



**Report of the  
Comptroller and Auditor General of India  
on  
General, Economic (Other than Public Sector Undertakings),  
Economic (Public Sector Undertakings), Revenue and Social Sectors  
For the year ended 31 March 2019**



लोकहितार्थं सत्यनिष्ठा  
Dedicated to Truth in Public Interest



**GOVERNMENT OF MANIPUR**  
*Report No. 2 of 2021*

**Laid before the Legislature on 25 March 2022**

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## TABLE OF CONTENTS

	Paragraph	Page
Preface	-	v
Overview	-	vii
<b>CHAPTER I GENERAL SECTOR</b>		
Introduction	1.1	1
<b>PERFORMANCE AUDIT</b>		
<b>LAW AND LEGISLATIVE AFFAIRS DEPARTMENT</b>		
Development of Infrastructure Facilities for the Judiciary	1.2	2
<b>CHAPTER II ECONOMIC SECTOR (OTHER THAN PUBLIC SECTOR UNDERTAKINGS)</b>		
Introduction	2.1	29
Recovery at the Instance of Audit	2.2	31
<b>COMPLIANCE AUDIT PARAGRAPHS</b>		
<b>WATER RESOURCES DEPARTMENT</b>		
Blocking of public funds on idle stores	2.3	31
<b>FISHERIES DEPARTMENT</b>		
Misappropriation of funds	2.4	33
<b>WATER RESOURCES DEPARTMENT, PUBLIC WORKS DEPARTMENT AND MINOR IRRIGATION DEPARTMENT</b>		
Irregularities in the tendering process	2.5	34
<b>CHAPTER III ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)</b>		
Functioning of Public Sector Undertakings	3.1	37
<b>PERFORMANCE AUDIT</b>		
<b>MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED</b>		
Performance Audit on Deen Dayal Upadhyaya Gram Jyoti Yojana erstwhile RGGVY	3.2	51
<b>COMPLIANCE AUDIT PARAGRAPHS</b>		
<b>MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED</b>		
Embezzlement of Company Receipts	3.3	83
Outsourcing of Collection of Receipts without valid contracts	3.4	85

<b>CHAPTER IV</b>		
<b>REVENUE SECTOR</b>		
Trend of revenue receipts	4.1	87
Response of the Departments/Government towards Audit	4.2	89
Analysis of the mechanism for dealing with the issues raised by Audit	4.3	91
Audit Planning	4.4	94
Results of Audit	4.5	94
Coverage of this Report	4.6	94
<b>COMPLIANCE AUDIT PARAGRAPHS</b>		
<b>REVENUE DEPARTMENT</b>		
Temporary Misappropriation of Government money	4.7	94
Short-realisation of registration fee and stamp duty	4.8	96
Suspected evasion of Tax and loss of government revenue	4.9	97
<b>FISHERIES DEPARTMENT</b>		
Suspected misappropriation of fund	4.10	99
<b>CHAPTER V</b>		
<b>SOCIAL SECTOR</b>		
Introduction	5.1	101
<b>PERFORMANCE AUDIT</b>		
<b>DEPARTMENT OF OTHER BACKWARD CLASSES AND SCHEDULE CASTE AND DEPARTMENT OF TRIBAL AFFAIRS AND HILLS</b>		
Performance Audit Report on Umbrella Schemes of Education for Scheduled Caste, Scheduled Tribe and Other Backwards Classes Students	5.2	103
<b>COMPLIANCE AUDIT PARAGRAPHS</b>		
<b>DEPARTMENT OF EDUCATION (SCERT)</b>		
Idle expenditure	5.3	126
<b>DEPARTMENT OF LABOUR AND EMPLOYMENT</b>		
Idle expenditure	5.4	127
<b>DEPARTMENT OF LANGUAGE PLANNING AND IMPLEMENTATION</b>		
Idle Expenditure	5.5	129
<b>MEDICAL HEALTH AND FAMILY WELFARE DEPARTMENT</b>		
Unfruitful expenditure	5.6	131

<b>CHAPTER VI</b>		
<b>FOLLOW UP OF AUDIT OBSERVATIONS</b>		
Follow up on Audit Reports	6.1	133
Action taken on the Recommendations of Public Accounts Committee	6.2	133
Monitoring compliance of Audit Observations	6.3	133
Response to Audit Observations and outstanding Inspection Reports	6.4	134
<b>APPENDICES</b>		
1.1	Year-wise details of expenditure audited in respect of General Sector during 2018-19	137
1.2	Statement showing list of sampled District and Units	137
1.3	List of works proposed under CSS by Department for the years 2014-15 to 2017-18	138
1.4	List of works undertaken under Centrally Sponsored Scheme during the year 2014-15 to 2018-19	139
1.5	Statement showing issue of computers to sampled Courts	147
1.6	Statement showing issue of KIOSK machine to Court Complexes	148
1.7	Statement showing details of Library in the sampled Courts	149
1.8	Statement showing Status of Litigants' Charter	149
2.1	Statement showing funds transferred directly to Implementing Agencies under Economic Sector (Other Than State Public Sector Undertakings)	156
2.2	Year-wise details of expenditure audited in respect of Economic Sector during 2018-19	156
2.3	Statement showing called off restricted tenders in three Works Departments during 2017-18 & 2018-19 in Manipur	157
3.1	Statement showing investments made by State Government in PSUs (all Government companies) whose accounts are in arrears	159
3.2	Summarised financial position and working results of Public Sector Undertakings (all Government companies) as per their latest finalised financial statements as on 30 September 2019	160
3.3	Statement showing Rate of Real Return on Government Investment	163
3.4	Comparative statement of supply price of materials by manufacturers, turnkey contractors <i>vis-à-vis</i> cost estimates: RGGVY XII Five Year Plan	164
3.5	Statement of Price comparison of major items	165
3.6	Details of revenue collected but not deposited into the Bank by the Company (Chandel Division)	171
5.1	Statement showing funds transferred directly to the Implementing Agencies under Social Sector during 2018-19	172
5.2	List of selected Hostels for SC, ST and OBC students	174

5.3	Statement showing cases of unsuccessful transaction of scholarship for SC, ST and OBC students	175
5.4	Details of Receipt and Expenditure of funds for 10 hostels as on September 2019	176
5.5	Delay in transfer of funds by the State to implementing departments for Hostel scheme	177
<b>GLOSSARY</b>		
	Glossary of Abbreviations	179

## **Preface**

*This Report of the Comptroller and Auditor General of India for the year ended 31 March 2019 has been prepared for submission to the Governor of Manipur under Article 151 of the Constitution of India.*

*This Report contains significant results of Performance Audit and Compliance Audit of the departments of the Government of Manipur under General, Economic, Revenue and Social Sectors and Public Sector Undertaking. The cases mentioned in the Report are those which came to notice in test audit during the year 2018-19, as well as those which came to notice in earlier years, but could not be dealt with in the previous reports. Matters relating to the period subsequent to 2018-19 have also been included appropriately in the Report.*

*The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.*



# Overview



## OVERVIEW

This Report has been prepared in six chapters. Chapters I to V deal with General, Economic (Other than Public Sector Undertakings), Economic (Public Sector Undertakings), Revenue and Social Sectors and Chapter VI deals with Follow-up of Audit Observations. The Report contains three Performance Audits viz. ‘**Performance Audit on Development of Infrastructure Facilities for the Judiciary**’, ‘**Performance Audit on Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) erstwhile RGGVY**’ and ‘**Performance Audit on Umbrella Schemes of Education for Scheduled Caste, Scheduled Tribe and Other Backward Classes Students**’ and 13 Compliance Audit paragraphs.

According to existing arrangements, copies of the Performance Audits and Compliance Audit paragraphs were sent to the Administrative Heads of the concerned Departments with a request to furnish replies within six weeks. All the Performance Audits were discussed with the concerned Administrative Heads of the Departments and other departmental officers. Replies from the State Government wherever received have been incorporated in the Report.

## CHAPTER I

### GENERAL SECTOR

During 2018-19, against a total budget provision of ₹ 4,051.50 crore under General Sector, a total expenditure of ₹ 3,397.70 crore was incurred by 15 Departments.

Audits were conducted during 2018-19 involving expenditure of ₹ 840.00 crore including expenditure of previous years of the State Government under General Sector. This chapter contains one Performance Audit viz. ‘**Performance Audit on Development of Infrastructure Facilities for the Judiciary**’.

### PERFORMANCE AUDIT

#### Development of Infrastructure Facilities for the Judiciary

Centrally Sponsored Scheme for “**Development of Infrastructure Facilities for the Judiciary**” is being implemented since 1993-94 to improve the physical infrastructure requirements of the Courts and the housing needs of Judicial Officers to facilitate better justice delivery. Similarly, “**e-Court Mission Mode Project (e-MMP)**” implemented since 2005, envisaged deployment of hardware, software and networking to assist Courts in streamlining their day to day functioning. The Phase II of the Project has been implemented since 2016 with an objective to take a holistic approach for computerisation and automation of the processes of Courts. A Performance Audit covering these two schemes was conducted for the period 2014-19. The State Law and Legislative Affairs

Department was responsible for the implementation of the CSS on Development of the Infrastructure facilities for the Judiciary, whereas the High Court of Manipur was the Implementing Agency for the e-Courts Project. The Report has following significant findings:

- The Department did not prepare Annual Action Plans for achieving targets. The Action Plan which was prepared by the Department for 2014-18 and submitted to the Ministry of Law, GoI, had no correlation with the actual execution done during the period. The Department did not prioritise taking up Court buildings in Churachandpur and Ukhrul districts for various Courts, which were functioning from different locations, to bring them in one Court complex.

*(Paragraph 1.2.6)*

- The Department received Central funds of ₹ 48.87 crore during the period, under the CSS for judicial infrastructure. They delayed release of funds by four to six months to the implementing agencies, which affected timely work execution.

*(Paragraphs 1.2.7.1 & 1. 2. 7.2)*

- Out of ₹ 659.96 lakh received from the GoI for implementation of Phase II of the e-Courts MMP, the Implementing Agency incurred an expenditure of ₹ 308.18 lakh (46.67 per cent ) as on 31 March 2019 , leaving unspent balance funds of ₹ 351.78 lakh (53.3 per cent) due to slow spending of funds.

*(Paragraph 1.2.7.3)*

- The Department took up 55 works during the period and incurred an expenditure of ₹ 35.17 crore on 49 works, as on March 31, 2019 and six works remained incomplete.

*(Paragraph 1.2.8.1)*

- As against proposals for seven Court Buildings, construction could be taken up only in Tamenglong and against a proposal of 21 quarters for JOs, the Department constructed only three quarters in Churachandpur, Imphal and Chandel districts. During the period 2014-18, infrastructure created at a total cost of ₹ 242.05 lakh at Churachandpur, Lamphel and Thoubal Court Complexes remained unutilised. The quarters at Churachandpur district constructed at a cost of ₹ 2.17 crore remained unutilised since June 2017, indicating that there was no demand for housing.

*(Paragraphs 1.2.8.2 & 1.2.8.3)*

- The Implementing Agency for e-MMP procured Computer hardware and peripherals without assessing the requirement, resulting in idle stock. Besides, joint physical verification in sampled courts revealed idling of computer hardware due to non-automation of Courts and non-functioning of Judicial Service Centres for more than two years.

*(Paragraph 1.2.8.5)*

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- The Judicial Service Centre (JSC) in the Court complexes is to be utilised as a hub for reception cum inquiry and also as a Central Filing Centre (CFC). The JSC cum CFC is to be utilised along with other services for the litigants such as case status information, certified copies issuance, inquiries, etc. It was seen that these Centres were non-functional in all seven Court complexes in the four sampled Districts.

*(Paragraph 1.2.8.6)*

- Video-conferencing facilities, information kiosk machines, Thin Clients with display monitors were not functional due to non-reliable internet facilities and LAN system in the sampled Courts at Thoubal, Churachandpur and Ukhrul districts, depriving the Judiciary and litigants, the benefits of these facilities.

*(Paragraph 1.2.8.8)*

- Under Judicial Process Re-engineering exercise, e-filing portal has not been developed for Manipur High Court, automation of administrative functions and Double entry book keeping was not started in any of the sampled courts, e- registers were maintained only in one of the sampled courts and automation process serving was there in two courts. In six out of 19 sampled Courts, official email addresses were yet to be provided. The digitisation of case records was tardy with only three *per cent* of the target being achieved.

*(Paragraph 1.2.8.10)*

- Under Judicial Knowledge Management System, in all the 19 sampled courts there was neither any Library Management Software nor a Digital Library.

*(Paragraph 1.2.8.11)*

- In three out of five sampled Districts, there were no ICT personnel for the Courts impacting the successful implementation of the e-Courts Project in these districts.

*(Paragraph 1.2.8.12)*

### ***Recommendations***

#### ***The State Government may consider to following:***

- *Comprehensive Annual Action Plans may be prepared with the clear-cut objectives and timelines. The Plans may prioritise accommodating of all Courts in a district in one Complex preferably;*
- *The ongoing projects of court buildings at Tamenglong, Thoubal and Bishnupur Districts may be completed on priority;*
- *Provision of need based residential units to the JOs may be ensured;*

- *The completed unutilised structures may be put to use so as to prevent the deterioration of structures due to passage of time and lack of maintenance;*
- *Possibility of procurement from GeM to expedite implementation of the e-court MMP may be explored. The procured unutilised hardware may be installed at the courts where there is requirement lest they become obsolete and future procurement should be need based;*
- *Provision of reliable internet facilities and proper LAN System to all the Courts and Court Complexes in the State so that Video-conferencing facilities are made available to the Judiciary;*
- *Operationalise Judicial Service Centre cum Central Filing Centre with installation of requisite infrastructure and posting of manpower to ensure provision of services to the litigants and lawyers;*
- *Judicial Process re-engineering activities like e-filing portal, automation of administrative functions and process serving, maintaining e-registers, providing digital signatures and e mail addresses for JOs and officials may be extensively taken up in the courts; and*
- *Provide adequate technical personnel to the District and subordinate Courts in the State for taking care of technical issues in the Courts immediately.*

## CHAPTER II: ECONOMIC SECTOR

During 2018-19, against total budget provision of ₹ 3,869.06 crore, a total expenditure of ₹ 2,673.17 crore was incurred by 17 Departments under Economic Sector.

During 2018-19, audits were conducted involving expenditure of ₹ 1,739.75 crore including expenditure of previous years of the State Government under Economic Sector.

This Chapter contains three Compliance Audit Paragraphs.

### COMPLIANCE AUDIT

#### Water Resources Department

Procurement of Thermo Mechanical Treated steel bars in excess of requirement and lack of co-ordination among the Divisions of Water Resources Department led to blocking of public funds of ₹ 4.91 crore on idle stores.

**(Paragraph 2.3)**

*Project Stores Division should furnish monthly/quarterly reports on the availability of each stock (steel, cement etc.) to the Chief Engineer who may carry out proper assessment of actual stock requirement at the time of receipt of indents from the Divisions and before procurement of stores.*

## **Fisheries Department**

The Directorate of Fisheries could not provide any proof of payment of ₹ 31.91 lakh in absence of any supporting documents and entries in the Cash Book. The Department has admitted to suspected misappropriation of funds.

*(Paragraph 2.4)*

*The Department should maintain Measurement Book for each work as specified in the Works Manual so that payments are made according to the quantity of works executed and avoid such irregularities in future. The Department should fix responsibility on the concerned officials for such misappropriation of funds and take appropriate action.*

## **Water Resources, Public Works and Minor Irrigation Department**

Thirty nine Divisions of Public Works Department, Water Resources Department and Minor Irrigation Department resorted to irregular and un-transparent bidding process for awarding 895 works involving contract value of ₹ 750.78 crore.

*(Paragraph 2.5)*

*The Government should specify the tendering process to be followed in the sanction orders and ensure that the provisions of General Financial Rules and CPWD Works Manual are strictly adhered to.*

## **CHAPTER III**

### **ECONOMIC SECTOR (STATE PUBLIC SECTOR UNDERTAKINGS)**

#### **Functioning of Public Sector Undertakings**

As on 31 March 2019, the State of Manipur had 13 PSUs (10 working companies and three non-working companies) wherein the investment of the State Government (capital and long-term loans) was ₹ 66.07 crore, consisting of ₹ 65.39 crore (98.97 per cent) towards capital and ₹ 0.68 crore (1.03 per cent) towards long-term loans.

*(Paragraphs 3.1.1 & 3.1.2)*

The number of PSU accounts in arrears had increased from 73 (2014-15) to 94 (2018-19). Further, out of 94 accounts pending finalisation by 10 PSUs as of 2018-19, 52 Accounts (55 per cent) pertained to two PSUs namely, Manipur Tribal Development Corporation Limited (31 Accounts) and Manipur Police Housing Corporation Limited (21 Accounts).

*(Paragraph 3.1.5)*

#### **Recommendations**

- a. *The State Government may make special arrangements to oversee the clearance of arrears and set the targets for individual PSUs, which may be monitored strictly by them; and*

- b. *The State Government may ensure that existing vacancies in the accounts department of PSUs are filled up with knowledgeable and experienced persons.*

Manipur State Power Company Limited and Manipur State Power Distribution Company Limited were the major recipients of State Government funding amounting to ₹ 1,560.31 crore (Grants) during the period when their accounts were in arrears since 2016-17.

***(Paragraph 3.1.6)***

*Government may direct the Companies to make their accounts as current as possible and until then they may consider not giving further financial assistance to such Companies.*

As per the information furnished by the PSUs, during 2018-19 the State Government has provided budgetary support of ₹ 299.36 crore in the form of grants/subsidy. Major recipient of the budgetary support during last three years was Manipur State Power Distribution Company Limited.

***(Paragraph 3.1.7)***

As per the latest finalised accounts of PSUs as on 30 September 2019, the accumulated losses (₹ 158.74 crore) of five out of 10 working PSUs had completely eroded their paid-up capital (₹ 47.19 crore). During 2018-19, out of 10 working PSUs, only one PSU earned profit of ₹ 0.29 crore and seven PSUs incurred loss of ₹ 41.68 crore as per their latest finalised accounts. Remaining two working PSUs had not finalised their first accounts as of September 2019.

***(Paragraph 3.1.8)***

Action Taken Notes (ATNs) relating to 114 recommendations pertaining to five Reports of the CoPU presented to the State Legislature between March 1986 and March 2019 had not been received from the Government.

***(Paragraph 3.1.14)***

*State Government may review and revamp the mechanism of responding to audit observations. They may ensure that responses and explanatory notes to draft paragraphs/performance audits and ATNs on the recommendations of CoPU are provided as per the prescribed time schedule and the loss/outstanding advances/overpayments flagged in audit are recovered within the prescribed period.*

**Performance Audit on Deen Dayal Upadhyaya Gram Jyoti Yojana  
(DDUGJY) erstwhile RGGVY**

**Manipur State Power Distribution Company Limited**

Government of India (GoI) launched (December 2014) the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) subsuming the targets laid down under the erstwhile Rajeev Gandhi Grameen Vidyutikaran Yojana (RGGVY)

under XII Five Year Plan (XII FYP) as a separate rural electrification sub-component by carrying forward the approved outlay for erstwhile RGGVY to DDUGJY. Two additional objectives were framed, viz. (i) separating agriculture and non-agriculture feeders to facilitate judicious rostering of power supply to the agricultural and non-agricultural consumers in rural areas and (ii) strengthening and augmenting the sub transmission and distribution infrastructure in the rural areas, including metering of distribution transformers/ feeders/ consumers. The Manipur State Power Distribution Company was the Scheme Implementing Agency in the State. Important findings of the Performance Audit (PA) on implementation of Scheme in Manipur conducted for the period 2014-15 to 2018-19 are as follows.

- REC sanctioned total six DPRs for implementation of the Scheme in six districts under the XII Five Year Plan (2012-17) at a cost of ₹ 204.73 crore with targeted coverage of 470 villages/habitations by August 2016. Against this, the Company completed Scheme works in 448 villages (95 per cent) covering 98.42 per cent (22,370 beneficiaries) of the targeted beneficiaries (22,730 beneficiaries) as on 30 November 2019.

*(Paragraph 3.2.12)*

- The Financial Management of the Scheme showed that against the total funds of ₹ 144.56 crore (subsidy grant: ₹ 132.36 crore and REC loan: ₹ 12.20 crore) available to the Company, during the period 2014-15 to 2019-20, the Company incurred expenditure of ₹ 133.16 crore towards Scheme works as on 30 November 2019. The Company short recovered interest of ₹ 2.55 crore on mobilization advances given to contractors. There was no assurance that Labour Cess was deducted on all works executed by the Company.

*(Paragraphs 3.2.14, 3.2.16 & 3.2.17)*

- The Project Management of the Company was deficient in view of several irregularities noticed such as, changes made in approved DPRs to exclude villages originally included; procurement of material at higher rates than market prices (₹ 16.39 crore); extra expenditure (₹ 36.52 crore) due to approving differential rates for similar work items in districts; extra expenditure due to allowing higher rate to Contractor than the prescribed norms (₹ 0.78 crore) and installation of Steel Tubular Poles in excess of the requirement (₹ 0.55 crore), etc.

*(Paragraphs 3.2.23, 3.2.24, 3.2.26 & 3.2.27)*

- The work completion certificates issued by the Company were not found reliable and authentic. Joint Physical Verification of project works and survey of Scheme beneficiaries revealed serious irregularities such as, excess claims against the beneficiaries covered, non-installation of meters in BPL households and earthing connections, deficiencies in installed

meters, false certification of works, incorrect completion reports, short execution against completed works, etc.

(Paragraphs 3.2.31.1 to 3.2.31.4, 3.2.31.5 & 3.2.32)

- The Company failed to commission the much needed sub-station at Tengenoupal, which was augmented at a cost of ₹ 1.35 crore.

(Paragraph 3.2.36)

- The Company did not maintain proper records on measurement of project works and movement of project material. No records/Fixed Asset Register were maintained to record the details of project assets created.

(Paragraphs 3.2.33 & 3.2.43)

- The role of the State Level Monitoring Committees to ensure quality and timeliness in Scheme implementation was not effective due to their failure to hold regular meetings for monitoring of Scheme works.

(Paragraph 3.2.42)

### **Recommendations**

#### **The State Government/Company may ensure:**

- Coverage of deserving villages/habitations under the Scheme through robust planning based on actual field survey;
- Strict adherence to the approved DPRs and Scheme guidelines in project execution so as to extend benefits to project covered beneficiaries;
- Execution of works strictly as per the prescribed specification through close monitoring of Contractors activities and adhering to cost norms;
- Strengthening the monitoring mechanism at top level to ensure timely execution of quality works;
- Fixing responsibility in all cases of diversion of BPL connections, suspected misappropriation and short execution/false certification of scheme works, etc. and recovery of undue payments made against unexecuted works from the contractors concerned; and
- Conducting physical verification of Scheme works through an independent agency and reporting the anomalies, if any, directly to the top Management for appropriate corrective action.

### **Compliance Audit Paragraphs**

#### **Manipur State Power Distribution Company Limited**

Revenue of ₹ 17.39 lakh collected from consumers by the Chandel Division of **Manipur State Power Distribution Company Limited** was not deposited to Company Account.

(Paragraph 3.3)

*MSPDCL may carry out a special audit of their collections in all their Division and ensure that revenue collected in this case and others is actually deposited to their Company's Bank Account. They may also take action to fix responsibility for the embezzlement done for persons found guilty of committing fraud on the Company.*

Churachandpur Division of **Manipur State Power Distribution Company Limited** gave business to Revenue Collecting Agencies without legally subsisting contracts and in violation of the orders of Government of Manipur to devolve the collection functions to Autonomous District Councils. The commission paid to the Agencies was also irregular.

*(Paragraph 3.4)*

*Government may review the directions given to the Company and decide whether the ADCs should be involved in collection of the electricity charges revenue of the Company and accordingly ensure that legal contracts are made by the Company with the collecting Agencies.*

## CHAPTER IV: REVENUE SECTOR

During the year 2018-19, the revenue raised by the State Government was ₹ 1,212.09 crore being 11 *per cent* of the total revenue receipts of ₹ 10,561.71 crore. The balance receipts of ₹ 9,349.42 crore (11 *per cent*) during 2018-19 were from the Government of India.

The Tax Revenue raised during 2018-19 (₹ 1,046.05 crore) increased by 32.25 *per cent* as compared to the previous year (₹ 790.93 crore). On the other hand, the Non-Tax Revenue raised during 2018-19 (₹ 166.24 crore) decreased by 4.5 *per cent* as compared to the previous year (₹ 174.07 crore).

*(Paragraph 4.1)*

### Response of the Departments to the draft audit paragraphs

Audit Inspection Reports issued up to March 2019 disclosed that 387 paragraphs involving ₹ 3,223.64 crore relating to 126 Inspection Reports remained outstanding at the end of 2018-19 which required prompt and appropriate action on the audit findings.

*(Paragraph 4.3.1)*

### Compliance Audit Paragraphs

#### Revenue Department

Revenue collected by six offices of Revenue Department from hill house tax, land registration fees, marriage registration fees, *etc.* amounting to ₹ 42.38 lakh was temporarily misappropriated out of which, ₹ 39.47 lakh was deposited after being pointed out by audit and balance ₹ 2.91 lakh was not deposited.

*(Paragraph 4.7)*

*Apart from strengthening internal controls at DDO/ CCO level, the Department should initiate action against the officials responsible for the temporary misappropriation of Government money.*

Sub-Registrar, Imphal East had short levied registration fee and stamp duty on lease of property by way of transfer of equity shares, resulting in short realisation of revenue of ₹ 14.00 lakh.

**(Paragraph 4.8)**

*There is a need for an internal control system including internal audit for cross verification by higher officers, for rates applied by executive officers to ensure correct collection of revenue as applicable.*

Failure of the Assessing Authority (AA) to detect suppression of Sales under Manipur Value Added Tax (MVAT) Act resulted in suspected evasion of tax and loss of Government revenue amounting to ₹ 2.69 crore.

**(Paragraph 4.9)**

There was a suspected misappropriation of fund on account of GST deducted at source but not deposited to Government Account, by the Department officials.

**(Paragraph 4.10)**

*The Department may invoke the order of the Finance Department and recover the tax amount deducted at source along with penalty from the Department officials.*

## CHAPTER V

### SOCIAL SECTOR

During 2018-19, against a total budget provision of ₹ 7,028.04 crore under Social Sector, a total expenditure of ₹ 4,653.17 crore was incurred by 17 Departments.

Audits were conducted during 2018-19 involving expenditure of ₹ 5,431.22 crore including expenditure of previous years of the State Government under Social Sector. This chapter contains one Performance Audit viz. **‘Performance Audit on Umbrella Schemes of Education for Scheduled Caste, Scheduled Tribe and Other Backward Classes Students’** and four Compliance Audit Paragraphs.

### PERFORMANCE AUDIT

#### **Umbrella Schemes of Education for Scheduled Caste, Scheduled Tribe and Other Backward Classes Students**

Education is not only a basic requirement but it is also the most effective instrument for social equality and empowerment of a society. The Centre and

the State Governments have the Constitutional responsibility of promoting education in the society in general and among the Scheduled Castes (SCs), the Scheduled Tribes (STs) and Other Backward Classes (OBCs) in particular. Various educational schemes viz. grant of scholarships, construction of hostels, coaching classes, setting up of special schools are implemented to upgrade their education levels and generate self-confidence and self-reliance among the students belonging to these categories.

A Performance Audit to assess the effectiveness of government efforts to promote education among SC, ST and OBC students of the State was carried out and some of the major findings of the Performance Audit covering the period 2014-19 are as follows:

- The planning and budgeting for Scholarship Schemes was deficient. There was no disbursement of scholarship funds under SC Pre-Matric Scholarship Scheme, since the Department failed to demand Committed Liability through State Budget resulting in non-receipt of Central Funds in 2017-18 and 2018-19.

**(Paragraph 5.2.6.1)**

- In seven out of the ten selected student hostels, the number of rooms provided in the DPRs/ Estimates were insufficient to accommodate 100 students per hostel thereby accommodating total 307 (43.85 per cent) students only instead of the sanctioned 700 students.

**(Paragraph 5.2.6.3)**

- Three newly constructed hostels at Yairipok, Kakching and Thoubal were not furnished by the Department as they did not send the proposal for furnishing of the hostels to GoI. Resultantly, two of these hostels remained unoccupied while in the third hostel, 'students' had to sleep on floors for want of basic amenities. Due to improper selection of village Behiang for ST Girls and Boys Hostel, the constructed hostel lay vacant and unoccupied since November, 2018.

**(Paragraph 5.2.6.4)**

- The State Government delayed distribution of scholarship funds ranging from two months to 19 months, despite receipt of GoI funds.

**(Paragraph 5.2.7.2)**

- The Departments concerned failed to ensure disbursement of scholarships to 3,448 students into their bank accounts on account of failed transactions resulting in funds of ₹ 229.57 lakh lying undisbursed with the Banks.

**(Paragraph 5.2.7.3)**

- Lack of awareness about the scheme amongst students, especially in remote areas led to less coverage of potential students under the scheme.

**(Paragraph 5.2.8.2)**

- Post-Matric OBC students residing in hostels were deprived of their full scholarships as the scholarship was paid at the rate applicable to day scholars resulting in short disbursement of ₹ 56.59 lakh to 2,204 hostellers.

*(Paragraph 5.2.8.3)*

- There were huge delays in construction of hostels for SC, ST and OBC students ranging from 18 to 72 months due to delays on part of the Department in awarding contracts, delays/ short release of funds and poor Contract Management on the part of the Department.

*(Paragraph 5.2.8.4)*

- There was complete absence of monitoring of the Schemes by the State Government. Evaluation of outcomes of the schemes was also not carried out.

*(Paragraph 5.2.9.1)*

### **Recommendations**

#### **The State Government may consider to:**

- *Prepare database of potential SC/ST/OBC students in collaboration with the line Departments viz. Education Department, etc. and make use of the UDISE database;*
- *Give wide publicity to the scholarship scheme through Headmasters/Principals of schools/institutes to spread awareness so that the benefit of the schemes reaches to more students;*
- *The Department may improve its budgeting process and prepare Budget strictly as per Scheme guidelines and income limits be revised as per GoI guidelines;*
- *Ensure timely release of funds to implementing Department for efficient and effective implementation of the Schemes;*
- *Institute monitoring mechanism to ensure successful transfer of funds to the bank account of beneficiaries by ensuring that UTRs are received from the Banks and the information is tallied in the Department with the number of cases authorised;*
- *Conduct proper need/demand based survey before constructing new hostels;*
- *Strengthen monitoring mechanism to ensure timely completion of hostels. Further, the State should fulfil its responsibility of operationalisation, management and maintenance of the completed hostels; and*
- *Conduct Social Audit of the implemented schemes to assess the performance of the schemes and the extent to which these schemes have benefitted the target group of students.*

## Compliance Audit Paragraphs

### Department of Education (SCERT)

The Department took up Construction of Block Institute of Teacher Education (BITEs) at Moreh, without finalising the land acquisition resulting in idle expenditure of ₹ 3.84 crore.

*(Paragraph 5.3)*

*State Government may fix responsibility of the officer concerned who ordered commencement of the construction work without ensuring clear title of the land in favour of the Government.*

### Department of Labour and Employment

The Directorate of Craftsmen and Training, Manipur made unfruitful expenditure of ₹ 450.00 lakh on construction of an Industrial Training Institute at Jiribam that remained unoccupied for seven years since its handing over in July 2012.

*(Paragraph 5.4)*

*State Government may fix responsibility and accountability for this case and take steps to make the building functional at the earliest.*

### Department of Language Planning and Implementation

An expenditure of ₹ 42.30 lakh incurred by Department of Language Planning and Implementation in translation work of 15 subjects in Meetei Mayek (MM) script proved idle and unfruitful as the text books meant for introduction from academic session 2016-17 were not approved by the State Government.

*(Paragraph 5.5)*

*The Government needs to expedite the printing of books in Meetei Mayek so that students may be encouraged to take up the language as envisaged under Promotion and Development of Manipuri Language initiative.*

### Medical Health and Family Welfare Department

Jawaharlal Nehru Institute of Medical Sciences failed to put Oxygen Generation Plant (OGP) into use leading to unfruitful expenditure of ₹ 1.11 crore.

*(Paragraph 5.6)*

*Responsibility of the officials accountable for non-repairing of the plant and wasteful expenditure of ₹1.11 crore may be fixed.*

## CHAPTER VI

### FOLLOW UP OF AUDIT OBSERVATIONS

Audit Reports for the year 2017-18 (Report No. 2 of 2019) featured three Performance Audit paragraphs and 19 Compliance Audit paragraphs. The *suo moto* Explanatory Notes pertaining to two Performance Audit paragraphs and

six Compliance Audit paragraphs had been received within the stipulated period of three months. In respect of earlier Audit Reports for the years 1999-2017, *suo moto* Explanatory Notes pertaining to 385 Performance Audits and Compliance Audit paragraphs were not received within the stipulated period of three months from the Departments.

***(Paragraph 6.1)***

As of April 2020, the PAC had published 36 Reports on the findings in the Audit Reports. These PAC Reports altogether contained 1,552 recommendations based on the examination of Audit Reports by the PAC. In respect of 21 Reports<sup>1</sup> of the PAC containing 737 recommendations, the Action Taken Notes (ATN) had been received. Of the remaining 815 recommendations contained in 15 Reports<sup>2</sup> of the PAC, no ATNs were received.

***(Paragraph 6.2)***

As of March 2019, 3,068 Inspection Reports issued from 2003-04 onwards were pending for settlement. Even the initial replies, which were required to be received from the Heads of Offices of the Government Departments within four weeks from the date of issue of the Inspection Reports, were also not received.

***(Paragraph 6.4)***

### ***Recommendations***

***The Government may review the matter and ensure that an effective system exists for:***

- *Submission of Action Taken Notes (ATNs) to the recommendations of the Public Accounts Committee (PAC)/ Committee on Public Undertakings (CoPU);*
- *Regularly monitoring the functioning of the Departmental Audit and Accounts Committees (DAACs) and State Audit and Accounts Committee (SAAC); and*
- *Sending replies to Audit within the prescribed time schedule.*

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<sup>1</sup> 1<sup>st</sup> to 10<sup>th</sup>, 21<sup>st</sup>, 23<sup>rd</sup>, 25<sup>th</sup>, 26<sup>th</sup>, 28<sup>th</sup>, 30<sup>th</sup>, 31<sup>st</sup>, 33<sup>rd</sup>, 34<sup>th</sup>, 35<sup>th</sup> and 36<sup>th</sup> PAC Reports.

<sup>2</sup> 11<sup>th</sup> to 19<sup>th</sup>, 38<sup>th</sup>, 40<sup>th</sup>, 45<sup>th</sup>, 47<sup>th</sup>, 49<sup>th</sup> and 51<sup>st</sup> PAC Reports.

# **Chapter I**

## **General Sector**



## CHAPTER I GENERAL SECTOR

### 1.1 Introduction

The Chapter contains findings based on audit of State Government departments under the General Sector. General Sector plays an important role in an economy as this sector is responsible for creating environment wherein policies and plans are formulated and implemented for economic and social development. General Sector includes Planning, Police, Finance, Local fund, Audit, Justice, Fire Department, District Administration, etc.

The expenditure incurred during the last five years by some of the major Departments pertaining to the General Sector are tabulated below.

**Table No. 1.1.1 Expenditure incurred by major departments during the last five years**

(₹ in crore)

Years	Finance*	Police	Planning	Total on General Sector (per cent)	Total Expenditure
2014-15	984.36	1042.32	197.36	2,529.74 (28.47)	8,884.61
2015-16	1,061.97	1083.67	73.04	2,526.56 (27.77)	9,098.16
2016-17	1,298.56	1196.06	85.29	2,855.03 (26.31)	10,852.06
2017-18	1,416.84	1299.56	162.33	3,188.88 (27.98)	11,397.17
2018-19	1,549.64	1378.62	160.76	3,397.70 (23.29)	14,590.22

Source: Appropriation Accounts. \* Including Local Fund Audit.

**Table No. 1.1.2 Department-wise budget provision and expenditure during 2018-19**

(₹ in crore)

Sl. No.	Department	Budget Provision	Expenditure
1	Finance *	1,582.45	1,549.64
2	Local Fund Audit		
3	Police	1,565.90	1,378.62
4	Planning	442.99	160.76
5	Land Revenue, Stamp and Registration and District Administration	119.96	91.99
6	Administration of Justice	119.16	41.71
7	Secretariat	110.56	89.95
8	Election	60.73	43.79
9	Fire Protection and Control	13.85	11.87
10	State Academy of Training	6.84	4.69
11	Rehabilitation	6.35	4.66
12	Governor Secretariat	6.30	5.66
13	Manipur Public Service Commission	5.89	4.73
14	Stationery and Printing	5.84	5.10
15	Vigilance	4.67	4.53
<b>Total</b>		<b>4,051.50</b>	<b>3,397.70</b>

Source: Budget documents and Appropriation Accounts.

\* Excluding Appropriation No. 2 – Interest Payment and Debt Services.

#### 1.1.1 Planning and execution of Audit

Compliance audit of General Sector is conducted in accordance with an Annual Audit Plan approved by the Comptroller and Auditor General of India.

Topicality, financial profile, social relevance, internal control system of the units and occurrence of defalcation/ misappropriation/ embezzlement as well as the past audit findings form the basis of risk assessment for selection of audit units. After completion of the compliance audits, Inspection Reports (IRs) are issued to the heads of units as well as to the concerned heads of departments. In the light of replies received, audit observations are reviewed and settled, if action taken by the audit client is satisfactory. However, if no action is taken or action taken is not satisfactory, the audit findings are retained and units are advised to take further suitable remedial measures. However, some very serious and selected audit findings are processed for inclusion in the Audit Report of the Comptroller and Auditor General of India for placing the same before the State Legislative Assembly as mandated by the Constitution.

Out of total 254 units selected for compliance audit during 2018-19, 33 units (13 per cent) pertained to General Sector. As of March 2019, 31 Inspection Reports containing 96 paras, involving expenditure of ₹ 840.00 crore including expenditure of the previous years under General Sector, were issued to the Unit heads with copies to the Heads of the Departments concerned. Year-wise details of expenditure audited in respect of General Sector during 2018-19 are shown in *Appendix 1.1*.

This Chapter contains one Performance Audit viz. “**Performance Audit on the Development of Infrastructure Facilities for the Judiciary**”.

## PERFORMANCE AUDITS

### LAW AND LEGISLATIVE AFFAIRS DEPARTMENT

#### 1.2 Development of Infrastructure Facilities for the Judiciary

##### Highlights

Centrally Sponsored Scheme for “**Development of Infrastructure Facilities for the Judiciary**” is being implemented since 1993-94 to improve the physical infrastructure requirements of the Courts and the housing needs of Judicial Officers to facilitate better justice delivery. Similarly, “**e-Court Mission Mode Project (MMP)**”, implemented since 2005, envisaged deployment of hardware, software and networking to assist Courts in streamlining their day to day functioning. The Phase II of the Project has been implemented since 2016 with an objective to take a holistic approach for computerisation and automation of the processes of Courts. A Performance Audit on the Implementation of Government initiatives in Judicial System covering these two schemes was conducted for the five-year period 2014-19. The Report has following significant findings:

- *The Department did not prepare Annual Action Plans for achieving targets. The Action Plan, for 2014-18 submitted to the Ministry of Law, GoI, had no correlation with the actual execution done during the period. The*

*Department did not prioritise taking up Court buildings in Churachandpur and Ukhrul districts for various Courts, which were functioning from different locations, to bring them in one Court complex.*

**(Paragraph 1.2.6)**

- *The Department received Central funds of ₹48.87 crore during the period, under the CSS for judicial infrastructure. They delayed release of funds by four to six months to the implementing agencies, which affected timely work execution.*

**(Paragraphs 1.2.7.1 & 1.2.7.2)**

- *Out of ₹659.96 lakh received from the GoI for implementation of Phase II of the e-Courts MMP, the Implementing Agency incurred an expenditure of ₹308.18 lakh (46.67 per cent) as on 31 March 2019, leaving unspent balance funds of ₹351.78 lakh (53.3 per cent) due to slow spending of funds.*

**(Paragraph 1.2.7.3)**

- *The Department took up 55 works during the period and incurred an expenditure of ₹35.17 crore on 49 works, as on March 31, 2019 and six works remained incomplete.*

**(Paragraph 1.2.8.1)**

- *As against proposals for seven Court Buildings, construction could be taken up only in Tamenglong and against a proposal of 21 quarters for JOs, the Department constructed only three quarters in Churachandpur, Imphal and Chandel districts. During the period 2014-18, infrastructure created at a total cost of ₹242.05 lakh at Churachandpur, Lamphel and Thoubal Court Complexes remained unutilised. The quarters at Churachandpur district constructed at a cost of ₹2.17 crore remained unutilised since June 2017, indicating that there was no demand for housing.*

**(Paragraphs 1.2.8.2 & 1.2.8.3)**

- *The Implementing Agency did excess procurement of Computer hardware and peripherals without assessing the requirement, resulting in idle stock. Besides joint physical verification in sampled courts revealed idling of computer hardware due to non-automation of Courts and non-functioning of Judicial Service Centres for more than two years.*

**(Paragraph 1.2.8.5)**

- *The Judicial Service Centre (JSC) in the Court complexes is to be utilised as a hub for reception cum inquiry and as a Central Filing Centre (CFC). The JSC cum (CFC) is to be utilised along with other services for the litigants such as case status information, certified copies issuance, inquiries, etc. It was seen that these Centres were non-functional in all seven Court complexes in the four sampled Districts.*

**(Paragraph 1.2.8.6)**

- *Video-conferencing facilities, information kiosk machines, Thin Clients with display monitors were not functional due to non-reliable internet facilities and LAN system in the sampled Courts at Thoubal, Churachandpur and Ukhrul districts, depriving the Judiciary and litigants, the benefits of these facilities.*

**(Paragraph 1.2.8.8)**

- *Under Judicial Process Re-engineering exercise, e-filing portal has not been developed for Manipur High Court, automation of administrative functions and Double entry book keeping was not started in any of the sampled courts, e- registers were maintained only in one of the sampled courts and automation process serving was there in the two courts. In six out of 19 sampled Courts, official email addresses were yet to be provided. The digitisation of case records was tardy with only three per cent of the target being achieved.*

**(Paragraph 1.2.8.10)**

- *Under Judicial Knowledge Management System, in all the 19 sampled courts there was neither any Library Management Software nor a Digital Library.*

**(Paragraph 1.2.8.11)**

- *In three out of five sampled Districts, there were no ICT personnel for the Courts impacting the successful implementation of the e-Courts Project in these districts.*

**(Paragraph 1.2.8.12)**

### **1.2.1 Introduction**

Development of infrastructure for judiciary is primarily the responsibility of State governments. However, the Central Government has been augmenting the efforts and resources of States for construction of court buildings and residential accommodation for Judicial Officer (JOs)/ judges covering District and Subordinate Courts since 1993-94 through Development of Infrastructure facilities for the Judiciary, a Centrally Sponsored Scheme (CSS). During the five-year period 2012-17, the scope of the scheme encompassed construction of new court buildings, upgradation or renovation of existing court buildings and provision of residential quarters for JOs. Government of India (GoI) extended (November 2017) the Scheme up to March 2020; further including provisions of barrier free access to senior citizens and persons with disability (PwD) and for other safety measures in courts.

Further, as part of judicial reforms, it was decided to upgrade Information and Communication Technology (ICT) infrastructure in the courts, through implementation of e-Courts, as part of the National e-Governance Plan (NeGP). It was initiated (2007) as a Mission Mode Project (MMP) with the objective of helping judicial administration in streamlining their day-to-day activities, providing information to the litigants in a transparent manner and providing judges with easy access to legal and judicial databases.

Authorities responsible for implementation of the two Schemes in the State are:

CSS for Development of Infrastructure facilities for Judiciary	e-Court MMP
The Law and Legislative Affairs Department, headed by the Secretary (Law) to the Government of Manipur, provides facilities in terms of buildings, manpower and other infrastructure to the courts. The State Public Works Department (PWD) and the Planning and Development Authority (PDA), Manipur were responsible for construction and maintenance of court buildings and residential quarters for JOs.	The High Court of Manipur was the implementing agency for the project and the State Government is responsible for undertaking all the activities for sustainability of the project.

The funding pattern for ‘Development of Infrastructure Facilities for the Judiciary’ in respect of the NER States is 90:10 between the Central and State Governments. The ‘e-Courts MMP’ is fully funded by Central Government.

**Table No. 1.2.1 Number of court cases pending in Manipur High Court and Subordinate Courts as on 31 December 2019**

Pendency of cases which are more than 5 years old			Pendency of cases which are more than 10 years old		
Civil	Criminal	Total	Civil	Criminal	Total
948	266	1214	167	207	374

## 1.2.2 Accountability Framework

The High Court of Manipur is the highest court of justice in the State. There are 38 District and Sessions Judge Courts and other Subordinate Courts located at 15 court complexes.

The Law and Legislative Affairs Department (the Department), headed by Secretary (Law) to the Government of Manipur provides facilities in terms of buildings, manpower and other infrastructure to the courts. The Department is responsible for preparing plans, defining scope of works, providing clear site and funds and monitoring works at District and State Levels.

In respect of the implementation of e-Courts MMP, the e-Committee at Supreme Court of India was involved in policy planning and providing strategic direction and guidance for the effective implementation of the project. The High Court of Manipur was the implementing agency for the project and the State Government was responsible for undertaking all the activities for sustainability of the project.

The High Court of Manipur is assisted by the High Court Computer Committee (HCCC) headed by Chief Justice, Central Project Coordinator (CPC) at High Court, District Court Computer Committees (DCCC) headed by District Judge and a nodal officer for each district and sub divisional court complexes. The CPC was responsible for implementation of all the tasks entrusted by the e-Committee *viz.* coordinate with the e-Committee and vendors, Connectivity Providers, State Data Centre, *etc.*

## **Audit Framework**

### **1.2.3 Audit Objectives**

The objective of the schemes for development of judicial infrastructure as well as e-Courts was to improve the judicial infrastructure and the efficiency of the judicial delivery system. A Performance Audit on implementation of both these schemes *viz.* **‘Development of Infrastructure Facilities for Judiciary’ and ‘e-Courts MMP’** was carried out to assess whether:

- the envisaged infrastructure was created for the Judiciary and JOs at the District and Subordinate Courts level;
- e-Courts MMP was implemented effectively to enable ease of access of legal and judicial databases to the judges and provide information to the litigants in an effective manner;
- monitoring of the programme was effective to achieve the desired outcomes; and
- creation of additional infrastructure and transition to functioning in an electronic mode resulted in improved justice delivery systems.

### **1.2.4 Audit Criteria**

Audit criteria were derived from the following sources:

- a. Guidelines for the development of infrastructure facilities for the Judiciary and Policy and Action Plan Document of Phase II of the e-Courts MMP;
- b. General Financial Rules, 2005 and 2017;
- c. Central Treasury Rules/ State Financial Rules;
- d. CPWD Works Manual;
- e. Standard Schedule Rates of the States; and
- f. Orders and instructions of the Central and the State Governments.

### **1.2.5 Scope of Audit and methodology**

Performance audit of implementation of **‘Development of Infrastructure facilities for the Judiciary’** and **e-Court MMP** was carried out between June to December 2019 and covered the implementation of both these schemes during the five-year period 2014-19. The Audit included scrutiny of records of the Department, the Manipur State Legal Services Authority and High Court of Manipur, related to the implementation of the same. Audit scrutinised relevant records maintained by 19 District/ Subordinate Courts (seven court complexes) selected out of 38, using Probability Proportional to Size without Replacement Method and seven Public Works Divisions (*Appendix 1.2*).

**Table No. 1.2.2 Sampled District and Subordinate Courts, District Level Services Authority**

State wide		Audit Sample	Particulars/ Remarks
No. of districts in the State	9	5	Imphal West, Imphal East, Churhandpur, Thoubal, Ukhurul.
District Legal Services Authority	1	1	Manipur State Legal Services Authority.
District and Subordinate Courts	38	19*	All District and Subordinate Courts, except Junior Magistrate courts, newly established Narcotics Drugs and Psychotropic Substances (NDPS) Court and Motor Accidents Claims Tribunal (MACT)/Revenue courts were selected.

\*Total No. of District & Subordinate Courts in five selected districts are 29.

Apart from scrutiny of records of the sampled offices, audit also conducted joint physical verification of the projects along with the departmental representatives.

Audit commenced with an Entry Conference (19 June 2019) with the officers of the Department, the High Court, the PWD and the PDA wherein audit objectives, audit criteria and scope of PA were discussed.

An Exit Conference was held (23 December 2019) with the Secretary (Law), Central Project Coordinator (CPC) of the High Court and the Chief Engineer (PWD) wherein the audit findings were discussed. The responses of the Government have been incorporated in the Report at appropriate places.

### **Audit Findings**

#### **1.2.6 Planning**

##### **A. Planning for Infrastructure**

An Annual Action Plan (AAP) allows for a structured and well thought out strategy to achieve the targets set out in the long term plan. In terms of the Guidelines of the Scheme, the Department was required to submit proposals for development of judicial infrastructures in the State, annually to the Ministry of Law & Justice, GoI (the Ministry).

The High Court of Manipur prepared a Vision Statement for the High Court and Subordinate Courts of the State for the period 2013-18, setting out immediate and future requirements of the State's judiciary and submitted (April 2013) the same to the Ministry with a copy to the Law Department, Government of Manipur. Based on the Vision Statement of the High Court, the Department submitted (October 2014) a proposal for the period from 2014-15 to 2017-18 (**Appendix 1.3**) to the Ministry for approval. The proposal included a group of 29 works<sup>1</sup>, 22 works to be undertaken immediately and the remaining seven group of works to be taken up after completion of the 22 works. Audit found that there was no correlation between the works proposed in the action plan and what was actually executed.

<sup>1</sup> Several different items of works were clubbed together and termed a single work, in the proposal sent to the GoI.

Audit also observed that in respect of Churachandpur and Ukhrul districts, the Courts in these districts were functioning in different locations. The District and Session Judge, Churachandpur is housed in a renovated Public Works Division office. Similarly, the District and Session Judge, Ukhrul was functioning in erstwhile Courts of the Chief Judicial Magistrate and the Judicial Magistrate First Class, Ukhrul and the Courts of the latter were housed in Mini Secretariat, Ukhrul. However, while selecting the works to be taken up during the coverage period, the State Government did not prioritise these locations and instead went ahead with extension of court complexes at Thoubal and Bishnupur.

Thus, in the absence of suitable buildings to accommodate all the Courts in a district in the same location, the Courts in these sampled districts were functioning in different locations.

The Department stated (December 2019) that construction of Court Buildings at Bishnupur and Thoubal, was in view of the opening of new courts in the districts. The High Court of Manipur also added that non-availability of land is also one of the hindrances for construction of infrastructure in the hill districts. The Department's reply points to the fact that the projects were proposed to the Ministry as a matter of routine without any due diligence.

Thus, the State Government has not provided requisite infrastructure for the District and Subordinate Courts during the five-year period. This would have a significant bearing in timely delivery of justice which is the cornerstone to enhance the public trust in Judiciary.

#### **B. Planning for e-Courts**

The e-Court Project was conceptualized on the basis of the "National Policy and Action Plan for Implementation of Information and Communication Technology (ICT) in the Indian Judiciary – 2005" submitted by the e-Committee of the Supreme Court of India with a vision to transform the Indian Judiciary. In Phase-I of the e-Courts Project beginning from 2007, a large number of Court Complexes, Computer Server Rooms and Judicial Service Centres were established for computerisation of District Courts. The District and Taluka Court Complexes covered in Phase-I were computerised with installation of hardware, Local Area Network (LAN) and Case Information Software (CIS) for providing basic case related services to the litigants and the lawyers. The Policy and Action Plan Document for Phase-II of the e-Courts Project was approved (January 2014) by the Hon'ble Chief Justice of India and GoI sanctioned the project in August 2015. The Courts covered in Phase-I were targeted to be provided with additional hardware (1+3) systems per Court Room in Phase-II. The Courts not covered in Phase-I and the newly established Courts were also targeted to be provided with (2+6) systems per Court Room and the Court Complexes were to be provided hardware, LAN *etc.*

## 1.2.7 Financial Management

### 1.2.7.1 Development of infrastructure facilities for the Judiciary

The cost of the projects sanctioned under CSS for development of infrastructure facilities to judiciary was to be shared between the GoI and the State of Manipur in the ratio of 90:10. The release of GoI funds to the State was subject to the following conditionalities:

- (i) Action plan for construction of court buildings and residential accommodation of JOs of Districts and Subordinate Courts to be submitted by the State Government; and
- (ii) Submission of Utilisation Certificates(UCs) for grants released to the State under the Scheme along with State share.

During audit coverage period 2014-19, the State Government received central share of ₹ 48.87 crore, they released State share of ₹ 7.35 crore. The details are given in the following table.

**Table No. 1.2.3 Details of Central and State Share released during 2014 -19**

(₹ in crore)

Year	Date of release by GoI	Date of release fund by GoM from funds received from GoI	Amount of Central Share	Date of release of corresponding State Share	Amount of State Share
2014-15	30.10.14	07.03.15 to 31.03.15	20.00	-	0.00
2015-16	15.12.15	16.03.16 to 29.03.16	20.00	29.08.15 to 10.07.17	5.04
2016-17	-	-	0.00	24.10.17	1.32
2017-18	-	-	0.00	-	0.00
2018-19	06.08.18 to 31.10.18	20.03.19 to 23.03.19	8.87	20.03.19 to 26.03.19	0.99
<b>Total</b>			<b>48.87</b>		<b>7.35<sup>2</sup></b>

Source: Departmental Accounts.

### 1.2.7.2 Delay in release of funds

As can be seen from the **Table No. 1.2.3**, GoI funds were received in October 2014, December 2015 and August 2018, however, GoM released the funds only in March of that financial year with a delay of four to six months from the date of their receipts. These delays impacted the timely completion of the projects and the intended benefit from the projects.

### 1.2.7.3 e-Courts MMP

As per Policy & Action Plan of e-Courts Project Phase II, e-Committee of the Supreme Court of India undertook overall management of the project to ensure that the project was heading in the right direction and at optimal speed. The Ministry obtained the necessary financial approval from the competent authority for funds to be disbursed under the project to High Courts for the project components as per the recommendations of the e-Committee and

<sup>2</sup> State Matching Share: Up to 2013-14: ₹ 1.91 crore plus 2014-19: ₹ 5.43 crore.

released funds directly to the High Court of Manipur for implementation of the Scheme.

**Table No. 1.2.4 Fund receipt and expenditure in respect of e-Courts**

(₹ in lakh)

Year	Amount Sanctioned	Amount Utilised	Amount Unutilised
2015-16	53.00	53.00	-
2016-17	423.56	225.46	198.10
2017-18	118.60	29.72	88.88
2018-19	64.80	-	64.80
<b>Total</b>	<b>659.96</b>	<b>308.18</b>	<b>351.78</b>

During the period 2015-19, the High Court of Manipur received ₹ 659.96 lakh from the GoI for implementation of Phase II of the e-Courts MMP, of which, they incurred an expenditure of ₹ 308.18 lakh as on 31 March 2019, leaving a balance of ₹ 351.78 lakh (53.3 per cent) unutilised. Reasons for non-utilisation of available funds were as under.

- **Internet Connectivity:** Out of ₹ 92.40 lakh received during 2016-17 for internet connectivity, ₹ 33.72 lakh was utilised for payment of salary for technical manpower leaving an unutilised balance of ₹ 58.68 lakh as of October 2019.
- **Server:** The purchase orders were finalised only in October 2019 and funds of ₹ 57.00 lakh received during 2017-19 for server remained unutilised.
- **DG set:** Funds of ₹ 54.00 lakh received during 2016-17 for purchase of DG set also remained unutilised (October 2019).
- **Video Conference:** The process of tender was in progress as of October 2019. The High Court of Manipur stated (December 2019) that procurement of video conference equipment could not make headway as the specification given by the e-Committee and the bidder was not matching. The CPC has had a meeting with the e-Committee in December 2019 to resolve the matter. However, ₹ 46.95 lakh received during 2016-17 and 2017-18 for video conference facility remained unutilised (October 2019).
- **LAN:** Out of ₹ 38.98 lakh received during 2015-18 for LAN infrastructure, only ₹ 10.00 lakh was utilised as of March 2019 leaving a balance of ₹ 28.98 lakh due to issues in the tenders. The High Court of Manipur stated (December 2019) that the LAN installation had been completed except Family Court, Thoubal which was in progress.
- **Smart Phone:** Out of ₹ 4.80 lakh sanctioned for 40 smart phones during 2018-19, ₹ 2.96 lakh was utilised as of December 2019 for procurement of 27 smart phones leaving a balance of ₹ 1.84 lakh. The High Court of Manipur stated (December 2019) that whenever vacant posts are filled in, purchase of smart phones would be made.

There was no record to show that the High Court of Manipur had opted for other modes of purchase *i.e.* through National Informatics Centre Services Inc. (NICS), directly from the vendors on the rates approved by the Directorate

General of Supplies and Disposals (DGS&D) to expedite implementation of the Project. They instead delayed the tendering process and majority of funds for procurement of equipment remained unutilised.

While admitting the audit observation, the High Court of Manipur stated in the Exit Conference (December 2019) that in every tender only a few bidders from the nearby places like Guwahati, *etc.* submitted bids. The poor bid responses affected the timely finalisation of contracts. However, possibility of procurement from GeM to expedite implementation of the project would be explored.

**Audit further observed irregularity pertaining to non-maintenance of separate bank account for e-Courts as discussed below:**

The Chairperson of HCCC instructed (September 2015) the High Court to have separate and exclusive bank account for e-Courts Project funds. This was in order to delineate the e-Courts relevant transactions from other general transactions of the High Court.

Audit observed that the High Court opened (August 2015) an Account in State Bank of India in the name of CPC of the High Court exclusively for the use of e-Courts Projects. However, we did not find any transactions under the Project in the account. Instead, the transactions continued to be mixed up with other funds of the High Court and the separate bank account remained for namesake.

It was also noticed that the Registrar, High Court neither maintained separate books of account like Cash Book to capture the transactions pertaining to e-Courts nor recorded the transactions in the General Cash Book of the High Court, showing lack of transparency in expenditure.

Admitting the audit observation, the Registrar High Court stated (December 2019) that the e-Courts transactions would be done through the account opened for this purpose and proper accounts of the funds under e-Court would be maintained. The reply is not convincing, since the Department had not utilised the separate bank account opened, for the last five years nor had they recorded the transactions separately.

## **1.2.8 Programme Implementation**

### ***Infrastructure Scheme***

#### **1.2.8.1 Court Projects**

The Department proposed ₹ 336.78 crore (*Appendix 1.3*) for 29 sets of work to the GoI for various construction and renovation works in nine District Courts complexes including quarters of Judiciary Officers to be taken up during 2014-18. It was, however, noticed that the Department took up 55 works (*Appendix 1.4*) for infrastructure development of subordinate judiciary with the sanctioned cost of ₹ 111.49 crore and incurred an expenditure of ₹ 67.59 crore.

Audit further observed that out of 55 works, forty-nine works were completed by incurring an expenditure of ₹ 35.17 crore while the six works (*nine per cent*)

were still on-going (October 2019). Out of completed works, expenditure of ₹ 32.71 lakh was incurred on completed work of repairing of compound wall of Court Building of Junior Magistrate First Class (JMFC), Kangpokpi in violation of Guidelines. The status of ongoing works is as shown in the Table below.

**Table No. 1.2.5 Status of ongoing works**

(₹ in lakh)

District	Name of Project	Sanctioned cost	Date of sanction	Expenditure	Status (as on October 2019)
Tamenglong	Construction of District Court Building at Tamenglong, Phase I	4588.68	23-03-15	1658.08	48 per cent complete. Balance fund awaited for completion.
	Construction of compound fencing of the existing CJM Court Complex and renovation of CJM quarter	163.80	20-10-14	70.00	43 per cent complete. Work stopped due to Land dispute.
Thoubal	Construction of G+3 Annexe building for the court of district & Session Judge	1555.97	11-03-16	835.94	75 per cent complete. Fund not fully released.
	Construction, renovation and repairing of District & Session Court Building	171.30	11-03-16	137.04	85 per cent complete. Balance fund awaited for completion.
Bishnupur	Construction of G+2 Annexe building for District & Session Judge court	1042.46	16-02-16	521.23	50 per cent complete. Balance fund awaited for completion.
Imphal	Construction of main gate at Cheirap Court Complex	19.99	30-10-18	19.99	90 per cent complete, reasons for delay not furnished.
<b>Total</b>		<b>7542.20</b>		<b>3242.28</b>	

It can be seen from the table above that an amount of ₹ 32.42 crore remained blocked in the incomplete projects. The works of construction of court building at Tamenlong district and annexe buildings of courts at Thoubal and Bishnupur districts remained incomplete for want of funds indicating non-prioritisation of sanctioned funds. In addition to the above incomplete works, the Department failed to provide encroachment free land for construction of quarters in Tamenglong.

### **1.2.8.2 Non-achievement of targets for creation of infrastructure**

The Action Plan of the Department underlined the requirement of construction of new Court buildings, residential quarters of JOs and quarters for the staff of the Courts, renovation works and other constructions. Proposal for creation of core judiciary infrastructure for the period 2014-18 and achievements as on March 2019 are as given in the following table.

**Table No. 1.2.6 Targets and Achievements of Works proposed under Action Plan**

Name of district	Set of works proposed as per action plan	Proposed group of works broken down into individual works					
		Construction of New Court Building		Residential units for JOs		Extension/Improvement/Renovation works, Other Constructions <sup>3</sup> & Repairs	
		Proposed	Taken up	Proposed	Taken up	Proposed	Taken up
Senapati	3	1	-	3	-	3	3
Churachandpur	3	1	-	3	1	5	5
Imphal East	7	1	-	7	1	11	11
Imphal West	3	1		-			
Ukhrul	4	1	-	1	0	4	4
Chandel	3	1	-	2	1	5	5
Tamenglong	3	1	1	2	0	3	3
Thoubal	1	-	-	-	-	10	10
Bishnupur	2	-	-	3	0	10	10
<b>Total</b>	<b>29</b>	<b>7</b>	<b>1</b>	<b>21</b>	<b>3</b>	<b>51</b>	<b>51</b>

As evident from the table above, against a proposal of seven new Court buildings, construction could be taken up only in Tamenglong, where the work was in progress.

### **Residential Projects**

The person-in-position of JOs was 40 against their sanctioned strength of 55 and only 12 residential quarters (30 *per cent*) for JOs were available in the State. In sampled districts, position of availability of residential units for JOs was three against the requirement of nine residential units, a shortfall of 66 *per cent*. Against the proposal to construct 21 quarters for JOs, only three quarters could be taken up and completed, out of which, quarter at Churachandpur district remained unoccupied as discussed ahead in **Paragraph 1.2.8.3**.

In addition to the above, 51 proposed renovations, repairs and other construction works were taken up during 2014-19, of which, five works are under various stages of completion as discussed in **Table No. 1.2.5**.

The Department stated (December 2019) that construction of residential quarters could not be carried out due to the non-availability of land.

### **1.2.8.3 Non-utilisation of completed infrastructure**

During the Joint Physical Verification, Audit observed that during the period 2014-18, out of the completed projects, infrastructure created at a total cost of ₹ 242.05 lakh at Churachandpur, Lamphel and Thoubal Court Complexes remained unutilised as shown in the following table.

<sup>3</sup> Construction of compound wall, security barrack, security tower, garage, parking site *etc.*

**Table No. 1.2.7 Details of unutilised infrastructure (CSS)**

(₹ in lakh)

Sl. No	Name of work	Expenditure incurred	Date of completion
1	Prisoner waiting shed, CJM Court complex, Churachandpur	1.85	24.04.2015
2	Chowkidar quarter in District Court complex, Churachandpur	9.28	05.06.2015
3	Garage with approach road in Lamphel Court complex, Lamphelpat	4.84	16.08.2015
4	Garage in District Court complex, Thoubal	8.78	21.02.2017
5	State JOs quarters at Churachandpur	217.30	07.06.2017
<b>Total</b>		<b>242.05</b>	

During the joint physical verification, Audit noticed that the infrastructure remained unutilised (October 2019) as shown in the following photographs.

**Photograph No. 1.2.1 Photographs showing unutilised completed structures**



*Garage, Lamphel CC*



*Prisoner Shed, Churachandpur CC*

The Prisoner Shed in Churachandpur Court Complex was unfit for use as prisoners' shed and was found surrounded with tall grass and approach road was in a very bad shape. The shed is necessary when multiple prisoners are required to be produced to the courts at the same time.

The CPC stated (December 2019) that only a few prisoners are produced at a time and hence there is no dire necessity of such shed. He added that this could be required in the near future and hence maintenance of the same is of immense importance as this being one of the requisite infrastructures of the courts.

The garage in the Court Complex, Lamphel was inaccessible for parking vehicles. The compound of the garage was not maintained and there was no approach road to the garage and thus the garage remained unutilised.

The Department stated (December 2019) that the proposed land development of Lamphel Court Complex would take care of the approach road to the garage. The Department added that there were some defects in JOs' quarters (Sl. No. 5) at Churachandpur, whereas the PWD submitted that the defect had been rectified.

The replies are not convincing since it is observed that against a proposal to construct three quarters for JOs in Churachandpur only one was taken up and that too remained unutilised since June 2017 due to defects in construction. It indicates that the proposals submitted for construction of houses for JOs were

not need based. The unutilised assets may be rectified on priority and used for intended purpose.

#### 1.2.8.4 Non-availability of amenities in Court Complex

The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 envisaged provision of ramps in public building so that the buildings are accessible to the physically challenged or specially abled persons. Accordingly, GoI while extending (November 2017) the Scheme up to March 2020 included the provision for ramps, *etc.*

Audit observed that the ramp facilities were not provided in seven Court complexes<sup>4</sup> housing 19 sampled Courts as of March 2019. It was also observed that the State Government had taken up renovation of five Court buildings<sup>5</sup> during 2014-19 without provision of ramp in the Court buildings.

The Department stated (December 2019) that provisions of ramp facilities are being considered in the construction of new court buildings. The reply is not tenable since the ramp facilities had to be provided as per the guidelines and the Department was aware of the same

Further, joint physical verification of seven court complexes showed that public toilets in three Court complexes<sup>6</sup>, housing 20 Courts, were locked and inaccessible causing inconvenience to the public and litigants, thereby defeating the very purpose of building these toilets. There was no approach road to the public toilet at Lamphel Court complex as the toilet complex was surrounded by bushes as depicted in the following photographs.

#### Photograph No. 1.2.2 Photographs showing locked/ inaccessible public toilets



***Locked Public Toilet, Lamphel CC, with no approach road to access the toilet***



***Locked Public Toilet, Churachandpur CC***

During Exit Conference (December 2019), the Department did not offer any comment on the audit observations.

Regarding public toilet at Lamphel Court complex, the PWD stated (December 2019) that provision of approach road would be considered while

<sup>4</sup> (i) Cheirap Court Complex, (ii) Lamphel Court Complex, (iii) Thoubal Court Complex, (iv) Family Court Thoubal Court Complex, (v) CJM Ukhrul Court Complex (vi) DJ Ukhrul Court Complex (vii) Churachandpur Courts Complex.

<sup>5</sup> Buildings at Lamphel Court Complex, Thoubal Court Complex, CJM Churachandpur, DJ Churachandpur and DJ Ukhrul.

<sup>6</sup> Churachandpur, Cheirap and Lamphelpat Court Complex.

taking up land development work of the complex. The reply only reflects poor planning for works on part of the PWD.

### **e-Courts MMP**

The objective of the Project is to provide designated services to the litigants, lawyers and Judiciary through the universal computerisation of District and Subordinate Courts as well as the upgradation of Infrastructure Communication Technology (ICT) infrastructure of the Supreme Court and the High Courts.

#### **1.2.8.5 Excess procurement and Idle Equipment**

##### **(i) Computer hardware**

As per Policy and Action Plan (PAP), Phase II of e-Courts Project, procurement of hardware was to be based on the proposal of High Court submitted to the e-Committee. For optimum utilisation of hardware resources and to avoid any excess/ shortage of hardware, the High Court was to make proposals taking into consideration the criteria of readiness of site, availability of space, availability of personnel to work on the hardware, workload, *etc.* in terms of automation of registry, library, record room and to undertake all services as per e-Court and Litigants' Charter.

During 2015-16, the Ministry sanctioned ₹ 43.00 lakh for provision of 116 computers for the Courts. The High Court of Manipur purchased 176 computers<sup>7</sup> based on the availability of funds under the head. Of these 176 computers, 72 computers were issued (November 2016 and September 2017) to the 19 sampled Courts (*Appendix 1.5*) and 27 Computers to Manipur State Legal Services Authority (September 2017).

Joint physical verification revealed that 23 (42 *per cent*) of the total 55 computers issued to the seven sampled Courts and the Manipur State Legal Services Authority were lying idle due to non-automation of Courts and non-functioning of Judicial Service Centres for more than two years (December 2019). This indicated that the High Court of Manipur neither conducted any assessment of the requirement of hardware nor ensured their utilisation by the user court. This is depicted in the table given below.

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<sup>7</sup> 129 Computers in June 2016; 20 computers for District Courts in July 2017 and 27 computers in September 2017 for Manipur State Legal Services Authority.

Table No. 1.2.8 Idle stock of computers

Sl. No.	Name of Court	Month and year of issue	No. of computers issued	No. of computers lying idle
1	Fast Track Court, Manipur East	November 2016	4	2
2	Civil Judge Sr. Division, Imphal West	November 2016	4	1
3	Fast Track Court (CAW)	September 2017	4	2
4	Family Court, Thoubal	September 2017	4	3
5	District Judge, Churachandpur	November 2016	4	2
6	Chief Judicial Magistrate/ Civil Judge Senior Division, Churachandpur	November 2016	4	4
7	Chief Judicial Magistrate, Ukhrul	September 2017	4	1
8	Manipur State Legal Service Authority	September 2017	27	8
<b>Total</b>			<b>55</b>	<b>23</b>

The unpacked computers lying idle are as shown in the following photographs.

Photograph No. 1.2.3 Photographs showing idle computers



Idle Computer at Civil Judge, IW, Lamphel



Idle Computer at CJM, Ukhrul

The District and Sessions Judge and the Chief Judicial Magistrate, Churachandpur stated (September 2019) that the computers were not required as the Courts already had sufficient number of computers for day to day functioning of the Courts. Thus, the High Court of Manipur procured computer hardware and peripherals without assessing the requirement resulting in wasteful expenditure on idle stock. The idle computers should be immediately taken back before they become outdated and given to the courts/ offices which need them.

## (ii) UPS 600 VA

The High Court purchased (February 2018) 136 UPS 600VA for ₹ 3.81 lakh for computers in the Court complexes, out of which 71 UPS were distributed (February 2018) to the 19 sampled Courts.

Joint physical verification revealed that 36 UPS (63 per cent) of the total 57 UPS (600 VA) issued to the 15 sampled Courts were lying idle for more than one and half year as shown in the following table.

**Table No. 1.2.9 Idle stock of UPS (600 VA)**

Name of Court	Number of UPS issued	Number of UPS in stock
District Judge Imphal East	4	1
Family Court Manipur	3	1
Chief Judicial Magistrate, Imphal East	4	3
Fast Track Court Manipur East	4	2
Fast Track Court Manipur West	4	2
Civil Judge, Senior Division, Imphal East	4	3
Civil Judge, Senior Division, Imphal West	4	3
Family Court Imphal East	3	1
District Judge Churachandpur	4	2
Chief Judicial Magistrate, Churachandpur	4	4
District Judge, Ukhrul	4	4
Chief Judicial Magistrate, Ukhrul	4	2
Family Court Thoubal	3	2
District & Session Court, Thoubal	8	6
CJM/Civil Judge (Sr.Div), Thoubal		
<b>Total</b>	<b>57</b>	<b>36</b>

The Chief Judicial Magistrate, Thoubal stated (October 2019) that there was no requirement of the UPS as the existing UPSs were sufficient for the Courts. Audit also observed that the computers in the Courts at Lamphel Court Complex were connected to Solar UPS and did not require individual UPS. Reason for non-utilisation of UPS in other Courts has been called for. Their reply is awaited (November 2019).

Thus, the High Court of Manipur procured computer hardware and peripherals without assessing the requirement thereby resulting in idle stock.

The High Court stated (December 2019) that there are vacancies of staff and JOs in the District and Subordinate Courts. The hardware items were procured based on the formula of e-Courts keeping in view the future expansion. But in the absence of manpower the hardware items were kept unutilised.

The reply is not acceptable as the hardware items would get obsolete and outdated in this fast-changing technology world.

#### 1.2.8.6 Non-functional Judicial Service Centre

The Judicial Service Centre (JSC) in the Court complexes is to be utilised as a hub for reception cum inquiry and also as a Central Filing Centre (CFC). The JSC cum CFC is to be utilised along with other services for the litigants such as case status information, certified copies issuance, inquiries, etc. However, during the joint physical verification of 19 sampled Courts out of 38 Courts, Audit noticed the following.

In Cheirap Court complex the JSC remained non-functional. In Lamphel, Court complex there was no ICT infrastructure in the JSC and the room was laden with dust and scrap as shown in the photograph placed alongside.



**Photograph No. 1.2.4 JSC at Lamphel Court complex**

- i. In the District and Sessions Court, Churachandpur, the JSC was not utilised due to the shortage of manpower. Further, the Centre was not installed with requisite infrastructure.
- ii. In two Court complexes<sup>8</sup>, the JSC was used as store room for ICT equipment of the Court complex (photograph below) while in District and Sessions Court, Thoubal Court Complex, it was being occupied by the official of JMFC as office room (photograph below).

**Photograph No. 1.2.5 Photographs showing non- functional Judicial Service Centres**



*JSC at Thoubal Court Complex*



*JSC at CJM, Ukhrul*

In all seven Court complexes in the four sampled Districts, JSC was non-functional. Thus, the centre which would act as a hub for providing case related information to the public and lawyer to enhance public trust in justice system was not materialised.

While admitting the audit observation, the High Court of Manipur stated (December 2019) that the JSCs were non-functional due to shortage of personnel. In the absence of personnel, these centres were not equipped with ICT infrastructures.

#### **1.2.8.7 Basic infrastructure requirement for a Court room**

The basic infrastructures for a Court room are to enable the Court for registry processes like certified copies, computer generated summon/ notices/ warrants, retrieval of case records, workflow/ process automation, *etc.* The following deficiencies were noticed:

##### **i. Non-existent Local Area Network (LAN) and internet connectivity**

As per the PAP, Local Area Network (LAN) is one of the basic requirements for a Court room. The basic devices like Thin Client, Display monitor and Kiosk in every Court and Court Complex requires proper internet connectivity for displaying the information received from the server.

Out of the 19 sampled Courts, LAN connectivity was not established in Family Court, Thoubal. Further, in seven sampled Courts<sup>9</sup> where LAN infrastructure was already established, there was no proper internet connectivity. Non

<sup>8</sup> CJM, Ukhrul and Family Court, Thoubal.

<sup>9</sup> FTC (CAW), CJMs at Ukhrul, Thoubal and Churachandpur, DJs at Ukhrul, Thoubal and Churachandpur.

availability of LAN and proper internet connectivity has hampered the proper functioning of basic devices installed in the Courts.

**ii. Non Functional Display Monitors**

Display monitor with Thin Client is one of the basic infrastructure requirements for a Court room for display of information such as details of Court room number, the sitting judge and the ongoing case number to inform the litigants and lawyers to reduce unnecessary crowding of the Court room.

It was observed that the High Court of Manipur procured (March 2018) 37 display monitors for ₹ 12.15 lakh for installation in the District and Subordinate Courts. Joint physical verification revealed that in eight<sup>10</sup> out of the 19 sampled Courts, thin clients system was not functional due to the non-availability of reliable internet connection and consequently the display boards were not operational.

In the Court of Civil Judge, Senior Division, Imphal West, the thin client was not connected to any power backup. As such, it would not be functional every time there is power supply disruption. Also, there was no record to substantiate that the problem had been taken up for appropriate remedial measures.

**Photograph No. 1.2.6 Photographs showing non- functional/ Idle Thin Clients**



*Thin Client-Non-functioning at DJ, Ukhrul and Idle at CJM Churachandpur*

Thus, eight Courts failed to display requisite information for the litigants and lawyers and the equipment issued as a part of e-Courts Project Phase II by the High Court of Manipur remained idle. Since ease of access to information improves the access to justice, non-availability of the same impedes access to the case related information to the public and lawyers, thereby adversely affecting the public trust in the justice system.

The High Court of Manipur attributed (December 2019) the non-functional Display monitor with thin client to the technical problem in Server client and also stated that the same has been rectified. The fact remained that these had remained idle for long time since installation in March 2018.

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<sup>10</sup> FTC (CAW), CJM Ukhrul, Thoubal and Churachandpur, DJs Ukhrul, Thoubal, Churachandpur and FC Thoubal.

### 1.2.8.8 Basic infrastructure requirement of a Court Complex

#### i. Information Kiosk with printing facility

Phase II of the e-Courts MMP envisages providing of Kiosk in all Court complexes with a feature of printing the information being sought.

The High Court of Manipur procured 18 Kiosks from HSBL Technology, Bhopal for ₹ 17.93 lakh<sup>11</sup> for installation at different Court complexes (*Appendix 1.6*) in the State. Status of issue and utilisation of the information Kiosk machine to seven Court complexes of the 19 sampled Courts are as shown in the following table.

**Table No. 1.2.10 Status of issue of information KIOSK machine**

Sl. No.	Name of Court complex	Year of installation	Number of KIOSK machine issued	Status as on the date of Audit (September 2019)
1	Cheirap Court Complex, ImphalWest	November 2017	1	Non-functional
2	Lamphel Court Complex	November 2017	3	One had been installed. Two were in stock
3	Churachandpur Court Complex	November 2017	2	Information Kiosk machines were not installed in these Courts. Machines were in stock of the Courts.
4	Thoubal Court Complex (District and Session Judge and CJM)	September 2017	1	
5	Family Court, Thoubal	August 2019	1	
6	District Court, Ukhrul	September 2017	1	
7	CJM, Ukhrul	September 2017	1	
<b>Total</b>			<b>10</b>	

Out of the 10 Kiosk machines issued, only one in Lamphel Court Complex has been installed and functional without printing facilities. The rest were either in stock or non-functional after installation due to non-provision of proper LAN system, reliable internet facilities and lack of proper electrical equipment. Thus, the objective of providing case information through the touch screen Kiosk remained unachieved even after a lapse of more than three years of implementation of Phase II of the e-Courts Project thereby depriving the benefit to the needy users.

While admitting the audit observation, the High Court of Manipur stated (December 2019) that there were no LAN points for the machine and the contractors had been asked for fixing LAN points. The High Court further stated that e-Committee decided for provision of dedicated printer for the Kiosk. However, there was no provision of fund for the printers and also there were limited printers to spare for the Kiosk.

As regards non-functional of Kiosk at Cheirap Court complex, the High Court stated (December 2019) that possibility of issuing the machine in the stock of the Lamphel Court complex would be explored.

<sup>11</sup> August 2017 to March 2018.

**ii. Delay in Scanning, Digitisation and Digital Preservation of case records**

Digitisation of records of the pending cases and case records of the disposed cases is of immense importance to curtail the use and handling of physical paper and for easy retrieval when needed. This would help in saving space and infrastructures *vis-à-vis* maintenance of records in physical form.

The High Court of Manipur awarded (October 2019<sup>12</sup>) the contract for digitisation and uploading of case records/files to a private firm<sup>13</sup> at the rate of ₹ 0.65 *per* page. The firm was to scan and digitise the case files within one year from the date of commencement of work and to upload the same after verification by the High court. As per record of the High Court, the approximate number of pages to be digitised was 80 lakh pages.

As of November 2019, the firm had digitised only 2.33 lakh (3 *per cent*) pages of case files out of which, the High Court had verified 93,488 pages. Thus, the pace of digitisation was tardy. Also, the verified scanned documents were uploaded in the local server only and not in the cloud computing for accessibility to the needy users.

The High Court of Manipur stated (December 2019) that there was delay in finding appropriate vendor. The number of pages to be digitised was a rough estimation and most likely that the actual could be lesser than the estimation.

**iii. Non-availability of Video conferencing facilities for Courts and jails**

As per PAP for Phase II of the Project, Video conferencing infrastructure for Courts is vital for ensuring routine remand of under trial prisoners and recording evidence in specific cases. Every Court complex in a State was to connect with the central jail and every Court complex in a district with the district jail.

Joint physical verification (September 2019) revealed that the Video-conference equipment were available in five<sup>14</sup> out of the seven Court complexes. Of these, the equipment were utilised in only two Court complexes<sup>15</sup>. In the remaining three Court complexes, the equipment were not installed and remained idle.

The District and Subordinate Courts<sup>16</sup> stated (October 2019) that the non-availability of video-conferencing has hindered smooth investigation and dispensing of justice, as routine remand and recording of vital evidences of sensitive cases could have been carried out conveniently and speedily. There are only two jails in the State and both jails are located in the capital district of the State. Thus, in respect of Churachandpur and Ukhrul districts, in many cases under trial prisoners could not be produced due to security reasons and the distance between the Court and jail.

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<sup>12</sup> With retrospective effect from March 2019.

<sup>13</sup> M/s Informatics Publishing Limited.

<sup>14</sup> Court Complexes at Cheirap, Lamphel, CJM Ukhrul, Thoubal and Churachandpur.

<sup>15</sup> (i) Cheirap Court Complex, Imphal West (ii) Lamphel Court Complex, Imphal West.

<sup>16</sup> (i) Chief Judicial Magistrate, Churachandpur (ii) Chief Judicial Magistrate, Ukhrul.

The High Court of Manipur assured (December 2019) that the equipment would be installed and in this regard, the District and Subordinate Courts had been instructed accordingly. The High Court also assured that all facilities required by the Subordinate Courts would be provided.



**Photograph No. 1.2.7 Uninstalled Video-conference equipment**

### 1.2.8.9 Capacity building measures at State Judicial Academy

For sustainability of efforts of ICT training for JOs and Court officials, a full-fledged computer laboratory in the State Judicial Academies is indispensable. The Manipur Judicial Academy has been functioning in a small building in the High Court complex pending construction of Academy's building at Pangei.

The Academy received (September 2017) 20 computers from the High Court of Manipur for establishment of a computer lab under e-Courts MMP. However, the computers remained idle in the Academy without installation (August 2019) since there was no dedicated computer laboratory for the Judiciary Academy.

The High Court stated (December 2019) that the computers were used during hands on training programme for JOs. These computers were installed in the court room (No.5) and after completion of the training these were packed and kept back.

### 1.2.8.10 Judicial Process Reengineering

As per the Policy and action Plan for Phase II of the Project, a Judicial Process Reengineering (JPR) exercise is to be taken up to explore further automation of processes with the latest available technology. Status of the initiatives proposed to be taken up is as shown below.

**Table No. 1.2.11 Status of Judicial Process Re-Engineering**

Particulars of Processes	Audit Observations (As on October 2019)
<b>Automation process serving:</b> This mechanism is to be attempted to send Court processes through email to other Courts and to parties to address the issue of delays due to the non-service or late service of Court Process.	17 out of 19 sampled Courts did not have the mechanism of automated process serving.
<b>No Manual Registers:</b> To promote use of computer for Court processes, all Court registers should be maintained in e-Form only.	18 out of 19 sampled Courts did not maintain Court registers in e-Form.
<b>e-Filing:</b> An e-filing portal for the High Court and the District Judiciary to be developed for online Filing of cases.	e-Filing portal for the High Court of Manipur has not been developed to facilitate online e- Filing of cases.

Particulars of Processes	Audit Observations (As on October 2019)
<p><b>Judicial Financial Accounts Book Keeping Practice:</b> In view of the increased accounting activities in the Courts on judicial as well as administrative side, the method of book-keeping suitable for Courts is Double Entry System. This needs considerable efforts as a part of JPR exercise.</p>	<p>The system of double entry book-keeping has not been initiated by any of the 19 sampled Courts.</p>
<p><b>Administrative Process Automation:</b> To optimise the human resources in the Courts, automation of administrative function such as file movement and tracking, leave management, personnel information management system <i>etc.</i> are also the need of the day.</p>	<p>All the 19 sampled Courts had not started administrative process automation.</p>
<p><b>Workflow and process Automation:</b> Official email for court staff, digital signature for JOs and court staff.</p>	<p>In six out of 19 sampled Courts, official email addresses were yet to be provided. In 15 out of 19 sampled Courts, digital signature for JOs have not been provided. Further, in all the sampled Courts, digital signatures for Court officials have not been provided.</p>

#### **1.2.8.11 Judicial Knowledge Management System**

Justice Delivery System is a knowledge intensive domain as the function of adjudication is governed by the vast and diverse laws; substantive as well as procedural. The knowledge based ICT enabled activities like Integrated Library Management Software (ILMS) need to be taken up. Court Libraries are to be equipped with robust library management software.

Audit observed that eight out of 19 sampled Courts (*Appendix 1.7*) did not have any library. In all the 19 sampled Courts, there was neither Library Management Software nor Digital library. As such, the facility for Digital library was not in existence in all the sampled Courts (December 2019).

While admitting the audit observation, the Department stated (December 2019) that Library is the responsibility of the District Judges.

#### **1.2.8.12 Non-availability of technical manpower in the Court complexes**

As envisaged in the PAP, every district should have at least one professional for technical support. The technical personnel would perform the functions in coordination and cooperation with the District System administrators.

Audit observed that in three<sup>17</sup> out of five sampled Districts, there were no ICT personnel for the Courts. In the absence of personnel having direct bearing on implementation of e-Courts Project in the Courts, whenever any technical issue was encountered by the Court, the same was reported to the System Officer at Imphal East and West. However, the issues remained unresolved. This has impacted the successful implementation of the e-Courts Project in these districts.

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<sup>17</sup> Ukhrul, Thoubal and Churachandpur Districts.

### 1.2.8.13 e-Court Project Litigants' Charter

A number of multi-platform services were to be delivered to the litigants as charter of services through Phase II of the Project. The charter of services was to serve as a guiding baseline to make the Phase II of the Project as litigant centric as possible. The litigant's charter set out 30 services and seven platforms to be provided to the litigants. Number of services to be delivered through the platforms is as shown in the following table.

**Table No. 1.2.12 Status of Litigants' Charter**

Sl. No.	Platforms	Number of services to be delivered	Out of 19 sampled Courts, No. of Courts where none of the services were provided	Remaining sampled Courts where some of the services were provided	Range of services delivered by the remaining sampled Courts
1	SMS Push	15	6	13	5-11
2	SMS Pull	8	7	12	1-7
3	Email	24	13	6	7-9
4	Web	29	3	16	6-15
5	Mobile App	18	5	14	4-12
6	JSC	21	19	-	-
7	Kiosk	24	10	9	10-11
<b>Total</b>		<b>139</b>	<b>63</b>	<b>70</b>	

As can be seen from the above table, there were three to nineteen Courts where none of the services were provided through the seven platforms.

In sampled courts, out of the 30 services, 17 services were partially implemented while 13 services were not at all implemented as can be seen in *Appendix 1.8*.

Thus, due to nil/limited services delivery to the litigants in the sampled Courts, the Project is yet to be litigant centric even after a lapse of more than three years of its implementation in the State.

While admitting the audit observations, the High Court of Manipur stated (December 2019) that this aspect would be taken care of fully after recruitment of requisite staff of the courts.

## 1.2.9 Monitoring

### 1.2.9.1 Non-formation of District level Monitoring Committee

The Ministry advised (May 1999) the Chief Secretary of the States to set up District Level Monitoring Committee consisting of District Magistrate, District Judge or equivalent, Executive Engineer, PWD for monitoring the infrastructure development for the judiciary in the concerned district and submit quarterly reports to the State Level Monitoring Committee. However, the State Government did not constitute District Level Monitoring Committee in contravention to the instruction of the Ministry indicating lack of regular monitoring mechanism in the district level. There was also no record for monitoring of the works executed in the districts.

The State Government stated that no records could be found for constitution of the committee nor was there any record for monitoring.

### **1.2.9.2 Non-monitoring of infrastructure works by the Monitoring Committee headed by the Chief Secretary**

The State Government has set up Monitoring Committee under the chairmanship of the Chief Secretary for monitoring the infrastructure development works in the State. However, neither record for monitoring the works by the Committee during the period 2014-18 nor any report on monitoring of the works by the Committee so established was noticed.

### **1.2.9.3 Non-submission of quarterly progress report**

As per the guidelines, the State Government should submit quarterly progress report of the projects sanctioned under the scheme to the Ministry. However, the State did not submit quarterly progress report to the Ministry in contravention to the Guidelines. The State Government stated (September 2019) that there was no specific direction to State Government for submission of quarterly report to the Ministry and they were not aware of this requirement and assured that they will forward to the Ministry in future.

### **1.2.9.4 Non-existence of District Court Computer Committee**

As per the PAP Document Phase II of the e-Courts Project, there would be a District Court Computer Committee in each district for overall monitoring of the project implementation in the district. However, the Committee was not in existence in the District Court, Churachandpur and hence in the absence of the Committee there was no monitoring of the implementation of the e-Court Mission Mode Project in the district.

## **1.2.10 Conclusion**

The Action Plan which was prepared by the Department for 2014-18 and submitted to the Ministry of Law, GoI, had no correlation with actual execution done. The Department took up 55 works and incurred an expenditure of ₹ 67.39 crore, of which, six works remained incomplete. The quarters for JOs were constructed only in three districts *i.e.* Churachandpur, Imphal and Chandel, out of which the quarter at Churachandpur district constructed at a cost of ₹ 2.17 crore remained unutilised.

The implementation of e-courts MMP was not expedited. Out of ₹ 659.96 lakh received from the GoI for implementation of Phase II of the e-Courts MMP, the implementing Agency could incur an expenditure of ₹ 308.18 lakh (46.67 *per cent*) only as on 31 March 2019 due to slow spending. The High Court of Manipur did not assess the total requirement of hardware to ensure optimum utilisation of hardware resources and to avoid any excess/shortage of hardware for the Courts. It was seen that twenty-three (42 *per cent*) of the total 55 computers issued to the seven sampled Courts and the Manipur State Legal Services Authority and 36 UPS (63 *per cent*) of the total 57 UPS (600 VA) issued to the 15 sampled Courts were lying unused in stock, for more than two years and one and a half years respectively. Video-conferencing, information kiosks machines, Thin Clients with display monitor were not functional, as of

October 2019, due to non-reliable internet facilities and LAN system in the sampled Courts at Thoubal, Churachandpur and Ukhrul districts.

The Judicial Service Centre to be utilised as a hub for reception cum inquiry and also as a central filing centre, were not functional in any of the test checked Court complexes for want of manpower and ICT infrastructure. Under Judicial Process Re-engineering exercise, e-filing portal has not been developed for Manipur High Court, automation of administrative functions and double entry book keeping has not been started in any of the sampled courts. E-Registers were maintained only in one of the sampled courts and automation process serving was there in two of the sampled courts. In six out of 19 sampled Courts, official email addresses were yet to be provided. The digitisation of records was tardy with only three *per cent* of the target being achieved. In all the 19 sampled courts there was neither any Library Management Software nor a Digital Library.

In three districts out of five sampled Districts, there were no ICT personnel for the Courts, impacting the successful implementation of the e-Courts Project in these districts.

The ambitious e-Court program which was to digitise the court-processes and expedite justice delivery system failed to take off due to improper planning.

### 1.2.11 Recommendations

The State Government may consider following recommendations:

- *Comprehensive Annual Action Plans may be prepared with the clear-cut objectives and timelines. The Plans may prioritise accommodating of all Courts in a district in one Complex preferably;*
- *The ongoing projects of court buildings at Tamenglong, Thoubal and Bishnupur Districts may be completed on priority;*
- *Provision of need based residential units to the JOs may be ensured;*
- *The completed unutilised structures may be put to use so as to prevent the deterioration of structures due to passage of time and lack of maintenance;*
- *Possibility of procurement from GeM to expedite implementation of the e-court MMP may be explored. The procured unutilised hardware may be installed at the courts where there is requirement lest they become obsolete and future procurement should be need based;*
- *Provision of reliable internet facilities and proper LAN System to all the Courts and Court Complexes in the State so that Video-conferencing facilities are made available to the Judiciary;*
- *Operationalise Judicial Service Centre cum Central Filing Centre with installation of requisite infrastructure and posting of manpower to ensure provision of services to the litigants and lawyers;*

- *Judicial Process re-engineering activities like e-filing portal, automation of administrative functions and process serving, maintaining e-registers, providing digital signatures and e mail addresses for JOs and officials may be extensively taken up in the courts; and*
- *Provide adequate technical personnel to the District and Subordinate Courts in the State for taking care of technical issues in the Courts immediately.*

**Chapter II**  
**Economic Sector**  
**(Other than Public Sector Undertakings)**



## CHAPTER II

### ECONOMIC SECTOR OTHER THAN PUBLIC SECTOR UNDERTAKINGS

#### 2.1 Introduction

The Chapter contains findings based on audit of the State Government Departments under the Economic Sector other than the State Public Sector Undertakings.

The Economic Sector is one of the most important sectors of economy of any State. This Sector is directly responsible for production of goods and services and responsible for generation of employment in the economy. The Economic Sector has three sub-sectors *i.e.* Primary sector includes raw materials, mining, fishing, agriculture, *etc.*, Secondary sector includes production of finished goods and the Tertiary sector includes production and supply of the intangible goods and services to the consumers *e.g.* retail, tourism, banking, insurance, transport, entertainment, IT services, *etc.* Government's investment in this Sector and the health of an economy has direct relationship and thus, it requires steady attention of the government.

The Government of Manipur has accorded due importance to the Economic Sector in the State by allocating a significant part of its financial resources to this Sector. During 2018-19, the primary and tertiary sectors grew at the rate of 6.07 *per cent* and 3.55 *per cent* respectively as compared to the previous year whereas the secondary sector registered a negative growth of (-) 5.60 *per cent*. The following table shows the expenditure incurred by major departments pertaining to the Economic Sector during the last five years.

**Table No. 2.1.1 Expenditure of the major departments during 2014-19**

(₹ in crore)

Years	Public Works	Power	Public Health Engineering	Total on Social Sector (In per cent)	Total Expenditure
2014-15	466.27	492.73	245.77	2,206.79 (24.84)	8,884.61
2015-16	590.51	692.4	224.48	2,364.25 (25.99)	9,098.16
2016-17	722.04	765.87	275.29	2,814.63 (25.94)	10,852.06
2017-18	553.76	573.5	309.84	2,324.31 (20.39)	11,397.17
2018-19	692.76	556.79	372.14	2,673.17 (18.32)	14,590.22

Source: Appropriation Accounts.

Besides, GoI transferred ₹ 55.92 crore directly to the different implementing agencies out of which, ₹ 35.62 crore (64 *per cent*) pertained to the Economic Sector as detailed in **Appendix 2.1**.

Department-wise details of budget provisions of ₹ 3,869.06 crore and expenditure of ₹ 2,673.17 crore incurred by 17 departments pertaining to the Economic Sector during 2018-19 are as follows.

**Table No. 2.1.2 Budget Provision and Expenditure of departments during 2018-19**

(₹ in crore)

Sl. No.	Department	Budget Provision	Expenditure
1	Public Works	1,137.18	692.76
2	Power	566.13	556.79
3	Water Resources Department	470.72	291.08
4	Public Health Engineering	403.16	372.14
5	Agriculture	314.99	134.48
6	Forest Department (including Environment)	211.56	173.52
7	Commerce and Industries	177.28	69.06
8	Minor Irrigation	156.45	60.64
9	Veterinary and Animal Husbandry	130.22	93.68
10	Horticulture and Soil Conservation	98.19	71.69
11	Tourism	62.25	51.64
12	Fisheries	39.11	29.37
13	Co-operation	30.06	23.52
14	Sericulture	28.76	27.02
15	Information Technology	20.08	7.31
16	Economic and Statistics	17.26	13.23
17	Science and Technology	5.66	5.24
<b>Total</b>		<b>3,869.06</b>	<b>2,673.17</b>

Source: Budget documents and Appropriation Accounts.

### 2.1.1 Planning and execution of Audit

Compliance audit is conducted in accordance with an Annual Audit Plan for the year approved by the Comptroller and Auditor General of India. Topicality, financial profile, social relevance, internal control system of the units and occurrence of defalcation/ misappropriation/ embezzlement as well as the past audit findings form the basis of risk assessment for selection of audit units.

After completion of the compliance audit, Inspection Reports (IRs) are issued to the heads of units as well as to the concerned heads of departments. In the light of replies received, audit observations are reviewed and settled if action taken by the audited entities is satisfactory. However, if no action is taken or action taken is not enough, the audit findings are retained and units are advised to take further suitable remedial measures. However, some serious and selected audit findings are processed for inclusion in the Audit Report of the Comptroller and Auditor General of India for placing of the same before the State Legislative Assembly as mandated by the Constitution.

Keeping in view the importance accorded to the Economic Sector by the State, we in Audit also accorded due importance to the audit of this Sector. Out of total 254 units selected for the compliance audit during 2018-19, 69 units (27 per cent) pertained to Economic Sector. As of March 2019, 62 Inspection Reports containing 431 paras involving expenditure of ₹ 1,739.75 crore under Economic Sector were issued to the Unit heads with copies to the heads of the concerned departments. Year-wise details of expenditure audited in respect of Economic Sector during 2018-19 are given in **Appendix 2.2**.

## 2.2 Recovery at the instance of audit

During execution of the work “Construction of Right Main Canal from RD 5.74 km to 17.30 km” by Dolaithabi Barrage Division–II, we noticed (November 2018) that ‘Banking of Canal’ work was carried out by ferrying Hard Dense Soil (HDS) from a quarry situated at a distance of four kms from the work site. In the Measurement Book, the required quantity of HDS was shown as obtained through hill cutting by the contractor. Thus, the HDS not being brought from the quarry the payment of ₹ 34.25 lakh made to the contractor for the item was irregular.

On this being pointed out, the Division (Dolaithabi) recovered the irregular payment of ₹ 34.25 lakh from the fifth Running Account Bill (June 2020) paid to the contractor.

**Recommendation:** *Public Works Department needs to verify all such claims of contractors where excavation work was claimed to have been done / stone and other minerals brought from quarries. An enquiry may be done at the Division to ascertain further such instances in other works and Departmental action be taken accordingly by fixing accountability.*

This Chapter contains three compliance audit paragraphs as discussed in the succeeding paragraphs.

## COMPLIANCE AUDIT PARAGRAPHS

### WATER RESOURCES DEPARTMENT

## 2.3 Blocking of public funds on idle stores

**Procurement of Thermo Mechanical Treated steel bars in excess of requirement and absence of monitoring by the authorities of Water Resources Department led to blocking of public funds of ₹ 4.91 crore on idle stores.**

As per Rule 137 of General Financial Rules 2005, procurement of goods in excess of requirement should be avoided to avoid inventory carrying costs.

Audit scrutiny (December 2018) of store accounts (Goods Received Sheets, Bin Cards, Stock Registers, Priced Stores Ledger) at the Executive Engineer (EE), Project Stores Division, Water Resources Department, Manipur showed that the Department purchased 4640 Tonnes of Thermo Mechanical Treated (TMT) steel bars between February 2009 and February 2014 for utilisation in the construction of Dolaithabi Barrage Project and Thoubal Multipurpose Project at a cost of ₹ 21.68 crore. However, 1040.954 Metric Tonnes of TMT steel bars worth ₹ 4.91 crore were lying unused in stores for a period ranging from four to nine years from its purchase as per the following details.

**Table No. 2.3.1 Balance of TMT Steel Bars**

Sl. No.	Particulars	Date of last purchase	Details of closing stock		
			Quantity (MT)	Rate (₹ per MT)	Total cost (₹ in lakh)
<b>Stock Balance of Steel for Dolaithabi Barrage Project</b>					
1	TMT Steel Bar-12mm	04 February 2009	194.940	54,224.00	105.70
2	TMT Steel Bar-16mm	23 November 2009	603.676	42,400.00	255.96
<b>Sub-total</b>			<b>798.616</b>	<b>-</b>	<b>361.66</b>
<b>Stock Balance of Steel for Thoubal Multipurpose Project</b>					
1	TMT Steel Bar-32mm	09 April 2012	2.088	64,200.00	1.34
2	TMT Steel Bar-16mm	25 February 2014	158.891*	53,209.95	84.55
3	TMT Steel Bar-20mm	25 February 2014	81.359	53,209.95	43.29
<b>Sub-total</b>			<b>242.388</b>	<b>-</b>	<b>129.18</b>
<b>Grand Total</b>			<b>1040.954</b>	<b>-</b>	<b>490.84</b>

\* Includes balance of previous purchases of 58.891 tonnes and last purchase of 100 MT.

Further, we noticed that despite availability of unused stock of 603.676 MT of 16 mm TMT steel bars at Dolaithabi Barrage Project since 2009, Thoubal Multipurpose Project Division procured 100 MT of 16 mm TMT steel bar worth ₹ 45.35 lakh in February 2014. This indicated absence of any monitoring and supervision by the Head of the Department to utilise unused stock materials before procuring them afresh in other Divisions.

Further, on physical verification (December 2018) of the store site along with the divisional authorities, we noticed that steels bars were kept in open and had rusted due to prolonged dumping and exposure to moisture as shown in the photographs placed below.

**Photograph No. 2.3.1 TMT Steel Bars lying in open**



**20 mm TMT steel bars (Thoubal Project)**



**16 mm TMT steel bars (Dolaithabi Project)**

Thus, procurement of steel bars by the Department without assessing the actual requirement, absence of any co-ordination among the implementing Divisions and ineffective supervision by the Department resulted in idle stock of TMT steel bars worth ₹ 4.91 crore (December 2018) that remained unutilised for the last four to nine years, thereby blocking public funds. The steel bars stored in the open were fraught with risk of theft and deterioration.

While admitting the audit observation, the Government stated (January 2020) that 16mm and 32 mm bars were procured without final designs for the bays to avoid lapse of funds. The Department added that the surplus steel bars would be transferred to tunnel work of Thoubal Project.

The Government has furnished a routine reply which is obviously not convincing since had the Government been keen on utilising the excess quantity of TMT Bars in the Dolaithabi Multipurpose project, they would have utilised the TMT bars in 2014 itself or soon thereafter.

**Recommendation:** Project Stores Division should furnish monthly/ quarterly reports on the availability of each stock (steel, cement etc.) to the Chief Engineer who may carry out proper assessment of actual stock requirement at the time of receipt of indents from the Divisions and before procurement of stores.

## FISHERIES DEPARTMENT

### 2.4 Misappropriation of funds

**The Directorate of Fisheries could not provide any proof of payment of ₹ 31.91 lakh in absence of any supporting documents and entries in the Cash Book. The Department has admitted to suspected misappropriation of funds.**

Rule 290 of the Central Treasury Rule states that no money shall be drawn from the treasury unless it is required for immediate disbursement. Funds are not to be drawn from the treasury in anticipation of demands or to prevent the lapse of budget grants.

Government of Manipur<sup>18</sup> banned (March 2008) holding of funds by the Departments outside the Government account or to be deposited into Drawing and Disbursing Officer's (DDO) account, which was meant for salary transaction only, unless specifically permitted by the Finance Department. Any violation of these instructions will invite disciplinary action against the concerned DDOs and Heads of the Departments apart from culpability under the Manipur Public Servants Personal Liability Act, 2006.

Audit scrutiny of the Fisheries Department in January 2016 revealed that the Department had withdrawn ₹ 52.04 lakh<sup>19</sup> over the period April to June 2016 lakh from the pool of funds lying in the DDO's account ostensibly for payments to contractor for four works<sup>20</sup> awarded by the Department, out of which, we could not vouchsafe the payment of ₹ 31.91 lakh<sup>21</sup> (₹ 52.05 lakh *minus*

<sup>18</sup> Vide Finance Department orders 1/17/2000-FC dated 20 Sept 2001 read with 9/2/2007-FR (Misc.) dated 13 March 2008.

<sup>19</sup> ₹ 26.02 lakh + ₹ 20.14 lakh + ₹ 5.89 lakh .

(i) Vide cheque no. 817285 dated 5 April 2016 amounting ₹ 59.96 lakh inclusive of ₹ 26.02 lakh for payment for the four works drawn vide bill no. 52/Fy dated 29.03.2016 (actual bill value inclusive of was ₹ 29.60 lakh for six works) (ii) Vide cheque no. 817305 dated 02 May 2016 ₹ 20.14 lakh. (iii) Vide cheque no 817307 dated 07 June 2016 ₹ 5.89 lakh.

<sup>20</sup> (i) Construction of tubular structure at 2<sup>nd</sup> floor of Directorate of Fisheries (ii) Special repairing of Laboratory room of IFTC, Lamphel (iii) Construction of tubular structure at courtyard of old building and garage of Directorate of Fisheries, Lamphel (iv) Major repair of office building of FRC, Lamphel.

<sup>21</sup> No documents like APRs *etc.* are available.

₹ 20.14 lakh) in absence of any supporting document or transaction entries in the Cash Book. The balance transactions of ₹ 20.14 lakh were accounted for in the Cash Book with due approvals for the payments to the contractors concerned. Further, on joint cash verification (21 August 2018), the cash-in-hand with the Directorate was found “Nil”.

On being pointed out about suspected misappropriation of ₹ 31.91 lakh, the Department, have admitted the audit finding. They have however not taken any action against the DDO/Cashier and the Director in violation of their own instruction. Matter was forwarded (August 2019) to the Government and reply is awaited (July 2020).

**Recommendation:** *The Department should maintain Measurement Book for each work as specified in the Works Manual so that payments are made according to the quantity of works executed and avoid such irregularities in future. The Department should fix responsibility on the concerned officials for such misappropriation of funds and take appropriate action.*

## **WATER RESOURCES, PUBLIC WORKS AND MINOR IRRIGATION DEPARTMENTS**

### **2.5 Irregularities in tendering process**

**Thirty nine Divisions of Public Works Department, Water Resources Department and Minor Irrigation Department resorted to irregular and un-transparent bidding process for awarding 895 works involving contract value of ₹ 750.78 crore.**

For execution of works, the General Financial Rules (GFRs), 2017 and the Central Public Department Works Manual (CPWDWM), 2014 adopted by the Government of Manipur stipulated that:

- Open tenders will be called for works costing ₹ five lakhs to ₹ 30 lakhs. [Rule 132 (iv) of the GFRs]
- Wide publicity should be given to the notice inviting tenders. Tenders must be invited in the most open and public manner possible, by advertisement in the press *etc.* [Section 17.1 (1) of CPWDWM]
- Restricted tender is resorted to when the work is required to be executed with very great speed, and not all contractors are in a position to generate; the work is of special nature requiring specialised equipment; the work is of secret nature and public announcement is not desirable; the list of pre-qualified contractors is required to be shortened to a suitable limited number *etc.* [Section 15.6.1 of CPWDWM]
- In case where restricted tender is resorted to, the Chief Engineer shall prepare a list of contractors who according to him are suitable to tackle the job under consideration, which should be as large as possible so that competitive tenders are received. [Section 15.6.2 of CPWDWM].

Further, for works costing ₹ one crore and above, the Finance Department, Government of Manipur ordered (August 2013)<sup>22</sup> that, no tenders shall be floated except through e-tendering to ensure transparency and audit/ transaction trail. Government Departments/ agencies/ undertakings/ societies and the respective officials failing to follow the prescribed tendering process will be liable for their irregular actions under Section 4 of the Manipur Public Servants' Liabilities Act, 2006.

Test check of records of 39 Divisions of three Departments viz. Public Works Department, Water Resources Department and Minor Irrigation Department audited during 2017-18 and 2018-19 revealed that the Divisions had resorted to restricted tendering for 895 works involving contract value of ₹ 750.78 crore on the ground of urgency of the work (details given in **Appendix 2.3**). Not only restricted bids were followed where open/ global/ e-tendering system were to be followed, even the spirit of restricted bids was defeated by restricting the bid invitations only to a selected few contractors although there are 639 registered contractors<sup>23</sup> in the State. The details of the Divisions, number of works, with cost and number of contractors invited are tabulated below.

**Table No. 2.5.1 No. of works, cost**

Sl. No.	Name of the Division	No. of works	Estimated cost (₹ in crore)	No. of contractors invited
1	Building Division, PWD	107	207.16	4-10
2	Road & Bridge Division, PWD	427	450.76	4-31
3	Electrical Division, PWD	35	25.39	3-5
4	Water Resources Department	317	61.39	3-20
5	Minor Irrigation (MI)	9	6.08	12
<b>Total</b>		<b>895</b>	<b>750.78</b>	<b>3-31</b>

In many cases, the State Cabinet has given approvals for following restricted tendering calling it one-time measure. However, we did not find any documents in support of the exercise carried out by the Divisions to ascertain the resourcefulness, reliability and past performance of the contractors while shortlisting them for inviting bids.

While admitting the audit observation, the Government stated (October 2019) that they have abolished the limited tendering system and also constituted a Committee<sup>24</sup> to review the system of restricted tendering for execution of works. The Committee recommended (November 2019)<sup>25</sup> that Restricted Tender should be resorted to strictly by abiding the provisions of CPWD Works Manual, 2019 and Standard Operating Procedure for Work Manual, 2019 of the Directorate of General CPWD, Ministry of Housing and Urban Affairs, GoI and also adhering to the provisions contained in General Financial Rules.

<sup>22</sup> Vide order No.1/1/2003-FD (Exp) dated 8 August 2013.

<sup>23</sup> 217 Special Class, 276 First Class and 146 Second Class Contractors.

<sup>24</sup> Consisting of (i) Administrative Secretary (Works) as the Chairman (ii) CE (PWD) (iii) CE (PHED) and (iv) CE (WRD) as its members.

<sup>25</sup> In its meeting held in the Office Chamber of the Administrative Secretary (Works) on 14 November 2019 at 3:00 p.m.

**Recommendation:** *The Government should specify the tendering process to be followed in the sanction orders and ensure so that the provisions of General Financial Rules and CPWD Works Manual are strictly adhered to.*

**Chapter III**  
**Economic Sector**  
**(Public Sector Undertakings)**



## CHAPTER III

### ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)

#### 3.1 Functioning of Public Sector Undertakings

##### 3.1.1 Introduction

As of 31 March 2019, The State of Manipur had 13 PSUs (all Government Companies) as detailed in the table given below.

**Table No. 3.1.1 Total number of PSUs as on 31 March 2019**

Type of PSUs	Working PSUs	Non-working PSUs	Total
Government Companies <sup>26</sup>	10	3	13
Statutory Corporations	Nil	Nil	Nil
<b>Total</b>	<b>10</b>	<b>3</b>	<b>13</b>

None of these companies were listed on the Stock Exchange, which means that the shares of the PSUs cannot be traded in the stock exchange. During the year 2018-19, no new PSU was incorporated and no existing PSU was closed down.

##### 3.1.2 Investment in PSUs

The State's investment in its PSUs was by way of share capital/loans and special financial support by way of revenue grants.

As on 31 March 2019, investment of the State Government (capital and long-term loans) in 12 PSUs<sup>27</sup> was ₹ 66.07 crore<sup>28</sup> as per details given in the table given below.

**Table No. 3.1.2 Details of State's investment in PSUs**

(₹ in crore)

Year	Equity Capital	Long term Loans	Total
2018-19	65.39	0.68	66.07
2014-15	63.29	0.17	63.46

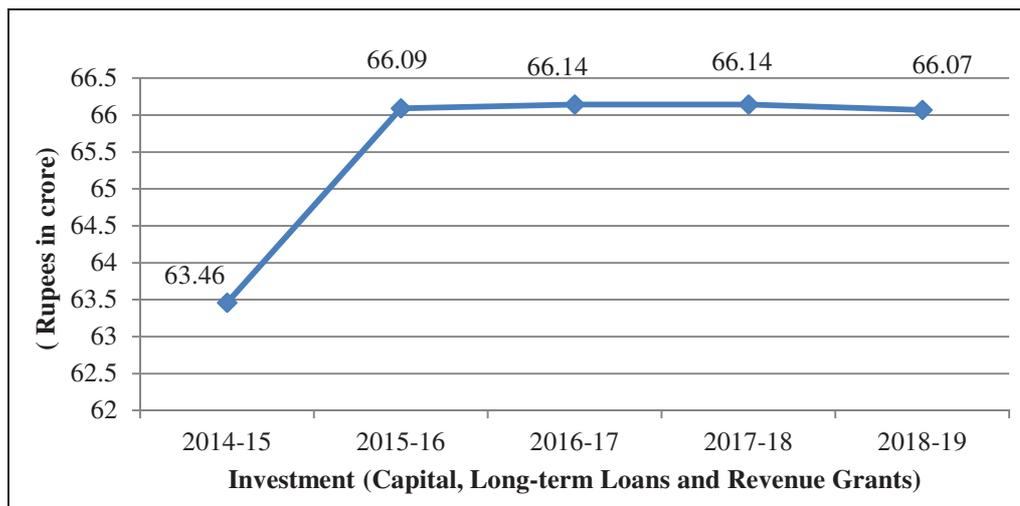
The State Government's investment as on 31 March 2019 consisted of ₹ 65.39 crore (98.97 per cent) towards capital and ₹ 0.68 crore (1.03 per cent) in long-term loans as against 99.73 per cent (capital) and 0.27 per cent (long-term loans) as on 31 March 2015. A graphical presentation of State Government's investment in PSUs during the last five years (2014-15 to 2018-19) has been given in **Chart No. 3.1.1**.

<sup>26</sup> Government Companies include other companies referred to in Section 139(5) and 139(7) of the Companies Act, 2013.

<sup>27</sup> Excluding one PSU (Manipur Pulp & Allied Products Limited, subsidiary of Manipur Industrial Development Corporation Limited), which has no direct investment from the State Government as on 31 March 2019.

<sup>28</sup> Investment figures are provisional and as per the information provided by the PSUs as none of the 13 PSUs has finalised accounts for 2018-19 as of September 2019.

Chart 3.1.1: Total investment in PSUs



Source: Departmental Records.

As can be noticed from the **Chart** above, the State Government's investment in PSUs during last five years increased in 2015-16 and thereafter remained steady during the period 2015-16 to 2018-19. The State's investment marginally increased by 4.11 *per cent* from ₹ 63.46 crore in 2014-15 to ₹ 66.07 crore in 2018-19.

During 2018-19, out of 10 working PSUs, seven PSUs incurred loss (₹ 41.68 crore) and only 1 PSU earned profit (₹ 0.29 crore) as per the latest finalised accounts. Remaining two PSUs<sup>29</sup> had not finalised their first accounts as of September 2019. The profit-making PSU had not declared any dividend. There was no recorded information about existence of any specific policy of the State government regarding payment of minimum dividend by the PSUs.

The State Government's investment (historical value) in PSUs had eroded by 3.63 *per cent* in 2018-19, and the losses of five working PSUs<sup>30</sup> (accumulated losses of ₹ 158.74 crore) had completely eroded the State's investment in their paid-up capital (₹ 42.23 crore), as per their latest finalised accounts.

### 3.1.2.1 Total Sector-wise investment in PSUs

Total investment (equity capital and long term loans) of State Government and Other Stakeholders (Central Government, Holding companies, Banks, Financial Institutions, *etc.*) in PSUs under various important sectors at the end of 31 March 2015 and 31 March 2019 has been given in the table below.

<sup>29</sup> Serial no. A9 and A10 of **Appendix 3.2**

<sup>30</sup> Serial no. A1, A5, A6, A7 and A8 of **Appendix 3.2**

**Table No. 3.1.3 Sector-wise details of total investments (equity capital and long term loans) in PSUs**

(₹ in crore)

Name of Sector	Government Companies	
	2014-15	2018-19
Power	20.10	458.18
Manufacturing	8.15	10.15
Finance	14.21	16.47
Agriculture & Allied	15.24	15.17
Miscellaneous	15.53	16.59
<b>Total</b>	<b>73.23</b>	<b>516.56</b>

It can be noticed from the table above that as compared to 2014-15, the combined investment of State Government and other stakeholders increased significantly during 2018-19 in Power sector (₹ 438.08 crore) and marginally in Manufacturing sector (₹ 2.00 crore) and Finance sector (₹ 2.26 crore). The increase in investment under power sector was on account of the long terms borrowings (₹ 438.08 crore) of two power sector companies, availed during 2015-18.

### 3.1.3 Reconciliation with Finance Accounts

The figures in respect of equity and loans provided by the State Government as per the records of PSUs should agree with the figures appearing in the Finance Accounts of the State for that year. In case the figures do not agree, the PSUs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard as of 31 March 2019 is shown in the table below.

**Table No. 3.1.4 Equity, long term loans, guarantees outstanding as per the State Finance Accounts vis-à-vis the records of PSUs**

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	Difference
Equity	58.78	45.39 <sup>31</sup>	13.39
Loans	-	0.68	0.68
Guarantee	383.77 <sup>32</sup>	440.44	56.67

Source: As per the Finance Accounts and information furnished by the Companies.

From the table above, it can be noticed that there were unreconciled differences in the figures of equity (₹ 13.39 crore), loans (₹ 0.68 crore) and guarantees (₹ 56.67 crore). The difference in equity occurred in respect of 12 PSUs<sup>33</sup> and some of the differences were pending reconciliation over a period of more than 21 years.

<sup>31</sup> Excluding equity worth ₹ 20.00 Crore not made in cash but as assets transferred from the erstwhile State Electricity Department to the two power sector companies (MSPCL and MSPDCL).

<sup>32</sup> This represents the Guarantee outstanding against the borrowings of Manipur State Power Distribution Company Limited (₹ 334.64 crore) and Manipur State Power Company Limited (₹ 49.13 crore) availed from Power Finance Corporation Limited and Rural Electrification Corporation Limited respectively.

<sup>33</sup> Except one PSU (Manipur Police Housing Corporation Limited), for which the figures were matching.

As regards Loan figures, the Finance Department disburses the loans to various Departments of the State Government for different sectoral activities and booked the amount sector-wise in the Finance Accounts. In turn, the Departments disburse these loans to respective PSUs functioning under their administrative control. Hence, PSU-wise figures of State Government loans provided to various PSUs are not available in the State Finance Accounts.

Though the Principal Secretary, Finance Department, Government of Manipur as well as the Management of the PSUs concerned were appraised regularly about the differences impressing upon the need for early reconciliation, no significant progress was noticed in this regard.

***Recommendation:*** *The State Government and the PSUs concerned may take concrete steps to reconcile the differences in a time-bound manner. The Government should ensure that the system of financing the PSUs gets reflected in their Finance Accounts.*

### **3.1.4 Accountability framework**

The audit of the financial statements of a Company in respect of financial years commencing on or after 1 April 2014 is governed by the provisions of the Companies Act, 2013 (Act) and audit of the financial statements in respect of financial years that commenced earlier than 1 April 2014 continued to be governed by the Companies Act, 1956. The new Act has brought about increased Regulatory Framework, wider Management responsibility and higher Professional Accountability.

#### ***Statutory Audit/Supplementary Audit***

Statutory Auditors appointed by the Comptroller and Auditor General of India (CAG) audit the financial statements of a Government Company. In addition, CAG conducts the supplementary audit of these financial statements under the provisions of Section 143(6) of the Act.

#### ***Role of Government and Legislature***

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

The State Legislature also monitors the accounting and utilisation of Government investment in PSUs. For this purpose, the Annual Reports together with the Statutory Auditors' Reports and comments of the CAG, in respect of State Government companies are placed before the Legislature under Section 394 of the Act. The Audit Reports of CAG are submitted to the Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. These reports are further discussed by the Committee on Public Undertakings (CoPU) of the State Legislature. The CoPU sends its recommendations to the State Government for taking appropriate action.

### 3.1.5 Arrears in finalisation of accounts

The financial statements of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year i.e., by the end of September in accordance with the provisions of Section 96 (1) of the Companies Act, 2013. Failure to do so may attract penal provisions under Section 99 of the Act.

Timely finalisation of accounts is important for the State Government to assess the financial health of the PSUs and to avoid financial misappropriation and mismanagement. Persistent delay in finalisation of accounts is fraught with the risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 2013.

**Table No. 3.1.5** below provides details of progress made by working PSUs in finalisation of their annual accounts as of 30 September 2019.

**Table No. 3.1.5 Position relating to finalisation of accounts of working PSUs**

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1.	Number of Working PSUs	9	9	10	10	10
2.	Number of accounts finalised during the year	16	4	3	1	10
3.	Number of accounts in arrears	73	78	85	94	94
4.	Number of Working PSUs with arrears in accounts	8	9	10	10	10
5.	Extent of arrears (numbers in years)	2 to 27 years	1 to 28 years	1 to 29 years	2 to 30 years	1 to 31 years

*Source: Departmental Records.*

As can be seen from the above table, the arrears of accounts had shown an increasing trend during 2014-15 to 2018-19. It can further be observed that as against total 39 Accounts, which became due for finalisation during last four years (2015-16 to 2018-19), the PSUs finalised only 18 Accounts during this period leaving a shortfall of 21 Accounts. Consequently, the number of PSU accounts in arrears had increased from 73 (2014-15) to 94 (2018-19). Further, out of 94 accounts pending finalisation by 10 PSUs as of 2018-19, 52 Accounts (55 per cent) pertained to two PSUs namely, Manipur Tribal Development Corporation Limited (31 Accounts) and Manipur Police Housing Corporation Limited (21 Accounts).

The Administrative Departments concerned have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by the PSUs within the stipulated period.

The Reports of the CAG have repeatedly highlighted the issue of arrears in preparation of accounts. In response, the Chief Secretary, Government of Manipur had scheduled meetings on two occasions during the calendar year 2019 to discuss this issue, which were, however, cancelled subsequently by the State Government without any recorded reasons. Keeping in view the seriousness of the matter, the Principal Accountant General (Audit) Manipur (PAG) held (23 December 2019) a meeting with the heads of PSUs concerned

and Finance Department to discuss and ascertain the reasons for non-finalisation of their annual accounts and also to explore the possible remedial measures. Based on the discussions, the PAG advised (January 2020) the Chief Secretary about several measures that could be taken to expedite the finalization of annual accounts and their audit by the statutory auditors. The suggestions given to State Government included engaging experts/professionals to guide and help the PSUs in finalisation of the pending accounts wherever the PSUs lacked skilled manpower in this area. However, the State Government and the PSUs concerned have not addressed the issue of clearing the arrears of PSU accounts in a time bound manner.

**Recommendations**

- a. *The State Government may make special arrangements to oversee the clearance of arrears and set the targets for individual PSUs, which may be monitored strictly by them;*
- b. *The State Government may ensure that existing vacancies in the accounts department of PSUs are filled up with knowledgeable persons having experience; and*
- c. *The PSUs may get the figures of equity and loans reconciled with the State Government Departments to reflect correct position in the State Finance Accounts.*

**3.1.6 Investment by State Government in PSUs whose accounts were in arrears**

The State Government had invested ₹ 1,586.03 crore in seven PSUs (equity: ₹ 2.10 crore and grants: ₹ 1,583.93 crore) during the years for which these PSUs had not finalised their accounts as detailed in **Appendix 3.1**. Two power sector PSUs were the major recipients of State Government funding amounting to ₹ 1,560.31 crore (Grants) during the period when their accounts were in arrears as detailed in the table given below.

**Table No. 3.1.6 Major recipients of State Government funding during the period of arrear of accounts**

*(₹ in crore)*

Sl. No.	Name of PSU	Accounts finalised upto	No. of Accounts pending finalisation	Investment by State Government during the period of arrears Grants
1	Manipur State Power Company Limited	2015-16	03	675.10
2	Manipur State Power Distribution Company Limited	2015-16	03	885.21
<b>Total</b>				<b>1,560.31</b>

In the absence of accounts and their subsequent audit, it could not be verified if the investments made and the expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not.

**Recommendation:** The Government may consider setting up a special cell under the Finance Department to oversee the expeditious clearance of arrears of accounts of PSUs. Where there is lack of staff expertise, Government may consider outsourcing the work relating to preparation of accounts and take punitive action against Company Management responsible for arrears of accounts. Until the accounts are made as current as possible, Government may consider not giving further financial assistance to such companies.

### 3.1.7 Special support and returns during the year

The State Government provides financial support to PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and interest waived in respect of the State PSUs for the last three years ended 2018-19 are shown in **Table No. 3.1.7**.

**Table No. 3.1.7 Details of budgetary support to PSUs**

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity Capital outgo from budget	-	-	-	-	-	-
2	Loans given from budget	-	-	-	-	-	-
3	Grants/ subsidy from budget	2	250.65	3	286.89	3	299.36
<b>4</b>	<b>Total outgo (1+2+3)</b>	<b>2</b>	<b>250.65</b>	<b>3</b>	<b>286.89</b>	<b>3</b>	<b>299.36</b>
5	Guarantee issued	1	390.55	0	0	0	0
6	Guarantee commitment	1	318.94	1	390.55	2	440.44 <sup>34</sup>

Source: As furnished by PSUs.

As can be noticed from table above, the budgetary support provided by State Government to PSUs has shown an increasing trend during last three years (2016-19). The budgetary support provided to PSUs during last three years mainly comprised grants/subsidy of ₹ 682.66 crore provided to one PSU (Manipur State Power Distribution Company Limited) during 2016-17 (₹ 249.49 crore), 2017-18 (₹ 213.06 crore) and 2018-19 (₹ 220.11 crore).

### 3.1.8 Performance of PSUs as per their latest finalised accounts

The financial position and working results of working Government Companies and Statutory Corporations are detailed in **Appendix 3.2**. **Table No. 3.1.8** below provides the comparative details of working PSUs turnover and State GDP for a period of five years ending 2018-19.

<sup>34</sup> Pertained to Manipur State Power Company Limited & Manipur State Power Distribution Company Limited.

**Table No. 3.1.8 Details of working PSUs turnover vis-à-vis State GDP**

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Turnover <sup>35</sup>	35.22	34.70	161.02	161.02 <sup>36</sup>	232.60
GSDP <sup>37</sup>	18,129	19,531	21,294	23,968 (Q)	26,979 (A)
Percentage of Turnover to GSDP	0.19	0.18	0.76	0.67	0.86

As could be noticed from the table above, the GSDP had shown an increasing trend during the last five years and increased from ₹ 18,129 crore (2014-15) to ₹ 26,979 crore (2018-19). On the other hand, the turnover of PSUs depicted an irregular trend. The PSU turnover had increased sharply from ₹ 34.70 crore in 2015-16 to ₹ 161.02 crore in 2016-17. The PSU turnover remained constant during 2017-18 but again increased to ₹ 232.60 crore in 2018-19. The increase in the turnover of PSUs was mainly attributable to increase in turnover of two power sector PSUs from ₹ 33.26 crore (2015-16) to ₹ 159.58 crore (2016-17) and further, to ₹ 231.00 crore (2018-19).

It could be seen that despite an overall increase of more than six folds in the PSU turnover from ₹ 35.22 crore (2014-15) to ₹ 232.60 crore (2018-19) during last five years, the contribution of PSU turnover to the GSDP remained meagre at 0.86 per cent during 2018-19.

#### ***Erosion of capital due to losses***

The paid-up capital and accumulated losses of 10 working PSUs as per their latest finalised accounts as on 30 September 2019 were ₹ 53.14 crore and ₹ 159.09 crore respectively (**Appendix 3.2**).

The Return on Equity (RoE) in respect of three<sup>38</sup> out of 10 working PSUs was 3.04 per cent as per their latest finalised accounts while two<sup>39</sup> PSUs had not finalised their first annual accounts. The accumulated losses (₹ 158.74 crore) of remaining five<sup>40</sup> working PSUs had completely eroded their paid-up capital (₹ 47.19 crore) as per their latest finalised accounts. RoE of these five PSUs was not workable due to complete erosion of their equity capital.

Primary erosion of equity capital by the accumulated losses occurred in respect of three working PSUs as detailed in the table given below.

<sup>35</sup> Turnover of working PSUs as per their latest finalised accounts as on September 2019.

<sup>36</sup> During 2017-18, only one working PSU (Serial No. A4 of **Appendix 3.2**) finalised one year accounts and did not have any turnover during that year. Hence, 'turnover' of working PSUs during 2017-18 remained unchanged.

<sup>37</sup> Source: Department of Economics and Statistics, GoM (at current price, (Q)=Quick Estimate, (A)=Advance estimates).

<sup>38</sup> Serial number A2, A3 & A4 of **Appendix 3.2**

<sup>39</sup> Serial number A9 and A10 of **Appendix 3.2**

<sup>40</sup> Serial number A1, A5, A6, A7 and A8 of **Appendix 3.2**

Table No. 3.1.9 PSUs with primary erosion of paid up capital

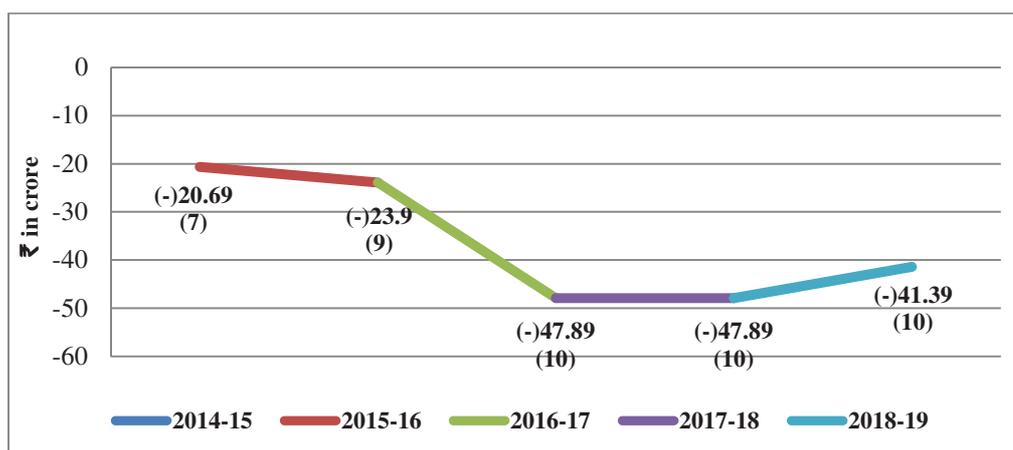
(*₹ in crore*)

Name of PSU	Latest finalised accounts	Paid up capital	Accumulated losses
Manipur State Power Distribution Company Limited	2015-16	10.05	62.04
Manipur State Power Company Limited	2015-16	10.05	41.63
Manipur Industrial Development Corporation Limited	2009-10	12.14	31.78
<b>Total</b>		<b>32.24</b>	<b>135.45</b>

Accumulation of huge losses by these PSUs had eroded public wealth, which is a cause of serious concern and the State Government needs to review the working of these PSUs to either improve their profitability or close their operations.

The overall position of losses incurred by the working PSUs during 2014-15 to 2018-19 as per their latest finalised accounts as on 30 September of the respective year has been depicted in **Chart 3.1.2**.

Chart 3.1.2 Overall losses of working PSUs



*Figures in bracket show the number of working PSUs in the respective years*

It can be noticed from the **Chart** above, the working PSUs had incurred overall losses during all the five years under reference, which ranged between ₹ 20.69 crore (2014-15) and ₹ 47.89 crore (2016-17 and 2017-18<sup>41</sup>). During 2016-17, the losses of working PSUs had doubled as compared to 2015-16 mainly due to losses (₹ 44.04 crore<sup>42</sup>) incurred by power sector PSUs. During the year 2018-19<sup>43</sup>, out of ten working PSUs, only one PSU<sup>44</sup> earned profit of ₹ 0.29 crore while two PSUs had not finalised their first annual Accounts. Rest of the seven PSUs incurred losses aggregating ₹ 41.68 crore. The major

<sup>41</sup> During 2017-18, only one working PSU (serial no. A4 of *Appendix 3.2*) finalised one year accounts and did not have any turnover or profit/loss during that year. Hence, 'overall losses' of working PSUs during 2017-18 remained unchanged.

<sup>42</sup> Losses of two power sector PSUs as per their latest finalised accounts (2014-15) as of September 2017.

<sup>43</sup> As per the latest finalised accounts of working PSUs as on 30 September 2019.

<sup>44</sup> Manipur Police Housing Corporation Limited.

contributors to PSU-losses were two power sector PSUs as detailed in the table given below.

**Table No. 3.1.10 Major contributors to the losses of working PSUs**

(₹ in crore)

Name of PSU	Latest finalised accounts	Losses
Manipur State Power Company Limited	2015-16	20.08
Manipur State Power Distribution Company Limited	2015-16	19.50
<b>Total</b>		<b>39.58</b>

There was no recorded information about the existence of any specific policy of the State Government regarding payment of minimum dividend by the PSUs. As per the latest finalised accounts as on 30 September 2019, only one working PSU (Manipur Police Housing Corporation Limited) earned profit of ₹ 0.29 crore but did not declare any dividend during the year 2018-19.

### 3.1.9 Key parameters

Some other key parameters of PSUs performance as per their latest finalised accounts as on 30 September of the respective year are given in the table given below.

**Table No. 3.1.11 Key parameters of PSUs**

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Debt	3.05	27.31	79.23	83.59	151.71
Turnover <sup>45</sup>	35.22	34.70	161.02	161.02 <sup>46</sup>	232.60
Debt/Turnover Ratio	0.09:1	0.79:1	0.49:1	0.52:1	0.65:1
Interest Expenses	Nil	0.32	0.35	0.61	0.89
Accumulated losses	74.74	77.20	121.24	124.53	166.35

#### **Debt-Turnover Ratio**

A low debt-to-turnover ratio (DTR) demonstrates a good balance between debt and income. Conversely, a high DTR can signal of having too much of debt against the income of PSUs from core activities. Thus, the PSUs having lower DTR are more likely to comfortably manage their debt servicing and repayments.

As can be seen from **Table No. 3.1.11**, during the last five years (2014-15 to 2018-19), the PSU debts and PSU turnover had registered an overall increase of ₹ 148.66 crore (around 50 times) and ₹ 197.38 crore (more than six times) respectively. The DTR had also correspondingly increased from 0.09:1 (2014-15) to 0.65:1 (2018-19) but remained below one and hence, indicated manageable position of the PSUs to service their long term debts. Increase of ₹ 68.12 crore in PSU debts during 2018-19 was attributable to increase in the

<sup>45</sup> Turnover of working PSUs as per their latest finalised accounts as of 30 September of the respective year.

<sup>46</sup> During 2017-18, only one working PSU (serial no. A4 of **Appendix 3.2**) finalised one year accounts and did not have any turnover during that year. Hence, 'turnover' of working PSUs during 2017-18 remained unchanged.

long term loans of two<sup>47</sup> power sector companies. Further, the accumulated losses of PSUs during last four years (2015-16 to 2018-19) increased by ₹ 89.15 crore mainly due to increase of ₹ 83.62 crore in the accumulated losses of two power sector PSUs from ₹ 20.05 crore (2015-16) to ₹ 103.67 crore (2018-19).

### 3.1.10 Return on Investment on the basis of Present Value of Investment

The Rate of Real Return (RORR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for their time value. To determine the Rate of Real Return on Government Investment (RORR), the investment of State Government<sup>48</sup> in the form of equity, interest free loans and grants/subsidies given by the State Government for operational and management expenses less the disinvestments (if any), should be considered, and indexed to their Present Value (PV) and summated. The RORR is then to be calculated by dividing the 'profit after tax' (PAT) by the sum of the PV of the investments.

During 2018-19, overall losses of 13 PSUs (10 working and 3 non-working) stood at ₹ 42.26 crore<sup>49</sup> (*Appendix 3.2*). On the basis of return on historical value of investment, the State Government investment eroded by 3.63 per cent during 2018-19. Further, as per the Rate of Real Return worked out based on the present value of investment, the State Government investment eroded by 3.09 per cent as shown in *Appendix 3.3*. This difference in the percentage of investment erosion was on account of adjustments made in the investment amount for the time value of money.

### 3.1.11 Impact of Audit Comments on Annual Accounts of PSUs

During October 2018 to September 2019, four working companies had forwarded 10 audited accounts to the Principal Accountant General (Audit), Manipur (PAG). Of these, five accounts of four Companies were selected for supplementary audit while remaining five accounts were issued 'non-review certificates'. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needed to be improved.

During the year, the Statutory Auditors had given unqualified certificates on the Accounts of two PSUs (Manipur Handloom & Handicrafts Development Corporation Limited and Manipur Electronics Development Corporation Limited) and qualified certificates on the Accounts of other two PSUs (Manipur State Power Company Limited and Manipur State Power Distribution Company Limited). There was, however, no significant money value of comments of Statutory Auditors during the last three years. The audit comments of Statutory Auditors on the Accounts of these PSUs were based mainly on the non-

<sup>47</sup> During 2018-19, long term loans of two power sector companies increased from ₹ 51.92 crore (2017-18) to ₹ 135.00 crore (2018-19) as per their latest finalised accounts.

<sup>48</sup> State Government investment in PSUs as per the records of respective PSUs.

<sup>49</sup> As per latest finalised accounts of PSUs as on 30 September 2019 and after considering the profit (₹ 0.29 crore) earned by the lone PSU (Manipur Police Housing Corporation Limited).

compliance with the accounting concept of conservatism and the revenue recognition principle of the accrual accounting.

**3.1.11.1** Gist of some of the important comments of the statutory auditors and CAG in respect of the accounts of the PSUs are as under.

***Manipur State Power Company Limited (2015-16)***

**Incorrect classification of capital advance as ‘Short Term Loans & Advances’**

Incorrect classification of ‘Capital Advance’ as ‘Short Term Loans & Advances’ contrary to provisions of Schedule-III of the Companies Act, 2013 resulted in overstatement of ‘Short Term Loans & Advances’ and understatement of ‘Long Term Loans & Advances’ by ₹ 83.97 crore each.

**Incorrect accounting of transmission charge**

The Company has not accounted for the ‘revenue against transmission charges’ to be billed to Manipur State Power Distribution Company Limited. The revenue on such transmission charge is recognised by the Company to the extent of GIA received from the Government of Manipur without application of any rate to actual quantum of power transmitted.

***Manipur State Power Distribution Company Limited (2015-16)***

**Non-accounting of material cost against capital works**

Non-accounting of billed amount (₹ 2.55 crore) against supply of materials for capital works resulted in understatement of ‘Capital Works-in-Progress’ by ₹ 2.55 crore with corresponding understatement of ‘Current Liabilities’ by the same amount.

**Non-accounting of power purchase bills**

The Company has not accounted for the ‘power purchase bills’ of ₹ 0.14 crore raised by NHPCL for the current year, which led to understatement of ‘Current Liabilities’ and ‘Loss for the year’ to the same extent.

**Non-provisioning of Interest on security deposit of consumers**

The Company has not provided for the interest liability payable on ‘security deposit received from consumers’ as per the Regulations of Joint Electricity Regulatory Commission. As such, liability and net loss of the year are understated to the extent of accrued amount of interest.

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

As on 31 March 2019, there were three non-working PSUs (*Appendix 3.2*), which had been non-functional for last 15 to 19 years. The said PSUs were in the process of liquidation under Section 560 of the Companies Act, 1956. Since the non-working PSUs were neither contributing to the State economy nor meeting the intended objectives of their formation, the liquidation process to wind up these PSUs needs to be expedited.

### 3.1.13 Follow up action on Audit Reports

#### *Replies/Explanatory notes outstanding*

The Reports of the CAG represent the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive authorities. As per the recommendation of the Shakhder Committee<sup>50</sup>, all Administrative Departments are required to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the CAG within a period of three months<sup>51</sup> of their presentation to the State Legislature, in the prescribed format without waiting for any questionnaires from the Committee on Public Undertakings (CoPU).

The position of explanatory notes to paragraphs/performance audits pending to be received from the State Government/Administrative Departments concerned has been shown in given table below.

**Table No. 3.1.12 Status of explanatory notes not received (as on 31 May 2020)**

Year of the Audit Report (Commercial/ PSU)	Date of placement of Audit Report in the State Legislature	Total number of Performance Audits (PAs) and Paragraphs included in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2013-14	29 June 2015	-	3	-	3
2014-15	2 September 2016	2	1	1	-
2015-16	21 July 2017	-	2	-	-
2016-17	23 July 2018	-	1	-	-
2017-18	17 February 2020	-	1	-	-
<b>Total</b>		<b>2</b>	<b>8</b>	<b>1</b>	<b>3</b>

*Source: Records of the Principal Accountant General (Audit), Manipur.*

From **Table No. 3.1.12**, it could be seen that explanatory notes to three paragraphs and one performance audit relating to two PSUs<sup>52</sup>, included in the Audit Reports 2013-14 and 2014-15 respectively were not submitted by the State Government (May 2020).

### 3.1.14 Discussion of Audit Reports by CoPU

The status as on 31 May 2020 of performance audits (PAs) and compliance audit paragraphs relating to PSUs that appeared in the Audit Reports of CAG for last five years (2013-14 to 2017-18) and discussed by the Committee on Public Undertakings (CoPU) is shown in the following **Table No. 3.1.13**.

<sup>50</sup> Shakhder Committee under the Chairmanship of Shri. S.L Shakhder, formerly Chief Election Commissioner of India was formed (01 August 1992) with a view (i) to study the response of the State Government (and their public enterprises) to the Audit Reports of CAG and the response of the State Governments to the recommendations of the respective PAC/CoPU in the context of the Audit Reports; and (ii) to examine how far the Audit Reports of CAG are effective in enhancing the Executive's financial accountability to the Legislature in the States.

<sup>51</sup> As per the prescribed time schedule, *suo moto* replies to be furnished within three months in case Audit Paragraphs are not selected by the PAC/CoPU during this period.

<sup>52</sup> Manipur Tribal Development Corporation Limited and Manipur Police Housing Corporation Limited.

**Table No. 3.1.13 Position on discussion of Audit Reports by CoPU**

Period of Audit Report <sup>53</sup>	Number of performance audits/ paragraphs			
	Appeared in Audit Report		Paragraphs discussed	
	PAs	Paragraphs	PAs	Paragraphs
2013-14	Nil	3	Nil	Nil
2014-15	2	1	Nil	1
2015-16	Nil	2	Nil	2
2016-17	Nil	1	Nil	1
2017-18	Nil	1	Nil	Nil
<b>Total</b>	<b>2</b>	<b>8</b>	<b>-</b>	<b>4</b>

Source: Records of the Principal Accountant General (Audit), Manipur.

From the above table, it may be seen that two PAs and four compliance audit paragraphs had been pending discussion by the CoPU.

**Compliance to Reports of the CoPU**

Action Taken Notes (ATNs) relating to 114 recommendations pertaining to five Reports of the CoPU presented to the State Legislature between March 1986 and March 2019 had not been received from the Government (September 2020) as indicated in the table below.

**Table No. 3.1.14 Compliance to CoPU Reports**

Year of COPU Report	Total number of CoPU Reports	Total No. of recommendations in CoPU Report	No. of recommendations where ATNs not received
10 <sup>th</sup> Report (1986-87)	1	8	8
11 <sup>th</sup> Report (1995-96)	1	53	53
12 <sup>th</sup> Report (1998-99)	1	9	9
13 <sup>th</sup> Report (2010-11)	1	40	40
14 <sup>th</sup> Report (2018-19)	1	4	4
<b>Total</b>	<b>5</b>	<b>114</b>	<b>114</b>

Source: Records of Principal Accountant General (Audit), Manipur.

The above Reports of CoPU contained recommendations in respect of paragraphs pertaining to the five departments of the State Government, which appeared in the Reports of the CAG of India for the years 1983-84 to 2016-17.

**Recommendations:** State Government may review and revamp the mechanism of responding to audit observations. They may ensure that responses and explanatory notes to draft paragraphs/performance audits and ATNs on the recommendations of CoPU are provided as per the prescribed time schedule and the loss/outstanding advances/overpayments flagged in audit are recovered within the prescribed period.

<sup>53</sup> For periods prior to 2013-14, 37 audit paragraphs (6 performance audit paragraphs and 31 compliance audit paragraphs) pertaining to Audit Reports for the years from 1995-96 to 2006-07, 2009-10 and 2012-13 are yet to be discussed by CoPU.

PERFORMANCE AUDIT

MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED

3.2 Performance Audit on Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) erstwhile RGGVY

*Highlights*

Government of India launched (December 2014) the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) subsuming the targets laid down under the erstwhile Rajeev Gandhi Grameen Vidyutikaran Yojana (RGGVY) under XII Five Year Plan (XII FYP) as a separate rural electrification sub-component by carrying forward the approved outlay for erstwhile RGGVY to DDUGJY. Two additional objectives were framed, viz. (i) separating agriculture and non-agriculture feeders to facilitate judicious rostering of power supply to the agricultural and non-agricultural consumers in rural areas and (ii) strengthening and augmenting the sub transmission and distribution infrastructure in the rural areas, including metering of distribution transformers/ feeders/ consumers. The Manipur State Power Distribution Company was the Scheme Implementing Agency in the State. Important findings of the Performance Audit (PA) on implementation of Scheme in Manipur conducted for the period 2014-15 to 2018-19 are as follows.

- *REC sanctioned total six DPRs for implementation of the Scheme in six districts under the XII Five Year Plan (2012-17) at a cost of ₹204.73 crore with targeted coverage of 470 villages/habitations by August 2016. Against this, the Company completed Scheme works in 448 villages (95 per cent) covering 98.42 per cent (22,370 beneficiaries) of the targeted beneficiaries (22,730 beneficiaries) as on 30 November 2019.*

*(Paragraph 3.2.12)*

- *The Financial Management of the Scheme showed that against the total funds of ₹144.56 crore (subsidy grant: ₹132.36 crore and REC loan: ₹12.20 crore) available to the Company during the period 2014-15 to 2019-20, the Company incurred expenditure of ₹133.16 crore towards Scheme works as on 30 November 2019. The Company short recovered interest of ₹2.55 crore on mobilisation advances given to contractors. There was no assurance that Labour Cess was deducted on all works executed by the Company.*

*(Paragraph 3.2.14, 3.2.16 & 3.2.17)*

- *The Project Management of the Company was deficient in view of several irregularities noticed such as, non-recovery of interest (₹2.55 crore) from contractors on mobilisation advance; procurement of material at higher rates than market prices (₹16.39 crore); extra expenditure (₹36.52 crore) due to approving differential rates for similar work items; extra*

*expenditure due to allowing higher rate to Contractor than the prescribed norms (₹0.78 crore) and installation of Steel Tubular Poles in excess of the requirement (₹0.55 crore), etc.*

**(Paragraphs 3.2.23, 3.2.24, 3.2.26 & 3.2.27)**

- *The work completion certificates issued by the Company were not found reliable and authentic. Joint Physical Verification of project works and survey of Scheme beneficiaries revealed serious irregularities such as, excess claims against the beneficiaries covered, non-installation of meters and earthing connections, false certification of works, incorrect completion reports, short execution against completed works, etc.*

**(Paragraphs 3.2.31.1 to 3.2.31.5 & 3.2.32)**

- *The Company failed to commission the much needed substation, which was augmented at a cost of ₹1.35 crore.*

**(Paragraph 3.2.36)**

- *The Company did not maintain proper records on measurement of project works and movement of project material. No records/Fixed Asset Register maintained to record the details of project assets created.*

**(Paragraphs 3.2.33 & 3.2.43)**

- *The role of the State Level Monitoring Committees to ensure quality and timeliness in Scheme implementation was not effective due to their failure to hold regular meetings for constant monitoring of Scheme works.*

**(Paragraphs 3.2.42)**

### **3.2.1 Introduction to the Scheme**

The Ministry of Power (MoP), GoI launched (March 2005) the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) under the Tenth Five Year Plan (X FYP 2002-07) with an objective of electrifying all villages<sup>54</sup> and all rural households (RHHs) with access to the electricity and electricity connections to the below poverty line (BPL) families free of cost.

The GoI launched (December 2014) the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) subsuming the targets laid down under XII Five Year Plan (XII FYP 2012-17) for the erstwhile RGGVY as a separate rural electrification sub-component by carrying forward the approved outlay for the RGGVY to the DDUGJY with two additional objectives, viz. (i) separation of agriculture and non-agriculture feeders, and (ii) strengthening and augmenting the sub-transmission and distribution infrastructure in rural areas, including metering at distribution transformers, and at feeders and consumers' end. As far as implementation of Schemes/projects sanctioned prior to launch of DDUGJY are

<sup>54</sup> A village is considered electrified if basic infrastructure such as transformers and lines are provided in the inhabited locality, electricity is provided in public places like schools, panchayat offices, community/Government health centers /dispensaries etc. As per the XII FYP, un-electrified villages with population above 100 were considered.

concerned; the operational guidelines/standard documents/procedures of RGGVY shall continue to prevail.

*In the State of Manipur, the scheme did not include segregation of agricultural and non-agricultural feeders as there was no large scale dependence on electricity for agricultural irrigation, rather, most of the irrigation was carried out through natural downhill streams, rainwater and minor irrigation canals.*

### 3.2.2 Implementing Agency

In Manipur, the erstwhile RGGVY and now DDUGJY was implemented by Manipur State Power Distribution Company Limited (Company), a State owned power distribution utility. For implementing, monitoring and quality control activities, the Company was entitled for the agency charges at the rate of 5 per cent of project cost sanctioned under the Scheme. As against a total six districts<sup>55</sup> covered under erstwhile RGGVY during XII FYP (Scheme) in the State of Manipur during 2014-15 to 2018-19, the present Performance Audit covers formulation, approval and implementation of the Scheme in respect of four sampled districts (namely, Bishnupur, Churachandpur, Senapati and Chandel). However, all the projects covered in the present audit had been approved (September 2013) under the erstwhile RGGVY XII FYP as the new projects sanctioned under DDUGJY were either at initial stage or were yet to commence during the audit period.

### 3.2.3 Scheme Outcomes

As per 2011 Census data, 1,46,180 rural households (75.46 per cent) out of the total 1,93,730 rural households in the six districts of Manipur had access to electricity. As an outcome of the Scheme implementation in the State, the access to electricity had increased to 1,62,139 (83.69 per cent) rural households (March 2019). The beneficiaries also responded positively towards the Scheme outcome as now they had regular power supply.

### 3.2.4 Funding pattern

Government of India and GoM were to finance the Scheme in the proportion of 90:10. While GoI was to provide 90 per cent of the Scheme funding by way of capital subsidy, GoM was required to contribute the balance 10 per cent of the Scheme cost out of its own resources and/or by availing loan from the Rural Electrification Corporation Limited (REC)/banks/financial institutions. In Manipur, the Company availed loans from REC to finance this balance 10 per cent at interest ranging from 10 to 13 per cent. The GoI capital subsidy (90 per cent of Scheme cost) included the subsidy of ₹ 3,000 per household towards release of free connections to 22,730 Below Poverty Line (BPL) households targeted for electrification under the Scheme.

<sup>55</sup> DPRs were prepared for nine districts, however, REC subsequently approved DPRs for six districts only *i.e.* Bishnupur, Senapati, Ukhrul, Churachandpur, Chandel and Tamenglong.

### 3.2.5 Role of various authorities

The role of various authorities in formulation, approval and implementation of the Scheme are shown in the table below.

**Table No. 3.2.1**

Authorities	Roles
Ministry of Power (MoP), GoI	<ul style="list-style-type: none"> <li>• Formulation and approval of Scheme.</li> <li>• Formulation of Scheme guidelines.</li> <li>• Appointment of REC (February 2013) as Nodal Agency for implementation of the Scheme.</li> </ul>
Rural Electrification Corporation (REC)	<ul style="list-style-type: none"> <li>• Responsible for overall implementation of Scheme.</li> <li>• Scrutinising the Detailed Project Reports (DPRs) received from the Project Implementing Agency (Company) as recommended by the State Level Standing Committee for final approval of the Monitoring Committee of MoP, GoI.</li> <li>• Monitoring of Scheme implementation.</li> <li>• Release of funds on behalf of GoI.</li> </ul>
Government of Manipur (GoM)	<ul style="list-style-type: none"> <li>• Appointment of the Company as Scheme Implementing Agency.</li> <li>• To provide the land required for Scheme works (e.g. construction of sub-stations, etc.) and facilitate obtaining statutory clearances (right of way issues, forest clearances, etc.).</li> <li>• Setting up of State Level Committee to examine DPRs prepared by the implementing agency.</li> <li>• Setting up of Higher Tender Committee to oversee the tendering process for Scheme works.</li> </ul>
Manipur State Power Distribution Corporation Limited (Company)	<ul style="list-style-type: none"> <li>• Preparing DPRs based on detailed survey.</li> <li>• Submission of DPRs for the approval of GoM and also to GoI through REC for final approval.</li> <li>• To execute works of electrification as per the approved DPRs and guidelines.</li> </ul>

### 3.2.6 Organisational set up of the Company

The Management of the Company had been vested with the Board of Directors (BoDs) comprising the Chairman, one Managing Director (MD) and five Government appointed Directors. The MD, who was the Chief Executive was responsible to oversee the day-to-day operations of the Company with the assistance of the Executive Directors, General Managers and Deputy General Managers posted at the Company Headquarters and in the field.

The Chief Engineer/Superintending Engineers (CE/SE, RGGVY XII FYP wing) of the Company were responsible for the overall implementation of Scheme. The Superintending Engineers (SEs), Distribution Circles of the Company were designated as the General Managers (GMs) and were responsible for execution of Scheme works in the areas within their jurisdiction in accordance with the provisions of the agreement.

### 3.2.7 Scheme implementation

The Scheme aimed at the development of rural electricity distribution backbone (REDB), which involved installation of new 33/11 kV sub-stations as well as augmentation of the existing sub-stations. Likewise, Scheme envisaged establishment of the village electrification infrastructure (VEI) with a distribution transformer of appropriate capacity in each of the 470 villages and habitations falling under the six districts of the State.

REC (on behalf of GoI), GoM and the Company entered (December 2014) into a tripartite agreement for the implementation of the Scheme. Three tiers (levels) of control were defined to ensure the quality of work. The Company was to engage a third party inspection agency (TPIA) for undertaking quality control checks and ensure Tier I of quality control (QC) covering 50 *per cent* of projects with the help of the TPIA. For Tier II quality checks, REC was to engage independent agencies designated as REC Quality Monitors (RQM) and carry out quality control checks through these RQMs (20 *per cent* of completed villages/habitations). Similarly, the MoP, GoI was to enforce quality assurance mechanism at Tier III (one *per cent* of completed villages/habitations) by engaging independent agencies designated as National Quality Monitors (NQM).

The Company awarded works for supply of the materials and execution of works to the Contractors selected (turnkey basis) through open tendering process.

### 3.2.8 Audit Objectives

The Performance Audit on the Scheme was conducted to assess whether:

- Financial management was efficient and effective and Scheme funds were utilised in adherence to the Scheme guidelines;
- The Detailed Project Reports (DPRs) were prepared and got sanctioned in accordance with the Scheme guidelines;
- Project Management was effective, efficient and transparent;
- Targets as envisaged in the Scheme were achieved in timely manner; and
- Monitoring and evaluation of projects was effective and ensured timely corrective measures.

### 3.2.9 Audit Criteria

Audit findings were benchmarked against the criteria sourced from the following:

- Scheme guidelines and OMs issued by GoI;
- Guidelines issued by GoI for preparation of DPRs under XII Plan of RGGVY (DPR Guidelines);
- REC Guidelines;

- General Financial Rules 2005/Financial Hand Book and CVC guidelines;
- Instructions issued by GoI/REC/GoM;
- Tripartite agreement executed among REC, GoM and the Company;
- General Information and Scope of Works (Technical specifications for Rural electrification works) issued by REC for the Scheme;
- Agenda notes and minutes of the meetings of BoDs of the Company; and
- Records of Co-ordination Committee meetings with respect to the rural electrification works.

### **3.2.10 Audit Sample and Audit Methodology**

GoI approved total six DPRs for implementation of the Scheme in six districts<sup>56</sup> (sanctioned cost: ₹ 204.73 crore) of Manipur. Audit selected four districts<sup>57</sup> out of these six districts as sample (66.66 *per cent*) for detailed examination. The sampled four districts had projects with sanctioned cost of ₹ 151.50 crore (74 *per cent* of the total sanctioned cost for six districts). For the physical verification of Scheme works and beneficiary survey, Audit selected ten villages from each sampled district and five BPL households from each sampled village.

The present audit was conducted during May 2019 to October 2019. Audit methodologies included issuing questionnaires, queries, collection of data and analysis thereof, examination of records maintained by the Company and issue of audit memo. Audit held an Entry Conference (May 2019) with the Commissioner (Power), Government of Manipur and the Officers of the Company where the audit objectives were explained.

The draft Report was issued to the Company and GoM (November 2019) and the audit findings were also discussed with the Managing Director of the Company in the Exit Conference<sup>58</sup> (November 2019). While finalising the Report, Audit has appropriately incorporated the formal replies (December 2017) as well as the views of the Company expressed in the Exit Conference. The GoM, however, had not submitted the formal replies to the draft report till finalisation of the Report (June 2020).

### **3.2.11 Acknowledgement**

The Audit acknowledges the co-operation and assistance extended by the officials of the Company at the Corporate HQ as well as at their field offices during the conduct of the Performance Audit.

<sup>56</sup> Separate DPR for each of the six districts *viz.* Bishnupur, Senapati, Ukhrul, Churachandpur, Chandel and Tamenglong.

<sup>57</sup> For district level, stratified sampling based on PPSWOR was used. For village and beneficiary house hold level, Random Sampling was used. Four sampled districts were Bishnupur, Churachandpur, Senapati and Chandel.

<sup>58</sup> Only the Executives from the Company attended the exit conference. No representatives from Government attended the exit conference for reasons not intimated to Audit.

**Audit Findings**

The Audit findings are discussed in the succeeding paragraphs.

**3.2.12 Physical progress of Scheme works**

REC approved and sanctioned total six DPRs (separate DPR for each district) for implementation of the Scheme in six districts<sup>59</sup> under the XII FYP<sup>60</sup> at a cost of ₹ 204.73 crore. The Company was required to complete all works within two years (August 2016) after issuing (August 2014) the work orders. DPR-wise progress of physical works taken up under the Scheme in six districts as on 30 November 2019 is depicted in the table below.

**Table No. 3.2.2 Status of physical progress of Scheme works as on 30 November 2019**

DPR for the District	No. of villages/habitations approved as per final DPR	No. of villages/habitation completed	Completed villages (per cent)	Beneficiaries provided electricity connection
Bishnupur	26	26	100	723
Churachandpur	142	142	100	7,846
Senapati	87	76	87	4,732
Chandel	78	75	96	3,056
Ukhrul	95	92	97	4,102
Tamenglong	42	37	88	1,911
<b>Total</b>	<b>470</b>	<b>448</b>	<b>95</b>	<b>22,370</b>

Source: As per information furnished by the Company.

It can be noticed from the table that as on 30 November 2019, against the envisaged target of 470 villages/habitations, the Company completed works in 448 villages (95 per cent) covering 98.42 per cent (22,370 beneficiaries) of the targeted beneficiaries (22,730 beneficiaries). The Company could not fully complete the works in four out of six districts (November 2019) even after more than three years of scheduled date (August 2016).

**Financial Management**

**3.2.13** As per the tripartite agreement, GoI and GoM were to finance the Scheme in the proportion of 90:10. For financing the balance 10 per cent of project costs, the Company availed loan from REC. REC was to release the GoI subsidy grant component of project funding to the Company in five installments (viz. 30 per cent, 20 per cent, 20 per cent, 20 per cent, & 10 per cent). Further, in the event of not availing REC loan, GoI subsidy grant component as admissible, shall be released only after the confirmation from GoM/Company regarding depositing of the proportionate State share in the Scheme account.

<sup>59</sup> The Company prepared DPRs for total nine districts, of which, REC approved six DPRs for six districts only (i.e. Bishnupur, Senapati, Ukhrul, Churachandpur, Chandel and Tamenglong).

<sup>60</sup> XII Five Year Plan 2012-17.

**3.2.14** The table below depicts the year-wise position of receipt and utilisation of Scheme funding (REC loans and GoI subsidy grant) during the years from 2014-15 to 2019-20 (upto 30 November 2019).

**Table No. 3.2.3 Receipt and utilisation of Scheme funding as on 30 November 2019**

(₹ in crore)

Year	Opening balance	Receipts		Total Funds available	Actual payments made	Closing balance
		Subsidy grant	Loans			
2014-15	-	49.82	5.54	55.36	26.35	29.01
2015-16	29.01	-	-	29.01	28.86	0.15
2016-17	0.15	36.05	4.14	40.34	18.37	21.97
2017-18	21.97	13.57	0.20	35.74	23.74	12.00
2018-19	12.00	24.63	1.52	38.15	27.21	10.94
2019-20*	10.94	8.29	0.80	20.03	8.63	11.40
<b>Total</b>		<b>132.36</b>	<b>12.20</b>		<b>133.16</b>	

Source: Records of the Company. \*1 April 2019 to 30 November 2019.

As on 30 November 2019, the Company had incurred total expenditure of ₹ 173.05 crore<sup>61</sup> on Scheme works. It can be noticed from the table that as on 30 November 2019, the Company received ₹ 132.36 crore as GoI subsidy grant and availed loan of ₹ 12.20 crore from REC. As against the total funds of ₹ 144.56 crore (subsidy grant and loan) received from REC as on 30 November 2019, the Company spent ₹ 133.16 crore towards making payment against Scheme works. As on 30 November 2019, the Company had unspent Scheme funds of ₹ 11.40 crore.

The audit findings on financial management are discussed in succeeding text.

***Non-maintenance of separate accounts for loans and subsidy grant***

**3.2.15** As per the prudent practices of financial management and also to ensure proper use and effective control over utilisation of Scheme funds, it is desirable that receipt and utilisation of loans and GoI subsidy grant are recorded separately. On the contrary, however, the Company parked the entire Scheme Funds (subsidy grant and loans) in a single Program Account and made all the payments against Scheme works from this account. Thus, the Company did not have separate details on utilisation of loans and subsidy grant components of Scheme funding. Therefore, the utilisation of the two components could not be separately ascertained.

***3.2.16 Short recovery of interest on mobilisation advance***

As per the Letter of Award (LOA) terms, the turnkey contractors (Contractors) were entitled for an initial advance of 15 per cent of the price of equipment/materials at an interest of nine per cent per annum against submission of an unconditional bank guarantee (BG) for equivalent amount. Audit observed that the Higher Tender Committee (HTC) of GoM, while

<sup>61</sup> As per the bills submitted by the Contractors.

deliberating on completion of the Scheme projects within the scheduled period, revised (January 2015) the rate of mobilisation advance (MA) to 20 *per cent* and the Company paid MA of ₹ 33.18 crore to the Contractors against six work orders.

It was seen that though the Company had fully recovered (2016-17) the principal amount of MA from the running bills of the Contractors, it recovered only ₹ 0.78 crore towards interest component during 2018-19, as against the recoverable dues of ₹ 3.33 crore at nine *per cent* rate of interest.

Thus, Company extended undue benefit to the Contractors by short recovering the interest amount of ₹ 2.55 crore (77 *per cent*) on mobilisation advance.

The Company accepted (November 2019) the facts and assured to recover the balance amount from subsequent bills of the Contractors.

### **3.2.17 Short recovery of Labour Cess**

As per the Building and Other Construction Workers' Welfare Cess Act, 1996 (Cess Act), the Company was required to deduct Labour Cess<sup>62</sup> at the rate of one *per cent* of the total projects cost from the bills of the Contractors and deposit the same with the Cess Authority within 30 days of its recovery.

Audit observed that the Company had released ₹ 8.30 crore against Scheme works to various Contractors in six districts and deducted (till September 2018) only ₹ 0.83 lakh towards Labour Cess instead of ₹ 8.30 lakh leading to short recovery of Labour Cess amounting to ₹ 7.47 lakh. The Company also failed to remit the Cess amount recovered to the Cess Authority concerned till date (November 2019) in contravention to the provisions of the Cess Act.

There was no assurance that the Company had deducted Labour Cess as applicable relating to all works in all districts.

The Company acknowledged (December 2019) the audit observation and assured to take necessary action.

## **Project Management**

**3.2.18** For Scheme implementation, the Company awarded (November 2013) the work for preparation of Detailed Project Reports (DPRs) to M/s. Rural Electrification Corporation Power Distribution Company Limited<sup>63</sup> (Consultants) at a cost of 0.49 *per cent* of the approved project cost of each district with a ceiling of ₹ 17 lakh for each district. The Company had selected the Consultants on 'nomination basis' without following the competitive

<sup>62</sup> Applicable on the 'erection' component of the project cost only.

<sup>63</sup> A subsidiary of Rural Electrification Corporation Limited (REC), a Central PSU and the Nodal Agency for implementation of the Scheme.

bidding process, as approved by the Higher Tender Committee<sup>64</sup> (HTC) of the GoM.

**3.2.19** As mentioned earlier, REC approved separate DPRs for implementation of the Scheme in each of the six districts. As per the approved schedule, the Scheme works were to be completed within two years (August 2016) after issuing the LOA (August 2014). As on 30 November 2019, the Company could achieve 100 per cent completion in two districts (Bishnupur and Churachandpur) whereas three to 12 per cent Scheme works in remaining four districts<sup>65</sup> were ongoing. Audit examined the execution of projects in four districts (sanctioned cost: ₹ 151.50 crore) out of said six districts (sanctioned cost: ₹ 204.73 crore). The observations relating to the project management have been discussed in succeeding paragraphs.

### Changes made in approved DPRs

**3.2.20** During the course of audit, Audit observed instances of changes made by the Company in approved DPRs impacting on the Scheme coverage as discussed in the succeeding text.

#### Revision after approval of DPRs

**3.2.21** As per the approved DPRs, the Company selected 377 villages/habitations in six districts for creation of electricity infrastructure. In addition, Company identified total 1,730 villages/habitations already having the required infrastructure, for release of electricity connections to BPL households (hhs). Audit observed that at implementation stage, the Company excluded 146 villages/habitations selected under the approved DPRs and added fresh 239 villages/habitations for electrification in place of 146 left out villages. Thus, the Scheme coverage in six districts was revised to 470 villages/habitations as detailed in the table below.

**Table No. 3.2.4 Villages left out from original DPR**

Sl. No.	District	Total number of habitations/villages proposed as per original DPRs	Village selected for electrification as per original DPRs	Villages selected for BPL hh connection only	No. of electrified villages from the original DPRs	Additional New villages selected in revised DPRs	Total Villages electrified as per Revised DPRs	No. of Villages left out from the original DPRs
1	Churachandpur	518	113	405	39	103	142	74
2	Bishnupur	110	21	89	20	6	26	1
3	Senapati	595	75	520	43	44	87	32
4	Chandel	401	52	349	44	34	78	8
5	Ukhrul	272	74	198	53	42	95	21
6	Tamenglong	211	42	169	32	10	42	10
	<b>Total</b>	<b>2107</b>	<b>377</b>	<b>1730</b>	<b>231</b>	<b>239</b>	<b>470</b>	<b>146</b>

Source: Records of the Company.

<sup>64</sup> HTC comprised the Additional Chief Secretary (Finance) as Chairman and three Members: Commissioner (Power), Additional Secretary (Finance) and Chief Engineer (Power), Government of Manipur.

<sup>65</sup> As on 30 November 2019, the Scheme works in four districts were completed to the extent of 97 per cent (Ukhrul district), 96 per cent (Chandel district), 88 per cent (Tamenglong district) and 87 per cent (Senapati district).

As can be noticed from the table above, around 73 *per cent* (106 villages) of left out villages pertained to two districts (*viz.* Churachandpur and Senapati). Audit noticed that exclusion of villages from Scheme coverage was mainly attributable to their remote locations and inaccessibility. The Company, however, should have planned for electrification of such villages separately under Decentralised Distributed Generation (DDG) or Ministry of Non-Renewable Energy Scheme (MNRE Scheme) as stipulated under DPR guidelines, which was not done.

Changes made in the approved DPRs at implementation stage deprived 146 villages/habitations from electrification in six districts of the State.

The Company stated (November 2019) that the villages were left out due to cost constraints and inaccessibility, and claimed that the left out villages were now electrified departmentally or through the off-grid schemes.

Audit has not been able to verify the correctness of their claim regarding electrification of left out villages. Further, changing the Scheme coverage after approval of DPRs was not proper.

### **3.2.22 Electricity connections not provided to BPL households**

DPR Guidelines (Clause 3.1(f)) provided for electrification of the left out BPL hhs in those villages and habitations, which were already electrified under previous schemes. For such villages and habitations, capital subsidy shall not be provided for creation of infrastructure.

Audit noticed that the Company excluded 15,943 un-electrified BPL hhs from electrification in 1,730 villages/ habitations under six districts where the required infrastructure was already existing. Instead, the Company provided free electricity connection to all households of other villages *by diverting the Scheme funds approved for electrification of above mentioned 15,943 BPL hhs*. Thus, the changes made in the Scheme coverage at implementation stage deprived 15,943 BPL hhs from electricity connection, which was around 71 *per cent* of the total BPL hhs (22,370 hhs) covered under the Scheme so far (November 2019).

The Company stated (December 2019) that priority was given for electrification of villages not covered earlier under any scheme and thus, 15,943 beneficiaries existed under already electrified villages had to be left out due to cost constraints. It was further stated that the left out BPL beneficiaries would be electrified through Saubhagya scheme.

The reply is not acceptable because the guidelines had provided covering BPL households and REC had approved the cost in the DPRs for these villages. The Company had not prioritised more deserving villages/habitations at planning stage and had instead made changes at implementation stage.

**Fixation of price without market survey**

**3.2.23 Higher pricing of Scheme works material**

For preparation of the cost estimates for the Scheme works, the Company relied on the Cost Data prepared by the Electricity Department for 2013-14. During scrutiny of item-wise price estimation and bids, Audit noticed that the unit rates of several items considered under the work orders for Scheme works were exorbitantly higher than the rates at which, the Company procured (2014-17) the similar items for its routine Operation and Maintenance works.

Audit carried out a comparative analysis of the rates of seven items supplied by the Contractors<sup>66</sup> under the Scheme in two districts<sup>67</sup> with the Manufacturer's invoice price of these items procured by the Company. It was seen that the rates accepted by the Company for supply of several items of Scheme works as compared to the rates it paid to the Manufacturers for procurement of similar items during routine procurement differed.

Summarised details for supply of three major items have been presented in table below.

**Table No. 3.2.5 Summary of extra expenditure incurred on three major supply items**

Item	Unit price (in Rupees)			Difference (Rupees)	Quantity (units)	Additional expenditure (₹ in crore)
	Company Estimates	Contractor	Manufacturer			
<b>Contractor: M/s Techno Power; period: February-April 2016 (Senapati District)</b>						
STP 410: SP-14: 8m	12425	12000	4303.38	7696.62	2012	1.55
STP SP-31	18860	15000	5823	9177	1336	1.23
ASCR Rabbit Conductor	66060	60000	25250	34750	488.19	1.70
<b>Contractor: M/s T&amp;T Projects; period: May 2016 to October 2018 (Chandel District)</b>						
STP 410: SP-14: 8m	12425	21800	5398	16402	1197	1.96
STP SP- 31 9 M	18860	24500	6211.63	18288.37	2317	4.24
ASCR Rabbit Conductor	66060	71500	28052	43448	632	2.75
<b>Total</b>						<b>13.43</b>

As can be noticed from the table above, the rates allowed to the Contractors under the LOA for three major supply items were significantly higher than the corresponding price paid to the manufacturers during routine procurement. Even the cost estimates of the Company were significantly higher than the prevailing market rates, based on which Contractors quoted higher rates.

The total extra cost on Scheme works due to unreasonable high price of various supply items worked out to ₹ 16.39 crore as detailed in *Appendix 3.4*.

<sup>66</sup> M/s Techno Power Enterprise (Senapati District) and M/s T&T Projects Limited (Chandel District).

<sup>67</sup> Senapati and Chandel districts.

Thus, absence of proper estimation of cost and tender/ purchase strategy when the Company was aware of the market prices of same items procured for other maintenance works, led to avoidable expenditure of ₹ 16.39 crore towards procurement cost of material under the Scheme.

The Company stated (December 2019) that the cost for projects was priced higher due to the transportation challenges in hill districts and inaccessible roads *etc.* It was also stated that the contractors were responsible for wear and tear, theft, local hindrances, *etc.* till handing over of the completed infrastructure.

The reply is not acceptable since work contract had separately provided for freight & insurance component to cushion the challenges of unfavourable terrain. Thus, higher rates allowed for these supply items were not justified.

### 3.2.24 Unreasonable price difference for supply and erection of similar work items in districts

As per Rule 137 of GFR 2005, a public sector organisation (Company) must incorporate appropriate clauses in the bid documents to protect its financial interests and ensure prudent utilisation of public money.

The Company awarded the turnkey contracts for Scheme works under three separate components (*viz.* Supply, Freight & Insurance and Erection for each package). Audit noticed that the price quoted for different packages across the districts varied during the same period (2014-2017). While differential rates for Freight & Insurance were admissible considering the varied geographical location and local conditions, the adoption of differential rates for ‘Supply’ and ‘Erection’ of same item/work was unreasonable and not justified.

Audit observed that the Company incurred extra expenditure of ₹ 36.52 crore (*Appendix 3.5*) due to allowing differential rates for ‘Supply’ and ‘Erection’ of similar items of works in five districts<sup>68</sup>. An excerpt of price comparison of major items in five selected districts has been given in the table below.

**Table No. 3.2.6 Excerpts of price comparison of major items in five selected districts**

Item	Lowest ex-works unit price (in ₹) (District)	Ex-works unit price range in other four districts (in ₹)	Quantum of work executed in four districts at higher price (in units)	Higher cost incurred in four districts due to rate difference (₹ in crore)
<b>SUPPLY</b>				
<b>11 KV Lines (34.71 Km)</b>				
9.0 m S.T.P.(410:SP-31)	15,000 (Senapati)	24,500 -17,010	11,203 (no.)	5.95
11 KV Disc. Insulator (Complete set i/c Tension clamps, Hardware).	754.50 (Senapati)	24,000-1,590	33,654 (set)	3.69

<sup>68</sup> Bishnupur, Chandel, Churachandpur, Senapati and Tamenglong.

Item	Lowest ex-works unit price (in ₹) (District)	Ex-works unit price range in other four districts (in ₹)	Quantum of work executed in four districts at higher price (in units)	Higher cost incurred in four districts due to rate difference (₹ in crore)
Distribution transformer 25 KVA.	1,03,500 (Senapati)	2,49,640-1,45,931	230 (no.)	1.49
<b>LT ABC Single Phase</b>				
8.0 m S.T.P.(410:SP-14)	12,000 (Senapati)	21,800-14,140	3,080 (no.)	2.02
<b>LT ABC three Phase</b>				
8.0 m S.T.P.(410:SP-14)	12,000 (Senapati)	21,800-14,140	4,007 (no.)	2.57
<b>Total (A)</b>				<b>15.72</b>
<b>ERECTION</b>				
<b>11 KV Lines</b>				
Jungle clearance	600 (Tamenglong)	65,056-1,500	896.99 (km)	1.09
Erection of Double Pole	2,800 (Chandel)	7,156-3,500	4560 (no.)	1.15
Pipe Earthing including fixing of GI pipe.	400 (Chandel)	7,807-580	9119 (Loc)	1.62
Stringing of line (3 wires).	4,500 (Chandel)	19,517-15,905	911.87 (CKT km)	1.19
<b>Total (B)</b>				<b>5.05</b>
<b>Grand Total (A &amp; B)</b>				<b>20.77</b>

As can be noticed from the table, the price quoted for supply and erection of similar work items was significantly higher in four districts in comparison with the remaining fifth district.

As the Freight & Insurance costs were compensated separately under the Contract, allowing differential rates for Supply and Erection of same item of work was unfair tantamount to undue benefit to the contractors and higher cost to the Company.

The Company stated (November 2019) that the cost of the project was based on the cost-data of the Electricity Department. It was further added that the Higher Tender Committee (HTC) allowed (August 2014) award of work at rates not exceeding five *per cent* and six *per cent* above the estimated cost for Valley and Hill Districts respectively.

The reply is not acceptable as it did not take cognisance of the fact that HTC in same meeting (August 2014) had observed that wide variation of cost for similar work items as unacceptable. Further, HTC had allowed the higher rates (within five and six *per cent* of estimates) after considering the hilly locations of the project areas and the fact that the cost estimates for these works were based on the cost data for 2013-14. Since the work contracts separately provided for 'Freight & Insurance' to take care of difficult project locations, allowing different rates for 'Supply' and 'Erection' of similar items was not justified.

**Other findings**

**3.2.25 Non-provisioning of Capacitor Banks for augmentation work**

One of the factors having direct bearing on energy losses in the distribution system is Power Factor<sup>69</sup> (PF) efficiency. Capacitor Banks improve power factor by regulating the current flow and voltage regulation. In the event of voltage falling below normal, the situation can be set right by providing sufficient capacity of Capacitor Banks to the system as it improves the voltage profile and reduces dissipation of energy to a great extent thereby saving energy loss.

The Company awarded (August 2014) the work of augmentation of four substations<sup>70</sup> and construction of one new substation in Churachandpur under the Scheme. As per the conditions<sup>71</sup> attached to the bidding document, the work of augmentation or construction of new 33/11 kV substations required installation of Capacitor Banks (capacity: 600 kVA) for 3.15 mVA transformers. Audit noticed that contrary to the above requirements, the Company did not provide for installation of the Capacitor Banks in the above work order for reasons not on record. Consequently, all the substations (augmented and new) were commissioned without provision of Capacitor Banks in the substation system.

Thus, in absence of the Capacitor Banks of prescribed capacity in the substation system, the Scheme objective to minimise the distribution losses was defeated.

The Company stated (November 2019) that Capacitor Banks was not needed as inductive load such as electric motors for industrial purposes were absent.

The reply is not tenable as the Scheme DPRs were prepared based on the projections of future growth and these equipment are standard part of any substation apparatus across the Country. Further, there are number of commercial small cottage industries in the State operating with induction motors, which necessitate installation of Capacitor Bank in the substations.

**3.2.26 Failure to limit the works cost within the MoP norms**

As per MoP's OM (September 2013) for preparation of Scheme DPRs (DPR Guidelines), the GoI capital subsidy for providing electricity connection along with LED bulbs was to be limited to ₹ 3,000 per connection.

Audit observed that while issuing work order for Senapati district, the Company allowed per connection cost of ₹ 4,615.29<sup>72</sup> to the Contractor (M/s. Techno

<sup>69</sup> Power factor (PF) is an expression of energy efficiency. PF represents the ratio of true power used in a circuit to the apparent power delivered to the circuit and is usually expressed as a percentage. The lower the percentage, the less efficient power usage is.

<sup>70</sup> Two in Bishnupur and One each in Chandel and Tamenglong.

<sup>71</sup> General Information & Scope of works (Vol.-I, Section VIII) forms part of bidding document.

<sup>72</sup> Supply: ₹ 3,750 (₹ 1.81 crore ÷ 4,826 BPL hhs), Freight & Insurance: ₹ 220.29, Erection: ₹ 645.

Power Limited) for providing free connections to 4,826 BPL households, which was higher than the threshold limit (₹ 3,000) fixed by MoP.

Thus, the Company incurred excess expenditure of ₹ 77.95 lakh<sup>73</sup> against 4,826 BPL households due to allowing higher rate to Contractor than prescribed norms.

The Company stated (November 2019) that though the cost for this item was above the prescribed limits, the overall cost was within the sanctioned cost. The reply is not tenable as allowing subsidy beyond the prescribed norms was irregular being in violation of Scheme guidelines.

### 3.2.27 Extra expenditure due to excess provision of Steel Tubular Poles

REC guidelines stipulated preparation of DPRs based on the actual field surveys and updated cost schedules to avoid subsequent revisions in the project costs. As per LOA and Cost Data, there was a requirement of 12 Steel Tubular poles (STP) of nine meter length for each kilometer of 11 kV line in hill areas. As per work completion report of ten villages under Chandel district, however, the number of poles installed was much higher than the prescribed norms (12 poles per kilometer) as shown at table below.

Table No. 3.2.7 Poles installed in excess of norms

Sl. No.	Name of Village	Habitation Name	11kV line Km	No. of poles		Excess poles erected
				Installed	Required	
1	S. M. Lhangjol.	S. M. Lhangjol.	7.2	103	86	17
2	Sehao	Sehao	6.6	104	79	25
3	AibolJoupi	AibolJoupi	7.6	107	91	16
4	Maojang	Maojang	15.9	212	191	21
5	Semol	Semol	4.1	80	49	31
6	Berumullambung	Berumullambung	3	53	36	17
7	Ravalon	Ravalon	1	19	12	7
8	Beleijang	Beleijang	6.2	93	74	19
9	T. Khonomjang	T. Khonomjang	16.9	242	202	40
10	5 Km kV line (from molpibung to Tuidam)		5	93	60	33
<b>Total</b>			<b>73.5</b>	<b>1106</b>	<b>880</b>	<b>226</b>

Source: Records of the Company.

From the table above it can be noticed that the Contractor had installed total 226 poles in excess of the norms. Installation of excess numbers of poles was a compromise with the economy measures to be observed in implementation of the Scheme works involving an extra expenditure of ₹ 55.42 lakh<sup>74</sup>.

The Company stated (November 2019) that the standard 12 poles per km could not be followed due to varied terrains.

<sup>73</sup> ₹ 4,615.29- ₹ 3,000= ₹ 1,615.29 x 4,826 BPL beneficiaries.

<sup>74</sup> Total cost of STPs (₹ 5.24 crore) as per work order ÷ Total no. of STPs (2,137) x excess STPs installed (226).

The reply is not acceptable as the prescribed norms of 12 poles per kilometre pertained to 'hilly areas' and the Company should have obtained prior approval of the competent authority before deviating to these norms.

### **3.2.28 Downward revision of CPG after issue of work orders**

As per the General Conditions of Contract<sup>75</sup>, the Contractor was required to submit Contract Performance Guarantee (CPG) equivalent to 15 per cent of the Contract Price with 90 days validity beyond the Defect Liability Period. The Contractor was also required to renew the CPG from time to time till 90 days beyond the actual Defect Liability Period as may be required under the Contract.

The Company issued (14 August 2014) work orders for Scheme works in six districts in favour of five contractors with stipulations (clause 9.1 of the work order) to submit the Bank Guarantee as per the standard terms prescribed by REC. Audit observed that the Higher Tender Committee (HTC) during its meeting (January 2015), while deliberating on timely completion of the projects and release of REC funding (first instalment) pending for want of execution of works contracts, decided to revise the CPG from 15 per cent to 7.5 per cent of the contract price. The HTC's decision (January 2015) to alter the contract terms in favour of the Contractors after award of work (August 2014) was irregular and unjustified.

The downward revision of CPG rates resulted in the Contractors submitting CPGs valuing ₹ 13.97 crore against the stipulated amount of ₹ 27.94 crore leaving a shortfall of ₹ 13.97 crore. Thus, due to downward revision in CPG amount, the Company was exposed against the risk of possible losses on account of under performance of the Contractors.

The Company stated (December 2019) that the CPG rates were fixed on the recommendation of the HTC, which consisted of representatives from GoM.

The reply is not acceptable as downward revision of CPG by HTC after issue of the work orders was not only irregular being against the financial interests of the Company but also an avoidable risk for timely completion of works by the Contractors.

### **3.2.29 Non adherence to MoP directions regarding energy conservation**

In a move to encourage energy efficient practices, the Ministry of Power (MoP) issued (September 2013) a Memorandum with stipulation to provide LED bulbs to each BPL beneficiary while providing free electricity connection under the Scheme. GoI also launched (January 2015) Domestic Efficient Lighting Program (DELP) to replace all the incandescent bulbs with LED bulbs in India to reduce the load requirements and greenhouse gases.

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<sup>75</sup> Issued by REC (volume-1, Section-IV, Clause 9.3.3).

As per the conditions<sup>76</sup> attached to the bidding document, each BPL household was to be provided with free LED bulbs of upto 9 watts. Audit observed while issuing the work orders, the Head Office of the Company replaced this specification with 60 watt incandescent bulbs. Accordingly, 22,370 BPL hhs covered under the Scheme so far (November 2019) were provided with 60 watt incandescent bulbs instead of 9 watt LED bulbs.

Thus, changing the specification of work for reasons not recorded not only defeated DELP initiative towards energy conservation but also caused additional power consumption of 3.23<sup>77</sup> Mega Watts per year.

The Company accepted (December 2019) the observation and stated that REC approved the DPR without the provisions of LED. It was further added that after introduction (May 2015) of UJALA Scheme, incandescent bulbs were replaced by LED bulbs and 2.75 lakh LED bulb had been issued to consumers so far.

The fact, however, remained that deviation in the specification of bulbs at work order stage was against the GoI policy to encourage energy efficient practices.

### **3.2.30 Project Execution**

After award of works, execution of Scheme projects in an efficient and timely manner is of utmost importance to achieve the intended objectives of the Scheme. The observations relating to project execution have been discussed in the succeeding text.

### **3.2.31 Payments released without verification of works executed**

The Company released payments to contractors as per village list prepared at the time of processing their claims against the works executed. Bills are not prepared for individual villages rather several cluster of villages are grouped while processing and approving the bills of the Contractors. The Company, being the project implementing agency was supposed to apply due diligence while releasing payments to the Contractors against execution of Scheme works. Accordingly, before releasing payment, the Company was required to satisfy itself about the quality and quantum of works executed from the primary records on project works maintained at division level (*viz.* Measurement Book, Stock Register, Indent Register, *etc.*) and also by conducting field visit of each village where the Scheme works had been executed. As discussed under previous paragraph, the Divisions of the Company had not been maintaining proper records to verify the project works executed by the Contractors. Further, there was no system in place to conduct field visit of villages for verification of works executed by Contractors before releasing the payment.

As mentioned earlier, Audit selected ten villages from each of the four sampled districts (total 40 villages) for joint physical verification (JPV) of Scheme works and five beneficiaries from each selected village (total 50 beneficiaries from

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<sup>76</sup> General Information and Scope of works (clause 11.16 of Volume-I, Section VII) issued by REC for Scheme works, which form part of the Biding Document.

<sup>77</sup>  $(0.06 - 0.009) \times 8 \text{ hours} \times 30 \text{ days} \times 22,000 \text{ new BPL consumers} = 0.28 \text{ MW} \times 12 \text{ months.}$

each district) for beneficiary survey. The results of JPV and beneficiary survey carried out by Audit (July to October 2019) with the representatives of the Company/GoM had brought out instances of short execution of works as discussed in the succeeding paragraphs.

### Joint Physical Verification and Beneficiary Survey

#### 3.2.31.1 Excess claims of beneficiary households and uninstalled meters

During joint physical verification (JPV) and beneficiary survey (24 October 2019) of two villages (Maite and Tuiliphai) in Churachandpur District following was noticed.

- Total 7 and 3 BPL hhs were found in existence in Maite and Tuiliphai villages as against the claimed electrification of 20 and 35 BPL hhs in two villages as per the work completion reports respectively;
- Though the Contractor had brought (February 2017) meters for installation in Tuiliphai village, all the meters were found lying in a house uninstalled (October 2019). As such, the division concerned could not raise bills/collect revenue after providing these connections (February 2017); and
- None of the BPL households in two villages was provided with the earthing apparatus compromising with their safety and security.

Despite above shortcomings, the Company released payments to Contractors in both the cases.

The Company stated (November 2019) that the household numbers were reduced as the practice of migration was common in hill districts. As regards non-provisioning of earthing apparatus, Company stated that instructions had been issued to the Contractor to complete the rectification work.

The reply is not acceptable as during JPV of two villages, neither any villager mentioned about any such migration nor any traces of empty/abandoned houses were noticed.

#### 3.2.31.2 False certification of work

For Chandel, Senapati and Kangpokpi Electrical Divisions, Company paid ₹ 1.45 crore<sup>78</sup> to the Contractors towards supply of four sub-items of Scheme works namely, 'earthing set complete with G.I. wire for HT & LT line and hot dip galvanised anti climbing device complete'.

During JPV of sampled villages<sup>79</sup>, Audit noticed that none of the poles (11 KV and LT line) erected in the sampled villages were provided with 'earthing and anti-climbing' devices, which pointed towards a larger picture of deficient execution of Scheme works under various districts. Audit further observed that

<sup>78</sup> Chandel - ₹ 92.42 lakh and Kangpokpi and Senapati - ₹ 52.16 lakh.

<sup>79</sup> 10 villages each from Chandel and Senapati districts.

DGM of respective Divisions<sup>80</sup> had certified the work completion without recording the measurements of the actual work in Measurement Books, thereby compromising on the safety of the electrical apparatus/systems.

The Company accepted the audit observation and stated (November 2019) that instruction had been issued to the Contractors to install the missing items.

***Recommendation:*** *The Company should fix responsibility for incorrect certification of Scheme work and recover the payments made towards unexecuted portion of work from the Contractors concerned.*

### **3.2.31.3 Incorrect completion reports**

Audit noticed several deficiencies in the work completion reports submitted by the Company to REC as discussed below.

- i. In Chandel district, the Company certified electrification of three villages (*i.e.* Sejang Theoset, Tuipi Mate and Yangoulen) under the present Scheme. Audit however, noticed that while the Company had not taken up the electrification of one village (Sejang Theoset), another village (Tuipi Mate) was shown already electrified under earlier schemes. In case of third village (Yangoulen), the Company had created only the infrastructure without charging the lines (June 2019). Thus, the claim of the Company under work completion reports regarding electrification of these villages under the Scheme was incorrect.
- ii. In Senapati district, Company certified (June 2019) completion of electrification work in Mongjang village. During JPV (July 2019), the work of electrification in Mongjang village was found to be incomplete.
- iii. In Churchandpur district, the Company declared (January 2018) the Rovakot village<sup>81</sup> to be electrified, which included electrification of total 120 BPL hhs under the village. During JPV (August 2019), however, only 72 BPL hhs were found existent in the entire village. Moreover, no BPL hh connections or other infrastructures were seen to have been created in the village as evident from the following photographs.

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<sup>80</sup> Prior to its bifurcation (2016) under Senapati and Kangpokpi districts, Kangpokpi Electric Division was under the jurisdiction of Senapati district.

<sup>81</sup> As per original DPR, the village was electrified under earlier scheme (RGGVY) and was again included in the present Scheme (DDUGJY).

**Photograph No. 3.2.1 Photographs showing incomplete certified as completed**



*Incomplete works certified as completed at Rovakot Village, Churachandpur District.*

The deficiencies in completion of scheme works as brought out above raised doubt on reliability and authenticity of the ‘work completion reports’ submitted by the Company for various districts. The Company should ensure that the incomplete works pointed out above are actually completed on priority and not abandoned midway. Further, as the final bills of the Contractor were pending to be settled (September 2019), the Company should ensure release of further payments based on actual completion of Scheme works in each village.

The Company accepted (November 2019) that two villages under Chandel district (Sejang Theoset and Tuipi Mate) were dropped from the present Scheme due to inaccessibility or coverage under earlier schemes while the third village (Yangoulen) was still pending to be energised. The Company further stated that remaining two villages in Senapati and Churachandpur districts had been electrified (November 2019) after the JPV conducted by Audit.

**3.2.31.4 Non-execution of earthing connection works (Chandel district)**

The Company awarded the work for electrification of 4,250 BPL households in 73 un-electrified villages under Chandel district to the Contractor (M/s T & T Projects Limited). The work was stated to be completed in 70 out of 73 villages (August 2019). The BPL household connection apparatus included three sub-components. The Contractor had claimed to have supplied the required material at a cost of ₹ 39.82 lakh as shown in table below.

**Table No. 3.2.8 Material claimed to have been supplied**

(₹ in lakh)

Sl. No	Particulars	Quantity	Cost		
			Supply	F & I	Total
1	Earthing pipe 25 mm diameter, one end flattened with hole with nut & bolt – one No.	4,469 (Nos)	17.88	0.67	18.55
2	G.I. wire 8 SWG-3kg	13,407 (kg)	14.08	0.27	14.35
3	Screw, Salt (3.5 kg), Charcoal (5kg), etc.	4,469 (Nos)	6.70	0.22	6.92
<b>Total</b>			<b>38.66</b>	<b>1.16</b>	<b>39.82</b>

Source: Records of the Company.

During the JPV and beneficiary survey of 50 BPL households<sup>82</sup>, Audit noticed that earthing connection was not installed in any of the households surveyed. Huge quantities of earthing pipe (serial no. 1 above) were found lying at Division's store. Further, the materials stated to have been supplied for sub-items 2 & 3 above were not even found in the Division's store. The excise invoice, transporter invoice and packaging lists duly stamped by the State Taxation Check Post to confirm the purchase and supply of material were also not found on record. Stock Register with complete entries on movement of materials to confirm receipt and issue of material was also not available. Similarly, the Indent Register and Measurement Book were not maintained by the Division. As such, the actual quantities of BPL kits supplied and utilised for execution of the above works was doubtful.

Thus, non-installation of earthing connection in the 50 sampled BPL households and absence of vital records to support the claims regarding supply and installation of materials raised doubts on actual execution of above works in the entire district involving financial implications of ₹ 39.82 lakh.

The Company accepted the audit observation and stated (December 2019) that instructions have been issued to the Contractor to take up rectification work for all BPL households.

*The Company needs to fix responsibility for false certification of work completion to discourage similar lapses in future.*

### **3.2.31.5 Deficiencies observed regarding installation of meters**

During the course of beneficiary survey (July to October 2019), following further discrepancies in the execution of Scheme were noticed.

- In **Bishnupur district**, all the 50 beneficiaries surveyed were found already electrified under earlier schemes and also installed with pre-paid meters departmentally and not under the present Scheme. Further, 784 meters (valuing ₹ 8.98 lakh) out of total 796 meters supplied for installation under the Scheme, were lying intact in the stores at Company's DGM Office premises. The work completion report submitted by the Division concerned had no mention about these uninstalled meters. The Third Party Inspection Agency (TPIA) Stage-II reports also failed to point out this aspect, which raised doubt on actual inspection of the villages/habitations.

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<sup>82</sup> 5 BPL households from each of the 10 sampled villages in the District.

- In **Chandel district**, Audit noticed that in one village, Company had installed more than one meter in all 14 connected households, which raised doubt regarding execution of electrification works earlier in the district under previous schemes. The presence of such practice in other villages could not be ruled out.



In reply (November 2019), Company placed blame on the linemen for not removing the defective meter after its replacement by new meter. The reply is not acceptable as during field verification, Audit found both the installed meters functional and connected to the main line.

- As per the Letter of Award (LOA), several accessories<sup>83</sup> were part of the complete set for domestic electrical connection apparatus for providing connections to the BPL hhs. During beneficiary survey, however, Audit found that in all the 50 surveyed hhs in **Bishnupur district**, accessories, which were part of BPL kits (such as PVC cable, Tumbler switch, Pendant holder, bulbs and Ceiling rose) costing ₹ 4.49 lakh were not installed. The Division concerned failed to point out such deficiencies and allowed the Contractor to claim erection cost for these items by incorrectly certifying these works as completed.  
The Company accepted (November 2019) the observation and assured that rectification would be carried out.
- During the beneficiary survey of one village (D. Phaipijang) under Kangpokpi Electrical Division (earlier under **Senapati District**) it was revealed that the Contractor had collected ₹ 500 from each of the 63 BPL hhs in the village contrary to the Scheme stipulations regarding providing electricity connection to BPL hhs free of cost.

The Company during the exit conference (November 2019) assured that show-cause notice would be issued to the Contractor concerned.

The reply was indicative of ineffective monitoring at Division level, on the activities of the Contractor.

### 3.2.32 Short execution in completed works

During the cross examination of the projects claimed to have been executed with the 'work completion reports', Audit noticed cases of short execution of scheme works as discussed below.

<sup>83</sup> PVC Cables, Tumbler switch, Pendant holder, bulbs and ceiling rose.

### **Short coverage of BPL hhs than envisaged**

#### **Chandel District**

As per the original DPR for Chandel District, total 401 villages and 4,250 number of BPL households were to be covered under the Scheme. The scope of work awarded for the district included providing connection to 4,250 BPL households (including supply of material) at a cost of ₹ 1.20 crore<sup>84</sup>.

The Contractor (M/s T&T Projects Limited) claimed to have supplied all the required materials and equipment and the Company released full payment<sup>85</sup> to the Contractor against the said works. Audit observed that as per the work completion report (August 2019), the Company provided free electricity connections to total 1,574 number of BPL households in 72 villages and thus short provided connections to 2,676 BPL households than envisaged in original DPR (4,250 BPL beneficiaries in 401 villages). The Company made excess payments to the extent of ₹ 0.76 crore against short executed works in respect of 2,676 BPL households resulting in undue benefit to the Contractor.

The results of JPV under Chandel Electrical Division also substantiated the above facts. During the JPV, Audit noticed that 1,150 Nos. of energy meters and other BPL kits (except G.I. wire and Screw, Salt, Charcoal) were lying in the store of the Division, as also evident from the following photographs.

**Photograph No. 3.2.3 Energy metres and BPL Kits in store**



*Material at store, Chandel Division*

The Company stated (November 2019) that although the Scheme was executed in 72, the number of BPL hh covered under the Scheme equalled with that as per original DPR in 401 villages. The Company also assured that the liabilities against installed BPL meters and other items would only be considered.

The reply is not acceptable as it is not supported with the recorded facts as per the work completion report, which shows electrification of only 1,574 BPL beneficiaries in 72 villages.

#### **Churchandpur District**

As per the original DPR for Churchandpur district, the Company was required to electrify total 8,176 number of BPL households in 518 villages, which was later revised to 142 villages with the same number of BPL households. The

<sup>84</sup> Supply- ₹ 1.13 crore + F&I- ₹ 0.05 crore + Erection- ₹ 0.02 crore.

<sup>85</sup> Excepting ₹ 0.16 crore, which was pending due to non-submission of bill by the Contractor.

Company carried out the revisions in the approved DPRs without the prior approval of the competent authority. The Contractor had stated to have supplied (August 2019) the entire material and equipment for providing electricity connection to 8,176 BPL households in 142 villages as per the revised DPR.

Audit observed that as per the work completion reports, the Company electrified only 5,832 number of BPL households against the 8,176 BPL households envisaged under revised DPR thereby registering short coverage of 2,344 BPL hhs (29 *per cent*) involving financial implications of ₹ 61.53 lakh<sup>86</sup>. Neither any reasons for this shortfall nor any approval of higher authorities for reduction in the coverage was found on record.

The Company assured (November 2019) that commensurate value of shortfall in coverage of BPL hhs would be recovered from Contractor's bills.

### 3.2.33 Non-maintenance of records

#### *Non maintenance of proper records on movement of project materials*

The terms of the Letter of Award – Supply (LOA) (para 20.0 and 21.0) stipulated that, all material and equipment supplied by the turnkey contractor (Contractor) shall be stored with the DGM office complex of respective district or any other suitable place as directed by the Company. The equipment/material (if any) stored in Company's godown shall be issued on a written requisition from the engineer-in-charge of the Contractor.

Rule 208 (1) of GFR 2017 states that while receiving goods and materials from a supplier, the officer-in-charge of the Stores should refer to the relevant contract terms and follow the prescribed procedure for receiving the materials. All materials shall be counted, measured or weighed and subjected to visual inspection at the time of receipt to ensure that the quantities are correct, quality is as per the specifications and there is no damage or deficiency in the materials.

Audit found that contrary to the LOA conditions and the Rules *ibid*, none of the Divisions of the Company implementing the Scheme had maintained stock registers to record movement of stores/materials. Further, the Measurement Books (MBs) maintained to record the details of material procured and supplied, had no mention regarding measurement of the quantity of items received as per transport consignment progressively. Similarly, the Divisions had not maintained the MBs progressively for erection work carried out in each village/habitation. Instead, the Divisions certified cumulative cost abstracts for the works executed with the sole purpose of preparation of bills.

As on June 2019, stock valuing ₹ 149.78 crore was stated to have been supplied by various turnkey contractors against which, the Company had released payments of ₹ 117.40 crore. However, due to non-maintenance of stock registers and MBs in proper format, Audit could not vouchsafe the actual

<sup>86</sup> Cost of electrification of 2,344 BPL households at the rate of ₹ 2,625 per household.

quantity of material supplied and the quantum of work executed in each village/habitation

The Company stated (December 2019) that the projects were taken up on turnkey basis and, as such, the pilferage of damage to material at the storage site was at the risk of the Contractor till the project was completed and handed over to the Company.

The reply is not tenable since the LOA terms clearly mentioned that the material should be stored at a place approved by the Company and the same should be issued only based on written request/indent by the engineer concerned of the respective Contractor. The Company had failed to vouchsafe materials received and had thus jeopardised its own interests.

### **3.2.34 Other Findings**

#### ***Undue financial advantage to contractor on account of doubtful transportation of material***

Examination of records relating to execution of Scheme works in Tamenglong district revealed that based on the instructions of then Managing Director<sup>87</sup>, the Company paid (2016) an additional amount of ₹ 19 lakh to the Turnkey Contractor towards transportation of material and equipment to the work site. Since transportation of material and equipment was covered under the scope of the turnkey contract (contract value: ₹ 29.36 crore<sup>88</sup>), extra amount paid to the Contractor on this account was irregular and unjustified. The same was recovered from the Contractor after almost three years (October 2019).

Examination of records further revealed that registration number of seven vehicles claimed to have been used by the Contractor for transporting the material and equipment were not found in the all India vehicle registration database. On the contrary, one vehicle registered as Tata Truck was stated as Shaktiman Truck while registration number of one Bolero Car was purportedly claimed as a Tata Truck used for transportation of equipment. The vehicles stated above were claimed to have been used for transportation of goods on 38 occasions involving a cost of ₹ 10 lakh. The claim for expenditure using fictitious vehicle record raised doubt about the genuineness of actual execution of work.

As regards mismatch in the registration number of vehicles, Company stated (October 2019) that it was due to interior location of the project sites where motorable roads were non-existent, and further, genuineness of registration number of the vehicle hired for transportation was beyond the knowledge of the Contractor.

The reply is not tenable since the Contractor and the Company have to ensure that transportation vehicles are used for carrying the material to the site.

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<sup>87</sup> Shri R. Sudhan.

<sup>88</sup> Supply - ₹ 26.83 crore and Erection - ₹ 2.53 crore.

### 3.2.35 Scheme Performance

The Scheme was implemented in six districts of Manipur for which, REC approved separate DPR for each district. Against total 470 villages/habitations and 22,730 beneficiaries targeted to be covered under the Scheme (sanctioned cost: ₹ 204.73 crore), the Company completed the Scheme works in 448 villages/habitations (95 per cent) covering 22,370 beneficiaries (98.42 per cent) as on 30 November 2019.

As per the terms of the work orders, the Contractors were required to complete the Scheme works within two years (August 2016) after award of work (August 2014). The Managing Director of the Company was responsible for setting up an appropriate control mechanism to ensure achievement of the targets set under the Scheme. Deficiencies observed in the control mechanism of the Company and achievement of envisaged objectives of the Scheme, are discussed in the succeeding paragraphs.

### 3.2.36 Non-commissioning of 33/11 kV substation augmented under the Scheme

Load of 1x1 MVA transformer installed at existing 33/11 substation at Tengenoupal was much stressed. Further, taking into account the anticipated increase in the load demand due to addition of new villages under the Scheme and also to cater to the demand for up-gradation of 250 kVA transformer of Assam Rifles outpost to 500 kVA, the urgency to augment the existing substation (capacity: 1x1 MVA) with additional 1x3.15 MVA transformer was necessitated.

The Company awarded (January 2017) the work order for augmentation of substation at Tengenoupal to the Contractor (M/s T&T Projects Limited) at a cost of ₹ 1.35<sup>89</sup> crore. The Contractor completed and handed over (October 2018) the augmented substation to the Company after test charging the transformers. However, despite the urgency involved to augment the substation, the newly installed transformers were kept idle till the date of audit (October 2019).

Thus, even after incurring an expenditure of ₹ 1.35 crore, the Company failed to commission the much needed augmented substation rendering the entire expenditure unfruitful.

The Company stated (28 November 2019) that the transmission utility of the State (*viz.* Manipur State Power Company Limited-MSPCL) monitored the substation and MSPCL did not respond on Company's requests for evacuation of power from the substation. During the exit conference (30 November 2019), the Company also claimed that the substation was handed over to MSPCL.

The reply is not acceptable in view of the claims (16 December 2019) made by MSPCL (transmission utility) that the Company had not officially handed over the substation to them for operations. MSPCL in its response had further stated

<sup>89</sup> Supply - ₹ 1.29 crore, Freight - ₹ 0.02 crore and Erection - ₹ 0.04 crore.

that the new transformer could not be made operational in absence of 'transformer protection terminal equipment' (such as, 33 kV control panel along with control cable and 33 kV current transformer), which were not installed by the Company. No further response was received from the Company on the issue.

### **3.2.37 Non-monitoring of feeder-wise performance of DTRs**

The Scheme guidelines (Clause 2 (iv)) envisaged for installation of meters on all Distribution Transformers (DTRs) in the electrified villages/hamlets to collect DTR-wise consumption data and utilise the same to ascertain load usage and monitoring of distribution loss for each feeder.

The Company installed total 397 three phase Trivector energy meters on both 63 and 25 kVA DTRs across the six districts<sup>90</sup> under the Scheme. Audit however, observed that the Circle/Distribution Divisions of the Company had not carried out transformer-wise energy accounting, auditing and checking of energy losses thereby defeating the primary aim of installing these meters. In absence of transformer-wise energy accounting and meter readings, the Company could not monitor feeder-wise performance of DTRs to plug the Aggregate Technical & Commercial losses (AT&C losses). This rendered the expenditure (₹ 1.65 crore) incurred on the installation of 397 DT meters to be unfruitful.

The Company stated (November 2019) that the issues pointed out could not be resolved due to insufficient manpower.

The reply is not acceptable as the Company while implementing the Scheme, should have appropriately addressed the issue of manpower shortage to avail the intended benefits of the Scheme.

### **3.2.38 Billing of new consumers without actual reading**

The Scheme stipulated to provide free electricity connections (with meters) to BPL rural hhs to ensure their billing based on actual meter readings. Audit examined the position (September 2019) in four sampled districts<sup>91</sup> out of six districts covered under the Scheme and following observations are made.

In **Senapati** and **Chandel** Districts, the respective Divisions of the Company provided electricity connections to 6,379 BPL hhs without recording the connection details of these households in consumer ledgers. The Divisions concerned neither had collected the meter readings nor raised electricity bills on these consumers since installation of their connections. Thus, the Company could not realise minimum monthly revenue of ₹ 8.67 lakh<sup>92</sup> from these 6,379 consumers.

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<sup>90</sup> Excluding Tamenglong district where Scheme works were ongoing (September 2019) with scheduled completion by March 2020.

<sup>91</sup> Senapati, Chandel, Churachandpur and Bishnupur.

<sup>92</sup>  $0.25 \text{ kwh} \times 8 \text{ hours} \times 30 \text{ days} = 60 \text{ units} \times ₹ 1.85/\text{unit} = ₹ 111 \text{ per household}$ . Now, ₹ 111 x 6379 consumers = ₹ 7.08 lakh + Fixed charge of ₹ 1.59 lakh (₹ 25 x 6379 consumers).

In **Churachandpur** district, in eight out of ten sampled villages, the Divisions concerned had billed the consumers on a collective average basis for the whole village defeating the purpose of installation of consumer meters. In case of one sampled village (Tuiliphai), the division concerned could not raise bills due to non-installation of meters by the Contractor. In case of remaining village (Maite Village), the division concerned neither raised bills nor collected revenue despite installation of the community meters by the Contractor.

In **Bishnupur** district, all the households in the entire district were installed with pre-paid meters.

Thus, due to the non-collection of meter readings against newly connected consumers, the purpose of installation of meters remained unachieved.

The Company stated (November 2019) that monthly billing of BPL households as per actual meter reading was not feasible due to acute shortage of manpower.

The reply is not acceptable as the issue of manpower shortage should have been addressed to minimise the AT&C losses, which was one of the main objectives of the Scheme.

### **3.2.39 Non release of connections to Non BPL households**

The main objective of the Scheme was to provide access to electricity to all categories of rural hhs including Above Poverty Line households (APL hhs). The Company had assessed the required capacities of transformers in the DPRs based on the combined load requirement of BPL and APL households in each village/ habitation.

Audit observed that contrary to the Scheme provisions, the Company had not developed an effective mechanism to ensure actual release of connections to the hhs other than BPL hhs. As per the approved DPRs, the Company was required to electrify total 11,404 APL hhs in four sampled districts. However, during the conduct of audit, the Company could not provide any records to confirm actual coverage of these APL households under the Scheme although such connections were to be provided on payment basis.

The Company accepted (November 2019) the audit observation and assured to provide electricity connections to left out APL hhs under Saubhagaya scheme.

## **Monitoring**

### **3.2.40 Quality Control Mechanism**

As mentioned earlier, projects under the Scheme are subject to a three-tier Quality Monitoring Mechanism to ensure that all materials are utilised and workmanship conforms to the prescribed specifications. The Company was responsible to carry out the first tier of quality control (50 per cent of completed villages/habitations) by engaging third party inspection agency (TPIA). Similarly, REC was responsible to ensure the second tier of quality checks (20 per cent of completed villages/habitations) through independent agencies designated as REC Quality Monitors (RQMs). Further, the MoP, GoI was

required to carry out the third tier quality control checks (one *per cent* of completed villages/habitations) by outsourcing the work to the National Quality Monitors (NQM) engaged by MoP for the purpose.

### **3.2.41 *Payment of Inspection charges not linked with actual inspections***

As mentioned earlier, the Scheme envisaged electrification of total 470 villages in six districts. As on 30 November 2019, the Company completed electrification of 448 villages. As per the Scheme guidelines, Third Party Inspection Agency (TPIA) was supposed to inspect 50 *per cent* of villages (235 villages) targeted under the Scheme (470 villages). As per the latest information available, TPIA had completed inspection of only 172 villages<sup>93</sup> till the date of audit (October 2019). Audit observed that the Company had already released payments to the TPIA to the extent of 90 *per cent* of their contracted value instead of making proportionate payment based on actual completion of inspection work.

The Company should ensure that the TPIA complete the inspection of prescribed number of electrified villages before release of further payments so that the deficiencies, if any, noticed in the Scheme works could be rectified timely.

### **3.2.42 *Monitoring Committees not holding regular meetings***

GoM formed (October 2013) a State Level Standing Committee (SLSC) for implementation of the Scheme with the Chief Secretary, Manipur as Chairman. The Committee shall recommend the project proposal formulated by the implementing agency and also monitor progress, quality control and resolve issues relating to the implementation of sanctioned projects *viz.* allocation of land for substations, right of way, forest clearance, railway clearance, safety clearance, *etc.*

During the course of Scheme implementation, the Committee held only two meetings (November 2016 and January 2018) under which, only the revised scope of the Scheme Plan was discussed.

GoM further constituted (July 2015) two District Electricity Committees (DECs). Member of Parliament/Lok Sabha (Inner) and the Member of Parliament/Lok Sabha (Outer) were to chair one of the two Committees each. The two DECs were to review and monitor the implementation of all Central Schemes in power Sector. The DECs were to be consulted in preparation of DPRs for the Scheme works. The DECs were also supposed to review the quality of power supply and consumer satisfaction and promote energy efficiency and energy conservation. The DECs were required to meet at least once in three months at their respective District Headquarters.

Audit observed that as against the minimum prescribed one meeting in every quarter, two DECs had convened only three meetings so far (September 2019)

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<sup>93</sup> Status as of September 2019 as available.

since their formation (July 2015); one combined meeting in September 2015 and two separate meetings in October 2016. The two meetings were held to appraise about preparation of the revised DPRs under the Scheme. The DECs did not have any meeting at the respective District Headquarters.

Thus, failure to hold regular meetings by the Committees constituted by the GoM had adverse impact on effectiveness of monitoring and constant review of Scheme implementation, which was a compromise with the quality and timeline prescribed for the Scheme works.

#### **3.2.43 Non-maintenance of Assets Registers**

As per the Tripartite Agreement entered into between GoM, REC and the Company, GoM was the custodian of the assets created under the Scheme. The GoM authorised the Company to operate and maintain these assets to effect power supply in project areas and derive consequential benefits out of the Scheme assets so created. Deputy General Managers of the respective Divisions of the Company were required to maintain separate Fixed Assets Registers for accounting the Scheme assets.

Audit observed that during the course of Scheme implementation, the Company created total assets worth ₹ 161.20 crore (as of July 2019). The Company, however, had not maintained separate Fixed Asset Registers providing complete details of project assets created under the Scheme along with the cost of these assets. On the contrary, the Divisions concerned of the Company forwarded the completion and handing/taking over documents of these assets as received from the Turnkey Contractors, to the PMU Cell of the Corporate Office of the Company for archiving without mentioning the actual cost of the project assets.

#### **3.2.44 Vigilance Wing**

The Company did not have a dedicated vigilance wing to carry out independent checks upon the various functions including RGGVY works.

### **Conclusion**

As per 2011 Census data, 75.46 *per cent* (1,46,180 households) of total rural households (1,93,730 households) of the State had access to electricity. After implementation of RGGVY (XII Five Year Plan) DDUGJY Scheme, the percentage of electrified rural households in Manipur had increased to 83.69 *per cent* (1,62,139 households), which was significant. The beneficiaries also responded positively towards the Scheme outcome as now they had regular power supply leading to positive socio and economic impact.

The Scheme was implemented in six districts of the State completing scheme work in 448 villages/habitations (95 *per cent* of target) covering 22,370 beneficiaries (98.42 *per cent* of target) as on 30 November, 2019.

The processes and control mechanism of the Company for management and execution of Scheme works was deficient and could be improved. Audit noticed instances of changes made in the approved DPRs resulting in coverage of

households not included in Scheme DPRs on one hand and exclusion of villages originally selected for electrification under the Scheme on the other.

The Company did not have an effective system for monitoring of works leading to non-adherence to Scheme guidelines in project execution. Audit noticed cases of extending undue advantages to the Contractors by way of accepting higher pricing of scheme works materials, admitting claims against exaggerated bills and releasing payments without verification of the works executed. The work completion certificates issued by the Company were not found reliable and authentic. Joint Physical Verification of project works and beneficiary survey revealed serious irregularities such as, excess claims against the beneficiaries covered, non-installation of meters and earthing connections, false certification of works, incorrect completion reports, short execution against completed works, etc.

The Company did not maintain proper records on measurement of project works and movement of project material. No records maintained to record the details of project assets created.

The Role of the State Level Monitoring Committees to ensure quality and timeliness in Scheme implementation was not effective due to their failure to hold regular meetings for monitoring of Scheme works.

### **Recommendations**

Government/Company may ensure:

- *Coverage of deserving villages/habitations under the Scheme through robust planning based on actual field survey;*
- *Strict adherence to the approved DPRs and Scheme guidelines in project execution so as to extend benefits to project covered beneficiaries;*
- *Execution of works strictly as per the prescribed specification through close monitoring of Contractors activities and adhering to cost norms;*
- *Strengthening the monitoring mechanism at top level to ensure timely execution of quality works;*
- *Fixing responsibility in all cases of diversion of BPL connections, suspected misappropriation and short execution/false certification of scheme works, etc. and recovery of undue payments made against unexecuted works from the contractors concerned; and*
- *Conducting physical verification of Scheme works through an independent agency and reporting the anomalies, if any, directly to the top Management for appropriate corrective action.*

COMPLIANCE AUDIT PARAGRAPHS

MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED

3.3 Embezzlement of Company Receipts

**Revenue of ₹ 17.39 lakh collected from consumers by the Chandel Division of Manipur State Power Distribution Company Limited was not deposited to Company Account.**

The Manipur State Power Distribution Company Limited (Company), though a State Government PSU, does not have its own Manual/Rules/Framework for day to day functioning of the Company.

Further, as per the requirements of an effective and generally accepted cash control mechanism, a company should record the cash collections made from consumers in the Revenue Collection/Deposit Register and Cash Book on a daily basis. Similarly, the cash collected from consumers should be deposited into the Bank Account maintained for the purpose on a daily basis. The details of pay-in-slips and the amount deposited into the Bank should be properly recorded in the Remittance Register and Cash payment column of Cash Book. The pay-in-slips number should be updated in the voucher reference column in Cash Book. Further, the counterfoils of the cash receipts issued to the consumers and the pay-in-slips for cash deposited into the Bank should also be kept under safe custody of the Company.

Audit scrutiny of records (February 2019) like counterfoils of Receipt Book, Deposit Register, Bank Statements, *etc.* maintained by the office of the Deputy General Manager (DGM), Manipur State Power Distribution Company Limited (MSPDCL), Chandel Division<sup>94</sup> (Division) revealed that the Division had collected (June 2014 to January 2017) receipts aggregating to ₹ 17.39 lakh from the consumers towards current energy charges, arrear surcharge, security deposit, *etc.* The details of revenue collected are shown in **Appendix 3.6**. However we noticed that the Division had neither recorded the collections (₹ 17.39 lakh) in the revenue collection/deposit register nor deposited the same in the Bank account for a period ranging from 25 to 32 months after receipt (February 2019<sup>95</sup>). Further, the Division had no documentary evidence on record<sup>96</sup> to show the details of the individual officials authorised to collect revenue on behalf of MSPDCL or Receipt Books issued by the Division to such individuals.

<sup>94</sup> Audit conducted test check of two Divisions (Churachandpur and Chandel) out of 14 Revenue Divisions of MSPDCL.

<sup>95</sup> As on the date of Audit.

<sup>96</sup> Except in two cases (serial no. 15 and 16 of Annexure), which showed Receipt Books were issued to Shri Kanhai.

On a test check of the randomly selected receipts issued for billed charges collected, audit noticed that on a single day, different individuals had signed several such Receipts in the name of the Manager.

*The Division's officials did not ensure maintenance of proper records regarding issue of Receipt Books to authorised persons and neither had they put in place an effective monitoring system to ensure deposit of all receipts into the Bank account of the Division on daily basis.*

The Statutory Auditors of MSPDCL while giving opinion on the accounts for the year 2015-16 had also flagged the issue of unreconciled discrepancy between the figures of operational revenue as compiled at the Head Office<sup>97</sup> of MSPDCL and as shown in the divisional level billing records. The Company Management of MSPDCL, however, had not taken cognisance of the issues flagged by the Statutory Auditors for appropriate remedial action.

Absence of controls and checks in MSPDCL led to embezzlement of Company revenue to the tune of ₹ 17.39 lakh over a period of two years. The findings of Audit are based on the test check of two<sup>98</sup> out of 14 Revenue Divisions of MSPDCL, and hence, possibility of similar cases in other Divisions of MSPDCL could not be ruled out.

On this being pointed out in Audit, the Division stated (August 2019) that the amount pointed out by Audit (₹ 17.39 lakh<sup>99</sup>) has been paid by the defaulters/staff concerned and also deposited into the Bank account.

Our verification of the documents (Bank Deposit Slips, Deposit Register and List of Cash Receipt) submitted by MSPDCL in support of their action taken claim and due to 'bank reconciliation statements' not in place covering the periods of above deposits for verification, Audit could not derive an assurance that the charges collected were indeed deposited to Company's Account.

The matter was reported (July 2019) to the Government; their replies had not been received (November 2019).

***Recommendation:*** *MSPDCL may carry out a special audit of their collections in all their Divisions and ensure deposit of all revenue actually collected in this case and others, to their Company's Bank Account. They may also take action to fix responsibility for the embezzlement done for persons found guilty of committing fraud on the Company.*

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<sup>97</sup> Figures compiled based on the Consumer Monthly Tariff Report (CMTR) Summary Statements submitted by the Billing Divisions.

<sup>98</sup> Chandel and Churachandpur Divisions.

<sup>99</sup> ₹ 4.16 lakh prior to audit and ₹ 13.23 lakh, after audit.

### 3.4 Outsourcing of Collection of Receipts without valid contracts

**Churachandpur Division of Manipur State Power Distribution Company Limited gave business to Revenue Collecting Agencies without legally subsisting contracts and in violation of the orders of Government of Manipur to devolve the collection functions to Autonomous District Councils (ADCs). The commission paid to the Agencies was also irregular.**

As per Rule 22 of the General Financial Rules 2005 and 2017, no authority may incur any expenditure or enter into any liability involving expenditure or transfer of moneys for investment or deposit from Government account unless the same has been sanctioned by a competent authority. Such prudent financial norms need to be observed *mutatis-mutandis* by Public Sector Undertakings.

Manipur State Power Distribution Company Limited (MSPDCL) entered into Agreements (March 2003 to April 2008) with Collecting Agencies<sup>100</sup> for collection of revenue from consumers against electricity bills raised by MSPDCL. These Agreements were valid for a period of six months only and had already expired and MSPDCL had not renewed these Agreements. Despite expiry of previous agreements, MSPDCL continued with the business of revenue collection through these Collecting Agencies.

Government of Manipur (GoM) devolved (November 2013<sup>101</sup>) the responsibility of collection of revenue against the electricity bills raised by MSPDCL to the Autonomous District Councils (ADCs) in respect of the consumers falling under their jurisdictions. The ADCs were also entitled to claim incentive of 5 per cent on the revenue so collected, from MSPDCL. Accordingly, MSPDCL was required to approach the ADCs in the matter and issue necessary directions to its Divisions for compliance to the orders (November 2013) of GoM.

We noticed in audit of MSPDCL (February-March 2019) that the Company Management (Board of Directors) had not taken up the matter with the ADCs for collection of revenue against electricity bills on its behalf. They neither issued necessary directions to its Divisions for discontinuation of revenue collection through the Collecting Agencies and formalise the arrangements with the ADCs on commission basis, for implementing GoM's decision (November 2013).

Audit scrutiny of records (February – March 2019) further revealed that Churachandpur Division of MSPDCL had paid a commission of five per cent (₹ 31.48 lakh) to the above mentioned Collecting Agencies<sup>102</sup> on the revenue of ₹ 6.35 crore against the electricity bills raised for the period from March 2014 to February 2019 without any legal and subsisting contracts in existence.

<sup>100</sup> Collecting Agencies mostly included local clubs, village authorities, welfare associations etc.

<sup>101</sup> Vide Order No. 14/7/2011-Power dated 16 April 2011.

<sup>102</sup> Out of total 11 Collecting Agencies, major portion of the commission (₹ 17.33 lakh) was paid to five Collecting Agencies namely Chairman, Development Committee Gouchinkhupveng, New Lamba (₹ 6.77 lakh); Hmar Youth Association Rang kai Branch (₹ 2.95 lakh); Molnom Electric Consumer Welfare Association (₹ 2.90 lakh); Bungmual Youth Club (₹ 2.42 lakh) and KristanThalai Pawl, LamkaChhim (₹ 2.30 lakh).

Further, the findings of Audit are based on the test check of two<sup>103</sup> out of 14 Revenue Divisions of MSPDCL, and hence, possibility of similar irregularity in other Divisions of MSPDCL could not be ruled out. *Hence, MSPDCL needs to carry out an internal audit of the revenue collection arrangements in all the Divisions and take appropriate corrective action in the matter.*

Thus, continuing with the arrangements of revenue collection with the Collecting Agencies without any valid contracts and payment of commission there against was irregular and in violation of orders issued by the Government of Manipur.

MSPDCL stated (January 2020) that five *per cent* commission from the revenue collected was paid to the collecting agencies as per GoM order (January 2003)<sup>104</sup>. During a meeting<sup>105</sup> held (July 2020) with Principal Accountant General (Audit), Manipur, MSPDCL had further stated that collection of revenue through ADCs were not done since ADCs had limited manpower.

The reply was silent regarding continuing business on expired agreements. Further, MSPDCL failed to produce any documentary evidence in support of its claim regarding inability of the ADCs to perform revenue collection due to manpower shortage.

The matter was referred to the Government (August 2019); their reply had not been received (August 2020).

***Recommendation:*** *Government may review the directions given to the Company and decide whether the ADCs should be involved in collection of the electricity charges revenue of the Company and accordingly ensure that legal contracts are made by the Company with the collecting Agencies.*

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<sup>103</sup> Chandel and Churachandpur Divisions.

<sup>104</sup> No. 11/1/95-Power dated 31 January 2003.

<sup>105</sup> From the side of MSPDCL, the meeting was attended by the Managing Director, General Manager (F&A), Deputy General Manager (Commercial) and Manager (Commercial).

# **Chapter IV**

## **Revenue Sector**



## CHAPTER IV REVENUE SECTOR

### 4.1 Trend of revenue receipts

The Tax and Non-tax revenue raised by the Government of Manipur during the year 2018-19, the State's share of net proceeds of Union taxes and duties and GIA received from the GoI during the year and the corresponding figures for the preceding four years are mentioned in **Table No. 4.1.1**.

**Table No. 4.1.1 Trends of revenue receipts**

(₹ in crore)

S.N.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1	<b>Revenue raised by the State Government</b>					
	Tax revenue	516.83	550.44	586.67	790.94	1,046.05
	Non-tax revenue	183.73	149.48	164.8	174.07	166.24
	<b>Total</b>	<b>700.56</b>	<b>699.92</b>	<b>751.47</b>	<b>965.01</b>	<b>1,212.29</b>
2	<b>Receipts from the GoI</b>					
	State's share of Union taxes and duties	1,526.89	3,142.42	3,757.12	4,154.33	4,698.59
	GIA	5,770.82	4,437.76	4,620.52	5,238.49	4,650.83
	<b>Total</b>	<b>7,297.71</b>	<b>7,580.18</b>	<b>8,377.64</b>	<b>9,329.82</b>	<b>9,349.42</b>
3	<b>Total receipts of State Government (1 &amp; 2)</b>	<b>7,998.27</b>	<b>8,280.10</b>	<b>9,129.12</b>	<b>10,357.83</b>	<b>10,561.71</b>
<b>Percentage of 1 to 3</b>		<b>9</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>11</b>

Source: Finance Accounts.

The above table indicates that during 2018-19 the revenue raised by the State Government was ₹ 1212.29 crore being 11 per cent of its total revenue receipts of ₹ 10,561.71 crore of the State. The balance receipts of ₹ 9,349.42 crore (89 per cent) during 2018-19 were from Government of India as State's share of net proceeds of Union taxes and duties and GIA.

Details of Budget of tax revenue and actual receipts of tax revenues for the period 2014-15 to 2018-19 are given in the following table.

**Table No. 4.1.2 Details of Tax Revenue**

(₹ in crore)

Head of revenue	2014-15		2015-16		2016-17		2017-18		2018-19		Increase (+)/ decrease (-) in 2018-19 over 2017-18 (in per cent)
	BE	Actuals									
Taxes on sales, trade etc.	500.00	433.33	570.00	466.51	570.00	499.65	700.00	385.58	204.66	253.02	(-) 34.38
Goods and Services Tax	NA	NA	NA	NA	NA	NA	0.00	301.53	400.98	694.70	(+) 130.39
Motor Vehicles Tax	22.31	20.77	25.43	23.29	27.00	25.04	40.00	36.14	45.60	39.83	(+) 10.21
Stamps & Registration Fees	7.14	7.76	10.27	10.45	11.00	10.03	30.00	13.98	34.20	17.62	(+) 26.04
State Excise	14.52	9.32	11.96	8.78	12.00	9.32	12.00	9.37	13.68	8.18	(-) 12.70
Land Revenue	1.24	1.42	1.45	2.59	2.50	1.91	5.00	1.44	5.70	3.54	(+) 145.83
Taxes and duties on electricity	0.50	-	0.06	-	0.06	0.01	0.06	0.00	0.07	-	NA

Head of revenue	2014-15		2015-16		2016-17		2017-18		2018-19		Increase (+)/ decrease (-) in 2018-19 over 2017-18 (in per cent)
	BE	Actuals									
Others <sup>106</sup>	75.12	44.25	51.98	38.82	44.64	40.73	44.81	42.89	51.08	29.16	(-) 32.01
<b>Total</b>	<b>620.83</b>	<b>516.85</b>	<b>671.15</b>	<b>550.44</b>	<b>667.20</b>	<b>586.69</b>	<b>831.87</b>	<b>790.93</b>	<b>755.97</b>	<b>1046.05</b>	<b>(+) 32.25</b>

*Source: Annual Financial Statements and Finance Accounts.* # BE: Budget Estimate.

The GST receipts at ₹ 694.70 crore were ₹ 293.72 crore more than the budgeted receipts. The details of budget estimates of non-tax revenue and actual realisations of the non-tax revenues actually raised during the period 2014-15 to 2018-19 are indicated in the following table.

**Table No. 4.1.3 Details of Non-tax Revenue**

(₹ in crore)

Head of revenue	2014-15		2015-16		2016-17		2017-18		2018-19		Increase (+)/ decrease(-) in 2018-19 over 2017-18 (in per cent)
	BE	Actual									
Misc. General Services	184.12	132.48	129.27	106.09	129.27	118.61	150.00	114.39	150.00	111.37	(-) 2.64
Interest receipts	33.52	30.60	38.61	27.43	38.61	19.73	40.54	19.27	42.57	18.68	(-) 3.06
Forestry and Wild Life	4.18	4.62	4.33	3.65	4.33	6.46	35.00	23.61	35.00	15.26	(-) 35.37
Major and Medium Irrigation	11.46	2.04	12.38	0.64	2.00	1.58	2.10	0.27	2.21	2.68	(+) 892.59
Public Works	20.14	2.90	2.11	1.26	2.11	0.90	2.22	1.87	2.33	1.62	(-) 13.37
Other Adm. Services	3.84	1.01	1.38	0.99	1.38	6.43	1.45	2.34	1.52	3.09	(+) 32.05
Police	1.19	0.79	1.20	0.72	1.20	1.38	1.26	0.91	1.32	1.42	(+) 56.04
Medical and Public Health	0.13	0.34	0.33	0.25	0.33	0.50	0.35	1.16	0.37	0.69	(-) 40.52
Co-operation	0.34	0.49	0.26	0.37	0.26	0.14	0.27	0.34	0.29	0.41	(+) 20.59
Other non-tax receipts	25.14	8.46	29.55	8.06	11.72	9.07	12.31	9.91	12.93	11.01	(+) 11.09
<b>Total</b>	<b>284.06</b>	<b>183.73</b>	<b>219.42</b>	<b>149.48</b>	<b>191.21</b>	<b>164.80</b>	<b>245.50</b>	<b>174.07</b>	<b>248.54</b>	<b>166.23</b>	<b>(-) 4.50</b>

*Source: Annual Financial Statements and Finance Accounts.* # BE: Budget Estimate

The State Government Departments reported following reasons for the variations:

- Co-Operative Department reported (March 2020) that the increase in revenue was due to auditing of previous pending accounts of co-operative societies during 2018-19.
- In respect of Major and Medium Irrigation, Water Resources Department stated that increase in the revenue during 2018-19 was due to the receipt of interest on Mobilisation Advances, hire charges of machineries, sale proceeds and water tax, etc.
- Public Works Department stated that decrease in the revenue during 2018-19 was due to the less realisation of revenue.

<sup>106</sup> Other taxes include taxes on immovable property other than agricultural land, Taxes on Goods and Passengers and taxes and duties on agricultural income.

## 4.2 Response of Departments/Government towards Audit

The Principal Accountant General (Audit), Manipur {PAG (Audit)} conducts audit of the Government Departments and their units to test check the transactions and to verify the maintenance of important accounts and other records as prescribed in the Rules and procedures. On conclusion of these audits, Inspection Reports (IRs) incorporating irregularities detected during the audit and not settled on the spot are issued to the heads of the offices audited with copies to the next higher authorities for taking suitable corrective actions. The heads of the offices/ Governments are required to promptly comply with the observations contained in the IRs, rectify the defects/ omissions and furnish reply to the PAG (Audit) within one month from the date of issue of IRs. Serious financial irregularities are identified for their inclusion in the Comptroller & Auditor General of India's Annual Audit Report on the Government of Manipur.

At the end of June 2019, there were 304 Inspection Reports issued up to March 2019 with 1,084 paragraphs involving ₹ 209.84 crore as outstanding audit observations. The corresponding figures for the preceding two years are also given in the table given below.

**Table No. 4.2.1 Details of pending Inspection Reports**

	June 2017	June 2018	June 2019
Number of pending IRs	273	275	304
Number of outstanding audit observations	858	866	1,084
Amount involved (₹ in crore)	181.00	206.38	209.84

Source: Records of the PAG (Audit), Manipur.

**4.2.1** The Department-wise details of the IRs and audit observations outstanding as on 30 June 2019 and their financial implications are mentioned in the following table.

**Table No. 4.2.2 Department wise details of Outstanding Inspection Reports**

(₹ in crore)

Name of Department	Nature of receipts	No. of outstanding		Money value involved
		IRs	Audit observations	
Finance	Taxes on sales, trade etc.	63	317	125.28
Excise	State Excise	12	41	5.79
Revenue	Land revenue	126	387	32.23
Transport	Taxes on Motor Vehicles	83	254	42.98
Stamp and Registration	Stamp & Registration Fees	20	85	3.56
<b>Total</b>		<b>304</b>	<b>1084</b>	<b>209.84</b>

Source: Records of the PAG (Audit), Manipur.

In respect of 26 IRs issued during 2018-19, Audit did not receive even the first replies from 13 head of the offices within the prescribed period of one month from the date of issue of the IRs. Large pendency of 304 IRs due to the non-receipt of the replies/ further clarification is indicative of the fact that the Head of Offices and the Departments had not given due importance to the audit findings and had not initiated any action to rectify the omissions and irregularities pointed out by Audit.

Review of IRs for the period from 2009-10 to March 2018 pertaining to the Department of Taxes revealed that there are 18 outstanding IRs with financial involvement of ₹ 270.05 crore on account of non-recovery of outstanding arrears, suspected evasion of taxes by suppression of turnover, non-assessment of dealers, non-filing of returns, concealment of items attracting higher tax, short levy of tax due to incorrect rate of tax, *etc.* This runs the risk of being time barred for recovery action. The position of outstanding audit findings was also brought to the notice of Chief Secretary, Government of Manipur in November 2019 so he issues necessary directions to the concerned authorities for ensuring recovery of the outstanding taxes before the dues become time-barred.

The Government may, therefore, consider having an effective monitoring system for taking prompt remedial action on the audit findings, in interests of their own revenue.

#### **4.2.2 Departmental Audit Committee Meetings**

The Government has set up Audit Committees to monitor and expedite the progress of settlement of IRs and paragraphs therein, however, Departmental Audit Committee meeting were not held during 2018-19.

In view of the large pendency of IRs, the Government may ensure that Audit Committees meetings are conducted regularly on quarterly basis to expedite the clearance and settlement of outstanding IRs and paras therein.

#### **4.2.3 Response of the Departments to the draft audit paragraphs**

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India (CAG) are forwarded to the Principal Secretary/Secretaries of the concerned Department, drawing their attention to the audit findings and requesting them to send their response within four to six weeks. The fact of non-receipt of the replies from the Departments/ Government is invariably indicated at the end of such paragraphs included in the Audit Report of the CAG.

Five draft paragraphs were sent to the Principal Secretaries of the respective departments between June to September 2019. The responses received from the Department have been incorporated in the Audit Report.

#### **4.2.4 Follow up on Audit Reports**

After the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall submit *suo moto* Explanatory Notes to the Public Accounts Committee (PAC) within three months of tabling the Report. In spite of these provisions, the Explanatory Notes on Audit Paragraphs of the Reports were being delayed inordinately. Explanatory notes in respect of eight paragraphs/reviews from two Departments under the Revenue Sector (Transport and Taxation) had not been received for the Audit Reports for the years ended 31 March 2016 and 2018 (April 2020).

The PAC discussed 38 selected paragraphs/reviews pertaining to the Audit Reports on the Revenue Sector for the years 2011, 2012, 2013, 2014, 2016 and 2017<sup>107</sup> and its recommendations on 27 paragraphs were incorporated in their 38<sup>th</sup>, 40<sup>th</sup>, 45<sup>th</sup>, 47<sup>th</sup>, 49<sup>th</sup> and 51<sup>st</sup> Reports. However, Action taken Notes (ATNs) have not been received in respect of 21 recommendations of the PAC from the Departments concerned as mentioned in **Table No. 4.2.3**.

**Table No. 4.2.3 Position of Outstanding ATNs on PAC recommendations**

Year	Name of Department	No. of ATN outstanding
2011	Transport	3
2012	Transport	1
	Taxation	4
2013	Taxation	3
	Tourism	1
	Transport	1
2014	Revenue	1
	Taxation	4
	Transport	1
2016	Revenue	1
2017	Taxation	1
<b>Total</b>		<b>21</b>

Source: Records of the PAG (Audit), Manipur.

### 4.3 Analysis of the mechanism for dealing with the issues raised by Audit

To analyse the system of addressing the issues highlighted in the Inspection Reports/ Audit Reports by the Departments/ Government, the action taken on the audit paragraphs and performance audits included in the Audit Reports of the last 10 years for one Department *i.e.* Land Revenue Department was evaluated and included in this Audit Report.

The succeeding paragraphs 4.3.1 and 4.3.2 analyse the performance of Land Revenue Department under revenue Major Head 0029. Audit findings detected in the course of local audit during the last ten years and also the cases included in the Audit Reports for the years 2008-09 to 2017-18 were also analysed.

#### 4.3.1 Position of Inspection Reports

The summarised position of the Inspection Reports (IRs) issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2019 are shown in the table given below.

**Table No. 4.3.1 Position of Inspection Reports**

(₹ 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
2009-10	140	366	1,423.08	14	50	590.89	53	147	201.69	101	269	1,812.28
2010-11	101	269	1,812.28	10	24	290.28	1	4	1.16	110	289	2,101.40
2011-12	110	289	2,101.4	12	21	203.93	6	13	4.27	116	297	2,301.06
2012-13	116	297	2,301.06	9	23	303.6	1	0	0.00	124	320	2,604.66
2013-14	124	320	2,604.66	6	28	306.72	29	73	96.72	101	275	2,814.66
2014-15	101	275	2,814.66	7	30	14.17	0	0	0.00	108	305	2,828.83

<sup>107</sup> Audit Report for the year ended 31 March 2018 is not included as it was placed before State Legislature on 14 February 2020 and yet to be selected by PAC for discussion (February 2020).

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
2015-16	108	305	2,828.83	7	27	151.16	9	48	146.28	106	284	2,833.71
2016-17	106	284	2,833.71	14	58	248.29	1	4	0.00	119	338	3,082.00
2017-18	119	338	3,082.00	0	0	0.00	3	31	16.52	116	307	3,065.48
2018-19	116	307	3,065.48	10	83	159.29	0	3	1.13	126	387	3,223.64

*Source: Records of the PAG (Audit), Manipur.*

The Government is required to arrange *ad hoc* Committee meetings between the Department and PAG (Audit) to settle the old paragraphs. As would be evident from the above table, against there was 140 outstanding IRs with 366 paragraphs at the beginning of 2009-10. While the number of outstanding IRs decreased to 126, the number of outstanding paragraphs increased to 387 at the end of 2018-19. This was indicative of the fact that adequate steps needed to be taken by the department in this regard.

#### 4.3.2 Action taken on the recommendations accepted by Departments/ Government

The following Performance Audits on the Taxation and Transport Departments were featured in the Audit Reports of the last five years. The details of recommendations and their status are given in the following table.

**Table No. 4.3.2 Status of Recommendations of Performance Audits**

Year of Audit Report	Name of Performance Audit	No. of recommendations	Details of the recommendations	Status
2014-2015	Performance Audit on “Admissibility of Input Tax Credit”	4	For effective implementation of Input Tax Credit, <ul style="list-style-type: none"> <li>• The Department should bring automation in assessment and encourage online filing of returns, grievance redressal, etc.;</li> <li>• The deficiencies of the Input Tax Credit system pointed out with respect to record maintenance, filing and scrutiny of returns, enforcement, etc., be addressed through appropriate notifications;</li> <li>• The Department should place a system of cross verification of tax invoices in support of Input Tax Credit claims with details available with selling dealers; and</li> <li>• System for selection of dealers and planning for Tax Audit and Audit Assessment should be evolved and implemented at an early date.</li> </ul>	During PAC discussion on 08.12.2016, the Department stated that all the recommendations will be covered with introduction of the fully automated system of GST.
2014-2015	Implementation of Smart Card Project for Driving License and	4	The Government may consider the following to ensure effective implementation of the Smart Card project:	During PAC discussion on 07.01.2017 the Department stated that it has taken up steps to

Year of Audit Report	Name of Performance Audit	No. of recommendations	Details of the recommendations	Status
	Registration Certificate		<ul style="list-style-type: none"> <li>• Prepare a plan indicating target dates of completion of the project in all districts of the State for timely issue of Registration Certificates and Driving Licenses, and vigorously monitor implementation;</li> <li>• Instructions may be issued to ensure that no Registration Certificates or Driving Licenses are issued in manual form;</li> <li>• Prepare an action plan to convert all backlog Registration Certificates and Driving Licenses into smart card within a specific time frame and declare them invalid after a prescribed time limit; and</li> <li>• Involve dealers and driving schools in the process of issuing of certificates and make it incumbent upon them to obtain only Smart Cards as is the practice in some States.</li> </ul>	ensure smooth and effective implementation of the project in all the DTO offices by conversion of manual DLs to Smart Card DLs and by tying up with some Driving Schools to spread awareness regarding this matter.
2016-17	Performance Audit on System of Assessment under Value Added Tax	4	<p>The Department may consider the following:</p> <ul style="list-style-type: none"> <li>• Establish a system of scrutiny with proper guidelines, checklist with in-built method of screening for further scrutiny;</li> <li>• In view of lapses noticed in the Value Added Tax regime, reorganise the tax collection structure to use all types of assessments and audits as provided in the Manipur Goods and Service Tax Act for safeguarding the interest of government revenue;</li> <li>• Establish monitoring system through system of control registers or Management Information System, periodic reporting, prescribed checks and review <i>etc.</i>; and</li> <li>• Ensure that tax manuals are prepared for standardising the entire processes with the Goods and Service Tax regime.</li> </ul>	During PAC discussion on 04.06.2019, the Department stated that the issues highlighted and the recommendations will be incorporated in the proper in the GST regime.

Source: Records of the PAG (Audit), Manipur.

#### **4.4 Audit Planning**

The audit units under various Departments are categorised into high, medium and low risk units according to their revenue position, volume of transactions, past trends of audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter alia* include critical issues in Government revenues and tax administration *i.e.* Budget Speech, White Paper on State Finances, Reports of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of the revenue earnings during the past five years, features of the tax administration, audit coverage and its impact during past five years, *etc.*

During the year 2018-19, there were 60 auditable units, of which 26 units were planned and audited, which is 100 *per cent* of the total planned units.

#### **4.5 Results of Audit**

##### **Position of local audit conducted during the year**

Test check of the records of Taxation Department, Transport Department and Land Revenue Department conducted during the year 2018-19 showed underassessment/short levy/loss of revenue/non-realisation of outstanding revenues aggregating to ₹ 4.25 crore in 26 cases. During the course of the year, the Department did not furnish any reply regarding under assessment and other deficiencies, which were pointed out in audit during 2018-19. The Departments had recovered ₹ 14.6 lakh during 2018-19 pertaining to the audit findings of the previous year.

#### **4.6 Coverage of this Report**

This Report contains four compliance audit paragraphs involving financial effect of ₹ 3.29 crore.

The Departments/ Government have accepted audit observations involving ₹ 3.29 crore out of which ₹ 0.42 crore has been recovered. These are discussed in succeeding paragraphs.

### **COMPLIANCE AUDIT PARAGRAPHS**

#### **REVENUE DEPARTMENT**

#### **4.7 Temporary misappropriation of Government money**

**Revenue collected by six offices of Revenue Department from hill house tax, land registration fees, marriage registration fees, *etc.* amounting to ₹ 42.38 lakh was temporarily misappropriated out of which, ₹ 39.47 lakh was deposited after being pointed out by audit and balance ₹ 2.91 lakh was not deposited.**

As per Rule 7(1) of the Central Treasury Rules, as adopted by Government of Manipur, all the moneys received by or tendered to the government officers on

account of government revenue shall, without undue delay be deposited in full into the treasury and shall be included in the Government account.

As per rule 7 of the General Financial Rules as adopted by Government of Manipur, all moneys received by or on behalf of the Government either as dues of Government or for deposit, remittance or otherwise, shall be brought into Government Account without delay.

On scrutiny of records of the Sub-Divisional Officers (SDOs) and Sub-Registrars of Revenue Department (SRs), Manipur, Audit noticed (May 2018 to December 2018) that the officer had collected ₹ 124.84 lakh as revenue from hill house tax, land registration fees, marriage registration fees, *etc.* during 2012 to November 2019 in six offices<sup>108</sup>. Out of the amount collected, ₹ 39.47 lakh was deposited into the Government account with delays ranging from one year to seven and half years<sup>109</sup> (as on September 2019) without any recorded reason and the remaining amount of ₹ 2.91 lakh was yet to be deposited as of August 2020 as detailed in the following table.

**Table No. 4.7.1 Statement showing details of revenue collected, deposited and outstanding in respect of Revenue Department**

(Amount in ₹)

Name of Office	Particulars of revenue	Period of collection	Amount collected	Amount Deposited and Outstanding		
				Amount deposited	Date of deposit	Outstanding
SDO, Thanlon	Hill House Tax	March-August 2018	7,690	0		7690
SDO, KeiraoBitra	Registration fee	April 2016-November 2019	4,16,150	116000	October 2018	150
				300000	November 2019	
SDO, Island	Hill House Tax	During 2017	41,520	0		41520
SDO, Tipaimukh	Hill House Tax	2012 to September 2018	2,41,567	0		241567
SR, Thoubal	Registration & Marriage fees and Others	April 2013-November 2018	85,75,107	67,63,726	Without any delay	0
				18,11,381	July-November 2018	
SR, Bishnupur	Registration fee	April 2013-October 2019	32,02,330	14,82,074	Without any delay	0
				1098000	August 2018	
				622256	September-October 2019	
<b>Total</b>			<b>124,84,364</b>	<b>121,93,437</b>		<b>2,90,927</b>

Source: Departmental Records.

<sup>108</sup> (i) Sub-Divisional Office (SDO), Thanlon, (ii) SDO, Keirao Bitra, (iii) SDO, Island, (iv) SDO, Tipaimukh, (v) Sub-Registrar Office, Thoubal and (vi) Sub-Registrar Office, Bishnupur.

<sup>109</sup> From the first month of collection (April 2012) to last month (September 2018) of collection.

While admitting the audit observation, three out of the six offices furnished<sup>110</sup> (September 2019 to December 2019) deposit challans of ₹ 39.47 lakh out of ₹ 42.38 lakh, which were deposited during July 2018 to November 2019 at the instance of audit.

SDO, Thanlon (September 2018), SDO, Tipaimukh (September 2018) and SDO, Island (December 2018) stated that the process for remitting the amount into Treasury had been initiated, and the status will be intimated to Audit. However, status of remittance is yet to be received from these offices (April 2020).

Hence, in violation of the financial codes, the six SDO/ Sub-Registrar offices temporarily misappropriated ₹ 39.47 lakh which was deposited into the Government Account after a lapse of one to seven and half years only after being pointed out by audit and ₹ 2.91 lakh remained to be deposited to government account.

**Recommendation:** *Apart from strengthening internal controls at DDO/ CCO level, the Department should initiate action against the officials responsible for the temporary misappropriation of Government money.*

#### **4.8 Short-realisation of registration fee and stamp duty**

**Sub-Registrar, Imphal East had short levied registration fee and stamp duty on lease of property by way of transfer of equity shares, resulting in short realisation of revenue of ₹ 14.00 lakh.**

As per Government of Manipur (GoM), Secretariat, Revenue Department Notification No.1/2/97-Com (Rev) dated 14.6.1999, Registration fees for lease will be ₹ 15 for value upto ₹ 1000 and ₹ 10 for every addition of ₹ 1000 for a consideration equal to, Annual Average Rent (AAR) and/or advance as set forth in the Lease.

Under Section No.62 (a) of Indian Stamp (Manipur Amendment) Act, 1989 relating to case of transfer (whether with or without consideration) of shares/equity, in an incorporated company or other body corporate, Stamp Duty shall be payable at the rate of 75 paise for every hundred rupees or part thereof of the value of the share.

On scrutiny of records (July 2018) maintained by the Office of the Sub-Registrar, Imphal East, Audit noticed that in consideration for lease of property, two parties<sup>111</sup> had transferred 80,00,000 equity share was agreed @ ₹ 10 per share.

<sup>110</sup> (i) Sub-Registrar, Thoubal furnished (September 2019) deposit challan of ₹ 18.11 lakh deposited during July 2018 to November 2018. (ii) SDO, Keirao Bitra furnished (November 2019) deposit challan of ₹ 4.16 lakh deposited during October 2018 and November 2019. (iii) Sub-Registrar Office, Bishnupur furnished (October 2018 and December 2019) deposit challan of ₹ 17.20 lakh deposited during July 2018 to October 2019.

<sup>111</sup> Deed between Mr. Henry Okram, Mantripukhri (First Party) and M/s Shangnao Tourism Development Private Limited, Sangaiprou (Second Party).

The Department miscalculated the Registration fees for lease and Stamp duties against the rate provided as per order of the GoM dt.14.06.1999 and Section 62(a) mentioned above and levied only ₹ 229<sup>112</sup> against the leviable amount of ₹ 14,00,005<sup>113</sup>. This resulted in short levy of ₹ 14 lakh *i.e.* ₹ 8 lakh (Registration Fee) *plus* ₹ 6 lakh (Stamp Duty) respectively as worked out under.

**Table No. 4.8.1 Details of collection of Registration Fee and Stamp Duty**

*(Amount in ₹)*

Regn. No. & Date	Period of Lease	Allotment of equity share	Details of Registration Fee			Details of Stamp Duty			Total
			Levied	leviable <sup>114</sup>	Short-fall	Levied	leviable <sup>115</sup>	Short-fall	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = (8)-(7)	(10) = (6)+(9)
581 of 19.2.2015	35 years	80,00,000 @ ₹ 10 per share	49	8,00,005	7,99,956	180	6,00,000	5,99,820	13,99,776

While admitting the audit observation, the Department stated (August 2019) that notice has been served to both parties for realisation/ payment of balance registration fee and stamp duty. Action should also be initiated against the Sub-Registrar's office for gross miscalculation of Registration fee and stamp duty due.

**Recommendation:** *There is a need for an internal control system including internal audit for cross verification by higher officers, for rates applied by executive officers to ensure correct collection of revenue as applicable.*

#### 4.9 Suspected evasion of Tax and loss of government revenue

**Failure of the Assessing Authority (AA) to detect suppression of Sales under Manipur Value Added Tax (MVAT) Act resulted in suspected evasion of tax and loss of Government revenue amounting to ₹ 2.69 crore.**

The Manipur Value Added Tax (MVAT) Act, 2004 and the MVAT Rules, 2005 stipulate that:

- Where the Commissioner is not satisfied with the correctness of any return filed, or bona fides of any claim of exemption, deduction, concession, input tax credit or genuineness of any declaration; or the Commissioner has reasons to believe that detailed scrutiny of the case is necessary; the Commissioner may require a dealer to produce books of account and all evidence on which the dealer relies in support of his returns after giving opportunity of being heard. [Section 36(1)]
- The Commissioner, after considering all the evidence produced in course of the proceedings or collected by him shall confirm the order of assessment or re-assess the amount of tax due from the dealer or assess the amount of

<sup>112</sup> ₹ 49 as Registration fee and ₹ 180 as stamp duty.

<sup>113</sup> ₹ 8,00,005 as Registration fee and ₹ 6,00,000 as Stamp duty.

<sup>114</sup>  $[15 + \{(80,00,000 \times 10 - 1000)/1000\} \times 10] = ₹ 8,00,005.$

<sup>115</sup> Article No. 62 (a) of Indian Stamp (Manipur Amendment) Act, 1989.

$= \frac{80,00,000 \times 10 \times 75}{100 \times 100} = ₹ 6,00,000.$

tax due from the dealer, if no assessment has been made under Section 35. [Section 36 (5)]

- If the dealer has not furnished returns or furnished incomplete and incorrect returns or failed to comply with any notice, the Commissioner shall assess to the best of his judgment the amount of tax due from such dealer. [Section 36(6)]
- Further, if the Assessing Authority is satisfied that the escapement is without any reasonable cause, he may direct the dealer to pay, by way of penalty, a sum equal to twice the amount of tax additionally assessed. [Section 36(7)]

Test check of records<sup>116</sup> in audit revealed that one dealer M/s M.R. Roller Flour Mill filed returns under Section 34 (Self-assessment) of MVAT Act for the year 2015-16 with a Sale of ₹ 12.99 lakh. Audit assessment of the dealer was not made as the returns filed by the assessee were accepted.

However, as per the information collected by Audit from the Income Tax Department it was noticed that during 2015-16, the dealer made Sales of ₹ 61.95 crore from sale of atta, maida, suji and bran, which are taxable at 5 per cent<sup>117</sup>. Since the actual value of sales of different components of sale mix could not be sorted out, the value of bran portion (exempted item) was taken as 13 per cent following the norms for bran output as mentioned in the Project Profile on Mini Flour Mill of the Ministry of Micro, Small & Medium Enterprises, GoI. Based on this calculation, the tax suspected to have been evaded has been worked out as follows.

**Table No. 4.9.1 Details of tax suspected to have been evaded**

(Amount in ₹)

Period	Gross Sales as per Income Tax returns	Exempted sales (@13%)	Net sales as per Income Tax returns	Net Sales as per MVAT returns	Sales suppressed	Tax evaded @ 5 %
(1)	(2)	(3)	(4)= (2)-(3)	(5)	(6)=(4)-(5)	(7)= 5% of (6)
2015-16	61,94,49,463	8,05,28,430	53,89,21,033	12,99,224	53,76,21,809	2,68,81,090

Thus, failure of the Department in proper assessment of sales and to invoke the provision of Section 36(6) *ibid* to assess to the best of his judgment the amount of tax led to evasion of tax of ₹ 2.69 crore. The Department needs to call an explanation from the assessee and verify the possible evasion of tax.

While admitting the audit observation, the Department stated (July 2019) that explanation has been called from the assessee.

<sup>116</sup> Out of 394 dealers test checked.

<sup>117</sup> Wheat bran, an exempted item, is not considered here.

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**FISHERIES DEPARTMENT**


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**4.10 Suspected misappropriation of fund**

**There was a suspected misappropriation of fund on account of GST deducted at source but not deposited to Government Account, by the Department officials.**

As per order<sup>118</sup> of Finance Department, Government of Manipur, the amount of tax (VAT) deducted at source shall be deposited to the Major Head (MH) – 0040 within 7 days from the expiry of the month through challan.

Scrutiny of records (July-August 2018) of the Directorate of Fisheries, Government of Manipur revealed that the Department awarded (July 2017) construction of a pond (3.23 Ha unit) at Senapati, Bishnupur under Rashtriya Krishi Vikas Yojana (RKVY) to a contractor<sup>119</sup> at a total cost of ₹ 35.76 lakh. The contractor started the work on 29 July 2017 and completed it on 26 February 2018. Subsequently, the Department made a payment of ₹ 35.76 lakh (February 2018) to the contractor after deduction of GST amounting to ₹ 3.40 lakh.

It was further noticed that an amount of ₹ 7.46 lakh was paid<sup>120</sup> (April 2018) to Revenue Assistant<sup>121</sup> of the Directorate for depositing the same into Government Account. The amount so paid included GST of ₹ 3.40 lakh deducted from the above-mentioned contractor. However, challan copies in support of deposit of ₹ 3.40 lakh were not furnished though called for during Audit (August 2018).

On this being pointed out, the Government stated (August 2019) the relevant documents cannot be traced and would be produced in the next audit.

The reply is not acceptable as department's inability to trace the relevant document since August 2018 indicates that money was misappropriated and never deposited into the accounts of the Government.

***Recommendation:*** The Department may invoke the order of the Finance Department and recover the tax amount deducted at source along with penalty from the Department officials.

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<sup>118</sup> No. 5/127/2010-FD dated 25 May 2013.

<sup>119</sup> M/s Esau Lungleng.

<sup>120</sup> ₹ 7.46 lakh vide Cheque No. 675941 dated 4 April 2018, out of which deposit challan of GST of ₹ 3.40 lakh could not be produced.

<sup>121</sup> Y. Ranjitkumar Singh.



**Chapter V**  
**Social Sector**



## CHAPTER-V SOCIAL SECTOR

### 5.1 Introduction

The Chapter contains findings based on audit of the State Government departments under Social Sector.

Social Sector is one of the most important sectors of any economy. It includes components which play an important role in the contribution of human resource development. Education, health and medical care, training, water supply and sanitation, housing conditions, *etc.* are some of the components which contribute to the enhancement of human capital. Since human capital refers to the productive capacities of human beings as income producing agents in the economy and may be defined as a stock of skills and productive knowledge embodied in people, there is a direct relationship between social sector and growth of an economy.

Government of Manipur has accorded due importance to Sector in the State by allocating a significant part of its financial resources to this sector. **Table No. 5.1.1** gives the expenditure incurred during the last five years by some of the major departments under Social Sector.

**Table No. 5.1.1 Expenditure of major departments during 2014-19**  
(₹ in crore)

Years	Education	Community & Rural Development	Medical Health & Family Welfare	Total on Social Sector (In per cent)	Total Expenditure
2014-15	1,085.53	102.69	578.04	3,373.55 (37.97)	8,884.61
2015-16	1,053.35	672.20	485.66	3,255.28 (35.78)	9,098.16
2016-17	1,115.64	781.68	479.56	3,375.68 (31.11)	10,852.06
2017-18	1,263.75	942.72	583.13	4,505.71 (39.53)	11,397.17
2018-19	1,369.25	922.83	614.33	4,653.17 (31.89)	14,590.22

*Source: Appropriation Accounts.*

During 2018-19, GoI transferred ₹ 55.92 crore directly to different implementing agencies out of which, ₹ 20.30 crore (36 per cent) pertained to Social Sector as detailed in **Appendix 5.1**.

**Table No. 5.1.2** provides Department-wise details of budget provision and expenditure incurred by 17 departments pertaining to Social Sector during 2018-19.

**Table No. 5.1.2 Budget Provision and Expenditure of departments during 2018-19**

(₹ in crore)

Sl. No.	Department	Budget Provision	Expenditure
1	Community and Rural Development	1,819.85	922.83
2	Adult Education*	1,523.54	1,369.25
3	Education (Schools)*		
4	Education (University)*		
5	Technical Education*		
6	Tribal Affairs and Hill and Schedule Castes Development	923.94	667.47
7	Medical Health and Family Welfare	774.02	614.33
8	Municipal Administration Housing and Urban Development	688.46	264.85
9	Social Welfare	414.91	255.86
10	Minorities and Other Backward Classes	293.82	178.14
11	Relief and Disaster Management	165.20	64.98
12	Panchayat	105.22	79.32
13	Consumer Affairs, Food and Public Distribution	102.07	92.32
14	Youth Affairs and Sports	87.81	85.22
15	Labour and Employment	86.85	21.07
16	Arts and Culture	31.58	27.18
17	Information and Publicity	10.79	10.35
<b>Total</b>		<b>7,028.04</b>	<b>4,653.17</b>

Source: Budget Documents and Appropriation Accounts.

\* Separate information not available.

As it can be seen from table above, there was savings of ₹ 2374.87 (33.79 per cent) crore from Budget provision of above mentioned departments, Labour and employment had the maximum savings of ₹ 65.78 crore (75.73 per cent) followed by Municipal Administration, Housing and Urban Development ₹ 423.61 crore (62 per cent) and Relief and Disaster Management ₹ 100.22 crore (61 per cent) against their respective Budget provisions. Thus, the Budget Provisioning may be done more realistically by the departments.

### 5.1.1 Planning and execution of Audit

Compliance audit of Social Sector is conducted in accordance with the Annual Audit Plan approved by the Comptroller and Auditor General of India. Topicality, financial profile, social relevance, internal control system of the units and occurrence of defalcation/ misappropriation/ embezzlement as well as past audit findings form the basis of risk assessment for selection of auditable entities.

After completion of the compliance audit, Inspection Reports (IRs) are issued to the heads of units as well as to the concerned heads of departments. In the light of replies received, audit observations are reviewed and settled if action taken by the audited entities is satisfactory. However, if no action is taken or action taken is not sufficient, the audit findings are retained and units are advised to take further remedial measures. However, some serious and selected audit findings are processed for inclusion in the Audit Report of the Comptroller and Auditor General of India for placing of the same before the State Legislative Assembly as mandated by the Constitution.

Keeping in view the importance accorded to the Social Sector by the State, we in Audit also accorded due importance to the Social Sector in our Annual Audit

Plan. Out of total 254 units selected for the compliance audit during 2018-19, we conducted audit of 120 units (47 *per cent*) pertaining to the Social Sector. As of March 2019, 109 IRs containing 788 paras involving expenditure of ₹ 5,431.22 crore including expenditure of the previous years of the State Government under Social Sector were issued to the Unit heads with copies to the heads of the departments concerned.

This chapter contains one Performance Audit *viz.* ‘Performance Audit on Umbrella Schemes of Education for Scheduled Caste, Scheduled Tribe and Other Backward Classes Students’ and four Compliance Audit Paragraphs as discussed in succeeding paragraphs.

## PERFORMANCE AUDIT

### DEPARTMENT OF OTHER BACKWARD CLASSES AND SCHEDULE CASTE AND DEPARTMENT OF TRIBAL AFFAIRS AND HILLS

#### 5.2 Performance Audit Report on Umbrella Schemes of Education for Scheduled Caste, Scheduled Tribe and Other Backward Classes Students

#### *Highlights*

Education is not only a basic requirement but it is also the most effective instrument for social equality and empowerment of a society. The Centre and the State Governments have the Constitutional responsibility of promoting education in the society in general and among the Scheduled Castes (SCs), the Scheduled Tribes (STs) and Other Backward Classes (OBCs) in particular. Various educational schemes *viz.* grant of scholarships, construction of hostels, coaching classes, setting up of special schools are implemented to upgrade their education levels and generate self-confidence and self-reliance among the students belonging to these categories.

A Performance audit to assess the effectiveness of government efforts to promote education among SC, ST and OBC students by way of scholarships and hostel facilities was carried out for the period 2014 to 2019. Some of the major findings of the Performance Audit are as follows:

- *There was no disbursal of scholarship funds under SC Pre-Matric Scholarship Scheme, since the Department failed to demand Committed Liability through State Budget resulting in non- receipt Central Funds in 2017-18 and 2018-19.*

**(Paragraph 5.2.6.1)**

- *The number of rooms provided in the DPRs/ Estimates were insufficient to accommodate 100 students per hostel thereby accommodating total 307 (43.85 *per cent*) students only instead of the sanctioned 700 students.*

**(Paragraph 5.2.6.3)**

- *Three newly constructed hostels Yairipok, Kakching and Thoubal were not furnished by the Department as they did not send the proposal for furnishing of the hostels to GoI. Resultantly, two of these hostels remained unoccupied while in the third hostel, 'students' had to sleep on floors for want of basic amenities. Due to improper selection of village Behiang for ST Girls and Boys Hostel, the constructed hostel lay vacant and unoccupied since November, 2018.*

**(Paragraph 5.2.6.4)**

- *The State Government delayed distribution of scholarship funds ranging from two months to 19 months, despite receipt of GoI funds.*

**(Paragraph 5.2.7.2)**

- *The Departments concerned failed to ensure disbursement of scholarships to 3,448 students into their bank accounts on account of failed transactions resulting in funds of ₹229.57 lakh lying undisbursed with the Banks.*

**(Paragraph 5.2.7.3)**

- *Lack of awareness about the scheme amongst students, especially in remote areas led to less coverage of potential students under the scheme.*

**(Paragraph 5.2.8.2)**

- *Post-Matric OBC students residing in hostels were deprived of their full scholarships as the scholarship was paid at the rate applicable to day scholars.*

**(Paragraph 5.2.8.3)**

- *There were huge delays in construction of hostels for SC, ST and OBC students ranging from 18 to 72 months.*

**(Paragraph 5.2.8.4)**

- *There was complete absence of monitoring of the Schemes by the State Government. Evaluation of outcomes of the schemes was also not carried out.*

**(Paragraph 5.2.9.1)**

### **5.2.1 Introduction**

The SCs, STs and OBCs constitute 97 per cent<sup>122</sup> of total population of Manipur. Education among these categories of the population is incentivised through various educational schemes like grant of various types of scholarships, construction of hostels, coaching classes, setting up of special schools, etc. There are about 23 educational schemes implemented in India for promotion of education among SC, ST and OBC categories of which, the category-wise list of 13 schemes being implemented in Manipur is given in the following table.

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<sup>122</sup> SC- 3.41 per cent, ST- 40.88 per cent and OBC-52.7 per cent.

**Table No. 5.2.1 List of educational schemes implemented in Manipur for SC, ST and OBC**

SC	ST	OBC
i. Pre-Matric Scholarship scheme	i. Pre-Matric Scholarship scheme	i. Pre-Matric Scholarship scheme
ii. Post-Matric Scholarship scheme.	ii. Post-Matric Scholarship scheme	ii. Post-Matric Scholarship scheme
iii. SC Hostels under Babu Jagjwan Ram Chhatrawas Yojana	iii. Hostels for ST iv. Eklavya Model Residential Schools v. Ashram Schools * vi. Vocational Training Centres in Tribal areas *	iii. Post-Matric Scholarship scheme for EBC students ** iv. CSS Hostels for OBC students

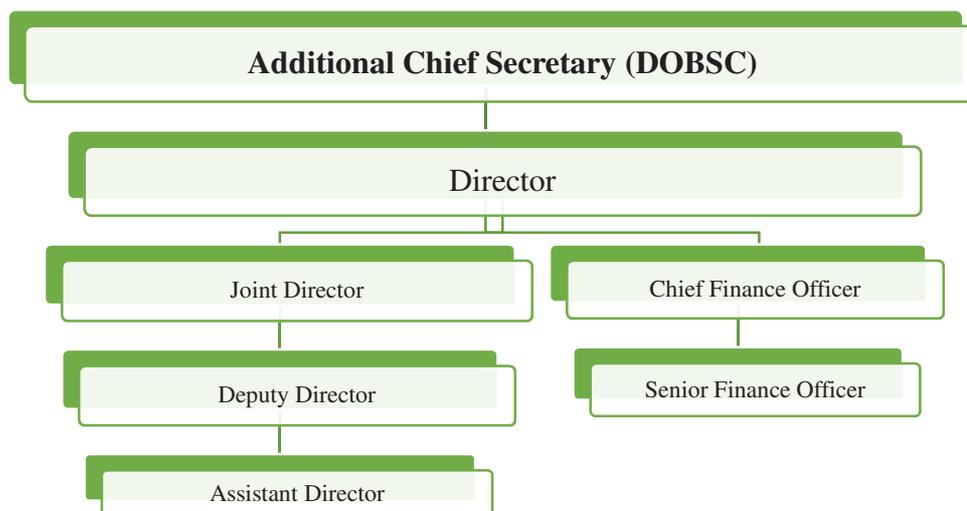
\* During audit period, no fund was released for these schemes.

\*\* The scheme was implemented in the State from 2017-18 onwards.

Thus, it can be seen that the scholarship schemes (pre and post- matric) and hostel accommodation schemes are common across all categories of beneficiaries. The Scholarship Schemes were introduced with the objective to provide financial assistance to the parents of SC/ ST/ OBC children for education of their wards and to enable students to complete their education without dropping out. The schemes for construction of Hostels were to create a congenial atmosphere free from domestic chores so that students are able to concentrate on learning. These measures were expected to increase enrolment, contain drop outs and spread education among the weaker sections of society.

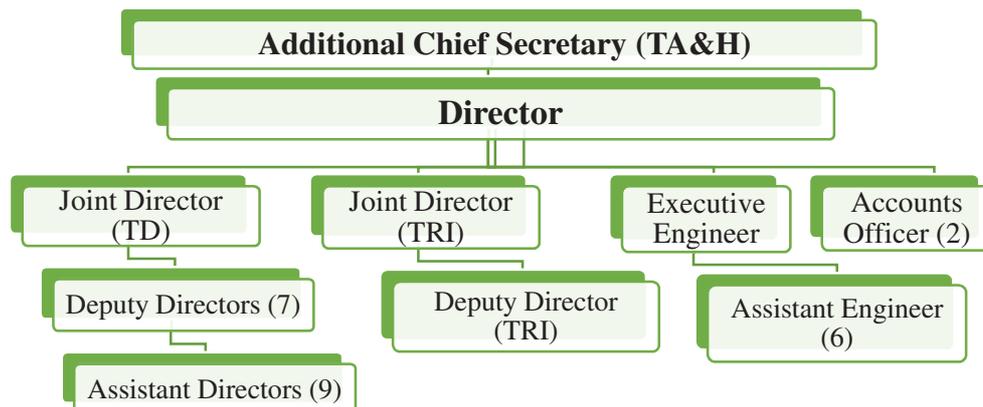
The Ministry of Social Justice and Empowerment (MSJE), GoI provides Central Assistance (CA) to the State Government for implementation of SC and OBC Scholarship schemes as well as funds for construction of the Hostels. At the State level, the schemes of SCs and OBCs are implemented by the Department of Other Backward Classes and Scheduled Castes (DOBSC). The organisational structure of the Department is given below.

#### Organogram of DOBSC, Manipur



Ministry of Tribal affairs (MOTA), GoI provides CA for implementation of schemes related to ST students. At the State level, the schemes for ST category are implemented by the Department of Tribal Affairs and Hills (TA&H). The Organisational structure of the Department is given in the chart as follows.

### Organogram of TA&H, Manipur



All the Schemes under these two Departments are implemented at Directorate level as there are no district or lower level institutional arrangements for implementation of these schemes.

#### 5.2.2 Schemes objectives, Funding Pattern, eligibility criteria and application procedure

The objectives, funding pattern and upper limit of income of the parents/ guardians of nine schemes covered in the PA is shown in the table below.

Table No. 5.2.2 Scheme objectives, funding pattern and criteria

Sl. No.	Categories	Objectives	Funding pattern (in per cent)		Upper limit of income per annum (in ₹)	
			Central	State	Since	
<b>Pre-Matric Scholarship</b>						
1	SC	(a) To support SC/ST children studying in classes IX and X and (b) To improve participation of SC/ST children in classes IX and X of the Pre-Matric stage.	100	CL <sup>123</sup>	July 2012	2,00,000
2	ST		90	10	September 2017	250000
3	OBC	To provide benefit/ financial assistance to weaker Section amongst OBCs children.	50	50	NA	44500
					2017-18	250000
<b>Post-Matric Scholarship</b>						
4	SC	(a) Financial assistance to SC/ ST/ OBC students	100	-	July 2010	250000
5	ST		90	10	July 2010	200000
6	OBC	(b) To complete Post-Matric or post-secondary education.	100	-	July 2011	100000
					Sept 2018	150000
<b>Hostel schemes</b>						
7	SC *	To provide hostel facilities for SC/ ST/ OBC boys and girls studying in middle schools, Higher Secondary Schools, Colleges and Universities to pursue their education career and also to contain their dropout rates.	90	10	-	-
8	ST *		90	10	-	-
9	OBC		90	10	-	-

\* In case of SC Girls Hostel and ST Girls Hostel, 100 per cent Central fund is given.

<sup>123</sup> Expenditure incurred by a State/UT on the scheme during the terminal year of any Plan period (erstwhile five-year plan periods) is termed as 'committed liability' (CL) of that State/UT and is required to be borne by it for each of the years during the next Plan period from its own budgetary provisions (Only for SC Pre- Matric). In this case, the CL is ₹ 38.92 lakh.

The Departments invite applications from beneficiaries of different institutions, after scrutiny of applications; institutions forward the applications to Department with recommendations for sanctions.

**Table No. 5.2.3 Statement showing rates of scholarship of schemes**

**(A) Pre- Matric SC & ST**

(₹ per annum)

	Scholarship		Book Grant		Total scholarship	
	Days scholar	Hosteller	Days scholar	Hosteller	Days scholar	Hosteller
<b>ST Pre matric</b>	1,500	3,500	750	1,000	2250	4,500
<b>SC Pre matric *</b>	1,500 (2,250)	3,500 (5,250)	750 (750)	1,000 (1,000)	2,250 (3000)	4,500 (6,250)

\*Figures in bracket w.e.f. Sep 2017.

Note: For both Day Scholar & Hosteller, Pre-Matric Scholarship for SC & ST is given to students studying in Class IX & X only.

**(B) Pre- Matric OBC**

(₹ per annum)

	Scholarship	Ad Hoc grant	Total scholarship
	Days scholar		
<b>Class I-V</b>	250	500	750
<b>Class VI-VIII</b>	400	500	900
<b>Class IX-X</b>	500	500	1,000
	Hosteller		
<b>Class III- VIII</b>	2,000	500	2,500
<b>Class IX-X</b>	2,500	500	3,000

Note: Pre Matric Scholarship for OBC is given only to Class I to X students. However, Hostellers are paid from class III onwards.

The rates of scholarship under Post-Matric Scholarship Schemes vary as per the courses selected by the students as mentioned in the Scheme Guidelines. The total number of Students awarded in the State during the audit period are as mentioned in the table below.

**Table No. 5.2.4 Total Number of Students awarded Pre and Post Matric Scholarship**

Year	Pre matric			Post Matric		
	SC	ST	OBC	SC	ST	OBC
2014-15	839	38,015	NA	4,247	59,024	6,715
2015-16	1,249	18,004	92	5,243	46,683	4,309
2016-17	1,367	14,063	930	6,002	39,184	8,888
2017-18	-	16,713	1,118	6,320	56,038	10,471
2018-19	-	-	-	-	22,644	11,873
<b>Total</b>	<b>3,455</b>	<b>86,795</b>	<b>2,140</b>	<b>21,812</b>	<b>2,23,573</b>	<b>42,256</b>

As it can be seen from above table, 92,390 Pre-matric students and 2,87,641 Post-Matric students were awarded scholarship during 2014-19.

### 5.2.3 Audit Objectives

The Performance Audit of Umbrella Schemes of Education for SC, ST and OBC was taken up with objective to assess:

- whether adequate Planning for implementation and provisions in the annual budgets was made;

- whether the financial management including releases and utilisation of funds was efficient and in conjunction with the stated objectives;
- whether the implementation of the scheme was effective and ensured transparency in processing of applications and timely disbursement of fee-reimbursement to eligible students; and
- whether the internal controls and monitoring mechanism were adequate.

#### **5.2.4 Audit Criteria**

The audit criteria were derived from the following schemes' guidelines issued by the MSJE and MOTA, GoI:

- i. Post-Matric Scholarship scheme for SC, ST and OBCs (Both December 2010 and April 2018);
- ii. Pre-Matric Scholarship scheme for SC, ST and OBCs (Both July 2012 and September 2017);
- iii. Centrally Sponsored Scheme of Hostels for ST Boys and ST Girls;
- iv. Babu Jagjivan Ram Chhatrawas Yojana;
- v. Sponsored Scheme of Construction of Hostels for OBC Boys and Girls;
- vi. Departmental instructions and manuals, if any, on the scheme;
- vii. General Financial Rules 2005 and 2017;
- viii. CPWD Works Manual; and
- ix. Manipur Schedule Rates.

#### **5.2.5 Audit Scope and methodology**

A Performance Audit (PA) of the schemes under implementation in Manipur for promotion of education in SC, ST and OBC categories was undertaken for Comptroller & Auditor General of India's Audit Report 2019.

The PA coverage was restricted to nine schemes (as listed in **Table No. 5.2.2**) that were under implementation during 2014-19 for promotion of education among SC, ST and OBC students. It involved scrutiny of records of Department of TA&H and DOBSC (erstwhile MOBC), physical verification of assets and facilities created, in addition to surveying of selected beneficiaries and other parties.

##### ***Sampling of Scholarship schemes (for six schemes)***

Out of the nine districts<sup>124</sup> (five Hills districts and four Valley districts) in the State, four districts<sup>125</sup> (two each from Hills and Valley districts) were selected, based on Probability Proportionate to Size without Replacement (PPSWOR).

<sup>124</sup> Imphal West, Imphal East, Thoubal, Bhisnupur, Churachandpur, Senapati, Chandel, Tamenglong and Ukhul.

<sup>125</sup> **Hill districts**-Churachandpur and Senapati; **Valley districts**-Imphal West and Thoubal.

Further, selection was based on population of STs and SCs only as district wise break up of OBCs population was not given in census report 2011.

For each selected districts, five institutes/ schools/ colleges each for Pre-Matric and Post-Matric scholarships were selected through PPSWOR. Accordingly, 40 institutes/ schools/ colleges were selected for scrutiny. The Principals of these 40 institutes were surveyed about effectiveness in implementation of scheme.

### ***Sampling of Hostel schemes (for three schemes)***

Audit observed that there were 31 hostels<sup>126</sup> which were approved/ sanctioned/ constructed during the period covered by audit, out of which, works of 16 hostels<sup>127</sup> were completed and that of 15 hostels<sup>128</sup> were ongoing. Out of these, 10 hostels (five completed<sup>129</sup> and five incomplete) were selected as sample based on random selection method, ensuring at least one hostel each for SCs, STs and OBCs was selected from both categories.

All the selected hostels were physically verified. List of the 10 selected hostels is given in **Appendix 5.2**.

The Performance Audit commenced with an Entry Conference on 03 June 2019 with the Departments responsible for implementation of the schemes wherein the audit objectives, scope and methodology were explained. Thereafter, records relating to the implementation of schemes at the Department level and implementing agencies/ colleges/ schools/ hostels were examined between June to October 2019. PA team also interacted with the Principals from the selected institutes.

The draft Audit Report was issued (December 2019) to the Department for their comments. An Exit Conference was held (January 2020) with the Nodal Departments. The views expressed during the Exit Conference and replies received from the Departments have been incorporated appropriately in the Report.

## ***Audit findings***

### **5.2.6 Planning**

The audit findings of the PA on Umbrella Schemes of Education for SC, ST and OBC Students are discussed in the succeeding paragraphs. The planning exercise in the Department was deficient as they did not assess the demand for funds under these two important Schemes, thereby failing to execute the Schemes and depriving beneficiaries of the Scheme benefits.

<sup>126</sup> Eight hostels for SCs, nine for STs and 14 for OBCs.

<sup>127</sup> Six hostels for SCs, one for STs and nine for OBCs.

<sup>128</sup> Two hostels for SCs, eight for STs and five for OBCs.

<sup>129</sup> During audit, it was seen that out of the five hostels stated as completed by the Department, one hostel, viz. OBC Boys Hostel at Sangaiyumpham, Thoubal was found incomplete as on September 2019 (95 per cent completed).

**a. Scholarship Schemes**

**5.2.6.1 Deprivation of SC Pre-Matric Scholarship due to non-inclusion of Committed Liability in the State budget**

The Pre-Matric Scholarship Scheme for SC students studying in class IX and X was introduced during the first year of XII five-year plan (2012-17). The expenditure incurred in the terminal year of a five-year plan *i.e.* 2016-17 for XII five-year plan, was termed as Committed Liability (CL) of the State Government. As per para 15<sup>130</sup> of the Scheme guidelines, the State was eligible for Central funding over and above CL for the succeeding plans provided the CL is borne by State through their own budget.

For the year 2016-17, the DOBSC assessed the fund requirement as ₹ 38.92 lakh however, no expenditure could be incurred under SC Pre-Matric Scheme as the funds were released by the GoI during the year 2017-18.

The Department, however, instead of proposing to the State Government to include CL in the State budget for succeeding years, demanded funds from MSJE, GoI. The Ministry did not release the CA.

Thus, had the Department planned it according to the Scheme Guidelines and demanded the funds from the State Government, SC students would not have been deprived of the scholarship for two consecutive years.

The Department admitted during the Exit Conference (January 2020) that there was confusion in computation of CL due to change in definition of CL in the revised Scheme Guidelines and they have sought clarification from the Ministry which is still awaited. Further, the Department admitted that they did not raise demand of CL to the State Budget. The Department's reply on confusion in computation of CL is not tenable since the Scheme guidelines and income limits were well known to them.

**5.2.6.2 Non implementation of Book Bank Scheme<sup>131</sup>**

As per the scheme guidelines for SC and ST scholarship, Book banks are to be set up in all the Medical, Engineering, Agriculture, Law and Veterinary Degree colleges and Institutes imparting Chartered Accountancy, MBA and alike Management courses and Polytechnics where SC/ST students are in receipt of the Post-Matric Scholarship. There were eight institutions in Manipur which provided the above mentioned courses. The number of SC and ST students availing scholarship in any of the above mentioned courses during the period 2014-15 to 2018-19 from these Institutes is as shown in the table as follows.

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<sup>130</sup> Read with para 14.1 of the Scheme Guidelines.

<sup>131</sup> CA will be provided to buy books ranging from ₹ 2,400 to ₹ 7,500 for one set of books (one set per student or one set for two students) depending on the course pursued by the SC and ST students.

**Table No. 5.2.5 Institutes and number of SC and ST students availing scholarship**

SN.	Name of Institute	2014-15	2015-16	2016-17	2017-18	2018-19
1	Govt. Polytechnic, Imphal	83	120	148	179	186
2	ICM	10	15	11	20	20
3	JNIMS, Porompat	160	174	185	194	214
4	LMS Law College, Imphal	132	170	281	215	189
5	MIT, Takyel	61	48	68	87	85
6	Manipur Tech. Univ.	0	0	25	56	77
7	NIT	31	42	76	46	78
8	RIMS, Imphal	95	96	100	92	94
	<b>Total</b>	<b>572</b>	<b>665</b>	<b>894</b>	<b>889</b>	<b>943</b>

\* SC and ST Post-Matric scholarship for 2018-19 is not yet disbursed (July 2019).

Test check of records revealed that the implementing departments did not forward any proposal to the Ministries for implementation of Book Banks scheme in Manipur and hence did not receive any funds. Due to poor planning on the part of the Department, eligible students were denied scheme benefits.

Accepting the audit observation (January 2020), the Department stated that the eligible institutes will be contacted for implementation of the Book bank Scheme. The reply does not address lapses of the past.

#### b. *Hostel Schemes*

##### 5.2.6.3 Deficient planning of hostel building design

a) The scheme for construction of Hostels for SC, ST and OBC students under Centrally Sponsored Scheme aims to provide hostel facilities so as to encourage students belonging to the targeted groups to pursue their education and also to contain their dropout rates. As per the sanction accorded by MOTA and MSJE, the inmate capacity for all the 10 sampled hostels was for 100 students per hostel.

Audit scrutiny revealed that in seven out of the 10 selected hostels, the number of rooms provided in the DPRs/ Estimates were insufficient to accommodate 100 students per hostel as shown in the table below.

**Table No. 5.2.6 Details showing insufficient rooms provided in DPRs/ Estimates**

Sl. No.	Name of Hostel	Sanctioned inmate capacity	Room description	No. of rooms	Total inmate capacity (4x5)	Shortage (3-6)
1	2	3	4	5	6	7
1	OBC Girls Hostel at Lilong Haoreibi College, Thoubal	100	3-bedded	12	36	37
			9- bedded (dormitory)	3	27	
			<b>Total</b>	<b>15</b>	<b>63</b>	
2	SC Girls Hostel at Kha Manipur College, Kakching	100	3- bedded	12	36	64
			<b>Total</b>	<b>12</b>	<b>36</b>	
3	SC Girls Hostel at Azad High School, Yairipok	100	3- bedded	12	36	64
			<b>Total</b>	<b>12</b>	<b>36</b>	
4	ST Girls and Boys Hostel at Behiang Village, Churachandpur	100	4- bedded	6	24	64
			3- bedded	4	12	
			<b>Total</b>	<b>10</b>	<b>36</b>	
5		100	3- bedded	12	36	64

Sl. No.	Name of Hostel	Sanctioned inmate capacity	Room description	No. of rooms	Total inmate capacity (4x5)	Shortage (3-6)
1	2	3	4	5	6	7
	OBC Boys Hostel at Sangaiyumpham, Thoubal		<b>Total</b>	<b>12</b>	<b>36</b>	
6	SC Girls Hostel at Leimaram High School, Bishnupur	100	3- bedded	12	36	64
			<b>Total</b>	<b>12</b>	<b>36</b>	
7	ST Girls and Boys Hostel at Tadubi Mao MaramGovt H/S, Senapati	100	2- bedded	8	16	36
			6- bedded	8	48	
			<b>Total</b>	<b>16</b>	<b>64</b>	
<b>Total</b>		<b>700</b>			<b>307</b>	<b>393</b>

*\* As provided in the DPRs/ Estimates; or calculated according to the size and dimension of the rooms and taking into account the provisions of furniture items such as chair, table etc. for the inmates.*

As seen from the above table, the number and dimension of rooms provided in the DPRs of seven hostels were actually accommodating 36 to 63 students per hostel, total 307 (43.85 per cent) students only instead of the sanctioned 700 students. The copies of proposals sent to the Ministries, along with the detailed annexes specified in the scheme guidelines, were not found in Departments' records. As such, despite the insufficient number of rooms provided in the DPRs to accommodate 100 students per hostel, the basis on which these seven hostels were sanctioned by the concerned Ministry could not be ascertained from the records provided to audit.

The Departments stated (January 2020) that the number of rooms constructed was as per the DPRs, which were approved by the concerned Ministries. Further, the Departments stated that though the Ministries had sanctioned 100-bedded hostels, the construction of the hostels as per plinth area was not enough to accommodate 100 beds. However, each hostel would be able to accommodate 100 students by providing tier system of bed or mat-cum-mattress system on the floor.

**b)** As per the Guidelines on hostel schemes for SC, ST and OBC students, essential features were to be incorporated while planning, designing and executing hostel buildings like boundary walls, two rooms set for hostel warden, a kitchen, a common room, one room set for Chowkidar, etc. Further, few rooms/ blocks should be constructed barrier free and facilities like ramps, etc. incorporated in the design of construction for convenience of students with disabilities.

Audit observed that these essential facilities for safety of students and support staff were not incorporated in the hostel buildings design as shown in the table below.

**Table No. 5.2.7 List of essential facilities not incorporated in Hostel buildings design**

Sl. No.	Name of Hostel	Essential features not incorporated in the building design	Implication
1	ST Girls and Boys Hostel at Behiang, Churachandpur.	Boundary walls, two rooms set for hostel warden, one room set for chowkidar, barrier free rooms, ramps, <i>etc.</i> not provided in the design.	<ul style="list-style-type: none"> <li>• No safety for student occupants especially girls</li> <li>• No accommodation for warden and chowkidar affecting proper functioning of hostels</li> <li>• Difficulties for disabled students.</li> </ul>
2	ST Girls and Boys Hostel at Tadubi Mao MaramGovt High School (HS),Senapati.		
3	ST Girls and Boys Hostel at Maram near Don Bosco College, Senapati.		
4	Construction of SC Girls Hostel at Azad HSYairipok, Imphal East.	One room set for chowkidar, barrier free rooms, ramps, <i>etc.</i> not provided in the design.	<ul style="list-style-type: none"> <li>• No accommodation provided for chowkidar which could affect proper security/maintenance of the hostels; and</li> <li>• Difficulties for disabled students.</li> </ul>
5	Construction of SC Girls Hostel at KhaManipur College, Kakching.		
6	Construction of SC Girls Hostel at Leimaram HS, Leimaram, Bishnupur.		
7	OBC Girls Hostel at Lilong Haoreibi College, Thoubal.	Barrier free rooms, ramps, <i>etc.</i> not provided in the design.	<ul style="list-style-type: none"> <li>• Difficulties for disabled students.</li> </ul>
8	OBC Girls Hostel in T.G Higher Secondary School, Imphal West.		
9	OBC Boys Hostel at Sangaiyumpham, Thoubal.		
10	OBC Boys Hostel in Azad Higher Secondary School, Imphal East.		

The Departments admitted (January 2020) the absence of essential features and facilities in the design of the hostel buildings and assured that such mistakes would not be repeated in future.

The fact, however remains that deficient DPRs were prepared which resulted in not only lesser number of rooms than the allowed, but also the essential features were not incorporated in the design, thereby depriving students of the full benefits of the scheme.

#### **5.2.6.4 Non-functional hostels due to improper planning and non-submission of proposal to furnish the hostels**

Out of the four completed hostels, we noticed that only one hostel<sup>132</sup> was functioning and occupied, even though the rooms were not furnished with basic furniture items such as beds, tables, chairs, *etc.* The remaining three completed hostels remained unoccupied as discussed in the succeeding paragraphs.

- a) The MOTA, GoI had sanctioned ₹ 184.50 lakh for construction of ST Girls and Boys Hostel for 100 students at Behiang Village, Churachandpur during 2017-18. The construction of the hostel was completed in October 2018 and inaugurated in November 2018. However, the hostel remained non-functional with no occupant. As per UDISE<sup>133</sup> data, schools in and around the vicinity of Behiang village were only up to class VIII standard

<sup>132</sup> “SC Girls Hostel at Azad High School, Yairipok, Imphal East” constructed at a project cost of ₹ 178.18 lakh and completed in February 2018.

<sup>133</sup> Unified District Information on School Education (UDISE).

and most of the students were minors and from the local area. As a result, the hostel has been lying vacant and un-occupied since last 10 months (September 2019). Thus the selection itself of this village was flawed.

- b) As per the MSJE Guidelines for SC and OBC hostels, a one-time grant<sup>134</sup> would be provided to the implementing agencies for making provisions of essential hostel furniture and equipment such as cot, table, chair, *etc.* This one-time grant shall be released after full utilisation of the Central and State Share of the construction cost and completion of construction of the hostel in all respects. However, this provision is not provided in the scheme for ST hostels.

Audit scrutiny revealed that for the three completed hostels that were sanctioned by MSJE (1- OBC and 2- SC), the DOBSC did not submit any proposal to the Ministry for one-time grant for purchase of the essential hostel furniture and equipment. Resultantly, during the joint physical verification (September 2019), it was found that all the three completed hostels were without any furniture items, as shown in the table below.

**Table No. 5.2.8 List of completed OBC and SC hostels without furniture**

(₹ in lakh)

Sl. No.	Name of Hostel	Inmate capacity	Actual no. of occupants	Applicable one-time grant from the Ministry	Audit observation
1	SC Girls Hostel at Azad High School, Yairipok	100	100 students	5.00	There were no beds, chairs, tables, <i>etc.</i> and the occupants had to sleep on the floor.
2	SC Girls Hostel at Kha Manipur, Kakching	100	No occupants	5.00	Hostels were not furnished, which could be one of the reasons for non-occupancy by the students.
3	OBC Girls Hostel at Lilong Haoreibi College, Thoubal	100	No occupants	2.50	
<b>Total</b>		<b>300</b>		<b>12.50</b>	

As seen from the above table, out of the three completed SC and OBC hostels, only SC Girls Hostel at Azad High School, Yairipok was found occupied by students. However, essential requirement of furniture items such as beds, chairs, tables, *etc.* were not provided to the occupants, thereby depriving the students of these basic facilities provisioned under the scheme. The remaining two hostels were found unfurnished as shown in the pictures below.

<sup>134</sup> ₹ 5000 per student for SC hostels; ₹ 2,500 per hostel seat for OBC hostels.

## Photograph No. 5.2.1 Photographs showing unfurnished Hostels



The Department accepted (January 2020) the audit observation and stated that proposals for furnishing the completed hostels would soon be submitted to the Ministry as well as to the State Government. The Lilong Haoreibi College further added (17 February 2021) that they have taken up (09 February 2021) the issue of necessary infrastructure/ furniture with the Director, Minority Affairs and in the meantime, one teacher has been engaged as Warden of the hostel.

### 5.2.7 Financial management

#### 5.2.7.1 Funding Pattern under Scholarship Schemes

Out of the nine schemes covered in PA, three scholarships schemes were fully funded by the Central Government and remaining three scholarships and three hostel schemes were on cost sharing basis between the Central and State Governments.

#### Fully funded by Central Government

The receipts and expenditures for the fully centrally funded scholarship schemes are given in the following table.

**Table No. 5.2.9 Fund Receipts and Expenditure Statement for SC Pre and Post-Matric and OBC Post-Matric**

(₹ in lakh)

Year	OB	SC Pre-Matric		OB	SC Post-Matric		OB	OBC Post-Matric	
		Fund Receipts	Exp.		Fund Receipts	Exp.		Fund Receipts	Exp.
2014-15	0.00	28.13	26.66	0.00	1,193.50	756.34#	531.00	598.00	811.00*
2015-16	1.47	0.00	1.46	437.16	620.32	958.43	318.00	602.62	0.00
2016-17	0.01	0.00	0.00	99.05	583.31	682.34	920.62	471.00	217.63
2017-18	0.01	38.92	38.93	0.02	750.56	43.15	1,391.62	622.37	2,013.99
2018-19	0.00	0.00	0.00	707.43	754.00	678.20	802.00	653.32	1,275.69
<b>Total</b>		<b>67.05</b>	<b>67.05</b>		<b>3,901.69</b>	<b>3,118.46</b>		<b>2,947.31</b>	<b>3,478.31</b>

*Source: Finance Accounts and Detailed Appropriation Accounts.  
(Exp.: Expenditure)*

*# Entire expenditure is made for scholarship distributed for previous years.*

*\* Includes expenditure of ₹ 386.49 lakh for previous years.*

As seen from above, under SC Pre-Matric Scholarship Scheme, the funds for 2016-17 were received in 2017-18. There was no disbursement since 2017-18 since the Department did not receive Central Funds due to non-inclusion of the committed liability in the State budget. Under SC Post-Matric and OBC Post-

Matric Scheme, expenditure included payments of scholarships for previous years also which indicated delays in disbursement of scholarships.

### Funding shared between Central and State Governments

Fund receipts and expenditure of the schemes for which the funding is shared by both Centre and State governments are discussed below:

#### ST Pre-Matric

The details of funds received and expenditure incurred under ST Pre-Matric Scholarship Scheme during the period 2014-15 to 2018-19 were as under.

**Table No. 5.2.10: Funds Received and Expenditure incurred**

(₹ in lakh)

Year	Receipts			Expenditure	Closing Balance
	Opening Balance	CS	SS		
2014-15	829.70	496.05	0.00	829.67	496.08
2015-16	496.08	0.00	0.00	496.04	0.04
2016-17	0.04	867.38	200.37	812.67	255.12
2017-18	255.12	619.09	80.91	700.83	254.29
2018-19	254.29	773.00	85.89	340.06	773.12
		<b>2,755.52</b>	<b>367.17</b>	<b>3,179.27</b>	

Source: Finance Accounts and Detailed Appropriation Accounts.

In can be seen from the table above, that the State Share for 2014-15 and 2015-16 was not allocated in the State Budget. Further, the State was not able to fully utilise the funds received from GoI during the year in which they were received. The State failed to utilise the Central funds received during 2018-19 as the entire funds of ₹ 773.00 lakh was lying unspent as of September 2019.

#### ST Post-Matric

The details of funds received and expenditure incurred under ST Post-Matric Scholarship Scheme during the period 2014-15 to 2018-19 were as under.

**Table No. 5.2.11 Fund Received and Expenditure incurred**

(₹ in lakh)

Year	Receipts			Expenditure	Closing Balance
	Opening Balance	CS	SS		
2014-15	1,293.47	3,615.48	0.00	4,895.88	13.07
2015-16	13.07	3,588.00	0.00	3,587.82	13.25
2016-17	13.25	3,385.20	1,008.47	1,970.22	2,436.70
2017-18	2,436.70	6,382.55	599.63	5,508.79	3,910.09
2018-19	3,910.09	2,026.76	899.97	6,823.41	13.41
	<b>Total</b>	<b>18,997.99</b>	<b>2,508.07</b>	<b>22,786.12</b>	

Source: Finance Accounts and Detailed Appropriation Accounts.

It is evident from the table above that the State Share for the 2014-15 and 2015-16 was not allocated in the State Budget. During the years 2016-17 and 2017-18, the State failed to fully utilise the funds received from GoI leading to huge closing balances at the close of these years.

#### OBC Pre-Matric

The details of funds received and expenditure incurred under OBC Pre-Matric Scholarship Scheme during the period 2014-15 to 2018-19 were as under.

Table No. 5.2.12 Fund Received and Expenditure incurred

(₹ in lakh)

Year	Receipts			Expenditure	Closing Balance
	Opening Balance	CS	SS		
2014-15	51.99	100.00	0.00	51.99	100.00
2015-16	100.00	0.00	0.00	0.00	100.00
2016-17	100.00	0.00	0.00	0.00	100.00
2017-18	100.00	0.00	18.85	18.85	100.00
2018-19	100.00	0.00	19.99	49.01	70.98
		<b>100.00</b>	<b>38.84</b>	<b>119.85</b>	

Source: Finance Accounts and Detailed Appropriation Accounts.

It can be seen from the table above that the State Government did not disburse scholarships during 2015-16 and 2016-17, despite availability of funds to the tune of ₹ 1.00 crore which was received during 2014-15 from GoI.

### 5.2.7.2 Delay in release of Central Assistance by State to the implementing Department

For effective implementation of the scholarship schemes, it is necessary that the required funds are released on time by the Centre as well as the State.

However, audit found that scholarship amount released by the GoI was not timely authorised for utilisation to the Department by the GoM which resulted in delays in disbursement of the scholarship to the students.

#### (a) ST Pre-Matric

Details of the fund released by the Ministry along with the fund authorisation by the GoM to the Department for ST Pre-Matric Scholarship Scheme are given in Table No. 5.2.13.

Table No. 5.2.13 Delay of CA released during Audit Period by the State Government

(₹ in lakh)

Academic Year	CA released by Ministry		Fund release by State		Delay in months
	Amount	Date of release	Amount	Date of release	
2014-15	496.05	September 2014	496.03	October 2015 to March 2016	13 to 18
2016-17	255.04	December 2016	226.76	August 2017	8
			28.29	October 2017	10
2018-19	773.00	March 2019	-	Not disbursed up to September 2019	9

Source: Departmental Records.

As seen from the table above, the GoM released funds to the implementing Department after eight to 18 months from the date of release of funds by the Ministry resulting in late disbursement of scholarship to the students.

#### (b) ST Post-Matric

Details of the funds released by the Ministry along with fund authorisation by the GoM to the Department for the year 2016-17 is given in the table below.

**Table No. 5.2.14 Delay of CA released during Audit Period by the State Government**

(₹ in lakh)

Year	CA Releases		Releases by GoM		Delay in months
	Amount	Date	Amount	Date	
2016-17	3385.2	July 2016 to October 2016	961.73	September 2016 to November 2016	2 to 8
			1636.76	August 2017	10 to 13
			753.32	October 2017	12 to 15
			33.64	February 2018	16 to 19

Source: Departmental Records.

During 2016-17, the State Government released funds after lapse of two to 19 months after its release by the Ministry. Late release of funds by the Ministry as well as the State Government resulted in delay in disbursement of scholarship. The Principals/ Heads of the Schools also admitted the delayed credit of scholarship amount into the students' account.

### 5.2.7.3 Scholarship funds not disbursed into beneficiaries account

Test check of records revealed that the payment of SC, ST and OBC Pre and Post-Matric scholarship are made to the beneficiaries account (s) through e-payment from bank based on the advice of the Department. To confirm the actual payment of scholarship money to the beneficiary accounts, the bank should in turn furnish Unique Transfer Receipts (UTRs) for each advice. However, the Departments had no records of UTRs received, if any. In absence of UTRs, the Departments had no mechanism in place to ascertain if the scholarship amounts have actually reached the beneficiary or not.

Scrutiny of Bank statements for the period from 2014-15 to 2018-19 revealed that cases of unsuccessful transfer of scholarship amounts are reflected as credit transaction in the bank account of the Department. Audit observed that due to 3,448 cases of unsuccessful/ failed transactions by bank an amount of ₹ 229.57 lakh remained undisbursed as on 31 March 2019 as detailed in **Appendix 5.3**, which is a gross irregularity depriving the needy students/ beneficiaries. Moreover, Audit could not assess the number of students affected by these failed transactions due to non-availability of records with the Departments. The Departments are also yet to analyse the details of failed transactions to credit the amount to the beneficiaries' account.

In reply, the Departments stated that the matter has been taken up with the concerned banks and the details will be furnished to audit as and when received (February 2021); reply of which is still awaited.

Absence of an adequate mechanism in place to confirm the actual payment/transfers of scholarship to the students' account led to not only denial of scholarship to the students but also reflected on the inefficiency and indifference on the part of the implementing Departments.

While accepting the audit observation (January 2020), the Departments stated that they will look into the matter and come up with eventful/alternative solution to ensure that the scholarship reaches the targeted students.

#### 5.2.7.4 Funding Pattern under Hostel Schemes

The total project cost for the ten selected hostels was ₹ 2,115.68 lakh out of which, ₹ 1,900.47 lakh was borne by the Centre and the remaining ₹ 215.21 lakh by the State Government. Details of fund receipts and expenditures are given in *Appendix 5.4* and summarised in the table below.

**Table No. 5.2.15 Details of funds released and expenditure incurred for ten hostels as on September 2019**

Project cost			CS released to State	Funds released by the State to implementing Department			Total Expenditure (CS + SS)
CS	SS	Total		CS	SS	Total	
1,900.47	215.21	2,115.68	1,868.97	1,786.15	159.00	1,945.15	1,785.13

(₹ in lakh)

As seen from the above table:

- Out of the total approved cost of ₹ 21.16 crore, the Department received an amount of ₹ 18.69 crore (out of Central Share of ₹ 19.00 crore), leaving an unreleased balance of ₹ 31.50 lakh.
- Of the total CS received from the Centre of ₹ 18.69 crore, the State had released ₹ 17.86 crore to the implementing Departments and the remaining amount of ₹ 82.82 lakh, for three hostels<sup>135</sup>, had not been released (September 2019).
- Out of the total expenditure of ₹ 1,785.13 lakh for 10 hostels, an amount of ₹ 183.05 lakh remains parked under 8449 - Other Deposits.

#### 5.2.7.5 Non-maintenance/ opening of separate bank account of scheme

The Finance Department, GoM's OM No.1/95/99/-D/IF dated 18 April 2009 requires that the DDO accounts are not to be used for any transaction under any circumstances other than the salary and personal entitlements and no bills are to put for drawal and credited to DDO account other than salary and personal entitlement bills. As per Finance Department, GoM's OM No.3/263/2017-D/IF dated 18 April 2017, all the Departments/agencies implementing the schemes were directed to open a separate account for each scheme in any of the eligible banks operating in the State which has been empanelled by Finance Department, in addition to the DDO accounts of the Department.

The DOBSC and DTA&H, Government of Manipur, implemented scholarship schemes for SC, ST and OBCs in the State. Audit found that the transactions of drawal and disbursement of the scholarship funds of both the Departments was done through the DDO accounts in violation of the orders of GoM. The DOBSC opened separate bank accounts for scholarship schemes *w.e.f.* September 2018, after a lapse of seventeen months from date of orders of the GoM, whereas TA&H Department did not maintain separate bank accounts for the scholarship schemes till date (July 2020).

<sup>135</sup> OBC Boys Hostel at Sangaiyumpham, Thoubal- ₹ 5.64 lakh, ST Girls and Boys Hostel at Tadubi Mao Maram Govt High School, Senapati- ₹ 38.59 lakh, ST Girls and Boys Hostel at Tadubi Mao Maram Govt High School, Senapati- ₹ 38.59 lakh.

While accepting the audit observation (January 2020), the Department of TA&H assured that separate bank account for scholarship scheme would be opened.

## **5.2.8 Implementation of Scheme**

### **a. Scholarship Schemes**

#### **5.2.8.1 Non-Revision of Income Ceiling**

The Pre-Matric Scholarship Scheme for SC Students studying in Classes IX and X was introduced during the first year of XII plan *i.e.* 2012-13 for which the Guidelines became effective from July 2012. As per the Guidelines, annual income of the parents should not exceed ₹ 2.00 lakh. The income ceiling was revised to ₹ 2.50 lakh per annum under the revised guidelines issued in 2017 and became effective from 19 September 2017.

Test check of records of DOBSC revealed that the Department published notices inviting applications for Pre-Matric Scholarship for 2017-18 (12 October 2017) & 2018-19 (10 January 2019). In both the notices, the annual income ceiling of the parents/ guardians was published as ₹ 2.00 lakh instead of the revised annual income ceiling of ₹ 2.50 lakh. The Department did not issue/ publish revised notice or corrigendum informing scheme beneficiaries about the revised income ceiling. While admitting the audit observation in Exit Conference (January 2020), the Department stated that strict adherence to the latest Scheme Guidelines would be effected henceforth.

#### **5.2.8.2 Coverage of SC, ST and OBC students in Pre-Matric Scholarship**

SC and ST Pre-Matric Scholarship schemes cover classes IX and X whereas OBC Pre-Matric scholarship covers from classes I to X. As per the Scheme Guidelines, for the purpose of effective implementation of the schemes, states may formulate guidelines for assessing the eligibility of beneficiaries and institutes and also work out suitable modalities for Direct Benefit Transfer (DBT). This shall be in accordance with the objectives of the scheme provided that the states shall not be at liberty to impose any guidelines which enhances or has the effect of enhancing the liability of the Centre under the scheme.

Audit found that DOBSC and DTA&H did not collect any data regarding enrolment of SC/ ST/ OBC students studying at Pre-Matric/ Post-Matric, from schools/ colleges/ institutes. In absence of the relevant data, the Departments could not work out the yearly fund requirements. Resultantly, the coverage of the schemes was limited to the applicants, who applied for the scholarship. The records of the two Departments and the information collected from the Unified District Information on School Education (UDISE)<sup>136</sup> revealed that the number of SC/ ST/ OBC students studying in the Government Schools availing

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<sup>136</sup> UDISE is a database about Schools in India. It was developed at the Department of School Education, MHRD, GoI and maintained by National Informatics Centre, GoI. The database maintains information on number of Schools, Students, Teacher, School infrastructure *etc.*

scholarship was very less compared to the actual number of these categories of students enrolled in the Government Schools as shown in the table below.

**Table No. 5.2.16 Total number of students awarded scholarship during 2014-2018**

Year	Total No of Students who are awarded Pre Matric Scholarship			No. of Students From Govt. School			No. of Students From Other than Govt. Schools <sup>137</sup>		
	SC	ST	OBC	SC	ST	OBC	SC	ST	OBC
2014-15	839	38,015	NA	106	1,862	NA	733	36,153	NA
2015-16	1,249	18,004	92	210	2,652	0	1,039	15,352	92
2016-17	1,367	14,063	930	298	650	58	1,069	13,413	872
2017-18	-	16,713	1,118	204	1,442	86	880	15,271	1,032
<b>Total</b>	<b>4,539</b>	<b>86,795</b>	<b>2,140</b>	<b>818</b>	<b>6,606</b>	<b>144</b>	<b>3,721</b>	<b>80,189</b>	<b>1,996</b>

The Principals/ Heads of the Schools admitted that no sensitisation program about the scheme was carried out at the institute level and emphasised that such program may be organised in future to spread awareness about the Scheme. Lack of awareness about the scheme in students, especially in remote areas turned out to be main reason for less coverage of students in the scheme.

While admitting the audit observation in Exit Conference (January 2020), both Departments stated that UDISE database would be utilised in future for identification and assessment of potential beneficiary students for Scholarship purposes from 2019-20 onwards. Further the Departments also stated to have initiated sensitisation/ awareness programs for various scholarship schemes to cover more students in future.

#### **b. Hostel Schemes**

##### **5.2.8.3 Denial of full Post-Matric scholarship benefit to OBC Hostellers**

The OBCs Post-Matric Scholarship Scheme is a Central Scheme, fully funded by the MSJE, GoI and it covers OBC students studying in Post-Matriculation or Post-Secondary stage. During the period from 2014-15 to 2018-19, the DOBSC implemented the Post-Matric Scholarship scheme for OBC students in the State. The rate of monthly Scholarship (Maintenance allowances) ranged from ₹ 260 to ₹ 750 per month for Hostellers and ₹ 160 to ₹ 350 for the Day Scholars.

Test check<sup>138</sup> of application forms and records of disbursement of scholarships during the years 2015-16 to 2017-18 revealed that the 140 Hostellers were paid at the rate admissible to the Day Scholars instead of their entitled amount. Similarly, during 2018-19, 2,064 hostellers out of total 11,873 hostellers<sup>139</sup> were paid at Day Scholars' rate. Thus, funds released were of ₹ 230.55 lakh, against entitled funds of ₹ 287.13 lakh resulting in short disbursement of ₹ 56.59 lakh to 2,204 hostellers.

Scrutiny of records of the Department *w.r.t.* the funds demand sent to the Ministry every year revealed that the fund requirement for both Day Scholars and Hostellers was assessed at the rates payable to Day Scholars only. It was

<sup>137</sup> Private Schools, Central Schools and students studying outside Manipur.

<sup>138</sup> 100 forms each year from 2015-16 to 2017-18, physical forms were checked.

<sup>139</sup> Data checked from National Scholarship Portal.

also seen that except for the year 2018-19, the Ministry had sanctioned funds that was demanded by the State in full. As a result, Hostellers were paid at the rate of the Day Scholars instead of their entitled amount. Thus, insufficient demand/ proposal of funds for the hostellers resulted in denial of entitled benefits to 2,204 hostellers amounting to ₹ 56.59 lakh.

During Exit Conference (January 2020), the Department admitted the fact and stated that demand for funds was made as per the notional allocation of the Ministry and demand of funds over the notional allocation was not sanctioned by the Ministry. As such, fund received were inadequate and hostellers were paid at the rate payable to the Day Scholars. Further, the Department admitted that it did not collect/ maintain database of the students which would help in assessing the actual yearly requirement. The reply of the Department was not based on facts as the Department requisitioned funds based on the rates payable to Day Scholars only.

#### **5.2.8.4 Delay in construction of Hostels for SC, ST and OBC students**

As per Scheme Guidelines, the timelines for completion of hostels for SC, ST and OBC students are as shown in the table below.

**Table No. 5.2.17 Prescribed Timeline for completion of Hostels**

Category of Hostel	Timeline for completion
SC Hostels	Within two years from date of sanction of project
ST Hostels	Within two years from date of release of CA
OBC Hostels	Within 18 months from award of work order or two years from release of first instalment of CA, whichever is earlier

Audit observed that there were delays in transfer of funds, short release of funds by the State to the implementing Departments and delay in award of works as discussed below:

- (a) In all the 10 selected hostels, there were delays in transfer of funds by the State to the implementing Departments ranging from 1 to 35 months from the date of release of funds by the Ministries concerned, as shown in **Appendix 5.5**. This had invariably hampered the timely completion of hostels as it was seen that only one<sup>140</sup> out of the 10 sampled hostels was completed within the stipulated timeline of 24 months from the date of release of CA. Of the remaining nine hostels, three were completed with time overruns ranging from 18 to 72 months from the stipulated timeline while the six hostels remained incomplete (September 2019) beyond the stipulated date of completion. Out of these six incomplete sampled hostels, two hostels were executed departmentally by the District Rural Development Agency (DRDA), Imphal East. Construction work of the remaining four hostels were awarded to contractors after a delay ranging from 5 to 22 months from the sanctioned date/ release of CA. However,

<sup>140</sup> "ST Girls and Boys Hostel at Behiang Village, Churachandpur".

there were no recorded reasons for the delay in transfer of funds by the State to the implementing Departments and award of works.

- (b) Under the funding of the MSJE, two OBC hostels<sup>141</sup> to be completed by November 2018, were constructed at a total project cost of ₹ 770.00 lakh. Out of the total State Share of ₹ 140.00 lakh, the State had released only ₹ 70.00 lakh (March 2019) and the remaining ₹ 70.00 lakh had not been released as on September 2019. In this regard, it was seen that both the hostels remained incomplete even after a delay of 10 months from the stipulated completion date. However, there was no recorded reason for short release of the State Share by the State.
- (c) One 100 bedded hostel<sup>142</sup> was sanctioned by the MoTA for ₹ 1.45 crore during 2014-15. The Ministry had released the sanctioned amount of ₹ 1.45 crore in January 2015. However, the work for construction of the hostel was awarded in November 2016 after a delay of 22 months from the date of sanction, with a stipulation to complete by January 2017. It was seen that the construction work had not started as of April 2018, the Department (TA&H) issued a Show Cause Notice to the contractor (April 2018). The contractor assured that the work would commence from May 2018. However, during the joint physical verification (September 2019), it was seen that construction of the hostel was yet to commence at the selected site, even after delay of 32 months from the Ministry's stipulated completion date (January 2017). Despite this, the Department had not initiated any action against the defaulting contractor.

The failure of the implementing Departments to comply with the Ministry Guidelines for timely completion of the sanctioned hostels deprived the SC, ST and OBC students of the benefits of hostel facilities.

During the exit conference (January 2020), both the Departments accepted the audit observation. However, specific reasons for delays in issue of work orders and non-completion of hostels in time were not furnished.

## 5.2.9 Quality and Monitoring Mechanism

### 5.2.9.1 Non assessment of impact of implemented Scholarship Schemes

The financial prudence requires that after implementing a scheme for some time, the funding and implementing organisations would like to know the outcomes of their schemes. This also helps the implementing organisations in identifying planning deficiencies or implementation problems so that suitable remedial measures could be taken to make their schemes more efficient and effective. The scheme guidelines for SC and OBC also required MSJE to

<sup>141</sup> 1) OBC Girls Hostel at TG Higher Sec School, Imphal for ₹ 385.00 lakh (Centre Share- ₹ 315.00 lakh and State Share - ₹ 70.00 lakh) and 2) OBC Boys Hostel at Azad Higher Sec. School, Yairipok for ₹ 385.00 lakh (Centre Share - ₹ 315.00 lakh and State Share - ₹ 70.00 lakh).

<sup>142</sup> "ST Girls/ Boys hostel at Maram near Don Bosco College, Senapati".

conduct evaluation of the schemes. However, ST scholarship scheme guidelines were silent on this.

In respect of all the scholarship schemes implemented in the State for SC, ST and OBC students, Audit observed that there were no records pertaining to the evaluations, if any, conducted by the concerned Ministry to assess the outcomes and impacts created by the schemes. The implementing Departments did not maintain any database to assess whether the schemes had actually benefitted the target students *vis-à-vis* their completion of education without dropping out.

The Departments accepted (January 2020) that presently there was no system in place to assess the outcomes of implemented schemes. However, the matter would be looked into and expertise in this particular field would be consulted for carrying out assessment of outcomes of the schemes. The audit advised that the Departments should consider requesting the Development, Monitoring and Evaluation Office, Niti Aayog which has programme evaluation as their mandate, for evaluation and assessment of their programmes.

#### **5.2.10 Conclusion**

The Performance audit of the Implementation of the Umbrella Schemes for Education of SC, ST and OBC Students brought out poor planning as the State neither had any database of eligible students nor had they prepared any action plan for assessing the estimated number of beneficiaries for timely coverage.

The planning and budgeting for scholarship schemes by the Department was deficient since Committed Liability from State Government was not provided for, leading to non- receipt of central funds and denial of Scholarship to SC Pre-Matric Students for the years 2017-18 and 2018-19. Similarly, the implementing departments did not take steps for implementation of Book Banks scheme in the State thereby denying the scheme benefits to eligible students. In seven out of the 10 selected hostels, the number of rooms provided in the DPRs/ Estimates were insufficient to accommodate 100 students per hostel thereby accommodating total 307 (43.85 *per cent*) students only instead of the sanctioned 700 students. The Department did not make provisions for furnishing of hostels and essential features like boundary walls, room for hostel warden, *etc.* there not provided for at the planning stage. Completed hostels remained unoccupied and non- functional even after lapse of one to two years from the date of their completion.

The State Government delayed release of funds for scholarship schemes by two to 19 months since its receipt from the GoI resulting in delayed disbursement of scholarship to students. For the period covered by the Performance Audit, the Departments had not analysed the details of 3,448 failed bank transactions which led to funds of ₹ 229.57 lakh not getting credited into beneficiaries' account thereby, depriving the needy students/ beneficiaries of scholarship funds. TA&H Department did not maintain separate bank accounts for the scholarship schemes till date (July 2020).

Lack of awareness about the scheme in students, especially in remote areas turned out to be main reason for less coverage of students in the scheme. Insufficient demand/ proposal of funds for the hostellers from GoI resulted in denial of entitled benefits to 2,204 hostellers amounting to ₹ 56.59 lakh. The State Government failed to adhere to the completion timelines for construction of hostels, as a result of which only one out of 10 sampled hostels could be completed in time.

Further, the State Government did not conduct any Social Audit to evaluate and assess the impact of the scholarship and hostel schemes. As such, the extent to which the implemented schemes actually benefitted the targeted category of students could not be ascertained in audit.

### 5.2.11 Recommendations

The State Government may consider to:

- *Prepare database of potential SC/ST/OBC students in collaboration with the line Departments viz. Education Department, etc. and make use of the UDISE database;*
- *Give wide publicity to the scholarship scheme through Headmasters/ Principals of schools/institutes to spread awareness so that the benefit of the schemes reaches to more students;*
- *The Department may improve its budgeting process and prepare Budget strictly as per Scheme guidelines and income limits be revised as per GoI guidelines;*
- *Ensure timely release of funds to implementing Department for efficient and effective implementation of the Schemes;*
- *Institute monitoring mechanism to ensure successful transfer of funds to the bank account of beneficiaries by ensuring that UTRs are received from the Banks and the information is tallied in the Department with the number of cases authorised;*
- *Conduct proper need/demand based survey before constructing new hostels;*
- *Strengthen monitoring mechanism to ensure timely completion of hostels. Further, the State should fulfil its responsibility of operationalisation, management and maintenance of the completed hostels; and*
- *Conduct Social Audit of the implemented schemes to assess the performance of the schemes and the extent to which these schemes have benefitted the target group of students.*

**COMPLIANCE AUDIT PARAGRAPHS**

**DEPARTMENT OF EDUCATION (SCERT)**

**5.3 Idle expenditure**

**The Department took up Construction of Block Institute of Teacher Education (BITEs) at Moreh, without finalising the land acquisition resulting in idle expenditure of ₹ 3.84 crore.**

The Centrally Sponsored Scheme on restructuring and reorganisation of teacher education emphasised on establishment of Block Institute of Teacher Education (BITEs) to ensure access to good quality teacher education facilities and to facilitate the entry of talented persons, particularly from the SC/ ST and minority concentration areas into the teaching profession. BITEs are pre-service elementary teacher educational institutions which are to be established in the block areas having highest concentration of SC/ST and minority communities.

Based on the proposal of State Council of Education Research and Training (SCERT), Manipur, GoI had approved (June 2014) the construction of six BITEs<sup>143</sup> at a unit cost of ₹ 561.00 lakh (₹ 504.90 lakh as CSS and ₹ 56.10 lakh as State share) and released the Central share in three instalments<sup>144</sup> during the period June 2014 to March 2018. As per the Guidelines of the Scheme, the State Government was to earmark and allocate land for establishment of the BITEs.

During test check of records of SCERT for the period from April 2014 to March 2018, audit noticed that SCERT released funds of ₹ 383.68 lakh<sup>145</sup> to Education Engineering Wing (EEW) of Education (School) Department, Government of Manipur for “Establishment of New Institute Building for Block Institute of Teacher Education (BITE) at Moreh”.

Further scrutiny showed that construction of BITE at Moreh was taken up (October 2015) on a private land for which the acquisition process was still not complete as the compensation dues were not yet settled. As a result, the

<sup>143</sup> One each in Chandel, Churachandpur, Senapati, Tamenglong, Thoubal and Ukhrul Districts.

<sup>144</sup> 1<sup>st</sup> Instalment-30 June 2014; 2<sup>nd</sup> instalment-30 March 2016 and 3<sup>rd</sup> installment-12 March 2018.

<sup>145</sup>

Sl. No.	Bill No. and Date	Amount (in ₹)	Sanction Order and date	Remarks
1	387 of 20/03/15	15915000	No. 15/1/2015-S/SCERT/BITE(M) Dt. 21.2.15	1 <sup>st</sup> Installment
2	418 of 27/03/15	4888000	No. 15/1/2015-S/SCERT/BITE(M) Dt. 21.2.15	1 <sup>st</sup> Installment
3	280 of 30/03/17	398000	No. 15/1/2015-S/SCERT/BITE(M) Dt. 28.3.17	2 <sup>nd</sup> Installment
4	282 of 30/03/17	17167000	No. 15/1/2015-S/SCERT/BITE(M) Dt. 28.3.17	2 <sup>nd</sup> Installment
<b>Total</b>		<b>3,83,68,000</b>		

construction work was obstructed by the land owner and was halted in April 2016 after completion of almost 70 *per cent* of the work as reported by EEW. Even though the Director, SCERT brought the matter to the knowledge of the State Government (December 2017), no action was taken up by the State Government (January 2020) to settle the dispute between the land owner and the Government.

Thus, State Government's failure to ensure availability of encumbrance free land led to an unfruitful expenditure of ₹ 383.68 lakh on construction. This deprived the youth from SC, ST and minority communities of the intended benefits.

During a meeting (December 2020), SCERT agreed that there was an informal agreement with land owner initially and the work had stopped due to non-finalisation of land compensation. Further, the Department stated that they are pursuing the matter with higher authority for finalisation of land compensation or bring the matter to mutually agreeable conclusion. As the negotiation with the land owner is in progress, no budgetary allotment was made in the budget 2019-20. However, the State Government had not furnished any reply (December 2020).

**Recommendation:** State Government may fix responsibility of the officer concerned who ordered commencement of the construction work without ensuring clear title of the land in favour of the Government.

## DEPARTMENT OF LABOUR AND EMPLOYMENT

### 5.4 Idle expenditure

**The Directorate of Craftsmen and Training, Manipur made unfruitful expenditure of ₹ 450.00 lakh on construction of an Industrial Training Institute at Jiribam that remained unoccupied for seven years since its handing over in July 2012.**

As per Rule 26 (iv) of General Financial Rules, 2005, as adopted by Government of Manipur, the duties and responsibilities of a controlling officer, in respect of funds placed at his disposal, are to ensure that adequate control mechanism is functioning in his department for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public money.

Audit scrutiny (January 2019) of records of the Superintendent, Industrial Training Institute (ITI), Jiribam showed that the Planning Commission (State Plan Division) GoI approved (September 2008)<sup>146</sup> the project "Establishment of new ITI at Jiribam" at a cost of ₹ 450.00 lakh and released the first instalment of ₹ 315.00 lakh (70 *per cent* of approved project cost). GoI released<sup>147</sup> the second and final instalment of ₹ 135.00 lakh in March 2009.

<sup>146</sup> Vide No. M-13048/16(MN) 2008-09SP-NE dated 12 September 2008.

<sup>147</sup> Vide no. M-13048/16(MN)2008-09-SP-NE dated 04 March 2009.

The main purpose for establishment of new ITI at Jiribam was to enhance the vocational training in the State by creating a full-fledged ITI by providing facilities in seven new trades *viz.* (i) carpenter, (ii) computer operator and programming assistant, (iii) diesel mechanic, (iv) dress making, (v) radio and television mechanic, (vi) refrigeration and air conditioning and (vii) welder in addition to the two trades *viz.* stenography and wireman, that were already available at the institute which existed in rented house since its inception in 1980 and not yet affiliated to the National Council for Vocational Training (NCVT), DGE&T, Ministry of Labour as it did not have its own building.

The work was entrusted (August 2009) to the Manipur Police Housing Corporation (MPHC) Limited. Subsequently, the Directorate of Craftsman and Training (ITI), Manipur deposited ₹ 368.08 lakh to MPHC in January 2010 after deduction of tax components.

MPHC Limited started (June 2010) and completed (May 2012) the construction works and furnished handing over notes in July 2012. However, the Directorate had not taken over the possession of the newly constructed ITI building at Jiribam even after seven years of its handing over, as on the date of audit without any recorded reason.

A joint physical verification (JPV) carried out (January 2019) by the audit team with the Superintendent-in-charge revealed that the constructed building of ITI, Jiribam stood abandoned with broken doors, overgrown grass penetrating the rooms which were without window screen/ glasses, cracked floor, and ceiling with leakages. Electrical fittings/ wirings, fans and other fixtures, sanitary items were not found and the floor was not cemented. The following photographs depict the condition of the ITI building, Jiribam:

**Photograph No. 5.4.1 Photographs showing dilapidated condition of ITI**



*Side view of ITI, Jiribam*



*Room in Southern Block*



Electrical Machine Box



Western side of Administrative Block

Thus, expenditure of ₹ 450.00 lakh on establishment of new ITI at Jiribam was idle and unfruitful as the constructed buildings remained un-occupied for more than seven years since its completion, defeating the objective of enhancing the vocational training in the State by creating a full-fledged ITI, Jiribam.

Government admitted the audit observation (January 2020) and stated that the building could not be utilised for want of manpower for ITI and the condition of the building had deteriorated in absence of maintenance. The Government also stated that necessary steps would be taken up to make the ITI, Jiribam functional.

**Recommendation:** State Government may fix responsibility and accountability for this case and take steps to make the building functional at the earliest.

## DEPARTMENT OF LANGUAGE PLANNING AND IMPLEMENTATION

### 5.5 Idle Expenditure

**An expenditure of ₹ 42.30 lakh incurred by Department of Language Planning and Implementation in translation work of 15 subjects in Meetei Mayek (MM) script proved idle and unfruitful as the text books meant for introduction from academic session 2016-17 were not approved by the State Government.**

As per Rule 26 (iv) of General Financial Rules, 2005 the duties and responsibilities of a controlling officer in respect of funds placed at his disposal are to ensure that adequate control mechanism is functioning in his department to guard against waste of public money. An idle expenditure that had not been fruitfully utilised can be construed as temporary waste of public money and therefore needs to be avoided.

The Department of Language Planning and Implementation (DLPI), Manipur was created (February 2013)<sup>148</sup> for Development of Manipuri Language and Tribal Dialects of Manipur. Under the initiative “Promotion and Development of Manipuri Language”, DLPI set a target of production of Manipuri Medium

<sup>148</sup> Upgraded from Language Cell of the Department of Education (Schools) as per State Cabinet Decision on 19 February, 2013 and bifurcated from the Department of Education (Schools) during September 2013.

textbooks from Classes XI to Graduate level for which production of books in Meetei Mayek (MM) script up to Class XII were to be ready by April 2016.

Accordingly, Government of Manipur sanctioned (March 2015) ₹ 42.30 lakh<sup>149</sup> during 2014-15 for translation of 15 subjects of classes XI and XII in MM script under the Council of Higher Secondary Education Manipur (COHSEM) meant to be introduced from academic session 2016-17 onwards. This was required as 2,866 students (academic session 2014-15) and 2,479 students (academic session 2015-16) had appeared in matriculation examination in MM script. However, information regarding the number of students appearing for examination in MM script at higher secondary levels in or after academic session 2016-17 was not furnished, though repeatedly called for.

On scrutiny of records (August 2018), Audit noticed that the funds were disbursed<sup>150</sup> (March 2015) for payment of translation fees, hiring of hall, purchase of stationery, snacks, data entry works, etc. The text-books to be translated were of National Council of Educational Research and Training (NCERT) publications and private publishers. As of date (January 2020), copyright for publication of the books in MM script had been given (January 2017) by NCERT only and the private parties are yet to give the copyrights for publications.

The translation works were delayed and could be completed by the end of 2016. Accordingly, the Education Department, School section submitted (August 2016) a Cabinet Memo to the Government for introduction of the subjects in MM script during academic session 2017-18, however, no decision had been taken as on date (January 2020) for introduction of the textbooks. Thus, the text books meant for introduction from academic session 2016-17 could not be introduced till date (January 2020) resulting in idle and unfruitful expenditure of ₹ 42.30 lakh for more than three years.

On this being pointed out, the Department admitted the audit observation and stated (January 2020) that efforts would be made to obtain the approval of the Government and introduction and publication of the textbooks would be made as soon as Cabinet approval is obtained.

The matter was referred to the Government; however, their reply is awaited (July 2020).

***Recommendation:*** *The Government needs to expedite the printing of books in Meetei Mayek, so that students may be encouraged to take up the language as envisaged under Promotion and Development of Manipuri Language initiative.*

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<sup>149</sup> Vide order no. 29/12/2005-SF(S) dated 20.03.2015.

<sup>150</sup> In two bills viz. ₹ 40.23 lakh vide Bill No. 8 dated 25.03.2015 and ₹ 2.07 lakh vide bill No. 9 dated 25.03.2015.

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**MEDICAL HEALTH AND FAMILY WELFARE DEPARTMENT**


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**5.6 Unfruitful expenditure**
**Jawaharlal Nehru Institute of Medical Sciences failed to put Oxygen Generation Plant (OGP) into use leading to unfruitful expenditure of ₹ 1.11 crore.**

Rule 26 (iv) of General Financial Rules, 2005 states that the duties and responsibilities of a controlling officer in respect of funds placed at his disposal is to ensure that adequate control mechanism is functioning in his department for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public money.

Test check of records (February 2019) of the Director, Jawaharlal Nehru Institute of Medical Sciences (JNIMS), Porompat showed that supply order (March 2011) for purchase/ installation of Oxygen Generation Plant (OGP)<sup>151</sup> was placed for JNIMS campus to M/s Narula Udyog (India) Private Limited, New Delhi<sup>152</sup> at a total cost of ₹ 1.11 crore. The OGP was subsequently delivered and installed inside JNIMS campus on 04 January 2014.

The installed capacity of the OGP was 900 cylinders per month (30 per day) which was sufficient to cater to the average monthly requirement of the Hospital which stood at 715 per month. However, the OGP could be put to use for ten months' period from January 2015 to October 2015 and produced only 156 numbers of D-Type oxygen cylinders against its capacity to produce 9000 cylinders (900X10 months).

Further scrutiny showed that due to power fluctuations, the air compressor<sup>153</sup> of the OGP got damaged and the OGP could not be put to use since 25 October 2015. The efforts made by the Institute to get the air compressor repaired were not on record.

While admitting the matter pointed out in audit (July 2019), the Director, JNIMS stated (November 2019) that the OGP remained non-functional as the payment between the JNIMS and the supplier (Narula Udyog Limited) could not be settled.

Thus, the OGP installed at a cost of ₹ 1.11 crore has been non-functional since October 2015 defeating the purpose of production of in-house oxygen. Further, the Institute was still heavily dependent on the oxygen supplied by private

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<sup>151</sup> 30 cylinders per day capacity inclusive of Compressed air source, Air cleaning system, Oxygen, Nitrogen separation system, Oxygen purifying device, buffer tank, Temperature test device and control system, Bus bar and Oxygen Compressor, Cylinder filling system and 50 D type cylinders.

<sup>152</sup> Vide order no. K/15/JNIMS/Procur.III/DHS-2010 dated 14<sup>th</sup> March 2011.

<sup>153</sup> As reported by the Technician on 09.11.2015.

firm<sup>154</sup> for which an expenditure of ₹ 10 lakh per month<sup>155</sup> on an average was being incurred.

The matter was referred to the Government (July 2019); reply has not been furnished (July 2020).

***Recommendation:*** *Responsibility of the officials accountable for non-repairing of the plant and wasteful expenditure of ₹ 1.11 crore may be fixed.*

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<sup>154</sup> M/s Den Gas agency, Uripok Machin, Imphal, Manipur.

<sup>155</sup> @ ₹ 1400 per cylinder.

# **Chapter VI**

## **Follow up of Audit Observations**



## CHAPTER VI

### FOLLOW UP OF AUDIT OBSERVATIONS

#### 6.1 Follow up on Audit Reports

As per the recommendations made by the High Powered Committee<sup>156</sup>, *suo moto* Explanatory Notes on all paragraphs in the Audit Reports are to be submitted to the Public Accounts Committee (PAC)/ Committee on Public Undertakings (CoPU) by the concerned departments. A copy of the *suo moto* Explanatory Notes shall also be furnished to the PAG (Audit), Manipur office for vetting.

Audit Reports for the year 2017-18 (Report No. 2 of 2019) featured three Performance Audit paragraphs and 19 Compliance Audit paragraphs. The *suo moto* Explanatory Notes pertaining to two Performance Audit paragraph and six Compliance Audit paragraphs had been received within the stipulated period of three months. In respect of earlier Audit Reports for the years 1999-2017, *suo moto* Explanatory Notes pertaining to 385 Performance Audits and Compliance Audit paragraphs were not received within the stipulated period of three months from the Departments.

#### 6.2 Action taken on the Recommendations of Public Accounts Committee

The Administrative Departments are required to take suitable action on the recommendations made in the Report of the PAC presented to the State Legislature. Heads of Departments were to prepare comments on Action Taken Notes or proposed to be taken on the recommendations of the PAC and submit the same to the State Legislative Assembly Secretariat.

As of April 2020, the PAC had published 36 Reports on the findings in the Audit Reports. These PAC Reports altogether contained 1,552 recommendations based on the examination of Audit Reports by the PAC. In respect of 21 Reports<sup>157</sup> of the PAC containing 737 recommendations, the Action Taken Notes (ATN) had been received. Of the remaining 815 recommendations contained in 15 Reports<sup>158</sup> of the PAC, no ATNs were received.

#### 6.3 Monitoring compliance of Audit Observations

The following committees had been formed at the Government level to monitor the follow-up action on audit related matters.

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<sup>156</sup> High Powered Committee appointed to review the response of the State Governments to the Audit Reports of the Comptroller and Auditor General of India (Shakdher Committee Report).

<sup>157</sup> 1<sup>st</sup> to 10<sup>th</sup>, 21<sup>st</sup>, 23<sup>rd</sup>, 25<sup>th</sup>, 26<sup>th</sup>, 28<sup>th</sup>, 30<sup>th</sup>, 31<sup>st</sup>, 33<sup>rd</sup>, 34<sup>th</sup>, 35<sup>th</sup> and 36<sup>th</sup> PAC Reports.

<sup>158</sup> 11<sup>th</sup> to 19<sup>th</sup>, 38<sup>th</sup>, 40<sup>th</sup>, 45<sup>th</sup>, 47<sup>th</sup>, 49<sup>th</sup> and 51<sup>st</sup> PAC Reports.

**Departmental Audit and Accounts Committees:** Departmental Audit and Accounts Committees (DAACs) were formed (January 2010) by all the Departments of the State Government under the Chairmanship of the concerned Departmental Administrative Secretary to monitor the follow-up action on the audit related matters. The function of the DAACs was to monitor the progress in disposal of the outstanding audit paras and Inspection Reports issued by the Principal Accountant General (Audit), Manipur and to review and supervise the working of the Departmental Audit and Accounts Sub-Committees. The DAACs were to hold meeting once in three months. During 2018-19, no meeting of the DAACs was held.

**State Audit and Accounts Committee:** State Audit and Accounts Committee (SAAC) was 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 2018-19, no meeting of the SAAC was held.

#### **6.4 Response to Audit Observations and outstanding Inspection Reports**

The Principal Accountant General (Audit), Manipur conducts periodical audits of Government Departments to test-check transactions and verify the maintenance of accounts and other records according to the prescribed rules and procedures. When important irregularities detected during the audits 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 2019, 3,068 Inspection Reports issued from 2003-04 onwards were outstanding for settlement. Even the initial replies, which were required to be received from the Heads of Offices of the Government Departments within four weeks from the date of issue of IRs were not received.

Audit acknowledges the initiative of the State Government who instructed (April 2020) all the Administrative Secretaries and Head of Offices to give positive and adequate response to the audit observations pointed out in the form of Preliminary Observation Statement (POS), Inspection Reports and Audit Paragraphs in the CAG's Report so that they do not recur in the subsequent years.

It is recommended that the Government may review the matter and ensure that an effective system exists for:

- *Submission of Action Taken Notes (ATNs) to the recommendations of the Public Accounts Committee(PAC)/ Committee on Public Undertakings (CoPU);*
- *Regularly monitoring the functioning of the Departmental Audit and Accounts Committees (DAACs) and State Audit and Accounts Committee (SAAC); and*
- *Sending replies to Audit within the prescribed time schedule.*

**Imphal**  
**The 21 May 2021**

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**(JOHN K. SELLATE)**  
Principal Accountant General (Audit), Manipur

**Countersigned**

**Countersigned**

**New Delhi**  
**The 09 June 2021**

  
**(GIRISH CHANDRA MURMU)**  
Comptroller and Auditor General of India



# APPENDICES



## Appendix 1.1

(Reference: Paragraph 1.1.1)

### Year-wise details of expenditure audited in respect of General Sector during 2018-19

(₹ in crore)

Year	Expenditure
2007-08	0.16
2008-09	0.16
2009-10	0.62
2010-11	0.99
2011-12	1.92
2012-13	1.66
2013-14	30.78
2014-15	45.78
2015-16	88.60
2016-17	197.71
2017-18	414.36
2018-19	57.25
<b>Total</b>	<b>840.00</b>

Source: Records of the Accountant General (Audit), Manipur.

## Appendix 1.2

(Reference: Paragraph 1.2.5)

### Statement showing list of sampled District and Units

#### a. List of sampled Subordinate Courts

Sl. No.	Sampled District	Name of court	Court Complex
1	Imphal (Imphal East and Imphal West)	District & Session Court, Imphal East	Cheirap Courts Complex, Uripok, Imphal West
2		District & Session Court, Imphal West	
3		CJM, Imphal West	
4		Family Court, Manipur	Lamphel Courts Complex, Imphal West
5		ND&PS, Manipur	
6		FTC, Manipur East	
7		FTC, Manipur West	
8		Civil Judge(Sr.Div), Imphal East	
9		Civil Judge(Sr.Div), Imphal West	
10		CJM, Imphal East	
11		FTC(CAW)	
12		Family Court, Imphal East	
13	Ukhrul	Chief Judicial Magistrate, Ukhrul	CJM Ukhrul, Mini Secretariat, Ukhrul
14		District and Session Court Ukhrul	DJ Ukhrul Complex, Phungreitang, Ukhrul
15	Thoubal	District & Session Court, Thoubal	Thoubal Courts Complex, Thoubal
16		CJM/Civil Judge(Sr.Div), Thoubal	
17		Family Court, Thoubal	Family Court Thoubal (C.C) in Thoubal DC, Thoubal
18	Churachandpur	District & Session Court, Churachandpur	Churachandpur Courts Complex, Churachandpur
19		CJM/Civil Judge(Sr.Div), Churachandpur	

**b. List of sampled PWD Divisions**

Sl. No.	Sampled District	Name of Division
1	Imphal (Imphal East and Imphal West)	Building Division I
2		Building Division II
3		Electrical Division I
4		Electrical Division II
5	Churachandpur	Churachandpur Division
6	Thoubal	Thoubal Division
7	Ukhrul	Ukhrul Division

**Appendix 1.3**

(Reference: Paragraphs 1.2.6 and 1.2.8.1)

**List of works proposed under CSS by Department for the years 2014-15 to 2017-18**

**(1) Works relating to Court infrastructure required to be undertaken immediately**

(Rupees in lakh)

Sl. No.	District	Name of work	Amount
1	Senapati	Construction of Compound wall, BAR common room, security post, Garage / security barrack <i>etc.</i>	130.00
		Three Residential quarters of judges.	57.70
2	Churachandpur	Construction of new District Court building for Churachandpur at the new court complex.	3,748.00
		Compound wall for the new complex of DJ, Tuibong.	72.51
3	Bishnupur	Two storey to be added to the existing G+1 building.	1,874.00
4	Thoubal	Two storey to be added to the existing G+1 building.	1,874.00
5	Imphal East	Construction of residential quarter of 2 Judges and staff (7) and chowkidar (1).	205.59
		Construction of Compound wall, security barrack, Security tower at Jiribam Court Complex, Jiribam.	211.70
		Improvement of building of ADC, Jiribam(old) for converting it into Court Building.	10.00
		Improvement of Court buildings of Imphal East District at Lamphel Court Complex.	245.28
6	Imphal West	Improvement/ renovation of court building at Lamphel Court complex.	
		Construction of Compound Wall, Security Barrack, security tower, improvement/ development of garage, Parking site <i>etc</i> of the Lamphel Court Complex.	211.70
7	Ukhrul	Improvement/ renovation of Court building CJM and JMFC for temporary seat of Court of District & Session Judge.	196.91
		Renovation and construction of residential quarter of Judges.	
		Construction of District Court building of G+3 of Ukhrul in the new Court complex at Ukhrul.	3,748.00
		Construction of Compound wall, security barrack, Security tower, Garage, Parking site <i>etc.</i>	211.70
8	Chandel	Construction of District Court building of G+3 of Chandel in the new Court complex at Chandel.	3,748.00
		Construction of Compound wall, security barrack, Security tower, Garage, Parking site <i>etc.</i>	211.70
		Construction of residential quarter of 2 Judges and staff (7) and chowkidar (1).	205.59

Sl. No.	District	Name of work	Amount
9	Tamenglong	Construction of District Court building of G+3 of Tamenglong in the new Court complex at Tamenglong.	3,748.00
		Construction of Compound wall, security barrack, Security tower, Garage, Parking site <i>etc.</i>	211.70
		Construction of residential quarter of 2 Judges and staff (7) and chowkidar (1).	205.59
<b>Total</b>			<b>21,127.67</b>

**(2) Works to be taken up after the completion of the above works***(₹ in lakh)*

Sl. No.	District	Name of work	Amount
1	Senapati	Construction of District Court building of G+3 at CJM Court complex, Senapati.	3,748.00
2	Churachandpur	Construction of Residential quarter of District & Session Judge, CJM and JMFC.	24.46
3	Bishnupur	Construction of Residential quarter of District & Session Judge, CJM and JMFC.	24.46
4	Imphal East	Construction of District Court building of G+3 of Imphal East in the new Court complex at Imphal East.	3,748.00
		Construction of Compound Wall, Security Barrack, Security Tower, Garage, Parking site, <i>etc.</i>	211.70
		Construction of residential quarters of five Judges and Chowkidar.	108.28
5	Imphal West	Construction of District Court building of G+4 for Imphal West District at Lamphelpat Court complex.	4,685.00
<b>Total</b>			<b>12,549.90</b>

**Appendix 1.4***(Reference: Paragraph 1.2.8.1)***List of works undertaken under Centrally Sponsored Scheme during the year 2014-15 to 2018-19**

Sl. No.	District	Name of Project	Amount sanctioned	Date of sanction	Expenditure	Status of work as on March 2019
1	Imphal	Renovation of court building at Lamphelpat, Imphal.	245.28	03-09-2014	245.28	Completed
2		Const. of Main Gate with repairing of nearby compound at Cheirap Court Complex.	19.99	30-10-2018	19.99	90 per cent Complete
3		IEI work of court building at Lamphelpat.	59.57	07-03-2015	59.57	Completed
4		Providing of IEI in the old Court Building at Cheirap Court Complex, Uripok Imphal (SH:IRenovation of IEI in the eastern portion of Cheirap Court).	8.63	27-04-2017	8.63	Completed

Sl. No.	District	Name of Project	Amount sanctioned	Date of sanction	Expenditure	Status of work as on March 2019
5		Providing of IEI in the old Court Building at Cheirap Court Complex, Uripok Imphal (SH:II Provision of light and plug point in the Court Room, judge chamber and PA room from UPS).	1.69	27-04-2017	1.69	Completed
6		Modernisation of sub main wiring and replacement of LED fixture in the Judges Chamber and Court Room, 3 Nos. at Lamphelpat court complex, Imphal West.	16.54	27-04-2017	16.54	Completed
7		Modernisation of sub main wiring and replacement of LED fixture in the Judges Chamber and Court Room, 3 Nos. at e-court rooms, 2 nos. at Uripok Cheirap Court Complex at Imphal.	6.08	27-04-2017	6.08	Completed
8		Providing of IEI in the partitioned rooms to be occupied by the Additional Public Prosecutors in the first floor of Civil Court building and installation of Air Conditioner in the court room of Additional session judge for CAW at Lamphelpat.	8.05	21-08-2017	8.05	Completed
9		Renovation of IEI in Court complex at Lamphelpat, Imphal.	14.37	12-09-2018	14.37	Completed
10		(i) Construction of residential qtr of the JMFC, Jiribam. (ii) construction of compound wall and gate (iii) Modification & renovation of designated court building of JMFC, Jiribam.	414.00	24-02-2016	414.00	Completed

Sl. No.	District	Name of Project	Amount sanctioned	Date of sanction	Expenditure	Status of work as on March 2019
11		Construction of Ezzlah of the Court Building of JMFC/Civil (Jr. Division), Jiribam.	3.60	30-03-2017	3.60	Completed
12		IEI works of the court building of JMFC /Civil Judge (Jr. Division) Jiribam.	25.61	30-03-2017	25.61	Completed
<b>Sub Total</b>			<b>823.41</b>		<b>823.41</b>	
13	Ukhrul	IEI work of court building at Ukhrul.	16.56	23-03-2015	16.56	Completed
14		Renovation of the judiciary Court Building quarter and fencing wall at Ukhrul.	196.92	03-09-2014	196.92	Completed
15		Infrastructure development work in respect of District Court Complex Ukhrul.	138.67	11-03-2016	138.67	Completed
16		Providing additional light point power socket point for solar lighting in the office chamber of District & Session Judge, Court Room, Legal Room, Staff Rooms & Judge Qtr. at Ukhrul.	4.72	01-06-2017	4.72	Completed
<b>Sub Total</b>			<b>356.87</b>		<b>356.87</b>	
17	Senapati	Infrastructure development at District & Sessions Court Senapati.	106.67	29-08-2015	106.67	Completed
18		Addition and modification for establishment of district and session court at Senapati (SH-A/A to IEI).	12.22	14-01-2016	12.22	Completed
19		Repairing of Compound wall Court Building of JMFC, Kangpokpi.	32.71	01-08-2016	32.71	Completed
<b>Sub Total</b>			<b>151.60</b>		<b>151.60</b>	
20	Thoubal	Construction of compound wall, public toilet garage etc. at Thoubal court complex (SH: Construction of Compound wall left out portion).	109.43	16-03-2013	109.43	Completed

Sl. No.	District	Name of Project	Amount sanctioned	Date of sanction	Expenditure	Status of work as on March 2019
21		Construction of compound wall of CJM Thoubal, construction of water reservoir tank, public toilet, urinal, garage and repairing of court building.	46.96	24-12-2011	46.96	Completed
22		Construction of infrastructure facilities and furniture requirement of Thoubal court complex (Ezlah).	8.46	10-02-2014	8.46	Completed
23		Renovation of Front elevation of Court Building and Construction of second floor of the Court Building of District and Session Judge at Thoubal.	145.44	23-01-2015	145.44	Completed
24		Providing 1 no. 1.5 tonne capacity split type Air Conditioner and replacement of unserviceable fixture in the District and Session Judge Court.	1.41	05-01-2015	1.41	Completed
25		Construction of G+3 Annexe building for the court of district & Session Judge at Thoubal.	1,555.97	11-03-2016	835.94	75 per cent Completed
26		Construction, renovation and repairing of District & Session Court Building at Thoubal.	171.30	11-03-2016	137.04	Completed except chowkidar quarter
27		Improvement of family court building in Thoubal District Level office complex (Civil work).	22.95	24-05-2016	22.95	Completed
28		IEI for improvement of family court building in Thoubal district level office complex.	13.44	24-05-2016	13.44	Completed
29		Addition/alteration of IEI in the District & Session Court Thoubal.	8.03	28-04-2017	8.01	Completed
<b>Sub Total</b>			<b>2,083.39</b>		<b>1,329.08</b>	

Sl. No.	District	Name of Project	Amount sanctioned	Date of sanction	Expenditure	Status of work as on March 2019
30	Bishnupur	Renovation of existing Court building of Bishnupur.	30.70	10-04-2014	30.70	Completed
31		Setup of main pandal with decorative stage and furniture i/c sound picture in connection with the inauguration ceremony of District & Session Judge court at Bishnupur.	7.50	29-09-2014	7.50	Completed
32		Addition and alteration of the Session Court Building at Bishnupur District Head Quarter (SH: Construction of Second Floor).	95.65	19-03-2015	95.65	Completed
33		Addition and alteration of the Session Court Building at Bishnupur District Head Quarter (SH: Renovation of old Court building/ Judge Bungalow, Compound fencing Ground development, construction of common toilet block, garage).	94.37	19-03-2015	94.37	Completed
34		Additional supplementary works in respect of District and Session Court, Bishnupur and residential Qtr. of District & Session Judge, Bishnupur (Portion I).	82.02	01-12-2015	82.02	Completed
35		Additional supplementary works in respect of District and Session Court, Bishnupur and residential Qtr. of District & Session Judge, Bishnupur (Portion II).	85.97	01-12-2015	85.97	Completed
36		Construction of G+2 Annexe building for the court of District & Session Judge at Bishnupur.	1,042.46	16-02-2016	521.23	In progress

Sl. No.	District	Name of Project	Amount sanctioned	Date of sanction	Expenditure	Status of work as on March 2019
37		Front elevation of the court building of District & Session Judge, Bishnupur (SH: Beautification of front elevation of Court building, roof treatment with kota stone & construction of main gate).	99.07	16-02-2016	79.25	Completed
38		Renovation of Court building of District & Session Judge, Bishnupur (SH: Flooring of corridor and stair case with granite stone fixation of steel railing at both side of the stair case land the flooring of ground floor and 1st floor with painting).	100.27	16-02-2016	80.22	Completed
39		Repairing of District & Session Court, Bishnupur due to earthquake on 4th January, 2016.	14.64	31-03-2016	14.64	Completed
<b>Sub Total</b>			<b>1,652.65</b>		<b>1,091.55</b>	
40		Construction of compound wall with main gate, public toilet, water tank, security post, garage for Judicial Officer, Parking Shed for Litigant and Lawyer and improvement of internal road of court.	102.32	16-03-2013	88.89	Completed
41	Churachandpur	Renovation of designated Building of District and Session Court at Tuibong, Churachandpur.				Completed
42		Improvement of CJM court complex at Churachandpur (SH: Renovation of JMFC water, prisoner shed and improvement of IEI for court building & quarter.	100.35	08-08-2014	100.35	Completed
43		Renovation of designated Building of District and Session Court at Tuibong,	153.25	25-03-2015	153.25	Completed

Sl. No.	District	Name of Project	Amount sanctioned	Date of sanction	Expenditure	Status of work as on March 2019
44		Churachandpur, phase-II.				Completed
		Improvement of CJM court complex at Churachandpur phase-II(SH: Renovation of JMFC, court building, construction of garage, water supply, sanitary installation and cupboard painting of road and internal fencing.				
45		Construction of type design of State Judicial Officer Quarter at Churachandpur.	217.30	30-01-2015	217.30	Completed
<b>Sub Total</b>			<b>573.22</b>		<b>523.01</b>	
46		Construction of District Court Building at Tamenglong, Phase I.	4,588.68	23-03-2015	1,658.08	48 per cent Completed
				27-03-2018		
47		Construction of compound fencing of the existing CJM Court Complex at TML and renovation of quarter for CJM, TML.	163.80	20-10-2014	70.00	43 per cent Completed
48	Tamenglong	(i) Improvement of (5)five rooms for building for use as qtr of CJM and staff i/c lite flooring of rooms and washrooms, partition of room of CJM replacement of broken window panes, replacement of ceiling, electrification work, etc.	19.27	05-03-2016	19.27	Completed
		(ii) construction of water tank, water pipeline connection, partition of rooms at building of designated Court Building.				
49		Improvement of 5 (five) rooms for buildings, for use as quarter CJM and	3.80	27-10-2016	3.80	Completed

Sl. No.	District	Name of Project	Amount sanctioned	Date of sanction	Expenditure	Status of work as on March 2019
		staff including replacement of CGI sheet, ceiling and flooring of corridor.				
		<b>Sub Total</b>	<b>4,775.55</b>		<b>1,751.15</b>	
50		Development of infrastructure at Moreh court complex (Construction of compound wall phase II).	20.32	06-10-2015	20.32	Completed
			4.27	26-03-2016	4.27	Completed
51		Construction of compound wall phase III, drainage, gate and retaining wall of Moreh court complex.	112.14	21-03-2016	112.14	Completed
			113.97	21-03-2019	113.97	Completed
52		Construction of residential quarter for JMFC & Annexe Building at Moreh Court Complex.	242.39	10-12-2014	242.39	Completed
53	Chandel	Development of infrastructure at Moreh court complex (	64.31	07-02-2015	64.31	Completed
		Construction of compound wall ph-I, security barrack with Toilet, gates - 2 nos, water reservoir, security Tower - 2 nos. approach road at Moreh Court Complex).	96.47	25-03-2015	96.47	Completed
54		Development of infrastructure at Chandel court complex.	71.17	24-02-2015	71.17	Completed
55		Improvement of infrastructure of Court complex at Moreh (SH: Construction of tin/fibre roofed stairway for way from building/ APP/ BAR/ Record room to building.	7.57	25-03-2015	7.57	Completed
		<b>Sub Total</b>	<b>732.61</b>		<b>732.61</b>	
		<b>Grand Total</b>	<b>11,149.30</b>		<b>6,759.29</b>	

## Appendix 1.5

(Reference: Paragraph 1.2.8.5)

## Statement showing issue of computers to sampled Courts

Sl. No.	Name of court	Court Complex	No. of computers issued
1	District & Session Court, Imphal East	Cheirap Court Complex	4
2	District & Session Court, Imphal West		4
3	Chief Judicial Magistrate, Imphal West		4
4	Family Court, Manipur	Lamphel Courts Complex, Imphal West	4
5	ND&PS, Manipur		4
6	Fast Track Court, Manipur East		4
7	Fast Track Court, Manipur Wet		4
8	Civil Judge(Sr.Div), Imphal East		4
9	Civil Judge(Sr.Div), Imphal West		4
10	Chief Judicial Magistrate, Imphal East		4
11	Fast Track Court (CAW)		4
12	Family Court ,Imphal East		0
13	Chief Judicial Magistrate, Ukhrul		CJM Ukhrul, Mini Secretariat
14	District & Session Court, Ukhrul	DJ Ukhrul Complex, Phungreitang	4
15	District & Session Court, Thoubal	Thoubal Courts Complex, near S.P.	4
16	CJM/Civil Judge(Sr.Div), Thoubal		4
17	Family Court, Thoubal	Family Court Thoubal (C.C), Thoubal DC	4
18	District & Session Court, Churachandpur	Churachandpur Court Complex, Tuibong	4
19	CJM/Civil Judge(Sr.Div), Churachandpur		4
20	Manipur State Legal Services Authority		27
<b>Total</b>			<b>99</b>

## Appendix 1.6

(Reference: Paragraph 1.2.8.8)

### Statement showing issue of KIOSK machine to Court Complexes

Sl. No.	Name of Court Complex	Qty.	Month and Year of issue
1	Cheirap Court Complex, Uripok, Imphal West	1	November 2017
2	Lamphel Court Complex, Imphal West	4*	November 2017
3	MACT Court Complex, Imphal West	1	November 2017
4	Jiribam Court Complex	1	September 2017
5	CJM Ukhrul, Mini Secretariat	1	September 2017
6	DJ Ukhrul Complex, Phungreitang	1	September 2017
7	Thoubal Court Complex	1	September 2017
8	Family Court Thoubal Court Complex, Thoubal DC	1	August 2019
9	Bishnupur Court Complex, Bishnupur	1	November 2017
10	Churachandpur Court Complex, Tuibong	1	November 2017
11	Kangpokpi Court Complex, Senapati	1	November 2017
12	Senapati DJ Court Complex	1	November 2017
13	Senapati CJM Court Complex	1	November 2017
14	Chandel CJM Court Complex	1	November 2017
15	Moreh Court Complex	1	September 2017
	<b>Total</b>	<b>18</b>	

\* Out of four KIOSK machines available at Lamphel Court Complex, three of them was issued for Lamphel Court Complex and one is kept temporarily in stock for Tamenglong Court Complex since the Tamenglong Court Complex is under construction and yet to be functional.

**Appendix 1.7**

*(Reference: Paragraph 1.2.8.11)*

**Statement showing details of Library in the sampled Courts**

Sl. No.	Particular	Cheirap Court Complex			Lamphel Court Complex									Ukhrul Court Complex		Thoubal Court Complex			Churachandpur Court Complex	
		DJ IE	DJ IW	CJM IW*	FC M	ND&PS, Manipur	FTC, ME	FTC, MW	CJ (Sr.Div), IE	CJ (Sr.Div), IW	CJM, IE	FTC (CAW)	FC, IE	CJM	DJ	DJ	CJ M	FC	DJ	CJM
1	Whether library exists?	Y	Y		Y	Y	Y	Y	Y	N	N	Y	N	N	N	Y	Y	N	N	N
2	Whether equipped with Library Management Software?	N	N		N	N	N	N	NA	NA	N	NA	NA	NA	NA	N	N	N	NA	NA
3	Whether library can be assessed online?	NA	NA		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**NOTE:** \* Reply not yet furnished

Y – Yes

N – No

NA – Not Applicable

**Appendix 1.8**

*(Reference: Paragraph 1.2.8.13)*

**Statement showing Status of Litigants' Charter**

Sl	Service to the litigant	Platforms	Cheirap CC			Lamphel CC									Thoubal CC			Ukhrul CC*		Churachandpur CC		
			DJ IW	DJ IE	CJ M IW	CJM IE	Sr Div IW*	Sr. Div IE	ND PS*	FTC (CAW)	FC MNP	FC IE	FTC MW	FT C ME	DJ Tbl	CJ M Tbl	FC Tbl	DJ Ukhl	CJM Ukhl	DJ CCP	CJM CCP	
1	Case Filing Confirmation	i	SMS Push	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓						✓	✓
		ii	E mail								✓											
		iii	Web	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓

Sl	Service to the litigant		Platforms	Cheirap CC			Lamphel CC									Thoubal CC			Ukhrul CC*		Churachandpur CC	
				DJ IW	DJ IE	CJ M IW	CJM IE	Sr Div IW*	Sr. Div IE	ND PS*	FTC (CAW)	FC MNP	FC IE	FTC MW	FT C ME	DJ Tbl	CJ M Tbl	FC Tbl	DJ Ukhl	CJM Ukhl	DJ CCP	CJM CCP
		iv	Mobile App	✓	✓	✓			✓		✓		✓	✓	✓	✓	✓				✓	✓
		v	JSC																		✓	✓
		vi	Kiosk	✓	✓	✓					✓		✓	✓	✓							
		<b>Sub Total</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>2</b>		<b>4</b>		<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>1</b>			<b>4</b>	<b>4</b>
2	Case Scrutiny – Defects Notification	i	SMS Push	✓	✓	✓															✓	✓
		ii	E mail																			
		iii	Web	✓	✓	✓									✓	✓	✓				✓	✓
		iv	Mobile App	✓	✓	✓									✓	✓					✓	✓
		v	JSC																		✓	✓
		vi	Kiosk	✓	✓	✓																
		<b>Sub Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>				<b>4</b>	<b>4</b>
3	Case Registration Confirmation	i	SMS Push	✓	✓	✓	✓		✓		✓	✓	✓	✓							✓	✓
		ii	E mail									✓										
		iii	Web	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓				✓	✓
		iv	Mobile App	✓	✓	✓			✓		✓		✓	✓	✓	✓					✓	✓
		v	JSC																		✓	✓
		vi	Kiosk	✓	✓	✓			✓		✓		✓	✓	✓							
		<b>Sub Total</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>2</b>		<b>4</b>		<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>1</b>			<b>4</b>	<b>4</b>
4	Case Allocation Notification	i	SMS Push				✓														✓	✓
		ii	E mail																			
		iii	Web				✓								✓	✓	✓				✓	✓
		iv	Mobile App												✓	✓					✓	✓
		v	JSC																		✓	✓
		vi	Kiosk																			
		<b>Sub Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>				<b>4</b>	<b>4</b>
5	Case Next Date Notification	i	SMS Push				✓		✓		✓	✓	✓	✓							✓	✓
		ii	E mail								✓											
		iii	Web				✓		✓		✓	✓	✓	✓	✓	✓	✓				✓	✓

Sl	Service to the litigant		Platforms	Cheirap CC			Lamphel CC								Thoubal CC			Ukhrul CC*		Churachand pur CC	
				DJ IW	DJ IE	CJ M IW	CJM IE	Sr Div IW*	Sr. Div IE	ND PS*	FTC (CAW)	FC MNP	FC IE	FTC MW	FT C ME	DJ Tbl	CJ M Tbl	FC Tbl	DJ Ukhrl	CJM Ukhrl	DJ CCP
		iv	Mobile App					✓		✓	.	✓	✓	✓	✓	✓				✓	✓
		v	JSC																	✓	✓
		vi	Kiosk					✓		✓		✓	✓	✓							
		<b>Sub Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>1</b>			<b>4</b>	<b>4</b>
6	Process Issued Notification	i	SMS Push																	✓	✓
		ii	E mail																		
		iii	Web												✓	✓				✓	✓
		iv	Mobile App																	✓	✓
		v	JSC																	✓	✓
		vi	Kiosk																		
		<b>Sub Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>			<b>4</b>	<b>4</b>
7	Case Listing Notification	i	SMS Push				✓				✓									✓	✓
		ii	E mail								✓										
		iii	Web				✓				✓	✓			✓	✓				✓	✓
		iv	Mobile App									✓								✓	✓
		v	JSC																	✓	✓
		vi	Kiosk									✓									
		<b>Sub Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>			<b>4</b>	<b>4</b>
8	Case Disposed Notification	i	SMS Push	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓						✓	✓
		ii	E mail								✓										
		iii	Web	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓
		iv	Mobile App	✓	✓	✓		✓		✓		✓	✓	✓						✓	✓
		v	JSC																	✓	✓
		vi	Kiosk	✓	✓	✓		✓		✓		✓	✓	✓							
		<b>Sub Total</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>			<b>4</b>	<b>4</b>
9	Cause List	i	SMS Push																	✓	✓
		ii	SMS Pull																	✓	✓
		iii	E mail																		
		iv	Web	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓			✓	✓

Sl	Service to the litigant		Platforms	Cheirap CC			Lamphel CC									Thoubal CC			Ukhrul CC*		Churachandpur CC	
				DJ IW	DJ IE	CJ M IW	CJM IE	Sr Div IW*	Sr. Div IE	ND PS*	FTC (CAW)	FC MNP	FC IE	FTC MW	FT C ME	DJ Tbl	CJ M Tbl	FC Tbl	DJ Ukhl	CJM Ukhl	DJ CCP	CJM CCP
		v	Mobile App	✓	✓	✓			✓		✓		✓	✓	✓	✓	✓				✓	✓
		vi	JSC																		✓	✓
		vii	Kiosk	✓	✓	✓			✓		✓		✓	✓	✓							
		<b>Sub Total</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>		<b>3</b>		<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>			<b>4</b>	<b>4</b>
10	Case Status Information	i	SMS Pull				✓				✓										✓	✓
		ii	E mail								✓											
		iii	Web	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓				✓	✓
		iv	Mobile App	✓	✓	✓			✓		✓		✓	✓	✓	✓					✓	✓
		v	JSC																		✓	✓
		vi	Kiosk	✓	✓	✓			✓		✓		✓	✓	✓							
		<b>Sub Total</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>		<b>3</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>			<b>4</b>	<b>4</b>
11	Daily Orders/Proceedings	i	E mail						✓		✓	✓	.	.								
		ii	Web	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓				✓	✓
		iii	Mobile App	✓	✓	✓			✓		✓		✓	✓	✓	✓					✓	✓
		iv	JSC																		✓	✓
		v	Kiosk	✓	✓	✓			✓		✓		✓	✓	✓							
		<b>Sub Total</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>		<b>4</b>		<b>4</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>			<b>3</b>	<b>3</b>
12	Judgments	i	E mail																			
		ii	Web	✓	✓	✓	✓		✓				✓	✓	✓	✓	✓					
		iii	Mobile App	✓	✓	✓			✓				✓	✓	✓							
		iv	JSC																			
		v	Kiosk	✓	✓	✓			✓		✓		✓	✓	✓							
		<b>Sub Total</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>		<b>3</b>		<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>0</b>			<b>0</b>	<b>0</b>
13	Online Certified Copy with 2D Barcode Authentication	i	E mail																			
		ii	Web																			
		iii	JSC																			
		iv	Kiosk																			
		<b>Sub Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
14	Certified Copy	i	SMS Push																			

Sl	Service to the litigant	Platforms	Cheirap CC			Lampel CC									Thoubal CC			Ukhrul CC*		Churachandpur CC					
			DJ IW	DJ IE	CJ M IW	CJM IE	Sr Div IW*	Sr. Div IE	ND PS*	FTC (CAW)	FC MNP	FC IE	FTC MW	FT C ME	DJ Tbl	CJ M Tbl	FC Tbl	DJ Ukhl	CJM Ukhl	DJ CCP	CJM CCP				
	Application Status	ii	SMS Pull																						
		iii	E mail																						
		iv	Web																						
		v	JSC																						
		vi	Kiosk																						
	<b>Sub Total</b>	<b>6</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>					
15	Certified Copy Ready Notification	i	SMS Push																						
		ii	SMS Pull																						
		iii	E mail																						
		iv	Web																						
		v	JSC																						
	<b>Sub Total</b>	<b>6</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>				
16	Certified Copy Delivered Notification	i	SMS Push																						
		ii	SMS Pull																						
		iii	E mail																						
		iv	Web																						
		v	JSC																						
	<b>Sub Total</b>	<b>6</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>				
17	Caveat Filed Information	i	SMS Push	✓	✓	✓			✓		✓		✓	✓	✓										
		ii	SMS Pull	✓	✓	✓			✓		✓		✓	✓	✓										
		iii	E mail																						
		iv	Web	✓	✓	✓			✓		✓		✓	✓	✓										
		v	JSC																						
	<b>Sub Total</b>	<b>6</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>		<b>4</b>		<b>4</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>			
18		i	SMS Push																						

Sl	Service to the litigant	Platforms	Cheirap CC			Lamphel CC										Thoubal CC			Ukhrul CC*		Churachand pur CC		
			DJ IW	DJ IE	CJ M IW	CJM IE	Sr Div IW*	Sr. Div IE	ND PS*	FTC (CAW)	FC MNP	FC IE	FTC MW	FT C ME	DJ Tbl	CJ M Tbl	FC Tbl	DJ Ukh1	CJM Ukh1	DJ CCP	CJM CCP		
	Case filed against caveator	ii	SMS Pull																				
		iii	E mail																				
		iv	Web	✓	✓	✓				✓			✓	✓	✓	✓	✓						
		v	JSC																				
		vi	Kiosk	✓	✓	✓				✓			✓	✓	✓								
	<b>Sub Total</b>	<b>6</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>		<b>2</b>			<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>		<b>0</b>	<b>0</b>	
19	Appeal/Revision filed against order/judgments	i	SMS Push	✓	✓	✓			✓														
		ii	SMS Pull	✓	✓	✓																	
		iii	E mail																				
		iv	Web	✓	✓	✓							✓		✓	✓	✓	✓					
		v	Mobile App	✓	✓	✓				✓			✓		✓	✓							
		vi	JSC																				
		vii	Kiosk	✓	✓	✓				✓			✓		✓	✓							
	<b>Sub Total</b>	<b>7</b>		<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>		<b>7</b>	<b>3</b>			<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>0</b>		<b>0</b>	<b>0</b>
20	Digitally Signed Orders	i	E mail																				
		ii	Web																				
		iii	Mobile App																				
	<b>Sub Total</b>	<b>3</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>3</b>	<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
21	Digitally Signed Judgments	i	E mail																				
		ii	Web																				
		iii	Mobile App																				
	<b>Sub Total</b>	<b>3</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>3</b>	<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
22	Digitally Signed Decrees	i	E mail																				
		ii	Web																				
		iii	Mobile App																				
	<b>Sub Total</b>	<b>3</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>3</b>	<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
23	Digitally Signed Certified	i	E mail																				
		ii	Web																				

Sl	Service to the litigant		Platforms	Cheirap CC			Lamphel CC									Thoubal CC			Ukhrul CC*		Churachand pur CC	
				DJ IW	DJ IE	CJ M IW	CJM IE	Sr Div IW*	Sr. Div IE	ND PS*	FTC (CAW)	FC MNP	FC IE	FTC MW	FT C ME	DJ Tbl	CJ M Tbl	FC Tbl	DJ Ukh1	CJM Ukh1	DJ CCP	CJM CCP
	Copies of Case Record	iii	Mobile App																			
	<b>Sub Total</b>	<b>3</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>	
24	Process Service through Email	i	E mail																			
	<b>Sub Total</b>	<b>1</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>	
25	eCourt Fees	i	Web				□															
		ii	JSC																			
		iii	Kiosk																			
	<b>Sub Total</b>	<b>3</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>	
26	ePayment to Courts	i	Web																			
		ii	JSC																			
		iii	Kiosk																			
	<b>Sub Total</b>	<b>3</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>	
27	eFiling of Cases for SC/HC/DC	i	Web																			
		ii	Kiosk																			
	<b>Sub Total</b>	<b>2</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>	
28	Regional Language DC Website	i	Web																			
		ii	Kiosk																			
	<b>Sub Total</b>	<b>2</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
29	Disabled Friendly Website	i	Web																			
		ii	Kiosk																			
	<b>Sub Total</b>	<b>2</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
30	Court Complex Location	i	Web	✓	✓	✓	✓		✓		✓		✓	✓	✓	✓	✓					
		ii	Mobile App	✓	✓	✓			✓		✓		✓	✓	✓							
	<b>Sub Total</b>	<b>2</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>		<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>			<b>0</b>	<b>0</b>

\* Information not available

**Appendix 2.1**

*(Reference: Paragraph 2.1)*

**Statement showing funds transferred directly to Implementing Agencies under Economic Sector (Other Than State Public Sector Undertakings)**

*(₹ in lakh)*

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released
1	National Programme for Dairy Development	Manipur Milk Producers co-operative Union	51.09
2	Rashtriya Gokul Mission	Manipur Livestock Development	547.60
3	Organic Value Chain Development for North East Region	Manipur Organics Mission Agency	2953.96
4	Submission on Seed and Planting Material	Programme co-ordinator, Churachandpur	9.60
<b>Total</b>			<b>3562.25</b>

Source: Finance Accounts 2018-19.

**Appendix 2.2**

*(Reference: Paragraph 2.1.1)*

**Year-wise details of expenditure audited in respect of Economic Sector during 2018-19**

Year	Expenditure incurred
2006-07	0.21
2007-08	1.18
2008-09	1.62
2009-10	3.28
2010-11	5.55
2011-12	10.97
2012-13	16.90
2013-14	66.02
2014-15	188.39
2015-16	206.93
2016-17	537.88
2017-18	442.24
2018-19	258.58
<b>Total</b>	<b>1,739.75</b>

Source: Records of the Accountant General (Audit), Manipur.

## Annexure 2.3

(Reference: Paragraph 2.5)

Statement showing called of restricted tenders in three Works  
Departments during 2017-18 & 2018-19 in Manipur

Sl. No.	Name of Office	Period of account	No. of works	Estimated cost (₹ in crore)	No. of contractors invited	No. of responses	Period of tendering
<b>Building Division, PWD</b>							
1	Chief Engineer (Building), PWD	03/15-04/17	81	113.09	4-10	3	03/15-12/16
2	EE, Building Division-I, PWD	04/16-10/17	9	80.90	6	3	08/16-11/16
3	EE, Building Division-II, PWD	01/14-10/17	10	6.56	5	3	02/15-03/17
4	EE, Building Division-III, PWD	12/16-12/17	7	6.61	8-10	3	12/16-10/17
<b>Road &amp; Bridge Division, PWD</b>							
5	Superintendent Engineer-I, PWD	09/07-04/17	42	30.46	6-10	3	12/15-12/16
6	EE, Churachandpur, PWD	01/17-12/17	9	2.90	5	3	9/2017
7	EE, Tamenglong, PWD	10/14-08/17	8	6.43	10	3	02/15-12/16
8	EE, National Highway-I, PWD	01/17-01/18	11	2.28	21-31	3	2017-18
9	SE-III, PWD	01/09-05/17	49	32.62	6-8	3	10/14-11/16
10	EE, Highway South, PWD	04/16-08/17	9	12.34	5-8	3	11/16-12/16
11	EE, MQCD, PWD	04/16-6/17	10	45.80	5-7	3	03/15-1/17
12	SE-II, PWD	09/04-05/17	53	28.94	4-18	3	03/15-12/16
13	EE, Ukhrul, PWD	11/16-12/17	11	3.13	5-10	3-4	11/16-01/18
14	EE, Imphal East, PWD	07/14-05/17	13	17.15	6	3	03/16-12/16
15	EE, National Highway-II, PWD	05/16-02/18	28	13.69	4-15	2-3	12/05-11/17
16	SE, National Highway Division, PWD	04/13-09/17	23	8.83	4-15	2	12/15-10/16
17	EE, Bridge Division, PWD	03/17-10/17	13	63.30	8-11	-	12/15-11/16
18	EE, Bishnupur, PWD	11/16-02/18	15	11.93	8	3	11/16-12/16
19	EE, Jiribam, PWD	05/16-08/17	9	5.46	6-10	3	03/15-12/16
20	EE, National Highway-III, PWD	07/14-10/17	10	7.24	21	3	06/2014
21	EE, Senapati, PWD	09/15-08/17	9	6.88	5-8	3	01/16-12/16
22	EE, Imphal West, PWD	04/16-11/17	21	30.81	7-8	3	12/15-03/17
23	Addl. CE-I, PWD	04/14-04/17	6	8.79	7-8	3	11/6-12/16

Sl. No.	Name of Office	Period of account	No. of works	Estimated cost (₹ in crore)	No. of contractors invited	No. of responses	Period of tendering
24	EE, Chandel, PWD	11/14-07/17	12	8.35	6-8	3	03/15-03/16
25	EE, NEC-II, PWD	04/16-02/18	7	19.58	5-7	3	-
26	EE, Sadar Hills, PWD	08/14-02/18	13	7.46	6-10	3	11/16-02/18
27	EE, Thoubal, PWD	10/16-11/17	24	72.39	6-7	3	03/16-11/16
28	EE, National Highway-II, PWD	03/18-02/19	22	4.00	5-20	3	02/18-03/18
<b>Electrical Division, PWD</b>							
29	SE, Electrical, PWD	04/14-5/17	11	5.42	4-5	3	04/16-04/17
30	EE, Electrical Division-I, PWD	01/09-11/17	7	4.28	3-5	3	09/16-03/17
31	EE, Electrical Division-II, PWD	07/13-11/17	8	14.40	4-5	3	09/16-04/17
32	EE, Electrical Division-III, PWD	07/13-11/17	9	1.29	3	3	11/2016
<b>Water Resources Department (WRD)</b>							
33	EE, FCD-IV, WRD	01/17-01/19	6	1.73	10-20	4	08/17-08/18
34	EE, FCD-II, WRD	02/14-11/18	137	36.11	-	3	-
35	EE, TPD-II WRD	01/17-11/18	140	8.16	3	3	04/17-11/18
36	EE, IMD-II, WRD	01/16-01/19	9	3.02	5-6	3	-
37	EE, TPD-IV WRD	08/14-01/19	4	7.05	7-8	3	-
38	EE, FCD-I WRD	12/16-02/19	21	5.32	4	4	-
<b>Minor Irrigation (MI)</b>							
39	EE, Minor Irrigation Division-I	07/16-12/18	9	6.08	12	3	12/16-09/17
<b>TOTAL</b>			<b>895</b>	<b>750.78</b>			

## Appendix 3.1

(Reference: Paragraph 3.1.6)

Statement showing investments made by State Government in PSUs (all Government companies) whose accounts are in arrears

(Figures in columns 4 &amp; 6 to 8 are ₹ in crore)

Sl. No	Name of the Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Period of accounts pending finalisation	Investment made by State Government during the year of which accounts are in arrears@		
					Equity	Grants	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>A</b>							
1	Manipur Tribal Development Corporation Limited	1987-88	0.52	1988-89 to 2018-19	-	1.50	1.50
2	Manipur Food Industries Corporation Limited	2009-10	5.41	2010-11 to 2018-19	2.00	3.61	5.61
3	Manipur State Power Company Limited	2015-16	10.05	2016-17 to 2018-19	-	675.10	675.10
4	Manipur State Power Distribution Company Limited	2015-16	10.05	2016-17 to 2018-19	-	885.21	885.21
5	Manipur Handloom & Handicrafts Development Corporation Limited	2009-10	12.21	2010-11 to 2018-19	-	12.44	12.44
6	Manipur IT SEZ Project Development Company Limited*	-	0.05	2013-14 to 2018-19	0.05	-	0.05
7	Tourism Corporation of Manipur Limited*	-	0.05	2016-17 to 2018-19	0.05	6.07	6.12
	<b>Total</b>		<b>53.24</b>		<b>2.10</b>	<b>1583.93</b>	<b>1586.03</b>

@ Investment figures are as provided by the Companies.

\*First Accounts not finalised.

## Appendix 3.2

(Reference: Paragraphs 3.1.8, 3.1.10 and 3.1.12)

### Summarised financial position and working results of Public Sector Undertakings (all Government companies) as per their latest finalised financial statements as on 30 September 2019

(Figures in columns 5 to 12 are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit(+)/ loss (-)	Capital Employed	Return on capital employed (Earnings before tax and interest)	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>A. Working Government Companies</b>													
<b>FINANCE</b>													
1	Manipur Industrial Development Corporation Limited	2009-10	2014-15	12.14	6.31	(-) 31.78	-	0.07	(-)1.45	(-) 13.33	(-)1.45	Not workable	71
2	Manipur Tribal Development Corporation Limited	1987-88	2013-14	0.52	-	(-) 0.23	-	0.02	(-)0.12	0.29	(-) 0.12	(-) 41.37	132
<b>Sector wise total</b>				<b>12.66</b>	<b>6.31</b>	<b>(-) 32.01</b>	<b>-</b>	<b>0.09</b>	<b>(-) 1.57</b>	<b>(-) 13.04</b>	<b>(-) 1.57</b>	<b>Not workable</b>	<b>203</b>
<b>INFRASTRUCTURE</b>													
3	Manipur Police Housing Corporation Limited	1997-98	2012-13	0.02	-	0.59	-	0.11	0.29	0.61	0.29	47.54	133
<b>Sector wise total</b>				<b>0.02</b>	<b>0.59</b>	<b>0.59</b>	<b>-</b>	<b>0.11</b>	<b>0.29</b>	<b>0.61</b>	<b>0.29</b>	<b>47.54</b>	<b>133</b>
<b>MANUFACTURING</b>													
4	Manipur Food Industries Corporation Limited <sup>159</sup>	2010-11	2017-18	5.41	6.89	(-)0.71	-	-	-	11.59	-	(-) 0.01	13
5	Manipur Electronics Development Corporation Limited	2017-18	2018-19	2.74	-	(-) 7.11	-	1.26	(-) 0.22	(-) 4.37	(-) 0.22	Not workable	37
<b>Sector wise total</b>				<b>8.15</b>	<b>6.89</b>	<b>(-) 7.82</b>	<b>-</b>	<b>1.26</b>	<b>(-)0.22</b>	<b>7.22</b>	<b>(-)0.22</b>	<b>(-) 3.05</b>	<b>50</b>
<b>POWER</b>													

<sup>159</sup> PSU at Serial No. A4 incurred nominal loss of ₹ 5,000 only as per its accounts for 2010-11 finalised during the year. Hence, column 10 and 12 have been left blank.

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit(+)/ loss (-)	Capital Employed	Return on capital employed (Earnings before tax and interest)	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	14
6	Manipur State Power Company Limited	2015-16	2018-19	10.05	-	(-) 41.63	-	38.12	(-) 20.08	(-) 31.58	(-) 6.26	Not workable	1571
7	Manipur State Power Distribution Company Limited	2015-16	2018-19	10.05	135.00	(-) 62.04	-	192.88	(-) 19.50	83.01	(-) 1.57	(-)1.89	1613
<b>Sector wise total</b>				<b>20.10</b>	<b>135.00</b>	<b>(-) 103.67</b>	<b>-</b>	<b>231.00</b>	<b>(-) 39.58</b>	<b>51.43</b>	<b>(-) 7.83</b>	<b>(-) 15.23</b>	<b>3184</b>
<b>MISCELLANEOUS</b>													
8	Manipur Handloom & Handicrafts Development Corporation Limited	2009-10	2018-19	12.21	1.69	(-) 16.18	-	0.15	(-)0.31	-2.28	(-) 0.31	Not workable	9
*9	Manipur IT SEZ Project Development Company Limited	First accounts not finalised	-	-	-	-	-	-	-	-	-	-	2
*10	Tourism Corporation of Manipur Limited	First accounts not finalised	-	-	-	-	-	-	-	-	-	-	4
<b>Sector wise total</b>				<b>12.21</b>	<b>1.69</b>	<b>(-) 16.18</b>	<b>-</b>	<b>0.15</b>	<b>(-) 0.31</b>	<b>-2.28</b>	<b>(-) 0.31</b>	<b>Not workable</b>	<b>15</b>
<b>Total A (All sector wise working Government Companies)</b>				<b>53.14</b>	<b>149.89</b>	<b>(-) 159.09</b>	<b>-</b>	<b>232.60</b>	<b>(-) 41.39</b>	<b>43.94</b>	<b>(-) 9.64</b>	<b>(-) 21.95</b>	<b>3585</b>

\* PSUs at Serial No. A9 and A10 incorporated on dated 30 December 2013 and 13 July 2016 respectively, had not finalised their first accounts as of September 2019.

Appendix 3.2 (contd.)

(Reference: Paragraph 3.1.8, 3.1.10 & 3.1.12)

Summarised financial position and working results of Public Sector Undertakings (all Government companies) as per their latest finalised financial statements as on 30 September 2019

B. Non-working Government Companies													
Sl. No	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free reserves & surplus	Turnover	Net profit (+)/ loss (-)	Capital Employed	Return on capital employed	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>AGRICULTURE &amp; ALLIED</b>													
1	Manipur Agro Industries Corporation Limited	1988-89	2005-06	0.32	-	(-) 0.45	-	0.19	(-) 0.04	(-) 0.13	(-) 0.04	Not workable	-
2	Manipur Plantation Crops. Corporation Limited	1983-84	2000-01	0.51	0.07	-	-	-	-	0.58	-	-	-
<b>Sector wise total</b>				<b>0.83</b>	<b>0.07</b>	<b>(-) 0.45</b>	<b>-</b>	<b>0.19</b>	<b>(-) 0.04</b>	<b>0.45</b>	<b>(-) 0.04</b>	<b>(-) 8.12</b>	
<b>MISCELLANEOUS</b>													
3	Manipur Pulp & Allied Products Limited	2002-03	2017-18	0.90	1.75	(-) 6.81	-	-	(-)0.83 <sup>160</sup>	(-) 4.16	(-) 0.25	Not workable	1
<b>Sector wise total</b>				<b>0.90</b>	<b>1.75</b>	<b>(-) 6.81</b>	<b>-</b>		<b>(-) 0.83</b>	<b>(-) 4.16</b>	<b>(-) 0.25</b>	<b>Not workable</b>	
<b>Total B (All sector wise non-working Government Companies)</b>				<b>1.73</b>	<b>1.82</b>	<b>(-) 7.26</b>	<b>-</b>	<b>0.19</b>	<b>(-) 0.87</b>	<b>(-) 3.71</b>	<b>(-) 0.29</b>	<b>Not workable</b>	<b>1</b>
<b>Grand Total (A+B)</b>				<b>54.87</b>	<b>151.71</b>	<b>(-) 166.35</b>	<b>0.59</b>	<b>232.79</b>	<b>(-) 42.26</b>	<b>40.23</b>	<b>(-) 9.93</b>	<b>(-) 24.68</b>	<b>3586</b>

<sup>160</sup> As per the latest finalised accounts for the year 2002-03, the PSU had no income. The loss was due to staff cost (₹ 0.21 crore), financial cost (₹ 0.58 crore) and other expenses (₹ 0.04 crore).

## Appendix 3.3

(Reference: Paragraph No. 3.1.10)

## Statement showing Rate of Real Return on Government Investment

(Figures in column no. B to I and K to M are ₹ in crore)

Financial Year	Present value of total investment at the beginning of the year	Equity infused by the State government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest (per cent)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/profit after tax (PAT) for the year*
A	B	C	D	E	F	G	H	I	J	K $K=I \times (1+J/100)$	L $L=(I \times J) \div 100$	M
Upto 2012-13**		43.19	0.10	0.00	1.28	0.00	44.57	44.57	6.52	47.48	2.91	0.18
2013-14	47.48	0.00	0.00	0.00	0.00	0.00	0.00	47.48	6.42	50.52	3.05	0.78
2014-15	50.52	20.10	0.00	0.00	0.00	0.00	20.10	70.62	6.56	75.26	4.63	(-) 20.95
2015-16	75.26	2.05	0.00	0.00	259.93	0.00	261.98	337.24	6.67	359.73	22.49	(-) 24.59
2016-17	359.73	0.05	0.00	0.00	250.65	0.00	250.70	610.43	6.42	649.62	39.19	(-) 48.58
2017-18	649.62	0.00	0.00	0.00	286.89	0.00	286.89	936.51	6.13	993.92	57.41	(-) 48.75
2018-19	993.92	0.00	0.00	0.00	299.36	0.00	299.36	1293.28	5.76	1367.77	74.49	(-) 42.26
<b>Total</b>		<b>65.39</b>	<b>0.10</b>	<b>0</b>	<b>1098.11</b>	<b>0</b>	<b>1163.60</b>					

\* worked out in respect of 13 PSUs where State Government made direct investment on the basis of profit/loss as per their latest finalised accounts.

\*\*these are cumulative figures upto 2012-13 for Columns C, D, E, F, G and H.

Year	Total earnings/loss in 2018-19	Investment by the State Government as per total of column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2018-19	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
	Value of column M of above table	Total of the column H of above Table	$(A \div B) \times 100$	Value of column K of above Table	$(A \div D) \times 100$
2018-19	-42.26	1163.60	-3.63	1367.77	(-) 3.09

**Appendix 3.4**

(Reference: Paragraph 3.2.23)

**Comparative statement of supply price of materials by manufacturers, turnkey contractors vis-à-vis cost estimates:  
RGGVY XII Five Year Plan  
Supply: M/s. Techno Power Enterprise- Senapati District**

Item	Date of supply	Ref .Invoice no.	Manufacturer	Manufacturer's unit price	Contractor's Supply price per unit	Qty. Supplied as per LOA	Estimate by Company	Additional expenditure due to exorbitant pricing
STP 410 : SP-14 : 8 m	16.04.2016	62	NTL Barnihat	4303.38	12000	2012	12425	1,54,85,599.44
STP SP-31	16.04.2016	63	NTL Barnihat	5823	15000	1336	18860	1,22,60,472.00
ASCR Rabbit Conductor	25.03.2016	239	Anish Industrial Corporation	25250	60000	488.19	66060	1,69,64,602.50
GI Wire 10 SWG	17.02.2016	1831	Nirmal Wires	38.71	127.5	1214	111.32	1,07,791.06
25 KVA DTR Transformer 3 Phase	04.03.2016	180	RTS Power Corporation	31809	103500	70	145745	50,18,370.00
							<b>TOTAL- A</b>	<b>4,98,36,835.00</b>
<b>Supply: M/s.T&amp;T Projects Limited- Chandel District</b>								
STP 410 : SP-14 : 8 m	16.05.2016	T&T/RGGVY-CDL/S-Pole/28	Nezone Pipes and Structures	5398	21800	1197	12425	1,96,33,194.00
STP SP-31 9 M	16.05.2016			6211.63	24500	2317	18860	4,23,74,153.29
ASCR Rabbit Conductor	23.05.2016	T&T/RGGVY-CDL/S-CTDR/34	Dynamic Cables Pvt Ltd	28052	71500	632	66060	2,74,59,136.00
GI Wire 10 SWG (per Kg)	25.10.2018		Supreme Udyog	56	100	1088		47,872.00
25 KVA DTR Transformer 3 Phase	23.05.2016		Kamakhya Transformers	55999	180000	36	145745	44,64,036.00
63 KvaDTR Transformer 3 Phase				94999	280000	66	182638	1,22,10,066.00
3.15 MVA	31.03.2017	T&T/RGGVY-CDL/S-DTR/49	Tesla Transformers Ltd.	2099925	9950000	1	5349570	78,50,075.00
							<b>TOTAL-B</b>	<b>11,40,38,532.29</b>

## Appendix 3.5

(Reference: Paragraph 3.2.24)

## Statement of Price comparison of major items

## A. Supply

Description of Work / Item (S)	Unit	BISHNUPUR			CHANDEL			CHURACHANDPUR			SENAPATI			TAMENGLONG		
		No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)	No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)	No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)	No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)	No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)
<b>B) 11 KV Portion</b>																
<b>I) 11 KV Lines (34.71 Km)</b>																
1) 9.0 m S.T.P.(410:SP-31)	No.	400	19871.00	1948400.00	2137.00	24500.00	2,03,01,500.00	6351	20140.00	32644140.00	1860	15000		2315.00	17010.00	4653150.00
3) Hot dip Galvanized Cross arm(75X40)mm	No.	69	1658.00	51060.00	356.00	2900.00	705592.00	1059	1680.00	806958.00	310	918		386.00	2760.00	711012.00
6) Hot dip Galvanized Clamp for item no.5	No.	696	318.00	186528.00	3560.00	210.00	569600.00	10585	322.00	2879120.00	3100	93	133300	3860.00	50.00	
7) 11 KV Disc. Insulator (Complete set i/c Tension clamps,Hardware)	Set	1248	1590.00	1042704.00	6408.00	2400.00	10544364.00	19053	1612.00	16337947.50	5580	754.5		6945.00	2050.00	8997247.50
9) ACSR Conductor (Rabbit)	Km	109.34	64029.00	440530.86	560.86	71500.00	6449890.00	1667.14	64897.00	8163984.58	488	60000		607.73	97700.00	22911421.00
10) Isolator with Hot dip Galvanized X-arm etc.	No	17	31856.00	441694.00	89.00	25900.00	1782314.00	265	32288.00	6999710.00	77	5874		96.00	17690.00	1134336.00
11) Hot dip Galvanized Stay Set complete with stay wire, base plate, stay rod etc.	Set	694	2491.00	583654.00	3561.00	1650.00		10585	2525.00	9261875.00	3100	2601	2947719.60	3859.00	3020.00	5286830.00
13) Hot dip Galvanized Bracing for D.P.structure, 50X50X6mm M.S. Angle	Set	174	6400.00	372360.00	890.00	4260.00		2646	6487.00	5892642.00	775	7500	2510676	965.00	9320.00	4882900.00
<b>a) 25 KVA Distribution Transformers (34 Nos)</b>																
1) 9m Steel Tubular poles 410 SP-31	No	68	19871.00	331228.00	72.00	24500.00	684000.00	250	20140.00	5035000.00	140	15000		70.00	17010.00	140700.00
11) Distribution transformer 25 KVA	No	34	145931.00	1442654.00	36.00	180000.00	2754000.00	125	147908.00	5551000.00	70	103500		35.00	249640.00	5114900.00
17) Sub-Station Earthing	L.S	1	354283.00	343483.00	1.00	10800.00		1	1320292.00	1309492.00	1	37500	26700.00	1.00	290000.00	279200.00

Description of Work / Item (S)	Unit	BISHNUPUR			CHANDEL			CHURACHANDPUR			SENAPATI			TAMENGLONG		
		No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)	No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)	No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)	No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)	No. of Qty.	Unit Ex-works price (₹)	Net amount Difference with lowest (₹)
<b>a)LT ABC Single Phase 1X25+1X16 Sq. mm (23.64 Km.)</b>																
1) 8.0 m S.T.P.(410:SP-14)	No	520	17694.00	5096000.00	518.00	21800.00	5076400.00	1355	18320.00	8563600.00	601	12000		687.00	14140.00	1470180.00
6) AB Cable (1x25+1x16)Sq.mm	Km	23.64	145390.00	1089567.60	23.54	295000.00	4606778.00	61.58	147360.00	2959534.80	27	109500	275400	31.22	99300.00	
7) Insulation piercing connector suitable for AB Cable (25/16 Sq.mm. Main & Branch) as per TS & Construction Standard.	No	1182	294.00	166662.00	1177.00	350.00	231869.00	3079	298.00	446455.00	1366	153		1561.00	650.00	775817.00
12) Sundaries, Pole painting, Danger plate, Number Plate etc.	LS	1	27693.00	21693.00	1.00	6000.00		1	72595.00	66595.00	1	6000		1.00	17000.00	11000.00
<b>Sub-total (a)</b>																
<b>b)LT ABC three Phase 3X50+1X35 Sq. mm. (30.26 Km.)</b>																
1) 8.0 m S.T.P.(410:SP-14)	No	666	18075.00	4045950.00	679.00	21800.00	6654200.00	2221	18320.00	14036720.00	735	12000		441.00	14140.00	943740.00
6) AB Cable (3x50+1x35)Sq.mm	Km	30.26	243916.00	429374.27	30.86	350000.00	3711640.21	100.95	247221.00	1766069.78	33	229727		20.03	335600.00	
				<b>1,94,35,770.23</b>			<b>6,48,84,579.21</b>			<b>12,27,20,843.66</b>			<b>58,93,795.60</b>			<b>6,03,50,446.50</b>
<b>B-Savings if the lowest rates were imposed uniformly ₹</b>					<b>27,32,85,435.20</b>											

*Disclaimer: Data extracted from MSPDCL's records*

### B. Erection

Description of Work / Item (S)	Unit	Bishnupur			Chandel			Churachandpur			Senapati			Tamenglong		
		No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest
<b>B) 11 KV Portion</b>																
<b>11 KV Lines</b>			<b>34.71 Km</b>			<b>178.05 Km</b>			<b>529.25 Km</b>			<b>154.25 Km</b>			<b>192.93</b>	
1) Detailed Route survey for new lines and submission of route profile/alignment etc. all complete	Km	34.71	4860.00	116625.60	178.05	1500.00		529.25	4700	1693600.00	154.98	3254.00	271834.92	192.93	1900.00	77172.00
2) Jungle clearance including tree cutting along the line including trimming, loaping.	Km	34.71	1767.00	40506.57	178.05	1500.00	160245.00	529.25	1880	677440.00	154.98	<b>65056.00</b>	<b>9989390.88</b>	192.93	600.00	

Description of Work / Item (S)	Unit	Bishnupur			Chandel			Churachandpur			Senapati			Tamenglong		
		No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest
branching <i>etc</i> as required to maintain statutory electrical clearance as per the direction of Engineer-in-charge																
3) Erection of Single Pole including excavation in all kinds of soils, concreting of foundations as per approved drawing, painting of poles concreting of foundations as per approved drawing, painting of poles (including supply of concreting materials and paints, <i>etc.</i> ) complete as per Technical Specification	No.	69	2651.00	79419.00	356.00	1500.00		1059	2820	1397880.00	310	3903.00	744930.00	386.00	1750.00	96,500.00
4) Erection of Double Pole including excavation in all kinds of soils, concreting of foundations as per approved drawing, painting of poles (including supply of concreting materials and paints, <i>etc.</i> ) complete as per Technical Specification	No.	174	5125.00	404550.00	890.00	2800.00		2646	5452	7017192.00	775	7156.00	3375900.00	965.00	3500.00	675500.00
6) Fitting & fixing of all line accessories like cross arm, DP channels, DP cross brackets, all types of clamps,danger board, anticlimbing device <i>etc.</i> complete(including supply of nuts&bolts,GI through bolt, <i>etc.</i> ) as per specification for Double Pole Structures.	No	174	530.00	66120.00	890.00	150.00		2646	564	1095444.00	775	1301.00	892025.00	965.00	490.00	328100.00
7) Pipe Earthing including fixing of 1mtr long GI pipe in all kinds of soils complete as per approved drawing and Technical Specification 1set/location	Loc	347	1105.00	244635.00	1781.00	400.00		5293	1175	4102075.00	1550	7807.00	11479368.60	1929.00	580.00	347220.00
8) Erection of stay set including stay pit excavation, concreting,	Set	694	839.00	235266.00	3561.00	500.00		10585	893	4159905.00	3100	2602.00	6516200.00	3859.00	870.00	1427830.00

*Audit Report on Social, Economic, General and Revenue Sectors for the year ended 31 March 2019*

Description of Work / Item (S)	Unit	Bishnupur			Chandel			Churachandpur			Senapati			Tamenglong		
		No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest
stone/ earth filling, ramming, fixing of stay wire, insulator complete as per specification																
9) Stringing of line (3 wires) including paying out and sagging of conductor, and mid point jointing of ACSR Rabbit conductor, installation of disc/ pin insulator alongwith all necessary hardwares and accessories as per Technical Specification.	CKT KM	34.71	15905.00	395867.55	178.05	4500.00		529.25	16450	6324537.50	154.98	19517.00	2327334.66	192.93	19400.00	2874657.00
<b>New Installation Distribution Transformer (Pole Mounted Sub-Station)</b>																
<b>a) 3 Phase 25 KVA Distribution Transformers (34 Nos)</b>																
a) 3-ph, 50Hz,11/0.4KV,25 KVA	No	34	33577.00	1012418.00	36.00	3800.00		125	35720	3990000	70	24721.00	1464470.00	35.00	29130.00	851550.00
<b>b) 3 Phase 63 KVA Distribution Transformers (2 Nos)</b>																
a) 3-ph, 50Hz,11/0.4KV,63 KVA	No	2	37111.00	65222.00	22.00	4500.00		18	39480	629640.00	6	26023.00	129138.00	13.00	33980.00	
<b>LT Line</b>																
<b>a) LT ABC Single Phase 1X25+1X16 Sq. mm (23.64 Km.)</b>																
1) Detailed Route Survey, investigation including peg marking, profiling / alignment of route etc. complete as per Technical Specification	Km	23.64	2474.00	23970.00	23.54	2000.00	12711.00	61.58	2820	83749.00	27.31	3254.00	48994.00	31.22	1460.00	
2) Erection of Single Pole including excavation in all kinds of soils, concreting of foundations as per approved drawing, painting of poles (including supply of Aluminium paint) etc. complete as per Technical Specification	No	520	2209.00	368680.00	518.00	1500.00		1355	2350	1151750.00	601	3903.00	1444203.00	687.00	1650.00	103050.00

Description of Work / Item (S)	Unit	Bishnupur			Chandel			Churachandpur			Senapati			Tamenglong		
		No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest
6) Stringing of LT AB Cable (1x25+1x16 sq.mm.) including installation of clamps for attachment of ABC to pole and all accessories including Distribution Box, jointing and termination, danger plate, etc. complete in all respect as required as per Construction Standard	CKT KM	23.64	7511.00	94820.04	23.54	3500.00		61.58	7520	247551.60	27.31	7612.00	112298.72	31.22	7700.00	131124.00
7) Tree cutting along the line including trimming, looping, branching etc. as required to maintain statutory electrical clearance as per the direction of Engineer-in-charge	Km	23.64	707.00	2529.00	23.54	2000.00	32956.00	61.58	750	9237.00	27.31	65056.00	1760293.36	31.22	600.00	
<b>b) LT ABC three Phase 3X50+1X35 Sq. mm (30.26 Km.)</b>																
2) Erection of Single Pole including excavation in all kinds of soils, concreting of foundations as per approved drawing, painting of poles (including supply of Aluminium paint) etc. complete as per Technical Specification	No	666	2209.00	472194.00	679.00	1500.00		2221	2350	1887850.00	735	3903.00	1766205.00	441.00	1650.00	
6) Stringing of LT AB Cable (3x25+1x16 sq.mm.) including installation of clamps for attachment of ABC to pole and all accessories including Distribution Box, jointing and termination, danger plate, etc. complete in all respect as required as per Construction Standard	CKT KM	30.26	13254.00	295156.00	30.86	3500.00		100.95	12915	950444.25	33.41	15207.00	391130.87	20.03	9700.00	124186.00
7) Tree cutting along the line including trimming, looping, branching etc. as required to maintain statutory electrical	KM	30.26	707.00	3238.00	30.86	2000.00	39901.98	100.95	750	15142.00	33.41	65056.00	2153475.00	20.03	600.00	

*Audit Report on Social, Economic, General and Revenue Sectors for the year ended 31 March 2019*

Description of Work / Item (S)	Unit	Bishnupur			Chandel			Churachandpur			Senapati			Tamenglong		
		No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest	No. of Qty.	Rate	Net amount Difference with lowest
clearance as per the direction of Engineer-in-charge																
				3921216.76			245813.98			35433437.35			44867192.01			7420129.00
<b>A - Savings if uniform rates are imposed across all the packages ₹</b>					9,18,87,789.10											
<b>A+B: Total Savings if uniform rates are imposed across all the packages</b>					<b>36,51,73,224.30</b>											
<i>Disclaimer: Data extracted from MSPDCL's records</i>																

## Appendix 3.6

(Reference: Paragraph 3.3)

## Details of revenue collected but not deposited into the Bank by the Company (Chandel Division)

(Amount in ₹)

Sl. No.	Receipt Book No.	Cash Receipt Sl. No.	To whom issued	Date of issue of Receipt Book	Date/ Period of collection of charges	Amount
1	2F-06	2F 000518 -000530	NA	01.04.16	25.06.14 to 16.07.14	17,519
2	2F-19	2F 001801-001900	NA	04.08.15	No date	1,89,749
3	2F-20	2F 001942 -002000	NA	16.06.14	No date	75,714
4	2F-29	2F 002801-002900	NA	22.07.14	No date	1,35,734
5	2F-42	2F 004180 -004185	NA	20.08.14	27.02.15	4,307
6	2F-43	2F 004234 -004268	NA	20.08.14	No date	50,541
7	2F-69	2F 006801-006810, 006879	NA	18.01.15	22.02.15 to 21.05.15	46,127
8	2F-71	2F 007091-007100	NA	18.01.15	21.02.15	17,864
9	2F-72	2F 007172-007189	NA		30.03.15	12,735
10	2F-121	2F 012021 -012040	NA	16.06.15	13.07.15	47,400
11	2F-136	2F 013501-013600	NA	23.07.15	28.07.15 to 26.10.15	2,55,485
12	2F-152	2F 015101-015200	NA	12.10.15	No date	1,89,510
13	2F-155	2F 015449 -015500	NA	12.10.15	No date	1,11,220
14	2F-159	2F 015826-015844	NA	12.10.15	07.06.16 to 27.06.16	53,100
15	2F-201	2F 020001-020100	E. Kanhai (BC)	12.07.16	No date	2,17,170
16	2F-205	2F 020401-020500	E. Kanhai (BC)	12.07.16	08.09.16 to 25.01.17	3,14,610
<b>Total</b>						<b>17,38,785</b>

NA – Not Available.

**Appendix 5.1**

(Reference: Paragraph 5.1)

**Statement showing funds transferred directly to the Implementing Agencies under Social Sector during 2018-19**

(₹ in lakh)

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released
1	Assistance to Voluntary Organisation for Providing Social Defence Services	All Manipur Senior Citizens Welfare Association	17.45
		Centre of Rural Upliftment Services (CRUS)	24.86
		Ima Leimarel Women Welfare Association	18.26
		Integrated Rural Development Agency	24.86
		Integrated Rural Upliftment Services	9.45
		Kumbi Khullakpam Leikai Women's Association	18.90
		The Manipur Schedule Caste Welfare Association	36.85
2	Assistance to Voluntary Organisation for Programmes relating to Aged	Integrated Rural Development and Educational Organisation (IRDEO)	36.78
		New Integrated Rural Management Agency	44.87
		Rural Industries Development Association	5.96
		Rural People's Development Organisation	18.90
		Rural Service Agency (RUSA)	27.88
		Social Development and Rehabilitation Council	4.92
		Society for Women's Education Action and Reflection	5.96
		United Hills People's Development Society	27.88
		United Rural Development Service	27.88
		Wangjing Women and Girls Society	23.84
		Youth Progressive Organisation	27.88
		Centre for Development Activities	18.90
		Community Development Association	27.88
		The Centre for Upliftment of Rural Women Association	27.88
		Rural Downtrodden People Upliftment Society	18.90
		South Eastern Rural Development Organisation	27.88
		Social Human Action for Rural Empowerment Society	20.97
Volunteers for Rural health and Action (VORHA)	5.96		
Rural Development Society, Manipur	10.09		
Rural Medical Institute	5.04		
3	Scheme for prevention of Alcoholism and Substance (Drugs) Abuse.	Galaxy Club	68.24
		Institute for Social Disease	50.04
		Integrated Women and Child Development Centre	24.21
		Kha-Manipur Yoga and Child Development Centre	17.03
		Lamka Rehabilitation and Research Centre	20.05
		Manipur Rural Institute Society	18.82
		Rural Development Society, Manipur	31.63
		Rural Health Organisation, Imphal	48.03
		Sneha Bhavan	18.44
		Social Care Ministry	43.89
		The Youth Development Organisation	48.03
		United Voluntary Youth Council	31.97
		Rural Development Foundation Association	20.05
		Social Reformation and Development Organisation	31.97
The Centre of Mental Hygiene	63.94		
4	Boys and Girls Hostel (CS)	Integrated Rural Development and Educational Organisation (IRDEO)	2.50
		Revival Foundation	2.50
5	Hostel for Working Women	Rural Upliftment and Development Organisation (RUDO)	63.00
		Women Agency for Development Activities	64.67

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released
6	National Rural Livelihood Mission (CS)	State Rural Livelihood Mission, Manipur	27.00
7	Assistance of Voluntary Organisation for Welfare of SCs	Council for Development of Poor and Labourers	3.82
		IGNOU Oinam Ibohal Polytechnic Community College	3.33
		Educational and Rural Development Organisation	6.35
		Centre for Women Development Manipur	6.52
		The Manipur Schedule Caste Welfare Association	4.92
		Rural Social and Educational Development Association	9.54
		The Eastern Social Welfare Association (ESWA)	12.91
		Type Writing Institution and Rural Development Services	17.22
8	Beeti Bachao Beeti Padhao (BBBP)	BBBP, Senapati	50.00
		BBBP, Bishnupur	25.00
		BBBP, Churachandpur	50.00
		BBBP, Chandel	25.00
		BBBP, Imphal East	25.00
		BBBP, Tamenglong	25.00
		BBBP, Thoubal	21.25
		BBBP, Ukhrul	48.20
9	Support to Training and Employment Programme for Women (STEP)	Dxeizhii Tao Nah Welfare Association	9.54
		The Women Worth Organisation	11.17
10	Development of Skills	Jan Shikshan Sansthan, Imphal West	15.25
		Jan Shikshan Sansthan, Senapati	15.16
		Jan Shikshan Sansthan, Thoubal	15.25
11	Gender Budgeting and Research Publication and Monitoring	Manipur Educational Development and Research Association	4.80
		Naouok Naokol Lup	1.88
		The Good Samaritans	2.38
12	One Stop Centre	Deputy Commissioner (DC), Bishnupur	32.47
		DC, Chandel	32.47
		District Magistrate One Stop Centre, Imphal East	32.47
		District Magistrate One Stop Centre	32.47
		DC, Kakching and District Programme Officer (ICDS), Thoubal	32.47
		District Magistrate One Stop Centre, Kangpokpi	32.47
		District Magistrate One Stop Centre, Noney	32.47
		District Magistrate One Stop Centre, Pherzawl	32.47
		DC, Senapati	32.47
		DC, Ukhrul	32.47
		DC, Imphal West	32.47
<b>Total</b>			<b>2029.55</b>

Source: Finance Accounts 2018-19.

## Appendix 5.2

(Reference: Paragraph 5.2.5)

### List of selected Hostels for SC, ST and OBC students

(₹ in lakh)

Sl. No	Name of Hostel	Cat-egory	Project Cost	Sanctioned Cost	Central Assistance	State Share	Year of sanction	Status
1	OBC Girls Hostel at Lilong Haoreibi College, Thoubal	OBC	187.21	187.21	126*	61.21*	2010-11	Completed in March 2018
2	SC Girls Hostel at Kha Manipur College, Kakching	SC	147.63	147.63	147.63	NA	2012-13	Completed in September 2017
3	SC Girls Hostel at Azad High School, Yairipok, Imphal East	SC	178.18	178.18	178.18	NA	2014-15	Completed in February 2018
4	ST Girls and Boys Hostel at Behiang Village, Churachandpur	ST	184.50	184.50	184.50	NA	2017-18	Completed in October 2018
5#	OBC Boys Hostel at Sangaiyumpham, Thoubal	OBC	140.00	140.00	126.00	14.00	2012-13	95 per cent completed
6	SC Girls Hostel at Leimaram High School, Leimaram, Bishnupur	SC	178.18	178.18	178.18	NA	2014-15	95 per cent completed
7	ST Girls and Boys Hostel at Maram near Don Bosco College, Senapati	ST	145.47	145.48	145.48	NA	2014-15	Work not yet started
8**	OBC Girls Hostel in T.G Higher Secondary School, Imphal West	OBC	385.00	385.00	315.00	70.00	2016-17	84 per cent completed
9**	OBC Boys Hostel in Azad Higher Secondary School, Imphal East	OBC	385.00	385.00	315.00	70.00	2016-17	82 per cent completed
10	ST Girls and Boys Hostel at Tadubi Mao Maram Government High School, Senapati	ST	184.50	184.50	184.50	NA	2017-18	95 per cent completed

Source: Departmental Records.

\*At the time of sanction, the funding pattern was 50:50 between Centre and State. Against the project cost of ₹ 187.21 lakh, the MSJE approved the project by limiting the project cost at ₹ 140.00 lakh and accordingly apportioned an amount of ₹ 70 lakh as Centre Share (50 per cent of ₹ 140.00 lakh) which was released by MSJE in March 2011. Extra cost over and above the approved project cost, i.e. ₹ 47.21 lakh (₹ 187.21 - ₹ 140.00 lakh) was to be borne by the State in addition to its State Share of ₹ 70.00 lakh (50 per cent of ₹ 140.00 lakh). State Share of ₹ 75.00 lakh was released in March 2011. However, the funding pattern for North Eastern (NE) States was revised to 90:10 w.e.f. 2010-11. Accordingly, the Centre Share was revised to ₹ 126.00 lakh (90 per cent of ₹ 140.00 lakh) and the balance 40 per cent of Centre Share amounting to ₹ 56.00 lakh was released by the MSJE in December 2013. And the State Share was revised to ₹ 14.00 lakh i.e. (10 per cent of ₹ 140.00 lakh) from ₹ 70.00 lakh. As such, the total State Share amounted to ₹ 61.21 lakh (₹ 14.00 lakh + ₹ 47.21 lakh).

# The status of the hostel was shown as completed as per information furnished by the Implementing Department for sampling purpose. However, during PA it was seen that the hostel was still in progress.

NA: The hostels are 100 per cent funded by the concerned Ministry.

\*\* As per scheme guidelines, the maximum cost of OBC hostels in NE Region is ₹ 350.00 lakh, with the funding pattern being 90:10 between Centre and State. The maximum CA for approved projects worked out to ₹ 315.00 lakh (90 per cent of ₹ 350.00 lakh), with extra cost over and above the approved project cost to be borne by the State.

### Appendix 5.3

(Reference: Paragraph 5.2.7.3)

#### Statement showing cases of unsuccessful transaction of scholarship for SC, ST and OBC students

Year	SC Pre-Matric		SC Post-Matric		ST Pre-Matric		ST Post-Matric		OBC Pre-Matric		OBC Post-Matric	
	No. of case	Amount	No. of case	Amount	No. of case	Amount	No. of case	Amount	No. of case	Amount	No. of case	Amount
2014-15	3	0.11	37	4.78								
2015-16	Implemented by Ministry	NA	NA	NA	195	4.97	922	67.78	19	0.19	43	3.45
2016-17	60	1.69	21	2.33*	394	13.34	467	52.81	11	0.11	15	2.64
2017-18	Not yet disbursed	Not yet disbursed	NA	NA	0	0	0	0	164	1.51	43	3.69
2018-19	Not yet disbursed	Not yet disbursed	Not yet disbursed	Not yet disbursed	2	.05	689	56.90	198	1.73	165	11.49
<b>Total</b>	<b>63</b>	<b>1.80</b>	<b>58</b>	<b>7.11</b>	<b>591</b>	<b>18.36</b>	<b>2078</b>	<b>177.49</b>	<b>392</b>	<b>3.54</b>	<b>266</b>	<b>21.27</b>

Source: Departmental record.

Total no of cases:  $63+58+591+2078+392+266= 3448$

Total amount:  $1.80 +7.11+18.36+177.49+3.54+21.27= 229.5$

## Appendix 5.4

(Reference: Paragraph 5.2.7.4)

### Details of Receipt and Expenditure of funds for 10 hostels as on September 2019

(₹ in lakh)

Sl. No	Name of Hostel	Project Cost			CS released by Ministry	Funds released by the State to implementing department			Total Expenditure (CS + SS)
		Centre Share (CS)	State Share (SS)	Total		CS	SS	Total	
1	2	3	4	5	6	7	8	9	10
1	OBC Girls Hostel at LilongHaoreibi College, Thoubal	126.00	61.21	187.21	126.00	126.00	75.00 <sup>#</sup>	201.00	199.03
2	SC Girls Hostel at Kha Manipur College, Kakching	147.63	0.00	147.63	147.63	147.63	0.00	147.63	139.46
3	OBC Boys Hostel at Sangaiyumpham, Thoubal	126.00	14.00	140.00	126.00	120.36 <sup>##</sup>	14.00	134.36	125.93
4	SC Girls Hostel at Azad High School, Yairipok	178.18	0.00	178.18	178.18	178.18	0.00	178.18	174.26
5	SC Girls Hostel at Leimaram High School, Leimaram	178.18	0.00	178.18	178.18	178.18	0.00	178.18	159.04
6	ST Girls and Boys Hostel at Maram near Don Bosco College, Senapati	145.48	0.00	145.48	145.48	145.48	0.00	145.48	145.48 <sup>###</sup>
7	OBC Girls Hostel at TG Higher Seconday School, Imphal	315.00	70.00	385.00	299.25	299.25	35.00	334.25	297.63
8	OBC Boys Hostel at Azad Higher Secondary School, Yairipok	315.00	70.00	385.00	299.25	299.25	35.00	334.25	252.48
9	ST Girls and Boys Hostel at Behiang Village, Churachandpur	184.50	0.00	184.50	184.50	145.91 <sup>*</sup>	0.00	145.91	145.91
10	ST Girls and Boys Hostel at Tadubi Mao Maram High School, Senapati	184.50	0.00	184.50	184.50	145.91 <sup>**</sup>	0.00	145.91	145.91 <sup>***</sup>
<b>Total</b>		<b>1900.47</b>	<b>215.21</b>	<b>2115.68</b>	<b>1868.97</b>	<b>1786.15</b>	<b>159.00</b>	<b>1945.15</b>	<b>1785.13</b>

<sup>#</sup> Prior to revision of scheme guidelines, the initial State Share was ₹117.21 lakh. After revision (2010-11) the State Share was revised to ₹61.21 lakh. However the state had released ₹75.00 lakh as State Share in March 2011 prior to revision of the guidelines.

<sup>##</sup> Centre Share of ₹5.64 lakh (126.00 – 120.36) not yet released by the State.

<sup>###</sup> Whole expenditure amount of ₹145.48 lakh remains parked in MH:8449-Other Deposits.

<sup>\*</sup> Central Assistance of ₹38.58 lakh (184.50 – 145.91) not yet released by the State.

<sup>\*\*</sup> Central Assistance of ₹38.58 lakh (184.50 – 145.91) not yet released by the State.

<sup>\*\*\*</sup> Out of the expenditure amount of ₹145.92 lakh, an amount of ₹37.57 lakh remains parked in MH:8449-Other Deposits.

## Appendix 5.5

(Reference: Paragraph 5.2.8.4)

## Delay in transfer of funds by the State to implementing departments for Hostel scheme

(`in lakh)

Sl. No.	Name of Hostel	Central Assistance (CA) released by Ministry		CA released by the State to implementing department		Delay in release of CA by the State (Months)	Remark
		Amount	Date	Amount	Date		
1	OBC Girls Hostel at LilongHaoreibi College, Thoubal	70,00,000	28.03.2011	70,00,000	07.01.2013	22	
		56,00,000	31.12.2013	56,00,000	25.03.2014	3	
		<b>1,26,00,000</b>		<b>1,26,00,000</b>			
2	OBC Boys Hostel at Sangaiyumpham, Thoubal	63,00,000	18.12.2012	25,20,000	11.03.2013	3	Balance ₹ 5,64,480 not yet released by State
		63,00,000	18.12.2015	95,15,520	29.03.2018	28	
		<b>1,26,00,000</b>		<b>1,20,35,520</b>			
3	OBC Girls Hostel at TG Higher Secondary School, Imphal	1,57,50,000	18.11.2016	1,57,50,000	09.12.2016	1	
		1,41,75,000	16.10.2018	1,41,75,000	24.03.2019	5	
		<b>2,99,25,000</b>		<b>2,99,25,000</b>			
4	OBC Boys Hostel at Azad Higher Secondary School, Imphal East.	1,57,50,000	18.11.2016	1,57,50,000	09.12.2016	1	
		1,41,75,000	16.10.2018	1,41,75,000	24.03.2019	5	
		<b>2,99,25,000</b>		<b>2,99,25,000</b>			
5	SC Girls Hostel at Azad High School, Yairipok	89,08,950	28.08.2014	35,63,580	27.03.2015	7	
		89,08,950	08.01.2018	89,08,950	09.03.2018	2	
		<b>1,78,17,900</b>		<b>1,78,17,900</b>			
6	SC Girls Hostel at Leimaram High School, Bishnupur	89,08,950	28.08.2014	35,63,580	27.03.2015	7	
		89,08,950	08.01.2018	89,08,950	09.03.2018	2	
		<b>1,78,17,900</b>		<b>1,78,17,900</b>			
7	SC Girls Hostel at Kha Manipur College, Kakching	53,967	19.03.2013	53,967	22.03.2014	12	
		1,47,08,733	30.10.2013	78,73,000	01.02.2016		
		<b>1,47,62,700</b>		68,35,733	30.08.2016	35	
8	ST Girls and Boys Hostel at Behiang Village, Churachandpur	92,24,833	17.08.2017	92,24,833	24.03.2018	7	Balance ₹ 38,58,168 not yet released by State
		53,66,667	17.11.2017	53,66,667	29.03.2018	4	
		38,58,167	28.02.2018	-	-	-	
9	ST Girls and Boys Hostel at Tadubi Mao Maram High School, Senapati	92,24,833	17.08.2017	92,24,833	24.03.2018	7	₹ 37.57 lakh parked in 8449-OD; ₹ 38.58 lakh not yet released by State
		53,66,667	17.11.2017	53,66,667	29.03.2018	4	
		38,58,167	28.02.2018	-	-	-	
		<b>1,84,49,667</b>		<b>1,08,34,833</b>			
10	ST Girls and Boys Hostel at Maram near Don Bosco College, Senapati	1,45,47,950	15.01.2015	1,45,47,950	27.03.2015	2	Released amount of ₹ 1,45,47,950 remained parked in MH 8449. Other Deposits



# **GLOSSARY**



## Glossary of Abbreviations

Abbreviation	Expanded form
ATNs	Action Taken Notes
AAP	Annual Action Plan
AA	Assessing Authority
BPL	Below Poverty Line
BITEs	Block Institute of Teacher Educations
BoDs	Board of Directors
CIS	Case Information Software
CFC	Central Filing Centre
CPC	Central Project Coordinator
CPWDWM	Central Public Department Works Manual
CSS	Centrally Sponsored Scheme
CAG	Comptroller and Auditor General of India
CMTR	Consumer Monthly Tariff Report
CPG	Contract Performance Guarantee
COHSEM	Council of Higher Secondary Education Manipur
DTR	Debt-Turnover Ratio
DDG	Decentralised Distributed Generation
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
DLPI	Department of Language Planning and Implementation
DOBSC	Department of Other Backward Classes and Scheduled Castes
DAACs	Departmental Audit and Accounts Committees
DPRs	Detailed Project Reports
DBT	Direct Benefit Transfer
DGS&D	Directorate General of Supplies and Disposals
DTRs	Distribution Transformers
DCCC	District Court Computer Committees
DELP	Domestic Efficient Lighting Program
DDO	Drawing and Disbursing Officer's
EEW	Education Engineering Wing
EE	Executive Engineer
GFRs	General Financial Rules
GMs	General Managers
GeM	Government e Marketplace
GoI	Government of India
GoM	Government of Manipur
HDS	Hard Dense Soil
HCCC	High Court Computer Committee
HTC	Higher Tender Committee
ICT	Information and Communication Technology
IRs	Inspection Reports
ILMS	Integrated Library Management Software
JNIMS	Jawaharlal Nehru Institute of Medical Sciences

<b>Abbreviation</b>	<b>Expanded form</b>
JPV	joint physical verification
JOs	Judicial Officer
JPR	Judicial Process Reengineering
JSC	Judicial Service Centre
JMFC	Junior Magistrate First Class
LOA	Letter of Award
LAN	Local Area Network
MD	Managing Director
MPHCL	Manipur Police Housing Corporation Limited
MSPCL	Manipur State Power Company Limited
MSPDCL	Manipur State Power Distribution Company Limited
MVAT	Manipur Value Added Tax
MNRE	Ministry of Non-Renewable Energy Scheme
MoP	Ministry of Power
MSJE	Ministry of Social Justice and Empowerment
MOTA	Ministry of Tribal affairs
MMP	Mission Mode Project
MA	Mobilisation Advance
MACT	Motor Accidents Claims Tribunal
NDPS	Narcotics Drugs and Psychotropic Substances
NCVT	National Council for Vocational Training
NCERT	National Council of Educational Research and Training
NeGP	National e-Governance Plan
NICSI	National Informatics Centre Services Inc.
NQM	National Quality Monitors
OBCs	Other Backward Classes
OGP	Oxygen Generation Plant
PAs	Performance Audits
PDA	Planning and Development Authority
PAP	Policy and Action Plan
POS	Preliminary Observation Statement
PV	Present Value
PAG	Principal Accountant General
PPSWOR	Probability Proportionate to Size without Replacement
PAC	Public Account Committee
PWD	Public Works Department
QC	Quality Control
RGGVY	Rajeev Gandhi Grameen Vidyutikaran Yojana
RORR	Rate of Real Return
RQM	REC Quality Monitors
RoE	Return on Equity
RECL	Rural Electrification Corporation Limited
SCs	Scheduled Castes

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<b>Abbreviation</b>	<b>Expanded form</b>
STs	Scheduled Tribes
SAAC	State Audit and Accounts Committee
SCERT	State Council of Education Research and Training
SLSC	State Level Standing Committee
STP	Steel Tubular poles
SDOs	Sub-Divisional Officers
SEs	Superintending Engineers
CoPU	Committee on Public Undertakings
TMT	Thermo Mechanical Treated
TPIA	Third Party Inspection Agency
TA&H	Tribal Affairs and Hills
UDISE	Unified District Information on School Education
UTRs	Unique Transfer Receipts
UCs	Utilisation Certificates
VEI	Village Electrification Infrastructure





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