



REPORT OF THE COMPTROLLER
AND AUDITOR GENERAL
OF INDIA

FOR THE YEAR 1980-81

GOVERNMENT OF MEGHALAYA

REPORT OF THE COMPTROLLER
AND CLERK OF THE GENERAL
LAND OFFICE
FOR THE YEAR 1881

GOVERNMENT PRINTING OFFICE

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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 1980-81 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 1980-81.

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 1980-81 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 1980-81 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 departments/bodies/authorities concerned.

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CHAPTER 1

GENERAL

1.1 Summary of transactions

The receipts and expenditure of the Government of Meghalaya for the year 1980-81 are given below alongside the corresponding figures for the preceding year :—

	1979-80	1980-81
	(in crores of rupees)	
I. Consolidated Fund		
(i) Revenue—		
Revenue Receipts	60.40	89.93*
Revenue Expenditure	45.95	59.87
Revenue Surplus (+)	(+) 14.45	(+) 30.06
(ii) Public Debt (net)		
Receipts	3.34	6.09
Repayments	0.24	19.07
Increase (+)/Decrease (—)	(+) 3.10	(—) 12.98*
(iii) Capital Expenditure—		
Increase (—)	(—) 16.30	(—) 21.10
(iv) Loans and Advances—		
Recoveries	0.38	0.54
Disbursements	0.99	1.82
Net outgo (—)	(—) 0.61	(—) 1.28
(v) Inter-State Settlement—		
Net outgo (—)	(—) 0.48	(—) 0.16
II. Contingency Fund (Net)		
Increase(+)	...	(+) 0.43
III. Public Account		
Receipts	3,39.52	4,32.45
Disbursements	3,41.58	4,30.01
Increase(+)/ Decrease(—)	(+) 2.06	(—) 2.44
Net of I to III Deficit(—)	(—) 1.90	(—) 2.59
Opening Cash Balance	(—) 1.56	(—) 3.46
Closing Cash Balance	(—) 3.46	(—) 6.05**

*The increase in revenue receipts and decrease in Public debt was mainly due to adjustment of Pre-1979-80 Central loans written off on the recommendations of the Seventh Finance Commission (Rs.18.21 crores).

**There was a difference (Rs.0.23 crore) between the figure reflected in the accounts (Rs.(—)6.05 crores) and that intimated by the Reserve Bank of India (Rs.(—)5.82 crores) under the head "Deposits with Reserve Bank". The difference is under reconciliation (July 1982).

1.2 Revenue surplus

(a) **Revenue receipts**—The estimates of the revenue receipts as per budget, the receipts as augmented by taxation changes during the year and the actual receipts during 1980-81 alongside the corresponding figures for the two preceding years are given below :

Year	Budget	Budget taking into account changes in Taxation	Actuals receipts	Percentage of variation of actuals over budget plus additional taxation
			(in crores of rupees)	More (+)
1978-79	53.42	53.42	55.01	(+) 3
1979-80	58.73	58.77	60.40	(+) 3
1980-81	66.36	66.67	89.93	(+) 35

(b) **Expenditure on revenue account**—The estimates of expenditure on revenue account as per budget and as modified by supplementary provisions as also the actual expenditure during 1980-81 alongside the corresponding figures for 1978-79 and 1979-80 are given below:—

Year	Budget	Budget modified by supplementary provisions	Actuals	Percentage variation of actuals over modified estimates
			(in crores of rupees)	Less(—)
1978-79	42.43	44.02	40.40	(—) 8
1979-80	47.54	51.03	45.95	(—) 10
1980-81	56.51	60.72	59.87	(—) 1

(c) **Revenue surplus**—While the receipts in 1980-81 exceeded the estimates by Rs.23.26 crores, the expenditure fell short of the modified estimates by Rs.0.80 crore and the year ended with a revenue surplus of Rs.30.06 crores as against Rs.9.85 crores estimated in the original budget for the year.

1.3 Analysis of revenue receipts

The major components of revenue received during 1980-81 are given in Appendix 1.1 alongside the corresponding figures for the previous year.

Out of the total increase in State revenues, the tax revenues increased by Rs.83.46 lakhs, out of which Rs.32.30 lakhs was contributed by additional taxation measures, *i. e.*, increase in the rates of (i) excise duty in liquor, (ii) sales tax on certain items, (iii) electricity duty, (iv) stamp duty and (v) court fee stamp. The balance of Rs. 51.16 lakhs is on account of increased collections under the existing taxes.

According to information furnished by the Government, collection of revenue of Rs.1,27.45 lakhs was in arrears as on 31st March 1981, as shown below:—

Nature of revenue	Amount
	(in lakhs of rupees)
(i) Sales Tax	56.46
(ii) Royalty on mines and minerals	27.55
(iii) Taxes on goods and passengers	23.03
(iv) Electricity duty	16.83
(v) State excise duty	3.58

Information about arrears in collection of revenue is still awaited from the Departments of Revenue, Forest, Co-operation and Transport (May 1982).

The increase of Rs.18,28.20 lakhs under the Non-tax Revenue is mainly on account of adjustment of pre 1979-80 Central loans written off in terms of the recommendations of the Seventh Finance Commission. There is a contra entry under the Head "Public Debt" disbursements.

The receipts from the Government of India have also gone up by Rs.10.41 crores out of which Rs.66.82 lakhs is on account of larger share in the divisible taxes. The balance increase of Rs.9.74 crores is on account of grants given by the Government of India for various Plan and non-Plan schemes including Centrally sponsored schemes.

1.4 Expenditure on revenue account

The expenditure on revenue account during the year 1980-81 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 in 1980-81 showed an increasing trend over that in 1979-80 in most of the sectors/sub-sectors.

The expenditure on "Administrative Services" went up from Rs.8.59 crores in 1979-80 to Rs.12.44 crores in 1980-81. Significant increase was on Police (Rs.1.55 crores) and Public Works (Rs.1.07 crores).

Of Rs.6.58 crores expended on Plan side on "Social and Community Services", Rs.1.68 crores were on Education, Rs.1.66 crores on Medical, Rs.1.43 crores on Public Health, Sanitation and Water Supply, Rs.46 lakhs on Government Residential Buildings, Rs.38 lakhs on Social Welfare, Rs.33 lakhs on Family Welfare and Rs.30 lakhs on Welfare of Scheduled Tribes. Compared to the previous year, the expenditure increased on Medical by Rs.90 lakhs, Education by Rs.38 lakhs, Public Health, Sanitation and Water Supply by Rs. 83 lakhs and Welfare of Scheduled Tribes by Rs.16 lakhs. The notable increase in non-Plan expenditure in 1980-81 over the expenditure of 1979-80 was on Education by Rs.2.25 crores, Medical by Rs.69 lakhs and Public Health, Sanitation and Water Supply by Rs.42 lakhs.

Compared to the preceding year, the plan expenditure under Agriculture and Allied Services during 1980-81 increased by Rs.0.92 crore, mostly on manures and fertilizers (from Rs.15 lakhs to Rs.21 lakhs), extension and farmers' training (from Rs.14 lakhs to Rs.18 lakhs), agricultural engineering (from Rs.25 lakhs to Rs. 33 lakhs), other minor irrigation works (from Rs.37 lakhs to Rs.51 lakhs), soil survey and testing (from Rs.1 lakh to Rs.9 lakhs), development of hill areas (from Rs.1.41 crores to Rs.1.55 crores), veterinary services and animal health (Rs.6 lakhs to Rs.9 lakhs), poultry development (from Rs. 11 lakhs to Rs.19 lakhs), farm forestry (from Rs.11 lakhs to Rs.25 lakhs) and rural works of community development programme (from Rs.35 lakhs to Rs.54 lakhs). Plan expenditure decreased on soil conservation schemes (from Rs.1.35 crores to Rs.1.20 crores), forest conservation and development (from Rs.23 lakhs to Rs.16 lakhs) and community development roads programme (from Rs.26 lakhs to Rs.7 lakhs). The

increase in non-Plan expenditure was mostly on direction and administration of Agriculture and Animal Husbandry and Veterinary departments (due mainly to expansion of the departments), land reforms, other minor irrigation schemes and fodder and feed development. Non-Plan expenditure decreased mainly on soil conservation schemes.

1.5 Capital expenditure

The capital expenditure during the year 1980-81 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.74 lakhs were expended on Plan side on Public Works, mostly on construction of new office complex for Chief Engineer and Secretary (Rs.14 lakhs), administrative building of Shillong Polytechnic (Rs.22 lakhs) and various works each costing Rs.25 lakhs and less (Rs.33 lakhs).

Under Social and Community Services, the increase in Plan outlay compared to the previous year was mostly on urban water supply schemes (from Rs.2.09 crores to Rs.4.59 crores) and in non-Plan side, expenditure of Rs.32 lakhs was incurred on police housing schemes when no non-Plan expenditure was incurred under Social and Community Services during previous year.

Under Economic Services, the total expenditure on Plan and non-Plan of Rs.10.30 crores in 1980-81 as compared to Rs.8.67 crores in the preceding year was mainly because of more outlay on co-operatives (Rs.42 lakhs), Industrial estates (Rs.19 lakhs), Roads and Bridges (Rs.6.50 crores) and Road and Water Transport (Rs.41 lakhs). There was less outlay on Special and Backward Areas (Rs.49 lakhs) and Flood Control Projects (Rs.31 lakhs).

1.6 Loans and advances by the Government

(i) The loans and advances disbursed and recovered by the Government during 1980-81, 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. Appendix 1.5 gives a sectoral summary for two years ending 1980-81.

The amount of loans disbursed during 1980-81 showed an increase of Rs.82.51 lakhs over that during 1979-80. The increases occurred mainly under Agriculture Research' (Rs.47 lakhs) and 'House building and other advances to (Government servants' (Rs.35.53 lakhs).

(ii) Recoveries in arrears

Out of loans and advances to municipalities, local bodies, etc., recovery of Rs.3.14 lakhs (principal : Rs.1.46 lakhs; interest : Rs.1.68 lakhs) due from the Shillong Municipality (over the last 9 years) was in arrears at the end of 1980-81.

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 1982). The matter has been brought to the notice of the Secretaries to the departments of the Government demi-officially by the Accountant General.

(iii) Acceptance of balances of loans

The balances of loans and advances as per ledger maintained by the Accountant General are communicated to the departmental officers concerned 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 accep- tances awaited from departmental officers (number)	Earliest year from which acceptances are awaited	Amount out- standing on 31st March 1981
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
(i) Loans to the Meghalaya State Electricity Board and the Assam State Electricity Board	Power	6	1970-71	1,24.00
(ii) Loans to Co-operative Societies	Co-operation	11	1973-74	62.62
(iii) Loans for Agriculture	Agriculture	12	1973-74	60.72
(iv) Loans for Housing	Housing	21	1973-74	44.29
(v) Loans to Autonomous District and the Regional Councils	District Council Affairs	11	1971-72	27.00
(vi) Loans for relief measures	Revenue	5	1973-74	10.63

1.7 Sources of funds for capital expenditure and net outgo under loans and advances

The capital expenditure (Rs.21.10 crores) and the net outgo under loans and advances (Rs.1.28 crores) during 1980-81 were financed by the State Government mainly from Revenue Surplus.

1.8 Debt position

(i) A Summary of debt liability of the Government at the end of the year (full particulars are given in Statement No.16 of Finance Accounts 1980-81) with comparative position as at the end of the two preceding years is given below :—

	Debt liability as on 31st March		
	1979	1980	1981
	(in crores of rupees)		
Market loans	8.60	9.98	11.49
Loans and advances from the Government of India	24.86	26.61	11.66
Other loans	1.24	1.20	1.66
Small Savings, Provident Funds, etc.	3.51	4.37	5.29
Deposits and earmarked funds	2.51	4.07	3.47
Total	40.72	46.23	33.57

(ii) *Market loans* : A loan of Rs.1.51 crores was raised during the year 1980-81. It bears $6\frac{3}{4}$ per cent interest and is redeemable at par in 1992.

(iii) *Interest burden* : During 1980-81, Rs.1,43.46 lakhs were paid as interest on debt and other obligations and Rs.60.61 lakhs were realised as interest on loans advanced, on investments, etc. The net interest charges (Rs.82.85 lakhs) represented 0.9 per cent of the total revenue receipts.

1.9 Guarantees given by the Government

(i) The Government has guaranteed to third party lenders repayment of loans raised by a Government Cement Company and by various co-operative societies. Such guarantees are in the nature of contingent liabilities on the State revenues. A summary of such contingent liabilities is given below. (details in Statement No.5 of the Finance Accounts 1980-81):—

Body on whose behalf guarantee was given	Maximum amount guaranteed	Sum guaranteed outstanding on 31st March 1981
	(in lakhs of rupees)	
Government company (One)	6,65.00	6,65.00
Co-operative societies (Three)	81.00	45.21

(ii) Information about guarantee given on behalf of Statutory Corporations and outstanding on 31st March 1981 has not been communicated. As on 31st March 1980 a guarantee of Rs.21.95 crores was outstanding in respect of borrowings by the Meghalaya State Electricity Board.

1.10 Investments in shares/debentures

During 1980-81, the Government invested Rs.2,21.76 lakhs in all, in Meghalaya Transport Corporation (Rs.1,08.36 lakhs), Meghalaya Industrial Development Corporation (Rs.50 lakhs), Meghalaya Mineral Development Corporation (Rs. 2 lakhs), Meghalaya Handicrafts Development Corporation (Rs. 3 lakhs) and in certain co-operative societies (Rs. 58.40 lakhs).

The Meghalaya Transport Corporation in which Rs.2.88 crores now stand invested, had incurred a loss of Rs.11.27 lakhs in the year ended 31st March 1977 (subsequent accounts not finalised). The Mawmluh-Cherra Cements Limited, in which Rs. 7.40 crores stand invested, incurred losses(*) of Rs. 29.67 lakhs, Rs.38.09 lakhs and Rs.26.47 lakhs for the years ended 30th June 1978, 1979 and 1980 respectively. The Meghalaya Construction Corporation in which Rs. 28.14 lakhs stand invested earned profit of Rs.0.08 lakh during the year ended 30th June 1979. Full details of the investments are given in Statement No.13 of the Finance Accounts 1980-81.

(*) The figures of losses are provisional pending audit of the accounts of the Company from 1977-78 onwards.

Information on the working of the co-operative societies (in which Rs.2.73 crores stand invested) has not been received from the year 1976-77 onwards from the department. No dividend was declared during 1980-81 by any of the Government companies and statutory corporations. Certain co-operative societies declared dividend amounting to Rs.2,443 during 1980-81.

1.11 Plan performance

Against the provision of Rs. 19,83.26 lakhs for Plan expenditure under Revenue Section and Rs. 22,42.08 lakhs under Capital Section during 1980-81, the expenditure was Rs. 18,34.82 lakhs and Rs. 20,72.77 lakhs respectively. Against the provision for Plan loans and advances of Rs. 96.54 lakhs during 1980-81, disbursement was Rs.84.02 lakhs. In the Revenue Section, the shortfall under Family Welfare was Rs. 37.42 lakhs, out of provision of Rs. 70.64 lakhs, due mainly to non-adjustment of value of materials received from the Central Government.

On Public Works, against provision of Rs.54 lakhs, expenditure was only Rs.27.21 lakhs mainly due to less acquisition of equipments and tools and plant than anticipated. On Roads and Bridges, against provision of Rs.11 lakhs, expenditure was only Rs.2.86 lakhs mainly due to construction of less number of rural roads.

On capital outlay on Public Health, Sanitation and Water Supply, against provision of Rs.9,12.40 lakhs, expenditure was Rs.8,85.84 lakhs mainly due to non-sanction of drilling rig and channelisation of funds under urban water supply schemes through Community Development Department. On capital outlay on Special and Backward Areas, against provision of Rs.2,01.00 lakhs, expenditure was Rs.1,09.71 lakhs mainly due to non-implementation of the scheme "Development of Regional Roads". On capital outlay on Minor Irrigation, Soil Conservation and Area Development, against provision of Rs.30 lakhs, expenditure was Rs.0.43 lakh due mainly to non-finalisation of certain minor irrigation schemes.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Summary

(a) The following table compares the total expenditure during the year with the totals of grants and charged appropriations.

		Grant/charged appropriations	Expenditure	Saving (-) Excess (+)	Per-centage
Voted—					
(in crores of rupees)					
Original	75.19	87.03	83.48	(-) 3.55	4
Supplementary	11.84				
Charged					
Original	5.45	5.46	20.69	(+) 15.23(*)	279
Supplementary	0.01				
		92.49	1,04.17	(+) 11.68	13

The overall excess of Rs.11.68 crores was the result of excess of Rs.19.97 crores in 15 grants (Rs.3.21 crores) and 2 charged appropriations (Rs.16.76 crores) partly offset by saving of Rs.8.29 crores in 46 grants (Rs.6.76 crores) and 5 charged appropriations (Rs.1.53 crores).

(b) Further details are given below :—

	Revenue	Capital	Loans and advances	Public Debt	Inter-State Settlement	Total
(in crores of rupees)						
Authorised to be spent (grants and charged appropriations) :—						
Original	57.83	17.96	1.05	3.42	0.38	80.64
Supplementary	4.28	6.55	1.02	...	...	11.85
Total	62.11	24.51	2.07	3.42	0.38	92.49
Actual expenditure (grants and charged appropriations)	61.93	21.10	1.82	19.08	0.24	1,04.17
Shortfall (-) Excess (+)	(-) 0.18	(-) 3.41	(-) 0.25	(+) 15.66	(-) 0.14	(+) 11.68

(*) Excess was mainly due to adjustment of Central loans written off (Rs.18.21 crores) on the recommendations of the Seventh Finance Commission. Refer serial number 2 of paragraph 2.2 (b).

2.2 Excess over grants/charged appropriations requiring regularisation

(a) Grants

There was excess of Rs.2,53,59,169 in 14 grants in the Revenue Section and in 1 grant in the Capital Section which requires regularisation under Article 205 of the Constitution. The details are given below :—

Serial number	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
Revenue Section				
1.	5—Elections	22,59,000	23,26,334	67,334
Excess occurred mainly due to revision of pay scales in 1979 and summary revision of electoral rolls as per direction of the Election Commission.				
2.	13—Secretariat—General Services—I—Civil Departments, Secretariat—Social and Community Services—I—Civil Departments, Secretariat—Economic Services—I—Civil Departments	1,47,77,630	1,49,51,166	1,73,536
Under 'Secretariat—Transport Department', Rs.5.01 lakhs were spent against the provision of Rs.1.56 lakhs. Reasons for the excess have not been intimated.				
3.	15—Treasury and Accounts Administration	23,33,000	23,49,446	16,446
Reasons for the excess, which occurred under "B—Treasury Establishment—Sixth Schedule (Part II) Areas", have not been intimated (May 1982).				
4.	16—Police and Fire Protection and Control and Housing—C—Government Residential Buildings and Capital Outlay on Housing—A—Government Residential Buildings	5,51,26,050	5,71,41,684	20,15,634

Excess of Rs.12.57 lakhs was attributed to purchase of vehicles under 'Modernisation Scheme' and increased expenditure on travel, up keep of vehicles and maintenance of law and order. Reasons for balance excess have not been intimated (May 1982).

Serial number	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
5.	17-Jails	19,18,000	19,13,526	526

Excess was reported to be due mainly to payment of arrears of pay and allowances consequent upon revision of pay scales.

6.	20-Other Administrative Service-I-Civil-Defence and Home Guards	72,92,000	78,43,010	5,51,010
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On headquarter organisation of Civil Defence, Rs. 6.83 lakhs were spent against provision of Rs. 3.12 lakhs. Remaining excess was on creation/raising of border wing of Home Guards.

7.	25-Aid Materials and Equipments	22,75,000	67,54,405	44,79,405
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Excess was due to materials and equipment received from the Government of India under Malaria Eradication Programme being more than anticipated.

8.	27-Medical, Family Welfare, Public Health, Sanitation and Water Supply-A-Public Health and Sanitation	5,82,49,260	6,65,67,530	83,18,270
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Excess was attributed to increased requirement of medicines, medical stores and dietary articles.

9.	30-Urban Development-A-General-I-Municipal Administration and Loans for Urban Development	6,79,687	7,01,637	21,950
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On assistance to Municipal Board, for special purposes, Rs. 0.64 lakh were spent, although there was no provision therefor. No reasons were assigned.

Serial number	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
10.	99-Other Social and Community Services	2,75,000	2,99,436	24,436

Excess occurred on 'Ward Lake establishment', reasons for which have not been intimated (May 1982).

11.	44-Other General Economic Services-II-Regulation of Weights and Measures	6,83,000	6,84,571	1,571
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The administrative organisation for regulation of weights and measures accounted for the excess.

12.	50-Dairy Development and Housing-C-Government Residential Buildings	42,63,000	43,17,397	54,397
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Main excess was on 'Central Dairy', reasons for which have not been intimated (May 1982).

13.	55-Village and Small Industries-I-Handloom and Sericulture, Housing-C-Government Residential Buildings, Loans to Co-operative Societies, Loans for Village and Small Scale Industries-I Handloom and Sericulture	86,90,000	87,46,045	56,045
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Reasons for the excess have not been intimated (May 1982).

14.	58-Roads and Bridges, Capital Outlay on Roads and Bridges	3,11,40,000	4,74,08,158	1,62,68,158
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The expenditure on 'Border Roads (Dantak)' was Rs 1,12.35 lakhs against provision of Rs. 30 lakhs.

On maintenance and repairs of roads, an excess expenditure of Rs. 91.36 lakhs (provision: Rs. 225 lakhs, expenditure: Rs. 3,16.36 lakhs) was incurred. Reasons for the excess in both the cases have not been intimated (May 1982).

Serial number	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
Capital section				
15.	29-Housing-I-A-General and B-Housing Schemes, Loans for Housing	19,10,000	19,51,293	41,293

Excess was reportedly due to more demand for loan under the Middle Income Group Housing Scheme.

(b) *Charged appropriations*

Excess expenditure of Rs.16,76,12,164 over two charged appropriations (one each in Revenue and Capital Sections) requires regularisation. Details are as follows:—

Serial number	Number and name of appropriation	Total appropriation Rs.	Expenditure Rs.	Excess Rs.
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Revenue Section

1.	2-Governor	10,46,000	11,48,425	1,02,425
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Excess occurred on maintenance of State motor cars and was mainly due to increase in cost of P. O .L. charges.

Capital Section

2.	Loans and Advances from the Central Government	2,24,72,000	18,99,81,739	16,75,09,739
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Excess was due to accountal of write-off of certain outstanding Central loans based on sanction issued by Government of India on 24th February 1981 following recommendations made by the Seventh Finance Commission.

2.3 Supplementary grants/charged appropriations

Significant cases of unnecessary, excessive and inadequate supplementary grants are given below:

(i) Unnecessary supplementary grants

(a) In the following two cases, the supplementary grants of more than Rs. 10 lakhs in each case remained wholly unutilised as the expenditure did not come up even to the original provision:—

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
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(in lakhs of rupees)

Revenue Section

(1)	36-Social Security and Welfare-C-III-Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes -D-Social Welfare and Loans for Social Security and Welfare-C-III Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	92.56	13.95	87.77	18.74
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Saving was attributed to late implementation of the 'Old age pension scheme' consequent upon delay in framing the "Meghalaya Old Age Pension Rules."

Capital section

(2)	19— Secretariat, General Services, etc.	3,05.44	15.25	1,64.67	1,56.02
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Saving to the extent of Rs. 52.74 lakhs was stated to be due to non-finalisation of plans for construction of buildings. Reasons for the balance saving have not been intimated (May 1982).

(ii) Supplementary grants which proved excessive

In the following four cases, the supplementary grants (exceeding Rs. 10 lakhs each) proved excessive by more than Rs. 10 lakhs in each case; against the supplementary provision of Rs. 146.81 lakhs, Rs.88.33 lakhs were only utilised:—

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
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(in lakhs of rupees)

Revenue section

(1)	18—Stationery and Printing	60.47	11.33	61.31	10.49
(2)	21—Other Administrative Services, etc.	9,04.56	65.58	9,51.16	18.98
(3)	53—Community Development, Housing, etc.	2,43.48	27.90	2,58.93	12.45

Loans and advances section

(4)	61—Loans to Government Servants	63.00	42.00	88.44	16.56
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Reasons for saving in the above cases have not been intimated (May 1982).

(iii) Inadequate supplementary grants

In the following two cases, supplementary grants of more than Rs. 10 lakhs each proved inadequate by more than Rs. 10 lakhs in each case; the final uncovered excess was Rs. 103.34 lakhs (reasons mentioned in paragraph 2.2):—

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
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(in lakhs of rupees)

Revenue section

(1)	16—Police and Fire Protection and Control and Housing etc.	5,12.06	39.20	5,71.42	20.19
(2)	27—Medical, Family Welfare, Public Health, Sanitation and Water Supply, etc.	5,44.46	38.03	6,65.67	33.18

2.4 Unutilised provision

Of Rs. 8.29 crores remaining unutilised as mentioned in paragraph 2.1 (a), the saving (more than Rs. 10 lakhs in each case) was more than 10 per cent of the total provision in 10 grants and 2 charged appropriations. The details of these grants and charged appropriations are given in Appendix 2.1. Reasons to the extent received have been given in the Appropriation Accounts 1980-81.

2.5 Non-receipt of explanations for savings/excesses

For the year 1980-81, explanations for savings/excesses were either not received or, where received, were incomplete in respect of 118 heads (May 1982). These formed 71 per cent of the number of heads, the variations in which were required to be explained.

Tourism Department

2.6 Drawal of funds in advance of requirements

According to the rules, money is to be drawn only when it is needed for immediate disbursement and the amount remaining unspent is to be refunded into the treasury without delay.

A test check. (November 1981) of the accounts of the Director of Tourism, Meghalaya, Shillong showed that Rs. 0.70 lakh were drawn from the treasury in March 1980 for execution of the work "Supply of water to Tourist Bungalow at Thadlaskien". The amount was drawn although the plan and estimate for the work remained to be finalised. Neither could it be utilised till July 1982 nor was it refunded.

Finance Department

2.7 Rush of expenditure

The financial rules provide that money should not be spent in haste merely because it is available or the grant may lapse after the close of the financial year. Rush of expenditure towards the end of the financial year is thus discouraged as it constitutes a breach of financial propriety.

During 1980-81, the pattern of expenditure in eight major departments (Education, Medical, Agriculture, Public Works, Housing, Community Development, Animal Husbandry and Veterinary and Urban Development) revealed that there was heavy rush of expenditure during March 1981 as compared to the monthly average expenditure in previous eleven months. Percentage of increase over the monthly average ranged from 36 to 2,090 in March 1981 (department-wise details are given in Appendix 2.2). Of the total expenditure of Rs. 35.66 crores incurred by these departments under 10 Major Heads during 1980-81, the expenditure in March 1981 amounted to Rs. 10.85 crores (30.4 per cent).

CHAPTER III

CIVIL DEPARTMENTS

*Animal Husbandry and Veterinary Department***3.1 Dairy Development Scheme**

In course of audit (November 1981) of the accounts of the Dairy Development Scheme, Meghalaya, the following irregularities were noticed:—

3.1.1 Excess issue of milk for supply against milk cards

In the Town Milk Supply Scheme, Shillong, during 1974-75 to 1980-81, 3,41,512 litres of milk were issued in excess over the quantity required to satisfy demand of milk card holders to the distributing agency of the department for distribution to the consumers as shown in Appendix 3.1. The value of milk issued in excess (which was for cash sales and the proceeds of which were to be deposited by the distributing agency after sale) amounted to Rs. 6.17 lakhs which was not realised from the distributing agency. Further, reimbursements to the milk card holders for non-supply of 11,515 litres of milk (value :Rs 0.18 lakh) during 1974-75 and 1975-76 and of 17,450 litres (value : 0.31 lakh) during April 1978 to April 1979 were made though milk was issued in excess over requirement during the period to the distributing agency for distribution. Due to excess issue of milk to the distributing agency over requirement and also re-imbursements for non-supply of milk to the milk card holders, the department incurred a total loss Rs. 6.66 lakhs.

No action has been taken by the department to recover the dues from the agency.

3.1.2 Loss due to curdling of milk

Mention was made in paragraph 24 (6) of the Audit Report 1973-74 about curdling of milk (value: Rs 3.89 lakhs). The table below indicates the quantity and value of the milk curdled, lost in handling vis-a-vis the milk collected for the Shillong Town Milk Supply Scheme during 1974-75 to 1979-80.

Year	Milk collected (litres in lakhs)	Milk curdled (litres in lakhs)	Handling loss of milk (litres in lakhs)	Percentage of the milk cur- dled to the total milk collected	Percentage of handling loss to total milk collected	Total value of the milk cur- dled and lost in handling (in lakhs of rupees)
1974-75	5.21	0.28	0.37	5.4	7.1	0.91
1975-76	7.23	0.42	0.34	5.8	4.7	1.22
1976-77	8.80	0.49	0.41	5.6	4.7	1.62
1977-78	8.15	0.69	0.25	8.5	3.1	1.69
1978-79	8.02	0.22	0.19	2.7	2.4	0.74
1979-80	7.37	0.06	0.36	0.8	4.9	0.76
Total	44.78	2.16	1.92			6.94

The total quantity of milk which got curdled and lost in handling during 6 years from 1974-75 to 1979-80 was 4.08 lakh litres (value: Rs. 6.94 lakhs).

The loss on account of curdling of milk was attributed (November 1981) by the Dairy Development Officer to increase in the temperature of milk in bottles as quick delivery was not always possible because of scattered location of the customers' houses. It was further stated that 4 per cent loss in curdling and handling of milk upto final stage was fixed but no orders in support thereof were available. Even value of milk lost in excess of 4 per cent amounted to Rs. 3.95 lakhs.

3.1.3 Creamery and ghee making centre at Tura

There are milk pockets around Tura town without adequate marketing facilities for milk and milk products. A creamery and ghee making centre was set up in 1973-74 at Tura with the object of producing cream, butter and ghee for sale to the public after collection of milk from the milk producers of the nearby areas. This was also intended to give incentive to the cattle breeders of the area besides educating local people about the use of milk and milk products. The table given in Appendix 3.2 indicates the quantity of milk procured, the sale proceeds of milk, cream, butter and ghee and also expenditure incurred for procurement of milk and other items during the years from 1974-75 to 1980-81.

The total expenditure incurred in running the Centre during 1974-75 to 1980-81 was Rs. 22.82 lakhs and sale proceeds of milk and its by-products realised was Rs. 10.34 lakhs resulting in excess expenditure of Rs. 12.48 lakhs over the receipts.

Further, during 1979-80 and 1980-81, 77,557 litres (value: Rs. 0.62 lakh) and 1,29,379 litres (value: Rs. 1.04 lakhs) of skim milk were issued for sale. The disposal of skim milk or sale proceeds thereof were not accounted for.

No evaluation of the working of the centre was made (November 1981).

3.1.4 Rural dairy Extension Centre, Jowai

A Rural Dairy Extension Centre was established at Jowai in 1967 when the Districts now forming the State of Meghalaya were parts of the State of Assam. The object of the schemes was to educate and train the local tribal people in the animal husbandry and dairy trade to enable them to earn additional income. Under the scheme, milk is procured from the cattle breeders of the nearby area and chilled for sale in Jowai town. Extra milk is utilised for obtaining cream, butter and ghee. The year-wise receipts and expenditure under the scheme from 1974-75 to 1980-81 as per records available in the Office of the Director of Animal Husbandry and Veterinary, Meghalaya are indicated in the Appendix 3.3.

The department had incurred an expenditure of Rs.29.23 lakhs and revenue earned was Rs. 8.53 lakhs only by way of sale of milk and milk products resulting in excess expenditure of Rs.20.70 lakhs over the receipts. The loss was mainly attributable to huge expenditure (Rs. 22.48 lakhs) on running the centre.

The above observations were referred to Government in January 1982 ; their replies are awaited (April 1982).

Community Development Department

3.2 Applied Nutrition Programme

3.2.1 Introduction

The Applied Nutrition Programme (ANP), sponsored by the Government of India was implemented in the State from 1970-71 (the Autonomous State of Meghalaya was formed with effect from 2nd April 1970). The aim of the programme was to raise the level of nutrition of the rural population, particularly expectant women and nursing mothers and children, through increased consumption of nutritious food of vegetables and animal origin, like poultry and fish. Active participation of agencies like Mahila Mandals, Yuvak Mandals and community leaders was also envisaged. It was to be implemented in two phases, *viz.*, an operational period of five years to be followed by a post operational period of one year.

3.2.2 Organisational pattern

The Director of Community Development had the overall responsibility for co-ordination and implementation of the programme in the State. At the district level, the Deputy Commissioner and at the block level, the Block Development Officer were responsible for implementation of the programme. In carrying out the programme at block level, the Block Development Officer was assisted by the Block Development Committee.

3.2.3 Pattern of financial and other assistance and utilisation thereof

(i) Central assistance was available at the rate of Rs. 0.34 lakh per block per year (Rs. 0.30 lakh upto 1976-77). The State Government was to contribute Rs. 0.51 lakh per block per year.

During the post-operational period, the Central assistance was payable at the rate of Rs. 0.20 lakh (Rs. 0.15 lakh upto 1976-77) per block.

The table in Appendix 3.4 gives details of the Central assistance received and State Government's contributions during the operational/post operational periods of the programme.

During 1971-72 to 1978-79 Central assistance of Rs. 18.10 lakhs was received against which an expenditure of Rs. 21.27 lakhs was incurred.

The State Government's total contribution during 1972-73 to 1980-81 was Rs. 46.13 lakhs. The entire amount was spent for the programme.

(ii) United Nations International Children's Emergency Fund (UNICEF) assistance was made available at the rate of \$20,000 per block, partly in cash and partly in kind, during the operational period. The assistance in kind comprised seeds, fertilizers, pumping sets, barbed wire, horticulture equipments, incubators and vehicles.

3.2.4 Performance

(i) Till 1978-79, twentyone blocks, out of 30 blocks in the State, had been brought under the programme of which, 10 blocks were covered under the programme during 1965-66 to 1973-74 and 11 were covered during the Fifth Plan (1974-75 to 1978-79) against the target of 20 blocks.

3.2.5 Components of the programme

(a) Fisheries

(i) Twenty village units were to be covered in each block and in each unit water area of approximately 2 acres was to be brought under fisheries development. The yield of fish per acre as per norms prescribed by the Fishery Department should not be less than 600 kgs. per year.

In respect of 5 blocks, records of which were test checked, the targets and achievements of village units established and water area covered and expenditure incurred etc. during the operational periods are given below :—

Name of block	Period of operation	Village units to be established	Village units established	Water area required to be covered by units established	Water area covered	Short fall in coverage of water area	Total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		(in acres)			(in acres)	(in lakhs of rupees)	
Mairang	1977-78 to 1980-81	20	12	24	N.A.	N.A.	0.84
Nongstoin	1976-77 to 1980-81	20	30	60	38.95	21.05	0.98
Mawryngkheng	1978-79 to 1979-80	20	7	14	5.00	9.00	0.45
Betasing	1971-72 to 1975-76	20	20	40	N.A.	N.A.	0.20
Myllem	1968-69 to 1972-73	20	6	12	1.00	13.00	0.20
						Total ...	<u>2.67</u>

Figures for production of fish are not available.

N.A -- Not available.

(ii) Rupees 2.67 lakhs were spent in 5 blocks for implementation of the programme but in none of the blocks the records showing the production of fish were available. In absence of such records, the benefit derived by the village community out of the programme could not be assessed. In two blocks (Mairang and Betasing) no records indicating the water area covered were available.

(iii) The village fishery units were required to supply free of cost 50 per cent of fish produced in return to the financial assistance given, for use in the programme for free feeding of expectant women, nursing mothers and children. The balance of fish was to be marketed and the profit earned was to be invested in the programme. Records indicating the quantity of fish produced, supplied free of cost for free feeding and fish marketed were not available in any of the blocks.

(b) Poultry

(i) Twenty village poultry units, each having a strength of 50 layers were required to be established in each block. Out of 5 blocks, in 3 blocks records for poultry units were made available for test check. In the remaining two blocks (Mairang and Mawryngkheng) no records were available.

The targets and actuals in respect of units established, strength of layers, eggs produced and shortfall in achievements during the operational periods of programme are indicated below :

Name of block	Period of operation	Establishment of units		Layers		Shortfall/excess in layers Shortfall (-)	Production of eggs		Shortfall in production of eggs	Total expenditure (in lakhs of rupees)
		Target	Actual	Target for units established (in numbers)	Actual		Target	Actual		
Mylliem	1968-69 to 1972-73	20	32	1,600	1,530	(-)70	5,05,800	8,360	4,97,440	0.50
Nongstoin	1976-77 to 1980-81	20	20	1,000	460	(-)540	3,27,600	8,667	3,18,933	0.70
Betasing	1971-72 to 1975-76	20	42	2,100	400	(-)1,700	3,24,000	2,743	3,21,257	0.44
Total		60	94	4,700	2,390	(-)2,310	11,57,400	19,770	11,37,630	1.64

Though the number of units established was 94 against the target of 60, there was significant shortfall in the number of layers in Nongstoin block (54 per cent) and Betasing (81 per cent).

(ii) According to the norms of the Government of India Ministry of Agriculture, circulated by the department in February 1979, the layers at the farms are expected to give at least 180 eggs per layer per year. In three blocks (Mylliem, Nongstoin and Betasing), village poultry units consisting of 2,390 layers were established and Rs.1.64 lakhs were spent during the operational periods of the programme. The total eggs produced in the units were 19,770 only against the target of 11,57,400 and shortfall in production was 11,37,630 (98 per cent). The average cost of production of an egg varied between Rs.6 to Rs.16. Reasons for abnormally low production of eggs and high cost in production have not been stated (March 1982). Records indicating the number of eggs supplied for free feeding were not available in the blocks.

(c) Piggery

In Nongstoin block Rs.0.14 lakh for construction of piggery sheds and Rs.0.16 lakh towards cost of pigs were paid to 16 village units during 1978-79 to 1980-81. In Mawryngkheng block Rs.0.03 lakh were paid in 1980-81 for construction of sheds. But no reports regarding implementation of the programme by the village units were made available during audit. The scheme was not in operation in the other 3 blocks taken up for test check.

(d) Horticulture

The programme aimed at increasing the production of fruits and vegetables of high nutritive value by establishing school kitchen and community gardens. Seeds, seedlings, fertilizers and tools and implements were to be provided for the programme. A sum of Rs.6.42 lakhs (Central assistance: Rs.3.00 lakhs; State's contribution : Rs.3.42 lakhs) was spent in 5 blocks during the operational period of the programme. The targets and achievements in regard to establishment of kitchen gardens, school gardens and community gardens in respect of 5 blocks (Nongstoin, Mylliem, Betasing, Mairang and Mawryngkheng) are indicated below :—

	Target	Achievements	Shortfall
1. Kitchen gardens	750	230	520
2. School gardens	100	100	...
3. Community gardens	50	47	3
Total	900	377	523

The Director of Community Development directed (March 1976) the Block Development Officers that atleast 150 kitchen gardens should be raised in each block under the programme. Except in one (Mylliem) block no kitchen gardens were raised in other (Nongstoin, Betasing, Mairang and Mawryngkneng) blocks. The reasons for the non-implemation of the programme in these blocks were not on record.

Vegetables produced in the school gardens were meant for consumption by school children. The community gardens were to be maintained by voluntary labourers from members of youth clubs, Mahila Samitees etc. The data regarding production and consumption of vegetables in kitchen, school and community gardens were not available in the records of the blocks.

(e) Mahila Mandal and Yuvak Mandal

20 Mahila Mandals and 10 Yuvak Mandals were to be organised in each block in the implementation of the programme. The table below indicate the targets and achievements in establishment of Mahila Mandals and Yuvak Mandals in respect of 5 blocks.

Name of block	Target		Achievement	
	Mahila Mandals	Yuvak Mandals	Mahila Mandals	Yuvak Mandals
Mylliem	20	10	8	6
Nongstoin	20	10	16	15
Betasing	20	10	20	4
Mairang	20	10	8	5
Mawryngkneng	20	10	4	4
Total	100	50	56	34

Reasons for shortfall in the establishment of Mahila Mandals and Yuvak Mandals were not available. Government stated (March 1982) that the voluntary grass root organisations, *i. e.*, Mahila Mandals and Yuvak Mandals are the corner stones of the programme. Some of the Mandals are involved with activities like carpentry, dramatic performances and sports and also with welfare activities like weaving, sewing and stitching etc. Moreover, they were expected to take over the activities of the programme *i. e.* horticulture gardens, fishery tanks and piggery and poultry units after the assets are created. An evaluation of their contributions is yet to be made.

3.2.6 Components of the programme not becoming self supporting

The programme envisaged that its production component *i. e.* fishery, poultry, piggery and horticulture would become self supporting once the operation period of 5 years was over and would be able to meet the requirements of nutritive food to the people particularly expectant women and nursing mothers and children. To ensure this and to determine the extent to which the programme had achieved the objectives the plan of operation provided for a proper evaluation of the progress of the programme. The Government stated (March 1982) that an evaluation of the programme had been made and the report was under examination.

3.2.7 Other topics of interest

(i) In Mairang Development Block, Rs.0.84 lakhs were drawn between 1977-78 and 1980-81 for the construction/extension of fishery tanks and purchase and transportation of Fish seeds. It was stated by the Block Development Officer during audit (June 1981) that no such expenditure was incurred by the block and the amount was lying unspent. This could not, however, be verified in audit as the cash book of the block had not been written after 28th August 1978, reasons for which were not on record.

(ii) In Mawryngkheng Development Block, Rs.27,280 were spent between September 1979 and March 1980 for the construction of poultry sheds, purchase of equipments and medicines. Records in support of expenditure were not made available (June 1981) to audit.

(iii) The Block Development Officer, Betasing paid Rs.8,580 to the Manager, Central Poultry Farm, Naya-bunglow for the supply of birds during 1974-75 and 1975-76. But no birds were supplied (June 1981), and the operational period of the block expired in 1976-77.

(iv) Seven sewing machines (cost : Rs.5,100) were purchased (3 in December 1979 and 4 in April 1980) in Mawryngkheng Development Block for distribution to Mahila Mandals. Mairang Development Block received (October 1979) 3 sewing/knitting machines and Nongstoin Development Block received (between 1976-77 and 1980-81) 14 sewing/knitting machines from the UNICEF. These machines were distributed to Mahila/Yuvak Mandals. Utilisation of the sewing/knitting machines in furtherance of the objectives of the Applied Nutrition Programme could not be clarified.

(v) Twelve mastron hanging type breeders, mastron flat mixture etc. received from UNICEF in February 1969 in Myllem Development Block were lying unutilised as the villagers were not interested in using these articles.

3.2.8 Summing up

(i) Out of 30 development blocks, 21 were brought under Applied Nutrition Programme till 1978-79 including 11 during the period 1974-79 (Fifth Plan) against the Fifth Plan target of 20 blocks.

(ii) In none of the blocks audited, the target of creating 40 acres of water-area for fisheries was reached. No records were maintained by the blocks to show the yield of fish.

(iii) In three blocks, 94 village poultry units were established at a cost of Rs.1.64 lakhs but the total eggs produced were only 19,700 against the target of 11,57,400 and the average cost of an egg produced ranged from Rs.6 to Rs.16.

(iv) Under the programme of horticulture, 377 school, kitchen and community gardens were raised against the target of 900 and Rs.6.42 lakhs were spent. No detailed records of the vegetable produced in the gardens and distributed for consumption, were maintained.

(v) Against the targets of 100 Mahila Mandals and 50 Yuvak Mandals in 5 blocks, only 56 Mahila Mandals and 34 Yuvak Mandals were established.

The above observations were referred to Government in December 1981 ; their replies are awaited (April 1982).

Fisheries Department

3.3 Flexible sausage dams

To combat illegal and indiscriminate fishing and to protect and conserve natural fisheries, the Fisheries Department decided to construct flexible sausage dams in selected hill streams. The flexible sausage dams are built with boulders reinforced with sausage wire netting by plugging suitable ravines and gullies to conserve and increase the depth of water collection area and pools for stabilising stream flow where introduction of exotic fishes would become possible and would facilitate more catches for the benefit of the people.

It was noticed (November 1981) that the Fisheries Department had constructed 29 flexible sausage dams during the period between 1972 and 1981 at a total cost of Rs.3.47 lakhs without any technical approval of the scheme. On the basis of the discussion with the Planning Commission, the feasibility about the implementation of the scheme was referred (September 1975) to the Government of India, but their technical advice could not be obtained so far (December 1981). Meanwhile, the Department spent a further sum of Rs.1.39 lakhs between 1974-75 and 1979-80 for the repairs of the dams. Fingerlings valued at Rs.0.15 lakh were also obtained from the Government fish seed farm and stocked in the pool. The department had not set up any machinery to evaluate the benefits derived by the people out of the scheme and no evaluation of the working of the scheme was done at any stage although a total sum of Rs.5.01 lakhs has been incurred on the Scheme. The matter was reported to the Government in December 1981; reply is awaited (April 1982).

Health and Family Welfare Department

3.4 National Malaria Eradication Programme

3.4.1 Introductory

The National Malaria Eradication Programme (NMEP), introduced in 1958, envisaged mainly spray of insecticides to avert transmission of parasites, surveillance to detect affected persons and radical treatment of the latter to eliminate the source of infection. Under the programme, insecticides and anti-malarial drugs were supplied by the Government of India free of cost to the State Government, the expenditure on staff, contingencies, etc. being also subsidised by the former. In the context of increase in the incidence of malaria, a modified plan of operation was introduced from 1st April 1977 with the objectives of arresting the malaria mortality rate, maintaining the achievements made under the programme till then and checking adverse effects of the disease on industry and agriculture. The plan envisaged *inter-alia*, selective spray operations in areas where the annual parasite index (API) *i.e.* the number of positive cases noticed per 1000 population was two and above.

3.4.2 Financial aspects

The State of Meghalaya was formed with effect from 21st January 1972. Expenditure incurred on the Programme from 1971-72 to 1979-80 was as under:—

Year	Expenditure on staff, contingencies, etc.	Value of materials and anti-malarials etc., received free from the Government of India	Total
		(in lakhs of rupees)	
1971-72	17.56	10.99	28.55
1972-73	16.91	1.81	18.72
1973-74	15.65	1.46	17.11
1974-75	18.54	11.68	30.22
1975-76	18.86	16.82	35.68
1976-77	24.16	13.15	37.31
1977-78	29.48	8.22	37.70
1978-79	28.38	18.58	46.96
1979-80	30.17	11.65	41.82
Total	1,99.71	94.36	2,94.07

3.4.3 Insecticides

Insecticides received from the Government of India and utilised by the State Government are given in Appendix 3.5.

The Director, NMEP requested (December 1980) all the States to test the balance of stock after the spray operations for ascertaining the quality before further use. There are, however, no facilities for testing the quality of the chemical in the State. As a result, the department could not ensure that the quality of insecticides supplied and of those left over after spray operations were of the required standard.

3.4.4 Spray operations

Spray operations were required to be carried out in two/three rounds in areas in the Attack Phase and from 1st April 1977 in areas with API of 2 and above during the transmission season generally from April to October each year. Details of spray operations carried out during 1976 to 1980 are given in Appendix 3.6. Shortfall in spray operation in relation to sprayable population varied between 16 per cent and 55 per cent.

According to the modified scheme (1977) the spray operations were to be carried out in all the sections with API of 2 and above, provided that the vector was susceptible to the appropriate insecticides.

Fifteen sections in Khasi and Jaintia Hills in 1978, 11 and 10 sections in Khasi Hills during 1979 and 1980 respectively were not sprayed although the API compiled by the department was more than two.

Focal spray was required to be carried out in and around positive cases in areas with API less than 2. No focal spray was done in 114 sections in Khasi and Jaintia Hills during 1976 to 1980 although the sections had positive cases.

3.4.5 Entomological work

An entomological study to evaluate susceptibility levels of vector species in different insecticides is essential so that in areas of high incidence right type of insecticides can be used. No entomological set up was established under the State Government. The studies done by the Regional Directorate were negligible. Susceptibility test was conducted in 1973 in Dalu against *A. Phillippinensis* to DDT when 100 per cent mortality was recorded. In 1975 such test was conducted in Purakasia with DDT against *A. Phillippinensis* and *A. Annularis* when the latter was found to be resistant to DDT giving only 10 per cent mortality. No suggestion as to the type of insecticides to be used was given. According to the report of the Regional Director, attempts were made to carry out susceptibility test in August 1979 in Baghmara and Williamnagar, in October 1979 in Balat and surrounding villages of Mawsynram and in October and November 1980 in Narvong near Burnihat, but in none of these cases susceptibility tests were carried out because collection of mosquitoes was poor. The spray operations were thus conducted without proper entomological study of susceptibility of vector to DDT.

3.4.6 Radical treatment of positive cases

Till the modified scheme came into operation (1977), blood smears were being collected and examined in the laboratories at the district headquarters. From April 1977, the work was entrusted to Primary Health Centres.

Details of fever cases treated, blood smears collected, positive cases detected and radical treatment given during 1976 to 1980 are given in the Appendix 3.7. The incidence of malaria in the Garo Hills district had gone abnormally high even after operation of the modified plan introduced in 1977 as the following position reveals :

Year	Number of positive cases	API
1977	5,268	12.8
1978	7,222	17.5
1979	16,658	37.0
1980	14,363	32.9

According to the technical directions of the Director, NMEP, the maximum time lag permissible between collection and examination of blood smears was seven to ten days. Similarly, radical treatment to the positive cases was to be given as early as possible. Test-check of the records of 8 Public Health Centres of Khasi Hills and Garo Hills Districts for 1978 to 1980 revealed that delay between collection of blood smears and starting of radical treatment ranged from 11 to 90 days in 5,276 cases in Khasi Hills and 7,980 cases in Garo Hills and beyond 90 days in 273 cases in Khasi Hills and 1,829 cases in Garo Hills.

Delays at various stages from collection of blood smears to the final treatment reduce the effectiveness of the programme.

According to the report of the Expert Committee on Malaria of the World Health Organisation (1964) the comparison of the parasite rate (particularly of the *P. Falciparum* parasite) determined on successive occasions is a very sensitive method of evaluating the interruption of transmission of malaria in the attack phase. According to the report, if the transmission is completely interrupted the parasite rate should fall to not more than 16 per cent of its original value in 12 months and 3 per cent

or less in 2 years. Though spraying operations had been carried out right from 1959, even the preliminary objective of interruption of transmission of malaria, had not been achieved and there was no significant falling trend in the parasite rates as the following figures for the years 1974-76 reveal.

Year	No. of blood slides examined	Positive slide rate	Plasmodium falciparum slide rate
		(Percentage of blood slides having malarial parasites of all types)	(Percentage of blood slides with P. Falciparum parasite)
	(in thousands)		
1974	9.8	4.1	2.4
1975	9.6	6.8	4.9
1976	10.8	6.4	4.4

Similarly, after the operation of the modified programme in 1977, there appeared to be no significant trend in fall of rates of parasites as the following figures for the year 1977-80 reveal—

1977	13.3	7.3	5.9
1978	15.2	6.5	5.3
1979	23.4	9.6	8.3
1980	21.6	8.7	7.5

3.4.7 Anti-malarial drugs

Scrutiny of the records of the Deputy Director (M) and the Unit Officers for the years from 1975 to 1980 revealed less accountal of drugs by the units :—

Name of drug	Name of unit	Quantity of drugs issued by the Deputy Director (M)	Quantity of drugs accounted for by the units	Quantity less accounted for by the units
(1)	(2)	(3)	(4)	(5)
(Quantity in lakhs)				
4 Amino tablets	Khasi Hills	22.63	21.91	0.72
—do—	Garohills	21.46	19.40	2.06
8 Amino tablets	Khasi Hills	13.92	13.81	0.11
Quino sulphate tablets	Khasi Hills	2.57	1.75	0.82
Amidiaquinine	Khasi Hills	3.42	2.30	1.12
—do—	Garohills	9.30	7.57	3.73

Test-check of returns of receipts and issue of drugs for four months in respect of Khasi Hills received from various agencies (hospitals, dispensaries, Public Health Centres, Fever Treatment Depots (FTD), Drug Distribution Centres (DDC etc.) revealed that the majority of the agencies did not furnish the returns as indicated below :—

Month	Number of FTDs/DDCs which furnished returns	Number of FTDs/DDCs which did not furnish returns	Number of hospitals and dispensaries which furnished returns	Number of hospitals and dispensaries which did not furnish returns	Number of returns received from departmental workers
(1)	(2)	(3)	(4)	(5)	(6)
June 1979	332	346	12	29	19
November 1979	225	453	7	34	16
December 1979	164	514	4	37	15
April 1980	245	290	6	35	29

In the absence of complete accounts from all the agencies, correctness of stock accounts of drugs could not be ensured.

It was stated by the department that drugs issued to hospitals and dispensaries, Primary Health Centres, Civil Surgeons and other Social Welfare Organisations were shown as consumed without any consumption returns received from them.

Consumption of drugs during 4 months (for which complete returns from agencies were available) in Khasi Hills and Garo Hills varied widely between those shown in the returns received from various agencies and that reported to the State headquarters as indicated below:—

Name of District	Name of drugs	Total number of tablets utilised as per returns submitted to the Deputy Director of Health Services (M)				Total number of tablets actually utilised by various agencies			
		June 1979	November 1979	December 1979	April 1980	June 1979	November 1979	December 1979	April 1980
Khasi Hills	4 Amino	58,500	60,418	65,500	10,210	35,164	31,310	24,176	29,425
	8 Amino	65,625	75,500	46,500	37,300	25,141	15,527	67,552	23,250
	Amodia- quine	4,000	1,000	15,800	50,120	251	230	989	7,003
Garo Hills	4 Amino	7,665	6,984	2,169	2,207	5,462	5,248	4,306	7,193
	8 Amino Compound	20,624	5,429	4,533	6,823	6,271	3,600	4,357	6,737

The position indicated above shows that the consumption of drugs reported to the State Headquarters by the district units were not correct.

On a test-check of the consumption of drugs in Khasi Hills during 1979 and 1980 with reference to the prescribed dosages, wide variations were noticed between the quantities of drugs shown as consumed in the annual returns submitted to the State Headquarters and the quantities required to be consumed in relation to the fever cases treated as shown below :—

Year	Particulars of medicines	Number of tablets shown as issued	Number of tablets required to be issued
1979	4 Amino Quinolin tablets	8,10,805	4,80,400 30,26,682
	8 Amino Quinolin tablets and Compound tablets	20,02,350 5,00,000	
	4 Amino Quinolin tablets	7,12,993	
1980	8 Amino Quinolin tablets	16,28,705	4,45,899 3,49,366

The value of excess drugs issued during 1979 and 1980 was about Rs. 0.93 lakh.

3.4.8 Huge stock balance of Daraprin tablets

The Senior Epidemiologist-cum-Co-ordinator, P. Falciparum Containment Programme, Shillong stated (September 1978) that Primaquine tablets should replace the use of Daraprin tablets for the treatment of P. Falciparum cases and requested the State to withdraw Daraprin tablets from all Primary Health Centres, dispensaries and hospitals. The records of the department show that 6.23 lakhs Daraprin tablets (value : Rs. 0.34 lakh) were received by the State and were lying in stock.

3.4.9 Appraisal

The programme in the State was assessed by an independent team constituted by the Government of India for the first time in February 1979. The team made the following observations:—

- (i) the spray operations were not satisfactory and needed better field supervision ;
- (ii) laboratory services and surveillance operations both active and passive agencies to be improved ;
- (iii) delay in institution of radical treatment to be avoided ; and
- (iv) requested (April 1979) the State Government for an all round toning up of the administration to give the programme a positive thrust and to pay attention particularly to the entomological studies.

The second appraisal team visited the State in April 1981. The report of the team is awaited (May 1982).

3.4.10 Summing up

In the implementation of the NMEP in Meghalaya between 1971-72 and 1979-80, the following deficiencies/shortcomings were noticed:—

(1) There was no system of checking of the active ingredient contents of insecticides received.

(2) There were considerable shortfalls in coverage of the sprayable population. The shortfalls, varied between 16 and 55 per cent. During the periods from 1978 to 1980, a number of sections with API of 2 and above were not sprayed.

(3) No entomological set up was established under the State Government. The work done, by the Regional Director, Health and Family Welfare, Shillong was negligible. The department was not in a position to know the right type of insecticides to be sprayed in specified areas.

(4) There was increased incidence of positive cases in Garo Hills since 1978 onwards as compared to 1977. There were considerable delays at various stages from the date of collection of blood-smears to the date of starting radical treatment.

(5) The accounts of receipts and issues and consumption of drugs revealed various discrepancies and also deficiencies in reporting the consumption of drugs.

The above observations were referred to Government in August 1981; their replies are awaited (April 1982).

CHAPTER IV

WORKS EXPENDITURE

Public Works Department

4.1 Non-acceptance of lowest tenders

The Chief Engineer, Public Works Department invited (January 1978) tenders for two groups of the work "Construction of North Eastern Council Hostel Buildings", Shillong at an estimated cost of Rs. 31.55 lakhs. In response, seven tenders were received. The lumpsum tenders for Rs. 17.82 lakhs and Rs. 18.70 lakhs of contractor 'A' for Group I and II respectively were the lowest. But the works were allotted (August/September 1978) to contractor 'B' (5th lowest) for Rs. 18.16 lakhs for group I and to Contractor 'C' (6th lowest) for Rs. 19.16 lakhs for Group II. Reasons for non-allotment of the works to the lowest tenderer were not on record. As a result of non-acceptance of lowest tenders, the department had to bear an extra liability of Rs. 0.80 lakh (November 1981).

4.2 Avoidable expenditure

The work "Construction of buildings for Ri-bhoi Civil Sub-division at Nongpoh" was administratively approved (December 1977) by the Government for Rs. 54.44 lakhs. The work was to be completed in two phases and each phase was divided into two groups. The Additional Chief Engineer, Meghalaya invited tenders for phases I and II of the work in January 1978 and in December 1978 respectively.

After issue (February 1978) of the work order for phase I, the Executive Engineer, Shillong North Division proposed (August 1978) to the Superintending Engineer to substitute the stone masonry plinth wall and superstructure hollow-brick wall, for both phases of the work, due to shortage of cement and submitted analysis of rates for the items which were approved (September 1978) by the Superintending Engineer. The contractors for phases I and II of the work were asked to execute the substituted items of the work.

In phase II, tenders of contractor 'A' for groups I and II at 27 per cent above the schedule of rates for 1975-76 were accepted. The work orders were issued (August 1979) stipulating completion within 10 months from the date of issue of work orders. The contractor informed (October 1979) that the rates for substituted items fixed by the department in September 1978 were not workable and demanded higher rates. Explaining the reasons for enhanced rates claimed by the contractor, the Executive Engineer, Shillong North Division stated (January 1980) that while analysing the rates for substituted items, the carriage charge of bricks from Gauhati to Nongpoh and also lifting charge of bricks to the 1st floor of the buildings were not taken into consideration. The Additional Chief Engineer cancelled (November 1980) the work order and thereafter allotted after calling for fresh tenders (December 1980) for phase II, group I of the work to contractor 'B' and group II to contractor 'C' at 45 per cent above the schedule of rates for 1979-80 with additional provision for allowing 60 per cent above the schedule of rates for brick work. On this basis, the total value of the work amounted to Rs. 26.05 lakhs against Rs. 20.59 lakhs for which contractor 'A' was agreeable to execute the work. The reasons for cancellation of the contract with contractor 'A' and the delay in awarding the work to contractors 'B' and 'C' were not on record. Failure to work out the analysis of rates correctly for substituted brick items and subsequent non-adjustment when inaccuracies were brought to notice by the contractor and Executive Engineer, Shillong North Division, led to the cancellation of work orders. The work was subsequently allotted to other contractors at higher rates leading to an extra liability of Rs. 5.46 lakhs.

The matter was reported to Government in July 1981; reply is awaited (February 1982).

4.3 Excess payment

In response to the tender notice issued (February 1979) by the Chief Engineer (PWD) for the work "Construction of proposed office building of the Chief Engineer and Secretary, Meghalaya Public Works Department at Shillong", (estimated cost: Rs. 26.00 lakhs), a firm had quoted (October 1978) a lumpsum amount of Rs. 16.39 lakhs. The firm had also quoted the rate of 30 per cent above the current schedule of rates of 1975-76 for any extra item of work beyond the specification

as circulated in the tender notice. The rates quoted by this firm were the lowest. The work was, however, allotted (February 1979) by the Chief Engineer to another contractor at the lowest quoted lumpsum amount of Rs.16.39 lakhs.

During execution of the work, the cement topping work in the passage wall of the first floor and in the floor of the corridor of the ground floor as stipulated in the agreement was substituted by Mosaic/Terroso finishing and the contractor was paid (June 1981) for the floor of the corridor at the rate of Rs.157.30 per sq. metre for 215.43 sq. metre and for passage wall at the rate of Rs.162.69 per sq. metre for 234.83 sq. metre based on an analysis of rates worked out.

It was, however, noticed in audit (August 1981) that the rates of Mosaic work as per the current schedule of rates were Rs.72.40 per sq. metre and Rs.77.40 per sq. metre for the floor and the wall respectively. Adding 30 per cent to these rates according to the terms of the lowest tenderer, the rate worked out to Rs. 94.12 per sq. metre for the floor and Rs.100.62 per sq. metre for the wall. Instead, the contractor was paid at the higher rates of Rs.157.30 per sq. metre for the floor and Rs.162.69 per sq. metre for the wall. It was noticed that the relevant portion of rate for extra item was not included in the agreement, the reasons for which were not on record. Payment for the substituted items at higher rates, thus, resulted in extra expenditure of Rs.0.28 lakh.

The matter was referred to the Government in December 1981; reply is awaited (February 1982).

4.4 Wasteful expenditure

Administrative approval of the work "Umsingh-Mawrang road-Section I (upto 10th K.M.)" for Rs.25.98 lakhs was issued by the Government on 30th January 1979, which *inter alia* provided for construction of culverts (cost: Rs.3.23 lakhs) with hume pipes of 2 NP (non-pressure). The technical sanction to the work was, however, not issued (April 1981).

In the execution of the work 'construction of culverts' hume pipes of two different specifications (2 NP and 3 NP) were used though enough pipes of approved specification were available in stock. Reasons for use of hume pipes of higher specifications were not on record. Total 130 metres of 3 NP hume pipes (value: Rs.0.72 lakh) were used in the work resulting in extra expenditure of Rs.0.39 lakh.

The matter was reported to Government in July 1981; reply is awaited (February 1982).

CHAPTER V

STORES AND STOCK

5.1 Synopsis of stores accounts

A synopsis of stores accounts of the Public Works, and Public Health Engineering departments for 1980-81 is given below:—

Serial number	Department	Stores	Balance on 1st April 1980	Receipts during the year	Issues during the year	Balance on 31st March 1981
(in lakhs of rupees)						
1.	Public Works	Small stores, building materials, painters' stores, etc.	2.18	4,15.17	4,05.13	12.22
2.	Public Health Engineering	—do—	* (—)1,12.07	4,05.95	4,60.40	(—)1,66.52*

5.2 Accounts not received

As 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 (May 1982). The position has been brought to the notice of Secretary to the Government of Meghalaya, *demi-officially*.

The stores accounts for 1980-81 of Stationery and Printing Department in respect of stationery and printing/binding materials have not been received (May 1982).

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 for receipt of stores they also arises on account of higher issue rates as compared to purchase cost.

Out of 16 Public Works divisions, not a single division had closed the ledgers upto March 1981; the position as at the end of September 1981 was as under:—

Name of the division	Latest month upto which the ledgers had been closed
1. National Highway Division, Shillong	September 1977
2. Mawsynram Division	September 1977
3. Nongstoin Division	September 1977
4. Shillong North Division	September 1978
5. South Jowai Division	September 1979
6. Mechanical Division, Shillong	September 1976
7. Shillong Central Division	September 1979
8. Barengapara Division	September 1980
9. Tura North Division	September 1980
10. Shillong West Division	September 1979
11. Shillong South Division	September 1977
12. Tura East Division	September 1976
13. Tura South Division	September 1977
14. North Jowai Division	September 1974
15. Estate Officer, P. W. D. (R. & B.), Shillong	April 1976
16. Jowai Central Division	(Accounts not compiled since the creation of the division on 8th January 1980)

Similarly, out of 7 Public Health Engineering Divisions, not a single division had closed the ledgers upto March 1981; the position as at the end of September 1981 was as under:—

Name of the division	Latest month upto which the ledger had been closed
1. Greater Shillong Water Supply Division No.1, Shillong	March 1980
2. Rural Water Supply Division, Nongstoin	September 1977
3. Rural Water Supply Division, Williannagar	September 1977
4. Rural Water Supply Division, Jowai	September 1978
5. Public Health Engineering Division, Tura	September 1978
6. Public Health Engineering (Hills) Division, Shillong	September 1979
7. Sewerage and Drainage Division, Shillong	No stock held in the 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 1980-81, such verification was done only in 6 Public Works divisions, out of 16 divisions; the position in the remaining 10 divisions as at the end of September 1981 was as under :—

Name of the division	Month after which physical verification not conducted
1. National Highway Division, Shillong	June 1978
2. Mawsynram Division	July 1979
3. Nongstoin Division	September 1979
4. Shillong North Division	September 1979
5. Estate Officer, P. W. D. (R. & B.), Shillong	March 1978
6. Shillong Central Division	September 1979
7. Tura East Division	December 1979
8. Tura South Division	May 1979
9. North Jowai Division	February 1980
10. Jowai Central Division	(No verification conducted after creation of the division on 8th January 1980)

Similarly, verification of stores in 5 Public Health Engineering divisions (out of 7 divisions) had not been conducted during 1980-81 ; the last verification done was as under :—

Name of the division	Month after which physical verification not conducted
1. Greater Shillong Water Supply Division No.1	September 1979
2. Public Health Engineering (Hills) Division, Shillong	September 1979
3. Rural Water Supply Division, Nongstoin	September 1978
4. Public Health Engineering Division, Tura	September 1979
5. Rural Water Supply Division, Jowai	September 1978

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, none had closed the ledgers upto March 1981; the position as at the end of September 1981 was as under:—

Name of the division	Last month for which ledgers were closed
1. National Highway Division, Shillong	March 1980
2. Tura North Division	September 1977
3. Nongstoin Division	September 1979
4. Mawsynram Division	September 1978
5. Shillong Central Division	December 1977
6. Shillong North Division	September 1978
7. South Jowai Division	September 1979
8. Mechanical Division, Shillong	September 1979
9. North Jowai Division	September 1978
10. Estate Officer, P. W. D. (R.&B.) Shillong	September 1978
11. Barengapara Division	September 1978
12. Shillong South Division	September 1977
13. Shillong West Division	September 1979
14. Tura South Division	September 1978
15. Tura East Division	September 1977
16. Jowai Central Division	(Ledgers were not closed since the creation of the division on 8th January 1980)

Similarly, out of 7 Public Health Engineering divisions, none had closed the ledgers upto March 1981; the position as at the end of September 1981 was as under:—

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

CHAPTER VI

REVENUE RECEIPTS

*A—Taxation Department***6.1 Non-levy of tax**

According to the Assam Finance (Sales Tax) Act, 1956, as adapted by Meghalaya with effect from 21st January 1972, "timber other than firewood" is taxable at the rate of 7 per cent. Intra-State sales of 'sleepers' are, therefore, taxable at the rate of 7 per cent.

It was seen in audit of the records of the Superintendent of Taxes, Tura (June-July 1980) that two coupe holders manufactured "sleepers" in their saw mills from the trees of the 'coupes' settled by the Forest Department on payment of royalty. The dealers sold sleepers worth Rs.1,65,09,989 to the Forest Utilisation Officer of the State during the period April 1976 to September 1979. A scrutiny of the assessment records of the dealers revealed that no tax under Meghalaya Finance (Sales Tax) Act was levied on the ground that the Forest Department ultimately sold the above sleepers to Railways in the course of inter-State trade and commerce and that the Forest Department was liable to pay Central Sales Tax only. This contention was not correct in view of the fact that two sales were involved in the process, the first sale by the private dealers to the Forest department in the course of their intra-State trade liable to tax at 7 per cent under the State Act and the second sale by the Forest department to the Railways in the course of inter-State trade and commerce liable to tax at 4 per cent under the Central Sales Tax Act. Non-levy of tax under Meghalaya Finance (Sales Tax) Act resulted in loss of revenue of Rs.10,80,093.

The matter was reported to Government in March 1981; their reply is awaited (February 1982).

*B—Excise Department***6.2 Non-registration of dealers**

Under the Assam Finance (Sales Tax) Act, 1956, as adapted by the Government of Meghalaya, sales of country spirit are taxable at the point of first sale within the State. From the records of the Commissioner of Excise, Meghalaya it was noticed that Government, by a notification issued in July 1975, granted licence to 394 persons to manufacture and sell country spirit in East Khasi Hills District through outstills. One of the conditions in granting the licence was that licensee will pay such tax or fee or any other levy as may be assessed or fixed by the Government from time to time. During the period from 1st December 1978 to 31st March 1981, 26,64,240 bottles of country spirit of 750 ml. each, valued at Rs 213.14 lakhs, were sold. The dealers were liable to pay sales tax at the rate of 14 per cent.

In the course of audit (May-June 1981) of the records of the Superintendent of Taxes, Shillong it was noticed that neither the manufacturers of country spirit applied for registration nor did the department take any action to register them as dealers compulsorily under the Act and assess them to tax. Non-registration of manufacturers as dealers resulted in non-levy of sales tax of Rs.26.17 lakhs.

The matter was reported to Government in November 1981; their reply is awaited (February 1982).

6.3 Non-levy of excise duty

In exercise of the powers conferred by Section 21 of the Meghalaya Excise Act (Assam Excise Act, 1910, as adapted by Meghalaya), the Government of Meghalaya, by a notification issued in February 1978, imposed excise duty on country spirit in the specified areas, *viz.*, East Khasi Hills, Jowai Town and outside Jowai Town (in Jaintia Hills) at the rates specified against each area with effect from 1st April 1978.

In the course of audit (May 1981) of the records of Commissioner of Excise, Meghalaya, Shillong, it was noticed that the excise duty was realised only from the country spirit shops located in the centralised areas in East Khasi Hills. The duty was not levied on country spirit manufactured and sold from 375 outstills located outside the centralised area in

East Khasi Hills. This resulted in a loss of revenue to the extent of Rs.35.55 lakhs during the period 1st April 1978 to 31st March 1981.

The matter was reported to Department/Government in (December 1981); their reply is awaited (February 1982).

C—Transport Department

6.4 Evasion of tax due to non-registration of taxable vehicle

The Meghalaya Passengers and Goods Taxation (Amendment) Act, 1972 (The Assam Passengers and Goods Taxation Act, 1962 as adapted by Meghalaya) provides that all transport vehicles (carrying passengers and goods) registered under the Meghalaya Motor Vehicles Taxation (Amendment) Act, 1972 (The Assam Motor Vehicles Taxation Act, 1936 as adapted by Meghalaya) are also required to be registered for levy of tax on fares and freight in respect of all passengers and goods carried by those vehicles. The Act further provides that in lieu of paying tax on the basis of fares and freight, the owners of the vehicles may pay a lumpsum at the rate prescribed by Government by notification from time to time.

With a view to seeing whether transport vehicles which had been registered with the transport authorities under the Meghalaya Motor Vehicles Taxation (Amendment) Act, 1972 were also registered with the Superintendent of Taxes, Meghalaya for the purpose of levy of tax under the Meghalaya Passengers and Goods Taxation Act, a list of vehicles registered with the transport authorities was test-checked with the corresponding records of registration, assesment and collection of passengers and goods tax in the office of the Superintendent of Taxes, Shillong. It was seen in audit (May-June 1981) that 11 vehicles for which permits had been issued by the transport authorities during the period from April 1975 to March 1979 had not been registered with the Superintendent of Taxes under the Meghalaya Passengers and Goods Taxation Act. This resulted in avoidance of tax of Rs.90,739 at the lumpsum rate during the period from the date of issue of permits to the end of March 1981.

The matter was reported to Government in October 1981 ; reply is awaited (February 1982).

*D—Forest Department***6.5 Loss of revenue due to non-recovery of compensation**

According to the agreement for the lease of Reserve Forest in Khasi, Jaintia and Garo Hills, the lessee *viz*, the Meghalaya Forest Development Corporation Limited is required to work out not less than 10,400 cubic metres of timber during the period from 1975 to 1978. Royalty is also realised on the minimum quantity to be worked. Further, failure to work out the minimum quantity of timber would render the lessee liable to pay the Government compensation at the agreed rate of Rs.20 for every cubic metre of timber by which the total quantity extracted falls short of the minimum quantity fixed. The lessee worked out 2,932·665 cubic metres of timber only during the said period. No compensation was, however, realised from the lessee on the shortfall in working out of timber and as a result, an amount of Rs.1·49 lakhs of receipt was foregone.

The matter was reported to Government in September 1979; reply is awaited (April 1982).

CHAPTER VII

FINANANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1 Grants

During 1980-81, Rs.7,50.35 lakhs (about 13 per cent of revenue expenditure during the year) were paid as grants to private institutions, local bodies, etc., as against Rs.5,65.15 lakhs in 1979-80 as shown below:—

	1980-81	1979-80 (in lakhs of rupees)
Educational institutions	6,11.49	4,40.94
Co-operative Societies	53.14	69.95
District Councils	35.27	17.85
Municipalities	6.44	6.33
Other institutions	44.01	30.08
Total	<u>7,60.35</u>	<u>5,65.15</u>

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 grants, a certificate of utilisation of grants should be obtained from the grantees and after verification and acceptance the same should be furnished to the Accountant General by the Departmental Officers within a reasonable time.

Against grants for Rs.42,87.32 lakhs paid to various bodies/authorities between 1970-71 and 1980-81, utilisation certificates for Rs.5,66.61 lakhs (disbursed on 1,056 occasions) had not been received upto the end of September 1981. The year-wise break-up of the outstanding utilisation certificates is given in Appendix 7.1.

Of the above, certificates for Rs. 3,86.82 lakhs (disbursed on 695 occasions) were pending for more than three years.

*Education Department***7.3 Grants to Meghalaya State Sports Council**

Mention was made in paragraph 7.5 of the Audit Report 1977-78 about the sanction of grant of Rs.15.40 lakhs to Meghalaya State Sports Council in March 1978 towards construction (1st phase) of a sports complex at Pologround, Shillong and non-utilisation of the grant by the Council. The Government sanctioned further sums of Rs.10.00 lakhs (March 1979) and Rs.6.20 lakhs (February 1980), and the amounts were paid to the Council in July 1979 and May 1980 respectively. Sports Council invested the money in deposit account in a bank and has not yet started the work on Sports Complex. The reasons for the release of grants in July 1979 (Rs.10.00 lakhs) and May 1980 (Rs.6.20 lakhs), when the Council could not utilise the earlier grant sanctioned in March 1978, were not on record.

The non-utilisation of the grants for the specific purpose for which they were intended and investment thereof elsewhere as a source of earning interest was irregular.

The case was referred to Government in July 1981; reply is awaited (February 1982).

Co-operation Department**7.4 Financial assistance to co-operative societies including investments****1. Financial assistance :**

The Government have been rendering financial assistance to co-operative societies in the shape of share capital, loans grants and subsidies. Government investment in share capital at the close of each of the three years ending 31st March 1980 were asunder: —

Year ending 31st March	Number of institutions	Total investment (in lakhs of rupees)
1978	604	154.17
1979	842	197.96
1980	917	214.57

During these years no dividend was received from any of the institutions.

2.(a) The overdue amounts of loan/interest/and unutilised grants and subsidies (received from Government) with various co-operative societies at the close of each of the three financial years ending 1979-80 were as follows:

years ending 31st March	No. of institutions	Overdue amounts (in lakhs of rupees)	
		Principal	Interest
1978	83	4.93	4.40
1979	83	6.17	4.22
1980	45	5.23	5.32

(b) The amounts of loans/grants/subsidies paid to the co-operative societies during three years ending 31st March 1980 were as follows:—

Year ending 31st March	Loans				grants/ subsidies paid during the year
	Opening balance	Disbursed during the year	Repaid during the year	Closing balance	
	(in lakhs of rupees)				
1978	17.79	0.90	0.65	18.04	33.54
1979	18.04	29.99	0.60	47.43	58.60
1980	47.43	12.65	2.88	57.20	74.00

Complete records indicating the position of overdue instalments of loans and interest were not available with the Registrar of Co-operative Societies (August 1983).

3. Non-accountal/alleged misappropriation of cash

According to the department, in 39 societies (out of 1,202 societies which had received Government assistance), funds amounting to Rs. 6.13 lakhs were allegedly misappropriated. The year-wise break-up of number of societies and amount involved was as under:—

Year	Number of societies	Amount (in lakhs of rupees)
1975	11	3.62
1976	19	1.77
1977	2	0.18
1978	1	0.07
1979	3	0.22
1980	3	0.27
Total	<u>39</u>	<u>6.13</u>

Out of 39 cases, 11 cases have been disposed of and 28 cases are pending in the Court (August 1982).

4. Delay in completion of audit

The position of audit by the Registrar of Co-operative Societies as on 31st March 1980 in respect of societies that had been extended financial assistance by the Government is indicated below :—

Nature of societies	Total number of societies as on 31st March 1980	Number of societies audited	Number of societies where audit was in arrears	Extent of arrears	
				Upto 3 years	More than 3 years
Functioning	524	457	67	29	38
Non-functioning	394	46	348	64	284
Under liquidation	284	8	276	86	190
Total	1,202	511	691	179	512

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 1981, there were three Statutory Corporations in the State *viz.*, Meghalaya State Electricity Board, Meghalaya State Warehousing Corporation and Meghalaya Transport Corporation. The Meghalaya State Electricity Board had not (June 1982) prepared its accounts for the years 1978-79 to 1980-81. The audited accounts of Meghalaya State Warehousing Corporation for 1979-80 and 1980-81 had not been received and the accounts of Meghalaya Transport Corporation for the years 1977-78 to 1980-81 were also in arrears (June 1982).

Summarised financial results of Meghalaya Transport Corporation for the year 1976-77 are given in Appendix 8.1.

Transport Department**Meghalaya Transport Corporation****8.3 Avoidable expenditure**

In response to a tender invited for construction of 12 bus bodies, 5 offers were received (20th April 1979). The Corporation rejected the lowest offer of Rs. 0.40 lakh (*plus* transportation charges of Rs. 0.03 lakh both ways) per bus of a Lucknow firm on the ground that supervision and transportation from Shillong to Lucknow and back would be difficult, and that the arrangement could involve expenses on its own staff for arranging supervision of the work at Lucknow. The second lowest tender was rejected as the Corporation was of the view that

the workmanship of the firm was unsatisfactory. The third and the fourth lowest tenderers (two Gauhati firms) which were asked (May 1979) to reduce their quoted rate from Rs. 0.49 lakh to Rs. 0.45 lakh per body declined (May 1979) to reduce the rates. The Corporation finally awarded (June 1979) the work of construction of 6 bus bodies each to these two firms from Gauhati at enhanced rate of Rs. 0.56 lakh per body. The completed bus bodies were delivered between September and December 1979. Computed with reference to the rates of the lowest tenderer, the extra expenditure amounted to Rs. 1.59 lakhs.

While the lowest tender in this case was rejected due to anticipated difficulties, *viz.*, distance between Shillong and Lucknow, supervision at Lucknow, etc., the Corporation awarded (February 1980) the work of construction of 10 bus bodies to a firm of Ranchi, notwithstanding the distance involved.

Section C-Government Companies

8.4 As on 31st March 1981, there were seven Government Companies including three subsidiaries in the State. Audited accounts of none of the companies for 1980-81 and earlier years were received (June 1982) as detailed below :

Name of Company	Extent of arrears
1. Mawmluh Cherra Cements Limited	1977-78 to 1980-81
2. Meghalaya Industrial Development Corporation Limited	1979-80 to 1980-81
3. Forest Development Corporation of Meghalaya Limited	1979-80 to 1980-81
4. Meghalaya Handicrafts Development Corporation Limited	1979-80 to 1980-81
5. Meghalaya Government Construction Corporation Limited	1979-80 to 1980-81
6. Meghalaya Bamboo Chips (P) Limited	} 1979-80 to 1980-81
7. Meghalaya Watches (P) Limited	

The position of arrears in the finalisation of accounts was brought to the notice of the Government in June 1982.

A synoptic statement showing summarised financial results of the Meghalaya Government Construction Corporation Limited based on its accounts for 1978-79 is given Appendix 8.2.

8.5 MEGHALAYA INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

8.5.1 Introduction

The Meghalaya Industrial Development Corporation Limited (MIDCL) was incorporated on 6th April 1971 to promote, establish, assist and finance industrial concerns, projects or enterprises in the State.

8.5.2 Capital structure

The paid-up capital of the Company (wholly subscribed by the State Government) was Rs.351.17 lakhs as on 31st March 1981.

8.5.3 The Company had large surplus funds as compared to utilisation of funds during the three years up to 1980-81 for undertaking its activities of promoting and aiding industries, as would be seen from the table given below, resulting in large amounts of funds lying unutilised consistently.

	1978-79	1979-80*	1980 81*
<i>Funds generated during the year</i>	(Rupees in lakhs)		
(a) State Government for Schemes (unspent balance)	41.75	52.56	80.92
(b) IDBI for refinancing	...	27.36	50.50
(c) Surplus funds available from share capital, reserve, depreciation and provisions, etc.	228.03	304.20	338.98
	269.78	384.12	470.40
<i>Funds utilised during the year</i>			
(a) Investment in share capital of joint sector undertakings, subsidiaries and other companies	25.17	30.08	41.83
(b) Interest bearing loans (ranging from 6 to 15 per cent)	95.98	142.39	178.68
(c) Expenditure on various projects	10.09	18.34	35.25
	131.24	190.81	255.76

* Provisional

	1978-79	1979-80 [*]	1980-81 [*]
	(Rupees in lakhs)		
Funds lying unused (year-end position):			
Current account	26.14	61.53	3.45
Fixed deposits	112.40	131.73	211.19
Percentage of unused funds (held in fixed deposits) to total funds available	41.7	34.3	44.9

8.5.4 Working results

The company which was following the mercantile system of accounting up to 1977-78 switched over to cash system from the year 1978-79 which was not only contrary to commercial principles of accounting but also against the mandatory provisions of Sections 209 and 211 of the Companies Act, 1956. The working of the Company on cash basis of accounting for the 3 years ending 1980-81 showed profits during 1978-79 (Rs.2.32 lakhs) and 1979-80 (Rs.0.54 lakh) and loss during 1980-81 (Rs.3.09 lakhs).

The Company had earned a profit of Rs.5.68 lakhs before tax in 1977-78. The continued decline in profits in 1978-79 and 1979-80 and loss in 1980-81 were due to switch over of the accounting of income and expenditure on cash basis from accrual basis and also to reduced income on fixed deposits and higher incidence of interest on loans. The main source of income for the Company has been interest earned on unutilised amounts kept in deposits with banks.

3.5.5. Activities

The Company had taken up the following activities :

- investment in share capital of joint sector projects, subsidiaries and others
- advancing loans to industrial concerns and entrepreneurs from its own resources, and under the re-finance scheme of the Industrial Development Bank of India (IDBI)
- implementing Government schemes such as package incentive scheme, Central subsidy scheme, manpower training scheme, etc.
- taking over of industrial units acquired by Government and running them on behalf of the Government.

*Provisional

These activities are reviewed below.

8.5.6 Investment in share capital

(a) Joint sector companies

As on 31st March 1981, the Company had promoted four companies in joint sector with private parties. The selection of co-promoters was made by the State Government. No guidelines have been prepared by the Government/Company in regard to financial participation in joint sector projects. The particulars of investments made in the projects and their working results during 3 years up to 1980-81 are tabulated below:

Name of the joint sector company	Date of incorporation	MIDCL	
		Share capital	Loan
Meghalaya Phyto Chemicals Limited	November 1974	10.00	52.86
2. Meghalaya Essential Oils and Chemicals Limited	February 1974	5.95	0.13
3. Komorrah Limestone Mining Company Limited	January 1973	5.00	...
4. Garo Hills Jute Mills Limited	May 1976	1.01	1.10

Investment by			Working results		
Promoters		Public and others	Profit (+)/Loss (-)		
Share capital	Loan	Share capital	1978-79	1979-80	1980-81
in lakhs)					
14.40	...	25.58	(-)12.24	Not available	
6.05	(-)1.24	(-)1.56	Not available
5.00	(+)3.04	(-)2.90	(+)1.73
1.00	(-)0.01	(-)0.02	Not available

Two companies which were incurring losses had not declared any dividend so far, while one company had not started its operation (August 1981). Only one company, viz. Komorrah Lime Stone Mining Company Limited had made profits and had paid a dividend of Rs.0.50 lakh in 1979-80 to the Company. Reasons for poor performance of 3 joint sector companies are discussed below.

Meghalaya Phyto Chemicals Limited

Meghalaya Phyto Chemicals Limited was set up in November 1974 with the object of growing aromatic and essential oil-bearing plants and to prepare and fractionate marketable phyto chemicals required in the manufacture of synthetic essence, perfumes, cosmetic-toiletry, etc.

The company could not obtain ownership rights on the land occupied at Industrial Area, Barapani (24 acres) due to statutory restrictions on transfer of land to non-tribals. Consequently, it could not secure funds from financial institutions as planned as it had no mortgageable property.

Meghalaya Essential Oils and Chemicals Limited

Meghalaya Essential Oils and Chemicals Limited was set up in February 1974 with the object of providing relief to local people living in the border areas of Meghalaya by creating suitable demand for *tejpatta* grown in border areas. It envisaged consumption of 12,000 quintals of *tejpatta* for manufacture of oil in a season.

The required quantity of *tejpatta* was never available and the high price of *tejpatta* made commercial exploitation unprofitable resulting in total stoppage of production from August 1979. Government's decision on a proposal made (December 1980) by the Company for winding up the company or for restricting movement of raw materials outside the State (which was contrary to the objectives for which the company was set up) to bring down prices of *tejpatta* was awaited (March 1981).

Garo Hills Jute Mills Limited

Garo Hills Jute Mills Limited was set up in May 1976 with the object of weaving cloth from jute. Government of India had initially declined (7th August 1979) to issue letter of intent for setting up the mill as the jute industry was facing uncertainties. However, the letter of intent was received in March 1981 but steps to implement the project were still to be decided (March 1982).

(b) Subsidiaries

As on 31st March 1981, the Company had 3 subsidiaries, the working of which is discussed below in brief.

Meghalaya Watches (P) Limited

Meghalaya Watches (P) Limited was incorporated on 7th August 1979 with an authorised capital of Rs.25 lakhs. The paid-up capital of the company as on 31st December 1981 stood at Rs.10 lakhs, fully subscribed by the MIDCL. Besides, a sum of Rs. 22.28 lakhs was advanced by MIDCL as loan to the company up to 31st December 1981.

The annual target of production of the subsidiary was assembly of 2.50 lakh pieces of watches under license from Hindustan Machine Tools Limited. The subsidiary went into production with effect from 10th July 1981 and assembled 33,893 watches till 31st December 1981. It had incurred loss of Rs.3.78 lakhs (provisional) during the year ending 31st December 1981. The accumulated loss amounted to Rs.3.97 lakhs up to 31st December 1981 which were due to delayed commencement of production and consequent short production compared to target.

Meghalaya Handicrafts Development Corporation Limited

The Meghalaya Handicrafts Development Corporation Limited was incorporated on 10th January 1979 with an authorised capital of Rs.10 lakhs which was fully subscribed by MIDCL and the Government of Meghalaya equally. MIDCL had also advanced a sum of Rs.5 lakhs as loans to the subsidiary up to 31st March 1981.

The subsidiary had incurred a net loss of Rs.1.80 lakhs (provisional) during the year ending 30th June 1980 and the cumulative loss as on that date stood at Rs.2.21 lakhs. The loss was mainly due to heavy establishment cost and low turn over.

Meghalaya Bamboo Chips (P) Limited

The Meghalaya Bamboo Chips (P) Limited was incorporated on 14th September 1979 with an authorised capital of Rs.10 lakhs which was fully subscribed by MIDCL. Till 31st March 1981, MIDCL also incurred on behalf of the company expenditure of Rs.2.20 lakhs which was treated as a loan to the company. The estimated capital investment was Rs.20.60 lakhs.

The subsidiary's target of production is 100 tonnes of bamboo chips per day. The plant and machinery of the subsidiary installed in its factory at Garo Hills District was commissioned on 20th February 1982. The accumulated loss of the company amounted to Rs.0.31 lakh as at 31st March 1981.

8.5.7 The MIDCL had obtained (1974-75) letters of intent from the Government of India in respect of 17 industries which have been included in the State's Sixth Five year Plan. Out of these, the Company has made progress in respect of 2 only by promoting companies, erection of factory buildings, etc. (Meghalaya Bamboo Chips (P) Limited and Meghalaya watches (P) Limited) till the end of 1979-80. Ten letters of intent had lapsed by March 1982. Position about Garo Hills Jute Mills Limited has been detailed in paragraph 8.5.6 (a) *supra*. Latest position in the implementation in respect of the remaining four projects was as under:

<u>Project</u>	<u>Position</u>
(i) Cement/clinker	Letter of intent has been renewed on 19th March 1982 pending implementation (June 1982)
(ii) Mini cement plant at Garo Hills	Not implemented so far (March 1982)
(iii) Mini cement plant at Jaintia Hills	Not implemented so far (March 1982)
(iv) Jaintia Cement Project	Letter of intent has been renewed on 19th March 1982 but no progress made thereafter (June 1982).

8.5.8 The Company can appoint its nominees as Directors on the Board of Directors of the assisted companies. The Company had assisted financially, 8 public/private limited companies to the extent of Rs.1,04.75 lakhs and 22 other units, to the extent of Rs. 37.64 lakhs up to 31st March 1980. Nominations had, however, been made in respect of 2 companies only. There was no system of submission of progress reports to the Company and monitoring periodically the performance of the assisted units.

85.9 Loans to industrial units and entrepreneurs :—

(a) The Company has not framed any rules for sanction of loans. The position of applications for loans during the 3 years ending 31st March 1981 was as under:

Particulars of applications	1978-79		1979-80		1980-81	
	Number	Amount	Number	Amount	Number	Amount
	(Amount in lakhs of rupees)					
Pending at the beginning of the year	...	Nil	...	Nil	1	15.90
Received during the year	31	79.98	19	61.79	64	98.92
Total:	31	79.98	19	61.79	65	114.82
Sanctioned during the year	31	77.61	18	44.82	59	67.18
Pending at the close of the year	Nil	...	1	15.90	7	49.82
Loans disbursed	12	53.71	23*	49.07*	49	41.17
Percentage of pending applications to total applications				Nil	5.3	10.8
Percentage of loans disbursed to loans sanctioned			67.2		100%	61.3

(b) The table below gives the age-wise analysis of the pending applications as on 31st March 1980:

	Number of applications	Amount (Rupees in lakhs)
Below 3 months	6	33.92
3—6 months	...	...
6—9 months	...	...
9—12 months	...	...
over 12 months	1	15.90

Reasons for delay of more than 12 months in the disposal of one application were not available on records.

*Includes disbursement relating to previous year.

(c) *Default in repayment of loans:* The Company had not fixed any general repayment schedule for the loans sanctioned by it to industrial units and entrepreneurs. However, based on the repayment period fixed in individual cases of sanctions of loans, the position of default in repayment of loans during the 3 years ending 31st March 1981 were as under:

Particulars	1978-79			1979-80			1980-81		
	Princi- pal	Inte- rest	Total	Princi- pal	Inte- rest	Total	Princi- pal	Interest	Total
	(Rupees in lakhs)								
1. Default at the beginning of the year	48.11	1.86	49.97	52.53	5.09	57.62	65.93	10.83	76.76
2. Add amount that fell due during the year	10.27	4.03	14.30	15.22	6.70	21.92	7.95	9.70	17.65
3. Total	58.38	5.89	64.27	67.75	11.79	79.54	73.88	20.53	94.41
4. Less repayments made by loanees during the year	5.85	0.80	6.65	1.82	0.96	2.78	6.02	1.80	7.82
5. Default at the end of the year	52.53	5.09	57.62	65.93	10.83	76.76	67.86	18.73	86.59

The amount of default as on 31st March 1981 (Rs.86.59 lakhs) represented overdue amount of principal and interest dating from 1976-77 also as indicated below:

Year of default	Principal	Interest
	(Rupees in lakhs)	
1976-77	26.77	1.64
1977-78	14.25	0.22
1978-79	11.51	3.23
1979-80	13.40	5.74
1980-81	1.93	7.90
Total	67.86	18.73

8.5.10 Refinance Loans

The Company was brought under the refinance scheme of the Industrial Development Bank of India in July 1977. The overall refinance limit originally fixed (Rs. 30 lakhs) was raised to Rs. 150 lakhs in November 1979 at the instance of the Company. As against this, the refinance availed of as on 31st March 1981 was Rs. 50.50 lakhs only. The loans disbursed by the Company under the scheme and outstandings on 31st March 1981 totalled Rs. 59.65 lakhs of which repayment of Rs. 6.36 lakhs was in arrears for periods exceeding one year.

8.5.11 Implementation of schemes of Government

The Company implements various schemes of the State Government such as Package incentive schemes, Central subsidy scheme, Man-power training scheme, Hire Purchase scheme, Transport subsidy scheme, *etc.* Funds received from the Government for these schemes and unspent at the end of the year 1979-80 were Rs. 52.56 lakhs. Out of these, the funds for Hire purchase scheme (Rs. 2 lakhs), Slaughter house project (Rs. 2 lakhs) and Transport subsidy scheme (Rs. 1 lakh) were received in 1976-77 or earlier but no expenditure had been incurred against them so far (August 1981). The Company had an unspent balance of Rs. 2.80 lakhs at the beginning of 1977-78 under Central subsidy scheme and had received a further amount of Rs. 29.50 lakhs during the year. Against this, the total expenditure up to 1980-81 was Rs. 4.28 lakhs only. Unspent balances on this account are held by the Company as surplus funds and invested in fixed deposits.

8.5.12 Taking over of industrial units acquired by Government

The Company had so far (March 1982) taken over the following two industrial units acquired by Government :

—Nangwalbibra Colliery (taken over from Assam and Meghalaya Mineral Development Corporation Limited with effect from 1st April 1977 on behalf of the Government of Meghalaya).

Sunnen Beehive Coke (taken over from a private party by Government in December 1978).

Certain aspects relating to the working of the two units are discussed below.

Nangwalbibra Colliery

The Company is operating the Nangwalbibra Colliery with effect from 1st April 1977 as an agent of the Government of Meghalaya with the stipulation that the profit/loss of operating the mine shall accrue to the Government of Meghalaya. However, no cost statements relating to the unit were prepared by the Company taking all factors including overheads into consideration. Coal is supplied to the Meghalaya State Electricity Board. An amount of Rs. 8.82 lakhs for 8,154 tonnes of coal so supplied to the Board up to 1978-79 had not been paid by the Board so far (August 1981).

Sunnan Beehive Coke

The Government took over (December 1978) the factory of the unit following its closure due to agitation by local people who had objected to the pollution caused by the factory and handed over (October 1979) the same to the Company for necessary modifications and improvements. Of the total acquisition cost (Rs. 6.95 lakhs) including compensation paid to the private owner and discharge of other liabilities, Rs. 0.56 lakh were yet to be received (August 1981) by the Company from the Government.

The factory building also reportedly collapsed in June 1981.

Steps for modifications and improvements had not been taken and the factory remained closed (August 1981).

8.5.13 Procurement of steel and raw materials for distribution to industries

The Company had been procuring steel and raw material such as soda ash for distribution to industrial users since 1979-80. During 1979-80, materials valued at Rs. 3.49 lakhs were procured despite having carry-over stocks valued at Rs. 5.82 lakhs as on 31st March 1979; out of these, materials valued at Rs. 0.57 lakh only were distributed at cost price and the balance material of Rs. 8.74 lakhs (at cost) was held in stock as on 31st March 1981.

The Company had taken a godown on hire at Rs.1,000 per month with effect from 1st July 1981. No service charges for the materials supplied to industries to cover its procurement and storage costs were, however, recovered. Stock records in respect of material purchased, issued and in stock were not maintained (August 1981).

8.5.14 Budget and Accounts Manual

The Company does not prepare any annual budget in respect of its estimated receipts and expenditure on capital or revenue account. No accounting manual had also been prepared (August 1981).

8.6 Other topics of interest

Forest Department

Forest Development Corporation of Meghalaya Limited

Infructuous expenditure

The Forest Development Corporation of Meghalaya Limited was incorporated on 30th January 1975 with the object of afforestation of barren lands in the State. The Company started functioning on 23rd February 1976.

The Company brought 178 hectares (78 hectares in 1976-77; 100 hectares in 1977-78) under Pine plantation in Raitong (East Khasi Hills District) at a cost of Rs.3.68 lakhs which included Rs.1.70 lakhs on muster roll payments. Actual survey conducted by the evaluation and monitoring cell of the Company in November 1978, however, indicated that only 66.4 hectares were actually planted. The proportionate expenditure involved in muster roll payment on 111.6 hectares not planted was Rs.1.07 lakhs.

In another case of plantation of Citronella in 40.80 hectares at Umshiw (East Khasi Hills District) up to 1977-78 at a cost of Rs.1.13 lakhs (including Rs.0.74 lakh paid on muster roll), a survey conducted by the cell in November 1978 indicated that an area of 15.80 hectares only was actually planted.

The Company assessed (June 1979) the expenditure on muster roll payment on 15.80 hectares as Rs.0.65 lakh. The expenditure on muster roll payment on 25 hectares not planted was Rs.0.09 lakh.

There was no system of checking of the muster rolls which were prepared by the field staff. The details of work done, area covered, plot numbers, etc. where labourers were engaged were not recorded. It was stated (February 1981) by the management that unless a thorough examination of the account is made it is difficult to say "that the proportion of expenditure representing the shortfall in the area is infructuous". It was also stated that a system of check of actual work done by muster roll labourers and slip system of wage payments had since been introduced.

SECTION—D

Departmentally managed Government commercial and quasi-commercial undertaking

8.7 As on 31st March 1981, there was only one departmentally managed Government Commercial undertaking in the State, *viz.*, Pine Wood Hotel.

The accounts of the undertaking for the year ended 31st December 1979 and 31st December 1980 had not been prepared (September 1982).

The matter was last reported to the Government in October 1982.

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, if prompt action is taken to rectify the defects and omissions. Half-yearly reports on observations outstanding for more than 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 1981 and pending as on 28th February 1982 along with the figures in the two preceding Reports are given below :

	At the end of		
	February 1980	January 1981	February 1982
Number of observations on which action was pending	20,109	21,527	23,934
Amount involved (in crores of rupees)	16.85	16.34	17.08

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

Department	Number	Year of issue of earliest outstanding observation	Total amount involved (in lakhs of rupees)
Public Works	13,634	1963-64	5,35.87
Social Security and Welfare	101	1971-72	4,18.75
Industries, Sericulture and Weaving	842	1970-71	1,52.78
Community Development	857	1970-71	1,42.83
Agriculture	349	1970-71	77.22
Public Health Engineering	4,217	1972-73	76.02

(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)
Vouchers not received	17,493	5,92.48
Payees' receipts not received	3,321	3,10.16
Detailed contingent bills for lump sum drawals not received	1,139	1,79.38

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

Department	Number	Amount involved (in lakhs of rupees)
Public Works	13,300	5,20.74
Public Health Engineering	4,193	71.74

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

Department	Number	Amount involved (in lakhs of rupees)
1. Community Development	341	68.35
2. Agriculture	289	63.83
3. Industries, Sericulture and Weaving	554	33.73
4. Home (Police)	388	33.60
5. Social Security and Welfare	20	11.70
6. Home (Jails)	174	10.88
7. Public Works	113	10.60
8. Mines and Minerals	112	10.57

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 than 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)
1. Community Development	463	66.80
2. Relief	60	37.03
3. Road and Water Transport	79	17.61
4. Agriculture	60	13.39
5. Industries, Sericulture and Weaving	45	11.97

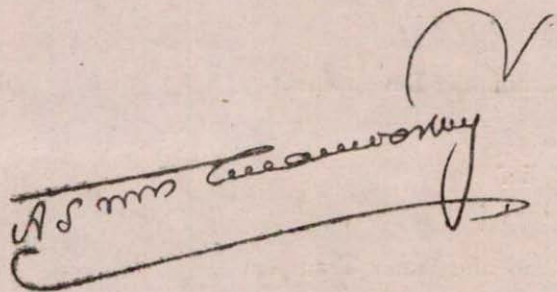
9.2 Outstanding inspection reports

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 Offices and to the next 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 829 inspection

reports issued upto end of March 1981, action was pending till the end of February 1982 as shown below alongside figures in the two preceding Reports:—

	As at the end of February 1980	As at the end of January 1981	As at the end February 1982
Number of inspection reports on which action was pending	711	755	829
Number of paragraphs	4,596	3,995	5,102

Of the 829 reports outstanding at the end of February 1982, 107 relate to revenue receipts. On 76 inspection reports (including 7 relating to revenue receipts), even the first replies had not been received although Government has prescribed that first replies should be sent within five weeks.



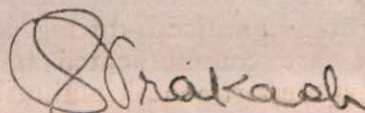
(A. S. KRISHNAMOORTHY)

Shillong,

The 01-01-83 Meghalaya, Arunachal Pradesh and Mizoram

Accountant General

Countersigned



(GIAN PRAKASH)

New Delhi,

The 14-01-83

Comptroller and Auditor General of India

APPENDICES

OPTIMICES

APPENDIX 1.1

Analysis of Revenue Receipts

(Reference : Paragraph 1.3, page 2)

	1979-80	1980-81	Amount of increase
	(in lakhs of rupees)		
A. Revenue raised by the State Government			
(i) Tax Revenue (other than State's share of Union Taxes)	4,04.14	4,87.60	83.46
(ii) Non-tax Revenue	3,64.87	21,93.07	18,28.20
Total of 'A'	7,69.01	26,80.67	19,11.66
B. Receipts from the Government of India—			
(i) State's share of Union Taxes—			
(a) Taxes on Income other than Corporation Tax	1,53.95	1,78.35	24.40
(b) Hostel Receipts Tax	...	0.07	0.07
(c) Union Excise Duties	4,98.31	5,40.46	42.15
(ii) Statutory and other grants—			
(a) Non-Plan Grants	18,51.17	19,71.67	1,20.50
(b) Grants for State Plan Schemes	23,88.44	31,14.00	7,25.56
(c) Grants for Central Plan Schemes	1,92.85	2,32.87	40.02
(d) Grants for Centrally Sponsored Plan Schemes	1,86.45	2,74.99	88.54
Total of 'B'	52,71.17	63,12.41	10,41.24
Total—of 'A' and 'B'	60,40.18	89,93.08	29,52.90

Expenditure on Revenue Account

(Reference: Paragraph 1.4, page 4)

Plan 1980-81

Sector/sub-sector	Budget estimates	Budget plus Supplementary	Actuals (Figures for preceding year within brackets)
(in lakhs of rupees)			
A. General Services—			
(b) Fiscal Services	19.60	21.10	15.25 (18.30)
(d) Administrative Services	61.75	64.75	36.97 (17.30)
B. Social and Community Services	6,05.34	6,51.49	6,57.73 (4,56.17)
C. Economic Services—			
(a) General Economic Services	97.82	1,13.58	1,03.49 (83.52)
(b) Agriculture and Allied Services	9,04.48	9,60.08	8,88.79 (7,97.15)
(c) Industry and Minerals	1,33.76	1,43.01	1,14.63 (1,13.14)
(d) Water and Power Development	1.00	1.00	0.96 (Nil)
(e) Transport and Communications	28.00	28.25	17.00 (11.73)
Total—Plan	18,51.75	19,83.26	18,34.82 (14,97.31)

APPENDIX 1.2—concl.d.

Non-Plan 1980-81

Sector/sub-sector	Budget estimates	Budget <i>plus</i> Supplementary	Actuals (Figures for preceding year within brackets)
((in lakhs of rupees))			
A. General Services—			
(a) Organs of State	99·64	1,17·28	1,08·29 (83·63)
(b) Fiscal Services	74·49	80·38	76·87 (45·95)
(c) Interest payments and servicing of debt	1,80·92	1,80·92	1,43·46 (1,30·73)
(d) Administrative Services	10,85·78	11,85·69	12,06·87 (8,42·10)
(e) Pension and Miscellaneous General Services	24·06	24·06	18·82 (14·22)
B. Social and Community Ser- vices			
	13,22·31	14,29·99	13,66·63 (9,80·39)
C. Economic Services—			
(a) General Economic Services	83·25	84·15	80·28 (57·80)
(b) Agriculture and Allied Services	5,06·36	5,64·12	5,63·50 (4,50·50)
(c) Industry and Minerals	1,04·24	1,05·05	98·69 (85·23)
(d) Water and Power Deve- lopment	6·08	6·08	6·08 (6·09)
(e) Transport and Communi- cations	3,11·69	3,11·69	4,82·69 (4,01·02)
Total—Non-Plan	37,98·82	40,89·41	41,52·18 (30,97·66)
GRAND TOTAL	56,50·57	60,72·67	59,87·00 (45,94·97)

APPENDIX—1.3

Expenditure on Capital Account

(Reference : Paragraph 1.5, page 5)

Year	Budget	Budget plus supplementary	Actuals	Percentage of variation of actuals over modified estimates
(in crores of rupees)				
1978-79	11.75	13.73	12.18	(—) 11
1979-80	18.36	19.52	16.30	(—) 16
1980-81	17.94	24.49	21.10	(—) 14

Plan 1980-81

Sector/ Sub-sector	Budget estimates	Budget plus supplementary grants	Actuals (Figures for preceding year within brackets)
(in lakhs of rupees)			
(i) General Services	81.37	96.12	73.61 (69.61)
(ii) Social and Community Services	7,24.95	10,21.45	9,75.07 (6,92.69)
(iii) Economic Services—			
(a) General Economic Services	2,12.35	2,57.65	1,67.11 (1,74.27)
(b) Agriculture and Allied Services	35.97	35.97	3.25 (3.59)
(c) Industry and Minerals	74.64	77.89	77.82 (76.99)
(d) Water and Power Development	29.00	29.00	22.08 (53.50)
(e) Transport and Communications	4,66.00	7,24.00	7,53.83 (5,55.10)
Total - Plan	16,24.28	22,42.08	20,72.77 (16,25.75)

APPENDIX 1·3—*concl'd.*

Non-Plan 1980-81

Sector/sub-sector	Budget estimates	Budget plus supplementary grants	Actuals (Figures for preceding year within brackets)
	(in lakhs of rupees)		
(i) General Services	46·55	46·55	... (Nil)
(ii) Social and Community Services	64·00	95·57	31·58 (Nil)
(iii) Economic Services—			
(b) Agriculture and Allied Services	...	...	1·02 (-0·45)*
(c) Transport and Communications	59·36	65·26	4·68 (4·40)
Total—Non-Plan	1,69·91	2,07·38	37·28 (3·95)
GRAND TOTAL	17,94·19	24,49·46	21,10·05 (16,29·70)

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

Loans and Advances given by Government

(Reference : Paragraph 1.6, page 5)

Disbursements

Year	Budget	Budget plus supplementary	Actuals	Percentage variation of actuals over modified estimates
(in lakhs of rupees)				
1978-79	88.85	1,24.37	1,13.46	(-) 9
1979-80	1,35.25	1,43.84	99.22	(-) 31
1980-81	1,04.80	2,07.43	1,81.73	(-) 12

Recoveries

Year	Budget	Actuals	Percentage of variation of actuals over budget
(in lakhs of rupees)			
1978-79	48.95	70.47	(+) 44
1979-80	52.29	38.46	(-) 26
1980-81	57.29	53.76	(-) 6

APPENDIX 1.5

Sectoral Summary of loans and advances for 1980-81

(Reference: Paragraph 1.6, page 5)

Categories	Outstanding balance at the beginning of the year	Loans disbursed during the year	Loans recovered during the year	Outstanding balance at the end of the year
(in lakhs of rupees; figures for preceding year within brackets)				
1. Loans for Social and Community Services	93.97 (78.11)	20.20 (19.90)	3.99 (4.04)	1,10.18 (93.97)
2. Loans for Economic Services :—				
(i) General Economic Services	81.70 (71.93)	8.08 (12.65)	1.55 (2.88)	88.23 (81.70)
(ii) Agriculture and Allied Services	13.51 (14.17)	47.01 (...)	4.31 (0.66)	56.21 (13.51)
(iii) Industry and Minerals	35.39 (24.89)	12.00 (11.25)	0.79 (0.75)	46.60 (35.39)
(iv) Water and Power Development	6,70.50 (6,70.50)	6.00 (...)	... (...)	6,76.50 (6,70.50)
Total—Loans for Economic Services	8,01.10 (7,81.49)	73.09 (23.90)	6.65 (4.29)	8,67.54 (8,01.10)
3. Loans to Government Servants, etc.	84.94 (59.65)	88.44 (55.42)	43.12 (30.13)	1,30.26 (84.94)
4. Miscellaneous loans	0.62 (0.62)	... (...)	... (...)	0.62 (0.62)
Total	9,80.63 (9,19.87)	1,81.73 (99.22)	53.76 (38.46)	11,08.60 (9,80.63)

(Reference: Paragraph 2·4 at page 17)

Statement showing grants/appropriations in which savings (more than Rs. 10 lakhs in each case) exceeded 10 per cent of the total provision

Serial Number and name of grant/ number appropriation	Total provision	Expenditure (in lakhs of rupees)	Saving	Percentage
--	--------------------	-------------------------------------	--------	------------

REVENUE SECTION

1. 18-Stationery and printing	71·80	61·31	10·49	14·61
2. 28-Public Health, Sanitation and Water Supply, etc.	1,59·06	80·27	78·79	49·53
3. 33-Labour and Employment, etc.	51·76	33·11	18·65	36·03
4. 36-Social Security and welfare, etc.	1,06·51	87·77	18·74	17·59
5. 56-Village and Small Industries, etc.	95·25	63·06	32·19	33·80

CAPITAL SECTION

6. 19-Secretariat General Services, etc.	3,20·69	1,64·67	1,56·02	48·65
7. 42-Special and Backward Areas, etc.	2,01·00	1,09·71	91·29	45·42
8. 46-Minor Irrigation, etc.	59·00	22·51	36·49	61·85

LOANS AND ADVANCES SECTION

9. 61-Loans to Government Servants	1,05·00	88·44	16·56	15·77
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DEBT SECTION

10. 63-Inter State Settlement	37·68	24·48	13·20	35·03
11. Interest payment	180·92	1,43·46	37·46	20·71
12. Internal Debt of the State Government	117·55	7·76	1,09·79	93·40

Rush of expenditure towards the end of financial year 1980-81

(Reference : Paragraph 2.7 at-page 18)

Department and head of account	Average monthly expenditure during April 1980 to February 1981	Expenditure in March 1981	Total expenditure during the year 1980-81
(1)	(2)	(3)	(4)
(in lakhs of rupees)			
Education—			
277-Education	49.83	3,86.02 (675)	9,34.21
Medical—			
280-Medical	31.20	81.83 (161)	4,25.02
Agriculture—			
305-Agriculture	18.30	89.89 (391)	2,91.14
Public Works—			
259-Public Works	18.27	66.96 (266)	2,67.34
337-Roads and Bridges	33.51	1,05.43 (215)	4,74.08
537-Capital Outlay on Roads and Bridges	52.59	71.61 (36)	6,50.15
Housing—			
383-Housing	3.90	52.70 (1251)	95.57
Community Development—			
314-Community Development	6.99	1,53.09 (2090)	2,24.36

APPENDIX 2.2—concl'd.

Department and head of account	Average monthly expenditure during April 1980 to February 1981	Expenditure in March 1981	Total expenditure during the year 1980-81
(1)	(2)	(3)	(4)
(in lakhs of rupees)			
Animal Husbandry and Veterinary—			
310-Animal Husbandry and Veterinary	9.94	66.07 (565)	1,75.48
Urban Development—			
284-Urban Development.	1.58	11.60 (634)	28.96
Total	2,26.11	10,85.20 (379)	35,66.31

Notes :—The figures shown within brackets indicate percentage of increase over monthly average expenditure for the first eleven months of the year 1980-81.

APPENDIX 3·1

Statement showing excess issue of milk over requirement to the distributing agency of the department

(Reference : Paragraph 3·1·1 at page 19)

Year	Quantity of milk issued as per disposal register	Milk actually required to be issued	Milk issued in excess	Value of milk issued in excess
(1)	(2)	(3)	(4)	(5)
		(Quantity in litres)		Rs. p.
1974-75	3,15,674	2,91,374½	24,299½	38,879·20
1975-76	5,17,381	4,90,799½	26,581½	42,530·40
1976-77	5,79,173	5,51,111·2	28,061½	50,510·70
1977-78	5,15,551½	4,68,013½	47,538	85,568·40
1978-79	4,63,994	3,44,026	59,968	1,07,942·40
1979-80	3,95,512	3,61,263	34,249	61,648·30
1980-81	4,84,464½	3,63,649½	1,20,815	2,29,538·00
			<u>3,41,512½</u>	<u>6,16,617·40</u>

APPENDIX 3-3

Statement showing the sale proceeds of milk, cream, butter and ghee and expenditure incurred on the Rural Dairy Extension Centre, Jowai

(Reference : Paragraph 3.1.4 at page 21)

Year	Quantity of milk procured (Litres in lakh)	Sale proceeds of milk (whole milk/skim milk/fresh milk)	Sale proceeds of cream, butter and ghee	Total Sale proceeds	Cost of milk	Other expenditure	Total expenditure	Excess of expenditure over receipts (—)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(in lakhs of rupees)								
1974-75	1.23	0.91	0.20	1.11	1.20	1.41	2.61	(—) 1.50
1975-76	0.92	0.98	0.19	1.17	0.94	2.75	3.69	(—) 2.52
1976-77	0.56	0.87	0.08	0.95	0.54	2.79	3.33	(—) 2.38
1977-78	0.85	1.28	0.20	1.48	0.91	2.79	3.70	(—) 2.22
1978-79	0.53	0.81	0.04	0.85	0.66	5.02	5.68	(—) 4.83
1979-80	1.09	1.55	0.11	1.66	1.36	3.17	4.53	(—) 2.87
1980-81	0.92	1.14	0.17	1.31	1.14	4.55	5.69	(—) 4.38
Total	6.10	7.54	0.99	8.53	6.75	22.48	29.23	(—) 20.70

**Statement showing the number of blocks
in operation/post operation stage, the Central and State
Government assistance received and expenditure incurred there-
against during 1970-71 to 1980-81**

(Reference : Paragraph 3·2·3 at page 23)

Year	Number of blocks		Central assistance		State assistance		Expenditure out of	
	in operation	in post operation	Due	Released	Due	Released	Central assistance	State assistance
1	2	3	4	5	6	7	8	9
(in lakhs of rupees)								
1970-71	4	1	1·35	Merged with assistance to Assam	2·55	...	0·98	...
1971-72	5	1	1·65	1·70	3·06	...	1·29	...
1972-73	5	1	1·65	1·00	3·06	1·62	1·69	1·62
1973-74	5	2	1·80	0·50	3·57	2·34	1·70	2·34
1974-75	6	...	1·80	1·80	3·06	3·01	1·80	3·01
1975-76	7	...	2·10	2·10	3·57	1·89	2·10	1·89
1976-77	7	2	2·40	2·40	4·59	3·57	2·40	3·57
1977-78	9	1	3·26	3·26	5·10	6·94	4·95	6·94
1978-79	11	2	4·14	5·34	6·63	8·37	5·34	8·37
1979-80	10	1	...	...	5·61	8·81	...	14·01
1980-81	9	1	...	...	5·10	9·58	...	9·58
			20·15	18·10	45·90	46·13	22·25	51·33*

*Includes Rs.5·20 lakhs spent out of budget provision of Centrally Sponsored Sector though the programme was transferred to State Plan during 1979-80.

APPENDIX 3·5

(Reference : Paragraph 3.4.3)

Statement showing the Insecticides received and

Year	Opening balance			Quantity received		
	DDT 75%	DDT 50%	BHC 50%	DDT 75%	DDT 50%	BHC 50%
	(in tonnes)					
1976	147.912	6.794	9.267	148.478	...	2.600
1977	191.637	1.934	4.922	110.000	...	..
1978	43.412	1.934	...	25.000	90.000	5.000
1979	23.370	4.540	5.000	100.400	...	...
1980	66.424	0.004	...	...	150.000	...

at page 31)

consumed during the year 1976 to 1980

Quantity consumed			Closing balance		
DDT 75%	DDT 50%	BHC 50%	DDT 75%	DDT 50%	BHC 50%
104.753	4.860	6.945	191.637	1.934	4.922
258.225	...	4.922	43.412	1.934	...
45.042	87.394	...	23.370	4.540	5.000
57.346	4.536	5.000	66.424	0.004	...
63.207	41.042	...	3.217	108.962	...

(Reference: Paragraph 3·4·4 at page 32)

Statement showing the spray operations conducted during 1976 to 1980

Year	Name of District	Population as per NMEP Census	Sprayable Population	Round of spray	Population covered in each round of spray	Average percentage of shortfall in spray operation with reference to sprayable population	
Figures in lakhs)							
1976	Khasi and Jaintia Hills	8·07	2·79	1st round 2nd round	2·20 } 1·37 }	36	
	Garó Hills	4·07	4·07	1st round 2nd round 3rd round	3·32 } 3·17 } 0·30 }		16
1977	Khasi and Jaintia Hills	7·98	4·76	1st round 2nd round	3·81 } 3·49 }	23	
	Garó Hills	4·10	3·99	1st round 2nd round	2·99 } 2·99 }		25
1978	Khasi and Jaintia Hills	7·05	2·85	1st round 2nd round Focal spray	1·32 } 1·64 } 0·09 }	48	
	Garó Hills	4·12	4·09	1st round 2nd round 3rd round	3·37 } 2·26 } 0·47 }		31
1979	Khasi Hills	6·03	3·02	1st round 2nd round Maintenance round	1·24 } 1·48 } 0·22 }	55	
	Jaintia Hills	1·45	0·81	1st round	0·44		46
	Garó Hills	4·25	4·21	1st round 2nd round	1·21 } 3·37 }		46
1980	Khasi Hills	6·13	2·99	1st round 2nd round	1·78 } 1·00 }	54	
	Jaintia Hills	1·62	0·91	1st round 2nd round	0·57 } 0·59 }		36
	Garó Hills	4·26	4·26	1st round 2nd round	2·90 } 3·34 }	27	

APPENDIX

Table 1

Statement of the ...

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APPENDIX 3:7

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(Reference: Paragraph

Statement showing fever cases treated, blood smears collected,

Year	Name of district	Population as per NMEP Census (in lakhs)	Number of fever cases treated
1	2	3	4
1976	Khasi and Jaintia Hills	8.07	59,160
	Garro Hills	4.07	53,091
1977	Khasi and Jaintia Hills	7.98	69,383
	Garro Hills	4.10	71,281
1978	Khasi and Jaintia Hills	7.05	1,46,179
	Garro Hills	4.12	1,43,082
1979	Khasi Hills	6.03	1,34,486
	Jaintia Hills	1.45	16,554
	Garro Hills	4.25	2,29,566
1980	Khasi Hills	6.13	1,58,578
	Jaintia Hills	1.62	20,909
	Garro Hills	4.26	1,27,017

DIX 3.7

3.4.6 at page 33)

positive cases detected and radical treatment given etc. during 1976 to 1980.

Total blood smears collected	Number of cases where blood-smears not taken	Blood smears examined	Positive cases detected	Radical treatment given	Percentage of shortfall in radical treatment
5	6	7	8	9	10
55,778	3,382	48,697	5,293	4,869	8.01
53,091	...	53,091	1,742	1,528	12.28
61,994	7,389	61,994	4,544	4,310	5.15
71,281	...	71,281	5,268	2,764	47.53
67,418	78,761	67,418	2,752	2,508	8.87
85,451	57,631	85,451	7,222	7,104	1.63
73,050	61,436	73,050	4,905	4,836	1.41
13,373	3,181	13,373	926	900	2.81
1,49,218	80,348	1,49,218	16,658	15,216	8.66
77,419	81,159	77,419	3,971	3,703	6.75
12,465	2,444	12,465	684	674	1.46
1,26,996	21	1,26,996	14,363	9,252	35.58

APPENDIX 7.1

Wanting utilisation certificates

(Reference: paragraph 7.2, page 50)

Department	Year of payment	Number of certificates awaited	Amount (in lakhs of rupees)
1. Industries, Sericulture and Weaving	1976-77 and earlier years	257	46.31
	1977-78	32	5.01
	1978-79	67	12.64
	1979-80	94	58.35
			<hr/> 450	1,22.31
2. Co-operation	1976-77 and earlier years	128	85.17
	1977-78	30	33.54
		<hr/> 158	<hr/> 1,18.71
3. Education	1976-77 and earlier years	99	80.52
	1977-78	46	30.06
	1978-79	9	2.91
	1979-80	8	0.08
		<hr/> 162	<hr/> 1,13.57
4. Forest	1976-77 and earlier years	113	43.40
	1977-78	33	9.94
	1978-79	22	11.24
	1979-80	11	9.84
		<hr/> 179	<hr/> 74.42
5. Social Security and Welfare	1976-77 and earlier years	25	40.52
		<hr/> 25	<hr/> 40.52

APPENDIX 7.1—*contd.*

Department	Year of payment	Number of certificates awaited	Amount
			(in lakhs of rupees)
6. District Council Affairs	1976-77 and earlier years	10	37.12
		<u>10</u>	<u>37.12</u>
7. Public Works	1976-77 and earlier years 1978-79	21	9.63
		1	0.15
		<u>22</u>	<u>9.78</u>
8. Town and Country Planning	1976-77 and earlier years	12	19.18
	1977-78	2	1.29
		<u>14</u>	<u>20.47</u>
9. Mines and Minerals	1976-77 and earlier years	2	9.40
		<u>2</u>	<u>9.40</u>
10. Tourism	1976-77 and earlier years	4	2.00
		<u>4</u>	<u>2.00</u>
11. Municipal Administration *	1976-77 and earlier years 1978-79	4	4.79
		4	0.74
		<u>8</u>	<u>5.53</u>

APPENDIX 7.1—concl.d.

Department	Year of payment	Number of certificates awaited	Amount (in lakhs of rupees)
12. Animal Husbandry and Veterinary	1976-77 and earlier years	14	2.93
		<u>14</u>	<u>2.93</u>
13. Border Area Development	1978-79	1	2.00
		<u>1</u>	<u>2.00</u>
14. Dairy Development	1976-77 and earlier years	1	1.55
		<u>1</u>	<u>1.55</u>
15. Land Revenue	1976-77 and earlier years 1977-78	2	4.00
		1	2.00
		<u>3</u>	<u>6.00</u>
16. Roads and Bridges	1976-77 and earlier years	1	0.26
		<u>1</u>	<u>0.26</u>
17. Secretariat Administration	1976-77 and earlier years	2	0.04
		<u>2</u>	<u>0.04</u>
	Grand Total	<u>1,056</u>	<u>5,66.61</u>

(Reference : Paragraph 3.2, page 54)

Statement showing Summarised financial results of Statutory Corporation

1. Name of the Corporation	Meghalaya Transport Corporation
2. Name of the Administrative Department	Transport
3. Date of incorporation	1st October 1976
4. Period of accounts	1st October 1976 to 31st March 1977
	(in lakhs of rupees)
5. Capital invested	68.96
6. Profit (+)/ Loss (-)	(-) 11.27
7. Total interest charged to Profit and Loss Account	1.82
8. Interest on long-term loans	1.82
9. Total return on capital invested (6+8)	(-) 9.45
10. Capital employed	57.70
11. Total of return on capital employed (6+7)	(-) 9.45
12. Percentage of total return on capital invested	(-) 13.70
13. Percentage of total return on capital employed	(-) 16.40

Notes :— (i) Capital invested represents paid-up capital plus long-term loan plus free reserves.

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

(Reference : Paragraph

Statement showing summarised financial

(Figures in columns 5 to

Name of Company	Name of the Department/ Administration	Date of incorporation	Period of accounts	Total capital invested	Profit(+)/ Loss(-)	Total interest charged to Profit and Loss Account
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Meghalaya Government Construction Corporation Limited	Works and Housing	26th March 1979	1978-79 (ending June)	28.22	(+)0.08	...

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

(2) Capital employed represents net fixed assets (excluding capital work-in-

8.2

*8.4 of page 55)***results of the Government companies**

11 are in lakhs of rupees)

Interest on long-term loan	Total return on capital invested (7+9)	Capital employed	Total return on capital employed (7+8)	Percentage of total return on capital invested	Percentage of total return on capital employed	Remarks
(8)	(9)	(10)	(11)	(12)	(13)	(14)
...	0.08	27.87	0.08	0.3	0.3	...

free reserves at the close of the year.

progress) *plus* or *minus* working capital.

8-2 of page 23

Results of the government companies.

If not in table of figures)

Particulars	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
Total number of employees	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Number of employees on contract	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Number of employees on regular basis	(o)	(p)	(q)	(r)	(s)	(t)	(u)
Number of employees on casual basis	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)
Number of employees on temporary basis	(ac)	(ad)	(ae)	(af)	(ag)	(ah)	(ai)
Number of employees on part-time basis	(aj)	(ak)	(al)	(am)	(an)	(ao)	(ap)
Number of employees on other basis	(aq)	(ar)	(as)	(at)	(au)	(av)	(aw)
Number of employees on total basis	(ax)	(ay)	(az)	(ba)	(bb)	(bc)	(bd)

Fig. 23.7.3 of the report of the Govt.

(Particulars) have to be filled in the table.