Annexure - XVIII

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कार्यालय, महालेखाकार (लेखापरीक्षा)
मेघालय, शिलांग–793 001
**OFFICE OF THE
ACCOUNTANT GENERAL (AUDIT)
MEGHALAYA, SHILLONG-793 001**
EPABX- 0364-2228861/62/63; FAX-2223494
E-mail : agauMeghalaya@cag.gov.in

पत्र संख्या/Ltr.No.ES-II/3-8/2014-15/520

दिनांक/**Date: 19 November, 2014**

To,

The Director of Corporate Affairs,
Meghalaya Energy Corporation Limited (MeECL),
Lum-jingshai, Short Round Road,
Meghalaya,
Shillong – 793 001.

Sub: Minutes of the Audit Committee Meeting held on 25th & 26th September 2014 for settlement of outstanding Inspection Reports and paras pertaining to various divisions of MeECL.

Sir,

Enclosed please find two copies of the Minutes of the Audit Committee Meeting held on 25th & 26th September 2014 at the Human Resources Development Centre, MeECL, Umiam for settlement of outstanding Inspection Reports and paras pertaining to MeECL. Kindly arrange to return one copy of the same to this office duly signed by you at the earliest.

Yours faithfully,

Enclo : As stated above

Sd/-
**Audit Officer
Economic Sector-II**

Memo No. ES-II/3-8/2014-15/521-524

Dated: 19 November, 2014

Copy forwarded for information and necessary action to:-

1. The Secretary, Power Department, Government of Meghalaya, Meghalaya, Shillong-793001.
2. The Secretary, Finance Department, Government of Meghalaya, Meghalaya, Shillong-793001.
3. The Deputy Chief Accounts Officer (Audit), Meghalaya Energy Corporation Limited, Lum-jingshai, Short Round Road, Meghalaya, Shillong – 793 001.
4. The Chief Accounts Officer, Meghalaya Energy Corporation Limited, Lum-jinghsai, Short Round Road, Meghalaya, Shillong – 793 001.

2561 (3)
26/11/14

JDA(A)

A/c Sand copies to all concerned

**Audit Officer
Economic Sector-II**

RECOMMENDATIONS OF AUDIT COMMITTEE MEETING (ACM) HELD ON 25TH AND 26TH SEPTEMBER 2014 IN RESPECT OF MEGHALAYA ENERGY CORPORATION LIMITED (MeECL)

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Sl. No.	IR & File No.	Para	Brief Description	Money Value	Further Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	Inspection Report on the accounts of the Chief Engineer (Distn) MeSEB, Lumjingshai, Shillong-1 for the period from 2006-09 No.CAW(M)/3-6/2009-10/834 dt.24.02.2010	Part II A Para – 4	Loss due to undue benefit extended to a private company M/S Virgo Cements Ltd.	₹ 1.01 crore	A copy of the Supreme Court's order along with a copy of the Board's approval of the reduction of the energy charges as well as the details of recovery in full may please be furnished.
2.	I/R on the accounts of EE (BDD) Byrnihat for the period from 2002-03 to 2009-10 CAW(M)/3-10/2010-11/17 dt.15.02.2011	Part-II B Para-2	Extension of service connection and release of additional load without recovering the cost of construction.		As reported during ACM that the legal cell is handling the matter, the upto-date status on the same may please be furnished.
3.	I/R on the accounts and records of the Office of the Additional Chief Engineer, Material Management, MeECL for the period from 01.04.2008 to 31.05.2011. No.CAW(M)/3-17/2011-12/7 dtd.27.07.2011.	Part-IIB Para-3	Supply of Hardware, Software and Local Area Network Accessories and installation Locking up of fund.	₹ 86.26 lakh	As explained during the ACM that this para relates to the O/o the Director (Distribution), MeECL, Shillong, therefore, this para is dropped from this IR but will be pursued from the O/o Director (Distribution), MeECL, Shillong.
4.	I/R on the accounts and records of the Office of the Deputy General Manager (West), MeECL, Shillong for the period from 01.04.2002 to 31.05.2011 No.CAW(M)/3-19/2011-12/14 dtd.06.09.2011.	Part-IIB Para-3	Non-receipt from Air Force Authority for Deposit work since 1997.	₹ 28.42 lakh	Management is requested to take up the issue with higher authorities for early settlement/writing off.
5.	I/R on the accounts and records of the Executive Engineer (Transmission &	Part-IIB Para-4	Discrepancies noticed in making final bill payment.		On the basis of management's reply the para is dropped.

			Interest		furnished.
		Para-5	Bank Reconciliation Statement		On the basis of action taken by the management, the para is dropped.
21.	I/R on the accounts and records of the O/o the Chief Project Manager, MLHEP, Meghalaya Energy Corporation Ltd., Amlarem, for the period from 01.04.2012 to 31.03.2013. No.ES-II/3-8/2013-14/35-40 dated 18.07.2013	Part-IIB Para-1(a)	Avoidable payment of excess/ deductible amount in respect of insurance policy with M/S ICICI Lombard General Insurance Company	₹3.16 crore	Reply under examination, separate communication will follow.
		Para-1(b) Dropped	Avoidable expenditure of ₹ 1.15 crore due to payment of insurance premium by MeECL		On the basis of management's reply, the para is dropped.
	Dropped	Para-2	Generation Loss due to poor workmanship and delay in restoration.		On the basis of management's reply the para dropped.
		Para-3	Delay in Deposit of Statutory Dues:- a. Delay in deposit of deducted forest royalty.		Since full payment of the statutory dues is yet to be made, para is retained.
			b. Delay in deposit of deducted VAT		Since full payment of the statutory dues is yet to be made, para is retained.
		Dropped	c. Excess deposit of Income Tax deducted from the contractors	₹0.15 crore	Para is dropped subject to verification during next audit.
	Dropped	Para-4	Undue Benefits extended to the contractor for the work of radial gates by not including the required specifications as recommended by CWC, by allowing various advances against unmeasured bills which remain unrecovered, non-recovery of mobilisation advance, payment of advances which was not to be allowed as per the contract.		Since the para has been included in the current IR, the para is dropped.
	Dropped	Para-5	Non-inclusion of required provisions in the terms and conditions of the contract	₹91.30 lakh	On the basis of management's reply the para dropped.
	Dropped	Para-6	Environment and Ecology		Para is dropped subject to verification during next audit.
22.	I/R on the accounts and records of the O/o the Executive Engineer, Generation-III	Part-IIB Para-1	Delay in repair of Unit-III Generator		The upto date status on the repair may be furnished.

			...executing agency for the Project. iii) Non-booking of TDS amount against NEC funds		Para retained.
29.	I/R on the accounts and records of the office of the Director (Finance) and the CAO, Meghalaya Energy Corporation Limited (MeECL), Lumjingshai, Shillong, for the period from 01.04 2013 to 31.03.2014 No.ES-II/3-6/2014-15/32-37 dated 19/05/2014	Part-IIB Para-1	Loss due to flaws in Power Purchase Agreement- ₹2.16 crore and avoidable committed liability of ₹2.56 crore due to non-payment of energy charges.		Not discussed however replies may kindly be furnished.
		Para-2	Idling of funds.		
		Para-3	Irregularities in Funding for construction of New Umtru Hydro Electric Project		
		Para-4	Furnishing of wrong information under Right to Information Act	dropped	

Audit Officer
Economic Sector-II