

**Report of the  
Comptroller and Auditor General  
of India**

**For the year ended 31 March 2012**

**GOVERNMENT OF MANIPUR**

***Report No. 1 of 2013***

## TABLE OF CONTENTS

	Paragraph	Page
Preface	-	v
Executive Summary	-	vii
<b>CHAPTER-I</b>		
<b>SOCIAL SECTOR</b>		
Introduction	1.1	1
<b>PERFORMANCE AUDIT</b>		
<b>RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT</b>		
Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme	1.2	3
<b>TRIBAL AFFAIRS AND HILLS DEPARTMENT</b>		
Chief Controlling Officer based audit of Tribal Affairs and Hills Department	1.3	37
<b>AUDIT OF TRANSACTIONS</b>		
<i>Irregular/ Idle expenditure, blocking/ misutilisation of funds</i>		
<b>INFORMATION AND PUBLIC RELATION DEPARTMENT</b>		
Blocking of fund	1.4	65
<b>MUNICIPAL ADMINISTRATION, HOUSING AND URBAN DEVELOPMENT DEPARTMENT</b>		
Jawaharlal Nehru National Urban Renewal Mission	1.5	67
<b>CHAPTER-II</b>		
<b>ECONOMIC SECTOR</b>		
Introduction	2.1	77
<b>AUDIT OF TRANSACTIONS</b>		
<i>Fraud/misappropriation/embezzlement/losses</i>		
<b>IRRIGATION AND FLOOD CONTROL DEPARTMENT</b>		
Loss to the Government	2.2	79
<i>Violation of contractual obligations, undue benefit to contractors, unavoidable/unfruitful expenditure</i>		
<b>PUBLIC WORKS DEPARTMENT</b>		
Undue financial benefit to contractors	2.3	80
Unauthorized execution of works	2.4	82
<b>COMMERCE AND INDUSTRIES DEPARTMENT</b>		
Irregular retention of Government money by DDO	2.5	83
<b>SCIENCE AND TECHNOLOGY DEPARTMENT</b>		
Blocking of funds	2.6	85
<i>Others/regularities issues etc.</i>		
<b>PUBLIC WORKS DEPARTMENT</b>		
Recovery at the instance of Audit on payment of mobilization advance	2.7	86
Recovery at the instance of audit	2.8	87
<b>CHAPTER-III</b>		
<b>ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)</b>		
Overview of Government Companies and Statutory Corporations	3.1	89



	Paragraph	Page
<b>PERFORMANCE AUDIT (COMMERCIAL)</b>		
<b>POWER (ELECTRICITY) DEPARTMENT</b>		
Performance Audit on Power Transmission Activities of Electricity Department, Government of Manipur	3.2	98
<b>CHAPTER-IV</b>		
<b>REVENUE SECTOR (REVENUE)</b>		
Trend of revenue receipts	4.1	121
Response of the Departments/Government towards audit	4.2	126
Analysis of the mechanism for dealing with the issues raised by Audit	4.3	129
Results of audit	4.4	131
<b>AUDIT OF TRANSACTIONS</b>		
<b>REVENUE DEPARTMENT</b>		
Non-accountal of land revenue	4.5	133
<b>TAXATION DEPARTMENT</b>		
Suppression of purchase turnover and consequent evasion of tax	4.6	134
Evasion of tax by concealment of sales	4.7	135
Non levy of penalty	4.8	136
Non-recovery of arrear of tax	4.9	137
<b>TRANSPORT DEPARTMENT</b>		
Non realisation of tax and penalty	4.10	138
<b>CHAPTER-V</b>		
<b>GENERAL SECTOR</b>		
Introduction	5.1	139
<b>CHAPTER-VI</b>		
<b>FOLLOW UP OF AUDIT OBSERVATIONS</b>		
Follow up on Audit Reports	6.1	141
Action taken on Recommendation of Public Accounts Committee	6.2	141
Monitoring of Audit Observations	6.3	141
Response to audit observations and outstanding Inspection reports	6.4	142
<b>APPENDICES</b>		
1.1	Department-wise details of budget provision and expenditure during 2011-12 in respect of Social Sector	145
1.2	Statement showing purchases without constituting purchase committee or calling of tenders	146
1.3	Statement showing details of printing charges incurred without calling of tender in respect of Imphal East District (2007-11)	147
1.4	Statement showing list of work where machinery was used	147
1.5	Statement showing funds provided to local MLAs	148
1.6	Statement showing payment without completion of work	149
1.7	Statement showing non-surviving plantation works which were carried out during off season resulting in unfruitful expenditure	149
1.8	Plantation works in Thoubal district	150
1.9	Expenditure incurred for plantation works	150

APPENDICES		
1.10	Statement showing wages paid on holidays	151
1.11	Statement showing requirement of mandays and excess expenditure incurred in execution of work in Thoubal block	154
1.12	Statement showing year-wise details of Unadjusted AC bills	156
1.13	Statement showing amount parked under Major Head-8449-Other Deposit	156
1.14	Statement showing short contribution and excess people's contribution	157
1.15	Statement showing delay in release of funds	158
1.16	Details of approved projects under JNNURM	159
2.1	Department-wise details of budget provision and expenditure during 2011-12 in respect of Economic Sector	160
2.2	Statement showing computation of rate considering Itok quarry	161
2.3	Statement showing excess payment in execution of 450 mm diameter and 600 mm diameter bored cast-in-situ piles	161
3.1	Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31 March 2012 in respect of Government companies and Statutory corporations)	162
3.2	Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised	164
3.3	Statement showing Investment made by State Government in PSUs whose accounts are in arrears	167
3.4	Details of 132 KV and 33 KV projects test checked showing delays in execution	168
3.5	Statement showing detail of stocks that had been lying idle	172
3.6	Details of procurement of towers below weight norms	176
4.1	Statement showing retention of land revenue by <i>Zilladar</i> , Bishnupur Circle for the period from February 2006 to June 2011	177
4.2	(A) Statement showing suppression of purchase turnover and consequential evasion of tax	179
	(B) Statement showing purchases made as per Taxation Check gate records	180
	(C) Statement showing purchases made as per Form '27'	180
	(D) Statement showing purchases made as per Taxation Check gate records	181
	(E) Appendix showing purchases made as per Taxation Check gate records	181
4.3	(A) Statement showing evasion of tax by concealment of taxable turnover of sales Name of the dealer: M/S Santosh Sanitary (TIN: 14310234184)	182
	(B) Statement showing evasion of tax by concealment of taxable turnover of sales Name of the dealer : M/S Sangeeta Hardware (TIN : 143100037154)	182
4.4	Statement showing penalty leviable for default in audit of accounts	183

<b>APPENDICES</b>		
4.5	(A) Statement showing arrears of tax remaining unrecovered in respect of M/s NRL (TIN- 14010892285), Singjamei, Imphal City-3	184
	(B) Statement showing the amount of tax deposited by M/s NRL (TIN-14010892285), Singjamei, Imphal City-3	185
4.6	(A) Statement showing outstanding tax and penalty in respect of commercial goods vehicles (DTO, Imphal West)	186
	(B) Statement showing outstanding tax and penalty in respect of commercial goods vehicles (DTO, Bishnupur)	187
	(C) Statement showing outstanding tax and penalty in respect of commercial passenger vehicles (DTO, Bishnupur)	189
5.1	Department-wise details of budget provision and expenditure during 2011-12 in respect of General Sector	190

## PREFACE

1. *This Report has been prepared for submission to the Governor under Article 151 of the Constitution.*
2. *The Report deals with the findings of performance reviews and audit of transactions in various departments, audit of autonomous bodies and departmentally run commercial undertakings.*
3. *The Report also contains the observations arising out of audit of Statutory Corporations, Boards, Government Companies and Revenue receipts.*
4. *This Report is prepared in six chapters. Chapter I to V deal with Social, Economic, Public Sector Undertakings, Revenue and General Sectors, and Chapter VI deals with Follow up of Audit observations.*
5. *The cases mentioned in the Report are among those which came to notice in the course of test-audit of accounts during 2011-12 as well as those which had come to notice in earlier years, but could not be dealt with in previous Reports. Matters relating to the period subsequent to 2011-12 have also been included, wherever necessary.*
6. *Audit observations on matters arising from the examination of Finance Accounts and Appropriation Accounts of the State Government, for the year ended 31 March 2012, are included in a separate Report on State Government Finances.*
7. *The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.*

## EXECUTIVE SUMMARY

This Report has been prepared in six chapters. Chapters I to V deal with Social, Economic, Public Sector Undertakings, Revenue and General Sectors, and Chapter VI deals with Follow up of Audit observations. The Report contains two performance audits, one Chief Controlling Officer based audit and 15 paragraphs.

According to existing arrangements, copies of the performance reviews, Chief Controlling Officer based audit and paragraphs were sent to the Administrative Heads of the concerned departments with the request to furnish replies within six weeks. All the performance audits and Chief Controlling Officer based audit were discussed with the concerned Administrative Heads of the departments and other departmental officers. In respect of eleven paragraphs, reply of the Government/Department was received, in one case partial reply was furnished. Replies had not been furnished by the Government/Department for three paragraphs.

### CHAPTER-I SOCIAL SECTOR

#### RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT

##### **1.2 Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme**

The performance audits of Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme revealed that the State Government did not appoint full time dedicated Programme Officer in all the sampled districts. The State Government had not drawn up Information, Education and Communication plan for creating awareness among the rural masses. It was seen in the sampled districts that the District Programme Coordinators did not prepare District Perspective Plans as per the guidelines for ensuring long term shelf of projects and preparation of Annual Plans. 100 *per cent* employment could not be provided to the job card holders during 2007-12 in the sampled districts covered by audit. Important records such as job card application register, job card register, works register, employment register, asset register, Muster Roll issue and receipt register and measurement books were not maintained properly in all the four sampled districts covered by audit.

**(Paragraph 1.2)**

## **TRIBAL AFFAIRS AND HILLS DEPARTMENT**

### **1.3 Chief Controlling Officer based audit of Tribal Affairs and Hills Department**

The Tribal Affairs and Hills Department implements various developmental programmes funded under State Plan, Special Central Assistance to Tribal Sub-Plan (SCA to TSP), Special Development Programmes under Articles 275(1) of the Constitution of India and Centrally Sponsored Schemes for the welfare of the Scheduled Tribes (ST). The performance audits of Chief Controlling Officer based audit of the Department revealed deficiencies in fund management, in setting up of training centres/schools, reimbursement of fees *etc.* During 2007-09, ₹ 3.66 crore from the funds of SCA to TSP was diverted towards unrelated activities. Ten Vocational Training Centres for imparting skills in various traditional/modern vocations could not be set up (August 2012) despite spending ₹ 1.26 crore. Further, the only Tribal Training Institute for imparting vocational training to tribal women also remained non-functional since 2008-09. During 2007-12, only a fixed amount of non-refundable fees to the scholars was reimbursed. This deprived 91,101 students by less reimbursement of fees than actually paid and extended excess reimbursement of fees to 27,541 students. Quality education to ST students through Eklavya Model Residential Schools in remote areas could not materialise fourteen years after conception of the project and after incurring an expenditure of ₹ 8.33 crore.

**(Paragraph 1.3)**

## **MUNICIPAL ADMINISTRATION, HOUSING AND URBAN DEVELOPMENT DEPARTMENT**

### **1.5 Jawaharlal Nehru National Urban Renewal Mission**

The Jawaharlal Nehru National Urban Renewal Mission was launched (December 2005) by the Ministry of Urban Development, Government of India, as a Centrally Sponsored Scheme for integrated development of infrastructural services in cities, urban renewal to reduce congestion, and for providing basic services such as housing, water supply and sanitation to urban poor. There was delay in release of funds, rush of expenditure, loss of interest due to parking of funds and irregular deduction of VAT, Agency Charges and Labour cess in implementation of Jawaharlal Nehru National Urban Renewal

Mission. There were deficiencies like, excess expenditure in pile works, cost escalation due to delay in execution of work *etc.*

**(Paragraph 1.5)**

## CHAPTER-II ECONOMIC SECTOR

Instead of considering a nearer and approved quarry situated at 48 km from work site, estimates for ferrying stones and boulders were framed from a distant quarry at 60 km, leading to loss of ₹ 69.64 lakh to the Government.

**(Paragraph 2.2)**

Without assessing reasonability of rates, works were awarded at higher rates resulting in undue benefit of ₹ 58.83 lakh to contractors due to excess payment over reasonable rates.

**(Paragraph 2.3)**

In violation of extant financial rules, the Department had taken up three major road construction works by charging them to non-plan head of accounts and without obtaining approval of the competent authority.

**(Paragraph 2.4)**

Injudicious decision of Thoubal Zilla Parishad led to blocking of fund of ₹ 12.50 lakh meant for providing alternative lighting system to the district.

**(Paragraph 2.6)**

## CHAPTER-III ECONOMIC SECTOR (PSU)

### 3.1 Overview of Government Companies and Statutory Corporations

As of March 2012, there are ten PSUs (all Companies including three non-working) in the state. The working PSUs registered a turnover of ₹ 3.54 crore for 2011-12 as per their latest finalized accounts as of September 2012. This turnover was equal to 0.03 *per cent* of State Gross Domestic Product (GDP)

for 2011-12. The State PSUs incurred a loss of ₹ 5.17 crore in the aggregate for the year 2011-12 as per their latest finalized accounts.

**(Paragraph 3.1.1)**

As of March 2012, the investment (Capital and Long term loans) in the ten PSUs was ₹ 56.48 crore (Working PSUs: ₹ 35.24 crore and Non-working PSUs: ₹ 21.24 crore).

**(Paragraph 3.1.4)**

The turnover of working PSUs decreased from ₹ 6.39 crore in 2006-07 to ₹ 3.54 crore in 2011-12. The percentage of turnover to State GDP decreased from 0.09 *per cent* in 2006-07 to 0.03 *per cent* in 2011-12.

**(Paragraph 3.1.9)**

## **POWER (ELECTRICITY) DEPARTMENT**

### **3.2 Performance Audit on Power Transmission Activities of Electricity Department, Government of Manipur**

A Performance Audit on Power Transmission Activities of Electricity Department, Government of Manipur for the period 2007 – 12 revealed the following:

#### ***Planning and Development***

The Department had completed construction of only two substations against the plan for construction of five new/augmentation of existing 132/33 KV substations and five transmission lines during 2007-12.

#### ***Project management of Transmission System***

Works of construction/augmentation of 132 KV and 33/11 KV substations and transmission lines were delayed by 5 to 91 months due to delay in tendering activities, statutory clearances, frequent revisions of scope *etc.*

The Department procured tower material which did not confirm to the standard norms.

#### ***Performance of Transmission System***

The Department was able to meet only 62.96 *per cent* of the system peak load during 2007-12 due to non-completion of 132 KV Jiribam-Leimatak line, which was not restored even after ten years of its break- down.



### ***Grid Management***

None of the substations had Remote Terminal Units/Substation Management Systems for monitoring and recording real time data for efficient Energy Measurement System.

### ***Disaster Management***

Adequate Disaster Management facilities did not exist for black-start operations.

### ***Material Management***

The Department did not have any Material Management policy. It had not fixed any standard minimum level or reorder level of material.

### ***Monitoring and Control***

Internal control mechanism was weak as instances of preparation of bills and drawing cheques in anticipation of delivery of equipment, passing of bills based on printed invoice of another project, in admissible payments *etc.* were noticed in audit.

### ***Conclusion***

The Department did not complete the transmission projects planned for execution during the five year plan 2007-12. The projects were not executed as per recommendation of the Task Force. The Department had not drawn its allotted power from NEG. Facilities for Disaster Management were not adequate.

**(Paragraph 3.2)**

<b>CHAPTER-IV REVENUE SECTOR</b>
--------------------------------------

<b>4.1 Trend of revenue receipts</b>
--------------------------------------

During 2011-12, the revenue raised by the State Government (₹ 679.60 crore) was 12 *per cent* of the total revenue receipts against 10 *per cent* in the preceding year. The balance 88 *per cent* of receipts during 2011-12 was from the Government of India.

**(Paragraph 4.1.1)**

<b>TAXATION DEPARTMENT</b>
----------------------------

Purchases of taxable goods like electronic items, detergents, lubricants *etc.* of ₹ 2.35 crore from outside the State was not disclosed. This led to suppression of tax of ₹ 30.33 lakh and penalty of ₹ 60.66 lakh.

**(Paragraph 4.6)**

Two dealers did not fully disclose sales of taxable goods like steel structures, sanitary ware, hardware items *etc.*, resulting in evasion of taxable turnover of sales to the extent of ₹ 1.28 crore involving tax of ₹ 12.28 lakh. This also attracted penalty of ₹ 24.56 lakh for furnishing incomplete and incorrect returns.

**(Paragraph 4.7)**

A dealer filed returns without arrear of tax of ₹ 114.58 lakh. However, no notice was found served on the defaulting dealer for payment of the tax due.

**(Paragraph 4.9)**

## CHAPTER-I SOCIAL SECTOR

### 1.1 Introduction

The findings based on audit of State Government units under Social Sector are featured in this chapter.

During 2011-12, against a total budget provision of ₹ 2332.62 crore, the total expenditure of ₹ 1997.36 crore was incurred by 16 departments under the Social Sector. The Department-wise details of budget provision and expenditure incurred thereagainst are shown in **Appendix-1.1**.

Besides, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of various programmes of the Central Government. During 2011-12, out of total release of ₹ 1259.32 crore directly released to different implementing agencies, ₹ 978.84 crore was under Social Sector as detailed below:

(₹ in lakh)			
Sl. No.	Name of Department	Name of Implementing Agencies	Fund released
1	Education *	Manipur State Literacy Mission Authority, Imphal	474.83
		Bioinformatics Centre, S. Kula Women’s College	6.20
		Imphal College	26.50
		D.M. College	8.76
		State Implementation Society	7753.73
		Jana Shikshan Sansthan, Senapati; Imphal West & Thoubal	45.00
		Oriental Women Society	5.00
Sub-Total			8320.02
2	Art and Culture	Three Non-Government Organisations (NGOs) for Archives and Archival Libraries	0.68
		The Public Museum	2.50
		Forty Seven NGOs (Dance and Cultural Organizations)	379.17
Sub-Total			382.35
3	Social Welfare	Seven NGOs for Deen Dayal Rehabilitation Scheme (Social Justice & Empowerment)(SJE)	143.47
		Centre for Development Institute for community Action & Resource	18.30
		Universal Caring Mission	1.91
		Three NGOs (Grants-in Aid to NGOs including Coaching & Allied Scheme)	31.11
		Fourteen NGOs for Grants-in-Aid to Research Training Information and Miscellaneous SJE	36.10
		Lions Club, Thoubal	11.50
		Eleven NGOs (Grant in Aid to NGOs for Scheduled Castes, Other Backward Classes & Research and Training)	33.13
		Ten NGOs for Panchayati Raj Institutions Voluntary Organisations	121.67
		Fourteen NGOs for Scheme for the Welfare of Working Children in Need of Care and Protection	130.63

		Nine NGOs and Department of Social Welfare for SWADHAR	165.23
		Twenty Seven NGOs for Voluntary Organization for providing Social Defense Services	181.88
		South Eastern Rural Development Organization	9.52
		Three NGOs for Step Support to Training and Employment Programme for Women	21.38
Sub-Total			905.83
4	Rural Development and Panchayati Raj	Nine DRDAs	61449.77
		Eight DRDAs and State Rural Livelihood Mission, Manipur	736.42
		Five DRDAs	2557.02
		Manipur State Rural Road Development Agency	17753.00
		Five Local Institutions	390.08
Sub-Total			82886.29
5	Medical, Health and Family Welfare	State Health Society	2257.47
		Manipur State TB Society	116.00
		Nursing Superintendent	16.53
		Manipur State AIDS Control Society and Social Awareness Service Organization	1339.76
Sub-Total			3729.76
6	Minority and Other Backward Classes	Human Resource Development Association and Nupi Khunai	18.91
		Five NGOs for Research and Development Support (SERC)	982.23
Sub-Total			1001.14
7	Labour and Employment	Twenty four NGOs for undertaking research in Labour Related Subjects	5.56
		The Manipur State Rashtriya Swasthya Bima Yojana Society	106.10
		Seven NGOs for National Child Labour Project	36.57
		Manipur Skill Development Society	56.65
Sub-Total			204.88
8	Youth Affairs and Sports	Thirty NGOs; Rural Upliftment and Development Organisation and Islamic Social Education and Cultural Development Organisation	1.17
		Youth Affairs and Sports Department	2.00
		Five NGOs for Promotion of Sports among Disabled	6.52
		Other	1.29
Sub-Total			10.98
9	Tribal Affairs and Hills	Two NGOs for Research Information and Mass Education-Tribal	7.57
		United Rural Development Service	18.81
Sub-Total			26.38
10	Municipal Administration and Urban housing Development	Manipur Urban Development Agency	399.65
Sub-Total			399.65
11	Information and Public Relation	Seven NGOs for Advocacy and Publicity	18.75
Sub-Total			18.75
Total			97886.03

(Source: Finance Accounts)

\* includes departments of Education (School), Education (University and Technical Education), and Adult Education.

### 1.1.1 Planning and conduct of Audit

Compliance audit is conducted in accordance with annual audit plan. The auditee units are selected on the basis of risk assessment. Areas taken up are selected on the basis of topicality, financial significance, social relevance, internal control system of the units, and occurrence of defalcation/misappropriation/embezzlement as well as findings of previous Audit Reports. Apart from the above parameters, all departmental important directorates and district level units are audited annually.

Inspection Reports are issued to the heads of units as well as heads of departments after completion of audit. Based on the replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed for inclusion in the Audit Report of C&AG of India.

The audits were conducted during 2011-12 involving expenditure of ₹ 835.74 crore (including funds pertaining to previous years audited during the year) of the State Government under Social Sector. This chapter contains one Performance Audit viz., “Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme” and one Chief Controlling Officer based Audit of the “Tribal Affairs and Hills Department” and two transaction Audit Paragraphs.

The major observations made in audit during the year 2011-12 are discussed in succeeding paragraphs.

## PERFORMANCE AUDIT

### RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT

#### 1.2 Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme

##### *Highlights*

A Performance Audit on implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in Manipur was conducted for the period 2007-12 to ascertain whether the aims and objectives of MGNREGS were achieved. The important audit findings are:

##### ***Resource support***

The State Government did not appoint full time dedicated Programme Officer in all the sampled districts. The Gram Rozgar Sahayak (GRS) for each Village Authority (VA) was also not appointed in Churachandpur and Tamenglong districts. Adequate Technical Assistants/Junior Engineers (JE) were not appointed in the nine sampled blocks.

**(Paragraph 1.2.8.2)**

### ***Communication and training***

The State Government had not drawn up Information, Education and Communication (IEC) plan for creating awareness among the rural masses. No training was conducted at the State level by preparing training modules and calendar of training.

**(Paragraph 1.2.8.3)**

### ***District Perspective Plan***

The District Programme Coordinators of the sampled districts did not prepare District Perspective Plans (DPP) as per the guidelines for ensuring long term shelf of projects and preparation of Annual Plans.

**(Paragraph 1.2.9.1)**

### ***Release of funds***

The State Government did not release State share of funds within 15 days of release of Central funds. During 2007-12 the shortfall was ₹ 121.86 crore.

**(Paragraph 1.2.10.3)**

### ***Providing employment***

During 2007-10 and 2011-12, 100 *per cent* employment could not be provided to the job card holders of the sampled districts.

**(Paragraph 1.2.12.1)**

### ***Maintenance of records***

In all the four sampled districts vital records such as job card application register, job card register, works register, employment register, asset register, Muster Roll (MR) issue and receipt register and measurement books were not maintained properly.

**(Paragraph 1.2.16.1)**

### ***Social audit***

The State Government did not constitute an independent organisation/directorate/society at the State level for facilitation of social audit.

**(Paragraph 1.2.17.1)**

### ***Monitoring***

During 2007-12, block and district level officials of Imphal East and block level officials of Churachandpur did not inspect any work undertaken under the scheme. Further, the State level officials did not inspect any work for Churachandpur, Imphal East and Tamenglong districts. Churachandpur and Imphal East districts did not identify District Quality Monitors (DQM). In respect of Tamenglong and Thoubal districts documented reports of their identified DQMs were not available.

**(Paragraph 1.2.17.4)**

## **1.2.1 Introduction**

The Manipur Rural Employment Guarantee Scheme (MREGS) was formulated (May 2006) under section 4 of the National Rural Employment Guarantee Act, 2005.

MREGS was renamed as the National Rural Employment Guarantee Scheme (NREGS), Manipur in March 2007. The scheme was implemented with effect from 2006-07 in Tamenglong district, providing employment to 18,568 households. Coverage was extended to two more districts (Chandel and

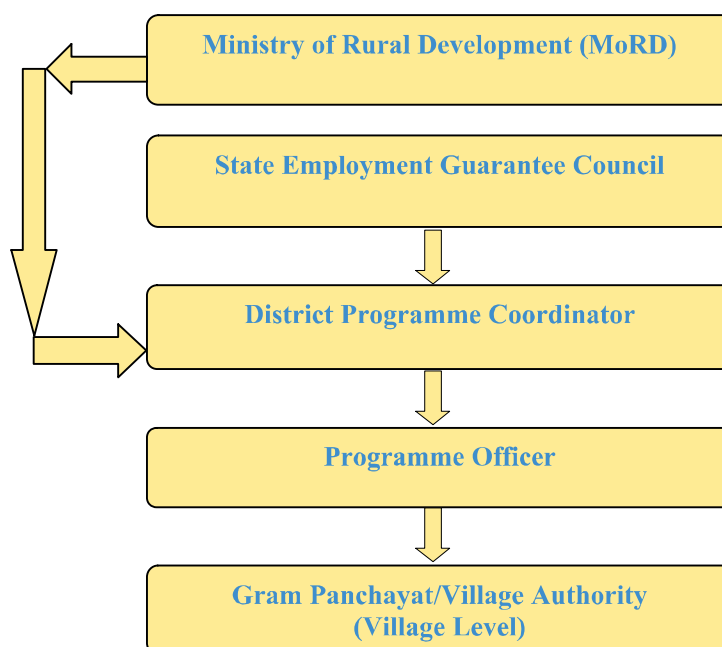
Churachandpur districts) in 2007-08 and thereafter to all the other districts (Bishnupur, Imphal East, Imphal West, Senapati, Thoubal and Ukhrul) from 2008-09.

The Employment Guarantee Scheme is implemented as a Centrally Sponsored Scheme with the Central Government bearing all costs, other than 25 *per cent* of the cost of material and wages for semi-skilled/ skilled workers; unemployment allowance and administrative expenses of the State Employment Guarantee Council (SEGC).

### 1.2.2 Organisational structure and funding pattern

The organisational structure for implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is as follows:

#### ORGANISATIONAL STRUCTURE OF MGNREGS



The Government of India (GoI) established a fund called the National Employment Guarantee Fund from which grants are released directly to Districts. Revolving funds are to be set up under MGNREGS at the District, Block and Gram Panchayat (GP) levels, with separate bank accounts at each level.

### 1.2.3 Audit objectives

The main audit objectives for the Performance Audit were to ascertain whether:

- structural mechanisms have been put in place and adequate capacity building measures taken by the State Government for implementation of the Mahatma Gandhi National Rural

Employment Guarantee Act, 2005;

- the procedures for preparing perspective and annual plan at different levels for estimating the likely demand for work and preparing shelf of projects were adequate and effective;
- funds were released, accounted for and utilised by the Central and State Governments in compliance with the provisions of Act/Guidelines/Rules;
- there was an effective process of registration of households, allotment of job cards and allocation of employment in compliance with the Operational Guidelines;
- the primary objective of ensuring the livelihood security by providing 100 days of annual employment to the targeted rural community at the specified wage rates was effectively achieved and whether the unemployment allowance for inability to provide job-on-demand paid in accordance with the Act and the Guidelines;
- MGNREGS works were properly planned and economically, efficiently and effectively executed in a timely manner and in compliance with the Act and the Guidelines, and whether durable assets were created, maintained and properly accounted for;
- the auxiliary objectives of protecting the environment, empowering rural women, reducing rural-urban migration, fostering social equity *etc.* were effectively achieved in accordance with the Act and the Guidelines;
- the Convergence of the Scheme with other Rural Development Programmes as envisaged was effectively achieved in ensuring sustainable livelihood to the targeted rural community and improving the overall rural economy;
- all requisite records and data were maintained at various levels and whether the MGNREGS data was automated completely and provides reliable and timely Management Information System (MIS);
- transparency was maintained in implementation of the Act by involving all stakeholders in various stages of its implementation from planning to monitoring and evaluation; and
- there was effective mechanism at Centre and State level to assess the impact of MGNREGS on individual households, local labour market, migration cycle and efficacy of assets created.

#### **1.2.4            Audit criteria**

The main sources of audit criteria for the performance audit were the following:

- The National Rural Employment Guarantee Act, 2005 (NREGA) and amendments thereto;



- Guidelines - Operational Guidelines 2008 issued by the Ministry of Rural Development (MoRD), GoI and the circulars issued by MoRD;
- Fund Rules 2006, Financial Rules 2009 and Audit of Scheme Rules 2011;
- Reports of the State/District by National Level Monitors(NLM), available with MoRD and respective States' MGNREGS Commissioners;
- Muster Roll Watch Guidelines;
- Guidelines/Checklist for internal monitoring by States;
- Performance indicators framed by GoI/State Governments; and
- MGNREGS Vision, Strategic Framework and Plan of Action (2010-2011) by MoRD.

### 1.2.5 Scope of audit and sampling

Of nine districts (Hill: five and Valley: four) four districts (two each from hill and valley) were sampled for audit in the State. The period of audit coverage was from April 2007 to March 2012. Field audit of the relevant records of the State Government, four Districts, nine Blocks and ninety Panchayat level offices was conducted during March to June 2012.

Geographically the nine districts of the State were divided into two strata viz., hill (five) and valley (four) districts. Based on the number of households registered two districts from hill (Tamenglong & Churachandpur) and two from valley (Imphal East & Thoubal) were selected by using simple random sampling without replacement (SRSWOR)<sup>1</sup> method.

From each selected district two blocks each from Tamenglong (Tamenglong and Nungba), Imphal East (Imphal East - I and Imphal East - II) and Thoubal (Thoubal and Kakching) were selected and three blocks from Churachandpur (Lamka, Sangaikot & Vangai) were selected by using SRSWOR<sup>2</sup> method.

Within each selected block 10 Gram Panchayats (GP)/Village Authorities (VA) (two each based on risk analysis and eight each using Probability Proportional to Size with replacement method) were selected.

At the last stage, selection of works and beneficiaries was done as under:

a) Selection of works:

From the 90 sampled GPs and VAs, 900 works (10 works each from sampled GP/VA comprising of different types of work) were selected.

b) Selection of beneficiaries:

From the 90 sampled GPs and VAs, 900 beneficiaries were selected by

<sup>1</sup> From each stratum 25 per cent of the districts were selected subject to a minimum of two district

<sup>2</sup> Two blocks from each district having less than 10 blocks and three blocks from districts having 10 or more than 10 blocks

systematic random sampling for interview.

### 1.2.6 Audit Methodology

The performance audit commenced with an entry conference with the State Government in March 2012, wherein the audit methodology, scope, objectives and criteria were explained. An exit conference was held with State Government officers involved in the implementation of MGNREGS, headed by the Additional Chief Secretary in January 2013. The replies of the department have been incorporated at appropriate places.

### Audit findings

The important issues in respect of financial position and audit findings<sup>3</sup> noticed during the course of audit are discussed in the succeeding paragraphs.

### 1.2.7 Financial position

The total available fund with the State Government (Manipur) upto 31 March 2012 (from 2007-08) was ₹ 1884.48 crore (including Opening Balance of ₹ 0.4 crore, Release of previous year's receipt ₹ 95.41 crore, State share ₹ 59.11 crore, Central share ₹ 1714.72 crore and Miscellaneous Receipts ₹ 14.84 crore). Of this, ₹ 1853.08 crore (98.33 *per cent*) was reported to have been spent. Year-wise position is shown in the table below:

Table 1

(₹ in lakh)

Year	Receipt						Expenditure					Unspent* balance
	Opening Balance	Release of previous year's receipt during the year	State Share	Central Share	Misc. Receipt	Total	Wages	Material Component		Administrative	Total	
								Semi skilled and skilled	Material			
2007-08	40.05	252.66	178.82	5553.13	57.15	6081.81	4546.26	170.01	1670.18	219.86	6606.31	-524.50
2008-09	253.75	524.03	524.04	33664.08	123.86	35089.76	21196.19	812.77	11224.72	836.27	34069.95	1019.81
2009-10	3532.78	3068.19	1622.77	36090.82	449.26	44763.82	26308.00	1308.97	12189.87	1986.94	41793.78	2970.04
2010-11	1766.95	5343.02	1589.84	39319.11	518.40	48537.32	27405.48	2002.19	13024.64	2042.50	44474.81	4062.51
2011-12	2442.03	352.80	1995.24	56845.24	335.44	61970.75	39837.17	1705.50	14740.58	2079.77	58363.02	3607.73
Total		9540.70	5910.71	171472.38	1484.11		119293.10	5999.44	52849.99	7165.34	185307.87	

(Source: Records furnished by DPCs)

\* unspent balance is taken as closing balance

From the above table it could be seen that:

- During 2007-08, expenditure incurred was shown as ₹ 66.06 crore against the available fund of ₹ 60.81 crore thereby inflating the expenditure by ₹ 5.25 crore.
- The District Programme Co-ordinators (DPCs) could not utilise the funds provided to them during 2008-12. The amount of savings during these years ranged from ₹ 10.20 crore (2008-09) to ₹ 40.63 crore (2010-11).
- During 2007-12, closing balance and opening balance were not tallied indicating that the information furnished by DPCs was not reliable.

<sup>3</sup> discussed audit objective-wise

Regular and timely release of funds is an essential requirement for effective implementation of the scheme. Delay, irregular or short release and diversion of funds have a cascading impact in the effective implementation of the scheme.

**Whether structural mechanisms have been put in place and adequate capacity building measures taken by the state government for implementation of the Act**

### **1.2.8 Structural Mechanisms**

The Government of Manipur (GoM) formulated Manipur Rural Employment Guarantee Scheme (MREGS) through GoM notification of May 2006. Then it was renamed as NREGS, Manipur through notification of March 2007.

For implementation of the scheme, State Government adopted the administrative pattern suggested by the Ministry of Rural Development (MoRD).

#### **1.2.8.1 State Employment Guarantee Councils (SEGCs) and Employment Guarantee Commissioners (EGCs)**

The State Government designated (May 2006 and December 2007) the Deputy Commissioners of the districts as the DPCs of their respective districts. From March 2011, the Executive Directors of District Rural Development Agencies (DRDAs) were designated as the DPCs of their respective districts.

The State Government constituted (May 2006) the SEGC and framed its Rules in May 2009. However, SEGC had not constituted any sub-committee to assist in discharge of its duties. As per the SEGC Rules, it is to meet at least twice in a year. However, as per records made available to audit, SEGC had held only four meetings (two during 2009-10 and one in each year during 2010-11 and 2011-12).

Even though State Government formulated (May 2009) the State Employment Guarantee Fund Rules, the fund is yet to be established. The State Government designated the Commissioner/Secretary (RD) as the State Employment Guarantee Commissioner for MGNREGS. However, the Commissioner had not devised any system of grievance redressal, social audit, RTI and other public accountability/transparency measures except appointment of Ombudsman and Deputy Ombudsman of each district.

Thus, due to non-establishment of State Employment Guarantee Fund and in the absence of a well devised system of grievance redressal, social audit and transparency measures, the objectives of the Act had not been fully achieved.

#### **1.2.8.2 Resource Support**

Audit scrutiny of nine test checked blocks revealed that the State Government did not appoint full time dedicated Programme Officer (PO) for facilitating implementation of the scheme at Block level. The existing Block Development Officers (BDOs) were designated (6 December 2007) as POs and were given the additional charge of the scheme. Additional Programme

Officers (APOs) were not appointed as required under the guidelines. In the three sampled blocks (Tamenglong: Tamenglong and Nungba; Churachandpur: Lamka) one officer holding the charge of both Sub-Divisional Officer and BDO was appointed as PO of the respective block. Thus, due to non-appointment of APOs, the POs were overburdened thereby hampering the effective implementation of the scheme.

Despite the pivotal role of the GP/VA in implementation of MGNREGS, the State Government did not appoint dedicated Gram Rozgar Sahayak (GRS) in all the GP/VAs in five sampled blocks (Tamenglong: Tamenglong and Nungba; Churachandpur: Lamka, Sangaikot and Vangai). In Tamenglong district, in the sampled villages, the Secretary of the Village Authority (VA) who is an elected member was found functioning as the GRS. In Churachandpur district as there were only 35 Village Level Workers (VLW) against 668 villages, the DPC (December 2007) designated the secretaries of the VAs as Assistants to VLWs on payment of appropriate lump sum honorarium keeping in view that it would not be financially viable and feasible to appoint full time paid GRS for every village. Audit observed that no remuneration was given to the Secretary of the Village Authority for functioning as GRS.

In their reply the DPC, Churachandpur stated (January 2013) that appointment of GRS was not required as the 35 VLWs with their assistants could successfully perform their functions while the DPC, Tamenglong stated that mates were appointed at the village level for the sole purpose of MGNREGS and secretaries of the VAs were designated as assistants to them. As such, appointment of GRS was not required.

The replies of the DPCs were not acceptable, as operational guidelines provide for appointment of Mates (at least one Mate for 50 labourers) and State Government should ensure that full time dedicated personnel are in place for implementing MGNREGS, specially the GRS, PO and technical assistant. The required educational qualification of Mates (Class 5 or Class 8) and GRS (to be determined by the SEGC), their duties and responsibilities and wage/salaries are different. Therefore, a Mate cannot perform the duties of a GRS effectively.

The shortage of Junior Engineers (JE) in the nine sampled blocks were as under:

**Table 2**

Sl. No.	Name of Block	Number of GP/VA	Number of Job card holders	Number of JEs required	SOs/JEs in position	Shortage	Percentage of shortage
1	Tamenglong	54	10517	7	Nil	7	100
2	Nungba	35	3126	2	2	0	0
3	Lamka	53	15052	10	1	9	90
4	Sangaikot	95	3684	2	1	1	50
5	Vangai	33	2386	2	1	1	50
6	Thoubal	27	36274	24	1	23	96
7	Kakching	15	21295	14	1	13	93
8	Imphal East-I	25	33355	22	1	21	95
9	Imphal East-II	25	29680	20	1	19	95

(Source: Departmental records)

From the above table it would be seen that except Nungba block the shortage of JEs ranged from 50 to 100 *per cent*.

Though Accredited Engineers could be engaged to make estimates, measurement of work *etc.*, the State Government did not make such alternative arrangements. Thus, in the absence of adequate JEs and panels of accredited engineers preparation of estimates and timely measurement of works would not be possible.

### **1.2.8.3      Communication and training**

The State Government had not drawn up any Information, Education and Communication (IEC) plan, thereby defeating the objective of creating awareness amongst the rural masses on the key provisions of the Act.

The State Government designated the State Institute of Rural Development (SIRD) specifically for training various stakeholders/key agencies. However, the State Government neither developed training modules, prepared training calendars nor conducted any training programmes for stakeholders/key agencies.

At the District level, Tamenglong, Churachandpur and Thoubal conducted one, twenty one and five training programmes respectively for various stakeholders during 2007-12. However, feedbacks of the trainees in the three districts were not available. As such impact of the trainings could not be ascertained.

Thus, non-formulation of any IEC plan by the State Government and inadequacy of manpower and technical resource staff adversely affected the Capacity building for proper implementation of the scheme.

The DPC, Imphal East stated (January 2013) that training calendar and IEC plan would be prepared while the DPC, Tamenglong stated that adequate training was conducted at village, block and district levels, though feedback from the trainees were not collected, which would be considered in future.

The DPC, Thoubal stated (February 2013) that relevant records for conducting training for various stakeholders could not be shown to audit, which would be shown to next audit.

#### 1.2.8.4 Adequacy and effectiveness of Administrative pattern

Audit observed that in the absence of establishment of State Employment Guarantee Fund, constitution of panels of accredited engineers, appointment of full time POs/APOs and appointment of adequate technical staff, implementation of MGNREGS in the state was inadequate and ineffective.

**Whether the procedures for preparing perspective and annual plan at different levels for estimating the likely demand for work, and preparing shelf of projects were adequate and effective**

#### 1.2.9.1 District Perspective Plan (DPP)

The Operational Guidelines stipulated the preparation of a five year District Perspective Plan (DPP) to facilitate advance planning and provide a development perspective for the District. The State Government, after approval of SEGC, should constitute a committee at the State level to shortlist/select facilitating agency and prescribe a set of parameters for selection of such agency for the purpose of prescribing a standard format of MoU including terms to cover all aspects and features of Perspective Plan.

The State Government had not constituted any committee to shortlist an expert agency for preparation of perspective Plan. However, M/s North Eastern Development Planners and Consultants (NEDPAC), Guwahati prepared DPP for Imphal East district at a cost of ₹ 11.20 lakh. For Thoubal and Churachandpur, their respective DRDA prepared DPP while Tamenglong District did not prepare a DPP. The DPPs prepared by the three districts (Imphal East, Thoubal and Churachandpur) were not as per the guidelines as the DPPs did not contain the year-wise and panchayat-wise details of (i) list of existing infrastructure (ii) list of infrastructure that are missing (iii) requirement of resources for creation of missing infrastructure, and (iv) estimated employment generation in terms of both self and wage employment while creating infrastructure. 15 *per cent* of the fund is to be earmarked for maintenance of assets created/being created and 85 *per cent* of the fund is to be utilised for asset creation. However, the DPPs did not indicate the funds required for maintenance of assets and for creation of assets separately. The DPPs were also not approved by the SEGC. Reasons for non-approval were not on record.

After approval of the Perspective Plans, the concerned Secretary should ensure uploading the same on the State website. However, the State Government had not yet launched a website (June, 2012) where the plans could be uploaded. Thus, non-uploading of the DPP on the website meant that such important information could not be easily made accessible to the public at large.

Further, the State Government did not take any action against DPC Tamenglong for non-preparation of DPP.

The DPC, Churachandpur stated (January 2013) that PRI exercise has been conducted in all the villages (December 2012 and January 2013) and DPP



shall be prepared based on the finding and recommendation of the VA while DPC, Imphal East stated (January 2013) that the DPP prepared by the consultant was submitted to the SEGC for approval and the DPP would be modified as per guidelines.

In their reply the DPC, Tamenglong stated that Tamenglong, being a National Food for Work Programme (NFFWP) operative district, having a DPP was not required as per notification of the Government of India. Therefore, the scheme was implemented as per Annual Plan. However, the DPC did not mention the specific notification of Government of India. The reply was not acceptable as the NFFWP also provide for preparation of a five-year perspective plan. The Perspective Plan of NFFWP cannot be taken as Perspective Plan of MGNREGS. Thus, preparation of a perspective plan was inevitable.

The DPC, Thoubal stated (February 2013) that the perspective plan was prepared with the recommendation of the respective Gram Sabha. However, audit observed that perspective plan was not prepared as per guidelines and was not approved by the SEGC.

#### **1.2.9.2 Annual Plans**

The GPs/VAs of the four sampled districts prepared Annual Plans. However, the meetings of Gram Sabha were not held for approving the Annual Plans at the GP level, except one meeting (2 October, 2011) for one GP of Imphal East-I. Thus, the plans prepared in these cases did not incorporate the needs of the local community.

In 90 GPs/VAs test checked, the Annual Plans did not indicate the physical assets (*e.g.* size of tank, length of road, diameter of culverts) and enduring outcomes (*e.g.* area irrigated, village connected) for each work. Further, the works were not allotted unique work code as required under the NREGA Operational Guidelines. In the absence of proper identification of works duplication could not be ruled out.

The DPC, Churachandpur accepted (January 2013) the audit findings.

In their reply the DPC, Tamenglong stated (January 2013) that the Labour Budget for inclusion in the Annual Plan of the district was decided by the respective VA in their General Body Meeting (GBM) wherein Labour budget are prepared and approved by the GBM of VAs. However, the reply did not mention whether such GBM was held on 2 October of each year.

The DPC, Thoubal stated (February 2013) that all the works in the annual plan were identified by a unique identity codes. The reply was not acceptable as the works covered by audit in the annual plan were not identified by a unique code.

**Whether funds were released, accounted for and utilised by the Central and State Governments in compliance with the provisions of act/guidelines/rules**

**1.2.10.1 Non creation of State Employment Guarantee Fund**

As of March 2012, the State Government had not yet established the State Employment Guarantee Fund, although the Employment Guarantee Fund Rules, 2009 had been framed. In the sampled districts Revolving Funds are operational up to District and Block level.

The State Government has not yet set up Financial Management System (FMS). However, in all the sampled districts, separate bank accounts were opened in Scheduled Banks at District, Blocks & GPs levels for keeping MGNREGS funds.

In the absence of the State revolving fund the Government of India directly released the funds for MGNREGS to the implementing agencies *i.e.*, the DPCs at the district level.

Thus, in the absence of FMS the transparency, efficiency and accountability for use of funds cannot be ensured.

**1.2.10.2 Diversion of funds**

As per Rule 26 of General Financial Rules, 2005 expenditure should be incurred for the purpose for which funds have been provided.

In Tamenglong, Churachandpur and Imphal East districts, 55 construction works were taken up at DC's offices and residential bungalow at a cost of ₹ 5.02<sup>4</sup> crore, by diverting from the funds earmarked for administrative expenses released by GoI.

The DPC, Tamenglong during 2007-2012 utilised an amount of ₹ 45 lakh on repair of vehicle, POL, jungle clearance, spare parts of vehicle *etc.* Similarly, the DPC, Churachandpur during 2008-09 and 2010-11 utilised an amount of ₹ 36.93 lakh on purchase of petrol, television, sofa set, medical reimbursement, construction of suspension bridge *etc.*

Utilisation of funds provided for administrative expenses for construction works, purchase of television and sofa set resulted in diversion of funds.

In their reply the DPC, Tamenglong stated (January 2013) that the construction of multipurpose hall for conducting training/meeting and construction of godown for MGNERGS were done to provide safe and secured working environment in the office and no expenditure was incurred for jungle clearance. The reply was not acceptable as funds provided for administrative expenses were not meant for construction of infrastructure and in the cash book of the DPC, an expenditure of ₹ 1.60 lakh was shown to

---

<sup>4</sup> Imphal East: ₹ 0.72 crore  
Tamenglong: ₹ 1.51 crore  
Churachandpur: ₹ 2.79 crore



have been incurred for jungle clearance.

In their reply (January 2013) the DPC, Churachandpur admitted, that the expenditure on construction of suspension bridge was wrongly debited to administrative expenses and stated that it has now been corrected. It was also stated that petrol was used for inspection of works at district level and furniture was utilised for DPC office and MIS room. The reply was not acceptable as the district level inspection was done more than requirement<sup>5</sup>.

The DPC, Imphal East stated (January 2013) that the seven civil works were for creation of infrastructure at the DC office for effective implementation of MGNREGS as DC/DPC office, Imphal East had no proper office of its own. However, in future no expenditure on civil works would be incurred.

#### 1.2.10.3 Release of funds

As per operational guidelines the State share of funds should be released within 15 days of the release of the Central funds. However, the State share of funds was released with delay ranging from 21 to 260 days. The shortfall in release of State share of fund during 2007-2012 was ₹ 121.86 crore. Instead of releasing State share of fund, the SEGC ordered the DPCs to transfer/deposit 15 *per cent* of administrative expenses released by the MoRD for meeting their expenses.

#### 1.2.10.4 Preparation of Labour Budget

In Churachandpur district, during 2007-12, against 5521 works (₹ 339.19 crore) included in the labour budget, 7089 works were sanctioned and all the works were completed incurring an expenditure of ₹ 336.54 crore.

In Imphal East district, during 2009-10, 326 works for ₹ 81.60 crore was included in the labour budget. All the works were completed after incurring an expenditure of ₹ 30.14 crore indicating that the estimate was inflated by ₹ 51.46 crore (₹ 81.60 crore - ₹ 30.14 crore).

Similarly in Tamenglong district, during 2007-09 the labour budget included 1640 works for ₹ 57.46 crore (2007-08: ₹ 29.20 crore for 819 works and 2008-09: ₹ 28.26 crore for 821 works). All the works were completed after incurring an expenditure of ₹ 46.15 crore (₹ 21.67 crore + ₹ 24.48 crore) indicating that the estimate was inflated by ₹ 11.31 crore (₹ 57.46 crore - ₹ 46.15 crore).

The DPC, Tamenglong stated (January 2013) that labour budget was projected based on the previous year's trend which may differ from actual. The reply was not acceptable as estimate should be prepared based on realistic assessment.

<sup>5</sup> 10 *per cent* of 6079 i.e. 608 works was required for District level inspection. Against this, 1820 works were inspected i.e. 199 *per cent* in excess.

Thus, in the above 9055<sup>6</sup> works the labour budget had been inflated by ₹ 65.42<sup>7</sup> crore which is indicative of the fact that the labour budget was not prepared based on realistic assessment.

#### **1.2.10.5 Fund management**

Test check of records revealed that funds were deposited in interest bearing accounts and interest accrued were credited to MGNREGS accounts and utilised for MGNREGS works. However, in all the sampled districts monthly squaring of cash book was not done at all levels *i.e.* district level, block level and gram panchayat level, in violation of the Operational Guidelines.

While accepting the audit observation the DPCs Churachandpur and Tamenglong stated (January 2013) that monthly squaring would be done henceforth.

#### **1.2.10.6 Non-accountal of funds**

Test check of Cash Book maintained in the office of the DPC, Tamenglong revealed that during 2007 -10, cheques for ₹ 11.12 lakh and ₹ 15.92 lakh had been issued to the POs of Tamenglong and Nungba blocks respectively. However, the amounts released were not reflected as received in the Cash Books of the respective POs. Due to non-accountal of ₹ 27.04 lakh, the chances of misappropriation/mis-utilisation of fund cannot be ruled out.

The DPC, Tamenglong stated (January 2013) that non-accountal of ₹ 11.12 lakh and ₹ 4 lakh released to the POs of Tamenglong and Nungba blocks respectively was a clerical error. It had since been reflected in the cash book of respective POs. Further, it was stated that out of ₹ 11.12 lakh released to the Tamenglong block a sum of ₹ 7.12 lakh had been expended for three construction works at the DPC level.

The reply was not acceptable as the fund released to Nungba block was ₹ 15.92 lakh and not ₹ 4 lakh. Further, implementing agency is VA under the block. Execution of works at the DPC level was not as per guidelines.

#### **1.2.10.7 Purchase of materials**

As per Rule 146 of GFR, purchase of goods costing above ₹ 15,000 only and up to ₹ one lakh only on each occasion may be made on the recommendation of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department.

Test check of records of the DPCs, Tamenglong, Thoubal and Imphal East revealed that various materials such as computers, computer peripherals, generators, furniture *etc.* valued at ₹ 188.04 lakh were purchased during 2007-12 without constituting purchase committee or calling of tenders as shown in **Appendix-1.2**. As the purchases were made without call of tenders and without constituting any purchase committee, reasonability of the rates could

---

<sup>6</sup> Churachandpur:7089, Imphal East:326, Tamenglong:1640

<sup>7</sup> Churachandpur: ₹ 2.65 crore, Imphal East: ₹ 51.46 crore, Tamenglong: ₹ 11.31 crore

not be ascertained. Further, the DPCs in respect of Tamenglong and Imphal East district could not produce Stock Registers. However, the relevant records of Thoubal was produced subsequently after pointing out by audit. Thus, actual receipt of the materials in respect of Tamenglong and Imphal East was doubtful.

The DPC, Tamenglong stated (January 2013) that most of the materials purchased were proprietary items while water tank, bucket, kettle, loudspeaker *etc.* were purchased on the recommendation of the Local Purchase Committee. Stock receipt registers were available in the DPC and block offices. However, the list of the Local Purchase Committee, rates of various articles recommended by the committee and copies of stock receipt register were neither shown nor furnished to audit.

#### 1.2.10.8 Printing of forms

As per Rule 150 of GFR, when estimated value of goods to be procured is up to ₹ 25 lakh, limited tender method involving more than three supplier firms is to be employed.

Test-check of records of the DPC, Imphal East revealed that various forms pertaining to MGNREGS amounting to ₹ 51.61 lakh were printed during 2007-11 without calling of tenders as shown in **Appendix-1.3**. As the forms were printed without call of tenders, reasonability of the rates could not be ascertained. Further, the DPC could not produce Stock Receipt and Issue Registers. Thus, in the absence of stock receipt register and issue register the actual receipt of the printed forms could not be ascertained.

#### 1.2.10.9 Doubtful expenditure on training

The DPC Imphal East paid as advance ₹ 37.33 lakh (November 2011) to Women and Children Guidance Centre, Imphal for organizing training programme (Project duration: six months from the date of sanction) of representatives of Panchayati Raj Institutions and officials of MGNREGS. However, the DPC Imphal East could not produce the relevant records such as number of participants, date of organizing the trainings, (training materials provided, remuneration/honorarium of resource persons *etc.*) and programme conducted by the implementing agency. Hence, the expenditure on the training is doubtful.

**Whether there was an effective process of registration of households, allotment of job cards, and allocation of employment in compliance with the operational guidelines.**

#### 1.2.11.1 Registration of households and issue of job cards

As per Operational Guidelines, a household may register for job cards. A Gram Sabha (GS) meeting shall be convened for verification and the job card with the photographs of the applicants shall be issued within 15 days of the application for registration. A door-to-door survey may also be undertaken to identify persons willing to register under the Act. The registration list shall be updated regularly and displayed on the notice board.

In the 90 GPs/VAs test checked, no documentary evidence of convening Gram Sabha meeting for verification of applicants was available.

In Imphal East District during 2009-12, total number of households during the period was 65560, 71330 and 75574. Against this, job cards were issued to 61288, 65265 and 70656 households during 2009-12; indicating that 4272, 6065 and 4918 households were not covered by job cards during the above three years. As a result, the possibilities of denial of wage employment to household not issued with job card cannot be ruled out.

During beneficiary survey, in the sampled districts, 69 *per cent* of the respondents stated that registration was open throughout the year.

In 80 cases in Nungba block (Tamenglong district) photographs of the job card holders were not affixed. In Thoubal district, in 20 cases photographs/joint photographs and signature/thumb impression of the applicants were not affixed in the job card register.

Audit scrutiny of application registers and work list submitted by the sampled GPs/VAs revealed that number of job cards holders were the same for two to three years indicating that job card register was not updated regularly. The reasons for non-updating were not on record. Such non-updating may result in new eligible job seeker being deprived of employment opportunities under the scheme. Further, fictitious workers would remain in the list resulting in incorrect labour budgeting.

Further, during 2007-08 in Thoubal district door to door survey to identify persons willing to register was conducted and 36,507 and 17,343 eligible households were thus identified in Thoubal Block and Kakching Block respectively. In Imphal East, Tamenglong and Churachandpur districts no record of conducting door-to-door survey was made available to audit.

Joint inspection with the GPs/VAs of all the sampled villages revealed that no such registration list was displayed on the notice board and cancellations of registration list were also not made public.

In the sampled districts out of 900 beneficiaries surveyed, 148 beneficiaries (*i.e.* 17 *per cent*) stated that job cards were in the custody of POs/Village Level Workers (VLWs).

The DPC, Churachandpur stated (January 2013) that the district being a rural area every person was willing to work under this scheme. As such, door to door survey was not conducted.

The replies were not acceptable as door to door survey could have helped in identification of eligible and willing households, as it was in case in Thoubal district.

The DPC, Imphal East stated (January 2013) that door to door survey for verification of job card and registration of households would be done from February 2013 and job cards would be provided to all registered households.

### 1.2.11.2 Gram Sabha and Employment Guarantee Day

As per Operational Guidelines, a particular day of a week ('employment guarantee day' or Rozgar diwas) should be earmarked for processing of applications and related activities like disclosure of information, allocation of work, payment of wages *etc.*

The DPCs of the sampled districts stated that Gram Sabha (GS) meeting of registered workers was conducted. However, there were no records suggesting that the GPs/VAs earmarked a particular day of the week as employment guarantee day for processing work applications and related activities such as disclosure of information, allocation of work, payment of wages and payment of unemployment allowances as provided in the Operational Guidelines.

The DPCs, Churachandpur, Imphal East and Tamenglong while accepting the audit observation stated that employment guarantee day would be earmarked in future.

**Whether the primary objective of ensuring the livelihood security by providing 100 days of annual employment to the targeted rural community at the specified wage rates was effectively achieved and whether the unemployment allowance for inability to provide job-on-demand was paid in accordance with the act and the guidelines.**

### 1.2.12.1 Providing Employment

The primary objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage on demand.

The table below shows man days generated per household in the four sample districts during the review period:

**Table 3**

Sampled districts	2007-08	2008-09	2009-10	2010-11	2011-12
Churachandpur	60	100	100	100	100
Tamenglong	100	100	100	83	93
Imphal East	*NA	75	45	90	56
Thoubal	*NA	16	25	13	79

(Source: Departmental records)

\* Not Applicable

From the above table, it can be seen that Churachandpur district could not provide 100 days employment during 2007-08. Similarly, Tamenglong district could not provide 100 days employment during 2010-11 and 2011-12. During 2008-12, in Imphal East district employment provided per household ranged from 45 to 90 days, while in Thoubal district it ranged from 13 to 79 days per household. However, 100 days employment was provided to the workers in Tamenglong and Churachandpur during 2007-10 and 2008-12 respectively.

### 1.2.12.2 Payment of Wages

The State Government fixed the minimum wage rate (₹ 81.40 during 2007-2011 and ₹ 126 during 2011-12) for MGNREGS, without considering wage productivity norm in contravention of the operational guidelines. Men and

women were paid equal wages.

Payment of wages was delayed for more than 30 days in Nungba block, during 2008-09. This is evident from the fact that for MGNREGS works executed during 2008-09 the DPC Tamenglong issued cheque bearing no. 833784 dated 27-4-2009 for ₹ 59.58 lakh to the PO in April 2009. In a survey of sampled districts 20-55 *per cent* of the beneficiaries stated that wages were paid beyond a fortnight of completion of work. However no compensation was paid for such delay which resulted in violation of operational guidelines.

The procedure of payment of wages through banks/post offices were not publicised and none of the sampled GPs/VAs publicised the wage rates/displayed at the worksites. In the sampled districts wages were not dovetailed with other social security arrangements.

Out of the nine sampled blocks, in four blocks *viz.* Tamenglong and Nungba blocks (Tamenglong District), Vangai and Sangaikot blocks (Churachandpur district) VAs paid to the beneficiaries ₹ 16.03 crore in cash due to non-availability of banking/post office facilities.

Scrutiny also revealed that wage slips were not prepared/issued. Reasons for non-preparation/non-issue of wage slips were not on record. This had resulted in lack of transparency as the labourers were not aware of the amount due and date of deposit in their accounts.

Scrutiny in the sampled districts revealed that bank payments were reconciled with the actual work done as per Muster Rolls.

The DPC, Imphal East stated that wage slips would be prepared and issued.

### **1.2.12.3 Unemployment Allowance**

In all the sampled GPs/VAs, dated receipt of applications for demand for works were not made available to audit. Further, there were no proper records to show that employment was provided within 15 days as per provision of MGNREGS guideline. In the absence of recorded date of demand, the entitlement to unemployment allowance could not be ascertained.

The DPC, Imphal East stated (January 2013) that registration of application for demand of work has now been done on-line.

**Whether MGNREGS works were properly planned and economically, efficiently and effectively executed in a timely manner and in compliance with the act and the guidelines, and whether durable assets were created, maintained and properly accounted for.**

### **1.2.13.1 General**

As per MGNREGS guidelines rural connectivity work is given low priority. Out of 2780 works (sanctioned: ₹ 131 crore) taken up during 2007-12 in the 90 sampled GPs/VAs, 876 works were road works (expenditure: ₹ 68.28



crore<sup>8</sup>) i.e. 31 per cent of the total works.

In 40 GPs of Imphal East and Thoubal districts and 50 VAs of Churachandpur and Tamenglong, road works were taken up as per work orders issued by the POs. In case of Zilla Parishads, work orders were issued by Pradhans. Reasons for giving priority to a low priority area was not intimated to Audit.

The DPC, Thoubal stated (February 2013) that now efforts were made to ensure taking up of only the priority works in each Gram Panchayat and all the stakeholders had been given adequate training for maintaining prioritization while preparing the shelf of projects.

The DPC, Churachandpur stated (January 2013) that though rural connectivity was given low priority at national level it was the biggest problem in their district while DPC, Tamenglong stated that due to difficult terrain and heavy rainfall in the district many of the villages were not yet connected by motorable roads. Villagers are not able to transport their agriculture and horticulture products to the markets in time due to poor road connectivity. Thus, priority was given on construction and maintenance of rural road connectivity.

The DPC, Imphal East stated (January 2013) that since the works were proposed on priority at the Gram Sabha level it could not be modified at the district level.

However, the scheme should be implemented as per the guidelines and the stakeholders should be made fully aware of the list of admissible works with its priorities.

#### 1.2.13.2 Execution of works without sanction

In Imphal East district, out of 326 works (₹ 81.60 crore) included in the labour budget for 2009-10, 148 works (₹ 30.14 crore) were sanctioned. However, all the 326 works were completed with an expenditure of ₹ 30.14 crore. However, 178 (326-148) works were executed without obtaining approval of the competent authority.

The DPC, Imphal East stated (January 2013) that copies of sanction orders could not be traced due to poor record maintenance. However, from November 2012 onwards on-line MIS model had been adopted fully.

#### 1.2.13.3 Use of heavy machinery

Out of 600 works test checked, in the 60 sampled GPs/VAs (Imphal East, Thoubal and Tamenglong) heavy machinery was used in nine works executed with an expenditure of ₹ 1.56 crore (**Appendix-1.4**). In the beneficiary survey conducted, out of 900 respondents, 21 (2.3 per cent) stated that heavy machinery was utilised in execution of work. However, payment was made based on MR only.

<sup>8</sup> Excluding Tamenglong as sanction accorded was clubbed with other activities.

The following photographs exhibit the use of heavy machinery in the execution of the works.



Construction of Public Pond at Kekrupokpi  
(Serou GP, Kakching Block)



Construction of Public Pond at Laimanai Yambikhong  
(Waikhong GP, Thoubal Block)



Construction of public pond near old Bazar at Serou  
(Serou GP, Kakching Block)



Renovation of MI canal from Heibong Makhong to  
Chowkidarkhong with c/o road including provision of  
10 Nos. of culverts (Sekmaiin GP, Thoubal Block)

The DPC, Imphal East stated (January 2013) that strict instructions would be given to all the implementing agencies to avoid use of heavy machinery as far as practicable.

The DPC, Tamenglong stated (January 2013) that respective POs reported that no machinery was used in execution of the works. The reply is not acceptable as in three works<sup>9</sup> heavy machinery was used.

The DPC, Thoubal stated (February 2013) that appropriate instructions were issued to the implementing agencies.

---

<sup>9</sup> (i) Land Development at Khongsang Village of Nungba block, (ii) Construction of IVR from Tamenglong College road to Duigailong Village at Model Village and (iii) Construction of side drain from Khongsang road upto Joulen Junction at Happy Villa of Tamenglong block



#### **1.2.13.4 Mechanism for identification of works**

As per guidelines to avoid duplication, a unique identity number should be given to each work.

However, in all the 90 GPs/VAs test checked, no work was allotted a unique identity number.

Of the 90 sampled GPs/VAs of Imphal East and Churachandpur districts, 50 GPs/VAs adopted the mechanism of submitting photographs of works before, during and after completion of works while the remaining 40 GPs/VAs did not adopt this system in violation of the operational guidelines.

As per guidelines, the Citizen Information Board with NREGA logo must be set up containing essential information, details of work, schedule of rates, estimates and work status.

However, out of 900 test-checked works in 90 GPs/VAs, 192 worksite boards did not display commencement and completion dates of the work as well as other details. This resulted in lack of transparency.

#### **1.2.13.5 Standard Design and measurement**

Standard designs for the projects to be implemented were not made available to the Implementing Agencies.

In all the sampled districts, Tamenglong maintained Measurement Book (MB) for only one work while in other districts MBs were not maintained in proper form. In the case of road works, information like site of work, starting and ending points of measurement were not recorded. However, quantum of works recorded in the MB was exactly the same quantity as in the estimate. Such recording in the MBs leave enough doubt that the recording in the MB might have been manipulated.

The State Government did not standardise any norm for identification of works, assessment of outputs/productivities and steps for reducing wastages/underpayments.

#### **1.2.13.6 District Schedule of Rates**

No separate schedule of rates specifically for MGNREGS was prepared. The State Government did not undertake comprehensive work, time and motion studies for this purpose. Instead, Manipur Schedule of Rates (MSR) prepared by the state Public Works Department was utilised for framing estimates of MGNREGS works. In the absence of district schedule of rates the genuineness of the rates applied on these works could not be ascertained.

In their reply the DPC, Tamenglong stated that the district has its own DSR. However, a copy of the same could not be produced to audit.

#### 1.2.13.7 Allocation of works

As per the Operational Guidelines, at least 50 *per cent* of works will be allotted to the Gram Panchayats. The State Government allocated (September 2009, January and June 2010), 50 *per cent* of the funds available under MGNREGS to the GPs/VAs, 25 *per cent* to the ZPs/District Councils and the remaining 25 *per cent* to the Line Departments (LDs) for implementation of the scheme/projects. During 2007-12 in Churachandpur and Tamenglong districts, 100 *per cent* of the works were allotted to VAs while in Thoubal and Imphal East districts 50 *per cent* of the works were allotted to GPs, 25 *per cent* to ZPs and 25 *per cent* to Line Departments.

In violation of the provisions of NREGA operational guidelines, during 2010-12 in 40 test checked GPs in Imphal East and Thoubal a sum of ₹ 30.90 crore being 25 *per cent* of the funds had been provided to local MLAs (**Appendix-1.5**) in the name of concerned Line Department.

In reply, the DPC, Imphal East stated (January 2013) that under the Line Department's share *i.e.* 25 *per cent* of the funds allotted, works were executed in consultation with the local MLAs and the funds were released to the Zilla Parishads. However, as per records made available to Audit, the funds were allotted to the local MLAs.

Thus, Line Department was not involved in giving technical support in any of the sampled districts. Instead, the funds (₹ 30.90 crore) were utilised for executing MGNREGS works in consultation with the local MLAs.

#### 1.2.13.8 Payment made without completion of work

As per General Financial Rules, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made.

As per records during 2011-12, in Vangai block of Churachandpur district for execution of four works an expenditure of ₹ 13.92 lakh had been incurred as shown in **Appendix-1.6**. However, on physical verification it was found that the works had not been completed (June 2012).

The DPC, Churachandpur stated (January 2013) that the works had since been completed. However, release of payment before completion of work had violated the provisions of financial rules.

Similarly, in Thoubal district, for providing drinking water construction of public well at Mohendro Golai (estimate cost: ₹ 2.94 lakh) was started on 22 December 2011. However, the work was abandoned/remained incomplete after making payment of ₹ 2.94 lakh as wages. The implementing agency could not state the reasons for non-completion of the work. Thus, due to non-completion of the work the intended benefits could not be provided to the public.

In their reply the DPC, Thoubal stated (February 2013) that the matter was referred to the implementing agencies and noted for future guidance.

### 1.2.13.9 Proper utilization of assets

In all the sampled districts, enduring outcomes were not clearly indicated in the project report for each work.

Three public ponds (one in Thoubal and two in Imphal East districts) were constructed in the areas where there was no habitation. In two ponds (one in Thoubal and another in Imphal East) the water level was very low.

Thus, the public could not utilise the assets created.

### 1.2.13.10 Maintenance of Assets

As per the schedule of forestry works (prepared by the Forest department in February 1991) plantation should be carried out during monsoon, latest by July. Once a plantation has been established, it is necessary to protect the plantations against fire, insects, fungi, animals and also carry out variety of cultural treatment like weeding, replacement of failed plants by new ones *etc.*

During 2008-2012 in three villages in Vangai block, rubber and betel nut plantations (area not indicated) at a cost of ₹ 11.23 lakh were carried out during off season (November to February) (**Appendix-1.7**). Physical inspection revealed that these plantations had not survived, resulting in unfruitful expenditure.

The DPC, Churachandpur stated (January 2013) that the plantation work was carried out during the correct season and photograph was enclosed. The reply was not acceptable as plantation was carried out during November to February instead of during monsoon latest by July.

In Thoubal district six plantation works were carried out at a cost of ₹ 27.11 lakh (**Appendix-1.8**). In three plantations plant species were also not indicated and no plantation had survived.



Aforestation and tree plantation at Mamang Chingol  
(Langmeidong GP, Kakching Block)



Improvement of public place with tree plantation at  
Maibam Maning Leikai  
(Maibam Uchiwa GP, Thoubal Block)



Improvement of Public ground with tree plantation at Khangabok Part III Moirang Palli Cherapur



Land development with tree plantation of Khoirom Playground (Leirongthel Ningel GP, Thoubal Block)

During the audit period 2007-12 in the sampled districts 125 plantation works were carried out with an expenditure of ₹ 4.35 crore (**Appendix-1.9**).

Audit noticed that no fund was earmarked in the Development Plan/Annual Plan for maintenance of assets/plantation created under the MGNREGS. Neither, did the State Government nor GoI allocate funds separately for this purpose. In the absence of proper maintenance of plantations, survival percentage would be low.

#### 1.2.13.11 Creation of durable assets

As per operational guidelines, admissible works include rural connectivity to provide all-weather access.

Out of 876 road works including Inter Village Roads (IVR) costing ₹ 48.57 crore undertaken during 2007-12, 119 works executed (costing of ₹ 10.73 crore) were sampled for audit. On physical verification, audit observed that these 119 works did not provide all weather access roads.

Construction of earthen/kutchra road was in violation of operational guidelines.



Construction of Waikhong Sallam lambi IVR all weather road to Waikhong tangsang Maning (Waikhong GP Thoubal Block)



Construction of IVR from NH53 to Irang river bank 0.5 km with 1 slab culvert (2009-10) (Taobam VA, Tamenglong Block)





Construction of MI canal from Elangkhanpokpi Awang Khungjao to Sallam with making of all weather road on both sides of the canal 2.9 Kms (Waikhong GP, Kakching)



IVR from Khangchiuluan to Inrailong (2010-11) (Khangchiuluan VA Tamenglong Block)

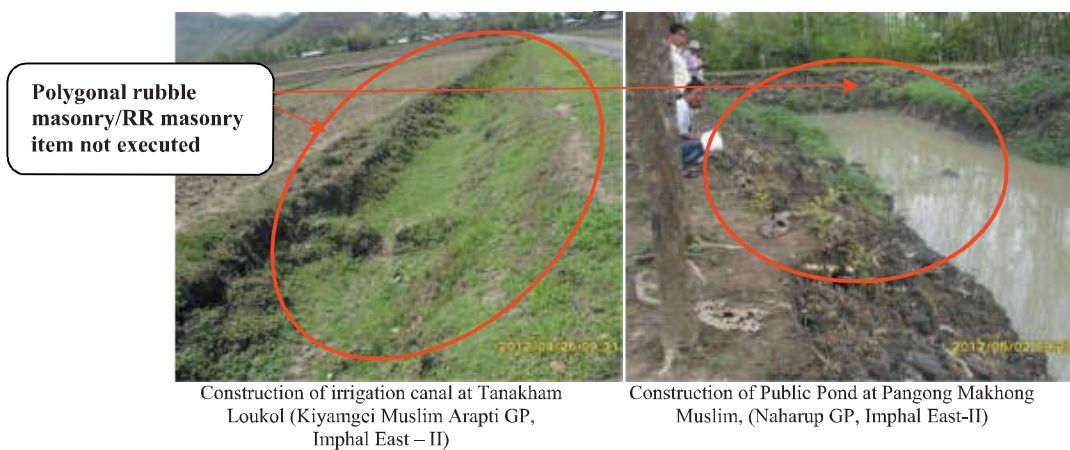
### 1.2.13.12 Payment made without execution of work

Audit security revealed that in 60 test checked GPs/ VAs of Imphal East, Thoubal and Tamenglong district, ₹ 10.54 crore had been paid to the implementing agencies for execution of 19 works during 2007-12. However, on physical verification the works were not found executed.

Thus, the expenditure was incurred without achieving the intended purpose.

In respect of 9 works pertaining to Tamenglong district, the DPC, Tamenglong stated (January 2013) that respective POs reported that no such payments were made. The reply was not acceptable as 8 works<sup>10</sup> were not executed though the payments were made.

Further, in Imphal East-II Block during 2009-10, ₹ 25.13 lakh had been paid to the implementing agencies for construction of irrigation canal at Tanakhm Loukol and construction of public pond at Pangong Makhong. However, the implementing agencies executed only earthwork items valued ₹ 1.42 lakh and the rest of work was not executed. As a result, excess payment of ₹ 23.71 lakh (₹ 25.13lakh - ₹ 1.42 lakh) was made to the implementing agencies.



Construction of irrigation canal at Tanakhm Loukol (Kiyamgei Muslim Arapti GP, Imphal East – II)

Construction of Public Pond at Pangong Makhong Muslim, (Naharup GP, Imphal East-II)

<sup>10</sup> (i) Plantation of Litchi at Nungba Village, Social Forestry at Taodaijang Village, (ii) Construction of Irrigation Canal at Charoi Chagotlong of Charoi II Village, (iii) & (iv) Construction of MI dam at Siamknaipang Thuak & Khalangpang Thuak of Kambiron Village, (v) & (vi) Construction of VA office (BNRGSK) at Khongsang and Noney, (vii) Afforestation at Model Village, Teak Plantation at Model Village and (viii) Improvement of Multipurpose Pond at Farmlane of Tamenglong Village

The DPC, Imphal East stated (January 2013) that the POs would be instructed to ensure completion of works by the implementing agencies.

#### 1.2.13.13 Unfruitful expenditure

An expenditure of ₹ 1.97 lakh was incurred for “Renovation of MI canal from Sabalkhong to Karanchi” in Sangaiyumpham Part-II GP of Thoubal Block in Thoubal District during 2009-10. However, on physical verification the work was found to be a road side drain, not a canal as claimed. The drain was blocked by a several approach roads of residential houses and the drain ended before reaching any cultivated land and, therefore, could not serve any irrigation purpose.



Road side drain blocked by several approach roads of residential houses and the drain was terminated without reaching any cultivated land.

Renovation of MI canal from Sabalkhong to Karanchi

As such, the expenditure of ₹ 1.97 lakh for renovation of the canal resulted in unfruitful expenditure.

#### 1.2.13.14 Doubtful execution of work

The Manipur Schedule of Rates (MSR) identified the stone boulder, sand and sand gravel quarries in the state. As per MSR, no identified quarry for stone, sand and sand gravel was in Churachandpur district. The demand for such materials in the district was to be met from quarries available in the neighbouring districts.

During 2009-11, in Lamka block shingling of 13 roads was shown to have been carried out with an expenditure of ₹ 1.92 crore.

However, there was no record showing the source of shingles either purchased or collected from any quarry and the quantity of shingles utilised for these works. In the absence of sand gravels the execution of shingling works and the payment was doubtful.

The DPC Churachandpur stated (January 2013) that sand gravels were taken from Lanva river and Lailam Lui directly by the job card holders. As the villages are near the river bank cost of transportation was not required. In the absence of detailed estimate identifying the quarry the reply was not acceptable.

### 1.2.13.15 Wages paid on holidays

In 20 test-checked GPs of Imphal East, it was observed that for 75 works an amount of ₹ 30.81 lakh were paid to the workers as wages on holidays (**Appendix-1.10**). Payment of wages on holidays had violated the provisions of operational guidelines.

The DPC, Imphal East stated (January 2013) that adjustment would be made against future works.

### 1.2.13.16 Less payment of wages

As per the Government of India's notification dated 14 January 2011, the wage rate should be ₹ 126 per day with effect from 1 January 2011.

In Churachandpur district in 22 works during 2010-11 there was an under payment of wages to the tune of ₹ 98.40 lakh.

Similarly, in 24 works executed during February to August 2011, in 20 test checked GPs of Imphal East, workers were paid at the rate of ₹ 81.40 instead of ₹ 126 per day. Payment of minimum wage at a lower rate resulted in less payment of ₹ 29.28 lakh and deprived the intended benefit to the target group.

In their reply the DPC, Imphal East stated (January 2013) that an enquiry would be conducted for such cases. The DPC Churachandpur stated (January 2013) that wage rate (₹ 126 per day) was implemented in the district with effect from 2011-12. The reply was not acceptable in view of the Government of India's notification *ibid*.

### 1.2.13.17 Avoidable expenditure

As per the report of National Building Organisation (NBO) out-put of labour are:

- i) Excavation in foundations, trenches *etc.* in ordinary soil including disposal up to 30 m and lift of 1.5 m:- 28.30 cubic metres per day by five Beldars and four mazdoors.
- ii) Refilling excavated earth in foundations, plinth *etc.* including consolidation in 15 cm layers:- 28.30 cubic metres per *day* by three Beldars, two mazdoors and half Bhishti.

During 2008-12, in Thoubal block 21 works requiring refilling/levelling of earth {14 *Inter Village Road (IVR)*; 3 *improvement of river banks*; 4 *land development works* } were executed with an expenditure of ₹ 37.17 crore. Construction of the above 21 works involved 68,777 cubic metre of earth for which 2,39,504 man days were engaged. However, the actual requirement for the above quantity of earthwork was 13,368 man days, as per the norms of the NBO.



Similarly, for construction of a pond involving excavation of 1988.42 cubic metre of earth, 4274 man days were engaged. However, the actual requirement for excavation of the above quantity of earthwork worked out to 632 man days, as per the norms of the NBO.

The details requirement of man days for refilling and excavation of earth as worked by audit are shown in **Appendix-1.11**.

As a result, excess of man days worked out to 2,29,778<sup>11</sup> resulting in avoidable expenditure of ₹ 2.39 crore, which could have been utilised for execution of other works under the scheme.

In their reply the DPC, Thoubal stated (November 2012) that no District Schedule of Rates (DSR) was prepared. The works were done by the job card holders and not strictly based on the principle of contract works executed by the contractors and engineers. As such, it was contended that excess payment of ₹ 2.39 crore assessed by audit based on the labour out-put of National Building Organisation was not applicable.

The reply is not acceptable as the above earth excavation/earth filling works were executed without any basis. This was also against the provisions of operational guidelines that works are to be carried out as per DSR. In the absence of the DSR, out-put of labour of earth excavation/earth filling works should be based on the standards of the National Building Organisation, the rates of which would not be in variance with any standard Schedule Rates.

**Whether the auxiliary objectives of protecting the environment, empowering rural women, reducing rural-urban migration, fostering social equity etc. were effectively achieved in accordance with the Act and the guidelines**

#### **1.2.14.1 Empowerment of Rural Women**

Audit observed that in all the sampled districts, women (more than 30 *per cent*) were engaged as labourers in the execution of works and in higher capacities like mates, Gram Rozgar Sahayak *etc.*

Beneficiary survey also revealed that implementation of MGNREGS led to social, economic and political empowerment of women. Out of 301 women beneficiaries interviewed, 252 (84 *per cent*) stated that there was improvement in their lifestyles, 262 (87 *per cent*) stated that family income improved and 219 (73 *per cent*) stated that there was debt reduction.

#### **1.2.14.2 Fostering social equity and income**

In all the sampled districts, SC/STs were included for the execution of works and in higher capacities like mates, GRS *etc.* Further, beneficiary survey also revealed that implementation of MGNREGS led to improvement in the status of SC/STs.

---

<sup>11</sup> 2,26,136 (2,39,504-13,368) man days in refilling/levelling and 3642 man days (4274-632) in excavation

As per beneficiary survey, 87.33 *per cent* of the respondents of the sampled GPs/VAs stated that the scheme brought significant improvements in lifestyle and that there was an increase in expenditure on food items, household articles and children's education. However, 14 out of 200 respondents in Thoubal district stated that the income from MGNREGS could not be treated as stable and assured.

An Impact Study on MGNREGS in Churachandpur district during 2007-09 revealed that the vendors witnessed an average increase in individual expenditure by 35.5 *per cent* during the MGNREGS period as compared to the pre-MGNREGS period. The study also revealed that MGNREGS increased the daily wages of labourers by ₹ 10-20.

**Whether the convergence of the scheme with other rural development programmes as envisaged was effectively achieved in ensuring sustainable livelihood of the targeted rural community and improving the overall rural economy**

### **1.2.15 Convergence of the scheme with other rural development programmes**

Out of the four sampled districts, convergence works were carried out in two districts (Churachandpur and Thoubal). However, guidelines were not prepared by the State Government for convergence of MGNREGS with other rural development programmes.

District Resource Group was not formed in both the districts. However, in Churachandpur district, a District Level MGNREGS Convergence Implementation Committee comprising of representatives of Command Area Development Agency (CADA), Irrigation and Flood Control Department (IFCD) and Block Officials was set up.

Perspective Plan and DPRs were not prepared for both the districts. However, in Churachandpur District documents showing work-site, dimensions and abstract of cost was prepared by Lamka Block.

Though convergence works were carried out in Churachandpur District, implementation and outcome of such works were not analysed during performance audit as the convergence works did not figure in selected samples.

**Whether all requisite records and data maintained at various levels and whether the MGNREGA data automated completely and provides reliable and timely Management Information System**

#### **1.2.16.1 Maintenance of records**

Audit noticed that the Muster Roll (MR) Issue and Receipt Registers were not properly maintained by the POs and GPs/VAs/other implementing agencies in all sampled districts. The MR Issue Register did not indicate name of work nor issued serially. The implementing agencies in Imphal East district did not produce MR Receipt Register.

Test check of MRs maintained in Imphal East and Tamenglong district revealed that the POs issued MRs in duplicate and MRs bearing same number was utilised in more than one work.

All the sampled GPs/VAs and POs of sampled blocks maintained Job Card Application Register, Job Card Register, and Employment Register. However, audit scrutiny of records revealed that these registers were not properly maintained and updated. As a result, correctness of important information like date of application, date of disposal, issue of dated receipt *etc.* could not be ascertained. Also, it could not be ascertained whether all job cards and employment applications were properly processed in time.

Beneficiary survey of Tamenglong, Thoubal and Imphal East district revealed that wages of 41 *per cent* of the beneficiaries were not paid promptly and job cards of 38 *per cent* of the beneficiaries in Tamenglong and Thoubal were not updated regularly. However, in Churachandpur district 82 *per cent* (246 out of 300) of the respondents stated that wages were paid promptly and job cards were updated regularly.

All the sampled GPs/VAs maintained Work Registers and Asset Registers. However, audit observed that in the sampled blocks in Imphal East and Tamenglong districts, the said registers were not properly linked as all completed works were not entered in the Asset Register. Due to absence/improper maintenance of these registers the nature and number of assets created under MNREGS could not be ascertained.

Audit observed that complaint registers were maintained at all levels in Thoubal district; at district and block levels in Tamenglong and Churachandpur districts. However, the registers were not maintained properly as all relevant entries were not made in these registers. Imphal East district, however, did not produce any Complaint Register to Audit.

The DPC, Churachandpur stated (January 2013) that in future the records would be maintained properly while the DPC, Imphal East stated (January 2013) that, the MR receipt and issue register has been done on-line to avoid duplication and to ensure better record keeping. The DPC, Tamenglong stated that strict compliance would be ensured.

#### **1.2.16.2 Tampering of Muster Roll**

In Bamonkampu GP of Imphal East –II block, 128 muster roll forms (₹ 9.20 lakh) were tampered by cuttings and over writings. These records were not duly attested. As such, the possibility of misappropriation could not be ruled out.

The DPC, Imphal East stated (January 2013) that the Pradhan and Secretary of Bamonkampu GP had been instructed to avoid such mistakes in future.

### 1.2.16.3 Payment of wages without recording signature of beneficiaries on MR

In Bamonkampu GP of Imphal East –II block, ₹ 0.46 lakh (83 cases in 76 MRs) was paid without signature or thumb impression in token of receipt of the payments.

The DPC, Imphal East stated (January 2013) that necessary instructions had been issued to the POs to avoid such lapses in future.

### 1.2.16.4 Requisite details not entered in Muster Rolls

It was observed that in 322 MRs in Bamonkampu GP of Imphal East- II block requisite details viz., wages paid, name of work, financial approval number and date for four works (₹ 31.46 lakh) were not found.

The DPC, Imphal East stated (January 2013) that necessary instructions had been issued to the POs to avoid such lapses in future.

**Whether transparency was maintained in implementation of the act by involving all stakeholders in various stages of its implementation from planning to monitoring and evaluation**

### 1.2.17.1 Social Audit, Transparency and Grievance Redressal

The State Government had not constituted an independent Organisation/ Directorate/Society at the State Level for facilitation of Social Audit as required under guidelines.

In four sampled districts, District Internal Audit Cell in the office of the District Programme Coordinator was not constituted. During 2007-12, social audit was not conducted with periodicity prescribed as per the provisions of the operational guidelines. Of 10566 social audits to be conducted only 7891 (75 per cent) were conducted. It was conducted in Tamenglong district (2010-12) only one to three times and in Churachandpur district (2010-11) twice only.

In Tamenglong district during social audit, objections arose against two chairmen. Based on the objections the chairmen were removed and recovery of ₹ 4 lakh was made. Similar action taken report was not available for the other three test checked districts.

Thus, due to non-observance of the provisions of the operational guidelines the role of social audit as a means of continuous public vigilance and ensuring transparency and accountability had been limited.

The DPC, Tamenglong stated (January 2013) that strict compliance would be ensured while the DPC, Thoubal stated (February 2013) that it was noted for future guidance.

### 1.2.17.2 Non-Maintenance of records

Audit observed that out of the nine sampled blocks, copies of MRs for the period 2007-09 were not available with the VAs/POs in Tamenglong and Nungba. Non-maintenance of such basic records hampers public awareness about the works undertaken under the scheme and assets created. This was evident as there was no public request to obtain photocopies of such valuable records.

#### 1.2.17.3 Citizens' Charter

As per guidelines a model "Citizens' Charter" should be developed covering all aspects of the duties of Panchayats and officials under the Act. The Citizens' Charter should describe the specific steps involved in implementing the provisions of the Act and lay down the minimum service levels mandated by these provisions on the Panchayats and the officers concerned. However, the State Government is yet to develop the "Citizens' Charter".

The DPC, Churachandpur stated (January 2013) that in future the system would be improved for proper implementation of the scheme. In respect of other districts, no reply was furnished.

#### 1.2.17.4 Monitoring of works

During 2007-12, Block level officials of Imphal East and Churachandpur had not inspected any work while Block level officials of Tamenglong and Thoubal had conducted *cent per cent* inspection.

District level officials of Imphal East did not inspect any work. In Tamenglong and Thoubal percentage of works inspected was 69 and 82 respectively while in Churachandpur it was more than requirement (199 *per cent*).

State level officials inspected 47 *per cent* (out of 29, inspected 14 works) of the work in Thoubal district. However, no inspection was conducted in other three districts *viz.* Churachandpur, Imphal East and Tamenglong.

In their reply the DPC, Churachandpur stated (January 2013) that the block level officials inspected all the works. However, block level inspection was inadvertently shown as nil in the proforma furnished to Audit.

The DPC, Imphal East stated (January 2013) that inspection of work was done regularly both at district and block level. However, non-recording of inspection report might be the reason for zero inspection.

In all sampled districts financial audit were conducted by Chartered Accountants. However, at the State level, in the case of SEGC, financial audit was conducted by Chartered Accountants only in 2009-10. Thus, in absence of audit of the accounts of the State Council the accuracy of accounts could not be ascertained.

In all the sampled districts no Internal Audit Cells were constituted to scrutinise the report of the Gram Sabha.

Out of the four sampled districts, only in Tamenglong and Thoubal District, Quality Monitors (DQMs) had been identified. However, in the absence of any prescribed time interval and DQM reports, audit could not ascertain its timeliness and remedial actions taken on such reports.

In their reply the DPC, Churachandpur stated (January 2013) that necessary action would be taken up to identify the DQM while DPC, Tamenglong stated (January 2013) that strict compliance would be ensured.

Audit observed that all the sampled GPs/VAs constituted Vigilance and Monitoring Committees (VMCs). The VMC reports proposed for early payment in the completion report of the works. Audit also observed that out of the four sampled districts, VMC members in Imphal East and Tamenglong districts certified bills/vouchers of their work at site. However, there were no records to show that inputs from GPs/Implementing Agencies regarding time frame, quality parameter *etc.* had been obtained.

**Whether there was effective mechanism at Centre and State level to assess the impact of MGNREGS on individual households, local labour market, migration cycle and efficacy of assets created**

### **1.2.18 Assessment of impact of MGNREGS**

The SEGC did not frame broad guidelines for evaluation studies, including MGNREGS assessment criteria.

SEGC had not commissioned evaluation studies in Manipur regarding implementation of the scheme and its impact on individual life. Further, no consultant was appointed by the State Government for such evaluation studies. Audit also observed that three of the four sampled districts had not conducted any impact assessment study. However, Churachandpur District published an impact study on MGNREGS during 2007-09. The report stated that MGNREGS led to an improvement in the wage rate, purchasing power and living standards of the beneficiaries in the district. Churachandpur District received a national level award for the year 2009-10.

### **1.2.19 Conclusions**

The State Government did not design a complete Financial Management System and did not establish the State Employment Guarantee Fund. Full time dedicated Programme Officers were not appointed in the test checked blocks and dedicated Gram Rozgar Sahayaks were not appointed in Churachandpur and Tamenglong districts. Panels of accredited engineers were not constituted for the purpose of assisting with estimation and measurement of works. Information, Education and Communication plans had not been drawn up as required under the operational guidelines. State level trainings were not conducted by preparing training modules and calendars of trainings. The State Government had not ensured preparation of District Perspective Plans as per



guidelines. The State share of funds was not released in full and on time. Financial control was inadequate. Labour budgets were not been prepared based on realistic estimates. No separate schedule of rates for MGNREGS works was prepared. There was no provision of funds for maintenance of assets created under MGNREGS. Inadequate monitoring led to certain irregularities in execution of MGNREGS works such as use of machinery, payment made without execution of works, wages paid on holidays, delay in execution of works, construction of roads which do not provide all weather access and employment of workers in excess of requirement. Maintenance of records was poor. Any independent organisation/directorate/society was not constituted at the state and district level for facilitation of social audit.

#### **1.2.20 Recommendations**

- As the success of such people-centric scheme depends a lot on transparency redressal measures, a well devised information decimation system, public grievance redressal measures, social audit with beneficiary participation and public accountability needs to be devised.
- A well drafted Perspective Plan would serve as effective road-map and clarity of the vision of the Scheme. These plans should address the needs of the people, for augmenting their earning and asset creation in the locality. Data and shelves of projects available in plans should be easily identifiable and without ambiguity. The Annual Plans needs to have the sanctity of the Gram Sabha.
- Registration and issue of job-cards is the most important element in operation of the Scheme. Thus, there should no slackness in maintenance of job application, Registration registers and job-cards. These records need to updated periodically to identify eligible beneficiaries and eliminate bogus beneficiaries from the list.
- Assets created under MGNREGS should be documented and made available to the stakeholders.
- Monitoring and impact assessment are crucial to steer the Scheme of any loopholes and deficiencies noticed in implementation of the Scheme. Unless these are taken up in the right earnest, there is a risk that the implementation may go off-track in many or some areas. A joint monitoring team with independent bodies needs to be encouraged.



## TRIBAL AFFAIRS AND HILLS DEPARTMENT

### 1.3 Chief Controlling Officer based audit of Tribal Affairs and Hills Department

#### *Highlights*

The Tribal Affairs and Hills Department (TA&HD) is responsible for the welfare of the people belonging to the Scheduled Tribe (ST). It also serves to protect the ST from atrocities, promotion of socio-economic condition through implementation of various developmental programmes funded under State Plan, Special Central Assistance to Tribal Sub-Plan (SCA to TSP), Special Development Programmes under Articles 275(1) of the Constitution of India and Centrally Sponsored Schemes (CSS) and preservation of the rich cultural heritage of the ST people through systematic preservation, documentation and allied research works. The Chief Controlling Officer (CCO) based Audit of the Department revealed various deficiencies such as delay in implementation of schemes, lack of supervision and proper monitoring. The important audit findings are highlighted as below:

During 2007-09, ₹ 3.66 crore from the funds of Special Central Assistance to Tribal Sub-Plan was diverted towards unrelated activities defeating the very purpose of the central assistance.

**(Paragraph 1.3.8.9 (i))**

During 2007-12, due to reimbursement of only the fixed amount of non-refundable fees to the scholars, the Department deprived 91,101 students by less reimbursement of fees than actually paid. Further, the Department extended undue benefits to 27,541 students by excess reimbursement of fees.

**(Paragraph 1.3.9.2)**

Despite spending ₹ 1.26 crore for setting up ten Vocational Training Centres, none of them had started functioning (August 2012), thereby defeating the objective of upgrading the skills of the tribal youth in various traditional/modern vocations. Further, the only Tribal Training Institute established with the objective of imparting vocational training to tribal women, also remained non-functional since 2008-09.

**(Paragraphs 1.3.9.8 and 1.3.10)**

The objective of providing quality education to ST students in remote areas could not materialise even fourteen years after conception of the project and after incurring an expenditure of ₹ 8.33 crore.

**(Paragraph 1.3.9.10)**

Although Government of India released ₹ 12.50 lakh (2004-06) for providing social security under Janashree Bima Yojana of Life Insurance Corporation of India to 3,136 households of Maram Primitive Tribal Group (PTG), the

scheme has not been implemented till date (August 2012), thereby denying the benefit of social security to the PTG households.

**(Paragraph 1.3.9.12)**

### **1.3.1 Introduction**

The State has a total geographical area of 22,327 sq km, out of which five districts of 20,089 sq km (89.9 *per cent*) is hilly area. Due to geographical location in the hills, the tribal area of the State is marked by lack of communication facilities and other amenities and lack of adequate opportunities to generate stable economy.

As per 2001 census, ST population was 7.41 lakh which constituted 32 *per cent* of the total population of the State; with majority of the population residing in the five hill districts<sup>12</sup>. The decadal population growth rate of the STs in the State during the last four decades (1971-2001) are 34.30 (1971), 16 (1981), 62.94 (1991) and 36.50 (2001) *per cent* respectively<sup>13</sup>. Large numbers of tribal families are still living below the poverty line and 92 *per cent* of the ST families are cultivators. The estimated incidence of poverty among the STs is 56.88 *per cent* against 45.08 *per cent* for general population.

The Department is mandated to formulate and implement schemes in thrust areas like education, health, housing, self-employment, skill development *etc.* for upgradation of socio-economic condition of the Tribal population of the State.

### **1.3.2 Organisational structure**

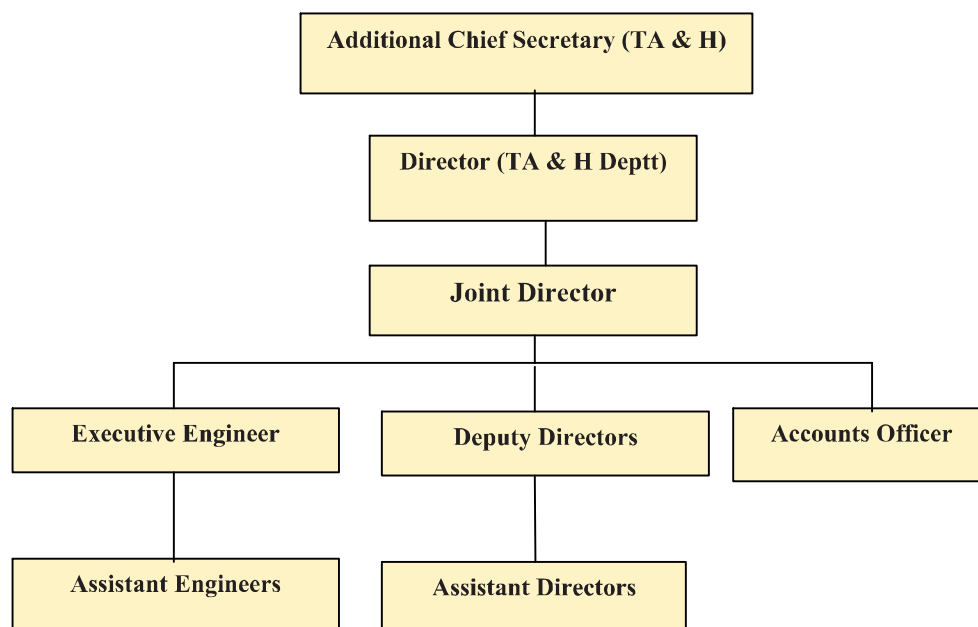
The Department is headed by a Principal Secretary at the Secretariat level as the administrative head. At the Directorate level, the Department is headed by a Director who is assisted by one Joint Director, five Deputy Directors and seven Assistant Directors. The Director is also assisted by one Accounts Officer in financial matters. He is also assisted by one Executive Engineer, five Assistant Engineers and thirteen Section Officers in construction works of the Department. At the field level, six Deputy Directors are in charge of District offices.

---

<sup>12</sup> Senapati, Ukhul, Chandel, Churachandpur and Tamenglong

<sup>13</sup> Source: XII<sup>th</sup> Five Year Plan of the State.

The organogram of the department is shown below:



### 1.3.3 Scope of audit

The CCO based audit of the Department was carried out during April to August 2012 covering the functioning of the Department during the period 2007-12. The records of the Directorate of Tribal Affairs and Hills Department and all the eight offices<sup>14</sup> were selected for detailed examination.

### 1.3.4 Audit objectives

The Audit was carried out to assess whether:

- the programmes of the Department were planned and implemented efficiently;
- the funds provided for the programme were properly utilised and procedure, rules and regulations specified thereof were adhered to;
- human resources were optimally utilised; and
- an effective internal control and evaluation mechanism existed.

### 1.3.5 Audit criteria

Audit findings were benchmarked against the criteria obtained from the following sources:

- General Financial Rules;

<sup>14</sup>(1) District Officer, Chandel; (2) District Officer, Churachandpur; (3) District Officer, Sadar Hills; (4) District Officer, Senapati; (5) District officer, Tamenglong; (6) District Officer, Ukhrul; (7) Deputy Director, Ashram School; and (8) Tribal Research Institute, Imphal

- Central Treasury Rules;
- Guidelines of Schemes/projects;
- Detailed Project Reports (DPRs); and
- Instructions/orders issued by the Government from time to time.

### **1.3.6 Audit methodology**

An entry conference was held on 10 April 2012 with the Principal Secretary, the Director, TA&HD and concerned officers wherein the audit objectives, audit criteria and scope of audit were discussed. Photographic evidence and physical verification of implementation of different schemes were also taken into consideration to substantiate the audit observations. An exit conference was held on 7 January 2013 with the departmental officers to discuss the findings of audit. The views of the department had been incorporated in the review.

### **Audit findings**

The important issues noticed during the course of audit are discussed in the succeeding paragraphs.

### **1.3.7 Planning**

Planning is important process in achieving the objectives of the department. It is important that a thorough planning is done to assess the requirements, to identify shortcomings and anticipate the risk. A clear cut roadmap of the steps to be taken needs to be documented.

The Department prepared Perspective Plan (2007-12) containing physical and financial targets to be achieved during the next five years period (2007-12), which was taken into account while preparing the Annual Plans.

Audit scrutinies revealed that the Annual Plans were prepared at the apex level only without taking inputs from district and block levels and thus lacked a bottom-up approach. Feedbacks from field formation are a basic requirement as implementation of various activities is to be done at the level of field formation. As such, the needs of the people and department should emerge from such levels. As the plans lacked the basic inputs from field formations, it would be ineffective in addressing the needs of these units in a proper way. The Department also did not undertake any District level planning. Without such exercise the planning process of the Department would remain incomplete. The Annual Plan document would prove to be a showpiece documentation without practical utility and not be able to provide a roadmap to guide the Department to achieve its goals, as illustrated in the subsequent paragraphs.

Analysis of the targets envisaged in the Five Year Plans and those fixed in the Annual Plans of the Department for SCA to TSP during the period 2007-12, revealed the following:

As SCA to TSP is an additional funding to State Plan, the Department should indicate the scheme-wise details of activities funded out of the Annual State Plan. The Department formulated Tribal Sub-Plan (TSP)<sup>15</sup> of the State during 2007-12. The TSP required the details of activities of other Departments. However, audit scrutiny revealed that the plan did not indicate area-wise and scheme-wise details of the different activities taken up by other departments as it showed the total outlays and total expenditures only. Hence, preparation of plan for SCA to TSP without the details of activities funded out of State Plan was not realistic.

Targets for various schemes and programmes in the five years plan also were in quantitative terms only, without specifying any location. A proper plan would have pin-pointed such location and also detailed the stage-wise execution of the schemes/programmes. This would have ensured implementation of the scheme/ programmes in a smooth and timely manner.

The Department during 2007-12 carried out the works under SCA to TSP and grants under Article 275(1) of the Constitution with people's contributions, as per directives of the State Government. However, audit scrutiny revealed that such contributions were not taken into account while formulating plans indicating inadequacies in planning. This indicates that the dictum of TSP was ignored in the planning process itself. Further, the Department did not conduct any baseline/benchmark survey to assess the level of development attained in the TSP areas of the State.

The Department has district offices in all the five hill districts and also at Sadar Hills in Senapati district and officers in charge of Integrated Tribal Development Projects (ITDPs). These offices are to carry out the development activities at the district and sub-divisional level and to ensure that the developmental works of the Department reach the grass root level. They are also responsible for periodical monitoring of various developmental works in the respective hill districts. However, audit scrutiny revealed that during the period 2008-12, none of the district offices implemented any developmental schemes except for medical and health scheme. Further, they were not involved in identification/selection of beneficiaries from their respective districts nor did they monitor any developmental scheme. All the developmental schemes were being centrally implemented by the Directorate without any inputs from the district offices. Thus, officers and staff posted in the district offices were not fully utilised to take care of allocating duties and responsibilities of the available manpower in a rational manner.

While admitting the audit observation, the Department stated (December 2012) that proposals under Five year plans were made on the basis of the schemes/programmes implemented in the last Annual plans. Such programmes were sometimes changed on the recommendation of the Work Advisory Board; meeting of which is held only after the sectoral allocations are finalised by the Planning Department.

---

<sup>15</sup> Strategy for accelerated development of STs

### 1.3.8 Financial Management

The Department received funds as State plan from the State Government and as Special Central Assistance to Tribal Sub-Plan (SCA to TSP), grants under Article 275(1) of the Constitution of India and Centrally Sponsored Scheme (CSS) and Special Plan Assistance (SPA).

#### 1.3.8.1 Non-adherence to the guidelines of the Ministry

As per the guidelines issued by the Ministry of Tribal Affairs, Government of India (GoI), (2003) the TSP component of various Departments/Sectors under the State Plan should be put under a different budget head in the State budget under the administrative control of the TA&HD, at least in equal proportion to the population of tribal of the State.

As per GoI guidelines, the entire TSP funds at least equal to the population of the tribal in the state is to be put in the budget to ensure more integrated and focused planning and implementation of projects/schemes.

Audit scrutiny revealed that the TSP component of various Departments/Sectors was reflected under the Plan head of the State Budget of various Departments under their administrative control. These funds altogether was more than the tribal population of the state. However, the fund was not pooled together under one demand for grant of the department. As a result, additional fund for innovative project was foregone.

The Department stated (December 2012) that pooling of funds from State Plan for TSP areas were found not feasible in Manipur. The responses of the line Departments regarding detailed information of the activities undertaken were also poor.

However, non-adherence of GoI guidelines resulted in non-release of earmarked funds for innovative projects during 2007-12.

#### 1.3.8.2 Budget outlay and expenditure

The budget provision and expenditure of the Department during the last five years were as shown in table below:

Table 1

Year	Budget		Expenditure		Saving	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
2007-08	2257.96	196.58	2257.36	184.51	0.60	12.07
2008-09	2198.44	210.31	2074.98	208.27	123.46	2.04
2009-10	2448.69	214.16	2008.09	206.59	440.60	7.57
2010-11	4166.00	298.56	4071.57	289.04	94.43	9.52
2011-12	3301.00	351.32	3290.75	351.32	10.25	0.00
<b>Total</b>	<b>14372.09</b>	<b>1270.93</b>	<b>13702.75</b>	<b>1239.73</b>	<b>669.34</b>	<b>31.20</b>

(Source: Departmental records<sup>16</sup>)

<sup>16</sup> Figures reflected in the Appropriation Accounts are consolidated figures of the Department and Autonomous District Councils, the segregation of which is not readily available.

There were persistent savings both under the Plan and Non-Plan barring 2011-12 (under Non-Plan). Savings under Plan during 2008-10 was due to non-release of funds by the GoI under Article 275(1). During 2010-12, State Government did not release funds under the Capital Outlay (construction of buildings) and grants-in-aid to Manipur Tribal Development Corporation respectively and hence there were savings during the period.

Savings under Non-Plan head during 2007-11 were due to non-filling of vacant posts.

### 1.3.8.3 Drawal of funds on Abstract Contingent bills

During 2003-11, the Directorate had drawn ₹ 112.02 crore on Abstract Contingent (AC) bills against various schemes. Out of this, only ₹ 60.71 crore were adjusted as of August 2012 through detailed countersigned contingency (DCC) bills but the balance ₹ 51.30 crore, was yet to be adjusted (August 2012) (**Appendix-1.12**).

The Department stated (January 2013) that another ₹ 1.26 crore had been adjusted through DCC bills. Thus, non-submission of DCC bills despite the lapse of one and half year to eight years is fraught with the risk of loss, misappropriation *etc.*

### 1.3.8.4 Parking of funds

Rule 290 of Central Treasury Rules prohibits drawal of money from treasury without requirement for immediate disbursement to prevent lapse of budgeted grants.

Audit scrutiny revealed that the Directorate drew ₹ 40.93 crore during 2009-12 for implementation of various schemes/programmes (**Appendix-1.13**) and this was deposited to Major Head 8449-Other Deposits. The amount remained unutilised as of August 2012. The Department stated (January 2013) that due to financial crisis faced by the State Government permission for drawal of the entire sanction amount were not accorded by the Finance Department which resulted in parking of funds under the Major Head. The Finance Department had released ₹ 5.32 crore as of November 2012 and proposal for release of the balance amount of ₹ 35.61 had been submitted.

The fact, however, remains that ₹ 35.61 crore, *i.e.* 87 *per cent* of the parked fund remained unutilised for more than one year; due to which completion of residential schools, Vocational Training Centres, boys/girls hostels and water supply schemes *etc.* could not be completed depriving the tribal population of such benefits.

### 1.3.8.5 Expenditure control

During 2007-12, there were several cases of poor monitoring and weak control of expenditure as revealed below:



**a) Rush of expenditure at the end of the year**

General Financial Rules provide that expenditure should be evenly phased throughout the year as far as possible. Rush of expenditure at the closure of financial year is prone with the risk of not getting proper value for money, as such expenditure is likely to be incurred without due diligence and care. During 2008-12, 63 to 85 *per cent* of the total expenditure was incurred in March alone. The details are as below:

**Table 2**

(₹ in lakh)

Year	Total expenditure	Expenditure during March alone (Percentage)
2007-08	2257.96	293.59 (13)
2008-09	2198.44	1700.47 (77)
2009-10	2448.69	1544.89 (63)
2010-11	4166.00	2693.08 (65)
2011-12	3301.00	2817.24 (85)

(Source: Departmental records)

Rush of expenditure in the last month of the financial years was indicative of weak internal controls and implied imprudent financial management. The Department stated (December 2012) that rush of expenditure at the end financial was due to late release of fund.

Thus, due to release of fund at the end of the financial year, some schemes like release of scholarship, agriculture and horticulture related schemes *etc.* could not be implemented in a timely manner.

**b) Retention of heavy cash balances**

Scrutiny of Cash Book of the Directorate revealed that during 2007-12 there were closing balances ranging from ₹ 34.12 crore to ₹ 67.54 crore in various bank accounts. Cash balance at the end of financial year was to be returned to the Government Accounts. Thus, retention of heavy cash balance by the Department was in violation of Rule 290 of Central Treasury Rules.

While admitting the observation, the Department stated (January 2013) plan funds are generally issued by the Planning Department at the beginning of the year. After its clearance from the Work Advisory Board (WAB) of the Department in mid-year, the proposal is submitted to the GoI in third quarter of the year. Due to delay in submission of project proposal, there is delay in release of funds. It was stated that steps would be taken up for timely submission of proposals.

The Department needs to ensure that there is timely submission of project proposal to GoI, much before mid-year as presently being done so that funds could be released and utilised in a timely manner. This is important as retention of heavy cash balance with the Department is a gross financial malpractice.

### 1.3.8.6 Remittance of sales tax and its recovery at the instance of audit

As per Government of Manipur Notification<sup>17</sup> the amount of sales tax deducted at source should be deposited by the DDO into the designated bank, authorised by the State, by the DDO within seven days from the expiry of the month. In case the DDO fails to deposit the tax within the prescribed period he shall be liable to pay penalty not exceeding double the amount of tax not so deposited.

The Directorate deducted ₹ 18.83 lakh as sales tax at source from the contractors executing various works during 2008-09 and 2010-11. However, the amount had not been deposited into Government Account (August 2012) even after a lapse of more than one and half to three and half years indicating lack of proper financial management. The amount being kept apart from Government account for more than one and half year to three and half years is fraught with the risk of misappropriation/diversion.

The Department stated (December 2012) that the amount had been deposited in August 2012.

### 1.3.8.7 Maintenance of cash book

All monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the office in token of check.

Audit scrutiny of six test checked district offices, however, revealed that an amount of ₹ 2.75 crore received during 2007-12 from the Directorate for implementation of various schemes and office expenses were not reflected in the cash books of the concerned district officers.

The Department stated (December 2012) that only funds pertaining to pay and allowances and administrative expenses were being entered in the cash-book and that necessary rectification would be made in future.

Thus, there was a possibility that inaction of the Department could lead to misappropriation and misuse of cash due to improper maintenance of such primary and essential records.

### 1.3.8.8 Payment to labourers

As per Rule 389 of Central Treasury Rules, wages of labourers engaged departmentally are to be drawn on muster rolls showing the names of the labourers, number of days they have worked and the amount due to each labourer. The daily attendance and absence of labourers is to be so recorded and payment must be made or witnessed by the highest officer available, who should certify to the payments. The amount paid on each date shall be noted in words as well as in figures at the bottom of the muster roll.

<sup>17</sup> Finance Department Notification no.5/45/2006-FD(TAX) Dated 3/9/2009

Audit observed that the construction of Scheduled Tribes boys hostel at Senapati and Tamenglong district Headquarters had been taken up departmentally and that there was no record for engagement of Muster Roll labourers. However, payment of ₹ 54.86 lakh (*Tamenglong*: ₹ 16.96 lakh; *Senapati*: ₹ 37.90 lakh) for labourers engaged for execution of the works (May 2012) was made through hand receipts to only one worker/labourer for each work. This is an incorrect method of payment to Muster Rolls. Thus, the action of the Department defeated the purpose of transparency in execution of works and is potent with the risk of fraud and manipulation.

While admitting the observation the Department stated (January 2013) that Muster Roll in respect of Tamenglong has since been prepared and the same will also be done in respect of Senapati.

### 1.3.8.9 Diversion of funds

(i) As per guidelines, SCA to TSP should be utilised to meet critical gaps for family-based income-generation activities, employment-cum-income generation activities and infrastructure incidental undertaken by family, Self help group and community.

However, during 2007-09 the Department utilised ₹ 3.66 crore towards the activities not related to employment cum income generation activities as shown in table below:

**Table 3**

Year	Amount utilised (₹ in lakh)	Purpose
2007-08	6.00	Financial assistance for medical treatment
	160.00	Procurement of CGI <sup>18</sup> sheets
2008-09	200.00	Procurement of CGI sheets
<b>Total</b>	<b>366.00</b>	

(Source: Departmental records)

(ii) As per guidelines of the Ministry of Tribal Affairs, expenditure on establishment, vehicles and expenditure of recurring nature from the funds of SCA to TSP and Article 275(1) is strictly prohibited.

Audit observed that during 2007-09, the Department spent ₹ 69 lakh towards establishment and recurring expenditure such as procurement of furniture, stationary items, repairing of office buildings *etc.* from the funds of SCA to TSP in violation of the guidelines.

Thus, action of the Department had defeated the very purpose for which the central assistance and grants had been sanctioned.

The Department stated (December 2012) that diversion in respect of (i) above was made as per directives of the Work Advisory Board and in case (ii) diversion of fund for recurring expenditure was made as sufficient fund under the head was not available. During exit conference (January 2013), the Department agreed that such incidence should not occur in future.

<sup>18</sup> Corrugated Galvanised Iron, given for housing schemes

### 1.3.8.10 Delay in implementation

Government of Manipur, Secretariat Tribal Development Department accorded sanctions for implementation of water supply scheme for tribal villages of the State during the period 2009-12 as detailed below:

**Table 4**

(₹ in lakh)		
Year	Purpose	Amount
2009-10	Procurement of 3,628 poly tank, 20000 m polypipe of 32 mm dia and 69300 m of 25 mm dia poly pipe	107.69
2010-11	Implementation of water supply scheme	105.00
2011-12	Procurement of water storage tank, polythene pipes of various sizes and point and fittings of the pipe	80.94
<b>Total</b>		<b>293.63</b>

(Source: Departmental records)

(m = metre and mm = millimetre)

Audit scrutiny revealed that the Directorate drew the amount in March each year and deposited it under Major Head-8449-Other Deposit during the respective years. The fund was still lying under Deposit head of account (August 2012). Moreover, beneficiaries of the scheme had also not been selected (August 2012). There was nothing on record to justify non-implementation of the scheme.

The Department stated that due to prevailing law and order problem in the State, the scheme could not be implemented in time. However, supply order for procurement of polythene pipes and water storage tanks had been placed with one firm and selection of beneficiaries is under process.

Thus, Audit concludes that the objective of providing water harvesting materials to the tribal villagers could not materialise in time due to the delay and inaction on the part of the Department.

### 1.3.9 Programme Implementation

The Department implements various schemes under housing, health, drinking water supply, education *etc.* During 2007-12 the Department received fund from various sources as shown below:

**Table 5**

(₹ in crore)						
Year	Sources of funds					Total
	State Plan	SCA to TSP	Grants under Article 275 (1) of the Constitution	Post Matric Scholarship (CSS)	Special Plan Assistance	
2007-08	10.67	8.79	3.12	14.39	-	36.97
2008-09	7.62	9.89	3.24	18.61	2.00	41.36
2009-10	10.03	5.28	4.78	22.15	2.00	44.24
2010-11	20.66	11.87	8.19	24.6	-	65.32
2011-12	16.49	7.05	9.37	47.42	-	80.33
<b>Total</b>	<b>65.47</b>	<b>42.88</b>	<b>28.70</b>	<b>127.17</b>	<b>4.00</b>	<b>268.22</b>

(Source: Departmental records)

Audit findings on the implementation of the schemes are discussed below:

### 1.3.9.1 Post Matric Scholarship

The objective of the scheme is to provide financial assistance to the ST students who are studying at the post matriculation stage. The scholarships are available for studies in India only and are awarded by the State Government. The entire expenditure under the scheme is borne by the GoI in case of North Eastern States. These scholarship include maintenance allowance, provision for students with disabilities, reimbursement of non-refundable fees, study tour charges, thesis typing/printing charges and book allowance for students pursuing correspondence courses.

Major audit findings in implementation of the scheme are discussed below:

### 1.3.9.2 Payment of fees

The value of scholarship includes non-refundable enrolment/registration, tuition, games, students union, library, magazine, medical examination and such other fees compulsorily payable by the scholar to the institution or university/board. As per the guidelines such non-refundable fees/expenditure was to be reimbursed to the scholars. In case of private schools/colleges the amount will be the same as for students in Government Institutions. Any extra amount will have to be borne by the student himself/herself.

Test check of records of 168 educational institutions (*Government -71; Government recognized -97*) in the State for the period 2007-12 revealed that reimbursement of non-refundable fees to the students did not commensurate with the actual expenditure incurred by the students of Government institutions. Audit analysed the non-refundable fees of different courses of private institutions, *vis-à-vis* that of Government Institutions<sup>19</sup>. It was revealed that the Department made short payment to 91,101 scholars on one hand and excess payment to 27,541 scholars on the other. Thus, during the five years the Department had deprived 91,101 scholars of the benefits with less reimbursement of fees. At the same time it also extended undue benefits to 27,541 scholars by reimbursement of fees more than the expenditure they had actually incurred. Total short payment and excess payment worked out to ₹ 14.37 crore and ₹ 1.27 crore respectively. Details are as shown in the table below:

Table 6

(₹ in lakh)

Year	Short payment		Excess payment	
	Number of scholars	Amount	Number of scholars	Amount
2007-08	17872	285.94	150	1.84
2008-09	20669	330.59	132	1.49
2009-10	24206	389.24	127	1.48
2010-11	25821	417.11	174	2.03
2011-12	2533	13.51	26958	120.39
<b>Total</b>	<b>91101</b>	<b>1436.39</b>	<b>27541</b>	<b>127.23</b>

(Source: Departmental records)

<sup>19</sup> In the analysis, the maximum fees amongst the Government institutions were taken as benchmark.

Thus, implementation of the scheme was done in an *ad-hoc* manner and the Department did not adhere to the provisions of the guidelines. There was also no basis on which amount for reimbursement of fees was fixed by the Department.

The Department stated (January 2013) that excess payment was due to oversight and necessary action would be taken to recover the amount from the concerned students.

### 1.3.9.3 Payment for correspondence courses

As per guidelines students pursuing correspondence courses are eligible an annual allowance of ₹ 750 (₹ 1200 with effect from 1 July 2010) for purchase of essential/prescribed books.

Audit scrutiny revealed that the Department did not pay annual allowance to students pursuing different courses under IGNOU during the period 2007-12 and under National Institute of Schooling during 2007-11 in contravention to the guidelines. The Department stated (January 2013) that the fund was not released due to oversight and necessary proposal will be submitted to the GoI for payment of the arrear.

Thus, the action of the Department had deprived the students of the benefit of such allowances.

### 1.3.9.4 Payment of arrears of maintenance allowance

GoI revised the rate of maintenance allowance (to meet the daily expenses of the students) with effect from 1 July 2010 as shown in table below:

**Table 7**

(in ₹)

Group	Category	Revised rate per month	Old rate per month	Difference
(1)	(2)	(3)	(4)	5 (3-4)
Group I	Hostellers	1200	740	460
	Day scholars	550	330	220
Group II	Hostellers	820	510	310
	Day scholars	530	330	200
Group III	Hostellers	570	355	215
	Day scholars	300	185	115
Group IV	Hostellers	380	235	145
	Day scholars	230	140	90

(Source: Departmental records)

Thus, the difference of revised rate and old rate was to be paid to the scholars as arrears for the year 2010-11 during 2011-12.

Audit scrutiny revealed that during 2010-11, 20,484 fresh scholars were awarded maintenance allowance for eight months only. Thus, arrear was also to be paid for eight months only. However, the Department paid ₹ 2.89 crore to the fresh scholars as arrears of maintenance allowance for nine months without any recorded reason. This resulted in extra expenditure of ₹ 32.13 lakh as shown in table below:



Table 8

(in ₹)

Group	Category of scholars	No. of students	Arrear per month	No. of months	Total arrears paid	Admissible number of months for payment of arrear	Total admissible arrears	Excess expenditure incurred
1	2	3	4	5	6 (3x4x5)	7	8 (3x4x7)	9 (6-8)
Group-I	Hostellers	586	460	9	2426040	8	2156480	269560
	Day scholar	7	220	9	13860	8	12320	1540
Group-II	Hostellers	2125	310	9	5928750	8	5270000	658750
	Day scholars	144	200	9	259200	8	230400	28800
Group-III	Hostellers	3159	215	9	6112665	8	5433480	679185
	Day scholars	3499	115	9	3621465	8	3219080	402385
Group-IV	Hostellers	3391	145	9	4425255	8	3933560	491695
	Day scholars	7573	90	9	6134130	8	5452560	681570
	<b>Total</b>				<b>28921365</b>		<b>25707880</b>	<b>3213485</b>

(Source: Departmental records)

The Department stated (December 2012) that the excess amount paid to the fresh scholars would be recovered during 2012-13.

### 1.3.9.5 Coverage of Water Supply/Water harvesting scheme

The main objective of the scheme is to provide polythene pipes and water storage tank to tribal families for harvesting of drinking water.

During 2008-09, Beneficiary Selection Committee (BSC) recommended to provide water storage tank under Water supply scheme to 2,548 tribal families (758+1790). The beneficiaries were selected based on the list furnished by the public leaders. Accordingly, the Department procured<sup>20</sup> 2,548 water storage tanks of 500 litres capacity for distribution to the beneficiaries.

Audit scrutiny revealed that water tanks were distributed to 1,288 families only. Out of 2548 water storage tanks, 2520 tanks were distributed to 1260 families *i.e.* two water tanks per beneficiary and 28 beneficiaries were provided with one tank. The tanks were procured before selection of beneficiaries at a cost of ₹ 57.08 lakh. This deprived the benefits of the schemes to the remaining 1260 families in contravention to the recommendation of the BSC. Thus, the Department could not cover the targeted families during the particular year. The Department stated (January 2013) that one water storage tank was to be provided to each beneficiary, two tanks were given to 1260 beneficiaries. Thus, Audit concludes that deviation in distribution of water storage tanks from the recommendation of the BSC resulted in short coverage of targeted beneficiaries.

Further scrutiny revealed that the Department also procured 36750 running metre<sup>21</sup> polythene pipes under SCA to TSP for distribution to 20 beneficiaries of 19 villages in Senapati district during 2008-09. The pipes were procured for distribution<sup>22</sup> to tribal families for providing drinking water. The project proposals identified 15 cluster villages to be covered under the schemes.

<sup>20</sup> M/s Kamal Polymers Industries, Imphal

<sup>21</sup> 40 mm diameter: 16490 running metre; 32 mm diameter: 20,270 running metre

<sup>22</sup> Pipes ranging from 900 RM to 1000 RM were to be distributed.



However, implementation of the scheme covered only one village<sup>23</sup> from the identified cluster while 17 were from other villages. The Department stated (January 2013) that this was due to urgency in providing water in some unidentified villages. However, no record was furnished to substantiate the claim of the Department.

Thus, implementation of the scheme was not as per the plan and deprived the full benefits of the scheme to the beneficiaries. Further, concentration of a scheme in one particular district (Senapati) only was not only irregular but also deprived its benefits to the STs of other hill districts.

### 1.3.9.6 Rural Shelter (Housing scheme)

The Rural Shelter (Housing Scheme) scheme<sup>24</sup> aims to provide CGI sheets to the tribal families in rural area for construction of houses.

With the objective of providing CGI sheets for roofing dwelling houses under Housing scheme, the Directorate procured 790.29 metric tonne (MT) of CGI sheets during 2010-11 at a total cost of ₹ 5.25 crore from Steel Authority of India Limited (SAIL). As per recommendation of the BSC the materials were to be distributed to 1353 beneficiaries residing in tribal villages in all the districts of the state. Selection of beneficiaries was made from the list as recommended by the public leaders, village authorities *etc.*

Audit scrutiny revealed that 47 individual beneficiaries had been issued 282 quintals of CGI sheets. However, allocations of 666.60 MT of CGI sheets meant for 1,111 beneficiaries at the rate of six quintals per beneficiary were issued to 46 private parties for further distribution to the beneficiaries during the year 2010-11. However, distribution to the actual beneficiaries was not on record. Thus, issue of sheets meant for 1,111 beneficiaries to 46 private parties was not in order. Allocations for 195 beneficiaries were yet to be issued as of August 2012.

While admitting the observation, the Department stated (January 2013) that distribution of CGI sheets meant for 1,111 beneficiaries were distributed through 46 private parties due to pressure from elected public leaders. This system, however, has since been dispensed with.

Similarly, for the year 2011-12 the Directorate paid ₹ 5.66 crore (December 2011 to March 2012) for procurement of 996.049 MT of CGI sheet to SAIL. As of August 2012 the Department had received 439.95 MT only and 556.09 MT was yet to be received, though full payment had already been made. Further, beneficiaries were also yet to be selected as of August 2012.

The Department stated (January 2013) that the materials had been received and the same had been distributed to the concerned beneficiaries. However, supporting documents to substantiate distribution of the materials to the beneficiaries could not be furnished to Audit.

<sup>23</sup> Thingba Khunou

<sup>24</sup> Under State plan

Thus, implementation of the scheme for the year 2011-12 had been delayed due to non-receipt of full quantity of the materials coupled with non-selection of beneficiaries.

### **1.3.9.7 Infrastructure Development**

Infrastructure Development schemes are undertaken for the common benefit of the villages to create infrastructures in the tribal areas which are incidental to implementation of income generation activities and to create and upgrade critical infrastructures required to bring the tribal areas at par with other areas.

#### **(a) Construction of MI dams and canals**

During 2009-10, Government of Manipur accorded administrative approval of ₹ 1.30 crore for implementation of Minor Irrigation (MI) scheme under Special Central Assistance to Tribal Sub-Plan. The work was to be executed in 26 villages of four hill districts<sup>25</sup> on the recommendation of the Work Advisory Board. Accordingly, the Department awarded the works, at an estimated cost of ₹ 6.25 lakh per work, to 26 village authorities (during March to April 2010). As per agreement the work was to be executed with 20 *per cent* contribution by the beneficiaries. Thus, villagers had to contribute ₹ 1.25 lakh and expenditure of the Government was to be ₹ 5 lakh for each work.

Examination of records of execution of the works revealed the following:

As per departmental records for execution of work, total value of the 26 works worked out to ₹ 1.51 crore. Hence, an amount ₹ 30.20 lakh, being 20 *per cent* of the total value of work, should have been deducted from the bills by the Department as peoples' contribution. However, the Department deducted only ₹ 18.03 lakh as people's contribution thereby resulting in short realisation of people's contribution to the tune of ₹ 12.17 lakh in contravention to the agreement. Had the works been executed with peoples' contribution, there would have been savings on the part of the Government, which could cover some more villages under the scheme.

Further, in all the works, only the name of the village was indicated. There was no site plan indicating location of the dam, name of the stream and landmark where the dams were exactly to be constructed which indicates lack of transparency and poor monitoring in execution of the works.

The Department stated (January 2013) that the works were executed with villagers' contribution.

The reply is not acceptable since the contribution of villagers was only 10 *per cent* against the mandatory 20 *per cent* as per the instruction of the Government.

---

<sup>25</sup> Senapati, Tamenglong, Ukhrul and Chandel

During exit conference (January 2013), the Department agreed to the audit observations and stated that proper records including survey and pre-measurement should have been maintained by the Department.

**(b) Works taken up out of the funds under Article 275 (1) of the Constitution**

During the period under review the Department had taken up different works from the grants given under Article 275 (1) of the Constitution for the development of rural infrastructure such as community halls, inter-village roads, suspension bridges *etc.* Government of Manipur, issued an order (April 2007) for execution of the works with people's contribution. However, there was no fixed norm/standard in percentage or in quantitative terms for such contribution.

Audit scrutiny of rural infrastructure development works executed during 2007-10 revealed that at the time of executing the agreements with the contractors, no specific percentage was set for such contribution nor the deduction against such contribution from the contractors' bills was made.

Test check of 31 works taken up during 2007-10 revealed that as per agreement people's contribution at specific rates was to be deducted. However, as per execution, deduction of such contribution from the contractors' bill was not made as per the agreement. Deduction of people's contribution from the contractors' bills in respect of 18 works was lower than that of the amount as per the agreements and less contribution ranged from ₹ 43 to ₹ 1,11,565. Similarly, in respect of nine works, deduction of the contribution was more than the amount envisaged in the agreement and excess deduction ranged from ₹ 28 to ₹ 49,761 (**Appendix-1.14**).

The Department stated (January 2013) there was no fixed rate of villagers' contribution and it varies from work to work.

Thus, in the absence of fixed rate of villagers' contribution in execution of developmental works, the Directorate at its discretion deducted arbitrary lumpsum amount as people's contribution.

### **1.3.9.8 Vocational Training Centres**

Establishment of training centres (VTCs) aims at upgrading the skills of the tribal youth in various traditional/modern vocations to enable them to get suitable employment/self employment. The cost of establishing the VTCs were fully borne by the Central Government. The Department proposed to establish 20 VTCs in the five hill districts of the State during 1996-97.

GoI released a total amount of ₹ 1.48 crore during 1996-99 for establishment of ten<sup>26</sup> VTCs in the State. Out of this amount, the Department utilised

<sup>26</sup> (i) Churachandpur, Churachandpur district, (ii) Thanlon, Churachandpur district, (iii) Tamei, Tamenglong district, (iv) Noney, Tamenglong district, (v) Khongjaron, Tamenglong, (vi) Mao, Senapati, (vii) Maram, Senapati, (viii) Aimol Satu, Chandel, (ix) Chandel, (x) Phungyar, Ukhrul

₹ 125.85 lakh<sup>27</sup> for construction of class rooms, procurement of training materials, furniture/tools *etc.*; and the balance amount of ₹ 21.95 lakh was deposited under Major Head 8449-Other Deposits during 1998-99 for payment of staff salaries and other office contingencies which had not yet been withdrawn from the Government Account (August 2012).

Though ₹ 1.26 crore had been spent towards construction of class rooms and procurement of training materials, none of the ten VTCs were functional as of August 2012 for want of proper facilities such as internal electrical installation, compound fencing, toilet blocks *etc.* The training materials procured during 1998-99 had also worn out due to passage of time. Thus, procurement of training materials prior to establishment of the VTCs is not in order and the Centres remained unutilised during this period.

During 2010-11, additional fund of ₹ 2.85 crore was released for completion of the ten VTCs. The Department drew the entire amount (March 2011), out of which ₹ 1.60 crore (60 *per cent* of the amount after deduction of sales tax and labour cess) was deposited under Major Head 8449-Other Deposits and ₹ 1.06 crore (40 *per cent* of the amount after deduction of sales tax and labour cess) was retained in the DDO's bank account, in violation of Central Treasury Rules (Rule 290).

The work orders of nine VTCs except for Churachandpur were issued (September - December 2011) with the stipulation to complete within four months. There was nothing on record for not awarding the work at the Churachandpur centre. Non-completion of these centres deprived the tribal youth of skill upgradation on various vocations and embarking them on self employment.

The Department stated (January 2013) that the work could not be completed due to late release of fund and law and order situation. However, during 2010-11, additional fund had been provided and nine VTCs had been completed and the one at Churachandpur is also nearly completed.

Department's excuse of late release of fund is not acceptable as funds provided during 1998-99 and 2010-11 could not be utilised, with part of the fund parked under MH – 8449 Other Deposits. The law and order problem should also have been properly assessed before making procurement of material worth ₹ 50.85 lakh.

Thus, non-completion of VTCs resulted in blockage of entire amount of ₹ 1.48 crore since 1996-97 to 2012-13.

### **1.3.9.9 Locations of the Centres**

Guidelines for establishment of VTCs provided construction of two halls for class room-cum-workshop and two dormitories for accommodating trainees in the existing Ashram schools or residential school buildings in order to bring

---

<sup>27</sup> ₹ 75 lakh (₹ 7.50 lakh per VTC) for construction of two class room-cum-demonstration halls and two dormitories for boys and girls and ₹ 50.85 lakh for procurement of furniture, tools and equipment for these ten training centres

down capital cost. The State has five Ashram Schools in three hill districts<sup>28</sup>. Thus, out of the 10 VTCs, at least five could have been established inside the Ashram School, where there would be common toilet, boundary fencing, gate *etc.* thereby reducing the capital cost. However, the Department started construction of VTCs at different locations. As such the Department did not adhere to the provisions of the guidelines, which could have reduced the cost of setting up of VTCs, especially in poor financial situation in the state.

### 1.3.9.10 Eklavya Model Residential Schools

The objective of Eklavya Model Residential Schools (EMRS) is to provide quality middle and high level education to ST students in remote area. The construction, maintenance and management of these schools were to be carried out through a registered society.

GoI sanctioned ₹ 7.50 crore during March 1998 to March 2007 for establishment of three<sup>29</sup> EMRS. The work was being executed by the Manipur Tribal Development Corporation (Agency) with a target date of completion by December 2011. The Department had released (during December 1999 to March 2010) ₹ 6.75 crore to the Agency out of the sanctioned amount and the balance amount of ₹ 75 lakh was kept under MH-8449-Other Deposits. The Agency could not complete the work in time due to delay in release of funds and adverse law and order situation that led to cost escalation.

The Ministry of Tribal Affairs refused to provide additional fund to meet the cost escalation. However, during 2010-11, State Government sanctioned ₹ 4.23 crore for completion of the balance portion of the schools from State Plan. The Department drew the amount, out of which ₹ 1.58 crore was released (October 2011) to the Work Agency and the balance amount of ₹ 2.64 crore was kept under Major Head-8449 - Other Deposit (March 2011). Audit noticed that completion of 96 *per cent* (Gannom Saparmaina), 75 *per cent* (Tamenglong) and 40 *per cent* (Moreh) was achieved as of March 2012. Progress of works at Moreh was tardy and was not at par with the other two.

Though infrastructure development at Gannom Saparmaina had almost been completed, there was nothing on record to indicate that the Department/Society had finalised its preparation for appointment of teaching and non-teaching staffs, selection of students, procurement of furniture and other materials (August 2012) for running the school.

During exit conference (January 2013) the Department stated that the Saparmaina centre would be made functional by next year.

Thus, the objective of providing quality education to the remote ST students could not materialise even after fourteen years of conceiving the project and after incurring an expenditure of ₹ 8.33 crore (₹ 1.58 crore + ₹ 6.75 crore) on the project.

<sup>28</sup> (i) Noney, Tamenglong (ii) Tousem, Tamenglong (iii) Thingba Khullen, Senapati (iv) Maram, Senapati and (v) Langol, Chandel

<sup>29</sup> at (i) Tamenglong district headquarters, (ii) Gannom Saparmaina, Sadar hills and (iii) Moreh, Chandel district @ ₹ 250 crore per school.



### **1.3.9.11 Construction of ST Boys Hostel at Senapati and Tamenglong**

To cater to the needs of the students from far flung areas for their studies in the district headquarters, the Department proposed (2008-09) for the schemes of construction of two 100 bedded boys' hostels at Tamenglong and Senapati district headquarters at an estimated cost of ₹ 2 crore each.

During 2008-09 GoI released ₹ 2 crore under Special Plan Assistance and the State Government released the same to the Department. The works were taken up departmentally in June 2009 with a target to complete the works in two years *i.e.* by June 2011. The Department spent the initial amount of ₹ 2 crore sanctioned during 2008-09. During 2009-10, GoI sanctioned the balance amount of ₹ 2 crore. The Department utilised only ₹ 80 lakh and the balance amount of ₹ 1.20 crore was parked under MH-8449 – Other deposit. As of August 2012, the works were in progress. The Department stated (January 2013) that the work could not be completed due to prevailing law and order situation in the State.

As the hostels were constructed with the objective of providing accommodation of students from distant and interior villages of the districts could not be completed in time despite availability of funds, thereby frustrating the tribal students and depriving them of the benefits hostel facilities.

### **1.3.9.12 Primitive Tribal Groups**

The Maram Naga belongs to the Primitive Tribe Group (PTG) in the State. A baseline survey of the tribe was conducted in 2002, according to which the population of the Maram Naga tribe was 24,108 with 3,136 households in the State.

The Department prepared (September 2007) a Conservation-cum-Development (CCD) Plan for PTG for the XI Plan. The CCD plan aims at socio-economic development in a holistic manner so that the quality of life of PTGs is improved, the group is elevated to the level of other tribes and their names could be deleted from the PTGs. For socio-economic development of the primitive tribal group the *cent per cent* Central Sector Scheme Plan was to be presented to the Expert Committee of the Ministry of Tribal Affairs. The Department was given two opportunities (2007-08) to present the plan to the Expert Committee. However, the Department could not present the Plan as the then Principal Secretary was abroad on one occasion and was engaged in Assembly Session on another occasion. Non-participation of State representatives in the Expert Committee resulted in denial of the Central fund as proper presentation of the case could not be made to the Committee. The Government could have assigned either Commissioner/Secretary in charge of the Department to present the Plan before the Expert Committee. However, such an alternative arrangement was not made by the State Government. As a result, the scheme was not implemented in the State and meagre allocation from the funds of SCA to TSP was made for the development of PTGs during XI Plan. The Maram tribe has remained classified as primitive, even after 31 years after the project for the development of the tribe had been conceived.



This indicates absence of initiatives on the part of the Department for socio-economic development of the primitive tribe.

The Ministry of Tribal Affairs has been releasing grants to State/Union Territory Governments to provide insurance cover to each family head of identified Primitive PTGs through “Janashree Bima Yojana” of Life Insurance Corporation of India. The insurance coverage includes payment of ₹ 50,000/- to nearest kith and kin of life insured in case of accidental death or permanent disability due to accident, payment of ₹ 20,000/- in case of natural death or ₹ 25,000/- in case of partial disability. In order to extend insurance coverage for social security of the total households of the PTG the Ministry released ₹ 12.50 lakh during 2004-06.

The Department did not implement the scheme as of August 2012 and the money remained undisbursed in the State Government account, thereby depriving Maram PTG of the benefits of the scheme for eight years.

While admitting the audit observation the Department stated (December 2012) that due to communication gap the scheme could not be availed and request had been made to the Ministry to revalidate the amount sanctioned to provide the benefit of this scheme to the Maram PTG. In the exit conference the Department also stated (January 2013) that request for selection of one Non-Governmental Organisation for the purpose was made to the Ministry of Tribal Affairs. However, no reply was received from the Ministry.

### **1.3.10 Tribal Training Institute**

With the objective of providing training to the ST girls in trades having potential of self employment, the Department set up Tribal Training Institute (TTI), Imphal in 1986-87 with an intake capacity of 25 trainees (wool knitting: 15 and tailoring: 10). The trainees were to be trained for 10 months in both theory and practical components. On completion of the training they were to be provided with a wool-knitting or a sewing machine. The training programme proved to be very positive as many trained girls were gainfully self-employed.

Examination of records revealed that the training programmes were conducted up to 2007-08 and thereafter it was stopped due to non-engagement of the service of one instructor (Tailoring) and two demonstrators (wool knitting and tailoring).

The Department stated (December 2012) that from 2008-12 engagement of one instructor and two demonstrators was not approved by the Government and as such no training programme could be conducted during 2008-12. During 2011-12, ₹ 5 lakh was sanctioned and proposal for engagement of one instructor and two demonstrators has been submitted to the Government. On approval, the training will be started.

Though the Department has a permanent instructor for wool knitting trade, the training institute remained completely non-functional for four years (2008-12)

defeating the objectives of its establishment. It was also a case of denial of opportunities of self employment to at least 100<sup>30</sup> tribal youth.

### 1.3.11 Ashram schools

The Ashram Schools were established during 1979-1986 in three<sup>31</sup> hill districts to provide education to ST children in the more economically and educationally backward areas. These residential schools would provide guidance, supervision and seek to cultivate disciplined behaviour to the children.

Details of the Ashram Schools and enrolment during 2007-12 are as below:

**Table 9**

Sl. No.	Location of school	Year of opening	Area in acre	Standard	Total intake capacity	Enrolment during 2008-12				
						2008	2009	2010	2011	2012
1	Noney, Tamenglong	1979	2.5	VI-X	165	125	89	89	85	131
2	Thingba Khullen, Senapati	1981	20	I-VII	245	116	99	155	154	153
3	Tousem, Tamenglong	1982	10	I-III	105	84	100	68	38	47
4	Maram, Senapati	1984	90	I-X	340	175	188	199	251	277
5	Langol, Chandel	1986	2	I-V	175	85	68	96	96	54

(Source: Departmental records)

Audit scrutiny revealed the following:

The students were to be provided facilities like text books, study materials, uniform, supplementary nutrition, games and sports materials, educational excursion, examination materials, scientific equipment and admission free of cost.

However, in all the Schools text books were provided upto 2009-10 only. Provision of school uniforms and educational excursion had been stopped since 1986-87 and supplementary nutrition since 1989-90. There were no hostel facilities in all the schools since inception thereby depriving the students of the basic requirement of being a resident scholar in these schools.

All the school buildings constructed during 1979 to 1986 were in a dilapidated condition and class rooms were not well equipped thereby rendering the schools unsuitable for running the classes. Timely repairing and maintenance of the school buildings was not carried out. The school at Maram was functioning in a private building.

<sup>30</sup> Training was stopped during 2008-12 i.e. four years. As such the number of deprived beneficiaries was 25x4 i.e. 100 beneficiaries.

<sup>31</sup> Tamenglong, Senapati and Chandel



Ashram School, Maram, Senapati



Ashram school, Langol, Chandel

The intake capacity of the schools in a class is 35 students for Standard I-VIII and 30 for IX and X. All through the five years (2007-12) enrolment of students of the schools was less than the intake capacity. This is indicative of the fact that the schools could not attract students because of poor infrastructure and educational facilities.

The Department stated (January 2013) that due to paucity of funds all the necessary facilities could not be provided to the students. During exit conference, the Department stated (January 2013) that the problem of text books, teachers *etc.* will be attempted through Sarva Shiksha Abhiyan interventions.

Thus, the objective of establishment of such schools in the hill districts could not materialise.

### 1.3.12 Tribal Research Institute

The Tribal Research Institute (TRI), Manipur has been functioning as a separate Directorate since May 2007 under the TA&H Department. The Institute is responsible for research, training documentation on tribal life and culture. The main functions of the TRI include development of languages, literature, recording and preservation of folk literature, documentation of ethnographic profile of the different tribal communities and monitoring protective regulations of tribal of the State.

Test check of the Institute revealed the following:

- The Institute did not prepare a long term plan indicating details of activities to be taken and the priority areas to be covered for documentation and preservation of tribal life and culture during 2007-12. The programmes and schemes were taken up on a yearly project basis. As of August 2012 the Institute had taken up 16 documentations on tribal life from amongst 34 recognised ST communities. Of the 16 documentations so far taken up, three of them were of the same tribe. This leaves out documentation in respect of 20 tribes.
- The Institute used to publish annual report which provides information about an organisation to the stakeholders. It enables the organisation to compare and develop a perspective view. However, the Institute published Annual Report only once *i.e.* for the year 2007-08 which

was published during 2009-10. Thereafter, no effort was made for publication of such important reports in the succeeding years. Thus, the Institute failed to provide information to the stakeholders on how well it functions for the development of tribal population during the period 2008-12.

- The Institute has a museum with a variety of artefacts/museum objects and galleries in its premises for preservation of culture. During 2006-07, Ministry of Tribal Affairs, instructed the Institute to become a member of the National Museumology Association, New Delhi to benefit from its expertise. However, the Institute was yet to be registered as a member of the National Museum (August 2012). Thus, it could not avail the benefit from the expertise of the National Museum. The Department stated (December 2012) that process for registration will be done at the earliest.
- As per agreement between the firms and the Institute for "Documentation of Tribal Life" the Institute had to pay 50 *per cent* of the production cost as first instalment on signing of the agreement for shooting and processing of the documentary film and the balance 50 *per cent* after completion of shooting. However, the Institute paid ₹ 18.00 lakh as 100 *per cent* advances to six firms during 2011-12 violating the contract agreement. The basis of selection of the firm was not submitted to Audit. The Department during exit conference stated (January 2013) that this has occurred due to shortage of experienced man-power and efforts would be made to improve the system. Thus, the Institute did not adhere to the provisions of the agreement.
- The Institute is required to furnish quarterly progress report on its activities to the Ministry of Tribal Affairs on regular basis. However, it did not furnish such returns. Instead, a brief progress report of the previous year was highlighted in the project proposal submitted to the Ministry annually.

### **Other Points of Interest**

#### **1.3.13 Selection of beneficiaries**

Beneficiary selection is the most sensitive step for the successful implementation of all schemes and programmes. It requires awareness of the situation and needs for each location. A transparent process in beneficiary selection is vital to the success of the schemes and programmes.

As per the guidelines of the Ministry of Tribal Affairs, only tribals below poverty line (BPL) are to be supported with SCA financed activities. It was imperative to identify BPL tribals with community participation and involvement of District Officers in charge of the Integrated Tribal Development Projects (ITDPs).

Audit scrutiny, however, revealed that the Department constituted Beneficiary Selection Committee (BSC) for every scheme without involvement of any

District officers of the concerned ITDPs. The BSC recommended the beneficiaries selected for assistance only from the list furnished by MLAs/Ministers/Village Authorities. Moreover, there was no record showing invitation of application through wide publicity for selection of BPL tribals. Thus, selection of beneficiaries other than the actual targeted population could not be ruled out.

For the schemes funded out of SCA to TSP, beneficiaries were to be selected only from the identified cluster villages envisaged in the project proposal.

Audit scrutiny of selection of beneficiaries under various schemes funded out of SCA to TSP revealed the irregularities as given in table below:

**Table 10**

Year	Name of scheme	Audit observations
2008-09	Water supply scheme (Distribution of polythene pipes)	19 out of 20 beneficiaries, were from unidentified villages
2009-10	Minor Irrigation	Construction of Minor Irrigation dam and canal were carried out in 26 villages. Of these four works were in unidentified villages.
	Animal Husbandry based programmes	Out of 633 beneficiaries, 71 beneficiaries were selected from unidentified villages.
2010-11	Agriculture/Horticulture based programmes	Out of 728 beneficiaries, 190 beneficiaries were selected from unidentified villages.
	Animal Husbandry	Out of 400 beneficiaries, 118 were from the unidentified villages.

(Source: Departmental records)

From the table above, it would emerge that selection of beneficiaries was not based on the project proposals.

The Department also did not formulate any guidelines till December 2011 for selection of beneficiaries which could have helped improve the process of beneficiary selection in a transparent manner.

The Department stated (December 2012) wide publicity could not be given due to fund constrains and selection of beneficiaries were made from the list furnished by the public leaders/social workers. Further, due to prevailing law and order problem, the Work Advisory Board (WAB) decided to implement the scheme centrally. However, during 2011-12 the Department formulated specific guidelines with prescribed application form for implementation of various schemes/programmes. During exit conference (January 2013) the Department stated that there are some limitations as selection of beneficiaries were made by Autonomous District Councils and District Officers were sidelined and there was need for more transparency.

Thus, the Department lacked an appropriate mechanism for selection of beneficiaries with participation of community, district officers in charge of ITDPs for identification of actual targeted groups. The schemes also suffered from a lacuna which led to carrying out of works in unidentified villages.

### 1.3.14 Partial implementation of scheme

During 2010-11 Government of Manipur sanctioned ₹ 8.34 crore for implementation of various schemes as shown in the table below:

**Table 11**

(₹ in crore)

Name of the schemes	No. of families	Amount
Financial assistance under Village and Small Industries programme	472	2.34
Financial assistance under Animal Husbandry programme	400	2.00
Financial assistance under Agriculture/Horticulture based programme	728	3.64
Financial assistance under Agriculture/Horticulture based programme	72	0.36
<b>Total</b>	<b>1672</b>	<b>8.34</b>

(Source: Departmental records)

Audit observed that out of ₹ 8.34 crore, the Directorate drew ₹ 4.70 crore and deposited it under MH-8449- Other Deposit (March 2011), while the remaining amount of ₹ 3.64 crore (out of ₹ 4 crore for Agriculture/Horticulture programme) was drawn on fully vouched contingent bill and was distributed to 728 selected families. Further scrutiny revealed that out of ₹ 4.70 crore deposited under MH-8449 -Other deposit, only ₹ 2.17 crore (Village and small industries: ₹ 1.17 crore and Animal Husbandry: ₹ 1 crore) was drawn and distributed to another 434 families (November 2011), while the balance ₹ 2.53 crore was still parked under MH-8449- Other Deposit (July 2012). The amount drawn for the purposes is indicated in the table above.

Thus, out of 1672 families recommended for coverage by the BSC for the year 2010-11 under various programmes, only 1162 families could be benefited as of August 2012 and thereby timely benefit to 510 selected families had been denied from income generating activities like agriculture, horticulture, animal husbandry and village industries.

### 1.3.15 Human Resource Management

As on March 2012 the Department was having 173 persons on its roll against the sanctioned strength of 238. The staffs were evenly distributed in all the districts as per the sanctioned strength. The total sanctioned strength of various categories was 247. At the time of bifurcation of TRI nine posts had been transferred to the Institute. Thus, the Department was functioning with a manpower shortage of 27 *per cent*. The posts of Deputy Director, Assistant Director and Assistant Extension Officers are the key posts responsible for smooth implementation of the schemes and programmes of the Department. Of the 22 sanctioned posts of these categories, only 11 persons were in position resulting in a vacancy of 58 *per cent*. There was no record to show that any effort was made by the Department to fill up such vacancies. Thus, manpower deficiency in key posts would hamper the smooth functioning of the Department. Further, no training for capacity building and skill up-gradation of the staff and officers of the Department was conducted.



There were only two teachers in Tousem Ashram School, Tamenglong having classes I to III though eight teachers were posted at Langol Ashram School, Chandel having classes I to V. Thus, available manpower was not properly distributed and optimally utilised.

The Department stated (December 2013) that teachers would be deployed rationally from the next academic session (2013-14).

As per Annual Report (2007-08) of the Institute the Tribal Research Institute made a proposal of 33 in different categories of post to the Ministry of Tribal Affairs which was approved by the Ministry in principle. However, no appointment was made as of August 2012, reasons of which could not be ascertained. The Institute is functioning with only 11 persons and of which three of them were on contract basis. Hence, due to shortage of manpower, the Institute could not take up its activities on time as mentioned at **para 1.3.12**

### **1.3.16 Internal control**

Internal control system is a management tool which provides reasonable assurances that the organization's objectives are being achieved and to insulate it from financial irregularities and frauds. The following lapses in internal control were noticed in audit:

- As per rule payments to the contractors are to be made on receipt of bills in respect of works done by them. A consolidated record of all the bills received should be entered in Register of Bills strictly in order of receipt and in which order payments are to be made. The register should be kept in the Accounts branch. The Engineering Section of the Department, dealing with various construction works, did not maintain such an important bill register.
- The Actual Payee Receipts obtained from the beneficiaries in token of receipt of the financial assistance from the Department should be signed and dated by the payee. However, there were instances of Actual Payee Receipts not signed and dated by the payees. Such practices could lead to fraud and manipulation.
- There were instances of beneficiaries without proper address such as father's name, name of villages, name of districts *etc.*
- Exact location of the works taken up under infrastructure development of tribal areas indicating landmark and site-plans were not recorded.
- The Department owns seven vehicles of which six were on-road as on March 2012. However, log-books of the vehicles were not maintained. As such, mis-utilisation of vehicles for personal use cannot be ruled out.
- Rule 194 of General Financial Rules requires that complete physical verification of books should be done every year in case of libraries having not more than twenty thousand volumes. TRI has 7400 volumes

of books as of March 2012 however no physical verification of books was conducted during the period 2007-12.

### **1.3.17 Monitoring**

Monitoring is a fundamental aspect of good programme management and helps in decision-making.

During 2002-03 the Government of Manipur constituted Monitoring Committees for hill districts and valley areas with the Director (TA & H) as the chairman of the Committees. The Committees were responsible for monitoring and supervising the schemes/programmes implemented for the development of ST people under State Plan, Special Central Assistance to Tribal Sub-Plan and Grants under Article 275 (1) of the Constitution. The Committees had to meet and visit the work sites as frequently as deemed necessary and submit periodical reports to the Government for taking corrective measures.

However, during 2007-12 the Committees did not monitor the various schemes/programmes taken up by the Department and no meeting of the Committees was also held during the period.

The district officers were also responsible to carry out periodical monitoring of the developmental works carried out in the districts. However, none of the district officers conducted such mandatory monitoring during the period under review.

Thus, the Department lacked necessary inputs to identify deficiencies in implementation of the schemes and take corrective measures in time.

### **1.3.18 Conclusion**

The Department did not formulate District/Block level planning nor did it bring out any long term area specific micro planning for SCA to TSP. The six district offices remained non-functional due to centralisation of implementation of various schemes and programmes in the Directorate. Financial management of the Department suffered due to non-adherence to the guidelines of the Ministry, violation of financial rules such as diversion of funds, persistent rush of expenditure at the end of the year. The Department did not adhere to the guidelines of the PMS schemes which resulted in disparity in reimbursement of fees. Neither the Vocational Training Centres nor the Eklavya Model Residential Schools conceived during IX<sup>th</sup> Plan (1997-2002) could materialise even at the beginning of XII<sup>th</sup> Plan (2012-13). The Maram tribe remained primitive due to non-implementation of Central Sector Scheme during the XI<sup>th</sup> Plan (2007-12) period. The only vocational training institute (TTI) was non-functional during 2008-12 due to non-posting of instructors.

### 1.3.19 Recommendations

- Planning needs to be strengthened with district/block level plan and long term micro planning for SCA to TSP. A system should be in place to ensure that all the developmental schemes/programmes are implemented through District Officers in-charge of ITDPs as they have first-hand knowledge of the area and people.
- Funds for TSP components of various Departments/Sectors should be placed under one demand for grants in the State Budget to ensure further funding from GoI. Such a move would facilitate adoption of TSP approach in letter and spirit.
- Financial management should be streamlined in order to avoid rush of expenditure, diversion, non-submission of DCC bills and deposition of funds under MH-8449-Other Deposits.
- An effective system needs to be evolved to ensure proper selection of beneficiaries for successful implementation of schemes/programmes.
- The Department should make concerted efforts to make the Vocational Training Centres and the Eklavya Model Residential Schools functional at the earliest as these centres would provide vocational training for self employment and quality education to tribal youth. Efforts should also be made to revamp the Tribal Training Institute.
- Proper monitoring of implementation of various schemes is required so that, loopholes focussed upon can be identified for corrective action and for achieving effective and economic results.

## AUDIT OF TRANSACTIONS

### *Irregular/ Idle expenditure, blocking/ misutilisation of funds*

## INFORMATION AND PUBLIC RELATION DEPARTMENT

### 1.4 Blocking of fund

#### **Lack of proper planning, prompt action and Contract Agreement led to blocking of funds of ₹ 1.14 crore for over six years**

Test-check (July 2010) of the records of the Office of the Director, Information and Public Relations (DIPR) Department revealed that the Government accorded (March 2005) administrative approval of ₹ 1.17 crore<sup>32</sup> in two installments for construction of its office building at Keishampat, Imphal at a Government land allotted (March 2005) to the Department. The

<sup>32</sup> ₹ 1 crore (March 2005) and ₹ 0.17 crore (March 2007)

Department selected Technical and Promotional (TP) cell of Cooperative Department as work agency. Out of the sanctioned amount, the Department released ₹ 1.14 crore<sup>33</sup> to TP cell after making deduction for Sales tax, departmental charges *etc.* at source. However, no Contract Agreement/Memorandum of Understanding (MoU) was signed between the two parties *i.e.* DIPR and TP cell to monitor the progress of the construction and to invoke penal clauses for any delay in completion of the work. Further, no target date of completion of work was mentioned while releasing the fund.

Further scrutiny revealed that the TP cell was closed (April 2009) and an amount of ₹ 70.12 lakh had been spent by the Cell on the construction work upto plinth level and dismantling of old building. The Department stated (September 2012) that TP Cell has refunded ₹ 32.70 lakh out of remaining balance amount of ₹ 43.99 lakh (August 2010). The work was finally handed over (August 2010) to the Manipur Police Housing Corporation (MPHC). As on June 2012, physical progress of only 22.45 *per cent* of the work has been achieved.

The Department stated (October 2011) that the construction works was delayed due to occupation of the area by an ex-MLA, who could be evicted only on May 2007. In its reply, the Government accepted the observation and stated (August 2012) that the lapse of not signing Contract Agreement/MoU would be taken care of in future.

Thus, failure to prescribe a target date of completion of work while releasing fund, non-completion of formalities like eviction process before release of fund, and release of substantial amount of ₹ 1.14 crore without first ascertaining proper progress of work are indicative of lack of proper planning. As a consequence of such lapses and non-execution of Contract Agreement/MoU containing the terms and conditions of contract including penal provision for delay in execution of work, the construction of the office building could not be completed even after a lapse of more than six years after expenditure of ₹ 1.14 crore, resulting in blocking of funds to that extend.

---

<sup>33</sup> In two installments of ₹ 1 crore (April 2005) and ₹ 0.14 crore (April 2007) after making deduction of ₹ 0.03 crore at source from the second instalment as per directives of the Finance Department.

## MUNICIPAL ADMINISTRATION, HOUSING AND URBAN DEVELOPMENT DEPARTMENT

### 1.5 Jawaharlal Nehru National Urban Renewal Mission

**There was delay in release of funds, rush of expenditure, loss of interest due to parking of funds and irregular deduction of VAT, Agency Charges and Labour cess in implementation of Jawaharlal Nehru National Urban Renewal Mission. There were deficiencies like, excess expenditure in pile works, cost escalation due to delay in execution of work etc.**

#### 1.5.1 Introduction

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched (December 2005) by the Ministry of Urban Development (MoUD), Government of India, as a Centrally Sponsored Scheme for integrated development of infrastructural services in cities, urban renewal to reduce congestion, and for providing basic services such as housing, water supply and sanitation to urban poor. The Mission comprises of the following four sub-missions:

- a) Urban Infrastructure and Governance (UIG);
- b) Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT);
- c) Integrated Housing and Slum Development Programme (IHSDP); and
- d) Basic Service to Urban Poor (BSUP).

At the Central level, the Mission is monitored by the Central Sanctioning and Monitoring Committee (CSMC). In Manipur, the Mission was implemented through the State Level Nodal Agency (SLNA)<sup>34</sup>. Various projects under the Mission were implemented by different Implementing Agencies (IA) like the Planning and Development Authority (PDA), Irrigation and Flood Control Department (IFCD), Urban Local Bodies like Imphal Municipal Council (IMC), Thoubal Municipal Council (TMC) *etc.*

The deficiencies<sup>35</sup> noticed in implementation of the Mission are as follows:-

#### 1.5.2 Delay in release of funds

The SLNA is responsible for the management of funds received from Central and State Government and its disbursement.

Audit scrutiny revealed that State Government delayed release of Central funds to SLNA by two to 23 months. The State Government also delayed in

<sup>34</sup> The Chief Town Planner under administrative control of Housing and Urban Development Department (MAHUD) acted as SLNA.

<sup>35</sup> The first five points relates to the financial aspect of the Mission and the remaining six points relates to sub-mission of BSUP (2 points), UIG (3 points) and IHSDP (1 point)

release of funds of its matching shares by two to 36 months. The details are given in **Appendix-1.15**.

The Department in their reply (February 2013) stated that there were some delays in release of funds at the beginning of the Mission. The situation has been sorted out and all the funds are transferred electronically to the IAs from the treasuries. As on February 2013, record regarding transfer of funds electronically could not be produced to Audit.

### 1.5.3 Rush of expenditure

It was noticed that the State Government released the funds at the end of financial year, thereby compelling the IAs to incur major portion of the expenditure ranging from 31 to 65 *per cent* in March as shown in the table below:

**Table 1: Release of funds at the end of year**

Year	Number of bills encashed (Amount ₹ in lakh)		Percentage of total amount encashed during March only
	In the year	In March only	
2008-09	5 (3140.32)	3 (1877.47)	60
2009-10	13 (5977.11)	10 (3885.83)	65
2010-11	17 (2861.19)	10 (1508.85)	53
2011-12	17 (5544.00)	8 (1554.02)	31
<b>Total</b>	<b>52 (17522.62)</b>	<b>31 (8826.17)</b>	<b>52</b>

(Source: Departmental records)

Audit scrutiny also revealed that funds released by the State Government at the end of financial year were withdrawn without immediate requirement by the nodal department and deposited into Major Head (MH) –“8449 – Other Deposits” to avoid lapse of fund. Rush of expenditure at end of the year resulted in non-implementation of the project in a smooth manner. The matter was reported (January 2013) to the State Government. However, no reply has been furnished (March 2013) in this regard.

### 1.5.4 Loss of interest due to parking of funds

Funds are drawn by the SLNA and the same is passed on the IAs for implementation of various projects. Further, in case of projects under Planning and Development Authority (PDA) and the Municipal Town Committees, the agencies/bodies deposited the funds received from SLNA in the bank accounts. Interest earned thereof is to be treated as part of the scheme funds of Additional Central Assistance (ACA) and to be reported to the Central Government for proportionate reduction of funds in subsequent releases. The details of interest earned from the deposits kept in the banks as of May 2012 are as shown in the table below:



**Table 2: Interest received from banks**

(₹ in crore)

Name of the Scheme (Sub-Mission)	2008-09	2009-10	2010-11	2011-12	Total
Solid Waste Management (UIG)	0.01	0.27	0.15	0.11	0.54
Storm Water Drain (UIG)	Nil	Nil	0.31	1.07	1.38
Naga Nalla Project (UIG)	Nil	Nil	0.01	0.21	0.22
Dwelling Units (IHSDP-Bishnupur)	Nil	Nil	Nil	0.03	0.03
Dwelling Units (IHSDP-Moirang)	Nil	Nil	Nil	0.03	0.03
<b>Total:</b>	<b>0.01</b>	<b>0.27</b>	<b>0.47</b>	<b>1.45</b>	<b>2.20</b>

(Source: Departmental records)

Audit also observed that the interest earned out of the scheme funds deposited into banks was not disclosed to the Central Government. Thus, the interest earned out of scheme funds were being utilised by these IAs to meet its emergent expenditure. Such arrangement reflects poor accountability and tantamount to mis-utilization of bank interest for the benefit of the IA.

### 1.5.5 Irregular deduction of VAT, Agency Charges and Labour Cess

Any taxes<sup>36</sup>, cost of land acquisition and increase in rates incurred in the implementation of JNNURM are to be borne by the State Government.

However, the State Finance Department issued (July 2007) an order to deduct VAT (5.6 per cent), Agency charges (11.75 per cent) and Labour Cess (1 per cent) at source from any amount drawn from treasury for implementation of works and the balance is to be drawn. The order issued by the Finance Department was thus in contrary to the scheme guidelines.

Audit scrutiny revealed that the Treasury Officer, Imphal East deducted ₹ 2.42 crore (₹ 1.29 crore as VAT and ₹ 0.93 crore as Agency Charge and ₹ 0.20 crore as Labour cess) from ACA released for seven projects during March 2011 to February 2012. Deduction of taxes *etc.*, from scheme funds at source resulted in shortage of funds to that extend for implementation of the scheme.

On this being pointed out, the Director, MAHUD stated (February 2013) no VAT was deducted. However, record shows that VAT/Agency charges *etc.* were deducted except in the case of funds under UIDSSMT.

### 1.5.6 Avoidable expenditure due to delay in implementation

The Central Sanctioning and Monitoring Committee (CSMC) approved eight works/projects<sup>37</sup> between May 2007 to March 2010. These works were to be completed by January-July 2012. The details are given at **Appendix-1.16**.

Audit observed that the works were awarded with a delay ranging from three to 44 months. Further, the works could not be completed within the target date thereby depriving the intended benefits of the projects to the beneficiaries.

<sup>36</sup> In the DPR, approved cost by the Central Government is exclusive of sales tax/VAT. As such, such cost are to be borne by the State Government.

<sup>37</sup> "Improvement of the Nambul River Front and Naga Nala" is taken as one though two separate DPRs were prepared for the works.

Moreover, due to delay in awarding of the projects, the State Government had to incur an avoidable expenditure of ₹ 66.99 crore due to increase of cost. Had the works been taken up timely and without delay in the tender process, the excess expenditure of ₹ 66.99 crore could have been avoided.

The SLNA stated<sup>38</sup> (February 2013) that the approval from the CSMC for selection of IA<sup>39</sup> for the work “Improvement of the Nambul River Front” (Sl. No. 2 of the Appendix) was conveyed only on 11 June 2009. The process for preparation of DPR was initiated in November 2009 and DPR was finalised in June 2010. Thereafter, after the tendering process, the work was awarded in January 2011. Hence there was no delay on the part of the IA.

In the case of delay in implementation of “Solid Waste Management Plant” (Sl. No. 1 of the Appendix), it was stated (February 2013) that the land for the Plant was handed over to IA in August 2008. The first instalment of funds was released to IA in October 2008 and the construction of civil works was started from July 2009.

The departmental reply was not acceptable as there were delays at every stage in the process of implementation of the scheme.

In respect of other works/ projects, no reply was furnished by the Department.

In view of the delays at different stages of processing, the IAs had to incur an avoidable expenditure of ₹ 66.99 crore.

#### **1.5.7 Deficiencies/ Shortcomings in the implementation of Storm Water Drain**

Construction of Storm Water Drain (SWD) in Imphal was taken up under UIG sub-mission at cost of ₹ 102.50 crore. The CSMC approved the project in December 2009. The Detailed Project Report (DPR) of SWD was prepared and implemented by Planning and Development Authority (PDA). During joint physical verification (June 2012) by Audit and PDA, the following deficiencies/shortcomings were noticed in the implementation of SWD:

- As per City Development Plan (CDP), there was scope for widening of road in future. Schemes under JNNURM were to be taken as the plans projected in the CDP. However, audit observed that while preparing DPR for SWD, no provision was made for widening of roads in future.
- Construction of drains of about five kilometres from eastern side of Hatta to Lamlong through Porompat crossing and western side Jawaharlal Nehru Hospital could not be taken up (June 2012) as widening of road and demolition of acquired standing properties had not been completed. Further, another two kilometre of drain from Lamphel Electricity Power House to Sanakeithel has not yet been taken up as land clearance from the Director of Settlement and Land

---

<sup>38</sup> In their reply, the SLNA referred to the reply furnished by the IA

<sup>39</sup> Irrigation and Flood Control Department

Records and demolition of standing property are still awaited. Non-eviction of standing property is evident from the following photographs:



Drain blocked at Soibam leikai

Un-evicted property at Lamlong

8 feet 2 inches marked as seen is yet to be evicted as of May 2012

As such, drains projected in the DPR to be completed by January 2012, could not be completed till the date of audit (June 2012). It was further noticed that:

- The number and capacity of the pump-sets required to drain out water from low lying areas of Lamphel to the Nambul River were not finalised (June 2012). This has delayed installation of Pump-House under phase-II of the project which was envisaged for completion by July 2012.
- The right bank of the Nambul River between Sagolband and Uripok road towards Maharani bridge had been strengthened (May 2012) with Reinforced Cemented Concrete (RCC) to prevent flood during high flood situation by Irrigation and Flood Control Department (IFCD). As the river side is higher than the southern side, construction of drain along this RCC bank on the southern side was redundant. However, the DPR of SWD demarcated construction of drains in this portion. The Department admitted the fact and stated that drains would not be constructed (May 2012).

Thus, the above deficiencies indicate lack of consideration of future expansion of roads, co-ordination amongst the IAs like PDA and IFCD. Further, DPR prepared by PDA was without consulting the other departments.

The Director, MAHUD stated (February 2013) that six rounds of meetings involving officials of concerned Departments, Local Councillors and Members of Legislative Assembly was held. Acquisition process was slow due to fund constraints. The findings of Audit, however, indicates that the short coming in implementation of SWD was not fully anticipated and there are scopes for improvement.

### 1.5.8 Excess expenditure in pile works

“Improvement of the Nambul River Front” under sub-mission UIG was undertaken by the IFCD as flood control measure and beautification of the river front. The work was awarded (January 2011) to M/s Simplex Project Ltd.

with stipulated date of completion within 16 months (May 2012) at an approved cost of ₹ 11.50 crore.

The estimate of the project was framed based on MSR 2008 and the river front work involved 12625.30 m of piling of 500 mm bore piles at two stretches.

Audit scrutiny revealed that, as per MSR 2008, there was no rate for 500 mm bore pile. However, MSR 2008 provided a rate of ₹ 2049.40 per Running Metre (RM) for 550 mm bore pile. As the cost of piles is proportionate to the volumes of different sizes of piles, the justified cost of 500 mm piles worked out to ₹ 1693.72<sup>40</sup> per RM.

Further scrutiny revealed that instead of adopting this justified rate, IFCD adopted an estimated rate of ₹ 3479.77 per RM and awarded the work at a negotiated rate of ₹ 3625 per RM which was 4.17 *per cent* above the estimated cost.

Non-adoption of justified cost of ₹ 1693.72 per RM and failure to negotiate at ₹ 1764.35 (*i.e.* 4.17 *per cent* above the justified cost) has resulted an excess expenditure of ₹ 2.35 crore<sup>41</sup>.

The IA stated (February 2013) that the rates provided for the bore pile in MSR are based on the assumption that the materials are already stacked at the site. But for practical purposes, they have to add the analysed carriage charges for the construction materials *i.e.*, from quarry to work site. Accordingly, they added the carriage charges to the rates of MSR 2008 for bore piles and hence the Department had to adopt the rate which is higher than MSR 2008. The reply is not acceptable as the rates in the MSR is inclusive of all such cost.

### 1.5.9 Extra expenditure due delay in tendering process (Storm Water Drain)

Storm Water Drain (SWD) for Imphal city under sub-mission UIG was approved (December 2009) by the GoI at a cost of ₹ 102.50 crore with the cost sharing ratio between the Centre and the State at 90:10 (Centre: ₹ 92.25 crore; State: ₹ 10.25 crore). The first instalment of Central share (₹ 23.06 crore) and State share (₹ 2.56 crore) were released in March 2010.

Audit scrutiny revealed that the work was awarded in December 2010 at ₹ 86.84 crore which was subsequently revised to ₹ 127.03 crore, after a delay of 12 months from the date of approval (December 2009) of the work.

<sup>40</sup> As per MSR, cost of piles are proportionate to volume.

Volume of a pile =  $\pi \times (d/2)^2 \times h$  {where  $\pi = 3.14$ ;  $d$  = diameter and  $h$  = length/depth}  
 Ratio of volumes of 500 mm diameter bore pile to 550 mm diameter pile of 1 RM *i.e.* 100 cm  
 =  $\{3.14 \times (500 \times 500)/4 \times 100\} : \{3.14 \times (550 \times 550)/4 \times 100\}$   
 = 1: 1.21

Thus, proportionately, rate for 1 RM of 500 mm diameter pile = (Rate 1 RM of 550 mm diameter pile  $\div$  1.21)  
 = (₹ 2049.40  $\div$  1.21)  
 = ₹ 1693.72

<sup>41</sup> Excess expenditure = (₹ 3625 – ₹ 1764.35)  $\times$  12625.30  
 = ₹ 2.35 crore

The SLNA has not taken any action against the PDA who is the IA for delay in tendering process. The delays resulting from tendering process, acquisition of land and obstructions from public have resulted in cost escalation and State Government had to incur an extra expenditure of ₹ 24.53 crore.

In the reply (February 2013) the IA stated that the work was entrusted (September 2010) with an advice to award the work through restricted tender. The work was awarded in December 2010 after technical process. The Commissioner, MAHUD stated (February 2013), that the excess expenditure of ₹ 24.53 crore could be due to extra expenditure relating to VAT. However, no documentary evidence to substantiate the reply has been produced to Audit.

#### **1.5.10 Physical verification of dwelling units and other amenities**

Under the sub-mission of IHSDP, 2689 Dwelling Units (DU) at a total cost of ₹ 42.12 crore are to be constructed for economically weaker section of the society, in the five non-mission cities viz. Kakching, Bishnupur, Moirang, Jiribam and Thoubal municipal towns.

A Joint Physical Verification of Audit and Kakching Municipal Council (Kakching town: 28 out of 548 beneficiaries) and Bishenpur Municipal Council (Bishenpur town: 13 out of 375 beneficiaries) was conducted during May 2012. The Physical Verification revealed that:

##### **Kakching town:**

- All the 28 beneficiaries were economically backward. Construction of the houses under the scheme was in progress. Drinking water facilities were available to 4 beneficiaries while 24 beneficiaries were not getting potable water. Community toilets/baths were not available to these 28 beneficiaries;
- There was no drain to prevent water logging in the areas of 14 beneficiaries;
- 17 beneficiaries were disposing of solid waste in open area, and door to door collection facilities were not available; and
- General hospitals and educational institutes were located within 2-5 KM of the beneficiaries, and 19 beneficiaries stated that the service conditions were poor.

##### **Bishnupur town:**

- Construction of houses was in progress and payment upto 2<sup>nd</sup> instalment out of prescribed 4 instalments has been made to the beneficiaries (May 2012). However, the list of 375 identified beneficiaries had not been approved by the SLNA though the list was submitted in May 2010;



- All the beneficiaries were of EWS categories, and stated that their existing houses were not in a satisfactory condition. All the 13 beneficiaries have separate toilets;
- All the 13 beneficiaries were not getting adequate drinking water. However, limited water supply facilities were available to only 4 beneficiaries;
- All the 13 beneficiaries dumped solid waste in open areas. No door to door collection facilities were available in the areas of these 13 beneficiaries;
- 11 beneficiaries stated that there was no drain to avoid water logging; and
- All the 13 beneficiaries are located in the areas having educational institutions and general hospitals within 2-5 KM.

The SLNA stated (February 2013) where dwelling units are taken up under IHSDP, Water Supply Schemes under UIDSSMT are also taken up in those towns. Hence, the availability of drinking water in all these towns does not arise.

It was also stated that all the Urban Local Bodies had been directed to set benchmarks for drainage in their respective towns and set targets for providing drainage within a stipulated time frame. Regarding solid waste management, house to house collection and street sweeping has commenced in all the towns.

The reply is not acceptable as water supply was not provided and facilities for solid waste management were also not visible during physical verification.

#### **1.5.11 Irregularity in identification of beneficiaries**

The sub-mission of BSUP focus on housing and slum development by providing shelter, basic services and other related civic amenities in the selected mission cities. The sub-mission was implemented with an approved outlay of ₹ 48.79 crore.

The parameters for selection of beneficiaries as given by the State Government *inter alia* include that beneficiaries shall be from the poorest of the poor, preferably to those who are living below poverty line, and who does not have any agricultural land.

Audit scrutiny revealed that Imphal Municipal Council (IMC) had selected (April 2011) 1133 beneficiaries from the list of names recommended (January 2009) by the elected members (15 beneficiaries each by 27 councillors and 15 to 36 beneficiaries each by the MLAs). The list selected by the elected members did not have any record to show that it had been done in conformity to the basic requirement of selection of beneficiaries. The IMC neither verified the list of the elected members that they belong to poorest of the poor nor



made an independent list conforming to the parameters of beneficiary selection.

The Department in their reply stated (February 2013) that on receiving the identified list from IMC, State Government constituted a 'Committee of Officers' to verify the list of beneficiaries and approved the list submitted by the Verification Committee.

The reply is not satisfactory as the beneficiaries were identified merely on the recommendation of the elected members and no records of verification by the 'Committee of Officers' could be produced to Audit. Thus, there is a possibility that selection of needy beneficiaries as envisaged was defeated.

#### **1.5.12 Construction of two Community Centres**

The GoI and State Government released ₹ 72.60 lakh (Centre: ₹ 68.78 lakh; State: ₹ 3.82 lakh) during 2010-12 for construction of two community centres at Khoyathong and Kakhulong against the approved cost of ₹ 152.86 lakh under sub-mission BSUP. The cost was revised to ₹ 195.38 lakh by the Government of Manipur in March 2012.

Out of the total amount of ₹ 115.12 lakh (ACA: ₹ 68.78 lakh; State Share: ₹ 46.34 lakh), the State Government released ₹ 72.60 lakh (ACA: ₹ 68.78 lakh; State Share: ₹ 3.82 lakh) during 2010-12 to PDA for construction of two community centres.

Audit scrutiny, however, revealed that despite the availability of funds, no action has been taken by the PDA to commence the work (May 2012), thereby depriving the benefits of the scheme to the intended beneficiaries.

The department, in their reply (January 2013) stated that the work is under progress. However, percentage of progress could not be stated to audit.

In another reply (February 2013), it was stated that the revised estimate was approved by the State Government on 30 March 2012 and hence there was no delay.

The reply is not acceptable as the funds were already released by the Ministry and the requirement of such community centres was already anticipated in the DPR which was approved by CSMC in February 2009. Thus, there is blocking of scheme funds of ₹ 72.60 lakh due to non-commencement of construction of works of the two community centres.

## CHAPTER-II ECONOMIC SECTOR

### 2.1 Introduction

The findings based on audit of State Government units under Economic Sector are featured in this chapter.

During 2011-12, against a total budget provision of ₹ 2616.77 crore, the total expenditure of ₹ 2354.81 crore was incurred by 19 departments under the Economic Sector. The Department-wise details of budget provision and expenditure incurred thereagainst are shown in **Appendix-2.1**.

Besides, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of various programmes of the Central Government. During 2011-12, out of total release of ₹ 1259.32 crore directly released to different implementing agencies, ₹ 266.81 crore was under Economic Sector as detailed below:

(₹ in lakh)

Sl No.	Name of the Department	Name of Implementing Agencies	Fund released
1	Science and Technology	Institute of Bioresources and Sustainable Development	890.78
		Four NGOs for Biotechnology for Societal Development	56.77
		DOEACC Centre Imphal	32.00
		Manipur Renewable Energy Development Agency	385.35
		Five NGOs for Science and Technology Programme for Socio Economic Development	107.90
		Manipur Science and Technology Council	99.96
		Two NGOs for Research and Development of Bioresources	204.08
		Two NGOs for Scheme for Technology	199.88
Sub-Total			1976.72
2	Commerce and Industries	Twenty-five NGOs for Baba Saheb Ambedkar Hastashilpa Vikas Yojana	355.34
		Nineteen NGOs for Credit Support Programme	18.00
		Twenty-nine NGOs for Design and Technical Development	79.38
		Sayang Kurao Makhong Mamang Leikai Women’s Development Association	1.20
		Three NGOs for Human Resources Development	15.02
		Three NGOs for Marketing and Export Promotion Scheme	169.27
		Fifteen NGOs for Marketing Support and Services & Export Promotion	199.68
		Two NGOs Scheme for Quality Assurance, CODEX Standard	185.72
		Manipur Food Industries Corporation Limited	100.00
Sub-Total			1123.61
3	Forest and Environment	Four NGOs for Environment Information Education and Awareness	82.09

		Forest Development Agency and Institute of Bioresources and Sustainable Development	15.15
		Forest Development Agency Thoubal, Imphal and State Forest Development Agency	1273.87
		State Bamboo Steering Committee	1721.97
		Manipur Pollution and Project Implementation Committee, Environment and Ecology	105.23
		Highland Welfare	44.25
<b>Sub-Total</b>			<b>3242.56</b>
4	Horticulture and Soil Conservation	Manipur Horticulture Development Society	8746.00
<b>Sub-Total</b>			<b>8746.00</b>
5	Agriculture	State Micro Irrigation Committee	5000.00
		State Agricultural Management and Extension Training Institute	468.13
		Development Network Agency	0.47
<b>Sub-Total</b>			<b>5468.60</b>
6	Public Health Engineering Department	State Water and Sanitation Mission	5847.52
<b>Sub-Total</b>			<b>5847.52</b>
7	Co-operation	Manipur Milk Producer's Co-operative Union Ltd.	373.06
<b>Sub-Total</b>			<b>373.06</b>
<b>Total</b>			<b>26778.07</b>

(Source: Finance Accounts)

### **2.1.1 Planning and conduct of Audit**

The audits were conducted during 2011-12 involving expenditure of ₹ 368.87 crore (including funds pertaining to previous years audited during the year) of the State Government under Economic Sector. This chapter contains seven transaction audit paragraphs.

The major observations detected in audit during the year 2011-12 are given below:

## AUDIT OF TRANSACTIONS

### *Fraud/misappropriation/embezzlement/losses*

## IRRIGATION AND FLOOD CONTROL DEPARTMENT

### 2.2 Loss to the Government

**Instead of considering a nearer and approved quarry situated at 48 km from work site, estimates for ferrying stones and boulders were framed from a distant quarry at 60 km, leading to loss of ₹ 69.64 lakh to the Government**

Test check (July 2012) of the records of the Thoubal Project Division-I, Irrigation and Flood Control Department revealed the cost of construction of earthen dam of Thoubal Multipurpose Project<sup>1</sup> was revised from time to time due to escalation of cost of material and labour. The balance work for the construction of the dam was revised (May 2006) from ₹ 126.54 crore to ₹ 294.17 crore, for which administrative approval of the expenditure was accorded (May 2006) by the Government. One of the items included in the original work was “Providing rip rap pitching with hard stones” to protect the surface of the earth dam and cofferdam. A total quantity of 1,88,807 cubic metre (cum) (Earth dam: 1,84,795 cum and cofferdam: 4,012 cum) of this item of the work was to be constructed at the rate of ₹ 1048 per cum<sup>2</sup> i.e at a cost of ₹ 19.79 crore. Stones and boulders were to be ferried from suitable quarry to execute this work. As on March 2012, a quantity of 61,212.17 cum (Earth dam: 58,324.67 cum and Cofferdam: 2,887.50 cum) had been constructed and ₹ 6.42 crore had been paid to the contractor for executing this work.

Further scrutiny revealed that the division framed the estimate based on the Manipur Schedule of Rates, 2004 for ferrying stones and boulders from an unidentified quarry 60 km away from the work site. This unidentified quarry had a longer lead of 12 km from the approved quarry of Itok, 48 km from the work site.

Had the estimate been framed considering the nearer Itok quarry, the work could have been executed @ ₹ 934.23 per cum. The details of the estimate considering Itok quarry are given in **Appendix-2.2**. Thus, by allowing higher lead, there was loss to the Government of ₹ 69.64 lakh<sup>3</sup>.

<sup>1</sup> The estimated cost of the project when it started in December 1989 was ₹ 24.77 crore.

<sup>2</sup> 5.5 per cent above estimated cost of ₹ 993 per cum.

<sup>3</sup>  $61212.17 \times (\text{₹ } 1048 - \text{₹ } 934.23) = \text{₹ } 69.64 \text{ lakh}$ .

The Department stated (December 2012) that sufficient quantity of boulder/stone which fulfilled the specification of the work was not available at Itok quarry. Further, the quarry was stated to be in extremist prone area.

The reply is not acceptable as Itok quarry has been an approved quarry in the state for many years; which would not be possible had boulder/stone of good quality been not available in sufficient quantity. The material available in quarry was not only being used for other works of the dam project but also for construction of important buildings, National highways *etc.* Further, law and order problem would equally affect the distant quarry as it would at Itok quarry.

*Violation of contractual obligations, undue benefit to contractors, unavoidable/unfruitful expenditure*

## **PUBLIC WORKS DEPARTMENT**

### **2.3 Undue financial benefit to contractors**

**Without assessing reasonability of rates, works were awarded at higher rates resulting in undue benefit of ₹ 58.83 lakh to contractors due to excess payment over reasonable rates**

According to Para 19.4.3 of CPWD Works Manual, 2007, the tender accepting authority shall satisfy itself about the reasonability of rates before acceptance of the tender. Reasonability of rates shall be assessed on the basis of justified rates by taking into consideration market rates of labour, material, cartage (carriage) *etc.*

Test check (April 2012) of records of Building Division-III (PWD) revealed that construction of Paramedical Block-A, Phase-I and Paramedical Block-B and C, Phase-I of Jawaharlal Nehru Institute of Medical Sciences, Imphal were awarded (October 2010) through restricted tender to two local contractors with the stipulated date of completion in one year. The work was completed in June 2011 and April 2011 respectively at a total cost of ₹ 18.21 crore. Two items among others in the work were “Bored cast-in-situ reinforced cement concrete piles (M-20)” for 450 mm and 600 mm diameters. The Department made (July 2010) an analysis of rates<sup>4</sup> of these piles as per the rates of Manipur Schedule of Rates (MSR) 2009.

The estimated costs for 450 mm diameter and 600 mm diameter bored piles per running meter (RM) were arrived at ₹ 2041.40 and ₹ 3554.30 respectively as per MSR 2009. Without assessing reasonability of rates the Department awarded the contract for execution of bored piles of 450 mm diameter at the

---

<sup>4</sup> The analysis of rates was based on Nabhi's compilation of analysis (Civil Works), 2004-Volume-II. Cost of cement, stone aggregate, sand, bentonite and their carriage charges and cost of labour was considered. Provision for reinforcement was made separately in the work orders.

rate of ₹ 2569.30 (25.85 *per cent* above estimated cost) and that of 600 mm diameter at the rate of ₹ 4500 (26 *per cent* above the estimated cost) per RM to the contractors.

On assessing the rates with the same quantum as adopted by the Department in July-October 2010 in their analysis of rates with the rates of MSR-2011, the reasonable cost<sup>5</sup> of the 450 mm diameter and 600 mm diameter worked out to ₹ 2452.90 and ₹ 4211.94 per RM respectively, which was less than the awarded rate in the work orders.

Though the rate of ₹ 2452.90 per RM (for 450 mm diameter) and ₹ 4211.94 per RM (for 600 mm diameter) were reasonable in the year 2011, the Department awarded these items at ₹ 2569.30 and ₹ 4500 per RM respectively in October 2010, thereby awarding the works at rates which were excess of the reasonable rates by ₹ 116.40 (450 mm diameter) and ₹ 288.06 (600 mm diameter) per RM.

Thus, award and execution of the bored piles of 38291.2 RM (29983.2 RM of 450 mm diameter and 8308 RM of 600 mm diameter) without assessing reasonability of rates resulted in undue benefit of ₹ 58.83 lakh to the contractor and loss to the Government to that extent. (Details in **Appendix-2.3**).

The Government stated (January 2013) that the rates quoted by the contractor were based on the prevailing market rates. Further, on assessing the rate with the same quantum based on MSR 2011, the acceptable rates of 450 mm diameter and 600 mm diameter worked out to ₹ 2,576.90 per RM and ₹ 4,639.30 per RM respectively. As these rates are higher than the awarded rates, no undue benefit to the contractor had been extended to the contractors.

On examination of the reply of the Department, it was found that there were four items<sup>6</sup> in the work for which the rates had not been mentioned in the schedules. In its calculation in respect of two items out of these four items *viz.*, Foreman and Pile Operator, the Department had adopted a much higher rate of 177.77 *per cent* and 233.33 *per cent* over their estimates of July-October 2010. However, for the remaining items<sup>7</sup> which was mentioned in the schedule, the cost escalation in MSR 2011 over MSR 2009 ranged from 10 *per cent* to 84.20 *per cent*. As such, the reply of the Department is not acceptable.

<sup>5</sup> The percentage of increase of material, carriage and labour ranged from 10 *per cent* to 84.20 *per cent* from MSR 2009 to MSR 2011 (excluding the cost of Bentonite which remained constant). In respect of four items *viz.* Foreman and Pile Operator and Carriage charges of stone aggregate and coarse sand where the rates was not mentioned in the Schedules, the higher rate of 84.20 *per cent* was applied over the rate adopted by the Department in their analysis of July-October 2010.

<sup>6</sup> Foreman and Pile Operator and Carriage charges of stone aggregate and coarse sand

<sup>7</sup> For these items which was mentioned in the estimates/rate analysis of July-October 2010.



## 2.4 Unauthorized execution of works

**In violation of extant financial rules, the Department had taken up three major road construction works by charging them to non-plan head of accounts and without obtaining approval of the competent authority**

As per Rule 22 of the General Financial Rules, 2005, no authority may incur any expenditure or enter into any liability involving expenditure unless the same has been sanctioned by competent authority. Further, non-plan funds meant for minor works and upkeep and maintenance of assets created earlier cannot be utilized for incurring expenditure for new asset creation and for capital incentive works.

The State's Delegation of Financial Power Rules, 1995 (amended in August 2003) provides a set of rules, stipulating the authorities authorized to approve expenditure depending upon the quantum of expenditure. In respect of investment proposal above ₹ 1 crore, approval of the Public Investment Board (PIB) is to be obtained. Decision of the PIB shall be recorded in the relevant files of the Administrative Department.

Test check (November 2011 to August 2012) of the records of three divisional offices<sup>8</sup> of the Public works Engineering Department revealed that three major road construction works, each costing above ₹ 1 crore, were taken up during January 2009 and September 2011. The three works were to be constructed at total cost of ₹ 9.06 crore. The expenditure was made from the fund provided for maintenance and repairs and did not relate to any central or state scheme funds. The details of the works and payment made as on date are as follows:

(₹ in lakh)				
Sl. No.	Name of the work	Executing division	Tender amount/Project cost	Payment made
1	Construction of approach road to solid waste plant at Lamdeng	Imphal West Division	420	396.07
2	Maintenance of Wangjing Khangabok Road (SH: Widening, WBM and premix carpeting 0 – 3.80 Km)	Thoubal Division	195.41	178.09
3	Construction of Churachandpur Sugnu Road (5 – 26 Km)*	Churachandpur Division	290.12	293.74
<b>Total</b>			<b>905.53</b>	<b>864.90</b>

(Source: Departmental records)

\* In respect of Sl. No. 3, the expenditure relates to Financial Year 2011-12.

Further scrutiny revealed that the works were executed based on administrative approval accorded by the Administrative Department for debiting the expenditure under Major Head (MH) – 3054 – Roads and Bridges (Non-plan). The works were also classified as minor works and executed without obtaining the expenditure sanction of the competent authority. There was also no record to show that adequate fund for the work was provided in the budget under the proper head of accounts.

<sup>8</sup> Imphal West Division, Thoubal Division and Churachandpur Division.

Thus, the Department incurred an expenditure of ₹ 9.06 crore on construction of three roads without approval of competent authority and classified it as non-plan revenue expenditure under MH – 3054 – Roads and bridges, which was irregular.

The Department stated (February 2013) that the works were taken up as per the decision of Programme Advisory Committee and approved by the Administrative Department. Separate expenditure sanction was not given as Administrative Department had given expenditure concurrence as per budget provision. The reply is not acceptable as Programme Advisory Committee is not competent to order approval for incurring expenditure and provision of fund in budget by itself cannot be construed as *suo-motu* approval of expenditure sanction.

## COMMERCE AND INDUSTRIES DEPARTMENT

### 2.5 Irregular retention of Government money by DDO

**Government money of ₹ 29.16 lakh remained unutilized for 12 to 77 months in DDO's account after withdrawal**

As per Rule 290 of Central Treasury Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands.

Test check (February 2011) of records of the office of the Director, Commerce and Industries Department revealed that an amount of ₹ 29.16 lakh relating to thirteen number of bills drawn from the treasury remained un-utilised for 12 to 77 months. Out of these thirteen cases, ten cases were meant for work-shed cum housing schemes (Sl. No. 1 to 10 of the table below), two were for investigation of arsenic contamination in ground water of Imphal valley (Sl. No. 12 and 13) and one for payment of contingent charges (Sl. No. 11). The fund could not be disbursed for various reasons like dispute amongst members of implementing societies, non-completion of formalities, some implementing societies not turning up to collect the amount, non-availability of spare part of drilling machine and other technical reasons in case of drilling works. As such, the blocking of funds not only violated the financial norms, as the funds were kept outside Government accounts, but also delayed the intended benefit of carrying out construction of work-shed cum housing and investigation of arsenic contamination and its consequences to health hazard. The details of bill-wise amounts drawn and the purposes for which the amount of ₹ 29.16 lakh were sanctioned are shown below:

(in ₹)

Sl. No.	Bill No./Date	Purposes for which sanctioned	Amount Sanctioned	Balance Amount	No. of months
1	152/24-8-05	Work-shed cum housing under DDHPY Scheme 2000-01	50,08,500	71,125	77
2	392/8-7-06	Construction of work-shed	1,58,07,000	93,450	66
3	26/12-6-06	GIA to Primary Weavers Cooperative Societies as central share under DDHPY 2005-06	2,18,71,000	1,72,001	67
4	47/4-7-06	Construction of work shed under DDHPY-2005	50,08,500	1,30,806	66
5	241/6-11-06	Prime Minister's Rozgar Yojana Scheme 2005-06	3,87,560	34,610	62
6	239/4-11-06	GIA for construction of work-shed under DDHPY-2002-03	1,58,07,000	47,797	62
7	85/13-7-07	GIA of State Share under DDHPY-2005-06	90,82,000	1,74,955	54
8	96/28-7-07	GIA to Primary Handloom Weavers Cooperative Societies Care as State Share under DDHPY 2000-01 and 2002-03	2,38,00,000	2,25,000	54
9	491/27-3-08	GIA of Central Share under DDHPY* 2007-08	26,52,905	2,07,125	42
10	121/20-8-08	GIA** of state share grant for 2000-01,2002-03 and 2005-06	3,10,37,000	6,38,000	42
11	541/24-3-10	Contingent Charge	24,336	24,336	21
12	366/26-2-10	Annual Geological programme 2009-10	13,40,000	6,70,000	12
13	517/24-3-10	Geo-Environment appraisal of Imphal Valley	4,27,000	4,27,000	24
<b>Total</b>			<b>13,22,52,801</b>	<b>29,16,205</b>	

(Source: Departmental records)

\* DDHPY - Deen Dayal Hathkargha Ptotsahan Yojana

\*\* GIA – Grants - in - Aid

Thus, the Government money to the tune of ₹ 29.16 lakh was drawn from the treasury and kept unutilised for 12 to 77 months leading to violation of provision of Central Treasury Rules.

The Department while taking note of the audit observation stated (August 2012) that corrective measures had been taken up. Out of ₹ 29.16 lakh, the Department had disbursed ₹ 21.35 lakh and ₹ 7.81 lakh had been deposited back into Government accounts.

## SCIENCE AND TECHNOLOGY DEPARTMENT

## 2.6 Blocking of funds

**Injudicious decision of Thoubal Zilla Parishad led to blocking of fund of ₹ 12.50 lakh meant for providing alternative lighting system to the district**

Test check of the records (September 2011) of the Science and Technology Department revealed that the State Government accorded (February 2009) administrative approval of a lapsable fund of ₹ 50 lakh for the year 2008-09 for implementation of Integrated Rural Energy Programme (IREP). The objective of the programme was to provide minimum domestic needs for cooking, heating and lighting purposes by using the renewable sources of energy as well as by promoting energy conservation devices. The programme was to be implemented in the four valley districts<sup>9</sup> of the State and the whole fund @ ₹ 12.50 lakh was to be given to the Zilla Parishad (ZP) of each district for purchase of 2500 LED lamps only for distribution to the beneficiaries.

Accordingly, the Department released (March 2009) the amount to the Zilla Parishads of the four districts. However, the proposal to purchase LED lamps was not acceptable to the ZP of Thoubal district. The ZP stated that the villagers were unwilling to purchase the LED lamp as the quality of lamps supplied by Manipur Renewable Energy Development Agency (MANIREDA) was not satisfactory. Consequently, as decided by the ZP, Thoubal district, it was proposed (December 2009) to construct 10 numbers of crematorium and purchase street lamps. The proposal was not acceptable to the Department as it tantamounted to irregular deviation of fund. Accordingly, the Department intimated (December 2009) denial of the proposal of the ZP. However, this was not acceptable (December 2009) to the Adhyaksha of the ZP as he viewed that ZP as mini-government had the right to plan and implement works/projects on their own.

The ZP neither took any action to implement the programme nor refunded the amount to the Department. Thus, non-implementation of the IREP programme led to blocking of fund of ₹ 12.50 lakh for a period of more than four years. This also deprived the intended benefit of providing an alternative lightening system to the power starved beneficiaries of the district. Further, mis-utilization or diversion of fund to a purpose other than intended could not be ruled out.

The Government agreed (December 2012) to the facts and figures brought out by Audit and stated that the matter had been taken up (September 2012) with the Rural Development and Panchayati Raj (RD&PR) Department<sup>10</sup> to take necessary steps to get the amount refunded by the ZP. Accordingly, the RD & PR department had initiated (September 2012) steps against the ZP, the outcome of which has not been intimated (January 2013).

<sup>9</sup> Imphal West, Imphal East, Thoubal and Bishnupur

<sup>10</sup> The administrative department

*Others/regularities issues etc.*

**PUBLIC WORKS DEPARTMENT**

**2.7 Recovery at the instance of Audit on payment of mobilization advance**

**Mobilization advance paid to the contractor for execution of non-specialized work in violation of the provision of CPWD manual and contract clause was recovered at the instance of Audit**

As per para 32.5 of CPWD Manual, 2010, in certain specialized and capital intensive works with estimated cost of ₹ two crore and above, provision of Mobilization Advance (MA) may be kept in the tender documents. Provision of MA shall be applicable if it is clearly indicated in Schedule 'F', while finalizing Notice Inviting Tender (NIT) of the work. In that case, MA not exceeding 10 *per cent* of the tendered amount at 10 *per cent* simple interest can be provided to the contractor. Further, MA can be given in two or more instalments and subsequent instalments shall be released only after furnishing proof of satisfactory utilization of earlier instalments of MA.

Test check (August 2012) of records of Divisional Officer, Churachandpur division, Public Works Department revealed that the work of "Construction of Mini Secretariat – Churachandpur" was awarded (July 2011) to a Hyderabad based contractor<sup>11</sup> at a cost of ₹ 39.66 crore with stipulated date of completion within two years. Construction of Mini Secretariat buildings does not qualify as a specialized work as per provision of CPWD manual. Further scrutiny revealed that provision of MA was not mentioned in schedule 'F' of the NIT. These imply that this particular work did not qualify for release of mobilization advance to the contractor.

However, the contractor was granted (January 2012) MA of ₹ 3.97 crore against bank guarantee of ₹ 3.97 crore. Further, the MA was also given lump sum and not in installments. This violated the provisions of CPWD Manual and contract clause of the work.

Thus, payment of MA for non-specialized work without first mentioning it in schedule 'F' of the NIT and lump sum payment of MA instead of instalments tantamount to giving undue financial benefit to the contractor in construction of the mini secretariat building at Churachandpur.

The Department admitted (December 2012) the facts that MA had been paid without observing codal formalities. Corrective measures had since been taken up and an amount of ₹ 1.27 crore<sup>12</sup> has been recovered (September 2012) so

---

<sup>11</sup> M/s Sri Avantika Contractor (I) Ltd.

<sup>12</sup> ₹ one crore as MA and ₹ 27.05 lakh as Interest

far from the contractor. The Department also stated that the balance amount of ₹ 2.97 crore would be recovered from subsequent bills of the contractor.

## 2.8 Recovery at the instance of audit

**Recovery of ₹ 21.13 lakh from the contractor being excess cost paid for bitumen was made at the instance of audit and an amount of ₹ 12.87 lakh remained unrecovered towards carriage charge**

As per para 25.2(3) of CPWD Manual, 2007 in case of issue of material to contractor not provided/stipulated for in the contract, the issue rate to be charged for the material should be as provided in the analysis of rate for the item of work on which it would be used, plus or minus the percentage above or below the schedule rate allowed to the contractor, or market rate or stock issue rate plus storage charge, whichever is the highest. No carriage or incidental charges should be borne by Government in connection with the supply.

Test check (December 2011) of the records of the Bishnupur Division, PWD revealed that 309.488 MT of bitumen for nine works were procured (March 2011) from M/s Hindustan Petroleum Corporation Ltd. with the provision of revision of the price from time to time. These works were awarded during February – March 2011 to eight<sup>13</sup> contractors. Although the original rate as per supply order was ₹ 37,412.60 per MT<sup>14</sup>, the bitumen was supplied @ ₹ 41,898.85 per MT due to revision (August 2011) of the rate. The transportation charges of the bitumen from Guwahati to Imphal were @ ₹ 4,282.77 per MT, as per departmental records.

Therefore, the total cost of bitumen utilized for the works worked out to ₹ 46181.62 per MT (₹ 41,898.85+₹ 4,282.77). As per provisions of the Manual *ibid*, ₹ 46,181.62 per MT was recoverable from the contractor. As such, an amount of ₹ 1.43 crore (309.488 MT @ ₹ 46,181.62) was recoverable from the contractors for supply of the bitumen. Instead, only an amount of ₹ 1.09 crore<sup>15</sup> @ ₹ 37,412.60 per MT was recovered, resulting in short recovery of ₹ 34 lakh (₹ 1.43 crore - ₹ 1.09 crore).

The Government while partly admitting (August 2012) the fact stated that since the works were awarded at par with the Manipur Schedule of Rates 2009, recovery is to be made at the schedule recovery rate @ ₹ 42,079.22 per MT. Accordingly, ₹ 21.13 lakh has since been recovered from the 8 contractors (August 2012). However, as per the Manual *ibid*, no carriage or incidental charges should be borne by the Government in connection with the supply. As such, the balance amount of ₹ 12.87 lakh<sup>16</sup> remained unrecovered.

<sup>13</sup> Two works were awarded to the one contractor

<sup>14</sup> Excluding transportation cost

<sup>15</sup> Amount recoverable for 309.488 MT of bitumen @ ₹ 37,412.60 worked out to ₹ 1.16 crore. However, recovery of only ₹ 1.09 crore was made depending upon the progress of work.

<sup>16</sup> ₹ 34 lakh – ₹ 21.13 lakh.



## CHAPTER-III

### ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)

#### 3.1 Overview of Government Companies and Statutory Corporations

##### Introduction

**3.1.1** The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view welfare of the people. In Manipur there are ten PSUs (all Companies including three non-working) as on 31st March 2012. None of the Companies were listed on the stock exchange(s). The State PSUs play a minor role in the State economy. The State working PSUs registered a turnover of ₹ 3.54 crore for 2011-12 as per their latest finalized accounts as of September 2012. This turnover was equal to 0.03 *per cent* of State Gross Domestic Product (GDP) for 2011-12. The State PSUs incurred a loss of ₹ 5.17 crore in the aggregate for the year 2011-12 as per their latest finalized accounts.

##### Audit Mandate

**3.1.2** Audit of Government Companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the Paid up capital is held by Government(s). A Government Company includes a subsidiary of a Government Company. Further, a Company in which 51 *per cent* of the paid -up capital is held in any combination by Government(s), Government Companies and Corporations controlled by Government(s) is treated as if it were a Government Company (deemed Government Company) as per Section 619-B of the Companies Act.

**3.1.3** The accounts of the State Government Companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by the CAG as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per the provisions of Section 619 of the Companies Act, 1956.

##### Investment in State PSUs

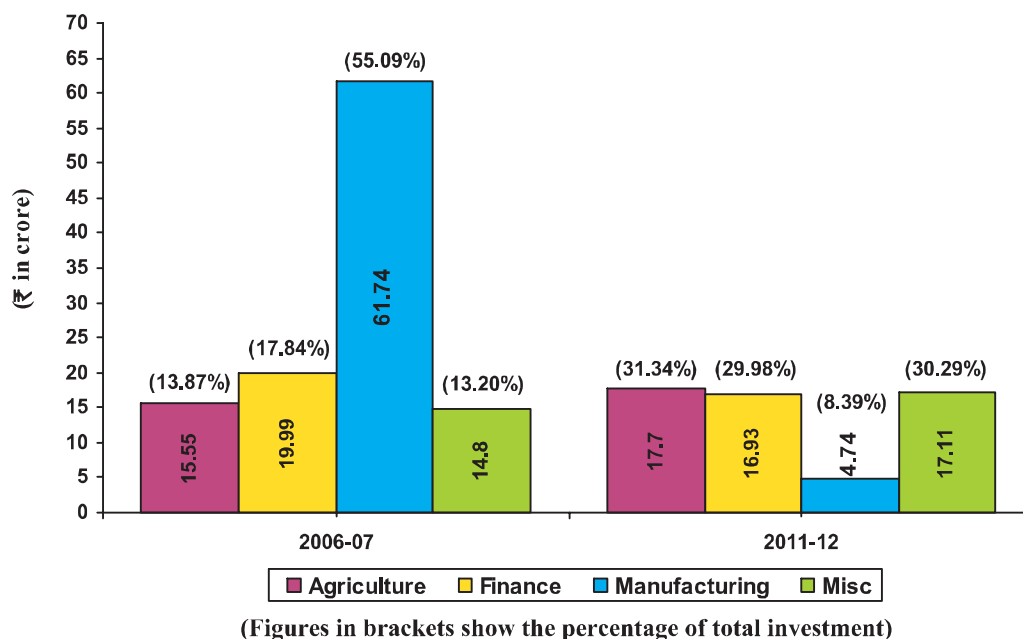
**3.1.4** As on 31 March 2012, the Investment (Capital and Long-Term Loans) in the ten PSUs was ₹ 56.48 crore as per details given below:

Type of PSUs	(₹ in crore)		
	Government Companies		
	Capital <sup>1</sup>	Long Term Loans <sup>2</sup>	Total
Working PSUs	29.34	5.90	35.24
Non-working PSUs	16.71	4.53	21.24
<b>Total</b>	<b>46.05</b>	<b>10.43</b>	<b>56.48</b>

A summarised position of Government Investment in State PSUs is detailed in **Appendix-3.1.**

As on 31 March 2012, of the total Investment in State PSUs, 62.39 *per cent* was in working PSUs and the remaining 37.61 *per cent* in non-working PSUs. The total Investment consisted of 81.53 *per cent* in Capital and 18.47 *per cent* in Long-Term Loans.

**3.1.5** The Investment in various important sectors and percentage thereof at the end of 31 March 2007 and 31 March 2012 is indicated in the chart below.



(Figures in brackets show the percentage of total investment)

The total Investment in manufacturing sector decreased from ₹ 61.74 crore in 2006-07 to ₹ 4.74 crore in 2011-12. This was due to exclusion of four non-working PSUs<sup>3</sup> which had been liquidated during this period.

### Budgetary outgo, grants/subsidies, guarantees and loans

**3.1.6** There was no budgetary outgo towards Equity, Loans, Guarantees issued, Loans converted into Equity and Interest waived in respect of State PSUs during the year 2011-12. However, the budgetary outgo towards

<sup>1</sup> ₹ 40.67 crore from State Government and ₹ 5.38 crore from Central Government.

<sup>2</sup> ₹ 0.97 crore from State Government, ₹ 1.18 crore from Central Government and ₹ 8.28 crore from other sources.

<sup>3</sup> (i) Manipur Cycle Corporation Ltd.; (ii) Manipur Cement Ltd.; (iii) Manipur Spinning Mills Corporation Ltd.; (iv) Manipur State Drugs and Pharmaceuticals Ltd.

Grants/Subsidy was ₹ 89.00 lakh and loans written off was ₹ 21.39 lakh in respect of Manipur Film Development Corporation Limited.

### Reconciliation with Finance Accounts

**3.1.7** The figures in respect of Equity and Loans outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2012 is stated below:

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	38.62	40.67	2.05
Loan	-	0.97	0.97

**3.1.8** Audit observed that the differences occurred in respect of 8 PSUs and some of the differences were pending reconciliation over a period of more than 15 years. The matter was taken up with the Administrative Department of respective PSUs and the Managing Directors of PSUs periodically to reconcile figures. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

### Performance of PSUs

**3.1.9** The financial results of PSUs are detailed in **Appendix-3.2**. A ratio of PSU turnover to State GDP shows the insignificant contribution of the PSUs in the State economy. Table below provides the details of working PSUs' turnover and State GDP for the period 2006-07 to 2011-12.

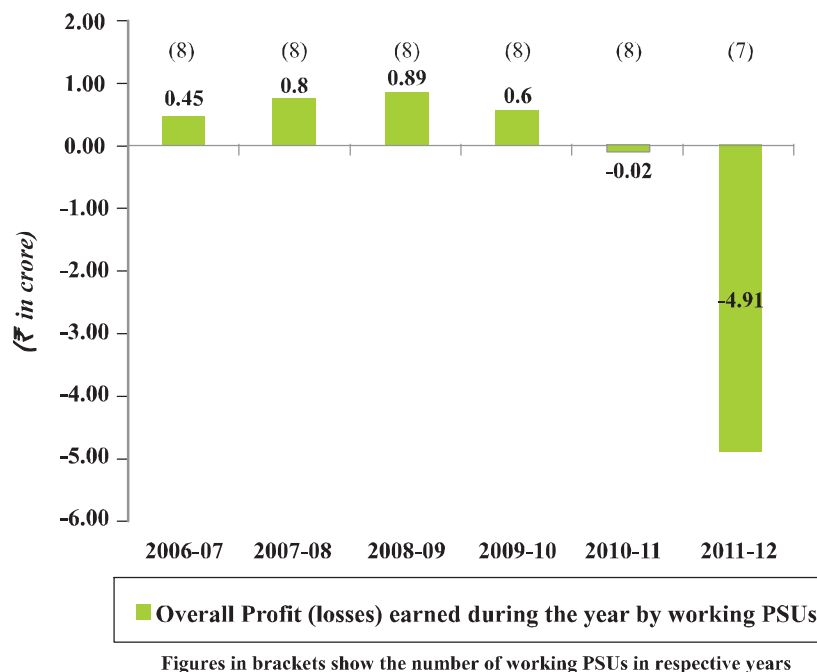
(₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 <sup>4</sup>
Turnover	6.39	6.75	6.77	6.51	5.71	3.54
State GDP	6501	5704	6344	8687	9198	10618
Percentage of Turnover to State GDP	0.09	0.12	0.10	0.07	0.06	0.03

The turnover of working PSUs decreased from ₹ 6.39 crore in 2006-07 to ₹ 3.54 crore in 2011-12. The percentage of turnover to State GDP decreased from 0.09 *per cent* in 2006-07 to 0.03 *per cent* in 2011-12.

**3.1.10** Profits earned/losses incurred by State working PSUs during 2006-07 to 2011-12 are given below in a bar chart.

<sup>4</sup> Turnover as per the latest finalised accounts as of 30 September.



During the year 2011-12, out of seven working PSUs, two PSUs earned profit of ₹ 0.39 crore and four PSUs incurred loss of ₹ 5.30 crore. One working PSU<sup>5</sup> had not started its commercial activities. The major contributor to profit was Manipur Police Housing Corporation Ltd. (₹ 0.29 crore). Heavy losses were incurred by Manipur Handloom & Handicrafts Development Corporation Ltd. (₹ 0.52 crore) and Manipur Industrial Development Corporation Ltd. (₹ 4.32 crore).

**3.1.11** The losses of PSUs are mainly attributable to deficiencies in financial management, planning and inefficient running of their operations and lack of proper monitoring. A review of three latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of ₹ 18.97 crore which was controllable with better management. The year-wise details from Audit Reports are stated below:

(₹ in crore)				
Particulars	2009-10	2010-11	2011-12	Total
Net Loss	0.43	1.87	4.91	7.21
Controllable losses as per CAG's Audit Report	3.75	15.22	-	18.97

**3.1.12** The above losses pointed out in the Audit Reports of the CAG were based on test-check of records of PSUs. The actual controllable losses would be much more. The above table shows that with better management, the losses could be minimized. The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for professionalism and accountability in the functioning of PSUs.

**3.1.13** Some other key parameters pertaining to the seven State working PSUs are given below:

<sup>5</sup> The Manipur Food Industries Corporation Ltd.

(₹ in crore)						
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Return on Capital Employed ( <i>per cent</i> )	2.83	2.52	2.66	2.08	(-)2.23	(-)14.96
Debt	26.79	30.91	19.50	30.73	31.06	5.91
Turnover <sup>6</sup>	6.39	6.75	6.77	6.51	5.71	3.54
Debt/ Turnover Ratio	4.19	4.58	2.88	4.72	5.44	1.67
Accumulated losses	7.17	7.17	5.22	5.18	6.94	10.37

As per the latest finalized accounts of seven working Companies, the Capital Employed worked out to ₹ 26.30 crore and total return thereon amounted to ₹ (-) 3.93 crore in 2011-12 as compared to Capital Employed of ₹ 17.20 crore and total return on Capital Employed of ₹ 1.21 crore in 2006-07.

**3.1.14** The State Government had not formulated (September 2012) any dividend policy.

#### Arrears in finalization of accounts

**3.1.15** The accounts of the Companies for every financial year are required to be finalized within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. The table below provides the details of progress made by working PSUs in finalization of accounts by September 2012:

Sl. No.	Particulars	2007-08	2007-08	2008-09	2009-10	2010-11	2011-12
1	Number of Working PSUs	8	8	8	8	8	7 <sup>7</sup>
2	Number of accounts finalised during the year	2	2	2	2	23	17
3	Number of accounts in arrears	123	123	129	135	142	116
4	Average arrears of accounts <i>per</i> PSU (3/1)	15.37	15.37	16.12	16.87	15.00	16.57
5	Number of Working PSUs with arrears in accounts	8	8	8	8	8	7
6	Extent of arrears ( in years)	10 to 25	10 to 25	10 to 26	10 to 27	11 to 28	9 to 27

The reasons for delay in finalization of accounts are attributable to:

- Lack of required control over the Companies by Government;
- Abnormal delay in compilation and approval of the accounts and delayed submission of the same to the Statutory Auditors by the management; and
- Delay in adoption of accounts in Annual General Meeting.

**3.1.16** In addition to above, there were arrears in finalisation of accounts by non-working PSUs also. Three non-working PSUs, had arrears of accounts for for a period of 17 to 28 years.

**3.1.17** The State Government had invested ₹ 27.56 crore (Equity: ₹ 27.56 crore), in eight PSUs during the years for which accounts have not been

<sup>6</sup> Turnover of working PSUs as per the latest finalised accounts as of 30 September.

<sup>7</sup> Manipur State Power Development Corporation was struck off from the Register of Companies on 13 June 2011

finalized as detailed in **Appendix-3.3**. In the absence of accounts and their subsequent audit, it cannot be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested has been achieved or not and thus Government's investment in such PSUs remained outside the scrutiny of the State Legislature. Further, delay in finalization of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

**3.1.18** The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalized and adopted by these PSUs within the prescribed period. However, there were huge arrears in finalization of accounts as discussed in Paras 3.1.15 and 3.1.16. Thus, due to arrears in finalization of accounts, the net worth of these PSUs could not be assessed in audit. The State Government needs to take adequate steps to expedite the backlog of arrears in a time bound manner.

**3.1.19** *In view of above state of arrears, it is recommended that the Government monitor and ensure timely finalization of accounts with special focus on liquidation of arrears and compliance with the provisions of Companies Act, 1956.*

#### **Winding up of non-working PSUs**

**3.1.20** There were six non-working PSUs as on March 2011. Of the six non-working PSUs, three<sup>8</sup> have been liquidated during the year 2011-12 under the provisions of the Companies Act, 1956. Thus, there are three non-working PSUs as on 31 March 2012.

The remaining three non-working PSUs need to be considered for closure as their existence would not serve any meaningful purpose.

**3.1.21** The process of voluntary winding up under the Companies Act is much faster and needs to be adopted vigorously. The Government may also consider setting up a cell to expedite closing of its non-working Companies.

#### **Accounts Comments and Internal Audit**

**3.1.22** Six working Companies<sup>9</sup> forwarded fifteen audited accounts to Accountant General (Audit) during the year 2011-12. The audit reports of Statutory Auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially.

**3.1.23** Some of the important comments in respect of accounts of Companies are stated below:

---

<sup>8</sup> (i) Manipur Spinning Mills Corporation Limited, (ii) Manipur Cycle Corporation Limited and (iii) Manipur Cement Limited.

<sup>9</sup> Manipur Tribal Development Corporation Ltd., Manipur Film Development Corporation Ltd., Manipur Police Housing Corporation Ltd., Manipur Food Industries Corporation Ltd., Manipur Industrial Development Corporation Ltd., and Manipur Electronics Development Corporation Ltd.



**Manipur Industrial Development Corporation Ltd. (Accounts for the year 1993-94)**

No provision was made in the accounts for probable loss of ₹ 82.81 lakh invested towards Equity shares of non-working subsidiary company.

No provision was made in the accounts for an amount of ₹ 21.49 lakh receivable from another PSU (Manipur Handloom & Handicrafts Development Corporation Ltd.), which remained unrealized since 1976-77.

**Manipur Electronics Development Corporation Ltd. (Accounts for the year 2004-05)**

No provision was made in the accounts for an amount of ₹ 7.17 lakh, invested to Manipur Rural Electronics Co-operative Federation Ltd., a non-functioning entity.

The annual accounts of the Company for the year 2002-03 were certified by the Statutory Auditor on 21 February 2011 before adoption of previous years accounts (1997-98 to 2001-02) in the Annual General Meeting of the Company.

Debit (minus) balance of ₹ 2,51,272.54 in the United Bank of India, Takyelpat (Account No 32) has been carried forward in the accounts since 31 March 2001 without any adjustment/reconciliation.

**3.1.24** The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/internal audit systems in the Companies audited in accordance with the directives issued by the CAG to them under Section 619 (3) (a) of the Companies Act, 1956 and to identify areas which need improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/ internal control system in respect of three Companies<sup>10</sup> for the year 2010-11 and another two Companies<sup>11</sup> for the year 2011-12 are given below:

---

<sup>10</sup> (i) Manipur Industrial Development Corporation Ltd., (ii) Manipur Food Industries Corporation Ltd., (iii) Manipur Electronics Development Corporation Ltd.

<sup>11</sup> (i) Manipur Industrial Development Corporation Ltd. and (ii) Manipur Tribal Development Corporation Ltd.

Sl. No.	Nature of comments made by Statutory Auditors	Number of Companies where recommendations were made	Reference to serial number of the Companies as per Appendix 5.2
1.	Absence of internal audit system commensurate with the nature and size of business of the company	2	A-1, A-3
2.	Non-maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	3	A-1, A-5, A-6

### **Disinvestment, Privatization and Restructuring of PSUs**

**3.1.25** There were cases of disinvestment/privatization of PSUs in the State.

### **Reforms in Power Sector**

**3.1.26** Joint Electricity Regulatory Commission (JERC) for the states of Manipur and Mizoram was formed (January 2005) under Section 83 (5) of the Electricity Act, 2003 with the objective of rationalization of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licenses.

The JERC (Manipur and Mizoram) became operational in January 2008. The tariff approved by the Commission on 15 March 2011 became effective from 21 March 2011.

**3.1.27** Memorandum of Understanding (MoU) was signed in July, 2004 between the Union Ministry of Power and the State Government as a joint commitment for implementation of reforms programme in power sector with identified milestones. One of the objectives of reforms was to set up Corporation for generation, transmission and distribution of electricity in the State by August 2004 and made fully functional by July 2005. Although the State Government has formed a Company (Manipur State Power Development Corporation (MSPDC) Ltd.) in March 1997, it was not made functional even after 14 years. The Company (MSPDC Ltd.) was finally dissolved during 2011-12. Presently the Electricity Department Manipur (EDM) is responsible for distribution and trading functions of electricity in the State

The progress achieved so far in respect of important milestones is stated below:

Sl. No.	Milestone	Achievement as at September 2011
1	For generation, transmission and distribution of electricity in the State, Corporation to be set up by August 2004 and made fully functional by July 2005.	The progress of implementing power sector reforms was slow and the Corporation has not become operational as of September 2011.
2	State Government to set up State Electricity Regulatory Commission (SERC)/Joint Electricity Regulatory Commission (JERC) by November 2004 and file tariff petition immediately thereafter.	The JERC (Manipur and Mizoram) constituted in January 2005 and became operational in January 2008. The tariff approved by the Commission on 15 March 2011 became effective from 21 March 2011.
3	State Government to provide full support to the SERC/JERC to enable it to discharge its statutory responsibilities. The tariff orders issued by SERC/JERC will be implemented fully unless stayed or set aside by a court order.	Tariff orders are implemented.
4	State Government to ensure timely payment of subsidies required in pursuance of orders on the tariff determined by the SERC/JERC.	The department has not provided any information as to release of subsidy by Government.
5	State Government to achieve 100 <i>per cent</i> electrification of villages by 2007 subject to adequate funds being provided by the GOI under Pradhan Mantri Gramodaya Yojana or any other relevant scheme.	The State Government was to complete 100 <i>per cent</i> metering and billing of all consumers by March 2003 but only 1,66,709 consumers (out of 1,93,661) were provided with energy meters.
6	State Government to install meters on all 11 KV feeders by 31.12.2004.	Out of 105 numbers of 11 KV outgoing feeders, 91 feeders are provided with energy meters as of September 2010. The present status, though called for, has not yet been received from the Electricity Department.

The updated information, though called for, has not been furnished by the Electricity Department (1/2013).

**PERFORMANCE AUDIT (COMMERCIAL)**

**POWER (ELECTRICITY) DEPARTMENT**

**3.2 Performance Audit on Power Transmission Activities of Electricity Department, Government of Manipur**

**Executive Summary**

**Planning and Development**

The Department had completed construction of only two substations against the plan for construction of five new /augmentation of existing 132/33 KV substations and five transmission lines during 2007-12.

**Project management of Transmission System**

Works of construction/augmentation of 132 KV and 33 KV substations and transmission lines were delayed by 5 to 91 months due to delay in tendering activities, statutory clearances, frequent revisions of scope etc.

The Department procured tower material which did not confirm to the standard norms.

**Performance of Transmission System**

The Department was able to meet only 62.96 per cent of the system peak load during 2007-12 due to non-completion of 132 KV Jiribam-Leimatak line, which was not restored even after ten years of its break- down.

**Grid Management**

None of the substations had Remote Terminal Units/Substation Management Systems for monitoring and recording real time data for efficient Energy Measurement System.

**Disaster Management**

Adequate Disaster Management facilities did not exist for black-start operations.

**Material Management**

The Department did not have any Material Management policy. It had not fixed any standard minimum level or reorder level of material.

**Monitoring and Control**

Internal control mechanism was weak as instances of preparation of bills and drawing cheques in anticipation of delivery of equipment, passing of bills based on printed invoice of another project, in admissible payments etc. were noticed in audit.

**Conclusion**

The Department did not complete the transmission projects planned for execution during the five year plan 2007-12. The projects were not executed as per recommendation of the Task Force. The Department had not drawn its allotted power from NEG. Facilities for Disaster Management were not adequate.

## Introduction

**3.2.1** With a view to supplying reliable and quality power to all by 2012, the Government of India (GoI) prepared the National Electricity Policy (NEP) in February 2005 which recognized the need for adequate and timely investment in the Transmission System, development of a robust and integrated power system through efficient and coordinated action and development of National and State Grid with the coordination of Central/ State Transmission Utilities. Electricity Department, Government of Manipur (the Department) has been mandated to cater to the power requirements of the state including generation, transmission and distribution activities since February 1970.

**3.2.2** Principal Secretary/Commissioner (Power) is the overall in charge of the Department. Chief Engineer (Power) (CE) as Head of the Department looks after the day-to-day operations of the Department. The Department consists of eight circles which are under the control of Chief Engineer/Additional Chief Engineers. Each circle is further divided into Divisions which are controlled by Superintending Engineers. For the operations relating to the transmission of electricity, the CE is assisted by one Superintending Engineer (Transmission) (SE-T) at the Circle level and five Executive Engineers<sup>12</sup> (EE) at the Division level. During 2007-08, 509.62 MUs of energy were transmitted by the Department which increased to 520.52 MUs during 2011-12 *i.e.* an increase of 2.14 *per cent*. As on 31 March 2012, the Department had 406.210 Circuit Kilometer (Ckm) of 132 KV transmission network and nine substations at the same voltage level with installed capacity of 283.8 Mega Volt Ampere (MVA). The income of the Department from sale of power and other sources was ₹ 94.73 crore in 2011-12, which was equal to 0.89 *per cent* of the State Gross Domestic Product<sup>13</sup>. The Department had 3,073 employees as on 31 March 2012.

A Performance Audit on Power Generation and Power Distribution Activities of the Department was included in the Report of the Comptroller and Auditor General of India (Civil), Government of Manipur for the year ended 31 March 2010 and 31 March 2011 respectively. The Committee on Public Undertakings (COPU) had not yet discussed the above stated Reports.

## Scope and Methodology of Audit

**3.2.3** The present Performance Audit conducted during April 2012 to September 2012 covers performance of the Department vis-à-vis transmission of electricity during 2007-08 to 2011-12. Audit examination involved scrutiny of records of different wings at the Head Office and four<sup>14</sup> Divisions under Transmission Circle.

<sup>12</sup> (1) Sub – Station Construction Division – I, (SCD – I) (2) Sub – Station Construction Division – II, (SCD – II) (3) Transmission Construction Division – I, (TCD – I) (4) Transmission Construction Division – II (TCD – II) and (5) Sub -Transmission Division

<sup>13</sup> GSDP of Manipur by Industry of Origin at current prices – advance estimates of ₹ 10,618.52 crore.

<sup>14</sup> SCD – I, SCD – II, TCD – I, TCD – II

Creation/augmentation of transformation capacity by 136 MVA (involving nine Substations) and addition of 103.390 CKM transmission lines (six lines) and 24 ongoing works<sup>15</sup> (10 SS with installed capacity of 125.50 MVA and 14 transmission lines with 409.065 CKM) were examined. 33 KV transmission systems (SS and lines) under the administrative control of Transmission Circle of the Department were also covered as the same was left out of the purview of previous reviews on power sector.

Audit commenced with explanation of the audit objectives and criteria to the Department in presence of the Principal Secretary (Power) during an 'Entry Conference' held on 25 April 2012. This was followed by scrutiny of records at Head Office and four transmission divisions, interaction with the auditee personnel, analysis of data with reference to audit criteria and raising of audit queries. Audit findings were reported to the Department and the State Government in January 2013 and the same was discussed in an 'Exit Conference' held on 04 March 2013. The Exit Conference was attended by the Commissioner (Power), the Chief Engineer (Power) and 14 other Officers of the Department. The views expressed by the Department have been considered while finalising this Performance Audit.

### **Audit Objectives**

**3.2.4** The objectives of the performance audit were to assess whether:

- ❖ Preparation of State electricity plan was in accordance with the guidelines of the NEP, whether baseline studies were conducted and also if the growth in the State's transmission network was as envisaged in the NEP;
- ❖ Transmission system was developed and commissioned in an economical, efficient and effective manner;
- ❖ Operation and maintenance of transmission system was done in economical, efficient and effective manner;
- ❖ Disaster Management System was set up to safeguard operations against unforeseen disruptions;
- ❖ Efficient and effective energy conservation measures were undertaken in line with the NEP and establishment of Energy Audit System;
- ❖ Operations are financially viable and fixing of tariff is prudent;
- ❖ Efficient and effective system of procurement of material and inventory control mechanism existed; and
- ❖ There is a monitoring system in place to review existing/ongoing projects, take corrective measures to overcome deficiencies identified, respond promptly and adequately to Audit/ Internal audit observations.

---

<sup>15</sup> Including 33 KV substations



### **Audit Criteria**

**3.2.5** The audit criteria adopted for assessing the achievement of the audit objectives were derived from the following sources:

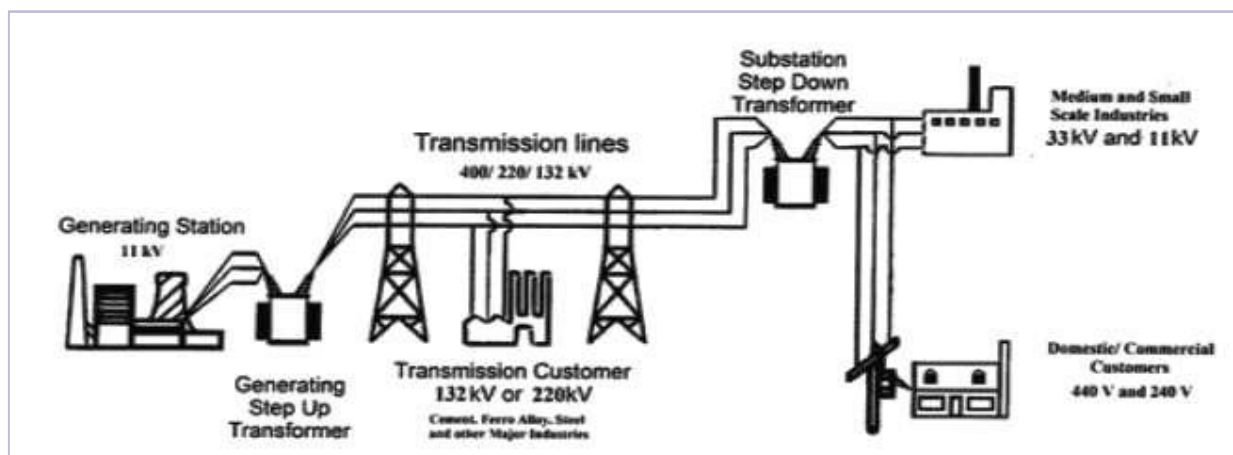
- ❖ Provisions of NEP;
- ❖ Perspective Plan and Project Reports of the Department;
- ❖ Standard procedures for award of contracts with reference to principles of economy, efficiency, effectiveness, equity and ethics;
- ❖ Manual of Transmission Planning Criteria (MTPC);
- ❖ Grid Code consisting of planning, operation, connection codes;
- ❖ Report of the Task force constituted by the Ministry of Power (MoP) to analyse critical elements in transmission project implementation; and
- ❖ Reports of Regional Power Committee (RPC)/ Regional Load Dispatch Centre (RLDC).

### **Brief description of transmission process**

**3.2.6** Transmission of electricity is defined as bulk transfer of power over long distances at high voltages, generally at 132 KV and above. Electric power generated at relatively low voltage in power plants is stepped up to high voltage before it is transmitted to reduce the loss in transmission and to increase efficiency in the Grid. Substations are facilities within the high voltage electric system used for stepping-up/ stepping down voltages from one level to another, connecting electric systems and switching equipment in and out of the system. The step up transmission Substations at the generating stations use transformers to increase the voltages for transmission over long distances.

Transmission lines carry high voltage electric power. The step down transmission Substation thereafter decreases voltages to sub transmission voltage levels for distribution to consumers. The distribution system includes lines, poles, transformers and other equipments needed to deliver electricity at specific voltages.

Electrical energy cannot be stored; hence generation must be matched to need. Therefore, every transmission system requires a sophisticated system of control called Grid management to ensure balancing of power generation closely with demand. A pictorial representation of the transmission process is given below:



### **Audit Findings**

3.2.7 The audit findings are discussed in subsequent paragraphs.

### **Planning and Development**

#### *National Electricity Policy/Plan*

3.2.8 The Central Transmission Utility (CTU) and State Transmission Utilities (STUs) have the key responsibility of network planning and development based on the National Electricity Plan (NEP) in coordination with all concerned agencies. At the end of 10<sup>th</sup> Plan (March 2007), the transmission system in the country at 765/HVDC/400/230/220/KV stood at 1.98 lakh Circuit Kilometres (Ckm) of transmission lines which was planned to be increased to 2.93 lakh Ckm by end of 11<sup>th</sup> Plan i.e. March 2012. The NEP assessed the total inter-regional transmission capacity at the end of 2006-07 as 14,100 MW and further planned to add 23,600 MW in 11<sup>th</sup> Plan bringing the total inter-regional capacity to 37,700 MW

The Department was responsible for making the five year plans in respect of intra state transmission infrastructure in the State as a part of State Electricity Plan (SEP). The Department had prepared Draft Eleventh Five Year Plan (2007-12) which envisaged construction of six new 132 KV substations and five Transmission lines. Against the plan, the Department completed construction/augmentation of two substations and one transmission line. Construction of one new substation and transmission line *viz.* 220/32 KV SS at Imphal and 15 Ckm of 220 KV double circuit (D/C) line was abandoned as the Department had decided (2008) to participate in construction of 400 KV D/C Plattana Bongaigaon trunk transmission network alongwith other North Eastern States. In addition to the aforementioned plan, the Department had undertaken spill-over works relating to six substations and five transmission lines.

Thus, the Department had not been able to complete the projects planned for 2007-12.

Joint Electricity Regulatory Commission (JERC) for the States of Manipur and Mizoram constituted in January 2005 had also not prepared any Electricity Plan for Manipur.

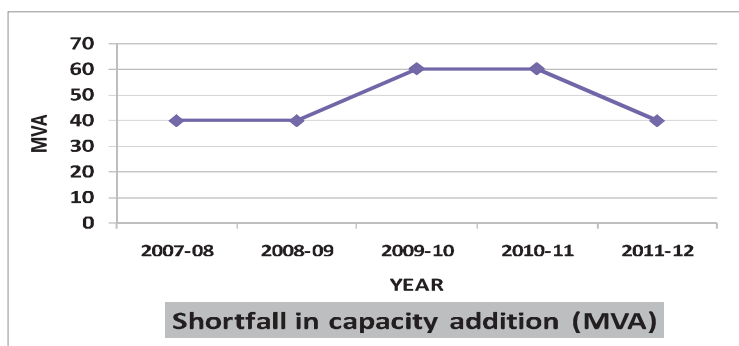
### Transmission network and its growth

**3.2.9** The transmission capacity addition of the Department at 132 KV level during 2007-08 to 2011-12 is given below:

<b>(i). Number of Substation</b>						
SI No	Description	2007-08	2008-09	2009-10	2010-11	2011-12
1	At the beginning of the year	7	7	7	7	8
2	Additions planned for the year	-	-	1	3	2
3	Added during the year	-	-	-	1	1
4	Total Substation at the end of the year (1+3)	7	7	7	8	9
5	Shortfall in additions (2-3)	-	-	1	2	1
<b>(ii). Transformer Capacity (MVA)</b>						
SI No	Description	2007-08	2008-09	2009-10	2010-11	2011-12
1	Capacity at the beginning of the year	191.30	211.30	211.30	211.30	263.80
2	Additions/ augmentation planned for the year	60.00	40.00	60	112.50	60.00
3	Capacity added during the year	20.00	-	-	52.50	20.00
4	Capacity at the end of the year (1+3)	211.30	211.3	211.30	263.80	283.80
5	Shortfall in additions/ augmentation(2-3)	40.00	40.00	60.00	60.00	40.00
<b>(iii). Transmission Lines ( CKM)</b>						
SI No	Description	2007-08	2008-09	2009-10	2010-11	2011-12
1	At the beginning of the year	376.21	376.21	376.21	376.21	383.21
2	Additions planned for the year	-	-	-	7.00	23.00
3	Added during the year	-	-	-	7.00	23.00
4	Total lines at the end of the year (1+3)	376.21	376.21	376.21	383.21	406.21
5	Shortfall in additions (2-3)	-	-	-	-	-

(Source: Departmental records)

During the five year period ending 2011-12, the Department could add 92.50 MVA of transformation capacity (an increase of 48.35 *per cent*); and only 30 Ckm line (an increase of 7.97 *per cent*) during 2010-11. Only two out of six targeted new substation were completed. No addition of substation was planned during 2007-09 while the additions planned for 2009-12 could not be achieved. There was shortfall in targeted addition of transformer capacity during each year covered by the review. During 2007-10, no addition of lines was planned. The shortfall in capacity addition of substations during 2007-12 is shown in the line graph given below:



Abnormal delays in execution and other major factors which resulted in shortfall in capacity addition and slippage in achieving the target by the Department are discussed in the subsequent paragraphs.

### Adequacy of transmission network

**3.2.10** Scrutiny of grid diagram and power map of the State revealed that the transmission network (substations and lines) at 132 KV and 33 KV levels are concentrated in the four valley districts only whereas the surrounding hill districts were underserved. Two hill districts *viz.*, Chandel and Ukhrul districts did not have 132 KV substation till date. Thus, the electricity supplied in the hill districts was of poor quality (low voltage).

The Department admitted (March 2013) Audit contention of poor quality of electricity supply and stated that provision for 33/11 KV substation in blocks which do not have one is incorporated in the RGGVY<sup>16</sup> for better voltage regulation.

### Project management of Transmission System

**3.2.11** A transmission project involves various activities from conceptualisation to commissioning. Major activities in a transmission project are (i) Project formulation, appraisal and approval phase and (ii) Project Execution Phase. For reduction in project implementation period, the Ministry of Power (MoP), Government of India (GoI) constituted a Task Force on transmission projects (February 2005) with a view to:

- ❖ Analyze the critical elements in transmission project implementation;
- ❖ Implementation from the best practices of Central Transmission Utilities (CTUs) and State Transmission Utilities (STUs); and
- ❖ Suggest a model transmission project schedule for 24 months' duration.

The task force suggested and recommended (July 2005) the following remedial actions to accelerate the completion of Transmission systems:

- ❖ Undertake various preparatory activities such as surveys, design and testing, processing for forest and other statutory clearances, tendering activities *etc.* in advance/parallel to project appraisal and approval phase and go ahead with construction activities once Transmission Line Project sanction/approval is received;
- ❖ Break-down the transmission projects into clearly defined packages such that the packages can be procured and implemented with lesser coordination and interfacing and at same time it attracts competition and facilitates cost effective procurement; and
- ❖ Standardize designs of tower fabrication so that 6-12 months can be saved in project execution.

**3.2.12.1 Inordinate delay:** Notwithstanding the elaborate guidelines given by the Task Force Committee for timely completion of the projects and the contract agreements clearly stipulating substations and transmission lines have to be commissioned within 20 months and 33 months respectively from the

---

<sup>16</sup> Rajiv Gandhi Grameen Vidyutikaran Yojana

date of sanctioning of the first installment of Mobilization Advance (MA), the Department failed to execute the substations and lines (including 33/11 KV substations & transmission lines) within the stipulated time-frame during 2007-12 as detailed in **Appendix-3.4**.

Capacity in KV	Total No. at various stages of construction		No. test checked by Audit		Delay in construction		Time overrun (range in months)		Cost overrun (₹ in crore)	
	Subst ation	Lines	Subst ation	Lines	Substati on	Lines	Substa tion	Lines	Subst ation	Lines
132	11	10	8	10	8	7	5 – 91	1 - 53	18.73	14.84
33	33	24	11	10	9	7	12 - 58	8 - 58	0	11.63
Total	44	34	19	20	17	14	5 – 91	1 - 58	18.73	26.47
(Source: Departmental record)			(Source: Appendix 3.4)							

It was observed that:

- In 27 projects for construction of 132/33 and 33/11 KV substation/transmission line, the Department took 6 to 34 months to award projects after Notice Inviting Tender (NIT) was issued.
- In 10 cases, the contractor took between 9 to 23 months to start supply of equipments inspite of having received 17 - 55 *per cent* of the cost of equipments required for the project as mobilisation advance.
- In respect of 13 projects, erection of equipment worth ₹ 75.65 crore had not yet started and the same was lying idle for a period ranging between 27 months and 72 months (**Appendix-3.5**). In particular equipment worth ₹ 8.28 crore meant for 2x1MVA, 33/11KV substation at Thanlon and its associated line procured in September 2006 was still lying outdoors (given in pictures) at Yurembam and Lamphelpat and was yet to reach the work site (August 2012).



The delay had not only resulted in blocking of huge amount but also put these costly equipment at risk of being damaged/stolen before being put to use.

The Department attributed (March 2013) the delay in award of work to completion of codal formalities and long process of approval by the Tender



Committee. Execution was delayed mainly due to change of scope and design parameters to suit site condition, long process of approval of drawings and technical specifications coupled with adverse law and order problem which impacted the execution of work by the field staff of the contracting agency. The Department also stated that frequent bandhs and economic blockade and change in design of the equipment in some cases affected the delivery schedules.

The reply of the Department was not convincing as most of the reasons cited were controllable and the Department was aware of these constraints and, therefore, should have factored in these constraints at the planning stage itself.

**3.2.12.2 Revision of scope:** The contract agreements stipulated that the Department may vary the tentative quantities of each item in the order by plus/minus 10 *per cent* of the rates given in the price schedules and within three months from the date of receipt of the work order. It was noticed that in 13 projects, the revision took place after a period ranging between 22 months and 84 months from the stipulated date of completion as per the contract (**Appendix-3.4**). Revision after such huge gaps of time, indicated that the project(s) design and planning was not based on actual pre-project surveys, as envisaged in the Task Force recommendations.

The Department stated (March 2013) that generally projects were revised to suit the change of scope that arises due to specific site condition and other technical reasons.

The reply of the Department was not tenable as the frequent revisions indicated that the pre-project activities like survey and drawings were not conducted properly. Survey Reports, approved drawings working files were, however, not produced to audit.

**3.2.12.3 Statutory clearances:** The Department had not received clearances from the Forest Department in respect of 132 KV transmission line from Yurembam to Yaingangpokpi even after 18 months (till March 2013) of stipulated date of completion of the project. Forest clearances in respect of 132 KV S/S transmission line from Yaingangpokpi to Hundung and Kakching to Chandel were also pending even after a delay of four months and eight months respectively from the stipulated date of completion. Had the Department taken up work regarding forest clearances in advance or parallel to the project appraisals the delays could have been avoided.

The Department stated (March 2013) that the views of Audit were noted.

#### **3.2.12.4 Procurement of sub-standard tower material**

Towers utilized in the transmission lines should be of standard design and within prescribed norms to withstand adverse climatic conditions, for safety of the transmission network and to ensure continued power supply. The Department furnished (October 2012) the minimum norms of weight for each type of tower.



Test check of records revealed that the material for the towers worth ₹ 15.37 crore purchased by the Department for four transmission projects was not as per the above norms of the Department. On being pointed out, the Department submitted (March 2013) the revised norms for weight of material for towers. However, it was observed that the material for tower worth ₹ 4.45 crore (**Appendix-3.6**) was even below the revised minimum weight norms furnished by the Department. Since, the norms for weight of towers have been stipulated for safety of the transmission system, procuring of tower material below the norms of the Department was not justified.

Thus, the Department had ignored its own prescribed norms which may have an impact on the safety of the transmission system.

The Department stated (March 2013) that minimum weight fixed for each type of 132 KV towers submitted in October 2012 was wrong.

The reply of the Department was not acceptable as the Department had procured materials for tower even below the revised norms. Procurement of material for tower, below the standards fixed by the Department had an impact on the safety of the transmission system. Moreover, the Department had not provided consistent data regarding minimum weight standards for the towers. It is worthwhile to mention here that three towers on the 132 KV Ningthoukhong-Churachandpur line were reported to have fallen on 25 March 2013.

#### **3.2.12.5 Lack of coordination and synchronization**

The execution of substation component and associated transmission line(s) in a new transmission system needs to be coordinated and their commissioning synchronized. In the following instances, the lack of coordination and synchronization of the transmission system were noticed:

- (i). The Department has not yet (March 2013) planned for second circuit between the 132/33 KV substations at Kakching and Churachandpur inspite of the fact that installation of new line bay equipments which started in August 2008 was nearing completion. Thus, installation of line bay equipments would not serve any fruitful purpose without stringing the second circuit between two substations.
- (ii). Work on the second transmission circuit on 132 KV transmission circuit between 132/33 substation at Ningthoukhong and Churachandpur was completed in August 2009, whereas installation of the corresponding line bay equipment was pending till date (March 2013).

The Department stated (March 2013) that the time lag in taking up complementing/corresponding components of projects was due to paucity of fund and other technical reasons and further added that the project at (i) is being taken up in 2013 -14 under World Bank funding while the project at (ii) is expected to be completed within a few months. Further progress on the projects is yet to be intimated (March 2013).

**Miscellaneous observations relating to Contract Management of Projects**

**3.2.12.6 Payment of inadmissible amount:** Test check of records of the Department revealed that:

i) In two works for construction of 33 KV line for 2x1MVA, 33/11KV SS at Thingkeu and 132/33 KV sub-station at Rengpang, the Department had paid ₹ 16.81 crore against an admissible amount of ₹ 16.60 crore resulting in excess payment to the tune of ₹ 20.50 lakh.. The Department stated (March 2013) that recovery will be made in the next payment.

ii) The Department procured (upto September 2009) 25 KM of Aluminium Conductor Steel Reinforced (ACSR) (Panther) conductors at a cost of ₹ 40.31 lakh for 132 KV Loop In Loop Out at Rengpang. However, in March 2010, the contractor was again paid an additional ₹ 19.69 lakh for which no additional material was received resulting in excess expenditure to that extent as given in the table below:

SI No	RA No	Qty (Km)	Rate(₹)	Amount (₹)	Date of measurement	Date of payment
1	I	9.78	1,15,000	11,24,700	08-07-04	26-08-04
2	II	5.97	1,15,000	6,86,550	14-12-04	14-12-04
3	XVI	9.25	2,40,000	22,20,000	18-09-09	07-10-09
<b>Sub Total</b>		<b>25.00</b>		<b>40,31,250</b>		
4	XVIII	-	-	19,68,750	26-03-10	26-03-10
<b>Total</b>		<b>25.00</b>		<b>60,00,000</b>		

(Source: Department records)

The Department stated (March 2013) that action for recovery of the excess payment was being taken up.

**3.2.12.7 Undue benefit to contractors on Mobilization Advance (MA):**

As per CPWD Works Manual<sup>17</sup>, MA limited to 10 *per cent* of tendered amount at 10 per cent simple interest can be sanctioned to contractors against a Bank Guarantee of a Scheduled Bank for the full amount of advance in respect of certain specialized and capital intensive works costing not less than ₹ 2 crore. It was seen in audit that the Department granted interest free MA equal to 25 *per cent* of tendered value (without taxes) of work with the condition that interest at the rate of 12 *per cent* will be charged if work was not completed within scheduled time.

During the period 2002-03 to 2009-10, the Department had paid ₹ 45.43 crore, as MA to various contractors for 32 projects, against an admissible MA of ₹ 19.79 crore. This had resulted in excess payment of ₹ 25.64 crore. Moreover, the Department had recovered only ₹ 39.27 crore till date (August 2012) leaving an outstanding balance of ₹ 6.16 crore with the contractors. Though the projects had time over run of a period ranging between 4 to 91 months, interest of about ₹ 9.87 crore that had accrued was not recovered from the contractors. The Department stated (March 2013) that interest accrued on

<sup>17</sup> Section 31.6 (in WM 2003), 31.5 (in WM 2007) and 32.5 (in WM 2012)

MA as pointed out by audit would be recovered in the subsequent bills.

### 3.2.12.8 Excess payment of Freight and Insurance (F&I)

As per contract agreements, all the material shall be transported by road duly insured upto destination on freight paid basis. For the material dispatched uninsured, insurance charges at the rate of one *per cent* of the value of materials shall be deducted by the Department from the contractor's bill.

The Department's norms for freight was 5 (five) *per cent* of cost while the maximum premium for transit insurance for electrical equipment of the nature required in the various projects was of the order of 0.55 *per cent*. Transit insurance premium was based on the contractor's cost (being the declared value) which is of the order of 66 *per cent* of the contract price.

Test check of contracts of projects (132/33/11 KV) revealed that the contractors had not insured material worth ₹ 184.90 crore. Despite this, the Department had not recovered ₹ 1.85 crore as premium for transit insurance from the contractors bills which had resulted in excess payment of ₹ 1.85 crore to the contractors.

It was also observed that in eight projects, the Department had paid between 11.11 to 18.72 *per cent* of the cost of material towards F&I as against permissible F&I norms of 5.55 *per cent*<sup>18</sup> of the contractor's cost. Till September 2012, the Department had paid ₹ 6.30 crore towards F&I as against admissible amount of ₹ 1.52 crore<sup>19</sup> resulting in excess payment of ₹ 4.78 crore.

Thus, the Department incurred excess expenditure of ₹ 6.63 crore due to its failure to enforce contract provision and allowing rates higher than what are admissible.

The Department stated (March 2013) that reconciliation process has been initiated with the concerned turnkey firms and proper action will be taken as per relevant clause of the contract agreement.

### Performance of Transmission System

**3.2.13** The performance of the Department mainly depends on efficient maintenance of its EHT transmission network for supply of quality power with minimum interruptions. In the course of operation of sub-stations and lines, the supply-demand profile within the constituent sub-systems is identified and system improvement schemes are undertaken to reduce line losses and ensure reliability of power by improving voltage profile. These schemes are for augmentation of existing transformer capacity, installation of additional transformers, laying of additional lines and installation of capacitor banks. The performance of the Department with regard to Operation and Management (O&M) of the system is discussed in the succeeding paragraphs.

<sup>18</sup> Five *per cent* for freight and 0.55 *per cent* for transit insurance

<sup>19</sup> Calculated on 66 *per cent* of the contract price

### Transmission Capacity

**3.2.13.1** In order to evacuate the power from the Generating Stations and to meet the load growth in different areas of the State, the Department constructs lines and substations at different EHT voltages. A transformer converts AC voltage and current to a different voltage and current at a high efficiency. The voltage levels can be stepped up or down to obtain an increase or decrease of AC voltage with minimum loss in the process. The evacuation is normally done at 132 KV substations.

The transmission capacity (at 132 KV level) created vis-à-vis the transmitted capacity (peak demand met) at the end of each year by the Department during the five years ending March 2012 was as follows:

Transmission Capacity (in MVA)						
Year	Installed Capacity	After leaving 30 per cent towards margin	Unrestricted system peak load	Excess(+)/ Shortage(-) (3-4)	Peak demand met	(6) as % of (4)
1	2	3	4	5	6	7
2007-08	211.30	147.91	123.25	(+) 24.66	82.45	66.90%
2008-09	211.30	147.91	133.45	(+) 14.46	80.75	60.51%
2009-10	211.30	147.91	144.50	(+) 3.41	84.15	58.24%
2010-11	263.80	184.66	156.40	(+) 28.26	97.75	62.50%
2011-12	283.80	198.66	145.35	(+) 53.31	96.90	66.67%
			<b>Average</b>	<b>(+) 24.82</b>		<b>62.96%</b>

(Source: Department and NERLDC records)

From the above table, it can be seen that the overall transmission capacity was in excess of the unrestricted<sup>20</sup> system peak load, after excluding 30 per cent towards redundancy, during the period 2007-12. The transmission capacity as on March 2012 was in excess of 53.31 MVA vis-à-vis unrestricted system peak load.

In spite of the excess capacity, the Department was able to meet only around 62.96 per cent of the system peak load. The Department admitted (August 2012) that except for a few important installations, power supply was restricted to 3-5 hours during day time and 5 hours on alternate nights throughout the State, attributing this to huge gap between demand and supply.

**3.2.13.2 Idle transmission lines:** During 2007-12, the State's allocated share of power from the North Eastern Grid (NEG) was drawn from two transmission lines<sup>21</sup> only. Thus, the quantum of power that could be supplied in the State depended on the carrying capacity of transmission lines. However, during scrutiny of records, it was noticed that the Department had not drawn power through two transmission lines viz., (i) 132 KV Kohima-Karong interstate line which was kept idle and (ii) 132 KV Jiribam-Leimatak (State)

<sup>20</sup> System peak load when there is no load shedding

<sup>21</sup> (i) Dimapur – Imphal (PGCIL) 132 KV line and (ii) Leimatak – Ningthoukhong 132 KV line

line which was not restored even after 10 years of its break down (September 2002). Had these two lines been functioning and optimally utilized, the State would have been power surplus each year during 2007-12 as shown in the table below:

<i>(All quantities in MVA)</i>			Additional demand after leaving 30 per cent towards redundancy that can be met through		Total demand that could be met 3+4+5	Surplus 6 - 2
Year	Unrestricted system peak load	Peak demand already met	Kohima - Karong 132 KV line	Jiribam - Leimatak 132 KV State line		
1	2	3	4	5	6	7
2007-08	123.25	82.45	29.75	29.75	141.95	18.70
2008-09	133.45	80.75	29.75	29.75	140.25	6.80
2009-10	144.50	84.15	29.75	29.75	143.65	(-) 0.85
2010-11	156.40	97.75	29.75	29.75	157.75	0.85
2011-12	145.35	96.90	29.75	29.75	156.40	11.05

(Source: Department records)

The Department's lack of efforts to revive the 82 CKM 132 KV Jiribam – Leimatak (State) line was also obvious from the fact that estimates for restoration work was prepared in July 2006 i.e four years after the line broke down. Actual restringing work commenced in October 2008 after a further delay of over two years. Out of the 43 Ckm that was required to be restrung, the Department was able to complete only 14.56 Ckm till date of audit at an expenditure of ₹ 5.25 crore (against initial estimate of ₹ 1.71 crore).

The Department replied (March 2013) that restringing work on Jiribam – Leimatak 132 KV line is likely to be completed soon and the same can be used for drawing power from Pallatana Power Plant at Tripura (PPPT). It also stated that due to technical reasons, Kohima – Karong 132 KV line can only be used for restricted drawal in case of failure of 132KV S/C Dimapur – Kohima line.

### *Sub-stations*

#### *Adequacy of Sub-stations*

**3.2.14** Manual on Transmission Planning Criteria (MTPC) stipulates that 150 MVA is the permissible maximum capacity for 132 KV Substation and that every SS of capacity 132KV and above should have at least two transformers. It was observed that out of nine 132 KV substations in the State, three<sup>22</sup> substations had only one transformer. Therefore, in the event of outage of transformer in these substations, the area served would be deprived. In five substations, outage of a transformer would affect 50 per cent of the load while in one substation; outage of a transformer would affect 33.33 per cent of the load, assuming<sup>23</sup> that the connected load is shared equally amongst the transformers in the substation. Thus, the Department was unable to fulfill the Transmission Planning and Security Standards requirement that the size and number of transformers in a substation shall be planned in such a way that in the event of outage of any single transformer the remaining transformer(s) could still supply 80 per cent of the load.

<sup>22</sup> Rengpang (1X12.15 MVA), Jiribam (1X20 MVA) and Jiribam (PGCIL) (1X6.3 MVA)

<sup>23</sup> Details of connected load for each substation was not furnished.

The Department stated (March 2013) that the 132 KV Substation at Rengpang and Jiribam are being upgraded with the installation of one additional transformer of same capacity. No timeframe was, however, given.

### *Voltage Management*

**3.2.15** The licensees using intra-state transmission system should make all possible efforts to ensure that grid voltage always remain within limits. As per Indian Electricity Grid Code (IEGC) STUs should maintain voltage range between 119-145 KV in 132 KV line. A study of the monthly maximum/minimum bus voltage of six 132/33 substations<sup>24</sup> during the period from 2007 – 12 revealed that the voltages recorded ranged between 113 KV and 140 KV. It was observed that during 2007-12, the minimum bus voltage had fallen below the IEGC norms in all the substations. Thus, the department was not able to maintain bus voltage consistent with the IEGC norms, which in turn had an impact on the quality of power supplied.

The Department admitted the Audit observation and stated that (March 2013) due to long Interstate Transmission line voltage at 132 KV substations drops at high load and with the installation of one reactor at 132 KV PGCIL switching substation at Yurembam, voltage profile will improve considerably.

### *Transmission Lines*

#### *Extra High Tension (EHT) lines*

**3.2.16** As per MTPC permissible line loading cannot normally be more than the Thermal Loading Limit (TLL). The TLL limits the temperature attained by the energized conductors and restricts sag and loss of tensile strength of the lines. The TLL limits the maximum power flow of the lines. As per MTPC the TLL of 132 KV line with ACSR<sup>25</sup> Panther 210 sq. mm. conductor was 366 amperes.

Scrutiny of data relating to monthly maximum/minimum line loadings of six 132 KV feeders data during 2007 – 12 revealed that in all the six feeders, the minimum loading had dipped to 2 amperes or lower while the maximum loading never exceeded 250 amperes.

Reason for abysmally low loading of lines was not on record. The range of minimum loading however indicated that during 2007–12, the lines were either kept idle or charged at minimal load.

The Department stated (March 2013) that minimal loadings were for the time of the day when drawal of load was restricted due to either load shedding or on technical ground. It also stated that Yurembam – Loktak I line was to be kept open from November to March as a part of “Special Protection Scheme” of NERLDC.

---

<sup>24</sup> Located at Yurembam, Ningthoukhong, Churachandpur, Karong, Kakching and Yaingangpokpi

<sup>25</sup> Aluminium Conductor Steel Reinforced



### *Bus Bar Protection Panel (BBPP)*

**3.2.17** Bus bar is used as an application for interconnection of the incoming and outgoing transmission lines and transformers at an electrical substation. BBPP limits the impact of the bus bar faults on the entire power network which prevents unnecessary tripping and facilitates selective tripping of only those breakers necessary to clear the bus bar fault. As per Grid norms and Best Practices in Transmission System, BBPP is to be kept in service for all 220 KV substations to maintain system stability during Grid disturbances and to provide faster clearance of faults on 220 KV buses. The Department did not have any 220 KV substation.

### *Maintenance*

#### *Working of hot lines division/sub divisions*

**3.2.18** Regular and periodic maintenance of transmission system is of utmost importance for its un-interrupted operation. Apart from scheduled patrolling of lines, the following techniques are prescribed in the Report of the Committee for updating the Best practices of Transmission in the country for maintenance of lines:

- ❖ Hot Line Maintenance;
- ❖ Hot Line Washing;
- ❖ Hot line Puncture Detection of Insulators;
- ❖ Preventive Maintenance by using portable earthing hot line tools;
- ❖ Vibration Measurement of the line;
- ❖ Thermo-scanning; and
- ❖ Pollution Measurement of the equipment.

The hot line technique (HLT) envisages attending to maintenance works like hot spots, tightening of nut and bolts, damages to the conductor, replacement of insulators *etc.* of Substation and lines without switching off. This includes thermo-scanning of all the lines and Substation towards preventive maintenance. HLT was introduced in India in 1958.

The Department stated (August 2012) that thermo scanning facility was not available. In TCD-I and TCD-II the HLT maintenance was not relevant/not applicable, SCD – II had conducted one HLT maintenance of 132 KV SF6 circuit breakers at different substations each year and in SCD-I a team was stationed at 132/33 KV substation at Yurembam for emergency maintenance works. The Department stated that there was no specific maintenance team or facilities for HTL technique.

### *Transmission Losses*

**3.2.19** While energy is carried from the generating station to the consumers through the Transmission & Distribution (T&D) network, some energy is lost which is termed as T&D loss. Transmission loss is the difference between energy received from the generating station/Grid and energy sent to

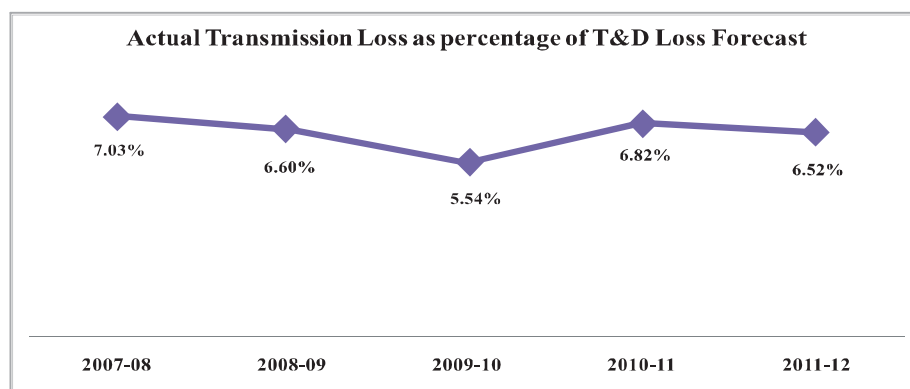
Distribution Companies (DISCOMs). The details of transmission losses from 2007-08 to 2011-12 are given below:

Particulars	Unit	Year					Total
		2007-08	2008-09	2009-10	2010-11	2011-12	
Power received for transmission	MUs	509.62	511.54	464.02	527.40	520.52	2,533.10
Net power transmitted	MUs	487.12	490.22	446.17	505.72	499.27	2,428.50
Actual Transmission loss	MUs	22.50	21.32	17.85	21.68	21.25	104.60
	percentage	4.4	4.2	3.8	4.1	4.1	
Target Transmission loss as per the CEA norm	percentage	3.5	3.5	3.5	3.5	3.5	
Target Transmission loss as per Joint Electricity Regulatory Commission (JERC) norms	percentage	3.5	3.5	3.5	3.5	3.5	
Transmission loss in excess of JERC norm (Valued at realization per unit)	MUs	4.66	3.42	1.61	3.22	3.03	15.94
	Rate per unit in ₹	1.97	2.47	2.31	2.66	2.9	
	Amount ₹ in lakh	91.80	84.47	37.19	85.68	87.87	387.01

(Source: Departmental records)

It can be seen from the above that the transmission losses fluctuated between 17.85 MUs to 22.50 MUs during the review period and exceeded the CEA and the JERC norm of 3.5 *per cent* in all the years. The value of transmission loss suffered by the Department in excess of the norm fixed by the JERC for the period 2007-08 to 2011-12 was 15.94 MU, valued at ₹ 3.87 crore.

Comparison of actual transmission loss as percentage of T & D loss forecast in the Report of the 17<sup>th</sup> Electric Power Survey report is shown in the chart below. Actual transmission loss had shown improving trend as compared to forecast in the first three years but deteriorated in the next two years.



## **Grid Management**

### **Maintenance of Grid and performance of SLDC**

**3.2.20** Transmission and Grid Management are essential functions for smooth evacuation of power from generating stations to the DISCOMs/consumers. Grid Management ensures moment-to-moment power balance in the interconnected power system to take care of reliability, security, economy and efficiency of the power system. Grid management in India is carried out in accordance with the standards/directions given in the Grid Code issued by

CEA. National Grid consists of five regions viz., Northern, Eastern, Western, North Eastern and Southern Grids, each of these having a Regional Load Dispatch Centre (RLDC), an apex body to ensure integrated operation of the power system in the concerned region.

In Manipur there was no full-fledged SLDC. The functions of SLDC were operated in the form of Remote Console - SLDC under the supervision of Superintending Engineer, Transmission Circle (SE-TC). This Remote Console-SLDC works under the purview of North Eastern Regional Load Dispatch Centre at Shillong (NERLDC). During audit, it was seen that certain designated officers of the Department monitored the online real-time grid frequency and drawal by the State (from the north eastern grid) and gave command for loading or shutting down feeders over the phone as and when required. The Department would act according to the loading/shutdown directions given by NERLDC. Thus in the absence of a full-fledged SLDC, acquisition of data from the State Grid and supervisory control of 33 KV and 132 KV equipments was functioning in an adhoc manner.

The Department also stated that since no private licensees are involved in generation, intra-state transmission & distribution of power in the State, JERC had not specified any levies, fees and charges to be collected by SLDC.

#### *Infrastructure for Load Monitoring*

**3.2.21** Remote Terminal Units/Sub-station Management Systems (RTUs/SMSs) are essential for monitoring the efficiency of the transmission system and the loads during emergency in load dispatch centres as per the Grid norms for all Substation. It was observed that that there was no RTUs in any of the substations. Thus the Department could not monitor and record the real time data for efficient Energy Management System. Further, since the SLDC was not functioning, there was no provision for data storing or back up facilities.

The Department stated (March 2013) that the facilities are envisaged in the proposed SLDC scheme.

#### *Grid Discipline by Frequency Management*

**3.2.22** As per Grid Code, the transmission utilities are required to maintain Grid discipline for efficient functioning of the grid. All the constituent members of the Grid are expected to maintain a system frequency between 49 and 50.5 Hertz (Hz). Due to various reasons such as shortages in generating capacities, high demand, grid indiscipline in maintaining load generation balance, inadequate load monitoring and management, Grid frequency may go below or above the permitted frequency levels. To enforce the grid discipline, the SLDC issues three types of violation messages (A, B, C). Message A is issued when the frequency is less than 49.2 Hz and over-drawal is more than 50 MW or 10 *per cent* of schedule whichever is less. Violation B message is issued when frequency is less than 49.2 Hz and over-drawal is between 50 and 200 MWs for more than ten minutes or 200 MW for more than five minutes. Message C (serious nature) is issued 15 minutes after the issue of message B when frequency continues to be less than 49.2 Hz and over drawal is more than 100 MW or ten *per cent* of the schedule whichever is less.

The Department stated (July 2012) that there was no violation of Grid Discipline.

### *Grid Discipline*

**3.2.23** For maintenance of Grid discipline the Central Electricity Regulatory Commission (CERC) takes up *suo-motu* petition on over drawal of power from the Grid at a lower frequency thus putting the Grid to the risk. No instance of violation of grid discipline was observed during 2007-12.

### *Backing Down Instructions (BDI)*

**3.2.24** When the frequency exceeds the ideal limits *i.e.* in a situation where generation is more and drawal is less (at a frequency above 50 Hz) SLDC takes action by issuing Backing Down Instructions (BDI) to the Generators to reduce the generation for ensuring integrated Grid operations and for achieving maximum economy and efficiency in the operation of the power system in the State. Failure of the generators to follow the SLDC instructions would constitute violation of the Grid code and would entail levy of penalties.

The Department stated (March 2012) that BDI was not applicable for Manipur.

### *Planning for Power Procurement*

**3.2.25** NERLDC makes allocation of power to the state based on the scheduled generation of the generating stations connected to the North Eastern Grid (NEG). There was nothing on record to indicate that the Department had drawn long term supply plan or made any assessment of its day to day power requirement. The Department sold power through the UI route by under drawing its allocation from the NEG. The details of total requirement of power in the State, total power supplied and shortage of power for the five years 2007-08 to 2011-12 are given below:

(Figures in MUs)

Sl.No.	Details	2007-08	2008-09	2009-10	2010-11	2011-12
1	Total energy requirement forecast	641.00	702.00	766.00	838.00	932.00
2	Total energy supplied	487.85	487.29	446.17	506.83	496.90
3	Power short supplied	153.15	214.71	319.83	331.17	435.10
4	Percentage of shortage	23.89	30.59	41.75	39.52	46.68

(Source: Energy requirement are as per forecast of 17<sup>th</sup> Electric Power Survey of CEA. Energy supplied is as furnished by the Department)

It can be seen from the above that during the period 2007-12, the gap between energy required and energy supplied had increased from 23.89 *per cent* in 2007-08 to 46.68 *per cent* by 2011-12.

The gap in demand supply position also leads to variation between actual generation or actual drawal and scheduled generation or scheduled drawal which is accounted through Unscheduled Interchange (UI) charges, worked out by SLDC for each 15 minutes time block. UI charges are levied for the supply and consumption of energy in variation from the pre-committed daily schedule. This charge varies inversely with the system frequency prevailing at the time of supply/consumption. The levying of UI charges acts as a

commercial deterrent to curb over draws from Central Generating Stations (CGS) during low frequency conditions.

It was observed that during 2007-12, the Department had under drawn power allocated to the State from the NEG on account of which the net UI receivable was ₹ 160.77 crore as detailed below:

(Figures in ₹ crore)

Year	UI Payable	Additional UI Payable	UI Receivable	Net UI Receivable
	(a)	(b)	(c)	(c) - (a + b)
2007-08	3.043		45.279	42.236
2008-09	5.626		65.604	59.978
2009-10	9.03	0.623	29.628	19.975
2010-11	5.651	0.416	27.391	21.324
2011-12	8.781	0.917	26.956	17.258
<b>Total</b>	<b>32.131</b>	<b>1.956</b>	<b>194.858</b>	<b>160.771</b>

(Source: NERLDC Annual Reports)

It is clear from the above that inspite of increasing trend of shortage of power supplied; also indicated by the heavy load shedding in the state, the Department resorted to under drawal of its power allocations.

The Department stated (March 2013) that apart from drawal of power in excess of scheduled allocation through UI, purchase of power from registered trading company during lean hydro period is being considered to mitigate the demand and supply gap. In the short term, additional power from Thermal Power Plants located at Pallatana (42 MW by June 2013) and Bongaigaon (40 MW during 2013-14) were expected. The Department further stated that in the long term, 66 MW from Loktak Down Hydro Electric Project, 300 MW from Tipaimukh Multipurpose Power Projects and Subansiri Project at Kameng in Arunachal Pradesh were also expected.

## Disaster Management

**3.2.26** Disaster Management (DM) aims at mitigating the impact of a major break-down on the system and restoring it in the shortest possible time. As per the Best Practices, DM should be set up by all power utilities for immediate restoration of transmission system in the event of a major failure. It is carried out by deploying Emergency Restoration System, DG sets, vehicles, fire fighting equipments, skilled and specialized manpower.

Disaster Management Centre, National Load Dispatch Centre, New Delhi will act as a Central Control Room in case of disasters. The four divisions reported that they have not conducted any mock drill as a part of DM programme for starting up generating stations during black start<sup>26</sup> operations.

The DM programme/system of the Department consisted of 28 items of General Instructions, 10 items of DOs and 17 items of DON'Ts as mentioned in the Safety Manual of CEA.

<sup>26</sup> The procedure necessary to recover from partial or a total black out.

### ***Inadequate facilities for DM***

**3.2.27** The Department stated (July 2012 & March 2013) that for black start operations in 6x6 MW Heavy Fuel Base Power project at Leimakhong, one 150 KVA DG set was provided.

Diesel generating (DG) sets and synchrosopes<sup>27</sup> form part of DM facilities at EHT Substation connecting major generating stations. The Department stated (August 2012) that five 132/33 KV substations had synchrosopes but no DG sets.

Apart from deployment of security personnel in one EHT substation, there was no DM facility. The EHT substations were left vulnerable and the only power plant with black start facility would be able to meet only a small fraction of the demand in the State in the event of a black out. Thus there was an urgent need for the Department to create adequate DM facility at the EHT substations.

The Department stated (March 2013) that views of audit were noted for suitable action.

### **Energy Accounting and Audit**

**3.2.28** Energy accounting and audit is necessary to assess and reduce the transmission losses. The transmission losses are calculated from the Meter Reading Instrument (MRI) readings obtained from Generation to Transmission (GT) and Transmission to Distribution (TD) Boundary metering points. It was noticed that as on 31 March 2012 there were 57 interfaces Boundary metering points between TD out of which digital class meters were provided only at 47 TD points.

The Department stated (March 2013) that proper energy auditing and accounting in all feeders/ Distribution Terminals through high accuracy class electronics meters was being considered. Efforts were on to provide prepayment meters to all consumers in the State by 2014.

### **Tariff Fixation**

**3.2.29** The financial viability of the Department depends upon generation of surplus (including fair returns) from the operations to finance their operating needs and future capital expansion programmes by adopting prudent financial practices.

The Department stated (July 2012) that transmission tariff was not yet filed as no private licensees were involved.

### **Material Management**

**3.2.30** The key functions in material management are laying down inventory control policy, procurement of materials and disposal of obsolete inventory. In reply to audit's query on procurement policy and inventory control mechanism

---

<sup>27</sup> In an AC electrical power system, it is a device that indicates the degree to which two system generators or power networks are synchronised with each other.



for economical procurement and efficient control over inventory, the Department stated (July & August 2012) that spares and tools and plants (T & P) are generally supplied at the time of construction of projects which are awarded on turnkey basis and regular purchases were not made due to paucity of non-plan fund. Immediate requirement of spares were met from the plan works, which were recouped as and when imprest money was sanctioned. This indicated that the Department did not have a material management policy.

The Department accepted the Audit observation and stated (March 2013) that spares required were included in the upcoming Renovation & Modernization of most of old substations.

From the above it was clear that the Department had not fixed any standard minimum level or reorder level of their material requirement.

The Department did not offer comments (March 2013).

### **Monitoring and Control**

**3.2.31** The performance of the EHT substations and lines of on various parameters like Maximum and Minimum voltage levels, breakdowns, voltage profiles should be recorded /maintained as per the Grid code standards.

The Department did not produce relevant record for year-wise cumulative performance of the substations and annual evaluation thereof. The Department was yet to compile monthly MIS reports indicating the performance of the units as well as equipments installed.

### **Internal Controls and Internal Audit**

**3.2.32** Internal control is a process designed for providing reasonable assurance for efficiency of operations, reliability of financial reporting and compliance with applicable laws and statutes to ensure proper functioning as well as effectiveness of the internal control system and detection of errors and frauds.

Internal test check of accounts in the Department was limited to scrutinizing monthly accounts of the divisions by Financial Advisor of the Department who in turn briefs the CE from time to time.

Instances of lapses in internal control like not recording date of measurement/verification in respective MBs; preparation of bills and drawing cheques in anticipation of delivery of equipment, passing of bills based on printed invoice of another project; not maintaining transport documents, excess payment of advances and non-recovery thereof, inadmissible payments *etc.* were noticed during audit. All these were instances of weak internal control mechanism in the Department.

### *Audit Committee*

**3.2.33** The Department had not constituted the Audit Committee.

### *Conclusion*

**3.2.34** Based on evidences gathered, Audit concludes that the Department did not implement its five year plans. The projects were not managed in an efficient, effective and economical manner which resulted in huge wastage of time and resources. The Department had under-drawn power allotted to it from NEG inspite of the frequent load shedding in the State. Disaster Management/Monitoring and Internal controls were not adequate.

### *Recommendations*

**3.2.35** The Department may:

- Adhere to the properly laid five year plans and ensure achievement of the targeted goals within the time frame.
- Take up urgent measures to overcome the demand supply gap and idling of transmission lines with a view to insulating the consumers from acute power shortages in the State.
- Increase the capacity of 132 KV and 33 KV networks in the State so that quality power may be available irrespective of location.
- Strengthen the internal control mechanism.
- Draw up a comprehensive disaster management system and conduct mock drills at regular intervals.

## CHAPTER-IV REVENUE SECTOR

### 4.1 Trend of revenue receipts

**4.1.1** The tax and non-tax revenue raised by the Government of Manipur during the year 2011-12, the State's share of net proceeds of Union taxes and duties assigned to States and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned below:

(₹ in crore)

		2007-08	2008-09	2009-10	2010-11	2011-12
I.	<b>Revenue raised by the State Government</b>					
	• Tax revenue	147.45	170.06	196.04	267.05	368.07
	• Non-tax revenue	164.71	253.46	239.74	259.88	311.53
	<b>Total:</b>	<b>312.16</b>	<b>423.52</b>	<b>435.78</b>	<b>526.93</b>	<b>679.60</b>
II.	<b>Receipts from the Government of India</b>					
	• State's share of net proceeds of divisible Union taxes	550.40	580.81	597.56	990.57	1154.03 <sup>1</sup>
	• Grants-in-aid	2,645.71	2868.28	2839.79	3912.44	3819.92
	<b>Total:</b>	<b>3,196.11</b>	<b>3449.09</b>	<b>3437.35</b>	<b>4903.01</b>	<b>4973.95</b>
III.	<b>Total receipts of State Government (I+II)</b>	<b>3,508.27</b>	<b>3872.61</b>	<b>3873.13</b>	<b>5429.94</b>	<b>5653.55</b>
IV.	<b>Percentage of I to III</b>	<b>9</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>12</b>

(Source: Finance Accounts)

The above table indicates that during the year 2011-12, the revenue raised by the State Government (₹ 679.60 crore) was twelve *per cent* of the total revenue receipts against ten *per cent* in the preceding year. The balance 88 *per cent* of receipts during 2011-12 was from the Government of India.

<sup>1</sup> Includes only the amount booked under the minor head 901 - share of net proceeds assigned to the state booked under the major heads 0020 - Corporation tax, 0021-taxes on income other than corporation tax, 0032 - taxes on wealth, 0037 - Customs, 0038- Union excise duty, 0044 - Service tax under 'A-tax revenue'.

**4.1.2** The following table presents the details of tax revenue raised during the period 2007-08 to 2011-12:

(₹ in crore)

Sl. No.	Head of revenue	2007-08	2008-09	2009-10	2010-11	2011-12	Percentage of increase (+) or decrease (-) in 2011-12 over 2010-11
1	Sales Tax/VAT	120.76	141.38	163.28	227.57	296.92	(+) 30.47
2	State Excise	3.75	3.91	4.70	6.61	9.80	(+) 48.26
3	Stamps and Registration Fees	2.93	3.18	4.26	3.57	4.82	(+) 35.01
4	Taxes and Duties on Electricity	— <sup>2</sup>	0.39	0.01	0.003	0.34	(+) 11233.30
5	Taxes on Vehicles	3.57	4.03	4.35	4.44	13.21	(+) 197.52
6	Taxes on Goods and Passengers	0.76	0.80	0.81	0.90	1.40	(+) 55.56
7	Other Taxes on Income and Expenditure	14.73	15.46	17.63	18.77	21.60	(+) 15.07
8	Other Taxes and Duties on Commodities and Services	0.20	0.13	0.19	3.90	19.14	(+) 390.76
9	Land Revenue	0.75	0.78	0.81	1.29	0.84	(-) 34.88
<b>Total</b>		<b>147.45</b>	<b>170.06</b>	<b>196.04</b>	<b>267.05</b>	<b>368.07</b>	<b>(+)37.82</b>

(Source: Finance Accounts)

The following reasons for variations were reported by the concerned Departments:

**Taxes and Duties on Electricity:** The increase was attributed to heavy collection from NHPC.

**Taxes on Vehicles:** The increase was attributed to introduction of Manipur Motor Vehicle Taxation (Amendment) Act, 2011.

**Taxes on Goods and Passengers:** The increase was attributed to introduction of Manipur Motor Vehicle Taxation (Amendment) Act, 2011.

The other Departments did not inform (February 2013) the reasons for variation, despite being requested (August 2012).

<sup>2</sup> ₹ 9,000 only.

**4.1.3** The following table presents the details of the non-tax revenue raised during the period 2007-08 to 2011-12.

(₹ in crore)

Sl. No.	Head of revenue	2007-08	2008-09	2009-10	2010-11	2011-12	Percentage of increase(+)/decrease (-) in 2011-12 over 2010-11
1	Interest receipts	27.61	39.99	32.73	44.65	25.18	(-)43.61
2	Housing	1.72	1.30	0.71	0.66	0.70	(+)6.06
3	Water supply and sanitation	1.58	6.89	9.48	14.21	5.87	(-)58.69
4	Forestry and wild life	1.45	1.02	2.25	2.1	3.46	(+)64.76
5	Education, Sports, Art and Culture	0.90	0.91	1.21	1.14	1.11	(-)2.63
6	Miscellaneous general services	54.24 <sup>3</sup>	92.77 <sup>4</sup>	61.47	76.87	138.33	(+)79.95
7	Power	62.29	88.28	104.07	88.29	106.58	(+)20.72
8	Medium irrigation	5.26	8.00	7.00	10.49	8.61	(-)17.92
9	Medical and public health	0.25	0.52	0.12	0.1217	0.10	(-)17.83
10	Co-operation	0.12	0.16	0.16	0.19	0.26	(+)36.84
11	Public works	6.14	7.96	17.65	16.88	15.13	(-)10.37
12	Police	0.42	3.36	0.94	0.88	0.90	(+)2.27
13	Other administrative services	1.07	0.59	0.38	1.08	2.89	(+)167.59
14	Crop husbandry	0.10	0.07	0.25	0.18	0.27	(+)50
15	Others	1.56	1.64	1.32	2.14	2.14	0
	<b>Total</b>	<b>164.71</b>	<b>253.46</b>	<b>239.74</b>	<b>259.88</b>	<b>311.53</b>	<b>(+)19.87</b>

(Source: Finance Accounts)

The following reasons for variations were reported by the concerned departments:

**Forestry and wild life:** The increase was attributed to revision of schedule rate of royalty.

**Power:** The increase was attributed to collection of charges for Unscheduled Interchanges.

**Co-operation:** The increase was attributed to recovery of pending audit fees for the last year from Cooperative Societies and Voluntary Organisations.

The other departments did not inform (February 2013) the reasons for variation, despite being requested (August 2012).

#### 4.1.4 Variation between the budget estimates and actuals

The variations between the budget estimates and actuals of revenue receipts under the principal heads of Tax and Non-Tax revenue for the year 2011-12 are mentioned in the following table:

<sup>3</sup> Includes debt relief of ₹ 37.54 crore given by Government of India on repayment of consolidated loan.

<sup>4</sup> Includes debt relief of ₹ 37.54 crore given by Government of India on repayment of consolidated loan.

(₹ in crore)

Sl. No.	Head of Revenue Receipt	Budget Estimates	Actuals	Variation increase (+) decrease (-)	Percentage
<b>Tax Revenue</b>					
1	Sales Tax/VAT	242.20	296.92	(+)54.72	(+)22.59
2	State Excise	12.11	9.80	(-)2.31	(-)19.08
3	Stamp Duty and Registration Fees	15.52	4.82	(-)10.70	(-)68.94
4	Taxes on Vehicles	15.65	13.21	(-)2.44	(-)15.59
5	Taxes on Goods and Passengers	1.05	1.40	(+)0.35	(+)33.33
6	Land Revenue	1.05	0.84	(-)0.21	(-)20
<b>Non-tax Revenue</b>					
7	Interest Receipts	41.04	25.18	(-)15.86	(-)38.64
8	Other Administrative Services	0.45	2.89	(+)2.44	(+)542.22
9	Medical and Public Health	0.14	0.10	(-)0.04	(-)28.57
10	Public Works	21.36	15.13	(-)6.23	(-)29.17
11	Forestry and Wildlife	7.72	3.46	(-)4.26	(-)55.18
12	Education, Sports, Art and Culture	1.46	1.11	(-)0.35	(-)23.97
13	Power	250.00	106.58	(-)143.42	(-)57.37

(Source: Finance Accounts and Budget documents)

The following reasons for variations were reported by the concerned Departments:

Forest Department stated that there was variation with estimate due to non-extraction of timber as Working Plans for eight territorial divisions were not completed.

Transport Department stated (August 2012) that increase in taxes on goods and passengers with reference to estimate were due to advance collection.

Power Department stated that the variation in collection with respect to budget estimate was due to non-payment of consumption charges of electricity by the consumers.

Reasons for variations from other departments were awaited (February 2013).

#### **4.1.5 Cost of Collection**

The gross collection of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the period 2009-10 to 2011-12 along with the relevant all India average percentage of expenditure on collection to gross collections for 2010-11 are mentioned in the following table:



Sl. No.	Head of revenue	Year	Gross Collection (₹ in crore)	Expenditure on collection (₹ in crore)	Percentage of expenditure to gross on collection	All India average percentage for the year 2010-11
1	Sales Tax/ VAT	2009-10	163.28	1.54	0.94	0.75
		2010-11	227.57	2.46	1.08	
		2011-12	296.92	2.64	0.89	
2	State Excise	2009-10	4.70	1.74	37.02	3.05
		2010-11	6.61	2.05	31.01	
		2011-12	9.80	2.47	25.20	
3	Taxes on Vehicles	2009-10	4.34	1.90	43.78	3.71
		2010-11	4.44	2.89	65.09	
		2011-12	13.21	3.62	27.40	
4	Stamp Duty and Registration Fees	2009-10	4.25	1.27	29.88	1.60
		2010-11	3.57	1.21	34.00	
		2011-12	4.82	1.48	30.70	

(Source: Finance Accounts)

Thus, it can be observed from the above table that the cost of collection of various taxes and duties in Manipur was much higher than the All India average for 2010-11.

#### 4.1.6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2012 in respect of taxes/VAT on Sales, Trades etc. as reported by the Taxation Department was ₹ 1.33 crore. No information was furnished by the Department regarding action taken for reduction of the arrear.

The position of arrear in respect of Taxes on vehicles and Taxes on goods and passengers could not be furnished by the concerned Department.

#### 4.1.7 Arrears in assessment

The details of Sales Tax/VAT assessment cases pending at the beginning of the year 2011-12, cases which became due for assessment during the year, cases disposed during the year and number of cases pending at the end of the year 2011-12 as furnished by the Deputy Commissioner of Taxes are mentioned in the following table:

Head of revenue	Opening balance as on 31 March 2011	New cases due for assessment during 2011-12	Total assessment due	Cases disposed of during 2011-12	Balance at the end of the year 2011-12	Percentage of disposals to the total assessments
1	2	3	4	5	6	7 (5 ÷ 4)
Taxes/VAT on Sales, Trades etc.	180	2923	3103	2687	416	86.59

(Source: Departmental records)

Thus, it can be observed that disposal of cases during 2011-12 (2687 cases) was less than the new cases of 2011-12 (2923 cases) by 236 cases. As a result, the closing balance of pending cases increased from 180 to 416 cases.

#### 4.1.8 Evasion of Tax

The details of cases of evasion of Sales tax/VAT detected, cases finalised and demands for additional tax raised in 2011-12, as reported by the Deputy Commissioner of Taxes are mentioned in the following table:

Name of tax/duty	Cases pending as on 31 March 2011	Cases detected during 2011-12	Total	Number of cases in which assessments/ investigation completed and additional demand including penalty <i>etc.</i> , raised during the year 2011-12		Number of pending cases as on 31 March 2012
				No. of cases	(₹ in lakh)	
Sales Tax/VAT	17	Nil	17	Nil	Nil	17

(Source: Departments Records)

As seen from the above table, no cases of evasion of Sales tax/VAT were detected by the Department during 2011-12. However, 17 cases which were pending at the beginning of the year 2011-12 were yet to be finalised as on 31 March 2012.

In case of Taxes on vehicles and Taxes on goods and Passengers, details of cases (if any) of evasion could not be furnished by the Department concerned.

#### 4.1.9 Refunds

The information on refunds in case of Sales Tax/VAT during 2011-12 is mentioned in the following table:

(₹ in crore)			
Sl. No.	Particulars	Sales tax/VAT	
		No. of cases	Amount
1	Claims outstanding at the beginning of the year	8	0.31
2	Claims received during the year	Nil	Nil
3	Refunds made during the year	1	0.28
4	Balance outstanding at the end of the year	7	0.03

(Source: Departmental records)

#### 4.2 Response of the Departments/Government towards audit

Transactions and maintenance of important accounts and other records of the departments are test checked and Inspection Report containing audit findings is issued to the Head of the Office so audited for comments and/or compliance. Audit findings of serious nature are processed into draft paragraph and forwarded to the administrative head of the concerned Department through demi-official letter drawing its attention to the audit findings with a request to furnish its response within six weeks. The response of the departments/Government towards audit is discussed in the succeeding paragraphs.

#### 4.2.1 Failure of senior officials to enforce accountability and protect the interest of the State Government

The Accountant General (Audit), Manipur (AG) conducts periodical inspection of the Government Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the inspection reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the Departments and the Government.

Inspection reports issued upto December 2011 disclosed that 1347 paragraphs involving ₹ 1138.54 crore relating to 444 IRs remained outstanding at the end of June 2012 as mentioned in the following table along with the corresponding figures for the preceding two years.

	June 2010	June 2011	June 2012
Number of outstanding IRs	401	417	444
Number of outstanding audit observations	1231	1282	1347
Amount involved (₹ in crore)	894.8	978.49	1138.54

The department-wise details of the IRs and audit observations outstanding as on 30 June 2012 and the amounts involved are mentioned in the following table:

Sl. No.	Name of Department	Nature of receipts	No. of outstanding IRs	No. of outstanding audit observations	Money value involved (₹ in crore)
1.	Public Health Engineering Department	Water Supply & Sanitation	37	82	29.07
2.	Power	Taxes and duties on electricity	127	391	1028.91
3.	Revenue	Land Revenue	80	216	23.02
4.	Revenue	Stamps and registration fees	4	9	0.12
5.	Health & Family Welfare	Medical and public health	4	9	0.25
6.	Fishery	Fisheries	17	46	1.08
7.	Excise	State excise	16	38	5.01
8.	Finance	Taxes/VAT on sales, trade etc	47	239	21.01
9.	Finance	Miscellaneous general services/ Lottery	4	25	19.37
10.	Transport	Taxes on vehicles/ Taxes on goods and passengers	56	175	6.07
11.	Forest & Environment	Forest & Wild Life	52	117	4.63
<b>Total</b>			<b>444</b>	<b>1347</b>	<b>1138.54</b>

Even the first replies required to be received from the heads of offices within one month from the date of issue of the IRs were not received for 242 IRs issued upto December 2011. This large pendency of the IRs due to non-receipt of the replies is indicative of the fact that the heads of offices and heads of the Departments failed to initiate action to rectify the defects, omissions and irregularities pointed out by the AG in the IRs.

It is recommended that the Government should take suitable steps to install an effective procedure for prompt and appropriate response to audit observations and appropriate action against officials/officers who fail to furnish replies to the IRs/paragraphs as per the prescribed time schedules and also fail to take action to recover loss/outstanding demand in a time bound manner.

#### **4.2.2 Departmental audit committee meetings**

In order to expedite settlement of the outstanding audit observations contained in the IRs, departmental audit committees are constituted by the Government. These committees are chaired by the secretaries of the concerned administrative Department and attended by the concerned officers of the State Government and officers of AG. The audit committees need to meet regularly in order to expedite clearance of the outstanding audit observations. At the instance of AG, the State Level Audit Committee meeting, attended by the concerned Principal Secretaries and Commissioners was convened on September 28, 2009. In spite of this, no audit committee meetings in respect of revenue auditee units had been held till date.

The Government may ensure holding of frequent meetings of these committees for ensuring effective action on the audit observations leading to their settlement.

#### **4.2.3 Response of the departments to the draft audit paragraphs**

Seven draft paragraphs proposed for inclusion in the Audit Report of the Comptroller and Auditor General of India for the year ended March 2012 were forwarded (September 2012) to the Secretaries/Commissioners of the respective departments through demi-official letters. The administrative Secretaries/Commissioners did not furnish replies (February 2013) in respect of four draft paragraphs. Out of these seven cases<sup>5</sup>, recovery of ₹ 13.37 lakh had been made at the instance of Audit.

#### **4.2.4 Follow up on Audit Reports – summarised position**

As per recommendations made by the High Powered Committee (HPC) which were also accepted by the State Government in October 1993, *suo motu* explanatory notes on corrective/remedial measures taken on all paragraphs included in Audit Reports are required to be submitted by the Departments

---

<sup>5</sup> This case for which recovery had been made at the instance of Audit is not featured in the Audit Report

duly vetted by the Accountant General to PAC within three months from the date of placing of Audit Reports in the Legislature.

However, as of November 2011 suo moto explanatory notes pertaining to 64 paragraphs/Performance Audits for the Audit reports for the years 2001-2011 were not received within the stipulated period of three months either from the Departments or through the Manipur Legislative Assembly Secretariat.

#### 4.2.5 Compliance with the earlier Audit Reports

In the Audit Reports 2006-07 to 2010-11 cases of under assessments, evasion, non/short levy of taxes/penalty, loss of revenue, failure to raise demands etc. involving ₹ 24.85 crore were reported. As of March 2012, the Departments<sup>6</sup> concerned have accepted observations of ₹ 11.35 crore and recovered ₹ 0.1817 crore. Audit Report wise details of cases accepted and recovered are given in the following table:

(₹ in crore)

Year of Audit Report	Total money value <sup>7</sup>	Accepted money value	Recovery made
2006-07	1.87	1.01	0.02
2007-08	6.75	0.96	0.04
2008-09	6.77	3.81	0.11
2009-10	5.73	3.08	0.0025
2010-11	3.73	2.49	0.0092
<b>Total</b>	<b>24.85</b>	<b>11.35</b>	<b>0.1817</b>

#### 4.3 Analysis of the mechanism for dealing with the issues raised by Audit

In order to analyse the system of addressing the issues highlighted in the Inspection Reports/Audit Reports by the Departments/Government, the action taken on the paragraphs and reviews included in the Audit Reports of the last 10 years in respect of one Department is evaluated and included in each Audit Report

The succeeding paragraphs 4.3.1 to 4.3.2.2 discuss the performance of Taxation Department in dealing with the cases detected in the course of local audit conducted during the last ten years and also the cases included in the Audit Reports for the years 2001-02 to 2010-11.

##### 4.3.1 Position of Inspection Reports

The summarised position of inspection reports (IR) issued during the last 10 years, paragraphs included in these reports and their status as on 30 June 2012 are given in the following table:

<sup>6</sup> Including Taxation, Transport, Revenue, Power, Social Welfare, Home.

<sup>7</sup> Including money value mentioned in Performance Audit(s), if any.

(₹ in crore)

Year	Opening Balance			Addition during the year			Clearance during the year			Closing Balance during the year		
	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value
02-03	53	269	11.00	0	0	0	0	3	0.87	53	266	10.13
03-04	53	266	10.13	8	21	1.18	22	77	3.64	39	210	7.67
04-05	39	210	7.67	0	0	0	0	8	1.32	39	202	6.35
05-06	39	202	6.35	5	13	5.12	0	4	0.44	44	211	11.03
06-07	44	211	11.03	0	0	0	0	0	0	44	211	11.03
07-08	44	211	11.03	4	22	1.22	0	0	0	48	233	12.25
08-09	48	233	12.25	5	23	9.73	0	4	0.27	53	252	21.71
09-10	53	252	21.71	3	15	2.12	12	43	8.64	44	224	15.19
10-11	44	224	15.19	2	13	5.82	0	0	0	46	237	21.01
11-12	46	237	21.01	1	3	0.0062	0	1	0	47	239	21.02

The Departments<sup>8</sup> were sent periodic reminders to furnish replies to the outstanding audit observations. As can be seen from the above table, there was significant clearance of paras/IRs during 2003 -04 and 2009 -10. As such, efforts need to be taken up to settle the pending paras/IRs on regular basis as in these two years and bring down the closing balance of pending cases.

#### 4.3.2 Assurances given by the department/Government on the issues highlighted in the Audit Reports

##### 4.3.2.1 Recovery of accepted cases

The position of paragraphs included in the Audit Reports of the last 10 years and those accepted by the Departments<sup>9</sup> and the amount recovered are mentioned in the following table:

Year of Audit Report	No. of paragraphs included	Money value of the paragraphs (₹ in crore)	No. of paragraphs accepted	Money value of accepted paragraphs (₹ in crore)	Amount recovered during the year (₹ in crore)	Cumulative position of recovery of accepted cases (₹ in crore)
2001-02	4	0.26	2	0.16	0.00	0.00
2002-03	7	0.72	2	0.51	0.03	0.03
2003-04	10	1.82	10	1.82	0.16	0.19
2004-05	7	0.63	6	0.25	0.00	0.19
2005-06	8	0.99	3	0.13	0.02	0.21
2006-07	7	1.87	3	1.01	0.02	0.23
2007-08	8	6.75	4	0.96	0.04	0.27
2008-09	7	6.77	3	3.81	0.11	0.38
2009-10	7	5.73	3	3.08	0.0025	0.3825
2010-11	4	0.62	3	0.57	0.0092	0.3917
<b>Total</b>	<b>69</b>	<b>26.16</b>	<b>39</b>	<b>12.30</b>	<b>0.3917</b>	

<sup>8</sup> Major Departments include Taxation, Revenue, Transport, Power, Forest & Environment, Excise, Public Health & Engineering, etc.

<sup>9</sup> Including Taxation, Transport, Revenue, Power, General Administration Department, Social Welfare, Home.



From the above table it is seen that the Departments had accepted 57 *per cent* of the paras. In monetary terms, the paras accepted were 47 *per cent*. However, recovery against accepted paras is very poor. Against ₹ 12.30 crore accepted by the Departments, recovery effected was only ₹ 0.3917 crore, which is a mere 3 *per cent*. As can be seen, recovery in two of the previous ten years was NIL.

The Departments need to evolve a strong mechanism to monitor and ensure recovery of accepted cases.

#### 4.3.2.2 Action taken on the recommendations accepted by the departments/Government

The draft Performance Audits (PAs) conducted by the AG are forwarded to the concerned departments/Government for their information with a request to furnish their replies. These PAs are also discussed in an exit conference and the Department's/Government's views are included while finalising the PAs for the Audit Reports.

The following paragraphs discuss the issues highlighted in the PAs on the Taxation Department featured in the last 10 Audit Reports including the recommendations and action taken by the Department on the recommendations accepted by it as well as the Government.

Year of AR	Name of the Performance Audit	No. of recommendations	Details of the recommendations accepted
2003-04	Performance Audit on Sales Tax including Internal Control System prevalent in the Department	5	Department's reply on the implementation of the recommendations made not received.
2008-09	Transition from Sales Tax to Value Added Tax (VAT) System	7	-do-
2010-11	Performance audit on "Declaration forms in Inter-state trade and commerce"	5	-do-

The draft PAs were forwarded to the Taxation Department and the audit findings and recommendations were discussed with the representatives of the Government and officers of the Department during the exit conference. Compliance to audit observations and recommendations has not been intimated. The Department needs to monitor and ensure that audit recommendations are taken to their logical conclusion.

## 4.4 Results of audit

### 4.4.1 Position of local audit conducted during the year

Test check of the records of 33 units of Electricity (receipts), Taxation, Motor Vehicles, Forest, and other Departments conducted during the year 2011-12

revealed underassessment/short levy/loss of revenue/non realisation of outstanding revenue aggregating ₹ 127.83 crore in 59 cases.

#### **4.4.2 This Report**

This report contains six paragraphs (selected from the audit findings of local audit referred to above and during earlier years which could not be included in earlier reports) having financial impact of ₹ 2.59 crore. The Departments/ Government have accepted audit observations involving ₹ 1.58 crore out of which ₹ 0.72 lakh has been recovered. The replies in the remaining cases have not been received (February 2013). These are discussed in succeeding paragraphs.

## AUDIT OF TRANSACTIONS (REVENUE)

### REVENUE DEPARTMENT

#### 4.5 Non-accountal of land revenue

Scrutiny (July 2009 and July-August 2011) of records<sup>10</sup> maintained by the Sub-Divisional Officer, Bishnupur revealed that one *Zilladar*<sup>11</sup>, Bishnupur

As per Rule 7(1) of Central Treasury Rules, all moneys received by or tendered to Government officers on account of government revenue shall, without undue delay, be paid in full into treasury and shall be included in the accounts of the Government, and such moneys received shall not be appropriated to meet departmental expenditure nor kept apart from Government account.

Circle collected an amount of ₹ 3.13 lakh as land revenue during the period from February 2006 to June 2011 (Details are given in **Appendix 4.1**). However, the said amount was retained by the *Zilladar* and the amount was not yet deposited (July 2011) to the cashier concerned of the office. As such, deposit of the land revenue to the Government account was remote which tantamounts to misappropriation of Government revenue.

The matter was referred to the Government (October 2012); reply had not been received (March 2013).

<sup>10</sup> Collection registers, receipt books and counterfoils of TR-5.

<sup>11</sup> A revenue officer appointed by the State Government for collection of land revenue.

## TAXATION DEPARTMENT

### 4.6 Suppression of purchase turnover and consequent evasion of tax

Section 39(1) of the Manipur Value Added Tax (MVAT), Act 2004 empowers the Commissioner of taxes to assess to the best of his judgment the tax due in respect of any turnover of a dealer who was assessed under Section 34(3) of the Act *ibid*, if he has reason to believe that the whole or part of the turnover of the dealer in respect of any period has escaped assessment or has been under assessed.

Further, under Section 36(7), penalty equal to twice the amount of additional tax assessed is leviable in the event of evasion or avoidance of payment of tax by furnishing incomplete and incorrect returns on the part of the dealer.

On test check (February and March 2012) of assessment records of Taxation Zones I, III, VI and VIII, we noticed that the Assessing Authority (AA) had assessed (March 2010 – November 2011) five dealers<sup>12</sup> under Section 34(3) of the Act *ibid* for the quarters endings ranging from March 2009 to September 2011. The assessment was done as per the returns of the dealers and by taking into account purchases of taxable goods amounting to ₹ 47.05 lakh<sup>13</sup> from outside the State.

Our cross verification of records like daily movement of goods registers maintained at the Taxation check

gates at Henbung in Senapati district and Jiribam in Imphal East district and utilisation statement of Form '27'<sup>14</sup>, however, revealed that these dealers purchased various taxable goods like electronic items, detergents, lubricants, *etc.* valued at ₹ 2.82 crore<sup>15</sup> from outside the State.

Thus, purchases of taxable goods of ₹ 2.35 crore<sup>16</sup> and consequent sales thereof with tax effect of ₹ 30.33 lakh<sup>17</sup> were suppressed. The details are given in **Appendix-4.2**.

- <sup>12</sup>
- i. Trade name - M/S Niranjan Electronics (TIN-14410027178), a dealer in electronic goods *etc.*
  - ii. Trade name - M/S Debopriyo Agencies (TIN-14410168234), a dealer in detergents, cosmetics *etc.*
  - iii. Trade name - M/S Vinod Hardware Store (TIN-14110013151), a dealer in marble/ ceramic, tiles *etc.*
  - iv. Trade name - M/S Sarajeevan Enterprises (TIN-14210049150), a dealer in electronic goods, refrigerators, washing machines *etc.*
  - v. Trade name - M/S Sahara Lubricants (TIN-14810071144), a dealer in lubricants *etc.*

- <sup>13</sup>
- i. Trade name - M/S Niranjan Electronics : ₹ 10,73,385
  - ii. Trade name - M/S Debopriyo Agencies : ₹ 29,67,279
  - iii. Trade name - M/S Vinod Hardware Store : ₹ 5,10,710
  - iv. Trade name - M/S Sarajeevan Enterprises : ₹ 0
  - v. Trade name - M/S Sahara Lubricants : ₹ 1,53,308
- ₹ 47,04,682

- <sup>14</sup> Statutory form used for import of goods from outside the State.

- <sup>15</sup>
- i. Trade name - M/S Niranjan Electronics : ₹ 27,86,896
  - ii. Trade name - M/S Debopriyo Agencies : ₹ 1,74,49,320
  - iii. Trade name - M/S Vinod Hardware Store : ₹ 23,66,155
  - iv. Trade name - M/S Sarajeevan Enterprises : ₹ 34,62,024
  - v. Trade name - M/S Sahara Lubricants : ₹ 21,77,932
- ₹ 2,82,42,327

- <sup>16</sup> ₹ 2.82 cr.- ₹ 47.05 lakh

- <sup>17</sup>
- i. Trade name - M/S Niranjan Electronics : ₹ 2,31,324
  - ii. Trade name - M/S Debopriyo Agencies : ₹ 18,10,255
  - iii. Trade name - M/S Vinod Hardware Store : ₹ 2,50,485
  - iv. Trade name - M/S Sarajeevan Enterprises : ₹ 4,67,373
  - v. Trade name - M/S Sahara Lubricants : ₹ 2,73,324
- ₹ 30,32,761

Penalty for furnishing of incomplete and incorrect return amounting to ₹ 60.66 lakh<sup>18</sup> was also leviable. Details are given at **Appendix 4.2**.

The matter was reported (October 2012) to the Department and the Government; their replies were awaited (March 2013).

#### 4.7 Evasion of tax by concealment of sales

Section 39(1) of the Manipur Value Added Tax (MVAT), Act 2004, provides *inter alia* that where after a dealer is assessed under section 34 of the Act for any year or part thereof, the Commissioner of Taxes has reason to believe that the whole or part of the turnover of the dealer in respect of any period has escaped assessment or has been under assessed, the Commissioner may proceed to assess to the best of his judgment, the amount of tax due in respect of such turnover.

Further, as per Section 36(7) of the Act *ibid*, if the dealer in order to evade or avoid payment of tax, has furnished incomplete and incorrect returns for any period, the Commissioner shall direct that the dealer shall pay, by way of penalty, a sum equal to twice the amount of additional tax assessed.

On test check (February and March, 2012) of assessment records maintained in Taxation Zone II, Imphal, it was noticed that the Assessing Authority (AA) concerned finalised (November, 2010 – April, 2011) the assessment of two dealers<sup>19</sup> under section 34(3) of the Act *ibid* for the quarters endings ranging from September 2010 to March 2011 by accepting the taxable turnover of sales to the extent of ₹ 9.23 lakh<sup>20</sup> as returned by the dealers.

Our cross verification of records maintained by the Superintendent of Taxes (ST) in-charge of Work Contracts, however, revealed that these

dealers sold various taxable goods like steel structures, sanitary ware, hardware items *etc.* worth ₹ 149.97 lakh<sup>21</sup> (Taxable turnover - ₹ 136.85 lakh)<sup>22</sup> to another dealer<sup>23</sup> within the jurisdiction of the aforesaid ST. Such sales were not disclosed by the dealers in their tax returns and remained undetected by the AA at the time of assessment. This resulted in evasion of

18	i. Trade name - M/S Niranjana Electronics	: ₹ 4,62,648
	ii. Trade name - M/S Debopriyo Agencies	: ₹ 36,20,510
	iii. Trade name - M/S Vinod Hardware Store	: ₹ 5,00,970
	iv. Trade name - M/S Sarajeevan Enterprises	: ₹ 9,34,746
	v. Trade name - M/S Sahara Lubricants	: ₹ 5,46,650
		<b>₹ 60,65,524</b>

- 19 i. M/S Santosh Sanitary (TIN : 14310234184) a dealer in hardware, sanitarywares etc.  
 ii. M/S Sangeeta Hardware (TIN : 143100037154) who dealt in hardware, sanitarywares etc.

- 20 i. M/S Santosh Sanitary (TIN : 14310234184) : ₹ 6.18 lakh in respect of goods with rate of tax of 4% - 13.5%  
 ii. M/S Sangeeta Hardware (TIN : 143100037154) : ₹ 3.05 lakh in respect of goods with rate of tax of 5% & 13.5%

- 21 M/S Santosh Sanitary : ₹ 118.21 lakh and M/S Sangeeta Hardwares : ₹ 31.76 lakh

- 22 M/S Santosh Sanitary : ₹ 107.89 lakh and M/S Sangeeta Hardwares : ₹ 28.96 lakh

- 23 M/S Simplex Projects Ltd. (TIN: 14010280175), a dealer in works contract

taxable turnover of sales to the extent of ₹ 1.28 crore<sup>24</sup> involving tax of ₹ 12.28 lakh<sup>25</sup>. Details are given in **Appendix-4.3**.

Furnishing of incomplete and incorrect returns on the part of the dealers also attracted penalty under Section 36(7) amounting to ₹ 24.56 lakh<sup>26</sup>.

The Department admitted (December 2012) the observation of Audit and stated that notices have been issued to the two dealers to pay the evaded tax and penalty. Accordingly, one<sup>27</sup> of the dealers had deposited (November 2012) ₹ 40,000 to the Government.

Realisation of the balance amount is yet to be intimated to Audit (March 2013).

#### **4.8 Non levy of penalty**

On scrutiny of records (February/March, 2012) maintained by the Superintendent of Taxes, Zones - Head Quarters, I, II, IV, V, VI and VII, we noticed that twelve dealers (other than Work Contract dealers) whose turnover exceeded ₹ 60 lakh each during 2009-10 and 2010-11 were assessed (August, 2009 – July, 2011) for the said years on taxable turnover of ₹ 68.87 crore by the Assessing Authorities concerned. As per provision of the Act *ibid* the dealers were required to get their accounts for the years audited by a Chartered Accountant and to submit the Audit Reports thereof to the Tax Authorities within the stipulated dates i.e. by October, 2010 and October, 2011 respectively. The dealers, however, failed to comply with the mandatory provisions even after the expiry of 5 to 17 months from the stipulated period. However, penalty leviable

As per Section 58(1) of the Manipur Value Added Tax (MVAT) Act 2004 read with notification no. Tax/3(40)/IMP/2005/322 dated 13<sup>th</sup> Sept., 2010 of the Commissioner of Taxes, Manipur, where in any year the gross turnover of a dealer (other than Work Contract dealers) is above ₹ 60 lakh, such dealer's account shall be audited by a Chartered Accountant or by a person appointed to act as an auditor of Companies by virtue of Section 226(2) of the Companies Act, 1956 within six months from the end of relevant year. The dealer shall furnish a copy of the certificate of the audit of accounts in Form 25 to the Tax Authority by the end of the month after expiry of the six months cited above failing which, the Commissioner shall impose on the dealer penalty equal to 0.1 *per cent* of the turnover.

<sup>24</sup> M/S Santosh Sanitary : ₹ 101.71 lakh and M/S Sangeeta Hardwares : ₹ 25.92 lakh

<sup>25</sup> M/S Santosh Sanitary : ₹ 9.64 lakh and M/S Sangeeta Hardwares : ₹ 2.64 lakh

<sup>26</sup> M/S Santosh Sanitary: ₹ 19.28 lakh and M/S Sangeeta Hardware : ₹ 5.28 lakh

<sup>27</sup> M/S Santosh Sanitary



amounting to ₹ 6.19 lakh (0.1 per cent on ₹ 61.91 crore) remained unrealised. Details are given in **Appendix 4.4**

On this being pointed out, the Department served demand notices to the dealers to pay penalty for default in audit of Account on or before 31 December 2012 and it further stated that penalty amounting to ₹ 0.32 lakh had been realised from the two defaulting dealers<sup>28</sup>. Realisation of penalty from the remaining defaulting dealers was awaited as of January 2013.

#### 4.9 Non-recovery of arrear of tax

Section 28 of the Manipur Value Added Tax (MVAT) Act, 2004 read with the Rule 24 (6) of the Manipur Value Added Rules, 2005 (Rules) provides that all registered dealers and dealers liable to pay tax with total turnover exceeding ₹ 10 lakh shall submit return accompanied by the full amount of tax payable within twenty days from the end of a month of the year. If the amount sent with return is less than the amount of tax payable, the Tax Authority shall serve upon the dealer a notice in Form '12' and the dealer shall pay the sum demanded in the said notice within the time and in the manner specified in the notice.

As per Section 42 (6) of the Act *ibid* the amount remaining unpaid after due date of payment shall be recovered as arrear of land revenue. Rule 32 (1) of the Rules further provides that for recovery of tax due as arrear of land revenue the appropriate assessing authority shall issue to the collector a recovery certificate in Form '37'.

On test check of records (February & March 2012) maintained by the Superintendent of Taxes in charge of petroleum and petroleum products, it was noticed that one dealer<sup>29</sup> filed returns for quarters endings from June 2007 to December 2010 showing payment of tax of ₹ 111.50 lakh out of total tax due of ₹ 226.08 lakh, thereby leaving an arrear of tax of ₹ 114.58 lakh. However, no notice was found served on the defaulting dealer for payment of the tax due. Details are given in **Appendix 4.5**

Our further scrutiny revealed that the dealer was also not assessed by the Assessing Authority (AA) concerned and hence, in spite of provisions for recovery of unpaid tax as arrear of land revenue, no

action had been initiated after lapse of 14 to 56 months (as on date of audit).

While admitting the audit observation, the Department stated (January 2013) that the concerned AA has been directed to issue recovery certificate to the district administration of Imphal West district for recovery as arrear of land revenue in case the dealer fails to pay the tax due within 30 days.

<sup>28</sup> M/S Manipur Steel Mart: ₹ 0.25 lakh and M/S Ranjit Enterprises ₹ 0.07 lakh

<sup>29</sup> M/s NRL Energy Station (TIN- 14010892285), Singjamei Imphal City-3, a dealer in petroleum etc.

## TRANSPORT DEPARTMENT

### 4.10 Non-realisation of tax and penalty

Test check of records (November 2011 and May 2012) maintained by the

As per the Manipur Motor Vehicles Taxation Act (MMVTA), 1998 read with the amendments, there shall be levied and collected on all motor vehicles used or kept for use in Manipur a tax payable in advance either annually or quarterly, at the prescribed rates. The Act also provides for a penalty of ₹ 200 in respect of light vehicles\* and ₹ 400 in respect of medium vehicles\*\* for violation of any provisions of the Act.

Further, as per the Manipur Passengers and Goods Taxation Act (MPGTA) 1977, the Government of Manipur by notifications issued in May 2002 and March 2010, fixed lump sum tax\*\*\* in lieu of tax chargeable on fare and freight on return basis as specified in the notifications payable in respect of different categories of commercial vehicles with effect from dates specified therein.

\* Any transport vehicle/omnibus the gross weight of which does not exceed 7.5 tonnes

\*\* Any goods carrier/passenger vehicle the gross weight of which exceeds 7.5 tonnes but does not exceed 12 tonnes.

\*\*\* Different lump sum rates of tax have been fixed for different category of vehicles.

District Transport Officers (DTOs) of Imphal West and Bishnupur revealed that in respect of 89 commercial vehicles (Goods vehicles: 74, Passenger vehicles: 15), Road tax and Goods/Passengers tax amounting to ₹ 7.24 lakh<sup>30</sup> and Penalty amounting to ₹ 0.26 lakh<sup>31</sup> for periods ranging from one to eleven quarters leviable under the MMVTA and MPGTA had not been realised from the vehicle owners. The concerned DTOs had also failed to serve demand notices to the defaulters. Thus, weak monitoring of tax collection by the DTOs resulted in non-realisation

of Government revenue worth ₹ 7.50 lakh (**Appendix-4.6**).

The matter was referred to the Government (September 2012). The reply of the Government was awaited (January 2013).

<sup>30</sup> DTO, Imphal West: ₹ 4.10 lakh; DTO, Bishnupur: ₹ 3.14 lakh.

<sup>31</sup> DTO, Imphal West: ₹ 0.13 lakh; DTO, Bishnupur: ₹ 0.13 lakh.

## CHAPTER-V GENERAL SECTOR

### 5.1 Introduction

The findings based on audit of State Government units under General Sector are featured in this chapter.

During 2011-12, against a total budget provision of ₹ 3290.77 crore, the total expenditure of ₹ 2017.40 crore was incurred by 16 departments under the General Sector. The Department-wise details of budget provision and expenditure incurred thereagainst are shown in **Appendix -5.1**.

Besides, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of various programmes of the Central Government. During 2011-12, out of total release of ₹ 1259.32 crore directly released to different implementing agencies, ₹ 12.68 crore was under General Sector as detailed below:

(₹ in lakh)			
Sl No.	Name of the Department	Name of Implementing Agencies	Fund released
1	Home	Manipur Police Housing Corporation Limited	268.07
2	Deputy Commissioner	Deputy Commissioner	1000.00
<b>Total</b>			<b>1268.07</b>

#### 5.1.1 Planning and conduct of Audit

The audits were conducted during 2011-12 involving expenditure of ₹ 84.09 crore (including funds pertaining to previous years audited during the year) of the State Government under the General Sector.

## CHAPTER-VI

### FOLLOW UP OF AUDIT OBSERVATIONS

#### *6.1 Follow up on Audit Reports*

As per the recommendations made by the High Powered Committee (HPC), *suo moto* explanatory notes on corrective/remedial measures taken on all paragraphs included in Audit Reports are required to be submitted by the Departments duly vetted by the Accountant General to PAC/COPU within three months<sup>1</sup> from the date of placing of Audit Reports in the Legislature.

However, as of March 2013 *suo moto* explanatory notes pertaining to 299 paragraphs/reviews for the Audit reports for the years 1999-2011 were not received within the stipulated period of three months either from the Departments or through the Manipur Legislative Assembly Secretariat.

#### *6.2 Action taken on Recommendation of Public Accounts Committee*

The Administrative Departments were required to take suitable action on the recommendations made in the Report of the PAC presented to State Legislature. Following the circulation of the Reports of the PAC, heads of Departments were to prepare comments on action taken or proposed to be taken on the recommendations of the PAC and submit the same to the Assembly Secretariat.

Seven hundred and eighty (780) recommendations of the PAC, made in its eleventh to thirty seventh Report were pending settlement as of March 2013 due to non-receipt of Action Taken Notes/Reports.

#### *6.3 Monitoring of Audit Observations*

The following committees had been formed at the Government level to monitor the follow up action on audit related matters:

**Departmental Audit and Accounts Committee:** Departmental Audit and Accounts Committee (DAAC) had been formed (January 2010) by all departments of the Government under the Chairmanship of the concerned Departmental Administrative Secretary to monitor the follow up action on

---

<sup>1</sup> *Suo-moto* replies to be furnished within three months; in case Audit paragraphs are not selected by the PAC/COPU during this period.

Audit related matters. The function of the DAAC was to monitor the progress in disposal of the outstanding audit paras and Inspection Reports issued by the Accountant General and to review and supervise the working of the Departmental Audit and Accounts Sub-Committee (DAASC) constituted. The DAAC was to hold meeting once in three months.

During 2011-12, no meeting of the DAAC was held.

**State Audit and Accounts Committee:** State Audit and Accounts Committees (SAAC) had been formed (January 2010) at the State Level under the Chairmanship of the Chief Secretary to monitor the progress in disposal of outstanding audit objections and pending Inspection Reports and to review and oversee the working of the Departmental Audit and Accounts Committee (DAAC). The SAAC was to meet once in six months.

During 2011-12, one meeting of the SAAC was held in October 2011.

#### **6.4      *Response to audit observations and outstanding Inspection reports***

The Accountant General (Audit) arranges to conduct periodical inspection of Government Departments to test-check the transactions and verify the maintenance of accounts and other records according to prescribed rules and procedures. When important irregularities detected during the inspection are not settled on the spot, Inspection Reports (IRs) are issued to the Heads of the concerned offices with a copy to the next higher authority.

As of March 2013, 1486 IRs issued from 2003-04 to 2011-12 were outstanding for settlement. Even the initial replies, which were required to be received from the Heads of Officer within six weeks from the date of issue were not received from the Departments as on March 2013. Thus, non-furnishing of replies and inaction against the defaulting officers involve risks of financial irregularities and possible loss to the Government. The year-wise breakup of the outstanding IRs is given below:

Year	Civil		Revenue		Commercial	
	No. of IRs	No. of Paras	No. of IRs	No. of Paras	No. of IRs	No. of Paras
2003-04	129	637	41	100	22	73
2004-05	136	554	37	106	15	43
2005-06	119	725	14	45	9	52
2006-07	175	723	29	80	16	50
2007-08	123	409	41	105	8	37
2008-09	125	553	25	75	15	66
2009-10	81	424	23	67	15	73
2010-11	104	499	28	95	15	50
2011-12	97	507	31	99	13	47
<b>Total</b>	<b>1089</b>	<b>5031</b>	<b>269</b>	<b>772</b>	<b>128</b>	<b>491</b>

IRs:-      *Inspection Reports*

It is recommended that the Government may review the matter and ensure that an effective system exists for: (a) taking action against defaulting officials, who had not sent replies to IRs/Paragraphs as per the prescribed time schedule, (b) taking action to recover loss/outstanding advances/overpayments in a time bound manner, and (c) revamping the system to ensure prompt and timely response to audit observations.



**(Siddhartha Singh Longjam)**  
**Accountant General (Audit), Manipur**

**Imphal**  
**The**

**Countersigned**



**(Vinod Rai)**  
**Comptroller and Auditor General of India**

**New Delhi**  
**The**



**Appendix-1.1**  
(Reference : Paragraph 1.1)

**Department-wise details of budget provision and expenditure during 2011-12 in respect of Social Sector**

(₹ in lakh)

Sl. No.	Department	Grant no. and name	Budget Provision			Expenditure		
			Charged	Revenue	Voted	Charged	Revenue	Voted
			Capital	Capital	Capital	Capital	Capital	Capital
			Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
1	Labour & Employment	13-Labour & Employment	-	-	1480.50	-	-	151.51
2	Information & Public Relations	9- Information & Publicity	-	-	480.98	-	-	15.00
3	Tribal Affairs & Hill	14-Development of Scheduled Tribes, Scheduled Castes & Hills	-	-	39663.51	-	-	1600.00
4	Adult Education	10-Education	-	-	66399.58	-	-	10106.36
5	Education (Schools)	11-Medical & Health and Family Welfare	-	-	26902.42	-	-	16922.65
6	Education (University)	25- Youth Affairs & Sports	-	-	3129.50	-	-	4616.50
7	Technical Education	44-Social Welfare	-	-	13849.29	-	-	0.01
8	Medical & Health and Family Welfare	48-Relief & Disaster Management	-	-	1305.63	-	-	-
9	Youth Affairs & Sports	38-Panchayat and 20 – Community Development and ANP, IRDP and NREP	-	-	16083.29	-	-	-
10	Social Welfare	41-Arts & Culture	-	-	2305.92	-	-	636.00
11	Relief & Disaster Management	47-Welfare of Minor & Other Backward Classes	-	-	2836.22	-	-	3146.56
12	Rural Development & Panchayati Raj	15-Consumer Affairs Food & Public Distribution	-	-	1526.36	-	-	850.00
13	Arts & Culture	12-Municipal Administration, Housing and Urban Development	-	-	8244.99	-	-	11008.98
14	Minor & Other Backward Classes		-	-		-	-	
15	Consumer Affairs Food & Public Distribution		-	-		-	-	
16	Municipal Administration Housing and Urban Development		-	-		-	-	
<b>Sub-Total</b>			-	-	<b>184208.19</b>	-	-	<b>49053.57</b>
<b>Total</b>					<b>233261.76</b>			<b>33420.45</b>
								<b>199735.67</b>

**Appendix- 1.2**  
(Reference: Paragraph 1.2.10.7)

**Statement showing purchases without constituting purchase committee or calling of tenders**

Sl No	Cheque No./ Voucher No.	Cheque Date	Particulars/ Name of work	Amount (in ₹)
<b>Tamenglong</b>				
1	756737	5/29/2008	Purchase of bags	150,000
2	756748	7/10/2008	Remaining balance amount for p/o 400 nos of bags to VA	70,000
3	174867	10/3/2008	Projector, screen	128,960
4	156046	11/11/2008	Tarpaulin	487,080
5	219214	2/12/2009	Furniture	346,600
6	224403	2/27/2009	Generator	350,000
7	224410	3/26/2009	Articles for 5 blocks	557,700
8	851792	8/31/2009	Generator, computer laptop for DRDA staff	395,000
9	122976	10/9/2009	Laptop, computer desktop, digital camara and printers for DRDA	986,220
10	124214	2/8/2010	Furniture	435,627
11	124221	2/8/2010	Laptop, handycam	269,890
12	136225	2/26/2010	Water tank, kettle, buckets of 5 blocks	1,498,000
13	136226	2/26/2010	212 nos of loudspeakers, 2 canon-stabilisers	1,159,990
14	136228	2/26/2010	Water tank, kettle, buckets of 5 blocks	728,000
15	136229	2/26/2010	106 hand held loudspeakers	381,600
16	136265	3/18/2010	Laptops of 5 blocks	389,470
17	136274	3/25/2010	Laptop, printer, desktop, telefax, DRDA office	118,750
18	472789	10/30/2010	Laptop desktop for BDO's office	130,500
19	472817	3/25/2011	Laptops, computers, printers and tonner	611,000
20	472818	3/25/2011	Furniture and stationery	248,498
21	820322	6/14/2011	Digital camera, annual plan meeting, audit fee	231,400
22	820367	9/26/2011	Stationery etc	168,605
23	820385	11/16/2011	Laptop, vehicle hiring etc.	153,912
			<b>Sub Total</b>	<b>9,996,802</b>
<b>Imphal East</b>				
24	Vr. No. 11	1/25/2008	Computer	799,427
25	Vr. No. 19	3/27/2008	Computer	900,932
26	Vr. No. 54	2/9/2009	Stationery	250,000
27	Vr. No. 56	2/12/2009	Computer	178,780
28	Vr. No. 60	2/12/2009	Computer	250,000
29	Vr. No. 68	2/15/2009	Computer	1,500,000
30	Vr.No.122	12/2/2009	Camera	200,000
31	Vr. No. 43	3/18/2011	Stationery	1,000,000
32	Vr. No. 54	7/5/2011	Computer	1,150,000
33	Vr. No. 74	10/10/2011	Computer	500,000
			<b>Sub Total</b>	<b>6,729,139</b>
<b>Thoubal</b>				
34	517926	2/4/2008	Laptops and battery	209,208
35	517927	2/4/2008	Laptops, UPS	363,048
36	517928	2/4/2008	Laptops and battery	209,208
37	519734	2/18/2008	Printer	116,000
38	149089	5/19/2008	Xerox machine	116,000
39	188879	11/11/2008	Mat and printing	192,105
40	465650	10/17/2009	Mat, stationary, printing	465,384
41	581841	3/23/2010	Purchase of 3 laptops	107,250
42	581843	3/23/2010	Purchase of 5 laptops	187,688
43	581844	3/23/2010	Purchase of 3 laptops	112,613
			<b>Sub Total</b>	<b>2,078,504</b>
			<b>Grand Total</b>	<b>18,804,445</b>

**Appendix 1.3**  
(Reference: Paragraph 1.2.10.8)

**Statement showing details of printing charges incurred without calling of tender in respect of Imphal East District (2007-11)**

Year	Particulars	Voucher No. & Date	Amount (in ₹)
2007-08	Printing	Ch.No.166873 dt 11/1/08	250,000
	Printing	10 dated 25/01/2008	477,311
	Printing	17 dated 17/03/2008	81,300
	Printing	18 dated 27/03/2008	75,000
	Printing	26 dated 29/03/2008	477,311
2008-09	Printing	37 dated 03/09/2008	950,562
	Printing	45 dated 31/09/2008	780,000
	Printing	66 dated 18/03/2009	460,000
2009-10	Printing	117 dated 26/02/2010	456,300
	Printing	120 dated 20/03/2010	456,500
2010-11	Printing	9 dated 31/07/2010	600,000
	Printing	Ch.No.652480 dt.5/11/10	67,200
	Printing	22 dated 05/11/2010	30,000
<b>Total</b>			<b>5,161,484</b>

**Appendix-1.4**  
(Reference: Paragraph 1.2.13.3)

**Statement showing list of work where machinery was used**

Sl. No.	Name of Works	Name of Block	Name of GP/Village	Year	Amount (in ₹)
<b>Thoubal district</b>					
1	Construction of public pond near old bazar at Serou	Kakching	Serou	2011 - 2012	1,023,836.20
2	Construction of public Pond at Kekrupokpi	Kakching	Serou	2011 - 2012	809,376.32
3	Renovation of Kwakhong MI canal with construction of road at Laphupat Tera including provision of 2 culverts	Kakching	Sekmai jin	2009 - 2010	231,726.80
				2010 - 2011	159,544.00
4	Construction of Public drinking water pond at Laimanai Yambikhong	Kakching	Waikhong	2011 - 2012	1734408
<b>Imphal East district</b>					
4	Construction of Public pond at Pangong makhong Muslim	Imphal East II	Naharup	2011 - 2012	512,563.00
5	Land Development at Star sporting club ground at Porompat 4 Phase	Imphal East II	Top Naoriya	2011 - 2012	1,940,839.00
6	Ground levelling of Playground at Pungdongbam (near LP School)	Imphal East I	Pungdongbam	2011 - 2012	835,433.00
<b>Tamenglong district</b>					
7	Land Development (Playground)	Nungba	Khongsang	2011 - 2012	511,308.00
8	Construction of IVR from Tamenglong College to Duigailong Village	Tamenglong	Model Village	2008 - 2009	4,488,803.00
9	Construction of side drain from Khongsang road upto Joulen junction	Tamenglong	Happy Villa	2007 - 2008	3,305,100.00
<b>Total</b>					<b>15,552,937.32</b>

**Appendix-1.5**  
(Reference: Paragraph 1.2.13.7)

**Statement showing funds provided to local MLAs**

Sl. No.	District Name	Name of Block	GP/Village	Year	Total (in ₹)
1	2	3	4	5	6
1	Thoubal	Kakching	Pallel	2010 - 2012	5,457,251.80
2			Irengband	2010 - 2012	2,857,919.40
3			Hiyanglam	2010 - 2012	4,983,238.20
4			Langmeidong	2010 - 2012	5,200,233.20
5			Sekmaiijin	2010 - 2012	3,765,971.20
6			Mayeng Lamjao	2010 - 2012	3,436,462.40
7			Waikhong	2010 - 2012	5,155,996.80
8			Wangoo	2010 - 2012	4,274,804.20
9			Chairel	2010 - 2012	3,250,026.60
10			Serou	2010 - 2012	3,657,965.80
			<b>Sub Total</b>		<b>42,039,869.60</b>
11	Thoubal	Thoubal	Kangyambem	2010 - 2012	3,596,250.60
12			Khangabok Part III	2010 - 2012	3,849,825.80
13			Heirolk Part 2	2010 - 2012	4,440,849.00
14			Leirongthel Ningel	2010 - 2012	5,624,791.40
15			Leishangthem	2010 - 2012	5,264,058.20
16			Maibam Uchiwa	2010 - 2012	6,707,844.40
17			Oinam Sawombung	2010 - 2012	2,271,477.00
18			Sangaiyumpham Part 2	2010 - 2012	5,392,689.60
19			Turel Ahanbi	2010 - 2012	5,393,972.00
20			Wangkhem	2010 - 2012	2,480,398.40
			<b>Sub Total</b>		<b>45,022,156.40</b>
21	Imphal East	Imphal East I	Tellou Chana Seijang	2010 - 2012	6,224,728.50
22			Nongren chingnungkok	2010 - 2012	6,305,037.50
23			Takhel	2010 - 2012	5,395,490.00
24			Sawombung	2010 - 2012	5,457,421.50
25			Pungdongbam	2010 - 2012	5,790,275.00
26			Kangla	2010 - 2012	4,492,447.50
27			Makeng Dolaitthabi	2010 - 2012	3,835,912.50
28			Uyumpok	2010 - 2012	6,549,337.50
29			Pukhao	2010 - 2012	4,625,525.00
30			Khundrakpam	2010 - 2012	5,951,700.00
31			Haraorou Tangkham	2010 - 2012	5,146,797.50
32			Waiton	2010 - 2012	4,666,952.50
33			Kontha Khabam	2010 - 2012	5,441,287.50
34			Luwangshangbam	2010 - 2012	4,758,565.00
35			Nilakuthi	2010 - 2012	5,596,165.00
36			Laiphram Khunou	2010 - 2012	7,264,787.50
37			Lairikyengbam	2010 - 2012	4,612,437.50
38			Kairang	2010 - 2012	7,513,450.00
39			Heingang	2010 - 2012	5,498,000.00
40			Khurai Nandeibam leikai	2010 - 2012	4,080,212.50
41			Khurai Konsam Leikai	2010 - 2012	4,260,785.50
42			Khurai Laishram Leikai	2010 - 2012	4,697,490.00
43			Khurai Chingangbam Leikai	2010 - 2012	6,152,362.50
44			Khurai Khaidem Leikai	2010 - 2012	4,640,777.50
45			Moirangkampu	2010 - 2012	5,068,302.50
			<b>Sub Total</b>	2010 - 2012	<b>134,026,248.00</b>
46	Imphal East	Imphal East II	Angtha	2010 - 2012	4,013,307.00
47			Bamonkampu	2010 - 2012	4,135,291.00
48			Bashikhong	2010 - 2012	4,405,943.00
49			Changamdabi	2010 - 2012	3,906,571.00
50			Keirao	2010 - 2012	3,846,800.00
51			Khongman	2010 - 2012	2,822,949.50
52			Kiyamgei	2010 - 2012	4,360,199.00

1	2	3	4	5	6
53	Imphal East	Imphal East II	Kiyamgei Muslim Arapti	2010 - 2012	3,228,764.00
54			Kshetrigao Part-I	2010 - 2012	4,019,952.00
55			Kshetrigao Part-II	2010 - 2012	3,594,716.00
56			Naharup	2010 - 2012	3,697,340.00
57			Thambalkhong	2010 - 2012	3,504,536.00
58			Thongju Part-I	2010 - 2012	4,060,380.00
59			Thongju Part-II	2010 - 2012	4,069,158.00
60			Top Chingtha	2010 - 2012	3,907,850.00
61			Top Dusara	2010 - 2012	3,392,680.00
62			Top Naoria	2010 - 2012	4,279,168.00
63			Torban Kshetri Liekai	2010 - 2012	2,695,084.00
64			Tuliha	2010 - 2012	4,793,788.00
65			Tumukhong Moirangpurel	2010 - 2012	4,280,147.00
66			Uchekon Nongchup	2010 - 2012	3,381,244.00
67			Uchekon Nongpok	2010 - 2012	3,819,624.00
68			Yambem	2010 - 2012	3,697,640.00
			<b>Sub Total</b>		<b>87,913,131.50</b>
			<b>GRAND TOTAL</b>		<b>309,001,405.50</b>

**Appendix-1.6**  
(Reference: Paragraph 1.2.13.8)

**Statement showing payment without completion of work  
(Vangai TD Block and Churachandpur)**

Sl. No.	Name of work	Name of VA	Dated of Sanction	Expenditure (in ₹)	Date of physical verification	Delay in execution in days
1	Construction of water tank	Nungsekpunjee	2/2/2012	251,370.00	4-5/6/2012	122
2	Construction of pucca step with drain	Kasurvali	2/2/2012	198,450.00	4-5/6/2012	122
3	Plantation of Rubber	Henchungpunjee	2/2/2012	198,450.00	4-5/6/2012	122
4	Shingling of Village Road	Ankasuo	2/2/2012	744,188.00	4-5/6/2012	122
<b>Total</b>				<b>1,392,458.00</b>		

**Appendix-1.7**  
(Reference: Paragraph 1.2.13.10)

**Statement showing non-surviving plantation works which were carried out during off season resulting in unfruitful expenditure**

Sl. No.	Name of the Work	Name of Village Authority	Sanction order no and date	Duration of work	Amount (in ₹)
1	Plantation of Betelenut	Henchunpunjee	DRDA(CCP)/MGNREGS/7/W(20)/2008-09 dated 3-11-2008	3/11/08 to 23/12/08	265,131.00
2	Plantation of Rubber	Phailienthangpunjee	DRDA(CCP)/MGNREGS/7/W(20)/2010-11 dated 21-1-2011	24/1/11 to 21/2/11	244,200.00
3	Plantation of Rubber	Phailienthangpunjee	DRDA(CCP)/MGNREGS/7/W(20)/2009-10 dated 12-1-2010	15/1/10 to 18/2/10	198,849.00
4	Plantation of Rubber	Thingpuikol	DRDA(CCP)/MGNREGS/7/W(20)/2009-10 dated 24-10-2011	2/11/11 to 21/12/11	414,440.00
<b>Total</b>					<b>1,122,620.00</b>

## Appendix-1.8

(Reference: Paragraph 1.2.13.10)

### Plantation works in Thoubal district

Sl. No.	Name of Work	Name of the district	Name of Block	Name of the GP	Year	Total cost (in ₹)
1	Tree plantation cum Horticulture at Mapuilou hill , Unapal Village 3 Hac	Thoubal	Kakching	Pallel	2011 - 2012	512,496.00
2	Aforestation and tree plantation at Mamang Chingo	Thoubal	Kakching	Langmeidong	2011 - 2012	332,467.28
3	Aforestation and tree plantation at Thounaojam Chingol	Thoubal	Kakching	Langmeidong	2011 - 2012	243,996.00
4	Land Development with Tree plantation of Khoirom Playground	Thoubal	Thoubal	Leirongthel Ningol	2009 - 2010	299,959.00
				Leirongthel Ningol	2010 - 2011	299,999.80
5	Improvement of public place with tree plantation at Maibam Maning Leikai	Thoubal	Thoubal	Maibam Uchiwa	2010 - 2011	722,395.40
6	Improvement of Public ground with tree plantation at Khangabok Moirang Palli Cherapur- 4038 sq	Thoubal	Thoubal	Khangabok Part III	2010 - 2011	299,959.00
<b>Total</b>						<b>2,711,272.48</b>

## Appendix-1.9

(Reference: Paragraph 1.2.13.10)

### Expenditure incurred for plantation works

(in ₹)

Sl. no.	Name of District	Year	Number of Works	Amount
1	Churachandpur	2007-08	3	1526545
		2008-09	12	4463470
		2009-10	13	3741572
		2010-11	10	2861993
		2011-12	10	3477124
2	Tamenglong	2007-08	15	6017172
		2008-09	14	4004465
		2009-10	9	3325433
		2010-11	19	5985457
		2011-12	11	4271610
3	Thoubal	2009-10	1	299959
		2010-11	3	1322354
		2011-12	5	2232339
		Total	125	43529493



**Appendix-1.10**  
**(Reference: Paragraph 1.2.13.15)**  
**Statement showing wages paid on holidays**

(in ₹)

Sl. No.	Name of work*	Period of work	MR sl. no.	No. of workers	No. of paid days (off days)	Rate	Excess amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Land Development</b>							
1	LD at Moirang Pural	10/2009 to 12/2009	138658- 138672	147	187	81.40	15,222
2	LD at Moirang Pural	20- 25/6/10	142938- 142970	328	328	81.40	26,699
3	LD at Keithel Manbi	25/12/08 - 21/1/09	10332- 10342	110	220	81.40	17,908
4	LD at Keithel Manbi	23/1/09- 9/3/09	10343- 10353, 10521- 10568	160	700	81.40	56,980
5	LD at Laijing	12/12/08- 18/12/08	10316- 10331	151	151	81.40	12,291
6	LD at Laijing	02/3/09- 8/3/09	10601- 10619, 10354- 10370	181	513	81.40	41,758
7	LD at Laikhong	16/11/11- 14/12/11	138596- 138611	71	151	126.0	19,026
8	LD of UJB ground	2/8/11- 8/8/11	102474- 102515	412	412	126.0	51,912
9	LD of UJB ground	9/8/11- 15/8/11	102696- 102737	412	412	126.0	51,912
10	LD near GP Ghar office	26/7/11- 1/8/11	102433- 102471	385	385	126.0	48,510
11	LD at Panchayat ground at Waiton	14/7/11- 20/7/11	100050 - 100095, 100042	465	465	126.0	58,590
12	LD at Pangei laibung	21/3/11- 31/3/11	145545- 145562	168	168	81.40	13,675
13	LD at Pangei laibung	8/3/11- 20/3/11	134823- 134633	95	95	81.40	7,733
14	LD at Pangei haopat ground	21/7/11- 27/7/11	96995- 97041	464	464	126.0	58,464
15	Ground levelling of playground at Pungdongbam near LP School	1/10/11- 14/10/11	127368- 127397	284	568	126.0	71,568
						<b>Sub Total</b>	<b>552,248</b>
<b>Rural Connectivity</b>							
16	IVR with Shingling frm Nongbrang to Kamuching	13 - 31/3/10	124001- 124048	231	471	81.40	38,339
17	IVR with Shingling and side drain at Tumukhong( M Pural)	8/3/11 - 12/4/11	140538- 140552, 140523- 140537, 157801- 157815	150	450	81.40	36,630
18	C/o IVR from Chanamlok machin to Nungoitabi	3/1/09 - 16/1/09	10461 - 10520	300	1200	81.40	97,680
19	C/o IVR from Chanamlok machin to Nungoitabi	17/1/09 - 20/2/09	10371 - 10460	300	590	81.40	48,026
20	C/o IVR at Keithelmanbi Litan Makhong to Laikhong	6/3/09 - 28/3/09	10620 - 10634	71	142	81.40	11,559
21	IVR with Shingling at Keithelmanbi	18/6/10 - 25/6/10	142914 - 142937	231	231	81.40	18,803
22	IVR with Shingling at Tera Urak	23/7/11 - 3/8/11	170371 - 170400	300	300	126.0	37,800
23	IVR with Shingling at Keithelmanbi to Laikhong	1/4/11 - 14/4/11	014001 - 014033	324	648	81.40	52,747
24	IVR with Shingling at Keithelmanbi to Laikhong	17/7/11 - 26/7/11	014226 - 014249	231	231	126.0	29,106
25	IVR with Shingling at Keithelmanbi to Laikhong	27/7/11 - 2/7/11	014250 - 014273		240	126.0	30,240
26	Shingling at Kongpal kongkham Leikai	7/7/11 - 13/7/11	102510 - 102570	604	608	126.0	76,608
27	Shingling at Kongpal kongkham Leikai	14/7/11 - 20/7/11	102572 - 102633	604	620	126.0	78,120
28	Shingling at Kongpal kongkham Leikai part IV	7/10/11 - 13/10/11	008345 - 008351	65	65	126.0	8,190
29	Improvement of road at K Chingangbam Leikai	13/02/11 - 26/02/11	95825 - 95849	250	500	81.40	40,700
30	Improvement of road at K Chingangbam Leikai	6/2/11 - 12/2/11	95800 - 95824	250	250	81.40	20,350

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
31	Improvement of road at K Chingangbam Leikai	6/3/11 - 12/3/11	165382 - 165401	196	196	81.40	15,954
32	Improvement of Road at Takhelmayum Leirak	5/10/11 - 11/10/11	008293 - 008299	65	65	126.0	8,190
33	Improvement of Road with shingling at Moirangkampu	29/08/11 - 04/09/11	006582 - 006615	340	340	126.0	42,840
34	C/o road, leitanthem leirak to Kanglam taba	1/8/11 - 7/8/11	000101 - 000128	272	272	126.0	34,272
35	Improvement of drain, road with shingling and culvert at Kharason	1/4/11 to 7/4/11	103957 - 103981	233	233	81.40	18,966
36	Improvement of drain, road with shingling and culvert at Kharason	8/4/11 to 21/4/2011	103981 - 104011	335	750	81.40	61,050
37	Improvement of drain, road with shingling and culvert at Kharason	22/4/11 to 26/4/11	99618 - 99648		302	81.40	24,583
38	C/o IVR from Tinsid to Takhel Awang Leikai	17 to 30 Jan'09	6561 - 6577	170	340	81.40	27,676
39	C/o pucca road with culvert at Hidampat Taba Sekta (Pungdongbam GP)	8/4/11 - 14/4/11	92242 - 92257	160	120	81.40	9,768
40	C/o road from Huidrom to Itam Nungoi	1/4/11 - 12/4/11	127133 - 127184	516	516	81.40	42,002
41	C/o road from Lousangkhang to Chanungpokpi	1/3/12 - 14/3/12	024099 - 024129	305	610	126.00	76,860
42	Upgradation of IVR from Awang Palli to Pidonu	1/9/08 - 15/9/08	6621 - 6646	257	514	81.40	41,840
43	Upgradation/C/o IVR from Awang Palli to Pidonu Chingkhong with culvert.	16/6/08 - 30/6/08	6602 - 6620	257	514	81.40	41,840
44	C/o road from Sagolmang Road to Iril river at Huidrom via Natum Ching with drain and culvert	1/12/08 - 15/12/08	6437 - 6458	218	436	81.40	35,490
45	C/o road from Sagolmang Road to Iril river at Huidrom via Natum Ching with drain and culvert.	8/10/08 - 22/10/08	6422 - 6436	146	292	81.40	23,769
46	Improvement of Sekta Leirak with const. of culverts and shingling.	8/2/11 - 15/2/11	127097 - 127132	360	360	81.40	29,304
47	Improvement of Road from Langthabi to Tharopokpi Chingya at Sekta with culverts & side drain	8/10/08 - 22/10/08	6519 - 6537	190	380	81.40	30,932
		1/12/08 - 15/12/08	6538 - 6552	160	320	81.40	26,048
		16/12/08 - 30/12/08	6553 - 6569	160	320	81.40	26,048
48	C/o pucca road singling side drain with culvert of Pungdongbam Awang water supply	8/2/10 - 14/2/10	127010 - 127053, 127054 - 127096	436	872	81.40	70,981
49	C/o road from Pungdongbam to Salam taba via Pidonu Lambi with side drain culverts.	19/3/10 - 25/3/10	107809 - 108597	381	381	81.40	31,013
50	C/o road from Sekta Makha Melom to Hidampat with side drain and culvert	24/9/08 - 30/9/08	6689 - 6729	400	400	81.40	32,560
		1/10/08 - 7/10/08	6730 - 6768	400	400	81.40	32,560
		8/10/08 - 22/10/08	6769 - 6808	400	800	81.40	65,120
		1/12/08 - 15/12/08	6809 - 6839	400	800	81.40	65,120
					Sub total		1,539,684
Water Conservation and Water Harvesting							
51	C/o public pond at Itham	10/12/08 - 16/12/08	10284 - 10299	153	143	81.40	11,640
52	C/o public pond at Itham awang	17/12/08 - 30/12/08	10300 - 10315	153	306	81.40	24,908

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
53	C/o public pond at Itham awang	14/2/09 - 7/3/09	10569 - 10600	153	313	81.40	25,478
54	C/o public pond at Sagolou Machin	8/1/09 - 21/1/09	10635 - 10649	50	250	81.40	20,350
55	C/o pond at Kamuchingjin Khulen	19/9/08 to 2/10/08	9648 - 9667	200	400	81.40	32,560
56	C/o pond at Kamuchingjin Khulen	16 to 29/12/08	9668 - 9677	100	200	81.40	16,280
57	C/o pond at Kamuchingjin Khulen	1 to 14/12/08	9678 - 9686, 36058	100	200	81.40	16,280
58	C/o pond at Kamuchingjin Khulen	29/12/08 to 4/1/09	9687 - 9696	100	100	81.40	8,140
59	C/o community Tank at Sekta Awang Leikai	20/12/11 - 28/12/11, 1/1/12 - 14/1/12	1410 - 1425, 1489 - 1504	160	480	126.00	60,480
60	C/o community tank at Tharopokpi Chingya Lousangkhong	20/12/11 - 28/12/11, 1/1/1 - 14/1/12	1505 - 1517, 1427 - 1439	127	381	126.00	48,006
Sub total							264,122
Irrigation canals							
61	C/o irrigation canal from Khuman Mamang to Maning dam with culvert	12 to 21/8/11	001001 - 001144	720	720	81.40	58,608
62	C/o MI Canal from Soibithong to Huidrom Makha	1/3/12 - 14/3/12	24859 - 24891	322	644	126.0	81,144
63	C/o irrigation tank at Salampat Pungdongbam Awang	1/4/11 - 15/4/11	122734 - 122748, 92316 - 92330	150	300	81.40	24,420
Sub total							164,172
Flood Control and Protection Works, including Drainage							
64	C/o PD around Chingangbam Leikai	9/7/11 - 15/7/11	003674 - 003698	244	244	126.0	30,744
65	C/o PD around Chingangbam Leikai	9/7/11 - 15/7/11	003638 - 003673	360	360	126.0	45,360
66	C/o PD at Chingangbam Leikai	12/10/11 - 18/10/11	005235 - 005259	244	244	126.0	30,744
67	C/o PD at Chingangbam Leikai	12/10/11 - 18/10/11	005201 - 005234	340	340	126.0	42,840
68	Pucca drain Ayangpalli to Telem Machin	19/3/11 - 2/4/11	95771 - 95797	266	532	81.40	43,305
69	C/o pucca drain at Moirangkampu lai haraopham	17/10/11 - 23/10/11	006616 - 006666	505	505	126.0	63,630
70	Pucca Drain in Moirangkampu Sajid Leirak	11/07/11 - 17/7/11	006667 - 006718	505	505	126.0	63,630
71	C/o PD frm kongpal ningthoubung Leikai to Laingam Loukol	7/3/11 - 13/3/11	123582 - 123597	156	156	81.40	12,698
72	C/o PD frm kongpal ningthoubung Leikai to Laingam Loukol	11/1/11 - 24/1/11	95731 - 95756	261	520	81.40	42,328
73	C/o Pucca Drain from Pungdongbam to Lousangkhong	1/1/12 - 14/1/12	001487 - 001567	522	1044	126.00	131,544
Sub total							506,823
Bharat Nirman Rajiv Gandhi Sekwa Kendra(BNRGSK)							
74	C/o building of BNRGS Kendra at Kangla	15/2/12 - 21/2/12	024645 - 24678	332	332	126.0	41,832
75	C/o building of BNRGS Kendra at Kangla ( Kangla)	22/2/12 - 29/2/12	024679 - 024712	332	332	126.0	41,832
Sub total							83,664
Grand total							3110713

\* LD – “Land Development”, IVR – “Inter Village Road” and C/o – “Construction of “

**Appendix – 1.11**  
(Reference: Paragraph 1.2.13.17)  
**Statement showing requirement of mandays and excess expenditure incurred in execution of work in Thoubal block**

Sl. No.	Name of work <sup>@</sup> (Name of GP)	Sanction number (Date)	Sanctioned Amount	Volume of earth/shingle	(Amount in ₹ and volume in cubic meter)					
					Mandays required*	Mandays utilised	Excess Mandays	Wage rate	Excess Amount	
1	2	3	4	5	6	7	8	9	10	
Inter Village Roads										
1	C/o IVR from Loukon Macha Leirak to Ngangou taba (Oinam Sawombung)	1/NREGA/TBL/OSGP/2011-12/R (5/4/11)	27,57,806	1732	337	17908	17571	126	22,13,946	
2	C/o IVR from HeibongMakhalLeirak to Khongleitaba (Phase I&II) (Oinam Sawombung)	1/NREGA/TBL/OSGP/2009-10 (4/1/10) and 5/NREGA/TBL/OSGP/2010-11/R (30/4/10)	23,26,703	1191	231	25468	25237	81.40	20,54,292	
3	C/o IVR from Kabrang to Lisamlok Village (Wangchen)	1/WKHGP/NREGS/09-10 (20/7/09)	9,85,975	2162	420	7056	6636	81.40	5,40,170	
4	C/o IVR from 5 star English High School to Ngangou Mayai Lambi Via Tera Makhong to Imphal River bank (Tural Ahanbi)	1/TAA(GP)/NREGS/SO/07-08 (4/12/08) and 1/TAA(GP)/NREGS/SO/09-10 (25/7/09)	29,02,175	14297	2779	14194	11415	81.40	9,29,181	
5	C/o IVR from TureAhanbi to Nungeikhunou Via Basir Salam (Tural Ahanbi)	1/TAA(GP)/NREGS/SO/09-10 (25/7/09)	12,47,618	3130	608	10413	9805	81.40	7,98,127	
	C/o IVR from TureAhanbi to Nungeikhunou Via Basir Salam (2nd Phase) (Tural Ahanbi)	1/TAA(GP)/NREGS/SO/2011-12 (11/09/11)	3,33,481	368	72	2412	2340	126	2,94,840	
6	C/o IVR from Aheibam Leirak to Graupheibi Ching with embankment on one side (Tural Ahanbi)	1/BDO/TBL/LD(25%)/NREGS/WO/09-10 (9/12/11)	21,83,540	2643	514	13415	12901	126	16,25,526	
7	C/o IVR with sub-grade from Megha Mapa Maibam Pali (Maibam Uchiwa)	1/MUGP/NREGS/2008-09 dt. 8/6/08	12,19,916	1212	236	9933	9697	81.40	7,89,336	
8	I/o Maibam Palli Road with sub Grade at Maibam (Phase I-IV) (Maibam Uchiwa)	1/TBL/DP(50%)/MU/2011-12 (15/4/2011)	12,87,083	3207	623	8878	8255	126	10,40,130	
9	I/o Khelakhong Road (Maibam Uchiwa)	1/BDO/TBL/LD(25%)/NREGS/SO/2009-10 (1/12/11)	29,14,068	5253	1021	18502	17481	126	22,02,606	
10	C/o IVR at Thongam Leirak, Irom Leirak, Leishangthem leirak, Huidrom Leirak (Leishangthem)	2/LEIS/GP/NREGS/2010-11/2 (30/12/10)	6,36,304	651	126	5177	5051	81.40	4,11,151	
11	C/o IVR earth work with singling at Leisangthem Awang/Leikai Thongra Mamang Loubuktaba (Leishangthem)	1/TBL/DP(50%)/NREGS/LEISHANGTHEM M/2009-10 (8/12/11)	25,61,096	2100	408	16261	15853	126	19,97,478	

1	2	3	4	5	6	7	8	9	10
12	IVR at Nongthombam Mamang Leirak, Takhellambam Leirak, Asem Leirak ( <i>Leishangthem</i> )	1/LEIS/GP/MGNREGS/2011-12/1 (25/4/11)	18,26,996	365	71	11888	11817	126	14,88,942
13	Improvement of Road at Laishram Leirak, Thoudam ( <i>Leishangthem</i> )	NREGS/TBL/2009-10/LEISHANG/GP/R/1 (18/7/09)	17,89,022	4806	934	10664	9730	81.40	7,92,022
14	C/o IVR at Bamon Ongbi Leirak to Patkhakhong mamang taba ( <i>Leishangthem</i> )	2/LEIS/GP/MGNREGS/2011-12/2 (20/8/11)	17,85,734	1002	195	11178	10983	126	13,83,858
<b>Improvement of River Banks</b>									
1	I/o of River Bank from Lairembi to Mayengbammapa ( <i>Oinam Sawombung</i> )	2/NREG/TBL/OSGP/2008-09 (30/10/08)	19,01,240	7443	1447	10048	8601	81.40	7,00,121
	I/o River Bank from Lairembi to Mayengbammapa ( <i>Oinam Sawombung</i> )	6/OSGP/NREGS/2009-10 (9/6/09)	5,04,900	923	179	4300	4121	81.40	3,35,449
2	I/o River bank from AwangAsemLeirak to Lairembi ( <i>Oinam Sawombung</i> )	6/OSGP/NREGS/2009-10 (13/7/09)	14,47,400	2247	437	10668	10231	81.40	8,32,803
3	Embankment of Imphal River Bank form Maibam Konjil to Uchiwa Litan Manak ( <i>Maibam Uchiwa</i> )	2/MUGP/NREGS/2011-12 (3/9/11)	3,80,174	823	160	2364	2204	126	2,77,704
<b>Land Development works</b>									
1	Land Development at Singa Playground ( <i>Wangkhem</i> )	1/WKHGP/NREGS/08-09 (28/5/08)	7,61,063	1987	386	4669	4283	81.40	3,48,636
2	I/o public place ( <i>Maibam Uchiwa</i> )	1/MUGP/NREGS/2011-12 (30/4/11)	6,98,210	1497	291	4433	4142	126	5,21,892
3	I/o public place at maibam Maning Leikai ( <i>Maibam Uchiwa</i> )	20/MUGP/TBL/NREGS/2010-11 (13/8/10)	3,06,958	927	180	2456	2276	81.40	1,85,266
	I/o public place at maibam Maning Leikai (2 <sup>nd</sup> phase) ( <i>Maibam Uchiwa</i> )	3/MUGP/TBL/NREGS/2010-11 (1/3/11)	4,15,437	1295	252	3495	3243	81.40	2,63,980
4	I/o Khelakhong khongnam road with side canal ( <i>Maibam Uchiwa</i> )	1/TBL/DP(50%)/NREGS/MAIBAM/UCHGP/09-10 (4/8/2011)	21,61,615	7516	1461	13724	12263	126	15,45,138
	<b>Sub Total</b>		<b>3,53,34,514</b>	<b>68777</b>	<b>13368</b>	<b>239504</b>	<b>226136</b>		<b>2,35,72,594</b>
<b>Construction of Pond</b>									
1	C/o Pond for water conservation at Gehu Lampak ( <i>Oinam Sawombung</i> )	1/NREGA/TBL/OSGP/2009-10 (5/11/09)	3,59,904	1988.42	632	4274	3642	81.40	2,96,459
	<b>Sub Total</b>		<b>3,59,904</b>	<b>1988.42</b>	<b>632</b>	<b>4274</b>	<b>3642</b>		<b>2,96,459</b>
	<b>Grand Total</b>		<b>3,50,94,418</b>	<b>70765.42</b>	<b>14000</b>	<b>243778</b>	<b>229778</b>		<b>2,38,69,053</b>

@

\*

C/o – “Construction of”, I/o – “Improvement of”, and IVR – “Inter Village Road”

Number of labourers s required for (a) Earth filling like in Inter Village Roads, Improvement of River Banks and Land Development works is 5.5 and (b) excavation of earth like in C/o Pond is 9, as per National Building Report. Thus, Mandays required are “ **Volume x 5.5 ÷28.30**” (in case earth filling like in Inter Village Roads, Improvement of River Banks and Land Development works and “**Volume x 9 ÷28.30**” (in case of excavation of earth like in C/o Pond)

**Appendix 1.12**  
(Reference: Paragraph 1.3.8.3)

Statement showing year-wise details of Unadjusted AC bills

(₹ in lakh)

Sl. no	Year	Total amount Drawn on AC Bills	Total Amount Converted to DCC Bills	Balance/ Pending AC Bills
1	2003-04	408.70	404.62	4.08
2	2004-05	995.84	970.79	25.05
3	2005-06	803.04	725.65	77.39
4	2006-07	1098.55	964.51	134.04
5	2007-08	620.90	584.65	36.25
6	2008-09	1653.79	1440.33	213.46
7	2009-10	1233.96	448.47	785.49
8	2010-11	4387.16	532.93	3854.23
	<b>Total</b>	<b>11201.94</b>	<b>6071.95</b>	<b>5129.99</b>

**Appendix-1.13**  
(Reference: Paragraph 1.3.8.4)

Statement showing amount parked under Major Head-8449-Other Deposit

(₹ in crore)

Year	Amount
2009-10	1.84
2010-11	25.10
2011-12	13.99
<b>Total</b>	<b>40.93</b>



## Appendix-1.14

(Reference: Paragraph 1.3.9.7 (b))

## Statement showing short contribution and excess people's contribution

(Amount in ₹)

Sl. No.	Name of Work	Sanction Amount	Estimated cost	People's contribution		Short Contribution	Excess Contribution
				As per agreement	As per execution		
2007-08							
1	Improvement of IVR* between Nungba and Kambiron	5,00,000	5,21,535	36,535	0	36,535	-
2	Improvement of IVR from Lower Takou to upper Takou	3,00,000	3,17,595	26,595	17875	8,720	-
3	Construction of C/ Hall at Mawai village Ukhul.	4,00,000	4,67,370	67,370	36363	31,007	-
4	Improvement o f IVR from Lungthar to Kharong	2,66,000	3,17,595	51,595	52695	-	1,100
5	Construction of IVR from K.Bethel to Aishi village, Chandel	4,00,000	4,17,353	17,353	17381	-	28
6	Construction of C/Hall** at Chahnoujang village, Chandel.	4,00,000	4,67,000	67,000	66800	200	
7	Construction of 5(five) nos. of culvert with new Lamka circular road.	5,00,000	5,00,528	15,528	15528	-	-
8	Construction of pucca Dam at Suangtal stream at Palkhung	4,00,000	4,01,405	13,405	13405	-	-
9	Construction of pucca Dam across Sipuitui at Loibua.	4,00,000	4,01,405	13,405	13405	-	-
10	Construction of C/hall at Tungjoy village (Continuation).	5,00,000	5,53,000	53,000	53000	-	-
11	Construction of Local Community Conference hall at Oinam.	3,00,000	3,65,135	65,135	34511	30,624	
2008-09							
1	Construction of V/L*** Community hall at Mualkui, Ccpur	6,00,000	6,51,341	51,341	53875		2,534
2	Construction of V/L Community hall at Kolhen, Churachandpur	5,00,000	5,50,000	50,000	18018	31,982	
3	Construction of V/L Community hall at Kotsopai, Chandel	8,00,000	8,70,000	70,000	70505		505
4	Construction of V/L Community hall at New Kanan village Chandel	4,00,000	4,36,711	36,711	36,668	43	
5	Construction of Play ground at Chongdan, Ukhul.	6,00,000	6,24,776	24,776	39557		14,781
6	Construction of V/L Community Hall at Laiyainaotong, Ukhul.	4,00,000	4,36,711	36,711	36668	43	
7	Construction of V/L Community hall cum Rest house at Duiluan Wairengba, Tamenglong	5,00,000	5,50,000	50,000	99761		49,761
8	Construction of Suspension bridge over Leimatak river at Charoipandongba, Tamenglong	5,00,000	5,60,109	60,109	0	60,109	
9	Construction of C/hall at Maram Mathak Sagoi, Senapati.	8,00,000	8,61,617	61,617	40067	21,550	
10	Construction of V/L Community hall cum Guest house at Maojang village, Senapati.	8,00,000	8,61,617	61,617	93950		32,333
11	Construction of suspension bridge (SH: Retaining wall ) at Laii Senapati	6,00,000	7,20,000	1,20,000	51796	68,204	
2009-10							
1	Construction of C/Hall -cum- Guest House at Purul Atongba Village, Senapati	10,00,000	11,22,000	1,22,000	10435	1,11,565	
2	Construction of I.V.R from Guest House to Mao Potate Farm,	8,00,000	8,20,000	20,000	8778	11,222	
3	Construction of C/ Hall at Makhon Village Sadar Hills under Article-275(1) for the year 2009-10	10,00,00	10,44,600	44,600		44,600	
4	Construction of IVR from Talui to Phungcham village , Ukhul under Article 275(1)	3,00,000	3,27,065	36,065	27759	8,306	
5	Improvement IVR at Hongbibon Chingku , Chandel.	10,00,000	10,50,000	50,000	80991		30,991
6	Improvement of I.V.R from Old K.T Road to ITI. Complex, TML Dist. Under Article-275(1) for the year 2009-10	4,00,000	4,47,000	47,000	24029	22,971	
7	Construction of V/L Community Hall at Namlalong Tamenglong	3,00,000	3,93,000	93,000	100638		7,638
8	Construction of Suspension Bridge over barak river at Inem& Langpram village point (Balance Work)	4,00,000	4,57,204	57,204	22540	34,664	
9	Construction of C/Hall at Tulaphai Village under Article -275 (1)	10,00,000	10,91,006	1,21,006	33150	87,856	

\* Inter Village Road  
 \*\* Community Hall  
 \*\*\* Village Level

**Appendix-1.15**  
(Reference: Paragraph 1.5.2)

**Statement showing delay in release of funds**

(₹ in lakh)

Project Name (Sub-mission)	Date of funds released	Amount	Date of release of Central share by State		Release of State share		Delay released of funds by state (in month)	
			Date	Amount	Date	Amount	Central share	State share
Solid Waste Management (UIG)	19/12/07	580.66	29/03/08	580.66	26/03/07	163.10 <sup>1</sup>	03	-
					14/02/11	64.52	-	-
					31/12/10	500.00	-	-
Storm Water Drainage (UIG)	19/01/10	2306.28	25/03/10	2306.28	24/03/10	256.253	02	02
					18/03/11	256.25	-	14
Improvement of Nambal River Front - Naga Nalla (UIG)	22/05/09	577.09	19/12/09	577.09	24/03/10	64.12	07	14
					18/03/11	64.12	-	24
1250 Dwelling Units in Imphal city (BSUP)	14/07/09	1097.79	23/12/09	1097.79	23/12/09	135.60	05	05
					09/03/11	136.575	-	25
Water Supply Scheme at Thoubal (UIDSSMT)	26/03/08	644.49	28/02/09	644.49	27/03/09	71.61	12	12
					18/03/11	66.99	-	36
Water Supply Scheme at Kakching, Jiri, Moirang, Bishnupur (UIDSSMT)	17/02/09	2200.95	30/03/09	1737.15	24/03/10	244.60	01	12
					18/03/11	244.60		24
			27/03/10	398.44	-	-	12	-
			24/01/11	65.36	-	-	23	-
Housing units at Jiri (IHSDP)	29/04/08	168.99	30/12/08	168.99	28/03/09	68.71	08	11
					14/02/11	108	-	30
Housing units at Thoubal (IHSDP)	29/04/08	449.37	30/12/08	449.37	28/03/09	68.71	08	11
					14/02/11	108	-	36
Housing units at Moirang (IHSDP)	14/07/09	416.40	28/12/09	416.40	25/03/10	51.58	05	08
					23/03/11	51.58	-	20
Housing units at Bishnupur (IHSDP)	21/12/10	236.45	03/03/11	236.45	22/03/11	56.33	03	03
Housing units at Kakching (IHSDP)	22/03/11	330.55 <sup>2</sup>	-	-	-	-	-	-

<sup>1</sup> In case of SWM, State matching released ahead of the release of Central Share as the programme is a continuous program since before the launching of JNNURM.

<sup>2</sup> Cases of delay is not detected during 2011-12.

**Appendix 1.16**  
**(Reference: Paragraph 1.5.6)**  
**Details of approved projects under JNNURM**

(₹ in lakh)

Sl. No.	Name of Projects (Sub-Mission)	Date of approval by CSMC	Date of award approval by CSMC	Delay in months	Stipulated date of completion	Original approved cost	Revised cost	Excess amount due to revision
1	Solid Waste Management (UIG)	15 May 2007	January 2011	44	July 2012	2580.71	4175.66	1594.95
2	Improvement. of Nambul River front and Naga Nalla (UIG)	20 February 2009	January 2011	23	January 2012	1151.25	1531.98	380.73
3	Storm Water Drainage work for Imphal City (UIG)	11 December 2009	December 2010	12	January 2012	10250.13	12703.13	2453.00
4	Provision of Dwelling units and Construction of 2 Community/Centres (BSUP)	11 February 2009	December 2011	34	December 2012	152.86	195.38	42.52
5	Provision of Dwelling units and Construction of Community Centres and community ponds, etc (Thoubal and Jiribam) (IHSDP)	28 March 2008	May 2009	14	July 2012	205.64	384.91	179.27
6	Provision of Dwelling units and Construction of Community /Centres etc (Kakching and Bishnupur) (IHSDP)	30 March 2010	October 2011	19	July 2012	45.29	93.88	48.59
7	Provision of Dwelling units and Construction of Community /Centres etc (Moirang) (IHSDP)	11 February 2009	May 2009	3	July 2012	76.43	165.38	88.95
8	Water supply schemes to 5 towns <sup>3</sup> (UIDSSMT)	11 May 2007	January 2011	44	July 2012	6276.00	8187.00	1911.00
<b>Total</b>						<b>20738.31</b>	<b>27437.32</b>	<b>6699.01</b>

<sup>3</sup> Kakching, Moirang, Thoubal, Bishnupur and Jiribam.

**Appendix 2.1**  
(Reference : Paragraph 2.1)

**Department-wise details of budget provision and expenditure during 2011-12 in respect of Economic Sector**

(₹ in lakh)

Sl. No.	Department	Grant no. and name	Budget Provision			Expenditure		
			Charged	Voted	Charged	Revenue	Capital	Voted
			Revenue	Capital	Revenue	Revenue	Capital	Capital
1	Command area Development Authority	17- Agriculture	-	-	12110.76	-	-	11551.89
2	Agriculture							1954.94
3	Seericulture	39- Seericulture	-	-	2675.92	-	-	2774.84
4	Economic and Statistics	49- Economic and Statistics	-	-	1219.01	-	-	1229.42
5	Commerce and Industries	21- Commerce and Industries	-	-	7268.86	-	-	6923.18
6	Co-operation	16- Co-operation	-	-	1663.63	-	-	324.55
7	Fisheries	37- Fisheries	-	-	2674.20	-	-	1684.88
8	Horticulture and Soil Conservation	43- Horticulture and Soil Conservation	-	-	5568.48	-	-	516.42
9	Veterinary and Animal Husbandry	18- Animal Husbandry and Veterinary including Dairy Farming	-	-	6969.12	-	-	2703.45
10	Science and Technology	46- Science and Technology	-	-	968.92	-	-	5506.57
11	Tourism	45- Tourism	-	-	560.91	-	-	740.89
12	Commerce and Industries	21- Commerce and Industries	-	-	7268.86	-	-	572.57
13	Forest Department (including Environment)	19- Environment and Forest	-	-	13678.89	-	-	6923.18
14	Irrigation and Flood Control	40- Irrigation and Flood Control	-	-	5509.49	-	-	13498.65
15	Minor Irrigation	36- Minor Irrigation	-	-	1065.99	-	-	5447.51
16	Public Works	8- Public Works	100.10	-	20415.80	46.01	-	17481.72
17	Power	23- Power	-	-	25317.52	-	-	1092.63
18	Public Health Engineering	22- Public Health Engineering	-	-	6176.42	-	-	19408.11
19	Information Technology	50- Information Technology	-	-	746.71	-	-	26890.93
<b>Sub-Total</b>			<b>100.10</b>	<b>-</b>	<b>121859.49</b>	<b>46.01</b>	<b>-</b>	<b>6455.40</b>
<b>Total</b>					<b>261677.15</b>			<b>14638.58</b>
								<b>579.54</b>
								<b>115217.67</b>
								<b>235480.86</b>

## Appendix 2.2 (Reference: Paragraph 2.2)

### Statement showing computation of rate<sup>4</sup> considering Itok quarry

(in ₹)

(a) Cost of 5.80 cum of stones/boulder at source/quarry @ ₹ 144 per cum = $5.80 \times 144$	= 835.20
(b) Carriage charge for stones/ boulder for a lead of 48 km = $5.80 \times 504.18$	= 2924.24
(c) Basic cost of material (a + b)	= 3759.44
(d) Add 20 per cent contractor's profit and overhead charges	= 751.89
(e) Cost of material at work site (c + d)	= 4511.33
(f) Labour charge	= 624.74
(g) Total cost of material and labour = $4511.33 + 624.74$	= 5136.07
Therefore, cost per cum = $5136.07 \div 5.80$	= 885.53
Add 5.5 per cent, as per agreement	= 48.70
<b>Total (885.53 + 48.70)</b>	<b>= ₹ 934.23 per cum</b>

## Appendix -2.3 (Reference: Paragraph 2.3)

### Statement showing excess payment in execution of 450 mm diameter and 600 mm diameter bored cast-in-situ piles

(in ₹)

Awarded rate	Justified rate	Difference	Quantity executed (in RM) *	Excess payment
(1)	(2)	(3) (1-2)	(4)	(5) (3x4)
<i>450 mm diameter bored cast-in-situ pile</i>				
2569.30	2452.90	116.40	29983.20	34,90,044.48
<i>600 mm diameter bored cast-in-situ pile</i>				
4500	4211.94	288.06	8308	23,93,202.48
<b>Total</b>				<b>58,83,246.96</b>

\* Construction of para-medical Block-A, Phase-I:- 13,640 RM (450 mm) and 130.80 RM (600 mm)  
Construction of para-medical Block-B&C, Phase-I:- 16,343.20 RM (450 mm) and 8,177.20 RM (600 mm).

<sup>4</sup> Calculation is first made for ferrying 5.80 cum of stones/boulder to maintain symmetry with calculation made by the Department. The figure so arrived is divided by 5.80 to arrive the cost of ferrying one cum.

### Appendix – 3.1

(Reference: Paragraph 3.1.4)

#### Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31 March 2012 in respect of Government companies and Statutory corporations)

(Figures in column 5 (a) to 6 (c) are ₹ in lakh)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital			Loans** outstanding at the close of 2011-12			Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees) (as on 31.3.2012)		
(1)	(2)	(3)	(4)	State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	(7)	(8)
A. Working Government Companies													
FINANCE													
1.	Manipur Industrial Development. Corpn. Ltd.	Commerce & Industries	6/1969	803.00	421.00	-	1224.00	-	-	375.054	375.054	0.30:1 (0.31:1)	44
2.	Manipur Film Development. Corpn. Ltd.	Arts & Culture	5/1987	6.00	-	-	6.00	-	-	-	-	-	19
3.	Manipur Tribal Development. Corpn Ltd.	Tribal Area Backward Classes Development.	6/1979	77.50	-	-	77.50	10.00	-	-	10.00	0.13:1 (0.13:1)	-
Sector wise total				886.50	421.00	-	1307.50	10.00	-	375.054	385.05	0.29:1 (0.31:1)	
INFRASTRUCTURE													
4.	Manipur Police Housing Corpn. Ltd.	Home	4/1986	2.00	-	-	2.00	-	-	-	-	-	-
Sector wise total				2.00	-	-	2.00	-	-	-	-	-	-
MANUFACTURING													
5.	Manipur Food Industries Corpn. Ltd.	Commerce & Industries	4/1987	97.66	-	-	97.66	-	-	-	-	-	5
6.	Manipur Electronics Development. Corpn. Ltd.	-do-	4/1987	376.35	-	-	376.35	-	-	-	-	-	46



(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)
<b>Sector wise total</b>													
MISCELLANEOUS													
7.	Manipur Handloom & Handicrafts Development. Corpn. Ltd.	Commerce & Industries	10/1976	1033.75	117.00	-	1150.75	87.12	118.38	-	205.50	0.18:1 (0.18:1)	28
<b>Sector wise total</b>													
<b>Total A (All sector wise working Government companies)</b>				1033.75	117.00	-	1150.75	87.12	118.38	-	205.50	0.18:1 (0.18:1)	28
<b>Total B (All sector wise working Government companies)</b>				2396.26	538.00	-	2934.26	97.12	118.38	375.054	590.55	0.20:1 (0.75:1)	
<b>B. Non working Government companies</b>													
AGRICULTURE & ALLIED													
1.	Manipur Agro Industries Corpn. Ltd.	Agriculture	3/1981	354.78	-	-	354.78	-	-	-	-	-	-
2.	Manipur Plantation Crops Corpn. Ltd.	-do-	3/1981	1161.79	-	-	1161.79	-	-	252.57	252.57	-	2
<b>Sector wise total</b>													
<b>Misc.</b>				1516.57	-	-	1516.57	-	-	252.57	252.57	-	2
<b>Misc.</b>													
3.	Manipur Pulp & Allied Products	Commerce & Industries	10/1988	154.20	-	-	154.20	-	-	199.94	199.94	-	1
<b>Sector wise total</b>													
<b>Misc.</b>				154.20	-	-	154.20	-	-	199.94	199.94	-	1
<b>MANUFACTURING</b>													
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>													
<b>Total B (All sector wise non-working Government Companies)</b>				1670.77	-	-	1670.77	-	-	452.51	452.51	-	-
<b>Grand Total (A + B )</b>				4067.03	538.00	-	4605.03	97.12	118.38	827.564	1043.06	0.22:1 (0.39:1)	-

\*\* Loans outstanding at the close of 2011-12 represent long-term loans only.

## Appendix – 3.2

(Reference: Paragraph 3.1.9)

Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised

(Figures in column 5 (a) to (6) and (8) to (10) are ₹ in lakh)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)			Turnover	Impact of Accounts Comments #	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed <sup>d</sup>	Return on capital employed <sup>s</sup>	Percentage return on capital employed	
(1)	(2)	(3)	(4)	Net Profit/ Loss before Interest & Depreciation 5 (a)	Interest 5 (b)	Depreciation 5 (c)	Net Profit/ Loss 5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A. Working Government Companies														
FINANCE														
1.	Manipur Industrial Development Corp. Ltd.	1993-94	2012-13	(-)332.36	95.40	4.14	(-)431.90	149.43	-	1199.34	(-)582.55	2269.47	(-)336.50	
2.	Manipur Film Development Corp. Ltd.	1994-95	2012-13	(+)13.52	-	3.83	(+)9.69	4.10	-	6.00	(+)0.52	61.92	(+)9.69	15.65
3.	Manipur Tribal Development Corp. Ltd.	1984-85	2012-13	(-)2.57	-	-	(-)2.57	7.69	-	1.00	(-)0.88	29.22	(-)2.57	
Sector wise total				(-)321.41	95.40	7.97	(-)424.78	161.22	-	1206.34	(-)582.91	2360.61	(-)329.38	
INFRASTRUCTURE														
4.	Manipur Police Housing Corp. Ltd.	1997-98	2012-13	(+)31.27	-	2.20	(+)29.07	96.02	-	2.00	29.07	60.97	29.07	47.68
Sector wise total				(+)31.27	-	2.20	(+)29.07	96.02	-	2.00	29.07	60.97	29.07	47.68
MANUFACTURING														
5.	Manipur Food Industries Corp. Ltd.	2002-03	2011-12	-	-	-	-	-	-	78.39	-	109.39	-	-

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments #	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed @	Return on capital employed <sup>s</sup>	Percentage return on capital employed
(1)	(2)	(3)	(4)	Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss	(6)	(7)	(8)	(9)	(10)	(11)	(12)
6.	Manipur Electronics Development. Corpn. Ltd.	2004-05	2012-13	(-)42.45	-	1.29	(-)43.74	87.79	-	269.28	(-)262.06	30.49	(-)43.74	
<b>Sector wise total</b>				(-)42.45	-	1.29	(-)43.74	87.79	-	347.67	(-)262.06	139.88	(-)43.74	
<b>MISCELLANEOUS</b>														
7.	Manipur Handloom & Handicrafts Development. Corpn. Ltd.	1987-88	2007-08	(-)38.64	2.47	10.68	(-)51.79	8.70	-	120.00	(-)221.44	68.12	(-)49.32	
<b>Sector wise total</b>				(-)38.64	2.47	10.68	(-)51.79	8.70	-	120.00	(-)221.44	68.12	(-)49.32	
<b>Total A (All sector wise working Government companies)</b>				(-)371.23	97.87	22.14	(-)491.24	353.73	-	1676.01	(-)1037.34	2629.58	(-)393.37	(-)14.96
<b>B. Non working Government companies</b>														
<b>AGRICULTURE &amp; ALLIED</b>														
1.	Manipur Agro Industries Corpn. Ltd.	1988-89	2005-06	(-)2.82	-	0.79	(-)3.61	19.02	-	32.25	(-)45.45	(-)18.07	(-)3.61	
2.	Manipur Plantation Crops Corpn. Ltd.	1983-84	2000-01	-	-	-	-	-	-	51.15	-	60.00	-	
<b>Sector wise total</b>				(-)2.82	-	0.79	(-)3.61	19.02	-	83.40	(-)45.45	41.93	(-)3.61	
<b>Misc.</b>														
3.	Manipur Pulp & Allied Products Ltd.	1994-95	2007-08	(+)2.20	14.29	10.41	(-)22.50	95.11	-	89.31	(-)195.46	71.02	(-)8.21	

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments #	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed d <sup>@</sup>	Return on capital employed <sup>\$</sup>	Percentage return on capital employed	
(1)	(2)	(3)	(4)	Net Profit/ Loss before Interest & Depreciation	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Sector wise total				(+)	2.20	14.29	10.41	(-)22.50	95.11	-	89.31	(-)195.46	71.02	(-)8.21	
MANUFACTURING															
Total B (All sector wise non working Government companies)				(-)	0.62	14.29	11.2	(-)26.11	114.13	-	172.71	(-)240.91	112.95	(-)11.82	(-) 10.46
Grand Total (A + B)				(-)	371.85	112.16	33.34	(-)517.35	467.86	-	1848.72	(-)1278.25	2742.53	(-)405.19	(-)14.77

# Impact of accounts comments include the net impact of comments of Statutory Auditors and CAG and is denoted by (+) increase in profit/ decrease in losses (-) decrease in profit/ increase in losses.

@ Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in case of finance companies/ corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including refinance).

\$ Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

**Appendix 3.3**  
(Reference: Paragraph 3.1.17)

Statement showing Investment made by State Government in PSUs whose accounts are in arrears  
A. Working companies

Name of PSU	Year upto which accounts finalised	Paid up Capital as per latest finalised accounts	Investment made by State Government during the years for which accounts are in arrears				Year in which Investment have been received
			Equity	Loans	Grants	Others to be specified	
Working Companies							
1. Manipur Industrial Development. Corporation Ltd.	1993-94	1199.34	24.66	-	-	-	1994-95 to 2004-05
2. Manipur Electronics Development. Corporation Ltd.	2004-05	269.28	107.07	-	-	-	2004-05
3. Manipur Handloom & Handicrafts Development. Corporation Ltd.	1987-88	120.00	1030.75	-	-	-	1988-89 to 2004-05
4. Manipur Tribal Development. Corporation Ltd.	1984-85	1.00	76.50	-	-	-	1985-86 to 1996-97
5. Manipur Food Industries Corporation Ltd.	2002-03	78.39	19.27	-	-	-	2003-04
Total (A)		1668.01	1258.25				

**B. Non working companies**

Name of PSU	Year up to which accounts finalised	Paid up Capital as per latest finalised accounts	Investment made by State Government during the years for which accounts are in arrears				Year in which Investment have been received	(₹ in lakh)
			Equity	Loans	Grants	Others to be specified		
Non-working companies								
1. Manipur Pulp & Allied Products Ltd.	1994-95	89.31	64.89	-	-	-	1995-96 to 2003-04	
2. Manipur Agro Industries Corporation Ltd.	1988-89	32.25	322.53	-	-	-	1989-90 to 2003-04	
3. Manipur Plantation Crops Corporation Ltd.	1983-84	51.15	1110.64	-	-	-	1984-85 to 2001-02	
Total (B)		172.71	1498.06					
Grand Total (A+B)		1840.72	2756.31					

**Appendix- 3.4**  
(Reference: Paragraphs 3.2.12.1 and 3.2.12.2 )

**Details of 132 KV and 33 KV projects test checked showing delays in execution**

Sl No	Name of work	Capacity (MVA/CKM)	Contractor	Date of NIT, Work Order, Agreement	Delay in award of work (months)	Contract amount (₹ in crore)	Revision date 1 <sup>st</sup> / 2 <sup>nd</sup>	Final cost (₹ in crore)	Cost revised after (months)	Cost revised by (%)	Mob adv Dt/as % approved supply	Commence supply / Erection (Months)	Stipulated /Actual Date of completion	Time Overrun as on 31-08-12 (months)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>A) Augmentation of existing 132/33 KV Substations</b>														
1	Augm of 1x20MVA, 132/33 KV SS at Kakching by an addl 20MVA,	20	M/S PSC Engineers Pvt Ltd, Kolkata	02-01-04 23-08-05 02-09-05	20	2.61	30-06-07	3.42	22	31	15-12-04 26%	13 26	06-08-06 10-08-07	12
2	Renovation & Modernisation of 132/33KV SS at Yurembam(Imphal)	34.5	M/S BHEL	- 22-11-07 25-03-08		21.26	20-03-08 26-02-11	34.75	39	63	11-01-08 17%	21 Not Started	01-09-09	36
3	Augm of 1x20MVA, 132/33KV SS at Churachandpur by an addl 20MVA	20	M/S PSC Engineers Pvt Ltd, Kolkata	22-06-07 24-12-07 10-01-08	6	4.58		4.58	-	0	15-03-08 25%	2 14	04-11-09 01-04-10	5
4	Aug of 1x20MVA, 132/33KV SS at Karong by an addl 20MVA	20	M/S PSC Engineers Pvt Ltd, Kolkata	22-06-07 24-12-07 10-01-08	6	4.71	01-10-09	5.33	21	13	15-03-08 24%	6 13	04-11-09 25-03-11	17
	<b>Total for (A)</b>	<b>94.5</b>				<b>33.16</b>		<b>48.08</b>		<b>45</b>				
<b>B) Construction of new 132/33 KV Substations</b>														
1	C/o 2x20MVA, 132/33 KV SS at Kongba	40	M/S Alstom	10-11-00 26-12-02 04-11-03	26	7.40	09-12-09	7.70	84	4	28-03-03 23%	9 9	16-11-04 24-05-12	91
2	C/o 2x12.5MVA 132/33 KV SS at Chandel with associated line bay (at Kakching) and Civil Works	25	M/S PSC Engineers Pvt Ltd, Kolkata	30-05-08 20-03-09 08-05-09	10	16.15		16.15	-	0	28-10-09 25%	5 Not Started	19-06-11	14
3	C/o 1x12.50 MVA, 132/33 KV SS at Rengang	25	M/S Shiyama Power (India) Pvt Ltd.	11-03-03 25-09-03 10-11-03	7	8.61	27-11-08	12.12	62	41	02-12-03 27%	7 40	23-07-05 31-01-11	66



1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
4	C/o 2x12.5MVA 132/33 KV SS at Hundung	25	M/S Shyama Power (India) Pvt Ltd.	04-03-06 20-12-08 23-02-09	34	17.61		17.61	-	0	31-03-09 30%	23 36	20-11-10	21
	<b>Total for (B)</b>	<b>115</b>				<b>49.77</b>		<b>53.58</b>		<b>8</b>				
<b>C) Augmentation of existing 132/33 KV transmission line</b>														
1	Instal of 132KV line bay equip for the 132KV line from Kakching to CCPur		M/S PSC Engineers Pvt Ltd, Kolkata	31-03-08 25-08-08 12-11-08	5	3.56		3.56	-	0	20-11-08 28%	4 9	20-08-11 22-5-10	
2	Instal of 132KV line bay equip for the 2nd 132 KV Trans line from Yurembam to Yaingangpokpi		M/S PSC Engineers Pvt Ltd, Kolkata	31-03-08 22-10-08 20-11-08	7	4.34	26-03-11	5.25	29	21	21-11-08 26%	4 29	13-07-10	26
3	Stringing of the 2nd 132 KV trans line between Ningthoukhong and CCPur 132/33 KV SSs on the existing D/C towers	23.016	M/S Khagemba Transmission & Construction	11-06-08 20-12-08 23-03-09	6	2.40	22-01-10	2.94	13	22	30-03-09 24%	-0.17 12	28-12-11 31-08-09	-
4	C/o 2nd 132 KV trans line from Yurembam to Yaingangpokpi	45	M/S Shyama Power (India) Pvt Ltd.	30-04-08 02-09-08 03-09-08	4	21.55	26-03-11	27.53	-	28	02-06-08 23%	10 Not Started	02-03-11	18
5	Instal of 132KV line bay equip at Ningthg and CCPur 132/33 KV SSs for the 2nd 132 KV Ningthg – CCPur line		M/S Shyama Power (India) Pvt Ltd.	11-06-08 20-12-08 25-02-09	6	3.16		3.16	-	0	30-03-09 28%	7 Not Started	19-11-10	21
	<b>Total for (C)</b>	<b>68.016</b>				<b>35.01</b>		<b>42.44</b>		<b>21</b>				
<b>D) Construction of new 132/33 KV transmission line</b>														
1	C/o 132KV Single circuit LILO at Jiribam	0.637	M/S Khagemba Transmission & Construction	17-02-04 25-08-05 08-09-05	18	0.78	17-12-07 05-09-09	1.33	48	71	16-01-06 16%	1 1	15-10-08 16-11-09	13
2	C/o 132 KV LILO transmission line on double circuit towers at Kongba	22.737	M/S Caravan Power & Const	28-02-06 17-03-07 29-03-07	13	9.34	09-12-09	12.90	33	38	31-03-07 20%	3 15	28-12-09 31-12-11	24
3	C/o 132 KV S/C line from Yaingangpokpi 132/33KV SS to Hundung	25	M/S Caravan Power & Const	30-08-06 20-12-08 23-02-09	28	11.94		11.94	-	0	30-03-10 32%	11 24	27-12-12	

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
4	C/o assoc 132 KV S/Ctransmission line (LILIO) for 132/33 KV SS at Rengpang	7	M/S Shyama Power (India) Pvt Ltd.	11-03-03 25-09-03 10-11-03	6	0.67	27-11-08	3.97	62	493	02-12-03 74%	7 63	31-08-06 31-01-11	53
5	C/o 132KV S/Cline from Kakching 132/33 SS to Chandel 132/33 KV SS	25	M/S Shyama Power (India) Pvt Ltd.	30-05-08 21-03-09 05-05-09	10	12.12		12.12	-		13-10-09 31%	7 Not Started	12-07-12	1
	<b>Total for (D)</b>	<b>80.374</b>				<b>34.85</b>		<b>42.26</b>		<b>21</b>				
	<b>TOTAL FOR 132 KV PROJECTS</b>					<b>152.79</b>		<b>186.36</b>		<b>22</b>				
	<b>E) Construction of new 33/11 KV Substations</b>													
1	C/o 2x1MVA, 33/11KV SS at Namrei	2	M/S Shyama Power (India) Pvt Ltd.	26-08-05 28-02-06 09-03-06	6	3.52		3.52	-	0	10-03-06 48%	11 27	30-10-07 16-01-10	27
2	C/o 2x1MVA, 33/11KV SS at Thanlon	2	M/S Shyama Power (India) Pvt Ltd.	26-08-05 28-02-06 09-03-06	6	3.55		3.55	-	0	10-03-06 48%	11 Not Started	30-10-07	58
3	C/o 2x1MVA, 33/11KV SS at Thingkeu	2	M/S Shyama Power (India) Pvt Ltd.	26-08-05 28-02-06 09-03-06	6	3.55		3.55	-	0	10-03-06 55%	11 45	30-10-07 01-04-11	41
4	C/o 33/11KV SS at Lakhamai	2	M/S Shyama Power (India) Pvt Ltd.	26-08-05 28-02-06 09-03-06	6	3.52		3.52	-	0	10-03-06 48%	11 27	30-10-07 16-01-10	27
5	C/o 2x2.5MVA, 33/11KV SS at Willong	5	M/S Shyama Power (India) Pvt Ltd.	30-06-08 20-12-08 25-02-09	6	4.52		4.52	-	0	23-03-09 27%	6 29	12-11-10	22
6	C/o 2x1MVA, 33/11KV SS at Chakpikarong	2	M/S Shyama Power (India) Pvt Ltd.	09-06-09 25-09-09 03-10-09	4	3.73		3.73	-	0	23-12-09 30%	4 Not Started	14-08-11	13
7	C/o 2x1MVA, 33/11KV SS at Henglep	2	M/S Shyama Power (India) Pvt Ltd.	09-06-09 25-09-09 03-10-09	4	3.79		3.79	-	0	04-01-10 30%	4 Not Started	26-08-11	12
8	C/o 2x5MVA, 33/11KV SS at Sekmajin	10	M/S Shyama Power (India) Pvt Ltd.	09-06-09 25-09-09 03-10-09	4	4.97		4.97	-	0	21-12-09 32%	3 Not Started	12-08-11	13
9	C/o 2x5MVA, 33/11KV SS at Ukhruel Khunjao	10	M/S Shyama Power (India) Pvt Ltd.	09-06-09 25-09-09 03-10-09	4	4.99		4.99	-	0	21-12-09 32%	4 Not Started	12-08-11	13
10	C/o 2x2.5MVA, 33/11KV SS at Jessami	5	M/S Shyama Power (India) Pvt Ltd.	24-01-11 10-03-11 16-03-11	2	5.17		5.17	-	0	No Advance	0.03 0	04-11-12 02-11-11	-

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
11	C/o 2x5MVA, 33/11KV SS at Kakwa	10	M/S Shyama Power (India) Pvt Ltd.	16-03-11 18-03-11 25-03-11	0.07	6.79		6.79	-	0	No Advance	4 0	13-11-12	-
	<b>Total for (E)</b>	<b>52</b>				<b>48.1</b>		<b>48.1</b>						
	<b>F) Construction of new 33/11 KV transmission line</b>													
1	C/o 33KV D/C line from Mongsangei 33/11KV SS to Khuman Lampak 33/11 KV SS on Towers	28.065	M/S Khagamba Transmission & Construction	31-12-04 22-03-06 29-03-07	15	13.55	23-09-11	21.18	66	56%	31-03-07 21%	4 4	28-12-09	32
2	C/o associated 33KV line for 2x1MVA, 33/11KV SS at Thingkeu	38	M/S Shyama Power (India) Pvt Ltd.	26-08-05 28-02-06 09-03-06	6	2.85	05-01-09	4.50	35	58	10-03-06 18%	2 12	07-12-08	45
3	C/o associated 33KV line for 33/11KV SS at Lakhama	40	M/S Shyama Power (India) Pvt Ltd.	13-07-05 28-02-06 09-03-06	8	4.52	05-01-09	5.00	35	11	10-03-06 26%	3 13	07-12-08	45
4	C/o associated 33KV line for 33/11KV SS at Namrei	43	M/S Shyama Power (India) Pvt Ltd.	26-08-05 28-02-06 09-03-06	6	4.52	06-01-09	5.24	35	16	10-03-06 25%	2 7	07-12-08	45
5	C/o 33KV DC line from Leimakhong 33/11KV SS to Iroisemba 33/11 KV SS on Towers	18	M/S Shyama Power (India) Pvt Ltd.	22-06-07 17-12-07 10-01-08	6	8.98		8.98	-	0	18-03-08 31%	3 25	16-12-10	20
6	C/o associated 33KV line for 33/11KV SS at Willong	37	M/S Shyama Power (India) Pvt Ltd.	30-06-08 20-12-08 25-02-09	6	4.46		4.46	-	0	23-03-09 21%	6 29	21-12-11	8
7	C/o associated 33KV line for 33/11KV SS at Ukhrul Khunja	10	M/S Shyama Power (India) Pvt Ltd.	09-06-09 25-09-09 03-10-09	4	1.27		1.27	-	0	23-12-09 17%	2 Not Started	21-09-12	-
8	C/o associated 33KV line for 33/11KV SS at Henglep	25	M/S Shyama Power (India) Pvt Ltd.	09-06-09 25-09-09 03-10-09	4	3.26		3.26	-	0	23-12-09 20%	2 Not Started	21-09-12	-
9	C/o associated 33KV line for 33/11KV SS at Jessami	50	M/S Shyama Power (India) Pvt Ltd.	24-01-11 10-03-11 16-03-11	2	7.02		7.02	-	0	No Advance	0.40 7	13-12-13 02-11-11	-

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
10	C/o associated 33KV line for 2x1MVA, 33/11KV SS at Thanlon	75	M/S Shyama Power (India) Pvt Ltd.	26-08-05 28-02-06 09-03-06	6	7.87	05-01-09	9.02	35	15	10-03-06 25%	6 Not Started	30-10-07	58
	<b>Total for (F)</b>	<b>364.065</b>				<b>58.3</b>		<b>69.93</b>		<b>20</b>				
	<b>TOTAL FOR 33 KV PROJECTS</b>					<b>106.40</b>		<b>118.03</b>		<b>11</b>				
	<b>Grand Total</b>					<b>259.19</b>		<b>304.39</b>		<b>17</b>				

\*Augm-Augmentation; C/o-Construction of; Instal-Installation; S/C-Single Circuit; D/C-Double Circuit; Ninggha-Ningthoukhong; CCpur-Churachandpur

### Appendix-3.5

(Reference: Paragraph 3.2.12.1)

Statement showing detail of stocks that had been lying idle

Sl No	Name of work	Contractor	Supply of material			Stipulated Date of completion	Time Overrun as on 31-08-12 (month)	Stock idle for (Month)	Remark
			Start date	End date	Amount (₹)				
1	2	3	4	5	6	7	8	9	10
A	Erection work not yet started								
1	Renovation & Modernisation of 132/33KV SS at Yurembam(Imphal)	M/s Bharat Heavy Electricals Limited.	18-09-09	15-01-11	19,14,25,763	01-09-09	36	35	
2	C/o 2x12.5MVA 132/33 KV SS at Chandel with associated line bay(at Kakching)	M/s PSC Engineers Pvt Ltd, Kolkata	19-03-10	28-03-12	10,85,17,862	19-06-11	14	29	
3	C/o associated 33KV line for 2x1MVA, 33/11KV SS at Thanlon	M/s Shyama Power (India) Pvt Ltd.	11-09-06	04-07-09	6,81,49,060	30-10-07	58	72	
4	C/o 2x1MVA, 33/11KV SS at Thanlon	M/s Shyama Power (India) Pvt Ltd.	12-02-07	25-09-08	1,46,62,670	30-10-07	58	67	
5	C/o 2nd 132 KV transmission line from Yurembam to Yaingangpokpi	M/s Shyama Power (India) Pvt Ltd.	28-03-09	28-03-09	14,67,32,515	02-03-11	18	41	

1	2	3	4	5	6	7	8	9	10
6	Installation of 132KV line bay equipment at Ningthoukhong and Churachandpur 132/33 KV SSs for the 2nd 132 KV Transmission line from Ningthoukhong to Churachandpur	M/s Shyama Power (India) Pvt Ltd.	29-10-09	14-03-11	1,49,29,360	28-12-11	8	34	
7	C/o associated 33KVline for 33/11KV SS at Ukhrul Khunjao	M/s Shyama Power (India) Pvt Ltd.	08-02-10	20-09-11	80,77,692	21-09-12	-	31	
8	C/o associated 33KV line for 33/11KV SS at Henglep	M/s Shyama Power (India) Pvt Ltd.	24-02-10	28-03-11	2,54,61,564	21-09-12	-	31	
9	C/o 2x5MVA, 33/11KV SS at Sekmajjin	M/s Shyama Power (India) Pvt Ltd.	17-03-10	06-08-11	3,51,99,040	19-09-12	-	29	Some civil work taken up
10	C/o 2x5MVA, 33/11KV SS at Ukhrul Khunjao	M/s Shyama Power (India) Pvt Ltd.	05-04-10	15-01-11	2,88,91,284	19-09-12	-	29	Some civil work taken up
11	C/o 2x1MVA, 33/11KV SS at Chakpikarong	M/s Shyama Power (India) Pvt Ltd.	16-04-10	01-08-11	2,32,76,938	21-09-12	-	29	
12	C/o 2x1MVA, 33/11KV SS at Henglep	M/s Shyama Power (India) Pvt Ltd.	30-04-10	01-08-11	1,69,44,986	03-10-12	-	28	
13	C/o 132KV S/C transmission line from Kakching 132/33 SS to Chandel 132/33 KV Sub Station	M/s Shyama Power (India) Pvt Ltd.	24-05-10	21-04-11	7,42,31,997	12-07-12	2	27	
<b>Total for Erection work not yet started</b>					<b>75,65,00,731</b>				
<b>B</b>	<b>Works where erection has started</b>								
1	C/o 2x20MVA, 132/33 KV SS at Kongba	M/s Alstom	15-12-03	26-10-06	5,98,15,347	16-11-04	94		
2	C/o 132KV S/C LILO at Jiribam	M/s Khagamba Transmission & Construction	04-02-06	16-11-09	82,61,738	07-09-07	60		
3	C/o associated 33KVline for 33/11KV SS at Namrei	M/s Shyama Power (India) Pvt Ltd.	28-04-06	09-07-08	4,71,49,385	07-12-08	45		
4	Augm of 1x20MVA, 132/33 KV SS at Kakching by an addl 20MVA, 132/33KV power transformer	M/s PSC Engineers Pvt Ltd, Kolkata	30-12-05	28-12-07	2,48,46,731	14-09-07	60		
5	C/o 1x12.50 MVA, 132/33 KV SS at Rengpang	M/s Shyama Power (India) Pvt Ltd.	08-07-04	12-09-11	7,89,08,659	31-08-06	72		

1	2	3	4	5	6	7	8	9	10
6	C/o associated 33KV/line for 2x1MVA, 33/11KV SS at Thingkeu	M/s Shyama Power (India) Pvt Ltd.	23-05-06	03-03-11	3,92,17,109	07-12-08	45		
7	C/o associated 33KV/line for 33/11KV SS at Lakhamai	M/s Shyama Power (India) Pvt Ltd.	25-05-06	30-03-09	4,56,79,642	07-12-08	45		
8	C/o 33KV D/C line from Mongsangei 33/11KV SS to Khuman Lampak 33/11 KV SS on Towers with Panther Conductor	M/s Khagamba Transmission & Construction	20-07-07	21-06-11	10,44,60,891	19-11-08	46		
9	C/o 33/11KV SS at Lakhamai	M/s Shyama Power (India) Pvt Ltd.	30-01-07	21-03-09	1,60,03,525	30-10-07	58		
10	C/o 2x1MVA, 33/11KV SS at Namrei	M/s Shyama Power (India) Pvt Ltd.	08-02-07	21-02-09	1,71,62,600	30-10-07	58		
11	C/o 132 KV LILO transmission line on D/C towers at Kongba	M/s Caravan Power & Construction	25-06-07	16-03-11	10,16,36,792	19-11-08	46		
12	C/o 132 KV S/C LILO for 132/33 KV SS at Rengpang	M/s Shyama Power (India) Pvt Ltd.	08-07-04	21-09-10	2,44,20,219	31-08-06	72		
13	Augm of 1x20MVA, 132/33KV SS at Karong by an addl 20MVA	M/s PSC Engineers Pvt Ltd, Kolkata	29-08-08	20-03-10	4,38,93,010	04-11-09	22		
14	Augm of 1x20MVA, 132/33KV SS at Churachandpur by an addl 20MVA, 132/33KV power transformer	M/s PSC Engineers Pvt Ltd, Kolkata	16-05-08	08-03-10	3,86,94,825	04-11-09	22		
15	Installation of 132KV line bay equipment for the 132KV transmission line from Kakching to Churachandpur	M/s PSC Engineers Pvt Ltd, Kolkata	25-03-09	15-03-11	3,09,57,810	12-07-10	24		
16	C/o 2x1MVA, 33/11KV SS at Thingkeu	M/s Shyama Power (India) Pvt Ltd.	12-02-07	10-11-09	1,90,58,880	07-12-08	45		
17	C/o 33KV D/C line from Leimakhong 33/11KV SS to Iroisemba 33/11 KV SS on Towers with Panther Conductor and with associated line bays (4 nos.)	M/s Shyama Power (India) Pvt Ltd.	02-06-08	25-09-09	6,19,46,019	16-12-10	20		
18	Stringing of the second 132 KV transmission line between Ningthoukhong and Churachandpur 132/33 KV SSs on the existing D/C towers	M/s Khagamba Transmission & Construction	25-03-09	30-03-10	2,42,86,845	19-11-10	21		



1	2	3	4	5	6	7	8	9	10
19	C/o 2x2.5MVA, 33/11KV SS at Jessami	M/s Shyama Power (India) Pvt Ltd.	17-03-11	25-03-11	3,09,05,104	13-12-13	-		
20	C/o 2x5MVA, 33/11KV SS at Kakwa	M/s Shyama Power (India) Pvt Ltd.	15-07-11	01-02-12	3,78,37,615	13-11-12	-		
21	Installation of 132KV line bay equipment for the 2nd 132 KV Transmission line from Yurembam to Yaingangpokpi	M/s PSC Engineers Pvt Ltd, Kolkata	18-03-09	05-04-11	4,17,90,073	13-07-10	24		
22	C/o 2x2.5MVA, 33/11KV SS at Willong	M/s Shyama Power (India) Pvt Ltd.	09-09-09	29-07-11	3,13,41,523	12-11-10	22		
23	C/o associated 33KVline for 33/11KV SS at Willong	M/s Shyama Power (India) Pvt Ltd.	09-09-09	29-07-11	4,05,96,887	12-11-10	22		
24	C/o associated 33KVline for 33/11KV SS at Jessami	M/s Shyama Power (India) Pvt Ltd.	28-03-11	18-07-11	6,29,75,340	04-11-12	-		
25	C/o 2x12.5MVA 132/33 KV SS at Hundung	M/s Shyama Power (India) Pvt Ltd.	12-02-11	28-03-12	14,17,79,820	20-11-10	21		
26	C/o 132 KV S/C transmission line from Yaingangpokpi 132/33KV SS to Hundung	M/s Caravan Power & Construction	21-02-11	26-03-12	8,50,80,179	19-11-11	9		
	<b>Total for works where erection has been started</b>				<b>1,25,87,06,568</b>				
	<b>Total</b>				<b>2,01,52,07,299</b>				

**Appendix-3.6**  
(Reference: Paragraph 3.2.12.4)

**Details of procurement of towers below weight norms**

SI No	Particulars	Dept's Min Wt as furnished in Mar '13 (MT)		Dept's wt/unit in Oct '12 (MT)	C/o 33KV D/C line from Leimakhong 33/11KV SS to Iroisemba 33/11 KV SS on Towers				C/o 132KV S/C transmission line from Kakching 132/33 SS to Chandel 132/33 KV SS				C/o 132 KV S/C transmission line from Yaingangpokpi 132/33KV SS to Hundung				Total Paid (₹)	Cost of substandard material (₹)
		S/C	D/C		Gur'd wt/unit (MT)	wrt to Dept's Min Wt	Cost (₹)	Gur'd wt/unit (MT)	wrt to Dept's Min Wt	Cost (₹)	Gur'd wt/unit (MT)	wrt to Dept's Min Wt	Gur'd wt/unit (MT)	wrt to Dept's Min Wt	Cost (₹)			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
1	A-type Towers	2.121	2.567	2.535	1.440	LESS	29,52,000	1.996	LESS	24,71,620	N/A	1.071	LESS	20,36,983	74,60,603	74,60,603		
2	3M extn	0.455	0.500	0.500	0.480	LESS	-	0.456	HIGH	2,25,688	N/A	0.310	LESS	1,68,389	3,94,077	1,68,389		
3	6M extn	0.941	0.979	1.026	0.640	LESS	-	1.055	HIGH	2,61,384	N/A	0.659	LESS	1,78,983	4,40,367	1,78,983		
4	C-type Towers	3.284	3.691	3.945	2.460	LESS	68,08,050	3.376	HIGH	1,25,42,640	N/A	2.175	LESS	88,64,971	2,82,15,661	1,56,73,021		
5	3M extn	0.591	0.808	0.825	0.860	HIGH	4,40,750	0.769	HIGH	5,71,128	N/A	0.387	LESS	3,15,051	13,26,929	3,15,051		
6	6M extn	1.227	1.467	1.925	1.170	LESS	3,59,775	1.372	HIGH	20,38,668	N/A	0.850	LESS	13,81,888	37,80,331	17,41,663		
7	D-type Towers	3.252	4.990	5.470	3.120	LESS	35,17,800	4.260	HIGH	1,84,62,220	N/A	2.917	LESS	1,38,65,066	3,58,45,086	1,73,82,866		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
8	3M extn	0.760	0.964	1.030	1.200	HIGH	2,46,000	1.219	HIGH	9,05,970	N/A	0.528	LESS	4,30,482	15,82,452	4,30,482		
9	6M extn	1.586	1.799	1.925	1.650	LESS	1,69,125	1.844	HIGH	9,13,388	N/A	1.061	LESS	5,76,330	16,58,843	7,45,455		
	Templates adjustable for																	
10	A-type Towers	0.357	0.404	0.430	0.300	LESS	97,650	0.650	HIGH	-	N/A	0.360	HIGH	99,139	1,96,789	97,650		
11	C-type towers	0.405	0.500	0.550	0.450	LESS	1,46,475	0.850	HIGH	-	N/A	0.416	HIGH	1,66,972	3,13,447	1,46,475		
12	D-type Towers	0.612	0.795	0.870	0.550	LESS	1,19,350	1.000	HIGH	-	N/A	0.694	HIGH	1,85,703	3,05,053	1,19,350		
	Total						1,48,56,975			3,83,92,706				2,82,69,959	8,15,19,640	4,44,59,989		

**Appendix-4.1**  
(Reference : Paragraph 4.5)

**Statement showing retention of land revenue by Zilladar, Bishnupur Circle  
for the period from February 2006 to June 2011**

Sl.No.	Receipt Book No./ Receipt No.	Revenue collection Date/Month	Amount collected (₹)
(1)	(2)	(3)	(4)
1	003/00143-150	17/2/06	2349.06
	004/00151-162	17/2/06	
2	004/00163-189	17/2/06	8875.33
	004/00190-200	24/3/06	2187.35
3	107/05301-350	24/3/06	5958.84
4	108/05352-56	24/3/06	744.67
	108/357-375	24/3/06	3927.65
	108/376-400	24/3/06	4722.17
5	137/06801-826	2/07	6047.96
6	137/06827-850	3/07	3331.08
7	152/07551-57	4/07	1142.21
8	286/01-49	9/1/04-11/04	2350.40 4543.71
9	289/01-49	27/1/04-2/04	5645.98
10	152/07551-57	4/07	1142.21
	152/07558-579	4/07	5256.22
	15207580-600	5/07	5143.40
11	296/14751-800	6/07	7663.20
12	297/14801-850	6/07	7071.70
13	299/14901-943	6/07	7849.06
	299/14944-950	7/07	955.93
14	317/15801-810	10/07	2102.26
	317/811-829	11/07	3228.52
	317/830-850	12/07	2262.01
15	315/15701-710	12/07	2826.08
	315/711-732	12/07	10083.52
	315/733-750	1/08	4084.10
16	335/16701-733	5/08	7402.63
17	110/05461-500	14/08	7333.01
18	122/06051-06100	11/08	9587.27
19	123/06101-134	12/08	6905.62
	123/135-150	1/09	3831.63
20	126/06251-264	2/09	1942.48
	126/265-300	3/09	6943.67
21	133/06601-624	4/09	6527.69
	133/625-650	4/09	6077.23
22	134/06651-700	5/09	6832.66
23	135/06701-731	6/09	5105.05
24	135/06732-742	7/09	2669.86
25	139/06743-750	7/09	2154.53
26	138/06851-862	8/09	5027.21
27	138/06863-877	9/09	4229.94
28	138/06878-900	10/09	5552.37

(1)	(2)	(3)	(4)
29	431/21501-532	11/09	5246.33
30	431/21533-550	12/09	2240.97
31	433/21601-619	12/09	3548.09
32	433/21620-650	1/10	6531.84
33	304/15151-200	2/10	6927.55
34	140/06951-963	3/10	5147.00
35	140/06964-7000	4/10	8485.04
36	316/15751-777	5/10	5302.72
37	316/15778-800	6/10	4876.18
38	319/15901-927	7/10	5583.89
39	319/15928-950	8/10	4512.70
40	322/16051-076	9/10	5300.87
41	322/16077-100	10/10	4255.22
42	323/16101-107	10/10	853.97
43	323/16108-136	11/10	5985.20
44	323/16137-150	12/10	1949.03
45	324/16151-166	12/10	4291.19
46	324/16167-187	1/11	5518.94
47	324/16188-200	2/11	2809.52
48	336/16751-762	2/11	2391.90
49	336/16763-781	3/11	5094.02
50	336/16782-796	4/11	7147.50
51	336/16782-800	5/11	906.04
52	399/19901-931	5/11	4255.62
53	399/19922-950	6/11	4467.90
<b>Total</b>			<b>3,13,246.70</b>

**Appendix 4.2**  
(Reference: Paragraph 4.6)

**(A) Statement showing suppression of purchase turnover and consequential evasion of tax**  
(Amount in ₹)

Name of dealers and Zones	Particulars of Goods	Quarter Ending (Date of Assessment)	Purchase turnover of goods as per Taxation Check Gate Records	Purchase turnover Returned and accounted for assessment	Purchase turnover suppressed	Tax evaded	Penalty leviable under Section 36 (7)
1	2	3	4	5	6 (4-5)	7	8
M/S Niranjani Electronics (TIN : 14410027178)	Electronic goods, Washing Machine, T.V. etc. (Rate of Tax: 13.5%)	June 2011 (19 July 2011)	10,96,257	5,18,502	5,77,755	77,997	1,55,994
		September 2011 (16 November 2011)	16,90,639	5,54,883	1,135,756	1,53,327	3,06,654
		Sub-total	27,86,896	10,73,385	17,13,511	2,31,324	4,62,648
M/S Debopriyo Agencies (TIN : 14410168234)	Detergents, Cosmetics etc. (Rate of Tax: 12.5%)	March 2009 (17 March 2010)	12,563,200	0	1,25,63,200	15,70,400	31,40,800
		June 2009 (19 March 2010)	48,86,120	29,67,279	19,18,841	2,39,855	4,79,710
		Sub-total	1,74,49,320	29,67,279	1,44,82,041	18,10,255	36,20,510
M/s Vinod Hardware Store (TIN-14110013151)-Zone III	Marble and ceramic tiles (Rate of Tax: 13.5%)	June 2011 (8 August 2011)	23,66,155	5,10,710	18,55,445	2,50,485	5,00,970
		Sub-total	23,66,155	5,10,710	18,55,445	2,50,485	5,00,970
M/s Sarajeevan Enterprises (TIN-14210049150)-Zone VI	Electronic goods (Rate of Tax: 13.5%)	September 2011 (16 November 2011)	34,62,024	0	34,62,024	4,67,373	9,34,746
		Sub-total	34,62,024	0	34,62,024	4,67,373	9,34,746
M/s Sahara Lubricants (TIN-14810071144)-Zone VIII	Lubricant (Rate of Tax: 13.5%)	June 2011 (3 November 2011)	16,73,748	70,654	16,03,094	2,16,418	4,32,836
		September 2011 (3 November 2011)	5,04,184	82,654	4,21,530	56,907	1,13,814
		Sub-total	21,77,932	1,53,308	20,24,624	2,73,325	5,46,650
Total			2,82,42,327	47,04,682	2,35,37,645	30,32,762	60,65,524

(B) Statement showing purchases made as per Taxation Check gate records

(Amount in ₹)

Sl. No.	Name of dealer (TIN ) and Zone	Name of Taxation Check gate	Month of crossing Taxation Check gate	Particulars of goods	Value of goods purchased as per records of Taxation Check gates	Form '27' No.
1	M/S Niranjan Electronics (14410027178) – I	Quarter Ending June, 2011				
		Hengbung	April 2011	Electronics goods	3,65,591	765-19118
		Hengbung	May 2011	do	1,59,207	765-19119
		Hengbung	May 2011	do	2,13,659	1980-49482
		Hengbung	June 2011	do	3,57,800	765-19120
		Sub-total			10,96,257	
		Quarter Ending Sept., 2011				
		Hengbung	July 2011	Refrigerator, washing machine	3,57,015	1980-49486
		Jiribam	September 2011	TV	7,41,700	1980-49488
		Jiribam	September 2011	TV	4,79,376	1980-49489
		Jiribam	September 2011	TV	1,12,548	765-19125
Sub-total				16,90,639		
Total				27,86,896		

(C) Statement showing purchases made as per Form '27'

(Amount in ₹)

Name of dealer (TIN ) and Zone	Particulars of goods	Rate of tax	Value of goods purchased as per Utilisation Statement of Form '27' (amount in ₹)	Form '27' No.	
M/S Debopriyo Agencies (14410168234) – I	Quarter Ending: March 2009				
	Pickles	12.5%	97,764	28485	
	Cosmetics		30,51,871	28486	
	Ujala		5,16,008	28487	
	Detergents		40,62,567	28488	
	Detergents		25,37,945	28489	
	Cosmetics		81,689	28490	
	Detergents		6,42,639	28491	
	Pickles		7,33,953	28492	
	Ujala		7,13,093	28493	
	Cosmetics		1,25,671	28494	
	Sub - total		1,25,63,200		
	Quarter Ending: June 2009				
	Cosmetics	12.5%	11,62,044	28495	
	Ujala, Pickles, Detergents		16,12,020	28496	
	Ujala, Pickles, Detergents		21,12,056	28497	
	Sub - total		48,86,120		
	Total		1,74,49,320		

(D) Statement showing purchases made as per Taxation Check gate records

(Amount in ₹)

Name of dealer (TIN ) and Zone	Name of Taxation Check gate	Month of crossing Taxation Check gate	Particulars of goods	Value of goods purchased as per records of Taxation Check gates	Form '27' No.
M/S Vinod Hardware (14110013151) – III	<b>Quarter Ending June 2011</b>				
	Hengbung	May 2011	Marble tile	4,74,937	2004-50091
	Hengbung	May 2011	Tiles	2,06,292	2245-56101
	Hengbung	May 2011	Marbles	2,76,603	2245-56102
	Hengbung	May 2011	Ceramic tiles	4,55,551	2245 56103
		May 2011	Tiles	4,29,791	2245-56104
		May 2011	Granite slab	1,61,553	2245-56105
		June 2011	Tiles	3,61,428	2004-50099
<b>Total</b>				<b>23,66,155</b>	
M/s Sahara Lubricants (14810071144) – VIII	<b>Quarter Ending June 2011</b>				
	Hengbung	May 2011	Lubricant	11,97,155	1652-41282
	Hengbung	June 2011	Lubricant	4,76,593	2594-64831
	<b>Sub-total</b>			<b>16,73,748</b>	
	<b>Quarter Ending September 2011</b>				
	Hengbung	September 2011	Lubricant	5,04,184	2594-64832
<b>Sub-total</b>				<b>5,04,184</b>	
<b>Total</b>				<b>45,44,087</b>	

(E) Statement showing purchases made as per Taxation Check gate records

(Amount in ₹)

Name of dealer (TIN ) and Zone	Name of Taxation Check gate	Month of crossing Taxation Check gate	Particulars of goods	Value of goods purchased as per records of Taxation Check gates	Form '27' No.
M/S Sarajeevan Enterprises (14210049150) – VI	Quarter Ending September 2011				
	Hengbung	July 2011	V stabilizer	30,140	2307-57672
		July 2011	Refrigerator	3,66,060	2307-57663
		July 2011	Refrigerator	4,78,568	2037-57655
		July 2011	Washing machine, Colour TV	5,07,402	2037-57651
		July 2011	Washing machine	2,95,968	2037-57667
		July 2011	Refrigerator	3,29,182	2306-57644
		July 2011	Washing machine	3,79,234	2307-57656
		July 2011	Refrigerator	3,28,270	2307-57654
		July 2011	Colour TV	7,47,200	2307-57666
Total				34,62,024	



**Appendix 4.3**  
(Reference: Paragraph 4.7)

**(A) Statement showing evasion of tax by concealment of taxable turnover of sales**

Name of the dealer: M/S Santosh Sanitary (TIN: 14310234184)

(Amount in ₹)

Quarter Ending (Date of Assessment)	Rate of tax	Gross Turnover of Sales as per Audit findings	Taxable Turnover of goods as per Audit findings	Taxable Turnover returned & assessed	Taxable Turnover suppressed	Tax evaded	Penalty Leviable under Section 36 (7)
(1)	(2)	(3)	(4)	(5)	(6) (4-5)	(7)	(8)
September 2010 (19 November 2010)	4%	23,55,996	22,65,381	40,560	22,24,821	88,993	1,77,986
	12.5%	37,04,133	32,92,562	1,19,650	31,72,912	3,96,614	7,93,228
<b>Sub-total</b>		<b>60,60,129</b>	<b>55,57,943</b>	<b>1,60,210</b>	<b>53,97,733</b>	<b>4,85,607</b>	<b>9,71,214</b>
December 2010 (19 February 2011)	4%	1,88,555	1,81,303	0	181,303	7,252	14,504
	5%	2,15,525	2,05,262	50,065	1,55,197	7,760	15,520
	12.5%	12,41,332	11,03,406	0	1,103,406	1,37,926	2,75,852
	13.5%	8,19,760	7,22,256	1,20,780	601,476	81,199	1,62,399
<b>Sub-total</b>		<b>24,65,172</b>	<b>22,12,227</b>	<b>1,70,845</b>	<b>20,41,382</b>	<b>2,34,137</b>	<b>4,68,275</b>
March 2011 (26 April 2011)	4%	2,62,572	2,52,473	0	2,52,473	10,099	20,198
	5%	13,18,429	12,55,646	71,200	11,84,446	59,222	1,18,444
	13.5%	17,14,815	15,10,850	2,15,600	12,95,250	1,74,859	349,718
<b>Sub-total</b>		<b>32,95,816</b>	<b>30,18,969</b>	<b>2,86,800</b>	<b>27,32,169</b>	<b>2,44,180</b>	<b>4,88,360</b>
<b>Total</b>		<b>1,18,21,117</b>	<b>1,07,89,139</b>	<b>6,17,855</b>	<b>1,01,71,284</b>	<b>9,63,924</b>	<b>19,27,849</b>

**(B) Statement showing evasion of tax by concealment of taxable turnover of sales**

Name of the dealer : M/S Sangeeta Hardware (TIN : 143100037154)

(Amount in ₹)

Quarter Ending (Date of Assessment)	Rate of tax	Gross Turnover of sales as per Audit findings	Taxable Turnover of goods as per Audit findings	Taxable Turnover returned & assessed	Taxable Turnover suppressed	Tax evaded	Penalty Leviable under Section 36 (7)
(1)	(2)	(3)	(4)	(5)	(6) (4-5)	(7)	(8)
December 2010 (30 January 2011)	5%	13,47,972	12,85,549	2,74,950	10,10,599	50,530	1,01,060
	13.5%	18,28,325	16,10,859	29,747	15,81,112	2,13,450	4,26,900
<b>Total</b>		<b>31,76,297</b>	<b>2,896,408</b>	<b>3,04,697</b>	<b>25,91,711</b>	<b>2,63,980</b>	<b>5,27,960</b>

**Appendix 4.4**  
(Reference : Paragraph 4.8)  
**Statement showing penalty leviable for default in audit of accounts**

(Amount in ₹)

Sl. No.	Zone	Name of dealers (TIN No.)	Goods dealt in	Assessment year (Month of Assessment)	Quarter Ending	Quarterly taxable turnover	Total taxable turnover	Penalty leviable @ 0.1%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	I	Manipur Agency House (14410006162)	Confectionary, cosmetics etc.	2009-10	June 2009	57,75,095	2,44,27,578	24,428
				March 2010 - June 2010	September 2009	61,27,172		
					December 2009	63,21,027		
					March 2010	62,04,284		
2	I	Debopriyo Agencies (14410058100)	Mosquito coil, cosmetics etc.	2009-10	June 2009	40,78,747	1,31,95,729	13,196
				March 2010- June 2011	September 2009	27,35,697		
					December 2009	28,74,661		
					March 2010	35,06,624		
3	I	Sagolsem Mani Singh and Sons (14410093157)	Pharma, IT, CD etc.	2010-11	June 2010	51,80,962	1,98,57,436	19,857
				January 2011- June 2011	September 2010	53,76,523		
					December 2010	51,13,853		
					March 2011	41,86,098		
4	I	Sachdev Medical Hall (14410021118)	Medicine etc.	2009-10	June 2009	13,31,867	52,76,914	5,277
				January 2010 - February 2011	September 2009	12,65,786		
					December 2009	12,17,072		
					March 2010	14,62,189		
				2010-11	June 2010	17,43,992	63,10,817	6,311
				February 2011 - June 2011	September 2010	17,60,444		
					December 2010	18,06,828		
					March 2011	9,99,553		
5	II	Manipur Steel Mart (14310010175)	Water pump sets, machinery etc	2009-10	June 2009	27,12,909	1,26,67,882	12,668
				August 2009 - April 2010	September 2009	44,90,765		
					December 2009	28,47,709		
					March 2010	26,16,499		
				2010-11	June 2010	11,96,898	1,23,16,115	12,316
				July 2010 - April 2011	September 2010	22,41,248		
					December 2010	37,92,037		
					March 2011	50,85,932		
6	II	Ranjit enterprise (14310105155)	Detergent Powder, Agarbati, etc.	2010-11	June 2010	13,70,575	70,26,565	7,027
				August 2010- April 2011	September 2010	17,65,433		
					December 2010	20,34,915		
					March 2011	18,55,642		
7	IV	Mamta Electricals (14510006189)	Electrical goods etc.	2010-11	June 2010	20,18,500	11,429,562	11,430
				August 2010 May 2011	September 2010	28,46,862		
					December 2010	30,53,112		
					March 2011	35,11,088		
8	IV	Manipur Tobacco Mart (14510228178)	Tobacco products etc.	2010-11	June 2010	4,12,61,340	30,19,59,072	3,01,959
					September 2010	6,99,78,094		
				August 2010 April 2011	December 2010	9,76,63,368		
					March 2011	9,30,56,270		

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
9	V	United Trading co. (14510034178)	Cosmetics, matches <i>etc.</i>	2009-10	June 2009	1,29,60,953	7,91,60,286	79,160
				October 2009 to May 2010	September 2009	1,73,04,463		
					December 2009	1,76,07,670		
				2010-11	March 2010	3,12,87,200	7,78,64,901	77,865
				July 2010 to April, 2011	June 2010	78,22,266		
					September 2010	1,28,82,643		
10	VI	Eastern India Agency (14510008112)	Lubricant <i>etc.</i>	2010-11	December 2010	2,20,40,590	2,33,84,213	23,384
					March 2011	3,51,19,402		
				July 2010 to April 2011	June 2010	18,42,480		
					September 2010	21,18,856		
					December 2010	88,88,213		
				March 2011	1,05,34,664			
11	VII	Sharma bros. Scientific (14210034194)	Scientific equipments <i>etc.</i>	2009-10	June 2009	27,77,518	81,39,263	8,139
				December 2009 to April 2010	September 2009	16,07,640		
					December 2009	15,45,173		
				2010-11	March 2010	22,08,932	1,18,66,267	11,866
					June 2010	37,44,976		
				August 2010 to May 2011	September 2010	26,75,648		
					December 2010	27,29,877		
					March 2011	27,15,766		
12	VII	Noyon Singh and Sons (14210001155)	Sewing machines <i>etc.</i>	2010-11	June 2010	9,16,912	42,21,709	4,222
				August 2010 to April 2011	Septcmber 2010	9,46,095		
					December 2010	12,03,386		
					March 2011	11,55,316		
Total							61,91,04,309	6,19,105

**Appendix-4.5**  
(Reference : Paragraph 4.9)

**(A) Statement showing arrears of tax remaining unrecovered in respect of M/s NRL (TIN-14010892285), Singjamei, Imphal City-3**

(Amount in ₹)

Quarter ending	Date of assessment	Gross Turn Over	Taxable turnover	Tax assessable as per return
6/07	Not assessed	1,58,13,410	1,44,00,088	26,13,137
9/07	do	1,70,78,229	1,55,49,362	28,21,168
12/07	do	1,23,99,314	1,12,91,384	16,85,801
3/08	do	2,04,32,588	1,76,54,783	31,68,614
6/08	do	1,29,99,840	1,02,62,444	18,57,945
9/08	do	57,99,705	46,60,168	8,63,737
12/08	do	1,34,05,854	1,07,74,756	18,66,322
3/09	do	56,00,675	43,41,314	7,54,324
6/09	do	1,20,46,799	90,67,639	16,18,106
9/09	do	85,71,003	67,06,292	12,07,336
12/09	do	81,18,523	62,36,390	11,48,599
3/10	do	69,65,405	62,12,659	11,51,600
6/10	do	26,12,888	26,12,888	4,85,918
9/10	do	17,55,677	17,55,677	2,92,984
12/10	do	75,34,415	75,34,415	10,72,765
<b>Total</b>		<b>15,11,34,325</b>	<b>12,90,60,259</b>	<b>2,26,08,356</b>

**(B) Statement showing the amount of tax deposited by M/s NRL (TIN-14010892285), Singjamei, Imphal City-3**

(₹ in lakh)

Sl. no.	Challan no.	Challan date	Amount of tax
1	47	7.3.08	10
2	36	11.7.08	10
3	5	2.9.08	10
4	127	17.9.08	10.50
5	28	5.3.09	11
6	16	4.5.09	5
7	86	17.8.09	5
8	66	3.10.09	5
9	51	3.10.09	2
10	67	7.10.09	8
11	1	7.12.09	5
12	26	8.1.10	5
13	28	14.1.10	5
14	10	15.1.10	5
15	3	15.3.11	5
16	20	8.4.11	5
17	22	3.5.11	5
<b>Total</b>			<b>111.50</b>

**Appendix-4.6**  
(Reference : Paragraph 4.10)

(A) Statement showing outstanding tax and penalty in respect of commercial goods vehicles (DTO, Imphal West)

(Amount in ₹)

Sl. No.	Vehicle no.	Unladen weight in tone	Tax paid upto	Upto quarter ending 3/11		For quarters ending 6/11 to 12/11			Total Road tax		Upto quarter ending 3/10			For quarters ending 6/10 to 12/11			Total Goods tax	Penalty leviable	Total amount
				Road tax rate per quarter	No. of quarters due	Road tax	Road tax rate per quarter	No. of quarters due	Road tax	No. of quarters due	Goods tax rate per quarter	No. of quarters due	Goods tax	Goods tax rate per quarter	No. of quarters due	Goods tax			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
1	MN-01/4356	10	30,9.09	870	6	5220	1740	3	5220	10440	750	2	1500	900	7	6300	7800	400	18640
2	MN-01/4357	10	31.12.09	870	5	4350	1740	3	5220	9570	750	1	750	900	7	6300	7050	400	17020
3	MN-01/4359	5	31.12.09	470	5	2350	940	3	2820	5170	375	1	375	450	7	3150	3525	200	8895
4	MN-01/4366	10	31.3.11	870	0	0	1740	3	5220	5220	750	0	0	900	3	2700	2700	400	8320
5	MN-01/4379	10	31.12.10	870	1	870	1740	3	5220	6090	750	0	0	900	4	3600	3600	400	10090
6	MN-01/4395	10	30.6.11	870	0	0	1740	2	3480	3480	750	0	0	900	2	1800	1800	400	5680
7	MN-01/4399	10	30.6.11	870	0	0	1740	2	3480	3480	750	0	0	900	2	1800	1800	400	5680
8	MN-01/4401	5	31.12.09	470	5	2350	940	3	2820	5170	375	1	375	450	7	3150	3525	200	8895
9	MN-01/4406	10	31.3.11	870	0	0	1740	3	5220	5220	750	0	0	900	3	2700	2700	400	8320
10	MN-01/4420	10	30.6.11	870	0	0	1740	2	3480	3480	750	0	0	900	2	1800	1800	400	5680
11	MN-01/3972	10	31.3.09	870	8	6960	1740	3	5220	12180	750	4	3000	900	7	6300	9300	400	21880
12	MN-01/3979	10	31.3.10	870	4	3480	1740	3	5220	8700	750	0	0	900	7	6300	6300	400	15400
13	MN-01/3994	10	31.3.10	870	4	3480	1740	3	5220	8700	750	0	0	900	7	6300	6300	400	15400
14	MN-01/4031	10	31.3.09	870	8	6960	1740	3	5220	12180	750	4	3000	900	7	6300	9300	400	21880
15	MN-01/4032	7.5	31.3.09	670	8	5360	1580	3	4740	10100	575	4	2300	750	7	5250	7550	200	17850
16	MN-01/4035	7.5	30.6.11	670	0	0	1580	2	3160	3160	575	0	0	750	2	1500	1500	200	4860
17	MN-01/4037	10	30.9.11	870	0	0	1740	1	1740	1740	750	0	0	900	1	900	900	400	3040
18	MN-01/4061	7.5	30.6.09	670	7	4690	1580	3	4740	9430	575	3	1725	750	7	5250	6975	200	16605
19	MN-01/4081	10	30.9.09	870	6	5220	1740	3	5220	10440	750	2	1500	900	7	6300	7800	400	18640
20	MN-01/4083	7.5	31.3.10	670	4	2680	1580	3	4740	7420	575	0	0	750	7	5250	5250	200	12870
21	MN-01/4089	10	31.3.10	870	4	3480	1740	3	5220	8700	750	0	0	900	7	6300	6300	400	15400
22	MN-01/4099	10	31.3.11	870	0	0	1740	3	5220	5220	750	0	0	900	3	2700	2700	400	8320
23	MN-01/4101	10	31.3.09	870	8	6960	1740	3	5220	12180	750	4	3000	900	7	6300	9300	400	21880
24	MN-01/6018	10	30.6.11	870	0	0	1740	2	3480	3480	750	0	0	900	2	1800	1800	400	5680
25	MN-01/6026	10	30.9.11	870	0	0	1740	1	1740	1740	750	0	0	900	1	900	900	400	3040

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
26	MN-01/6027	10	30.9.10	870	2	1740	1740	3	5220	6960	750	0	0	900	5	4500	4500	400	11860
27	MN-01/6069	10	31.3.11	870	0	0	1740	3	5220	5220	750	0	0	900	3	2700	2700	400	8320
28	MN-01/6078	10	31.3.11	870	0	0	1740	3	5220	5220	750	0	0	900	3	2700	2700	400	8320
29	MN-01/6102	10	30.9.10	870	2	1740	1740	3	5220	6960	750	0	0	900	5	4500	4500	400	11860
30	MN-01/6104	10	30.9.10	870	2	1740	1740	3	5220	6960	750	0	0	900	5	4500	4500	400	11860
31	MN-01/6109	10	31.12.09	870	5	4350	1740	3	5220	9570	750	1	750	900	7	6300	7050	400	17020
32	MN-01/6111	10	30.9.10	870	2	1740	1740	3	5220	6960	750	0	0	900	5	4500	4500	400	11860
33	MN-01/6113	10	30.6.11	870	0	0	1740	2	3480	3480	750	0	0	900	2	1800	1800	400	5680
34	MN-01/6114	10	30.6.09	870	7	6090	1740	3	5220	11310	750	3	2250	900	7	6300	8550	400	20260
35	MN-01/6121	10	31.3.10	870	4	3480	1740	3	5220	8700	750	0	0	900	7	6300	6300	400	15400
Total						85290			158740	244030			20525			145050	165575	12800	422405

(B) Statement showing outstanding tax and penalty in respect of commercial goods vehicles (DTO, Bishnupur)

Sl. No.	Vehicle no.	Unlade n weight in tone	Upto quarter ending 3/11			For quarters ending 6/11 to 3/12			Total Road tax	Upto quarter ending 3/12			Penalty	Total amount	
			Tax paid upto	Road tax rate per quarter	No. of quarters due	Road tax	Road tax rate per quarter	No. of quarters due		Road tax	Goods tax rate per quarter	No. of quarters due			Goods Tax
1	MN05 2764	10	12/11	870	0	0	1740	1	1740	1740	900	1	900	400	3040
2	MN 05C 0089	5	9/11	470	0	0	940	2	1880	1880	450	2	900	200	2980
3	MN 05C 0123	5	6/11	470	0	0	940	3	2820	2820	450	3	1350	200	4370
4	MN 05C 0131	5	3/11	470	0	0	940	4	3760	3760	450	4	1800	200	5760
5	MN 05C 0139	5	3/10	470	4	1880	940	4	3760	5640	450	8	3600	200	9440
6	MN 05C 0142	5	3/10	470	4	1880	940	4	3760	5640	450	8	3600	200	9440
7	MN 05C 0145	5	6/10	470	3	1410	940	4	3760	5170	450	7	3150	200	8520
8	MN 05C 0148	5	3/10	470	4	1880	940	4	3760	5640	450	8	3600	200	9440
9	MN 05C 0149	5	3/10	470	4	1880	940	4	3760	5640	450	8	3600	200	9440
10	MN 05C 0151	5	6/10	470	3	1410	940	4	3760	5170	450	7	3150	200	8520
11	MN 05C 0152	5	3/10	470	4	1880	940	4	3760	5640	450	8	3600	200	9440
12	MN 05C 0156	5	6/10	470	3	1410	940	4	3760	5170	450	7	3150	200	8520

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
13	MN05C 0181	5	9/10	470	2	940	940	4	3760	4700	450	6	2700	200	7600
14	MN05C 0184	7.5	9/10	670	2	1340	1580	4	6320	7660	750	6	4500	200	12360
15	MN05C 0186	5	6/11	470	0	0	940	3	2820	2820	450	3	1350	200	4370
16	MN05C 0194	5	9/10	470	2	940	940	4	3760	4700	450	6	2700	200	7600
17	MN05C 0198	5	12/10	470	1	470	940	4	3760	4230	450	5	2250	200	6680
18	MN05C 0200	10	12/10	870	1	870	1740	4	6960	7830	900	5	4500	400	12730
19	MN05C 0201	5	9/10	470	2	940	940	4	3760	4700	450	6	2700	200	7600
20	MN05C 0205	5	6/11	470	0	0	940	3	2820	2820	450	3	1350	200	4370
21	MN05C 0207	5	6/11	470	0	0	940	3	2820	2820	450	3	1350	200	4370
22	MN05C 0210	10	3/11	870	0	0	1740	4	6960	6960	900	4	3600	400	10960
23	MN05C 0213	10	12/11	870	0	0	1740	1	1740	1740	900	1	900	200	2840
24	MN05C 0215	5	12/10	470	1	470	940	4	3760	4230	450	5	2250	200	6680
25	MN05C 0216	7.5	3/11	670	0	0	1580	4	6320	6320	750	4	3000	200	9520
26	MN05C 0220	7.5	3/11	670	0	0	1740	4	6960	6960	750	4	3000	200	10160
27	MN05C 0229	5	3/11	470	0	0	940	4	3760	3760	450	4	1800	200	5760
28	MN05C 0231	5	3/11	470	0	0	940	4	3760	3760	450	4	1800	200	5760
29	MN05C 0232	5	12/11	470	0	0	940	1	940	940	450	1	450	200	1590
30	MN05C 0234	7.5	3/11	670	0	0	1580	4	6320	6320	750	4	3000	200	9520
31	MN05C 0235	5	3/11	470	0	0	940	4	3760	3760	450	4	1800	200	5760
32	MN05C 0242	5	12/11	470	0	0	940	1	940	940	450	1	450	200	1590
33	MN05C 0245	5	6/11	470	0	0	940	3	2820	2820	450	3	1350	200	4370
34	MN05C 0258	7.5	6/11	670	0	0	1580	3	4740	4740	750	3	2250	200	7190
35	MN05C 0260	5	9/11	470	0	0	940	2	1880	1880	450	2	900	200	2980
36	MN05C 0261	5	9/11	470	0	0	940	2	1880	1880	450	2	900	200	2980
37	MN05C 0262	5	9/11	470	0	0	940	2	1880	1880	450	2	900	200	2980
38	MN05C 0263	5	9/11	470	0	0	940	2	1880	1880	450	2	900	200	2980
		<b>Total</b>				<b>19600</b>			<b>138940</b>	<b>158540</b>			<b>85800</b>	<b>8400</b>	<b>252740</b>



(C) Statement showing outstanding tax and penalty in respect of commercial passenger vehicles (DTO, Bishnupur)

Sl. No.	Vehicle no.	Type	Seat capacity	Tax paid upto	Upto quarter ending 3/11			For quarters ending 6/11 to 3/12			Total Road tax	Upto quarter ending 3/12			Penalty	Total amount
					Road tax rate per quarter	No. of quarters due	Road tax	Road tax rate	No. of quarters due	Road tax		Passenger tax rate per quarter	No. of quarters due	Passenger tax		
1	MN 05C 0086	BUS	32	12/11	570	0	0	750	1	750	750	474	1	474	400	1624
2	MN 05C 0124	BUS	32	3/10	570	4	2280	750	4	3000	5280	474	8	3792	400	9472
3	MN 05C 0146	BUS	45	3/10	830	4	3320	1250	4	5000	8320	660	8	5280	400	14000
4	MN 05C 0153	BUS	32	12/10	570	1	570	750	4	3000	3570	474	5	2370	400	6340
5	MN 05C 0169	BUS	39	6/10	710	3	2130	1250	4	5000	7130	660	7	4620	400	12150
6	MN 05C 0175	BUS	19	9/10	310	2	620	500	4	2000	2620	288	6	1728	200	4548
7	MN05C 0192	BUS	32	9/10	570	2	1140	750	4	3000	4140	474	6	2844	400	7384
8	MN05C 0206	WINGER	14	12/10	250	1	250	500	4	2000	2250	288	5	1440	200	3890
9	MN05C 0208	WINGER	14	12/11	250	0	0	500	1	500	500	288	1	288	200	988
10	MN05C 0233	WINGER	14	12/11	250	0	0	500	1	500	500	288	1	288	200	988
11	MN05C 0236	WINGER	14	12/11	250	0	0	500	1	500	500	288	1	288	200	988
12	MN05C 0237	BUS	36	3/11	650	0	0	1250	4	5000	5000	660	4	2640	400	8040
13	MN05C 0241	WINGER	14	12/11	250	0	0	500	1	500	500	288	1	288	200	988
14	MN05C 0244	WINGER	14	9/11	250	0	0	500	2	1000	1000	288	2	576	200	1776
15	MN05C 0246	WINGER	14	12/11	250	0	0	500	1	500	500	288	1	288	200	988
		Total									42560			27204	4400	74164

**Appendix –5.1**  
(Reference: Paragraph 5.1)

**Department-wise details of budget provision and expenditure  
during 2011-12 in respect of General Sector**

(₹ in lakh)

Sl. No	Department	Grant no. and name	Budget Provision				Expenditure			
			Charged		Voted		Charged		Voted	
			Rev	Cap	Rev	Cap	Rev	Cap	Rev	Capital
1	Planning	30- Planning	-	-	59075.26	82470.00	-	-	10215.96	13551.67
2	Election	27-Election	-	-	2021.00		-	-	1993.59	
3	Police	7-Police, 32-Jails and 33 – Home Guards	-	-	88071.40	7612.01	-	-	82304.23	7611.95
4	General Administrative Department	3-Secretariat	-	-	5042.78	364.00	-	-	4817.91	381.66
5	Finance	5-Finance	10.90	-	67888.16	40.01	10.50	-	66912.87	7.50
6	Local Fund Audit									
7	Printing & Stationery	35- Stationery and Printing	-	-	534.11	-	-	-	532.60	-
8	Administration of Justice	26- Administration of Justice	1046.70	-	2256.24	-	-	-	1797.27	-
9	Deputy Commissioners	4- Land Revenue, Stamps and Registration and District Administration	-	-	5964.05	-	-	-	5649.15	-
10	Fire Service	31-Fire Protection & Control	-	-	854.97	-	-	-	677.18	-
11	Assembly Secretariat	1-State Legislature and 2 – Council of Ministers	51.43	80.00	3876.22	30.00	35.47	-	3685.16	
12	Vigilance	24- Vigilance	-	-	238.02	-	-	-	237.10	-
13	Manipur Public Service Commission	Appropriation No.3- Manipur Public Service Commission	276.28	-	-	-	275.93	-	-	-
14	State Academy of Training	42-State Academy of Training	-	-	633.21	30.00	-	-	462.06	4.27
15	Governor Secretariat	Appropriation No.1-Governor	312.00	-	-	-	288.87	-	-	-
16	Secretariat Home	34 - Rehabilitation	-	-	298.24	-	-	-	287.01	-
<b>Sub-Total</b>			<b>1697.31</b>	<b>80.00</b>	<b>236753.66</b>	<b>90546.02</b>	<b>610.77</b>	<b>-</b>	<b>179572.09</b>	<b>21557.05</b>
<b>Total</b>			<b>329076.99</b>				<b>201739.91</b>			

Cap - Capital

Rev - Revenue