

**Chapter V**  
**Horticulture Promotion and**  
**Extension Services**



# Chapter V

## Horticulture Promotion and Extension Services

### 5.1 Promotion of Farmers Producers Organisation (FPOs)

Under MIDH, assistance is provided for promotion of Farmers Producers Organisation to mobilise farmers and build their capacity to collectively leverage their production and marketing strength. The assistance is to be provided as per norms issued by Small Farmers Agri-business Consortium (SFAC), New Delhi.

During 2015-16 to 2019-20, SHM incurred ₹ 2.54 crore for promotion of seven FPOs in the State as detailed below:

**Table 5.1: Detail of FPOs in the State under MIDH**

(₹ in lakh)

Sl. No.	Name of FPOs	Number of Farmers			Total cost of the Project	Actual expenditure	Target date of completion
		To be mobilised	Actually mobilised (as on November 2020)	Shortfall			
1	Shepoumramth Farmer Producer Company Limited (Senapati District)	1,000	1,023	Nil	163.00	145.20	June 2018
2	Areeinu Farmer Producer Company Limited (Imphal East District)	1,000	620	380			
3	Thingtangpa Farmer Producer Company Limited (Churachandpur District)	1,000	603	397			
4	Tamenglong Farmer Producer Company Limited (Tamenglong District)	1,000	533	467			
<b>Sub-total</b>		<b>4,000</b>	<b>2,756<sup>47</sup></b>	<b>1,244</b>	<b>163.00</b>	<b>145.20</b>	
5	Korou FPO (Kakching District)	1,000	249	703	116.33	108.90	June 2021
6	Sadar FPO (Kangpokpi)	1,000	297	940			
7	Chandel FPO (Chandel District)	1,000	60	751			
<b>Sub-total</b>		<b>3,000</b>	<b>606</b>	<b>2,394</b>	<b>116.33</b>	<b>108.90</b>	
<b>Grand total</b>		<b>7,000</b>	<b>3,362</b>	<b>3,638</b>	<b>279.33</b>	<b>254.10</b>	

*Source: Bills/Vouchers and Progress Report.*

<sup>47</sup> Excluding the excess 23 number of farmers mobilised in Senapati District.

SHM entrusted (May 2015) Small Farmers Agribusiness Consortium (SFAC), New Delhi for identification of Resource Institution (RI) for undertaking the task of promoting the four FPOs at Sl. No. 1 to 4 by mobilising 4,000 farmers at a total cost of ₹ 163.00 lakh @ ₹ 4,075 per farmer. SFAC identified its empanelled Resource Institution *i.e.* Indian Grameen Services (IGS) for the task with the stipulation to complete the project by June 2018. Accordingly, SHM had paid ₹ 145.20 lakh to SFAC in three instalments during the period from June 2015 to August 2020.

However, Audit noticed that, against the target for mobilisation of 4,000 farmers by June 2018, only 2,756 farmers (69 *per cent*) had been mobilised (as on November 2020) with a shortfall of 1244 farmers despite delay of over two years. As on December 2020, SFAC had utilised ₹ 68.97 lakh only out of ₹ 145.20 lakh paid by SHM thereby ₹ 76.23 lakh remained unutilised with SFAC (₹ 14.83 lakh for 42 months & ₹ 61.40 lakh for four months).

Further audit scrutiny revealed that SHM engaged (July 2018) directly IGS as Resource Institution for promoting another three FPOs mentioned at Sl. No 5 to 7 at the cost of ₹ 116.33 lakh despite the dismal performance of IGS and again paid to IGS ₹ 108.90 lakh in five instalments during the period from October 2018 to August 2020. IGS had mobilised only 606 (20 *per cent*) farmers (as on November 2021) as against the target for mobilisation of 3,000 farmers in Kangpokpi, Chandel and Kakching Districts despite delay of five months. No Utilisation Certificates for ₹ 108.90 lakh has been obtained from IGS by SHM.

Thus, against the total target for mobilisation of 7,000 farmers for formation of seven FPOs in seven districts, the Resource Institution (IGS) could mobilise only 3,362 farmers (52 *per cent*) as on November 2020 resulting in short mobilisation of 3,638 farmers. The intended objective of the scheme component was not achieved to that extent and Utilisation Certificate of ₹ 1.85 crore was yet to be obtained by SHM.

In reply, Department stated (April 2022) that the slow progress of mobilisation of farmers was due to unavoidable circumstances such as communication problems, scattered habitation of the farmers *etc.* Further, the Department stated that IGS was engaged as it was well experienced in mobilisation of farmers and IGS could not complete the task within the stipulated time due to lockdown.

The reason put forward by the Department is not based on facts as the Department/IGS was actually aware of the communication issues and scattered habitation of the farmers.

## 5.2 Human Resource Development

Under MIDH, Human Resource Development Programme such as training of farmers, entrepreneurs, field level workers and Officers are to be taken up. Also, assistance for organising training courses for Supervisors, Entrepreneurs and Gardeners are admissible.

The target and achievements for various trainings during 2015-16 to 2019-20 was as follows:

**Table 5.2: Details of trainings conducted during 2015-16 to 2019-20**

(₹ in lakh)

Sl. No	Type of Training	Target		Achievement		Remarks
		Physical	Financial	Physical	Financial	
1	Supervisors and Entrepreneurs	Not specified	20.00	Nil	20	Utilised arbitrarily for construction of training hall.
2	Gardeners	1,101	195.62	Nil	52.63	No Gardener training was held. ₹ 15 lakh was utilised for construction of training hall. The balance expenditure of ₹ 37.63 was incurred for distribution of planting materials to 4274 farmers in Chandel District under Krishi Kalyan Abhiyan. Also, ₹ 16.42 lakh meant for training of 100 farmers was lying in SHM account.
3	Farmers training within the State	11,400	114.00	3952	89.16	108 Farmers were provided Skill development training (Gardeners Training) at Krishi Vigyan Kendras (KVKs) which was not initially emphasised. 1940 farmers, 385 farmers and 1519 farmers were provided training for one, two and three days respectively. There was shortfall of 7448 farmers for training.
4	Farmers training outside the State	Project based as per actual	26.11	78	14.96	78 farmers were trained at Institute of Horticulture Technology (Noida), Jain Irrigation System Ltd. (Gujarat) and Indian Institute of Horticulture Research (Bangalore).
5	Exposure visits of farmers outside the State	Project based as per actual	54.07	152	33.62	152 farmers visited CIPHET (Ludhiana), Jain Irrigation System (Gujarat), Sahara Organic Resort (Rajasthan), Central Institute of Horticulture

Sl. No	Type of Training	Target		Achievement		Remarks
		Physical	Financial	Physical	Financial	
						(Nagaland), Daffodils Nursery (Assam) etc.
6	Staff study tour to progressive States	1,797	71.81	165	29.59	165 Staff visited ICAR (Barapani-Meghalaya), Central Institute of Horticulture Research (Nagaland) etc.
	<b>Total</b>		<b>481.61</b>		<b>239.96</b>	

*Source: As furnished by SHM.*

It is clear from the above table that as against the physical target for providing Skill Development training to 1,101 farmers (Sl. No 2), no Skill Development training was provided. Against the target of 11,400 farmers to be trained within the State, only 3,952 farmers (35 per cent) were trained. No training for Supervisors/ Entrepreneurs was imparted.

In violation of the Scheme Guidelines, an amount of ₹ 35 lakh was diverted for construction of training hall at Khonghampat (Imphal East) and ₹ 37.63 lakh was diverted for distribution of planting material to 4,274 farmers under KKA which was irregular.

Thus, despite shortfall of physical target for providing Skill Development training, Supervisors and Entrepreneurs training and training of farmers within and outside the State, an amount of ₹ 72.63 lakh was diverted for other purposes.

In reply, Department stated that ₹ 35 lakh was utilised for construction of Training Hall since the Department did not have any training infrastructure and the utilisation of ₹ 37.63 lakh in Chandel District under KKA was as per the instruction of the Ministry.

The fact remains that an amount of ₹ 72.63 lakh was diverted for other purposes resulting in shortfall in providing training to the extent of 65 per cent and no Skill Development training was provided to 1,101 farmers as per the target.

### **5.3 Model Horticulture Centre at three locations: Ngarumphung, Tupul and Haipi**

Under NEC funding, the project was sanctioned (16 March 2016) at an estimated cost of ₹ 12 crore to be completed in three years (15 March 2019). The objective of the project was to promote sustainable use of natural resource for higher productivity and augment income of rural farmers.

Audit scrutiny of records revealed that NEC had released its share of ₹ 10.80 crore<sup>48</sup> to the State Government in three instalments during March 2016 and February 2020. However, ₹ 5.97 crore of NEC funds and ₹ 41.36 lakh State share was yet to be transferred to the Department by the State Government as on March 2020. Only an

<sup>48</sup> ₹ 2.25 crore (March 2016), ₹ 2.58 crore (February 2018) and ₹ 5.97 crore (February 2020).

amount of ₹ 4.83 crore of NEC fund and State share of ₹ 78.64 lakh had been released to the Department and the amount of ₹ 5.62 crore had been spent by the Department as on March 2020.

The significant audit observations are discussed below:

- (i) Goods valued ₹ 3.73 crore were purchased from 10 suppliers (Details are given in *Appendix 5.1*) during November 2016 to April 2019 without call of open tender/e-tender<sup>49</sup> in violation of GFR. No purchase was made from GEM portal in violation of O.M dated 27 September 2017 for goods and services above ₹ 25,000. This indicated that transparency, competitiveness fair and equitable treatment of suppliers was not complied with, by the Department.
- (ii) Joint Inspection (January and April 2021) of model centres revealed that structures/inputs/machineries valued ₹ 84.76 lakh were not found at the three project sites. The details are given in *Appendix 5.2*. Few photographs are shown below:



*No drip irrigation structures installed at Haipi centre (Kangpokpi District)*



*No drip irrigation structures installed at Tupul Centre (Tamenglong District)*

*Steel frame water tank not installed at Ngarumphung (Ukhrul District)*



Thus, non-implementation of the Scheme component at the three project sites indicated that the objective of the project for promotion of sustainable use of natural resource for higher productivity and augmenting income for rural farmers had not been achieved.

<sup>49</sup> Procurement should be made through e-tender for goods valuing ₹ 20 lakh and above.

(iii) Joint Inspection further revealed that works valued ₹ 45.64 lakh were not found executed at the sites by the three beneficiary societies<sup>50</sup> as per details given:

**Table 5.3: Details of work not executed by the beneficiary societies**

Activity to be taken up by Society	Cost per unit	Physical target ( <i>quantity executed</i> )			Value of work not executed
		Ukhrul	Kangpokpi	Tamenglong	
Contour earth bunding	0.516 per Ha	8.84 Ha (Nil)	7 Ha (Nil)	3.5 Ha (Nil)	9.98
Gabion Work	0.028 per cum	310 cum (Nil)	234 cum (Nil)	255 cum (Nil)	22.37
Water Harvesting pond	0.726 per unit of 240 sqm	3 units -720 sqm (2 unit -500 sqm)	2 units -480 sqm (1 unit -167.23 sqm)	2 units - 480 sqm (1 unit -223 sqm)	2.39 <sup>51</sup>
Compose Pit	0.737 per unit of 10.8 cum	6 units -64.8 cum (2 units -4.16 cum)	5 units -54 cum (2 unit -6.116 cum)	5 units -54 cum (1 unit - 2.83 cum)	10.90 <sup>52</sup>
<b>Total</b>					<b>45.64</b>

*Source: DPRs, Bills/Vouchers and Joint Physical Verification Report.*

(iv) It was also noticed that eight naturally ventilated Polyhouses (Ukhrul-3, Kangpokpi-3 and Tamenglong-2) installed at a cost of ₹ 1.32 crore were lying unutilised/idle. The details are shown in **Appendix 5.3** Some photographic evidence of Polyhouses lying unutilised/idle are as shown below:



**Polyhouse No. 2 for Tamenglong Centre lying idle/uncultivated**



**Polyhouse No-1 for Ukhrul lying idle/uncultivated**

<sup>50</sup> Ngarum Agri & Hortigrowers Society of Ukhrul, Model Horticulture Development Centre of Kangpokpi and GLP Horticulture Society of Tamenglong.

<sup>51</sup>  $\{(720+480+480) - (500+167.23+223) / 240\} \times 0.726$ .

<sup>52</sup>  $\{(64.8+54+54) - (4.16+6.116+2.83) / 10.8\} \times 0.737$ .





**Polyhouse for Ukhrul Centre lying idle/uncultivated**



**Polyhouse No-1 at Haipi lying idle/uncultivated**



**Polyhouse No-2 at Haipi lying idle/uncultivated**

It can be seen from above, the Model Horticulture Centres at three locations (Ngarumphung, Tupul and Haipi) were yet to be completed (April 2021) now for over two years. As most of the structures, inputs and machineries were not installed or found at the sites, it is clear that project was not implemented properly on the ground. Moreover, the completed structures remained idle/unutilised.

Thus, the objective of promoting sustainable use of natural resource in 243 ha area for higher productivity and incomes for rural farmers remained to be achieved even after a lapse of two years.

In reply, Department stated (April 2022) that henceforth all purchases would be made through open tender/e-tender/GeM. The structures/machineries which were earlier removed for repair would be reinstalled except four Solar plates for Tamenglong centre which had been stolen and complaint lodged at Noney Police Station. Contour earth bunding, Gabion works, Water harvesting ponds and Compost pits were executed to some extent and the actual volume of works would be determined. Maximum utilisation of Naturally Ventilated Polyhouses would be ensured, which were lying idle.

Government may consider conducting Third Party Inspection and report thereof on the actual status of the project at the sites may be furnished to Audit for verification.

## 5.4 Development of Floriculture

### (a) Under NEC

Under NEC funding, the project “Model Floriculture Centre at Litan, Kamjong District, Sendra, Bishnupur District and Panam Garden, Andro Imphal East District” was approved (26 February 2018) at an estimated cost of ₹ 8.58 crore with the stipulation to be completed within 3 years *i.e.* by January 2021. The objective of the project was to serve as focal unit for the Development of Floriculture in the State and training-cum-demonstration centre for Post-harvest handling and processing of commercial flowers, and to demonstrate new technology of flower cultivation to the growers.

Audit scrutiny revealed that NEC had released ₹ 5.52 crore to the State Government. However, only ₹ 367.22 lakh had been transferred to the Department including state share of ₹ 59.22 lakh leaving a balance of ₹ 2.44 crore Central Share and ₹ 2.11 lakh

State Share with the State Government as on March 2020. The Department had spent ₹ 297.15 lakh leaving a balance of ₹ 70.07 lakh lying unutilised as of March 2020.

The significant audit observations are discussed below:

(i) Materials worth ₹ 1.22 crore were procured (April 2015 to January 2020) from five suppliers (*details shown in Appendix 5.4*) without call of open tender and not from GeM portal thereby violating the extant rules and instructions for procurement of Goods & Services.

(ii) Joint inspection (March and August 2021) revealed that three Polyhouses, six low-cost Polyhouses and three Mist Chambers installed in June 2019 at the cost of ₹ 85.37 lakh were lying idle/unutilised. These can be seen from the following photographs:



**Polyhouse at Litan Centre (Ukhrul District) lying idle/unutilised**



**Low Cost Polyhouse at Litan Centre (Ukhrul District) lying idle/unutilised**



**Mist chamber at Litan Centre (Ukhrul District) lying idle in Ukhrul**



**Low cost polyhouse at Sendra (Bishnupur District) lying idle.**



**Polyhouse at Sendra (Bishnupur District) lying idle**



**Mist chamber at Sendra (Bishnupur District) lying idle**



**Mist chamber at Panam Garden (Imphal East District) lying idle**



**Badly damaged Low cost polyhouse at Panam Garden (Imphal East District) lying idle**

(iii) ₹ 16.05 lakh spent (January 2020) towards procurement of planting material (Rose and Anthurium) was not found cultivated in the three centres. Various inputs (tool kits, fertilisers *etc.*) worth ₹ 20.23 lakh were found unutilised. Thus, expenditure of ₹ 36.28 lakh for the centre was wasteful.

The project of Model Floriculture Centre at Litan, Kamjong District, Sendra, Bishnupur District and Panam Garden, Andro Imphal East District was yet to be completed even after delays over six months from the stipulated date of completion. It is also evident that the completed structures costing ₹ 85.37 lakh were lying idle/unutilised, and some of the inputs valued ₹ 36.28 lakh were not found cultivated or utilised. As such funds to the extent of ₹ 2.44 crore from Central Share and ₹ 2.11 lakh from State Share had not been released to the Department. Consequently, the objective of the project to serve as focal unit for Development of Floriculture in the State for a total envisaged area of 130 ha remained to be achieved even after delay of six months from completion date.

In reply, Department stated (April 2022) that henceforth all purchases would be made through open tender/e-tender or through GeM. Maximum utilisation of the created assets would be ensured and plantations at Polyhouses, Low-cost Polyhouses and Mist Chamber which were earlier lying unutilised/idle due to Covid-19 Pandemic have started.

The Government may consider conducting Third Party Inspection and report thereof on the actual status of the project at the sites may be furnished to Audit for verification.

#### **(b) Under State Plan**

Under the State Plan scheme of “Development of Floriculture” the Department sanctioned ₹100 lakh (March 2019) for establishment of eight model Floriculture Centres, two each in Senapati, Ukhrul, Kangpokpi and Tamenglong for setting up of a model floriculture business, creating awareness to farmers by providing training and motivating them to grow flowers for commercial purpose to enhance their income. As on March 2020, an expenditure of ₹100 lakh had been incurred towards construction of Polyhouses and cultivation of Flowers in the Polyhouses.

Audit noticed that:

- An MoU was signed (February 2019) between the Department and M/s ZOPAR Exports Private Limited, Shillong for setting up floriculture centres for Carnation/Gypsophylla in the State of Manipur without call of open tender. Accordingly, the Department entrusted (April 2019) M/s ZOPAR Exports Private Limited the work of establishment of eight floriculture centres at a cost of ₹ one crore.

- Joint Inspection<sup>53</sup> of eight model Floriculture Centres revealed that flower plantations were found in only three centres but the remaining five centres were lying idle with no flower plantation as given below:

**Table 5.4: Details of the Floriculture Centres**

Sl. No.	Name of Beneficiary	Location (District)	Flower	Status of the centres
<b>Centres where plantation was done</b>				
1	H. Havei William	Purul (Senapati)	Carnation	Carnations were found planted in the Polyhouse.
2	Thanglenhao Kipgen	Turibari Village (Kangpokpi)	Carnation	Carnations were found planted in the Polyhouse.
3	Kaphongwon R	Sirarakhong (Ukhrul)	Carnation	Carnations were found planted successfully in the Polyhouse
<b>Centres where plantation was not done</b>				
1	P. H Kiihne Dumai	Tahamzam Agritech, Senapati Bazar (Senapati)	Carnation	The polyhouse was lying idle with no flower plantation. No source of irrigation observed.
2	David Panmei	Utopia (Tamenglong)	Gypsophylla	One part was found utilised as Garage and other part as kitchen garden.
3	Gaikhangdam Thaimai	Rangkung (Tamenglong)	Gypsophylla	The polyhouse was lying idle with no flower plantation.
4	E. Robi	Mayangkhang (Kangpokpi)	Carnation	Polyhouse was utilised as kitchen garden and no carnation found planted. Beneficiary stated that flowers were damaged by flood as the site was in low lying area.
5	VS Rinchui	Thoyee Village (Ukhrul)	Carnation	No plantation of carnation found in the Polyhouse. Beneficiary stated it was due to lack of water source.

*Source: Progress Report and Joint Physical Verification Report.*

The following photographs show the five floriculture centres lying idle:



*Floriculture Centre of David Panmei at Utopia-One part was utilised as garage and other as kitchen garden. No plantation of Gypsophylla*

<sup>53</sup> Senapati in February 2021 Ukhrul & Kangpokpi in March 2021 & Tamenglong in April 2021.



*Floriculture Centre of Gaikhangdam Thamei at Rangkung lying idle*



*Floriculture Centre of P.H Kiihne Dumai at Senapati lying idle*



*Floriculture Centre of E Robi at Mayangkhang with vegetable plantation instead of carnation plantation*



*Floriculture centre of V S Rinchui of Thoyee Village with vegetable plantation instead of carnation plantation*

Thus, an expenditure of ₹ 62.06 lakh<sup>54</sup> incurred towards establishment of five centres for a total area of 2,500 Sqm did not achieve the objective of establishing model Floriculture Centres even after a lapse of 17 months from the date of installation.

In reply, Department stated (April 2022) that the Scheme was implemented as a pilot project on Build-Operate and Transfer (BOT) model with a view to linking the production of flowers with the market on a buy-back basis with the well experienced firm. The plantations of Carnation and Gypsophylla were carried out in full swing but marketing could not be done due to COVID-19 pandemic.

## 5.5 Establishment of Orchards in Hill Areas

Under State plan, the Department implemented the scheme for establishing 52 Model Orchards in hill areas during 2015-16 to 2019-20 to enhance income of farmers for various fruits (Lemon, Orange, Kiwi, Litchi, Dragon fruit, Avocado, etc.) as per details given below:

<sup>54</sup> 3 units @ ₹ 12.64 lakh/unit for Carnation and 2 units @ ₹ 12.07 lakh for Gypsophylla.

Table 5.5: Details of Orchards in the Districts

(₹ in lakh)

District	2015-16		2017-18		2018-19		Total	
	No. of Orchards	Expenditure	No. of Orchards	Expenditure	No. of Orchards	Expenditure	No. of Orchards	Expenditure
Ukhrul including Kamjong	1	3.81	2	4.17	7	35.61	10	43.59
Senapati	1	2.54	1	2.50	5	25.49	7	30.53
Tamenglong	2	3.81	2	3.33	6	29.31	10	36.45
Chandel	1	2.54	2	3.33	4	19.52	7	25.36
Churachandpur and Pherzawl	1	3.81	2	4.17	6	29.57	9	37.55
Kangpokpi	1	3.48	1	2.50	4	20.54	6	26.52
Tengnoupal	0	0	0	0	3	14.96	3	14.96
<b>Total</b>	<b>7</b>	<b>19.99</b>	<b>10</b>	<b>20.00</b>	<b>35</b>	<b>175.00</b>	<b>52</b>	<b>214.96</b>

Source: Sanction Copies and Bills/Vouchers. \*Scheme was not taken up during 2016-17 and 2019-20.

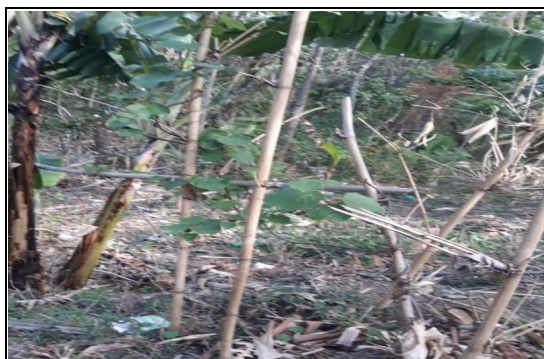
A total amount of ₹ 2.15 crore was spent during the three-year period of 2015-16 to 2018-19. A Joint Inspection conducted (April 2021) for 12 Orchards (Tamenglong-6 and Kangpokpi-6) out of 52 Orchards established during 2015-16 to 2019-20 revealed the following position:

Table 5.6: Result of Physical Verification of the Orchards

Sl. No.	Name of Beneficiary	Location	Fruit Crop	Result of Physical Verification
<b>Tamenglong District</b>				
1	David Panmei	Utopia	Orange	No Orchard was found at the proposed site despite reported expenditure of ₹ 1.67 lakh. Beneficiary stated that Orange Saplings and Barbed wire received had been utilised in the already existing Orange Orchard at Azuram (Barak).
2	Namthanga Panmei	Duiluan (Wairangba)	Litchi	No Orchard was found and the beneficiary stated that no assistance had been received from the Department. Reported amount of ₹ 2.54 lakh for the Orchard is suspected to have been misappropriated.
3	G. Mary	Khongjarol Khunkha	Orange	No new Orchard was established. Beneficiary stated that Orange saplings provided by the Department had been utilised for gap filling in the already existing orchard. No Compost pit and barbed wire fencing were found constructed though ₹ 2.96 lakh had been paid for same.
4	Khiuluwang Kamei	Chaengdai	Orange	Orchard was found destroyed due to road expansion. No pond, compost pit and barbed wire fencing were constructed though ₹ 3.86 lakh had been paid for.

Sl. No.	Name of Beneficiary	Location	Fruit Crop	Result of Physical Verification
5	Kungliangliu Kamei	Namkaolong	Orange	No Orchard was found. Beneficiary stated the Orchard had been destroyed for construction of pond. Thus, expenditure of ₹ 4.88 lakh incurred for the Orchard was wasteful.
6	Lucy Dangmei	Thangal	Orange	Though ₹ 4.88 lakh had been paid to the beneficiary. No Orchard was found established. Beneficiary showed few barbed wire coils procured.
<b>Kangpokpi District</b>				
7	A.B Thomas	Konsakhul	Lime	Out of 500 Lime plants received by the beneficiary, only around 50 (10 per cent) plants survived. No soil survey and technical guidance had been done by the Department.
8	Ngahboi Kipgen	New Selsi	Soft Pear	No Orchard was found. Thus, expenditure of ₹ 3.48 lakh incurred for the Orchard was wasteful.
9	Dangsinglung Dangmei	Nunggang Village	Kiwi	No Orchard was found. Only one Kiwi found planted at the residence of the beneficiary. Thus, expenditure of ₹ 5.13 lakh for the Orchard was doubtful.
10	D. Pouthailung	Siangai Namdai	Kiwi	No Kiwi Orchard was found. Only about five Kiwi plants found planted amidst the thick forest. Thus, expenditure of ₹ 5.13 lakh for the Orchard was doubtful.
11	K, Seikholen Chiru	Nungsai Chiru	Kiwi	No Kiwi Orchard was found. The beneficiary stated that Kiwi Plants could not survive due to lack of plantation knowledge. Thus, ₹ 5.13 lakh incurred for the Orchard was wasteful.
12	Th. Dingam	Parengba Village	Kiwi	Around 70 Kiwi plants survived and the Orchard site was maintained.

It can be seen from above that while two out of 12 Orchards inspected were found partially established (Sl. No 7 and 12), the other two orchards (Sl. No 4 and 5) were found destroyed due to road expansion and pond construction. No Orchards were found established at the site in respect of the other eight beneficiaries. Few Photographs are shown below:



*Orchard of Dangsinglung Dangmei at Nunggang Village with only one Kiwi plant*



*Orchard of Khiuluwang Kamei at Chaengdai found destroyed due to road expansion*



Thus, ₹ 39.66 lakh paid to 10 beneficiaries<sup>55</sup> towards establishment of model orchards with envisaged coverage area of 10.37 ha in the sampled districts was found to be wasteful/doubtful. This was seen only in the case of 12 beneficiaries in two districts inspected. The Department should review the position and carry out evaluation of the Scheme impact in the remaining 40 Orchards so that corrective action may be taken to prevent such recurrence of wasteful expenditure in future.

In reply, Department stated that the Orchards in Kangpokpi District could not be properly established due to high mortality of the crops owing to lack of proper plantation knowledge of the beneficiaries. In respect of Tamenglong District, the Department accepted that the orchard of (Lucy Dangmei) is yet to be established and the orchard of David Panmei had been established in a different location. Further, the Department stated that Namthanga Panmei was given assistance for establishment of orchard.

The reply suggests that capacity building/training was not properly done as discussed in **Paragraph 5.2** and the implementation of the scheme had not been properly monitored. Further, the Department is yet to furnish the approval of the competent authority for change of site and photograph of the new site cannot be authenticated in the absence of geotagged evidence. The beneficiary (Namthanga Panmei) himself has denied receipt of financial assistance for establishment of Orchard which may be ascertained by the Government. Action taken to make the Orchards (₹ 2.15 crore) functional may be furnished to Audit for verification.

## **5.6 Monitoring and Evaluation**

The State Level Executive Committee (SLEC) was responsible for overseeing the implementation of MIDH programme in the State. The District Mission Committee (DMC) was to carry out the objectives of the mission through project formulation, implementation and monitoring.

Audit observed that though SLEC meetings were conducted for approval of Annual Action Plans and Project based components, however, no separate meetings were held for monitoring/reviewing of the progress of the works done by SHM during

<sup>55</sup> Eight orchards not found at sites and two orchards destroyed.



2015-16 to 2019-20. Similarly, there were no records of monitoring of the scheme/projects in the districts by the DMC.

During 2015-16 to 2019-20, Ministry conducted two inspections and suggested the following for SHM:

- adhere to cost norms and pattern of assistance envisaged under MIDH;
- train district level officers to post the monthly progress on HMNEH web site from respective districts;
- give special emphasis on accreditation of nurseries; and
- integrate pineapple with poly-mulching to solve soil erosion and obnoxious weeds.

However, the SHM had failed to adopt the above recommendations. There were innumerable cases of excess payment of subsidies as discussed in the Report and District Offices were not posting monthly progress themselves and the Nurseries established during 2015-16 to 2019-20 had not been accredited as yet. Further, a State Level Monitoring Committee (SLMC) was constituted only in February 2019 and visited five districts during May to September 2019 though MIDH was implemented since 2014-15. However, no records of other monitoring visits were available for audit scrutiny.

Though the Department was required to conduct evaluation studies for MIDH Scheme, the SHM had not conducted evaluation studies during 2015-16 to 2019-20. No monitoring and evaluation reports were available for NEC and State Plan schemes. Thus, Monitoring and Evaluation system were not adequate and effective.

The reply of the Department is still awaited (April 2022).

### Conclusion

- An amount of ₹ 2.54 crore (SFAC – ₹ 145.20 lakh and IGS – ₹ 108.90 lakh) was paid by SHM for promotion of seven Farmers Producers Organisation (FPO) in the State for mobilisation of 7,000 farmers for formation of seven FPOs. Against the target of mobilisation of 7,000 farmers (SFAC – 4,000 farmers and IGS – 3,000) for formation of seven FPOs in seven districts, only 3,362 farmers (52 *per cent*) were mobilised as on November 2020, resulting in short mobilisation of 3,638 farmers. As on December 2020, SFAC had utilised ₹ 68.97 lakh only out of ₹ 145.20 lakh paid by SHM thereby ₹ 76.23 lakh remained unutilised with SFAC (₹ 14.83 lakh for 42 months & ₹ 61.40 lakh for four months). No UCs for ₹ 108.90 lakh paid to IGS had been obtained by SHM.
- Against the physical target for providing Skill Development training to 1,101 farmers, no Skill Development training was provided. Against the target of 11,400 farmers to be trained within the State, only 3,952 farmers (35 *per cent*) were trained. No training for Supervisors Entrepreneurs was imparted. Despite shortfall of physical target for providing Skill Development training, Supervisors and Entrepreneurs training and training of farmers within and outside the State, an amount of ₹ 72.63 lakh was diverted for other purposes.

- Under NEC funding, ₹ 12 crore was sanctioned for establishment of Model Horticulture Centres at three locations. The Department had received ₹ 5.62 crore and the balance amount of ₹ 5.97 crore of NEC share and ₹ 41.36 lakh of State share was yet to be received till March 2020, after a lapse of four years and the project remained incomplete even after a lapse of two years as on March 2021.

Audit noticed that structures and machineries worth ₹ 84.76 lakh were not found at three project sites. Further, Contour earth bunding, Gabion work, Compost pit and Water harvesting pond costing ₹ 45.64 lakh (released to the beneficiaries) were not executed. Eight Naturally Ventilated Polyhouses (₹ 1.32 crore) were lying unutilised/idle.

- Under NEC funding, ₹ 8.58 crore was sanctioned for establishment of Model Floriculture Centres at three locations and was to be completed by January 2021. Even after a delay of six months from completion date, an amount of ₹ 4.91 crore was yet to be released to the Department as of March 2020. The Department had spent ₹ 297.15 lakh leaving a balance of ₹ 70.07 lakh.

Three Polyhouses, six Low Cost Polyhouses and three Mist Chambers costing ₹ 85.37 lakh were lying idle/unutilised since June 2019 and ₹ 36.28 lakh spent towards procurement of planting material and inputs were not found cultivated or utilised at the three Centres.

- Under State plan scheme “Development of Floriculture”, an amount of ₹ one crore was paid to M/s ZOPAR Exports Private Limited, Shillong for construction of Polyhouses and cultivation of Flowers for setting up of eight Model Floriculture Centres in four districts. Audit noticed that only three Centres out of eight had Flower plantations, but the remaining five Centres funded at a cost of ₹ 62.06 lakh for a total area of 2500 sqm was lying idle without Flower plantations even after a lapse of 17 months from date of installation.
- Under State Plan, a total amount of ₹ 2.15 crore was incurred towards Establishment of 52 Orchards in Hill Areas during 2015-16 to 2018-19. Out of 12 Orchards jointly inspected, eight Orchards (₹ 30.92 lakh) of eight beneficiaries were not found at site, whereas two Orchards (₹ 8.74 lakh) were found destroyed due to road expansion and pond construction and only two Orchards were found partially established.

### **Recommendations**

- *State Government should initiate steps for completion of formation of Farmers Producers Organisations (FPOs) by mobilising the targeted number of farmers and also to ensure that the FPOs are functional for enhancing farming and organisational skills of the cultivators. Utilisation Certificates of the amount already paid to IGS should be obtained in a timely manner to ensure proper utilisation of funds.*

- *State Government should ensure that the targeted number of farmers are mobilised by the IGS or take back the amount paid to the agency.*
- *State Government should investigate the matter of non-execution of the work “Establishment of Model Horticulture Centres” funded under NEC and to take action as appropriate and to prevent loss of public funds.*
- *State Government should ensure that all the assets already created for eight Naturally Ventilated Polyhouses under Model Horticulture Centre, three Polyhouses, six Low Cost Polyhouses and three Mist Chambers under Model Floriculture Centres, five floriculture centres under “Development of Floriculture” are made operational to achieve the intended objectives of the schemes.*
- *State Government should review the position of the Orchards funded under the State Plan scheme and take appropriate corrective action to recover funds as appropriate from the beneficiaries to prevent mis-utilisation of funds.*
- *State Government should strengthen Monitoring and Evaluation arrangement in the Department to ensure effective implementation of the scheme, proper utilisation of funds and achievement of scheme objectives.*



(Athikho Chalai)

**Imphal**  
**The 05 January 2023**

**Principal Accountant General (Audit), Manipur**

**Countersigned**



(Girish Chandra Murmu)

**New Delhi**  
**The 17 January 2023**

**Comptroller and Auditor General of India**

