

**Report of the
Comptroller and Auditor General of India
on
Social, Economic, Revenue and General
Sectors**

For the year ended 31 March 2014

GOVERNMENT OF NAGALAND

Report No. 1 of 2015

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PREFACE

1. This Report for the year ended March 2014 has been prepared for submission to the Governor of Nagaland under Article 151(2) of the Constitution of India.
2. The Report contains significant results of the performance audit and compliance audit of the Departments of the Government of Nagaland under the Social, Economic, Revenue and General Sectors including the Departments of Health and Family Welfare, Public Health Engineering, Technical Education, Urban Development, Power, Irrigation and Flood Control, Nagaland Public Works, Land Records and Survey, Rural Development, Finance, Civil Administration Works, Transport and one State Public Sector Undertaking, viz. Nagaland State Mineral Development Corporation.
3. The cases mentioned in this Report are those which came to notice in the course of test audit during the year 2013-14 as well as those which came to notice in earlier years, but could not be reported in the previous Reports; instances relating to the period subsequent to 2013-14 have also been included, wherever necessary.
4. The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This Report contains eleven compliance audit paragraphs apart from the results of audit of Police Engineering Project and four Performance Audits–Implementation of ‘National Rural Health Mission’, ‘Total Sanitation Campaign/Nirmal Bharat Abhiyan’, ‘Activities of Department of Power’ and ‘Accelerated Irrigation Benefit Programme’. According to the existing arrangements, copies of the draft audit paragraphs and draft performance audits were sent to the Secretary of the departments concerned by the Accountant General (Audit) with a request to furnish replies within six weeks. Replies were not received from the Secretaries of the Departments concerned in respect of seven audit paragraphs.

Chapter-I Social Sector

Performance Audits

Implementation of National Rural Health Mission

The inadequate conduct of various surveys to assess the requirements of healthcare facilities in the rural areas led to partial assessment of the quality of prevailing healthcare services in the State. The financial management was not streamlined and there were instances of financial commitments not being honoured and delays in release of funds which impacted the achievement of Mission objectives. It was noticed that there were various deficiencies in construction activities and purchase of quality medicines and equipment. The targets set in respect of various healthcare programmes were not achieved. Monitoring of the implementation of the mission activities was not carried out as envisaged in the Mission guidelines. This resulted in inadequate translation of the Mission’s objectives to tangible benefits in the State.

(Paragraph 1.3)

Implementation of Total Sanitation Campaign/Nirmal Bharat Abhiyan

The process of planning was devoid of comprehensive assessment of beneficiaries/requirement of the rural needs, non-availability of reliable baseline data and lack of community participation in the preparation of PIPs. Funds were not released in time and the sharing pattern between GOI and State for various components as envisaged in the scheme guidelines was not followed. There was short release in State’s matching contribution. There was lack of proper assessment for identification of IHHL beneficiaries and upkeep of the same by the beneficiaries. Open Defecation was practiced even in Nirmal Gram Puraskar awarded villages. Institutional toilets were dismantled or defunct due to land development, improper maintenance and lack of water facilities. The school toilets lack provision for children with special needs. The Anganwadi toilets were unhygienic and not “Baby friendly”. Deficient IEC activities at the lower levels led to lack of awareness and non-generation of demand. Therefore, the supply driven approach adopted in the State could not achieve the desired results. There was lack of regular meetings at all levels for preparing the implementing strategies, monitoring the progress and ensuring

quality of work. Specific Evaluation Study and Review of TSC/NBA by involving reputed organisations/institutions in the field of sanitation were not done. Social Audit was not conducted in any of the test checked villages.

(Paragraph 1.4)

Compliance Audit Paragraphs

The Technical Education Department incurred an unfruitful expenditure of ₹ 99.87 lakh due to non-incorporation of specific clause in the agreement for obtaining bank guarantee against advance payments and clauses on penal action for failure in execution of the works. Besides, the objective of setting up Pilot Training Academy in Nagaland could not be achieved.

(Paragraph 1.5)

Advisor in-charge of Revenue, Dimapur Municipal Council failed to remit toll amounting to ₹ 78.83 lakh collected from consignees against goods transported through Railway wagons during 2011-12.

(Paragraph 1.6)

Chapter-II ECONOMIC SECTOR

Performance Audits

Activities of Department of Power

The State was highly dependent on purchase of energy from Central Generating Stations on account of limited own generation capacity. The Department did not have sufficient financial resources of its own for implementation of power projects. Therefore, the short term plans prepared by the Department for development of power infrastructure in the State were based solely on the anticipated availability of project funds under Centrally Sponsored Schemes and the grants/loans from North Eastern Council/Financial Institutions. As against 15 major projects proposed for execution under the 11th Five Year Plan, the Department could complete only 5 projects (1 Generation and 4 Transmission) as of September 2014.

The management and execution of projects by the Department was not efficient and economic. The Department allowed exorbitantly high margin of upto 763 *per cent* to the suppliers in respect of eight major works executed during 2009-14. Instances of incurring avoidable capital expenditure were also noticed on account of execution of work components beyond actual requirement.

Inconsistencies were noticed in maintenance of basic data relating to actual quantum of own generation and energy purchased indicating lack of transparency and non-existence of a proper system of Energy Audit in the Department. The Department also failed to maintain effective discipline in drawal of energy as per the approved schedule resulting in avoidable payment of Unscheduled Interchange (UI) charges of ₹ 101.46 crore during 2009-14. The quantum of Aggregate Technical & Commercial (AT&C) Losses incurred by the Department exceeded the Central Electricity Authority (CEA) norms in all five years. The outsourced operations of the Likhimro

Hydro Electric Project (LHEP) were also not satisfactory which necessitated import of additional energy at higher costs.

The Department of Power did not also utilise an amount of ₹ 151.62 crore out of the budget allocations made by the State Government for capital works under the Plan head during 2009-14.

The billing and collection efficiency of the Department was dismal as bills were not raised against 42 *per cent* of the energy injected into the system and 33 *per cent* of the energy bills raised remained unrealised.

The monitoring mechanism of the Department was not effective in the absence of proper systems for taking remedial measures to address the inconsistencies in maintenance of various data and shortfall in achieving the targets.

(Paragraph 2.3)

Implementation of Accelerated Irrigation Benefit Programme

Projects were selected without conducting preliminary survey for arriving at the Irrigation Potential. Detailed surveys were also not undertaken before preparation of DPRs resulting in unviable schemes being taken up. There was no coordination between the Agriculture and allied Departments and I&FCD for successful implementation of the irrigation projects. There were delays in release of funds by the State Government and the funds released were also parked in Civil Deposit for periods ranging between 48 and 252 days. Utilisation Certificates were not based on the actual funds expended and there was no system in the State for submission of audited Statements of Expenditure, an important requirement under AIBP.

The execution of the projects were not properly supervised and monitored. Hence, there were cases of non/short execution of works, deviation from DPRs etc. The detailed specifications of works as mentioned in the DPRs were recorded verbatim in the MBs without verifying the actual execution of works at the project site. Therefore, incomplete, abandoned and un-executed works were reported as complete and full payments were released. Execution of projects without cultivable command areas and water sources as well as payment of money on fictitious measurements indicated that the construction works were executed primarily to show utilisation of the scheme funds.

There was no community participation in the implementation of AIBP in Nagaland. Water Users' Associations (WUAs) were formed only to observe formality at the time of sending proposals to facilitate issue of work orders. The beneficiaries were not made aware about the benefits of the irrigation projects and their responsibility to maintain the completed and handed over projects. The Department neither had information on actual creation of CCA, gross irrigated area, cropping intensity etc. nor assessed the impact of implementation of AIBP in the State. As a result, the farmers continued to adopt the traditional way of mono cropping- paddy cultivation rather than shifting to multi cropping pattern. The crop yields declined in the four sampled districts during the period of Audit in some years.

(Paragraph 2.4)

Compliance Audit Paragraphs

The Executive Engineer, Public Works Department (R&B) Atoizu Division drew pay and allowances of ₹ 78.51 lakh in 15 bills against non-existent employees.

(Paragraph 2.5)

Director, Land Records and Survey Department drew ₹ 1.24 crore meant for implementation of National Land Records Modernisation Programme on the basis of forged Actual Payee Receipts in the name of three District Land Records and Survey Officers.

(Paragraph 2.6)

The Block Development Officer cum Programme Officer MGNREGA, Phomching Block mis-utilised ₹ 5.49 crore meant for procurement of stone boulder and chips by producing fabricated records showing non-existent stone industries.

(Paragraph 2.7)

Prolonged delay in execution and commissioning of Lang Hydro Electric Project with 1 MW capacity not only led to increase in cost of production but also resulted in escalation of project cost besides depriving the State the intended benefit of 7.44 MU of power per year for ten years forcing the State to resort to purchase of power from other sources to fill the gap.

(Paragraph 2.8)

Chapter-III Economic Sector (Public Sector Undertakings)

Investment in State PSUs

As on 31 March 2014, the investment (Capital and long term loans) in six SPSUs was ₹ 102.49 crore. As on 31 March, 2014, 95 *per cent* of the total investment in SPSUs was in five working SPSUs and remaining 5 *per cent* was in one non-working SPSU. The investment in 2013-14 has increased in Finance Sector by ₹ 11.74 crore (22.75 *per cent*) while the investment in Other Sectors has increased by ₹ 20.74 crore (112.66 *per cent*).

(Paragraph 3.3)

Performance of State PSUs

The overall losses incurred by the working SPSUs had decreased from ₹ 2.57 crore in 2009-10 to ₹ 1.01 crore in 2012-13. During 2013-14 the working SPSUs had registered an overall profit of ₹ 0.50 crore on account of profits (₹ 2.18 crore) earned by three SPSUs and loss (₹ 1.68 crore) incurred by two SPSUs.

(Paragraph 3.6)

Arrears in finalisation of Accounts

The backlog of accounts of the working SPSUs during 2010-14 had reduced significantly from 75 accounts (2010-11) to 18 accounts (2013-14) with corresponding reduction in average arrear per SPSU. None of the SPSUs, however, had made their accounts up-to-date as on 30 September 2014. Further, one out of five SPSUs (Nagaland Handloom & Handicrafts Development Corporation Limited) did not finalise any accounts during 2013-14.

(Paragraph 3.7)

Compliance Audit Paragraph

Nagaland State Mineral Development Corporation Limited (Corporation) incurred an expenditure of ₹ 22.75 crore on execution of works not included in the approved DPR. In addition to this, the Corporation also paid ₹ 6.14 crore against unexecuted items of work

(Paragraph 3.9)

Chapter-IV Revenue Sector

Compliance Audit Paragraphs

Two Motor vehicle dealers of Nagaland concealed taxable turnover amounting to ₹ 35.24 crore and evaded tax of ₹ 4.58 crore during 2010-13. Interest amounting to ₹ 2.65 crore was also leviable on the amount of tax evaded by them.

(Paragraph 4.2)

The Assessing Authority did not consider the records of the Check Posts/Mobile Squad while scrutinising the Returns and passing the assessment order which led to an evasion of tax amounting to ₹ 63.53 lakh by one dealer. In addition, interest amount of ₹ 59.26 lakh was also leviable.

(Paragraph 4.3)

Chapter-V General Sector

Compliance Audit Paragraphs

Activities of Police Engineering Project

Works were not prioritised and work orders were issued for all the works envisaged in the DPR without identifying source of funds and ensuring uninterrupted flow of funds for their completion resulting in creation of huge committed liabilities for the Department. Consultants were appointed without inviting tenders on the recommendation of VVIP despite availability of technical expertise in the Department resulting in avoidable/wasteful expenditure on consultancy charges. Works were awarded in contravention of SLTC recommendations without inviting tenders and cases of collusive bidding were noticed. Works were awarded in October 2009 for four projects at exorbitant item rates without inviting tender and terms and conditions contained in the work orders/agreements with contractors were found to be ambiguous and defective. Further, several cases of excess payments, payments for unexecuted works and doubtful expenditure were noticed.

(Paragraph 5.3)

The Department incurred an avoidable expenditure of ₹ 9.51 crore due to delay in handing over the project site. The Department also made excess payment of ₹ 3.88 crore to the contractor towards enhancement of rate for newly incorporated items of works not approved by the Government.

(Paragraph 5.4)

Transport Commissioner, Nagaland and Executive Engineer CAWD failed to deduct Cess amounting to ₹ 73.26 lakh against the provision of the Building and other Construction workers Welfare Cess Act. In addition, ₹ 10.44 lakh deducted as cess was also not remitted to the Board.

(Paragraph 5.5)

CHAPTER – I

SOCIAL SECTOR

CHAPTER - I

SOCIAL SECTOR

1.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2014 deals with the findings on audit of the State Government units under Social Sector.

The names of the State Government departments and the total budget allocation and expenditure of the State Government under Social Sector during 2013-14 are given below:

Table No. 1.1.1

(₹ in crore)

Name of the departments	Total Budget allocation	Expenditure
School Education	1004.85	874.68
Technical Education	63.99	37.51
Higher Education	157.11	122.69
SCERT	28.12	15.52
Youth Resources and Sports	78.12	77.01
Art and Culture	18.95	18.38
Health and Family Welfare	308.78	303.90
Water Supply & Sanitation	82.06	81.86
Urban Development	248.92	127.06
Municipal Affairs	26.81	9.28
Information and Public Relations	22.59	22.57
Labour	8.87	8.97
Employment and Training	18.85	18.72
Social Security and Welfare	185.67	176.70
Women Welfare	10.44	10.28
Rajya Sainik Board	3.22	3.21
Total Number of Departments = 16	2267.35	1908.34

Besides the above, the Central Government has been transferring a sizeable amount of funds directly to the Implementing agencies under Social Sector to different departments of the State Government. The major transfers for implementation of flagship programmes of the Central Government are shown in the following table:

Table No. 1.1.2

(₹ in crore)			
Name of the Department	Name of the Scheme/Programme	Implementing Agency	Amount of funds transferred during the year
School Education	Sarva Shiksha Abhiyan (SSA)	State Mission Authority	158.03
Health & Family Welfare	National Rural Health Mission (NRHM)	State Health Society	105.79
		State Blindness Control Society	0.83
	National Aids Control	Nagaland Aids Control Society	22.84
Water Supply and Sanitation	National Rural Drinking Water Programme	Public Health Engineering Department	50.78
Forest	National Aforestation and Eco Development	State Forest Development Agency	9.82

(Source: Central Plan Scheme Monitoring System of Controller General of Accounts)

1.2 Planning and Conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stake holders.

After completion of audit of each unit on a test check basis, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled based on reply/action taken or further action is required by the auditee for compliance. Some of the important audit observations arising out of the Inspection Reports are processed for inclusion in the Audit reports, which are submitted to the Governor of the State under Article 151 of the constitution of India for being laid on the table of the Legislature.

During the year, test check of audits involving expenditure of ₹ 3912.84 crore (including funds pertaining to previous years audited during the year) of the State Government under Social sector were conducted. This Chapter contains findings on Performance Audits of 'National Rural Health Mission' and 'Total Sanitation Campaign/Nirmal Bharat Abhiyan' and two compliance audit paragraphs.

HEALTH AND FAMILY WELFARE DEPARTMENT

1.3 PERFORMANCE AUDIT ON IMPLEMENTATION OF NATIONAL RURAL HEALTH MISSION

National Rural Health Mission (NRHM) was launched in April 2005 by the Government of India (GoI) in all the States to bring about significant improvements in health system and health status of the people, especially those in rural areas. The Mission seeks to provide universal access to equitable, affordable and quality health care which is accountable and responsive to the needs of the people. A performance audit on the implementation of NRHM in Nagaland brought out the following:

Highlights

Quality of health services to address the gap filling was not identified through facility survey during 2009 to 2013. The facility survey conducted during 2013-14, could not yield substantial result due to non-incorporation of the highlighted inputs in the State Programme Implementation Plan.

(Paragraph-1.3.8)

Government of Nagaland (GoN) committed financial assurances for ₹ 61.65 crore during 2009-14 against which only ₹ 53.20 crore was released to meet the commitments to enhance the facilities in health sector in the State.

(Paragraph-1.3.9.1)

Department provided an undue benefit of ₹ 10.25 crore to a local contractor for setting up of MRI at Naga Hospital Authority, Kohima.

(Paragraph-1.3.10.8 (a))

SHS diverted ₹ 8.76 crore for salary components of RCH/vertical programmes and ₹ 2.30 crore for furniture and fixing, deep bore well etc. against the upgradation of two DHs at Phek and Kiphire without any supporting vouchers.

(Paragraph-1.3.10.8 (b))

Due to non-procurement of generic drugs and equipment from the firms approved by GoI, the Department spent ₹ 1.03 crore which was avoidable.

(Paragraph-1.3.11.1(c))

Short receipt of medicines and equipment worth ₹ 1.53 crore was noticed in four District Hospitals, 8 CHCs and 12 PHCs out of the medicines and equipment issued by the SHS. Short receipt of equipment worth ₹ 1.66 crore was noticed with Central Store, NRHM during 2009-14.

(Paragraph- 1.3.11.1(e, f & i))

1.3.1 Introduction

The Mission aimed at providing accessible, affordable, accountable, effective and reliable health care services in the rural areas by converging various standalone disease control programmes. The components of NRHM includes bridging gap in healthcare facilities, facilitating decentralised planning in health centers and advocating convergence with the related social sector Departments. The major objectives of the Mission are to:

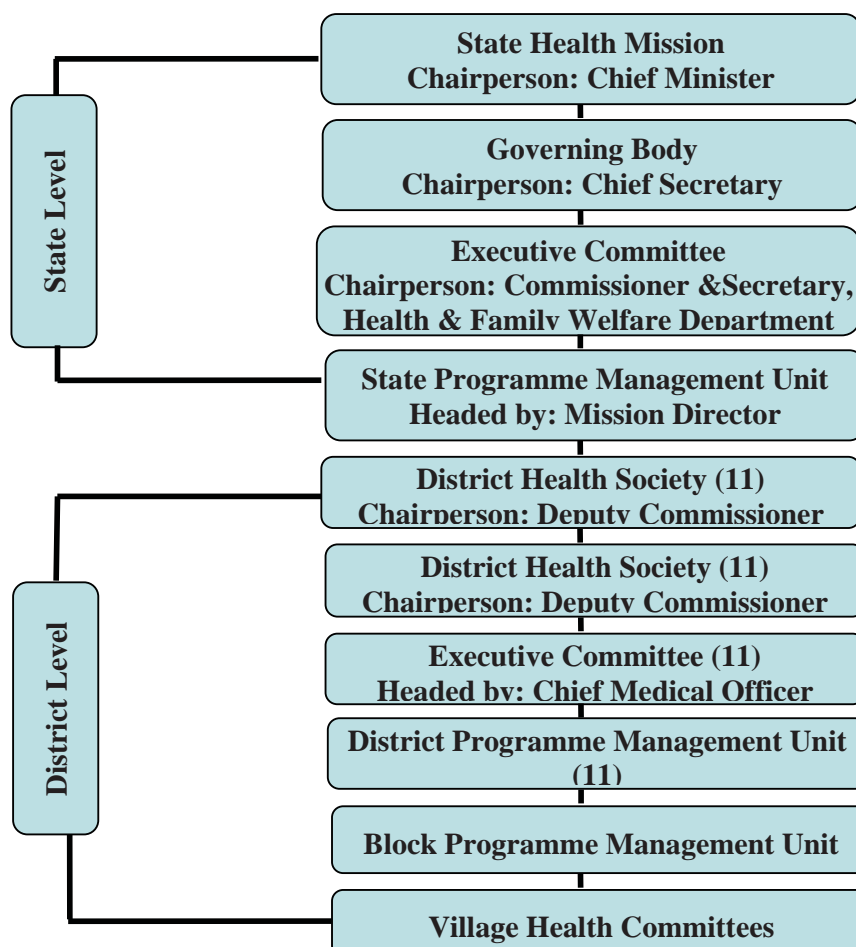
- Provide integrated comprehensive primary health care services with emphasis on universal immunisation to the rural people,
- Reduction of infant and maternal mortality rate,
- Prevention and control of communicable and non-communicable diseases,
- Promotion of healthy lifestyles.

The Mission was revised (October 2013) and renamed as National Health Mission (NHM) by merging NRHM and National Urban Health Mission (NUHM).

1.3.2 Institutional arrangements for NRHM

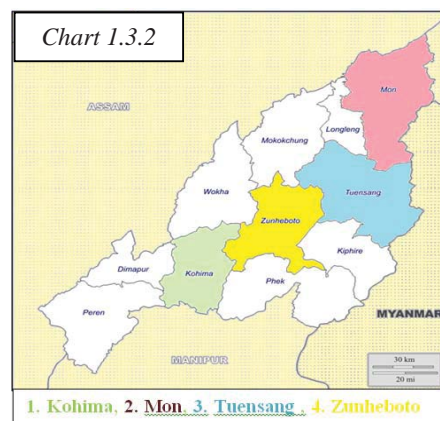
Institutional arrangements at the State and district levels of the mission are given below:

Chart 1.3.1



1.3.3 Scope of Audit

The Performance Audit (PA) covering various activities of NRHM and NHM¹ for the period from April 2009 to March 2014 was carried out between April and August 2014. Four Districts² out of 11 were selected by applying Simple Random Sample Without Replacement. Eight Community Health Centers (CHCs)³ out of nine, 12 Primary Health Centers (PHCs)⁴ out of 53 and 20 Sub-Centers (SCs)⁵ out of 175 in the four sampled districts were selected using Probability Proportional to Size Without Replacement. In addition to this, four District Hospitals (DH)⁶ in the four sampled districts were also covered.



1.3.4 Audit Objectives

The objectives of the PA were to examine whether:

- Planning was oriented towards the Missions objectives; there was adequate community participation in planning, implementation and monitoring of the mission and there was convergence with the other departments, programmes and non-Governmental stakeholders to achieve the objectives of the Mission;
- Financial controls were in place to safeguard funds and assets of NRHM and the release of funds and their utilisation were prompt and adequate;
- Construction activities were undertaken to maximise the coverage in population, improve facilities and due procedures were followed while incurring expenditure thereof;
- The procedures and system of procurement of equipment, drugs and services, supplies and logistics management were cost effective and efficient;
- The performance indicators and targets fixed in respect of reproductive and child healthcare, Information, Education and Communication (IEC) programme, immunisation, and disease control programmes were achieved;
- Capacity building and strengthening of human resources at different levels was achieved as planned; and
- Monitoring mechanism and evaluation procedures were in place to ensure that the Mission's objectives were achieved.

¹Though launched in October 2013, was not implemented till March 2014.

² Kohima, Tuensang, Mon and Zunheboto.

³Tsemenyu, Chiephobozou, Longkhim, Noklak, Aboi, Tobu, Pughoboto and Aghunato.

⁴Chunlika, ToupHEMA, Tesophenyu, Noksen, Shamator, Thonokhnyu, Tizit, Phomching, Wakching, Satakha, Satoi and Suruhuto.

⁵Khuzama, AG Colony, Kitsebozou, Mima, Pfuchama, Hakchang, Chingmei, Tronger, Tonglongsor, Khudei, Longwa, Tanhai, Ngangching, Ukha, Yakshu, Aghuito, Gukishe, Chishilimi, Ghukovi and Hoshepu.

⁶Naga Hospital Authority Kohima (NHAK), Tuensang, Mon and Zunheboto.

1.3.5 Performance Indicators and Audit Criteria

Following performance indicators were used in performance audit:

- Increase in number of healthcare facilities in districts,
- Improvement in infrastructure, equipment, supply of medicines, diagnostic services of healthcare facilities at district level, and
- Increase in number of inpatient and outdoor patients seeking health services,

The findings were benchmarked against the audit criteria obtained from the following sources:

- Guidelines of the Government of India in respect of NRHM,
- Perspective and annual action plans,
- Conditions and norms for release of funds, and
- Prescribed monitoring mechanism.

1.3.6 Audit Methodology

The audit methodology comprised entry conference (April 2014) with the Commissioner & Secretary, Health & Family Welfare Department and the Mission Director, NRHM, Nagaland, requisition and examination of documents/records of State Health Society, four District Health Societies, four District Hospitals, eight CHCs, 12 PHCs and 20 SCs, communication/issue of audit observations, examination of responses to audit queries, joint physical verification, photographic evidence, beneficiary survey and exit conference (October 2014) at the end of audit.

1.3.7 Acknowledgement

We express our appreciation for the co-operation and assistance accorded to us at all levels during audit.

Audit Findings

Objective – 1: Planning for the achievement of the objectives of the Mission

1.3.8 Planning

Planning is an important tool to link various scheme components for successful implementation of the programme. Planning process involves identification of target groups by analysing the existing facilities and requirements to achieve anticipated output. In NRHM, the identification of health and facilities requirement were to be done through decentralised and community based approach by carrying out house hold survey, facility survey and baseline survey. The inputs received in respect of each district through these surveys form the District Health Action Plans (DHAPs) of that district which are integrated and form a State Programme Implementation Plan (SPIP). The approved SPIP forms the frame work for implementation of the programme for that State.

Examination of the records on planning process revealed the following:

(i) House hold survey.

To assess the availability, adequacy and utilisation of health services in the rural areas, household survey was required to be carried out. The deficiency in conducting household survey⁷ and facility survey⁸ were also highlighted in the Report of the Comptroller and Auditor General of India for the period ended 31st March 2008 and the Health and Family Welfare Department had reported in the Action Taken Report that household survey was completed in all 11 districts.

Examination of the Nagaland Family Health Assessment (NFHA) survey covering 1277 villages carried out during 2010 revealed that important parameters like assessment of availability, adequacy and utilisation of health services were not included in the survey. Thus, meaningful assessment of health care services in the rural areas remained unidentified to fill up the gaps for future course of interventions. The result of the beneficiary survey conducted in Kohima district also revealed that out of 457 responses received, 250 beneficiaries (55 *per cent*) stated that household survey was not conducted in their villages.

The Department accepted (October 2014) the observation and noted for future compliance.

(ii) Facility survey.

Facility survey was required to be conducted every year to identify the gaps required for delivering quality health services in Health Units (HUs)⁹. It was seen that during the period covered in this PA, the Department carried out only one facility survey¹⁰ during 2013-14 covering all HUs in the State. Examination of the facility survey conducted in respect of 44 test checked HUs¹¹ revealed that though the requirement of the facilities were included in the DHAPs, the SPIP did not compile the required facilities such as medicines, equipment, infrastructure etc. projected through DHAPs. As a result, there were instances of unnecessary construction of HUs and residential accommodations of Medical Officers (MOs) and staff and unnecessary issue of medicines and equipment as detailed in paragraphs 1.3.10.2, 1.3.10.3, 1.3.10.4.1, 1.3.10.5 and 1.3.11.1. The facility survey was not carried out during 2009 to 2013.

(iii) Baseline survey.

Baseline survey is aimed to identify the core/deficient indicators to improve health services in the State. In Nagaland Mother Non-Government Organisations (MNGOs) were assigned to carry out base line surveys. As per the norms prescribed by the Ministry yearly grants-in-aid of ₹ 0.05 crore to ₹ 0.15 crore was to be allowed for the work. GoI approved (March 2008 and August 2009) 11 MNGOs in five districts for

⁷ Survey was conducted in seven districts out of 11 districts but the data was not compiled.

⁸ Facility survey was not conducted in three CHCs, 12 PHCs and 55 SCs.

⁹ DHs, CHCs, PHCs and SCs

¹⁰ Survey on special services, manpower, investigating facilities and equipment, infrastructure etc. with the health units.

¹¹ Four District Hospitals, eight CHCs, 12 PHCs and 20 SCs.

baseline survey and approved ₹ 5.98 crore¹² as grants- in- aid during 2009-2011¹³. It was observed that the Department had signed MOUs with 11 MNGOs with an annual allotment ranging from ₹ 0.20 crore to ₹ 0.22 crore per annum instead of ₹ 0.05 crore to ₹ 0.15 crore as prescribed by the Ministry. The Chief Medical Officers (CMOs) in four sampled districts however, stated (May-August 2014) that MNGOs did not carry out any baseline survey but the SHS released an amount of ₹ 1.11 crore to the four MNGOs in sampled districts. The beneficiary survey conducted in Kohima district also revealed that 386 beneficiaries out of 457 (84 *per cent*) reported that baseline survey was not conducted in their village which confirmed the reporting of the CMOs.

The Department stated (October 2014) that identification of underserved and unserved areas in two districts were carried out by MNGOs in June 2005. However, the CMOs categorically stated that no baseline surveys were carried out by the NGOs.

Objective – 2: Existence and adequacy of financial controls

The funding pattern of NRHM was in the ratio of 85:15 between the Centre and State for 2009-12 and 90:10 from 2012-13. The proportional State share was required to be deposited to the SHS within seven days of the releases made by GoI. The funds for the Mission components like untied funds, annual maintenance grants and grants for *Rogi Kalyan Samiti* (RKS) to DHs, CHCs, PHCs and SCs was to be transferred to the DHS within 15 days of receipt of funds from GoI.

The details of funds released by the GoI and the Government of Nagaland (GoN) and expenditure there against during 2009-10 to 2013-14 are shown in the table below:

Table No. 1.3.1

(₹ in crore)

Year	Opening Balance	Released by		Interest earned	Refunds from DHS	Total funds available for Programme Implementation (col. No. 2 + 3 + 4 + 5 + 6)	Expenditure	Closing Balance (col. 10-11)
		GoI	GoN					
1	2	3	4	5	6	7	8	9
2009-10	27.53	94.51	9.22	0.22	0	131.48	84.56	46.92
2010-11	46.92	77.45	12.62	0.80	0	137.79	97.64	40.15
2011-12	40.15	112.12	14.70	0.91	0	167.88	146.64	21.24
2012-13	21.24	95.04	10.08	1.10	2.73 ¹⁴	130.19	109.88	20.31
2013-14	20.31	95.13	6.58	0.51	0	122.53	93.30	29.23
Total		474.25	53.20	3.54	2.73		532.02	

(Source: Departmental figures)

Examination of the financial management revealed the following:

¹² 2009-10 (₹ 2.65 crore) + 2010-11 (₹ 3.33 crore)

¹³ The programme was discontinued from 2011-12 onwards.

¹⁴ Unutilised funds under RCH Flexipool (₹ 2.36 crore) and NRHM Flexipool (₹ 0.37 crore) refunded by the DHSs.

1.3.9.1 Short allocation/release of funds

The GoN proposed ₹ 946.22 crore¹⁵ for NRHM activities for the period 2009-14, against which GoI released ₹ 474.25 crore. It was seen that the GoN committed financial assurances for ₹ 61.65 crore¹⁶ as per the approved Records of Proceedings (RoP) for the period 2009-14 but released only ₹ 53.20 crore resulting in short release of ₹ 8.45 crore to meet the financial commitments to enhance the facilities in health sector in the State.

In reply the Department stated (October 2014) that GoI conveyed (May 2014) the shortfall of matching share of ₹ 0.90 crore. Further, the State share for 2013-14 had not been released by the State Government which is being pursued.

1.3.9.2 Delay in transfer of funds

As per clause 3.2.2 of Operational Guidelines of Financial Management (March 2012) of the Mission, funds should be transferred to the districts within 15 days of receipt of funds from GoI.

It was noticed that the State Government delayed release of State share ranging from eight to 15 months. There was also delay in transfer of funds to districts towards components like untied funds, annual maintenance grants and grants for RKS to DH, CHCs, PHCs and SCs ranging from two to 11 months. It was also observed that there was heavy retention of bank balance ranging from 25 to 83 *per cent* in respect of the funds released during the period 2009-14 with the SHS indicating poor financial management and deficient fund delivery mechanism. Due to this, there was shortfall in achievement of Routine Immunisation programme (*Paragraph 1.3.12.1*), Institutional Deliveries (*Paragraph 1.3.12.3*), eradication of leprosy (*Paragraph 1.3.13.1*), Annual Blood Examination Rate (*Paragraph 1.3.13.2.1*), conducting eye screening (*Paragraph 1.3.13.3*) and training under capacity building (*Paragraph 1.3.16.2*).

The Department while accepting (October 2014) the audit findings stated that funds are generally received at the end of the financial year which caused delay in transfer of funds.

Objective – 3 Construction activities vis-à-vis coverage in population and improvement in facilities**1.3.10 Rural health infrastructure**

NRHM aims to bridge gaps in existing capacity of rural health infrastructure by establishing functional health facilities through revitalisation of existing physical infrastructure such as health unit buildings and fresh construction or renovation

¹⁵ 2009-10 (₹ 315.67 crore), 2010-11 (₹ 105.20 crore), 2011-12 (₹ 98.12 crore), 2012-13 (₹ 262.31 crore) and 2013-14 (₹ 164.92 crore) = ₹ 946.22 crore.

¹⁶ 2009-10 (₹ 11.75 crore) 2010-11 (₹ 12.62 crore) 2011-12 (₹ 14.70 crore) 2012-13 (₹ 10.64 crore) 2013-14 (₹ 11.94 crore).

wherever required. The Mission also sought to upgrade available facilities to meet the requirement of Indian Public Health Standards (IPHS).

1.3.10.1 Sub-Centers

Sub Centre (SC) is the first point of contact between the primary healthcare system and the community. As per the norms, one SC for a population of 3000 in tribal and hilly areas was required to be established which should be located within the village for easy accessibility and no person should travel more than three kilometers to reach a SC. As the population density in the country is not uniform, it should also depend upon the case load of the facility and distance of the village/habitations which comprise the SCs.

The details of SCs in the State are given in the table below:

Table No. 1.3.2

Sl. No.	Particulars	Number of SCs	Approved cost (₹ in crore)
1	No of SCs in the State upto March 2013	397	-
2	No of SCs created during 2013-14	13	-
Total number of SCs in the State as of March 2014		410	
3	No. of SCs functioning in Government building as of March 2009	320	NA
4	No. of SCs approved and newly constructed under NRHM during 2009-11	75	9.25
5	No. of SCs created and approved for new construction under NRHM during 2013-14	13	2.86
6	Total SCs approved for construction under NRHM during 2009-14	88	12.11
Total SCs functioning in Government building (Sl. No. 3+ 6)		408	

(Source: Departmental figures)

Examination of the records on construction activities of SCs revealed the following:

1.3.10.2 Discrepancy in reporting the number of Sub-Centers

As per the record of SHS, only two out of 410 SCs in the State were functioning in rented buildings. Examination of the records in four districts ¹⁷ revealed that 19 SCs were functioning in rented buildings as detailed below:

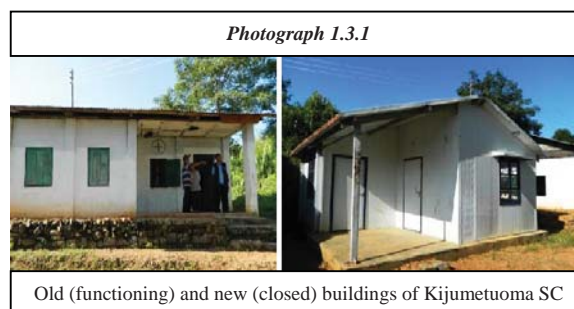
Table No. 1.3.3

District	No of SCs in the district	SCs functioning in non-Government buildings against which proposals were made through DHAPs during 2009-2014	No. of SCs approved by the SHS and completed during 2009-2014	Excess/ Short	No. of SCs continued functioning in non-Government/private building as of June 2014
Kohima	40	4	7	(+) 3	Nil
Tuensang	39	13	7	(-) 6	6
Mon	50	14	7	(-) 7	7
Zunheboto	47	13	7	(-) 6	6
Total	176	44	28	(-) 19	19

(Source: Departmental figures)

¹⁷Mon, Tuensang, Zunheboto and Kohima.

It can also be seen from above table that three SCs¹⁸ constructed at the cost of ₹ 0.37 crore in Kohima district were in excess and also not included in the proposals of DHAP (2009-13). An instance of unnecessary construction of SC Kijumetuoma is shown at **Photograph 1.3.1.**



The Department stated (October 2014) that necessary action would be taken for immediate occupation of the buildings constructed for the SCs and the old SC buildings would be used as staff quarters.

1.3.10.3 Expenditure without execution of work

Out of 408 SCs functioning in Government buildings, following eight SCs were again taken up for fresh construction under State Plan- Communitisation during 2013-14:

Table No. 1.3.4

(₹ in lakh)

Sl. No.	Name of SC proposed by the State plan during 2013-14	District	Amount sanctioned under Communitisation	SC already completed under NRHM on	Cost of construction under NRHM
1	Kitsubozou	Kohima	6.50	07.01.2008	6.80
2	Thakiye	Zunheboto	5.00	06.05.2012	12.33
3	Totok Chingkho	Mon	7.00	23.02.2012	12.33
4	Wangla	Mon	7.00	23.02.2012	12.33
5	Khensa	Mokokchung	9.00	18.08.2011	12.33
6	Yaongyimsen Model	Mokokchung	9.00	07.01.2008	12.33
7	Yachang (C)	Mokokchung	9.00	18.8.2011	12.33
8	Longya	Kiphire	8.00	07.01.2010	12.33
TOTAL			60.50		93.11

(Source: Departmental figures)

Examination of the records of the Directorate of Health and Family Welfare (DH&FW) revealed that GoN sanctioned ₹ 0.61 crore for construction of eight SCs under “State Plan- Communitisation in convergence with Rural Development and Department of Under Developed Areas”. It was seen that these eight SCs were already shown as constructed under NRHM for ₹ 0.93 crore during 2008-2012. However, the DH&FW approved (March 2014) new construction of these eight SCs under State Plan- Communitisation and released ₹ 0.50 crore. Further, out of the eight, two SCs (Sl. No. 1&2) in the test checked districts were physically verified along with Departmental Officers and it was noticed that both the SCs had not been constructed which implies that ₹ 0.19 crore shown as expenditure was fictitious.

The Department stated (October 2014) that since the works have not been completed the proposal would be revised to avoid duplication.

¹⁸ Khuzama, Seyima and Kijumetuoma @ ₹ 0.12 crore per unit.

Besides the above, three SCs¹⁹ were shown as constructed in Zunheboto districts and an amount of ₹ 0.31 crore was released. Joint physical verification revealed that these were not actually constructed resulting in fictitious expenditure of ₹ 0.31 crore.

1.3.10.4 Primary Health Centers

As per IPHS norms, a PHC was to be created or upgraded from SCs to cover 20,000 population. A PHC should have its own building to facilitate comprehensive primary quality health care to the community and also be centrally located in an easily accessible area. PHC should have a minimum plinth area of 3566 sq. ft to accommodate 12 bedded capacities.

Examination of records revealed the following:

1.3.10.4.1 Creation of Excess Primary Health Centers

As per population criteria, the State should have 99 PHCs²⁰, whereas there were 126 PHCs resulting in excess 28 PHCs. Further scrutiny revealed that out of the 28 excess PHCs, 16 PHCs²¹ (57 per cent) were created in Phek district alone without observing population criteria. Further, joint physical verification of PHC at Thetsumi revealed that the PHC constructed at the cost of ₹ 0.70 crore covering population of 1910 was defunct since up-gradation (during 2009-10) due to non-posting of MO.

The Department stated (October 2014) that the excess PHCs were constructed in Phek district as per the notifications issued by the GoN.

1.3.10.4.2 Deviation from IPHS norms

Scrutiny of records of four test checked DHs revealed instances of construction of PHCs in plinth area which was less than the required area, functioning of PHC in MO quarter and rented building, construction of PHC far away from the habitation and non-functional PHCs due to poor monitoring as given below:

- (a) Two PHCs²² in Zunheboto district constructed (May 2012) for ₹ 1.37 crore were in a plinth area of 3240 sq. ft each as against 3566 sq.ft. for which estimates were prepared and funds sanctioned. Joint physical verification (June-July 2014) of these two PHCs revealed that the in-patient bed capacity was limited to four beds each in male and female wards against the provision of six beds each in male and female wards.
- (b) In PHC Tesophenyu, Kohima district, joint physical verification (July 2014) revealed that the PHC building was in dilapidated condition. It was observed that MOs quarter constructed during 2007-08 was being used as PHC which could accommodate only three beds to provide health services.
- (c) In PHC Toupheema, Kohima district, joint physical verification (July 2014) revealed that the PHC was located in the outskirts of the village. It was also seen

¹⁹ ₹ 0.07 crore (Kivikhu Old) + ₹ 0.12 crore (Chisholimi)+₹ 0.12 crore (Kivikhu) in Zunheboto = ₹ 0.31 crore.

²⁰ 1980000 (2001 census)/20000=99

²¹ Nine PHCs were created during 2008-09 and seven were created during 2009-10.

²² PHC Suruhoto and PHC Satakha.

that as per Out Patient Department (OPD) register (30.7.2012 to 31.3.2014) the PHC was operational for 209 days only against the required 531 working days.

- (d) Eight PHCs²³ in three test checked districts were functioning in rented buildings with inadequate health facilities since the creation of the PHCs.
- (e) PHC Zeizou, in Kohima district was non-functional since 2002. Scrutiny further revealed that the PHC building constructed for healthcare services was not handed over to the Department by the contractor till August 2014. It was reported (August 2014) by the Sr. MO in-charge that the building constructed for health care services was occupied by Border Roads Task Force (BRTF).

In reply, the Department stated (October 2014) that the construction of two PHCs in Zunheboto district was completed as per the availability of fund. The Department assured the renovation as well as new construction of PHCs which were functioning in rented/dilapidated buildings. The Department added that the PHC at Toupheima was constructed in the outskirts of the village due to availability of land in the outskirts of the village.

1.3.10.5 Construction of quarters for Medical Officers and Staff

The requirements for construction of quarters were being reported through DHAPs every year. Scrutiny of records in the four test checked districts revealed that DHs proposed construction of 18 MO quarters and 79 staff quarters during 2009-14, against which SHS approved construction of 22 MO quarters and 20 staff quarters (₹ 9.41 crore) out of the funds of NRHM, SPA and TFC (15 quarters for ₹ 3.25 crore under NRHM, 13 quarters for ₹ 3.07 crore under SPA and 14 quarters for ₹ 3.09 crore under TFC).

Examination of the records revealed the following:

- 11 MO Quarters²⁴ and 10 staff quarters²⁵ were constructed outside the proposals projected through the DHAPs.
- Construction of nine quarters for ₹ 2.06 crore²⁶ were in progress though the projects were approved during 2010-13.
- Seven quarters reported as completed for ₹ 1.57 crore²⁷ were not constructed at two CHCs, three PHCs and two SCs though the payments were released. The non-construction was authenticated during the joint physical verification.

²³ PHC at Chen, Naginimora, Wanching, Pessao, Yonkhao in Mon district, Tsadang in Tuensang district, Saptika and Gatashi in Zunheboto district.

²⁴ Aboi CHC (1 No), Tizit PHC (2 Nos), Wakching PHC (1 No), Shamator PHC (1 No), DH Zunheboto (1 No), Suruhoto PHC (1 No), Pughoboto CHC (1 No), DH Kohima (1 No), Toupheima PHC (1 No) and Tseminyu CHC (1 No).

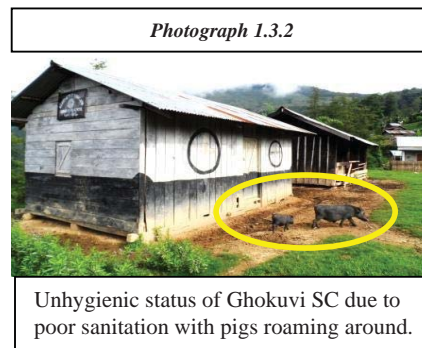
²⁵ Tobu CHC (1 No), Hakchang SC (1 No), Aghunato CHC (1 No), Satakha PHC (2 Nos), Suruhoto PHC (1 No), Pughoboto CHC (1 No), Toupheima PHC (2 Nos) and Mima SC (1 No).

²⁶ MO quarters at DH Zunheboto, DH Kohima, CHC Tseminyu, CHC Aghunato, PHC Shamator, PHC Tizit, PHC Satakha and PHC Suruhoto @ ₹ 0.23 crore per quarter under NRHM during 2012-13 for ₹ 1.84 crore and Staff quarters at CHC Noklak (₹ 0.22 crore)= ₹ 2.06 crore.

- Four quarters constructed for ₹ 0.81 crore²⁸ were not occupied for residential accommodation till July 2014.
- Two quarters constructed for ₹ 0.42 crore²⁹ were occupied by the Programme Officer ICTC/ NVBDCP for official purpose.
- Two quarters constructed for ₹ 0.45 crore³⁰ under SPA fund were actually constructed under Backward Area Development Fund (BADF). This was authenticated by the Deputy CMO, Tuensang.

1.3.10.6 Electricity and water

Electricity and water are required to preserve medicines and equipment and for maintaining hygienic environment. Village Health Committee is responsible for maintenance and keeping the surrounding of HUs clean. It was observed that 36 HUs³¹ in the four test checked districts were functioning without basic facilities of electricity and water. Beneficiary survey conducted in Kohima district also revealed that 149 beneficiaries (33 *per cent*) out of responses received from 457 beneficiaries stated that their HUs were without adequate water and electricity supply indicating the lack of basic facilities with the HUs.



It can be seen from the *photograph 1.3.2* that the SC at Ghokuvi under Zunheboto district was highly un-hygienic as seen during the joint physical verification (July 2014).

The Department accepted (October 2014) the audit findings and assured that the basic facilities would be provided in phased manner.

²⁷ CHC Pughoboto (₹ 0.22 crore) under NRHM during 2010-11, CHC Tobu (₹ 0.27 crore) under SPA, Hakchang SC (₹ 0.18 crore) under SPA, PHC Shamator (₹ 0.32 crore) under SPA, PHC Chunlikha (₹ 0.16 crore) under SPA, SC Mima (₹ 0.15 crore) under SPA and PHC Touphema (₹ 0.27 crore) under TFC during 2011-13 = ₹ 1.57 crore.

²⁸ One staff quarter at PHC Touphema during 2008-09 under NRHM for ₹ 0.17 crore, two quarters constructed for ₹ 0.46 crore under SPA during 2009-10 at PHC Wakching (₹ 0.25 crore) and PHC Touphema (₹ 0.21 crore) and One staff quarter, though constructed at CHC Longkhim under TFC during 2011-14 for ₹ 0.18 crore = ₹ 0.81 crore.

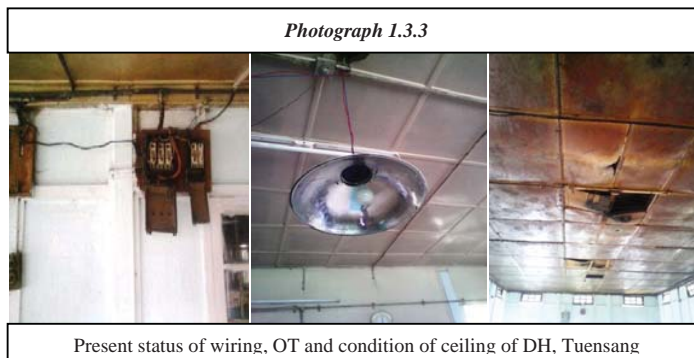
²⁹ MO Quarter constructed at CHC Aboi under SPA for ₹ 0.25 crore and Staff quarter constructed at CHC Aboi under TFC for ₹ 0.17 crore = ₹ 0.42 crore.

³⁰ One MO Quarter for ₹ 0.28 crore during 2009-10 and one staff quarter for ₹ 0.17 crore during 2010-11 at CHC Noklak = ₹ 0.45 crore.

³¹ CHC Tobu was made functional only since January 2014, Tsadang PHC and Chessore PHC in Tuensang district, Satoi PHC in Zunheboto district and SCs at Phirahir, Nokhu, Chokla, Tsuwao, Yimpang, Noksen village, Yokumsang, Sangdak, Chiphur, Pang, Peshu, Sanglao, Wui, Sangchen, Sotokur and Urban Health Center in Tuensang district, SCs at Lotisami, Shitsumi, Hokiye, Ghokhuvi, Thakiye, Asukiqa, Chishilimi, Mishilimi, Chisholimi, Hoshepu, Surumi, Aichi Saghemi, Yehemi, Yezami, Yemishe and Akuhaito in Zunheboto district.

1.3.10.7 Fictitious expenditure of ₹ 0.39 crore

SHS earmarked ₹ 0.39 crore for maintenance of DH Tuensang during 2011-2014. The Medical Engineering Wing (MEW) reported (August 2014) that re-wiring and replacement of internal electrification (₹ 0.07 crore), repair and renovation (₹ 0.14 crore), repair of sewage system and drainage (₹ 0.07 crore) and improvement of male ward, female ward and surgical ward at DH, Tuensang (₹ 0.11 crore) were completed during March 2011 to February 2014. Joint physical verification (May 2014) of the DH Tuensang revealed that the aforementioned works valued at ₹ 0.39 crore were not carried out and this fact was authenticated by the MO,



DH Tuensang. The non-execution of repair and renovation could be seen from the photograph alongside (**Photograph 1.3.3**). The Operation Theatre had a single shaded light and it is surprising how the DH carried out 900 Minor operations during January 2011 to March 2014 in such pathetic condition.

The Department accepted (October 2014) and assured that repair and renovation would be carried out in due course.

1.3.10.8 Construction under Forward Linkages Scheme

GOI, sanctioned ₹ 74.63 crore to set up State Family Welfare Training Centre (SFWTC) at Kohima (₹ 13.71 crore), setting up of MRI unit at Kohima (₹ 16.23 crore) up-gradation of DH, Phek (₹ 21.37 crore) and up-gradation of DH Kiphire (₹ 23.32 crore) during 2011-13 under Forward Linkage Scheme (FLS)³².

Examination of the records of the above scheme revealed the following:

(a) Setting up of MRI unit at Naga Hospital Authority, Kohima (NHAK)

Magnetic Resonance Imaging (MRI) scan facility is used as an accurate method of disease detection of aneurysms, stroke, tumors of brain, tumors or inflammation associated with the vertebral or intervertebral discs of the spine. In terms of GFR provision for propriety items procurement should be initiated as per Office Establishment Manual (OEM). However, for setting up of MRI unit at NHAK, the Department procured the same through a contractor instead of following the procedures as



³² Additional assistance provided through NRHM

per OEM. The cost involved was ₹ 16.23 crore. Reasons for ignoring procedures under GFR were not on record.

The Department released ₹ 16.23 crore in two installments³³ including cost of civil work for ₹ 0.98 crore to the contractor on the basis of recommendations (September 2013) of the Technical Committee for installation of Seimens-Magnetom Essenza 1.5 Tesla with Tim + Dot MRI. The release was made without supporting bill/invoice of any agency. In the absence of supporting bills, the cost of the MRI of the same make was obtained from the manufacturer (Siemens Ltd, India) which was only ₹ 5.00 crore along with all supporting accessories including 60 KVA full system UPS with 15 minute back up. Thus, the SHS provided an undue benefit of ₹ 10.25 crore to a local contractor for MRI at NHAK.

Further, joint physical verification (July 2014) of MRI at NHAK revealed that MRI machine was installed and was operational only from June 2014. It was further seen that the civil work (₹ 0.98 crore) was not executed as per the approved lay out and seven supporting accessories required for composing, imaging and evaluating spectroscopy were not received. The substandard civil work constructed to accommodate the machine resulted in delay in obtaining the quality assurance certificate from M/s Siemens Ltd. to operate the MRI services by eight months.

The Department stated (October 2014) that the amount sanctioned was more than the normal cost of the MRI machine and hence the funds were provisioned for additional activities and comprehensive warranty period for five years.

(b) *Misutilisation of the scheme funds*

Out of ₹ 74.63 crore, SHS incurred ₹ 13.71 crore for setting up of SFWTC, ₹ 16.23 crore for setting up of MRI unit at NHAK and transferred ₹ 26.82 crore to EE, MEW for construction of two DHs. By taking into account the bank interest of ₹ 1.20 crore accrued during the period, there should have been a balance of ₹ 19.07 crore with the SHS as of March 2014. It was observed that only ₹ 8.01 crore was available as closing balance in the Bank account³⁴ of SHS as of March 2014. It was seen that out of ₹ 11.06 crore, SHS diverted ₹ 8.76 crore for salary components of RCH/vertical programmes and ₹ 2.30 crore was stated as utilised for furniture and fixing, deep bore well etc. against the upgradation of two DHs at Phek and Kiphire which were under construction. However, the reported expenditure for ₹ 2.30 crore utilised in advance was without any supporting vouchers.

The Department stated (October 2014) that ₹ 2.30 crore was spent for furniture, fixing and construction of deep bore well at two locations without any supporting documents in this regard. As per the records of the MEW, both the upgradations of DHs were under progress and the MEW only received the funds against the first phase. Thus, the

³³ ₹ 12.91 crore in March 2013 and ₹ 3.32 crore in October 2013

³⁴ Operated with Bank of Baroda, Kohima (A/c No.10180100008732).

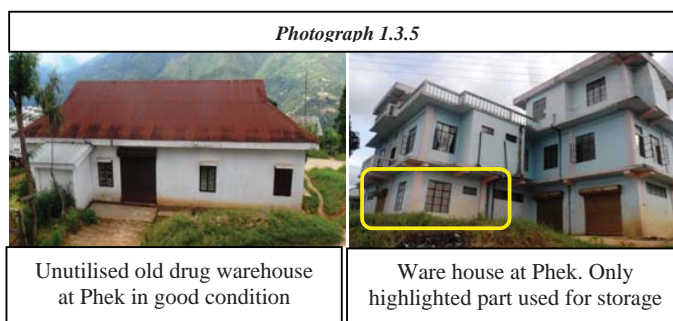
Department reported expenditure of ₹ 2.30 crore as utilised for furniture and fixing, deep bore well etc. against the incomplete projects without any supporting documents.

1.3.10.9 Construction of Drug Warehouse

SHS proposed to the Ministry of H&FW for construction of nine drug warehouses at nine district headquarters. GoI approved (2009-11) ₹ 13.44 crore³⁵ for construction of nine drug warehouses with a purpose to store medicines, equipment etc. for DHs and also to provide supply of medicines and equipment to inaccessible areas in the State.

Examination of records revealed the following:

- SHS approved and constructed drug warehouse for ₹ 1.36 crore at Mokokchung in addition to the existing drug warehouse at same location. The newly constructed drug warehouse was not utilised till July 2014.
- Four drug warehouses at Zunheboto, Tuensang, Mon and Phek were approved for a total cost of ₹ 6.00 crore. Out of these, three drug warehouses (Zunheboto, Tuensang and Mon) were constructed in total plinth area of 19707 sq. ft. instead of 22872 sq. ft.³⁶ for which estimates were prepared and funds were sanctioned. Thus, the Department paid ₹ 0.46 crore³⁷ to the contractor for works not actually done by him for 3165 sq. ft.
- Joint physical verification of drug warehouse located at these four districts revealed that completed drug warehouses were utilised for running establishment of CMO and residential purposes etc. as given below:
 - i. The Drug warehouse constructed (2011) at Zunheboto for ₹ 1.42 crore was unoccupied till June 2014 due to non-construction of approach road³⁸.
 - ii. Two floors of the Drug warehouse constructed at Tuensang was un-authorisedly occupied by an Anesthetist of the DH, Tuensang for personal purposes.
 - iii. Two floors of the drug warehouse constructed for ₹ 1.52 crore at Mon was occupied by the staff of CMO office and only the ground floor was utilised for storage of equipment, medicines etc.



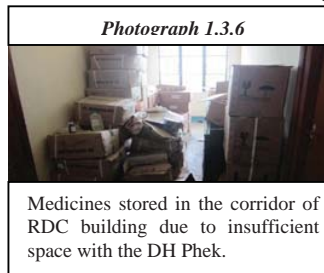
³⁵ Mokokchung (₹ 1.36 crore), Zunheboto (₹ 1.42 crore), Tuensang (₹ 1.54 crore), Mon (₹ 1.52 crore), Phek (₹ 1.52 crore), Longleng (₹ 1.37 crore), Kiphire (₹ 1.69 crore), Wokha (₹ 1.44 crore) and Peren (₹ 1.58 crore)

³⁶ Zunheboto (5456 sq. ft.) Tuensang (6760 sq. ft.) and Mon (7491 sq. ft.)

³⁷ 3165 Sq. ft. (₹ 1576.81 Ground floor + ₹ 1359.20 First floor)/2 = ₹ 0.46 crore.

³⁸ No space to construct approach road to reach the drug warehouse as the warehouse was constructed behind the old hospital building.

iv. Though an existing storehouse in good condition was available with the CMO Phek, SHS resorted to new construction. It was observed that only two rooms in the ground floor of newly constructed drug warehouse (₹ 1.52 crore) was utilised for storage of equipment, linens and medicines out of the three floor building. Further it was noticed during physical verification of DH Phek that the medicines and hospital sundries and linens were kept in the corridor of the Regional Diagnosis Centre building of DH due to lack of space in the building though the drug warehouse was constructed for this purpose.



Thus, the drug warehouses constructed in five districts for ₹ 7.36 crore were not utilised for intended purpose of storing medicines, equipment etc..

The Department accepted (October 2014) the audit findings and stated that the drug warehouse was being utilised to house CMO office and quarters. The compromise made in plinth area was due to the unavailability of required area of land.

1.3.10.10 Construction of Nursing Schools

The Indian Nursing Council authorises and prescribes requirement for setting up of nursing schools such as physical facilities, clinical facilities, hostel facilities etc. As per the prescribed norms, the teaching block should be constructed in 23720 sq. ft. and the hostel block should be with a plinth area of 30750 sq.ft. Laboratories, clinical facilities etc. should be provided within the Administrative block. GoI approved (2008-09) setting up of Nursing School at Dimapur for ₹ 8.74 crore.

Examination of records revealed the following:

- The Department constructed administrative and hostel block in plinth area of 15843 sq. ft. and 7284 sq. ft. respectively against the norms of 23720 sq. ft. and 30750 sq. ft. respectively. By compromising the area of 31343 sq. ft.³⁹ EE, MEW utilised the project fund for construction of staff quarters, two quarters for Principal, one Dining hall-cum-kitchen, one quarter for Chowkidar and 26 items of supporting civil works.
- Joint physical verification revealed that though the cost of construction of two Principal's quarter, one Chowkidar quarter and sub-civil works with a total cost of

³⁹ Administrative block (23720 – 15843 sq. ft.) + Hostel Block (30750 – 7284 sq. ft.) = 31343 sq. ft.

₹ 1.14 crore⁴⁰ was released to the contractor, the works were not actually executed to provide accommodation to Principal, Vice Principal and Chowkidar. The fact was authenticated by the Principal, Nursing School and the Assistant Engineer, MEW.

- Out of the total expenditure of ₹ 8.72 crore, Department incurred ₹ 1.11 crore for accessories and furnishing of the Nursing School, Dimapur. However, scrutiny of the stock register revealed that the items purchased by the SHS and the items in the stock register of Nursing School did not match. Non-availability of furnishing items and laboratory and study equipment with the Nursing school were confirmed during joint physical verification.

The Department appreciated (October 2014) the audit finding and assured that the contractor would be assigned to complete the unexecuted work.

1.3.10.11 Construction of Block Health Office (BHO)

SHS proposed (2011-12) for construction of Block Health Office (BHO) @ ₹ 0.05 crore per unit in 11 district headquarters to facilitate Basic Emergency Obstetric Care (BEmOC) and Comprehensive Emergency Obstetric Care (CEmOC) centers. The Ministry approved ₹ 0.55 crore for construction of 11 BHOs. The SHS issued (December 2011) sanction order to construct BHOs in 11 district headquarters and selected three contractors⁴¹ as executing agency @ ₹ 0.05 crore per unit.

1.3.10.12 Payment made for works not executed

Examination of records revealed that the SHS did not maintain any Measurement Book in respect of the 11 BHOs constructed. However, a completion certificate stating that the works were completed satisfactorily was submitted. Payment of ₹ 0.55 crore was released (December 2011 to March 2012) to three contractors.

Joint physical verification (May 2014) of four DHS⁴² revealed that in four BHOs the work reported as completed were not in existence and the fact was authenticated by the four CMOs.

Thus, the Department released ₹ 0.20 crore to three contractors against unexecuted four BHOs on false completion certificates signed by the Assistant Engineer, NRHM and approved by the Mission Director, NRHM.

The Department stated (October 2014) that the BHOs at Mon and Kohima were constructed and the BHOs at Tuensang and Zunheboto were not constructed. Fact

⁴⁰ Providing water supply & Sanitary installation i/c rain water harvesting for Con. of 3 bedded qtr (₹ 0.02 crore) + Site leveling & approach road for administration & classroom block Group A (₹ 0.05 crore) + Site leveling & approach road for administration & classroom block Group B (₹ 0.05 crore) + Site leveling & approach road for administration & classroom block Group C (₹ 0.02 crore) + Site leveling & approach road for hostel block (₹ 0.03 crore) + Site leveling & approach road for 3 bedded Qtr (₹ 0.02 crore) + Site leveling & approach road for 2 bedded Qtr (₹ 0.02 crore) + Providing water supply & Sanitary installation i/c rain water harvesting for Construction of Chowkidar Qtr NRHM (₹ 0.01 crore) + Providing water supply & Sanitary installation of Principal Qtr (₹ 0.03 crore) + Providing Marble stone flooring & tiles in Dining Hall & Kitchen (₹ 0.03 crore) + Construction of 3 bedded quarters for Principal of Nursing School (₹ 0.15 crore) + Providing granular Black filling, Protection wall & approach road (₹ 0.46 crore) + Construction of Chowkidar Qtr (₹ 0.05 crore) + 3 bedded Principal quarter (₹ 0.21 crore) = ₹ 1.14 crore.

⁴¹ Shevohu Nienu (₹ 0.35 crore), Kiyehoto Sumi (₹ 0.10 crore) and Besupra Swuro (₹ 0.10 crore) = ₹ 0.55 crore.

⁴² Mon, Tuensang, Zunheboto and Kohima.

remained that the CMOs in the four districts authenticated the non-construction of BHOs for ₹ 0.20 crore.

Objective – 4 Procedures and system of procurement of equipment, drugs and services, supplies and logistics management

1.3.11 Medicines and equipment

Medicines and equipment are the integral part of the healthcare services. SHS formulated (December 2012) Nagaland Essential Drug list 2012-13 conveying a list of 282 essential drugs⁴³ to be issued to HUs. The drug list was required to be framed by April 2009 which was framed after a delay of 43 months. The SHS focused on 100 kinds of drugs (35 *per cent*) out of 282 as gap filling under NRHM and the remaining 182 (65 *per cent*) was to be provisioned through the State budget.

A purchase committee was formed with the DH&FW to analyse and scrutinise the bidding documents before awarding supply orders. As per Nagaland Drug & Diagnostics Policy 2013, the Committee was required to verify the manufacturer company-GMP certificate, company authorisation letter to stockist or supplier, company price list and valid wholesale drug licenses before awarding the supply orders to the suppliers for quality assessment of medicines and equipment. From the examination of records, the following was observed:

1.3.11.1 Deficiencies in procurement of medicines and equipment

It was observed that none of the suppliers furnished the documents as per Nagaland Drug & Diagnostics Policy 2013 whereas the Committee recommended the lowest quoted bidder for supply of medicine and equipment through limited tendering system without observing Nagaland Drug & Diagnostics Policy 2013. Para 19 of the Drugs (Price Control) Order 1995 envisages the provision of 16 *per cent* discount during the purchase of medicines directly from the Manufacturer. SHS purchased medicines worth ₹ 26.77 crore⁴⁴ from the local suppliers during 2009-14. Department could have saved ₹ 4.28 crore if the purchase had been made directly from the Manufacturer.

Scrutiny of the records of SHS, four DHS, four District Hospitals, eight CHCs, 12 PHC and 20 SCs revealed that:

- (a) The four test checked districts received only 45 to 51 types (average of 83 *per cent*) of drugs every year against the list of 282 during 2012-14.
- (b) The Department purchased expired medicines⁴⁵ valued ₹ 82,000 and the Committee also certified for issue to the HUs without verifying the quality.

⁴³ Analgesic (19), Antibiotic (58), Anti-gastric ulcer (8), Anti-emetic(11), Anti diarrhea (2), Antispasmodic and purgative (8), central nervous system drugs (22), respiratory drugs (15), cardiovascular drugs (18), diuretics (6), antifungal (6), anti-allergy (16), local and general anesthetic drugs (23), anti-helminthic (6), vitamins and minerals (9), Antiseptics and disinfectant (6), electrolytes and acid based disturbances (11) skin/topical (10) eye/ear and nasal drops (16), anti- diabetic (4) and uterine drugs (8).

⁴⁴ 2009-10(₹ 4.67 crore), 2010-11(₹ 1.92 crore), 2011-12(₹ 10.08 crore), 2012-13(₹ 8.27 crore) and 2013-14(₹ 1.82 crore) =₹ 26.77 crore.

⁴⁵ 450 strips of Labetalol 100mg tablets @ ₹ 183 per strips purchased in December 2012 was expired in November 2012.

- (c) Due to non-procurement of generic drugs and equipment from the firms approved by GoI, the SHS incurred an avoidable expenditure of ₹ 1.03 crore during 2013-14. (*Appendix 1.3.1*).
- (d) Department purchased 50 types of medicines and seven equipment above the Maximum Retail Price (MRP) for ₹ 0.75 crore (*Appendix 1.3.2*).
- (e) Short receipt of equipment worth ₹ 0.81 crore was noticed in four test checked districts from the equipment issued by SHS during 2009-14 (*Appendix 1.3.3*).
- (f) Short receipt of medicine worth ₹ 0.72 crore was noticed in two test checked DHS and NHAK out of the medicines issued by SHS (*Appendix 1.3.4*).
- (g) Idle and damaged equipment valued ₹ 0.77 crore was noticed with four DHs out of the issue made by the SHS and Directorate of Health and Family Welfare (*Appendix 1.3.5*). There were instances of rusted equipment noticed in the health units.
- (h) Instances of expired medicines valued ₹ 0.10 crore stored with health units was also noticed in audit (*Appendix 1.3.6*).
- (i) Short receipt of medicines and equipment worth ₹ 1.66 crore (*Appendix 1.3.7*) was noticed with central store of NRHM though full payment was released to the suppliers.

Thus, due to flaws in procurement process as well as issue of medicines to the HUs, 83 *per cent* of drugs did not reach the HUs. SHS incurred an excess expenditure of ₹ 1.78 crore due to non-adherence to the procurement policy. Due to surplus issue of medicine over and above the requirement, 42 types of medicines valued ₹ 0.10 crore was noticed as expired. Idle and damaged equipment valued ₹ 0.77 crore issued to the HUs failed to provide diagnosis facilities to the rural poor. Verification Committee failed to monitor the receipt and issue of medicine which resulted in short receipt of medicines and equipment worth ₹ 3.19 crore.

During beneficiary survey conducted in Kohima district, 233 beneficiaries out of 457 (51 *per cent*) stated that adequate medicines and equipment were not available in their HUs. Further, 143 beneficiaries (31 *per cent*) reported that they did not receive free medicines from their HUs. This points towards the inadequate supply of medicines to the HUs.

The Department stated (October 2014) that having realised the deficiencies, the Department had initiated streamlining the supply chain management system since December 2013.

1.3.11.2 Life-saving equipment

Life-saving equipment (blood gas analyser) is intended to diagnose important respiratory and metabolic indicators of acidosis⁴⁶ and alkalosis⁴⁷ in arterial blood. Electrolyte analyser, an important life-saving equipment is used to measure and evaluate the critical balance of electrolyte ions in the body fluids such as hot blood, serum, plasma and extra-cellular fluid etc.

⁴⁶ Acidosis: When body fluids contain too much acid (pH value below 7.35)

⁴⁷ Alkalosis: When body fluids contain excess base i.e. alkali (pH value above 7.45)

SHS proposed (April 2011) for purchase of life saving equipment for ₹ 4.79 crore in order to extend medical facilities to patients suffering from life threatening diseases like Cerebral Malaria, Swine Flu, Dengue, Meningitis etc. Blood gas analyser and electrolyte analyser was proposed for ₹ 1.48 crore to nine DHs and ₹ 3.31 crore was proposed for cost of consumables.

GoI sanctioned (June 2011) ₹ 4.79 crore for the purchase of life-saving equipment and medicines and released ₹ 4.23 crore being the share of GoI. GoN did not release the matching share of ₹ 0.56 crore.

The Department purchased (September 2011) seven blood gas analysers (₹ 0.56 crore), nine electrolyte analysers (₹ 0.66 crore) and consumables worth ₹ 2.80 crore from local suppliers and released (September 2011) ₹ 4.02 crore to the supplier and ₹ 0.21 crore was released towards taxes. During the joint physical verification of DHs, it was noticed that:

- Two blood gas analysers⁴⁸ (₹ 0.16 crore) and one electrolyte analyser⁴⁹ (₹ 0.07 crore) were not received in three DHs, though these were recorded as issued by the SHS.
- Two blood gas analysers⁵⁰ (₹ 0.16 crore) and three electrolyte analysers⁵¹ (₹ 0.22 crore) in four DHs were not functioning since September 2011.
- The consumables valued ₹ 0.86 crore to support the life-saving equipment were not received in the test checked DHs. Non-functioning and non-receipt of life saving equipment and consumables were authenticated by the Medical Superintendents/ Managing Director.

Thus, the Department incurred ₹ 4.23 crore for 16 life-saving equipment, out of which three life-saving equipment (₹ 0.23 crore) and consumable (₹ 0.86 crore) were not received in the DHs though it was reported as issued by the SHS. Though the life-saving equipment worth ₹ 0.38 crore reached the DHs, they were not functioning due to damage as well as non-availability of consumables.

In reply, the Department stated (October 2014) that the procured blood gas analysers and electrolyte analysers were received and installed with the DHs. However, fact remained that the non-receipt of three equipment and consumables worth ₹ 1.02 crore and the non-functioning equipment with five DHs were authenticated by the officers-in-charge during the joint physical verification.

1.3.11.3 Waste management

In setting up bio-medical treatment facilities, sound environment management for bio-medical waste keeping in view of the techno-economic feasibility and viable operation of the facility to minimise impacts on human health and environment needs

⁴⁸ DH at Phek and NHAK

⁴⁹ DH Mon

⁵⁰ DH at Mon and Tuensang.

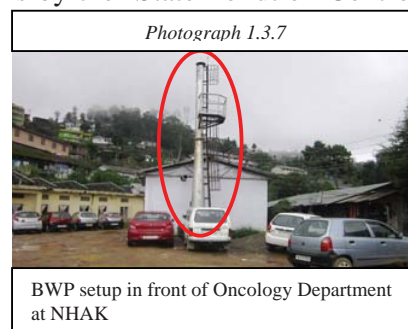
⁵¹ DH at Phek and Zunheboto, NHAK

to be ensured. The Bio Medical Waste (Management and Handling) Rules 1998 envisages erection of stack for incinerator at a minimum height of 30 meters above the ground and the deep burial pits should be constructed at a distance far from habitation. The State Pollution Control Board should conduct inspection before providing pollution certificates. The Rules further envisages that the incinerator should be procured only from the manufacturing unit registered under the Factory Act 1948 and Company's Act 1956.

GoI, Ministry of H&FW, sanctioned (November 2011) ₹ 3.40 crore for setting up of Bio-medical Waste Plant (BWP) in four districts @ ₹ 0.85 crore per unit. The SHS selected four districts⁵² for setting up of BWP and the work was awarded (December 2011) to M/s. Neile Enterprises, Dimapur which was not a manufacturing unit registered under Factory Act 1948 and Company's Act 1956.

Joint Physical verification of two BWPs in two districts (Phek and Kohima) revealed that:

1. The inspection was not carried out in two BWPs by the State Pollution Control Board for issue of pollution control certificate as the Department did not pursue for the same.
2. The heights of the stack of two incinerators erected with the BWPs were of eight meters only against the prescribed standard of 30 meters height which could cause health hazard due to the smoke emission. *(photograph 1.3.7).*
3. The deep burial pits were constructed within the premises of the civil construction of the plants and the plants were also erected in prominent places⁵³ without considering the hazards to human health and environment.
4. The project at NHAK was not operational due to lack of technical manpower. The Managing Director, NHAK affirmed that on operation of BWP, the health hazard might arise due to short height of stack of the incinerator.
5. The incinerator machine set up at DH, Phek failed to burn during the test run (June 2013) and the plant remained non-operational till August 2014.



Thus, the Department awarded (December 2011) the erection of BWP to a contractor instead of manufacturing unit registered under Factory Act 1948 and Company's Act 1956 by violating the provisions of Bio Medical Waste (Management and Handling) Rules 1998. The plants setup were in inhabited areas and the stacks of incinerator were short in height by 22 meters which might result in human health hazard problem. BWPs were erected for ₹ 0.85 crore⁵⁴ in habitant area without adhering to the

⁵² Kohima, Dimapur, Phek and Mokochung.

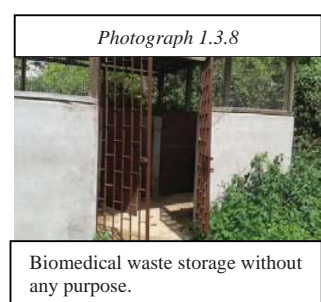
⁵³ In front of eye OT and opposite to RDC Unit of the DH, Phek and in front of the Oncology Department at NHAK.

⁵⁴ Fifty per cent of ₹ 1.70 crore released to contractor.

specifications and without supporting accessories. The BWPs were also not operational due to technical problems as well as lack of manpower and was fraught with the risk of health hazards to the habitants. Due to non-utilisation of facilities provided under waste management for ₹ 0.85 crore, district hospitals continued with the disposal mechanism through District Municipal Councils (NHAK) and de-burial pits and open burning (DH, Phek) which subsequently resulted in wastage of NRHM funds.

The Department accepted (October 2014) the audit findings and assured that necessary corrective measures would be taken.

1.3.11.4 Waste management system with District Hospital, Tuensang



During 2012-13, ₹ 0.04 crore was provisioned and utilised for construction of Biomedical Waste storage (₹ 0.03 crore) and deep burial pit (₹ 0.01 crore) at the DH, Tuensang. It was confirmed during the joint physical verification (June 2014) that

biomedical Waste storage was constructed in the bushy jungle without any connectivity. The waste management continued in the landslide area behind the old building of the hospital.



The Department accepted (October 2014) the audit findings and assured that necessary corrective measures would be taken.

1.3.11.5 Quality Control

Nagaland Drug & Cosmetic Policy, 2013 envisage quality control at the time of tendering process subject to quality test by the laboratory empaneled in the State or outside the State. A Quality Control Committee, which is a support Committee to assist the verification board, should check the drugs and collect at least three samples randomly from 1/3 of the boxes from the supplies from each batch, decoded and dispatched to empaneled accredited laboratories for quality testing and control. No drugs should be distributed unless certified by the Quality Control Committee. As per the packing norms of the drug policy, all forms of packing of various drug formulations should be inscribed prominently with a logogram “Only Government of Nagaland Supply. Not for Sale”.

Examination of records revealed the following:

- Verification Committee was performing verification of the quantity of the drugs received only and the quality control mechanism was not in place. Thus, the entire drugs purchased during the period covered in performance audit were distributed without the certificate of the Quality Control Committee.
- Further, joint physical verification of the four DHs and 40 HCs revealed that the drugs were not inscribed with the logogram “Only Government of Nagaland

Supply. Not for Sale” and also with short shelf life resulting in expiry of the drugs.

- The Drug Inspector, Tuensang seized 5200 Albendazole tablets (ABD-400) manufactured by M/s. G.S. Pharmaceuticals Pvt. Ltd, Roorke bearing Batch No T-1206147 out of the 15000 tablets issued (March 2013) by the SHS which did not conform to Indian Pharmacopoeia (IP). The seizure was made after confirming the laboratory tests from Regional Drugs Testing Laboratory (RDTL), Guwahati. Thus, 9800 sub-standard Albendazole tablets were issued to the school children for deworming.
- The Drug Inspector, Zunheboto collected samples of Iron Folic Acid (IFA) tablets, Oflogyl suspension, Ibugesic tablets and Ofoxo-oz suspension from the drug store of CMO/DH and forwarded (May 2013) to RDTL, Guwahati for laboratory testing. RDTL Guwahati confirmed that the samples were not of standard quality as defined in the Drug & Cosmetic Act, 1940. However, the Drug Inspector neither quantified the sub-standard IFA tablets, Oflogyl suspension, Ibugesic tablets and Ofoxo-oz suspension at the time of collection of sampling nor seized it after receiving the test report from the RDTL.

Thus, due to non-observance of the quality control by the verification board, the substandard drugs were supplied for consumption to school children and rural poor. In the absence of inscribed logogram on the drugs supplied to the DHs and further supplied to the HUs, possibility of sale of drugs to open market could not be ruled out.

The Department accepted (October 2014) the audit findings and assured to revise the procurement policy incorporating the quality control mechanism.

Objective – 5: Performance indicators and targets in respect of Reproductive and Child Healthcare (RCH), Information, Education and Communication (IEC) programme, Immunisation and disease control programmes

1.3.12.1 Routine Immunisation

Routine Immunisation (RI) is an important child survival strategy focusing on preventive aspects to reduce morbidity against six preventable diseases, namely tuberculosis, diphtheria, pertussis, tetanus, polio and measles and the vaccination was to be covered in seven stages to the age group of 0 to 1 years. The targets and achievements under the RI in the age group of 0-1 years are given in **Appendix 1.3.8**.

The following was observed:

- Shortfall in achievement to targeted age groups in respect of Bacillus Calmette Guerin (BCG) vaccination ranging from 14 to 37 *per cent* during 2009-14.
- Shortfall ranging from 33 to 44 *per cent* in respect of Oral Polio Vaccination (OPV) during 2009-14.
- Shortfall ranging from 26 to 71 *per cent* in Measles vaccination; and
- Short ranging from 39 to 52 *per cent* in full immunisation during 2009-14.

Short fall in full immunisation to age group 0-1 year was confirmed in the four sampled districts ranging from 26 *per cent* to 57 *per cent* and this was due to lack of storage facilities, electricity etc. for immunisation with the HUs and the fact was confirmed in 26 HUs⁵⁵ out of 40 test checked HUs during joint physical verification.

The Department accepted (October 2014) the audit findings and stated that shortfall in RI was due to poor health seeking behavior, inadequate equipment and inaccessibility owing to the difficult terrain etc. The Department assured that shortfall would be accelerated by up-scaling IEC activities, strengthening infrastructure and logistics and providing training to the health workers.

1.3.12.2 Cold chain facilities

As per the distribution norms, a CHC/PHC should be equipped with one Ice-lined Refrigerator (ILR) and one Deep Freezer (DF) for storage of vaccines for RI. The Department issued 93 ILRs and 83 DFs to 21 CHCs and 72 PHCs. Thus, there was shortfall of ILRs/ DFs with 54 PHCs⁵⁶.

Ministry allocated (November 2009) walk-in cooler (WIC) to the Department to store the vaccines in vast volumes around 27 cubic meter with the central store of State Immunisation Officer. Installation of WIC requires space more than 27 cubic meters in a separate building. The Department did not provide space for civil construction to commission the WIC and hence the WIC was kept uninstalled since June 2010. While requesting for commissioning of WIC by the Department, the Ministry replied (July 2010) that commissioning of WIC was not carried out by representative of M/s. Blue Star Pvt. Ltd due to non-availability of separate space for construction.

Further scrutiny revealed that Department purchased (December 2012) 50 ILRs for ₹ 0.13 crore and 43 DFs for ₹ 0.12 crore along with 93 voltage stabilisers for ₹ 0.04 crore from M/s. Neile Enterprises, Dimapur out of funds approved under NRHM during 2012-13. As per the stock register of the Central Store, Immunisation wing, against the above procurement there should be a balance of 39 ILRs, 32 DFs and 71 voltage stabilisers after the issue of the cold chain equipment to the HUs. However, joint physical verification (May 2014) revealed that only 10 ILRs valued ₹ 0.03 crore were available. Thus there was a pilferage of 29 ILRs (₹ 0.08 crore), 32 DFs (₹ 0.09 crore) and 71 voltage stabilisers (₹ 0.03 crore) noticed in audit which was authenticated by the officer in-charge of the Central Store, State Immunisation wing.

The Department stated (October 2014) that WIC was installed in June 2010 and also forwarded copies of the material verification report to support the receipt of cold chain equipment purchased in December 2012. However, fact remains that non-commissioning of WIC as well as the non-receipt of cold chain equipment worth ₹ 0.26 crore were authenticated by the officer-in-charge of Central Store, State Immunisation wing during the joint physical verification of the store.

⁵⁵ Cold chain facilities to store vaccines at CHCs at Tobu and Pughoboto were not functional due to lack electricity and damaged freezers, Cold chain facilities were not supplied to 4 PHCs (Satoi, Phomching, Tosephenyu and Toupheema) and 20 SCs.

⁵⁶ 126 PHCs in the State-72PHCs=54 PHCs

1.3.12.3 Institutional and Home Deliveries

As per SPIP 2013-14 only 11 SCs (3 *per cent*) out of 396 SCs in the State have the facilities for deliveries in the State. Out of 11 SCs, only five SCs recorded more than two deliveries in a month. It was seen that four SCs (2 *per cent*) out of 175 SCs⁵⁷ in the four test checked districts were conducting deliveries. This indicated the poor institutional deliveries attended through the SCs

To achieve 109000 targeted deliveries in the State, Ministry allocated ₹ 12.63 crore during 2009-14 against which SHS incurred ₹ 9.26 crore. The birth rate⁵⁸ was reported as 16.8 per 1000 population. However, as per the targeted delivery in the State, the birth rate should be at an average of 21.8 per annum⁵⁹. Out of the total allocation of ₹ 12.63 crore, SHS earmarked ₹ 8.17 crore and ₹ 2.08 crore for institutional and home deliveries respectively. Against this, the Department incurred ₹ 7.34 crore (90 *per cent*) and ₹ 1.33 crore (64 *per cent*) respectively towards institutional and home deliveries.

Department achieved 46862 deliveries (71 *per cent*) against the target of 69000 deliveries during 2011-14⁶⁰. 40991 deliveries (87 *per cent*) were recorded as Institutional Deliveries (IDs) out of 46862 deliveries reported during 2011-14.

Scrutiny of the IDs and Home Deliveries (HD) in four test checked districts revealed that ID ranged from 55 *per cent* to 83 *per cent*, whereas HD ranged from 17 *per cent* to 45 *per cent* as detailed below:

Table No. 1.3.5

Year	Mon		Tuensang		Zunheboto		Kohima	
	ID	HD	ID	HD	ID	HD	ID	HD
2009-10	514 (63)	304 (37)	936 (62)	577(38)	NA	NA	1916(79)	507(21)
2010-11	519 (51)	497 (49)	1299 (72)	515(28)	650 (67)	325 (33)	1636(71)	661(29)
2011-12	743 (54)	625 (46)	1345(71)	561(29)	623 (59)	425 (41)	2232 (87)	337(13)
2012-13	921 (61)	592 (39)	895(46)	1060(54)	656 (49)	681 (51)	2223(88)	302 (12)
2013-14	951 (49)	998 (51)	642 (37)	1109(63)	744 (62)	456 (38)	2556(90)	281 (10)
Total	3648 (55)	3016 (45)	5117(57)	3822 (43)	2673(59)	1887(41)	10563(83)	2088 (17)

(Source: Departmental figures)

Thus, it is evident from the table that poor ID was noticed in the three test checked districts and ranged from 55 to 59 *per cent* only. This was due to poor health seeking behavior, shortage of adequate technical manpower for recruitment, inaccessibility owing to difficult terrain, scattered population, poor road condition and lack of proper public transport services.

It was also noticed during beneficiary survey conducted in Kohima district that 206 beneficiaries out of 457 (45 *per cent*) stated that HUs in their villages were not fit for institutional delivery.

⁵⁷ Mon (50), Tuensang(38), Zunheboto(47) and Kohima(40)

⁵⁸ Data published in SRS bulletin 2010-11

⁵⁹ (109000 targeted deliveries ÷ 5 years)÷1000 population = 21.8

⁶⁰ The data for ID and HD in separate format was not available for the period 2009-10 and 2010-11 with SHS.

The Department accepted (October 2014) the audit findings and assured that shortfall would be accelerated by up-scaling IEC activities, strengthening manpower and infrastructure and also providing training to the health workers.

1.3.12.4 Referral Transport

Ambulances with equipment are utilised for referral transport system during the medical emergency and disaster. Life-saving emergency medicines including oxygen should be made available in the ambulance and the ambulance should be kept in the HUs at all times whenever not on duty.

Department had only 22 ambulances for providing referral transport in the PHCs as of March 2009. During 2009-10 to 2013-14, the Department proposed purchase of 55 ambulances to provide referral transport to PHCs which observed 24 x 7 duty, against which the Ministry approved purchase of 45 ambulances⁶¹ at a total cost of ₹ 3.20 crore @ ₹ 0.07 crore per unit against prioritised 45 PHCs in the State.

It was seen that the SHS purchased 45 ambulances at a total cost of ₹ 2.93 crore⁶² to achieve the total fleet position of 67 ambulances.⁶³ It was observed that only 29 ambulances (64 *per cent*) were issued to the prioritised 24x7 PHCs out of 45 ambulances purchased during 2009-13. Ambulances (16) were issued to DHs and CHCs instead of issuing to PHCs in violation of the approval of the Ministry thus depriving the referral transport in 16 prioritised 24 x 7 PHCs⁶⁴.

The ambulance facilitating as referral transport should be equipped with minimum basic lifesaving emergency medicines including oxygen cylinder and other emergency equipment. Against the 26 ambulances purchased during 2009-10, the SHS procured equipment and medicines for ₹ 0.51 crore. However, in 10 ambulances⁶⁵ issued to four test checked districts it was seen that medicines and equipment were not provided with the ambulances which was authenticated by the four CMOs.

The Department stated (October 2014) that distribution of ambulances were prioritised in the district review meeting to accommodate the DHs and CHCs wherein referrals happen frequently. The Department, further accepting the non-receipt of medicines and equipment worth ₹ 0.51 crore stated that the CMOs authenticated without validating correct information from the Joint Director, NRHM. However, fact remained that the ambulances were issued to the DHs and CHCs instead of issuing them to the prioritised PHCs as approved by the GoI.

⁶¹ 26 during 2009-10 (₹ 1.82 crore) + nine during 2010-11 (₹ 0.63 crore) + 10 during 2012-13 (₹ 0.75 crore) = 45 ambulances (₹ 3.20 crore).

⁶² 26 ambulances (cost of vehicle = ₹ 1.34 crore + cost of equipment = ₹ 0.51 crore) + 9 ambulances during 2010-11 (₹ 0.51 crore) + 10 ambulances purchased during 2010-11 (₹ 0.57 crore) = 45 ambulances (₹ 2.93 crore).

⁶³ 22 ambulances were available as of March 2009.

⁶⁴ PHCs located at Mezoma, Khonoma, Sabangya, Chen, Sungro, Chetheba, Tamlu, Satoi, Kuhuboto, Molvom, Poilwa, Likhimro, Sutsu, Chessore, Yachem and Naginimora.

⁶⁵ Kohima (1 Nos.), Mon (2 Nos.), Tuensang (4 Nos.) and Zunheboto (3 Nos.).

1.3.13 Vertical disease control programmes

Out of six communicable disease programmes,⁶⁶ three programmes viz. National Leprosy Eradication Programme (NLEP), National Vector Borne Disease Control Programme (NVBDCP) and National Programme for Control of Blindness (NPCB) were covered and the audit findings are as under:

1.3.13.1 National Leprosy Eradication Programme (NLEP)

The National Leprosy Eradication Programme (NLEP) is aimed to ensure leprosy prevalence rate of less than one patient per ten thousand population in the State and sustain the level thereof. The objectives of the programme are to improve quality services to leprosy affected persons, enhance activities in urban areas with migratory cases etc.

The status of leprosy cases in the State during 2009-10 to 2013-14 is tabulated below:

Table No. 1.3.6

Year	Population (in ten thousands)	New cases detected	Prevalence Rate
2009-10	198	81	0.41
2010-11	198	84	0.42
2011-12	198	90	0.45
2012-13	198	85	0.43
2013-14	198	113	0.57
TOTAL	990	453	

(Source: Departmental figures)

It could be seen from the table that the number of persons affected with leprosy had increased during the years 2009-10 to 2013-14 inspite of the fact that Nagaland State was the first State in the country which declared eradication of leprosy in the year 1998. As of March 2014, a total of 238 leprosy cases were reported as continuing treatment out of which 94 patients were released from treatment (cure rate of 39 *per cent*). Out of 238 cases noticed, 150 cases (63 *per cent*) were reported in Dimapur district alone.

The Department stated (October 2014) that all leprosy related activities would be executed with renewed impetus.

1.3.13.2 National Vector Borne Disease Control Programme (NVBDCP)

Vector Borne diseases are major public health problem in the State and malaria death cases are also being reported ranging from 4 to 14 every year. The SPIP prioritised pre-elimination of malaria in phased manner every year.

⁶⁶ National Iodine Deficiency Disorders Control Programme (NIDDCP), Integrated Disease Surveillance Programme (IDSP), National Vector Borne Disease Control Programme (NVBDCP), National Leprosy Eradication Programme (NLEP), National Programme for Control of Blindness (NPCB) and Revised National Tuberculosis Control Programme (RNTCP).

1.3.13.2.1 Annual Blood Examination Rate (ABER)

Annual Blood Examination Rate (ABER)⁶⁷ is the key indicator to regulate epidemiological situation in the State. The State targeted 10 *per cent* of ABER in 2011. The target was set at 11 *per cent* from 2012 aiming to sustain the national target of 10 *per cent*.

Scrutiny revealed that ABER was not achieved in three districts⁶⁸ in the State and the ABER ranged from 5.37 to 7.9 *per cent* only. Non-achievement of target was analysed and it was observed that this was due to non-availability of consumables for examination of ABER. Joint physical verification of DH, Mon and PHC, Tizit revealed that though the laboratories were equipped with microscopes, blood examination could not be carried out in the HUs due to non-availability of consumables.

In reply, the Department stated (October 2014) that non-achievement of ABER rate was due to poor laboratory network and non-availability of consumables in the districts. The Department also stated that the targeted ABER rate at 11 *per cent* was achieved in Tuensang district. However, fact remained that ABER rate in Kiphire and Mon was not achieved.

1.3.13.2.2 Long Lasting Insecticidal Nets

GOI, Directorate of NVBDCP decentralised (May 2009) the procurement policy of bed nets through NRHM funds and also stated that during 2007-08 the Directorate of NVBDCP allocated 140000 bed nets to Nagaland for prevention of malaria in the remote areas. During 2009-10, GoI allocated ₹ 1.44 crore towards decentralised policy on procurement of Long Lasting Insecticidal Nets (LLINs). The Department purchased (June 2009) 67823 bed nets @ ₹ 213/- per bed net⁶⁹ at a total cost of ₹ 1.44 crore.

As per the SPIP for 2009-10, tribal populations of 940266 were to be covered under High Risk areas in 672 villages in the State. In the SPIP, the status of households in possession of 107500 bed nets only was reported. However, the Directorate of NVBDCP had already issued 140000 bed nets during 2007-08 which point towards the fact that there was a short delivery of 32500 bed nets to the households residing in the high risk villages in the State.

Scrutiny of the SPIP 2010-11 further revealed that the household survey made by the Department reported the possession of 108700 bed nets as available with the households. This point towards the fact that a total of 99123 bed nets⁷⁰ valued ₹ 2.11 crore⁷¹ had not reached the households in the high risk areas of the State to prevent malaria cases. Non-receipt of bed nets was ascertained in 40 villages during the joint physical verification. The beneficiary survey conducted in Kohima district also

⁶⁷ Total blood examined per total population x 100 in percentage.

⁶⁸ Kiphire= 6.35 *per cent*, Mon= 7.9 *per cent*, Tuensang = 5.37 *per cent*.

⁶⁹ DGSD approved rate.

⁷⁰ (32500 – 1200) = 31300 supplied by the GoI + 67823 purchased by SHS = 99123 bed nets.

⁷¹ 99123 x ₹ 213 = ₹ 2.11 crore

revealed that 346 beneficiaries out of 457 (76 per cent) stated that they did not receive any mosquito nets.

In reply, the Department stated (October 2014) that 67823 bed nets purchased during 2009-10 were delivered directly to Dimapur Store office and on verification, it was noticed that 32500 bed nets pertaining to 2007-08 were issued to various HUs. However, fact remained that the SPIP could disclose only 108700 bed nets issued against the allocation/purchase of 207823 bed nets resulting in non-delivery of 99123 bed nets valued ₹ 2.11 crore to the households in the high risk areas.

1.3.13.3 National Programme for Control of Blindness (NPCB)

The National Programme for Control of Blindness (NPCB) is aimed to reduce prevalence of blindness from 1.1 per cent to 0.3 per cent, establish eye care facilities for every five lakh population and develop human resource of eye care services at PHCs, CHCs and DHs. Cataract surgery and school eyes screening are the important areas of scheme implementation. During 2009-14, the Department proposed ₹ 16.66 crore for NPCB activities against which the Ministry approved ₹ 11.53 crore. Out of the approved programme ₹ 8.56 crore was earmarked for the following objectives to reduce the prevalence of blindness by establishing eye-care facilities in the State:

Table No.1.3.7

(₹ in crore)

Approved programme	Ear marked during					
	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Procurement of Ophthalmic Equipment	0	0.40	0.41	0.40	0	1.21
Eye ward and Eye OT.	0.75	0.75	0.75	0.75	0	3.00
Mobile Ophthalmic Units with Tele-Ophthalmology.	1.20	0	0	0.60	0.30	2.10
Grants-in-Aids for strengthening DH, Tuensang	0	0	0	0	0.40	0.40
Construction of eye-ward and eye OT, DH Peren	0	0	0	0	1.00	1.00
Grants-in-Aids for strengthening two DH	0	0	0	0.40	0	0.40
Construction	0.45	0	0	0	0	0.45
TOTAL	2.40	1.15	1.16	2.15	1.70	8.56

(Source: Departmental figures)

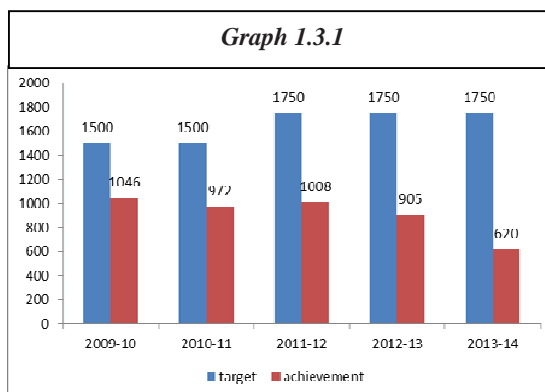
While considering the sanction for allotment of funds during 2012-14, the Ministry curtailed ₹ 2.14 crore⁷² as the State was unable to spend the previous equivalent balances sanctioned for the programme. Thus, due to slow implementation of blindness control programme, the State lost funding of ₹ 2.14 crore.

Though ₹ 8.56 crore was earmarked during the period 2009-14, the Department received only ₹ 7.02 crore (82 per cent) from SHS for blindness control programme implementation. Scrutiny revealed that:

⁷² ₹ 0.95 crore during 2012-13 and ₹ 1.19 crore during 2013-14 = ₹ 2.14 crore..

- During 2009-10 and 2012-13, SHS released ₹ 1.10 crore⁷³ for establishing of mobile ophthalmic units in the State. However, the Department did not establish mobile ophthalmic units. Instead the funds of ₹ 0.83 crore was diverted for procurement of ophthalmic equipment out of ₹ 1.10 crore.
- During 2009-14, SHS released ₹ 2.25 crore for construction of eye ward and eye OT. Out of ₹ 2.25 crore, the Department constructed two eye wards and eye OT at Tuensang and Phek for ₹ 1.50 crore and kept ₹ 0.75 crore with the bank as unutilised.

- Cataract surgery conducted during the period from 2009-14 showed a descending trend (1046 to 620). The target fixed ranged from 1500 to 1750 as shown in the graph (1.3.1) alongside:



- Only 256 cataract surgeries were carried out in two DHs in Mon (124) and Tuensang (132) during 2009-14. No cataract surgeries were carried out in Zunheboto district during 2009-14. The deficiencies in conducting cataract surgeries were due to non-deployment of eye surgeons with the three DHs.
- During 2009-14, Department conducted eye screening of 81806 students against the target of 154000 students in the State. Out of 81806 students screened, 13136 students (16 per cent) were detected with refractive errors. Though Department targeted to issue 6500 spectacles to the students having refractive errors during 2009-2014, only 1154 spectacles (18 per cent) were issued to the 1154 students having refractive errors.

The Department stated (October 2014) that equipment valued ₹ 0.83 crore for Tele-Ophthalmology in fixed type was purchased and installed with three DHs instead of establishing mobile ophthalmic unit. While accepting the descending trend in cataract surgery and eye screening in the State, the Department stated that this was due to engagement of three senior eye surgeons to the administrative capacities out of the eight cataract surgeons posted in the State. The Department also accepted the deficiency in issue of spectacles to the students with refractive errors and stated that this was due to delay in delivery of prescribed glasses to the school students @ ₹ 275 per spectacle as the amount was too low.

1.3.13.3.1 Non-receipt and idling of ophthalmic equipment

In order to carry out cataract surgeries and school eyes screening programmes, Department procured ophthalmic equipment worth ₹ 2.58 crore during 2009-14.

⁷³ 2009-10 (₹ 0.50 crore) and 2012-13 (₹ 0.60 crore) = ₹ 1.10 crore.

Scrutiny of the records of SHS and three test checked DHs revealed that 14 ophthalmic equipment worth ₹ 0.13 crore was not received at DH Tuensang and Zunheboto (*Appendix 1.3.9*) though it was reported as issued as per the stock register of Programme Officer, NPCB. Further, seven ophthalmic equipment worth ₹ 0.10 crore though issued to DH, Mon were idle (*Appendix 1.3.10*) since October 2010 in the absence of eye surgeon or any trained technical person to operate the equipment.

The Department stated (October 2014) that eye equipment were received by the Nodal officer in charge of Tuensang and Zunheboto districts and the ophthalmic equipment in Mon district was idle due to non-availability of eye surgeon.

1.3.13.3.2 Construction of Eye Operation Theatre at Tuensang and Phek

GoI approved ₹ 1.50 crore during 2009-10 for construction of Eye OT at Tuensang (₹ 0.75 crore) and Phek (₹ 0.75 crore) as per the proposal made by the SHS.

It was observed that:

- The completed (July 2011) Eye OT building at Tuensang district was not handed over to the Medical Superintendent, DH by the MEW till July 2014. Meanwhile, eye surgeon posted with the DH Tuensang was transferred (December 2011) to Dimapur.
- Eye OT constructed at Phek district was functional from February 2011 and 121 minor and 31 major cataract surgeries were carried out. The only eye surgeon posted with Phek district was transferred (December 2012) to Dimapur which made the eye OT defunct after his/her transfer.

The Department accepted (October 2014) the audit findings and stated that shortage of trained ophthalmic surgeons and frequent transfer and posting of eye surgeons affected the eye screening and cataract surgeries in the districts.

1.3.14 Health Sector funded through Thirteenth Finance Commission

The guidelines for implementation of 13th Finance Commission (TFC) Award for local rural bodies in the State stipulated each village to open a bank account⁷⁴ to boost the Communitised flagship programmes⁷⁵ through the communitised bodies (VEW, VDB, VHC, WATSAN etc.). The action plan of the flagship programmes should be initiated invariably from the village level and was required to be scrutinised by the line Departments for technical feasibility and admissibility which shall enable 'Bottoms-up' approach to be furnished to the GoN through Deputy Commissioners (DC) of the districts. During 2011-13, GoN released ₹ 1.84 crore to the bank accounts of 236 village councils against the proposals of ₹ 1.86 crore made by the DCs to boost health activities through TFC. Details are given below:

⁷⁴ Jointly operated by the Chairman, Village Council and Deputy Commissioner.

⁷⁵ Health (NRHM), Education (SSA), Social Welfare (ICDP) and Public Health Engineering Sectors.

Table No. 1.3.8

(₹ in crore)

Name of the sampled districts	Proposal made by the Dy. Commissioner for health activities	Released by the Commissioner, Nagaland			No of VC accounts	Utilised for
		1 st Installment	2 nd Installment	Total		
Mon	0.37	0.36	0	0.36	99	Purchase of equipment such as BP instruments, Glucometer, Rapid diagnostic kits, power microscope, Boyls Machine, portable Ultrasound machine etc.
Tuensang	0.80	0.40	0.40	0.80	50	
Zunheboto	0.69	0.32	0.36	0.68	87	
Total	1.86	1.08	0.76	1.84	236	

(Source: Departmental figures)

Scrutiny revealed that:

- DC, Mon utilised ₹ 0.36 crore for purchase of equipment as per the utilisation certificate furnished to Commissioner, Nagaland, On query regarding the utilisation of equipment sponsored under TFC, the Nodal officer, Health sector (CMO), Mon stated (June 2014) that the equipment were not issued to the 50 SCs in the district by the DC, Mon. This was ascertained in the Facility Survey Report (2013) of the HUs. Non-availability of equipment purchased under TFC was ascertained in 10 HUs during the joint physical verification. The fact was reported (May 2014) to DC, Mon.
- DC, Tuensang utilised ₹ 0.80 crore for purchase of equipment for 50 SCs in the district. Out of equipment purchased for ₹ 0.80 crore, it was found during joint physical verification that equipment valued ₹ 0.38 crore were issued to six HUs. It was noticed that the equipment (₹ 0.14 crore) issued to the five HUs⁷⁶ were lying in the custody of the Village Chairman. The equipment worth (₹ 0.24 crore) issued to CHC Noklak was not installed since the date of issue⁷⁷ to the CHC. The nodal officer for health sector in Tuensang district stated (June 2014) that purchase of the equipment were not brought to their notice for verification and installation in order to put it into use.
- DC Zunheboto purchased equipment worth ₹ 0.68 crore and issued the equipment to 87 Village Councils in the district. The Nodal Officer, Zunheboto stated that the equipment issued were kept with 47 SCs and 40 Village Councils. Joint physical verification of 10 SCs in the district revealed that the SCs were not equipped with the equipment provisioned under TFC.

Thus, due to poor coordination with the health Department, the funds provided against the medical sector under the Thirteenth Finance Commission did not boost the health sector in three test checked districts.

⁷⁶ Equipment worth ₹ 0.07 crore at Noksen PHC, ₹ 0.02 crore at Thonoknyu PHC, ₹ 0.03 crore at Shamator PHC, ₹ 0.01 crore at Chingmei SC and ₹ 0.01 crore at Tronger SC = ₹ 0.14 crore.

⁷⁷ The purchase details of equipment and date of issue of equipment to HUs were not furnished to audit by the DC, Tuensang.

1.3.15 National Health Mission (NHM)

National Health Mission (NHM), launched in October 2013, consist of five parts viz. National Rural Health Mission (NRHM) plus Reproductive Maternal Neonatal Child Health+Adolescent (RMNCH+A) Flexipool⁷⁸, National Urban Health Mission (NUHM) Flexipool, Flexipool for disease Control Programmes, Flexipool for non-communicable diseases including injury and trauma and Infrastructure Maintenance.

On launching of new mission, the Department of H&FW, Nagaland restructured⁷⁹ the ongoing NRHM into NHM to address the above five parts of newly introduced scheme to cover both rural and urban areas in the State. However, perspective plan⁸⁰ though initiated (October 2013) by the ministry of H&FW was not prepared by the Department. Instead the Department proposed (January 2014) ₹ 5.10 crore through a separate SPIP-NHUM to implement the health programme in urban sector in three districts (Kohima Dimapur and Mokokchung) wherein ₹ 3.45 crore was proposed for strengthening health services in urban sector through infrastructure development and ₹ 1.65 crore was proposed for other programme management. The GoI approved (February 2014) ₹ 1.04 crore (20 *per cent*) to implement NHUM in two districts (Kohima and Dimapur) and released (February 2014) ₹ 0.94 crore to the Department in two installments but the funds released were not utilised as of March 2014. Thus, the Department did not implement any health activities in the urban sector due to the delay in approval followed by subsequent delay in release of funds by the GoI.

The Department stated (October 2014) that the funds released during 2013-14 would be utilised during 2014-15 in two districts.

Objective – 6 Capacity building and strengthening of human resources at different levels

1.3.16.1 Human Resource Management

As per IPHS norms prescribed for HUs, there should be 2385 manpower in different categories. The requirement as per IPHS norms and men-in-position are given in the *Appendix 1.3.11*.

The following were observed:

- General/Auxiliary Nursing Midwiferies (G/ANM) was disproportionately deployed in SCs and PHCs resulting in shortages of 36 GNMs/ANMs with CHCs.
- 649 Health Workers (male) required to be deployed in 397 SCs and 126 PHCs as per IPHS standards were not deployed in 523 health units.
- 38 Pharmacists were deployed in SCs beyond the IPHS norms resulting in shortage of pharmacists with PHCs and CHCs

⁷⁸ The erstwhile RCH, Mission flexi pool and immunisation components of PIPs.

⁷⁹ By issuing office memorandum dated. 27.3.2014.

⁸⁰ 2014-15 to 2016-17.

- There was a shortage of 92 lab technicians with PHCs (81) and CHCs (11) as per IPHS standards.
- By deploying 10 MOs with PHCs over and above the norms of IPHS, CHCs remained short of MOs to that extent. It was also found that the only Senior Medical Officer (SMO) posted to CHC Noklak was absent from duties. It was noticed from the IPD register of CHC Noklak that three patients admitted⁸¹ with the CHC for the treatment of diarrhea, chest infection and fever during March and April 2011 were attended to by the staff nurses but the lives of the three patients could not be saved⁸².
- In Yangkhao PHC in Mon district, no manpower was provided. Similarly three SCs⁸³ were also functioning without any manpower.

The beneficiary survey conducted in Kohima district also revealed that out of 457 responses received from the beneficiaries, 294 beneficiaries (64 *per cent*) stated that HUs were staffed with insufficient manpower, 74 beneficiaries (16 *per cent*) stated that the working hours ranged from 1 to 3 hours in a day and 14 beneficiaries stated that HUs were opened on a weekly basis instead of on a daily basis.

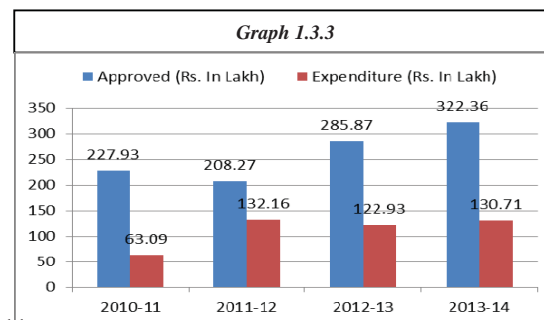
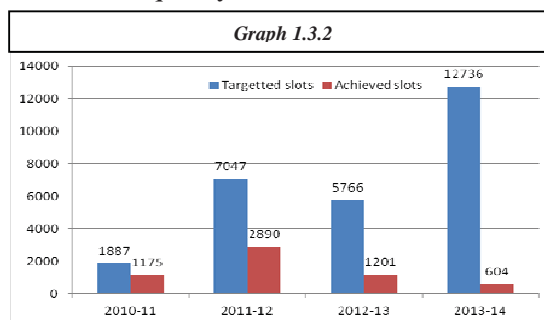
The Department stated (October 2014) that most of the HUs do not conform to the IPHS and hence the State took a conscious decision not to propose manpower according to the IPHS norms.

1.3.16.2 Capacity building

The Department aimed to strengthen public health management system by conducting various in service training programmes with assured quality.

The GoI while approving the SPIP targeted to carry out training on Skilled Birth Attendance (SBA) to ANMs, Emergency Obstetric Care (EOC) to MOs, Infection Management and Environment Plan (IMEP) to MOs and ANMs, Adolescent Reproductive and Sexual Health (ARSH) to MOs and ANMs and Intra-uterine Contraceptive Device (IUCD) insertion.

The SHS targeted 27436 trainings for ₹ 10.44 crore against which only 5870 trainings (21 *per cent*) were imparted to MOs and supporting staff for ₹ 4.49 crore (43 *per cent*) during 2009-14.



⁸¹ Admitted on 21.3.2011, 28.4.2011 and 20.7.2011

⁸² Expired on 30.3.2011, 28.4.2011 and 20.7. 2011.

⁸³ Khetsokhuno (Phek District), Pongkong and Tankong (in Mon district).

The physical and financial targets and achievements are depicted in the graphs above.

Scrutiny of records of SHS revealed that:

- The calendar of programme for the training for MOs and midwifery staff were neither framed at State level nor at District level to impart training to them.
- It was noticed that ₹ 0.23 crore was booked against the slots. However, slots utilised were found as 'nil' in respect of 12 training programmes.

Scrutiny of the records of four test checked DHS revealed that physical achievement of the training ranged from 2 to 6 *per cent* in various courses as detailed in the **Appendix 1.3.12.**

It would be seen from appendix that:

- Training on Skilled Birth Attendant (SBA) was imparted to 18 GNMs/ANMs (2 *per cent*) in three test checked districts. No GNM/ANM in Tuensang district was trained in SBA.
- Only one MO in Zunheboto district was trained in EmOC out of 132 MOs in four test checked districts.
- 20 MOs were only trained in BEmOC out of 132 MOs in four test checked districts.
- MOs posted in Tuensang district were not trained in HBNC, IUCD Insertion, ARSH and IMEP.
- 30 GNMs/ANMs (4 *per cent*) was imparted training in IMNCI in four test checked districts. No GNM/ANM in Zunheboto district was trained in IMNCI.
- 10 GNMs/ANMs (4 *per cent*) in Kohima district were only trained for HBNC. No GNM/ANM posted in Mon, Tuensang and Zunheboto district was trained in HBNC.
- 47 GNMs/ANMs (6 *per cent*) in three districts got trained for IUCD insertion. No GNM/ANM posted in Kohima district was trained in HBNC.
- ARSH training was imparted to 12 GNMs/ANMs posted with Kohima district only. No GNM/ANM posted in Mon, Tuensang and Zunheboto district was trained in ARSH.
- No GNM/ANM posted in Kohima district was trained in WIFS.

Thus, it is evident from the above that though the GoI approved for carrying out the important trainings and even after spending ₹ 4.49 crore towards training programmes around 94 *per cent* medical staff remained untrained.

The Department stated (October 2014) that low performance in carrying out the training programme was due to inability to spare manpower from the HUs, limited training schools and hospitals with low intake capacity to impart training etc.

1.3.16.3 Accredited Social Health Activist (ASHA)

As per NRHM guidelines one married/widowed/divorced woman in the age group of 25-45 years possessing formal education upto Class-VIII was to be appointed as

ASHA in a village to render healthcare services. One ASHA is to be provided in each village against 1000 population or one ASHA per habitation (village) depending on the workload. As per number of recognised villages, the provision of ASHAs should be 1324. However, the State selected 1700 ASHAs. The status was further increased to 1854 during 2013-14.

(a) ASHA Drug Kits:

Every year ASHAs were to be provided with drug kits consisting of 15 sets of basic medicines and contraceptives for maternal and child health care services in rural areas. Out of ₹ 8.85 crore⁸⁴ approved during 2009-14, SHS released only ₹ 6.63 crore⁸⁵ for ASHA activities. Out of ₹ 6.63 crore, the SHS incurred ₹ 0.81 crore⁸⁶ for purchase of medicines to replenish 1700 ASHA drug kits and ₹ 2.84 crore⁸⁷ was utilised for four modules of ASHA training.

Scrutiny of records of four sampled DHs revealed that the ASHA drug kits worth ₹ 0.34 crore issued for replenishment during 2009-14 were not received in the four sampled districts. Thus, 714⁸⁸ ASHAs in four test checked districts performed their duties without any drug kits in rural areas. The beneficiary survey conducted in Kohima district revealed that 190 beneficiaries out of 457 (42 *per cent*) stated that ASHAs were not functioning in the villages.

The Department furnished (October 2014) copies of indents regarding the issue of ASHA drug kits. However, the non-receipt of ASHA drug kits were authenticated by the CMOs and the non-delivery of ASHA drug kits to the villages was also ascertained through the interactions with the ASHAs during the joint physical verification of health units.

Objective – 7 Monitoring mechanism and evaluation procedures and involvement of the community in monitoring as envisaged in the guidelines

1.3.17 Monitoring and Evaluation

NRHM envisage robust accountability framework through prolonged mechanism of internal monitoring, community based monitoring and external evaluation. The composition and functions were defined in the guidelines in order to monitor the NRHM activities at State, District and Block level.

⁸⁴2009-10 (₹ 1.70 crore), 2010-11(₹ 1.70 crore), 2011-12(₹ 1.70 crore), 2012-13(₹ 1.26 crore) and 2013-14 (₹ 2.49 crore) = ₹ 8.85 crore.

⁸⁵ 2009-10 (₹ 1.00 crore), 2010-11(₹ 1.31 crore), 2011-12(₹ 1.70 crore), 2012-13(₹ 0.82 crore) and 2013-14 (₹ 1.80 crore) = ₹ 6.63 crore.

⁸⁶2009-10 (₹ 0.27 crore), 2010-11(₹ 0.34 crore), 2011-12(₹ 0.20 crore) = ₹ 0.81 crore.

⁸⁷2009-10 (₹ 0.43 crore), 2010-11(₹ 0.67 crore), 2011-12(₹ 0.98 crore), 2012-13(₹ 0.27 crore) and 2013-14 (0.49 crore) = ₹ 2.84 crore.

⁸⁸ Mon(227), Kohima (120), Tuensang(176) and Zunheboto(191) = 714 ASHAs.

1.3.17.1 Shortfall in conducting meetings

NRHM guidelines prescribed (June 2005) the constitution of a State Health Mission (SHM) and a State Health Society (SHS) with the task of scrutiny and approval of the annual State plans, monitoring the status of the follow-up action on decision of SHM, review of expenditure and implementation, approval of the accounts of the district and other implementing agencies and execution of approved action plans including release of funds for the programme. At the district level, the DHS is headed by Deputy Commissioner. The CMOs as head of the Executive Committee (EC) is responsible for planning, monitoring, evaluation, accounting, database management and release of funds to health centers. Periodicity of meetings to be conducted and the nature of business to be transacted in the meetings were also prescribed as per the guidelines. It was observed that there were shortfall in conducting meetings of the SHM, SHS Governing Body (GB) and Executive Committee (EC) at the State level during 2009-14 as indicated below:

Table No. 1.3.11

Name of the Committee	Periodicity of meeting	Date of Registration of SHS	To be held during 2009-14	Actually held during 2009-14	Shortfall (Percentage)
SHM	Twice in a year	17.02.2006	10	01	09 (90)
SHS-GB	Twice in a year	-	10	01	09 (90)
SHS-EC	Once every month	-	60	16	44 (73)

(Source: Departmental figures)

The SHM met only once during 2009-10 though 10 meetings were to be held during 2009-14. The GB of the SHS was convened only once as against ten prescribed meetings and the EC met 16 times against 60 prescribed meetings during 2009-14.

The shortfall in conducting meetings of the DHS in the four test checked districts were also noticed as given below:

Table No. 1.3.12

Name of the DHS	Name of the Committee	Periodicity of Meeting	To be held during 2009-14 in respect of four sampled districts	Actually held during 2009-14	Shortfall (Percentage)
Kohima	DHS-GB	Twice in a year	10	0	10 (100)
	DHS-EC	Once every month	60	0	60 (100)
Mon	DHS-GB	Twice in a year	10	10	0
	DHS-EC	Once every month	60	36	24 (40)
Tuensang	DHS-GB	Twice in a year	10	10	0
	DHS-EC	Once every month	60	20	40 (67)
Zunheboto	DHS-GB	Twice in a year	10	10	0
	DHS-EC	Once every month	60	10	50 (83)

(Source: Departmental figures)

It would be seen from the table above that neither Governing Body Meeting nor EC Meeting was convened in DHS Kohima during 2009-14. Shortfall in EC meeting was also observed in the remaining three DHS and the deficiency ranged from 40 to 83 per cent.

Thus, non-convening of SHM meetings and the shortfall in conducting GB/EC meetings of SHS defeated the very objective of having meaningful deliberations on policy issues, implementation and monitoring.

While admitting the audit findings, the Department stated (October 2014) that shortfall in conducting of meetings was due to engagement in other official duties and also assured that the meetings would be convened on a regular basis in future.

1.3.18 Conclusion

The inadequate conduct of various surveys to assess the requirements of healthcare facilities in the rural areas led to partial assessment of the quality of prevailing healthcare services in the State. The financial management was not streamlined and there were instances of financial commitments not being honoured and delays in release of funds which impacted the achievement of Mission objectives. It was noticed that there were various deficiencies in construction activities and purchase of quality medicines and equipment. The targets set in respect of various healthcare programmes were not achieved. Monitoring of the implementation of the mission activities was not carried out as envisaged in the Mission guidelines. This resulted in inadequate translation of the Mission's objectives to tangible benefits in the State.

1.3.19 Recommendation

- *The Department should undertake comprehensive surveys at all levels and incorporate the inputs in the plan documents to make the planning meaningful.*
- *Government of Nagaland should honour financial commitment and also avoid delays in release of funds.*
- *The Department should bridge the gap of rural health infrastructure by observing population criteria as well as case load reported in the Health Units.*
- *The Department should ensure proper staffing pattern with the Health Units and also should provide capacity building to the staff to improve the health services.*

PUBLIC HEALTH ENGINEERING DEPARTMENT

1.4 PERFORMANCE AUDIT ON IMPLEMENTATION OF TOTAL SANITATION CAMPAIGN/NIRMAL BHARAT ABHIYAN.

Performance audit of Total Sanitation Campaign (TSC)/Nirmal Bharat Abhiyan (NBA) was taken up in the State of Nagaland from May 2014 to September 2014 covering the period from 2009 -10 to 2013-14. The major observations are highlighted below:-

Highlights

There was short fall in release of matching share amounting to ₹9.12 crore during 2009-14 from the Government of Nagaland.

(Paragraph 1.4.9.2)

Joint physical verification revealed that there was short receipt of IHHL construction materials valued at ₹0.58 crore by 27 villages.

(Paragraphs 1.4.11.1)

Joint physical verification of three Community Sanitary Complexes (CSC) revealed that one CSC constructed under Kohima district was physically not available and two CSC constructed at Dimapur District deviated from approved drawing.

(Paragraph 1.4.11.2)

Joint physical verification of 29 schools revealed that only 8 schools had functional toilets, five toilets were dismantled for land development, six toilets were not in use and 10 schools did not have water facility. None of the school toilets had provision for children with special needs.

(Paragraph 1.4.11.3.1)

Joint physical verification of 34 Anganwadi toilets revealed that only 11 Anganwadis had functional toilets. 10 were dismantled due to land development, four were defunct toilets and nine did not have toilet facilities. All the toilets provided are “normal toilets” and not “baby friendly toilets”.

(Paragraph 1.4.11.3.2)

Monitoring and evaluation of various activities undertaken under TSC/NBA in the State was inadequate. Evaluation of the implementation of the scheme in the State were not conducted.

(Paragraph 1.4.14)

1.4.1 Introduction

The Total Sanitation Campaign (TSC) launched by the Government of India (GOI) in 1999 aimed at providing sanitation to all rural communities by 2012 (extended to 2017) and renamed as Nirmal Bharat Abhiyan (NBA) in 2012. The objectives of TSC/NBA are to accelerate sanitation coverage in rural areas, generate demand for sanitation facilities through intensive awareness and health education, promotion of sanitation in schools and anganwadis and to reduce/eliminate water borne diseases that spread through sewage contamination.

The TSC/NBA guidelines envisage that the programme will be implemented by the Panchayati Raj Institutions. However, the provisions of the Act⁸⁹ were not applicable in the State of Nagaland. Therefore, the Government of Nagaland through the “Nagaland Village Council Act 1978” empowered every recognised village to have

⁸⁹ 73rd Constitution Amendment Act, 1992 relating to Panchayat Raj

“Village Council” with duties and powers which includes among others, formulation of Village Development Schemes, supervise proper maintenance of water supply, roads, forest, sanitation, education and other welfare activities.

In Nagaland, Communitisation Programme for Rural Water Supply and Sanitation System started from 2005-06 under the Communitisation of Public Institutions and Services Act, 2002 (Act No.2 of 2002) through funding from the Twelfth Finance Commission. The Public Health and Engineering Department (PHED) which is the nodal department for implementation of TSC/NBA therefore adopted the Communitisation policy by way of handing over the completed Rural Water and Sanitation schemes to the Water and Sanitation (WATSAN) Committees.

WATSAN Committees headed by a Chairman and 4-9 members including one female representative under the Village Councils were formed as per the guidelines and norms laid down under the Government Notification⁹⁰. A WATSAN Committee is formally recognised and empowered by way of signing a Memorandum of Undertaking (MOU)/Deed of Agreement with the PHED, to participate in planning, design, implementation and subsequent take-over of the schemes for Operation and Maintenance.

Though the scheme guidelines envisaged formation of Block Resources Centres (BRCs) in all the districts, the State of Nagaland was exempted by GOI being a small State. IEC Consultants, Sanitation and Hygiene Consultant and a Chemist appointed in each district by the Department under the scheme National Rural Drinking Water Programme (NRDWP) assist the DWSM for successful implementation of the TSC/NBA scheme.

1.4.2 Scope of audit

The Performance Audit covered all components of TSC/NBA and Nirmal Gram Puraskar for the period 2009-14. Out of the 11⁹¹ districts in the State, four⁹² were selected by Probability Proportional to Size With Replacement Sampling method. Two⁹³ Blocks in each district, 53⁹⁴ Villages from eight selected Blocks, 520 Individual Household Latrine beneficiaries, 29 Schools, 34 Anganwadis and four Community Centres were selected by Systematic Simple Random Sampling Without Replacement method.

⁹⁰ No. PHE/WORKS/REFORMS/7/2003 dated 22nd October 2003

⁹¹ Kohima, Mokokchung, Tuensang, Mon, Wokha, Zunheboto, Phek, Dimapur, Peren, Longleng and Kiphire.

⁹² Tuensang, Zunheboto Dimapur and Kohima

⁹³ Noksen, Thonoknyu, Tokiye, Satakha, Niuland, Medziphema, Jakhama and Chiephobozu

⁹⁴ Yali, Sangtak, Noksen, Litem, Thonoknyu, Pang, Chilliso, Viyilho, Thokihimi, Satami, Ngozubu, Melahumi, Luvishe-old, Luvishe-New, Lukikhe, Khetoi, Xuivi, Vishepu, Sukhai, Momi, Kiyekhu, Kivukhu, Kilo Old, Aquhito, Kiyezu B, Kuhuxu (Muhumi), Muhumi/Kuhoxu, Nihokhu, Zuheshe, Hovukhu, Hezheto, Henito, Hakhezhe, Ghotovi, Tsiepama, Tsuma, Seithekiema-A, Razaphema, Piphema Old, Molvon, Medziphema Village, Medziphema Kirha, Phesama, Mima, Kigwema, Kezoma, Chakhabama(Kezo town), Rusoma, Dihoma, Thizama, Nerhema and Ziezou.

1.4.3 Audit Methodology

The performance audit comprised of an Entry Conference with the Secretary and other officers of the PHED on 02 May 2014 wherein the audit objectives, scope and methodology were explained, requisition and examination of records, issue of audit observations, examination of responses to audit observations and joint physical verification carried out along with officers and staff of PHED. An Exit conference was held with the Secretary, PHED on 17 October 2014 wherein Government's views/replies were obtained and incorporated at appropriate places.

1.4.4 Audit Objectives

The objectives of the performance audit were to assess whether:

- The planning of the implementation of the Scheme at different levels was adequate and effective and was aimed towards achievement of objectives of the Scheme;
- Funds were released, accounted for and utilised in compliance with the guidelines issued under the Scheme;
- The targets set in terms of number of units under various components of the Scheme were sufficient to achieve and sustain the vision of Nirmal Bharat by 2022 with all GPs attaining Nirmal status;
- The system of selection of beneficiaries was transparent and construction and upgradation of infrastructure under various components of the Scheme was in compliance with the financial and quality parameters set out in the scheme guidelines;
- The information, education and communication strategy under the Scheme was effective in generation of demand of TSC/NBA services through community mobilisation;
- The convergence of the NBA activities with other programmes/stakeholders as envisaged was effectively achieved; and
- The mechanism in place for monitoring and evaluation of the outcomes of the programme was adequate and effective.

1.4.5 Audit criteria

The audit criteria were derived from the following sources:

- TSC guidelines 2007, 2010 and 2011 and NBA Guidelines 2012; notifications and circulars issued by Ministry of Drinking Water and Sanitation;
- IEC guidelines 2010 issued by the Ministry;
- State Government orders relating to implementation of the TSC/NBA;
- Guidelines for engagement of Swachhhata Doot/Prerak;
- Guidelines for engagement of skilled and unskilled workers from MGNREGS;
- Guidelines for the Nirmal Gram Puraskar;
- Provisions of Financial Hand Books; and
- Physical and financial progress reported under Management Information System available on website of the Scheme (tsc.gov.in).

1.4.6 Organisational setup

The Chief Secretary is the Chairman of State Water and Sanitation Mission (SWSM) with the Secretary to the Government of Nagaland, PHED as Member Secretary and Director WSSO, PHED as State Coordinator at the State level. District Water and Sanitation Mission (DWSM) is headed by the Deputy Commissioner as Chairman and Executive Engineer, PHED as member Secretary and at the Village level/GP a WATSAN is responsible for implementation of TSC/NBA Scheme.

1.4.7 Acknowledgement

We acknowledge the cooperation and assistance extended to us at all levels during the conduct of audit.

Audit findings

1.4.8 Audit objective-1: Planning of the Scheme at different levels

As per the TSC/NBA guidelines, the programme was to be implemented with a demand driven approach. A preliminary survey and base line survey were to be undertaken as start-up activity for preparation of Project Implementation Plan (PIP). The Annual Implementation Plan (AIP) was to be prepared based on demand raised from the Village Councils and these demands would then be consolidated into a Block plan. Subsequently Block plans would merge into a district plan. District plan is submitted to State Government for consolidation as State Plan which is submitted to GoI for approval.

It was observed that in three⁹⁵ out of the four test-checked districts preliminary and baseline surveys were not conducted for preparation of PIPs. It was further observed that the Water and Sanitation Support Organisation (WSSO) prepared district-wise AIPs without assessing the requirement of the villages as all the interviewed WATSAN Committee members stated that no demands were made by the villagers for incorporation in the District PIP and AIP. This defeated the objective of bottom-up approach and demand driven strategy in planning process.

The Department stated (October 2014) that all AIPs were prepared at State level on the basis of proposals received from the district level DWSM. Normally, the DWSMs also prepare such proposals for incorporating in the AIPs only after verification as well as after conducting Participatory Rural Appraisal (PRA) exercises. Hence, the bottom up and demand driven approach have been normally followed barring certain stray cases. Further, no district TSC project was sanctioned by the GOI without the Department having carried out the baseline survey for which sanctions were accorded as early as in the year 2000-01.

The reply of the Department was not acceptable as the supporting documents such as district level proposals, verification reports, baseline survey reports, etc. were not furnished to audit. Further, the Project Director, DRDA Kohima stated (August 2014)

⁹⁵ Zunheboto, Dimapur and Kohima

that baseline survey conducted by DRDA was incomplete when the scheme was transferred to PHED.

1.4.9 Audit Objective-2: Release and utilisation of funds.

As per the guidelines, the SWSM was required to open a single Savings Bank Account in a Nationalised Bank or a bank authorised by the State Government. The funds including Central, State, Beneficiary share or any other receipt were to be transferred directly to the savings bank account. The State Government was required to release the central grants received along with the matching State share to the District Implementing Agency within 15 days of the receipt of Central grants. The District Implementing Agency was required to transfer the funds for the works to the Village Councils (WATSAN Accounts) within 15 days of receipt of funds.

Table No.1.4.1

(₹ in crore)

Year	Opening balance		Funds received		Expenditure		Closing balance		
	Central	State	Central	State	Central	State	Central	State	Total
2009-10	0.29	0.07	10.59	1.69	10.59	0.00	0.29	1.76	2.05
2010-11	0.29	1.77	12.29	1.76	1.12	3.02	11.46	0.51	11.97
2011-12	11.46	0.51	1.74	4.26	12.92	0.65	0.28	4.12	4.40
2012-13	0.29	4.12	23.03	0.00	3.96	4.06	19.36	0.06	19.42
2013-14	19.35	0.06	0.00	0.00	19.06	0.00	0.29	0.06	0.35
Total			47.65	7.71	47.65	7.72			

Source: Departmental records and sanction orders

Examination of the records on financial management revealed the following:

1.4.9.1 Delay in release of funds

It was seen that there were delays in receipt and release of funds at various levels during 2009 to 2014. The delay in release of matching State share to the SWSM ranged from six months to 14 months from the date of receipt of Central grants. The delay in releasing the funds by SWSM to the DWSMs ranged from 22 days to 249 days as shown in **Appendix 1.4.1**. It was also noticed that no funds were released to the village WATSAN Committee by DWSMs for implementation of the scheme at the village level.

It was further observed that out of the State share of ₹ 4.26 crore sanctioned during 2011-12, the Finance Department kept an amount of ₹ 4.05 crore in Civil Deposit (CD) for 88 days. This impacted the scheme implementation to that extent.

1.4.9.2 Short release and parking of funds

As per the funding pattern of TSC/NBA, the Government of Nagaland was required to release an amount of ₹ 16.83 crore as State share against the release of ₹ 47.65 crore

by Central Government during the five years period. The State Government released only an amount of ₹ 7.71 crore resulting in short release of State share by ₹ 9.12 crore. It was further noticed that out of the State share, the Finance Department deducted an amount of ₹ 0.21 crore as work charged component during 2011-12.

1.4.9.3 Non-accountal of interest accrued from the bank account

As per guidelines the interest accrued on TSC/NBA funds shall be treated as part of the resources. Examination of records revealed that SWSM earned an amount of ₹ 0.38 crore as interest during the period from August 2010 to July 2013 from savings bank account⁹⁶ maintained for operating TSC/NBA funds. This amount was not reflected in the audited accounts of SWSM.

The Department stated (October 2014) that all GOI's scheme funds under NBA, Support, Water Quality Monitoring and Surveillance and National Rural Drinking Water Programme were credited in the said SWSM account. There was a problem in segregating the interest accrued for many years. As a result, the interest accrued amount could not be reflected in audited accounts of SWSM. Action Plan for the interest amount on TSC/NBA funds worked out by audit is being prepared by WSSO for carrying out sanitation activities in the State.

1.4.9.4 Delay in conduct of Statutory Audit by the Chartered Accountant

As per NBA guidelines, the SWSM will ensure that the accounts are audited by a Chartered Accountant selected from a panel approved by the Comptroller & Auditor General of India, within six months of the close of the financial year and submit the audited statement of accounts to the Ministry.

Scrutiny of records revealed that there was delay ranging from two to five months in conducting audit of accounts of the SWSM for the years 2009-14 by the Chartered Accountant.

1.4.10 Audit Objectives-3: Targets and achievements

In order to achieve Nirmal Bharat by 2022, the targets proposed by the SWSM was approved by GOI. The targets set and achievements thereof under various components as of March 2014 are shown in the table below:

Table 1.4.2:

Sl. No	Components	Project target (2000 to 2022)	Cumulative Project achievement	Percentage of achievement
1	IHHL(BPL & APL)	278859	170206	61
2	Community Sanitary Complex	976	232	24
3	School toilet	6090	2831	46
4	Anganwadi toilet	2351	1288	55

Source:- AIP 2014-15 and departmental records.

⁹⁶ SBI Lerie Branch, Kohima

It is seen from above table that the achievements in the last 15 years ranged from 24 *per cent* to 61 *per cent*. As the programme funding is only upto 2019, if the trend of implementation and funding of the scheme continue at the pace of last 15 years, it is unlikely that the State will achieve the proposed target especially community sanitary complex component where the achievement is only 24 *per cent*. It was also observed that Solid and Liquid Waste Management, one of the components of TSC/NBA was not taken up in project mode in the State.

The Department stated (October 2014) that the project target figures reflected are the revised figures of 2013 which is the reason why the percentage of achievement is less. The GoI has also revised the targets for full coverage to October 2019 under Swachh Bharat Mission. The proposal for implementing the Solid and Liquid Waste Management was recently approved which will be taken up shortly.

Objective-4: *Selection of beneficiaries and up gradation of infrastructure under various components of the Scheme.*

1.4.11.1 Construction of Individual Household latrines (IHHL)

The programme aimed to cover all the rural families with completed household latrines to eliminate open defecation (OD). According to the guidelines of TSC/NBA the start-up activities which included conducting of preliminary survey and baseline survey to assess the status of sanitation and hygiene practices, people's attitude and demand for improved sanitation, etc., was to be carried out. A duly completed household sanitary latrine shall comprise of a toilet unit including a super structure. The construction of household toilets was to be undertaken by the household itself and on completion and use of the toilet, cash incentive was to be given in recognition of its achievement. However, instead of giving incentive in terms of cash, the beneficiaries were provided toilet construction materials in violation of the scheme guidelines.

Examination of the records in four test checked districts revealed the following:

- (j) Against AIP targets for construction of 98413 IHHLs, only 51690 IHHLs (53 *per cent*) were constructed at a cost of ₹ 16.78 crore during 2009-14 as shown in the table below.

Table 1.4.3:

Sl. No	Name of District	Annual Implementation Plan (AIP) Target			Actual number of IHHL constructed	Achievement (in percentage)	Expenditure there-against (₹ in crore)
		IHHL-APL	IHHL-BPL	Total Target			
1	Tuensang	0	16203	16203	7759	48	2.59
2	Zunheboto	0	24460	24460	14433	59	4.80
3	Dimapur	2036	29149	31185	19756	63	6.47
4	Kohima	12737	13828	26565	9742	37	2.92
	TOTAL	14773	83640	98413	51690		16.78

Source: Departmental Records

(ii) It was noticed from the records of the four DWSMs in the four test checked districts that they procured IHHL construction materials worth ₹ 1.23 crore and supplied to 27 villages during the period from 2009-14. However, it was seen from the records of the WATSAN that they received materials worth only ₹ 0.65 crore. Thus, there was a short receipt of IHHL construction materials worth ₹ 0.58 crore in 27 villages as detailed in **Appendix-1.4.2**.

(iii) In all the four test-checked districts, the list of eligible BPL and APL households were not identified by DWSM for implementation of IHHLs. Instead, random beneficiary list was submitted by WATSAN/Village Councils. This resulted in difficulty in segregating the BPL and APL beneficiaries by audit besides selection of ineligible beneficiaries by the Department as discussed in subsequent paras.

(iv) The WATSAN/Village Councils of two test-checked villages⁹⁷ confirmed that seven selected beneficiaries do not belong to the villages which indicated that the records of the DWSM were not reliable. It was also observed that 25 beneficiaries from seven test checked villages⁹⁸ of three districts did not receive IHHL construction materials under TSC/NBA from respective WATSAN Committee.

(v) It was seen that in three out of the four test-checked districts, 48 beneficiaries from 21 villages did not utilise the IHHL materials provided under TSC/NBA as 28 beneficiaries⁹⁹ already had sanitary toilets prior to implementation of the scheme and 20 beneficiaries¹⁰⁰ preferred to use traditional pit latrine. It was also found that 14 beneficiaries from four villages¹⁰¹ in three test checked districts still practice OD.

Thus, due to faulty selection of beneficiaries by WATSAN committees, ineligible beneficiaries were selected which resulted in non-utilisation and wasteful expenditure of ₹ 0.13 crore¹⁰².

The Department stated (October 2014) that target could not be achieved due to non-release of funds from GoI during 2013-14 and State share during 2012-14. Till 2012-13, the Department followed the BPL list as provided by the State Rural Development (RD) Department, based on which bifurcation of APL/BPL was made. Thereafter, from 2013-14, the Department is adopting the records of 2011 Census.

⁹⁷ Dimapur district-Piphema old (5) and Kohima district-Ziezou (2)

⁹⁸ Dimapur district-Kirha (6), Razaphema (4), Medziphema (2)/ Kohima district-Ziezou(4), Mima (6), Kigwema (2) and Zunheboto district- Khetoi (1)

⁹⁹ Zunheboto district- Kivikhu (9), Kiyekhu (3), Viyilho (3), Vishepu (1), Xuivi (1), Sukhai (1), Aghuito (1)/ Kohima district- Ziezou (2), Kigwema (1)/ Dimapur district- Henito (1), Zuheshe (2), Hezheto (3)

¹⁰⁰ Zunheboto district- Ngozubo (1), Luvishe old (1), Melahumi (1)/ Dimapur district- Tsuuma (1), Khaibung (5), Kirha (3), Seithekima (1), Ghotovi (3), Hezheto (2)/ Kohima district- Chakhabama (2)

¹⁰¹ Dimapur district-Medziphema(1)/ Zunheboto district-Ngozubo(9) and Kohima district-Chakhabama(3), Kezoma(1).

¹⁰² 48 IHHL beneficiaries at ₹ 2700.00 per IHHL

1.4.11.2 Community Sanitary Complex (CSC)

The Community Sanitary Complexes comprising of appropriate number of toilet seats, bathing cubicles, washing platforms, Wash basins etc. was to be set up in a place acceptable and accessible to all in the village. However, the ultimate aim was to ensure construction of maximum IHHLs and construction of CSCs were to be resorted to only when IHHLs cannot be constructed. The maximum unit cost prescribed for a community sanitary complex is up to ₹ 0.02 crore. The sharing pattern amongst Central Government, State Government and the community was in the ratio of 60:30:10 (TSC guidelines June 2010).

Examination of the records of four test checked districts revealed that against AIP targets for construction of 106 CSCs, only 31 units (29 *per cent*) were constructed at a cost of ₹ 0.36 crore during 2009-2014 due to inadequate funds as shown in the table below:

Table 1.4.4:

Sl. No	Name of District	Number of CSC to be constructed	Actual number of CSC constructed	Percentage of achievement	Expenditure there-against (₹ in lakh)
1	Tuensang	13	2	15	3.00
2	Zunheboto	40	2	5	2.00
3	Dimapur	24	11	46	14.00
4	Kohima	29	16	55	16.73
	TOTAL	106	31	29	35.73

Source: Departmental Records

It was found that all the CSCs constructed in the three¹⁰³ out of four test-checked districts were funded entirely from the GOI fund. Thus, the sharing pattern of CSC as envisaged in the TSC/NBA guidelines was not followed.

Out of three CSCs selected for joint physical verification in two test checked districts, it was found that one CSC at Rusoma village (₹ 0.01 crore) under Kohima district was physically not available. The approved drawing for two seated CSC consists of two toilets, two urinals, water tanks and wash basin. However, it was noticed that the two seated CSCs constructed, one each at Nihokhu Village and Medziphema Town under Dimapur District was not as per the approved drawing. It was also noticed that provision for water was not made. The CSC at Medziphema town consists of two toilets only while CSC at Nihokhu village consists of one common toilet and two urinals as shown in the following picture:

¹⁰³ Tuensang (2), Zunheboto (2) & Dimapur (11)

Photograph No 1.4.1



Thus, the CSCs constructed by the contractors did not adhere to the approved drawing and specification due to lack of monitoring by the Department. The CSCs lack sanitation facilities. Proper upkeep and maintenance of the CSCs was poor mainly due to lack of water facility.

The Department stated (October 2014) that the shortfall in construction of CSC was due to the fact that more weightage was given to IHHL and receipt of funds far below the allocation of funds as per AIP. The inability to adhere strictly to the fund sharing patterns for CSC was due to untimely release of State share.

1.4.11.3 Institutional Toilets

1. School Toilet

Rural school sanitation is an entry point for the wider acceptance of sanitation by the rural people. Realising that children play an effective role in absorbing and popularising new ideas and concepts, this programme intended to tap their potential as the most persuasive advocates of good sanitation practices in their own households and schools. Two toilet units, one each for boys and girls with urinals were to be constructed in each school under this programme.

Examination of the records of SWSM revealed that against the project targeted construction of 6090 school toilet units for the entire State, only 2831 (46 *per cent*) could be constructed during 1999-2014 due to fund constraint. Further, examination of records in four test checked districts revealed that against AIP targets for construction of 1158 school toilets, only 488 units (42 *per cent*) were constructed at a cost of ₹ 1.91 crore during 2009-2014 as shown in the table below:

Table 1.4.5

Sl. No	Name of District	Number of toilets to be constructed in Schools	Number of toilets constructed in Schools	Achievement (in percentage)	Expenditure there-against (₹ in lakh)
1	Tuensang	50	130	260	56.21
2	Zunheboto	434	120	28	46.54
3	Dimapur	578	150	26	53.55
4	Kohima	96	88	92	34.82
	TOTAL	1158	488	42	191.12

Source: Departmental Records

It was observed that all the School toilet units constructed in the four districts test-checked were funded entirely by the GOI. The rate prescribed for construction of School toilet was ₹ 38500 (maximum limit for hilly area) for each unit. However, it was seen that an amount of ₹ 0.58 crore was incurred for construction of 116 school toilets as against admissible amount of ₹ 0.45 crore resulting in excess expenditure of ₹ 0.14 crore.

Joint physical verification (between May to August 2014) further revealed that out of 29 school toilets in 24 villages, only 8 (28 *per cent*) schools¹⁰⁴ had functional toilets. The toilets in one school (Government High School, Kigwema, Kohima) was common for both boys and girls. One pre-fabricated school toilet block was diverted to Anganwadi Centre at Ngozubo Village under Zunheboto District. Five toilets¹⁰⁵ were dismantled due to site development and construction of approach road and 10 schools¹⁰⁶ did not have water facility. It was also found that six school toilets¹⁰⁷ constructed by the Department was not usable due to non-maintenance by the school authorities. It was also noticed that none of the school toilets constructed had made the required provision for children with special needs.



¹⁰⁴ Dimapur district: Kuhuxu/ Kohima district: GMS Rusoma, GPS Kezoma, GPS Thizama, GMS Phesama and Tuensang district: Noksen, GPS Litem

¹⁰⁵ Kohima district- GPS Chakhabama/ Tuensang district-GPS B Noksen/ Zunheboto district- GMS Kivukhu, GMS Xuivi/ Dimapur district- GPS Molvom

¹⁰⁶ GMS Rusoma, GMS Phesama, GPS Litem, GPS B Noksen, GPS Molvom, GPS Yali, GMS Ziezou, GMS Medziphema, GPS Sangdak, GMS Dihoma.

¹⁰⁷ Tuensang district- GPS Litem, GPS Yali, GPS Sangdak/ Kohima district- GMS Ziezou/ Dimapur district- GMS Medziphema, GPS Zuheshe

Interviews with the teachers in the 29 schools in four test checked districts revealed that the teachers in 11 schools (38 per cent) did not receive training on hygiene education from the DWSM/ WSSO/SWSM. Thus, the objective of training school teachers on hygiene education for promoting hygiene and sanitary habits among students was not fully achieved.

As per NBA guidelines, a toilet unit consists of a toilet and minimum of two urinals. However, it was observed that during 2013-14 the WSSO purchased 814 units of pre-fabricated school toilet block at the cost of ₹ 2.43 crore from M/s Dhariwal Steel Pvt. Ltd. It was seen that the pre-fabricated school toilet block did not have urinal facility as seen in the photograph of Government Primary School (GPS) Litem village, Tuensang district as shown below:

Photograph No.1.4.2



Thus, 814 units of school toilets constructed/installed during 2013-14 were without urinal facilities and the objective of promoting good sanitation practices among students was defeated to that extent.

The Department accepted (October 2014) the audit observation and assured necessary remedial action. The Department further stated that training was being given to school teachers and WATSAN members every year by DWSM. To ensure 100 per cent construction and also to avoid duplication, the Department had opted for pre-fabricated school toilet block. However, due to high cost of transportation to carry the materials to various destinations, no other facilities could be provided with the meagre amount of ₹ 38,500 per unit.

2. Anganwadi Toilet

Children could be a good channel to influence parents to adopt proper sanitary habits as children are more receptive to new ideas. Anganwadis are appropriate institutions for changing the behavior, mindset and habits of children from open defecation to the use of lavatory through motivation and education.

Examination of the records of SWSM revealed that against the targeted construction of 2351 Anganwadi toilet units for the entire State, only 1288 (55 per cent) could be constructed during 1999-2014 due to fund constraint.

Examination of the records in four test checked districts revealed that against AIP targets for construction of 907 Anganwadi toilets, only 420 units (46 per cent) was constructed at a cost of ₹ 0.29 crore during 2009-2014 as shown in the table below:

Table 1.4.6

Sl. No	Name of District	Number of toilets to be constructed in AWCs	Number of toilets constructed in AWCs	Achievement (in percentage)	Expenditure there-against (₹ in lakh)
1	Tuensang	330	69	21	6.90
2	Zunheboto	118	85	72	4.75
3	Dimapur	326	182	56	12.35
4	Kohima	133	84	63	4.65
	TOTAL	907	420	46	28.65

Source: Departmental Records

It was seen that all the Anganwadi toilet units constructed in the four districts test-checked were funded entirely from the GOI's fund. Thus, the sharing pattern between Central and State (70:30) as envisaged in the TSC/NBA guidelines was not followed.

Joint physical verification of 34 Anganwadis in 24 villages revealed that only 11 Anganwadis¹⁰⁸ had functional toilets. Out of the remaining, 10 Anganwadi¹⁰⁹ toilets were dismantled due to land development or construction of approach road, toilets in four Anganwadis¹¹⁰ were defunct/not in use, nine Anganwadis¹¹¹ did not have toilet facilities and one¹¹² toilet was far from the centre and difficult to access by the children. Further, out of the 11 functional toilets, six toilets (55 per cent) were unhygienic as the concerned authorities did not maintain the toilets as shown in the picture below.

Photogrpah No.1.4.3



¹⁰⁸ Kohima district- Rusoma (1), Mima (1)/ Zunheboto district-Khetoi (2), Satami (2), Momi (1), Lukikhe (1), Vishepu (1)/ Tuensang district- Yali (1) and Dimapur district-Hovukhu (1)

¹⁰⁹ Kohima district- Phesama (1), Mima (2), Chakhabama (1)/ Tuensang district- Thonoknyu (1)/ Zunheboto district- Xuivi (1), Sukhai (1), Kilo Old (1), Melahumi (1)/ Dimapur district- Nihokhu (1)

¹¹⁰ Tuensang district- Litem (1), Sangdak (1), Noksen (1) and Dimapur district- Ghotovi (1)

¹¹¹ Tuensang district- Thonoknyu A, Chilliso, Pang/ Dimapur-Henito, Hezheto/ Kohima- Phesama (2) and Zunheboto district-Kiyekhu, Zuheshe.

¹¹² Zunheboto district-Satami

It was also seen that out of 34 Anganwadis, 12 Anganwadi centres¹¹³ (35 *per cent*) did not have water facility. All the toilets provided in Anganwadis were “normal toilets” and not “baby friendly toilets”.

Further, out of 34 Anganwadis in four test checked districts, only 26 (76 *per cent*) Anganwadi workers/helpers received training on hygiene education from the DWSM/ WSSO/SWSM. Thus, the objective of training Anganwadi workers/helpers on hygiene education for promoting hygiene and sanitary habits among children was not fully achieved.

It was also observed that there was no system of handing over of Anganwadi toilets constructed under the scheme by DWSM to the authority concerned of the Anganwadi centres. Further, no assurance was obtained from the Department concerned for their maintenance.

While admitting (October 2014) the Joint physical verification report, the Department stated that necessary steps would be taken for detailed verification of the matter. The Department faced difficulty in construction of Anganwadi toilets as majority of the Anganwadi Centres are housed at private buildings where GoI does not permit construction of a toilet.

The reply was not acceptable as the NBA guidelines at para 5.8.5 allows construction of toilets in Anganwadi centres operating in private buildings.

1.4.11.4 Solid and Liquid Waste Management

Under this component, activities like compost pits, vermin composting, common and individual biogas plants, low cost drainage, soakage channels/ pits, reuse of waste water and system for collection, segregation and disposal of household garbage etc. can be taken up.

As per TSC guidelines, upto 10 *per cent* of the project cost can be utilised for meeting capital costs incurred under this component. The fund sharing pattern would be in the ratio of 60:20:20 between the Centre, State and the Community. SLWM can also be implemented by dovetailing funds from other RD programmes like MNREGS etc.

Examination of the records in four test checked districts revealed that an amount of ₹ 1.14 crore was spent during 2009-2014 for implementation of SLWM in 140 villages. It was also observed that the entire SLWM expenditure was funded from the GOI. The targets and achievement of SLWM for the four test checked districts are shown in the table below:

¹¹³ Kohima district-Rusoma, Mima, Chakhabama/ Tuensang district- Litem , Noksen, Yali, Sangdak, Thonoknyu/ Zunheboto district- Vishepu, Khetoi, Kiyekhu/ Dimapur district- Henito

Table 1.4.7

Sl. No	Name of District	Number of villages where SLWM was implemented	Expenditure there-against (in lakh)
1	Tuensang	22	11.61
2	Zunheboto	34	36.42
3	Dimapur	59	42.89
4	Kohima ¹¹⁴	25	22.93
	TOTAL	140	113.85

Source: Departmental Records

The following was also observed:

- SLWM was not taken up in a Project Mode as envisaged in the scheme guidelines which resulted in defeating the objective of ensuring proper drainage facility, safe disposal of household waste and overall clean environment in the village.
- Collection, segregation and disposal of household garbage are inter-related activities in the Solid Waste Management System. However, it was observed that provision for only collection of household waste was taken-up, their segregation and disposal into bio-degradable & non-biodegradable waste were not considered.
- It was seen that during 2011-12, DWSM Zunheboto diverted an amount of ₹ 0.80 lakh from SLWM component of the scheme funds for payment of honorarium to officers and staff of the establishment of the Executive Engineer (PHED) Zunheboto Division. Similarly, in Dimapur district, DWSM diverted (2011-12) an amount of ₹ 1.50 lakh for construction of Community Sanitary Complex at Darogapathar.

The WSSO, Nagaland stated that SLWM was not taken up in a project mode as a result of which no significant development, impact, etc. had been achieved or observed in the State. It was expected to be taken up in the coming years for which a Detailed Project Report on SLWM had been prepared and approval from the Ministry was awaited.

The Department accepted (October 2014) the audit findings and assured necessary remedial action. The Department also stated that so far only household liquid waste management system involving collection of solid waste through waste bins, disposal of liquid waste through kitchen garden and soak pits were taken up. Community level Waste Management System was to be implemented from the year 2014-15 with the approval of AIP by GoI.

¹¹⁴ Number of villages where SLWM was implemented during 2010-11 was not made available.

1.4.11.5 Rural Sanitary Marts and Production Centre

The Rural Sanitary Mart (RSMs) is an outlet dealing with the materials, hardware and designs required for the construction of sanitary latrines, soakage and compost pits, vermi-composting, washing platforms, certified domestic water filters and other sanitation and hygiene accessories. The Production Centres (PCs) are the means to produce cost effective affordable sanitary materials at the local level. PC can be independent or part of the RSMs. RSMs and PCs were required to be established as commercial ventures with social objective.

Scrutiny of DWSM records of four test checked districts revealed that against the project objective/target for establishment of 11 RSMs/ PCs, only 5 (45 *per cent*) RSMs/PCs could be established as of March 2014 which is detailed in **Table No.1.4.8**. However, no RSM/PC was established during the period of audit (2009-14) in any of the four test checked districts.

Table 1.4.8

Sl. No	Name of district	Projective objectives (sanction by GoI)	Project performance (cumulative as of March/2014)	Status of RSM/PC
		RSM/ PC		
1	Tuensang	3	1	Discontinued since 2007-08
2	Zunheboto	2	1	Discontinued from 2009-10
3	Dimapur	3	1	Discontinued since 2007-08
4	Kohima	3	2	Discontinued since 2007-08
Total		11	5	

Source: Departmental Records

The Department stated that PCs were set up in all the TSC districts and beneficiaries mostly represented by WATSAN Committee members were trained to make Commodes and Squatting plates using locally available materials. But the results were not forthcoming as in most cases WATSAN Committee members in return failed to train the beneficiaries. Accordingly, the Department decided to manufacture Commodes and Squatting plates at the respective District Headquarters and carried it to the beneficiary villages. However, due to poor road connectivity, bad road conditions, difficulty of travelling during certain seasons, the heavy weight of Commodes and Reinforced Concrete Cement (RCC) Squatting plates etc. almost 50 to 60 *per cent* of the materials got damaged on reaching the destination. Another problem was the high cost involved in transportation. Therefore, the Department finally decided to go for readymade Rotto moulded plastic Squatting plate assembly which is light in weight, durable and can easily be carried by head load to any place in the hilly terrain of the State. The Department is responsible for supplying all essential

materials for construction of IHHL and the beneficiary takes care in erecting their own latrines as part of the beneficiary contributions.

1.4.11.6 Provision of Revolving Fund in the District

A Revolving Fund may be given to Cooperative Societies or Self Help Groups whose credit worthiness is established, for providing cheap finance to their members. Loan from this fund should be recovered in 12-18 installments. This revolving fund can be accessed by APL households not covered for incentives under the guidelines and the owners of the households where Anganwadi Centre is located for construction of baby friendly toilets. 5 *per cent* of the District Project outlay subject to a sum of up to ₹ 0.50 crore can be used as revolving fund.

It was observed that Revolving fund was not operated in any of the eleven districts of the State. The Department stated that taking into account the failure of loan recovery as experienced by many departments in the State and the mindset of the people, the Department from the beginning decided not to encourage Revolving fund.

1.4.11.7 Nirmal Gram Puraskar (NGP)

The NGP award is given to those Nirmal Gram Panchayats, Blocks and Districts which have become fully sanitised and open defecation free. The prize money is to be released in two equal installments. Organisations and officials are given citations and mementos in recognition of their efforts.

Examination of the records of SWSM revealed that the State Level Scrutiny Committee for NGP was not set up in the State. It was however, observed that out of 449 applications received for NGP award, only 82 (18 *per cent*) villages were selected for the award and an incentive of ₹ 0.86 crore was paid during 2009-14.

Further examination of the records in the four test checked districts revealed that against 189 numbers of applications received (13 applications pertaining to 2013-14 under process) for NGP award, only 53 villages (30 *per cent*) were selected for the award during 2009-2013. It was also seen that 70 *per cent* of the applications were rejected after verification as these did not meet the prescribed criteria. An incentive amount of ₹ 0.39 crore were disbursed to awarded villages as detailed in the table below:

Table 1.4.9

Sl. No	Name of District	Number of applications received.	Number of Villages awarded	Percentage	Incentive amount disbursed (₹ in lakh)
1	Tuensang	16	2	13	1.50
2	Zunheboto	70	29	41	18.00
3	Dimapur	86	15	17	11.50
4	Kohima	17	7	41	7.50
	TOTAL	189	53	28	38.50

Source: Departmental Records

The following was also observed:

(i) Year-wise target was not fixed by DSWMs for achieving Nirmal Status to the GPs/villages. It was noticed that out of 653 villages in the four test-checked districts only 60 villages (9 *per cent*) had attained the Nirmal status as of August 2014. The details of the status of villages in the test checked districts are shown below:

Table 1.4.10

Sl. No	Name of District	No. of villages (Rural) in the district as per Census 2011	No. of NGP villages (since implementation of the scheme) in the district	Achievement (Percentage)
1	Tuensang	138	2	1
2	Zunheboto	191	29	15
3	Dimapur	219	21	10
4	Kohima	105	8	8
	Total	653	60	9

Source: 2011 Census and Departmental Records

(ii) DWSM and SWSM did not verify the facts/information contained in the applications of villages before forwarding the same to DDWS. Thus, the procedure for recommending the applications of villages as stipulated in the guidelines was not followed in the State.

The procedure for payment of incentive amount as envisaged in the NGP Guidelines 2010 and sanction orders of the GoI was not followed. The SWSM Nagaland disbursed the entire award money to respective NGP villages in lump sum. Therefore, the mandatory random checks by the DWSMs after six months in all the awarded villages to ascertain Nirmal Gram and ODF status for release of second installment was not followed.

Joint physical verification of two NGP villages in Dimapur district revealed that toilet facility was not available in Anganwadi Centre (Tsuuma village) and OD was still practiced in Razaphema village as shown in the picture.

Photograph No.1.4.4



Further, there were no random checks by the SWSM/DWSM to ensure that NGP villages maintain their OD free status.

The Department accepted (October 2014) that year wise targets were not made for achieving Nirmal Gram status for GPs/villages. The Department also stated that the State level NGP verification committee was constituted which scrutinised the cases to be recommended to the DDWS. However, the committee constitution notification could not be made available during the period of audit. Further, the Department stated that as the NGP cash award was not substantial (₹ 50,000) and the award distribution ceremonies were attended by the Hon'ble Chief Minister of the State, as the chief guest, the idea of releasing the award money in two installment was considered not suitable. Besides, as some awardees/villages were required to come from long distances involving great hardships and expenses the award was given in one installment.

The reply is not justifiable as it is clearly mentioned in the GOI sanction order¹¹⁵ that the award money upto ₹ 0.50 lakh was to be given in one installment and above that in two installments. However, in 27 cases, awards of more than ₹ 0.50 lakh were paid in one installment.

Further, while accepting the fact, the Department stated that some households in NGP awarded villages have reverted to the practice of OD as IHHL constructed were of very low cost and temporary in nature. However, the Department is trying to address these issues through IEC campaign and other measures.

The reply is not acceptable as this indicates the failure of proper monitoring by the DWSM and lack of awareness on sanitation.

¹¹⁵ No.W-11045/13/2009/CRSP dated 30.12.2009.

1.4.12 Audit Objectives-5: Information, Education and Communication.

Information, Education and Communication (IEC) was a key component of the TSC/NBA scheme which was intended not only to trigger the demand for sanitary facilities, but also for use, maintenance and up-gradation of the sanitary facilities through behavioral change, so that sanitation and hygiene become an integral part of life and thereby sustainable. Each district was required to prepare a detailed IEC Annual Action Plan by February of the preceding financial year with defined strategies to reach out to all sections of the community. The Annual IEC Action Plan should be duly approved by the DWSM. The IEC funds should be broadly divided into Pre-Nirmal and Post-Nirmal phase so as to have funds for sustaining the movement.

The TSC/NBA guidelines do not have provision for earmarking of certain part of IEC funds for carrying out State level IEC activities. However, NBA guidelines were modified (July 2013) by inserting new provisions in Para's 5.2.1 & 5.2.8 mentioning that "IEC should be conducted at all levels i.e. State/UT, District, Block & Gram Panchayat" whereby out of 15 *per cent* total project cost of the district, 5 *per cent* can be utilised by the State/UT for State level IEC activities and funding will be in the ratio of 80:20 between GoI and the State Government.

Examination of the records of SWSM revealed that during 2009-14, all the eleven DWSMs transferred ₹ 7.34 crore to the SWSM/WSSO Nagaland towards 15 *per cent* IEC component in violation of the provisions of the scheme guidelines. At the State level, an amount of ₹ 4.20 crore (57 *per cent*) was spent for IEC activities including production of IEC materials worth ₹ 2.68 crore while all the eleven districts of the State incurred an expenditure of ₹ 3.14 crore (43 *per cent*). No funds were provided to Village level implementing agencies for IEC activities. There was short release of State matching share towards IEC component amounting to ₹ 1.59 crore. The sharing pattern and utilisation of IEC funds as envisaged in the TSC/NBA guidelines were therefore, not followed. The details of IEC funds received and its utilisation is shown in the table below:

Table 1.4.11

(₹ in lakh)

Year	Source of IEC funds-TSC-NBA			Expenditure	
	Central	State	Total	State level	District level
2009-10	158.88	0.00	158.88	127.88	31.00
2010-11	16.80	19.51	36.31	26.71	9.60
2011-12	193.73	0.00	193.73	165.73	28.00
2012-13	59.45	0.00	59.45	3.12	56.33
2013-14	285.94	0.00	285.94	96.62	189.32
Total	714.80	19.51	734.31	420.06	314.25

Source: Departmental Records

It was observed that no detailed IEC Annual Action Plan was prepared by DWSM in any of the four districts test-checked. However, IEC Action Plan for all the eleven districts was prepared by the WSSO Nagaland. The actual year-wise IEC activities in the districts were taken up as per instructions and funds released by the WSSO Nagaland. Therefore, the IEC activities were not carried out as per the requirements of the districts/grassroots level. It was also noticed that the IEC Annual Action Plans did not have a provision for Post-Nirmal IEC activities in NGP villages for sustaining the movement.

As per IEC guidelines, the IEC activities were to be carried out throughout the year. It was observed that the activities were not conducted throughout the years due to insufficient funds. Examination of the records in four test-checked districts revealed that against the initial allotment of IEC funds amounting to ₹ 3.26 crore, DWSMs received only ₹ 0.91 crore. The details are shown in the table below:

Table 1.4.12

(₹ in lakh)

Sl. No	Name of District	Total funds returned by DWSM WSSO	Actual funds received by DWSM	Funds received by DWSM (in percentage)
1	Dimapur	122.50	38.34	31
2	Zunheboto	93.25	26.95	29
3	Tuensang	48.14	13.82	29
4	Kohima	61.85	11.40	18
Total		325.74	90.51	28

Source: Departmental Records

It was observed that out of the total expenditure of ₹ 7.34 crore, an amount of ₹ 2.68 crore was incurred on material component of IEC activities during 2009-14. The Department did not maintain Stock account of the IEC materials and therefore, the actual quantity issued/utilised to and by various divisions/programmes could not be ascertained and the value of the materials lying (September 2014) in the store could also not be quantified. Joint physical verification of stores revealed huge number of unutilised IEC materials as shown in the picture below:

Photograph No.1.4.5



The TSC guidelines issued by the Ministry of Rural Development, Department of Drinking Water Supply provided for engagement of Swachchhata Doots/ Sanitation Messengers to strengthen communication machinery at the village level with participatory social mobilisation. They were to be paid suitable incentive based on their performance from funds earmarked for IEC. The responsibilities of Swachchhata Doots are:

- To create awareness in community towards safe sanitation by personal household contact, organising meetings and events.
- Collection of habitation-wise detailed information of each Household of the village.
- Coordinating with Panchayat Members for monthly meeting of Gram Sabha (Sanitation Day).
- To visit School and the Anganwadi at regular intervals for discussion on cleanliness, maintenance and use of toilets.
- Mobilising schools for Health Walk, Rally in the village, Focused Group Discussions and door-to-door drive by students.
- To encourage Households to go for construction of IHHL themselves.

It was noticed that Swachchhata Doots/Sanitation Messengers were not engaged in any of the four test-checked districts by the DWSM for interpersonal communication and door to door contact. Even the financial provision for door-to-door contact drives were not made in the IEC Action Plan of DWSM.

It was further observed that out of 52 villages in four districts test-checked, the village level implementing agency i.e WATSAN committee of 49 villages (94 *per cent*) did not receive IEC materials from the DWSM/WSSO. Also, no funds were provided to the village level implementing agency for conduct of IEC activities and other components of the scheme. It was also observed that during 2009-2014, out of 52 villages test-checked in four districts, members of the Village Council/ WATSAN Committee from 35 villages only received training. Further, Hoardings/Banners on TSC/NBA were not placed in the Villages premises, Village Council Hall etc. of any of the test checked villages thus reducing the effectiveness of creating awareness to the rural masses on sanitation.

Thus, IEC which was intended not only to trigger the demand for sanitary facilities, but also for use, maintenance and up-gradation of the sanitary facilities through behavioral change failed to change the mindset of the people.

The Department stated (October 2014) that each time funds were released by the GoI, the whole amount of IEC fund which is 15 *per cent* of the released amount were placed at the disposal of the DWSM/PHE division at district level for incurring expenditure through them. In the interest of giving an effective IEC campaign all over the State, the IEC Action Plans were formulated for all TSC districts after thorough discussion and consultation with the divisional officers. Further, the works of IEC campaign is a continuous process where, apart from IEC materials already given to divisions, some IEC materials are required to be kept in stock for distribution at various functions in the State and at district level from time to time. This is even more necessary as the fund release remain always uncertain whereas IEC activities must go on. The IEC materials were always distributed to the participants in TSC/NBA functions held at State, district and village levels instead of distributing the materials through WATSAN committees on account of limited availability of resources.

1.4.13 Objectives-6: Convergence of the NBA activities with other programmes/stakeholders.

The GoI directed (June 2012) the convergence mechanism with MNREGS to facilitate the rural households with fund availability for creating their own IHHLs. Accordingly, the incentive amount of ₹ 4600 available under NBA could be further increased by ₹ 4500 through expenditure on skilled and unskilled components of the work done through MNREGS. The IHHLs, Institutional toilets as well as CSCs could be constructed through use of MNREGS resources.

It was observed that there was no convergence of TSC/NBA schemes with MGNREGS or any other scheme implemented in the State.

The Department stated (October 2014) that despite the provision for convergence of MGNREGS and TSC/NBA, there were practical difficulties for convergence in the State as these two programmes are being implemented by two separate departments. However, the new guidelines under Swachh Bharat Mission has done away with the need for convergence.

1.4.14. Objective-7: Monitoring and Evaluation.

Regular field inspections by officers from the State and district level were essential for effective implementation of the programme. The TSC/NBA guidelines emphasised that project authorities were to constitute a team of experts in the district, who were to review the implementation in different blocks. Such reviews were to be held at least once in a quarter. Similarly, the State Government was to conduct a review of projects in each district once in a quarter. For this purpose, they were to constitute a panel of experts available in the State. In addition, GoI was to send review missions to the State periodically to assess the quality of implementation.

Examination of the records revealed the following:

The functions of SWSM included coordination with various State Government departments, convergence of water supply and sanitation activities, monitoring and evaluation of physical and financial performance of the schemes, maintaining accounts and carrying out the required audits of the accounts. These activities were to be implemented and evaluated through regular meetings at least once in six months. It was found that against the minimum requirements of 10 SWSM meetings, no meetings were held during 2009-14. Further, it was mandatory to hold meetings of DWSMs at least once in a month to prepare the implementing strategies, sanction expenditure and monitor the progress and quality of work. It was however, observed that no formal DWSM meetings were held in the four test-checked districts during 2009-14. However, the Member Secretary and the Chairman DWSM meets from time to time for approval of Action Plans of the respective District. Thus, due to non-conduct of prescribed meetings at regular intervals, the DWSM were unable to discharge their responsibilities of overseeing the implementation of the schemes in their respective districts.

It was also noticed that teams of experts for review of TSC/NBA as envisaged in the guidelines had not been constituted in the State. The TSC/NBA guidelines and GoI instruction (December 2011), also prescribe “Evaluation study” on the progress of implementation of TSC in the State to be undertaken periodically to validate the progress made and reported. However, it was found that no evaluation study on TSC/NBA was carried out by the State as of September 2014.

While admitting (October 2014) the fact, the Department stated that the prescribed number of SWSM and DWSM meetings in the guidelines could not be strictly followed. However, the Member Secretary and the Chairman DWSM meet from time to time for approval of Action Plan of the respective district and accordingly works are being executed.

1.4.14.1 Sanitation Day and Social Audit

NBA will provide a central role to ‘social audits’ as a means of continuous and comprehensive public vigilance. Each GP/VC was to earmark a particular day of the Month to be named as ‘Swachchhata Diwas’ (Sanitation Day) in an open public space, with ample provision for proactive disclosure of information and thoughts. A Gram Sabha/Village Council will be convened every six months to undertake mandatory review of progress made under various Month Plans and proceedings of Swachchhata Diwas that were held in the GP/VC. This will be used as a means to strengthen the elements of transparency, participation, consultation and consent, accountability and grievance redressal in the implementation of NBA. It was observed that Sanitation Day/Village cleaning day was observed ranging from one to four times in a year but activities (Swachchhata Diwas/ Sanitation Day) as envisaged in the guidelines were not followed by the villages.

Social Audit was conducted for other funds under Village Council (VC). However, no audit was under taken for Total Sanitation Campaign/ Nirmal Bharat Abhiyan as per

the scheme guidelines in any of the 52 villages of four test checked districts. This was due to lack of fund allocation to the villages under TSC/NBA though toilet construction materials were received by the Villages from the Department.

The Department accepted (October 2014) the audit observation and assured necessary remedial action.

1.4.14.2 Online Monitoring

The Ministry of Drinking Water and Sanitation has developed an online monitoring system for TSC/NBA. All project districts are to submit the physical and financial progress reports through this online software. Progress reports in hard copy are discouraged except an Annual Performance Report which is to be submitted to MDWS.

It was seen that none of the four test-checked districts carried out online entry of TSC/NBA data as envisaged in the guidelines. All the four DWSMs have stated lack of facilities and network problem the reasons for non-compliance. The Department stated that online data entry was done from State level. However, the source documents based on which data entry was made in the Integrated Management Information System (IMIS) was not made available to audit.

Discrepancy between IMIS Report and actual achievement of four test-checked districts on different components of the scheme for the period 2009-2014 is detailed in table 1.13.

Table 1.4.13

Component	Dimapur		Zunheboto		Tuensang		Kohima	
	Actual	IMIS	Actual	IMIS	Actual	IMIS	Actual	IMIS
IHHL (APL+BPL)	9756	21641	4433	5113	7759	8364	9742	20671
CSC	11	10	2	1	2	3	6	17
School Toilet	150	252	120	385	130	87	88	88
Anganwadi Toilet	182	204	85	123	69	69	84	114

Source: Departmental Records and website-tsc.gov.in

The above discrepancies indicate unreliability of data maintained on IMIS which is expected to be the key tool for monitoring and evaluation of the programme.

Conclusion

The process of planning was devoid of comprehensive assessment of beneficiaries/requirement of the rural needs, non-availability of reliable baseline data and lack of community participation in the preparation of PIPs. Funds were not released in time and the sharing pattern between GOI and State for various components as envisaged in the scheme guidelines was not followed. There was short release in State's matching contribution. There was lack of proper assessment for identification of IHHL beneficiaries and upkeep of the same by the beneficiaries. Open Defecation was practiced even in Nirmal Gram Puraskar awarded villages. Institutional toilets were dismantled or defunct due to land development, improper

maintenance and lack of water facilities. The school toilets lack provision for children with special needs. The Anganwadi toilets were unhygienic and not “Baby friendly”. Deficient IEC activities at the lower levels led to lack of awareness and non-generation of demand. Therefore, the supply driven approach adopted in the State could not achieve the desired results. There was lack of regular meetings at all levels for preparing the implementing strategies, monitoring the progress and ensuring quality of work. Specific Evaluation Study and Review of TSC/NBA by involving reputed organisations/institutions in the field of sanitation were not done. Social Audit was not conducted in any of the test checked villages.

Recommendations

- Planning should be based on “bottom up approach” in order to ensure community participation and generation of demand for sanitary facilities.
- Timely release of funds and sharing pattern of various components as envisaged in the scheme guidelines should be strictly adhered to.
- Proper assessment for identification of IHHL beneficiaries and monitoring to secure construction of latrine and upkeep of the same should be ensured.
- Intensive IEC activities should be taken up at all levels laying emphasis on Interpersonal communication and Community mobilisation.
- State specific Evaluation Study/ Review on TSC/NBA may be conducted by involving reputed organisations and institutions in the field of sanitation for taking further corrective measures.

TECHNICAL EDUCATION DEPARTMENT

1.5 Unfruitful expenditure

The Technical Education Department incurred an unfruitful expenditure of ₹ 99.87 lakh due to non-incorporation of specific clause in the agreement for obtaining bank guarantee against advance payments and clauses on penal action for failure in execution of the works. Besides, the objective of setting up Pilot Training Academy in Nagaland could not be achieved.

Rule 159 of General Financial Rules (GFR) 2005 stipulates that ordinarily payments for services rendered or supplies made should be released only after the services have been rendered or supplies have been made. However, if it becomes necessary to provide advance payments in certain cases such advance payments should be released after obtaining adequate safeguards in the form of bank guarantee, etc. from the firm.

The work for setting up of pilot training academy at Dimapur, Nagaland was awarded to Carver Aviation Private Limited (CAPL), Baramati, Pune without inviting tenders or expression of interest in contravention of procedures stipulated in the GFR. It was observed that an agreement was signed (8 December 2009) between the Government of Nagaland represented by Commissioner & Secretary, Department of Higher and Technical Education (H&TE), Kohima and CAPL.

As per the agreement, the entire scope of work for setting up of pilot training academy was spread in three phases. However, the present agreement was executed for Phase – I valid from July 2009 to December 2011. The activities to be taken up by CAPL during phase-I were:

(i) Obtain all relevant permission from respective Ministries for the project, (ii) set up infrastructure such as hangar, offices, fuel depot, etc. (iii) relocate Aircraft, (iv) induct technical, operations and marketing staff, (v) recruit students and (vi) train students.

As per the agreement, the Department was required to release the estimated cost of ₹ 6.63 crore (Phase-I) in four installments, i.e. *25 per cent* on signing the agreement, *25 per cent* on arrival of three aircrafts, *25 per cent* on completion of hangar and related construction activity and the balance *25 per cent* on receipt of approval from Director General of Civil Aviation (DGCA) for commencement of flying institute at Dimapur. However, the agreement did not mention anything about submission of Bank Guarantee against which the advance payments were to be released. Further, the agreement did not also stipulate anything about the penal action for non-performance of the agreement.

Examination of records revealed that the Department paid an amount of ₹ 99.87 lakh to CAPL (February 2010). However, the CAPL did not take up any of the activities stipulated in the agreement till the date of audit (February 2013). The Department wrote to CAPL in June 2011 (just before completion of tenure of the agreement) regarding utilisation of the amount paid. In reply CAPL clarified (June 2011) that they spent ₹ 69.56 lakh towards salary, travelling expenses and training of CAPL staff and the balance amount of ₹ 30.31 lakh was spent for purchase of two aircrafts¹¹⁶. The aircrafts purchased were registered in the name of CAPL and were lying in Baramati, Pune.

Thus, due to non-incorporation of specific clause in the agreement for obtaining bank guarantee against advance payments and clauses on penal action for failure in execution of the works, the Department incurred unfruitful expenditure of ₹ 99.87 lakh. Besides, the objective of setting up Pilot Training Academy in Nagaland remained unachieved.

The Government stated (July 2014) that ₹ 99.87 lakh was released as advance payment as per the agreement. Though the project had been badly delayed due to the cumbersome procedure in getting necessary clearance from the AAI/Civil Aviation Ministry, the Department was trying its best to set up the Institute to train youth from Nagaland and other North Eastern states as pilots and maintenance engineers.

¹¹⁶ Out of the cost of the aircrafts (₹ 116.16 lakh), an amount of ₹ 30.31 lakh was paid from the amount received from the department and the remaining amount of ₹ 85.85 lakh was borne by CAPL.

The reply confirmed the fact that the amount spent had not yielded any benefit to the Department and in the absence of any bank guarantee and clause for liquidated damages in the agreement, the scope to recover the amount was remote.

URBAN DEVELOPMENT DEPARTMENT

1.6 Non-remittance of toll to Municipal Account

Advisor in-charge of Revenue, Dimapur Municipal Council failed to remit toll amounting to ₹ 78.83 lakh collected from consignees against goods transported through Railway wagons during 2011-12.

Dimapur Municipal Council (DMC) Advisory Committee while deciding (March 2011) the modalities for collection of various taxes and fees to be levied under Section 120 of the Municipal Act 2001 entrusted the Revenue wing of the DMC to collect the toll on items such as cement, edible oil, etc. transported by Rail. Accordingly, instructions were also issued to the Station Master NF Railway by the Chief Executive Officer (CEO), DMC not to clear any goods brought by rail without the clearance from the DMC.

Examination (July 2014) of records of the DMC, revealed that the Advisor In-charge of Revenue (ACR) deposited an amount of ₹ 17 lakh during 2011-12 on account of toll from goods transported through Rail. Since no receipt books, etc. were furnished to audit in support of the collection and remittance of toll in respect of goods transported through rail for scrutiny, audit collected details of goods (cement, Rice, etc) transported through wagons during 2011-12 from Commercial wing, NF Railway, Dimapur. Examination thereof revealed that 4831 wagons were unloaded at Dimapur and the toll thereagainst worked out to ₹ 95.82 lakh which was to be collected from the consignees before releasing the material/items.

Thus, there was a short remittance of toll tax amounting to ₹ 78.82 lakh to the DMC by the Advisor-in-charge of revenue wing during 2011-12.

The matter was reported to the DMC (July 2013) and the Government (August 2014). Replies had not been received (December 2014).

CHAPTER – II

ECONOMIC SECTOR

CHAPTER - II

ECONOMIC SECTOR

2.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2014 deals with the findings on audit of the State Government units under Economic Sector.

The names of the State Government departments and the total budget allocation and expenditure of the State Government under Economic Sector during 2013-14 are given below:

Table No. 2.1.1

(₹ in crore)

Name of the departments	Total Budget Provision	Expenditure
Agriculture	192.10	133.75
Horticulture	22.67	15.67
Soil and Water Conservation	39.27	39.34
Veterinary and Animal Husbandry	78.02	81.17
Fisheries	42.47	37.06
Land Resources	27.24	27.22
Cooperation	37.40	33.81
Civil Supplies	32.04	28.68
Rural Development	129.72	78.88
SIRD	8.75	3.75
Sericulture	15.15	15.11
Land Records and Survey	21.46	21.25
Irrigation and Flood Control	225.64	85.77
Power	422.53	371.59
New and Renewable Energy	19.32	18.52
Industries and Commerce	82.95	69.48
Geology and Mining	28.30	28.29
Roads and Bridges	558.90	544.34
Science & Technology	2.19	2.16
Tourism	28.77	25.11
Economics and Statistics	29.49	28.28
Legal Metrology and Consumer Protection	14.25	9.80
Planning and Coordination Department	767.03	184.44
Evaluation	5.38	5.38
Department of Under Developed Areas	87.77	71.81
Information Technology & Communication	11.92	7.59
Forest, Ecology, Environment and Wildlife	92.44	77.02
Road Transport	70.73	65.59
Total number of departments=28	3093.90	2110.86

Besides the above, the Central Government has been transferring a sizeable amount of funds directly to the Implementing agencies under Economic Sector to different

departments of the State Government. The major transfers for implementation of flagship programmes of the Central Government are detailed in the following table:

Table No. 2.1.2

(₹ in crore)			
Name of the Department	Name of the Scheme/Programme	Implementing Agency	Amount of funds transferred during the year
Land Resources	National Bamboo Mission	Nagaland Development (NBDA) Bamboo Agency	20.29
Rural Development	Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGA)	District Development (DRDAs) Rural Agencies	292.15
	Indira Yawas Yojana (IAY)	District Development (DRDAs) Rural Agencies	73.28

(Source: Central Plan Scheme Monitoring System of Controller General of Accounts)

2.2 Planning and Conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stake holders.

After completion of audit of each unit on a test check basis, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled based on reply/action taken or further action is required by the auditee for compliance. Some of the important audit observations arising out of the Inspection Reports are processed for inclusion in the Audit reports, which are submitted to the Governor of the State under Article 151 of the constitution of India for laying on the table of the Legislature.

During the year, test check of audits involving expenditure of ₹ 1045.85 crore (including funds pertaining to previous years audited during the year) of the State Government under Economic Sector were conducted. This chapter contains the findings on Performance Audits of 'Activities of Department of Power' and 'Implementation of Accelerated Irrigation Benefit Programme' and four compliance audit paragraphs.

DEPARTMENT OF POWER

2.3 Performance Audit on the Activities of Department of Power

The Performance Audit of Power Department was taken up from April to September 2014 covering the period from 2009-14 to evaluate the performance of the Department in providing quality power supply to all categories of consumers both in urban and rural areas at minimum costs and increasing the revenue collection. Unlike other States in India, the corporatisation of the Department of Power, Government of Nagaland for taking up the activities of generation, transmission and distribution of energy in the State had not taken place. The Department of Power, Government of Nagaland is a deemed licensee under section 14 of the Electricity Act, 2003 for carrying out the above activities. Some of the major findings are highlighted below:

Highlights

➤ *The Department could complete only 5 projects out of 15 major projects proposed for execution under the 11th Five Year Plan (2007-12) as of September 2014.*

(Paragraph 2.3.8.1)

➤ *The Department allowed exorbitantly high margin of upto 763 per cent to the suppliers in respect of eight works executed during 2009-14 which led to unjustified escalation of project costs by ₹21.02 crore.*

(Paragraph 2.3.9)

➤ *The Department failed to maintain effective discipline in drawal of energy as per the approved schedule causing avoidable financial burden of ₹101.46 crore in five years on account of Unscheduled Interchange (UI) charges.*

(Paragraph 2.3.10.3)

➤ *The Department had sustained energy loss of 1257.30 MUs (valuing ₹502.12 crore) during five years due to its failure in restricting the Aggregate Technical & Commercial (AT&C) Losses within the CEA norms.*

(Paragraph 2.3.10.4)

➤ *During 2009-14, there was significant generation shortfall (103.28 MUs) under Likhimro Hydro Electric Project (LHEP) compared with the minimum generation assured by the Lessee necessitating the State to import additional energy at higher costs involving financial implications of ₹16.63 crore in five years' period.*

(Paragraph 2.3.10.7)

➤ *During 2009-14, the billing and collection efficiency of the Department was dismal as bills were not raised against 42 per cent of the energy injected into the system (1149.19 MUs valuing ₹393.16 crore) and 33 per cent of the energy bills raised (520.05 MUs valuing ₹165.67 crore) remained unrealised.*

(Paragraph 2.3.11.5)

2.3.1 Introduction

Like many other states, Nagaland has also been facing the problems of energy shortages, inadequate power systems, unreliable and poor supply of electricity, growing revenue deficit, inadequate revenue collection and the resultant negative impact on the State finances. With a view to overcome these problems and to fully meet the demand of power by 2012, the Government of India (GOI) prepared the National Electricity Plan (NEP) in compliance with Section 3(4) of the Electricity Act 2003. The Department of Power, Government of Nagaland, a deemed licensee under section 14 of the Electricity Act, 2003, is carrying on the activities of generation, transmission, distribution and retail supply of electricity in the State. The present audit envisaged to examine these issues and draw audit conclusion and also make suitable recommendations.

The position of the energy requirements vis-a-vis the energy availability in the State through own generation and purchase of power from Central Generating Stations during the period of five years covered in audit is detailed in the table below:-

Table No.2.3.1

Year	Energy requirement (MU)	Energy availability (MU)	Own Generation (MU)	Power purchased (MU)
2009-10	630.00	512.36	73.36	439.00
2010-11	699.74	578.44	76.34	502.10
2011-12	729.03	599.74	87.20	512.54
2012-13	734.03	575.14	95.76	479.38
2013-14	736.59	619.92 (estimated)	107.00	512.92
Total	3529.39	2885.60	439.66	2445.94

Source:-Figures as provided by the office of the Chief Engineer, Department of Power, Nagaland.

It could be noticed from the Table above that as against the energy requirement of 3529.39 MUs during the period from 2009-14, the State's own generation was 439.66 MUs (12.45 *per cent*) only. Further, even after purchasing 2445.94 MUs of energy from outside sources (viz. Central Generating Stations), there was a shortfall of 643.79 MUs (18.24 *per cent*) in meeting the State's energy requirement during the period of five years from 2009-14.

2.3.2 Organisational Set up

The Commissioner & Secretary (Power) is the Chief Controlling Officer of the Department. The Department was bifurcated (January 2013) into two Directorates viz. Transmission and Generation (T&G) wing and Distribution and Revenue (D&R) wing. The T&G wing is headed by the Chief Engineer (CE) assisted by four Superintending Engineers (SE) and eight Executive Engineers (EE). The Additional CE heads the D&R wing assisted by two SEs and ten EEs. All the 18 EEs are assisted by 38 Sub-Divisional Officers. The Department had total of 4130 employees as on 31 March 2014.

The organisational set up is depicted in a chart as shown in **Appendix-2.3.1**.

2.3.3 Scope of Audit

The present Performance Audit (PA) taken up during April 2014 to September 2014 covered the activities of the Department of Power Department for the period of five years from 2009-10 to 2013-14. For the purpose of PA, records in the offices of the CE (T&G) and Additional CE (D&R), two out of three civil divisions under Generation, all the three divisions under Transmission, four out of ten electrical divisions under Distribution and one store division were selected for detailed examination by applying simple random sampling method.

2.3.4 Audit Methodology

The methodology adopted for attaining the audit objective consisted of explaining audit objectives to top management in the Entry Conference (15 April 2014), analysis of data/records with reference to audit criteria, examination of documents/records of the Department, interaction with the officials of the Department, raising audit queries, issuing of draft report (September 2014) to the Department as well as to the Commissioner and Secretary to the Government of Nagaland for comments. The draft report was also discussed (15 October 2014) with the representatives of the Department/Government of Nagaland in the Exit Conference. The formal replies of the Department to the draft report as well as the views expressed by the representatives of the Department/Government of Nagaland in the Exit Conference have been taken into consideration while finalising the Report. The formal replies of the Commissioner and Secretary, Government of Nagaland, however, had not been received (December 2014).

2.3.5 Audit Objectives

The audit was carried out to assess whether:-

- perspective/annual plans were prepared in accordance with State's requirement and the National Electricity Plan;
- the projects for development of infrastructure were executed in an economic, efficient and effective manner;
- operation and maintenance of the infrastructure already developed was carried out in an economic and efficient manner;
- an effective and efficient Financial Management system existed in the Department emphasizing upon timely raising and collection of revenues;
- monitoring mechanism of the Department was adequate and effective.

2.3.6 Audit Criteria

The audit criteria adopted for attainment of above objectives were derived from the following sources:

- ☐ National Electricity Plan and National Electricity Policy;
- ☐ Plan documents of the Department;
- ☐ Standard procedures and practices relating to award of contracts;
- ☐ General Financial Rules;

- Notification and Guidelines issued by the Government/Department from time to time.

2.3.7 Acknowledgement

We acknowledge the co-operation and assistance extended by the Department and the Government of Nagaland (GON) at all levels during conduct of the Audit.

2.3.8 Audit Findings

Objective-1:-To assess preparation of perspective/annual plans by the Department vis-a-vis the State's requirement and the National Electricity Plan.

Planning is an important tool to link, organise and efficiently execute various activities of an organisation for achieving the desired goals. Planning process involves identification and assessment of requirements by conducting various preliminary activities like survey, feasibility studies etc. and also to appropriately utilise the results of these preliminary activities for preparing the overall short and long term plans of the organisation.

2.3.8.1 Eleventh Five Year Plan

The Department prepared Draft Eleventh Five Year Plan (2007-12) which *inter-alia* envisaged construction of eight¹ major projects under Generation and seven projects under Transmission as detailed under **Appendix-2.3.2**.

It was observed that out of the above fifteen projects envisaged in the Plan under Generation and Transmission, the Department could complete only one project² under Generation and another four³ under Transmission (September 2014).

Examination of the records of the Department revealed that the GON did not have enough financial resources of its own for implementation of the said major projects. As a result, GON had to mostly rely upon the centrally sponsored schemes as well as grants/loans from North Eastern Council (NEC) and financial institutions for implementation of these projects. Though the Department prepared the short term plans on annual basis for development of infrastructure, it was noticed that the said plans were not based on any survey or study reports. In fact, it was noticed that the said projects were planned based on anticipated availability of funds without identifying and ensuring the source of the funds and assessing the priorities.

2.3.8.2 Centrally Sponsored Schemes

With a view to provide access to electricity for all rural households in five years under National Common Minimum Programme, the GOI launched (April 2005) the Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY) throughout the Country. The scheme targeted to electrify 1.25 lakh un-electrified villages⁴ and to give electricity

¹ Including five spilled over projects planned during previous Five Year Plans

² Lang Micro Hydro Electric Project (capacity 1.00 MW)

³ Upgradation of substations at Tuli, Mokokchung, Kiphire and Mon

⁴ A village would be declared as electrified, if (1) Basic infrastructure such as Distribution Transformer and Distribution lines are provided in the inhabited locality as well as the Dalit Basti hamlet where it exists. (2) Electricity is provided to public places like Schools, Panchayat Office, Health Centers, Dispensaries, Community centers etc. (3) The number of households electrified should be at least 10% of the total number of households in the village.

connection free of cost to 2.34 crore BPL households in the Country as a whole by 2009. The scheme was to be implemented under 10th and 11th Five Year Plans.

In Nagaland, the programme was initially launched (2005-06) in two out of eleven districts (Kohima and Phek) under 10th Five Year Plan. The project in Kohima, however, could not take off due to litigations and alternatively Zunheboto district was selected for implementing the scheme in place of Kohima. The remaining nine districts were covered under 11th Five Year Plan. The Department was the implementing agency for RGGVY in Nagaland.

The details of various targets fixed under the scheme vis-à-vis actual achievements there-against as of March 2014 are shown in the table below:-

Table No.2.3.2

Target and achievement of RGGVY as of March 2014			
Particulars of beneficiaries	Target	Achievement	Shortfall
Un-electrified villages	106	92	14
Number of villages/habitations for intensification ⁵	1369	1110	259
BPL households	69900	42837	27063

Source:-Departmental figure

It could be seen that the Department could not provide electricity to 14 un-electrified villages and 259 habitations covering 27063 BPL households (39 *per cent*) even after a lapse of eight years from launching (2005-06) the project thereby defeating the primary objective of the scheme to provide access to electricity to all rural households.

In reply, the Department stated (October 2014) that as of September 2014 there are 10 un-electrified villages and 56 habitations and the same would be electrified by November 2014.

The reply, however, confirms the slow progress of work relating to implementation of RGGVY Scheme in the State of Nagaland.

(I) Inaccurate projection of rural households

As per Census 2001, there were 2,65,334 rural households in Nagaland out of which, a total number of 1,14,405 households were un-electrified. Contrary to the figures projected in the Census 2001, the Department incorporated 1,43,060 households as un-electrified in the Detailed Project reports (DPRs) by adopting inflated data of un-electrified households. It was also noticed that the inflated figures of un-electrified households were considered for 10 out of 11 districts (excepting Tuensang district) of the State. Thus, the actual number of rural household to be electrified under RGGVY was overstated by 28655 households. The cost implication of the inaccurate projections made by the Department on number of un-electrified households was to the tune of ₹ 6.30 crore.

While accepting the facts, the Department stated (October 2014) that the Statistics

⁵ Intensive electrification of villages already electrified villages by upgrading the existing infrastructure so as to make the same functional.

provided under Census of 2001 was not firm. The reply of the Department is not acceptable as in case of any discrepancies in the figures of targeted beneficiaries, the Department should have approached GOI for appropriate revision in the scope of the the scheme.

Objective-2:- To assess the economy, efficiency and effectiveness in execution of projects by the Department.

Project management is the process and activity of planning, organizing, controlling the available resources in line with the standard practices and procedures so as to achieve the specified goals in an economic and efficient manner.

During the 11th Five Year Plan, the Department had planned eight Generation Projects and seven Transmission Projects (**refer Appendix – 2.3.2**) for execution and the same were undertaken by the Department during five years period covered in the PA. In addition, the Department had also undertaken three⁶ Transmission projects during the PA period. The observations relating to execution of these projects are discussed in the following paragraphs.

2.3.9.1. Excessive margin allowed to suppliers.

According to Rule 137 of GFR, every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to ensure efficiency, economy and transparency in performance of their duties. Further, while dealing with such purchase transactions, the said authorities are also supposed to give fair and equitable treatment to all suppliers so as to promote healthy competition in public procurement.

While examining the records of the eight works executed by the Department during 2009-14, Audit cross examined the supply rates of 40 material items under these works with reference to various documents relating to purchase and transportation of these materials as submitted by the suppliers to the Department.

It was observed that the rates charged by the suppliers from the Department for supply of material were exorbitantly high as compared to the actual cost paid by them (suppliers) to the manufacturers. In 9 out of 16 running account bills of the suppliers verified by Audit, it was observed that the Department had paid an amount of ₹ 33.04 crore towards supply of various items of material as against the actual cost of ₹ 12.02 crore paid by the suppliers to the manufacturers resulting in overall margin of ₹ 21.02 crore (175 *per cent*) to the suppliers as summarised in **Appendix -2.3.3**. It was further noticed that the percentage of margin kept by the suppliers against supplies of

⁶ (1) Transmission Line from Wokha to Doyang NH-61, (2) Upgradation of Sovima Substation, and (3) Construction of 33 KV Ringmain and associated Sub-station in Kohima under APDRP phase-II, Package-E

individual supply orders ranged between 33 and 763 *per cent* of the material cost as detailed in the table below:

Table No. 2.3.3

(₹ in crore)

Name of the work	Project Cost	Total value of the bill verified by audit	Name of the Supplier	Price paid for the cross checked items	Actual Cost paid by local firms to the manufacturing companies	Margin of suppliers (col. 7- col.6)	Percentage of margin (Col 8/7 x 100)
1	2	3	5	6	7	8	9
Engineering, Design, Supply, Erection, Testing & Commissioning of 132KV Single Circuit Transmission Line from Wokha to Doyang-NH-61	19.59	6.28	M/s Caravan Power & Construction (I) Pvt. Ltd	3.97	0.46	3.51	763
Upgradation and Modernization of 132/66 KV Mokochung Sub-station from 25 MVA to 50 MVA	27.84	4.07	M/s Techno Power Enterprises, Dimapur	4.08	0.76	3.32	437
Upgradation and Modernisation of 66/33 KV Tuli Sub-station from 7.5 MVA to 20 MVA.	18.26	14.03	M/s Singh Construction, Dimapur	9.18	2.29	6.89	301
Modernization and Up-gradation of 132/66/33 KV Kiphire Sub-Station	6.76	6.76	M/s Shyama Power (India) Pvt. Ltd. Haryana.	6.76	3.00	3.76	125
11 KV Associated Lines from Sovima Substation	3.89	1.42	M/s National Power System, Dimapur	1.00	0.22	0.78	355
Construction of 33 KV Ringmain and associated Sub-station in Kohima under APDRP phase-II, Package-E.	8.54	1.13	M/s Nezone Power System, Dimapur	1.13	0.71	0.42	59
Construction of 220 KV transmission line from Dimapur to Chiephobozou	84.20	7.52	M/s Nezone Power System, Dimapur	4.71	3.55	1.16	33
Up-gradation of Mon Sub-station	2.28	2.28	M/s Nezone Power System, Dimapur	2.20	1.03	1.17	114
Total	173.36	43.68		33.04	12.02	21.02	175

Thus, abnormally high margin allowed by the Department against procurement of material was unjustified and tantamount to undue favour to the suppliers against supply of the said materials.

While submitting replies to the PA, no specific comments were offered by the Department on the issue.

2.3.9.2. Sub-Station at Super Market Dimapur

The Department awarded⁷ (March 2013) the work of construction of 33/11 KV, 10 MVA sub-station at Super Market Dimapur at a cost of ₹ 8.11 crore to M/s JA Brothers (Contractor). The work order *inter-alia* included supply of 3-ph 50 Hz, 33/11KV, ONAF, Cu Wound Outdoor Power Transformer-10 MVA (Transformer) at an estimated cost of ₹ 2.07 crore.

⁷Work order No.CEL/TB/Super MKT DMR/2012-13 dated 21 March 2013

(i) Excessive margin

During examination of records of the Department, it was revealed that the Contractor was paid an amount of ₹ 2.34⁸ (including NVAT of ₹ 0.27 crore) against supply of the Transformer. Cross examination of Delivery Challan of the Transporter relating to the said Transformer revealed that the Contractor had actually procured the Transformer from Marson's Limited, Kolkota at a total cost of ₹ 0.47 crore (including transportation cost of ₹ 0.01 crore). Against the total procurement cost of ₹ 0.47 crore, the Contractor charged an amount of ₹ 2.34 crore from the Department for supply of the Transformer.

It may be noticed that the Contractor had kept a margin of ₹ 1.87 crore (398 *per cent*) against supply of Transformer to the Department, which was exorbitantly high and not justified.

(ii) Payment before completion of work

According to sub-clause (b) and (c) of CPWD Code, all items of work in a project, irrespective of their cost, shall be measured and recorded by the Officer-in-charge of the work not lower than the rank of Junior Engineer (JE). The Officer accepting the tender for any work was also required to record measurements himself or exercise 100 *per cent* check on the measurements recorded by his subordinate.

Examination of records revealed that the Contractor was paid (March 2014) ₹ 1.09 crore for designing, engineering and construction of control room building including supply of Tools & Plants, labour, cement, reinforcement steel, form work, excavation etc. Detailed examination of the Running Account bills (RA bills) and the Measurement Book (MB) relating to the work revealed that full payment of ₹ 1.09 crore was made to the Contractor by recording a single entry in RA bills and MB. During the joint physical verification (17 June 2014) of the project site by the Audit team and the representatives of the Department, it was revealed that the construction of control room building was pending for completion (June 2014) as shown in photograph below:-

Photograph No.2.3.1



Photograph showing the ongoing construction of control room at Super Market

It may be seen that contrary to the provision of CPWD Code, the Department released the full payment of ₹ 1.09 crore to the Contractor before actual completion of work

⁸Voucher No.31 dated 20-11-2013

and without recording the detailed measurements of actual work executed by the Contractor.

The Department stated (October 2014) that directives would be issued to the EEs to furnish the MB and RA bills for necessary correction. The reply, however, did not address the issue of the payment already made before actual completion of work.

2.3.9.3. Avoidable expenditure

The Department had completed the construction of 132 KV Transmission Line from Doyang to Wokha during the year 1997-98. The transmission line, however, could not be charged due to insistence by North East Electric Power Corporation (NEEPCO) for having Power Line Carrier Commission (PLCC) link system for charging of line. In absence of the said PLCC link system, NEEPCO refused to inject the energy into the transmission line. The PLCC link work commenced during 2004-05. In the meantime, it was reported that 9 towers of the transmission line (location 7 to 15) collapsed due to theft of conductors and tower parts. The Department again took up the work of restoration of the nine collapsed towers in the year 2006. The transmission line, however, could not be charged even after spending an expenditure of ₹ 1.16 crore on the restoration work.

The Department awarded (March 2013) restoration work of 17 towers and re-conductoring of 49.77 Km to M/s National Power Systems, Dimapur (Contractor) at an estimated cost of ₹ 7.37 crore. The Contractor was paid ₹ 4.88 crore against three RA bills.

During examination of records, it was revealed that prior to award (March 2013) of work of restoration of 17 towers, the Department had constituted (2009) a joint inspection team to assess the extent of damages to the transmission line. According to the report (December 2009) of the inspection team, one tower at location 33 collapsed which also affected the adjoining two towers and five more towers were found damaged.

It was, however, noticed that contrary to the findings of the joint inspection team regarding damage of total 8 towers, the Department awarded (March 2013) the work for supply and erection of 17 towers and re-conductoring of 49.77 Km to the Contractor at a work order value of ₹ 7.37 crore.

Thus, the Department awarded the work for supply and erection of nine additional towers involving the works cost of ₹ 1.28 crore which was not in line with the report of the joint inspection team.

While replying to the PA, the Department did not offer any comments on the issue.

2.3.9.4 Transmission line from Dimapur to Chiephobozou

The Department took up (December 2010⁹) the construction of 220 KV Transmission Line from PGCIL Sub-station at Nagarjan, Dimapur to the new 100 MVA 220/132/33 KV Substation at Chiephobozou at a total cost of ₹ 49.58 crore (exclusive of NVAT).

⁹Work order No. CEL/TB/SSTL-CHP/A-006/1990-92, dated 9 December 2010.

The work order was amended¹⁰ on two occasions (February/April 2011) incorporating additional items on the same terms and condition. The cost of the work order was, however, revised (February 2011 and April 2011) to ₹ 84.20 crore (exclusive of NVAT). The amended work order involved supply and erection of 199 Transmission towers. In this connection the following observations are made:

(i) Excess projection of transmission tower

From examination of the records, it was found that prior to issuing (December 2010) the work order, the Department had entrusted¹¹ the work (April 2009) of conducting the detailed survey of the Transmission line to M/S Polyon Constructions Pvt. Ltd. Hyderabad (Consultant). As per the technical survey report of the Consultant forwarded (February 2012) by the EE, Transmission Division, Kohima to the CE, only 180 towers of various specifications were required to be constructed from the tapping point to Chiephobozou Substation. It was, however, noticed that against the actual requirement of 180 towers involving an estimated cost of ₹ 40.01 crore, the Department issued work order for construction of 199 towers at a total cost of ₹ 46.05 crore. Thus, the Department issued work order for 19 additional towers over and above the requirement resulting in additional expenditure of ₹ 6.04 crore (**Appendix-2.3.4**).

(ii) Additional projection on cost of cement

As per sub-clause (i) of clause (xiv) of the work order (December 2010) issued by the Department, the cost of concrete works to be executed under the work order was inclusive of the cost of cement. It was however, observed that the Department in the second amendment to the work order (April 2011) included additional amount of ₹ 1.25 crore against supply of 26170 bags of cement which was not justified.

Thus, due to execution of additional works beyond the requirement and injudicious amendment to work order providing for the cement cost separately there was undue increase in the cost of the project by ₹ 7.29 crore.

The Department stated (October 2014) that amendment in original work was made based on actual field survey and change in scope of work to overcome technical deficiency.

The reply is not acceptable as the technical survey report was submitted after conducting actual field survey which clearly indicated that only 180 towers were required. Further, allowing additional amount against the cement cost was unwarranted in view of the fact that the scope of concrete work already included the cost of cement as well.

Objectice-3:- To assess the operation and maintenance of the power infrastructure.

Electric-power transmission is the bulk transfer of electrical energy from generating power plants to electrical substations located near demand centres. Transmission lines, when inter-connected with each other become transmission networks. The

¹⁰ Nos. CEL/TB/SSTL-CHP/A-006/2039-41, dated 17 February 2011 and CEL/TB/SSTL-CHP/A-006/2120-21, dated 30 April 2011.

¹¹ Work order No. CEL/TB/SSTL-CHP/A-005/1163-65, dated 22 April 2009

combined transmission and distribution network is known as the Grid. Transmission lines carry high voltage electric power. The step-down transmission substation, thereafter, decreases voltages to sub transmission voltage levels for distribution to consumers. The distribution system includes lines, poles, transformers and other equipment needed to deliver electricity at specific voltages. Since electrical energy cannot be stored generation must be matched to need. Therefore, every transmission system requires a sophisticated system of control called grid management to ensure balancing of power generation closely with demand.

Examination of the records of the Department relating to operation and maintenance of the power infrastructure revealed the following:

2.3.10.1 Energy import and own generation

North East Region Load Despatch Centre (NERLDC) was the principal source for import of energy by the State. NERLDC maintained the data on the quantum of energy purchased by the State as well as energy input from its own generation. The data on the energy inputs from outside purchase as well as from own generation of the State is also simultaneously maintained by the State Load Despatch Centre (SLDC) and the office of the CE. Examination of information gathered from above three sources revealed variations in the quantum of energy purchased and own generation recorded by NERLDC, CE and SLDC as summarised below:-

Table No.2.3.4

Year	Energy Input as per NERLDC (In MU)		Energy Input as per SLDC (In MU)		Energy Input as per office of the Chief Engineer (In MU)	
	Import	Own Generation	Import	Own Generation	Import	Own Generation
2009-10	403.12	73.49	403.12	73.17	439.00	73.36
2010-11	451.05	70.15	451.05	75.60	502.10	76.34
2011-12	440.32	87.72	440.32	73.84	512.54	87.20
2012-13	453.35	92.85	453.30	95.57	479.38	95.76
2013-14	509.00	103.60	505.05	105.15	512.92	107.00
Total	2256.84	427.81	2252.84	423.33	2445.94	439.66

Source:- NERLDC report and Departmental records

As there were variations in the information provided by NERLDC, CE and SLDC, the actual quantum of own generation and energy purchased could not be authenticated and analysed. The inconsistencies in maintenance of basic data by three authorities indicated lack of transparency and non-existence of proper system of energy audit in the Department.

In reply (October 2014), the Department had accepted the facts.

2.3.10.2 Energy Demand and Purchase Discipline

Unscheduled generation and drawal of energy place the whole grid and other electrical equipment into danger due to dumping of large fluctuations in frequencies

in the system.

Unscheduled Interchange (UI) is the mechanism developed to improve grid efficiency by ensuring discipline, accountability and responsibility of the stakeholders. The UI mechanism requires imposing of penalty in the form of UI charges on those who deviate from the approved schedule of generation or drawal of energy.

The detailed examination of records of the Department revealed that during 2009-14, the Department had drawn total energy of 2256.84 MUs from NER grid which exceeded the scheduled energy by 374.23 MU (20 *per cent*) as given below:

Table No.2.3.5

Year	Scheduled Energy (MU)	Energy actually drawn (MUs)	Difference in MUs (Column 3-2)	Percentage of Over-drawal (Column 4/2)
1	2	3	4	5
2009-10	301.85	403.12	101.27	34
2010-11	353.74	451.05	97.31	28
2011-12	340.05	440.32	100.27	29
2012-13	411.52	453.35	41.83	10
2013-14	475.45	509.00	33.55	7
Total	1882.61	2256.84	374.23	20

Source: As per NERLDC figure

It can be seen that the percentage of over-drawal of energy against the scheduled energy declined from 34 *per cent* in 2009-10 to 7 *per cent* in 2013-14. The decreasing trend in the percentage of over-drawal during 2009-14 despite year-wise increase in the energy drawal by the Department was mainly due to consistent increase in allocation of energy from NERLDC. The Department, however, had to pay the UI charges of ₹101.46 crore (including additional UI charges of ₹ 8.34 crore) during five years period as discussed under **Para 2.3.10.3** *intra*, which indicated absence of effective monitoring and lack of discipline in consumption and drawal of energy.

2.3.10.3 Payment of UI Charges

The Department needs to maintain discipline in generation and drawal of energy as per the schedule. In case of any deviation to the approved schedule of generation or drawal of energy, the Department was liable to pay the UI charges. Further, in case of over drawal of energy at the frequency level below 50.5 Hz. the Department was also liable to pay additional UI Charges.

Examination of records revealed that during 2009-14, the NERLDC had imposed a total UI Charges of ₹ 101.46 crore (including additional UI charges of ₹ 8.34 crore) on the Department due to over drawal of energy as per details given below:

Table No.2.3.6

Year	Actual UI charges payable as per NERLDC (₹ in crore)	Addl. UI charges payable	Total UI charges payable	UI charges paid including interest (₹ in crore)	Interest paid (₹ in crore)
1	2	3	4	5	6
2009-10	22.52	1.32	23.84	14.20	0.12
2010-11	20.31	2.08	22.39	20.89	0
2011-12	26.90	3.51	30.41	32.06	0.79
2012-13	15.70	1.31	17.01	22.10	0.39
2013-14	7.69	0.12	7.81	7.95	0.75
	93.12	8.34	101.46	97.20	2.05

Source: NERLDC figure

It can be seen that although the figures of year-wise UI charges payable showed decreasing trend after 2011-12, the amount of the UI charges paid during 2012-13 and 2013-14 was still significant and needs to be controlled by maintaining discipline in drawal of energy. Further, the Department had to bear an interest liability of ₹ 2.05 crore on account of delay in payment of UI which could have been avoided by prioritising the payments against UI Charges.

The Department stated (October 2014) that payment of UI Charges is unavoidable. Regarding delay in payment of UI Charges, it was added that being a Government Department, the power purchase fund is not always secured at all times.

The reply is not acceptable as the Department could have minimised the payment against UI Charges with efficient load management and could have also avoided the interest liability through prudent financial management.

2.3.10.4 Technical and Commercial Loss

Aggregate Technical and Commercial (AT &C) loss¹² is difference between the quantum of energy injected in the system and the energy units against which payment is actually collected.

The details of transmission losses of the Department during the five years from 2009-10 to 2013-14 are given below:

¹² AT&C loss = {1 - (Billing efficiency x Collection efficiency)} x 100

Where

Billing Efficiency = $\frac{\text{Total Units sold (MU)}}{\text{Total Input (MU) and}}$

Collection Efficiency = $\frac{\text{Revenue collected (₹)}}{\text{Amount Billed (₹)}}$

Table No.2.3.7

Particulars	Unit	Year					Total
		2009-10	2010-11	2011-12	2012-13	2013-14	
Power received for transmission within the State	MU	497.69 ¹³	543.43	549.69	550.54	604.68	2746.03
Net power billed/ sold within the State	MU	249.88	284.93	317.45	350.08	394.50	1596.84
Energy realised	MU	181.86	237.14	214.89	197.90	245.00	1076.79
Billing efficiency	Percentage	50.21	52.43	57.75	63.59	65.24	
Collection efficiency	Percentage	72.78	83.23	67.69	56.53	62.10	
Aggregate Technical and Commercial loss	Percentage	63.46	56.36	60.91	64.05	59.48	
	MU	315.83	306.29	334.80	352.64	359.68	1669.24
Less AT&C loss as per CEA norms	Percentage	15	15	15	15	15	
AT&C loss in excess of CEA norm	Percentage	48.46	41.36	45.91	49.05	44.48	
	MU	241.18	224.76	252.36	270.04	268.96	1257.30
Average Domestic consumers realization rate	In ₹	3.79	3.79	3.79	4.15	4.38	
Actual AT&C loss at realization rate	₹ in crore	91.41	85.19	95.64	112.07	117.81	502.12

Source: Departmental figure

It can be seen that the overall percentage of AT&C losses during the last five years varied between 56.36 *per cent* (2010-11) and 64.05 *per cent* (2012-13) which had exceeded the CEA norms by 41.36 *per cent* (2010-11) to 49.05 *percent* (2012-13). The quantum of AT&C loss above the CEA norm was 1257.30 MU valuing ₹ 502.12 crore¹⁴ during 2009-10 to 2013-14.

While submitting reply to the PA, the Department did not offer any comments on the issue.

2.3.10.5 Defective meters

To examine the reasons for AT&C losses, the year-wise information on the number of defective meters existing under the four test checked distribution divisions during 2009-10 to 2013-14 was obtained, which is summarised as under:

Table No.2.3.8

Name of the Division	2009-10	2010-11	2011-12	2012-13	2013-14
Kohima	4166	4577	3605	3418	3289
Dimapur	2935	4196	1327	1050	419
Chumukedima	3541	2250	2677	2679	1324
Mokokchung	5021	3986	3487	2464	3248
Total	15663	15009	11096	9611	8280

Source: Departmental figure

As could be seen from the above table, during the five years from 2009-10 to 2013-14, the total number of defective meters in four selected divisions ranged between 8280 (2013-14) and 15663 meters (2009-10).

¹³ Net of system losses from supplier's generating point to the energy receiving point of the Department.

¹⁴ Worked out on the basis of average realization rate of domestic consumers

The energy consumed by the consumers against defective meters was billed on average basis, which contributed towards short fall in the annual revenue targets set by the Department. Although there has been a decreasing trend in the year-wise figures of the defective meters in four divisions, the Department needs to take appropriate steps to replace all defective meters within the prescribed time limits so as to minimise the revenue leakages on this account.

While submitting reply to the PA, the Department did not offer any comments on this issue.

2.3.10.6 Consumers without meter

As per the information obtained from the four test checked divisions it was observed that during 2009-14, the total number of regular consumers without meters ranged between 1686 consumers (2013-14) and 6767 consumers (2009-10) as detailed in the following table:

Table No.2.3.9

Name of the Division	2009-10	2010-11	2011-12	2012-13	2013-14
Kohima	76	124	87	80	58
Dimapur	0	0	0	0	0
Chumukedima	5309	4921	4990	5002	1603
Mokokchung	1382	558	289	75	25
Total	6767	5603	5366	5157	1686

Source:- Departmental figure

From the table it can be seen that although the year-wise number of un-metered consumers was on decreasing trend during five years period, the Department needs to provide 100 *per cent* metering so as to avoid loss of revenue on this account.

No specific reply was offered by the Department on this issue.

2.3.10.7 Operations of Likhimro Hydro Electric Project

The Likhimiro Hydro Electric Project (LHEP) is the only source of own Generation for the Department. The Department, however, did not have the technical competence to operate the LHEP. As such, the Department had leased¹⁵ out (March 2008) the Operation and Maintenance of the LHEP to NEC Energy Private Limited (Lessee) for a period of 10 years from the date of signing of the agreement. As per the Lease Agreement, the Lessee was required to generate 105.12 MU of energy per annum. The energy so generated by the lessee from LHEP, was to be purchased by the Department at the rate of ₹ 1.17 per Kilowatt Hour (KwH). The rate of energy was subject to upward revision every two years at a rate of ₹ 0.05 per KwH.

¹⁵Agreement signed on 23 March 2006

Examination of records of the Department revealed the following:-

(i) Excess payment

During 2009-10 to 2013-14, the Department had paid an amount aggregating ₹ 57.10 crore to the Lessee against the cost of energy generated from LHEP. The comparative details of actual energy received by the Department from LHEP for distribution by SLDC vis-a-vis the cost of energy paid to the Lessee for the years from 2009-10 to 2013-14 are as under:-

Table No.2.3.10

(₹ in crore)

As per bill and payment vouchers of Lessee				As per SLDC records			
Year	Energy (MU)	Amount paid	Admissible rate as per MOU	Actual Energy received	Difference in energy (MU)	Amount actually payable	Excess amount paid to NEC Energy Ltd.
2009-10	76.36	9.32	₹ 1.22	73.17	3.19	8.93	0.39
2010-11	74.36	10.35	₹ 1.27	75.60	-1.24	10.35	0
2011-12	87.20	11.07	₹ 1.27	73.84	13.36	9.37	1.70
2012-13	95.76	12.61	₹ 1.32	95.56	0.20	12.61	0.00
2013-14	104.15	13.75	₹ 1.32	104.15	0	13.75	0
Total	437.83	57.10		422.32	15.51	54.99	2.09

Source: Departmental records

From the above table, it could be seen that as per the records of the State Load Dispatch Centre (SLDC) the Department has received 422.32 MU of energy during the last five years 2009-14. As against this, the Department had made payment to the Lessee towards the cost of 437.83 MUs of energy resulting in excess payment of ₹ 2.09 crore against 15.51 MU of energy.

While submitting reply to the PA, the Department did not offer any comment on the issue.

(ii) Expenditure on import of energy.

Since LHEP was the only source of own generation for the State, any shortfall in Generation by LHEP necessitates the State to resort to import of energy at higher rates so as to meet the energy requirement of the State.

As per the agreed terms of the Lease Agreement, the Lessee was required to generate minimum 105.12 MUs of energy per annum from LHEP and supply the same to the Department. It was, however, noticed that during the years from 2009-10 to 2013-14, the own Generation under LHEP ranged between 73.17 MUs (2009-10) and 104.15 MUs (2013-14) aggregating to total Generation of 422.32 MUs as against the assured minimum generation of 525.60 MUs in five years period. Hence, there was a shortfall of 103.28 MUs of energy against the agreed generation in five years which had to be compensated by the Department through import of energy from outside sources causing an extra expenditure of ₹ 16.63 crore on this account.

While confirming the facts, the Department stated (October 2014) that the variation was on account of rainfall pattern and scheduled plant shut down for minor and major maintenance works.

While appreciating the contention of the Department it may be mentioned that the Department had to bear extra expenditure on procurement of energy to the extent of shortfall in assured generation by the Lessee.

2.3.10.8 Duilum Roi MHEP

The Duilum Roi Mini Hydel Project was commissioned (8 November 1991) at a total cost of ₹ 2.13 crore. It was observed that during the last five years ending 2013-14, the plant generated 1.445 MU of energy. It was further observed that till date (September 2014) the supply of energy generated from the plant was not synchronized with the grid. In the absence of information on retail sale of energy to consumers, the actual utilisation of the energy generated from Duilum Roi MHEP and its impact on revenue generation could not be assessed.

The Department stated (October 2014) that the plant was designed to operate in isolation with the grid and during good monsoons, nearby villages connected with the grid are fed from the plant.

The Department, however, could not furnish the details of revenue earned out of the energy generated from the plant.

2.3.10.9 State Load Despatch Centre (SLDC)

The Department commissioned (January 2004) Remote Terminal Unit (RTU) network to enable real time load management with backup facilities at 132 KV sub-station at Dimapur known as the State Load Dispatch Centre. It was, however, observed that against four RTUs installed at import/export points (Dimapur, Kohima, Aolichen and Naginimora), only two RTUs (Dimapur and Kohima) were functional and therefore, the Department was unable to exercise adequate control in monitoring of the load flow on real time basis. It was further noticed that the SLDC was not provided with adequate manpower and infrastructure. As such, the SLDC could not monitor and assess the data of actual energy injected to the sub-stations and its utilisation.

Thus, absence of dedicated SLDC and functional RTUs impeded assessment of actual input of energy in Transmission, Sub-transmission and Distribution networks.

While submitting the reply to the PA, the Department did not offer any comment on the issue.

Objective-4:- To assess the efficiency and effectiveness of the Financial Management system of the Department.

2.3.11.1 Budget and Expenditure Control

The year wise position of budget allocation vis-a-vis actual expenditure of the Department for the last five years ending 2013-14 is given below:

Table No.2.3.11

(₹ in crore)

Year	Budget		Actual		Excess (+)/savings (-)	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
2009-10	100.86	168.58	90.41	168.58	(-) 10.45	0
2010-11	72.58	220.89	59.27	220.89	(-) 13.31	0
2011-12	100.90	291.37	77.18	291.37	(-) 23.72	0
2012-13	122.70	296.41	72.06	298.45	(-) 50.64	(+) 2.04
2013-14	111.48	308.99	57.98	286.42	(-) 53.50	(-) 22.57
Total	508.52	1286.24	356.90	1265.71	(-) 151.62	(-)20.53

Source:-Departmental figures

It can be seen that the Department could not utilise the funds provided under Plan head in any of the five years from 2009-10 to 2013-14 covered in the PA. The unutilised budget allocation under the Plan head showed an increasing trend during the period 2009-14 and the same ranged between ₹ 10.45 crore (2009-10) and ₹ 53.50 crore (2013-14). Under the Non-Plan head, there was under utilisation of budget allocation to the extent of ₹ 22.57 crore in one year (2013-14) out of five years. The trend of significant savings under the Plan head during the five years covered under the PA was indicative of the inadequacy of capital expenditure incurred by the Department on creation of the power infrastructure in the State.

2.3.11.2 Non-reconciliation of Expenditure figures

The Accountant General (Accounts & Entitlements), Nagaland ((AG (A&E)) prepares the Appropriation Accounts of the State Government each year summarising the Department wise figures of actual expenditure vis-à-vis budget allocation under the Plan and Non-Plan heads. The expenditure figures are obtained by AG (A&E) from the Monthly Accounts and Expenditure vouchers furnished by the State Government Departments through the State Treasuries.

During the course of the present PA, year-wise figures of the expenditure for the years 2009-10 to 2013-14 were obtained from the Department of Power (Department). It was, however, noticed that the figures of year-wise expenditure as furnished by the Department were at variance with the figures booked in the Appropriation Accounts of the Government as detailed below:

Table No.2.3.12

(₹ in crore)

Year	Final Expenditure as per appropriation accounts (Both revenue and capital)	Total expenditure as furnished by the Department	Difference
2009-10	243.51	261.21	17.70
2010-11	280.04	285.46	5.42
2011-12	376.69	390.27	13.58
2012-13	428.07	388.05	40.02
2013-14	371.39	349.80	21.59

According to the arrangement in place, it is the responsibility of the Department to reconcile the departmental figures of expenditure with the figures in the books of the

State Treasuries and the AG (A&E) regularly so as to have proper control over the flow of expenditure as well as to avoid possibilities of any misclassification, misappropriation or fraud. However, the Department did not reconcile the figure of expenditure during the period of PA. As a result, the differences in the figure of expenditure remained unexplained.

While accepting the facts (October 2014) the Department assured that necessary steps would be taken to reconcile differences in the figures.

2.3.11.3 Diversion of fund

The National Bank for Agriculture and Rural Development (NABARD) sanctioned a loan (₹ 29.92 crore) bearing interest of 6.5 *per cent* in favour of the Department for implementation of five hydro electric projects¹⁶.

As per the loan agreement, the loan amount was to be utilised for the intended purposes only and any diversion of loan funds on other purposes was prohibited. During examination of records, it was observed that out of the total loan amount of ₹ 25.36 crore availed (March 2009/June 2010) by the Department, an amount of ₹ 8.55 crore only was utilised for intended purpose while an amount aggregating ₹ 15.90 crore was remitted (October 2011) to Government Accounts as per the direction of the Finance Department. The balance amount of ₹ 0.91 crore was diverted (December 2010 and March 2011) by the Department towards procurement of vehicle, bull dozers and excavator (JCB) in violation of the loan agreement.

The Department availed (March 2013) another loan of ₹ 4.56 crore from NABARD for implementation of Doyang Project Phase III-V incorporated in the 11th Five Year Plan. It was, however, noticed that excepting the construction of link road to Doyang Hydro Electric Project (DHEP) at a cost of ₹ 1.32 crore, no other project activity was taken up by the Department so far (September 2014). Further, out of the remaining project fund of ₹ 3.24 crore, an amount of ₹ 0.68 crore was diverted (October 2013-February 2014) by the Department towards procurement of vehicles. The balance loan amount of ₹ 2.56 crore was retained by the Hydel Construction Division of the Department (November 2014).

Irregular diversion of the project fund on procurement of vehicles, bull dozers and excavator had hampered the implementation of the projects as per the approved schedule.

While accepting the facts (October 2014) the Department stated that the funds were diverted as per the Government directive.

The reply is not acceptable as diversion of project funds in violation of loan conditions was irregular and had caused adverse impact on implementation of the projects.

¹⁶Lang MHEP; Tulo MHEP; Doyang Stage-III; Doyang Stage-V; Rio Road Doyang and Tohok MHEP

2.3.11.4 Target and Achievement of Revenue

The year-wise position of targets fixed by the Department for collection of revenue and actual achievement there-against for the years from 2009-10 to 2013-14 in respect of four out of ten D&R divisions test checked in Audit is given below:-

Table No. 2.3.13

(₹ in crore)

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Kohima Division					
Revenue target	10.50	12.04	26.87	26.60	34.03
Actual achievement	10.25	12.04	17.92	18.02	22.88
Dimapur Division					
Revenue target	NA	27.14	40.56	81.93	96.65
Actual achievement	21.58	24.18	29.45	29.18	35.04
Chumukedima Division					
Revenue target	4.41	6.26	16.54	13.92	17.54
Actual achievement	4.00	5.27	6.85	6.53	7.76
Mokokchung Division					
Revenue target	2.73	3.79	9.33	8.83	10.41
Actual achievement	2.74	2.75	4.14	4.87	5.25
Total revenue target	17.64¹⁷	49.23	93.30	131.28	158.63
Total achievement (per cent)	16.99 (96.30)	44.24 (89.90)	58.36 (62.60)	58.60 (44.60)	70.93 (44.70)
Short fall (per cent)	0.65 (3.70)	4.99 (10.10)	34.94 (37.40)	72.68 (55.40)	87.70 (55.30)

Source: Departmental figure

It could be seen that excepting marginal increase of 0.10 *per cent* during 2013-14, the percentage of actual collection against the year-wise revenue targets fixed in four test checked divisions during 2010-11 to 2013-14 was showing a decreasing trend. As against the short fall of ₹ 4.99 crore (10.10 *per cent*) in achievement of revenue targets during 2010-11, the actual collection of revenue during 2013-14 fell short of the targets by ₹ 87.70 crore (55.30 *per cent*). The deficiency in achievement of the revenue targets was attributable to inefficiencies in the billing and collection process as discussed in succeeding paragraphs.

While submitting reply to the PA, the Department did not offer any comment on this issue.

2.3.11.5 Billing and Collection efficiency

(i) Billing Efficiency

Billing efficiency¹⁸ ratio is an indicator of the efficiency of an organisation in billing of the recoverable dues against the energy actually supplied (both metered and un-metered) in an area.

¹⁷ Excluding Dimapur Division for 2009-10.

¹⁸ Billing Efficiency = $\frac{\text{Total Units Sold (kWh)} \times 100}{\text{Total Input (kWh)}}$

During the period of five years covered under the PA, total 2746.03 MU of energy was injected into the system out of which bills were raised for only 1596.84 MU (58 *per cent*). The bills for the balance 1149.19 MU (42 *per cent*) of energy valued at ₹ 393.16 crore were not raised as detailed below:-

Table No. 2.3.14

(Money value ₹ in crore)

Particulars	2009-10		2010-11		2011-12		2012-13		2013-14		Total	
	In MU	Money Value	In MU	Money Value	In MU	Money Value	In MU	Money Value	In MU	Money Value	In MUs	Mone Value
Energy input	497.69	116.13	543.43	148.57	549.69	210.09	550.54	211.00	604.68	186.03	2746.03	871.82
Energy billed	249.88	64.96	284.93	75.33	317.45	103.84	350.08	113.88	394.50	120.65	1596.84	478.66
Difference	247.81	51.17	258.50	73.24	232.24	106.25	200.46	97.12	210.18	65.38	1149.19	393.16
Percentage of energy input and billed	50		52		58		64		65		58	

Source: Departmental figure

Though the overall trend of billing efficiency during the five years showed an improvement from 50 *per cent* (2009-10) to 65 *per cent* (2013-14), 35 *per cent* of the energy was not billed in 2013-14 which was quite significant and involved a revenue loss of ₹ 65.38 crore for the year. The revenue loss on this account during the five year period was at ₹ 393.16 crore, which was substantial and warrants for immediate attention of the Department for taking appropriate remedial action.

The efficiency of billing was examined in detail in respect of the four out of ten D&R divisions test checked by Audit. The year-wise position of the energy input and billed for the years from 2009-10 to 2013-14 under these four divisions was as follows:-

Table No. 2.3.15

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Kohima Division					
Energy Input (in MU)	76.27	84.34	85.72	82.68	84.61
Energy billed (in MU)	46.64	45.78	40.75	61.80	66.97
Billing efficiency	61	54	48	75	79
Dimapur Division					
Energy Input (in MU)	166.41	181.75	205.78	199.79	177.08
Energy billed (in MU)	104.54	101.11	103.35	94.72	89.67
Billing efficiency	63	56	50	47	51
Chumukedima Division					
Energy Input (in MU)	47.96	55.24	46.46	44.37	48.13
Energy billed (in MU)	18.10	18.92	22.72	22.17	19.83
Billing efficiency	38	34	49	50	41
Mokokchung Division					
Energy Input (in MU)	38.36	48.64	39.46	38.22	38.23
Energy billed (in MU)	17.27	21.03	20.76	21.61	20.81
Billing efficiency	45	43	53	57	54

Source: Departmental figure

The position of billing efficiency in the four test checked divisions was as under:

Kohima:- The billing efficiency showed an improving trend after 2011-12. The billing efficiency of the division during 2013-14 (79 *per cent*) was the highest among the four divisions test checked.

Dimapur:- The billing efficiency continuously decreased from 63 *per cent* in 2009-10 to 47 *per cent* in 2012-13 and marginally increased to 51 *per cent* in 2013-14.

Chumukedima:- The billing efficiency in Chumukedima was the lowest among the four divisions and the same stood at 41 *per cent* during 2013-14.

Mokokchung:- The billing efficiency varied between 43 *per cent* (2010-11) and 57 *per cent* (2012-13) during the five years.

The position of the billing efficiency in four test check divisions as explained above is a pointer towards possibilities of lacunae in billing system as well as existence of large number of consumers with defective meters. Further the possibility of manipulation in meter readings also could not be ruled out.

While submitting the reply to the PA, the Department did not offer any comment on the issue.

(ii) Collection Efficiency

The ratio of amount collected to the total amount billed is termed as collection efficiency. Collection efficiency is measured using formula given in footnote¹⁹.

During the period of five years covered under the PA, it was noticed that as against total 1596.84 MU of energy (valuing ₹ 478.66 crore) billed during 2009-14, the Department could collect an amount of ₹ 312.99 crore only leaving an unrealised amount aggregating ₹ 165.67 crore. The overall collection efficiency of the Department during the period covered in audit ranged between 57 *per cent* (2012-13) and 83 *per cent* (2010-11) as detailed below:-

Table No.2.3.16

(₹ in crores)

Particulars	2009-10		2010-11		2011-12		2012-13		2013-14		Total	
	In MU	Money Value	In MU	Money Value	In MU	Money Value	In MU	Money Value	In MU	Money Value	In MUs	Money value
Energy billed	249.88	64.96	284.93	75.33	317.45	103.84	350.08	113.88	394.50	120.65	1596.84	478.66
Cost of Energy realised	181.86	44.76	237.14	52.02	214.89	64.58	197.90	67.73	245.00	83.90	1076.79	312.99
Difference	68.02	20.20	47.79	23.31	102.56	39.26	152.18	46.15	149.50	36.75	520.05	165.67
Percentage of energy realised to energy billed	73		83		68		57		62		67	

Source: Departmental figure

¹⁹Collection Efficiency= $\frac{\text{Revenue Collected (in ₹)} \times 100}{\text{Billed Amount (in ₹)}}$

The position of revenue collection in the four test checked divisions was as under:-

Table No.2.3.17

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Kohima Division					
Cost of energy sold (₹ in Crore)	11.94	12.36	18.34	32.89	26.79
Revenue collected (₹ in Crore)	10.25	12.04	17.92	18.02	22.88
Percentage in collection efficiency	86	97	98	55	85
Dimapur Division					
Cost of energy sold (₹ in Crore)	30.46	29.94	38.05	49.02	51.49
Revenue collected (₹ in Crore)	21.69	23.70	27.88	27.75	35.04
Percentage in collection efficiency	71	79	73	57	68
Chumukedima Division					
Cost of energy sold (₹ in Crore)	4.95	6.10	8.81	10.26	15.63
Revenue collected (₹ in Crore)	4.00	5.27	5.88	6.56	7.76
Percentage in collection efficiency	81	86	67	64	50
Mokokchung Division					
Cost of energy sold (₹ in Crore)	5.51	6.71	8.50	6.90	6.87
Revenue collected (₹ in Crore)	2.74	2.74	4.14	4.87	5.25
Percentage in collection efficiency	50	41	49	71	76

Source: Departmental figure

The collection efficiency in Kohima Division showed an increasing trend during 2013-14 excepting one year (2012-13). The collection efficiency in Kohima division was the highest among four divisions at 85 *per cent* during 2013-14.

In Dimapur Division, the collection efficiency showed a decreasing trend during 2011-13. The collection efficiency however, marginally improved to 68 *per cent* during 2013-14.

The collection efficiency of Chumukedima Division showed a decreasing trend after 2010-11 and was at the lowest (50 *per cent*) among four divisions during 2013-14.

Mokokchung Division recorded significant improvement in the collection efficiency after 2010-11 and was at 76 *per cent* during 2013-14.

The inefficiency in collection indicated lack of effective monitoring and prompt action by the Department against the defaulters which might include disconnection of supply.

While accepting the facts (October 2014) the Department stated that a High Power Committee headed by the Chief Secretary had been constituted to recommend both short and long term measures to improve commercial performance of the Department.

2.3.11.6 Revenue Arrears

Revenue earned through sale of energy is accounted as non-tax revenue of the State Government. The revenue collected during the year is then routed through budgetary support for allocation to various Departments of the State Government under Plan and Non-Plan heads. For revenue deficit State like Nagaland, timely realisation and

deposit of the revenue by the Department into the Government Account is essential for the State Government to assess and prioritise the sectors for allocation of funds.

During the last five years, the four out of ten D&R division test checked by Audit had reported significant revenue arrears as shown below:-

Table No.2.3.18

Name of the Division	Revenue Arrears (₹ in crore)				
Years	2009-10 ²⁰	2010-11	2011-12	2012-13	2013-14
Kohima	11.40	12.89	14.23	18.59	24.92
Dimapur	58.35	64.91	74.04	95.36	120.42
Chumukedima	7.11	8.18	11.70	14.30	18.00
Mokokchung	NA	1.32	1.50	2.00	2.47
Total	76.86	87.30	101.47	130.25	165.81

From the above table it could be seen that during the period of five years from 2009-10 to 2013-14, the revenue arrears had accumulated by 116 *per cent* from ₹ 76.86 crore (excluding Mokokchung division) in 2009-10 to ₹ 165.81 crore in 2013-14.

Accumulation of huge revenue arrears indicated lack of transparency in collection process and ineffective monitoring of dues receivable, which warrant for immediate attention of the Department for remedial action.

While submitting reply to the PA, the Department did not offer any comment on the issue.

2.3.11.7 Retention of Revenue

According to sub-clause 1 of Rule 6 of Receipt and Payment Rules, all moneys received by or tendered to Government officers on account of revenues or dues of the Government are required to be remitted into the accredited bank without undue delay for inclusion in Government Account.

During the last five years ending 2013-14, the EEs of three test checked D&R Divisions collected a revenue of ₹ 247.67 crore out of which an amount of ₹ 247.40 crore was deposited to the Government Account. In the absence of necessary information/records, the extent of delays in remitting the cash collection to Government Accounts in individual cases could not be analysed by Audit. It was, however, observed that the three EEs had irregularly retained the daily revenue cash collection ranging from ₹ 0.13 crore to ₹ 0.49 crore at the end of each year during 2009-14 as shown below:-

²⁰ Including the opening revenue arrears as on 31 March 2009

Table No.2.3.19

(₹ in crores)

Year	Opening Balance	Revenue collected during the year	Amount deposited to Govt. account	Amount retained at the end of the financial year
2009-10	0.21	35.67	35.71	0.17
2010-11	0.17	41.32	41.36	0.13
2011-12	0.13	52.43	52.43	0.13
2012-13	0.13	52.81	52.45	0.49
2013-14	0.49	65.44	65.45	0.48
Total		247.67	247.40	0.48

Source:-Department figure

Undue retention of cash collected against Government revenue is not only against the canon of financial propriety but is also susceptible to misappropriation of funds. During examination of records of the Department it was also noticed that there were three instances of misappropriation of revenue to the tune of ₹ 0.52 crore by the employees of the Department during the period covered in the PA.

The Department in reply stated (October 2014) that retention is unavoidable as revenues are collected at multiple counters. However, the Department assured to take corrective measures to reduce the amount of retention.

While appreciating the reply, it may be stated that the Department should ensure that the entire revenue collected is remitted to the Government Account without undue delay.

Objective-5:- To assess the adequacy and effectiveness of the monitoring mechanism of the Department.

Monitoring is a systematic and timely collection of information from all levels. Monitoring enables the decision making authority to evaluate and manage utilisation of available resources based on the past experiences.

2.3.12 Deficient monitoring

Examination of records revealed inadequacies in the monitoring mechanism of the Department. There were inconsistencies in the data maintained by different authorities regarding the quantum of energy purchased, energy generated from own sources, energy input into the system etc. Further, remedial measures were not taken by the higher authorities to address the shortfall in achievement of performance targets and deficiencies in billing and collection of revenue.

While submitting reply to the PA (October 2014), the Department did not offer any comment on the issue.

Conclusion

The State was highly dependent on purchase of energy from Central Generating Stations on account of limited own generation capacity. The Department did not have sufficient financial resources of its own for implementation of power projects. Therefore, the short term plans prepared by the Department for development of power infrastructure in the State were based solely on the anticipated availability of project funds under Centrally Sponsored Schemes and the grants/loans from North Eastern Council/Financial Institutions. The Department could complete only 5 projects (1 Generation and 4 Transmission) out of 15 major projects proposed for execution under the 11th Five Year Plan (2007-12) as of September 2014.

The management and execution of projects by the Department was not efficient and economic. The Department allowed exorbitantly high margin of upto 763 *per cent* to the suppliers in respect of eight major works executed during 2009-14. Instances of incurring avoidable capital expenditure were also noticed on account of execution of work components beyond actual requirement.

Inconsistencies were noticed in maintenance of basic data relating to actual quantum of own generation and energy purchased indicating lack of transparency and non-existence of a proper system of Energy Audit in the Department. The Department also failed to maintain effective discipline in drawal of energy as per the approved schedule resulting in avoidable payment of Unscheduled Interchange (UI) charges of ₹ 101.46 crore during 2009-14. The quantum of Aggregate Technical & Commercial (AT&C) Losses incurred by the Department exceeded the Central Electricity Authority (CEA) norms in all five years. The outsourced operations of the Likhimro Hydro Electric Project (LHEP) were also not satisfactory which necessitated import of additional energy at higher costs.

The Department of Power also did not also utilise an amount of ₹ 151.62 crore out of the budget allocations made by the State Government for capital works under the Plan head during 2009-14.

The billing and collection efficiency of the Department was dismal as bills were not raised against 42 *per cent* of the energy injected into the system and 33 *per cent* of the energy bills raised remained unrealised.

The monitoring mechanism of the Department was not effective in the absence of proper systems for taking remedial measures to address the inconsistencies in maintenance of various data and shortfall in achieving the targets.

Recommendation

- The Department should make efforts to increase its own generation capacities by effectively utilising the budget allocations made by the Government to reduce dependency on outside purchase of power.
- The execution of the projects should be planned after conducting detailed feasibility study and duly considering the state specific requirements through comprehensive surveys.

- The project works should be awarded after conducting market survey to avoid extra financial payments.
- The Department should devise effective systems to ensure efficient billing and collection of revenue.
- A proper system should be introduced for conduct of periodic Energy Audit in the Department.

IRRIGATION AND FLOOD CONTROL DEPARTMENT

2.4 Performance audit on the implementation of Accelerated Irrigation Benefit Programme

The main activities of the Irrigation & Flood Control Department are construction of irrigation projects under Accelerated Irrigation Benefit Programme (AIBP) with an objective to create sufficient Irrigation Potential in the State to provide Sustainable Agriculture to increase food production and economic viability of the farming community. To assess the impact of AIBP in the State a performance audit for the period 2009-14 was conducted. The major observations noticed are highlighted below:

Highlights

Projects were selected without conducting surveys. As a result, 14 projects for ₹ 1.70 crore were constructed in areas without water sources and 8 projects for ₹ 3.64 crore beyond the vicinity of Culturable Command Areas.

(Paragraphs 2.4.7.3, 2.4.7.5 & 2.4.7.6)

An amount of ₹ 0.73 crore was paid based on fictitious measurements though the projects were either incomplete or abandoned.

(Paragraph 2.4.9.2)

Three projects were abandoned due to non-maintenance/poor workmanship which resulted in unfruitful expenditure of ₹ 4.62 crore.

(Paragraph 2.4.9.4)

Ineffective participatory irrigation management system led to non-maintenance of 87 projects valued at ₹ 35.30 crore. Besides, a completed project (₹ 2.30 crore) remained un-utilised due to non-provision of CC channel.

(Paragraph 2.4.10)

Monitoring cell did not carry out proper monitoring during implementation of Minor Irrigation projects.

(Paragraph 2.4.11)

Impact of the AIBP could not be assessed due to non-maintenance of records on actual creation of Culturable Command Areas, the total area irrigated, cropping intensity and patterns etc.

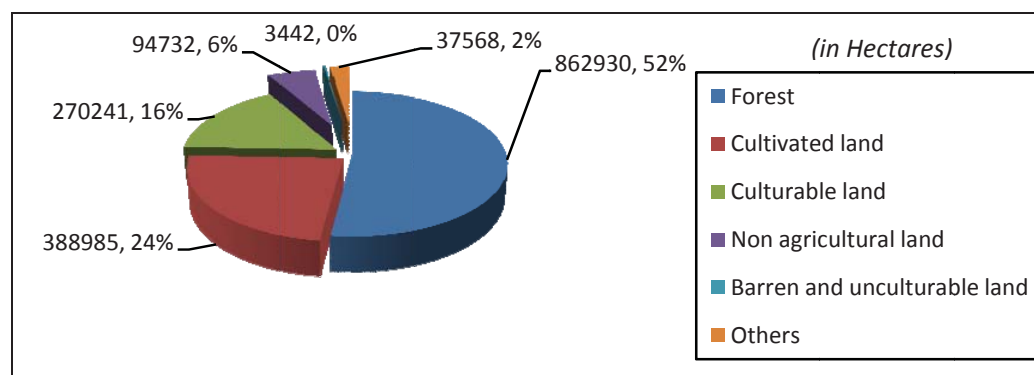
(Paragraph 2.4.12)

2.4.1 Introduction

2.4.1.1 Profile of Nagaland

Nagaland is predominantly a hilly State where over 89 *per cent* of the population is dependent on agriculture for their livelihood. Water plays the most vital role for successful agriculture produce. The overall land use pattern in the State shows that 52 *per cent* of the land is covered with forests (chart 1). After deducting the barren land and area under non-agricultural use, 24 *per cent* of the land holds potential for being brought under cultivation.

Chart-1
Land use pattern in Nagaland (2008-09)
(Source: Departmental figure)



2.4.1.2 Accelerated Irrigation Benefit Programme

The Government of India (GoI) introduced Accelerated Irrigation Benefit Programme (AIBP) in Nagaland during 1999-2000 with 468 projects to irrigate 13772 hectares of potential land. From the inception of the programme till 2008-09, 1133 minor irrigation projects had been implemented with the target of creating 40680 hectares of culturable command areas (CCA) at a cost of ₹ 235.74 crore. During 2009-14 a total of 548 projects to irrigate 29847 Ha potential land were taken up at a cost of ₹ 361.75 crore out of which, 393 were completed till the end of March 2014 and 155 are ongoing. AIBP consisted of the following three programmes namely (i) Flood Management (ii) Command Area Development & Water Management and (iii) Minor Irrigation.

The present performance audit covered only two programmes (Flood Management and Minor Irrigation). The programme on implementation of Command Area Development & Water Management was not considered as the expenditure was very meagre (₹ 0.28 crore).

(i) Flood Management

The Flood Management Programme is implemented in areas where the infrastructure, townships, communications, human habitations etc., are threatened due to erosion of river bank. It is also implemented to mitigate the flood in rivers and drainage system. The funding pattern of the programme was 90:10 till October 2013, thereafter 70:30 between the Central and State.

(ii) Command Area Development & Water Management

This is a Centrally sponsored scheme with 50:50 (Centre:State) funding pattern and the objective of the programme is to bridge the gap between irrigation potential created and potential utilised.

(iii) Minor Irrigation

The programme was to be funded on a matching basis by the Central and the State Government. Special Category States including Nagaland are eligible for 90 *per cent* of funds as central assistance and the remaining 10 *per cent* of the funds have to be borne by the State Government. The grant component amounting to 90 *per cent* of the total grant sanctioned will be released immediately and balance 10 *per cent* will be released when 70 *per cent* expenditure is incurred. The grant component along with the State share must be released to the project authorities by the State Government within 15 days of its release by the GoI.

A total of 548 schemes (*Minor Surface Irrigation Schemes*) were sanctioned during the period 2009-14 under AIBP with the aim of creating 29,847 hectares of Irrigation Potential (IP) at an estimated cost of ₹ 361.75 crore.

2.4.1.3 Organisational structure

In Nagaland, AIBP is implemented by the Irrigation & Flood Control Department (I&FCD) through 11 I&FC Divisions each headed by an Executive Engineer (EE). The EEs work under the supervision of two Superintending Engineers who in turn, report to the Additional Chief Engineer and the Chief Engineer (CE) at the Directorate office at Kohima. The overall administrative control of the Department vests with the Principal Secretary, I&FCD at the Government level.

2.4.2 Scope of Audit

Performance audit of AIBP was carried out during April 2014 to July 2014 covering the period 2009 to 2014. Out of 11 districts in the State, four²¹ districts were selected for test-check. Sampling was done under the following three strata:

Stratum-I: Capital District (Kohima).

Stratum-II: Three districts (Dimapur, Wokha & Tuensang) of Western, Northern and Eastern regions comprising one district from plain and two districts from hill areas have been selected using statistical sampling method of PPSWR (Probability Proportional to Size With Replacement).

Stratum-III: In all 55²² minor irrigation projects (Kohima: 17, Dimapur: 20, Wokha: 11 and Tuensang: 7) were selected by SRSWOR (Simple Random Sampling Without Replacement). Information and data was collected from the CE (I&FC), EEs, Directorates of Agriculture, Soil & Water Conservation and Economics & Statistics of the State.

²¹ Kohima, Dimapur, Wokha & Tuensang

²² Comprising of 36 Cluster of MI projects and 19 individual MI projects

2.4.3 Audit Objectives

The objectives of the performance audit were to ascertain whether:

- Projects were undertaken after detailed survey and the sanctioned projects met the programme criteria; the need for the projects and their technical viability was examined properly;
- Adequate funds were released on time and whether these have been utilised properly;
- The projects were implemented within the time schedule and within the approved costs and were executed in an economic, efficient and effective manner and provided assurance on quality. The programme created the planned infrastructure and the projects were functional;
- Implementation of Participatory Irrigation Management (PIM) achieved its objective of community participation in planning and execution of projects. PIM created a sense of ownership of assets among the users;
- Implementation of AIBP projects was properly monitored;
- AIBP led to augmentation of irrigation potential and utilisation in the State and had a substantial impact on growth of agriculture.

2.4.4 Audit Criteria

The audit criteria used for performance audit of AIBP were derived from the following sources:

- Guidelines of GoI on AIBP;
- Detailed Project Reports (DPRs) of the selected MI projects;
- Other circulars/instructions issued by MoWR and CWC/State Government;
- Guidelines issued by CWC for preparation of DPRs;
- District Development Programme;
- Quarterly Progress Reports;
- Agriculture Production Reports;
- Guidelines for monitoring and evaluation; and
- Nagaland PWD Code.

2.4.5 Audit Methodology

Before commencing the audit, the audit objectives, criteria and scope were discussed (April 2014) with the Principal Secretary to the Government of Nagaland and Chief Engineer, I&FCD in an entry conference.

Audit conclusions were drawn after scrutiny of relevant records of the Directorate and Divisions²³ for the period 2009-14, analysis of the available data, replies to the audit queries along with physical verification of the projects.

The audit findings were discussed (September 2014) with the Principal Secretary of the Department in an Exit Conference and the replies of the Department have been incorporated in the Report at appropriate places.

2.4.6 Acknowledgement

We acknowledge the cooperation and assistance extended by the I&FCD, Agriculture, Soil & Water Conservation and Economics & Statistics Departments, Government of Nagaland during the conduct of the Performance Audit.

Objective 1: Detailed survey, need for the projects and their technical viability

2.4.7 Planning

2.4.7.1 Irregularities in selection and approval of projects

The Irrigation & Flood Control (I&FC) Department does not have any village-level data on the existing projects or on the irrigation coverage of villages on the basis of which it can decide on priority of the projects proposed. The State Technical Advisory Committee (STAC) formed in March 2011 is required to examine the proposed MI projects under AIBP for techno-economic clearance and fair distribution of uncovered potential areas of the State. However, selection of projects was on the basis of the applications furnished by the beneficiaries and not on the basis of the irrigation potential (*ie* availability of water source, CCA etc.). Priority was determined based on pressure exerted by the VIPs/MLAs. As such, the STAC could not independently discharge its assigned duty with the delegated authority.

AIBP envisaged that minor irrigation projects would be funded, provided that the proposed projects meet the pre-conditions *viz.*, individual schemes should benefit irrigation potential of at least 20 hectares and group of schemes (within a radius of 5 km.) should benefit irrigation potential of at least 50 hectares.

Examination of records revealed that out of 55 projects verified in audit, one standalone project covered less than 20 hectares and seven cluster projects covered 50 hectares in each project as detailed in **Appendix-2.4.1**. The schemes were however, approved despite deviation from the norms.

The Department replied (September 2014) that all the schemes selected under AIBP comply with AIBP guidelines of 20 & 50 hectares for the period up to 2012-13 and 10 & 20 Hectares from 2013-14 onwards for Stand Alone and Cluster projects respectively (as per revised guidelines of MoWR of AIBP).

²³ Executive Engineers Kohima, Dimapur, Wokha and Tuensang

The reply was not acceptable as audit verification clearly revealed shortfall of two hectares in standalone project and 2 to 35 hectares in respect of Cluster projects.

2.4.7.2 Non-coordination with Agriculture and allied Departments

Implementation of irrigation projects, with the objective of creating sufficient Irrigation Potential to provide Sustainable Agriculture for increased food production and economic viability of the farming community, involves integrated activities of the Agriculture, Soil & Water Conservation, Horticulture and Land Resources Departments for holistic approach towards agricultural development. To ensure this, coordination of the Departments is essential. For this, formation of a co-ordination committee would be effective for inter-departmental dissemination of information.

However, it was seen that no integrated activities were undertaken in coordination with the allied departments for implementation of the irrigation projects (September 2014). Due to non-coordination with the Agriculture & allied departments in implementation of the projects, no multi-cropping was carried out in the CCA of any selected project. Some of the completed projects were lying abandoned as the land for cultivation had not been developed.

The Department accepted (September 2014) the fact.

2.4.7.3 Preliminary survey not done

As per the norms, after receipt of applications from the beneficiaries the divisions should conduct preliminary survey of the proposed project site. Thereafter, the preliminary survey reports along with the list of proposed projects are to be sent to the Directorate for selection of the projects. After the projects are selected by the Directorate, the division should conduct detailed survey for preparation of DPRs.

Divisional Engineers of the four²⁴ selected districts stated that they conducted one time survey before preparation of DPRs. From this, it was noticed that the Divisional offices did not conduct preliminary survey. However, Preliminary Survey Reports (PSRs) were found enclosed with the project proposals which were not based on actual survey. During spot verification the discrepancies between the information in the PSR and the actual position were noticed (***Appendix-2.4.2 A & B***). The selection of the projects without conducting preliminary survey resulted in construction of (a) 14 projects without having water source: paragraph 2.4.7.6 (i) & (ii), (b) 8 projects without having CCA: paragraph 2.4.7.7 (i) to (iv) and (c) one project constructed in landslide risk area : paragraph 2.4.7.5 (i).

The Department stated (September 2014) that for projects that are on priority list, detailed surveys were directly carried out instead of preliminary survey and this survey is treated as final.

²⁴ Kohima, Dimapur, Tuensang and Wokha

2.4.7.4 Preparation of DPRs without proper survey

Conduct of survey involves survey of catchment area and calculation of water discharge of the stream/river, main project site where the head work is to be constructed, channel lines, environment, ecological condition and soil condition of the project site, CCA, crops cultivated in the CCA and meeting with the beneficiaries.

Two²⁵ selected Divisions stated that even though they conducted survey they did not keep record of the survey. Hence, they could not give details, such as, when and who conducted the survey or any record to prove that actual spot survey was conducted. The other two²⁶ Divisions furnished records relating to conduct of spot survey of the projects.

As per the records, an official conducted survey of 4 to 12 projects at different locations on a single day even though it was practically impossible. This implies that the projects were selected without conducting proper feasibility survey and work order was issued without knowing the ground realities of the project site and the details of works actually required for the projects.

The Department stated (September 2014) that preliminary survey is carried out to assess the approximate information of the project viz existing CA, additional CCA that can be brought under irrigation, irrigation source and volume of stream/river flow, farmers to be benefited, cropping pattern, catchment area, type of head work required, channel length, etc. Since the CCA of cluster projects are usually of few hectares only and all the projects are located within close proximity, several project sites can be visited and preliminary survey assessment made on the same day.

The reply was not acceptable as it was not practically possible to carry out survey of 4 to 12 projects located in hilly areas on a single day as the project sites were not accessible by vehicle.

Further, during spot verification it was noticed that actual executed components of 24 projects were not as per the components specified in the DPRs (*Appendix-2.4.3*). Hence, it was evident that the DPRs were not prepared on the basis of the actual survey and ground reality of the project site.

The Department replied (September 2014) that the time gap between preparation of DPR and actual execution of work may vary from one year to several years depending on various factors in getting the project approval and sanction. There is often change in the river course and changing of head work site and design specification becomes necessary as per site conditions. The land use and land development that have taken place also necessitate changes in channel requirement (lined/unlined channel, cross drains, aqueducts etc). Hence, a working estimate is prepared as per actual ground condition at the time of starting construction of the project which may deviate from the design and specification of the original DPR.

²⁵ Wokha and Tuensang

²⁶ Kohima and Dimapur

The reply was not acceptable as the working estimates for each individual project stated to be drawn up were neither furnished during the course of audit nor enclosed with the replies furnished to audit.

Significant deficiencies which were attributable to poor planning are discussed in the succeeding paragraphs:

2.4.7.5 Abandonment of projects

(i) Krazhol MI Project

Krazhol MI project (Phase-I & II) at a cost of ₹ 2.55 crore was implemented during 2007-08 to 2010-11. In the DPR it was mentioned that '*due to time factor, proper survey for implementation of the project could not be done*'. After 9 months of the date of completion (September 2011), a landslide occurred (July 2012) at downstream portion near the head work of the project and completely inundated the project area and the head work structures were completely covered with siltation. The project was abandoned and the chance of reviving the same was remote.

A joint spot verification of the project was conducted on 28.6.2014 and it was found that the project was in an abandoned state. Photographs taken after completion and on the day of verification of the project are shown below:

Photograph No.2.4.1



After completion of the project (September 2011)



As found during verification (June 2014)

Thus, it is evident that the Department took up the project without conducting proper survey of the project area and also did not consider factors like environmental, ecological, landscape, soil condition and risk of landslide. As a result, the project constructed for ₹ 2.55 crore was washed away which resulted in infructuous expenditure to that extent.

The Department accepted (September 2014) the fact.

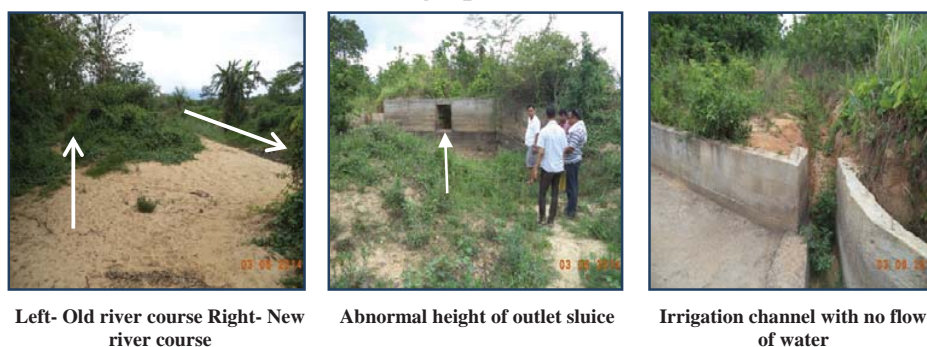
(ii) Upper Amaluma (Phase-2)

The work "Upper Amaluma MI Project (Phase-2)" at a Project cost of ₹ 0.33 crore which commenced on 9.12.2011 was completed on 22.2.2013. However, the project was handed over to the beneficiaries on 15.2.2012 (i.e. one year before the date of completion). The Department certified that the project was successfully completed as on 15.2.2012. Thus, the MoU furnished to audit cannot be relied upon.

During spot verification (June 2014), it was noticed that the project was abandoned due to change of river course (August 2013). The Upper Amaluma project was constructed in plain area of Dimapur where the water current is steady. The technical experts who proposed the project after conducting detailed survey of the Amaluma River by taking various aspects such as environmental, ecological, soil condition and water discharge capacity could have foreseen the probability of change in the river course. Abandonment of the project just after 5 months from the date of completion due to changing of the river course shows that the project was implemented without proper survey.

The Department could have revived the project by taking initiative to re-establish the original course of the river as Dimapur was a plain area. This indicates non-seriousness of the Irrigation Department to fulfill the objective of AIBP and uplift the economic condition of the rural farmers by providing irrigation facilities.

Photograph No.2.4.2



The Department stated (September 2014) that initiative for restoration of the original river course to utilise the irrigation facility of the project had been taken.

2.4.7.6 Projects without water source

(i) 13 projects in Dimapur and Wokha districts:

In the DPRs of the following 13 projects (located in Dimapur and Wokha) names of the stream/river were mentioned as water sources with details of minimum and maximum water discharge. However, during spot verification (June 2014), it was noticed that the projects were not connected with any stream/river (as stated in DPR). The details of the water source position found during verification are indicated in column 11 of the following table:

Table 2.4.7.1

District	Sl. No.	Name of the project	Name of the Cluster project	Name of the water source	Water discharge capacity (cusecs) during			CCA (Ha)	Project cost (₹ in lakh)	Remarks of the verification team on water source
					Monsoon	Lean	Maximum			
1	2	3	4	5	6	7	8	9	10	11
DIMAPUR	1.	Dadi (Rengmapani)	Dadi	Loru river	3.00	0.25	3.50	5.00	8.56	A rain-fed water pond without having connection to the Loru river was found.
	2.	Juma (Medziphema)	Pator Nallah	Juma river	2.16	0.18	2.30	4.00	6.51	The departmental officers could not show to Audit the existence of any stream/pond as water source.
	3.	Nitozu (Nitozu)	Pator Nallah	Balu Nallah	2.25	0.25	3.00	3.00	5.25	A dried low land area without having connection to Balu Nallah was found.
	4.	Pagla River (Ganeshnagar)	Nozoperu	Pagla river	1.00	0.21	3.50	4.00	4.77	A dry low land without connection with the Pagla river was found.
WOKHA	5.	Yanglien (Caikitong)	Yanglien	Yanglien stream	1.05	0.86	1.3	4.00	7.57	A rain water harvesting pond without connecting to the stream/river (water source) was constructed.
	6.	Tizaphen (Riphyim Old)	Mokoktongchu	Tezaphen	0.16	0.04	0.21	3.00	12.46	-do-
	7.	WHP (Tsongiki)	Alunti	Yankey	0.16	0.02	0.18	8.00	7.76	-do-
	8.	Choshuchu (Changshu New)	Alunti	Choshuchu	0.11	0.05	0.12	8.00	9.02	-do-
	9.	Tchuhanyak Area (Yikhum)	Alunti	Tchuhanyak	0.15	0.13	0.16	9.00	11.12	-do-
	10.	Temeshong (Wokha village)	Menchu	Nitsichu	0.11	0.05	0.12	2.00	7.56	-do-
	11.	Lumkhumchung (Wokha village)	Menchu	Lumkhumchung	0.10	0.07	0.11	8.00	20.16	-do-
	12.	Chentanchu (Elumyo)	Menchu	Chentanchu	0.18	0.07	0.21	2.00	9.46	-do-
	13.	Arumotchu (Wokha New)	Menchu	Arumotchu	0.13	0.09	0.15	2.00	11.94	-do-
TOTAL:								62.00	122.14	

(Source: Spot verification reports and DPRs)

Thus, the information furnished in the DPRs was not based on the actual ground condition of the project site. Irrigation projects established without having water source would never be able to achieve its targeted objective.

The Department stated (September 2014) that water sources of the 13 projects were rivers and nallahs. In Nagaland, rivers and nallahs are not snow fed. Hence, they dry up during lean season of April and May and extend up to June during late monsoon. However, with onset of monsoon, the runoffs from the natural drainage are diverted to the fields to meet irrigation requirement of crops.

The fact however, remained that none of the above projects were connected with any river, nallah or any water source.

(ii) Ciethucha MI Project (Kohima district)

Construction of Ciethucha (Left and Right) MI project at a cost of ₹ 0.48 crore with Thesa stream as water source with water discharge capacity ranging from 0.30 cusecs to 2.20 cusecs was completed on 15.3.2012.

During spot verification (27.5.2014) it was noticed that a water reservoir tank was constructed at the project site. However, there was no connection between the Thesa stream (water source) and the water reservoir tank. It was also noticed that the level of the source stream was far below the tank and the CCA. Paddy cultivation activity had started but there was no water in the reservoir tank for supply to the fields. Thus, the reservoir tank was only a rain-water harvesting pond and not an irrigation source which was capable of supplying water to 69 Ha during cultivation season.

Photograph No.2.4.3



**Right Water harvesting pond
harvesting pond**

Left Water

It is evident that the projects at (i) and (ii) were implemented without proper survey and determination of the water source of adequate capacity- a basic requirement. Thus, a consolidated expenditure of ₹ 1.70 crore (₹ 1.22 + ₹ 0.48 crore) incurred on the 14 projects without water source and the purpose of irrigating 131 Ha (62 Ha+69 Ha) of CCA could not be achieved.

The Department stated (September 2014) that the project was for construction of water reservoir tank for rain water harvesting from Thesa catchment area during monsoon. The reservoir serves the purpose of irrigation as well as recharging of ground water to increase stream flow in the lower reaches of Thesa area which has large area under terrace farming.

The reply was not acceptable as it was clearly mentioned in the DPR that the water source of the project will be Thesa river, wherein the water flow volume was also calculated.

2.4.7.7 Projects without Culturable Command Area

Culturable Command Area (CCA) is the area which can be irrigated from a scheme and is fit for cultivation. Out of 55 MI projects selected for test check in the four districts, eight²⁷ projects (15 per cent) were implemented without any CCA. The major cases are highlighted below:

(i) Tsuwhezha MI Project, Tseipama (Dimapur) 2010-11

Tsuwhezha MI Project was implemented at a cost of ₹ 1.30 crore with an objective to irrigate existing 100 hectares of paddy cultivation and to create additional 20 Ha of CCA. The project commenced on 10.9.2010 and was completed on 14.10.2011.

²⁷ One in Dimapur, 2 in Tuensang and 5 in Wokha

During spot verification (June 2014) it was noticed that the project was in an abandoned state with no agricultural activity in the proposed CCA. The Divisional Engineer stated that the CCA would be developed into cultivable field in due course. The statement of the Engineer amounts to wishful thinking as it could not be ascertained when and who will develop the proposed CCA.

Thus, the project was approved and implemented on the basis of the data provided in the DPR which was not based on actual survey of the project site.

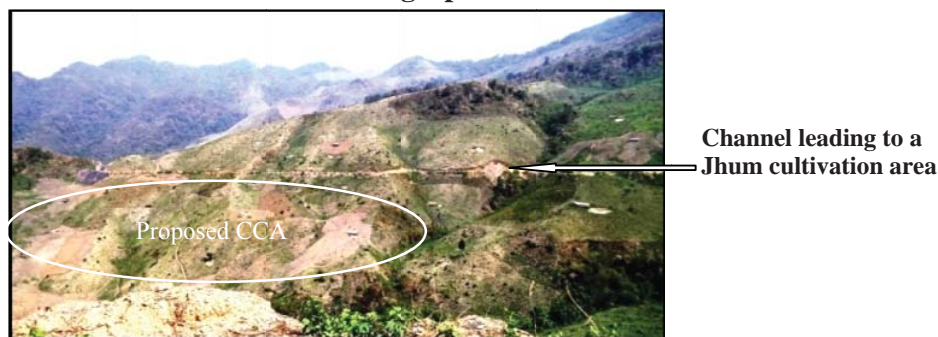
(ii) Shopong MI Project, Yali/Yangli villages (Tuensang)-2012-13

As per records of the DPR of the project, the farmers had already developed 33.50 hectares of CCA and the project after completion would enhance an additional 47 hectares thus aggregating to 80.50 hectares. The project commenced on 9.12.2011 and was completed on 8.5.2012 at a cost of ₹ 1.15 crore.

During spot verification (24.4.2014) it was noticed that no cultivable wet field were developed or any agricultural activities was undertaken in the proposed CCA. The Divisional Engineer stated that the CCA would be developed into cultivable field in due course. The statement of the Engineer was not acceptable as it was in contravention to the information provided in the DPR. Moreover, the Department had not fixed any time frame for development of the CCA and had also not identified the agency to develop the area.

Thus, the project constructed at a cost of ₹ 1.15 crore remained abandoned due to selection of site in unviable area. Hence, the intended benefits from the project were not obtained.

Photograph No.2.4.4



(iii) Nangpung MI Project, Nakshu village (Tuensang)-2009-11

As per the DPR of the project, the farmers had already developed 2.50 hectares of CCA and after completion of the project the CCA will be enhanced to 51 hectares. The project commenced on 9.9.2010 and was completed on 26.3.2011 at a project cost of ₹ 0.62 crore. However, during spot verification (26.4.2014) it was noticed that the project was executed at a site where there was no CCA at all.

Thus, the entire expenditure of ₹ 0.62 crore was infructuous.

(iv) Five projects under Wokha division:

In Wokha district the following 5 projects costing ₹ 0.57 crore were implemented to create 52 Ha of CCA. However, during spot verification (May 2014) the projects were found without having CCA, as detailed below:

Table 2.4.7.2

Sl. No.	Name of the Project	Project cost (₹ in lakh)	Location	Year	CCA as per DPR (Ha)		Actual CCA found (Ha)
					Pre	Post	
1.	Serikatchu MI Project	11.01	Riphyim Old	2010-11	4	8	NIL
2.	Mokoktongchu MI Project	17.94	Riphyim Old	2010-11	0	18	NIL
3.	WHP MI Project	7.77	Tsungiki village	2010-11	0	8	NIL
4.	Phunghangthu MI Project	8.87	Changsu New	2010-11	0	8	NIL
5.	Lakhutichu MI Project	10.92	Changshu Old	2010-11	0	10	NIL
Total:		56.51			4	52	

(Source: Spot verification reports and DPRs)

Hence, construction of eight projects in three districts (Dimapur, Tuensang and Wokha), without CCA was a total failure. Thus, a consolidated expenditure of ₹ 2.64 crore was incurred without bearing any fruitful result.

The Department accepted (September 2014) the fact that in some cases, the farmers were slow in land development of the command area and there was considerable delay in utilising the irrigation facility or the potential created was not fully utilised. However, non-development of CCA was not to be construed that projects were without CCA. The MI Projects were not abandoned as they are now under development by the concerned farmers and will eventually achieve the target.

Audit objective 2: Release and utilisation of funds

2.4.8 Financial management

2.4.8.1 Release of funds

The position of funds released by the GOI and the State Government and expenditure incurred by I&FC Department on the implementation of irrigation schemes under AIBP is detailed in the following table:

Table- 2.4.8.1

(₹ in crore)

Year	OB	Allocation			Release			Short release		Total funds available (Co.2+8)	Expenditure	Closing Balance
		Central	State	Total	Central	State	Total	Central (Col.3-6)	State (Col.4-7)			
1	2	3	4	5	6	7	8	9	10	11	12	13
2009-10	21.39	0.00	0.00	0.00	58.77	5.40	64.17 ²⁸	0.00	0.00	85.56	85.56	0.00
2010-11	0.00	97.20	10.80	108.00	86.73	15.37	102.09 ²⁹			102.09	102.09	0.00
2011-12	0.00	45.46	5.05	50.51	54.65	0.78	55.43 ³⁰	-9.20	4.27	55.43	55.43	0.00
2012-13	0.00	82.10	9.12	91.22	82.44	8.07	90.51 ³¹	-0.34	1.05	90.51	90.51	0.00
2013-14	0.00	100.82	11.20	112.02	75.07	8.55	83.63 ³²	24.40	2.50	83.63	53.31	30.32 ³³
Total		325.58	36.17	361.75	357.66	38.17	395.83	14.86	7.82	417.22	386.90	

(Source: Departmental figure)

Against the total allocation of ₹ 361.75 crore under AIBP during the period 2009-14, the I&FCD received ₹ 299.57 crore (₹ 395.83 crore - ₹ 96.26³⁴ crore). Thus, there was short release of ₹ 62.18 crore (Central: ₹ 50.41 crore and State: ₹ 11.77 crore).

2.4.8.2 Parking of funds in Civil Deposit

Rule 290 of Central Treasury Rules, which is being followed by the State Government, restricts the drawal of money from the treasury unless it is required for immediate disbursement.

Examination of records revealed that during 2010-11 and 2012-13, the Department drew funds at the end of the financial year and kept in 'Civil Deposit' ranging between 48 and 252 days in contravention to the above provision. However, the Utilisation Certificates furnished by the Department included the amount kept in Civil Deposit as expenditure in order to obtain further AIBP funds from the Central Government as detailed below:

Table 2.4.8.2

(₹ in crore)

Year	Group of projects	Amount in CD	Date on which kept	Amount withdrawn	Date of withdrawal	No. of days kept in CD
2010-11	177	7.78	31.3.11	7.78	5.8.11	127
2011-12	96	25.00	24.3.12	10.00	24.7.12	120
				15.00	19.10.12	207
		5.05	31.3.12	5.05	24.7.12	115
2012-13	120	25.83	29.11.12	12.92	16.1.13	48
				12.91	25.3.13	116
		23.00	25.3.13	14.05	22.7.13	118
				7.03	18.9.13	176
				1.92	3.12.13	252
		5.11	30.3.13	5.11	3.12.13	248
2013-14	120	5.11	31.3.14			122 (upto 31.7.14)
	155	25.21	25.3.14			129 (upto 31.7.14)

(Source: Departmental figure)

²⁸ Release of ₹ 64.17 crore during 2009-10 pertains to 2007-08: (₹ 4.40 crore) and 2008-09 (₹ 59.77 crore)

²⁹ Release of ₹ 102.09 crore during 2010-11 includes ₹ 32.09 crore pertaining to allocation of 2007-08 (₹ 0.44 crore) and 2008-09 (₹ 31.65 crore)

³⁰ Release of ₹ 55.43 crore during 2011-12 includes ₹ 34.98 crore pertaining to 2010-11

³¹ Release of ₹ 90.51 crore during 2012-13 includes ₹ 33.07 crore (2010-11: ₹ 3.02 crore and 2011-12: ₹ 30.05 crore)

³² Release of ₹ 83.63 crore during 2013-14 includes ₹ 28.11 crore pertaining to 2012-13

³³ The closing balance of ₹ 30.32 crore during 2013-14 is lying in Civil Deposit.

³⁴ ₹ 4.84 crore for 2007-08 and ₹ 91.42 crore for 2008-09

2.4.8.3 Delay in release of funds

AIBP guidelines envisage that the grant component released by the GOI along with the State share must be released to the project authorities within 15 days of its release. However, the State Government delayed in release of the Central grants along with its share ranging from 10 days to 334 days during the period 2009-14 as shown in the following table.

Table 2.4.8.3

Name of the Programme	Year	Amount released by GoI (₹ in lakh)	Date of release	Date of release by Finance Department	Delay in No. of days
Accelerated Irrigation Benefit Programme (AIBP)	2009-10	20.94	31.03.2010	12.09.2010	150
		188.52	01.02.2010	26.03.2010	34
		551.90	31.03.2010	12.09.2010	150
		4967.24	01.02.2010	26.03.2010	11
	2010-11	2447.67	01.09.2011	16.11.2011	62
		271.97	07.03.2012	31.03.2012	10
		6300.00	05.01.2011	11.03.2011	51
	2011-12	4091.05	24.11.2011	23.03.2012	106
		454.56	24.11.2011	31.03.2012	114
	2012-13	3100.00	09.05.2012	28.11.2012	189
	2013-14	5040.96	22.11.2013	31.01.2014	56
Command Area Development and Water Management Programme (CADWMP)	2011-12	15.00	02.02.2012	24.03.2012	42
Flood Management Programme (FMP)	2009-10	127.28	31.03.2010	30.11.2011	230
		85.68	31.03.2010	21.12.2011	251
	2011-12	2.78	30.03.2012	12.02.2013	305
	2010-11	153.02	31.03.2011	19.02.2012	311
	2012-13	1544.91	30.03.2012	13.03.2013	334

(Source: Release/sanction orders)

2.4.8.4 Control over utilisation of funds

Payments against a project should be made on the actual execution of the work and information on utilisation of funds should be based on the actual physical achievement of the project and expenditure incurred thereon.

Instances of full payment against actual execution of 20 *per cent* of work, payment on fictitious measurement and submission of UC against non-executed projects were noticed as discussed in *Paragraphs 2.4.9.2; 2.4.9.5(i) and 2.4.9.5(ii) and 2.4.9.3.*

There was also inflated reporting of expenditure by including the amount kept in Civil Deposit as expenditure during 2010-11 and 2012-13 as detailed in the following table:

Table 2.4.8.4

(₹ in crore)

Project batch and year	Amount released (Central and State)	Amount utilised as per UC	Actual expenditure as on the date of issuing UC	Amount kept in CD
1	2	3	4	5
177 of 2010-11	7.78	7.78	0.00	7.78
96 of 2011-12	45.46	45.46	20.46	25.00
96 of 2011-12	5.05	5.05	0.00	5.05
120 of 2012-13	34.44	34.44	8.61	25.83
120 of 2012-13	51.10	51.10	23.00	28.10

(Source: Utilisation Certificates and Departmental figure)

Para 7 of the AIBP guidelines envisaged that the State Government was required to submit audited statements of expenditure (SoE) incurred on the AIBP component of the project within nine months of the completion of the financial year. The release of Central Assistance of the following years will not be considered if audited statement of expenditure is not furnished within nine months of release of central assistance. There was no system of submission of SoE in the State for the AIBP schemes. This is a risk area since there is no assurance on the actual expenditure. However, non-submission of audited statement of expenditures did not deter the GOI from releasing funds under AIBP each year.

The Department stated (September 2014) that preparation of Audited Statement for AIBP projects was introduced in the “Revised Guidelines of AIBP” issued by MoWR during November 2013. But the fact remained that this was mandatory as per AIBP guidelines issued in December 2006.

Audit objective 3: Implementation of projects

2.4.9 Execution of schemes

(i) Flood Management

During the period from 2009-14, the I&FCD executed 11 FMP projects (Dimapur: 5, Mon: 2, Mokokchung: 2, Wokha: 1 and Peren: 1) at a total estimated cost of ₹ 49.37 crore. All the 11 projects were completed. The details are shown below:

Table 2.4.9.1

(₹ in lakh)

Sl No	Name of the scheme	District	Estimated cost	Expenditure
1	Nag-1 (Protection of Tuli from Erosion of Milak River)	Mokokchung	354.00	353.80
2	Nag-2 (Protection of Hakhishe & Yeveto villages from Erosion of Dzuza River)	Dimapur	166.00	165.55
3	Nag-3 (Protection of Mhainamsti and New Jalukie from Erosion of Nkwaren River)	Peren	238.00	237.77
4	Nag-4 (Protection of Tizit town from erosion of Tizit River)	Mon	258.00	257.79
5	Nag-5 (Protection of Upper Naginimora town from erosion of Dikhu River)	Mon	373.90	373.89
6	Nag-6 (Protection of Baghty town from erosion of Baghty River)	Wokha	582.10	580.16
7	Nag-7 (Anti Erosion work on Dhansiri river at Lower Purana Bazar & Burma camp-North Block, Dimapur)	Dimapur	748.00	748.00
8	Nag-8 (Anti Erosion work on Chathe river at Upper Seithekema, Dimapur)	Dimapur	712.30	712.28
9	Nag-9 (Anti Erosion work of Tsuong river at Changki valley, Mokokchung)	Mokokchung	376.60	376.55
10	Nag-10 (Protection of Dimapur-Kukidolong-Peren road from erosion of Ruzaphema nallah at Ruzephema, Dimapur)	Dimapur	645.50	645.44
11	Nag-11 (River training work along Dzumha river at Jharnapani-Kukidolong, Dimapur)	Dimapur	482.60	482.59
Total			4937.00	4933.82

(Source: Departmental figure)

Four projects (Sl. No.7, 8, 10 and 11) out of five implemented in Dimapur district were selected for detailed check. During spot verification (May 2014) it was noticed that two projects in Dimapur (Sl. No.7 and 8) located in the plain area were found to be in good condition. The other two projects (Sl. No.10 and 11) executed in the foothill areas were partially damaged due to natural cause (strong water current).

(ii) Minor Irrigation

A total of 548 projects (Surface Water Minor Irrigation Schemes) were sanctioned during the period 2009-14 to create 29,847 hectares of irrigation potential (IP) at an estimated cost of ₹ 361.75 crore. Out of 548 schemes, 393 representing 72 per cent of the projects were completed as of March 2014 while the work on 155 projects was ongoing. The projects were sanctioned for completion within the biennium. The Department executes the works through the group of beneficiaries of respective project, by issue of work orders.

The year-wise position of projects sanctioned and other details are given in the following table:

Table- 2.4.9.2

Year	No. of projects sanctioned	Project cost (₹ in crore)	Irrigation potential (Ha)	No. of projects completed	No. of ongoing projects
2009-10	177	108.00	9891	177	0
2010-11					
2011-12	96	50.51	4792	96	0
2012-13	120	91.22	6329	120	0
2013-14	155	112.02	8835	0	155
Total	548	361.75	29847	393	155

(Source: Departmental figure)

There were altogether 382 sub-projects in the 55 projects (19 standalone and 363 sub-projects in 36 cluster projects) selected for detailed check in four districts (**Appendix-2.4.4**). Out of this, Audit conducted joint physical verification of 18 standalone and 74 sub-projects within the 36 cluster projects.

2.4.9.1 Expenditure on non/short executed items of works

Regarding the execution of projects by the Irrigation Department, the quantity of the work executed is measured by a Section Officer and details of the work executed were entered in the Measurement Book (MB). The correctness of the measurements entered in the MB and execution of the works as per the specification in the DPR were certified by the responsible officers³⁵ and the bills passed for payment. However, during spot verification (May-June 2014) of 40 projects it was noticed that 6153.60 metres of lined channel (₹ 1.97 crore), 32 numbers of retaining walls (₹ 0.66 crore) and 15110 metres of earthen channel (₹ 0.46 crore) were not executed (**Appendix-2.4.5**). It was evident that the measurements recorded in the MBs were not as per the actual work executed at the project site but the same specifications in the DPRs were recorded in the MB. Position of the non/short execution of work is given below:

Table 2.4.9.3

Sl. No.	District	No. of projects where items of non/short execution were noticed	Amount involved (₹ in lakh)
1.	Kohima	6	26.33
2.	Dimapur	12	121.45
3.	Wokha	16	120.53
4.	Tuensang	6	78.11
Total		40	346.42

(Source: Spot verification reports and Detailed Project Reports)

The Department made payment of ₹ 3.46 crore on fictitious measurements. Thus, the quality of AIBP projects were compromised to the extent of ₹ 3.46 crore as there were items of non/short execution in 40 projects.

The Department accepted (September 2014) the facts but claimed that all the projects were implemented and functioning even though there were deviations in specification and components of work from the DPRs in the process of implementation.

³⁵ Sub-Divisional Officer; EE of the Division; the EE posted in Chief Engineer's office

2.4.9.2 Release of full payment against incomplete and abandoned project

The Chief Engineer approved (December 2011) the Yaseliezie MI project with Theseru river as the water source at Tsiesema village, Kohima for ₹ 0.73 crore with a stipulation to complete within 12 months. The main objective of the project was to enable the farmers of the area to take up multi cropping by means of providing adequate irrigation to the existing 23 hectares of CCA. The objective also envisaged creation of additional CCA of 20 hectares.

Examination of records revealed that the Department paid ₹ 0.71 crore³⁶ (cost of civil work) to the contractor during March 2012 and March 2013. It was seen that the work commenced in December 2011 and was completed in November 2012.

However, during spot verification (June 2014) it was found that excepting formation cutting (approx. 2 km) for construction of lined channel (**Photograph 2.4.6**) no other work specified in the DPR was executed. The Chairman and the Secretary of the village council stated that the project could not be completed due to dispute among the beneficiaries. The matter was not brought to the notice of the Department officially. However, the village authority assured the audit team that they have settled the dispute and the construction work would be completed by February 2015. The Department was neither aware of the dispute nor had any knowledge about non-completion of the work.

Photograph No.2.4.6



Formation cutting (approx. 2 km) for construction of lined channel

From the above, it is evident that the Chief Engineer paid the entire project cost on the basis of fictitious measurements without verifying the actual execution of the work at site.

The Department stated (September 2014) that due to a major dispute between the Committee and beneficiaries the execution of the work was stopped. The Division had however recorded the project as completed since the full amount was drawn and released to the Division. However, the money for the portion of work not completed was retained by the Division and would be released as per progress when work is resumed for which the Village Council had given assurance to complete the project by February 2015.

³⁶ 1st RA- ₹ 24,50,700 (30.3.12- MB No.175 at page 49) and 2nd and Final bill: ₹ 46,19,500 (25.3.13- MB No.184 at page 49)

The statement regarding non-release of full amount to the beneficiaries was not acceptable as the beneficiaries had given a written statement that they had received the amount in full.

2.4.9.3 Completion reported against unexecuted project

Out of 120 projects planned for the year 2012-13, the Department took up 23 projects in Dimapur district which *inter alia* included project at Amiyighoki of Zutovi village. As per the approved DPR, the project cost of Amiyighoki of Zutovi village was ₹ 0.38 crore. The Department issued work order³⁷ in favour of the President, Amiyighoki (Lalong) Water User Association, Zutovi village. It was also seen that the Department had drawn the entire cost of the civil work amounting to ₹ 90.65 crore in four bills³⁸ against all the 120 projects.

During the course of audit (June 2014), the Divisional Engineer stated that the project at Amiyighoki of Zutovi village had not been taken up due to non-receipt of funds from the Head office.

Thus, it was evident that the project for ₹ 0.38 crore remained unexecuted. The objective of creating irrigation potential of 26 hectares also could not be fulfilled.

The Department stated (September 2014) that the bill for Amiyighoki Project of Zutovi village under Dimapur had not been drawn at the time of Audit as the work had not been started. Hence, the question of completion report does not arise.

The reply was not acceptable as the Department had already drawn the funds (November 2011-March 2014) and also furnished completion certificate. The matter therefore, requires investigation for action against the persons involved.

2.4.9.4 Abandonment of projects due to non-maintenance/poor workmanship

(i) The work for Construction of Churo MI Project at Chandalangshung village (Wokha district) at a total cost of ₹ 1.23 crore targeted to cover 100 hectares of irrigation potential commenced on 9.9.2010 and was completed on 19.7.2011.

During verification (May 2014) it was found that water was sufficiently available in the water source. However, due to poor workmanship there was seepage at the initial point of the channel. It was also seen that there were thick undergrowth of vegetation and siltation all along the channel line which interrupted the flow of water from the source to reach the CCA as shown in **Photograph 2.4.7**.

³⁷ IFC/DD/Tech-II/2011-12 dated 8.12.2011

³⁸

Bill No./date	Amount (₹ in crore)
204/29.11.12	34.44
304/25.3.13	45.99
312/30.3.13	5.11
321/31.3.14	5.11

Thus, the objective of irrigating 100 hectares of CCA could not be obtained even after incurring an expenditure of ₹ 1.23 crore.

Photograph No.2.4.7



Seepage and blockage of lined channel



Blocked channel due to siltation and growth of vegetation



Uncultivated fields without irrigation connectivity

The Department stated (September 2014) that irrigation channels are often affected by heavy siltation due to high silt load of the streams and rivers. Thus, the channels get deposited by heavy silt load by the end of the crop season. Maintenance of irrigation project and repair to damages of channels is carried out yearly by the beneficiaries before onset of the monsoon. The visit by Audit team to the project site was before carrying out annual maintenance work by the WUAs.

The reply was not acceptable as mono cultivation was taking place during monsoon season only which is contrary to the objectives of the projects specified in DPRs that multi cultivation would be taking place in order to uplift the economic condition of the farmers.

(ii) With an objective to create 218 hectares of irrigation potential, the MI Project at Old Ralan (Wokha district) was taken up at a cost of ₹ 3.12 crore which was completed in January 2013.

During joint spot verification (May 2014) it was found that the headworks, lined channel and hume pipe channel were constructed. Sufficient water was available at the water source. However, around 400 metres of hume pipe channel constructed in place of RCC lined channel was completely damaged due to poor workmanship. Substantial portion of the lined channel was also blocked due to landslide. The remaining portion of the channel was blocked due to thick growth of vegetation and siltation as shown in the Photograph below:

Photograph No.2.4.8



Broken hume pipe channel



Blocked sluice due to siltation



Thick undergrowth of vegetation

The connection between the water source and CCA was completely cut off due to the above factors. There was no visible agricultural activity in the CCA. Thus, the project remained defunct even after incurring an expenditure of ₹ 3.12 crore.

The Department while accepting (September 2014) the facts stated that the restoration of the damaged section of the aqueduct and repair/maintenance of the channel was being carried out.

(iii) Dzusharu MI Project under Khuzu Cluster at Phesama (Kohima district) with an objective to create 27 hectares of irrigation potential was completed in November 2012 at a project cost of ₹ 0.27 crore.

During verification (27.5.2014) it was found that the lined channel (about 500m) was completely damaged/washed away due to landslide and another portion (about 700m) was blocked due to land development for setting up of 2 stone crushing units. Due to this, the connection between the water source and CCA was completely cut off and the project remained non-functional and abandoned. The Department also did not take any steps to revive the defunct project.

Thus, due to laxity on the part of the Irrigation Department in particular and the beneficiaries in general, the AIBP project costing ₹ 0.27 crore could not yield any fruitful result.

Photograph No.2.4.9



Lined channel damaged by landslide and stone crushers



No water at water source

The Department in their reply accepted (September 2014) the fact and stated that the Department's instruction to restore the channel conveyance could not be effected due to the complex village politics, land holding rights, traditional water rights etc., which had hindered positive settlement of the issue. It was further stated that the beneficiaries of the project had given assurance that they would restore the project at their own cost.

2.4.9.5 Discrepancy between records of measurement and actual execution

Measurement of works executed should be recorded in the MB after measuring the quantum of work actually done at the work site. Payment should be made with reference to the quantity of work executed.

During spot verification of AIBP projects it was noticed that there were discrepancies between the records in the MB and actual execution at projects site. Payment of ₹ 1.05 crore was made on the basis of fictitious records of measurement as detailed below:

(i) The work “Construction of Chathe-I MI Project at Ruzaphema village” at a project cost of ₹ 1.50 crore was awarded to Shri Achalie vide work order No.IFC/DD/Tech-11/2012-13 dated 3.10.13 with the stipulation to complete the work within 12 months from the date of issue of the work order.

On scrutiny of records it was noticed that an amount of ₹ 0.35 crore³⁹ was released to the contractor (10.3.2014) being the part payment for construction of coffer dam (₹ 0.13 crore) and head works (₹ 0.71 crore). Measurements of the executed works were recorded in the MB⁴⁰.

During spot verification (June 2014), it was found that coffer dam and headwork were not constructed. The SDO who accompanied the verification team stated that the head works will be constructed during lean period (i.e. October 2014 to February 2015) only.

Photograph No.2.4.9



Thus, the Chief Engineer made payment of ₹ 0.35 crore to the contractor on fictitious measurement.

The Department stated (September 2014) that the Division drew the first running bill for construction of the head work. However, since the head work could not be carried out as envisaged lined channel construction was taken up and a part of the amount drawn was paid for channel construction. The head work construction will be carried out after the monsoon. The deviation was necessitated due to circumstances and not to be construed as misuse of fund.

The reply was silent about the fictitious measurements recorded in the measurement book and payments released.

(ii) The work “Construction of Aoyung MI Project at Tuensang village” at a project cost of ₹ 2.99 crore was awarded to Shri Imlong Chang⁴¹ with the stipulation to complete the work within 24 months from the date of issue of the work order.

During spot verification (25.4.2014) it was found that only formation cutting around 4.20 km was in progress. However, as per measurement book diversion weir (₹ 69.80 lakh) and lined channel (₹ 93.30 lakh) works were completed and the Chief

³⁹ Bill No.235 dated 6.2.14

⁴⁰ No.IFC/DD/AIBP-01

⁴¹ No.IFC/TSG/AIBP-1/2008-09 dated 4.1.13

Engineer, I&FC released payment of ₹ 0.70 crore to the contractor (Bill No.235 dated 6.2.14).

Photograph No.2.4.10



The Department stated (September 2014) that the amount drawn was first running bill for construction of diversion weir and lined channel. However, construction of the head work could not be started in time as envisaged. The construction work would start from October 2014 after onset of dry season. Construction of lined channel work would also start on completion of earth work for channel cutting. The deviation was necessitated due to circumstances and not to be construed as misuse of funds.

The Department's reply was silent about the fictitious measurements recorded in the measurement book and payments released.

2.4.9.6 Deviation from approved DPR

The Zacho MI Project under Khuzu Cluster at Zakhama (Kohima district) with an objective to create 65 hectares of irrigation potential at a project cost of ₹ 0.11 crore commenced on 5.12.2011 and was completed in November 2012.

According to the DPR, the water source of the project would be from Mezerú river with minimum and maximum water discharge capacity of 2.0 cumecs and 3.5 cumecs respectively. The components of the project were-(i) Head work (check dam), (ii) earthen channel, (iii) cross drainage, (iv) protection/retaining wall and (v) aqueduct.

During spot verification (May 2014) the following were noticed-

- A very old and small irrigation channel was found as water source in place of Mezuru river,
- A retaining wall (10m) along the old irrigation channel was found instead of check dam,
- Lined channel in place of earthen channel was found,
- 45 meter long retaining wall was not constructed,
- Protection wall of 18 meter in length was not constructed,
- Aqueduct of 8 meter in length was not constructed.

The Divisional Engineer stated (May 2014) that the deviation on the components of the project was regularised through working estimate in which earthen channel was converted into CC lined channel. However, in support of the statement working estimate could not be furnished to audit.

Some photographs are shown below:

Photograph No.2.4.11



Existing ancestral channel as water source



Lined channel instead of earth channel

In the absence of water source (Mezerú river) and non-construction of required head works and other components, the Zacho MI projects could not be considered as a complete irrigation project. Rather, it was a conversion of an existing earthen channel into a CC channel. Thus, the Department failed to achieve the objective of creating 65 hectares of irrigation potential even after incurring an expenditure of ₹ 0.11 crore⁴².

The Department in their reply (September 2014) furnished a copy of the working estimate and stated that the changes of work from the original estimate were necessitated at the time of actual implementation and therefore a working estimate was prepared and work implemented accordingly. But the fact remained that water source for the project was not available.

Audit objective 4: Implementation of participatory Irrigation management

2.4.10 Participatory Irrigation Management

Participatory Irrigation Management (PIM) was a step to address the management issues in irrigation sector. It was recognised that the quality of an irrigation service in terms of adequacy of water discharge, timeliness (that ensures that the water is available when the farmers need it), equity (by which tail-end of the channel receives as much water as the head-end), dependability and convenience in supply greatly affects the yield from irrigation commands. PIM seeks to decentralise water management, create Water Users' Associations (WUA) and turnover the operation and maintenance of downstream parts of the irrigation systems, distribution of water among users and collection of water rates from the users.

AIBP guidelines recommend that WUA should be formed for each scheme and that ownership of the schemes was to be rested with these groups who in turn would be

⁴²1st RA dated 30.3.12: ₹ 3.72 lakh (MB-175/page 31), 2nd & Final bill dated 25.3.13: ₹ 7.32 (MB-184/page 89)

responsible for its day to day water management and maintenance along with minor repairs.

In Nagaland the WUAs were formed only to observe formality at the time of sending proposals and to facilitate issue of work orders and execution of Memorandum of Understanding (MoU). The roles and responsibilities of the WUAs were not clearly defined.

Water charges were not collected from the water users of the projects in the State. The completed projects were handed over to the WUAs with the responsibility to maintain the project. However, the farmers or the WUAs were not made aware about the importance of irrigation project and agriculture extension activities through mass meeting, hand bills, seminars and through the media. No training was imparted to enable the farmers to operate and maintain irrigation system and to have right mindset and technical expertise required for PIM. No funds were allocated for establishing WUAs. The WUAs were handed over the maintenance of irrigation system without any basic technical resources and sustainable source of funding.

During spot verification (April-June 2014) of the selected MI projects in four test checked districts the following defects mainly attributable to ineffective PIM system, were noticed:

(i) Non-maintenance of projects

Out of 92 projects verified in audit five projects were maintained and the remaining 87 projects were not maintained. Due to non-maintenance of line channels, CCA of some good projects could not be irrigated. Hence, there was no cultivation during lean season.

(ii) Demoralisation of WUA by handing over of projects without water source and CCA

It was also observed that the Department handed over 22 MI projects (14 MI projects and 8 CCA) to the farmers/WUAs without ascertaining the availability of water sources and the actual CCA. This adversely affected the successful implementation of the scheme as no benefit could be obtained from those projects.

(iii) Non-utilisation of completed project

Balijan MI project, Khoghovi village (Dimapur) at a project cost of ₹ 2.30 crore was completed on 28.9.2011 with an objective to create irrigation potential of 220 hectares and extend benefits to 95 households of 3 villages⁴³. Balijan river was the water source of the project with water discharge capacity of 1.2 cum/sec in monsoon and 0.6 cum/sec in lean period. Availability of water in the water source was perennial.

During spot verification (3.6.2014) the components of the project (Bridge, 2 pump houses, 2 pumping sets, G.I pipes, water storage tank and CC lined channel) were in good condition. Water in the water source was also plentifully available. However,

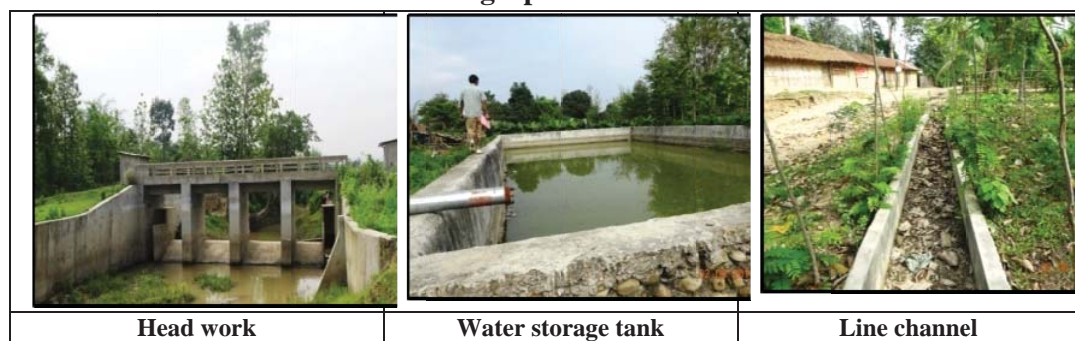
⁴³ Khoghovi, Lothavi and Henivi

the project which was completed on 28.9.2011 was not operationalised till the date of verification.

The Gaon Bura (GB) of Lothavi Village stated that since outlet points were not given in the CC channel, farmers could not utilise the irrigation project. The farmers resorted to one time paddy cultivation during the monsoon season when rainfall was plenty in the State and irrigation water was not required.

Thus, due to failure to achieve the objective of community participation in implementation of AIBP the project was left idle for the last three years even after incurring ₹ 2.30 crore.

Photograph No.2.4.12



(iv) Non-execution of multi cropping pattern

DPRs of the MI projects under AIBP were prepared with an objective to adopt multi cropping pattern such as cultivation of kharif crops (paddy and maize) and Rabi crops (potato, cabbage, beans) etc. However, during spot verification it was noticed that in almost all the projects mono cropping pattern (cultivation of paddy) was adopted. This showed lack of awareness on the part of the beneficiaries to derive maximum benefit of irrigation facility in cultivating their fields.

Many projects which were non-functional due to lack of water sources and CCAs were also handed over to the WUAs. The farmers were left on their own for utilisation of the projects without any support like monitoring, direction and cooperation from the Government machinery. Hence, they could not have the mindset of ownership of the assets.

The Department accepted (September 2014) the facts and stated that the Department would streamline the activities of the WUAs both in planning and implementation stages as well as operation and maintenance of M.I. Schemes implemented and handed over to them.

Audit objective 4: Monitoring

2.4.11 Monitoring

A State Monitoring Cell comprising six members under the chairmanship of the Additional Chief Engineer, I&FCD was constituted on 26 March 2011 to monitor MI schemes under AIBP. They were to physically verify at least 60 *per cent* of the total

projects and submit quarterly and annual monitoring reports to the Chief Engineer, I&FCD.

During 2011 to 2014 the Monitoring Cell verified 171 projects as detailed below:

Table 2.4.11.1

Pertaining Year	Total No. of projects	Month/ year of visit	Number of projects verified	Percentage of verification
2010-11	177	June 2011	110	62
2011-12	96	May 2012	41	43
2012-13	120	April and May 2013	20	17
	393		171	

(Source: Information furnished by the Department)

The Department could not achieve the mandate to verify 60 *per cent* of the total projects during 2011-12 and 2012-13. The Department also failed to furnish verification reports of the 151 projects visited during June 2011 (110 projects) and May 2012 (41 projects). In the absence of the verification reports, actual conduct of verification/monitoring could not be authenticated. Verification reports of 20 projects conducted during April and May 2013 were furnished. As per the report the projects were implemented according to the detailed specifications given in the DPRs. However, spot verification of three out of the 20 projects (verified by the State Monitoring Cell) revealed that one project (Shopong MI project) was found without CCA against the existing CCA of 34 Ha featured in the approved DPR and another project (Zacho MI project) was found with a roadside drain as water source instead of Mezeru River as water source as mentioned in the approved DPR. In view of the facts stated above it is evident that the Department did not carry out proper monitoring in implementation of the AIBP.

Audit objective 5: Impact assessment of AIBP

2.4.12 Impact of AIBP

The objective of implementing irrigation projects under AIBP was to provide economic benefits to the beneficiaries through increase in agricultural production. There were targets of creating new CCA, increase in existing CCA, increase in yield per hectare, changing of mono cropping pattern to multi-cropping pattern etc. in implementation of a project. During the last five years, the Department implemented 548 projects for ₹ 361.75 crore with an aim to create 29,847 hectares of CCA. The Department reported 100 *per cent* achievement of the project implementation. Thus, 21,012 hectares was added in CCA. However, irrigation potential actually created and utilised was not assessed by the Department. After handing over of the projects to WUAs, the Department did not even check whether the projects were functioning or abandoned. The Department also did not have information on actual creation of CCA, gross irrigated area, cropping intensity etc. The Economics & Statistics Department also could not provide information of the same for the period covered by audit. In absence of the information, audit could not analyse the impact of AIBP in the State.

In reply to audit requisition, the Department furnished (July 2014) information obtained from Agriculture Department on cultivated areas and yields of cereals and other vegetable crops. The cultivated area and gross yields of paddy, beans, potatoes, maize during the years from 2009-13 (figures for 2013-14 were not available) in the selected four districts are given below:

Table 2.4.12.1

District	Year	Paddy		Beans		Potato		Maize	
		Area sown (Ha)	Gross yield (MT)	Area sown (Ha)	Gross yield (MT)	Area sown (Ha)	Gross yield (MT)	Area sown (Ha)	Gross yield (MT)
Dimapur	2009-10	39290	1558	NA	NA	530	10528	6600	1125
	2010-11	44930	2287	NA	NA	590	12567	6800	1946
	2011-12	45480	2310	NA	NA	640	9031	6690	1964
	2012-13	46190	2408	NA	NA	680	10044	6720	1966
Kohima	2009-10	15740	1461	290	1103	1390	11136	4490	1004
	2010-11	17930	2088	310	1225	1440	12527	4600	1960
	2011-12	13570	2187	320	1250	1470	9040	4610	1960
	2012-13	13660	2293	330	1333	1510	10099	4610	1961
Tuensang	2009-10	15580	1294	200	1100	850	11847	9980	1044
	2010-11	15040	1971	190	1263	900	12455	10080	1969
	2011-12	14070	1946	200	1250	910	9021	10100	1967
	2012-13	14140	2078	210	1285	940	9787	10110	1969
Wokha	2009-10	17520	1376	210	1095	430	10558	5190	1113
	2010-11	18070	2043	250	1240	480	12562	5180	1961
	2011-12	17020	2047	260	1230	510	9019	5190	1951
	2012-13	17070	2149	260	1345	540	10000	5200	1954

(Source: Information furnished by the Department)

From the table, it could be noticed that areas of paddy sown decreased in Kohima, Tuensang and Wokha during 2011-12 and 2012-13. Also the area of beans cultivation in Tuensang district decreased in 2010-11. The yield of paddy crop, beans and maize in Tuensang district decreased in 2011-12. The yield of beans and maize in Wokha district also decreased in 2011-12. Yield of potato crop decreased in 2011-12 and 2012-13 as compared to that of previous years. The decrease in cultivated areas and crop yields indicated that implementation of AIBP in the State obviously did not lead to increase in agricultural yields.

Further, as per statement furnished to audit, the year-wise total areas under cultivation in the State during 2009-10 to 2012-13 were as shown below:

Table 2.4.12.2

(Area in Hectare)

Year	Paddy	Beans	Potato	Maize	Total(IP)
2009-10	168570	2050	5980	68200	244800
2010-11	181390	2150	6250	68550	258340
2011-12	181580	2190	6510	68520	258800
2012-13	183330	2270	6900	68670	261170

(Source: Information furnished by the Department)

The increase of cultivated area (irrigation potential) from 2009-10 to 2012-13 was 16,370 Ha (261170 Ha-244800 Ha). However, during this period, the Department

claimed that 21012⁴⁴ hectares of Irrigation Potential was created by executing and commissioning 393 projects under AIBP. Thus, the Irrigation Department exaggerated the achievement figures of irrigation potential created during the period.

It is evident from the following irregularities noticed during spot verification of 92 projects that the implementation of projects under AIBP in the State had not led to a positive impact for the State in terms of enhancing the agriculture yield.

Table 2.4.12.3

Sl. No.	Audit findings	No. of projects	Reference to paragraph
1	Projects were abandoned due to		
(i)	Implementation of projects without water source	13	2.4.7.6 (i)
(ii)	Implementation of projects without CCA	8	2.4.7.7 (i) to (iv)
(iii)	Non-maintenance and poor workmanship	3	2.4.9.4 (i) to (iii)
2	Permanent damage of projects due to inadequate survey	2	2.4.7.5 (i) & (ii)
3	Non-implementation of projects despite submission of completion report	1	2.4.9.3
4	Release of full payment against incomplete and abandoned projects	1	2.4.9.2
5	Non-utilisation of completed project	1	2.4.10 (iii)
6	Non-adoption of multi cropping pattern	43	2.4.10 (iv)

The Department in their reply accepted (September 2014) the non-maintenance of the records and stated that the data furnished from Agriculture Department in respect of some cereal and vegetable crops are not necessarily indicative of the impact of irrigation development in the State. The correct data of Irrigation Potential Created, Irrigation Potential Utilised, CCA etc. would be maintained after conduct of 5th MI Census which would be carried out during 2014-15 with reference year of 2013-14. The increase in agriculture production and productivity through irrigation schemes by the Department can be assessed by overall socio-economic index of the rural population of the State.

2.4.13 Conclusion

Projects were selected without conducting preliminary survey for arriving at the Irrigation Potential. Detailed surveys were also not undertaken before preparation of DPRs resulting in unviable schemes being taken up. There was no coordination between the Agriculture and allied Departments and I&FCD for successful

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Year	No of projects	IP (Ha)
2009-11	177	9891
2011-12	96	4792
2012-13	120	6329
Total		21012

implementation of the irrigation projects. There were delays in release of funds by the State Government and the funds released were also parked in Civil Deposit for periods ranging between 48 and 252 days. Utilisation Certificates were not based on the actual funds expended and there was no system in the State for submission of audited Statements of Expenditure, an important requirement under AIBP.

The execution of the projects were not properly supervised and monitored. Hence, there were cases of non/short execution of works, deviation from DPRs etc. The detailed specifications of works as mentioned in the DPRs were recorded verbatim in the MBs without verifying the actual execution of works at the project site. Therefore, incomplete, abandoned and un-executed works were reported as complete and full payments were released. Execution of projects without cultivable command areas and water sources as well as payment of money on fictitious measurements indicated that the construction works were executed primarily to show utilisation of the scheme funds.

There was no community participation in the implementation of AIBP in Nagaland. Water Users' Associations (WUAs) were formed only to observe formality at the time of sending proposals to facilitate issue of work orders. The beneficiaries were not made aware about the benefits of the irrigation projects and their responsibility to maintain the completed and handed over projects. The Department neither had information on actual creation of CCA, gross irrigated area, cropping intensity etc. nor assessed the impact of implementation of AIBP in the State. As a result, the farmers continued to adopt the traditional way of mono cropping- paddy cultivation rather than shifting to multi cropping pattern.

2.4.14 Recommendation

- ❖ The Department should ensure that proper survey is conducted before the projects are taken up.
- ❖ Financial management should be strengthened at all levels for timely release of funds in order to avoid incorrect reporting on utilisation of funds.
- ❖ Execution of projects should be supervised at every stage to create quality and functional infrastructure as per the approved DPRs.
- ❖ The Department should ensure that releases of payments are as per actual works carried out and recorded in the MBs.
- ❖ Participation of the farmers should be ensured in the process of planning, execution and maintenance of projects by forming WUAs and clearly defining their functions and responsibilities.
- ❖ Effort should be made to have an independent evaluation of the impact of AIBP in the State for taking corrective action and for future planning of the schemes.

PUBLIC WORKS (ROADS & BRIDGES) DEPARTMENT

2.5 Fraudulent drawal

The Executive Engineer, Public Works Department (R&B) Atoizu Division drew pay and allowances of ₹ 78.51 lakh in 15 bills against non-existent employees.

Rule 34 of the Receipt and Payment Rules, 1983 provides that a Bill Register should be maintained by all the Head of Offices who are authorised to draw money on bills signed by them. To prevent presentation of fraudulent bills to the treasury, a Bill Transit Register is to be maintained by the DDO and crosschecked with the Bill Register. Further, Rule 66 *ibid* stipulates that the pay bills may be prepared by including both permanent and temporary establishments and divided into separate sections comprising the establishments and indicating the description of each section prominently along with sanctioned number of posts included therein. In respect of permanent posts, the sanctioned strength need only be indicated at the top of each section of posts while in the case of temporary posts, the number and date of sanction letter also should be indicated.

During scrutiny (October 2013) of pay bills of April 2013 of the establishment of the Executive Engineer (EE), Public Works Department (PWD) (R&B), Atoizu Division, Zunheboto it was observed that pay and allowances amounting to ₹ 6.60 lakh was drawn against 23 Grade III employees in one bill. As the pay bill did not contain the authority, the sanctioned post, etc. as required under rules, audit obtained a list of employees under the establishment from the Chief Engineer (R&B) to ascertain the genuineness of the drawal. On cross verification, it was found that none of the persons whose names appeared in the above pay bill were employed in the division by the Department confirming that the amount was fraudulently drawn. Detailed scrutiny of similar drawals by the concerned DDO for the period from December 2010 to May 2013 revealed that the division had drawn ₹ 78.51 lakh in 15 bills as detailed in **Appendix –2.5.1** against non-existent employees⁴⁵ following the same *modus operandi*.

Thus, non-observance of rules by the EE and the Treasury Officer led to fraudulent drawal of ₹ 78.51 lakh.

In reply, the Chief Engineer (CE) stated (August 2014) that the matter was reviewed by the Division and it was found that some employees were appointed against specific works while some others (work charged) were attached/posted temporarily from other divisions. They further stated that efforts are being made to arrive at conclusive facts and figures and sought further extension of time to submit their replies.

The reply was not tenable as pay and allowances of work-charged employees are drawn separately on the strength of drawal authorities issued by the Finance

⁴⁵ 9 to 25 numbers

Department and not on regular pay bills. Further, ₹ 78.51 lakh drawn in 15 bills were against Grade III employees and not against work charged employees as claimed by the CE.

The matter was reported to the Government (May 2014); reply had not been received (December 2014).

LAND RECORDS AND SURVEY DEPARTMENT

2.6 Suspected Misappropriation

Director, Land Records and Survey Department drew ₹ 1.24 crore meant for implementation of National Land Records Modernisation Programme on the basis of forged Actual Payee Receipts in the name of three District Land Records and Survey Officers.

The National Land Records Modernisation Programme (NLRMP) is a Centrally Sponsored Scheme (CSS) launched by Government of India (GOI) in August 2008 aimed to modernise management of land records, minimise scope of land/property disputes, enhance transparency in the land records maintenance system and facilitate moving eventually towards guaranteed conclusive titles to immovable properties in the country. The major components of the programme are computerisation of all land records including mutations, digitisation of maps and integration of textual and spatial data, survey/re-survey and updation of all survey and settlement records including creation of original cadastral records wherever necessary, computerisation of registration and its integration with the land records maintenance system, development of core Geospatial Information System (GIS) and Capacity Building. The expenditure for the scheme was to be shared between the Centre and the State in the ratio of 90:10.

The GOI, Ministry of Rural Development, Department of Land Resources released an amount of ₹ 5.75 crore (September 2011) being Central share for implementation of NLRMP in six⁴⁶ districts of Nagaland during the year 2011-12. Out of this, the Director, Land Records & Survey (LRS), Dimapur drew ₹ 3.38 crore⁴⁷ in March 2012 after depositing the remaining amount of ₹ 2.37, crore⁴⁸ in Civil Deposit (March 2012) as directed by the Finance Department. The Director (LRS) withdrew (August 2012) ₹ 2.37 crore⁴⁹ from Civil Deposit.

Scrutiny of records⁵⁰ of the Director (LRS) revealed that out of ₹ 2.37 crore drawn in August 2012, ₹ 2.20 crore was paid to five District Land Records and Survey Officers (LRSOs) and other agencies involved in the implementation of the scheme between January and September 2013 (*Appendix- 2.6.1*) which inter alia included an amount of ₹ 1.24 crore paid to three LRSOs selected for cross verification as shown in the following table:

⁴⁶ Dimapur, Peren, Kohima, Wokha, Phek and Mokokchung

⁴⁷ Bill No.343 dated 28.3.2012

⁴⁸ Bill No.342 dated 28.3.2012

⁴⁹ vide bill No.102 dated 24.8.2012

⁵⁰ Cash book, Actual Payee Receipts and Payment Register

To whom paid	Date of payment	Amount
Land Records Survey Officer, KOHIMA	31.1.2013	4000000
Land Records Survey Officer, WOKHA	31.1.2013	4000000
Land Records Survey Officer, WOKHA	4.6.2013	1200000
Land Records Survey Officer, KOHIMA	4.6.2013	1200000
Land Records Survey Officer, DIMAPUR	4.6.2013	1966000
Total payment as per Actual Payee Receipt (APR) & Cash Book		12366000

Scrutiny of the records such as APRs and the Cash Book (November, December 2013 & January 2014) of the above three LRSOs revealed that the funds purportedly paid were not received by the respective LRSOs. This was further confirmed by the LRSOs in written reply to audit query.

Thus, ₹ 1.24 crore was suspected to be misappropriated by the Director (LRS) on the basis of forged documents affecting the implementation of the scheme.

The Department/Government in their reply (June 2014) stated that on cross verification of the available documents it was ascertained that the transactions occurred during the time of former incumbents in the Districts and not by the present incumbents.

On receipt of the reply, audit attempted to conduct a re-verification of the facts from the District offices. It was noticed that the amounts were neither entered in the Cash Books as receipt nor expenditure there against booked in the Cash Books of LRSOs. Further, it was also observed from the Bank Statement of the Directorate that no fund was transferred/deposited to the accounts or cheques issued in favour of the above LRSOs.

RURAL DEVELOPMENT DEPARTMENT

2.7 Fictitious procurement

The Block Development Officer cum Programme Officer MGNREGA, Phomching Block mis-utilised ₹ 5.49 crore meant for procurement of stone boulder and chips by producing fabricated records showing non-existent stone industries

As per the financing pattern prescribed by GOI under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), GOI bears the cost of wages for unskilled manual labour and also 75 *per cent* of the cost of material, wages for skilled and semi-skilled workers. The State Government has to bear 25 *per cent* of the cost of material, wages for skilled and semi-skilled labour. The Block Development Officer cum Programme Officer (BDO), Phomching received an amount of ₹ 16.23 crore during 2011-12 and 2012-13 for implementation of the scheme. Out of this, ₹ 6.15 crore was for material component and the remaining amount of ₹ 10.08 crore was wage component.

Examination (July 2013) of records of the BDO revealed that out of the material component of ₹ 6.15 crore, the BDO utilised ₹ 5.49 crore for procurement of stone boulders and chips through 13 Village Development Boards (VDBs) from three Stone

Crusher Industries located in Phomching and Tapi Villages as shown in the *Appendix 2.7.1*. The Actual Payee Receipts (APR)⁵¹ and the cash memos⁵² were signed by the VDB Secretaries and counter signed by the BDO.

To ascertain the genuineness of the procurement, audit collected the details of the Stone Crushers existing in Phomching and Tapi villages⁵³ from the District Industries Centre (DIC), Mon and the Directorate of Industries (DoI), Nagaland, where all the Stone Crushers were to be registered. Information received from the DIC and DoI revealed that the above three Stone Crusher Industries were not registered at any point of time.

In reply the Department stated (April 2014) that the funds were transferred to VDBs account as per scheme guidelines and all procurements were done by them as per the local arrangements. Regarding non-registration, it was stated that stone industry/crusher falls outside the purview of the Industries (D&R) Act 1951 which makes licensing compulsory. The Department also furnished certificates from the three suppliers which stated that though the firms were not registered, they were engaged in supply of stone boulders, chips, etc. and the Registration Number was shown in the bills due to ignorance.

The reply of the Department was not acceptable as a joint physical verification conducted (September 2014) by audit along with Sub-Divisional Officer (Administration) revealed that the above three stone crushing units were non-existent. Moreover, it was also seen from the bank statement that in most of the cases the funds for material component (stone boulders, etc) were drawn from the BDO's account during the period on cash cheques issued in the name of VDB Secretaries and the funds were not transferred to the accounts as claimed by the Department.

POWER DEPARTMENT

2.8 Delay in execution of project

Prolonged delay in execution and commissioning of Lang Hydro Electric Project with 1 MW capacity not only led to increase in cost of production but also resulted in escalation of project cost besides depriving the State the intended benefit of 7.44 MU of power per year for ten years forcing the State to resort to purchase of power from other sources to fill the gap.

Department of Power, Government of Nagaland (DoPN), after considering the potentiality of generating hydropower in Lang River, Tuensang District conceived (1992) construction of Lang Hydro Electric Project (LHEP) with 1 MW capacity with an initial estimated cost of ₹ 8.39 crore. The project was jointly funded by the State Government (GoN) and Ministry of Non-Renewable Energy (MNRE) with a capital

⁵¹ Indicating that the allotted money was received by the VDBs

⁵² Supplier bills certifying that the material were received in full

⁵³ The villages where those stone crushers were reportedly located

subsidy amounting to ₹ 6.00 crore by MNRE. The project was to be commenced in 2000-01 and made operational by March 2003.

The construction work actually commenced in 2002-03 with the release of first installment of ₹ 60.00 lakh from MNRE. However, the project could not progress due to non-provisioning of funds from 2003-04 to 2007-08 by the GoN coupled with deplorable road communication and remoteness of the project site. Thereafter, from 2009-10 State Government started releasing the funds and eventually commissioned the project on 23 April 2013 at a total expenditure of ₹ 22.98 crore i.e, ₹ 14.59 crore in excess of the initial estimated cost.

The initial Detailed Project Report of LHEP envisaged that cost of generation per unit from the above HEP would be ₹ 1.35 per Kwh and the above HEP would be generating 7.44 MU annually. However due to increase in project cost, the cost of generation increased from ₹ 1.35 per Kwh to ₹ 5.298 per Kwh on commissioning the project.

Thus, the delay in implementation of the project not only led to increase in cost of production but also deprived the State the intended benefit of 7.44 MU of power per year for ten years from April 2003 to April 2013 forcing the State to resort to purchase of power from other sources to fill the gap.

In reply (July 2013), Executive Engineer (EE), Hydro Electric Division, Kohima stated that the project construction was delayed due to remoteness of the project location and non-provisioning of matching fund by the State Government for 6 years (2003-04 to 2008-09) which resulted in cost escalation of the project cost to ₹ 22.98 crore and generation cost to ₹ 5.298 per Kwh at the commissioning the project (23 April 2013).

The fact however, remained that there was cost escalation due to delay in implementation of the project and the beneficiaries did not obtain the intended benefits from the project.

The matter was reported to the Government (February 2014), reply had not been received (December 2014).

CHAPTER – III

**ECONOMIC SECTOR
(PUBLIC SECTOR UNDERTAKINGS)**

CHAPTER - III

ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)

3.1 Introduction

3.1.1 The State Public Sector Undertakings (SPSUs) consist of State Government Companies and Statutory Corporations. The SPSUs are established to carry out activities of commercial nature keeping in view the welfare of people. In Nagaland there were six SPSUs (all Government companies) of which, one SPSU was non-working¹. The working SPSUs registered a turnover of ₹ 5.98 crore as per their latest finalised accounts as of September 2014. The turnover was 0.03 *per cent* of State (GDP)* for 2013-14. The working SPSUs made an overall profit of ₹ 0.50 crore in aggregate for 2013-14 as per their latest finalized accounts as on 30 September 2014. The five working SPSUs had 623 employees as on 31 March 2014. During 2013-14, neither any new SPSU was established nor any existing SPSU was closed down.

3.2 Audit Mandate

3.2.1 Audit of Government Companies is governed by Section 619 of Companies Act, 1956. As per Section 617 of the Companies Act 1956, a Government company is one in which not less than 51 *per cent* of paid up capital is held by Government. A Government company includes a subsidiary of a Government company. Further, a company in which 51 *per cent* of the paid up capital is held in any combination by Government(s), Government Companies and Corporations controlled by Government(s) is treated as if it were a Government company (deemed Government company) as per Section 619-B of the Companies Act. There was, however, no 619-B company in Nagaland.

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

3.2.3 Government of India (Ministry/Department of Corporate Affairs) has notified (September 2013) the Companies Act, 2013. However, the provisions of the new Act shall be applicable on Government Companies from the next accounting year (viz. from the accounting periods commencing on or after 1 April 2014) and audit of the accounts of Government Companies pertaining to the periods prior to 1 April 2014 shall continued to be governed by the Companies Act, 1956.

¹ The accounts of the non-working Company viz., Nagaland Sugar Mills Company Limited are in arrears for the last 36 years.

* The State GDP for 2013-14 was ₹ 17,749 crore.

3.3 Investment in SPSUs

3.3.1 As on 31 March 2014, the investment (Capital and long term loans) in six SPSUs was ₹ 102.49 crore as per details given below:

Table No. 3.1

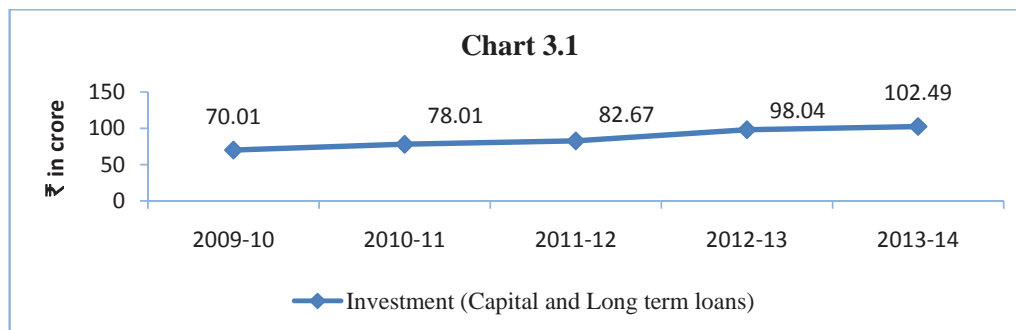
(₹ in crore)

Type of SPSUs	Government Companies		
	Capital	Long term loans	Total
Working SPSUs	35.87	61.66	97.53
Non-working SPSUs	4.96	0	4.96
Total	40.83	61.66	102.49

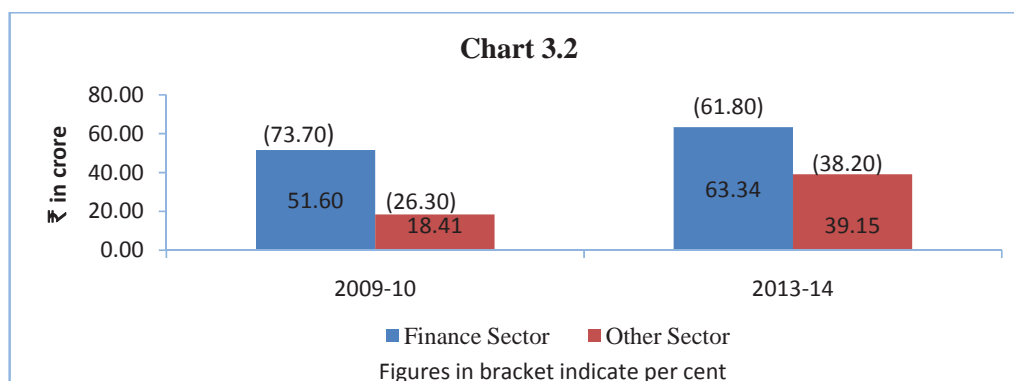
A summarised position of Government investment in SPSUs is detailed, in **Appendix 3.1**.

3.3.2 As on 31 March, 2014, 95 per cent of the total investment in SPSUs was in five working SPSUs and remaining 5 per cent was in one non-working SPSU. The total investment consisted of 40 per cent towards capital and 60 per cent in long term loans.

The investment has grown by 46.39 per cent from ₹ 70.01 crore in 2009-10 to ₹ 102.49 crore in 2013-14 as shown in graph below:-



3.3.3 The investments in various sectors at the end of March 2010 and March 2014 are indicated below in the bar chart.



It may be noticed that as compared to the investment in 2009-10, investment in 2013-14 has increased in Finance Sector by ₹ 11.74 crore (22.75 per cent) while the investment in Other Sectors had increased by ₹ 20.74 crore (112.66 per cent) during the said period.

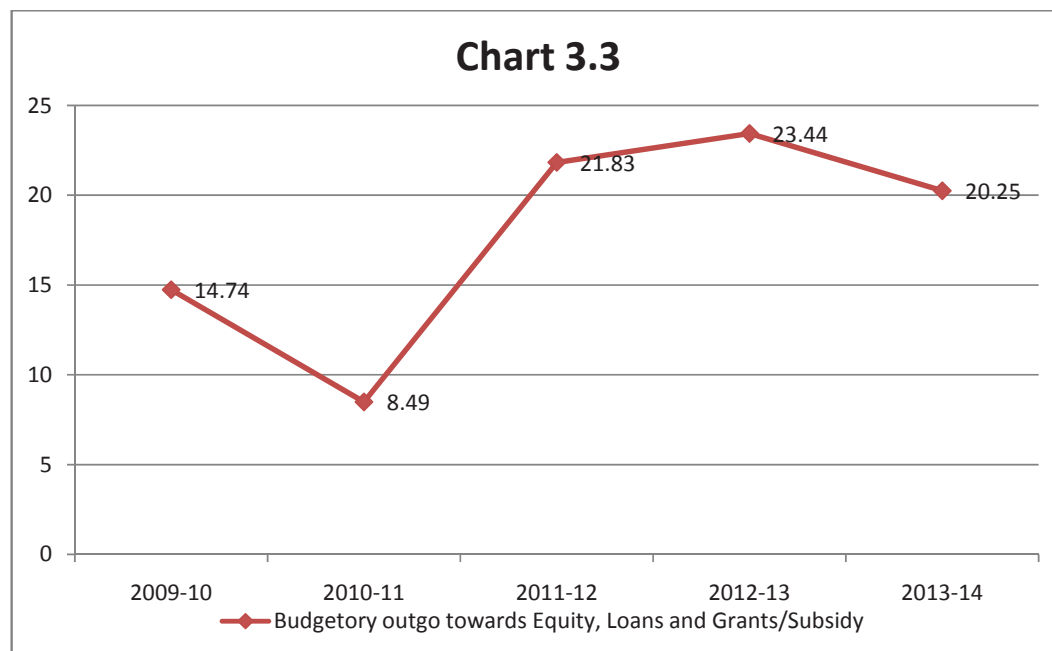
3.4 Budgetary outgo, grants/subsidies, guarantees and loans

3.4.1 The details regarding budgetary outgo towards equity, loans, grants/subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in **Appendix-3.2**. The summarised details for three years ended 2013-14 are given below:

Table No. 3.2

Sl. No	Particulars	2011-12		2012-13		2013-14	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity capital outgo from budget	2	1.60	2	2.40	1	4.25
2	Loans outgo from Budget	1	7.81	1	6.59	0	0
3	Grants/subsidy outgo	4	12.42	5	14.45	4	16.00
4	Total outgo (1+2+3)		21.83		23.44		20.25
5	Loans written off	--	--	--	--	--	--
6	Total waiver (5 above)	--	--	--	--	--	--
7	Guarantees issued	1	7.81	2	11.59	1	6.55

3.4.2 The details regarding budgetary outgo towards equity, loans and grants/subsidies for the last past five years from 2009-10 to 2013-14 are given in the following graph:



The chart above indicated that the year-wise budgetary outgo of the State Government towards equity, loans and grants had shown an increasing trend during 2011-12 and 2012-13. During 2013-14, however the budgetary support provided to SPSUs has marginally reduced and stood at ₹ 20.25 crore.

3.5 Reconciliation with Finance Accounts

3.5.1 The figures in respect of equity, loans and guarantees outstanding as per the records of SPSUs should agree with the corresponding figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned SPSUs and the Finance Department of the State Government should carry out reconciliation of the differences.

The position in this regard on 31 March 2014 is stated below:

Table No.3.3

(₹ in crore)

State Government investment in SPSUs	Amount as per Finance Accounts	Amount as per the records of SPSUs	Difference
Share Capital	182.05	34.56	147.49
Loans *	Nil	0.73	0.73
Guarantees ^{2*}	59.53	15.00	44.53

* SPSU- wise figures of loan/guarantees not available in the Finance Accounts of the State.

3.5.2 Audit observed that the difference in equity investment occurred in respect of all SPSUs while the Guarantees figure in respect of two SPSUs³ were pending reconciliation.

Considering the significant differences in the investment figures, efforts are needed on part of the Finance Department and the concerned SPSUs to ensure early reconciliation of difference between the figures of the Finance Accounts and that as per the record of SPSUs.

3.6 Performance of SPSUs

3.6.1 The financial results of SPSUs as per their latest finalized accounts as on 30 September 2014 are detailed in **Appendix-3.3**. A ratio of SPSUs turnover to State GDP shows the extent of SPSUs activities in the State economy. Table below provides the details of working SPSUs turnover and State GDP for the period 2009-10 to 2013-14.

Table No. 3.4

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Turnover ⁴	4.06	18.06	5.36	6.75	5.98
State GDP	10527	11759	13859	15676	17749
Percentage of turnover to State GDP	0.04	0.15	0.04	0.04	0.03

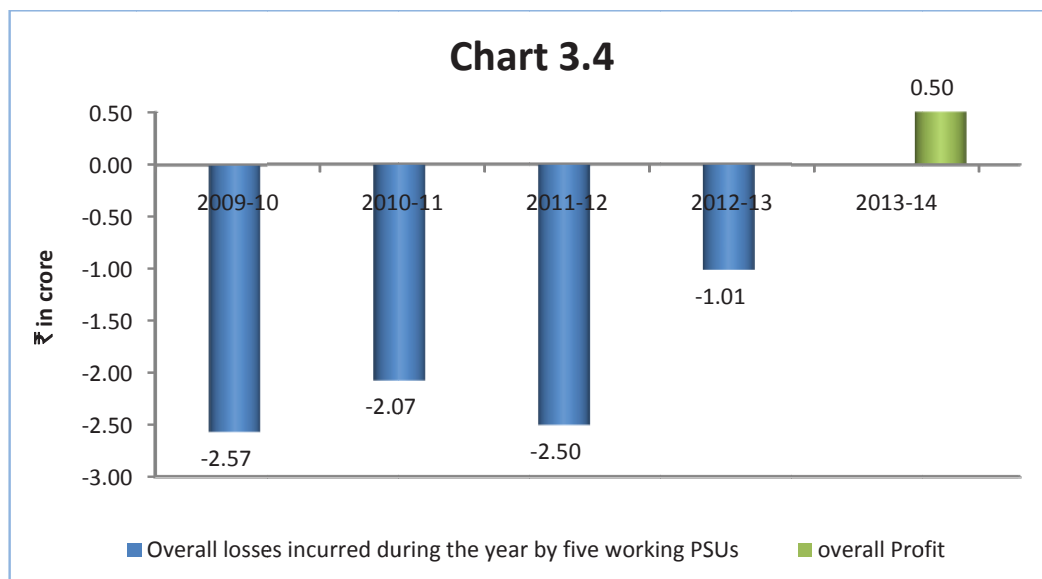
(Source: Central Statistical Office (CSO) and Appendix 3.3)

From the table, it may be noticed that excepting 2010-11, the percentage of SPSUs turnover to State GDP was stagnant at around 0.04 *per cent*. During 2010-11, the percentage of SPSUs turnover was exorbitantly high at 0.15 *per cent* mainly due to abnormal increase in the turnover of one SPSU (namely, Nagaland Industrial Raw Material Supply Corporation Limited). The increase in the turnover of the said SPSU was mainly because of the Government subsidy extended on supply of industrial raw material through Government agencies. The SPSU however, could not maintain the pace of the increased turnover in subsequent years due to presence of private entrepreneurs in the business. The percentage of turnover to State GDP had marginally decreased (by 0.01 *per cent*) during 2013-14 mainly due to decline in the turnover figures of two SPSUs (viz., Nagaland Industrial Development Corporation Limited and Nagaland State Mineral Development Corporation Limited).

3.6.2 Losses incurred/profits earned by working SPSUs during 2009-10 to 2013-14 are given below in a bar chart.

³ Serial no. A-1 and A-4 of appendix 3.1

⁴ Turnover of working SPSUs as per their latest finalized accounts as of September of the respective year.



It could be seen from the chart above that overall losses incurred by the working SPSUs had decreased from ₹ 2.57 crore in 2009-10 to ₹ 1.01 crore in 2012-13. During 2013-14 the working SPSUs had registered an overall profit of ₹ 0.50 crore mainly due to profits (₹ 0.62 crore) earned by one loss making SPSU⁵ and increase of ₹ 0.68 crore in the profits of two SPSUs⁶. As per the latest finalised accounts of five working SPSUs as of September 2014, two SPSUs incurred loss of ₹ 1.68 crore, while remaining three SPSUs earned profit of ₹ 2.18 crore. The major contributor to profit was Nagaland State Mineral Development Corporation Limited (₹ 1.04 crore). Earlier, the said SPSU had been incurring losses and had earned profits during the current year mainly due to receipt of grant (₹ 4.29 crore) from the State Government.

3.6.3 Some key parameters pertaining to SPSUs are given in the following table:

Table No. 3.5

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Return on capital employed (per cent)	*	*	*	0.63	5.02
Debt	39.09	45.64	47.69	61.46	61.66
Turnover	4.06	18.06	5.36	6.75	5.98
Debt/Turnover ratio	9.63:1	2.53:1	8.90:1	9.11:1	10.31:1
Accumulated losses	34.02	33.62	48.53	51.38	49.35

*Negative figures

⁵ Sl. No. A-5 of Appendix 3.3

⁶ Sl. No. A-2 and A-3 of Appendix 3.3

From the above it can be noticed that the debt-equity ratio of SPSUs had increased consistently after 2010-11 due to increase in the long term borrowings of SPSUs. The debt-equity ratio of SPSUs was at all time low level during 2010-11 due to abnormal increase in the turnover figure of one SPSU (Nagaland Industrial Raw Material Supply Corporation Limited) on account of Government subsidy provided against its supplies as mentioned under **paragraph 3.6.1** *supra*. The accumulated losses of SPSUs had shown an increasing trend during 2009-13 (excepting 2010-11). The said losses, however had reduced marginally by ₹ 2.03 crore during 2013-14 on account of profits (₹ 1.04 crore) earned by one loss incurring SPSU (Nagaland State Mineral Development Corporation Limited) which was mainly due to receipt (₹ 4.29 crore) of Government Grants as mentioned in **paragraph 3.6.2**. This has also positively affected the return on capital employed during 2013-14. There was, however, no return on capital employed during 2009-10 to 2011-12. The losses of SPSUs are generally due to deficiencies in management, planning, running their operations and monitoring.

Thus, appropriate steps are needed to be taken for better management, operation and monitoring of the activities of the working SPSUs to arrest the gradual deterioration of their financial results.

3.7 Arrears in finalisation of Accounts

3.7.1 The accounts of the companies for every financial year are required to be finalized within six months from the close of the relevant financial year under section 166, 210, 240, 619 and 619-B of Companies Act, 1956. The table below provides details of progress made by working PSUs in finalisation of accounts by September, 2014.

Table No.3.6

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14
1	No. of working SPSUs	5	5	5	5
2	No. of accounts finalized	15	34	21	17
3	No. of accounts in arrears	75	46	30	18
4	Average arrear per SPSU (3/1)	15	9.4	6	3.6
5	No. of working SPSUs with arrears in accounts	5	5	5	5
6	Extent of arrears (in years)	5 to 21	1 to 13	1 to 9	1 to 5

3.7.2 From the table above it would be evident that during 2010-14, backlog of accounts of working SPSUs had reduced significantly from 75 accounts (2010-11) to 18 accounts (2013-14) with corresponding reduction in average arrear per SPSU. None of the SPSUs, however, had made their accounts up-to-date as on 30 September 2014. Further, one out of five SPSUs (Nagaland Handloom & Handicrafts Development Corporation Limited) did not finalise any accounts during 2013-14.

All the SPSUs need to take effective measures for early clearance of the backlog and make their accounts up-to-date. SPSUs should ensure finalisation of at least one year accounts by 30 September each year so as to restrict further accumulation of accounts backlog.

3.7.3 In addition to above, the accounts of the only non-working SPSU in the State also had the arrears of accounts for 36 years.

3.7.4 The administrative departments have the responsibility to oversee the activities of these entities and ensure that the accounts are finalised and adopted by these SPSUs within the prescribed period. During the year 2013-14 the Accountant General has written (August 2013) to the Chief Secretary, Government of Nagaland for early finalisation of accounts of the SPSUs. The issue was also taken up (November 2013) with the Administrative Heads and the management of the respective SPSUs. The SPSUs, however, are still having significant backlog of accounts.

3.7.5 In view of above state of affairs, it is recommended that the Government should monitor and ensure timely finalisation of accounts in conformity with the provisions of the Companies Act, 1956.

3.8 Accounts Comments and Internal Audit

3.8.1 Four working SPSUs forwarded their 17 audited accounts to the Accountant General during the period October 2013 to September 2014. Of these five accounts were selected for supplementary audit and 12 accounts were issued “Non Review Certificates”.

3.8.2 During the year, out of 17 accounts, only four accounts received unqualified certificates from the statutory auditors while remaining 13 accounts received qualified certificates.

The details of aggregate money value of comments of statutory auditors and CAG in respect of accounts finalized during 2012-13 and 2013-14 are given below:

Table No. 3.7

(₹ in crore)

Sl. No.	Particulars	2012-13		2013-14	
		No. of Accounts	Amount	No. of Accounts	Amount
1	Increase in loss	1	3.43	4	0.30
2	Increase in profit	2	0.38	1	0.39
3	Decrease in loss	2	1.80	3	1.59
4	Decrease in profit	1	0.26	1	0.01
5	Errors of classification	--	--	4	14.12
Total		6	5.87	13	16.41

3.8.2.1 Some of the important comments in respect of accounts of the SPSUs audited during 2013-14 are detailed below:

Nagaland Industrial Raw Materials & Supply Corporation Limited. (2008-09)

- Non-provisioning against the sundry debtors pending realisation for more than 10 years has resulted in understatement of 'loss for the year' by ₹ 1.05 crore.
- Non-provisioning against purchase advances remaining unadjusted since 1999-2000 resulted in understatement of 'loss for the year' by ₹ 0.33 crore.

Nagaland State Mineral Development Corporation Limited. (2009-10)

- Non capitalisation of the assets resulted in overstatement of Advance to Supplier by ₹ 0.58 crore with corresponding understatement of Fixed Assets by ₹ 0.33 crore and understatement of accumulated depreciation and losses by ₹ 0.25 crore each.
- Incorrect booking of the sale proceeds of the trial run product under 'sales' instead of adjusting the same against 'Expenditure during Construction' of the Plant (Mini Cement Plant, Wazeho) has resulted in overstatement of profit for the year by ₹ 0.15 crore.

ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)

Nagaland State Mineral Development Corporation Limited

3.9 Excess expenditure

Nagaland State Mineral Development Corporation Limited (Corporation) incurred an expenditure of ₹ 22.75 crore on execution of works not included in the approved DPR. Besides, the Corporation also paid ₹ 6.14 crore against unexecuted items of work.

With a view to have access to the natural mineral resources and accelerate exploration, Nagaland State Mineral Development Corporation Limited (Corporation) undertook (May 2008) construction of three mineral deposit link roads⁷. Government of India, Ministry of DoNER, sanctioned (May 2008) the project under Non Lapsable Central Pool of Resources at an estimated cost of ₹ 26.54 crore. The cost of the project was to be shared between the Government of India (GoI) and Government of Nagaland (GoN) in the ratio of 90:10 (₹ 23.89 crore and ₹ 2.65 crore).

GoI and GoN released ₹ 23.42⁸crore and ₹ 2.60⁹crore respectively in three instalments for the implementation of the project. Out of the said three mineral deposit link roads, the Corporation awarded (August 2008) two projects (Wazeho to Satuza and Nimi to Laluri) to the contractors and one project (Zipu to Moke road) was taken up by the Corporation departmentally. After achieving the physical progress of 80 *per cent*, all three works were stopped (2010) due to paucity of funds. As of March 2013, the

⁷Zipu-Moke (9 Km)- ₹ 571.02 lakh, Wazeho-Satuza (8 KM)- ₹ 547.45 lakh &Nimi-Laluri (20 Km)-₹ 1535.44 lakh

⁸₹ 820 lakh (June 2008), ₹ 820 lakh (March 2009), ₹ 701.71 lakh (November 2009)

⁹₹ 91.11 lakh(November 2008), ₹ 91.11 lakh (June 2009), ₹ 77.97 lakh (March 2010)

Corporation had released a total amount of ₹ 24.92 crore¹⁰ against the said works. Meanwhile, the Department forwarded (April 2011) a revised Project Report increasing the project cost to ₹ 54.59 crore on account of cost escalation as well as enhancement in the work scope of three projects. The project cost was subsequently revised downward to ₹ 45.29 crore and the revised proposal was submitted to the GoI (November 2013). Sanction of the GoI to the revised project proposal was awaited (November 2014).

Examination of records revealed that while approval of GoI to the revised project proposals was pending, the Corporation had already executed excess quantities of work not provided in the approved DPR involving total cost of ₹ 22.74 crore. It was also seen from records that Corporation, while incurring expenditure did not obtain prior approval of GoI/GoN for execution of works/quantities in excess of that provided in the DPR.

Hence, the Corporation had incurred total expenditure of ₹ 22.74 crore on the works not provided under DPR of the project, which was irregular.

With a view to verify the actual status of works executed under the project, Audit conducted joint physical verification (April 2013) of the above three works along with the officers of Corporation. Joint physical verification revealed that the under mentioned items of works valuing ₹ 6.14 crore recorded to have executed in the Measurement Book (MB) were lying incomplete:

- **Wazeho to Satuza Road (8 Km)**- The Contractor was paid (April 2012) an amount of ₹ 4.57 crore which *inter alia* included ₹ 1.40 crore against the works relating to Culverts, Retaining Walls & Breast walls and ₹ 1.10 crore towards sub base work (Grade II and III). During joint verification, however it was seen that Culverts, Retaining Walls & Breast walls were not constructed and sub base work was done only with Grade I on the entire stretch of the road. This has resulted in overpayments of ₹ 2.50 crore to the Contractor against unexecuted items of work.
- **Nimi-Laluri Road (20 Km)**-The Corporation released (September 2011) ₹ 14.75 crore to the Contractor against six Running Account Bills. The payment included an amount of ₹ 2.33 crore against Grade II and Grade III works for the entire stretch of 20 Kms and ₹ 0.14 crore towards side drain works. During physical verification, it was noticed that sub base work in Grade II and III was done only in 5.4 Km length and no side drain was present. Hence, there was an excess payment of ₹ 1.84 crore (Grade II & III- ₹ 1.70 crore and Drain-₹ 0.14 crore) to the Contractor against unexecuted items of work.
- **Zipu-Moke Road (9 Km)** – The Corporation incurred ₹ 11.22 crore against construction of the entire stretch of 9 Km road which *inter alia* included an expenditure of ₹ 1.97 crore for sub-base work (Grade II & III) and ₹ 0.80 crore for 27 culverts. During physical verification of the works, it was seen that sub-base

¹⁰Zipu- Moke Road ₹559.58 lakh , Wazeho – Satuza road- ₹ 456.69 lakh and Nimi-Laluri Road-₹ 1475.24 lakh

work in Grade II & III was done only upto 2.8 Km and for the remaining length of 6.2 Km sub-base work in Grade I only was done. Further, out of 27 culverts recorded to have been completed only 10 culverts were actually completed till the date of the physical inspection (April 2013). Hence, the Corporation released ₹ 1.86 crore¹¹ against the works pending for execution.

Thus, the Corporation had irregularly incurred an expenditure of ₹ 22.75 crore on execution of quantities of works not included in the approved DPR. Besides, the Corporation also made payments of ₹ 6.14 crore against the unexecuted items of work by falsely recording the measurement of said works without actual execution.

In reply (July 2014) the Management stated that execution of excess quantities of works became necessary due to the extremely difficult site conditions requiring extensive drilling and blasting works. As regards the payments made against unexecuted items of work the Management accepted the mistake and stated that during the course of execution of works it had become necessary to execute additional items not provided in the DPR and in order to avoid recording of payment against unsanctioned items, measurements were recorded against unexecuted items of work. It was further stated that the irregularities would be regularized once the revised DPR is approved. The reply of the Corporation was also endorsed by the Government.

The reply regarding taking up of additional works due to unseen/difficult project site conditions highlighted deficiencies in preparation of the DPR by the Corporation. Moreover, the Corporation should have obtained prior approval of competent authority before taking up such additional works.

Further, fabrication of the works measurement by the Corporation to accommodate the additional/unsanctioned works was not an acceptable practice as it provided space for possibilities of frauds in future.

¹¹ Grade II & III (6.2 Km)- ₹ 1.36 crore & 17 Nos of Culverts-₹ 0.50crore.

CHAPTER – IV

REVENUE SECTOR

CHAPTER - IV

REVENUE SECTOR

4.1 General

4.1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Nagaland during the year 2013-14, the State's share of net proceeds of divisible Union taxes and grant-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned below:

Table No.4.1.1

(₹ in crore)

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
I	Revenue raised by the State Government					
	• Tax revenue	180.51	227.32	303.88	339.95	333.39
	• Non-tax revenue	126.35	183.14	232.95	207.17	216.57
	Total I	306.86	410.46	536.83	547.12	549.96
	Percentage of increase over previous year	(-) 8.83	33.76	30.79	1.92	0.52
II	Receipt from the Government of India					
	• States share of net proceeds of divisible Union taxes	434.03	689.46	803.20	917.14	1001.27
	• Grants-in-aid	2978.87	3900.07	4246.35	4740.03	4946.67
	Total II	3412.90	4589.53	5049.55	5657.17	5947.94
III	Total receipts of the State Government (I+II)	3719.76	4999.99	5586.38	6204.29	6497.90
	Percentage of I to III	8	8	10	9	8

Thus, growth of revenue during 2013-14 over previous year was at 0.52 *per cent* against 1.92 *per cent* in the year 2012-13. Further, during the year 2013-14, the revenue raised by the State Government (₹ 549.96 crore) was eight *per cent* of the total revenue receipts against nine *per cent* in the preceding year. The balance 92 *per cent* of receipts during 2013-14 was from the Government of India.

4.1.2 The following table presents the details of tax revenue raised during the period 2009-10 to 2013-14.

Table No.4.1.2

(₹ in crore)

Sl No.	Head of revenue	2009-10	2010-11	2011-12	2012-13	2013-14	Percentage of increase (+) or decrease (-) in 2013-14 over 2012-13
1	Sales Tax/VAT	132.22	167.22	231.12	257.21	250.20	(-)03
2	State Excise	3.13	3.00	3.36	3.73	4.86	(+)30
3	Stamps and Registration Fees	1.19	1.35	1.85	1.58	1.77	(+)12
4	Taxes and duties on Electricity	0.11	0.05	0.04	0.05	0.04	(-)20
5	Taxes on vehicle	16.73	23.92	34.58	41.59	36.15	(-)13
6	Taxes on Goods and Passengers	3.96	6.62	4.85	6.71	10.79	(+)61
7	Other taxes on Income and expenditure	22.54	24.57	27.03	27.22	28.30	(+)04
8	Other taxes and duties on Commodities and Services	0.00	0.00	0.37	1.14	0.58	(-)49
9	Land Revenue	0.63	0.59	0.68	0.72	0.70	(-)03
	Total	180.51	227.32	303.88	339.95	333.39	(-)02

The reasons for variations were not reported by the departments though called for.

4.1.3 The following table presents the details of Non-tax revenue raised during the period from 2009-10 to 2013-14.

Table No.4.1.3

(₹ in crore)

Sl, No.	Head of revenue	2009-10	2010-11	2011-12	2012-13	2013-14	Percentage of increase (+) or decrease (-) in 2013-14 over 2012-13
1	Interest Receipts	10.02	14.35	9.62	5.90	7.62	(+)29
2	Housing	3.43	3.63	4.38	5.12	5.13	(+)0.2
3	Water Supply & Sanitation	0.94	1.29	1.62	1.74	1.95	(+)12
4	Forestry and Wildlife	7.70	10.18	8.87	7.76	8.81	(+)14
5	Education, Sports Art and Culture	0.43	8.74	12.16	45.57	67.83	(+)49
6	Miscellaneous General Services	7.04	12.43	29.01	6.60	6.57	(-)0.5
7	Power	75.17	74.01	94.28	102.83	88.31	(-)14
8	Medical & Public Health	0.09	0.09	0.21	0.35	0.55	(+)57
9	Co-operation	3.15	0.34	3.54	1.13	2.45	(+)117
10	Public Works	0.54	0.72	0.69	0.18	0.40	(+)122
11	Police	0.44	34.21	30.65	7.34	3.37	(-)54
12	Other Administrative Services	1.42	2.90	2.38	3.22	2.73	(-)15
13	Crop Husbandry	0.13	0.16	0.20	0.16	0.27	(+)69
14	Others	15.85	20.09	35.34	19.27	20.58	(+)7
	Total	126.35	183.14	232.95	207.17	216.57	(+)5

The reasons for variations were not stated by the departments.

4.1.4 Variation between the budget estimates and actuals

The variation between the budget estimates and actuals of revenue receipts under the principal heads of Tax and Non-Tax revenue for the year 2013-14 are mentioned in the following table:

Table No.4.1.4

Sl. No.	Head of revenue	Budget Estimates (₹ in crore)	Actuals Receipts (₹ in crore)	Variation Increase (+) Decrease (-)	Percentage of variation
	Tax Revenue				
1	Sales Tax/VAT	252.61	250.20	(-)2.41	(-)1
2	State Excise	4.06	4.86	(+)0.8	20
3	Stamps and Registration fees	1.52	1.77	(+)0.25	16
4	Taxes on vehicles	36.23	36.15	(-)0.08	(-)0.22
5	Taxes on Goods and Passengers	5.01	10.79	(+)5.78	115
6	Land revenue	0.74	0.70	(-)0.04	(-)5
	Non – Tax Revenue				
7	Interest Receipts	1.50	7.62	(+)6.12	408
8	Other Administrative Service	5.36	2.73	(-)2.63	(-)49
9	Medical & Public Health	0.26	0.55	(+)0.29	112
10	Public Works	0.82	0.40	(-)0.42	(-)51
11	Forestry & Wildlife	13.07	8.81	(-)4.26	(-)33
12	Education, Sports, Art and Culture	0.42	67.83	(+)67.41	16050
13	Power	110.00	88.31	(-)21.69	(-)20

Source: Receipt Budget and Finance Account for the year 2013-14.

The reasons for variations were not stated by the departments.

4.1.5 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2014 in respect of principal Heads of Revenue as reported by the departments was ₹ 13.06 crore of which ₹ 4.72 crore (36.14 per cent) was outstanding for more than five years as per details mentioned in the following table:

Table No.4.1.5

(₹ in crore)

Sl. No	Head of Revenue	Amount outstanding as on 31 March 2014	Amount outstanding for more than five years	Remarks
1	Taxes/ VAT on Sales, Trades etc.	13.06	4.72	-

4.1.6 Arrears in assessment

The details of Sales tax/VAT assessment cases pending at the beginning of the year 2013-14, cases which were due for assessment during the year, cases disposed of during the year and number of cases pending at the end of the year 2013-14 as furnished by Commissioner of Taxes are mentioned in the following table:

Table No.4.1.6

Head of Revenue	Opening Balance as on 1 st April 2013	New cases due for assessment during 2013-14	Total assessment due	Cases disposed of during 2013-14	Balance at the end of the 31 st March 2014	Percentage of cases disposed to the total assessment due
1	2	3	4	5	6	7 (5 to 4)
Taxes /VAT on Sales, Trades etc.	691 ¹	4439	5130	4324	806	84.29

The arrear in assessment increased from 691 to 806 cases with the addition of another 4439 cases which became due for assessment during the year 2013-14 and 4324 cases got disposed during the year. The percentage (84.29) of cases disposed during the year was encouraging and needs to be maintained.

4.1.7 Response of the Departments/Government towards audit

Transactions and maintenance of important accounts and other records of the departments are test checked and Inspection Report containing audit findings is issued to the Head of the Office so audited for comments and/or compliance. Audit findings of serious nature are processed into draft paragraph and forwarded to the Administrative Head of the concerned Department through demi-official letter drawing their attention to the audit findings with a request to furnish their response within six weeks. The response of the Departments /Government towards audit is discussed in succeeding paragraphs.

4.1.7(a) Failure of senior officials to enforce accountability and protect the interest of the State Government

The Accountant General (Audit), Nagaland (AG) conducts periodical inspection of the Government Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the Heads of the Offices inspected with copies to the next higher authorities for taking prompt corrective action. The Heads of the Offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG within one month from the date of issue of the IRs. Serious financial irregularities are reported to the Heads of the Departments and the Government.

¹ Opening balance taken as per the revised figure furnished by the Department.

Inspection Reports issued upto June 2014 disclosed that 352 paragraphs involving ₹ 82.58 crore relating to 94 IRs remained outstanding as mentioned in the following table along with the corresponding figures for the preceding two years.

Table No.4.1.7

	June 2012	June 2013	June 2014
Number of outstanding IRs	81	89	94
Number of outstanding audit observations	295	344	352
Amount involved (₹ in crore)	51.78	80.49	82.58

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2014 and the amount involved are mentioned in the following table:

Table No.4.1.8

Sl. No.	Name of Department	Name of Receipts	No. of outstanding IRs	No. of Outstanding Audit Observations	Money Value Indicated (₹ in crore)
1	Finance	Taxes / VAT on Sales, Trade etc	29	168	59.48
2	Finance	Miscellaneous General Services/Lottery	04	18	2.59
3	Transport	Taxes on Vehicles /Taxes on Goods & Passengers	32	82	13.44
4	Forest & Environment	Forest & Wildlife	29	84	7.07
Total			94	352	82.58

Even the first replies required to be received from the Heads of Offices within one month from the date of issue of the IRs were not received for six IRs issued upto June 2014. This large pendency of IRs due to non-receipt of replies is indicative of the fact that the Heads of offices and Heads of departments failed to initiate action to rectify the defects, omissions and irregularities pointed out by the Accountant General in the IRs.

It is recommended that the Government takes suitable steps to install an effective procedure for prompt and appropriate response to audit observations as well as take action against officials/officers who fail to send replies to IRs /paragraphs as per prescribed time schedules and also fail to take action to recover loss/outstanding demand in a time bound manner.

4.1.7(b) Departmental Audit Committee Meetings

In order to expedite settlement of the outstanding audit observations contained in the IRs, Departmental Audit Committees are constituted by the Government. These

Committees are chaired by the Secretaries of the concerned Administrative Department and attended by the concerned officers of the State Government and officers of the Accountant General (AG). The audit committees need to meet regularly in order to expedite clearance of the outstanding audit observations.

During 2013-14, no audit committee meeting was convened to clear the outstanding audit observations.

The Government may ensure holding of frequent meetings of these committees for ensuring effective action on the audit observations leading to their settlement.

4.1.7(c) 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 are forwarded by the Accountant General to the Principal Secretaries/Secretaries of the concerned departments, drawing their attention to Audit findings and requesting them to send their response within 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.

Two draft paragraphs were sent to the Principal Secretaries/Secretaries of the respective departments by name in September 2014. The Principal Secretaries/Secretaries of the departments did not send replies to any draft paragraph (November 2014) despite issue of reminders (November 2014) and the same have been included in this Report without the response of the Departments.

4.1.7(d) Follow up on Audit reports – summarised position

The internal working system of the Public Accounts Committee, notified in December 2002, laid down that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs and the action taken explanatory notes thereon should be submitted by the Government within three months of tabling the Report, for consideration of the Committee.

However, *suomoto* explanatory notes were not furnished to AG (Audit) by the departments and were also not received through Nagaland Legislative Assembly Secretariat in respect of paragraphs/reviews appeared in the Audit Reports. Hence, status on delay of submission of explanatory notes cannot be commented upon.

The PAC discussed 11 selected paragraphs (including 3 Performance Audits) pertaining to the Audit Reports for the years from 2007-08 to 2011-12 and its recommendations on 7 paragraphs were incorporated in their 101st (2011-12), 105th (2011-12), 106th (2012-13) and 112th (2014-15) Report. However, Action Taken Notes have not been received in respect of 2 recommendations of the PAC in respect of Department of Tourism and Finance & Taxation Department pertaining to the Audit Report for the year 2010-11.

4.1.7(e) Compliance with the earlier Audit Reports

In the Audit Reports 2007-08 to 2012-13, cases of under assessments, evasion/non/short levy of taxes/penalty, loss of revenue, failure to raise demands etc., involving ₹ 28.65 crore were reported. As of March 2014, the departments concerned have accepted observations of ₹ 3.37 crore and recovered ₹ 0.16 crore which was 4.75 per cent of accepted money value. Audit Report wise details of cases accepted and recovered are given in the following table:

Table No.4.1.9**(₹incrore)**

Year of Audit Report	Total Money Value	Accepted money value	Recovery made
2007-08	6.51	2.78	0
2008-09	11.78	0	0
2009-10	0.97	0.16	0.16
2010-11	7.99	0.43	0
2011-12	0.20	0	0
2012-13	1.20	0	0
Total	28.65	3.37	0.16

4.1.8 Analysis of mechanism for dealing with the issues raised by Audit

In order to analyse the system of addressing the issues highlighted in the Inspection Reports/Audit Reports by the Department/Government the action taken on the paragraphs and Performance Audits included in the Audit Reports of the last five years in respect of one Department is evaluated and included in each Audit Report.

The succeeding paragraphs 4.1.8(a) and 4.1.8(b) discuss the performance of Taxation Department in dealing with the cases detected in the course of local audit conducted during the last ten years and also the cases included in the Audit Reports for the years 2008-09 to 2012-13.

4.1.8(a) Position of Inspection Reports

A summarised position of Inspection Reports issued during the last ten years, paragraphs included in these Reports and their status as on 30 June 2014 are given in the following table.

Table No.4.1.10

Year	Opening Balance			Addition during the year			Clearance during the year			Closing Balance		
	IRs	Paras	Money Value (₹ in crore)	IRs	Paras	Money Value (₹ in crore)	IRs	Paras	Money Value (₹ in crore)	IRs	Paras	Money Value (₹ in crore)
2003-04	10	25	10.66	6	20	1.75	0	0	0	16	45	12.41
2004-05	16	45	12.41	6	27	2.37	0-	0	0	22	72	14.78
2005-06	22	72	14.78	3	33	8.02	1	10	0.09	24	95	22.71
2006-07	24	95	22.71	4	31	1.65	0	3	0	28	123	24.36
2007-08	28	123	24.36	5	43	0.25	0	0	0	33	166	24.61
2008-09	33	166	24.61	2	27	13.73	0	4	0.03	35	189	38.31
2009-10	35	189	38.31	0	0	0	1	2	0.06	34	187	38.25
2010-11	34	187	38.25	1	2	0	3	14	0.62	32	175	37.63
2011-12	32	175	37.63	1	1	0	0	0	0	33	176	37.63
2012-13	33	176	37.63	1	2	0.03	0	10	0.22	34	168	37.44
2013-14	34	168	37.44	2	9	1.29	2	9	0.38	34	168	38.35
Up to 06/2014	34	168	38.35	0	0	0	0	0	0	34	168	38.35

We reminded the Department periodically to furnish the replies to the outstanding audit observations.

4.1.8(b) Assurances given by the Departments/Government on the issues highlighted in the Audit Reports

4.1.8(b)(i) Recovery of accepted cases

The position of paragraphs included in the Audit Reports of the last five years and those accepted by the departments and the amount recovered are mentioned in the following table:

Table No.4.1.11

Year of Audit Report	No. of paragraphs included	Money value of the paragraphs (₹ in crore)	No. of paragraphs accepted	Money value of accepted paragraphs (₹ in crore)	Amount recovered during the year (₹ in crore)	Cumulative position of recovery of accepted cases
2008-09	1	0.03	0	0	0	0
2009-10	0	0	0	0	0	0
2010-11	0	0	0	0	0	0
2011-12	1	0.20	0	0	0	0
2012-13	2	0.53	2	0.17	0.17	0.17
Total	4	0.76	2	0.17	0.17	0.17

From the above table, it is seen that during the last five years an amount of ₹ 0.17 crore was accepted and recovered by the Department.

4.1.8(b)(ii) Action taken on the recommendations accepted by the Departments/Government

The draft Performance Audit (PAs) conducted by the AG are forwarded to the concerned Departments/Government for their information with a request to furnish their replies. These PAs are also discussed in the Exit Conference and the Department's/Government's views are included while finalising the PAs for the Audit Reports.

During the period from 2002-03 to 2012-13, two Performance Audits in respect of Finance (Taxation) Department were featured in the Audit Report 2008-09 and 2010-11. Details are given in the following table:

Table No.4.1.12

Year of Audit Report	Name of the review	No. of recommendations	Details of the recommendations accepted
2008-09	Transition from Sales Tax to Value Added Tax	7	-
2010-11	Performance Audit on 'Utilisation of declaration forms in Inter State Trade'	5	-

4.1.9 Results of audit**4.1.9(a) Position of local audit conducted during the year**

Test check of the records of 12 units of Transport, Forest and Finance (Taxes) departments conducted during the year 2013-14 revealed under assessment/short levy/loss of revenue/non-realisation of outstanding revenue aggregating ₹ 37.14 crore in 25 cases.

4.1.9(b) This Report

This Report contains two paragraphs involving financial effect of ₹ 8.46 crore. The audit findings are discussed in succeeding paragraphs.

FINANCE (TAXATION) DEPARTMENT**4.2 Evasion of tax by concealment of turnover**

Two Motor vehicle dealers of Nagaland concealed taxable turnover amounting to ₹ 35.24 crore and evaded tax of ₹ 4.58 crore during 2010-13. Interest amounting to ₹ 2.65 crore was also leviable on the amount of tax evaded by them.

Rule 51 (2) of Nagaland Value Added Tax (NVAT) Rules, 2005 requires that the appropriate Assessing Authority (AA) on the basis of the information contained in the Return filed by the dealer scrutinise the correctness of the tax assessed by the dealer himself. For this purpose, the AAs may require the dealer to produce any account, documents or any other evidences as may be deemed necessary for such scrutiny. Section 58 of the Act further states that where in any particular year, the gross

turnover of a dealer exceeds forty lakh rupees, then such dealer shall get his accounts, in respect of that year audited by an accountant² within six months from the end of that year and obtain a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed. A true copy of such report shall be furnished by such dealer to the Commissioner by the end of the month after expiry of the period of six months during which the audit would have been completed. Further as per Section 29 of the Act *ibid*, interest at 2 *per cent* per month is payable from the date the tax payable had become due to the date of its payment or to the date of order of assessment, whichever is earlier.

During test check (May 2014) of the Annual VAT Returns filed by two motor vehicle dealers based in Dimapur District³ for assessment years 2010-11 to 2012-13, it was observed that the dealers filed their Annual Returns and the Assessing Authority assessed the Value Added Tax as shown in ***Appendix -4.2.1A(i)&B(i)***. The total amount of tax paid by the dealers during the period is detailed in the following table:

Table 4.2.1

Name of the dealer	Period	Tax Paid (in ₹)
M/s. Urban Station	2010-2013	12,71,524
M/s. Kaho Motors	2010-2013	2,54,436
Total		15,25,960

However, from the Returns and Utilisation Certificates (UC) of 'C' Forms submitted by the dealers to the AA, it was observed that the two dealers⁴ disclosed the procurement and sale of only motor vehicle spare parts/accessories though their main business activity was sale of motor vehicles as per the Registration Certificate. Therefore, audit collected the records of vehicles registered during the period from the Transport Offices of two districts (Kohima and Dimapur). Accordingly, data on the entire sales of vehicles made by the above firms were extracted and found that these dealers have sold vehicles amounting to ₹ 37.84 crore during the period 2010-11 to 2012-13 as against the declared sale of ₹ 2.60 crore as detailed in the following table:

² Chartered Accountant

³ M/s Urban Station (Dealer of Chevrolet Vehicles) and M/s Kaho Motors (Dealer of Hyundai Vehicles)

⁴ M/s Urban Station, Dimapur and M/s Kaho Motors, Dimapur

Table 4.2.2

(Amount in ₹)

Name of the dealer	Period	Sales reported by Transport Dept (Kohima & Dimapur)	Sales as per the Annual Trading Account	Sales not assessed
M/s. Urban Station	2010-2013	21,02,36,334	1,57,98,348	19,44,37,986
M/s. Kaho Motors	2010-2013	16,81,22,713	1,01,80,885	15,79,41,828
Total		37,83,59,047	2,59,79,233	35,23,79,814

From the above table it would be seen that the dealers had concealed their sales for an amount of ₹ 35.24 crore which led to evasion of tax amounting to ₹ 4.58 crore⁵ (Details shown in the *Appendix -4.2.1A(ii)&B(ii)*).

Thus, acceptance of Returns not supported by proper UCs and audited accounts coupled with failure to cross verify the disclosed business activities in the Returns with the actual business activities of the dealers by the AA led to an evasion of tax amounting to ₹ 4.58 crore. In addition to the above, an amount of ₹ 2.65⁶ crore (*Appendix-4.2.1A(iii)&B(iii)*) was also leviable from the dealers as interest @ 2 per cent per month.

The Department in reply (December 2014) stated that show cause notices were issued (5 December 2014) to the dealers. While endorsing the Department's reply (January 2015), the Government stated that they shall be taking necessary steps to examine all related records in detail to ensure that the objections raised are attended to satisfactorily.

FINANCE (TAXATION) DEPARTMENT

4.3 Evasion of tax

The Assessing Authority did not consider the records of the Check Posts/Mobile Squad while scrutinising the Returns and passing the assessment order which led to an evasion of tax amounting to ₹ 63.53 lakh by one dealer. In addition, interest amount of ₹ 59.26 lakh was also leviable.

According to Section 28 of the Nagaland Value Added Tax (NVAT) Act, 2005 every registered dealer in the State of Nagaland shall furnish tax return in such form for such period, by such dates and to such authority, as may be prescribed by the Commissioner of Taxes. Section 32 of the Act further states that each and every return in relation to any tax period furnished by a registered dealer to whom notice has been issued by the Commissioner under Section 28 shall be subject to scrutiny by the Assessing Authority (AA) to verify the correctness of calculation, application of correct rate of tax and interest and input tax credit claimed therein; and full payment of tax and interest payable by the dealer during such period. Rule 67 of the NVAT Rules, 2005

⁵ M/s Urban Station, Dimapur- ₹ 2,51,31,949.00 and M/s Kaho Motors, Dimapur ₹ 2,06,48,819.00

⁶ M/S Urban Station – ₹ 1.53 crore and M/s Kaho Motors – ₹ 1.12 crore

further provides that a dealer who imports taxable goods into Nagaland from any place located outside Nagaland shall submit to the in-charge of the Check-Post established under Section 66 of the Act, a declaration in Form VAT 23 (Challan Inward)⁷ indicating the value of goods, etc. brought in, who shall verify the documents and record the same in the Register maintained for the purpose⁸ before allowing the entry of goods. Every dealer who was issued form VAT 23 or who imports goods from outside Nagaland shall submit VAT 23 in original alongwith the returns to the AA.

The Assessing Authority shall take everything into consideration during scrutiny to avoid any mistake and thereafter serve the notice in the prescribed form to the dealer to make the payment of tax along with all other penal charges as per the provisions of the Act, payable by the date specified in the said notice. Further as per Section 29 of the Act *ibid*, interest at 2 *per cent* per month is payable from the date the tax payable had become due to the date of its actual payment or to the date of the order of assessment, whichever is earlier.

Audit (June 2014) of VAT Return submitted under section 32 of the NVAT Act 2005 and Trading Account of a dealer⁹ dealing in Hardware goods revealed that the dealer disclosed purchase of goods valued at ₹ 69.17 lakh from other States during 2009-10 to 2012-2013 based on which the assessment was completed (between June 2010 to May 2013) by the AA. However, scrutiny of Register maintained by the Assistant Commissioner of Taxes, Mobile Squad (Officer in-charge of Check Posts) revealed that the dealer purchased goods valued at ₹ 573.89 lakh during the above period resulting in concealment of turnover and resultant evasion of tax amounting to ₹ 63.53 lakh as shown below:

Table 4.2.3

Year	Purchases shown in Annual Return & Trading Account (₹)	Purchases recorded in the Register maintained by the in-charge of Mobile squad/Check Post (₹)	Difference (₹)	Rate of NVAT (Per cent)	Amount of NVAT evaded (₹)
2009-10	1381560	43878769	42497209	12.5	5312151
2010-11	1268286	3359344	2091058	12.5	261382
2011-12	1785398	3992350	2206952	13.25	292421
2012-13	2481781	6158678	3676897	13.25	487189
Total	6917025	57389141	50472116		6353143

Thus, due to failure of the AA to take into consideration the records maintained by the officer in-charge of the Check Posts/Mobile Squad and the Challan Inwards during scrutiny under Section 32 resulted in evasion of tax amounting to ₹ 63.53 lakh. In addition to this, interest at 2 *per cent* per month amounting to ₹ 59.26 lakh was also leviable from the dealer under section 29 of the Act as shown below:

⁷ VAT -23 is a statutory form issued from the office of the Supdt of Taxes/Assistant or Deputy Commissioner of Taxes

⁸ Daily Goods Movement Register (Incoming)

⁹ M/s. Nagaland Trading Co, Dimapur –TIN No 13020101044

Table 4.2.4

(Amount in ₹)

Year	Amount of NVAT evaded	No of months for which interest is payable	Amount of interest at 2 per cent per month
1	2	3	4
2009-10	5312151	51(May 2010 to July 2014)	5418394
2010-11	261382	39 (May 2011 to July 2014)	203878
2011-12	292421	27 (May 2012 to July 2014)	157907
2012-13	487189	15 (May 2013 to July 2014)	146157
Total interest payable by the dealer			5926336

In reply, the Deputy Commissioner of Taxes, Dimapur¹⁰ stated (December 2014) that a show cause notice had been issued (16 December 2014) to the dealer.

The matter was reported to the Government (September 2014) followed by a reminder in November 2014. Their reply was awaited (December 2014).

¹⁰ Assessing Authority

CHAPTER – V

GENERAL SECTOR

CHAPTER - V

GENERAL SECTOR

5.1 Introduction

This Chapter of the Audit report for the year ended 31 March 2014 deals with the findings on audit of the State Government units under General Sector.

The names of the State Government departments and the total budget allocation and expenditure of the State Government under General Sector during 2013-14 are given below:

Table No.5.1.1

(₹ in crore)

Name of the departments	Total Budget allocation	Expenditure
State Legislature	24.69	22.64
Head of State	4.67	4.64
Council of Ministers	13.51	13.14
Law & Justice	31.63	31.00
Election	24.63	24.56
Public Service Commission	4.51	4.50
Civil Secretariat	118.82	115.00
District Administration	188.38	98.67
Treasuries and Accounts	30.03	27.24
Police	946.02	948.15
Police Engineering Project	59.35	65.37
Village Guards	31.64	31.47
Jails	25.75	25.68
Stationery & Printing	17.50	17.48
Public Works(Housing)	116.39	119.51
CAWD	38.11	42.44
Mechanical Engineering	35.03	35.03
Home Guards	17.71	16.48
Vigilance Commission	5.66	5.49
Administrative Training Institute	3.87	3.84
Fire and Emergency Services	17.69	17.68
State Guest Houses	12.59	11.71
State Information Commission	1.46	1.41
Finance Department	3657.32	2686.10
Land Revenue	0.79	0.71
State Excise	16.66	16.64
Sales Tax	14.11	13.84
Taxes on Vehicles	9.04	8.86
State Lotteries and Small savings	2.30	2.29
Total number of departments=29	5469.86	4411.57

5.2 Planning and Conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stake holders.

After completion of audit of each unit on a test check basis, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled based on reply/action taken or further action is required by the auditee for compliance. Some of the important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit reports, which are submitted to the Governor of State under Article 151 of the constitution of India for being laid on the table of the Legislature.

During the year, test-check of audits involving expenditure of ₹1885.35 crore (including funds pertaining to previous years audited during the year) of the State Government under General sector were conducted. This chapter contains findings of audit on Police Engineering Project and two compliance audit paragraphs.

Home (Police) Department

5.3 Audit on activities of Police Engineering Project

The Police Engineering Project (PEP), functioning under the Home (Police) Department is the executive wing for all construction/maintenance works in the Police Department. Audit of the construction activities of the PEP was carried out from April 2014 to August 2014. Some of the major findings are highlighted below:-

Highlights

Work orders valued at ₹ 315.04 crore were issued (October 2009) for the works without prioritising and ensuring uninterrupted flow of funds for its completion resulting in creation of huge committed liabilities for the Department.

(Paragraph 5.3.8.2)

Consultants were appointed without inviting tenders and avoidable consultancy charges of ₹ 18.80 crore were paid.

(Paragraph 5.3.9.2)

In respect of four projects valued at ₹ 315.04 crore, works were awarded at exorbitant item rates without inviting tenders and the terms and conditions in the work orders/agreements with contractors were ambiguous and defective.

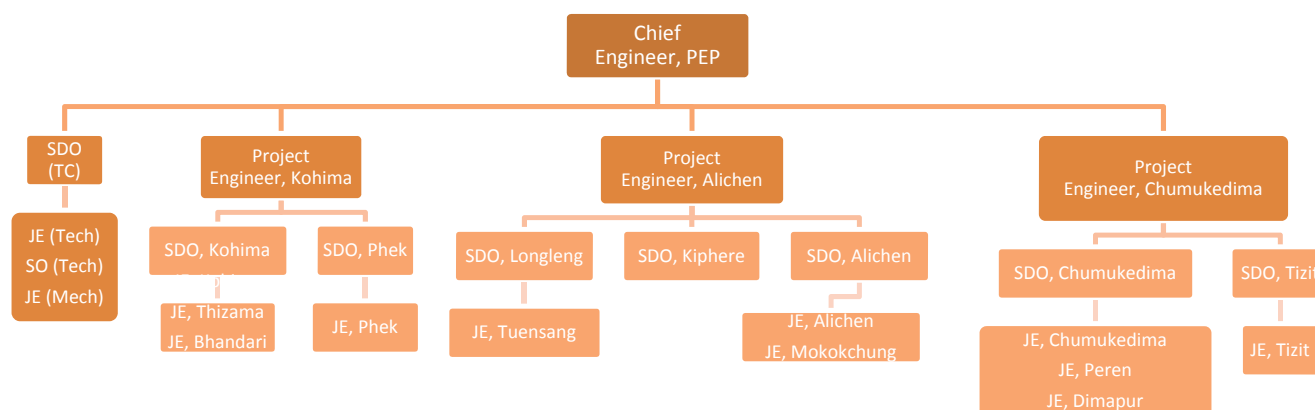
(Paragraph 5.3.9.6 (ii) & (iv))

5.3.1 Introduction

The Police Engineering wing is called Police Engineering Project (PEP) and functions under Department of Home (Police), Government of Nagaland. The PEP is the executive wing for all construction/maintenance works (Office buildings and functional units for the 11 District Executive Forces (DEF), 8 units of Nagaland Armed Police (NAP), 7 units of India Reserve Battalion (IRB) and housing for the Police force) in the Police Department.

The major activity (74 *per cent* of capital expenditure) of the Department during 2009-14 was execution of works for creation of permanent infrastructure for the seven¹ NAP (IR) battalions sanctioned by the Ministry of Home Affairs (MHA), Government of India (GOI) during 1998 to 2008.

5.3.2 Organisational setup



(Source: Departmental records)

The organisational set-up of the Police Engineering Project was as shown in the chart below:

5.3.3 Scope of Audit

The audit of the Police Engineering Project covering the projects executed/completed during 2009-10 to 2013-14 was conducted during April-August 2014. Projects/Works for detailed work analysis were selected by a two-step process—"Stratified Sampling" by partitioning the projects taken up during 2009-10 to 2013-14 into three strata as per

¹

- (i) 9th NAP (IR) Battalion at Saijang, Peren
- (ii) 10th NAP (IR) Battalion at Zhadima, Kohima
- (iii) 11th NAP (IR) Battalion at Aboi, Mon
- (iv) 12th NAP (IR) Battalion at Chingtok, Longleng
- (v) 13th NAP (IR) Battalion at Yachang, Mokokchung
- (vi) 14th NAP (IR) Battalion at Okhezung, Kiphire
- (vii) 15th NAP (IR) Mahila Battalion at Mpetsa, Dimapur

value of works and thereafter the individual works were selected by Simple Random Sampling With Out Replacement. Accordingly, 70 works, mostly relating to creation of infrastructure for the seven NAP (IR) battalions were selected for detailed analysis.

5.3.4 Audit Objectives

The objectives of audit were:

- To assess whether a proper system was in place for budgeting, release & utilisation of funds and management of cash;
- To examine whether works/projects were implemented efficiently and effectively in an economical manner.

5.3.5 Audit Criteria

The audit criteria adopted were derived from the following sources.

- i) General Financial Rules
- ii) NPWD/CPWD Code
- iii) Schedule of Rates
- iv) Detailed Project Reports
- v) Codes and Manuals, Policies, Rules and Regulations

5.3.6 Audit Methodology

Audit methodology comprised of an entry conference (25 April 2014) with the Secretary and officers of the Department, requisition and examination of records, issue of audit observation, examination of responses to audit observations, joint physical verification of projects conducted along with the departmental officers and an exit conference (7 November 2014) with the Departmental officers.

5.3.7 Acknowledgement

We acknowledge the cooperation and assistance extended to us by the officers and staff of the Police Engineering Project during the course of audit.

Audit findings

Objective 1: Budgeting, release & utilisation of funds and management of cash.

Preparation of realistic budget to ensure regular flow of funds, timely release of the funds and optimal utilisation of the funds made available is essential for successful execution of projects within a specific time. Examination of records on financial management revealed the following:

5.3.8.1 Financial outlay and expenditure

The budget allocation for the PEP was made under 'Grant No-68: Police Engineering Project'. Budget allocation, expenditure and savings/excess during the period from 2009-10 to 2013-14 was as follows:

Table No.5.3.1

(₹ in crore)

Year		Revenue		Capital		Total		
		Budget Provision	Expenditure	Budget Provision	Expenditure	Budget Provision	Expenditure	Savings (-)/ Excess (+)
2009-10	Plan	0.00	0.00	61.25	55.24	61.25	55.24	-6.01
	Non-plan	4.45	4.50	0.00	0.00	4.45	4.50	0.05
2010-11	Plan	0.00	0.00	47.51	67.96	47.51	67.96	20.45
	Non-plan	7.04	7.15	0.00	0.00	7.04	7.15	0.11
2011-12	Plan	0.00	0.00	70.75	64.59	70.75	64.59	-6.16
	Non-plan	7.58	7.57	0.00	0.00	7.58	7.57	-0.01
2012-13	Plan	0.00	0.00	45.00	49.62	45.00	49.62	4.62
	Non-plan	8.05	8.36	0.00	0.00	8.05	8.36	0.31
2013-14	Plan	0.00	0.00	47.98	55.19	47.98	55.19	7.22
	Non-plan	10.17	10.18	0.00	0.00	10.17	10.18	0.00
Total	Plan	0.00	0.00	272.49	292.60	272.49	292.60	20.11
	Non-plan	37.30	37.76	0.00	0.00	37.30	37.76	0.46
Grand total		37.30	37.76	272.49	292.60	309.79	330.36	20.57

(Source: Detailed Appropriation Accounts, Major Heads operated- 2055 and 4055)

It can be seen from the above table that the budget provision under Capital Head during 2009-10 to 2013-14 was ₹ 272.49 crore and the actual expenditure was ₹ 292.60 crore during the same period. Out of this, ₹ 217.17 crore (74 per cent) was spent on creation of infrastructure for seven NAP (IR) battalions. The total funds released and expenditure incurred against works executed for the seven battalions since inception of the projects till March 2014 and during 2009-14 were as shown below:

Table No. 5.3.2

(₹ in crore)

Sl No.	Name of the Battalion	Gross amount released since inception	Net amount ² released since inception	Expenditure incurred since inception	Expenditure during 2009-14
1.	9 th NAP (IR) Battalion, Saijang, Peren	79.67	NA ³	NA	19.68
2.	10 th NAP (IR) Battalion, Zhadima	66.44	NA	NA	32.50
3.	11 th NAP (IR) Battalion, Aboi, Mon	20.33	18.53	18.35	18.35
4.	12 th NAP (IR) Battalion, Chintok, Longleng	35.91	33.48	33.37	33.37
5.	13 th NAP (IR) Battalion, Yachang, Mokokchung	55.96	53.62	53.62	53.62
6.	14 th NAP (IR) Battalion, Okhezung, Kiphre	40.83	38.92	38.92	38.92
7.	15 th NAP (IR) Mahila Battalion, Mpetsa, Dimapur	21.89	20.74	20.73	20.73
	Total	321.03	--	--	217.17

(Source: Departmental records)

5.3.8.2 Award of work without provision of funds

As per Rule 129 of GFR, no work shall be commenced or liability incurred in connection with it unless funds to cover the expenditure have been provided by the competent authority. Further, as per the proposals contained in the Detailed Project Reports (DPRs), the execution of works was to be taken up in a phased manner as the project volume was vast.

Examination of records revealed that work orders valued at ₹ 315.04 crore were issued (October 2009) for a major portion of the works envisaged in the DPRs (Residential, Non-Residential and other works) in respect of construction of permanent headquarters for four NAP (IR) battalions⁴ without identifying or ensuring regular source of funds for completing the projects. As per the terms and conditions of work order and Agreement with the contractors, payment was to be made as per availability of funds and all the works were to be completed without claiming full payment within 5 years. However, as per Clause 9 of the terms and conditions, the Department had to pay escalation at par with RBI index for the unpaid balance after 5 years. It was observed that while a major portion of the works (especially residential) in respect of three projects⁵ were completed or in progress, ₹ 132.70 crore was released against those projects and payment of only ₹ 119.99 crore (49 per cent) had been made till July 2014 against work order amount of ₹ 242.54 crore. The status of work in respect of 11th NAP (IR) battalion at Aboi executed by Chumukedima

² After deduction of departmental charges and work charge/contingencies.

³ Figures not available as releases were jointly made against 9th and 10th NAP (IR) Battalions during 2004-05 to 2006-07.

⁴ 11th NAP (IR) Battalion at Aboi : ₹ 72.49 crore, 12th NAP (IR) Battalion at Chingtok: ₹ 75.90 crore, 13th NAP (IR) Battalion at Yachang: ₹ 73.62 crore) and 14th NAP (IR) Battalion at Okhezung: ₹ 93.03 crore

⁵ 12th, 13th and 14th NAP (IR) battalions at Chingtok, Yachang and Kiphre respectively executed by Alichen Division.

Division was not available on record. However, it was seen that only ₹ 20.33 crore was released by the Government against the project and payment of ₹ 18.35 crore (25 per cent) was made against work order amount of ₹ 72.49 crore.

During joint physical verification of works executed for 9th and 10th NAP (IR) at Saijang and Zhadima, it was observed that several buildings⁶ constructed were not occupied and was idle indicating that they were not urgently required. In view of the shortage of funds, the Department should have taken up phase-wise execution of works and should have prioritised the construction of barracks and quarters⁷ for the officers in all the projects.

Thus, issue of work orders for a major portion of the works envisaged in the DPRs without prioritising and ensuring uninterrupted flow of funds for its execution resulted in creation of huge committed liabilities for the Department. Further, the possibility of cost overrun of all the projects cannot be ruled out as the contractors are certain to claim escalation on the unpaid balances after five years (October 2014) of issue of work orders.

In reply (November 2014), the PEP stated that the issue of paying escalation to the contractors does not arise as all the works had not been completed within the stipulated period of five years. It was further stated that a Committee had been set up to review the actual requirement of buildings and other infrastructure in the light of the fact that most of the Type I quarters remained vacant and a Report had been submitted to the Government for approval.

Objective 2: Implementation of works/projects.

A project is a scientifically evolved work plan to achieve specific objectives within a stipulated period of time. The project so formulated has to be implemented with optimum utilisation of available resources that includes proper planning, control and regular monitoring.

Analysis of records related to implementation of the seven projects in the Department revealed several deficiencies in selection of sites, appointment of consultants and payment of consultancy charges, preparation of Detailed Project Reports (DPRs), procurement and execution of works etc. These deficiencies adversely affected efficient, effective and economical implementation of the projects as detailed in the succeeding paragraphs. Common issues noticed in respect of the seven projects have been clubbed together in the Report while project specific issues have been dealt with separately.

5.3.9.1 Selection of site

Selection of a suitable site after feasibility studies and proper survey is a key factor for successful implementation of a project. Records relating to selection of sites for construction of permanent headquarters for the seven Battalions were not available on

⁶ Type I and III quarters, Regimental School and L.P. School.
⁷ Type V and VI

record. Thus, it could not be ascertained whether feasibility studies after proper survey were carried out for selection of sites for the projects.

It was stated in the DPR prepared for construction of the 10th NAP (IR) Battalion at Zhadima that the land selected for the project was most suitable. However, examination of records and joint physical verification revealed that a major portion of the land selected for the project was steep and prone to landslides which necessitated expenditure on works not envisaged in the DPR viz., construction of retaining walls/breast walls and other protection works at a cost of ₹ 6.02 crore⁸. It was further seen that a large portion of the land could not be utilised due to the difficult terrain and the Department had to purchase another 28 acres of land for accommodating several buildings/parade ground etc.

Thus, an unforeseen expenditure of ₹ 6.02 crore not envisaged in the DPR of the project had to be incurred due to the lapses in selection of site.

The Department while accepting the facts during exit conference stated that they had no say in selection of site as the same is carried out by a Committee under the Police Department.

5.3.9.2 Appointment of consultants

(i) Appointment of consultants without following procedures

The employer should adopt two stage procedure in terms of Rules 168 to 175 of General Financial Rules (GFRs) for appointment of consultants. In the first stage, the employer shall identify the likely sources on the basis of formal or informal enquiries and by inviting Expression of Interest (EOI) through advertisement as per Rule 168 of GFRs. On the basis of responses received, consultants meeting the requirement have to be short listed for further consideration. In the second stage, the short-listed Consultants have to be invited to submit their Technical and Financial Proposals. The Consultant shall be selected based on evaluation of their Technical and Financial bids.

It was observed that consultants were appointed for all the seven projects without inviting tenders as detailed in the succeeding paragraphs.

(i) M/s Angami Associate Architects, Kohima was appointed (May 2004) Consultant for providing architectural and allied services for two projects i.e., construction of permanent headquarters for 9th and 10th NAP (IR) battalions at Saijang and Zhadima respectively with the consultancy fees being 2.5 *per cent* of the net amount released by the Government against the projects from time to time. No evidence that the appointment was made after inviting tenders/EOIs was available on record.

⁸ Work orders for ` 3.22 crore issued by CE and work orders for ` 2.80 crore issued by PE, Kohima.

(ii) M/s Fast Track, Building and Road Consultants, Dimapur was appointed (August 2008) Consultant for providing architectural and allied services for four⁹ projects with consultancy charges being 4 *per cent* of the net amount of the project cost. Examination of records of the CE (PEP) revealed that the appointment was made on the recommendation of a VVIP¹⁰ without inviting tenders.

(iii) Roofs Architect and Engineer, Kohima was appointed (May 2010) for preparation of DPR for the construction of permanent headquarters for 15th NAP (IR) Battalion on the basis of Government directions (May 2010) with consultancy fees being 3.5 *per cent* of the net amount of the project cost. No evidence that the appointment was made after inviting tenders was available on record.

The Superintendent, Central Excise, Dimapur Range could not confirm that the three above mentioned firms were registered with the Central Excise Department for the purposes of Service Tax. Thus, appointment of unregistered consultants on recommendation of VVIP and without following laid down procedures as stipulated in Rules was irregular and needs to be reviewed.

(ii) Avoidable/wasteful expenditure on payment of consultancy charges

Examination of records revealed that total consultancy charges of ₹ 22.09 crore was payable and ₹ 18.80 crore was paid for preparation of DPRs for construction of permanent headquarters for the seven NAP (IR) battalions as shown in the table below:

Table: 5.3.3

(₹ in crore)

Sl No.	Name of project	Name of Consultant	Total consultancy charges	Consultancy charges paid till March 2014	Withheld amount
1.	9 th NAP (IR) Bn., Saijang, Peren	M/s Angami Associate Architects, Kohima	0.86	0.86	0.00
2.	10 th NAP (IR) Bn., Zhadima, Kohima	M/s Angami Associate Architects, Kohima	0.86	0.86	0.00
3.	11 th NAP (IR) Bn., Aboi, Mon	M/s Fast Track, Dimapur	3.98	3.48	0.50
4.	12 th NAP (IR) Bn., Chingtok, Longleng	M/s Fast Track, Dimapur	4.16	3.48	0.68
5.	13 th NAP (IR) Bn., Yachang, Mokokchung	M/s Fast Track, Dimapur	4.05	3.48	0.57
6.	14 th NAP (IR) Bn., Okhezung, Kiphre	M/s Fast Track, Dimapur	5.02	3.48	1.54
7.	15 th NAP (IR) Mahila Bn., Mpetsa, Dimapur	M/s Roofs Architects & Engineers, Kohima	3.16	3.16	0.00
Total:			22.09	18.80	3.29

(Source: Departmental records)

The requirement of all the battalions including the number and specification of buildings were common for all the seven projects and model drawings/estimates for the buildings (quarters, office buildings etc.) should have been prepared for all the projects.

⁹ Construction of permanent headquarters for 11th, 12th, 13th and 14th NAP (IR) battalions at Aboi, Chingtok, Yachang and Okhezung respectively
¹⁰ Home Minister, Nagaland

It was observed that the specifications and drawings in the DPRs prepared by M/s Angami Associate Architects (on plinth area basis) for two projects were identical. The specification of buildings in the DPRs prepared by M/s Fast Track for four projects were also identical with the DPRs prepared by M/s Angami Associate Architects except for minor changes in the elevation drawings. Thus, preparation of such identical DPRs did not warrant employment of consultants at such a high cost as the Department had sufficient technical manpower *viz.*, an architect in CEs office and Project Engineers, Sub Divisional Officers and Junior Engineers in the CEs/SEs office and all the three divisions.

On further examination of records, it was noticed that there were several deviations from the DPRs including reduction of plinth area when work order was issued and non-adherence to the master plan prepared by the consultants indicating that the DPRs were prepared without proper survey. Further, it was also noticed that separate drawings issued by the CE, PEP with reduced plinth area were used by the divisions for actual execution of the projects which resulted in the DPRs prepared by the consultants becoming redundant.

Thus, consultancy charges of ₹ 22.09 crore (including ₹ 3.29 crore which remained payable) to prepare DPRs for the seven projects which involved construction of standard buildings (quarters, office buildings etc.) identical across all the projects despite having qualified technical manpower in the Department was avoidable.

The PEP stated (November 2014) that the consultants were appointed on the recommendation of VVIP and approved by the Government. It was further stated that the Government had since stopped appointment of consultants.

5.3.9.3 Deviations from requirements and Detailed Project Reports

DPRs should be prepared after proper feasibility studies and after taking into consideration the requirement of the Department. Further, the work orders should have been issued as per the specifications contained in the DPR.

Examination of the departmental requirements as per preliminary estimates, DPRs and work orders issued against the seven projects revealed major variations especially in the plinth area of buildings to be constructed as detailed in **Appendix 5.3.1**.

Further, there were major deviations from the DPRs during actual construction of the buildings as detailed in **Appendix 5.3.1**. These variations indicate that the actual execution of work was not as per the DPRs prepared by the consultants or as per the requirement of the Department.

The PEP stated (November 2014) that the deviations were primarily due to the actual site conditions as some works could not be executed as per the original DPR.

5.3.9.4 Splitting up of work

Rule 130 of GFR provides that, for purpose of approval and sanctions, a group of works which forms one project, shall be considered as one work. The necessity for obtaining approval or sanction of higher authority to a project which consists of such a group of work should not be avoided because of the fact that the cost of each particular work in the project is within the powers of such approval or sanction of a lower authority. As per Financial and Cognate powers¹¹ delegated to officers at different levels under Nagaland PWD, the financial limits for granting of Technical Sanction and accepting tenders are upto ₹ 5 lakh for Executive Engineers, upto ₹ 20 lakh for Superintending Engineers and full powers for Chief Engineer.

Examination of records related to all the seven projects revealed that works of similar nature were split up to bring it within the powers of the Project Engineers (below ₹ 5 lakh). It was noticed that works valued at ₹ 4.54 crore were split up to bring it below ₹ 5 lakh and 177 separate work orders issued by Project Engineers, in many cases to the same contractors, as detailed in *Appendix 5.3.2*.

Thus, splitting up of works of similar nature to avoid sanction of higher authority also prevented the Department from obtaining more competitive offers and exercising better quality control of the works executed.

The PEP accepted the facts and stated (November 2014) that works were split up as DPRs did not match with the actual site requirements and also because of recommendations of VVIP and claim of landowners for contract works.

5.3.9.5 Construction of permanent headquarters for 9th and 10th NAP (IR) Battalions at Saijang and Zhadima .

The 9th and 10th NAP (IR) Battalions were raised by the GON as per sanction¹² accorded by the GOI, Ministry of Home Affairs during 1998 and 2001.

Examination of the records related to the two battalions revealed that preliminary estimates for a total amount of ₹ 92.68 crore (calculated on plinth area rates as per SOR 1995 for buildings) after adding 100 *per cent* for anticipated higher tender rate was submitted (October 2003) by CE, PEP to the State Government as shown in *Appendix 5.3.3 (a)*.

Based on the preliminary estimates, DPRs for a total cost of ₹ 109.24 crore was submitted (date not available on record) by the Consultant¹³ based on SOR 1995 (calculated on plinth area rates) as shown in *Appendix 5.3.3 (b)*.

It was noticed that there was increase in the cost of both the projects despite both the Preliminary Estimates and the DPRs being prepared at plinth area rates (SOR 1995). Analysis revealed that this was attributable to variations in the number and plinth area

¹¹ Govt. Notification No. FIN/GEN/DF & CP-26/25 dated 27-6-2006.

¹² 9th NAP (IR) vide No.II-27011/10/97-PF.III (iv) dated 18.12.1998 and 10th NAP (IR) vide No.II-27011/102/2000-PF.III (vii) dated 18.07.2001.

¹³ Angami Associate Architects, Kohima.

of the buildings as detailed in **Appendix 5.3.1**. Further it was seen that 150 *per cent* was added to the cost of civil works in the DPR for anticipated higher tender rate.

A total amount of ₹ 92.86 crore¹⁴ was released for implementation of the two projects from 2003-04 to 2008-09 and ₹ 53.25 crore¹⁵ was released during 2009-10 to 2013-14. Thus, a total amount of ₹ 146.11 crore¹⁶ was released against the two projects since inception to March 2014. The funds released by the State Government against the two projects during April 2009 to March 2014 are shown in the table below:

Table No. 5.3.4

(₹ in crore)

Year	9 th NAP (IR) Battalion		10 th NAP (IR) Battalion		Total amount (Gross) released against the two projects
	Amount released (Gross)	Amount released (Net ¹⁷)	Amount released (Gross)	Amount released (Net)	
2009-10	14.50	13.78	9.50	9.03	24.00
2010-11	5.00	4.75	10.00	8.40	15.00
2011-12	0.00	0.00	6.00	5.01	6.00
2012-13	1.25	1.15	7.00	6.81	8.25
2013-14	0.00	0.00	0.00	0.00	0.00
Total:	20.75	19.68	32.50	29.25	53.25

(Source: Departmental records)

The issues noticed in the implementation of these two projects are detailed in the succeeding paragraphs.

(i) Construction of permanent headquarters for 9th NAP (IR) Battalion at Saijang

• Payment for unexecuted item of work

Tender Notice for ‘Construction of Boundary Security Fencing with MS Angle Post embedded in CC base brick masonry foundation and plinth wall and with punched barbed tape @ 9” c/c etc for 9th NAP (IR) Bn. HQ at Saijang under HUDCO (19000 rft)’ with approximate value of work of ₹ 1.88 crore was issued (02.09.2008) by the Project Engineer, Chumukedima. It was noticed that NIT was not published in local newspapers as required under Rules. As per comparative statement three bids¹⁸ were received and work was awarded (16.10.08) to the lowest bidder¹⁹.

¹⁴ 9th NAP (IR) Battalion, Saijang: ₹ 58.92 crore and 10th NAP (IR) Battalion, Zhadima: ₹ 33.94 crore.

¹⁵ 9th NAP (IR) Battalion, Saijang: ₹ 20.75 crore and 10th NAP (IR) Battalion, Zhadima: ₹ 32.50 crore.

¹⁶ 9th NAP (IR) Battalion, Saijang: ₹ 79.67 crore and 10th NAP (IR) Battalion, Zhadima: ₹ 66.44 crore.

¹⁷ After deduction of departmental charges and work charge/contingencies.

¹⁸ First from B.Wati Ao at par with SOR 2008, second from M/s Kahoto Jimomi at 20% above SOR 2008 and third from M. Angami at 30% above SOR 2008.

¹⁹ Shri B. Wati Ao

As per the approved Estimate, cost per running feet was worked out to ₹ 991.64 with the total cost of the work being ₹ 1.88 crore²⁰. Analysis of the MB revealed that the work commenced on 20.10.08 and was certified to have been completed as per specifications on 17.04.09. Measurements as per the Estimate were recorded in the MB and a total amount of ₹ 1.88 crore was paid to the contractor in three RA bills.

Examination of the estimate revealed that the items of work included 'Providing/supplying fitting and fixing of steel barbed tape punched on GI wire 10 swg complete' @ ₹ 36.31 per metre. It was also observed from the MB that this item of work (112858.08 m @ ₹ 36.31 per m) was shown as executed and ₹ 40.98 lakh paid to the contractor.

However, it was noticed during joint physical verification that ordinary barbed wire was fixed/fitted instead of steel barbed tape punched on GI wire (punched barbed tape with laser edged blades on both ways) as provided in the estimate and recorded as executed in the MB as evident from the photograph below:



Ordinary barbed wire used for security fencing instead of steel barbed tape punched on GI wire

Thus, ₹ 40.98 lakh was paid to the contractor on the basis of fictitious entries recorded in the MB.

In reply (November 2014), the PEP stated that the specifications were changed during actual execution as the length of the fencing worked out to be more than length specified in the estimates and that payments were made according to the proposed changes. The fact however, remained that payments were made by recording fictitious measurements in the MBs as per the specification in the estimates and not as per the actual works executed.

- **Idle expenditure on construction of Unit Hospital**

Examination of records revealed that NIT for 'Construction of Unit Hospital including water supply and sanitation' with approximate value of ₹ 66.45 lakh was issued by the Project Engineer, Chumukedima and the work was awarded to the lowest bidder²¹. Approved estimates for the work, if any, were not available on

²⁰ 19000 rft x ₹ 991.64

²¹ Shri B. Wati Ao

record. Analysis of the MB revealed that the work commenced on 30.11.09 and was certified to have been completed as per specifications on 27.09.10. Full payment of ₹ 66.45 lakh was also released to the contractor in 3 RA bills.

Further examination of records revealed that 'Extra work for Unit Hospital' was also carried out while the main work was in progress for a total amount of ₹ 9.02 lakh on the basis of work orders issued (08.06.10) by the Project Engineer to two contractors²². In both cases, date of commencement was 10.6.10 and completion was 29.6.10 and full payments were also released to the contractors. Thus, total amount spent on the work was ₹ 75.47 lakh²³ and exceeded the amount sanctioned for the work by ₹ 9.02 lakh.

It was seen during joint physical verification that the Unit Hospital completed and handed over in September 2010 was lying abandoned and had not been utilised. It was also noticed that almost all the window panes and some doors were damaged and the quality of construction was poor as shown in the photograph below. Reasons for not utilising the building could not be stated by the officials accompanying the Audit Team.



Unit Hospital constructed in September 2010 lying abandoned in poor condition

On enquiry, the Battalion Commandant stated that the Hospital was not occupied as water supply works were not completed. The reply highlights the fact that essential services such as water supply and sanitation were not provided resulting in the hospital constructed at the cost of ₹ 66.45 lakh remaining unoccupied. Further, the building was certified to have been completed as per specification and handed over to the Battalion in September 2010.

In reply (November 2014), the PEP stated that non-occupation of the building is not within their purview and that the responsibility lies solely with the Police Department.

- **Doubtful expenditure on construction of Isolation Ward for Unit Hospital**

Examination of records revealed that a separate estimate along with drawings was prepared by the Consultant as per SOR 2008 for an amount of ₹ 8.13 lakh for Construction of Unit Hospital Isolation Ward including site development, water

²² K. Medem Ao and C. Lema Ao.

²³ ₹ 66.45 lakh+₹ 9.02 lakh.

supply and electricity. NIT and tender documents were not available on record. It was however, observed from the MB that work order was issued (27.11.09) to T. Tali Imchen by the Project Engineer and the work which commenced on 30.11.09 was certified to have been completed as per specifications on 04.03.10. Full payment of ₹ 8.13 lakh²⁴ was released to the contractor.

During physical verification, it was however, observed that a small extension to the Unit Hospital with CGI roofing was stated to be the Isolation Ward (**photograph 5.3.3**). The purported building of the isolation ward was constructed in already developed site. It was further observed that the isolation ward was not provided with water and electricity facilities. It is thus evident that the work was not actually executed as per the estimate. The building also could not be put to use due to lack of water and electricity facilities which were essential to operate the ward even after four years of completion.



In reply (November 2014), the PEP stated that works were executed as per estimate. However, the fact remained that the building claimed to be the Isolation Ward was not commensurate with the cost incurred or as per the estimates.

(ii) Construction of permanent headquarters for 10th NAP (IR) Battalion at Zhadima

• Lack of clarity in issue of work orders

Examination of records in Kohima Division revealed that work orders for a total amount of ₹ 28.46 crore were issued by the CE against the project at Zhadima during December 2004 to March 2009. 133 Work Orders valued at ₹ 28.82 crore was also issued by the CE/SE, PEP from April 2009 to April 2013. As per information furnished by the Kohima Division, 129 work orders for a total amount of ₹ 6.22 crore was also issued by the Project Engineer, Kohima (date of issue of work orders not furnished). Work orders issued by Project Engineer, Chumukedima against the project from 2004-05 to August 2008 before creation of Kohima Division was not furnished. Thus, the total value of work orders issued against the project could not be confirmed/verified. Though an amount of ₹ 66.44 crore was released against the

²⁴ ₹ 99,200 on 21.12.09, ₹ 2 lakh on 2.2.10, ₹ 3 lakh on 5.3.10 and ₹ 2.14 lakh on 15.3.10.

project since inception in 2004, it was seen from the records furnished to audit that the total value of work orders issued against the Project was only ₹ 63.50 crore till April 2013. Due to the large numbers of work orders issued and poor maintenance of records in the Department, a complete and proper analysis of the works could not be carried out. It was further seen that the large number of work orders was due to separate work orders being issued for various items of work though the contractors were the same in most cases as detailed in **Appendix 5.3.4**.

The PEP accepted (November 2014) the facts and attributed the lack of clarity to the large number of contractors involved due to recommendations of political leaders and also to accommodate the land owners.

- **Delay in commencement/completion of work**

It was observed that as per terms and conditions in the Work Orders for buildings²⁵ issued in December 2012 & January 2013 against funds received under Thirteenth Finance Commission Grants for 2012-13, the works were to be completed within 12 months reckoned from the 20th day after the award of work. It was however, noticed from the progress report (May 2014) for ongoing works at Zhadima that the 15 works for which work orders were issued in December 2012 and January 2013 were in various stages of progress, 2 works had not been started and three works were not included in the Progress Report as detailed in **Appendix 5.3.5**.

Reasons for delay in completion of work or the action taken by the Department in this regard was not on record. Reasons for not including three works in the Progress Report for which work orders were issued could also not be clarified.

In reply (November 2014), the PEP attributed the delay in completion of work to problems in acquisition of land. It was further stated that one work was not included in the Progress Report due to human error, two works were completed and two works were in good progress.

- **Idle expenditure**

During physical verification, it was noticed that most of the Type I & III quarters (RCC blocks) were unoccupied. Further Regimental School and LP school constructed and completed in November 2009 at a cost of ₹ 37.24 lakh and ₹ 15.95 lakh respectively were idle and in very poor condition. It was stated that the quarters/buildings were not being used as most of the IRB jawans were single or staying without their families.

The PEP stated (November 2014) that the buildings were unoccupied as the IR Jawans were on outside duty and the allocation of quarters was in full progress. It was further stated that restoration and jungle clearance of the schools had been completed and would be in full operation from next year.

²⁵ 15 Nos. Type I quarters (RCC blocks consisting of 4 units each) and 5 Type I quarters (Semi Permanent type)

5.3.9.6 Construction of permanent headquarters for 11th, 12th, 13th & 14th NAP (IR) Battalions at Aboi, Chingtok, Yachang and Okhezung.

The 11th, 12th, 13th and 14th NAP (IR) battalions were raised by the Government of Nagaland as per sanction²⁶ accorded by the Ministry of Home Affairs, GOI during 2004-2008. The issues noticed during scrutiny of records in respect of construction of permanent headquarters for these four battalions are as follows:

(i) Conflict of interest

Examination of records related to the projects revealed that construction contract for three out of four projects for which the consultants were M/s Fast Track were awarded (October 2009) to M/s Singh Construction²⁷ and M/s National Construction²⁸. Further enquiries revealed that M/s Fast Track, M/s Singh Construction and M/s National Construction had the same partners.

Thus, award of subsequent contract for construction works to firms with the same partners as the firm who were engaged for architectural and structural consultancy along with stage-wise supervision resulted in conflict of interest.

The PEP accepted the facts and stated (November 2014) that the award of subsequent contract for construction works to firms with the same partners who were engaged in consultancy was done on the approval of the Government.

(ii) Ambiguities and defects in Work Orders and Agreement with contractors

Examination of work orders (₹ 315.04 crore) issued to the contractors²⁹ and agreements entered into with them revealed several ambiguities and defects which were not in the interest of the Government. As per the terms and conditions contained in the work orders, all the works were to be completed within 60 months from the date of issue of work order (October 2009) and the contractor was barred from seeking extension of time under any circumstances. Payments were to be released as per availability of funds and non-availability of funds was not to be an excuse for delay in completion of work within the stipulated time. The contractor was barred from claiming full payment of the completed work for a period of five years with effect from the issue of work order and escalation at par with RBI index was to be paid for balance amount after expiry of five years from the date of issue of work orders if the State Government was the defaulting party. It was also noticed that additional conditions were included in the work orders issued to M/s National

²⁶ (a) 11th NAP (IR) Battalion vide No.II-27011/102/2000-PF.II (vii) dated 18.11.2004, (b) 12th NAP (IR) Battalion vide No.16011/20/2005-PF. IV (vi) dated 22.03.2006, (c) 13th NAP (IR) Battalion vide No.16011/20/2005-PF. IV (v) dated 15.05.2007 and (d) 14th NAP (IR) Battalion vide No.16011/6/2006-PF.IV (v) dated 31.03.2008.

²⁷ 13th and 14th NAP (IR) battalion at Yachang and Okhezung.

²⁸ 12th NAP (IR) Battalion at Chingtok.

²⁹ (i) 11th NAP (IR) Battalion at Aboi: Hexad Syndicate, (ii) 12th NAP (IR) Battalion at Chingtok: M/s National Construction, (iii) 13th NAP (IR) Battalion at Yachang and 14th NAP (IR) Battalion at Okhezung: M/s Singh Construction.

Construction and M/s Singh Construction to the effect that in the event of rescindment/cancellation of contract for reasons other than stipulated in the Agreement, 50 per cent of the cost of balance work would be paid to the contractor and the rates once approved and entered in the Agreement would not be revoked, failing which it might be treated as cancellation of work for which the contractor shall be compensated with 50 per cent of the cost of the balance work to be done. However, there was no reciprocatory obligation on the part of the private parties to deliver the work in time nor were penalties specified for delay in completion/abandonment of work.

It was also observed that a large portion of the works included in the work orders for all the four battalions were not completed or even started (July 2014) despite the stipulated date of completion being October 2014. However, it was seen from the work orders that no condition applicable in the event of non-completion of works within five years was contemplated and incorporated.

Thus, the work orders and Agreements with the contractor were ambiguous and defective and were loaded in favour of the contractors.

In reply (November 2014), the PEP accepted the facts and stated that the Agreements with the contractors were being reviewed and defective clauses which were not in the interest of Government would be amended/rectified.

(iii) Works awarded in contravention to recommendation of SLTC

Examination of records revealed that a proposal (₹ 51.58 crore) for initiating tender for site development works and construction of approach roads in respect of the four battalions was submitted (29.10.2008) by the CE, PEP to Government along with estimates as shown in the table below:

Table: 5.3.5

(₹ in crore)

Sl No.	Description of works	Cost of jungle clearance and site levelling works	Cost of approach road cutting with soling and metalling	Total cost of site development works)
1.	Construction of permanent headquarters for 11 th NAP (IR) Battalion at Aboi, Mon	5.76	4.56	10.32
2.	Construction of permanent headquarters for 12 th NAP (IR) Battalion at Chingtok, Longleng	7.04	5.33	12.37
3.	Construction of permanent headquarters for 13 th NAP (IR) Battalion at Yachang, Mokokchung	7.44	7.15	14.59
4.	Construction of permanent headquarters for 14 th NAP (IR) Battalion at Okhezung, Kiphre	6.93	7.37	14.30
	Total:	27.17	24.41	51.58

Approval of the Government was received (17.11.2008) with directions that NIT be published in all local newspapers. In compliance, NIT was published (19.11.2008) in

the major local dailies. Original tender papers were not available in the office of the CE, PEP and it was stated that they were sent to Government along with the Comparative Statements. Only the Comparative Statements were returned with Government approval. A State Level Tender Committee (SLTC) was also constituted³⁰ by the Government for finalisation of tenders. On detailed examination of records, the following discrepancies were noticed:

(a) Construction of permanent headquarters for 11th NAP (IR) Battalion at Aboi, Mon

As per Comparative Statement submitted to Government, six regular bids were received out of which M/s Singh Construction Co., Dimapur had quoted the lowest (5 *per cent* below SOR 2008) which was found to be workable and recommended for acceptance. The SLTC constituted for the purpose also recommended that work be awarded to M/s Singh Construction. It was however, seen that the work order was issued (27.04.2009) to Hexad Syndicate at 5 *per cent* below SOR 2008 who quoted the second lowest as per directions (23.04.2009) received from the State Government.

It was noticed that though work order for approximate value of work amounting to ₹ 9.81 crore was issued (27.04.2009) to Hexad Syndicate at 5 *per cent* below SOR 2008, it was subsequently changed (08.07.2009) through a corrigendum with the approval of the Government (30.07.2009) to 'at par with SOR 2008' (₹ 1032.50 lakh) stating that this rate was quoted by the firm during bidding.

Thus, by not awarding the work to the lowest bidder as recommended by the SLTC the purpose of open tendering was defeated. The Department also incurred an excess expenditure of ₹ 45.62 lakh³¹ due to award of work at higher rates than L1.

Further, analysis of entries recorded in the MB and payments made revealed that the total value of work done as per 5th and Final RA Bill was ₹ 9.12 crore. To this, the Department added adhoc 5 *per cent* in the bill and made payment of ₹ 9.58 crore. Detailed analysis of measurements recorded also revealed that the actual work executed was not as per the estimates approved. Quantity of work done and rates for items were also not as per the Estimates. Further, works were certified to have been completed as per specification without several items (cutting of approach road including soling and metalling for 7 kms., construction of side drains etc.) in the estimate being taken up. It was also noticed that several items of work not envisaged in the estimates (cutting of trees etc.=6935 of various girth) were executed. Payment of ₹ 9.58 crore was also released to the contractor in 5 RA Bills which resulted in excess expenditure of ₹ 45.62 lakh on account of variations in the rates and the quantities of the works as stipulated under the work.

Thus, the Department incurred a consolidated amount of ₹ 91.24 lakh³² by awarding the work at higher rates than L1 and also without actual execution of work.

³⁰ Vide Government Notification No.POL/Gen/62/2008 dated 21.01.2009

³¹ ₹ 957.87 lakh-₹ 912.25 lakh=₹ 45.62 lakh

³² Payment actually made ₹ 957.87 lakh – ₹ 866.63 lakh as per work order.

(b) Construction of permanent headquarters for 12th NAP (IR) Battalion at Chingtok, Longleng

As per Comparative Statement submitted to Government, bids were received from four contractors out of which three³³ were regular. The work order was recommended to be issued to M/s Technocon who had quoted the lowest which was also endorsed by the SLTC. However, it was noticed that work order for value of work amounting to ₹ 11.75 crore was issued (27.04.2009) to A.Pongshi Phom at 5 *per cent* below SOR 2008 which was also accepted (23.04.2009) by the contractor.

Analysis of the MB revealed that work commenced on 02.07.2009 and was certified to have been completed on 12.02.2010 as per specifications with total value of work done being ₹ 11.75 crore. Payment of ₹ 8.81 crore was also released to the contractor in 3 RA bills after withholding an amount of ₹ 2.94 crore.

Detailed analysis of vouchers/MBs related to the work revealed the following:

- **Excess payment on earthwork**

As per the approved estimates, a total of 418450 cum of earthwork for ₹ 8.70 crore³⁴ was to be executed. Analysis of work however, revealed that measurements for earthwork against site levelling and approach roads were recorded together (364335.77 cum). The rate for site levelling work was ₹ 160.13 per cum as against the rate of ₹ 268 per cum for earthwork in ordinary rock for roadway. However, while payments were made the rate of ₹ 268 per cum (earthwork) were applied for the entire work and ₹ 9.08 crore (**Appendix 5.3.6**) was made to the contractor. The actual amount of excess payment on this account could not be assessed as the measurements for earthwork (site levelling and roadway in ordinary rock) were recorded together in the MB. Besides, it was also seen that though the actual execution of earthwork was less than the estimated quantity by 53618.31 cum, the amount actually paid to the contractor exceeded the estimated amount for earthwork by ₹ 38 lakh.

The PEP stated (November 2014) that payments were made to the contractor as per actual execution and revised estimates have been sent to higher authority for approval. However, the fact remained that measurements for earthwork (site levelling and roadway in ordinary rock) were recorded together in the MB and excess payment

³³ Shri Vilelie Khamo @ par with SOR 2008, M/s M/s Tehnocon Enterprises @ 7% below SOR 2008 and Shri A. Pongshi Phom @ par with SOR 2008

³⁴ 332700 cum (50% in soil @ ₹ 160.13 per cum and 50% in ordinary rock @ ₹ 252.49 per cum) for site levelling works with total amount of ₹ 6.86 crore and 85750 cum (50% in soil @ ₹ 160 per cum and 50% in ordinary rock @ ₹ 268 per cum) for earthwork in roadways with total amount of ₹ 1.84 crore.

made on this account. Further, works were certified to be completed as per specifications and full payments released to the contractor without approval of revised estimates.

- **Deviation from Estimates (Hume pipe culverts/retaining walls)**

Analysis of the MBs revealed that works viz., construction of Hume Pipe Culverts/retaining walls not included in the estimate for Jungle clearance, site levelling and construction of approach roads at Longleng were executed for a total cost of ₹ 43.62 lakh as detailed in the following table.

Table: 5.3.6

Sl No.	Item of work	Unit	Quantity	Rate	Amount (₹)
1.	Excavation in soil by manual means	cum	479.54	142.54	68353.63
2.	Excavation in ordinary rock by manual means	cum	495.92	252.49	125214.84
3.	PCC 1:4:8	cum	40.98	5102.54	209102.09
4.	Providing reinforced concrete pipes etc (1000 mm)	m	116.28	12507	1454313.96
5.	Provision of CRSM wall 1:6 etc	cum	574.57	4327.34	2486359.74
6.	Provision of 20 mm cement plaster	sqm	89.18	205.34	18312.22
	Total:				4361656.48

Thus, works valued at ₹ 43.62 lakh which were not included in the estimate were executed and payment made to the contractor by the PE without approval of competent authority.

The PEP accepted the facts and stated (November 2014) that works were carried out as per site requirement.

(c) Construction of permanent headquarters for 13th NAP (IR) Battalion at Yachang, Mokokchung

Examination of records revealed that only one component i.e., jungle clearance and site levelling works valued at ₹ 7.44 crore was included in the NIT published on 19.11.2008 in local papers. The remaining component i.e., approach road cutting with soling and metalling valued at ₹ 7.15 crore was left out and tendered separately.

- **Jungle clearance and site levelling works**

As per Comparative Statement submitted to Government, three contractors³⁵ had submitted bids for the work. The bid of M/s Technocon (L₁) was stated to be not workable and the bid submitted by M/s Singh Construction (L₂) was recommended for acceptance which was also endorsed by the SLTC.

The work order (value of work: ₹ 7.07 crore) was issued (27.04.09) to M/s Singh Construction for jungle clearance and site levelling @ 5 per cent below SOR 2008 with stipulation to complete the work within six months. Analysis of MBs revealed that the work commenced on 27.04.2009 and was in progress³⁶ (20.12.2011). The

³⁵ Shri Vilelie Khamo @ par with SOR 2008, M/s Technocon at 11% below SOR 2008 and M/s Singh Construction Co., Dimapur at 5% below SOR 2008.

³⁶ The progress as recorded in MB upto 20-12-2011. Further progress of the work was not on record.

total value of work done was recorded as ₹ 7.32 crore and the amount payable worked out to ₹ 6.95 crore (5 *per cent* below SOR 2008 as per work order). A total amount of ₹ 6.74 crore was paid to the contractor in 4 RA Bills leaving a balance of ₹ 20.50 lakh being the withheld amount.

Reasons for not completing the work within the stipulated time or action taken by the Department in this regard were not found on records.

In reply (November 2014), the PEP accepted the facts and stated that work could not be completed due to non-stability of soil and realignment of approach road.

- **Construction of approach roads**

It was observed that separate NIT was issued (03.08.2009) for 'Jungle clearance, site levelling and construction of approach roads with estimated cost of ₹ 7.15 crore without publishing in the newspapers as required under Rules. As per Comparative Statement there were three³⁷ bids and work was awarded (26.08.2009) to the lowest bidder, M/s Singh Construction (value of work: ₹ 6.81 crore). Further examination revealed that the partners of the three firms were the same indicating collusive bidding. Thus, the bidding process was not fair and needs further investigation.

The total value of work done was recorded as ₹ 5.30 crore and the amount payable worked out to ₹ 5.11 crore (5 *per cent* below SOR 2008 as per work order). A total amount of ₹ 5.05 crore was paid to the contractor in 2 RA Bills leaving a balance of ₹ 6.54 lakh as withheld.

Reasons for not completing the work in time or the action taken by the Department in this regard were not found on records.

(d) Construction of permanent headquarters for 14th NAP (IR) Battalion at Okhezung, Kiphire

As per Comparative Statement submitted to Government, three³⁸ contractors had submitted bids. The bid submitted by M/s Singh Construction, being the lowest, was recommended for acceptance which was endorsed by the SLTC.

Work Order (value of work ₹ 13.58 crore) was issued (27.04.2009) to M/s Singh Construction & Co, Dimapur with stipulation to complete the work within six months. Analysis of MBs revealed that the work commenced on 27.05.2009 and was in progress (30.03.2012). The total value of work done was ₹ 9.73 crore and the amount payable was ₹ 9.25 crore (5 *per cent* below SOR 2008 as per work order). A total amount of ₹ 9.02 crore was paid to the contractor in 4 RA Bills leaving a balance of ₹ 22.53 lakh being the withheld amount.

The reasons for not completing the work within the stipulated time or the action taken by the Department in this regard were not found on records.

³⁷ M/s M.S. Panesar at par with SOR 2008, M/s Singh Construction at 5 *per cent* below SOR 2008 and M/s National Construction at 3 *per cent* below SOR 2008

³⁸ M/s Singh Construction Co., Dimapur @ 5 *per cent* below SOR 2008, Shri Pele Khezhie @ 3 *per cent* below SOR 2008 and Shri Aien Meren Enterprises @ par with SOR 2008.

As per the estimate for Jungle Clearance and Site levelling works, the quantity of work to be done for earthwork in ordinary rock was 164197 cum @ ₹ 252.49/cum amounting to ₹ 4.15 crore. However, analysis of the MB revealed that quantity of work executed for the said item i.e. earthwork in ordinary soil was 219346 cum. Thus, extra work for an amount of ₹ 1.39 crore for 55149 cum not contemplated in the estimate was executed. Full payments were also released to the contractor by PE, Alichen without revising the estimate and approval of the competent authority.

In reply (November 2014), the PEP accepted the facts and stated that works could not be completed due to jhum cultivation near and around the location.

(iv) Award of works at exorbitant rates without NIT

Examination of records revealed that preliminary estimates (₹ 488.26 crore) for construction of buildings (Residential and Non-residential) and other departmental works was submitted (01.11.2007) by the CE. It was noticed that the preliminary estimates for buildings were calculated on plinth area rate (₹ 972 per sq ft) based on SOR 2004 with provision of 70 per cent for cost escalation.

Table: 5.3.7

(₹ in crore)

Sl No.	Particulars	Amount as per preliminary estimate
1.	Construction of permanent headquarters for 11 th NAP (IR) Battalion at Aboi, Mon	123.34
2.	Construction of permanent headquarters for 12 th NAP (IR) Battalion at Chingtok, Longleng	111.75
3.	Construction of permanent headquarters for 13 th NAP (IR) Battalion at Yachang, Mokokchung	108.44
4.	Construction of permanent headquarters for 14 th NAP (IR) Battalion at Okhezung, Kiphire	144.73
	Total:	488.26

Based on these estimates, DPRs (₹ 725.32 crore) were submitted (October 2008) by the Consultant. The State Level Programme Implementation Committee (SLPIC), headed by the Chief Minister, in its meeting (19.11.2008) observed that the cost was much too high and directed that the DPRs should be re-examined and verified by the High Level Technical Committee (HLTC). The DPRs were forwarded to the HLTC and was returned (17.07.2009) by them with several recommendations to reduce cost. This included reducing the length of roads as per requirement, removing provision kept for culverts as the same was covered by road works, reducing the lump sum provision made for water supply etc. The total cost of the projects was reduced to ₹ 485.74 crore including the cost of Site development (₹ 42.22 crore) for which work orders were already issued. The DPRs were returned (20.07.2009) to the Consultant for recasting with directions to follow all the guidelines/directions/corrections given by the HLTC. The recast DPRs (₹ 530.82 crore) were submitted (07.10.2009) by the Consultant stating that the increase in cost of Kiphire Battalion was due to discrepancies noticed during recasting. The DPRs were approved (09.10.2009) by the HLTC with the comment that the changes necessitated for Kiphire Battalion was due to the negligence of the Consultant. It was further recommended by the HLTC that

once the projects are sanctioned, the detailed tender documents indicating Bill of Quantities (BOQs) should be prepared by the Consultant and approved by the Committee before call of tender. However, HLTC approval for BOQs prepared, if any, was not seen on record. The amount as per the first DPR, amount recommended by the HLTC and amount as per the recast DPR approved by HLTC was as shown in the following table.

Table: 5.3.8

(₹ in crore)

Sl No.	Particulars	Amount as per first DPR	Amount recommended by HLTC	Amount as per recasted DPR
1.	Construction of permanent headquarters for 11 th NAP (IR) Battalion at Aboi, Mon	182.75	123.96	122.86
2.	Construction of permanent headquarters for 12 th NAP (IR) Battalion at Chingtok, Longleng	178.21	127.75	128.32
3.	Construction of permanent headquarters for 13 th NAP (IR) Battalion at Yachang, Mokokchung	183.86	120.63	124.72
4.	Construction of permanent headquarters for 14 th NAP (IR) Battalion at Okhezung, Kiphire	180.50	113.40	154.92 ³⁹
Total:		725.32	485.74	530.82

Analysis of records revealed that the contractors who were awarded the work of Site Development were asked to submit their rates (item rates) for the main works on the basis of directions (03.10.09) received from the Home Minister to award the work through direct negotiation with them. The CE issued letters (12.10.2009) to M/s Singh Construction Co., Hexad Syndicate and M/s Perfect Construction asking them to submit their bids on item-rate basis. The tender documents submitted by the said contractors were not available on record and was stated to be with the Government. Only the Comparative Statements approved by the Government were available on record.

It was noticed from the Comparative Statements that all the three above mentioned firms had submitted bids (item rates) for all the works, of which the lowest bidders (both before and after negotiation) were awarded the contract in all the four cases. As directed by the Government (27.10.2009), work orders valued at ₹ 315.04 crore were issued (29.10.2009) separately for the Residential, Non-Residential and other departmental works as detailed in the **Table 5.3.9** without enclosing the Bill of Quantities (BOQs). Only the description of work (Plinth area and numbers of buildings) with total estimated cost and the rates approved/accepted for each item of work were enclosed. Agreement was also entered into with the contractors on 29.10.2009 which was essentially a copy of the tender documents.

³⁹ Huge variation due to non-inclusion of some components in the 1st DPR which was corrected during recasting.

Table: 5.3.9

(₹ in crore)

Sl No	Location	Name of the contractor	Work Order Amount (₹)			Total amount of work order
			Residential Building	Non-Residential Buildings	Other Departmental works	
1.	11 th NAP (IR) Battalion, Aboi	Hexad Syndicate	47.61	10.71	14.17	72.49
2.	12 th NAP (IR) Battalion, Chingtok	M/s Perfect Construction	49.56	11.21	15.13	75.90
3.	13 th NAP (IR) Battalion, Yachang	M/s Singh Constuction.	47.83	10.74	15.05	73.62
4.	14 th NAP (IR) Battalion, Okhezung	M/s Singh Construction.	60.55	13.97	18.51	93.03
Total:			205.55	46.63	62.86	315.04

Detailed analysis of records revealed that work was awarded at rates ranging from 1 to 856 *per cent* higher than the rates as per SORs, 2008, 2010 and 2013 which was exorbitant as work orders were issued by the Department at par with SOR, 2008 for similar works in Zhadima and Saijang during the same period and also subsequently. It was also noticed that work orders were issued for similar works in Zhadima and Mpetsa at par with SOR 2010 during December 2012. Thus, works were arbitrarily awarded at exorbitant rates without floating NIT. The other issues noticed on examination of records related to execution of works for the four battalions are detailed in the succeeding paragraphs.

(a) Construction of permanent headquarters for 11th NAP (IR) Battalion at Aboi, Mon

Comparison of the negotiated item rates with Schedule of Rates (SOR) revealed that the rates allowed (October 2009) for the various items were higher by 86 to 800 *per cent* (SOR 2008), 29 to 562 *per cent* (SOR 2010) and 1 to 424 *per cent* (SOR 2013).

Analysis of MBs revealed that the works executed did not match (quantity and rates and also total cost) with the estimates contained in the DPR or the item rates quoted by the contractor and accepted by the Department. On enquiry, it was stated that detailed working estimates were not available with the SDO/Junior Engineer (Tizit) and work was executed as per the drawings approved by the CE. However, the drawings could also not be submitted to audit as it was stated to be at the site of the work i.e., Aboi.

Reasons for not including BOQ with the work order and making payment at lower rates than the work order/Agreement could not be stated. Reasons for non-completion of the work within the stipulated time were also not available on records.

(b) Construction of permanent headquarters for 12th NAP (IR) Battalion at Chingtok, Longleng

It was noticed that a corrigendum was issued (19.07.2010) stating that M/s Perfect Construction had requested to transfer the work to their sister concern 'M/s National Construction, Dimapur' to avoid inconvenience faced by them in obtaining bank assistance and other account related matters. The work was transferred to M/s National Construction, as per the rate, work value, terms and conditions etc., already agreed. Fresh work orders were issued (21.07.2010) to M/s National Construction and fresh agreement was also signed on the same date. The stipulated date of completion was 60 months from the date of issue of work order. The original work order was issued on 29.10.2009 and the revised work order on 21.07.10. In effect, this resulted in allowing 9 more months to the firm to complete the work. Further, it was noticed that the partners of both M/s Singh Construction as well as M/s National Construction were identical and both the firms participated in the bidding process. This indicated collusive bidding.

Comparison of the negotiated item rates with Schedule of Rates (SOR) revealed that the rates allowed for the various items were higher by 98 to 838 *per cent* (SOR 2008), 16 to 517 *per cent* (SOR 2010) and 12 to 402 *per cent* (SOR 2013).

Analysis of MBs and other related records revealed that the work commenced on 09.09.2010 and was in progress (July 2014). The total upto date value of work done was ₹ 25.38 crore and payment of ₹ 19.68 crore was made to M/s National Constructions in one RA bill after withholding an amount of ₹ 5.71 crore.

Analysis of work revealed that payment was made on the basis of the negotiated item rate as per Agreement with the contractor. It was further observed that the payments made were against construction of Type IV quarters—16 Nos., Type III quarters—15 Nos., Type I quarters—30 Nos., Type V quarters—3 Nos., Barracks—6 Nos. and Dining Hall/toilet/kitchen.

The quantity of work to be executed as per work order, work order amount and the status of work as per the progress report submitted to Government was as shown in **Appendix 5.3.7**. It can be seen that most of the residential buildings were completed with the exception of Type I quarters (236 quarters not taken up out of 360). Extra works not included in the work order were also seen executed (Barracks-6 Nos., Dining hall and kitchen-3 Nos and latrine/bathroom-12 Nos.).

Reasons for allowing extra nine months (i.e., from 29.10.2009 to 09.09.2010) to the contractor even though the work was transferred only to its sister concern could not be furnished. Reasons for non-completion of the work within the stipulated time and taking up works not included in the work order could also not be stated.

(c) Construction of permanent headquarters for 13th NAP (IR) Battalion at Yachang, Mokokchung

Comparison of the negotiated item rates with Schedule of Rates (SOR) revealed that the rates allowed for the various items were higher by 89 to 837 *per cent* (SOR 2008), 32 to 575 *per cent* (SOR 2010) and 10 to 434 *per cent* (SOR 2013).

Analysis of MBs and other related records revealed that the work commenced on 12.01.2010 and was in progress (July 2014). The total upto date value of work done was ₹ 39.64 crore and payment of ₹ 37.46 crore was made to M/s National Constructions in 5 RA bills against the work order for Residential Buildings after withholding an amount of ₹ 2.18 crore.

Analysis of work revealed that payments were made on the basis of the negotiated item rate as per Agreement with the contractor. However, the number of buildings for which payment was made was not clear from the MBs.

It was noticed from the Progress Report as of July 2014 that a major portion of the Residential buildings were completed except for Type I (197 Nos out of 360 Nos. to be constructed as per work order not taken up) and type V (18 Nos. out of 60 Nos. to be constructed as per work order not taken up) as detailed in **Appendix 5.3.8**. It was also noticed that works not included in the estimate were also executed (Barracks-5 Nos, Dining hall and kitchen-4 Nos and Latrine/bathroom-4 Nos).

Reasons for non-completion of the works within the stipulated time and taking up works not envisaged in the work order could not be stated.

(d) Construction of permanent headquarters for 14th NAP (IR) Battalion at Okhezung, Kiphre

Comparison of the negotiated item rates with Schedule of Rates (SOR) revealed that the rates allowed for the various items were higher by 88 to 856 *per cent* (SOR 2008), 1 to 406 *per cent* (SOR 2010) and 1 to 253 *per cent* (SOR 2013).

Analysis of MBs and other related records revealed that the work commenced on 10.11.2009 and was in progress (July 2014). The total up to date value of work done was ₹ 61.16 crore and payment of ₹ 25.69 crore was made to M/s Singh Constructions in 4 RA bills against the work order for Residential Buildings after withholding an amount of ₹ 35.47 crore.

Analysis of work revealed that payments were made on the basis of the negotiated item rate as per Agreement with the contractor. However, the number of buildings for which payment had been made was not clear from the MBs.

It was noticed from the Progress Report as of July 2014 that a major portion of the work against the work order for Residential buildings was completed except type I quarters (75 completed and 16 in progress against 360), type III quarters (25 completed and 4 in progress out of 60) as detailed in **Appendix 5.3.9**. It was also noticed that one additional Type-IV quarter, not envisaged in the work order, was constructed.

Reasons for non-completion of the work within the stipulated time and taking up works not included in the work order could not be stated.

5.3.9.7 Construction of permanent headquarters for 15th NAP (IR) Mahila Battalion at Mpetsa, Dimapur.

The 15th NAP (IR) Mahila Battalion was raised by the Government of Nagaland as per sanction⁴⁰ accorded by the Government of India, Ministry of Home Affairs in October 2008.

Details regarding preparation of preliminary estimates and site selection for the project were not available on record. Findings on examination of records related to the works executed for the Battalion are detailed in the succeeding paragraphs.

(i) Deviation from DPR/Estimates

- It was noticed that infrastructural works⁴¹ for an amount of ₹ 7 crore commenced before the approval of DPR by the SLPIC and therefore the works were not as per the DPR prepared by the Consultant. During joint physical verification, it was noticed that the workmanship of some of the works executed were not satisfactory. The urgency for taking up the works before approval of DPR compromising the workmanship particularly in view of the fact that the Battalion had not occupied the buildings constructed could not be clarified.

In reply (November 2014), PEP stated that as there was need for immediately providing the basic minimum amenities for the 15th NAP (IR) Bn, the Division had to start the construction work before approval of DPR by the SLPIC on the direction of the Police Department and the deviation of work from the DPR was primarily due to the actual site conditions which becomes unfavourable for some works to be executed as per the original DPR.

- As per the DPR, the type-I quarters (18 Nos.) to be constructed was RCC type three storied blocks with 6 units each. However, it was noticed from the records and during joint physical verification that separate estimates for SP type-I building were prepared by the Division and the same were accordingly executed at the site.

In reply (November 2014), PEP stated that the same was done as per the direction of the higher authority.

(ii) Diversion of funds

Examination of records revealed that an amount of ₹ 7.25 crore⁴² was sanctioned by MHA, GOI for infrastructure development for the Battalion. It was also noticed that

⁴⁰ Vide No.16011/6/2006 dated 03.09.2008.

⁴¹ (i) Construction of Jawans Barrack (3 Nos), (ii) Construction of dining hall/kitchen (1 No.), (iii) Construction of bath & toilet units (24 Nos), (iv) Construction of roads inside the Battalion complex, (v) Construction of retaining walls at various locations, (vi) Construction of RCC slab culvert, (vii) Construction of Unit Gate and Sentry Post, (viii) Site leveling for various buildings, (ix) Construction of boundary security fencing and (x) Construction of Ring Wells (5 Nos)

⁴² ₹ 2.16 crore in November 2010 and ₹ 5.09 crore in August 2011.

work orders for a total amount of ₹ 7 crore was awarded (09.12.2010) to M/s Premier Enterprises without NIT on the basis of directions received from the State Government. Further analysis revealed that the work order consisted of several items of work including “Construction of retaining walls at various locations”. It was noticed from the MBs that the total value of work done for the said work was ₹ 35.10 lakh and payment of ₹ 35.10 lakh was released (29.05.2011) to the contractor. Details of works done as per MBs were as shown in the table below:

Table: 5.3.10

Sl.No.	Items of work	Qty. (cum)	Rate (₹/cum)	Amount (₹)
1.	Excavation work in foundation trenches or drains.	187.23	286.77	53691.94
2.	PCC in 1:3:6 in foundation	23.40	5106.40	119489.76
3.	Stone masonry work in cement mortar 1:3	550.19	6064	3336352.16
				3509533.86

However, it was noticed during joint physical verification that the works were not executed. On enquiry, it was stated that the amount was utilised for clearance of jungle around the site as construction of retaining walls was not required. Thus, an amount of ₹ 35.10 lakh was diverted for purposes other than for which it was sanctioned without approval of the competent authority. Further, payments were made to the contractor on the basis of fictitious entries recorded in the MB.

PEP stated (November 2014) that there was no necessity to construct retaining wall as the Battalion HQ area was covered by jungle. Therefore in order to clear the jungle area first, bills were prepared and utilised for jungle clearance.

(iii) Payment made on the basis of fictitious entries recorded in the MBs

- **Construction of quarters:** Examination of records revealed that work orders were issued to two contractors⁴³ for construction of type I and type IV quarters. As per the estimates, the roof truss of all the quarters were to be constructed with steel tubular structures. Analysis revealed that entries were recorded in the MB against the item of work ‘steel work in built-up tubular trusses including cutting, hoisting and fixing in position etc.’ and payments made to the contractors as shown in the table below:

Table: 5.3.11

Sl. No.	Type of Building	Name of Contractor	Nos.	Date of Commence -ment	Date of Completion	Steel work as per MB (Kg)	Rate (₹ /Kg)	Amount (₹) (4x8x9)
1.	Type-I	M/s National Constructions, Dimapur	9	18.01.2012	30.04.2012	2102.71	154.12	2916627
2.	Type-I	-do-	9	23.01.2012	30.04.2012	2102.71	154.12	2916627
3.	Type-IV	M/s Kahoto Jinimi	2	27.0..2012	05.06.2013	1231	141.47	348299
	Total:							6181553

⁴³ Type IV quarter: M/s Kahoto Jinimi (08.02.2012) and Type I quarters: M/s National Constructions (18.01.12 & 13.01.12).

However, it was noticed during physical verification that the roof trusses were constructed with wood instead of steel. Thus, ₹ 61.82 lakh was paid to the contractors on the basis of fictitious entries recorded in the MBs.

It was stated by the PEP during exit conference (November 2014) that the contractors would be asked to replace the wood trusses with tubular structure in Type-I and Type-IV quarters.

- **Providing water supply to Quarters, Barracks & Dining Hall/Kitchen.**

Examination of records revealed that works regarding water supply were carried out in quarters, barracks and Dining Hall/Kitchen. However, during physical verification, it was noticed that the works shown as executed in the MBs were not actually executed as detailed in **Appendix 5.3.10**.

Thus, payments were made for unexecuted items of work by recording fictitious entries in the MBs.

(iv) Payments made without recording complete measurements

Analysis of MBs revealed that payments against several works were made by recording measurements for only one work and multiplying it by the number of similar works executed as detailed in **Appendix 5.3.11**.

Thus, payments were made to the contractor without taking complete measurements of the works executed.

PEP stated (November 2014) that as the measurement was all the same, only one work was recorded in the MB and multiplied by the number of similar works executed. It was further stated that this would not be repeated in future.

5.3.10 Conclusion

Works were not prioritised and work orders were issued for all the works envisaged in the DPR without identifying source of funds and ensuring uninterrupted flow of funds for their completion resulting in creation of huge committed liabilities for the Department. Consultants were appointed without inviting tenders on the recommendation of VVIP despite availability of technical expertise in the Department resulting in avoidable/wasteful expenditure on consultancy charges. Works were awarded in contravention of SLTC recommendations without inviting tenders and cases of collusive bidding were noticed. Works were awarded in October 2009 for four projects at exorbitant item rates without inviting tender and terms and conditions contained in the work orders/agreements with contractors were found to be ambiguous and defective. Further, several cases of excess payments, payments for unexecuted works and doubtful expenditure were noticed.

5.3.11 Recommendations

- Works should be prioritised/taken up for phase-wise execution after ensuring uninterrupted flow of funds for its completion.

- DPRs/Estimates should be prepared after proper study of requirements;
- The procedure for awarding works needs to be streamlined and made transparent;
- Cases of doubtful/inflated payments needs to be investigated.

PUBLIC WORKS (HOUSING) DEPARTMENT

5.4 Avoidable expenditure

The Department incurred an avoidable expenditure of ₹ 9.51 crore due to delay in handing over the project site. The Department also made excess payment of ₹ 3.88 crore to the contractor towards enhancement of rate for newly incorporated items of works not approved by the Government.

Rule 248 of the NPWD code states that the site for every building should definitely be settled before the detailed designs and estimates are prepared and the local authorities must be consulted in all cases.

The work order for the construction of new PWD Complex building at PWD Hill, Kohima was awarded (May 2006) to a contractor⁴⁴ on item rate basis at the negotiated amount of ₹ 9.84 crore (14.92 *per cent* above SOR 2004). The work order amount was subsequently revised to ₹ 35.16 crore (December 2009) as the estimated cost was enhanced⁴⁵ due to inclusion of additional works and increase in the cost of some items. The work commenced from February 2007 and was completed in March 2011. Examination of records (November 2013) of Executive Engineer (EE), Central Division, Kohima revealed the following:

A. Avoidable expenditure

Though the work order was issued in May 2006, the Department handed over (August 2008) the project site to the contractor after a delay of 18 months. The Contractor had accordingly requested (August 2008) for enhancement of rate for the remaining works @ 38.46 *per cent* above the approved tender rate of 2006 on account of delay in handing over of project site by the Department. The rate enhancement was approved by the Government in December 2009. The work was completed (March 2011) and the Contractor was paid ₹ 36.75 crore including cost escalation of ₹ 9.51 crore on account of rate enhancement.

Thus, delay of 27 months in handing over of the site after issue of the work order (May 2006) resulted in avoidable expenditure of ₹ 9.51 crore on account of rate enhancement/escalation of cost.

B. Excess payment of ₹ 3.88 crore

The EE Central Division, Kohima prepared the revised estimate valued at ₹ 38.66⁴⁶ crore incorporating 23 new scheduled items of work valued at ₹ 5.04 crore and 12 non-scheduled items valued at ₹ 2.95 crore in addition to the 42 scheduled items in

⁴⁴ Shri. Vilelie Khamo

⁴⁵ Enhanced from ₹ 13.90 crore to ₹ 38.66 crore

⁴⁶ Including Miscellaneous Departmental charges ₹ 3.50 crore

the original estimate. The revised estimate was approved in December 2009. As per the approved estimates all the non-scheduled items were excluded from the scope of rate enhancement. In respect of the newly incorporated scheduled items the rates were prepared based on the prevalent rates of SOR 2008. As such, no enhancement were admissible for those new items.

Further examination (October 2013) of the Measurement Book and the Running Account bills however, revealed that the Contractor was *inter alia* paid ₹ 13.95 crore for scheduled and non-scheduled items. The payment of ₹ 13.95 included inadmissible amount of ₹ 2.33 crore for newly incorporated scheduled items and ₹ 1.55 crore for non-scheduled items on account of enhancement of rate which were not admissible. This resulted in avoidable excess payment of ₹ 3.88 crore.

Thus, the Department incurred an avoidable expenditure of ₹ 9.51 crore due to delay in handing over the project site. The Department also made an excess payment of ₹ 3.88 crore to the contractor towards enhancement of rates for newly incorporated items of works not approved by the Government.

In reply, the Department stated (October 2014) that the commencement of the work was delayed due to incorporation of additional office space to accommodate new wings which had resulted in change of scope and design. Some unforeseen problems such as disconnection of electrical, telephone, water connections, etc. and evacuation of existing building had also contributed to the delay. The reply further stated that since the re-tendering would have caused further delay and litigation, it was decided to enhance the rate to 38.46 per cent above SOR 2004. With regard to excess payment, the Department stated that the payment was released on the basis of revised estimate duly vetted by both the State Level Programme Implementation Committee and High Level Technical Committee and approved by the State Government.

The reply of the Department confirms the fact that the tendering was done before assessing the requirement and finalisation of the scope and design of the project to be executed. The Department's claim that the cost of escalation was released as per approval was factually incorrect as the Government did not approve enhancement of rates for the non-scheduled items in the revised estimates and no escalation was payable on the newly incorporated scheduled items.

TRANSPORT AND CIVIL ADMINISTRATION WORKS DEPARTMENTS

5.5 Non-deduction/Non-deposit of Cess

Transport Commissioner, Nagaland and Executive Engineer CAWD failed to deduct Cess amounting to ₹ 73.26 lakh against the provision of the Building and other Construction workers Welfare Cess Act. In addition, ₹ 10.44 lakh deducted as cess was also not remitted to the Board.

As per the provision of Building and other Construction Workers Welfare Cess Act, 1996, a levy of cess at such rates not exceeding two percent but not less than one per cent of the cost of construction incurred by an employer is to be collected in such manner including deduction at source and paid to the "Building and Other

Construction Workers Welfare Board” constituted by the State Government. The Act also provides for levy of interest and penalty for delay/non-payment of cess within the specific time.

In exercise of the powers conferred under section 3 of the above Act, Government of Nagaland, Labour and Employment Department notified (August 2011) for levy of cess at one *per cent* of the cost of construction on all activities of civil construction in the State. The Drawing and Disbursing Officers were responsible for deducting the cess at the time of making final payment to the contractors and remitting the same to the Nagaland Building and Other Construction Workers (NBOCW) Welfare Board.

Audit of records (February 2013 and June 2013) of two departments revealed the following:

A During 2011-12 and 2012-13 Central Administration Works Department (CAWD), Nagaland paid ₹ 59.00 crore against several⁴⁷ minor works executed through various contractors. As per the act, an amount of ₹ 59 lakh was to be deducted as Cess at one *per cent* and deposited to the Board by the division. However, from the vouchers⁴⁸ it was seen that Cess (₹ 10.44 lakh) was deducted from 321 bills and no Cess was deducted in the remaining 1234 cases which amounted to ₹ 48.56 lakh. It was also noticed that ₹ 10.44 lakh deducted by the division was not remitted to the Board.

In reply, the Department stated (December 2014) that an amount of ₹ 10.44 lakh had been deposited (July 2014) to the Labour Department. Regarding non-deduction of ₹ 48.56 lakh the Department stated (December 2014) that though Notification was issued by the Labour Department in August 2011, there was no clear instruction from the Finance Department till September 2012 which led to non-deduction. However, the fact remained that lack of co-ordination between the departments led to non-deduction of ₹ 48.56 lakh.

B The Transport Commissioner, Nagaland (October 2011) drew an amount of ₹ 24.78 crore for construction of International Standard Truck Terminus (ISTT) at Dimapur District. The Department paid ₹ 24.70 crore out of the above amount without deducting at source 1 *per cent* Cess amounting to ₹ 24.70 lakh.

Thus, due to non-adherence to the statutory provision of the Act, cess amounting to ₹ 24.70 lakh was not deducted at source from the bills which led to an undue benefit to the contractor to that extent.

In reply the Transport Commissioner stated (March 2014) that the cess amounting to ₹ 24.70 would be deducted from the contractor while releasing the final payment. This was further reiterated (August 2014) by the Government. The reply was not acceptable as ₹ 16.99 crore out of ₹ 24.70 crore was paid against final bills/payments.

⁴⁷ 1555 cases

⁴⁸ Final bill/Running Account bills.

CHAPTER – VI

FOLLOW UP OF AUDIT OBSERVATIONS

CHAPTER – VI

FOLLOW UP OF AUDIT OBSERVATIONS

6.1 Response of the departments to the recommendations of the Public Accounts Committee (PAC)

Finance Department issued instructions to all departments to submit Action Taken Notes (ATNs) on various suggestions, observations and recommendations made by PAC for their consideration within 15 days of presentation of the PAC Reports to the Legislature. The PAC Reports/recommendations are the principal medium by which the Legislature enforces financial accountability of the Executives to the Legislature and it is appropriate that they elicit timely response from the departments in the form of ATNs.

As of December 2014, out of 1262 recommendations of the PAC, made between 1990-91 and 2013-14, 859 ATNs in respect of the recommendations had been submitted to the PAC and discussed.

6.2 Monitoring

The following Committee had been formed at the Government level to monitor the follow up action on Audit related matters:

State Level Audit and Accounts Committee: State Audit and Accounts Committee (SLAAC) had been formed (June 2008) at the State level under the Chairmanship of the Chief Secretary to monitor the response and corrective action on the findings reported by audit, to review and oversee the working of Departmental Audit and Accounts Committee and also to hold meetings once in six months.

During 2013-14 no SLAAC meeting was convened.

6.3 Outstanding Inspection Reports

The Accountant General (Audit), Nagaland conducts periodical inspection of the Government departments to test-check the transactions and verify the maintenance of important accounts and other records as prescribed under the rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the Heads of the Offices inspected with copies to the higher authorities for taking prompt corrective action. The Heads of the Offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the Accountant General (Audit) within one month from the date of issue of the IRs. Serious irregularities are reported to the Heads of the departments and the Government.

The position of outstanding IRs pertaining to Civil (Expenditure audit including that of Works and Autonomous Bodies), Revenue (Audit of Revenue departments) and Commercial (Audit of Public Sector Undertakings) audit as of September 2014 is shown below:

Table 6.1

Year	Civil (including works, Forest and autonomous bodies)		Revenue		Commercial	
	No. of IRs	Paragraphs	No. of IRs	Paragraphs	No. of IRs	Paragraphs
Upto 2009-10	1594	9150	63	221	12	106
2010-11	57	476	2	15	0	0
2001-12	86	539	10	41	3	23
2012-13	132	875	6	14	2	12
2013-14	174	1240	16	54	3	36
Total	2043	12280	97	345	20	177

This large pendency of IRs is indicative of absence of adequate action to rectify the defects, omissions and irregularities pointed out through IRs by the Heads of offices and Heads of the departments.

It is recommended that the Government look into the matter and streamline the system to ensure proper response to audit observations. Action may be taken against the officials who fail to send replies to IRs/paragraphs as per prescribed time schedule and the lossess/outstanding advances/overpayments may be recovered in a time bound manner.

6.4 Departmental Audit Committee Meetings

In order to expedite the settlement of the outstanding audit observations contained in the IRs, departmental audit committees have been constituted by the Government. These Committees are chaired by the Secretaries of the concerned administrative departments and their meetings are attended by the concerned officers of the State Government and officers from the office of the Accountant General (Audit).

During 2013-14, no audit committee meeting was convened to clear the outstanding audit observations.

**Kohima
The**

**(A. Pitoho Choppy)
Accountant General (Audit),
Nagaland, Kohima**

Countersigned

**New Delhi
The**

**(Shashi Kant Sharma)
Comptroller and Auditor General of India**

APPENDICES

Appendix: 1.3.1

Statement showing the purchase of medicines & equipment over and above approved rate from the firms during 2013-14.
(Reference: Paragraph- 1.3.11.1 (c))

(Amount in ₹)

Sl. No.	Supply order No. & date and name of the firm	Name of the medicine	Specification		Purchase rate per unit	Purchased		Approved rate	Cost difference in		Rate compared with
			Type	Unit		Quantity	Type		Unit (Col. 6 - 9)	Total (Col. 7 x 10)	
1	NRHM/NL/2/P&S/MH (JSSK)/2013-14/5175 Dated 29/07/13. M/s North East Marketing Company, Dimapur	Ampiciline Amoxyciline Metronidazole Ibuprofen Domperidone	Inj. Cap. Tab. Tab. Tab.	500mg 250 mg 400 mg 400 mg 10 mg	100 40 20 13 20	1500 1500 1500 1500 1500	vials strips strips strips strips	6.10 11.40 5.65 6.00 2.00	93.90 28.60 14.35 7.00 18.00	11 140850 42900 21525 10500 27000	Karnataka Pharmaceutical Ltd. (KPL) Indian Drugs and Pharmaceutical Ltd. (IDPL)
2	NRHM/NL/2/P&S/2/MH/ JSSK/2013-14/5224 DATED 18/07/13. M/s. North East Marketing Company, Dimapur	Chromic catcut Chromic catcut Fast absorbing polyglactine 910 undyed Fast absorbing polyglactine 910 undyed Anti bacterial triclosan coated polyglactine 910 Anti bacterial triclosan coated polyglactine 910	needle needle needle needle -- needle	40 mm 120 3-0 3-0 -- 1-0	1910 2647 7091 7091 8892 8892	111 110 85 70 75 75	Nos. Box Box Box Box Box	1000.00 900.00 3000.00 3480.00 4300.00 4300.00	910.00 1747.00 4091.00 3611 4592 4592	101010 192170 347735 252770 344400 344400	Johnson & Johnson

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Sl. No.	Supply order No. & date and name of the firm	Name of the medicine	Specification		Purchase rate per unit	Purchased		Approved rate	Cost difference in		Rate compared with
			Type	Unit		Quantity	Type		Unit (Col. 6 - 9)	Total (Col. 7 x 10)	
1	2	3	4	5	6	7	8	9	10	11	12
		Albendazole	Tab.	400 mg	18.99	141030	strips	1.19	17.8	2510334	IDPL
3	NRHM/NL/2/P&S/1/CH/1 3-14/5148 DATED 10/06/13. M/s. K. Awomi Agencies & Distributors, Dimapur	Albendazole	Tab.	400 mg	19	143100	strips	1.19	17.81	2548611	IDPL
4	NRHM/NL/2P&S/2/WIF S20132*-14/NIL DATED 10/06/13. M/s. K. Awomi Agencies & Distributors, Dimapur	Albendazole	tablet	400 mg	19	121470	strips	1.19	17.81	2163381	IDPL
5	NRHM/NL/SHP/pro-print/2012-13/3011 Dated 21/09/13. North East Marketing Company, Dimapur	Albendazole	tablet	400 mg	19	11890	strips	1.19	17.81	211761	IDPL
6	NRHM/NL-02/06/2013-14/5539 Dated 07/11/13	Fast absorbing polyglactine 910 un-dyed	needle	3 - 0	5900	136	Box	3000.00	2900	394400	JOHNSONS & JOHNSONS
		Anti bacterial triclosan coated polyglactine 910	needle	1 - 0	6900	133	Box	4300.00	2600	345800	
		Anti bacterial triclosan coated polyglactine 910	needle	1 - 1	6900	133	Box	4300.00	2600	345800	
Total										10345347	

Appendix: 1.3.2

Statement showing purchase of equipment and medicines over and above the maximum retail price.

(Reference: Paragraph-:1.3.11.1 (d))

(Amount in ₹)

Sl. No.	Name of the equipment	Rate admitted for purchase	Printed rate	Quantity	Difference	Amount	
1	BP Instrument	4800	2625	526	2175.00	1144050	
2	Needle destroyer (Electrical)	5900	1650	323	4250.00	1372750	
3	Needle destroyer (Manual)	1800	305	100	1495.00	149500	
4	Oxygen regulator	1800	1600	131	200.00	26200	
5	Comet Latex Surgical Gloves	50	32.50	300	17.50	5250	
6	Crown Baby Weighing scale (Capacity 10 Kg)	2100	1100	300	1000.00	300000	
7	Dispo-van Syringe 10ml	12	7	3987	5	19935	
TOTAL (A)						3017685	
Sl. No	Name of the Medicine	Unit	Rate admitted for purchase	Printed rate	Quantity	Difference	Amount
1	Paracetamol Tab 500 mg 1x10	Strips	12	6.50	20000	5.50	110000
2	Diclofenac Sodium Inj 3ml 1 amp	Vials	15	4.77	10000	10.23	102300
3	Ampicillin Cap 250mg 1x10	Strips	41.50	26.25	5800	15.25	88450
4	Ampicillin 500mg 1x10	Strips	75	49.88	5810	25.12	145947
5	Amoxicillin cap 250mg 1x10	Strips	36.70	28.70	5900	8.00	47200
6	Amoxicillin cap 500mg 1x10	Strips	68	67.50	5896	0.50	2948
7	Norfloxacin Tab 400mg 1x10	Strips	48.49	20	5000	28.49	142450
8	Ciprofloxacin Tab 250mg 1x10	Strips	48.61	31.88	10000	16.73	167300
9	Ciprofloxacin Tab 500mg 1x10	Strips	83.33	61.79	10000	21.54	215400
10	Ofloxacin 250mg 1x10	Strips	55	50.96	5000	4.04	20200
11	Roxithromycin Tab 250mg 1x10	Strips	96.50	60	7500	36.50	273750
12	Azithromycin Tab 500mg 1x6	Strips	71.40	61.96	7500	9.44	70800
13	Cefadroxil Tab 250mg 1x10	Strips	38	21.65	4000	16.35	65400
14	Cefradroxil Tab 500mg 1x10	Strips	70.54	39.85	4000	30.69	122760
15	Doxycycline HCl Tab 100mg 1x10	Strips	54.50	9.56	10000	44.94	449400
16	Ranitidine HCl Tab 150mg 1x15	Strips	10	4.60	7500	5.40	40500
17	Ranitidine HCl Tab 300mg 1x15	Strips	15	10.50	7500	4.50	33750
18	Antacid Tab Al (OH)3 + MgAl Silicate+ Semethicone Chewable Tab 300mg + 50mg 1x12	Strips	12	7.75	7498	4.25	31866.50
19	Omeprazole Cap 250mg 1x10	Strips	39	31.40	10000	7.60	76000
20	Theophylline + ethophylline 2ml Amp	Vials	3.53	3.28	2999	0.25	749.75
21	Amylodipine Tab 5mg 1x10	Strips	35	30.60	5000	4.40	22000
22	Frusemide Tab 40mg 1x10	Strips	7	6.71	2000	0.29	580
23	Fluconazole Tab 150mg 1x1	Strips	33	15	2000	18.00	36000
24	Cetirizine Hydrochloride Tab 10mg 1x10	Strips	34	18.82	5000	15.18	75900
25	Ceftriaxone 1mg 1gm 1vial	Vials	90	58.20	10000	31.80	318000
26	Dexamethasone 1 mg 4mg/ml 2ml/vial	Vials	10.29	6.74	4000	3.55	14200

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Sl. No	Name of the Medicine	Unit	Rate admitted for purchase	Printed rate	Quantity	Difference	Amount
27	Vitamin B Complex Cap 1x30	Strips	52.35	25.50	10000	26.85	268500
28	Ranitidine HCl	Strips	10	4.60	14999	5.40	80994.60
29	Ranitidine HCl	Strips	15	10.50	7000	4.50	31500
30	Antacid Tab (Aluminium Hydroxide + Mg Al Silicate)	Strips	12	7.75	20000	4.25	85000
31	Omeprazole	Strips	39	31.40	15000	7.60	114000
32	Dicyclomine HCl	Strips	31.65	25	4000	6.65	26600
33	Theophylline + Etofylline	Strips	6.74	3.28	5000	3.46	17300
34	Theophylline + Etofylline	Strips	3.53	3.28	5000	0.25	1250
35	Theophylline + Etofylline	Strips	13.09	3.28	2500	9.81	24525
36	Amolodipine	Strips	35	30.60	6000	4.40	26400
37	Fruzemide	Strips	7	6.71	5000	0.29	1450
38	Fluconazole	Strips	33	15	3000	18.00	54000
39	Cetirizine HCl	Strips	34	18.82	5000	15.18	75900
40	Dexamethosone	Strips	11	6.74	5000	4.26	21300
41	Fluconazole	Strips	50	15	2000	35.00	70000
42	Cap Omeprazole	Strips	39	31.40	10000	7.60	76000
43	Tab Ranitidine	Strips	38	10.50	903	27.50	24833
44	Tab Antacid 300+25mg	Strips	25	7.75	15000	17.25	258750
45	Inj Ceftriazone 1gm	Vials	90	58.20	2000	31.80	63600
46	Tab Fluconazole 150mg	Strips	33	15	3000	18.00	54000
47	Tab Roxithromycin	Strips	96.50	60	2999	36.50	109464
48	Tab Paracetamol	Strips	12	6.50	30000	5.50	165000
49	Cap B Complex	Strips	52	25.50	3000	26.50	79500
50	Tab Cetirizine 10mg	Strips	26.50	18.82	15140	7.68	116275
Total (B)							4519993
Grand Total (A+B)							7537678

Appendix. 1.3.3

Statement showing the equipment issued from Central Store Kohima under NRHM but not received in test checked health units.

(Reference: Paragraph- 1.3.11.1 (e))

(Amount in ₹)

A. District Hospital, MON						
Sl No.	Name of item issued	Quantity issued	Date of issue	Quantity received	Rate per unit	Cost of the equipment
1	Hospital Bed (SS)	15	May-2009	0	10000	150000
2	Bedside Locker	15	May-2009	0	8000	120000
3	Semi Fowler	2	May-2009	0	15000	30000
4	Saline Stand	4	May-2009	0	3500	14000
5	Examination Table	1	May-2009	0	25000	25000
6	Instrument Trolley	1	May-2009	0	5500	5500
7	Stretcher with Trolley	1	May-2009	0	25000	25000
8	Oxygen bottle with regulator (M)	1	May 2013	0	35000	35000
9	Haematological auto analyser	1	April 2013	0	712500	712500
10	Rapid HIV testing kit	3	May 2013	0	8250	24750
11	Microscope with dark ground microscope attachment	1	May 2013	0	75650	75650
12	Universal rotary shaker/bottle shaker (Table top)	1	March 2013	0	18000	18000
13	RTI/STI kits	3	July 2011	0	110713	332139
14	Elkon micro controlled Diagnostic Audiometer	1	May 2012	0	96000	96000
15	Hearing aid strong	58	May 2012 & April 2014	0	4500	261000
16	Hearing aid moderate	30	May 2012 & April 2014	0	4000	120000
17	Hearing aid mild	10	May 2012	0	2600	26000
Sub-total (A)						2070539
B. CMO, MON						
18	Rapid HIV testing kit	14	11/3/2013	0	8250	115500
19	Binocular Microscope	1	25/3/13	0	50000	50000
20	Adjustable single channel volume micropipette	1	25/3/13	0	9000	9000
21	PHC kit (packed in a soft carry case)	7	18/6/12	0	10000	70000
22	Laryngoscope	1	18/6/12	0	6655	6655
23	Labour Table	6	18/6/12	5	61750	61750
Sub-total(B)						312905
C. District Hospital, Tuensang						
24	Hospital Bed (SS)	15	May-09	0	10000	150000
25	Bedside Locker	15	May-09	0	8000	120000
26	Semi Fowler	2	May-09	0	15000	30000
27	Saline Stand	4	May-09	0	3500	14000
28	Examination Table	1	May-09	0	25000	25000
29	Instrument Trolley	1	May-09	0	5500	5500

Sl No.	Name of item issued	Quantity issued	Date of issue	Quantity received	Rate per unit	Cost of the equipment
30	Stretcher with Trolley	1	May-09	0	25000	25000
31	Hearing aid strong	40	21/6/12 & 23/7/13	10	4500	135000
32	Hearing aid moderate	50	21/6/12, 23/7/13	10	4000	160000
33	Hearing aid mild	40	21/6/12, 23/7/13	10	2600	78000
34	Labour Table	7	19/9/12	0	61750	432250
Sub-total (C)						1174750
D. CMO, Tuensang						
35	Rapid HIV testing kit	16	26/3/13	0	8250	132000
36	Microscope with dark ground microscope attachment	1	26/3/13	0	75650	75650
37	Binocular Microscope	1	26/3/13	0	50000	50000
38	Cabinet instrument	2	21/6/12	0	3500	7000
39	Boyle type Anasthesia machine	1	21/6/12	0	67500	67500
40	2A type Oxygen and nitrooxide	2	21/6/13	0	1200	2400
41	PHC kit (packed in a soft carry case)	6	21/6/12	0	10000	60000
42	Foot operated suction machine	3	19/9/12	0	7220	21660
Sub-total (D)						416210
E. NHAK						
43	3s Led Head Light	2	8/11/11 & 4/3/13	1	60000	60000
44	Ear Speculum	2	8/11/11 & 4/3/13	1	88000	88000
45	FO BRF optic otoscope illumination	2	8/11/11 & 4/3/13	1	8500	8500
46	Jobson Home Probe	2	8/11/11 & 4/3/13	1	15600	15600
47	Tuning Fork S12	2	18/11/11 & 8/3/13	1	160000	160000
48	Micromotor	2	18/11/11 & 4/3/13	1	30000	30000
49	Elkon micro controlled Diaganostic Audiometer	1	18/11/11	0	136600	136600
Sub-Total (E)						498700
F. District Hospital, Zunheboto						
50	Hospital Bed (SS)	15	May-09	0	10000	150000
51	Bedside Locker	15	May-09	0	8000	120000
52	Semi Fowler	2	May-09	0	15000	30000
53	Examination Table	1	May-09	0	25000	25000
54	Instrument Trolley	1	May-09	0	5500	5500
55	Stretcher with Trolley	1	May-09	0	25000	25000

Sl No.	Name of item issued	Quantity issued	Date of issue	Quantity received	Rate per unit	Cost of the equipment
56	Hematological auto analyser	1	19/12/12	0	712500	712500
57	Microscope with dark ground microscope attachment	1	6/3/2013	0	75650	75650
58	Fast absorbing poly gatcut 910 (70 cm)	8	1/5/2014	0	5900	47200
59	Fast absorbing polycatgit 100 cm 2-0	7	1/5/2014	0	3100	21700
60	Antibacterial triclosan coated 90 cm (1-0)	7	1/5/2014	0	6900	48300
61	Antibacterial triclosan coated 90 cm (1-1)	7 box	1/5/2014	0	6900	48300
62	umplical starail cotton 75 cm x 3 mm size (1-0)	30 boz	1/5/2014	0	1500	45000
63	Chomic gatcut 76 cm size (1-0)	22 box	1/5/2014	0	2100	46200
64	Chomic gatcut 77 cm size (0)	25 box	1/5/2014	0	2700	67500
65	RTI/STI kits	4 unit	30/5/11	1	110713	332139
66	Cabinet instrument	1	21/3/12	0	3500	3500
67	Elkon micro controlled Diaganostic Audiometer	1	17/6/12	0	96000	96000
Sub-Total (F)						1899489
G. District Hospital, Phek						
68	Laproscope	4	March.02, march.08, Nov.11, Aug.13.	2	875000	1750000
Sub-Total (G)						1750000
Total (A+B+C+D+E+F+G)						8122593

Appendix 1.3.4
Statement showing list of medicines not received/short received in four test checked districts.
(Reference: Paragraph-1.3.11.1 (f))

A. CMO Kohima.							<i>(Amount in ₹)</i>	
Date of issue from Central Store	Receipt date	Name of the medicine		Quantity issued from Central Store	Receipt	Rate	Amount	
DHFW-2/ Store / 2011-12 dated 25/6/13	25/6/13	Iron Folic Acid (small)	Tab	large	449155	0	0.20	89831.00
	25/6/13	Iron Folic Acid	Tab	large	349840	0	0.20	69968.00
	25/6/13	Albendazole	Tab	400 mg	14523	0	17.00	246891.00
	25/6/13	Albendazole	Tab	400 mg	13000	0	17.00	221000.00
	25/6/13	Iron Folic Acid	Tab	large	850000	0	0.20	170000.00
	25/6/13	Albendazole	Tab	400 mg	1300	0	17.00	22100.00
DHFW-2/ Store / 2011-12 dated 26/3/14	26/3/14	Albendazole	Tab	400 mg	18970	0	17.00	322490.00
DHFW-2/ Store / 2011-12 dated 08/02/13	8/2/2013	Ciprofloxacin	Tab	500mg	3605	0	83.33	300404.70
	8/2/2013	Paracetamol		500 mg	3140	0	13.00	40820.00
	8/2/2013	Ciprofloxacin + Tinidazole	Tab	500 mg + 600mg	3164	0	70.45	222903.80
	8/2/2013	Atenolol	Tab	50mg	1080	0	22.00	23760.00
	8/2/2013	Fruzimide	Inj	5 ml	1080	0	7.00	7560.00
	8/2/2013	Ceftriaxone	Inj		2880	0	90.00	259200.00
25/6/13	25/6/13	Gama Benzene	Oint ml	100 mg	100	0	50.00	5000.00
	25/6/13	Cortimozazole	sus		160	0	59.00	9440.00
	25/6/13	Cortimozazole	Tab		125	0	15.00	1875.00
	25/6/13	Iron Folic Acid small	Tab		450000	0	0.20	90000.00

Date of issue from Central Store	Receipt date	Name of the medicine		Quantity issued from Central Store	Receipt	Rate	Amount
12/3/2013	12/3/2013	Paracetamol	Tab	500 mg	1400	0	14980.00
	12/3/2013	Albendazole	Tab	400 mg	9000	0	213750.00
8/2/2013	8/2/2013	Vitamin A	sus		284	0	79520.00
3/2/2014	3/2/2014	Vitamin A	sus		130	0	36400.00
DHFW/NVBDCP/store/2002-09	12/9/2012	Crocin	tab	500 mg	30	0	390.00
	12/9/2012	Dicofenac	tab		20	0	240.00
	12/9/2012	Dextrose	Inj.	10 %	100	0	4000.00
	12/9/2012	R/L	inj	500 mg	100	0	7400.00
DHS/NVDLCP/store/02-05	3/8/2010	Paracetamol	tab	500 mg	1000	0	13000.00
	4/10/2010	Paracetamol	tab	500 mg	4000	0	52000.00
	27/03/10	Paracetamol	tab	500 mg	3000	0	39000.00
DHS/NVBDCP/store/02-09	20/03/10	Paracetamol	tab	500 mg	2000	0	26000.00
	30/05/12	Paracetamol	tab	500 mg	2000	0	26000.00
	28/02/12	Paracetamol	tab	500 mg	70	0	910.00
B. NHAK						Sub-Total (A)	2616834.00
DHFW-2/store/10-11 dated 6/5/14	6/5/14	Dopamine	Inj.		20	0	1000.00
DHFW-2/store/10-11 dated 1/6/11	1/6/11	RTI/STI kits	units		4	0	442852.00
DHFW-2/store/10-11 dated 27/5/14	27/5/14	Green blanket	Nos.		102	0	918000.00
DHFW-2/store/10-11 dated 6/5/14	6/5/14	Bed cover	Nos.		186	0	61380.00
DHFW-2/store/10-11 dated 17/10/11	17/10/11	Cortrimoxazole	Syp	bottle	230	0	8740.00
	17/10/11	Ciproflozazin	Tab	500 mg	350	0	17013.50

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Date of issue from Central Store	Receipt date	Name of the medicine		Quantity issued from Central Store	Receipt	Rate	Amount
	17/10/11	Ampicilin+Cloxacilin	Cap	320	0	24.50	7840.00
	17/10/11	Gentamycin	Eye drop	230	0	9.00	2070.00
	17/10/11	Ofloxacin	Tab	370	0	55.00	20350.00
	17/10/11	Dicofenac	Tab	370	0	16.00	5920.00
	17/10/11	Dicofenac+paracetamol	Tab	410	0	16.00	6560.00
	17/10/11	Erythromycin	Tab	320	0	71.40	22848.00
	17/10/11	Ceterizine dihydrochloride	Syp	370	0	29.00	10730.00
	17/10/11	Ciproflozacin+Tinidazole	Tab	370	0	70.45	26066.50
	17/10/11	Ofloxacin+Ornidazole	Syp	320	0	32.00	10240.00
	17/10/11	Satridazole+Ofloxacin	Tab	320	0	42.80	13696.00
	17/10/11	Omeprazole	Cap	460	0	39.00	17940.00
	17/10/11	Nifedepine	Cap	320	0	7.25	2320.00
	17/10/11	Atinol	Tab	320	0	22.00	7040.00
	17/10/11	Deriphyllin	Inj.	320	0	65.00	20800.00
	17/10/11	Diazepam	Inj.	230	0	102.70	23621.00
	17/10/11	Ambrozol+terbutaline+daunosenocin+ menthol	Syp	320	0	31.00	9920.00
	17/10/11	dexamethazone	Inj.	280	0	10.29	2881.20
	17/10/11	RL	Inj.	320	0	74.00	23680.00

Date of issue from Central Store	Receipt date	Name of the medicine		Quantity issued from Central Store	Receipt	Rate	Amount
	17/10/11	Frusemid	Inj.	2ml	0	3.00	690.00
	17/10/11	Dextrose	Inj.	5%	0	40.00	14800.00
	17/10/11	Dicyclomine hcl	Inj.	2ml	0	31.65	12027.00
	17/10/11	Metoclopramide	Inj.	2ml	0	6.75	2160.00
	17/10/11	Etamsylate	Inj.	2ml	0	50.00	11500.00
	17/10/11	Haloperidol	Inj.	1ml	0	38.30	15320.00
	17/10/11	Digoxin	Tab	.25 mg	0	9.50	2850.00
	17/10/11	Povidone ointment	ointment	125gm	0	70.00	8400.00
	17/10/11	Albendazole	Tab	400mg	0	17.00	2550.00
Sub-total (B)							1753805.00
C. CMO Zunheboto							
DHFW-16/FW-4/40-13-14	15/7/13	Acetyl salicylic	Tab	75 mg	3800	3.50	13300.00
		Terbutaline Ambroxol + Guaiaphenesin Menthol	Syr.	100 ml	1000	31.00	31000.00
		Terbutaline + Bromhexin+Guapr ensi+ Menthol	Tab	250 mg	400	29.50	11800.00
		Phenobarbitone	Tab	60 mg	250	46.00	11500.00
		Frusemide	Inj	10 mg/1 ml	600	3.00	1800.00
		Diazepam	Inj	10 ml	200	9.20	1840.00

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Date of issue from Central Store	Receipt date	Name of the medicine		Quantity issued from Central Store	Receipt	Rate	Amount
		Frusemide	Inj	10 ml	300	3.00	900.00
		Domperidone	Tab	10 mg	400	22.04	8816.00
DHFW-2/Store/10-11	26/9/11	Dextromethorphan+ Chlorpheniramine Maleate	syr	100 ml	762	23.00	17526.00
		Ambroxol+ Terbutaline+ Daunosenocin+Men thol	syr	101 ml	360	31.00	11160.00
		Dexamethasone	Inj	4mg/ml,2ml	300	10.29	3087.00
		R/L	Inj	500 ml	340	74.00	25160.00
		Frusemide	Inj	10 mg/ml, 2 ml	260	3.00	780.00
		Dicyclomine Hcl	Inj	10mg/ml,2 ml	420	31.65	13293.00
		Dextrose	Inj	5% 5 ml	400	40.00	16000.00
		Metoclopramide	Inj	5ml/2ml	360	6.75	2430.00
		Haloperidol	Inj	5 mg 1 ml	50	38.30	1915.00
		Digoxin	Tab	.25mg	160	15.25	2440.00
		Povidon	Oint	125 gm	388	70.00	27160.00
		Albendazole	Tab	400 mg	466	17.00	7922.00
DHFW-2/Store/11-12	2/4/2014	Phenaramine Maleate	Tab	50gm	51	6.00	306.00
		Inj. Ceftriaxone	Inj	1 gm/vail	150	90.00	13500.00

Date of issue from Central Store	Receipt date	Name of the medicine			Quantity issued from Central Store	Receipt	Rate	Amount
DHFW-16/FW-4/37/12-13	15/7/13	Ampicilin			inj	500 mg	450.00	0
		Dicyclomine HCL + paracetamol	inj	40 mg/ml	400	380	31.65	12280.00
		Dextrose	Inj	500 ml	250	200	55.00	13550.00
		Azithromycin	Tab	500 mg	250	0	71.40	17850.00
		Azithromycin	Tab	250 mg	300	0	52.00	15600.00
		providone iodine ointment	oint	5%w/v	350	19	85.00	29731.00
		Lignocaine HCL	inj	2%	300	250	25.00	7250.00
		Promethazine	Tab	25mg	300	0	30.00	9000.00
		Alprazolam	Tab	0.5mg	1200	1000	22.00	25400.00
		Manitol	Inj	100ml	1000	800	44.00	43200.00
		Diclofenec	inj	25 mg/1 ml	250	150	15.00	3600.00
		Omeprazole	cap	20mg	150	100	39.00	5750.00
		Pentazocine	Inj	300mg/1ml	300	0	5.96	1788.00
		Ofloxin	Tab	200mg	200	0	55.00	11000.00
		Cetrizine HCL	Tab	10 mg	300	0	34.00	10200.00
		Amolodipine	Tab	5mg	400	0	35.00	14000.00
		Albendazole	syp	400mg	100	0	25.00	2500.00
DHFW-2/STORE/10-11		Phenaramin mealete	tab	50mg	51	0	6.00	306.00

Date of issue from Central Store	Receipt date	Name of the medicine			Quantity issued from Central Store	Receipt	Rate	Amount
DHFW-2/STORE/09-10/medicine		Albendazole	tab	400 mg	113	0	17.00	1921.00
DHFW-2/STORE/10-11	12/8/2011	Ampicilline	cap	500mg	1750	1225	75.00	130025.00
		Ciprofloxacin (Strips)	tab	500mg	1400	980	83.33	115682.00
		Ampicillin Cloxacilline (strips)	Cap	250mg	1400	980	24.50	33320.00
		Gentamycin drops	drps	30mg/5ml	631	441	9.00	5238.00
		Diclofenac	tab	100mg	840	588	16.00	12852.00
		Diclofenac + paracetamol	tab	100mg	1400	980	12.00	15820.00
		Paracetamol	tab	500mg	1751	1225	12.00	19787.00
		Metronidazole (Tab)	tab	400mg	1263	882	10.23	12038.49
		Digoxin (strip)	tab	0.25mg	540	480	15.25	7755.00
		Albendazole	tab	400mg	704	600	17.00	11368.00
DHFW-2/store/2010-12	1/9/2013	Albendazole	tab	400mg	7011	7000	17.00	112187.00
DHFW-2/store/2010-12	23/07/13	Albendazole	tab	400mg	6000	600	17.00	101400.00
DHFW-2/Store/2010-11	20/06/13	Albendazole	tab	400mg	1000	0	17.00	17000.00
DHFW-2/STORE/2005-06	23/06/09	Ampicillin + Cloxacilline (strips)	tab	250mg +250mg	400	0	24.50	9800.00

Date of issue from Central Store	Receipt date	Name of the medicine			Quantity issued from Central Store	Receipt	Rate	Amount
		Ampicillin	D/S	125mg	250	0	28.00	7000.00
		Ciprofloxacin	drops	5ml	150	0	9.00	1350.00
		Gamabenzene hexachloride lotion	lotion	20gram	200	0	28.00	5600.00
		Dextrose + sodium chloride	inj	500ml	100	0	18.50	1850.00
DHFW-2/STORE/2010-11	19/06/13	Paracetamol	tab	500mg	13580	0	12.00	162960.00
		Antacid	tab	25mg	13580	0	10.00	135800.00
		Diclofenac	tab	100mg	13580	0	16.00	217280.00
DHFW-2/store/2010-11	27/07/12	Azithromycin	tab	500mg	388	0	71.40	27703.20
		Doxycycline	Tab	100mg	662	0	54.50	36079.00
		Gamabenzene hexachloride lotion	lotion	20gram	74	0	28.00	2072.00
DHFW-2/Store/2011-12	06/03/13	Ampicillin	Cap	250mg	875	0	41.50	36312.50
		Ampicillin	Cap	500mg	1400		75.00	105000.00
		Ampicillin	inj	500mg/vial	875		25.00	21875.00
		Amoxylline	Cap	250mg	700		36.70	25690.00
		Amoxylline	Cap	500mg	1400		68.00	95200.00
		Amoxylline	dry Syrup	-	875		28.00	24500.00
		Ciprofloxacin	Tab	500mg	1575		83.33	131244.80
		Roxythromycin	Tab	150mg	770		96.50	74305.00
		Doxycycline	Cap	100mg	525		54.50	28612.50
		Ceftriaxone	inj	1gm/vial	1800		90.00	162000.00
		Metronidazole	Tab	400mg	350		10.23	3580.50

Audit Report for the year ended 31 March 2014

Date of issue from Central Store	Receipt date	Name of the medicine		Quantity issued from Central Store	Receipt	Rate	Amount
		Metronidazole	Tab	200mg	350	4.85	1697.50
		Ciprofloxacin + Tinidazole	Tab	500mg + 600mg	1400	70.45	98630.00
		Ornidazole + Ofloxacin	Susp	-	1335	42.50	56737.50
		Ciprofloxacin	Eye drop	.3% w/v	270	9.00	2430.00
		Gama Benzene	lotion	-	270	28.00	7560.00
		Silver sulphate	Oint	5ml	270	28.50	7695.00
		Povidone Iodine	Oint	5% W/W	350	70.00	24500.00
		Paracetamol	Tab	500mg	3150	12.00	37800.00
		Diclofenac Sodium	Tab	100mg	2250	16.00	36000.00
		Diclofenac Sodium	inj	25mg/ml	2250	15.00	33750.00
		Dicyclomine Hcl	inj	10mg/ml	450	31.65	14242.50
		Omeprazole	Cap	20mg	700	39.00	27300.00
DHFW-2/Store/2010-11	21/03/12	Azithromycin	Tab	250mg	365	52.00	18980.00
		Doxycycline Hcl	Cap	100mg	632	54.50	34444.00
		Gamma Benzene Hexachloride	Lotion	-	70	28.00	1960.00
		Fluconazole	Tab	50mg	1830	44.25	80977.50
					Sub-Total (C)		2854802.00
					Grand total (A+B+C)		7225441.00

Appendix.1.3.5
Statement showing lifesaving equipment remains Idle in four health units.
(Reference: Paragraph-1.3.11.1 (g))

(Amount in ₹)

Sl No.	Name of item issued	Quantity issued under NRHM	Date of issue	Rate per unit	Cost of idle equipment	Remarks
A. DH, Mon						
1	Hematological Auto Analyzer	01	April 2013	712500	712500	Equipment was .damaged at the time of receipt itself.
Sub- total(A)					712500	
B. DH, Tuensang						
1	Anasthesia Machine	01	March 2012	67500	67500	No testing certificate by the supplier and Machine was not inspected by the anesthesia specialist also to check the status.
2	Microscope worth (with dark ground microscope attachment)	01	March 2013	76000	76000	In packed stage. Reason for non-utilisation not reported to audit.
3	Elkon Micro control Diagnostic Audiometer	01	June 2012	96000	96000	No ENT specialist was posted with DH for operation of the equipment and equipment remained in packed condition.
4	Ultra Sound machine Model is PHILIPS HD-6	01	January 2013	3500000	3500000	The machine was non-functional at the time of supply itself though the MS had reported in the installation certificate that condition of the machine was not checked
Sub- total (B)					3739500	
C. DH, Zunheboto						
1	Phototherapy	01	November 2012	28500	28500	Non-functional equipment delivered by the supplier.
2	Elkon micro controlled Diaganostic Audiometer	01	June 2012	96000	96000	Reasons not specified to audit.
Sub-total (C)					124500	
D. NHAK						
1	Zeiss Visali 100 Phaco Emulsification System	1	January 2013	1421000	1421000	Yet to installed and it is in a packed condition. Reasons stated for non-installation/utilisation is non-availability of technician
2	Microscope surgical Am 3000	1	April 2011	864000	864000	Exist but received out of National Programme of Control of Deafness
3	Impedance meter	1	April 2011	670000	670000	In a packed condition and the equipment is idle since its receipt
4	Ear Syringe	2	November 2011 & March 2013	75500	151000	Two are available but very old
Total (D)					3106000	
Total (A +B +C +D)					7682500	

Appendix: 1.3.6
Statement showing the expired medicines kept with health units in four test checked districts
(Reference: Paragraph- 1.3.11.1 (h))

Name Health Unit	Name of Medicine	Type	Date of expiry	Quantity (in Nos.)	Rate (in ₹)	Amount (in ₹)
DH, Tuensang	Oflogil	Tube/no.	01/14	325	55	17875.00
	Zincoderm 15mg	Tab/strip	07/13	50	10.20	510.00
	Soframycin	Tube/no.	12/13	250	21.96	5490.00
	Lorazepam Tab	Tab/strips	02/14	50	13	650.00
	Gamma benzene hexachloride	Tab/strip	08/13	63	38	2394.00
	Gamma benzene hexachloride 50ml	Bottle/No.	09/13	200	24	4800.00
	Atipam	Tab/strip	11/13	50	10	500.00
	Onditron	tab/strip	01/14	120	59	7080.00
	Clodid	tab/strip	03/14	480	36	17280.00
	Avil	tab/strip	07/13	308400	0.27	83268.00
	Versateline dry syrup	Bottle/Nos.	11/13	12000	15	180000.00
	Domstoap	Bottle/no	08/13	120	29.50	3540.00
	Domin	Tab/strips	02/14	4	39.50	158.00
	Saranidazole & Ofloxacin Tab	Tab/strips	12/13	25	79.50	1987.50
	Amoxicillin Tab	Tab/strips	11/13	30	47	1410.00
	Ceftraxone inj. 125mg	Inj/vial	05/14	208	23	4784.00
	povidone solution	Oint/nos.	07/14	37	70	2590.00
CMO Zunheboto	Metronidazole	Susp/nos.	12/12	180	14.19	2554.20
	Lignocaine Hcl	Inj/vial	05/14	200	25	5000.00
	Povidone solution	Solution/no.	06/14	100	285	28500.00
	Iron folic acid large	Tab/strip	01/14	185000	0.20	37000.00
	ceftriaxone	Inj/vial	04/14	24	120	2880.00
	Denzthazide and Triamterene (Ditide)	Tab/strip	03/14	10250	43.30	443825.00
	Ganastain solution	Bottle/nos.	07/13	40	197	7880.00
DH, Zunheboto	Vitamin B complex	Inj/vials	06/13	125	7.90	987.50
	Ceflox eyedrop	Bottle/Nos.	04/14	240	16.40	3936.00

Name Health Unit	Name of Medicine	Type	Date of expiry	Quantity (in Nos.)	Rate (in ₹)	Amount (in ₹)
Satoi PHC (under CMO, Zunheboto)	Dicloimine HCL	Inj/ambules	05/14	60	5	300.00
	Ciprofloxacin HCL	Tab/strip	02/14	13	61.60	800.80
	Trimethoprim & sulfamethoxole	Tab/strip	05/14	60	12	720.00
	Roxythromycin	Tab/strip	03/14	600	65.25	39150.00
	Ciprofloxacin HCL	ta/strip	02/14	10	61.60	616.00
	Tetracyclin HCL	Cap/strip	02/14	15	14.22	213.30
	Ciprofloxacin+Timidazole	Tab/strip	09/13	60	70.66	4239.60
	Steriline water parental	Inj/vials	03/13	225	3	675.00
	Doxycycline cap	ca/strip	01/14	500	54.50	27250.00
	Salbutamol	Syrup/nos.	09/13	289	12.37	3574.91
	Oxytocin inj	Inj/vials	05/13	123	15.60	1918.80
	Iron Folic Acid Tab	tab/strip	02/14	65625	0.20	13125.00
	Iron Folic Acid Tab	tab/strip	05/13	56875	0.20	11375.00
	Ceftriaxone inj.	Inj/vials	06/14	1	160	160.00
CMO Kohima.	Diclofenac sodium tablet	tab/strip	01/14	25	15.40	385.00
	Povidone Iodine ointment 20 mg	Oint/nos.	07/14	15	51	765.00
	Oxymetazoline Hydrochloride Nasal solution 10 ml	Drop/nos.	06/14	9	35	315.00
	Atenolol	Tab/strip	02/14	15	22	330.00
	Ranitidine HCL	Inj./ambule	06/14	4	3.11	12.44
	Metoclopramide HCL	Inj./vials	06/14	30	8	240.00
	Benzathine pencilin	Inj./ ambule	07/13	25	10.83	270.75
	Gentamycin sulfate	Inj./vials	02/14	40	14.06	562.40
	Tetracyclin HCL	Cap/strip	02/14	20	14.02	280.40
	Tetracyclin 250 mg	Cap/strip	02/14	80	8.53	682.40
	Roxythromicine	Tab/strip	05/14	20	65.25	1305.00
	Total					976146.00
PHC, Tesophenyu (under CMO Kohima)						
Kuzama SC (under CMO Kohima)						

Appendix 1.3.7

Statement showing the non-receipt of medicines and equipment with Central Store, NRHM, Kohima.

(Reference: Paragraph- 1.3.11.1 (i))

Sl No	Supply order reference	Particulars	Total bill amount (in ₹)	Cheque No reference of release of payment	Remarks	
					Status	Audit conclusion
1	NRHM/NL/P&S/11/2011-12 (Part- A). M/s. Neile Enterprises Dimapur	Medicines	3180135	11714 dated 17/12/12	Not received	Verification statement of the Committee was not in order and details of receipt & issue also not found in Stock register.
2	NRHM/NL/8/ADDITIONAL SPIP/2/2011-12 Dated 07/11/12. M/s. Sun Drugs & distributors, Dimapur	Mother & new born kit	6400000	565934 dated 11/1/2013	Not received	Verification statement of the Committee was not furnished and details of receipt & issue also not found in Stock register During field visit of health units non-receipt of the materials were confirmed.
3	NRHM/NL/8/MMU//b- 22/logistics/2011-12 Dated 07/11/12. M/s. Sun Drugs & distributors, Dimapur	Medicine for MMU	5539657	11704 dated 17/12/12	Not received	Receipt and issue was not recorded on the stock register of the Central store, NRHM. During field visit of health units non-receipt of the materials were confirmed.
4	NL/NRHM/FIN-PROC- EQPT.MH &CH/09-10 DATED 14/09/09. M/s. North East Marketing Company, Dimapur	Equipment (Laparoscopes -5 nos)	1500000	512662 dated 29/09/10	not received	Receipt and issue was not recorded on the stock register of the Central store, NRHM.
Total			16619792			

Appendix 1.3.8

Statement showing the targets and achievements of Routine Immunisation in the state (age group of 0-1 years)

(Reference: Paragraph- 1.3.12.1)

(in Nos.)

Year	Target	Name of Vaccine										Fully immunised					
		BCG: At birth or as early as possible one year of age		Hepatitis B: At birth or as early as possible within 24 hours		OPV 0, 1, 2, & 3: At 6 weeks & 14 weeks		DPT 1, 2 & 3: At 6 weeks, 10 weeks & 14 weeks		Hepatitis B: 1, 2 & 3 At 6 weeks, 10 weeks & 14 weeks				Measles: 9 completed months 12 months		Vitamin A(1st dose): At 9 months with measles	
		Achievement	Percentage	Achievement	Percentage	Achievement	Percentage	Achievement	Percentage	Achievement	Percentage	Achievement	Percentage	Achievement	Percentage	Achievement	Percentage
2009-10	33967	24299	72	14	0.04	22799	67	23053	68	0	0	25107	74	11476	34	20764	61
2010-11	33967	21371	63	743	2	18862	56	17564	52	0	0	18754	55	11287	33	16288	48
2011-12	32609	24452	75	25120	77	20387	63	18090	55	6280	19	9327	29	15408	47	16350	50
2012-13	32609	27961	86	71883	220	21020	64	21107	65	17970	55	13973	43	17496	54	19560	60
2013-14	32609	25656	79	71715	220	19744	61	17739	54	17928	54.9	15127	46	13558	42	19768	61

Appendix 1.3.9

Statement showing non-receipt of ophthalmic equipment in DH, Tuensang and Zunheboto.

(Reference: Paragraph- 1.3.12.1)

(Amount in ₹)

Sl No.	Name of item issued	Quantity issued	Date of issue	Quantity received	Rate per unit	Cost of the equipment
Tuensang						
1	Operating Microscope Indigenous with Shin Nippon Head (Japan) Model-OP2	1	4/11/2010	0	455000	455000
2	Slit Lamp Fujitron (Japan) Model-FSL 355 H	1	4/11/2010	0	240500	240500
3	Motorised Table for S/L Marsmediea Imported	1	4/11/2010	0	18200	18200
4	Applanaton Tonometer Fujitron (Japan) Goldmann Type	1	4/11/2010	0	45000	45000
5	Keratometer Mediscience B&L type	1	4/11/2010	0	22100	22100
6	Ophthalmic A Scan suoer SW-1000 (Korea)	1	4/11/2010	0	188500	188500
7	Direct Ophthalmoscope (Keeler U.K) Professional	1	4/11/2010	0	16000	16000
8	Streake Retinoscope (Keeler U.K) Professional	1	4/11/2010	0	18000	18000
9	Tonometer Schiotz (Germany)	1	4/11/2010	0	5721	5721
Zunheboto						
10	Keratometer Mediscience B&L type	1	10/12/2010	0	22100	22100
11	Ophthalmic A Scan suoer SW-1000 (Korea)	1	10/12/2010	0	188500	188500
12	Direct Ophthalmoscope (Keeler U.K) Professional	1	10/12/2010	0	16000	16000
13	Streake Retinoscope (Keeler U.K) Professional	1	10/12/2010	0	18000	18000
14	Tonometer Schiotz (Germany)	1	10/12/2010	0	5721	5721
TOTAL						1259342

Appendix 1.3.10

Statement showing the Ophthalmic equipment idle with DH Mon.

(Reference: Paragraph: 1.3.13.3.1)

(Amount in ₹)

Sl No.	Name of item issued	Quantity issued	Date of issue	Quantity received	Rate per unit	Cost of the equipment	Remarks
1	Operating Microscope indigenous with shin Nippon Head (Japan) Model-OP2,	1	13/10/2010	1	455000	455000	In packed state since October 2010 as there is no trained manpower to operate the equipment.
2	Keratometer Mediscience B&L Type	1	13/10/2010	1	22100	22100	
3	Tonometer Schiotz (Germany).	1	13/10/2010	1	5721	5721	
4	Slit Lamp Fujitron (Japan) Model FSL 355H	1	13/10/2010	1	240500	240500	Not working since October 2010 due to damaged equipment.
5	Motorised Table for S/L Marsmedia imported	1	13/10/2010	1	18200	18200	
6	Application Tonometer Fujitron (Japan Goldmann type)	1	13/10/2010	1	45000	45000	
7	Ophthalmic-A-Scan Suoer SW-1000 (Korea)	1	13/10/2010	1	188500	188500	Taken back (February 2012) by the eye specialist for repair
TOTAL						975021	

Appendix. 1.3.11

Statement showing the manpower available with the Department of Health & Family Welfare against the IPHS norms.

(Reference: Paragraph- 1.3.16.1)

Name of the Health unit	Type of health workers	Number of health units	Requirement as per IPHS norms		Persons in position	Shortfall(-)/Excess(+)	
			Post per unit	Total		Number	Percentage
SC (A)	ANM/GNM	385	1	385	767	(+)360	188
SC (B)	ANM/GNM	12	2	24			
SC(A&B)	Health Workers (male)	397	1	397	0	(-)397	0
SC(A&B)	Pharmacist	397	0	0	38	(+) 38	0
PHC	MO	126	1	126	136	(+)10	108
	ANM/GNM	126	3	378	389	(+)11	103
	Lab Technician	126	1	126	45	(-)81	36
	Pharmacist	126	1	126	83	(-)43	66
	Health Workers (male)	126	2	252	0	(-)252	0
	Health Assistant	126	1	126	0	(-)126	0
CHC (FRU)	MO	5	10	50	102	(-)28	78
CHC (non-FRU)	MO	16	5	80			
CHC	GNM/ANM	21	11	231	195	(-)36	84
	Pharmacist	21	2	42	21	(-)21	50
	Lab Technician	21	2	42	31	(-)11	74

Appendix. 1.3.12

Statement showing the capacity building with the Department of Health & Family Welfare.

(Reference: Paragraph-1.3.16.2)

(Figures in numbers)

Name of the course	No. of MOs trained				No. of GNMs/ANMs trained			
	Mon (31)	Tuensang (31)	Zunheboto (34)	Kohima (36)	Mon (126)	Tuensang (178)	Zunheboto (130)	Kohima (339)
Maternal Health								
SBA	0	0	0	0	5	0	7	6
EMoC	0	0	1	0	0	0	0	0
LSAS	0	0	0	0	0	0	0	0
BEMOC	2	7	5	6	0	5	0	0
RTI/STI trg	7	0	10	16	12	0	27	6
Child Health								
IMNCI	3	3	6	2	23	4	0	3
NSSK	2	3	5	11	7	4	26	5
Pre-service IMNC Trg	0	2	0	0	0	2	0	0
FBNC/HBNC	0	0	0	3	0	0	0	10
Family Planning								
IUCD Insertion	7	0	3	0	12	3	32	0
Others								
ARSH	2	0	6	6	0	0	12	0
IMEP	11	0	6	8	9	0	8	0
WIFS	6	6	6	0	80	2	43	0

Appendix :1.4.1

Delay release of GON share against GOI funds

(Reference: Paragraph-1.4.9.1)

(₹ in lakh)

Fund released by GOI			Fund released by GON			Delay in days
Date	Particulars	Amount	Date of	Particulars	Amount	
16.06.2009	GOI 2009-10	1059.26	08.01.2010	GON 2009-10	169.29	191
			09.09.2010	GON 2010-11	130.43	435
19.08.2010	GoI 2010-11	111.99	29.03.2011	GON 2010-11	45.08	207
31.03.2011	GoI 2010-11	1117.46	No State share was released			
			21.03.12	GON 2011-12	376.45	340
09.07.2011	GoI 2011-12	174.06	13.07.12	GON 2011-12	50.00	355
06.09.2012	GoI 2012-13	95.50	No State share was released			
06.09.2012	GoI 2012-13	300.87	No State share was released			
29.03.2013	GoI 2012-13	79.11	No State share was released			
29.03.2013	GoI 2012-13	1827.20	No State share was released			
Total		4765.45			771.25	

Delay in release of GOI fund to the implementing agency

Date of receipt	Particulars	Amount	Date of disbursement	Amount	Delay in days
16.06.2009	GOI 2009-10	1059.26	NA	1059.26	NA
19.08.2010	GoI 2010-11	111.99	14.12.10	83.53	102
			08.02.11	28.46	158
31.03.2011	GoI 2010-11	1117.46	20.05.11	1117.46	35
09.07.2011	GoI 2011-12	174.06	30.03.12	42.7	249
			19.03.12	131.36	238
06.09.2012	GoI 2012-13	95.50	13.10.12	95.5	22
06.09.2012	GoI 2012-13	300.87	13.10.12	300.87	22
29.03.2013	GoI 2012-13	79.11	14.08.13	79.11	153
29.03.2013	GoI 2012-13	1827.20	14.08.13	1204.7	153
			20.08.13	622.5	159
Total		4765.45		4765.45	

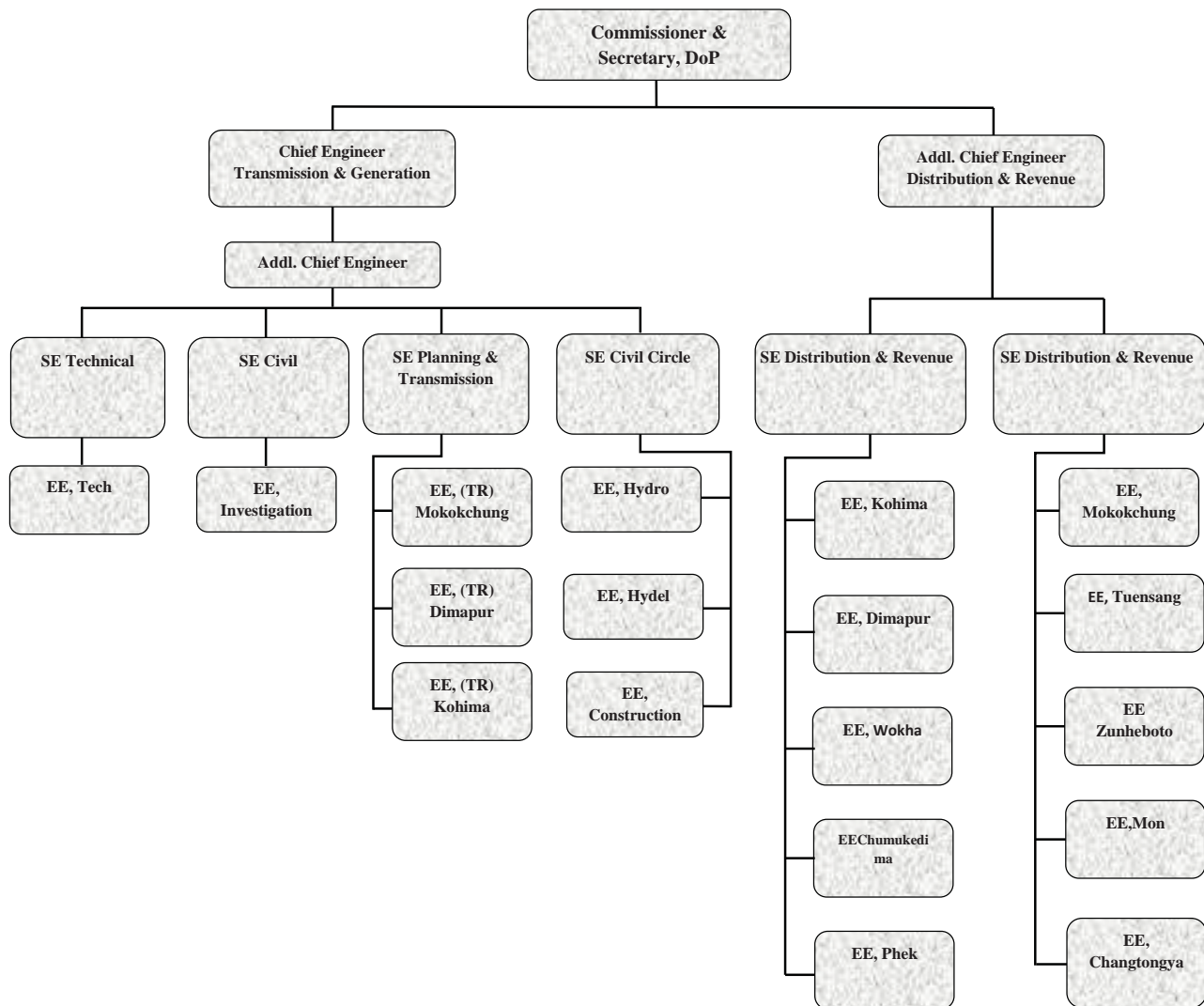
Appendix-1.4.2

Short receipt of IHHL materials

(Reference: Paragraph- 1.4.11.1(ii))

Sl. No	District	Village	Year of TSC/NB A implemented as per District Records	Rate per IHHL (₹)	PHED Records		WATSAN Records		Total short receipt (amount in ₹)
					No. of IHHL supplied as per PHED records	Money value(₹)	No. of IHHL received by WATSAN/Village Council	Money value(₹)	
1	Kohima	Phesama	2010-11	2700	221	596700	132	356400	240300
2	Tuensang	Litem	2011-12	2700	91	245700	50	135000	110700
3	Tuensang	Noksen	2011-12	2700	201	542700	100	270000	272700
4	Tuensang	Yali	2011-12	2700	107	288900	45	121500	167400
5	Tuensang	Sangdak	2011-12	2700	131	353700	64	172800	180900
6	Tuensang	Thonoknyu	2011-12	2700	97	261900	52	140400	121500
7	Tuensang	Chilliso	2011-12	2700	95	256500	50	135000	121500
8	Zunheboto	Sukhai	2011-12	3520	114	401280	80	281600	119680
9	Zunheboto	Luvishu-New	2012-13	3520	88	309760	59	207680	102080
10	Zunheboto	Khetoi	2009-10	2700	185	499500	95	256500	243000
11	Zunheboto	Ngozubo	2013-14	5100	95	484500	63	321300	163200
12	Zunheboto	Thokihimi	2011-12	2700	140	378000	60	162000	216000
13	Zunheboto	Kiyekhu	2011-12	3520	139	489280	97	341440	147840
14	Zunheboto	Viyilho	2013-14	5100	136	693600	90	459000	234600
15	Dimapur	Molvom	2009-10	2700	89	240300	30	81000	159300
16	Kohima	Kigwema	2009-10	2700	471	1271700	240	648000	623700
17	Kohima	Ziezou	2013-14	5100	80	408000	60	306000	102000
18	Kohima	Meriema	2010-11	2700	120	324000	100	270000	54000
19	Kohima	Thizama	2009-10	2700	84	226800	18	48600	178200
			2012-13	3520	184	647680	80	281600	366080
20	Dimapur	Tsuma	2009-10	2700	53	143100	17	45900	97200
21	Dimapur	Kiyezu-B	2012-13	3520	98	344960	65	228800	116160
22	Dimapur	Khaibung	2012-13	3520	120	422400	87	306240	116160
23	Dimapur	Kirha	2012-13	3520	254	894080	40	140800	753280
24	Dimapur	Phiphema Old	2012-13	3520	109	383680	38	133760	249920
25	Dimapur	Tsiepama	2009-10	2700	191	515700	64	172800	342900
26	Dimapur	Ghotovi	2012-13	3520	105	369600	80	281600	88000
27	Dimapur	Hovukhu	2009-10	2700	98	264600	60	162000	102600
Total						12258620		6467720	5790900

Appendix:-2.3.1
Organisation structure of the Department of Power
(Reference: Paragraph No.2.3.2)



Appendix:-2.3.2
Statement showing the projects Planned in 11th Five Year Plan
(Reference:- Paragraph No.2.3.8.1)

(₹ in crore)

Sl. No.	Project	Started during	Annual outlay for the year					Status of completion as of 31 March 2014
			2009-10	2010-11	2011-12	2012-13	2013-14	
	Generation							
1	Tohok (1.00 MW)	10 FYP	5.00	3.00	4.00	0.00	5.00	Ongoing
2	Lang MHEP (1.00 MW)	10 FYP	6.00	0.00	6.68	0.00	0.00	Completed
3	Tulo MHEP	10 FYP	2.00	0.00	0.00	0.00	0.00	Ongoing
4	Doyang stage -II	11 FYP	0.00	0.00	0.00	0.00	0.00	Ongoing
5	Doyang stage -III	11 FYP	4.00	1.62	0.00	0.00	0.00	Ongoing
6	Duilumroi stage-III	11 FYP	0.50	0.00	0.00	0.00	0.00	Ongoing
7	Horangki (1.50 MW)	8 FYP	0.00	0.00	0.00	0.00	0.00	Ongoing
8	Installation of 22.94 MW Thermal Power Station at Dimapur	10 FYP	0.00	0.00	0.00	0.00	0.00	Ongoing
	Transmission							
1	Augmentation of 132/33 KV, 5 MVA Sub-Station at Wokha	11 FYP	0.00	0.00	0.00	5.00	0.00	Ongoing
2	Construction of 220 KV Transmission line from Dimapur PGCL to Chiephobozou	11 FYP	0.00	0.00	0.00	0.00	0.00	Ongoing
3	Up-gradation of Tuli Substation	11 FYP	5.00	8.00	5.00	0.00	0.00	Completed
4	Up-gradation and modernisation of 132/66 KV Kiphire Substation	11 FYP	10.30	1.54	0.00	0.00	0.00	Completed
5	Up-gradation and augmentation of Mokokchung Substation	11 FYP	10.00	12.00	5.00	6.00	1.10	Completed
6	Construction of 66/33 KV substation at Mon (NEC)	11 FYP	0.00	0.00	0.00	0.00	0.00	Completed
7	Additional 25 MVA 132/33 kV sub-station at Kohima	11 FYP	0.00	0.00	0.00	10.20	8.00	Ongoing

Appendix-2.3.3

Statement showing the rate paid to the manufacturing company and the rate allowed by the Department.

(Reference: Paragraph No.2.3.9.1)

(₹ in crore)

Project	Project Cost	Total value of the bill verified by audit	Material supplied	Name of the Supplier	Date of Supply	Purchase price paid by Department.	Actual Cost paid by Supplier	Excess (column 7-8)
1	2	3	4	5	6	7	8	9
Engineering, Design, Supply, Erection, Testing & Commissioning of 132KV Single Circuit Transmission Line from Wokha to Doyang-NH-61	19.59	6.28	Earthing set	M/s Caravan Power & Construction (I) Pvt. Ltd	25/07/2012	0.21	0.03	0.18
			Single Tension Fitting for Panther			0.37	0.07	0.30
			Double Tension Fitting for Panther			0.14	0.04	0.10
			Hydraulic compressor joint for panther			0.01	0.00	0.01
			Repair sleeve			0.00	0.00	0.00
			Vibration Damper			0.20	0.02	0.18
			Hydraulic compressor joint for Earthwire			0.00	0.00	0.00
			Repair sleeve for earthwire			0.00	0.00	0.00
			Clamp for earthwire			0.10	0.00	0.10
			Suspension clamp for earthwire			0.04	0.00	0.04
			Flexible copper Bond			0.02	0.00	0.02
			Disc Insulator 120 KN			2.86	0.29	2.57
			Disc Insulator 90 KN			0.02	0.01	0.01
						3.97	0.46	3.51

(₹ in crore)

Project	Project Cost	Total value of the bill verified by audit	Material supplied	Name of the Supplier	Date of Supply	Purchase price paid by Department.	Actual Cost paid by Supplier	Excess (column 7-8)
1	2	3	4	5	6	7	8	9
Upgradation and Modernization of 132/66 KV Mokokchung Sub-station from 25 MVA to 50 MVA	27.84	4.07	66 KV SF-6 CB (2 Nos.)	M/s Techno Power Enterprises, Dimapur	27/7/10	0.63	0.19	0.44
			Dry battery and charger (1 No)		27/7/10	0.21	0.03	0.18
			132 KV CR panel for feeder (2 Nos)		12/8/2010	3.24	0.54	2.70
			132 KV CR panel for transformer(2 Nos)		12/8/2010			
			132 KV CR panel for bus coupler(1 No)		12/8/2010			
			66 KV C R panel for feeder(3Nos)		12/8/2010			
			66 KV CR panel for 132/66 KV transformer(2 Nos)		12/8/2010			
			66 KV CR panel for bus coupler(1 No)		12/8/2010			
						4.08	0.76	3.32
Upgradation and Modernisation of 66/33 KV Tuli Sub-station from 7.5 MVA to 20 MVA.	18.26	14.03	66 KV PT (3 Nos)	M/s Singh Constuction, Dimapur.	25/11/10	0.28	0.11	0.92
			66 KV CT (15 Nos)		25/11/10	0.75		
			66 KV LA (12 Nos)		25/11/10	0.18	0.03	0.15
			33 KV SF 6 BRAKER (4 Nos)		25/11/10	1.15	0.34	1.13
			GI STRUCTURE (12.954)		25/11/10	0.32		
			33 KV CT (12 Nos)		25/11/10	0.28	0.06	0.22

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(₹ in crore)

Project	Project Cost	Total value of the bill verified by audit	Material supplied	Name of the Supplier	Date of Supply	Purchase price paid by Department.	Actual Cost paid by Supplier	Excess (column 7-8)
1	2	3	4	5	6	7	8	9
			33 KV LA (12 Nos)		25/11/10	0.10	0.01	0.09
			10 MVA Transformer (2 Nos)		10/3/2011	4.47	1.16	3.31
			7.5 MVA Transformer (1 no)		10/3/2011	1.65	0.58	1.07
						9.18	2.29	6.89
Modernization and Up-gradation of 132/66/33 KV Kiphire Sub-Station	6.76	6.76	4 (four(10 MVA, 132/66 KV Power Transformer	M/s Shyama Power (India) Pvt. Ltd. Haryana.	12/09/2009	6.76	3.00	3.76
						6.76	3.00	3.76
11 KV Associated Lines from Sovima Substation	3.89	1.61	ACSR Mink Conductor (33.71 Km)	M/s National Power System, Dimapur	15/5/2013	0.40	0.09	0.31
			ACSR Hare Conductor(22.05 km)			0.33	0.05	0.28
			Steel Poles SP-35 9.5 meters (212 Nos)			0.27	0.08	0.19
						1.00	0.22	0.78
Construction of 33 KV Ringmain and associated Sub-station in Kohima under APDRP phase-II, Package-E.	8.54	1.13	3 ph 50 Hz 33 KV ONAF CU Wound outdoor conventional type 5 MVA transformer (2 Nos)	M/s Nezone Power System, Dimapur	24/11/2009	0.84	0.550	0.29
			3 ph 50 Hz 33 KV ONAF CU Wound outdoor conventional type 5 MVA transformer (1 No)			0.29	0.16	0.13
						1.13	0.71	0.42

(₹ in crore)

Project	Project Cost	Total value of the bill verified by audit	Material supplied	Name of the Supplier	Date of Supply	Purchase price paid by Department.	Actual Cost paid by Supplier	Excess (column 7-8)
1	2	3	4	5	6	7	8	9
Construction of 220 KV transmission line from Dimapur to Chiephobozou	84.2	7.52	160.30 KM of ACSR Zebra Aluminium conductor	M/s Nezone Power System, Dimapur	24 & 25/8/11;	4.71	3.55	1.16
						4.71	3.55	1.16
Up-gradation of Mon Sub-station	2.28	2.28	4 (four) 2.5 MVA 66/33 KVA and one 33/11 KVA power transformer	M/s Nezone Power System, Dimapur	11/08/2010	2.20	1.03	1.17
						2.20	1.03	1.17
Grand Total						33.04	12.02	21.02

Appendix-2.3.4

Statement showing excess projection of works in respect of ‘construction of Transmission line from PGCIL grid Substation to Chiephobozou’
(Reference: Paragraph 2.3.9.4(i))

A Tower Parts

Tower type	Number of towers as per work order	Weight of materials required for one tower (in Kgs)	Total weight materials ordered (in Kgs) (col 2x3)	Rate (per kg) (₹)	Value of materials ordered (col 4x5) (₹)	Actual numbers towers as per technical survey	Weight of materials actually required (in Kgs) (col 3x7)	Value of materials actually required (col 8x5) (₹)	Differential amount (col 6-9) (₹)
11	2	3	4	5	6	7	8	9	10
A+0	41	6611.7	271079.7	137.34	37230086	47	310749.9	42678391	-5448305
A+3	18	7452.7	134148.6	137.34	18423969	25	186317.5	25588845	-7164877
A+6	7	8065.7	56459.9	137.34	7754202.7	9	72591.3	9969689	-2215486
A+9	5	8906.7	44533.5	137.34	6116230.9	5	44533.5	6116231	0
B+0	30	11235.8	337074	137.34	46293743	20	224716	30862495	15431248
B+3	3	12586.8	37760.4	137.34	5186013.3	1	12586.8	1728671	3457342
B+6	2	13541.8	27083.6	137.34	3719661.6	8	108334.4	14878646	-11158985
B+9	8	14892.8	119142.4	137.34	16363017	0	0	0	16363017
C+0	28	11235.8	314602.4	137.34	43207494	15	168537	23146872	20060622
C+3	2	12586.8	25173.6	137.34	3457342.2	0	0	0	3457342
C+6	2	13541.8	27083.6	137.34	3719661.6	3	40625.4	5579492	-1859831
C+9	9	14892.8	134035.2	137.34	18408394	0	0	0	18408394
D+0	25	16159.9	403997.5	137.34	55485017	25	403997.5	55485017	0
D+3	3	17806.9	53420.7	137.34	7336798.9	5	89034.5	12227998	-4891199
D+6	2	19282.9	38565.8	137.34	5296627	4	77131.6	10593254	-5296627
D+9	9	20929.9	188369.1	137.34	25870612	3	62789.7	8623537	17247075
D+18	4	25699.9	102799.6	137.34	14118497	10	256999	35296243	-21177746
D+25	1	30470	30470	137.34	4184749.8	0	0	0	4184750
Total	199		2345799.6		322172117	180	2058944	282775390	39396744

Appendix-2.3.4 Contd.

B Cement

Tower type	Number of towers as per work order	Cement required per tower in CuM	Total requirement of cement for all towers as per work order	Rate per CuM (one CuM= 6.4 bags or 320 Kgs) (₹)	Total cost of cement as per work order (₹)	Actual numbers towers as per technical survey	Total requirement of cement for all towers as per actual	Total cost of cement as per actual (₹)	Difference in cost of cement (Col 6-9) (₹)
1	2	3	4	5	6	7	8	9	10
A+0	41	10.32	423.12	3059.2	1294409	47	485.04	1483834	-189426
A+3	18	10.56	190.08	3059.2	581492.7	25	264	807629	-226136
A+6	7	10.79	75.53	3059.2	231061.4	9	97.11	297079	-66018
A+9	5	10.79	53.95	3059.2	165043.8	5	53.95	165044	0
B+0	30	23.65	709.5	3059.2	2170502	20	473	1447002	723501
B+3	3	24	72	3059.2	220262.4	1	24	73421	146842
B+6	2	24.36	48.72	3059.2	149044.2	8	194.88	596177	-447133
B+9	8	24.36	194.88	3059.2	596176.9	0	0	0	596177
C+0	28	23.65	662.2	3059.2	2025802	15	354.75	1085251	940551
C+3	2	24	48	3059.2	146841.6	0	0	0	146842
C+6	2	24.36	48.72	3059.2	149044.2	3	73.08	223566	-74522
C+9	9	24.36	219.24	3059.2	670699	0	0	0	670699
D+0	25	30.05	751.25	3059.2	2298224	25	751.25	2298224	0
D+3	3	30.65	91.95	3059.2	281293.4	5	153.25	468822	-187529
D+6	2	31.25	62.5	3059.2	191200	4	125	382400	-191200
D+9	9	31.25	281.25	3059.2	860400	3	93.75	286800	573600
D+18	4	31.25	125	3059.2	382400	10	312.5	956000	-573600
D+25	1	31.25	31.25	3059.2	95600	0	0	0	95600
	199		4089.14		12509497	180	3455.56	10571258	1938258

Appendix-2.3.4-Contd.

C Concrete

Tower type	Number of towers as per work order	Cement required per tower in CuM	Total requirement of cement for all towers as per work order	Rate for concrete per CuM (₹)	Total cost of concrete as per work order (₹)	Actual number of towers as per technical survey	Total quantity of concrete required as per technical survey (CuM)	Total cost of concrete as per actual (₹)	Difference in cost of concreting (₹)
A+0	41	10.32	423.12	17658	7471453	47	485.04	8564836	-1093383
A+3	18	10.56	190.08	17658	3356433	25	264	4661712	-1305279
A+6	7	10.79	75.53	17658	1333709	9	97.11	1714768	-381060
A+9	5	10.79	53.95	17658	952649	5	53.95	952649	0
B+0	30	23.65	709.5	17658	12528351	20	473	8352234	4176117
B+3	3	24	72	17658	1271376	1	24	423792	847584
B+6	2	24.36	48.72	17658	860298	8	194.88	3441191	-2580893
B+9	8	24.36	194.88	17658	3441191	0	0	0	3441191
C+0	28	23.65	662.2	17658	11693128	15	354.75	6264176	5428952
C+3	2	24	48	17658	847584	0	0	0	847584
C+6	2	24.36	48.72	17658	860298	3	73.08	1290447	-430149
C+9	9	24.36	219.24	17658	3871340	0	0	0	3871340
D+0	25	30.05	751.25	17658	13265573	25	751.25	13265573	0
D+3	3	30.65	91.95	17658	1623653	5	153.25	2706089	-1082435
D+6	2	31.25	62.5	17658	1103625	4	125	2207250	-1103625
D+9	9	31.25	281.25	17658	4966313	3	93.75	1655438	3310875
D+18	4	31.25	125	17658	2207250	10	312.5	5518125	-3310875
D+25	1	31.25	31.25	17658	551813	0	0	0	551813
			4089.14		72206034		3455.56	61018278	11187756

D Other items and civil works

Description of item	Unit	Quantity	Unit rate (₹)	Total amount as per work order (₹)	Actual quantity	Difference in quantity	Amount as per technical survey (₹)	Difference (₹)
Number plate	No	228	392	89376	180	48	70560	18816
Danger plate	set	228	392	89376	180	48	70560	18816
Phase plate	set	228	392	89376	180	48	70560	18816
Anti climbing device	set	228	2943	671004	180	48	529740	141264
Earthing set	set	228	1962	447336	180	48	353160	94176
Setting of stubs	no.	199	39240	7808760	180	19	7063200	745560
Grounding of towers	no.	199	4905	976095	180	19	882900	93195
Super structure erection	no.	199	49050	9760950	180	19	8829000	931950
			99276	19932273	1440		17869680	2062593

Appendix-2.3.4- Contd.

E Excavation in earth cutting
(i) Analysis of quantities

Tower type	Number of towers as per work order	Quantity of earth to be excavated per tower (CuM)	Total requirement of excavation Cum as per work order (CuM)	Actual number of towers as per technical survey	Total requirement of excavation Cum as per technical survey (CuM)	Difference in quantity (CuM)
A+0	41	65	2665	47	3055	-390
A+3	18	65	1170	25	1625	-455
A+6	7	65	455	9	585	-130
A+9	5	65	325	5	325	0
B+0	30	175	5250	20	3500	1750
B+3	3	175	525	1	175	350
B+6	2	175	350	8	1400	-1050
B+9	8	175	1400	0	0	1400
C+0	28	175	4900	15	2625	2275
C+3	2	175	350	0	0	350
C+6	2	175	350	3	525	-175
C+9	9	175	1575	0	0	1575
D+0	25	205	5125	25	5125	0
D+3	3	205	615	5	1025	-410
D+6	2	205	410	4	820	-410
D+9	9	205	1845	3	615	1230
D+18	4	205	820	10	2050	-1230
D+25	1	205	205	0	0	205
Total	199		28335	180	23450	4885

(ii) Analysis of rate for excavation

Sl. No.	Type of soil	Quantity (CuM)	Rate	Amount as per work order	Percentage to the total quantity	Actual requirement	Difference in quantity	Amount
1	Ordinary Soil	2834	588.6	1667798	10	2345	489.00	287825
2	Soft Rock	11334	981	11118654	40	9380	1954.00	1916874
3	Hard Rock	14168	1471.5	20847476	50	11725	2443.00	3594875
Total		28336		33633928	100	23450	4886.00	5799574

Appendix-2.3.4-Concl.d.

Summary of total avoidable cost on 19 towers

Sl. No.	Particulars	Amount (₹ in core)
1	Tower Parts	3.94
2	Cement	0.19
3	Concrete	1.12
4	Other items	0.21
5	Excavation works	0.58
Total		6.04

APPENDIX-2.4.1

Statement showing the list of MI projects having Culturable Command Area (Ha) below the required norm

(Reference: Paragraph- 2.4.7.1)

Sl.No	District	Name of Cluster	MI projects		CCA (as per PSR)			Required CCA
			Sl. No.		Existing (hectare)	Propose (hectare)	Total propose CCA (hectare)	
1	Kohima	Kiyeaki Cluster	1	Kiyeaki	26	39	39	50
			2	Razha				
			3	Bozaru				
			4	Dzu-U				
			5	Niphou				
			6	Sanorou-East				
2	Kohima	Pikhe Cluster	7	Pikhe	25	28	28	50
			8	Kelcho				
3	Kohima	TegoDzuyie Cluster	9	TegoDzuyie	35	45	45	50
			10	Chuzama				
			11	Ruthako				
			12	Dzudi				
			13	Liezha				
			14	Ziedikie				
4	Kohima	Kevuoliezie Cluster	15	Kevuoliezie	29	46	46	50
			16	Themezie-Ru and Kijulieze				
			17	Honolhuodoi				
			18	Hieloliezie				
			19	Zierhiere				
			20	Zeduru River				
5	Dimapur	Nozoperu Cluster	21	Nozoperu	2	6	41	50
			22	Amboghoki	2	4.5		
			23	Pagla River	1	3		
			24	Nagarjan	2	5		
			25	Atsukughughoki	1	4		
			26	Diphu (Li)	3	6.5		
			27	Khaghaboto	2	4		
			28	MolvomNallah	5	8		
6	Wokha	Themelong Cluster	29	Themelong	0	3	15	50
			30	Yangru River	0	3		
			31	Ralilantchu	0	3		
			32	Temeshong	0	6		
7	Wokha	Shumro Cluster	33	Shumro	0	3	48	50
			34	Teriotchu	0	5		
			35	Shamtchu	0	3		
			36	Koyoju River	0	3		
			37	Tsuntantchu	0	3		
			38	Romoangtchu	0	4.5		
			39	Old Ralan Area	0	4		
			40	Kikansen	0	6		
			41	Tsurotchu	0	3		
			42	Champangchu	0	3		
			43	Dam And Canal	0	5		
			44	Hajungtchuro	0	5.5		
8	Dimapur	Langlond-Nallah Stand Alone	45	Langlond Nallah	9	18	18	20

APPENDIX-2.4.2 A

Statement showing the cropping pattern shown in the DPR and actually found during spot verification
(Reference: Paragraphs; 2.4.7.3)

Sl.No	Year	Dst	Name of Cluster	MI projects	Village	Name of crops as per BCR calculation		Audit findings
						Pre project	Post project	
1	2012-13	Tsg	Shopong Cluster	Shopong MI	Yali&Yangphi	Paddy	Paddy & Vegetable	No Cultivation
2	2009-11	Tsg	Nangpung Cluster	Nangpung MI	Nakshu	Paddy	Paddy & Vegetable	No Cultivation
3	2013-14	Tsg	Aoyuang Cluster	Aoyung MI	Tuensang V (L-Khel)	Paddy	Paddy, Mustard, Potato & Vegetable	No Cultivation
4	2009-11	Tsg	Chipu Cluster	Chipu MI	Longra	Paddy	Paddy & Cabbage	Paddy Cultivation
5	2009-11	Tsg	Moyung Cluster	Moyung MI	Maksha	Paddy	Paddy & Cabbage	Paddy Cultivation
6	2011-12	Tsg	Yuang Cluster	Yuang MI	Tuensang V (L-Khel)	Paddy	Paddy, Potato, Maize & Vegetable	Paddy Cultivation
7	2009-11	koh	Pikhe Cluster	Pikhe	Viswema (Section I)	Paddy & Potato	Paddy & Potato	Paddy Cultivation
8	2009-11	koh	KrazholPh II Cluster	KrazholPh II	Viswema	Paddy & Potato	Paddy	No Cultivation
9	2012-13	koh	Khuзу Cluster	Khuзу	Kigwema	Paddy	Paddy, Vegetable, Potato & Mustard	Paddy Cultivation
10	2013-14	koh	Phezho Cluster	Phezho	Jakhama	Paddy, Maize & Potato	Paddy, Maize, Potato & Vegetable	No Cultivation
11	2012-12	koh	Yaseliezie	Yaseliezie	Tseisema	Paddy	Paddy, Mustard & Potato	Paddy Cultivation
12	2009-11	Dmr	Lothavi Cluster	Lothavi	Lathavi	Paddy	Paddy & Vegetable	Paddy Cultivation
13	2009-11	Dmr	Tsuwhezha Cluster	Tsuwhezha	Tseipama	Paddy	Paddy & Vegetable	No Cultivation
14	2009-11	Dmr	Asayeghoki Cluster	Asayeghoki	Khehoi	Paddy	Paddy & Vegetable	Paddy Cultivation
15	2009-11	Dmr	Balijan Cluster	Balijan	Kheghovi	Paddy & Vegetable	Paddy & Vegetable	Paddy Cultivation

SLNo	Year	Dst	Name of Cluster	MI projects	Village	Name of crops as per BCR calculation	Audit findings
16	2009-11	Dmr	Nise Cluster	Nise	Serhima	Paddy & Vegetable	Paddy Cultivation
17	2011-12	Dmr	Razhapha Basa Cluster	Razhapha Basa	New Razaphe	Paddy, Maize, Mustard, Vegetable & Potato	Paddy Cultivation
18	2013-14	Dmr	Chathe-I	Chathe-I	Ruzaphema	Paddy, Maize, Mustard, Vegetable & Potato	Paddy Cultivation
19	2009-11	Dmr	Cluster I (Medziphema Sub Div)	Cheperu	Medziphema	Paddy & Vegetable	Paddy Cultivation
20	2009-11	Wok	Mokoktongchu	Srikatchu	Rephyim Old	Paddy & Vegetable	No Cultivation
21	2009-11	Wok	Mokoktongchu	Sungphya	Rephyim Old	Paddy & Vegetable	Paddy Cultivation
22	2009-11	Wok	Mokoktongchu	Tshupvu	Rephyim Old	Paddy & Vegetable	Paddy Cultivation
23	2009-11	Wok	Mokoktongchu	Tsontera Area	Rephyim Old, Helipad Area	Paddy & Vegetable	Paddy Cultivation
24	2009-11	Wok	Mokoktongchu	Tsontera	Rephyim Old	Paddy & Vegetable	No Cultivation
25	2009-11	Wok	Mokoktongchu	Tizaphen	Rephyim Old	Paddy & Vegetable	Paddy Cultivation
26	2009-11	Wok	Mokoktongchu	Mokoktongchu	Rephyim Old	Paddy & Vegetable	No Cultivation
27	2009-11	Wok	Menchu	Menchu	Humtose	Paddy & Vegetable	Paddy Cultivation
28	2009-11	Wok	Menchu	Tuntathen	Wokha V	Paddy & Vegetable	Paddy Cultivation
29	2009-11	Wok	Menchu	Zuvotong	Wokha V	Paddy & Vegetable	Paddy Cultivation
30	2009-11	Wok	Alunti	Alunti	Yikum Village	Paddy & Vegetable	Paddy Cultivation
31	2009-11	Wok	Alunti	Ralantchu	Yikum Village	Paddy & Vegetable	Paddy Cultivation
32	2009-11	Wok	Alunti	Meyung	Changsu Old	Paddy & Vegetable	Paddy Cultivation
33	2009-11	Wok	Alunti	Tongti	Yikum Village	Paddy & Vegetable	Paddy Cultivation
34	2009-11	Wok	Alunti	Chosuchu	Changsu New	Paddy & Vegetable	Paddy Cultivation
35	2009-11	Wok	Alunti	Yankey Valley	Tsungiki	Paddy & Vegetable	Paddy Cultivation

Sl.No	Year	Dst	Name of Cluster	MI projects	Village	Name of crops as per BCR calculation		Audit findings
36	2009-11	Wok	Alunti	Lakhutichu	Changsu Old	Paddy	Paddy & Vegetable	No Cultivation
37	2009-11	Wok	Alunti	Tchuhanyak Area	Yikum Village	Paddy	Paddy & Vegetable	Paddy Cultivation
38	2009-11	Wok	Alunti	Yakhuk	Mungya	Paddy	Paddy & Vegetable	Paddy Cultivation
39	2009-11	Wok	Alunti	Phyohayi	Chukitong Village	Paddy	Paddy & Vegetable	Paddy Cultivation
40	2009-11	Wok	Alunti	Phunghantchu	Changsu New	Paddy	Paddy & Vegetable	No Cultivation
41	2009-11	Wok	Alunti	Whp	Tsungiki	Paddy	Paddy & Vegetable	No Cultivation
42	2012-13	Wok	Ralan	Ralan	Ralan Village	Paddy	Paddy	No Cultivation
43	2011-12	Wok	Yampha	Yampha	Yampha Village	Paddy	Paddy & Vegetable	Paddy Cultivation

APPENDIX-2.4.2 B
Statement showing the detail of discrepancy in size of CCA in PSR, DPR and actual found during verification
(Reference: Paragraph- 2.4.7.3)

Sl.No	Year	District	Name of Cluster	MI projects	Project cost	Village	CCA as per PSR		CCA as per DPR	CCA found during verification
							Existing	Propose		
1	2012-13	Tuensang	Shopong Cluster	Shopong MI	83,38,851	Yali&Yangphi	23	60		0
2	2009-11	Tuensang	Nangpung Cluster	Nangpung MI	62,01,600	Nakshu	2.5	51.2		0
3	2013-14	Tuensang	Aoyuang Cluster	Aoyung MI	2,99,18,000	Tuensang V (L-Khel)	92	164.7	200	92
4	2011-12	Tuensang	Mandang Cluster	Mandang MI	64,94,300	Tuensang T	28	45	44	20
5	2009-11	Tuensang	Chipu Cluster	Chipu MI	88,23,900	Longra	52.3	78.8		20
6	2009-11	Tuensang	Moyung Cluster	Moyung MI	63,46,300	Maksha	36.7	64.3		15
7	2011-12	Tuensang	Yuang Cluster	Yuang MI	37,19,500	Tuensang V (L-Khel)	18	25	25	15
8	2009-11	Kohima	Pikhe Cluster	Pikhe	20,03,199	Viswema (Section I)	25	28		12
9	2009-11	Kohima	Pikhe Cluster	Kelcho	18,30,711	Viswema (Section II)				13
10	2009-11	Kohima	KrazholPh II Cluster	KrazholPh II	1,22,54,031	Viswema	70	89		0
11	2012-13	Kohima	Dzuphekie Cluster	Zasa	5,47,433	Khuzama	6	7	4	3
12	2012-13	Kohima	Dzuphekie Cluster	Lizhagei	17,73,639	Kjotsoma	15	16	13	9
13	2012-13	Kohima	Khuzu Cluster	Khuzu	9,45,089	Kigwema	7	9	7	4
14	2012-13	Kohima	Khuzu Cluster	Zacho	11,03,787	Jakhama	13	15	8	8
15	2012-13	Kohima	Khuzu Cluster	Eso	30,92,449	Jakhama	23	25	22	15
16	2012-13	Kohima	Khuzu Cluster	Dzusharu	26,98,169	Phesama	25	27	9	15
17	2013-14	Kohima	Phezho Cluster	Phezho	17,29,518	Jakhama	14	19	12	12
18	2013-14	Kohima	Phezho Cluster	Kelobo	2,87,569	Mima	4	6	2	3
19	2013-14	Kohima	Phezho Cluster	Subizou-L	4,31,184	Mima	4	6	3	2
20	2011-12	Kohima	Dzucha Cluster	Tsiechieliezie	17,78,037	Nerhema Village	12	13	13	7
21	2011-12	Kohima	Dzucha Cluster	Ziepieliezou	4,14,928	Nerhema Village	2	4	3	1
22	2011-12	Kohima	Dzucha Cluster	Ciephotosa Ziepieliezou	7,93,263	Nerhema Village	6	12	6	5
23	2012-13	Kohima	Dzudzakou Cluster	Khuru	5,60,601	Khonoma	6	8	4	3
24	2012-13	Kohima	Dzudzakou Cluster	Priegei	11,10,476	Khonoma	8	9	8	5
25	2012-13	Kohima	Ciethucha Cluster	Ciethucha Left	4,60,773	Chiechama	32	37	32	15

SLNo	Year	District	Name of Cluster	MI projects	Project cost	Village	CCA as per PSR	CCA as per DPR	CCA found during verification
26	2012-13	Kohima	Ciethucha Cluster	Ciethucha Right		Chiechama			16
27	2012-13	Kohima	Yaseliemie Cluster	Yaseliemie	70,70,202	Tseisema	50	55	43
28	2012-13	Kohima	Seichieru Cluster	Razhakhu	6,91,361	Chedema	7	9	5
29	2009-11	Dimapur	Lothavi Cluster	Lothavi	80,26,000	Lathavi	30	160	130
30	2009-11	Dimapur	Tsuwhezha Cluster	Tsuwhezha	1,20,21,000	Tseipama	100	100	120
31	2009-11	Dimapur	Asayeghoki Cluster	Asayeghoki	1,41,67,000	Khehoi	50	90	110
32	2009-11	Dimapur	Balijan Cluster	Balijan	2,12,66,000	Kheghovi	80	190	180
33	2009-11	Dimapur	Ntse Cluster	Ntse	1,52,07,000	Serhima	100	145	150
34	2011-12	Dimapur	Diezephe Cluster	Soilem	8,08,900	Medziphema	3	8	8
35	2011-12	Dimapur	KhopaNallah (Neivotso) Cluster	Balijan	27,74,800	Xekiye	7	27	27
36	2011-12	Dimapur	KhopaNallah (Neivotso) Cluster	Zumha	26,11,200	Medziphema	5	25	25
37	2011-12	Dimapur	Razhaphe Basa Cluster	Razhaphe Basa	22,22,200	New Razaphe	5	20	20
38	2012-13	Dimapur	Suhoi C-iii Cluster	Chathe Nallah	4,08,300	Khaibung	1	2.5	3
39	2012-13	Dimapur	Pator Nallah Cluster	PatorNallah	9,43,000	Vidima	2	6	7
40	2012-13	Dimapur	Pator Nallah Cluster	Juma	6,32,100	Medziphema	2	4	5
41	2012-13	Dimapur	Pator Nallah Cluster	Diphu	6,73,800	Domukhia	1	4	5
42	2012-13	Dimapur	Pator Nallah Cluster	Nitozu	5,24,900	Nitozu	1	3	4
43	2012-13	Dimapur	Upper Amaluma P/I	Upper Amaluma P/I	1,64,90,100	Amaluma	20	122	160
44	2012-13	Dimapur	Upper Amaluma P/Ii	Upper Amaluma P/II	32,96,700	Amaluma			7
45	2012-13	Dimapur	Disagapu	Disagapu	80,72,600	Disagapu	10	47	60
46	2012-13	Dimapur	Aphughoki P/I	Aphughoki P/I	83,52,800	Vihokhu			8
47	2012-13	Dimapur	Aphughoki P/Ii	Aphughoki P/II	27,03,900	Vihokhu	20	63	80

SLNo	Year	District	Name of Cluster	MI projects	Project cost	Village	CCA as per PSR		CCA as per DPR	CCA found during verification
48	2012-13	Dimapur	Langlond Nallah	Langlond Nallah	33,08,300	Dhansiripar	9	18	25	7
49	2012-13	Dimapur	Dadi C-Ii	Dadi	8,31,700	Rengmapani	2	5	6	1
50	2012-13	Dimapur	Dadi C-Ii	Dhansiri(Li)	6,93,400	Domokhia	3	4.5	5	2
51	2012-13	Dimapur	Nozoperu	Pagla River	4,63,200	Ganeshnagar	1	3	4	1
52	2012-13	Dimapur	Nozoperu	Atsukughughoki	6,86,000	Khehoi	1	4	5	1
53	2012-13	Dimapur	Nozoperu	MolvomNallah	13,22,800	Molvom	5	8	10	3
54	2013-14	Dimapur	Chathe-I	Chathe-I	1,44,04,200	Ruzaphema	20	100	100	11
55	2009-11	Dimapur	Cluster I (Medziphema Sub Div)	Dzumha	5,98,000	Medziphema			10	7
56	2009-11	Dimapur	Cluster I (Medziphema Sub Div)	Masalie	7,19,000	Tsuma			9	5
57	2009-11	Dimapur	Cluster I (Medziphema Sub Div)	Molvom	1,94,000	Molvom			3	2
58	2009-11	Dimapur	Cluster I (Medziphema Sub Div)	Cheperu	3,58,450	Medziphema	10	45	6	5
59	2009-11	Dimapur	Cluster Iii (Niuland Sub Division)	Chateru	5,77,500	Souchanoma				3
60	2009-11	Wokha	Mokoktongchu	Srikatchu	11,00,536	Rephyim Old	4	8		0
61	2009-11	Wokha	Mokoktongchu	Sungphya	10,20,112	Rephyim Old	1	8		6
62	2009-11	Wokha	Mokoktongchu	Tshupvu	10,00,850	Rephyim Old	1	10		5
63	2009-11	Wokha	Mokoktongchu	Tsontera Area	7,64,208	Rephyim Old, Helipad Area	0	7		4
64	2009-11	Wokha	Mokoktongchu	Tsontera	6,79,951	Rephyim Old	0	6		2
65	2009-11	Wokha	Mokoktongchu	Tizaphen	12,46,705	Rephyim Old	3	11		2
66	2009-11	Wokha	Mokoktongchu	Mokoktongchu	17,94,332	Rephyim Old	0	18		0
67	2009-11	Wokha	Menchu	Menchu	1,65,617	Humtose	2	9		2
68	2009-11	Wokha	Menchu	Tuntathen	7,80,886	Wokha V	1	10		1
69	2009-11	Wokha	Menchu	Zuvotong	12,39,955	Wokha V	2	13		1
70	2009-11	Wokha	Alunti	Alunti	11,73,562	Yikum Village	0	9		3
71	2009-11	Wokha	Alunti	Ralantchu	8,01,892	Yikum Village	0	7		1
72	2009-11	Wokha	Alunti	Meyung	12,79,013	Changsu Old	1	10		1

SL.No	Year	District	Name of Cluster	MI projects	Project cost	Village	CCA as per PSR		CCA as per DPR	CCA found during verification
73	2009-11	Wokha	Alunti	Tongti	8,97,483	Yikum Village	1	7		1
74	2009-11	Wokha	Alunti	Chosuchu	9,02,040	Changsu New	0	8		4
75	2009-11	Wokha	Alunti	Yankei Valley	8,03,337	Tsungiki	1	7		1
76	2009-11	Wokha	Alunti	Lakhutichu	10,91,850	Changsu Old	0	10		0
77	2009-11	Wokha	Alunti	Tchuhanyak Area	11,12,405	Yikum Village	0	9		4
78	2009-11	Wokha	Alunti	Yakhuk	16,10,221	Mungya	5	13		3
79	2009-11	Wokha	Alunti	Phyohayi	11,14,961	Chukitong Village	1	11		1
80	2009-11	Wokha	Alunti	Phungphantchu	8,87,500	Changsu New	0	8		0
81	2009-11	Wokha	Alunti	Whp	7,76,338	Tsungiki	0	8		0
82	2009-11	Wokha	Churo	Churo	1,13,60,806	Chandalangshung V	20	100		14
83	2012-13	Wokha	Kimpar	Kimpar MI	75,24,199	Kimpar	25	80		17

APPENDIX-2.4.3
Statement showing the detail of discrepancies between the specification given in the DPR and actual execution
(Reference: Paragraph 2.4.7.4)

SI No.	Name of the project (cluster)	Year	District	Civil Works		
				As per DPR		Actual execution
				Components	Cost (₹ in lakh)	Components
1	Choshuchu (Alunti)	2010-11	Wokha	D/Weir & Wing Wall	2.91	H/Pond
				Lined & Un-Lined Channel	5.14	G.I Pipe
				Retaining Wall	0.97	Intake Basin
2	Lakhutichu (Alunti)	2010-11	Wokha	D/Weir & Wing Wall	3.64	H/Pond
				Lined & Un-Lined Channel	5.93	G.I Pipe
				Retaining Wall	1.34	Intake Basin
3	Tchuhanyak (Alunti)	2010-11	Wokha	D/Weir & Wing Wall	2.15	H/Pond
				Lined & Un-Lined Channel	7.36	Lined Channel
				Retaining Wall	1.61	
4	Tphunghanchu (Alunti)	2010-11	Wokha	D/Weir & Wing Wall	2.80	H/Pond
				Lined & Un-Lined Channel	4.51	G.I Pipe
				Retaining Wall	1.57	Intake Basin
5	Tizaphen (Mokoktongchu)	2010-11	Wokha	D/Weir & Wing Wall	2.82	H/Pond
				Lined & Un-Lined Channel	8.3	G.I Pipe
				Retaining Wall	1.35	Intake Basin
6	Temesung (Menchu)	2010-11	Wokha	D/Weir & Wing Wall	3.19	D/Weir
				Lined & Un-Lined Channel	7.28	G.I Pipe
				Retaining Wall	1.74	
7	Lumkhumchung (Menchu)	2010-11	Wokha	D/Weir & Wing Wall	0.95	H/Pond
				Lined & Un-Lined Channel	6.56	G.I Pipe
				Retaining Wall	0.92	

SI No.	Name of the project (cluster)	Year	District	Civil Works			
				As per DPR		Actual execution	
				Components	Cost (₹ in lakh)	Components	Cost (₹ in lakh)
8	Chentanchu (Menchu)	2010-11	Wokha	D/Weir & Wing Wall	2.54	H/Pond	5.04
				Lined & Un-Lined Channel	5.97	Lined & Un-Lined Channel	3.96
				Retaining Wall	0.95	Embankment	1.59
9	Arumotchu (Menchu)	2010-11	Wokha	D/Weir & Wing Wall	3.08	D/Weir	7.05
				Lined & Un-Lined Channel	7.17	G.I Pipe	4.89
				Retaining Wall	1.69		
10	Moyung (Moyung)	2010-11	Tuensang	Retaining Wall	7.86	Lined Channel	13.56
				Lined Channel	13.56	Aqueduct (Long Span)	4.16
				Check Dam	1.32	Aqueduct (Short Span)	2.4
				Aqueduct (Long Span)	4.16	Aqueduct	2.55
				Aqueduct (Short Span)	2.4	Diversion Weir	18.02
				Aqueduct	2.55		
				Heavy Duty Sluice Steel Plate Sluice Gate	1.07		
11	Yuyang (Yuyang)	2011-12	Tuensang	Diversion Weir	18.02		
				Channel Works	8.09	Channel Works	8.09
				CRSM Protection Walls	8.43	Aqueduct (Short Span)	3.01
				RCC Lined Channel	12.2	RCC Lined Channel	12.2
				RCC Lined Channel With Slab Cover	3.74		
				Aqueduct (Short Span)	3.01		
				Cross Drainage	0.64		

SI No.	Name of the project (cluster)	Year	District	Civil Works		
				As per DPR		Actual execution
				Components	Cost (₹ in lakh)	Components
12	Mandang (Mandang)	2011-12	Tuensang	Lined Channel	11.81	Lined Channel
				Diversion Weir	6.69	Diversion Weir
				Retaining Wall	8.78	Aqueducts
				Aqueducts	4.53	
				Cross Drainage	0.71	
13	Chipu (Chipu)	2010-11	Tuensang	Sluice Gate	0.64	
				E/Channel	15.78	E/Channel
				Retaining Wall	12.33	L/Channel
				L/Channel	15.59	Aqueducts - 4 Nos
				Aqueducts - 4 Nos	10.48	Box Culvert
				Check Dam- 3 Nos	4.25	Diversion Weir- 2 Nos
				Box Culvert	1.08	
				Sluice Gate	1.07	
				Diversion Weir- 2 Nos	27.29	
				E/Channel-810 M	5.61	Lined Channel- 20m
14	Khuru (Dzudzakou)	2012-13	Kohima	E/Channel	10.95	E/Channel
15	Lizhagei (Dzuphekie)	2012-13	Kohima	D/Weir & Wing Wall	3.34	D/Weir
16	Phezho (Phezho)	2013-14	Kohima	Lined Channel	3.45	Lined Channel
				D/Weir	4.14	Lined Channel
				Lined Channel	5.85	E/Channel
				E/Channel	2.02	
				R/Wall	5.29	
17	Zumha (KhopaNallah)	2011-12	Dimapur	D/Weir	16.97	D/Weir
				Protection Wall	4.43	Protection Wall
				Lined Channel	4.71	

SI No.	Name of the project (cluster)	Year	District	Civil Works			
				As per DPR		Actual execution	
				Components	Cost (₹ in lakh)	Components	Cost (₹ in lakh)
18	Dadi (Dadi-Ii)	2012-13	Dimapur	Guide Wall	7.66	Spill Way	0.66
				D/Weir		E/Channel	
				Spill Way			
				E/Channel			
19	Dhansiri(L.I) (Dadi-Ii)	2012-13	Dimapur	Reservoir Tank	1.7	Reservoir Tank	1.7
				Pump House & Assembly		Pump House & Assembly	
				Lined Channel			
				Reservoir Tank		Reservoir Tank	
20	Diphu L.I (PattorNallah)	2011-12	Dimapur	Pump House & Assembly	1.81	Pump House & Assembly	1.81
				Lined Channel			
				Reservoir Tank		Reservoir Tank	
				Pump House & Assembly		Pump House & Assembly	
21	Juma (PattorNallah)	2011-12	Dimapur	Lined Channel	3.59		1.34
				Protection Wall			
				E/Channel		E/Channel	
				Lined Channel		Lined Channel	
22	Cheperu (Cluster-I)	2010-11	Dimapur	Head Works	2.8		
				Lined Channel			
				Head works		Head works	
				Protection wall		Channel works	
23	Dzumha (Cluster-I)	2010-11	Dimapur	Channel works	0.78		0.78
				Head works			
				Retaining wall		Head works	
				Lined channel		Lined channel	
24	Lothavi	2010-11	Dimapur	E/channel	84.81	E/channel	39.06
				Aqueduct		Aqueduct	
				Culvert		Culvert	
				Coffer dam		Coffer dam	

Appendix 2.4.4
Statement showing the detail of selected projects and status of verification
(Reference to paragraph 2.4.10 (i))

District	Year	Name of Cluster		MI projects		Project cost (₹)	Maintained/ Not maintained
		Sl.No.		Sl.No			
Tuensang	2012-13	1	Shopong (Cluster)	1	Shopong Mi	83,38,851	No
Tuensang	2009-11	2	Nangpung (Cluster)	2	Nangpung Mi	62,01,600	No
Tuensang	2013-14	3	Aoyuang Stand Alone (Sa)	3	Aoyung Mi	2,99,18,000	No
Tuensang	2011-12	4	Mandang (Cluster)	4	Ngongshang Mi	3,34,400	No
Tuensang	2009-11	5	Chipu (Cluster)	5	Chipu Mi	88,23,900	No
Tuensang	2009-11	6	Moyung (Cluster)	6	Moyung Mi	63,46,300	No
Tuensang	2011-12	7	Yuang (Cluster)	7	Yuang Mi	7,19,500	No
Kohima	2009-11	8	Pikhe (Cluster)	8	Pikhe	20,03,199	Yes
Kohima	2009-11			9	Kelcho	18,30,711	Yes
Kohima	2009-11	9	Krazhol Phase-Ii (Sa)	10	Krazhol-Ph-Ii	1,22,54,031	No
Kohima	2012-13	10	Dzuphekie (Cluster)	11	Zasa	5,47,433	No
Kohima	2012-13			12	Lizhagei	17,73,639	No
Kohima	2012-13	11	Khuzu (Cluster)	13	Khuzu	9,45,089	No
Kohima	2012-13			14	Zacho	11,03,787	No
Kohima	2012-13			15	Eso	30,92,449	No
Kohima	2012-13			16	Dzusharu	26,98,169	No
Kohima	2013-14	12	Phezho (Cluster)	17	Phezho	17,29,518	No
Kohima	2013-14			18	Kelobo	2,87,569	No
Kohima	2013-14			19	Subizou-L	4,31,184	No
Kohima	2011-12	13	Dzucha (Cluster)	20	Tsiechieliezie	17,78,037	Yes
Kohima	2011-12			21	Ziepieliezou	4,14,928	Yes
Kohima	2011-12			22	Chapotsa	2,54,980	Yes
Kohima	2012-13	14	Dzudzakou (Cluster)	23	Khuru	5,60,601	No
Kohima	2012-13			24	Prigei	11,10,476	No
Kohima	2012-13	15	Ciethucha (Sa)	25	Ciethucha Left	4,60,773	No
Kohima	2012-14			26	Ciethucha Right		No
Kohima	2012-13	16	Yaseliemie (Sa)	27	Yaseliemie	70,70,202	No
Kohima	2012-13	17	Seichieru (Cluster)	28	Razhakhu	6,91,361	No
Dimapur	2009-11	18	Lothavi (Sa)	29	Lothavi	1,80,26,000	No
Dimapur	2009-11	19	Tsuwhezha (Sa)	30	Tsuwhezha	1,20,21,000	No
Dimapur	2009-11	20	Asayeghoki (Sa)	31	Asayeghoki	1,41,67,000	No
Dimapur	2009-11	21	Balijan (Sa)	32	Balijan	2,12,66,000	No
Dimapur	2009-11	22	Ntse (Sa)	33	Ntse	1,52,07,000	No
Dimapur	2011-12	23	Diezephe Cluster	34	Soilem	8,08,900	No
Dimapur	2011-12	24	Khopa Nallah (Neivotso Cluster)	35	Balijan	27,74,800	No
Dimapur	2011-12			36	Zumha	26,11,200	No
Dimapur	2011-12	25	Razhaphe Basa (Cluster)	37	Razhaphe Basa	22,22,200	No

District	Year	Name of Cluster		MI projects		Project cost (₹)	Maintained/ Not maintained
		SL.No.		SL.No.			
Dimapur	2012-13	26	Suhoi (Cluster-Iii)	38	Chathe Nallah	4,08,300	No
Dimapur	2012-13	27	Pator Nallah (Cluster)	39	Pator Nallah	9,43,000	No
Dimapur	2012-13			40	Juma	6,32,100	No
Dimapur	2012-13			41	Dipphu	6,73,800	No
Dimapur	2012-13			42	Nitozu	5,24,900	No
Dimapur	2012-13						
Dimapur	2012-13	28	Upper Amaluma (Sa)	43	Uppe Amaluma Phase-I	1,64,90,100	No
Dimapur	2012-13			44	Upper Amaluma Phase-Ii	32,96,700	No
Dimapur	2012-13	29	Disagapu (Sa)	45	Disagapu	80,72,600	No
Dimapur	2012-13	30	Aphughoki (Sa)	46	Aphughoki Phase-I	83,52,800	No
Dimapur	2012-13			47	Aphughoki- Phase-Ii	27,03,900	No
Dimapur	2012-13	31	Langlong Nallah (Sa)	48	Langlong Nallah	33,08,300	No
Dimapur	2012-13	32	Dadi Cluster-Ii	49	Dadi	8,31,700	No
Dimapur	2012-13			50	Dhansiri (Li)	6,93,400	No
Dimapur	2012-13	33	Nozoperu	51	Pagla River	4,63,200	No
Dimapur	2012-13			52	Atsukughughoki	6,86,000	No
Dimapur	2012-13			53	Molvom Nallah	13,22,800	No
Dimapur	2013-14	34	Chathe-I (Sa)	54	Chathe-I	1,44,04,200	No
Dimapur	2009-11	35	Cluster-I (Medziphema Sub- Division)	55	Dzumha	5,98,000	No
Dimapur	2009-11			56	Masalie	7,19,000	No
Dimapur	2009-11			57	Molvom	1,94,000	No
Dimapur	2009-11			58	Cheperu	3,58,450	No
Dimapur	2009-11	36	Cluster-Iii (Niuland Sub-Division)	59	Chateru	5,77,500	No
Wokha	2009-11	37	Mokoktongchu	60	Serikatchu	11,00,536	No
Wokha	2009-11			61	Sungphya	10,20,112	No
Wokha	2009-11			62	Tshupvu	10,00,850	No
Wokha	2009-11			63	Tsontera Area	7,64,208	No
Wokha	2009-11			64	Tsontera	6,79,951	No
Wokha	2009-11			65	Tizaphen	12,46,705	No
Wokha	2009-11			66	Mokoktongchu	17,94,332	No
Wokha	2009-11						
Wokha	2009-11	38	Menchu	67	Menchu	1,65,617	No
Wokha	2009-11			68	Temeshung	12,20,579	No
Wokha	2009-11			69	Tuntathen	7,80,886	No
Wokha	2009-11			70	Lumkhumchung	8,43,782	No
Wokha	2009-11			71	Chentanchu	9,46,085	No
Wokha	2009-11			72	Zuvotong	12,39,955	No
Wokha	2009-11			73	Arumotchu	11,94,129	No

District	Year	Name of Cluster		MI projects		Project cost (₹)	Maintained/ Not maintained
		Sl.No.		Sl.No			
Wokha	2009-11	39	Alunti	74	Alunti	11,73,562	No
Wokha	2009-11			75	Ralantchu	8,01,892	No
Wokha	2009-11			76	Meyung	12,79,013	No
Wokha	2009-11			77	Tongli	8,97,483	No
Wokha	2009-11			78	Chosuchu	9,02,040	No
Wokha	2009-11			79	Tankey Valley	8,03,337	No
Wokha	2009-11			80	Lakhutichu	10,91,850	No
Wokha	2009-11			81	Tchuhanyak Area	11,12,405	No
Wokha	2009-11			82	Yakhuk	16,10,221	No
Wokha	2009-11			83	Phyohayi	11,14,961	No
Wokha	2009-11			84	Phunghantchu	8,87,500	No
Wokha	2009-11			85	Whp	7,76,338	No
Wokha	2009-11	40	Churo (Sa)	86	Churo	1,13,60,806	No
Wokha	2012-13	41	Ralan	87	Ralan	3,02,60,137	No
Wokha	2011-12	42	Yampha	88	Yampha	2,07,63,085	No
Wokha	2012-13	43	Yanglien	89	Yanglien	7,57,266	No
Wokha	2012-13			90	Chandan	12,25,658	No
Wokha	2012-13			91	Ngullie Liphi	9,11,042	No
Wokha	2012-13	44	Kimpar	92	Kimpar Mi	75,24,199	No

Appendix 2.4.5

Statement showing payment made against non/short execution of work

(Reference: Paragraph 2.4.9.1)

SL No.	Year	Name Of Cluster	Name Of MI Project	Project Cost (₹ In lakh)	Location	District	Items Of Work (As Per DPR And MB)	Unit (No./Metre)	Total Value (₹)	Executed (No./Mtr)	Non/Short Executed	Value (₹)	MB Nos
1	2009-11	Nangung	Nangung	62.02	Nakshu Village	Tuensang	Retaining Wall	4 Nos.	9,51,942	0	4	9,51,942	
							Check Dam	1 No.	1,49,829	0	1	1,49,829	
							Steel Sluice Gate	1 No.	30,000	0	1	30,000	
2	2012-13	Shopong	Shopong	83.39	Yali/Yangli Village	Tuensang	CRSM Protection Wall	8 Nos.	8,67,588	0	8	8,67,588	13 Of 2011
							Check Dam	1 No.	1,78,100	0	1	1,78,100	
							Cross Drainage	1 No.	71,527	0	1	71,527	
							Steel Sluice Gate	1 No.	36,000	0	1	36,000	
3	2009-11	Moyung	Moyung	63.64	Maksha Village	Tuensang	Retaining Wall	4 Nos.	7,85,609	0	4	7,85,609	
							Check Dam	1 No.	1,32,268	0	1	1,32,268	
							Steel Sluice Gate	1 No.	30,000	0	1	30,000	
4	2011-12	Yuyang	Yuyang	37.20	Tuensang Village	Tuensang	Retaining Wall	2 Nos.	8,43,262	0	2	8,43,262	6 Of 2011
							Lined Channel	31.6	3,74,020	0	31.6	3,74,020	
							Cross Drainage	1 No.	63,634	0	1	63,634	
5	2011-12	Mangdang	Mangdang	64.94	Tuensang Town	Tuensang	Retaining Wall	3 Nos.	8,78,219	0	3	8,78,219	4 Of 2011
							Cross Drainage	1 No.	71,500	0	1	71,500	
							Steel Sluice Gate	1 No.	36,000	0	1	36,000	
6	2009-11	Chipu	Chipu	88.24	Longra Village	Tuensang	Lined Channel	500	155,895	300	200	6,23,594	9 Of 2011
							Check Dam	3 Nos.	4,25,341	0	3	4,25,341	
							CRSM R/ Wall	6 Nos.	12,32,715	0	6	12,32,715	
							Steel Sluice Gate	1 No.	30,000	0	1	30,000	
										Sub Total (A)		78,11,148	
7	2012-13	Dzudzakou	Khuru	5.61	Khonoma	Kohima	Earthen Channel	810	5,60,601	0	810	5,60,601	176,183(B)
8	2012-13	Dzudzakou	Priegei	11.10	Khonoma	Kohima	Earthen Channel	840	4,97,664	480	360	2,13,285	
9	2012-13	Dzuphekie	Lizhagei	17.74	Josoma	Kohima	Wing Wall	2 Nos.	1,05,828	0	2	1,05,828	175, 184
							Diversion Weir	1 No.	3,24,653	0	1	3,24,653	
10	2013-14	Phezho	Phezho	17.29	Jakhama	Kohima	Earthen Channel	620	2,01,674	70	550	1,78,904	155-Ii
							Lined Channel	400	5,85,014	70	330	4,34,948	
							Retaining Wall	2 Nos.	5,29,142	0	2	5,29,142	

Sl. No.	Year	Name Of Cluster	Name Of MI Project	Project Cost (₹ In lakh)	Location	District	Items Of Work (As Per DPR And MB)	Unit (No./Metre)	Total Value (₹)	Executed (No./Mtr)	Non/Short Executed	Value (₹)	MB Nos
11	2012-13	Khuzu	Khuzu	9.45	Kigwema	Kohima	Lined Channel	100	160289	80	20	32,058	1,75,184
12	2013-14	Phezho	Subizou-L	4.31	Mima	Kohima	Lined Channel	378	431184	150	228	2,53,711	155-Ji
Sub-Total (B)													
13	2011-12	Yampha	Yampha	207.63	Yampha	Wokha	Lined Channel	230	2642195	100	242	13,87,295	B1(B)
14	2010-11	Kimpar	Kimpar	81.26	Ralan	Wokha	Lined Channel	1142	3357077	400	742	21,81,218	2, 3
15	2010-11	Mokoktongchu	Serikatchu	11.01	Rephyim Old	Wokha	Lined Channel	180	439991	25	135	3,78,881	1 & 6
							Retaining Wall	1 No.	74,339	0	1	74,339	
							Earthen Channel	960	3,30,364	0	960	3,30,364	
16	2010-11	Mokoktongchu	Mokoktongchu	17.94	Rephyim Old	Wokha	Lined Channel	420	10,26,646	0	420	10,26,646	1, 6
							Earthen Channel	1050	3,50,733	0	1050	3,50,733	
17	2012-13	Yanglien	Ngullieliphi	9.11	Tsongiki	Wokha	Earthen Channel	1620	590357	1500	120	43,730	B-2
							Lined Channel	270	3,20,685	0	270	3,20,685	
18	2010-11	Alunti	Ralantchu	8.02	Yikhum	Wokha	Lined Channel	360	2,93,327	0	360	2,93,327	
19	2010-11	Alunti	Tongti	8.97	Yikhum	Wokha	Diversion Weir	1 No.	3,57,334	0	1	3,57,334	
							Lined Channel	120	2,93,325	0	120	2,93,325	
							Earthen Channel	720	1,99,650	0	720	1,99,650	
20	2010-11	Alunti	Alunti	11.74	Yikhum	Wokha	Earthen Channel	1260	3,11,196	0	1260	3,11,196	
							Lined Channel	210	5,13,322	0	210	5,13,322	
21	2010-11	Menchu	Tuntathen	7.81	Wokha Village	Wokha	Lined Channel	180	439991	50	180	3,17,770	2,3,7
22	2010-11	Mokoktongchu	Tsontera	6.80	Rephyim Old	Wokha	Lined Channel	60	1,46,663	0	60	1,46,663	1,6
							Earthen Channel	3600	79,168	0	3600	79,168	
							Diversion Weir	1 No.	3,65,968	0	1	3,65,968	
23	2010-11	Mokoktongchu	Tsontera (Helipad)	7.64	Riphyim Old	Wokha	Lined Channel	60	1,46,664	0	60	1,46,664	B-2
24	2012-13	Yanglein	Chandan	12.25	Tsongiki	Wokha	Earthen Channel	2070	8,50,521	0	2070	8,50,521	
							Lined Channel	270	375138	10	260	3,61,243	
25	2012-13	Yanglien	Yankey Valley	9.67	Chukitong	Wokha	Lined Channel	300	3,61,841	0	300	3,61,841	B-2
26	2010-11	Alunti	Yankey Valley	8.03	Tsongiki	Wokha	Earthen Channel	2400	1,75,294	0	2400	1,75,294	5,3,6
27	2010-11	Alunti	Tchuhanyak	11.13	Yikhum	Wokha	Lined Channel	180	439991	20	160	3,91,103	3,5,6
28	2010-11	Alunti	Meyung	12.79	Chansu Old	Wokha	Lined Channel	180	439991	15	165	4,03,325	
Sub Total (C)												1,20,52,708	

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Sl. No.	Year	Name Of Cluster	Name Of MI Project	Project Cost (₹ In lakh)	Location	District	Items Of Work (As Per DPR And MB)	Unit (No./Metre)	Total Value (₹)	Executed (No./Mtr)	Non/Short Executed	Value (₹)	MB Nos
29	2011-12	KhopaNalah	Baijian	28.58	Xekiye Village	Dimapur	Lined Channel	200	560943	60	140 M	3,92,647	117
30	2011-12	KhopaNalah	Zumha	26.58	Medziphema	Dimapur	Lined Channel	240	449310	0	240 M	4,49,310	
31	2010-11	NTSE	NTSE	164.24	Sirhima	Dimapur	Lined Channel	2500	5501554	1800	700 M	15,40,435	89
32	2012-13	Aphughoki	Aphughoki Ph-II	27.85	Vihokhu	Dimapur	Lined Channel	330	12,76,216	0	330 M	12,76,216	123
33	2012-13	Dadi Cluster-II	Dadi	8.75	Rengmapani	Dimapur	Guide Wall	10	7,66,120	0	10	7,66,120	138
							Diversion Weir	30		0	30		
34	2012-13	Dadi Cluster-II	Dhansiri (L.I.)	7.14	Domokhia	Dimapur	Lined Channel	200	3,89,546	0	200	3,89,546	
35	2011-12	PatorNallah	Diphu (L.I.)	28.58	Domokhia	Dimapur	Lined Channel	210	3,58,826	0	210	3,58,826	141
36	2010-11	Cluster-I	Cheperu	3.58	Medziphema	Dimapur	Head Works	1 No.	2,43,576	0	1	2,43,576	104
							Lined Channel	60	1,14,880	0	60	1,14,880	
37	2012-13	PatorNallah	Juna	6.32	Medziphema	Dimapur	Protection Wall	30	2,66,984	0	30m	2,66,984	141
38	2010-11	Cluster-I	Dzumha	5.98	Medziphema	Dimapur	Protection Wall	20	73,494	0	20 M	73,494	104
39			Lothavi		Lothavi	Dimapur	Retaining Wall	2 Nos.	4,30,968	0	2	4,30,968	100
40	2012-13	Upper Amaluma	Upper Amaluma Phase I	203.80	Amaluma	Dimapur	Lined Channel	1050	4643689	20	1030	45,55,237	
							Earthen Channel	2010	2138042	800	1210	12,87,080	
Sub-Total (D)												1,21,45,319	
Grand Total (A) TO (D)												3,46,42,305	

Appendix – 2.5.1

**Statement showing the details of pay and allowances drawn by the Atoizu Division
against non-existent employees**

(Reference: paragraph-2.5.1)

Sl.No	Bill No & Date	TV.NO&Date	Month	No. of employees	Amount (in ₹)
1.	219 of 27/12/2010	20 of 05/09/10	Dec,2010	25	595896.00
2.	19 date NIL	47 of 11/04/2011	Feb,2011	25	582321.00
3.	20 date NIL	46 of 11/04/2011	Mar,2011	25	523517.00
4.	Nil	29 of 04/07/2011	June 2011	25	582206.00
5.	Nil	28of 04-07-2011	June 2011	09	196142.00
6.	118 of 27/07/2011	35 of 09/08/2011	July,2011	23	535797.00
7.	141 of 25/08/2011	18 of 05/09/2011	Aug,2011	20	411999.00
8.	142 of 25/08/2011	19 of 05/09/2011	Aug,2011	15	313367.00
9.	Nil	39 of 09-11-2012	Oct 2012	23	597864.00
10.	206 of 26/11/2012	67 of 04/12/2012	Nov,2012	23	605268.00
11.	207 date NIL	68 of 04/12/2012	Nov,2012	17	438784.00
12.	226 of 26/12/2012	44 of 15/03/2012	Dec,2012	17	487038.00
13.	225 of 26/12/2012	43 of 15/03/2012	Dec,2012	23	660383.00
14.	292 of 25/03/2013	27 of 05/04/2013	Feb,2013	23	660383.00
15.	24 of 25/04/02013	28 of 09/05/2013	April,2013	23	660388.00
Total					7851353.00

Appendix -2.6.1

Statement showing the details of payment made to LRSOs and others against the fund drawn for NLRMP in August 2012.

(Reference : Paragraph-2.6.1)

Bill No & Date	Amount (₹)	To whom paid	Date of payment	Amount paid (in ₹)
102 dtd 24/08/2012	23627800	LRSO, Kohima	31/01/2013	4000000
		LRSO, Wokha	31/01/2013	4000000
		LRSO, Mokokchung	31/01/2013	2500000
		LRSO, Phek	31/01/2013	2500000
		Zymax Technology	25/04/2013	720000
		Zymax Technology	25/04/2013	720000
		LRSO, Phek	04/06/2013	530000
		LRSO,Wokha	04/06/2013	1200000
		LRSO, Kohima	04/06/2013	1200000
		LRSO, Mokokchung	04/06/2013	548000
		LRSO, Dimapur	04/06/2013	1966000
		Zymax Technology	25/07/2013	960000
		Survey of India	33/9/2013	74160
		Lithungo	23/09/2013	505581
		Keviephizo	23/09/2013	568751
		SP Enterprises	23/09/2013	14000
		Balance as on 31/10/2013		
Total				23637800

Appendix-2.7.1

Statement showing the details of Stone Boulders and Chips purchased during 2011-13 by BDO Phomching.

(Reference: Paragraph-2.7.1)

(Amount in ₹)

Sl. No.	Name of Village	<u>Expenditure incurred on purchase of Stone Boulders and Chips from</u>			Total (Col.3+4+5)
		M/s Noksem Stone Industry, Phomching during 2011-12	M/s Kaipha Stone Industry, Phomching during 2012-13.	M/s Wokhao Stone Industry, Tapi during 2012-13.	
1	2	3	4	5	6
1.	Longwa	2979841	3614680	1045832	7640353
		232050	270600	82850	585500
2.	Longzang	1733486	2157900	651994	4543380
3.	L/Wasa	413228	521500	159696	1094424
4.	Nyahnyu	1345936	1658000	524717	3528653
5.	Nyasa	1247602	1535212	457476	3240290
6.	S/Chingnyu	2954668	3002500	1357226	7314394
		276120	241200	112250	629570
7.	S/Mokok	1050066	370800	1205624	2626490
8.	S/Wamsa	1552372	594000	1931519	4077891
9.	S/Tangtem	2011774	744000	2425650	5181424
10.	Yuching	1161740	415200	1487626	3064566
11.	Pukha	681008	710400	948061	2339469
12.	Tangnyu	3062813	710400	3823198	7596411
13.	Wetting	539140	216000	691630	1446770
Total		21241844	16762392	16905349	54909585

Appendix-3.1

Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31st March 2014 in respect of Government Companies

(Reference: Paragraph- 3.3.1)

(Figures in column 5(a) to 6(d) are ₹ in crore)

Sl. No.	Sector & name of the Company	Name of the Department	Month and year of incorporation	*Paid up Capital				Loans outstanding at the close of 2013-14**				Debt equity ratio	Manpower (No. of Employees as on (31.03.2014))
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
1	2	3	4	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	7	8
A. Working Government Companies													
FINANCE													
1.	Nagaland Industrial Development Corporation Ltd, Dimapur	Industries & Commerce	26.03.70	18.47	--	4.73	23.20	--	--	40.14	40.14	1.73:1	79
	Sector wise total			18.47	--	4.73	23.20	--	--	40.14	40.14	1.73:1	79
MANUFACTURING													
2	Nagaland State Mineral Development Corporation Ltd., Kohima	Geology & Mining	21.05.81	1.60	--	--	1.60	--	--	--	--	--	218
	Sector wise total			1.60	--	--	1.60	--	--	--	--	--	218
SERVICES													
3	Nagaland Hotels Ltd, Dimapur	Industries & Commerce	17.03.82	1.53	--	0.40	1.93	--	--	8.94	8.94	4.63:1	161
	Sector wise total			1.53	--	0.40	1.93	--	--	8.94	8.94	4.63:1	161

Figures in column 5(a) to 6(d) are ₹ in crore)

Sl. No.	Sector & name of the Company	Name of the Department	Month and year of incorporation	*Paid up Capital				Loans outstanding at the close of 2013-14**				Debt equity ratio	Manpower (No. of Employees as on 31.03.2014)
1	2	3	4	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	7	8
	MISCELLANEOUS												
4	Nagaland Handloom & Handicrafts Development Corporation., Ltd	Industries & Commerce	27.02.79	6.77	1.14	--	7.91	0.73	--	11.81	12.54	1.59:1	133
5	Nagaland Industrial Raw Materials Supply Corporation Ltd., Dimapur	Industries & Commerce	28.03.73	1.23	--	--	1.23	--	--	0.04	0.04	0.03:1	32
	Sector wise total			8.00	1.14	--	9.14	0.73	--	11.85	12.58	1.38:1	165
	Total A (All sector wise working Government Companies)			29.60	1.14	5.13	35.87	0.73	--	60.93	61.66	1.72:1	623
	B.. Non-working Companies												
	MANUFACTURING												
6	**Nagaland Sugar Mills Company Ltd., Dimapur	Industries & Commerce	22.03.73	4.96	--	--	4.96						
	Sectorwise total			4.96	--	--	4.96						
	Total B (All sector wise non-working Government Companies)			4.96	--	--	4.96						
	Grand Total (A+B)			34.56	1.14	5.13	40.83	0.73	--	60.93	61.66	1.51:1	623

* paid up capital includes share application money.
 *loan outstanding at the close of 2013-14 represent long-term loans only.
 ** Figures of 1995-96 have been incorporated as the Company has not furnished information since 1996-97.

Appendix-3.2

Statement showing grants and subsidy received/receivables, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March, 2014.
(Reference: Paragraph- 3.4.1)

(Figures in column 3(a) to 6(d) are ₹ in crore)

Sl. No	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and Subsidy received during the year					Guarantees received during the year and commitment at the end of the year	Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	others	Total	Received		Commitment ^s	Loans / payment Written off	Loans converted into Equity	Interest/ Penal interest waived
1	2	3(a)	3(b)	4(a)	4(b)	4(c)	4(d)	5(a)	5(b)	6(a)	6(b)	6(c)	6(d)
A. Working Government Companies													
FINANCE													
1	Nagaland Industrial Development Corporation Ltd, Dimapur	4.25	--	3.63	--	--	3.63	6.55	--		--	--	--
Sector wise Total		4.25	--	3.63	--	--	3.63	6.55	--		--	--	--
MANUFACTURING													
2	Nagaland State Mineral Development Corporation Ltd., Kohima	--	--	--	5.00	--	5.00	--	--	--	--	--	--
Sector wise Total					5.00	--	5.00	--	--	--	--	--	--
SERVICES													
3	Nagaland Hotels Limited	--	--	--	3.00	--	3.00	--	--	--	--	--	--
Sector wise Total					3.00	--	3.00	--	--	--	--	--	--

Sl. No	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and Subsidy received during the year			Guarantees received during the year and commitment at the end of the year		Waiver of dues during the year				
		Equity	Loans	Central Government	State Government	others	Total	Received	Commitment's	Loans payment t Written off	Loans converted into Equity	Interest/ Penal interest waived	Total
1	2	3(a)	3(b)	4(a)	4(b)	4(c)	4(d)	5(a)	5(b)	6(a)	6(b)	6(c)	6(d)
MISCELLANEOUS													
4	Nagaland Handloom & Handicrafts development Corporation. Ltd	--	--	2.72	6.70	--	9.42	--	15.00	--	--	--	--
5	Nagaland Industrial Raw material supply corporation	--	--	--	1.30	--	1.30	--	---	--	--	--	--
Sector wise Total		--	--	2.72	8.00	--	10.72	--	15.00	--	--	--	--
Total (A) All Sector wise working Government Companies		4.25	--	6.35	16.00	--	22.35	6.55	15.00	--	--	--	--
MANUFACTURING													
Nagaland Sugar Mills Company Ltd		--	--	--	--	--	---	--	--	--	---	--	--
Total		4.25	--	6.35	16.00	--	22.35	6.55	15.00	--	--	--	--

\$ Figures indicate guarantees outstanding at the end of the year.

Appendix-3.3

Summarised financial results of Government Companies for the latest year for which accounts are finalised.
(Reference: Paragraph 3.6.1)

(Figures in column 5(a) to (6) and (8) to (10) are ₹incrore)

Sl No	Sector & Name of the Company	Period of accounts	Year in which finalized	Net Profit (+)/Loss (-)			Turn over	Impact of Acco units Comm ents	Paid up Capital	Accum ulated Profit(+) Loss(-)	Capital Employed @	Return on Capital Employed #	Percentage of return on Capital Employed	
				Net Profit/ Loss before interest & depreciation	Interest	Depre- ciation	Net Profit/ Loss							
1	2	3	4	5(a)	5(b)	5(c)	5(d)	6	7	8	9	10	11	12
A. Working Government Companies														
FINANCE														
1	Nagaland Industrial Development Corporation Ltd	2012-13	2014-15	0.36	1.22	0.68	₹1.54	1.97	--	18.95	₹20.71	38.03	₹0.32	--
Sector wise Total				0.36	1.22	0.68	₹1.54	1.97	--	18.95	₹20.71	38.03	₹0.32	--
MANUFACTURING														
2	Nagaland State Mineral Development Corporation Ltd., Kohima	2009-10	2014-15	1.79	0.02	0.73	1.04	0.46	₹0.38	1.60	₹ 0.49	1.04	1.06	102
Sector wise Total				1.79	0.02	0.73	1.04	0.46	₹0.38	1.60	₹ 0.49	1.04	1.06	102
SERVICES														
3	Nagaland Hotels Limited	2008-09	2014-15	1.10	0.31	0.27	0.52	3.15	₹0.09	0.40	₹8.44	₹1.63	0.83	--
Sector wise Total				1.10	0.31	0.27	0.52	3.15	₹0.09	0.40	₹8.44	₹1.63	0.83	--
MISCELLANEOUS														
4.	Nagaland Handloom & Handicrafts Development Corporation. Ltd.	2009-10	2013-14	0.16	0.16	0.14	₹0.14	0.28	--	0.83	₹4.16	7.28	0.02	0.27

SI No	Sector & Name of the Company	Period of accounts	Year in which finalized	Net Profit (+)/Loss (-)				Turn over	Impact of Acco units Comm ents	Paid up Capital	Accum ulated Profit(+) Loss(-)	Capital Employed	Return on Capital Employed	Percentage of return on Capital Employed	
1	2	3	4	Net profi/Loss before interest & depreciation	Interest	Depreciati on	Net Profit/ Loss	5	6	7	8	9	10	11	12
5	Nagaland Industrial Raw Supply Corporation Ltd.	2009-10	2014-15	0.64	--	0.02	0.62	0.12	--	0.10	0.85	0.75	0.62	9.80	
Sector wise Total				0.80	0.16	0.16	0.48	0.40	--	0.93	0.501	6.53	0.64		
Total (A) All Sector wise working Government Companies				4.05	1.71	1.84	0.50	5.98	0.47	21.88	0.34.65	43.97	2.21	5.02	
B. Non-working Government Companies,															
MANUFACTURING															
1	Nagaland Sugar Mills Company Ltd., Dimapur	1977-78	1992-93	--	--	--	--	--	--	4.96	0.14.70	--	--	--	
Sector wise Total				--	--	--	-	--	--	4.96	0.14.70	--	--	--	
Total (B) All Sector wise working Government Companies															
Grand Total (A+B)				4.05	1.71	1.84	0.50	5.98	0.47	26.84	0.49.35	43.97	2.21	5.02	

#Return on Capital Employed has been worked out by adding back the interest charged to Profit and Loss account to net profit/Loss figure.
@ Capital employed represents shareholders' fund Plus long term borrowing

Appendix- 4.2.1

Statement showing the details of VAT evaded by the three dealers and the interest payable by them.

(Reference: Paragraph - 4.2)

A. M/s. Urban Station, Dimapur Nagaland.

A(i) Details of Annual Returns of the dealer and VAT assessed by the Assessing Authority.

(Amount in ₹)

Year	Gross Turn Over ¹	Taxable Turnover	Tax payable	Interest Charged	Total (4+5)	Tax paid
1	2	3	4	5	6	7
2010-11	3704192	3704192	463024	27500	490524	490524
2011-12	5223616	5223616	692128	9426	701554	690000
2012-13	6870540	6870540	910347	0	910347	91000
Total	15798348	15798348	2065499	36926	2102425	1271524

A(ii) Evasion of Tax as observed by audit.

(Amount in ₹)

Year	GTO as per Trading account	Sales reported by Transport Dept (Kohima&Dimapur)	Turnover escaped assessment (3-2)	Rate of NVAT	Amount of NVAT evaded
1	2	3	4	5	6
2010-11	3704192	87848737	84144545	12.5 %	10518068
2011-12	5223616	89179533	83955917	13.25 %	11124159
2012-13	6870540	33208064	26337524	13.25 %	3489722
Total	15798348	210236334	194437986		25131949

A(iii) Interest payable by the dealer

(Amount in ₹)

Year	Amount of NVAT evaded	No of months for which interest is payable	Amount of interest at 2 per cent per month
1	2	3	4
2010-11	10518068	39 (May 2011 to July 2014)	8204093
2011-12	11124159	27 (May 2012 to July 2014)	6007046
2012-13	3489722	15 (May 2013 to July 2014)	1046917
Total interest payable by the dealer			15258060

¹ The Turnover amount shown is only of the motor vehicle spare parts/accessories.

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Appendix- 4.2.1- Concl'd.

B M/s. KahoMotors, NH-39, Naharbari, Dimapur

B(i) Details of Annual Returns of the dealer and VAT assessed by the Assessing Authority.

(Amount in ₹)

Year	GTO	TTO	Tax payable ²	Interest Charged	Total payable (4+5)	Tax paid
1	2	3	4	5	6	7
2010-11	2171535	2171535	142436	12000	154436	154436
2011-12	8009350	8009350	968463	237012	1205475	100000
2012-13	The dealer closed the business. However, no request for cancellation of Registration was made. Recovery proceedings initiated for recovery of outstanding tax liability assessed in 2011-12.					
Total	10180885	10180885	1110899	249012	1359911	254436

B(ii) Evasion of Tax as observed by audit.

(Amount in ₹)

Year	GTO as per Trading account	Sales reported by Transport Dept (Kohima&Dimapur)	Turnover escaped assessment (3-2)	Rate of NVAT	Amount of NVAT evaded
1	2	3	4	5	6
2010-11	2171535	39301286	37129751	12.5 %	4641219
2011-12	8009350	96613044	88603694	13.25 %	11739989
2012-13	NA	32208383	32208383	13.25 %	4267611
Total	10180885	168122713	157941828		20648819

B(iii) Interest payable by the dealer

(Amount in ₹)

Year	Amount of NVAT evaded	No of months for which interest is payable	Amount of interest at 2 per cent per month
1	2	3	4
2010-11	4641219	39 (May 2011 to July 2014)	3620151
2011-12	11739989	27 (May 2012 to July 2014)	6339594
2012-13	4267611	15 (May 2013 to July 2014)	1280283
Total interest payable by the dealer			11240028

² Tax payable worked out after allowing Input Tax Credit.

APPENDIX 5.3.1

Statement showing variation in specifications between requirement of the Department and DPR and specifications as per Work Orders issued

(Reference: Paragraphs 9.3 & 9.5)

(i) Construction of permanent headquarters for 9th NAP (IR) Battalion at Saijang.

As per requirement of the Department				As per DPR			
Sl.No.	Type	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)
1.	I (a)	682	375	255750	202	375	75750
2.	I (b)	0	0	0	480	452	216960
3.	III	59	606	35754	60	1246	74760
4.	IV (a)	10	740	7400	12	868	10416
5.	IV (b)	0	0	0	4	868	3472
6.	V	8	1143	9144	9	1143	10287
7.	VI	4	1600	6400	4	1600	6400
8.	Barrack	9	1040	9360	9	2170	19530
				323808			417575

(ii) Construction of permanent headquarters for 10th NAP (IR) Battalion at Zhadima

As per requirement of the Department				As per DPR			
Sl.No.	Type	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)
1.	I	682	375	255750	360	452	162720
2.	III	59	606	35754	60	624	37440
3.	IV	10	740	7400	18	868	15624
4.	V	8	1143	9144	9	1143	10287
5.	VI	4	1600	6400	4	1600	6400
6.	Barrack	9	1040	9360	20	2170	43400
				323808			275871

(iii) Construction of permanent headquarters for 11th NAP (IR) Battalion at Aboi, Mon.

Sl.No.	As per requirement of the Department				As per DPR			As per Work Order		
	Type	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)
1.	I	682	448	305536	360	545	196200	360	448	161280
2.	III	59	624	36816	60	745	44700	60	624	37440
3.	IV	10	740	7400	18	1039	18702	18	870	15660
4.	V	8	1143	9144	9	1227	11043	9	1143	10287
5.	VI	4	1600	6400	4	2113	8452	4	1600	6400
6.	Barrack Main Building	9	2170	19530	20	2000	40000	20	1540	30800
				384826			319097			261867

(iv) Construction of permanent headquarters for 12th NAP (IR) Battalion at Chingtok, Longleng.

Sl.No.	As per requirement of the Department				As per DPR			As per Work Order		
	Type	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)
1.	I	459	448	205632	360	545	196200	360	448	161280
2.	III	35	624	21840	60	745	44700	60	624	37440
3.	IV	9	868	7812	18	1039	18702	18	870	15660
4.	V	5	1143	5715	9	1227	11043	9	1143	10287
5.	VI	4	1600	6400	4	2113	8452	4	1600	6400
6.	Barrack Main Building	19	2170	41230	20	2000	40000	20	1540	30800
				288629			319097			261867

(v) Construction of permanent headquarters for 13th NAP (IR) Battalion at Yachang, Mokokchung.

Sl.No.	As per requirement of the Department				As per DPR			As per Work Order		
	Type	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)
1.	I	459	448	205632	360	545	196200	360	448	161280
2.	III	35	624	21840	60	745	44700	60	624	37440
3.	IV	9	868	7812	18	1039	18702	18	870	15660
4.	V	5	1143	5715	9	1227	11043	9	1143	10287
5.	VI	4	1600	6400	4	2113	8452	4	1600	6400
6.	Barrack Main Building	19	2170	41230	20	2000	40000	20	1540	30800
				288629			319097			261867

(vi) Construction of permanent headquarters for 14th NAP (IR) Battalion at Okhezung, Kiphire.

Sl.No.	As per requirement of the Department				As per DPR			As per Work Order		
	Type	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)	Nos.	Plinth Area/unit (Sft.)	Total Plinth Area (Sft.)
1.	I	682	448	305536	360	545	196200	360	448	161280
2.	III	59	624	36816	60	745	44700	60	624	37440
3.	IV	10	740	7400	18	1039	18702	18	870	15660
4.	V	8	1143	9144	9	1227	11043	9	1143	10287
5.	VI	4	1600	6400	4	2113	8452	4	1600	6400
6.	Barrack Main Building	9	2170	19530	20	2000	40000	20	1540	30800
				384826			319097			261867

Appendix 5.3.2

Statement showing splitting up of work

(Reference: Paragraph 9.4)

Name of the Division	Location	Group/Part name of work	Work Order No.	Name of the Contractor	Amount (₹)
Project Engineer, Chumukedima Division.	9 th NAP (IR) Battalion at Saijang	Name of Work : R/Wall under PH-I			
			PE/PP/T-9/2005-06/979-81	G.T. Rengma	50000
			PE/PP/T-9/2005-06/982-84	G.T. Rengma	50000
		Name of Work : Jungle Clearing under Ph-I			
		Gr-B	PE/PP/T-9/2005-06/963-65	G.T. Rengma	50000
		Gr-E	PE/PP/T-9/2005-06/957-59	G.T. Rengma	50000
		Gr-F	PE/PP/T-9/2005-06/960-62	G.T. Rengma	50000
		Name of Work : Site Levelling Ph-I			
		Gr-A	PE/PP/T-9/2005-06/945-47	G.T. Rengma	50000
		Gr-C	PE/PP/T-9/2006-07/951-53	G.T. Rengma	50000
		Gr-D	PE/PP/T-9/2005-06/954-56	G.T. Rengma	50000
		Gr-H	PE/PP/T-9/2005-06/966-68	G.T. Rengma	50000
		Name of Work : Const. of R/Wall at Jawan Barrack Colony under HUDCO Ph-I			
			PE/PP/T-9/2005-06/861-63	K. Z-mo	50000
			PE/PP/T-9/2005-06/858-60	K. Z-mo	50000
			PE/PP/T-9/2005-06/855-57	Kaiki	50000
			PE/PP/T-9/2005-06/852-54	Vehopu Sumi	50000
			PE/PP/T-9/2005-06/846-48	Veho	50000
			PE/PP/T-9/2005-06/908-09	G.T. Rengma	50000
			PE/PP/T-9/2005-06/906-07	G.T. Rengma	50000
			PE/PP/T-9/2005-06/904-05	G.T. Rengma	50000
		Name of Work : Const. of Kitchen for Project Office under HUDCO Ph-I			
		Gr-A	PE/PP/T-9/2005-06/919-21	G.T. Rengma	50000
		Gr-A	PE/PP/T-9/2005-06/916-18	G.T. Rengma	50000
		Gr-A	PE/PP/T-9/2005-06/925-927	G.T. Rengma	50000
		Gr-A	PE/PP/T-9/2005-06/922-24	G.T. Rengma	50000
		Gr-B	PE/PP/T-9/2005-06/931-33	G.T. Rengma	50000
		Gr-B	PE/PP/T-9/2005-06/928-30	G.T. Rengma	50000
		Name of Work : Const. of Protection wall under HUDCO Ph-I			
			PE/PP/T-9/2006-07/31-33	Nribeno Lotha	50000
		Gr-B	PE/PP/T-9/2006-07/28-30	Nribemo Lotha	50000
		Name of Work : Const. of Ty-VI Extra work under HUDCO			
		Gr-B	PE/PP/T-9/2005-06/959-61	N.R. Zeliang	50000
		Gr-A	PE/PP/T-9/2005-06/956-58	N.R. Zeliang	50000
		Name of Work : Const. of approach road for cutting side drain and formation cutting under HUDCO Ph-I			
			PE/PP/T-13/2005-06/882-84	Thathang	50000
			PE/PP/T-13/2005-06/870	Thathang	50000
		Name of Work : Const. of Q. Guard Extra Work			
		Gr-E	PE/PP/T-13/2005-06/455-57	N. R. Zeliang	50000
		Gr-D	PE/PP/T-13/2005-06/452-54	N.R. Zeliang	50000
		Gr-C	PE/PP/T-9/2005-06/449-51	N.R. Zeliang	50000
		Gr-B	PE/PP/T-9/2005-06/446-48	N.R. Zeliang	50000
		Gr-A	PE/PP/T-9/2005-06/443-445	N.R. Zeliang	50000
		Name of Work : Const. of CRM side drain at Athibung road junction to Bn. office road under HUDCO Ph-II			
			PE/PP/T-9/2006-07/52-54	Vikugha	50000
			PE/PP/T-9/2006-07/49-51	Vikugha	50000
		Name of Work : Const. of R/Wall Ty-III Ph-III			
		Gr-A	PE/PP/T-9/2007-08/480-82	Z.K. Angami	50000
		Gr-B	PE/PP/T-9/2007-08/474-76	Z.K. Angami	50000
		Name of Work : Int. Elect D/Hall Kitchen -2 Nos. Ph-III			
			PE/PP/T-13/2006-07/462-64	Associate Electrical	47552

Appendix 5.3.2 (Contd.)

Name of the Division	Location	Group/Part name of work	Work Order No.	Name of the Contractor	Amount (₹)	
			PE/PP/T-13/2006-07/459-61	Electrical Dia	47246	
			PE/PP/T-13/2006-07/450-52	Associate Electrical	49983	
			PE/PP/T-13/2006-07/547-49	Associate Electrical	51620	
			PE/PP/T-13/2006-07/544-46	Electrical Dia	57200	
		Name of Work : Const. of CRM P/wall at J/Bak near W.T. Station Ph-II				
			PE/PP/T-9/2007-08/138-40	Hovikhu	50000	
			PE/PP/T-9/2007-08/136-37	Kevi	50000	
			PE/PP/T-9/2007-08/133-35	Aomeren	50000	
			PE/PP/T-9/2007-08/130-32	Danillo	50000	
			PE/PP/T-9/2007-08/187-89	Tiala	50000	
			PE/PP/T-9/2007-08/184-86	Vepra	50000	
		Name of Work : Const. of CRM side drain at J/Bak Road Ph-II				
		528m to 602m	PE/PP/T-9/2007-08/124-26	K.K.Cheri	50000	
		448m to 528m	PE/PP/T-9/2007-08/121-23	K.K. Cheri	50000	
		372m to 448m	PE/PP/T-9/2007-08/118-20	K.K. Cheri	50000	
		297m to 372m	PE/PP/T-9/2007-08/115-17	K.K. Cheri	50000	
		223m to 296m	PE/PP/T-9/2007-08/112-14	K.K. Cheri	50000	
		148m to 222m	PE/PP/T-9/2007-08/109-11	K.K. Cheri	50000	
		74m to 147m	PE/PP/T-9/2007-08/106-08	K.K. Cheri	50000	
		0m to 74m	PE/PP/T-9/2007-08/103-05	K.K. Cheri	50000	
		366m to 440m	PE/PP/T-9/2007-08/96-98	K. Honita Sema	50000	
		74m to 148m	PE/PP/T-9/2007-08/93-95	K. Honita Sema	50000	
		Name of Work : Const. of CRM side drain				
			PE/PP/T-9/2007-08/146-48	Shikute Yeptho	50000	
			PE/PP/T-9/2007-08/143-45	Shikute Yeptho	50000	
		Name of Work : Const. of P/wall at Ty-I colony				
		Gr-J	PE/PP/T-9/2006-07/387-89	V.M. Chakhesang	50000	
		Gr-I	PE/PP/T-9/2006-07/384-86	V.M. Chakhesang	50000	
		Gr-H	PE/PP/T-9/2006-07/381-83	V.M. Chakhesang	50000	
		Gr-G	PE/PP/T-9/2006-07/378-80	V.M. Chakhesang	50000	
		Gr-F	PE/PP/T-9/2006-07/375-77	V.M. Chakhesang	50000	
		Gr-E	PE/PP/T-9/2006-07/372-74	V.M. Chakhesang	50000	
		Gr-D	PE/PP/T-9/2006-07/369-71	V.M. Chakhesang	50000	
		Gr-C	PE/PP/T-9/2006-07/366-68	V.M. Chakhesang	50000	
		Gr-B	PE/PP/T-9/2006-07/363-65	V.M. Chakhesang	50000	
		Gr-A	PE/PP/T-9/2006-07/360-62	V.M. Chakhesang	50000	
Grand Total (71 Nos. of work orders)					3553601	

Appendix 5.3.2 (Contd.)

Name of the Division	Location	Group/Part name of work	Work Order No.	Name of the Contractor	Amount (₹)
Project Engineer, Kohima Division	10 th NAP (IR) Zhadima	Name of Work : Construction of permanent Hqtr for 10th NAP Bn at Zhadima (under HUDCO) (Providing CRSM protection wall at type - III & IV Qtr at Zhadima)			
		Group-A	NO:PE/PP/KMA/TECH/HUDCO/2009-10/12	M/S. R. K. Angami	483700
		Group-B	NO:PE/PP/KMA/TECH/HUDCO/2009-10/13	M/S. Eastern Constn.	483700
		Group-C	NO:PE/PP/KMA/TECH/HUDCO/2009-10/14	M/S. United Brothers	483700
		Group-D	NO:PE/PP/KMA/TECH/HUDCO/2009-10/15	M/S. Chire & Sons	483700
		Group-E	NO:PE/PP/KMA/TECH/HUDCO/2009-10/16	P. Pienyu & Com.	483700
		Group-F	NO:PE/PP/KMA/TECH/HUDCO/2009-10/17	M/S. Razouvoyi. Tetseo	483700
		Name of Work : Providing CRSM P/wall			
		Group- A	NO:PE/PP/KMA/TECH/HUDCO/2009-10/18	M/S. Zupa Constn.	483700
		Group- B	NO:PE/PP/KMA/TECH/HUDCO/2009-10/19	M/S. Techno Constn.	483700
		Group- C	NO:PE/PP/KMA/TECH/HUDCO/2009-10/20	M/s. K. V. Angami	483700
		Group- D	NO:PE/PP/KMA/TECH/HUDCO/2009-10/21	M/s. V. & Sons	483700
		Group- E	NO:PE/PP/KMA/TECH/HUDCO/2009-10/22	M/S. Pelevituo. Angami	483700
		Group- F	NO:PE/PP/KMA/TECH/HUDCO/2009-10/23	M/s. Zhao Angami	483700
		Name of Work: Providing CRSM R/wall at location - 1, 2,3 & 4) T/L = 24m.			
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/42	Besupra Swaro	355900
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/68	M/S. Besupra Swaro	355900
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/51	M/S. Zhao. Angami	355900
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/47	M/S. Kekhriengulie Thenuo	355900
		(Group - D)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/62	M/S. K. K Chire & CO.	355900
		(Group - E)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/65	M/S. RNDM Com.	355900
		(Group - F)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/67	M/S. Neiphrolei. Chatsu	355900
		(Group - G)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/66	M/S. Neiphrolei. Chatsu	355900
		(Group - H)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/60	M/S. Thinuokhriezo Khoubve	355900
		Name of Work : Providing CRSM R/wall at plot - 1 at Zhadima) T/L = 24m			
		(Group - A) Part - A	NO:PE/PP/KMA/TECH/HUDCO/2009-10/81	M/S. L. K. Bao-o	355900
		(Group - A) Part - 1	NO:PE/PP/KMA/TECH/HUDCO/2009-10/64	M/S. N. K Constn.	355900
		(Group - B) Part- 1	NO:PE/PP/KMA/TECH/HUDCO/2009-10/45	M/S. R. K. Angami & CO.	355900
		(Group - B) Part - 1	NO:PE/PP/KMA/TECH/HUDCO/2009-10/80	M/S. K. Helei	424000
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/59	M/S. Ketoho. Hibo	355900
		Name of Work : Providing CRSM R/wall at plot - 2 T/L = 24m.			

Appendix 5.3.2 (Contd.)

Name of the Division	Location	Group/Part name of work	Work Order No.	Name of the Contractor	Amount (₹)
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/35	M/S. K. V. Angami	355900
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/36	Z. Kholie & Co.	355900
		Name of Work : Providing CRSM R/wall at plot - 3, 4 & 5			
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/40	Neibo-o	355900
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/39	Z. A & Co.	355900
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/41	Neibo-o	355900
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/77	M/S. Z. A & Co.	355900
		(Group - D)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/52	M/S. T. N. Selei & Co.	355900
		Name of Work : Providing CRSM R/wall at location - 4 T/L = 24m			
		Group - A	NO:PE/PP/KMA/TECH/HUDCO/2009-10/27	M/S. Pelevituo. Angami	355900
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/58	M/S. K. V. Angami & Co.	355900
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/50	M/S. Pelevituo. Angami	355900
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/34	M/S. Pelevituo. Angami	355900
		(Group - D)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/55	M/S. Z. Rulho	355900
		Name of Work : Providing CRSM R/wall at location - 5) T/L = 24m			
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/48	M/S. R. K. Angami	355900
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/44	M/S. K. Lelie	355900
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/46	M/S. R. K. Angami & CO.	355900
		Group - D	NO:PE/PP/KMA/TECH/HUDCO/2009-10/29	M/S. R. K. Angami	355900
		(Group - E)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/33	M/S. K. V. Angami	355900
		Name of Work : Providing CRSM R/wall at location - 6 T/L = 24m			
		Group - A Part - 1	NO:PE/PP/KMA/TECH/HUDCO/2009-10/30	M/S. Ngulei Solo.	355900
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/76	M/S. Keneinguzo & Co.	355900
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/74	M/S. Highland Constn. Com.	355900
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/32	M/S. T. T. Constn.	355900
		Name of Work : Providing CRSM R/wall at location - 7 & 8) T/L = 24m			
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/63	Aboule. Sachu.	355900
		Group - A	NO:PE/PP/KMA/TECH/HUDCO/2009-10/28	M/S. Techno Constn.	355900
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/69	M/S. Keneinguzo & Co.	355900
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/70	M/S. Techno Constn.	355900
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/61	M/S. V & Sons	355900

Appendix 5.3.2 (Contd.)

Name of the Division	Location	Group/Part name of work	Work Order No.	Name of the Contractor	Amount (₹)
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/49	M/S. Besupra Swaro	355900
		(Group - D)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/43	M/S. Vithanyu. Yano	355900
		Name of Work : Providing CRSM R/wall at plot - 8 & 9			
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/37	Khrievolhou	355900
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/38	Keneinguzo	355900
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/72	M/S. Peter Kuotsu & Co.	355900
		Name of Work :Providing CRSM R/wall at location 10 & 11 T/L = 24m.			
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/54	M/S. RhiNo. Constn. Agency	355900
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/71	M/S. United Brothers Constn.	355900
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/53	M/S. Z. Kholei & Co.	355900
		(Group - D)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/73	M/S. Regency Constn. Com.	355900
		(Group - E)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/75	M/S. Neangba. Konyak	355900
		Name of Work Providing CRSM R/wall at location - 4 & near location - 6 T/L = 52m.			
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/56	M/S. K. V. Angami & Co.	355900
		(Group - D)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/57	M/S. R. K. Angami & CO.	355900
		Name of Work : Construction of permanent Hqtr for 10th NAP Bn at Zhadima (under HUDCO) (Constion of RCC with CRSM wather tank reservoir at Zhadima)			
		(Group - A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/83	M/S. Arep. Changkiya	375700
		(Group - B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/84	Techno. Constn.	270640
		(Group - C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/85	M/S. Peter Kuotsu & Co.	284794
		Name of Work : Constn. Of CRSM wall around the reservoir at Zhadima			
		(Group- A)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/86	M/S. Klas Enterprises	342176
		(Group- B)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/87	M/S. Cite. Corporation.	288746
		(Group- C)	NO:PE/PP/KMA/TECH/HUDCO/2009-10/88	M/S. Arep. Changkija	288746
		Name of Work : Construction of permanent Hqtr for 10th NAP Bn at Zhadima (under HUDCO) (Constn. of Gallery with CRSM for parade ground at Zhadima)			
		Group – A	NO:PE/PP/KMA/TECH/HUDCO/2009-10/89	M/S. Bill. Tech	426280
		Group - B	NO:PE/PP/KMA/TECH/HUDCO/2009-10/90	M/S. Rhino Constn & Agency	426280
		Group – C	NO:PE/PP/KMA/TECH/HUDCO/2009-10/91	M/S. Klas Enterprises	426280
		Group - D	NO:PE/PP/KMA/TECH/HUDCO/2009-10/92	M/S. Sahu. Angami	426280
		Name of Work :Construction of permanent Hqtr for 10th NAP Bn at Zhadima (under HUDCO) (Providing under ground drainage at parade ground at Zhadima)			
		Group - B	NO:PE/PP/KMA/TECH/HUDCO/2009-10/94	M/S. Techno Constn.	294600

Appendix 5.3.2 (Contd.)

Name of the Division	Location	Group/Part name of work	Work Order No.	Name of the Contractor	Amount (₹)	
		Group - C	NO:PE/PP/KMA/TECH/HUDCO/2009-10/95	M/S. Premier Enterprises	281800	
		Group - D	NO:PE/PP/KMA/TECH/HUDCO/2009-10/96	Ruokuo Angami	281800	
		Name of Work : Construction of permanent Hqtr for 10th NAP Bn at Zhadima (under HUDCO) (Providing CRSM side drainage at Zhadima) T/L = 132m				
		Group - A	NO:PE/PP/KMA/TECH/HUDCO/2009-10/82	M/S. Chandaw	355900	
		Group - B	NO:PE/PP/KMA/TECH/HUDCO/2009-10/98	M/S. Thefureio Mario	355900	
		Name of Work : Construction of permanent Hqtr for 10th NAP Bn at Zhadima (under HUDCO) (Providing CRSM wall below barrack) T/L = 15m				
		Group - A	NO:PE/PP/KMA/TECH/HUDCO/2009-10/102	M/S. Neisakholie Rupu-o	430900	
		Group - B	NO:PE/PP/KMA/TECH/HUDCO/2009-10/103	M/S. Highland Constn. (Pvt) Ltd. Kava	430900	
		Name of Work : Construction of permanent Hqtr for 10th NAP Bn at Zhadima (under S.P.A 2010-11) (Providing CRSM R/wall near RCC type - 1) location - 4				
		Part - A	NO:PE/PP/KMA/TECH/SPA/2010-11/108	M/S. Premier Enterprises	498460	
		Part - B	NO:PE/PP/KMA/TECH/SPA/2010-11/109	Shri. Arep Changkiya	497900	
		Part - C	NO:PE/PP/KMA/TECH/SPA/2010-11/110	Shri. K. Sahu	493200	
		Name of Work : Construction of permanent Hqtr for 10th NAP Bn at Zhadima (under S.P.A 2010-11) (Providing CRSM R/wall near RCC type - 1) location -1, 2, 3, 4				
		Part - A	NO:PE/PP/KMA/TECH/SPA/2010-11/111	Shri. Renthungo Kikon	460000	
		Part - B	NO:PE/PP/KMA/TECH/SPA/2010-11/112	B Wati Ao	460000	
		Name of Work : Providing Res & Non-Res Acco for 10th NAP (IR) Bn at Zhadima(Widening of circular road near unit Hospital at Zhadima				
			NO:PE/PP/KMA/TECH/SPA 2012-13/5	Cheikhutso	500000	
			NO:PE/PP/KMA/TECH/SPA 2012-13/6	J Toshi Jamir	500000	
		Name of Work : Providing Res & Non-Res Acco for 10th NAP (IR) Bn at Zhadima(Widening of road at Zhadima)				
		Group-A	NO:PE/PP/KMA/TECH/SPA 2012-13/1	T Imo Imsong	446500	
		Group-B	NO:PE/PP/KMA/TECH/SPA 2012-13/2	Vizheto Sumi	446500	
		Group-C	NO:PE/PP/KMA/TECH/SPA 2012-13/3	Techno Const	446500	
		Group-D	NO:PE/PP/KMA/TECH/SPA 2012-13/4	Suruhu Constn	446500	
		Name of Work : Construction of permanent Hqtr for 10th NAP Bn at Zhadima (under HUDCO) (Providing CRSM drainage below & above culvert) T/L = 48m				
		Group – A	NO:PE/PP/KMA/TECH/HUDCO/2009-10/101	M/S. Kevin	355900	
		Group - B	NO:PE/PP/KMA/TECH/HUDCO/2009-10/31	M/S. Zeliezhu	355900	
Grand Total (94 Nos. of Work orders)					36274382	

Appendix 5.3.2 (Concl.d.)

Name of the Division	Location	Group/Part name of work	Work Order No.	Name of the Contractor	Amount (₹)
Project Engineer (Chumukedima)	15 th NAP (IR) Bn at Mpetsa	Name of Work : Const. of Cement pavement at main barrack			
			PE/PP/T-15(IR)/2013-14/363-64 dtd:10.09.2013	Kholie	500000
			PE/PP/T-15(IR)/2013-14/359-60 dtd:10.09.2013	K. Medem Ao	500000
			PE/PP/T-15(IR)/2013-14/357-58 dtd:10.09.2013	Panger Ao,	500000
			PE/PP/T-15(IR)/2013-14/355-56 dtd:10.09.2013	G.K. Jinimi	500000
		Name of Work : Const. of Cement pavement at main barrack			
		(Gr-‘A’)	PE/PP/T-15(IR)/2013-14/280-81 dtd:11.12.2013	Mughato Zhimo	500000
		(Gr-‘B’)	PE/PP/T-15(IR)/2013-14/282-83 dtd:11.12.2013	Mughato Zhimo	500000
		(Gr-‘A’)	PE/PP/T-15(IR)/2013-14/378-80 dtd:28.01.2014	Wati Ao	500000
		(Gr-‘B’)	PE/PP/T-15(IR)/2013-14/281-83 dtd:28.01.2014	K.Medem	500000
		(Gr-‘C’)	PE/PP/T-15(IR)/2013-14/384-86 dtd:28.01.2014	Wati Ao)	500000
		(Gr-‘D’)	PE/PP/T-15(IR)/2013-14/387-89 dtd:28.01.2014	K.Medem)	500000
		Name of Work :Site Clearance at Road Side			
		(Gr-‘A’)	PE/PP/T-15(IR)/2013-14/408-10 dtd:06.03.2014	Tako Lkr	296000
		(Gr-‘B’)	PE/PP/T-15(IR)/2013-14/411-13 dtd:06.03.2014	Tako Lkr	300000
Grand Total (12 Nos. of Work Orders)					5596000

Total for 177 work orders = ₹ 4,54,23.983/-

APPENDIX 5.3.3

a) Statement showing Preliminary Estimates for construction of permanent headquarters for 9th and 10th NAP (IR) battalions.

(Reference: Paragraph 9.5)

(₹ in crore)

Sl No.	Type of works	9 th NAP (IR) Battalion at Saijang, Peren	10 th NAP (IR) Battalion at Zhadima, Kohima	Total
1.	Residential buildings	27.56	27.56	55.12
2.	Non-Residential buildings	6.72	6.72	13.44
3.	Other departmental works	3.46	4.19	7.65
	Total cost of works	37.74	38.47	76.21
(a)	Add: Contingency (3%) and Work charged establishment (2%)	1.89	1.92	3.81
(b)	Add: Consultancy charges (2.5%)	0.99	1.01	2.00
(c)	Add: Departmental charges (13%)	5.28	5.38	10.66
	Grand total for the project:	45.90	46.78	92.68

(Source: Departmental records)

b) Statement showing DPRs for construction of permanent headquarters for 9th and 10th NAP (IR) battalions.

(Reference: Paragraph 9.5, Page 9)

(₹ in crore)

Sl No.	Type of works	9 th NAP (IR) Battalion at Saijang, Peren	10 th NAP (IR) Battalion at Zhadima, Kohima	Total
1.	Residential buildings	39.17	28.39	67.56
2.	Non-Residential buildings	6.15	6.15	12.30
3.	Other departmental works	4.19	5.76	9.95
	Total cost of works	49.51	40.30	89.81
(a)	Add: Contingency (3%) and Work charged establishment (2%)	2.48	2.02	4.50
(b)	Add: Consultancy charges (2.5%)	1.30	1.06	2.36
(c)	Add: Departmental charges (13%)	6.93	5.64	12.57
	Grand total for the project:	60.22	49.02	109.24

(Source: Departmental records)

APPENDIX 5.3.4

Statement showing instances of various Work Orders issued to same contractors

(Reference: Paragraph 9.5.2 (i))

Sl No.	Name of work	Name of contractor	Work order amount (₹)	Work Order No	Date of work order
1.	Site development for approach road to play ground via Type I quarter at new site	M/s Eastern Construction	1996000	SE/PEP/TB/TENDER/HUDCO-2009-10/2012-13/1	29-01-2013
2.	Site development for Type I quarter-24 Nos.	M/s Eastern Construction	1967000	SE/PEP/TB/TENDER/HUDCO-2010-11/2012-13/2/28	29-01-2013
3.	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. i/c site development, rain water harvesting, water supply & sanitation at Zhadima	M/s Eastern Construction	3335600	CE/PP/Tech/Plan/TFC/2012-13	16-01-2013
4	Construction of RCC Type I quarters consisting 4 units Gr-A	M/s Eastern Constructions	2470900	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	31.10.2008
5	Construction of RCC Type I quarters consisting 4 units Gr-B	M/s Eastern Constructions	2470900	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	31.10.2008
6	Const. of RCC Flat Type-I Qr Consisting of 4 units=1 No at Zhadima	M/s Global Enterprises, Contractor	2959000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
7	Const. of SP Type Type-III Quarter=1 No. at Zhadima	M/s Global Enterprises, Contractor	771000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	29.10.2009
8	Const. of SP Type Type-III Quarter=1 No. at Zhadima	M/s Hexad Syndicate, Contractor	771000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
9	Construction of Security brick wall for Type V quarter (500 rft) at Zhadima	M/s Hexad Syndicate, Kohima	632700	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.08.2008
10	Const. of SP Type Type-III Quarter=1 No. at Zhadima	M/s K.N. Sachu, Contractor	771000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
11	Const. of SP Type Type-IV Quarter=1 No. at Zhadima	M/s K.N. Sachu, Contractor	1075000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
12	Construction of SP Type I quarter i/c site development, rainwater harvesting, water supply & sanitation	M/s K.V. Angami & Co, Kohima	776670	CE/PP/Tech/Plan/2012-13	20-12-2012
13	Construction of SP Type I quarter i/c site development, rainwater harvesting, water supply & sanitation	M/s K.V. Angami & Co, Kohima	776670	CE/PP/Tech/Plan/TFC/2012-13	20-12-2012
14	Providing Soiling, Metalling & Premix carpeting of Type-I Qrs to Regimental School, Bn Office and Officers Mess Compound, CO res. Compound and approach road at Zhadima	M/s K.V. Angami & Co, Kohima	4505400	CE/PP/TECH/PLAN/2011-12	21.02.2012
15	Metalling Gr I & II to approach road to Type V quarters below jn no.4 at Zhadima	M/s K.V. Angami & Co., Kohima	184187	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	25.07.2008

APPENDIX 5.3.4(Contd.)

Sl No.	Name of work	Name of contractor	Work order amount (₹)	Work Order No	Date of work order
16	Construction of CRSM retaining wall below COs residence (70 rft) Gr B at Zhadima	M/s K.V. Angami & Co., Kohima	1013000	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.08.2008
17	Construction of Retaining wall at Type III quarters below officers mess junction (140 rft) Part A)	M/s Keduo Enterprises, Kohima	576600	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	03.10.2008
18	Construction of Protection wall at Type III quarters	M/s Keduo Enterprises, Kohima	218500	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	16.05.2008
19	Construction of SP type barrack (60'x25')-1 No, kitchen etc	M/s Keneinguzo & Co	2195500	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.11.2008
20	Const. of SP Type Type-IV Quarter=1 No. at Zhadima	M/s Keneinguzo & Co	1075000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	29.10.2009
21	Const. of Regimental School = 1 No. at Zhadima	M/s Keneinguzo & Co	3724200	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	29.10.2009
22	Const. of SP Type Type-III Quarter=1 No. at Zhadima	M/s Klas Enterprises Contractor	771000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
23	Const. of RCC Flat Type-I Qr Consisting of 4 units=1 No at Zhadima	M/s Klas Enterprises Contractor	2959000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
24	Site levelling for RP gate and Guard barrack at Zhadima main gate	M/s Neisakholie Rupre-o & Co., Kohima	589300	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.11.2008
25	Construction of protection wall at Type IV quarters (100 rft) Group A)	M/s Neisakholie Rupre-o & Co., Kohima	199300	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	31.10.2008
26	Construction of Unit entrance gate with guard barrack, sentry post and protection wall	M/s Neisakholie Rupre-o & Co., Kohima	2283020	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	22.08.2008
27	Construction of retaining wall and side drain for Unit Canteen approach road Jn to Tyoe V quarter below Bn Office (300 rft) at Zhadima	M/s Neisakholie Rupre-o & Co., Kohima	442300	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	25.07.2008
28	Construction of retaining wall at Type VI quarter Gr B (100 rft) at Zhadima	M/s Neisakholie Rupre-o & Co., Kohima	303900	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	30.07.2008
29	Construction of Brick Masonry compound wall for COs residence, Bn Office, Main reservior and sub-reservior- 5 Nos at Zhadima	M/s Neisakholie Rupre-o & Co., Kohima	3661945	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	25.07.2008

APPENDIX 5.3.4 (Contd.)

Sl No.	Name of work	Name of contractor	Work order amount (₹)	Work Order No	Date of work order
30	Const. of Unit Hospital = 1 No. at Zhadima	M/s Neiskholie Rupreo & Co., Contractor	6617000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
31	Construction of Boundary Security fencing, retaining walls, sausage walls along with perimeter of 10 NAP (IR) Bn Complex at Zhadima (4870 meter)	M/s Peter Kuotsu & Co., Kohima	27536300	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	18.12.2008
32	Widening of approach road, construction CRSM wall and drainage for Type V quarter below Jn No.1 (170 rft) at Zhadima	M/s Peter Kuotsu & Co., Kohima	290460	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.08.2008
33	Construction of Security fencing around Project store at Zhadima	M/s Peter Kuotsu & Co., Kohima	435000	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.11.2008
34	Const. of SP Type Type-IV Quarter=1 No. at Zhadima	M/s Peter Kuotsu & Company, Contractor	1075000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	30.10.2009
35	Construction of RCC Type III one block consisting of 4 units and Type I-one block at Zhadima (Gr-C)	M/s Rhino Construction & Agency	5871900	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	27.11.2008
36	Const. of SP Type Type-IV Quarter=1 No. at Zhadima	M/s Rhino Construction & Agency, Contractor	1075000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
37	Providing metaling Gr I and III and const of side drain to approach road to Type V quarter near Garages (220 Rft) at Zhadima	M/s RNDM Company Pvt Ltd, Kohima	158360	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	10.03.2009
38	Providing metaling Gr I and III for MT garage at Zhadima	M/s RNDM Company Pvt Ltd, Kohima	1126238	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.08.2008
39	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. i/c site development, rain water harvesting, water supply & sanitation at Zhadima	M/s Suruhu Construction, Zunheboto	3335600	CE/PP/Tech/Plan/TFC 2012-13 (original work order issued for 2 blocks issued in December 2012). Corrigendum reducing it to 1 block issued on 22/4/13	15-12-2012
40	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. i/c site development, rain water harvesting, water supply & sanitation at Zhadima	M/s Suruhu Construction, Zunheboto	3335600	CE/PP/Tech/Plan/TFC 2012-13	15-12-2012
41	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. i/c site development, rain water harvesting, water supply & sanitation at Zhadima	M/s Suruhu Construction, Zunheboto	3335600	CE/PP/Tech/Plan/TFC 2012-13	15-12-2012

APPENDIX 5.3. 4(Contd.)

Sl No.	Name of work	Name of contractor	Work order amount (₹)	Work Order No	Date of work order
42	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. i/c site development, rain water harvesting, water supply & sanitation at Zhadima	M/s T&P Enterprises	3335600	CE/PP/Tech/Plan/TFC 2012-13	15-12-2012
43	Construction of retaining wall at circular road below Regimental School and construction of RCC slab culverts-2 Nos at Circular road at Zhadima under Plan 2011-12	M/s T&P Enterprises	3165562	CE/PP/Tech/Plan/SPA/2012-13	15-12-2012
44	Construction of RCC Type I quarters consisting 4 units Gr-C	M/s T. Longnyei Phom	2470900	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.11.2008
45	Type-III = 1 No. & Type-I = 1 No. including protection wall water supply & sanitation Gr-A	M/s T. Longnyei Phom	1895700	CE/PP/TECH/PLAN-TFC/2011-12	22.02.2012
46	Construction of Retaining wall, Brick masonry compound wall and kitchen attached to officers mess at Zhadima	M/s T. Tachu and Co., Kohima	3144600	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.10.2008
47	Construction of security fencing at Type V quarter and pre-fabricated barracks at Zhadima	M/s T. Tachu and Co., Kohima	667000	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	06.02.2009
48	Const. of SP Type Type-IV Quarter=1 No. at Zhadima	M/s T.Tachu & Co.	1075000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
49	Site levelling for Type III quarters and QM store at Zhadima	M/s Techino Construction Pvt Ltd., Dimapur	3549000	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	20.11.2008
50	Const. of RCC Flat type Type-I Quarter consisting of 4 units = 1 No at Zhadima	M/s United Traders, Contractor	2959000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	30.10.2009
51	Protection wall to approach road to Type IV quarter (110 rft) at Zhadima	M/s United Traders, Kohima	271840	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.08.2008
52	Protection wall at Type III colony (150 rft Gr A) at Zhadima	M/s United Traders, Kohima	382868	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	30.07.2008
53	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. i/c site development, rain water harvesting, water supply & sanitation at Zhadima	M/s Universal Trading Co.	3335600	CE/PP/Tech/Plan/TFC 2012-13 (original work order issued for 2 blocks issued in December 2012). Corrigendum reducing it to 1 block issued on 22/4/17	21-12-2012
54	Providing metalling Gr I & III to approach road to Type V quarters	M/s Z.K. Angami, Kohima	556160	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	17.02.2009
55	Providing brick masonry compound wall for Type V quarters (500 rft) Gr C at Zhadima	M/s Z.K. Angami, Kohima	632700	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	22.08.2008

APPENDIX 5.3.4 (Contd.)

Sl No.	Name of work	Name of contractor	Work order amount (₹)	Work Order No	Date of work order
56	Protection wall at Type III colony (300 rft Gr D &E) at Zhadima	M/s Zeligzhu Angami	765736	CE/PP/T-IRB/UDCO/Zhadima/2008-09	30.08.2008
57	Construction of retaining wall at Type III quarters below officers mess junction (140 rft) Part B)	M/s Zeligzhu Angami	576600	CE/PP/T-IRB/UDCO/Zhadima/2008-09	08.09.2008
58	Protection wall at Type V quarter below Bn Office (150 rft) at Zhadima	M/s Zeligzhu Angami	322519	CE/PP/T-IRB/UDCO/Zhadima/2008-09	25.08.2008
59	Const. of SP Type Type-III Quarter=1 No. at Zhadima	M/s Zeligzhu Angami	771000	CE/PP/T-IRB/UDCO/ZHADIMA/2009-10	26.10.2009
60	Const. of RCC Flat type Type-I Quarter consisting of 4 units = 1 No at Zhadima	M/s Zeligzhu Angami	2959000	CE/PP/T-IRB/UDCO/ZHADIMA/2009-10	29.10.2009
61	Construction of RCC Type III one block consisting of 4 units and Type I-one block at Zhadima (Gr-A)	Shri B. Meren Aier, Kohima	5871900	CE/PP/T-IRB/UDCO/Zhadima/2008-09	14.11.2008
62	Construction of RCC Type III one block consisting of 4 units and Type I-one block at Zhadima (Gr-B)	Shri B. Meren Aier, Kohima	5871900	CE/PP/T-IRB/UDCO/Zhadima/2008-09	14.11.2008
63	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. i/c site development, rain water harvesting, water supply & sanitation at Zhadima	Shri Imkongmar	3335600	CE/PP/Tech/Plan/TFC 2012-13 (original work order issued for 2 blocks issued in December 2012). Corrigendum reducing it to 1 block issued on 22/4/14	21-12-2012
64	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. i/c site development, rain water harvesting, water supply & sanitation at Zhadima	Shri Imkongmar	3335600	CE/PP/Tech/Plan/TFC 2012-13 (original work order issued for 2 blocks issued in December 2012). Corrigendum reducing it to 1 block issued on 22/4/15	21-12-2012
65	Construction of CRSM side drain to family quarters approach road (980 rft)	Shri K.M. Keyho, Kohima	295800	CE/PP/T-IRB/UDCO/Zhadima/2008-09	03.10.2008
66	Construction of protection wall at Type IV quarters (100 rft) Group B)	Shri K.M. Keyho, Kohima	289000	CE/PP/T-IRB/UDCO/Zhadima/2008-09	03.10.2008
67	Const. of SP Type Type-IV Quarter=1 No. at Zhadima	Shri Kezevituo Angami, Contractor	1075000	CE/PP/T-IRB/UDCO/ZHADIMA/2009-10	26.10.2009
68	Const. of RCC Flat type Type-I Quarter consisting of 4 units = 1 No at Zhadima	Shri Kezevituo Angami, Contractor	2959000	CE/PP/T-IRB/UDCO/ZHADIMA/2009-10	30.10.2009
69	Construction of Barrack (40'x22')-1 No for MT platoon at Zhadima	Shri T. Lima Ao	1086950	CE/PP/T-IRB/UDCO/Zhadima/2008-09	26.09.2008

APPENDIX 5.3.4 (Conclld.)

Sl No.	Name of work	Name of contractor	Work order amount (₹)	Work Order No	Date of work order
70	Providing CRSM Drainage, metaling Gr I and III for approach road and compound of Bn store at Zhadima	Shri T. Lima Ao	1132140	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	14.11.2008
71	Type-III = 1 No. & Type-I = 1 No. including protection wall water supply & sanitation Gr-B	Shri T. Lima Ao	1895700	CE/PP/TECH/PLAN-TFC/2011-12	22.02.2012
72	Providing Metalling Gr-I & III to approach road to Type-V Qr above sub-reservoir at Zhadima	Shri Vithanyu Yano, Contractor	226000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	26.10.2009
73	Construction of retaining wall at Type III quarters (Pt B--150 rft)	Shri Vithanyu Yano, Kohima	308600	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	16.05.2008
74	Const. of RCC Flat type Type-I Quarter consisting of 4 units = 1 No at Zhadima	Shri Z. Rulho, Contractor	2959000	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	29.10.2009
75	Construction of RCC Type I quarters consisting 4 units Gr-D	Shri Z. Rulho, Kohima	2470900	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	27.11.2008
76	Providing metalling Gr I&II to Bn office compoun	Shri Z. Rulho, Kohima	1653700	CE/PP/T-IRB/HUDCO/Zhadima/2008-09	08.12.2008
77	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. At Zhadima	Shri Z. Rulho, Kohima	2470900	CE/PP/T-IRB/HUDCO/ZHADIMA/2009-10	12.06.2009

Appendix 5.3.5
Statement showing details of delay/non-commencement of work
(Reference: Paragraph 9.5.2 (ii))

Sl No.	Name of work	Name of contractor	Date of issue of work order	Stipulated date of completion	Value of work (₹)	Status of work (May 2014)
1.	Const. of RCC Flat type Qrs. Consisting 4 units of Type-I Qrs. i/c site development, rain water harvesting, water supply & sanitation at Zhadima-Gr-A	M/s Suruhi Construction	22.04.13 (Original work order issued on 15.12.12, Corrigendum issued thereafter)	January 2014	3335600	Works up to column
2.	-do-, Gr-B	M/s Suruhi Construction	15.12.12	January 2014	3335600	Works up to column
3.	-do-, Gr C	M/s T & P Enterprises	15.12.12	January 2014	3335600	Ground floor slab completed
4.	-do-, Gr-D	M/s S Yemba Chang	15.12.12	January 2014	3335600	Work not yet started
5.	-do-, Gr-F	M/s Suruhi Construction	15.12.12	January 2014	3335600	Not included in Progress Report
6.	-do-, Gr-G	M/s Techno Constructions	15.12.12	January 2014	3335600	Foundation completed
7.	-do-, Gr-K	M/s T. Yanger Imchen & Co.	22.04.13 (Original work order issued on 21.12.12, Corrigendum issued thereafter)	January 2014	3335600	Slab preparation works in progress
8.	-do-, Gr-L	Shri Imkongmar	-do-	January 2014	3335600	Foundation work completed
9.	-do-, Gr-M	Shri Imkongmar	-do-	January 2014	3335600	Works up to column
10.	-do-, Gr-N	M/s Nokin's Enterprises	-do-	January 2014	3335600	Foundation started
11.	-do-, Gr-O	M/s Universal Trading	-do-	January 2014	3335600	Works up to column
12.	-do-, Gr-P	M/s Eastern Star Enterprises	-do-	January 2014	3335600	Slab preparation work in progress
13.	-do-, Gr-Q	M/s Eastern Constructions	16.01.2013	February 2014	3335600	Not included in Progress Report
14.	-do-, Gr-R	M/s K. Viswento	16.01.13	February 2014	3335600	Works up to column
15.	-do-, Gr-T	M/s V.N. Constructions	19.01.13	February 2014	3335600	90 % completed

Appendix 5.3.5 - Concl'd

Sl No.	Name of work	Name of contractor	Date of issue of work order	Stipulated date of completion	Value of work (₹)	Status of work (May 2014)
16.	Construction of Type I (SP) quarters i/c site development, rainwater harvesting, water Supply and sanitation, Gr-H	M/s R.K. Angami & Co.	20.12.12	January 2014	776670	90 % completed
17.	-do-, Gr-I	M/s K.V. Angami	20.12.12	January 2014	776670	90% completed
18.	-do-, Gr-J	M/s K.V. Angami	20.12.12	January 2014	776670	Not included in Progress Report
19.	-do-	M/s Z. Kholie & Co.	16.01.13	February 2014	776670	Foundation work in progress
20.	-do-, Gr-U	Shri Krosal Angami	19.01.13	February 2014		Work not yet started.

APPENDIX 5.3.6
Statement showing Earthwork to be executed as per approved estimate and actual execution
(Reference: Paragraph 9.6.3 (ii) (a))

Sl No.	Item of work as per Estimate	Unit	Quantity as per Estimate	Rate (SOR 2008)	Amount	Quantity of work done as per MB	Amount
<i>(A) Jungle Clearance and site levelling works</i>							
1.	Earthwork in excavation over areas (exceeding 30 cm in depth, 1.5 m in width) i/c disposal of excavated earth, lead upto 1.5 m and lift upto 1.5 m-- All kinds of soil (50% of the total quantity) ¹	cum	166350	160.13	26637625.5	0	0
2.	--do-- Ordinary Rock (50% of the total quantity) ¹	cum	166350	252.49	42001711.5	495.92	125214.84
	Total (A):		332700		68639337	495.92	125214.84
<i>(B) Cutting of approach road i/c soling and metalling works (Chainage=7 km)</i>							
3.	Excavation in soil with Dozer (for road way) {1 x 7000 x 0.50(7 x 3.50)}=85750 cum } 50 % soil=42875 cum	cum	42875	160	6860000	64503.80	10320608
4.	Excavation in ordinary rock with dozer (for road way) 50% Ordinary Rock=42875	cum	42875	268	11490500	299831.97	80354967.96
	Total (B):		85750		18350500	364335.77	90675575.96
	Total (A+B):		418450		86989837	364831.69	90800790.80

¹ Earthwork done for construction of HP culvert not included in the Estimate

Appendix 5.3.7

Statement showing quantity of work to be executed as per work order, work order amount and status of work as of July 2014 (12th NAP (IR) Battalion at Chingtok)

(Reference: Paragraph 9.6.4 (ii))

Sl No.	Description as per Work Order	Work (quantity) as per work order	Work Order amount	Works completed	Remarks
	Residential buildings (SP type)				
1.	Type VI quarter (1600 sqft)	4 Nos.	₹ 49.56 crore		3 Nos (90% completed). Not taken up:1 No.
2.	Type V quarter (1143 sft)	9 Nos.		6 completed	Not taken up: 3 Nos
3.	Type IV quarter (870 sft)	18 Nos		17 completed	Not taken up: 1 No.
4.	Type III quarter (624 sft)	60 Nos.		48 completed	Not taken up: 12 Nos.
5.	Type I quarter (448 sft)	360 Nos.		124 Nos-- 95 % completed	Not taken up: 236 Nos.
6.	Barrack (1540 sft)	20 Nos.		26 completed	Extra of 6 Nos. executed
7.	Dining hall and kitchen (525 sft)	10 Nos.		13 completed	Extra of 3 Nos. executed
8.	Latrine/Bathroom (105 sft)	40 Nos.		52 completed	Extra of 12 Nos executed
	Non-Residential Buildings (SP Type and RCC)				
9.	Battalion office (15209 sft)	1 No.	₹ 11.21 crore		50% completed
10.	Quarter Guard (4374 sft)	1 No.			70% completed
11.	Quarter Master Store (3240 sft)	1 No.		1	Completed
12.	Project Store (1200 sft)	1 No.		1	Completed
13.	UG POL store (550 sft)	1 No.			80% completed
14.	MT workshop (3000 sft)	1 No.			70% completed
15.	Garage (Heavy) (3430 sft)	1 No.			Not started
16.	Garage (Medium) (2156 sft)	1 No.			Not started
17.	Garage (Light) (1085 sft)	1 No.			Not started
18.	Regimental School (1848 sft)	1 No.			Not started
19.	Drill Shed (6000 sft)	1 No.			70% completed
20.	Wireless Station (1772 sft)	1 No.		1	Completed
21.	SDO Office (800 sft)	1 No.			Not started
22.	Officers Mess (2686 sft)	1 No.			50% completed
23.	JCO's Club (1616 sft)	1 No.			50% completed
24.	Family Welfare Centre (1920 sft)	1 No.			Not started
25.	Canteen (1900 sft)	1 No.			Not started
26.	Recreation Hall (5406 sft)	1 No.			Not started
27.	Gymnasium (875 sft)	1 No.			Not started
28.	LP School (1148 sft)	1 No.			80% completed
29.	Unit Hospital (4720 sft)	1 No.			60% completed
30.	Isolation Ward (324 sft)	1 No.			Not started
31.	Barber Shop (288 sft)	1 No.			Not started
32.	Sentry Post (600 sft)	1 No.			Not started
33.	Carpentry Workshop (1165 sft)	1 No.			Not started
34.	Dhobi Ghat (500 sft)	1 No.			Not started
	Other Departmental Works				
35.	Construction of road (single lane 7 km and intermediate lane 2 km)		₹ 15.13 crore		
36.	Construction of Parade Ground			Completed	Completed
37.	Construction of Firing Range				Not started
38.	Providing Water Supply				30%
39.	Construction of Boundary Wall				Not started
40.	Construction of foot path				Not started
41.	Construction of Play Ground			Completed	Completed

APPENDIX 5.3.8

Statement showing quantity of work to be executed as per work order, work order amount and status of work as of July 2014 (13th NAP (IR) Battalion at Yachang)

(Reference: Paragraph 9.6.4 (iii))

Sl No.	Description as per Work Order	Work (quantity) as per work order	Work Order amount	Works completed	Remarks
Residential buildings (SP type)					
1.	Type VI quarter (1600 sq ft)	4 Nos.	₹ 47.83 crore		2 Nos (90%)
2.	Type V quarter (1143 sft)	9 Nos.		8 Nos.	Not started: 1 No.
3.	Type IV quarter (870 sft)	18 Nos		18 Nos	Completed
4.	Type III quarter (624 sft)	60 Nos.		42 Nos.	Not started: 18 Nos.
5.	Type I quarter (448 sft)	360 Nos.		163 Nos.	Not started: 197 Nos
6.	Barrack (1540 sft)	20 Nos.		25 Nos.	Extra constructed: 5 Nos.
7.	Dining hall and kitchen (525 sft)	10 Nos.		14 Nos.	Extra constructed: 4 Nos.
8.	Latrine/Bathroom (105 sft)	40 Nos.		44 Nos.	Extra constructed: 4 Nos
Non-Residential Buildings (SP Type and RCC)					
9.	Battalion office (15209 sft)	1 No.	₹10.74 crore		60% completed
10.	Quarter Guard (4374 sft)	1 No.		1	Completed
11.	Quarter Master Store (3240 sft)	1 No.		1	Completed
12.	Project Store (1200 sft)	1 No.			Not started
13.	UG POL store (550 sft)	1 No.			Not started
14.	MT workshop (3000 sft)	1 No.			Not started
15.	Garage (Heavy) (3430 sft)	1 No.			Not started
16.	Garage (Medium) (2156 sft)	1 No.			Not started
17.	Garage (Light) (1085 sft)	1 No.			Not started
18.	Regimental School (1848 sft)	1 No.		1	Completed
19.	Drill Shed (6000 sft)	1 No.		1	Completed
20.	Wireless Station (1772 sft)	1 No.		1	Completed
21.	SDO Office (800 sft)	1 No.			Not started
22.	Officers Mess (2686 sft)	1 No.			70% completed
23.	JCO's Club (1616 sft)	1 No.		1	Completed
24.	Family Welfare Centre (1920 sft)	1 No.			Not started
25.	Canteen (1900 sft)	1 No.		1	Completed
26.	Recreation Hall (5406 sft)	1 No.			Not started
27.	Gymnasium (875 sft)	1 No.			Not started
28.	LP School (1148 sft)	1 No.		1	Completed
29.	Unit Hospital (4720 sft)	1 No.			Not started
30.	Isolation Ward (324 sft)	1 No.			Not started
31.	Barber Shop (288 sft)	1 No.			Not started
32.	Sentry Post (600 sft)	1 No.			Not started
33.	Carpentry Workshop (1165 sft)	1 No.			Not started
34.	Dhobi Ghat (500 sft)	1 No.			Not started
Other Departmental Works					
35.	Construction of road (single lane 7 km and intermediate labe 2 km)		₹ 15.05 crore		25% completed
36.	Construction of Parade Ground				Not started
37.	Construction of Firing Range				Not started
38.	Providing Water Supply				40 % completed
39.	Construction of Boundary Wall				Not started
40.	Construction of foot path				Not started
41.	Construction of Play Ground				Not started

APPENDIX 5.3.9

Statement showing quantity of work to be executed as per work order, work order amount and status of work as of July 2014 (14th NAP (IR) Battalion at Okhezung)

(Reference: Paragraph 9.6.4 (iv))

SI No.	Description as per Work Order	Work (quantity) as per work order	Work Order amount	Works completed	Remarks
	Residential buildings (SP type)				
1.	Type VI quarter (1600 sq ft)	4 Nos.	₹ 60.55 crore	1 Nos.	-
2.	Type V quarter (1143 sft)	9 Nos.		4 Nos.	In progress: 1 No.
3.	Type IV quarter (870 sft)	18 Nos		19 Nos	Extra constructed: 1 No.
4.	Type III quarter (624 sft)	60 Nos.		25 Nos.	In progress: 4 Nos.
5.	Type I quarter (448 sft)	360 Nos.		75 Nos.	In progress: 16 Nos.
6.	Barrack (1540 sft)	20 Nos.		12 Nos.	-
7.	Dining hall and kitchen (525 sft)	10 Nos.		7 Nos.	-
8.	Latrine/Bathroom (105 sft)	40 Nos.		24 Nos.	-
Non-Residential Buildings (SP Type and RCC)					
9.	Battalion office (15209 sft)	1 No.	₹ 13.97 crore		90% completed
10.	Quarter Guard (4374 sft)	1 No.		1	Completed
11.	Quarter Master Store (3240 sft)	1 No.		1	Completed
12.	Project Store (1200 sft)	1 No.		1	Completed
13.	UG POL store (550 sft)	1 No.			95% Completed
14.	MT workshop (3000 sft)	1 No.			85% Completed
15.	Garage (Heavy) (3430 sft)	1 No.			Not started
16.	Garage (Medium) (2156 sft)	1 No.			Not started
17.	Garage (Light) (1085 sft)	1 No.			Not started
18.	Regimental School (1848 sft)	1 No.			Not started
19.	Drill Shed (6000 sft)	1 No.			80% Completed
20.	Wireless Station (1772 sft)	1 No.			95% Completed
21.	SDO Office (800 sft)	1 No.			Not started
22.	Officers Mess (2686 sft)	1 No.			95% completed
23.	JCO's Club (1616 sft)	1 No.			Not started
24.	Family Welfare Centre (1920 sft)	1 No.			Not started
25.	Canteen (1900 sft)	1 No.		1	75% Completed
26.	Recreation Hall (5406 sft)	1 No.			Not started
27.	Gymnasium (875 sft)	1 No.			Not started
28.	LP School (1148 sft)	1 No.			Not started
29.	Unit Hospital (4720 sft)	1 No.		1	70% Completed
30.	Isolation Ward (324 sft)	1 No.			Not started
31.	Barber Shop (288 sft)	1 No.			Not started
32.	Sentry Post (600 sft)	1 No.			Not started
33.	Carpentry Workshop (1165 sft)	1 No.			Not started
34.	Dhobi Ghat (500 sft)	1 No.			Not started
Other Departmental Works					
35.	Construction of road (single lane 7 km and intermediate lane 2 km)		₹ 18.51 crore		75% completed
36.	Construction of Parade Ground				Completed
37.	Construction of Firing Range				Not started
38.	Providing Water Supply				90 % completed
39.	Construction of Boundary Wall				Not started
40.	Construction of foot path				Not started
41.	Construction of Play Ground				Not started
35.	Jungle Clearance, Site levelling and Const. of approach Rd		₹ 13.59 crore		90% Completed

APPENDIX 5.3.10

Statement showing payments for work not executed in 15th NAP (IR) Battalion at
Mpetsa

(Reference: Paragraph 9.7 (iii) (b))

Sl. No.	Type of Building	Date of completion	MB	Value of work done (₹)	Remarks
1.	Type-I quarters	04.05.2012	1245	1027713	Entries were recorded in the MB showing construction of RCC structures with one syntax water tank alongwith necessary G.I. pipe fittings for all the 18 quarters. However, during physical verification only one RCC structure (without syntax water tank) was seen at the site.
			1245	1027713	
2.	Type-IV quarters	06.05.2012	1241	200000	Entries were recorded in the MB showing that RCC structures for two syntax water tank were constructed. However, during physical verification only one RCC structure with a syntax water tank was seen at the site.
3.	Type-V quarters	18.10.2013	1252	382696	Entries were recorded in the MB showing that RCC structures for two syntax water tanks were constructed. However, during physical verification only one RCC structure with a syntax water tank was seen at the site.
4.	Barracks (3 Nos.)	27.09.2013	1237	1458000	Entries were recorded in the MBs showing that six RCC structures for two syntax water tanks each were constructed for supplying water to Barracks and Dining Hall/Kitchen. However, during physical verification, only one RCC structure with a syntax water tank was seen at the site. It was stated by JE that a total of three similar RCC structures have been constructed around the area for supplying water to the barracks and Dining Hall/Kitchen.
	Barracks (2 Nos.)	24.09.2013	1252	498000	
5.	Kitchen/ Dining Hall (1 no.)	27.09.2013	1237	358000	
				4952122	

APPENDIX 5.3.11

Statement showing payment without recording complete measurements

(Reference: Paragraph 9.7 (iv))

Name of Work	P No./MB No.	Remarks
Constuction of Jawan Barrack (80' x 26') - 3 Nos.	11/1226	Measurements recorded for only 1 barrack which was then multiplied by 3 to make payments for construction of 3 barracks.
	92/1226	
Construction of Bath & Toilet unit (40'x7')-3 Nos	38/1226	Measurement recorded for only 1 bathroom/toilet which was then multiplied by 3 to make payments for construction of 3 bathrooms/toilets..
Construction of ring wells at various locations - 5 Nos.	149/1226	Measurement recorded for only one ring well which was then multiplied by 5 to make payments for 5 ring wells..
Providing water supply to Type-I quarters (9 Nos.)	121/1245	Measurement recorded for water supply to only one quarter which was then multiplied by 9 to make payments for water supply to 9 quarters.
Providing water supply to Type-I quarters (9 Nos.)	113/1245	Measurement recorded for water supply to only one quarter which was then by 9 to make payments for water supply to 9 quarters.
Construction of Type-IV quarters (2 Nos.)	147/1245	Measurement recorded for only one quarter which was then multiplied by 2 to make payments for 2 quarters.
Construction of Type-V quarters (2 Nos.)	119/1252	Measurement recorded for only one quarter which was then multiplied by 2 to make payments for 2 quarters.
Construction of Main barracks (3 Nos.)	144/1252	Measurement recorded for only one barrack which was then multiplied by 3 for making payments for 3 barracks.
Const. of RCC drainage prov 1000mm dia Hume pipe Culvert (2 Nos.)	141/1239	Measurement recorded for only one culvert which was then multiplied by 2 for making payment for 2 culverts
Construction of Main barracks (2 Nos.)	95/1237	Measurement recorded for only one barrack which was then multiplied by 2 to make payments for 2 barracks.