



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India on State Public Sector Enterprises for the period ended March 2023



**Government of Madhya Pradesh
Report No. 4 of 2025
(Compliance Audit - Commercial)**

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TABLE OF CONTENTS

Para No.	Particulars	Reference page
	<i>Preface</i>	iii
	<i>Executive Summary</i>	v-xii
CHAPTER I: Functioning of State Public Sector Enterprises		
1.1	Introduction	1
1.2	Accountability framework	3
1.3	Stake of Government of Madhya Pradesh	4
1.4	Investment in SPSEs	4
1.5	Special support and returns during the year	5
1.6	Arrears in finalisation of accounts	6
1.7	Impact of arrears in accounts	7
1.8	Performance of SPSEs as per their latest finalised accounts	7
1.9	Account Comments	13
1.10	Disinvestment, Restructuring and Privatisation of SPSEs and any reforms in power sector	13
1.11	Corporate Governance	13
1.12	Composition of Board of Directors	14
1.13	SPSEs Appointment and Functioning of Independent Directors	16
1.14	Filling-up the posts of Key Managerial Personnel	19
1.15	Meeting of the Board of Directors and Board Committee in this regard	20
1.16	Audit Committee and Other Committees of the Board	21
1.17	Whistle Blower Mechanism (WBM)	23
1.18	Role of Internal Audit	24
1.19	Legal Framework	24
1.20	Internal Audit	25
1.21	Conclusion	25
1.22	Recommendations	26
CHAPTER II: Compliance Audit Observations		
2.1	Subject Specific Compliance Audit on the Development and allotment of Land/ Space in IT/ Manufacturing Parks by Madhya Pradesh State Electronics Development Corporation Limited	29-51

Para No.	Particulars	Reference page
2.2	Subject Specific Compliance Audit on the Working of the Madhya Pradesh Laghu Udyog Nigam Limited, Bhopal	52-63
2.3	Subject Specific Compliance Audit on Promotion and Development of New and Renewable Energy in Madhya Pradesh	64-85
2.4	Subject Specific Compliance Audit on Implementation of Integrated Power Development Scheme by Power Distribution Companies of Madhya Pradesh	86-117
Appendices		119-207
Glossary		209-211

Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2023 has been prepared for submission to the Governor of Madhya Pradesh under Article 151 of the Constitution of India for being laid in the State Legislature.

This Report contains significant findings of the audit of State Public Sector Enterprises of the Government of Madhya Pradesh.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2022-23 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2022-23 have also been included, wherever necessary.

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

EXECUTIVE SUMMARY

Executive Summary

Functioning of State Public Sector Enterprises

- As on 31 March 2023, there were 73 SPSEs in Madhya Pradesh, including 61 Government Companies, three Statutory Corporations and nine Government Controlled other Companies. These included seven SPSEs having no account arrears, three SPSEs having more than three years account arrears, five SPSEs having more than five years account arrears and seven SPSEs having not submitted their accounts for more than 10 years.

State Government had invested ₹ 68,060.51 crore (equity and long-term loan). The government provides guarantees for loans raised by the SPSEs for which it charges guarantees commission at the rate of half a *per cent* to one *per cent* per annum. As per Finance Accounts 2022-23, the amount of guarantee (principal + interest) outstanding as on 31 March 2023 was ₹ 8,038.41 crore in respect of eight of the 73 SPSEs.

(Paragraphs 1.1, 1.4.1, 1.5.1 and 1.6)

- This Report has analysed the financial performance of 32 SPSEs, where the turnovers were positive, and accounts of at least three years preceding 2022-23 were finalised. The turnover (₹ 95,645.11 crore) of these 32 SPSEs was 7.23 *per cent* of the Gross State Domestic Product of Madhya Pradesh (₹ 13,22,821 crore) for the year 2022-23, of which over 98 *per cent* was contributed by seven SPSEs of the Power Sector. Out of these, 11 SPSEs earned a combined profit of ₹ 552.22 crore in 2022-23, of which, the top three SPSEs- MP Warehousing and Logistics Corporation, MP Power Transmission Company Limited and MP Rajya Van Vikas Nigam Limited- contributed profit of ₹ 409.68 crore (74.18 *per cent*). Twelve SPSEs incurred losses of ₹ 1,940.50 crore during 2022-23 and the Return on Capital Employed (RoCE) was 9.51 *per cent*. The losses incurred by the 12 SPSEs decreased to ₹ 1,940.50 crore in 2022-23 as per their latest finalised accounts from ₹ 4,009.02 crore in 2020-21. Further, the net worth of six SPSEs (MP Madhya Kshetra Vidyut Vitaran Company Limited, MP Poorv Kshetra Vidyut Vitaran Company Limited, MP Paschim Kshetra Vidyut Vitaran Company Limited, DMIC Vikram Udyogpuri Limited, DMIC Pithampur Jal Prabandhan Limited and MP Hotel Corporation Limited) had been completely eroded by accumulated loss and their net worth was either zero or negative. The combined net worth of these six SPSEs was (-) ₹ 42,410.39 crore, against equity investment of ₹ 18,177.00 crore as on 31 March 2023. In these six SPSEs whose capital had completely eroded, State Government equity and loans outstanding as on 31 March 2023 amounted to ₹ 36.00 crore and ₹ 25,236.90 crore respectively.

(Paragraphs 1.1, 1.8.1, 1.8.2, 1.8.4 and 1.8.5)

- Thirty-nine financial statements were reviewed in detail and 61 comments have been issued in respect of 23 financial statements. The financial impact on significant comments, issued by the CAG on the financial statements of the SPSEs, on profitability was ₹ 1,847.14 crore.

(Paragraph 1.9.1)

- Corporate Governance deals with adherence to Corporate Governance principles by the Government companies. Audit found that out of 32 SPSEs, where Independent Directors were to be appointed, 19 SPSEs did not appoint Independent Directors. Further, out of 19 SPSEs required to appoint Woman Director, only 11 SPSEs had Woman Director throughout FY 2022-23. Audit observed that 100 *per cent* presence of independent directors was only in 62 *per cent* of Board meetings. Though Independent Directors were on board in five SPSEs at the time of Annual General Meeting (AGM) during 2022-23, none of them attended the respective AGM. Separate meeting of Independent Directors was not conducted in seven SPSEs wherein more than one Independent Directors were on Board. None of the SPSEs imparted training for the Independent Directors who were on the Board during 2022-23, as required by the Companies Act.

Only 16 SPSEs out of 30 SPSEs had whole time Key Managerial Personnel. Out of 36 SPSEs that submitted information, 25 SPSEs conducted at least four BoD meetings during 2022-23, whereas 11 SPSEs held less than the mandated four BoD meetings. Further, out of 17 SPSEs where Audit Committee meetings were held, Audit Committees of 15 SPSEs evaluated the internal controls mechanism whereas those of 10 SPSEs reviewed and monitored the auditor's independence and performance. The Nomination and Remuneration Committee was constituted in 11 SPSEs; whereas in five SPSEs composition of NRC was not as per provision of the Act. Only five SPSEs out of 18 SPSEs had whistle blower mechanism. Four SPSEs out of 25 SPSEs did not appoint Internal Auditors.

(Paragraphs 1.12, 1.13, 1.14, 1.15, 1.16.3, 1.17 and 1.19)

Subject Specific Compliance Audit on the Development and Allotment of Land/ Space in IT/ Manufacturing Parks by Madhya Pradesh State Electronics Development Corporation Limited (MPSEDC)

- The MPSEDC did not prepare a long-term or strategic plan for developing IT Parks, resulting in a lack of annual targets for allotment of plots/ space. Consequently, development has been slow, with only 26 out of 240 plots starting commercial production and generating only four *per cent* (576 as against 14,548) of the expected employment as of March 2023. Further, since MPSEDC did not carry out demand assessment for development of IT infra, progress of the development of IT Parks and allotment of plots/spaces was not uniform throughout the State.

(Paragraph 2.1.4.1)

- Local residents encroached on 13.57 acres (3.68 *per cent*) of land in two IT Parks (Bhopal and Indore), resulting in loss of ₹ 3.62 crore in terms of development expenditure incurred by MPSEDC, and of potential earnings of ₹ 2.28 crore from land premium.

(Paragraph 2.1.4.3)

- An MoU was signed in early 2013 between MPSEDC and Madhya Pradesh Housing & Infrastructure Development Board (MPHIDB) for construction of IT parks, including specific supervision and architectural charges. The MoU required MPHIDB to account for expenditures from funds provided by MPSEDC. As of March 2023, MPHIDB received

₹ 327.85 crore in advance payments for construction/ development of IT Parks. Despite the completion of IT buildings before March 2018 and the regular collection of rent from allotted IT firms, details of expenditure were neither demanded by the MPSEDC nor provided by the MPHIDB.

(Paragraph 2.1.4.4)

- Despite plots in IT Parks being allocated through a tender process since November 2020, spaces in IT Buildings were being assigned on a first-come-first-serve basis. The lack of information on space availability, as it was neither posted online nor published in newspapers, led to vacant facilities, including an IT Building in Indore worth ₹ 24.10 crore and EMC Common Utility Centres in Bhopal and Jabalpur costing ₹ 4.07 crore and ₹ 1.10 crore, respectively. This resulted in idle investment of ₹ 29.27 crore.

(Paragraph 2.1.5.3)

- In November 2020, 11 plots covering 1.32 acres in IT Park, Jabalpur, were allocated through an open tender and lease deeds were executed between June and August 2021. Audit noticed that the MPSEDC started the development work without getting the final land demarcation report from the District Collector, Jabalpur, leading to overlapping land issues. As a result, the Board of Directors decided to cancel the lease deeds in June 2022, resulting in unfruitful expenditure of ₹ 4.56 crore incurred on the development of the disputed plots.

(Paragraph 2.1.5.6)

- Although the MPSEDC was competent to revise the rates, it has not revised development charges since May 2013, resulting in a recovery of only ₹ 42.86 crore at the rates determined more than 10 years ago, as against the total development expenditure of ₹ 228.10 crore in expenditures. Had the MPSEDC updated the rates in line with prevailing prices and the actual costs incurred, a larger portion of the actual expenditure could have been recovered.

(Paragraph 2.1.5.8)

- Audit noticed that an amount of ₹ 9.81 crore was to be recovered (as of March 2023) from 169 firms on account of space rent (buildings) and lease Rent (plots). The MPSEDC had, however, not taken any action to recover the amount or cancel the lease.

(Paragraph 2.1.5.9)

- During 2020-21 to 2022-23, ₹ 1.55 crore was reimbursed to 12 firms under the 'Skill Gap Scheme' but these firms did not submit required documents like training calendars and expenditure records. Five of these firms claimed reimbursement for training of 20 or more employees, however, none was registered with the EPFO as mandated by the EPF Act, 1952.

(Paragraph 2.1.6.1)

- Joint physical verification of IT Parks in Bhopal, Indore, and Jabalpur revealed that 11 of the 20 completed units were engaged in activities not aligned with their Lease Deeds and did not fall into the category of activities pertaining to the IT Industry.

(Paragraph 2.1.7.3)

Subject Specific Compliance Audit on the Working of the Madhya Pradesh Laghu Udyog Nigam Limited, Bhopal (MPLUN)

- Department of Micro, Small and Medium Enterprises, GoMP, introduced the MSME Policy, 2021 with a view to developing and promoting MSMEs in the State for employment generation and socio-economic growth. Under this Policy, MPLUN was the nodal agency for Cluster Development Scheme of the State and GoI, which aimed at creating infrastructure and Common Facility Centres for MSME clusters spread across the State. Audit noticed that MPLUN had not prepared any Strategic plan for its long-term, medium-term or short-term goals.

Further, although the Company has extended marketing assistance to Small-Scale Industrial (SSI) units, it had not prepared any plans for promotion and development of the SSI units in the State or for managing/developing the cluster approach as envisioned in the MSME Policy.

(Paragraph 2.2.4)

- In the review of 19 out of 57 selected Contracts, a variation of more than 10 *per cent* in the executed value of work compared to the estimate was observed. The variation in estimates ranged from (-) 62.92 and 41.23 *per cent*. This indicates that the estimates were not prepared with proper surveys, investigations, and detailed analyses.

(Paragraph 2.2.5.1)

- In the review of 31 out of 57 selected contracts, Contractors executed construction works using various quantities of minor minerals. However, neither the royalty of ₹ 2.79 crore was deducted by the Company and deposited in the Government accounts, nor was the “No Dues Certificate of royalty” obtained from the contractors as required before making final payments.

(Paragraph 2.2.5.3)

- During the review of 23 out of 57 selected contracts, it was observed that Contractors did not deploy the mandatory technical staff as per the General Conditions of Contracts. For non-compliance with the provisions of the GCC, a penalty of ₹ 1.66 crore was not levied on the contractors.

(Paragraph 2.2.5.4)

- During the review of 29 out of 57 selected Contracts, delays ranging between 87 days to 577 days were observed in the execution of the Contracts. However, Liquidated Damages of ₹ 5.71 crore as per General Conditions of Contract were not levied.

(Paragraph 2.2.5.5)

- The MPLUN Ltd. did not meet certain requirements of the Companies Act, highlighting weak internal controls and oversight. These included: conducting only eight Board of Directors meetings instead of the mandated 12, delay in finalising Accounts of the Company for the years 2020-21 to 2022-23, and not spending any amount on Corporate Social Responsibility activities in the last three years despite being a profit-making entity during that period.

(Paragraph 2.2.9.1, 2.2.9.2 and 2.2.9.3)

Subject Specific Compliance Audit on Promotion and Development of New and Renewable energy in Madhya Pradesh

- The State of Madhya Pradesh has target for renewable energy capacity of 12,018.00 MW against which, cumulative capacity created up to March 2023 was 5,732.13 MW (47.70 *per cent*). Audit compared the achievement with the performance of five major States - Gujarat, Karnataka, Tamil Nadu, Rajasthan and Maharashtra up to March 2023, and observed that the achievement in these five States ranged between 57.87 *per cent* and 172.39 *per cent*, which is higher than that of Madhya Pradesh.

(Paragraph 2.3.3.1)

- Madhya Pradesh New and Renewable Energy Department (MPNRED) entered a Land Use Permission Agreement with Rewa Ultra Mega Solar Limited (RUMSL) in April 2017 for Rewa Solar Park. MPNRED was required to collect land use charges in five equal annual installments starting from April 2017 but neither raised demand nor timely recovered these payments. MPNRED also did not impose interest charges of ₹ 8.16 crore for the delayed payments, as required under the Government order. Similarly, in case of ASN projects (another project of RUMSL) of solar parks, MPNRED could not recover the land use charges of ₹ 25.12 crore from RUMSL till March 2023, nor had it levied interest charges of ₹ 2.65 crore (up to March 2023) for delay in payment of land use charges.

(Paragraph 2.3.3.3)

- There were delays ranging from one month to 16 months in the installation of the grid-connected solar rooftop systems by contractors in 27 out of 38 CAPEX projects. Additionally, in 14 projects out of 27 Renewable Energy Service Company (RESCO) projects, the installation delays were between one month to seven months. This delay resulted in subsequent delays in the commissioning of projects.

(Paragraph 2.3.4.3 A)

- The MPUVNL could not recover ₹ 3.32 crore from nine Government institutions (March 2023) for their user share, despite lapse of more than four years since the commissioning of solar rooftop system.

(Paragraph 2.3.4.3 E)

- Contractors had to ensure that all off-grid solar rooftop systems with a capacity of 5 KW or more were equipped with Supervisory Control and Data Acquisition (SCADA) capabilities. MPUVNL was to remotely monitor data from these SCADA-enabled systems for performance analysis. However, none of the five selected off-grid projects of 5 KW or more have got SCADA/RMS capabilities. As a result, the desired level of performance could not be monitored/ensured by the MPUVNL.

(Paragraph 2.3.4.3 F)

- Under the Mukhya Mantri Solar Pump Scheme, the MPUVNL collected an excess amount of ₹ 9.78 crore from the beneficiaries of 1 HP, 2 HP and 5 HP solar agriculture pumps, whereas on the other hand, there was a shortfall of ₹ 5.55 crore from the beneficiaries of 3 HP pumps.

(Paragraph 2.3.5.1)

- As of 31 March 2023, only 98.78 MW of solar power PPAs were signed under the Component A of Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PMKUSUM) significantly below the State's target of 500 MW, with only three MW commissioned, representing less than one *per cent* of the target achievement.

(Paragraph 2.3.5.2 A)

Subject Specific Compliance Audit on Implementation of Integrated Power Development Scheme (IPDS) by Power Distribution Companies (DISCOMs) of Madhya Pradesh

- Under the IPDS scheme guidelines, the completion of optical fibre missing links under the establishment of the National Optical Fibre Network (NOFN) was to be done. However, DISCOMs had not carried out surveys to identify the missing links to connect their sub-stations/offices with NOFN. Detailed Project Report of NOFN was neither prepared by any DISCOMs nor submitted to Nodal Agency (i.e., Power Finance Corporation) to implement this component under the scheme.

(Paragraph 2.4.5.4)

- The DISCOMs issued Standard Bidding Documents (SBD) for all 43 circles with specific techno-commercial and financial evaluation criteria for bidders. However, upon comparing the SBD with the bid documents (NITs) for each Lot, audit observed significant deviations in the technical criteria, leading to moderated eligibility standards that permitted weaker firms to compete in the bidding process.

(Paragraph 2.4.6.2 A)

- In March 2016, the Monitoring Committee approved turnkey projects for MPPKVVCL across 12 Circles. Audit observed that tenders were invited without necessary inter-departmental committee analyses for deciding the viable package for turnkey projects, leading to multiple amendments, cancellations, and indecisions regarding execution. Comparing the item wise rates of awarded works (Lot-1 to 7) (₹ 216.02 crore) with those of the cancelled tenders (₹ 167.02 crore), Audit observed that the Company had to award works at higher rates, which resulted in additional cost of ₹ 49.00 crore in system strengthening works.

(Paragraph 2.4.6.3)

- DPRs of MPPKVVCL and MPPuKVVCL were prepared based on the Schedule of Rates for the year 2014-15, without considering the escalated cost during the execution period. Consequently, both the DISCOMs were forced to curtail the quantities of sanctioned DPR to match the estimated cost within the sanctioned cost. This led to non-execution of the works amounting to ₹ 53.35 crore, and a corresponding forfeiture of grant (60 *per cent*) worth ₹ 32.01 crore under the scheme.

(Paragraph 2.4.6.4)

- In March 2017, while assessing the techno-commercial bid, MPPKVVCL noted that a Contractor declared a 'nil' history of past litigation in the bid application, despite having previously disclosed three litigation cases when applying for a contract under the DDUGJY Scheme. However, MPPKVVCL, based on opinion of its legal department that the bidder had 'no consistent history of litigation', awarded the work valued at ₹ 21.23 crore to Contractor with the apparent known history of litigation.

(Paragraph 2.4.6.5)

- Audit of MPPKVVCL, MPPuKVVCL, and MPMKVVCL identified significant deviations between the quantities specified in the Bill of Quantity of NIT and those executed, as recorded in the Closure report for major works in all 43 Circles. The variations in 10 key items ranged from 13.11 to 900 *per cent*. There was also a lack of justification for these substantial changes presented to the Distribution Reform Committee.

(Paragraph 2.4.7.1)

- Audit observed that due to poor progress, non-deployment of sufficient labour, non-procurement of material/equipment, improper management of the project etc. descoping was done in 21 projects worth ₹ 130.83 crore in all three DISCOMs.

(Paragraph 2.4.7.2)

- There was cost overrun of ₹ 48.99 crore in eight Circles due to delayed initiation of tendering, cancellations of tenders, frequent time extensions, poor progress of turnkey Contractors etc.

(Paragraph 2.4.7.4)

- The MPPKVVCL issued tenders based on SoR for the year 2016-17 and the bids were finalised on (+/-) rates over and above the SoR rates. The SoR rates were the basis for the preparation of NITs on which bidders quote their rates. Audit observed that in all 10 projects, the rates of some items in the NIT itself were higher than that of relevant SoR 2016-17 rates. This led to undue favour and payment of higher rates to the Contractors worth ₹ 34.38 crore.

(Paragraph 2.4.7.6)

- The Central Vigilance Commission (CVC) Guidelines stipulate that consultants should be selected transparently through competitive bidding and that their payment should be correlated with work progress. Audit observed that the MPMKVVCL awarded works on a nomination basis to PMAs. Further, the rates awarded were one *per cent* higher (excluding DPR and tendering works) than those awarded by the other two DISCOMs, resulting in an avoidable expenditure of ₹ 4.25 crore. Further, all the three DISCOMS made fixed payments to the consultants, amounting to ₹ 4.24 crore, in contravention of CVC Guidelines.

(Paragraph 2.4.7.8)

- Against 4,32,114 consumer meters proposed to be installed in 12 Circles under the scheme, 2,43,998 meters (56.47 *per cent*) could only be installed up to 31 March 2023. Thus, in the absence of complete metering, the scheme's primary objective of ensuring accurate and reliable energy accounting on a sustainable basis was yet to be achieved.

(Paragraph 2.4.7.10)

- TKCs engaged by the MPPKVVCL and MPPuKVVCL in all 25 Circles (except Barwani Circle and Khandwa Circle) were granted time extension after the expiry of the original contract timelines. Audit observed that the reasons cited by the TKCs for the delays were within their control. However, the time extension proposals were not adequately scrutinised by the Field Offices, Project Management Agency, or the DISCOM headquarters. This lack of due diligence resulted in financial losses of ₹ 17.18 crore to the MPPKVVCL and ₹ 21.84 crore to MPPuKVVCL.

(Paragraph 2.4.7.13)

- While the MPPKVVCL refinanced its loan from Punjab National Bank at an interest rate of 6.70 *per cent*, on the directions of GoMP (December 2019), the MPPuKVVCL did not refinance, resulting in an excess interest payment of ₹ 21.92 crore. Additionally, the MPMKVVCL did not provide any such information.

(Paragraph 2.4.7.16)

Chapter I

Functioning of State Public Sector Enterprises

Chapter-I: Functioning of State Public Sector Enterprises

1.1 Introduction

The State Public Sector Enterprises (SPSEs) comprise of State Government Companies and Statutory Corporations. The SPSEs were established to carry out activities of commercial nature, keeping in view the welfare of the people and contribute to the State economy. As on 31 March 2023, there were 73 SPSEs in Madhya Pradesh. The details are given in **Table 1.1** below.

Table 1.1: Total number of SPSEs as on 31 March 2023

Type of SPSEs	Total
Government Companies ¹	61
Statutory Corporations ²	03
Government Controlled other Company ³	09
Total	73

(Source: information furnished by the Companies/Corporations)

As on 31 March 2023, there were 73 SPSEs in Madhya Pradesh as detailed in **Appendix 1.1 (a)**, including 61 Government Companies, three Statutory Corporations⁴ and nine Government Controlled other Companies⁵. During the year, no Government Companies got dissolved/ merged, whereas one Government Company⁶ came under the audit jurisdiction of the Comptroller and Auditor General of India. None of the companies were listed on the stock exchange. Further, there are 15 SPSEs⁷ which had ceased their operations during the last three to 33 years.

Out of 73 SPSEs, 46 SPSEs had submitted at least one account for the period 2020-21, 2021-22 and 2022-23 by 30 September 2023. This report covers only 32 working SPSEs and does not include 41 SPSEs (14 SPSEs whose latest accounts⁸ were available but declared 'nil' turnover for the last three or more years, and 21 SPSEs which have been inactive, or accounts are in arrears for three to 33 years and in respect of six SPSEs first accounts have not been received as on September 2023).

¹ Government Companies referred to in Section 2 (45) of the Companies Act, 2013.

² Any Corporation set up under a statute enacted by Parliament/ State Legislature is called a Statutory Corporation.

³ As define in the Companies (Removal of Difficulties) Seventh Order, 2014 notified (4 September 2014) any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are called Government Controlled Other Company.

⁴ Madhya Pradesh State Road Transport Corporation, Madhya Pradesh State Warehousing & Logistic Corporation and Madhya Pradesh Financial Corporation.

⁵ As detailed in **Appendix 1.1** S.no. 65 to 73.

⁶ Madhya Pradesh Building Development Corporation Limited.

⁷ As detailed in **Appendix 1.1** S.no. 48 to 61 and 64.

⁸ Any/all of the accounts for the period 2020-21 to 2022-23.

Table 1.2: Summary of financial performance of State Public Sector Enterprises covered in this Report (Government Companies and Statutory Corporations)

Government Company	
I. Total number of State Public Sector Enterprises	24
Paid up capital (₹ in crore)	47,921.01
Long term Loans (₹ in crore)	51,401.61
Total Assets (₹ in crore)	1,58,382.49
Net worth (₹ in crore)	(-)11,908.38
II. Financial performance	
Profit earning (in numbers)	09
Net profit (₹ in crore)	550.27
Dividend declared/paid (in five) (₹ in crore)	42.45
Loss making (in numbers)	11
Net loss (₹ in crore)	(-)1,940.45
No Profit No Loss (in numbers)	04 ⁹
First Accounts Not Received (in numbers)	05 ¹⁰
Government Controlled other Companies	
I. Total number of State Public Sector Enterprises	08
Paid up capital (₹ in crore)	1,201.10
Long term Loans (₹ in crore)	--
Total Assets (₹ in crore)	4,283.10
Net worth (₹ in crore)	1,369.62
II. Financial performance	
Profit earning (in numbers)	02
Net profit (₹ in crore)	1.95
Dividend declared/paid	--
Loss making (in numbers)	01
Net loss (₹ in crore)	(-)0.05
No Profit No Loss (in numbers)	05 ¹¹
First Accounts Not Received (in numbers)	01 ¹²

(Source: Information compiled on the basis of latest financial statements of SPSEs)

Based on nature of activities undertaken, these 32 SPSEs (including eight Government Controlled other Companies) have been categorised into six sectors as depicted in **Table 1.3** and the major financial statistics in respect of these 32 SPSEs are depicted in **Appendix 1.1 (b)**.

Table 1.3: Sector wise turnover vis-à-vis share of turnover of SPSEs in Gross State Domestic Product of Madhya Pradesh

(₹ in crore)				
Sl. No.	Name of the Sector	Number of SPSEs	Turnover for the year	Percentage Share of Turnover in Gross State Domestic Product
1.	Power	07	94,513.83	7.14
2.	Agriculture and Allied	02	680.89	0.05

⁹ Madhya Pradesh Power Management Company Limited, Madhya Pradesh Urja Vikas Nigam Limited, Bhopal Electronics Manufacturing Park Limited and Jabalpur Electronics Manufacturing Park Limited.

¹⁰ Burhanpur City Transport Services, Ratlam Bus Services Limited, Madhya Pradesh State Assets Management Company Limited, Singrauli Airport Company Limited and Madhya Pradesh Building Development Corporation Limited.

¹¹ Ujjain Smart City Limited, Bhopal Smart City Development Corporation Limited, Gwalior Smart City Development Corporation Limited, Satna Smart City Development Corporation Limited and B-Nest Foundation.

¹² Indore Idea Factory Foundation.

Sl. No.	Name of the Sector	Number of SPSEs	Turnover for the year	Percentage Share of Turnover in Gross State Domestic Product
3.	Service	02	30.92	0.01
4.	Infrastructure	10	138.02	0.01
5.	Industries	10	219.84	0.01
6.	Finance	01	61.61	0.01
Total		32	95,645.11	7.23

(Source: Information compiled on the basis of latest financial statements of SPSEs)

The turnover (₹ 95,645.11 crore) of these 32 SPSEs was 7.23 *per cent* of the Gross State Domestic Product of Madhya Pradesh (₹ 13,22,821 crore) for the year 2022-23. Power sector alone accounts for over 98 *per cent* of the total turnover of the SPSEs during 2022-23.

Out of 32 SPSEs covered in this Report, 11 SPSEs earned a combined profit of ₹ 552.22 crore in 2022-23, 12 SPSEs incurred losses to ₹ 1,940.50 crore in 2022-23 as per their latest finalised accounts. Remaining nine SPSEs had no profit no loss during 2022-23.

1.2 Accountability framework

The audit of the financial statements of a Company in respect of financial years commencing on or after 1 April 2014 is governed by the provisions of the Companies Act, 2013. The audit of a Company in respect of the financial years that commenced earlier than 1 April 2014, however, continues to be governed by the Companies Act, 1956.

According to Section 2(45) of the Companies Act, 2013 (Act), a Government Company is one in which not less than 51 *per cent* of the paid-up capital is held by the Central and/or State Government(s). The subsidiary of a Government Company is also covered under the definition of a Government Company. The process of audit of Government Companies under the Act is governed by the related provisions of Section 139 and 143 of the Act.

1.2.1 Statutory Audit

Audit of Statutory corporations is governed by their respective legislations. In case of three Statutory Corporations, the Comptroller and Auditor General of India is the sole auditor for Madhya Pradesh State Road Transport Corporation whereas in respect of Madhya Pradesh Warehousing and Logistics Corporation and Madhya Pradesh Financial Corporation, the audit is conducted by the Chartered Accountants appointed under the respective statutes and thereafter, supplementary audit is conducted by the Comptroller and Auditor General of India.

1.2.2 Role of Government and Legislature

The State Government exercises control over the affairs of these SPSEs through its administrative departments. The Chief Executive and Directors on the Board of these SPSEs are appointed by the State Government.

The State Legislature also monitors the accounting and utilisation of Government investment in the SPSEs. For this purpose, the Annual Reports of State Government Companies together with the Statutory Auditors' Reports and comments of the CAG thereon are to be placed before the Legislature under Section 394 of the Act. Similarly, the Annual Reports of Statutory Corporations along with the Separate Audit Reports of CAG are to be placed before the Legislature as per the stipulations made under their respective governing Acts. The Audit Reports of CAG are submitted

to the Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

1.3 Stake of Government of Madhya Pradesh

The State Government stake in SPSEs falls under three broad categories, *i.e.*, Share Capital and Loans, Special Budgetary Support by way of grants and subsidies and Guarantees of loans availed by SPSEs from Financial Institutions.

- **Share Capital and Loans** - In addition to the Share Capital Contribution, State Government also provides financial assistance by way of loans to the SPSEs from time to time.
- **Special Financial Support** - State Government provides budgetary support by way of grants and subsidies to the SPSEs as and when required.
- **Guarantees** - State Government also guarantees the repayment of loans with interest availed by the SPSEs from Financial Institutions.

1.4 Investment in SPSEs

1.4.1 Equity holding and loans given to SPSEs

As per the Finance Accounts¹³, GoMP for the year ended 2023, the Government had invested ₹ 68,060.51 crore (equity and long-term loan) across all SPSEs, of which ₹ 64,871.76 crore¹⁴ was the investment in the 73 SPSEs (equity and loans) at the end of March 2023. The details pertaining to the 73 SPSEs are given in **Table 1.4**.

Table 1.4: Total equity investment and loans in State Government Public Sector Enterprises¹⁵

(₹ in crore)

Sources of investment	As on 31 March 2021			As on 31 March 2022			As on 31 March 2023		
	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total
State Government	30,244.60	31,820.52	62,065.12	31,421.75	31,597.77	63,019.52	32,667.50	32,204.26	64,871.76
Central Government	221.88	0.00	221.88	649.79	419.09	1,068.88	639.11	653.85	1,292.96
Others	19,327.67	24,538.08	43,865.75	19,445.90	25,415.33	44,861.23	19,742.66	23,334.04	43,076.70
Total	49,794.15	56,358.60	1,06,152.75	51,517.44	57,432.19	1,08,949.63	53,049.27	56,192.15	1,09,241.42
Share of State Government in Total Investment (in per cent)	60.74	56.46	58.47	60.99	55.02	57.84	61.57	57.31	59.38

(Source: Compiled from latest financial statements received as on 30 September 2023 and information provided by SPSEs)

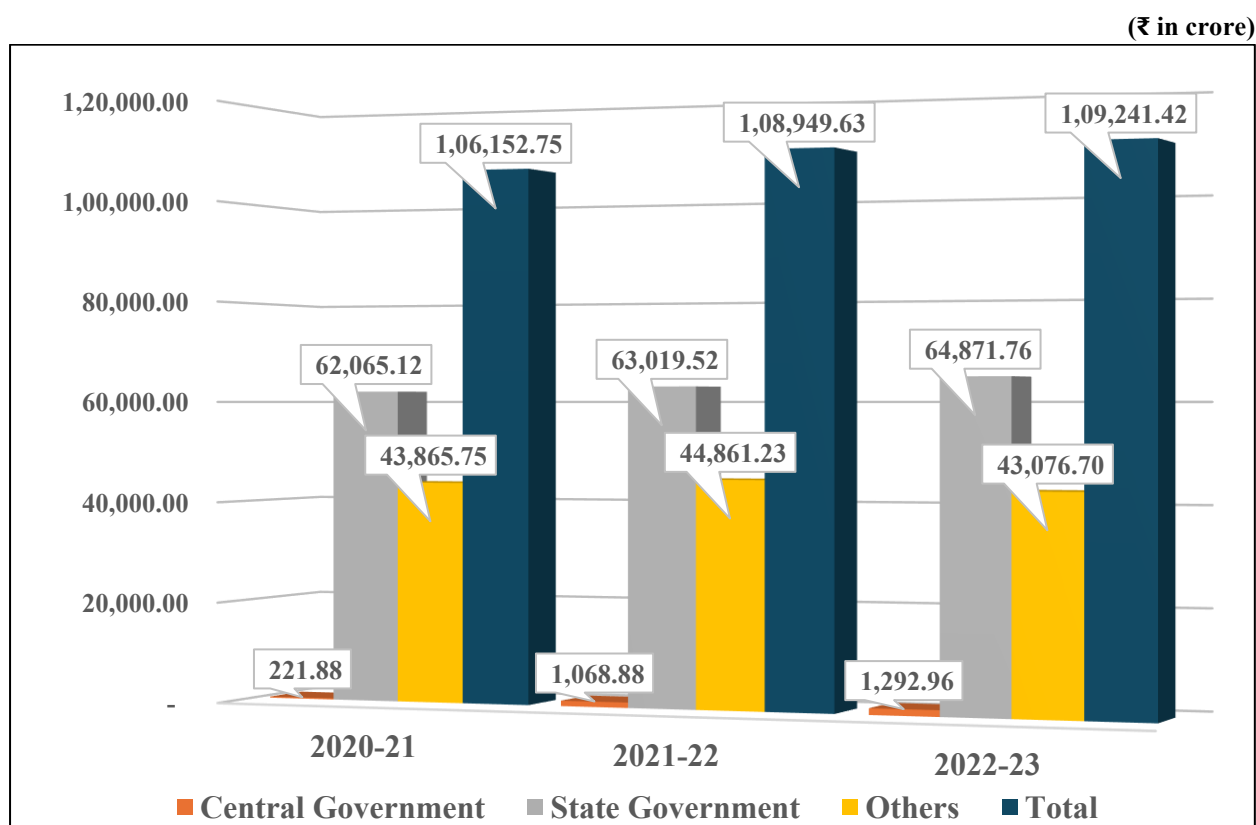
¹³ Statements 18 and 19 of the Finance Accounts for the year ended 31 March 2023.

¹⁴ As per the latest financial statements received as on 30 September 2023 and information provided by SPSEs.

¹⁵ Total investment includes investment made by State Government, Central Government and other institutions.

The total investment in these SPSEs marginally increased by three *per cent* in during 2020-21 to 2022-23. Over the three years, investment in equity was raised by ₹ 3,255.12 crore to bring it closer to the loan component. During 2021-23, the Long-Term loans in these SPSEs registered a marginal decrease from ₹ 56,358.60 crore in 2020-21 to ₹ 56,192.15 crore in 2022-23. Out of the total loans of SPSEs amounting to ₹ 56,192.15 crore as on 31 March 2023, loans from State Government were ₹ 32,204.26 crore (57.31 *per cent*).

Chart 1.1 Investment in SPSEs



1.5 Special support and returns during the year

1.5.1 Information on Subsidy, Grants and Guarantees by Central/State Government

The Government of Madhya Pradesh provides financial support to SPSEs in the form of grants and subsidies through the annual budget. In addition, the Government provides guarantees for loans raised by the SPSEs for which it charges guarantees commission at the rate of half a *per cent* to one *per cent* per annum.

The data was sought from SPSEs to determine the receipt of grants, subsidies, and guarantee commitments from the GoMP during the financial year. For the year 2022-23, data was provided by 24¹⁶ out of the 73 SPSEs. The remaining 49 SPSEs did not supply information despite being requested (December 2023).

The details of year wise receipt of budgetary support during the last three years are given in **Table 1.5**.

¹⁶ 19 out of 24 SPSEs intimated the guarantee figures as “Nil”.

Table 1.5: Details regarding budgetary support to SPSEs

(₹ in crore)

Sl. No.	Particulars ¹⁷	2020-21		2021-22		2022-23	
		No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
(i)	Grants/Subsidies provided	13	20,414.17	09	32,768.78	06	37,592.06
(ii)	Guarantees Outstanding	05	5,297.52	05	9,107.71	05	5,548.58
(iii)	Guarantee Commitment	04	9,022.50	03	2,160.10	05	10,211.87

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

Furthermore, the figures of outstanding guarantees and commitments were compared with the Finance Account of GoMP for the year ending 31 March 2023. As per the Finance Accounts 2022-23, the total amount of guarantees (Principal + Interest) outstanding as of 31 March 2023 was ₹ 6,723.70 crore, in respect of five¹⁸ SPSEs. However, based on the data provided by these five SPSEs, the total guarantee figures amounted to ₹ 5,548.59 crore. Additionally, apart from these five SPSEs, three¹⁹ more SPSEs were mentioned in the Finance Account, with a guarantee outstanding figure of ₹ 1,315.01 crore.

The discrepancy between the Finance Account figures and the data maintained or provided by the SPSEs requires reconciliation between the two.

1.6 Arrears in finalisation of accounts

The Financial Statements of the Companies for every financial year are required to be finalised within six months from the end of the relevant financial year *i.e.* by September end in accordance with the provisions of Section 96(1) of the Act. Failure to do so may attract penal provisions under Section 99 of the Act. Similarly, in case of Statutory Corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

Table 1.6 provides the details of progress made by working SPSEs in finalisation of accounts as on 30 September 2023.

Table 1.6: Position relating to finalisation of accounts of working SPSEs

Sl. No.	Particulars	2022-23
1.	Number of SPSEs	73
2.	Number of accounts finalised during the year	51
3.	Number of accounts in arrears	258
4.	Number of SPSEs with arrears in accounts	66
5.	Extent of arrears (in years)	1 to 33

(Source: Records of the office and information furnished by the SPSEs)

¹⁷ Amount represents outgo from State Budget only.

¹⁸ MP Power Transmission Company Ltd., MP Paschim Kshetra Vidyut Vitaran Company Ltd., MP Madhya Kshetra Vidyut Vitaran Company Ltd., MP Financial Corporation, and M.P. Urban Development Corporation Ltd.

¹⁹ MP Power Generating Company Ltd., MP Poorv Kshetra Vidyut Vitaran Company Ltd., and MP Police Housing and Infrastructure Development Corporation Ltd.

The administrative departments have the responsibility to oversee the activities of the SPSEs. The administrative departments concerned were also responsible to ensure that the SPSEs finalise and adopt their accounts within the stipulated period. In view of the huge arrears in submission of accounts by the SPSEs, the Accountant General (AG) had been taking up (December 2023) the matter regularly with the State Government and the administrative departments concerned for liquidating the arrears of accounts of SPSEs. As on September 2023, however, 66 SPSEs had backlog of 258 accounts with period of arrears ranging up to 33 years, which was significant as depicted in **Appendix 1.2**.

1.7 Impact of arrears in accounts

Delays in finalisation of the accounts entail the risk of fraud and leakage of public money apart from violation of the provisions of the relevant Statutes. In view of the position of arrears of accounts indicated under Paragraph 1.6, the actual contribution of SPSEs to the State GDP for the year 2022-23 could not be ascertained and their contribution to State exchequer could not be reported to the State Legislature.

The Government may therefore, consider:

- *to implement a robust monitoring and accountability system to ensure that all SPSEs adhere to the statutory deadlines for finalising and submitting accounts, thereby nurturing transparency and financial discipline within these organisations.*

1.8 Performance of SPSEs as per their latest finalised accounts

1.8.1 Profit earned by SPSEs

Out of 32 SPSEs covered in this Report, 11 SPSEs earned a combined profit of ₹ 552.22 crore in 2022-23 as compared to 13 SPSEs (out of 32 SPSEs) which earned profit of ₹ 1,797.34 crore in 2021-22. Decline in aggregate profit is mainly attributable to writing off the trade receivable by the M.P. Power Transmission Company Limited to the tune of ₹ 895.94 crore. Three top SPSEs contributed 74.18 per cent of the total profit in 2022-23. The details are given in **Table 1.7**:

Table 1.7: Top SPSEs which contributed maximum profit

(₹ in crore)		
Name of SPSEs	Net profit earned	Percentage of profit to total SPSEs profit
MP Warehousing and Logistics Corporation	208.53	37.76
MP Power Transmission Company Limited	141.66	25.65
MP Rajya Van Vikas Nigam Limited	59.49	10.77
Total	409.68	74.18

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

1.8.2 Dividend paid by SPSEs

As per State Government policy (July 2005), all profit-making SPSEs are required to pay a minimum return of 20 per cent of the profit after tax.

Table 1.8: Dividend Payout of SPSEs

(₹ in crore)

Year	Total SPSEs				Dividend Payout in <i>per cent</i>
	which earned profit		which declared/ paid dividend		
1	2	3	4	5	6=5*100/3
2020-21	18	671.29	6	25.29	3.78
2021-22	13	1,797.34	5	25.95	1.44
2022-23	11	552.22	5	42.45	7.68

(Source: Information furnished by the SPSEs)

As can be seen from the above table, out of 32 SPSEs covered in this Report, 11 SPSEs earned a combined net profit of ₹ 552.22 crore, against which minimum dividend of ₹ 110.44 crore was to be paid to the Government. Against these, only five SPSEs declared/paid dividend totalling ₹ 42.45 crore, resulting in minimum short payment of ₹ 67.99 crore. Only three²⁰ SPSEs paid the minimum prescribed return, while the remaining two²¹ SPSEs did not paid the minimum prescribed return. Hence, eight SPSEs did not adhere to the State Government dividend policy provision of paying dividend/ minimum dividend.

1.8.3 Return on Capital Employed

Return on Capital Employed measures a company's profitability and the efficiency with which its capital is employed. Return on Capital Employed is calculated by dividing a company's earnings before interest and taxes by the capital employed²². The details of Return on Capital Employed of 32 working SPSEs during the period 2020-21 to 2022-23 are given in **Table 1.9**.

Table 1.9: Return on Capital Employed

(₹ in crore)

Particulars	Year	No. of SPSEs	Earnings Before Interest and Tax	Capital Employed	Return on Capital Employed (in per cent)
Government Companies/ Government Controlled other Companies					
Profit earning	2020-21	17	4,027.28	26,367.14	15.27
	2021-22	12	3,475.95	24,961.21	13.93
	2022-23	10	2,535.27	23,945.41	10.59
Loss incurring	2020-21	13	-348.96	4,525.85	-7.71
	2021-22	10	-3,139.90	-3,999.67	--
	2022-23	11	1,426.10	-4,593.48	-31.05
No profit / No loss	2020-21	07	209.56	1,015.63	20.63
	2021-22	08	-32.65	18,311.45	-0.18
	2022-23	09	-359.37	18,785.21	-1.91
Statutory Corporation					
Profit earning	2020-21	1	353.87	1,213.62	29.16
	2021-22	1	554.48	1,348.42	41.12
	2022-23	1	289.11	1,943.53	14.88
Loss incurring	2020-21	1	25.41	855.25	2.97
	2021-22	1	-6.92	782.18	-0.88

²⁰ Madhya Pradesh State Mining Corporation Limited, Madhya Pradesh State Electronics Development Corporation, Madhya Pradesh Rajya Van Vikas Nigam.

²¹ Madhya Pradesh Warehousing Logistic Corporation and Madhya Pradesh Public Health Services Corporation Limited.

²² Capital Employed = Paid up Share capital + Free Reserves and surplus + Long-term loans – Accumulated losses – Deferred Revenue Expenditure.

Particulars	Year	No. of SPSEs	Earnings Before Interest and Tax	Capital Employed	Return on Capital Employed (in per cent)
	2022-23	1	-6.92	782.18	-0.88
No profit / No loss	2020-21	--	--	--	--
	2021-22	--	--	--	--
	2022-23	--	--	--	--
Total	2020-21	39	4,057.60	32,965.98	12.31
	2021-22	32	850.96	41,403.59	2.06
	2022-23	32	3,884.19	40,862.85	9.51

(Source: Compiled on the basis of latest financial statement of SPSEs.)

As can be seen from the above table, Return on Capital Employed (RoCE) in 32 SPSEs is on a downward trend from 12.31 *per cent* to 9.51 *per cent* during the period 2020-23. Further, the RoCE of 13 out of 32 SPSEs (all the seven²³ Power Sector SPSEs and six²⁴ non-Power Sector SPSEs) which generate their own revenue and run on commercial lines was positive (11.49 *per cent*) for the year 2022-23. The RoCE of the remaining 19 SPSEs in Non-Power Sector which run on non-commercial lines was negative (0.55 *per cent*) for the year 2022-23. Out of the 13 SPSEs running on commercial lines, six²⁵ SPSEs (five Government Companies and one Statutory Corporation) incurred losses during 2022-23.

1.8.4 Losses incurred

Out of 32 SPSEs, there were 12 SPSEs that incurred losses as per their latest finalised accounts. The losses incurred by these SPSEs decreased to ₹ 1,940.50 crore in 2022-23 as per their latest finalised accounts from ₹ 4,009.02 crore in 2020-21, as given in **Table 1.10** below:

Table 1.10: Number of SPSEs that incurred losses during 2020-21 to 2022-23

(₹ in crore)

Year	No. of loss making SPSEs	Net Loss for the year	Accumulated loss	Net worth ²⁶
Government Companies				
2020-21	11	3,970.75	52,983.52	-34,076.56
2021-22	08	6,473.77	58,728.72	-39,924.63
2022-23	10	1,891.15	60,702.30	-41,622.36
Statutory Corporation				
2020-21	01	37.89	12.09	424.83
2021-22	01	49.30	12.09	424.78
2022-23	01	49.30	12.09	424.78
Government Controlled other Companies				
2020-21	02	0.38	0.16	239.94
2021-22	02	0.05	0.07	498.33
2022-23	01	0.05	0.12	199.88

²³ MP Power Generating Company Limited, MP Power Transmission Company Limited, MP Power Management Company Limited, MP Urja Vikas Nigam Limited, MP Poorv Kshetra Vidyut Vitran Company Limited, MP Paschim Kshetra Vidyut Vitran Company Limited and MP Madhya Kshetra Vidyut Vitran Company Limited.

²⁴ MP Rajya Van Vikas Nigam Limited, MP Hotel Corporation Limited, MP State Mining Corporation Limited, MP Jal Nigam Maryadit, MP Warehousing and Logistics Corporation and MP Financial Corporation.

²⁵ Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited, Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited, MP Jal Nigam Maryadit, MP Hotel Corporation and MP Financial Corporation.

²⁶ Net worth = Paid-up Capital + Free Reserves and Surplus – (Accumulated losses + Deferred Revenue Expenditure).

Year	No. of loss making SPSEs	Net Loss for the year	Accumulated loss	Net worth
Total				
2020-21	14	4,009.02	52,971.59	-33,411.79
2021-22	11	6,523.12	58,716.70	-39,001.52
2022-23	12	1,940.50	60,690.33	-40,997.70

(Source: Compiled on the basis of latest financial statement of SPSEs.)

In 2022-23, out of total loss of ₹ 1,940.50 crore incurred by 12 SPSEs, major portion viz 91 per cent amounting to ₹ 1,779.26 crore was contributed by²⁷ three power sector SPSEs. Keeping in view of its importance for the economic development of the state and to ensures its continuity, the power sector companies operate on the subsidy/ grant by the Government. It has been observed that despite making regular claims, full amount of subsidy was not timely/regularly released by the GoMP to DISCOMs, which led to fund deficit due to which working capital loans have been taken by the DISCOMs, attracting finance/ interest cost, eventually creating a vicious circle of losses increasing the expenses. Details of investment in these SPSEs are given in **Table 1.11** below:

Table 1.11: Investment in SPSEs which have incurred losses in 2022-23

(₹ in crore)										
Sl. No.	Name of Companies/ Corporation	Paid-up capital				Long Term Borrowing				Net Loss after Tax
		GoMP	GoI	Others	Total	GoMP	GoI	Others	Total	
Government Companies										
1.	MP Poorv Kshetra Vidyut Vitaran Company Limited	0	0	6,133.01	6,133.01	9,237.63	0	1,903.83	11,141.46	-617.84
2.	MP Paschim Kshetra Vidyut Vitaran Company Limited	36	0	5,785.83	5,821.83	7,976.62	0	1,492.86	9,469.48	-903.88
3.	MP Madhya Kshetra Vidyut Vitaran Company Limited	0	0	6,072.70	6,072.70	8,022.65	0	3,891.47	11,914.12	-257.54
4.	DMIC Pithampur Jal Prabhandhan Limited	0	0	35	35	0	0	218.47	218.47	-12.69
5.	MP Plastic Park Development Corporation Limited	0	0	13.40	13.40	0	0	0	0	-0.53

²⁷ Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (MPPuKVVCL), Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPKVVCL) and Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL).

Sl. No.	Name of Companies/ Corporation	Paid-up capital				Long Term Borrowing				Net Loss after Tax
		GoMP	GoI	Others	Total	GoMP	GoI	Others	Total	
6.	MP Hotel Corporation Limited	0	0	1.60	1.60	0	0	4.00	4.00	-3.74
7.	DMIC Vikram Udyogpuri Limited	0	0	112.86	112.86	0	0	260.54	260.54	-76.39
8.	MP Jal Nigam Maryadit	100	0	0	100	0	0	0	0	-0.28
9.	MP Industrial Development Corporation Limited	0.80	0	0	0.80	2581.72	0	50.39	2632.11	-14.85
10.	M.P. Urban Development Corporation Limited	10	0	0	10	0	0	1,188.82	1,188.82	-3.41
Total		146.80	0	18,154.40	18,301.20	27,818.62	0.00	9,010.38	36,829.00	-1,891.15
Statutory Corporations										
11.	MP Financial Corporation	383.70	0	22.40	406.10	115.76	0.00	241.64	357.40	-49.30
Total		383.70	0	22.40	406.10	115.76	0.00	241.64	357.40	-49.30
Government Controlled Other Companies										
12.	Sagar Smart City Limited	0	0	200	200	0	0	0	0	-0.05
Total		0	0	200.00	200.00	0	0	0	0	-0.05
Grand total		530.50	0	18,376.80	18,907.30	27,934.38	0.00	9,252.02	37,186.40	-1,940.50

(Source: Compiled on the basis of latest financial statement of SPSEs.)

As on 31 March 2023, the total investment in 12 loss making SPSEs was ₹ 56,093.70 crore in which 33.71 per cent was equity capital (₹ 18,907.30 crore) and 66.29 per cent comprised of long-term loans (₹ 37,186.40 crore). Out of the total investment, State Government investment is ₹ 28,464.88 crore in terms of equity and long-term loan. Investment of ₹ 27,628.82 crore was raised from other sources.

1.8.5 Erosion of Capital in SPSEs

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

As on 31 March 2023, out of 32 SPSEs, there were 14 SPSEs with accumulated losses of ₹ 63,830.51 crore. Of these 14 SPSEs, nine SPSEs incurred losses amounting to ₹ 1,876.07 crore during 2022-23 and five SPSEs had not incurred loss, even though they had accumulated loss of ₹ 3,035.74 crore as per their latest finalised accounts.

The net worth of six out of 14 SPSEs had been completely eroded by accumulated loss and their net worth was either zero or negative. The net worth of these six SPSEs was (-) ₹ 42,410.39 crore against equity investment of ₹ 18,177.00 crore as on 31 March 2023. In six SPSEs whose capital

had been eroded, State Government equity and loans outstanding as on 31 March 2023 amounted to ₹ 36 crore and ₹ 25,236.90 crore respectively.

Table 1.12: Detail of SPSEs whose Net worth has eroded as per their latest finalised accounts

(₹ in crore)

Sl. No.	Name of SPSEs	Latest year of finalised Accounts	Total paid up capital	Net profit Loss after interest, tax and dividend	Accumulated losses	Net Worth	Net Worth eroded since the accounting period	State Government equity as on 31 March 2023	State Government loan as on 31 March 2023
1.	MP Madhya Kshetra Vidyut Vitaran Company Limited	2021-22	6,072.70	-257.54	-24,854.81	-18,712.96	2007-08	0.00	8,022.65
2.	MP Poorv Kshetra Vidyut Vitaran Company Limited	2021-22	6,133.01	-617.84	-22,621.39	-16,378.34	2007-08	0.00	9,237.63
3.	MP Paschim Kshetra Vidyut Vitaran Company Limited	2022-23	5,821.83	-903.88	-13,107.28	-7,285.45	2007-08	36.00	7,976.62
4.	DMIC Vikram Udyogpuri Limited	2021-22	112.86	-76.39	-125.12	-12.26	2021-22	0.00	0.00
5.	DMIC Pithampur Jal Prabhandhan Limited	2021-22	35.00	-12.69	-53.79	-18.79	2020-21	0.00	0.00
6.	MP Hotel Corporation Limited	2020-21	1.60	-3.74	-4.19	-2.59	2020-21	0.00	0.00
Total			18,177.00	-1,872.08	-60,766.58	-42,410.39		36.00	25,236.90

(Source: Compiled on the basis of latest financial statement of SPSEs.)

The net worth of the above-mentioned six SPSEs had been completely eroded by accumulated losses and their net worth was negative. The net worth of these six SPSEs has remained negative for a period ranging from one year to 16 years. The main source of receipt of these six SPSEs were revenue from operations, revenue on account of subsidy²⁸ from the Government of Madhya Pradesh and other miscellaneous receipts. Out of these six SPSEs, all the three Power Sector SPSEs namely MP Madhya Kshetra Vidyut Vitaran Company Limited, MP Poorv Kshetra Vidyut Vitaran Company Limited and MP Paschim Kshetra Vidyut Vitaran Company Limited, the

²⁸ 1. MP Madhya Kshetra Vidyut Vitaran Company Limited., 2. MP Poorv Kshetra Vidyut Vitaran Company Limited and 3. MP Paschim Kshetra Vidyut Vitaran Company Limited.

erosion of net worth was significant. On analysis of major parameters constituting both revenue and expenditure of these three DISCOMs, it is observed that major expenses incurred were for Power Purchasing, Transmission Cost, Employee Benefit Expenses (EBE) and Finance Cost, while the Receipts portion constitutes Revenue from Sale of Power and subsidy from the State Government. It has also been observed that revenue earned from sale of power does not fully mitigate the primary expenses of Power purchase cost and Transmission charges. Hence, for other major expenses like EBE, Finance Cost, *etc.*, subsidy/grant from the State Government falls short. Hence, it can be concluded that revenue from Sale of Power and subsidy from the State Government is not enough to overcome the increasing administrative expenses of the DISCOMs and hence the accumulated losses are increasing on year-on-year basis resulting in erosion of net worth. In the remaining three SPSEs the erosion is less significant.

1.9 Account Comments

1.9.1 Audit of accounts of SPSEs under Section 143 of the Companies Act, 2013

During the period under review (October 2022 to September 2023), 51 financial statements were received for audit, of which 44 pertained to the previous year. Out of the 51 financial statements received, supplementary audit of 23 financial statements pertaining to 23 SPSEs was conducted, and 61 comments were issued (names mentioned in **Appendix 1.3**), while nil comments were issued for another six financial statements (involving six SPSEs). Audit was under progress in respect of 10 cases (September 2023). In the remaining 12 financial statements (pertaining to 12 SPSEs), Non-Review Certificates were issued. The financial impact of significant comments, issued by the CAG on the financial statements of the SPSEs, on the profitability was ₹ 1,847.14 crore.

1.9.2 Significant comments of the Comptroller and Auditor General of India issued as supplement to the Statutory Auditors' reports

Subsequent to the audit of the financial statements by the Statutory Auditors, the Comptroller and Auditor General of India conducted supplementary audit of the financial statements of the SPSEs received during the reporting period (October 2022 to September 2023). Some of the significant comments on the financial statements of Government Companies and Government controlled other Companies, on the profitability and on the assets/liabilities are detailed in **Appendix 1.4**.

1.10 Disinvestment, Restructuring and Privatisation of SPSEs and any reforms in power sector

There was no information regarding any disinvestment or privatisation programme in any of the SPSEs.

1.11 Corporate Governance

Corporate Governance deals with adherence to Corporate Governance principles by the Government companies. Issues related to appointment of independent directors/women directors in the board of directors of the government companies, their presence in attending the meetings of the board of directors and the committees formed thereunder, holding of meetings of the board of directors etc. are highlighted.

1.11.1 Introduction

Corporate Governance focusses on building the confidence of various stakeholders including customers, suppliers, employees, shareholders, bankers, and society at large. A company is directed and controlled with the system of rules, practices, and processes of Corporate Governance. Further, Corporate Governance framework of any SPSE depends upon the four pillars namely transparency, full disclosure, independent monitoring, and fairness to all. Adherence to the Corporate Governance principles brings accountability, transparency in business and enhances confidence of the stakeholders.

1.11.2 Provisions contained in the Companies Act, 2013

The Companies Act, 2013 (Act) was enacted on 29 August 2013 replacing the Companies Act, 1956. In addition, the Ministry of Corporate Affairs has also notified (31 March 2014) Companies Rules 2014 on Management and Administration, Appointment and Qualification of Directors, Meetings of Board and its powers and Accounts. The Companies Act, 2013 together with the Companies Rules provide a robust framework for corporate governance. The requirement *inter alia* provides for:

Qualification for Independent Directors along with the duties and guidelines for professional conduct {Section 149 (6) read with rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014}

Mandatory appointment of one-woman director on the board of prescribed Companies {Section 149(1) of the Companies Act, 2013}

Mandatory establishment of certain committees like Audit Committee {Section 177(1) of the Companies Act, 2013}, Nomination and Remuneration Committee {Section 178(1) of the Companies Act, 2013}, and Stakeholders Relationship Committee {Section 178(5) of the Companies Act, 2013}

Holding of a minimum of four meetings of Board of Directors every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board {Section 173(1) of the Companies Act, 2013}

1.11.3 SEBI guidelines on Corporate Governance

Since none of the SPSEs is listed in the stock exchange, SEBI guidelines on Corporate Governance are not applicable on SPSEs.

1.12 Composition of Board of Directors

The Board is a collective body of either elected or appointed persons that meets at regular intervals to set policies for corporate management and oversee the activities of an organisation. As per Section 2(10) of the Companies Act, 2013 ‘Board of directors’ or ‘Board’, in relation to a company, means the collective body of the Directors of the company.

1.12.1 Independent Directors

The presence of independent representatives on the Board, capable of taking an independent view of the decisions of the management, is widely considered as a means of protecting the interests of shareholders and other stakeholders.

Section 149(6) of the Companies Act 2013 inter alia stipulated that an independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director and is a person of integrity and possesses relevant expertise and experience. Besides, the independent director shall neither be a promoter himself nor shall be related to the promoters/directors of the company or its holding, subsidiary or associate company. The independent director himself or his relatives shall not have any pecuniary relationship/ transaction (other than remuneration of independent director) with the company, or its subsidiary, or its holding or associate company beyond the monetary limits and during the period prescribed in this section. The independent director himself or his relatives shall not hold key managerial position or any other prescribed relationship viz. employee, auditors, company secretaries *etc.*, with the company or its holding, subsidiary or associate company during the timeframe prescribed in this section.

Section 149(4) of the Act, 2013 provides that every listed public company shall have at least one-third of the total number of directors as independent directors. Further, as per Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, (i) Public Companies having paid up share capital of ten crore rupees or more; or (ii) turnover of one hundred crore rupees or more; or (iii) have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees shall have at least two directors as independent directors.

Further, a company covered under this rule is also required to constitute an audit committee. Such Audit Committee shall consist of a minimum of three directors, with independent directors forming a majority as per section 177(2) of the Act, 2013.

Rule further provides that where a company ceases to fulfil any of three conditions for three consecutive years, it shall not be required to comply with these provisions until such time as it meets any of such conditions.

Further, as per Rule 4(2), three classes of unlisted public company i.e. a joint venture or a wholly owned subsidiary or a dormant company is not required to appoint an independent director.

As per the information available from the SPSEs, out of 73 SPSEs, 32 SPSEs, as shown in **Appendix 1.5**, were required to appoint Independent Directors (IDs) as per the provisions of the Act, 2013 and Rule 4 mentioned above during FY 2022-23. Based on the review of composition of the Board of Directors (BoD) a summarised status of appointment of independent directors in these SPSEs is given in **Table 1.13**

Table 1.13: Status of appointment of Independent Director (ID)

Particulars	As on 31 March 2023
No. of SPSEs required to appoint IDs	32
No. of SPSEs having required number of IDs	12
No. of SPSEs not having required number of IDs	01
Number of SPSEs not having any ID	19

(Source: Compiled on the basis of information provided by SPSEs)

1.12.2 Woman Director in the Board

Section 149(2) of the Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides for appointment of at least one-woman director in - (i) every listed company; (ii) every other public company having - (a) paid-up share capital of one hundred crore rupees or more; or (b) turnover of three hundred crore rupees or more. Further, any intermittent vacancy of a woman director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later.

As per the information available from the SPSEs, 19 SPSEs, as shown in **Appendix 1.5**, were required to appoint woman director during 2022-23. Of these 19 SPSEs, 11 SPSEs had at least one-woman director throughout FY 2022-23 as given in **Table 1.14**:

Table 1.14: SPSEs having at least one-woman director during FY 2022-23

Sl. No.	Name of SPSEs
1.	Madhya Pradesh Power Generating Company Limited
2.	Madhya Pradesh Power Transmission Company Limited
3.	Madhya Pradesh Power Management Company Limited
4.	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited
5.	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited
6.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited
7.	Madhya Pradesh Metro Rail Company Limited
8.	Jabalpur Smart City Development Corporation Limited
9.	Indore Smart City Development Corporation Limited
10.	Bhopal Smart City Development Corporation Limited
11.	MP Jal Nigam Maryadit

(Source: Compiled on the basis of information provided by SPSEs)

1.13 SPSEs Appointment and Functioning of Independent Directors

1.13.1 Issuance of formal letter of appointment and approval at General Meeting

As per schedule IV of the Companies Act 2013, appointment of independent director shall be approved at the meeting of shareholders (General Meeting). Further, the appointment of Independent Directors shall be formalised through a letter of appointment which shall set out the terms and conditions of appointment. Further, the terms and conditions of appointment of independent directors are also required to be posted on the Company's website.

1.13.2 Training of Independent Directors

As per Schedule IV {Para III (1)- Duties of Independent Directors} of the Companies Act, Independent Directors shall undergo appropriate induction training and regularly update and refresh their skills, knowledge, and familiarity with the company. As per the information available from the SPSEs, none of the SPSEs imparted such training for the Independent Directors who were on the Board during FY 2022-23.

1.13.3 Attending Board meetings, meetings of Board Committees and General meetings of the Company

Schedule IV(III) (3) of the Act, 2013 provides that Independent Directors should strive to attend all the meetings of Board of Directors and Board Committees of which he/she was a member.

1.13.3.1 Board meetings

Status of attendance of the independent directors who were on the Board at the time of the meeting are given in **Table 1.15**.

Table 1.15: Presence of Independent Directors in meetings of the Board

Sl. No.	Name of the SPSEs	No. of Board meeting	No. of meetings with 100% presence of ID
1.	Madhya Pradesh Power Transmission Company Limited	5	5
2.	Madhya Pradesh Urban Development Corporation Limited	1	1
3.	Madhya Pradesh Public Health Services Corporation Limited	5	1
4.	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	5	4
5.	Indore Smart City Development Corporation Limited	3	3
6.	Madhya Pradesh Power Management Company Limited	5	5
7.	Madhya Pradesh Power Generating Company Limited	6	2
8.	Jabalpur Smart City Development Corporation Limited	4	2
9.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	4	2
10.	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	6	2
11.	Bhopal Smart City Development Corporation Limited	4	3
12.	Narmada Basin Projects Company Limited	1	0
13.	MP Jal Nigam Maryadit	1	1

(Source: Compiled on the basis of information provided by SPSEs)

It could be seen from the table above that 100 per cent presence of Independent Directors was in 62 per cent of the Board Meetings.

1.13.3.2 Meeting of Board Committees

Audit Committee- The status of presence of the Independent Directors on board during Audit Committee meetings held in FY 2022-23 is given in **Table 1.16**.

Table 1.16: Attendance of ID in Audit Committee Meetings

Sl. No.	Name of the SPSEs	Date of meeting	No. of ID on Board	No. of IDs attended
1.	Madhya Pradesh Power Management Company Limited	26.04.2022	2	2
		01.12.2022	2	2
		03.01.2023	2	2
		15.02.2023	2	2
2.	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	29.04.2022	2	1
		22.07.2022	2	2
		29.09.2022	2	1
		23.12.2022	2	1
		17.02.2023	2	1
3.	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	27.06.2022	2	2
		25.08.2022	2	2
		25.11.2022	2	2
		27.02.2023	2	2

Sl. No.	Name of the SPSEs	Date of meeting	No. of ID on Board	No. of IDs attended
4.	Bhopal Smart City Development Corporation Limited	11.10.2022	3	2
5.	Indore Smart City Development Corporation Limited	07.09.2022 01.03.2023	2	2
6.	Madhya Pradesh Power Transmission Company Limited	27.04.2022 25.07.2022 27.09.2022 24.03.2023	1 1 1 3	1 1 1 3
7.	MP Public Health Services Corporation Ltd	28.02.2023	2	1
8.	Madhya Pradesh Urban Development Corporation Limited	02.02.2023	2	2
9.	Jabalpur Smart City Development Corporation Limited	05.01.2023	2	2
10.	MP Poorv Kshetra Vidyut Vitaran Company Ltd	13.12.2022 28.03.2023	2 2	1 2
11.	Madhya Pradesh Power Generating Company Limited	11.07.2022 14.09.2022 21.10.2022 19.01.2023	2 2 2 2	1 2 1 1

(Source: Compiled on the basis of information provided by SPSEs)

It could be seen from the table above that out of the 11 SPSEs, all the IDs attended every audit committee meeting in six SPSEs (Sl. Nos. 1,3,5,6,8 and 9 above) and there was short attendance in 10 meetings of the remaining five SPSEs (Sl. Nos. 2,4,7,10 and 11 above).

1.13.3.3 General Meetings

Schedule IV (III) (5) of the Act, 2013 states that Independent Directors shall strive to attend all the General Meetings of the Company. As per the information available from the SPSEs, Independent Directors in five SPSEs were on board at the time of Annual General Meeting (AGM) during FY 2022-23. The details of the Annual General Meeting (AGM) held in 2022-23, number of independent directors on board of SPSE and number of independent directors that attended the meeting are given in **Table 1.17**.

Table 1.17: Attendance of ID in Annual General Meetings

Sl. No.	Name of the SPSEs	Date of AGM	No. of ID on Board	No. of ID attended
1.	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	30.09.2022	3	0
2.	Madhya Pradesh Power Management Company Limited	29.09.2022 07.11.2022	2	0
3.	Madhya Pradesh Power Transmission Company Limited	29.04.2022 30.09.2022 30.12.2022	1 1 3	0 0 0
4.	MP Public Health Services Corporation Ltd	22.09.2022 28.02.2023	2	0
5.	Madhya Pradesh Power Generating Company Limited	29.04.2022 26.09.2022 07.02.2023	2	0

(Source: Compiled on the basis of information provided by SPSEs)

It could be seen from the table above that none of the SPSEs conducted AGM with presence of Independent Directors.

1.13.4 *Separate meeting of Independent Directors*

As per Schedule IV(VII)(1) of the Act, 2013, the independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management. Further, all the independent directors of the company shall strive to be present at such meetings to review the performance of non-independent directors and the Board as a whole. The performance of the Chairperson of the company would also be reviewed, considering the views of executive directors and non-executive directors.

As per the information available from the SPSEs, out of the 13 SPSEs wherein more than one Independent Directors were on board during 2022-23, Independent Directors of six SPSEs i.e. MP Power Generating Company Ltd, MP Power Transmission Company Ltd, MP Paschim Kshetra Vidyut Vitaran Company Ltd, MP Madhya Kshetra Vidyut Vitaran Company Ltd, MP Power Management Company Ltd and Indore Smart City Development Ltd conducted a separate meeting, whereas Independent Directors of remaining seven SPSEs i.e. Madhya Pradesh Urban Development Corporation Limited, Madhya Pradesh Public Health Services Corporation Limited, Narmada Basin Projects Company Limited, Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur Smart city Limited, MP Jal Nigam Maryadit and Bhopal Smart City Development Corporation Limited did not conduct separate meetings during 2022-23.

As per the information available from the SPSEs that in the absence of separate meetings, the very purpose of appointing the Independent Directors on the board of seven SPSEs i.e. Madhya Pradesh Urban Development Corporation Limited, Madhya Pradesh Public Health Services Corporation Limited, Narmada Basin Projects Company Limited, Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur Smart city Limited, MP Jal Nigam Maryadit and Bhopal Smart City Development Corporation Limited to review the performance of non-independent directors, chairperson and the Board was defeated. Further, assessment of the quality, quantity and timeliness of flow of information between the company management and the Board, necessary for the Board to effectively and reasonably perform their duties, could also not be done as required in Schedule IV(VII)(3)(c).

1.14 *Filling-up the posts of Key Managerial Personnel*

Section 203(1) of the Act, 2013 provides that every company belonging to such class or classes of companies, as may be prescribed, shall have whole time Key Managerial Personnel (KMP) viz; (i) Managing Director, or Chief Executive Officer (CEO) or Manager and in their absence, a Whole- Time Director; (ii) Company Secretary; and (iii) Chief Financial Officer (CFO).

Further, Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provides that every listed company and every other public company having a paid-up share capital of rupees ten crore or more shall have whole-time key managerial personnel. Section 203(4) of the Act, 2013 further provided that if the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

As per the information available, the paid-up capital of 30 SPSEs²⁹, was ₹ 10 crore or more as per their latest finalised accounts. Hence, these companies were required to appoint whole time KMPs, as given in **Appendix 1.5**. Of these 30 SPSEs, whole time KMPs were found appointed in 16 SPSEs³⁰. As per Information, six SPSEs as shown in **Table 1.18** had inadequate strength of KMP while remaining eight SPSEs³¹ had not furnished records.

Table 1.18: Status of appointment of KMPs

Sl. No.	Name of SPSEs	Status of KMP
1.	MP Plastic City Development Corporation Gwalior Ltd.	CFO post was vacant in FY 2022-23
2.	MP Public Health Services Corporation Ltd.	Post of Company Secretary was vacant in FY 2022-23
3.	MP Financial Corporation	Details of Company Secretary and Chief Financial officer were not Given
4.	MP Jaypee Coal Ltd.	Not Available
5.	MP Jaypee Coal Fields Ltd.	Not Available
6.	MP Jaypee Minerals Ltd.	Details of Company Secretary and Chief Financial officer were not Given

(Source: Compiled on the basis of information provided by SPSEs)

1.15 Meeting of the Board of Directors and Board Committee in this regard

As per section 173 (1) of the Act, 2013, every company shall hold the first meeting of the Board of Directors (BoD) within thirty days of the date of its incorporation and thereafter hold minimum four meetings of BoD every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

The details of the number of BoD meetings conducted by each SPSE during the period 2022-23 are given in **Appendix 1.5**. It could be seen that out of 73 SPSEs, 25 SPSEs conducted at least four BoD meetings during the year 2022-23 whereas 11 SPSEs³² held less than four BoD meetings during the year 2022-23. However, the remaining 37 SPSEs has not submitted any information.

²⁹ Sl. No. 1-9, 12-16, 18-23 and 25-34 of **Appendix 1.5**.

³⁰ MP Paschim Kshetra Vidyut Vitaran Company Ltd, MP Madhya Kshetra Vidyut Vitaran Company Ltd, MP State Industrial Development Corporation Ltd, Narmada Basin Projects Company Ltd, Bhopal Smart City Development Corporation Limited, Jabalpur Smart City Ltd, MP Plastic Park Development Corporation Ltd, MP Power Management Company Ltd, MP Poorv Kshetra Vidyut Vitaran Company Ltd, MP Power Transmission Company Ltd, MP Jal Nigam Maryadit, M.P. Urban Development Corporation Ltd, MP Metro Rail Company Ltd, Indore Smart City Development Ltd, Pithampur Auto Cluster Ltd and MP Power Generating Company Ltd.

³¹ DMIC Pithampur Jal Prabhandhan Ltd, Madhya Pradesh State Assets Company Management Limited, MP State Road Transport Corporation, MP Adivasi Vitta Evam Vikas Nigam Ltd, MP Road Development Corporation Ltd, Ujjain Smart City Ltd, Gwalior Smart City Development Corporation Ltd and Sagar Smart City Limited.

³² Madhya Pradesh State Agro Industries Development Corporation Limited, Narmada Basin Projects Company Limited, Madhya Pradesh Finance Corporation, Madhya Pradesh Urban Development Corporation Limited, B-Nest Foundation, MP Warehousing and Logistics Corporation, Madhya Pradesh State Tourism Development Corporation Limited, MP State Industrial Development Corporation Ltd., Indore Smart City Development Corporation Limited, MP Jal Nigam Maryadit and MP Building Development Corporation Ltd.

1.16 Audit Committee and Other Committees of the Board

1.16.1 Composition of Audit Committee

As per Section 177(1) of the Act, 2013 and Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014, the BoD of every listed public company and all public companies with a paid up capital of ₹ 10 crore or more; or having turnover of ₹ 100 crore or more; or having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding ₹ 50 crore or more, except Joint Venture Companies and wholly owned subsidiary companies shall constitute an Audit Committee.

As per the criteria, 32 SPSEs³³ having the requirement of Independent Directors in their board were required to constitute Audit Committee and as per Information available, out of 32 SPSEs, 17 SPSEs as given in **Appendix 1.5** have held at least one Audit Committee meeting while four SPSEs³⁴ had not constituted Audit Committee as on 31 March 2023. 11 remaining SPSEs had not furnished information. Three SPSEs namely MP Plastic Park Development Corporation Ltd, MP State Electronics Development Corporation Ltd and M.P. Sainik Coal Mining Private Ltd which were not required to constitute Audit Committee as per criteria had held one, three and two Audit Committee meetings respectively.

Section of 177(2) of the Act, 2013 provides that the Audit Committee shall consist of a minimum of three directors, with independent directors forming a majority. Further, most members of Audit Committee including its Chairperson shall be persons with ability to read and understand the financial statement.

As per the information available from the SPSEs, 19 SPSEs, wherein Audit Committee was constituted had fulfilled the criteria of having at least three members in their Audit Committee during FY 2022-23.

1.16.2 Review of Information/Documents by Audit Committee-Evaluation of internal controls and performance of statutory auditors

The terms of reference under Section 177(4) of the Act, 2013 inter alia includes (i) review and monitor the auditor's independence and performance and effectiveness of audit process; (ii) examination of the financial statement and the auditors' report thereon; (iii) evaluation of internal financial controls and risk management systems. Further, Section 177(5) of the Act, 2013 provides that the Audit Committee may call for the comments of the auditors about internal control systems, scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of company.

The details of Audit Committee meetings held by SPSEs are given in **Appendix 1.5**. As per the information available from the SPSEs, out of 17 SPSEs where Audit Committees meetings had

³³ Sl. No. 1 to 32 of **Appendix 1.5**.

³⁴ MP State Industrial Development Corporation Ltd., MP Warehousing and Logistics Corporation, MP Jaypee Coal Ltd, and MP Jaypee Coal Fields Ltd.

been held, 15 SPSEs³⁵ evaluated the internal controls mechanism existing in SPSEs whereas Audit Committees of 10³⁶ SPSEs reviewed and monitored the auditor's independence and performance.

1.16.3 Nomination and Remuneration Committee

As per Section 178(1) of the Act, 2013 and Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014, the BoD of every listed public company and all public companies with a paid up capital of ₹ 10 crore or more; or having turnover of ₹ 100 crore or more; or having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding ₹ 50 crore or more, shall constitute a Nomination and Remuneration Committee (NRC).

As per the information available from the SPSEs, 34 SPSEs³⁷, as shown in **Appendix 1.5**, were required to constitute the NRC. However, the following 12 SPSEs as given in **Table 1.19** did not constitute the NRC as on 31 March 2023. 11 SPSEs³⁸ out of 34 SPSEs had not submitted any information regarding constitution of NRC.

Table 1.19: SPSEs which did not constitute NRC

Sl. No.	Name of SPSEs
1.	MP Power Transmission Company Ltd.
2.	MP Plastic Park Development Corporation Ltd.
3.	MP Plastic City Development Corporation Gwalior Ltd.
4.	MP Public Health Services Corporation Ltd.
5.	MP Financial Corporation
6.	MP State Industrial Development Corporation Ltd.
7.	MP Warehousing and Logistics Corporation
8.	Pithampur Auto Cluster Ltd.
9.	MP Jaypee Coal Ltd.
10.	MP Jaypee Coal Fields Ltd.
11.	MP Jaypee Minerals Ltd.
12.	Narmada Basin Projects Company Ltd.

(Source: Compiled on the basis of information provided by SPSEs)

The Act, 2013 further provides that the NRC should consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The Chairperson of the Company (whether executive or non- executive) may be appointed as a member of the NRC but shall not chair such Committee.

³⁵ MP Power Transmission Company Ltd, MP Paschim Kshetra Vidyut Vitaran Company Ltd., MP Madhya Kshetra Vidyut Vitaran Company Ltd., MP Power Management Company Ltd., MP Public Health Services Corporation Ltd., MP Jal Nigam Maryadit, MP Financial Corporation, Pithampur Auto Cluster Ltd., MP Jaypee Minerals Ltd., M.P. Urban Development Corporation Ltd, Narmada Basin Projects Company Ltd., MP Metro Rail Company Ltd., Bhopal Smart City Development Corporation Ltd., Jabalpur Smart City Ltd. and Indore Smart City Development Ltd.

³⁶ MP Power Transmission Company Ltd., MP Poorv Kshetra Vidyut Vitaran Company Ltd., MP Paschim Kshetra Vidyut Vitaran Company Ltd., MP Power Management Company Ltd., MP Jal Nigam Maryadit, MP Jaypee Minerals Ltd., MP Metro Rail Company Ltd., Jabalpur Smart City Ltd., Indore Smart City Development Ltd. and Bhopal Smart City Development Ltd.

³⁷ Sl. No. 1 to 34 of **Appendix 1.5**.

³⁸ DMIC Pithampur Jal Prabhandhan Ltd., MP Industrial Development Corporation Ltd., MP State Civil Supplies Corporation Ltd., Madhya Pradesh State Assets Management Company Ltd., MP State Road Transport Corporation, MP Adivasi Vitta Evam Vikas Nigam Ltd., MP Road Development Corporation Ltd., MP Police Housing and Infrastructure Development Corporation Ltd., Ujjain Smart City Ltd., Gwalior Smart City Development Corporation Ltd. and Sagar Smart City Ltd.

An analysis of the NRC constituted in 11 SPSEs disclosed that the composition of the NRC of five SPSEs *i.e.*, Madhya Pradesh Power Management Company Limited, Madhya Pradesh Metro Rail Company Limited, Indore Smart City Development Corporation Limited, MP Jal Nigam Maryadit and Jabalpur Smart City Limited were not as per the provisions of the Act, 2013 as summarised in the **Table 1.20**.

Table 1.20: Composition of NRC in SPSEs as on 31 March 2023

Sl. No.	Name of SPSE	Composition and remarks
1.	Madhya Pradesh Power Management Company Limited	Three non-Executive members including one Independent Director
2.	Madhya Pradesh Power Generating Company Limited	Three non-Executive members including two Independent Director
3.	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	one Executive member and Four non-Executive members including two Independent Directors
4.	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	One Executive member and Four non-Executive members including two Independent Directors
5.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	Two Executive members and three non-Executive members including two Independent Directors
6.	Madhya Pradesh Urban Development Corporation Limited	Three non-Executive members including two Independent Director
7.	Madhya Pradesh Metro Rail Company Limited	Three non-Executive members but no Independent Director
8.	Indore Smart City Development Corporation Limited	Details are not given
9.	Jabalpur Smart City Limited	Details are not given
10.	MP Jal Nigam Maryadit	Details are not given
11.	Bhopal Smart City Development Corporation Limited	Five non-Executive members including three independent directors

(Source: Compiled on the basis of information provided by SPSEs)

1.17 Whistle Blower Mechanism (WBM)

Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its power) rules provides that every listed company; the Companies which accept deposits from the public; the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees shall establish a Vigil Mechanism for their directors and employees to report genuine concerns and grievances about unethical behaviour, suspected fraud or violation of Company's code of conduct or ethics policy. It provides for adequate safeguards against victimisation of persons who use such mechanism.

As per the information available from the SPSEs, 18 SPSEs, which have borrowed ₹ 50 crore or more, were required to establish Whistle Blower Mechanism (WBM) during FY 2022-23. Only five SPSEs namely MP Power Generating Company Ltd., MP Power Transmission Company Ltd., MP Poorv Kshetra Vidyut Vitaran Company Ltd., MP Madhya Kshetra Vidyut Vitaran Company Ltd. and MP Urban Development Corporation Ltd. had whistle blower mechanism and eight SPSEs as given in **Table 1.21** did not have whistle blower mechanism.

Table 1.21: Implementation of Whistle Blower Mechanism

Sl. No.	Name of SPSE
1.	MP Paschim Kshetra Vidyut Vitaran Company Ltd.
2.	DMIC Vikram Udyogpuri Ltd.
3.	MP Financial Corporation
4.	MP State Industrial Development Corporation Ltd.
5.	MP Warehousing and Logistics Corporation
6.	MP Jaypee Minerals Ltd.
7.	Narmada Basin Projects Company Ltd.
8.	MP Metro Rail Company Ltd.

(Source: Compiled on the basis of information provided by SPSEs)

However, as per the information available, five SPSEs³⁹ out of 18 SPSEs which were required to constitute WBM had not furnished any information.

Internal Audit Legal Framework

1.18 Role of Internal Audit

1.18.1 Introduction and importance of Internal Audit

The Institute of Internal Auditors (IIA) defines Internal Auditing as: “An independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. The internal audit activity helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.” Accordingly, the role of internal audit is to provide independent assurance that an organisation’s risk management, governance and internal control processes are operating effectively.

The framework governing internal audits issued by ICAI defines internal audit as an independent assurance on the effectiveness of internal controls and risk management processes to enhance governance and achieve organisational objectives.

1.19 Legal Framework

1.19.1 The provisions of the Companies Act and directions issued by the State Government

Section 138(1) of the Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, provides that (a) every listed company; (b) every unlisted public company having paid up share capital of fifty crore rupees or more; or turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more; or outstanding deposits of twenty-five crore rupees or more at any point of time during the preceding financial year shall be required to appoint an internal auditor, who shall either be a chartered accountant or a cost accountant, or such other professional as may be decided by the Board to conduct internal audit of the functions and activities of the company.

³⁹ DMIC Pithampur Jal Prabhandhan Ltd., MP Industrial Development Corporation Ltd., MP State Civil Supplies Corporation Ltd., MP State Road Transport Corporation, MP Police Housing and Infrastructure Development Corporation Ltd.

As per the information available from the SPSEs, 25 SPSEs, as given in **Appendix 1.6**, were required to appoint an internal auditor. Of these 25 SPSEs, four SPSEs⁴⁰ did not appoint internal auditor for FY 2022-23 while eight SPSEs⁴¹ had not furnished record of appointing Internal Auditor.

1.20 Internal Audit

1.20.1 Frequency and Reporting of Internal Audit

Section 138(2) of the Act, 2013 provides that the Central Government may, by rules, prescribe the manner and the intervals in which the Internal Audit shall be conducted and reported to the Board.

As per the information available from the SPSEs, the rules have not been prescribed so far (March 2023) and hence, the Internal Audit in SPSEs was conducted on daily, quarterly, half- yearly and annual basis.

1.21 Conclusion

This chapter presents the financial performance of State Public Sector Enterprises as regards the amount of investment made by the Government in the form of equity and long-term loans; oversight role of CAG with respect to compliance matters of various criteria and preparation and submission of financial statements by of State Public Sector Enterprises; and with the adherence to Corporate Governance guidelines stipulated for the Government Companies. Matters related to appointment of Independent Directors/ Women Directors in the Board of Directors of Government Companies, the constitution of Audit Committee, etc., are highlighted in this chapter.

- i. As on 31 March 2023, there were 73 SPSEs in Madhya Pradesh including 61 Government Companies, three Statutory Corporations and nine Government Controlled other Companies. Out of 73 SPSEs, 46 SPSEs had submitted at least one account for the period 2020-21, 2021-22 and 2022-23 by 30 September 2023. This report covers only 32 working SPSEs.
- ii. The turnover (₹ 95,645.11 crore) of these 32 SPSEs was 7.23 *per cent* of the Gross State Domestic Product of Madhya Pradesh (₹ 13,22,821 crore) for the year 2022-23. Power sector alone accounts for over 98 *per cent* of the total turnover of the SPSEs during 2022-23.
- iii. Out of 32 SPSEs covered in this Report, 11 SPSEs earned profit. The Profit earned by 11 SPSEs out of 32 SPSEs (covered in this Report) was ₹ 552.22 crore in 2022-23 as compared to 13 SPSEs which earned profit of ₹ 1,797.34 crore in 2021-22.
- iv. There were instances of discrepancy in the figures of Government Equity, Loans and Guarantee outstanding given by the GoMP to the SPSEs in the Finance Account of the GoMP and the data maintained/furnished by the SPSEs.

⁴⁰ Madhya Pradesh Finance Corporation, Madhya Pradesh Jal Nigam Maryadit, Madhya Pradesh Power Generating Company Limited and Indore Smart City Development Ltd.

⁴¹ DMIC Pithampur Jal Prabhandhan Ltd., MP Industrial Development Corporation Ltd., MP State Civil Supplies Corporation Ltd., MP State Road Transport Corporation, MP Police Housing and Infrastructure Development Corporation Ltd., Ujjain Smart City Ltd., Gwalior Smart City Development Corporation Ltd. and Sagar Smart City Limited.

- v. As on 30 September 2023, 258 accounts in 66 SPSEs were in arrears and the extent of the arrear was ranging from two to 33 years.
- vi. Out of 51 financial statements received, 39 financial statements were reviewed and in respect of another 12 financial statements, Non-Review Certificates were issued. Further, out of the 39 financial statements which were reviewed, comments have been issued in respect of 23 financial statements.
- vii. During 2022-23, out of 32 SPSEs, where Independent Directors were to be appointed, 19 SPSEs did not appoint Independent Directors. Further, out of the 19 SPSEs required to have Women Director onboard, only 11 SPSEs had Woman Director throughout FY 2022-23. 100 *per cent* presence of independent directors was only in 62 *per cent* of Board meetings. None of the SPSEs imparted training for the Independent Directors who were on the Board during 2022-23, as required by the Companies Act.
- viii. Further, separate meeting of Independent Directors was not conducted in seven SPSEs wherein more than one Independent Directors were on Board. Only 16 SPSEs out of 30 SPSEs had whole time Key Managerial Personnel. Further, the Audit Committee of 15 SPSEs evaluated the internal control management system.
- ix. The Nomination and Remuneration Committee was constituted in 11 SPSEs including five SPSEs where the composition of NRC was not as per provision of the Act. Only five SPSEs out of 18 SPSEs had Whistle Blower Mechanism. And also, four SPSEs out of 25 SPSEs did not appoint Internal Auditors.

1.22 Recommendations

- i. *The Government of Madhya Pradesh (GoMP) may review the functioning of all loss-making SPSEs and take necessary steps to improve their financial performance. The Government may also ensure sound financial position of the SPSEs, especially the power distribution companies by paying/ reimbursing the amount due to them (Subsidy/claims).*
- ii. *The GoMP may establish a robust reconciliation mechanism between the figures reported in the Finance Account and those maintained or furnished by the State Public Sector Enterprises (SPSEs) regarding Government equity, loans, and guarantees.*
- iii. *The GoMP may issue necessary instructions to Administrative Departments to set targets for individual SPSEs to furnish the accounts in time and to strictly monitor the clearance of arrears and take expeditious steps to reduce the arrears in the finalisation of accounts.*
- iv. *The GoMP may implement a robust monitoring and accountability system to ensure that all SPSEs adhere to the statutory deadlines for finalising and submitting accounts, thereby nurturing transparency and financial discipline within these organisations. Further, the Management of SPSEs may establish an effective financial reporting mechanism to reduce deviations and ensure adherence to applicable accounting standards under the Companies Act, 2013.*
- v. *The GoMP may ensure that the number of Independent Directors, Women Directors in the Board of Directors of SPSEs are in conformity with the provisions of the Companies Act, 2013 to achieve the objectives of Corporate Governance in SPSEs.*

- vi. *The GoMP may ensure that meetings of the Board of Directors are held as per the requirements of the Companies Act, 2013.*
- vii. *The Government should ensure that training is provided to the directors of the SPSEs to keep them informed about the updated business environment.*
- viii. *The Government should ensure that Whistle Blower Mechanism is installed as per the legal requirements.*

Chapter II

Compliance Audit Observations

Chapter-II: Compliance Audit Observations

This Chapter presents the findings of the comprehensive Compliance Audit conducted across distinct State Public Sector Enterprises viz. Madhya Pradesh State Electronics Development Corporation, Madhya Pradesh Laghu Udyog Nigam Limited, Madhya Pradesh Urja Vikas Nigam Limited and the three Power Distribution Companies of the GoMP and its Holding Company, each operating within different sectors of the economy. The audit focused on evaluating key areas of adherence to relevant regulations, efficacy of internal controls etc. and identifying any potential gaps or non-compliance issues.

The subsequent sections detail specific observations and potential implications for each of the State Public Sector Enterprises, highlighting the areas requiring improvement. These findings are intended to provide management with actionable insights to enhance their financial practices and overall operational efficiency.

2.1 Subject Specific Compliance Audit on the Development and allotment of Land/ Space in IT/ Manufacturing Parks by Madhya Pradesh State Electronics Development Corporation Limited

2.1.1 Introduction

The Madhya Pradesh State Electronic Development Corporation Limited (MPSEDC) was incorporated in November 1983 under the Department of Science and Technology (DoST), Government of Madhya Pradesh (GoMP) with the objective to promote use of Information Technology (IT) and IT Enabled Services (ITeS) in the Departments, Corporations, Companies, Societies, Boards, *etc.*, of the GoMP. The scope of work of MPSEDC includes Consultancy, Software Development, Hardware/Software procurement, Training, Testing, Networking, and development of specified areas as Hardware and Software Technology Parks. The MPSEDC is nodal agency for implementation of various IT projects⁴².

The GoMP had promulgated an Information Technology (IT) Policy in 1999 which was further amended in the years 2006, 2012, 2014 and 2016. The objectives of the policy were to attract investment into the IT Industry and to generate employment opportunities in the State. The MPSEDC was appointed (October 2006) the nodal agency for implementation of the IT Policy with a vision to bring IT, ITeS and Electronic System Design & Manufacturing (ESDM) Industries in the State. The MPSEDC is responsible for the development and promotion of IT Parks in Bhopal, Gwalior, Indore (in two sites – Pardeshipura and Simhasa), and Jabalpur. Accordingly, the MPSEDC allots both plots (open space in acres) as well as spaces (in sq. ft. within buildings) in the IT Parks to the IT/ ITeS/ ESDM firms on lease basis. MPSEDC has been a profit-making company during the last three years (2020-21 to 2022-23).

Details of allotment of plots and spaces by MPSEDC

The details of allotment of plots and spaces in the IT Parks (March 2023) are given in **Table 2.1.1** below:

⁴² State Wide Area Network, State Data Centre, PARICHAY, e-Office, Aadhaar, *etc.*

Table 2.1.1: Details of allotment of plots and spaces in the IT Parks (March 2023)

Plots								
Sl. No.	IT Park	Area inclusive of path and other utilities (in acre)	Allotable/ Developed plots		Allotted plots ⁴³		Percentage of	
			Number	Area (in acre)	Number	Area (in acre)	Allotable area to total area	Allotted Area to allottable area
1.	Bhopal	204.17	120	131.32	103	92.56	64	70
2.	Gwalior	65.00	Development work was yet to commence (March 2023)				0	0
3.	Indore (Sinha)	107.33	37	59.96	34	42.65	56	71
4.	Jabalpur	63.06	116	30.25	103	28.49	48	94
Sub-Total		439.56	273	221.53	240	163.70	50	74
IT Park spaces								
Sl. No.	IT Park	Available Space	Allotted space	Balance Space to be allotted		Percentage of balance space to available space		
1.	Bhopal	94,351	94,351	0		0		
2.	Gwalior	75,000	55,000	20,000		27		
3.	Indore (Pardeshi pura)	1,70,000	1,70,000	0		0		
4.	Indore (Sinha)	76,800	0	76,800		100		
5.	Jabalpur	75,514	75,514	0		0		
Sub-Total		4,91,665	3,94,865	96,800		20		

(Source: Information provided by MPSEDC)

In case of the IT Park plots, the allotments were made between March 2014 and January 2020 on first come first serve basis, and after November 2020, plots were allotted on online open tender system. Meanwhile, the IT park spaces were allotted on first come first serve basis since May 2013⁴⁴.

Out of the above 439.56 acres of land, 90 acres (50 acres at Bhopal and 40 acres at Jabalpur) were reserved for electronic manufacturing cluster.

2.1.2 Organisational set up

The Management of the MPSEDC is vested in the Board of Directors. The Managing Director (MD) is the Chief Executive Officer and is assisted by six General Managers (GM). The affairs of the IT Parks are managed by the Park Managers who are responsible for overall maintenance and physical verification. Park Managers report to the Chief GM. MPSEDC has two subsidiary Companies, Bhopal Electronics Manufacturing Park and Jabalpur Electronics Manufacturing Park.

2.1.3 Audit Objectives, Criteria and Scope/Methodology

The Audit was conducted with the objective to assess whether the planning, development and allotment of spaces/plots in IT Parks and collection of fees/charges and disbursement of

⁴³ A total of 259 plots were allotted, out of which, 19 were later cancelled.

⁴⁴ Age-wise data for allotment of spaces in IT buildings not available with MPSEDC and this has been pointed out in Paragraph 2.1.5.9.

subsidies were as per the applicable norms and whether there was oversight/monitoring over the business activities, including employment generation by the firms.

The audit findings were benchmarked against the IT Policy 2016 and related orders issued by the GoMP. In addition, Minutes of the Board Meetings / Agenda Papers, MIS Reports, Internal Audit Reports, *etc.*, of the MPSEDC were also examined to assess the allotment procedures of plots and spaces in the IT parks and whether the conditions of the lease deed were adhered to. Further, Performance Appraisal Reports, Annual Budget, Financial Accounts, Annual Reports of the MPSEDC were also based as criteria to evaluate compliance with the applicable norms.

Audit was conducted between April and June 2023 and covered the period of three years, from 2020-21 to 2022-23. All the cases prior to the year 2020-21 have also been examined for issues relating to outstanding lease rent, non-recovery of maintenance charges, disproportionate collection of development charges, employment generation and tendering process. The relevant records were examined in the office of the MD, MPSEDC. The Audit party conducted joint physical verifications of IT Parks along with the representatives of MPSEDC.

Audit findings

Audit examined the following areas to assess the functioning of the MPSEDC:

1. The systems and processes involved in development of IT Parks
2. Allotment of plots/spaces in the IT parks to the firms/applicants
3. Overall process of monitoring as per the extant rules with focus on employment generation as per the agreements in place and disbursement of subsidies.

The findings have been detailed in the subsequent paragraphs

2.1.4 Development of IT Parks

As per the IT Policy, 2016, the GoMP provided land to the DoST, MP for development of the parks. The MPSEDC, being the nodal agency for development of IT Parks, had entrusted the work of development and construction of IT parks including construction of IT Buildings at Bhopal, Jabalpur, Gwalior and Indore (Sinhassa) to Madhya Pradesh Housing Infrastructure Development Board (MPHIDB) as deposit works. The construction of IT Park Building at Indore (Pardeshipura) had been entrusted to Indore Development Authority (IDA).

Audit findings pertaining to the development of IT parks are discussed in the succeeding paragraphs.

2.1.4.1 Non preparation of long-term strategic plans

A long-term strategic plan is a document that outlines the vision, mission, goals, and strategies of an organisation for the next three to five years. It helps align the actions and decisions of the team with the desired outcomes and direction of the organisation. Developing a long-term strategic plan requires a systematic and collaborative approach. The goal/vision of the IT Policy, 2016 was *inter alia* to encourage public and private sector investment in IT parks and Electronic Manufacturing Clusters, consequently boosting IT activities and generating employment. Being the nodal authority for implementation of the IT Policy in the State, MPSEDC needed to prepare a long-term strategic plan.

Audit observed that the MPSEDC had not prepared any long-term plan or a strategic plan to develop IT Parks of the State, in line with the applicable IT Policy. In the absence of long-term plan and strategic plan, the MPSEDC did not set any annual target for allotment of plots/ space and commencement of production/ delivery of services by the firms. Further, MPSEDC did not carry out demand assessment for development of IT infrastructure. As a result, the progress of the development of IT Parks and allotment of plots/ spaces was not uniform throughout the State. For instance, in case of Gwalior, development work for plots had not even started, while out of 273 allottable/ developed plots, only 240 had been allotted in respect of the other three IT parks (March 2023). Further, out of 240 allotted plots, firms/ companies started the commercial production in only 26 plots, generated only four *per cent* employment as against envisaged targets (576 as against 14,548). (*Details have been discussed in Paragraph 2.1.7.1*).

The management did not provide (December 2023) any specific reply for non-preparation of long-term strategic plans (December 2024).

2.1.4.2 Non-implementation of Single Window Clearance System (SWCS)

The IT Policy, 2016 envisaged setting up a Single Window Clearance System by the MPSEDC. Audit noticed that the MPSEDC had not complied with the IT Policy for implementation of SWCS for facilitating timely clearance of projects and approvals for setting up IT/ ITeS/ ESDM units in the IT Parks of the State.

The management replied (June 2023) that the MPSEDC provides verbal guidance to the investors for obtaining building permission, bank assistance and other permissions. Also, NOCs were issued by the MPSEDC for financial assistance from the bank.

The reply is not acceptable because the IT Policy provided for establishment of a Single Window Clearance System since its inception in the year 1999. Further, Audit also observed that Madhya Pradesh Industrial Development Corporation (MPIDC), a similar agency of GoMP for planning and creating industrial infrastructure has established the above system, thereby enabling a one stop solution for all investors.

2.1.4.3 Loss due to encroachment in IT Parks

During Scrutiny of records, it was observed that 13.57 acres of land (3.68 *per cent*) in two IT Parks (Bhopal and Indore) were encroached⁴⁵ by the local residents. This resulted in loss to Government amounting to ₹ 3.62 crore in terms of development expenditure⁴⁶. Further, the MPSEDC was also deprived of ₹ 2.28 crore in the form of opportunity cost, which it could have earned as land premium, had it prevented the encroachment and allotted the land to the applicant firms. The details are given in **Table 2.1.2** below:

⁴⁵ Actual period of encroachment is not available in the records of MPSEDC.

⁴⁶ Development expenditure incurred for basic amenities such as roads, water supply systems, sewage networks, electricity, and parks.

Table 2.1.2: Details of encroached land

Sl. No.	IT Park	Total area (in acre)	Encroached land			
			Area (in acre)	Land premium (in ₹)	Development charge (in ₹)	Total value (in ₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (5)+(6)
1.	Bhopal	212.63	8.46	1,71,25,510 (@20,24,291)	1,84,25,880 (@21,78,000)	3,55,51,390
2.	Indore (Sinhaa)	112.44	5.11	56,88,963 (@11,13,300)	1,78,07,328 (@34,84,800)	2,34,96,291
Total		368.63	13.57	2,28,14,473	3,62,33,208	5,90,47,681

(Source: Records of MPSEDC)

The efforts made by the MPSEDC to evacuate the land from the encroachers were also not available in the records.

The management did not provide specific reply for encroachment in IT parks.

2.1.4.4 Advance payment without obtaining details of expenditure

A. An MoU was signed (February and March 2013) between MPSEDC and MPHIDB for construction/ development of IT parks as a deposit work at six *per cent* supervision charges and 2.5 *per cent* architectural charges. As per para 7 (ii) of the MoU, the MPHIDB shall render account of expenditure incurred to the MPSEDC out of the funds placed at its disposal.

Audit noticed that the MPHIDB had (upto March 2023) received a total advance payment of ₹ 327.85 crore⁴⁷ for construction/ development of IT Parks. But the details of expenditure were neither demanded by the MPSEDC nor provided by the MPHIDB although the construction of IT buildings were completed several years ago (prior to March 2018). Spaces in those buildings have been allotted to the IT firms and rent was being recovered on a regular basis from 2016. The details of advance paid to MPHIDB are given in the **Table 2.1.3** below:

Table 2.1.3: Details of advance paid to MPHIDB

Sl. No.	Name of work	Advance payment (₹ in Crore)	Period
1.	IT Building, Bhopal	19.00	08/2013 to 03/2016
2.	IT Building, Indore (Sinhaa)	16.50	08/2013 to 09/2016
3.	IT Building, Jabalpur	12.00	11/2015 to 03/2017
4.	IT Park, Bhopal	70.75	03/2013 to 01/2022
5.	IT Park, Indore (Sinhaa)	92.23	06/2013 to 09/2021
6.	IT Park, Jabalpur	65.12	08/2013 to 02/2023
Total		275.60	
Advance payment made by the subsidiary company of MPSEDC			
1.	EMC, Bhopal	27.75	11/2014 to 01/2018
2.	EMC, Jabalpur	24.50	01/2014 to 01/2020
Total		52.25	

(Source: Records of MPSEDC)

B. As per Para 15 of the MoU, the MPHIDB shall construct the project as per mutually agreed Project Completion Schedule. In case the schedule is not achieved, the MPHIDB shall invoke the tender provision regarding compensation for the delay from the contractors and pay 50 *per cent* of the realised compensation to the MPSEDC.

⁴⁷ ₹ 275.60 crore from MPSEDC and ₹ 52.25 crore from the subsidiary companies of MPSEDC.

In the absence of the account of expenditure from the MPHIDB, MPSEDC was unaware of the quantum of compensation, if any, recovered by MPHIDB from the defaulting contractors and consequent share accrued in their favour.

C. As per Para 7.03 of the MoU signed (June 2013) between MPSEDC and Indore Development Authority (IDA), the IDA shall maintain separate accounts for the cost to be incurred on the project and provide its copy as and when demanded by the MPSEDC. Para 8 of the *ibid* MoU further provides that the IDA shall, not later than seven days after close of each month, furnish to MPSEDC a Monthly Report on the construction work and such other information as may be required by the MPSEDC.

Audit noticed that advance payment amounting to ₹ 47.29 crore for construction of IT Park building at Indore (Pardeshipura) was made to the IDA during July 2013 to September 2021. However, the accounts of the payments made by the IDA was neither sought for by the MPSEDC, nor was provided by the IDA.

D. Although the IT Buildings (Bhopal, Indore and Jabalpur) and the IT Parks (Bhopal and Indore) have been completed, the entire amount of advance of ₹ 47.25 crore was being shown as the value of Work in Progress in the Balance Sheet of MPSEDC. Consequently, MPSEDC, could not adjust the advance against the final costs and effect recovery, if any for the balance amount. Furthermore, by not recognising the completed works as capital assets, MPSEDC has delayed capitalisation of its assets.

The management accepted (June 2023) that the “Schedule of Deposit Works” and details of deposit works were not obtained from the respective executing agencies and neither was the detail of work, allotted by them to contractors, obtained.

The reply confirms that the MPSEDC did not ensure compliance with the financial propriety, and in the absence of details of expenditure, the amount of savings/ excess could also not be assessed.

2.1.5 Allotment of plots and space in IT parks

2.1.5.1 Deficiencies in allotment of plots on first-come-first-serve basis

As per Para 7.2.7 of the IT Policy 2016, allotment would be done on first come first serve basis by the allotting agency. However, the allotting agency, at its sole discretion, may decide to allot any land through an open auction.

The Department developed 273 plots in three IT Parks at Bhopal, Indore and Jabalpur for the purpose of allotment under the IT Policy, 2016. Audit noticed that in accordance with the land allotment procedure of the IT Policy, Letters of Allotment (LoA) were issued to 124 selected firms for allotment of 154 plots (between March 2014⁴⁸ and January 2020) on first come-first serve basis.

⁴⁸ Before the commencement of the IT Policy, 2016, plot/space allotment in IT Parks was guided by the MP Information Technology Investment Policy, 2012 and the MP Business Process Outsourcing/ Management Industrial Investment Policy, 2014.

The process of allotment was later changed (November 2020) from first-come-first-serve basis to online open tender system and 105 plots were allotted between January 2021 and April 2022 to 85 firms, based on the online tendering process.

Out of the balance 14 plots (273 plots minus 259 allotted plots) :

- Three plots were developed as IT buildings (for allotment of spaces to firms within their premises);
- One plot was handed over to National Informatics Centre, GoI and another plot to Software Technology Park of India;
- Two plots were reserved for PPP projects and for future expansion, respectively;
- Two plots were embroiled in court cases; and
- Five plots⁴⁹ were available for allotment.

Examination of the first-come-first-serve allotments indicated the following:

- i. A firm (M/s M Apps) requested (November 2014) for allotment of Plots No. 4 and 5 in IT Park, Bhopal on first-come-first-serve basis, but its application was rejected on the ground that choice plots would not be allotted. The plots were later allotted in October 2017 and April 2022 respectively to other firms. Similarly, Plot No. 17 at IT Park Indore was allotted to M/s Net-com Computer through tender in November 2021 however, application for the allotment of the same plot by M/s Ignatuz Software Pvt. Ltd. was rejected in March 2015. Arbitrary action of the MPSEDC resulted in delayed plot allotments, thereby depriving the Corporation from timely revenue generation, resulting in opportunity costs.
- ii. The IT Policy provided for cancellation of allotments for not taking up construction on the allotted plots within two years. Allottees of a total of 104 out of 154 plots, who were allotted land on first come first serve basis, had not started the construction work even after the lapse of more than three years from the date of allotment, resulting in idling of assets, which could have provided employment and generated additional revenues for the Government as was intended in the Policy. Despite lack of initiative on the part of the firms, MPSEDC did not take action to cancel the allotments and resort to fresh allotments (*further details in paragraph 2.1.7.1*)
- iii. In the case of the IT Park at Gwalior, administrative approval for development of the plots was accorded by the DoST, GoMP in March 2018. However, even after lapse of five years development work on the plots was yet to commence (as of March 2023). Reasons for the delays in taking up the development work in the IT Park at Gwalior were not made available to Audit.

The reply of the management was awaited (December 2024).

⁴⁹ In actual, 24 plots were to be available for allotment as 19 plots which were allotted were later terminated or cancelled for multiple reasons as has been detailed in subsequent paragraphs. However, status of 19 plots is not available and hence no comments made on these.

2.1.5.2 Wide difference between the processes of allotments of plots vis-à-vis spaces in IT parks

Although the IT Policy, 2016 provided for defined benefits and outlined expected returns from the allotted plots, the Policy was silent on the norms such as employment to be generated, type of business activities, timeline for start of business activities, spaces allotted within the IT buildings etc. As such, there were discrepancies/differences in the processes as shown below:

Condition/ Criteria	Plots	Spaces	Impact
Eligibility for allotment of plot	Maximum allottable area is 25 acres and 100/150/50 people are to be employed per acre in IT/ITes/ESDM respectively	No conditions prescribed for allotment of space within IT buildings	While the benefit in terms of employment generation arising out of plot(s) allotment can be quantified and MPSEDC can monitor compliance, no such targets were either set for IT spaces and consequently the Company does not have a database of how much employment was to be generated and monitor outcomes against the targets.
Construction/ Commencement of operations	Services to start within three years from the date of possession (extendable by another two years upon genuine reasons)	No conditions prescribed for allotment of space within IT buildings	While the business activities in the plots were to commence within deadlines and hence MPSEDC could monitor outcomes, there being no provisions for spaces, MPSEDC did not even maintain a database for firms (which were allotted space within IT buildings) such as commencement of operations, employment generated, type of operations being carried out, etc. In such a situation, audit cannot derive assurance that the intended outcomes of the IT Policy were being achieved in respect of the spaces allotted within IT buildings.
Allotment provisions	First come first serve basis and on tender basis from November 2020 onwards.	First come first serve basis	20 per cent space in buildings remains unallocated as the company did not resort to advertising of the vacant/available spaces in the IT buildings despite incurring significant capital expenditure.

The company made no efforts to check whether suitable/similar provisions as those of plots could be applied on spaces, before making allotments. Since MPSEDC was the primary authority for implementation of the Policy, the skewed provisions resulted in undue benefit to the allottees in terms of allotment of land on concessional rates but not contributing to employment generation and non-development of business activities.

2.1.5.3 Idle investment towards construction of IT Buildings and Common Utility Centres

As per the Land Allotment Order (March 2013), issued by DoST and the IT Policy, the information relating to available land for allotment was to be circulated by the MPSEDC through hosting of information on website and periodic notification in newspapers.

Audit observed that the MPSEDC shifted from the first come first serve basis of allotment to online tender system (only in the case of plots) with effect from November 2020. However, it continued to allot spaces in IT Buildings on first come first serve basis. The availability of space in the IT Buildings was neither hosted on website nor periodic notifications were issued in the newspapers.

Audit observed that the IT Building (76,800 Sq. ft.) constructed in Indore (Sinha) in July 2020 at a cost of ₹ 24.10 crore and the EMC Common Utility Centres (shopping centre) in the IT Parks at Bhopal and Jabalpur constructed (July 2017 and February 2020 respectively) after incurring expenditure of ₹ 4.07 crore and ₹ 1.10 crore, respectively were lying vacant. This resulted in idle investment and blockage of ₹ 29.27 crore.

The Management replied (June 2023) that the portal is in development stage. The allotment of space has been assigned to the Park Managers of all the IT Parks. The process of renting or leasing the commercial halls and shops constructed in the Common Utility Building is under finalisation.

The reply is not acceptable as MPSEDC did not apply uniform norms for plot and space allotment. This reflected in the status of allocation of plots vs spaces, where 97 *per cent* plots have been allocated while around 20 *per cent* of IT building spaces remain occupied with 96,800 sq. ft. unallocated, causing significant opportunity costs. Management's inability to develop a website portal even six years after completing some facilities, or establish a uniform revenue generation model, demonstrates lack of strategic planning aligned with IT policy.

2.1.5.4 *Non cancellation of allotments for delays in execution of lease deeds*

As per the conditions of the Letter of Intent (LoI), the Letter of Allotment (LoA) shall be issued after the deposit of land premium and lease rent. Further, as per Para 18 of the order issued (September 2013) by DoST, it will be mandatory to deposit the development charges within one year from the date of possession and thereafter the lease deed shall be executed for a period of 99 years. As per the LoA, if the conditions regarding execution of lease deed are not complied within one year, the allotment of land stands cancelled. The IT Policy prescribed the lease rent at the annual rate of one *per cent* in 2014, which was raised to two *per cent* in October 2016.

Audit noticed that letter of allotment (LoA) was issued to 22 firms (23 plots) as per IT Policy 2014, but the firms failed to execute lease deeds within the stipulated time-period of one year. The lease deeds were executed after notification of new IT Policy 2016 by the firms with delay ranging from 18 months to five years. However, the allotments were not cancelled, and lease deeds were executed as per the old IT policy 2014 with one *per cent* lease rent. Inability of the MPSEDC to timely cancel the allotments based on delays in the execution of lease deeds and reallotment of the land as per IT Policy 2016, resulted in non-realisation of additional lease of ₹ 14.73 lakh (through re-allotments) as detailed in **Appendix 2.1.1**.

The Management replied (June 2023) that allotment letter is considered as final allotment as per the policy. Further, lease rent of two *per cent* was not applicable on the allotments made before October 2016.

The reply is not acceptable as LoA is issued after compliance of the conditions of the LoI, and the lease deed is executed only after depositing requisite charges and complying the conditions of LoA. As the lease deeds were not executed within one year, the allotment of all the 22 allottees should have been cancelled and the land should have been re-allotted.

2.1.5.5 Non-floating of online tender for land allotment

As per Para 14 of the order issued (September 2013) by DoST, the MPSEDC shall in public interest publish an advertisement containing the details of available land in every six months. In compliance to the order issued by DoST (November 2020), the MPSEDC changed the allotment process of 'first come-first served' to 'online open tender'.

Audit noticed that the MPSEDC had neither fixed any timeline for floating online tenders for land allotment, nor any tender was floated after February 2022 although at least five plots⁵⁰ were available for allotment. The MPSEDC floated only three online tenders between November 2020 and February 2022.

The Management stated that the next tender for allotment of available plots will be floated after approval from the competent authority. The Government has not fixed any timeline for floating tender.

The reply is not acceptable because the MPSEDC has not ensured compliance with the orders of DoST.

2.1.5.6 Infructuous expenditure on development of disputed plots

Allotment of 11 plots of total 1.32 acre at IT Park, Jabalpur was done through open tender (November 2020) and the lease deed was executed between June 2021 and August 2021. The MPSEDC received ₹ 1.02 crore as land premium and development fee from above plots. The MPSEDC started the development work on the above land without getting the final land demarcation report from the District Collector, Jabalpur. This resulted in overlapping of land and consequently the construction work on all the above plots were objected to by the Director, Gyan Ganga Mahavidyalaya. Thereafter, all the allottees complained (December 2021) to the Minister, DoST in this regard. In their 147th Meeting (June 2022) the Board of Directors decided to cancel the lease deeds and refund the deposited land premium and development fees to the allottees. Lapse of the MPSEDC to exercise due diligence to determine ownership before carrying out development activities resulted in unfruitful expenditure amounting to ₹ 4.56 crore⁵¹ incurred on the development of the disputed plots.

The Management stated (June 2023) that the MPSEDC had written letter in October 2021 to the District Administration for proper demarcation of the land allotted to the department for the development of the park.

The reply itself indicates that the Department carried out activities well before ascertaining ownership from the District Administration, which is a control failure.

It is recommended that accountability may be fixed on the concerned MPSEDC officials for not exercising due diligence and not conducting basic checks before undertaking development activities in the site.

⁵⁰ Actual available were 25, however 19 plots despite being cancelled have not yet been updated or marked as available for allotment (March 2023).

⁵¹ ₹ 4.56 crore (Total area of 11 plots with road, 2.83 acres X average development cost per acre, ₹ 1.61 crore. Average development cost = total cost of development, ₹ 101.62 crore/ total area of the park, 63 acre).

2.1.5.7 Loss due to non-levy of maintenance charge

As per Para 18 of the Land Allotment Order (March 2013), issued by the DoST, maintenance fee will be payable annually by the allottees as mentioned in the lease deed. The annual rates of maintenance charge determined (May 2013) by the DoST were ₹ 5 per Sq. M. for IT Parks at Bhopal and Jabalpur, and ₹ 8 per Sq. M. for IT Park, Indore.

Audit noticed that although provision for recovery of maintenance fee was made in the lease deed, the MPSEDC neither charged any maintenance fee nor made any effort for recovering the same from the allottees. Thus, due to inaction of the MPSEDC, an amount of ₹ 99.78 lakh as detailed in **Appendix 2.1.2**, was not recovered from the allottees.

The management replied (June 2023) that the maintenance fee is not being charged at present. It will be charged once effective date of levy is decided.

The reply is not acceptable as the Land Allotment Order (March 2013) clearly provided for payment of annual maintenance fees by the lessees and no provision was made for determining effective date of levy.

2.1.5.8 Non-revision of development charges

The DoST, GoMP vide its orders (May 2013) determined the rates of development charges as ₹ 50 per sq. ft. for the IT Parks at Bhopal and Jabalpur and ₹ 80 per sq. ft. for IT Park, Indore. The *ibid* order authorised MPSEDC to collect, utilise and revise the rates of development charges as per future requirements.

The details of expenditure incurred on development of land and the development charges recovered from the firms as of March 2023 are given in **Table 2.1.4** below:

Table 2.1.4: Details of development expenditure and development charges

Sl. No	Name of Park	Total Land (in acre)	Expenditure on Development		Leviable development charges /sq. ft (in ₹)	Development charges received (₹ in crore)
			Total (₹ in crore)	per sq. ft (in ₹)		
1.	Bhopal	204	70.75	79	50	19.38
2.	Indore	112	92.23	189	80	17.11
3.	Jabalpur	63	65.12	237	50	6.37
Total		379	228.10	--	--	42.86

(Source: Records of MPSEDC)

Audit noticed that although the MPSEDC was competent to revise the rates it has not done so since the rates were fixed in May 2013. As a result, the MPSEDC realised only ₹ 42.86 crore at the rates determined more than 10 years ago, as against the total development expenditure of ₹ 228.10 crore. Had the MPSEDC revised the rates keeping in view the prevailing prices and the costs incurred, they could have recovered at least a part or whole of the actual expenditure incurred on development.

The Management replied that the development charges were decided by the Government in May 2013. Thereafter no order was received for change in rate of development charges from the Government.

The reply is not acceptable as the *ibid* order itself empowered the MPSEDC to revise the rates of development charges. Further, the other agencies of the GoMP such as MPIDC recover development charges based on the actual development cost.

2.1.5.9 Non-termination of leases on account of non-payment of space/ lease rent charges by the lessees

As per Clause 6.5 of the standard Rent Agreement (in case of Buildings) executed by the lessees with MPSEDC, in the event the rent payable by lessee remains in arrear for three months in a said financial year, the lessor shall give a written notice by Registered Post/ e-mail to the lessee to cure the said default within 30 days of the receipt of the said notice. If the lessee fails to make regular rent payments, the lessor shall be entitled to cancel/ terminate the lease.

Further, as per Clause 8 of the standard Lease Deed (in case of Plots) executed by the lessees with MPSEDC, if the lease rent either in full or any part thereof, is in arrears and unpaid for one year, the lease Deed will be deemed to have been terminated.

Audit noticed that an amount of ₹ 8.69 crore was to be recovered (as of March 2023) from 108 firms on account of space rent (buildings) whereas an amount of ₹ 1.12 crore was due from 61 firms on account of lease Rent (plots) as detailed in **Appendix 2.1.3**. The MPSEDC had, however, not taken any action as required under the provisions quoted above. Moreover, it had not maintained any record from which, the age-wise pendency of non-payment of dues could be ascertained by Audit.

The Management replied (June 2023) that a review meeting is organised from time to time by the management to recover the outstanding lease rent and space rent. Due to the closure of most of the offices due to Covid-19, there has been delay in paying the rent. After that many companies had given application for exemption in rent and their views were kept before the management. Rent exemption or concession was not provided to any of the companies. Letters are written to the companies to deposit outstanding dues.

The Management, however, did not provide any documentary evidence in support of its reply.

2.1.6 Disbursement of subsidies

As per IT Policy 2016, subsidies/incentives such as rebate in cost of land, concession on stamp duty registration charges, interest subsidy, capital subsidy, reimbursement of skill gap trainings, incentive on quality certifications, assistance in marketing and special package for Business Process Outsourcing/ Business Process Management are disbursed. Deficiencies noticed in disbursement of subsidies/ incentives have been discussed in succeeding paragraphs.

2.1.6.1 Irregular reimbursement of subsidy for Skill Gap Trainings

The IT Policy provided for various incentives to the IT firms. Para 7.9 of the IT Policy provides for one-time reimbursement⁵² of ‘Skill Gap Trainings’ to the Engineers/ IT/ ITes/ ESDM professionals who are domicile of Madhya Pradesh and are trained by the unit within first two years of commencement of operations. Further, the provisions of the Employees’ Provident

⁵² Maximum of ₹ 10,000 per employee limited to 50 *per cent* of total expenditure incurred and a maximum of ₹ one crore to each firm.

Funds and Miscellaneous Provisions Act, 1952, are applicable to the establishments employing 20 or more employees.

Audit noticed that during the period from 2020-21 to 2022-23, ₹ 1.55 crore was reimbursed to 12 firms under the 'Skill Gap Scheme'. Scrutiny of records revealed the following:

- In all the cases, documents such as training calendar, recruitment policy and duration of training, topic of the training, and actual expenditure incurred thereupon were neither sought for nor submitted by the firm.
- Five firms were reimbursed expenditure incurred by them on imparting training to 20 or more employees, however, none of the firms were registered with EPFO as was required under the EPF Act, 1952.
- Domicile and IT professional certificates of the trainees were not obtained from any of the 12 firms to ensure that subsidy was granted in respect of trainings imparted only to MP domiciled employees/professionals as per the IT Policy.

The details are in **Appendix 2.1.4**.

2.1.6.2 Reimbursement to a blacklisted firm for trainings conducted

A firm (M/s Star India Market Research) was registered (October 2015) as an Investment Adviser under the Securities and Exchange Board of India (SEBI). Due to unlawful practices, SEBI had barred the firm in November 2019.

This firm had, however, been reimbursed (January 2021) an amount of ₹ 93.50 lakh for imparting training to 935 trainees during the period 31 December 2015 to 12 April 2018, by the MPSEDC. Audit also observed that the firm has seating capacity of 300 persons only inside its premises.

No documents such as copy of Aadhar, EPF number of the trainees, the training schedule *etc.*, were obtained by the MPSEDC to ascertain that trainings had actually been conducted by the firm. Further, since the firm had been blacklisted by SEBI, engaging and paying a large sum to a blacklisted firm without ascertain the veracity of the trainings which were claimed to have been conducted, was irregular, and indicates lack of oversight in the MPSEDC over the trainings.

The management replied that as per the policy, domicile certificates and the topic of training was not mandatory for reimbursement of expenses. The domicile of the trainees has, however, been checked by the Chartered Accountant. The period of training varies as per the discretion of the organisation. The amount has been reimbursed on the basis of CA's certificate.

The reply is not acceptable as the domicile status of the trainees should have been verified. The MPSEDC should have verified the details such as Aadhar, EPF No., *etc.* to ensure the compliance of the financial propriety before the reimbursement. The IT Policy does not provide for payment on the basis of CA's certificate.

2.1.7 Monitoring

The deficiencies noticed in monitoring of the ongoing projects and the commercial activities of the firms have been discussed in the succeeding paragraphs.

2.1.7.1 Non-achievement of target of employment generation in plots

The criteria as per IT Policy for determination of area of land allottable to the firms for core operation are given in **Table 2.1.5** below:

Table 2.1.5: Criteria for land allotment

Sl. No.	Sector	Maximum area that can be allotted at concessional rates	Land non-IT use permissibility (in per cent)	Rebate on cost of land (in per cent)
1.	IT	One acre per every 100 people employed in core operations	Up to 15	75
			Up to 40	50
2.	ITeS	One acre per every 150 people employed in core operations	Up to 15	75
			Up to 40	50
3.	ESDM	One acre per every 50 people employed in core operations	Up to 15	75

(Source: Records of MPSEDC)

The firms should start commercial production/ services within three years from the date of possession of land.

Audit noticed that the MPSEDC developed (March 2023) total 273 plots involving 221.53 acre of land in the IT Parks of Bhopal, Indore and Jabalpur between February 2013 and September 2020. Out of 273 plots,

- 259 plots involving 169.69 acre land were allotted to different IT, ITeS & ESDM firms;
- Five plots, involving 18.32 acres of land, were used for construction of IT Building, Utility Centre, National Informatics Centre and Software Technology Park of India;
- One plot each was reserved for PPP project (5 acres) and future expansion (10 acres);
- Allotment of two plots (5 acres) was sub-judice; and
- Five plots were available for allotment.

The position of land allotment, employment to be generated and employment generated as of March 2023 is given in **Table 2.1.6** below:

Table 2.1.6: Position of land allotment and employment generated

Sl. No.	Sector	Plots allotted		Total Employment to be generated	Production started by firm (plots)	Employment expected to be generated by firms in production	Employment actually generated
		Number	Area (in acre)				
1.	IT	75	52.75	5,275	4(07)	752	08
2.	ITeS	46	40.26	6,040	3(04)	305	131
3.	ESDM	138	76.68	3,834	13(15)	464	437
Total		259⁵³	169.69	15,149	20(26)	1,521	576

(Source: Records of MPSEDC)

It can be seen from the above table that as against the target of 15,149 jobs to be created against the 259 plots which were allotted to various firms, only 576 jobs (3.80 per cent) were created.

⁵³ In actual, 240 plots have been allotted. The additional 19 plots (259-240) have been terminated/ cancelled for various reasons discussed in the para.

Analysis of the details pertaining to allocation of plots by MPSEDC indicated the following deficiencies:

- Lease agreements of 11 plots were cancelled (June 2022) on account of dispute with an educational institute over ownership. Lack of oversight thus resulted in development and allotment of disputed plots with consequent non-commencement of business activities, thereby hampering the job creation process.
- Lease agreements were either cancelled or surrendered in another eight cases for miscellaneous reasons, after lapse of more than two years (since allotments) in all the cases. The plots are still lying vacant (not yet available for auction) indicating lack of efforts on the part of the Department to actively allot the plots for commencement of business activities. Even if we forego these 19 plots, then in respect of the 240 actually allotted plots, target for employment generation was 14,548, against which the achievement was 576 (3.96 per cent).
- Out of the 240 plots referred to above, in respect of 123 plots, the period of allotment has exceeded 36 months, but production has not commenced. Additional details are in **Table 2.1.7** below:

Table 2.1.7: Status of employment generation in plots allotted beyond three years

No. of plots (firms) where		Production Status	Employment to be generated	Employment generated
Construction completed	09 (07)	Production not commenced	500	86
Construction not started	103 (84)		5,266	10
Under construction	11 (10)		770	0
Total	123 (101)		6,536	96

(Source: Records of MPSEDC)

Against target employment generation of 6,536, only 96 jobs were created in respect of the above 123 plots involving 101 firms. Despite non completion of construction and/or non-commencement of production/operations, MPSEDC did not take action against these firms by terminating the leases and re-allotment to other interested parties/ firms. The fact that in a significant number of plots (103 out of 123 *i.e.*, 84 per cent) even construction has not started clearly indicates that the parties have no intention to commence IT/ITeS/ESDM related activities. Reasons for not taking suitable action against the firms were not on record.

- Out of 26 plots (allotted to 20 firms) where production has commenced, there was a 62 per cent shortfall in job creation (576 as against the target of 1521).
- In 95 plots, construction activities are ongoing, but production has not commenced despite lapse of more than two years (total plots where construction was ongoing are 101). The total job creation target in these 95 plots was 5601, against which 96 jobs (1.71 per cent) had been created so far (March 2023). MPSEDC had not followed up with the concerned firms to ensure timely completion and commencement of the businesses for ensuring job creation as intended. Further, how were the 96 jobs created without commencement of business operations also has not been analysed by

MPSEDC. For instance, in one case (M/s Appointy Information Technology Pvt. Ltd.), as against the target of 224 jobs, 86 jobs (38.39 *per cent*) had already been created despite non-commencement of production/business activities. MPSEDC made no efforts (based on records shown to Audit) to verify the employment data being provided by the firms. As such, veracity of the employment data cannot be ascertained.

- In 113 plots, construction activities have not commenced. Out of these, 86 have not commenced construction despite lapse of more than two years, which has affected the job creation prospects in these plots. Total intended jobs to be created in these 86 plots was 4,991 which was not achieved due to non-commencement of business activities within the prescribed timelines (*additional details in paragraph 2.1.7.2*).
- There was no system in the MPSEDC for recording/compiling and reviewing actual employment generated by the firms. There was no database/system to ascertain/ record firm-wise details regarding commencement of activity as proposed in the Lease Deed. Therefore, the quantum of employment generated was not ascertainable.

As per Section 1(3)(b) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the provisions of the Act shall be applicable to any establishment employing 20 or more persons or class of such establishments which the Central Government may, by notification in the Official Gazette, specify, in this behalf.

Audit noticed that out of 20 firms which started production, only eight firms⁵⁴ were registered with EPFO. However, out of these eight firms, four firms⁵⁵ were engaged in the activities other than the declared activities in their Lease Deeds (*discussed in Paragraph 2.1.7.3 below*).

The Management stated (June 2023) that there is no online mechanism to monitor the generation of employment in core operation in respect of land allotted. The employment in core operation is taken in the application submitted for plot and it is also provided by the firms on commencement of commercial activity. Information for generation of employment in core operation is collected by the MPSEDC through email or letter.

The reply is not acceptable as 240 plots were allotted to different firms since 2014-15 with the aim to generate employment, but meagre (3.96 *per cent* total *i.e.*, 576) employment could be generated up to March 2023. The MPSEDC neither developed any mechanism to monitor the generation of employment through the core operations nor obtained any return/ statement from the firms.

2.1.7.2 Non-monitoring of construction activities

As per Clause 9 of the Lease Deed, the lessee shall obtain all necessary approvals/ permissions required for starting the operation of business from Government departments and authorities within six months from the date of taking over possession of the plot. If the lessee fails to commence construction after getting all necessary permission/ approvals, *etc.* within the period of six months, the lessee shall apply to the lessor in writing, before the expiry of said period

⁵⁴ Aditi Electricals, Anode Electric Pvt. Ltd, Green Surfer, Prem Sons, Soluzione IT service, Sneh Krishi Kendra, Sai graphic and Tenco System & Switch.

⁵⁵ Aditi Electricals, Green Surfer, Sneh Krishi Kendra and Sai graphic.

for extension of time. Such extension of time shall not be for a period of more than six months at a time. The total extension of time granted to the lessee shall not exceed two years.

Further, according to Clause 21 of the Lease Deed, consequent upon the infringement/ breach of any clause of the Deed by the lessee, the lessor will serve a notice upon the lessee for rectification of breach/ breaches within 90 days of receipt of the notice and in case of non-compliance of this notice, the Deed may be deemed to be terminated.

Audit noticed that out of 240 allottees, 86 plot allottees had not commenced construction work (March 2023). In the case of 30 plots, necessary permissions/ approvals were not submitted to the MPSEDC by the allottees even after lapse of 38 to 48 months. In another 36 plots, the allottees had not applied for any extension of time even after lapse of the prescribed period. Thus, the allottees had committed breach of the provisions of Clause 9. MPSEDC, however, issued notices in respect of only 81 plots belonging to 64 firms indicating arbitrary action. The details of notices issued in the above respect are given in **Table 2.1.8** below:

Table 2.1.8: Details of notices issued

Sl. No.	IT Parks	No. of allottees upto March 2020 (no. of plots)	(No. of plots) Issue of the first notice to the allottees after expiry of the prescribed six months			
			With delays up to Six months	With delay between seven and 12 months	With delay between 13 and 24 months	With delay more than 24 months
1.	Bhopal	19 (29)	02 (02)	08 (17)	03 (03)	04 (04)
2.	Indore	18 (18)	04 (04)	06 (07)	01 (01)	01 (01)
3.	Jabalpur	35 (39)	03 (03)	12 (14)	15 (20)	05 (05)
Total		72 (86)	09 (09)	26 (38)	19 (24)	10 (10)

(Source: Records of MPSEDC)

The management stated (June 2023) that hearing is done individually by obtaining information from those lease holders whose lease deeds have completed 36 months or are about to be completed through correspondence and actions are taken as per the provisions of the Policy and the Lease Deed.

The reply is not acceptable because there was no provision for waiting for 36 months for initiating action against the lessees.

2.1.7.3 Lack of monitoring and failure to act on lease deed violations

As per Clause 12 of the Lease Deed, the lessee shall use the land only for the purpose of the business/ activity stated in the Lease Deed *i.e.*, for the registered activity only. Further, the DoST vide its order (January 2008), outlined thrust sector industries within the definition of the IT Industry, also specifying the non-qualification of components from the purview of IT Industry having identical nomenclature but used in other industries, such as Power Sector. The affairs of the IT Parks are managed by the Park Managers who are responsible for overall maintenance and physical verification. The subsidies were released by the MPSEDC based on inspection report submitted by the Park Managers.

Audit conducted joint physical inspection of the IT Parks viz. Bhopal (on 22 June 2023), Indore (between 12 June 2023 and 14 June 2023), and Jabalpur (on 8 June 2023 and 9 June 2023) with the Park Manager and staff of MPSEDC to ascertain business activities, construction status,

and the land use. It was observed that 11 out of 20 completed units were engaged in activities inconsistent with those mentioned in the respective Lease Deeds and did not fall into the category of activities pertaining to the IT Industry. The details are given in **Table 2.1.9** below:

Table 2.1.9: Details of activity as per lease deed and actually being carried out

(₹ in lakh)

Sl. No.	Name of Firm	Activity as per the Lease Deed	Activity actually being carried out	Nature of subsidy	Amount
1.	M/s Aditi Electrical Jabalpur	Manufacturing of Home Lighting System, Street Light System, Solar Lamps	Repair of transformer and had stocked few quantities of ready to install solar panel	Land subsidy	30.36
				Interest subsidy	8.28
2.	M/s Aqua Solutions Jabalpur	Manufacturing of electronic panels and domestic and commercial automation product	Assembling of water pump starters, water pump automation and water pump protection devices	Land subsidy	13.80
				Interest subsidy	1.61
3.	M/s Sarowa Pumps Industries, Jabalpur	Manufacturing of Electronic Digital Control Panel	Repair of transformer and submersible solar pumps	Land subsidy	15.50
				Stamp duty subsidy	1.08
4.	M/s Sai Graphics Jabalpur	BPO and Call Centre, IT Training Centre and Data Processing Centre	The building was being used as a Nursing College	Land subsidy	53.36
5.	M/s Sneh Krishi Kendra, Jabalpur	Manufacturing of PV Solar Panel/ Modules, and Allied Products	Pump starters were stored in the building	Land subsidy	6.79
				Interst subsidy	0.41
6.	M/s Future Green India, Bhopal	Manufacturing/ Assembling of LED lights and Manufacturing of LED Light components	Assembling of LED bulbs/ light only	Land subsidy	48.58
				Stamp duty	1.44
7.	M/s Nocril Pharma, Jabalpur	Manufacturing of electronic equipment and software	The building was being used to store medicines	Land Subsidy	15.79
8.	M/s S.Unitech, Jabalpur	Software development services and other IT services	Manufacturing of electrical panels	Land subsidy	15.78
9.	Saffron Solar System, Jabalpur,	Manufacturing of PV Solar Panels and Modules	Solar panels and allied materials were stored in the building	Land subsidy	60.73
10.	M/s Green Surfer Pvt. Ltd. Bhopal	Manufacturing of LED Lights and Electronic Product Mix	LED bulbs and lights were being assembled	Land subsidy	121.45
				Capital, Interest and Stamp duty	43.95
11.	M/s Diamond Electricals, Jabalpur	Manufacturing of control and relay Panel, battery chargers, print circuit boards	Manufacturing of C and R Panels, HT Meter Box used in Power Sector	Land subsidy	13.94
				Capital subsidy	4.67
Total					457.52

(Source: Records of MPSEDC)

The MPSEDC had, however, not taken any action against these lessees and instead supported the above firms by paying them ₹ 3.96 crore as land subsidy and ₹ 61.44 lakh as other incentives/ subsidies.

A few illustrative cases are given below:

Case 1: M/s Saffron Solar System, Jabalpur

M/s Saffron Solar System was allotted one acre of land (Plot No.3) in the IT Park, Jabalpur in November 2016. Being an ESDM firm, as per the Lease Deed, this firm had to manufacture



(Picture 1: Photograph by Audit, dated 09/06/2023)

PV Solar Panels and Modules. Due to non-commencement of commercial production within the prescribed period of three years *i.e.*, up to November 2019 the allotment was cancelled in January 2022, but the allotment was revived in December 2022 after submission of additional documents including the List of Machinery. Interestingly, this list consisted of the basic tools only *viz.*, soldering irons, drills, cutters, weighing machines, *etc.*, which are not used in the manufacture of PV Solar Panels. Audit did not find any machine installed for the manufacture of PV Solar Panels during the physical inspection conducted in June 2023. MPSEDC has paid subsidy of ₹ 60.73 lakh to this firm.

Case 2: M/s Sai Graphics, Jabalpur

M/s Sai Graphics was allotted 0.87 acre of land (Plot No. D) in the IT Park, Jabalpur in June 2017. Being an ITeS firm, as per the Lease Deed, this firm had to carry out the activities relevant to BPO-Call Centre, IT Training Centre and Data Processing Centre. During the physical inspection conducted in June 2023, Audit found that no such centres existed in the building constructed on the land allotted to this firm. However, a nursing college named “Smita College of Nursing” was being run in the basement of the building. MPSEDC has paid subsidy of ₹ 53.36 lakh to this firm.



(Picture 2: Photograph by Audit, dated 08/06/2023)

Case 3: M/s Green Surfer, Bhopal

(Picture 3: Photograph by Audit, dated 22/06/2023)

M/s Green Surfer was allotted two acres of land (Plot No.30 & 31) in the IT Park, Bhopal in May 2018. Being an ESDM firm, as per the Lease Deed, this firm had to manufacture LED Lights and Electronic Product Mix. During the physical inspection conducted in June 2023, Audit found that the firm was not manufacturing anything but merely assembling the components of LED lights and bulbs. MPSEDC has paid subsidy of ₹ 165.40 lakh to this firm.

Audit party reviewed four reports⁵⁶ of the Park Manager, inspection for which was conducted by the Park Manager along with Audit (on 8 and 9 June 2023). These reports were submitted for release of subsidies. In these four units, it was observed that the Units were engaged in an activity which was different from that of the approved one in their respective Lease Deeds. The Park Manager signed the Joint Inspection report of the Audit but in his Reports which was submitted to the MPSEDC, he did not mention any deviation of activity performed by the Units. As he did not mention any deviation of activity, the subsidy was released to the Units. Thus, based on the inconsistent report of the Park Managers, the subsidies were released to the Units.

The management replied (July 2023) that as per the report submitted by the IT Park Manager

- (a) M/s Aditi Electricals was manufacturing, assembling, and installing solar rooftop plants, and repairing transformers.
- (b) M/s Aqua Solutions was manufacturing pump starters, protection devices, and automation products.
- (c) M/s Sarowa Pumps was manufacturing solar pumps and panels.
- (d) M/s Sneh Krishi Kendra was manufacturing electronic starters and control panels.
- (e) M/s Future Green and M/s Green Surfer Private Limited were doing assembly, testing, marking, and packaging falling under the ESDM Sector.

The MPSEDC further stated that it has implemented a mechanism to inspect units and to ensure that they perform their registered business activities before disbursement of subsidy. The management did not reply about the remaining firms.

The reply is not acceptable because none of the 11 firms (identified by audit during joint inspections) were manufacturing items or engaging in business activities as per the lease conditions. Further, all the above observations were the outcome of joint physical inspection with the Park Manager and staff of MPSEDC, and in spite of having knowledge of fact that the activities undertaken by the lessees were inconsistent with that mentioned in the Lease Deeds, the same was not mentioned in any of the four reports submitted by the Park Manager. As a result, instead of terminating the Lease Deeds, subsidies were paid to the defaulting firms.

Further, the reply that MPSEDC has developed a mechanism to check the business activities of the firms is incorrect because under the said mechanism inspections were carried out by a single person, the Park Manager without devising any SOP or checklist. As per the standard procedure adopted by the MPSEDC, registration of the firms as IT/ITeS/ESDM unit and allotment of land to the firms were done merely on the basis of proposed business activity. The activities of the firms found during the Joint Physical Inspection with the same IT Park Manager, differs from the report submitted by him for the purpose of subsidy.

The MPSEDC/ GoMP may ensure regular monitoring of the business activities of the units to ensure that they remain aligned with the IT Policy of the State. Action may also be taken against the defaulting firms as per the rules and regulation, including recovery of subsidies falsely

⁵⁶ M/s Aditi Electricals, M/s Aqua Solutions, M/s Sarowa Pumps and M/s Sneh Krishi Kendra.

claimed. The Corporation may also investigate reasons for the lapses in monitoring on the part of the concerned officials.

2.1.7.4 Inaction against non-functional units

As per Clause 19 of the Lease Deed, the lessee shall continuously run the business/ activities for which the land is allotted during the period of the lease. For any closure of the business/ activities for a continuous period exceeding one year, the deed shall be liable to be terminated.

Audit noticed during the Joint Physical Inspection of the IT Parks, (Bhopal on 22 June 2023 and Jabalpur between 8 June 2023 and 9 June 2023) that four firms⁵⁷, despite being shown as functional in the records, were actually locked and non-functional. The fact that this was brought to light in course of joint inspection indicates that MPSEDC did not oversight over the functioning of the firms and had no knowledge of the business activities of the firms.

The Management replied that the lease deed of M/s Akshat IT & Electronics was terminated in January 2022. However, considering that construction was executed on 3000 sq. ft. and the work of electrical panel assembly had begun, the cancellation was revoked by the Managing Director in December 2022. A notice was being issued to M/s Cyber Futuristic for noncompliance of the conditions of Lease Deed while M/s Dauto had started production in accordance with the terms of the lease.

The reply is not acceptable as the firms were found non-functional during the Joint Physical Inspection.

The Corporation may conduct regular inspection of the firms to ensure that the firms comply with the applicable rules and regulations.

2.1.7.5 Undue financial benefit to the defaulting firms

As per Clause 10 of the IT Policy, the rebate on the cost of land will depend on the type of application, the type of land and the ratio of land use on developed land as shown in **Table 2.1.10** below:

Table 2.1.10: Details of rebate on cost of land

Sl. No.	Type of Application	Ratio of land use		Non-IT use permissibility	Rebate on cost of land
		IT/ ITeS/ ESDM/ Data Centre	Ancillary/ Commercial/ other Industry/ Residential		
1.	IT/ ITeS/ Data Centre Unit	85	15	Up to 15 per cent of the usable land/ built-up area for non-IT purposes	75
		60	40	Up to 40 per cent of the usable land/ built-up area for non-IT purposes	50
2.	ESDM Unit	85	15	Up to 15 per cent of the usable land/ built-up area for non-IT purposes	75

(Source: As per IT Policy)

⁵⁷ M/s Akshat IT & Electronics, M/s Cyber Futuristic, M/s Shree Ji Infotech and M/s Dauto Engineering Pvt. Ltd.

As per Clause 24 of the Lease Deed, if the lessee is unable to utilize the entire land leased out within the period, the lessor shall have the right to take possession of the unutilised land without any payment or compensation and re-allot the same after giving due opportunity to the lessee for representing its case.

Audit noticed that MPSEDC did not have a mechanism in place to check the total percentage of land to be utilised. It was observed that the area of land used for the activities by eight firms⁵⁸ ranged between 6.94 *per cent* to 35.13 *per cent*. In total, they utilised only 10,826.50 Sq. M. of the total 54,824.24 Sq. M. of usable land.

MPSEDC, however, did not verify the land usage and did not take possession of the unutilised land without any payment or compensation. The details of utilised land against the useable land are given in **Appendix 2.1.5**.

The Management stated land allotment is done by the MPSEDC as per the IT Policy and the conditions given in the Lease Deed are followed. The permission for construction of the building is given by the concerned agency and there is no interference of the MPSEDC. If the land is not fully utilised by any company or if there is no proposed plan, then action will be taken by issuing notice letter as per the clause of the deed.

The reply is not acceptable as the MPSEDC has not formed any mechanism to verify or check the ratio of land use and building permission submitted by the firms in respect of land rebate availed by them.

2.1.8 Conclusion

The audit of the MPSEDC indicated several deficiencies in its functioning. Strategic Plan and Single Window Clearance System as required under the IT Policy had not been formulated to facilitate faster decision-making and eliminate the redundant processes.

Although plots and spaces in the IT parks were allotted on first come first serve basis as per the policy, no efforts were being made for wider dissemination to encourage greater participation. In case of plots, the Corporation later shifted to online tendering system, however, the same was not done in case of building spaces. There was no mechanism in place to monitor the activities of the lessees after allocation of plot/ spaces. This resulted in delays in constructions and/or commencement of IT operations/business activities by the firms, which reflected in poor job creation figures as against the intended targets.

The lack of monitoring was further evident in the overall operations of the MPSEDC as it did not ascertain the activities of the firms, resulting in firms engaging in activities which were not linked to IT/ITeS or electronics manufacturing. Incentives/subsidies had been paid to the firms of non-eligible sectors. MPSEDC did not take any action against defaulting firms for violation/non-compliance of the conditions of the Lease Deed.

⁵⁸ Seven firms were allotted land before October 2019.

2.1.9 Recommendations

It is recommended that:

- i. *The MPSEDC/GoMP may ensure regular monitoring of the business activities of the units to ensure that they remain aligned with the IT Policy of the State. Action may also be taken against the defaulting firms as per the rules and regulations, including recovery of subsidies falsely claimed. The Corporation may also investigate reasons for the lapses in monitoring on the part of the concerned officials.*
- ii. *The Corporation may conduct regular inspection of the firms to ensure that the firms comply with the applicable rules and regulations.*

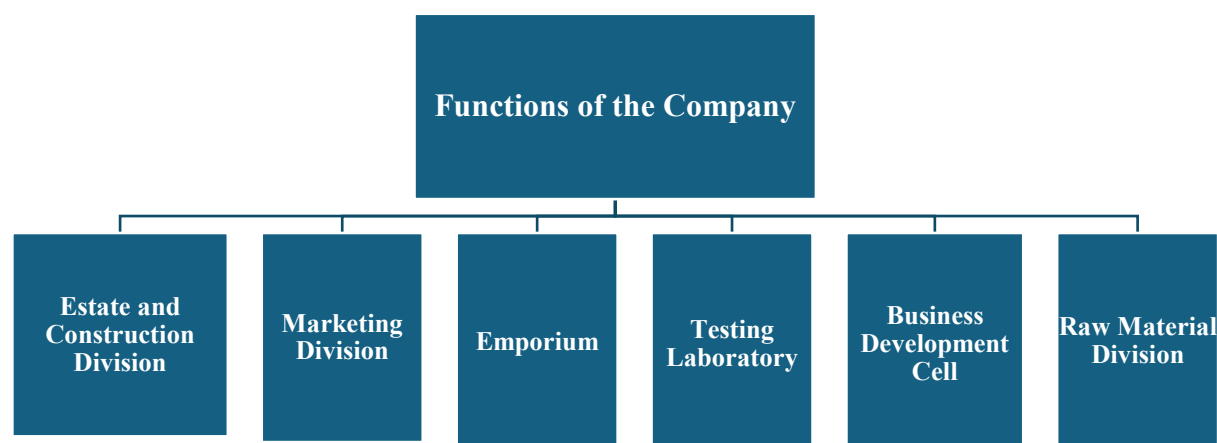
2.2 Subject Specific Compliance Audit on the Working of the Madhya Pradesh Laghu Udyog Nigam Limited, Bhopal

2.2.1 Introduction

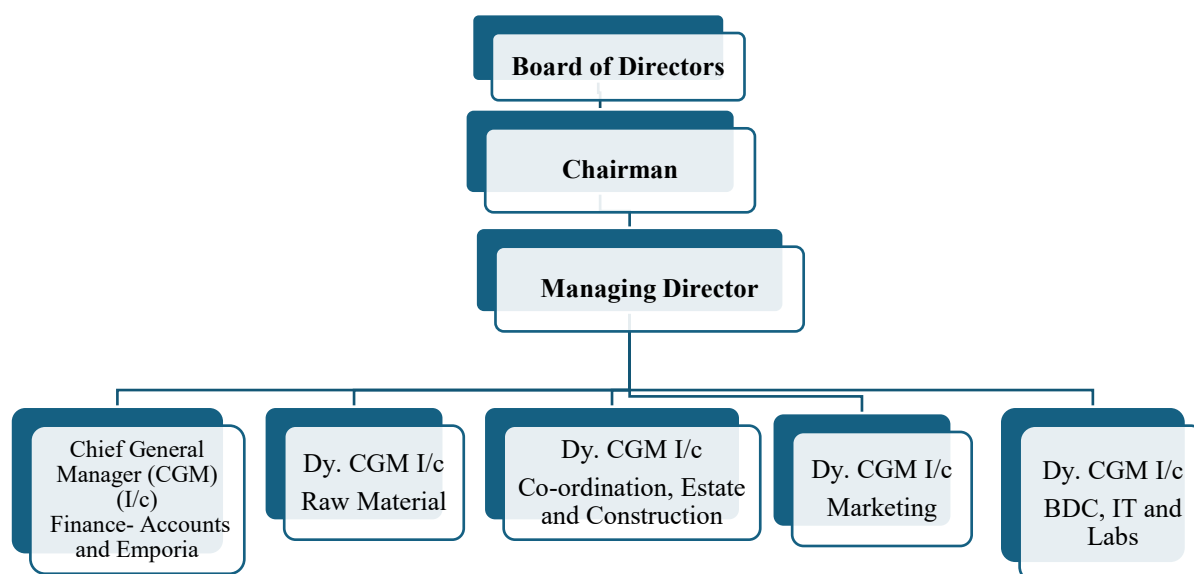
Madhya Pradesh Laghu Udyog Nigam Limited (MPLUN), hereafter referred to as the Company, was incorporated in 1961 as a Madhya Pradesh Government Public Undertaking. The paid-up share capital of the Company was ₹ 2.83 crore as on 31 March 2023. Over the last six decades, MPLUN has been working for promoting the growth of Micro & Small Enterprises in the Madhya Pradesh and carrying out multidimensional activities such as supplies to Government Departments/ Organisations, construction & maintenance of Industrial Areas, other civil works, providing assistance to Weavers & Artisans of the State through Mrignayani Emporiums, facilitating availability of Iron/ Steel & Coal to Small Scale Industrial Units (SSI units) and extending the testing facility for various products/raw materials.

2.2.2 Functional divisions of the Company and Organisational setup

The Company earns revenue in the form of sale of products through emporia, service charges for tendering and its finalisation for the Government Departments, contingency & supervision charges on the civil and electrical works executed for Government Departments, testing charges on samples tested in its labs and service charge on sale of steel and coal to SSI units. The functional divisions of the company are given below:



MPLUN is functioning under the administrative control of the Department of Micro, Small and Medium Enterprises, Government of Madhya Pradesh. Organisational structure of the Company is given below.



2.2.3 Audit Objectives, Criteria and Scope/Methodology

The audit was conducted to assess whether the plans were prepared and implemented to achieve the objectives stated in Memorandum of Association (MoA)⁵⁹ and the operations of various departments of the Company were carried in compliance with applicable Rules and orders.

The audit criteria for this compliance audit were sourced from the Agenda and minutes of Board meeting of the Company, the MoA, the Purchase Policy of the company for Emporia and the Company's Quality Manual of Laboratory, 2019. In addition, General Principles of contract as well as PWD manuals, the MP Bhandar Kray Evam Seva Uparjan Niyam, 2015, the MP Industrial Promotion Policy 2014, MP Minor Minerals Rules 1996 and various circulars issued by MPLUN, GoMP and GoI also served as benchmarks for the audit.

Audit covered a period of three years from 2020-21 to 2022-23 by auditing records of Head quarter at Bhopal (Apex) and 10 implementing units out of 14. While all the E&C Divisions (three), Testing labs (two) and Raw material depot were audited, the Emporia (4 out of 8) were selected through simple random sampling by using IDEA software. The Audit Methodology involved scrutiny of records of selected units and responses to Audit queries. The Audit was conducted between May 2023 and September 2023. Entry Conference was held in May 2023 with the Managing Director of the Company.

Replies of the MSME Department, GOMP to the audit findings were received in October 2024 and have been duly incorporated in the report.

⁵⁹ As per the MoA of MPLUN, there are 49 different objectives of the company. These *inter alia* include providing financial, technical, and managerial assistance to small industries, entering into contracts with Government entities, promoting development schemes, and facilitating the procurement and supply of machinery.

Audit findings

The Compliance Audit revealed various deficiencies in planning, operational activities, performance of various divisions of the Company, internal control and monitoring system, etc., which are discussed below.

2.2.4 Lack of planning and promotion of SSI

Planning provides direction and a sense of purpose for the organisation. In absence of plans and goals, organisation merely reacts to daily occurrences without considering what will happen in the long run. Planned targets serve as the criteria for the evaluation of different alternatives so that the best one may be chosen. The Department of Micro, Small and Medium Enterprises, GoMP, introduced the MSME Policy, 2021 with a view to developing and promoting MSMEs in the State for employment generation and socio-economic growth. Under this Policy, MPLUN was the nodal agency for Cluster Development Scheme of the State and GoI, which aimed at creating infrastructure and Common Facility Centres for MSME clusters spread across the State. Further, as per Industrial Promotion Policy⁶⁰ 2014 (Amended in 2019), MPLUN was to organise workshops between the anchor and vendor units for the promotion of small and medium enterprises. This aligns with the objective of the Company as per MoA, as the Company is *inter alia* responsible for promotion and assistance of SSI units by providing marketing, financial, technical and managerial assistance and to aid, counsel, assist, finance, protect and promote the interests of small industries in the State.

Audit observed that MPLUN had not prepared any Strategic plan for achievement of its long term, medium-term or short-term goals. Audit also noticed that although the Company has provided marketing assistance to SSI units, it had not prepared any plans for the promotion and development of SSI units in the State and also it did not prepare any plans towards managing/developing the cluster approach as envisaged in the MP MSME Policy for strengthening the SSIs.

No workshops had been organised by MPLUN between the anchor and vendor units during the audit period and the Company had neither planned for vendor development nor established linkage between SSI and other units for improving competitiveness and work efficiency of SSI.

Government while accepting the facts, stated (October 2024) that long term and short-term plans for MPLUN would be prepared.

2.2.5 Performance of Estate and Construction (E&C) Division

2.2.5.1 Improper estimation of Work by E&C Divisions

Preparation of detailed estimate of the work after detail survey and investigation is prerequisite, which provides realistic and correct estimate. As per Para 2.028 of MPWD manual an officer is responsible for soundness of design and for incorporating all the items required for inclusion in the estimate with reference to drawing.

Audit observed in 19 contracts out of the 57 contracts selected from available 114 contracts, that there was variation of more than 10 *per cent* in the executed value of work against the

⁶⁰ Department of Commerce, Industry & Employment (C&I), Government of Madhya Pradesh (GoMP).

estimate. The variation in estimates ranged between (-) 62.92 and 41.23 *per cent* as shown in **Appendix 2.2.1** which indicates that the estimates were not prepared on the basis of proper survey, investigation and detailed analysis as per the actual requirement of work, which was against the provision of MPWD Manual.

The Government stated (October 2024) that preparation of estimates is a time taking process. The estimates for a particular project are sent for sanction, which sometimes takes one to two years for approval, resulting in variation in the project cost. The addition of extra work which were not in estimates, also leads to variation in the actual project Cost.

The reply that the estimates took one to two years for approval does not justify the wide variation in estimates ranging between (-) 62.92 to 41.23 *per cent*.

2.2.5.2 *Non-Submission of Execution Programme*

As per General Conditions of Contract (GCC) the Contractor shall submit a Programme to the Engineer for approval showing the general methods, arrangements, 'order and timing for all the activities for the construction of works. If the Contractor does not submit an updated programme, the Engineer may withhold the amount stated in the Contract. In case of non-submission of the construction programme in the prescribed period (every three months or at the end of every milestone, whichever is less), the penalty is one *per cent* of the contract value subject to maximum of ₹ 50,000.

Audit observed that the contractors had not submitted any such programme in all the 57 selected works of E&C Divisions. Hence, penalty amounting to ₹ 25.43 lakh should have been levied on the contractors as shown in the **Appendix 2.2.2**. However, no penal action was taken in these cases.

The Government stated (October 2024) that the execution plan is submitted by the contractor to the concerned engineer of the work as per the timing of the activities to be performed under the work assigned. A chart for the same is submitted by the contractors to the concerned authority from time to time.

Audit could not verify the reply, as no supporting documents were either submitted to Audit or were available in the concerned files.

2.2.5.3 *Non deposit of Royalty and release of ₹ 2.79 crore without obtaining proper documents of royalty*

As per Minor Mineral Rules, 1996 and orders of Government of Madhya Pradesh, Public Works Department (February 2003), the final bill of contractors shall be paid for the work only, upon production of No Dues Certificate of royalty issued by Mining Department, failing which, the royalty will be deducted from the bills and deposited in the Mining head concerned. The rates of royalty for different materials were fixed by notifications issued by Mineral Resource Department, GoMP from time to time.

Audit observed in 31 works out of the 57 selected works that the contractors executed construction works using various quantities of minor minerals. However, neither the royalty was deducted by the Company and deposited in the Government accounts nor was the “No

Dues Certificate of royalty” obtained from the contractors as required before making final payments. Only an affidavit was taken from the firm, stating that royalty had been paid.

Further, the Jabalpur High Court in its judgement in a Writ Petition No.4547/2016 had ordered that the affidavit filed by the contractor shall point out specifically the details of minerals purchased, disclosing particulars of the person from whom the minerals were purchased. However, the affidavit submitted by the contractors for claiming payment did not contain such information. Therefore, the payment of royalty cannot be ascertained.

Release of payment amounting to ₹ 2.79 crore to the contractors without verification of the royalty paid was in contravention to the orders of Government and was therefore irregular. The details are in **Appendix 2.2.3**.

The Government stated (October 2024) that as per previous practice, the divisions were taking affidavits from the contractors and accordingly royalty has been released. However, from June 2023 the divisions started to deduct the royalty from the bills of the Contractors in case of non-submission of clearance certificate.

The reply is silent on non-compliance by the company with the provisions of the Minor Mineral Rules and relevant GoMP orders, resulting in irregular release of the royalty component of ₹ 2.79 crore, without verification of royalty payment.

2.2.5.4 *Non imposition of penalty due to non-deployment of technical persons*

The GCC stipulates the required number of technical persons for execution of the contract which are minimum mandatory requirement. As per para 6.1 of the GCC, the Contractor shall employ the technical personnel for the construction work and routine maintenance as provided in Appendix 1-3 of Bid Data Sheet. For non-deployment of required number of technical staff, the penalty of ₹ 30,000 per month for each Graduate Engineer and ₹ 18,000 per month for each Diploma Engineer/ ITI Surveyor is leviable on the Contractor.

On the review of the selected 57 work contracts of E&C Division, it was observed that:

- In respect of 14 contracts, no records pertaining to deployment of mandatory technical staff were available.
- In respect of 23 contracts, technical staff were deployed but the numbers deployed were lesser than even the minimum requirement prescribed in the bid conditions.

For non-compliance with the provisions of the GCC, penalty of ₹ 1.66 crore was leviable from the contractors as shown in the **Appendix 2.2.4**.

The Government stated (October 2024) that the required numbers of technical personnel for the execution of the contract as per the General Contract Conditions is to be fulfilled by the contractors. The list of the technical personnel was submitted by the contractors at the time of agreement and accordingly the site engineer verified the same and the bills were passed.

The reply is factually incorrect, as in respect of 23 contracts, the records clearly indicate that the number of technical staff deployed was less than what was prescribed. In respect of the other 14 contracts, the list of technical personnel deployed, if available with the contractors and shown to the site engineer as stated/ claimed, should have been properly documented and

kept available in the concerned records, which was not done. In the absence of such records, audit could not derive adequate assurance on the correctness of such claims.

2.2.5.5 *Delay in the Execution of the Contracts and short levy of Liquidated Damages of ₹ 5.71 crore*

As per GCC para 15, in the event the Contractor fails to make good the delay until completion of the stipulated contract period (including extension of time) the sum so retained shall be adjusted against the liquidated damages (LD) levied and in case the work is not completed within the stipulated period of completion along with all such extensions which are granted to the Contractor for either Employer's default or *Force Majeure*, the compensation shall be levied on the contractor at the rate of 0.05 *per cent* per day of delay limited to a maximum of 10 *per cent* of contract price.

During audit it was observed in 29 out of 57 selected contracts that there was delay ranging between 87 days to 577 days from the schedule date of completion. For non-completion of work within the stipulated time, LD amounting to ₹ 5.74 crore was leviable. Against this, the E&C division levied LD of only ₹ 3.14 lakh in respect of 17 contracts while in respect of 12 contracts no LD levied, despite delays ranging between 87 and 560 days.

Reasons for not levying the LD as applicable were not available on record. In the absence of any records, Audit could not verify/ascertain the reasons for non-levy of applicable LD and whether such action was justified.

Inability of the E&C division to comply with the conditions of the GCC resulted in short levy of LD without adequate justification. as detailed in **Appendix 2.2.5**.

The Government stated (October 2024) that in the years 2020-21 and 2021-22 most of the works were hampered due to COVID-19. As the lockdown was enforced by the Government and guidelines were issued for the works during the lockdown period, which resulted in slow progress of works, hence the time extension was accordingly given to the contractors.

The reply is not acceptable as exemption from LD, by allowing extension of time for delays, should have been properly documented and approved by the competent authority which was not done in any of the cases pointed out by Audit.

2.2.5.6 *Non levy of penalty for non-establishment of field laboratory*

As per GCC 17.2 and 17.3, the contractor shall establish field laboratory within 30 days from the date of issue of work order, failure of the Contractor to establish the laboratory shall attract penalty at the rate of one *per cent* of the contract value per month subject to maximum of ₹ 50,000 per month of delay.

Audit observed that in 26 works out of 57 selected contracts of E&C Divisions, in which the field laboratory was required to be established, the contractor had not established the laboratory and its verification by the competent authority was also not available. For violation of the terms of GCC, penalty amounting to ₹ 76.00 lakh, as per the terms of agreement was leviable, as detailed in **Appendix 2.2.6**.

The Government stated (October 2024) the field labs were established by the contractors as per the tender conditions and the concerned engineer of the work verified the same. As per the competent authority the materials which were required to be used in the construction process were tested and accordingly the same is approved. The divisions started to maintain proper documentation for the establishment of the field labs.

Audit was unable to derive adequate assurance that field lab had been set up as verification report of the concerned engineer(s) was not available.

2.2.5.7 Award of works without Inviting Tender

Audit observed that the Probable Amount of Contract (PAC) had increased in seven contracts. The increased PAC, in these cases was ranging from ₹ 40 lakh to ₹ 95 lakh, which was 32.05 per cent to 134.33 per cent more than the actual value of the contracts. The details are given in **Appendix 2.2.7**. Further, it was observed that the contract amount was increased within two to six months from the award of the contracts, which also shows deliberate approach on the part of E&C Division, as no fresh NIT was published in these cases for the increased amount. Thus, it was a violation of standard tender inviting practices.

The Government stated (October 2024) that the probable amount of the contract is decided prior to the start of work, and as per the requirements and instructions of the concerned departments during the execution of the work, the PAC gets increased. Further, the department concerned also wants completion of work as soon as possible which does not allow MPLUN to invite fresh tenders as it takes additional two to three months. Hence, the PAC was increased accordingly in the commented works as per the needs of concerned department.

The reply is not acceptable as non-inviting of tender due to shortage of time, cannot be a valid justification for violation of a mandatory condition as per Works Manual.

2.2.6 Marketing Division

The marketing division of the company finalises the tenders related to supply of material to various Government Departments/organisations on competitive rates and of specified quality within the time limit. An element of service charges (two per cent) receivable by the Company from the suppliers is also included in the rates finalised against the tenders floated.

2.2.6.1 Irregularities in tenders

(i) Violation of Blacklisting Rules for Related Firms in Tender Process of Procurement of Furniture

As per Rule 54 of the MP Bhandar Kray evam Sewa Uparjan Niyam, 2015, if a company/ firm is blacklisted, all other companies/ firms sharing a common Director/Proprietor/Partner will also face blacklisting.

Audit observed that M/s Shree Vaishnav Industries (Proprietorship Firm), Bhopal was blacklisted for the period of one year from 26 September 2020. However, M/s Shree Vaishnav Furniture (India) Pvt. Ltd. with a Director who was a Proprietor in the blacklisted firm, participated in tender number 20034-A and was qualified in the techno-commercial bid evaluation held on 22 March 2021. This action of opening both the techno-commercial and price bids of the blacklisted bidder was irregular according to the rules.

The Government stated (October 2024) that M/s Shree Vaishnav Furniture (India) Pvt. Ltd. had participated in the Bid and M/s Shree Vaishnav Industries Pvt. Ltd. was blacklisted for One year. The Proprietor and Director are the same persons but the Firms are different.

However, the reply is not since the action was in contravention of the Madhya Pradesh Kray & Seva Uparjan Niyam 2015 as blacklisting extends even to these firms having the same Director and Proprietor as those of blacklisted ones.

(ii) Security deposit of ₹ 0.60 crore was not forfeited

As per the Special Conditions of the tender document the company requires a security deposit of ₹ 0.20 crore for 18 months at the time of execution of the rate contract. This security deposit is released upon successful performance; failure may result in forfeiture (tender condition 31) of the security deposit.

The Company invited a tender (no. 20002A) in December 2020 for ISI marked Galvanised Mild Steel tubes for the Public Health Engineering Department (PHE) under an annual rate contract. Rate Contracts were signed for one year (06 February 2021 to 5 February 2022) with four suppliers, but three suppliers had not supplied the indented quantity (12/10/2021). Details are given in **Table 2.2.1:**

Table 2.2.1: Details of suppliers who had not supplied the indented quantity

(₹ in crore)

Sl. No.	Supplier	Value of Supply order placed	Value of Supply order executed	Value of Supply order not executed
1.	M/s Gaurang Products Pvt Ltd.	3.78	2.25	1.52
2.	M/s P.S. Steel Tubes Ltd.	8.24	7.49	0.75
3.	M/s Spark Electrodes Pvt Ltd.	8.33	7.13	1.19

(Source: Information provided by MPLUN.)

Audit observed that no action was taken by the Company to forfeit the security deposit of ₹ 0.60 crore from the suppliers who failed to deliver the indented materials. Instead, the Company had only forfeited EMD of ₹ 0.02 crore of all bidders. Further, new rate contracts were executed for supply with other suppliers at the higher rates.

The Government stated (October 2024) that the said suppliers had supplied 83 *per cent* of the value of supply order. The main reason for the units not making full supply of the material is lack of work in factory due to migration of labour due to COVID-19 and increase in freight charges. Despite this, the MPLUN has forfeited the EMD of the units and banned them from participating in the tender for one year.

The reply is not acceptable as there is no clause for waiver/non forfeiture of the security deposit in the special condition of the contract. Further non supply resulted in execution of rate contract at higher prices which ultimately was passed on to indenting department i.e. PHE.

2.2.7 Performance of Emporium

2.2.7.1 Inventory management in Emporium

As per clause 6 of Purchase Policy (2021), the procurement planning for Emporia shall be based on a system of sales forecast. Each Emporium at the beginning of each financial year shall adhere to the month-wise sales targets, according to which sourcing shall be planned. Over stocking shall be avoided to exercise control of the inventory carrying cost. At the same time under stocking shall also be avoided so that stock-out situations do not arise.

The details of more than one year inventory held by four Emporia during the period from 2020-21 to 2022-23 are shown in **Table 2.2.2**.

Table 2.2.2: Details of more than one year inventory held by four Emporia

(₹ in crore)

Year	Less than one year old stock	More than one year old stock	Total stock at the end of year	Percentage of more than one year old stock to total stock
2020-21	1.29	2.25	3.54	63.44
2021-22	1.75	1.67	3.42	48.92
2022-23	1.86	1.65	3.51	46.96

(Source: Information provided by MPLUN.)

From the above table it can be seen that percentage of more than one year old stock to the total stock held by the four emporia ranged between 46.96 *per cent* and 63.44 *per cent* which is alarming and may lead to increase in obsolescence/damage of stock.

Audit analysis of the damages/ obsolescence revealed that the stock disposed of during the period had reduced, resulting in less realisation from the disposable value of stock. Details are shown in **Table 2.2.3**.

Table 2.2.3: Showing amount of damaged stock in total stock at the end of year

(₹ in crore)

Year	Total stock at the end of year	Cost of damaged stock disposed of during the year	Amount of damaged stock in total stock at the end of year
2020-21	3.54	0.16	0.66
2021-22	3.42	0.30	0.42
2022-23	3.51	0.10	0.34

(Source: Information provided by MPLUN.)

The Government stated (October 2024) that it is not possible for any business unit to sell the whole stock in the same year and the Emporia are trying to reduce the inventory level. The sale in the year 2020-21 and 2021-22 was hampered due to Covid -19 because of which the percentage of old stock was higher.

The reply is not acceptable as during the Covid years, the Company made purchases of ₹ 3.78 crore and ₹ 7.51 crore in 2020-21 and 2021-22 respectively, which indicates that they had foreseen/anticipated sufficient business during these years. Since they had stock valuing ₹ 3.54 crore at the end of 2020-21, making purchase of ₹ 7.51 crore in 2021-22 was not justified.

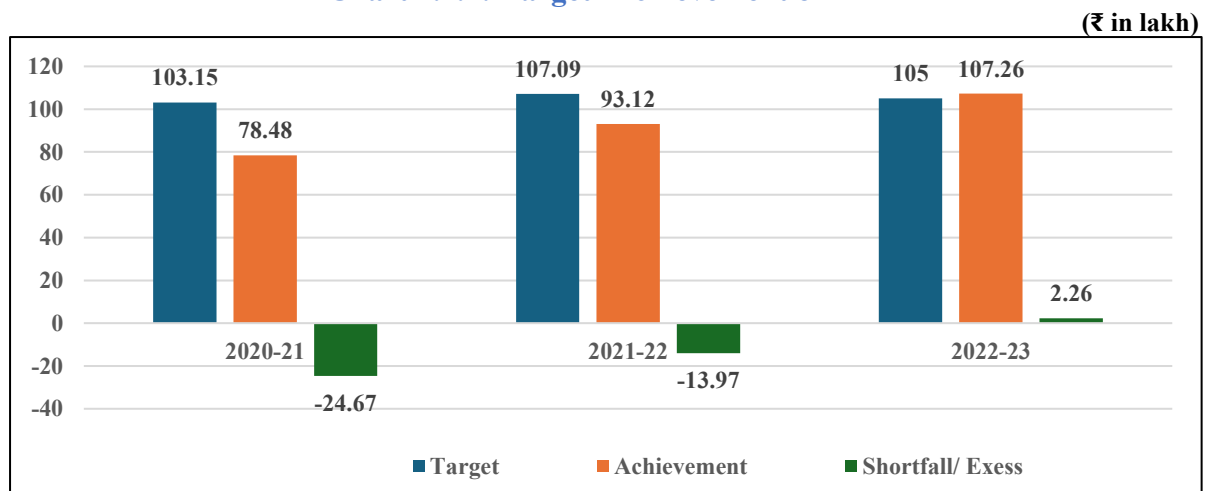
2.2.8 Performance of Testing Lab division

The Company earns revenue by providing testing facilities to State MSMEs & various Government/ Semi-Government departments of Government of Madhya Pradesh as well as to private parties through its two laboratories located at Indore and Jabalpur. The MSMEs are provided subsidy on the prevailing rate of testing charges.

2.2.8.1 Non-utilisation of full capacity of Laboratories

Targets should be set annually based on Laboratory capacity to ensure business growth without any constraints. Target of business set for Testing Laboratory, Indore and Jabalpur and its achievements for the period from 2020-21 to 2022-23 are given **Chart 2.2.1** below:

Chart 2.2.1: Target -Achievement of LAB



Audit observed that the Company could not utilise the full installed capacity of both the laboratories as detailed in **Appendix 2.2.8**. Jabalpur's testing lab lost its NABL⁶¹ status in February 2022, making it less reliable as most customers prefer accredited labs. Its revenue has dropped over the last three years, from ₹ 0.21 crore in 2020-21 to ₹ 0.09 crore in 2022-23. Further, the company had not done any business publicity or organised meets with potential consumers to increase awareness about the business.

The Government stated (October 2024) that for the NABL status, Jabalpur Lab had already submitted (May 2024) requisite documents and the same will be revoked in due course of time.

The reply is not acceptable since the steps for renewal of NABL status was lost in February 2022 but the action for revival was taken belatedly in May 2024.

2.2.9 Internal Control and Monitoring System

2.2.9.1 Inadequate monitoring of the affairs of the Company

The Section 173(1) of the Companies Act 2013, states that every company must hold its first board meeting within 30 days of incorporation, and then at least four meetings per year, with no more than 120 days between each meeting. This requirement was extended to 180 days from

⁶¹ National Accreditation Board for Testing and Calibration Laboratories.

01 April 2020 to 30 September 2021, vide circulars issued by the Ministry of Corporate Affairs (MCA) dated 24 March 2020 and 03 May 2021.

Audit observed that the company violated the provisions of the Companies Act 2013 and held only eight meetings out of required 12 meetings, resulting in lack of monitoring of Company affairs by the Management.

The Government stated (October 2024) that due to Covid in 2021-22 and 2022-23 the Board Meeting could not be conducted.

The Reply is not acceptable as the extension was provided in 2020-21 by the MCA. As regards 2021-22 and 2022-23, no Covid induced lockdowns were in place so the reason for not holding Board Meetings is not valid.

2.2.9.2 *Non-compliance of the Companies Act with respect to expenditure on Corporate Social Responsibility*

According to Section 135 of the Companies Act 2013, MPLUN must spend at least two *per cent* of the average net profit of the Company, made during the three immediately preceding financial years on Corporate Social Responsibility (CSR).

Audit observed that during 2022-23, MPLUN was required to spend a minimum of ₹ 0.49 crore under the CSR provisions, but had not spent any amount on CSR in the last three years although the Company was in profit. This resulted in violation of the Companies Act and depriving society from the intended benefits of CSR activities.

The Government stated (October 2024) that under CSR a total ₹ 1.78 crore is to be spent on action plan presented by the Company in connection with the establishment of “Testing and Skill Development centre” in the Testing Lab premises of Indore and Jabalpur. The same was placed in meeting (15 March 2023) of the Board. After approval, the action plan has been sent to District head offices. The proceedings related to tender for purchase are under process.

Further development in this matter was awaited (February 2025).

2.2.9.3 *Delay in Finalisation of Accounts of the Company*

Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for Board’s consideration. Section 129 (7) of the *ibid* Act provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions.

Audit observed the there was a delay in finalisation of Accounts of the Company for the year 2020-21 to 2022-23. Further, certification of Accounts had been carried out upto 2019-20.

The Government stated (October 2024) that financial statements for the year 2020-21 has been prepared and same will be forwarded for supplementary audit after taking the approval of the Board of the Company in next meeting. Further, statutory audit and internal audit for the year 2021-22 and 2022-23 respectively are under progress.

Further development in this matter was awaited (February 2025).

2.2.10 Conclusion and Recommendations

MPLUN was designated as the nodal agency for cluster activities in Madhya Pradesh under the State's MSME Development Policy, 2021. However, the Company did not formulate strategic plans for promotion and development of SSI units in the State. It was seen that other than running/managing the State emporia and investing resources in carrying out deposit works and procurement for other state government agencies, the company did not involve itself with systematic growth and handholding of the MSME and SSI units. The Company also did not comply with several requirements of the Companies Act, indicating lax internal controls and oversight.

It is recommended that the Company evolve a strategic plan for adopting the cluster development approach as envisaged in the MSME Policy of 2021, which will promote industrial growth in the State.

2.3 Subject Specific Compliance Audit on Promotion and Development of New and Renewable Energy in Madhya Pradesh

2.3.1 Introduction

The New and Renewable Energy (NRE) activities in Madhya Pradesh include energy generated from Solar Photovoltaic Power Plants, Rooftop Solar Systems, and Solar Photovoltaic Water Pumps, as well as the energy generated through Wind, Biomass, and Hydel sources.

For the promotion and development of NRE in the State of Madhya Pradesh, the Government of Madhya Pradesh (GoMP) formed (25 August 1982) Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL). Further, the GoMP also established (April 2010) the Office of the Commissioner, New and Renewable Energy Department (MPNRED) for encouragement of private investment in NRE schemes/projects in the State through the coordination between Government of India (GoI) and GoMP.

During 2022-23, the electricity generation from NRE sources in India contributed 13 *per cent* of India's total energy generation (2,03,552.68 GWH⁶² out of total 16,24,465.61 GWH generated). During the same period in Madhya Pradesh, the electricity generated from NRE sources contributed approximately six *per cent* (8,872.72 GWH out of total 1,52,020.26 GWH generated).

2.3.2 Audit Objectives, Criteria and Scope/Methodology

The audit was conducted to assess whether promotion and development of new and renewable energy sources was in accordance with the policy/guidelines of GoI/GoMP.

Audit findings are benchmarked against the criteria sourced from the Energy Conservation Act, 2001, the MP Policy for Decentralised Renewable Energy Systems, 2016, the MP Renewable Energy Policy, 2022. Besides, various Schemes formulated by GoI and GoMP for the promotion of Renewable Energy and Guidelines/directions issued by the GoI and GoMP were also referred to for carrying out the audit.

Audit reviewed the records of all the three Apex/Auditible units *i.e.*, Principal Secretary, New and Renewable Energy Department (NRED, GoMP), Commissioner, MPNRED, GoMP, and the MPUVNL along with its implementing units for the period from 2018-19 to 2022-23. Out of 32 implementing units of MPUVNL, 11 units (forming 33 *per cent* of the total size) were selected randomly through IDEA software. Audit methodology consisted of document analysis, issues of audit observations, obtaining responses, discussion with the officials, beneficiary survey on the basis of Remote Monitoring System⁶³ (RMS).

The findings were communicated to the NRED Department, GoMP on 05 June 2024, followed by reminders. Replies, despite efforts, have not been furnished by the Department (December 2024).

⁶² Giga Watt Hour (GWH) is a unit of energy representing one-billion-watt hours.

⁶³ Remote Monitoring System (RMS) is a cloud-based system for monitoring the performance of the Solar plant installed with a view to provide real-time data of the generation of electricity.

Audit findings

The audit observation concerning the formulation of the policy of new and renewable energy by the GoMP and its implementation are discussed below:

2.3.3 Delay in implementation of the provisions of the Energy Conservation Act and Energy Conservation Building Code

Energy Conservation Act, 2001⁶⁴ (Act) provides for the efficient use and conservation of energy. As per section 57 of the Act, the State Government may make Rules by notification for carrying out the provisions of this Act. As per Section 14(p) of the Act, the Central Government, in consultation with the Bureau of Energy Efficiency (BEE), may prescribe an Energy Conservation and Building Code (ECBC) for the efficient use of energy and its conservation in the building or building complexes. Additionally, Section 16 of the Act requires the establishment of a fund by the State Government for the purpose of promoting the efficient use of energy and its conservation within the State by a designated agency or by the State Government.

Audit observed that the GoMP formulated its Rules only in June 2021, *i.e.*, after three years. This led to the delay in implementing the ECBC rules in Madhya Pradesh. Hence, Audit could not derive assurance that the infrastructure developed during the intervening period was designed for efficient use of energy and its conservation. Further, the utilisation of an amount of ₹ 6.00 crore (₹ 4.00 crore⁶⁵ by Bureau of Energy Efficiency and ₹ 2.00 crore⁶⁶ by GoMP) which was contributed to the State Energy Conservation Fund to finance the implementation of energy efficiency projects in public buildings, including Central/ State Government undertakings, energy efficient street lights *etc.* could not be vouchsafed due to the non-production of bank statements.

2.3.3.1 Shortfall in achievement of the targeted capacity of the NRE systems

Ministry of New and Renewable Energy (MNRE), GoI, (February 2015), set targets for installed capacity of NRE (by 2022) across all States.

The target *vis-à-vis* installed capacity achieved may be seen in **Table 2.3.1**:

⁶⁴ The Act was enacted by the Parliament on 29 September 2001.

⁶⁵ ₹ 2.00 crore each on 17 March 2011 and 28 March 2013.

⁶⁶ ₹ 2.00 crore on 05 March 2013.

Table 2.3.1: The status of the target and achievement of installed capacity of NRE from various sources up to 2022-23

Year	NRE capacity to be achieved by the year 2022 (in MW)	Capacity created up to the year (in MW)					Short achievement up to 2022-23
		Up to 2018-19	Up to 2019-20	Up to 2020-21	Up to 2021-22	Up to 2022-23	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(2)-(7)
Solar	5,675	1,865.70	2,360.92	2,566.07	2,666.54	2,742.84	2,932.16
Wind	6,200	2,444.15	2,444.15	2,444.15	2,535.95	2,770.85	3,429.15
Small Hydel	25	96.11	96.11	99.91	99.91	123.91	NA
Biomass	118	94.53	94.53	94.53	94.53	94.53	23.47
Total	12,018	4,500.49	4,995.71	5,204.66	5,396.93	5,732.13	6,384.78

(Source: MNRE, GoI document and data provided by MPNRED & DISCOM)

It can be inferred from the above table that in Madhya Pradesh only 47.70⁶⁷ per cent NRE capacity could be achieved till 2022-23 against the targets of MNRE, GoI. Audit also compared⁶⁸ this achievement with the performance of other five major States viz., Gujrat, Karnataka, Tamil Nadu, Rajasthan and Maharashtra up to March 2023. It was observed that the percentage of achievement in these five States ranged between 57.87⁶⁹ per cent and 172.39⁷⁰ per cent which is way higher than that of Madhya Pradesh. In this regard, Audit observed the following:

- As against MNRE, GoI outlining targets for installed capacity of renewable energy in 2015, the GoMP planned its RE Policy in 2022, i.e., after a gap of seven years. Consequently, the GoMP could not efficiently plan its NRE infrastructure to align with the roadmap presented by Niti Aayog.
- MPNRED, GoMP did not perform surveys at the micro level to identify the specific potential sites of Solar, Wind, Small Hydel and Bio-mass sectors of Renewable Energy Sources.
- No Request for proposals (RFPs) for developing the projects were invited during the previous nine years (2014-2023). The last RFP was invited in 2014.
- Seventy per cent of registered projects under the Wind power sector could not be commissioned, as discussed in the succeeding paragraph 2.3.3.2.

This indicated that concerted efforts for utilising the potential capacity were not made, which likely impacted the non-achievement of the targets fixed (2015) by Niti Ayog, GoI.

Department/GoMP replies had not been received (February 2025).

⁶⁷ 5,732/12,018*100= 47.70 per cent.

⁶⁸ As per the data taken from the website of MNRE.

⁶⁹ Maharashtra.

⁷⁰ Rajasthan.

2.3.3.2 Deficiencies in the implementation of Wind Power Project Policy, 2012

GoMP issued (January 2012) a comprehensive Wind Power Project Policy for the implementation of Grid-connected Wind power projects to encourage the participation of the private sector in setting up Wind power projects in the State. This policy envisaged specific incentives and exemptions to the eligible projects, registered with the MPNRED. Since GoMP targets were not found on records, Audit could not assess the achievement/performance against its target. The details of Wind projects registered, commissioned, and deregistered as of 31 March 2023 are given in **Table 2.3.2** below:

Table 2.3.2: Wind projects registered, commissioned and deregistered as of 31 March 2023

Year	Projects Registered		Projects Commissioned		Projects Deregistered	
	No.	MW	No.	MW	No.	MW
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Up to 2018-19	176	7,939.00	71	2,444.15	40	1,421
Up to 2019-20	176	7,939.00	71	2,444.15	40	1,421
Up to 2020-21	178	8,365.70	71	2,444.15	40	1,421
Up to 2021-22	179	8,366.45	71	2,535.95	40	1,421
Up to 2022-23	181	9,128.65	72	2,770.85	40	1,421

(Source: Information provided by MPNRED)

- i. It may be seen from the above table that up to the year 2022-23, out of 9,128.65 MW registered Wind projects, only 2,770.85 MW (30 *per cent*) projects could only be commissioned, and 1,421 MW (16 *per cent*) projects were deregistered. Further, 4,936.80⁷¹ MW capacity projects were still pending to be commissioned even after the lapse of about seven to ten years. Audit examined the project documents pertaining to five wind power projects and observed that the main reason for the failure in commissioning was inadequate follow-up⁷² by the MPNRED with the project developer for commissioning of the project.
- ii. As per clause 2 of the policy, MPNRED was required to invite applications for project allotment at least once each quarter of the year. However, the Audit noticed that MPNRED invited Request for Proposals (RFP) only three times (May 2012, April 2013 and March 2014) since implementation of the policy in January 2012.
- iii. Clause 2 of the Wind Power Project Policy, 2012, required MPNRED to make available the data of wind monitoring masts, wherever established to the applicants. Audit noticed that MPNRED did not upload the data of wind monitoring masts⁷³ on its own website for easy access to the applicants.

⁷¹ 9,128.65MW registered – (2,770.85 MW commissioned + 1,421.00 MW deregistered) = 4,936.80 MW.

⁷² After allotment of project, as projects were not materialised, merely show cause notice were issued to the project developers. After that neither the developers had responded nor MPNRED had pursue the matter with the developers.

⁷³ Monitored by the National Institute of Wind Energy.

2.3.3.3 Deficiency in the recovery of Land Use Charges from Solar Park Projects

As per the GoMP order (October 2014) related to provisions of the land use in renewable energy projects, the land use charges at the rate of 50 *per cent* of the prevailing Collector rate of un-irrigated land for the project on the effective date of the Land Use Permission Agreement would be paid by the developer in five equal annual instalments. Further, para 3 stipulated that the developer would pay the first instalment before taking over the land for the project's use. Further, GoMP framed (2018) the provision for payment of interest by the developers for the delay in payment of land use charges at the rate of investment loans.

MPNRED, a nodal Department for new and renewable energy in Madhya Pradesh, had acquired Government revenue land required for solar park projects. Subsequently, MPNRED allocated land to Rewa Ultra Mega Solar Limited (RUMSL⁷⁴) for solar parks by entering into a Land Use Permission Agreement. Audit noticed that as per the provisions of Land Use Permission Agreement, RUMSL was to pay land use charges for the land used in solar park projects in accordance with the policies of the GoMP. The deficiencies noticed in this regard are discussed below:

- i. MPNRED entered (April 2017) into Land Use Permission Agreement with RUMSL for the use of land in Rewa Solar Park. As per the provisions of Land Use Permission Agreement and the Government order, MPNRED was to collect land use charges of ₹ 42.05 crore in five equal annual installments *w.e.f.* 16 April 2017 (prior to the taking over of land *i.e.*, date of Land Use Permission Agreement). However, MPNRED neither raised demand nor timely recovered all five instalments of the land use charge from RUMSL. Additionally, MPNRED did not levy interest charges of ₹ 8.16 crore for the delay in payment of land use, as stipulated by the GoMP order.
- ii. Similarly, in the case of ASN⁷⁵ projects (another project of RUMSL) of solar parks, MPNRED entered (November 2021) into Land use Permission Agreement with RUMSL for land use. MPNRED was required to collect two instalments of land use charges of ₹ 25.12 crore *w.e.f.* 24 November 2021 till March 2023. However, MPNRED could not recover the land use charges from RUMSL till March 2023 and also did not levy interest charges of ₹ 2.65 crore (upto March 2023) for delay in payment of land use charges.

2.3.4 Deficiencies in Grid-connected Solar Rooftop Projects

The MNRE, GoI formulated the guidelines for the implementation of the “Grid connected rooftop or small solar power plant programmes” to promote the grid-connected small solar photovoltaic (SPV) rooftop systems among the residential, community, institutional, industrial, and commercial establishments to achieve the targets set by GoI. This programme was

⁷⁴ Incorporated on 10 July 2015 as a joint venture Company of Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL) representing the Government of Madhya Pradesh and Solar Energy Corporation of India Limited representing the Government of India with an objective to develop Solar Park projects in the State of Madhya Pradesh.

⁷⁵ Agar, Shajapur and Neemuch.

implemented through the State Nodal Agency (SNA), i.e., MPUVNL⁷⁶ in Madhya Pradesh. Under this programme, Central Financial Assistance was released to the SNA.

MNRE and GoMP facilitate central financial assistance at the rate of 30 *per cent* and GoMP Subsidy at the rate of 20 *per cent*, respectively, for the Solar Rooftop projects. The remaining 50 *per cent*, along with a five *per cent* administrative charge of the project cost, is to be deposited by the beneficiary before placing the order as the user's share.

2.3.4.1 Non-achievement of grid-connected solar rooftop targets of MNRE

MNRE, GoI set a target of 40 GW grid-connected solar rooftop systems in the country by 2022. The solar rooftop and small solar power plants programme aims to promote installing grid-connected solar rooftop systems in the country's residential, industrial, commercial, and institutional sectors.

For the achievement of the target of 40 GW grid-connected solar rooftop systems in the country by 2022, the GoMP issued (October 2016) Madhya Pradesh policy for Decentralised Renewable energy systems 2016 by setting the target of 2.2 GW to be achieved for grid-connected rooftop systems by 2022, and the same was also adopted in MP NRE policy 2016. The status of grid-connected rooftop targets and their achievement up to 2022-23 in the State of Madhya Pradesh are given in **Table 2.3.3** below:

Table: 2.3.3: Status of grid-connected rooftop targets and their achievement up to 2022-23

Year	Target of grid-connected solar rooftop by MNRE in MW	Total achievement of target in MW	Short achievement in MW	Per cent of achievement
(1)	(2)	(3)	(4)=(2)-(3)	(5)=(3)/(2)*100
Up to 2018-19	880	59.17	820.83	6.72
Up to 2019-20	1,265	106.30	1,158.70	8.40
Up to 2020-21	1,705	148.20	1,556.80	8.69
Up to 2021-22	2,200	204.79	1,995.21	9.31
Up to 2022-23	2,200	270.04	1,929.96	12.27

(Source: Information provided by the DISCOMs)

It may be observed from the table that GoMP /MPUVNL could not achieve the grid-connected solar rooftop targets during 2018-19 to 2022-23. Against the targets, the cumulative achievement ranged from 6.72 *per cent* to 12.27 *per cent* from 2018-19 to 2022-23. The achievable targets up to 2021-22 could not be achieved even up to 2022-23, as the cumulative achievement was only 270.04 MW (12.27 *per cent*) up to 2022-23. Action plan for achieving the targets of grid-connected solar rooftops, and initiations/efforts to actively engage Government offices/Departments in installing solar rooftops and coordination with DISCOMs for timely project completion were not found available on record during the Audit. This has resulted in shortfall in achieving MNRE targets.

⁷⁶ MPUVNL worked as SNA for grid-connected solar roof-top till 2019-20. Afterwards, the DISCOMs are the implementing agencies/nodal points.

2.3.4.2 Non-achievement of the targeted quantity sanctioned under Central finance assistance scheme

MPUVNL obtained four sanctions from MNRE, GoI for installing grid-connected Solar roof-top systems in residential, government and private institutions/offices during 2018-19 to 2022-23. The details of sanctions received from MNRE and capacity execution are given in **Table 2.3.4** below:

Table 2.3.4: Sanctions received from MNRE, GoI and its execution as on 31 March 2023

Sl. No.	Sector	Date of sanction	Proposed Capacity (in MW)	Sanction capacity (in MW)	Capacity created/executed (in MW)	Short achievement (in MW)
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (5)-(6)
A	For Residential sector/ Private institutional	11 March 2021	1	1	0.81	0.19
B	For Government sector	20 April 2018	20	20	15.53	4.47
		07 February 2019	45.95	25	12.44	12.56
Total (A)+(B)			66.95	46	28.78	17.22

(Source: Online portal data and information provided by MPUVNL)

From the above, it may be seen that in the residential sector, sanctioned targets were almost achieved. However, in the case of the Government Sector, the sanctioned capacity could not be achieved/utilised. As against the sanction of 45 MW (in Government Sector), MPUVNL executed only 27.97 MW (62 per cent).

It is also worth mentioning that proposals of 46 MW capacity addition sent to the MNRE by MPUVNL, itself confirm preparedness for implementation from its side. Audit analysed the reasons, and it was found that the short achievement was due to non-assessing the prospective beneficiaries before submitting the proposal to the MNRE, GoI. Also, the MPUVNL did not make specific efforts to invite Government offices to opt for the solar rooftop system. Though MNRE instructed in its guidelines (March 2017) to submit a list of selected buildings along with the online proposal, response to which was not found on records. This suggests that MPUVNL obtained the sanctions without an adequate survey and did not make effective efforts to achieve the sanctioned quantity. Consequently, 17.22 MW of grid-connected solar roof-top could not be installed and was short achieved.

2.3.4.3 Issues in the execution of projects under grid-connected solar rooftop Scheme

MPUVNL installed the grid-connected solar rooftop projects under the CAPEX⁷⁷ and RESCO⁷⁸ Model. The projects were to be completed in accordance with MNRE, GoI guidelines.

⁷⁷ CAPEX stands for Capital Expenditure. In this model, upfront capital investment comes from the consumer who owns the roof rights. The consumer hires a solar project developer, who provides turnkey installation of the entire solar power system and after installation the entire solar power system handed over to the consumer.

⁷⁸ RESCO stands for Renewable Energy Service Company. It means that where the Power Producer installed solar power system in the Premise owned/used by the procurer and enters the PPA with the Procurer for the supply of Solar Power for 25 Operational Years at a tariff determined through mutual arrangement or competitive bidding.

Audit selected 65 projects⁷⁹ (48.87 per cent) of 13.62 MW out of 133 projects of 22.33 MW with installed capacity above 50 KW. The various issues relating to delay in the execution of work by the contractor, delay in grid connectivity and incorrect reporting of the commissioning date of projects have been discussed in succeeding paragraphs.

A. Delay in execution of the work by the contractor

As per terms of work orders under the CAPEX model, the contractor was responsible for executing the works within three to six months in various work orders. In the RESCO model, the contractor was required to complete the project within nine months from the date of the Power Purchase Agreement (PPA). Audit observed delays ranging from one month to 16 months in the installation of the systems by contractors in 27 out of 38 CAPEX projects. Additionally, in 14 projects out of 27 RESCO projects, the installation delays were between one month to seven months. This delay resulted in subsequent delays in the commissioning of projects.

B. Delay in the installation of net metering despite the installation of the rooftop system

As per the terms and conditions of the projects executed under CAPEX and RESCO⁸⁰ mode, metering and grid connectivity of the Projects was the responsibility of the Contractor in accordance with the prevailing guidelines of the concerned distribution licensee and /or CEA and net metering provisions in the state of MP. Also, as per the terms of the finalised RFP, the Nodal Agency may facilitate the process; however, the entire responsibility lies only with the Contractor.

Audit noticed that in 62⁸¹ out of the selected 65 projects, there was a delay in the installation of net meters and in providing grid connectivity, resulting in the idling of systems even after installation. The systems' idle period ranged between one month to 46 months (up to the net meter installation date). Of 62 projects, 34 remained idle, ranging from five to 46 months, due to the non-availability of net meters. The main reason for such delay was a lack of coordination among the beneficiary, contractor, and MPUVNL to provide net metering and grid connectivity despite explicit provisions mentioned in the contract that the contractor was to attend to the same.

Thus, due to the delay in providing grid connectivity and installing the net meter, the system remained idle. This resulted in a potential generation loss of 11.30 MUs of electricity (calculated at the rate of 4 units per KW for one day).

C. Incorrect reporting of details of commissioning of projects in the MNRE portal

As per MNRE, GoI guidelines for implementing grid-connected solar rooftop plants, the implementing agency (MPUVNL) was required to submit project-wise details in the Solar

⁷⁹ 28 projects under RESCO mode and 37 projects under CAPEX mode.

⁸⁰ In this mode, the developer executes the project on its own and bears the cost after subsidy. The beneficiary provides a rooftop/land for installation of projects. The Power purchase agreement (PPA) is signed between developer and beneficiary based on competitive tariff rates.

⁸¹ 26 projects under RESCO mode and 36 projects under CAPEX mode.

Photovoltaic Installation online portal of MNRE and central financial assistance is released based on information from the online portal provided by the implementing agency.

During scrutiny of records and information provided in the online portal, Audit observed that out of the selected 65 projects, wrong commissioning dates were entered in the case of 51⁸² projects. There was a difference ranging from one month to 46 months in the commissioning date entered in the online portal and the actual commissioning date of projects. In place of the project's commissioning date, the system installation date without meter and grid connectivity was provided, which was not as per MNRE guidelines and terms of the PPA/work order. The commissioning was delayed in 51 projects, which were not reflected in the online portal.

D. Non/delayed receipt of Central Financial Assistance Share

Clause 6.2 of the Operational Guidelines issued by MNRE, GoI stipulates that MNRE would provide financial support in accordance with the benchmark cost. This financial support was as per the benchmark fixed by MNRE every year or on half yearly basis. The present central financial assistance was 30 *per cent* of the benchmark cost of the grid-connected rooftop and small solar power plants.

Further, concerning the release of funds, clause 12.0 stipulates that up to 30 *per cent* of the eligible central financial assistance and Services charges would be released at the time of sanction of the proposal. The release of this advance central financial assistance was at the option of MPUVNL.

The details of central financial assistance against the sanctions of rooftop schemes sanctioned from 2018-19 to 2022-23 are as detailed in **Table 2.3.5** below:

Table 2.3.5: Details of central financial assistance against the sanctions of rooftop schemes from 2018-19 to 2022-23

Sl. No.	Sanction date	Date of completion	Sanctioned capacity (in MW)	Eligible CFA (₹ In crore)	Eligible advance CFA (30% of Eligible CFA)	Date of receipt of advance	Month of submission of completion records on the portal	Delay in submission on the portal	Amount of CFA released	Date of release of CFA	Delay in receipt of CFA
(1)	(2)	(3)	(4)	(5)	(6) = (5)*30%	(7)	(8)	(9) = (8)-(3)	(10)	(11)	(12) = (11)-(3)
For residential Sector/private institutional											
1.	7 Sept 18	30 Nov 19	3	4.89	1.47	Not received	06 Oct 20	11 Months	4.57	27 Mar 21	15 Months
2.	7 Sept 18 ⁸³	2 Nov 19	1	1.17	0.35	Not received	29 Sept 22	34 Months	1.17	19 Oct.22	34 Months
For Government Sector											
3.	20 April 18	29 June 19	20	21.83	Not applicable	Not applicable	10 Nov 20	17 Months	18.21	25 Feb 21	19 Months
4.	7 Feb 19	23 Nov 20	25	16.64	Not applicable	Not applicable	30 May 22	18 Months	--	Not received	28 Months ⁸⁴
Total			49	44.53	1.82	--	--	--	23.95	--	--

(Source: online portal data and information provided by MPUVNL)

⁸² 18 projects under RESCO mode and 33 projects under CAPEX mode.

⁸³ Ex post facto approval of an additional 1 MW capacity was obtained in March 2021 against the original sanction of 3 MW issued in September 2018.

⁸⁴ As on March 2023.

Audit noticed the following deficiencies in respect of the receipt of central financial assistance against the above rooftop schemes:

i. Non-availing of opportunity to receive the advance central financial assistance

MPUVNL did not submit the claim to MNRE, GoI for the release of the advance of central financial assistance for implementing the two rooftop sanctions (3 MW and 1 MW) despite the provisions available in the Scheme resulting in the loss of opportunity to receive advance of central financial assistance amounting to ₹ 1.82 crore.

ii. Short receipt of central financial assistance

MPUVNL received ₹ 23.95 crore of central financial assistance against eligible central financial assistance of ₹ 44.53 crore in the four sanctions of roof-top schemes, and the central financial assistance of ₹ 20.58 crore was not received from MNRE, GoI despite lapse of 28 months. Records did not show any efforts made by MPUNL to persuade MNRE to release the pending assistance.

iii. Delay in receipt of central financial assistance

It can also be seen that there was a delay in receipt of central financial assistance of ₹ 23.95 crore in respect of the sanctions of 3 MW, 1 MW and 20 MW. This receipt of central financial assistance was delayed by 15, 28 and 19 months from the completion date, respectively. As the receipt of the central financial assistance depends on submitting requisite documents on the online portal developed by MNRE and resolving/compliance on queries, if any of the MNRE the MPUVNL was required to adhere to the same. However, due to the inability of MPUVNL to submit/upload the documents on the online portal despite lapse of 11 to 34 months in case of the sanctions, the release of the central financial assistance was delayed. The reasons for subsequent delay and correspondence in this regard were not found in the records.

E. Non-recovery of User share

MNRE, GoI and GoMP facilitate central financial assistance at the rate of 30 *per cent* and GoMP Subsidy at the rate of 20 *per cent* respectively, for the Solar Rooftop projects of the Government institutions/departments. The remaining 50 *per cent*, along with a five *per cent* administrative charge of the project cost, was to be deposited by the beneficiary in advance before placing the order as the user's share.

Audit observed that in the case of nine⁸⁵ Government institutions, the MPUVNL could not recover the remaining user share of ₹ 3.32 crore (31 March 2023) despite the passage of more than four years from the commissioning of the solar rooftop system. MPUVNL also did not persuade the concerned Department to recover the amount.

Further, MPUVNL, as a state nodal agency for the installation of rooftop projects for Government institutions, relaxed (18 September 2015) the condition for receiving the user's

⁸⁵ CEO Jila Panchayat- Balaghat, Bhopal Smart City Development Corporation-ISBT and VIP Road project, Ramkrishna Vidhya Mandir- Gwalior, National Fertiliser Limited- Vijaypur, Ujjain Smart City Development Corporation, Bharat Sanchar Nigam Limited, Regional Rural Development & Training Centre-Gwalior, Krishi Upaj Mandi Samiti-Sehore, Krishi Upaj Mandi Samiti-Bareilly.

share in advance in lieu of consent from the beneficiary department in anticipation that the required amount of user share would be received in due course.

F. Issues noticed during the beneficiary survey of solar Rooftop Systems

MPUVNL installed 3,592 Solar Rooftop Systems (1,467 off-grid and 2,125 grid-connected) during 2015-16 to 2022-23 (the period from 2015-16 to 2022-23 was considered for the beneficiary survey as the five-year O&M period was also included in the award of these works).

The Remote Monitoring System (RMS) data was accessed and reviewed for the beneficiaries' survey⁸⁶. Further, 15 projects selected up to the capacity of 4.99 KW capacities, where RMS were not enabled, were surveyed through alternative methods⁸⁷ with the beneficiaries. During the survey, the following observations were noticed.

i. Non-installation of Remote Monitoring System (RMS) for off-grid Solar Rooftop Systems

As per clause 3.21 of Request for Proposal (RFP), "Contractor shall ensure that all Projects with installed capacity 5 KW or above are Supervisory Control and Data Acquisition (SCADA) enabled. The data from such SCADA-enabled Projects would be monitored or analysed remotely by MPUVNL to ensure the desired level of performance. However, none of five selected off-grid projects with an installed capacity of 5 KW or above were SCADA/RMS enabled.

ii. Non-installation of net meter in grid-connected Solar Rooftop Systems

Out of 30 grid-connected selected projects with an installed capacity of 5 KWp or above, it was observed that in the case of two projects, the net metering was not enabled even after the lapse of more than four years from the date of commissioning (20 September 2018 & 23 June 2019).

iii. Non-functioning of installed Remote Monitoring System (RMS) in grid-connected Solar Rooftop Systems

Out of 30 grid-connected selected projects with an installed capacity of 5 KWp or above, SCADA/RMS system was not found working in three projects.

iv. Generation data in grid-connected Solar Rooftop Systems not available on RMS where RMS was working

In the case of six projects out of 30 grid-connected selected projects with an installed capacity of 5 KWp or above, generation data was unavailable on the RMS portal.

As a result, the desired level of performance could not be monitored/ensured by the MPUVNL.

G. Non-receipt/ claiming of Service Charges

As per Clause 6.4 of the Operational Guidelines for Grid-connected Solar Rooftop Systems, the service charges up to 3 per cent of central financial assistance would be admissible to the implementing agency because of efforts made to implement the scheme. The details of

⁸⁶ 50 beneficiaries (13 off-grid projects and 37 grid projects) were selected for the survey by the audit based on the stratified random sampling method.

⁸⁷ Through the contact numbers of beneficiaries as furnished by the MPUVNL.

sanctions of central financial assistance received from MNRE, GoI against the sanctioned capacity for the execution during the period from October 2017 to January 2023 and eligible Service charge there against are given in **Table 2.3.6** below:

Table 2.3.6: Details of eligible service charges against the central financial assistance received from MNRE during the period from October 2017 to January 2023

(Amount in ₹)					
Sl. No.	Sanction date	Sanction capacity (in MW)	Amount of CFA released	Date of release of CFA	Eligible Service Charge
(1)	(2)	(3)	(4)	(5)	(6)
1.	07 Sept 2018	3	4,56,65,454	27 March 2021	13,69,963
2.	11 March 2021	1	1,16,64,071	19 Oct 2022	3,49,922
3.	20 April 2018	20	18,20,81,690	25 Feb 2021	54,62,450
4.	07 Feb 2019	25	--	Not received	0
Total		49	--	--	71,82,336

(Source: Online portal data and information provided by MPUVNL)

In this connection, it was observed that according to the stated provision of guidelines, MPUVNL neither received nor claimed the Service Charge of ₹ 71.82 lakh from MNRE.

2.3.5 Deficiencies in Various Schemes/Programmes

Besides roof-top solar schemes, there were other schemes and programmes, viz. Mukhya Mantri Solar Pump Scheme, Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan, Solar City Project, Suryamitra Skill Development Programme, Unnat Jyoti Scheme and Decentralised Distributed Generation Programme, *etc.*, also being run by MPUVNL. The deficiencies in the implementation of these schemes/programmes are discussed below:

2.3.5.1 Deficient Implementation of Mukhya Mantri Solar Pump Scheme

MNRE, GoI accorded sanctions (30 June 2017 and 10 November 2017) for installing 9,000 and 5,000 solar agriculture pumps, respectively, in the State of Madhya Pradesh under the Mukhya Mantri Solar Pump Scheme (Scheme). Central financial assistance was in the range from 20-30 *per cent*, and State share was in the range from 60 to 65 *per cent*, depending upon the capacity of the solar pumps.

Audit analysed the execution of the Scheme in conformity with the Scheme guidelines and the deficiencies as noticed are discussed in the succeeding paragraphs:

i. Excess/short collection of shares from the beneficiaries

The Notification issued (04 March 2017) by the GoMP stipulated that the share of beneficiaries would be 10 and 15 *per cent* of the cost for the pumps with capacity up to 3 HP and 3 HP to 5 HP respectively. However, it was observed that up to March 2019, the MPUVNL had collected excess/ short share from 13,988 beneficiaries out of a total of 14,000 beneficiaries, as summarised in **Table 2.3.7**:

Table 2.3.7: Excess/ short share collected from the beneficiaries during the implementation of Scheme

(Amount in ₹)

Type of pump	Number of pumps	Cost of the pump	Beneficiary share fixed by GOMP (at the rate of 10 per cent & 15 per cent of the cost)	Actual collection of shares from beneficiaries	Excess/(short) collection for share each pump	Excess collection of shares	Short collection of shares
(1)	(2)	(3)	(4)	(5)	6= (5-4)	7 = (2*6)	8 = (2*6)
1HP DC	198	1,64,000	16,400	18,600	2,200	4,35,600	--
2 HP Surface	318	1,98,500	19,850	22,500	2,650	8,42,700	--
2HP DC	1,089	2,18,990	21,899	25,000	3,101	33,76,989	--
3HP DC	4,747	3,19,000	47,850	36,150	(11,700)	--	(5,55,39,900)
5HP AC	4,826	3,85,000	57,750	72,100	14,350	6,92,53,100	--
5HP DC	2,810	4,24,000	63,600	72,100	8,500	2,38,85,000	--
Total	13,988	--	--	--	--	9,77,93,389	(5,55,39,900)

(Source: Information provided by MPUVNL)

Resultantly, on the one side, MPUVNL had collected an excess amount to the tune of ₹ 9.78 crore from the beneficiaries of 1HP, 2HP & 5 HP solar agriculture pumps and on the other side collected a short amount of ₹ 5.55 crore from the beneficiaries of 3HP solar agriculture pumps. The calculation/justification of the share collected from the beneficiary for the installation of solar agriculture pumps was not found in the records.

ii. Sub-optimal utilisation of solar energy

Scheme guidelines stipulated that the solar panels installed in the solar pumps can generate energy for an average of 330 days in a year. However, pumping is required for agricultural purposes for only 100-120 days⁸⁸. Thus, the Solar Pump Steering Committee (SPSC) was required to evaluate and approve the site-specific proposals for exploiting the additional energy generated by the solar panel. This could have been addressed using the “Universal Solar Pump Controller” (USPC), through which farmers can use solar power for other activities like operating chaff cutters, flour mills, cold storage, drier, battery charges, etc., and increase their income.

However, site-specific proposals for exploiting the additional energy generated were neither prepared nor submitted by the MPUVNL nor submitted to the SPSC for consideration. As a result, 14,000 solar pumps installed at a cost of ₹ 490.15 crore could not be utilised for other economic activities carried out by the farmers and deprived them of generating additional income besides non-adherence to the Scheme guidelines.

2.3.5.2 Execution of Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PMKUSUM)

The MNRE, GoI launched (08 March 2019) *Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan* (KUSUM) to increase farmer’s income, provide a reliable source of

⁸⁸ As per the GoMP Gazette dated 4 March 2017, after utilisation of solar pump for 100-120 days for agriculture purposes, the additional energy generated during the remaining days of the year may be utilised for alternative purposes.

irrigation and put an end to the use of diesel in the farm sector. In this regard, the following three components were implemented w.e.f. 22 July 2019:

- ❖ Component-A: Setting up of Ground Mounted Grid Connected Solar Power Plants;
- ❖ Component-B: Installation of Stand-alone Solar Agriculture Pumps; and
- ❖ Component-C: Solarisation of Grid Connected Agriculture Pumps.

Audit analysed the execution of the PM-KUSUM in conformity with the guidelines (22 July 2019) and noticed deficiencies in the execution of Components A, B and C, which have been discussed in succeeding paragraphs.

A. Deficiency in the execution of Component A of Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan

Component A of the scheme stipulated that the State Implementing Agency, i.e., MPUVNL, shall invite sub-station-wise Expression of Interest (EoI) from Renewable Power Generator (RPG) to develop decentralised renewable power plants. The PPA for 25 years from the project's commercial operation date was to be signed within two months from the date of the Letter of Allotment (LoA). Further, MPUVNL will coordinate with States/UTs, DISCOMs and farmers to implement the scheme. It will assist the farmers in project development activities, including formulating DPR and PPA/EPC contracts, getting funds from financial institutions, etc.

Audit noticed that the MNRE, GoI approved the target of 500 MW. However, against the sanctions, MPUVNL floated only four RFPs (on 05 December 2020, 18 May 2021, 30 July 2021 & 28 February 2022) for a combined capacity of 500 MW. In response to these RFPs, MPUVNL issued four LoAs of only 345.08 MW⁸⁹. However, out of these 345.08 MW LoAs, only 98.78 MW PPAs have been signed till date (March 2023). Further, MPUVNL changed the selection process from RFP to online walk-in Registration (by inviting EoI in newspapers) and issued LoAs for 31.67 MW capacity as on 31 March 2023.

In this respect, the following deficiencies were noticed:

i. Non-achievement of targets of Component A of the Kusum Scheme

The development of solar power projects under the KUSUM-A component was far behind its target of 500 MW. As of 31 March 2023, only 98.78 MW PPAs were signed and against this, only two projects of 3 MW capacity (3 per cent of PPAs signed) were commissioned, which was less than 1 per cent of the State's MNRE, GoI target.

The main reason behind the delay in the commissioning/non-commissioning of the project was the delay in the decision to open an escrow account between RPG and Madhya Pradesh Power Management Company Ltd. (MPPMCL) for payment security. This delay in opening escrow accounts, resulted in difficulty to get finance from financial institutions. The disbursement of loan and opening of Escrow account executed up to 31 March 2023 was only for 13.13 MW projects against total PPAs signed to the date of 98.78 MW, i.e., around 13 per cent finance arranged to date. Not opening the escrow account further resulted in the expiry of the time limit of nine

⁸⁹ 31.63 MW (24.08.21), 43.5 MW (24.08.21), 220.45 MW (09.11.21) & 49.5 MW (19.05.22).

months for the commissioning of 27 projects of 43.53 MW as mandated by guidelines and PPAs signed between RPGs and MPPMCL.

ii. Incorrect levy of administrative charges

As per the guidelines of KUSUM-A, there was no provision for administrative charges to be levied from the RPGs by the State implementing agency, *i.e.*, MPUVNL. However, MPUVNL levied ₹ 2.08 crore of administrative charges (at the rate of one *per cent*) in contradiction to MNRE, GoI guidelines, which resulted in avoidable additional financial burden on prospective RPGs selected from RFP 1 & 2. However, the same was removed by MPUVNL from third RFP after the direction of MNRE.

iii. Non-coordination for PPA

As the PPA was to be signed between RPGs and MPPMCL, the administrative approval of power to be purchased by MPPMCL was for 100 MW until 05 September 2022. However, the MNRE, GoI target was 500 MW in the state, which indicates that there was no proper coordination between the State agencies in connection with the achievement of MNRE's target for KUSUM scheme component A.

B. Deficiency in the execution of Component B of Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan

Under Component B of the KUSUM, individual farmers will be supported in installing standalone solar agriculture pumps to replace existing diesel agriculture pumps in off-grid areas where grid supply is unavailable. The central financial assistance of 30 *per cent* of the cost of the standalone solar pump will be provided by the GoI. The State Government will give a 30 *per cent* subsidy, and the farmer will provide the remaining 40 *per cent*. Policy framed by the GoMP had set the target to install 2,00,000 solar pumps by March 2024 *i.e.* 50,000 per year. The deficiencies in the execution of the scheme have been discussed in the succeeding paragraphs:

i. Non-achievement of the installation targets

Details of phase-wise sanctions received by the MNRE, GoI for the period 2019-20 and 2020-21, actual beneficiaries registered with the MPUVNL for installation of solar pumps under the KUSUM and actual installation of Solar pumps are summarised in **Table 2.3.8** below:

Table 2.3.8: Details of phase-wise sanctions received by the MNRE for the period 2019-20 and 2020-21

Date of sanction	Sanctioned by the MNRE (in nos.)	Beneficiaries registered with the MPUVNL (in nos.)	Actual installation (in nos.)	Short installation concerning the Sanction (in nos.)	Short installation concerning the registered beneficiaries (in nos.)	Achievement concerning the Sanction (in <i>per cent</i>)	Achievement concerning the registered beneficiaries (in <i>per cent</i>)
(1)	(2)	(3)	(4)	(5)=(2)-(4)	(6)=(3)-(4)	(7)=(4)/(2)*100	(8)=(4)/(3)*100
03 October 2019	25,000	21,000	6,787	18,213	14,213	27.14	32.31
25 August 2020	50,000	43,500	334	49,666	43,166	0.66	0.76
Total	75,000	64,500	7,121	67,879	57,379	9.49	11.04

(Source: Information/records provided by MPUVNL)

It can be seen that only 9.49 and 11.04 *per cent* of solar pumps were installed as against the sanctions received by the MNRE and actual beneficiaries registered with the MPUVNL, respectively. Further, 7.21 *per cent*⁹⁰ of solar pumps were installed as against the target fixed by the GoMP. The Audit analysed the reasons for the marginal achievement of the target, and the following issues were observed:

ii. Non-utilisation of Central financial assistance and Beneficiary shares

Under first phase (03 October 2019) although the farmer's share of ₹ 133.48 crore was available with the MPUVNL, the non-release of the State share, as required under the KUSUM, allowed only 6,787 solar pumps to be installed against the target of 25,000 Solar pumps. Details of the estimated funds needed for the execution of the KUSUM are summarised in the following **Table 2.3.9:**

Table 2.3.9: Details of funds required and outstanding amount of central financial assistance under first phase

(₹ in crore)				
Sl. No.	Particular	Fund required	Amount received	Outstanding
(1)	(2)	(3)	(4)	(5) = (3)-(4)
1.	GoI	152.12	71.07	81.05
2.	GoMP	263.36	63.19	200.17
3.	Beneficiaries share	133.48	133.48	0
Total		548.96	267.74	281.22

(Source: Data compiled from information/records)

Moreover, GoMP also agreed to release ₹ 250.00 crore against the requirement of ₹ 263.36 crore for solarisation agriculture pumps for the year 2019-20. However, only ₹ 63.19 crore⁹¹ was actually released by the GoMP. Since GoMP did not release the balance ₹ 200.17 crore, MPUVNL could not utilise the complete central financial assistance of ₹ 71.07 crore released by the MNRE and was compelled to refund central financial assistance of ₹ 29.19 crore. The beneficiary share of ₹ 95.74 crore also could not be utilised.

iii. KUSUM guidelines stipulated that farmers would have the option to opt for a Universal Solar Pump Controller (USPC), as solar pumps are used for 150 days a year. Thus, utilisation capacity can be optimally utilised by using USPC, through which farmers can use solar power for other activities like operating chaff cutters, flour mills, cold storage, drier, battery charges, *etc.*, and increase their income.

However, the option for installation of USPC was not provided by the MPUVNL to the farmers. Thus, besides non-adherence to the Scheme guidelines 7,121 Solar pumps which were installed at a cost of ₹ 144.21 crore⁹² could not be utilised for other economic activities carried out by the farmers and deprived them of the opportunity to generate additional income. Reasons for not providing an option and analysis of the impact on cost upon installation of USPC were not found in the records.

⁹⁰ 7,121 *100/1,00,000.

⁹¹ Phase-II-₹ 60.03 crore + Phase-II-₹- 3.16 crore.

⁹² Phase-1 ₹ 137.77 crore and Phase-2 ₹ 6.44 crore.

iv. Paragraph 12 of the Sanction order issued by the MNRE, GoI stipulated that the MPUVNL was required to furnish a year-wise Utilisation certificate and an Audited statement on expenditure incurred on implementation of the scheme. However, MPUVNL did not adhere to the provision during the implementation of Phase 1 and 2 of the schemes. Audit observed that the Utilisation certificate and Audited statement were not sent to the MNRE annually in Phases 1 & 2. However, MPUVNL submitted (March 2022) UC and Audited Statement in Phase 1 after completion but did not submit any UC for Phase 2 to date (March 2023).

Thus, due to the GoMP's non-release of funds, despite the availability of central financial assistance and farmer contributions, only 7,121 pumps could be installed, compared to the target of 2,00,000 pumps set by the GoMP.

C. *Non-installation of RMS at the Solar Pumps*

MPUVNL had installed a total of 20,886⁹³ solar agriculture pumps till June 2023. In this regard, Audit had selected 102 beneficiaries for a survey - two beneficiaries with a pump capacity of 10 HP pumps and 100 beneficiaries with a pump capacity ranging from 1 to 7.5 HP.

The beneficiary's survey was conducted with the help of Remote Monitoring Systems (RMS) connected to the Solar systems installed by the MPUVNL on the beneficiaries' premises. Audit noticed that RMS was not installed at 45 solar pumps. This was in violation of Para 1 (9) of the work order issued under the Scheme and guidelines of the KUSUM which stipulated that the MPUVNL had to mandatorily install RMS to monitor the system's performance after installation.

D. *Delayed redressal of the complaints lodged by the beneficiaries regarding failure in the operation of the Solar Agriculture Pumps*

After installing the Solar Agriculture Pump, if the pump fails to perform, the concerned beneficiary must lodge a complaint with the toll-free no. displayed at the Solar Water Pumping Station (SWPS). If the complaint was still unresolved, a last resort facilitated by the GoMP was to complain to the CM Helpline, which works under the State Public Service Authority to ensure prompt redressal of public issues.

In this connection, it was observed that the complaints of failure in operation/damage, etc., of solar agriculture pumps were not attended to promptly by the District Renewable Energy Officers (DREOs) of the MPUVNL. A test check of the complaints (**Appendix 2.3.1**) lodged under the CM helpline in selected 11 DREOs revealed that days ranging from 32 to 1,319 were consumed in the redressal of the complaint. As a result, beneficiaries were deprived of using the solar agriculture pump facility to the extent of delay in the redressal of complaints.

2.3.5.3 *Deficient execution of Component C of the KUSUM Scheme*

Under Component C of the KUSUM, the agriculture feeder would be solarised through Capital Expenditure (CAPEX) mode or Renewable Energy Services Company (RESCO) mode. In the RESCO mode, developers will be selected based on the lowest tariff offered for the supply of

⁹³ 14000-Mukhya Mantri solar pump Scheme, 6,787 (Phase-I) & 99 (Phase-II) under KUSUM-B.

required solar power for 25 years. They would get central financial assistance at the rate of 30 *per cent* of the cost of solar power plant installation.

In this regard, three RFPs, each for 1250/1110 MW feeder solarisation comprising 2,70,000⁹⁴ pumps were issued by the MPUVNL through RESCO mode as summarised in **Table 2.3.10** below:

Table 2.3.10: Details of bidders regarding solarisation of pumps

RFP no./ date	Capacity of RFP (in MW)	Rate quoted by the bidders		Issuance of LoA		
		Nos. of bidders	MW Bid	Date	Nos. of bidder (s)	MW Bid
(1)	(2)	(3)	(4)	(5)	(6)	(7)
649/ 05 May 2022	1250	16	87.20	13 September 2022	2	8.00
2151/ 20 July 2022	1250	28	152.10	21 March 2023	22	126.40
4872/ 10 Jan 2023	1110	9	90.20	26 September 2023	6	75.00
Total		53	329.50	-	30	209.40

(Source: Data compiled from records of MPUVNL)

It can be seen from the above table that against the RFP target of 1250/1110 MW, in each case, bids received were on the lower side with shortfalls ranging between 88 *per cent* (RFP dated July 2022) and 93 *per cent* (RFP dated May 2022). The Department, however, did not formulate any action plan to identify deficiencies in RFPs, if any so that suitable mitigating measures could be implemented to achieve the target of 1250 MW set by MNRE, GoI.

MNRE initially accorded (13 January 2021) sanction for solarisation of Agriculture feeders for 2020-21. However, the Policy for executing the scheme was outlined by the GoMP on 04 May 2022 after a lapse of 17 months and consequently, RFP was issued on 5 May 2022. Further, against total received bid for 329.50 MW, LoAs were issued for only 209.40 MW; as such, work was in progress to achieve only 17 *per cent* of the total target set by MNRE, GoI.

Audit also observed that a systemic forum incorporating various stakeholders, such as MPUVNL, MPNRED, MPPMCL⁹⁵, and Bidders, was not established for timely signing of PPA by the MPPMCL with the selected bidder of the MPUVNL related to the purchase of power generated under KUSUM C. Consequently, out of 214.40 MW of LoAs issued, the MPPMCL signed a PPA of 35.90 MW⁹⁶ till March 2023. This led to the non-achievement of the target under component C of KUSUM Scheme.

Thus, the delay in formulating the Policy for implementation mode, the non-identification of wasteland and Government land and the absence of a systemic forum for resolving issues related to PPA resulted in the non-achievement of objectives of the aforementioned scheme.

⁹⁴ Revision in the sanctioned quantities from existing 2,57,545 pumps to 2,70,000 pumps were not found on records.

⁹⁵ Power generation under KUSUM C was required to be purchase by the MPPMCL (holding company of the state power distribution companies) through execution of PPA with bidder selected by the MPUVNL.

⁹⁶ MPPMCL has not executed PPA with the bidder, for which no reasons were found on records.

2.3.5.4 Implementation of Suryamitra Skill Development Program

The Suryamitra Skill Development Program (Suryamitra) was launched (28 May 2015) by the MNRE, GoI to provide skill development to Solar Photovoltaic technicians as solar photovoltaic installers and service providers.

MPUVNL, before 2018-19, organised 11 Suryamitra training programs and trained 312 participants. Out of them, 90 participants got placements. From the year 2018-19 onwards, MPUVNL was entrusted with monitoring the training programmes and submitting the appraisal to the MNRE. However, Audit observed that MPUVNL neither maintained any record of training programs organised in Madhya Pradesh from 2018-19 onwards, nor appraised the status of conduct of trainings to the MNRE.

Due to this, MPUVNL could not monitor the efficacy and implementation of this scheme.

2.3.5.5 Deficiencies in the execution of “Unnat Jyoti by Affordable Lighting for All” scheme (UJALA)

GoI launched (5 January 2015) the Unnat Jyoti by Affordable LEDs for All (UJALA) to provide LED bulbs to domestic consumers by March 2019. Energy Efficiency Services Limited (EESL), a Government company under the Ministry of Power, GoI's administrative control, was designated as this programme's implementing agency. A Memorandum of Understanding (MoU) was signed (13 August 2015) between EESL and MPUVNL.

In Madhya Pradesh, 1,75,70,671 LEDs, 4,25,013 LED tube lights, and 1,08,103 Energy Efficient Fans were sold from 2016-17 to 2020-21, and Project Management Consultancy (PMC) was received only for 1,69,08,551 LED bulbs, 4,14,173 LED tube lights, and 98,610 Energy Efficient Fans.

Audit noticed that due to the non-reconciliation of stock between MPUVNL and EESL, the EESL did not release the amount of ₹ 0.97⁹⁷ crore to MPUVNL, and the MPUVNL did not effectively pursue the matter for the recovery of the amount even after the lapse of more than two years since the discontinuation of the scheme.

2.3.5.6 Issues in the execution of electrification of villages under Decentralised Distributed Generation

Ministry of Power, GoI introduced the Decentralised Distributed Generation (DDG) scheme in January 2009 for the electrification of villages situated in backward and remote areas of the country through new and renewable energy sources where grid connectivity is either not feasible or not cost-effective.

Deficiencies observed in executing the electrification of villages under DDG are discussed in succeeding paragraphs.

⁹⁷ PMC/PMA charges (₹ 6,04,628) + Awareness Charges (₹85,95,975)+ Commission on sale (₹5,40,847).

i. Non-compliance with REC instructions for monitoring of standalone system installed under DDG

As per instructions of REC Limited (REC), the project implementing agency was required to ensure and monitor that the system installed under DDG was working properly for five years after commissioning. In line with the above, the REC instructed MPUVNL to send a generation report of the system installed under DDG every month. Further, as per the RFP's conditions, the contractor was required to ensure the proper maintenance of the standalone system for five years.

Audit observed that despite repeated reminders from the REC, MPUVNL did not send the generation report of the system installed in 44 villages under DDG to the REC. Records about proper system maintenance as per the RFP conditions were not made available to the Audit.

Thus, REC's instructions were not adhered to by the MPUVNL, and as such, Audit could not vouchsafe the proper working of the system installed under DDG.

ii. Inability to obtain the last instalment from REC

From 2014 to 2016, MPUVNL completed the electrification of 23 villages under DDG. The eligible grant to be received from REC was ₹ 16.19 crore. Out of ₹ 16.19 crore, REC had released ₹ 10.57 crore. MPUVNL requested (Feb 2017) the last instalment of ₹ 5.62 crore from REC. However, REC did not release the same, citing non-rectification of defects/ deficiencies observed by their inspecting officials in the system installed in 23 villages under DDG.

MPUVNL intimated (18 April 2017) REC that all defects/deficiencies, as pointed out by their officials, had been rectified. The records submitted to the audit showed that no enclosure/ relevant proof was sent to the REC to support the rectification. Moreover, after intimation, MPUVNL had not pursued the release of the last installment with the REC.

2.3.6 Miscellaneous

2.3.6.1 Under-utilisation of BEE grants resulted in non-fulfilment of BEE objectives

To build and strengthen the institutional, technical, and financial capacities and capabilities of the State Designated Agency (SDA) in energy efficiency activities, BEE provides financial assistance to the SDA for conducting awareness programmes, capacity building of officials, manpower support, etc.

During the period from 2007-08 to 2022-23, grant of ₹ 16.28 crore was received from BEE for undertaking energy efficiency activities at the State level. However, grant was underutilised by ₹ 7.53 crore as of 31 March 2023. Further, MPUVNL refunded ₹ one crore back to BEE due to the non-utilisation of grants, which shows there was no proper planning for the utilisation of funds in the future. Moreover, the utilisation certificates of the funds utilised were not made available for audit.

Thus, the objective for which the funds were released yearly could not be achieved.

2.3.6.2 Failure to install Solar geyser system on the sites of the Tribal department

The Tribal Welfare Department (TWD), GoMP, released (02 November 2019) an amount of ₹ 9.81 crore to the MPUVNL for the installation of Solar geyser systems in 378 sites viz., Ashram, Schools and Hostel buildings in 15 districts of Madhya Pradesh.

After a lapse of four months from the date of release of funds by TWD, MPUVNL issued the RFP (No. 3124, dated 09 March 2020) for installing a Solar geyser system. Due to the Covid lockdown, the process could not be completed. Subsequently, a second RFP (No. 450, dated 26 June 2020) was issued, and the MPUVNL took six months to finalise rates (December 2020) under the RFP. However, the RFP was not processed further, and the work order could not be placed with the contractors for reasons not found on records.

Although GoMP had repeatedly pursued the matter with the MPUVNL, MPUVNL did not take any further action to issue the work orders and finish the work. As the solar geyser system was not installed, MPUVNL was compelled to refund (01 February 2021) the amount of ₹ 9.81 crore.

Resultantly, solar geyser system to the tune of 1.89 MW⁹⁸ could not be added under renewable energy in state of MP.

2.3.6.3 Non-preparation of Management Information System

MPUVNL is the nodal agency that implements various schemes, viz. KUSUM-A, B, C, Solar Rooftop, energy conservation/ literacy, wind monitoring, Akshay Urja Shops, Suryamitra, Ujala, for developing and promoting new and renewable energy in Madhya Pradesh. Developing and using well-defined Management Information System (MIS) would result in efficient internal control, leading to better planning, informed decision-making, and improved outcomes.

The MPUVNL did not prepare MIS from January 2022 onward for no reasons on the record. Resultantly, the function/ achievement of the various wings was not duly reviewed/ evaluated by the top management of the Company/ GoMP.

2.3.7 Conclusion

Audit of the NRE Department, GoMP to assess the activities undertaken for promotion and development of new and renewable energy indicated several deficiencies. The state of MP has targeted for renewable energy capacity of 12,018.00 MW against which cumulative capacity created upto March 2023 was 5,732.13 MW. Audit noted lack of systematic planning and roadmap to augment the capacity as coordination among stockholders in the field could not be ensured by MPUVNL. Delay in setting up net metering system, delayed the process of rooftop installation of solar systems which was funded by the GoI, MNRE. There were instances of short receipt/non-receipt of central financial assistance. The grant from the Bureau of Energy Efficiency (BEE) could not be utilised fully, resulting in the non-fulfilment of the BEE

⁹⁸ It was estimated that 1,000 Solar water heating system having capacity of 100 litre per day could generate Solar power of one MW and save 1,500 kwh annually $(378 \times 500 \times 1,500) / 1,00,000 = 2,835$. In the instance case, 378 Solar water heating system having capacity of 500 litre per day were proposed to be installed in 378 Ashram, Schools and Hostel of Madhya Pradesh $= (378 \times 500) / 1,00,000 = 1.89$.

objectives of building and strengthening the institutional, technical, and financial capacities and capabilities of the State Designated Agency in energy efficiency activities.

2.3.8 Recommendations

It is recommended that:

- i. *The MPUVNL may undertake all necessary measures to achieve the renewable energy capacity targets set by the Ministry of New and Renewable Energy (MNRE), Government of India, for the state of Madhya Pradesh at the earliest possible time.*
- ii. *The MPUVNL may make all possible efforts to recover the short or non-receipt of the eligible central financial assistance from MNRE, GoI.*
- iii. *The grant from the Bureau of Energy Efficiency (BEE) may be fully utilised to achieve the BEE's objectives of building and strengthening the institutional, technical, and financial capacities and capabilities of the State Designated Agency in energy efficiency activities.*

2.4 Subject Specific Compliance Audit on Implementation of Integrated Power Development Scheme by Power Distribution Companies of Madhya Pradesh

2.4.1 Introduction

Re-structured Accelerated Power Development and Reforms Programme (R-APDRP), which was launched to reduce the aggregate Technical and Commercial (AT&C) losses in the sector and to enhance the quality and dependability of power resources was modified (December 2014) during the XII and XIII Plans as “Integrated Power Development Scheme” (IPDS) by the Ministry of Power (MoP), Government of India (GoI). The main objectives of IPDS were to strengthen infrastructure and IT-enabled services in urban areas to improve the operational efficiency of the DISCOMs. The Power Finance Corporation Limited (PFC) was the nodal agency for operationalising and implementing the IPDS under the overall guidance of the MoP, GoI.

In Madhya Pradesh, the scheme was implemented by the three Power Distribution Companies (DISCOMs)⁹⁹ and by Madhya Pradesh Power Management Corporation Limited (MPPMCL viz., the holding Company of the DISCOMs) in the 311¹⁰⁰ towns with a sanctioned cost of ₹ 1,793.53 crore. As per the guidelines of the scheme, the DISCOMs were required to formulate the project and execute the scheme in conformity with the scheme’s guidelines. The scheme was to be completed within 30 months from the sanction of the project (March 2016) but the same was extended from time to time up to December 2021.

Projects under the IPDS (Scheme) were to be taken up in six parts, viz. regular distribution system strengthening works, Smart Metering, Gas Insulated Substation (GIS), Real-Time Data Acquisition System (RT-DAS), Information Technology (IT) and Enterprise Resource Planning (ERP). A brief status of work executed in 43 Circles of three DISCOMs during the period from 2015-16 to 2021-22 vis a vis audit sampled Circles (21) for this compliance audit is given in **Appendix 2.4.1**.

2.4.2 Funding pattern for the Scheme

The funding mechanism of the scheme (other than special category states) is depicted in **Table 2.4.1** below:

Table 2.4.1: Funding mechanism of the scheme

Sl. No.	Agency	Nature of support	Quantum of support (percentage of project cost)
1.	Govt of India	Grant	60
2.	State/DISCOMs	Own Fund	10
3.	Lender (FIs/ Banks)	Loan	30
4.	Additional Grant from GoI on achievement of prescribed milestones	Grant	50 per cent of the total loan component (30 per cent) i.e., 15 per cent

(Source: Scheme guidelines of the IPDS)

⁹⁹ Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited (MPMKVVCL), Bhopal, Madhya Pradesh Poorv Kshetra Vidyut Vitran Company Limited (MPPuKVVCL), Jabalpur and Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Limited (MPPKVVCL), subsidiaries of MPPMCL.

¹⁰⁰ 145 towns of MPPuKVVCL, 111 towns of MPPKVVCL and 55 towns of MPMKVVCL.

2.4.3 Organisational set-up of Power Distribution Companies

The Management of each DISCOM is vested with the Board of Directors. The Managing Director (MD) of each DISCOM acting as Chief Executive Officer (CEO) is empowered to carry out day-to-day transactions. The CEO is assisted by the officer in charge of the Departments of Works & Planning, Procurement, Urban & Rural Projects and Finance. In order to oversee the implementation of the scheme, the CEO of each DISCOM is assisted by Chief General Managers (Urban projects) to exclusively monitor the scheme works.

2.4.4 Audit Objectives, Criteria and Scope/Methodology

The audit objectives of the Subject Specific Compliance Audit were to assess whether the formulation of Detailed Project Reports (DPRs) aligned with the scheme guidelines, the fund's utilisation of the scheme and execution of the projects was as per extant rules and regulations.

Audit criteria adopted for ensuring the achievement of the audit objectives were drawn from the National Electricity Act, 2003 and National Electricity Policy along with guidelines issued by MoP, GOI for implementation of the IPDS scheme and the MP Electricity Supply Code 2005, Rate Schedule (Tariff Orders) and Schedule of Rates. Also, the Agenda and Minutes of the meetings of the Board of Directors, Steering Committee and Distribution Reform Committee (DRC), Quadripartite agreements among GOI, PFC, GoMP and DISCOMs; DPRs and RFPs; tender documents including CVC guidelines *etc.*, were referred to while carrying out the audit.

The Compliance Audit was conducted in all three DISCOMs to analyse the implementation of the scheme in conformity with its intended objectives and stipulated provisions. The audit was conducted from March 2023 to September 2023 and covered the entire implementation period of the scheme (*i.e.*, 2014-15 to 2021-22), including the project closure. To assess the implementation of the scheme, the records of the Department of GoMP, MPPMCL, the Headquarters Office(s) of the DISCOMs and the records of 21 (out of 43 Circles) sampled projects/Circles selected (as detailed in **Appendix 2.4.2**), considering higher expenditure were reviewed.

An Entry conference was held (March 2023) to brief the Audit Objective, Scope, Methodology, *etc.*, to the Department, GoMP and the management of the DISCOMs before the commencement of the audit.

The findings were communicated to the Government in April 2024. Out of the three DISCOMs, only MPMKVVCL furnished replies to the audit observations. Replies in respect of the other two DISCOMs (MPPKVVCL and MPPuKVVCL) were not received (February 2025).

Audit findings

The deficiencies in various aspects of planning, tendering and award of work, execution of Project and monitoring of the scheme are discussed separately for six parts of the scheme. The audit findings related to regular distribution system strengthening works are discussed in detail in paragraphs 2.4.5 to 2.4.12.

2.4.5 Planning

As per scheme guidelines, for system strengthening works, the DISCOM was to prepare a Need Assessment Document (NAD) containing all relevant information along with justifications to substantiate the proposed scope of work and cost estimates so that bankable Detailed Project Reports (DPR) based on detailed field survey could be formulated and projects could be completed within estimated cost to achieve objectives of the scheme. The deficiencies noticed in all 43 Circles of DISCOMs are as detailed below:

2.4.5.1 Deficiencies in preparation of the Need Assessment Document

The scheme was launched in December 2014, and Circles of DISCOMs were directed (December 2014) to prepare NADs, and the same were submitted (January 2015) to the PFC with a cost of ₹ 3,749.62¹⁰¹ crore for 43 Circles. As per clause 1(a) (Chapter-II) of the scheme guidelines, the DISCOMs for NADs shall identify need for critical gaps in sub transmission and distribution network considering all relevant parameters such as consumer mix, consumption pattern, voltage regulation, AT&C loss level, HT & LT ratio, optimum loading of transformers & feeders/lines, reactive power management, power factor improvement, standard of performance *etc.*, and on-going works under other schemes for efficient management of distribution system. It shall prepare NAD in the prescribed format (circulated by nodal agency separately) containing all relevant information along with justifications to substantiate the proposed scope of work and cost estimates.

The deficiencies noticed in contravention of scheme guidelines for the preparation of NADs for 43 Circles are detailed below:

- i. The scope of Automatic Metering Instrument (AMI) and Smart meters was provided in the NADs in only seven¹⁰² Circles;
- ii. The specific locations (except Bhopal City Circle) with reasons for new /augmentation /renovation and modernisation of sub-station/lines *etc.*, were not provided;
- iii. Underground cabling (UG) requirement was proposed at 33 KV or 11 KV in 24¹⁰³ Circles only;
- iv. High Voltage Distribution System (HVDS) was proposed in 15¹⁰⁴ Circles only;
- v. The work of metering was not properly analysed and proposed *vis-à-vis* total consumers as no details of replacement of faulty and electro-mechanical meters were mentioned;
- vi. Proposal of Aerial Bunched cables was not provided with corresponding details of theft-prone areas in the Circles; and
- vii. No analysis was made regarding receipt back material in case of augmentation of the Substation and reconductoring of lines.

¹⁰¹ ₹ 1,113.91 crore for MPPKVVCL, ₹ 1,221.54 crore for MPPuKVVCL and ₹ 1,414.17 crore for MPMKVVCL.

¹⁰² Indore City, Jabalpur City, Chhindwara, Satna, Bhopal City, Gwalior City and Rajgarh Circle.

¹⁰³ Dhar, Ratlam, Khargone, Dewas, Indore City, Ujjain, Jabalpur City, Jabalpur (O&M), Mandla, Chhindwara, Narsinghpur, Seoni, Chhatarpur, Bhopal (O&M), Rewa, Satna, Sidhi, Shahdol, Katni, Bhopal City, Hoshangabad, Gwalior City, Sheopur and Morena.

¹⁰⁴ Indore City, Dewas, Khargone, Indore (O&M), Satna, Katni, Narsinghpur, Chhindwara, Jabalpur (O&M), Jabalpur City, Bhopal City, Bhopal (O&M), Vidhisha, Rajgarh and Sheopur.

Thus, relevant information and justification to substantiate the proposed scope of work were not carried out to identify the gaps in sub-transmission in the distribution network before the preparation and finalisation of NADs. It resulted in the deficient execution of the works as discussed in the succeeding paragraphs.

The MPMKVVCL stated that the work was proposed in NAD based on field requirements and in the NAD template, specific locations were not mandatorily required.

The reply is not acceptable as the field requirement and justification, which were necessary to execute the works on realistic basis was not found on record and work wise, specific locations were mentioned only in NADs of one circle.

2.4.5.2 Deficiencies in the preparation of Detailed Project Reports (DPRs)

As per clause 1(b) (Chapter-II) of the scheme guidelines, based on the broad scope of work validated by the Nodal agency at 1st Stage, the DISCOMs have to formulate bankable Detailed Project Reports (DPRs) based on detailed field surveys and the latest approved schedule of rates for various items of work after considering critical gaps in sub-transmission and distribution network considering all relevant parameters such as consumer mix, consumption pattern, voltage regulation, AT&C loss level *etc.*

Audit examined all 43 DPRs worth ₹ 1,501.27¹⁰⁵ crore prepared by the three DISCOMs for execution of the various projects under the Scheme. Audit observed various deficiencies in the preparation of DPRs as detailed below:

- i. The metering component under the scheme was to cover AMI and smart meters in the towns where SCADA¹⁰⁶ was being established under R-APDRP. However, the same was provided only in Indore City Circle and Bhopal City Circle.
- ii. The specific locations with reasons for new/augmentation/renovation & modernisation of sub-station, lines were not made by MPPKVVCL and MPPuKVVCL.
- iii. The work of metering was not properly analysed/proposed *vis-à-vis* total consumers,
- iv. The proposal of Aerial Bunched cables was not given by MPPKVVCL. Further, corresponding details of theft-prone areas was not given by MPPuKVVCL.
- v. Complete and specific detail for Pre-paid/ smart meters in Government establishments in each town was not proposed.
- vi. The justification/ reasons with analysis were not provided for proposing the requirement of Gas Insulated Substations (indoor type, which requires substantially less space than conventional substations).
- vii. DISCOMs have not provisioned for solar panels in respect of five¹⁰⁷ DPRs, while in respect of 38 DPRs, provisioning for solar panels within the range of 0.01 to

¹⁰⁵ ₹ 523.66 crore for MPPKVVCL (14 Circles), ₹ 495.31 crore for MPPuKVVCL (15 Circles) and ₹ 482.30 crore for MPMKVVCL (14 Circles).

¹⁰⁶ Indore, Ujjain, Jabalpur, Bhopal and Gwalior.

¹⁰⁷ Mandla, Sehore, Betul, Gwalior (City) and Shivpuri.

1.29 per cent of total DPR cost as against provisioning of 7 to 10 per cent as per Clause 2.1 (Chapter-I) of the scheme guidelines.

- viii. The sanctioned DPR for Simhastha works in Ujjain Circle worth ₹ 28.68 crore for Simhastha mela lacked specific details and clarity about the bifurcation of the permanent and temporary nature of works. Further deficiencies noticed are detailed in paragraph 2.4.7.3.

Further, MoP, GoI directed (April 2015) that the District Development Coordination and Monitoring Committee (DISHA¹⁰⁸) would review and monitor the implementation of all Central schemes in the power sector. The objective was to actively engage public representatives throughout the project's life cycle, from formulation to execution and monitoring. However, the Audit noticed that the DISCOMs (except MPMKVVCL) did not engage/ consult DISHA at the time of formulation of the DPRs.

The MPMKVVCL stated that the works were proposed based on survey and considering the budgetary constraints.

The reply is not acceptable as the records for detailed survey and justification for proposing/prioritising the work were not found on records.

2.4.5.3 Lack of Interlinking between Need Assessment Document (NAD) and DPR

The DISCOMs made NADs and DPRs of 43 Circles based on SoR 2014-15, with the cost aggregating to ₹ 3,749.62 crore and ₹ 1,501.27 crore, respectively. However, Audit observed that the DPRs of MPPKVVCL, MPMKVVCL and MPPuKVVCL, respectively, were reduced by 52.99 per cent, 65.89 per cent, and 59.45 per cent compared to their respective NADs (as detailed in **Appendix 2.4.3**).

Audit observed that both NADs and DPRs were prepared, considering the scheme objective of a reliable power supply and reduction in AT&C Losses. As NADs were prepared without considering the critical gaps in the sub-transmission and distribution network, considering all relevant parameters and in the absence of bankable DPRs without the detailed field survey, resulted in various discrepancies as detailed below:

- i. In the case of MPPKVVCL, though DPR and NAD were prepared based on the SoR (2014-15), still unit cost was different for items like Metering, provisioning of Solar Panel, Capacity enhancement of Substations, New Substations and Repair & Maintenance.
- ii. There was a substantial reduction of significant items *i.e.*, New/additional transformer/ transformer capacity enhancement/ renovation & modernisation of Sub-Stations, New/Augmentation of 33 KV feeders and capacitor banks for which no proper justification was available on records. Reduction of key infrastructure components under Scheme, will compromise the scheme's objectives of strengthening the distribution network, improving power reliability, and reducing technical losses. This also reflects poor planning and transparency in project implementation.

¹⁰⁸ District Electricity Committee renamed (26 July 2016) as DISHA.

- iii. In the case of MPMKVVCL, initially in NAD, 95 towns were selected under system strengthening work, but due to fund restrictions (as conveyed by Power Finance Corporation), only 55 towns were considered in DPR based on high AT&C losses (greater than 15 *per cent*). However, it was observed that two¹⁰⁹ towns despite having less than 15 *per cent* AT&C losses¹¹⁰ were proposed to be covered in the scheme (estimated expenditure of ₹ 15.31 crore). Thus, one hand, the Company had to restructure the strengthening work owing to paucity of funds, while on the other hand, non-priority towns were selected, resulting in skewed allocation of resources.
- iv. Further, the DPR of Sehore Circle (MPMKVVCL) was prepared without the preparation of NAD amounting to ₹ 1.58 crore.

The significant reduction of items in the DPR without justification to match up the cost reduction of ₹ 2,248.35 crore (NAD: ₹ 3,749.62 crore vs DPR: ₹ 1,501.27 crore) indicates that the DPRs were not truly bankable or aligned with the scheme's objectives. Despite both being prepared using the same Schedule of Rates (SoR), DISCOMs did not justify the discrepancies in unit costs, raising concerns about the accuracy and transparency of the planning process. Furthermore, the DPRs lacked a clear and strategic approach in selecting and prioritising towns and circles for infrastructure upgrades, ultimately weakening the scheme's goal of reducing AT&C losses effectively.

In reply (MPMKVVCL), it was stated that the selection of the IPDS town was finalised based on loss units per month and as the loss in the towns was high, the same were taken up. Further, the NAD for the Sehore circle was not initially taken up but the same was considered later in response to the field requirement.

The reply is not acceptable as the two towns were selected for execution despite meagre AT&C losses. Further, the preparation of DPR of the circle without preparation of the NAD, shows deficient preparation of the same and no interlinking between NAD and DPR.

2.4.5.4 *Non-implementation of National Optical Fibre Network (NOFN) related works*

As per Clause (5) (Chapter-II) of the scheme guidelines, the completion of optical fibre missing links under the establishment of the National Optical Fibre Network was to be done. Therefore, IPDS envisaged connecting all 33 KV or 66 KV grid sub-stations/billing offices/Circle /regional/Zonal offices of DISCOMs by extending the optical fibre network established under NOFN with a 100 *per cent* grant from MOP, GoI. The DPR was to include implementation methodology and milestones along with the cost.

Audit observed that DISCOMs had not carried out surveys to identify the missing links to connect their sub-stations/offices with NOFN. The Need Assessment Document was prepared in the case of MPMKVVCL and MPPuKVVCL for an amount of ₹ 69.38 crore and ₹ 26.53 crores, respectively, but was not prepared for MPPKVVCL. Further, the Detailed Project Report of NOFN was neither prepared by any DISCOMs nor submitted to Nodal Agency (*i.e.*, PFC) to implement this component under the scheme. Due to the non-preparation

¹⁰⁹ Mandideep and Biaora.

¹¹⁰ Ranging between 0.42 and 2.60 *per cent*.

of DPR, DISCOMs could not utilise the opportunity to execute this vital component of work with 100 *per cent* Central grant under the scheme and burdened the DISCOMs with-future liability to do this component through their own resources, should they execute so.

The MPMKVVCL in its reply (November 2024) stated that the DPR evaluation committee had considered only ₹ 21.49 crore against the DPR of ₹ 169.89 crore. Further no DPR approval was received from CEA and after persuasion it was informed that the same has been submitted to the Ministry of Power. The work of NOFN was shifted to VSAT connectivity in disaster-prone areas.

The reply could not be verified as the copy of the DPR submitted to the Nodal Agency (PFC) and finally approved by it with the changed scope of work was not made available to audit.

2.4.6 Tendering and award of work

As per Clause 9 (Chapter II) of the scheme guidelines, the works under projects were to be awarded within nine months of the Monitoring committee's approval communication. The succeeding paragraphs discuss the deficiencies observed in all 43 Circles for tendering and award of work from March 2016 to December 2017.

2.4.6.1 Absence of Audit trail report

Under the scheme, the DISCOMs had to execute the tendering process by inviting tenders through the e-tendering process. The procurement manual prescribes the procedure for the formation of a Technical Evaluation Committee¹¹¹ (TEC) for evaluating the tender. Subsequently, the Finance & Accounts Department shall be involved only at the time of commercial evaluation. Further, the MP e-tendering portal provides for system-generated bid Comparative Statements in standard formats and stipulated templates as well as customisable formats as per the requirements of the DISCOM.

Audit observed that in MPPKVVCL, the TEC was not formed as required under the Procurement manual of the DISCOMs. Further, in all the DISCOMs, the system-generated printout of the techno-commercial evaluation prepared by the TEC and the techno-commercial bid documents taken from the GoMP e-tendering portal were not made available to Audit. It was also observed that the Audit Trail Report¹¹² was not generated by the DISCOMs in any e-tendering processes under this scheme to verify all the important events.

Thus, in the absence of the Committee's tender evaluation report and the system-generated statement from the e-tendering portal, the Audit could not ascertain the reliability regarding transparency, financial propriety, and fair competition through the e-tendering process.

The MPMKVVCL in its reply (November 2024) stated that the IPDS works started in 2016 and were completed in 2019 and unfortunately the GoMP closed the website in 2020. Therefore, the Audit Trail Reports cannot be generated after 2020.

¹¹¹ Consist of representatives from User departments and Procurement departments, as applicable, for technical evaluation of the tender at appropriate level commensurate to the value of tender.

¹¹² Security relevant chronological audit tool, destination and source of records that provides documentary evidence of the sequence of activities that have effected during e-tendering procedure.

The reply is not acceptable as the Audit Trail Reports should have been generated after completion of work and should have been kept on record.

2.4.6.2 Selection of technically weak firms

The Standard Bidding Document (SBD) for complete turnkey contracts issued (August 2016) by Rural Electrification Corporation (REC), a Central PSU, directed that States should ensure compliance with the instructions of CVC and advised that the SBD may be customised with prior approval of the State-level Standing Committee, given the principles of transparency, financial propriety, fair competition, *etc.*

A. Changes in eligibility criteria in NITs vis-à-vis SBD

Audit compared the techno-commercial and financial criteria as provided in the Standard Bidding Document (SBD) with the bid documents (NITs) for each Lot¹¹³, and observed that substantial dilutions/deviations were made by the DISCOMs in the technical criteria of the bid documents as compared with the SBD. A few instances are shown below:

Criteria as per SBD (issued by REC)	Criteria incorporated in NITs
<p>The bidder must have successfully erected, tested & commissioned substation & transmission lines /feeders in a single turnkey contract in last 7 years, having installation of</p> <ul style="list-style-type: none"> ➤ <i>at least 50 per cent</i> of the transformation capacity considered in proposed bid ➤ <i>50 per cent of length</i> of [33 KV/66 KV lines] and [sum of {11KV or 22KV and LT lines}], considered in proposed bid 	<p>The bidder must have successfully erected, tested & commissioned substation & transmission lines /feeders in a single turnkey contract in last 7 years, having installation of:</p> <ul style="list-style-type: none"> ➤ <i>at least 20 per cent</i> of the transformation capacity considered in proposed bid ➤ <i>20 per cent of length</i> of [33 KV/66 KV lines] and [sum of {11KV or 22KV and LT lines}], considered in proposed bid
<p>The bidder must have successfully erected, tested & commissioned Sub-Station & transmission lines/feeders of [33 KV or 66 KV class] and [11 KV or 22 KV class] in two turnkey contracts in last 7 years as on the date of bid opening, each having installation of</p> <ul style="list-style-type: none"> ➤ <i>at least 40 per cent</i> of the transformation capacity considered in proposed bid (i.e. Sum of KVA ratings of Power transformers for 33 KV/66 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/22 KV class, as proposed in the present bid) <li style="text-align: center;">and ➤ <i>40 per cent of length</i> of [33 KV/66 KV lines] and [sum of {11KV or 22KV and LT lines}], considered in proposed bid, and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid 	<p>The bidder must have successfully erected, tested & commissioned Sub-Station & transmission lines/feeders of [33 KV or 66 KV class] and [11 KV or 22 KV class] in two turnkey contracts in last 7 years as on the date of bid opening, each having installation of</p> <ul style="list-style-type: none"> ➤ <i>at least 20 per cent</i> of the transformation capacity considered in proposed bid (i.e. Sum of KVA ratings of Power transformers for 33 KV/66 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/22 KV class, as proposed in the present bid) <li style="text-align: center;">and ➤ <i>at least 20 per cent of length</i> of [33 KV/66 KV lines] and [sum of {11KV or 22KV and LT lines}], considered in proposed bid, and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid

¹¹³ For the purpose of tendering, circles were grouped into Lots.

As can be seen from the above, substantial changes in the eligibility criteria between the NITs and the SBD reduced the eligibility criteria and allowed the technically weak firms to participate in the bidding process. The detailed deviations in the NITs are shown in **Appendix 2.4.4**.

B. Selection of firms not eligible even under the relaxed NIT Criteria

In MPPKVVCL and MPPuKVVCL, it was observed that the firms selected through relaxed techno-commercial criteria, did not even meet those criteria. In MPPKVVCL, the works were awarded to four Contractors in six Circles despite deficient bid documents, viz., non-submission of documents relating to work experience and past performance, uncertified financial parameter related document and insufficient credit facility related documents. Further in the MPPuKVVCL, it was observed that work for system strengthening was awarded (May 2017) to M/s Adrak Engineering & Construction India (P) Ltd. in four Circles even though it was a mere eight month old company having no requisite turnover and experience as per the bid, and also clearly not having past seven years' experience as per the conditions of the NITs. Further, to make the firm eligible to participate in the bid, the turnover of its holding company¹¹⁴ (which was a foreign company and not eligible to bid) was considered for financial eligibility. This resulted in the awarding of works to ineligible firms amounting to ₹ 292.80 crore (as detailed in **Appendix 2.4.5**).

The deployment of weaker firms resulted in delays due to poor progress, non-deployment of sufficient labour, non-procurement of material/equipment, improper management of the project etc. and descoping (to be done departmentally) in order to complete the remaining work due to non-execution of works by the Contractors in 23¹¹⁵ projects worth ₹ 130.83¹¹⁶ crore led to further delay in completion of works, as detailed in the succeeding paragraphs.

The MPMKVVCL in its reply (November 2024) stated that the selection of firms was made in accordance with the contractual provisions and contracts were awarded after approval of the competent authority.

The reply is not acceptable as the qualifying criteria were relaxed on the proposal of DISCOMs to increase competition, but the justification for customisation on the principles of financial propriety and fair competition by relaxing qualifying criteria was not found on record while forwarding the proposal to the State level standing committee (SLSC).

2.4.6.3 Higher retendering cost

PFC, being the monitoring agency, had advised (Oct 2015) that as projects were approved in principle, DISCOMs may initiate advance activities like preparation of bid documents, issuance of NIT and bid evaluation to save time and once financial sanction is received, a Letter of Intent (LoI) could be issued. Further, the effective date of sanction of projects was revised

¹¹⁴ M/s Al Adrak Trading and Contracting Company, LLC, Oman.

¹¹⁵ Lot-01, 04, 05, 07, 08, 10 & 11 in MPPKVVCL, Jabalpur City, Jabalpur O&M, Katni, Narsingpur, Seoni, Chindwara, Sagar, Damoh, Chatarpur, Tikamgarh and Shahdol of MPPuKVVCL and Bhind, Morena, Gwalior (O&M) and Shivpuri of MPMKVVCL.

¹¹⁶ ₹ 62.51 crore, ₹ 39.16 crore and ₹ 29.16 crore of MPPKVVCL, MPPuKVVCL and MPMKVVCL, respectively.

from March 2016 to September 2016 for sanctioned projects. However, completion date was fixed as March 2019.

In respect of MPPKVVCL, the Monitoring Committee sanctioned (March 2016) projects (turnkey basis) of 12 Circles. Accordingly, the MPPKVVCL initially invited (June 2016) tenders in five Lots for 12 Circles on a semi-turnkey basis, but this was subsequently cancelled, and it was decided to execute the work on a full turnkey basis. Further, new tenders invited in August 2016 and December 2016 to get the work done on a full turnkey basis were also cancelled as they were based on incorrect estimations (*i.e.*, based on SoR 2014-15). Finally, NIT-165 was floated (February 2017) with an increased number of Lots from five to eight, with multiple amendments and date extensions in the tendering process due to various reasons, *viz.*, non-matching of works, incorrect estimates, *etc.* The Lot-wise award of contracts to the firms was finally issued (April 2017) in seven Lots, while Lot-08 (Indore City Circle) was cancelled.

- i. Audit observed that the tender invitation without making any inter-departmental committee¹¹⁷ analysis for deciding the viable package for turnkey projects, its amendments with frequent changes in numbers, size of Lots, indecisiveness in mode of execution of works and incorrect estimation led to multiple cancellations of NITs. While comparing the item wise rates of awarded works, amounting to ₹ 216.02 crore (in the case of Lot-1 to 7) with the earlier cancelled tender amounting to ₹ 167.02 crore, the MPPKVVCL had to award work at higher rates which resulted in higher retendering costs in system strengthening works worth ₹ 49.00 crore.
- ii. In the case of LOT-08 (Indore City Circle) sanctioned for ₹ 226.78 crore, one bidder (M/s L & T) had submitted the offer, and the price bid was opened (April 2017) and the arrived rates were ₹ 251.61 crore (13.32 *per cent* higher than the estimated cost based on SOR 2014-15). The procurement wing proposed to the Business Committee that rates were reasonable, keeping in view the higher RoW issues, the difficulty in obtaining shutdowns in Indore City compared to other towns and L&T being a renowned company, it would be prudent to award the work. However, the Business Committee decided to bifurcate (April 2017) the project into five Lots (Division-wise). Hence, Lot-08 was cancelled. A fresh NIT was invited mentioning Division-wise Lot (Lot-08 to Lot 12) with a revised estimated cost of ₹ 160.81 crore, excluding the scope of smart and other automatic meter reading (AMR) meters. Finally, the works were awarded (September 2017) with a delay of three months beyond the permissible upper limit. The cancellation of NITs shows that the interdepartmental committee did not discuss prudent packages. This led to the award of works valued at ₹ 139.46 crore, compared to the previously cancelled tender of ₹ 131.21 crore and resulted in a higher retendering cost amounting to ₹ 8.25 crore.
- iii. Further, the scope of Pillar Box meters, smart meters, and prepaid meters was earlier included in NIT-165 (cancelled tender for Indore City) but was excluded in the

¹¹⁷ Formed by the representatives from User department, Finance & Account department and Procurement department.

division-wise tender (NIT-173 and 181 for Indore City). Audit observed that as L&T, in its initial tender (February 2017), had also opined that higher costs were getting higher regarding such meters, the firm was still ready to execute the works. In retendering, the work of smart metering under system strengthening was awarded (NIT-192) in April 2018 to L&T. This led to the reprieving of reasonable rates amounting ₹ 65.97 crore from the same company and higher retendering costs of ₹ 77.47 crore respectively due to the award of work at higher rates in comparison to earlier cancelled tender worth ₹ 11.50 crore.

Reply had not been received (February 2025).

2.4.6.4 *Imprudent estimation in sanctioned DPR*

As per clause 1(b) (Chapter–II) of the scheme guidelines, DISCOMs were to formulate projects with substantial justifications and cost estimates of the proposed scope of work along with bankable DPRs based on detailed field surveys and schedule of rates.

Audit observed that the DPRs of MPPKVVCL and MPPuKVVCL were prepared based on the SoR for the year 2014-15 without considering the escalated cost during the execution period. However, MPMKVVCL had considered SoR 2014-15 plus 5 *per cent*. During the tendering process (2016-17), after the submission of price bids by the respective bidders of each Lot, both MPPKVVCL and MPPuKVVCL observed that the reason for receiving higher bid costs was due to DPR costs being based on SoR 2014-15. Consequently, the MPPKVVCL and MPPuKVVCL were forced to curtail the quantities of sanctioned DPR to match the estimated cost within the sanctioned cost. Thus, due to incorrect estimation, both the DISCOMs could not execute the works amounting to ₹ 53.35 crore¹¹⁸ and suffered a corresponding loss of grant (60 *per cent*) worth ₹ 32.01 crore under the scheme.

2.4.6.5 *Awarding work to an ineligible bidder with a consistent history of litigation*

As per the terms and conditions of the NIT, while evaluating the techno-commercial and financial bid, the MPPKVVCL was required to take into account the Bidder's technical and financial capabilities, including production capabilities, in particular the Bidder's contract work in hand, future commitments, current litigation, and past performance during contract execution. A consistent history of awards involving litigation against the bidder may result in rejection of the bid.

Audit observed in case of the MPPKVVCL that in response to the NIT (Lot-02), a Contractor¹¹⁹ submitted a bid in March 2017 and was ultimately selected as the L-1 bidder and was awarded the work in April 2017.

The MPPKVVCL while evaluating the techno-commercial bid (March 2017), observed that the Contractor had submitted 'nil' history of past litigation in the bid application, which was suppression of the facts, as the contractor had submitted three cases of past litigation while bidding for a contract under DDUGJY Scheme ((Lot-01 in August 2016) as detailed in **Table 2.4.2:**

¹¹⁸ ₹ 26.18 crore (₹ 523.60 crore*5 *per cent*) and ₹ 27.17 crore (₹ 543.40 crore*5 *per cent*) for MPPKVVCL and MPPuKVVCL respectively.

¹¹⁹ M/s Mohammad Aarif Sheikh in joint venture with M/s S. Hifazat Ali.

Table 2.4.2: Details of past litigation of three cases

Sl. No.	Case No.	Case filed against	Status
1.	WP No. 3518/2016 (2016)	MP Housing and Infrastructure Development Board	Case awarded in favour of the applicant
2.	WP No. 7671/2016 (2016)	MPPKVVCL, Indore	WP dismissed
3.	Case dated 2014 (No. not available)	TWD, Barwani, MP	Case awarded in favour of the applicant

The DISCOM accordingly referred the case (March 2017) to its legal department for their opinion. While referring the case to the Legal Department, the EE (Purchase), MPPKVVCL falsely mentioned that there was only one case in which the bidder was a litigant (Sl. No. 1 of the table above). The legal department of the MPPKVVCL, opined that the bidder had ‘no consistent history of litigation’ as there was only one case in which he had appealed to the High Court.

Thus, lapse of the MPPKVVCL to comply with the conditions of the NIT, supplemented by suppression of facts at multiple levels, resulted in irregular award of work worth ₹ 21.23 crore to a bidder with a consistent history of past litigation.

Further, the project experienced cost overruns and delays in the execution of the project, as discussed in the subsequent paragraph.

The MPPKVVCL may investigate the lapses and/or lack of oversight, resulting in wilful suppression of facts which resulted in awarding of a project, with a significant cost, to an ineligible bidder and fix responsibility accordingly.

Reply had not been received (February 2025).

2.4.7 Execution of the project

The works related to strengthening the distribution network (projects) were carried out through different Turnkey Contractors (TKCs) selected through Circle-wide open tenders at respective DISCOM Headquarters and also departmentally (by procuring material and engaging labour). Superintendent Engineers (SE) and Executive Engineers (EE) of respective Circle, being Chief Executive Officer (CEO), were responsible for making payments against works executed and monitoring the execution of work under their respective jurisdiction with the assistance of the Project Management Agency (PMA) engaged by the DISCOMs. Deficiencies noticed in the execution of projects in 21 test-checked Circles are discussed below:

2.4.7.1 Significant variation in the quantities finalised in the NITs and those presented in the closure report prepared by DISCOMs

The MPPMCL directed the DISCOMs (May 2017) to prepare a town-wise Work Plan regarding scheme implementation, and accordingly, DISCOMs issued (May 2017) corresponding instructions to all Circles. The directions were given to avoid any redundancy and unnecessary work as R-APDRP works were also in progress, to plan such measurable works which could reduce AT & C loss and increase revenue and also with the view that its impact could be measured, and responsibilities could be fixed on concerned officers. Further, the Monitoring Committee, in its Seventh meeting (May 2016) allowed DISCOMs to carry BoQ variation in the sanctioned projects/sanctioned in future before floating NIT. The head

of DISCOMs had to certify the changes as mandatory and DISCOMs shall also submit recommendations to DRC with full justification of these BoQ changes.

Audit observed that despite clear directions, all the 21 test-checked Circles did not incorporate the above directions while preparing the work plan. Consequently, no clear distinction was made for the works that were already executed under R-APDRP and no assessment was done concerning the reduction of town-wise AT & C loss and projected increase in revenue. The concerned SE and EE did not prioritise and decide the proposed works even after being indicated by higher management from time to time.

Further, while comparing NIT to the Closure Report¹²⁰ for all (43) Circles, Audit observed in MPPKVVCL, MPPuKVVCL and MPMKVVCL, deviations (increase or decrease in quantity) in BoQ for all major works. The variation of the significant 10 items ranged from 13.11 to 900 *per cent* (as detailed in **Appendix 2.4.6**), showing deficient BoQ, wherein one item (LT line Augmentation/Reconductoring in MPMKVVCL) item was removed entirely, and others were executed in large quantities. Further, justification for the vast change in execution was also not submitted to DRC. Thus, non-preparation of the work plan led to a huge deviation in executed works with NIT in contravention of scheme guidelines.

The MPMKVVCL in its reply (November 2024) stated that the quantity in IPDS was changed due to field requirement, RoW issue, Railway and forest clearance. Further, Monitoring Committee had approved variations in BoQ in each project within overall project cost sanctioned with due approval of State DRC.

The reply is not acceptable as huge variation was largely due to non-preparation of work plan and inadequate survey while preparing NIT. Further, while proposing deviation to DRC for such huge quantity, no justification was available on records.

2.4.7.2 Descoping/rescoping in the execution of system strengthening works

As per the General Conditions Clause of the tender, the employer (DISCOM) reserves the right to de-scope awarded works up to 30 *per cent* of the contract value, if the Contractor fails to complete the work within the stipulated time.

Audit observed that due to poor progress, non-deployment of sufficient labour, non-procurement of material/equipment, improper management of the project etc. descoping was done in 21¹²¹ projects worth ₹ 130.83 crore in all three DISCOMs.

Audit further observed that in the MPPKVVCL, due to poor progress of turnkey contract works, improper project management and deviation from the stipulated time, de-scoping was done (May 2018) in respect of 30 *per cent* of value for seven¹²² Lots worth ₹ 62.51 crore. Further, one¹²³ Lot was de-scoped and later re-scoped at the Contractor's request despite

¹²⁰ Closure report is the last deliverable submitted by the DISCOMs at the end of a project to the DRC for approval of the project cost.

¹²¹ Burhanpur, Khargone, Shajapur, Dhar, Ratlam and Indore City Circle in MPPKVVCL, Jabalpur City, Jabalpur O&M, Katni, Narsinghpur, Seoni, Chhindwara, Sagar, Damoh, Chhatarpur, Tikamgarh and Shahdol of MPPuKVVCL and Bhind, Morena, Gwalior (O&M) and Shivpuri of MPMKVVCL.

¹²² Lot-01, 04, 05, 07, 08, 10 & 11 in MPPKVVCL.

¹²³ Lot 05 related to Dhar and Jhabua.

unsatisfactory progress. Also, in two¹²⁴ Lots, de-scoping was not done in spite of issuing notices to the firms for poor progress of works. Also, in the case of two¹²⁵ Lots, even though progress was not satisfactory after nine months, de-scoping notice was not sent to the firm which led to undue favour to TKCs and delayed completion of work ranging from 122 to 641 days. Further, Liquidated damages amounting to ₹ 3.12 crore were not imposed.

2.4.7.3 Execution of works without approved DPR

The Monitoring Committee, in its Seventh meeting, allowed DISCOMs to carry BoQ variation in the sanctioned projects/sanctioned in future before floating NIT. The head of DISCOMs had to certify the changes as mandatory and DISCOMs shall also submit recommendations to DRC with full justification of these BoQ changes.

Audit observed that in the MPPKVVCL, DPR of O&M Circle, Ujjain was sanctioned on a departmental basis on the grounds of urgency of envisaging Simhastha's work (2016) in Ujjain city, amounting to ₹ 28.68 crore. The amount was shown as expended in the year 2016 under Simhastha. However, in 2018, a revised DPR of ₹ 11.02 crore was proposed, as savings were identified from the departmental work completed for Simhastha and development was to be made in new areas, not included in the 2016 DPR. According to the Minutes of Meetings (MoM), the revised DPR was supposed to be sent to the DRC; however, it was not submitted. The reason given was that all variations were allowed, contingent upon project costs, and that approval was required from the technical committee at the DISCOM level. This decision contradicted the MoM, as the fund allocation was against the previously approved works of the 2016 DPR, and proper approval through the DRC should have been obtained. Additionally, approval from the Technical Committee was never secured.

Furthermore, in violation of scheme guidelines Clause 2(a) (Chapter-II), which prescribes that eligible works under the scheme would include only the works for strengthening the sub-transmission and distribution network, the audit observed that for system strengthening works, 30 transformers of 315 KVA sanctioned under the scheme were utilised in Simhastha Mela for the temporary works. This resulted in an excessive claim under the scheme fund without the approval of a revised DPR, amounting to ₹ 11.02 crore.

In the case of MPMKVVCL, due to planning lapses, the location of one substation was altered without approval at Dabra Town instead of Malanpur Town, and no justification was provided when forwarding the closure report to DRC.

Furthermore, two other sub-stations proposed in Indergarh and Seoundha Town, constructed at a cost of ₹ 3.06 crore, were used for irrigation purposes in rural areas in violation of Clause 2 (Chapter-II) of the scheme guidelines, which states that the scheme shall be formulated for urban areas only.

The MPMKVVCL, in its reply (November 2024), stated that locations were changed due to field requirements and project cost, and the change in field execution work has been approved by DRC.

¹²⁴ Lot-09 & Lot-12 related to Indore City Circle.

¹²⁵ Lot-03 and Lot-06.

The response is not acceptable as the DPRs were approved for the substation location-wise, but no justification was provided on record when proposing a deviation of location to the DRC. Additionally, no reply has been given regarding the misutilisation of the substation for irrigation purposes in rural areas, whereas the substation was created for urban areas.

2.4.7.4 Cost overrun due to delays

As per Clause 2.3.4 (Chapter-IV) of the scheme guidelines for the implementation of works, the project cost approved by the Monitoring Committee or award cost, whichever is less, shall be the eligible cost for determining the Grant. However, any cost overrun after the project's approval due to any reason whatsoever shall not be eligible for the grant and shall be borne by the DISCOMs/State.

Audit observed that there was a cost overrun in eight¹²⁶ Circles (as detailed in **Appendix 2.4.7**) due to delayed initiation of tendering, cancellations of tenders owing to improper cost estimation, frequent time extensions and poor progress of turnkey Contractors. Thus, improper project management by the DISCOMs and poor performance by the technically weak Contractors selected through diluting the technical criteria led to a cost overrun of ₹ 48.99 crore.

The MPMKVVCL in its reply (November 2024) stated that the Monitoring committee had approved variation in BoQ in each project within overall project cost sanctioned with due approval of State DRC. As per the field requirement, the cost in Gwalior city was increased from the sanctioned DPR.

The reply is not acceptable as even though the Monitoring Committee had allowed quantity variation, expenditure incurred over and above the project cost was to be borne by the DISCOMs.

2.4.7.5 Non-updation of Feeder meters

The DISCOMs under the Meter Data Acquisition System (MDAS) were responsible for monitoring the accessibility of data from all the Modems connected with the Feeder meters from remote locations without human intervention. The metering component under the scheme covers automatic meter reading (AMR) for feeders and boundary meters for ring-fencing¹²⁷.

The audit observed that in seven projects of MPPKVVCL selected towns, out of 1170 feeders, only 443 (37.86 *per cent*) (as detailed in **Appendix 2.4.8**) were updated in the meter data acquisition system (MDAS) as of April 2023. In the MPMKVVCL, out of a total of 670 feeders, none were found to be updated in the MDAS.

Further, 163 boundary meters were proposed in the DPRs to bifurcate town area from rural in the test checked 21 Circles of all the DISCOMs, but only 40¹²⁸ boundary meters were found to be installed. This resulted in towns not being ring-fenced; thus, the objective of MDAS to acquire meter data automatically without human intervention was defeated.

¹²⁶ Barwani, Dewas, Neemuch, Indore city, Jabalpur city, Satna, Sidhi and Gwalior city.

¹²⁷ Bifurcation of rural and urban feeders through boundary meters for separate AT&C losses

¹²⁸ 40, 0 and 0 in MPPKVVCL, MPPuKVVCL and MPMKVVCL respectively.

2.4.7.6 Undue benefit to the Turnkey Contractors

In contravention of SBD/estimation/agreement for execution of work, undue favour to the Contractors was made as detailed below:

- i. As per Clause 21.3 of the GCC of SBD of the scheme, payment of bonus/incentive for early execution from scheme fund was not allowed. In contravention of the SBD, in five¹²⁹ projects, MPPKVVCL and MPMKVVCL had paid ₹ 2.03 crore as an incentive to the contractor from the scheme fund.
- ii. The MPPKVVCL had floated tenders based on SoR for the year 2016-17 and the bids were finalised at higher or lower (+/-) rates over and above the SoR rates. The SoR rates were the basis for the preparation of NITs on which bidders quoted their rates. Audit observed that in all 10 projects, the rates of some items in the NIT itself were higher than that of relevant SOR 2016-17 rates. This, after considering the percentage higher rates quoted by the L1 bidders, further led to higher awarded rates worth ₹ 305.89 crore in comparison to the relevant SOR 2016-17 rate amounting to ₹ 271.51 crore. This resulted in undue favour and payment of higher rates to the Contractors worth ₹ 34.38 crore.
- iii. As per SOR 2016-17, schedule B-1.2 and B-2.2, the yard levelling and metalling work was to be paid to the Contractor for only 100 cubic metric tonnes (CMT) per substation. In case of the MPPuKVVCL, Audit observed that in works awarded for Chhindwara, Sagar, Narsinghpur and Tikamgarh Circle under the scheme, 13¹³⁰ Substations were constructed, and DISCOM paid for work over 100 CMT, resulting in an excess payment of ₹ 70.32 lakh to the Contractors.
- iv. In the case of the MPPuKVVCL, during the test check of Bills, Audit observed that in eight projects, the DISCOM awarded the LoA by incorporating 18 *per cent* GST; however, as per Government order, GST on solar panels was to be paid at the rate of 5 *per cent*. This resulted in undue favour to the Contractor and excess payment in eight¹³¹ Circles worth ₹ 60.61 lakh.
- v. In the case of the MPPuKVVCL, the impact of tax revision due to implementation of the CGST Act had already been factored into the Ex-works price¹³² of Schedule-C (for major items) at the time of award in May and June 2018. Audit observed that, despite this, the awarded rates were revised again in four Circles based on the Contractor's representation (March 2019) citing the CGST impact. Since the revised rates had already been incorporated into the finalised tender, this subsequent revision was unjustified, resulting in the award of works at higher rates and irregular payment of ₹ 2.33 crore to the Contractor.
- vi. In the MPPuKVVCL, the AB Cable of 134 Kms (received March 2018) at various Circles (Chhindwara: 42 Kms, Seoni: 67 Kms, Narsinghpur: 20 Kms and Sagar: 5 Kms) was not

¹²⁹ Lot-1B System Strengthening & Lot-1B Metering of Bhopal City, Lot-VII HT & Lot-VIIA (Monopole) of Gwalior City and Smart meters in Indore city.

¹³⁰ Gotegaon, Gadarwara, Kareli-2, Panchamadi Dhana, Chandmeta Parasia, Junaardeo, Kari, Prithvipur, RTO Sagar, Kishore Nayalay, Makronia, Bina Tehsil and Ganesh ward Bina.

¹³¹ Chindwara, Sagar, Seoni, Narsinghpur, Rewa, Satna, Jabalpur (O&M) and Jabalpur City.

¹³² Rates of material exclusive of all taxes.

replaced by the firm despite failure in retesting of sample Lots. It was observed that though the cable has been working but, due to poor quality, the risk of failure could not be ruled out in future.

- vii. In MPMKVVCL, in the case of Bhopal City Circle for the Lot-IC of LT and Gwalior City Circle Lot -VII for HT work, the contractor was paid over and above the executed works, resulting in excess payment amounting ₹ 0.46 crore and ₹ 1.16 crore, respectively to the Contractor.

The MPMKVVCL in its reply (November 2024) stated that based on the work executed in the circles, the payment was made to the concerned Turnkey contractors as per tender conditions.

The reply is factually incorrect as the payment to the TKCs was made over and above the executed works cost.

2.4.7.7 Excess procurement and unutilised material beyond the guarantee period

As per Clause 11 (Chapter-IV) of scheme guidelines, the DISCOMs shall be solely responsible and accountable for assuring quality in scheme works. Accordingly, DISCOMs shall formulate a comprehensive Quality Assurance (QA) and Inspection Plan to build a quality infrastructure under scheme works. Further, as per Clause 1.3(iv) of the procurement manual of the DISCOMS, it should ensure the availability of right material at right time, right place and right quantity and quality for the timely completion of various projects.

Audit observed that in the MPPKVVCL (December 2020), the materials procured under the scheme were lying in Area stores beyond their guarantee period ranging from one month to 27 months. The material remained unutilised after the scheduled completion of the scheme (March 2019). This resulted in a blockade of funds due to procurement without immediate requirement, amounting to an unfruitful expenditure of ₹ 2.62 crore (as detailed in **Appendix 2.4.9**).

2.4.7.8 Deficiencies in engagement and monitoring of Project Management Agency

As per clause 11 (Chapter-II) of the scheme guidelines, PMA was to assist in preparing the tender, in the bidding process (including pre-bid meetings, etc.), technical evaluation, placement of Letter of Award and related activities. Further, PMA was to assist in detailed work implementation schedule, coordination and monitoring of execution, submit DPR-wise physical and financial progress, identification of bottlenecks, verification of assets, quality monitoring and field inspection of works and joint verification of materials during execution.

Audit observed the following deficiencies:

- i. In two DISCOMs (except MPMKVVCL), PMA was not engaged in preparing the DPR, and bidding process. This led to deficient proposals in DPRs with respect to specific locations with reasons for new/augmentation/renovation & modernisation of sub-station, lines and installation of ABC. DPRs were prepared without considering subsequent escalation in SoR as discussed in paragraphs 2.4.5.2 and 2.4.6.4 Further bidding-related deficiencies, viz. incorrect estimation, multiple cancellation *etc.*, resulted in retendering and also there was delay in award of works as discussed in paragraphs 2.4.6.2, 2.4.6.3 and 2.4.6.4.

- ii. The monthly progress report prepared by the PMA to streamline execution and reporting to the DISCOMs was not furnished to the Audit. Despite delays in all sample selected 21 projects, non-reporting of delays with reasons resulted in the failure to carry out remedial measures. Moreover, in MPPKVVCL, inadequate supervision and monitoring resulted in the non-addressing of deficiencies noticed during the execution period (as detailed in **Appendix 2.4.10**).

Further, the Central Vigilance Commission (CVC) Guidelines (November 2002) stipulate that consultants should be selected transparently through competitive bidding and that their payment should be correlated with work progress.

Audit observed various deficiencies in DISCOMs as discussed below:

- i. MPPKVVCL, MPPuKVVCL and MPMKVVCL made fixed payments to the consultants amounting to ₹ 50.09 lakh, ₹ 75.11 lakh and ₹ 298.70 lakh respectively in contravention of CVC Guidelines. Further, MPPuKVVCL and MPMKVVCL have paid ₹ 15 lakh (₹ 3.00 crore minus ₹ 2.85 crore, the amount to be paid as per closure report) and ₹ 2.42 crore respectively, over and above the agreed rates of the original contract value.
- ii. The MPMKVVCL, in contravention of CVC guidelines, had awarded works on a nomination basis to PMAs (M/s REC & PFC). Further, the rates awarded were one *per cent* higher (excluding DPR and tendering works) than those awarded by the other two DISCOMs. This resulted in an avoidable expenditure of ₹ 4.25 crore to be borne by DISCOM from its own resources.

MPMKVVCL in its reply (November 2024) stated that the PMA was appointed as per the IPDS guidelines which allows utilities to select PMA from CPSUs or through open bidding as per their policy/guidelines.

The reply is not acceptable as:

- MPMKVVCL did not have any separate policy/guideline for appointment of PMAs. The procurement manual of the DISCOM specifically provides for adherence to CVC guidelines.
- Other two DISCOMs appointed PMAs through competitive bidding.

Thus, MPMKVVCL was deprived of the benefits of open competitive bidding as was availed by the remaining two DISCOMs.

2.4.7.9 *Loss due to excess payment without execution of work to TKC and deficiencies in the conduct of enquiry*

The DISCOMs appointed PMAs, Circle-wise nodal officers (SEs and EEs), and a Project Management Cell at the Company HQ level to protect the financial and non-financial interests in executing the scheme projects. This mechanism was intended to ensure continuous and proper monitoring of the scheme projects' quantitative and qualitative execution.

The system strengthening projects in MPPKVVCL of Dewas, North Division-Indore Circle, and South Division-Indore Circle were awarded (April 2017/September 2017) to the TKC *i.e.*,

M/s Kshema Power Infrastructure Company Limited. During the field visit (May/June 2023), Audit observed that after the completion of the project, a complaint was received (January / February 2021) regarding payment being made to the TKC without execution of work. The project cell of MPPKVVC, despite having concrete information such as hoarding of material by TKC, lack of field visits by PMA, non-reconciliation of materials between actual material at the site and stock registers *etc.*, had not initiated any action against TKC. Despite having a monitoring mechanism at the field level, HQ level as well as a project consultant, the MPPKVCL could not notice deficiencies in work execution by the contractor. The DISCOM, constituted a committee under SE (Hqrs) against the concerned Additional Chief Engineer (ACE), SEs, EEs and AEs and disciplinary proceedings were straightaway started based on investigation reports under SE level. The Committee detected that payment of ₹ 17.01 crore was made to the contractor without actual work execution.

However, the inquiry into the incorrect payment to TKC without work was conducted without senior official involvement. As the related parties of this lapse were themselves involved in the enquiry process, this led to probable bias and inconsistent legal actions, thereby affecting the recovery of ₹ 9.29 crore. The project consultant (M/s Feedback Infra Limited) was not penalised and continued working on other schemes. Overall, the DISCOM failed to protect its financial interests and ensure accountability.

Reply had not been received (February 2024).

2.4.7.10 Shortfall in installation of meters in the premises of the consumer

As per Clause 2(b) (Chapter-II) of the scheme guidelines, to ensure the achievement of the scheme objective and increase the billing efficiency, 100 *per cent* metering of the consumers and replacement of electro-mechanical meters were to be carried out as per approved DPRs.

Audit noticed that against 4,32,114 consumer meters proposed to be installed in 12¹³³ Circles under the scheme, only 2,43,998 meters (56.47 *per cent*) could be installed up to 31 March 2023 (as detailed in **Table 2.4.3** below). The reasons analysed by audit for poor progress of metering were not monitoring/reviewing the progress of work at the headquarters, not maintaining minutes of meeting at circle level, absence of specific directions to the contractor for meterisation *etc.* Thus, due to the lack of complete metering, the scheme's primary objective of ensuring accurate and reliable energy accounting on a sustainable basis was yet to be achieved as mentioned in **Table 2.4.3** below:

Table 2.4.3: Details of Consumer meters

Sl. No.	Name of the Company	Number of Circle	No. of consumer meters proposed	No. of consumer meters installed	Actual installation in percentage
1.	MPPKVCL	3	72,071	46,301	64.24
2.	MPMKVCL	3	2,06,131	1,37,033	66.47
3.	MPPuKVCL	6	1,53,912	60,664	39.41
Total		12	4,32,114	2,43,998	56.47

(Source: Information provided by the DISCOMs)

¹³³ Indore city, Dewas, Shajapur, Chhatarpur, Chhindwara, Jabalpur city, Satna, Sidhi, Tikamgarh, Bhopal city, Morena, and Gwalior city.

Further, Audit observed that in MPPKVVCL, Shajapur (including Agar) Circle, out of the 5,050 meters replaced under the scheme as of March 2022, 2,130 became defective, of which only 180 were replaced within the year of completion. Thus, the non-replacement of 1,950 meters resulted in infructuous expenditure worth ₹ 70.60 lakh. In Indore Circle of MPPKVVCL and six Circles¹³⁴ of MPMKVVCL, it was observed that 220 consumers and 5,057 consumers of the Low Voltage-5 category for agriculture consumers respectively, with an aggregate connected load of 40,673.17 HP were still unmetered and assessment was done on a provisional basis, undermining the revenue receivables.

The MPMKVVCL in its reply (November 2024) stated that all unmetered consumers have been considered for meterisation and the same is continuous process.

The reply did not address the issue of slow meterisation.

2.4.7.11 *Non-implementation of proposals to improve operational efficacy*

The Energy Department, GoMP, had created an R&D cell at the MPPMCL, which has been assigned various tasks, including analysing/monitoring the performance of scheme towns, checking improvements in the commercial performance of towns and suggesting/proposing for improving the AT&C losses.

Audit observed the following:

- The R&D cell suggested various proposals to improve the operational efficacy of the towns viz., solution of unauthorised jumpering¹³⁵ using HT tape between 11 KV feeders, timer-based VCB Trip Relay for agriculture feeder to restrict power supply for more than the prescribed limit, proposal for time base controller switch, to separate purely agriculture DTR with overload protection unit etc. However, no corrective action was taken by the DISCOMs.
- Further, during field visits in 2020-21 to 2021-22, R&D Cell pointed out deviations in data provided for the commercial performance of the town and reporting of T&D losses with actual, which were abnormally high. For this also no corrective action was taken by the DISCOMs.
- In three DISCOMs, there were 978¹³⁶ mixed feeders through which the agricultural consumers (with restricted electricity supply of upto 10 hour) were connected with the domestic feeders (supplying electricity 24 hours). This resulted in uninterrupted supply hours to the agricultural consumers, leading to loss of revenue¹³⁷.
- It was further noticed that in contravention of PMCL directions for non-utilisation of scheme funds in illegal colonies, the work was carried out in illegal colonies of the Burhanpur Circle of MPPKVVCL, amounting to ₹ 27.59 lakh, which resulted in excess claims from the scheme.

¹³⁴ Bhopal city, Sehore, Bhind, Morena, Gwalior (O&M) and Shivpuri.

¹³⁵ Short piece of wire use to temporary connect two points in a circuit.

¹³⁶ 325, 133 and 520 of MPPKVVCL, MPMKVVCL and MPPuKVVCL, respectively.

¹³⁷ The amount of loss, however, cannot be commented on as the consumer wise supply hours availed were not available with the DISCOMs due to non meterisation of the agricultural consumers.

The MPMKVVCL in its reply (November 2024) stated that R&D cell was created in the MD office of the company and outlined the work which have been done by the cell.

The reply is silent on the work actually carried out by the DISCOMs on the basis of the works suggested by R&D cell of MPPMCL.

2.4.7.12 Delay in different stages of the scheme and misreporting of completion

As per Clause 9 of the scheme guidelines, projects approved on a Turnkey/Departmental basis need to be completed by the DISCOMs within 30 months (24 months for implementation and nine months for award from the date of approval by the Monitoring Committee). The DISCOMs wise details of delay in award and execution of turnkey works for selected samples are given in **Table 2.4.4** below:

Table 2.4.4: Details of DISCOM-wise delay in award and execution of Turnkey Works

Sl. No.	Name of DISCOM	No. of Circles	Delay in Award of Turnkey work (range in days)	Delay in Execution of Turnkey work (range in days)
1.	MPPKVVCL	6	76-90	122-641
2.	MPMKVVCL	7	98-462	244-606
3.	MPPuKVVCL	7	0	214-259

(Source: Information provided by the DISCOMs)

Audit observed that after the approval by the Monitoring Committee, there was a delay in the issue of the Letter of Award (February 2017 to October 2018) in selected Turnkey projects ranging from 76 days to 462 days (after nine months from the revised date of communication) due to not initiating timely the tendering mode, multiple cancellation on account of incorrect estimations *etc.* It was also revealed that after the tender awarding, there was a delay in the completion of work (from March 2019 to December 2020) (after 24 months from the date of completion) ranging from 122 to 641 days on account of selection of technically weak firms, deficient monitoring by the PMA as well company *etc.*, as have been discussed in paragraphs 2.4.6.2 and in 2.4.10.

Also, in the case of a Departmental work executed in Ujjain Circle of MPPKVVCL (except Simhastha), it was observed that the work was awarded with a delay of 12 months due to delayed preparation of estimates (December 2016). Further, the work was completed in June 2020 with a delay of 457 days (after 30 months from the approval date) from the schedule date of completion in March 2019. The work was physically declared complete despite partial completion and ongoing work in the project area.

Thus, undue delay in completing the work resulted in not achieving scheme objectives, besides non-compliance with the scheme guidelines.

The MPMKVVCL in its reply (November 2024) stated that the delay noted at different stages are not completely attributable to the DISCOM and other factors has been considered by the Monitoring Committee and extension was given on case-to-case basis.

The fact remains that there were delays both in the award as well as in the completion of works by the MPMKVVCL, which led to the deprivation of scheme benefits to the consumers.

Furthermore, the Monitoring Committee did not grant any extension to the overall scheduled timeline, which further underscores the lack of validity in the reply.

2.4.7.13 Deficiencies in granting time extension

As per Clause 9 (Chapter II) of the scheme guidelines, the system strengthening works awarded to TKCs were to be completed within 24 months from the date of award. As per the terms and conditions of NIT, after the award, in case of poor progress, the works were to be reviewed for descoping to complete the works within the stipulated period. Further, the Contractor shall submit a notice for an extension of the Time for Completion, together with particulars of the event or circumstance justifying such extension. Also, such notice should be as soon as reasonably practicable after the commencement of such event or circumstance and before the expiry of the time schedule agreed as per the contract.

Audit observed that in MPPKVVCL and MPPuKVVCL, TKCs engaged in all 25 Circles (except Barwani Circle and Khandwa Circle) had requested a time extension after the expiry of the time schedule of the contract. The audit scrutinised each proposal against the benchmark of justification, reasonability, criteria of NITs etc. for granting the time extension to TKCs (as detailed in **Appendix 2.4.11**) and found that the grounds¹³⁸ submitted were controllable on the part of the contractor. It was observed that Field offices and the Project Management Agency had not properly analysed the time extension proposal of TKCs and forwarded their proposals as claimed without their input analysis. Further, even at DISCOM headquarters, no such information was sought or considered. This shows laxity on the part of the management of the DISCOMs to safeguard the financial interest of the company as it entails undue financial favour to TKCs. The Finance wing of DISCOMs initially deducted the liquidated damages but released it on the recommendation of the Project wing, causing a loss to the DISCOMs despite the delay on the part of TKCs worth ₹ 17.18 crore and ₹ 21.84 crore in the case of MPPKVVCL and MPPuKVVCL respectively.

Replies had not been received (March 2025).

2.4.7.14 Ineffective project implementation led to the short closure of Projects

As per scheme guidelines Clause 10 (Chapter-II), the DISCOMs shall establish a dedicated project implementation cell at the field and HQ level and be responsible for the implementation of the scheme within the scheduled completion period, along with ensuring all necessary infrastructure, manpower, and information relevant to the project to smooth implementation and grievance clearance.

Audit observed that in 10¹³⁹ Circles for the System strengthening projects, against the awarded cost of ₹ 633.17 crores, the DISCOMs could expend only ₹ 586.53 crore, resultantly, the works amounting to ₹ 46.64 crore remained unexecuted and projects were short-closed (as detailed in **Appendix 2.4.7**). The reasons analysed were delayed tendering initiation, tender cancellations due to improper cost estimation, time extensions, relaxation in technical criteria leading to

¹³⁸ Delay in Survey and BoQ finalisation, GST revision issues, approval of Revised Schedules, RoW & Public Hindrance, material theft, unplanned shutdowns, hard rock, delay in the inspection of material etc.

¹³⁹ Burhanpur, Shajapur, Ujjain, Chindwara, Sagar, Chatarpur, Tikamgarh, Bhopal City, Sehore, Gwalior (O&M), Bhind, Morena and Shivpuri.

awarding works to technically weak bidders, and poor progress of turnkey Contractors. The short closure of projects, not only resulted in non-execution of projects with desired objectives, but will also result in future costs to be borne by the DISCOMs, should these projects be taken up again at a future date, resulting in additional burden of ₹ 46.64 crore.

The MPMKVVCL in its reply (November 2024) stated that the works were taken departmentally due to termination of contract, revised BoQ and field requirement. Further, the Monitoring committee has approved variations in BoQ in each project within the overall project cost sanctioned with due approval of the State DRC.

The reply is not acceptable as the fact that the DISCOM had to take up the work departmentally corroborates audit viewpoint regarding poor project implementation. Further, the reply is silent on the fact that despite trying to complete the remaining terminated works departmentally, the whole work under the project could not be completed within the scheduled timeline, resulting in short closure of the project.

2.4.7.15 Non conducting of Energy Audit

As per Clause 2(b) (Chapter II) of the scheme guidelines, proper Energy Accounting¹⁴⁰ and Energy Audit at various levels, such as sub-stations, distribution feeders and distribution transformers, as well as at the consumer end, was crucial in DISCOMs to provide reliable data about the actual distribution level, technical and other losses. An inadequate Energy Audit system at the feeder and DTR level does not allow accountability for higher losses and other parameters to be fixed. Therefore, the DISCOMs were required to undertake an Energy Audit.

Audit noticed that no such Energy Audit was conducted in any DISCOMs during the audit period till June 2023. Only feeder-wise Energy Accounting was done in the Circles. The absence of an Energy Audit and an inadequate mechanism for taking corrective action were also the probable reasons for the existence of high-loss feeders. As of March 2023, in 3,857 out of 7,838 feeders, the Transmission and Distribution losses ranged from 25.01¹⁴¹ to 100¹⁴² *per cent* despite the completion of IPDS and R-APDRP schemes in the Circle. Further, in the absence of an Energy Audit, the feeder-wise losses shown by the DISCOMs are also unreliable.

The MPMKVVCL in its reply (November 2024) stated that the DISCOM has developed a unified Meter Data Management (MDM) software system for monitoring all types of metering points.

The reply is unacceptable, as an MDM system is a data collection tool, whereas an Energy Audit is a mandated process of analysis, verification, and corrective action. The effectiveness of any tool is measured by its results. The fact that the DISCOM could not provide feeder-wise loss data from the MDM to the audit, coupled with the fact that nearly 50 *per cent* of feeders (3,857 of 7,838) continue to exhibit losses (ranging between 25-100 *per cent*), serves to confirm that the existing system is ineffective for its primary purpose of loss reduction. As MDM-

¹⁴⁰ Keeping feeder-wise record of AT&C losses.

¹⁴¹ Rajnagar Feeder (Chhatarpur Circle).

¹⁴² Zanzharwada Feeder (Neemuch Circle).

generated feeder-wise loss data could not be made available to audit and there was no evidence of a fully conducted Energy Audit mechanism, MPMKVVCL cannot reliably establish accountability or ensure data integrity for T&D loss management.

2.4.7.16 Irregularities in Fund Management

As per Clause 6.5 (Chapter-IV) of the scheme guidelines, the DISCOMs shall ensure that the funds released under the scheme are utilised for their intended purpose and will not be diverted for any purposes other than the scheme. Further, Clause 6.3 of the guidelines provides for the remittance of any interest on scheme funds to the MoP.

Audit observed various deficiencies in the management of the scheme fund as detailed below:

- i. In the case of the MPPKVVCL, in contravention of Clause 6.5 of the scheme guidelines, an amount of ₹ 31.96 crore was diverted and utilised for payment of R-APDRP bills.
- ii. In contravention of Clause 6.3 of the scheme guidelines, in the case of MPMKVVCL, interest earned on the scheme fund amounting to ₹ 5.53 crore was neither remitted nor adjusted.
- iii. In the case of the MPPKVVCL, on the GoMP direction (December 2019), the DISCOM refinanced a loan from the Punjab National Bank at the interest rate of 6.70 *per cent*, but no such refinancing was done by the MPPuKVVCL to date. This resulted in the payment of interest ₹ 21.92 crore¹⁴³ at higher rates. In the case of MPMKVVCL, no information was furnished by the Management.
- iv. Further, interest earned on the mobilisation advance amounting to ₹ 50.83 lakh and ₹ 42.44 lakh of MPPKVVCL & MPPuKVVCL, respectively was not adjusted with the scheme fund in contravention of clause 6.3 of the scheme guidelines.
- v. In the case of Gwalior (O&M) and Shivpuri (O&M) Circle of MPMKVVCL, the departmental metering work amounting to ₹ 2.39 crore executed under the RRTD scheme was claimed under the IPDS in violation of Clause 2(h) of the scheme guidelines.
- vi. In the case of MPMKVVCL, departmental execution of works in five¹⁴⁴ Circle offices involved total expenditure of ₹ 38.33 crore. Out of this, material worth ₹ 9.10 crore was shown as utilised under the scheme. However, no records relating to work estimation, award, executing agency, or expenditure details were available. In the absence of such documentation, Audit could not verify actual utilisation of material for scheme implementation. This led to an excess claim of grant amounting to ₹ 5.46 crore (60 *per cent* of the expenditure) from scheme funds.

The MPMKVVCL in its reply (November 2024) stated that the works in Bhopal City, Gwalior (O&M), Morena, Bhind and Shivpuri were executed departmentally and all the details of the estimates sent to PFC were provided to auditors.

¹⁴³ From 01 November 2020 to 30 September 2023 @ differential interest rate of 3.8 *per cent* of loan ₹ 198.10 crore.

¹⁴⁴ Bhind, Bhopal City, Gwalior O&M, Morena O&M, and Shivpuri.

The reply is not correct as the copy of the estimates claimed was not provided to audit.

2.4.7.17 Non-preparation of Consolidated Proposal of Under Ground (UG) cabling

In addition to scheme guidelines for UG cabling, under system strengthening works, the Nodal Agency and MoP instructed the DISCOMs (September 2017) to submit DPRs for UG cabling network projects in the densely populated areas and in areas of tourism and religious significance. For this purpose, a separate outlay was to be provided.

Audit observed that MPPKVVCL and MPMKVVCL had not prepared any DPR for UG cabling despite having dense areas and areas of tourism & religious importance for onward submission to the Nodal agency for appraisal and sanction. The MPPuKVVCL had prepared a proposal for 12¹⁴⁵ kilometre UG cabling valuing ₹ 2.82 crore only in two DPRs viz., Orchha and Maihar (leaving other dense and places of religious importance¹⁴⁶), but no work was executed. This resulted in a loss of the grant opportunity and non-execution of the required UG cabling works.

The MPMKVVCL in its reply (November 2024) stated that due to budgetary constraints and sanctioned DPR, underground cabling was lying in some critical locations in Bhopal city.

The response is not acceptable because no specific DPR for UG cabling was prepared by the MPMKVVCL in accordance with GoI instructions (September 2017). Additionally, although there was a separate funding arrangement for UG cabling, the MPMKVVCL was unable to utilise that fund due to the lack of a DPR submission for UG cabling.

2.4.7.18 Deprivation of additional grant due to non-achievement of scheme objective

As per Clause 14 (Chapter-IV) of scheme guidelines, an additional grant (50 *per cent* of loan /own fund i.e., 15 *per cent*) under the scheme was to be released subject to achievement of three conditions viz. timely completion of the scheme as per laid down milestones, reduction in AT&C losses as per trajectory finalised by MoP in consultation with the State Governments (DISCOM-wise) and upfront release of admissible revenue subsidy by the State Government based on metered consumption.

It was observed that the scheme was not completed within the scheduled timeline and delays ranging from 122 to 641 days (including departmental works) were observed in system strengthening works due to various reasons on the part of DISCOMs. As per the revised trajectory, the AT&C losses were to be reduced to 15 *per cent* in 2019-20. However, as of 31 March 2020, losses were 21.53 *per cent*, 34.17 *per cent* and 39.11 *per cent* for MPPKVVCL, MPPuKVVCL and MPMKVVCL, respectively. Further, the revenue subsidy from GoMP was also not received in a timely manner. Thus, all three conditions for claiming an additional grant were not achieved, resulting in the opportunity loss of an additional grant worth ₹ 232.40 crore¹⁴⁷ to be borne by DISCOMs from its own resources.

¹⁴⁵ Orchha, 9.00 Km., Value ₹ 1.77 crore (under Tikamgarh Circle) and Maihar 3.00 Km, Value ₹ 1.05 crore (under Satna Circle).

¹⁴⁶ Bhedaghat, Amarkantak, Chitrakoot and Khajuraho.

¹⁴⁷ Sanctioned cost of MPPKVVCL, MPPuKVVCL and MPMKVVCL: ₹ 1,549.36 crore (₹ 523.67 crore+ ₹ 543.41 crore+ ₹ 482.28 crore) X 15 *per cent* = ₹ 232.40 crore.

The MPMKVVCL in its reply (November 2024) accepted the audit observation and stated that despite various steps for reducing the AT & C losses the same could be brought to 34.19 per cent against 15 per cent.

2.4.8 Deficiencies in creating Gas Insulated Substation

Gas Insulated Substations (GIS) are indoor type and require substantially less space than conventional air-insulated substations. The GIS work undertaken by the DISCOMs is as detailed in **Table 2.4.5** below:

Table 2.4.5: Details of proposed GIS Sub Stations

Sl. No	Name of the Company	No. of Circles	No. of the Substations Proposed	Sanctioned Cost (₹ in crore)	Capacity of Transformers (in MVA)	No. of Substations Constructed	Executed Cost
1.	MPPKVVCL	3	6	29.57	5/8	-	-
2.	MPPuKVVCL	3	5	24.02	8	-	-
3.	MPMKVVCL	-	-	-	-	-	-
Total		6	11	53.59	-	-	-

(Source: Information provided by the DISCOMs)

The MPPKVVCL, in compliance with the PFC letter (June 2018), proposed six GIS substations worth ₹ 29.57 crore (60 per cent grant) in congested urban areas of three town areas, which was approved by PFC (December 2018).

Audit observed that the MPPKVVCL awarded (September 2019) the work of six GIS substations to a single tenderer with a completion period of one year. Still, none of the substations have been completed (October 2023). The deficiencies observed in the process of conceptualising, awarding and executing the work of the GIS substation are as detailed below:

- While forwarding the proposal for the construction of the GIS substation, the essential criteria, viz., the availability of earmarked land, were not considered, and the cost-benefit analysis for the type of substation, viz., a conventional/GIS substation, was not made.
- The earlier work awarded (May 2016) by DISCOM for two GIS substations under a system strengthening scheme with the construction of GIS prerequisite conditions in the tender was completed within the scheduled timeline. In the current tender for the GIS substation, despite being technically complex, the technical criteria in the tender did not specify the bidder's prior experience in the construction of GIS.
- Despite the poor progress and a termination notice in the scheme's system strengthening works, the same Contractor (M/s Shriram Switchgears Limited) was also qualified for GIS.
- The vendor's approval took considerable time, there was a delay in providing a drawing for the construction of the transformer plinth, the procurement of major materials, and the progress of the work was also not monitored. Further, DISCOM did not take timely action to terminate the contract even when the firm could not complete any substations even in the extended period until December 2021.

Thus, the MPPKVVCL not only lost the opportunity of claiming the grant of ₹ 17.74 crore but also could not ensure a reliable supply with a reduction in AT&C losses.

In the case of the MPPuKVVCL, the DISCOM prepared the DPR for the creation of five¹⁴⁸ new Gas Insulated Sub-station along with associated lines and PFC sanctioned (11 December 2018) amount of ₹ 24.02 crore with the accorded financial assistance of ₹ 14.41 crore (60 *per cent* of project cost) as a grant to the company.

Audit observed a delay of 10 months from March 2019 (date of inviting tender) to January 2020 (date of opening of bid) in the opening of the tender. Subsequently, DISCOM could not award the tender to the successful bidder within the scheduled timeline due to revision of terms and conditions of the tender and technical specifications, non-availability of land, arrangement of fund *etc.* This resulted in depriving the financial assistance of ₹ 14.41 crore under the scheme and the AT&C losses also could not be reduced as envisaged.

2.4.9 Deficiencies in Real-Time Data Acquisition System (RT-DAS) SAIFI/SAIDI measurement system

The DISCOMs were required to submit DPR for the RT-DAS SAIFI/SAIDI measurement system for 11KV feeders of all non-SCADA R-APDRP towns and IPDS towns. The system's main objective was to address accurate measurement, diagnosis and remedial action related to high AT&C loss and reliability of power supply. The RT-DAS system was envisaged to help segregate the reason for supply outages.

Audit observed that in the case of MPPKVVCL, and MPPuKVVCL, the DISCOMs submitted the DPR (May 2018) with the estimated project cost of ₹ 7.89 crore and ₹ 7.85 crore, respectively. In the case of the MPPKVVCL, the tender was initiated, in MPPuKVVCL, no tender was initiated, for the execution of RT-DAS work. The GoMP Energy Department communicated to DISCOMs (September 2019) for the non-execution of work of RT-DAS, but the DISCOMs did not further clarify their position, missing a crucial opportunity to advocate for their concerns to the GoMP. Thus, due to the non-installation of RT-DAS, the DISCOMs did not get a GoI Grant of ₹ 9.44 crore (60 *per cent* of ₹ 15.74 crore DPR cost) and also could not achieve their goal to minimise AT&C loss and provide a reliable power supply.

2.4.10 Irregularities in Smart metering installation

MoP issued guidelines for Smart meter projects (October 2017). Accordingly, PFC directed DISCOMs to submit DPR (by November 2017). PFC was to provide a 60 *per cent* grant limited to the maximum cost of ₹ 2,000 per node.

In the MPPKVVCL, a smart metering project for 3,45,463 consumers for Indore City was sanctioned by PFC (April 2018) for ₹ 220.80 crore, wherein the scheme component was only ₹ 69.09 crore. This was to be awarded within six months (October 2018) and the project was to be completed by October 2020.

The MPPKVVCL initiated (September 2019) the installation of Smart meters with an expected payback period of less than three years. The proposal was dropped and reinitiated (September

¹⁴⁸ Three S/S in Jabalpur, one in Rewa and one in Sagar.

2019) to cover 11 towns with uncovered consumers of Indore City, but it was also dropped due to a lack of estimation. Finally, a Smart metering project for 3,50,000 consumers in selected R-APDRP towns (Ujjain, Dewas, Ratlam, Mhow, and Khargone) was proposed (December 2019) with a sanctioned project cost of ₹ 69.09 crore and awarded in March 2020.

Audit observed that:

- i. The MPPKVVCL did not prepare a consolidated proposal for smart metering in Indore City and other towns for the timely and better execution of projects. The effort was also not made to explore the bulk purchase of smart meters from Energy Efficiency Services Limited (EESL) to save time with the benefit of economy of scale, if any.
- ii. The scope of the Project underwent a complete change from the Detailed Project Report (DPR) stage to the award stage. Initially, it was envisaged for Indore City Circle's remaining consumers (*i.e.*, those not covered under system strengthening) and 11 high T&D loss towns. However, at the award stage, the coverage was curtailed to only five towns. Thus, DISCOM could not cover the left-out consumers of Indore City Circle along with six high T&D Loss towns due to its frequent changes in planning and non-submission of information within the scheduled timeline. The reasons for the same were not found in records.
- iii. The MPPKVVCL caused an abnormal delay of 18 months (April 2018 to September 2019) in initiating this project. Due to improper planning and a lack of clarity in project formulation, the total project was awarded after two years of sanctioning.
- iv. The scheme for smart metering was to be completed by October 2020. However, delays in planning discussed in points (i) and (ii) and the prolonged initiation phase of 18 months, as outlined in (iii), significantly hindered progress. As a result, the project was not only delayed but also short-closed, leaving 1,24,477 consumers without the benefits of smart metering. The project's short closure also resulted in the loss of a grant of ₹ 26.52 crore.
- v. Had the project been completed within the stipulated time (October 2020), then there would have been a revenue increase of ₹ 470.85 crore till date, September 2023 (calculated at the rate of ₹ 650 per month per consumer as per cost benefit analysis done by the MPPKVVCL), and the entire cost would have been paid back in one year.

In the case of the MPPuKVVCL, the DISCOM submitted (October 2016) the DPR of Smart metering of ₹ 215.57 crore but the same was not forwarded to DRC for further approval. Thus, the non-execution of the project resulted in the loss of a grant worth ₹ 24.03 crore to be borne by DISCOM from its own resources.

In the case of the MPMKVVCL, no DPR was proposed under smart metering for any of the 14 Circles with reference to MoP guidelines for smart metering projects.

2.4.11 Deficiencies in Information Technology (IT) and Enterprise Resource Planning (ERP)

As per Advisory-cum-Guiding Principles for IT Implementation in IPDS (February 2017), NIT, bid evaluation and awarding were to be made within 12 weeks from the sanction and priority activities about energy flow information were to be completed within nine months from the sanction. The rest of the activities were to be completed within an overall period of 30 months.

The MPPKVVCL proposed a DPR (November 2016) of ₹ 12.24 crore for 113 towns. However, the proposal was revised to ₹ 15.06 crore and the town's coverage was reduced to 87 towns without proper justification of curtailment.

Audit observed that:

- i. After sanctioning (July 2017) the project, MPPKVVCL made an inordinate delay of more than two years in initiating the tendering process and a delay of 33 months in the award (July 2020) of work.
- ii. The MPPKVVCL did not analyse the actual requirement for coverage of all towns in all Circles with proper justification.
- iii. The requirements of IT-related works in 29 villages of Indore City Circle were also included in the DPR despite the scheme being meant for urban areas.
- iv. The MPPKVVCL did not avail of the services of PMA despite the provision of appointment of PMA to assist in project formulation with a 100 *per cent* grant under the scheme. The assistance of PMA could have resulted in better implementation of the scheme. This resulted in a delay in the awarding of work and the deficient execution of the project.
- v. The quantity of various infrastructure was analysed by the DISCOMs without correlating with existing availability in offices/premises.
- vi. The asset mapping of the substations, HT lines and LT lines was to be done; however, mapping of only 92.55 *per cent*, 89.11 *per cent* and 69.69 *per cent*, respectively, could be executed.

Thus, delay in awarding, deficient estimation in DPR, and non-compliance with the stipulated directions of guidelines resulted in a cost overrun to the tune of ₹ 3.41 crore (₹ 18.47 crore- ₹ 15.06 crore).

In the case of MPPuKVVCL, it prepared DPR for incremental requirements at the Data Centre & Disaster Recovery Centre and IT infrastructure of selected towns at an estimated cost of ₹ 58.11 crore and ₹ 20.05 crore, respectively, for 115 towns. This DPR was forwarded to PFC, which was sanctioned (July 2017) and approved at the project cost of ₹ 41.15 crore.

Audit observed a delay of 30 months from July 2017 to January 2020 (the date of inviting tender) in the invitation of tender. The MPPuKVVCL could not award the tender to the successful bidder due to the non-arrangement of funds. This led to the revocation of the project as the tender could not be finalised within the scheduled timeline (March 2020). This resulted in the deprival of financial assistance of ₹ 24.69 crore to be borne by the MPPuKVVCL from its own resources.

In the case of the MPMKVVCL, the IPDS monitoring Committee had approved (July 2017) ₹ 29.65 crore as project cost for 77 towns. Against this, as evident from the IT Phase II Monitoring Report obtained from the IPDS website, the Company issued six LoAs aggregating to ₹ 22.68 crore from December 2019 to May 2020 with a delay of 32 months from the scheduled date of award of works. Thus, the non-execution of the project resulted in the loss of a grant worth ₹ 4.18 crore, which eventually had to be borne by the MPMKVVCL itself.

The MPMKVVCL in its reply (November 2024) stated that the delay occurred due to processing in finalisation of tendering process.

2.4.11.1 Deficiencies in implementation of Enterprise Resource Planning (ERP)

Under the scheme's provision 2.3.4, the eligible cost for determining the grant for the DISCOM was the approved project cost or the award cost, whichever is less.

Regarding the implementation of the ERP project, Audit observed that in MPPKVVCL, MPPuKVVCL and MPMKVVCL, the ERP projects were sanctioned based on the DPR submitted by the DISCOMs for ₹ 7.97 crore, ₹ 7.53 crore and ₹ 7.39 crore, respectively and were duly approved by the Nodal Agency. Audit analysed that the actual expenditure incurred against the awarded costs of ₹ 9.26 crore, ₹ 13.63 crore and ₹ 12.06 crore was ₹ 8.71 crore, ₹ 11.12 crore and ₹ 9.49 crore respectively, by the MPPKVVCL, MPPuKVVCL and MPMKVVCL. Though the actual expenditure incurred by all the DISCOMs is less than the awarded cost, but it exceeds the sanctioned cost as per DPR. Hence, it can be concluded that the estimation of the cost has not been done on proper lines. Thus, incorrect estimation in the DPR, caused a cost overrun of ₹ 6.43¹⁴⁹ crore which had to be borne by the DISCOMs from their resources.

Further, in all DISCOMs, the module-wise functions (Human Resource Management system, Project module, Purchase and Store module, Finance and Account module) as per R-APDRP/IPDS guidelines were to be implemented through ERP.

Audit observed in MPPKVVCL and MPPuKVVCL that the Module functions were installed, but they remained unutilised (as detailed in **Appendix 2.4.12**), resulting in non-utilisation of the modules and working with human intervention. In MPMKVVCL, the Management did not furnish the information.

The MPMKVVCL in its reply (November 2024) stated that all the functionalities are available in the ERP system to process all type of purchase orders, payments and transactions to issue & receipt of materials.

The reply is not acceptable as the Module functions remained unutilised.

2.4.12 Deficiencies in Monitoring

As per scheme guidelines, the scheme's implementation in the State was to be monitored by the Distribution Reforms Committee (DRC) formed to forward the scheme-related proposals

¹⁴⁹ Cost overrun: MPPKVVCL (₹ 0.74 cr); MPPuKVVCL (₹ 3.59 cr); and MPMKVVCL (₹ 2.10 cr) = ₹ 6.43 cr.

to the Steering Committee and monitor the achievement of milestones and targets. At the Circle level of the DISCOMs, SEs were responsible for monitoring the scheme's implementation.

The deficiencies noticed in monitoring of the scheme are discussed below:

2.4.12.1 Deficient monitoring and Review of the progress of scheme works

DRC, comprising six members of CEA/MPPMCL/DISCOMs under the Chairmanship of the Principal Secretary, Department of Energy, GoMP, was constituted in March 2015. The constitution of the DRC showed that it was done in such a manner that implementation of the scheme could be monitored at the MPPMCL level regularly, and remedial action for any deficiency could be taken promptly.

Audit noticed that DRC held a total of 15 meetings from March 2015 to March 2022 and these meetings were held to discuss only the forwarding of the proposals to the Steering Committee. No records were shown to the Audit wherein DRC has monitored the achievement of milestones and targets under the scheme. In the absence of proper monitoring, the scheme works could not be completed even after the lapse of more than seven years (2015-2022) since its initiation in the State.

Further, as per the scheme guidelines, the DISCOMs were to ensure the timely and qualitative implementation of scheme works. Therefore, the Nodal agency (PFC) directed (April 2017) that monthly review meetings would be undertaken on the progress of scheme works.

In the DISCOMs, the works (System strengthening, Smart metering, IT-ERP, GIS Substations, etc.) were sanctioned in February 2015. After that, all activities from the work award to execution were to be monitored through monthly review meetings by the management starting in February 2015, *i.e.*, month in which works got sanctioned. The scheme was concluded by March 2022.

Audit observed that against the target of 72 monthly review meetings/reports (at 12 monthly meetings during six years between April 2016 and March 2022), only 11, 17 and 23 review meetings were undertaken in MPPKVVCL, MPPuKVVCL and MPMKVVCL, respectively. Due to not having regular meetings, the progress of the work could not be reviewed, and the timely and effective steps could not be monitored. Also, the minutes of the meetings held by SE/CEO at the Circle level (in DISCOMs) with representatives of turnkey contractors (TKCs) and Consultants every month were not maintained, due to which remedial action, if any suggested by the CEO in the monitoring meetings and action taken there against could not be examined in Audit.

The MPMKVVCL in its reply (November 2024) stated that the company has taken regular meetings and issue directives to TKCs, time to time, for expediting the progress in the field.

The reply is not factually correct as all the available records clearly indicated that the MPMKVVCL conducted only 23 (32 *per cent*) review meetings as against the requirement of 72 monthly meetings.

2.4.13 Conclusion

The planning and execution of the scheme by DISCOMs experienced significant shortcomings. NADs and DPRs were prepared without addressing critical network gaps or conducting field

surveys, resulting in non-bankable DPRs that hindered scheme objectives. The tendering process lacked transparency and reliability due to the absence of evaluation reports, system-generated statements, and diluted technical criteria, leading to the selection of technically weak firms. Additionally, the absence of proper planning resulted in unstructured execution, cost and time overruns, incomplete projects, and persistent AT&C losses, impacting grant eligibility. Distribution Reform Committee/ DISCOMs did not monitor the achievement of milestones and targets under the scheme.

2.4.14 Recommendations

Audit recommends that:

- i. *DISCOMs may ensure strict compliance with the scheme guidelines, and prepare NADs and DPRs through detailed field surveys, aligned with the latest approved schedule of rates to develop bankable and technically sound DPRs.*
- ii. *DISCOMs may strictly follow the Procurement Manual and e-tendering process to ensure transparency, financial propriety, and fair competition in selecting Contractors.*
- iii. *DISCOMs may establish a structured monitoring mechanism with regular milestone reviews by Distribution Reform Committee and ensure documentation of CEO-level meeting to ensure effective progress tracking.*

Bhopal
The 15 October 2025



(RAM HIT)
Principal Accountant General (Audit II)
Madhya Pradesh

Countersigned

New Delhi
The 17 October 2025



(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1(a)

(Referred to in Paragraph 1.1)

List of State Public Sector Enterprises in Madhya Pradesh

Sl. No.	Sl. No.	Government Companies
Government Companies		
1	1	Madhya Pradesh Power Generating Company Limited
2	2	Madhya Pradesh Power Transmission Company Limited
3	3	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited
4	4	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited
5	5	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited
6	6	Madhya Pradesh Urja Vikas Nigam Limited
7	7	Madhya Pradesh Power Management Company Limited
8	8	Bansagar Thermal Power Company Limited
9	9	Shri Singaji Power Project Limited
10	10	Shahpura Thermal Power Company Limited
11	11	Madhya Pradesh Rajya Van Vikas Nigam Limited
12	12	Madhya Pradesh Hotel Corporation Limited
13	13	Madhya Pradesh Public Health Services Corporation Limited
14	14	Madhya Pradesh Urban Development Corporation Limited
15	15	Madhya Pradesh Jal Nigam Maryadit
16	16	Pithampur Auto Cluster Limited
17	17	Madhya Pradesh State Electronics Development Corporation Limited
18	18	Bhopal Electronics Manufacturing Park Limited
19	19	Jabalpur Electronics Manufacturing Park Limited
20	20	Madhya Pradesh State Mining Corporation Limited
21	21	DMIC Pithampur Jal Prabhandhan Company Limited
22	22	Madhya Pradesh Plastic Park Development Corporation Limited
23	23	Madhya Pradesh Plastic City Development Corporation Gwalior Limited
24	24	DMIC Vikram Udyogpuri Limited
25	25	Madhya Pradesh Industrial Development Corporation Limited
26	26	Madhya Pradesh State Assets Company Management Limited
27	27	Singrauli Airport Company Limited
28	28	Burhanpur City Transport Service Limited
29	29	Ratlam Bus Services Limited, Ratlam
30	30	Madhya Pradesh Building Development Corporation Limited
31	31	Narmada Basin Projects Company Limited
32	32	Madhya Pradesh Metro Rail Company Limited
33	33	Madhya Pradesh Tourism Board
34	34	Madhya Pradesh Laghu Udyog Nigam Limited
35	35	Madhya Pradesh State Civil Supplies Corporation Limited
36	36	Madhya Pradesh State Tourism Development Corporation Limited
37	37	Madhya Pradesh State Agro Industries Development Corporation Limited
38	38	Sagar City Transport Services Limited
39	39	Madhya Pradesh Road Development Corporation Limited
40	40	Madhya Pradesh Police Housing and Infrastructure Development Corporation Limited
41	41	Sant Ravidas MP Hastha Shilp Evam Hath Kargha Vikas Nigam Limited
42	42	Madhya Pradesh State Industrial Development Corporation Limited

Sl. No.	Sl. No.	Government Companies
43	43	The Provident Investment Company Limited
44	44	Madhya Pradesh Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Limited
45	45	Madhya Pradesh Adivasi Vitta Evam Vikas Nigam Limited
46	46	Madhya Pradesh Venture Finance Limited
47	47	Madhya Pradesh Venture Finance Trustee Limited
48	48	Madhya Pradesh AMRL (Semaria) Coal Company Limited
49	49	Madhya Pradesh AMRL (Morga) Coal Company Limited
50	50	Madhya Pradesh AMRL (Bicharpur) Coal Company Limited
51	51	Madhya Pradesh AMRL (Marki Barka) Coal Company Limited
52	52	Madhya Pradesh Jaypee Coal Limited
53	53	Madhya Pradesh Monnet Mining Company Limited
54	54	Madhya Pradesh Jaypee Coal Fields Limited
55	55	Madhya Pradesh Jaypee Minerals Limited
56	56	Madhya Pradesh Sainik Coal Mining Private Limited
57	57	Madhya Pradesh and Maharashtra Minerals and Chemicals Limited
58	58	Madhya Pradesh Panchayati Raj Vitta Evam Gramin Vikas Nigam Limited
59	59	Madhya Pradesh Film Development Corporation Limited
60	60	Optel Telecommunication Limited
61	61	Madhya Pradesh Vidyut Yantra Limited
Statutory Corporations		
62	1	Madhya Pradesh Warehousing and Logistics Corporation
63	2	Madhya Pradesh Financial Corporation
64	3	Madhya Pradesh State Road Transport Corporation
Government Controlled other Companies		
65	1	Ujjain Smart City Development Corporation Limited
66	2	Bhopal Smart City Development Corporation Limited
67	3	Gwalior Smart City Development Corporation Limited
68	4	Jabalpur Smart City Development Corporation Limited
69	5	Indore Smart City Development Corporation Limited
70	6	Satna Smart City Development Corporation Limited
71	7	Sagar Smart City Development Corporation Limited
72	8	B-Nest Foundation
73	9	Indore Idea Factory Foundation

Appendix 1.1(b)

(Referred to in Paragraph 1.1)

Summarised financial results of SPSEs covered in this report

Sl. No.	Name of the Company/ Corporation	Period of Accounts	Paid-up capital	Long Term Borrowing	Accumulated Profit/loss	Turnover	Net Profit/ Loss	Capital Employed	Return on Capital Employed	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11
Government Companies and Corporations										
1	Madhya Pradesh Power Generating Company Limited	2021-22	6520.54	10665.40	-2625.01	9120.23	58.21	14569.90	1794.34	12.32
2	Madhya Pradesh Power Transmission Company Limited	2022-23	4672.34	3121.78	-402.26	4672.01	141.66	7391.86	568.45	7.69
3	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	2021-22	6133.01	11141.46	-22621.39	11468.38	-617.84	-5236.88	447.05	-8.54
4	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	2022-23	5821.83	9469.48	-13107.28	19253.89	-903.88	2184.03	99.69	4.56
5	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	2021-22	6072.7	11914.12	-24854.81	14614.56	-257.54	-6798.84	962.37	-14.15
6	Madhya Pradesh Power Management Company Limited	2021-22	17889.88	15.91	0	35358.02	0	17905.79	-362.51	-2.02
7	Madhya Pradesh Urja Vikas Nigam Limited	2021-22	0.69	0	17.14	26.74	0	30.14	2.35	7.80
8	DMIC Pithampur Jal Prabhandhan Company Limited	2021-22	35	218.47	-53.79	39.61	-12.69	199.68	-5.1	-2.55
9	Madhya Pradesh Plastic Park Development Corporation Limited	2022-23	13.40	0.00	-2.22	0.04	-0.53	11.18	-0.53	-4.74
10	MP Plastic City Development Corporation Gwalior limited	2021-22	17.86	20.35	0.05	0.00	0.05	69.18	0.06	0.09
11	Madhya Pradesh Hotel Corporation Limited	2020-21	1.60	4.00	-4.19	4.04	-3.74	1.41	-3.77	-267.38

Sl. No.	Name of the Company/ Corporation	Period of Accounts	Paid-up capital	Long Term Borrowing	Accumulated Profit/loss	Turnover	Net Profit/ Loss	Capital Employed	Return on Capital Employed	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11
12	DMIC Vikram Udyogpuri Limited	2021-22	112.86	260.54	-125.12	0.73	-76.39	248.28	-58.91	-23.73
13	Madhya Pradesh Public Health Services Corporation Limited	2021-22	10	0	43.14	26.88	14.94	53.14	20.02	37.67
14	Madhya Pradesh Jal Nigam Maryadit	2021-22	100	0	5.98	0	-0.28	105.98	-0.28	-0.26
15	Madhya Pradesh Industrial Development Corporation Limited	2020-21	0.80	2632.11	86.37	61.30	-14.85	2778.83	-14.03	-0.50
16	Madhya Pradesh Rajya Van Vikas Nigam Limited	2020-21	39.32	0.00	480.69	79.65	59.49	582.85	61.37	10.53
17	Pithampur Auto Cluster Limited	2022-23	10.81	0	-4.49	9.03	2.17	68.24	2.17	3.18
18	Madhya Pradesh State Electronics Development Corporation Limited	2021-22	41.91	17.12	91.8	30.65	13.26	161.97	17.85	11.02
19	Bhopal Electronics Manufacturing Park Limited	2021-22	0.05	0.00	0	0.00	0.00	41.83	0.06	0.14
20	Jabalpur Electronics Manufacturing Park Limited	2021-22	0.05	0.00	0	0.00	0.00	33.73	0.00	0.00
21	Madhya Pradesh State Mining Corporation Limited	2021-22	2.20	0.00	27.68	78.48	51.96	652.25	69.79	10.70
22	Madhya Pradesh Urban Development Corporation Limited	2020-21	10	1188.82	-25.85	15.37	-3.41	1712.97	-0.341	-0.02
23	Madhya Pradesh Warehousing and Logistics Corporation	2021-22	8.06	374.65	474.62	601.24	208.53	1943.53	289.11	14.88
24	Madhya Pradesh Financial Corporation	2021-22	406.10	357.40	12.09	61.61	-49.30	782.18	-6.92	-0.88
Government Controlled Other Companies										
25	Ujjain Smart City limited	2021-22	200.00	0.00	0.00	0.00	0.00	200.00	0.00	0.00
26	Bhopal Smart City Development Corporation limited	2021-22	200	0	0	102.27	0	200.57	0.73	0.36
27	Gwalior Smart City Development Corporation limited	2021-22	200	0	6.73	0	0	372.04	0	0.00
28	Jabalpur Smart City limited	2021-22	200.00	0.00	-0.20	0.12	1.10	199.80	0.33	0.17

Sl. No.	Name of the Company/ Corporation	Period of Accounts	Paid-up capital	Long Term Borrowing	Accumulated Profit/loss	Turnover	Net Profit/ Loss	Capital Employed	Return on Capital Employed	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11
29	Indore Smart City Development limited	2021-22	200	0	-3.78	10.06	0.85	196.22	0.89	0.45
30	Satna Smart City Development limited	2020-21	0.10	0.00	0.01	0.00	0.00	0.11	0.00	0.00
31	Sagar Smart City limited	2021-22	200	0	-0.12	10.11	-0.05	199.88	-0.05	-0.03
32	B-Nest Foundation	2021-22	1.00	0	0	0.09	0	1.00	0	0.00
Grand Total			49,122.11	51,401.61	-62,584.21	95,645.11	-1,388.28	40,862.85	3,884.19	9.51

Appendix 1.2

(Referred to in Paragraph 1.6)

Statement showing number of State Public Sector Enterprises whose accounts are in arrear as on 30 September 2023

Sl. No.	Name of the Company	A/c received upto 30 September 2023	No. of account in arrear
A. Government Companies			
1	Madhya Pradesh State Electronics Development Corporation Limited	2021-22	1
2	Jabalpur Electronics Manufacturing Park Limited	2021-22	1
3	Bhopal Electronics Manufacturing Park Limited	2021-22	1
4	DMIC Vikram Udyogpuri Limited	2021-22	1
5	DMIC Pithampur Jal Prabhandhan Limited	2021-22	1
6	Madhya Pradesh State Mining Corporation Limited	2021-22	1
7	Madhya Pradesh AMRL (Semaria) Coal Company Limited	2021-22	1
8	Madhya Pradesh AMRL (Morga) Coal Company Limited	2021-22	1
9	Madhya Pradesh AMRL (Bicharpur) Coal Company Limited	2021-22	1
10	Madhya Pradesh AMRL (Marki Barka) Coal Company Limited	2021-22	1
11	Madhya Pradesh Plastic City Development Corporation Gwalior Limited	2021-22	1
12	Madhya Pradesh Jaypee Coal Limited	2021-22	1
13	Madhya Pradesh Monnet Mining Company Limited	2021-22	1
14	Madhya Pradesh Jaypee Coal Fields Limited	2021-22	1
15	Madhya Pradesh Jaypee Minerals Limited	2021-22	1
16	Narmada Basin Projects Company Limited	2021-22	1
17	Madhya Pradesh Power Generating Company Limited	2021-22	1
18	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Comp\any Limited	2021-22	1
19	Madhya Pradesh Power Management Company Limited	2021-22	1
20	Shahpura Thermal Power Company Limited	2021-22	1
21	Bansagar Thermal Power Company Limited	2021-22	1
22	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	2021-22	1
23	Madhya Pradesh Urja Vikas Nigam Limited	2021-22	1
24	Madhya Pradesh Jal Nigam Maryadit	2021-22	1
25	Madhya Pradesh State Assets Management Company Limited	(First Ac arrear from 2022-23)	1
26	Madhya Pradesh Building Development Corporation Limited	(First Ac arrear from 2022-23)	1
27	Madhya Pradesh Public Health Services Corporation Limited	2021-22	1
28	Madhya Pradesh Rajya Van Vikas Nigam Limited	2020-21	2
29	Madhya Pradesh Hotel Corporation Limited	2020-21	2
30	Madhya Pradesh Industrial Development Corporation Limited	2020-21	2
31	Madhya Pradesh Urban Development Corporation Limited	2020-21	2
32	Madhya Pradesh Tourism Board	2019-20	3
33	Madhya Pradesh Laghu Udyog Nigam Limited	2019-20	3
34	Sant Ravidas MP Hastha Shilp Evam Hath Kargha Vikas Nigam Limited	2019-20	3
35	Madhya Pradesh State Agro Industries Development Corporation Limited	2019-20	3

Sl. No.	Name of the Company	A/c received upto 30 September 2023	No. of account in arrear
36	The Provident Investment Company Limited	2019-20	3
37	Madhya Pradesh Venture Finance Limited	2019-20	3
38	Madhya Pradesh Venture Finance Trustee Limited	2019-20	3
39	Sagar City Transport Company limited	2019-20	3
40	Madhya Pradesh Police Housing and Infrastructure Development Corporation Limited	2019-20	3
41	Madhya Pradesh State Tourism Development Cor. Limited	2018-19	4
42	Madhya Pradesh state civil supply corporation	2018-19	4
43	Madhya Pradesh Road Development Corporation Limited	2018-19	4
44	Ratlam Bus Services Limited, Ratlam	FANR (arrear from 2017-18)	6
45	Madhya Pradesh State Industrial Development Corporation Limited	2015-16	7
46	Singrauli Airport Company Limited	FANR (arrear from 2014-15)	9
47	Burhanpur City Transport Service Limited	FANR (arrear from 2014-15)	9
48	Madhya Pradesh Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Limited	2012-13	10
49	Optel Telecommunication Limited	2009-10	13
50	Madhya Pradesh Film Development Corporation Limited	2009-10	13
51	Madhya Pradesh Panchayati Raj Vitta Evam Gramin Vikas Nigam Limited	2005-06	17
52	Madhya Pradesh Adivasi Vitta Evam Vikas Nigam Limited	2003-04	19
53	Madhya Pradesh and Maharashtra Minerals and Chemicals Limited	2001-02	21
54	Madhya Pradesh Vidyut Yantra Limited	1989-90	33
A. Government Companies Total			231
B. Statutory Corporations			
1	Madhya Pradesh Warehousing and Logistics Corporation	2021-22	1
2	Madhya Pradesh Finance Corporation	2021-22	1
3	Madhya Pradesh State Road Transport Corporation	2007-08	15
B. Statutory Corporation Total			17
C. Government Controlled other Companies			
1	Ujjain Smart City Development Corporation Limited	2021-22	1
2	Jabalpur Smart City Development Corporation Limited	2021-22	1
3	Indore Smart City Development Corporation Limited	2021-22	1
4	Sagar Smart City Development Corporation Limited	2021-22	1
5	Bhopal Smart City Development Corporation Limited	2021-22	1
6	Gwalior Smart City Development Corporation Limited	2021-22	1
7	B-Nest Foundation	2021-22	1
8	Indore Idea Factory Fundation	(First Ac arrear from 2022-23)	1
9	Satna Smart City Development Corporation Limited	2020-21	2
C. Government Controlled other Companies Total			10
Grand Total (A+B+C)			258

Appendix 1.3

(Referred to in Paragraph 1.9.1)

SPSEs in which Comments were issued

Sl. No.	Name of the Public Sector Enterprises	Period of comment issued
1	Madhya Pradesh State Tourism Development Corporation Limited	2018-19
2	Madhya Pradesh Road Development Corporation Limited	2018-19
3	Madhya Pradesh State Civil Supplies Corporation Limited	2018-19
4	Madhya Pradesh Industrial Development Corporation Limited	2019-20
5	The Provident Investment Company Limited	2019-20
6	Madhya Pradesh Urja Vikas Nigam Limited	2020-21
7	Madhya Pradesh Jal Nigam Maryadit	2020-21
8	Madhya Pradesh Jal Nigam Maryadit	2021-22
9	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited, Bhopal	2021-22
10	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur	2021-22
11	Indore Smart City Development Limited	2021-22
12	Ujjain Smart City Limited	2021-22
13	Gwalior Smart City Development Corporation Limited	2021-22
14	Narmada Basin Projects Company Limited	2021-22
15	Madhya Pradesh Power Management Company Limited	2021-22
16	Madhya Pradesh Public Health Services Corporation Limited	2021-22
17	Madhya Pradesh Power Generating Company Limited, Jabalpur	2021-22
18	Madhya Pradesh Warehousing and Logistics Corporation	2021-22
19	Jabalpur Smart City Development Corporation Limited	2021-22
20	Madhya Pradesh Power Transmission Company Limited	2022-23
21	MP Metro Rail Corporation Limited Bhopal	2022-23
22	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited, Indore	2022-23
23	Madhya Pradesh Rajya Van Vikas Nigam Limited	2020-21

Appendix 1.4

(Referred to in Paragraph 1.9.2)

Significant comments of the Comptroller and Auditor General of India issued as supplement to the Statutory Auditors' reports

Comments on Profitability

Sl. No.	Name of the SPSE	Comment
1	Madhya Pradesh State Tourism Development Corporation Limited 2018-19	<p>1. Other income (₹ 2,530.66 lakh) includes an amount of ₹ 1,123.01 lakh received from lease rent which further includes an amount of ₹ 1,055.81 lakh and ₹ 33.01 lakh towards the License Fees (Lease Premium) and Lease Rent (Annual License Fees) respectively during 2018-19 against leased out Government Properties to private party as per Tourism Policy 2016.</p> <p>As per clause 9.1 and 9.2 of Tourism Policy 2016 (policy), “To fulfill the objective of tourism promotion and establishment of Tourism Projects through private investment, the government land/ heritage properties shall be transferred free of cost to Tourism Department and Madhya Pradesh State Tourism Development Corporation (Corporation) shall be authorized for disposal of such land/ heritage properties on behalf of Tourism Department”</p> <p>Further, as per clause 9.8 of the policy, “Bid amount received against leased land and annual lease rent shall be kept with the Corporation as an amount received from the Government under a separate head ‘Disposal of Government Land and Infrastructure Development’. Corporation can spend this money on survey of land, transfer, tendering process, power-road-water supply, area planning, area development, security of assets and other essential infrastructure development as per the guidelines issued by the Tourism Department.” The Corporation had leased out total 9 units till 22/09/2018.</p> <p>The Corporation received ₹ 1,055.81 lakh and ₹ 33.01 lakh towards the License Fees (Lease Premium) and Lease Rent (Annual License Fees) respectively during 2018-19 against leased out Government Properties to private party as per Tourism Policy 2016 and shown the same as its own income from Lease Rent under Note-18(A)-Other Income in contravention of clause 9.8 of the Tourism Policy. This has resulted in overstatement of Note-18 (A)-Other Income, understatement of Note-5-Other Long-Term Liabilities and consequent overstatement of profit by ₹ 1,088.82 lakh.</p> <p>2. Employees Benefit Expenses (₹ 6,438.58 lakh) does not include an amount of ₹ 185.70 lakh towards payment of arrears of seventh pay commission to the employees of the Corporation pertaining to the period April 2018 to September 2018, which was paid during June 2021 to December 2021.</p> <p>Since, the Financial Statements of the Company for 2018-19 were approved by the Board on 01/03/2023, the Corporation should have booked this as an expenditure under the subject head in the Financial Statement for the year 2018-19 by providing the liabilities for the corresponding amount.</p> <p>Non-booking of the same as an expenditure under the head ‘Employee Benefit Expenses’ has resulted in understatement of Employee Benefit Expenses (Note-21), understatement of Current Liabilities and consequent overstatement of profit to the extent of ₹ 185.70 lakh.</p> <p>3. Other Expenses (₹ 1,144.00 lakh) The above does not include an amount of ₹ 183.18 lakh towards bills payable to Urban Systems India Private Limited, and Abhishek Julka in respect of consultancy fess pertaining to year 2018-19 (Bill dt. 22/03/2019 & 08.03.2019), which were paid during the 2019-20. As per para 10.2 of AS 29, a liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. Non-booking of the above expenditure in the Financial Statement for the year 2018-19 under the head ‘Other Expenses’, has resulted in</p>

Sl. No.	Name of the SPSE	Comment
		understatement of Other Expenses (Note-22), understatement of Trade Payables (Note-7) and consequent overstatement of profit by ₹ 183.18 lakh.
2	Madhya Pradesh State Civil Supplies Corporation Limited 2018-19	<p>1. Revenue from Operations (₹ 23,976.61 crore) includes ₹ 9.82 crore towards Price differential/Subsidy on wheat issued under two schemes in excess of allotted quantity. The subsidy had been booked on distributed quantity out of DCP stock instead of allocated quantity. As the Government of India (GoI) restricts the claim on the DCP stock to the extent of allocated quantity of foodgrains only, the booking of Price differential/Subsidy of ₹ 9.82 crore for the quantity issued over and above the allocated quantity, is not correct. This had resulted in overstatement of Revenue from Operations and Recoverable from Government of India (Note –15) by ₹ 9.82 crore and consequent overstatement of Profit to the same extent.</p> <p>The above includes ₹ 16.91crore towards the interest recoverable from the Madhya Pradesh State Co-operative Marketing Federation (M.P. Markfed) on an outstanding balance of ₹ 195.06 crore (₹ 181.96 crore for Gunny Bags and ₹ 13.10 crore for transportation expenses thereon) recoverable from M.P. Markfed in connection with procurement of Gram, Masoor and Sarson in Rabi Marketing Season 2018-19 under PSS Scheme for NAFED (National Agricultural Cooperative Marketing Federation of India), from June, 2018 to March, 2019. In spite of the agreed arrangement that the Company would arrange for gunny bags for Markfed too and the claim would also be made by Company to NAFED for the same and a joint letter by MP Markfed and Company was issued to NAFED on 04/05/2019. In spite of this, the MP Markfed had collected the expenditure incurred from NAFED and did not remit the same to Company. As there was no agreement between the Company and M.P. Markfed for levy of interest on outstanding balance, the recovery of the interest from MP Markfed is doubtful. The accounting of doubtful claim on account of interest from MP Markfed has resulted in overstatement of 'Revenue from Operations', overstatement of 'Trade Receivable' by ₹ 16.91crore and consequent overstatement of profit to the same extent.</p> <p>2. Finance Cost (₹ 1,697.62 crore) does not include ₹ 5.00 crore towards the interest payable for the financial year 2018-19 on Working Capital Demand Loan (WCDL) provided by Bank of India (BoI) for meeting its working capital requirements. Accordingly, the BoI had charged the interest of ₹ 13.64 crore on the Company for the period from 21/03/19 to 19/04/19. Out of which the interest of ₹ 5.00 crore pertained to the financial year 2018-19 (from 21/3/2019 to 31/3/2019) which was not booked as expenditure under the 'Finance Cost' and the liability was also not provided for the same in the books of accounts. This had resulted in understatement of Finance Cost (Note-27) and understatement of Provision for Other Expenses (Note no 11) by ₹ 5.00 crore and consequent overstatement of Profit to the same extent.</p>
3	Madhya Pradesh Industrial Development Corporation Limited 2019-20	Other Expenses (₹ 217.30 crore) does not include an amount of ₹ 3.90 crore towards supplementary bills raised during the year 2020-21 by the MP Power Management Company Limited for supply of power during the financial year 2019-20. Since the bills were received during the year before the finalization and signing of financial statements by the Company for financial year 2019-20, the same should have been accounted for in the books of accounts of the Company for the year 2019-20. Thus, non-accounting of the same has resulted in understatement of current liability as well as expenses to the extent of ₹ 3.90 crore.
4	The Provident Investment Company Limited 2019-20	1. The Company maintains various properties on behalf of Government of Madhya Pradesh (GoMP), out of which three properties relate to the Company. Therefore, the income earned on these three properties should be shown as income in the statement of profit and loss account. The non-charging of income related to these three properties of the Company, resulted in understatement of current year's Income by ₹ 4.65 lakhs, understatement of Prior Period Income by ₹ 412.03 lakh, and overstatement of current year's losses by ₹ 416.68 lakh.

Sl. No.	Name of the SPSE	Comment
		<p>2. The Company maintains various properties on behalf of Government of Madhya Pradesh (GoMP), out of which three properties relates to the Company. Therefore, expenditure incurred on above three properties should be charged to the statement of profit and loss account. The non-charging of expenses related to these three properties of the Company, resulted in understatement of both Prior Period Expenditure and current year's losses by ₹ 4.41 crore.</p> <p>3. The Company maintains various properties on behalf of Government of MP (GOMP), out of which three properties relate to the Company. The Company booked income of these three properties in previous years in the GoMP control account and commission on rent received on these properties was accounted for as Company's income. The income from commission on account of properties belonging to the Company booked in previous years should have been reversed through prior period adjustments. The non-reversal of commission on these three properties has resulted in understatement of Prior Period Expenses and overstatement of Reserve and Surplus (Note-3) to the extent of ₹ 12.24 lakh.</p> <p>4. The above does not include ₹ 19.28 crore being the amount to be paid to Mumbai Port Trust (MPT) towards the renewal of leased properties at Colaba and Mandlik Road Mumbai. The lease has not been renewed since 1990. MPT raised (Sept 2018) demand of ₹ 85.57 crore which includes rental amounts of ₹ 19.28 crore and penalty and interest amounts of ₹ 66.29 crore. The liability of ₹ 19.28 crore is accepted by the Company. However, the same has not been accounted for in the books. Thus, non-accounting of the same has resulted in understatement of expenses, understatement of provision for expense by ₹ 19.28 Crore. and consequent understatement of losses of the company to the same extent.</p>
5	Madhya Pradesh Jal Nigam Maryadit 2020-21	<p>1. The company has not made the provision of ₹ 0.20 crore of known liability for various expenditure pertaining to the accounting year 2020-21. This has resulted in understatement of Other Expenses and understatement of Short-term provision by ₹ 0.20 crore and understatement of Loss for the year to the same extent.</p> <p>2. The Company made payment of GST liability pertaining to the financial year 2017-18 to 2020-21 during January 2020 to September 2021. However, in this respect, the Company did not make provisions of ₹ 0.23 crore for interest on delayed payment of GST, as per provisions of GST Act. This has resulted in understatement of Other Expenses and understatement of Short-term provision by ₹ 0.23 crore and understatement of Loss for the year to the same extent.</p> <p>3. Employee Benefit Expenses (₹ 6.59 crore) does not include an amount of ₹ 0.06 crore being the instalment of salary arrears of 7th Pay Commission. As per Government of Madhya Pradesh Circular, this expenses pertains to the year 2020-21. Though the amount of ₹ 0.06 crore is paid in the year 2021-22, provision should have been made in the FY 2020-21. This has resulted in understatement of Other Expenses and understatement of Short-term provision by ₹ 0.06 crore and understatement of Loss for the year to the same extent.</p> <p>4. The Prior Period Adjustments (₹ 0.53 crore) does not include an amount of ₹ 0.18 crore being the instalment of salary arrears of 7th Pay Commission. This amount pertains to the financial year 2018-19 and 2019-20 but the same is paid and booked in the year 2020-21 as Employee Benefit Expenses. This has resulted in overstatement of Employee Benefit Expenses and understatement of Prior Period Expenses by ₹ 0.18 crore. Consequentially, Profit before exceptional and extraordinary items and tax is understated to the same extent.</p>
6	Madhya Pradesh Jal Nigam Maryadit 2021-22	<p>The Capital Work in Progress (₹ 31.41 crore) includes an amount of ₹ 21.26 lakh being the expenditure incurred by the Company on preparation of Detailed Project Report (DPR) of GWSS Banetha Scheme (Rural water supply scheme). The Scheme was transferred to Public Health Engineering Department (PHED). Since, the scheme was transferred to PHED and there was no use of the DPR prepared by the Company. Hence, the cost of preparation of DPR should be charged to P&L Account instead of</p>

Sl. No.	Name of the SPSE	Comment
		under Capital Work in Progress. This has resulted in overstatement of Capital Work in Progress and understatement of loss for the year to the extent of ₹ 21.26 lakh.
7	Madhya Pradesh Kshetra Vidyut Vitaran Company Limited, Bhopal 2021-22	The finance cost (₹ 1,219.91 crore) does not include ₹ 5.30 crore ¹ towards the works completed and bills presented by the contractor/suppliers under IPDS and DDUGJY schemes during 2021-22. The above were included under capital work-in-progress (CWIP) for the year 2021-22. Though the works under IPDS and DDUGJY were completed and closed till the financial year 2020-21. This has resulted in overstatement of CWIP by ₹ 5.30 crore, understatement of finance cost and understatement of loss for the year to the same extent.
8	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur 2021-22	Madhya Pradesh State Electricity Regulatory Commission (MPERC) reduced power purchase cost (₹ 9,386.03 crore) through Retail Supply Tariff Order for FY 2021-22. The tariff determined by the order was applicable from 08 July 2021. The Company, however, accounted for the reduced power purchase cost from 1 July 2021 which resulted in understatement of the power purchase expenses and understatement of Current Liabilities by ₹ 17.18 crore, consequential understatement of Loss to the same extent.
9	Indore Smart City Development Limited 2021-22	Trade receivable includes ₹ 116.71 lakh receivable from M/s. Swift Intermedia Convergence Private Limited in respect of Advertisement License Fees. Since, the contract was terminated and deposit was seized in June 2022, the chances of recovery of outstanding amount seems doubtful. Hence, provision should have been made. Non-provisioning has resulted in overstatement of Trade receivable (Note-10) and understatement of Other Expense (Note-30) by ₹ 116.71 lakh.
10	Ujjain Smart City Limited 2021-22	Other Expenses (₹ 745.28 lakh) does not include an amount of ₹ 5.35 lakh towards bills payable to various agencies pertaining to the period from January to March, 2022 but not paid during the financial year (2021-22). Non creation of liability for this expense has resulted in understatement of Other Expenses (Note-17) and Short-Term Provision (Note-13) by ₹ 5.35 lakh.
11	Narmada Basin Projects Company Limited 2021-22	<p>The Company booked an expenditure of ₹ 822.87 Lakh (Guarantee fee of ₹ 576.21 lakh for the year 2021-22 and ₹ 246.66 lakh for the year 2020-21) towards the guaranteed fee payable (@ 0.5% per-cent per annum) to the Government of Madhya Pradesh (GoMP) for providing Guarantee to NABARD against the loan amounting to ₹ 978.60 crore and ₹ 287.77 crore taken by the company during the financial year 2020-21 and 2021-22 respectively.</p> <p>Para 5 of the Ind-As 23 “Borrowing Cost” states that the Borrowing Costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Further, para -8 of this standard state that an entity shall capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. As the expenditure of guarantee fees payable to the GoMP was a part of borrowing cost and directly attributable to the construction of a qualifying assets as part of the cost of that asset, the same should have been capitalized in the books of accounts of the company instead of treating the same as a revenue expenditure. This has resulted in overstatement of Expenses (Note-2.20) by ₹ 822.87 Lakh (Guarantee fee by ₹ 576.21 lakh and Prior Period Expenses by ₹ 246.66 lakh), understatement of “Capital Work in Progress” under “Non-Current Assets” and consequent understatement of Company’s Profit to the same extent.</p>
12	Madhya Pradesh Power Management	Madhya Pradesh State Electricity Regulatory Commission (MPERC) revised power purchase cost through Retail Supply Tariff Order for FY 2021-22. The tariff determined by the order was applicable from 8 July 2021. The Company however, accounted for the revised power purchase cost to all its subsidiary DISCOMs from 1 July 2021 which resulted in excess account of Sale of Power by ₹ 63.12 Crore

¹ IPDS scheme- ₹ 2.46 crore and DDUGJY scheme- ₹ 2.84 crore.

Sl. No.	Name of the SPSE	Comment
	Company Limited 2021-22	(MPMKVVCL ₹ 37.28 crore, MPPKVVCL ₹ 43.02 crore and MPPuKVVCL ₹ (-) 17.18 crore) and corresponding Trade Receivables are overstated along with resultant understatement of Loss to the same extent.
13	Madhya Pradesh Power Generating Company Limited, Jablpur 2021-22	Other cost of Generation (₹ 202.11 crore) does not include an amount of ₹ 16.51 crore being dues verified by appropriate authority of Madhya Pradesh State Electricity Board (MPSEB) relating to inter-state hydel projects with the State of Rajasthan pertaining to the period upto 2005-06. Since after restructuring, hydel projects became the Assets of the Company, hence, the liability of ₹ 16.51 crore should have been provided against this claim. The non-accountal of the same has resulted in understatement of Other cost of Generation and overstatement of Profit for the year by ₹ 16.51 crore.
14	Madhya Pradesh Warehousing and Logistics Corporation 2021-22	<p>1. As per the Companies Act, 2013, useful life of Building other than RCC structure is considered as 30 years and depreciation at the rate of 9.5 per cent is to be charged. However, the Corporation considered useful life of Godown other than RCC frame structure as 60 years and charged depreciation at the rate of 4.87 per cent. This has resulted in understatement of depreciation by ₹ 15.60 crore and overstatement of profit for the current year.</p> <p>2. Corporation constructs Pacca CAP (Covered and Plinth Area) for storage purpose as per requirement. The life of Pacca CAP structure was considered as five years and the same life span is also adopted by the Central Warehousing Corporation. However, Corporation had written off expenditure of ₹ 74.96 crore incurred on construction of 59 Pacca CAP from their current year income instead of charging depreciation of ₹ 9.16 crore at the rate of 20 per cent per annum considering five years life. This has resulted in overstatement of expenses written off by ₹ 65.80 crore (₹ 74.96 crore - ₹ 9.16 crore) and understatement of profit to that same extent.</p> <p>The above includes 16 incomplete CAPs construction works on which ₹ 20.96 crore was spent during the current year. The Corporation has also written off this expenditure from their current income instead of treating these as work in progress. The expenditure on incomplete works should be carried over to the upcoming financial years for accounting purpose. This has resulted in overstatement of expenses and understatement of profit and understatement of capital work in progress by ₹ 20.96 crore.</p> <p>The Corporation adopted Corporate Social Responsibility (CSR) policy on 16 March 2018 as per Companies Act, 2013. The Corporation spent ₹ 2.35 crore on CSR Activities during 2019-20 to 2021-22 instead of ₹ 9.99 crore required as per Companies Act, 2013 for the above period. Thus, the Corporation neither made adequate expenditure nor made provision for CSR expense. This has resulted in overstatement of profit by ₹ 7.63 crore with corresponding understatement of provision for CSR expense by ₹ 7.63 crore.</p>
15	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited, Indore 2022-23	<p>1. Other income (₹ 601.53 crore) includes the amortisation amount of ₹ 61.57 crore and ₹ 27.09 crore against the Government grant and against the consumer contribution respectively. The rate of depreciation on the assets created out of grant/ consumer contribution was revised to 4.30 per cent from 5.28 per cent in 2022-23. However, the company did not match the percentage rate of amortisation with the present rate of depreciation, in line with the stated policy vide Para 2.10 (Government Grants) of Notes to Accounts. Due to this, the Company amortised ₹ 12.87 crore and ₹ 5.16 crore in excess against the Government Grant and against the consumer contribution respectively. This has resulted in overstatement of Other Non-operating Income and understatement of Deferred Income under Liabilities by ₹ 18.03 crore, leading to overstatement of Loss for the year to the same extent.</p> <p>2. The Company gets the actuarial valuation done at the end of each year in order to record the liabilities on account of terminal benefits to the employees. IND AS 19 provides that re-measurement of net liabilities is to be recognized in 'Other Comprehensive Income'. The Company, in violation of IND AS 19, adjusted the re-measurement gains in respect of Leave Encashment ₹ 36.85 crore against the</p>

Sl. No.	Name of the SPSE	Comment
		expenditure for the year 2022-23. This has resulted in understatement of expenses 'Earned Leave Encashment' as well as Other Comprehensive Income by ₹ 36.85 crore and understatement of Loss for the year to the same extent.

Comments on Financial Position

SL. No.	Name of SPSE	Comments
1	Madhya Pradesh Road Development Corporation Limited 2018-19	<p>1. Trade Payables (₹ 5.80 crore) does not include an amount of ₹ 50.62 crore of the works executed and bills issued by the contractors before 31 March 2019, whereas the payment was made in April 2019. However, the Company had not made any provision for executed works in the books of accounts, which pertains to the year 2018-19. This has resulted in understatement of Current Liabilities (Trade payables- Note 13) and overstatement of Other Current Liabilities: Note 15 (Balance of Project Funds received from GoMP) by ₹ 50.62 crore.</p> <p>2. Trade Payables (₹ 5.80 crore) does not include an amount of ₹ 31.22 crore of the works executed (which attracts supervision charges of ₹ 1.87 as well) and bills issued by the contractors before 31 March 2019, whereas the payment was made in April 2019. However, the Company had not made any provision for executed works in the books of accounts, which pertains to the year 2018-19. This has resulted in understatement of Current Liabilities (Trade payables- Note 13) and overstatement of Other Current Liabilities: Note 15 (Balance of Project Funds received from GoMP) by ₹ 31.22 crore. Also, resulted into understatement of Revenue from Operation and Profit for the year by ₹ 1.87 crore, as the provision of supervision charges of the executed works not being made.</p>
2	The Provident Investment Company Limited 2019-20	<p>1. As per the Note 2 of the Financial Statements for the year ended 31 March 2020, out of the issued share capital of 4966 equity shares of 1000 each, the shareholding of Madhya Pradesh Government was 3,645 shares and that of the newly formed State of Chhattisgarh is 1,281 shares but share of Government of Chhattisgarh (GoCG) was not transferred. Finance Department, GoMP issued (March 2008) its sanction for issue of dividend of ₹ 247.40 lakh and share capital amounting of ₹ 12.81 lakh to GoCG. However, no action was taken on same by the Company. As bifurcation of MP and Chhattisgarh was done in the year 2000, the total dividend declared from 2000-01 to 2014-15 was ₹ 11.28 crore out of which dividend of ₹ 2.93 crore (26 per cent) should have been paid to GoCG. Further, share distribution amount of ₹ 12.81 lakh should have also been transferred to GoCG. The above facts were to be disclosed by the Company in its financial statements. However, the same was not disclosed. Thus, the Financial Statement of the company for the year 2019-20 is deficient to the extent of above non-disclosure.</p> <p>2. Other current liabilities (₹ 72.78 lakh) does not include liability of ₹ 43.98 lakh towards salary payable in respect of four officials who joined the Company on deputation basis from Finance Department, GoMP. At present salaries of these officials is being paid by Treasury and Accounts on the condition that it will be reimbursed by the Company. Till March 2020, salary of ₹ 43.98 lakh has been paid by Treasury on behalf of the Company to these officials. However, the company has not yet reimbursed the salary, therefore liability of ₹ 43.98 lakh should have been created by the Company in its books. However, the Company has neither booked the same under expenditure nor created any liability for the same in its books resulting in understatement of current year's expenditure and current liabilities by ₹ 43.98 lakh and consequent understatement of loss to the same extent.</p> <p>3. Provision for taxation (₹ 26,01,191) does not tally with the amount as per the Income Tax Return (Assessment year 2008-09 onwards). As per income tax returns, figure of provision for taxation should be ₹ 7.70 lakh leading to the difference</p>

SL. No.	Name of SPSE	Comments
		<p>between two figures. Hence, Provision for Taxation of ₹ 26.01 lakh should be reconciled with the income tax returns filed by the company.</p> <p>4. As per the physical verification of report given by the management of the Company, cash amounting to ₹ 5.87 lakh has been found short with respect to cash balance shown in Balance sheet as at 31.03.2019 (Note 12-Accounts 2018-19). However, the cash found short has not been recovered till date i.e., even after a lapse of more than four years. Therefore, a provision for shortage of cash should have been made by the Company as on 31.03.2020. However, this has not been done by the Company resulting in overstatement of cash on hand and understatement of current year's provisions to the extent of ₹ 5.87 lakh and consequent understatement of loss to the same extent.</p>
3	Madhya Pradesh Urja Vikas Nigam Limited 2020-21	A reference is invited to Para 22 of Notes to Accounts, stating that Annual Project Management Charges (PMC) are being taken from joint venture namely Rewa Ultra Mega Solar Limited (RUMS), but due to decision not taken by RUMS Board for the year 2020-21, income not recognized. However, the PMC charges receivables from RUMS were being recognized by the Company in previous years consistently. Therefore, the Company based on accrual basis of accounting and the consistent accounting policy should have made provision for the PMC charges which was due to be received amounting to ₹ 97.94 lakh from the RUMSL in the financial year 2020-21 also. This has resulted in understatement of Long Term Advances by ₹ 97.94 lakh and understatement of Other Income to the same extent.
4	Madhya Pradesh Rajya Van Vikas Nigam Limited, 2020-21	Other Financial Liabilities (₹ 32.67 lakh) does not include and amount of ₹ 2.80 crore payable to the employees of the Company for the period January 2016 to March 2018 as third installment of the seventh pay arrears. This was approved (June 2018) by the Board of Directors. Therefore, the provision of the same should have made in the Accounts. Not doing so, has resulted in understatement of Other Financial Liabilities to the extent of ₹ 2.80 crore and overstatement of Profit for the arrear to the same extent.
5	Madhya Pradesh Jal Nigam Maryadit 2021-22	<p>1. Other Current Liabilities (₹ 897.80 crore) includes an amount of ₹ 9.87 crore being interest earned on Jal Jeevan Mission fund during the financial year 2021-22 from the Banks. The same should have been deposited to the Government Account as per provision of Rule 230 (8) of GFR, 2017. However, the amount of interest earned was not deposited to the Government Account, instead it was treated as fund received from Government under Jal Jeevan Scheme and shown under Other Current Liabilities. This has resulted in overstatement of Other Current Liabilities and overstatement of Cash and cash equivalents of the Company by ₹ 9.87 crore.</p> <p>2. Cash & Cash Equivalents (₹ 793.70 crore) does not include an amount of ₹ 96.86 lakh towards "Operation & Maintenance" charges being charged under the head of "Operation & Maintenance Collection of Multi Village Rural Water Supply Scheme (MVRWSS)" under the head of "Other Current liabilities". However, the company has not deducted/adjusted the amount of ₹ 96.86 lakh from "Cash and Cash Equivalents" and instead of that the amount has been booked under the head of "Sundry Creditor". This has resulted in overstatement of "Sundry Creditor" and overstatement of "Cash and Cash Equivalents" by ₹ 96.86 lakh.</p> <p>3. A reference is invited to the Note-18 (Other Current Liabilities) under Note-2: Notes to Accounts, which stipulated that 'the company has received fund from GoMP for implementation of various Multi Village Rural Water Supply Scheme (MVRWSS) for NABARD funded scheme, under Jal Jeevan Mission, for execution of various Multi Village Rural Water Supply Scheme under Mining Development, Central Sponsored Bundelkhand, NDB funded and state funded schemes for expenditure on work payment for construction of projects/schemes.</p> <p>The above said funds from GoMP are not payable/refundable on the part of the company, hence credit balance of the same are shown under current liabilities and</p>

SL. No.	Name of SPSE	Comments
		<p>the Receivables on account of expenditures incurred are adjusted from the total fund received’.</p> <p>The company has deposited security deposits amounting to ₹ 15.83 crore to Water Resource Department (WRD) for supply of water to various villages under different MVRWSS through its Project Implementing Units (PIU). However, instead of adjusting the above amount to the respective schemes, it has been shown as “Short-term Loans and Advances” under “Current Assets”. This has resulted in overstatement of “Current Assets” and overstatement of “Other Current Liabilities” by ₹ 15.83 crore.</p>
6	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited, Bhopal 2021-22	<p>1. Property, Plant & Equipment (₹ 8,187.33 crore) does not include an amount of ₹ 310.32 crore² being amount included in the Capital work-in-progress pertaining to the Saubhagya and Feeder Separation Scheme as on 31st March 2022. As the works under Saubhagya and Feeder Separation scheme were completed and closed till the financial year 2020-21, the total cost should have been capitalised in the financial statement. This resulted in overstatement of CWIP, understatement of Property, Plant & Equipment by ₹ 310.32 crore and Depreciation for the year was understated by ₹ 16.38 crore³ and understatement of loss for the year 2021-22 to the same extent.</p> <p>2. Provisions (₹ 2,593.23 crore) does not include an amount of ₹ 313.58 crore being liability of Leave encashment provision as on 31st March 2022, as per the actuarial valuation report. However, the Company had not made any provision in this regards which was required as per IND AS 19. This has resulted in understatement of loss and provision of employee benefit by ₹ 313.58 crore for the year 2021-22.</p>
7	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur 2021-22	<p>1. Provisions (₹ 2,246.99 Crore) does not include an amount of ₹ 380.17 crore being liability of Leave encashment as on 31st March 2022, as per the actuarial valuation report. However, the Company had not made any provision in this regards which was required as per provisions of IND AS 19. This has resulted in understatement provision of employee benefit and understatement of loss to the extent of ₹ 313.58 crore.</p> <p>2. Property, Plant and equipment (₹ 7,881.24 Crore) does not include an amount of ₹ 1,337.36 crore⁴ being amount included in the Capital work-in-progress pertaining to the SAUBHAGYA, Feeder Separation, RGGVY XII Plan, IPDS and DDUGJY Scheme as on 31st March 2022. As the works under SAUBHAGYA, Feeder Separation, RGGVY XII Plan, IPDS and DDUGJY Scheme were completed and closed till the financial year 2020-21, the total cost should have been capitalised in the financial statement. Not doing so has resulted in overstatement of CWIP, understatement of Property, Plant & Equipment by ₹ 1,337.36 crore and Depreciation for the year was understated by ₹ 70.60 crore⁵ and understatement of loss for the year 2021-22 to the same extent.</p>
8	Ujjain Smart City Limited 2021-22	<p>1. Non-Current Liabilities (₹ 258.26 crore) shows deduction of ₹ 2.89 crore for Ujjain Municipal Corporation-Pradhan Mantri Awas Yojna (UMC-PMAY) for Mahakaal Rudrasagar Integrated Development Approach (MRIDA). As the Company had paid 2.89 crore during the year 2019 for clearing the land parcel at Maharajbada-III for MRIDA Project instead of construction of PMAY houses, which is a separate project being implemented by UMC, the expenditure should have been booked in MRIDA Project under Capital Work in Progress. Non booking of the expenditure under Capital Work in Progress, has resulted in understatement of</p>

² Saubhagya Scheme- ₹ 218.56 crore and Feeder Separation Scheme- ₹ 91.76 crore.

³ Saubhagya Scheme- ₹11.54 crore and Feeder Separation Scheme- ₹ 4.84 crore.

⁴ SAUBHAGYA-₹598.60 crore, Feeder Separation-₹ 307.56 crore, RGGVY XII Plan-₹ 258.24 crore, IPDS - ₹34.85 crore and DDUGJY Scheme-₹138.11 crore.

⁵ SAUBHAGYA-₹ 31.60 crore, Feeder Separation-₹ 16.24 crore, RGGVY XII Plan-₹ 13.63 crore, IPDS-₹ 1.84 crore and DDUGJY Scheme-₹ 7.29 crore.

SL. No.	Name of SPSE	Comments
		Capital Work in Progress and Understatement of Project Grant under Other Non-Current Liabilities by ₹ 2.89 crore. 2. Trade Payable (₹ 360.61 lakh) does not include an amount of ₹ 31.91 lakh (invoice dated 09.11.2021) towards expenses payable to M/s Vimal Chand Jain Limited for crowd management civil work. Non creation of liability for this expense has resulted in understatement of Capital Work in Progress (Note-3) and Trade Payable (Note-11) by ₹ 31.91 lakh.
9	Gwalior Smart City Development Corporation Limited 2021-22	Provisions (₹ 364.44 lakh) does not include an amount of ₹ 51.16 lakh towards bills payable to M/s Sudershan Engineering Works for civil work pertaining to the period from December, 2021 to February, 2022 and ₹ 36.53 lakh payable to M/s IPE Global for consultancy charges for March, 2022, for which the Company had neither made any payment nor made any provision for the same during the financial year 2021-22. This has resulted in understatement of Provision (Note-11) by ₹ 87.69 lakh, understatement of Capital Work in Progress (Note-2) by ₹ 51.16 lakh and understatement of Other Expenses (Note-14) by ₹ 36.53 lakh.
10	Madhya Pradesh Power Management Company Limited 2021-22	1. Provisions (₹ 3.83 crore) does not include an amount of ₹ 172.75 crore (including interest) payable to M/s. Mahindra Renewables Private Limited as per order (24 January 2021) of Central Electricity Regulatory Commission (CERC). Despite the confirmed liability as per CERC's order, no provision against the above decision was made by the Company in its financial statements. This has resulted in understatement of Provision as well as Expenses by ₹ 172.75 crore and understatement of loss for the year to the same extent. 2. Provisions (₹ 3.83 crore) does not include an amount of ₹ 45.57 crore payable to M/s Mahindra Renewable Private Limited in compliance of CERC's order dated 12 November 2021 and approved (August 2022) by BOD of the Company, for grant of consequential relief to protect from the increase in capital cost due to introduction of the Central Goods and Services Tax Act, 2017. Despite the confirmed liability as per CERC's order, no provision against the above decision was made by the Company in its financial statements. This has resulted in understatement of Provision as well as Expenses by ₹ 45.57 crore and understatement of loss for the year to the same extent. 3. Provisions (₹ 3.83 crore) does not include an amount of ₹ 115.80 crore payable to two Independent Power Producers (IPPs) in compliance of Hon'ble Supreme Court/MPERC orders. Despite the confirmed liability as per Hon'ble Supreme Court/MPERC orders, no provision was made by the Company in its financial statements. This has resulted in understatement of Provision as well as Expenses by ₹ 115.80 crore and understatement of Loss for the year to the same extent.
11	Madhya Pradesh Public Health Services Corporation Limited 2021-22	1. Sundry Debtors for PBG Invoked (₹ 2.60 crore) includes ₹ 16.03 lakh as penalty levied for non-supply of 81000 no. quantity of drug enoxaparin 60 Mg against the RC PO No 10281815883 dated 31-03-2018. The PO No 10281815883 was for order quantity 9000 but erroneously ordered quantity was entered as 90,000 and penalty amount was levied for non-supply of 81000 no. of quantity. The request of cancellation of PO for excess quantity was issued on 09-04-2018 and same was acknowledged by the supplier but penalty amount remained unadjusted. This has resulted in overstatement of sundry debtors as well as current liabilities by ₹ 16.03 lakh. 2. The Company received an amount of ₹ 215.10 lakh which relates to the interest received on fixed deposit. The Company has classified it as cash flows arising from operating activities. This amount related to interest income should have been classified as cash flows arising from investing activities. Thus, wrong accounting treatment resulted in overstatement of cash flows arising from operating activities with corresponding understatement of cash flows arising from investing activities by ₹ 215.10 lakh.

SL. No.	Name of SPSE	Comments
12	Madhya Pradesh Warehousing and Logistics Corporation 2021-22	<p>1. As per Notes on Accounts (Note no. 16), the Corporation has booked regular income from storage charges on accrual basis, whereas arrears arising due to rate revision was accounted for on cash basis, which is inconsistent and contradictory. As a result, the income of ₹ 216.51 crore due to rate revision for the period 2008-09 to 2014-15 has not been recognised as income in the relevant years. This has resulted in understatement of Sundry Debtors by ₹ 216.51 crore with corresponding understatement of Reserve & Surplus.</p> <p>2. Other Debtors (₹ 142.07) includes an amount of ₹ 17.68 crore towards deduction by Madhya Pradesh State Civil Supplies Corporation Limited & NAFED on account of shortage and damaged foodgrains. The above amount being not recoverable should have been booked as operational loss in the financial years concerned. Not doing so, has resulted in overstatement of Other Debtors and Reserve and Surplus by ₹ 17.68 crore.</p> <p>3. The Corporation paid ₹ 65.42 lakh as Goods and Services Tax (GST) on supervision charges (in PEG scheme) for the year 2017-18, 2018-19 & 2019-20 receivable from Food Corporation of India (FCI). However, it was not shown as receivable from FCI. This has resulted in understatement of Other Debtors by ₹ 65.42 lakh and Reserve & Surplus to the same extent.</p> <p>4. Sundry Debtors NAN (₹ 10.48 crore) includes an amount of ₹ 4.35 crore towards claims lodged with insurance companies in respect of damaged stock for the year 2018-19 to 2021-22 which were either rejected or partially rejected by the insurance companies. In case the stock is damaged, MPSCSC (Nagrik Aapurti Nigam - NAN) deducts the loss from the storage charges, but the Corporation continues to show the deducted amount as Sundry Debtor NAN. This has resulted in overstatement of Sundry Debtor NAN and Reserve & Surplus by ₹ 4.35 crore.</p>
13	Jabalpur Smart City Development Corporation Limited 2021-22	<p>Government Grant (₹ 412.46 Crore) amount includes ₹ 16.62 crore as interest on deposit of grant received from central government grants. As per GoI order dated 02/02/2022, interest on grants was to be remitted to the Consolidated Fund of India. Accordingly, the Company has to create the liability for interest payable. Not doing the same had resulted in overstatement of Government Grants (Note-11) and understatement of Other non-current liabilities (Note-12) by ₹ 16.62 crore.</p>
14	Madhya Pradesh Power Transmission Company Limited 2022-23	<p>1. Trade Receivables (₹ 4,812.17 crore) includes an amount of ₹ 5.45 crore on account of levy of transmission charges⁶ on the generators, levied by the Company w.e.f. 2022-23 according to the MPERC (Terms and Conditions for Intra-State open access in Madhya Pradesh) Regulations (Revision-I) 2021. Subsequently, applicability of subject transmission charges was stayed (12.05.2023) by the Hon'ble High Court of Madhya Pradesh, Indore till next further order. The Company was still raising transmission charges and showed an amount of ₹ 5.45 crore recoverable under Trade Receivable. Since, the Hon'ble High Court stayed levying the said transmission charges before approving (02.08.2023) the accounts of the by Company by BoD. Therefore, the Company should have created corresponding liability, as the issue was sub-judice and billing on the consumers was stayed by the Hon'ble High Court. Not doing so has resulted in overstatement of Trade Receivable (Note-9), understatement of Other Financial Liability (Note 26) by ₹ 5.45 crore and corresponding overstatement of Profit before tax to the same extent.</p> <p>2. Other Financial Liability (₹ 4,589.90 crore) does not include an amount of ₹ 457.68 crore being 'parallel operation charges', as per the true-up order (07 March 2023) of Madhya Pradesh Electricity Regulatory Commission (MPERC) for Transmission Tariff of the Company for the financial year 2021-22. The MPERC in</p>

⁶ Transmission charges on the generators injecting power at Distribution system (at 33 KV voltage level) at Extra High Volt (EHV) sub stations of the MPPTCL and drawl of power by their Open access beneficiary (Other than MPPMCL/ state distribution companies (DISCOMs) at distribution system (at 33 KV voltage level) but within the jurisdiction of another DISCOM.

SL. No.	Name of SPSE	Comments
		<p>true up order stipulated that ‘Parallel operation charges’ and ‘point of connection charges’ are sub-judice and in view of that, the Company was directed to hold the received amounts of the “Parallel operation charges” and “Point of connection charges” under the aforesaid heads distinctly. However, the Company accounted for only ‘Point of connection charges pending for distribution’ as of March 2023 under Other Financial Liabilities. Whereas the ‘Parallel operation charges’ to the tune of ₹ 457.68 crore as of March 2023 had not been accounted for.</p> <p>This has resulted in understatement of Other Financial Liabilities (Note-26), overstatement of Revenue from Operation (Note-31) by ₹ 457.68 crore and corresponding overstatement of Profit before tax to the same extent.</p>
15	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited, Indore 2022-23	<p>1. Property, Plant and Equipment (₹ 4,473.65 crore) does not include ₹ 7.41 crore towards the departmental works completed and bills presented by the contractor/suppliers during 2022-23. The above were included under capital work-in-progress (CWIP) for the year 2022-23, although the works were completed till 2019-20. This has resulted in understatement of depreciation to the tune of ₹ 1.61 crore and understatement of Loss for the year to same extent and corresponding overstatement of CWIP and understatement of Fixed Assets amounting to ₹ 7.41 crore.</p> <p>2. Capital work in progress (₹ 3,415.31 crore) does not include pending bills of smart meters installation (service charges on achievement of first milestone) amounting to ₹ 4.19 crore pertaining to financial year 2022-23. However, the same was paid and accounted in the financial year 2023-24 (April 2023 to May 2023) by the Company. This has resulted in understatement of Other Current Liability and understatement of Capital work in progress to the tune of ₹ 4.19 crore.</p> <p>3. Other current Liabilities (₹ 245.43 crore) does not include pending bills of Manpower supply and AMC bills of IT system amounting to ₹ 21.29 crore for the period till 31.03.2023. However, the same was paid and accounted in the financial year 2023-24 (April 2023 to June 2023). This has resulted in understatement of Other Current Liability and understatement of Expenses to the tune of ₹ 21.29 crore and corresponding understatement of Loss for the year to the same extent.</p> <p>4. Other current Liabilities (₹ 245.43 crore) does not include an amount of ₹ 4.26 crore being the enhanced Dearness Allowance (DA) from 38 per cent to 42 per cent w.e.f. 01.03.2023 vide order dated 25.07.2023. The DA arrears for the period 01.01.2023 to 30.06.2023 was to be paid in three equal instalments along with the salary of September, October and November 2023. As the order for DA arrear payment was released on 25.07.2023 well before approval (11.08.2023) of accounts by BoD of the Company. Therefore, the provision for outstanding DA arrear for the period 01.01.2023 to 31.03.2023 amounting to ₹ 4.26 Crore should have been made in the accounts for the year 2022-23. However, the company did not provide same in the accounts. This has resulted in understatement of Other Current Liabilities and understatement of Expenses to the tune of ₹ 4.26 crore and corresponding understatement of Loss for the year to the same extent.</p> <p>5. Deferred Income (₹ 2,157.25 crore) includes the conversion of loan and overdue interest into grant by PFC under R-APDRP scheme. As per the conversion order, ₹ 88.62 crore of principal amount was converted into grant. However, the Company considered ₹ 110.29 crore, including principal and interest ₹ 21.67 crore of as grant. Since the amount of loan of ₹ 88.62 crore was converted and considered as grant, the company considered ₹ 21.67 crore as excess grant and included in deferred income. This has resulted in overstatement of ₹ 21.67 crore of Deferred Income under Liabilities and understatement of Income, leading to overstatement of Loss to the same extent.</p>

Appendix 1.5

(Referred to in Paragraph 1.12.1, 1.12.2, 1.14, 1.15, 1.16.1, 1.16.2 & 1.16.3)

Statement showing requirement of Independent Director/Woman Director/Audit Committee/NRC/KMP and board meeting/audit committee meeting conducted by SPSEs

Sl. No.	Name of SPSEs	Requirement of		Nos. of Independent Directors as on 31.03.2023	Requirement of			No. of Board Meetings	No. of Audit Committee Meetings
		Independent Director	Woman Director		Audit Committee	NRC	KMP		
1	MP Power Generating Company Ltd (MPPGCL)	Yes	Yes	2	Yes	Yes	Yes	6	4
2	MP Power Transmission Company Ltd (MPPTCL)	Yes	Yes	3	Yes	Yes	Yes	5	4
3	MP Poorv Kshetra Vidyut Vitaran Company Ltd (MPPoKVVCL)	Yes	Yes	2	Yes	Yes	Yes	4	2
4	MP Paschim Kshetra Vidyut Vitaran Company Ltd (MPPaKVVCL)	Yes	Yes	3	Yes	Yes	Yes	5	4
5	MP Madhya Kshetra Vidyut Vitaran Company Ltd (MPMKVVCL)	Yes	Yes	2	Yes	Yes	Yes	6	5
6	MP Power Management Company Ltd (MPPMCL)	Yes	Yes	2	Yes	Yes	Yes	5	4
7	DMIC Pithampur Jal Prabhandhan Ltd	Yes	No	Not Received	Yes	Yes	Yes	Not Received	Not Received
8	MP Public Health Services Corporation Ltd	Yes	No	2	Yes	Yes	Yes	5	1
9	MP Jal Nigam Maryadit	Yes	Yes	1	Yes	Yes	Yes	1	2
10	MP Industrial Development Corporation Ltd	Yes	No	Not Received	Yes	Yes	No	Not Received	Not Received
11	MP State Civil Supplies Corporation Ltd	Yes	Yes	Not Received	Yes	Yes	No	Not Received	Not Received
12	Madhya Pradesh State Assets Company Management Limited	Yes	No	Not Received	Yes	Yes	Yes	Not Received	Not Received
13	MP State Road Transport Corporation	Yes	Yes	Not Received	Yes	Yes	Yes	Not Received	Not Received
14	MP Financial Corporation	Yes	Yes	Nil	Yes	Yes	Yes	3	1
15	MP State Industrial Development Corporation Ltd	Yes	No	Nil	Yes	Yes	Yes	1	Nil

Sl. No.	Name of SPSEs	Requirement of		Nos. of Independent Directors as on 31.03.2023	Requirement of			No. of Board Meetings	No. of Audit Committee Meetings
		Independent Director	Woman Director		Audit Committee	NRC	KMP		
16	MP Adivasi Vitta Evam Vikas Nigam Ltd	Yes	No	Not Received	Yes	Yes	Yes	Not Received	Not Received
17	MP Warehousing and Logistics Corporation	Yes	Yes	Nil	Yes	Yes	No	3	Nil
18	Pithampur Auto Cluster Ltd	Yes	No	Nil	Yes	Yes	Yes	4	4
19	MP Jaypee Coal Ltd	Yes	No	Nil	Yes	Yes	Yes	4	Nil
20	MP Jaypee Coal Fields Ltd	Yes	No	Nil	Yes	Yes	Yes	4	Nil
21	MP Jaypee Minerals Ltd	Yes	No	Nil	Yes	Yes	Yes	4	1
22	M.P. Urban Development Corporation Ltd	Yes	No	2	Yes	Yes	Yes	1	1
23	MP Road Development Corporation Ltd	Yes	No	Not Received	Yes	Yes	Yes	Not Received	Not Received
24	MP Police Housing and Infrastructure Development Corporation Ltd	Yes	No	Not Received	Yes	Yes	No	Not Received	Not Received
25	Narmada Basin Projects Company Ltd	Yes	Yes	2	Yes	Yes	Yes	1	1
26	MP Metro Rail Company Ltd	Yes	Yes	Nil	Yes	Yes	Yes	5	1
27	Ujjain Smart City Ltd	Yes	Yes	Not Received	Yes	Yes	Yes	Not Received	Not Received
28	Bhopal Smart City Development Corporation Ltd	Yes	Yes	3	Yes	Yes	Yes	4	1
29	Gwalior Smart City Development Corporation Ltd	Yes	Yes	Not Received	Yes	Yes	Yes	Not Received	Not Received
30	Jabalpur Smart City Ltd	Yes	Yes	2	Yes	Yes	Yes	4	1
31	Indore Smart City Development Ltd	Yes	Yes	2	Yes	Yes	Yes	3	2
32	Sagar Smart City limited	Yes	Yes	Not Received	Yes	Yes	Yes	Not Received	Not Received
33	MP Plastic Park Development Corporation Ltd	No	No	NA	No	Yes	Yes	4	1
34	MP Plastic City Development Corporation Gwalior Ltd	No	No	NA	No	Yes	Yes	Nil	NA
35	DMIC Vikram Udyogpuri Ltd	No	No	NA	No	No	No	4	NA
36	MP State Tourism Development Corporation Ltd	No	No	NA	No	No	No	3	NA

Sl. No.	Name of SPSEs	Requirement of		Nos. of Independent Directors as on 31.03.2023	Requirement of			No. of Board Meetings	No. of Audit Committee Meetings
		Independent Director	Woman Director		Audit Committee	NRC	KMP		
37	MP Tourism Board	No	No	NA	No	No	No	Nil	NA
38	MP Rajya Van Vikas Nigam Ltd	No	No	NA	No	No	No	4	NA
39	MP State Agro Industries Development Corporation Ltd	No	No	NA	No	No	No	1	NA
40	MP State Electronics Development Corporation Ltd	No	No	NA	No	No	No	4	3
41	M.P. Sainik Coal Mining Private Ltd	No	No	NA	No	No	No	4	2
42	Optel Telecommunication Ltd	No	No	NA	No	No	No	NA	NA
43	MP Urja Vikas Nigam Ltd (MPUVNL)	No	No	NA	No	No	No	Nil	NA
44	Shahpura Thermal Power Company Ltd (STPCL)	No	No	NA	No	No	No	4	NA
45	Bansagar Thermal Power Company Ltd (BTPCL)	No	No	NA	No	No	No	4	NA
46	Shri Singaji Power Project Ltd (SSPPL)	No	No	NA	No	No	No	5	NA
47	MP Hotel Corporation Ltd	No	No	NA	No	No	No	Nil	NA
48	MP Laghu Udyog Nigam Ltd	No	No	NA	No	No	No	5	NA
49	MP & Maharashtra Minerals & Chemicals Ltd	No	No	NA	No	No	No	Nil	NA
50	Burhanpur City Transport Service Ltd,	No	No	NA	No	No	No	Nil	NA
51	Ratlam Bus Services Ltd, Ratlam	No	No	NA	No	No	No	Nil	NA
52	Sagar City Transport Services Limited	No	No	NA	No	No	No	Nil	NA
53	The Provident Investment Company Ltd	No	No	NA	No	No	No	Nil	NA
54	MP Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Ltd	No	No	NA	No	No	No	Nil	NA
55	M.P. Venture Finance Ltd	No	No	NA	No	No	No	Nil	NA
56	M.P. Venture Finance Trustee Ltd	No	No	NA	No	No	No	Nil	NA
57	MP Panchayati Raj Vitta Evam Gramin Vikas Nigam Ltd	No	No	NA	No	No	No	Nil	NA
58	MP Film Development Corporation Ltd	No	No	NA	No	No	No	Nil	NA
59	Bhopal Electronics Manufacturing Park Ltd	No	No	NA	No	No	No	Nil	NA

Sl. No.	Name of SPSEs	Requirement of		Nos. of Independent Directors as on 31.03.2023	Requirement of			No. of Board Meetings	No. of Audit Committee Meetings
		Independent Director	Woman Director		Audit Committee	NRC	KMP		
60	Jabalpur Electronics Manufacturing Park Ltd	No	No	NA	No	No	No	Nil	NA
61	MP State Mining Corporation Ltd	No	No	NA	No	No	No	Nil	NA
62	Sant Ravidas MP Hastha Shilp Evam Hath Kargha Vikas Nigam Ltd	No	No	NA	No	No	No	4	NA
63	MP AMRL (Semaria) Coal Company Ltd	No	No	NA	No	No	No	Nil	NA
64	MP AMRL (Morga) Coal Company Ltd	No	No	NA	No	No	No	Nil	NA
65	MP AMRL (Bicharpur) Coal Company Ltd	No	No	NA	No	No	No	Nil	NA
66	MP AMRL (Marki Barka) Coal Company Ltd	No	No	NA	No	No	No	Nil	NA
67	MP Monnet Mining Company Ltd	No	No	NA	No	No	No	Nil	NA
68	MP Vidyut Yantra Ltd	No	No	NA	No	No	No	Nil	NA
69	MP Building Development Corporation Ltd	No	No	NA	No	No	No	1	NA
70	Singrauli Airport Company Ltd	No	No	NA	No	No	No	Nil	NA
71	Satna Smart City Development Ltd	No	No	NA	No	No	No	Nil	NA
72	B-Nest Foundation	No	No	NA	No	No	No	2	NA
73	Indore Idea Factory Foundation	No	No	NA	No	No	No	4	NA

Appendix 1.6

(Referred to in Paragraph 1.19.1)

Internal Audit Framework

Sl. No	Name of the SPSE	Frequency of Internal Audit	Internal Audit observations/ Progress Reported to
1	Madhya Pradesh Jaypee Minerals Limited	Annual	Nil
2	Madhya Pradesh Power Transmission Company Limited	Annual	Internal Auditor submits report to that Auditee offices along with copy to their concern HoD office & Internal Audit wing of the company
3	Madhya Pradesh Power Management Company Limited	Annual	Board of Directors and Audit Committee
4	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	Half Yearly	Audit Committee
5	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	Quarterly	Nil
6	Madhya Pradesh Urban Development Corporation Limited	Quarterly	Managing Director
7	Madhya Pradesh Metro Rail Company Limited	Annual	Management
8	Jabalpur Smart City Development Corporation Limited	Daily	Management
9	Narmada Basin Projects Company Limited	Quarterly	Audit Committee
10	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	Annual	Nil
11	MP State Industrial Development Corporation Ltd	Quarterly	Nil
12	MP Warehousing and Logistics Corporation	Annual	Nil
13	Bhopal Smart City Development Corporation Ltd	Annual	Nil
14	Madhya Pradesh Finance Corporation	Nil	Nil
15	Madhya Pradesh Jal Nigam Maryadit	Nil	Nil
16	Madhya Pradesh Power Generating Company Limited	Nil	Nil
17	Indore Smart City Development Ltd	Nil	Nil
18	DMIC Pithampur Jal Prabhandhan Ltd	Not Received	Not Received
19	MP Industrial Development Corporation Ltd	Not Received	Not Received
20	MP State Civil Supplies Corporation Ltd	Not Received	Not Received
21	MP State Road Transport Corporation	Not Received	Not Received
22	MP Police Housing and Infrastructure Development Corporation Ltd	Not Received	Not Received
23	Ujjain Smart City Ltd	Not Received	Not Received
24	Gwalior Smart City Development Corporation Ltd	Not Received	Not Received
25	Sagar Smart City limited	Not Received	Not Received

Appendix 2.1.1
(Referred to in Paragraph 2.1.5.4)
Short recovery of lease rent due to delay in execution of Lease Deeds

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LoA Date	Registry Date	Lease Rent @ 1%	Delay in execution in lease deed from LoA (in years)	Total period of short recovery of lease rent from lease deed upto March 2023 (in years)	Amount of lease rent
1	Bhopal	A30	1	ESDM	Green Surfer Pvt. Ltd.	10-11-2015	08-05-2018	40,486	2.5	58	1,95,682
2	Bhopal	A31	1	ESDM	Green Surfer Pvt. Ltd.	10-11-2015	08-05-2018	0	2.5	0	
3	Bhopal	A32	1.05	ESDM	Heaven Techno Systems	17-09-2015	16-04-2019	21,255	3.6	47	83,249
4	Bhopal	B16	0.47	IT	Net Legends	06-01-2016	31-08-2017	10,121	1.7	67	56,509
5	Bhopal	B37	0.458	IT	VRD Network Communication (P) Ltd.	27-04-2015	10-04-2019	9,312	4.0	47	36,472
6	Bhopal	B47	0.929	ITeS	Jainson Info Tech, Bhopal	25-03-2015	25-05-2019	18,806	4.2	46	72,090
7	Bhopal	B52	0.944	ITeS	Soluzione IT Services Pvt. Ltd,	07-04-2015	21-02-2017	20,243	1.9	73	1,23,145
8	Bhopal	C6	1.358	ITeS	We Win Ltd.	29-05-2015	17-01-2017	27,328	1.6	74	1,68,523
9	Bhopal	C 10	3	ESDM	HLBS Tech.Pvt. Ltd.	31-03-2014	03-04-2019	72,874	5.0	47	2,85,423
10	Indore	18	1.09	IT	NewTech Fusion Cybertech Pvt Ltd	28-03-2014	14-05-2019	10,121	5.1	46	38,797
11	Jabalpur	2	0.86	ESDM	Premsons Enterprises	31-08-2015	23-06-2017	17,409	1.8	69	10,0,102
12	Jabalpur	3	1	ESDM	Saffron Solar System	16-07-2014	24-11-2016	20,243	2.4	76	1,28,206
13	Jabalpur	7	0.23	ESDM	Satyajeet Suntech	11-03-2016	20-01-2020	4,700	3.9	38	14,883
14	Jabalpur	17A	0.13	ESDM	Akshat IT & Electronics	25-05-2015	23-08-2017	2,323	2.2	67	12,970
15	Jabalpur	17F	0.11	ESDM	Sneh Krishi Kendra	13-01-2015	06-03-2017	2,324	2.1	72	13,944
16	Jabalpur	17L	0.115	ESDM	ORC Electronics India Pvt Ltd	23-07-2015	23-08-2017	2,323	2.1	67	12,970

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LoA Date	Registry Date	Lease Rent @ 1%	Delay in execution in lease deed from LoA (in years)	Total period of short recovery of lease rent from lease deed upto March 2023 (in years)	Amount of lease rent
17	Jabalpur	A	0.49	ITeS	Net Serve Solutions	11-05-2015	27-11-2017	10,121	2.6	64	53,979
18	Jabalpur	11	0.23	ESDM	Diamond Electrical and Electronics	11-05-2015	06-03-2017	4,646	1.10	72	27,876
19	Jabalpur	D	0.87	ITeS	Sai Graphics	15-06-2015	23-06-2017	17,611	2.0	69	1,01,263
20	Bhopal	B22	0.45	ITeS	S S Technologies & Solutions Pvt. Ltd.	24-02-2015	27-08-2020	9,109	5.5	31	23,532
21	Bhopal	B30	0.456	ITeS	Jet wave Solutions Pvt. Ltd.	06-01-2016	29-07-2020	9,182	4.6	32	24,485
22	Bhopal	B 45	0.922	ITeS	Sagacity Softwares Pvt Ltd	29-03-2014	14-08-2020	16,798	6.5	31	43,395
23	Bhopal	B50	0.926	ITeS	Junction Software Pvt. Ltd	15-04-2015	17-06-2020	18,745	5.2	33	51,549
Total			18.09					3,66,080			14,73,361

Appendix 2.1.2

(Referred to in Paragraph 2.1.5.7)

Details of non-recovery of maintenance charges from the firms

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	(Amount in ₹)	
											Maint. charges due as on 31.03.2023	
1	Bhopal	A7A	0.51	ESDM	Thakur Technology	27-01-2021	15-09-2021	18	1.5	2063.97	15,480	
2	Bhopal	A7B	0.51	ESDM	Thakur Technology	27-01-2021	15-09-2021	18	1.5	2063.97	15,480	
3	Bhopal	A9	1	ESDM	Future Green India	24-07-2019	03-01-2020	38	3.2	4047	64,078	
4	Bhopal	A11	0.5	ESDM	Deemaas Future Pvt. Ltd.	27-01-2021	08-10-2021	17	1.4	2023.5	14,333	
5	Bhopal	A10	1	ESDM	Lytage Electrical Pvt Ltd.	28-01-2021	11-02-2021	25	2.1	4047	42,156	
6	Bhopal	A12	1.66	ESDM	Goldust Technologies Pvt. Ltd.	03-11-2021	08-12-2021	15	1.3	6718.02	41,988	
7	Bhopal	A13	1.72	ESDM	Goldust Technologies Pvt. Ltd.	03-11-2021	08-12-2021	15	1.3	6960.84	43,505	
8	Bhopal	A14A	0.54	ESDM	Tejas Enterprises	28-01-2021	04-03-2021	24	2.0	2185.38	21,854	
9	Bhopal	A15A	0.62	ESDM	Inglow Electrical	27-01-2021	15-09-2021	18	1.5	2509.14	18,819	
10	Bhopal	A15B	0.47	ESDM	Inglow Electrical	27-01-2021	15-09-2021	18	1.5	1902.09	14,266	
11	Bhopal	A16	1.15	IT	Magnet Brains Software Technology	08-11-2021	16-11-2021	16	1.3	4654.05	31,027	
12	Bhopal	A17	1.17	ITeS	Splash India Private Limited	25-01-2021	02-08-2021	19	1.6	4734.99	37,485	
13	Bhopal	A18	1.71	ITeS	Splash India Private Limited	25-01-2021	02-08-2021	19	1.6	6920.37	54,786	
14	Bhopal	A19	1.05	IT	Appointy Information Technology Pvt. Ltd.	03-09-2019	30-09-2019	42	3.5	4249.35	74,364	
15	Bhopal	A20	1.19	IT	Appointy Information Technology Pvt. Ltd.	03-09-2019	30-09-2019	42	3.5	4815.93	84,279	

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
16	Bhopal	A21	1.24	IT	Appointy Information Technology Pvt. Ltd.	03-09-2019	30-09-2019	42	3.5	5018.28	87,820
17	Bhopal	A25	1	ESDM	Shruti media services Private Ltd.	30-11-2017	26-08-2019	43	3.6	4047	72,509
18	Bhopal	A26	1	ESDM	Shruti media services Private Ltd.	30-11-2017	26-08-2019	43	3.6	4047	72,509
19	Bhopal	A27	1	ESDM	Shruti media services Private Ltd.	30-11-2017	26-08-2019	43	3.6	4047	72,509
20	Bhopal	A28	0.78	ESDM	Shruti media services Private Ltd.	30-11-2017	26-08-2019	43	3.6	3156.66	56,557
21	Bhopal	A29	1.22	ESDM	Green Surfer LLP	27-01-2021	13-08-2021	19	1.6	4937.34	39,087
22	Bhopal	A30	1	ESDM	Green Surfer Pvt. Ltd.	10-11-2015	08-05-2018	58	4.8	4047	97,803
23	Bhopal	A31	1	ESDM	Green Surfer Pvt. Ltd.	10-11-2015	08-05-2018	58	4.8	4047	97,803
24	Bhopal	A32	1.05	ESDM	Heaven Techno Systems	17-09-2015	16-04-2019	47	3.9	4249.35	83,216
25	Bhopal	A33	0.9	ESDM	Dream Telecommunication	24-12-2019	17-07-2020	32	2.7	3642.3	48,564
26	Bhopal	A34	1	ESDM	Green Surfer LLP	27-01-2021	13-08-2021	19	1.6	4047	32,039
27	Bhopal	A35	1	ESDM	Green Surfer LLP	27-01-2021	13-08-2021	19	1.6	4047	32,039
28	Bhopal	A36	1	ESDM	Sohum Innovation Labs India Pvt. Ltd.	28-01-2021	12-03-2021	24	2.0	4047	40,470
29	Bhopal	A37	0.73	ESDM	Shruti media services Private Ltd.	30-11-2017	26-08-2019	43	3.6	2954.31	52,931
30	Bhopal	A38	1	ESDM	Shruti media services Private Ltd.	30-11-2017	26-08-2019	43	3.6	4047	72,509
31	Bhopal	A39	1	ESDM	Shruti media services Private Ltd.	30-11-2017	26-08-2019	43	3.6	4047	72,509
32	Bhopal	A40	1	ESDM	Shruti media services Private Ltd.	30-11-2017	26-08-2019	43	3.6	4047	72,509
33	Bhopal	B1	3.59	ITeS	DSE Technologies Pvt. Ltd.	22-01-2021	30-07-2021	20	1.7	14528.73	1,21,073

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due on 31.03.2023
34	Bhopal	B2	1.41	ITeS	Zappian Media Private Limited	25-01-2021	31-03-2021	24	2.0	5706.27	57,063
35	Bhopal	B4	1	IT	Dauto Engineering Pvt. Ltd.	18-03-2019	10-07-2019	44	3.7	4047	74,195
36	Bhopal	B5	1	IT	Dauto Engineering Pvt. Ltd.	18-03-2019	10-07-2019	44	3.7	4047	74,195
37	Bhopal	B6	0.47	IT	Vaneesha Technologies	31-01-2019	24-05-2019	46	3.8	1902.09	36,457
38	Bhopal	B7	0.47	ITeS	Technotask Business Solution Pvt. Ltd.	13-04-2022	13-04-2022	11	0.9	1902.09	8,718
39	Bhopal	B8A	0.24	ESDM	Loominious VR Power Pvt. Ltd.	28-01-2021	11-10-2021	17	1.4	971.28	6,880
40	Bhopal	B8B	0.24	ESDM	Loominious VR Power Pvt. Ltd.	28-01-2021	11-10-2021	17	1.4	971.28	6,880
41	Bhopal	B 10	0.47	ESDM	Aadarsh Technosoft	26-06-2018	20-08-2020	31	2.6	1902.09	24,569
42	Bhopal	B 11	0.4	ESDM	Aadarsh Technosoft	26-09-2018	20-08-2020	31	2.6	1618.8	20,910
43	Bhopal	B12	0.45	IT	Seehawk Technologies Pvt. Ltd.	08-11-2021	01-06-2022	9	0.8	1821.15	6,829
44	Bhopal	B13	0.47	IT	Balaji Associates	25-01-2021	30-07-2021	20	1.7	1902.09	15,851
45	Bhopal	B14	0.47	ITeS	Technotask Business Solution Pvt. Ltd.	26-01-2021	31-03-2021	24	2.0	1902.09	19,021
46	Bhopal	B15	0.47	IT	Vaneesha Technologies	31-01-2019	24-05-2019	46	3.8	1902.09	36,457
47	Bhopal	B16	0.47	IT	Net Legends	06-01-2016	31-08-2017	67	5.6	1902.09	53,100
48	Bhopal	B17	0.47	ESDM	Shivam Electrical & Electronics	23-01-2020	16-07-2020	32	2.7	1902.09	25,361
49	Bhopal	B18A	0.24	ESDM	Plexus IT Solution	25-01-2021	25-06-2021	21	1.8	971.28	8,499
50	Bhopal	B18B	0.28	ESDM	Inglow Electrical	27-01-2021	21-06-2021	21	1.8	1133.16	9,915
51	Bhopal	B19A	0.2	ESDM	Loominious VR Power Pvt. Ltd.	28-01-2021	11-10-2021	17	1.4	809.4	5,733

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
52	Bhopal	B19B	0.24	ESDM	Loominous VR Power Pvt. Ltd.	29-01-2021	11-10-2021	17	1.4	971.28	6,880
53	Bhopal	B20	0.47	ESDM	Shivam Electrical & Electronics	23-01-2020	16-07-2020	32	2.7	1902.09	25,361
54	Bhopal	B22	0.45	ITeS	S S Technologies & Solutions Pvt. Ltd.	24-02-2015	27-08-2020	31	2.6	1821.15	23,523
55	Bhopal	B23	0.452	ESDM	I.E.S Consultancy Services Pvt.Ltd.	26-10-2017	14-05-2019	46	3.8	1829.244	35,061
56	Bhopal	B24	0.453	IT	NetCreativemind Solutions Pvt. Ltd.	11-11-2016	12-09-2019	42	3.5	1833.291	32,083
57	Bhopal	B25	0.455	ITeS	Infrared Power IT Solutions Pvt. Ltd.	07-04-2017	18-08-2020	31	2.6	1841.385	23,785
58	Bhopal	B26	0.455	ITeS	Grow More IT Solutions Pvt. Ltd.	03-01-2017	05-04-2019	47	3.9	1841.385	36,060
59	Bhopal	B28	0.458	ITeS	IT & Research Centre	11-11-2016	31-10-2017	65	5.4	1853.526	50,200
60	Bhopal	B30	0.456	ITeS	Jet wave Solutions Pvt. Ltd.	06-01-2016	29-07-2020	32	2.7	1845.432	24,606
61	Bhopal	B32	0.453	IT	Simption Tech Pvt. Ltd.,	08-01-2019	02-04-2019	47	3.9	1833.291	35,902
62	Bhopal	B35	0.456	IT	Digital Democracy	26-08-2017	31-01-2020	38	3.2	1845.432	29,219
63	Bhopal	B36	0.45	IT	EKSPE Software LLP	25-01-2021	10-06-2021	21	1.8	1821.15	15,935
64	Bhopal	B37	0.458	IT	VRD Network Communication (P) Ltd.	27-04-2015	10-04-2019	47	3.9	1853.526	36,298
65	Bhopal	B38A	0.23	ITeS	Optico Solutions Pvt. Ltd.	08-11-2021	25-02-2022	13	1.1	930.81	5,042
66	Bhopal	B38B	0.23	IT	Luminous Green Pvt. Ltd.	03-11-2021	29-12-2021	15	1.3	930.81	5,818
67	Bhopal	B39A	0.23	ITeS	Chanakyaaxis Infotech	25-01-2021	06-04-2021	23	1.9	930.81	8,920
68	Bhopal	B39B	0.23	IT	Triosoftware Technologies Pvt. Ltd.	27-01-2021	08-10-2021	17	1.4	930.81	6,593

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due on 31.03.2023
69	Bhopal	B40	0.452	IT	Vision Invest Tech Pvt Ltd	27-06-2017	24-04-2019	47	3.9	1829.244	35,823
70	Bhopal	B41 A	0.23	ITeS	Samradhi Infotech	09-04-2018	10-04-2019	47	3.9	930.81	18,228
71	Bhopal	B41 B	0.226	IT	Synet Infotech	09-04-2018	03-04-2019	47	3.9	914.622	17,911
72	Bhopal	B42	0.456	ESDM	I.E.S Consultancy Services Pvt.Ltd.	26-10-2017	14-05-2019	46	3.8	1845.432	35,371
73	Bhopal	B43	0.46	IT	AISECT Ltd.	25-01-2021	13-08-2021	19	1.6	1861.62	14,738
74	Bhopal	B44	0.9	ITeS	J M Exploration Pvt. Ltd.	22-01-2021	31-08-2021	19	1.6	3642.3	28,835
75	Bhopal	B45	0.922	ITeS	Sagacity Softwares Pvt. Ltd.	29-03-2014	14-08-2020	31	2.6	3731.334	48,196
76	Bhopal	B47	0.929	ITeS	Jainson Info Tech, Bhopal	25-03-2015	25-05-2019	46	3.8	3759.663	72,060
77	Bhopal	B49	0.92	ESDM	Plexus IT Solution	09-11-2021	29-01-2022	14	1.2	3723.24	21,719
78	Bhopal	B50	0.926	ITeS	Junction Software Pvt. Ltd.	15-04-2015	17-06-2020	33	2.8	3747.522	51,528
79	Bhopal	B52	0.944	ITeS	Soluzione IT Services Pvt. Ltd,	07-04-2015	21-02-2017	73	6.1	3820.368	1,16,203
80	Bhopal	C1	4	ITeS	Xtranet Technologies Pvt. Ltd.	05-06-2018	12-03-2019	48	4.0	16188	3,23,760
81	Bhopal	C3	5	IT	Cyber Futuristic	03-05-2014	04-06-2015	93	7.8	20235	7,84,106
82	Bhopal	C6	1.358	ITeS	We Win Ltd.	29-05-2015	17-01-2017	74	6.2	5495.826	1,69,455
83	Bhopal	C10	3	ESDM	HLBS Tech.Pvt. Ltd.	31-03-2014	03-04-2019	47	3.9	12141	2,37,761
84	Bhopal	C13A	0.23	ESDM	Skill Engineer Services	03-11-2021	01-03-2022	12	1.0	930.81	4,654
85	Bhopal	C14 B	0.25	ESDM	M.D Plastics	03-11-2021	19-01-2022	14	1.2	1011.75	5,902
86	Indore	2	5.27	IT	Tudip Technologies	24-10-2019	04-11-2020	28	2.3	21327.69	3,98,117

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
87	Indore	4	1.97	IT	Basic Digital Solution Pvt Ltd	06-12-2018	18-02-2021	25	2.1	7972.59	1,32,877
88	Indore	6A	2.61	ESDM	Tenco System & Switch Gears Pvt Ltd Indore	12-07-2019	11-09-2019	42	3.5	10562.67	2,95,755
89	Indore	9	0.11	ITeS	Codenscious Technology Pvt Ltd	23-01-2021	28-07-2021	20	1.7	445.17	5,936
90	Indore	15	0.65	ESDM	Samyak Computers Pvt Ltd	26-10-2019	11-03-2020	36	3.0	2630.55	63,133
91	Indore	16	0.65	IT	Mono Infotech	23-01-2021	14-06-2021	21	1.8	2630.55	36,828
92	Indore	17	0.91	IT	Netcom Computers	08-11-2021	07-01-2022	14	1.2	3682.77	34,373
93	Indore	18	1.09	IT	NewTech Fusion Cybertech Pvt Ltd	28-03-2014	14-05-2019	46	3.8	4411.23	1,35,278
94	Indore	19	0.61	ITeS	I Job Consultancy	12-07-2019	18-09-2019	42	3.5	2468.67	69,123
95	Indore	20	0.61	ESDM	Trumen Technologies Pvt Ltd	24-03-2018	15-05-2019	46	3.8	2468.67	75,706
96	Indore	21	0.97	ITeS	Shrinkcom Software Pvt Ltd	27-01-2021	16-08-2021	19	1.6	3925.59	49,724
97	Indore	23	3.26	ITeS	Splash India Pvt Ltd	27-01-2021	04-08-2021	19	1.6	13193.22	1,67,114
98	Indore	24	3	ESDM	Appalto Electronics Pvt Ltd	28-01-2021	24-03-2021	24	2.0	12141	1,94,256
99	Indore	25	2.93	ESDM	Appalto Electronics Pvt Ltd	28-01-2021	24-03-2021	24	2.0	11857.71	1,89,723
100	Indore	26	3	ITeS	Blackvolt Digital Pvt Ltd	25-01-2021	23-06-2021	21	1.8	12141	1,69,974
101	Indore	27	2.12	ITeS	PolicyX.Com Insurance Web Aggregator Pvt Ltd	26-10-2019	03-01-2020	38	3.2	8579.64	2,17,351
102	Indore	28	1.05	ESDM	Hertz Techno Systems	24-03-2017	24-07-2019	44	3.7	4249.35	1,24,648
103	Indore	29	1.05	IT	Cybind Technologies	22-01-2021	25-02-2021	25	2.1	4249.35	70,823
104	Indore	30	1.1	IT	Spundan Consultancy & IT Solutions Pvt Ltd	24-01-2020	05-10-2020	29	2.4	4451.7	86,066

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
105	Indore	31	0.52	IT	Ideal IT Solution Pvt Ltd	01-03-2019	10-12-2019	39	3.3	2104.44	54,715
106	Indore	32	0.52	ESDM	Ganit Star Engineering	08-01-2019	30-04-2019	47	3.9	2104.44	65,939
107	Indore	33A	0.23	ESDM	Instrumentation & Control Solutions	08-01-2019	03-05-2019	46	3.8	930.81	28,545
108	Indore	33B	0.22	ESDM	Calibrate India	01-03-2019	11-06-2019	45	3.8	890.34	26,710
109	Indore	34	0.52	IT	Ideal IT Solution Pvt Ltd	24-10-2019	10-12-2019	39	3.3	2104.44	54,715
110	Indore	35	0.52	ESDM	Ganit Star Engineering	08-01-2019	30-04-2019	47	3.9	2104.44	65,939
111	Indore	36	0.52	IT	Integra Micro Systems Pvt Ltd	22-01-2021	31-08-2021	19	1.6	2104.44	26,656
112	Indore	37	0.94	IT	Five Exception Software Solutions Pvt Ltd	25-01-2021	14-06-2021	21	1.8	3804.18	53,259
113	Indore	38	0.87	IT	Parkhya Solution Pvt Ltd	24-03-2017	10-10-2017	65	5.4	3520.89	1,52,572
114	Indore	39	0.81	IT	Dauto Engineering Pvt Ltd	20-09-2017	15-04-2019	47	3.9	3278.07	1,02,713
115	Indore	40A	0.4685	IT	ABS Softtech Pvt Ltd	14-02-2019	17-12-2020	27	2.3	1896.02	34,128
116	Indore	40B	0.34	ESDM	Analog Powertech Engineering	12-07-2019	03-10-2019	41	3.4	1375.98	37,610
117	Indore	41	0.34	IT	Disambi Electronics Technology Pvt Ltd	08-11-2021	13-10-2022	5	0.4	1375.98	4,587
118	Jabalpur	1A	1	ITeS	TSD Corporation	17-07-2019	16-08-2019	43	3.6	4047	72,509
119	Jabalpur	1B	0.41	ESDM	Apple Hardware	01-08-2017	08-03-2019	48	4.0	1659.27	33,185
120	Jabalpur	2	0.86	ESDM	Premsons Enterprises	31-08-2015	23-06-2017	69	5.8	3480.42	1,00,062
121	Jabalpur	3	1	ESDM	Saffron Solar System	16-07-2014	24-11-2016	76	6.3	4047	1,28,155
122	Jabalpur	4A	0.5	IT	Kreyons System Pvt Ltd	12-07-2019	05-10-2019	41	3.4	2023.5	34,568

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
123	Jabalpur	4B	0.12	ESDM	S-Qube Solutions	31-01-2019	03-10-2019	41	3.4	485.64	8,296
124	Jabalpur	4C	0.23	ESDM	Smart Building Solutions	03-06-2019	03-10-2019	41	3.4	930.81	15,901
125	Jabalpur	4D	0.23	ESDM	Lider Electric	03-06-2019	12-09-2019	42	3.5	930.81	16,289
126	Jabalpur	4E	0.115	ESDM	Khushi Electronics	03-06-2019	12-11-2020	28	2.3	465.405	5,430
127	Jabalpur	5	1	ESDM	Dinesh Enterprises	02-08-2017	09-03-2019	48	4.0	4047	80,940
128	Jabalpur	6	0.89	ESDM	Parihar Works	31-01-2019	09-03-2019	48	4.0	3601.83	72,037
129	Jabalpur	6A	0.46	ESDM	Aashirwad Hardware	02-08-2017	08-03-2019	48	4.0	1861.62	37,232
130	Jabalpur	6B	0.459	ESDM	KKM Arts	31-01-2019	08-03-2019	48	4.0	1857.573	37,151
131	Jabalpur	7	0.23	ESDM	Satyajeet Suntech	11-03-2016	20-01-2020	38	3.2	930.81	14,738
132	Jabalpur	8	0.23	ESDM	Ankit Transmission	27-10-2016	23-10-2020	29	2.4	930.81	11,247
133	Jabalpur	9	0.23	ESDM	Aditi Electrical	09-07-2017	27-11-2017	64	5.3	930.81	24,822
134	Jabalpur	10	0.23	ESDM	Anode Electric Pvt Ltd.	04-01-2017	23-08-2017	67	5.6	930.81	25,985
135	Jabalpur	11	0.23	ESDM	Diamond Electrical & Electronic	11-05-2015	06-03-2017	72	6.0	930.81	27,924
136	Jabalpur	12	0.23	ESDM	Asicon Electro Inovations Pvt Ltd	02-08-2017	09-03-2019	48	4.0	930.81	18,616
137	Jabalpur	13	0.23	ESDM	Asicon Electro Inovations Pvt Ltd	02-08-2017	09-03-2019	48	4.0	930.81	18,616
138	Jabalpur	15	0.23	ESDM	Ambuj Nanomedics	29-08-2017	18-11-2020	28	2.3	930.81	10,859
139	Jabalpur	14	0.23	ESDM	Aditi Electrical	09-07-2017	27-11-2017	64	5.3	930.81	24,822
140	Jabalpur	16	0.23	ESDM	Aqua Solutions	04-03-2017	24-08-2017	67	5.6	930.81	25,985

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
141	Jabalpur	17A	0.13	ESDM	Akshat IT & Electronics	25-05-2015	23-08-2017	67	5.6	526.11	14,687
142	Jabalpur	17B	0.115	ESDM	Sun Rise Suppliers	02-08-2017	25-05-2019	46	3.8	465.405	8,920
143	Jabalpur	17C	0.115	ESDM	Narmada Enterprises	02-08-2017	08-03-2019	48	4.0	465.405	9,308
144	Jabalpur	17D	0.115	ESDM	Tripura Solutions	26-08-2017	18-06-2019	45	3.8	465.405	8,726
145	Jabalpur	17E	0.13	IT	V.R Technology	02-08-2017	06-05-2019	46	3.8	526.11	10,084
146	Jabalpur	17F	0.11	ESDM	Sneh Krishi Kendra	13-01-2015	06-03-2017	72	6.0	445.17	13,355
147	Jabalpur	17G	0.115	ESDM	S.B. Engg Works	02-08-2017	25-05-2019	46	3.8	465.405	8,920
148	Jabalpur	17H	0.115	ESDM	Nicotech Techno India Pvt Ltd.	08-09-2017	09-03-2019	48	4.0	465.405	9,308
149	Jabalpur	17I	0.13	ESDM	Nocnil Pharma	12-12-2017	27-03-2020	36	3.0	526.11	7,892
150	Jabalpur	17J	0.13	ESDM	Messers Three GM Protecta	05-09-2017	17-06-2019	45	3.8	526.11	9,865
151	Jabalpur	17K	0.12	ESDM	Shree Engineering Works	23-10-2017	28-01-2021	26	2.2	485.64	5,261
152	Jabalpur	17L	0.115	ESDM	ORC Electronics India Pvt Ltd	23-07-2015	23-08-2017	67	5.6	465.405	12,993
153	Jabalpur	18	0.3	ESDM	Sarowa Pumps Industries	27-01-2021	28-06-2021	21	1.8	1214.1	10,623
154	Jabalpur	19	0.5	ESDM	KTT Tech & Fab	01-08-2017	08-03-2019	48	4.0	2023.5	40,470
155	Jabalpur	20	0.65	ESDM	Shankar Secure Vision	16-11-2016	23-10-2020	29	2.4	2630.55	31,786
156	Jabalpur	21	0.23	ESDM	Shivam Eco Tech	23-10-2017	23-06-2020	33	2.8	930.81	12,799
157	Jabalpur	22	0.5	ITeS	Cognic System Pvt Ltd	16-08-2017	09-03-2019	48	4.0	2023.5	40,470
158	Jabalpur	23	0.459	ESDM	SSS Industries	01-03-2019	19-08-2020	31	2.6	1857.573	23,994
159	Jabalpur	24	0.5	IT	Nueva Software	01-03-2019	15-10-2019	41	3.4	2023.5	34,568

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
160	Jabalpur	25	0.44	ESDM	Peripheral Technocartes		16-08-2019	43	3.6	1780.68	31,904
161	Jabalpur	26	0.43	ESDM	Peripheral Technocartes	01-03-2019	16-08-2019	43	3.6	1740.21	31,179
162	Jabalpur	27	0.46	IT	Aditya Infotech	08-01-2019	09-03-2019	48	4.0	1861.62	37,232
163	Jabalpur	28A	0.23	IT	K.P. Polypack International	03-06-2019	06-09-2019	42	3.5	930.81	16,289
164	Jabalpur	28B	0.23	ESDM	Serpentina	03-06-2019	06-09-2019	42	3.5	930.81	16,289
165	Jabalpur	29	0.44	ITeS	Ananya System	08-01-2017	07-03-2019	48	4.0	1780.68	35,614
166	Jabalpur	30	0.23	ESDM	Akul Dev Industries	03-06-2019	15-10-2019	41	3.4	930.81	15,901
167	Jabalpur	31	0.115	ESDM	Kesri Systems	18-08-2017	25-05-2019	46	3.8	465.405	8,920
168	Jabalpur	32	0.115	ESDM	Shri Vinayak Trading Company	03-06-2019	15-10-2019	41	3.4	465.405	7,951
169	Jabalpur	33	0.115	ESDM	Shri Vinayak Trading Company	03-06-2019	15-10-2019	41	3.4	465.405	7,951
170	Jabalpur	34	0.12	IT	Bhagava Media Solutions LLP	03-06-2019	15-10-2019	41	3.4	485.64	8,296
171	Jabalpur	35	0.12	ESDM	Baba Enterprises	03-06-2019	12-11-2020	28	2.3	485.64	5,666
172	Jabalpur	36	0.11	ITeS	Three J Associates	31-07-2017	30-03-2019	48	4.0	445.17	8,903
173	Jabalpur	37	0.11	ITeS	Three J Associates	31-07-2017	30-03-2019	48	4.0	445.17	8,903
174	Jabalpur	38	0.115	IT	Crimsons System	01-08-2017	08-03-2019	48	4.0	465.405	9,308
175	Jabalpur	39	0.115	IT	Crimsons System	01-08-2017	08-03-2019	48	4.0	465.405	9,308
176	Jabalpur	40	0.11	IT	Raikios Services Pvt Ltd.	03-06-2019	20-10-2020	29	2.4	445.17	5,379
177	Jabalpur	41	0.11	IT	Skystar Software Jabalpur	08-01-2019	07-03-2019	48	4.0	445.17	8,903
178	Jabalpur	42	0.111	ESDM	Amarjyoti Electronics	03-06-2019	18-11-2020	28	2.3	449.217	5,241

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
179	Jabalpur	43	0.69	IT	D Auto Engineering Pvt Ltd	31-07-2017	07-03-2019	48	4.0	2792.43	55,849
180	Jabalpur	44	0.61	IT	D Auto Engineering Pvt Ltd	31-07-2017	07-03-2019	48	4.0	2468.67	49,373
181	Jabalpur	45	0.47	IT	Daksh Jabalpur	25-10-2019	29-10-2020	29	2.4	1902.09	22,984
182	Jabalpur	46	0.47	IT	Agro Tech India	30-01-2021	07-09-2021	18	1.5	1902.09	14,266
183	Jabalpur	47A	0.23	ESDM	Agro Tech India	25-01-2021	09-07-2021	20	1.7	930.81	7,757
184	Jabalpur	47B	0.23	ESDM	Agro Tech India	25-01-2021	09-07-2021	20	1.7	930.81	7,757
185	Jabalpur	48	0.47	ESDM	Agro Tech India	25-01-2021	09-07-2021	20	1.7	1902.09	15,851
186	Jabalpur	49	0.22	ESDM	Flame Electronics	28-01-2020	21-01-2021	26	2.2	890.34	9,645
187	Jabalpur	50	0.22	ESDM	Flame Electronics	28-01-2020	21-01-2021	26	2.2	890.34	9,645
188	Jabalpur	51	0.22	ESDM	Jabalpur Power And Technical Pvt Ltd	27-01-2021	16-08-2021	19	1.6	890.34	7,049
189	Jabalpur	52	0.22	ESDM	Ashish Computer Services	30-01-2021	28-06-2021	21	1.8	890.34	7,790
190	Jabalpur	53	0.22	ITeS	Design Zone	25-01-2021	16-08-2021	19	1.6	890.34	7,049
191	Jabalpur	54	0.2	ESDM	Bhors Power	30-01-2021	09-07-2021	20	1.7	809.4	6,745
192	Jabalpur	55	0.11	ITeS	Gurukripa Bpo Services	27-01-2021	27-10-2021	17	1.4	445.17	3,153
193	Jabalpur	56	0.11	ESDM	Mehta Construction	25-01-2021	27-10-2021	17	1.4	445.17	3,153
194	Jabalpur	58	0.11	ESDM	PCS & Associates	30-01-2021	28-06-2021	21	1.8	445.17	3,895
195	Jabalpur	59	0.11	ESDM	A S Digital	30-01-2021	27-10-2021	17	1.4	445.17	3,153
196	Jabalpur	60	0.11	ESDM	Surbhit Enterprises	29-01-2021	28-06-2021	21	1.8	445.17	3,895
197	Jabalpur	61	0.11	ESDM	Jabalpur E-Waste Cleaner	27-01-2021	09-07-2021	20	1.7	445.17	3,710

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
198	Jabalpur	62	0.11	ESDM	Ashish Computer Services	29-01-2021	28-06-2021	21	1.8	445.17	3,895
199	Jabalpur	63	0.11	ESDM	Rudra Industries	30-01-2021	28-06-2021	21	1.8	445.17	3,895
200	Jabalpur	64	0.22	IT	Progresso Tech	27-01-2021	27-10-2021	17	1.4	890.34	6,307
201	Jabalpur	65	0.22	ESDM	Slim Point and Beauty Clinic	30-01-2021	16-08-2021	19	1.6	890.34	7,049
202	Jabalpur	66	0.22	ESDM	Al Raza Motors	27-01-2021	28-06-2021	21	1.8	890.34	7,790
203	Jabalpur	69	0.22	ESDM	Atharv Sales	30-01-2021	27-08-2021	19	1.6	890.34	7,049
204	Jabalpur	A	0.49	ITeS	Net Serve Solutions	11-05-2015	27-11-2017	64	5.3	1983.03	52,881
205	Jabalpur	B	0.61	IT	SJ Systems	01-08-2017	07-03-2019	48	4.0	2468.67	49,373
206	Jabalpur	C	0.65	ITeS	Shree Narmada Infotech	12-07-2019	18-11-2020	28	2.3	2630.55	30,690
207	Jabalpur	D	0.87	ITeS	Sai Graphics	15-06-2015	23-06-2017	69	5.8	3520.89	101,226
208	Jabalpur	E1	0.12	IT	Acroscopic IT Solutions	31-07-2017	09-03-2019	48	4.0	485.64	9,713
209	Jabalpur	E2	0.13	IT	Innovation Solutions	01-08-2017	07-03-2019	48	4.0	526.11	10,522
210	Jabalpur	E3	0.23	IT	Taritas Software Solutions Pvt. Ltd.	31-07-2017	08-03-2019	48	4.0	930.81	18,616
211	Jabalpur	E4		IT	Taritas Software Solutions Pvt. Ltd.	31-07-2017	08-03-2019	48	4.0	0	,0
212	Jabalpur	E5	0.3	IT	Byte Bonding	31-07-2017	08-03-2019	48	4.0	1214.1	24,282
213	Jabalpur	E6		IT	Byte Bonding	31-07-2017	08-03-2019	48	4.0	0	0
214	Jabalpur	F1	0.12	ITeS	Gahoi Business Associates	01-08-2017	09-03-2019	48	4.0	485.64	9,713
215	Jabalpur	F2	0.13	ITeS	Gahoi Business Associates	01-08-2017	09-03-2019	48	4.0	526.11	10,522

Sl. No.	Name of IT Park	Plot No.	Area	Property ID	Company Name	LOA Date	Registry Date	Period of Allotment in Months	Period of Allotment in Years	Plot area in Sq. Metres	Maint. charges due as on 31.03.2023
216	Jabalpur	F3	0.13	IT	S Unitech	01-08-2017	09-03-2019	48	4.0	526.11	10,522
217	Jabalpur	F4	0.13	IT	S Unitech	01-08-2017	09-03-2019	48	4.0	526.11	10,522
218	Jabalpur	F5	0.13	IT	Shree Ji Infotech	01-08-2017	08-03-2019	48	4.0	526.11	10,522
219	Jabalpur	F6	0.13	IT	Shree Ji Infotech	01-08-2017	08-03-2019	48	4.0	526.11	10,522
Total			140.5165								99,78,278

Appendix 2.1.3
(Referred to in Paragraph 2.1.5.9)

(A) Details of pending space rent from the allottees of Space in IT Parks

(Amount in ₹)

Sl. No.	Name of IT Park	Number of firms	Space Rent Due
1	IT Park Bhopal	14	23,26,335
2	IT Park Gwalior	10	6,47,10,948
3	IT Park Indore	69	1,08,41,595
4	IT Park Jabalpur	15	89,99,612
Total		108	8,68,78,490

(B) Details of pending lease rent from the allottees of land in IT Parks

(Amount in ₹)

Sl. No	Name of IT Park	Number of Firms	Lease Rent Due
1	IT Park Bhopal	23	33,59,660
2	IT Park Indore	7	60,51,877
3	IT Park Jabalpur	31	17,54,408
Total		61	1,11,65,945

Appendix 2.1.4

(Referred to in Paragraph 2.1.6.1)

Details of irregularities found in the reimbursement of Skill Gap Training

Name of Firm	Date of Application	Date of start of Commercial production	Date of Start of Training	Date of end of Training	No of Participants	Amount Reimbursed (in ₹)	Whether Domicile Certificate attached	Whether Training Program attached	EPF Registration
M/S Swap Infotech	06.05.20	10.07.19	01.08.19	31.03.20	7	30,000	No	No	No
Genie Talk Private Limited	04.08.20	31.03.19	01.09.19	31.05.20	16	1,45,559	No	No	No
Nicetech Techno India	06.08.21	04.08.20	01.06.21	20.07.21	20	2,00,000	No	No	No
Nicetech Techno India	30.12.21	04.08.20	01.11.21	15.12.21	28	2,10,000	No	No	No
Rannisys Services Private Limited	15.04.21	23.11.2020	01.01.21	28.02.21	33	2,82,288	No	No	No
M/S AM Webtech	31.03.2021	03.04.2019	01.03.2020	28.02.2021	21	1,76,425	No	No	No
M/S Appointy Information Technology	21.05.2019	19.05.2017	01.03.2017 to 01.01.2019	30.04.2017 to 31.03.2019	19	90,000	No	No	No
Star India Market Research	18.03.2019	21.12.2015	21.12.2015 to 12.01.2018	20.03.2016 to 12.04.2018	935	93,50,000	No	No	No
Altuist Technology Pvt. Ltd	25.03.2022	25.04.2020	28.12.2021	02.03.2022	450	43,41,287	No	No	Yes
Artech Infosystems Pvt Ltd	21.11.2019	01.08.2018	03/2018 to 01/2019	04/2018 to 04/2019	46	4,60,000	No	No	Yes
Bestpeers	25.09.2020	01.04.2019	01.01.2020	31.08.2020	18	1,76,994	No	No	Yes
Mindruby Technology	30.10.2020	27.03.2020	27.03.2020	31.08.2020	4	40,000	No	No	No
Total						1,55,02,553			

Appendix 2.1.5
(Referred to in Paragraph 2.1.7.5)
Details of short utilisation of land

Sl. No.	Name of firm	Type of unit	Date of lease deed	Plot number	Total plot area in sqm	Proposed build up area in sqm	Covered ground area in sqm	85 per cent area to be utilised	Percent of land utilised	Status of Construction
1	Appointment Information Technology Pvt. Ltd.	IT	30.09.2019	A-19, A-20 and A-21	14083.10	6033.99	2011.41	11970.55	14.28	Constructed in only A-19 and A-20
2	Goldust Technologies Pvt. Ltd.	ESDM	08.12.2021	A-12 and A-13	13678.90	3133.81	2749.91	11627.07	20.10	Construction in only A-13
3	Dauto Engineering Pvt. Ltd.	IT	10.07.2019	B4 and B-5	8093.72	1618.27	809.65	6879.66	10.00	Constructed in only B-5. In case of plot no B-4, the building permission was issued on 05.12.2019 for the period of three year i.e. 04.12.2022.
4	Cyber Futuristic	IT	04.06.2015	C-3	20234.30	2809.53	2809.53	17199.15	13.88	The building was constructed on 13.88 per cent (2,809.53 sqm) of the land (20,234.30 sqm).
5	We Win Ltd.	ITeS	17.01.2017	C-6	5463.84	9664.05	1919.4	4646.26	35.13	
6	Gahoi Business Associates	ITeS	09.03.2019	F-1 and F-2	1000	829.20	281.20	880.00	28.12	

Sl. No.	Name of firm	Type of unit	Date of lease deed	Plot number	Total plot area in sqm	Proposed build up area in sqm	Covered ground area in sqm	85 per cent area to be utilised	Percent of land utilised	Status of Construction
7	S Unitech	IT	09.03.2019	F-3 and F-4	1017.30	893.08	183.59	864.71	18.05	
8	3J Associates	ITeS	30.03.2019	36 and 37	890.40	61.79	61.80	756.84	6.94	Building was constructed on approximately 1/3 th area of the allotted area (9500 Sq feet) and most of the land was unused.
Total					73,485.97	25,043.72	10,826.50	54,824.24		

Appendix 2.2.1

(Referred to in paragraph 2.2.5.1)

Estimate Variation

Sl. No.	Work Description	Work Order/Agreement Number and Date	Actual Cost of Completion	Estimated amount	Variation from estimate in value	Variation from estimate in per cent
1	2	3	4	5	6=(5-4)	7
1	Cement Concrete Road in Industrial Area Aadhartal District Jabalpur, RCC Drain, RCC Construction work of Hum pipe culvert and external electrification work.	13/2018-19 27/02/2019	2.67	3.46	-0.79	-22.85
2	Construction work of cement concrete road, culvert construction, RCC drain construction, RCC drain in industrial area Peepalkhriya district Raisen.	14/18-19 27/02/2019	2.63	3.34	-0.70	-21.11
3	Interior decoration and electrification work of computer lab, library, biology, physics, chemistry lab and smart classroom of Government Gurukulam Residential School, Bawadia Kala, Bhopal.	17/18-19 06/03/2019	1.69	1.34	0.35	25.79
4	Construction of RCC drain work at Industrial Area Richhai, Jabalpur, distt. Jabalpur (M. P.)	28/2020-21 24/02/2022	3.44	2.43	1.00	41.23
5	E. P. B.X and LED Supply and Installation work for the Covid-19 Command Center on the fourth floor of N.H.M.	02/2020-21 26/05/2020	0.08	0.12	-0.05	-36.52
6	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Birlanagar District Gwalior (M.P.)	04/ 01/03/2019	1.93	3.55	-1.62	-45.60
7	Development work of infrastructure in industrial area Niwadi Bhata district Niwadi.	22/ 08/03/2021	1.65	2.95	-1.30	-44.13
8	Construction of CC Road, RCC Drain, Hume Pipe culvert work at Semi Urban I/E and New I/A Tikamgarh District Tikamgarh (M.P.)	09/ 30/10/2019	2.07	2.54	-0.47	-18.68
9	Interior furnishing and renovation work for making of computer lab and smart classroom i/c internal electrification work at Different district Satna, Sidhi, Signrauli, Anuppur, Shahdol, Umaria, Guna, Sheopur.	05/ 20/06/2019	1.56	1.94	-0.39	-19.91
10	For smooth coordination and management of disaster management in various 17 districts of M.P. namely Shivupari, Datia, Guna, Ashoknagar, Morena, Bhind, Sheopur, Chhatarpur, Tikamgarh, Niwari, Panna, Rewa,	30/ 25/06/2021	1.81	2.037	-0.21	-10.58

Sl. No.	Work Description	Work Order/Agreement Number and Date	Actual Cost of Completion	Estimated amount	Variation from estimate in value	Variation from estimate in per cent
1	2	3	4	5	6=(5-4)	7
	Shahdol, Anuppur, Umaria, Sidhi and Singrauli, under the establishment of interior decoration and beautification work of Call centre					
11	Construction of C.C. Road, at I/A Dewas Road, Ujjain	05/2021-22/ 13/07/2021	2.70	2.37	0.32	13.68
12	Construction of various development activity, I/A Siya, Dist. Dewas	02/19-20 20/06/2019	2.72	2.40	0.32	13.16
13	External electrification work, I/A Chavani Agar.	08/20-21 15/03/2021	0.08	1.52	-0.73	-47.65
14	Internal electrification and furnishing work of computer lab, Eklavya Building	14/18-19/ 08/03/2019	1.83	2.19	-0.36	-16.28
15	Construction of RCC drain at Dewas Road	6/21-22 13/07/2021	2.81	4.18	-1.37	-32.76
16	Construction, augmentation and illumination of polo ground	18/2021-22 15/09/2021	0.92	1.10	-0.19	-16.91
17	Building Renovation work, Bunkar Sewa Samiti	41/2016-17/ 29/08/2016	1.81	1.29	0.52	40.28
18	Construction of Cement Road hume pipe I/A Siya, Dewas.	09/2021-22/15/07/2021	2.39	2.85	-0.46	-16.05
19	Construction of Cement Road hume pipe I/A Kumhari, Ratlam.	06/2019-20 22/10/2019	0.61	1.64	-1.03	-62.92

Appendix 2.2.2

(Referred to in Paragraph 2.2.5.2)

Penalty for Execution Programme

Sl. No.	Name of Contractor	Work Description	Work Order / Agreement No. and Date	Value of Contract (₹ in Crore)	Penalty @ ₹ 50000 or 1 per cent of Contract Value
1	Nimish Kumar	Construction of CC Road, Drain, HPC work at New I/A Farnakhedi, Ujjain	1005/ 01/03/2021	4.58	50,000
2	Nimish Kumar	Construction of Surface Drain, at I/A Dewas Road, Ujjain	366/ 14/07/2021	4.18	50,000
3	Nimish Kumar	Construction of CC Road, HPC work at New I/A Siya Dewas	370/ 14/07/2021	3.14	50,000
4	Riyazuddin Khan	Constn. Of RCC Surface Drain at I/E Siya, Dewas	387/ 15/07/2021	2.85	50,000
5	Sunil Kumar Jain	Cement Concrete Road at I/A Narmada Road, Barwaha, Distt. Khargone.	1489/ 07/03/2019	2.58	50,000
6	B.K. Electricals	Constn. Of CC Road, RCC Drain, RCC Hume pipe culvert at I/A Siya, Distt. Dewas.	262/ 22/06/2019	2.40	50,000
7	Nimish Kumar	Construction of C.C. Road, at I/A Dewas Road, Ujjain	374/ 14/07/2021	2.37	50,000
8	Abbottsons Impex P.Ltd.	Constn. Of Eklavya School Bldg. at various places of Indore & Ujjain	1523/ 08/03/2019	2.19	50,000
9	Riyazuddin Khan	Cement Concrete Road etc at I/A Dewas Road, Ujjain	1354/ 20/02/2019	1.81	50,000
10	Sunil Kumar Jain	CC Road at I/A Maxi Road, Ujjain	1480/ 05/03/2019	1.69	50,000
11	Satyendra K. Tiwari	Development work at New Industrial Area, Kumhari Jaora Distt. Ratlam	790/ 22/10/2019	1.64	50,000
12	Shiv Developers, Shiyipuri	External Electrification work at I/A Agar (Chawani), Agar Malwa	1092/ 15/03/2021	1.52	50,000
13	Anurag & Sons	Development work at New Industrial Area, Kanawati Distt. Neemuch	784/ 21/10/2019	1.36	50,000
14	Rajkamal Rathore	Bunkar Seva Kendra Bldg. at Pologround, Indore	1818/ 29/08/2016	1.29	50,000
15	Sunil Kumar Jain	Cement Concrete Road etc at I/A Sector-3 Barwaha.	1484/ 07/03/2019	1.21	50,000

Sl. No.	Name of Contractor	Work Description	Work Order / Agreement No. and Date	Value of Contract (₹ in Crore)	Penalty @ ₹ 50000 or 1 per cent of Contract Value
16	B.K. Electricals	Constrn. Of Augmentation and Illumination work at I/E Pologround Indore.	684/ 17/09/2021	1.10	50,000
17	Nimish Kumar	Development work at Industrial Area, Sector-A, Garoth Distt. Mandasaur	819/ 25/10/2019	1.08	50,000
18	M/S Kunde shwaraya Construction	Construction of Cement Concrete Road. and RCC Drain work at Industrial Area Govindpura Bhopal Dist- Bhopal (M.P.)	751/16 10/08/2021	5.27	50,000
19	M/S Yadav Construction	Construction of Cement Concrete Road, RCC Drain, Hume Pipe Culvert and B.T. Road Panch work at Industrial Area Harda District-Harda (M.P.)	591/11 17/05/2021	3.50	50,000
20	M/s Choudhary Builders and Developers Bhopal	Construction of cement concrete road, RCC Hume Pipe culvert and RCC drain work in I/A at Imalikhed, Distt. Chhindwara	489/05 01/07/2019	2.87	50,000
21	Sunil Kumar Jain	Cement Concrete Road in Industrial Area Aadhartal District Jabalpur, RCC Drain, RCC Construction work of Hum pipe culvert and external electrification work.	1884/13 27/02/2019	2.81	50,000
22	M/s Choudhary Builders and Developers Bhopal	Construction work of cement concrete road, culvert construction, RCC drain construction, RCC drain in industrial area Peepalkhriya district Raisen.	1885/14 27/02/2019	2.76	50,000
23	M/S Gangadhar Sharma and Sons	Construction of Cement Concrete Road, RCC Drain and Hume pipe Culvert work at Industrial Area Kheda Itarsi District- Hoshangabad (M.P.)	743/ 15 10/08/2021	2.23	50,000
24	M/s Abbotsons Impex Pvt Ltd, Bhopal	I.T. Centre alongwith HVAC & Allied works at 4th Floor Paryavas Bhawan, Bhopal (M.P.)	1899/14 28/12/2019	1.70	50,000
25	M/s Chaturlal Contractor Bhopal	Interior furnishing and renovation work for making computer lab and smart class room 1/2 internal electrification work in eklava Adarsh Awariya school at different districts Rampur (P.V.T.G.) Nariagaladistt. Jabalpur, Sijhora, Jabalpur, Mandla District MandarlaSingardeepjunnardbdistt. ChhindwaraGhansourdistr. SeoniDindori District Dindori and Ukjadistt. Balaghat.	478/04 29/06/2019	1.64	50,000
26	M/S Bhawsar Construction Company	Artistic ornamental Mural furnishing Renovation civil and other Allied work at sanskriti bhawan Banganga Bhopal	1203/09 25/07/2022	1.53	50,000
27	M/S Bhawsar Construction Company	Renovation & furnishing work of institute per training of Trainers govt. ITI Campus goindpura Bhopal	4137/ 41 24/02/2023	1.50	50,000
28	M/s Bonton Technomake Pvt. Ltd. Indore.	Work for Land Record Society office along with HVAC & Allied work at Govt. Press Building Hoshangabad road Bhopal.	1092/ 09 08/09/2020	1.44	50,000

Sl. No.	Name of Contractor	Work Description	Work Order / Agreement No. and Date	Value of Contract (₹ in Crore)	Penalty @ ₹ 50000 or 1 per cent of Contract Value
29	M/s C R Construction	The work of electromechanical equipment and main power training supply and installation at Modern Dairy Bulmother Farm, Bhopal.	1248/138 27/01/2017	1.38	50,000
30	M/s Maa Kali constructions	Interior renovation, electrical and civil work in Unani Medical college and Hospital Bhopal.	2738/26 18/02/2021	1.31	50,000
31	M/S Bhawar Construction Company	Various Civil Allied work & Artistic, Furnishing work at Sandhipani Ashram & Triveni Museum Ujjain and KharjurahoMuseum (M.P.).	667/ 12 02/08/2021	1.25	50,000
32	M/s Chaturlal Contractor Bhopal	Interior decoration and electrification work of computer lab, library, biology, physics, chemistry lab and smart classroom of Government Gurukulam Residential School, Bawadia Kala, Bhopal.	1936/17 06/03/2019	1.09	50,000
33	M/s Naresh Katara, Gwalior	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Maharajpura District Gwalior (M.P.)	10/ 30/10/2019	3.13	50,000
34	M/s Satyendra Kumar Tiwari, Gwalior	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Birlanagar District Gwalior (M.P.)	04/ 01/03/2019	2.92	50,000
35	M/s Shailendra Singh Gurjar, Morena	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Narsarha District Shahdol (M.P.)	21/ 08/03/2021	2.84	50,000
36	M/s Anuj Tiwari, Jhansi	Development work of infrastructure in industrial area NiwadiBhata district Niwadi.	22/ 08/03/2021	2.39	50,000
37	Shri B.K. Chaubey, Panna	Construction of CC Road, RCC Drain, Hume Pipe culvert work at Semi Urban I/E and New I/A Tikamgarh District Tikamgarh (M.P.)	09/ 30/10/2019	2.06	50,000
38	M/s Abbottsons impex pvt. Ltd., Bhopal	For smooth coordination and management of disaster management in various 17 districts of M.P. namely Shivupari, Datia, Guna, Ashoknagar, Morena, Bhind, Sheopur, Chhatarpur, Tikamgarh, Niwari, Panna, Rewa, Shahdol, Anuppur, Umaria, Sidhi and Singrauli, under the establishment of interior decoration and beautification work of Call centre	30/ 25/06/2021	2.05	50,000
39	M/s Abbottsons impex pvt. Ltd., Bhopal	Interior furnishing and renovation work for making of computer lab and smart classroom i/c internal electrification work at Different district satna, sidhi, signrauli, anuppur, shahdol, umaria, guna, sheopur.	05/ 20/06/2019	1.64	50,000
40	M/S Shree Girraj Construction, Ashoknagar	Construction of winding and strengthening of bituminious road work at I/A Barodi District Shivpuri (M.P.)	14/ 23/09/2020	1.62	50,000
41	M/s Bhavsar Construction Company, Bhopal	Misc Civil Allied Renovation and furnishing work at Industrial Training Institute Chatarpur	35/ 17/03/2022	1.40	50,000

Sl. No.	Name of Contractor	Work Description	Work Order / Agreement No. and Date	Value of Contract (₹ in Crore)	Penalty @ ₹ 50000 or 1 per cent of Contract Value
42	M/s Rakesh Dixit, Tikamgarh	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Khargapur District Tikamgarh (M.P.)	29/ 10/06/2021	1.34	50,000
43	M/s Maa Kali Construction, Bhopal	Misc Civil Allied Renovation and furnishing work at Industrial Training Institute Tikamgarh	36/ 17/03/2022	1.18	50,000
44	Shri Ajay Agrawal Sehore	Office Building construction and internal electrification and interior furnishing work at District Trade and Industries Centre Sehore	472/ 01/07/2020	0.73	50,000
45	M/s Bhavsar Construction Company, Bhopal	Renovation Furnishing work of Bharat Bhawan Bhopal and Installation of hydrant System at Triveni Museum Ujjain (M.P.).	476/ 06/05/2022	0.67	50,000
46	M/s Bhavsar Construction Company, Bhopal	Installation, Testing and Commissioning of LED Display, Kiosk, Audio Video, Guides for Tourist and server work at JanjatiyaSangrahalay, Shyamla Hills, Bhopal.	3044/ 27/03/2021	0.67	50,000
47	M/s Mahesh Prasad Agrawal, Shahdol	Construction of DIC Office building i/c internal electrification work at Umaria District Umaria (M.P.)	16/ 05/01/2021	0.63	50,000
48	Roots Indore	Constn. Of C.C. Road, RCC Surface Drain at I/A Sanwer Road, Indore (Sector A & C)	387/ 14/07/2021	0.44	43,760
49	Sanghi Sales	Construction of balance work of boundary wall at JNV Bargarah Odisha	651/ 20/08/2018	0.40	40,000
50	Enterprising Consulting Engineers Bhopal	Providing supply to 33kV at New I/A, Sector/A, Garoth (Mandsaur) and I/A Kanawati (Neemuch)	808/ 23/10/2019	0.28	27,720
51	Rajkamal Rathore	Furnishing work in HSVN sales centre at Maheshwar Khargone	332/ 30/04/2015	0.20	20,000
52	M/S Gangadhar Sharma and Sons	Construction of RCC drain work at Industrial Area Richhai, Jabalpur, distt. Jabalpur (M. P.)	2767/28 24/02/2022	0.20	19,940
53	M/s Himalaya Traders Bhopal	Interior Decoration work at the office of the Directorate Treasury and accounts Bhopal	1816/11 15/02/2019	0.20	19,670
54	Dinesh Mitwal & Associates	Different Type of work in Triveni Museum, Ujjain (Part/2)	201/13 03/05/2017	0.10	9,900
55	M/s Impression Furniture Bhopal	EPBX and LED supply and installation work at Covid Command Centre 4th Floor, NHM office, Arera Hills Bhopal	135/02 26/05/2020	0.09	9,250
56	Ray Contractor	Single coat of bitumen surface at I/A Rau.	383/ 15/03/2021	0.02	1,830
57	M/s Himalaya Traders Bhopal	Roller Blind supply and installation work in CM office at Vallabh Bhavan Bhopal	1756/18 06/11/2020	0.01	900
Total					25,42,970

Appendix 2.2.3

(Referred to in paragraph 2.2.5.3)

Statement showing Royalty to be Collected from the Contractors

Sl. No.	Work Description	Work Order/Agreement No. & Date	Quantity of minerals used in work (in Cubic Meter)			Royalty to be Collected (Amount in ₹)			
			Metal	Sand	Moorum	Metal	Sand	Moorum	Total
1	Artistic ornamental Mural furnishing Renovation civil and other Allied work at Sanskriti Bhawan Banganga Bhopal	9/22-23 25/07/2022	1.89	147.52	0.00	189.00	14,752.00	0.00	14,941.00
2	Construction work of cement concrete road, culvert construction, RCC drain construction, RCC drain in industrial area Peepalkhriya district Raisen.	14/18-19 27/02/2019	4,822.30	1,866.60	3,155.53	4,82,230.00	1,86,660.00	1,57,776.50	8,26,666.50
3	Cement Concrete Road in Industrial Area Aadhartal District Jabalpur, RCC Drain, RCC Construction work of Hum pipe culvert and external electrification work.	13/18-19 27/02/2019	4,234.67	1,954.70	808.70	4,23,467.00	1,95,470.00	40,435.00	6,59,372.00
4	Construction of R. C. C. drain work at Industrial Area Richhai, Jabalpur, distt. Jabalpur (M. P.)	28/20-21 24/02/2022	5,335.14	4,199.02	7,810.57	5,33,514.00	4,19,902.00	3,90,528.50	1,34,3944.50
5	Construction of Cement Concrete Road, RCC Drain and Hume pipe Culvert work at Industrial Area Kheda Itarsi District- Hoshangabad (M.P.)	15/21-22 10/08/2021	5,055.90	2,889.31	1,471.58	5,05,590.00	2,88,931.00	73,579.00	8,68,100.00
6	Construction of Cement Concrete Road and RCC Drain work at Industrial Area Govindpura Bhopal Dist- Bhopal (M.P.)	16/21-22 10/08/2021	15,941.96	5,346.11	3,538.06	15,94,196.00	5,34,611.00	1,76,903.00	2,30,5710.00
7	Renovation Furnishing work of Bharat Bhawan Bhopal and Installation of hydrant System at Triveni Museum Ujjain (M.P.)	03/22-23 06/05/2022	8.88	26.10	6.28	888.00	2,610.00	314.00	3,812.00
8	Construction of Cement Concrete Road, RCC Drain, Hume Pipe Culvert and B.T. Road Panch work at Industrial Area Harda District- Harda (M.P.)	11/21-22 17/05/21	7,808.39	3,585.86	1,640.66	7,80,839.00	3,58,586.00	82,033.00	12,21,458.00

Sl. No.	Work Description	Work Order/Agreement No. & Date	Quantity of minerals used in work (in Cubic Meter)			Royalty to be Collected (Amount in ₹)			
			Metal	Sand	Moorum	Metal	Sand	Moorum	Total
9	Construction of cement concrete road, RCC Hume Pipe culvert and RCC drain work in I/A at Imalikheda, Distt. Chhindwara	05/19-20 01/07/2019	5,785.37	2,501.79	1,072.27	5,78,537.00	2,50,179.00	53,613.50	8,82,329.50
10	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Birlanagar District Gwalior	04/ 01/03/2019	6,189.37	1,596.91	0.00	6,18,936.90	1,59,690.65	0.00	7,78,627.55
11	Construction of CC Road, RCC Drain, Hume Pipe culvert work at Semi Urban I/E and New I/A Tikamgarh District Tikamgarh (M.P.)	09/ 30/10/2019	6,946.00	1,575.36	0.00	6,94,600.14	1,57,535.54	0.00	8,52,135.68
12	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Maharajpura District Gwalior	10/ 30/10/2019	12,985.39	3,882.23	0.00	12,98,539.45	3,88,223.41	0.00	16,86,762.86
13	Infrastructure Development (Road) work at Newari	22/ 08/03/2021	3,542.17	1,153.73	0.00	3,54,216.58	1,15,373.30	0.00	4,69,589.89
14	Construction of winding and strengthening of bituminous road work at I/A Barodi District Shivpuri (M.P.)	14/ 23/09/2020	8,611.33	0.00	0.00	8,61,132.53	0.00	0.00	8,61,132.53
15	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Narsarha District Shahdol (M.P.)	21/ 08/03/2021	7,146.28	1,823.09	0.00	7,14,627.98	1,82,309.23	0.00	8,96,937.22
16	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Khargapur District Tikamgarh (M.P.)	29/ 10/06/2021	4,138.59	890.09	0.00	4,13,859.00	89,009.17	0.00	5,02,868.17
17	Construction of DIC Office building i/c internal electrification work at Umaria District Umaria (M.P.)	16/ 05/01/2021	93.24	2,181.41	0.00	9,324.41	21,8140.69	0.00	2,27,465.10
18	Cement Concrete Road etc at I/A Dewas Road, Ujjain	1354/ 20/02/2019	3,875.66	3,234.99	1,395.13	3,87,566.00	3,23,499.00	69,756.50	7,80,821.50
19	Construction of C.C. Road, at I/A Dewas Road, Ujjain	374/ 14/07/2021	7,758.63	2,493.92	16,491.02	7,75,863.00	2,49,392.00	8,24,551.00	18,49,806.00
20	Construction of various development activity, I/A Siya, Dist.Dewas	262/ 22/06/2019	4,443.45	1,394.02	14,950.95	4,44,345.00	1,39,402.00	7,47,547.50	13,31,294.50

Sl. No.	Work Description	Work Order/Agreement No. & Date	Quantity of minerals used in work (in Cubic Meter)			Royalty to be Collected (Amount in ₹)			
			Metal	Sand	Moorum	Metal	Sand	Moorum	Total
21	Construction of RCC Surface Drain, Nagjhiri, Ujjain	366/ 14/07/2021	5,366.71	1,932.94	0.00	5,36,671.00	1,93,294.00	0.00	7,29,965.00
22	Construction of Cement road Narmada Road Barwaha,	1489/ 7/03/2019	4,726.49	2,110.41	3,206.23	4,72,649.00	2,11,041.00	1,60,311.50	8,44,001.50
23	Cement Concrete Road RCC Hume pipe at I/A Garoth,Mandsore.	819/ 25/10/2019	2,853.97	934.05	1,800.57	2,85,397.00	93,405.00	90,028.50	4,68,830.50
24	Building Renovation work, Bunkar Sewa Samiti	1818/ 29/08/2016	340.99	3,455.94	1,219.05	34,099.00	3,45,594.00	60,952.50	4,40,645.50
25	Construction of Cement Road hume pipe I/A Siya, Dewas.	370/ 14/07/2021	6,727.35	1,794.29	29,021.76	6,72,735.00	1,79,429.00	14,51,088.00	23,03,252.00
26	Construction of Cement Road hume pipe I/A Furnakhedi, Ujjain	1005/ 01/03/2021	8,666.35	2,783.19	10,468.04	8,66,635.00	2,78,319.00	5,23,402.00	16,68,356.00
27	Construction of Cement Road hume pipe I/A Kanawati, Neemach	784-87/ 21/10/2019	2,272.22	1,139.03	1,526.40	2,27,222.00	1,13,903.00	76,320.00	4,17,445.00
28	Construction of Cement Road hume pipe I/A Siya, Dewas.	387/ 15/07/2021	4,762.04	1,547.23	12,889.60	4,76,204.00	1,54,723.00	6,44,480.00	12,75,407.00
29	Construction of Cement Road hume pipe I/A Kumhari, Ratlam.	790/ 22/10/2019	1,143.91	574.88	1,106.56	1,14,391.00	57,488.00	55,328.00	2,27,207.00
30	Construction of Cement Road hume pipe I/A Maksi, Ujjain.	1480/ 05/03/2019	3,661.24	1,141.51	2,582.67	3,66,124.00	1,14,151.00	1,29,133.50	6,09,408.50
31	Construction of Cement Road hume pipe I/A Barwaha, Khargone.	1484/12 05/03/2019	3,157.50	1,037.37	1,701.20	3,15,750.00	1,03,737.00	85,060.00	5,04,547.00
	Total								2,78,52,849.49

Appendix 2.2.4

(Referred to in paragraph 2.2.5.4)

Statement showing failure to impose penalty due to non-deployment of staff

SL No.	Name of Contractor	Work Description	Work Order/Agreement No. and Date	Schedule date of completion	Technical staff to be deployed	Technical staff actually deployed	Penalty as per tender condition for non-recruitment of Engineers (₹ 30,000 for per engineer X per months)	Penalty as per tender condition for non-recruitment of diploma holder (₹ 18,000 per Diploma holder X per months)	Total penalty to be levied in
1	M/s Choudhary Builders and Developers	Development work in Pipal kheria, Raisen	14/18-19 27/02/2019	6 Months	Engineer-04 nos Diploma holder-01	Engineer- 02 nos Diploma holder-02	3,60,000	0	3,60,000
2	M/s Gangadhar Sharma and Sons	Construction of Cement Concrete Road, RCC Drain and Hume pipe Culvert work at Industrial Area Kheda Itarsi District- Hoshangabad (M.P.)	15/2021-22 10/08/2021	6 Months	Engineer-04 nos Diploma holder-01	Engineer- 04 nos Diploma holder-0	0	1,08,000	1,08,000
3	M/s Abbottsons Private limited	I. T. Centre along with HVAC & Allied works at 4th Floor Paryavas Bhawan, Bhopal (M.P.)	14/2019-20 28/12/2019	2 Months	Engineer-04 nos Diploma holder-01	No document found for the staff deployment	2,40,000	36,000	2,76,000
4	M/s Chaturlal Contractor Bhopal	Interior furnishing and renovation work for making computer lab distt. Balaghat.	04/19-20 29/06/2019	3 Months	Engineer-04 nos Diploma holder-01	No document found for the staff deployment	3,60,000	54,000	4,14,000

Sl. No.	Name of Contractor	Work Description	Work Order/Agreement No. and Date	Schedule date of completion	Technical staff to be deployed	Technical staff actually deployed	Penalty as per tender condition for non-recruitment of Engineers (₹ 30,000 for per engineer X per months)	Penalty as per tender condition for non-recruitment of diploma holder (₹ 18,000 per Diploma holder X per months)	Total penalty to be levied in
5	M/s Bhavsar Construction, Bhopal	Artistic ornamental Mural furnishing Renovation civil and other Allied work at Sanskriti Bhawan Banganga Bhopal	09/2022-23 25/07/2022	6 Months	Engineer-04 nos Diploma holder-01	Engineer-03 nos Diploma holder-0	1,80,000	1,08,000	2,88,000
6	M/s Bhavsar Construction, Bhopal	Renovation & furnishing work of institute per training of Trainers govt. ITI Campus govindpura Bhopal	41/22-23 24/02/2023	4 Months	Engineer-04 nos Diploma holder-01	Engineer-03 nos Diploma holder-0	1,20,000	72,000	1,92,000
7	M/s Bonton Technomake Pvt. Ltd. Indore.	Work for Land Record Society office along with HVAC & Allied work at Govt. Press Building Hoshangabad road Bhopal.	09/2020-21 08/09/2020	2 Months	Engineer-04 nos Diploma holder-01	No document found for the staff deployment	2,40,000	36,000	2,76,000
8	M/s CR Construction	Works in Modern Dairy Bull mother Farm bhopal	138/2016-17 27/01/2017	8 Months	Engineer-04 nos Diploma holder-01	No document found for the staff deployment	9,60,000	1,44,000	11,04,000
9	M/s Maa Kali constructions	Interior renovation, electrical and civil work in Unani Medical college and Hospital Bhopal.	26/20-21 18/02/2021	3 Months	Engineer-04 nos Diploma holder-01	Engineer-01 nos Diploma holder-01	2,70,000	0	2,70,000
10	M/s Bhavsar Construction Company	Various Civil Allied work & Artistic, Furnishing work at Sandhipani Ashram & Triveni Museum Ujjain and Kharjuraho Museum (M.P.).	12/2021-22 02/08/2021	4 Months	Engineer-04 nos Diploma holder-01	Engineer-03 nos Diploma holder-0	1,20,000	72,000	1,92,000

Sl. No.	Name of Contractor	Work Description	Work Order/Agreement No. and Date	Schedule date of completion	Technical staff to be deployed	Technical staff actually deployed	Penalty as per tender condition for non-recruitment of Engineers (₹ 30,000 for per engineer X per months)	Penalty as per tender condition for non-recruitment of diploma holder (₹ 18,000 per Diploma holder X per months)	Total penalty to be levied in
11	M/s Chaturlal Contractor Bhopal	Interior Decoration and Electrification work at Government Gurukul Residential School Bawadia Kalan Bhopal	17/18-19 06/03/2019	6 Months	Engineer-04 nos Diploma holder-01	No document found for the staff deployment	7,20,000	1,08,000	8,28,000
12	M/s Bhavsar Construction, Bhopal	Renovation Furnishing work of Bharat Bhawan Bhopal and Installation of hydrant System at Triveni Museum Ujjain (M.P.)	03/22-23 06/05/2022	4 Months	Engineer-04 nos Diploma holder-01	Engineer-03 nos Diploma holder-0	1,20,000	72,000	1,92,000
13	M/s Bhavsar Construction, Bhopal	Installation, Testing and Commissioning of LED Display work at Janjatiya Sangrahalay, Shyamla Hills, Bhopal.	33/2020-21 27/03/2021	2 Months	Engineer-04 nos Diploma holder-01	Engineer-03 nos Diploma holder-0	60,000	36,000	96,000
14	M/S Gangadhar Sharma And Sons	Construction of R. c. C. drain work at Industrial Area Richhai, Jabalpur, distt. Jabalpur (M. P.)	28/2020-21 24/02/2022	4 Months	Engineer-04 nos Diploma holder-01	Engineer-04 nos Diploma holder-0	0	72,000	72,000
15	M/s Satyendra Kumar Tiwari, Gwalior	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Birlanagar District Gwalior (M.P.)	04/ 01/03/2019	6 Months	Engineer 4 nos. Diploma 1 nos.	No such document was available related to deployment	7,20,000	1,08,000	8,28,000
16	M/s Mahesh Prasad Agrawal, Shahdol	Construction of DIC Office building i/c internal electrification work at Umaria District Umaria (M.P.)	16/ 05/01/2021	8 Months	Engineer 4 nos. Diploma 1 nos.	Engineer 2 nos. Diploma 2 nos.	4,80,000	0	4,80,000

Sl. No.	Name of Contractor	Work Description	Work Order/Agreement No. and Date	Schedule date of completion	Technical staff to be deployed	Technical staff actually deployed	Penalty as per tender condition for non-recruitment of Engineers (₹ 30,000 for per engineer X per months)	Penalty as per tender condition for non-recruitment of diploma holder (₹ 18,000 per Diploma holder X per months)	Total penalty to be levied in
17	M/s Shailendra Singh Gurjar, Morena	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Narsarha District Shahdol (M.P.)	21/08/03/2021	8 Months	Engineer 4 nos. Diploma 1 nos.	Engineer 3 nos. Diploma 2 nos.	2,40,000	0	2,40,000
18	M/s Bhavsar Construction Company, Bhopal	Renovation and furnishing in ITI at Chhatarpur	35/17/03/2022	4 Months	Engineer 4 nos. Diploma 1 nos.	Engineer- 03 nos Diploma holder-0	1,20,000	72,000	1,92,000
19	M/s Maa Kali Construction, Bhopal	Renovation and furnishing in ITI at Tikamgarh	36/17/03/2022	4 Months	Engineer 4 nos. Diploma 1 nos.	Engineer 2 nos. Diploma 0 nos.	2,40,000	72,000	3,12,000
20	M/s Abbottsons impex pvt. Ltd., Bhopal	Interior furnishing and renovation work for making of computer lab and smart class room i/c internal electrification work.	05/20/06/2019	3 Months	Engineer 4 nos. Diploma 1 nos.	No such document was available related to deployment of staff	3,60,000	54,000	4,14,000
21	M/s Abbottsons impex pvt. Ltd., Bhopal	Construction of call centres in various districts.	30/25/06/2021	1 Month	Engineer 4 nos. Diploma 1 nos.	No such document was available related to deployment of staff	1,20,000	18,000	1,38,000
22	M/s Riyazuddin Khan Dewas	Cement Concrete Road etc at I/A Dewas Road, Ujjain	08/20/18-19/18/02/2019	4 Months	Engineer-04 nos Diploma holder-01	Engineer-01 nos Diploma holder-0	3,60,000	72,000	4,32,000

Sl. No.	Name of Contractor	Work Description	Work Order/Agreement No. and Date	Schedule date of completion	Technical staff to be deployed	Technical staff actually deployed	Penalty as per tender condition for non-recruitment of Engineers (₹ 30,000 per engineer X per months)	Penalty as per tender condition for non-recruitment of diploma holder (₹ 18,000 per Diploma holder X per months)	Total penalty to be levied in
23	M/s Nimish Kumar	Construction of C.C. Road, at I/A Dewas Road, Ujjain	05/2021-22 13/07/2021	4 Months	Engineer-04 nos Diploma holder-01	Engineer-01 nos Diploma holder-0	3,60,000	72,000	4,32,000
24	M/s B.K. Electrical	Construction of various development activity, I/A Siya, Dist.Dewas	02/19-20 20/06/2019	6 Months	Engineer-04 nos Diploma holder-01	Engineer-01 nos Diploma holder-0	5,40,000	1,08,000	6,48,000
25	M/s Shiv Developers	External electrification work, I/A Chavani Agar.	08/20-21 15/03/2021	4 Months	Engineer-04 nos Diploma holder-01	* No documentary evidence/labour report found on records	4,80,000	72,000	5,52,000
26	M/s AbbottsonsInp ex Pvt Ltd.	Internal electrification work of computer lab Eklaya school	14/2018-19 08/03/2019	4 Months	Engineer-04 nos Diploma holder-01	* No documentary evidence/labour report found on records	4,80,000	72,000	5,52,000
27	M/s Nimish Kumar	Construction of RCC drain at Dewas Road	06/21-22 13/07/2021	8 Months	Engineer-04 nos Diploma holder-01	Engineer-01 nos Diploma holder-0	7,20,000	1,44,000	8,64,000
28	M/s Sunil Kumar Jain	Construction of cement road Barwah	11/2018-19 05/03/2019	6 Months	Engineer-04 nos Diploma holder-01	Engineer-01 nos Diploma holder-0	5,40,000	108,000	6,48,000
29	M/s B.K.Electrical	Construction and augmentation and illumination of polo ground	18/2021-22 15/09/2021	4 Months	Engineer-04 nos	Engineer-01 nos Diploma holder-0	3,60,000	72,000	4,32,000

Sl. No.	Name of Contractor	Work Description	Work Order/Agreement No. and Date	Schedule date of completion	Technical staff to be deployed	Technical staff actually deployed	Penalty as per tender condition for non-recruitment of Engineers (₹ 30,000 for per engineer X per months)	Penalty as per tender condition for non-recruitment of diploma holder (₹ 18,000 per Diploma holder X per months)	Total penalty to be levied in
30	M/s Nimish Kumar	Cement Concrete Road RCC Hume pipe at I/A Garoth, Mandsoore.	08/2019-20 25/10/2019	4 Months	Diploma holder-01	* No documentary evidence/labour report found on records.	4,80,000	72,000	5,52,000
31	M/s Nimish Kumar	Construction of Cement road hume pipe I/A Siya ,Dewas.	07/2021-22 13/07/2021	4 Months	Engineer-04 nos Diploma holder-01	Engineer- 01 nos Diploma holder-0	3,60,000	72,000	4,32,000
32	M/s Nimish Kumar	Construction of Cement road hume pipe I/A Furnakhedi, Ujjain	05/2020-21 01/03/2021	10 Months	Engineer-04 nos Diploma holder-01	Engineer- 01 nos Diploma holder-0	9,00,000	1,80,000	10,80,000
33	M/s Anurag and sons	Construction of Cement road hume pipe I/A Kanawati, Neemach	05/2019-20 21/10/2019	4 Months	Engineer-04 nos Diploma holder-01	* No documentary evidence/labour report found on records, Penalty of Rs. 650 deducted from final bill	4,80,000	72,000	5,52,000
34	M/s Riyazuddin Khan Dewas	Construction of Cement road hume pipe I/A Siya ,Dewas.	09/2021-22 15/07/2021	6 Months	Engineer-04 nos Diploma holder-01	Engineer- 01 nos Diploma holder-0	5,40,000	1,08,000	6,48,000

Sl. No.	Name of Contractor	Work Description	Work Order/Agreement No. and Date	Schedule date of completion	Technical staff to be deployed	Technical staff actually deployed	Penalty as per tender condition for non-recruitment of Engineers (₹ 30,000 for per engineer X months)	Penalty as per tender condition for non-recruitment of diploma holder (₹ 18,000 per Diploma holder X months)	Total penalty to be levied in
35	M/s Sunil Kumar Jain	Construction of Cement road pipe I/A Maksi, Ujjain.	10/2018-19 05/03/2019	4 Months	Engineer-04 nos Diploma holder-01	*No documentary evidence/labour report found on records.	4,80,000	72,000	5,52,000
36	M/s Sunil Kumar Jain	Construction of Cement road pipe I/A Barwaha, Khargone.	12/2018-19 05/03/2019	4 Months	Engineer-04 nos Diploma holder-01	No documentary evidence/labour report found on records.	4,80,000	72,000	5,52,000
37	M/s Satyendra Kumar Tiwari, Gwalior	Construction of Cement road pipe I/A Kumhari, Ratlam.	06/2019-20 22/10/2019	4 Months	Engineer-04 nos Diploma holder-01	Engineer- 01 nos Diploma holder-0	3,60,000	72,000	4,32,000
Total							1,39,50,000	26,82,000	1,66,32,000

Appendix 2.2.5

(Referred to in paragraph 2.2.5.5)

Statement of short levy of Liquidated Damages

SL No.	Work Description	Work order/Agreement No. & Date	Contract Price	Schedule date of completion	Actual date of completion	Delay in Days	LD deducted by management	LD should be collected	Remaining LD
1	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Birlanagar District Gwalior	04/01/03/2019	292.40	31/08/2019	30/01/2021	518	0.15	29.24	29.09
2	Interior furnishing and renovation work for making of computer lab and smart classroom i/c internal electrification work at Different district satna, sidhi, signrauli, anuppur, shahdol, umaria, guna, sheopur.	05/20/06/2019	163.68	19/09/2019	04/09/2020	351	0.00	16.37	16.37
3	Construction of CC Road, RCC Drain, Hume Pipe culvert work at Semi Urban I/E and New I/A Tikamgarh District Tikamgarh	09/30/10/2019	206.23	29/04/2020	09/01/2021	255	0.00	20.62	20.62
4	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Maharajpura District Gwalior	10/30/10/2019	313.39	29/04/2020	28/12/2020	243	0.00	31.34	31.34
5	Development work of infrastructure in industrial area Niwadi/Bhata district Niwadi.	22/08/03/2021	239.19	07/11/2021	15/06/2022	220	0.11	23.92	23.81
6	Construction of Cement Concrete Road and RCC Drain work at Industrial Area Govindpura Bhopal	16/10/08/2021	527.03	06/02/2022	17/08/2022	192	0.01	50.59	50.58
7	Construction of Cement Concrete Road, RCC Drain, Hume Pipe Culvert and B.T. Road Panch work at Industrial Area Harda District/Harda	11/17/05/2021	350.24	13/11/2021	22/12/2022	404	0.82	35.02	34.20
8	Construction of cement concrete road, RCC Hume Pipe culvert and RCC drain work in I/A at Imalikhed, Distt. Chhindwara	05/01/07/2019	287.27	28/12/2019	30/06/2020	185	0.00	26.57	26.57
9	Cement Concrete Road in Industrial Area Aadhartal District Jabalpur, RCC Drain, RCC Construction work of Hum pipe culvert and external electrification work.	13/27/02/2018-19	281.26	26/08/2019	25/03/2021	577	0.20	28.13	27.93

Sl. No.	Work Description	Work order/Agreement No. & Date	Contract Price	Schedule date of completion	Actual date of completion	Delay in Days	LD deducted by management	LD should be collected	Remaining LD
10	Construction work of cement concrete road, culvert construction, RCC drain construction, RCC drain in industrial area Peepalkhoriya district Raisen.	14/18-19 27/02/2019	275.61	26/08/2019	18/07/2020	327	0.27	27.56	27.29
11	I. T. Centre alongwith HVAC & Allied works at 4th Floor Paryavas Bhawan, Bhopal (M.P.)	14/2019-20 28/12/2019	169.63	26/02/2020	28/07/2020	153	0.00	12.98	12.98
12	Interior furnishing and renovation work for making computer lab and smart classroom 1/2 internal electrification work in eklava Adarsh Awasiya school at different districts Rampur (P.V.T.G.) Nariagala distt. Jabalpur, Sijhora, Jabalpur, Mandla District junnardeo distt. Chhindwara Ghansour distt. Seoni Dindori District Dindori and Balaghat.	04 /19-20 29/06/2019	164.26	27/09/2019	27/03/2021	547	0.00	16.43	16.43
13	Work for Land Record Society office along with HVAC & Allied work at Govt. Press Building Hoshangabad road Bhopal.	09/2020-21 08/09/2020	144.15	07/11/2020	28/06/2021	233	0.10	14.42	14.32
14	The work of electromechanical equipment and main power training supply and installation at Modern Dairy Bulmother Farm, Bhopal.	138/2016-17 27/01/2017	137.63	24/09/2017	20/12/2017	87	0.00	5.99	5.99
15	Interior renovation, electrical and civil work in Unani Medical college and Hospital Bhopal.	26/20-21 18/02/2021	130.61	19/05/2021	30/11/2022	560	0.00	13.06	13.06
16	Interior decoration and electrification work of computer lab, library, biology, physics, chemistry lab and smart classroom of Government Gurukulam Residential School, Bawadia Kala, Bhopal.	17/18-19 06/03/2019	108.93	02/09/2019	16/06/2020	288	0.10	10.89	10.79
17	Construction of office building of District Trade and Industry Centre Sehore along with interior electrification and interior furnishing work.	05/2020-21 01/07/2020	72.78	26/02/2021	20/08/2021	175	0.09	6.37	6.28
18	Renovation Furnishing work of Bharat Bhawan Bhopal and Installation of hydrant System at Triveni Museum Ujjain (M.P.)	03/22-23 06/05/2022	67.00	13/10/2022	20/02/2023	130	0.00	4.36	4.36

Sl. No.	Work Description	Work order/Agreement No. & Date	Contract Price	Schedule date of completion	Actual date of completion	Delay in Days	LD deducted by management	LD should be collected	Remaining LD
19	Interior decoration works in Directorate Treasury and Accounts Office, Bhopal.	11/18-19 15/02/2019	19.67	16/05/2019	31/05/2020	381	0.05	1.97	1.92
20	Construction of C.C. Road, at I/A Dewas Road, Ujjain	05/2021-22 13/07/2021	237.32	21/02/2022	30/09/2022	221	0.00	23.73	23.73
21	Construction of various development activity, I/A Siya, Dist.Dewas	02/19-20 20/06/2019	240.04	21/12/2019	26/10/2020	310	0.27	24.00	23.73
22	Construction of RCC drain at Dewas Road	06/21-22 13/07/2021	417.67	20/06/2022	21/10/2022	123	0.00	25.69	25.69
23	Construction of cement road Barwah	11/2018-19 05/03/2019	257.95	07/12/2019	16/12/2020	375	0.25	25.80	25.55
24	Construction of Cement road hume pipe I/A Siya, Dewas.	07/2021-22 14/07/2021	314.00	11/12/2021	06/06/2022	177	0.14	27.79	27.65
25	Construction of Cement road hume pipe I/A Kanawati, Neemach	05/2019-20 21/10/2019	136.06	15/05/2020	06/11/2020	175	0.00	11.91	11.91
26	Construction of Cement road hume pipe I/A Siya, Dewas.	09/2021-22 15/07/2021	284.74	02/03/2022	11/07/2022	131	0.12	18.65	18.53
27	Construction of Cement road hume pipe I/A Kumhari, Ratlam.	06/2019-20 22/10/2019	163.73	15/05/2020	25/11/2020	194	0.15	15.88	15.73
28	Construction of Cement road hume pipe I/A Maksi, Ujjain.	10/2018-19 05/03/2019	168.61	05/07/2019	05/01/2020	184	0.19	15.51	15.32
29	Construction of Cement road hume pipe I/A Barwaha. Khargone	12/2018-19 05/03/2019	121.25	15/10/2019	11/03/2020	148	0.12	8.97	8.85
Total							3.14	573.76	570.62

Appendix 2.2.6

(Referred to in paragraph 2.2.5.6)

Statement showing non-recovery of penalty due to failure in establishment of Labs by the contractor

Sl. No.	Work Description	Work order/Agreement No. & Date	Value of Contract (₹ in crore)	Schedule time of completion	Amount of Penalty (in ₹)
1	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Birlanagar District Gwalior (M.P.)	04/ 01/03/2019	2.92	6 months	3,00,000
2	Construction of CC Road, RCC Drain, Hume Pipe culvert work at Semi Urban I/E and New I/A Tikamgarh District Tikamgarh (M.P.)	09/ 30/10/2019	2.06	6 months	3,00,000
3	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Maharajpura District Gwalior (M.P.)	10/ 30/10/2019	3.13	6 months	3,00,000
4	Construction of winding and strengthening of bituminous road work at I/A Barodi District Shivpuri (M.P.)	14/ 23/09/2020	1.62	4 months	2,00,000
5	Construction of DIC Office building i/c internal electrification work at Umaria District Umaria (M.P.)	16/ 05/01/2021	0.63	8 months	4,00,000
6	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Narsarha District Shahdol (M.P.)	21/ 08/03/2021	2.84	8 months	4,00,000
7	Construction of CC Road, RCC Drain, Hume Pipe culvert work at I/A Khargapur District Tikamgarh (M.P.)	29/ 10/06/2021	1.34	6 months	3,00,000
8	Infrastructure development works in Niwari Bhata, Dist Niwari	22/ 08/03/2021	2.39	8 months	4,00,000
9	Construction of Cement Concrete Road and RCC Drain work at Industrial Area Govindpura Bhopal Ditt-Bhopal (M.P.)	751/ 10/08/2021	5.27	6 months	3,00,000
10	Construction of Cement Concrete Road, RCC Drain, Hume Pipe Culvert and B.T. Road Panch work at Industrial Area Harda District- Harda (M.P.)	591/ 17/05/2021	3.50	6 months	3,00,000
11	Construction of cement concrete road, RCC Hume Pipe culvert and RCC drain work in I/A at Imalikhed, Distt. Chhindwara	489/ 01/07/2019	2.87	6 months	3,00,000
12	Development works in Adhartaal Dist Jabalpur	1884/ 27/02/2019	2.81	6 months	3,00,000

Sl. No.	Work Description	Work order/Agreement No. & Date	Value of Contract (₹ in crore)	Schedule time of completion	Amount of Penalty (in ₹)
13	Development works in Pipalkheriya Dist Raisen	1885/ 27/02/2019	2.76	6 months	3,00,000
14	Construction of Cement Concrete Road, RCC Drain and Hume pipe Culvert work at Industrial Area KHEDA ITARSI District- HOSHANGABAD (M.P.)	743/ 10/08/2021	2.23	6 months	3,00,000
15	Construction of R. c. C. drain work at Industrial Area Richhai, Jabalpur, distt. Jabalpur (M. P.)	2767/ 24/02/2022	0.20	4 months	2,00,000
16	Construction of C.C. Road, at I/A Dewas Road, Ujjain	05/2021-22 13/07/2021	2.37	4 months	2,00,000
17	Construction of various development activity, I/A Siya, Dist.Dewas	02/2019-20 20/06/2019	2.40	6 months	3,00,000
18	Construction of RCC drain at Dewas Road	06/2021-22 13/07/2021	4.18	8 months	4,00,000
19	Construction of cement road Barwah	11/2018-19 5/3/2019	1.21	6 months	3,00,000
20	Cement Concrete Road RCC Hume pipe at I/A Garoth,,Mandsore.	08/2019-20 25/10/2019	1.08	4 months	2,00,000
21	Construction of Cement road hume pipe I/A Furnakhedi, Ujjain	05/2020-21 01/03/2021	4.58	10 months	5,00,000
22	Construction of Cement road hume pipe I/A Kanawati, Neemach	05/2019-20 21/10/2019	1.36	4 months	2,00,000
23	Construction of Cement road hume pipe I/A Siya ,Dewas.	09/2021-22 15/07/2021	4.18	6 months	3,00,000
24	Construction of Cement road hume pipe I/A Kumhari, Ratlam.	06/2019-20 22/10/2019	1.64	4 months	2,00,000
25	Construction of Cement road hume pipe I/A Maksi, Ujjain.	10/2018-19 05/03/2019	1.69	4 months	2,00,000
26	Construction of Cement road hume pipe I/A Barwaha. Khargone	12/2018-19 05/03/2019	2.58	4 months	2,00,000
Total					76,00,000

Appendix 2.2.7

(Referred to in paragraph 2.2.5.7)

Increase in Probable Amount of Contract (PAC)

Sl. No.	Name of Contractor	Work Description	Work order/ Agreement no. & Date	Value of contract (₹ in crore)	Month of increase in PAC	PAC increase (₹ in crore)	Increase in percentage	Actual Cost of Completion (₹ in crore)	Schedule time for completion	Actual date of completion
1	M/s Chaturlal Contractor	Interior furnishing and renovation work for making computer lab and smart classroom 1/2 internal electrification work in eklavva Adarsh Awariya school in districts	04/2019-20 29/06/2019	1.64	Aug-19	0.54	32.87	2.22	3 Months	27/03/2021
2	M/s Bhavsar Construction Bhopal	Artistic ornamental Mural furnishing Renovation civil and other Allied work at sanskriti bhawan Banganga Bhopal	09/2022-23 25/07/2022	1.53	Oct-22	0.95	62.06	2.87	6 Months	10/01/2023
3	M/s Maa Kali constructions	Interior renovation, electrical and civil work in Unani Medical college and Hospital Bhopal.	26/2020-21 18/02/2021	1.31	Aug-21	0.91	69.60	2.67	3 Months	30/11/2022
4	M/S Bhavsar Construction Company	Various Civil Allied work & Artistic, Furnishing work at Sandhipani Ashram& Triveni Museum Ujjain and Kharjuraho Museum (M.P.)	12/2021-22/ 02/08/2021	1.25	Dec-21	0.40	32.05	1.91	4 Months	30/12/2021
5	M/s Chaturlal Gond Contractors Bhopal	Interior decoration and electrification work of computer lab, library, bio, physics, chemistry lab and smart classroom of Govt Gurukul Residential School, Bawadia Kala, Bhopal	17/2018-19 06/03/2019	1.09	Jul-19	0.47	43.12	1.59	6 Months	16/06/2020
6	M/s Bhavsar Construction Bhopal	Renovation Furnishing work of Bharat Bhawan and Installation of hydrant System at Triveni Museum Ujjain	03/2022-23 12/05/2022	0.67	Oct-22	0.90	134.33	1.79	4 Months	20/02/2023
7	M/s Gangadhar Sharma	Construction of R. C. C. drain work at Industrial Area Richhai, Jabalpur, distt. Jabalpur (M. P.)	28/2020-21 24/02/2019	1.99	Aug-21	0.80	40.12	3.11	4 Months	24/10/2021
Total				9.48		4.97				

Appendix 2.2.8

(Referred to in paragraph 2.2.8.1)

Statement showing details of underutilisation of Lab

Sl. No.	Name of testing lab	Years	Installed Capacity	No. of sample received	No. of sample tested	Capacity utilisation in percentage
1	Indore	2020-21	4,500	2,252	2,252	50.04
		2021-22	4,500	3,406	3,406	75.69
		2022-23	4,500	4,432	4,432	98.49
		Total (A)	13,500	10,090	10,090	74.74
2	Jabalpur	2020-21	2,160	1,038	1038	48.06
		2021-22	2,160	1,117	1,117	51.71
		2022-23	2,160	710	710	32.87
		Total (B)	6,480	2,865	2,865	44.21
Grand Total (A+B)			19,980	12,955	12,955	64.84

Appendix 2.3.1

(Reference to in paragraph 2.3.5.2 D)

Statement showing details of delay in redressal of complaint under CM helpline

Sl. No.	Name of the DREO	Complaint no.	Date of complaint	Date of redressal of complaint	Days consumed in the redressal of complaint
1	Shahdol	7400192	23-Nov-18	28-Jul-19	247
2	Shahdol	7405503	24-Nov-18	23-Jul-19	241
3	Shahdol	7428637	30-Nov-18	30-Jul-19	242
4	Shahdol	7537973	24-Dec-18	28-Oct-20	674
5	Shahdol	7926756	2-Mar-19	2-Mar-21	731
6	Shahdol	8110195	2-Mar-19	12-Dec-19	285
7	Shahdol	8135998	6-Apr-19	6-Feb-20	306
8	Shahdol	8804494	21-Jul-19	31-Mar-21	619
9	Shahdol	12368880	8-Oct-20	17-Sep-21	344
10	Anuppur	7180783	17-Oct-18	25-Feb-20	496
11	Anuppur	7795443	9-Feb-19	25-Jul-20	532
12	Umariya	4023587	13-Jun-17	8-Apr-18	299
13	Umariya	5649819	11-Mar-18	28-Jul-19	504
14	Umariya	6383045	1-Jul-18	16-Jul-19	380
15	Umariya	6592651	28-Jul-18	27-Jul-19	364
16	Gwalior	12180933	14-Sep-20	5-Dec-20	82
17	Gwalior	12276502	26-Sep-20	4-Dec-20	69
18	Gwalior	18514844	29-Jul-22	21-Sep-22	54
19	Gwalior	19975634	25-Nov-22	27-Dec-22	32
20	Gwalior	20275492	19-Dec-22	28-Jun-23	191
21	Satna	4992796	19-Nov-17	30-Jun-21	1,319
22	Satna	4999569	20-Nov-17	11-Jan-21	1,148
23	Satna	5408096	28-Jan-18	12-Jan-19	349
24	Satna	5568852	24-Feb-18	12-Jan-19	322
25	Satna	6076701	17-May-18	7-Sep-20	844
26	Satna	6652235	5-Aug-18	31-Jan-20	544
27	Satna	6731841	16-Aug-18	30-Jun-21	1,049
28	Satna	6979952	22-Sep-18	4-Mar-21	894
29	Satna	9988386	30-Dec-19	30-Jun-21	548
30	Shivpuri	12343757	4-Oct-20	7-Dec-20	64
31	Shivpuri	12673056	20-Nov-20	12-Jan-21	53
32	Shivpuri	12747621	30-Nov-20	3-Apr-21	124
33	Shivpuri	12793402	7-Dec-20	20-Feb-21	75
34	Shivpuri	13962025	25-Apr-21	13-Sep-21	141
35	Shivpuri	14244300	27-May-21	25-Jul-21	59
36	Shivpuri	14272105	30-May-21	6-Sep-21	99

Sl. No.	Name of the DREO	Complaint no.	Date of complaint	Date of redressal of complaint	Days consumed in the redressal of complaint
37	Shivpuri	14426893	16-Jun-21	17-Nov-21	154
38	Shivpuri	14493194	23-Jun-21	8-Sep-21	77
39	Shivpuri	14585878	3-Jul-21	8-Sep-21	67
40	Shivpuri	19470728	15-Oct-22	5-Dec-22	51
41	Shivpuri	20182246	12-Dec-22	29-Jan-23	48
42	Shivpuri	20225024	15-Dec-22	4-Feb-23	51
43	Shivpuri	20344043	24-Dec-22	3-Feb-23	41
44	Shivpuri	21269377	5-Mar-23	2-May-23	58
45	Betul	12543670	31-Oct-20	25-Feb-21	117
46	Betul	14048451	6-May-21	16-Jun-21	41
47	Betul	12581151	6-Nov-20	16-Dec-20	40
48	Betul	13265773	5-Feb-21	12-Mar-21	35
49	Betul	13713803	27-Mar-21	27-Jul-21	122
50	Betul	14225367	25-May-21	19-Aug-21	86
51	Betul	14655604	11-Jul-21	25-Aug-21	45
52	Betul	17517509	5-May-22	13-Jun-22	39
53	Betul	17587461	12-May-22	25-Aug-22	105
54	Betul	19720184	4-Nov-22	17-Dec-22	43
55	Betul	20376254	27-Dec-22	5-Jun-23	160
56	Betul	20454061	2-Jan-23	28-Apr-23	116
57	Betul	20947052	8-Feb-23	9-Aug-23	182
58	Betul	20963651	9-Feb-23	18-Apr-23	68
59	Betul	21754934	12-Apr-23	9-Jul-23	88
60	Betul	23619883	8-Aug-23	12-Sep-23	35
61	Mandsaur	13013088	8-Apr-21	29-Dec-21	265
62	Mandsaur	11534355	6-Jun-20	17-Dec-20	194
63	Mandsaur	9742241	23-Nov-19	20-Mar-20	118
64	Mandsaur	7372422	19-Nov-18	17-Feb-20	455
65	Mandsaur	7155083	13-Oct-18	5-Feb-19	115
66	Mandsaur	9606203	4-Nov-19	25-Feb-20	113
67	Rajgarh	13829556	10-Apr-21	21-Aug-21	133
68	Rajgarh	14508314	25-Jun-21	2-Jan-22	191
69	Rajgarh	17782812	30-May-22	20-Jan-23	235
70	Rajgarh	18967372	30-Sep-22	9-Dec-22	70
71	Rajgarh	19061928	11-Sep-22	12-Dec-22	92
72	Rajgarh	12449444	18-Oct-20	12-Dec-20	55
73	Dewas	13209128	29-Jan-21	8-Dec-21	313
74	Dewas	12487947	23-Oct-20	2-Dec-21	405
75	Dewas	12566439	4-Nov-20	19-Oct-21	349
76	Dewas	12942971	25-Dec-20	17-Nov-21	327

Sl. No.	Name of the DREO	Complaint no.	Date of complaint	Date of redressal of complaint	Days consumed in the redressal of complaint
77	Dewas	12998384	2-Jan-21	17-Nov-21	319
78	Dewas	13393420	19-Feb-21	21-Feb-22	367
79	Dewas	12768161	3-Dec-20	14-Jul-21	223
80	Dewas	13885215	16-Apr-21	28-Dec-21	256
81	Jabalpur	12749720	1-Dec-20	18-Jan-21	48
82	Jabalpur	12217782	19-Sep-20	5-Jan-21	108
83	Jabalpur	12647613	16-Nov-20	12-Jan-21	57
84	Jabalpur	12739412	29-Nov-20	13-Jan-21	45
85	Jabalpur	12800267	8-Dec-20	23-Feb-21	77
86	Jabalpur	13255952	4-Feb-21	27-Jun-21	143
87	Jabalpur	13430565	24-Feb-21	30-Aug-21	187
88	Jabalpur	12304180	30-Sep-20	12-Nov-20	43
89	Jabalpur	12574743	5-Nov-20	15-Feb-21	102
90	Jabalpur	12602625	9-Nov-20	22-Dec-20	43

Appendix 2.4.1

(Referred to in paragraph 2.4.1)

Details of Implementation of Integrated Power Development Scheme (IPDS) in DISCOMs

Sl. No.	Scheme	Name of the Company	All Towns			Sample Towns			(₹ in crore)
			Sanctioned Cost	Executed cost	Executed cost against sanctioned (in per cent)	Sanctioned Cost	Executed cost	Executed cost against sanctioned (in per cent)	
1	System strengthening	MPPKVVCL, Indore	523.67	496.1	94.74	382.45	381.84	99.84	
		MPPuKVVCL, Jabalpur	543.41	543.41	100.00	340.67	345.58	101.44	
		MPMKVVCL, Bhopal	482.28	425.7	88.27	329.12	287.35	87.31	
2	Smart metering	MPPKVVCL, Indore	69.09	24.89	36.03	69.09	24.89	36.03	
		MPPuKVVCL, Jabalpur	0	0	0.00	0	0	0.00	
		MPMKVVCL, Bhopal	0	0	0.00	0	0	0.00	
3	GIS substation	MPPKVVCL, Indore	29.57	0	0.00	14.91	0	0.00	
		MPPuKVVCL, Jabalpur	24.02	0	0.00	0	0	0.00	
		MPMKVVCL, Bhopal	0	0	0.00	0	0	0.00	
4	RT-DAS	MPPKVVCL, Indore	6.34	0	0.00	6.86	0	0.00	
		MPPuKVVCL, Jabalpur	0	0	0.00	0	0	0.00	
		MPMKVVCL, Bhopal	6.4	0	0.00	6.4	0	0.00	
5	IT	MPPKVVCL, Indore	15.06	15.04	99.87	15.06	15.04	99.87	
		MPPuKVVCL, Jabalpur	41.15	0	0.00	41.15	0	0.00	
		MPMKVVCL, Bhopal	29.65	22.68	76.49	29.65	22.68	76.49	
6	ERP	MPPKVVCL, Indore	7.97	8.71	109.28	7.97	8.71	109.28	
		MPPuKVVCL, Jabalpur	7.53	11.12	147.68	7.53	11.12	147.68	
		MPMKVVCL, Bhopal	7.39	9.49	128.42	7.39	9.49	0.00	
		Total	1,793.53	1,564.11	87.21	1,284.67	1,113.67	86.69	

Appendix 2.4.2

(Referred to in paragraph 2.4.4)

Selected Circles of DISCOMs

Name of Company	Sl. No.	Name of Circles	Selected/Non-Selected
MPPKVVCL, Indore	1	Neemach (O&M) Circle	Selected
	2	Barwani (O&M) Circle	Selected
	3	Shajapur (O&M) Circle	Selected
	4	Burhanpur (O&M) Circle	Selected
	5	Ujjain (O&M) Circle	Selected
	6	Dewas (O&M) Circle	Selected
	7	Indore City Circle	Selected
	8	Indore (O&M) Circle	Non-Selected
	9	Mandsaur (O&M) Circle	Non-Selected
	10	Jhabua (O&M) Circle	Non-Selected
	11	Dhar (O&M) Circle	Non-Selected
	12	Khandwa (O&M) Circle	Non-Selected
	13	Khargone (O&M) Circle	Non-Selected
	14	Ratlam (O&M) Circle	Non-Selected
MPPuKVVCL, Jabalpur	15	Jabalpur City Circle	Selected
	16	Chhindwara (O&M) Circle	Selected
	17	Sidhi (O&M) Circle	Selected
	18	Satna (O&M) Circle	Selected
	19	Chhattarpur (O&M) Circle	Selected
	20	Sagar (O&M) Circle	Selected
	21	Tikamgarh (O&M) Circle	Selected
	22	Jabalpur (O&M) Circle	Non-Selected
	23	Rewa (O&M) Circle	Non-Selected
	24	Mandla (O&M) Circle	Non-Selected
	25	Shahdol (O&M) Circle	Non-Selected
	26	Katni (O&M) Circle	Non-Selected
	27	Seoni (O&M) Circle	Non-Selected
	28	Narsinghpur (O&M) Circle	Non-Selected
	29	Damoh (O&M) Circle	Non-Selected
MPMKVVCL, Bhopal	30	Bhind (O&M) Circle	Selected
	31	Bhopal City Circle	Selected
	32	Gwalior City Circle	Selected
	33	Gwalior (O&M) Circle	Selected
	34	Mourena (O&M) Circle	Selected
	35	Sehore (O&M) Circle	Selected
	36	Shivpuri (O&M) Circle	Selected
	37	Betul (O&M) Circle	Non-Selected

Name of Company	SI. No.	Name of Circles	Selected/Non-Selected
	38	Bhopal (O&M) Circle	Non-Selected
	39	Guna (O&M) Circle	Non-Selected
	40	Hoshangabad (O&M) Circle	Non-Selected
	41	Ragarh (O&M) Circle	Non-Selected
	42	Sheopur (O&M) Circle	Non-Selected
	43	Vidisha (O&M) Circle	Non-Selected
Total Circles-43			Selected Circles-21

Appendix 2.4.3
(Referred to in paragraph 2.4.5.3)
Comparison between NADs and DPRs

			MPPuKVVCL, Jabalpur			MPPKVVCL, Indore			MPMKVVCL, Bhopal		
			NAD	DPR	Deviation (in per cent)	NAD	DPR	Deviation (in per cent)	NAD	DPR	Deviation (in per cent)
Sl. No.	Particular of items	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
1	33/11 KV or 66/11 KV SS : New	Nos	410	35.00	91.46	48	2	95.83	47	15	68.09
2	33/11 KV or 66/11 KV SS : Additional Transformer	Nos	154	20.00	87.01	7	0	100.00	34	2	94.12
3	33/11 KV or 66/11 KV SS : Transformer Capacity Enhancement	Nos	151.15	85.75	43.27	46	10	78.26	43	7	83.72
4	33/11 KV or 66/11 KV SS : Renovation & Modernisation	Nos	171	167.00	2.34	4316	1931	55.26	230	46	80.00
5	New 33 KV feeders- New/Bifurcation/ Augmentation	Kms	321.75	201.25	37.45	314.5	20	93.64	361.2	163.55	54.72
6	33 KV feeders- Augmentation	Kms	2078.84	100.00	95.19	239.2	0	100.00	181.5	92	49.31
7	33 kV Line Bay Extension at EHV station	Nos	0	6.00	100.00	0	4	100.00	14	16	-14.29
8	New 11 KV feeders- New/Bifurcation	Kms	959.15	864.63	9.85	922.1	615.6	33.24	784.2	337.88	56.91
9	New 11 KV feeders- Augmentation	Kms	2463.22	443.57	81.99	1004.3	598.1	40.45	254.3	95.69	62.37
10	11 KV Bay Extension	Kms		23.00	100.00	0	0	100.00	0	8	100.00
11	Distribution Transformer- New	MVA	188.91	1224.00	-547.93	1895	1208	36.25	1740	933	46.38
12	Distribution Transformer- R&M	Nos.	5739	646.00	88.74	0	0	0.00	5474	1965	64.10
13	Capacity enhancement of LT sub-station	MVA	719.0492	481.00	33.11	2125	833	60.80	872	161	81.54

		MPPuKVVCL, Jabalpur				MPPKVVCL, Indore				MPMKVVCL, Bhopal			
		NAD	DPR	Deviation (in per cent)	NAD	DPR	Deviation (in per cent)	NAD	DPR	Deviation (in per cent)	NAD	DPR	Deviation (in per cent)
14	LT Line : New Feeder/ Feeder Bifurcation/	Kms	784.32	715.05	8.83	541.95	347.45	35.89	667.42	353.8	46.99		
15	LT Line : Augmentation	Kms	158.02	513.58	-225.01	1333.2	587.3	55.95					
16	HVDS	Nos	272	82.00	69.85	279	0	100.00	362	225	37.85		
17	Capacitor Bank	MVA R	58.8	30.00	48.98	38.6	0	100.00	63	27	57.14		
18	Aerial Bundched Cables	Kms	5389.809	1695.10	68.55	3272.99	2834.1	13.41	2714.85	1490.19	45.11		
19	Under-ground cables	Kms	246.35	25.20	89.77	154.3	13.1	91.51	143	16.5	88.46		
20	Solar Panels with Net metering (in Govt establishment)	Nos./ 5KV A	108	181.00	-67.59	258	31	87.98	160	29	81.88		
21	Metering - Feeder/Boundary Point	Nos	477		100.00	286938	139641	51.33	497071	174573	64.88		
22	Metering - DT	Nos	5613		100.00								
23	Metering -Consumer	Nos	467983	245486	47.54								
24	Prepaid / smart meters in Govt. establishment	Nos	17743		100.00								
25	AMI, Smart meters (in SCADA towns)	Nos	16016		100.00								
26	RMU, Sectionaliser, Auto reclosures, FPI etc.	Lot	0	0.00	100.00	0	0	0.00	0	0	0.00		
27	Installation of AMR server	Lot	0	1.00	100.00	0	0	0.00	12	0	100.00		
28	New 11 KV Feeder on AB Cable (Only Bhopal City)	Kms	0	0.00	0.00	0	0	0.00	10	0	100.00		
29	33 KV Line Double Circuit 13 mtr. Long H-beam on Panther Conductor.	Kms	0	0.00	0.00	0	0	0.00	103	0	100.00		
30	New 33 KV feeder on Monopole (Only Bhopal City)	Kms	0	0.00	0.00	0	0	0.00	7	0	100.00		
31	Switch Yard at Cancer Hill with 2 no. Incoming & 5 no. Outgoing 33 KV Bay.	Nos	0	0.00	0.00	0	0	0.00	0	0	0.00		
32	Others	Lot	0	0.00	0.00	0	0	0.00	0	750	100.00		

Appendix 2.4.4

(Referred to in paragraph 2.4.6.2 A)

Comparison of SBD with NITs (Techno-commercial criteria)

Sl. No.	As per Standard Bid Document	As per NITs	Impact
1	<p>3a. Anex-A to BDS_ Vol-I_ Section-III.docx</p> <p>(i) The bidder must have successfully erected, Tested & commissioned substation & transmission lines /feeders of [33 KV or 66 KV class] and [11 KV or 22 KV class] (as the case may be in the bid) in a single turnkey contract in last 7 years as on the date of bid opening, having installation of at least 50% of the transformation capacity considered in proposed bid (i.e. Sum of KVA ratings of Power transformers for 33 KV/66 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/22 KV class, as proposed in the present bid)</p> <p>and</p> <p>50% of length of [33 KV/66 KV lines] and [sum of {11KV or 22KV and LT lines}], considered in proposed bid, and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p> <p>Or</p> <p>The bidder must have successfully erected, tested & commissioned Sub-Station & transmission lines/feeders of [33 KV or 66 KV class] and [11 KV or 22 KV class] (as the case may be in bid) in TWO turnkey contract in last 7 years as on the date of bid opening, each having installation of at least 40% of the transformation capacity considered in proposed bid (i.e. Sum of KVA</p>	<p>4a. Annexure A to Bid Data Sheet Volume-I_ Section - III</p> <p>(i) The bidder must have successfully supplied, erected, tested & commissioned Sub-Station & transmission lines/feeders in a single turnkey contract in last 7 years as on the date of bid opening, having installation of</p> <p>a. at least 20% of the transformation capacity considered in proposed bid (i.e. Sum of KVA ratings of all transformers for 33 KV/11 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/0.4 KV and 22 KV/0.4KV class) and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p> <p>AND</p> <p>b. at least 20.0% of length of lines considered in proposed bid [sum of lines from LT to 66 kV] and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p> <p>AND</p> <p>c. Sum of Percentage of (a) and Percentage of (b) should at least be 100.</p> <p>OR</p> <p>(ii) The bidder must have successfully supplied, erected, tested & commissioned Sub-Station & transmission lines/feeders in a TWO turnkey</p>	<p>Small Bidders with lesser experience of large volume of work were eligible for participation in bid.</p>

Sl. No.	As per Standard Bid Document	As per NITs	Impact
	<p>ratings of Power transformers for 33 KV/66 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/22 KV class, as proposed in the present bid)</p> <p>and</p> <p>40% of length of [33 KV/66 KV lines] and [sum of {11KV or 22KV and LT lines}], considered in proposed bid, and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p> <p>Or</p> <p>The bidder must have successfully erected, tested & commissioned Sub-Station & transmission lines/feeders of [33 KV or 66 KV class] and [11 KV or 22 KV class] (as the case may be in bid) in THREE turnkey contracts in last 7 years as on the date of bid opening, each having installation of at least 30% of the transformation capacity considered in proposed bid (i.e. Sum of KVA ratings of Power transformers for 33 KV/66 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/22 KV class, as proposed in the present bid)</p> <p>and</p> <p>30% of length of [33 KV/66 KV lines] and [sum of {11KV or 22KV and LT lines}], considered in proposed bid, and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p>	<p>contract in last 7 years as on the date of bid opening, having installation of</p> <p>a.at least 20% of the transformation capacity considered in proposed bid (i.e. Sum of KVA ratings of all transformers for 33 KV/11 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/0.4 KV and 22 KV/0.4KV class) and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p> <p>AND</p> <p>b. At least 20.0% of length of lines considered in proposed bid [sum of lines from LT to 66 kV]and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p> <p>AND</p> <p>c.Sum of Percentage of (a) and Percentage of (b) should atleast be 160.</p> <p>OR</p> <p>(iii) The bidder must have successfully supplied, erected, tested & commissioned Sub-Station & transmission lines/feeders in a THREE turnkey contract in last 7 years as on the date of bid opening, having installation of</p> <p>a.at least 20% of the transformation capacity considered in proposed bid (i.e. Sum of KVA ratings of all transformers for 33 KV/11 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/0.4 KV and 22</p>	

SL. No.	As per Standard Bid Document	As per NITs	Impact
	<p>(ii) Bids may also be submitted by joint venture firms (having not more than three partners with one partner as lead partner) wherein</p> <p>a) All the partners should jointly meet qualification requirements set forth in para III (i) or III (ii) or III (iii) above,</p> <p style="text-align: center;">AND</p> <p>b) The lead partner should have successfully erected, tested and commissioned sub-station & transmission line/feeder of [33 KV or 66 KV] and [11 KV or 22 KV class] (as the case may be in bid) in a single turnkey contract in last 7 years as on the date of bid opening, having installation of at least 40% of the transformation capacity considered in proposed bid (i.e. Sum of KVA ratings of Power transformers for 33 KV/66 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/22 KV class, as proposed in the present bid) and 40% of length of [33 KV/66 KV lines] and [sum of {11KV or 22KV and LT lines}] lines considered in proposed bid, and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p> <p style="text-align: center;">AND</p> <p>c) each of the other partner(s) should have successfully erected, tested and commissioned sub-station & transmission line/feeder of [33 KV or 66 KV] and [11</p>	<p>KV/0.4KV class) and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p> <p style="text-align: center;">AND</p> <p>b. At least 20.0% of length of lines considered in proposed bid [sum of lines from LT to 66 kV] and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid,</p> <p style="text-align: center;">AND</p> <p>c. Sum of Percentage of (a) and Percentage of (b) should atleast be 180.</p> <p>(iv) Bids may also be submitted by joint venture firms (having not more than three partners with one partner as lead partner) wherein all the partners should jointly meet qualification requirements set forth above.</p>	<p>Ignoring the atleast experience percentage of lead partner enabled the participation of lead partner having no work experience, which later on conducted inferior work</p>

Sl. No.		As per Standard Bid Document		As per NITs	Impact
		<p>KV or 22 KV class] (as the case may be in bid) in a single turnkey contract in last 7 years as on the date of bid opening, having installation of at least 25% of the transformation capacity considered in proposed bid (i.e. Sum of KVA ratings of Power transformers for 33 KV/66 KV class and Sum of KVA ratings of Distribution transformers for 11 KV/22 KV class, as proposed in the present bid) and 25% of length of [33 KV/66 KV lines] and [sum of {11KV or 22KV and LT lines}] lines considered in proposed bid, and the system so created must be in satisfactory operation for at least one (1) year as on date of opening of bid.</p>			

Appendix 2.4.5

(Referred to in paragraph 2.4.6.2 B)

Deficiencies in Bid documents

Sl. No.	LOT No./ Date of NIT	Circles	Name of the Firm	Deficiencies in Technical bid documents	Deficiencies in Commercial bid documents	Amount (₹ in cr.) as per Letter of Award
A. MP Paschim Kshetra Vidyut Vitran Company Limited, Indore						
1	LoT -01 /14.02.17	Khargone & Burhanpur	M/s Power Solution	Performance certificate of prior period not submitted	Financial parameter-related documents certified by CA of lead partner was not submitted.	29.09
2	Lot-04 /14.02.17	Shajapur (including Agar)	M/s Harpal Singh	Performance Certificate not submitted as required as less than 20 % of transformer capacity	N/A	29.09
3	Lot- 05 /14.02.17	Dhar & Jhabua	M/s Ubitech Ltd	N/A	liquid assets (LA) and/ or evidence of access to or availability of fund-based credit facilities related document as required was not submitted as provided document reflects only less than 10% of the estimated cost	39.57
4	Lot- 07 /14.02.17	Ratlam	Shri Ram Switchgear	Work experience certificate not available as per criteria	N/A	31.81
Total (A)						129.56
B. MP Poorva Kshetra Vidyut Vitran Company Limited, Jabalpur						
5	Four Circles in one LOT/	Chhatarpur,Rewa-Satna & Sidhi	M/s Adrak Engineering and Construction Limited	Lead partner company was just eight months old and being foreign company not eligible to participate in tendering.	The turnover and net worth of its holding company was considered, which was a foreign company and not eligible in tendering.	54.45
						35.63
						43.24
						29.92
Total (B)						163.24
Grand Total (A+B)						292.80

Appendix 2.4.6

(Referred to in paragraph 2.4.7.1)

Details of DISCOMs wise comparison of quantity awarded and actually executed in respect of significant 10 items

Sl. No.	Particulars	Unit	MPPuKVVCL, Jabalpur			MPPKVVCL, Indore			MPMKVVCL, Bhopal		
			NIT Quantity	Actual Quantity	Variation in percentage	NIT Quantity	Actual Quantity	Variation in percentage	NIT Quantity	Actual Quantity	Variation in percentage
1	33/11 KV S/S: New	Nos.	34	39	14.71	0	2	100.00	14	17	21.43
2	33/11 KV S/S: Additional Transformer	Nos.	20	27	35.00	0	0	0.00	2	20	900.0
3	33/11 KV S/S: Transformer capacity enhancement	Nos.	42	51	21.43	0	10	100.00	7	25	257.14
4	New 33 KV new feeders/Bifurcation of feeders:	Kms	201	162.16	19.32	4	12	200.00	163.55	136.89	16.30
5	33 KV feeders Reconductoring/ Augmentation	Kms	88	36.89	58.08	0	0	0.00	92	46.31	49.66
6	11 kv Line: New Feeder/ Feeder Bifurcation	Kms	908	837	7.82	557	557.16	0.03	332.48	311.52	6.30
7	11 kV Line: Augmentation/ Reconductoring	Kms	371	219.79	30.45	208	130.7	37.16	95.30	204.08	114.14
8	installation of new distribution transformer	Nos.	1091	1628	49.22	1000	1540	54.00	929	1223	31.65
9	LT Line: New Feeder/ Feeder Bifurcation	Kms	569	1381.07	142.72	2484	2145.42	13.11	0	0	-
10	LT Line: Augmentation/ Reconductoring	Kms	1951	1322.35	32.15	414	799.47	93.11	234	0	100.0

Appendix 2.4.7

(Referred to in paragraph 2.4.7.4 and 2.4.7.14)

Short Closure and Cost Overrun of Project

(₹ in crore)

(A) Short Closure of Project						
Sl. No.	Name of the DISCOMs	Project executed at Circle	Sanctioned Cost	Awarded Cost	Actual Expenditure	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(5)-(6)
1	MPPKVVCL, Indore	Shajapur	27.47	28.51	24.33	4.18
2		Dewas	38.72	39.95	38.23	1.72
3		Indore City	230.78	249.72	236.62	13.10
4	MPMKVVCL, Bhopal	Bhind	35.86	26.26	17.09	9.17
5		Bhopal City	150.40	147.72	135.80	11.92
6		Gwalior City	46.35	51.57	51.11	0.46
7		Gwalior O&M	46.4	38.84	36.57	2.27
8		Morena	31.64	32.12	29.43	2.69
9		Sehore	1.58	1.58	1.49	0.09
10		Shivpuri	16.89	16.90	15.86	1.04
Total			626.09	633.17	586.53	46.64
(B) Cost Overrun of Projects						
Sl. No.	Name of DISCOMs	Name of project	Sanctioned Cost	Actual Expenditure		Cost Overrun
1	MPPKVVCL, Indore	Barwani	11.78	16.02		4.24
2		Dewas	38.72	39.95		1.23
3		Neemuch	24.06	26.21		2.15
4		Indore City	230.78	243.21		12.43
5	MPPuKVVCL, Jabalpur	Jabalpur City	77.49	88.35		10.86
6		Satna	50.69	62.12		11.43
7		Sidhi	30.68	32.56		1.88
8	MPMKVVCL, Bhopal	Gwalior city	46.35	51.11		4.77
Total						48.99

Appendix 2.4.8

(Referred to in paragraph 2.4.7.5)

Details of feeder meters and updated feeders

(In numbers)			
Sl. No.	Name of Circle	Feeder	Updated feeder
1	Indore	525	335
2	Ujjain	126	108
3	Dewas	51	0
4	Shajapur	376	0
5	Burhanpur	24	0
6	Barwani	31	0
7	Neemuch	37	0
Total		1,170	443

Appendix 2.4.9

(Referred in paragraph 2.4.7.7)

Unutilised material beyond the Guarantee period (GP)

Sl. No.	Particular of material	Quantity	Date of receipt of material	Period of Guarantee	Date of expiry of GP	SOR Sl. No.	Rate	Loss (in ₹)
1	DO Sets 11 KV	15954	01.06.2019	18	22.11.2020	255	612	97,63,848
2	DO Sets 33 KV	180	14.06.2017	18	06.12.2018	255	612	1,10,160
3	Piercing connector for phase conductor type II (Main 16-95 sqmm and Tap off 1.5-10 sqmm)	52150	27.01.2018	18	16.07.2019	144	47	24,51,050
4	XLPE LT 1-Core aluminium unarmoured 70 sqmm cable	36.258	18.04.2017	18	17.03.2020	75	46391	16,82,045
5	Earthing coil of 115 turns of 50 mm Dia and 2.5 mtr lead of 4 mm GI wire	17631	29.05.18	18	28.11.2019	277	104	18,33,624
6	Stay set without stay wire 20 mm (painted)	565	14.12.2018	12	13.12.2019	419	741	4,18,665
7	Earthing coil	30711	30.10.2018	18	29.04.2020	277	104	31,93,944
8	33 KV DOSets	174	17.09.2018	12	16.09.2019	255	612	1,06,488
9	1 core 25 sqmm Cable	334.89	15.07.2017	18	14.01.2019	72	19301	64,63,712
10	1 core 25 sqmm Cable	10.371	15.07.2017	18	14.01.2019	72	19301	2,00,170.7
Total								2,62,23,706.7

Appendix 2.4.10

(Referred to in paragraph 2.4.7.8)

Major Deficiencies of Project Management Agency

Name of the Circle	Deficiencies observed
Indore City	Various discrepancies pertaining to quality measures at various locations (May/July 2019) in west divisions, north division (November 2020), south division were noticed, however Consultant (PMA) did not confirm these deficiencies through measurement in all locations. It was also noticed that there was absence of a Field Engineer of Consultant for 22 months. Further, before recommending the bills the PMA did not ensure suitable compliance reports by the contractor for rectification of defects at its own cost and failed to monitor the same to avoid be fatal incident in future and just signed the bills of TKCs without any quality control. Despite poor progress, non-matching of scope and nature of works between the descoping order and its actual departmental execution no such issues with reasons were submitted by the consultant.
Dewas	It was noticed that non- replacement of defective meters (769 Nos.), non-dismantling of old poles and lines, non-replacement of PCC poles, non-earthing and non-muffing at lines, improper installations led to leakage of current and breaking of lines and other issues were not reported in the completion report of PMA despite work in progress as observed by the audit.
Shajapur	No reporting of difference in quantity of GI wire amounting to 4347 kg and 12186 meters of service cable, non-execution of work amounting to 1.17 crore by TKC in Nalkheda town which was ultimately not executed, issues like dismantled material lying on the field, ring fencing & non-completion of metering work and other quality related issues were never reported by the consultant.
Burhanpur	Delay in awarding labour contracts, non-lifting of materials despite release of materials from area stores, old line was not dismantled by the labour contractors in Shivaji Nagar Ward no. 47 in augmentation works, delay in finalization of closure. These issues were never reported by the consultant the during execution with remedial measures.
Barwani	Joint verification of material at site observed that (09.05.2019) that project consultant was just signing the bills of TKC without any supervision, monitoring & quality control of executed works.
Neemuch	Non-reporting of pending DTR metering (160 Nos.) improper consumer indexing, non-returning (133 Nos.) and Non-replacement of defective meters (130 Nos.) even after completion of project.
Ujjain	Actual temporary works in Simhastha were not identified and reported by consultant along with fact of execution of works of Rs. 11 crore without approval of DPR by PFC. It shows that no monitoring and supervision of works was done by them.
Other deficiencies (common to all above projects)	<ul style="list-style-type: none"> Deficiencies on the part of project consultant were contributed in delaying all the projects as well as lot of quality issues like delay in lab test of materials, missing items in sampling, delay in finalization of Bill of Quantity (BoQ) vis-à-vis town wise final BoQ, non-ensuring actual requirement of works location wise, deficient quality of works execution. Non-reporting of non-receipt back materials in IPDS projects by the project consultant despite reminders in this regard. Non-ensuring the guidelines of company and MPPMCL regarding work plan of IPDS works. <p>Non-ensuring completion in all respect of the projects through actual physical inspection from site resulting into completion was declared by the management despite work ongoing and inability to provide final BoQ within 3 months from the declared completion.</p>

Appendix 2.4.11

(Referred to in paragraph 2.4.7.13)

Audit Analysis of Extension of Time Proposal

A) MPPKVVCL, Indore		
SI. No.	Subject	Brief Description of Para
1	Non-submission of EOT proposals by TKCs within a contractual time period: -	TKCs were required to submit their notice for the extension as soon as reasonably practicable after the commencement of such event or circumstance and before the expiry of currency of the contract, however, audit observed that all TKCs had submitted their request for EOT after the expiry of scheduled completion. This shows that they had neither used its reasonable efforts to minimize any delay in the performance of the contract nor intended to bring the issues within a practical and reasonable period to resolve and analysis for the same. Management and Project Management Agency also did not point out this vital irregularity while processing their request.
2	Acute delay in Processing of EOT proposals: -	Management caused an acute delay in processing and final recommendation of extension of time (EOT) proposals as audit observed that time period of 10 months to 26 months (LOT-03, 04, 07, 10, 11 & 14) were taken for processing the proposals and rest LOTs were processed within the range of 3 months to 5 months. Most of the delay was caused by a delay in submission of justification from the field offices (LOT-4, 10 & 11, 14), and a delay in technical committee recommendation (LOT-07). Due to the pendency of disposal of extension requests, TKCs were practically allowed to execute the project during the requested extension period resulting into non-ensuring the reasonable efforts to minimize the delay by the TKC defeating the objective of timely completion of the project.
3	Undue EOT in Descoped LOTs:-	Despite the descoping of IPDS projects, TKCs of LOT-1, LOT-04, LOT-05, LOT-07, LOT-08, LOT-10 and LOT-11 failed to complete its 70% component of works in total completion period of 24 months as well as even could not complete the same in their extended period of time also. The field management and PMA also failed to point out these vital facts while processing and recommending the time extension and treated at par with projects wherein descoping was not made. The assistance through descoping received from the company in the completion of such projects was totally ignored by the field management as well as PMA.
4	Undue EOT in completion period without request of TKC:-	Audit surprisingly observed that in the case of LOT-03 (Dewas), though TKC had not sought any extension in the overall completion period except stage wise extension period (Stage-I, II, III) but still management ultimately provided the undue time extension of 9 months in completion period (03.04.2019 to 17.01.2020). This shows that field management did not even went through the TKC proposal properly before the recommendation. Also, in LOT-06 and LOT-07, no extended completion period was mentioned by the TKCs except delay period of each cause of delay, it shows that TKCs were not even sure about the probable completion of the project at the time of submission of EOT proposals. But still, management neither raised any query nor provided reasonable justifications for EOT.
5	Undue Time extension due to Survey and BoQ finalization:-	Survey and BoQ finalization was part of the scope of the work as per the award and there was no change in facilities proposed by the Employer (company) which can reasonably affect the performance vis-à-vis time period of contract but despite of the same TKCs of LOT-1 to LOT-12 had proposed as reasons for delay. Further, TKC has not provided any detail of the initial survey and its BoQ, its re-submission/finalization of BoQ, return by the management with reasons etc. and field management has also not proposed in its inputs on the claim of TKC except forwarding the facts of the TKCs with its recommendation of time period. In Such a scenario, this reason may not be feasible in support of a time extension claim.

6	Undue time extension due to ROW & Public hindrance: -	Company management as well as project management agency failed to provide specific justification against each RoW issue as they had just forwarded the facts proposed by TKC and no factual analysis were seen in their recommendations and accordingly, technical committee and time extension committee based their decisions and allowed the EOT with undue benefits.
7	Undue EOT due to Non-availability of Shut down and cancellation of planned permits:	The project planning was the onus of contractor as well as TKCs also and Contractor shall at all times use its reasonable efforts to minimize any delay in the performance of its obligations under the Contract. Upon awarding the contract, TKC should have planned in such way that hindrance may not occur due to it. However, all reasons like festivals, elections, exams could well be imagined prior as it were existing facts for planning. Management also forwarded the same without details of any responsibility with reasons with reference to field officials, if they submitted that concerned delay was caused on their part because if delay was caused, either TKC or field management must have been responsible.
8	Undue EOT due to hard rock, force majeure and heavy rain fall	The work was awarded to TKCs with contractual period including rainy seasons so period of rain fall during rainy seasons may not be considered for EOT except exceptional torrential rain which was not seen in any case. Further, work was awarded against the bid of TKCs wherein terms and conditions of work was mentioned of the area wherein it was supposed to work and keeping all factors of mind, stipulated period was given. So, issue of hard rock may not be treated base for time extension.
9	Undue EOT due to Theft of materials:	Theft was occurred from the site store of TKC and safe custody of materials was the responsibility of TKC and there was no delay on part of management. Despite of the same, field management forwarded the same and based on it, higher committee allowed the EOT on this ground.
10	Undue EOT due to COVID-19:	COVID-19 related restrictions started from March 2020 and projects of LOT-1 to 12 were supposed to be completed from April 2019 to September 2019 in their stipulated time of 24 months. Therefore, had they executed the projects with proper work planning, good pace and progress, then issue of COVID -19 may not have been arisen. The benefit of COVID-19 may not be given to TKCs as due to their slow progress project was prolonged till COVID.
11	Undue time extension due to GST revision issue:	The ex-works price and applicable taxes are two separate component and as per award, TKCs were contractually liable to pay the taxes as it would accrue and similarly, they would have also executed an agreement with their sub-vendors. Further, there was no specific detail submitted wherein it could be justified about delay caused due to it except the dates of revision. Had such specific details proposed, then case to case basis it could be analysed by the management. Management also errored in forwarding the same without proper and reasonable justification.
12	Undue favour to TKCs through refunding LD/Non-deduction of LD:	All projects (LOT-01 to LOT-12) was delayed in a way that liquidated damages should have been levied on TKC at the maximum rate of 5 percent of the contract price however, management on the other hand, not only the short deduction of LD amounting to ₹9.37 crore but also refunded even deducted LD of ₹7.81 crore to the respective TKCs. Therefore, undue favour to TKCs through refunding/Non-deduction was made amounting to ₹ 17.81 crore.

B) MPPuKVVCL, Jabalpur

S No	Subject	Brief Description of Para
1	Non-submission of EOT proposals by	TKCs were required to submit their notice for the extension as soon as reasonably practicable after the commencement of such event or circumstance and before the expiry of currency of the contract, however, audit observed that fake completion was declared for all projects during 31 December 2018 to 31 March 2019. However, work continued for several months

	TKCs within a contractual time period: -	after fake declaration. All TKCs had submitted their request for stage EOT (Stage-1 to Stage-III) after the expiry of scheduled completion and in five cases (Jabalpur O&M circle, Jabalpur City Circle, Shadol, Damoh and Sidhi Circle), even after actual completion of entire (TKC + Departmental) work; in rest cases EoT was applied when the actual work was almost about to complete. This shows that they had neither used its reasonable efforts to minimize any delay in the performance of the contract nor intended to bring the issues within a practical and reasonable period to resolve and analysis for the same. Management and Project Management Agency also did not point out this vital irregularity while processing their request.
2	Acute delay in Processing of EOT proposals:-	Management caused an acute delay in processing and final recommendation of extension of time (EOT) proposals as audit observed that time period of 28 months to 47 months (Narsinghpur, Chhindwara, Katni, Seoni, Chhatarpur and Sidhi) were taken for processing the proposals as indicated in Annexure-I and rest EoT proposals were processed within the range of 4 months to 24 months. Thus huge time was taken for submission of justification from the field offices (Chhindwara, Sagar, Sidhi, Chhatarpur, Tikamgarh, Narsinghpur, Rewa, Damoh and Seoni). Moreover committee took huge time for its recommendation for Sidhi (15 Months) and Katni (31 Months).
3	Undue EOT in Descoped LOTs:-	Despite the descoping of IPDS projects, TKCs viz. Jabalpur City, Jabalpur O&M, Narsinghpur, Chhindwara, Sagar, Chhatarpur and Tikamgarh failed to complete its works in total completion period of 24 months. The assistance through de-scoping received from the company in the completion of such projects as well as declaration of fake completion unduly helped the TKCs in providing stage extension
4	Undue EOT due to Non-availability of Shut down and cancellation of planned permits: -	The project planning was the onus of contractor as well as TKCs also and Contractor shall at all times use its reasonable efforts to minimize any delay in the performance of its obligations under the Contract. Upon awarding the contract, TKC should have planned in such way that hindrance may not occur due to it. However, all reasons like festivals, elections, exams could well be imagined prior as these were existing facts for planning. Management also forwarded the same without details of any responsibility with reasons with reference to field officials, if they submitted that concerned delay was caused on their part because if delay was caused, either TKC or field management must have been responsible.
5	Undue time extension due to GST revision issue: -	The ex-works price and applicable taxes are two separate components and as per award, TKCs were contractually liable to pay the taxes as it would accrue and similarly, they would have also executed agreement with their sub-vendors. Further, there was no specific detail submitted wherein it could be justified about delay caused due to it except the dates of revision. Had such specific details proposed, then case to case basis it could be analysed by the management. It was noticed that every TKC was allowed huge extension of 102 days in Stage-I by the committee, without any recommendation from field.
6	Undue favour to TKCs through refunding LD/Non-deduction of LD:-	All projects (15 Circles) were delayed in a way that liquidated damages should have been levied on TKC at the maximum rate of 5 percent of contract price however, management deducted the LD but later on refunded the amount deducted to the respective TKCs. Therefore, the company extended undue favour to TKCs through refund of LD amounting to ₹ 22.22 crore.

Appendix 2.4.12

(Referred to in paragraph 2.4.11.1)

Shortcomings in ERP Modules

Sl. No.	Module	Function
Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Limited, Indore		
1	Human resource management system (HRMS)	Various Sub-Modules/Functions of like Workman Compensation policy, Miscellaneous details, Reward details grievance, litigations, disciplinary process, abroad trip, surety bonds for trainee, movable & immovable property, health management, external training details, trade union details, union interaction process, resolving industrial dispute process, DMS-dak management, External training nomination, retirement process, learning management, creation of calendar, creation of training calendar, category, creation of training calendar course, offerings classes time, cost, duration, sessions, cost information, resource creation, resource booking, resource cost/honorarium, enrolment process, content management, training codes, training batch, payment of outsourced employee through eHRMS, Class IV employees ID data for leave are still being executed through manual system in the seven circles audit visited. It shows that management has not focused on training and capacity building in field office personnel so that maximum leverage could be taken from the IT-ERP system after huge expenditure since 2014 onwards.
2	Project Module	Functions related to the Execution of project/estimate management including its monitoring were already implemented however, audit observed that activities of the IPDS project (turnkey and departmental both) related to the Project Management System (PMS) and its documentation like Survey report and progress of work were not being generated through IT-ERP system except the creation of estimate/NAD/DPR, creation of work order, MICC, location wise MB recording, Annexure G. Therefore, despite of additional expenditure and having sufficient ERP system, management failed to manage the IPDS projects through it resulting into failure to identify the bottlenecks in execution timely, improper documentation of progress, monitoring, verification, lack of interlinking of project activities with its financial and physical progress, delay and other avoidable irregularities in the project.
3	Purchase and Store Module	In respect of IPDS, audit observed that though estimates and purchase orders were issued through ERP (departmental works), however, against this PO/Estimates, its further activities like pre-dispatch inspection of materials, issuances of Dispatch instructions, its MICCs, its NABL tests sampling detail, test reports, material consumption against estimates/orders, old materials/dismantled returned to stores in case of augmentation/replacement, issue and return indent creation, details of surplus material, cost adjustment/revision of

Sl. No.	Module	Function
		materials against PO, inspection and verification of materials, quality checks of materials etc were not being captured in ERP system.
4	Finance and Account Module	It was observed that TDS certificates generation, Account Receivable: TCS certification generation, Audit: Government audit (except capturing of IRs and paras), statutory audits and internal audits were being done manually.
Madhya Pradesh Poorv Kshetra Vidyut Vitran Company Limited, Jabalpur		
1	Human resource management system (HRMS)	It was observed that various Sub-Modules/Functions of like, Manpower Planning, Succession Planning, Vigilance clearance, Individual development plan, Lawyer communication, Database of all the orders of court, forums, tribunal, Arbitrator, Legal opinion, Ombudsman, Right to information, Gradation details, Deputation Process, Reward details grievance, Abroad trip, Surety bonds for trainee, Movable & immovable property Trade union details, Union interaction process, Health management, Resolving industrial dispute process, DMS-dak management, External Training details, External Training Nominations, Learning Management (Training) being done manually despite module/sub-module provided in the ERP system.
2	Finance and Account Module	It was observed that following functions i.e. Integration of billing system with ERP Accounts Receivable, Bank Reconciliation Statement, Cash flow statement, Budget preparation, Costing analysis, Profitability analysis, Profit center accounting, Insurance and revaluation of fixed assets, Automatic computation of interest and penalties of loan, TDS certificate generation, Account Receivable: TCS certification generation, R-15 Statement, Tariff related details were being done manually despite module/sub-module provided in the ERP system. Further, Preparation of Annual Accounts is being done partially manual mode and in respect of function of Statutory Audit and internal Audit no information was provided whether it is being done manually or through ERP mode.

Glossary

Glossary of Abbreviations

Abbreviation	Expanded Form
AGM	Annual General Meeting
AMC	Annual Maintenance Contract
AMI	Automatic Metering Instrument
AT&C	Aggregate Technical and Commercial
BEE	Bureau of Energy Efficiency
BoD	Board of Directors
CA	Chartered Accountant
CAG	Comptroller and Auditor General of India
CAPEX	Capital Expenditure
CEA	Central Electrical Authority
CEO	Chief Executive Officer
CFA	Central Financial Assistant
CFO	Chief Financial Officer
CVC	Central Vigilance Commission
DDG	Decentralised Distributed Generation
DISCOM	Distribution Company
DISHA	District Development Co-ordination and Monitoring Committee
DoST	Department of Science and Technology
DPR	Detail Project Report
DRC	Distribution Reforms Committee
DREO	District Renewable Energy Officers
EBE	Employee Benefits Expenses
ECBC	Energy Conservation and Building Code
EE	Executive Engineers
EESL	Energy Efficiency Services Limited
ERP	Enterprise Resource Planning
ESDM	Electronic System Design & Manufacturing
GCC	General Conditions of Contract
GIS	Gas Insulated Substation
GM	General Manager
GoI	Government of India
GoMP	Government of Madhya Pradesh
GWH	Gigawatt Hour
HP	Horse Power
HRMS	Human Resource Management System
HVDS	High Voltage Distribution System
ICAI	Institute of Chartered Accountant of India
ID	Independent Director
IDA	Indore Development Authority
IIA	The Institute of Internal Auditors

Abbreviation	Expanded Form
IPDS	Integrated Power Distribution Schemes
IT	Information Technology
ITEs	IT Enabled Services
KMP	Key Managerial Personnel
KW	Kilo Watt
LoA	Letter of Allotment
LoI	Letter of Intent
LUPA	Land Use Permission Agreement
MD	Managing Director
MDAS	Meter Data Acquisition System
MIS	Management Information System
MNRE	Ministry of New and Renewable Energy
MoP	Ministry of Power
MoU	Memorandum of Understandings
MPHIDM	Madhya Pradesh Housing Infrastructure Development Board
MPIDC	Madhya Pradesh Industrial Development Corporation
MPLUNL	Madhya Pradesh Laghu Udyog Nigam Limited
MPMKVVCL	Madhya Pradesh Madhya Kshetra Vidhyut Vitaran Company Limited
MPNRED	Madhya Pradesh New and Renewable Energy Department
MPNRED	Commissioner, New and Renewable Energy Department
MPPaKVVCL	Madhya Pradesh Paschim Kshetra Vidhyut Vitaran Company Limited
MPPMCL	Madhya Pradesh Power Management Company Limited
MPPuKVVCL	Madhya Pradesh Poorv Kshetra Vidhyut Vitaran Company Limited
MPSEDC	Madhya Pradesh State Electronics Development Corporation
MPUVNL	Madhya Pradesh Urja Vikas Nigam Limited
MSE	Micro and Small Scale Enterprises
MSME	Micro, Small and Medium Enterprises
MU	Million Unit
MW	Mega Watt
NAD	Need Assessment Document
NIT	Notice Inviting Tender
NOFN	National Optical Fibre Network
NRC	Nomination and Remuneration Committee
PFC	Power Finance Commission
PHE	Public Health and Engineering Department
PMA	Project Management Agency
PMC	Project Management and Consultancy
PMKUSUM	Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan
PPA	Power Purchase Agreement
PSU	Public Sector Undertaking
RAPDRP	Re-structured Accelerated Power Development and Reforms Programme

Abbreviation	Expanded Form
RE	Renewable Energy
REC	Rural Electrical Corporation
RESCO	Renewable Energy Service Company
RFP	Request for Proposal
RMD	Raw Material Department
RMS	Remote Monitoring System
RoCE	Return on Capital Employed
RoRR	Rate of Real Return
RPG	Renewable Power Generator
RRRD	Reforms-based and results-linked, revamped distribution sector
RT-DAS	Real-Time Data Acquisition System
RUMSL	Rewa Ultra Mega Solar Limited
SAIL	Steel Authority of India Limited
SBD	Standard Bidding Document
SCADA	Supervisory Control and Data Acquisition
SE	Superintendent Engineers
SEBI	Securities Exchange Board of India
SECF	State Energy Conservation Fund
SECL	South Eastern Coal Fields Limited
SNA	State Nodal Agency
SPIN	Solar Photovoltaic Installation
SPSC	Solar Pump Steering Committee
SPSE	State Public Sector Enterprises
SPV	Solar Photovoltaic
SRS	System Requirement Specifications
STU	State Transmission Utility
SWPS	Solar Water Pumping Station
TEC	Technical Evaluation Committee
TKC	Turnkey Contractors
TWD	Tribal Welfare Department
UG	Underground cabling
UJALA	Unnat Jyoti by Affordable LEDs for All
USPC	Universal Solar Pump Controller
VGf	Viability Gap Funding
WBM	Whistle Blower Mechanism
WCL	Western Coal Fields Limited
WPDA	Wind Power Development Agreement

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