·98
		(iii) Annual repair to metalled roads in S. & M. work cell of Shillong Central Division	0·80
		(iv) Annual repair to aquaduct open channel at Shillong	0·30
2.	Tura South Division	(i) Construction of Dumaikuri-Naktapgiri Road	0·30
		(ii) Annual repair to sluice gate with marginal band for irrigation at Karokol-Adenggiri Road	1·01
3.	Shillong South Division	Construction of Phlangtyngur-Nongiri Road-Phase-III	3·79
4.	Tura East Division	(i) Annual repair to Dumra-Mendipathar-Gajingpara B/R road for 1979-80	9·73
		(ii) Annual repair to roads under Rongjeng sub-division for 1979-80	3·17
		(iii) Construction of staff quarters/barracks for accommodation for non-gazetted police personnel at Willamnagar	1·14

Serial number	Division	Work	Expenditure upto the end of 1980
			(in lakhs of rupees)
(1)	(2)	(3)	(4)
		(iv) Construction of 30 bedded Hospital building at Williamnagar	1·05
		(v) Annual repair to flood embankment along the river Rongit and Danil at Rongjeng	0·81
		(vi) Annual repair to buildings under Dainadubi sub-division for 1979-80	0·61
		(vii) Annual repair to buildings under Simsanggiri sub-division for 1979-80	1·03
		(viii) Furnishing of I.B/Guest House under Dainadubi sub-division	0·28
			31·65

B. Expenditure incurred in excess of 5 per cent over sanctioned estimates

Serial number	Works	Sanctioned estimates	Expenditure to the end of March 1980	Excess	Percentage
		(in lakhs of rupees)			
(1)	(2)	(3)	(4)	(5)	(6)
A. Public Works Department—					
1. Tura South P.W.Division—					
	(a) Construction of Dinapara Dikabayai Road	11·31	19·26	7·95	70
	(b) Improvement of Tura town Road (Reconstruction of bridge No.1)	2·50	2·92	0·42	17
	(c) Construction of Kerapara Chengapara Road Section.1	5·00	5·51	0·51	10
2. Shillong Central P.W.Division—					
	(a) Annual repair to non-residential building under Building Sub-division	9·60	10·35	0·75	8
	(b) Annual repair to Raj Bhavan, Shillong	1·60	1·84	0·24	15
3. Shillong South P.W.Division—					
	(a) Construction of a road from 1/3 of M.C. Road to 35/IV of A.C. Road	2·56	3·02	0·46	18
	(b) Improvement of Sohbar Mahadeo Road-metalling and black topping	2·26	2·82	0·56	25
	(c) Soiling, metalling and black topping of Thangsning-Thynroit Mawpung Road	4·98	5·65	0·67	13
	(d) Construction of road from Sherkut to Umwah Tmar	7·08	9·04	1·96	28
				13·52	
4. Hills Division (P.H.E), Shillong—					
	(a) Sinaimawsynrut Water Supply Scheme	2·58	2·91	0·33	13
				0·33	

APPENDIX 7·1

Wanting utilisation certificates

(Reference: paragraph 7·2, page 83)

Department	Year of payment	Number of certificates awaited	Amount
		(in lakhs of rupees)	
1. Education	1975-76 and earlier years	264	3,42·88
	1976-77	70	20·80
	1977-78	46	30·06
	1978-79	9	2·91
		389	3,96·65
2. Community Development Programme	1975-76 and earlier years	8	0·08
		8	0·08
3. Planning Department	1975-76 and earlier years	9	7·08
		9	7·08
4. Social Security and Welfare	1975-76 and earlier years	73	68·63
	1967-77	2	0·21
	1977-78	23	14·10
	1978-79	2	0·02
		100	82·96
5. Special and Backward Areas	1976-77	2	18·00
		2	18·00
6. Medical	1976-77	2	1·11
		2	1·11

APPENDIX 7·1—*contd.*

Department	Year of payment	Number of certificates awaited	Amount
		(in lakhs of rupees)	
7. Forest	1975-76 and earlier years	78	30·98
	1976-77	35	12·42
	1977-78	33	9·94
	1978-79	23	11·94
		169	65·28
8. Co-operation	1975-76 and earlier years	113	66·21
	1976-77	15	18·96
	1977-78	30	33·54
		158	1,18·71
9. Industries, Sericulture and Weaving	1975-76 and earlier years	254	36·26
	1976-77	15	11·97
	1977-78	34	6·01
	1978-79	68	12·68
		371	66·92
10. District Council Affairs	1975-76 and earlier years	10	37·12
		10	37·12
11. Roads and Bridges	1976-77	1	0·26
		1	0·26

APPENDIX 7·1—*contd.*

Department	Year of payment	Number of certificates awaited	Amount
		(in lakhs of rupees)	
12. Town and Country Planning	1975-76 and earlier years	9	16·43
	1976-77	3	2·75
	1977-78	2	1·29
		14	20·47
13. Mines and Minerals	1975-76 and earlier years	1	0·40
	1976-77	1	9·00
		2	9·40
14. Secretariat Administration	1975-76 and earlier years	2	0·04
	1978-79	1	0·01
		3	0·05
15. Animal Husbandry and Veterinary	1975-76 and earlier years	14	2·93
		14	2·93
16. Dairy Development	1975-76 and earlier years	1	1·55
		1	1·55
17. Border Area Development	1978-79	1	2·00
		1	2·00

APPENDIX 7·1—*concld.*

Department	Year of payment	Number of certificates awaited	Amount
			(in lakhs of rupees)
18. Land Revenue	1975-76 and earlier year	2	4·00
	1977-78	1	2·00
		3	6·00
19. Tourism	1975-76 and earlier years	1	0·50
	1976-77	3	1·50
		4	2·00
20. Municipal Administration	1975-76 and earlier years	3	2·53
	1976-77	3	4·09
	1978-79	4	0·74
		10	7·36
21. Public Works	1975-76 and earlier years	21	9·63
	1978-79	1	0·15
		22	9·78
	GRAND TOTAL	1,293	8,55·71

APPENDIX 8.1

Summarised financial results of Statutory Corporation

(Reference: Paragraph 8·1, page 85)

Name of the Corporation	Meghalaya State Warehousing Corporation
Name of the concerned department of the State Government	Co-operation Department
Date of incorporation	30th March 1973
1. Financial year	1978-79
	(in lakhs of rupees)
2. Capital invested	25·81
3. Capital employed	28·59
4. Profit (+)/ Loss (—)	(+) 0·89
5. Interest charged to profit and loss account	...
6. Interest on long-term loans	...
7. Total return on capital invested/ capital employed	0·89
8. Percentage of return on capital employed	3·11
9. Percentage of return on capital invested	3·45

Note :—1. Capital invested represents paid up capital *plus* free reserves *plus* long term loan.

2. Capital employed represents net fixed assets *plus* working capital.

APPENDIX

Summarised financial results

(Reference: Paragraph

(Figures in columns 6 to

Serial number	Name of Company	Name of Department	Date of incorporation	Period of accounts	Total capital invested	Profit(+) Loss(—)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Forest Development Corporation of Meghalaya Limited	Forest	30th January 1975	1978-79	35·19	(—)2·62
2.	Meghalaya Handicrafts Development Corporation Limited	Industries	10th January 1979	10th January 1979 to 30th June 1980	10·00	(—)0·25

Note:—(1) Capital invested represents paid-up capital *plus* long-term loan.

(2) Capital employed represents net fixed assets *plus* working capital.

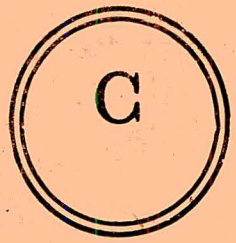
8·2

of the Government companies

8·7, page 91)

12 are in lakhs of rupees)

Total interest charged to a/c Profit and Loss Account	Interest on long-term loan	Total return on capital invested	Capital employed	Total return on capital employed	Percentage of total return on capital invested	Percentage of total return on capital employed
(8)	(9)	(10)	(11)	(12)	(13)	(14)
0·26	...	(—)2·62	9·99	(—)2·36	...	...
...	...	(—)0·25	9·62	(—)0·25	...	...



1981
Printed at the Meghalaya Government Press
Shillong.