सत्यमेव जयते

Report of the Comptroller and Auditor General of India on General, Economic (Other than Public Sector Undertakings), Economic (Public Sector Undertakings), Revenue and Social Sectors for the year ended 31 March 2020

लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

GOVERNMENT OF MANIPUR

Report No. 2 of 2022

Report of the
Comptroller and Auditor General of India

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2020 has been prepared for submission to the Governor of Manipur under Article 151 of the Constitution of India.

This Report contains significant results of Performance Audit and Compliance Audit (including Subject Specific Compliance Audit) of the departments of the Government of Manipur under General, Economic, Revenue and Social Sectors and Public Sector Undertakings.

The cases mentioned in the Report are those which came to notice in test audit during the year 2019-20, as well as those which came to notice in earlier years, but could not be dealt with in the previous reports. Matters relating to the period subsequent to 2019-20 have also been included appropriately in the Report.

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

Overview

OVERVIEW

This Report has been prepared in six chapters. Chapters I to V deal with General, Economic (Other than Public Sector Undertakings), Economic (Public Sector Undertakings), Revenue and Social Sectors and Chapter VI deals with Follow up of Audit Observations. The Report contains two Performance Audits *viz.*, 'Direct Benefit Transfer *(covering in-cash transfers only)*' and 'Efficacy of the Implementation of 74th Constitutional Amendment Act', two Subject Specific Compliance Audit paragraphs and eight Compliance Audit paragraphs.

According to existing arrangements, copies of the Performance Audits and Compliance Audit paragraphs were sent to the Administrative Heads of the concerned Departments with a request to furnish replies within six weeks.

Performance Audits and subject specific Compliance Audit paragraphs were discussed with the concerned Administrative Heads of the Departments and other departmental officers. Replies from the State Government, wherever received, have been incorporated in the Report.

CHAPTER I: GENERAL SECTOR

During 2019-20, against a total budget provision of ₹ 4,940.09 crore under General Sector, a total expenditure of ₹ 3,740.78 crore was incurred by 17 Departments.

Audits were conducted during 2019-20 involving expenditure of ₹ 2,645.77 crore including expenditure of previous years of the State Government under General Sector. This chapter contains one Performance Audit *viz.*, 'Direct Benefit Transfer *(covering in-cash transfers only)*''.

PERFORMANCE AUDIT

Performance Audit on 'Direct Benefit Transfer *(covering in-cash transfers only)*'

Direct Benefit Transfer (DBT) is a major reform initiative of Government of India to ensure better and timely delivery by direct transfer of financial assistance and entitlements to eligible beneficiaries' bank accounts in a fair, transparent, efficient and reliable manner. In Manipur, the State DBT Cell was constituted in October 2016 and nine schemes were brought on DBT portal during 2017-18. There are 78 schemes on the DBT portal being implemented by 15 Departments as of July 2020.

The Audit covered State DBT Cell and three schemes *viz.*, (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS), (ii) Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) and (iii) Pradhan Mantri Matru Vandhana Yojana (PMMVY) for the period from 2017-18 to 2020-21 (up to July 2020) in four selected districts. Significant findings of the PA are as below:

- State Government constituted a Committee on DBT to act as Advisory having members from 16 Government Departments but did not include members from Unique Identification Authority of India, State Level Banking Committee, Telecom Service Providers, *etc.*

(*Paragraph 1.2.7.1(i), Page 8*)

- As the DBT related activities were carried out independently by the departments concerned, the role of the DBT Cell was limited to forwarding of instructions received from the Centre to various implementing departments.

(*Paragraph 1.2.7.1 (ii), Page 8*)

- State DBT Coordinator operated without any Implementation Support *viz.*, Technical, Non-technical and Finance & Admin and was assisted by two officers of the Institutional Finance Cell of Finance Department. No subordinate staff were posted even after 5 years of its creation. Hence the State DBT Cell was not adequately manned to provide unity of command.

(*Paragraph 1.2.7.2, Page 9*)

- DBT Cell could not provide one-stop point to coordinate all efforts for seamless on-boarding of schemes on to the DBT platform and for monitoring and evaluation of progress made by various departments on DBT against targets, milestones and indicators as envisaged in the guidelines.

(*Paragraph 1.2.8.1, Page 9*)

- DBT portal could not provide for dynamic up-dation of data and daily tracking of progress, report generation *etc.,* could not be done. DBT portal showed 78 schemes but the number of beneficiaries and amount transferred scheme-wise could not be generated or viewed. Two schemes in the DBT portal were not presently implemented by the departments.

(*Paragraphs 1.2.8.4 & 1.2.8.6, Pages 10 &11*)

- The flow of funds from GoI to State Government for transfer of government benefits to the eligible beneficiaries was not consistent and effective. Delays were at various stages such as, release of funds to State, submission of UCs, and transfer of funds to implementing departments and agencies by the State, and release of benefits to the beneficiaries' accounts.

(*Paragraph 1.2.10.1, Page 14*)

- In respect of IGNOAPS, overall delays in transfer of funds from GoI to State was to the extent of three months to four months during 2017-2020 adversely affecting monthly disbursement of pensions. All 100 selected beneficiaries received their pensionary benefits with delays ranging from four months to 44 months during 2017-18 to 2020-21 against the prescribed monthly payment of pension.

(*Paragraphs 1.2.10.1 (i), Page 14 & 1.2.10.2 (i), Page 19*)

- In PMAY-G, delay in transfer of funds from State Government to SNA ranged from 23 to 212 days. The balance amount of ₹ 3.11 crore was still lying in the bank as of 31 March 2021. In 89 out of 100 beneficiaries test checked, first instalments were paid with delays ranging from two days to 98 days beyond the stipulated time of one week. Second instalments with delays of two days to 207 days after completion of Plinth level for all the 100 beneficiaries and for the third instalments delay ranged from one day to 236 days after completion of Lintel level.

(Paragraphs 1.2.10.1 (ii), Page 16 & 1.2.10.2 (ii), Page 19)

- In PMMVY, ₹ 4.27 lakh was yet to be released by the State Government as of March 2021. The delays in release of funds to the beneficiaries ranged from 12 months to 25 months. Out of 100 beneficiaries test checked, payment of first instalment in 69 cases were delayed ranging from one day to 863 days. The second instalment of 67 cases were delayed ranging from two days to 672 days. For the third instalment, the delay ranged from one day to 557 days in 49 cases.

(Paragraphs 1.2.10.1 (iii) Page 17 & 1.2.10.2 (iii), Page 19)

- Even under DBT platform, the delay in transfer of benefits to the beneficiaries' accounts was very significant. The very objective of achieving timely and reliable transfer of government benefits to the eligible recipients remained to be achieved. This was mainly due to delays in fund flow from GOI to State and then from the State to the implementing departments which in turn further delayed the transfers of the benefits to the beneficiaries.

(Paragraph 1.2.10.2, Page 18)

- Monitoring mechanism for implementation of the selected schemes were found to be inadequate.

(Paragraph 1.2.10.3 (iii), Page 21)

Recommendations

- *State DBT Cell should be strengthened with required manpower to operationalise its organisational structure with the assigned responsibilities to enable the DBT Cell to act as one-stop point or nodal point for smooth on-boarding of schemes on to DBT platform and to effectively monitor the progress made by each Implementing Department by setting targets and milestones for implementation of DBT in a time bound manner;*

- *State DBT Cell should take up steps to further develop the DBT portal establishing the required linkages with all beneficiary-oriented schemes being implemented in the State under DBT platform, so as to generate MIS on current status of DBT implementation;*

- *Benchmarking studies on best practices may be conducted to enhance the effectiveness of benefit delivery;*
- *A dedicated body to deal with complaints and grievances of beneficiaries pertaining to various issues like delays in receiving subsidy amount in the bank accounts of beneficiaries, incorrect set of entitlements received by the end beneficiary as per SOP Module of DBT may be constituted; and*
- *State Government should review fund flow from Centre to the State and from the State Government to the Implementing Agencies/ Department and finally to beneficiaries' accounts in order to ensure timely transfer of benefits, and undertake necessary process re-engineering with the implementing departments for ensuring reliable and time-bound transfer of Government benefits under DBT platform.*

CHAPTER II: ECONOMIC SECTOR

During 2019-20, against total budget provision of ₹ 4,239.37 crore, a total expenditure of ₹ 2,033.12 crore was incurred by 18 Departments under Economic Sector. During 2019-20, audits were conducted involving expenditure of ₹ 1,717.31 crore including expenditure of previous years of the State Government under Economic Sector.

This Chapter contains two Compliance Audit Paragraphs.

COMPLIANCE AUDIT

Fisheries Department

Department of Fisheries withdrew ₹ 26.64 lakh for six works for payment to contractors out of which, ₹ 16.73 lakh for two works was suspected to have been misappropriated as the amount drawn was neither supported by APR as proof of payment nor was deposited back to Government Account as assured by the Department.

(Paragraph 2.2, Page 27)

Recommendation

State Government needs to fix responsibility on the DDO concerned for fabrication of records with an intention to defraud the Government by misappropriation of funds; and

State Government may conduct investigation for the suspected misappropriation *at the earliest and strict action, including filing of FIR, if necessary, should be initiated against the delinquent officials for misappropriation of Government funds.*

Department of Commerce and Industries

Department of Commerce and Industries procured 73 equipment worth ₹ 4.30 crore to set up nine Livelihood Business Incubators, out of which, 42 equipment worth ₹ 3.26 crore were kept idle and two equipment worth ₹ 0.10 crore remained traceless.

(Paragraph 2.3, Page 29)

Recommendation

Government may take urgent steps to get operationalise the idle equipment, trace the two missing equipment so as to use them for their intended purpose in order to achieve the objectives of LBI Scheme.

CHAPTER III: ECONOMIC SECTOR (STATE PUBLIC SECTOR UNDERTAKINGS)

Functioning of Public Sector Undertakings

As on 31 March 2020, the State of Manipur had 13 PSUs (10 working companies and three non-working companies) wherein the investment of the State Government (capital and long-term loans) was ₹ 66.07 crore, consisting of ₹ 65.39 crore (98.97 *per cent*) towards capital and ₹ 0.68 crore (1.03 *per cent*) towards long-term loans.

(Paragraphs 3.1.1 and 3.1.2, Page 33)

The number of PSU accounts in arrears had increased from 78 (2015-16) to 103 (2019-20). Further, out of 103 accounts pending finalisation by 10 PSUs as of 2019-20, 54 Accounts (52 *per cent*) pertained to two PSUs namely, Manipur Tribal Development Corporation Limited (32 Accounts) and Manipur Police Housing Corporation Limited (22 Accounts).

(Paragraph 3.1.5, Page 36)

Recommendations

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

➢ Manipur State Power Company Limited and Manipur State Power Distribution Company Limited were the major recipients of State Government funding amounting to ₹ 1,834.47 crore (Grants) during the period when their accounts were in arrears since 2016-17.

(Paragraph 3.1.6, Page 38)

Recommendations

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

- As per information furnished by the PSUs, during 2019-20, State Government has provided budgetary support of ₹ 537.36 crore in the form of grants/subsidy. Major recipient of the budgetary support during last three years was Manipur State Power Distribution Company Limited.

(*Paragraph 3.1.7, Page 38*)

- As per the latest finalised accounts of PSUs as on 30 September 2020, accumulated losses (₹ 159.26 crore) of five out of 10 working PSUs had completely eroded their paid-up capital (₹ 53.14 crore). During 2019-20, out of 10 working PSUs, only one PSU earned profit of ₹ 0.29 crore and seven PSUs incurred loss of ₹ 41.85 crore as per their latest finalised accounts. Remaining two working PSUs had not finalised their first accounts as of September 2020.

(*Paragraph 3.1.8, Page 39*)

- Action Taken Notes (ATNs) relating to 114 recommendations pertaining to five Reports of CoPU presented to the State Legislature between March 1986 and March 2020 had not been received from the Government.

(*Paragraph 3.1.14, Page 44*)

Recommendation

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

Compliance Audit Paragraphs

Manipur Food Industries Corporation Limited

Cold Storage facility constructed at Food Park, Nilakuthi remained un-utilised even after nine years of its completion, resulting in idle and unfruitful expenditure of ₹ 2.79 crore by Manipur Food Industries Corporation Limited.

(*Paragraph 3.2, Page 45*)

Recommendations

State Government should conduct proper investigation to ascertain the bottlenecks leading to these Cold Storages remaining idle.

Keeping in mind that the PSU is running into losses, this was an injudicious/ not well thought out investment and the Corporation should be more careful in investment/ expenditure and operationalise these facilities.

CHAPTER IV: REVENUE SECTOR

During the year 2019-20, revenue raised by the State Government was ₹ 1,338.21 crore being 13 *per cent* of the total revenue receipts of ₹ 10,684.16 crore. Balance receipts of ₹ 9,345.95 crore (87 *per cent*) during 2019-20 were from the Government of India.

Tax Revenue raised during 2019-20 (₹ 1,203.68 crore) increased by 15.07 per cent as compared to the previous year (₹ 1,046.05 crore). On the other hand, Non-Tax Revenue raised during 2019-20 (₹ 134.53 crore) decreased by 19.07 *per cent* as compared to the previous year (₹ 166.23 crore).

(Paragraph 4.1, Page 47)

Response of Departments to the draft audit paragraphs

Audit Inspection Reports issued up to March 2020 disclosed that 677 paragraphs involving ₹ 158.99 crore relating to 182 Inspection Reports remained outstanding at the end of 2019-20 which required prompt and appropriate action on the audit findings.

(Paragraph 4.3.1, Page 55)

This Chapter contains two Subject Specific Compliance Audit Paragraphs.

Compliance Audit Paragraphs

Taxation Department

Subject Specific Compliance Audit of GST Refunds

Timely refund mechanism constitutes a crucial component of tax administration, as it facilitates trade through release of blocked funds for working capital, expansion and modernization of existing business. Due to unavailability of electronic refund module on common portal, a temporary mechanism was devised and implemented by Ministry of Finance, Government of India in 2017 wherein the applicants were required to file refund applications in Form GST RFD-01A on common portal, take a print out of the same and submit it physically to the jurisdictional tax office along with all supporting documents. Further processing of those refund applications, *i.e.* issuance of acknowledgement, issuance of deficiency memo, passing of provisional/final refund orders, payment advice, *etc*., were being done manually. Compliance Audit of GST Refunds revealed the followings observations:

- Though as per Rule 90 (1) of GST Rules, 2017, claim for refund from the electronic cash ledger shall be acknowledged in FORM GST RFD-02 through the common portal electronically, there were delays in issuance of acknowledgement to the taxpayer with delay ranging from 41 to 354 days in 15 out of 24 Refund claims.

(Paragraph 4.8.1.1, Page 59)

- As per Rule 92 (1) of GST Rules, 2017 read with Para 3.2 Circular No. 17/17/2017 - GST dated 15 November, 2017 issued by CBEC, in case a refund is due and payable to the applicant, the amount shall be refunded to the applicant within sixty days of the date of receipt of complete application form. However, in 13 out of 24 Refund Cases, there were delays in sanction of refunds ranging from two to 309 days. Department was liable to pay interest for late sanction of refunds u/s 56 amounting to ₹ 0.53 lakh to 13 refund applicants.

(Paragraph 4.8.1.2, Page 60)

- Five out of 24 Refund Cases, amounting to ₹ 1.95 crore were rejected without offering the applicants an opportunity to represent his/her case in violation of Rule 92 GST Rules, 2017.

(Paragraph 4.8.1.3, Page 61)

Recommendations

The Department should put in place a mechanism to ensure that the extant provisions of the MGST Act, 2017 are complied with; and

The Department needs to put in place a monitoring mechanism to track refund applications so as to ensure timely disposal of refund claims as the delays accrue interest liability.

Subject Specific Compliance Audit on Transitional Credits under GST

Goods and Services Tax (GST) came into force from 1 July 2017. It subsumed various existing indirect taxes such as Value Added Tax (VAT), Excise duties, Service Tax *etc.* To ensure the seamless flow of input tax from the existing laws to the GST regime, a transitional arrangement for input tax was included in Manipur GST Act, 2017 to provide for the entitlement and manner of claiming input tax in respect of appropriate taxes or duties paid under the existing laws. Audit of Transitional Credits under GST revealed the following observations:

Though, Central GST officers shall have jurisdiction for verification of CGST component of transitional credit, irrespective of the jurisdiction of the taxpayer and the verification process can only be done by the tax authority which had legal jurisdiction under the erstwhile law and also has the requisite past records of the taxpayers, there was no such guidance note or directives for conduct of verification by the State Tax Department.

(Paragraph 4.9.3.1, Page 62)

The verification mechanism was not envisaged for verification of the SGST component of the transitional credit claims. Failure to generate a list of GST taxpayers in Back office module resulted in lack of information on those who had applied for transitional credits through TRAN1 Form.

(Paragraph 4.9.3.1(A), Page 63)

As the Department did not send intimation to the Central tax office for verification of State GST component of four taxpayers under the jurisdiction of the central GST Commissionerate, Manipur, SGST component of the transitional credit claims of taxpayers under the State jurisdiction amounting to ₹ 0.52 lakh and the SGST component of the transitional credit claims amounting to ₹15.15 lakh under the central jurisdiction was not verified.

(Paragraph 4.9.3.1 (B), Page 63)

One taxpayer had availed an inadmissible claim of ₹ 0.15 lakh as SGST component *arising* from VAT paid for purchase of items from an unregistered firm. Also his claim for CGST credit of ₹ 1.12 lakh for the Central Excise Duties paid on stock as for purchase from a Guwahati based firm was not acceptable as VAT returns of the firm showed nil outside purchase. Further, another taxpayer had availed transitional credit claim of ₹ 0.36 lakh without filing the requisite VAT returns.

(Paragraph 4.9.3.2, Page 63)

CHAPTER V: SOCIAL SECTOR

During 2019-20, against a total budget provision of ₹ 7,723.93 crore under Social Sector, a total expenditure of ₹ 4,817.06 crore was incurred by 17 Departments. Audits were conducted during 2019-20 involving expenditure of ₹ 806.80 crore including expenditure of previous years of the State Government under Social Sector.

This chapter contains one Performance Audit *viz.*, 'Efficacy of the implementation of the 74th Constitutional Amendment Act' and five Compliance Audit Paragraphs.

PERFORMANCE AUDIT

Performance Audit on Efficacy of the Implementation of 74th Constitutional Amendment Act

The 74th Amendment Act, 1992 (CAA), introduced 18 Articles under Part IX A (the Municipalities) in the Constitution of India, providing constitutional status to Urban Local Bodies (ULBs). Article 243W of the CAA authorised the State

Legislatures to enact laws to endow local bodies with powers and authority to enable them to function as institutions of self-government and provisions for devolution of powers and responsibilities. In Manipur, Urban Local Bodies (ULB) are spread out in six valley districts of the State. The ULBs are governed by the provisions of Manipur Municipalities (MM) Act, 1994. The ULBs are divided into wards as notified by the State Government and are represented by elected Councillors.

The PA included scrutiny of records of Municipal Administration, Housing and Urban Development (MAHUD), Manipur Urban Development Agency (MUDA), Planning and Development Authority (PDA) and Town Planning Department (TPD). Significant findings of the PA are as below:

Compliance to provisions of 74th CAA

The statutes of MM Act 1994 broadly conformed to the provisions of the 74th CAA on the institutional, legal and administrative framework for municipalities.

(Paragraph 5.2.3.1, Page 72)

Assignment of responsibilities was highly fragmented among parastatals, development agencies, State departments and municipal governments undermining the functional autonomy of ULBs and overlapping of roles indicated lack of clarity in responsibilities.

(Paragraph 5.2.3.3.1, Page 76)

Although the 74th CAA guaranteed greater autonomy to ULBs, overriding control of State Government over ULBs continued thus undermining the very objective of empowering ULBs to be institutions of self-government in urban areas. ULBs still functioned as units of State administration rather than as institutions of self-governance.

(Paragraph 5.2.3.4, Page 78)

Empowerment of Urban local bodies

District Planning Committees were yet to be constituted in all 10 test-checked ULBs indicating lack of socio-economic development planning in urban areas of districts. These ULBs executed mostly routine maintenance and minor works depending upon availability of funds as per the Annual Works Programmes. The ULBs were yet to participate in a big way in the development planning of the growing urban areas under their jurisdiction.

(Paragraph 5.2.4.4, Page 81)

Devolution of Financial Powers and Resources to ULBs

Six out of 10 sampled ULBs had not framed any bye-laws for collection of taxes, fees, duties, *etc*., undermining the power to collect revenues under their jurisdiction. Bye-laws even when passed and approved by the Government, the

ULBs still neither had the jurisdiction over collection of certain taxes nor collected taxes/fees due to their own weakness in revenue administration.

(Paragraph 5.2.5.1(i), Page 84)

There was substantial shortfall in Revenue Receipts against the budgetary provision for ULBs during five-year period 2015-20 to the tune of ₹ 315.07 crore (₹ 434.03 crore – ₹ 118.96 crore). The total Revenue Receipts of ULBs from different sources (without own revenue) ranged from ₹ 4.84 crore (2016-17) to ₹ 61.65 crore (2019-20). Own Revenue of ULBs remained low and stagnant at ₹ 2.4 crore to ₹ 4.53 crore during the review period constituting only 2.29 *per cent* to 3.55 *per cent* of the State budgetary provisions for ULBs.

(Paragraph 5.2.5.2, Page 86)

Shortfall in SFC transfers to ULBs was to the extent of ₹ 25.18 crore. Moreover, SFC transfer against total Revenue Receipts was showing a declining trend from 59.55 *per cent* in 2015-16 to 40.05 *per cent* in 2019-20. Though the Fourth FC was already due since April 2018, it was constituted only in October 2019 after a delay of 18 months. The recommendations of the Fourth FC presented in July 2021 are yet to be considered by the State Government.

(Paragraph 5.2.5.2, Page 86)

There was a total shortfall of ₹ 79.43 crore in CFC transfers to the ULBs as against the budget provision of ₹ 171.80 crore during the last five years. The yearly retention of CFC grants by the State Government ranged between ₹ 17.59 and ₹ 43.45 crore during the same period.

(Paragraphs 5.2.5.2, Page 86 & 5.2.5.3(ii), Page 88)

Expenditure of ULBs during 2015-20 (₹ 181.11 crore) constituted only 19.91 *per cent* of MAHUD's total expenditure (₹ 909.76 crore). ULBs' total expenditure *vis-à-vis* that of MAHUD declined from 63.81 per cent in 2015-16 to 12.63 per cent in 2016-17 which slightly increased to 23.95 *per cent* in 2019-20 from 14.91 *per cent* in 2018-19.

(Paragraph 5.2.5.2, Page 86)

State Government did not adhere to the norms prescribed by SFC for transfer of funds to the ULBs. There was substantial shortfall in release of grants to ULBs to the extent of ₹ 477.54 crore against total amount of ₹ 556.95 crore recommended by the Third SFC during 2015-16 to 2019-20.

(Paragraph 5.2.5.3(i), Page 88)

There was short release of CFC grants of ₹ 42.07 crore by GOI to State Government during the five-year period from 2015-16 to 2019-20. Against CFC grants of ₹ 132.62 crore released by GOI, the State Government released ₹ 92.37 crore to the ULBs with a shortfall of ₹ 40.25 crore at the end of 2019-20.

(Paragraph 5.2.5.3(ii), Page 89)

Share of own revenue to total Revenue Receipts of ULBs during 2015-20 was only 6.59 *per cent*. Majority of 10 sampled ULBs did not collect different types of taxes/fees under their purview and the potential for increasing revenue (tax and non-tax) collection remained untapped.

(Paragraph 5.2.5.4, Page 90)

Human Resources of Urban Local Bodies

ULBs have not been delegated with powers to appoint own cadre of staff and officers for running the Councils. All the sampled ULBs suffered from high vacancies in various categories of posts against the sanctioned posts; and existing staff and officers were highly inadequate to perform their assigned tasks effectively.

(Paragraph 5.2.6.1, Page 92)

Recommendations

The State Government should:

- *Review the provisions of MM Act, 1994 to include as appropriate such functions listed in the 12th Schedule of CAA to broaden the assignment of functions and responsibilities for the ULBs which were so far partially covered in the Act to enable them to play larger role in urban development in the State in view of the growing urban population and the corresponding demands for effective delivery of public services and to encourage economic growth in urban areas;*
- *Clearly delineate the functions assigned to ULBs to avoid overlapping of roles amongst different actors to ensure better accountability and performance of the ULBs. The State Government should also consider transferring the remaining 22 functions in compliance to the provisions of the MM Act in a phased manner and make mandatory for the ULBs to discharge such functions;*
- *Ensure that the elections to the ULBs are held within the due time;*
- *Ensure implementation of earlier SFC's recommendations in a time bound manner and urgently constitute State Finance Commission for transfer of financial resources covering the period from 2018-19 onwards taking into account the need for assessed requirement of the ULBs and for greater devolution of fiscal power to the ULBs;*
- *Consider formulating minimum expenditure norms for ULBs for mandatory transfer of financial resources in view of very low expenditure at the local government levels vis-à-vis State GSDP to boost planned development of urban areas;*
- *Strengthen collection of own revenue resources by framing bye-laws and by equipping enforcement mechanism for regular monitoring of performances;*

- *Empower the ULBs to facilitate collection of taxes and duties to make the ULBs self-reliant;*
- *Earmark CFC/SFC financial commitments as mandatory transfers to ULBs through annual budgetary process of the State Government to avoid shortfall in budgetary provisions and subsequent releases. The State Government should also strengthen accountability and monitoring mechanism for effective utilisation of the financial resources;*
- *State Government should immediately release the amount less transferred (CFC grants) to ULBs concerned along with penal interest at Bank rate of RBI, and*
- *Strengthen the man-power position in the ULBs by filling up the existing vacancies and by delegating the powers to manage own cadre of staff for better performance and accountability.*

Compliance Audit Paragraphs

Art and Culture Department

Even after incurring expenditure of ₹ 1.07 crore by Art and Culture Department, the Stack Room of Manipur State Archives Complex remained incomplete for more than nine years, rendering the expenditure unfruitful.

(Paragraph 5.3, Page 98)

Recommendation

The State Government should investigate as to how the financial expenditure was not commensurate with the physical progress of the buildings. As the building is meant to provide storage facilities for archival materials, effective steps should be taken to complete the building without further delays.

Department of Labour and Employment

Manipur Building and Other Construction Workers' Welfare Board diverted and utilised Welfare Fund of ₹ 1.48 crore for construction of Office Building that was not permissible under the Workers' Welfare Scheme.

(Paragraph 5.4, Page 101)

Recommendation

The State Government should refund the expenditure that had been spent from the Board's fund and the funds should be utilised only for the intended purpose in future.

Failure of Deputy Labour Commissioner, Imphal to safeguard Government property created at ₹ 1.27 crore rendered the public property wasteful for more than twelve years.

(Paragraph 5.5, Page 102)

Recommendation

The State Government should take all necessary action to secure the land and the buildings from the unauthorised occupant to avoid loss of State Government's property without further delay.

Tribal Affairs and Hills Department

The Tribal Affairs and Hills Department withdrew Scheme funds deposited in the Bank Accounts in gross Violation of Financial Rules. Payment of ₹ 30.36 crore could not be verified in Audit due to non-availability of records, vouchers/ APRs which points toward doubtful expenditure and suspected misappropriation of funds.

(Paragraph 5.6, Page 104)

Recommendation

The State Government should complete the investigation by the Departmental Enquiry at the earliest and strict action, including filing of FIR, if necessary, should be initiated against the delinquent officials for misappropriation of Government funds.

Youth Affairs and Sports Department

Construction of District Sports Complex at Senapati District sanctioned since January 2007 at the cost of ₹ 13.23 crore by the Youth Affairs and Sports Department, Government of Manipur remained incomplete for more than eight years. There was no progress on the project since October 2014, the incomplete sport facilities have further deteriorated and the assets already created were being misused by unauthorised occupants.

(Paragraph 5.7, Page 107)

Recommendation

State Government should take effective measures to complete the Complex at the earliest and the sports infrastructures are put to use to achieve the intended objective of the project.

CHAPTER VI: FOLLOW UP OF AUDIT OBSERVATIONS

Audit Reports for the year 2018-19 (Report No. 2 of 2021) featured three Performance Audit paragraphs and 13 Compliance Audit paragraphs. The Audit Report has been placed before the Legislative Assembly on 25 March 2022, however, no *suo moto* Explanatory Notes in respect of the Audit paragraphs has been received till date (April 2022). In respect of earlier Audit Reports for the years 1999-2018, *suo moto* Explanatory Notes pertaining to 399 Performance Audits and Compliance Audit paragraphs were not received from the Departments within the stipulated period of three months.

(Paragraph 6.1, Page 111)

As of April 2022, PAC had published 37 Reports on findings in the Audit Reports. These PAC Reports altogether contained 1,582 recommendations based on examination of the Audit Reports by the PAC. In respect of 21 Reports of PAC, containing 737 recommendations, Action Taken Notes (ATN) had been received. Of the remaining 845 recommendations contained in 16 Reports of PAC, no ATNs were received.

(Paragraph 6.2, Page 111)

As of March 2020, 3,350 Inspection Reports issued from 2003-04 onwards were pending for settlement. Even initial replies, which were required to be received from the Heads of Offices of Government Departments within four weeks from the date of issue of Inspection Reports, were not received.

(Paragraph 6.4, Page 112)

Recommendations

It is recommended that the Government may review the matter and ensure that an effective system exists for:

- *Submission of ATNs to the recommendations of the PAC/ CoPU;*
- *Regularly monitoring the functioning of the DAAC and SAAC; and*
- *Send replies to Audit within the prescribed time schedule.*

Chapter I
General Sector

CHAPTER I

GENERAL SECTOR

1.1 Introduction

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

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

Table 1.1.1 Expenditure incurred by major departments during the last five years

(₹ in crore)

Years	Finance*	Police	Planning	Total on General Sector (*per cent*)	Total Expenditure#
2015-16	1,061.97	1,083.67	73.04	2,526.56 (27.77)	9,098.16
2016-17	1,298.56	1,196.06	85.29	2,855.03 (26.31)	10,852.06
2017-18	1,416.84	1,299.56	162.33	3,188.88 (27.98)	11,397.17
2018-19	1,549.64	1,378.62	160.76	3,397.70 (23.29)	14,590.22
2019-20	1,747.11	1,577.20	63.14	3,740.79 (21.79)	17,165.50

Source: Appropriation Accounts.

** Including Local Fund Audit.*

 # General, Economic (Other than PSUs) and Social Sectors.

Besides, GoI transferred ₹ 434.88 crore directly to the different implementing agencies out of which, ₹ 10.43 crore (2 *per cent*) pertained to the General Sector as detailed in ***Appendix 1.1***.

Table 1.1.2 provides Department-wise details of budget provision and expenditure incurred by the 17 departments pertaining to General Sector during 2019-20.

Table 1.1.2 Department-wise budget provision and expenditure during 2019-20

(₹ in crore)

Sl. No.	Department	Budget Provision	Expenditure
1	Police	1,914.93	1,577.20
2	Finance Department	1,804.02	1747.11
3	Local Fund Audit		
4	Administration of Justice	526.72	50.38
5	Planning	274.60	63.14
6	Land revenue, Stamps & Registration and District Administration	145.49	87.09
7	Secretariat	127.16	97.18
8	Election	42.89	32.09
9	Jails	29.59	26.09
10	Home Guards	21.53	19.01
11	Fire Protection and Control	17.39	16.24
12	Governor Secretariat	6.96	5.56
13	Manipur Public Service Commission	6.70	5.07
14	Stationery and Printing	6.25	4.77

Sl. No.	Department	Budget Provision	Expenditure
15	Vigilance Department	5.81	4.22
16	State Academy of Training	5.71	3.82
17	Rehabilitation	4.34	1.81
Total		**4,940.09**	**3,740.78**

Source: Budget Documents and Appropriation Accounts
**Excluding Appropriation No. 2 – Interest Payment and Debt Services.*

As it can be seen from table above, there were savings of ₹ 1,199.31 crore (24.28 *per cent*) from Budget provision under General Sector of which Administration of Justice had the maximum savings of ₹ 476.34 crore (90.44 *per cent*) followed by Planning Department ₹ 211.46 crore (77.01 *per cent*) and Rehabilitation ₹ 2.53 crore (58.29 *per cent*) against their respective Budget provisions. Thus, the Budget Provisioning may be done more realistically by the Departments.

1.1.1 Planning and execution of Audit

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

Out of total 355 units selected for compliance audit during 2019-20, 56 units (15.77 *per cent*) pertained to General Sector. As of March 2020, 58 Inspection Reports containing 229 paras, involving expenditure of ₹ 2,645.77 crore including expenditure of the previous years under General Sector, were issued to the heads of units with copies to the heads of the departments concerned. Year-wise details of expenditure audited in respect of General Sector during 2019-20 are shown in ***Appendix 1.2***.

This chapter contains one Performance Audit Paragraph *viz*., 'Direct Benefit Transfer *(covering in-cash transfers only)*'.

PERFORMAMCE AUDIT

FINANCE DEPARTMENT, SOCIAL WELFARE DEPARTMENT AND RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT

1.2 Performance Audit on Direct Benefit Transfer (covering in-cash transfers only)

Highlights

- *State Government constituted a Committee on DBT to act as Advisory having members from 16 Government Departments but did not include members from Unique Identification Authority of India, State Level Banking Committee, Telecom Service Providers, etc.*

  (Paragraph 1.2.7.1(i))

- *As the DBT related activities were carried out independently by the departments concerned, the role of the DBT Cell was limited to forwarding of instructions received from the Centre to various implementing departments.*

  (Paragraph 1.2.7.1 (ii))

- *State DBT Co-ordinator operated without any Implementation Support viz., Technical, Non-technical and Finance & Admin and was assisted by two officers of the Institutional Finance Cell of Finance Department. No subordinate staff were posted even after five years of its creation. Hence the State DBT Cell was not adequately manned to provide unity of command.*

  (Paragraph 1.2.7.2)

- *DBT Cell could not provide one-stop point to coordinate all efforts for seamless on-boarding of schemes on to the DBT platform and for monitoring and evaluation of progress made by various departments on DBT against targets, milestones and indicators as envisaged in the guidelines.*

  (Paragraph 1.2.8.1)

- *DBT portal could not provide for dynamic up-dation of data and daily tracking of progress, report generation, etc. could not be done. DBT portal showed 78 schemes but the number of beneficiaries and amount transferred scheme-wise could not be generated or viewed. Two schemes in the DBT portal were not presently implemented by the departments.*

  (Paragraphs 1.2.8.4 & 1.2.8.6)

- *The flow of funds from GoI to State Government for transfer of government benefits to the eligible beneficiaries was not consistent and effective. Delays were at various stages such as, release of funds to State, submission of UCs, and transfer of funds to implementing departments and agencies by the State, and release of benefits to the beneficiaries' accounts.*

  (Paragraph 1.2.10.1)

- *In respect of IGNOAPS, overall delays in transfer of funds from GoI to State was to the extent of three months to four months during 2017-2020 adversely affecting* *monthly disbursement of pensions. All 100 selected beneficiaries received their pensionary benefits with delays ranging from four months to 44 months during 2017-18 to 2020-21 against the prescribed monthly payment of pension.*

(Paragraphs 1.2.10.1 (i) & 1.2.10.2 (i))

- *In PMAY-G, delay in transfer of funds from State Government to SNA ranged from 23 to 212 days. The balance amount of ₹ 3.11 crore was still lying in the bank as of 31 March 2021. In 89 out of 100 beneficiaries test checked, first instalments were paid with delays ranging from two days to 98 days beyond the stipulated time of one week. Second instalments with delays of two days to 207 days after completion of Plinth level for all the 100 beneficiaries and for the third instalments delay ranged from one day to 236 days after completion of Lintel level.*

(Paragraphs 1.2.10.1 (ii) & 1.2.10.2 (ii))

- *In PMMVY, ₹ 4.27 lakh was yet to be released by the State Government as of March 2021. The delays in release of funds to the beneficiaries ranged from 12 months to 25 months. Out of 100 beneficiaries test checked, payment of first instalment in 69 cases were delayed ranging from one day to 863 days. The second instalment of 67 cases were delayed ranging from two days to 672 days. For the third instalment, the delay ranged from one day to 557 days in 49 cases.*

(Paragraphs 1.2.10.1 (iii) & 1.2.10.2 (iii))

- *Even under DBT platform, the delay in transfer of benefits to the beneficiaries' accounts was very significant. The very objective of achieving timely and reliable transfer of government benefits to the eligible recipients remained to be achieved. This was mainly due to delays in fund flow from GOI to State and then from the State to the implementing departments which in turn further delayed the transfers of the benefits to the beneficiaries.*

(Paragraph 1.2.10.2)

- *Monitoring mechanism for implementation of the selected schemes were found to be inadequate.*

(Paragraph 1.2.10.3 (ii))

1.2.1 Introduction

Direct Benefit Transfer (DBT) is a major reform initiative of Government of India (GoI) to ensure better and timely delivery by direct transfer of financial assistance and entitlements to eligible beneficiaries' bank accounts in a fair, transparent, efficient and reliable manner. This delivery mechanism would facilitate efficient interface between Government and people. This would involve accurate identification and targeting of intended beneficiaries, promotion of financial inclusion and remove leakages, re-engineer government process for flow of funds and information and setting up of digital platforms that are accessible and reliable.

DBT was rolled out in the country in 2013 with Central Sector (CS) and Centrally Sponsored Schemes (CSS) in a phased manner. As of March 2021, 311 schemes across the country were being implemented through DBT mode, reaching out to more than

98 crore beneficiaries with more than 600 crore transactions. GOI has set the target to bring all CS and CSS and subsidy schemes under DBT purview through a coordinated effort between Centre and States.

In order to implement DBT, States have been asked to set up a State DBT Cell to act as a one-stop point to coordinate all efforts for bringing the implementation of schemes on to DBT. The State DBT Cell is to consolidate guidelines received from Central Ministries and disseminate them to the respective departments. It has to act as a unity of command and provide technical support in implementation and coordination.

In Manipur, the State DBT Cell was constituted in October 2016 and nine schemes were brought on DBT portal during 2017-18. As per the information furnished by the State DBT Cell, there are 78 schemes on the DBT portal being implemented by 15 Departments as of July 2020. As the information regarding the total number of beneficiaries covered under these 78 schemes was not available with the Cell, we called for the data from the respective departments and as per the information furnished by eleven out of the 15 departments for 23 schemes (out of 51 schemes being implemented by them), the total number of beneficiaries covered by eight[1] departments was 5.24 lakh. The data from the remaining seven departments is awaited (March 2022).

1.2.2 Scope of Audit

The Performance Audit (PA) was conducted during September 2020 to December 2020. State DBT Cell was selected and in addition, for the purpose of test-check, three schemes were selected *viz*., (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS)[2], (ii) Pradhan Mantri Awaas Yojana-Gramin (PMAY-G)[3] and (iii) Pradhan Mantri Matru Vandhana Yojana (PMMVY)[4] for the period from 2017-18 to 2020-21 (up to July 2020) in 4 districts (Valley Districts- Bishnupur, Imphal East and Hills Districts- Chandel and Senapati) out of 9 districts[5], selected through Probability Proportional to Size Without Replacement Method (PPSWOR) based on funds transferred to the districts. Two departments being implementing departments, *viz*., Social welfare for IGNOAPS and PMMVY; Rural Development and Panchayati Raj

[1] Out of eleven departments; three departments furnished Nil report, hence the total No. of departments which furnished information will be considered as eight.

[2] IGNOAPS, a fully funded Central Sector Scheme is implemented under the National Social Assistance Program (NSAP) which provides monthly pension to Below Poverty Line beneficiaries @ ₹ 200 per month (between 60-79 years of age) and ₹ 500 per month (above 80 years of age) and is implemented in Manipur by the Social Welfare Department.

[3] PMAY-G provides financial assistance @ ₹ 1.30 lakh to houseless beneficiary to build *pucca* house and is funded by the Centre and State in the ratio 90:10 for North Eastern and Himalayan States and is implemented in Manipur by Rural Development & Panchayati Raj Department.

[4] PMMVY, provides financial assistance to Pregnant Women and Lactating Mothers after delivery of the first living child @ ₹ 5000 as partial compensation for loss of wages during motherhood and is funded by Central and State Governments in the ratio 90:10 for North Eastern and Himalayan States and is implemented in Manipur through Anganwadi Services of Integrated Child and Development Scheme under the Social Welfare Department.

[5] For the purpose of audit, the earlier administrative formation of nine districts is considered since the newly formed districts were not fully functional.

for PMAY-G were selected. Audit analysis of records of 300 beneficiaries[6] in the State was done, of which Joint Physical Verification (JPV) of beneficiaries for a total of 100 beneficiaries in the sampled districts was conducted as shown below:

Table 1.2.1 Statement showing selection of beneficiaries for JPV

Name of Scheme	Valley District		Hill District		Total
	Bishnupur	Imphal East	Chandel	Senapati	
IGNOAPS	10 (5615)	9 (9034)	8 (2115)	7 (8224)	**34** (24988)
PMAY-G	8 (351)	8 (1352)	8 (1212)	9 (1943)	**33** (4858)
PMMVY	8 (580)	9 (1185)	8 (101)	8 (78)	**33** (1944)
Total	**26** (6546)	**26** (11571)	**24** (3428)	**24** (10245)	**100** (31790)

Note: Figures in parenthesis are total No. of beneficiaries in the respective sampled districts.
Source: Departmental Records.

1.2.3 Audit Objectives

The topic was selected to ascertain:

- whether the infrastructure, organisation and management of DBT were adequate and effective; and
- whether necessary process reengineering was done for implementation of DBT so as to minimise (a) intermediary levels (b) delay in payments to intended beneficiaries and (c) pilferage and duplication.

1.2.4 Audit Criteria

This audit was benchmarked with the following criteria:

- Documents, circulars, orders, instruction and notification issued by the DBT Mission, Central Ministry and State Government;
- Standard Operating Procedures and Guidelines for State DBT Cell issued by DBT Mission and
- Guidelines of the schemes *viz*., PMAY-G, IGNOAPS and PMMVY.

1.2.5 Audit methodology

The audit commenced with an Entry Conference (15 September 2020) with the Finance Department handling DBT Cell, Rural Development & Panchayati Raj Department and Social Welfare Department, Government of Manipur, wherein the scope of audit, objectives and criteria were discussed. Thereafter, records and documents pertaining to 300 selected beneficiaries were examined and the audit findings, conclusions and recommendations were arrived at, regarding status of implementation of DBT, deficiencies of flow of benefits *etc*. In addition, Joint Physical Verification (JPV) of 100 beneficiaries was conducted and photographic evidences were also gathered to substantiate the audit findings.

6

Name of Scheme	No. of Beneficiaries detailed checked	Total No. of Beneficiaries
IGNOAPS	100	56,045
PMAY-G	100	11,251
PMMVY	100	14,611

An Exit Conference was held on 28 March 2022 with the above Departments, wherein the audit findings were discussed. The response of the Government has been incorporated appropriately in the report.

1.2.6 Organisational Structure for implementation of DBT

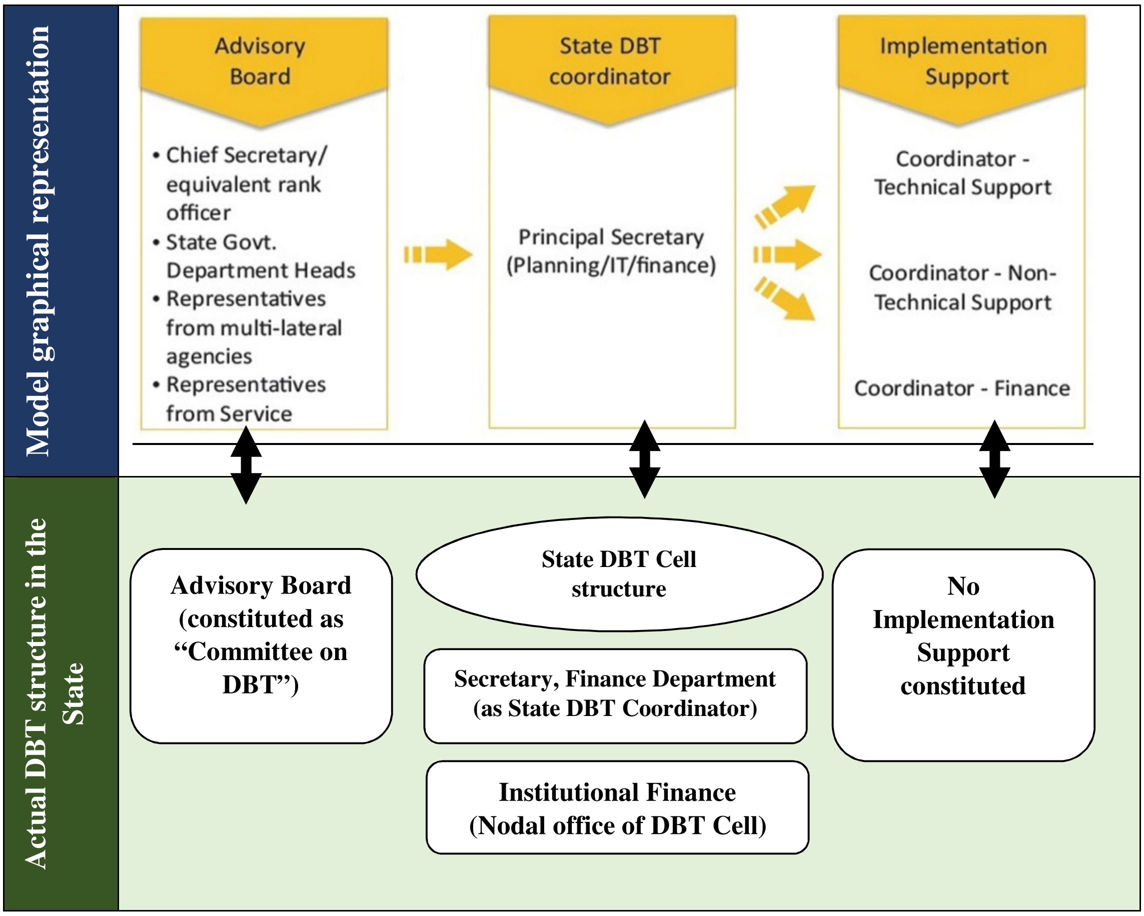
The State DBT Cell is headed by Chief Secretary, Finance Department who also acts as DBT Coordinator in matters related to DBT. The Director, Institutional Finance is a Nodal Office co-ordinating with the departments implementing the schemes. The nodal officers of the implementing departments are responsible for implementing the scheme in their respective departments.

1.2.6.1 Organisational Structure of State DBT Cell

The State DBT Cell is to act as a nodal point for all activities and matters related to DBT operations in the State and shall be responsible for liaisoning with various stakeholders, disseminating the directives to respective departments, developing department specific Information and Communication Technology (ICT) applications to capture DBT data, monitoring and evaluating the progress of departments on DBT related indicators, *etc*.

The State DBT cell should have an organisational structure consisting of three broad components *viz*., Advisory Board, DBT Coordinator and Implementation Support as presented in the following Chart:

Chart 1.2.1 Organisational structure of State DBT cell



Audit Findings

1.2.7 Management of State Direct Benefit Transfer Cell

1.2.7.1 Deficiencies in organisational arrangements in State DBT Cell

Audit analysed the position of organisational arrangements in the State DBT Cell and the following observations emerged:

(i) Advisory Board: As per Guidelines, Advisory Board was to be constituted, as a parallel body and as an independent entity to State DBT Cell, with representatives from various enablers and stakeholders such as all Government Departments, UIDAI[7], SLBC[8], TSPs[9] *etc*. to provide a holistic, well-rounded advisory and consulting inputs to the DBT cell.

Audit observed that the State Government constituted (July 2016) a Committee on DBT, as Advisory Board with Chief Secretary as the Chairman, and the Administrative heads of 16 other Departments as its members. However, no representative from UIDAI, SLBC, TSP *etc*. was included in the Committee.

(ii) State DBT Coordinator: As per Guidelines, the Administrative Head of Planning/ IT/ Finance was to be nominated as State DBT Coordinator on DBT related matters and to coordinate and liaison with various Departments in setting up deadlines, receiving directives from the Centre, strategising, *etc*.

State Government constituted (October 2016) a DBT Cell with the Administrative Head of Finance Department as State DBT Coordinator with 10 other representatives including that from NIC, NABARD and SLBC.

Audit, however, observed that though the Coordinator was to spearhead in reengineering efforts to bring the schemes on to DBT platform but these activities were being carried out by the concerned departments independently without any coordination/ liaison with the State DBT Coordinator. As such, the functions of the State DBT Coordinator were limited to forwarding of instructions received from the Centre to various implementing units.

(iii) Implementation Support: Implementation Support was to be provided by three coordinators who were responsible for Technical, Non-Technical and Finance & Administrative Support to the Cell's operations.

Scrutiny showed that no Technical, Non-Technical and Finance & Administrative Support layers had been created in the State.

During Exit Conference (March 2022), Finance Department stated that it is difficult for a small state like Manipur to comply with all the required organisational structures as envisaged in the DBT guidelines. The matter would be taken up with DBT Mission.

[7] Unique Identification Authority of India.
[8] State Level Bankers' Committee.
[9] Telecom Service Providers.

Further, representatives from the concerned departments/ stakeholders will be made part of the Advisory Board.

1.2.7.2 Human Resources for State DBT Cell

As per the Guidelines, Implementation Support component of DBT Cell would function as the operational part of the Cell, with three coordinators for Technical, Non-Technical and Finance & Admin units, who would directly report to the DBT Coordinator.

However, the State Cell did not have manpower and only two officers, *viz*., Director and Assistant Director of Institutional Finance Cell, were looking after the State DBT Cell without any subordinate staff. Thus, even after a span of five years from establishment of State DBT Cell in October 2016, required manpower and organisational arrangements for implementation of DBT had not been provided.

During Exit Conference (March 2022), Finance Department agreed with the audit observation.

1.2.8 Functions of DBT Cell

1.2.8.1 Targets not set for onboard of schemes under DBT

As per Guidelines, DBT Cell has to set targets/ goals and deadlines for on-boarding of schemes implemented by various departments on to DBT for capturing the information pertaining to DBT.

It was observed that 78 schemes, as on the date of Audit (October 2020) were under DBT. On further enquiry in Audit, the Cell stated that no target for on-boarding of schemes was set as the schemes were implemented by the departments as per their requirements or instructions from the Central Government. The Cell, from time to time, made requests to the departments to indicate if there were any schemes which are yet to be on-boarded on to DBT.

Audit however observed that the Cell had no information about how many schemes were yet to be brought under DBT. Despite efforts of DBT Cell, the Departments concerned did not regularly send information regarding on-boarding of Schemes in DBT Cell as per requirement. The DBT Cell has not functioned as a one stop-point for all activities related to DBT operations in the State as envisaged in the guidelines.

During Exit Conference (March 2022), Finance Department agreed that no specific target was set for on-boarding the schemes. DBT Cell shall make efforts to set targets for on-boarding of schemes under DBT platform in future in coordination with the departments.

1.2.8.2 Absence of monitoring and evaluation of progress made by departments

As per Guidelines, the State DBT Cell has to closely monitor and evaluate the progress of various departments on DBT related indicators *vis-à-vis* expected outcomes.

Audit observed that the DBT Cell had not evaluated the progress made on DBT by various departments. The Cell stated that actual progress and achievements of DBT implementation are being monitored by the implementing departments and the information is updated by them on the DBT Portal.

During Exit Conference (March 2022), Finance Department stated that State DBT cell has not evaluated the progress made on DBT by various departments. Further, the uploading of data on the portal is done manually and not in real time.

1.2.8.3 Benchmarking studies on best practices not conducted

As per Guidelines, the Cell has to conduct benchmarking studies on best practices and develop roadmap to incorporate those practices in the State.

Audit noticed that the Cell was yet to conduct such studies.

Thus, in the absence of benchmarking studies on best practices, implementation of DBT in the State would be deprived of the benefits of such innovative practices available internationally.

Finance Department stated (March 2022) that benchmarking studies on best practices could not done as it is difficult for a small state like Manipur to conduct such studies. Best practices of other states are highlighted whenever workshops are conducted by DBT Mission.

1.2.8.4 Deficiencies of State DBT Portal

The SOP of DBT requires that the DBT Cell would develop an IT based System Utility/ MIS for schemes, to enable report generation, dynamic update of data and daily tracking of progress.

The DBT Cell has a State DBT Portal which is a part of GoI's DBT portal. On enquiry in Audit, the Cell stated that at the end of each financial year while roll-over is being done to the new year, the data is set to zero. Data of previous years was no longer accessible once the roll-over was done. If any data for previous years is required, these can be extracted only by Central Technical Team of Central DBT Mission. Thus, the DBT portal did not have provision for dynamic updation of data, daily/periodic tracing of progress, report generation, *etc*., as envisaged in the SOP.

During Exit Conference (March 2022), Finance Department agreed that there is a need for IT based system Utility/MIS for the schemes to enable report generation, dynamic updating, *etc*. As per DBT Mission instructions, all State schemes are to be linked to DBT MIS, the work for which is in progress.

1.2.8.5 Non-constitution of dedicated body for complaints and grievances

As per SOP of DBT, the DBT Cell was to constitute a dedicated body to deal with complaints and grievances of beneficiaries pertaining to various issues like delays in receiving subsidy amount in their bank account, incorrect or delayed feedback, incorrect entitlements received, *etc*.

Audit noticed that no such dedicated body has been set up as envisaged in the guidelines.

During the Exit Conference (March 2022), Finance Department stated that henceforth a mechanism would be put in place to redress grievances/ complaints of beneficiaries.

1.2.8.6 On-boarding schemes on DBT portal

In Manipur, implementation of DBT started from 2016-17 with the constitution of State DBT Cell in October 2016. There were no schemes under State DBT portal in 2016-17. The number of schemes under DBT portal increased 8.6 times from 9 schemes (2017-18) to 78 schemes (2020-21). However, amount transferred and number of beneficiaries against these 78 schemes were not depicted in the DBT portal.

Audit scrutiny further revealed that out of 78 schemes in the DBT portal, two schemes, *viz*., National Scheme of Incentives to Girls for Secondary Education and Development of Inland Fisheries and Aquaculture appearing in the DBT portal are not being implemented in Manipur. Moreover, the Cell could not provide information, as to how many schemes were beneficiary-oriented schemes being implemented in the State, number of such schemes yet to be brought under the purview of DBT, total number of beneficiaries already linked to DBT, the position of fund flow, *etc*.

Thus, the State DBT portal could not provide accurate and up-to-date information on all schemes linked to DBT platform for the State, for the purpose of monitoring and evaluation of progress made by implementing Departments.

During Exit Conference (March 2022), Finance Department stated that timely on-boarding of schemes on to DBT portal could not be done till the implementing Departments provide the information. Linkage of departments' MIS with DBT cell is under discussion, and the existing flaws would be resolved once the linkage is completed.

1.2.8.7 Delivery of benefits to beneficiaries and financial outgo under DBT platform

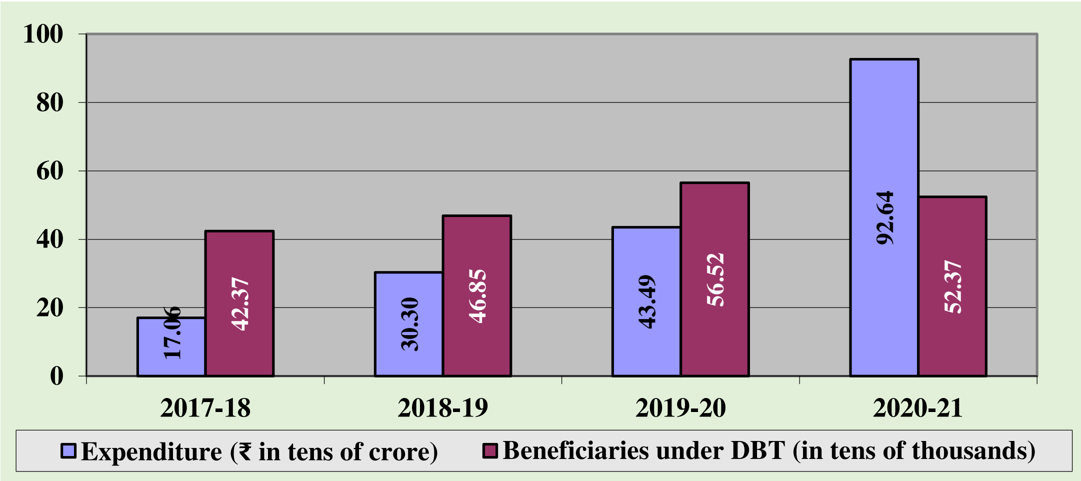
The DBT Cell was to ensure on-boarding of schemes implemented by various Departments on to DBT portal in a timely manner. DBT Cell is to act as an interface between Government and eligible beneficiaries involving accurate identification and targeting of intended beneficiaries.

Audit scrutiny revealed that though the DBT portal indicated 78 schemes being implemented by 15 Departments, no financial outgo could be generated from the system and thus could not be verified in Audit. The Department-Scheme-wise details extracted from the DBT portal are given in ***Appendix 1.3***.

In order to verify the actual number of beneficiaries availing direct transfer of benefits, the number of schemes and corresponding financial outgo, Audit requisitioned information from the DBT Cell and 19 Departments implementing various schemes.

As of March 2022, only 11 Departments furnished the information. Analysis of information furnished by the 11 Departments (September to October 2021) revealed that 23 schemes having 7,41,870 beneficiaries, were being implemented by these Departments, but only 5,23,738 beneficiaries had been linked to DBT mechanism as on July 2020 leaving 2,18,132 beneficiaries out of the DBT mechanism as detailed in ***Appendix 1.4***. The reasons for leaving such huge number of beneficiaries outside DBT platform is yet to be furnished by the Departments. In absence of complete details of schemes being implemented by various State Government Departments, the actual number of beneficiaries and the financial outgo could not be ascertained in Audit. The position as per the available information is depicted in the Chart below:

Chart 1.2.2 Position of beneficiaries under DBT platform and expenditure



Sources: Departmental Records.

Further, it can be seen from above that fund transfers through DBT increased by 5.43 times from ₹ 170.65 crore (2017-18) to ₹ 926.42 crore (2020-21). The number of beneficiaries increased steadily from 4.24 lakh (2017-18) to 5.65 lakh (2019-20) but decreased marginally to 5.24 lakh in 2020-21 (July 2020). Though the beneficiaries in 2020-21 decreased by 41,000 (approximately), the expenditure had increased by ₹ 500 crore, reasons of which were not on record.

Thus, it is evident that the information flow on DBT schemes through DBT cell was incomplete. DBT cell was yet to act as one-stop point for on-boarding of schemes to DBT and for subsequent monitoring of progress made by each Department, by setting against targets and milestones for transition of schemes to DBT platform as envisaged in the guidelines. As such, there is a need for strengthening the DBT Cell to monitor on-boarding of schemes on to the DBT portal on regular basis and to coordinate efforts of implementing Departments to bring delivery of benefits through DBT platform in a time-bound manner.

In response, Finance Department assured (March 2022) that the Audit observations on the 11 Departments would be examined and reasons for the discrepancies on the number of beneficiaries would be furnished to Audit.

1.2.8.8 Process re-engineering for DBT

The Standard Operating Procedure of DBT states that the DBT Cell would study existing process flow and fund flow under each scheme and reengineer the same wherever necessary.

It was found that the Cell had not conducted any study on existing process flow and fund flow under each scheme for necessary reengineering so as to simplify process flow of funds and information, selection procedure of beneficiaries, transfer of benefits, monitoring of activities, *etc*.

The Cell stated that this effort is within the purview of implementing Departments, as most schemes are Central Sector/ Centrally Sponsored Schemes, which are being monitored directly by the Ministry concerned.

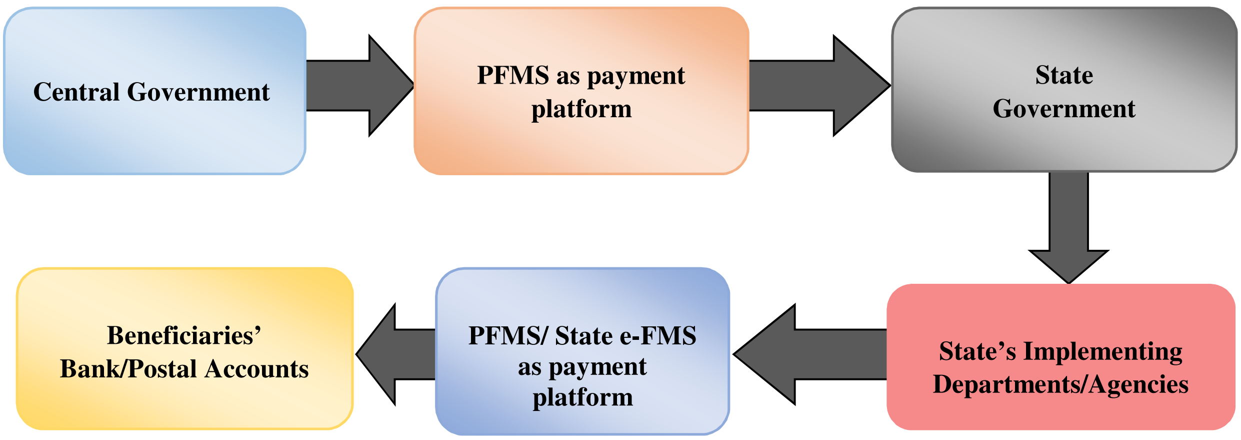
Audit further emphasised that DBT delivery mechanism functions in a decentralised manner, in which the state DBT Cell is to play a pivotal role in the implementation of DBT, thus it is responsible for coordinating and liaising with all stakeholders for seamless transitioning of schemes to DBT.

During Exit Conference (March 2022), Finance Department accepted the Audit observation.

1.2.9 Fund flow under DBT

For all DBT oriented schemes, Central Ministries/ Departments and the State Treasuries were to be registered on the centralised Public Fund Management System (PFMS) portal. All allocated flow of funds to the respective State Departments/ Implementing Agencies of the schemes are made through PFMS and then into the Bank/ Postal accounts of the individual beneficiaries. The process of fund flow is depicted in a diagram below:

Chart 1.2.3 Chart showing fund flows under DBT



For Direct Benefit Transfer (DBT) to the beneficiaries' accounts in respect of three selected schemes[10], centralised software namely NSAP-PPS (IGNOAPS), *AwaasSoft* (PMAY-G) and PMMVY-CAS (PMMVY) was being used by Implementing Departments. In order to assess the efficacy of DBT in these three selected schemes, records of 100 beneficiaries each were selected and checked by Audit with Departmental officials. The process followed by implementing Departments for identifying end beneficiaries and transfer of benefits was as follows:

[10] IGNOAPS, PMAY-G and PMMVY.

a) after completion of beneficiary identification by the local authority/elected ward members/ anganwadi workers, the selected beneficiaries are enrolled in Ministry's DBT Scheme Management software by seeding with their respective Aadhars;

b) thereafter, the beneficiary data along with bank and Aadhar details are sent to PFMS for verification. PFMS automatically sends the details to the banks, and NPCI/UIDAI respectively for validation of accounts details with Aadhar;

c) after their validation, the validation response files containing information on account holders as per records is sent back to the Departments by Bank/ NPCI/ UIDAI; and

d) finally, payment to validated beneficiaries are made in their respective bank accounts.

Further, to test check the last mile receipt of cash benefits by end beneficiaries, the related data and bank details of 33/34 out of 100 beneficiaries for each scheme was subsequently verified jointly with the concerned Department officials during field survey.

Audit found that selected eligible beneficiaries were enrolled in the DBT system after seeding with their Aadhars and validated both by Ministry and Departments/Banks for transfer of cash benefits through PFMS. The end beneficiaries were also receiving the benefits regularly except that there was delay in receipt of the amount as highlighted in the succeeding **para 1.2.10.2**. Thus, though the DBT Cell and the DBT Portal did not function as a centralised one-stop point for on-boarding and monitoring of transfer of benefits, the individual departments were implementing the schemes on DBT platform using the Centralised Software system and the eligible end beneficiaries were receiving the benefits as envisaged.

1.2.10 Audit Findings on Three Selected Schemes

DBT is to ensure better and timely delivery by direct transfer of financial assistance to eligible beneficiaries' bank accounts in a fair, transparent, efficient and reliable manner. Audit, however, observed various deficiencies in flow of benefits to the end beneficiaries in the three sampled DBT schemes[11] which are elaborated in the following paragraphs.

1.2.10.1 Delay in flow of funds

(i) Indira Gandhi National Old Age Pension Scheme

Under Indira Gandhi National Old Age Pension Scheme (IGNOAPS), which is a fully funded Central Scheme, funds are released to the states in two instalments, *viz.*, 50 *per cent* as first instalment and the remaining 50 *per cent* upon submission of

[11] (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS), (ii) Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) and (iii) Pradhan Mantri Matru Vandhana Yojana (PMMVY).

requisite documents[12]. Proposal for second instalment should be submitted latest by 15 December along with UC for the funds received during the current financial year in the prescribed proforma. Position of funds received and transferred during 2017-18 to 2020-21(up to July 2020) is as shown in the table below:

Table 1.2.2 Position of fund receipts and transfers

(₹ in lakh)

Year	**Fund released by GOI**		**Fund released by GOM**		**Fund transferred to beneficiaries**		**Unspent balance if any**
	Date of release	***Amount***	***Date of release***	***Amount***	***Date of release***	***Amount***	
2017-18	09/10/2017	1684.48	15/03/2018	1684.48	17/05/2018	1684.48	Nil
	22/03/2018	842.23	20/06/2018	842.23	07/07/2018	842.23	Nil
Total for 2017-18		**2526.71**		**2526.71**		**2526.71**	Nil
2018-19	28/09/2018	813.88	19/03/2019	813.88	13/09/2019	813.88	Nil
	19/08/2019	813.88	23/03/2020	813.88	15/05/2020	813.88	Nil
Total for 2018-19		**1627.76**		**1627.76**		**1627.76**	Nil
2019-20	19/08/2019	808.19	23/03/2020	808.19	25/03/2020	808.19	Nil
	22/10/2020	808.19	10/12/2020	808.19	25/12/2020	808.19	Nil
Total for 2019-20		**1616.38**		**1616.38**		**1616.38**	Nil
2020-21 (up to July 2020)	03/04/2020	277.93	09/04/2020	277.93	13/04/2020	277.93	Nil
	11/05/2020	277.93	22/05/2020	277.93	27/05/2020	277.93	Nil
	28/05/2020	404.09	02/07/2020	404.09	07/07/2020	404.09	Nil
	22/06/2020	134.70*	15/11/2020	134.70	04/02/2021	134.70	Nil
Total for 2020-21		**1094.65**		**1094.65**		**1094.65**	Nil
Grand total		**6865.50**		**6865.50**		**6865.50**	Nil

Source: Departmental Records.

** ₹ 404.09 lakh released for three months from July 2020 to September 2020. Thus, the fund would be ₹ 134.70 (₹ 404.09/3).*

Audit observed that:

- During 2017-18, the first instalment was released by State Government to the Social Welfare Department with a delay of five months and the Department further delayed release of benefits to the beneficiaries by two months. Thus, altogether, there was a delay of seven months in release of first instalment to the beneficiaries.

  For release of second instalment, UCs for the first instalment was to be submitted in December 2017. However, it was submitted in March 2018 after a delay of three months. Though GoI released the second instalment promptly, State Government released the funds to the Social Welfare Department after a delay of three months leading to as much delay in release of second instalment to the beneficiaries.

- During 2018-19, State Government released the first instalment to the Department after a delay of five months, who further delayed release of benefits to the Beneficiaries by six months. Thus, altogether there was delay of 11 months in release of first instalment to the beneficiaries.

[12] UCs for funds received during the previous year as well as the current year, certificate for funds transferred to the beneficiaries as per provisions of the guidelines, *etc.*

GoI released second instalment with a delay of three months, as the UCs of the first instalment was submitted with a delay of four months. The State Government further delayed release of second instalment of the fund to the Department by seven months which further delayed release of benefits to the beneficiaries by one and half months. Thus, there was delay of 11 and half months in release of second instalment to the beneficiaries.

- During 2019-20, State Government released the first instalment after a delay of seven months. However, there was no further delay in release of benefits by the Department to the beneficiaries.

  GoI released the second instalment with a delay of four months, as the UCs of the first instalment was submitted with a delay of five months. The State Government delayed release of second instalment by one month. However, there was no further delay by the Department in releasing the fund to the beneficiaries. Thus, altogether, there was a delay of five months in release of second instalment to the end beneficiaries.

- During 2020-21, the first instalment was released in four instalments, of which in two cases there were delays of one month and six months in release of benefits to the beneficiaries. Details are given in ***Appendix 1.5(A)***.

Thus, the overall delays in transfer of funds from GoI to State was to the extent of three months to four months during 2017-2020 adversely affecting monthly disbursement of pensions. Thus, State Government should review fund flow from Centre to the State and from the State Government to the Implementing Agencies / Department and finally to beneficiaries' accounts so as to rectify the faulty process causing unwarranted delays and ensure timely transfer of benefits.

(ii) Pradhan Mantri Awaas Yojana-Gramin

Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) is funded on sharing basis between Central and State Governments in the ratio 90:10. Central share was to be transferred to the State Nodal Account (SNA) within 15 days from its date of receipt, failing which a penal interest of 12 *per cent* per annum would be charged which was to be transferred to SNA by the State. Position of the fund received and transferred during 2017-18 to 2020-21 is as shown below:

Table 1.2.3 Fund Receipt and transferred in respect of PMAY-G

(₹ in lakh)

Phase	Year[13]	Opening Balance	Bank Interest	Fund received and released to SNA			Total Expenditure	Fund balance
				Central	State	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (3+4+5+6)	(8)	(9)=(7-8)
Phase I	2017-18	657.80 *	97.02	5925.57	0.00	6680.39	6680.39	0
Phase I	2018-19	0	12.91	5267.17	600.00	5880.08	5880.08	0
Phase I	2019-20	0	18.12	107.81	643.64	769.57	769.57	0
Phase I	2020-21	0	75.95	551.09	73.21	9525.26	9214.73	310.53

[13] Year in which State Government released to SNA.

Phase	Year[13]	Opening Balance	Bank Interest	Fund received and released to SNA			Total Expenditure	Fund balance
				Central	State	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (3+4+5+6)	(8)	(9)=(7-8)
Phase II	2020-21			7942.51	882.50			
Total				19794.15	2199.35	22855.30	22544.77	

** O.B. of ₹ 657.795 lakh was inter-transferred fund from IAY to PMAY-G for initial utilisation of PMAY-G*
Source: Departmental Records.

Audit observed as follows:

- During 2017-21, ₹ 197.94 crore was received from Central Government in 10 instalments. Except for two instalments, State Government released the funds to the SNA with delays ranging from 23 days to 212 days. Consequently, penal interest of ₹ 6.33 crore at the rate of 12 *per cent* per annum was due to be paid to SNA by the State Government which was yet to be released (July 2021). Details are given in ***Appendix 1.5 (B)***.

- Moreover, against the total funds of ₹ 228.55 crore released to SNA, an amount of ₹ 225.44 crore was spent till March 2021 and a balance of ₹ 3.11 crore was lying in bank accounts as on 31 March 2021. There was delay in transfer of funds to beneficiaries' accounts from the SNA level ranging from one day to 236 days. Details are given in ***Appendix 1.6 (B)***.

  Further, there was delay in transfer of funds to the beneficiaries as per sampled beneficiaries records test-checked ranging from two days to 98 days for first instalment, two days to 207 days for second instalment and one day to 236 days for third instalment.

Thus, there was delay in transfer of funds from State Government to SNA ranging from 23 to 212 days during the period September 2016 to December 2020 and balance amount of ₹ 3.11 crore was lying in the bank as of 31 March 2021. Delay in release of funds under PMAY-G to the implementing agency by the State Government have delayed payments to the end beneficiaries under this DBT Scheme.

(iii) Pradhan Mantri Matru Vandana Yojana

Funding under Pradhan Mantri Matru Vandana Yojana (PMMVY) is shared between Central and State Governments in the ratio 90:10 for North Eastern and Himalayan States. The Central share was to be directly transferred from Central Government to an Escrow Account[14]. The position of fund received and transferred during 2017-18 to 2020-21 is as shown in the table:

[14] As per the scheme guidelines, the State Government has to maintain a separate Escrow Account for the scheme to ensure dedicated and timely availability of funds to the beneficiaries without parking of funds at State level.

Table 1.2.4 Fund Receipts and transferred in respect of PMMVY (Escrow Account)

(₹ in lakh)

Year	Opening Balance	Fund received		Fund Available	Fund transferred (to beneficiaries)	Closing balance	Short Contribution by GoM
		Central	State				
2017-18	0	1263.42	0	1263.42	65.81	1197.56	(-) 140.38
2018-19	1197.56	0	0	1197.56	274.23	923.37	0.00
2019-20	923.37	411.51	40.00	1374.88	1060.77	314.11	(-) 5.72
2020-21 (July 2020)	314.11	186.65	162.57	663.33	407.61	255.72	(+)141.83
Total		**1861.58**	**202.57**		**1808.43**		**(-) 4.27**

Source: Departmental Records.

Audit observed that:

- During 2017-18, Central share of ₹ 1263.42 lakh was received in October and November 2017 against which the State Government was to release its share of ₹ 140.38 lakh (₹ 1263.42 ÷ 0.9 x 0.1).

  However, the State Government released only ₹ 40 lakh as its State share in December 2019, after a delay of 25 months leaving a balance of ₹ 100.38 lakh for the year 2017-18 till August 2020[15].

- During 2018-19, GoI did not release any fund, the reasons of which were not on record. During 2019-20, GoI released ₹ 411.51 lakh but the State Government was yet to release its State share of ₹ 45.72 lakh till August 2020.

- During 2020-21, GoI released ₹ 186.65 lakh for which the State share of ₹ 20.74 lakh was to be released. State Government released (August 2020) its State's share of ₹ 162.57 lakh, the additional amount of ₹ 141.83 lakh being the State share of previous years.

Thus, during 2017-21 (up to July 2020) GoI released a total of ₹ 1861.58 lakh against which State share was ₹ 206.84 lakh. But the State Government had released ₹ 202.57 lakh, leaving a balance of ₹ 4.27 lakh as of March 2021. The delays in release of State share to Escrow Account ranged from 12 months to 25 months.

While accepting the audit observations, Social Welfare Department and RD&PR Department stated (March 2022) that due to poor financial resources, funds were not released in time by Finance Department. This subsequently resulted in delays in release of funds to the end beneficiaries by the implementing Departments. Hence, UCs could not be submitted in a timely manner.

1.2.10.2 Delay in delivery of benefits to beneficiaries' accounts

As per DBT Guidelines, direct transfer of financial benefits to eligible beneficiaries are channelised through specific schemes using DBT delivery mechanism under

[15] August 2020, the date of release of the next State share is taken as release of balance amount of ₹ 100.38 lakh of 2017-18.

centralised PFMS portal. This envisaged timely transfer of benefits to beneficiaries' bank account in an efficient and reliable manner.

Audit, however, observed delays in direct transfer of benefits to beneficiaries' bank accounts in the three sampled DBT schemes as discussed below:

(i) Indira Gandhi National Old Age Pension Scheme

As per NSAP Guidelines, regular monthly disbursement of pensions should be achieved in the shortest possible period. Audit scrutiny of *NSAP-PPS* of IGNOAPS revealed that out of 100 beneficiaries test checked there were delays in payment of monthly pension during 2017-18 for a period ranging from four to 44 months for all 100 beneficiaries. During 2018-19, the delay ranged from 12 months to 32 months. There was marginal improvement during 2019-20 as delays were ranging from 8 months to 20 months, which further improved during 2020-21 with delays ranging from seven to 10 months. Details are given ***Appendix 1.6(A)***.

(ii) Pradhan Mantri Awaas Yojana-Gramin

As per PMAY-G Guidelines, first instalment should be released to the beneficiary within a week from the date of issue of sanction order, whereas the second and third instalments were to be released on completion of plinth level and the lintel level respectively. Audit examination of *AwaasSoft* report of PMAY-G revealed that out of 100 beneficiary's records test-checked, payments of first instalments to 89 beneficiaries were not done within the stipulated time of one week. The delays ranged from two days to 98 days. For all 100 beneficiary's records test-checked, payments of second instalments were made after delay of two days to 207 days after completion of Plinth level, of which in 20 cases (20 *per cent*) payments were made only after 3 months. The third instalments were made after delay of one day to 236 days after completion of Lintel level, of which 34 beneficiaries (34 *per cent*) were paid the third instalment only after completion of the structure, in deviation of the Guidelines with delays ranging from three days to 134 days. However, reasons for delays in transfer of funds were not recorded. Details are given in ***Appendix 1.6(B)***.

(iii) Pradhan Mantri Matru Vandana Yojana

As per PMMVY Guidelines, cash benefits were to be released to the beneficiaries accounts in three instalments[16]. The bills for the beneficiaries are prepared automatically subject to the uploading/ updation the details in PMMVY-CAS regarding completion of the milestones. Audit examined the records of PMMVY–CAS in respect of 100 beneficiaries and observed that the first instalment in 31 cases was released in time, but in the remaining 69 cases, there were delays ranging from one day to 863 days,

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Amount (Instalment)	When entitled	Submission of Form	Amount to be distributed within
₹ 1000 (First instalment)	Registration of pregnancy at the AWC	Form 1-A	30 days from the date of registration
₹ 2000 (Second instalment)	After six months of pregnancy with at least one ante-natal check-up	Form 1-B	30 days from the date of receiving Form 1-B
₹ 2000 (Third instalment)	Registration of child birth & first cycle of BCG, OPV, DPT & Hepatitis-B vaccination	Form 1-C	30 days from the date of receiving Form 1-C

of which in case of five beneficiaries (five *per cent*) delays were from two to three months while in case of 45 beneficiaries (45 *per cent*) the delay was more than three months. The second instalment in 33 cases was released in time, but there was delay ranging from two days to 672 days in remaining 67 cases, of which in case of four beneficiaries (four *per cent*) delays were from two to three months while in case of 45 beneficiaries (45 *per cent*) the delay was more than three months. The third instalment amount was released in time in respect of 46 cases but in 49 cases, the delay ranged from one day to 557 days, of which in case of 29 beneficiaries (29 *per cent*) the delay was more than four months. The amount for the remaining five cases (five *per cent*) was yet to be released due to non-submission of claims till date of audit (July 2020). Details are given in ***Appendix 1.6(C)***.

Thus, it is evident that even under DBT platform, delay in transfer of benefits to the beneficiaries' accounts was very significant. This was mainly due to delays in submission of UCs, release of State share, transfer of funds to implementing Departments by the State Government, *etc*. Unless fund flow under the respective schemes is streamlined, implementation of DBT delivery mechanism in itself would not achieve the intended objective of ensuring reliability and timeliness in transfer of benefits to the beneficiaries. Further, non-ensuring of timelines stipulated for making payment of benefits would result in hardships to vulnerable section of society.

While accepting the Audit observations, Social Welfare Department and RD&PR Department stated (March 2022) that the delay in transfer of benefits in respect to the beneficiaries' accounts was due to delay in release of fund by the State Government.

1.2.10.3 Other findings

Audit conducted beneficiary survey of 33/34 beneficiaries for the sampled DBT schemes. Some of the significant findings are highlighted below.

(i) Under PMAY-G, two houses[17] were found incomplete but reported as completed in the *AwaasSoft* even after nine and 23 months of having availed the final instalments.

[17] Out of the 33 houses for which Joint Physical Verification was conducted.

Photo uploaded as completed in *AwaasSoft*	Photo of Incomplete house seen during beneficiary survey
1st Case (Beneficiary no. MN1027050: Photo uploaded as completed in AwaasSoft on 15/07/2019)	
	
	
2nd Case (Beneficiary no. MN1026024:- Photo uploaded as completed in AwaasSoft on 29/05/2020)	

As could be seen from the above photographs, the incorrect images were uploaded on *AwaasSoft* showing the houses as completed which indicated that misleading geo-tagging was used by the Department.

(ii) Under PMMVY, three beneficiaries[18] were paid ₹ 11,000 who applied for benefits after 730 days of their pregnancy by wrongly entering the dates of Last Menstrual Period to make registration valid which was beyond the permissible periods in violation of scheme Guidelines.

(iii) The monitoring mechanism for implementation of the above three selected schemes was found to be inadequate. As per guidelines of IGNOAPS, a designated State Level Committee (SLC)[19] was responsible for implementation, monitoring and evaluation of the programme. However, no SLC was constituted for this scheme till March 2021. Though PMAY-(G) commenced in the State during 2017-18, but State Programme Management Unit (SPMU) to implement and monitor the scheme was set up only in February 2020 after a lapse of three years. Similarly, State level PMMVY Cell required for effective implementation of the scheme was constituted only in

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[18] Out of the 33 beneficiaries for which Joint Physical Verification was conducted.

[19] As per 6.1.2 of the NSAP Guideline 2014, SLC will be headed by the Chief Secretary /Additional Chief Secretary and will include (a) Secretaries of concerned Departments, Health, Revenue, Women and Child Development, Minorities, SC, ST *etc.*, (b) two Representatives of Banks/Post Office (c) two Chairpersons of Zilla Parishad (d) Collectors from 4 districts in rotation, and (e) four independent experts and representatives of NGOs.

March 2020. Delays in fund flows and in transfer of government benefits to the intended beneficiaries even under DBT platform in all the above three sampled schemes were reflective of weak monitoring mechanism.

During Exit Conference (March 2022), Social Welfare Department stated that in respect of PMAY-G, photographs with geo-tagging were taken at various stages of house construction *viz*., before construction, during construction and after construction. Efforts will be made to avoid such lapses in future. Department also assured that adequate monitoring mechanism for the schemes will be put in place in future.

1.2.11 Conclusion

- The State Government constituted a Committee on DBT as Advisory Board and DBT Cell in July 2016 and October 2016 respectively. As the above DBT related activities were carried out by the departments concerned independently, the role of the DBT Cell was limited to forwarding of instructions received from the Centre to various implementing departments.
- The DBT Cell had a State DBT Coordinator but without any Implementation Support *viz*., Technical, Non-Technical and Finance & Admin. The State Coordinator was assisted by Director and Assistant Director of the Institutional Finance Cell of Finance Department. No subordinate staff were posted even after five years of its creation. Hence the State DBT Cell was not adequately manned to provide unity of command.
- The DBT Cell could not provide one-stop point to coordinate all efforts for seamless on-boarding of schemes on to the DBT platform and for monitoring and evaluation of progress made by various departments on DBT against targets, milestones and indicators as envisaged in the guidelines.
- The DBT portal could not provide for dynamic up-dation of data and daily tracking of progress, report generation, *etc.* could not be done. DBT portal showed 78 schemes but the number of beneficiaries and amount transferred scheme-wise could not be generated or viewed. Two schemes in the DBT portal were not presently implemented by the departments. Thus, information on DBT schemes maintained by the Cell were not complete or updated.
- The flow of funds from GoI to State Government for transfer of government benefits to the eligible beneficiaries through DBT delivery mechanism was not consistent and effective. There were delays at various stages starting from processing of sanctions, release of funds to State, submission of UCs, and transfer of funds to implementing departments and agencies by the State, and release of benefits to the beneficiaries' accounts by the implementing department.
- In respect of IGNOAPS, overall delays in transfer of funds from GoI to State was to the extent of three months to four months during 2017-2020 adversely affecting monthly disbursement of pensions. All 100 selected beneficiaries received their pensionary benefits with delays ranging from four months to 44 months during 2017-18 to 2020-21 against the prescribed monthly payment of pension.

- In PMAY-G, there was delay in transfer of funds from State Government to SNA ranging from 23 to 212 days. The balance amount of ₹ 3.11 crore was still lying in the bank as of 31 March 2021. In 89 out of 100 beneficiaries test checked, first instalments were paid with delays ranging from two days to 98 days beyond the stipulated time of one week. All 100 beneficiaries test checked were paid second instalments with delays of two days to 207 days after completion of Plinth level. The third instalments for all the 100 beneficiaries test checked were paid with delay ranging from one day to 236 days after completion of Lintel level.
- In PMMVY, GoI released a total of ₹ 1861.58 lakh against which State's share was ₹ 206.84 lakh. But the State Government had released up to ₹ 202.57 lakh, leaving a balance of ₹ 4.27 lakh till the date of audit (March 2021). The delays in release of funds ranged from 12 months to 25 months further affecting timely release of benefits to the beneficiaries. Out of 100 beneficiaries test checked, payment of first instalment in 31 cases was made in time, but in the remaining 69 cases, there were delays ranging from one day to 863 days. The second instalment in 33 cases was released in time, but there was delay ranging from two days to 672 days in the remaining 67 cases. The third instalment amount was released in time in respect of 46 cases but in 49 cases, the delay ranged from one day to 557 days.
- Thus, even under DBT platform, the delay in transfer of benefits to the beneficiaries' accounts was very significant thus defeating the very objective of achieving timely and reliable transfer of government benefits to the eligible recipients. This was mainly due to delays in fund flow from GOI to State and then from the State to the implementing departments which in turn further delayed the transfers of the benefits to the beneficiaries.
- Monitoring mechanism for implementation of the selected schemes were found to be inadequate.

1.2.12 Recommendations

- *State DBT Cell should be strengthened with required manpower to operationalise its organisational structure with the assigned responsibilities to enable the DBT Cell to act as one-stop point or nodal point for smooth on-boarding of schemes on to DBT platform and to effectively monitor the progress made by each Implementing Department by setting targets and milestones for implementation of DBT in a time bound manner;*
- *State DBT Cell should take up steps to further develop the DBT portal establishing the required linkages with all beneficiary-oriented schemes being implemented in the State under DBT platform, so as to generate MIS on current status of DBT implementation;*
- *Benchmarking studies on best practices may be conducted to enhance the effectiveness of benefit delivery;*
- *A dedicated body to deal with complaints and grievances of beneficiaries pertaining to various issues like delays in receiving subsidy amount in the bank*

accounts of beneficiaries, incorrect set of entitlements received by the end beneficiary as per SOP Module of DBT may be constituted; and

- *State Government should review fund flow from Centre to the State and from the State Government to the Implementing Agencies/ Department and finally to beneficiaries' accounts in order to ensure timely transfer of benefits, and undertake necessary process re-engineering with the implementing departments for ensuring reliable and time-bound transfer of Government benefits under DBT platform.*

Chapter II

Economic Sector

(Other than Public Sector Undertakings)

CHAPTER II

ECONOMIC SECTOR

(OTHER THAN PUBLIC SECTOR UNDERTAKINGS)

2.1 Introduction

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

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

The Government of Manipur has accorded due importance to the Economic Sector in the State by allocating a significant part of its financial resources to this Sector. During 2019-20, the Primary, Secondary and Tertiary sectors grew at the rate of 3.0 *per cent,* 15.3 *per cent* and 18.2 *per cent* respectively as compared to the previous year 2018-19[20]. The following table shows the expenditure incurred by major departments pertaining to the Economic Sector during the last five years.

Table 2.1.1 Expenditure of the major departments during 2015-20

(₹ in crore)

Years	Public Works	Power	Public Health Engineering	Total on Social Sector (In *per cent)*	Total Expenditure[#]
2015-16	590.51	692.40	224.48	2,364.25 (25.99)	9,098.16
2016-17	722.04	765.87	275.29	2,814.63 (25.94)	10,852.06
2017-18	553.76	573.50	309.84	2,324.31 (20.39)	11,397.17
2018-19	692.76	556.79	372.14	2,673.17 (18.32)	14,590.22
2019-20	392.34	408.89	351.55	2,033.12 (11.84)	17,165.50

Source: Appropriation Accounts.
 # General, Economic (Other than PSUs) and Social Sectors.

Besides, GoI transferred ₹ 434.88 crore directly to the different implementing agencies out of which, ₹ 262.81 crore (60 *per cent*) pertained to the Economic Sector as detailed in ***Appendix 2.1***.

Department-wise details of budget provisions of ₹ 4,239.38 crore and expenditure of ₹ 2033.12 crore incurred by the 18 departments pertaining to the Economic Sector during 2019-20 are as follows.

[20] Based on Quick Estimates furnished by Directorate of Economic and Statistics, Manipur.

Table 2.1.2 Budget Provision and Expenditure of departments during 2019-20

(₹ in crore)

Sl. No.	Department	Budget Provision	Expenditure
1	Public Works	924.41	392.34
2	Forest Department (including environment)	663.92	136.76
3	Water Resources Department	486.10	153.70
4	Power	440.43	408.89
5	Public Health Engineering	426.16	351.55
6	Agriculture	331.86	170.78
7	Minor Irrigation	255.26	54.31
8	Commerce and Industries	179.36	60.80
9	Veterinary and Animal Husbandry	169.73	79.15
10	Horticulture and Soil Conservation	102.70	63.85
11	Tourism	60.28	32.65
12	Fisheries	36.99	27.38
13	Transport	35.03	9.98
14	Co-operation	34.74	20.45
15	Sericulture	34.17	23.26
16	Information Technology	31.93	30.99
17	Economic and Statistics	20.91	12.51
18	Science and Technology	5.39	3.77
Total		**4,239.37**	**2,033.12**

Source: Budget documents and Appropriation Accounts.

As it can be seen from table above, there were savings of ₹ 2,206.25 crore (52.04 *per cent*) from Budget provision under Economic (Other than Public Sector Undertakings) Sector of which Forest Department had the maximum savings of ₹ 527.16 crore (79.40 *per cent*) followed by Minor Irrigation ₹ 200.95 crore (78.72 *per cent*) and Water Resources Department ₹ 332.40 crore (68.38 *per cent*) against their respective Budget provisions. Thus, the Budget Provisioning may be done more realistically by the departments.

2.1.1 Planning and execution of Audit

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

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

Keeping in view the importance accorded to the Economic Sector by the State, we in Audit also accorded due importance to the audit of this Sector. Out of total 355 units selected for the compliance audit during 2019-20, 97 units (27 *per cent*) pertained to Economic Sector. As of March 2020, 84 Inspection Reports containing 493 paras involving expenditure of ₹ 1,717.31 crore including expenditure of previous years under Economic Sector were issued to the unit heads with copies to the heads of the concerned departments. Year-wise details of expenditure audited in respect of Economic Sector during 2019-20 are given in ***Appendix 2.2***.

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

COMPLIANCE AUDIT

FISHERIES DEPARTMENT

2.2 Suspected Misappropriation

Department of Fisheries withdrew ₹ 26.64 lakh for six works for payment to contractors out of which, ₹ 16.73 lakh for two works was suspected to have been misappropriated as the amount drawn was neither supported by APR as proof of payment nor was deposited back to Government Account as assured by the Department.

Rule 290 of the Central Treasury Rules (CTR) as adopted by State of Manipur, states that no money shall be drawn from the Treasury unless required for immediate disbursement or in anticipation of demand and to prevent lapse of budget grants. Further, as per Order[21] dated 21.08.2010 of the Finance Department, Government of Manipur, Drawing and Disbursing Officers (DDOs) Bank Accounts shall not be used for any transaction under any circumstance, other than salary and personal entitlements. Any violation of these instructions will invite disciplinary action against the concerned DDOs and Heads of Department apart from culpability under Manipur Public Servants Personal Liability Act, 2006.

Scrutiny of records (July to August 2018) of Directorate of Fisheries for the period from April 2016 to July 2018 revealed that 14 Work Orders costing ₹ 58.90 lakh were sanctioned and issued (March 2018) for different works such as construction of ponds, reservoirs, training hall, *etc.,* as per details given in ***Appendix 2.3***. The works were to be executed during the period from 20/01/2016[22] to 12/08/2018[23] and to be completed within one month to 10 months. Further, as per clause 11 of the Work Orders, payments were to be released only on completion of works as per specifications without any consideration for extension of the time allowed in the Work Orders.

[21] No. 1/95/99-D/IF Pt I dated 21.08.2010.

[22] Date of start reckoned from the 7th day of issue of work orders.

[23] Maximum time allowed *i.e.,* 10 months taken into account.

Audit observed that in violation of Rules and extant instructions of the Finance Department, the entire amount of ₹ 58.90 lakh was withdrawn against 14 works[24] (***Appendix 2.3***) from Imphal Treasury in advance of actual requirement and deposited into DDO's Account on 31 March 2018 to avoid lapse of funds while not a single work that had commenced, was completed.

Further scrutiny of records revealed that Director, Department of Fisheries, withdrew ₹ 26.64 lakh[25] out of ₹ 58.90 lakh from the same DDO's Accounts against six works[26] (₹ 16.73 lakh for two works and ₹ 9.91 lakh for four works) through withdrawal form[27] on 12 April 2018 in violation of Finance Department Order issued vide Memo No. 9/2/2007-FR (Misc) dated 13 March 2008[28]. Audit further noticed that ₹ 16.73 lakh was shown to have been paid in cash on 12 April 2018 against two works *viz*., (i) Providing IEI and ceiling of Training Hall at Directorate ***(Sl. No. 6 of Appendix 2.3)*** and (ii) Construction of water reservoir tank at Directorate of Fishery, Lamphel ***(Sl. No. 10 of Appendix 2.3)*** though these works were still incomplete. Moreover, there was no evidentiary proof of actual payment in the form of payment order/ APR for audit verification. In absence of any evidence, the payment as shown in Cash Book for works was doubtful. The remaining funds amounting to ₹ 9.91 lakh, drawn for other four works was deposited back to the Government Accounts under Major Head 8449 on 12 April 2018 itself.

In reply, Department stated (August 2018) that ₹ 26.64 lakh was drawn against six incomplete works through oversight without Pay Order and proper verification. While ₹ 9.91 lakh was already deposited into Government Accounts, the balance amount of ₹ 16.73 lakh will be deposited back to the DDO's Account. Further, Department (October 2021) stated that the 10 Works including Sl. No. 6 and Sl. No. 10 of the Appendix (₹ 16.73 lakh) are being investigated by Vigilance Department. Four Works (Sl. No.11 to Sl. No. 14) had been completed.

The reply of Department confirms the Audit contention that payment of ₹ 16.73 lakh was not made to the contractors but retained by the DDO. Further, despite the assurance of the Department, the amount has not been deposited into the Government Account till April 2022. Further, had Audit not pointed this out to the Authorities concerned, the funds would have been siphoned off.

Recommendations:

- *State Government needs to fix responsibility on the DDO concerned for fabrication of records with an intention to defraud the Government by misappropriation of funds; and*

[24] Construction Works-8; Repair Works-3; Renovation Works-2 and Improvement Works-1.
[25] ₹ 47.43 lakh (inclusive of ₹ 26.64 lakh) drawn through withdrawal form on 12.04.2018.
[26] Sl. No. 6, 10, 11, 12, 13 and 14 of ***Appendix 2.3***.
[27] Cheque was out of stock.
[28] Withdrawals through 'Self' cheques by any Government Department were banned with immediate effect till further orders.

- *State Government may conduct* investigation for the suspected misappropriation *at the earliest and strict action, including filing of FIR, if necessary, should be initiated against the delinquent officials for misappropriation of Government funds.*

DEPARTMENT OF COMMERCE AND INDUSTRIES

2.3 Infructuous expenditures on idle equipment

Department of Commerce and Industries procured 73 equipment worth ₹ 4.30 crore to set up nine Livelihood Business Incubators, out of which, 42 equipment worth ₹ 3.26 crore were kept idle and two equipment worth ₹ 0.10 crore remained traceless.

Livelihood Business Incubators (LBIs) is a sub-scheme under 'A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE)' of Ministry of Micro, Small and Medium Enterprises, Government of India (GOI). The LBIs are meant to incubate eligible youths in various skills, to impart entrepreneurship and Skill Development, to promote new low end technology/ livelihood based enterprises. GOI approved (October 2015) setting up of nine LBIs at nine District Industries Centres (DICs)[29] in Manipur with a cost of ₹ 7.92 crore. Further, as per the detailed Project Reports (DPRs), the LBIs were to be self-sustaining entities with own source of revenue from training, processing, marketing and sale of produce and exhibitions.

Examination of the records (October 2019 to January 2020) of the Directorate of Trade, Commerce and Industries Department and nine DICs revealed that the Department received (October 2015 to March 2019) approved funds of ₹ 7.92 crore in three instalments[30]. Out of this, ₹ 4.30 crore was utilised (December 2015 to June 2016) for procurement of 73 equipment[31], which were allotted to nine DICs for implementation of the LBI scheme. Audit conducted Joint Physical Verifications (JPV) during December 2019 to January 2020, which revealed the following:

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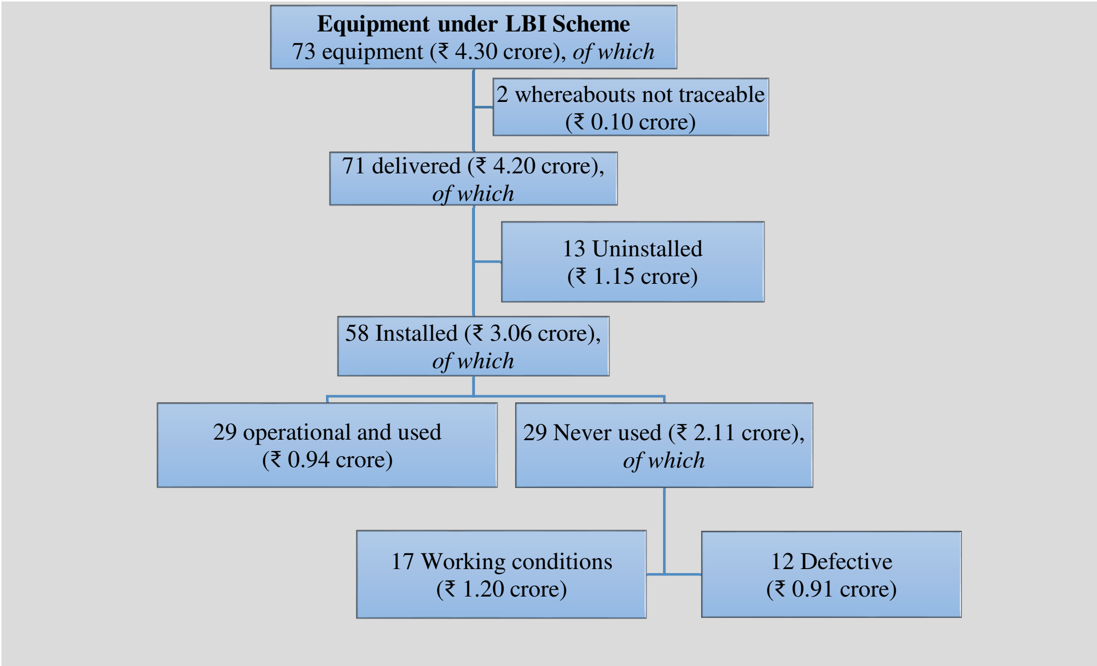
[29] DIC Chandel, Ukhrul, Imphal East, Imphal West, Thoubal, Senapati, Tamenglong, Bishnupur and Churachandpur

[30]

(₹ in lakh)

1st Instalment Amount (Date)	2nd Instalment Amount (Date)	3rd Instalment Amount (Date)	Total Amount
396.24 *(28.10.2015)*	103.76 *(10.03.2016)* 133.98 *(10.03.2016)* **237.74**	**158.49** *(08.03.2019)*	**792.47**

[31] 53 equipment worth ₹ 3.79 crore were purchased (December 2015 to June 2016) through Manipur Food Industries Corporation Limited (MFICL) and the rest of the 20 equipment worth ₹ 0.51 crore procured by DICs of Imphal West and Imphal East (March 2016).



- Out of 73 equipment (₹ 4.30 crore) procured, two equipment[32] (₹ 0.10 crore) were not traceable during JPV. As the DICs could not produce records of delivery/ receipt of equipment, the whereabouts of these two equipment could not be ascertained. The remaining 71 equipment (₹ 4.20 crore) were delivered to the nine DICs.
- Out of the 71 equipment (₹ 4.20 crore) delivered, 13 equipment (₹ 1.15 crore) were lying uninstalled for more than four years[33] from the date of procurement. Since these equipment were not installed, their warranty/ guarantee would have expired, as such Department lost the opportunity to get the equipment replaced in case of any manufacturing defect.
- Out of 58 equipment, 29 equipment (₹ 2.11 crore) had never been put to use. Out of these, only 17 equipment (₹ 1.20 crore) were in working condition, and remaining 12 equipment (₹ 0.91 crore) were found to be defective. However, except DIC, Imphal West, no complaint was registered by the remaining five DICs in this regard.
- 29 equipment (₹ 0.94 crore) were found operational and were put to use.

Detailed findings of the JPV are given in ***Appendix 2.4***.

Further, as per Operational Guidelines of LBI, apart from one Manager, the LBIs should have sufficient qualified manpower for its successful operation. It was noticed in JPV that one Technical Assistant each was employed for 10 months in all nine LBIs. However, after expiry of their contract (March 2017) no technical staff was employed. Basic records such as Assets Register, Log Book, Revenue Collection Register/

[32] One Lemon Grass distillation unit (₹ 4.73 lakh) and one Ginger dryer & Cleaner (₹ 5.01 lakh).
[33] Date of purchase (December 2015 to June 2016) to date of JPV (December 2019 to January 2020).

Receipt/ Challans *etc*. for collection of revenue from operations *etc*. were not maintained at the DICs.

Thus, despite investment of ₹ 4.30 crore on purchase of 73 equipment for nine LBIs, 42 equipment worth ₹ 3.26 crore[34] were kept idle due to non-installation, defective parts and lack of trained manpower for operationalisation. Besides, two equipment worth ₹ 0.10 crore[35] were not traceable. Thus, objectives of the LBIs scheme to provide opportunity to set up business enterprises, to impart entrepreneurship and skill development training to youth and promote new low-end technology/ livelihood based enterprises remained unfulfilled.

The matter was referred to Government (December 2020); reply has not been furnished (April 2022).

Recommendation: *Government may take urgent steps to get operationalise the idle equipment, trace the two missing equipment so as to use them for their intended purpose in order to achieve the objectives of LBI Scheme.*

[34] Cost of 13 non-installed equipment (₹ 1.15 crore) + 29 never used equipment (₹ 2.11 crore).

[35] Cost of one Lemon Grass distillation unit (₹ 4.73 lakh) and one Ginger dryer & Cleaner (₹ 5.01 lakh).

Chapter III

Economic Sector

(Public Sector Undertakings)

CHAPTER III

ECONOMIC SECTOR
(PUBLIC SECTOR UNDERTAKINGS)

3.1 Functioning of Public Sector Undertakings

3.1.1 Introduction

As of 31 March 2020, the State of Manipur had 13 PSUs (all Government Companies) as detailed in the table given below.

Table 3.1.1 Total number of PSUs as on 31 March 2019

Type of PSUs	Working PSUs	Non-working PSUs	Total
Government Companies[36]	10	3	13
Statutory Corporations	Nil	Nil	Nil
Total	**10**	**3**	**13**

None of these companies were listed on the Stock Exchange, which means that shares of the PSUs cannot be traded in the stock exchange. During the year 2019-20, no new PSU was incorporated and no existing PSU was closed down.

3.1.2 Investment in PSUs

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

As on 31 March 2020, investment of the State Government (capital and long-term loans) in 12 PSUs[37] was ₹ 66.07 crore[38] as per details given in the table below.

Table 3.1.2 Details of State's investment in PSUs

(₹ in crore)

Year	Equity Capital	Long term Loans	Total
2019-20	65.39	0.68	66.07
2015-16	65.34	0.75	66.09

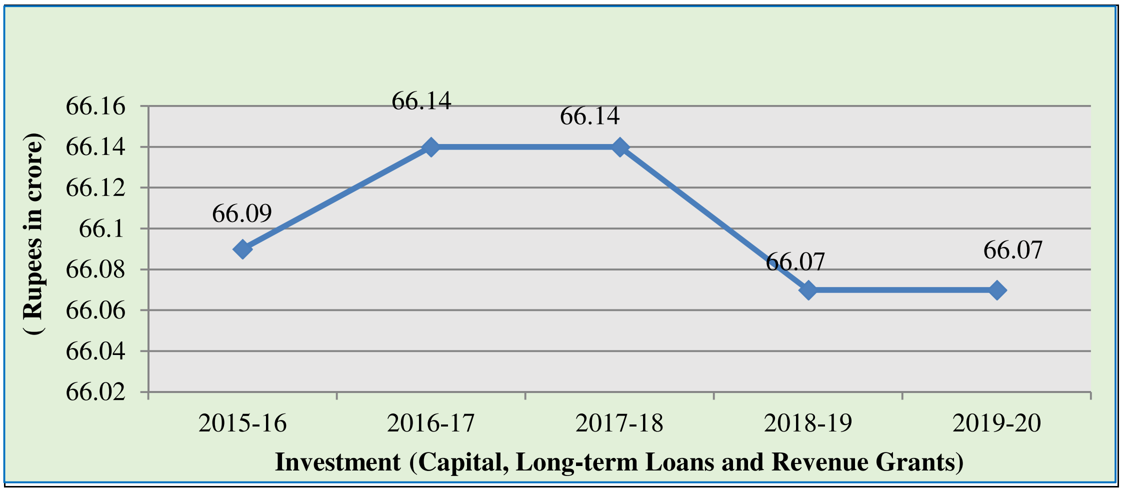
State Government's investment as on 31 March 2020 consisted of ₹ 65.39 crore (98.97 *per cent*) towards capital and ₹ 0.68 crore (1.03 *per cent*) in long-term loans as against 99.12 *per cent* (capital) and 0.88 *per cent* (long-term loans) as on 31 March 2016. A graphical presentation of the State Government's investment in PSUs during the last five years (2015-16 to 2019-20) has been given in **Chart 3.1.1**.

[36] Government Companies include other companies referred to in Section 139(5) and 139(7) of the Companies Act, 2013. presentation of State Government's investment in PSUs during the last five years (2015-16 to 2019-20) has been given in **Chart No. 3.1.1**.

[37] Excluding one PSU (Manipur Pulp & Allied Products Limited, subsidiary of Manipur Industrial Development Corporation Limited), which has no direct investment from the State Government as on 31 March 2020.

[38] Investment figures are provisional and as per the information provided by the PSUs as none of the 13 PSUs has finalised accounts for 2019-20 as of September 2020.

Chart 3.1.1 Total investment in PSUs



Source: Departmental Records.

As can be noticed from the **Chart** above, State Government's investment in PSUs during the last five years marginally increased from ₹ 66.09 crore in 2015-16 to ₹ 66.14 crore in 2016-17 and remained steady up to the period 2017-18. Thereafter, the investment slightly decreased to ₹ 66.07 crore during 2018-19 and remained the same during 2019-20. The State's investment marginally decreased by 0.03 *per cent* from ₹ 66.09 crore in 2015-16 to ₹ 66.07 crore in 2019-20.

During 2019-20, out of 10 working PSUs, seven PSUs incurred loss (₹ 41.85 crore) and only one PSU earned profit (₹ 0.29 crore) as per the latest finalised accounts. Remaining two PSUs[39] had not finalised their first accounts as of September 2020. The profit-making PSU had not declared any dividend. There was no recorded information about existence of any specific policy of the State government regarding payment of minimum dividend by the PSUs.

The State Government's investment (historical value) in PSUs had eroded by 3.19 *per cent* in 2019-20, and the losses of five working PSUs[40] (accumulated losses of ₹ 158.74 crore) had completely eroded the State's investment in their paid-up capital (₹ 42.23 crore), as per their latest finalised accounts.

3.1.2.1 Total Sector-wise investment in PSUs

Total investment (equity capital and long term loans) of State Government and Other Stakeholders (Central Government, Holding companies, Banks, Financial Institutions, *etc.*) in PSUs under various important sectors at the end of 31 March 2016 and 31 March 2020 has been given in the table below.

Table 3.1.3 Sector-wise details of total investments (equity capital & long term loans) in PSUs

(₹ in crore)

Name of Sector	Government Companies	
	2015-16	2019-20
Power	161.56	381.46
Manufacturing	8.24	10.15
Finance	18.10	16.02

39 Serial No. A9 and A10 of ***Appendix 3.2***.
40 Serial No. A1, A5, A6, A7 and A8 of ***Appendix 3.2***.

Name of Sector	Government Companies	
	2015-16	2019-20
Agriculture & Allied	0.90	15.17
Miscellaneous[41]	16.52	15.52
Total	**205.32**	**438.32**

It can be noticed from the table above that as compared to 2015-16, the combined investment of State Government and other stakeholders increased significantly during 2019-20 in Power sector (₹ 219.90 crore) and marginally in Agriculture & Allied Sector (₹ 14.27 crore) and Manufacturing sector (₹ 1.91 crore). The increase in investment under power sector was on account of the long terms borrowings (₹ 219.90 crore) of two power sector companies, availed during 2016-20.

3.1.3 Reconciliation with Finance Accounts

The figures in respect of equity and loans provided by State Government as per the records of PSUs should agree with the figures appearing in the Finance Accounts of the State for that year. In case the figures do not agree, the PSUs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard as of 31 March 2020 is shown in the table below.

Table 3.1.4 Equity, long term loans, guarantees outstanding as per the State Finance Accounts *vis-à-vis* the records of PSUs

(₹ in crore)

Outstanding in respect of	Amount as *per* Finance Accounts	Amount as *per* records of SPSUs	Difference
Equity	62.38	45.39[42]	16.99
Loans	-	0.68	0.68
Guarantee	384.49[43]	390.55	6.06

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

From the table above, it can be noticed that there were unreconciled differences in the figures of equity (₹ 16.99 crore), loans (₹ 0.68 crore) and guarantees (₹ 6.06 crore). The difference in equity occurred in respect of 12 PSUs[44] and some of the differences were pending reconciliation over a period of more than 22 years.

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

Though Principal Secretary, Finance Department, Government of Manipur as well as

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[41] Includes investment of ₹ 0.02 crore in one working Company under infrastructure sector.

[42] Excluding equity worth ₹ 20.00 Crore not made in cash but as assets transferred from the erstwhile State Electricity Department to the two power sector companies (MSPCL and MSPDCL).

[43] This represents the Guarantee outstanding against the borrowings of Manipur State Power Distribution Company Limited (₹ 334.64 crore) and Manipur State Power Company Limited (₹ 49.85 crore) availed from Power Finance Corporation Limited and Rural Electrification Corporation Limited respectively.

[44] Except one PSU (Manipur Police Housing Corporation Limited), for which the figures were matching.

the Management of PSUs concerned were appraised regularly about the differences, impressing upon the need for early reconciliation, no significant progress was noticed in this regard.

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

3.1.4 Accountability framework

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

- ***Statutory Audit/Supplementary Audit***

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

- ***Role of Government and Legislature***

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

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

3.1.5 Arrears in finalisation of accounts

The financial statements of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year *i.e*., by the end of September in accordance with the provisions of Section 96 (1) of the Companies Act, 2013 and Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956 in respect of the financial statements pertaining to the period prior to 1 April 2014. Failure to do so may attract penal provisions under Section 99 of the Companies Act, 2013 and Section 210 (5) of the Companies Act 1956.

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

Table 3.1.5 provides details of progress made by working PSUs in finalisation of their annual accounts as of 30 September 2020.

Table 3.1.5 Position relating to finalisation of accounts of working PSUs

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1.	Number of Working PSUs	9	10	10	10	10
2.	Number of accounts finalised during the year	4	3	1	10	1
3.	Number of accounts in arrears	78	85	94	94	103
4.	Number of Working PSUs with arrears in accounts	9	10	10	10	10
5.	Extent of arrears (numbers in years)	1 to 28 years	1 to 29 years	2 to 30 years	1 to 31 years	2 to 32 years

Source: Departmental Records.

As can be seen from the above table, the arrears of accounts had shown an increasing trend during 2015-16 to 2019-20. It can further be observed that as against total 40 Accounts, which became due for finalisation during the last four years (2016-17 to 2019-20), the PSUs finalised only 15 Accounts during this period leaving a shortfall of 25 Accounts. Consequently, the number of PSU accounts in arrears had increased from 78 (2015-16) to 103 (2019-20). Further, out of 103 accounts pending finalisation by 10 PSUs as of 2019-20, 54 Accounts (52 *per cent*) pertained to two PSUs namely, Manipur Tribal Development Corporation Limited (32 Accounts) and Manipur Police Housing Corporation Limited (22 Accounts).

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

The Reports of the CAG have repeatedly highlighted the issue of arrears in preparation of accounts. Keeping in view the seriousness of the matter, the Principal Accountant General (Audit) Manipur took up the matter with the Chief Secretary to review the reasons for the huge pendency of accounts of the State PSUs and to initiate actions to clear the arrears of accounts in a time bound manner. Further, meetings were also held with the Heads of PSUs from time to time for clearance of their pending accounts.

The suggestions given to State PSUs included engaging experts/professionals to guide and help the PSUs in finalisation of the pending accounts wherever the PSUs lacked skilled manpower in this area. However, the State Government and the PSUs concerned have not addressed the issue of clearing the arrears of PSU accounts in a time bound manner.

Recommendations

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

b. *State Government may ensure that existing vacancies in the accounts department of PSUs are filled up with knowledgeable persons having experience; and*

c. *The PSUs may get the figures of equity and loans reconciled with the State Government Departments to reflect correct position in the State Finance Accounts.*

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

The State Government had invested ₹ 1,865.79 crore in seven PSUs (equity: ₹ 2.10 crore and grants: ₹ 1,863.69 crore) during the years for which these PSUs had not finalised their accounts as detailed in ***Appendix 3.1***. Two power sector PSUs were the major recipients of State Government funding amounting to ₹ 1,834.47 crore (Grants) during the period when their accounts were in arrears as detailed in the table given below.

Table 3.1.6 Major recipients of State Government funding during the period of arrear of accounts

(₹ in crore)

Sl. No.	Name of PSU	Accounts finalised upto	No. of Accounts pending finalisation	Investment by State Government during the period of arrears(Grants)
1	Manipur State Power Company Limited	2015-16	04	845.07
2	Manipur State Power Distribution Company Limited	2015-16	04	989.40
	Total			**1,834.47**

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

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

3.1.7 Special support and returns during the year

The State Government provides financial support to PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and interest waived in respect of the State PSUs for the last three years ended 2019-20 are shown in **Table 3.1.7**.

Table 3.1.7 Details of budgetary support to PSUs

(₹ in crore)

Sl. No.	Particulars	2017-18		2018-19		2019-20	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity Capital outgo from budget	-	-	-	-	-	-
2	Loans given from budget	-	-	-	-	-	-
3	Grants/ subsidy from budget	3	286.89	3	299.36	4	281.94
4	**Total outgo (1+2+3)**	**3**	**286.89**	**3**	**299.36**		**281.94**
5	Guarantee issued	-	-	-	-	-	-
6	Guarantee commitment	1	390.55	2	440.44	1	390.55[45]

Source: As furnished by PSUs.

As can be noticed from the table above, the budgetary support provided by State Government to PSUs during the last three years (2017-20) witnessed an increase from ₹ 286.89 crore in 2017-18 to ₹ 299.36 crore in 2018-19 and thereafter decreased to ₹ 281.94 crore in 2019-20. The budgetary support provided to PSUs during the last three years mainly comprised grants/subsidy of ₹ 537.36 crore provided to one PSU (Manipur State Power Distribution Company Limited) during 2017-18 (₹ 213.06 crore), 2018-19 (₹ 220.11 crore) and 2019-20 (₹ 104.19 crore).

3.1.8 Performance of PSUs as per their latest finalised accounts

The financial position and working results of working Government Companies and Statutory Corporations are detailed in ***Appendix 3.2***. **Table 3.1.8** provides the comparative details of working PSUs turnover and State GDP for a period of five years ending 2019-20.

Table 3.1.8 Details of working PSUs turnover *vis-à-vis* State GDP

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Turnover[46]	34.70	161.02	161.02[47]	232.60	232.63
GSDP[48]	19,531	21,294	25,789.23	27,868.71(Q)	31,989.49(A)
Percentage of Turnover to GSDP	0.18	0.76	0.62	0.83	0.73

As can be noticed from the table above, the GSDP had shown an increasing trend during the last five years and increased from ₹ 19,531 crore (2015-16) to ₹ 31,989.49 crore (2019-20). On the other hand, the turnover of PSUs had increased sharply from ₹ 34.70 crore in 2015-16 to ₹ 161.02 crore in 2016-17. The PSU turnover remained constant during 2017-18 but again increased to ₹ 232.60 crore in 2018-19 and thereafter, increased marginally to ₹ 232.63 crore in 2019-20. The increase in the turnover of PSUs was mainly attributable to increase in turnover of two power sector

[45] Manipur State Power Distribution Company Limited.

[46] Turnover of working PSUs as per their latest finalised accounts as on September 2020.

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

[48] Source: Department of Economics and Statistics, GoM (at current price, (Q)=Quick Estimate, (A)=Advance estimates).

PSUs from ₹ 33.26 crore (2015-16) to ₹ 159.58 crore (2016-17) and further, to ₹ 231.00 crore (2019-20).

It could be seen that despite an overall increase of more than six folds in the PSU turnover from ₹ 34.70 crore (2015-16) to ₹ 232.63 crore (2019-20) during the last five years, the contribution of PSU turnover to the GSDP remained meagre at 0.73 *per cent* during 2019-20.

➢ ***Erosion of capital due to losses***

The paid-up capital and accumulated losses of 10 working PSUs as per their latest finalised accounts as on 30 September 2020 were ₹ 53.14 crore and ₹ 159.26 crore respectively ***(Appendix 3.2)***.

During 2019-20, only one working PSU[49] earned profit as per the latest finalised accounts of the PSUs as on September 2020. ROE in respect of the lone profit-making PSU was 47.54 *per cent*[50]. The Return on Equity (RoE) in respect of the other two PSUs[51] whose capitals have not been eroded was negative as per their latest finalised accounts while two other PSUs[52] had not finalised their first annual accounts. ROE of the remaining five working PSUs[53] was not workable as the accumulated losses (₹ 158.74 crore) had completely eroded their paid-up capital (₹ 47.19 crore) as per their latest finalised accounts.

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

Table 3.1.9 PSUs with primary erosion of paid up capital

(₹ in crore)

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

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

The overall position of losses incurred by the working PSUs during 2015-16 to 2019-20 as per their latest finalised accounts as on 30 September of the respective year has been depicted in **Chart 3.1.2**.

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49 Manipur Police Housing Corporation Limited.

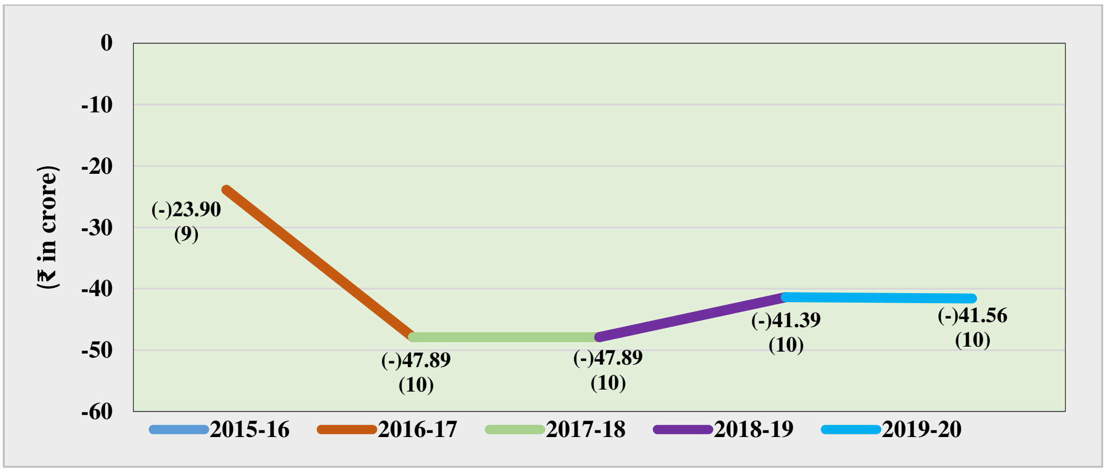
50 ROE = Net Profit (₹ 0.29 crore) ÷ Equity (₹ 0.61 crore) % = 47.54 *per cent.*

51 Manipur Tribal Development Corporation Limited & Manipur Food Industries Corporation Limited.

52 Manipur IT SEZ Project Development Company Limited & Tourism Corporation of Manipur Limited.

53 MANIDCO, MANITRON, MSPCL, MSPDCL & MHHDCL.

Chart 3.1.2 Overall losses of working PSUs



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

It can be noticed from the **Chart** above that the working PSUs had incurred overall losses during all the five years under reference, which ranged between ₹ 23.90 crore (2015-16) and ₹ 47.89 crore (2016-17 and 2017-18[54]). During 2016-17, the losses of working PSUs had doubled as compared to 2015-16 mainly due to losses (₹ 44.04 crore[55]) incurred by power sector PSUs. During the year 2019-20[56], out of ten working PSUs, only one PSU[57] earned profit of ₹ 0.29 crore as per the latest finalised accounts (1997-98) of the PSU while two PSUs[58] had not finalised their first annual Accounts. Rest of the seven PSUs incurred losses aggregating ₹ 41.85 crore. The major contributors to PSU-losses were two power sector PSUs as detailed in the table given below.

Table 3.1.10 Major contributors to the losses of working PSUs

(₹ in crore)

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

There was no recorded information about the existence of any specific policy of the State Government regarding payment of minimum dividend by the PSUs. As per the latest finalised accounts as on 30 September 2020, only one working PSU (Manipur Police Housing Corporation Limited) earned profit of ₹ 0.29 crore but did not declare any dividend during the year 2019-20.

[54] During 2017-18, only one working PSU (Serial No. A4 of ***Appendix 3.2***) finalised one year accounts and did not have any turnover or profit/loss during that year. Hence, 'overall losses' of working PSUs during 2017-18 remained unchanged.

[55] Losses of two power sector PSUs as per their latest finalised accounts (2014-15) as of September 2017.

[56] As per the latest finalised accounts of working PSUs as on 30 September 2020.

[57] Manipur Police Housing Corporation Limited.

[58] Manipur IT SEZ Project Development Company Limited and Tourism Corporation of Manipur Limited.

3.1.9 Key parameters

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

Table 3.1.11 Key parameters of PSUs

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Debt	27.31	79.23	83.59	151.71	160.56
Turnover[59]	34.70	161.02	161.02[60]	232.60	232.63
Debt/Turnover Ratio	0.79:1	0.49:1	0.52:1	0.65:1	0.69:1
Interest Expenses	0.32	0.35	0.61	0.89	0.89
Accumulated losses	77.20	121.24	124.53	166.35	166.52

➢ ***Debt-Turnover Ratio***

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

As can be seen from **Table 3.1.11**, during the last five years (2015-16 to 2019-20), the PSU debts and PSU turnover had registered an overall increase of ₹ 133.25 crore (around five times) and ₹ 197.93 crore (more than five times) respectively. The DTR had, however, decreased from 0.79:1 (2015-16) to 0.69:1 (2019-20) and remained below one. Hence, the DTR indicated manageable position of the PSUs to service their long term debts. Increase of ₹ 8.85 crore in PSU debts during 2019-20 was attributable to increase in the long term loans of one[61] PSU. Further, the accumulated losses of PSUs during the last five years (2015-16 to 2019-20) increased by ₹ 89.32 crore mainly due to increase of ₹ 83.62 crore in the accumulated losses of two power sector PSUs from ₹ 20.05 crore (2015-16) to ₹ 103.67 crore (2019-20).

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

The Rate of Real Return (RORR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for their time value. To determine the Rate of Real Return on Government Investment (RORR), the investment of State Government[62]in the form of equity, interest free loans and grants/subsidies given by the State Government for operational and management expenses less the disinvestments (if any), should be considered, and indexed to their Present Value (PV) and summated. The RORR is then to be calculated by dividing the 'profit after tax' (PAT) by the sum of the PV of the investments.

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[59] Turnover of working PSUs as per their latest finalised accounts as of 30 September of respective year.

[60] During 2017-18, only one working PSU (serial No. A4 of ***Appendix 3.2***) finalised one year accounts and did not have any turnover during that year. Hence, 'turnover' of working PSUs during 2017-18 remained unchanged.

[61] During 2019-20, long term loans of Manipur Food Industries Corporation Limited increased from ₹ 6.89 crore (2018-19) to ₹ 15.74 crore (2019-20) as per their latest finalised accounts.

[62] State Government investment in PSUs as per the records of respective PSUs.

During 2019-20, overall losses of 13 PSUs (10 working and 3 non-working) stood at ₹ 42.43 crore[63] (***Appendix 3.2***). On the basis of return on historical value of investment, the State Government investment eroded by 3.19 *per cent* during 2019-20. Further, as per the Rate of Real Return worked out based on the present value of investment, the State Government investment eroded by 2.59 *per cent* as shown in ***Appendix 3.3***. This difference in the percentage of investment erosion was on account of adjustments made in the investment amount for the time value of money.

3.1.11 Impact of Audit Comments on Annual Accounts of PSUs

During October 2019 to September 2020, only one PSU forwarded one[64] audited accounts to the Principal Accountant General (Audit), Manipur. 'Non-review certificate' was issued on the accounts. Hence, no supplementary audit was conducted during the year.

The Statutory Auditors had given qualified certificate on the Accounts of the PSU (Manipur Food Industries Corporation Limited). The Statutory Auditors reported that the PSU did not comply with the Accounting Standard 15 on 'Employee benefits'. There was, however, no significant money value of comments of the Statutory Auditors.

3.1.12 Winding up of non-working PSUs

As on 31 March 2020, there were three non-working PSUs (***Appendix 3.2***), which had been non-functional for last 16 to 20 years. The said PSUs were in the process of liquidation under Section 560 of the Companies Act, 1956. Since the non-working PSUs were neither contributing to the State economy nor meeting the intended objectives of their formation, the liquidation process to wind up these PSUs needs to be expedited.

3.1.13 Follow up action on Audit Reports

Replies/Explanatory notes outstanding

The Reports of the CAG represent the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive authorities. As per the recommendation of the Shakdher Committee[65], all Administrative Departments are required to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the CAG within a period of three months[66] of their presentation to the State Legislature in the prescribed

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63 As per latest finalised accounts of PSUs as on 30 September 2020 and after considering the profit (₹ 0.29 crore) earned by the lone PSU (Manipur Police Housing Corporation Limited).

64 Manipur Food Industries Corporation Limited.

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

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

format without waiting for any questionnaires from the Committee on Public Undertakings (CoPU).

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

Table 3.1.12 Status of explanatory notes not received (as on 31 March 2022)

Year of the Audit Report (Commercial/ PSU)	Date of placement of Audit Report in the State Legislature	Total number of Performance Audits (PAs) and Paragraphs included in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2013-14	29 June 2015	-	3	-	3
2014-15	2 September 2016	2	1	1	-
2015-16	21 July 2017	-	2	-	-
2016-17	23 July 2018	-	1	-	-
2017-18	17 February 2020	-	1	-	-
2018-19	25 March 2022	1	2	1	2
Total		**3**	**10**	**2**	**5**

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

From **Table 3.1.12**, it could be seen that explanatory notes to three paragraphs and one performance audit relating to two PSUs[67], included in the Audit Reports 2013-14 and 2014-15 respectively, were not submitted by the State Government (March 2022).

3.1.14 Discussion of Audit Reports by CoPU

The status as on 31 March 2022 of performance audits (PAs) and compliance audit paragraphs relating to PSUs that appeared in the Audit Reports of CAG for the last six years (2013-14 to 2018-19) and discussed by the Committee on Public Undertakings (CoPU) is shown in **Table 3.1.13**.

Table 3.1.13 Position on discussion of Audit Reports by CoPU

Period of Audit Report[68]	Number of performance audits/ paragraphs			
	Appeared in Audit Report		Paragraphs discussed	
	PAs	Paragraphs	PAs	Paragraphs
2013-14	Nil	3	Nil	Nil
2014-15	2	1	Nil	1
2015-16	Nil	2	Nil	2
2016-17	Nil	1	Nil	1
2017-18	Nil	1	Nil	Nil
2018-19	1	2	Nil	Nil
Total	**3**	**10**	**-**	**4**

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

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

[67] Manipur Tribal Development Corporation Limited and Manipur Police Housing Corporation Ltd.

[68] For periods prior to 2013-14, 37 audit paragraphs (6 PA and 31 CA) pertaining to Audit Reports for the years from 1995-96 to 2006-07, 2009-10 and 2012-13 are yet to be discussed by CoPU.

➢ *Compliance to Reports of the CoPU*

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

Table 3.1.14 Compliance to CoPU Reports

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

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

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

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

This chapter contain one compliance audit paragraph as discussed as follows.

COMPLIANCE AUDIT

MANIPUR FOOD INDUSTRIES CORPORATION LIMITED

3.2 Idle investment

The Cold Storage facility constructed at Food Park, Nilakuthi remained un-utilised even after nine years of its completion, resulting in idle and unfruitful expenditure of ₹ 2.79 crore by Manipur Food Industries Corporation Limited.

Rule 26 (iv) of General Financial Rules, 2005 states that the duty and responsibility of a Controlling Officer in respect of funds placed at his disposal is to ensure that adequate control mechanism is functioning in his Department for prevention, detection of errors and irregularities in the financial proceedings of his Subordinate Offices and to guard against waste and loss of public. A similar practice needs to be followed by the Public Sector Undertakings.

On scrutiny of records (September to October 2018) of Managing Director (MD), Manipur Food Industries Corporation Limited (MFICL), Imphal for the period from April 2016 to March 2018, it was noticed that Government of Manipur had proposed[69]

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[69] As per DPR Vol-II prepared in 2006-07.

to develop a 30 acre Industrial Area at Nilakuthi, Imphal as Food Park to provide hassle free production environment to major industries in Fruits Processing Sector by providing various facilities like Cold Storage, raw material warehousing, *etc*.

Accordingly, the Cold Storage building was constructed at a cost of ₹ 44.71 lakh and handed over to MFICL[70] on 22 April 2013 by the work agency[71]. Meanwhile, the Company had also incurred (December 2009 to December 2011) an expenditure of ₹ 2.24 crore on construction of Raw Materials Collection Centre, Washing Centre, *etc.* and for purchase of machineries for Cold Storage as detailed in ***Appendix 3.4***. All these machineries/ equipment were supplied/ installed during 2009-10 to 2011-12. The Company further incurred (October 2015 to April 2016) an expenditure of ₹ 10.17 lakh[72] on inspection and repair work of Cold Storage after 3 years to 6 years from the date of installation due to faulty electrical connections.

Company invited applications twice (February 2013 and September 2016) from interested entrepreneurs to utilise the Cold Storage facilities. Although few entrepreneurs[73] expressed their willingness however, the Company failed to make any allotment till April 2019. Thus, Cold Storage remained un-utilised for more than six years[74], the reason of which was attributed to non-fixation of rental fee for usage of Cold Storage.

In reply (December 2021), Company informed that Cold Storage chambers have been made functional and three out of the five Cold Storage Chambers were utilised by Manipur Organic Mission Agency (MOMA)[75] for storage of perishable products. Audit, however, observed that the facility was utilised by MOMA for a period of two months only (July 2020 and August 2020) on payment of ₹ 0.60 lakh. But, no further plan for allotment of Cold Storage facility to entrepreneurs was finalised by the Company (March 2022).

Thus, the Cold Storage facility created at a cost of ₹ 2.79 crore at Food Park, Nilakuthi remained idle and unfruitful for more than nine years[76] without any concrete plan for renting to parties as envisaged in the project.

Recommendations:

- *State Government should conduct proper investigation to ascertain the bottlenecks leading to these Cold Storages remaining idle.*
- *Keeping in mind that the PSU is running into losses, this was an injudicious/ not well thought out investment and the Corporation should be more careful in investment/ expenditure and operationalise these facilities.*

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70 Since MFICL is a State Undertaking, final ownership of the cold storage lies with State Government
71 M/s Construction & Design Services, Uttar Pradesh Jal Nigam, Noida
72 ₹ 0.68 lakh as Inspection charge paid (October 2015) to M/s Blue Star Limited and ₹ 9.49 lakh (₹ 30.1 lakh + 6.48 lakh) as repair cost paid (March 2016 and April 2016) to M/s Thangtech Global Infra Private Limited (entrusted by M/s Blue Star Limited)
73 Five and four in 2013 and 2016 respectively.
74 As reckoned from April 2013 (date of construction of Cold Storage) to April 2019 (Date of JPV)
75 An agency under the Department of Horticulture and Soil Conservation, Manipur
76 From date of completion (April 2013) till date (March 2022)

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 Manipur during the year 2019-20, the State's share of net proceeds of Union taxes and duties and GIA received from the GoI during the year and the corresponding figures for the preceding four years are mentioned in **Table 4.1.1**.

Table 4.1.1 Trends of revenue receipts

(₹ in crore)

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1	**Revenue raised by the State Government**					
	Tax revenue	550.44	586.67	790.94	1,046.05	1,203.68
	Non-tax revenue	149.48	164.8	174.07	166.24	134.53
	Total	**699.92**	**751.47**	**965.01**	**1,212.29**	**1,338.21**
2	**Receipts from the GoI**					
	State's share of Union taxes and duties	3,142.42	3,757.12	4,154.33	4,698.59	4,045.21
	GIA	4,437.76	4,620.52	5,238.49	4,650.83	5,300.74
	Total	**7,580.18**	**8,377.64**	**9,329.82**	**9,349.42**	**9,345.95**
3	**Total receipts of State Government (1 & 2)**	**8,280.10**	**9,129.12**	**10,357.83**	**10,561.71**	**10,684.16**
Percentage of 1 to 3		**8**	**8**	**9**	**11**	**13**

Source: Finance Accounts.

The above table indicates that during 2019-20, revenue raised by the State Government was ₹ 1,338.21 crore, being 13 *per cent* of its total Revenue Receipts of ₹ 10,684.16 crore. The balance receipts of ₹ 9,345.95 crore (87 *per cent*) during 2019-20 were from Government of India as State's share of net proceeds of Union taxes and duties and GIA.

4.1.1.1 Tax Revenue

Details of Budget of tax revenue and actual receipts of tax revenues for the period 2015-16 to 2019-20 are given in the following table.

Table 4.1.2 Details of Tax Revenue

(₹ in crore)

Head of revenue	2015-16		2016-17		2017-18		2018-19		2019-20		Increase (+)/ decrease (-) in 2019-20 over 2018-19 (in *per cent*)
	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	
Taxes on sales, trade *etc.*	570.00	466.51	570.00	499.65	700.00	385.58	204.66	253.02	288.45	235.53	(-) 6.91
Goods and Services Tax	NA	NA	NA	NA	0.00	301.53	400.98	694.70	754.78	852.58	(+) 22.73
Motor Vehicles Tax	25.43	23.29	27.00	25.04	40.00	36.14	45.60	39.83	45.28	47.50	(+) 19.26

Head of revenue	2015-16		2016-17		2017-18		2018-19		2019-20		Increase (+)/ decrease (-) in 2019-20 over 2018-19 (in *per cent*)
	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	
Stamps & Registration Fees	10.27	10.45	11.00	10.03	30.00	13.98	34.20	17.62	16.01	16.60	(-) 5.79
State Excise	11.96	8.78	12.00	9.32	12.00	9.37	13.68	8.18	8.79	11.60	(+) 41.81
Land Revenue	1.45	2.59	2.50	1.91	5.00	1.44	5.70	3.54	2.70	4.10	(+) 15.82
Taxes and duties on electricity	0.06	-	0.06	0.01	0.06	0.00	0.07	-	-	-	NA
Others[77]	51.98	38.82	44.64	40.73	44.81	42.89	51.08	29.16	68.53	35.57	(+) 21.98
Total	**671.15**	**550.44**	**667.20**	**586.69**	**831.87**	**790.93**	**755.97**	**1,046.05**	**1,184.54**	**1,203.68**	**(+) 15.07**

Source: Annual Financial Statements and Finance Accounts. *# BEs: Budget Estimates.*

The GST receipts at ₹ 852.58 crore were ₹ 97.80 crore more than the budgeted receipts.

Departments despite being requested (October 2021) failed to furnish reasons for variation in Tax Revenue Receipts with respect to the previous year.

4.1.1.2 Non-tax Revenue

Details of budget estimates of non-tax revenue and actual realisations of the non-tax revenues during the period 2015-16 to 2019-20 are indicated in the following table.

Table 4.1.3 Details of Non-Tax Revenue

(₹ in crore)

Sl. No.	Head of revenue	2015-16		2016-17		2017-18		2018-19		2019-20		Increase (+)/ decrease (-) in 2019-20 over 2018-19 (in *per cent*
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	
1	Miscellaneous General Services	129.27	106.09	129.27	118.61	150.00	114.39	150.00	111.37	220.11	101.13	(-) 9.19
2	Interest receipts	38.61	27.43	38.61	19.73	40.54	19.27	42.57	18.68	20.23	6.39	(-) 65.79
3	Forestry and Wild Life	4.33	3.65	4.33	6.46	35.00	23.61	35.00	15.26	24.80	9.70	(-) 36.44
4	Major and Medium Irrigation	12.38	0.64	2.00	1.58	2.10	0.27	2.21	2.68	0.28	0.76	(-) 71.64
5	Public Works	2.11	1.26	2.11	0.90	2.22	1.87	2.33	1.62	1.96	1.23	(-) 24.07
6	Other Administrative Services	1.38	0.99	1.38	6.43	1.45	2.34	1.52	3.09	2.46	2.75	(-) 11.00
7	Police	1.20	0.72	1.20	1.38	1.26	0.91	1.32	1.42	0.96	0.81	(-) 42.96
8	Medical and Public Health	0.33	0.25	0.33	0.50	0.35	1.16	0.37	0.69	1.22	0.69	-
9	Co-operation	0.26	0.37	0.26	0.14	0.27	0.34	0.29	0.41	0.36	0.45	(+) 9.76
10	Other non-tax receipts[78]	29.55	8.06	11.72	9.07	12.31	9.91	12.93	11.01	10.40	10.62	(-) 3.54
Total		**219.42**	**149.48**	**191.21**	**164.80**	**245.50**	**174.07**	**248.54**	**166.23**	**282.78**	**134.53**	**(-) 19.07**

Source: Annual Financial Statements and Finance Accounts.

- In respect of Major and Medium Irrigation, Water Resources Department stated (November 2021) that decrease in revenue during 2019-20 by 71.64 *per cent* over

[77] Other taxes include other taxes on income and expenditure, other Taxes and Duties on Commodities and Services and Taxes on Goods and Passengers.

[78] Comprising 22 Major Heads with amounting to ₹ 10.62 crore.

the previous year 2018-19 was due to less receipt of interest on Mobilisation Advances, hire charges of machineries, sale proceeds and water tax, *etc*.

- Public Works Department stated (October 2021) that decrease in revenue during 2019-20 by 24.07 *per cent* over 2018-19 was due to less realisation.
- Others: Under 'Others', Fisheries Department stated that decrease in Revenue Receipts in 2019-20 over 2018-19 was due to untimely recovery of lease fees on account of covid pandemic while Minor Irrigation Department stated that decrease in revenue during 2019-20 was due to drought like situation and non-regularisation of the process of collection.
- Other departments (indicated in **Table 4.1.3**), despite being requested (October 2021), did not furnish the reasons for variations in non-tax revenue receipts with respect to the previous year.

4.1.2 Revenue and return filling trends

4.1.2.1 GST Revenue of Government of Manipur: Comparison between budget estimates and actual receipts

The comparison of budget estimates and the corresponding actual collection of Goods and Service Tax (GST) during the period from 2017-18 to 2019-20 are shown in table below:

Table 4.1.4 Revenue from GST during 2017-18, 2018-19 and 2019-20

(₹ in crore)

Year[79]	Budget Estimates (BE)	Revised Estimates (RE)	Actuals
	State GST	State GST	State GST
2017-18	-	348.68	301.53
2018-19	400.98	662.09	694.70
2019-20	754.78	861.87	852.58

Source: Departmental Records.

It could be seen from above table that the actual collection of revenue from SGST during 2017-18 and 2019-20 was short of the target as projected in the revised estimates whereas GST collection was more than the target as projected in the revised estimates during 2018-19.

4.1.2.2 Bi-monthly compensation received from Union Government

Compensation is given to the State when there is less collection of revenue from the projected figure as prescribed under Section 7 of Goods and Service (Compensation) Act, 2017.

During 2019-20, the State Government has not received any compensation under GST (Compensation) Act, 2017.

[79] GST data on Budget Estimates for the Financial year 2017-18 is not applicable as GST was implemented from July 2017.

4.1.2.3 Trends of Integrated GST apportionment to the State and its cross utilisation

Integrated GST (IGST) collected will be apportioned between the Centre and the State where the goods or services are consumed. The revenue will be apportioned to the Centre at the CGST rate, and the remaining amount will be apportioned to the consuming State.

The trends of IGST apportionment to the State and its cross utilisation are given in table below:

Table 4.1.5 Integrated Goods and Services Tax

(₹ in crore)

IGST component	2017-18	2018-19	2019-20
IGST[80] apportioned to the State as per Section 17 of IGST Act, 2017	28.27	49.15	71.92
IGST provisionally/ad-hoc apportioned to the State	15.00	56.51	16.60
IGST cross utilised between			
SGST[81] as IGST	(-) 0.19	(-) 3.04	(-) 2.10
IGST as SGST	(+) 182.83	(+) 414.36	(+) 561.14

Source: Departmental Records.

As can be seen from the above table, the IGST apportioned to the State has grown significantly during 2017-18 to 2019-20.

4.1.2.4 Registration under GST

Total registration under GST as on 31 March 2020 were 13,852 of which normal taxpayers were 12,575 which accounted for 90.78 *per cent* and composition taxpayers were 7,06 which accounted for 5.09 *per cent*. The category wise registrations under GST is given in table below:

Table 4.1.6 Details of GST registrations upto 31 March 2020

Category of Registrant	No. of Registrants	Percentage of total
Normal taxpayers	12, 575	90.78
Composition taxpayers	706	5.09
Tax Deductors at Source	510	3.68
Tax Collectors at Source	58	0.42
Input Service Distributors	0	0
Others (Casual, NRTP, OIDAR)	3	0.02
Total Registrants	**13, 852**	

Source: Departmental Records.

[80] IGST: It is a tax collected by the Central Government for an inter-State sale.
[81] SGST: It is a tax collected by the State Government for an intra-State sale.

4.1.2.5 GST Return filling pattern of GSTR-1 and GSTR-3B

The trends of filling of GSTR-1[82] and GSTR-3B[83] as on 31 March 2020 for the period from April 2019 to March 2020, as compiled from the summary reports shared by GSTN, is shown in the table below:

Table 4.1.7 Details of return filing (GSTR-1 and GSTR-3B) during 2019-20

Return Type	Details of Returns filed							
Months	GSTR-1			GSTR-3B				
	Due	Total filed	*Per cent*	Due	Total filed	*per cent*	filed by due date	*Per cent*
April 2019	10,929	2,234	20.44	10,929	7,117	65.12	4,557	41.70
May 2019	10,976	1,717	15.64	10,976	7,027	64.02	4,777	43.52
June 2019	10,987	1,655	15.06	10,987	7,001	63.72	4,795	43.64
July 2019	10,941	2,434	22.25	10,941	7,015	64.12	4,977	45.49
August 2019	10,837	1,766	16.30	10,837	7,030	64.87	5,318	49.07
September 2019	10,659	2,145	20.12	10,659	6,998	65.65	4,957	46.51
October 2019	10,496	1,785	17.01	10,496	7,003	66.72	5,247	49.99
November 2019	10,527	2,242	21.30	10,527	6,944	65.96	5,156	48.98
December 2019	10,173	3,698	36.35	10,173	6,861	67.44	5,711	56.14
January 2020	10,240	2,582	25.21	10,240	6,426	62.75	5,726	55.92
February 2020	10,379	2,056	19.81	10,379	4,653	44.83	4,530	43.65
March 2020	10,531	666	6.32	10,531	586	5.56	526	4.99

Source: Departmental Records.

The filling of GSTR-3B for April 2019 was 65.12 *per cent* while that of March 2020 was only 5.56 *per cent*. It was noticed that on an average 58.48 *per cent* tax payers filed their GSTR-3B returns during 2019-20. The GSTR-3B returns filed within the due date was on an average of 44.08 *per cent* taxpayers. GSTR-3B returns filed by the due date range between 41.70 *per cent* and 56.14 *per cent* during April 2019 to February 2020, but for March 2020 it was only 4.99 *per cent*. Thus, compliance needs to be improved.

4.1.2.6 Revenue earning from top 10 commodities/services

The details of the revenue earning from top 10 commodities/services during 2019-20 are given in the table below:

Table 4.1.8 Revenue from top 10 commodities/services during 2019-20

(₹ in crore)

Sl. No.	Name of commodity/service	SGST/ UTGST collections
Commodities		
1	Automobiles	78.60
2	Iron and Steel	49.13
3	Cement & Mineral Products	38.65
4	Electrical items	31.39
5	Pharmaceutical products	27.10
6	Oil products	13.28
7	Plastic and articles thereof	13.58
8	Soaps, detergents and other products	8.47
9	Paints and thereof	5.79
10	Machinery & mechanical appliances	16.21

[82] GSTR-1: It is a sales return that is required to be filed by every GST registered person.

[83] GSTR-3B: It is a self-declared consolidated summary return of inward and outward supplies which is required to be filed by a registered person electronically on the GST common portal.

Sl. No.	Name of commodity/service	SGST/ UTGST collections
Services		
1	Construction Services	74.71
2	Financial services	13.49
3	Support Services	10.46
4	Transport services	2.86
5	Maintenance & repair services	5.39
6	Communication Services	23.82
7	Professional services	1.99
8	Accommodation, Food and Other Services	2.35
9	Rental services	10.22
10	Manufacturing services	0.24

Source: Departmental Records.

Against Commodities Sector, Automobiles (₹ 78.60 crore), Iron and Steel (₹ 49.13 crore) and Cement and Mineral Products (₹ 38.65 crore) were the main contributor of SGST, while under Service Sector, Construction Services (₹ 74.71 crore) and Communication Services (₹ 23.82 crore) were the main contributor of SGST.

4.1.3 Analysis of arrears of revenue

The arrears of revenue on account of Taxes/VAT and GST as on 31 March 2019 and 2020 are as shown in table below:

Table 4.1.9 Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Total amount outstanding as on 31 March		Amount outstanding for more than five years as on 31 March	
		2019	2020	2019	2020
1	Taxes/ VAT	1.02	0.13	Nil	Nil
2	GST	Nil	Nil	Nil	Nil
	Total	**1.02**	**0.13**	**Nil**	**Nil**

Source: Information furnished by Taxation Department, Manipur.

It can be seen from the above table that arrear of Taxes/ VAT as on 31 March 2019 stood at ₹ 1.02 crore and had decreased to ₹ 0.13 crore at the end of March 2020. Whereas, no GST was in arrear during these periods, neither Taxes/VAT nor GST was outstanding for more than five years as on 31 March 2019 and 2020.

4.2 Response of Departments/Government towards Audit

The Principal Accountant General (Audit), Manipur {PAG (Audit)} conducts audit of the Government Departments and their units to test check the transactions and to verify the maintenance of important accounts and other records as prescribed in the Rules and procedures. On conclusion of these audits, Inspection Reports (IRs) incorporating irregularities detected during the audit and not settled on the spot are issued to the heads of the offices audited with copies to the next higher authorities for taking suitable corrective actions. The heads of the offices/ Governments are required to promptly comply with the observations contained in the IRs, rectify the defects/ omissions and furnish reply to the PAG (Audit) within one month from the date of issue of IRs. Serious financial irregularities are identified for their inclusion in the Comptroller & Auditor General of India’s Annual Audit Report on the Government of Manipur.

At the end of June 2020, there were 315 Inspection Reports issued up to March 2020 with 1,061 paragraphs involving ₹ 233.03 crore as outstanding audit observations. The corresponding figures for the preceding two years are also given in the table given below.

Table 4.2.1 Details of pending Inspection Reports

	June 2018	June 2019	June 2020
Number of pending IRs	275	304	315
Number of outstanding audit observations	866	1,084	1,061
Amount involved *(₹ in crore)*	206.38	209.84	233.03

Source: Records of O/o the PAG (Audit), Manipur.

4.2.1 Department-wise details of IRs and audit observations outstanding as on 30 June 2020 and their financial implications are mentioned in the following table.

Table 4.2.2 Department wise details of Outstanding Inspection Reports

(₹ in crore)

Name of Department	Nature of receipts	No. of outstanding		Money value involved
		IRs	Audit observations	
Finance	Taxes on sales, trade, *etc.*	66	263	127.45
	Passenger & Goods Tax (PGT)	0	0	0
	Other Taxes & Duties on commodities and Services (OTD)	0	0	0
	Entertainment & Luxury tax, *etc.*	0	0	0
Excise	State Excise	15	45	7.23
Revenue	Land revenue	126	387	32.24
Transport	Taxes on Motor Vehicles	88	281	62.55
Stamp and Registration	Stamp & Registration Fees	20	85	3.56
Total		**315**	**1061**	**233.03**

Source: Records of O/o the PAG (Audit), Manipur.

In respect of 13 IRs issued during 2019-20, Audit did not receive even the first reply from seven Head of Offices within the prescribed period of one month from the date of issue of the IRs. Large pendency of 315 IRs due to the non-receipt of replies/ further clarification is indicative of the fact that Head of Offices and Departments had not given due importance to audit findings and had not initiated any action to rectify the omissions and irregularities pointed out by Audit.

Government may, therefore, consider having an effective monitoring system for taking prompt remedial action on the audit findings, in interest of their own revenue.

4.2.2 Departmental Audit Committee Meetings

Government has set up Audit Committees to monitor and expedite the progress of settlement of IRs and paragraphs therein, however, Departmental Audit Committee meeting were not held during 2019-20.

In view of the large pendency of IRs, Government may ensure that Audit Committee meetings are regularly conducted on quarterly basis to expedite the clearance and settlement of outstanding IRs and paras therein.

4.2.3 Non-production of records to audit

The programme of local audit (Tax revenue/Non-tax revenue Offices) is drawn up sufficiently in advance and intimations are issued, usually one month before the commencement of audit, to the Departments to enable them to keep the relevant records ready for audit scrutiny.

During the year 2019-20, there was one case of Transport Department where records such as TR-5 books were not made available to audit. Amount involved in the records not produced could not be ascertained.

As the records were not produced for scrutiny, Audit was unable to vouchsafe the genuineness of the underlying transactions. Details are shown in ***Appendix 4.1***.

4.2.4 Response of the Departments to draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India (CAG) are forwarded to the Principal Secretary/Secretaries of the concerned Department, drawing their attention to the audit findings and requesting them to send their response within four to six weeks. The fact of non-receipt of replies from the Departments/ Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Four draft paragraphs[84] were sent to the Principal Secretary, Finance Department between December 2020 to October 2021. The responses received from the Department have been incorporated in the Audit Report.

4.2.5 Follow up on Audit Reports

After the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall submit *suo moto* Explanatory Notes to the Public Accounts Committee (PAC) within three months of tabling the Report. In spite of these provisions, the Explanatory Notes on Audit Paragraphs of the Reports were being delayed inordinately. Explanatory notes in respect of two paragraphs/reviews from one Department (Transport Department) under the Revenue Sector had not been received for the Audit Reports for the years ended 31 March 2018. Audit Report for the year ended 31 March 2019 has been placed in the State Legislature on 25 March 2022. PAC discussed 44 selected paragraphs/reviews pertaining to the Audit Reports on Revenue Sector for the years 2011, 2012, 2013, 2014 , 2016 and 2017[85] and its recommendations on 29 paragraphs were incorporated in their 38th, 40th, 45th, 47th, 49th, 51st and 54th Reports. However, Action taken Notes (ATNs) have not been received in respect of 24 recommendations of the PAC from the Departments concerned as mentioned in **Table 4.2.3**.

[84] Two draft paragraphs and two Special Subject Compliance Audit reports.

[85] Audit Report for the year ended 31 March 2018 is not included as paras/ reviews in respect of Revenue Sector is yet to be selected by PAC for discussion (March 2022). Audit Report for the year ended 31 March 2019 is yet to be placed in the State Legislature (March 2022).

Table 4.2.3 Position of Outstanding ATNs on PAC recommendations

Year	Name of Department	No. of ATN outstanding
2011	Transport	3
2012	Transport	1
	Taxation	4
2013	Taxation	3
	Tourism	1
	Transport	1
2014	Revenue	1
	Taxation	4
	Transport	1
2016	Revenue	1
2017	Taxation	1
	Transport	3
Total		**24**

Source: Records of O/o the PAG (Audit), Manipur.

4.3 Analysis of the mechanism for dealing with the issues raised by Audit

To analyse the system of addressing issues highlighted in Inspection Reports/ Audit Reports by Departments/ Government, the action taken on Audit Paragraphs and Performance Audits included in Audit Reports of last 10 years for one Department *i.e.,* Land Revenue Department was evaluated and included in this Audit Report.

The succeeding paragraphs **4.3.1** and **4.3.2** analyse the performance of Land Revenue Department under revenue Major Head 0029. Audit findings detected in the course of local audit during the last ten years and also the cases included in the Audit Reports for the years 2010-11 to 2019-20 were also analysed.

4.3.1 Position of Inspection Reports

The summarised position of the Inspection Reports (IRs) issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2020 are shown in the table given below.

Table 4.3.1 Position of Inspection Reports

(₹ in crore)

Sl. No.	Year	Opening Balance			Addition during the year			Clearance during the year			Closing Balance during the year		
		IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value
1	2010-11	66	174	15.73	10	24	2.90	1	8	0.01	75	190	18.62
2	2011-12	75	190	18.62	12	21	2.04	7	14	1.14	80	197	19.52
3	2012-13	80	197	19.52	8	23	3.04	1	4	0.05	87	216	22.51
4	2013-14	87	216	22.51	6	28	3.07	1	6	0.02	92	238	25.56
5	2014-15	92	238	25.56	16	99	11.04	0	7	0.14	108	330	36.46
6	2015-16	108	330	36.46	9	69	55.06	1	14	2.14	116	385	89.38
7	2016-17	116	385	89.38	20	111	50.93	0	2	0.01	136	494	140.03
8	2017-18	136	494	140.30	10	44	1.52	3	39	9.93	143	499	131.89
9	2018-19	143	499	131.87	26	141	4.64	0	10	1.18	169	630	135.33
10	2019-20	169	630	135.33	13	66	24.53	0	19	0.87	182	677	158.99

Source: Records of O/o the PAG (Audit), Manipur.

Government is required to arrange *ad hoc* Committee meetings between the Department and PAG (Audit) to settle old paragraphs. As would be evident from the above table, against 66 outstanding IRs with 174 paragraphs at the beginning of 2010-11, the number of outstanding IRs increased to 182 with 677 paragraphs at the end of 2019-20. This is indicative of the fact that adequate steps are needed to be taken up by the Department in this regard.

4.3.2 Action taken on the recommendations accepted by Departments/ Government

The following Performance Audits on Taxation Department have featured in the Audit Reports of last five years. The details of recommendations and their status are given in the following table.

Table 4.3.2 Status of Recommendations of Performance Audits

Year of Audit Report	Name of Performance Audit	No. of recomm-endations	Details of the recommendations	Status
2016-17	Performance Audit on System of Assessment under Value Added Tax	4	The Department may consider the following: • Establish a system of scrutiny with proper guidelines, checklist with in-built method of screening for further scrutiny; • In view of lapses noticed in the Value Added Tax regime, reorganise the tax collection structure to use all types of assessments and audits as provided in the Manipur Goods and Service Tax Act for safeguarding the interest of government revenue; • Establish monitoring system through system of control registers or Management Information System, periodic reporting, prescribed checks and review, *etc.*; and • Ensure that tax manuals are prepared for standardising the entire processes with the Goods and Service Tax regime.	During PAC discussion on 04 June 2019, Department stated that the issues highlighted and the recommendations will be incorporated properly in the GST regime. However, PAC has not yet publish its report/recommendations on the Performance Audit Report.

Source: Records of the PAG (Audit), Manipur

4.4 Audit Planning

The audit units under various Departments are categorised into high, medium and low risk units according to their revenue position, volume of transactions, past trends of audit observations and other parameters. The Annual Audit plan is prepared on the basis of risk analysis which *inter alia* includes critical issues in Government revenues and tax administration *i.e.,* Budget Speech, White Paper on State Finances, Reports of the Finance Commission (State and Central), recommendations of the Taxation

Reforms Committee, statistical analysis of revenue earnings during past five years, features of tax administration, audit coverage and its impact during past five years, *etc.*

During the year 2019-20, there were 60 auditable units, of which 16 units were planned and audited, which is 100 *per cent* of the total planned units.

4.5 Results of Audit

Position of local audit conducted during the year

Test check of the records of Taxation Department, Transport Department and Land Revenue Department conducted during the year 2019-20 showed underassessment/ short levy/loss of revenue/non-realisation of outstanding revenues aggregating to ₹ 7.83 crore in 20 cases. During the course of the year, Department did not furnish any reply regarding under assessment and other deficiencies, which were pointed out in audit during 2019-20. Departments had recovered ₹ 12.86 lakh during 2019-20 pertaining to the audit findings of the previous year.

4.6 Recovery at the instance of audit

Value Added Tax (VAT) deducted at source should be deposited within seven days from the expiry of the month to the designated bank authorised by the Government by Challan through the Government Treasury concerned. Audit (August to September 2018) of State Mission Director (SMD), State Implementation Society (SIS), Rashtriya Madhyamik Shiksha Abhiyan (RMSA), Manipur, for the period from April 2016 to March 2018 revealed that VAT amounting to ₹ 27.48 lakh was deducted at source. However, there was no supporting record to prove that the VAT amount deducted at source was deposited into Government Account till date of audit (September 2018). While admitting the audit observation, Department stated (September 2021) that the outstanding VAT amount of ₹ 27.48 lakh deducted at source had been deposited.

4.7 Coverage of this Report

This Report contains two Special Subject Compliance Audits on GST refunds and Transitional Credits under GST involving financial effect of ₹ 2.66 crore which are discussed in succeeding paragraphs.

COMPLIANCE AUDIT

TAXATION DEPARTMENT

4.8 Subject Specific Compliance Audit of GST Refunds

4.8.1 Introduction

Timely refund mechanism constitutes a crucial component of tax administration, as it facilitates trade through release of blocked funds for working capital, expansion and modernisation of existing business. Due to unavailability of electronic refund module on the common Goods and Services (GST) portal, a temporary mechanism was devised and implemented by the Department of taxes, Government of Manipur vide Circulars dated 15/11/2017 and 21/12/2017 wherein the applicants were required to file the refund applications in Form GST RFD-01A on the common portal, take a print out of the same and submit it physically to the jurisdictional tax office along with all supporting documents. Further processing of those refund applications, *i.e.,* issuance of acknowledgement, issuance of deficiency memo, passing of provisional/final refund orders, payment advice, *etc*., were being done manually.

The process was further simplified by allowing online submission of refund applications in Form GST RFD-01A, along with all supporting documents vide Circular dated 31/12/2018. However, various post submission stages of processing of the refund applications continued to be done by manual process.

The refund procedure was made fully electronic with availability of the refund module on the common portal with effect from 26/09/2019 (also called Automation of Refund Process). Accordingly, the Circulars issued earlier laying down the guidelines for manual submission and processing of refund claims have either been superseded or modified. In order to ensure uniformity in implementation of the provisions of law across field formations, several earlier Circulars[86] have been superseded vide the Master Circular dated 18/11/2019. However, the provisions of the said Circulars shall continue to apply for all refund applications filed on the common portal before 26/09/2019 and the said applications shall continue to be processed manually as were done prior to deployment of the new system.

The Department of Taxes, Government of Manipur also followed the same procedure as outlined in the Central Government circulars.

Audit of Refund cases under GST regime was conducted to assess:

(i) The adequacy of Act, Rules, notifications, circulars, *etc*. issued in relation to grant of refund.

[86] Circular dated 15.11.2017, dated 21.12.2017, dated 15.03.2018, dated 30.05.2018 (including corrigendum dated 18.07.2019), dated 04.09.2018, dated 26.10.2018, dated 31.12.2018 and dated 28.03.2019.

(ii) The compliance of extant provisions by the tax authorities and the efficacy of the systems in place to ensure compliance by taxpayers.

(iii) Whether effective internal control mechanism exists to check the performance of the departmental officials in disposing the refund applications.

A total of 24 refund cases involving refund claim amount of ₹ 2.30 crore was processed in the office of the Commissioner of Taxes, Government of Manipur from July 2017 to June 2020. The following audit observations were noticed:

4.8.1.1 Acknowledgment not issued within time

Rule 89 (1) of the MGST Rules, 2017 on refund applications states that any person claiming refund of any tax, interest, penalty, fees or any other amount paid by him, other than refund of integrated tax paid on goods exported out of India may file an application electronically in FORM GST RFD-01 through the common portal. Rule 90 (1) regarding issue of acknowledgement states that where the application relates to a claim for refund from the electronic cash ledger, an acknowledgement in FORM GST RFD-02 shall be made available to the applicant through the common portal electronically. Rule 90 (2) further states that the application shall be forwarded to the proper officer who shall, within a period of fifteen days of filing of the said application, scrutinise the application for its completeness and where the application is found to be complete, an acknowledgement in FORM GST RFD-02 shall be made available to the applicant through the common portal electronically, clearly indicating the date of filing of the claim for refund.

Audit noticed that in 5 out of 23 Refund Cases *(Deviation Rate: 21.74 per cent)* there were delays in issuance of acknowledgement to the taxpayer with delay ranging from 44 to 354 days ***(Appendix 4.2)***. All the 5 Refund Cases related to claims for refund from the electronic cash ledger. Reasons for the delays in issuance of acknowledgement were not available on record.

The matter was referred to the Department (April 2021). In reply, the Department stated (June 2021) that the Competent Authority had decided that the applications pertaining to refund claims shall be filed and processed manually. The Department stated that as per circular[87] issued by the Competent Authority in November 2017, refund process (for refund of unutilised input tax credit on inputs or input services used in making such zero-rated supplies) could not be initiated until the applicant submitted the ARN and Form RFD-01A along with necessary documents to the jurisdiction officer manually. In case of Manipur, the applicants had not submitted the documents manually in time. Hence, the acknowledgement could not be issued within time as per provision under Rule 89(1) of the MGST Rules, 2017.

Audit further noticed that w.e.f. 31 December 2018, the Competent Authority had also directed that all documents to be submitted with the claim for refund in form GST RFD-01A, shall be uploaded by the taxpayers on the common portal at the time of filing of

[87] Circular No. 17/17/2017 – GST dated 15/11/2017 issued by CBIC and Circular No. 9/2017 - GST–GST dated 15/11/2017 issued by Department of Taxes, Government of Manipur.

the refund application while physical submission was optional[88]. Thus, the reply of the Department is not acceptable as manual submission was not required in respect of these cases.

4.8.1.2 Rejection of refund application without opportunity of being heard.

Rule 92 (2) of the MGST Rules, 2017 states that where the proper officer or the Commissioner is of the opinion that the amount of refund is liable to be withheld, he shall pass an order in Part B of FORM GST RFD-07 informing him the reasons for withholding of such refund. Rule 92 (3) of the MGST Rules, 2017 further states that where the proper officer is satisfied that the whole or any part of the amount claimed as refund is not admissible or is not payable to the applicant, he shall issue a notice in FORM GST RFD-08 to the applicant, requiring him to furnish a reply in FORM GST RFD-09 within a period of fifteen days of the receipt of such notice and after considering the reply, make an order in FORM GST RFD-06 sanctioning the amount of refund in whole or part, or rejecting the said refund claim and the said order shall be made available to the applicant electronically, and the provisions of Rule 92 (1) shall, *mutatis mutandis,* apply to the extent refund is allowed, provided that no application for refund shall be rejected without giving the applicant an opportunity of being heard.

Audit noticed that four out of 24 Refund Cases, amounting to ₹ 99.89 lakh, were rejected ***(Appendix 4.3)***. It was observed that although the grounds for rejection were valid, the applications were rejected without offering the applicants an opportunity to represent his/her case in violation of Rule 92 *ibid*. Reasons for rejecting the refund cases without offering the applicants an opportunity of being heard were not available on record.

The matter was referred to the Department (February 2021). The Department provided their comments (June 2021) which are tabulated in table below:

Table 4.8.1: Details of refund application that were rejected without opportunity of being heard

Sl. No.	Name, ARN No. & Date	Amount (in ₹)	Reason for rejection provided by the Department (June 2021)	Audit comment
1	MANIPUR STATE POWER COMPANY LTD. (AA140619000051V Dated 04-06-2019)	95,55,636	Deficiency Memo issued under sub-rule 2, 3, 4 of rule 89 of the Manipur GST Rules, 2017.	No record of deficiency memo issued to the tax payer was available on record. Moreover, the Department did not adhere to Rule 92(3) of the MGST Rules, 2017.
2	NDS CONSTRUCTION (AA140518000196J dated 09-05-2018)	3,11,455	Necessary documents could not be produced.	The refund application was rejected without offering the applicant an opportunity to represent his/her case.
3	PRASHANTA CHOWDHURY (AA141217000163Z dated 05-12-2017)	17,000	Application was not rejected. Refund was sanctioned but entire amount was under CGST. Hence, forwarding	The refund application was processed without offering the applicant an opportunity to represent his/her case. Although the same refund

[88] Circular No. 79/53/2018-GST dated 31/12/2018 issued by CBEC and Circular No. 9/2017 - GST–GST dated 15/11/2017 issued by Department of Taxes, Government of Manipur.

Sl. No.	Name, ARN No. & Date	Amount (in ₹)	Reason for rejection provided by the Department (June 2021)	Audit comment
			letter was written to CGST, Imphal.	case was processed later on with another ARN No. AA140519000823G dated 27/05/2019, due procedure was not followed by the Department while rejecting the previous refund application.
4	BIRLA SINGH KEISAM (AA141217000580V dated 20/12/2017)	1,04,788	Application was not rejected. Refund was sanctioned but entire amount was under IGST. Hence, forwarding letter was written to CGST, Imphal.	The refund application was rejected without offering the applicant an opportunity to represent his/her case. Although the same refund case was processed later on with another ARN No. AA140519000172R dated 07/05/2019, due procedure was not followed by the Department while rejecting the previous refund application.
	Total	**99,88,879**		

Thus, it is observed that in all the above four cases, the refund applications were rejected without providing an opportunity of being heard as envisioned in Rule 92 (3) of the MGST Rules, 2017.

4.8.1.3 Abnormal delay in communicating refund orders to counterpart tax authority

As per circulars[89] issued by Department of Taxes, Government of Manipur (December 2017), refund order issued either by the central tax authority or a state tax/UT tax authority shall be communicated to the concerned counterpart tax authority within seven working days for the purpose of payment of relevant sanctioned amount of tax or cess as the case may be. It was also reiterated therein to ensure adherence to timeline specified under Section 54(7) of MGST Act, 2017 and Rule 91(2) of the MGST Rules, 2017 for sanction of refund orders.

Audit observed that out of 18 refund orders out of 23 transmitted between 1 July 2017 to 26 September 2019 by the Commissioner of Taxes, Manipur to Central GST Commissionerate, Imphal, eight refund orders *(Deviation Rate: 44.44 per cent)* involving ₹ 8.06 lakh were forwarded with a delay ranging from two to 195 days ***(Appendix 4.4)***.

Thus, Department did not adhere to the timeline prescribed in the Board's circular. Reasons for non-adherence to the prescribed timeline were not available on record.

The matter was referred to the Department (February 2021). In their reply, the Department stated (June 2021) that the refund process was delayed due to the bank

[89] Circular No. 13/2017 - GST– GST dated 21/12/2017 issued by Department of Taxes, Government of Manipur.

account details of applicants being sought from the applicants along with Form RFD-06.

The reply is not tenable as the bank account details are required to be submitted at the time of registration.

Recommendations

- *The Department should put in place a mechanism to ensure that the extant provisions of the MGST Act, 2017 are complied with; and*
- *The Department needs to put in place a monitoring mechanism to track refund applications so as to ensure timely disposal of refund claims as the delays accrue interest liability.*

4.9 Subject Specific Compliance Audit on Transitional Credits under GST

4.9.1 Introduction

Goods and Services Tax (GST) came into force from 1 July 2017. It subsumed various existing indirect taxes such as Value Added Tax (VAT), Excise duties, Service Tax, *etc*. To ensure the seamless flow of input tax from the existing laws to the GST regime, a transitional arrangement for input tax was included in the Manipur GST Act, 2017 to provide for the entitlement and manner of claiming input tax in respect of appropriate taxes or duties paid under the existing laws.

4.9.2 Audit scope, objectives and sample

The scope of audit included the Transitional Credit claims of taxpayers under the jurisdiction of the State who applied for carrying forward the Input Tax Credit (ITC) earned under the erstwhile laws to the GST regime.

Audit was conducted to assess the mechanism envisaged by the Department for selection and verification of transitional credit claims (Systemic Issues) and validity of the transitional credits carried over by the assessees into GST regime (Compliance Issues).

Audit sample consisted of all transitional credit claims amounting to ₹ 6.13 lakh of seven taxpayers under the State jurisdiction.

4.9.3 Audit Observations

4.9.3.1 Systemic issues

Para 12 of the departmental guidance note issued[90] by the Central Board of Indirect Taxes and Customs (CBIC)[91] for transitional credit verification specifies that the Central GST officers shall have the jurisdiction for verification of CGST component of the transitional credit, irrespective of the jurisdiction of the taxpayer and the

[90] 14th March 2018.
[91] The State Tax Department (STD) has not issued any orders/notifications regarding TC verification.

verification process can only be done by the tax authority which had legal jurisdiction under the erstwhile law and also has the requisite past records of the taxpayers.

Audit observed (August 2021) that there was no such guidance note or directives for conduct of verification by the State Tax Department.

(A) Verification mechanism not envisaged by the Department

The verification mechanism was not envisaged as evident from absence of issuance of a guidance note, order/notification for selection of cases, and directives for verification of the SGST component of the transitional credit claims and failure to generate a list of those GST taxpayers in Back office[92] module resulted in lack of information on those who had applied for transitional credits through TRAN1 FORM.

(B) Intimation not sent to Central Tax Office

The Department did not send intimation to the Central tax office for verification of State GST component of four taxpayers under the jurisdiction of the central GST Commissionerate, Manipur.

As such, the Department did not verify the SGST component of the transitional credit claims of taxpayers under the State jurisdiction amounting to ₹ 0.52 lakh and the SGST component of the transitional credit claims amounting to ₹15.15 lakh under the central jurisdiction[93].

The matter was referred to the Department (August 2021). During the Exit Conference (September 2021), the Department stated that notice had been served to the taxpayer and the taxpayer's reply was awaited (February 2022). Further, it was assured that if found in-admissible on verification, the transitional credit amount would be recovered along with any applicable interest. However, further action taken by the Department is awaited (February 2022).

4.9.3.2 Irregular transitional credit claims

As per Section 140 (1) of the Manipur GST Act, 2017, a registered person shall be entitled to take the amount of VAT carried forward in the return relating to the period ending with the day immediately preceding the appointed day[94], furnished by him under the existing subject to the condition that the registered person should have filed all the returns under the existing law for the period of six month immediately preceding the appointed date. Further, as per Section 17 (4) of the Manipur VAT Act, 2005, Input tax credit shall be allowed for purchase of goods made within the State from a registered taxpayer.

Audit observed (August 2021) that one taxpayer[95] had applied for transitional credit amounting to ₹ 1.27 lakh, which was credited on 25/12/2017. Audit noticed that the

92 Backend software used by the Department to access the GSTN data.

93 There were credit claims by four taxpayers under the Central jurisdiction. They were not included in the sample.

94 01/07/2017.

95 M/S T & T Projects Ltd. (GSTIN: 14AACCT8998H1ZR).

taxpayer had availed an inadmissible claim of ₹ 0.15 lakh being SGST component arising from VAT paid for purchase of items from an unregistered firm[96]. The firm had also claimed CGST credit of ₹1.12 lakh for the Central Excise Duties paid on stock as for purchase from a Guwahati based firm. However, VAT returns of the firm showed nil outside purchase. Hence, claim of stock holding is not acceptable.

Further, one taxpayer[97] had availed transitional credit claim of ₹ 0.36 lakh without filing the requisite VAT returns.

The matter was referred to the Department (August 2021).

During the Exit Conference (September 2021), the Department stated that the taxpayers' replies were awaited (February, 2022) and if returns were not produced, the transitional credit amount will be recovered along with any applicable interest.

[96] M/s Sani Steels.

[97] M/S V.V. Enterprises (GSTIN: 14ARXPD0984G1ZK).

Chapter V

Social Sector

CHAPTER V

SOCIAL SECTOR

5.1 Introduction

The Chapter contains findings based on audit of State Government departments under Social Sector.

Social Sector is one of the most important sectors of any economy. It includes components which play an important role in contribution to human resource development. Education, health and medical care, training, water supply and sanitation, housing conditions, *etc.* are some of the components which contribute to the enhancement of human capital. Since human capital refers to the productive capacities of human beings as income producing agents in the economy and may be defined as a stock of skills and productive knowledge embodied in people, there is a direct relationship between social sector and growth of an economy.

Government of Manipur has accorded due importance to Social Sector in the State by allocating a significant part of its financial resources to this sector. **Table 5.1.1** gives the expenditure incurred during the last five years by some of the major departments under Social Sector.

Table 5.1.1 Expenditure of major departments during 2015-20

(₹ in crore)

Years	Education	Community & Rural Development	Medical Health & Family Welfare	Total on Social Sector (In *per cent*)	Total Expenditure#
2015-16	1,053.35	672.20	485.66	3,255.28 (35.78)	9,098.16
2016-17	1,115.64	781.68	479.56	3,375.68 (31.11)	10,852.06
2017-18	1,263.75	942.72	583.13	4,505.71 (39.53)	11,397.17
2018-19	1,369.25	922.83	614.33	4,653.17 (31.89)	14,590.22
2019-20	1,471.16	1,017.35	665.69	4,817.07 (28.06)	17,165.50

Source: Appropriation Accounts.

 # General, Economic (Other than PSUs) and Social Sectors.

During 2019-20, GoI transferred ₹ 434.88 crore directly to different implementing agencies out of which, ₹ 161.64 crore (37 *per cent*) pertained to Social Sector as detailed in ***Appendix 5.1***.

Table 5.1.2 provides Department-wise details of budget provision and expenditure incurred by the 17 departments pertaining to Social Sector during 2019-20.

Table 5.1.2 Budget Provision and Expenditure of departments in Social Sector during 2019-20

(₹ in crore)

Sl. No.	Department	Budget Provision	Expenditure
1	Adult Education*	2016.91	1471.16
2	Education (Schools)*		
3	Education (University)*		
4	Technical Education*		
5	Community and Rural Development	1,869.80	1,017.35

Sl. No.	Department	Budget Provision	Expenditure
6	Tribal Affairs and Hill and Schedule Castes Development	885.03	602.57
7	Medical Health and Family Welfare	844.03	665.69
8	Municipal Administration Housing and Urban Development	714.70	309.61
9	Social Welfare	540.28	266.06
10	Minorities and Other Backward Classes	275.99	111.04
11	Panchayat	177.54	124.89
12	Relief and Disaster Management	135.39	87.66
13	Consumer Affairs, Food and Public Distribution	80.30	50.48
14	Youth Affairs and Sports	78.51	48.24
15	Labour and Employment	60.61	34.11
16	Arts and Culture	33.66	18.94
17	Information and Publicity	11.18	9.26
Total		**7,723.93**	**4,817.06**

Source: Budget Documents and Appropriation Accounts.
** Separate information not available.*

As it can be seen from table above, there were savings of ₹ 2,906.87 crore (37.63 *per cent*) crore from Budget provision under Social Sector of which Minorities and Other Backward Classes had the maximum savings of ₹ 164.95 crore (59.77 *per cent*) followed by Municipal Administration, Housing and Urban Development ₹ 405.09 crore (56.68 *per cent*) and Social Welfare ₹ 274.22 crore (50.76 *per cent*) against their respective Budget provisions. Thus, the Budget Provisioning may be done more realistically by the departments.

5.1.1 Planning and execution of Audit

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

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

Keeping in view the importance accorded to the Social Sector by the State, we in Audit also accorded due importance to the Social Sector in our Annual Audit Plan. Out of total 355 units selected for the compliance audit during 2019-20, we conducted audit of 81 units (23 *per cent)* pertaining to the Social Sector. As of March 2020, 78 IRs containing 399 paras involving expenditure of ₹ 806.80 crore including expenditure of the previous years of the State Government under Social Sector were issued to the unit heads with copies to the heads of the departments concerned. Year-wise details of expenditure audited in respect of Social Sector during 2019-20 are shown in ***Appendix 5.2***.

This chapter contains one Performance Audit *viz*., 'Efficacy of the implementation of the 74th Constitutional Amendment Act' and six Compliance Audit Paragraphs as discussed in succeeding paragraphs.

PERFORMANCE AUDIT

MUNICIPAL ADMINISTRATION, HOUSING AND URBAN DEVELOPMENT DEPARTMENT

5.2 Performance Audit on "Efficacy of the Implementation of 74th Constitutional Amendment Act"

The Constitution of India mandated for democratic decentralisation through the 74th Constitutional Amendment Act (CAA) to create an institutional framework for self-governing local bodies in urban areas of the country. The CAA came into effect on 01 June 1993 and empowered Urban Local Bodies (ULBs) to perform 18 functions as listed in the 12th Schedule of the Constitutional of India.

Highlights

Compliance to provisions of 74th CAA

- *The statutes of MM Act 1994 broadly conformed to the provisions of the 74th CAA on the institutional, legal and administrative framework for municipalities.*

  (Paragraph 5.2.3.1)

- *Assignments of the responsibilities were highly fragmented among parastatals, development agencies, State departments and municipal governments undermining the functional autonomy of the ULBs and overlapping of roles indicated lack of clarity in responsibilities.*

  (Paragraph 5.2.3.3.1)

- *Although the 74th CAA guaranteed greater autonomy to ULBs, the overriding control of the State government over the ULBs continued thus undermining the very objective of empowering the ULBs to be institutions of self-government in urban areas. The ULBs still functioned as units of State administration rather than as institutions of self-governance.*

  (Paragraph 5.2.3.4)

Empowerment of Urban local bodies

- *District Planning Committees were yet to be constituted in all the 10 test-checked ULBs indicating lack of socio-economic development planning in urban areas of the districts. These ULBs executed mostly routine maintenance works and minor works depending upon the availability of funds as per the annual works* *programmes. The ULBs were yet to participate in a big way in the development planning of the growing urban areas under their jurisdiction.*

(Paragraph 5.2.4.4)

- *The Fourth SFC was constituted only in October 2019 after a delay of 18 months and its recommendations of July 2021 is yet to be considered by the State Government.*

(Paragraph 5.2.4.5)

Devolution of Financial Powers and Resources to ULBs

- *Six out of 10 sampled ULBs had not framed any bye-laws for collection of taxes, fees, duties, etc., undermining the power to collect revenues under their jurisdiction. Bye-laws even when passed and approved by the Government, the ULBs still neither had the jurisdiction over collection of certain taxes nor collected taxes/fees due to their own weakness in revenue administration.*

(Paragraph 5.2.5.1(i))

- *There was substantial shortfall in revenue receipts against the budgetary provision for the ULBs during five-year period 2015-20 to the tune of ₹ 315.07 crore (₹ 434.03 crore – ₹ 118.96 crore). The total revenue receipts of the ULBs from different sources (without own revenue) ranged from ₹ 4.84 crore (2016-17) to ₹ 61.65 crore (2019-20). Own Revenue of ULBs remained low and stagnant at ₹ 2.4 crore to ₹ 4.53 crore during the review period constituting only 2.29 per cent to 3.55 per cent of the State budgetary provisions for ULBs.*

(Paragraph 5.2.5.2)

- *Shortfall in SFC transfers to ULBs was to the extent of ₹ 25.18 crore. Moreover, SFC transfer against total revenue receipts was showing a declining trend from 59.55 per cent in 2015-16 to 40.05 per cent in 2019-20. Though the Fourth FC was already due since April 2018, it was constituted only in October 2019 after a delay of 18 months. The recommendations of the Fourth FC presented in July 2021 is yet to be considered by the State Government.*

(Paragraph 5.2.5.2)

- *There was total shortfall of ₹ 79.43 crore in CFC transfers to the ULBs as against the budget provision of ₹ 171.80 crore during the last five years. The yearly retention of CFC grants by the State Government ranged between ₹ 17.59 crore and ₹ 43.45 crore during the same period.*

(Paragraphs 5.2.5.2 and 5.2.5.3(ii))

- *Expenditure of ULBs during 2015-20 (₹ 181.11 crore) constituted only 19.91 per cent of MAHUD's total expenditure (₹ 909.76 crore). ULBs' total expenditure vis-à-vis that of MAHUD declined from 63.81 per cent in 2015-16 to 12.63 per cent in 2016-17 which slightly increased to 23.95 per cent in 2019-20 from 14.91 per cent in 2018-19.*

(Paragraph 5.2.5.2)

- *State Government did not adhere to the norms prescribed by SFC for transfer of funds to the ULBs. There was substantial shortfall in release of grants to ULBs to the extent of ₹ 477.54 crore against total amount of ₹ 556.95 crore recommended by the Third SFC during 2015-16 to 2019 -20.*

(Paragraph 5.2.5.3(i))

- *There was short release of CFC grants of ₹ 42.07 crore by GOI to State Government during the five-year period from 2015-16 to 2019-20. Against CFC grants of ₹ 132.62 crore released by GOI, the State Government released ₹ 92.37 crore to the ULBs with a shortfall of ₹ 40.25 crore at the end of 2019-20.*

(Paragraph 5.2.5.3(ii))

- *Share of own revenue to total revenue receipts of ULBs during 2015-20 was only 6.59 per cent. Majority of 10 sampled ULBs did not collect different types of taxes/fees under their purview and the potential for increasing revenue (tax and non-tax) collection remained untapped.*

(Paragraph 5.2.5.4)

Human Resources of Urban Local Bodies

- *ULBs have not been delegated with powers to appoint own cadre of staff and officers for running the councils. All the sampled ULBs suffered from high vacancies in various categories of posts against the sanctioned posts; and existing staff and officers were highly inadequate to perform their assigned tasks effectively.*

(Paragraph 5.2.6.1)

5.2.1 *Introduction*

5.2.1.1 74th Constitutional Amendment Act

The Constitution (Seventy Fourth Amendment) Act, 1992 (CAA), which came into effect on 01 June 1993, introduced 18 Articles[98] under Part IX A (the Municipalities) in the Constitution of India, providing constitutional status to Urban Local Bodies (ULBs). Article 243W of the CAA authorised the State Legislatures to enact laws to endow local bodies with powers and authority to enable them to function as institutions of self-government and provisions for devolution of powers and responsibilities[99].

5.2.1.2 Profile of Urban Local Bodies in Manipur

Manipur has a geographical area of 22,327 sq. k.m. with a total population of 28.56 lakh (2011 Census) of which, the urban population was 8.34 lakh, which constituted 30 *per cent* of the total population of the State. Urban Local Bodies (ULB) are spread out in six valley districts of the State. During the audit period of 2015-20, five Nagar Panchayats had been upgraded to Municipal Councils, due to growing urbanisation in the State.

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[98] Article 243-P to 243-Z and Article 243-ZA to Article 243-ZG".

[99] Which are listed in the 12th Schedule of the Constitution of India. The Schedule enumerates 18 specific functions to be devolved t the ULBs.

As on 31 March 2020[100], Manipur has 27 ULBs as follows:

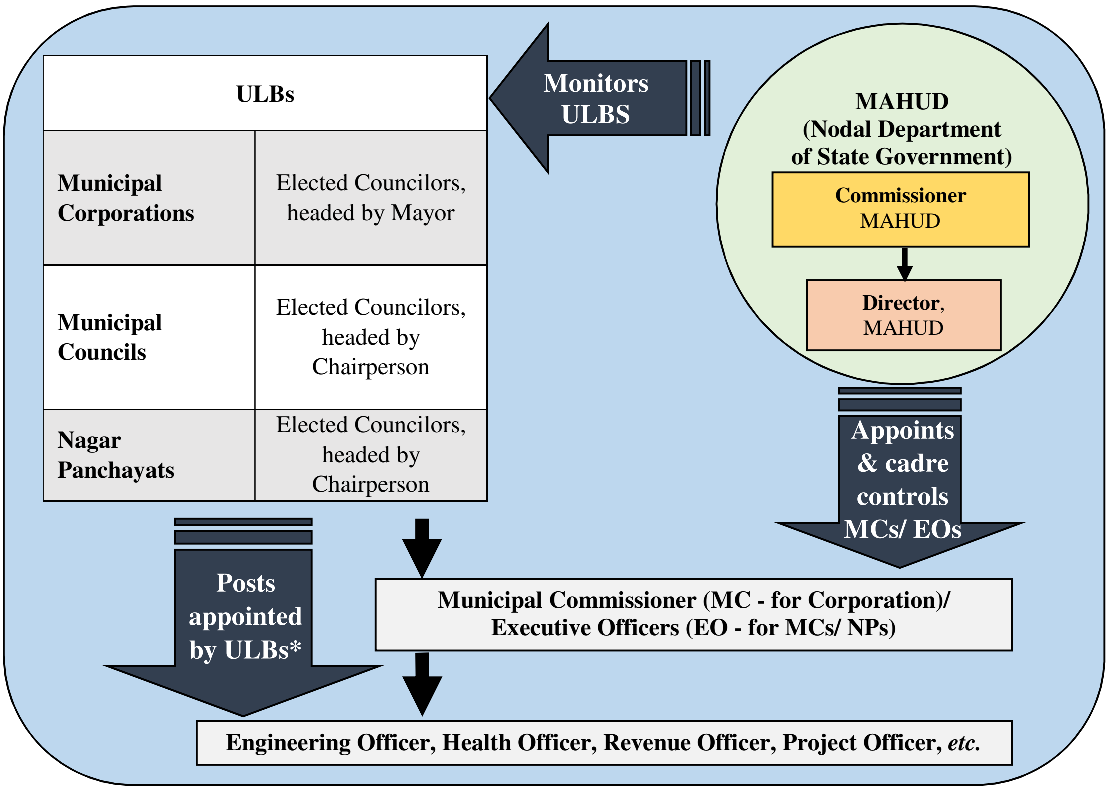
Municipal Corporation (One - Imphal Municipal Corporation)	Municipal Councils (MCs) (23 nos.)	Nagar Panchayats (NPs) (Three nos.)

The ULBs are governed by the provisions of Manipur Municipalities (MM) Act, 1994. The ULBs are divided into wards as notified by the State Government and are represented by elected Councillors.

5.2.1.3 Nodal Department of ULBs and Organisational set-up

Municipality Administration, Housing and Urban Department (MAHUD) is the Nodal Department of the State Government which exercises control over the ULBs, and through which, funds for the ULBs are devolved. The Administrative heads of the ULBs *viz*., Municipal Commissioner (for Corporation) and Executive Officer (for Councils/ Nagar Panchayats) are appointed and are under the cadre control of MAHUD but render their services at ULBs. ULBs which comprise of elected Councillors and the Heads of ULBs, *viz*., Mayor (IMC) or Chairpersons (Municipal Council/ Nagar Panchayat) are elected by majority of votes amongst the Councillors, who are responsible for the overall governance of the ULBs. The following organogram depicts the organisational setup of MAHUD and ULBs:

Chart 5.2.1 Organogram of MAHUD and ULBs



* *with the concurrence of the State Government.*

Source: Departmental Records.

100 As per records, one Small Town Committee, Moreh had existed and this office conducted audit in February 2018. However, the Committee is not in existence as on date (March 2020).

5.2.2 Audit framework

5.2.2.1 Audit objectives

The Performance Audit (PA) seeks to ascertain whether:

- Provisions of 74th CAA have been adequately covered in State legislations;
- ULBs were empowered by the State Government to discharge their functions effectively through the creation of appropriately designed institutions/ institutional mechanisms and the functioning thereof;
- ULBs have access and powers to raise financial resources commensurate with their functions; and
- ULBs have powers to mobilise and incentivise human resources commensurate with their functions.

5.2.2.2 Audit criteria

The criteria for the PA were derived from the following:

- Constitutional (74th) Amendment Act, 1992 including 12th Schedule of the Constitution of India;
- Manipur Municipalities Act, 1994 (MM Act);
- The Manipur Municipality Community Participation Act, 2010;
- Model Municipal Law, 2003;
- National Municipal Accounts Manual;
- Central/ State Finance Commission Reports; and
- State Government orders, notifications, circulars and instructions issued from time to time.

5.2.2.3 Audit scope and methodology

The Performance Audit was conducted during the period from October 2020 to March 2021 covering the period from 2015-16 to 2019-20. The audit included scrutiny of records of MAHUD, Manipur Urban Development Agency (MUDA), Planning and Development Authority (PDA) and Town Planning Department (TPD). At the implementation level, Audit also scrutinised relevant records of 10 sampled ULBs out of 27 ULBs (37 *per cent*) selected through simple random sampling for detailed scrutiny as given below:

Municipal Corporation (1 No.)	(i)	**Imphal Municipal Corporation**		
Municipal Council (MC) (8 nos.)	(i) (ii) (iii) (iv)	Ningthoukhong MC Kumbi MC Wangoi MC Kwakta MC	(v) (vi) (vii) (viii)	Wangjing Lamdeng MC Jiribam MC Thongkhong Laxmi MC Oinam MC
Nagar Panchayat (1 no.)	(i)	Heirok Nagar Panchayat		

A list of the 27 ULBs including 10 selected ULBs is indicated in ***Appendix 5.3***.

An Entry Conference was held with representatives of the Department on 28 September 2020 in which, the audit methodology, scope, objectives and criteria were explained. An Exit Conference was held with representatives of the State Government and the Department on 28 December 2021 wherein audit findings were discussed. Departmental replies wherever received have been factored into the Report. The audit methodology involved document analysis and responses to audit queries.

5.2.2.4 Audit acknowledgement

Audit acknowledges the cooperation and assistance extended by the State Government, MAHUD, PDA, MUDA, TPD and all the sampled ULBs in providing necessary information and records for test checks during the course of conduct of performance audit apart from other inputs and replies to audit observations.

Audit findings

5.2.3 Compliance to provisions of 74th CAA

The 74th Constitutional Amendment Act (CAA) came into effect on 01 June 1993 which provided for institutional, legal and administrative framework for municipalities to function as institutions of self-government. The CAA aimed at bringing local democracy through municipalities by decentralisation of political authority, decision-making powers and functions hitherto performed by the State Government. It also envisaged to make the municipalities more representative, self-regulating and service-oriented in urban governance. They are to prepare plans for socio-economic development of urban areas and operate through various institutions as local government to work closer to the people to carry out the responsibilities conferred upon them and take power to the people.

Audit examined the important provisions of 74th CAA relating to municipalities and compared them with that of the provisions of the Manipur Municipalities Act, 1994 (MM Act) passed by the State in 1994 to highlight as to what extent the Urban Local Bodies (ULBs) in Manipur were empowered to discharge their constitutional mandate and were assigned with functions as provided for in the CAA.

5.2.3.1 Institutional framework in 74th CAA and the Manipur Municipalities Act, 1994

The CAA (Article 243Q to Article 243 ZE) provides that the State Legislatures are to enact laws to endow local bodies with powers and authority as may be necessary to enable them to function as institutions of self-government and make provisions for devolution of powers and responsibilities.

The Government of Manipur by amendments to the MM Act, 1994 introduced provisions as to correspond to the 74th CAA provisions. A comparison of the provisions of 74th CAA and that of the MM Act revealed the following position:

Table 5.2.1 Comparison of State level legislations with the provisions of 74th CAA

Provision of Constitution of India	Requirement as per provision of the Constitution of India	Provision of MM Act, 1994
Article 243Q	**Constitution of Municipalities**: Three types of municipalities namely a Nagar Panchayat for transitional area, a Municipal Council for a smaller urban area and a Municipal Corporation for a larger urban area.	Section 3
Article 243R	**Composition of Municipalities:** All the seats in a Municipality shall be filled by direct elections and by persons with special knowledge in municipal administration nominated by Government. The Legislature of a State may by law, provide for representation to the Municipality, Members of Parliament and Legislative Assembly whose constituencies lie within the municipal area and Members of the Council of States and State Legislative Council who are registered as electors within the city.	Sections 7, 12C and 15
Article 243S	**Constitution and composition of Wards Committee**: provides for constitution of Wards Committees in all municipalities with a population of 3 lakh or more	Section 16[101]
Article 243T	**Reservation of seats:** The seats to be reserved for Scheduled Caste (SC)/ Scheduled Tribe (ST), Women and Backward classes for direct election.	Sections 17 and 18
Article 243U	**Duration of Municipalities:** A fixed tenure of 5 years from the date of its first meeting and re-election to be held within the six months of end of tenure.	Section 22
Article 243V	**Disqualifications for membership:** A Person shall be disqualified for a member of a Municipality- • If he is so disqualified by or under any law for the time being in force for the purposes of elections of the Legislature of the State concerned. • If he is so disqualified by or under any law made by the Legislature of the State.	Section 19
Article 243W	**Powers, authority and responsibilities of the Municipalities:** All municipalities would be empowered with such powers as may be necessary to enable them to function as effective institutions of self-government. The State Government shall entrust with such powers and authority to enable them to carry out the responsibilities in relation to the 12th Schedule.	Section 36
Article 243X	**Power to impose taxes by and funds of the Municipalities:** • Municipalities would be empowered to levy and collect the taxes, fees, duties *etc.* • Grant-in-aid would be given to the Municipalities from the State	Sections 67 and 74

[101] Also mentioned in the Manipur Municipality Community Participation Act, 2010.

Provision of Constitution of India	Requirement as per provision of the Constitution of India	Provision of MM Act, 1994
	• Constitution of funds for crediting and withdrawal of moneys by the Municipality	
Article 243Y read with Article 243I	**Finance Commission:** State Government shall constitute Finance Commission for • Review the financial position of the Municipalities and taking such steps that help in boosting the financial condition of the Municipal bodies • Distributing between the State and the Municipalities of the net proceeds of the taxes, fees, tolls and duties that are charged by the State Government. • Allotting the funds to the municipal bodies in the state from the consolidated fund of the State.	Section 73
Article 243Z	**Audit of accounts of Municipalities**: This has provision for maintenance of accounts by the Municipalities and the auditing of such accounts.	Section 72
Article 243ZA read with Article 243K	**Elections to the Municipalities:** The Superintendence, direction and control of all procedure of election of the Municipalities shall be vested in the State Election Commission (SEC)	Section 218
Article 243ZD	**Committee for District Planning:** • Constitution of District Planning Committee at district level. • Composition of District Planning Committee. • Preparation of draft development plan and forwarded to the Government.	Section 227
Article 243ZE	**Committee for Metropolitan Planning:** Provision for constitution of Metropolitan Planning Committee (MPC) in every Metropolitan area with a population of 10 lakh or more to prepare a draft development plan for the metropolitan area as a whole.	Section 228

It can be seen from above that while the statutes of MM Act, 1994 largely conformed to the provisions of the 74th CAA on the institutional, legal and administrative framework for municipalities, the following items were not covered in the MM Act:

- **Composition of Municipalities** (Article 243R)**:** Representation to the Municipality of MPs of Lok Sabha and MLAs from the municipal area, *etc.*
- **Power to impose funds of the Municipalities** (Article 243X): Constitution of funds for crediting and withdrawal of moneys by the Municipal Corporation.

Audit further observed that under CAA and MM Act, the primary task of empowerment and operation of municipalities as local governments had been kept under the purview of the State Government. Under this arrangement, the reluctance to decentralise is reflected in the limited assignment of responsibilities and devolution of decision -

making power and authority to the ULBs on the part of the State Government as discussed in succeeding paragraphs.

During Exit Conference (December 2021), the Department stated that the matter would be referred to the State Government for amendment of the MM Act to cover the left out items in accordance with the 74th CAA.

5.2.3.2 Assignment of functions to Municipalities as per CAA and MM Act

As per Article 243W, all municipalities would be empowered with such powers as may be necessary to enable them to function as effective institutions of self-government. The State Government shall entrust the municipalities with such powers and authority to enable them to carry out the responsibilities as listed in the 12th Schedule of the CAA.

Audit observed that the 12th Schedule of CAA listed 18 functions, which may be entrusted to the municipalities. The municipalities are also required to be empowered by the State through the municipal laws. A comparative analysis of the functions as listed under CAA and MM Act, 1994 relating to the 12th Schedule showed the following:

Table 5.2.2 Comparison of functions under the CAA and MM Act

Sl. No.	Functions under 12th Schedule	Functions as stated in MM Act	Functions as per MM Act
1	Urban planning including town planning	Nil	Not applicable.
2	Regulation of land-use and construction of buildings	Partly mentioned in Section 37 *(h)* & Section 39 *(b)*	Removal of dangerous buildings, reclaiming unhealthy localities, establishing public parks, *etc.*
3	Planning for economic and social development	Section 36*(1)(a)(i)*	Solely responsible.
4	Roads and bridges	Partly mentioned in Section 37 *(j)*	Construction of public roads, culverts, drains, sewers, *etc.*
5	Water supply for domestic, industrial and commercial purposes	Section 37 *(l)*	Solely responsible
6	Public health, sanitation conservancy and solid waste management	Partly mentioned in Sections 37 *(b)*& Sections *37 (c),* 37 *(d), & 37 (q)*	Watering/cleaning roads, public places, removing filth, rubbish, composting manure, *etc.*
7	Fire Services	Section 37 *(e)*	Solely responsible.
8	Urban forestry, protection of the environment and promotion of ecological aspects	Nil	Not applicable
9	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	Partly mentioned in Sections 39 *(r)*	Housing and maintaining destitute, orphans, crippled, *etc*,
10	Slum improvement and upgradation	Nil	Not applicable.
11	Urban poverty alleviation	Nil	Not applicable.
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds	Partly mentioned in Section *37 (k) &* 39 *(b)*	Limited to construction of public latrines & Urinals, public parks, rest-houses etc
13	Promotion of cultural, educational and aesthetic aspects	Partly mentioned in Section 39 *(t)*	Promotion of Education
14	Burials and burial grounds; cremations, cremation grounds	Section 37 *(i)*	Solely responsible.

Sl. No.	Functions under 12th Schedule	Functions as stated in MM Act	Functions as per MM Act
15	Cattle pounds; prevention of cruelty to animals	Partly mentioned in Section 37 *(r)*	Establishing and maintaining cattle pounds,
16	Vital statistics including birth and death registration	Partly mentioned in Section 37 *(n)*	Registration of births & deaths.
17	Public amenities including street lighting, parking lots, bus stops and public conveniences	Partly mentioned in Section 37 *(a)*	Lighting public roads and places.
18	Regulation of slaughter houses and tanneries	Partly mentioned in Section 37 *(j)*	Construction of slaughter houses.

Source: Compiled from information furnished by ULBs.

From the above table, Audit observed that four (Sl. No. 1, 8, 10 and 11) out of 18 functions contained in 12th Schedule of CAA are not covered in MM Act, 1994. Even in the remaining 14 functions, only in four functions (Sl. No. 3, 5, 7 and 14) listed the Act has full description of the responsibilities envisaged for the ULBs. In the remaining 10 functions, the descriptions of the functions are only partially covered and they did not even correspond wholly to the provisions of the 12th Schedule.

Thus, the provisions for devolution of powers and assignment of functions to the municipalities through MM Act, 1994 were not in accordance with the CAA. Such deviation in the MM Act limits the very objective of empowering the municipal governments to function as institutions of self-government as envisioned by the CAA.

During Exit Conference (December 2021), the Department stated assigning of functions rest with the State Government and the State Government would be requested to amend the MM Act to fully conform to the provisions of CAA.

5.2.3.3 Status of implementation in assignment of functions and responsibilities

5.2.3.3.1 Actual functions performed by municipalities as per CAA provisions

The 74th CAA provided constitutional status to Urban Local Bodies (ULBs) with the primary objective of empowering the municipal governments through laws to plan for socio-economic development and to deliver public services in urban areas.

It was observed that consequent upon the 74th CAA, the State Governments passed MM Act, 1994 for entrusting the municipalities with functions and responsibilities for delivery of public services in local urban affairs. The status of functions and activities actually performed by the ULBs in the State *vis-à-vis* the 18 functions[102] as provided for in the CAA was as given below (Details are in ***Appendix 5.4***):

(i) **Fully responsible for 1 (one) function:** *Burials and burial grounds, cremations, etc., (Sl. No. 1 of **Appendix 5.4**);*

(ii) **Dual roles or overlapping jurisdiction with State Departments/ parastatals in 9 (nine) functions:** *Issuing building bye-laws, monitoring of street vendors, identification of beneficiaries in slum-like situation, approval of building plans,*

[102] As enumerated in the 12th Schedule of the Constitution of India.

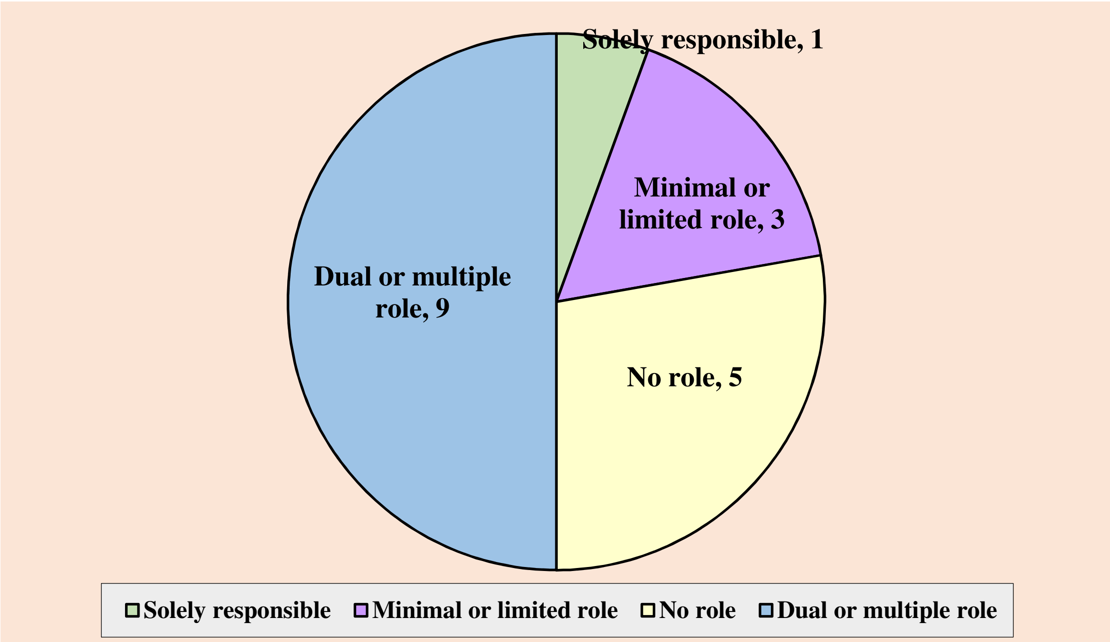
cleaning and disinfection of localities, registration of births and deaths, street lights, etc. (Sl. No. 2, 3, 4, 5, 6, 7, 8, 9 & 10 of ***Appendix 5.4****);*

(iii) **Limited/ minimal role in 3 (three) functions**: *Consultation level in identification of beneficiaries and catching stray animals (Sl. No. 11, 12 & 13 of* ***Appendix 5.4****); and*

(iv) **No roles in 5 (five) functions**: *Economic planning, Cultural & Educational promotion, Water supply, Fire services and Urban amenities, Urban forestry, Environment protection, etc. (Sl. No. 14, 15, 16, 17 & 18 of* ***Appendix 5.4****).*

Audit noticed that ULBs have one sole role and other limited roles or dual and overlapping jurisdiction with that of Government departments in 13 out of 18 functions as per 12th Schedule of CAA. Three functions (Sl. No. 8, 9 & 10 of ***Appendix 5.4***) having dual or overlapping roles with the State Departments were entrusted to the municipalities directly without being provided for in the MM Act. But majority of the functions were being performed by Government departments and other agencies. The function-wise roles performed by the ULBs *vis-à-vis* the provisions of CAA is depicted in the Chart below:

Chart 5.2.2 Function-wise role of ULBs



Thus, it is evident that assignments of the responsibilities are highly fragmented among parastatals/development agencies (Planning Development Authority and MUDA), State departments and municipal governments. This has largely undermined the functional autonomy of the ULBs in their actual functioning. As many functions under the MM Act are still under the control and discretion of the State Government, devolution of decision-making powers and the responsibilities to the ULBs are limited to that extent. There is a need for clear separation of functions between the State Government and the ULBs to avoid overlaps and to ensure role clarity and effective implementation of entrusted responsibilities as institutions of local self-governments.

5.2.3.3.2 Actual functions performed by ULBs as per MM Act

In order to implement the provisions of CAA, the State Government passed the Manipur Municipalities (MM) Act, 1994 with an objective of empowering the ULBs to discharge their constitutional mandate and responsibilities in their jurisdiction. As per Section 37 & 39 of MM Act, 1994, the ULBs are to be entrusted with 18 obligatory functions and 20 discretionary functions as given in ***Appendix 5.5***.

Audit however observed that only 13 out of 18 functions listed under obligatory functions and 3 out of 20 functions listed under discretionary functions in the MM Act were in line with the provisions of CAA. Only 14 out of 18 functions as per 12th Schedule are incorporated in the MM Act.

It was further observed that 13 out of 18 obligatory functions and 3 out of 20 discretionary functions are actually performed by the ULBs respectively. So far, as many as 22 functions are still performed by the Government departments and their agencies (as detailed in ***Appendix 5.5***) further undermining their roles in urban affairs. On the whole, the role of the ULBs in urban affairs was very limited despite the fact that 38 functions have been assigned by the MM Act, 1994. Since the assignment of these functions were not made mandatory, it was not incumbent on the part of the State to actually entrust them to the ULBs, which is a violation of the Act.

Thus, mere enactment of municipal law has not ensured transfer of functions to the municipalities. There is a need for changes in the MM Act itself to make entrustment of listed functions to ULBs as mandatory. Municipalities can function as local self-governments only if empowered by the laws with sufficient decision-making powers and mandatory responsibilities.

5.2.3.4 Devolution of Powers and authority to ULBs

The 74th Constitution Amendment) Act, 1992 introduced Part IX A (the Municipalities) providing constitutional status to Urban Local Bodies (ULBs) to function as institutions of self-government by empowerment through municipal laws.

A status of devolution of powers and authority to the ULBs by the State Government through the MM Act, 1994 was as indicated in the table below:

Table 5.2.3 Status of devolution of powers to the ULBs

Sl. No.	Subjects	Powers of State Government and ULBs
1	Power to frame Rules	The State Government may make any modification in the rules or decides that any such rule should not be made under the MM Acts while the State Assembly is in session (Section 208 (3) of MM Act).
2	Power to cancel and suspend a resolution or decision taken by ULBs	The State Government may cancel a resolution or decision taken by ULBs, if the State Government is of the opinion that the resolution, order or act is contrary to the public interest or is in excess of the powers conferred by law or the act is likely to lead to a serious breach of the peace, or to cause serious injury or annoyance to the public, or to any class or body of persons (Section 203 of MM Act)

Sl. No.	Subjects	Powers of State Government and ULBs
3	Power to dissolve ULBs	The State Government shall, by notification in the Gazette, dissolve the ULBs, if ULBs fail to perform or default in the performance of any of the duties imposed on them, after giving reasonable opportunity. The order of dissolution of ULBs shall be laid before both the Houses of State Legislature with a statement of reasons thereof. The State Government may appoint any person or persons during the period of dissolution of ULBs. (Sections 205 of MM Act).
4	Confirmation of bye laws	Section 211 of MM Act empowers the ULBs to make bye-laws. However, the bye-laws made by ULBs shall not come into force until it has been confirmed by the Government. Also, the Government may cancel its confirmation of any such bye-law, and thereupon the bye-law shall cease to have effect.
5	Sanction to borrow money	Section 69 (1) of MM Act allow a NP and a MC to borrow money, but only after prior sanction from the Government.
6	Lease/sale of property	Section 63 of MM Act allow the MCs and NPs to lease or sell or grant of licence or allot any immovable property vested to it, but with certain restrictions and prior approval of the Government.
7.	Power to impose taxes	The Municipalities may impose 13 optional taxes with the prior approval of the State government and the state may direct them to impose any tax or to modify the rate of any tax.
8.	Power to appoint officers and exercise of administrative powers	The municipalities can appoint executive officer and officials only with the concurrence of the state. The DC (State representative in district) oversee the election of chairperson of the municipal council and financial and executive administration, exercises supervisory and executive control over the officials.

Source: MM Act, 1994.

It can be seen from above that the State Government has overriding powers over ULBs, which is against the spirit of the Constitutional Amendment Act. Although the 74th CAA guaranteed greater autonomy to ULBs, the overriding control of the State government over the ULBs undermined the very objective of empowering the ULBs to be institutions of self-government in urban areas.

5.2.4 Empowerment of Urban Local Bodies

5.2.4.1 Institutional mechanism and their functioning

The 74th CAA provided for establishment of institutional mechanisms for empowerment of ULBs. Discharge of duties and responsibilities of ULBs can be effective only when appropriate institutions are established and adequately empowered and are actually functioning.

5.2.4.2 Composition of Municipalities

Article 243R and Sections 7 and 15 of the MM Act, 1994 stipulated the composition of Municipalities. As per the MM Act, the Corporations and Municipalities consist of elected Councillors and nominated Councillors having special knowledge of experience in Municipal Administration though the nominated members do not have voting power.

Audit, however, noticed that there were no nominated Councillors in all the municipalities and Nagar Panchayats. As a result, the municipalities did not have the benefit of persons of special knowledge/ experience in Municipal Administration. Further, elections of the present 27 ULBs were held in January and June 2016. The next election after expiry of the last term of 5 years which was due in January and June 2021 is yet to be held till the date of Audit (March 2022).

During Exit Conference (December 2021), the Department stated that nominated Councillors had been appointed in all the municipalities. Four appointment orders (IMC, Nambol MC, Moirang MC and Kwakta MC) furnished so far by the Department were, however, silent regarding special knowledge / experience of the nominated person in Municipal Administration.

5.2.4.3 Reservation of seats

Article 243T and Sections 17 & 18 of the MM Act stipulated reservation of seats for SC, ST and Women for direct election. The MM Act also provides for allotment of reserved seats to different constituencies as per the rotation policy adopted by the Government. Further, not less than one-third of the total number of seats reserved for each category of persons belonging to SC/ST shall be reserved (33.33 *per cent*) for women belonging to SC/ST. Not less than one-third of the total number of seats (33.33 *per cent*) to be filled by direct election to every Council shall be reserved for women.

Reservation of seats for SC/ST/Women in the last election of January and June 2016 in the 10 sampled ULBs was as follows:

Table 5.2.4 Details of reservation of seats for SC/ST/Women in sampled ULBs

Sl. No.	Name of ULB	Total No of seats	Seats Reserved				% of ST women in reserved seats	% of Reserved seats for women
			Un-Reserved	ST (ST women)	SC (SC women)	Women including ST women		
1	IMC	27	16	3 (1)	Nil	9	*33.33*	*33.33*
2	Thongkhong Laxmi	11	7	Nil	Nil	4	-	*36.36*
3	Kumbi	9	6	Nil	Nil	3	-	*33.33*
4	Kwakta	9	6	Nil	Nil	3	-	*33.33*
5	Ningthoukhong	14	9	Nil	Nil	5	-	*35.71*
6	Oinam	9	6	Nil	Nil	3	-	*33.33*
7	Wangjing	9	6	Nil	Nil	3	-	*33.33*
8	Wangoi	9	6	Nil	Nil	3	-	*33.33*
9	Jiribam	10	8	2 (1)	Nil	4	*50.*	*40.00*
10	Heirok	9	6	Nil	Nil	3	-	*33.33*
	Total	**116**	**76**	**5 (2)**	**0**	**40**	***40***	***34.48***

Source: Information furnished by 10 sampled ULBs.

Audit observed that seats reserved for women were as per the prescribed norms and the State Government rotated the seats of Councillors as per reservation policy of the election. In the election of June 2016, all the ULBs complied with reservation policy for ST women within the reserved seats for ST at 40 *per cent* against the norm of

33.33 *per cent*, and 34.48 *per cent* for women's representation as a whole in the Councils election against the prescribed 33.33 *per cent.*

5.2.4.4 District Planning Committees

Article 243ZD and Section 227 of MM Act provide for the constitution of a District Planning Committee (DPC), which shall consolidate the plans prepared by Nagar Panchayat, Municipal Council and the Municipal Corporation of the districts into a Development Plan for the whole district and forward to the Government.

Audit however observed that the DPCs were yet to be constituted (March 2021) in all the districts of 10 sampled ULBs. Non-constitution of DPC in the districts indicated lack of socio-economic development planning in these urban areas though entrusted to ULBs.

Further scrutiny in Audit revealed that none of the sampled ULBs also prepared development plans such as five-year perspective plans, annual plans, *etc.*, for implementation by the respective sampled ULBs. The sampled ULBs carried out some developmental activities in their areas from the funds received under SFC, CFC awards and through budgetary support of the State Government. These works are implemented through their Annual Works Programmes with the approval of the State Government. Details of works taken up in the 10 sampled ULBs during 2015-20 ***(Appendix 5.6)*** were as shown below:

Table 5.2.5 Details of Annual Works Programmes of 10 Sampled ULBs during 2015-20

(₹ in lakh)

Sl. No.	Items of work	2015-16 Amount (No.)	2016-17 Amount (No.)	2017-18 Amount (No.)	2018-19 Amount (No.)	2019-20 Amount (No.)	Total Amount (No.)
1	Drains	255.50 (82)	335.90 (141)	726.92 (161)	467.63 (178)	825.96 (150)	2611.91 (712)
2	Culverts	92.09 (100)	43.61 (211)	65.85 (126)	125.43 (133)	382.74 (67)	709.72 (637)
3	Public toilet/ latrines	45.02 (20)	36.88 (30)	262.53 (122)	65.33 (27)	151.48 (23)	561.24 (222)
4	Street lighting	82.12 (183)	70.50 (90)	77.56 (89)	62.08 (25)	61.22 (5)	353.48 (392)
5	Solid Waste Management	20.13 (24)	32.27 (24)	146.06 (49)	55.02 (25)	118.07 (28)	371.55 (150)
6	Community Hall	17.34 (6)	19.89 (7)	89.43 (12)	19.75 (4)	271.64 (15)	418.05 (44)
7	Improvement of roads	134.71 (87)	3.83 (3)	18.83 (5)	0.71 (1)	17.87 (4)	175.95 (100)
8	Retaining wall/ Fencing	9.90 (8)	12.97 (10)	45.77 (13)	28.61 (13)	22.67 (8)	119.92 (52)
9	Water Reservoir/ Supply	18.27 (18)	12.36 (13)	36.23 (12)	21.71 (22)	1.29 (2)	89.86 (67)
10	Crematorium	11.26 (4)	15.02 (10)	35.32 (9)	12.51 (4)	18.12 (5)	92.23 (32)
11	Shed Construction/ Repairing	2.38 (2)	1.51 (1)	24.38 (5)	21.54 (9)	30.31 (9)	80.12 (26)
12	Others*	59.79 (26)	25.12 (17)	135.33 (2106)	59.41 (38)	118.86 (59)	398.51 (2246)

Sl. No.	Items of work	2015-16	2016-17	2017-18	2018-19	2019-20	Total
		Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)
Total		748.53 (560)	609.87 (557)	1664.22 (2709)	939.72 (479)	2020.23 (375)	5982.57 (4680)

**Includes earth works, construction of stair case, concrete flooring etc.*

Source: Information furnished by 10 sampled ULBs.

It can be seen from above table that in the 10 sampled ULBs, Annual Works Programmes were executed containing minor works ranging from 375 nos. of works (2019-20) to 2709 nos. of works (2017-18) involving amount between ₹ 609.87 lakh (2016-17) to ₹ 2020.23 lakh (2019-20) per year during the five-year period 2015-16 to 2019-20. The above details indicated that these were minor works repeated across all the sampled ULBs and taken up as per availability of funds every year during the review period.

Thus, the ULBs are involved mostly in routine maintenance works and minor works in their areas depending upon the availability of funds. The ULBs are yet to participate in a big way in the development planning of the growing urban areas under their jurisdiction as envisaged in the MM Act.

5.2.4.5 Constitution of State Finance Commission

Article 243 I of the Constitution of India makes it mandatory for the State Government to constitute a Finance Commission on expiry of every five years for reviewing the financial position of the local bodies, for boosting their financial conditions, distributing net proceeds of the taxes, fees, tolls and duties, and allocating funds from the state Consolidated Fund as part of devolution of fiscal and financial powers and financial resources.

The State Government constituted State Finance Commission (SFC) as provided under the MM Act to determine share of revenue between the State and Local Bodies from April 1994. The status of constitution of SFCs and submission of their Reports was as under:

Table 5.2.6 Status of constitution of SFC and submission of Reports

SFC to be constituted on	To be constituted with reference to previous SFCs	Actually constituted (Delay in months)	Date of submission of Report	Report accepted by the State Government	Time Taken (in months)
First FC:- *Period covered (1996-97 to 2000-01)*					
By 31 May 1994	Not applicable	22.04.1994 (NA)	12/1996	07/1997	7
Second FC:- *Period covered (2001-02 to 2005-06)*					
1999-2000	June 2001	03.01.2003 (18)	11/2004	12/2005	13
Third FC:- *Period covered (2013-14 to 2017-18)*					
2004-05	January 2008	18.02.2013 (61)	12/2014	12/2015	12

Source: SFC Reports and information furnished by MAHUD.

As can be seen from the above table, there had been considerable delays of 18 and 61 months in constitution of Second and Third SFCs respectively. The Government accepted the Reports of the FCs after a delay of 7, 13 and 12 months respectively.

Further, though the Fourth FC was already due since April 2018, it was constituted only in October 2019 after a delay of 18 months. The recommendations of the Fourth FC presented in July 2021 is yet to be considered by the State Government. By 31 March 2020, fifth and sixth FCs should have been constituted. In comparison, other North Eastern States of Assam and Sikkim had constituted 5th SFC, Tripura had constituted 4th SFC respectively.

Due to such non-constitution of FC as required under MM Act, 1994 after the third FC which covered the period up to 2017-18, there has been no subsequent revisions or assessment in transfers of funds. This indicated that subsequent requirement of financial resources for the ULBs to meet the need of growing urban areas and its population has not been assessed by SFC as required under the CAA.

5.2.4.5.1 Status on implementation of SFC Recommendations

As on date (March 2020), recommendations of the Third SFC were under implementation. Some of the important accepted recommendations for ULBs and actual status of their implementation are detailed below:

Table 5.2.7 Status of recommendations of SFC and its implementation

Sl. No.	Recommendations	Status of implementation
1	Clear-cut targets of tax and non-tax revenues of each ULBs to be fixed by the Government at the beginning of the financial year	Target yet to be fixed
2	Prescribe a uniform staffing pattern based on area and population of the ULBs	No uniform staffing pattern followed based on area and population
3	Creation of municipal cadre for Health Officers, Engineering Officers and Accounts Officers to streamline the administration of the ULBs	Such cadre is yet to be created in six[103] sampled MCs and NP
4	Constitution of Standing Committees for better discharge of their duties	Six ULBs are yet to constitute Standing Committees
5	All ULBs to take necessary steps for preparation of their respective development plans	None of the ULBs prepared development plans till now
6	ULBs not to be by-passed on development of the city and provision of basic services. ULBs to be consulted if such works were to be given to parastatals	Full power on development of the city not yet given to ULBs
7	Entrust ULBs Water supply schemes in their respective areas in order to generate some income as user charges	Not yet entrusted to ULBs
8	Government should give all the taxation powers provided in the Manipur Municipality Act, 1994 and also appoint the required staff	Property tax and water-tax are yet to be given to ULBs

[103] (i) Thongkhong Laxmi (ii) Kumbi (iii) Kwakta (iv) Oinam (v) Wangjing Lamding (vi) Wangoi MCs and (vii) Heirok NP.

It can be seen from above that most of the recommendations of the Third SFC were yet to be implemented by the State Government. This non-implementation indicated weakness in institutional mechanism put in place for empowerment of the ULBs.

While agreeing with the audit observations, the Department stated during Exit Conference (December 2021) that to strengthen revenue collection of the ULBs, Property Tax Board had been constituted in October 2016. However, the method and procedure for collection of property tax in urban areas is under consideration by the State Government.

5.2.5 Devolution of Financial Powers and Resources to ULBs

As per Article 234X and Article 243Y read with Article 243I, and MM Act, 1994, the municipalities are to be empowered through municipal laws to impose taxes by levy and collection of taxes, fees and duties, *etc.*, and by transfer as grants-in-aid from the State Government. Further, the State Government through SFC mechanism was to devolve fiscal power and financial resources to the ULBs.

5.2.5.1(i) Status of Empowerment through Bye-laws

As per Section 209 of MM Act, 1994, the municipality may frame bye-laws and the rules for carrying out the provisions of the Act and such bye-laws need to be approved by the State Government as per Section 211 of the Act.

Scrutiny in Audit revealed that six[104] out of 10 sampled ULBs had not framed any bye-laws for collection taxes, fees, duties, *etc.* The details are given indicated in ***Appendix 5.7***. In such cases, all the taxes and fees levied were collected by ULBs based on the Council's resolution. Non-framing of bye-laws by the ULBs undermined the power to collect revenues under their jurisdiction. Even when bye-laws were passed and approved by the Government, the municipalities were weak in actual implementation of the decisions to augment their revenue resources as discussed in succeeding paragraphs.

5.2.5.1(ii) Status of powers and collection of taxes, fees and duties

Status of collection of taxes/fees by the 10 sampled ULBs *vis-à-vis* the MM Act revealed the following position:

Table 5.2.8: Status on collection of taxes/fees by the 10 sampled ULBs

Sl. No.	Basic Taxes/ fees[105]	Provision of MM Act	Actual status
1	Property Tax	Section 75(a)	Property Tax Board had been constituted in October 2016. However, the method and procedure for collection of property tax in urban areas is under consideration by the State Government.

[104] (i) Thongkhong Laxmi MC (ii) Kumbi MC (iii) Kwakta MC (iv) Oinam MC (v) Wangoi MC and (vi) Heirok NP

[105] These are common taxes collected by the ULBs (except for Property Tax & Water Tax for which empowerment is not given to ULBs).

Sl. No.	Basic Taxes/ fees[105]	Provision of MM Act	Actual status
2	Water Tax	Section 75 (j)	The function of distribution of water, providing connections, its operation and maintenance and collection of charges is not yet devolved to the ULBs. This function is vested with State Public Health Engineering Department.
3	Advertisement Tax	Section 75 (i)	Six[106] out of 10 sampled ULBs had not collected advertisement tax. This could be attributed to non-conducting of survey for levy of advertisement tax.
4	Scavenging Tax/ Garbage Fees	Section 75 (e) (2)	Four[107] out of the 10 sampled ULBs had not collected scavenging tax or garbage fees. This could be attributed to limited staff and ineffectiveness on the part of ULBs.
5	Rent from shops and buildings let out to private agencies	Bye-laws or Council's resolution	Five[108] out of 10 sampled ULBs, no shop rent/fees were levied. This could be attributed to the huge vacancy of 53 *per cent* in the cadres of Revenue Officers, Assistant Revenue Officers and Revenue Inspectors in the sampled ULBs.
6	Parking fees	Bye-laws or Council's resolution	In two[109] sampled ULBs, no parking fees were levied and collected. This could be attributed to lack of staff and the remoteness of their location resulting in lesser vehicle presence for collection of parking fees.
7	Toll tax	Section 75 (b)	Six[110] out of 10 sampled ULBs had not levied and collected entry toll taxes. This could be attributed to lack of staff and ineffectiveness on the part of ULBs.
8	Shop registration and licence	Section 75 (2) & Section 78	Four[111] out of 10 sampled ULBs, the system of issuing registration and license to shopkeepers was not practiced. This could be attributed to limited staff and ineffectiveness on the part of ULBs.

Source: MM Act 1997 and information furnished by 10 sampled ULBs.

It is evident from the above that the ULBs neither had the jurisdiction over collection of certain taxes nor had collected basic taxes/fees due to their own weakness in tax administration. While two ULBs out of the 10 sampled ULBs did not collect any of the above 6 basic types of taxes, four ULBs collected 2 to 3 basic types of taxes only. Only four ULBs collected all the above 6 basic types of taxes under their jurisdiction. This indicated limited exercise of powers to raise own revenue resources by most of the sampled ULBs. Empowerment of these ULBs with devolution of fiscal and financial powers has not fructified in Manipur. There is urgent need to review the reasons for weakness in collection of assigned taxes and duties and to strengthen the revenue resource base of ULBs to enable them to deliver the entrusted public services.

[106] (i) Thongkhong Laxmi MC, (ii) Kumbi MC, (iii) Kwakta MC, (iv) Oinam MC, (v) Wangoi MC and (vi) Heirok NP.
[107] (i) Thongkhong Laxmi MC, (ii) Kumbi MC (iii) Wangoi MC and (iv) Heirok NP.
[108] (i) Thongkhong Laxmi MC, (ii) Kumbi MC, (iii) Kwakta MC, (iv) Wangoi MC and (v) Heirok NP.
[109] Wangoi MC and Heirok NP.
[110] (i) Thongkhong Laxmi MC, (ii) Kumbi MC, (iii) Kwakta MC, (iv) Oinam MC, (v) Wangoi MC and (vi) Heirok NP.
[111] (i) Kwakta MC, (ii) Oinam MC (iii) Wangoi MC and (iv) Heirok NP.

5.2.5.2 Sources of revenues and expenditure

The ULBs received funds from the State Government in the form of grants-in-aid as per recommendation of Central Finance Commission (CFC), State Finance Commission (SFC) and state budgetary support under Grant No. 12 of MAHUD (Controlling Department). The position of own revenue, budgetary support and CFC/SFC transfers for the ULBs during the five-year period 2015-16 to 2019-20 was as under:

Table 5.2.9 Position of receipts and expenditure of ULBs during the period 2015-16 to 2019-20

(₹ in crore)

Year	Budgetary provisions				Revenue receipts					Expenditure of ULBs	Expenditure of MAHUD#	% of expenditure of ULBs *vis-à-vis* of MAHUD
	CFC	SFC	Others*	Total *(Total without CFC)*	CFC	SFC	Others*	Own Revenue of ULBs	Total *(Total without CFC and Own Revenue of ULBs, in bracket)*			
2015-16	16.57	15.1	36.64	68.31 *(51.74)*	15.98	14.68	9.97	2.4	43.03 *(24.65)*	39.34	61.65	63.81
2016-17	29.72	15.00	47.3	92.02 *(62.30)*	11.05	0	4.84	3.27	19.16 *(4.84)*	11.05	87.22	12.63
2017-18	33.29	14.42	72.27	119.98 *(86.69)*	17.59	18.71	18.85	3.74	58.89 *(37.56)*	36.53	280.57	13.02
2018-19	39.37	21.33	66.88	127.58 *(88.21)*	12.79	21.33	31.93	4.14	70.19 *(53.26)*	34.37	230.50	14.91
2019-20	52.85	38.74	106.35	197.94 *(145.09)*	34.96	24.69	36.96	4.53	101.14 *(61.65)*	59.82	249.82	23.95
Total	**171.8**	**104.59**	**329.44**	**605.83 *(434.03)***	**92.37**	**79.41**	**102.55**	**18.08**	**292.41 *(118.96)***	**181.11**	**909.76**	**19.91**

**Other-State budgetary support. #Excluding grant-in-aid given to the ULBs.*

Source: Demand for Grants, Information furnished by MAHUD for 27 ULBs and VLC data.

- Against the budgetary provision[112] ranging from ₹ 51.74 crore to ₹ 145.09 crore, the State Government released ₹ 4.84 crore to ₹ 61.65 crore resulting in shortfall between ₹ 27.09 crore to ₹ 83.44 crore. The total shortfall in revenue receipt against the budgetary provision for the ULBs during five-year period 2015-20 was to the tune of ₹ 315.07 crore (₹ 434.03 crore – ₹ 118.96 crore).
- The total revenue receipts of the ULBs from different sources (without CFC and own revenue) remained between ₹ 4.84 crore (2016-17) and ₹ 61.65 crore (2019-20).
- Own Revenue of ULBs during 2015-20 remained low and stagnant ranging from ₹ 2.4 crore to ₹ 4.53 crore constituting 2.29 *per cent* to 3.55 *per cent* of the State budgetary provisions which indicated that the ULBs were largely dependent upon the State Government for financial support for delivery of services.

[112] Excluding CFC and Own Revenue of ULBs.

- Against ₹ 104.59 crore of SFC transfers provided in the State Budget during 2015-20, only ₹ 79.41 crore was released by the State Government with a shortfall of ₹ 25.18 crore. The SFC transfers during the five-year period constituted 66.75 *per cent* of the total revenue receipts of ₹ 118.96 crore (excluding CFC and Own Revenue). It is pertinent to mention that SFC transfers against total revenue receipts was showing a declining trend from 59.55 *per cent* in 2015-16 to 40.05 *per cent*[113] in 2019-20. This should be seen against non-constitution of fourth, fifth and sixth SFCs. In the absence of SFCs, fund transfers made to the ULBs subsequently during two years from 2018-19 to 2019-20 were not based on formalised process or assessed requirements of the ULBs.

- There was total shortfall of ₹ 79.43 crore in CFC transfers to the ULBs as against the budget provision of ₹ 171.80 crore during the last five years. The actual CFC transfers remained at ₹ 11.05 crore to ₹ 17.59 crore during four years (2015-16 to 2018-19), which increased to ₹ 34.96 crore in 2019-20.

- The total expenditure of ULBs during four years from 2015-16 to 2019-20 ranged from ₹ 11.05 crore to ₹ 59.82 crore. The total expenditure of ULBs for five-year period from 2015-20 (₹ 181.11 crore) constituted only 19.91 *per cent* of MAHUD's total expenditure (₹ 909.76 crore) for the same period. In fact, total expenditure of ULBs against MAHUD's total expenditure declined from 63.81 *per cent* in 2015-16 to 12.63 *per cent* in 2016-17 which only slightly increased to 23.95 *per cent* in 2019-20.

- Moreover, while the total expenditure of ULBs increased only 1.52 times from ₹ 39.34 crore (2015-16) to ₹ 59.82 crore (2019-20), MAHUD's total expenditure increased 4.05 times from ₹ 61.65 crore (2015-16) to ₹ 249.82 crore (2019-20). This indicated that financial resources and the activities for urban development where ULBs were supposed to play a major role were largely concentrated in the Government Department and there was no corresponding devolution or transfer of earmarked financial resources of SFC and CFC to the ULBs during the review period.

113

(₹ in crore)

Revenue Receipt	2015-16	2016-17	2017-18	2018-19	2019-20
SFC	14.68	0	18.71	21.33	24.69
Total Revenue (without CFC & Own Revenue of ULBs)	24.65	4.84	37.56	53.26	61.65
Percentage of SFC transfers to Total Revenue (without CFC & Own Revenue of ULBs)	*59.55*	*0.00*	*49.81*	*40.05*	*40.05*
Total Expenditure of ULBs	39.34	11.05	36.53	34.37	59.82
Percentage of SFC transfers to Total Expenditure of ULBs	*37.32*	*0.00*	*51.22*	*62.06*	*41.27*

- The total expenditure of ULBs each year during the five-year period as against GSDP[114] was 0.20 *per cent* in 2015-16 and sharply declined to a mere 0.05 *per cent* in 2016-17 and was fluctuating between 0.12 *per cent* to 0.19 *per cent* of GSDP during 2017-18 to 2019-20. The expenditure of ULBs *vis-à-vis* GSDP in Manipur was low in comparison to that of Karnataka which ranged between 0.19 *per cent* to 0.23 *per* cent during 2015-16 to 2018-19. This indicated the need for devising proper expenditure norms by the State Government for measuring financial devolution/ decentralisation *vis-à-vis* GSDP from the State to ULBs.

Thus, it is evident from above that devolution of fiscal and financial powers and transfer of financial resources from the State Government to the ULBs during the last five years was tardy and inconsistent. Huge shortfall in transfer of funds against budgetary provisions, declining trend in SFC transfers against the total expenditure coupled with non-finalisation of SFCs since last three years, declining in total expenditure of ULBs as compared to MAHUD's total expenditure, and low expenditure at ULBs level *vis-à-vis* GSDP all pointed to serious deficiencies in the existing institutional arrangements for devolution of financial powers and resources to the ULBs. Unless financial transfers are made mandatory, minimum norms for its expenditure against various functions are prescribed, and fiscal and financial powers with clear and delineated jurisdiction are devolved, the ULBs will remain weak and will have a very limited role in urban affairs though fully mandated by CAA and the MM Act to function as institutions of self-government.

5.2.5.3 Shortfall in release of grants to ULBs

(i) SFC grants

As per the recommendations of Third SFC, the State Government was to transfer 10 *per cent* of the State's own revenue including State's share of Central taxes to the ULBs/ADCs/PRIs. Out of this 10 *per cent,* 22.49 *per cent* was to be transferred to ULBs.

Further analysis of the position of SFC grants released to the ULBs during 2015-16 and 2019-20 revealed the following position:

114 ***(₹ in crore)***

Year	2015-16	2016-17	2017-18	2018-19	2019-20
GSDP	19,530.67	21,293.89	25,789.23	27,868.71 (Q)	31,989.49 (A)
Expenditure of ULBs vs GSDP (in %)	*0.20*	*0.05*	*0.14*	*0.12*	*0.19*

Table 5.2.10 Funds transferable *vis-à-vis* actual funds transferred to ULBs

(₹ in crore)

Year	State own revenue including net proceeds of Union taxes	Amount to be transferred as per SFC's recommendation	Budget Estimates	Shortfall (amount & percentage, in bracket)	Amount released	Shortfall (amount & in percentage, in bracket)
1	*2*	*3*	*4*	*5 =3-4*	*6*	*7= (3-6)*
2015-16	3842.34	86.41	15.1	71.31(82.52)	14.68	71.73 (83.01)
2016-17	4508.60	101.40	15.00	86.40 (85.21)	0.00	101.40 (100)
2017-18	5119.34	115.13	14.42	100.71(87.47)	18.71	96.42 (83.75)
2018-19	5910.88	132.94	21.33	111.61(83.95)	21.33	111.61 (83.96)
2019-20	5383.42	121.07	38.74	82.33(68.00)	24.69	96.38 (79.61)
Total		**556.95**	**104.59**	**452.36**	**79.41**	**477.54**

Source: Finance Accounts and data received from MAHUD Department.

It is evident from the above that State Government did not adhere to the norms prescribed by SFC for transfer of funds to the ULBs. Audit noticed that there was substantial shortfall in release of grants to ULBs by the State Government to the extent of ₹ 477.54 crore during 2015-16 to 2019 -20 as against the total amount of ₹ 556.95 crore recommended by the Third SFC. So far only ₹ 79.41 crore has been released to the ULBs which was just 14.25 *per cent* of total grants (₹ 556.95 crore) recommended by SFC. There was also persistent shortfall in budgetary provision ranging from 68 *per cent* to 87.47 *per cent* against amount recommended for each year by SFC. Thus, the share of SFC transfers against the total expenditure of ULBs remained at 27.16 *per cent* during the five-year period 2015-16 to 2019-20.

Such huge shortfall in transfer of funds indicated lack of commitment on the part of the State Government to release funds already indicated by the SFC. Thus, there is a need for greater commitment on the part of the State Government to specifically earmark funds meant for ULBs from different sources through annual budgetary process and make such funds transfer to ULBs mandatory.

The Department while agreeing with the audit observations stated during Exit Conference (December 2021) that SFC grants were released in the fag end of the year by the State Government. The SFC fund for the year 2016-17 was released in subsequent years.

The reply of the State Government is not convincing as the position of fund transfers in subsequent years did not increase and the reasons for such shortfall have not been intimated though called for (January 2022).

(ii) CFC grants

Article 280(3)(c) of the Constitution mandates the CFC to recommend measures to augment the Consolidated Fund of a State to supplement the resource of Municipalities based on the recommendations of the respective SFCs.

Further, as per Guidelines[115] for release and utilisation of Grant recommended by the 14^{th} FC, the States should release the Grants to the ULBs within 15 days of it being

[115] Issued by Ministry of Finance vide No. 13 (32) FFC/FCD/2015-16 dated 8 October 2015.

credited to their account by the Central Government. In case of delay, the State Government must release the instalment along with interest at the Bank rate of RBI.

Analysis of CFC grants and releases made by the Central Government and the State Government to the ULBs during the period 2015-16 to 2019-20 showed the following position:

Table 5.2.11 Position of CFC grants and releases to ULBs

(₹ in crore)

Year	Amount Recommended by CFC	Fund Released by GoI to the State	Budget Estimates	Fund released by State Government to ULBs	Short/ Excess release of CFC funds by State Government to ULBs ((+) Excess/(-) Short)
1	*2*	*3*	*4*	*5*	*6 = 3-5*
2015-16	16.57	Nil	16.57	15.98	(+) 15.98
2016-17	29.72	28.64	29.72	11.05	(-) 17.59
2017-18	34.18	12.78	33.29	17.59	(+) 4.81
2018-19	39.37	12.79	39.37	12.79	0.00
2019-20	52.85	78.41	52.85	34.96	(-) 43.45
Total	**174.69**	**132.62**	**171.80**	**92.37**	**(-) 40.25**

***Source:** CFC (14th FC) Report, State Finance Accounts, Budget documents and data received from MAHUD Department.*

Audit noticed short release of CFC grants by GOI to State Government to the extent of ₹ 42.07 crore during the five-year period from 2015-16 to 2019-20. Against CFC grants of ₹ 132.62 crore released by GOI, the State Government released ₹ 92.37 crore to the ULBs with a shortfall of ₹ 40.25 crore (30.35 *per cent*) at the end of 2019-20. The yearly retention of CFC grants by the State Government ranged between ₹ 17.59 crore and ₹ 43.45 crore.

As the State Government failed to release the fund within 15 days, the State Government is liable to release the amount transferred by the Central Government along with penal interest at Bank rate of RBI to ULBs. Besides, huge retention of CFC transfers by the State Government every year not only made the fund flows to ULBs uncertain but also undermined their financial independence impacting the role of ULBs in developmental planning of urban areas.

While agreeing with the audit observations, the Department stated during Exit Conference (December 2021) that there were delays in release of funds to ULBs by State Government and as a result of which utilisation certificates could not be submitted to the Ministry in time by the Municipalities.

5.2.5.4 Position of Own Revenue Resources

Section 74 and 75 of MM Act provides for imposition and collection of taxes, duties, tolls and fees by ULBs with the prior approval of the State Government. The Own Revenue of ULBs consist of taxes, user charges, fees and fines on vendors, parking, shop, *etc.*

Audit observed that the share of own revenue to total revenue receipts of ULBs for the period 2015-16 to 2019-20 was only 6.59 *per cent.* The position of own revenue in respect of 10 sampled ULBs for the period 2015-16 to 2019-20 was as given below:

Table 5.2.12 Tax and Non-Tax Revenue[116] for the period 2015-16 to 2019-20

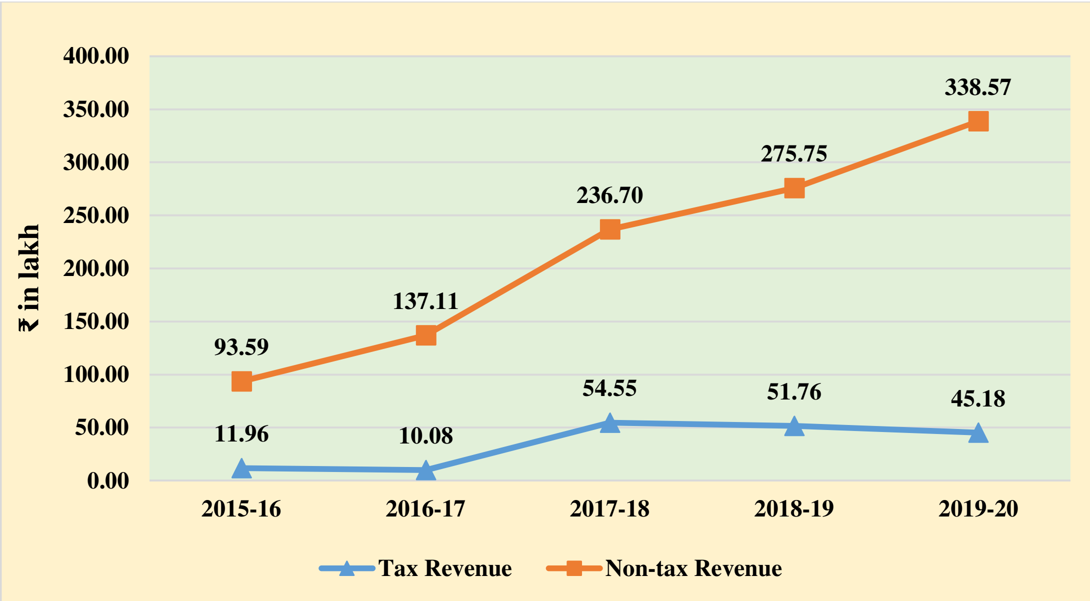
(₹ in lakh)

Sl. No.	Revenues of ULBs	2015-16	2016-17	2017-18	2018-19	2019-20
1	Tax Revenue[117]	11.96	10.08	54.55	51.76	45.18
2	Non-tax Revenue[118]	93.59	137.11	236.70	275.75	338.57
Total		**105.55**	**147.19**	**291.25**	**327.51**	**383.75**

Source: Information furnished by 10 sampled ULBs.

The Chart below depicts the trend of collection of tax and non-tax revenue from 10 sampled ULBs during the period 2015-16 to 2019-20.

Chart 5.2.3 Trend of collection of Tax and Non-tax Revenue



It can be seen above that non-tax revenue collection was more than tax revenue collection in 10 sampled ULBs which was showing an increasing trend during the period 2015-16 to 2019-20. However, tax revenue collection was low and stagnant from 2017-18 which further decreased in 2019-20. Audit noticed that two out 10 sampled ULBs were not collecting any types of taxes/fees; two ULBs collected one type of fees/taxes; two ULBs collected 2-3 types of taxes; and the remaining four ULBs collected all types of taxes/fees falling within their purview.

Comparative performance of revenue collection (Tax and Non-tax) across 10 sampled ULBs during 2015-20 is as shown below:

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116 Estimated receipts in respect of tax and non-tax revenue for the period 2015-16 to 2019-20 were not assessed by the ULBs, and the reasons thereof were not record.

117 Advertisement Tax and Toll Tax.

118 Rents from shops & buildings, market fees, parking fees, issue of birth & death certificates, latrines, user charges.

Table 5.2.13 Statement showing the details of position of collection of revenue in sampled ULBs

(₹ in lakh)

Sl. No.	Name of the ULB	2015-16	2016-17	2017-18	2018-19	2019-20	Total
1	IMC	63.91	92.62	221.95	209.01	297.96	**885.44**
2	Jiribam MC	20.22	28.22	36.77	80.53	47.46	**213.19**
3	Ningthoukhong MC	10.83	13.23	14.09	13.86	14.45	**66.45**
4	Wangjing MC	6.63	6.76	7.97	11.15	8.79	**41.29**
5	Kumbi MC	2.24	2.46	2.910	3.44	4.28	**15.32**
6	Oinam MC	0	1.33	3.10	4.85	5.47	**14.74**
7	Kwakta MC	0.83	1.46	2.04	2.31	2.65	**9.27**
8	Thongkhong Laxmi MC	0.91	1.12	1.94	2.14	2.27	**8.36**
9	Wangoi MC	0	0	0.24	0.22	0.29	**0.74**
10	Heirok NP	0	0	0.12	0	0.13	**0.24**
	Total	**105.57**	**147.2**	**291.13**	**327.51**	**383.75**	**1255.04**

Source: Information furnished by 10 sampled ULBs.

The above table indicated that there is potential in increasing revenue (Tax and Non-tax) collection by the less performing ULBs in view of the devolution of fiscal and financial powers by the State Government through Bye-laws. This can be done by formulating norms/targets for revenue collection in each ULB and ensuring stronger enforcement. Moreover, releases of SFC grants may be linked to performance in generating own revenue resources. A mechanism for regular assessment of the performance of each ULB in revenue collection may be established for a more effective monitoring of the ULBs.

The Department while accepting the audit observations stated during Exit Conference (December 2021) that the scope for tax collection by the ULBs is limited. However, with the property tax under consideration by the State Government, tax revenue is expected to increase in future. On non-tax revenue, the Department stated that ULBs need to improve their performance.

5.2.6 Human Resources of Urban Local Bodies

5.2.6.1 Manpower management

As per Section 45 of MM Act, 1994, municipalities shall have the power to appoint its officers and employees of non-technical posts in the Grade III and IV as may be laid down in bye-laws framed in this behalf. Further, in order to be effective and independent in its functioning, it was important for ULBs to assess their own staff requirement and have their own cadre of staff and officers with the responsibility of manpower management.

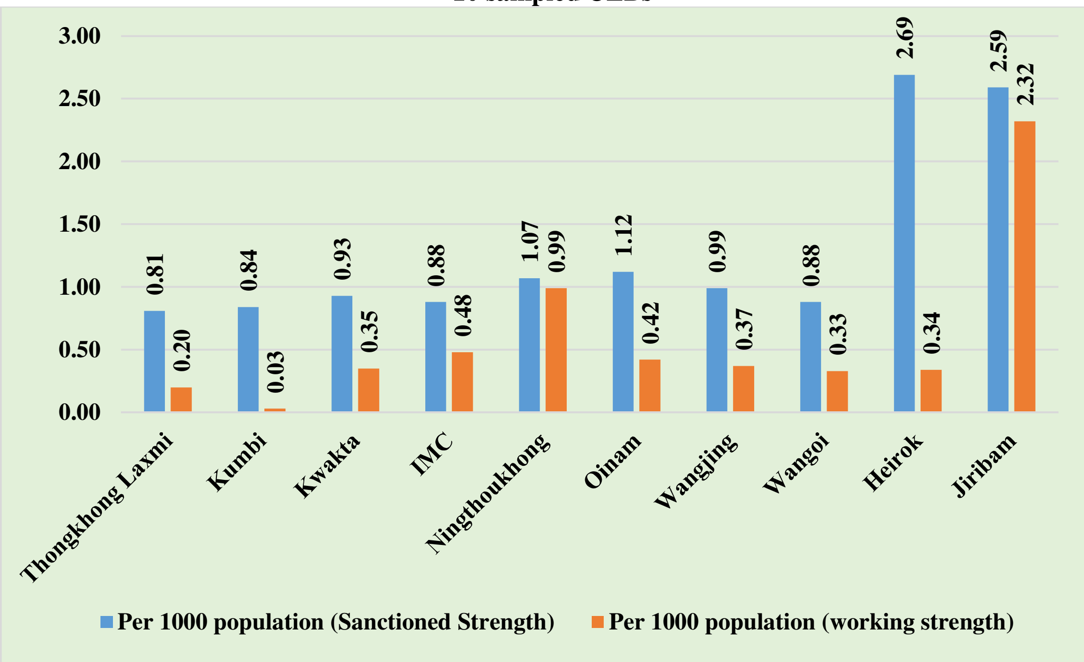
Audit, however, noticed that the powers to assess staff requirement and to appoint its officers and employees in the ULBs are vested with the State Government. The powers to promote officials, initiate disciplinary action, impose penalties, *etc.*, of its officials have not been delegated to ULBs.

5.2.6.2 Working Strength and Assessed Strength of Employees

The State Government used population[119] in urban areas and not actual requirement of staff according to various functions of ULBs as the criteria for determining the sanctioned strength in terms of the number of employees per 1,000 population as per 2011 population census, which was 8.34 lakh and was projected to be 9.28 lakh as of 2020.

A detailed statement showing the number of employees per 1,000 population in 10 sampled ULBs is given in ***Appendix 5.8.*** The sanctioned strength ranged from 0.81 to 2.69 employees per 1,000 population (2011). The working strength (See ***Appendix 5.9***) ranged between 0.03 to 2.32 as depicted in the Chart below:

Chart 5.2.4 Sanctioned strength and Working strength of employees per 1,000 population in 10 sampled ULBs



It can be seen that while four out of 10 sampled ULBs, *viz.*, Ningthoukhong, Oinam, Heirok and Jiribam had more than one sanctioned strength for every 1,000 populations, six ULBs had less than one sanctioned strength. All the sampled ULBs had less than one employee for every 1,000 people except for one municipal council, Jiribam. Evidently, the ULBs lacked adequate manpower to carry out their assigned functions.

Audit observed that the criteria used for determining the sanctioned strength was deficient as it failed to take care of function-wise requirement of posts in the ULBs. Function-wise staff assessment would help in specifying the roles and responsibilities including the required skills and qualifications, *etc.*, for each position corresponding to assigned responsibilities of the ULBs.

[119] As per MAHUD letter No. 6/71/URB/Dev/81(Vol.II) dated 2 August 2016.

5.2.6.3 Shortage of staff

The position of sanctioned strength and men-in-position for each category of posts in sampled ULBs was as under:

Table 5.2.14 Statement showing staff position in ULBs

Category	Sanctioned Strength	MIP	Vacancy	Percentage of vacancy
Group B	25	6	19	76
Group C	160	73	87	54
Group D	143	99	44	31
Total	**328**	**178**	**150**	**46**

Source: Compiled from information furnished by 10 sampled ULBs.

It can be seen that actual vacancies ranged from 31 *per cent* (Group D) to 76 *per cent* (Group B) among various categories of posts. Six[120] MCs were are functioning with only one LDC, one peon, and one Chowkidar-cum-sweeper and Heirok NP had only one LDC. Vacancy was high in crucial posts of Group C with 60 *per cent* posts of Revenue Inspectors and 78 *per cent* of Sanitary Inspectors posts being vacant respectively.

Further, the age analysis of vacancies (six out of 10 sampled ULBs) revealed that the vacancies in respect of Group "B" and "C" posts were lying vacant since November 2016 and in respect of Group "D" vacancies, the post were lying vacant since February 2019.

Six[121] out of 10 sampled ULBs had no sanctioned posts for Revenue Inspectors. This has adversely affected own revenue collection works. Though Section 43 of the MM Act, 1994 provided for appointment of Health Officers, Revenue Officers and an Engineers in municipalities with the concurrence of the State Government, no such posts have been sanctioned or appointed in all the ULBs. All the sampled ULBs did not have sanctioned and working strength for the posts of Accountants and Record Keepers required for basic administration work.

Thus, ULBs in Manipur lacked the powers to appoint own cadre of staff and officers for running the councils. All the sampled ULBs did not have adequate manpower to discharge their functions and suffered from high vacancies in various categories of posts even against the sanctioned posts. The powers for assessment of staff requirement and manpower management have not been delegated to the ULBs and were still vested with the State Government.

While accepting the audit observations, the Department stated during Exit Conference (December 2021) that the State Government had started recruitment process, but it was pending due to Court cases. Further, as salary and wages are fully borne by the State

[120] (i) Kumbi, (ii) Kwakta, (iii) Oinam, (iv) Thongkhong Laxmi (v) Wangjing Lamdeng and (vi) Wangoi.

[121] (i) Kumbi MC, (ii) Kwakta MC, (iii) Oinam MC, (iv) Wangjing Lamdeng MC (v) Wangoi MC (vi) Heirok NP.

Government, the matter regarding increase of staff strength would be addressed by the State Government.

5.2.7 Conclusion

The statutes of MM Act 1994 broadly conformed to the provisions of the 74th CAA on the institutional, legal and administrative framework for municipalities, but some vital items to decentralise powers in ULBs set up to make the institutions more democratic and representative were not covered in the Act.

The primary task of empowerment and operation of municipalities as local governments had been kept under the purview of the State Government. Under such condition, the reluctance on the part of the State Government to decentralise power and authority and responsibilities limited the functional autonomy of the municipalities to function as institutions of self-government.

Assignments of the responsibilities were highly fragmented among parastatals, development agencies, State departments and municipal governments undermining the functional autonomy of the ULBs and overlapping of roles indicated lack of clarity in responsibilities. Moreover, 13 out of 18 obligatory functions and 3 out of 20 discretionary functions are actually performed by the ULBs respectively. As many as 22 out of 38 functions though assigned by the MM Act, 1994 are still performed by the Government departments and their agencies, limiting the roles of the ULBs in the urban affairs.

Although the 74th CAA guaranteed greater autonomy to ULBs, the overriding control of the State government over the ULBs continued thus undermining the very objective of empowering the ULBs to be institutions of self-government in urban areas. The ULBs still functioned as units of State administration rather than as institutions of self-governance.

District Planning Committees were yet to be constituted in all the 10 test-checked ULBs indicating lack of socio-economic development planning in urban areas of the districts. Sampled ULBs executed works through annual works programmes which were mostly routine maintenance works and minor works depending upon the availability of funds. The ULBs are yet to participate in a big way in the development planning of the growing urban areas under their jurisdiction.

The delay in constitution of Second and Third SFCs ranged between 18 and 61 months respectively. The Government accepted the Reports of the FCs after a delay of 7 to 13 months.

Though the Fourth FC was already due since April 2018, it was constituted only in October 2019 after a delay of 18 months. The recommendations of the Fourth FC presented in July 2021 is yet to be considered by the State Government.

Moreover, the State Government was yet to implement most of the important recommendations of the third SFC for decentralisation of decision-making powers pointing to inherent weakness in existing institutional mechanisms in place for empowerment of the ULBs.

Six out of 10 sampled ULBs had not framed any bye-laws for collection taxes, fees, duties, *etc.*, undermining the power to collect revenues under their jurisdiction. Even when bye-laws were passed and approved by the Government, the ULBs still neither had the jurisdiction over collection of certain taxes nor collected taxes/fees due to their own weakness in revenue administration. Even 2 to 6 out of 10 sampled ULBs had not collected 6 basic types of taxes within their jurisdiction indicating limited own revenue resource base and limited exercise of fiscal and financial powers by the ULBs.

Moreover, the provisions for devolution of powers and assignment of functions to the municipalities through MM Act 1994 were not in accordance with the CAA. Such deviation in the MM Act vitiated the very objective of empowering the municipal governments to function as institutions of self-government as envisioned by the CAA.

There was substantial shortfall in revenue receipts against the budgetary provision for the ULBs during five-year period 2015-20 to the tune of ₹ 315.07 crore (₹ 434.03 crore – ₹ 118.96 crore). The total revenue receipts of the ULBs from different sources (without own revenue) ranged from ₹ 4.84 crore (2016-17) to ₹ 61.65 crore (2019-20). Own Revenue of ULBs remained low and stagnant at ₹ 2.4 crore to ₹ 4.53 crore during the review period constituting only 2.29 *per cent* to 3.55 *per cent* of the State budgetary provisions for ULBs.

Shortfall in SFC transfers to ULBs was to the extent of ₹ 25.18 crore. Moreover, SFC transfer against total revenue receipts was showing a declining trend from 59.55 *per cent* in 2015-16 to 40.05 *per cent* in 2019-20. Though the Fourth FC was already due since April 2018, it was constituted only in October 2019 after a delay of 18 months. The recommendations of the Fourth FC presented in July 2021 is yet to be considered by the State Government.

There was total shortfall of ₹ 79.43 crore in CFC transfers to the ULBs as against the budget provision of ₹ 171.80 crore during the last five years. The yearly retention of CFC grants by the State Government ranged between ₹ 4.81 and ₹ 43.45 crore during the same period.

Total expenditure of ULBs during four years from 2015-16 to 2018-19 ranged between ₹ 11.05 crore and ₹ 59.82 crore. Total expenditure of ULBs for five-year period from 2015-20 (₹ 181.11 crore) constituted only 19.91 *per cent* of MAHUD's total expenditure (₹ 909.76 crore). In fact, ULBs' total expenditure *vis-à-vis* that of MAHUD declined from 63.81 *per cent* in 2015-16 to 12.63 *per cent* in 2016-17 which slightly increased to 23.95 *per cent* in 2019-20 from 14.91 *per cent* in 2018-19.

By comparison, while the total expenditure of ULBs increased only by 1.52 times from ₹ 39.34 crore (2015-16) to ₹ 59.82 crore (2019-20), MAHUD's total expenditure increased 4.05 times from ₹ 61.65 crore (2015-16) to ₹ 249.82 crore (2019-20) indicating large concentration of financial resources and activities for urban development in the Government Department with no corresponding devolution or transfer of earmarked financial resources to the ULBs.

The total expenditure of ULBs each year during the five-year period as against GSDP was 0.20 *per cent* in 2015-16 and sharply declined to a mere 0.05 *per cent* in 2016-17 and was fluctuating between 0.12 *per cent* to 0.19 *percent* of GSDP during 2017-18 to 2019-20. The expenditure of ULBs *vis-à-vis* GSDP in Manipur was low in comparison to that of Karnataka which ranged between 0.19 *per cent* to 0.23 *per* cent during 2015-16 to 2018-19.

The State Government did not adhere to the norms prescribed by SFC for transfer of funds to the ULBs. There was substantial shortfall in release of grants to ULBs to the extent of ₹ 477.54 crore against total amount of ₹ 556.95 crore recommended by the Third SFC during 2015-16 to 2019 -20. Just 14.25 *per cent* of total grants (₹ 556.95 crore) recommended by SFC was released to the ULBs. Such large shortfall indicated lack of commitment on the part of the State Government to release funds already fixed by the SFC.

Short release of CFC grants by GOI to State Government was to the extent of ₹ 42.07 crore during the five-year period from 2015-16 to 2019-20. Against CFC grants of ₹ 132.62 crore released by GOI, the State Government released ₹ 92.37 crore to the ULBs with a shortfall of ₹ 40.25 crore at the end of 2019-20.

Share of own revenue to total revenue receipts of ULBs for the period 2015-16 to 2019-20 was only 6.59 *per cent*. Non-tax revenue collection was more than tax revenue collection in 10 sampled ULBs which showed an increasing trend. But Tax revenue collection was low and stagnant from 2017-18 but was decreasing in 2019-20. Majority of 10 sampled ULBs were not collecting different types of taxes/fees under their purview and the potential for increasing revenue (tax and non-tax) collection remained untapped.

ULBs in Manipur have not been delegated with powers to appoint own cadre of staff and officers for running the councils. The powers to assess staff requirement and manpower management was vested with the State Government limiting their autonomy. All the sampled ULBs suffered from high vacancies in various categories of posts against the sanctioned posts; and existing staff and officers were highly inadequate to perform their assigned tasks effectively.

5.2.8 Recommendations

The State Government should:

- *Review the provisions of MM Act, 1994 to include as appropriate such functions listed in the 12th Schedule of CAA to broaden the assignment of functions and responsibilities for the ULBs which were so far partially covered in the Act to enable them to play larger role in urban development in the State in view of the growing urban population and the corresponding demands for effective delivery of public services and to encourage economic growth in urban areas;*

- *Clearly delineate the functions assigned to ULBs to avoid overlapping of roles amongst different actors to ensure better accountability and performance of the ULBs. The State Government should also consider transferring the remaining 22 functions in compliance to the provisions of the MM Act in a phased manner and make mandatory for the ULBs to discharge such functions;*
- *Ensure that the elections to the ULBs are held within the due time;*
- *Ensure implementation of earlier SFC's recommendations in a time bound manner and urgently constitute State Finance Commission for transfer of financial resources covering the period from 2018-19 onwards taking into account the need for assessed requirement of the ULBs and for greater devolution of fiscal power to the ULBs;*
- *Consider formulating minimum expenditure norms for ULBs for mandatory transfer of financial resources in view of very low expenditure at the local government levels vis-à-vis State GSDP to boost planned development of urban areas;*
- *Strengthen collection of own revenue resources by framing bye-laws and by equipping enforcement mechanism for regular monitoring of performances;*
- *Empower the ULBs to facilitate collection of taxes and duties to make the ULBs self-reliant;*
- *Earmark CFC/SFC financial commitments as mandatory transfers to ULBs through annual budgetary process of the State Government to avoid shortfall in budgetary provisions and subsequent releases. The State Government should also strengthen accountability and monitoring mechanism for effective utilisation of the financial resources;*
- *State Government should immediately release the amount less transferred (CFC grants) to ULBs concerned along with penal interest at Bank rate of RBI, and*
- *Strengthen the man-power position in the ULBs by filling up the existing vacancies and by delegating the powers to manage own cadre of staff for better performance and accountability.*

COMPLIANCE AUDIT

ART AND CULTURE DEPARTMENT

5.3 Unfruitful Expenditure

Even after incurring expenditure of ₹ 1.07 crore by Art and Culture Department, the Stack Room of Manipur State Archives Complex remained incomplete for more than nine years, rendering the expenditure for setting up of Stack Room unfruitful.

Rule 26 (iv) of General Financial Rules, 2005 states that the duty and responsibility of a Controlling Officer in respect of funds placed at his disposal is to ensure that adequate control mechanism is functioning in his Department for prevention, detection of errors and irregularities in the financial proceedings of his Subordinate Offices and to guard against waste and loss of public money.

Scrutiny of records (May to June 2019) of Deputy Director, Manipur State Archives, Imphal, under Art and Culture Department for the period from July 2012 to March 2019 revealed that the work "Construction of Stack Room" of Manipur State Archives Complex at Keishampat, Imphal, under 12th Finance Commission award during 2009-10 at an estimated cost of ₹ 88.00 lakh was taken up as Deposit Work by Manipur Development Society (MDS) in April 2008. As per clause 5.1 and 5.2 of the Agreement, the work should be started immediately after the release of first instalment and completed within 18 months *i.e.,* by October 2009. In case MDS failed to execute the work in the stipulated time, the entire amount deposited by the Department to MDS was to be refunded with interest as decided by the Government from time to time (Clause 3.7).

Accordingly, first instalment amount of ₹ 20 lakh was released to MDS in April 2008 for the work to be completed by October 2009. Work commenced in April 2008[122] and by October 2009, the whole project cost of ₹ 88.00 lakh was released to MDS with only 70 *per cent* Physical progress of the work. The estimated cost of the project was further revised (March 2011) [123] to ₹ 136.49 lakh with an extended completion time till August 2011. Details of the amount sanctioned and releases are as given below:

Table 5.3 Amount sanctioned and releases

(₹ in lakh)

Sl. No.	Sanction No. and date	Amount	Details of payment	
			Bill No/Cheque and date	Amount paid to MDS
1	5/19/2007-S(AC) of 29/12/2007	20.00	CAO 00/086 112665 of 04/04/2008	10.00
			CAO 00/086 112683 of 01/12/2008	6.53
2	5/19/2007-S(AC) of 30/03/2009	40.00	1/MSA TFC of 30/03/2009	33.06
3	5/19/2007-S(AC) of 17/10/2009	28.00	90/MSA/TFC of17/05/2010	23.14
Sub-Total		**88.00**		**72.73 ***
4	5/19/2007-S(AC) of 26/03/2011	42.00	1 of 26/03/2011 (deposited into 8449)	Nil
			2 of 26/03/2011	13.72
			50/MSA of 12/03/2013 (bank transfer)	20.57
Sub-Total		**42.00**		**34.29 ***
Total		**130.00****		**107.02**

**** Excluding ₹ 22.98 lakh deducted at source for VAT, Agency Charges etc.***
**** Excluding ₹ 6.49 lakh (₹ 136.49 lakh - ₹ 130 lakh), expenditure sanction of which was not produced to Audit.***

Audit further observed that though the entire balance amount of ₹ 42 lakh was released in March 2011, only 5 *per cent* additional project work was achieved as on April 2017. Further, sanction of ₹ 6.49 lakh (₹ 136.49 lakh - ₹ 130 lakh) was not on record.

[122] Actual date of start reckoned from immediate effect after the release of first instalment (Clause 5.2 of the Agreement).

[123] Revised by MDS from ₹ 88.00 lakh (based plinth rate for 1997) to ₹ 136.49 lakh (based on MSR 2008) on 15/03/2011 on the direction of Finance Department, Government of Manipur.

No further progress had been made since April 2017 and the objective of the project to protect important Archival material from fire and flood remained unfulfilled for more than nine years[124].

Incomplete Stack Room of Manipur State Archives Complex at Keishampat, Imphal

In reply, Deputy Director stated (August 2020) that MDS left the work without giving any reason and the additional estimated amount of ₹ 62.12 lakh for the remaining work submitted by MDS was not considered by the Government of Manipur. All necessary documents of the work had been handed over (September 2019) to the Enforcement Directorate, Guwahati for investigation under the provisions of Prevention of Money Laundering Act, 2002 against MDS.

Audit, however, observed that the Department failed to take necessary action to enforce terms of agreement (April 2008) upon MDS and to make the building functional. Moreover, extra balance amount of ₹ 42 lakh was released without ensuring commensurate physical progress *vis-à-vis* financial progress to complete the building as per the revised sanctioned estimates, indicating lack of effective timely monitoring on the part of the Department. Thus, the expenditure of ₹ 1.07 crore[125] incurred by the Department for construction of the Stack Room of Manipur State Archives Complex at Keishampat, Imphal for protecting Archival material from fire and flood remained unfulfilled for more than nine years without any possibility of commissioning in the near future.

Recommendation: *State Government should investigate as to how the financial expenditure was not commensurate with the physical progress of the buildings. As the building is meant to provide storage facilities for archival materials, effective steps should be taken to complete the building without further delays.*

[124] Revised date of Completion (August 2011) to date of reply to audit observation (August 2020).
[125] Excluding ₹ 22.98 lakh deducted at source for VAT, Agency Charges *etc.*

DEPARTMENT OF LABOUR AND EMPLOYMENT

5.4 Mis-utilisation of funds

Manipur Building and Other Construction Workers' Welfare Board diverted and utilised Welfare Fund of ₹ 1.48 crore for construction of Office Building that was not permissible under the Workers' Welfare Scheme.

As per para 4 of the Manipur Building and Other Construction Workers' Welfare Scheme, 2016[126], the Welfare Fund shall be utilised amongst other things, for providing assistance in case of accident, payment of pension, loans and advances, group insurance scheme, assistance for children education, medical expenses *etc*., as specified under Section 22 of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. Further, in Writ Petition (Civil) No. 318 of 2006[127]), the Hon'ble Supreme Court of India (SC) judged (March 2018) that the Welfare Fund is not to be utilised for the benefit of the Welfare Board, but for the benefit of the construction workers.

Scrutiny of the records (June to July 2019) of the Manipur Building and Other Construction Workers' Welfare Board (MBOCWWB) for the period from April 2017 to March 2019 revealed that ₹ 2.95 crore was sanctioned (December 2017) by Chairperson of the Board for construction of its Office Building at Takyelpat, Imphal to be executed by Education Engineering Wing (EEW) of Education Department, Manipur (Work Agency). Accordingly, the first installment amount of ₹ 1.48 crore[128] (50 *per cent)* was released to the Work Agency on 12 March 2018 from the Worker's Welfare Fund of the Board. The work commenced on 27 March 2018[129] and by September, 2018, the first installment amount was fully utilised for the work. No further subsequent amount had been released by the Board for construction of the Building as on April 2022.

Audit, however, observed that the expenditure incurred for the Office Building out of the Worker's Welfare Fund was a misutilisation of fund as the fund amount was meant for the benefit of the construction workers and was in violation of para 4 of the Welfare Scheme *ibid.*

While admitting the Audit observation, the Department stated (August 2021) that considering the urgent need for separate Office Building, the Board released ₹ 1.48 crore to the Agency. The Board would propose to the Government to provide ₹ 1.48 crore which was earlier released from the Worker's Welfare Fund.

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[126] Framed in pursuance of the directions given by the Ministry of Labour and Employment, Government of India u/s 60 of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (Act No. 27 of 1996) vide letters No. Z-13011/ 03/ 2007-BL(Pt.) dated 09/09/2015 and 08/10/2015 and in compliance of the order of Hon'ble SC in the Contempt Petition (C) No. 52 of 2013 in Writ Petition (C) No. 318 of 2006.

[127] National Campaign Committee for Central Legislation on Construction Labour Versus Union of India & Ors.

[128] Vide Cheque No. 951323 dated 12/03/2018.

[129] Date of start of work reckoned from the 15th day of release of first instalment (Clause 2.1 of MoU).

Subsequently, second instalment of ₹ 25.00 lakh for completion of the Office Building had been sanctioned by the State Government as Grants-in-aid.

The fact, however, remains that expenditure of ₹ 1.48 crore incurred for construction of office building from the Works' Welfare Fund was in violation of the provisions of para 4 of the Workers' Welfare Scheme, 2016. The Board should refund the above amount back to the Welfare Fund at the earliest for regularisation of the irregular expenditure.

Recommendation: *State Government should refund the expenditure that had been spent from the Board's fund and the funds should be utilised only for the intended purpose in future.*

5.5 Unfruitful expenditure

Failure of Deputy Labour Commissioner, Imphal to safeguard Government property created at ₹ 1.27 crore rendered the public property wasteful for more than 12 years.

Rule 26 (iv) of General Financial Rules, 2005 states that the duty and responsibility of a Controlling Officer in respect of funds placed at his disposal is to ensure that adequate control mechanism is functioning in his Department for prevention, detection of errors and irregularities in the financial proceedings of his Subordinate Offices and to guard against waste and loss of public money.

Scrutiny of records (May 2019) of Deputy Labour Commissioner, Manipur for the period from December 2016 to March 2019 revealed that two Night Shelters for female and male workers were proposed in September 2008 for accommodation of stranded workers/ labourers due to general curfew, strike, bandh *etc*., at nominal rates.

Accordingly, ₹ 68 lakh was sanctioned (March 2009) for setting up a Night Shelter for female workers, which *inter alia* included purchase of homestead land[130] measuring 0.11 acres and an existing building at a cost of ₹ 61.15 lakh. A Deed of Sale was signed (March 2010)[131] between the land owner and the Department which clearly mentioned that an amount of ₹ 61.15 lakh was paid to the owner. Subsequently, for the construction of shelter for male workers on the same land, the Department sanctioned ₹ 66.00 lakh (March 2011) and the amount was released in instalments to Manipur Tribal Development Corporation (MTDC) during May 2011 to August 2017. The work was commenced in March 2011 and completed in September 2016 after a delay of four years.

Audit, however, observed that both the buildings remained unutilised for two years and eight months[132] to nine years and 11 months mainly due to objection raised by the

130 At Laipham Siphai, Chingmeirong opposite Inter State Bus Terminus (ISBT).

131 However, the Deed of sale was not registered.

132 (i) Shelter for male: Two years eight months {September 2016 (Date of completion) to May 2019 (Date of Audit)}.

previous owner[133] since February 2015 on the ground that a balance amount of ₹ 1.14 lakh was yet to be paid to him. The genuineness of the objection and the dispute itself is doubtful as there is concrete documentary evidence of sale deed and APR showing the payment of ₹ 61.15 lakh. Moreover, there is evidence to show that the previous owner did not claim or raise any objection during March 2010 to February 2015 spanning almost five years. The very fact that the second building for male workers could be constructed and completed in September 2016 on the same land indicated that the purchased landed property was in the possession of the Department. Concrete action taken by the Department to get the encroachment physically removed from the site was also not on record.


Night shelters for male workers

While accepting the audit observation, Department stated (September 2021) that the lapse on part of the Office was non-registration of Sale Deed for Land and Building for Night Shelters due to non-availability of funds for Registration Fees and the advice of the Government has been sought to evict the encroacher and to obtain the possession of the disputed homestead land.

Thus, it is evident that failure of the Department to register the Sale Deed and its inability to take possession of the property, exposed the said property to the risk of possible loss, as such giving undue benefit to a private individual also. This has rendered the expenditure of ₹ 1.27 crore wasteful for more than twelve[134] years as the property could not be utilised for the night shelter for which it was acquired and constructed. The Government should investigate into the lapses and fix responsibility for allowing the previous owner to continue to occupy the building already purchased by the Department in March 2010. Further, urgent action should be taken with the appropriate authority to secure the place without further delays to avoid loss of public property.

(ii) Shelter for female: Nine years 11months {June 2010 (Date of inauguration) to May 2019 (Date of Audit)}.

133 Shri Thongam Muhindro Meitei

134 As no intimation has been furnished by the State Government regarding taking of possession of property, despite repeated requests made by Audit.

Recommendation:

- *State Government should take all necessary action to secure the land and the buildings from the unauthorised occupant to avoid loss of State Government's property without further delay.*
- *Department should fix the responsibility for non-utilisation of the assets created and may take necessary action so that the asset can be utilised for its intended purpose.*

TRIBAL AFFAIRS AND HILLS DEPARTMENT

5.6 Suspected Misappropriation

The Tribal Affairs and Hills Department withdrew Scheme funds deposited in the Bank Accounts in gross Violation of Financial Rules. Payment of ₹ 30.36 crore could not be verified in Audit due to non-availability of records, vouchers/ APRs which points toward doubtful expenditure and suspected misappropriation of funds.

As per Rule 22 and Rule 26 of the General Financial Rules (GFR), 2017, expenditure without sanction by the competent authority is not allowed and expenditure must be incurred by ensuring adequate control mechanism to detect errors and irregularities in the financial proceedings.

Further, Rule 205 of the Central Treasury Rules (CTR) as adopted by Government of Manipur read with Rule 77 *ibid*, expenditure is to be made through a voucher duly acknowledged by the payee and all monetary transactions should be entered in the Cash Book. Rule 290 of the CTR provides that no money shall be drawn from the Treasury unless it is required for immediate disbursement. Government of Manipur in its order dated 13 March 2008 banned holding of funds by Departments outside Government Account unless specifically permitted by the Finance Department. Any violation of these instructions will invite action under the Manipur Public Servants' Personal Liability Act, 2006.

Scrutiny of records (July to September 2020) of the Directorate of Tribal Affairs and Hills for the period from April 2017 to March 2020 showed that the Directorate in violation of Government instructions and provisions of GFR/ CTR withdrew (August 2017 to July 2019) Scheme funds[135] amounting to ₹ 32.71 crore from Treasury and deposited (August 2017 to July 2019) the funds into its Bank Account[136]. Further scrutiny showed the following:

(i) The Directorate withdrew (August 2017 to July 2019) ₹ 28.61 crore without any sanction of the Head of Department (HOD) from Government Account and deposited it into its Bank Account in violation of Rule 22 and Rule 26 of the GFR, 2017. Entire fund was withdrawn (August 2017 to July 2019) jointly by the Director and the DDO

[135] Construction of minor works, poultry farming, medical treatment to tribals, *etc*.
[136] A/c No. 31391304922, State Bank of India, Secretariat Branch, Imphal jointly operated by the Director and the DDO.

from its Bank Account through 62 self-cheques for amounts ranging from ₹ 5 lakh to ₹ 100 lakh and showed them as disbursed as Advance Payment in the Cheque Register against various construction works of Buildings and Inter Village Roads (***Appendix 5.10***). The details of money withdrawn was not found recorded in the Cash Book nor kept in the Cash Chest as per the Cash Verification Report dated 31 August 2020. Moreover, there were no traces of Bills, Vouchers, Payee Receipts, *etc.*, in support of payment made and the parties which had actually received the amount.

(ii) Under Special Central Assistance to Tribal Sub Plan (TSP) for the year 2018-19, Government of India released (December 2018) ₹ 3.00 crore[137] for Promotion of Backyard Poultry to 600 beneficiaries in 10 Hill districts[138] of Manipur. Records showed that 372 beneficiaries were to be selected (January 2019) by the Beneficiary Screening Committee[139] and 228 beneficiaries by the six Autonomous District Councils (ADC) (February 2019).

The DDO of the Directorate withdrew (March 2019) ₹ 3.00 crore from Government Account against the Administrative approval and expenditure sanction and deposited the amount into its Bank Account (March 2019). An amount of ₹ 1.00 crore[140] was withdrawn (July 2019) from its Bank Account but the same was not recorded in Cash Book nor were APRs in support of payment made to the beneficiaries/ Implementing Agencies available with the DDO. The amount so withdrawn was not available in the Cash Chest as per the Cash Verification Report dated 31 August 2021.

Audit further observed that no further withdrawal of funds for Backyard Poultry Scheme was made till the date of audit (September 2020), indicating that the Poultry Scheme of 2018-19 had not been implemented in the hill districts of Manipur even after two years since the assistance to TSP was released. Further plan for implementation of the Scheme and as to how the balance sanctioned amount of ₹ 2.00 crore already withdrawn and kept in its bank account would be spent was not furnished to audit.

(iii) Financial Assistance of ₹ 109.99 lakh was sanctioned (March 2018) by Government of Manipur for providing medical treatment to 1564 tribal beneficiaries[141]. Audit observed that against the sanction of ₹ 109.99 lakh, the Directorate withdrew ₹ 185.21 lakh from its common bank accounts for providing Financial Assistance towards providing medical treatment to selected beneficiaries (₹ 109.99 lakh through self-cheque which was deposited into its Bank Account and ₹ 75.22 lakh through E-payment and Cheques in favour of beneficiaries and ADCs respectively). Details of funds withdrawn from the Bank Account and payments made during April 2018 to June 2019 by the Directorate were as given below:

[137] Out of ₹ 7.09 crore.

[138] (i) Chandel (ii) Churachandpur (iii) Kamjong (iv) Kangpokpi (Sadar Hills) (v) Noney (vi) Pherzawl (vii) Senapati (viii) Tamenglong (ix) Tengnoupal and (x) Ukhrul.

[139] A departmental Committee, with the Director of the Department as its Chairman, Joint Director of the Department Deputy Secretary of the Administrative Department as its Members.

[140] *Vide* cheque nos. 324815 and 324817 dated 5 July 2019.

[141] 945 beneficiaries to be selected by the Directorate 619 beneficiaries by the ADCs.

Table 5.4 Funds withdrawn from the Bank Account and payments made during April 2018 to June 2019

(₹ in lakh)

Mode of transactions		Payment details	
Transaction particulars	**Amount**	**Transaction particulars**	**Amount**
By Cash through two cheques *viz.*, 324566 & 324567 (April 2018)	*59.99* *50.00* 109.99	By Cash to 504 beneficiaries (April 2018 to August 2018)	34.78
Through E-payment (May 2018)	31.89	E-payment to beneficiaries 441 beneficiaries (May 2018)	31.88
By Cheque in favour of six ADCs (July 2018 to June 2019)	43.33	By Cheque to six ADCs for 619 beneficiaries(July 2018 to June 2019)	43.33
Total	**185.21**		**109.99**

It is evident from the table above that payments worth ₹ 31.89 lakh and ₹ 43.33 lakh were made through e-payment/ cheques for which details were available. Further, details of funds distributed to 504 beneficiaries by cash, amounting to ₹ 34.78 lakh were also available however, for the balance amount of ₹ 75.22 lakh, withdrawn in cash for the same purpose, no details of disbursements were recorded in the Cash Book of the Directorate nor was the amount available in the Cash Chest as per the Cash Verification Report dated 31 August 2021. Thus, in the absence of documentary evidence of payments, Audit could not vouchsafe where the remaining amount of ₹ 75.22 lakh withdrawn for the medical treatment of beneficiaries was kept or spent and for what purpose.

Thus, keeping Scheme funds outside Government Accounts is a gross violation of Financial Rules. Further, withdrawal of Scheme funds amounting to ₹ 30.36 crore (₹ 28.61 crore + ₹ 1 crore + ₹ 0.75 crore) during the period from August 2017 to July 2019 from its Bank Account by the Department without maintaining any documentary evidence of custody of cash and subsequent disbursements was irregular. Consequently, Audit also could not verify where the money was lying or spent and to whom it was paid. In absence of such vital records in support of the expenditure made and duly received by the concerned parties, incurring of expenditure was doubtful and misappropriation of the Scheme funds cannot be ruled out. The matter needs investigation by the Vigilance Department and action should be taken under Manipur Public Servants' Personal Liability Act, 2006 against the officials responsible for such lapses to ensure accountability in dealing with public funds in the Department.

In reply, the Department stated (January 2022) that the matter is under investigation by a Departmental Enquiry and a House Committee of Manipur Legislative Assembly. It was further assured that appropriate action will be initiated as and when the reports of the above enquiries are submitted to the Department.

Recommendation: *State Government should complete the investigation by the Departmental Enquiry at the earliest and strict action, including filing of FIR, if necessary, should be initiated against the delinquent officials for misappropriation of Government funds.*

YOUTH AFFAIRS AND SPORTS DEPARTMENT

5.7 Idle expenditure

Construction of District Sports Complex at Senapati District sanctioned since January 2007 at the cost of ₹ 13.23 crore by the Youth Affairs and Sports Department, Government of Manipur remained incomplete for more than eight years. There was no progress on the project since October 2014 and the incomplete sport facilities have further deteriorated and the assets already created were being misused by unauthorised occupants.

Rule 26 (iv) of General Financial Rules, 2005 states that the duties and responsibilities of a controlling officer in respect of funds placed at his disposal is to ensure that adequate control mechanism is functioning in his department for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public.

With an objective of providing modern infrastructure to the young talents for developing skills and talents as sport person and model citizen, Youth Affairs and Sports Department (YAS), Government of Manipur took up the work "**Construction of District Sports Complex**" at Senapati District at an estimated cost of ₹ 15.00 crore under Special Plan Assistance for the year 2007-08.

An MoU was signed in December 2007 with the Manipur Development Society (MDS) for construction of the District Sports Complex to be implemented in three phases within three years by February 2011. Accordingly, an amount of ₹ 4.95 crore as first installment for Phase I of the project was released to MDS in January 2008. As per clause 3.7 of the MoU, for unjustified/ unacceptable delays, the Construction Agency (CA) will be liable to pay ₹ 20,000 per week, including the damages or losses, if any, suffered by YAS, which will be recovered from the amount payable to the CA and other assets of the CA.

Scrutiny of records (July 2019) for the period from November 2016 to March 2019 of the Joint Director, YAS Department revealed that land measuring 28 acres at Mayangkhang, Senapati was provisionally donated (February 2008) by the Chairman, Mayangkhang Village Authority and Mayangkhag Ningthoupham Village Authority for construction of the Sports Complex. Due to objection raised by the villagers (December 2008), another site, a private property (13.10 acres of land) near Karong Bridge at Senapati, was later acquired (July 2010) at the cost of ₹ 60 lakh and another ₹ 87 lakh was spent towards change of design for Public Gallery.

Thus, the total sanctioned cost of the project came up to ₹ 16.47 crore (January 2010), of which ₹ 37.54 lakh was deposited into MH 8449 and ₹ 13.23 crore was released to MDS during the period from March 2008 to October 2014 (***Appendix 5.11***). As of July 2019, physical progress of the project was only 65 *per cent* as per joint physical inspection (JPV) (September 2019). Though the work had been delayed, there was no record to show that the matter had been referred to the Chief Secretary, required as per the MoU. The findings of the JPV are as mentioned below:

Table 5.5 Findings of Joint Physical Verification

Items of Work	As per Joint Physical Verification
Main Stadium: **V.I.P Gallery,** **Public Gallery,** **8 – Lane 400m Track & Field development**	VIP Gallery: Only the frame of the structure was constructed. Construction of stands, stairways, seats/ sitting area, *etc.*, were yet to commence. Public Gallery: Only the foundation work was done. 8 – Lane 400m Track & Field development: Not developed.
Indoor Stadium	Structure completed but flooring not done. The entrance were occupied by unauthorised persons.
Play Fields **Common playfield for Kho kho, Volleyball and Kabaddi** **Basketball Court**	Common playfield for Kho-kho, Volleyball & Kabaddi: Not started Basketball Court: In dilapidated condition, full of mud and grass.
Buildings **80 – Bedded Sports Hostel (30 Girls + 50 Boys)** **Staff Quarter (4 Units)** **Chowkidar Quarter**	80 – Bedded Sports Hostel (30 Girls + 50 Boys): Though plastering of the walls, IED and tile flooring of the second floor (including bathrooms) were completed, the plinth protection of the ground floor, plastering of stairs, fixing of doors and windows and painting not done. The building was occupied by unauthorised local persons. Staff Quarter (4 Units): The four staff quarters were in dilapidated conditions. The quarters were occupied by unauthorised persons. Chowkidar Quarter: There was no path leading to the entrance of the quarters and the quarters were occupied by unauthorised persons.
Others **Construction of Buffer Wall** **Drain (Collector Drain & Underground Drain)** **Approach Road**	Construction of Buffer Wall: Not started. Drain (Collector Drain & Underground Cross Drain: Not visible. Approach Road: Not visible.

Incomplete Main Stadium (VIP Gallery)

80 bedded hostels and staff quarters occupied by unauthorised persons

Audit observed that despite such long delays in completing the work, no penalty was imposed on MDS as per term of the MoU by the Department. Audit further noticed that MDS had submitted (June 2015) revised estimate of ₹ 23.42 crore to complete the project. However, there were neither records of conducting review meetings, correspondences nor action plan to complete the balance works for almost three[142] years both by MDS and the Department indicating lack of effective monitoring and follow up action. Hence, the assets already created at the cost of ₹ 13.23 crore[143] were deteriorating and were being misused by unauthorised occupants.

In response, Department stated (July 2019) that the matter has been discussed with MDS and the case has been forwarded to Directorate of Enforcement, Government of India. Audit, however, observed that the Department could not produce till date (April 2020) records to support this, though requested for. No further action on the project has been taken by the Department since October 2014[144]. Thus, due to delay in completion of the "construction of District Sports Complex" in Senapati, the sport facilities envisaged in the project could not be completed for more than 8 years and the objective of providing modern infrastructure to young talents of the District remained unfulfilled.

Recommendation: *State Government should take effective measures to complete the Complex at the earliest and the sports infrastructures are put to use to achieve the intended objective of the project.*

[142] From November 2016 to March 2019 (Account period covered by Audit).
[143] Excluding deductions such as VAT, Labour Cess, Agency Charges *etc.*
[144] Date of last release of funds to MDS. No further activities/action taken thereafter by YAS noticed.

Chapter VI

Follow up of Audit Observations

CHAPTER VI

FOLLOW UP OF AUDIT OBSERVATIONS

6.1 Follow up on Audit Reports

As per the recommendations made by the High Powered Committee[145], *suo moto* Explanatory Notes on all paragraphs in the Audit Reports are to be submitted to the Public Accounts Committee (PAC)/ Committee on Public Undertakings (CoPU) by the concerned departments. A copy of *suo moto* Explanatory Notes shall also be furnished to the Principal Accountant (Audit), Manipur office for vetting.

Audit Report for the year 2018-19 (Report No. 2 of 2021) featured three Performance Audit paragraphs and 13 Compliance Audit paragraphs. The Report has been placed before the State Legislature on 25 March 2022; however, *suo moto* Explanatory Notes have not been received so far (April 2022). In respect of earlier Audit Reports for the years 1999-2018, *suo moto* Explanatory Notes pertaining to 399 Performance Audits and Compliance Audit paragraphs were not received within the stipulated period of three months from the Departments.

6.2 Action taken on the Recommendations of Public Accounts Committee

The Administrative Departments are required to take suitable action on the recommendations made in the Report of the PAC presented to the State Legislature. Heads of Departments were to prepare comments on Action Taken Notes or proposed to be taken on the recommendations of the PAC and submit the same to the State Legislative Assembly Secretariat.

As of January 2022, PAC had published 37 Reports[146] on the findings in the Audit Reports. These PAC Reports altogether contained 1,582 recommendations based on the examination of Audit Reports by PAC. In respect of 21 Reports[147] of PAC containing 737 recommendations, Action Taken Notes (ATN) had been received. Of the remaining 845 recommendations contained in 16 Reports[148] of PAC, no ATNs were received.

6.3 Monitoring compliance of Audit Observations

The following committees had been formed at the Government level to monitor the follow up action on audit related matters:

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145 High Powered Committee appointed to review the response of the State Governments to the Audit Reports of the Comptroller and Auditor General of India (Shakdher Committee Report).

146 Out of the 54 Reports published so far by PAC, 37 Reports pertains to Audit Report on Social, Economic, Revenue and General Sectors. The remaining 17 Reports pertains to SFARs (Excess Regularisation) and ATIRs.

147 1st to 10th, 21st, 23rd, 25th, 26th, 28th, 30th, 31st, 33rd, 34th, 35th and 36th PAC Reports.

148 11th to 19th, 38th, 40th, 45th, 47th, 49th, 51st and 54th PAC Reports, which are not included for the purpose of this analysis.

Departmental Audit and Accounts Committees: Departmental Audit and Accounts Committees (DAAC) was formed (January 2010) by all the Departments of State Government under Chairmanship of the concerned Departmental Administrative Secretary to monitor the follow up action on audit related matters. The functions of the DAACs were to monitor the progress in disposal of the outstanding audit paras and Inspection Reports issued by the Principal Accountant General (Audit), Manipur and to review and supervise the working of Departmental Audit and Accounts Sub-Committees constituted. The DAACs were to hold meeting once in three months. During 2019-20, no meeting of the DAACs was held.

State Audit and Accounts Committee: State Audit and Accounts Committees (SAAC) was formed (January 2010) at the State Level under Chairmanship of the Chief Secretary to monitor the progress in disposal of outstanding audit objections and pending Inspection Reports and to review and oversee the working of Departmental Audit and Accounts Committee (DAAC). The SAAC was to meet once in six months. During 2019-20, no meeting of the SAAC was held.

6.4 Response to Audit Observations and outstanding Inspection Reports

The Principal Accountant General (Audit), Manipur conducts periodical audits of Government Departments to test-check transactions and verify the maintenance of accounts and other records according to the prescribed rules and procedures. When important irregularities detected during the audits are not settled on the spot, Inspection Reports (IRs) are issued to the Heads of the concerned Offices with a copy to the next higher authority.

As of March 2020, 3,350 Inspection Reports issued from 2003-04 onwards were outstanding for settlement. Even the initial replies, which were required to be received from the Heads of Offices of Government Departments within four weeks from the date of issue of IRs were not received.

Audit acknowledges the initiative of the Government in instructing (April 2020) all Administrative Secretaries and Head of Offices to give positive and adequate response to audit observations pointed out in the form of Preliminary Observation Statement (POS), Inspection Reports and Audit Paragraphs in the CAG's Report so that they do not recur in the subsequent years.

It is recommended that Government may review the matter and ensure that an effective system exists for:

(a) Submission of ATNs to the recommendations of the PAC/ CoPU;

(b) Regularly monitoring the functioning of the DAAC and SAAC; and

(c) Sending replies to Audit within the prescribed time schedule.

Imphal **(Athikho Chalai)**
The 14 November 2022 **Principal Accountant General (Audit), Manipur**

Countersigned

New Delhi **(Girish Chandra Murmu)**
The 21 November 2022 **Comptroller and Auditor General of India**

APPENDICES

Appendix 1.1

(Reference: Paragraph 1.1)

Statement showing funds transferred directly to Implementing Agencies under General Sector

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released (in lakh)
1	Management Support to Rural Development Programs and Strengthening of District Planning Process	ETC, Lamphelpat	79.08
		State Institute of Rural Development (SIRD), Imphal	325.11
2	Land Records Modernisation Programme	Programme Management Unit for National Land Record Modernisation Programme (PMU for NLRMP) Manipur	500.00
3	Incentivisation of Panchayat	State Institute of Rural Development (SIRD), Imphal	78.00
4	e-Courts Phase-II	Registrar General, High Court of Manipur	61.10
Total			**1043.29**

Appendix 1.2

(Reference: Paragraph 1.1.1)

Year-wise details of expenditure audited in respect of General Sector during 2019-20

(₹ in crore)

Year	Expenditure
2014-15	24.14
2015-16	36.28
2016-17	109.24
2017-18	1,257.18
2018-19	1,218.94
Total	**2,645.77**

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

Appendix 1.3

(Reference: Paragraph 1.2.8.7)

List of Schemes taken from the State DBT Portal

Sl. No.	Name of Schemes
1	DAY NRLM
2	Deen Dayal Upadhyay Grameen Kaushalya Yojna
3	IGNDPS Indira Gandhi National Disability Pension Scheme
4	IGNOAPS Indira Gandhi National Old Age Pension Scheme
5	IGNWPS Indira Gandhi National Widow Pension Scheme
6	Mahatma Gandhi National Rural Employment Guarantee Scheme MGNREGS
7	National Family Benefit Scheme
8	PMAYGrameen
9	Child Protection Services - Facilities to Beneficiaries
10	Child Protection Services - Facilities to Beneficiaries Sponsorship
11	Integrated Child Development Services ICDS Training
12	Integrated Child Protection Scheme Salary of Staff
13	National Creche Scheme Honorarium to Workers
14	National Creche Scheme Nutrtion
15	Pradhan Mantri Matru Vandana Yojana
16	Protection And Empowerment of Women Comprehensive Scheme for Combating Trafficking of Women and Children Ujjawla Facilities to Beneficiaries
17	Protection and Empowerment of Women Comprehensive Scheme for Combating Trafficking of Women and Children Ujjawla Salary
18	Protection And Empowerment of Women Swadhar Greh Facilities to Beneficiaries
19	Protection And Empowerment of Women Swadhar Greh Salary to Staff
20	Scheme for Adolescent Girls
21	Umbrella ICDS Anganwadi Services Honorarium to AWW and AWH
22	Umbrella ICDS Anganwadi Services Supplementary Nutrition
23	IED of Samagra Shiksha Elementary
24	IED of Samagra Shiksha Secondary
25	Mid Day Meal Scheme
26	National Scheme of Incentive to Girls For Secondary Education
27	SPQEM Providing Quality Education in Madrasa
28	Medical/Health related schemes
29	Post-Matric Scholarship for ST Students
30	Pre Matric Scholarship ST
31	Rural Shelter Housing
32	Self Help Group
33	Centrally Sponsored Scheme Of Post Matric Scholarships To The Students Belonging To Scheduled Castes For Studies In India
34	Dr Ambedkar Post Matric Scholarship for EBC
35	For Implementation of Protection of Civil Rights 1955 and scheduled castes and Scheduled Castes And Scheduled Tribes
36	OBC Scholarship Pre Matric
37	Post-Matric Scholarship for OBC Students for studying in India

Sl. No.	Name of Schemes
38	Pre Matric Scholarship for SC Class IX and X
39	ASHA
40	Ayushman Bharat Pradhan Mantri Jan Arogya Yojana
41	Family Planning Compensation Schemes
42	Janani Shishu Suraksha Karyakram
43	Janani Suraksha Yojana
44	NIKSHAY DOT Provider
45	NIKSHAY TB Notification
46	NIKSHAY Tribal TB Patients
47	NIKSHAY-TB patient incentive for nutritional support
48	Payments to Contractual Staff
49	National AYUSH Mission
50	ATMA Extension Functionaries
51	ATMA Farmers
52	Mission for Integrated Development of Horticulture
53	National Food Security Mission NFSM
54	National Mission on Sustainable Agriculture NMSA
55	PMKSY
56	Pradhan Mantri Matsya Sampada Yojana
57	Rainfed Area Development
58	Rashtriya Krishi Vikas Yojana RKVY
59	Sub Mission on Agriculture Mechanisation
60	DAY NULM
61	Individual Household Latrine IHHL under Swachh Bharat Mission Urban
62	State and UT Grants Under PMAY Urban
63	Green India Mission National Afforestation Scheme
64	Integrated Development of Wild Life Habitats
65	Project Elephant
66	Development of Inland Fisheries and Aquaculture
67	Swachh Bharat Mission Gramin
68	Pradhan Mantri Kaushal Vikas Yojana
69	Chief Ministers COVID 19 affected Livelihood Support Scheme
70	CMHT Care Giver Allowance
71	CMHT Scholarship to the students with disabilities
72	Maintenance grant Homeless Older Persons
73	Marriage Incentive Award to the persons with disabilities
74	MOAP Old Age Pension Scheme
75	Unemployment allowance to the educated unemployed persons with disabilities
76	Merit Scholarship Scheme for Class X and XII
77	State Competitive Scholarship for Classes V and VIII
78	State Merit Scholarship

Appendix 1.4

(Reference: Paragraph 1.2.8.7)

Statement showing delivery of benefit under DBT platform

Sl. No.	Name of schemes	No of beneficiary				No of beneficiary under DBT				Total amount transferred (₹ in lakh) (2017-18 to 2020-21 July 2020)				Whether found in DBT portal
		2017-18	2018-19	2019-20	2020-21	2017-18	2018-19	2019-20	2020-21	2017-18	2018-19	2019-20	2020-21	
1	**Directorate of Education (schools)**													
	(1) Merit Scholarship for Class X & XII passed	711	744	762	1596	711	744	762	1596	54	54	54	96.24	Yes
	(2) National Means-cum-Merit Scholarship (NMMS)	281	139	266	39	277	139	266	31	33.24	16.68	31.92	0	No
	Samagra Shiksha (Elementary)	2353	3450	3066	1915	0	3450	3066	1915	58.83	118.85	69.31	29.62	Yes
2	**Directorate of University & Higher Education**													
	(1) NEC Merit Scholarship	634	0	1101	0	634	0	1101	0	164.42	0	246.05	0	No
	(2) State Merit Scholarship	268	174	77	66	268	174	77	66	25	25	5	3.95	Yes
3	**Rural Development & Panchayati Raj Department**													
	(1) MGNREGA	546513	566887	581091	596787	342462	362168	399344	414884	5593	17094	29674.9	71012.7	Yes
	(2) PMAY-G									6680.39	5880.08	769.57	9214.73	Yes
4	**Fishery Department**													
	RKVY (sub schemes-08)	411	305	128	900	411	305	128	900	283.33	104.6	177	174.6	Yes
	NFDB (sub schemes-02)	100	407	0	0	0	0	0	0	1.95	47	0	0	No
	Blue Revolution 01	312	766	0	0	312	766	0	0	493.21	860	0	0	No
5	**Director of Welfare of OBCs and SCs**													
	OBC (Pre and post)	18382	21659	28932	32945	18382	21659	28932	478	1582.69	1591.65	2092.01	59.46	Yes
	SC (Pre and post)													Yes
	EBC (Post matric scholarship)													Yes

Sl. No.	Name of schemes	No of beneficiary				No of beneficiary under DBT				Total amount transferred (₹ in lakh) (2017-18 to 2020-21 July 2020)				Whether found in DBT portal
		2017-18	2018-19	2019-20	2020-21	2017-18	2018-19	2019-20	2020-21	2017-18	2018-19	2019-20	2020-21	
6	**Horticulture**													
	Mission for integrated Development of Horticulture (MIDH)	5724	5261	5931	3874	152	238	194	120	618.25	1056.75	1051.25	169.5	Yes
7	**PHED**													
	NIL	0	0	0	0	0	0	0	0	0	0	0	0	0
8	**Labour & Employment**													
	NIL	0	0	0	0	0	0	0	0	0	0	0	0	0
9	**MAHUD**													
	NULM	7023	20737	35063	16233	7023	20737	35063	16233	15.09	934.88	5452.4	8599.95	Yes
	SBM-U													Yes
	PMAY-U													Yes
10	**Veterinary**													
	NIL													
11	**Social Welfare**													
	CMST scholarship to students with disabilities	1689	4717	5042	5392	1689	4717	5042	5392	3.4.02	849.06	907.56	970.56	Yes
	Maintenance grant for homeless older person	282	250	360	360	282	250	360	360	33.84	30	43.2	43.2	Yes
	Marriage incentive award to the persons with disabilities	51	50	45	45	51	50	45	45	15.3	15	13.5	13.5	Yes
	MOAP Old age pension scheme	45905	45905	66738	66738	45905	45905	66738	66738	1101.72	1101.72	1601.71	1601.71	Yes
	Child protection services facilities to beneficiaries' sponsorship	369	369	369	369	369	369	369	369	244.42	244.42	244.42	244.42	Yes
	PMMVY	4767	6800	23747	14611	4767	6800	23747	14611	65.81	274.23	1060.77	407.61	Yes
Total		**635775**	**678620**	**752718**	**741870**	**423695**	**468471**	**565234**	**523738**	**17064.49**	**30297.92**	**43494.57**	**92641.75**	

Appendix 1.5 (A)

(Reference: Paragraph 1.2.10.1(i))

Statement showing various stages of delays in respect of IGNOAPS

(₹ in lakh)

Instalment	**Submission of UC (for the fund released as 1st instalment during the year) by State**		**Release of Fund by GOI (Central Government)**		**Release of Central Fund by GOM to Implementing Department (Social Welfare)**		**Release of benefits by Social Welfare to the beneficiaries**		**Total delays in Months**
	Due date of submission *(Actual date of submission)*	**Delay in months**	**Due date of release *(Actual date of release)***	**Delay in months**	**Due date of release *(Actual date of release)***	**Delay in months**	**Due date of release *(Actual date of release)***	**Delay in months**	
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10) (3+5+7+9)*
2017-18									
First	NA	NA	NA *(09.10.2017)*	00	16.10.2017 *(15.03.2018)*	05	22.03.2018 *(17.05.2018)*	02	07
Second	15.12.2017 *(15.03.2018)*	03	22.03.2018 *(22.03.2018)*	00	29.03.2018 *(20.06.2018)*	03	27.06.2018 *(07.07.2018)*	00	06
2018-19									
First		NA	NA *(28.09.2018)*	00	05.10.2018 *(19.03.2019)*	05	26.03.2019 *(13.09.2019)*	06	11
Second	15.12.2018 *(03.05 2019)*	04	10.05.2019 *(19.08.2019)*	03	26.08.2019 *(23.03.2020)*	07	30.03.2020 *(15.05.2020)*	1.5	15.5
2019-20									
First		NA	NA *(19.08.2019)*	00	26.08.2019 *(23.03.2020)*	07	30.03.2020 *(25.03.2020)*	00	07
Second	15.12.2019 *(28.05 2020)*	05	04.06.2020 *(22.10.2020)*	04	29.10.2020 *(10.12.2020)*	01	17.12.2020 *(25.12.2020)*	00	10
2020-21 (upto July 2020)									
First (for April 2020 to September 2020)	NA	NA	NA *(03.04.2020)*	00	09.04.2020 *(09.04.2020)*	00	16.04.2020 *(13.04.2020)*	00	00
			NA *(11.05.2020)*	00	18.05.2020 *(22.05.2020)*	00	29.05.2020 *(27.05.2020)*	00	00
			NA *(28.05.2020)*	00	04.06.2020 *(02.07.2020)*	01	09.07.2020 *(07.07.2020)*	00	01
			NA *(22.06.2020)*	00	29.06.2020 *(15.11.2020)*	04	22.11.2020 *(04.02.2021)*	02	06

Note: No deadline is mentioned for release of Central fund by the State to the implementing Department in the NSAP guidelines. As such, seven days is assumed as deadlines for the purpose of audit analysis.

Appendix 1.5(B)

(Reference: Paragraph 1.2.10.1(ii))

Statement showing details of funds released to SNA under PMAG-Y

(₹ in lakh)

Sl. No.	Funds Released by Ministry (GoI)		Funds Released by State to SNA		Delay in Number of days	Days delayed beyond 15 days	Penal interest @ 12 *per cent* per annum
	Date	Amount	Date	Amount	Days	Days	Amount
(a)	(b)	(c)	(d)	(f)	(g) = (d) – (b)	(h) = (g) - 15	(i) = {(c) x (h) x 0.12)/365}
1	23-09-2016	5,146.21	08-05-2017	5,337.44	227	212	358.68
2	31-03-2017	191.23	08-05-2017		38	23	1.45
3	27-04-2017	588.13	04-01-2018	588.13	252	237	45.83
4	22-03-2018	5,267.17	23-05-2018	5,267.17	62	47	81.39
5	31-01-2020	107.82	05-02-2020	107.82	5	-	-
6	31-01-2020	551.09	17-06-2020	551.09	138	123	22.28
7	03-05-2020	3,528.31	06-07-2020	5,295.01	64	49	56.84
8	06-05-2020	1,766.70	06-07-2020		61	46	26.72
9	24-12-2020	1,719.90	19-03-2021	1,719.90	85	70	39.58
10	30-12-2020	927.61	13-01-2021	927.61	14	-	-
		19,794.15		**19,794.15**			**632.77**

Appendix 1.6(A)

(Reference: Paragraph 1.2.10.2(i))

Statement showing delay in delivery of benefits to beneficiaries under IGNOAPS

Number of beneficiary *	No of months (Period for which payment is made)	Date of payment	Range of delay in months	Amount *(in ₹)*
		2017-18		
74	6 (April 2017 to September 2017)	2018-May	8 to 13	1,99,200
	6 (October 2017 to March 2018)	2018-July	4 to 9	
7	12 (April 2017 to March 2018)	2020-May	26 to 37	16,800
15	12 (April 2017 to March 2018)	2018-July	4 to 15	36,000
3	12 (April 2017 to March 2018)	2020-August	29 to 40	7,200
1	12 (April 2017 to March 2018)	2020- December	33 to 44	2,400
			Sub-total	**2,54,400**
		2018-19		
89	6 (April 2018 to September 2018)	2019-September	12 to 17	2,35,200
	6 (October 2018 to March 2019)	2020-May	14 to 19	
7	12 (April 2018 to March 2019)	2020-May	14 to 25	16,800
3	12 (April 2018 to March 2019)	2020-August	17 to 28	7,200
1	12 (April 2018 to March 2019)	2020- December	21 to 32	2,400
			Sub-total	**2,54,400**
		2019-20		
96	6 (April 2019 to September 2019)	2020-May	8 to 13	2,52,00
	3 (October 2019 to December 2019)	2020-August	8 to 10	
	3 (January 2020 to March 2020)	2020-December	9 to 11	
3	9 (April 2019 to December 2019)	2020-August	8 to 16	7,200
	3 (January 2020 to March 2020)	2020-December	9 to 11	
1	12 (April 2019 to March 2020)	2020- December	9 to 20	2,400
			Sub-total	**2,54,400**
2020-21 (upto July 2021)				
100	4 (April 2020 to July 2020)	2021-February	7 to 10	84,800
			Sub-total	**84,800**
			Grand total	**8,48,800**

** For 34 beneficiaries out of these 100 beneficiaries, Joint Physical Verification was conducted.*

Appendix 1.6(B)

(Reference: Paragraphs 1.2.10.1(ii) and 1.2.10.2(ii))

Statement showing delay in delivery of benefits to beneficiaries under PMAY-G

Sl. No.*	Beneficiary Name	Beneficiary ID	Date of Administrative Sanction	1st Instalment Payment Date	Days Delay	Date of Verification (Plinth Level)	2nd Instalment Payment Date	Days difference	Date of Verification (Lintel Level)	3rd Instalment Payment Date	Days difference	Date of Completion	Days Delay in payment after completion
a	b	c	d	e	f = e - (d+7)	g	h	i=h-g	j	k	l=k-j	m	n
1	K. Thamcha	MN1018029	26-10-2017	31-10-2017	-	18-12-2017	21-12-2017	3	26-07-2018	08-08-2018	13	07-02-2019	-
2	K. Teshot	MN1013579	26-10-2017	31-10-2017	-	18-12-2017	21-12-2017	3	29-07-2018	08-08-2018	10	07-02-2019	-
3	Th. Jame	MN1017115	18-10-2017	21-10-2017	-	13-02-2018	22-02-2018	9	21-08-2018	27-08-2018	6	04-10-2018	-
4	Mk. Theingir	MN1005191	18-10-2017	21-10-2017	-	16-12-2017	21-12-2017	5	21-08-2018	27-08-2018	6	04-10-2018	-
5	Pr Shomi	MN1023806	18-10-2017	21-10-2017	-	01-03-2018	13-03-2018	12	04-02-2019	30-05-2019	115	07-02-2019	112
6	Y. Harshu	MN1022753	26-10-2017	31-10-2017	-	18-12-2017	21-12-2017	3	17-03-2018	12-07-2018	117	17-03-2018	117
7	Thaokung Hawokpa	MN1021218	18-10-2017	21-10-2017	-	11-04-2018	12-07-2018	122	16-10-2018	18-10-2018	2	16-10-2018	-
8	Mk Abram	MN1027168	22-08-2020	05-09-2020	7	19-09-2020	21-09-2020	2	17-12-2020	11-01-2021	25	17-12-2020	25
9	Wahengbam Biren	MN1032849	12-10-2017	25-10-2017	6	27-01-2018	09-03-2018	41	29-08-2018	20-09-2018	21	07-07-2019	-
10	Shanglakpam Thomas	MN1017034	12-10-2017	25-10-2017	6	21-12-2017	16-07-2018	207	13-08-2018	27-08-2018	14	07-07-2019	-
11	Lisham Kala Singh	MN1000390	30-09-2017	25-10-2017	18	07-04-2018	16-07-2018	100	12-03-2019	31-05-2019	80	23-07-2019	-
12	Sarangthem Ingocha	MN1002598	30-09-2017	25-10-2017	18	20-12-2017	03-02-2018	45	01-08-2019	03-08-2019	2	19-09-2019	-
13	Sagolsem Yaima Mangang	MN1026024	12-10-2017	25-10-2017	6	23-10-2018	28-01-2019	97	11-12-2019	25-02-2020	76	29-05-2020	-
14	Sagolsem Imuningthou	MN1003101	12-10-2017	25-10-2017	6	08-08-2018	27-08-2018	19	29-06-2019	12-07-2019	13	20-07-2019	-
15	Yensembam Inaomacha	MN1018598	12-10-2017	25-10-2017	6	19-03-2018	17-07-2018	120	21-01-2019	28-01-2019	7	19-05-2019	-

Sl. No.*	Beneficiary Name	Beneficiary ID	Date of Administrative Sanction	1st Instalment Payment Date	Days Delay	Date of Verification (Plinth Level)	2nd Instalment Payment Date	Days difference	Date of Verification (Lintel Level)	3rd Instalment Payment Date	Days difference	Date of Completion	Days Delay in payment after completion
a	b	c	d	e	f = e - (d+7)	g	h	i=h-g	j	k	l=k-j	m	n
16	Nameirakpam Dewan	MN1018804	12-10-2017	25-10-2017	6	07-01-2018	20-01-2018	13	14-05-2018	09-08-2018	87	09-09-2018	-
17	Lalgin	MN1024409	13-10-2017	21-10-2017	-	17-02-2018	16-07-2018	149	29-10-2018	11-06-2019	226	26-08-2019	-
18	Letjahao Haokip	MN1024947	28-10-2017	12-01-2018	69	17-02-2018	16-07-2018	149	29-10-2018	20-11-2018	22	24-01-2019	-
19	Ngamjang	MN1014268	28-10-2017	27-11-2017	23	25-02-2018	16-07-2018	141	30-10-2018	20-11-2018	20	15-07-2019	-
20	Lamkhonem	MN1025655	28-10-2017	27-11-2017	23	21-02-2018	16-07-2018	145	15-11-2018	20-11-2018	5	15-07-2019	-
21	Haopilun	MN1024456	03-11-2017	27-11-2017	16	23-02-2018	16-07-2018	143	15-11-2018	08-01-2019	54	22-01-2019	-
22	Onkhomang	MN1027050	28-10-2017	27-11-2017	23	23-02-2018	16-07-2018	143	15-11-2018	08-01-2019	54	15-07-2019	-
23	Chandra Bahadur Pradhan	MN1039229	13-10-2017	01-11-2017	11	26-03-2018	06-04-2018	11	13-08-2018	27-08-2018	14	01-12-2018	-
24	Chandru Nepal	MN1033773	13-10-2017	31-10-2017	11	13-03-2018	06-04-2018	24	13-08-2018	27-08-2018	14	01-12-2018	-
25	Kumar Acharya	MN1034446	13-10-2017	23-10-2017	3	17-03-2018	06-04-2018	20	13-08-2018	27-08-2018	14	01-12-2018	-
26	Leimapokpam Kumar Singh	MN1009062	28-10-2017	01-11-2017	-	30-11-2017	22-12-2018	22	04-08-2018	28-08-2018	24	17-09-2018	-
27	Wahengbam Yumjao Devi	MN1011524	11-10-2017	25-10-2017	7	30-11-2017	22-12-2018	22	04-08-2018	28-08-2018	24	17-09-2018	-
28	Yumnam Shanti Singh	MN1009425	28-10-2017	01-11-2017	-	30-11-2017	22-12-2018	22	04-08-2018	28-08-2018	24	17-09-2018	-
29	Ch. Ashangbi Devi	MN1011399	11-10-2017	25-10-2017	7	30-11-2017	22-12-2018	22	16-04-2018	20-09-2018	157	17-09-2018	3
30	W. Loidangbi Devi	MN1006366	11-10-2017	25-10-2017	7	30-11-2017	22-12-2018	22	07-08-2018	28-08-2018	21	17-09-2018	-
31	K. Ingenjao Kabui	MN1012224	31-10-2017	18-11-2017	11	30-12-2017	08-01-2018	8	16-04-2018	08-08-2018	114	17-09-2018	-
32	K. Sharat Kabui	MN1005521	28-10-2017	01-11-2017	-	30-12-2017	08-01-2018	8	16-04-2018	08-08-2018	114	17-09-2018	-
33	H. Inao Meitei	MN1002040	11-10-2017	25-10-2017	7	06-02-2018	08-08-2018	183	14-09-2018	20-09-2018	6	30-10-2018	-
34	Velentina	MN1002678	02-10-2017	04-10-2017	2	02-08-2018	08-08-2018	6	04-01-2019	24-01-2019	20	23-05-2019	-
35	Irom Ibochoubi Singh	MN1010445	02-10-2017	04-10-2017	2	02-08-2018	08-08-2018	6	11-01-2019	24-01-2019	13	23-05-2019	-

Sl. No.*	Beneficiary Name	Beneficiary ID	Date of Administrative Sanction	1st Instalment Payment Date	Days Delay	Date of Verification (Plinth Level)	2nd Instalment Payment Date	Days difference	Date of Verification (Lintel Level)	3rd Instalment Payment Date	Days difference	Date of Completion	Days Delay in payment after completion
a	b	c	d	e	f = e - (d+7)	g	h	i=h-g	j	k	l=k-j	m	n
36	Maibam Akatombi Devi	MN1010926	02-10-2017	04-10-2017	2	01-04-2018	08-08-2018	129	20-10-2018	06-12-2018	47	20-10-2018	47
37	S Punimashi Devi	MN1012826	02-10-2017	17-10-2017	15	01-04-2018	08-08-2018	129	11-01-2019	24-01-2019	13	23-05-2019	-
38	Sokokhaibam Hemantasingh	MN1022663	02-10-2017	04-10-2017	2	11-01-2019	24-01-2019	13	16-02-2019	04-06-2019	108	20-01-2020	-
39	Soraisham Rani Devi	MN1026042	02-10-2017	04-10-2017	2	01-04-2018	08-08-2018	129	04-01-2019	24-01-2019	20	23-05-2019	-
40	Moibam Biren Singh	MN1026458	02-10-2017	17-10-2017	15	02-08-2018	08-08-2018	6	11-01-2019	24-01-2019	13	23-05-2019	-
41	Yumnam Kumar Singh	MN1027218	02-10-2017	04-10-2017	2	03-01-2018	16-02-2018	44	20-10-2018	06-12-2018	47	20-10-2018	47
42	Konthoujam Premila Devi	MN1030275	02-10-2017	04-10-2017	2	02-01-2018	16-02-2018	45	19-08-2018	29-10-2018	71	06-09-2018	53
43	Khumanthem Bala Devi	MN1031671	28-06-2017	04-10-2017	98	02-08-2018	08-08-2018	6	08-12-2018	02-01-2019	25	08-12-2018	25
44	Maimbam Binodinidevi	MN1032956	02-10-2017	04-10-2017	2	02-01-2018	16-02-2018	45	04-01-2019	24-01-2019	20	23-05-2019	-
45	Khumukcham Nayeni Devi	MN1001160	02-10-2017	17-10-2017	15	02-08-2018	08-08-2018	6	19-08-2018	29-10-2018	71	06-09-2018	53
46	Sagolsem Jiban Singh	MN1002712	02-10-2017	04-10-2017	2	02-08-2018	08-08-2018	6	08-12-2018	02-01-2019	25	08-12-2018	25
47	Irengbam Bilasini Devi	MN1005508	02-10-2017	04-10-2017	2	02-08-2018	08-08-2018	6	20-10-2018	06-12-2018	47	20-10-2018	47
48	Samjetsabam Herojit Singh	MN1005509	02-10-2017	04-10-2017	2	02-08-2018	08-08-2018	6	16-02-2019	04-06-2019	108	20-01-2020	-
49	Khumukcham Apabi Devi	MN1010812	02-10-2017	04-10-2017	2	01-04-2018	08-08-2018	129	20-10-2018	06-12-2018	47	20-10-2018	47

Sl. No.*	Beneficiary Name	Beneficiary ID	Date of Administrative Sanction	1st Instalment Payment Date	Days Delay	Date of Verification (Plinth Level)	2nd Instalment Payment Date	Days difference	Date of Verification (Lintel Level)	3rd Instalment Payment Date	Days difference	Date of Completion	Days Delay in payment after completion
a	b	c	d	e	f = e - (d+7)	g	h	i=h-g	j	k	l=k-j	m	n
50	Chanambam Sonia Devi	MN1018308	28-06-2017	04-10-2017	98	02-01-2018	16-02-2018	45	19-08-2018	29-10-2018	71	06-09-2018	53
51	Komthoujam Manglembi Devi	MN1022799	02-10-2017	19-10-2017	17	02-08-2018	08-08-2018	6	11-01-2019	24-01-2019	13	20-01-2020	-
52	Haorokcham Ningthembi Singh	MN1023026	02-10-2017	04-10-2017	2	02-01-2018	16-02-2018	45	08-12-2018	02-01-2019	25	08-12-2018	25
53	Thounaojam Ingo Singh	MN1009789	02-10-2017	04-10-2017	2	02-08-2018	08-08-2018	6	08-12-2018	02-01-2019	25	08-12-2018	25
54	Thaoroijam Ramkumar Singh	MN1027262	02-10-2017	17-10-2017	15	01-04-2018	08-08-2018	129	16-02-2019	04-06-2019	108	20-07-2020	-
55	Huidrom Memcha Devi	MN1036818	02-10-2017	04-10-2017	2	01-04-2018	08-08-2018	129	11-01-2019	24-01-2019	13	23-05-2019	-
56	Porthem Mema Devi	MN1004175	01-10-2017	04-10-2017	3	15-08-2018	19-09-2018	35	25-12-2018	24-01-2019	30	26-11-2019	-
57	Thangjam Memcha Devi	MN1016280	01-10-2017	04-10-2017	3	15-08-2018	19-09-2018	35	21-01-2019	04-06-2019	134	21-01-2019	134
58	Angom Thuithoi Singh	MN1014127	01-10-2017	04-10-2017	3	28-08-2018	19-09-2018	22	27-01-2019	04-06-2019	128	26-11-2019	-
59	Chingakham Mempik Devi	MN1001418	01-10-2017	04-10-2017	3	13-08-2018	19-09-2018	37	23-12-2018	24-01-2019	32	26-11-2019	-
60	Angom Randini Devi	MN1001602	01-10-2017	04-10-2017	3	15-09-2018	23-10-2018	38	23-12-2018	24-01-2019	32	20-07-2020	-
61	Angom Chaobi	MN1001639	01-10-2017	04-10-2017	3	13-08-2018	19-09-2018	37	23-12-2018	24-01-2019	32	20-01-2020	-
62	Angom Sana Devi	MN1004384	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	23-12-2018	24-01-2019	32	20-01-2020	-
63	S Rajen Singh	MN1004389	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	23-12-2018	24-01-2019	32	26-11-2019	-
64	Ningthoujam Lupapti Devi	MN1004957	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	23-12-2018	24-01-2019	32	26-11-2019	-

Sl. No.*	Beneficiary Name	Beneficiary ID	Date of Administrative Sanction	1st Instalment Payment Date	Days Delay	Date of Verification (Plinth Level)	2nd Instalment Payment Date	Days difference	Date of Verification (Lintel Level)	3rd Instalment Payment Date	Days difference	Date of Completion	Days Delay in payment after completion
a	b	c	d	e	f = e - (d+7)	g	h	i=h-g	j	k	l=k-j	m	n
65	N Yumshang Devi	MN1005249	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	23-12-2018	24-01-2019	32	26-11-2019	-
66	Yumnam Arun Singh	MN1007456	01-10-2017	04-10-2017	3	28-08-2018	19-09-2018	22	23-12-2018	24-01-2019	32	26-11-2019	-
67	Ningthoujam Mema Devi	MN1010010	01-10-2017	04-10-2017	3	13-08-2018	19-09-2018	37	23-12-2018	24-01-2019	32	26-11-2019	-
68	Chingakham Piktru Devi	MN1011944	01-10-2017	04-10-2017	3	24-06-2019	17-07-2019	23	24-06-2019	15-02-2020	236	27-02-2020	-
69	Angou Manbi Devi	MN1012088	01-10-2017	04-10-2017	3	09-03-2019	04-06-2019	87	27-09-2020	09-10-2020	12	27-09-2020	12
70	Angom Memcha Devi	MN1013558	01-10-2017	04-10-2017	3	11-09-2018	23-10-2018	42	23-12-2018	24-01-2019	32	26-11-2019	-
71	Angom Rashitombi Devi	MN1015593	01-10-2017	04-10-2017	3	13-08-2018	19-09-2018	37	23-12-2018	24-01-2019	32	26-11-2019	-
72	Angom Abem Devi	MN1018099	01-10-2017	04-10-2017	3	13-08-2018	19-09-2018	37	23-12-2018	24-01-2019	32	26-11-2019	-
73	A Basan	MN1023488	01-10-2017	04-10-2017	3	18-09-2018	21-09-2018	3	23-12-2018	24-01-2019	32	20-01-2020	-
74	Angom Dhiraj Singh	MN1006722	01-10-2017	04-10-2017	3	13-08-2018	19-09-2018	37	16-01-2019	04-06-2019	139	14-05-2020	-
75	Khwairakpam Inao	MN1019130	01-10-2017	04-10-2017	3	13-08-2018	19-09-2018	37	20-12-2018	24-01-2019	35	11-09-2019	-
76	Khwairakpam Bilashini	MN1020870	01-10-2017	04-10-2017	3	13-08-2018	19-09-2018	37	02-02-2019	04-06-2019	122	14-05-2020	-
77	Ng Khambi Devi	MN1001642	31-10-2017	06-11-2017	6	05-04-2018	08-08-2018	125	02-02-2019	04-06-2019	122	02-02-2019	122
78	Laishram Naoba Singh	MN1001643	31-10-2017	27-11-2017	27	02-08-2018	08-08-2018	6	09-10-2018	29-10-2018	20	09-10-2018	20
79	Usham Chaoba Singh	MN1004378	01-10-2017	04-10-2017	3	09-12-2017	20-01-2018	42	09-10-2018	29-10-2018	20	09-10-2018	20
80	Kh Yaimabi Devi	MN1007434	01-10-2017	04-10-2017	3	09-12-2017	20-01-2018	42	09-10-2018	29-10-2018	20	09-10-2018	20
81	L. Tombimacha Devi	MN1007528	31-10-2017	06-11-2017	6	02-08-2018	08-08-2018	6	09-10-2018	29-10-2018	20	09-10-2018	20

Sl. No.*	Beneficiary Name	Beneficiary ID	Date of Administrative Sanction	1st Instalment Payment Date	Days Delay	Date of Verification (Plinth Level)	2nd Instalment Payment Date	Days difference	Date of Verification (Lintel Level)	3rd Instalment Payment Date	Days difference	Date of Completion	Days Delay in payment after completion
a	b	c	d	e	f = e - (d+7)	g	h	i=h-g	j	k	l=k-j	m	n
82	M.Ibhocha Singh	MN1008892	01-10-2017	04-10-2017	3	09-12-2017	20-01-2018	42	09-10-2018	29-10-2018	20	09-10-2018	20
83	Ph Nganarei Devi	MN1007743	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	08-12-2018	02-01-2019	25	08-12-2018	25
84	Leishangthem Lilarei Devi	MN1011102	01-10-2017	04-10-2017	3	02-08-2018	23-08-2018	21	09-10-2018	29-10-2018	20	09-10-2018	20
85	Usham Leichon Devi	MN1012770	01-10-2017	03-11-2017	33	02-08-2018	08-08-2018	6	09-10-2018	29-10-2018	20	09-10-2018	20
86	Thingujam Leibaklei Devi	MN1015984	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	08-12-2018	02-01-2019	25	08-12-2018	25
87	Thoudam Tiken Singh	MN1016593	01-10-2017	04-10-2017	3	28-08-2018	19-09-2018	22	17-12-2018	08-01-2019	22	05-09-2019	-
88	Thouchom Romen Singh	MN1018110	01-10-2017	04-10-2017	3	09-12-2017	20-01-2018	42	08-12-2018	02-01-2019	25	08-12-2018	25
89	N Jamini Devi	MN1020225	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	11-12-2018	08-01-2019	28	05-09-2019	-
90	Kh Leima Devi	MN1020500	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	09-10-2018	06-12-2018	58	09-10-2018	58
91	Phuritshabam Bosan Singh	MN1020609	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	08-12-2018	02-01-2019	25	08-12-2018	25
92	Maharabam Surajamani Devi	MN1022660	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	13-11-2018	06-12-2018	23	13-11-2018	23
93	Usham Kumar Singh	MN1022662	01-10-2017	04-10-2017	3	05-04-2018	08-08-2018	125	11-12-2018	08-01-2019	28	05-09-2019	-
94	Athokpam Ranjana Devi	MN1023154	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	09-10-2018	29-10-2018	20	09-10-2018	20
95	Heikham Chandra Singh	MN1023702	01-10-2017	04-10-2017	3	02-08-2018	23-08-2018	21	11-12-2018	08-01-2019	28	28-02-2020	-
96	Ngangbam Joy Singh	MN1028006	01-10-2017	04-10-2017	3	02-08-2018	08-08-2018	6	09-10-2018	29-10-2018	20	09-10-2018	20

Sl. No.*	Beneficiary Name	Beneficiary ID	Date of Administrative Sanction	1st Instalment Payment Date	Days Delay	Date of Verification (Plinth Level)	2nd Instalment Payment Date	Days difference	Date of Verification (Lintel Level)	3rd Instalment Payment Date	Days difference	Date of Completion	Days Delay in payment after completion
a	**b**	**c**	**d**	**e**	**f = e - (d+7)**	**g**	**h**	**i=h-g**	**j**	**k**	**l=k-j**	**m**	**n**
97	Phuritshabam Nungshi Devi	MN1028376	01-10-2017	04-10-2017	3	02-08-2018	23-08-2018	21	09-10-2018	29-10-2018	20	09-10-2018	20
98	Phuritshabam Gojendro Singh	MN1036932	01-10-2017	04-10-2017	3	02-08-2018	23-08-2018	21	31-12-2018	24-01-2019	24	05-09-2019	-
99	N Achoubi Devi	MN1013259	09-10-2017	17-10-2017	8	09-01-2019	14-01-2019	5	08-10-2020	09-10-2020	1	04-12-2020	-
100	Kh Joy Meitei	MN1013373	09-10-2017	17-10-2017	8	02-10-2018	15-10-2018	13	18-07-2019	20-07-2019	2	28-07-2019	-

** For the beneficiaries from Sl. No. 1 to Sl. No. 33, Joint Physical Verification was conducted*

Note: Benefit was given to all the 100 selected beneficiaries. Details of the amount paid are as under:

i. *Amount paid as First Instalment:* *₹ 48,000*
ii. *Amount paid as Second Instalment:* *₹ 42,000*
iii. *Amount paid as Third Instalment:* *₹ 40,000*
Sub-total: ***₹ 1,30,000***

iv. ***Total amount paid to 100 beneficiaries: ₹ 1,30,00,000 (₹ 1,30,000 x 100)***

Appendix 1.6(C)

(Reference: Paragraph 1.2.10.2(iii))

Statement showing delay in delivery of benefits to beneficiaries under PMMVY

Sl. No.*	Name of Beneficiary	1st Instalment				2nd Instalment				3rd Instalment			
		Date of Claim	Date of transfer	Delay	Amount (in ₹)	Date of Claim	Date of transfer	Delay	Amount (in ₹)	Date of Claim	Date of transfer	Delay	Amount (in ₹)
1	Saliha**	12-10-20	04-02-21	85	1000	12-10-20	04-10-21	327	2000	25-10-21	-	-	-
2	Wasima**	13-10-20	04-02-21	84	1000	13-10-20	04-02-21	84	2000	25-10-21	-	-	-
3	Moirangthem Doris**	13-10-20	04-02-21	84	1000	13-10-20	04-02-21	84	2000	10-04-21	07-09-21	120	2000
4	T Chongloi	10-06-19	25-06-19	0	1000	10-06-19	25-06-19	0	2000	10-06-19	25-06-19	0	2000
5	H Haokip	10-06-19	25-06-19	0	1000	10-06-19	25-06-19	0	2000	03-12-19	05-12-19	0	2000
6	Lamhoikim Kipgen	26-11-20	09-09-21	257	2000	26-11-20	09-09-21	257	2000	not claimed	-	-	-
7	Nengpichong Kipgen	01-07-19	20-08-19	20	5000	01-07-19	20-08-19	20	-	01-07-19	20-08-19	20	
8	Bongnong Sankhil	08-06-20	17-06-20	0	1000	08-06-20	17-06-20	0	2000	07-10-20	31-10-20	0	2000
9	Ngahneichong Lhouvum	29-07-19	18-09-19	21	1000	27-07-19	18-09-19	23	2000	05-11-19	22-11-19	0	2000
10	Stelin	10-09-18	20-01-20	467	1000	10-09-18	20-01-20	467	2000	Not claim	-	-	-
11	Thounaojam Maipakpi Chanu	06-10-18	09-12-19	399	1000	06-10-18	09-12-19	399	2000	01-03-19	09-12-19	253	2000
12	SN Yuimiwon	02-03-19	20-01-20	294	5000	02-03-19	20-01-20	294	-	02-03-19	20-01-20	294	-
13	Keisham Sellybiya	05-12-19	24-12-19	0	1000	05-12-19	24-12-19	0	2000	05-05-20	15-05-20	0	2000
14	Kinia Niatairu	18-07-20	19-08-20	2	1000	18-07-20	19-08-20	2	2000	06-09-21	09-09-21	0	2000
15	Maibam Sophia (Aadhar No. 755734913615)	23-02-19	25-03-19	0	1000	-	-	-	-	-	-	-	-
16	Khullakpam Rosima	01-02-18	13-07-20	863	1000	09-01-19	19-08-20	558	2000	25-10-21	-	0	-
17	Huirem Saiya	19-01-18	19-02-18	1	1000	10-04-18	25-06-18	46	2000	15-03-19	02-04-19	0	2000
18	Maibam Reena	29-02-20	16-03-20	0	1000	18-03-20	24-03-20	0	2000	23-03-20	16-04-20	0	2000
19	Laishram ongbi Lamnganbi	06-02-19	25-03-19	17	5000	06-02-19	25-03-19	17	-	06-02-19	25-03-19	17	-
20	Leelinglu Kamei	04-09-20	17-09-20	0	1000	04-09-20	17-09-20	0	2000	03-04-21	21-04-21	0	2000
21	O Surbala	14-02-19	01-05-19	46	5000	14-02-19	01-05-19	46	-	14-02-19	01-05-19	46	-
22	T Robita	10-05-19	27-05-19	0	5000	10-05-19	27-05-19	0	-	10-05-19	27-05-19	0	-
23	Ch. Shangningrose	23-09-20	14-10-20	0	1000	23-09-20	14-10-20	0	2000	07-10-20	31-10-20	0	2000
24	Th Sunita	10-01-18	01-03-18	20	1000	14-01-18	01-03-18	16	2000	20-06-18	04-08-18	15	2000
25	Y.Sumleingai Chothe	18-04-18	04-06-18	17	1000	12-06-18	25-06-18	0	2000	14-05-19	20-05-19	0	2000
26	Pr. Rengumam	30-06-20	13-10-20	75	5000	30-06-20	13-10-20	75	-	22-09-20	13-10-20	0	-

Sl. No.*	Name of Beneficiary	1st Instalment				2nd Instalment				3rd Instalment			
		Date of Claim	Date of transfer	Delay	Amount *(in ₹)*	Date of Claim	Date of transfer	Delay	Amount *(in ₹)*	Date of Claim	Date of transfer	Delay	Amount *(in ₹)*
27	Ngainunnem Kipgen	23-06-20	06-07-20	0	1000	26-06-20	06-07-20	0	2000	08-07-20	13-07-20	0	2000
28	Mayengbam Thoibi	08-12-19	24-12-19	0	1000	18-12-19	30-12-19	0	2000	12-06-20	06-07-20	0	2000
29	Ngangom Raindi	08-10-18	03-12-18	26	1000	08-10-18	03-12-18	26	2000	07-03-19	25-03-19	0	2000
30	Sofiya (Aadhar No. 520323922592)	10-09-20	12-10-20	2	1000	10-09-20	12-10-20	2	2000	26-09-20	13-10-20	0	2000
31	Sanabam Thoinu	05-02-19	25-03-19	18	1000	07-03-19	25-03-19	0	2000	14-03-19	02-04-19	0	2000
32	Ng Panthoi	21-07-20	13-10-20	54	1000	21-07-20	13-10-20	54	2000	07-10-20	07-11-20	1	2000
33	Khondram Anjali	05-02-19	25-03-19	18	5000	05-02-19	25-03-19	18	-	07-03-19	25-03-19	0	
34	Rabiya Begum	04-03-19	20-01-20	292	3000	04-03-19	20-01-20	292	-	29-01-20	10-02-20	0	2000
35	Miss Akuppi	04-03-19	20-01-20	292	3000	04-03-19	20-01-20	292	--	29-01-20	10-02-20	0	2000
36	Alima Rukeiya	04-03-19	20-01-20	292	3000	04-03-19	20-01-20	292	-	29-01-20	10-02-20	0	2000
37	Mrs Sodiya Bibi	28-06-19	20-01-20	176	5000	28-06-19	20-01-20	176	-	28-06-19	20-01-20	176	-
38	Ashma	28-06-19	20-01-20	176	1000	13-01-20	06-02-20	0	2000	13-02-20	04-03-20	0	2000
39	Mrs Daina	28-06-19	20-01-20	176	5000	28-06-19	20-01-20	176	-	28-06-19	20-01-20	176	-
40	Rajiya Sultana	04-03-19	20-01-20	292	5000	04-03-19	20-01-20	292	-	04-03-19	20-01-20	292	-
41	Rahena	12-09-19	20-01-20	100	5000	12-09-19	20-01-20	100	-	12-09-19	20-01-20	100	-
42	Thongam Sakhen Devi	18-05-19	21-01-20	218	5000	18-05-19	21-01-20	218	-	18-05-19	21-01-20	218	-
43	Ningthoujam Indubala Devi	05-03-19	21-01-20	292	5000	05-03-19	21-01-20	292	-	05-03-19	21-01-20	292	-
44	Hemam Ichan Chanu	21-08-19	03-01-20	105	5000	21-08-19	03-01-20	105	-	21-08-19	03-01-20	105	-
45	Athokpam Rojita Devi	18-05-19	20-01-20	217	5000	18-05-19	20-01-20	217	-	18-05-19	20-01-20	217	-
46	Takhellambam Rebita Devi	18-02-19	20-01-20	306	5000	18-02-19	20-01-20	306	-	18-02-19	20-01-20	306	-
47	Langpoklakpam Roshni Leima	17-05-19	20-01-20	218	5000	17-05-19	20-01-20	218	-	17-05-19	20-01-20	218	-
48	Maibam Sandyarani Devi	05-03-19	20-01-20	291	5000	05-03-19	20-01-20	291	-	05-03-19	20-01-20	291	-
49	Shorensangbam Umashini Chanu	05-03-19	20-01-20	291	5000	05-03-19	20-01-20	291	-	05-03-19	20-01-20	291	-
50	Oinam Sanju Devi	04-03-19	20-01-20	292	5000	04-03-19	20-01-20	292	-	05-03-19	20-01-20	291	-
51	Amom Promila Devi	20-11-19	20-01-20	31	5000	20-11-19	20-01-20	31	-	20-11-19	20-01-20	31	-
52	Konjengbam Kiranbala Chanu	18-02-19	21-01-20	307	5000	18-02-19	21-01-20	307	-	18-02-19	21-01-20	307	-
53	Philem Shanti Devi	12-02-18	20-01-20	677	5000	17-02-18	20-01-20	672	-	12-06-18	20-01-20	557	-
54	Popadanla Holy	03-12-19	07-12-19	0	5000	03-12-19	07-12-19	0	-	03-12-19	07-12-19	0	-
55	Thanihring Rutol Anal	03-12-19	07-12-19	0	5000	03-12-19	07-12-19	0	-	03-12-19	07-12-19	0	-
56	Md.Wonderrose	10-09-18	07-12-19	423	5000	14-05-19	07-12-19	177	-	14-05-19	07-12-19	177	-
57	Christina Thaokung	21-11-19	03-12-19	0	5000	21-11-19	03-12-19	0	-	21-11-19	03-12-19	0	-

Sl. No.*	Name of Beneficiary	1st Instalment				2nd Instalment				3rd Instalment			
		Date of Claim	Date of transfer	Delay	Amount (*in ₹*)	Date of Claim	Date of transfer	Delay	Amount (*in ₹*)	Date of Claim	Date of transfer	Delay	Amount (*in ₹*)
58	Dangshawa Perita Maring	10-01-18	07-12-19	666	5000	17-07-18	07-12-19	478	-	28-11-19	07-12-19	0	-
59	K. Glady Lamkang	21-11-19	03-12-19	0	5000	21-11-19	03-12-19	0	-	21-11-19	03-12-19	0	-
60	Lm. Toshingla	21-11-19	03-12-19	0	5000	21-11-19	03-12-19	0	-	21-11-19	03-12-19	0	-
61	Hulang Mercy	25-09-19	19-10-19	0	3000	25-09-19	19-10-19	0	-	02-11-19	22-11-19	0	2000
62	Th Thaoni Chothe	19-06-19	25-06-19	0	3000	19-06-19	25-06-19	0	-	02-11-19	22-11-19	0	2000
63	Buya Sonia Shahni	08-12-19	24-12-19	0	1000	02-01-20	20-01-20	0	2000	28-01-20	07-02-20	0	2000
64	Nurina	08-12-19	24-12-19	0	1000	02-01-20	20-01-20	0	4000	10-01-20	20-01-20	0	-
65	Sophia (Aadhar No. 597125988979)	08-12-19	24-12-19	0	1000	02-01-20	20-01-20	0	2000	28-01-20	10-02-20	0	2000
66	Washima Moinam	08-12-19	24-12-19	0	1000	02-01-20	20-01-20	0	2000	28-01-20	10-02-20	0	2000
67	Rabina Kh	08-12-19	24-12-19	0	1000	02-01-20	20-01-20	0	4000	10-01-20	20-01-20	0	-
68	Yasima	03-12-19	20-01-20	18	5000	03-12-19	20-01-20	18	-	03-12-19	20-01-20	18	-
69	Ruhida	03-12-19	15-01-20	13	5000	03-12-19	15-01-20	13	-	03-12-19	15-01-20	13	-
70	Nongjai Merina	06-06-19	15-01-20	193	5000	06-06-19	15-01-20	193	-	06-06-19	15-01-20	193	-
71	Irom Sunita Baby	08-12-19	24-12-19	0	1000	02-01-20	20-01-20	0	2000	25-04-20	29-04-20	0	2000
72	Sarangthem Kalpana Chanu	10-01-20	20-01-20	0	5000	10-01-20	20-01-20	0	-	10-01-20	20-01-20	0	-
73	Sajina Areibam	08-12-19	24-12-19	0	1000	02-01-20	20-01-20	0	4000	10-01-20	20-01-20	0	-
74	Abemcha	08-12-19	24-12-19	0	1000	02-01-20	20-01-20	0	4000	10-01-20	20-01-20	0	-
75	Konsam Narmada Devi	08-12-19	24-12-19	0	1000	02-01-20	20-01-20	0	4000	06-01-20	20-01-20	0	-
76	Sanjenbam Bidiya Chanu	13-01-20	20-01-20	0	5000	13-01-20	20-01-20	0	-	13-01-20	20-01-20	0	-
77	Khangembam Rebika Chanu	13-01-20	20-01-20	0	5000	13-01-20	20-01-20	0	-	13-01-20	20-01-20	0	-
78	Seram Memchoubi Devi	13-01-20	20-01-20	0	5000	13-01-20	20-01-20	0	-	13-01-20	20-01-20	0	-
79	Angom Thoibi Devi	05-02-19	15-01-20	314	3000	05-02-19	15-01-20	314	-	10-01-20	20-01-20	0	2000
80	Sabanam	04-10-19	15-01-20	73	5000	04-10-19	15-01-20	73	-	29-11-19	15-01-20	17	-
81	Seema	03-12-19	15-01-20	13	5000	03-12-19	15-01-20	13	-	03-12-19	15-01-20	13	-
82	Lohrii Komuni	21-01-20	02-10-20	225	3000	21-01-20	02-10-20	225	-	13-02-20	03-04-20	20	2000
83	Adahe Shemelele	18-02-19	20-01-20	306	5000	18-02-19	20-01-20	306	-	05-03-19	20-01-20	291	-
84	Danmaya	21-05-19	20-01-20	214	5000	21-05-19	20-01-20	214	-	21-05-19	20-01-20	214	-
85	Pungdila P	18-06-19	20-01-20	186	5000	18-06-19	20-01-20	186	-	18-06-19	20-01-20	186	-
86	R Jacinta	15-05-19	21-01-20	221	5000	15-05-19	21-01-20	221	-	15-05-19	21-01-20	221	-
87	R.Henga	15-05-19	20-01-20	220	5000	15-05-19	20-01-20	220	-	15-05-19	20-01-20	220	-
88	R Jenny Sarojini	12-06-19	20-01-20	192	5000	12-06-19	20-01-20	192	-	12-06-19	20-01-20	192	-

Sl. No.*	Name of Beneficiary	1st Instalment				2nd Instalment				3rd Instalment			
		Date of Claim	Date of transfer	Delay	Amount (*in ₹*)	Date of Claim	Date of transfer	Delay	Amount (*in ₹*)	Date of Claim	Date of transfer	Delay	Amount (*in ₹*)
89	N.Z.Kinai	12-06-19	20-01-20	192	5000	12-06-19	20-01-20	192	-	12-06-19	20-01-20	192	-
90	Margareth Kavaila	13-03-19	20-08-19	130	1000	13-03-19	20-01-20	283	4000	13-03-19	20-01-20	283	-
91	T.Tekka	15-05-19	21-01-20	221	5000	15-05-19	21-01-20	221	-	15-05-19	21-01-20	221	-
92	B S Valleynica	15-05-19	20-01-20	220	5000	15-05-19	20-01-20	220	-	15-05-19	20-01-20	220	-
93	Rinchuila Keishing	20-01-20	02-10-20	226	3000	20-01-20	02-10-20	226	-	28-02-20	03-04-20	5	2000
94	Adani Leshine	22-01-20	02-07-20	132	3000	22-01-20	02-07-20	132	-	22-02-20	03-04-20	11	2000
95	Kanga	12-07-19	20-01-20	162	1000	13-01-20	02-06-20	111	2000	13-02-20	03-04-20	20	2000
96	K. Kanga Mary	12-07-19	20-01-20	162	1000	13-01-20	02-06-20	111	2000	22-02-20	03-04-20	11	2000
97	Marcy	15-05-19	03-04-20	294	5000	15-05-19	03-04-20	294	-	15-05-19	03-04-20	294	
98	R K Ruth	27-07-18	03-04-20	586	5000	27-07-18	03-04-20	586	-	05-09-19	03-04-20	181	-
99	T. Hoila Marina	20-01-20	03-04-20	44	5000	20-01-20	03-04-20	44	-	20-01-20	03-04-20	44	-
100	Thonnikamliu Pamai	20-01-20	03-04-20	44	5000	20-01-20	03-04-20	44	-	28-02-20	03-04-20	5	-
Total					**3,27,000**				**88,000**				**72,000**
												Grand Total	**4,87,000**

** For the beneficiaries from Sl. No. 1 to Sl. No. 33, Joint Physical Verification was conducted.*

***Dates of LMP for the three beneficiaries who applied for benefits after 730 days of their pregnancy were manipulated in the system by wrongly entering the dates of LMPs to make registration valid which was beyond the permissible periods in violation of scheme Guidelines.*

Appendix 2.1

(Reference: Paragraph 2.1)

Statement showing funds transferred directly to Implementing Agencies under Economic Sector (Other than State Public Sector Undertakings)

(₹ in lakh)

Sl No.	GOI Scheme	Name of the Implementing Agency	Fund Released
1	Biotechnology Research and Development	Care and Share (CASH) Foundation	3.47
		C.I. Bishnupur	9.61
		JNIMS Porompat, Imphal East	41.54
		G.P. Womens College, Imphal	54.00
		Mayai Lambi College Yumnam Huidrom	6.00
		Kamakhya Pemtom College, Hiyangthang	18.5
		Dhanamanjuri Community College	13.28
		S. Kula Women's College	10.40
		Waikhom Mani Girls College	41.00
2	North Eastern Council	Eastern Border Areas Development Authority, Manipur	99.33
		Manipur Industrial Development Corporation Ltd	583.60
		Manipur Tribal Development Corporation Ltd	2357.25
		Writers Forum, Manipur	4.80
		Deputy Commissioner, Chandel	100.00
		Manipur Centre for Tribal Performing Arts	5.00
		Planning and Development Authority (PDA)	583.64
		NIA Kayina	1.41
		DCUKL	30.00
		Ukhrul Farmers Development Foundation	10.59
		Technical and Promotional Cell Valley (II), RCS Office Manipur	171.00
		State Forest Development Agency, Manipur	286.72
		Tourism Corporation of Manipur Limited	181.88
3	Strengthening of PDS Operations	Directorate of Consumer Affairs, Food and Public Distribution	2.03
4	Electronic Governance	Manipur State Information Technology Society	649.03
5	Promotional Services Institutions and Programme	Manipur Industrial Development Corporation Ltd	2.45
6	Procurement and Marketing Support Scheme	Manipur Industrial Development Corporation Ltd	160.00
7	Capacity Development SPI	Department of Economics and Statistics, Manipur	258.88
8	Economic Census	Directorate of Economics and Statistics, Manipur	10.90
9	Domestic Promotion and Publicity including Market Development Assistance	Tourism Corporation of Manipur Limited	50.00
10	National Hydrology Project	Irrigation and Flood Control Department, Govt. of Manipur	200.00
11	Design an Technical Upgradation Scheme	Action for Social Justice Organisation	5.00
		The Female Handloom and Handicraft Co-Operative Society	2.40
		Sanathoi Silk Embroidery Handloom and Handicraft Co-operative Society Ltd.	2.20
		Panthoibi Handloom an Handicraft Co-operative Society LTD	1.50
		The Moirang Thanga Skill Workers Development Cooperative Society	1.50
		Rural Backward Development Organisation	3.70

Sl No.	GOI Scheme	Name of the Implementing Agency	Fund Released
		Ukhrul District Handloom & Handicrafts Cooperative Federation LTD	1.50
12	Baba Sahab Ambedkar Hastshilpa Yojana	Crafts and Social Development Organisation	0.27
		The Ideal Handloom and Handicraft Development Co-operative Society Ltd.	4.75
		The Trimurty Handloom & Handicrafts Co-operative Society Ltd	0.75
		Sanathoi Silk Embroidery Handloom and Handicraft Co-operative Society Ltd.	1.50
		Panthoibi Handloom an Handicraft Co-operative Society Ltd.	0.63
		The Moirang Thanga Skill Workers Development Cooperative Society	0.75
		Peoples Education for Awareness and Communication	6.49
13	Marketing Support and Services	Action for Social Justice Organisation	3.65
		The Ideal Handloom and Handicraft Development Co-operative Society Ltd.	2.36
		The Utlou Weavers Co-operative Society Ltd.	2.36
		Female Handloom Handicrafts Co-operative Society	2.36
		Panthoibi Handloom an Handicraft Co-operative Society Ltd.	2.36
		The Moirang Thanga Skill Workers Development Cooperative Society	2.36
		Peoples Education for Awareness and Communication	11.74
		Ukhrul District Handloom & Handicrafts Cooperative Federation Ltd.	2.36
14	Research and Development Handicrafts	Organisation for Relief And Social Upliftment	2.48
		Sangai Foundation	4.74
15	Climate Change Action Plan	Directorate of Environment, Department of Environment and Forest, Govt. of Manipur	12.00
16	Support Community Radio Movement in India	Integrated Community Development Organisation ICDO	7.50
17	Organic Value Chain Development for North Eastern Region	Manipur Organic Mission Agency (MOMA)	2333.33
18	Science and Technology Institutional and Human Capacity Building	Manipur Science & Technology Council	179.29
		Rural Industries Development Association	8.00
19	Innovation, Technology Development and Deployment	Unique Trust	9.00
		Foundation for Environment and Economic Development Services	304.50
		Hill Area Socio Economic Development Association	3.62
		Imphal College, Imphal	6.60
		Manipur Science & Technology Council	3.00
		Centre for Human Resource and Economic Development	15.00
		The Minorities Peoples and Rural Development Society	7.90
		Hill Area Development Society	34.76
		Rural Social and Educational Development Association	11.90
		Science Teachers Forum Manipur	6.00
		Ardent Foundation	33.49
20	Infrastructure and Technology Development Scheme	The Handloom and Handicrafts Development Federation Iroishemba Imphal	4.60
21	Environmental Information Systems	Directorate of Environment, Department of Environment and Forest, Govt. of Manipur	46.04

Sl No.	GOI Scheme	Name of the Implementing Agency	Fund Released
22	Rashtriya Gokul Mission	Manipur Livestock Development Board Ltd.	730.74
23	Research and Development (DST)	Directorate of Environment, Department of Environment and Forest, Govt. of Manipur	21.00
24	Solar Power- Grid Interactive	Manipur Renewable Energy Development Agency (MANIREDA)	414.90
25	Solar Power- Off Grid	Manipur Renewable Energy Development Agency (MANIREDA)	1261.46
26	Solar Hydro Power- Off Grid	Manipur Renewable Energy Development Agency (MANIREDA)	10.00
27	Integrated Management of Public Distribution System	Directorate of Consumer Affairs, Food and Public Distribution	6.81
28	Power Tex India	Department of Textiles, Commerce & Industry	12.00
29	Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	Department of Agriculture	12223.06
30	Control of Pollution	Manipur Pollution Control Board	20.89
31	Manipur Animal Disease Control Programme for Foot and Mouth Disease and Brucellosis	Manipur Livestock Development Board Ltd.	76.45
32	NER Textiles Promotion Scheme	Directorate of Sericulture, Govt. of Manipur, Imphal	500.00
		Manipur Handloom & handicrafts Development Corporation Ltd.	427.24
		Department of Textiles, Commerce & Industry	187.40
33	National Programme for Dairy Development	Manipur Milk Producers co-Operative Union	575.76
34	National Handloom Development Programme	Manipur Apex Handloom Weavers & Handicrafts Artisans' Co-op Society Ltd. Imphal	98.27
		Manipur Handloom & Handicrafts Development Corporation Ltd. Imphal	48.00
		Laishram Ongbi Joymati Devi	0.09
		Konthoujam Ongbi Abilata Devi	0.09
		Salam Manitombi Devi	0.70
		Maibam Asha Devi	0.70
		R.k. Jabosakhi Devi	0.70
		Salam Bijeta Devi	0.70
		Senjam Bimola Devi	0.70
		Thingom Indira Devi	0.70
		Miss Geeta Devi	0.70
		Pukhrambam Pratima Devi	0.70
		Anoubam Ongbi Bhanu Devi	0.70
		Laishram Ongbi Prema Devi	0.70
		Konthoujam Ongbi Kamala Devi	0.70
		Laishram Tombi Devi	0.70
		Sagapam Memchabi Devi	0.70
		Maibam Puspa Devi	0.09
		Ningthoujam Medha Devi	0.09
		Sagapam Monika Devi	0.09
		Maibam Sanatombi Devi	0.09
		Oinam Susila Devi	0.09
		Anoubam Chaoba Devi	0.09
		Khundrakpam Ongbi Mema Devi	0.09
		Lairenjam Ongbi Radha Devi	0.09
		Lairenjam Ongbi Mala Devi	0.09
		Lamabam Brojeshori Devi	0.09
		Laishram Bimol Devi	0.09
		Oinam Thoibi Devi	0.09
		Anoubam Ongbi Memtombi Devi	0.09

Sl No.	GOI Scheme	Name of the Implementing Agency	Fund Released
		Heikrujam Shangita Devi	0.09
		Heikrujam Sanatombi Devi	0.09
		Keisham Bala Devi	0.09
		Thokchom Ongbi Khomdombi Devi	0.09
		Rajkumar Kirankumar Singh	0.09
		Ningthoujam Ibocha Singh	0.27
		Mrs Laishram Nanao Devi	0.09
		Salam Probin Singh	0.10
		Zolrouching	0.70
		Ningngaiching	0.70
		Kimneihngak	0.70
		Neikhochong	0.70
		Thangenching	0.70
		Tingbiakjoy	0.70
		Lhingtinhoi	0.70
		Doih Ruthi	0.70
		Lhingzahoi	0.70
		Chingneilum	0.70
		Nemhoiniang	0.70
		Gracy Themneilam	0.09
		Lheineineng	0.09
		Hatneilhing	0.09
		Kholtinchan	0.09
		Lhingneichong	0.09
		Hatneiching	0.09
		Suanmuankim	0.09
		Kimkhochin	0.09
		Chongrimoi	0.09
		Kimthianvak	0.09
		Nianghelen	0.09
		Themkhongak	0.09
		Mary	0.09
		Chingngaihnei	0.09
		Kimboithem Touthang	0.09
		Hoineithem	0.09
		Niangzoukim	0.09
		Niangzalian	0.09
		Marcy Lamneivah	0.09
		Tingleilam Haokip	0.09
		Hatkhotinneng	0.70
		Lily Tingmuankim	0.10
		Hatkholning Haokip	0.09
		Lamneimoi	0.27
		Nemneihat	0.70
		Alice Takhellambam	0.70
		Keishan Ongbi Bala Devi	0.70
		Waikhom Ongbi Madhuri Devi	0.70
		Khangembam Ayingbi Devi	0.70
		Sapam Radhika Devi	0.70
		Lisham Pramo Devi	0.70
		Laishram Ongbi Nobita Devi	0.70
		T. Thoibi Devi	0.70
		Thokchom Monika Devi	0.70
		Maimam Rameshwori Devi	0.70
		Waikkhom Ongbi Lisem Bina Devi	0.70
		Mainam Dayabati Devi	0.70

Sl No.	GOI Scheme	Name of the Implementing Agency	Fund Released
		Takhellambam Sophia Devi	0.70
		Yambem Sheilani Devi	0.09
		Yumnam Ongbi Ibecha Devi	0.09
		Ningthoujam Lembi Devi	0.09
		Yumnam Ibetombi Devi	0.09
		Loitongbam o Hemolata Devi	0.09
		Takhellambam Sanatombi Devi	0.09
		Athokpam Lata Devi	0.09
		Laitongbam Sarjubala Devi	0.09
		Laitongbam Indubala Devi	0.09
		Aribam Meera Devi	0.09
		Hijam Ongbi Babita Devi	0.09
		Puyam Sanjana Devi	0.09
		T. Apabi Devi	0.09
		Tekcham Manisana Devi	0.09
		Mayengbam Rebika Devi	0.09
		Laishram Mala Devi	0.09
		Takhellambam Binarani Devi	0.09
		Thokchom Pemcha Devi	0.09
		Okram Maimu Devi	0.09
		Laitongbam Kiranbala Devi	0.09
		Asem Rita Devi	0.09
		Takhellambam Subhaschandra Singh	0.10
		Manipur Industrial Development Corporation Ltd	137.12
		Premsukh Gyanchand Patni	0.20
		N M Carpentry Works	49.63
		Golmei Landimlu	0.70
		Thounaojam Baby Jibia Devi	0.70
		Kongbrailatpam Renuka Devi	0.70
		Wangkheimayum Roji Devi	0.70
		Thounaojam Tombi Devi	0.70
		Lukram Chaoba Devi	0.70
		Mrs Tokpam Babita Devi	0.70
		Oinam Loidang Devi	0.70
		Takhellambam Tabu Devi	0.70
		Oinam Kabita Devi	0.70
		Laishram Nanao Devi	0.70
		Bm Ambia	0.70
		Khangembam Amina Devi	0.70
		Thoudam Dima Devi	0.70
		Ahongsangbam Ithoi Devi	0.70
		Chongtham Nirmala Devi	0.09
		Ayekpam Omita Devi	0.09
		Chongtham Khomeiton	0.09
		Huirem Thoibi Devi	0.09
		Naorem Sushila Devi	0.09
		Naorem Aton Devi	0.09
		Mayengbam Kamala Devi	0.09
		Thokchom Roshini Devi	0.09
		Kongbrailatpam Binodini Devi	0.09
		Naorem Surbala Devi	0.09
		Naorem Manda Devi	0.09
		Oinam Kiran Devi	0.09
		Tongbram Kiranbala Devi	0.09
		Tongbram Rebika Devi	0.09
		Warepam Bidyarani Chanu	0.09

Sl No.	GOI Scheme	Name of the Implementing Agency	Fund Released
		Leishangthem Leima Chanu	0.09
		Thounaojam Nirupama Devi	0.09
		Lukram Thoi Devi	0.09
		Naorem Sakhenbi Devi	0.09
		Wangkheimayum Inao Singh	0.27
		Thounaojam Kabita Devi	0.09
		Urikhinbam Bala Devi	0.27
		Penta Enterprises	0.06
		M/S Computer Pride	0.13
		Thounaojam Surjit Singh	0.10
		Sanmati Traders	0.19
35	Integrated Development of Tourist Circuits around specific themes (Swadesh Darshan)	Tourism Corporation of Manipur Limited	289.71
36	Pollution Abatement	Manipur Pollution Control Board	81.13
37	Environmental Education, Awareness and Training	Manipur Pollution Control Board	20.00
Total			**26281.45**

Source: Finance Accounts 2019-20.

Appendix 2.2

(Reference: Paragraph 2.1.1)

Year-wise details of expenditure audited in respect of Economic Sector during 2019-20

Year	Expenditure incurred
2009-10	0.20
2010-11	0.29
2011-12	0.31
2012-13	8.55
2013-14	46.58
2014-15	28.70
2015-16	75.37
2016-17	276.71
2017-18	563.73
2018-19	677.66
2019-20	39.21
Total	**1717.31**

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

Appendix 2.3

(Reference: Paragraph 2.2)

Details of 14 work orders sanctioned and issued to Fishery Department during January 2016 to March 2018

(₹ in lakh)

Sl. No.	Name of Work	Work Order		Sanction No. and Date	Amount	Bill No. and Date	Net Amount	Status
		No.	Date					
1	Repairing of pond fencing at FRC Lamphel.	No. FD/W/232/2015	14.01.2016	28/30/2015-S/Fy Dated 15.03.2018	1.00	224 Dated 19.03.2018	0.99	Not yet complete
2	Major Repairing of aquarium-cum-Museum building at DFO, Imphal.	No. FD/W/227/2015	13.01.2016		5.00		4.96	Not yet complete
3	Construction of Main Gate at DFO office Rengkai	No. FD/W/263/2015	14.01.2016		1.50		1.49	Not yet complete
4	Repairing of DFO office building, Tuibong.	No. FD/W/264/2015	13.01.2016		2.00		1.98	Not yet complete
5	Renovation of 6 nos. of rearing ponds at DLFS Farm at Purul	No. FD/W/259/2015	13.01.2016		2.33		2.31	Not yet complete
6	Providing IEI and ceiling of Training Hall at Directorate of Fisheries.	No. FD/W/221/2015	13.01.2016		8.90		8.82	Not yet complete
Sub-Total					**20.73**		**20.55**	
7	Construction of Drains and water supply pipe fitting at Northern side of Fisheries Directorate Complex at Lamphel.	NA	NA	28/9/2015-S/Fy Dated 15.03.2018	5.17	225 Dated 19.03.2018	5.66	NA
8	Construction of angled-iron and wire mesh fencing (Western side) at LeimakhongMapal Fish Farm.	No. FD/W/242/2015	13.01.2016		7.29		7.23	Not yet complete
9	Construction of angle-iron & wire mesh fencing (Southern side) at LeimakhongMapal Fish Farm.	FD/W/374/2017:1461	05.02.2018		5.71		5.12	Not yet complete
10	Construction of Water reservoir tank at Fisheries Directorate office Lamphel.	FD/W/374/2017:1463	05.02.2018		10.00		9.91	Not yet complete
Sub-Total					**28.17**		**27.92**	
11	Construction of barb-wire with angle-iron fencing all arou nd DFO Office campus, Thoubal.	FD/W/374/2017:1464	05.02.2018	28/13/2015-S/Fy Dated 19.03.2018	3.00	280 Dated 29.03.2018	3.00	Not yet complete*
12	Improvement of approach road of DFO office, Thoubal.	FD/W/374/2017:1465	05.02.2018		1.50		1.50	Not yet complete*
13	Renovation at Khoupum Fish Farm of FFDA (Tamenglong).	FD/W/374/2017:1472	05.02.2018		2.50		2.50	Not yet Started*

Sl. No.	Name of Work	Work Order		Sanction No. and Date	Amount	Bill No. and Date	Net Amount	Status
		No.	Date					
14	Construction of pucca side drain on Eastern side of the farm at Chandel.	FD/W/374/2017:1450	05.02.2018		3.00		3.00	Not yet Started*
Sub-Total					**10.00**		**10.00**	
Total					**58.90**		**58.47**	

Note: Date of start of works reckoned from the 7th day of issue of work orders.   NA: Not available.

**Claimed (October 2021) to have been completed, but without any supporting records.*

Appendix 2.4

(Reference: Paragraph 2.3)

Statement showing allocation, delivery, installation, utilisation *etc.* of equipment under LBI Scheme

(₹ in lakh)

Sl. No.	Name of DIC	Name of equipment	Unit wise Allocation			Delivery				Installation				Utilisation (after installation)						Defective (Installed and Never used)	
			Qty.	Rate	Amount	Received at DICs		Units not delivered		Installed		Not installed		Used		Never used		Total			
						Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
1	DIC, Imphal West	Ginger/turmeric drying units (GDUs)	2	*5.01*	10.02	2	10.02	0	0	2	10.02	0	0	0	0	2	10.02	2	10.02	2	10.02
		Garment making & embroidery machines	17	*0.73*	12.41	17	12.41	0	0	17	12.41	0	0	17	12.41	0	0	17	12.41	0	0
		Set of Iron & steel, aluminium Fabrication tools	1	*8.82*	8.82	1	8.82	0	0	1	8.82	0	0	0	0	1	8.82	1	8.82	0	0
		Computer DTP, animation & graphic designing	1	*9.3*	9.3	1	9.3	0	0	1	9.3	0	0	1	9.3	0	0	1	9.3	0	0
		Sub-total	**21**		**40.55**	**21**	**40.55**	**0**	**0**	**21**	**40.55**	**0**	**0**	**18**	**21.71**	**3**	**18.84**	**21**	**40.55**	**2**	**10.02**
2	DIC, Imphal East	1 Honey processing unit,	1	*8.42*	8.42	1	8.42	0	0	1	8.42	0	0	0	0	1	8.42	1	8.42	0	0
		Lemon grass distillation unit	1	*4.73*	4.73	1	4.73	0	0	1	4.73	0	0	1	4.73	0	0	1	4.73	0	0
		Stevia dryer units	1	*14.19*	14.19	1	14.19	0	0	1	14.19	0	0	0	0	1	14.19	1	14.19	0	0
		Ginger/turmeric dehydration units	0	*5.01*	0	2	10.02	0	0	2	10.02	0	0	0	0	2	10.02	2	10.02	2	10.02
		pineapple processing unit	1	*19.99*	19.99	1	19.99	0	0	0	0	1	19.99	0	0	0	0	0	0	0	0
		set of scientific equipment for Spawn production	1	*8.09*	8.09	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0
		Sub-total	**5**		**55.42**	**7**	**65.44**	**0**	**0**	**6**	**45.45**	**1**	**19.99**	**2**	**12.82**	**4**	**32.63**	**6**	**45.45**	**2**	**10.02**

Sl. No.	Name of DIC	Name of equipment	Unit wise Allocation			Delivery				Installation				Utilisation (after installation						Defective (Installed and Never used)	
			Qty.	Rate	Amount	Received at DICs		Units not delivered		Installed		Not installed		Used		Never used		Total			
						Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
3	DIC, Bishnupur	Honey processing unit (HPU)	1	*8.42*	8.42	1	8.42	0	0	1	8.42	0	0	0	0	1	8.42	1	8.42	1	8.42
		Lemon grass distillation unit	1	*4.73*	4.73	1	4.73	0	0	1	4.73	0	0	1	4.73	0	0	1	4.73	0	0
		Stevia dryer	1	*14.19*	14.19	1	14.19	0	0	1	14.19	0	0	0	0	1	14.19	1	14.19	0	0
		Ginger/turmeric dehydration units	6	*5.01*	30.06	4	20.04	0	0	4	20.04	0	0	0	0	4	20.04	4	20.04	0	0
		Set of scientific equipment for Spawn production	1	*8.09*	8.09	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0
		Sub-total	**10**		**65.49**	**8**	**55.47**	**0**	**0**	**8**	**55.47**	**0**	**0**	**2**	**12.82**	**6**	**42.65**	**8**	**55.47**	**1**	**8.42**
4	DIC, Thoubal	Honey processing unit	1	*8.42*	8.42	1	8.42	0	0	1	8.42	0	0	0	0	1	8.42	1	8.42	0	0
		Lemon grass distillation unit	1	*4.73*	4.73	1	4.73	0	0	1	4.73	0	0	0	0	1	4.73	1	4.73	0	0
		Stevia dryer (SD)	1	*14.19*	14.19	1	14.19	0	0	1	14.19	0	0	0	0	1	14.19	1	14.19	1	14.19
		Ginger/turmeric dehydration units	3	*5.01*	15.03	2	10.02	1	5.01	2	10.02	0	0	0	0	2	10.02	2	10.02	0	0
		Set of scientific equipment for Spawn production	1	*8.09*	8.09	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0
		Sub-total	**7**		**50.46**	**6**	**45.45**	**1**	**5.01**	**6**	**45.45**	**0**	**0**	**1**	**8.09**	**5**	**37.36**	**6**	**45.45**	**1**	**14.19**
5	DIC, Churachanpur	Honey processing unit	1	*8.42*	8.42	1	8.42	0	0	0	0	1	8.42	0	0	0	0	0	0	0	0
		Lemon grass distillation unit	1	*4.73*	4.73	1	4.73	0	0	1	4.73	0	0	0	0	1	4.73	1	4.73	0	0
		Stevia dryer (SD)	1	*14.19*	14.19	1	14.19	0	0	1	14.19	0	0	0	0	1	14.19	1	14.19	1	14.19
		Ginger/turmeric dehydration units (GDUs)	2	*5.01*	10.02	2	10.02	0	0	2	10.02	0	0	0	0	2	10.02	2	10.02	2	10.02
		set of scientific equipment for Spawn production	1	*8.09*	8.09	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0
		Sub-total	**6**		**45.45**	**6**	**45.45**	**0**	**0**	**5**	**37.03**	**1**	**8.42**	**1**	**8.09**	**4**	**28.94**	**5**	**37.03**	**3**	**24.21**
6	DIC, Chandel	Honey processing unit, ,	1	*8.42*	8.42	1	8.42	0	0	1	8.42	0	0	0	0	1	8.42	1	8.42	0	0
		Ginger/turmeric dehydration units	2	*5.01*	10.02	2	10.02	0	0	2	10.02	0	0	0	0	2	10.02	2	10.02	0	0
		Lemon grass distillation unit	1	*4.73*	4.73	0	0	1	4.73	0	0	0	0	0	0	0	0	0	0	0	0
		Set of scientific equipment for Spawn production	1	*8.09*	8.09	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0	1	8.09	0	0
		Sub-total	**5**		**31.26**	**4**	**26.53**	**1**	**4.73**	**4**	**26.53**	**0**	**0**	**1**	**8.09**	**3**	**18.44**	**4**	**26.53**	**0**	**0**
7	DIC, Senapati	Honey processing unit	1	*8.42*	8.42	1	8.42	0	0	1	8.42	0	0	0	0	1	8.42	1	8.42	0	0
		Lemon grass distillation unit	1	*4.73*	4.73	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Stevia dryer (SD)	1	*14.19*	14.19	1	14.19	0	0	1	14.19	0	0	0	0	1	14.19	1	14.19	1	14.19
		Ginger/turmeric dehydration units (GDUs)	2	*5.01*	10.02	2	10.02	0	0	2	10.02	0	0	0	0	2	10.02	2	10.02	2	10.02

Sl. No.	Name of DIC	Name of equipment	Unit wise Allocation			Delivery				Installation				Utilisation (after installation)						Defective (Installed and Never used)	
			Qty.	Rate	Amount	Received at DICs		Units not delivered		Installed		Not installed		Used		Never used		Total			
						Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
		set of scientific equipment for Spawn production	1	*8.09*	8.09	1	8.09	0	0	0	0	1	8.09	0	0	0	0	0	0	0	0
		Sub-total	**6**		**45.45**	**5**	**40.72**	**0**	**0**	**4**	**32.63**	**1**	**8.09**	**0**	**0**	**4**	**32.63**	**4**	**32.63**	**3**	**24.21**
8	DIC, Tamenglong	Honey processing unit	1	*8.42*	8.42	1	8.42	0	0	1	8.42	0	0	1	8.42	0	0	1	8.42	0	0
		Lemon grass distillation units	1	*4.73*	4.73	2	9.46	0	0	2	9.46	0	0	2	9.46	0	0	2	9.46	0	0
		Stevia dryer	1	*14.19*	14.19	1	14.19	0	0	0	0	1	14.19	0	0	0	0	0	0	0	0
		Ginger/turmeric dehydration units	3	*5.01*	15.03	3	15.03	0	0	0	0	3	15.03	0	0	0	0	0	0	0	0
		Set of scientific equipment for Spawn production	1	*8.09*	8.09	1	8.09	0	0	0	0	1	8.09	0	0	0	0	0	0	0	0
		Sub-total	**7**		**50.46**	**8**	**55.19**	**0**	**0**	**3**	**17.88**	**5**	**37.31**	**3**	**17.88**	**0**	**0**	**3**	**17.88**	**0**	**0**
9	DIC, Ukhrul	Honey processing unit	1	*8.42*	8.42	1	8.42	0	0	0	0	1	8.42	0	0	0	0	0	0	0	0
		Lemon grass distillation units	1	*4.73*	4.73	1	4.73	0	0	1	4.73	0	0	1	4.73	0	0	1	4.73	0	0
		Stevia dryer	1	*14.19*	14.19	1	14.19	0	0	0	0	1	14.19	0	0	0	0	0	0	0	0
		Ginger/turmeric dehydration units	2	*5.01*	10.02	2	10.02	0	0	0	0	2	10.02	0	0	0	0	0	0	0	0
		Set of scientific equipment for Spawn production	1	*8.09*	8.09	1	8.09	0	0	0	0	1	8.09	0	0	0	0	0	0	0	0
		Sub-total	**6**		**45.45**	**6**	**45.45**	**0**	**0**	**1**	**4.73**	**5**	**40.72**	**1**	**4.73**	**0**	**0**	**1**	**4.73**	**0**	**0**
		Total	**73**		**429.99**	**71**	**420.25**	**2**	**9.74**	**58**	**305.72**	**13**	**114.53**	**29**	**94.23**	**29**	**211.49**	**58.00**	**305.72**	**12**	**91.07**

**Inter-adjusted*

Appendix 3.1

(Reference: Paragraph 3.1.6)

Statement showing investments made by State Government in PSUs (all Government companies) whose accounts are in arrears

(Figures in columns 4 & 6 to 8 are ₹ in crore)

Sl. No	Name of the Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Period of accounts pending finalisation	Investment made by State Government during the year of which accounts are in arrears@		
					Equity	Grants	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A							
1	Manipur Tribal Development Corporation Limited	1987-88	0.52	1988-89 to 2019-20	-	1.50	1.50
2	Manipur Food Industries Corporation Limited	2010-11	5.41	2011-12 to 2019-20	2.00	3.61	5.61
3	Manipur State Power Company Limited	2015-16	10.05	2016-17 to 2019-20	-	845.07	845.07
4	Manipur State Power Distribution Company Limited	2015-16	10.05	2016-17 to 2019-20	-	989.40	989.40
5	Manipur Handloom & Handicrafts Development Corporation Limited	2009-10	12.21	2010-11 to 2019-20	-	16.04	16.04
6	Manipur IT SEZ Project Development Company Limited*	-	0.05	2013-14 to 2019-20	0.05	-	0.05
7	Tourism Corporation of Manipur Limited*	-	0.05	2016-17 to 2019-20	0.05	8.07	8.12
	Total		**38.34**		**2.10**	**1863.69**	**1865.79**

@ Investment figures are as provided by the Companies.

**First Accounts not finalised.*

Appendix 3.2

(Reference: Paragraphs 3.1.8, 3.1.10 and 3.1.12)

Summarised financial position and working results of Public Sector Undertakings (all Government companies) as per their latest finalised financial statements as on 30 September 2020

(Figures in columns 5 to 12 are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit(+)/ loss (-)	Capital Employed	Return on capital employed (Earnings before tax and interest)	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Working Government Companies													
	FINANCE												
1	Manipur Industrial Development Corporation Limited	2009-10	2014-15	12.14	6.31	(-) 31.78	-	0.07	(-)1.45	(-) 13.33	(-)1.45	Not workable	71
2	Manipur Tribal Development. Corporation Limited	1987-88	2013-14	0.52	-	(-) 0.23	-	0.02	(-)0.12	0.29	(-) 0.12	(-) 41.37	128
Sector wise total				**12.66**	**6.31**	**(-) 32.01**	**-**	**0.09**	**(-) 1.57**	**(-) 13.04**	**(-) 1.57**	Not workable	**199**
	INFRASTRUCTURE												
3	Manipur Police Housing Corporation Limited	1997-98	2012-13	0.02	-	0.59	-	0.11	0.29	0.61	0.29	47.54	127
Sector wise total				**0.02**		**0.59**	**-**	**0.11**	**0.29**	**0.61**	**0.29**	**47.54**	**127**
	MANUFACTURING												
4	Manipur Food Industries Corporation Limited	2010-11	2019-20	5.41	15.74	(-)0.88	-	0.02	(-) 0.17	20.27	(-) 0.17	(-) 0.84	17
5	Manipur Electronics Development Corporation Limited	2017-18	2018-19	2.74	-	(-) 7.11	-	1.26	(-) 0.22	(-) 4.37	(-) 0.22	Not workable	32
Sector wise total				**8.15**	**15.74**	**(-) 7.99**	**-**	**1.28**	**(-) 0. 39**	**15.90**	**(-) 0.39**	**(-) 3.05**	**49**
	POWER												
6	Manipur State Power Company Limited	2015-16	2018-19	**10.05**	**-**	**(-) 41.63**	**-**	**38.12**	**(-) 20.08**	**(-) 31.58**	**(-) 6.26**	**Not workable**	**1493**
7	Manipur State Power Distribution Company Limited	2015-16	2018-19	10.05	135.00	(-) 62.04	-	192.88	(-) 19.50	83.01	(-) 1.57	(-)1.89	1284
Sector wise total				**20.10**	**135.00**	**(-) 103.67**	**-**	**231.00**	**(-) 39.58**	**51.43**	**(-) 7.83**	**(-) 15.23**	**2777**
	MISCELLANEOUS												
8	Manipur Handloom & Handicrafts Development Corporation Limited	2009-10	2018-19	12.21	1.69	(-) 16.18	-	0.15	(-)0. 31	-2.28	(-) 0.31	Not workable	8

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit(+)/ loss (-)	Capital Employed	Return on capital employed (Earnings before tax and interest)	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Working Government Companies													
*9	Manipur IT SEZ Project Development Company Limited	First accounts not finalised	-	-	-	-	-	-	-	-	-	-	2
*10	Tourism Corporation of Manipur Limited	First accounts not finalised	-	-	-	-	-	-	-	-	-	-	4
	Sector wise total			**12.21**	**1.69**	**(-) 16.18**	**-**	**0.15**	**(-) 0.31**	**-2.28**	**(-) 0.31**	**Not workable**	**14**
Total A (All sector wise working Government Companies)				**53.14**	**158.74**	**(-) 159.26**	**-**	**232.63**	**(-) 41.56**	**52.62**	**(-) 9.81**	**(-) 21.95**	**3166**

*PSUs at serial no. A9 and A10 incorporated on dated 30 December 2013 and 13 July 2016 respectively, had not finalised their first accounts as of September 2019.

Appendix 3.2 (concld)

(Reference: Paragraph 3.1.12)

Summarised financial position and working results of Public Sector Undertakings (all Government companies) as per their latest finalised financial statements as on 30 September 2020

B. Non-working Government Companies

Sl. No	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free reserves & surplus	Turnover	Net profit (+)/ loss (-)	Capital Employed	Return on capital employed	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	
	AGRICULTURE & ALLIED												
1	Manipur Agro Industries Corporation Limited	1988-89	2005-06	0.32	-	(-) 0. 45	-	0.19	(-)0.04	(-)0. 13	(-)0.04	Not workable	-
2	Manipur Plantation Crops. Corporation Limited	1983-84	2000-01	0.51	0.07	-	-	-	-	0.58	-	-	-
	Sector wise total			**0.83**	**0.07**	**(-) 0.45**	**-**	**0.19**	**(-) 0.04**	**0.45**	**(-) 0.04**	**(-) 8.12**	
	MISCELLANEOUS												

B. Non-working Government Companies													
Sl. No	**Sector / name of the Company**	**Period of Accounts**	**Year in which accounts finalised**	**Paid-up Capital @**	**Loans outstanding at the end of year**	**Accumulated Profit (+) / Loss (-)**	**Free reserves & surplus**	**Turnover**	**Net profit (+)/ loss (-)**	**Capital Employed**	**Return on capital employed**	**Percentage return on capital employed**	**Manpower**
3	Manipur Pulp & Allied Products Limited	2002-03	2017-18	0.90	1.75	(-) 6.81	-	-	(-)0. 83[1]	(-) 4.16	(-)0. 25	Not workable	1
Sector wise total				**0.90**	**1.75**	**(-) 6.81**	**-**		**(-)0. 83**	**(-) 4.16**	**(-)0. 25**	**Not workable**	
Total B (All sector wise non-working Government Companies)				**1.73**	**1.82**	**(-) 7.26**	**-**	**0.19**	**(-)0. 87**	**(-) 3.71**	**(-)0. 29**	**Not workable**	**1**
Grand Total (A+B)				**54.87**	**160.56**	**(-) 166.52**	**0.59**	**232.82**	**(-) 42.43**	**48.91**	**(-) 10.10**	**(-) 20.65**	**3167**

[1] As per the latest finalised accounts for the year 2002-03, the PSU had no income. The loss was due to staff cost (₹ 0.21 crore), financial cost (₹ 0.58 crore) and other expenses (₹ 0.04 crore).

Appendix 3.3

(Reference: Paragraph 3.1.10)

Statement showing Rate of Real Return on Government Investment

(Figures in column no. B to I and K to M are ₹ in crore)

Financial Year	Present value of total investment at the beginning of the year	Equity infused by the State government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/ subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest *(per cent)*	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/profit after tax (PAT) for the year*
A	B	C	D	E	F	G	H	I	J	K K=I x (1+J/100)	L L=(I x J)÷100)	M
Upto 2012-13**		43.19	0.10	0.00	1.28	0.00	44.57	44.57	6.52	47.48	2.91	0.18
2013-14	47.48	0.00	0.00	0.00	0.00	0.00	0.00	47.48	6.42	50.52	3.05	0.78
2014-15	50.52	20.10	0.00	0.00	0.00	0.00	20.10	70.62	6.56	75.26	4.63	(-) 20.95
2015-16	75.26	2.05	0.00	0.00	259.93	0.00	261.98	337.24	6.67	359.73	22.49	(-) 24.59
2016-17	359.73	0.05	0.00	0.00	250.65	0.00	250.70	610.43	6.42	649.62	39.19	(-) 48.58
2017-18	649.62	0.00	0.00	0.00	286.89	0.00	286.89	936.51	6.13	993.92	57.41	(-) 48.75
2018-19	993.92	0.00	0.00	0.00	299.36	0.00	299.36	1293.28	5.76	1367.77	74.49	(-) 42.26
2019-20	1367.77	0.00	0.00	0.00	165.41	0.00	165.41	1533.18	6.78	1637.13	103.95	(-) 42.43
Total		**65.39**	**0.10**	**0**	**1263.52**	**0**	**1329.01**					

** worked out in respect of 13 PSUs where State Government made direct investment on the basis of profit/loss as per their latest finalised accounts.*

***these are cumulative figures upto 2012-13 for Columns C, D, E, F, G and H.*

Year	Total earnings/ loss in 2019-20	Investment by the State Government as per total of column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2019-20	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
	Value of column M of above table	Total of the column H of above Table	(A÷B)x100	Value of column K of above Table	(A÷D)x100
2019-20	-42.43	1329.01	-3.19	1637.13	(-) 2.59

Appendix 3.4

(Reference: Paragraph 3.2)

Statement showing details of works and machinery items purchased for use in Cold Storage facility

Sl. No.	Name of works	Bill No. & Date	Bill Amount (₹ in lakh)
1	Cold storage DG shed (MANITRON)	2 dt. 29.4.10	11.50
2	Cold storage DG SET (MANITRON)	73 dt. 23.12.09	17.08
3	Cold storage (COLLECTION ROOM)	30 dt.21.7.10	11.57
4	Cold storage Cooling room (Deptt.)	114 dt.`31.3.10	3.71
5	Cold storage flooring (Deptt.)	8 dt. 29.4.2010	2.34
6	Cold storage rain shed (Deptt.)	9 dt. 29.4.2010	1.82
Sub-total			**48.01**
Machinery items			
7	Electrical connection cool storage to DG set	59 dt.4.11.10	0.60
8	M.K. Engineering, Kolkata (electrical pannel)	34 DT.20.8.10	1.35
9	M.K. Engineering, Kolkata (electrical items)	35 dt. 21.8.10	2.75
10	M.K. Engineering, Kolkata (Hydraulic)	40 dt. 18.6.11	2.31
11	M.K. Engineering, Kolkata (Plastic crate)	41 dt 18.6.11	4.99
12	M.K. Engineering, Kolkata (GI rack)	42 dt. 18.6.11	20.35
13	M.K. Engineering, Kolkata (Special type Plastic)	43 dt. 18.6.11	3.93
14	M/s M.K. Engineering, Kolkata (Control panel box)	74 dt.9.8.11	7.40
15	Transportation charge (ABC India Ltd)	141 dt. 30.12.11	1.60
16	Transportation charge (ACC Logistics, Kolkata)	142 dt.30.12.11	1.54
17	for Cold storage machinery	143 dt. 30.12.11	1.54
18	60 % advance paid to M/s Blue Star, Kolkata for cold storage machinery.	56 dt.10.11.2009	53.63
19	Paid to M/s Blue Star, Kolkata for cold storage machinery.	63 dt. 18.12.2009	31.28
20	Paid to M/s Blue Star, Kolkata for supply, testing, commissioning and installation of blast freezer 1000 kv.	87 dt. 3.1.11	42.76
Sub-total			**176.04**
Grand Total			**229.45**

Appendix 4.1

(Reference: Paragraph 4.2.3)

Records not produced to Audit for scrutiny by DDOs of departments under Revenue Sector during 2019-20

Sl. No.	Name of the DDO/ Office	Name of the Department	Nature of records not produced to audit for scrutiny	Periods for which records were not produced	Whether Audit pursued the matter with the Department
1	DTO, Churachandpur	Transport	22 TR-5 book issued by Directorate of Transport to DTO, Churachandpur	March 2017	Yes

Appendix 4.2

(Reference: Paragraph 4.8.1.1)

Acknowledgment not issued within time

Table-1: Delay in acknowledgement of applications (All type of refunds) pre-automation

Name of Auditee Unit (Division)	Name of the Commissionerate	Total No. of pre-automation refund cases processed	No. of refund cases examined by the Audit	No. of refund cases in which delay in acknowledgement noticed	Period of delay
Commissioner of Taxes, Govt of Manipur, Imphal	Commissioner of Taxes, Govt of Manipur, Imphal	23	23	5	41-354 days

Appendix *4.2 (concluded)*

Table-1A: List of Refund cases in which deficiency noticed (Delay in acknowledgement of applications) (pre-automation)

Sl. No.	Name of Division	Name of the Commissionerate	Name of the assessj9ee	GSTIN No	ARN No. & Date	Date of filing Refund Application	Date of issue of acknowledgment in For GST RFD-02	Refund amount claimed (₹)	Period of delay	Reasons for delay
1	Commissioner of Taxes, Govt of Manipur, Imphal	Commissioner of Taxes, Govt of Manipur, Imphal	Laishram Budha Singh	14AWWPS9050N1ZI	AA1401190004650 (16-01-2019)	16-01-2019	16-03-2019	1,35,857	44	Processing delay
2	Commissioner of Taxes, Govt of Manipur, Imphal	Commissioner of Taxes, Govt of Manipur, Imphal	Ph Adim	14AKDPA9561D1ZK	AA140219000056T (04-02-2019)	04-02-2019	04-04-2019	3,02,100	44	Processing delay
3	Commissioner of Taxes, Govt of Manipur, Imphal	Commissioner of Taxes, Govt of Manipur, Imphal	Khumanthem Jiten Singh	14DNEPS6752K2ZH	AA140119000068Q (02-01-2019)	02-01-2019	04-04-2019	27,750	77	Processing delay
4	Commissioner of Taxes, Govt of Manipur, Imphal	Commissioner of Taxes, Govt of Manipur, Imphal	Akoijam Marketing Pvt. Ltd	14AAOCA0755F1ZV	AA1402190000109 (01-02-2019)	01-02-2019	04-04-2019	34,436	47	Processing delay
5	Commissioner of Taxes, Govt of Manipur, Imphal	Commissioner of Taxes, Govt of Manipur, Imphal	Dy. Conservator of Forest, Administration and planning	14AAAGD1470Q1DM	AA140719000193J (04-07-2019)	04-07-2019	07-07-2020	63,474	354	Processing delay

Appendix 4.3

(Reference: Paragraph 4.8.1.2)

Rejection of Refund applications without opportunity of being heard

Sl. No.	Name & GST No.	ARN No.	Date of ARN	Amount in (₹)
1	MANIPUR STATE POWER CORP. LTD. (14AAJCM2960M2Z5)	AA140619000051V	04-06-2019	95,55,636
2	NDS CONSTRUCTION (14AAZFM3226D1ZA)	AA140518000196J	09-05-2018	3,11,455
3	Prasanta Chowdhury (14AEJPC4371D1ZZ)	AA141217000163Z	05-12-2017	17,000
4	Birla Singh Keisam (14AEEPK8912M1ZA)	AA141217000580V	20-12-2017	1,04,788
Total				**99,88,879**

Appendix 4.4

(Reference: Paragraph 4.8.1.3)

Inter Commissionerate Delay

(Amount in ₹)

Sl. No.	GST No.	ARN No.	Refund amount	SGST portion	CGST, IGST, Cess portion	ARN Date	(A) Date of release of RFD-06	(B) Date of receiving to CGST	Intercommissionerate delay(A-B-7)
1	Manipur House Agency (14AADFH1263K1ZL)	AA141217000849B	2,26,200	600	2,25,600	30-12-2017	13-07-2018	31-08-2018	42
2	Yougendra Singh Aggarwal (14ACWPA0489R1ZW)	AA140418000203Y	25,726		25,726	09-04-2018	16-07-2018	31-08-2018	39
3	Rajkumar Devkanta Singh (14BXRPS8359F1ZR)	AA140718000550N	5,31,996	2,65,998	2,65,998	26-07-2018	10-08-2018	20-08-2018	3
4	Laishram Budha Singh (14AWWPS9050N1ZI)	AA140119000465O	1,35,857		1,35,857	16-01-2019	16-03-2019	04-10-2019	195
5	Khumanthem Jiten Singh (14DNEPS6752K2ZH)	AA140119000068Q	27,750	13,875	13,875	02-01-2019	04-04-2019	28-05-2019	47
6	Akoijam Marketing Pvt. Ltd (14AAOCA0755F1ZV)	AA1402190000109	34,436	17,218	17,218	01-02-2019	04-04-2019	28-05-2019	47
7	Birla Singh Keisam (14AEEPK8912M1ZA)	AA140519000172R	1,04,788		1,04,788	07-05-2019	15-05-2019	24-05-2019	2
8	Prasanta Chowdhury (14AEJPC4371D1ZZ)	AA140519000823G	17,000		17,000	27-05-2019	28-05-2019	11-06-2019	7
Total CGST,IGST and Cess					**8,06,062**				

Appendix 5.1

(Reference: Paragraph 5.1)

Statement showing funds transferred directly to the Implementing Agencies under Social Sector during 2019-20

(₹ in lakh)

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released (in lakh)
1	Development of Museums	Superintendent State Archaeology (Manipur State Archaeology, Dept. of Art and Culture, Govt. of Manipur)	217.76
2	Free Coaching and Allied Schemes for Minorities	Yaiphabi Handloom Weavers Co-operative Society	29.60
		Youths Step Forward Centre	16.25
3	Deen Dayal Disabled Rehabilitation Scheme SJE	All Manipur Mentally Handicapped Persons Welfare Organisation	24.53
		Council for Development of Poor & Labourers	153.35
		Centre for Development Activities	19.75
		Educational and Rural Development Organisation	142.59
		Achievement of Rising Maiden for Institure for Children with disabilities Manipur	39.77
		Kangchup Area Tribal Development Organisation	24.55
		Manipur Guidance Centre (MAGC)	23.98
		Imphal Guardian Society	25.11
		People Advance in Social Service, Canchipur	32.45
		Re-Creation Avoluntary Agency	13.41
		Rural Development Society, Manipur	27.59
		Regional Institute of Handicapped Persons (RIHP)	27.35
		Society for Empowerment of the Disabled	20.92
		Social Human Action for Rural Empowerment Society	3.96
		Social and Health Development Organisation	151.72
		The Centre of Mental Hygiene	51.65
		The Development for Women' Programme Centre	8.60
		Typem Writing Institution Rural Development Services	151.86
		The Womens Economic Development Society (WEDS)	30.89
4	Assistance to Voluntary Organisation for Programmes relating to Aged	Integrated Rural Development and Educational Organisation (IRDEO)	28.35
		New Integrated Rural Management Agency	15.91
		Rural Industries Development Association	37.81
		Rural People's Development Organisation	37.81
		Rural Service Agency (RUSA)	9.45
		Social Development and Rehabilitation Council	18.90
		Society for Women's Education Action and Reflection	18.90
		United Hills People's Development Society	9.45
		United Rural Development Service	9.45
		Wangjing Women and Girls Society	179.58
		Youth Progressive Organisation	9.45
		Centre for Development Activities	9.45
		The Centre for Upliftment of Rural Women Association	9.45
		Rural Downtrodden People Upliftment Society	9.45
		South Eastern Rural Development Organisation	9.45
		Volunteers for Rural health and Action (VORHA)	18.90
		Rural Development Society, Manipur	5.04
		Rural Medical Institute	10.09
		Centre of Rural Development Activities	9.45
		Ima Leimarel Women Welfare Association	9.45

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released *(in lakh)*
		Integrated Rural Development Agency	9.45
		Integrated Rural Upliftment Services	18.90
		Bashikhong Chanura Sinlon Lup	27.88
		Health for All Organisation	1.80
		The Manipur Scheduled Caste Welfare Association	9.45
5	MPs Local Area Development Scheme MPLADS	Deputy Commissioner, Churachandpur	500.00
		Deputy Commissioner, Imphal West	500.00
		Deputy Commissioner, Imphal East	250.00
		Deputy Commissioner, Senapati	250.00
6	Human Resource Development Handicrafts	Action for Social Justice Organisation	2.45
		Ereima Woman Welfare Association, Manipur	0.89
		The Ideal Handloom and Handicrafts Co-Operative Society Ltd.	3.71
		The Panthoibi Handloom and Handicrafts Co-Operative Society	1.72
7	Scheme for prevention of Alcoholism and Substance (Drugs) Abuse.	Born Again Rehabilitation Centre, Ukhrul, Manipur	39.65
		Community Development programme Centre	67.05
		Evangelical Baptist Convention/Lamka Rehabilitation and Research Centre	47.69
		Galaxy Club	51.08
		Institute for Social Disease	91.51
		Integrated Women and Child Development Centre	48.70
		Kha-Manipur Yoga and Child Development Centre	51.04
		Manipur Rural Institute Society	45.22
		Social Upliftment Association	2.33
		Agent for Social Change	2.33
		Rural Development Foundation Association	47.69
		Rural Development Society, Manipur	35.76
		Rural Health Organisation, Imphal	51.08
		Sneha Bhavan	22.14
		Social Care Ministry	23.84
		Social Reformation and Development Organisation	35.76
		The Yough Development Organisation	51.08
		United Voluntary Yough Council	35.76
		The Centre of Mental Hygiene	71.17
8	Kala Sanskriti Vikas Yojana	Unique Trust	1.32
		Guru Abunghal Dance & Music Centre	5.52
		Anji Cultural Academy	3.48
		Aryan Theatre	2.13
		Banian Repertory Theatre	3.14
		The Centre for Youth & Cultural Activities	7.8
		The Deal Repertory Theatre	13.83
		Ougree Theatre Repertory	4.8
		Kanglei Enat Thang Ta Shindam Sanglen (KETTSS), Manipur	6.96
		Forward Artistes Centre En-campted (FACE)	6.24
		Good Will Foundation for Culture	1.5
		Guru Natek Meitei Pung Research Institute	9.9
		Harimati Dance & Music Centre	8.4
		Hula Sindamsang	5.52
		Academy of Indigenous Music (AIM)	7.44
		Irom Sanjoy Singh	0.25
		Manipur Jagoi Marup	0.63
		Kanglei Mime Theatre Repertory	22.28
		Media Theatre Institute	4.8

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released *(in lakh)*
		The Kuki Custom Culture and Tradition Research Institute	1.13
		Kongpal Nupee Eshei Marup	1.92
		Khoriphaba Artistes Association	12.12
		Khenjonglang (A Centre for Theatre Research Production and Community Welfare)	24.92
		Kangleipal Thang Ta Cultural Association	0.25
		Linthoingambi Art & Culture Development Org	1.5
		Lairenkabi Youth Dramatic Union	8.57
		Lianda Folk and Classical Academy	0.75
		Liberty Theatre	9.24
		Manipur Ensemble	33.77
		Meihourol Inat Thang Ta Apunba Lup	2.64
		Care Mission	2.63
		Manipur Integrated Cultural Centre	4.33
		Leimayon Arts Centre	3.96
		Eastern Thant-Ta Organisation	2.25
		The Kha Manipur Thang -Ta Sindam Sang	3.48
		The Mahila Sangeet Association	1.75
		Khuman Art and Cultural Academy	0.28
		Womens Society for Cultural Heritage	0.19
		Preservation of Manipuri Martial Art & Cultural Research Centre	7.65
		Social and Cultural Development Organisation	0.32
		Lichat Inat Kanba Lupki Apunba Maheisang	0.38
		The Thoibi Thang -Ta Cultural Association	0.5
		The Temple of Art and Culture Centre	1.5
		Institute of Manipuri Performing Arts	2.64
		Umanglai Kanba Apunba Lup	2.37
		Raag Tarang Mandal	0.38
		Noth East Artisans Forum	0.2
		Kanglei Jagoi Anoy Leikol	1.13
		Manipur Artists Association	1.13
		Shree Shree Govindaji Nat Sankirtan	2.64
		The Manipur Nat Sangeet Ashram	8.52
		Thoubal District Thang-Ta Association	0.5
		The Rural Development Foundation	0.45
		Lilong Chajing Youth Community Centre cum Cultural Institute	0.25
		The Youth Culturasl Artists and Crafts Association	0.13
		Nimita Devi Nritya Ashram	23.06
		NT Theatre Manipur	17.76
		Progressive Artiste Laboratory	19.2
		Performing Artiste Centre	15.6
		Performing Organisation of Arts & Culture	15.24
		Prospective Repertory Theatre Society	7.02
		Public Theatre Artistes Association	11.28
		Panthoibi Thang- Ta & Jagoi Sindam Shanglen	11.28
		Yumjao Lairembi Dramatic and Cultural Union	4.08
		Repertory for Performing Arts of Manipur	6.96
		Rupmahal Theatre	16.8
		Kulbi Shong Shong Trial Cultural Centre	0.63
		Sangeet Kala Sangam	9.12
		Sheidamkol	4.65
		Pakhangba Cultural Foundation	1.5

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released *(in lakh)*
		The Gulapi nata Sankirtana Academy	8.4
		The Nata Sangeet Academy and Research Centre	1.5
		The Juvenile Theatre	2.25
		The Manipur Thang Ta Cultural Association	0.75
		Usharani Nata Sankirtana Academy	0.22
9	Training Schemes - PPG & P	State Academy of Training under Govt.of Manipur	14.63
10	Boys and Girls Hostel (CS)	Volunteers Union for Rural Forward and Integrity	1.63
11	Atal Innovation Mission including Self Employment and Talent Utilisation	Sanatombi Oriental English School, Bishnupur	12.00
		Moirand Multipurpose Higher Secondary School, Bishnupur	12.00
		Loyalam Public School, Bishnupur	12.00
		Leimapokpam Government Public High School, Bishnupur	12.00
		Mangaolnganbi College Ningthoukhong	12.00
		Eastern Idea High School	12.00
		Sainil School Imphal	12.00
		Azad Higher Secondary School Yairipok	12.00
		Huikap High School	12.00
		Andro Government High School Andro	12.00
		The Unipue Model Academy, Imphal East	12.00
		Padma Ratne English School	12.00
		Elite Higher Secondary School Kangpokpi	12.00
		St. Joseph Higher Secondary School. Senapati	12.00
		Paradise Enlish School	12.00
		Ruda Academy	12.00
		Peace and freedom Academy Thoubal	12.00
		Eastern Blooming Flower School Ukhongshang	12.00
		Khomdom Educational Blooming Institure Charangpat	12.00
		Ananda Purna School of Sciences	12.00
		Raja Shakhi Evala Academy Thoubal	12.00
		The Evergreen Flowers School Thoubal	12.00
		Communicative Enlish Language Teaching Institure Thoubal	12.00
		Salungpham High School Thoubal	12.00
		The Fancier Higher Secondary School	12.00
		Sofia English School Thoubal	12.00
		H. Keinahal Memorial Enlisgh School ADMABAD	12.00
		Sunshine Academy	12.00
		Human Resource Development Academy	12.00
		Shishu Nistha Niketan	12.00
		Ideal Public School Mayang Langjing	12.00
		Ibotonsana Girls Higher Secondary School Imphal	12.00
		Savio English Higher Secondary School Thangmeiband	12.00
12	Development of Skills	Jan Shiksha Sansthan, Imphal West	65.05
		Jan Shiksha Sansthan, Senapati	65.25
		Jan Shiksha Sansthan, Thoubal	65.25
13	Health Sector Disaster Preparedness and Response and Human Resources Development for	JNIMS Porompat Imphal East	40.00

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released *(in lakh)*
	Emergency Medical Services		
14	Pradhan Mantri Matru Vandana Yojna	Department of Social Welfare, Govt of Manipur	411.51
15	Aid to Voluntary Organisation for the Welfare of Scheduled Tribes	ChilChil Asian Mission Society (CHAMS), Kanglatombi, Manipur	46.40
		Christian Grammar School (Child Development Centre), Green Hills, Tamenglong Hd. Manipur	26.37
		Integrated Educational Social Development Organisation (IESDO)	22.72
		Integrated Rural Development and Educational Organisation (IRDEO)	62.85
		Adimjati Shiksha Ashram, Imphal	22.92
		The North Eastern Boys Scout and Girls Guide Association	17.12
		Siamsinpawlpi (Paite Students' Welfare Association), Siamsinpawlpi Complex, Bungmual, Churachandpur	87.83
		Type Writing Institution and Rural Development Services (TWIRDS)	14.69
		United Rural Development Service	15.93
		Society for Women's Education Action and Reflection	14.14
16	Skill Development Initiatives	Integrated Rural Development and Educational Organisation (IRDEO)	8.00
		Social Amelioration Society	80.84
17	Prachan Mantri Kisan Sampada Yojana-Creation of Backward & Forward Linkages	Medis & Co	18.61
		Unique Trust	15.21
18	Higher Education Statistics and Public Information System	AISHE State Unit Manipur	4.30
19	National Rural Livelihood Mission (CS)	State Rural Livelihood Mission, Manipur	21.09
20	National Service Scheme	Manipur University	53.55
		Manipur State NSS Cell	87.69
21	Free Coaching for SC and OBC Students	Youths Step Forward Centre	15.00
22	National AIDS and STD Control Programme	Manipur State AIDS Control Society	3063.84
23	Beeti Bachao Beeti Padhao (BBBP)	BBBP, Senapati	50.00
		BBBP, Bishnupur	50.00
		BBBP, Churachandpur	48.54
		BBBP, Chandel	50.00
		BBBP, Imphal East	50.00
		BBBP, Tamenglong	25.00
		BBBP, Thoubal	47.50
		BBBP, Ukhrul	50.00
24	Working Women Hostel	Environment and Economics Management Association	14.95
25	One Stop Centre	DC, Chandel	13.00
		DC One Stop Centre, Churachandpur	44.98

Sl. No.	GOI Scheme	Name of Implementing Agencies	Fund Released *(in lakh)*
		District Magistrate One Stop Centre, Jiribam	44.98
		District Magistrate One Stop Centre, Tamenglong	44.98
		One Stop Centre Scheme, Thoubal District Manipur	55.93
		District Magistrate One Stop Centre, Tamenglong	19.41
		District Magistrate One Stop Centre, Tengnoupal	25.83
26	Schemes for differently abled persons	Director of Social Welfare	28.00
27	Assistance of Voluntary Organisation for Welfare of SCs	Council for Development of Poor and Labourers	3.58
		Educational and Rural Development Organisation	6.37
		IGNOU Oinam Ibohal Polytechnic Community College	2.67
		The Eastern Social Welfare Association (ESWA)	21.53
		The Womens Economic Development Society (WEDS)	20.45
		Western Rural Socio Economic Dev. Orgn.	21.53
28	North East Road Sector Development Scheme	Public Works Department, Govt. of Manipur	6125.99
Total			**16163.81**

Source: Finance Accounts 2019-20.

Appendix 5.2

(Reference: Paragraph 5.1.1)

Year-wise details of expenditure audited in respect of Social Sector during 2019-20

(₹ in crore)

Year	Expenditure
2010-11	1.29
2011-12	1.58
2012-13	1.71
2013-14	2.67
2014-15	24.56
2015-16	44.01
2016-17	111.00
2017-18	265.69
2018-19	353.04
2019-20	1.24
Total	**806.80**

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

Appendix 5.3

(Reference: Paragraph 5.2.2.3)

List of ULBs and selected/sampled ULBs for Performance Audit

Sl. No.	Name of ULB	Selected ULBs for Performance Audit
1	Imphal Municipal Corporation	Selected
2	Thoubal Municipal Council	
3	Kakching Municipal Council	
4	Lilong (Thoubal) Municipal Council	
5	Mayang Imphal Municipal Council	
6	Nambol Municipal Council	
7	Moirang Municipal Council	
8	Ningthoukhong Municipal Council	Selected
9	Bishnupur Municipal Council	
10	KakchingKhunou Municipal Council	
11	Yairipok Municipal Council	
12	Kumbi Municipal Council	Selected
13	Wangoi Municipal Council	Selected
14	Kwakta Municipal Council	Selected
15	WangjingLamdeng Municipal Council	Selected
16	SikhongSekmai Municipal Council	
17	Jiribam Municipal Council	Selected
18	Lamlai Municipal Council	
19	Sugnu Municipal Council	
20	Samurou Municipal Council	
21	ThongkhongLaxmi Municipal Council	Selected
22	Lilong (I/W) Municipal Council	
23	Andro Municipal Council	
24	Oinam Municipal Council	Selected
25	Lamshang Nagar Panchayat	
26	Sekmai Nagar Panchayat	
27	Heirok Nagar Panchayat	Selected

Source: Departmental records.

Appendix 5.4

(Reference: Paragraph 5.2.3.3.1)

Statement showing the actual status of implementation of functions

Sl. No.	Functions under 12th Schedule	Actual functions/activities performed by ULBs/ Departments	
(A) Functions where ULB has full jurisdiction			
1	Burials and burial grounds; cremations, cremation grounds	Construction and O&M of crematoriums and burial grounds and electric crematoriums.	ULBs
(B) Functions with dual role or having overlapping jurisdictions with departments			
2	Regulation of land-use and construction of buildings	Regulation of land use	Department of Revenue
		Approving building plans/high rises and demolishing of illegal buildings	ULBs Town Planning Department, District Administration, Home Department & Revenue Department
3	Roads and bridges	Construction and maintenance of roads & Bridges, footpaths etc	Public Works Department &Planning & Development
		Road side drains of minor roads	ULBs

Sl. No.	Functions under 12th Schedule	Actual functions/activities performed by ULBs/ Departments	
4	Public health, sanitation conservancy and solid waste management	Hospitals , Dispensaries, Immunisation, Vaccinations	Medical Department & Health & Family Welfare Department
		Cleaning & disinfection of localities affected by infectious disease	ULBs, Health & Family Welfare Department, Government Hospitals etc
		Solid Waste Management	ULBs
5	Vital statistics including birth and death registration	***Registration of births & deaths***	ULBs, Health & Family Welfare Department, Government Hospitals etc
6	Public amenities including street lighting, parking lots, bus stops and public conveniences	***Installation and maintenance of street lights***	ULBs & MSPDCL
		Parking lots & Public Toilets	ULBs
		Public Transport Routes	Transport Department
7	**Regulation of slaughter houses and tanneries**	These functions are performed by ULBs along with Food Safety Department	Regulation of slaughter houses and tanneries
8	Urban planning including town planning	Master Plan, Development Plans /Zonal Plans	Mater Plan prepared by TPD & enforced by PDA
		Building Bye Laws & licenses	ULBS
9	Urban poverty alleviation	***Identifying beneficiaries***	ULBs
		Livelihood and Employment	ULBs & Other Departments
		Street Vendors	ULBs
10	**Slum improvement and upgradation**	No notified slum areas in Manipur. Such programme taken up in towns in slum-like situations. ULBs role is to identify beneficiaries	
		(C) Functions with minimal roles	
11	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	***Identifying beneficiaries / providing benefits such as tricycles***	ULBs only consulted while identifying beneficiaries
		Scholarships	Social Welfare Department, Education Department, MOBC Departments
		Housing programs	ULBs (for PMAY –U)
12	**Cattle pounds; prevention of cruelty to animals**	Vested with ULBs & Veterinary and Animal Husbandry Department, but the function of ULBs limited to catching and keeping stray animals	
13	Planning for economic and social development	***Limited to urban schemes like PMAY, SBM, NULM etc funded by MAHUD***	ULBs
		(D) No roles assigned to ULBs	
14	Promotion of cultural, educational and aesthetic aspects	Schools & Education, Fairs & Festivals, Cultural Buildings/ Institutions, Heritage *etc.*	Vested with State Education Departments, Arts & Culture Department *etc.*
15	Water supply for domestic, industrial and commercial purposes	The functions of distribution of water, providing connections & operation & maintenance are vested with State Public Health Engineering Department.	
16	Fire Services	These functions are vested with Manipur Fire Services Department.	
17	Provision of urban amenities and facilities such as parks, gardens, playgrounds	This function is vested with Planning & Development Authority, Youth Affairs & Sports and Local Clubs/NGOs.	
18	Urban forestry, protection of the environment and promotion of ecological aspects	These functions are vested with State Forest Department and Water Resources Department.	

Appendix 5.5

(Reference: Paragraph 5.2.3.3.2)

Statement showing list of Obligatory functions and Discretionary functions

(A) Obligatory functions

Sl. No.	Obligatory functions	Section No. of MM Act	Functions related to 12th Schedule of the Constitution	Status of implementation
1	Lighting public roads and places	37 (a)	*Function No. 17 of 12th Schedule:* Public amenities including street lighting, parking lots, bus stops and public conveniences	ULBs are wholly responsible for discharging these functions
2	Watering public roads and places	37 (b)	*Function No. 6 of 12th Schedule :* Public health, sanitation conservancy and solid waste management	These functions are not performed by ULBs
3	Cleaning public roads, places and sewers and all spaces not being private property, which are open to the enjoyment of the public whether such spaces are vested in the municipality or not, removing noxious vegetation and abating all public nuisance	37 (c)	*Function No. 6 of 12th Schedule:* Public health, sanitation conservancy and solid waste management	ULBs are wholly responsible for discharging these functions
4	Removing filth, rubbish, night-soil, odour or any other noxious or offensive matter from privies, latrines, urinals, cess-pools or other common receptacles for such matter in or pertaining to a building or buildings	37 (d)	Function No. 6 of 12th Schedule: Public health, sanitation conservancy and solid waste management	These functions are performed by ULBs
5	Extinguishing fires and protecting life and property when fire occurs	37 (e)	*Function No. 7 of 12th Schedule:* Fire Services	These functions are performed by Manipur Fire Services Department
6	Regulating offensive or dangerous trades of practices	37 (f)	NA	These functions are not vested to ULBs
7	Removing obstructions and projections in public roads or places and in spaces not being private property, which are open to the enjoyment of the public whether such spaces are vested in the municipality or belong to the State Government	37 (g)	NA	These functions are vested to ULBs
8	Securing or removing dangerous buildings or places and reclaiming unhealthy localities	37 (h)	*Function No. 2 of 12th Schedule:* Regulation of land-use and construction of buildings	These functions are not vested to ULBs

Sl. No.	Obligatory functions	Section No. of MM Act	Functions related to 12th Schedule of the Constitution	Status of implementation
9	Acquiring maintaining, changing and regulating places for the disposal of dead bodies and of the carcasses of dead animals	37 (i)	*Function No. 14 of 12th Schedule:* Burials and burial grounds; cremations, cremation grounds	ULBs are wholly responsible for discharging these functions
10	Constructing, altering and maintaining public roads, culverts, municipal boundary marks, markets, slaughter-houses, drains, sewers, drainage-works, sewerage-works, baths, washing-places, drinking-fountains, tanks, wells, dams and the like	37 (j)	*Function No. 4 of 12th Schedule:* Roads and bridges	These functions are performed by ULBs along with other Departments.
11	Constructing public latrines, privies and urinals	37 (k)	*Function No. 12 of 12th Schedule:* Provision of urban amenities and facilities such as parks, gardens, playgrounds	ULBs are wholly responsible for discharging these functions
12	Obtaining a supply or an additional supply of water, proper and sufficient for preventing danger to the health of inhabitants from the insufficiency or unwholesomeness of the existing supply	37 (l)	*Function No. 5 of 12th Schedule:* Water supply for domestic, industrial and Commercial purposes	These functions are not vested to ULBs
13	Naming streets and numbering house	37 (m)	NA	ULBs are wholly responsible for discharging these functions
14	Registering births and deaths	37 (n)	*Function No. 16 of 12th Schedule:* Vital statistics including birth and death registration	These functions are performed by ULBs and other Departments.
15	Suitable accommodation for any calves, cows or buffaloes required within the municipality for the supply of animal lymph	37 (o)	NA	These functions are not performed by ULBs
16	Printing such annual reports on the administration of the municipality as may be necessary or as the State Government may by general or special orders require the municipality to print	37 (p)	NA	These functions are prepared by ULBs
17	Making arrangements for preparation of compost manure from night-soil and rubbish	37 (q)	*Function No. 6 of 12th Schedule:* Public health, sanitation conservancy and solid waste management	These functions are vested to ULBs
18	Establishing and maintaining cattle pounds	37 (r)	*Function No. 15 of 12th Schedule:* Cattle pounds; prevention of cruelty to animals	These functions are performed by ULBs and other Departments.

(B) Discretionary functions

Sl. No.	Discretionary functions	Section No. of MM Act	Functions related to 12th Schedule	Status of implementation
1	Laying out, whether in areas previously built upon or not, new public roads and acquiring land for the purpose, including land acquired for the construction of building for cartilages thereof, to about on such roads	39 (a)	NA	These functions are not vested to ULBs
2	Constructing, establishing, maintaining, or contributing to the maintenance of public parks, gardens, libraries, museums, reading rooms, halls, offices, dharmashalas, rest-houses, encamping grounds and other public buildings and places	39 (b)	*Function No. 12 of 12th Schedule:* Provision of urban amenities and facilities such as parks, gardens, playgrounds	These functions are not vested to ULBs
3	Constructions and maintaining, where necessary suitable sanitary houses for the habitation of the poor and granting loans for the construction of such houses or for effecting necessary improvements connected therewith	39 (c)	NA	These functions are vested to ULBs
4	Providing accommodation for any class of servants employed by the municipality or granting loans to such servants for construction of houses subject to the rules made in this behalf	39 (d)	NA	These functions are not vested to ULBs
5	Planting and maintaining trees on the road side	39 (e)	NA	These functions are not vested to ULBs
6	Securing or assisting to secure suitable places for the carrying on the offensive trades	39 (f)	NA	These functions are not performed by ULBs
7	Supplying, constructing and maintaining receptacles, fitting pipes, and other appliances whatsoever on or for the use of private premises, for receiving and conducting the sewage thereof into sewers under the control of the municipality	39 (g)	NA	These functions are not performed by ULBs
8	The public health and infant welfare	39 (h)	NA	These functions are not vested to ULBs
9	Contribution towards any public fund raised for the relief of human suffering within or without the municipality	39 (i)	NA	These functions are not performed by ULBs
10	Any public reception, ceremony, entertainment, or exhibition within the municipality by a resolution	39 (j)	NA	These functions are not performed by ULBs

Sl. No.	Discretionary functions	Section No. of MM Act	Functions related to 12^{th} Schedule	Status of implementation
	passed at a general meeting and supported by one-half of the total number of Councillors			
11	The organisation or maintenance of shops or stall for the sale of necessities of life	39 (k)	NA	These functions are vested to ULBs
12	Holding fairs and exhibitions	39 (l)	NA	These functions are performed by ULBs
13	Supply of milk	39 (m)	NA	These functions are not performed by ULBs
14	Establishing labour welfare centres for its employees and subsidising the activities of any association, union or club of such employees by grant of loan for its general advancement	39 (n)	NA	These functions are not performed by ULBs
15	Maintenance of ambulance service	39 (o)	NA	These functions are not performed by ULBs
16	Establishing and maintaining public hospitals and dispensaries and providing public medical service	39 (p)	NA	These functions are not performed by ULBs
17	Providing facilities for antifrabic treatment and meeting the expense of indigent person undergoing antifrabic treatment within or outside the municipal limits	39 (q)	NA	These functions are not performed by ULBs
18	Housing and maintaining destitute, orphans and cripples and maintaining maternity centre and child welfare clinics	39 (r)	*Function No. 9 of 12th Schedule:* Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	These functions are not performed by ULBs
19	Establishing rescue homes	39 (s)	NA	These functions are not performed by ULBs
20	Any other matter which is likely to promote education or the public health safety or convenience or the advancement of economic condition of the inhabitants of the municipality or which is necessary for the purposes of the Manipur Municipality Act, 1994	39 (t)	*Function No. 13 of 12th Schedule:* Promotion of cultural, educational and aesthetic aspects	These functions are not performed by ULBs

Appendix 5.6

(Reference: Paragraph 5.2.4.4)

Details of works taken up in the 10 sampled ULBs during 2015-20

Year	IMC	Ningthou-khong MC	Jiribam MC	Thong-khong Laxmi MC	Wang-jing MC	Kumbi MC	Wangoi MC	Oinam MC	Kwakta MC	Heirok NP
	Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)	Amount (No.)
2015-16	509.20 (193)	45.33 (30)	17.79 (20)	36.3 (141)	9.82 (17)	29.20 (48)	69.77 (81)	8.94 (10)	15.52 (10)	6.66 (10)
2016-17	240.52 (61)	66.52 (46)	22.44 (23)	65.49 (263)	36.77 (30)	51.06 (42)	23.62 (11)	30.01 (23)	63.75 (40)	9.70 (18)
2017-18	1091.44 (173)	57.81 (45)	35.2 (17)	161.33 (135)	99.98 (40)	68.61 (2130)	16.3 (39)	75.02 (90)	50.87 (30)	7.66 (10)
2018-19	467.14 (47)	49.18 (34)	37.13 (19)	112.66 (112)	51.32 (41)	48 (115)	42.74 (36)	52.58 (33)	59.57 (20)	19.4 (22)
2019-20	1352.30 (84)	47.46 (20)	111.95 (48)	148.8 (36)	86.52 (22)	40.02 (63)	35.46 (28)	78.28 (32)	25.18 (10)	94.25 (32)

Appendix 5.7

(Reference: Paragraph 5.2.5.1(i))

Statement showing the details of framing of Bye-laws in 10 sampled ULBs

Name of ULB	Sl. No.	Name of Bye-law	Status of implementation	Remarks
Imphal Municipal Corporation	1	The Slaughter House Bye-laws	Not enforced	Approved by the Government
	2	Corps and Carcass Bye-laws	Not enforced	
	3	The Cycle Rickshaw Bye-laws	Not enforced	
	4	Regulation of traffic & prevention of obstruction Bye-laws	Not enforced	
	5	Food & Eating House Bye-laws	Not enforced	
	6	Tax on advertisement Bye-laws	Enforced	
	7	Municipal Market Bye-laws	Enforced	
	8	The Sale of Meat Bye-laws 1987	Enforced	
	9	Parking fee on Vehicles Bye-laws	Enforced	
	10	Scavenging tax for Trade and House hold refuse Bye-laws 1994	Enforced	
	11	Entry Toll on Vehicles and Animals Bye-laws 1998	Enforced	
	12	Registration and Licensing of Shops Bye-laws	Enforced	
	13	Cleanliness & Sanitary Bye-laws 2012	Enforced	
	14	Building Bye-laws 2013	Enforced	
Ningthoukhong MC	1	Entry Tolls on vehicles and animals Bye-laws	Enforced	Approved by the Government
	2	Building Bye-laws	Not enforced	
	3	Registration and Licensing of Shops Bye-laws	Enforced	
	4	Regulation of Hotels	Not enforced	
	5	Regulating and granting of Mobile Stalls/vendor hawkers/ Licence Bye-laws	Enforced	
	6	Advertisement Bye-Laws	Enforced	
	7	Scavenging Tax for Trade and Household Refuse Bye-laws	Enforced	
	8	Regulation of Market Bye-laws	Enforced	

Name of ULB	Sl. No.	Name of Bye-law	Status of implementation	Remarks
	9	Parking Fees	Enforced	
	10	Conduct of Business Bye-laws	Enforced	
Jiribam MC	1	Registration and Licensing of Shops Bye-laws	Enforced	Not yet approved by the Government. However, all the taxes and fees were collected and levied as per the draft Bye-laws.
	2	Entry Tolls on Vehicles and Animals Bye-laws	Enforced	
	3	Solid Waste Management Bye-laws	Enforced	
WangjingLamdeng MC	1	Registration and Licensing of Shops Bye-laws	Enforced	Approved by the Government
Thongkhong Laxmi MC		Nil	NA	The Bye-laws are yet to be prepared.
Kumbi MC		Nil		
Kwakta MC		Nil		
Oinam MC		Nil		
Wangoi MC		Nil		
Heirok NP		Nil		

Appendix 5.8

(Reference: Paragraph 5.2.6.2)

Statement showing the number of employees per 1,000 population in sampled ULBs

Municipal Council	Population (2011 census)	Sanctioned strength	Per 1000 population (Sanctioned Strength)	Working strength	Per 1000 population in (working strength)
Thongkhonglaxmi	14878	12	0.81	3	0.20
Kumbi	9546	8	0.84	3	0.30
Kwakta	8579	8	0.93	3	0.30
IMC	268243	236	0.88	129	0.48
Ningthoukhong	13078	14	1.07	13	0.99
Oinam	7161	8	1.12	3	0.42
Wangjing	8055	8	0.99	3	0.37
Wangoi	9106	8	0.88	3	0.33
Heirok	2974	8	2.69	1	0.34
Jiribam	7343	19	2.59	17	2.32

Source: Information furnished by ULBs.

Appendix 5.9

(Reference: Paragraphs 5.2.6.2)

Detail statement of sanctioned strength and working strength of the sampled ULBs

Sl. No	Designation	Category	IMC		Kumbi		Kwakta		Ningthoukhong		Oinam		Thongkhong Laxmi		Wangjing		Wangoi		Heirok		Jiribam		Total SS	Total WS
			SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS		
1	Health Officer	B	1	0																			**1**	**0**
2	Revenue Officer	B	1	0																	1	1	**2**	**1**
3	Accounts Officer	B	1	0																			**1**	**0**
4	Community Officer	B	1	0																			**1**	**0**
5	Sanitary Officer	B	1	0																			**1**	**0**
6	Supt/SO	B	1	1	1	0	1	0	2	2	1	0	1	0	1	0	1	0	1	0	1	1	**11**	**4**
7	SO-I	B	6	0																			**6**	**0**
8	AE-I	B	1	0																	1	1	**2**	**1**
9	AE_II	C	1	1																			**1**	**1**
10	AE-III	C	1	1																			**1**	**1**
11	Dy. Sanitary Officer	C	1	0																			**1**	**0**
12	Asst. Assessor	C	1	0																			**1**	**0**
13	Accountant	C	1	0																			**1**	**0**
14	UDC	C	8	2									1	0							1	1	**10**	**3**
15	SO-II	C	10	2																			**10**	**2**
16	Draftsman (Graded-II)	C	2	0																			**2**	**0**
17	Surveyor	C	1	0																			**1**	**0**
18	Record Keeper	C	1	0																			**1**	**0**
19	Community Organiser	C	8	6																	1	1	**9**	**7**
20	Male health supervisor																				1	1		
21	Reporter-II	C	1	0																			**1**	**0**
22	Reporter-III	C	2	1																			**2**	**1**
23	Sanitary Inspector	C	1	1	1	0	1	0	1	1	1	0	1	0	1	0	1	0	1	0			**9**	**2**
24	Food Inspector	C	2	1																			**2**	**1**

Sl. No	Designation	Category	IMC		Kumbi		Kwakta		Ningthoukhong		Oinam		Thongkhong Laxmi		Wangjing		Wangoi		Heirok		Jiribam		Total SS	Total WS
			SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS	SS	WS		
25	Revenue Inspector	C	2	0					1	1			1	0							1	1	**5**	**2**
26	Asst. Revenue Inspector	C	8	4																			**8**	**4**
27	Computer Operator	C			1	0	1	0	1	1	1	0	1	0	1	0	1	0	1	0			**8**	**1**
28	LDC	C	21	16	1	1	1	1	3	3	1	1	2	1	1	1	1	1	1	1	4	3	**36**	**29**
29	Cine-cum-operator	C	1	0																			**1**	**0**
30	Field Assistant	C	7	5																			**7**	**5**
31	Driver	C	15	4	2	0	2	0	2	2	2	0	2	0	2	0	2	0	2	0	2	2	**33**	**8**
32	Electrician	C	1	1																			**1**	**1**
33	Mechanic	C	1	0																			**1**	**0**
34	Asst. Mechanic	C	6	3																			**6**	**3**
35	Asst. Store Keeper	C	1	1																			**1**	**1**
36	Asst. Carpenter	D	0	4																			**0**	**4**
37	Blacksmith	D	3	3																			**3**	**3**
38	Road Mohorror	D	1	0					1	1											1	1	**3**	**2**
39	Mason	D	0	5																			**0**	**5**
40	Head Mali	D	1	0																			**1**	**0**
41	Mali	D	2	6																			**2**	**6**
42	Mazador	D	0	6																			**0**	**6**
43	Chowkidar	D	5	2																			**5**	**2**
44	Draftary	D	1	0																			**1**	**0**
45	Peon	D	37	20	1	1	1	1	2	2	1	1	2	1	1	1	1	1	1	0	2	1	**49**	**29**
46	Cleaner	D	1	0																			**1**	**0**
47	Jamandar	D	3	0																			**3**	**0**
48	Sweeper	D	64	33																	3	3	**67**	**36**
49	Chowkidar cum Sweeper	D			1	1	1	1	1	0	1	1	1	1	1	1	1	1	1	0			**8**	**6**
Total			**235**	**129**	**8**	**3**	**8**	**3**	**14**	**13**	**8**	**3**	**12**	**3**	**8**	**3**	**8**	**3**	**8**	**1**	**19**	**17**	**327**	**177**

Source: Information furnished by ULBs

Appendix 5.10

(Reference: Paragraph 5.6)

Statement showing Advance Payment

(₹ in lakh)

Sl. No.	Cheque No.	Date	Amount	Particular	Advance Amount
1	324474	10.08.17	30.00	Advance for construction of Major Khating Memorial library, Mantripukhri.	30.00
2	324480	30.08.17	15.00	advance payment for supply of Football, Volley ball, Blanket, Solar lantern, Solar Panel, battery	15.00
3	324482	01.09.17	20.00	Being Advance to meet expenditure towards relief at Makhan and Chakimal villages.	20.00
4	324498	1.12.17	44.00	Advance payment for improvement of Hostel at Khoupam (40%) and construction of fencing of ST Hostel Building Khoupam (40%).	24.00
					20.00
5	324500	15.12.17	50.00	Advance payment for construction, IVR and various works of engg. Section.	50.00
6	324501	15.12.17	50.00	Advance payment for construction, IVR and various works of engg section	50.00
7	324505	21.12.17	5.00	Advance payment of Marketing shed at Jiribam Tribal Colony, Imphal East.	5.00
8	324529	23.02.18	50.00	Advance payment for construction of Engg. works under Engg. Section.	50.00
9	324530	23.02.18	50.00	Advance payment for construction/Improvement of IVR of Engg. section.	50.00
10	324531	23.02.18	50.00	Advance payment under Engg. Section (Const. of Retaining wall at various places).	50.00
11	324532	23.02.18	50.00	Advance payment for construction/Improvement of IVR of Engg. Section.	50.00
12	324533	23.02.18	50.00	Advance payment for const. of Hostel and community hall at various places under various schemes of Engg. schemes.	50.00
13	324568	21.04.18	70.00	Advance payment of various works for the year 2017-18.	70.00
14	324569	21.04.18	65.12	Advance payment of various works for the year 2017-18.	65.12
15	324588	27.04.18	50.00	Advance payment for construction of ST Girls's / Boys Hostel at Chakpikarong, Chandel District.	50.00
16	324614	17.07.18	53.59	Advance payment for const of ST Girls and Boys Hostel at Makhan Govt High School.	30.00
				Advance payment for const. of C/Hall at Bendramei Village, Senapati.	15.00
				Advance payment for const of C/Hall at Muolhoi village, Kangvai.	5.00
17	324615	24.07.18	50.80	Advance payment for three Community Hall at Emefuthu, Khriidziiphi village and Rikhumai village.	23.40
					23.40
					4.00
18	324627	4.08.18	60.00	Advance payment for construction of Girls and Boys Hostel.	60.00
19	324628	4.08.18	60.00	Advance payment for construction of community hall.	60.00
20	324629	4.08.18	55.00	Advance payment for improvement of IVR.	55.00
21	324630	4.08.18	55.00	Advance payment for repairing and renovation.	55.00
22	324637	23.08.18	38.59	Advance payment for construction of retaining wall of TA&H office.	2.00
				Advance payment for Animal Husbandry scheme	10.00

Sl. No.	Cheque No.	Date	Amount	Particular	Advance Amount
				Advance payment for construction of C/ Hall at Yang Khullen, Senapati.	19.41
				Advance payment for construction of c/hall at New Tusom Village.	7.18
23	324639	27.08.18	18.00	Advance payment for repairing and renovation of office wall, door, window and ceiling of Directorate Building and payment for Agri./ Horti. Scheme.	8.00
					10.00
24	324646	20.09.18	26.77	Advance payment for const. of retaining wall at Makhan Khullen village.	4.49
				Advance for const. of Girls and Boys Hostel at Kajinu Village.	18.69
25	324657	19.10.18	20.00	Advance payment to the organising committee state level 'KUT' festival and payment Agri./Horti. scheme.	10.00
					10.00
26	324661	23.11.18	40.00	Advance payment for const. work of c/hall and improvement of IVR	40.00
27	324662	23.11.18	40.00	Advance payment for const. work of Hostel and c/hall.	40.00
28	324671	14.12.18	50.00	Advance payment for construction work like IVR, C/Hall and hostel and expenditure with connection with tour at Delhi(Official work).	50.00
29	324672	14.12.18	50.00	Advance payment for financial assist to the tribal Youth club/ Sport Association/ Tribal Organisation for the year 2018-19.	50.00
30	324674	15.12.18	50.00	Advance payment for financial asst. to Tribal youth club/ sports association/ Tribal organisation for the year 2018-19.	50.00
31	324676	15.12.18	40.00	Advance payment for const. of c/hall at (i) Emefithu village.	10.00
				(ii) MakhanKhuman Village.	10.00
				(iii) Lovadziingho Village.	10.00
				(iv) KhridZiiphi.	10.00
32	324677	15.12.18	30.00	Advance payment for const. of (i) C/Hall Makuilongdi.	10.00
				(ii) Yangkhullen Village.	10.00
				(iii) Bendramai Village.	10.00
33	324678	15.12.18	40.00	Advance for const of ST boys and Girls Hostel at (i)Makhan KhullenGovt H/School.	10.00
				(ii) Mao MaramGovt Hr Sec School	10.00
				(iii) Govt aided High School, Senapati.	10.00
				(iv) Kayinu Village.	10.00
34	324681	24.12.18	30.00	Advance payment for const. of community hall and hostel.	30.00
35	324684	05.01.19	40.00	Advance payment of various work bills as directed by the DDO/ TA&H.	40.00
36	324685	05.01.19	40.00	Advance payment of various work bills as directed by the DDO/ TA&H. it is to be adjusted from work programme of 2018-19.	40.00
37	324686	05.01.19	27.15	Advance payment of various work bill. It is to be adjusted from work programme of 2018-19	20.00
38	324695	11.01.19	50.00	Advance payment of various work bills as directed by the DDO/ TA&H. it is to be adjusted from work programme of 2018-19	50.00
39	324697	14.01.19	5.00	Advance payment for celebration of Gaanngai 2019.	5.00

Sl. No.	Cheque No.	Date	Amount	Particular	Advance Amount
40	324698	21.01.19	36.00	Advance payment for TA/DA for tribal Chiefs and Tribal Dance Groups both Imphal and New Delhi in c/w R Day 2019.	36.00
				Advance for Sports material in c/w R Day.	
				Advance for const. of Tableau for R Day.	
41	324699	21.01.19	50.00	Advance for Delhi expenditure by the Hon'ble Minister (TA&H). It is to be adjusted from additional fund from EMRS 2018-19 as directed by the DDO/TAH.	50.00
42	324700		50.00		50.00
43	324701		50.00		50.00
44	324702		50.00		50.00
45	324713	06.02.19	10.00	Advance payment to the organising committee state level 'Lui Ngai Ni' festival.	10.00
46	324715	16.02.19	50.00	Advance payment of various works bill as directed by the DDO/TAH. It will be adjusted from the work programme of 2018-19.	50.00
47	324716		50.00		50.00
48	324722	27.02.19	50.00	Advance payment for construction of ST girls/boys at Chakpikarong, Chandel District.	50.00
49	324725	27.02.19	50.00	Advance payment for const. of Multipurpose Tribal Complex at Otkai of Robunamei Village, Mao.	50.00
50	324726	27.02.19	50.00	Advance payment for various scheme and works as directed by DDO/TAH.	50.00
51	324727	28.02.19	50.00	Advance payment of various works bill as directed by the DDO/TAH. It will be adjusted from the work bills of 2018-19.	50.00
52	324733	19.03.19	100.00	Advance payment for various works as directed by Jt. DDO/TAH.	100.00
53	324734	19.03.19	50.00	Advance payment for various works as directed by Jt. DDO/TAH.	50.00
54	324740	23.03.19	70.00	Advance payment for construction of Boys/girls Hostel at Kayinu as directed by DDO/TAH.	70.00
55	324741	23.03.19	70.00	Advance payment for construction of Community hall at Makhan Lovadzingo as directed by DDO/TAH.	70.00
56	324742	23.03.19	85.00	Advance payment for construction of IVR at various places in the Hills of Manipur as directed by DDO/TAH	85.00
57	324743	23.03.19	80.00	Advance payment for construction of community hall at Emefithu as directed by Jt. Director, DDO/TAH	80.00
58	324744	23.03.19	80.00	Advance payment for construction of community hall at Makuilongdi as directed by Jt. Director, DDO/TAH.	80.00
59	324815	05.07.19	50.00	Advance payment under Backyard Poultry scheme and Agri. for the year 2018-19.	50.00
60	324816	05.07.19	50.00	Advance payment for various work bill for the year 2018-19	50.00
61	324817	05.07.19	50.00	Advance payment under Backyard Poultry scheme and Agri. for the year 2018-19.	50.00
62	324819	06.07.19	25.00	Advance payment for construction of health centre at Kangjang Village Senapati district.	10.00
				Advance payment under Backyard Poultry scheme and Agri. scheme.	15.00
	Total		**2875.02**		**2,860.69**

Appendix 5.11

(Reference: Paragraph 5.7)

Details of the amount sanctioned, released and status of the work is given in the following table. ***(as on July 2019)***

(₹ in lakh)

Sl. No.	Estimated cost (Revised)	Amount sanctioned	Date of Sanction	Amount Released	Date of Release	Tax deducted	Deposited to MDS	Total	Amount under MH: 8449	Physical Progress	Remarks
1	1647.00*	495.00	10.01.2008	495.00	29.03.2008	85.88	409.12	495	-	65 *per cent*	1. Works stopped at the incomplete stage.
2		350.00	29.11.2008	350.00	06.01.2009	60.72	289.28	350	-		
3		150.00	30.03.2009	150.00	15.06.2009	26.03	123.97	150	-		
4		500.00	18.01.2010	500.00	10.03.2010	34.7	165.3	200	-		
					28.02.2011	20.82	99.18	120	-		
					25.10.2011	31.23	148.77	180	-		
5		147.00	16.03.2011	58.80	28.03.2011	8.75	50.05	58.8	37.54		
				88.20	28.03.2011	13.12	0	13.12			
					17.10.2014	-	37.54	37.54			
			Sub-total	**147.00**		**21.87**	**87.59**	**109.46**	**37.54**		
Total	**1647.00**	**1642.00**		**1642.00**		**281.25**	**1,323.21**	**1,604.46**	**37.54**		

* ***Out of the approved cost of ₹ 1647.00 lakh, ₹ 5 lakh was utilised for construction of Godown near Directorate's office.***

GLOSSARY

Glossary of Abbreviations

Abbreviation	Expanded form
ASPIRE	A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship
ATNs	Action Taken Notes
ADC	Autonomous District Councils
CBIC	Central Board of Indirect Taxes and Customs
CFC	Central Finance Commission
CTR	Central Treasury Rules
CSS	Centrally Sponsored Schemes
CoPU	Committee on Public Undertakings
CAG	Comptroller and Auditor General of India
CAA	Constitutional Amendment Act (74^{th})
DAAC	Departmental Audit and Accounts Committees
DBT	Direct Benefit Transfer
DICs	District Industries Centres
DPC	District Planning Committee
GFR	General Financial Rules
GST	Goods and Services Taxes
HOD	Head of Department
IGNOAPS	Indira Gandhi National Old Age Pension Scheme
ICT	Information and Communication Technology
ITC	Input Tax Credit
IRs	Inspection Reports
JPV	Joint Physical Verification
LBIs	Livelihood Business Incubators
MDS	Manipur Development Society
MFICL	Manipur Food Industries Corporation Limited
MM	Manipur Municipalities
MOMA	Manipur Organic Mission Agency
MSPDCL	Manipur State Power Distribution Company Limited
MTDC	Manipur Tribal Development Corporation
MUDA	Manipur Urban Development Agency
MVAT	Manipur Value Added Tax
MPC	Metropolitan Planning Committee
MCs	Municipal Councils
MAHUD	Municipality Administration, Housing and Urban Department
NPs	Nagar Panchayats
NSAP	National Social Assistance Programme
PAs	Performance Audits
PDA	Planning and Development Authority
PMAY-G	Pradhan Mantri Awaas Yojana-Gramin

Abbreviation	Expanded form
PMMVY	Pradhan Mantri Matru Vandana Yojana
POS	Preliminary Observation Statement
PV	Present Value
PAT	Profit After Tax’
PAC	Public Accounts Committee
PFMS	Public Fund Management System
RMSA	Rashtriya Madhyamik Shiksha Abhiyan
RORR	Real Return on Government Investment
RBI	Reserve Bank of India
SC	Scheduled Caste
ST	Scheduled Tribe
SAAC	State Audit and Accounts Committees
SEC	State Election Commission
SFC	State Finance Commission
SLBC	State Level Bankers’ Committee
SLC	State Level Committee
SMD	State Mission Director
SNA	State Nodal Account
RoE	The Return on Equity
STD	The State Tax Department
TPD	Town Planning Department
TSP	Tribal Sub Plan
UIDAI	Unique Identification Authority of India
ULBs	Urban Local Bodies
VAT	Value Added Tax
YAS	Youth Affairs and Sports Department