



**Report of the
Comptroller and Auditor General of India
on
Social, Economic, General and Revenue Sectors
for the year ended 31 March 2020**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF NAGALAND
Report No. 2 of the year 2022

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PREFACE

1. This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor of Nagaland under Article 151 of the Constitution of India for being laid on the floor of the State Legislature.
2. The Report contains significant results of the performance audit and compliance audit of the Departments of the Government of Nagaland under the Social, Economic, General and Revenue Sectors.
3. The cases mentioned in this Report are those which came to notice in the course of test audit during the year 2019-20, as well as those which came to notice in earlier years, but could not be reported in the previous Reports. Matters relating to the period subsequent to 2019-20 have also been included, wherever necessary.
4. The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

OVERVIEW

Chapter-I Introduction

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from the performance audits and test audit of transactions of various Departments of the Government of Nagaland (GoN) pertaining to Social, Economic, General and Revenue Sectors. The primary purpose of this Report is to bring to the notice of the State Legislature the significant results of audit.

During 2019-20, the Principal Accountant General (Audit) Nagaland planned for audit of 367 units out of total 1,094 units, after carrying out risk assessment and keeping in view the available manpower, of which 345 units were audited.

This Report *inter alia* contains two Performance Audits titled '**Direct Benefit Transfer**' and '**Mission for Integrated Development of Horticulture in Nagaland**' and 11 Compliance Audit Paragraphs which include a Compliance Audit on '**Ministry of Development of North Eastern Region funded Non-Lapsable Central Pool of Resources Projects in Nagaland**' and a Subject Specific Compliance Audit on '**Processing of refund claims under Goods and Service Tax**'.

Chapter-II Social Sector

Performance Audit

MUNICIPAL AFFAIRS AND RURAL DEVELOPMENT DEPARTMENTS

Direct Benefit Transfer

The Performance Audit on Direct Benefit Transfer (DBT) covered the period from April 2017 to March 2020. Out of 65 schemes implemented by 15 Departments in Nagaland, two Centrally Sponsored Schemes (CSS) implemented by two Departments were selected on the basis of volume of expenditure.

Highlights:

- The State DBT Advisory Board did not conduct quarterly meetings since its constitution on July 2017 as envisaged in the DBT Mission guidelines. DBT implementation Support Layer consisting of three coordinators responsible for technical, non-technical and finance & administrative support to the State DBT Cell's operations were not constituted as envisaged in the DBT Mission guidelines.

(Paragraphs 2.2.10.1 and 2.2.10.3; Pages 10 and 11)

- The State DBT Cell did not upload data of all Centrally Sponsored Schemes implemented to the State/ Bharat DBT Portal as well as Portals of the respective Ministries/ Departments of the Central Government administering the particular scheme.

(Paragraph 2.2.10.4; Page 11)

- The overall achievement of DBT in Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) as of March 2020 was only 11.60 *per cent*. The objective of DBT was not achieved in the State as 88.40 *per cent* of job card holders were paid through an intermediary level “Village Development Board” mainly due to non-availability of banking facilities.

(Paragraph 2.2.13.1.1; Page 15)

- The mission mode approach of the State Government/ implementing Department for full implementation of DBT in MGNREGS failed as no timeline was fixed to complete the exercise.

(Paragraph 2.2.13.1.2; Page 17)

- Delayed release of funds to the Implementing Department and payments to ineligible beneficiaries were noticed under Pradhan Mantri Awas Yojana-Urban (PMAY-U).

(Paragraphs 2.2.12.1 and 2.2.13.2.1; Pages 13 and 19)

Recommendations:

The State Government may-

- *constitute all the three Implementation Support Layers (Technical Support, Non-Technical Support and Finance & Administrative Support) under the State DBT cell.*
- *convene the State DBT Advisory Board Meetings at the prescribed intervals for successful implementation of all DBT schemes.*
- *ensure the enrolment of MGNREGS beneficiaries who are yet to be enrolled and sensitise the beneficiaries for Aadhaar seeding.*
- *implement the DBT scheme as envisaged whereby money is transferred directly into the bank accounts of the MGNREGS beneficiaries without any intermediary agency like Village Development Board.*
- *prioritise the development of Banking/ Post Office System in the State.*
- *use the services of India Post Payments Bank for DBT.*
- *take steps to obtain remaining installments of PMAY-U from GoI and release the same to beneficiaries.*

Compliance Audit Paragraphs

PUBLIC HEALTH ENGINEERING DEPARTMENT

The Executive Engineer, Public Health Engineering Department (Urban) Dimapur Division did not exercise due diligence to check the correctness of the quantities executed before passing the bills for payment which resulted in fraudulent payment of ₹90.54 lakh without actual execution of 2,338 metres of drainage works in 18 villages.

(Paragraph 2.3; Page 24)

Recommendation:

The State Government may fix responsibility for fraudulent payment made on short/non-construction of drainage. The State Government may also introduce Geotagging in order to monitor future works to ascertain factual correctness. The matter may be handed over to the investigative agencies for investigation.

The Public Health Engineering Department made excess payment of ₹1.23 crore to the contractor by allowing higher rate over the State Government approved rate (Action Plan) for construction of Community Sanitary Complex and deviated from the approved action plans and specification during actual implementation.

(Paragraph 2.4; Page 27)

Recommendation:

The State Government should initiate departmental inquiry and fix responsibility against officers/ officials of the division responsible for allowing higher rate and failure to exercise due diligence to check the correctness of the quantities executed before passing the bills for payment. The matter may be handed over to the investigative agencies for investigation.

MUNICIPAL AFFAIRS DEPARTMENT

The Administrator, Dimapur Municipal Council did not take any step to monitor and cross verify the actual quantities of railway wagons which transported cement from the Goods Office, Dimapur Railway Station, as a result, an amount of ₹30.07 lakh toll was not collected and resulted in short collection of revenue.

(Paragraph 2.5; Page 30)

Recommendations:

The State Government may-

- (i) take appropriate action to fix the responsibility of DMC officials involved in dereliction of duty and also take steps to recover the short collected toll from the consignees of the wagons/ cement bags.***
- (ii) strengthen monitoring mechanism by periodic cross verification of records with the Goods Office, Dimapur Railway Station to prevent recurrence of such omissions.***

Chapter-III Economic Sector

Performance Audit

HORTICULTURE DEPARTMENT

Mission for Integrated Development of Horticulture in Nagaland

A Performance Audit on 'Mission for Integrated Development of Horticulture' was conducted during September 2019 to April 2021 covering the period from 2014 to 2020.

Highlights:

- Annual Action Plans were prepared without conducting base line survey, Seed/ Planting material sub-plan and District-wise sub-plans.
(Paragraphs 3.2.3.2 and 3.2.3.3; Pages 39 and 40)
- Planting materials for ₹14.72 crore were procured from non-accredited nurseries/ local suppliers. 400 out of 841 beneficiaries reported short-receipt of planting materials.
(Paragraphs 3.2.5.3.1(i) and (iv); Pages 46 and 47)
- Inadmissible advance payment of ₹10.62 crore was made to suppliers. The Department also paid ₹12.14 crore to the contractors without actual execution of works.
(Paragraphs 3.2.5.5 (ii) and (iii); Pages 52 and 53)
- Centre of Excellence constructed at a cost of ₹five crore in Yisemyong, Mokokchung, was leased out to a private firm. An amount of ₹five crore released for creation of three Centres of Excellence (Phek, Tuensang and Dimapur) was diverted without the approval of GoI.
(Paragraphs 3.2.6.1 and 3.2.6.2; Pages 56 and 58)
- Inadmissible assistance of ₹11.44 crore was extended to the beneficiaries under Post Harvest Management.
(Paragraphs 3.2.8.1 and 3.2.8.2; Pages 63 and 66)

Recommendations:

The State Government may-

- *prepare the Perspective Plans and Annual Action Plans after conducting base-line surveys and by consolidating District-wise sub-plans.*
- *take appropriate steps wherever the cases were noticed :
diversion of project fund for other purposes; non-verifiable nurseries; leasing out the nursery without the consent of the Department; short-execution of - missing & hardening chambers and tubular structure; short distribution of planting materials; non-disbursement of maintenance allowance; issuance of incorrect completion certificate along with the false reporting to GoI; excess payments & short supply; payments made without actual execution of works and extending excess assistance for construction of pack houses, and fix the responsibility on the above cases.*

- *strengthen financial management and proper analysis of financial data should be carried out to avoid discrepancies in various financial documents.*
- *streamline the procurement process to safeguard the financial interest of the State Government by following extant financial rules.*
- *introduce effective monitoring system to avoid non/ short-execution of works/ projects, short distribution of planting materials, etc.*

Compliance Audit

PLANNING AND COORDINATION DEPARTMENT

Ministry of Development of North Eastern Region funded Non-Lapsable Central Pool of Resources Projects in Nagaland

The Non Lapsable Central Pool of Resources (NLCPR) Scheme came into existence in 1998 under the then Planning Commission. Subsequently, it was transferred to the Ministry of Development of North Eastern Region (MDoNER) in 2001. The objective of NLCPR Scheme was to fill up the gap in infrastructure sector of the North Eastern Region (NER) through sanctioning the projects prioritised by the State Governments.

Highlights:

Deficiencies in assessment of infrastructural needs and lack of proper planning of projects by the State Government were noticed in audit. Concept Notes did not contain detailed analysis of existing facilities (gap analysis) in the sector and full justification for retention of the particular project. Two projects retained at a cost of ₹48.85 crore were not sanctioned by MDoNER due to duplication with existing facilities, preparation of unrealistic estimates, delay in submission of revised estimates, *etc.* There were instances of short release of funds by State Government and submission of false UCs to MDoNER. Irregular diversion/ deduction of ₹1.96 crore towards VAT/WCT, departmental charges, procurement of vehicle, *etc.*, were noticed.

The implementing departments made payment of ₹2.92 crore to the contractors without actual execution of works and incurred avoidable expenditure of ₹5.58 crore due to procurement of materials at exorbitant rates.

Monitoring at the State level was inadequate, no evaluation studies were conducted, data relating to progress of projects was not uploaded in MIS portal, *etc.* Despite being pointed out in the C&AG Report and the recommendations of the Public Accounts Committee of the State Legislature, the nodal as well as implementing departments did not take necessary corrective measures.

(Paragraph 3.3; Page 72)

Recommendations:

The State Government may-

- *take appropriate measures to complete the time overrun projects at the earliest.*
- *ensure timely release of funds to complete the ongoing projects within the stipulated timeline.*
- *review projects which are stalled or progressing slowly because of land disputes, procedural or technical issues etc. and take appropriate course of action so that projects are completed without further delay.*
- *initiate departmental enquiry and fix responsibility against officers/ officials responsible for passing bills based on fictitious measurements, submission of false utilisation certificates; excess payments and also facilitating payments without actual execution of works, delay in completion of the project.*
- *strengthen monitoring and supervision to ensure proper quality of work, effective implementation and also to prevent irregularities in payment, incorrect measurements, etc.*

Chapter-IV General Sector

Compliance Audit Paragraphs

FINANCE DEPARTMENT (TREASURIES & ACCOUNTS)

Failure of the Drawing and Disbursing Officers and Treasury Officers to exercise prescribed checks resulted in fraudulent/ double/ excess drawals amounting to ₹2.78 crore.

(Paragraph 4.2; Page 96)

Recommendations:

- (i) *The State Government may investigate all such matters for all the Departments of the State.*
- (ii) *The Department may initiate disciplinary action against the erring officers responsible for the fraudulent drawals.*
- (iii) *The amount misappropriated should be recovered immediately from the concerned employees/ Drawing and Disbursing Officers/ Treasury Officers.*
- (iv) *The Government may also initiate steps to strengthen the internal control mechanism in all departments to prevent recurrence of fraudulent drawals and ensure that the checks and balances are in place.*

Chapter-V Revenue Sector

Subject Specific Compliance Audit

FINANCE (TAXATION) DEPARTMENT

Processing of refund claims under Goods and Services Tax

The provisions pertaining to refund contained in the Goods and Services Tax (GST) laws aim to streamline and standardise the refund procedures under GST regime. The Subject Specific Compliance Audit (SSCA) commenced on 20 November 2020 and was completed on 09 January 2021 covering all the three Divisions (Dimapur, Mokokchung and Kohima).

Highlights:

The Department did not adhere to the prescribed timelines leading to instances of delay in issuing of refund orders and communicating refund orders to counterpart tax authority. Further, lack of proper scrutiny of refund claims by the jurisdictional officers led to irregular allowance of refund in certain cases.

Systematic issues such as deficiency in record keeping at the level of Proper Officers/ Divisions to capture the full details of refund claims were noticed. Periodic reports were not forwarded to the Commissioner by the POs resulting in lack of effective monitoring.

(Paragraph 5.2; Page 106)

Recommendations:

- *The Department should ensure that Refund applications are supported by documents and processed in a timely manner as delay in processing of refund entail interest liability.*
- *Periodic reports may be forwarded to the Commissioner in a timely manner and monitoring of refund cases may be strengthened.*

Compliance Audit Paragraphs

FINANCE (TAXATION) DEPARTMENT

Twenty one dealers evaded Nagaland Value Added Tax of ₹4.59 crore by utilising invalid/ obsolete C Forms. In addition, an amount of ₹7.90 crore is also payable by them as penal interest.

(Paragraph 5.3; Page 117)

Recommendation:

The Government may instruct the Department to realise the amount in above cases and action may be initiated against the officials whose negligence led to short realisation of revenue.

Three Dealers defaulted in payment of tax amounting to ₹2.23 crore and are also liable to pay interest of ₹1.62 crore.

(Paragraph 5.4; Page 119)

Recommendations:

- (i) Due diligence may be exercised by the Assessing Authorities while assessing the self-assessed returns submitted by the dealers to avoid evasion of tax.*
- (ii) Time bound recovery of the Tax and penalty in these cases may be initiated and monitored at higher levels.*

FINANCE DEPARTMENT (TREASURIES & ACCOUNTS)

Lack of planning and proper monitoring mechanism with regard to procurement and supply of stamp duty materials resulted in accumulation of ₹20.77 crore stamp duty material. No stock verification was conducted to confirm the actual physical availability of these materials.

(Paragraph 5.5; Page 120)

Recommendations:

- *The Department may ensure the requirement of actual quantity by obtaining demands from the treasuries and after assessing the actual quantity available through regular physical verification of stock, before indent for printing of stamp duty materials.*
- *The State Government should assess and quantify the mutilated stocks and initiate steps to write off the damaged stamps.*
- *The Department should frame inventory management guidelines fixing stock limits such as minimum, maximum and re-ordering levels of various stamp duty materials, ensure proper storage of the usable stock and may adopt system like FIFO (First-In-First-Out).*

FINANCE DEPARTMENT (NAGALAND STATE LOTTERIES)

Due to flaws in implementation of the Nagaland Prohibition of Gambling and Promotion and Regularisation of Online Games of Skill Rules, 2016, the State Lotteries sustained revenue loss of ₹ two crore. Royalty receivable by the State Government also remained un-assessed as the active licensees neither maintained the designated accounts

nor the Department had any technical expertise to monitor and analyse the gross revenue of the licensees.

(Paragraph 5.6; Page 123)

Recommendations:

The State Government may-

- (i) take legal steps in any Court of Law to stop the illegal operation of online games without renewing the licences.*
- (ii) ensure that the licensees maintain designated accounts to check the drainage of State revenue.*
- (iii) recover the licence fee and penalty from defaulting license holders.*
- (iv) also ensure that the Department utilises the latest technology and technical expertise to analyse the gross revenue of the licensees earned from the online games of skill.*

MOTOR VEHICLES DEPARTMENT

The Motor Vehicles Department failed to invoke the provisions of Nagaland Motor Vehicles Taxation Act, 1967 and Nagaland Passengers and Goods Taxation Act, 1967 to recover the outstanding motor vehicles tax from vehicle owners resulting in shortfall of tax collection to the tune of ₹9.37 crore.

(Paragraph 5.7; Page 126)

Recommendation:

The Department should make effective use of the VAHAN software for detection of tax defaulters and invoke the relevant provisions of the Acts/ rules and recover the tax dues from the defaulting vehicle owners.

Chapter-VI

Economic Sector (Public Sector Undertakings)

Investments in Public Sector Undertakings

As on 31 March 2020, total investment of the State Government and Others (capital, and long-term loans) in six PSUs was ₹118.57 crore.

(Paragraph 6.1.2; Page 129)

As on 30 September 2020, five working PSUs had 21 years arrears of accounts ranging from one to 10 years. During 2019-20, two PSUs finalised two accounts, while one PSU had not finalised any Annual Accounts after 2013-14.

(Paragraph 6.1.5; Page 132)

The losses of working PSUs has increased by 130 *per cent* in 2019-20 as compared to 2018-19 and the reason mainly due to deterioration in the operational results of the PSUs. The overall losses of working PSUs are basically due to less turnover of the PSUs from its operation.

(Paragraph 6.1.8.2; Page 135)

Chapter-VII

Follow up of Audit Observations

During 2019-20, two Audit Committee Meetings (ACMs) were convened in respect of the Health & Family Welfare Department under Social Sector and Rural Development Department under Economic Sector were held on 25 June 2019 and 02 July 2019 respectively to clear the outstanding audit observations. During the ACMs, 03 IRs consisting of 28 paragraphs pertaining to 01 entity in respect of Health & Family Welfare Department and 06 IRs consisting of 61 Paragraphs pertaining to 02 entities in respect of Rural Development Department had been discussed. Out of which, 04 and 20 paragraphs in respect of Health & Family Welfare and Rural Development Departments respectively had been settled.

Recommendation:

Government needs to ensure that Audit Committees meet regularly to review, discuss, settle and take action on audit observations.

(Paragraph 7.1.4; Page140)

CHAPTER-I
INTRODUCTION

CHAPTER I: INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from the performance audits and test audit of transactions of various departments of the Government of Nagaland (GoN) pertaining to Social, Economic, General, and Revenue Sectors.

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective action, to frame appropriate policies as well as to issue directives that will lead to improved financial management and contribute to better governance.

This chapter, in addition to explaining the planning and coverage of audit, provides a synopsis of significant instances of non-compliance with applicable laws, rules, regulations, various orders and instructions issued by competent authorities.

1.2 Profile of the Office of the Principal Accountant General (Audit), Nagaland

This office was established on 17 December 1974. Following a restructuring of cadres in 1984, the audit functions were entrusted to the office of the Principal Accountant General (Audit), Nagaland and the Accounts and Entitlement functions were entrusted to the Principal Accountant General (A&E), Nagaland.

Under the directions of C&AG, the Office of the Principal Accountant General (Audit), Nagaland conducts audit of government departments, Public Sector Undertakings, Autonomous Bodies and other Institutions¹ under Social, Economic, General and Revenue Sectors, which are spread all over the State. The Accountant General (Audit) is assisted by one Deputy Accountant General.

The authority of audit is derived from Article 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (C&AG's (DPC) Act). Under Section 13 of the C&AG's (DPC) Act, the Office of the Accountant General (Audit) has been entrusted with the audit of all expenditure incurred from the Consolidated Fund of GoN. This office conducts audit of revenue receipts of GoN under Section 16 of the C&AG's (DPC) Act. This office conducts supplementary audit of the Balance Sheet of all State Government companies under Section 143 (6) (a) of the Companies Act, 2013. This office is responsible for audit of accounts of autonomous bodies and authorities falling under Section 14, 15, 19 (2), 19 (3) and 20 (1) of C&AG's (DPC) Act. The C&AG prescribes the principles and methodologies for various audits in the Auditing Standards and the Regulations on Audit and Accounts, 2007.

¹ Audit of World Bank assisted projects, Asian Development Bank assisted projects *etc.*

1.3 Planning and conduct of Audit

Audit process commences with the assessment of risk of the departments based on the expenditure incurred, criticality/ complexity of activities, priority accorded for the activity by the Government, level of delegated financial powers, assessment of internal controls, concerns of stakeholders, previous audit findings, *etc.* Based on this risk assessment, frequency and extent of audit are decided and an annual audit plan is formulated to conduct audit.

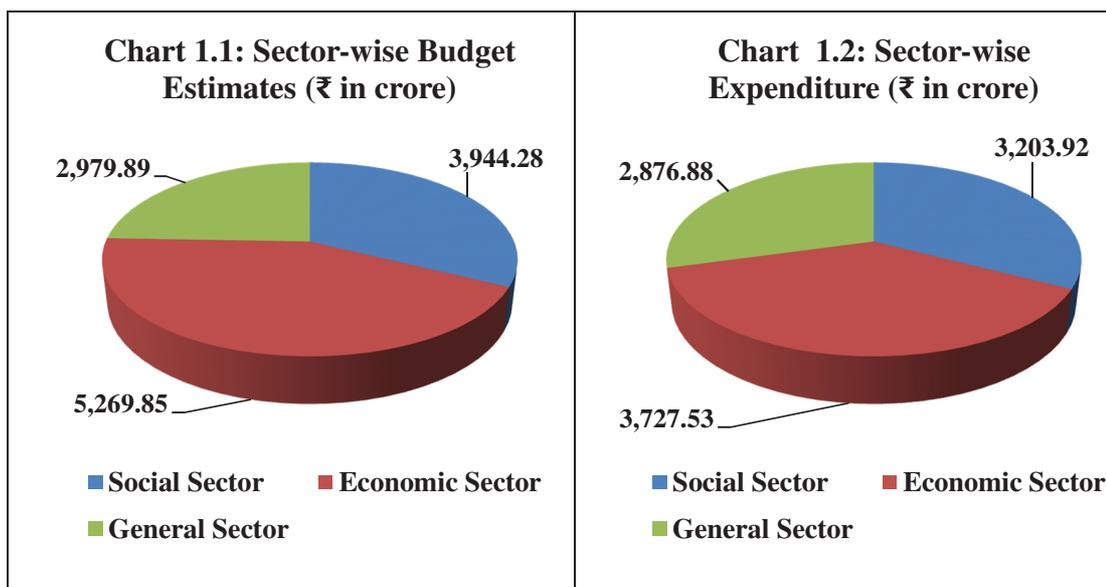
After completion of each audit, Inspection Report (IR) containing audit findings is issued to the Head of the unit with a request to furnish replies within one month of receipt of the IR. Wherever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at the highest level in the Government, are processed for inclusion in the Audit Report which are submitted to the Governor of Nagaland under Article 151 of the Constitution of India for causing them to be laid on the Table of the State Legislature.

Audit Plan is prepared in such a way that it fits into the long term and short term goals of audit in consonance with the overall “Vision and Mission” of the Indian Audit & Accounts Department. It has been prepared after carrying out risk assessment and keeping in view the available manpower. Elements of the Audit Quality Management Framework (AQMF) *viz.* materiality, inputs from Voucher Level Computerisation (VLC), financial size of the units, data from various e-governance initiatives taken by government, flagship programme undertaken by auditees, press criticism/ electronic media coverage, expected audit impact and continuous improvement based on past experience, *etc.* were taken into account to the extent possible while framing out the plan. A sector wise analysis of government spending, investment policy of the government in infrastructure development, industrialisation and socio-economic activities along with due consideration of possible audit impact were taken into account in prioritising auditee units for preparing the audit plan.

Considering the availability of resources, focus has been given in areas of high financial risk than to thinly spreading out the resources throughout the government activities. This would have better socio-economic impact and add value to governance. Out of 1,094 units, 367 units was planned for audit during 2019-20 after carrying out risk assessment and keeping in view the available manpower, of which 345 units were actually audited during 2019-20.

1.4 Significant Audit Observations

During the year 2019-20, the State Government incurred an expenditure of ₹9,808.33 crore against the budget provision of ₹12,194.02 crore under Social, Economic and General Sectors. Sector-wise expenditure is depicted in **Charts 1.1** and **1.2**.



Source: Appropriation Accounts, 2019-20

This Report *inter alia* contains two Performance Audits viz. “Direct Benefit Transfer (DBT)” and “Mission for Integrated Development of Horticulture”, one Compliance Audit viz. “Ministry of Development of North Eastern Region (MDoNER) funded Non-Lapsable Central Pool of Resources (NLCPR) projects in Nagaland”, one Subject Specific Compliance Audit on Goods and Services Tax (GST) viz. “Refund cases under GST in Nagaland” and major findings of audit from test check of the transactions of 310 units² involving an expenditure of ₹12,691.17 crore³ under Social, Economic, and General sectors. Significant audit findings are discussed in the respective chapters.

² Social: 102 units; Economic: 138 units; General: 70 units

³ Social: ₹3,181.72 crore; Economic: ₹4,977.53 crore; General: ₹4,531.92 crore

CHAPTER-II
SOCIAL SECTOR

CHAPTER - II

SOCIAL SECTOR

2.1 Introduction

This chapter of the Audit Report for the year ended 31 March 2020 deals with the findings on audit of the State Government units under Social Sector.

The names of the departments under Social Sector and their budget *vis-à-vis* expenditure details during 2019-20 are shown in **Table 2.1.1**.

Table 2.1.1: Details of Departments with Budget allocation and Expenditure

(₹ in crore)

Sl. No.	Name of the Departments	Total Budget Allocation	Expenditure	Percentage of expenditure
1.	School Education	1,691.65	1,386.13	82
2.	Health & Family Welfare	819.25	668.95	82
3.	Social Welfare	307.52	306.50	100
4.	Water Supply & Sanitation	250.86	180.02	72
5.	Higher Education	245.86	157.77	64
6.	Municipal Affairs	176.67	121.49	69
7.	Urban Development	138.67	109.91	79
8.	Youth Resources & Sports	92.26	84.45	92
9.	Employment & Craftsmen Training	46.88	39.54	84
10.	State Council for Education, Research & Training	44.91	38.54	86
11.	Information & Public Relations	38.97	38.95	100
12.	Technical Education	36.29	23.63	65
13.	Art & Culture	31.76	27.11	85
14.	Women Welfare	12.86	11.11	86
15.	Labour	9.87	9.82	99
Total		3,944.28	3,203.92	81

Source: Appropriation Accounts, 2019-20

It would be seen from the table above that:

- In social sector, the expenditure incurred by the Government ranged between 64 per cent and 100 per cent.
- The Departments had utilised lesser amount than the budgeted allocation.

During the year, an expenditure of ₹3,181.72 crore (including funds pertaining to previous years audited during the year) of the State Government under Social sector were test checked. This Chapter contains audit observations on the Performance Audit of 'Direct Benefit Transfer' and three compliance audit paragraphs.

Performance Audit

MUNICIPAL AFFAIRS AND RURAL DEVELOPMENT DEPARTMENTS

2.2 Direct Benefit Transfer

The Performance Audit on Direct Benefit Transfer (DBT) covered the period from April 2017 to March 2020. Out of 65 schemes implemented by 15 Departments in Nagaland, two Centrally Sponsored Schemes (CSS) implemented by two Departments viz. Municipal Affairs and Rural Development Departments were selected on the basis of volume of expenditure.

Highlights:

- The State DBT Advisory Board did not conduct quarterly meetings since its constitution on July 2017 as envisaged in the DBT Mission guidelines. DBT implementation Support Layer consisting of three coordinators responsible for technical, non-technical and finance & administrative support to the State DBT Cell's operations were not constituted as envisaged in the DBT Mission guidelines.

(Paragraphs 2.2.10.1 and 2.2.10.3)

- The State DBT Cell did not upload data of all Centrally Sponsored Schemes implemented to the State/ Bharat DBT Portal as well as Portals of the respective Ministries/ Departments of the Central Government administering the particular scheme.

(Paragraph 2.2.10.4)

- The overall achievement of DBT in Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) as of March 2020 was only 11.60 *per cent*. The objective of DBT was not achieved in the State as 88.40 *per cent* of job card holders were paid through an intermediary level "Village Development Board" mainly due to non-availability of banking facilities.

(Paragraph 2.2.13.1.1)

- The mission mode approach of the State Government/ implementing Department for full implementation of DBT in MGNREGS failed as no timeline was fixed to complete the exercise.

(Paragraph 2.2.13.1.2)

- Delayed release of funds to the Implementing Department and payments to ineligible beneficiaries were noticed under Pradhan Mantri Awas Yojana-Urban (PMAY-U).

(Paragraphs 2.2.12.1 and 2.2.13.2.1)

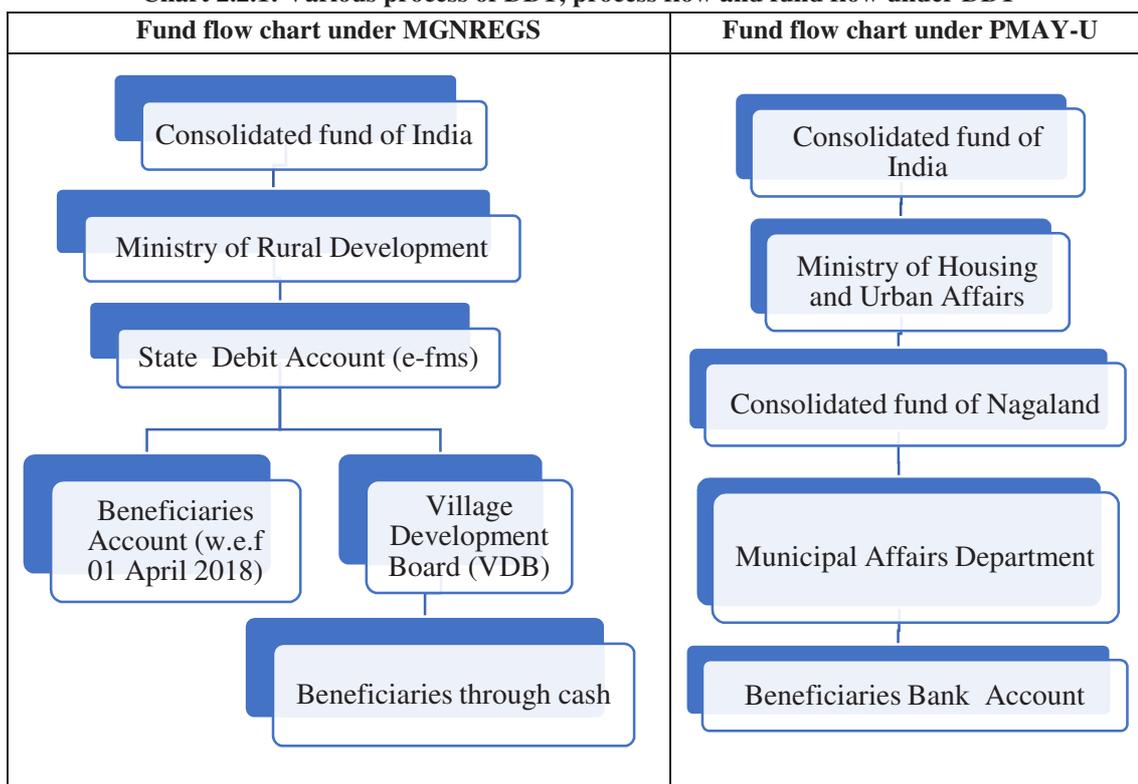
2.2.1 Introduction

To reform Government delivery system by re-engineering the existing process in welfare Schemes and for faster flow of information/ funds by accurate targeting of the

beneficiaries, de-duplication and reduction of fraud, DBT was started in India on January 2013. The First phase of DBT was introduced in 43 districts and extended to 78 districts covering 27 schemes. Further, seven new scholarship schemes and MGNREGS was brought (December 2014) under the ambit of DBT in 300 districts.

DBT intends to achieve (1) Electronic transfer of benefits, minimising levels involved in benefit flow, (2) Reduce delay in the payment, (3) Accurate targeting of the beneficiary and (4) Curbing pilferage and duplication.

Chart 2.2.1: Various process of DBT, process flow and fund flow under DBT



Source: Records of the implementing Departments and guidelines of the schemes

2.2.2 Vision and Purpose of Direct Benefit Transfer

DBT vision is a governance regime which ensures a simple and user-friendly Government to People interface and directly delivers entitlements to eligible individuals and households in a fair, transparent, efficient and reliable manner. DBT is an attempt to ensure a better and timelier delivery of benefits to the people. This marks a paradigm shift in the process of delivering government benefits like wage payments, fuel subsidies, food grain subsidies, etc. directly into the hands of the beneficiaries, speeding up payments, removing leakages, and enhancing financial inclusion.

2.2.3 Various Process of Direct Benefit Transfer

Under DBT, the following process is followed by implementing agencies through Public Financial Management System (PFMS) or other payment system.

- I. Beneficiary identification and enrolment in Ministry’s DBT scheme Management Software.

- II. Beneficiary validation/ registration on PFMS (or any other system), including first time validation of bank account details.
- III. Generation of payment file instructions.
- IV. Processing of payment file and payment to beneficiary.

2.2.4 Organisational Structure

The GoN constituted DBT Cell on July 2016 comprising Finance Commissioner as Coordinator to ensure implementation of DBT in various schemes of the Central Government as well as State Government. He would be assisted by seven members⁴ from different Departments of the State Government.

To coordinate and provide holistic guidance to State Government for implementation of DBT, GoN constituted (July 2017) the DBT Advisory Board headed by the Chief Secretary as Chairman. He would be assisted by the Officer on Special Duty (OSD) Finance as Member Secretary and 17 members⁵ from different line Departments and other stakeholders. The Cell was entrusted with the responsibility of liaising with all stakeholders for the seamless transition of schemes to DBT.

2.2.5 Scope of Audit

The Performance Audit covered the period from April 2017 to March 2020. Out of 65 schemes (***Appendix 2.2.1***) implemented by 15 Departments of GoN, two Centrally Sponsored Schemes (CSS) implemented by two Departments⁶ were selected on the basis of volume of expenditure.

- I. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).
- II. Pradhan Mantri Awas Yojana- Urban (PMAY-U).

Four⁷ out of 11 districts in the State were selected through Probability Proportional to Size Without Replacement (PPSWOR) method.

- I. Under MGNREGS, 25 *per cent* of the Block Development Officers (BDOs) were selected from each district & 10 *per cent* VDBs from each Block and five *per cent* of beneficiaries from each selected VDBs for beneficiary survey.
- II. Under PMAY-U, five *per cent* beneficiaries were selected for survey.

⁴ (1) Finance Commissioner, (2) Commissioner & Secretary Education Department, (3) Commissioner & Secretary Health & Family Welfare Department, (4) Commissioner & Secretary Information Technology & Communication, (5) Secretary Social Welfare Department, (6) Secretary Rural Development Department and (7) Secretary Food & Civil Supply and O.S.D Finance

⁵ (1) Finance Commissioner & DBT Coordinator, (2) Home Commissioner, (3) Commissioner Nagaland, (4) Principal Secretary School Education, (5) Principal Secretary Health & Family Welfare, (6) Commissioner and Secretary Information Technology & Communication, (7) Secretary Social Welfare, (8) Secretary Rural Development, (9) Secretary Food & Civil Supply, (10) Secretary Labour, (11) Secretary Higher & Technical Education, (12) Mission Director SSA, (13) Mission Director RMSA, (14) General Manager, BSNL, (15) Director Postal Service, (16) Assistant General Manager SBI & Convenor, SLBC and (17) Officer-in-Charge NIC, Kohima

⁶ Rural Development Department and Municipal Affairs Department

⁷ (1) Dimapur, (2) Longleng, (3) Mon and (4) Zunheboto

Table 2.2.1: Details of the selected schemes

Sl. No.	Name of the Schemes (Year of implementation)	Eligibility criteria for the Schemes	No. of beneficiary	Purpose of the Scheme	Expenditure (₹ in crore) 2017-20
1.	MGNREGS (2006)	A household having adult members (completed 18 years of age) desirous of seeking unskilled employment and residing in a rural area, who is enlisted as Below Poverty Line (BPL).	4,25,990	To provide 100 days of guaranteed employment in a financial year to every household in rural areas.	1,723.96
2.	PMAY-U (2016)	Beneficiaries desirous of availing this assistance shall approach the ULBs with adequate documentation regarding availability of land owned by them. Beneficiaries having a <i>Kutcha</i> or <i>Semi-Pucca</i> house can also avail the Scheme. Beneficiary's annual income must not exceed ₹three lakh.	23,528	To address the affordable housing requirement in all statutory towns by providing Central Assistance to Beneficiaries to construct a <i>pucca</i> house. Under this Scheme, a beneficiary is given GoI subsidy amount of ₹1,50,000 in three instalments, 40 <i>per cent</i> as 1 st instalment, 40 <i>per cent</i> as 2 nd instalment and 20 <i>per cent</i> as 3 rd instalment.	94.74

Source: Records of the implementing Departments and guidelines of the schemes

2.2.6 Audit Objectives

The Audit objectives were to assess whether:

- Infrastructure, organisation and management of DBT was adequate and effective.
- 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.

2.2.7 Audit Criteria

Audit criteria were derived from the following sources to assess the audit objectives:

- Guidelines of Schemes on process of identification and authentication of beneficiaries and payment.
- Standard Operating Procedures, Handbooks on DBT and guidelines for State DBT Cell issued by the DBT Mission.
- Documents, circulars, order, instructions and notifications issued by the DBT Mission, Central Ministry and State Government.

2.2.8 Audit Methodology

The Performance Audit commenced with an ‘Entry Conference’ held on 09 March 2021 with the Special Secretary, Finance Department-cum-OSD DBT Cell, Commissioner & Secretary, Rural Development Department, Joint Director, Municipal Affairs Department along with other Departmental Officers/ the programme implementing officers, where the audit methodology, objectives, criteria, scope, *etc.*, of the performance audit were discussed. Audit Methodology involved examination and analysis of the records/ documents of DBT Cell, Directorate of RD Department for MGNREGS and Municipal Affairs Department for PMAY (U) with field visits by the Audit team for scrutiny and analysis of the records of sample Districts as well as beneficiary survey during the period from 2017-18 to 2019-20.

The Exit Conference was held on 17 December 2021 and the responses received from the Government have been incorporated in the Report at appropriate places.

2.2.9 Acknowledgement

We acknowledge the co-operation and assistance extended by the Rural Development (RD) Department and the Municipal Affairs Department (MAD) during the conduct of audit.

Audit Findings

2.2.10 DBT Cell

2.2.10.1 Constitution of DBT Advisory Board

The DBT Advisory Board should have included representatives from multi-lateral agencies like World Bank, Asian Development Bank *etc.*, for providing technical guidance to the Cell’s operation. The role of the Board shall be to provide holistic advice and inputs to ensure that the Cell’s operations are not exclusive and are in sync with the interests of DBT’s enablers. This body should meet once in a quarter or in any other regular interval, as deemed fit.

It was observed in Audit that Advisory Board was constituted in July 2017, however, no meeting of the Board was convened as of October 2021. In absence of the active role of the Board, the Cell was deprived of the holistic advice and guidance.

2.2.10.2 Infrastructure development of DBT Cell

As envisaged in the DBT Mission guidelines, the DBT Cell is required to have sufficient infrastructure such as IT application, IT & Communication infrastructure, Competent Human Resources, *etc.* to facilitate coordination in the implementation of DBT in various schemes.

However, scrutiny of records showed that the DBT Cell is managed by only four Secretariat Assistant and is headed by an OSD in the rank of Commissioner and Secretary. While infrastructure like IT applications and Communications were not made available in the State DBT Cell, but the same were hosted at the State Data Centre, Directorate of Information Technology and Communication (IT&C), GoN.

2.2.10.3 Implementation Support Layer

As per DBT Mission guidelines, Implementation Support Layer consisting of three coordinators responsible for technical, non-technical and finance & administrative support to the Cell's operations was required to be nominated. These coordinators will directly report to the DBT Coordinator who will elicit cooperation and participation from the grass root level for the Cell's operations.

It was observed that the three coordinators *i.e.*, technical, non-technical and finance & administration support to the Cell's operations were not nominated as of October 2021.

2.2.10.4 Uploading of data to Bharat DBT or State DBT Portal

The States were directed⁸ to ensure that all CSS implemented on DBT mode are uploaded on the State DBT Portal linked to Bharat DBT Portal as well as Portals of the respective Ministries/ Departments of GoI administering the particular CSS.

It was observed that instead of uploading the data by State DBT Cell, the implementing departments were directed to upload details of the DBT Schemes into State DBT Portal (www.dbt.nagaland.gov.in) which was in contravention to GoI directives. It was further observed that the data were not updated periodically by any of the implementing departments into the State DBT portal.

2.2.10.5 Identification of DBT Schemes

As per Standard Operating Procedure (SOP) for DBT, DBT Cell will identify scheme or DBT components of schemes and classify them in the following categories.

- I) Cash Transfer from Government Account to Individual Beneficiary;
- II) Other Transfers/ Processes.

Audit observed that Nagaland State DBT cell did not identify DBT Schemes. However, identification of DBT Schemes was done by the implementing Department. The identification of DBT Schemes for CSS is done by the Central Government and was implemented by the Departments concerned. Various Departments of Nagaland implemented 65 schemes (as of October 2020) including three State Sponsored Schemes⁹ (SSSs). Out of which, 34 schemes (including three SSSs) are DBT compliant Schemes while 16 schemes are not implemented under DBT mode and six are non-DBT schemes. Three Departments¹⁰ did not furnish details of the remaining nine schemes. The details are shown in *Appendix 2.2.1*.

2.2.10.6 Grievance redressal mechanism

SOP for DBT stipulated that DBT Cell will constitute a dedicated body to deal with complaints and grievances of beneficiaries in a fair and timely manner. The grievance

⁸ DO letter Nos. D-20011/03/2017-DBT (Cab) dated 10-11-2017 and D-20011/03/2017-DBT dated 20-03-2018

⁹ State Matric Scholarship, Technical Scholarship and Nagaland Building & Other Construction Workers Welfare Board

¹⁰ Agriculture Department (One scheme), School Education Department (Seven schemes) and Health & Family Welfare Department (One scheme)

may be pertaining to various issues like delays in receiving subsidy amount in the bank account of beneficiaries, incorrect or delayed feedback, incorrect set of entitlement received by end beneficiaries, etc.

However, DBT Cell did not constitute such a dedicated body to deal with complaints and grievances, as envisaged in the SOP. The DBT implementing Department deals with complaints and grievances of beneficiaries through website, email, WhatsApp, etc.

2.2.11 Identification of Beneficiaries for selected schemes

2.2.11.1 PMAY-U: Identification/ Selection of beneficiaries by Urban Local bodies

Para 7.1 of PMAY-U guidelines stipulated that beneficiaries availing Beneficiary-led individual house construction or enhancement assistance shall approach the Urban Local Bodies (headed by Ward Chairman) with documentation regarding availability of land owned by them. Such beneficiaries may be residing either in slums or outside the slums. Beneficiaries in slums which are not being redeveloped can be covered under this component if beneficiaries have a *Kutcha* or *Semi-Pucca* house. Annual income of the beneficiary should not exceed ₹three lakh.

The Ward Chairman shall validate and submit the beneficiary information such as ownership of land, economic status and the condition of the houses (*Kutcha*, *semi-kutcha* etc.), ensure eligibility for construction of new housing/enhancement of the prospective beneficiary to the MAD. In Nagaland, there are three Municipal Councils¹¹ (MCs) and 32 Town Councils¹² (TCs).

Scrutiny of records revealed that applications of 15,881 (86 per cent) out of 18,367 potential beneficiaries were submitted by ULBs to the MAD for further processing/ verification as shown in **Table 2.2.2**.

Table 2.2.2: Details of rejected beneficiaries

Period	Name of District	No. of applications received from ULBs					No. of applications forwarded to MAD	Details of beneficiaries	
		Municipal Council		Town Council		Total		Eligible	Ineligible
1	2	3	4	5	6	7 (4+6)	8	9	10 (8-9)
2017-18 to 2019-20	Kohima	Kohima	6,062	Tseminyu	508	6,570	4,626	4,197	429
	Dimapur	Dimapur	5,091	Medziphema	481	6,986	6,986	6,654	332
				East Dimapur	296				
				Chumukedima	1,118				
	Mokokchung	Mokokchung	2,147	Tuli	667	3,503	3,022	2,852	170
				Changtongya	535				
				Mangkolemba	154				
Zunheboto	--	--	--	Zunheboto	1,308	1,308	1,247	1,209	38
Total		13,300	--	5,067	18,367	15,881	14,912	969	

Source: Departmental records

¹¹ (1) Kohima Municipal Council, (2) Dimapur Municipal Town Council and (3) Mokokchung Town Council

¹² (1) Dimapur, (2) Kohima, (3) Shamator, (4) Mokokchung, (5) Jalukie, (6) Longleng, (7) Medziphema, (8) Mon, (9) Peren, (10) Phek, (11) Tuensang, (12) Wokha, (13) Zunheboto, (14) Bhandari, (15) Chumukedima, (16) Tuli, (17) Chantongya, (18) East Dimapur, (19) East Dimapur, (20) Mangkolemba, (21) Noklak, (22) Pungro, (23) Tseminyu, (24) Naginimora, (25) Aboi, (26) Chozuba, (27) Pfutsero, (28) Meluri, (29) Longkhim, (30) Tening, (31) Tobu and (32) Tizit

During door-to-door physical verification conducted by the Departmental Verification Committee of MAD, 14,912 (94 *per cent*) out of 15,881 applicants forwarded by MCs/ TCs were found eligible as per the Scheme guidelines. The remaining 969 applicants did not fulfil the eligibility criteria and were, thus, rejected. Rejection of applications indicates that ULBs/ Ward Committees did not exercise due diligence in scrutinising the documents and verification of housing requirements properly as envisaged under paragraph 7.2 of the Scheme guidelines.

2.2.12 Financial Management

Under MGNREGS, the Central Government will bear the entire cost i.e., 100 *per cent* of wages of unskilled manual workers and 75 *per cent* of the cost of material and wages of skilled and semi-skilled workers and the State Government will bear the remaining 25 *per cent* of materials and wages of skilled and semi-skilled workers. The State Government will also bear expenditure on unemployment allowances. PMAY-U is also 100 *per cent* centrally funded scheme.

Budget allocation and expenditure of the MGNREGS and PMAY-U are shown in **Table 2.2.3**.

Table 2.2.3: Details of budget and expenditure of the MGNREGS and PMAY-U

(₹ in crore)							
Sl. No.	Name of Scheme	Year	Opening balance	Fund receipt	Total available funds	Expenditure	Closing balance
1.	MGNREGS	2017-18	0.49	1,157.61	1158.10	1,002.83	155.27
		2018-19	155.27	216.42	371.69	227.47	144.22
		2019-20	144.22	369.66	513.88	493.66	20.22
Total				1,743.69		1,723.96	--
2.	PMAY-U	2017-18	60.54	1.17	61.71	13.25	48.46
		2018-19	48.46	65.05	113.51	16.63	96.88
		2019-20	96.88	14.41	111.29	64.86	46.43
Total				80.63		94.74	--

Source: Departmental records

2.2.12.1 PMAY-U: Delay in release of fund

As per the terms and conditions of financial sanctions of the Ministry of Housing and Urban Poverty Alleviation (MoHUPA), GoI, the State Government should release the Central Assistance within 15 days from the date of receipt to the State Level Nodal Agency (SLNA) account, thereafter State Government should release the funds to the implementing agencies without delay failing which, the amount would be recovered with interest, as applicable, for the period of default.

The details of fund released by GoI/ GoN to the implementing Department during the period from 2016-17 to 2019-20 are shown in **Table 2.2.4**.

Table 2.2.4: Details of delay in release of funds by the State

(₹ in lakh)

Released by MoHUPA to the State Government			Released by the GoN to the implementing Department		Period of delay
Instalment	Date	Amount	Date	Amount	
1 st instalment for 2016-17	21-12-2016	6,049.80	22-03-2017	3,024.90	03 months 01 day
			22-09-2017	3,024.90	09 months 01 day
	18-01-2017	4.20	03-08-2018	4.20	12 months 16 days
1 st instalment for 2017-18	27-03-2018	117.00	EBR*	117.00	Directly deposited
1 st instalment for 2018-19	19-09-2018	808.20	06-02-2019	808.20	04 months 18 days
1 st instalment for 2018-19	12-11-2018	5,104.20	EBR	5,104.20	Directly deposited
	13-11-2018	239.40	EBR	239.40	Directly deposited
	30-11-2018	0.60	03-02-2020	0.60	14 months 03 days
	30-11-2018	1.80	03-02-2020	1.80	14 months 03 days
	11-03-2019	0.60	28-08-2019	0.60	05 months 18 days
	11-03-2019	349.80	03-02-2020	349.80	10 months 23 days
1 st instalment for 2019-20	31-12-2019	3.60	06-11-2020	3.60	10 months 05 days
	31-12-2019	1,437.60	06-11-2020	1,437.60	10 months 05 days
Total		14,116.80	--	14,116.80	--

Source: Departmental records

* EBR = Extra Budgetary Resources

As seen from the above table, there was delay in release of funds by the GoN to the implementing Department ranging between 03 months 01 day and 14 months 03 days.

2.2.13 Implementation of DBT Schemes

2.2.13.1 Mahatma Gandhi National Rural Employment Guarantee Scheme

As per the MGNREGS Operational guidelines, 2013, GoI decided to progressively move towards Aadhaar Payment Bridge and Aadhaar Enabled Payment System (AEPS) using inter-operable micro-ATMs for transferring all benefits including wages under MGNREGS. In this system, each Aadhaar number will be linked to one account in which the wages and all other benefits will be credited. Central Government fixed 31 December 2016 for completion of DBT implementation under MGNREGS with regard to Aadhaar seeding in the program database and making Aadhaar Based Payments (ABP) to all the active workers.

Accordingly, the Ministry of Rural Development (MoRD), GoI informed (November 2015) the States to take steps to expedite DBT implementation and to complete the following:

1. Complete the Aadhaar seeding of all active workers in the NREGASoft by 15 December 2016;
2. Co-ordinate with the banks to get the Aadhaar numbers seeded in the bank database and mapping at the National Payments Corporation of India (NPCI) mapper by the banks by 15 December 2016;
3. Aadhaar number cross verification by the Program Officer on daily basis; and
4. Conversion of the joint account into individual account of the worker.

Further, MoRD informed (February 2016) the States to expedite the process of Aadhaar enrolment of the MGNREGS workers and seeding the same into their bank

accounts. The States were advised to organise camps at the Block/ GP level and also to set up a committee under the Chairmanship of Chief Secretary to resolve issues pertaining to financial inclusion. The Secretary (In-charge of MGNREGS) of the State should be a member of the committee so that issues pertaining to DBT and Aadhaar seeding under MGNREGS are also taken up and resolved.

Moreover, as per Notification¹³ issued by the DBT Cell, GoN, Aadhaar seeding is necessitated for all DBT under State Schemes and CSS.

During the period prior to 2017-18, BDO transferred the amount for payment of wages to MGNREGS workers in VDB account by cheque. The VDB Secretary then draws the amount and makes payments in cash to the workers.

The RD Department adopted Electronic Fund Management System (e-FMS) using NREGASoft from 01 April 2018 for direct release of wages to the workers account, based on Fund Transfer Order (FTO) generated at Programme Officer (PO)/ BDO level. During 2018-20, funds totalling ₹721.13 crore was utilised for implementation of MGNREGS in the State. Out of the total expenditure, an amount of ₹75.06 crore (10.41 per cent) was directly credited to individual workers accounts while the remaining amount of ₹646.07 crore (89.59 per cent) was credited to the respective VDB's account for cash payments to MGNREGS workers. Hence, the State Government failed to implement MGNREGS under DBT mode as envisaged, as 89.59 per cent of the fund transfers had no direct payments to individual workers. Moreover, no system was evolved by the Department to check that the funds paid by VDB in cash were actually paid to the eligible beneficiaries.

Thus, the objective of DBT was not fully achieved in the State to implement the MGNREGS due to the fact that a sizeable fund (89.59 per cent) were paid in cash through VDB which entails a high-risk of non-disbursement to eligible beneficiaries.

Recommendations: The State Government may-

- (i) *ensure the enrolment of MGNREGS beneficiaries who are yet to be enrolled, through appropriate measures, including coordination with Registrars and setting up enrolment centres at convenient locations and to sensitise the beneficiaries for Aadhaar seeding.*
- (ii) *implement the DBT scheme as envisaged whereby money is transferred directly into the bank accounts of the MGNREGS beneficiaries without any intermediary agency like Village Development Board.*

2.2.13.1.1 Negligible achievement of DBT under MGNREGS in the State

The DBT implementation status in Nagaland as of September 2016 is shown in **Table 2.2.5.**

¹³ Notification No. FIN/DBT-I/2017-18/15 dated 25 July 2018

Table 2.2.5: Details of Aadhaar Seeding

(No. in lakh)

Enrolment Agency	No. of Active workers	Total no. of enrolment with Aadhaar	Details of Aadhaar seeding		Details of ABP		Pendency at Programme Officer level
			No.	Per cent	No.	Per cent	
1	2	3 (Col. 2 * 0.67 ¹⁴)	5	6 {(5/2)*100}	7	8	9
Registrar General of India	5.69	3.81	1.21	21	0.00	0	0.54

Source: Ministry letter M-12014/2/2015-MGNREGS-V (FTS-344637) dated 23 November 2015¹⁵

Note: The reason for excess enrolment of active worker is due to enrolment of two or more adults in a household whereas, enrolment in Job card is one in each household

It can be seen from above table that implementation of DBT in Nagaland had not commenced at the time of issue of the notification in all 74 Blocks (42 banked blocks and 32 unbanked). As many job cards holders were yet to open bank accounts even in the bank covered blocks, Nagaland was exempted by MoRD for implementation of DBT and to continue cash payments through VDB accounts till December 2018 with the following conditions:

1. State will ensure that all MGNREGS beneficiaries have bank/ Post office account.
2. State will implement 100 per cent e-FMS at all locations and from April 2018, all payment will be done through e-FMS in these 42 banked blocks.

Accordingly, implementation of DBT in Nagaland started from April 2018. The status of DBT under MGNREGS (after DBT implementation from April 2018) is shown in **Table 2.2.6**.

Table 2.2.6: Status of DBT under MGNREGS

Year	Total Job-card workers	DBT Job-card workers	Non-DBT workers	Percentage
2018-19	4,16,884	32,617	3,84,247	7.82
2019-20	4,25,990	49,414	3,76,576	11.60

Source: Departmental figure

It can be seen from above table that out of 4,16,884 Job-card workers (March 2019), only 32,617 Job-card workers (eight per cent) were paid through e-FMS and the remaining 3,84,247 Job-card workers (92 per cent) were paid in cash even after extension granted by MoRD. The overall achievement of DBT in MGNREGS in Nagaland was only 11.60 per cent (as on March 2020).

The Department stated (September 2021) that 100 per cent DBT/ e-FMS could not be achieved due to inadequate banking coverage and facilities at villages. Most of the banks were located in urban and semi-urban areas. Rural banking coverage is inadequate and access to banks and banking facilities are inadequate for job card holders based at rural areas. In addition, a bank branch with staff shortage, has to cater to many blocks and hence deputing staff for special camps by banks was difficult and therefore special awareness and outreach activities by banks to familiarise on banking procedures are minimal.

¹⁴ As per Registrar General of India, out of the active workers, 67 per cent was enrolled with Aadhaar

¹⁵ DBT implementation status as on 22 November 2016

The achievement in respect of implementation of DBT under MGNREGS in the four sampled Districts is shown in **Table 2.2.7**.

Table 2.2.7: Details of DBT status in selected District

Name of District	Total beneficiaries	DBT Beneficiaries	Per cent
Dimapur	1,47,332	13,244	8.99
Mon	60,209	16,236	26.97
Zunheboto	79,178	286	0.36
Longleng	42,750	812	1.90
Total	3,29,469	30,578	9.28

Source: Departmental figure and web site (March 2021)

As can be seen from table above, the achievement in Mon district which is considered as one of the economically backward and remote districts of the State achieved higher (26.97 per cent) than the other three test checked districts especially, the achievement of 0.36 per cent in respect of Zunheboto District was very dismal.

Beneficiary survey of 766 out of 8,599 beneficiaries in 24 selected VDBs revealed that 161 beneficiaries (21 per cent) were paid through DBT and the remaining 605 beneficiaries (including 479 beneficiaries with bank account) were paid in cash.

Beneficiaries stated that due to remoteness of the village and non-accessibility to banking facilities/Aadhaar Processing Centre, they could not open their bank account or Aadhaar Card.

In respect of beneficiaries having bank account but paid in cash, the Department stated (September 2021) that even though bank accounts were opened, the accounts were either inactive or rejected due to non-matching of names in the Aadhaar or Job cards.

Recommendation: *The State Government should take necessary step to sensitise the beneficiaries having inactive/ dormant accounts for updation of their accounts and make efforts to create more banking facilities/ Aadhaar Processing Centre to usher the need of the rural areas.*

2.2.13.1.2 Non-achievement of Road map target

Due to the difficulties faced by the Department to fully implement DBT in the State, further exemption was sought (September 2018) by the Department for total implementation of DBT till March 2019. GoI directed (October 2018) the State to immediately start implementation of e-FMS for wages and to prepare a road map for implementation of DBT.

As per the road map, to improve the DBT implementation of MGNREGS, it was decided to implement in Mission Mode as shown in **Table 2.2.8**.

Table 2.2.8: Mission Mode Strategy

Missions	Activities	Timeline
Mission I:	Timely payment through e-FMS through VDB	30 October 2018 for two Districts viz. Kohima and Dimapur. 30 November 2018 for remaining nine Districts of the State. (Entire State: 30 November 2018)
Mission II:	Introduction of DBT	No timeline was fixed
Mission III:	Focus on Monitoring and Evaluation (M&E)	
Mission IV:	Capacity Building of field functionaries on MGNREGS focus areas	

Source: Departmental records

The methodology followed by the Department was to select a pilot location for eFMS/ DBT and work out a strategy to implement e-FMS/ DBT. State monitoring dashboard would be created to effectively monitor, manage and implement e-payments and regular reviews with districts and banks, State Level Bankers' Committee (SLBC), Unique Identification Authority of India (UIDAI), PFMS for better implementation of DBT. Workshops and capacity building programs would be conducted for field functionaries for better implementation.

Mission-I roadmap to make timely payment through e-FMS to VDB was contrary to the DBT guidelines as VDB is an intermediary body and not the actual beneficiary. Therefore, the objective of the DBT guidelines to minimise the intervention of intermediary level and to make payment directly to the beneficiaries was defeated.

Mission-II envisaged working out a strategy for selection of pilot location to implement e-FMS and DBT in two districts (Kohima and Dimapur) to start-up e-FMS to VDB account for opening of bank accounts and collection of workers Aadhaar number to enable DBT directly to the beneficiaries. No timeline was fixed to complete the exercise by the Department. Thus, the objective of implementing DBT in Mission mode did not yield any tangible result.

2.2.13.1.3 Inadequate banking facilities and APCs coverage in rural areas

As per information provided by the District Administration and Reports of the SLBC, there are insufficient banking facilities and Aadhaar Processing Centres (APCs) in the remote areas. The details are shown in **Table 2.2.9**.

Table 2.2.9: Details of banking facilities in the selected Districts

Name of the District	Population (rural and urban) (in lakh)	No. of banks		No. of ATM		No. of Business Correspondence ¹⁶ (BC)	
		2017-18	2019-20	2017-18	2019-20	2017-18	2019-20
Dimapur	3.79	62	65	140	143	33	109
Mon	2.50	7	8	8	9	5	22
Zunheboto	1.41	9	9	6	8	1	13
Longleng	0.50	1	1	2	2	5	2

Source: District Administration and State Level Bankers' Committee, Nagaland report for the quarter December 2017 to March 2020

¹⁶ Retail agents who represent banks and are responsible for delivering banking services at location other than bank branch/ATM

It can be seen from the above table that banking facilities and APCs coverage is insufficient to cover all the villages and beneficiaries. Quarterly SLBC meetings along with representatives from various banks, OSD Finance and Commissioner Secretary of various departments including Stake Holders are being held. As per the Action Taken Report of the SLBC meeting, the Banks has stated that due to remoteness of the areas, poor network connectivity, difficulty in staff deployment in case of exigencies and securities issue prevailing in remote areas, it was not favourable to open banking outlet at unbanked blocks.

2.2.13.2 Pradhan Mantri Awas Yojana (Urban)

Para 1.1 of PMAY-U guidelines stipulated that Mission for urban area was to be implemented during 2015-22 by providing central assistance to implementing agencies through States/ UTs to provide housing to all eligible families/ beneficiaries by 2022. The Mission would be implemented through four optional verticals to beneficiaries, ULBs and State Governments such as (i) “*In situ*” Slum Redevelopment; (ii) Affordable Housing through Credit Linked Subsidy; (iii) Affordable Housing in Partnership and (iv) Subsidy for beneficiary-led individual house construction or enhancement. States/ UTs shall have the flexibility to redefine the annual income criteria as per local conditions in consultation with the Centre.

GoN implemented subsidy for beneficiary-led individual house construction or enhancement whereby Economically Weaker Section (EWS) households having an annual income up to ₹three lakh were eligible for this Scheme. However, the DBT scheme started in December 2017 through National Electronic Funds Transfer (NEFT) and PFMS Platform started in February 2019.

2.2.13.2.1 Payment to ineligible beneficiaries

Scrutiny of records revealed that an amount of ₹141.17 crore was released (December 2016 to December 2019) by Ministry of Housing & Urban Affairs¹⁷, GoI for 23,528 beneficiaries¹⁸ as first instalment.

It was however observed that 161 beneficiaries were ineligible on the following grounds: (i) income was above ₹three lakh per annum (ii) more than one member from a family applied or (iii) already owned *Pucca* house.

The implementing Department released ₹96.60 lakh @ ₹60,000, as 1st instalment to 161 ineligible beneficiaries¹⁹, out of which an amount of ₹25.26 lakh²⁰ had been recovered. However, amount of ₹71.34 lakh is remaining to be recovered from

¹⁷ The Government, in 2017, merged the urban development and housing and urban poverty alleviation ministries as the Ministry of Housing and Urban Affairs (MoHUA)

¹⁸ New Construction-13,529 beneficiaries and Enhancement-9,999 beneficiaries

¹⁹ Kohima- 80 beneficiaries and Dimapur- 81 beneficiaries

²⁰ As on May 2022, ₹60,000 each was recovered from 38 beneficiaries, ₹54,000 each from four beneficiaries and ₹30,000 from one beneficiary

123 beneficiaries²¹. The Department did not initiate any action for recovery of the amount paid to ineligible beneficiaries.

Photographs of houses where payments made to ineligible beneficiaries under PMAY (Urban) Scheme.

			
<p>Name of the Beneficiary: Swedele Beneficiary ID Nos: 138014662058900152 Father's Name: Lt. Vihoto Date of payment: 19-12-2017 Address of the Beneficiary: A.G. Colony Name of District: Kohima Reason for ineligible: Beneficiary has already a pucca house and using the Ground Floor as commercial. Recovery amount: ₹54,000 recovered and ₹6,000 is remaining to be recovered.</p>	<p>Name of Beneficiary: Yanchibeni Tsanglao Beneficiary ID Nos: 138014662059200002 Father Name: Pankathung Lotha Date of Payment: 14-12-2017 Address of Beneficiary: Paramedical Colony Name of District: Kohima Reason for ineligible: Government Employee earning (₹31,880 per month) more than income above eligibility criteria (₹3,00,000 per annum). Recovery amount: No recovery was made.</p>	<p>Name of Beneficiary: Nyamo Jami Beneficiary ID Nos.: 138014572082500042 Father Name: Wobsndsao Jami Date of Payment: 05-05-2018 Address of Beneficiary: Ward 21, Notun Basti, Dimapur Name of District: Dimapur Reason for ineligible: Beneficiary has already a pucca house. Recovery amount: No recovery was made.</p>	<p>Name of Beneficiary: Akholung Kamei Beneficiary ID Nos.: 138014572080600027 Father Name: Amu Kamei Date of Payment: 05-05-2018 Address of Beneficiary: Ward 04, Rongmei Colony, Dimapur Name of District: Dimapur Reason for ineligible: Beneficiary has already a pucca house. Recovery amount: No recovery was made.</p>

Thus, payment to ineligible beneficiaries deprived the eligible beneficiary of their due benefits.

Recommendation: *The Department should take concrete steps in a time bound manner to recover the amount from ineligible beneficiaries.*

²¹ Kohima-42 beneficiaries (including partial outstanding balance of ₹24,000 from four beneficiaries and ₹30,000 from one beneficiary) and Dimapur-81 beneficiaries

2.2.13.2.2 Delay in payment due to inactive accounts/ dormant accounts

As per GoI (DBT Mission) Office Memorandum,²² beneficiaries may update their Know Your Customer (KYC) in respect of accounts for receiving DBT payments. They may also request their banks to convert their ‘small accounts’ into regular Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts after KYC up-dation, as there is no minimum balance requirement in PMJDY accounts. Further, all Banks have been advised to allow crediting of DBT payments into inoperative/ dormant accounts, in line with Reserve Bank of India’s (RBI) circular dated 17 September 2013.

Scrutiny of records revealed that during February 2018 to March 2020 an amount of ₹80.51 crore was transferred to 12,838 beneficiaries’ accounts. Payment of ₹7.36 crore to 1,227 beneficiaries²³ failed in the first attempt due to exceeding the maximum Credit limit set on account by Bank, dormant Account *etc.* Out of the failed transactions, 282 beneficiaries²⁴ were from four selected Districts. However, 127 beneficiaries from selected Districts were successfully paid in second attempt but payment to the remaining 155 beneficiaries is pending (October 2020).

It was noticed that the banks did not convert ‘small accounts’ into regular PMJDY accounts and no effort were made to start a drive to at least complete KYC of these beneficiaries as per GoI guidelines. It was also noticed that the Banks did not take steps for crediting of DBT payments into inoperative/ dormant accounts, in line with the circular (17 September 2013) made by the RBI. Moreover, in absence of regular meetings by the DBT Advisory Board the matter was not discussed with the Convenor of SLBC, who is also a member of the Advisory Board, for taking appropriate steps to resolve the issue.

Thus, the main objective of DBT for timely delivery of benefit from the government to the people was not fulfilled due to banks not crediting DBT payments into inoperative/ dormant accounts in line with RBI Circular.

Recommendation: *The State Government needs to take-up the matter with the Banks in line with RBI’s correspondences to get the DBT payments credited into inoperative/ dormant accounts.*

2.2.13.2.3 Failure in submission of Utilisation Certificate

As per para 14.6 of PMAY-U guidelines, the second instalment of 40 *per cent* will be released based on 70 *per cent* utilisation of earlier central releases and commensurate physical progress. Before releasing the second instalment Central Sanctioning and Monitoring Committee (CSMC) may check the quality of the house being constructed on random basis or houses of specific project through technical institution along with the reports of Third Party Quality Monitoring Agency (TPQMA) selected by the State for quality monitoring purpose. The details of UCs furnished to the MoHUPA is shown in **Table 2.2.10**.

²² No. 1-11011/133/2015-DBT (V01-II) dated 22 February 2019

²³ Pending payment (789 beneficiaries) and Failure Payment (438 beneficiaries)

²⁴ Dimapur (133 beneficiaries), Longleng (41 beneficiaries), Mon (29 beneficiaries) and Zunheboto (79 beneficiaries)

Table 2.2.10: Status of Utilisation Certification

(₹ in lakh)

Year	Releases by MoHUPA to the State Government	Date	Amount	Date of submission of UC	Amount	Difference
2016-17	1 st instalment for 2016-17	21-12-2016	5,512.20	31-03-2020	3,687.00	1,825.20
			537.60	03-09-2019	33.60	504.00
		18-01-2017	4.20	24-06-2019	4.20	0.00
2017-18	1 st instalment for 2017-18	27-03-2018	117.00	18-02-2019	117.00	0.00
2018-19	1 st instalment for 2018-19	19-09-2018	808.20	30-08-2019	710.40	97.80
		12-11-2018	5,104.20	31-03-2020	4,932.60	171.60
		13-11-2018	239.40	03-09-2019	214.20	25.20
		30-11-2018	0.60	03-09-2019	0.60	0.00
2018-19	1 st instalment for 2018-19	30-11-2018	1.80	-	-	1.80
		11-03-2019	0.60	30-03-2020	0.60	0.00
		11-03-2019	349.80	-	-	349.80
2019-20	1 st instalment for 2019-20	31-12-2019	3.60	-	-	3.60
		31-12-2019	1,437.60	-	-	1,437.60
Total			14,116.80		9,700.20	4,416.60

Source: Departmental figure

It can be seen from the above table that there was inordinate delay in submission of UCs by the Department to MoHUPA. During the period from 2016-17 to 2019-20, the Department received an amount of ₹14,116.80 lakh from the Ministry as 1st instalment under PMAY (Urban). However, the Department did not submit UCs for an amount of ₹9,700.20 lakh leaving a huge balance of ₹4,416.60 lakh UCs yet to be furnished to the Ministry (March 2020).

Further, the TPQMA for the purpose of quality monitoring was not appointed, which is a mandatory process for next release of fund from the Ministry.

The Department's failure to submit the UCs and timely appointment of TPQMA had resulted in non-release of second/ third instalments from the Ministry and at the same time depriving timely benefits to the beneficiaries.

Recommendation: *The Department should put sincere effort to utilise the balance amount of the previous releases, at the earliest, appoint TPQMA and furnish UCs to the Ministry in time.*

2.2.13.2.4 Beneficiary survey

Paragraph 7 of PMAY-U guidelines stipulate assistance to individual eligible families belonging to Economically Weaker Section (EWS) categories to either construct new houses or enhance existing houses on their own to cover the beneficiaries, who are not able to take advantage of other components of the mission. Such families may avail of central assistance of ₹1.50 lakh for construction of new houses or for enhancement of existing houses under the Beneficiary led individual house construction (BLC) or Enhancement. Central assistance would be released in three instalments of 40:40:20 per cent each.

Paragraph 7.7 further states that the beneficiary may start the construction using his own funds or any other fund and GoI assistance will be released in proportion to the

construction by individual beneficiary. The last instalment of ₹30,000 of GoI assistance should be released only after completion of the house.

Scrutiny of records revealed that MoHUPA, GoI released (December 2016 to December 2019) an amount of ₹141.17 crore for 23,528 beneficiaries as 1st instalment @ ₹60,000 per beneficiary. Out of this, 2,634 beneficiaries²⁵ completed their housing with the first instalment of which 863 beneficiaries are from the four selected Districts.

Out of the total 8,641 beneficiaries in the four selected districts, 269 beneficiaries were selected for beneficiary survey. The details of the beneficiary survey report are shown in **Table 2.2.11**.

Table 2.2.11: Details of beneficiary survey report in selected Districts

District	Total number of beneficiaries	No. of Beneficiaries surveyed	Completed up to:			
			Foundation level	Lintel level	Roofing	Fully completed
Dimapur	5,656	100	15	17	11	57
Longleng	454	25	11	6	0	8
Mon	1,417	81	37	13	17	14
Zunheboto	1,114	63	2	1	26	34
Total	8,641	269	65	37	54	113

Source: Beneficiary survey

It can be seen from the table above that out of 269 beneficiaries surveyed, 113 beneficiaries (42 per cent) completed the construction of house with the first instalment. During beneficiary survey (July 2021), the beneficiaries who completed their house stated that they took loan from relatives and family members.

Thus, due to delay in submission of UCs (**Paragraph 2.2.13.2.3**) and other mandatory provisions as envisaged in the scheme guidelines by the implementing Department, the beneficiaries had to complete the construction of house with their own source of money.

Recommendation: *The Department may initiate steps to pay the instalments to the beneficiaries, who completed various stages of house construction at the earliest.*

2.2.14 Conclusion

Although the State DBT Cell was established in 20 July 2017, DBT schemes in the State were not implemented through the State DBT Cell and instead the schemes are implemented by the respective Departments. As a result, monitoring of the DBT schemes could not be done at the State level. Under PMAY-U, all the payments were through DBT, however, the achievement of DBT under MGNREGS was only 11.60 per cent and the remaining job card holders are paid through an intermediary

²⁵ Dimapur (444 beneficiaries), Jalukie (53 beneficiaries), Kiphire (187 beneficiaries), Kohima (416 beneficiaries), Longleng (17 beneficiaries), Medziphema (102 beneficiaries), Mokokchung (258 beneficiaries), Mon (146 beneficiaries), Peren (14 beneficiaries), Phek (71 beneficiaries), Pungro (203 beneficiaries), Shamator (165 beneficiaries), Tuensang (52 beneficiaries), Wokha (379 beneficiaries) and Zunheboto (127 beneficiaries)

level VDB in cash which entails a high-risk of non-disbursement of eligible beneficiaries.

2.2.15 Recommendations

The State Government may-

- *constitute all the three Implementation Support Layers (Technical Support, Non-Technical Support and Finance & Administrative Support) under the State DBT cell.*
- *convene the State DBT Advisory Board Meetings at the prescribed intervals for successful implementation of all DBT schemes.*
- *ensure the enrolment of MGNREGS beneficiaries who are yet to be enrolled and sensitise the beneficiaries for Aadhaar seeding.*
- *implement the DBT scheme as envisaged whereby money is transferred directly into the bank accounts of the MGNREGS beneficiaries without any intermediary agency like Village Development Board.*
- *prioritise the development of Banking/ Post Office System in the State.*
- *use the services of India Post Payments Bank for DBT.*
- *take steps to obtain remaining instalments of PMAY-U from GoI and release the same to beneficiaries.*

Compliance Audit Paragraphs

PUBLIC HEALTH ENGINEERING DEPARTMENT

2.3 Fraudulent payment due to short/ non-execution of drainage works under Swachh Bharat Mission (Gramin)

The Executive Engineer, PHED (Urban) Dimapur Division did not exercise due diligence to check the correctness of the quantities executed before passing the bills for payment which resulted in fraudulent payment of ₹90.54 lakh without actual execution of 2,338 metres of drainage works in 18 villages.

Rule 135 of the Receipt and Payment Rules²⁶ stipulates that payment for all work done other than by daily labour and for all supplies shall be made on the basis of measurements recorded in Measurement Books (MBs). No payment other than an advance payment may be given, unless the correctness of the claim in respect of quantities and rates as well as the quality of the works done are carefully checked by a responsible officer.

Under the Swachh Bharat Mission (SBM) (Gramin) ₹501.10 lakh was allocated to the Executive Engineer (EE), PHED (Urban), Dimapur for the following purpose as shown in **Table 2.3.1**.

²⁶ Being followed by the GoN

Table 2.3.1: Details of Action Plan for utilisation of 1st instalment SBM (Gramin) of 2018-19

(₹ in lakh)			
Sl. No.	Description	Details	Amount
1.	Solid and Liquid Waste Management (SLWM) - construction of drainage, waste collection depot, dustbins and wheel carts	06 habitations, one unit each @ ₹6.30 lakh	37.80
		18 habitations, one unit each @ ₹10.80 lakh	194.40
		06 habitations, one unit each @ ₹13.50 lakh	81.00
		05 habitations, one unit each @ ₹18 lakh	90.00
Sub-Total			403.20
2.	Community Sanitary Complex (CSC)	28 habitations, 45 units @ ₹1.80 lakh	81.00
3.	Information Education Communication (IEC)		
	Awareness campaign at district headquarter	Campaign at ten locations @ ₹0.60 lakh/ campaign = ₹six lakh	10.00
	Participatory Rural Appraisals (PRA) exercise	At 16 localities @ ₹0.25 lakh/ exercise = ₹four lakh	
4.	Administrative charges (such as Geotagging ²⁷ , TA/ DA, stationeries)		6.90
Grand Total			501.10

Source: Department records

Out of the total fund of ₹5.01 crore, ₹4.03 crore²⁸ was earmarked for implementation of SLWM including drainage. It was observed that the Department constructed 6,540 metre (m) of drainage with bricks in 35 villages²⁹ involving an amount ₹2.53 crore as a departmental work.

Scrutiny of the Cash Books, Work Orders, Running Account Bills (RA Bills), MBs etc. of 21 villages³⁰, out of 35 villages, revealed that 4,665 m of drainage (with bricks) was constructed and certified as complete (March 2019) by the Junior Engineer (JE), PHED in the MBs and an expenditure of ₹1.81 crore was incurred (March 2019). The completion of the work was also countersigned by the SDO, PHED and the Executive Engineer.

Joint Physical Verification (JPV) (February 2021) by Audit along with the departmental officials, Village Council Chairman/ WATSAN (Water and Sanitation) committee members and beneficiaries of 21 villages found that in three out of 21 villages construction of 600 m drainage with bricks with an expenditure of ₹23.23 lakh³¹ was done as per work order. While in the remaining 18 villages, JPV revealed that against the reported construction of 4,065 m drainage with an expenditure of ₹1.57 crore, only 1,727 m with an expenditure of ₹66.87 lakh³², was actually constructed. This had resulted in short/ non-executions of 2,338 m

²⁷ Not implemented

²⁸ 6,540 m of drainage (with brick) for ₹2.53 crore, 821 nos. of Waste Collection Depot for ₹0.47 crore, 11,072 nos. of dustbins for ₹0.97 crore and 69 nos. of wheel carts for ₹0.06 crore

²⁹ (100 m x 6 villages) + (180 m x 18 villages) + (200 m x 6 villages) + (300 m x 5 villages) = 6,540 m in 35 villages

³⁰ Aoyimkum (150 + 55 m), Aoyimti (150 + 150 m), Chekiye (150 + 150 m), Chumukedima (55 + 150 m), Darogajan (150 + 55 m), Diphupar B (150 + 150 m), Domokhia (100 m), Dubagaon (55 + 150 m), Eralibil (150 + 55 m), Kashiram (150 + 55 m), Kushiabil (55 + 150 m), Naharbari (150 + 50 m), Padumpukhri (150 + 150 m), Phai pijang (150 + 55 m), Purana Bazar A (150 + 55 m), Senjum (150 + 55 m), Signal Angami (150 + 55 m), Sodzulhou (55 + 150 m), Tenyiphie-II (55 + 150 m), Thahekhu (150 + 150 m), Toluvi (150 + 50 m)

³¹ ₹3,87,200 (100 m drainage at Domokhia) + ₹11,61,600 (300 m drainage at Thahekhu) + ₹7,74,600 (200 m drainage at Toluvi)

³² 1,727 m x ₹3,872/- = ₹ 66.87 lakh

(Short-execution: 783 m and Non-execution: 1,555 m) of drainage with bricks valued at ₹90.54 lakh³³. Voucher-wise and work-wise details are given in **Appendix 2.3.1**.

Thus, the EE, PHED (Urban) Dimapur Division did not exercise due diligence to check the correctness of the quantities executed before passing the bill for payment as envisaged in the Receipt and Payment Rules. This also indicates that the lapse of monitoring on the part of the EE for checking the MBs before passing the bills. These had resulted in fraudulent payment of ₹90.54 lakh without actual execution of 2,338 m of drainage works in 18 villages.

Photographic evidences of existence of drainage in four villages

 <p>10-02-2021</p>	 <p>10-02-2021</p>
<p>Drainage constructed at Aoyimti village</p>	<p>Drainage constructed at Aoyimkum village</p>
 <p>10-02-2021</p>	 <p>10-02-2021</p>
<p>Drainage constructed at Senjum village</p>	<p>Drainage constructed at Signal Angami village</p>

In reply, the Government stated (January 2022) that the shortfall in drainage length was due to flash flood/ natural calamity which had washed off certain portion of the drainage and in some villages drainage work was underway at the time of verification. In regard to non-construction of drainage, the Department stated that the drainage works were delayed and was underway at the time of verification. However, the works for both the shortfall and non-construction of drainage are completed.

The reply is not acceptable as the works were certified by the JE PHED as completed (March 2019) and was also countersigned by the SDO and EE. Moreover, the villages in Dimapur are located in plain areas which is not hilly and there is no sign of wash away or landslides. The Department also did not specify either the quantity or location of wash off area. Furthermore, no sign of wash off or work underway was seen and revealed during JPV.

³³ ₹30,33,789.44 (Short executed) + ₹60,21,010.00 (Not executed)

Recommendation: *The State Government may fix responsibility for fraudulent payment made on short/ non-construction of drainage. The State Government may also introduce Geotagging in order to monitor future works to ascertain factual correctness. The matter may be handed over to the investigative agencies for investigation.*

2.4 Excess payment under Swachh Bharat Mission (Gramin)

The Public Health Engineering Department made excess payment of ₹1.23 crore to the contractor by allowing higher rate over the State Government approved rate (Action Plan) for construction of Community Sanitary Complexes and deviated from the approved action plans and specifications during actual implementation.

Para 6.8 of the Swachh Bharat Mission (Gramin) guidelines (October 2017) states that Community Sanitary Complexes (CSC) comprising of an appropriate number of toilet seats, bathing cubicles, washing platforms, wash basins, etc. can be set up in the village at a location acceptable and accessible to all. Ordinarily, such complexes shall be constructed only when there is lack of land in the village for construction of household toilets and the Community/ GP owns up to the responsibility of their operation and maintenance and raises a specific demand for the same. Water supply to these CSCs will have to be assured under the National Rural Drinking Water Program (NRDWP) before a CSC is sanctioned.

The Ministry of Drinking Water and Sanitation, GoI sanctioned (October 2017) an amount of ₹35.13 crore as its share (1st instalment) for implementation of SBM (Gramin) during 2017-18. GoN released (December 2017) ₹39.03 crore³⁴ (including State share³⁵) to the Chief Engineer-cum-Director, Water and Sanitation Support Organisation (WSSO), PHED.

Baseline Survey (BLS) was conducted only during 2012 for implementation of SBM (G) in Nagaland. Except in Viswema village, the rate of ₹1,80,000 for construction of CSC and ₹10,800 for IHHL were allowed for all the remaining 43 villages under EE, PHED (Rural), Kohima as per the GoN approved Action Plan. However, reasons for providing CSCs at higher rates *i.e.* @ of ₹2.48 lakh per CSC in Viswema village was not available in records.

The Director, WSSO released (December 2017) the fund (₹39.03 crore) to 12 PHED divisions, out of which an amount of ₹11.13 crore was allocated to EE, PHED (Rural), Kohima as shown in **Table 2.4.1**.

³⁴ First instalment of Central share of ₹3,512.77 lakh and State share of ₹390.31 lakh

³⁵ Fund sharing between GoI and GoN - 90:10

Table 2.4.1 Details of allocation of SBM (G) Fund to EE PHED (Rural) Kohima

(Amount in ₹)				
Sl. No.	Description	Quantity	Rate	Amount
1.	Individual Household Latrine (IHHL)	9,457	10,800	10,21,35,600
2.	Community Sanitary Complex (CSC)	10	1,80,000	18,00,000
3.	Solid and Liquid Waste Management (SLWM)	5	6,30,000	31,50,000
		2	10,75,000	21,50,000
Sub-Total				53,00,000
4.	Information, Education, Communication (IEC)			14,00,000
5.	Administrative charges			4,72,000
6.	Admissible State Share			2,00,000
Grand Total				11,13,08,000

Source: Department records

As seen from the table above, out of the allocated amount of ₹11.13 crore, an amount of ₹10.21 crore was earmarked for construction of 9,457 IHHLs. Out of which, ₹9.36 crore was earmarked for construction of 8,664 IHHLs in 44 villages under EE, PHED (Rural), Kohima during 2017-18.

Out of the 44 villages, Viswema village (under Jakhama Block) was allocated ₹1.84 crore³⁶ for construction of 1,700 IHHLs.

The village was declared as Open Defecation Free (ODF) village with effect from the month of June 2018.

Scrutiny of records (August 2019) revealed that the Chairman, Viswema Village Council requested the Department (January 2018) to construct 200 CSCs in lieu of the allocated 1,700 IHHLs as the construction of IHHL in the previous years were not successful due to non-availability of land. Accordingly, the Director (WSSO) approved construction of 74 CSCs at the rate of ₹2.48 lakh per unit instead of ₹1.80 lakh approved by GoN for implementation of CSC in the State.

The work was awarded (January 2018) to M/s CONSURV, Kohima, Nagaland on the basis of recommendation submitted by the Viswema Village Council and the work order was issued (January 2018) by the EE to the firm. The Divisional Officers³⁷ certified in the MBs and RA Bills that the work was completed (March 2018) and the contractor was paid ₹1.84 crore.

However, the Director, WSSO, PHED arbitrarily allowed higher rate of ₹2.48 lakh per CSC for Viswema Village which is in violation to the State Government approved Action Plan for implementation of SBM (G). This resulted in excess payment of ₹50.32 lakh³⁸.

It was also observed that despite allowing a higher rate of ₹2.48 lakh per CSC, the CSCs lacked sanitation facilities as provisions for washing basin, urinal pan, water sintex with stand, etc., were not constructed/ provided.

³⁶ ₹10,800 x ₹1,700 = ₹1,83,60,000

³⁷ Executive Engineer, Divisional Accountant, Sub divisional Officer and Junior Engineer of the Division

³⁸ ₹68,000 x 74 CSC = ₹50,32,000

JPV (July 2019) of six out of 74 CSCs conducted with the departmental officials, WATSAN committee members and the Village Council revealed deviations from the approved drawing/ specifications³⁹. It was also noticed that provision for water supply connection was not made in all the CSCs inspected. The departmental officials, WATSAN committee members and the Village Council also certified that out of the 74 CSCs constructed, 40 CSCs have single toilet and the remaining 34 CSCs have either single toilet with attached bathroom or two toilets without any other facilities.

The approved design and photographs of actual constructions are shown below.

Photographic evidence of approved design and CSC constructed in Viswema village

<p>Approved drawing for construction of CSC in Viswema village</p>	
	<p>Photographs showing the actual construction of single latrines with attached bathrooms at Viswema village with incomplete specifications</p>

The deviations from approved design and specifications resulted in reduction of quantities in certain item of works viz. woodwork for roofing and doors, vent pipes, wash closet pan, etc., resulting in excess payment to the contractor to the tune of ₹72.70 lakh (*Details are shown in Appendix 2.4.1*) became wasteful expenditure.

Thus, the Department arbitrarily allowed higher rate over the approved rate in Viswema village resulting in excess expenditure of ₹50.32 lakh. Further, based on the actual execution, excess payment of ₹72.70 lakh was made to the contractor after deviating from the approved design/ specifications became wasted of public money.

³⁹ The approved drawing (Action Plan) for two seated CSC consists of two toilets, two urinals, water tanks (300 litres capacity), tile flooring, washing basins, etc.

The matter was reported to the State Government in August 2021. The reply is awaited as of May 2022.

Recommendation: The State Government should initiate departmental inquiry and fix responsibility against officers/ officials of the division responsible for allowing higher rate and failure to exercise due diligence to check the correctness of the quantities executed before passing the bills for payment. The matter may be handed over to the investigative agencies for investigation.

MUNICIPAL AFFAIRS DEPARTMENT

2.5 Short collection of Wagon and Cement Toll Tax

The Administrator, Dimapur Municipal Council (DMC) did not take any step to monitor and cross verify the actual quantities of railway wagons which transported cement from the Goods Office, Dimapur Railway Station, as a result, an amount of ₹30.07 lakh toll was not collected and resulted in short collection of revenue.

Sub-section (1) of Section 120 of the Nagaland Municipal Act, 2001 states that a municipality may with the previous sanction of the Government, in order to raise revenue for its duties and performing its functions, levy certain⁴⁰ taxes, fees and toll or any of them within its limits of municipality.

Further, as per sub-section 10 of Section 121 of the Nagaland Municipal Act 2001, notification of the imposition of a tax under this Act shall be conclusive evidence that the tax has been imposed in accordance with the provisions of this Act.

As per the notification⁴¹ issued (2012) by the Administrator, Dimapur Municipal Council (DMC), toll tax shall be collected on Railway Wagon and Cement received at Dimapur Railway Station as per the provision of the Act on items at the various entry Gates/ Railway and Market. The rates for Railway wagon and cement were ₹1,000 per wagon and ₹2.50 per bag. Duty assignment orders were issued from time to time by the DMC for collection of toll tax by its employees at various places within its jurisdiction.

Scrutiny of Receipt Books and Deposit Register maintained by DMC revealed that an amount of ₹120.09 lakh⁴² was collected and deposited as Toll tax by the employees of the DMC from Railway Wagon and Cement bags received at Dimapur Railway Station during the period from January 2016 to March 2019.

Cross verification from records with Goods Office, Dimapur Railway Station revealed that 11,942 wagons containing 12,29,538 cement bags were unloaded at Dimapur. As

⁴⁰ (a) A tax on land and buildings, (b) An octroi, (c) Toll and fees, (d) scavenging tax, (e) tax on advertisement other than advertisement published in newspapers, (f) show tax, (g) fire tax and (h) tax on the vehicles and animals

⁴¹ Notification No. UDD/MAC-13/2009 dated 26 October 2012

⁴² ₹91.38 lakh from wagon + ₹28.71 lakh from cement bags

per the prevailing rate toll of DMC, an amount of ₹119.42 lakh was to be collected from 11,942 wagons and ₹30.74 lakh from 12,29,538 cement bags as shown in **Table 2.5.1**.

Table 2.5.1: Short-collection of toll taxes

(in ₹)

Period	Wagons Toll				Cement bags Toll			
	No. of wagons	Toll realisable	Toll collected & deposited	Difference	No. of cement bags	Toll realisable	Toll collected & deposited	Difference
1	2	3 (Col. 2 * ₹1,000)	4	5 (3-4)	6	7 (Col. 6 * ₹2.50)	8	9 (7-8)
2015-16 (01/2016 to 03/2016)	749	7,49,000	5,83,000	1,66,000	0	0	0	0
2016-17	3,560	35,60,000	32,22,700	3,37,300	53,076	1,32,690	0	1,32,690
2017-18	4,084	40,84,000	30,35,500	10,48,500	4,95,240	12,38,100	12,94,310	-56,210
2018-19	3,549	35,49,000	22,97,000	12,52,000	6,81,222	17,03,055	15,76,615	1,26,440
Total	11,942	1,19,42,000	91,38,200	28,03,800	12,29,538	30,73,845	28,70,925	2,02,920
Total revenue loss from Wagon and Cement toll								30,06,720

Source: Departmental records and Goods Office, Dimapur Railway Station records

As can be seen from the table above, the actual toll to be collected for transportation of cement by railway wagon was ₹119.42 lakh whereas the DMC employees who were assigned for collection of the tax from the Railway Station collected and deposited only ₹91.38 lakh. Similarly, the toll to be collected for cement bags transported by railway was ₹30.74 lakh whereas the collector recorded deposit of only ₹28.71 lakh. Thus, an amount of ₹30.07 lakh⁴³ was not collected by the collector resulting in short collection of revenue.

The Administrator did not take any step to monitor and cross verify the actual quantities of wagons and cement bags transported from the Goods Office, Dimapur Railway Station in order to prevent occurrence of such malpractice.

The State Government in reply (August 2021) stated that DMC has taken note of the same for enquiry. However, the final outcome of the enquiry was not intimated as of May 2022.

Recommendations: The State Government may-

- (i) *take appropriate action to fix the responsibility of DMC officials involved in dereliction of duty and also take steps to recover the short collected toll from the consignees of the wagons/ cement bags.*
- (ii) *strengthen monitoring mechanism by periodic cross verification of records with the Goods Office, Dimapur Railway Station to prevent recurrence of such omissions.*

⁴³ Wagon toll (₹28.04 lakh) + Cement bags toll (₹2.03 lakh)

CHAPTER-III
ECONOMIC SECTOR

CHAPTER - III

ECONOMIC SECTOR

3.1 Introduction

This chapter of the Audit Report for the year ended 31 March 2020 deals with audit observations on the working of the State Government departments under Economic Sector.

The names of the departments and the total budget allocation *vis-à-vis* expenditure of the State Government under Economic Sector during 2019-20 are shown in **Table 3.1.1**.

Table 3.1.1: Details of Departments with Budget allocation and Expenditure

(₹ in crore)

Sl. No.	Name of the Department	Total Budget Allocation	Expenditure	Percentage of expenditure
1.	Rural Development	1185.59	638.96	54
2.	Planning & Coordination	879.53	328.65	37
3.	Roads & Bridges	759.35	630.35	83
4.	Power	690.03	643.47	93
5.	Agriculture	308.36	235.30	76
6.	Horticulture	167.02	102.90	62
7.	Land Resources	159.17	172.42	108
8.	Forest, Ecology, Environment & Wildlife	153.89	144.14	94
9.	Veterinary & Animal Husbandry	118.45	91.13	77
10.	Irrigation & Flood Control	114.14	66.65	58
11.	Civil Supplies	110.83	102.73	93
12.	Road Transport	96.92	96.54	100
13.	Industries & Commerce	87.68	87.55	100
14.	Department of Under Developed Areas	85.72	58.66	68
15.	Soil & Water Conservation	69.35	61.91	89
16.	Cooperation	56.11	41.54	74
17.	Fisheries	50.66	51.24	101
18.	Geology & Mining	39.22	38.52	98
19.	Tourism	35.55	37.35	105
20.	Land Records & Survey	24.66	25.59	104
21.	Sericulture	22.26	22.07	99
22.	Information Technology & Communication	15.63	15.00	96
23.	New & Renewable Energy	13.27	12.81	97
24.	Evaluation	11.57	10.21	88
25.	State Institute of Rural Development	8.21	5.84	71
26.	Science & Technology	6.68	6.00	90
Total		5,269.85	3,727.53	71

Source: Appropriation Accounts, 2019-20

It would be seen from the table above that:

- Only 71 per cent of the budgetary allocation in 2019-20 under the Economic Sector was utilised during the year.
- The expenditure in 22 out of the 26 Departments of GoN under this Sector was less than their respective budgetary allocation for the year.

- In four Departments, the expenditure incurred was more than the budget allocation.

Out of an expenditure of ₹3,727.53 crore on Economic Sector, Audit test checked expenditure of ₹4,977.53 crore (including funds pertaining to previous years audited during the year). This chapter contains audit findings on one Performance Audit viz. 'Mission for Integrated Development of Horticulture in Nagaland' and one Compliance Audit viz. 'Ministry of Development of North Eastern Region (MDoNER) funded Non-Lapsable Central Pool of Resources (NLCPR) projects in Nagaland'.

Performance Audit

HORTICULTURE DEPARTMENT

3.2 Mission for Integrated Development of Horticulture in Nagaland

A Performance Audit (PA) on 'Mission for Integrated Development of Horticulture (MIDH)' was conducted during September 2019 to April 2021 covering the period from 2014-15 to 2019-20. The major observations are highlighted below:

Highlights

- *Annual Action Plans (AAPs) were prepared without conducting base line survey, Seed/ Planting material sub-plan and District-wise sub-plans.*
(Paragraphs 3.2.3.2 and 3.2.3.3)
- *Planting materials for ₹14.72 crore were procured from non-accredited nurseries/ local suppliers. 400 out of 841 beneficiaries reported short-receipt of planting materials.*
(Paragraphs 3.2.5.3.1 (i) and (iv))
- *Inadmissible advance payment of ₹10.62 crore was made to suppliers. The Department also paid ₹12.14 crore to the contractors without actual execution of works.*
(Paragraphs 3.2.5.5 (ii) and (iii))
- *Centre of Excellence (CoE) constructed at a cost of ₹five crore in Yisemyong, Mokokchung, was leased out to a private firm. An amount of ₹five crore released for creation of three Centres of Excellence (Phek, Tuensang and Dimapur) was diverted without the approval of GoI.*
(Paragraphs 3.2.6.1 and 3.2.6.2)
- *Inadmissible assistance of ₹11.44 crore was extended to the beneficiaries under Post Harvest Management.*
(Paragraphs 3.2.8.1 and 3.2.8.2)

3.2.1 Introduction

Mission for Integrated Development of Horticulture (MIDH) is a Centrally Sponsored Scheme launched in 2014-15 for the holistic growth of Horticulture sector covering fruits, vegetables, root and tuber crops, mushrooms, spices, flowers, aromatic plants, coconut, cashew, cocoa and bamboo. Out of the six¹ sub-schemes of MIDH, Horticulture Mission for North-Eastern and Himalayan States (HMNEH) is implemented by the Department of Horticulture in Nagaland with the fund received from GoI. As per Operational Guidelines (2014), the contribution of GoI for North Eastern and Himalayan States (NE&HS) was 100 *per cent*. The Sub-Group of Chief Ministers on the rationalisation of CSS, recommended that the funding pattern for Core schemes would be 90:10 for the NE&HS. Accordingly, the funding pattern was changed (90:10) from 2015-16 onwards by the Ministry of Agriculture and Farmers Welfare (November 2015). MIDH also provides technical advice and administrative support to State Governments/State Horticulture Missions (SHMs) for the Saffron Mission and other Horticulture related activities under Rashtriya Krishi Vikas Yojana (RKVY).

3.2.1.1 Objectives of the Mission and sub-schemes

The objectives of the Mission are to:

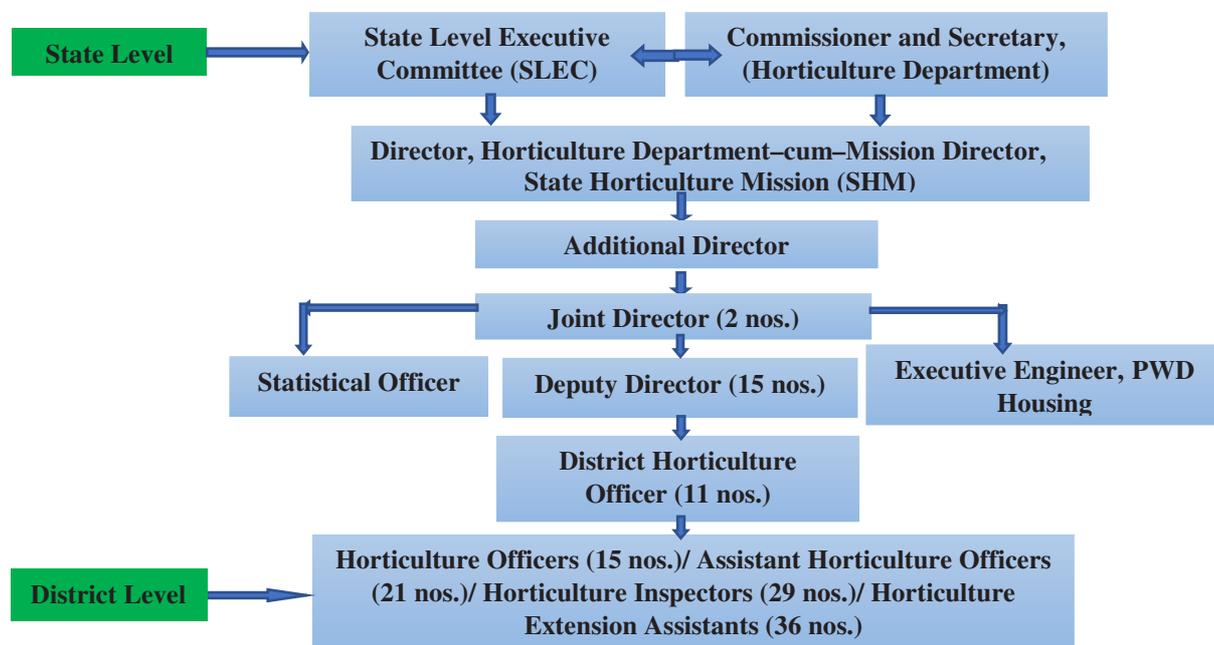
- a) Promote holistic growth of Horticulture sector, including bamboo and coconut through area based regionally differentiated strategies, which includes research, technology promotion, extension, post-harvest management, processing and marketing, in consonance with comparative advantage of each State/ region and its diverse agro-climatic features;
- b) Encourage aggregation of farmers into farmer groups like Farmer Income Groups (FIG)/ Farmers Production Organisation (FPOs) to bring economy of scale and scope.
- c) Enhance Horticulture production, augment farmers' income and strengthen nutritional security;
- d) Improve productivity by way of quality germplasm, planting material and water use efficiency through Micro Irrigation; and
- e) Support skill development and create employment generation opportunities for rural youth in horticulture and post-harvest management, especially in the cold chain sector.

¹ National Horticulture Mission, HMNEH, Nation Bamboo Mission, National Horticulture Board, Coconut Development Board and Central institute of Horticulture

3.2.1.2 Organisational Structure

The organogram of the Department for implementation of the MIDH is shown in Chart 3.2.1.

Chart 3.2.1: Organogram



3.2.2.1 Audit Objectives

The objectives of the PA were to ascertain whether:

- Effective planning process was in place fixing priorities for State/ districts/ regions in consonance with the diverse agro-climate features and the schemes/ projects to increase production area and productivity of Horticulture Crops were planned effectively.
- Implementation of the schemes/ projects and provision and utilisation of funds was efficient and effective and has resulted in increased acreage of horticultural crops and diversification of horticultural production as envisaged.
- The promotion of technology, extension, post-harvest management, processing and marketing for holistic growth of horticultural sector were in consonance with the comparative advantage of the State/ Region.
- The monitoring and evaluation system including internal controls were adequate and effective.

3.2.2.2 Scope and coverage of audit

The PA covered the implementation of the scheme for the period from 2014-15 to 2019-20, through scrutiny of the records of the Director of Horticulture, SHM, State

Horticulture Nursery and four² out of 11 districts (Three Districts - Kohima, Mokokchung and Phek were selected by Stratified Sampling method and one backward District viz., Longleng on Judgmental basis). Out of the total expenditure of ₹164.33 crore, an amount of ₹52.91 crore (34 per cent) was spent by the four selected Districts.

3.2.2.3 Audit Methodology

The PA commenced with entry conference (26 September 2019) with the Commissioner and Secretary, Horticulture Department (HD), Nagaland wherein audit objectives, scope, methodology and criteria were discussed. Audit process included issue of requisitions for information/ data/ records, scrutiny of records, analysis of information/ data, Joint Physical Verification (JPV), beneficiary survey and issue of audit observations. The report was prepared after incorporating replies submitted by the Department. The PA was forwarded in July 2021 to the Government. The findings of audit were discussed in the Exit Conference (September 2021) with the Commissioner and Secretary, HD and the replies of the Government/ Department were incorporated in the appropriated places of this Report.

3.2.2.4 Audit criteria

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

- Operational Guidelines of MIDH.
- Strategic/ Perspective Plan and Annual Action Plans.
- Guidelines, Circulars, Notifications and various Orders issued by the GoI/ GoN from time to time.
- General Financial Rules and Receipt and Payment Rules.
- Periodic Physical and Financial Progress Reports submitted to the Ministry.

3.2.2.5 Acknowledgement

The Office of the Principal Accountant General (Audit), Nagaland acknowledge the co-operation and assistance extended by the Department at all levels during the conduct of audit.

Audit Findings

3.2.3 Planning

3.2.3.1 Strategic/ Perspective Plan

Paragraphs 4.8(a) and 5.1 of the Operational Guidelines of MIDH stipulates that State Level Agency (SHM) shall prepare Strategic/ Perspective Plan in consonance with Mission's goals and objectives in coordination with Technical Support Group (TSG), State Agriculture Universities (SAUs) and Indian Council of Agricultural Research (ICAR) institutes to oversee its implementation. The plan should invariably contain

² (i) Kohima, (ii) Mokokchung, (iii) Phek and (iv) Longleng

information on geography and climate, potentials of horticulture development, availability of land, analysis of Strength, Weaknesses, Opportunities and Challenges (SWOC), strategy for development and plan of action to achieve the goals in the districts. The focus would be on crops having comparative advantages and natural potential for development in the State, adoption of cluster approach for production and linking with available infrastructure, post-harvest management, processing, marketing and export. Paragraph 4.3 of the Guidelines envisages that the Executive Committee (EC) of the Department of Agriculture and Co-operation (DAC), GoI is the authority to approve the Action Plans (Strategic Plan and Annual Action Plans) prepared by the State Level Agencies (SLA).

Further, Paragraph 7.2 of the Guidelines stipulates that carrying out of a base line survey which *inter alia* would include data/ information on area, production and productivity.

The SHM did not prepare the Perspective Plan for the years 2014-15 to 2015-16 for MIDH. However, the perspective plan was prepared for the years 2016-17 to 2020-21.

The Agriculture and Allied Departments had prepared (in 2012 and 2017 respectively) “Vision 2025-Food for all” and “Vision 2030” for the holistic development of Agriculture Sector (which includes Horticulture) in the State. The former document envisaged to increase area of coverage and enhance the production of horticulture by means of technological interventions, production of quality planting materials by establishing nurseries, encourage establishment of small scale processing units and cold storage, *etc.* The latter document envisaged to transform the economy of Nagaland from one which is largely subsistence agriculture oriented to a more market oriented economy based on agriculture and commercial scale production leading to a vibrant economy with small scale ancillary industries, service and small scale industries.

Scrutiny, however, revealed that the perspective plan so prepared for the years 2016-21 includes only the physical and financial targets and without consultation with the stipulated agencies as envisaged in the guidelines. Moreover, the base line survey, which includes data/ information on area, production and productivity, was also not conducted before the preparation of the perspective plan. Hence, the perspective plan was not in consonance with the guidelines of the MIDH as well as the vision documents made for the State. It was also observed that the perspective plan so prepared was not approved by the concerned authority as envisaged in the guidelines.

Thus, the Strategic/ Perspective Plan (2016-17 to 2020-21) was not able to provide the roadmap for long term horticulture development in the State. In absence of a proper long term policy *viz.* Strategic/ Perspective Plan, the area of coverage reduced from 88,980 Ha in 2014-15 to 86,190 Ha in 2019-20 despite having a potential area of 2,15,580 Ha for horticultural activities. Similarly, the production and productivity also reduced from 9,42,530 MT in 2014-15 to 8,36,580 MT in 2019-20 and from 10.60 MT/ Ha in 2014-15 to 9.47 MT/ Ha in 2019-20 respectively.

The Department accepted (September 2021) the audit observations and assured that the detailed Plans will henceforth be prepared as per guidelines.

Recommendation: *The Department may take appropriate steps to prepare the holistic Strategic/ Perspective Plan after consulting with the stipulated agencies and conducting base line survey to provide the roadmap for long term horticulture development in the State.*

3.2.3.2 Annual Action Plan

Paragraph 5.1 of the MIDH Guidelines envisages that the Strategic Plan would form the basis for Annual Action Plan (AAP). Further, Paragraph 5.2 stipulates that each district is required to prepare District level AAP indicating requirements under various sub-schemes for execution and data/ write-up on outcome of past interventions, covering the details of area expansion, water resource development, integrated nutrient management (INM)/ integrated pest management (IPM) and Organic farming. It also envisages that area expansion should be determined based on availability of seed/ planting material and sub-plan was required to be prepared separately. State Level AAP was to be prepared by consolidating the district level action plans.

The SHM prepared AAPs for the years 2014-15 to 2019-20 with the approval of SLEC (after receiving the tentative allocation) and forwarded the AAPs to the National Horticulture Mission (NHM) for approval.

Scrutiny of the records revealed the following deficiencies in formulation of AAPs during the period 2014-15 to 2019-20.

The AAP for 2014-15 contains all the details as envisaged in the guidelines. However, the AAPs prepared for the years 2015-16 to 2019-20 contained only component-wise cost norms, pattern of assistance, physical and financial targets proposed to be taken up during the year and did not contain any seed/ planting material sub-plan. Hence, the AAPs were not prepared in consonance with the guidelines. Moreover, no District-wise sub-plans were prepared as envisaged in the guidelines, hence, the AAPs were not demand driven.

It was also observed that the AAPs for the years 2014-15 to 2019-20 prepared by the SHM did not flow from the Strategic/ Perspective Plan, except for the year 2016-17.

Thus, the deficient AAPs had resulted in several lacuna in implementation of the scheme during the period 2014-20 such as idling of projects, non-achievement of targets, short-distribution of planting materials, excess and inadmissible payments, etc., as discussed in **Paragraph 3.2.5.1 to Paragraph 3.2.8.5.**

The Department accepted (September 2021) the audit observations and stated that the AAPs as recommended by audit and as envisaged in the guidelines shall henceforth be prepared.

Recommendation: *The Department may take necessary steps to prepare District-wise Annual Action Plans and it may also be ensured that the State level AAP is prepared by consolidating those district level plans. Further, it may also be ensured that AAPs flow from the Strategic/ Perspective Plan.*

3.2.3.3 Constitution of Implementing Authorities at State and District levels

Paragraph 4.6 of MIDH Guidelines stipulates that SLEC having representatives from Departments of Horticulture, Agriculture, Environment and Forests, State Agricultural Universities, Institutes under ICAR, Growers' Associations/ Farmer Producer Organisations, etc., should be formed to oversee the implementation of programme in the State. Similarly, at the district level, the District Management Committee (DMC) headed by Deputy Commissioner and DHO as Member Secretary was required to be formed for carrying forward the objectives of the Mission for project formulation, implementation and monitoring.

It was observed that the State Government had formed (September 2014) SLEC headed by the APC, Director of Horticulture Department as Member Secretary and members from ICAR, CIH, Forest Department and Nagaland Farmers Union to oversee the implementation of the scheme. The Department also issued notification (September 2014) to constitute DMC in all the districts, however, it was observed that DMCs were not functioning in any of the selected Districts. District-wise AAPs were not prepared due to non-functioning of the DMCs leading to the deficiencies as pointed out in **Paragraphs 3.2.3.1 and 3.2.3.2**. Further, the monitoring of projects at district level also became deficient in the absence of DMCs.

The Department stated (September 2021) that DMC is made operational in some districts and have recommended the preparation of District Annual Plan and directed (May 2020) all the DHOs to take necessary action to constitute DMCs. However, the Department did not specify the districts in which DMCs were made operational.

Recommendation: *The Department may ensure that the DMCs are functioning and effectively contributing to the implementation of the scheme.*

3.2.4 Financial Management

Prior to April 2015, MIDH was fully funded by GoI and from April 2015, the funds were shared between GoI and GoN in the ratio of 90:10. The position of funds released by GoI and by GoN to the implementing Department and the expenditure incurred by the Department during the last six years are shown in **Table 3.2.1**

Table 3.2.1: Details of fund received and expenditure incurred therefrom

(₹ in crore)

Year	Opening Balance	Fund released by GoI	Fund received by SHM:				Total Fund Available with SHM	Expenditure	Closing Balance
			GoI Share	State Share	Interest	Total Receipt			
1	2	3	4	5	6	7 (4+5+6)	8 (2+7)	9	10 (8-9)
2014-15	34.95	34.76	24.57	0	0.81	25.38	60.33	36.70	23.63
2015-16	23.63	17.25	27.25	0	0.53	27.78	51.41	16.89	34.52

Year	Opening Balance	Fund released by GoI	Fund received by SHM:				Total Fund Available with SHM	Expenditure	Closing Balance
			GoI Share	State Share	Interest	Total Receipt			
1	2	3	4	5	6	7 (4+5+6)	8 (2+7)	9	10 (8-9)
2016-17	34.52	15.00	15.00	1.91	1.00	17.91	52.43	17.96	34.47
2017-18	34.47	36.34	31.34	3.34	0.83	35.51	69.98	28.6	41.38
2018-19	41.38	27.00	15.00	3.48	1.01	19.49	60.87	40.74	20.13
2019-20	20.13	23.60	24.50	2.72	0.75	27.97	48.10	23.44	24.66
Total	-	153.95	137.66	11.45	4.93	154.04	188.99³	164.33	-

Source: Data provided by SHM

As can be seen from the above table that GoI share received was not fully released. Out of the available fund of ₹188.99 crore (including opening balance of ₹34.95 crore) an amount of ₹164.33 crore⁴ was spent for implementation of MIDH during 2014-20. The balance of ₹24.66 crore was lying in the bank account⁵ at the end of March 2020. Scrutiny of the records revealed that the Department could utilise only 33 per cent (2015-16) to 67 per cent (2018-19) of the available funds for implementation of the scheme during the relevant period. The low utilisation during 2019-20 could be attributed to the lock-down imposed due to Covid pandemic, however, the low utilisation during the other years indicates lack of proper planning and initiative for the implementation of the scheme.

3.2.4.1 Submission of Utilisation Certificates

Scrutiny of expenditure and balance disclosed by the SHM in Utilisation Certificates (UCs) submitted to GoI, Chartered Accountant's (CA) Audit report and bank statement revealed that there were differences in the reported amount as shown in Table 3.2.2.

Table 3.2.2: Comparative position of funds available with the Department vis-à-vis fund position reported to GoI

Year	Opening Balance as per			Expenditure as per			Closing Balance as per		
	UC	CA's Audit report	Cash book/Bank Statement	UC	CA's Audit report	Cash book/Bank Statement	UC	CA's Audit report	Cash book/Bank Statement
	2014-15	0.00	1.24	34.95	24.76	26.00	36.70	10.00	10.00
2015-16	10.00	10.00	9.14	11.56	11.56	16.88	15.69	16.21	34.52
2016-17	15.69	16.21	34.52	30.69	31.21	17.96	1.00	1.00	19.47
2017-18	1.00	1.00	19.47	28.48	28.48	28.61	8.87	9.69	23.37
2018-19	8.87	9.69	23.37	18.86	18.86	40.75	18.85	18.85	20.12
2019-20	18.85	18.85	20.12	35.44	32.44	23.44	10.00	10.58	24.66

Source: Data furnished by the SHM

As can be seen in the table above that there was an unspent balance of ₹34.95 crore with the Department pertaining to period prior to 2014-15. However, the GoN falsely reported a NIL closing balance in the UCs to avoid refund of the said amount. In order to cover up this understatement, the Department understated the expenditures and the closing balance as well as opening balances in the UCs during almost all the subsequent years. The above table also reveals that the expenditure and the balances disclosed in the Annual Account prepared by the CA was also not in conformity with the actual expenditure or balances available with the Department.

Thus, it is evident that the financial reporting of SHM was not reliable.

³ ₹154.04 crore + ₹34.95 crore

⁴ Expenditure for the period 2014-15 to 2019-20 is ₹129.39 crore

⁵ Savings Bank Accounts-Axis Bank: XXXXXX684, XXXXXX421 and SBI:XXXXX679

In reply (May 2020), the Department submitted that as there were pending/ committed liabilities, the Department could not refund the unspent balance of 2013-14 due to which Department was compelled to show 'Nil' report as the closing balance. Regarding discrepancies in the remaining years, the Department stated that the CA report and the UC exhibits only the Central share of the fund and it is not possible for the Department to be completely fair/ accurate when it comes to reporting of physical and financial achievements since subsequent release of funds from the Centre are dependent on the timely submission of UC along with physical and financial progress report. The reply of the Department is not acceptable as the differences/ understated amounts violates the principle of financial propriety.

Recommendation: *The Department may fix responsibilities for false reporting and also take appropriate steps for proper disclosure by avoiding false reporting.*

3.2.5 Implementation of the scheme

3.2.5.1 Non-accreditation and non-utilisation of Nurseries

Paragraph 7.1 of the scheme Guidelines accorded top priority on production and distribution of good quality seeds and planting material by providing assistance for setting up new hi-tech nurseries and small nurseries under the public as well as private sector. SHM should also ensure that all nurseries set up under MIDH are accredited within a period of 18 months through designated agencies like National Horticulture Board, State Agricultural Universities, ICAR institutes, etc.

It was observed that 14 nurseries⁶ were established under the scheme for production and distribution of quality seeds and planting materials during the period covered by audit. The present status of accreditation of those nurseries is shown in **Table 3.2.3**.

Table 3.2.3: Nurseries established during 2014-20

Year of establishment	Type of Nursery	Nos.	Public/ Private	Accreditation status (Yes/ No)	Expenditure incurred under MIDH (₹ in lakh)
2014-15	Small Nursery ⁷	9	Public	No	135.00
2015-16	Hi-tech Nursery ⁸	2	Public	Yes	100.00
2017-18	Small Nursery ⁹	2	Private-1 Public -1	Yes No	22.50
2018-19	Small Nursery ¹⁰	1	Public	No	15.00
2019-20	-	-	-	-	-

Source: Data furnished by the SHM

⁶ (i) Tuli, (ii) Kuthur, (iii) Hak, (iv) Hamlu, (v) Ntu, (vi) Atoizu, (vii) V.K. Town, (viii) Kiphire, (ix) Longleng, (x) Hitech Nursery-Atoizu, (xi) Hi-tech -SHN, (xii) Lenjidandang (Private), (xiii) Longsa and (xiv) Yisemyung

⁷ (i)Tuli, (ii) Kuthur, (iii) Hak, (iv) Hamlu, (v) Ntu Village, (vi) Atoizu, (vii) V.K. Town, (viii) Kiphire, (ix)Longleng

⁸ (i) Atoizu, Zunheboto and (ii) SHN, Dimapur

⁹ (i) Longsa, (Public) and (ii) Green Cascade Enterprises, Mokokchung having Nursery at Lenji Demdang, Mokokchung

¹⁰ (i) Yisemyong (Citrus)

As can be seen from the table above that except two Hi-tech nurseries and one private nursery, all the public nurseries are yet to be accredited even after lapse of one to five years. The results of JPV (November-December 2019) of three Small Nurseries (Public Sector) and one Hi-tech Nursery located in State Horticulture Nursery, Dimapur are summarised in **Table 3.2.4 and Paragraph 3.2.5.2.**

Table 3.2.4: Status of Nurseries

Sl. No.	Name of Nursery	Audit Observation	Reply of the Department
1.	Citrus Nursery, Tuli, Mokokchung (Public Sector)	The Nursery established in 2014-15 with an expenditure of ₹15 lakh under poly house (200 sqm.) was lying idle due to absence of water supply to the poly-house. This indicated that the project was taken up without proper assessment/ planning.	The Department accepted (May 2020) the facts and stated that water supply had been provided and that nursery for raising citrus seeds is made functional. However, during revisit to the farm (March 2021), it was observed that areca-nut saplings were being raised instead of citrus seed. The Department stated (September 2021) that areca-nut saplings were kept in the citrus nursery during March 2021 as a stop gap arrangement.
2.	Citrus Nursery, Longleng (Public sector)	Nursery established under poly-house in an area of 200 sqm. for ₹15 lakh was lying unutilised, thereby defeating the purpose of setting up of the Nursery.	Department stated (May 2020) that the Nursery had been made functional and Khasi Mandarin seedlings were being raised in poly bags under the poly house. When a re-visit to the farm was proposed by audit, the DHO could not arrange for the re-visit and conveyed verbally that existence of such nursery was not known to the DHO. The Department stated (September 2021) that the Nursery is functional and the DHO was asked to explain the reason why the Nursery could not be shown to audit.
3.	Nursery at Yisemyong, Mokokchung (Public sector)	The Department set up (2018-19) a Poly-house nursery (600 sqm.) with shade-net and drip irrigation for raising citrus saplings for ₹15 lakh at Coffee Demonstration Farm, Yisemyong. However, after establishment, the nursery along with 80,000 orange saplings were handed over free of cost to M/s Green Cascade Enterprises to whom the facilities in CoE, Yisemyong was leased out on grounds of inability of the Department to manage due to paucity of funds as discussed in Paragraph 3.2.6.1. This indicated that the Department did not have the capacity to manage the nursery departmentally when the nursery was established.	The Department in reply (May 2020/ September 2021) stated that the Citrus Nursery established during 2018-19 under poly house was not leased out to Green Cascade and is still with the Department. The reply of the Department was however, refuted by the present DHO who confirmed (March 2021) that nursery had already been handed over to a private firm, though not leased out officially.

It indicates that the Department could not manage the nurseries properly, despite having DHOs¹¹, HOs, AHOs, *etc.* in the sampled Districts.

Thus, the plantation of areca nut saplings instead of citrus, non-verifiable nursery and leasing out of the nursery without knowledge of the Department are the clear indication of diversion of funds. Moreover, the possibility of misappropriation of funds could not be ruled out.

¹¹ Mokokchung- DHO-1, HO-1, AHO-4, JFA-5, HEA-1 and Longleng-DHO-1, AHO-1, Inspector/ HEA/ JFA-3

- Recommendations:**
- (i) *JPV of three out of 12 Public Sector small nurseries, revealed that all the three nurseries are in bad shape, the Department should inspect the remaining nurseries to identify the problems faced by other nurseries and take necessary remedial measures.*
 - (ii) *The Department may take necessary steps to make the nurseries operational and to fix responsibility of the officials concerned in case of diversion of project fund for other purposes, non-verifiable nurseries and leasing out the nursery without the consent of the Department.*

3.2.5.2 Hi-tech Nursery, Dimapur

With a purpose of raising Mother Plants¹² to meet the requirement of quality planting materials, the Hi-tech Nursery at Dimapur was taken up during 2015-16 for ₹50 lakh. The project consisted of Misting Chamber (384 Sqm), Hardening Chamber under Hi-tech poly-house (500 sqm.), Shade Net (400 Sqm) and other associated items. The work was awarded to M/s Allanger Agrovision Enterprises, Dimapur being the lowest bidder. The work was started in April 2018 and completed in August 2018.

During JPV (October 2019) of the nursery unit, it was seen that area of the Misting Chamber was only 210 sqm. and the Hardening Chamber was only 300 sqm. whereas payment was made for 384 sqm. and 500 sqm. respectively. This resulted in excess payment of ₹10.08 lakh for unexecuted work in an area of 374 sqm. in respect of the two chambers. Further, it was seen that the mother stocks were planted in the vicinity of the poly-houses and the Misting Chamber and the Hardening Chamber were lying unutilised.



While accepting the audit observation (September 2021) the Department stated that the size of the misting and hardening chambers had to be reduced as the rate provided in the DPR was very low when compared to the prevailing market rate of the State. In addition, more powerful and expensive exhaust fan was provided by incurring additional expenditure.

¹² Guava, Litchi, Cashewnut, Mango, etc.

The reply is not acceptable as the work was awarded as per the rate offered by the supplier and the works were certified as completed as per specification incorporated in the work order and estimates. This shows complete failure of monitoring by the Department despite having five technical officers¹³ besides four¹⁴ other technical employees.

It is evident from the preceding paragraphs that the expenditure incurred on Public Sector Nurseries could not contribute towards the objective of establishing the nurseries, *i.e.* production and distribution of good quality seeds and planting materials to the farmers. Moreover, the possibility of misappropriation of funds could also not be ruled out.

Recommendation: *The Department may take necessary steps for accreditation of all the nurseries, operationalise all the Public Sector nurseries and fix responsibility of the officials concerned for short execution of misting and hardening chambers.*

3.2.5.3 Area expansion

Paragraph 5.2 of the scheme guidelines required that the area expansion be planned after properly assessing the availability of quality seeds and planting materials and a separate sub-plan was to be prepared. Paragraph 7.8 of the guidelines further requires that the planting materials be procured from the accredited nurseries only.

Scrutiny of records revealed that the Department provided financial assistance of ₹31.13 crore for expanding the area of plantation in 10,630 Ha during 2014-20 under Area expansion and establishment of new gardens (sub-components of the scheme). Scrutiny of records followed by JPV and beneficiary survey revealed the following:

3.2.5.3.1 Irregularities in procurement of planting materials

(i) One of the main thrusts¹⁵ of MIDH was to increase productivity by providing quality planting materials from certified/ accredited nurseries. There are eight accredited nurseries (Public Sector-4 and Private Sector-4) in Nagaland. In addition to that, there are nine Public Sector Nurseries which were under the process of accreditations. During 2014-20, the Department procured planting materials valued at ₹31.13 crore as shown in **Table 3.2.5**.

Table 3.2.5: Details of planting materials procured during 2014-20

Category	Area (Ha)	Amount (₹ in crore)
Vegetables	3,356	6.76
Fruits	4,599	19.18
Spices	2,675	5.19
Total	10,630	31.13

Source: Data provided by SHM

¹³ Joint Director-1, HO-1, AHO-3

¹⁴ HEA-3, JFA-1

¹⁵ Paragraph 7.8 of MIDH guidelines

Scrutiny of records revealed that out of the expenditure of ₹31.13 crore for procurement of seeds/ planting materials, an amount of ₹14.72 crore was spent for procurement of planting materials from non-accredited nurseries/ firms and individuals during 2014-20 (***Appendix 3.2.1***) in violation of the guidelines and thereby compromising the quality of the materials supplied without ascertaining the availability of planting material with the accredited nurseries and Government nurseries.

The Department stated (September 2021) that all the planting materials procured are farmer's friendly with respect to its propagation and multiplied locally in the fields by the farmers. Thus, the planting materials are procured from the farmers and distributed to the beneficiaries at cost approved by the Government and the quality and quantity are spelled out in supply orders and checked meticulously while receiving.

The reply of the Department is not acceptable because it violated the guidelines of MIDH which requires procurement of quality planting materials from accredited nurseries and defeated the very purpose of establishment of nurseries. Further, it was observed during beneficiary survey that unhealthy planting materials were supplied as commented at sub-paragraph (iii) below.

(ii) General Financial Rules provided that public procurement should be carried out in a transparent manner by inviting open tender. The open tendering system would also provide the opportunity of getting quality products at a reasonable/ cheaper rate. It was observed that the Department did not invite any tender during 2014-20 and the suppliers were selected by the Departmental Purchase Board on the basis of proposals made by the SHM for supply of materials in violation of the codal provisions.

The Department accepted (May 2020) the audit observation.

(iii) Similarly, the Department issued (September 2017) 13 supply orders¹⁶ for supply of 21.20 lakh passion fruit saplings for ₹2.12 crore to a private Small Nursery¹⁷. The supply order was issued on the basis of a recommendation (September 2017) made by the DHO, Mokokchung stating that quality planting materials of the required quantity was available in the nursery.

However, audit observed that the nursery was set up in July 2017. The recommendation of the DHO did not mention the age of the saplings, height, variety, whether transplanted in poly bag *etc.* Further, passion fruit seeds take sprouting in about 12-15 days after sowing and germination is completed in about a month. In some cases germination extends even upto 50-60 days. When the seedling attain four to six leaves, they are transplanted¹⁸. Hence, it is impossible to produce planting materials in such large quantity within one month of its establishment. Therefore,

¹⁶ Eight Supply orders for two lakh sapling and five supply order for 19.20 lakh saplings

¹⁷ M/s Green Cascade Enterprises, Lenjidendang, Chichuyimlang, Mokokchung

¹⁸ Source: Survey Report of farmer on value chain analysis of Wokha and Mokokchung by HIL

audit made a JPV (November 2019) to the Small Nursery and it was seen that the nursery was having only three poly houses having an area of 900 sqm¹⁹. Further, beneficiary survey of 100 out of 298 beneficiaries in Mokokchung district to whom 2.81 lakh saplings were distributed, was conducted, revealed that non-poly bagged and sick/ unhealthy seedling tied in bundles were provided to them. Hence, the possibility of misappropriation of public money could not be ruled out.

The recommendation of the DHO to issue the supply order to the private firm on grounds of availability of quality planting materials was factually not correct and was misleading. The objective of providing quality planting materials to the beneficiaries was also defeated.

The Department stated (May 2020) that the seedlings were raised and supplied in jute bags. The claim of the Department that healthy seedlings were supplied in jute bags is not acceptable as all the beneficiaries interviewed stated receipt of non-poly bagged and unhealthy saplings.

(iv) According to the terms and condition of the supply orders issued during 2014-20, the planting materials were required to be delivered to the DHOs, State Horticulture Nursery (SHN) or at the Directorate office as specified in the supply order. The materials supplied to the Directorate and the SHN were required to be distributed to the DHOs for final distribution to beneficiaries.

Scrutiny of records on supply and distribution in the selected DHOs revealed that planting materials for ₹13.92 crore supplied during 2014-20 were recorded in the stock register indicating receipt and distribution to 2,544 beneficiaries by these DHOs. However, during JPV and beneficiary survey, 400 beneficiaries²⁰ reported short receipt as indicated in **Table 3.2.6**.

Table 3.2.6: Details of planting materials issued and received by beneficiaries

Name of District	Total nos. of beneficiaries	Beneficiaries selected (Nos.)	Beneficiaries reported short receipt (Nos.)	Planting material issued as per Stock Register (in nos.)	Money value of planting materials issued (₹ in lakh)	Planting material received by 400 beneficiaries (in nos.)	Money value of planting material received (₹ in lakh)	Short receipt reported by 400 beneficiaries (in nos.)	Money value of planting materials short distributed (₹ in lakh)
Kohima	489	212	101	3.30	34.11	0.63	11.92	2.66	22.17
Mokokchung	996	298	163	6.71	47.19	1.32	13.66	5.39	33.51
Phek	633	198	104	3.12	32.50	0.63	11.42	2.49	21.08
Longleng	426	133	32	0.41	7.71	0.10	2.04	0.31	5.67
Total	2,544	841	400	13.54	121.51	2.69	39.03	10.85	82.43

Source: Data provided by SHM and beneficiary survey

As can be seen from the above table, out of planting materials valued at ₹1.22 crore shown as distributed by DHOs, materials valued at ₹0.39 crore (32.13 per cent) only were received by the beneficiaries. Thus, there was 67.87 per cent short distribution of planting materials worth ₹0.82 crore (**Appendix 3.2.2**). Hence, the possibility of misappropriation of public money could not be ruled out.

¹⁹ One Poly-house with 500 sqm. and other two poly houses with 200 sqm. each

²⁰ Out of 841 beneficiaries

The Department stated (September 2021) that the farmers initially expressed eagerness at the time of selection of beneficiaries. However, during actual delivery of the materials some beneficiaries refused and took less quantity than projected in the annual plan. Therefore, in order to avoid wastage, the remaining planting materials were distributed by DHOs to other interested farmers. In support of this the Department also submitted list of beneficiaries who had received planting materials.

The reply of the Department is not acceptable as the stock/ distribution registers of the DHOs and the statements submitted to Audit clearly indicated that the entire quantity was distributed to the selected beneficiaries. It also indicated that the records of the Department are fabricated.

- Recommendation:***
- (i) The above observation is formed on the basis of beneficiary surveys and JPVs conducted in four districts covering 841 beneficiaries. State Government should review status of entire procurement of planting materials for 11 districts and take necessary action to fix responsibilities wherever shortage is noticed.***
 - (ii) The Department may investigate the matters and take appropriate action against the officer who had submitted false recommendation to the Department and responsible for short distribution of planting materials.***
 - (ii) The Department may take appropriate steps to procure planting materials from the accredited public sector as well as private nurseries to ensure supply of quality planting materials.***
 - (iii) Planting materials may be distributed more transparently to avoid leakage, etc.***

3.2.5.4 Maintenance during First and Second Year

According to Annexure V of MIDH guidelines, financial assistance was to be provided to the beneficiaries for establishment of new gardens/ plantations in three (60:20:20) or two (75:25) instalments subject to survival rate of 75 per cent and 90 per cent in the subsequent two years as first year Maintenance allowance and second year Maintenance allowance respectively. During 2014-20, the SHM provided ₹5.88 crore²¹ assistance, including cost of planting materials, for maintenance of 4,156 Ha to 2,544 beneficiaries in four selected Districts.

Scrutiny of records revealed that the SHM provided funds to the DHOs during 2014-20 by electronic transfer with instructions to transfer the funds to the beneficiaries electronically. However, it was observed that the DHOs transferred the cash assistance by e-transfer, cash and by cheque. The exact bifurcations of the amount could not be obtained due to poor maintenance of records by the DHOs. The

²¹ Out of ₹15.17 crore against 11 districts for 13,714 Ha

beneficiary survey in four selected districts, revealed that, out of 550 eligible beneficiaries who were provided maintenance allowance of ₹1.43 crore, only 78 beneficiaries reported receipt of the maintenance allowance of ₹18.51 lakh during the subsequent years of cultivation as shown in **Table 3.2.7**.

Table 3.2.7: Statement of expenditure on first and second year Maintenance against beneficiaries interviewed

Name of District	Number of Beneficiaries selected	Amount released as per records	(₹ in lakh)			
			Beneficiaries received the allowance		Beneficiaries not received the allowance	
			No.	Amount	No.	Amount
Kohima	134	37.02	12	4.59	127	32.43
Longleng	68	14.13	18	4.04	50	10.09
Mokokchung	241	61.13	36	7.26	205	53.88
Phek	107	30.81	12	2.62	95	28.19
Total	550	143.09	78	18.51	477	124.59

Source: Data provided by SHM and beneficiary survey

The Department stated (September 2021) that due to lack of knowledge about electronic fund transfer, SMS alerts, *etc.*, some beneficiaries might not have realised the deposit of fund in their accounts.

The reply of the Department is not acceptable as out of the 550 beneficiaries interviewed most did not receive, or were not aware of such maintenance allowance being provided by the Department. Further, the DHOs also did not follow the instruction of the SHM to transfer the fund electronically. Hence, the possibility of misappropriation of public money could not be ruled out.

Recommendations: (i) *State Government should review status of receipt of maintenance allowance by all the remaining beneficiaries of all 11 districts and take necessary action to fix responsibilities wherever shortage is noticed.*

(ii) *The Department may take necessary steps to transfer funds to all the beneficiaries in electronic mode and to conduct awareness programmes to educate the beneficiaries about electronic transfer.*

3.2.5.5 Protected Cultivation

Paragraph 7.25 of Operational Guidelines stipulated that assistance would be provided under the Mission for construction of poly houses, shade nets, plastic mulching, and plastic tunnels and anti-bird/ hail nets for promoting latest technologies in cultivation to enhance productivity. Assistance under the scheme was limited to 50 per cent of the cost of construction of poly house at the rate of ₹1,219 per sqm. for structures up to 500 sqm. for NE and Himalayan States, which is 15 per cent above the rate provided to other General Category States. In addition, 50 per cent of cost of planting materials as shown in **Table 3.2.8** was to be provided.

Table 3.2.8: Rate of planting materials

Name of planting materials	Maximum cost payable
High-value vegetables	₹140 per sqm.
Orchid and Anthurium	₹700 per sqm.
Carnation and Gerbera	₹610 per sqm.
Rose and Lilium	₹426 per sqm.

Source: Operational guidelines

Scrutiny of records revealed that ₹19.07 crore was spent for construction of 472 poly-house tubular structure (naturally ventilated) covering an area of 2,36,000 sqm. under the Mission as shown in **Table 3.2.9**.

Table 3.2.9: Details of expenditure under Protected Cultivation

(₹ in crore)

Name of items	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Amount
*Flower (Tubular structure, Planting material and Irrigation System)	3.89	2.52	1.63	4.93	3.50	Yet to be implemented	16.47
*Vegetable (Tubular structure, Planting material and Irrigation System)	0.00	0.90	0.00	1.36	0.34		2.60
Total	3.89	3.42	1.63	6.29	3.84	0.00	19.07

Source: Data provided by SHM

* Details/ break-up of expenditure is given in **Appendix 3.2.3**

Scrutiny of records relating to the above expenditure revealed several irregularities as discussed in **sub-paragraphs (i) to (v)** below:

(i) Irregular selection of contractors/suppliers

Rule 161 of the General Financial Rules (GFR) 2017 provides that public procurement should be carried out in a transparent manner and by inviting advertised open tender when the value of goods to be procured exceeds ₹25 lakh. Rule 162 further provides that if the value of the goods to be procured is between ₹five lakh to ₹25 lakh, limited tender system may be adopted.

It was observed that the Department invited limited tender during 2014-15 from 10 suppliers/ contractors and the supply orders were issued to M/s Zopar Exports Pvt. Ltd, Assam and M/s Meghastar Agrotech Pvt. Ltd., Assam being the lowest bidders as indicated in **Table 3.2.10**.

Table 3.2.10: Details of rate quoted under Protected Cultivation

Sl. No.	Name of the Firm	Rate quoted by firms (Amount in ₹)						Irrigation
		Poly-house (500 Sqm)	Planting Materials				Alstroemeria	
			Orchid	Gerbera	Rose	Lilium		
1.	M/s Zopar Exports Pvt. Ltd, Guwahati, Assam	3,05,000	00	00	115	30	550	30,000
2.	M/s Meghastar Agrotech Pvt. Ltd, Guwahati, Assam	3,05,000	250	40	115	30	550	30,000

Source: Data provided by SHM

Thereafter, no tender was called by the Department, though the year wise value of work/ supply ranged between ₹1.63 crore to ₹6.29 crore during 2015-19. The contractors/ suppliers were selected by the Purchase Committee on the

recommendation of the Department at the approved rates of 2014-15. The details of work orders issued during 2014-20 are indicated in **Table 3.2.11**.

Table 3.2.11: Statement of work orders issued for construction of Tubular structure under protected cultivation

(₹ in lakh)

Year	Name of firm	Flower (Tubular structure, Planting materials and Drip Irrigation)		Vegetable (Tubular structure, Planting materials and Drip Irrigation)		Total units	Total amount
		No. of Units	Amount	No. of Units	Amount		
2014-15	M/s Zopar Exports Pvt. Ltd, Assam	44	197.75	0	0.00	44	0.00
	M/s Meghastar Agrotech Pvt. Ltd, Assam	41	190.79	0	0.00	41	190.79
Sub-total		85	388.53	0	0.00	85	388.53
2015-16	M/s North Bengal Floritech, Dimapur	10	49.30	25	89.95	35	139.25
	M/s Zopar Exports Pvt. Ltd, Assam	25	106.13	0	0.00	25	106.13
	M/s Sheel Biotech, New Delhi	20	96.35	0	0.00	20	96.35
Sub-total		55	251.78	25	89.95	80	341.73
2016-17	M/s Saveer Biotech Pvt Ltd, New Delhi	37	162.91	0	0.00	37	162.91
Sub-Total		37	162.91	0	0.00	37	162.91
2017-18	M/s Sheel Biotech, New Delhi	50	233.12	0	0.00	50	233.12
	M/s Saveer Biotech Pvt Ltd, New Delhi	20	95.95	40	135.90	60	231.85
	M/s Zopar Exports Pvt. Ltd, Assam	40	164.50	0	0.00	40	164.50
Sub-Total		110	493.57	40	135.90	150	629.47
2018-19	M/s Allanger Agrovision Enterprise, Dimapur	0	0.00	0	7.00	0	7.00
	M/s Meghastar Agrotech Pvt. Ltd, Assam	0	0.00	20	27.43	20	27.43
	M/s Saveer Biotech Pvt Ltd, New Delhi	100	349.73	0	0.00	100	349.73
Sub-Total		100	349.73	20	34.43	120	384.16
2019-20	Work orders were not issued and no payment was released till the date of audit.						
Grand Total		387	1,646.52	85	260.28	472	1,906.80

Source: Data provided by SHM

Thus, the Department not only failed to obtain competitive and reasonable rate but also extended undue favours to the above suppliers in violation of the Financial Rules.

While accepting the facts (September 2021), the Department stated that the suppliers were selected based on the fixed rates quoted by the interested firms. The Department also stated that during 2016-17, State Government advised the Department to implement the work by engaging renowned firms through the Purchase Committee. Accordingly, the works were allotted to the above two firms based on their past track records.

The reply of the Department is an admission of the facts that equitable opportunities were not provided to all the possibly interested firms to ensure competitive and reasonable rates in contravention of the Financial Rules.

Recommendation: *The Department may avoid random selection of contractors and adopt open tendering system, as per extant rules, to bring transparency in the tendering process and obtain competitive rates.*

(ii) Advance payments

Rule 172 of GFR provides that payments for services rendered or supplies made should be released only after the services have been rendered or supplies made except in cases of (i) advance payment demanded by firms holding maintenance contracts for servicing of Air- conditioners, computers, other costly equipment *etc.* (ii) advance payment demanded by firms against fabrication contracts, turn-key contracts *etc.* Such advance payments should not exceed (a) thirty *per cent* of the contract value to private firms; (b) forty *per cent* of the contract value to a State or Central Government agency or a Public Sector Undertaking; or (c) in case of maintenance contract, the amount should not exceed the amount payable for six months. While making any advance payment, adequate safeguards in the form of bank guarantee should be obtained from the firm.

Scrutiny of records revealed that advance payment of ₹10.62 crore was made to five firms, though the work order provided for payment only on the basis of completion of work.

It was also observed that these listed firms do not qualify for payment of advances as per the conditions envisaged in the provisions of the Financial Rules. The Department also did not obtain adequate safeguards in the form of bank guarantee before payment of the advances in contravention of GFR. Thus, the Department extended an undue favour of ₹10.62 crore irregularly to five firms.

The Department accepted the facts (September 2021), and stated that this had happened due to ignorance of the provisions of GFR. The reply of the Department is not acceptable as GFR is also being followed by the GoN and Paragraph 4(h) of the sanction from GoI specifically requires the implementing agencies to follow the GFR while incurring expenditure from the grants received under MIDH.

Recommendation: The Department may take appropriate steps to follow the extant financial rules and to avoid the system of providing unsecured advances.

(iii) Excess payment to Suppliers/ contractors

An amount of ₹19.07 crore was spent for construction of 472 protected tubular structures including the expenditure for planting materials in an area of 500 sqm. during 2014-19.

Scrutiny of tender documents of 2014-15²², revealed that the size of the Tubular Structure was to be 500 sqm. per unit. However, the supply orders to the selected suppliers were issued without indicating the size of the tubular structure, though other specifications²³ were indicated. It was also observed from the bills that the size of the tubular structures constructed was only 200 sqm./ unit as against the required size of 500 sqm./ unit. JPV and beneficiary survey of 49 units out of 60 in four selected

²² Refer paragraph 5.5.1(i) of quotation

²³ Components required for construction of naturally ventilated tubular structure such as, GI pipe, poly tunnel, fixed open vent, Ultra-violet film poly sheet and the height of the foundation

Districts also confirmed that the area of tubular structure constructed by contractors ranged from 75 sqm. to 200 sqm. only. The details are shown in **Table 3.2.12**.

Table 3.2.12: Details of Tubular Structure constructed.

Sl. No.	Size (Range) of tubular structure	Number of tubular structures
1.	0-100	02
2.	101-150	10
3.	151-200	37
Total		49

Source: Departmental records

* Further details are given in **Appendix 3.2.4**

However, contrary to the actual execution of works the contractors were paid for construction of 500 sqm. per unit. As against the actual required area of 2,36,000 sqm., the area covered for construction of 472 protected structures was only 94,400 sqm. This resulted in shortage of 1,41,600 sqm.²⁴ with corresponding shortage in planting materials. Thus, there was an excess payment of ₹11.44 crore²⁵ to the contractors²⁶ for unexecuted item of work including cost of planting materials amounting to ₹2.79 crore.

The Department stated (September 2021) that the rates quoted by the firms ranged between ₹1,523.47 to ₹1,800 per sqm., i.e. between ₹7.62 lakh to ₹nine lakh for 500 sqm. However, the maximum admissible rate was only ₹3,04,750 per unit as per the guidelines, which was fixed by the NHM on the basis of rates prevailing in mainland India. The high transportation cost and labour charge also made it impossible to follow the rate.

The reply is not acceptable as the rate fixed for NE and Himalaya States is ₹6.10 lakh²⁷ per unit of 500 sqm. which was 15 per cent above the rate allowed for other states and the rate quoted by the lowest bidders was only ₹3.05 lakh and not as claimed by the Department. Thus, it is evident that the Department submitted incorrect report to GoI, to cover up the excess payment/ short execution. Moreover, the possibility of misappropriation of Government money could not be ruled out.

Recommendation: *The Department may take necessary steps for fixing responsibility upon the officer concerned for issuing incorrect completion certificates and false reporting to GoI. The Department may also take appropriate steps to recover the excess payment made to the contractors.*

(iv) Un-verifiable projects

As per physical and financial completion reports, out of 472 units (₹19.07 crore) taken up during 2014-19 under Protected Cultivation, 190 units (₹7.68 crore) were constructed in the four selected Districts. Audit conducted JPV (September 2019-

²⁴ 472 Nos. * 300 sqm.

²⁵ {₹1,906.80 lakh / (472Nos * 500sqm.)} * 300 sqm. * 472 Nos.

²⁶ M/s Zopar Exports Pvt. Ltd -₹2.76 crore, M/s Sheel Biotech-₹1.96 crore, M/s Saveer biotech Pvt Ltd-₹5.10 crore, M/s Meghastar Agrotech Pvt Ltd-₹1.52 crore, M/s North Bengal Floritech-₹0.80 crore

²⁷ ₹1,219/ sqm.

December 2019) of selected 60 units²⁸ out of 190 in the selected Districts. The results of JPV are given below:

- Out of 60 units selected for spot verification, the exact location of 11 units²⁹ constructed at a cost of ₹48.44 lakh prior to 2018-19, could not be located by the Department and therefore the projects were not shown to Audit.
- Beneficiaries of six selected units for the year 2017-18 and 2018-19 reported that they did not receive any planting materials valued at ₹4.71 lakh.

The above observations clearly indicated that these 11 units involving ₹ 0.48 crore was not constructed. An amount of ₹4.71 lakh spent on procurement of planting materials to be provided to six beneficiaries was also mis-utilised.

The Department stated (September 2021) that, DHOs of the concerned Districts have been asked to furnish justification as to why the 11 units could not be verified. The Department also assured that the planting materials would be issued within a week.

Recommendations: (i) *The above observation is based on JPV and beneficiary survey of 60 units from four districts. State Government should review status of construction of all remaining 412 units and take necessary action to fix responsibilities wherever deficiency is noticed.*

(ii) *The Department may take necessary steps after fixing the responsibility and also distribute the planting materials at the earliest.*

(v) Idle Poly-houses

The aim of taking up cultivation/ production under protected structure was to enhance the productivity and introduce latest technologies. The structures constructed were expected to be utilised for the continued cultivation of vegetables/ flowers in the following years by the farmers/ beneficiaries.

JPV of the projects revealed that out of 60 units visited, 22 units were kept idle by the farmers, mostly due to want of planting materials and lack of follow up action by the Department.

²⁸ Kohima-37, Mokokchung-13, Phek-6 and Longleng-4

²⁹ Kohima – 8, Longleng-2, Phek 1



While accepting the observation (September 2021), the Department stated that under MIDH, planting materials can be provided only during the first year of establishment, thereafter the beneficiaries are required to take up the cultivation on their own. However, many beneficiaries were reluctant to continue despite best efforts by the Department.

The Department should have educated the targeted beneficiaries about their responsibilities and only those beneficiaries who were willing for the continued utilisation of the units for the intended purpose during subsequent years with their own contribution should have been selected. However, the reply indicates lapses in educating the beneficiaries despite incurring an expenditure of ₹2.85 crore on training during the period, lapses in the selection process and deficient monitoring.

- Recommendation:**
- (i) *The Department may take appropriate steps to encourage the beneficiaries to utilise the units for the envisaged purpose by educating them or by providing further assistance.*
 - (ii) *The Department may take necessary steps after fixing the responsibility for not taking appropriate steps to encourage and educate the beneficiaries so that the constructed structures may be utilised for the purposes for which it was constructed.*

3.2.6 Centre of Excellence

Centre of Excellence (CoE) for Horticulture is an approved component under the scheme which can be established for different Horticulture crops. The CoE serves as demonstration and training centre for latest technologies in horticulture development. The centre also serves as source of planting material for fruits and vegetable seedlings for protected cultivation. The CoE can be established only by public sector for which grant of ₹10 crore maximum is available under MIDH. The CoE can be established either with technology support from Indian Research and Development system or can be established through bilateral cooperation.

The GoI approved (May 2013) establishment of CoE for ₹ five crore at the Departmental farm at Yisemyong, Mokokchung under 2013-14 AAP. The Department established the CoE consisting of 10 nurseries under poly-house for fruits, vegetables and citrus and also consisting of a grading, sorting and cool chamber. Paragraph 4 (e) of GoI sanction order stipulates that assets, permanent or semi-permanent acquired wholly or substantially out of the grant by the GoI shall not without prior approval of GoI, be disposed of, encumbered or utilised for the purposes other than those for which the grant was sanctioned.

Scrutiny of records related to establishment of CoE revealed the following irregularities mentioned at **Paragraph 3.2.6.1**:

3.2.6.1 Irregularities in leasing of CoE to private party

The Department took up establishment of one CoE consisting of 10 nurseries covering an area of 13,200 sqm. poly-houses at Departmental Coffee Demonstration Farm (CDF), Yisemyong, under Mokokchung District at an estimated cost of ₹ five crore under MIDH during 2013-14 consisting of the following components as shown in **Table 3.2.13**.

Table 3.2.13: Details of items taken up under CoE, 2013-14

Sl. No.	Name of the Component	Rate/ Unit	Unit (In sqm.)	Amount (In ₹)
1.	Land development and Site Levelling	LS (lum-sum)		13,46,250
2.	Anthurium Unit	3,495.00/ sqm.	2,000	69,90,000
3.	Rose Unit	2,335.00/ sqm.	2,900	67,71,500
4.	Carnation Unit	2,320.00/ sqm.	800	18,56,000
5.	Cymbidium Unit	3,062.50/ sqm.	1,000	30,62,500
6.	Tomato Unit	2,064.00/ sqm.	500	10,32,000
7.	Cucumber Unit	2,072.50/ sqm.	500	10,36,250
8.	Strawberry Unit	2,460.00/ sqm.	500	12,30,000
9.	Vegetable Unit	2,040.00/ sqm.	500	10,20,000
10.	Citrus mother block	2,332.00/ sqm.	3,000	66,96,000
11.	Passion fruit nursery	3,239.50/ sqm.	1,500	48,59,000
12.	Purchase of planting materials for flowers	LS		13,00,000
13.	Sorting, grading and cool chamber	LS		50,32,000
14.	Maintenance/ replanting works	LS		62,68,500
15.	Purchase of vehicle	15,00,000	1	15,00,000
Grand Total		--	--	5,00,00,000

Source: Data provided by SHM

The work was commenced in October 2014 and completed in February 2016, though the work was to be completed within five months of the issue of work order in October 2014. It was observed that the DHO, Mokokchung submitted (June 2017) a proposal to the Directorate endorsing the application for leasing the CoE to a private Small Nursery³⁰ as the same could not be maintained by the Department on grounds of limited resources. The proposal was approved (July 2017) by the State Government and the CoE was allotted (July 2017) to the firm for five years without obtaining the approval from the GoI in violation of the conditions contained in paragraph 4(e) of the sanction order. Though the allotment order contained various conditions including proper maintenance of the poly-houses, the order does not contain any clause regarding payment of rent/ lease amount and also the income generated from floriculture plants during setting up of the CoE.

During JPV (October 2019) of the CoE, it was seen that the poly-house was constructed in an area of 11,000 sqm. instead of 13,200 sqm. as per original estimates, leading to shortage of 2,200 sqm. However, the firm M/s Florence Flora Marketing, Bangalore was paid ₹3.46 crore for construction of poly-house in an area of 13,200 sqm. This resulted in excess payment of ₹57.59 lakh³¹. It was also seen that sorting, grading and cool chamber constructed at a cost of ₹50.32 lakh was lying idle.

Leasing out the CoE constructed under MIDH to private firm defeated the purpose establishment of CoE as discussed above. Further, the CoE was leased out free of cost and without obtaining prior approval of GoI.

The Department stated (September 2020) that the poly-houses in the CoE was leased out as these were in a rundown condition and most of the plants were destroyed and the Department did not have the funds to maintain them. The Department also stated that lease amount shall be imposed after discussion with the concerned party when the lockdown is lifted. Regarding shortage of 2,200 sqm. of poly-house the Department stated that this poly-house is still with the Department. The Department also stated (September 2021) that, an amount of ₹4,150 per month has been fixed as the lease amount for CoE and the amount payable by the lessee has now been deposited.

The reply is not acceptable as the CoE was constructed to serve as demonstration and training centre for latest technologies in horticulture development, besides serving as source of planting material for fruits and vegetable seedlings for protected cultivation. Thus, the action of the Department defeated the purpose of setting up the CoE. Further, the contention of the Department that the lease amount shall be imposed after discussion with the concerned party was biased and not acceptable as such rates should be determined before entering into agreements to avoid conflict of interest and litigations.

Recommendation: *The Department may ensure that assets created from GoI fund is not encumbered without the approval of GoI. It may be ensured that the CoE is utilised for the purposes for which it was set-up.*

³⁰ M/s Green Cascade, Lenji Dendang, Mokokchung

³¹ (₹3,45,53,250/ 13,200) * 2,200 sqm.

3.2.6.2 Diversion of funds and infructuous expenditure

The Department proposed establishment of three CoEs at Phek, Tuensang and Dimapur with the objective of creating facilities and infrastructures for producing quality planting materials and crops both under poly-houses as well as open field conditions at an estimated cost of ₹6.50 crore in the AAP for 2015-16. GoI approved the proposal for ₹6.30 crore³² during 2015-16. Accordingly, the SHM drew ₹five crore (March 2016) in two bills³³ and reported completion of the three Centres in the consolidated Utilisation Certificate submitted (March 2017) to GoI. The Annual Report prepared (August 2017) by the Chartered Accountant (CA) also reported establishment of three CoEs at Phek, Tuensang and Dimapur.

Scrutiny of records revealed that the SHM proposed to set up four Semi-Automatic V-type Vegetable Seedling units at SHN, Dimapur (₹ two crore), Kiruphema, Chendang and Tuli (₹one crore each) to the SLEC in lieu of three CoEs. The proposal was approved by the SLEC (July 2017) and the work was allotted to M/s Saveer Bio-Tech, New Delhi being the lowest bidder in the limited tender at the quoted rate of ₹two crore and ₹one crore per unit respectively. No prior approval was obtained from GoI regarding setting up of four Semi-Automatic V-type Vegetable seedling units in lieu of three CoEs sanctioned. The Department neither conducted any feasibility study for establishment of the Automatic seedling plants nor conducted any awareness campaign after the establishment.

The Department stated (September 2021) that the proposed CoEs could not be established due to various technical difficulties and the same was communicated to GoI. Though proposal for re-appropriation was also sent to the Ministry but no reply was received and therefore approval of the SLEC was obtained to establish Automatic Seedling production units. The reply of the Department is not acceptable as the Department not only unauthorisedly diverted the funds, but also submitted false UC to GoI.

The firm executed the work between July 2017 and March 2018 and the Department paid (July 2017-March 2018) the contractual amount of ₹ five crore. JPV (October 2019 to December 2019) of three units at Dimapur, Kiruphema and Tuli revealed the following:

(a) SHN, Dimapur: The Vegetable Seedling unit consisting of Hi-Tech Greenhouse (200 sqm), Hardening Chamber (450 sqm), Semi-Automatic Seeder Machine and other associated items was inaugurated on 23 January 2018. The unit has a capacity of producing 1.20 lakh³⁴ to 2.40 lakh³⁵ vegetable seedling in a cycle of 20 days. However, it was seen during JPV that the project was not fully utilised. Department stated that the plant produced 95,000 seedlings³⁶ during 2018-19,

³² GoI share 90 per cent - ₹5.67 crore and GoN share 10 per cent- ₹0.63 crore

³³ ₹3.06 crore vide bill No 137 dated 21-03-2016 and ₹1.94 crore vide bill No. 'nil' dated 17-03-2016

³⁴ Solanaceous/ Cruciferous crops

³⁵ Cucurbitaceous crops

³⁶ Tomato- 30,000 seedlings, Chilli- 25,000 seedlings, Brinjal- 40,000 seedlings

thereafter the unit was lying unutilised. It is evident that the Department could utilise less than 10 per cent of the capacity of the unit during 2018-19.



Vegetable Seedling unit, SHN – Dimapur (March 2021)

The Department stated, since the V-type seedling production unit is a new concept to the State, the officials are trying to understand the technology. And since the farmers are apprehensive of transplanting the seedlings produced, various demonstration trials are being carried out. The Department also stated that the water quality and the apprehension of the people to accept the new method also affected the unit at SHN. However, the Department assured that the units will be made fully functional once the officials have properly learned the process.

The reply of the Department is an admission of the fact that the projects were taken up without proper feasibility study and addressing the training needs. The Department may take necessary steps to utilise the project by imparting proper training and publicity to avoid idling of the unit constructed.

(b) Unit at Kiruphema, Kohima: The unit consisting of Hi-Tech Greenhouse (150 sqm.), Hardening Chamber (300 sqm.), Semi-Automatic Seeder Machine and other associated items, was constructed in the Departmental farm and handed over to the Department in January 2018. The unit has a capacity to produce 72,000 Solanaceous/ Cruciferous crops to 1,40,000 Cucurbitaceous crop seedlings in a cycle of 20 days. The unit was not functional due to lack of power supply to the farm since its establishment



Semi-Automatic V-type Vegetable Seedling units, Kiruphema, Kohima

It is thus, evident that the Department failed in identifying location having power supply for establishment of such an expensive unit, which led to the idling of the unit.

The Department stated (September 2021) that necessary action has been initiated with the Power Department for connection and power supply to Kiruphema Unit has been done and the unit became functional.

(c) Unit at Tuli: The unit consisting of Hi-Tech Greenhouse (150 sqm.), Hardening Chamber (300 sqm.), Semi-Automatic Seeder Machine and associated items was seen constructed in the Departmental farm (March 2018). The unit has a capacity to produce 72,000 Solanaceous/ Cruciferous crops to 1,40,000 Cucurbitaceous crop seedlings in a cycle of 20 days. The unit was lying idle and remained un-utilised since March 2018.

The DHO stated (November 2019) that the shortage for demand and difficulty in transporting the seedling produced in the unit to distant places are the main reasons for not operating the unit. The reply of the DHO indicated that the implementation of the project was taken up without conducting any feasibility study and proper planning.

Further, the unit at Chendang, Tuensang consisting of Hi-Tech Greenhouse (150 sqm), Hardening Chamber (300 sqm.), Semi-Automatic Seeder Machine and associated items was constructed in the Departmental farm (March 2018). The unit has a capacity to produce 72,000 Solanaceous/ Cruciferous crops to 1,40,000 Cucurbitaceous crop seedlings in a cycle of 20 days as per DPR/ Bills also could not be made operational due to non-installation of transformer by the Power Department at the site.

Thus, lack of proper planning, non-conduct of mandatory field survey, *etc.* led to wasteful expenditure of ₹five crore.

While accepting the Audit observation, the Department stated (September 2021) that necessary action has been initiated with the Power Department for connection. Department may take necessary steps at the earliest to install the transformer in consultation with the Power Department and to make the project operational.

Recommendation: *The Department may ensure that the fund is utilised for the purposes for which the grant was sanctioned. Steps may also be taken to make all the four units operational for the holistic development of horticulture in the State.*

3.2.7 Special Interventions

Assistance under special interventions would be available under the scheme for taking up innovative interventions not covered under any other GoI Schemes. The maximum permissible cost of the component was 10 *per cent* of the total annual outlay. The amount of assistance per unit of Special Intervention was to be limited to a maximum of 50 *per cent* of the cost. During 2017-18, the SHM made a provision of ₹one crore (Value Chain Analysis of Passion fruit in Wokha and Mokokchung District) and ₹two crore (for revival of floricultural units) under Special Intervention.

Scrutiny of records revealed that there were idling of passion fruit juice concentrate production and processing units and diversion of funds meant for revival of floriculture units, as discussed in the subsequent paragraphs.

3.2.7.1 Idle Passion Fruit Juice Concentrate Production and Processing Units

As per GoI direction, study of Value Chain Analysis of Passion fruit in Wokha and Mokokchung District was conducted (2017-18) by M/s Hindustan Insecticides Limited (HIL), a GoI Enterprise. Accordingly, HIL submitted (January 2018) the report to the Department. Though the Department observed several defects in the report, the Department decided to setup two Passion Fruit Juice Concentrate Production and Processing Units³⁷ at an estimated cost of ₹one crore. These units were intended to produce value added products such as passion fruit juice concentrate and passion fruit squash which would assure better farmers' income and also avoid market glut at the village level. The Department incurred total expenditure of ₹86.46 lakh (June 2019) for setting up one unit each in Wokha and Mokokchung.

Scrutiny of records revealed that the work for installation of two processing units was awarded to M/s Unique Electronics, Dimapur at the rate of ₹90 lakh. The SHM paid ₹86.46 lakh (June 2019) to the supplier in three instalments. The unit at Wokha was installed in July 2019 and was functioning, however, the unit at Mokokchung was not installed (November 2019). Thus, the farmers were deprived of the opportunity to earn better income by way of producing value added products such as juice concentrates and squash due to non-functioning of the unit. Further, against the admissible cost for two units of ₹50 lakh³⁸, the firm was paid ₹86.46 lakh which resulted in excess expenditure of ₹36.46 lakh.

While accepting the observation (May 2020), the Department stated that the unit at Yisemyong, Mokokchung was installed in December 2019 after completing procurement of accessories and the trial run and production will commence on lifting of lockdown. However, during the second JPV to the farm at Yisemyong, Mokokchung (March 2021) observed that the unit was still lying idle.

Recommendation: *The Department may take immediate steps to make the unit at Mokokchung functional in order to enable the farmers in that area to avail intended benefits from the project.*

3.2.7.2 Diversion of funds

The Department approved ₹two crore in AAP 2018-19 for revival of floriculture units that were established in the initial years as those units were in dire need of repair and maintenance and as most of the flower growers were women who were not in a position to maintain the units allotted to them on their own. The Purchase Committee (June 2018), allotted the work of repair and installation of 50 units (10,000 sqm.) of

³⁷ Departmental warehouse at Wokha and Departmental farm at Yisemyong, Mokokchung

³⁸ 50 per cent of the estimate

poly houses pertaining to four beneficiaries³⁹ and supply of planting materials to M/s Green Cascade Enterprise, Mokokchung without inviting tender. On the basis of the approval, the SHM issued (June 2018) six work orders to the firm as shown in **Table 3.2.14**.

Table 3.2.14: Details of work order issued under renovation of old floriculture units

Sl. No.	Name of Supplier	Particulars of items for work order issued	Units/ Qty	Rate (in ₹)	Amount (₹ in lakh)
1.	M/s Green Cascade Enterprise, Mokokchung	Repair of poly structure of 200 sqm.	50	1,52,375	76.19
2.		Chrysanthemum planting materials	99,999	35	35.00
3.		Gladiolus planting materials	2,13,000	10	21.30
4.		Carnation planting materials	54,897	50	27.44
5.		Rose planting materials	16,669	115	19.17
6.		Lilium planting materials	69,650	30	20.90
Total					200.00

Source: Data provided by SHM

Scrutiny of records viz. supply order, bills, etc. revealed that the firm repaired 50 Units (10,000 sqm.) of poly-houses and supplied planting materials to the Directorate in November 2018. Accordingly, the SHM released ₹1.80 crore⁴⁰ in two instalments (December 2018) against the total bill amount of ₹two crore.

During scrutiny of the completion reports, it was observed that the firm took up repairing of 25,000 sqm. (15,500 sqm. belonging to four private individuals and 9,500 sqm. in six Government Farms⁴¹), instead of taking up renovation of 10,000 sqm. of poly-houses (₹76.19 lakh) and supply of planting materials valued at ₹1.24 crore as indicated in **Table 3.2.15**.

Table 3.2.15: Details of actual work executed under renovation of old floriculture units

Sl. No.	Name of beneficiary	Address	Poly-house (in sqm.)
1.	Niathu Gardens	New Secretariat Road, Kohima	2,000
2.	Rushulo Kent	4th Mile Dimapur	3,000
3.	Thangi Mannen	Jharnapani, Dimapur	5,000
4.	Akune Putsure	Sovima, Dimapur	5,500
5.	Horticulture Fruit Farm	Tuli, Mokokchung	2,500
6.	Coffee Demonstration Farm	Yisemyong, Mokokchung	2,500
7.	Departmental Horticulture Farm	Mangakhi, Tuensang	1,500
8.	Departmental Horticulture Farm	Chendang, Tuensang	1,000
9.	Departmental Horticulture Farm	Sangphur, Tuensang	1,000
10.	Departmental Regional Progeny Orchard	Longnak, Mokokchung	1,000
Total			25,000

Source: Data provided by SHM

It is evident from the above table that the Department drew the funds on the basis of fabricated records and took up unauthorised works, defeating the very purpose for which it was sanctioned. Further, repairing of poly-house at CDF, Yisemyong,

³⁹ Niathu Gardens (200 sqm), Rushulo Kent (1,200 sqm), Thangi Mannen (4,400 sqm) and Akune Putsure (4,200 sqm)

⁴⁰ ₹68.57 lakh for repair of 50 units of poly-houses and ₹1.11 crore for planting materials

⁴¹ Horticulture Fruit Farm, Tuli Mokokchung (2,500 sqm.), CDF Mokokchung (2,500 sqm.), Horticulture Farm (1,500 sqm.) Tuensang, Horticulture Farm (1,000 sqm.) Tuensang, Horticulture Farm (1,000 sqm.) Tuensang, Regional Progeny Orchard (1,000 sqm.) Mokokchung.

Mokokchung for ₹20 lakh was not admissible as it has already been handed over to the lessee and therefore maintenance, if required, should be undertaken by the lessee.

Recommendation: *The Department may ensure that the fund is spent for the purpose for which it was sanctioned by way of proper monitoring.*

3.2.8 Post Harvest Management (PHM)

Horticultural crops like fruits and vegetables suffer from both qualitative and quantitative losses between harvest and consumption. Paragraph 7.1 of the Guidelines provides for (a) establishment of pre-cooling units, 'on-farm' pack houses, mobile pre-cooling units, staging cold rooms, cold storage units with and without controlled atmosphere capability; and (b) Integrated cold chain system, supply of refrigerated vans, refrigerated containers, primary/ mobile processing units, ripening chambers, evaporative/ low energy cool chambers, preservation units, onion storage units and zero energy cool chambers.

During 2014-20, the Department took up six PHM activities involving an expenditure of ₹31.18 crore. The following were observed in audit.

3.2.8.1 Functional Pack House

Assistance limited to ₹two lakh for a Functional Pack House (FPH) costing ₹four lakh (9m x 6m) was admissible to the beneficiaries. Scrutiny of records revealed that the Department prepared an estimate for FPH measuring 5m x 3.30m instead of 9m x 6m (brick wall with CGI roofing) for ₹two lakh and extended the full amount of assistance of ₹two lakh each to all the selected beneficiaries resulting in overall excess assistance of ₹7.30 crore to 730 beneficiaries.

While admitting the audit observation (September 2021), the Department stated that since the beneficiaries could not or were unwilling to contribute beneficiary share, the Department decided to take up the work with the Government share. The reply indicated that the FPHs constructed were much smaller in size which defeated the purpose of providing a meaningful infrastructure with minimum requirement.

Further, out of 730 beneficiaries in the four selected Districts⁴², audit jointly verified/ surveyed (October 2019- April 2021) 78 beneficiaries and observed the following:

- (i) Out of 80 pack houses reportedly constructed by 78 beneficiaries, six units⁴³ were found constructed as per specification. Hence, the diversion of fund could not be ruled out.
- (ii) 11 units⁴⁴ constructed prior to 2019-20 could not be located and identified. Further, 12 units⁴⁵ pertaining to 2019-20 were yet to be constructed. Hence, the possibility of misappropriation of public money could not be ruled out.

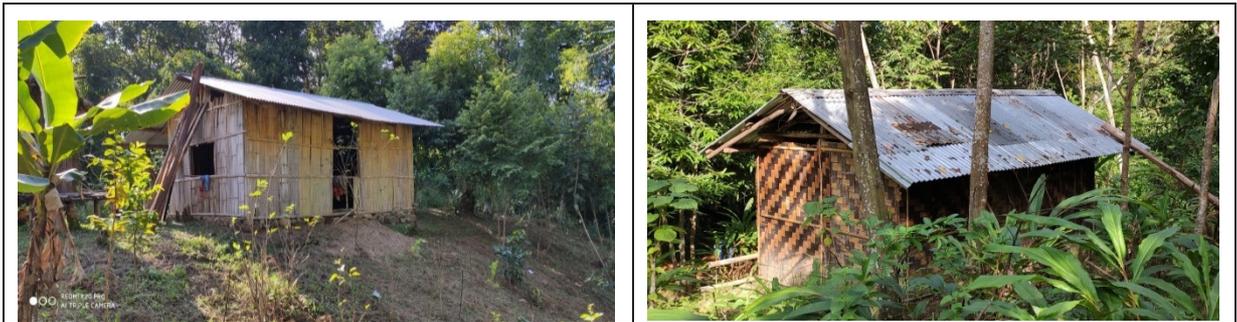
⁴² Kohima-25, Mokokchung-25, Longleng-13, Phek-15

⁴³ Kohima-3, Mokokchung -3

⁴⁴ Kohima -7, Mokokchung-1, Longleng-1, Phek-2

⁴⁵ Kohima -3, Longleng -2, Mokokchung -6, Phek -1

- (iii) 30 beneficiaries who were provided assistance of ₹64 lakh for constructing 32 units, stated that they had received only ₹58.32 lakh. This resulted in short receipt of ₹5.68 lakh. Hence, the possibility of misappropriation of public money could not be ruled out.
- (iv) In respect of 19 pack houses, bamboo wall was constructed and in 30 cases, CGI sheets wall was constructed instead of brick wall. The actual value of bamboo wall and CGI sheets wall could not be calculated due to insufficient documents/information. Hence, the diversion of fund could not be ruled out.



Pack House at Mokokchung District



Pack House at Phek

Pack House at Longleng

- (v) In Kohima District, private residences were shown to audit in place of two pack houses as given below in the photographic evidence.



Pack House at Kohima District

It is evident from the above pictures that the money was diverted and the intended purposes were not fulfilled.

Thus, it is evident that FPH for ₹0.52 crore⁴⁶ was either not executed or short executed as mentioned at sub paragraphs (ii) to (iii). The excess/ inadmissible amount provided to beneficiaries mentioned at sub-paragraphs (iv) and (v) could not be

⁴⁶ ₹51.68 lakh = sub paragraph (ii) ₹46 lakh + sub paragraph (iii) ₹5.68 lakh

quantified due to lack of information/ data. Moreover, the possibility of diversion of fund/ misappropriation of fund could not be ruled out.

While admitting the audit observations, the Department stated (September 2021) the following:

- (i) With regard to non-availability of pack-houses, the Department stated that the respective DHOs were asked to explain the reasons and in case of non-construction, they have been asked to expedite the same.
- (ii) With regard to the private residences constructed in lieu of pack houses, the beneficiaries have been asked to explain the reasons and to construct or refund the amount.
- (iii) In respect of construction of smaller size pack-houses or with bamboo the Department stated that the beneficiaries resorted to this method as the fund provided was not sufficient.

The reply of the Department is not acceptable as six pack-houses at different locations in Kohima and Mokokchung was properly constructed with ₹two lakh provided and respective DHOs/ SHM had certified completion of the pack-houses as per the approved specification.

- Recommendations:**
- (i) *The Department may take necessary steps to fix the responsibility for extending excess assistance of ₹7.30 crore for construction of 730 pack houses.*
 - (ii) *Audit observation is made on the basis of joint field verification and beneficiary survey of 80 units from four Districts. State Government should review status of Construction of all remaining units and take necessary action to fix responsibilities wherever deficiency is noticed.*
 - (iii) *The State Government may contribute the share of the beneficiary wherever beneficiary contribution is dispensed with. The Department may also take steps to complete the remaining works where it is delayed and also fix the responsibility upon the concerned officers in those cases where the FPHs were not constructed as per specification despite issue of completion certificates.*

3.2.8.2 Evaporative Cool Chamber

Financial assistance limited to ₹2.50 lakh (50 per cent of the total cost) for an Evaporative Cool Chamber (ECC) costing ₹five lakh was admissible as Government share to the beneficiaries as per the guidelines. The remaining ₹2.50 lakh (50 per cent) was to be borne by the beneficiary. The year wise target and achievement for 2014-20 are shown in **Table 3.2.16**.

Table 3.2.16: Target and achievement under ECC

Year	Physical (unit)		Financial (₹in lakh)	
	Target	Achievement	Target	Achievement
2014-15	66	0	165.00	0.00
2015-16	20	10	50.00	25.00
2016-17	50	11	125.00	27.50
2017-18	210	210	525.00	525.00
2018-19	100	100	250.00	250.00
2019-20	0	0	0	0
Total	446	331	1,115.00	827.50

Source: Data provided by SHM

Scrutiny of records revealed that the Department prepared estimates for ₹2.50 lakh and provided the full amount at the rate of ₹2.50 lakh to the beneficiaries instead of the admissible amount of ₹1.25 lakh (50 per cent), which led to an inadmissible assistance of ₹4.14 crore during 2014-19. Out of 331 ECCs constructed during the period, Audit examined records of 113 ECCs constructed at a total cost of ₹2.83 crore in four selected Districts followed by JPV of 34 ECCs. JPV revealed the following:

- (i) Out of 34 ECCs, 28 ECCs were constructed as per specification.
- (ii) Remaining six ECCs were not found constructed, though the SHM reported completion of the same. This resulted in payment of ₹15 lakh against unexecuted works.

The Department stated (September 2021) that, since the beneficiaries were not able/unwilling to contribute their share, the Department was compelled to construct the unit with the Government share and the farmers share was realised in the form of land cost, etc. In respect of non-construction of six ECCs, the Department stated that clarification will be sought from the DHOs concerned.

Recommendations: (i) *Audit observation is formed on the basis of JPV and beneficiary survey of 34 beneficiaries in four districts. State Government should review status of construction of all remaining 297 units and take necessary action to fix responsibilities wherever deficiency is noticed.*

- (ii) *The State Government may contribute the share of the beneficiary wherever beneficiary contribution is dispensed with and construct ECCs in the required specification. The Department may also fix responsibility upon the concerned officer in respect of those units against which completion certificate was issued without actual construction.*

3.2.8.3 Integrated Pack-House

Financial assistance of ₹25 lakh (50 per cent of the total cost) was available for establishment of Integrated Pack House (IPH) with facilities for conveyer belt, sorting, grading units, washing, drying and weighing. The Department allocated establishment of one IPH in CDF, Yisemyong for ₹25 lakh in AAP 2017-18. The fund

was released in May 2017 (1st Instalment of 2017-18) and the contractor was paid ₹25 lakh (August 2019). As per the UC submitted to the Ministry (June 2018), the Department had completed setting up of the IPH.

JPV (November 2019) of the CDF revealed completion of the building, but the Passion Fruit Juice Concentrate Production and Processing Unit, mentioned at **Paragraph 3.2.7.1**, was not installed and made functional. Setting up of IPH in CDF was not a priority as the entire facilities at the CDF had already been leased to a private party as discussed in **Paragraph 3.2.6.1**.

While accepting the audit observation the Department stated (May 2020) that the associated items have been installed and the unit is functional now. During the second visit (March 2021) audit observed that both the installed Passion Fruit Juice Concentrate Production and Processing Unit and IPH remained non-functional.

Thus, the intended benefits of setting up of IPH and the Passion Fruit Juice Concentrate Production and Processing Unit did not reach the intended beneficiaries even after two years of establishment.

Recommendation: *The Department may take necessary steps to make the IPH and the production unit functional at the earliest so that the farmers can get additional financial benefits from value added products.*

3.2.8.4 Low Cost Preservation Units

Financial assistance of ₹one lakh (50 per cent of the total cost) was available for setting up of Low Cost Preservation Unit (LCPU) with facilities for home-scale preservation of fruits and vegetables like squash making, juice making etc. LCPU was intended to generate employment where the target groups are unemployed youths, women and SHGs.

The Department supplied 544 LCPUs consisting of fruits and vegetable drier, Mixer/ Juicer/ Fruit pulp extractor, Utensils, Containers etc. to 544 beneficiaries for ₹5.44 crore during 2014-20. Out of 544 LCPUs, 202 units⁴⁷ (₹2.02 crore) were supplied to the beneficiaries in the four selected districts.

Scrutiny of records and field visits of 61 beneficiaries provided assistance (₹0.61 crore) under LCPU in four selected Districts revealed that 11 beneficiaries (₹0.11 crore) to whom LCPUs were reported to have been provided during 2014-19 could not be identified and located.

The Department stated (September 2021) that the concerned DHOs and SDHOs were asked to clarify the matter.

Recommendations: (i) *Audit observation is made on the basis of JPV and beneficiary survey of 61 beneficiaries in four Districts. State Government should review status of supply of all*

⁴⁷ Kohima-65, Mokokchung-53, Longleng-38 and Phek-46

remaining 483 LCPUs and take necessary action to fix responsibilities wherever deficiency is noticed.

- (ii) *The Department may take appropriate action against the DHOs/ SDHOs after fixing the responsibility for false reporting.*

3.2.8.5 Cold Chain Sector

As per Paragraph 7.4.7 of MIDH guidelines, assistance would be available for setting up of new cold storage infrastructure for multi-chamber cold storage units with technologies which are energy efficient with provision for thermal insulation, humidity control, advanced cooling systems, automation, *etc.* Credit linked back-ended subsidy @ 35 *per cent* of the cost of project in general areas and 50 *per cent* of cost in case Hilly and Scheduled areas, per beneficiary where the maximum cost of the project is limited to ₹six crore.

The SHM did not initiate setting up of major Cold Chain infrastructure under the scheme, though this sector has the potential to contribute substantially in the field of employment generation besides augmenting farmers' income by proper preservation of perishable items. The Department stated that in this sector, two reefer vans have been leased to two agencies/firms for transportation of perishable fruits and vegetables as part of Department's initiative to generate employment.

Scrutiny of records revealed that the Department purchased one Refrigerated Transport Vehicle (RTV) for ₹11.56 lakh during 2016-17 meant for DHO, Mokochung. The DHO, however, stated that the said vehicle was not received by them (November 2019).

The Department stated (May 2020) that, it did not initiate setting up of major Cold Chain infrastructures under the scheme because of the fact that all the components under the cold storage were Credit linked back ended subsidy @ 50 *per cent* of the project cost per beneficiary. The banks are hesitant to provide loans due to lack of collateral, non-applicability of transfer of Property Act in the State and poor recovery rate. Regarding non-procurement of RTV, the Department stated that the initial proposal was to procure RTV, however, as the rate quoted by the firms were high and the villagers apprehension about the maintenance cost, it was decided to purchase two pick up vans as proposed by the villagers. Accordingly, with the approval of SLEC, two pick-up vans were purchased and one was given to Longkhum Village in Mokochung and the other is with the Department. The action of the Department defeated the purpose for which the fund was sanctioned.

The reply of the Department is a confirmation of false reporting. Moreover, the action of the Department also defeated the very purpose of preservation of perishable items during transportation which could contribute towards generation of enhanced income.

It is also evident from audit observation in preceding paragraphs that the initiatives taken by the SHM under post-harvest management has not made any substantial contribution towards employment generation.

Recommendation: *The Department may take necessary steps to invest substantially in Cold Chain sector by provisioning/ obtaining funds through AAPs to enable the farmers to preserve the perishable fruit/ vegetables before/ during transportation to the potential buyers/ markets.*

3.2.9 Internal Audit

Internal Audit is an important part for ensuring proper monitoring of schemes/ programmes. This also provides assurances to higher management about the functioning of the Department. The SHM stated that an internal audit was conducted by the Directorate of Treasuries and Accounts, but the copies of the audit reports along with the remedial actions taken by the Department was not provided to Audit. The Department also engaged a CA for preparation of Annual Accounts of the Scheme. It was observed that the accounts considered only the receipt and expenditure from GoI. Further, the accounts prepared by the CA also did not contain proper disclosures indicating the funds available with SHM, bank reconciliation statement and details of bank accounts making the Annual Accounts defective.

3.2.10 Monitoring and Evaluation

Monitoring of programmes/ schemes provide assurance that the organisation's objectives are achieved. As per MIDH Guidelines, Monitoring Missions, comprising of experts would be sent to States from time to time by National Mission, which will be organised through the TSG. The State Governments were also mandated to conduct evaluation studies on project basis under State level TSG component. State Missions can also set up State level TSG on the pattern of National level TSG for project formulation, appraisal and concurrent monitoring. The SHM also needs to furnish monthly progress through web.

It was observed that monthly progress reports were regularly uploaded in the web enabled progress monitoring system. The Department reported that monitoring of schemes/ projects by district level officers were carried out regularly through field verification. The SHM also stated that joint periodical inspections were conducted by the team members consisting of the Ministry of Agriculture and Farmers Welfare/ National Mission. However, audit observed that reports of inspection conducted by the National, State and District level officers indicating deficiencies noticed and further actions to be taken were either not prepared or not available on record. This indicates that the entire monitoring process was deficient.

Because of lack of proper monitoring as stated above, several lapses such as delay in implementation, short execution, short payments, missing infrastructure, idling of projects, etc. as discussed in **Paragraphs 3.2.5.1 to 3.2.8.5** above. The Department

may take appropriate steps for formation of TSG, activation of DMC and evolve a proper monitoring system for the proper implementation of the scheme.

3.2.11 Impact assessment

Impact Assessment is a means of measuring the effectiveness of organisational activities and judging the significance of changes brought about by those activities. Being able to assess and articulate impact is a powerful means of communicating, internally and externally, the contribution of activities to the society. Impact is seen as the positive and negative, intended or unintended long-term results produced through implementation of the scheme. Impact should be seen as the contribution of the intervention to the overall goal.

MIDH aims to increase the area of cultivation and diversification of products to enhance the horticulture production. MIDH also aims to increase the employment and enhance per capita income of the farmers through horticultural activities. The Department did not conduct any impact assessment during 2014-20 to ascertain the impact of implementation of MIDH.

The impact of all the schemes implemented in Horticultural sector *w.r.t.* area under production, production and productivity for the period 2014-15 to 2019-20 as per Horticulture statistics for various crops are given in **Table 3.2.17**.

Table 3.2.17: Statement of area coverage and production during 2014-15 to 2019-20

Area in '000 Ha, Production in '000 MT, Productivity MT/Ha

Year	Fruits				Vegetables				Spices				Flowers			
	Area	Production	Productivity		Area	Production	Productivity		Area	Production	Productivity		Area	Production	Productivity	
			State	All India			State	All India			State	All India			State	All India
2014-15	40.56	411.00	10.13	14.17	38.55	492.37	12.77	17.76	9.77	39.16	4.01	1.84	0.01	0.00	0.00	3.46
2015-16	37.05	374.13	10.10	14.31	43.53	494.61	11.36	16.73	15.00	119.25	7.95	2.01	0.07	1.48	21.14	3.52
2016-17	39.19	388.49	9.91	14.58	47.17	564.62	11.97	17.40	15.69	105.00	6.69	2.21	0.05	0.02	0.40	3.47
2017-18	39.50	380.52	9.63	14.96	46.21	561.61	12.15	17.97	9.90	64.8	6.55	2.09	0.10	0.00	0.00	3.49
2018-19	33.94	315.34	9.29	14.83	41.11	455.87	11.09	18.40	9.96	58.79	5.90	2.37	0.04	24.40	610	9.16
2019-20	33.69	315.62	9.37	14.87	40.71	452.32	11.11	18.52	11.39	44.24	3.88	2.46	0.04	24.40	610	10.06

Source Horticulture Statistics at a glance 2018 MoA&FW and Statistical data of NHB,GoI

It would be seen from the above table that despite spending ₹164.33 crore during the period, area, production and productivity has decreased over the years, except in case of Spices and Flowers where there was marginal increase.

In view of the above, it is evident that the implementation of the Scheme had not substantially contributed to the enhancement of production/ productivity of any of the items and there by not contributing substantially for augmenting the farmers' income. However, no conclusion could be drawn regarding employment generation as no data was available in this regard.

Recommendation: *The Department may take necessary steps for conducting impact assessment of MIDH at the earliest.*

3.2.12 Conclusion

Though the State Government incurred an expenditure of ₹164.33 crore on MIDH during 2014-20, the implementation of the Scheme had not substantially contributed to the enhancement of area, production and productivity of any of the Horticultural crops.

The Perspective Plan and Annual Action Plans were prepared without inputs of base-line survey, District-wise sub-plans and seed/ planting material sub-plan were not prepared as envisaged in the mission objectives.

Assets created under the Scheme were not effectively utilised or not utilised at all by the stake holders. Diversion of scheme funds was noticed in sub-components of the scheme. Centre of Excellence constructed at the cost of ₹five crore was leased out to a private individual. Planting materials for ₹14.72 crore were procured from non-accredited nurseries/ local suppliers. Instances of excess payment of ₹13.56 crore without actual execution of works were noticed. Inadmissible advance payment of ₹10.62 crore was made to suppliers. Inadmissible assistance of ₹12.67 crore was extended to beneficiaries under Post Harvest Management.

3.2.13 Recommendations

The State Government may-

- *prepare the Perspective Plans and Annual Action Plans after conducting base-line surveys and by consolidating District-wise sub-plans.*
- *take appropriate steps wherever the cases were noticed :*
 - diversion of project fund for other purposes; non-verifiable nurseries; leasing out the firm without the consent of the Department; short-execution of - missing & hardening chambers and tubular structure; short distribution of planting materials; non-disbursement of maintenance allowance; issuance of incorrect completion certificate along with the false reporting to GoI; excess payments & short supply; payments made without actual execution of works and extending excess assistance for construction of pack houses,*
 - and fix the responsibility on the above cases.*
- *strengthen financial management and proper analysis of financial data should be carried out to avoid discrepancies in various financial documents.*
- *streamline the procurement process to safeguard the financial interest of the State Government by following extant financial rules.*
- *introduce effective monitoring system to avoid non/ short-execution of works/ projects, short distribution of planting materials, etc.*

Compliance Audit Paragraph

PLANNING AND COORDINATION DEPARTMENT

3.3 Ministry of Development of North Eastern Region funded Non-Lapsable Central Pool of Resources Projects in Nagaland

The Non Lapsable Central Pool of Resources (NLCPR) Scheme came into existence in 1998 under the then Planning Commission. Subsequently, it was transferred to the Ministry of Development of North Eastern Region (MDoNER) in 2001. The objective of NLCPR Scheme was to fill up the gap in infrastructure sector of the North Eastern Region⁴⁸ (NER) through sanctioning the projects prioritised by the State Governments. Both physical and social infrastructure sectors such as Irrigation and Flood Control, Power, Roads and Bridges, Education, Health, Water Supply and Sanitation, *etc.* were considered for providing support under the Central Pool. However, priorities were accorded for projects under physical infrastructure sector.

3.3.1 Organisational set up

'NLCPR Committee' headed by the Chairman (Secretary, MDoNER) administers the NLCPR Scheme. The Committee, *inter alia*, assesses projects proposed by the States under NLCPR in terms of viability and tangible socio-economic impact, recommends allocation of funds for projects and submits recommendations to the Union Minister, MDoNER on various aspects of NLCPR projects. State Level Empowered Committee⁴⁹ (SLEC) chaired by Chief Secretary (CS) recommends projects for retention/ sanction and scrutinises the techno-economic aspects of the DPRs which are prioritised. The CS is assisted by 11 members⁵⁰ from different Departments of the State Government and MDoNER. The Planning and Coordination Department (PCD), Government of Nagaland (GoN) is the Nodal Department for implementation of NLCPR funded projects in the State. At the implementing stage, the line departments are responsible for execution of the schemes/projects within their departments.

3.3.2 Scope of Audit

The Compliance Audit (CA) was conducted for the period from 2015-16 to 2019-20 covering four projects (₹61.20 crore) out of nine projects (₹134.27 crore) approved by MDoNER during 2015-20 based on the percentage of financial and physical progress.

⁴⁸ North Eastern Region (NER) comprises of eight States *viz.* Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura

⁴⁹ Constituted (June 2016) by the State Government pursuant to the Guidelines for administration of NLCPR Scheme, 2016

⁵⁰ (1) Joint Secretary, In-charge of NLCPR, MDoNER; (2) Financial Adviser, MDoNER; (3) Additional Chief Secretary & Development Commissioner, Planning & Coordination Department; (4) Finance Commissioner, Finance Department; (5) Agriculture Production Commissioner, Agriculture Department; (6) Commissioner & Secretary, Planning & Coordination Department; (7) Commissioner & Secretary, Works and Housing Department; (8) Commissioner & Secretary, Health and Family Welfare Department; (9) Commissioner & Secretary, School Education Department; (10) Secretary, Power Department; and (11) Additional Development Commissioner, Planning & Coordination Department

The remaining five projects were not considered for selection as the financial and physical progresses were negligible⁵¹. The four selected projects covered four different districts including one district from Eastern Nagaland. Details of the selected projects are given in *Appendix-3.3.1*.

Audit examined the records of three implementing departments in respect of four selected projects during October 2020 to January 2021. However, one project⁵² implemented by the Public Works Department (Roads & Bridges) could not be taken up as the documents were seized (August 2020) by the State Lokayukta⁵³ for investigation.

Audit Findings

3.3.3 Deficiencies in assessment of infrastructural needs and planning of projects

Deficiencies in the preparation of concept notes of NLCPR/ North Eastern Council (NEC) funded projects was highlighted in Paragraph 2.6.8.1 of the Comptroller and Auditor General of India (C&AG) Audit Report, GoN, for the year ended 31 March 2013. The Public Accounts Committee (PAC) has recommended in its 120th Report that the implementing Department to improve the concept notes in justifying the need for the roads and to submit the Action Taken Note (ATN) to the PAC within two months from the date of presentation (13-08-2020) of the Report in the Legislature. However, ATN was yet to be submitted (May 2022). Moreover, the implementing departments did not take corrective measures to improve the quality of concept notes as recommended by the PAC and as such the deficiencies pointed out in the previous Audit Report continue to occur as discussed below.

Scrutiny of records revealed that 32 projects (₹1,154.98 crore) were included in the State priority list⁵⁴ of projects for the year 2015-17. Test-check of Concept Notes of 14 projects included in priority list of 2016-17 revealed that there was no Geo-tagging, detailed analysis of existing facilities (gap analysis) in the sector or full justification for retention of the particular project.

⁵¹ GoI released 1st installment of its share in four projects and a token amount of ₹10 lakh (part payment of 1st installment) in one project

⁵² Upgradation of road from Aizuto Mission Centre to Shena Old Saptiqa EAC HQ via Atoizu and Tulo river including one bridge (25m span)-45 km (retained for 23 km. only)

⁵³ Case no. A-NLP-20/2020; Complaint against payment without execution of works under PWD (Roads and Bridges) based on Paragraph 2.8 of the C&AG Audit Report for the year ending 31 March 2018; Under investigation (September 2021)

⁵⁴ Revised NLCPR Scheme Guidelines (2016) stipulates for preparation of shelf of projects/ Priority List and submit it along with a comprehensive concept note, including Geo-tagging, scope of work with cost, infrastructure gaps analysis, likely benefits and outcomes spelling out the techno-economic viability of the project by the State Government. Further, linkages with existing schemes were required to be brought out for gaps analysis and to avoid duplication

Out of 32 projects (₹1,154.98 crore) proposed by GoN, 10 projects (₹395.99 crore) were retained⁵⁵ by MDoNER for further techno-economic examination. Of the remaining 22 projects, three projects (2015-16) were re-prioritised in the year 2016-17. The reasons for rejection of the remaining 19 projects are detailed in **Table 3.3.1**

Table 3.3.1: Reasons for non-retention of projects

Sl. No.	No. of projects	Reasons for rejection
1.	2	Road projects were not a new construction
2.	2	Other District Road (ODR) was covered ⁵⁶ under the <i>Pradhan Mantri Gram Sadak Yojana</i> (PMGSY) scheme
3.	1	Road project was a case of construction of road at multiple locations
4.	3	Road projects were not considered as the State has already exceeded their entitlement (2016-17)
5.	11	Reasons for rejection were not available on records.

Source: Records furnished by Planning and Coordination Department, GoN

The year-wise number of projects included in the priority lists, number of projects retained and sanctioned is shown in **Table 3.3.2**.

Table 3.3.2: Year-wise State priority lists, retention and sanction of projects

(₹ in crore)

Year	Projects sent in Priority list		Projects retained from Priority list		Projects sanctioned by MDoNER		Remarks
	No.	Estimated cost	No.	Estimated cost	No.	Approved cost	
2015-16	14	255.49	3	71.27	3	51.80	--
2016-17	18	899.49	7	324.72	5	162.12	Latest priority list submitted by GoN before discontinuation ⁵⁷ of the Scheme.
Total	32	1,154.98	10	395.99	8	213.92	--

Source: Compiled from information furnished by the Planning and Coordination Department, GoN

MDoNER sanctioned eight projects (₹213.92 crore) from the priority list of 2015-17 and one project⁵⁸ (₹36.12 crore) prioritised by the State prior to 2015-16 was also

⁵⁵ As per revised NLCPR Scheme Guidelines (2016), for retaining projects, the State Government was required to make a presentation before the inter-ministerial Committee of NLCPR, who would then make appropriate recommendation about retention/ non-retention on the merits of the projects. The State Government was required to prepare DPRs for the retained projects intimated by MDoNER and place it before the SLEC, which will scrutinise the techno-economic aspects of the DPRs and recommend its sanction. After receipt of recommendation(s) of the SLEC by MDoNER, the matter would be placed before NLCPR Committee in consultation with Integrated Finance Division, for sanction and release of funds to the State Government. Any work done prior to sanction of the project were not to be funded by MDoNER. (As per NLCPR Guidelines 2009, DPRs of the retained projects received from the State Government would be examined from technical and economic angle by the Technical Wing of the Ministry/ Central Ministries concerned/ Central Public Sector Undertaking)

⁵⁶ It was decided in the 144th Meeting of NLCPR Committee (30-08-2016) that in the case of road sector, only those road projects should be taken up under the NLCPR scheme which connect the National Highways and settlements not covered under PMGSY. The Committee recommended that new construction of roads beyond ODR level be supported under the Scheme

⁵⁷ NLCPR Scheme discontinued after introduction of Central Sector Scheme in December 2017 namely, "North East Special Infrastructure Development Scheme" (NESIDS) therefore, no new project was taken up by MDoNER thereafter

sanctioned during 2015-20. Thus, nine projects with a total estimated cost of ₹250.04 crore were sanctioned by MDoNER during 2015-20.

The NLCPR Committee recommended two projects (₹48.85 crore), which was not sanctioned by MDoNER (March 2020) as summarised in **Table 3.3.3**

Table 3.3.3: Reasons for non-sanctioning of two retained projects by MDoNER

Sl. No.	Name of project	Audit Observation	Reply of Government/ Department
1.	Solid Waste Disposal Site at Dzurouzou-Medi, Kohima	The SLEC recommended (November 2017) the DPR submitted (September 2017) by the Municipal Affairs Department, GoN for ₹20 crore. NLCPR Committee recommended (November 2017) the project for sanction at a cost of ₹20.00 crore, subject to comments from the Ministry of Housing and Urban Affairs (MoHUA). MoHUA observed (November 2017) that projects (₹92.17 crore) for SWM and Septage Management have already been provided at Kohima under the Asian Development Bank (ADB) funded North Eastern Region Urban Development Program to cater to the needs of solid waste management till 2048. Therefore, the proposed project under NLCPR is duplication ⁵⁹ and hence, will not serve any additional purpose.	The Department in reply stated (January 2021) that the proposed dumping site is located at Dzurouzou-Medi on the extreme northern part of Kohima town, whereas the ADB funded dumping site is located at Lerie on the extreme southern part of the Town. The present SWM site at Lerie is unable to cater to the demands of the Town and the dumping site at Dzurouzou-Medi is used for dumping almost all the waste of the Town.
2.	Construction of two-lane road from ICAR Jharnapani to Sainik School Punglwa-17 KM (upto WBM & Bituminous works)	DPR of the retained (August 2012) project submitted (September 2012) by GoN was not accepted (October 2012) by MDoNER as the scope of works in the DPR differ from the scope of works for which it was retained by NLCPR Committee. GoN submitted revised DPR (March 2013) for ₹26.78 crore which was recommended (August 2016) by the NLCPR Committee for sanction. However, before issuance of Administrative sanction by MDoNER, the Ministry observed that part of the road has already been constructed. GoN re-prioritised the project (2016-17) and submitted (March 2017) revised estimate (₹ 28.85 crore) for 13 Km. NLCPR Committee recommended (May 2017) that realistic and factual estimates should be prepared based on joint inspection (June 2017) conducted by a team of Engineers from MDoNER and GoN, and also advised (November 2017) GoN to fast track the finalisation of the revised DPR and submit the recommendations of SLEC on or before 23 November 2017 to enable the Committee to take a final view by the end of November 2017. The revised DPR was not submitted to MDoNER within the timeline.	In reply, the Department accepted the facts and stated (January 2021) that in view of the bad road condition of this very important road, the work was executed in anticipation of sanction since it had already been included in the recommended list of projects under NLCPR. However, contrary to the directives of MDoNER, the revised DPR could be submitted only during December 2017 and the same was not sanctioned.

Source: Departmental records

⁵⁸ Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)- 28 Km in Peren District- ₹36.12 crore which was prioritised by the State prior to 2015-16 but sanctioned by MDoNER on February 2016

⁵⁹ The SLEC recommendation must be accompanied with all regulatory and statutory clearances like forest and environment, land acquisition, non-duplication certificate, availability of stone quarry, etc.

3.3.4 Financial Management

3.3.4.1 Receipt and Utilisation of funds

Funding of projects under NLCPR scheme is on 90:10 sharing pattern between Central (MDoNER) and State Governments. The approved funds under the scheme were released in three instalments in the ratio of 40:40:20 for the projects sanctioned prior to the revised guidelines 2016.

The NLCPR guidelines 2016 reduced the number of instalments for release of funds to two *i.e.* 40 and 60 *per cent.* A token amount of ₹10 lakh is released on sanction of project with balance to be released on receipt of a copy of work order. The 2nd instalment of 60 *per cent* is subject to release and utilisation of full State share and the physical progress is not less than 50 *per cent.*

Scrutiny of records revealed that against the total approved cost (₹250.04 crore) of nine projects, MDoNER released ₹120.84 crore to GoN for the nine projects during 2015-20. The overall financial progress of the projects taken up under NLCPR as of March 2020 is shown in **Table 3.3.4.**

Table 3.3.4: Details of funds received and expenditure (March 2020)

(₹ in crore)

Year	No of projects approved	Total approved cost	Total tendered cost	Funds released by MDoNER to GoN	Funds to be released by the Finance Department, GoN (including GoN share) against MDoNER release	Funds released by Finance Department, GoN to implementing departments			Expenditure incurred by implementing departments
						MDoNER share	GoN share	Total	
2015-16	3	65.59	65.19	23.61	26.23	10.61	0.62	11.23	11.23
2016-17	0	0.00	0.00	23.33	25.92	30.84	2.00	32.84	32.84
2017-18	6	184.45	184.44	11.06	12.29	16.25	1.78	18.03	18.03
2018-19	0	0.00	0.00	46.00	51.11	41.59	0.58	42.17	42.17
2019-20	0	0.00	0.00	16.84	18.71	14.60	17.47	32.07	30.00
Total	9	250.04	249.63	120.84	134.26	113.89	22.45	136.34	134.27

Source: Compiled from information furnished by the implementing departments (GoI share limited to 90 per cent of tendered cost. Figures inclusive of departmental charges and work contract tax deducted at source by Finance Department, GoN)

As can be seen from the above table, GoN was required to release ₹134.26 crore (MDoNER share ₹120.84 crore and GoN share ₹13.42 crore) for implementation of NLCPR projects. Against this, GoN released ₹136.34 crore (MDoNER share ₹113.89 crore and GoN share ₹22.45 crore⁶⁰) which was in excess of the actual State share required to be released during 2015-20. However, against MDoNER share released of ₹120.84 crore, GoN released only ₹113.89 crore resulting in short release of ₹6.95 crore. The State Government also did not contribute its share of ₹0.50 crore against one project⁶¹.

⁶⁰ This is attributed to release of State share of ₹10.30 crore against five projects in advance as per the Scheme guidelines

⁶¹ Development of Ziekezou Sports Complex, Kohima

Non-release of funds was against the basic principle of scheme guidelines which was indicative of State Government's lack of commitment towards timely execution of NLCPR funded projects.

The State Government did not offer any comment (August 2021).

3.3.4.2 Delay in release of funds to implementing departments

Delay in release of funds to the implementing departments on NLCPR/ NEC funded projects was highlighted in Paragraph 2.6.10.4 of the C&AG Audit Report, GoN, for the year ended 31 March 2013. The PAC has observed that PCD had delayed the release of funds to the implementing agency and recommended (120th Report) the implementing Department to take immediate steps to approach the Government for early release of funds in future.

The ATN was to be submitted to the PAC within two months from the date of presentation (13-08-2020) of the Report in the Legislature. However, ATN was yet to be submitted (May 2022). The PCD and implementing departments did not take corrective measures for early release of funds as recommended by the PAC and as such the deficiencies pointed out in the previous Audit Report continue to occur as discussed below.

Scrutiny of records of three test-checked projects revealed that there were delays in transfer of Central funds ranging from 120 to 568 days by the State Government to the implementing departments in contravention to the NLCPR guidelines⁶² as shown in **Table 3.3.5**.

Table 3.3.5: Details of delays in release of funds to the implementing departments

Sl. No.	Name of Project	Release of fund by MDoNER to GoN		Fund released by GoN to implementing departments		Delay in transfer of funds (in days)
		Date	Amount	Date	Amount	
1.	Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District	25-02-2016	13.00	19-07-2016	*14.45	130
		16-09-2016	12.80	15-03-2017	12.80	165
2.	Providing Water Supply by gravity to Mon village and four neighbouring villages in Mon District	02-11-2015	5.57	16-03-2016	*6.19	120
		21-12-2016	5.49	07-09-2017	5.49	245
		30-08-2018	2.76	26-03-2019	2.76	178
3.	Development of Ziekezou Sports Complex, Kohima	21-11-2017	0.10	12-07-2019	4.50	568
		27-07-2018	4.40			320
		30-12-2019	6.75	--	0.00	Not yet released (August 2021)
Grand Total			50.87	--	46.19	--

Source: Records of the projects implementing departments. (*amount is inclusive of State share where State Government released its matching share along with the Central fund)

The reasons for inordinate delay in release of funds (320 to 568 days) for the project at Sl. No. 3 were attributable to delays at various levels *i.e.* Implementing Department

⁶² Paragraph 8.6 of the NLCPR Guidelines, 2009 stipulated that funds must be transmitted to the implementing agency by the State Government within 15 days (revised to one month in April 2016) from the date of release of funds from GoI and a certificate to that effect was required to be sent to MDoNER by the State Planning Department

did not submit proposals on time, delays from the PCD and the State Finance Department as shown in **Table 3.3.6**.

Table 3.3.6: Delay in processing at various levels for releases of funds

Sl. No.	Particulars	Date	Delay (in days)	
			For ₹0.10 crore	For ₹4.40 crore
1.	Release of funds by MDoNER:		--	--
	₹0.10 crore	21-11-2017		
	₹4.40 crore	27-07-2018		
2.	Submission of proposal by implementing Department for placement of fund	15-10-2018	298	50
3.	Clearance of Planning & Coordination Department	08-02-2019	414	166
4.	Placement of fund by State Finance Department	25-04-2019	490	242
5.	Date of submission of proposal by implementing Department for expenditure sanction and drawal authority	06-06-2019	532	284
6.	Expenditure sanction by State Finance Department	12-07-2019	568	320
Sl. No. 6 minus Sl. No. 2			270	270

Source: Departmental records

As can be seen from the above table, it took 270 days (nine months) to issue expenditure sanction by the Finance Department from the date of submission of proposal for placement of fund, in contravention to the NLCPR guidelines.

The delays in release of funds to the implementing departments impacted the progress of work and timely completion of projects thereby leading to resultant delays of four to 29 months in two selected projects which deprived timely delivery of the intended benefits of the projects (**Appendix 3.3.1**).

The State Government accepted the facts (June 2021).

3.3.4.3 Submission of false Utilisation Certificates

NLCPR Guidelines (2009, 2016) stipulated that funds released by the GoI must be utilised within a period of 12 months from the date of release. Utilisation Certificates (UCs) shall be submitted in the prescribed proforma only when the expenditure on the project has been incurred by the implementing agency. UCs along with physical and financial progress report should be duly signed by the Secretary of the implementing Department and countersigned by the Planning Secretary of the State Government.

Scrutiny of records of three test-checked projects revealed that seven UCs involving ₹45.68 crore implemented by three departments⁶³ were submitted to MDoNER. It was observed that only ₹44.43 crore was actually released by the State Government. The Nodal Department also submitted (December 2019) UC for ₹1.25 crore (GoN share) even before the fund was released by the State Government. Out of the amount of ₹44.43 crore released, the implementing departments utilised ₹21.44 crore during the year 2015-20. However, the implementing departments submitted UCs for ₹22.99 crore without actual utilisation (**Appendix-3.3.2**). This resulted in false reporting of the actual expenditure by ₹24.24 crore⁶⁴.

⁶³ Public Works Department (Roads & Bridges), Public Health Engineering Department and Youth Resources & Sports Department

⁶⁴ ₹1.25 crore + ₹22.99 crore

Submission of incorrect UCs was in contravention to NLCPR guidelines and tantamount to misleading MDoNER with the ulterior motive of obtaining subsequent installments.

In reply, the PCD stated (July 2021) that UCs along with other progress reports were forwarded to MDoNER as and when implementing department submits report of utilisation duly authenticated by competent authority from their end.

The reply is not acceptable as the authenticity of UCs submitted to MDoNER was confirmed by the Planning Secretary⁶⁵ of the State Government.

Recommendation: *The State Government may fix responsibility of the officials responsible for submission of false UCs to MDoNER.*

3.3.4.4 Inadmissible expenditure, Irregular deduction of VAT/WCT and Departmental Charges

Irregular deduction of ₹7.83 crore at source towards “Departmental Charges” from the funds allocated out of NEC/ NLCPR funded projects was highlighted in Paragraph 2.6.10.3. of the C&AG Audit Report-GoN, for the year ended 31 March 2013.

The ATN was to be submitted to the PAC within two months from the date of presentation of the Report in the Legislature. However, ATN was yet to be submitted (May 2022). The Finance Department did not take corrective action and continued to deduct Departmental Charges as discussed below.

Scrutiny of records of three test-checked projects revealed that the Finance Department, GoN deducted ₹1.03 crore as Work Contract Tax⁶⁶ (WCT) at the time of drawal of funds in two test-checked projects, instead of deducting the same from the contractor’s bills. It was further observed that the implementing departments also deducted WCT while passing the contractor’s bills against the two projects. The deduction of WCT by the Finance Department was irregular as the quantum of funds available to the State for project implementation under NLCPR was reduced by that extent.

Similarly, it was also observed that irregular deduction of Departmental Charges⁶⁷ amounting to ₹0.07 crore was made at source in case of one test-checked project.

⁶⁵ UC was countersigned by the Additional Chief Secretary and Development Commissioner, Government of Nagaland

⁶⁶ As per Section 92 (3) of Nagaland VAT Act 2005 read with Section 48 of Nagaland VAT Act 2005, any person responsible for paying any sum to any dealer for execution of Works contract referred to in Section 8 wholly or partly in pursuance of a contract shall, at the time of payment of such sum in cash or by issue of a cheque or draft or any other mode of payment, deduct tax at applicable rate of such sum being paid in respect of such Works contract

⁶⁷ Finance Department, GoN issued an Office Memorandum (November 2005) that recovery of 13 per cent Departmental Charges (from all construction works of capital nature) can be waived or reduced in a specific case if there are justified reasons to do so. In cases of works sponsored by the Ministries of the GoI (CSS) or by any International Agency, recovery of Departmental Charges can be waived/ reduced if such a condition is imposed by the Sponsoring Authority

Further scrutiny of records revealed that an amount of ₹0.85 crore was diverted⁶⁸ by two implementing departments⁶⁹ for items of expenditure not provided in the administrative approval/ approved DPRs.

Details of inadmissible expenditure and irregular deduction of VAT and Departmental Charges are shown in **Table 3.3.7**.

Table 3.3.7: Details of inadmissible expenditure, irregular deduction of VAT and Departmental Charges

				(₹ in lakh)
Sl. No	Name of the project	Implementing departments	Item of expenditure	Amount
1.	Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District	Public Works Department (Roads & Bridges)	Work Contract (W/C) tax	72.23
			Purchase of vehicle	15.13
			Repair and maintenance works	9.58
			Computer set and Printer	0.52
2.	Providing Water Supply by gravity to Mon village and four neighbouring villages in Mon District	Public Health Engineering	Work Contract (W/C) tax	30.93
			Departmental Charges	7.11
			Construction of Approach Road (Formation cutting executed 05 Km)	60.00
Total				195.50

Source: Records of the projects implementing departments

As a result, the two projects were deprived of the earmarked funds which also impacted the completion of projects as per the approved estimates.

The Engineer-in-Chief, PWD confirmed in the exit conference (July 2021) that the deduction was made at source by the Finance Department and vehicle was procured for monitoring of the project. The Department further stated (September 2021) that computer set and printer was procured against the project for proper office functioning.

In reply, the PHED stated (August 2021) that the deductions were made at source by the Finance Department and the approach road was initially not in the estimates. However, considering the difficulty in carrying GMS pipes to the source (Talem river), approach road was constructed after obtaining technical approval from competent authority.

The replies are not acceptable as diversion of NLCPR projects funds by two departments was contrary to NLCPR guidelines and deduction by the Finance Department, GoN towards WC tax and Departmental Charges was also irregular. The implementing Department did not obtain approval from MDoNER and diverted ₹0.60 crore for construction of approach road.

⁶⁸ The administrative and financial sanction accorded by NLCPR stipulated that funds should be utilised strictly for the purpose for which they were sanctioned and no diversion of fund would be allowed. NLCPR Guidelines (2009, 2016) further stipulated that no maintenance work/ cost will be funded from NLCPR funds

⁶⁹ PWD (R&B) and PHED

3.3.5 Project Implementation

3.3.5.1 Overview of the projects sanctioned

Scrutiny of records of the PCD and implementing departments revealed that out of nine projects sanctioned by MDoNER during 2015-20, only two projects⁷⁰ were completed (one project after delay of 19 months) and five out of seven incomplete projects (*Appendix-3.3.3*) due for completion latest by March 2020 were still ongoing even after a lapse of three to 29 months from the scheduled date of completion. The delay in completion of projects deprived the targeted beneficiaries of the intended benefit of the projects.

It was also observed that, only one project⁷¹ out of the three test-checked projects was completed within the stipulated timeline and the remaining two projects were still ongoing with delays ranging from four to 29 months from the scheduled date of completion. The reasons for delay in the two test-checked projects are discussed below:

(i) Para 4.1 (v) (c) of NLCPR guidelines (August 2009) stipulated that all regulatory and statutory clearances like forest and environment, land acquisition, *etc.* should be identified and timeframe for obtaining the same has to be indicated in the DPR.

The project “Providing Water Supply by gravity to Mon village and four neighboring villages in Mon District” was approved (October 2015) by MDoNER at a cost of ₹15.47 crore, to be completed by October 2017.

Scrutiny of records revealed that based on the tendered cost (₹15.36 crore), GoI limited its share to ₹13.82 crore (90 *per cent* of tendered cost). Accordingly, MDoNER released the entire share of ₹13.82 crore⁷² and GoN in turn released ₹15.36 crore (including its share of ₹1.54 crore) to the Executive Engineer, PHED Mon Division. As per MBs and RA bills, the Division had spent ₹15.36 crore against the ongoing project with time overrun of 29 months (March 2020). JPV (January 2021) revealed that laying of pipeline from water source (Talem river) was found completed up to 2 KM only as against the target to cover 30 Km from the water source to the main reservoir.

The delay in completion of the project was attributable to a dispute between the water source (Talem river) donors (Chenmoho and Sheanghah Chingnyu villages) and the beneficiary villages, which is yet to be settled with Sheanghah Chingnyu village (January 2021). The approach road constructed towards the water source (Talem river) was partly damaged due to landslides which also hampered the progress of laying the pipe works.

⁷⁰ (1) Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)- 28 Km in Peren District (2) Project Upgradation of road from Aizuto Mission Centre to Shena old Saptiqa EAC HQ via Atoizu and Tulo river i/c one bridge (25m span) 45 km. (retained for 23 kms. only) in Nagaland

⁷¹ Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)- 28 Km in Peren District

⁷² ₹5.57 crore (November 2015), ₹5.49 crore (December 2016) and ₹2.76 crore (August 2018)

In reply, the PHED stated (August 2021) that the project can be physically completed by March 2022.

The reply is not acceptable as all regulatory and statutory clearances should be settled timely for completion of project within the stipulated timeline. Besides, there is already time overrun of 46 months (August 2021) which will continue to deprive the beneficiaries of the benefit of potable drinking water. The status of completion of the project was not intimated by the Department (May 2022).

(ii) The project Development of Ziekezou Sports Complex, Kohima was sanctioned (November 2017) by MDoNER, to be completed by November 2019. The work was awarded (April 2018) to M/s Charlie Sekhose for ₹12.50 crore, to be completed by March 2021.

Clause 2 of the Contract Agreement stipulated that the contractor shall be liable to pay compensation of an amount equal to one *per cent*, or such amount as the Project Engineer may decide on the estimated cost of the whole work for every day that the due quantity of work remains incomplete, provided that the entire amount of compensation to be paid shall not exceed 10 *per cent* on the estimated cost of the work as shown in the tender.

Scrutiny of records revealed that MDoNER released the entire share of ₹11.25 crore⁷³ to the State Government which in turn released ₹4.50 crore (1st instalment of GoI share) to the Executive Engineer, PWD (Housing) Youth Resources & Sports Division Kohima. Out of the fund released by the State Government, the implementing Department utilised ₹3.56 crore (August 2021).

It was observed that in spite of availability of funds, there is no significant progress in works as is evident from the physical (28 *per cent*) and financial (35 *per cent*) progress report of the project (August 2021). The delay in completion of the project (01 year 09 months) was therefore attributable to slow execution of works by the Contractor. The Project Engineer, however, did not initiate any action under Clause 2 of the Contract Agreement for payment of compensation by the contractor.

The Department did not offer any specific reply on the issue (August 2021).

Recommendation: The State Government should strengthen the monitoring and supervision of NLCPR projects at all levels to ensure that the desired project objectives are achieved. The State Government may fix the responsibility of officials responsible for delay in completion of the projects and initiate action to recover penalty from the contractor as per the Contract Agreement.

3.3.5.2 Award of works without advertised tenders

Rule 137 of GFR 2005 read with Sub rule (iii) stipulates that every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in

⁷³ 21-11-2017 (₹0.10 crore), 27-07-2018 (₹4.40 crore) and 30-12-2019 (₹6.75 crore)

matters relating to public procurement and for fair and equitable treatment with the suppliers and promotion of competition in public procurement. Rule 150 (1) of GFR further stipulates that invitation to tenders by advertisement should be used for procurement of goods of estimated value ₹25 lakh and above.

The terms and conditions of sanctions and NLCPR Guidelines also stipulated that once the project is approved by MDoNER, it shall be mandatory on the part of the State Government to award contract after following a transparent tender procedure by giving wide publicity in print media, website, *etc.* Tender notices, *etc.* issued by the State Government are necessarily to be linked to MDoNER website.

Scrutiny of records of the three test-checked projects revealed that there were irregularities in tendering process for selection of contractors/ suppliers as detailed in **Table 3.3.8.**

Table 3.3.8: Award of works without open/ advertised tenders

Sl. No.	Name of project	Implementing Department	Audit findings
1.	Development of Ziekezou Sports Complex, Kohima	Youth Resources & Sports Department	Short Notice Tender (10 April 2018) for ₹12.50 crore was not advertised in any newspapers, departmental website or linked to MDoNER website. The urgency for adopting “Short Notice Tender” was not available on records. In response to the Tender Notice, three contractors submitted their bids and tenders were opened (one invalid) on the fourth day (13 April 2018) from the date of issue of tender notice. The work was awarded (April 2018) to M/s Charlie Sekhose, being the lowest bidder (₹12.50 crore).
2.	Construction of Road from Sainik School Punglwa to Jalukie (from ODR to intermediate lane) -28 Km in Peren District	Public Works Department (Roads & Bridges)	The project was sanctioned (February 2016) by MDoNER for ₹36.12 crore. Notice Inviting Tender (March 2016) was not publicised either in print media, website or linked to MDoNER website. In response to the NIT, three contractors submitted their bids out of which one bidder was disqualified (April 2016) for not enclosing Deposit at Call. Out of the remaining two bidders, the work was awarded (May 2016) to M/s Hi Tech Construction & Co., Dimapur, being the lowest bidder (₹35.83 crore).
3.	Providing Water Supply by gravity to Mon village and four neighbouring villages in Mon District	Public Health Engineering Department	The project was not implemented on turnkey basis as stipulated in the MDoNER’s administrative approval (October 2015). Instead, the implementing Department split the works into 31 parts and awarded three work orders (₹13.99 crore) to three contractors without any advertisement. Out of those 31 parts, nine work orders (₹0.26 crore) were awarded to two contractors through limited tenders and 19 work orders (₹1.11 crore) were executed as departmental works by SDO (PHED) Mon Sub-Division (Appendix-3.3.4).

Source: Records furnished by the implementing departments

Thus, only few firms acquainted with the projects and functioning of the departments were able to participate in the bids. The selections of the firms were irregular as open tendering was not done which violated General Financial Rules and Scheme guidelines. The adoption of such an unauthorised course of action resulted in lack of competition and transparency in selection of the contractors/ suppliers.

The Chief Engineer, PWD (Housing) Nagaland did not offer any comment (August 2021).

In reply, the Chief Engineer PWD (R&B) stated (September 2021) that NIT was not published in print media, website, *etc.*, but notice was issued in the Department's Notice Board and all prescribed tender formalities were observed.

PHED while accepting the audit findings stated (August 2021) that the contract could not be awarded on turnkey basis due to various local situations such as:

- (a) Source/ land ownership belongs to different villages, so to comply with traditional rights of landownership, some civil works were issued to the landowners.
- (b) Laying of pipeline is a technical work involving maximum numbers of workers which is not possible to be taken up by private firms.
- (c) Local issues related with the landowner on the right of way where pipeline passes through many villages. Accordingly, contract was split up based on the site and local conditions.

The replies of the implementing departments are not acceptable as it violated Rules 137 and 150 of GFR, 2005 and the Scheme guidelines. Besides, lack of competitive bidding resulted in selection of incompetent contractors/ firms which adversely impacted the timely completion of projects (as discussed in **Paragraph 3.3.5.1**).

3.3.5.3 Execution of projects

Para 325 of NPWD Code stipulated that the measurement book (MB) which is maintained in the prescribed form is a most important record, since it is the basis of all accounts of quantities whether of work done by the daily labour or by the piece or by contract, or of materials received. It must be an original record of actual measurements or counts. Measurement of works done or materials received should be recorded in MBs at the site of work.

Para 131 of NPWD Code stipulated that as the accounts of works are based on the Master Roll and the MB, the Sub-Divisional Officer (SDO) is to see that these initial records are written up in accordance with prescribed rules to avoid all doubts about their authenticity.

Para 341 of NPWD Code stipulated that before the bill of contractor is prepared, the entries in the MB relating to the description and quantities of work or supplies should be scrutinised by the SDO and the calculation of and "contents or area" should be checked arithmetically under his supervision.

Para 101 of NPWD Code stipulated that the Executive Engineer is overall responsible for the efficient execution and measurements of all works within his division. It is therefore part of his duties to organise and supervise the execution of works and to see that they are suitable and economically carried out with materials of good quality.

Scrutiny of records and JPV of three test-checked projects revealed instances of payment without execution of works, procurement of materials at exorbitant rates and extension of undue financial benefit to the contractors as discussed below:

(i) Payment made for unexecuted items of work

Release of payments to contractors against unexecuted works out of NLCPR funded projects was highlighted in Paragraphs 2.6.11.5.2, 2.6.11.5.3 and 2.6.11.5.4 of the C&AG Audit Report-GoN, for the year ended 31 March 2013. The PAC has recommended (120th Report) the implementing Department, *inter alia*, to strictly follow the rules and regulations of the work/ project.

The ATN was to be submitted to the PAC within two months from the date of presentation (13 August 2020) of the Report in the Legislature. However, ATN was yet to be submitted (May 2022). The implementing departments did not take corrective measures as recommended by the PAC and as such the irregularities pointed out in the previous Audit Report continue to occur as discussed below.

(a) Development of Ziekezou Sports Complex, Kohima

The project Development of Ziekezou Sports Complex, Kohima was sanctioned (November 2017) by MDoNER, to be completed by November 2019. The work was awarded (April 2018) to M/s Charlie Sekhose for ₹12.50 crore, to be completed by March 2021.

It was observed that MDoNER released the entire share of ₹11.25 crore⁷⁴ to the State Government which in turn released ₹4.50 crore (1st instalment of GoI share) to Executive Engineer, PWD (Housing) Youth Resources & Sports Division Kohima. Out of the fund released by the State Government, the implementing Department paid ₹3.56 crore in three RA Bills⁷⁵ for works (December 2020) which were certified to be completed as recorded in the MB.

JPV (December 2020) by Audit along with the Departmental officials (EE, SDO and Junior Engineer) revealed discrepancies as shown in **Table 3.3.9**.

Table 3.3.9: Details of item-wise unexecuted works

(₹ in lakh)				
Sl. No.	Particulars	Works executed & payments made as per MB and RA bill	As per JPV	Value of unexecuted works
1.	R/Wall (2.5 m height)	83.7 m length	The total length of the R/wall was measured 161.50 running meter top width 1m. The lengthwise stretches of height (above ground level) of R/wall were: 3 m height = 30.13 m length 1.8 m height = 39.00 m length, and 1.5 m height = 92.37 m length. No weep holes were found in the entire stretch.	25.47
2.	R/Wall (3 m height)	105.5 m length		

⁷⁴ 21-11-2017 (₹0.10 crore), 27-07-2018 (₹4.40 crore) and 30-12-2019 (₹6.75 crore)

⁷⁵ 1st RA Bill (₹1.29 crore on 18-09-2019); 2nd RA Bill (₹1.14 crore on 11-12-2019); and 3rd RA Bill (₹1.13 crore on 08-06-2020)

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Sl. No.	Particulars	Works executed & payments made as per MB and RA bill	As per JPV	Value of unexecuted works
3.	Bay C	Value of works recorded as executed and paid ₹38.15 lakh	Work not yet started.	38.15
4.	Bay D	Value of works recorded as executed and paid ₹28.19 lakh	Work not yet started.	28.19
5.	Bay E	Value of works recorded as executed and paid ₹23.67 lakh	Work not yet started.	23.67
Grand Total				115.48

Source: Departmental records and JPV report

As can be seen from above table, the contractor did not execute the above five items of works valued at ₹1.15 crore whereas, the contractor was paid for execution of all the above items of works by recording fictitious entries in the Measurement Book.

Photographic evidence showing incomplete works at Ziekezou Sports Complex, Kohima



Thus, the Department made an excess payment of ₹1.15 crore to the contractor without actual execution of the aforementioned items of works. The work which was stipulated to be completed by November 2019 remained incomplete even after lapse of 30 months (May 2022).

The above instances of payment without actual execution/completion indicated the failure of the Division to ensure the correctness of the bills submitted by the contractor.

In reply, the Department stated (July 2021) that the measurement of Retaining wall taken during the JPV was as per the originally approved DPR while the working estimate was in process at the Office of Chief Engineer, PWD (Housing). As per the approved (December 2020) working estimates, the total length of Retaining wall works out to 205.10 R/Mtr. Further, the works for construction of Bays-C, D and E were in the process of commencement during JPV.

The reply is not acceptable as the audit findings were based on the measurement done during the JPV in the presence of Departmental officers and MB/ RA bills submitted to Audit wherein the payment for unexecuted works for ₹1.15 crore was made to the

contractor. The failure of the Division to ensure the correctness of bills submitted by the contractor led to payment without actual execution of works.

Recommendation: *The State Government should consider filing an FIR, besides initiating departmental inquiry to fix the responsibility of officials involved in making such irregular payments.*

(b) Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District

The work Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District sanctioned (February 2016) by MDoNER for ₹36.12 crore was awarded (May 2016) to M/s Hi Tech Construction & Co. Dimapur, Nagaland for ₹35.83 crore, stipulated to be completed by February 2018.

Scrutiny of records revealed that based on the tendered cost (₹35.83 crore), GoI limited its share to ₹32.25 crore (90 per cent of tendered cost). MDoNER released its share of ₹25.80 crore⁷⁶ to GoN which in turn released ₹29.41 crore (including its share of ₹3.61 crore) to the EE, PWD (R&B), Peren Division. As per entries in the MB and the RA bills, the work for the entire stretch of 28 Km was recorded fully complete (February 2018) and the contractor was paid ₹29.41 crore⁷⁷ (March 2020).

JPV (December 2020) by Audit along with the Departmental officials (EE, SDO and Junior Engineer) revealed that the total length of the road from Sainik School Punglwa junction (Zero point) to Jalukie (End point-Samziuram Village Welcome Gate) was only 26 Km. This shows that the DPR was inflated for non-existing 2 km. road. This resulted in payment of ₹1.70 crore to the contractor without actual execution of work in the non-existing 2 km. road by passing inflated bills submitted by the Contractor.

Further, it was also observed that fixing and lighting works on bridges have been executed as recorded in the MB and RA bills for which an amount of ₹7.35 lakh was paid to the contractor. During JPV (December 2020) it was however, noticed that fixing and lighting works on bridges were not executed. This resulted in payment of ₹7.35 lakh to the contractor without actual execution of work.

The excess payment of ₹1.77 crore (₹1.70 crore + ₹0.07 crore) without actual execution/completion indicated the failure of the Division to ensure the correctness of the bills submitted by the contractor.

The Engineer-in-Chief, PWD stated in the exit conference (July 2021) that, the actual execution of the road was for a total of 29 Km, which included a branching off road (circular road) from the main road. The audit findings on non-fixing of lighting on bridges was accepted by the Department and assured that the installation of lighting

⁷⁶ 25-02-2016 (₹13 crore) and 16-09-2016 (₹12.80 crore)

⁷⁷ 3rd and final instalment of MDoNER share (₹6.45 crore) was released on May 2020. GoN released the fund to the implementing Department on October 2020 and it was fully expended on the project by the EE PWD (R&B) Peren Division (as of March 2021)

will be done. On the basis of the Audit findings, fixing and lighting work on bridges was completed (September 2021).

The reply regarding road work execution is not acceptable since the original drawings and specifications as incorporated in the DPR also do not indicate any branching off the road (circular road) as stated by the Engineer-in Chief. The Department could not furnish any records relating to execution of additional works, including the approval of MDoNER. Besides, the audit findings were based on the measurement done during the JPV in the presence of Departmental officers and records submitted to Audit.

Recommendation: The State Government may fix the responsibility of the erring officials responsible for facilitating payment without actual execution of work.

(ii) Avoidable expenditure on procurement of materials

The project “Providing Water Supply by gravity to Mon village and four neighbouring villages in Mon District” was approved (October 2015) by MDoNER at a cost of ₹15.47 crore with the objective of supplying 55 litre *per capita per day* potable water to Mon village and four neighbouring villages. The scheduled date of completion of the project was October 2017. However, the project is reported to be still ongoing with time overrun of 29 months (March 2020).

Scrutiny of records revealed that based on the tendered cost (₹15.36 crore), GoI limited its share to ₹13.82 crore (90 *per cent* of tendered cost). Accordingly, MDoNER released the entire share of ₹13.82 crore⁷⁸ to GoN which in turn released ₹15.36 crore (including its share of ₹1.54 crore) to the EE, PHED, Mon Division. The supply work was awarded (January 2016) to M/s Millennium Construction, Dimapur without advertised tendering (as discussed in **Paragraph 3.3.5.2**). As per the terms and conditions of supply, the materials should be procured from the approved Manufacturer-Indus Tube Limited, New Delhi at the prevailing Government Approved Rates. The reason for not procuring materials directly from the manufacturer was not available on records.

It was observed that out of the total expenditure of ₹15.36 crore, the implementing Department utilised ₹12.51 crore (81 *per cent*) for procurement of GMS pipes of nine different specifications (IS: 1239 of 2004 PT-I) through the supplier M/s Millennium Construction, Dimapur.

To ascertain the reasonableness of GoN approved rates, audit issued a requisition for records relating to price analysis conducted by the Department. In reply, the Department stated that the particular files were misplaced during shifting of the office from the old location to the New Secretariat area. Except the Administrative approval (July 2012) by GoN for revision of rates of GMS pipes, no records in connection with

⁷⁸ ₹5.57 crore (November 2015), ₹5.49 crore (December 2016) and ₹2.76 crore (August 2018)

preliminary market survey or price analysis and determination of supplier's margin to be allowed were furnished to audit.

A comparative analysis of GoN approved rates with the neighbouring States of Manipur and Mizoram (without full-fledged railhead facility) by audit revealed that GoN approved rates was exorbitantly higher (71 to 125 *per cent*) as compared with the approved rates of the neighbouring States. The above observations clearly proved that the Department did not exercise due diligence while framing the approved rates. This also indicated that the Department accepted the abnormally high rates and no records regarding conduct of preliminary market survey, to ensure that the price quoted by the selected suppliers were reasonable and consistent with the quality required, was made available to audit. The Department also paid ₹79.74 lakh as excise duty to the supplier for procurement of 25,000 metres of 150 mm GMS pipes which was exempted⁷⁹ by GoI. This resulted in avoidable excess expenditure of ₹5.58 crore (*Appendix-3.3.5*).

The Secretary, PHED stated in the exit conference (July 2021) that land ownership issue was a major problem/ hindrance faced by the PHED which hampered the implementation of project. Tender process could not be done as most of the local contractors do not meet/ fulfil the eligibility criteria and also due to problems of land ownership. A Committee would be constituted to look into the fixing of rates and action would be taken in due course to rectify the overpayment.

In reply, the Department stated (August 2021) that materials were procured through local supplier as per the rates approved by the State Government. Since the pipes are meant for distribution system, water fee will be imposed on the consumers by the Department; hence the supplier was paid inclusive of excise duties.

The replies are not acceptable as there was no competitive bidding and the award of the contract was done without ascertaining the reasonableness of prices in relation to the prevailing market rates/ manufacture's price, which led to avoidable excess expenditure of ₹5.58 crore. Further, the pipes (150 mm GMS pipes) procured were intended to be utilised from source to first storage (as noticed during JPV conducted during January 2021), which was excise duty exempted.

3.3.6 Monitoring and Evaluation of projects

Deficiencies in monitoring and evaluation of NLCPR/ NEC funded projects were highlighted in Paragraph 2.6.14 C&AG Audit Report, GoN, for the year ended 31 March 2013.

The PAC has recommended (120th Report) the implementing Department to carry out periodic inspection at various levels for effective system of reporting and monitoring. The ATN was to be submitted to the PAC within two months from the date of presentation (13-08-2020) of the Report in the Legislature. However, ATN was yet to be submitted (May 2022).

⁷⁹ No.354/34/2008 TRU dated 16-05-2011

The State Government/ implementing departments, however, did not take corrective measures as recommended by the PAC and as such the irregularities pointed out in the previous Audit Report continue to occur as discussed in the succeeding sub-paragraphs.

(i) Monitoring by the Ministry and compliance by the State:

During the Secretary, MDoNER⁸⁰ visit (August 2019) to Nagaland, the Chief Secretary (CS) and other concerned officers connected with implementation/ execution of the NLCPR projects were asked to improve and strengthen the Project Management System with a view to ensure timely completion of projects so as to avoid any cost overruns. CS was requested to undertake regular periodic review on monthly basis of pending projects and chalk out a definite time frame for completion of all the ongoing projects which are pending for more than two years so that within a maximum of six months period, all these projects get completed. It was, however, observed that after the Secretary, MDoNER visit, only one review meeting was held (June 2021) under the Chairmanship of Chief Secretary for NLCPR projects.

Officials from MDoNER conducted five inspections in four projects (out of nine NLCPR projects) during 2015-20 and raised issues in delay in commencement of work, slow progress of works, deficiencies in works executed, *etc.* However, the problems of delays in completion of projects, deficiencies in works executed, *etc.* remained unaddressed as discussed in the foregoing paragraphs.

Further, MDoNER requested (December 2018) the SLEC to review projects which are stalled or progressing slowly because of procedural or technical issues and to take an informed view towards resolution. The State Government was also advised to place the issue of pending work order in respect of one project⁸¹ before the SLEC at the earliest for appropriate decision. The SLEC however, did not hold review meeting to take appropriate course of action for speedy implementation of projects which were stalled or progressing slowly. The last meeting of SLEC was held in December 2017. This indicated lapses on the part of the MDoNER officials who were members of the SLEC to monitor the implementation of NLCPR projects.

In reply, the PCD stated (August 2021) that the SLEC meeting held in December 2017 was the last SLEC for NLCPR (exclusively). Thereafter, SLEC for NESIDS has replaced SLEC for NLCPR though issues related to ongoing NLCPR projects were also discussed. SLEC meeting was held during 2020-21, however it was for NESIDS projects only. Review meetings for NLCPR and NESIDS could not be held during

⁸⁰ NLCPR Guidelines (2009, 2016) stipulated that the monitoring and evaluation of implementation of the project shall also be undertaken through field inspections by officers of MDoNER, as well as through impact studies, social audits and evaluations conducted by government or through independent agencies at the request of MDoNER. The Ministry should also review of implementation of projects with State Government

⁸¹ The project "Construction of New High Court Complex at Kohima Phase-I (Construction of residence for Hon'ble Chief Justice of High Court and Construction of residences for Justice of High Court (six blocks)" was sanctioned (December 2017) by MDoNER at a cost of ₹12.87 crore, stipulated to be completed by December 2020. Till date, MDoNER released (December 2017) only the token amount of ₹10 lakh due to pending work order

2020-21 due to novel Corona virus pandemic. During the current financial year 2021-22, review meeting was held (June 2021) under the Chairmanship of Chief Secretary for projects under NLCPR.

(ii) Monitoring by the State Level Empowered Committee and Quarterly Review Meeting under the Chief Secretary:

Scrutiny of minutes of meeting of SLEC for NLCPR and NESIDS revealed that seven meetings⁸² were conducted during 2018-20 for techno-economic appraisal and recommendation of vetted DPRs and review of ongoing projects. It was observed that issues related to ongoing NLCPR projects were discussed only in two meetings⁸³ out of seven SLEC meetings.

Further scrutiny of records revealed that out of the 20 quarterly review meetings⁸⁴ (2015-20) to be conducted by the CS, only five⁸⁵ review meetings (25 per cent) were held to review the progress of implementation of NLCPR projects.

No evaluation study/social audit on utilisation and impact of NLCPR projects was conducted either by GoN or MDoNER till August 2021.

(iii) Appointment of Nodal Officer for Monitoring and Uploading Project Information in Online MIS Scheme Portal:

Of the three test-checked projects implemented by three departments, only one department (PHED) had appointed nodal officer⁸⁶ for project implementation and monitoring. The remaining two test-checked projects were executed and monitored by the respective PWD divisions⁸⁷.

It was also observed that the State Government did not ensure furnishing/ uploading online all the data/information relating to progress of projects (starting from the submission of the priority list upto the completion of the projects) as prescribed by MDoNER in the online MIS⁸⁸ Scheme portal (<https://nlcpr.mdoner.gov.in>)

Thus, it was evident that monitoring at the State Government level was inadequate. This aspect assumes greater importance, given the slow progress in execution and inordinate delays in completion of projects.

⁸² 24-04-2018, 30-01-2019, 16-04-2019, 22-05-2019, 07-06-2019, 09-08-2019 and 16-03-2020

⁸³ 24-04-2018 and 30-01-2019

⁸⁴ NLCPR Guidelines (2009, 2016) stipulated that the Chief Secretary of the State shall hold quarterly meeting to review the progress of implementation of the ongoing projects under NLCPR and make available summary record of such meetings to MDoNER

⁸⁵ 18-12-2016, 20-04-2017, 04-07-2017, 28-08-2017 and 05-04-2018

⁸⁶ NLCPR Guidelines (2009, 2016) stipulated that the State would nominate a 'nodal officer' for each project who would be responsible for project implementation and monitoring

⁸⁷ EE, PWD (Housing) Youth Resources & Sports Division Kohima and EE PWD (R&B) Peren Division

⁸⁸ NLCPR Guidelines (2009, 2016) stipulated that the State Government should ensure that the data entry of the progress of the project starting from the submission of the priority list by the State Government upto the completion of the project shall be made by the designated officials of the State Government on the online data entry Management Information System (MIS) already in vogue

3.3.7 Transparency and Publicity of Information about NLCPR projects

Lack of publicity of information on ongoing/ completed NLCPR/ NEC projects had been highlighted in C&AG Audit Report, GoN, ending March 2013 vide Paragraph 2.6.14.3. The PAC has recommended (120th Report) the implementing Department to disseminate information about ongoing/ completed projects.

The ATN was to be submitted to the PAC within two months from the date of presentation (13-08-2020) of the Report in the Legislature. However, ATN was yet to be submitted (May 2022). The implementing departments did not take corrective measures to disseminate information about ongoing/ completed projects as recommended by the PAC and as such the deficiencies pointed out in the previous Audit Report continue to occur as discussed below.

During JPV (December 2020-January 2021), it was noticed that only one project⁸⁹ out of three projects inspected displayed on site project information board as stipulated in the NLCPR guidelines⁹⁰. The objective to disseminate information to the public at large as envisaged in the guidelines was not achieved.

In reply, the Government accepted the facts and stated (July 2021) that directives shall be issued to the implementing departments and the contractors for compliance.

3.3.8 Conclusion

Out of nine projects sanctioned (total approved cost of ₹250.04 crore) by MDoNER during 2015-20 and expenditure incurred of ₹134.27 crore, only two projects were completed (one project after delay of 19 months) and five out of seven incomplete projects were due for completion by March 2020 or earlier but still ongoing with delays ranging from three to 29 months from the scheduled date of completion.

Deficiencies in assessment of infrastructural needs and lack of proper planning of projects by the State Government were noticed in audit. Concept Notes did not contain detailed analysis of existing facilities (gap analysis) in the sector and full justification for retention of the particular project. Two projects retained at a cost of ₹48.85 crore were not sanctioned by MDoNER due to duplication with existing facilities, preparation of unrealistic estimates, delay in submission of revised estimates, *etc.* There were instances of short release by State Government, of MDoNER and States' matching share and submission of false UCs to MDoNER. Irregular diversion/ deduction of ₹1.96 crore towards VAT/ WCT, departmental charges, procurement of vehicle, *etc.*, were noticed.

⁸⁹ Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District

⁹⁰ The State Government, immediately after project approval is received, was required to put up display boards at the project site indicating the date of sanction, likely date of completion, estimated cost of the project, source of funding *i.e.* Non-lapsable Central Pool of Resources (Government of India), contractor(s) name and the physical Target. After completion of the projects, the State Government was required to put a permanent display on sites like plaque on the wall *etc.* after asset is created by displaying details of NLCPR funding

Government Orders and codal provisions relating to the tendering process were not adhered to by the implementing departments. The implementing departments made payment of ₹2.92 crore to the contractors without actual execution of works and incurred avoidable expenditure of ₹5.58 crore due to procurement of materials at exorbitant rates.

Monitoring at the State level was inadequate as only five against the stipulated twenty review meetings were held, no evaluation studies were conducted, data relating to progress of projects was not uploaded in MIS portal, etc. Despite being pointed out in the C&AG Report and the recommendations of the PAC of the State Legislature, the nodal as well as implementing departments did not take necessary corrective measures.

3.3.9 Recommendations

The State Government may-

- *take appropriate measures to complete the time overrun projects at the earliest.*
- *ensure timely release of funds to complete the ongoing projects within the stipulated timeline.*
- *review projects which are stalled or progressing slowly because of land disputes, procedural or technical issues etc. and take appropriate course of action so that projects are completed without further delay.*
- *initiate departmental enquiry and fix responsibility against officers/officials responsible for passing bills based on fictitious measurements, submission of false utilisation certificates; excess payments and also facilitating payments without actual execution of works, delay in completion of the project.*
- *strengthen monitoring and supervision to ensure proper quality of work, effective implementation and also to prevent irregularities in payment, incorrect measurements, etc.*

CHAPTER-IV
GENERAL SECTOR

CHAPTER - IV

GENERAL SECTOR

4.1 Introduction

This chapter of the Audit Report for the year ended 31 March 2020 deals with the audit observations relating to the State Government Departments under General Sector.

The departments and the total budget allocation *vis-à-vis* expenditure of the State Government under General Sector during 2019-20 are shown in **Table 4.1.1**.

Table 4.1.1: Details of Departments with Budget Allocation and Expenditure

(₹ in crore)

Sl. No.	Name of the Departments	Total Budget Allocation	Expenditure	Percentage of expenditure
1.	Police	1541.64	1605.80	104
2.	Civil Secretariat	337.55	215.75	64
3.	Public Works (Housing)	198.76	189.82	96
4.	District Administration	165.98	157.63	95
5.	Police Engineering Project	83.93	83.55	100
6.	Village Guards	68.64	68.11	99
7.	Law & Justice	65.42	63.06	96
8.	Treasuries & Accounts	59.62	46.50	78
9.	Prison	58.27	57.96	99
10.	Mechanical Engineering	53.09	53.02	100
11.	Fire & Emergency Services	45.78	45.77	100
12.	State Legislature	43.80	43.03	98
13.	Statistics	43.13	41.32	96
14.	Home Guards	39.70	37.35	94
15.	Civil Administrative Works Department	29.56	29.41	99
16.	Printing & Stationery	29.19	29.08	100
17.	State Guest Houses	19.07	18.18	95
18.	Council of Ministers	18.79	18.79	100
19.	Election	16.20	15.95	98
20.	Legal Metrology & Consumer Protection	13.85	10.86	78
21.	Head of State	12.20	11.83	97
22.	Vigilance Commission	11.19	10.49	94
23.	Public Service Commission	7.60	7.55	99
24.	Administrative Training Institute	7.51	6.68	89
25.	Rajya Sainik Board	3.49	3.40	97
26.	State Information Commission	2.58	2.54	98
27.	Parliamentary Affairs	2.04	2.04	100
28.	Relief & Rehabilitation	1.31	1.41	108
Total		2,979.89	2,876.88	97

Source: Appropriation Accounts, 2019-20

It would be seen from the table above that:

- 97 per cent of the budgetary allocation in 2019-20 under the General Sector was utilised during the year.
- In two Departments, the expenditure incurred was more than the budget allocation.

During the year, expenditure involving ₹4,531.92 crore (including expenditure pertaining to previous years audited during the year) of the State Government under General Sector was test checked. This chapter contains the audit observations in respect of one compliance audit paragraph.

Compliance Audit Paragraph

FINANCE DEPARTMENT (TREASURIES & ACCOUNTS)

4.2 Fraudulent/ excess drawal of money

Failure of the Drawing and Disbursing Officers and Treasury Officers to exercise prescribed checks resulted in fraudulent/ double/ excess drawals amounting to ₹2.78 crore.

Rule 66, Sub-clause 3, of the Central Government Accounts (Receipts and Payments) Rules¹, 1983 prescribes that entries in all money columns of the pay bills are to be totalled separately under each section and parts, to arrive at the total entitlements as well as net payable after statutory deductions. Section wise totalling of the pay bills must be checked by the Drawing and Disbursing Officer (DDO) himself or by some responsible official other than the person preparing the bill.

Rule 22 of the Central Treasury Rules² states that the Treasury Officer (TO) shall be responsible to the Accountant General for acceptance of the validity of a claim against which he has permitted withdrawal and for evidence that the payee has actually received the sum withdrawn. Rule 23 of the Central Treasury Rules prescribes that the Treasury Officer shall obtain sufficient information as to the nature of every payment he is making and shall not accept a claim which does not formally present that information unless there are valid reasons which he shall record in writing for omitting to enquire it. Rule 24 of the Central Treasury Rules further states that the Treasury Officer may correct an arithmetical inaccuracy or an obvious mistake in any bill presented to him for payment.

Further, according to Rule 276 of the Central Treasury Rules, while drawing any arrear bill, the Drawing Officer shall record the certificates on the arrear bill under his dated signature to the effect that (i) no part of the amount claimed has been drawn previously; and (ii) a note of the arrear claim has been made in the office copy of the bill or the pay bill register for the period to which the claim pertains.

Test check of pay bill vouchers of various Departments by Audit revealed that 28 DDOs of 17 Departments (*Appendix 4.2.1*) had misappropriated ₹2.78 crore by fraudulently drawing pay and allowances. The money was withdrawn by inflating the net total of pay bills, double drawal of pay and allowances, arrears, *etc.* in violation of the prescribed Financial Rules. When the matter was intimated to the Departments, the Departments recovered ₹8.99 lakh and deposited into Government account. However,

¹ which is followed by GoN

² which is followed by GoN

report on initiating disciplinary action against the defaulting officials was not furnished. Details of the modus-operandi are shown in **Table 4.2.1**.

Table 4.2.1 Cases of excess/ fraudulent drawals

Objections	Audit observations
Excess drawal by inflating net total of pay bills	Scrutiny revealed that five DDOs of three Departments had drawn funds of ₹601.39 lakh in 31 pay bills by irregularly inflating the net total amount where the actual admissible amount was ₹586.75 lakh. This resulted in excess drawal of ₹14.64 lakh between August 2014 and June 2018 as detailed in Appendix 4.2.2 . On being pointed out, two DDOs recovered an amount of ₹0.91 lakh and deposited into Government account.
Double drawal of pay & allowances including arrears	Scrutiny revealed that six DDOs of four Departments fraudulently drew funds of ₹72.52 lakh during September 2017 to March 2018 in 12 bills being pay & allowances and arrear bills pertaining to the period March 2012 to February 2018 which were already drawn in regular bills. This resulted in fraudulent drawal of ₹72.52 lakh as detailed in Appendix 4.2.3 . On being pointed out, two DDOs partially recovered ₹3.43 lakh and deposited into Government account.
Fraudulent/ inadmissible drawal of pay & allowances including arrears	Scrutiny revealed that 19 DDOs of 12 Departments fraudulently drew funds of ₹190.93 lakh in 70 arrear bills during the period from March 2016 to February 2019 by preparing fictitious 'due and drawn' statements for employees who were not entitled to draw arrears as detailed in Appendix 4.2.4 . On being pointed out, three DDOs partially recovered ₹4.65 lakh and deposited the amount into Government account.

The above instances of excess/ double/ fraudulent drawals by 28 DDOs³ of 17 Departments indicated failure at both the DDOs' and TOs' levels to exercise control and checks as prescribed by rules and procedures.

The matter on the above irregularities was reported to the Government in October 2021 and reminder issued in November 2021. Replies are awaited (January 2022).

Audit also pointed out the fraudulent drawals by 24 DDOs⁴ of 15 departments amounting to ₹1.36 crore out of which the entire amount of ₹1.36 crore was fully recovered at the instance of audit. Details are provided in **Appendix 4.2.5**.

In all the above cases, the DDOs concerned did not record the certificates on the arrear bills under their dated signature after ensuring to the effect that (i) no part of the amount claimed in the bill had been drawn previously; and (ii) a note of the arrear claim has been made in the office copy of the bill or the pay bill register for the period to which the claim pertains while drawing the arrear bills. Similarly, the TOs also did not obtain sufficient information as to the nature of the payment as per the bills presented to him

³ SDEO Wokha and Superintendent, Excise & Prohibition, Tuensang in two instances.

⁴ BDO RD Block Tseminyu and Headmaster, Government High School Akuhaito in more than one instances.

for payment. Further, the DDOs prepared the establishment pay bills and presented the same to the concerned Government Treasuries without ensuring the correctness of arithmetical calculations. The TOs irregularly passed the bills for payment without following the prescribed checks on the bills presented by the DDOs.

The blatant failure of the DDOs and TOs, in complying with the provisions under Central Treasury Rules and Receipt and Payment Rules, while preparing and passing the bills indicates possible collusion for fraudulent drawals.

It is also pertinent to mention that the issue of fraudulent/ excess drawal by the DDOs by manipulating pay and allowances bills was highlighted in previous years' C&AG's Audit Reports. Details of similar cases highlighted in the Audit Reports of last five years are provided in *Appendix 4.2.6*.

The Public Accounts Committee (PAC) Reports/ recommendations are the principal medium by which the Legislature enforces financial accountability of the Executive to the Legislature and it is appropriate that they elicit timely response from the departments concerned in the form of Action Taken Notes (ATNs).

The PAC had discussed four paragraphs pertaining to the Reports of the years 2014-15 to 2016-17 and made the following recommendations:

- Department to furnish the latest report on the recovery;
- Department to take disciplinary action against the defaulting DDOs for presenting false bills as well as the TOs for passing the bills without following the prescribed checks on the bills presented by the DDOs; and
- Computerisation of all the Treasuries in the State.

As per PAC Reports, the Departments concerned were required to submit the ATNs on the recommendations of the PAC within two months from the date of laying of the Reports of the PAC to the Legislature. The concerned Departments, however, failed to submit ATNs on the recommendations made by the PAC (January 2022).

Due to failure of concerned Departments to comply with instructions of the PAC, the objective of ensuring financial accountability of the Executive to the Legislature remained unfulfilled and these financial malpractices continued to persist.

- Recommendations:**
- (i) The State Government may investigate all such matters for all the Departments of the State.*
 - (ii) The Department may initiate disciplinary action against the erring officers responsible for the fraudulent drawals.*
 - (iii) The amount misappropriated should be recovered immediately from the concerned employees/ Drawing and Disbursing Officers/ Treasury Officers.*
 - (iv) The Government may also initiate steps to strengthen the internal control mechanism in all departments to prevent recurrence of fraudulent drawals and ensure that the checks and balances are in place.*

CHAPTER-V
REVENUE SECTOR

CHAPTER-V

REVENUE SECTOR

5.1 General

5.1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the GoN during 2019-20, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and Grants-in-Aid received from the GoI during the year and the corresponding figures for the preceding four years are shown in **Table 5.1.1**.

Table 5.1.1: 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	427.10	510.75	638.28	846.43	958.23
	• Non-Tax Revenue	256.39	345.52	388.53	255.24	339.29
	Total	683.49	856.27	1,026.81	1,101.67	1,297.52
2.	Receipts from the GoI					
	• Share of net proceeds of divisible Union Taxes and Duties	2,540.72	3,032.63	3,353.13	3,792.41	3,267.08
	• Grants-in-Aid	4,819.36	5,553.38	6,639.27	6,543.33	6,858.69
	Total	7,360.08	8,586.01	9,992.40	10,335.74	10,125.77
3.	Total revenue receipts of the State Government (Sl. No. 1 and 2)	8,043.57	9,442.28	11,019.21	11,437.41	11,423.29
4.	Percentage of 1 to 3	8	9	9	10	11

Source: Finance Accounts of the respective years

The above table indicates that during the year 2019-20, the revenue raised by the State Government (₹1,297.52 crore) was 11 *per cent* of its total revenue receipts. The balance 89 *per cent* of the receipts during 2019-20 was from the GoI.

The details of tax revenue raised against the Budget Estimates (BEs) during the period 2015-20 are shown in **Table 5.1.2**.

Table 5.1.2: Details of the Tax Revenue against the Budget Estimates (BEs)

(₹ in crore)												
Sl. No.	Head of revenue	2015-16		2016-17		2017-18		2018-19		2019-20		Percentage of 2019-20 over 2018-19
		BEs	Actuals									
1.	SGST	0	0	0	0	0	187.57	250.00	469.64	340.37	613.22	31
2.	Sales Tax/ VAT	332.78	328.58	400.00	400.12	410.00	287.55	225.00	186.69	252.89	175.15	(-) 6
3.	Taxes on vehicle	46.00	53.09	57.63	57.39	58.00	101.52	105.00	126.22	121.04	113.93	(-) 10
4.	Stamps and Registration Fees	1.98	2.04	2.14	2.05	2.31	2.62	2.40	2.53	2.64	2.79	10
5.	State Excise	4.90	5.12	5.40	4.63	5.60	4.20	5.10	4.65	5.10	3.24	(-) 30
6.	Taxes on Goods and Passengers	12.10	5.88	13.31	14.76	7.00	17.59	14.60	20.16	18.91	18.09	(-) 10

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Sl. No.	Head of revenue	2015-16		2016-17		2017-18		2018-19		2019-20		Percentage of 2019-20 over 2018-19
		BEs	Actuals									
7.	Land Revenue	0.89	0.75	0.98	0.82	1.08	0.90	0.65	1.13	0.81	1.04	(-) 8
8.	Others ¹	35.81	31.64	35.85	30.98	32.16	36.33	37.81	35.41	38.38	30.77	(-) 13
Total (Own Tax Revenue)		434.46	427.10	515.31	510.75	516.15	638.28	640.56	846.43	780.14	958.23	13

Source: Budget documents and Finance Accounts of the respective years

GST collection of the State had increased by 31 per cent from ₹469.64 crore in 2018-19 to ₹613.22 crore in 2019-20. Tax revenue under Stamps and Registration Fees increased by 10 per cent whereas tax revenue under State Excise, taxes on vehicle and taxes on Goods and Passengers decreased by 30, 10 and 10 per cent respectively over the previous year.

Details of the Non-tax revenue against the BEs raised during the period 2015-16 to 2019-20 are shown in **Table 5.1.3**.

Table 5.1.3: Details of Non-Tax Revenue against the BEs raised during 2015-20

(₹ in crore)

Sl. No.	Head of revenue	2015-16		2016-17		2017-18		2018-19		2019-20		Percentage of 2019-20 over 2018-19
		BEs	Actuals									
1.	Police	4.73	1.68	5.11	31.54	2.00	2.70	2.50	1.86	3.00	36.56	1866
2.	Miscellaneous General Services	10.00	13.43	11.00	13.64	12.10	16.10	14.50	24.15	23.50	22.18	(-) 8
3.	Education, Sports, Art and Culture	40.21	76.52	44.23	119.40	48.65	132.84	100.00	4.33	80.00	62.04	1333
4.	Power	100.00	111.1	125.00	114.58	156.25	127.89	158.00	147.97	160.00	159.31	8
5.	Civil Aviation	9.68	1.04	10.64	20.77	11.71	2.09	20.00	6.70	10.00	8.79	31
6.	Road Transport	17.26	10.81	18.12	9.00	9.03	7.35	11.00	8.74	8.50	8.43	(-) 4
7.	Other Non-tax receipts	48.72	41.80	47.49	36.59	40.07	99.56	41.45	61.49	44.02	41.98	(-) 32
Total (Non-Tax Revenue)		230.60	256.38	261.59	345.52	279.81	388.53	347.45	255.24	329.02	339.29	33

Source: Budget documents and Finance Accounts of the respective years

The revenue receipts under the head 'Police' increased by ₹34.70 crore from ₹1.86 crore during 2018-19 to ₹36.56 crore during 2019-20 due to increase in 'Minor Head: 800-Other Receipts' and increase by ₹57.70 lakh from ₹4.33 crore to ₹62.04 crore under the head 'Education, Sports, Art and Culture' due to increase in revenue receipts under 'Minor Head: 101-Elementary Education'.

5.1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2020 on some principal heads of revenue amounted to ₹9.91 crore out of which ₹2.24 crore was outstanding for more than five years, as shown in **Table 5.1.4**.

¹ Other taxes on income and expenditure, taxes on duties and electricity, other taxes and duties on commodities and services

Table 5.1.4: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Total Amount outstanding as on 31 March 2020	Amount outstanding for more than 5 years as on 31 March 2020	Replies of Department
1.	Nagaland Value Added Tax	4.92	0.68	Reply not furnished
2.	Petroleum Tax	3.88	0.59	
3.	Central Sales Tax	0.68	0.61	
4.	Purchase Tax	0	0	
5.	Professional Tax	0.09	0.02	
6.	Nagaland Sales Tax	0.34	0.34	
Total		9.91	2.24	

Source: Departmental figures

The entire arrears of ₹9.91 crore were pending with the departmental authorities of which recovery of ₹2.24 crore was pending for more than five years.

The Departments may review the arrears and take action for recovery under the law.

5.1.3 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed off during the year and number of cases pending for finalisation at the end of the year as furnished by the Sales Tax Department in respect of Sales Tax/ VAT on Sales, Trades *etc.* are shown in **Table 5.1.5**.

Table 5.1.5: Arrears in assessments

(₹ in crore)

Head of Revenue	Opening Balance of arrears in assessment as on 1 April 2019	New cases due for assessment during 2019-20	Total assessment due	Cases disposed-off during 2019-20	Balance at the end of the 31 March 2020	Percentage of cases disposed to the total assessment due
1	2	3	4	5	6	7 (5 to 4)
Taxes/ VAT on Sales, Trades, <i>etc.</i>	1,513	514	2,027	733	1,294	36.16

Source: Departmental figures

The arrears in assessment decreased from 1,513 to 1,294 cases with the addition of 514 cases, which became due for assessment during 2019-20 and 733 cases were disposed during the year.

5.1.4 Cases of evasion of tax detected by the Taxes Department

The details of cases of evasion of tax detected by the Taxes Department, cases finalised and the demands for additional tax raised were requisitioned (March 2021) from the Commissioner of Taxes, Dimapur. The Commissioner of Taxes, Dimapur replied (April 2021) that there was no evasion of tax detected.

5.1.5 Response of the Government/ Departments towards Audit

The Principal Accountant General (Audit), conducts periodical inspection of the Government departments to test check the transactions and verify the maintenance of

important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspection and which are not settled on the spot, are issued to the Heads of the Offices inspected with copies to the next higher authorities for taking prompt corrective action. The Heads of the Offices/ Departments are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the Accountant General (Audit) within one month from the date of issue of the IRs. Serious financial irregularities are reported to the Heads of the Department and the Government for response. If replies to such serious and important audit observations are not found acceptable/convincing, these are included in the Report of the C&AG of India.

IRs issued upto March 2020 revealed that 362 paragraphs involving ₹405.06 crore relating to 84 IRs remained outstanding. Such details along with the corresponding figures for the preceding two years are shown in **Table 5.1.6**.

Table 5.1.6: Details of outstanding audit observations

Particulars	March 2018	March 2019	March 2020
Number of outstanding IRs	71	78	84
Number of outstanding audit observations	324	318	362
Amount involved (₹ in crore)	404.63	376.96	405.06

Source: IRs of Revenue Sector

5.1.5.1 Outstanding Inspection Reports and Audit Observations

The Department-wise details of the IRs and audit observations outstanding as on 31 March 2020 and the amount involved are shown in **Table 5.1.7**.

Table 5.1.7: Department-wise details of the IRs and audit observations outstanding

Sl. No.	Name of Department	Name of Receipts	No. of outstanding IRs	No. of Outstanding Audit Observations	Money Value involved (₹ in crore)
1.	Finance	Taxes/VAT on Sales, Trade, etc.	32	226	171.21
2.	Finance	Miscellaneous General Services/Lottery	5	21	214.88
3.	Transport	Taxes on Vehicles/ Taxes on Goods & Passengers	39	96	15.20
4.	Forests & Environment	Forests & Wildlife	8	19	3.77
Total			84	362	405.06

Source: IRs of Revenue Sector

The pendency of IR due to non-receipt of replies was indicative of the fact that the Heads of Offices/ Departments had not initiated action to rectify the defects, omissions and irregularities pointed out by the Principal Accountant General (Audit) in the IRs.

The Government may consider to have an effective system for prompt and appropriate response to audit observations.

5.1.5.2 Departmental Audit Committee meetings

In order to expedite settlement of the outstanding audit observations contained in the IRs, Departmental Audit Committees are constituted by the Government. These Committees are chaired by the Secretaries of the Administrative Department concerned and attended by the officers concerned of the State Government and officers of the Accountant General (Audit). The Audit Committees need to meet regularly in order to expedite clearance of the outstanding audit observations.

During 2019-20, the Department did not convene any Audit Committee meeting to clear the outstanding audit observations.

Recommendation: *The State Government may ensure holding of regular meetings of the Audit Committees for ensuring effective remedial action on the audit observations.*

5.1.5.3 Response of the departments to the draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the C&AG are forwarded by the Principal Accountant General (Audit) to the Principal Secretaries/Secretaries of the departments concerned, drawing their attention to audit findings and requesting them to send their response within six weeks.

The fact of non-receipt of the replies from the Departments/ Government is invariably indicated at the end of such paragraphs included in the Audit Report of the C&AG.

Five revenue draft paragraphs were sent to the Principal Secretaries/ Secretaries of the respective Departments during June 2021 to May 2022. The reply in respect of four draft paragraphs were received and incorporated with suitable comments.

5.1.5.4 Follow up on the Audit Reports-summarised position

The internal working system of the Public Accounts Committee (PAC), notified in December 2002, laid down that after the presentation of the Report of the C&AG in the Legislative Assembly, the departments shall initiate action on the audit paragraphs and the action taken explanatory notes thereon should be submitted by the Government within three months of tabling the Report, for consideration of the Committee. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed inordinately.

Twenty paragraphs² and two Performance Audits³ included in the Reports of the C&AG on the Revenue Sector of the GoN for the years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 were placed before the State Legislative Assembly on 18 July 2013, 25 July 2014, 17 March 2015, 19 March 2016, 28 March 2017, 20 September 2018, 15 February 2020 and 05 August 2021 respectively.

² During 2011-12 = one paragraph, 2012-13 = three paragraphs, 2013-14 = two paragraphs, 2014-15 = three paragraphs, 2015-16 = three paragraphs, 2016-17 = three paragraphs, 2017-18 = three paragraphs and during 2018-19 = two paragraphs

³ During 2015-16 = two Performance Audits viz. Nagaland State Lotteries (Finance Department) and Computerisation of Motor Vehicle Department (Transport and Communication Department)

PAC discussed (during 2011-12 to 2016-17) 15 paragraphs⁴ pertaining to the Reports of the years 2011-12 to 2016-17. The Departments did not furnish *suo-moto* explanatory notes to the Principal Accountant General (Audit) through the Nagaland Legislative Assembly Secretariat in respect of paragraphs/ reviews which appeared in the Audit Reports.

During 2019-20, two PAC meetings were held (August and October 2019) and no Action Taken Note was received.

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

To analyse the system of addressing the issues highlighted in the IRs/ Audit Reports by the Departments/ Government, the action taken on the paragraphs and performance audits included in the Audit Reports of the last 10 years for Taxation Department was evaluated.

The succeeding **Paragraphs 5.1.6.1 and 5.1.7** discuss the performance of Taxation Department in dealing with the cases detected in the course of local audit conducted and also the cases included in the Audit Reports for the years 2015-16 to 2019-20.

5.1.6.1 Position of Inspection Reports

The summarised position of IRs issued during the last five years, paragraphs included in these reports and their status as on 30 March 2020 are shown in **Table 5.1.8**.

Table 5.1.8: Position of Inspection Reports

(₹ in crore)

Year	Opening Balance			Addition during the year			Clearance during the year			Closing Balance		
	IR	Paras	Money Value	IR	Paras	Money Value	IR	Paras	Money Value	IR	Paras	Money Value
2015-16	66	297	296.15	2	27	26.58	7	48	9.47	61	276	313.26
2016-17	61	276	313.26	11	45	32.84	2	12	1.37	70	309	344.73
2017-18	70	309	344.73	3	30	70.93	2	15	11.03	71	324	404.63
2018-19	71	324	404.63	9	49	23.10	2	55	50.77	78	318	376.96
2019-20	78	318	376.96	12	65	40.83	6	21	12.73	84	362	405.06

Source: IRs of Revenue Sector

It is evident from the above table that against 66 outstanding IRs with 297 paragraphs as on 01 April 2015, the number of outstanding IRs increased to 84 with 362 paragraphs at the end of March 2020. The Department needs to take adequate steps to settle the outstanding IRs to avoid accumulation of the IRs and paragraphs.

5.1.7 Recovery in cases accepted by the Departments

The position of paragraphs included in the C&AG's Audit Reports of the last five years, those accepted by the Departments and the amounts recovered are shown in **Table 5.1.9**.

⁴ During 2011-12 = one paragraph, 2012-13 = three paragraphs, 2013-14 = two paragraphs, 2014-15 = three paragraphs, 2015-16 = three paragraphs and during 2016-17 = three paragraphs

Table 5.1.9: Position of recovery of accepted cases

(₹ in crore)

Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year	Cumulative position of recovery of accepted cases as of 31-03-2020
2014-15	3	1.64	3	0.25	0.00	0.00
2015-16	3	16.10	2	5.64	0.00	0.00
2016-17	3	25.59	1	11.47	0.12	0.12
2017-18	3	19.86	1	3.34	0.05	0.17
2018-19	2	21.02	0	0.00	0.00	0.17
Total	14	84.21	7	20.70	0.17	--

Source: Previous C&AG Reports

From the above table, it may be seen that during the last five years, the Department accepted paras with an amount of ₹20.70 crore as against which, they recovered only ₹0.17 crore. Thus, it is evident that the progress of recovery even in accepted cases was very slow during the last five years.

Recommendation: *The Department may take immediate action to pursue and monitor prompt recovery of the dues involved in the accepted cases.*

5.1.7.1 Action taken on recommendations accepted by Government

The draft Reports of the PAs conducted by the Principal Accountant General (Audit) are forwarded to the departments concerned/Government to furnish their replies. These PAs are also discussed during exit conference and views of departments/Government are taken into account while finalising PAs for inclusion in C&AG Audit Reports.

During 2015-16 to 2019-20, two PAs relating to Finance Department and Transport Department were included in the C&AG's Audit Report. Nine recommendations were made in C&AG's Report for consideration by the Government. Status of acceptance of these recommendations is shown in **Table 5.1.10**.

Table 5.1.10: Status of acceptance of audit recommendations made in PAs/ Audit Paragraphs

Year of Audit Report	Name of the Performance Audit* (Administrative Department)	No. of recommendations in PAs	No. of recommendations in Audit paragraphs	Status of acceptance of recommendations
2015-16	Nagaland State Lotteries (Finance Department)	5	Nil	Not communicated
	Computerisation of Motor Vehicle Department (Transport and Communication Department)	4		Not communicated
2016-17	Nil	Nil	Nil	--
2017-18	Nil	Nil	3	Not communicated
2018-19	Nil	Nil	2	Not communicated

Source: C&AG's Audit Reports

* No Performance Audit on Revenue Sector conducted during 2016-17 to 2018-19

5.1.8 Audit Planning

The offices under various departments are, for the purpose of audit, categorised into high, medium and low risk units according to their revenue position, past trends of audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter-alia* include critical issues in government revenues and tax administration *i.e.*, budget speech, white paper on State finances, Reports of the Finance Commission (State & Central), recommendations of the Taxation Reforms Committee, statistical analysis of revenue earnings during the past five years, factors of tax administration, audit coverage and its impact during past five years, *etc.*

Out of 43 auditable units, 13 auditee units were planned for audit during 2019-20 and 13 units were covered in audit.

5.1.9 Results of Audit

5.1.9.1 Position of local audit conducted during the year

Test check of the records of 13 units during 2019-20 revealed under assessment/ short levy/ loss of revenue/ non-realisation of outstanding revenue/ evasion of tax *etc.*, in nine offices aggregating ₹40.53 crore in 48 cases.

5.1.10 Coverage of this chapter

This chapter contains one Subject Specific Compliance Audit and five compliance audit paragraphs (selected from the audit observations made during the local audit referred to above) and previous years involving financial effect of ₹31.42 crore⁵.

Subject Specific Compliance Audit

FINANCE (TAXATION) DEPARTMENT

5.2 Processing of refund claims under Goods and Services Tax

5.2.1 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 modernization of existing business. The provisions pertaining to refund contained in the Goods and Services Tax (GST) laws aim to streamline and standardise the refund procedures under GST regime. During the process of implementation, it was also decided that the claim and sanctioning procedure would be completely online. However, due to unavailability of electronic refund module on the common portal, a temporary mechanism was devised and implemented. In this electronic-cum-manual procedure, 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.

⁵ ₹0.61 crore + ₹3.10 crore + ₹4.59 crore + ₹7.90 crore + ₹2 crore + ₹9.37 crore + ₹2.23 crore + ₹1.62 crore

Further processing of those refund applications, *i.e.* issuance of acknowledgement, issuance of deficiency memo, passing of provisional/ final refund orders, payment advice *etc.* was being done manually. In order to make the process of submission of the refund application electronic, Circular No. 79/53/2018-GST dated 31 December 2018⁶ was issued wherein it was specified that the refund applications in Form GST RFD-01A, along with all supporting documents, had to be submitted electronically. However, various post submission stages of processing of the refund applications continued to be manual.

For making the refund procedure fully electronic, wherein all the steps from submission of applications to processing thereof could be undertaken electronically, have been deployed on the common portal with effect from 26 September 2019 (also called Automation of Refund Process). In cases of all refund applications filed on the common portal before 26 September 2019, the applications shall continue to be processed manually as were done prior to deployment of new system.

5.2.2 Audit Objectives

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.
- (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.

5.2.3 Scope of Audit

The Department processed 126 refund cases consisting of 99 pre-automation cases (₹2.06 crore) and 27 post-automation cases (₹3.23 crore). Out of 126 refund cases, a risk based sample of 61 refund cases for ₹3.66 crore falling under the jurisdiction of three⁷ Divisional Offices (DCT) was taken up for audit. Out of 61 cases, 34 cases for refund amount of ₹43.40 lakh pertain to pre-automation (prior to 26 September 2019) and 27 cases involving refund amount of ₹3.23 crore pertain to post-automation.

5.2.4 Audit Methodology

The Subject Specific Compliance Audit (SSCA) commenced on 20 November 2020 and was completed on 09 January 2021 covering all the three Divisions. The draft report was sent to the Department in March 2021. The reply to the draft report was received from the Department in August 2021, and the same has been incorporated in the report.

⁶ No separate circular/ endorsement was issued by the State Tax Department (STD) regarding Central Board of Indirect Taxes and Customs (CBIC)

⁷ Dimapur, Mokokchung and Kohima

5.2.5 Legal provisions and Audit checks/ Criteria

The following sections/ rules/ notifications provide the guidelines/ procedure for claiming the refunds:

- (i) Section 54 to 58 and Section 77 of Nagaland Goods and Services Tax (NGST) Act, 2017;
- (ii) Rule 89 to 97 of NGST Rules, 2017;
- (iii) Section 15, 16 and 19 of Integrated Goods and Services Tax (IGST) Act, 2017; and
- (iv) Notifications/ circulars/ instructions issued by the CBIC/ STD.

The CBIC allowed (November 2017⁸) manual filing and processing of refund in respect of zero-rated supplies due to non-availability of the refund module on the common portal. Manual filing and processing of refund claims on account of inverted duty structure, deemed exports and excess balance in electronic cash ledger was also allowed (December 2017⁹). After allocation of taxpayers between Central and State, the registered person needs to file the refund claim with the jurisdictional tax authority to which the taxpayer has been assigned as per the administrative order. In case such an order has not been issued in the State, the registered person is at liberty to apply for refund before the Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayers to respective authority is implemented. However, in the later case, an undertaking is required to be submitted stating that the claim for sanction of refund has been made to only one of the authorities. The payment of the sanctioned refund amount shall be made only by the respective tax authority of the Centre or State Government. In other words, the payment of sanctioned refund amount in relation to CGST, IGST and cess shall be made by the central tax authority while in relation to SGST and UTGST it would be made by the State/ UT tax authority. To ensure timely payment of entire refund Board had instructed that refund order issued either by the central tax authority or the State Tax Authority is communicated to the concerned counter-part tax authority within seven working days for the purpose of payment of the relevant sanctioned refund amount.

5.2.6 Categories of Refunds

Though claim for refund may arise on account of 13 categories of transactions, refund cases arising out of only five categories were seen, which are shown below:

- (i) Refund of accumulated Input Tax Credit (ITC) of GST on account of inverted duty structure/ Reverse Charge cases;
- (ii) Finalisation of provisional assessment;
- (iii) Refund of balance in Electronic Cash Ledger;

⁸ vide circular no. 17/17/2017-GST dated 15 November 2017

⁹ vide circular no. 24/24/2017-GST dated 21 December 2017

- (iv) Excess GST payment;
- (v) Refund of CGST and SGST paid by treating the supply as intra-state supply which is subsequently held as inter-state supply and vice versa.

5.2.7 Audit Findings

The findings on examination of refund cases (*Appendix 5.2.1*) are given in the succeeding paragraphs.

Objective 1- The adequacy of Act, Rules, notifications, circulars etc. issued in relation to grant of refund

5.2.7.1 Adequacy of Act, Rules, notifications, circulars, etc.

NGST Act, 2017 and NGST Rules 2017, contain all relevant provisions contained in Sections 54 to 58 & Section 77 of the Central Goods and Services Tax (CGST) Act, 2017 Sections 15, 16 & 19 of the IGST Act, 2017 and corresponding Rules pertaining to refund matters. Further, the Commissioner of State Taxes had also issued various notifications in line with various notifications issued by Central Government. No lapses were noticed in this regard.

Objective 2- The compliance of extant provisions by the tax authorities and the efficacy of the systems in place to ensure compliance by taxpayers

5.2.7.2 Issue of Acknowledgement

Rule 90 (1) and (2) of NGST Rules, 2017 stipulate that where the application related to claim for refund from the Electronic Cash Ledger (ECL), 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 and the time period *i.e.* 60 days specified for processing of refund application. For refund applications other than ECL, the application shall be forwarded to the Proper Officer (PO) who shall within a period of 15 days of filing of the said application, scrutinise the application for its completeness. An acknowledgment in Form GST RFD-02 shall be made available to the applicant within 15 days through common portal. The acknowledgement shall clearly indicate the date of filing claim and the time period *i.e.* 60 days specified for processing of refund.

Thirty-four refund cases pertaining to the Pre-automation involving a total amount of ₹43.40 lakh were provided for examination.

Examination of records (November 2020 to January 2021) revealed that acknowledgments were issued in all the 34 pre-automation cases on time (*Appendix 5.2.2*), which was also confirmed (August 2021) by the Department.

Twenty seven refund cases pertaining to Post-automation, falling under four categories¹⁰ were examined (*Appendix 5.2.3*).

¹⁰ Excess balance in EXBCL- 23 numbers, Provisional Assessment/ Appeal - ASSORD-1, Intra-state supply subsequently held to be Inter-state & *vice versa*-2, Excess payment of GST

It was observed (November 2020 to January 2021) that in 26 out of 27 cases, the Jurisdictional Officers issued acknowledgment in FORM RFD-02 within 15 days. In one case¹¹, it was seen that the acknowledgement was issued after 18 days which resulted in a delay of three days.

The Department accepted (August 2021) the audit findings.

5.2.7.3 Deficiencies in Refund Application

Rule 90 (3) of NGST Rules, 2017 stipulates that if any deficiencies are noticed, the PO shall communicate the deficiencies to the applicant in FORM GST RFD-03 within 15 days through the common portal electronically, requiring him to file a fresh refund application after rectification of such deficiencies.

During examination of records (November 2020 to January 2021) of Pre-automation cases, it was noticed that except in two¹² out of 34 cases, the Refund application in RFD- 01 was not supported by any supporting documents such as statement showing the details of the refund claimed, a certificate to the effect that the liability was not passed on to any other person and a certificate from the Chartered Accountant or a Cost Accountant, where the refund amount exceeds Rupees two lakh *etc.* However, the PO sanctioned the refunds in all the 32 cases without issuing any deficiency memo in RFD- 03.

Audit pointed this out to the Department in March 2021, the Department stated (August 2021) that information was being sought from the POs concerned as to why Refund sanction orders were issued without issuing deficiency memo in RFD-03 and Audit shall be intimated in due course.

During scrutiny of records (November 2020 to January 2021) of 27 Post-automation cases, it was observed that the applications in RFD-01 were not supported by any supporting documents in 17 cases and documents uploaded were incomplete in 10 cases (***Appendix 5.2.4***).

The Department accepted (August 2021) the audit findings and assured that the PO would not entertain any application in RFD-01 without supporting documents.

5.2.7.4 Non release of SGST component of refund

Rule 92 of the NGST Rules, 2017 stipulated that upon submission of refund application, the PO shall carry out the examination process. He shall examine if the refund claim amount is due and payable to the applicant, then he shall make an order in Form GST RFD-06, sanctioning the amount of refund to which the applicant is entitled within 60 days of receipt of application.

Out of 34 cases examined (November 2020 to January 2021) under Pre-automation, 29 applications pertained to refund of CGST/ SGST/ Cess and five applications for refund of IGST. Though the Department sanctioned for all the 34 cases for release of

¹¹ M/s Aja Communication (ARN AA130220000103L)

¹² M/s Aditi Solar Pvt. Ltd. (ARN AA130719000022W & ARN AA130719000003W)

all the components (CGST/ SGST/ IGST & Cess), the CBIC refunded only IGST/ CGST in three cases¹³. No amount was refunded in all other cases. Later, the Commissioner directed (14 July 2020) all the 26 SGST applicants to re-apply for refund of the SGST portion in Post-automation due to technical reasons.

Audit pointed this out to the Department in March 2021, the Department stated (January 2021 and August 2021) that SGST refund was not released due to non-placement of fund (Budgetary allocation) for refund. Audit recommends that the SGST refund should be expedited, as non-refund is a violation of the Statute.

5.2.7.5 Non-payment of interest on delayed refunds

As per Section 56 of the NGST Act, 2017 if any amount to be refunded to the applicant is not refunded within 60 days from the date of receipt of application, interest at the rate not exceeding six *per cent* will be payable. Rule 94 of the NGST Rules, 2017 provides that an order for interest shall be made along with payment advice in Form GST RFD- 05, specifying therein the amount of refund which is delayed. In case of refund arising from an order passed by an Adjudicating Authority or Appellate Authority or Appellate Tribunal or Court, interest at a rate not exceeding nine *per cent* shall be payable.

Out of 34 refund cases examined (November 2020 to January 2021) under Pre-automation, delays in refunds were noticed in 24 cases, involving a total interest of ₹0.21 lakh¹⁴, ranging from 04 days to 369 days (*Appendix 5.2.5*) with respect to issuance of the refund orders in RFD-05. The delay ranges are shown in **Table 5.2.1**.

Table 5.2.1 Delay in refunds

Sl. No.	Delay Range (in Months)	No of Refund cases
1.	Upto three months	5
2.	Three to six months	6
3.	Above six months	13
Total		24

Source: Departmental records

Though the Department was liable to pay interest at the rate of six *per cent* to the taxpayers along with the refund amount, it was noticed that the Department did not sanction interest on delayed payments.

Audit pointed this out to the Department in March 2021, the Department (August 2021) stated that the interest on delayed refunds had arisen due to non-automation of the refund process and non-placement (Budget allocation) of fund.

Out of 27 refund cases examined (November 2020 to January 2021) under Post-automation, delays in refunds were noticed in three cases involving a total interest of ₹0.69 lakh ranging from 12 days to 216 days (*Appendix 5.2.6*) in respect to

¹³ IGST-M/s Aditi Solar Pvt. Ltd. (ARN. AA130719000022W & AA130719000003W) & CGST-M/s Z.C. Marketing (AA130619000006S)

¹⁴ Delay for sanction of refund is to be calculated from the date of acknowledgement till the date of order in Form GST RFD-06 in absence of the credit's information of refund amount in the bank account of the taxpayer

issue of refund order in FORM RDF-05. Though the Department was liable to pay interest at the rate of 6 *per cent* to the dealers along with the refund amount, it was noticed that the Department did not sanction interest of ₹0.69 lakh on delayed payments.

Audit pointed this out to the Department in March 2021, the Department (August 2021) stated that processing of the refund applications were delayed because the ARN was not reflected in the task list of the jurisdictional authority due to technical glitches. However, the Department's reply was silent on the reasons as to why the Department did not pay interest on the delayed payment of refunds.

5.2.7.6 Non production of records

As per section 54 (4) of the NGST Act, 2017, the Refund application shall be accompanied by (a) such documentary evidence as may be prescribed to establish that a refund is due to the applicant; and (b) such documentary or other evidence (including the documents referred to in Section 33) as the applicant may furnish to establish that the amount of tax and interest, if any, paid on such tax or any other amount paid in relation to which such refund is claimed was collected from, or paid by, him and the incidence of such tax and interest had not been passed on to any other person.

Out of 34 cases selected for scrutiny (November 2020 to January 2021) under Pre-automation, the Department did not furnish any documents in support of eight refund cases under the jurisdiction of the Divisional Officers (*Appendix 5.2.7*).

Audit pointed this out to the Department in March 2021, the Department (August 2021) stated that matter would be intimated to audit in due course of time.

5.2.7.7 Abnormal delay in communicating refund orders to counterpart tax authority

Refund order¹⁵ issued either by Central Tax Authority or State/ 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 the time line specified under Section 54 (7) and Rule 91 (2) of NGST Act and Rules respectively for sanction of refund orders.

While verifying the records (November 2020 to January 2021) of transmission of refund sanction orders communicated by the State tax authority to counterpart Commissionerate during financial year (FY) 2017-18 to 2019-20 (25 September 2019). 20 refund orders involving ₹17.11 lakh were forwarded with a delay ranging from 22 to 317 days (*Appendix 5.2.8*) which is shown in **Table 5.2.2**.

¹⁵ Circular No. 24/24/2017 GST dated 21 December 2017

Table 5.2.2 Delay in refund to counterpart tax authority

Sl. No.	Delay Range (in Months)	No. of Refund Cases
1.	Upto one month	5
2.	One to six months	14
3.	Above six months	1
Total		20

Source: Departmental records

Thus, the Department did not adhere to the prescribed timelines. Further, despite delay in refund of sanctioned amount, interest of ₹0.34 lakh as admissible under Section 56 of NGST Act, 2017 was not paid to the claimants.

The Department accepted (August 2021) the audit findings and assured that all refund orders were now being issued within the prescribed timelines.

5.2.7.8 Other Findings

5.2.7.8.1 Irregular refund of IGST under Pre-automation

Any amount, which remains unutilised in ECL, after discharge of tax dues and other dues payable under NGST Act and Rules, 2017 made thereunder, can be refunded to the registered person as excess balance in ECL in accordance with the proviso to sub-section (1) of Section 54, read with sub-section (6) of Section 49 of NGST Act, 2017.

As per Section 61 (1) of the NGST Act, 2017, the PO may scrutinize the return and related particulars furnished by the registered person to verify the correctness of the return and inform him of the discrepancies noticed, if any, in such manner as may be prescribed and seek his explanation thereto.

M/s Aditi Solar Pvt. Ltd. (GSTIN 13AAICA7380A1Z2) filed application for refund of ₹10.20 lakh as excess balance in ECL¹⁶ (01 July 2019) supported with ECL, FORM GSTR-2A and other necessary declaration, etc. The application was processed and sanctioned by the ST (03 September 2019) on the basis of documents furnished by the firm. The amount claimed by the firm as excess credit was credited to the ECL as TDS on IGST by three firms during February to March 2019 (February- ₹2.90 lakh by GSTIN 13SHLD04061B1DU, ₹5.06 lakh by 16SHLT00616A1D0 and March-₹2.22 lakh by 16SHLT00616A1D0). As per the TDS and TCS credit statement for the month of February 2019 and March 2019, the total taxable value of the taxpayer was ₹5.10 crore whereas this taxable value was not declared in the corresponding GSTR-3B returns for February 2019 and March 2019. Thus, there is a suspected suppression of turnover of ₹5.10 crore by the firm with tax implication of ₹61.20 lakh.

Audit pointed this out to the Department in December 2021, the Department stated (August 2021) that the PO had been asked to report the reasons for non-declaration of transactions in GSTR-3B during the relevant tax periods.

¹⁶ ARN-AA130719000022W

5.2.7.8.2 Irregular refund of ECL under Post-automation

Any amount, which remains unutilised in ECL, after discharge of tax dues and other dues payable under NGST Act and rules made thereunder, can be refunded to the registered person as excess balance in ECL in accordance with the proviso to sub-section (1) of Section 54, read with sub-section (6) of Section 49 of NGST Act.

As per Section 61 (1) of the NGST Act, 2017, the PO may scrutinise the return and related particulars furnished by the registered person to verify the correctness of the return and inform him of the discrepancies noticed, if any, in such manner as may be prescribed and seek his explanation thereto.

Three¹⁷ firms filed refund applications of ₹77.39 lakh as excess balance in ECL vide four ARNs. The applications were processed and sanctioned by the STs on the basis of refund applications filed by the three firms. Audit pointed out to the Department in December 2020 that the amount claimed by the firm as excess credit was credited to the ECL of the three firms as TDS on CGST/ SGST/ IGST. The details of refund claimed on account of excess balance in ECL, TDS deducted as per FORM GSTR-7/ GSTR-7A and taxable amount declared in FORM GSTR-3B by the taxpayers are shown in **Table 5.2.3**.

Table 5.2.3: Irregular refund under Post-automation

(₹ in lakh)					
Name of Firm	ARN	Form reference	TDS deducted	Taxable Amount	Total Tax (CGST/ SGST)
M/s T. Tachu & Co.	AA1309190004866	GSTR 7/ GSTR 7A (TDS)	17.04	760.81	91.30
M/s Coal Mines Associated Traders Pvt. Ltd.	AA1302200005843		13.70	611.56	73.39
	AA131119000027X		44.41	1,982.46	237.90
M/s Ren kik EZJ & Co.	AA131019000168R		2.24	100.40	12.05
Sub-Total (A)			77.39	3,455.23	414.64
M/s T. Tachu & Co.	AA1309190004866	GSTR 3B		0.00	0.00
M/s Coal Mines Associated Traders Pvt. Ltd	AA1302200005843			504.70	60.56
	AA131119000027X			375.00	45.00
M/s Ren kik E.Z.J. & Co.	AA131019000168R			0.006	0.0007
Sub-Total (B)				879.71	105.56
Evasion of Tax (A - B)				2,575.54	309.06

Source: Departmental records

As can be seen from the table above, though the three firms were supposed to disclose the transactions in the Monthly Return (GSTR-3B) and pay the tax liability of ₹4.15 crore as CGST & SGST, the three firm had declared taxable amount of ₹8.80 crore against the total taxable turnover of ₹34.55 crore. This has resulted in suppression of taxable turnover of ₹25.76 crore by the three firms leading to evasion of ₹3.10 crore (*Appendix 5.2.9*).

¹⁷ M/s T. Tachu & Co., M/s Coalmines Associated Traders Pvt. Ltd. and M/s REN KIK E.Z.J & Co.

- In reply, the Department stated (August 2021) that M/s T. Tachu & Co applied for refund of ₹17.04 lakh on 27 September 2019, which was a works contract-related TDS credit (IGST) filed by the Office of the Chief Engineer, Guwahati. The firm claimed refund on the grounds that this payment pertained to works executed in VAT era, *i.e.* before 01 July 2017 and the concerned Department (O/o PWD NH Division-I on behalf of the Chief Engineer, Guwahati, Assam) had erroneously deducted five *per cent* VAT as well as two *per cent* IGST while making part-payment to the firm. The firm is yet to submit the documentary evidence of the payment. The final outcome of the case shall be intimated to Audit in due course of time.
- In reply, the Department (August 2021) stated that refund application of M/s Coal Mines Associated Traders Pvt. Ltd. (ARN -AA1302200005843) was correctly processed and sanctioned by the ST. The refund sanctioned amount of ₹13.70 lakh for September 2019 as excess balance in ECL was the TDS component deducted by the TDS authority. The PO further stated that taxable value declared in GSTR-3B by the firm was the actual contract value and the question of suppression of turnover leading to evasion of tax does not arise.

The Department's reply is not acceptable as the total taxable value of the firm was ₹6.12 crore as per the TDS statement of September 2019, arrived after deducting of the tax component of ₹73.39 lakh. However, the firm declared only ₹5.05 crore in the monthly return of September 2019. Therefore, there is a suppression of turnover of ₹1.07 crore.

- In reply, the Department (August 2021) stated that the refund application of M/s Coal Mines Associated Traders Pvt. Ltd. (ARN - AA131119000027X) was correctly processed and sanctioned by the PO. The refund sanctioned amount of ₹44.41 lakh as excess balance in ECL was the TDS component deducted by the TDS authority. The taxable value declared in GSTR-3B by the firm was the actual contract value. Therefore, the question of suppression of turnover leading to evasion of tax does not arise.

The Department's reply is not acceptable as the total taxable value of the firm was ₹19.82 crore as per TDS statement of April, May & June 2019 arrived after deducting the tax component of ₹2.38 crore. However, the firm declared a turnover of only ₹3.75 crore in the monthly returns of April, May & June 2019. Therefore, there is a suppression of turnover of ₹16.07 crore.

- In reply, the Department (August 2021) stated that notice was issued to the firm, M/s Ren kik EZJ & Co. for payment of tax and accordingly, the firm had paid the tax of ₹15.74 lakh (including interest of ₹2.25 lakh).

Objective 3- Whether effective internal control mechanism exists to check the performance of the Departmental officials in disposing off the refund applications.

5.2.7.9 Effectiveness of internal control

Proper monitoring and evaluation systems are essential for the successful implementation of any Act or Programme. NGST/ CGST/ IGST Acts and Rules and the various notifications issued by the respective Boards/ Authorities contains relevant provisions governing the refund matters including the mechanisms for proper monitoring of the processes by concerned Departmental officers.

Examination of records (November 2020 to January 2021) revealed that no proper registers/files were maintained at the level of PO or at the Divisional level to capture the full details of refund claims, though the refund application were to be indexed and processed as per seniority, especially in case of pre-automation cases. Further, no periodic reports were sent to the Commissionerate by the STs or Divisions and there was lack of monitoring by the higher officers. This has led to non-availability of records with the STs/ Divisions and delays in sanctioning refund cases and communicating sanction of refunds to counter-part central office, *etc.* as mentioned in above paragraphs.

5.2.8 Conclusion

Audit noticed certain cases where the Department did not adhere to the prescribed timelines leading to instances of delay in issuing of refund orders and communicating refund orders to counterpart tax authority. Further, lack of proper scrutiny of refund claims by the jurisdictional officers led to irregular allowance of refund in certain cases.

In addition, systematic issues such as deficiency in record keeping at the level of Proper Officers/ Divisions to capture the full details of refund claims were noticed. Periodic reports were not forwarded to the Commissioner by the Proper Officers (POs) resulting in lack of effective monitoring.

5.2.9 Recommendations

- i. The Department should ensure that Refund applications are supported by documents and processed in a timely manner as delay in processing of refund entail interest liability.*
- ii. Periodic reports may be forwarded to the Commissioner in a timely manner and monitoring of refund cases may be strengthened.*

Compliance Audit Paragraphs

FINANCE (TAXATION) DEPARTMENT

5.3 Evasion of Nagaland Value Added Tax

Twenty one dealers evaded Nagaland Value Added Tax of ₹4.59 crore by utilising invalid/ obsolete C Forms. In addition, an amount of ₹7.90 crore is also payable by them as penal interest.

Section 28 of the Nagaland Value Added Tax (NVAT) Act, 2005 stipulates that every dealer registered under the Act shall furnish Annual Returns containing information in respect of gross purchases including exemption, non-taxable purchases, gross sales including export sales, interstate sales and consignment transfers, total tax due including interest and penalty less tax credit during the assessment year and tax payable and paid.

Section 8 of the Central Sales Tax (CST) Act, 1956 provides for inter-State sales of goods to registered dealers supported by valid declaration in 'Form-C' as taxable at the concessional rate of two *per cent*. As per Rule 12 (7) of the CST (Registration and Turnover) Rules, 1957, the declaration in Form C or Form F or the certificate in Form E-I or Form E-II shall be furnished to the prescribed authority within three months after the end of the period to which the declaration or the certificate relates. Provided that if the prescribed authority is satisfied that the person concerned was prevented by sufficient cause from furnishing such declaration or certificate within the aforesaid time, that authority may allow such declaration or certificate to be furnished within such further time as that authority may permit.

Rule 4(12) of CST (Nagaland) Rules states that when a notification declaring Forms of Declaration of a particular series, design or colour to be obsolete and invalid is published, all registered dealers shall, on or before the date with effect from which the Forms are so declared obsolete and invalid, surrender to the Superintendent of Taxes all unused Forms of that series, design or colour which may be in their possession and obtain in exchange such new Forms as may be substituted for the forms declared obsolete and invalid. Provided that new Forms shall not be issued to a dealer until he has rendered a satisfactory account of the Old Forms issued to him and returned the unused ones if any, to the said authority.

The Commissioner of Taxes (CT), GoN in April 2013 intimated¹⁸ the CTs of all States that offline issuance of Form-C to the dealers shall continue in conjunction with the online issuance till 31 August 2013. However, offline forms issued up to August 2013 shall remain valid for use upto 30 September 2013 and unutilised forms shall stand obsolete and invalid with effect from 01 October 2013.

During audit of units under Commissioner of Commercial Taxes, Assam, it was noticed that 12 dealers from five ACTs-Guwahati (Ward A, B & D, Jorhat and Dhubri) had claimed concessional rate of tax on the basis of 52 'C Forms' which had been declared obsolete by CT, GoN. These C Forms were submitted by 21 dealers

¹⁸ Notification No. CT/Leg/CR/128/2006 dated 01 April 2013

registered in Nagaland. Since, the onus of submission of genuine statutory forms is with the purchasing dealer¹⁹, the matter was cross examined by audit. Scrutiny (April to May 2022) revealed the following observations:

- (i) Out of 52 declaration forms, 49 forms were issued by the Superintendents of Taxes (STs) of 10 wards under Dimapur, Kohima and Mokokchung Divisions to 20 dealers (***Appendix 5.3.1***) for purchasing goods at concessional rate from Assam, when the issue of manual C Forms was in force. However, examination of records revealed that these dealers had purchased goods valued at ₹57.47 crore at concessional rate after the forms had become obsolete.

Examination of assessment records of these 20 dealers in Nagaland revealed that Utilisation Certificates (UCs) against these 49 C Forms were neither submitted by them nor declared in Returns filed under Section 28 of NVAT Act, which led to evasion of VAT amounting to ₹4.59 crore²⁰ by these dealers as shown in the ***Appendix 5.3.1***. Further, due to lack of internal controls in the Department, the AAs also failed to notice non-submission of the UCs. The dealers are also liable to pay interest at two *per cent* per month from the date of utilisation till the date of payment of tax amounting to ₹7.90 crore (interest calculated up to April 2022). In addition, the dealers are liable to be penalised under Section 10 of the CST Act, 1956.

- (ii) Three declaration forms bearing series 0JBB²¹ were found utilised by M/s R.S Traders. However, registration of the said dealer was found cancelled (29 September 2012) prior to the issue of the declaration forms and as per the departmental records, no such forms were found to be issued to him. The matter needs to be investigated and appropriate action should be taken.

This indicates that no monitoring system either existed in the Department or the AAs failed to monitor the issue and utilisation of C Forms required as per extant rules. Thus, the AAs failure in ensuring submission of UCs or return of unused forms which had been declared obsolete and invalid, had resulted in evasion of NVAT of ₹4.59 crore by 21 dealers. In addition to this, the dealers are also liable to pay ₹7.90 crore as penal interest. Since no assessment is possible as per Section 38 of NVAT Act after the expiry of five years as these cases relate to the period from 2013-14 to 2016-17, the Department lost the opportunity to realise the amount of ₹12.49 crore²² resulting in a loss to the Government.

In reply, the Department confirmed (May 2022) that all the 21 dealers had neither submitted the UCs nor declared the interstate purchases done with these forms in their returns. In respect of three C forms under 0JBB series, the Department stated that these forms were not issued by the Department. Further, the Department submitted

¹⁹ As per judgment of Hon'ble Supreme Court order on *The State Of Madras vs M/S. Radio and Electricals Ltd.* (19 April, 1966)

²⁰ Calculated at the applicable rate in force during the time of import/ purchase under NVAT Act.

²¹ 0JBB060396 dated 13-12-2013, 0JBB060397 dated 13-12-2013, 0JBB060398 dated 13-12-2013

²² ₹4.59 crore+ ₹7.90 crore

that, as per Section 38 of the NVAT Act, it is constrained to initiate fresh proceedings of any case after the limitation period of five years.

The reply of the Department is an admission of the audit findings and confirms that the Department had no system to check the return of the obsolete offline forms to prevent their misuse. The Department may take necessary steps to fix the responsibility upon the officers concerned for causing loss of revenue to Government.

Recommendation: *The Government may instruct the Department to realise the amount in above cases and action may be initiated against the officials whose negligence led to short realisation of revenue.*

FINANCE DEPARTMENT (TAXATION)

5.4 Evasion of tax

Three Dealers defaulted in payment of tax amounting to ₹2.23 crore and are also liable to pay interest of ₹1.62 crore.

As per Rule 49 (1) of NVAT Rules, 2005, the tax liability shall be deemed to have been discharged only if the amount payable is credited to the account of the State Government by the due date. Further, as per sub rule (2), if the dealer fails to pay the amount of tax by the due date, he shall be liable to pay the outstanding amount along with an interest at the rate of two *per cent* per month or parts of a month proportionately computed, starting with the first day following the due date till the date of actual payment.

Sub-section (6) of Section 42 of NVAT Act, 2005, further stated that the amount that remains unpaid after the due date of payment in pursuance of the notice issued under sub-section (4) and sub-section (5) shall be recoverable as a Public Demand under the Bengal Public Demand Recovery Act, 1913.

Compliance Audit on the accounts of the Deputy Commissioner of Taxes (DCT), Kohima for the period from April 2017 to December 2020 was conducted between October 2020 and February 2021. Examination of records revealed that 226 out of 986 dealers were assessed by the Assessing Authorities (AAs) for the assessment year 2015-16 to 2017-18.

Scrutiny (February 2021) of assessment records revealed that three dealers had defaulted in payment of tax of ₹2.23 crore for tax period 2015-16, 2016-17 and 2017-18. The AAs had served a demand notice under Sections 35, 36, 37 and 39 of the NVAT Act, 2005 on three dealers for defaulting in payment of assessed tax for the tax period 2015-16, 2016-17 and 2017-18 as shown in **Table 5.4.1**:

Table 5.4.1: Details showing demand notice served to tax defaulters

(₹ in lakh)

Sl. No.	Name of the dealer	Year (Tax period)	Date of issue of demand notice	Tax due for payment	Interest at 2 per cent on tax due	No. of month	Total interest due	Total amount due
1	2	3	4	5	6 (5*2 per cent)	7	8 (6*7)	9 (5+8)
1.	M/s Nezone Power Systems, Kohima	2017-18	08-01-2018	106.81	2.14	29	61.95	168.75

Sl. No.	Name of the dealer	Year (Tax period)	Date of issue of demand notice	Tax due for payment	Interest at 2 per cent on tax due	No. of month	Total interest due	Total amount due
2.	M/s Noiz Tyres, Kohima	2015-16	19-06-2018	18.03	0.36	53	19.11	37.14
		2016-17	24-10-2018	55.41	1.11	41	45.43	100.84
3.	M/s Modern Pan Shop, Kohima	2016-17	10-01-2019	42.85	0.86	41	35.14	77.99
Total				223.10	4.47	--	161.63	384.72

Source: Departmental records

However, the DCT, Kohima failed to invoke the provisions of sub-sections (5) and (6) of Section 42 of NVAT Act, 2005 even after expiry of 29 to 53 months from the date of issue of the demand notice served on the dealers. Tax of ₹2.23 crore due for payment remained outstanding for long periods thereby leading to less revenue collection. The three dealers are also liable to pay interest of ₹1.62 crore on the outstanding tax due for payment.

In reply, the Department (September 2021) stated that the function of the State Taxes Department in tax administration is quasi-judicial in nature. All proceedings have to be initiated and processed in accordance with the provisions of the Acts and Rules. The Department requested to allow the adjudicating authorities to examine and adjudicate the case further.

The reply is not acceptable as the Department did not invoke and initiate proceedings in accordance with the provisions of the Acts and Rules on time. The AAs also did not issue demand notice under sub-section (6) of Section 42 of NVAT Act, 2005. Besides, no responsibilities were fixed on the AAs for their negligence to exercise due diligence of cross verifying the invoice details uploaded in the Tax-soft e-filing system.

The cases stand a risk of becoming time barred, hence the Government should take immediate steps to recover revenue and interest.

Recommendations: (i) *Due diligence may be exercised by the Assessing Authorities while assessing the self-assessed returns submitted by the dealers to avoid evasion of tax.*

(ii) *Time bound recovery of the Tax and penalty in these cases may be initiated and monitored at higher levels.*

FINANCE DEPARTMENT (TREASURIES & ACCOUNTS)

5.5 Avoidable procurement of stamp duty materials

Lack of planning and proper monitoring mechanism with regard to procurement and supply of stamp duty materials resulted in accumulation of ₹20.77 crore stamp duty material. No stock verification was conducted to confirm the actual physical availability of these materials.

Rule 210 of GFR 2017 states that the officer-in-charge of stores having custody of goods and materials, especially valuable and/ or combustible articles, shall take

appropriate steps for arranging their safe custody, proper storage accommodation, including arrangements for maintaining required temperature, dust free environment, etc.

Rule 214 further states that depending on the frequency of requirement and quantity thereof as well as the pattern of supply of a consumable material, optimum buffer stock should be determined by the competent authority.

Non-Judicial Stamp papers (NJS) are used in matters which concern transactional arrangement between parties, which are not judicial in nature, but used to make agreements, affidavits, lease, amendments in article, etc. Court fee stamps, on the other hand, are required by people who file cases in the court. Documents are notarised to prevent any kind of fraud document and impede someone from presenting a forged document. The stamp materials (non-judicial stamps, court fee stamps, notary stamps, etc.) are printed at the Government Security Press at Nasik and Hyderabad based on the indents received from the State Government. The cost of the printed stamp material is initially borne by the State Government. These printed stamp materials are then received by the State Government and sold to vendor/ public according to the face value to generate stamp duty of the State Government.

Scrutiny of records (March 2020) of the Principal Director, Treasuries and Accounts, Kohima revealed that Government of Nagaland sanctioned an amount of ₹4.38 crore for printing cost of non-postal stamps during 2014-15 to 2019-20. The Department paid the full amount through 14 cheques against printing of stamp duty materials from the Government Press' at Nasik and Hyderabad.

It was observed from records that stamp duty materials of face value ₹18.21 crore in different denominations were in stock (from April 2014). However, the Department continued to procure stamp duty materials on a year to year basis as shown in **Table 5.5.1**

Table 5.5.1: Details of procurement of stamp duty materials

(Amount in ₹)

Year	Opening balance	Receipt during the year	Sales during the year	Closing balance	Procurement cost of stamp duty incurred during the year
2014-15	18,21,08,534	2,14,00,000	1,52,15,400	18,82,93,134	81,61,966
2015-16	18,82,93,134	3,29,54,000	2,51,98,150	19,60,48,984	49,73,999
2016-17	19,60,48,984	2,09,05,000	2,12,99,890	19,56,54,094	58,46,034
2017-18	19,56,54,094	6,19,45,000	3,28,33,820	22,47,65,274	30,42,675
2018-19	22,47,65,274	37,04,000	2,31,25,990	20,53,43,284	40,78,493
2019-20	20,53,43,284	4,42,25,180	4,18,22,190	20,77,46,274	1,77,26,053
Total	18,51,33,180	15,94,95,440	15,94,95,440	--	4,38,29,220

Source: Departmental records

As can be seen from the table above, there was huge stock (₹18.21 crore) at the beginning of the year 2014-15 and the total outflow (₹15.95 crore) during the last six years (2014-20) was much less than the opening balance of stock (₹18.21 crore). The procurement of additional stamp duty materials of various denominations face valued at ₹18.51 crore during 2014-20 by the Department without stock verification

and assessment of actual requirement resulted in accumulation of huge stock of ₹20.77 crore (as of March 2020) besides incurring unnecessary procurement cost.

Joint verification (January 2020) of the Strong room in the office of the Kohima North Treasury revealed that the accumulated revenue papers, court fee stamps, NJS papers, etc. of different denominations were dumped haphazardly. As the stamp duty materials were not stocked properly and systematically, audit could not ascertain the actual position in spite of the efforts being made during the joint verification of the stock. The Senior Treasury Officer and Treasury Staff in charge of Strong room who are responsible for maintaining the stocks could not quantify the denomination-wise actual physical availability of the stamp duty materials in the Strong room. The lack of proper storage carries with it the risk of the valuable stamp duty material becoming unusable/ getting destroyed/ mutilated.

Therefore, lack of planning and proper monitoring mechanism in regard to procurement and supply of stamp duty materials resulted in accumulation of ₹ 20.77 crore stamp duty materials of various denominations.

The Department in reply (July and September 2021) stated that due to some communication gap, stamps were procured in excess, however, the system of procurement of stamps has now been rectified based on demand. The Department, while accepting accumulation of huge stock of stamps, stated that the almirahs in the Strong room are now been labelled properly and that the Department is trying to streamline the procurement process and therefore requested for an opportunity to rectify the lacunae in planning and monitoring mechanism.

The Department's reply of communication gap in procurement process, accumulation of huge stock and seeking for an opportunity to rectify the planning and monitoring mechanism is an acceptance of the audit findings.

- Recommendations:***
- (i) The Department may ensure the requirement of actual quantity by obtaining demands from the treasuries and after assessing the actual quantity available through regular physical verification of stock, before indent for printing of stamp duty materials.***
 - (ii) The State Government should assess and quantify the mutilated stocks and initiate steps to write off the damaged stamps.***
 - (iii) The Department should frame inventory management guidelines fixing stock limits such as minimum, maximum and re-ordering levels of various stamp duty materials, ensure proper storage of the usable stock and may adopt system like FIFO (First-In-First-Out).***

FINANCE DEPARTMENT (NAGALAND STATE LOTTERIES)

5.6 Loss of revenue due to non-renewal of license

Due to flaws in implementation of the Nagaland Prohibition of Gambling and Promotion and Regularisation of Online Games of Skill Rules, 2016, the State Lotteries sustained revenue loss of ₹ two crore. Royalty receivable by the State Government also remained un-assessed as the active licensees neither maintained the designated accounts nor the Department had any technical expertise to monitor and analyse the gross revenue of the licensees.

Rule 4 (1) of the Nagaland Prohibition of Gambling and Promotion and Regularisation of Online Games of Skill Rules, 2016 envisaged that for any entity to offer “games of skill” on their website, mobile platform, television or any other online media, and earn revenue from the same whether by means of advertising revenue or taking a percentage of winnings of gameplay or charging of fixed fee for membership or for downloading the game *etc.*, it shall be necessary for the entity to obtain a valid license for the games prescribed under **Schedule A** of the Nagaland Prohibition of Gambling and Promotion and Regularisation of Online Games of Skill Act, 2016.

Rule 4 (12) also states that a license issued under this Act shall be valid for a period of five years’ subject to compliance of prescribed conditions, and shall be deemed to have been renewed every year thereafter as long as the license fee has been duly paid by the license holder within the specified period, and the license has not been revoked as per the provisions of this Act. Rule 5 (5) also stated that if there is delay in payment of license fee, the said breach may be compounded by payment of penalty calculated at 12 *per cent* simple interest per annum.

Rule 10 (1) states that the licensee shall maintain a designated account known to the licensing authority for conduct of all financial transactions in connection with the conduct of ‘games of skill’ under license from the State Government. The gross revenues earned by the licensee shall be deposited only into the designated account to ensure transparency and control.

Further, Rule 11 (1) states that every licensee shall pay to the State Government (i) The annual license fee of ₹10 lakh per game per annum or ₹25 lakh for a bouquet of games per annum for the first three years, and ₹20 lakh per game per annum or ₹50 lakh for a bouquet of games per annum for the next two years. (ii) In addition, the licensee shall further be required to pay an amount of 0.50 *per cent* of the gross revenue generated (less Service Tax) as royalty to the State Government.

The main purpose and scope of organising the Nagaland State Lotteries is to earn additional revenue of the State for developmental activities²³.

²³ As envisages in Annexure to Lotteries (Regulation) Rules, 2010 (Sl. No. B) – Notified on 02 June 2010

Scrutiny (March 2020) of records for the period from October 2017 to February 2020 of the Director, Nagaland State Lotteries revealed the following:

- (i) The Director of Nagaland State Lotteries (Licensing Authority) issued license for conduct of online ‘games of skills’ to 12 firms during the period from December 2016 to December 2020. Out of the 12 firms, the license of two firms²⁴ were cancelled after payment of ₹35 lakh as license fee on grounds of violation/ non-compliance of the provisions and one firm²⁵ was suspended after payment of ₹10 lakh on grounds of non-fulfilment of the terms and conditions of the Rules. Though the license of two firms²⁶ were cancelled/ suspended, they were still liable to pay additional license fee of ₹60 lakh till their license were actually cancelled in 2019 and 2020 respectively. Further, out of nine live license holders, six firms neither renewed their license nor deposited Government royalty despite being active and operating (January 2021) online games of skill and defaulted in payment of ₹1.40 crore.

Therefore, the actual license fee receivable by the Government was ₹5.10 crore against which the State Lotteries received only ₹3.10 crore (December 2020). This resulted in loss of revenue to the tune of ₹two crore (**Appendix 5.6.1**) as license fee. It was also noticed that the Department issued show cause notices²⁷ to the defaulting license holders.

- (ii) Out of 12 firms, 10 firms were liable to pay a penalty of ₹31.80 lakh (**Appendix 5.6.2**) from the date of issue of the license to December 2020. However, only one firm (Tictok Skill Games Pvt. Ltd.) paid penalty of ₹6,575. This resulted in default in payment of ₹31.73 lakh as penalty.
- (iii) The Department received royalty of ₹1.86 crore (**Appendix 5.6.1**) for the period from the date of issue of the licence till December 2020 from eight firms. The State Government sustained revenue loss of royalty as the Director of State Lotteries in a written reply (December 2020) admitted that the Department did not possess technical expertise to monitor the activities of the firms and to analyse the licensee’s gross revenue from the online games payable to the State Government. It was observed that the firms neither submitted the designated accounts to the licensing authority nor the Department insisted for its submission

²⁴ M/s Club Empire Tech Pvt. Ltd. and Golden Skill Game Pvt. Ltd.

²⁵ WYZ Games India Pvt. Ltd.

²⁶ M/s Club Empire Tech Pvt. Ltd. (License issued on 15 December 2016) and WYZ Games India Pvt. Ltd. (License issued on 16 December 2016)

²⁷

Sl. No	Name of firm	Date of issue of show cause notice			Date of issue of reminder	
1.	M/s K365 Web Assets Pvt. Ltd.	18-03-2017	25-06-2019	29-01-2021	27-07-2020	
2.	M/s Club Empire Tech Pvt. Ltd.	18-03-2017	22-02-2018	22-05-2018	01-03-2019	
3.	WYZ Games India Pvt. Ltd.	18-03-2017	22-02-2018		16-03-2018	01-03-2019
4.	Quantum Skill Gaming & Tech Pvt. Ltd.	22-02-2018	29-01-2021			
5.	Baazi Networks Pvt. Ltd.				03-02-2021	
6.	Sachar Gaming Pvt. Ltd.	29-01-2021				
7.	Tictok Skill Games Pvt. Ltd.				03-02-2021	
8.	Golden Skill Game Pvt. Ltd.	18-06-2019				

in accordance with Rule 10 of the Act. Therefore, the actual gross revenue generated by the active firms from the online games and the royalty at the prescribed rate of 0.50 *per cent* in terms of Rule 11 (ii) receivable by the State Government remained unassessed and unrealised.

Thus, the main purpose of running State Lotteries to earn additional revenue of the State for developmental activities was not met. Moreover, the firms were running the online games without renewing their licenses, hence, running their operation illegally. The State Government did not initiate any legal steps in any Court of Law against the firms for running illegal online games and stop the operation.

The Government stated (September 2021) that there is no legal compulsion for a firm hosting online games of skill to obtain a license, much less seek renewal of their license to be able to host online games of skill. There are already numerous firms hosting games on the internet without any restrictions. Thus, the decision to obtain a license from the GoN to host online games of skill is purely by choice of the licensee for their own personal reasons.

The reply is not acceptable as every firm has to obtain license for the games prescribed under **Schedule A** of the Act *ibid*. These firms are registered in India and would be filing returns as per law. The Department made no efforts to find the revenue attributable to registered gamers from Nagaland of these firms and verify the royalty. The reply of the Government contradicts the principles and purpose of enacting the Act and also undermined the executive control of the Legislative Assembly. Moreover, the Government's reply that there is no legal compulsion for a firm hosting online games of skill to obtain a license contradicts the fact that the Department had issued show cause notices to the defaulting licensees.

Recommendations: *The State Government may-*

- (i) *take legal steps in any Court of Law to stop the illegal operation of online games without renewing the licences.*
- (ii) *ensure that the licensees maintain designated accounts to resist the drainage of State revenue.*
- (iii) *recover the licence fee and penalty from defaulting license holders.*
- (iv) *also ensure that the Department utilises the latest technology and technical expertise to analyse the gross revenue of the licensees earned from the online games of skill.*

MOTOR VEHICLES DEPARTMENT

5.7 Default in payment of Motor Vehicles Taxes

The Motor Vehicles Department failed to invoke the provisions of Nagaland Motor Vehicles Taxation Act, 1967 and Nagaland Passengers and Goods Taxation Act, 1967 to recover the outstanding motor vehicles tax from vehicle owners resulting in shortfall of tax collection to the tune of ₹9.37 crore.

The Public Accounts Committee (PAC) has recommended²⁸ the Motor Vehicles Department to take action against the defaulting vehicle owners as pointed out in the C&AG Audit Report²⁹ for the year ended 31 March 2016 wherein it was mentioned that 36,040 goods/ passenger vehicles defaulted in payment of goods and passenger tax amounting to ₹5.64 crore and 45,631 vehicles defaulted in payment of road tax to the tune of ₹17.25 crore.

Despite the recommendation made by the PAC, it is observed during the scrutiny (September 2021) of VAHAN portal³⁰ in respect of the State of Nagaland that out of 1,33,377 vehicles³¹ registered under eight Regional/ District Transport Offices³² during 2016-21, 12,050 vehicles defaulted³³ in payment of Motor Vehicle Tax and Goods/ Passengers Tax.

The default in payment of Motor Vehicle Tax, Goods Tax and Passenger Tax by 12,050 vehicles³⁴ registered during the last five years amounted to ₹9.37 crore as on 31 March 2021, as shown in **Table 5.7.1**.

Table 5.7.1: Tax payable by vehicles

(Amount in ₹)

Period	MV Tax		Goods Tax		Passenger Tax		Total Tax due for payment
	Tax payable	Vehicle Count	Tax payable	Vehicle Count	Tax payable	Vehicle Count	
2016-2021	7,13,79,076	11,457	1,88,30,120	6,670	34,49,435	2,110	9,36,58,631
Total	7,13,79,076	11,457	1,88,30,120	6,670	34,49,435	2,110	9,36,58,631

Source: VAHAN Report Portal, MoRTH

As seen from the table above, an amount of ₹9.37 crore was due for collection at the prescribed rate³⁵ as given in *Appendices 5.7.1 and 5.7.2*. Details of the Transport office-wise defaulting vehicles are given in *Appendix 5.7.3*.

²⁸ 124 Report of the PAC (2020-21), adopted by the committee on 16 December 2020

²⁹ Paragraph 4.3.14.1 of C&AG's Audit Report for the year ended 31 March 2016

³⁰ VAHAN is an application developed by NIC Headquarters, Delhi for registration of vehicles and collection of road tax, issues various certificates and permits and record fitness of vehicles by the Regional Transport Authority (RTA) or Regional Transport Officer (RTO). VAHAN software *inter alia* is designed to generate list of defaulters for non-payment of motor vehicle tax and penalty, if any, levied

³¹ 64,408 Non-transport vehicles and 68,969 Transport vehicles

³² (i) DTO, Tuensang (NL-3); (ii) DTO, Mon (NL-4); (iii) DTO, Wokha (NL-5); (iv) DTO, Zunheboto (NL-6); (v) DTO, Dimapur (NL-7); (vi) DTO, Phek (NL-8); (vii) RTO, Kohima (NL-1); and (viii) RTO, Mokokchung (NL-2);

³³ Analysis of the data extracted from the portal and re-validation of the data received from Centre for Data Management and Analytics (CDMA), C&AG office

³⁴ Validated after excluding repeat vehicle count which had defaulted in payment of both MV tax and Goods/ Passenger tax

This indicates that the Department failed to take action on the PAC Recommendations and also indicates that there is no mechanism in place to safeguard the State's Own Tax Revenue.

The Department replied (October 2021) that there has been sharp decline on the tax defaulting amount due to efforts made by the Department through its enforcement agencies towards enabling vehicle owners to clear the dues. Furthermore, the Department stated that there are many instances where vehicles that are no longer used are neither reported nor their documents updated resulting in accumulation of data of default in payment of taxes, fees, etc. The Department also assured that the default in payment of mandatory taxes shall be pursued more vigorously and addressed in accordance to the provisions of the Acts and Rules.

The Department replies are not acceptable as the assurance made by the Department on the issues raised in the C&AG's Audit Report for the year ended 31 March 2016 and to the PAC was not complied. The Department also did not utilise the software facility meaningfully to identify the tax defaulting vehicle owners and initiated timely action to realise the outstanding tax. Due to inaction of the Department in recovery of the tax due, the vehicle owners defaulted in payment of mandatory tax of ₹9.37 crore during April 2016 to March 2021.

Recommendation: The Department should make effective use of the VAHAN software for detection of tax defaulters and invoke the relevant provisions of the Acts/ rules and recover the tax dues from the defaulting vehicle owners.

³⁵ Schedule under Section 3 of Nagaland Passengers & Goods Taxation (Amendment) Act, 2000 and Section IV and V of Nagaland Motor Vehicle Taxation (Amendment) Act 1999

CHAPTER-VI
ECONOMIC SECTOR
(PUBLIC SECTOR UNDERTAKINGS)

CHAPTER VI

ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)

6.1.1 Introduction

As of 31 March 2020, there were six Public Sector Undertakings (PSUs)¹ in Nagaland as shown in **Table 6.1.1**.

Table 6.1.1: Total number of PSUs as on 31 March 2020

Type of PSUs	Working PSUs	Non-working PSUs	Total
Government Companies ²	5	1	6
Statutory Corporations	Nil	Nil	Nil
Total	5	1	6

Source: Information as provided by PSUs

None of these companies are listed on the stock exchange which means that the 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.

6.1.2 Investment in PSUs

The investment in PSUs included the investments made by the State Government and Others (including the Central Government, Holding companies, Banks, Financial Institutions, etc.). The State Government's stake in these PSUs, is mainly of three types:

- **Share Capital and Loans:** In addition to the share capital contribution, State Government also provides financial assistance by way of loans to the PSUs from time to time.
- **Special Financial Support:** State Government provides budgetary support by way of grants and subsidies to the PSUs as and when required.
- **Guarantees:** State Government also guarantees the repayment of loans with interest availed by the PSUs from Financial Institutions.

As on 31 March 2020, total investment of the State Government and Others (capital, and long-term loans) in six PSUs was ₹118.57 crore³ as per details shown in **Table 6.1.2**.

Table 6.1.2: Details of total investment in six PSUs as on 31 March 2020

Particulars	Equity Capital	Long term Loans	Total
State Government	34.34	0.81	35.15
Others*	7.92	75.5	83.42
Total	42.26	76.31	118.57

Source: Information as provided by PSUs

*Others included Central Government, holding companies, banks/FIs, etc.

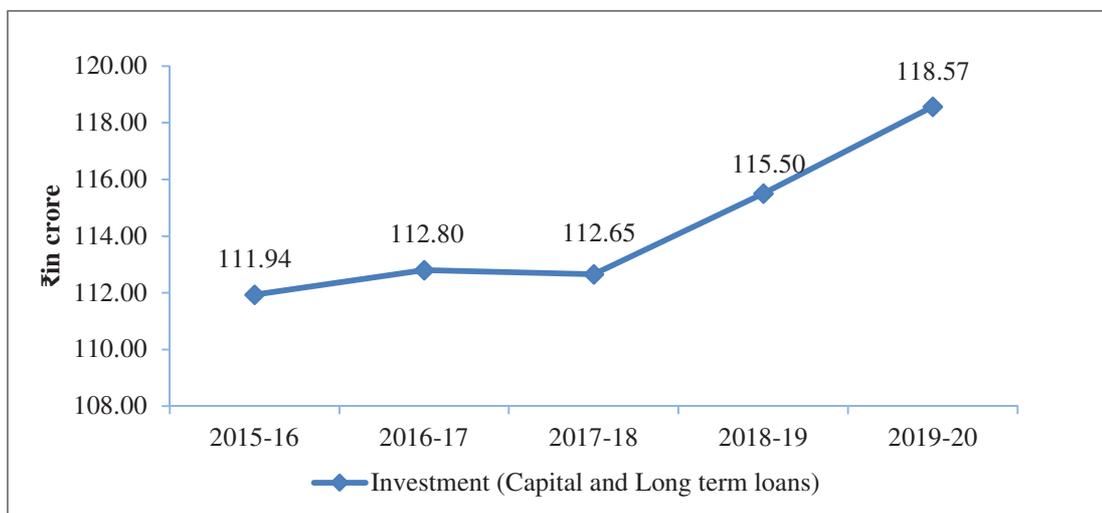
¹ All Government Companies

² Government Companies include 'Other companies' referred to in Section 139(5) and 139(7) of the Companies Act 2013

³ Investment figures are provisional and as per the information provided by the PSUs, as none of the six PSUs has finalised accounts for 2019-20 as of September 2020

The total investment consisted of 35.64 *per cent* towards capital and 64.36 *per cent* in long-term loans. The investment grew by 5.92 *per cent* from ₹111.94 crore in 2015-16 to ₹118.57 crore in 2019-20 as shown in **Chart 6.1.1** below:

Chart 6.1.1: Total investment in PSUs



Source: Information as provided by PSUs

The thrust of investment during five years was in Finance sector as discussed in detail below:

6.1.2.1 Sector-wise investment in PSUs

The total investment by the State Government and Others (Central Government, Holding companies, Banks, Financial Institutions, etc.) in various important sectors at the end of 31 March 2016 and 31 March 2020 is shown in **Table 6.1.3**.

Table 6.1.3: Sector-wise investment in PSUs as on 31 March 2020

(₹ in crore)

Name of Sector	Year of investment	
	2015-16	2019-20
Finance	70.60	77.57
Manufacturing	10.68	10.68
Service	10.49	10.97
Miscellaneous	20.19	19.35
Total	111.96	118.57

Source: Information as provided by PSUs

As can be seen from the **Table 6.1.3** above, the thrust of PSU investment during 2015-16 and 2019-20 was in Finance sector⁴, which had increased by 9.87 *per cent* from ₹70.60 crore (2015-16) to ₹77.57 crore (2019-20). However, the share of this Sector in overall investment remained constant at around 63 *per cent* during 2015-16 (63.06 *per cent*) and 65 *per cent* during 2019-20 (65.42 *per cent*).

⁴ Finance Sector included only one PSU (Nagaland Industrial Development Corporation Limited)

6.1.3 Reconciliation with Finance Accounts

The figures in respect of equity, loans and guarantees outstanding as per the records of PSUs should agree with the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the Finance Department and the PSUs concerned should carry out reconciliation of differences. The position in this regard as of 31 March 2020 is shown in **Table 6.1.4**.

Table 6.1.4: Variation between Finance Accounts and records of PSUs

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs ⁵	Difference
Equity	109.75	34.34	75.41
Loans ⁶	0.48	0.81	0.33
Guarantees	59.03	18.41	40.62

Source: As per the State Finance Accounts, 2019-20 and information furnished by PSUs

From the **Table 6.1.4** above, it can be noticed that there were unreconciled differences in the figures of equity (₹75.41 crore), and guarantees (₹40.62 crore) as per two sets of records. The differences for equity occurred in respect of all the PSUs while differences for guarantee relate to three PSUs⁷. As regards Loan figures, the Finance Department of GoN disburses the loans to various Departments of GoN for different sectoral activities and booked the amount sector-wise in the Finance Accounts. In turn, the Departments disburse these loans to respective PSUs functioning under their administrative control. Hence, figures of State Government loans provided to PSUs are not available in the State Finance Accounts.

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

The Government and the PSUs concerned may take concrete steps to reconcile the differences and account for the loans given by Departments to their PSUs in a time-bound manner.

6.1.4 Accountability framework

The audit of the financial statements of a Company in respect of financial years commencing on or after 01 April 2014 is governed by the provisions of the Companies Act, 2013 and audit of the financial statements in respect of financial years that commenced earlier than 01 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.

⁵ Information as provided by PSUs and includes only the investment made by State Government

⁶ In the State Finance Accounts, 2019-20, the loan figures appear sector-wise and not PSU-wise, hence, the figures of State Government loans provided to PSUs are not available in Finance Accounts

⁷ Serial no. A1, A4 and B6 of **Appendix 6.1.2**

6.1.4.1 Statutory Audit/ Supplementary Audit

Statutory Auditors appointed by the C&AG audit the financial statements of a Government Company. In addition, C&AG conducts the supplementary audit of these financial statements under the provisions of Section 143(6) of the Act.

6.1.4.2 Role of Government and Legislature

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

The State Legislature also monitors the accounting and utilisation of Government investment in the PSUs. For this purpose, the Annual Reports of State Government Companies together with the Statutory Auditors' Reports and comments of the C&AG thereon are required to be placed before the Legislature under Section 394 of the Act.

6.1.5 Arrears in finalisation of accounts

The financial statements of the companies are required to be finalised within six months after the end of the financial year *i.e.* by 30 September in accordance with the provisions of Section 96(1) of the Act. Failure to do so may attract penal provisions under Section 99 of the Act. As per the Act, the SPSU and every officer of the SPSU who is at default shall be punishable with fine which may extend up to ₹one lakh and in the case of a continuing default, with a further fine which may extend upto ₹5,000 for every day during which such default continues.

Moreover, 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 going undetected apart from violation of the provision of the Companies Act, 2013.

Table 6.1.5 below provides the details of progress made by the five working PSUs⁸ in finalisation of their annual accounts as on 30 September 2020.

Table 6.1.5: 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	5	5	5	5	5
2.	Number of accounts finalised during the year	2	3	6	8	2
3.	Number of accounts in arrears	20	22	21	18	21
4.	Number of Working PSUs with arrears in accounts	5	5	5	5	5
5.	Extent of arrears (numbers in years)	1 to 6	1 to 7	1 to 8	1 to 9	1 to 10

Source: Department records

⁸ As on 30 September 2020, three PSUs finalised accounts upto 2017-18 (*Nagaland Industrial Development Corporation Limited; Nagaland State Mineral Development Corporation Limited & Nagaland Industrial Raw Materials Supply Corporation Limited*); one PSU finalised accounts upto 2014-15 (*Nagaland Hotels Limited*) and one PSU finalised accounts upto 2009-10 (*Nagaland Handloom & Handicrafts Development Corporation Limited*)

As can be seen from the **Table 6.1.5** above, the situation has improved gradually after 2016-17 due to increase in the number of accounts finalised by the PSUs during subsequent years. During 2019-20⁹, two PSUs¹⁰ finalised two accounts, while the remaining one PSU (Nagaland Handloom & Handicrafts Development Corporation Limited) had not finalised any Annual Accounts after 2013-14.

The administrative departments, which have the responsibility to oversee the activities of the PSUs, have to ensure that the PSUs finalise and adopt their accounts within the stipulated period. The Principal Accountant General (Audit), Nagaland had been regularly pursuing the issue with the Chief Secretary of Nagaland and the administrative departments concerned for liquidating the arrears of accounts of PSUs. However, the State Government and the PSUs concerned could not address the issue to clear pendency of accounts of the PSUs in a time bound manner.

6.1.6 Investment by State Government in PSUs whose accounts are in arrears

The State Government had invested ₹5.12 crore in three PSUs {equity: ₹1.27 crore (two PSUs) and loan: ₹7.26 crore (one PSU)} during the years for which accounts were not finalised as detailed in **Appendix 6.1.1**. In the absence of finalisation of accounts and their subsequent audit, it could not be ensured whether the investments and expenditure incurred were properly accounted for and the purpose for which the amount was invested was achieved.

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

6.1.7 Special support and guarantees to PSUs during the year

State Government provides financial support to PSUs in various forms through annual budgetary allocations. The details of budgetary outgo towards equity, loans and grants/subsidies in respect of PSUs for three years ended 2019-20 are shown in **Table 6.1.6**.

Table 6.1.6: Details of budgetary support to PSUs

Sl. No.	Particulars	(₹ in crore)					
		2017-18		2018-19		2019-20	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	1	0.42	0	0.00	0	0.00
2.	Loans given from budget	1	2.08	1	3.85	1	3.41
3.	Grants/Subsidy from budget	5	24.41	5	25.04	5	24.49
Total Outgo (1+2+3)			26.91		28.89		27.90
4.	Guarantees issued	1	2.08	1	3.85	1	3.41
5.	Guarantee Commitment	1	2.25	1	15.00	1	15.00

Source: Information as provided by the PSUs

⁹ October 2019 to 30 September 2020

¹⁰ Nagaland Industrial Raw Materials & Supply Corporation Limited (2017-18) and Nagaland State Mineral Development Corporation Limited (2017-18).

It can be seen from the **Table 6.1.6** above, the year-wise budgetary outgo to PSUs had decreased during 2019-20 by ₹0.99 crore as compared to previous year (2018-19). During all three years under reference, the significant portion of budgetary support ranging between 91 *per cent* (2017-18) and 87 *per cent* (2018-19) was provided in the form of Grants/subsidy.

State Government also guarantees the repayment of loans (with interest) availed by the PSUs from Banks/Financial Institutions subject to the prescribed limits and payment of guarantee fee of one *per cent* of the guarantee amount by the PSUs concerned. During 2019-20, State Government issued guarantees of ₹3.41 crore against the borrowings availed by one PSU (Nagaland Industrial Development Corporation Limited). The PSU had not paid any guarantee fee to the State Government during 2019-20 in absence of any demand from the State Government.

6.1.8 Performance of PSUs as per their latest finalised accounts

The financial position and working results of working PSUs (all Government companies) as per their latest finalised accounts are detailed in **Appendix 6.1.2**. The comparative details of working PSU turnover and State GDP for five years ending 2019-20 is shown in **Table 6.1.7**.

Table 6.1.7: Details of working PSUs turnover *vis-à-vis* State GDP

	(₹ in crore)				
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Turnover ¹¹	6.23	6.61	6.48	6.70	6.78
State GDP	20,524.00	21,119.00	23,623.00	26,637.00	30,508.00
Percentage of Turnover to State GDP	0.03	0.03	0.03	0.03	0.02

Source: Information as provided by PSUs

A ratio of PSU-turnover to State GDP shows the extent of PSU activities in the State economy. It can be noticed from the **Table 6.1.7** above that during last five years (2015-20), the State GDP had grown by 48.65 *per cent* while the turnover of PSUs during the corresponding period had increased by 8.83 *per cent*. Thus, the year-wise increase in PSU-turnover during the period of five years was not commensurate with the growth in the State GDP during the corresponding period. The percentage of PSU-turnover to GSDP, has decreased to 0.02 *per cent* due to rounding off of percentage figures to two decimal points.

6.1.8.1 Key parameters

Some other key parameters of PSUs performance as per their latest finalised accounts as on 30 September of the respective year are shown in **Table 6.1.8**.

¹¹ Turnover of working PSUs as per the latest finalised accounts as on 30 September of respective year

Table 6.1.8: Key Parameters of PSUs

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Debt	70.12	70.96	67.20	70.05	73.72
Turnover ¹²	6.23	6.61	6.48	6.70	6.78
Debt/Turnover Ratio	11.26:1	10.74:1	10.37:1	10.46:1	10.78:1
Interest Payments ¹³	1.97	2.38	2.06	2.08	2.06
Accumulated Profits/Losses	(49.28)	(73.80)	(78.50)	(66.38)	(68.62)

Source: Annual Accounts and information submitted by the PSUs

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 successfully manage their debt servicing and repayments.

PSU Debt

During the period of five years, the PSU debt had been more than 10 times of their 'turnover' indicating acute difficulties in repayment and servicing of debts by the PSUs. Consequently, the DTR had been at high levels during all the five years under reference. Though there was marginal growth in PSU-turnover for last five years, there was corresponding increase of debt of the PSUs except for 2017-18 which showed a marginal decrease, the remaining four years had increased DTR from the previous year.

Further, the high PSU debts had correspondingly increased the interest expenditure, which was also one of the factors contributing towards high accumulated losses of PSUs.

There was no recorded information about the existence of any specific policy of the State Government regarding payment of minimum dividend by the PSUs. During 2019-20 no PSU had earned profit as per their latest finalised accounts, the accumulated losses was ₹68.62 crore.

6.1.8.2 Erosion of capital due to losses

The paid-up capital and accumulated losses of five working PSUs as per their latest finalised accounts as on 30 September 2020 were ₹27.26 crore and ₹68.62 crore respectively (*Appendix 6.1.2*).

The accumulated losses (₹67.41 crore) of four out of these five working PSUs had completely eroded their paid-up capital (₹26.03 crore) as per their latest finalised accounts as shown in **Table 6.1.9**.

¹² Turnover of working PSUs as per the latest finalised accounts as of 30 September of the respective year

¹³ Interest payments of working PSUs as per the latest finalised accounts as of 30 September of the respective year

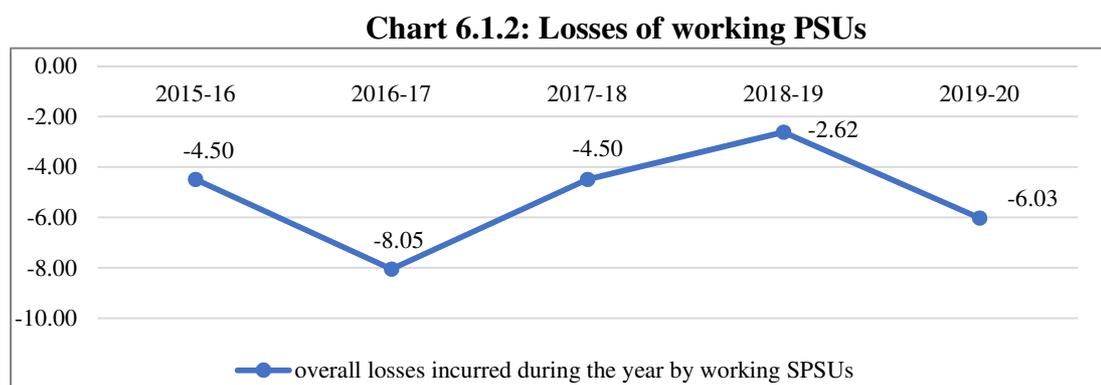
Table 6.1.9: PSUs with erosion of paid-up capital

(₹ in crore)			
Name of PSU	Latest finalised accounts	Paid up capital	Accumulated losses
Nagaland Industrial Development Corporation Limited	2017-18	23.20	39.27
Nagaland State Mineral Development Corporation Limited	2017-18	1.60	10.33
Nagaland Hotels Limited	2014-15	0.40	13.65
Nagaland Handloom & Handicrafts Development Corporation Limited	2009-10	0.83	4.16
Total		26.03	67.41

Source: Department records

The Return on Equity (ROE)¹⁴ of these four PSUs was not workable due to complete erosion of their equity capital. ROE in respect of the remaining PSU (Nagaland Industrial Raw Materials Supply Corporation Limited) was also negative¹⁵ due to the net loss (₹0.03 crore) incurred as per its latest finalised accounts.

The overall position of the aggregate losses incurred by working PSUs during 2015-16 to 2019-20 shown in **Chart 6.1.2**.



Source: Latest finalised accounts of the PSUs as on 30 September of the respective years

As can be noticed from the **Chart 6.1.2** above, the losses of working PSUs has increased by 130 per cent in 2019-20 as compared to 2018-19 and the reason mainly due to deterioration in the operational results of the PSUs. The overall losses of working PSUs are basically due to less turnover of the PSUs from its operation. The PSUs mostly depend on the State Government grants to meet the salary expenditure of its employees since they have less or no income from operation.

6.1.9 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 RORR on Government Investment in the State PSUs, the investment of State Government in the form of equity, interest free

¹⁴ ROE = (Net Profit after taxes *minus* preference dividend) ÷ Shareholders' Fund/Equity; Where, Shareholders' Fund/Equity = Paid up Share Capital *plus* Free Reserves and Surplus *minus* Accumulated Loss *minus* Deferred Revenue Expenditure

¹⁵ (-) 125 per cent

loans and grants/subsidies given by the State Government for operational and management expenses less the disinvestments (if any), has been considered and indexed to their Present Value (PV) and summated. The RORR is then calculated by dividing the 'profit after tax' (PAT) of the PSUs by the sum of the PV of Government investment.

During 2019-20, as per their latest finalised accounts out of five working PSUs where State Government had made direct investment, all five PSUs incurred losses. On the basis of return on historical value, the State Government's investment in PSUs had eroded by 2.23 *per cent* during 2019-20. As per the RORR where the PV of investment is considered, the State Government investment eroded by 1.05 *per cent* as shown in **Appendix 6.1.3**. This difference in the percentage of investment erosion was on account of the adjustment made in the investment amount for time value of money.

6.1.10 Impact of Audit Comments on Annual Accounts of PSUs

During October 2019 to September 2020, two working Companies forwarded one audited accounts each to the Accountant General (Audit), Nagaland. Both Accounts were issued 'non-review certificates'. The Statutory Auditors had given qualified certificates to both the Accounts. The details of aggregate money value of comments of statutory auditors and C&AG during last three years is shown in **Table 6.1.10**.

Table 6.1.10: Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2017-18		2018-19		2019-20	
		No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
1.	Increase in loss	2	5.74	3	4.88	2	1.63
2.	Decrease in profit	0	0	2	0.74	0	0
3.	Errors of classification	0	0.29	1	3.19	1	0.06
Total		2	6.03	6	8.81	3	1.69

Source: Comments issued to PSUs by statutory auditors and C&AG

From the above **Table 6.1.10**, it can be noticed that the money value of comments of statutory auditors and C&AG has decreased from ₹6.03 crore (2017-18) to ₹1.69 crore (2019-20) indicating deficiencies in complying with the requirements of 'Generally Accepted Accounting Principles' (GAAP) and Accounting Standards (AS) by the PSUs.

6.1.11 Follow up action on Audit Reports

6.1.11.1 Submission of Explanatory notes

The Report of the C&AG represents the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. The Administrative Departments concerned are required to submit the explanatory notes to paragraphs/performance audits included in the Audit Reports of the C&AG after their presentation to the Legislature, without waiting for any questionnaires from the Committee on Public Undertakings (COPU). However, the

Finance Department, Government of Nagaland had not issued any specific instructions in this regard.

The State Audit Reports¹⁶ for the years from 2013-14 to 2018-19 included four compliance audit paragraphs¹⁷ on PSUs in the PSU Chapters of these Reports. As per the status available as on 30 September 2020, no explanatory notes were pending to be received from the Administrative Departments concerned against these compliance audit paragraphs.

6.1.11.2 Discussion of Audit Reports by COPU

The status as on 30 September 2020 of Performance Audits and paragraphs on the State PSUs that appeared in State Audit Reports and discussed by the COPU was as under:

Table 6.1.11

Period of Audit Report	Number of reviews/ paragraphs as on September 2020	
	Paragraphs appeared in Audit Report	Paragraphs discussed
2013-14	1	1
2014-15	0	-
2015-16	0	-
2016-17	1	Nil
2017-18	0	-
2018-19	2	Nil
Total	4	1

Source: Audit Reports of the respective years

During the period 2013-14 to 2018-19, four paragraphs relating to PSUs had appeared in the State Audit Reports against which three paragraph was pending for discussion by COPU (January 2022).

6.1.12 Reforms in Power sector

As part of the power sector reforms, separate State owned Company was to be formed under the Companies Act, 1956 to look after the activities of generation, transmission and distribution of electricity in the State. In Nagaland, the Government constituted (February 2008) the Nagaland Electricity Regulatory Commission as part of reforms envisaged by the Electricity Act of 2003. The State Government, however, had not taken any action for restructuring of the Power Sector and formation of a separate Company for taking up the activities of power sector in the State. At present, all the activities relating to generation, transmission and distribution of electricity in the State are managed and controlled solely by the Power Department of the State Government.

¹⁶ The State Audit Reports for five years (2013-14 to 2017-18), were placed in the State Legislature between 17 March 2015 and 15 February 2020 and Audit Report 2018-19 was placed on 5 August 2021

¹⁷ One compliance audit paragraph appeared in each of the State Audit Report for the year 2013-14 and 2016-17 and two paragraph appeared in 2018-19

CHAPTER-VII
FOLLOW UP OF AUDIT OBSERVATIONS

CHAPTER - VII

FOLLOW UP OF AUDIT OBSERVATIONS

7.1.1 Response of the Departments to the recommendations of the Public Accounts Committee

The Public Accounts Committee (PAC) Reports/ recommendations are the principal medium by which the Legislature enforces financial accountability of the Executive to the Legislature and it is appropriate that they elicit timely response from the departments concerned in the form of Action Taken Notes (ATNs). As per PAC Reports of the State of Nagaland, the departments concerned were required to submit the ATNs on the recommendations of the PAC within three months from the date of laying of the Reports of the PAC to the Legislature.

As of March 2020, out of 1,423 recommendations of the PAC made during the period from 1990-91 to 2019-20, 973 ATNs on the recommendations had been submitted to the PAC and discussed.

7.1.2 Monitoring

The State Level Audit and Accounts Committee was formed (June 2008) under the Chairmanship of the Chief Secretary to monitor the follow up action on audit related matters and corrective action on the findings reported by Audit. The Committee was also to review and oversee the working of Departmental Audit and Accounts Committee and also to hold meetings once in six months.

During 2019-20, no State Level Audit and Accounts Committee meeting was convened.

7.1.3 Outstanding Inspection Reports

The Principal Accountant General (Audit), Nagaland conducts periodic inspection of the Government departments to test-check the transactions and verify the maintenance of important accounts and other records as prescribed under the rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities noticed during the inspection and not settled on the spot. The IRs are issued to the Heads of the Offices inspected with copies to the higher authorities for taking corrective action.

The Heads of the Offices/Government are required to comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the Principal Accountant General (Audit) within one month from the date of issue of the IRs. Serious irregularities are reported to the Heads of the departments and the Government.

As of March 2020, 1,677 IRs containing Major Paragraphs issued from 1997-98 onwards were pending for settlement. The large pendency of IRs was indicative of absence of adequate action to rectify the defects, omissions and irregularities pointed out through IRs by the Heads of Offices and Heads of the Departments.

Audit recommends the Government to look into the matter and consider streamlining the system to ensure timely response to audit observations. Action may be taken against the officials who fail to send replies to IRs/ paragraphs as per prescribed time schedule and the losses/ outstanding advances/ overpayments may be recovered in a time bound manner.

7.1.4 Departmental Audit Committee Meetings

In order to expedite the settlement of the outstanding audit observations contained in the IRs, Departmental Audit Committees had been constituted by the Government.

Departmental Audit Committees are chaired by the Secretaries of the Departments concerned and their meetings are attended by the officers concerned of the State Government and officers from the office of the Principal Accountant General (Audit), Nagaland.

During 2019-20, two Audit Committee Meetings (ACMs) were convened in respect of the Health & Family Welfare Department under Social Sector and Rural Development Department under Economic Sector were held on 25 June 2019 and 02 July 2019 respectively to clear the outstanding audit observations. During the ACMs, 03 IRs

consisting of 28 paragraphs pertaining to 01 entity in respect of Health & Family Welfare Department and 06 IRs consisting of 61 Paragraphs pertaining to 02 entities in respect of Rural Development Department had been discussed. Out of which, 04 IRs and 20 paragraphs in respect of Health & Family Welfare and Rural Development Departments respectively had been settled.

Recommendation: *Government needs to ensure that Audit Committees meet regularly to review, discuss, settle and take action on audit observations.*

Kohima
The 31 August 2022



(A. P. CHOPHY)
Principal Accountant General (Audit)
Nagaland

Countersigned



New Delhi
The 07 September 2022

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix 2.2.1
Statement showing list of 65 Schemes implemented by 15 Departments of GoN
(Reference: Paragraphs 2.2.5 and 2.2.10.5)

Sl. No.	Name of Implementing Departments	Name of Schemes	Scheme Code	Is it DBT programme (Yes/ No)	Whether DBT Cell with the Department set up or not (Yes/No)
DBT Compliant Schemes (Total 34 Schemes)					
1.	Agriculture	Mission Organic Value Chain Development for North Eastern Region	EYA3L	Yes	No
2.		National Mission On Sustainable Agriculture(NMSA)	ERZXP	Yes	No
3.		Pradhan Mantri Krishi Sinchai Yonana	EVVOP	Yes	No
4.		Sub Mission on Agriculture Mechanization -Centrally Sponsored	ERUJZ	Yes	
5.	Employment Skill Development	Pradhan Mantri Kaushal Vikas Yojana Component II	E8CAB	Yes	Yes
6.	Forest	Integrated Development of Wild Life Habitats	EJC8T	Yes	No
7.		Project Elephant	ENZNC	Yes	No
8.	Health & Family Welfare	Accredited Social Health Activist (ASHA)	EL3VJ	Yes	No
9.		Family Planning Compensation Schemes	EEXQY	Yes	No
10.		Janani Suraksha Yojna	ES5AX	Yes	No
11.		NIKSHAY-DOT Provider Honorarium	EZYXX	Yes	No
12.		NIKSHAY -Tribal TB Patients	EN1JB	Yes	No
13.		NIKSHAY-TB Notification Incentive for Private Sector	EIQ7V	Yes	No
14.		NIKSHAY-TB Patient incentive for nutritional support	E59XA	Yes	No
15.		Payment to contractual staff	EC1WU	Yes	No
16.	Horticulture	Mission for Integrated Development of Horticulture	EQ809	Yes	
17.	Labour	Building and other Construction	CPDX6	Yes	Yes
18.	Municipal Affairs	Pradhan Mantri Awaas Yojana (Urban)	NL32LN	Yes	No
19.	Rural Development	MGNREGS	EVWDO	Yes	No
20.		Pradhan Mantri Awas Yojna	EUAM4	Yes	No
21.	School Education	NEC Stipend and Book Grant	EHOZA	Yes	
22.		Post Matric Scholarship for ST Students	EKZPA	Yes	
23.		Research Scholarship	EBCX7	Yes	
24.		Pre Matric Schoarship for ST Students	EVSJ2	Yes	Yes
25.		State Matric Scholarship	CFXPT	Yes	
26.		Technical Scholarship	C8Y6J	Yes	

Audit Report for the year ended 31 March 2020

Sl. No.	Name of Implementing Departments	Name of Schemes	Scheme Code	Is it DBT programme (Yes/ No)	Whether DBT Cell with the Department set up or not (Yes/No)
27.	Social Welfare	Indira Gandhi National Old Age Pension Scheme-IGNOAPS	ENPIU	Yes	Yes
28.		Indira Gandhi National Disability Pension Scheme-IGNDPS	E5OKE	Yes	Yes
29.		Indira Gandhi National Widow Pension Scheme-IGNWPS	E1QMO	Yes	Yes
30.		National Family Benefit scheme	E63LM	Yes	Yes
31.		Integrated Child Protection Scheme. Salary of Staff	E3BAG	Yes	Yes
32.		Pradhan Mantri Matru Vandana Yojana	E05EH	Yes	Yes
33.		Protection and Empowerment of women-National Mission for Empowerment of Women	EJ401	Yes	Yes
34.	Urban Development	Swachh Bharat Mission Urban	EBQ42	Yes	No
Non-DBT Compliant Schemes (Total 16 Schemes)					
35.	Agriculture	National Food Security Mission -NFSM	EDE3I	No	
36.		Rashtriya Krishi Vikas Yojana (RKVY)	E6NIO	No	No
37.		Sub-Mission on Seeds and Planting Material	E4FAM	No	No
38.	Fisheries	Development of Inland Fisheries and Aquaculture	EWRXO	No	No
39.		Development of Marine Fisheries, Infrastrure and Post-Harvest Operation	EMULZ	No	No
40.		National Scheme on Welfare of Fishermen	ESJUK	No	No
41.	Forest	Project Tiger	E5PW2	No	No
42.	Justice and Law	Centrally Sponsored Scheme for Implementation of Prevention of Civil Right Act 1955 and Scheduled Caste and Schedule Tribes (Prevention of Atrocities Act,1989)	EZBMW	NA	
43.	PHED	Swachh Bharat Mission Gramin	ED1IM	No	
44.	School Education	Flexi-pool under Vocational Education of RMSA	ET3TH	No	No
45.		Kind Benefit under IEDSS of RMSA	ESPW3	No	
46.		Centrally -Sponsored Scheme of Pre Matric Scholarship for Scheduled Caste Students studying in classes IX and X	EXWFM	NA	NA
47.		Centrally Sponsored Scheme for providing quality education in Madrasa (SPQEM)	EFMC5	NA	NA
48.		Inclusive Education for Disabled at Secondary Stage	E5203	NA	
49.		National Means Cum-Merit Schorlarship Scheme	EERDJ	NA	
50.		National Scheme of Incentive to Girls for Secondary education	EALHU	NA	No

Sl. No.	Name of Implementing Departments	Name of Schemes	Scheme Code	Is it DBT programme (Yes/ No)	Whether DBT Cell with the Department set up or not (Yes/No)
51.	Social Welfare	National Creche Scheme-Honorarium to Workers	EKGOR	No	No
52.		Protection and Empowerment of Women -Swadhar Greh-facilities to beneficiaries	EQXYO	No	No
53.		Protection and Empowerment of Women- Comprehensive Scheme for combating Trafficking of Women and Children -Ujjawla-Facilities to beneficiaries	EAF67	No	No
54.		Protection and Empowerment of Women-Comprehensive Scheme for combating Trafficking of Women and Children-Ujjawla-Salary	E2CSW	No	No
55.		Protection and Empowerment of Women-Swadhar Greh-salary to Staff	EICAF	No	No
56.	Veterinary and animal Husbandary	Livestock Health and Diseases Control	EAZ8P	No	No
No information furnished (Total nine Schemes)					
57.	Agriculture	National Mission on Oilseeds and Oil Palm	ECPJ1	No information furnished	
58.	Health & Family Welfare	National Ayush Mission	E87AP	No information furnished	
59.	School Education	Pre Matric Scholarship for Minority Students	EL62B	No information furnished	
60.		Saakshar Bharat	ETUZ6	No information furnished	
61.		Centrally Sponsored Scheme of Pre-Matric Scholarships to the Other Backward Classes	E9575	No information furnished	
62.		Centrally Sponored Scheme of Post matric Scholarships To The Students Belonging To Scheduled Castes For Studies in India	EQLCO	No information furnished	
63.		Centrally Sponsored Scheme of Dr. Ambedkar Pre-Matric and Post-Matric Scholarship for DNTs	EW99	No information furnished	
64.		Centrally Sponsored Scheme of Post-Matric Scholarship for OBC Students for Studying in India	EZWWS	No information furnished	
65.		Pre -Matric Scholarships To Children of those Engaged in Occupations involving Cleaning and prone to health hazards	EM4IA	No information furnished	

Source: Departmental records

Appendix 2.3.1
Statement showing details of short execution of drainage works
(Reference: Paragraph 2.3)

Sl. No.	Work order date	Village	Voucher number	Dated	Particulars	Quantity (in metre)	Rate	Amount (in ₹)	MB No.	MB page no	Quantity as per joint inspection (in metre)	Short executed (in metre)	Not executed (in metres)	Short execution amount (in ₹)	Payment without execution of works
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>	<i>m = (g-l)</i>	<i>n = (g-l)</i>	<i>o</i>	<i>P</i>
1.	20-02-2019	Aoyimkum	21	30-03-2019	Drainage	150	3,872	5,80,800	59	111 to 114	35.00	115.00	0	4,45,280.00	0.00
2.			22	30-03-2019	Drainage	55	3,872	2,12,960	59	115 to 117	0.00	0.00	55	0.00	2,12,960.00
3.	20-02-2019	Aoyimti	51	30-03-2019	Drainage	150	3,872	5,80,800	71	29 to 30	131.00	19.00	0	73,568.00	0.00
4.			52	30-03-2019	Drainage	150	3,872	5,80,800	71	31 to 32	0.00	0.00	150	0.00	5,80,800.00
5.	20-02-2019	Chekiye	57	30-03-2019	Drainage	150	3,872	5,80,800	71	41 to 42	121.92	28.08	0	1,08,725.76	0.00
6.			58	30-03-2019	Drainage	150	3,872	5,80,800	71	43 to 44	0.00	0.00	150	0.00	5,80,800.00
7.	20-02-2019	Chumukedima	94	30-03-2019	Drainage	55	3,872	2,12,960	74	117 to 120	0.00	0.00	55	0.00	2,12,960.00
8.			95	30-03-2019	Drainage	150	3,872	5,80,800	74	121 to 123	182.88	-32.88	0	-1,27,311.36	0.00
9.	20-02-2019	Darogajan	48	30-03-2019	Drainage	150	3,872	5,80,800	71	23 to 24	91.44	58.56	0	2,26,744.32	0.00
10.			114	30-03-2019	Drainage	55	3,872	2,12,960	72	44 to 46	0.00	0.00	55	0.00	212960.00
11.	20-02-2019	Diphupar B	71	30-03-2019	Drainage	150	3,872	5,80,800	74	28 to 29	152.40	-2.40	0	-9292.80	0.00
12.			100	30-03-2019	Drainage	150	3,872	5,80,800	74	174 to 175	0.00	0.00	150	0.00	5,80,800.00
13.	20-02-2019	Dubagaon	130	30-03-2019	Drainage	55	3,872	2,12,960	72	83 to 85	0.00	0.00	55	0.00	2,12,960.00
14.			148	30-03-2019	Drainage	150	3,872	5,80,800	73	39 to 40	45.72	104.28	0	4,03,772.16	0.00
15.	20-02-2019	Eralibil	59	30-03-2019	Drainage	150	3,872	5,80,800	71	45 to 46	15.24	134.76	0	5,21,790.72	0.00
16.			60	30-03-2019	Drainage	55	3,872	2,12,960	71	71 to 73	6.00	49.00	0	1,89,728.00	0.00
17.	20-02-2019	Kashiram	38	30-03-2019	Drainage	150	3,872	5,80,800	59	177 to 180	80.00	70.00	0	2,71,040.00	0.00
18.			39	30-03-2019	Drainage	55	3,872	2,12,960	59	181 to 185	0.00	0.00	55	0.00	2,12,960.00
19.	20-02-2019	Kushiabil	145	30-03-2019	Drainage	55	3,872	2,12,960	73	28 to 30	0.00	0.00	55	0.00	2,12,960.00
20.			45	30-03-2019	Drainage	150	3,872	5,80,800	71	17 to 18	0.00	0.00	150	0.00	5,80,800.00
21.	20-02-2019	Naharbari	46	30-03-2019	Drainage	150	3,873	5,80,950	71	19-20	150.00	0.00	0	0.00	0.00
22.			144	30-03-2019	Drainage	50	3,873	1,93,650	73	25 to 27	0.00	0.00	50	0.00	1,93,650.00
23.	20-02-2019	Padumpukhri	54	30-03-2019	Drainage	150	3,872	5,80,800	71	35 to 36	152.40	-2.40	0	-9292.80	0.00
24.			55	30-03-2019	Drainage	150	3,872	5,80,800	71	37 to 38	0.00	0.00	150	0.00	5,80,800.00

Sl. No.	Work order date	Village	Voucher number	Dated	Particulars	Quantity (in metre)	Rate	Amount (in ₹)	MB No.	MB page no	Quantity as per joint inspection (in metre)	Short executed (in metre)	Not executed (in metres)	Short execution amount (in ₹)	Payment without execution of works
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>	<i>m = (g-l)</i>	<i>n = (g-l)</i>	<i>o</i>	<i>P</i>
25.	20-02-2019	Phaipijang	49	30-03-2019	Drainage	150	3,872	5,80,800	71	25 to 26	50.00	100.00	0	3,87,200.00	0.00
26.			113	30-03-2019	Drainage	55	3,872	2,12,960	72	41 to 43	0.00	0.00	55	0.00	2,12,960.00
27.	20-02-2019	Purana Bazar A	108	30-03-2019	Drainage	150	3,872	5,80,800	72	26 to 27	180.00	-30.00	0	-116160.00	0.00
28.			112	30-03-2019	Drainage	55	3,872	2,12,960	72	38 to 40	0.00	0.00	55	0.00	2,12,960.00
29.	20-02-2019	Senjum	12	30-03-2019	Drainage	150	3,872	5,80,800	70	22 - 25	70.00	80.00	0	3,09,760.00	0.00
30.			13	30-03-2019	Drainage	55	3,872	2,12,960	70	26-30	0.00	0.00	55	0.00	2,12,960.00
31.	20-02-2019	Signal Angami	24	30-03-2019	Drainage	150	3,872	5,80,800	59	120-123	80.00	70.00	0	2,71,040.00	0.00
32.			25	30-03-2019	Drainage	55	3,872	2,12,960	59	124-127	0.00	0.00	55	0.00	2,12,960.00
33.	20-02-2019	Sodzulhou	68	30-03-2019	Drainage	55	3,872	2,12,960	74	20 to 23	30.48	24.52	0	94,941.44	0.00
34.			69	30-03-2019	Drainage	150	3,872	5,80,800	74	24 to 25	0.00	0.00	150	0.00	5,80,800.00
35.	20-02-2019	Tenyiphie-II	91	30-03-2019	Drainage	55	3,872	2,12,960	74	108 to 111	0.00	0.00	55	0.00	2,12,960.00
36.			92	30-03-2019	Drainage	150	3,872	5,80,800	74	112 to 114	152.40	-2.00	0	-7744.00	0.00
Total						4,065		1,57,39,880			1,727	783	1,555	30,33,789.44	60,21,010.00

Source: Departmental records and joint physical verification

Appendix 2.4.1

Statement on payment made against unexecuted work for construction of Community Sanitary Complex (CSC) at Viswema village
(Reference: Paragraph 2.4)

A. CSCs constructed with single latrine (40 nos.)

(Amount in ₹)

Sl. No.	Particulars	Unit	As per estimates			Quantity executed and paid			Difference
			Quantity	Rate	Cost	Quantity	Rate	Amount paid	
1.	Brick works in wall/partition	sq.m	46.48	837.41	38,922.82	15.08	837.41	12,628.14	26,294.67
2.	Plastering 1:4 mortar in bricks (a) Wall	sq.m	85.95	203.71	17,508.87	30.15	203.71	6,141.86	11,367.02
	(b) Floor	sq.m	28.00	203.71	5,703.88	2.78	203.71	566.31	5,137.57
3.	WC Pan	each	2	1,164.65	2,329.30	1.00	1,164.65	1,164.65	1,164.65
4.	Urinal pan	each	2	5,318.64	10,637.28	0.00	5,318.64	0.00	10,637.28
5.	Washing basin	each	2	2,883.83	5,767.66	0.00	2,883.83	0.00	5,767.66
6.	PVC pipe 15mm dia	each	5	800.00	4,000.00	0.00	800.00	0.00	4,000.00
7.	Vent pipe 50mm dia	each	2	1,000.00	2,000.00	1.00	1,000.00	1,000.00	1,000.00
8.	Tile flooring	sqm	9.00	1,282.47	11,542.23	0.00	1,282.47	0.00	11,542.23
9.	Providing cement concrete (1:2:4) side drain for both urinals and wash basin	cum	1.02	9,060.19	9,241.39	0.00	9,060.19	0.00	9,241.39
10.	Providing wood work for roofing	cum	0.13	44,509.30	5,786.21	0.03	44,509.30	1,335.28	4,450.93
11.	Providing wood work for door	cum	0.17	44,509.29	7,611.09	0.06	44,509.29	2,670.56	4,940.53
12.	Providing sintex 300 litres with stand		1	7,083.00	7,083.00	0.00	7,083.00	0.00	7,083.00
	Total				1,28,133.73			25,506.80	1,02,626.93
	Total cost for construction of 40 CSCs	40 nos X ₹1,02,626.93			₹41,05,077				

Source: Departmental records

B. CSCs constructed with single latrine with attached bathroom or two latrines (34 nos.)

(Amount in ₹)

Sl. No.	Particulars	Unit	As per estimates			Quantity executed and paid			Difference
			Qty	Rate	Cost	Qty	Rate	Amount paid (in ₹)	
1.	Brick works in wall/ partition	sq.m	46.48	837.41	38,922.82	17.82	837.41	14,922.65	24,000.17
2.	Plastering 1:4 mortar in bricks (a) Walls	sq.m	85.95	203.71	17,508.87	33.60	203.71	6,844.66	10,664.22
	(b) Floor	sq.m	28.00	203.71	5,703.88	3.71	203.71	755.76	4,948.12
3.	Urinal pan	each	2	5,318.64	10,637.28	0.00	5,318.64	0.00	10,637.28
4.	Washing basin	each	2	2,883.83	5,767.66	0.00	2,883.83	0.00	5,767.66
5.	PVC pipe 15mm dia	each	5	800.00	4,000.00	0.00	800.00	0.00	4,000.00
6.	Tile flooring		9	1,282.47	11,542.23	0.00	1,282.47	0.00	11,542.23
7.	Providing cement concrete (1:2:4) side drain for both urinals and wash basin	cum	1.02	9,060.19	9,241.39	0.00	9,060.19	0.00	9,241.39
8.	Providing wood work for roofing	cum	0.13	44,509.30	5,786.21	0.07	44,509.30	3,115.65	2,670.56
9.	Providing wood work for door	cum	0.17	44,509.29	7,611.09	0.11	44,509.29	5,074.06	2,537.03
10.	Providing sintex 300 litres with stand		1	7,083.00	7,083.00	0.00	7,083.00	0.00	7,083.00
	Total				1,23,804.43			30,712.78	93,091.66
	Total cost for construction of 34 CSCs		34 nos. X ₹93,091.66		₹31,65,116				
	Total cost for construction of 74 CSCs			₹72,70,193					

Source: Departmental records

Appendix 3.2.1

Statement showing planting materials procured from non-accredited nurseries

(Reference: Paragraph 3.2.5.3.1(i))

(Amount in ₹)

Name of Supplier	Year	Particulars	No of Local Suppliers	Amount				
Ruovi Angami	MIDH 2014-15	Banana Suckers	6	19,98,000				
P Sobou Mere								
NK Angami								
Thrithrise Sangtam								
Zulu								
Bendang Kejong								
Thineu	MIDH 2014-15	Pineapple, Banana	2	3,15,000				
Pukhato Kets								
Limasashi	MIDH 2014-15	Pineapple, Banana	4	6,37,500				
Neitule								
Temjennungsang								
Rukravoile								
Bendang Kejong	MIDH 2014-15	Pineapple Suckers	1	28,50,000				
Lahtemen	MIDH 2014-15	Banana Suckers	1	5,28,000				
LG Volie	MIDH 2014-15	Banana Suckers	2	2,62,500				
L Noklem Konyak								
Tungchibemo Humtsoe	MIDH 2016-17	Passion Fruit	1	1,50,000				
Temjen Jungshi Sangtam	MIDH 2016-17	Pineapple	1	2,00,001				
Mukam Yim	MIDH 2014-15	Orange Budded, Apple Etc	12	10,40,000				
Atsaba Santam								
Tsapila								
Thronglise								
Liseba Thonger								
Senokha								
Meseto Khape								
Ashikho Lohe								
Dichulo								
Nuzolo Kapfo								
Welhi								
Sevotso								
Kevisetuo Anthony					MIDH 2014-15	Guava Layers, Banana Suckers Etc.	11	10,80,000
Khrietuolie Usou								
Imdong								
Thejasetuo								
Vituo Angami								
Medohol Angami								
Salie Belho								
Nisato Nakhro								
Vikotolie Seyie								
Mangyangtoba								
Avile								
Shri Teiso Kense	MIDH 2015-16	Banana Sucker	4	12,09,000				
Shri Bendang								
Smti Rokonou								
Shri H Mukam								

Name of Supplier	Year	Particulars	No of Local Suppliers	Amount
Shri Bendang Chang	MIDH 2015-16	Pineapple (Giant Kew)	3	5,31,540
Shri Kholie Rulho	MIDH 2015-16	Pineapple (Giant Kew)		
Smti Viketonuo	MIDH 2015-16	Pineapple (Giant Kew)		
Smt. Vikali	MIDH 2015-16	Passion Fruit (Purple Variety)	5	6,10,000
Shri Eyekowe		Passion Fruit (Purple Variety)		
Shri Sunep		Passion Fruit (Purple Variety)		
Shri Jungshiba		Passion Fruit (Purple Variety)		
Smti Chubala Chang		Passion Fruit (Purple Variety)		
Echunthung Yanthung	MIDH 2016-17	Banana Suckers	30	54,00,000
N Nzanbemo Lotha				
T Subenthung Humtsoe				
Talimoa				
Y Mongko Sipong				
Yongalangpong				
T Moaba Sangtam				
S Mulai Khiam				
V Ango Phom				
Gwabenio				
Nepachiyi				
Veto				
Moalila				
Chisile Lunghalang				
Maisaing Zeliang				
Rampauna				
Kezevituo Angami				
Chubakumzuk				
Thejavizo Kense				
Mengubeinuo Seyie				
Vikuolie Angami				
Tovishe Wotsa				
Hetio S Swu				
James Swu				
Vingutuo Rutsa				
W Wanshom Konyak				
Liyong Y Konyak				
I John Ao				
Imtisenla				
Yapangjungla				
Lichangthung Tsopoe	MIDH 2016-17	Pineapple Sucker	28	57,00,000
CH Lomchu				
Japankokpa				
Chingkolampong				
Pangerlemba				

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Name of Supplier	Year	Particulars	No of Local Suppliers	Amount
Imnanukshi Phom				
Atneyi Phom				
Hyusinlo Kent				
Nounengu U Sekhose				
Piketo Sumi				
Ngokeswang Mpom				
Lunghangsing Nsarangbe				
Temsumongba				
Suiyipeube Mpom				
Letthang				
Neisetuonuo				
Lethojong				
Hutovi Aye				
Kito Achumi				
Apong L Walling				
Aketo G Jimo				
Supongmeyu				
Ruokuovolie				
L Nyimpa Konyak				
Khatwang				
Ngamjung				
Lanumeren				
Sungdimenla Longchari				
Nagaland Agriculture & Horticulture Corporative Society	MIDH 2013-14	Litchi Layer	1	2,00,000
Temjentoshi	MIDH 2013-14	Banana Suckers (Local Cavendish Tall)	2	4,87,500
Bao Kienhuo				
LK Enterprise	MIDH 2013-14	Pineapple Sucker	1	47,10,000
Vizo Angami	MIDH 2013-14	Passion Fruit Seedlings/ Cuttings	1	2,95,200
Bendangwati	MIDH 2013-14	Citrus Budded And Seedlings	3	28,00,000
Atono				
Vikhayi				
Meren	MIDH 2014-15	Banana Suckers	3	6,97,500
Senkameren				
J Bendang Jamir				
Wapang	MIDH 2014-15	Pineapple Suckers	6	21,23,250
Kikato				
Mengunuo				
T Imsumeren Pongen				
P Imkongmeren				
Lanu Pongen				
Chuba	MIDH 2014-15	Passion Fruit Cuttings	2	4,95,000
P Meren				
Neilhouzutuo	MIDH 2014-15	Mango Grafts, Guava Layers etc.	8	6,72,000
Kedi Shunyu				
Kevilelie				
Keneilhuolie Solo				
Angalo Seb				

Name of Supplier	Year	Particulars	No of Local Suppliers	Amount				
Sazolie Kense								
Medongulie								
Avilie Angami								
Zulu	MIDH 2014-15	Banana Suckers	1	97,500				
Imlikaba Phom	MIDH 2014-15	Orange Budded, Plum, Litchi <i>etc.</i>	16	13,31,000				
Ochem Phom								
Sungalong								
Anyak								
Wangshong								
Nangchang								
Tiatemsu Longkumer								
Imcharenba								
Sunep Walling								
Meputongzuk								
Imnawapang								
Asenla Lemtur								
Tekatemsu								
Imdong								
Imdongba								
Meputongzuk								
David Newmai	MIDH 2014-15	Mango, Litchi, Orange, Guava <i>etc.</i>	14	11,57,000				
Kenzue Meru								
Heilungbo								
Namzuibe								
Iranglung								
Paidinlung								
Lungpang Phom								
A Mali								
Sunep Ozukum								
Toshi Longkumer								
Panger Jamir								
Innawati Imsong								
Temjennochet Ao								
Temsukokla Aier								
Thungti Stm					MIDH 2014-15	Passion Fruit, Khasi Mandarin <i>etc.</i>	12	8,82,000
John Akhum								
L Wati Chang								
Phemong Chang								
Manpang Jorlem								
Ayang Konyak								
M Akhai								
Khuvelu Ritse								
Kekulo Wetsah								
Vepoto Ringa								
Terho Khafo								
Ekonthung Ezung								
Lahtemen	MIDH 15-16	Pineapple Suckers	1	65,640				
Kenzue Meru		Pineapple Suckers	1	65,640				
Alobo Awomi	MIDH 15-16	Banana Suckers	14	23,99,100				
Chonpen Kikon								

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Name of Supplier	Year	Particulars	No of Local Suppliers	Amount
Ato Ringa				
Razonieu Kerho				
Vizolhuo Angama				
Medo Wetsah				
Limatoshi Lemtur				
Akhang Sangtam				
Rokonou				
Akato				
Aba-O				
Iranglung				
Alo Woch				
Sangbou				
Smti Zubeni Ovung				
Shri Yangenungsang	MIDH 15-16	Passion Fruit	3	3,18,000
Shri Deivi Yano				
Shri Eyekowe	MIDH 15-16	Passion Fruit	2	2,32,500
Smti Sademienla				
Shri Zakir Hussain				
Shri Khapilo Yim	MIDH 15-16	Banana Tc, Pineapple, Banana Suckers	4	5,74,420
Shri Khrielavor Angami				
Shri Imkongneken				
Shri Khrieiavor Angami				
Shri Samuel Newmai				
Shri Mongko Phom	MIDH 15-16	Banana Pineapple Papaya	5	3,45,615
Shri Renthungo Humtsoe				
Shri Khapilo Yim				
Shri Kito Achumi	MIDH 15-16	Passion Fruit Sapling	1	70,000
Shri Kito Achumi	MIDH 15-16	Passion Fruit	1	80,000
Shri Seyie & Thekru	MIDH 15-16	Passion Fruit	1	1,50,000
Shri Nourhevunuo Khezhie	MIDH 15-16	Papaya	1	1,80,000
Shri Mar Walling	MIDH 15-16	Passion Fruit	1	1,50,000
Shri L Senti Yanger				
Shri Hopise Chang	MIDH 15-16	Pineapple Passion Fruit	4	2,55,550
Shri Manshah Wangnao		Banana Suckers		
Shri Povotso Lohe		Banana Suckers		
Smti Vikali				
Shri Sunep	MIDH 15-16	Passion Fruit	3	2,70,000
Shri Merenchiba				
Smti Imrongtula Longchar	MIDH 15-16	Pineapple Giant Kew	1	1,92,360
M Shamjok				
LK Enterprise	HMNEH 13-14	Pineapple Suckers Giant Kew	2	9,00,000
Moluo				
LK Enterprise	HMNEH 13-14	Pineapple Suckers Giant Kew	2	84,000
Tialemba				
Lipok Jamir	HMNEH 13-14	Pineapple Suckers Giant Kew	2	5,16,000
Khrolo				
B Monglai	HMNEH 13-14	Banana Suckers	3	2,25,000
Niketu Sumi				
Moluo				
Velasuyi	HMNEH 13-14	Banana Suckers	3	4,50,000

Name of Supplier	Year	Particulars	No of Local Suppliers	Amount
LK Enterprise				
Aoshilu	HMNEH 13-14	Banana Suckers	2	3,00,000
T Marchiba				
Khehoshe H Awomi	HMNEH 13-14	Banana Suckers	4	5,62,500
Yeshito Sumi				
Menuosalhou				
Kuvehu Khusoh				
Lipok Jamir	MIDH 17-18	Orange, Cardamom, Banana, Litchi, Plum, Guava, Cashew Nut	13	73,33,750
Bendangwati Jamir				
Renbomo, Yenka Nursery				
Lhitsonyi Wetsah				
Akho Chakhesang				
Hongpa Konyak				
Mapusenla				
M Wati				
Chubakumzuk				
Limameren				
Arhoni Odyuo				
Orenthung				
Nenya Kath				
Imlinongba	MIDH 16-17	Banana Pineapple	10	13,18,998
Nemya Kanth				
Ajanuo Lietzetsu				
Imrongkumla				
Khrievou Zhale				
S Samuel Lkr				
Limameren				
S Langcho Hongpa				
Jasmine				
Ranglia Thou				
Shri L Senti Yanger				
Shri Hopise Chang	MIDH 16-17	Banana Suckers	1	23,100
M Wati	MIDH 2017-18 (INTEREST ACCRUED)	Passion Fruit	6	10,00,000
Mulia				
Motsuthung				
Hukato Shoye				
Musoche				
Denok				
Nourhevinuo	MIDH 2016-17	Papaya	1	2,52,000
Shri Imlikokba	MIDH 2015-16	Pineapple Suckers, Banana Suckers, Passion Fruit	9	12,17,515
Shri Imlitemjen & Sowa Jamir				
Shri Povotso Lohe				
Shri Khriesavillie				
Shri Khuheshe Yepthomi				
Shri Kimquato Chishi				
Shri Mansha Wangnao				
Shri Renthungo Humtsoe				
Shri Hopise Chang				
Shri P Imkongmeren	MIDH 2015-16	Pineapple Suckers	2	1,92,360
Shri J Imtitoshi				

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Name of Supplier	Year	Particulars	No of Local Suppliers	Amount
Shri Supongranok	MIDH 2015-16	Banana Suckers	2	3,33,600
Shri Tiameren				
Shri Tsukjemnungba	MIDH 2015-16	Passion Fruit	2	2,12,000
Shri Yangenungsang				
Shri Thepfungulie	MIDH 2015-16	Passion Fruit	4	6,87,500
Shri O Wati				
Shri Yitsabemo Lotha				
Shri Ngopenyi				
Chubakumla	MIDH 2013-14	Pineapple Suckers (Giant Kew Variety)	1	3,00,000
N Mayank Lkr	MIDH 2013-14	Pineapple Suckers (Giant Kew Variety)	1	2,16,000
Kewe Kapfo	MIDH 2013-14	Passion Fruit Seedlings/Cuttings	1	1,00,000
Hortus Nursery	MIDH 2013-14	Passion Fruit Seedlings/Cuttings	1	1,00,000
Deepen	MIDH 2013-14	Passion Fruit Seedlings/Cuttings	1	2,68,800
TT Lotha	MIDH 2013-14	Passion Fruit Seedlings/Cuttings	1	76,800
Panyangmeren	MIDH 2013-14	Passion Fruit Seedlings/Cuttings	1	1,15,200
D Ngolo Khezhakeno	MIDH 2013-14	Gooseberry, Wild Apple	1	1,00,000
D Ngolo Khezhakeno	MIDH 2013-14	Gooseberry, Wild Apple	1	2,43,750
Temsu	MIDH 2013-14	Passion Fruit Saplings	6	7,20,000
Talimeren				
Limba Chang				
Chumben				
Akho Chakesang				
Likok Changtongya				
P Imti Walling	MIDH 2017-18	Beans (AA)	1	3,67,200
	MIDH 2017-18	Peas (Arkel)		86,400
	MIDH 2017-18	Onion		1,09,200
	MIDH 2017-18	Cjilli		1,95,200
	MIDH 2017-18	Knol-Khol		2,73,200
	MIDH 2017-18	Asparagus		70,000
	MIDH 2017-18	Radish		41,600
Metropolis Enterprises	MIDH 2017-18	Tomato Seeds	1	34,00,000
	MIDH 2017-18	Capsicum Seeds		1,40,000
Meren	MIDH 2014-15	Xanthozylum Seedlings	1	1,10,000
Aomangyang	MIDH 2016-17	Tomato (Swaraksha)	1	25,50,000
Wongto	MIDH 2014-15	Xanthozylum Seedlings	1	2,64,000
I Temjen Longchar	HMNEH 13-14	Naga Cucumber	1	15,000
P Imti Walling	MIDH 2014-15	Potato Garlic Kholar	2	12,00,000
Bandang Kejong				
Kevin Khate	MIDH 2017-18	Garlic Local	1	2,00,000
Vivotso Domeh	MIDH 2015-16	Garlic	1	1,56,000
	MIDH 2015-16	Kholar		84,000

Name of Supplier	Year	Particulars	No of Local Suppliers	Amount
PC Construction	MIDH 2015-16	Garlic	1	2,34,000
	MIDH 2015-16	Kholar		1,26,000
K Keyho	MIDH 2014-15	Large Cardamom Seedlings	1	32,80,000
Yenito Sumi	MIDH 2014-15	Large Cardamom Seedlings	1	2,50,000
Visihulie Mor	MIDH 2014-15	Large Cardamom Seedlings	1	2,00,000
Nyiyalo Kath	MIDH 2014-15	Large Cardamom Seedlings	1	1,10,000
Vechota Nakro	MIDH 2014-15	Large Cardamom Seedlings	1	2,40,000
Hulie Mor	MIDH 2016-17	Large Cardamom Seedlings	1	5,37,500
Acheer Kichu	MIDH 2016-17	Large Cardamom Seedlings	1	2,15,000
Kulaveyi Khamo	MIDH 2016-17	Large Cardamom Seedlings	1	1,50,000
Lhitsonyi Wetsah	MIDH 2016-17	Large Cardamom Seedlings	1	3,87,500
Sotilo Tep	MIDH 2016-17	Large Cardamom Seedlings	1	1,15,000
Kenile Tsela	MIDH 2016-17	Large Cardamom Seedlings	1	1,00,000
K Keyho	MIDH 2015-16	Ginger Rhizomes	1	1,20,000
Lavito Sumi	MIDH 2013-14	Ginger Rhizomes	1	78,800
Lavito Sumi	MIDH 2013-14	Ginger Rhizomes	2	1,58,400
Hutokhu				
Imna Imchen	MIDH 2013-14	Ginger Rhizomes	1	4,20,000
Tailemba	MIDH 2013-14	Black Pepper Saplings	4	3,93,600
V Poumai				
Purwati				
Mannyei				
Wapang	MIDH 2014-15	Large Cardamom Seedlings	1	14,00,000
V Angami	MIDH 15-16	Large Cardamom Seedlings	7	9,75,000
Hulie Mor				
Thinuoselie				
Thinuoselie. K				
Kaolim				
Khonou Lam				
Pursenla				
Amono Dolie	MIDH 15-16	Naga/ Raja Mircha	2	6,00,000
Simon & Daniel				
Piwoto W Wots	MIDH 15-16	Ginger Rhizomes	3	5,40,000
Zukeye Woeh				
Bendang				
Toshimanen	MIDH 15-16	Large Cardamom Seedlings	4	14,50,000
Meyisanger				
Chumben Lotha				
Bendang				
Throngshi	MIDH 15-16	Naga/Raja Mircha Seeds	2	12,00,000
Puzoto				

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Name of Supplier	Year	Particulars	No of Local Suppliers	Amount
Zanehii Chiirah	MIDH 15-16	Large Cardamom Seedlings	1	1,25,000
S. Ako	MIDH 15-16	Large Cardamom Seedlings	1	1,00,000
Bin Tama	MIDH 15-16	Large Cardamom Seedlings	1	1,00,000
Hortus Nursery	MIDH 15-16	Large Cardamom Seedlings	1	25,000
Imna Imchen	HMNEH 13-14	Ginger Rhizomes	1	1,40,000
B Munglai	HMNEH 13-14	Ginger Rhizomes	2	2,71,200
Roseni Kemp				
Rosa	HMNEH 13-14	Ginger Rhizomes	4	5,61,600
Avilie Angami				
Mengutuo Kense				
Vitioi Chisi				
LK Enterprise	HMNEH 13-14	Ginger Rhizomes	2	9,00,000
Molou				
Abenla				
Supong Ao	HMNEH 13-14	Ginger Rhizomes	2	3,21,200
Lithsonyi Wetsah	HMNEH 13-14	Large Cardamom Seedlings	2	2,40,000
B Angshai				
Lithsonyi Wetsah	HMNEH 13-14	Large Cardamom Seedlings	4	9,60,000
Molou				
Hortus Nursery				
Wepekha				
Imna Imchen	HMNEH 13-14	Ginger Rhizomes Nadia Variety	1	2,50,000
Bendang	MIDH 15-16	Turmeric Rhizomes	1	15,00,000
I John Ao	MIDH 16-17	Ginger Rhizomes Nadia Variety	1	13,50,000
Nekhrovenou	MIDH 16-17	Turmeric Rhizomes	1	6,75,000
Ihamo	HMNEH 13-14	Turmeric Rhizomes	11	11,06,400
Lipokmeren				
Lipokmeren				
Khrieketuozo Angami				
Supong Ao				
Mrs Chamu				
Ayeto Wotsa				
Imna Imchen				
Lipokmeren				
Vitioi Chisi				
Taiching				
I Temjen Longchar	HMNEH 13-14	Naga Chilli Naga Cucumber	1	1,20,000
Imti	MIDH 2014-15	Naga Mircha Seeds	1	4,27,500
Amono Dolie, Yinyin Self Help Group	MIDH 2014-15	Naga Mircha Seeds	1	4,95,000
Lhitsonyi Wetsah	MIDH 2017-18 (INTEREST ACCRUED)	Large Cardamom Seedlings	9	5,00,000
Mulia				
Motsuthung				
Hukato Shoye				

Name of Supplier	Year	Particulars	No of Local Suppliers	Amount
Musoche				
Weching				
Meren				
Denok				
W Merenba				
Amono Dolie	MIDH 2017-18	Naga Mircha Seeds	1	3,00,000
Neituolie Mere	MIDH 2017-18	Naga Mircha Seeds	1	2,00,000
Khrielelie Loucu	MIDH 2017-18	Naga Mircha Seeds	1	2,00,000
Seyiekhriezo Serjius Pienyu	MIDH 2017-18	Naga Mircha Seeds	1	10,00,000
Thinuoneio Sote	MIDH 2017-18	Naga Mircha Seeds	1	2,00,000
Nourhevinuo Khezhe	MIDH 2017-18	Naga Mircha Seeds	1	15,25,000
Ruokuovinuo	MIDH 2017-18	Naga Mircha Seeds	1	7,00,000
Zanthungo R Ezung	MIDH 2017-18	Naga Mircha Seeds	1	2,00,000
Eyilo Kikon	MIDH 2017-18	Naga Mircha Seeds	1	1,50,000
Mireusing Nsa	MIDH 2017-18	Naga Mircha Seeds	1	2,50,000
Onen				
Temjen	MIDH 2015-16	Ginger Rhizomes	4	8,40,000
Temjen Ao				
Thsithrise Sangtam				
Imna Imchen				
Imna Imchen	MIDH 2013-14	Turmeric Rhizome	1	2,59,200
M Shanjok				
Along	MIDH 2013-14	Black Pepper	4	3,76,800
V Pounai				
Tk Seyie				
Vizo				
Atula	MIDH 2013-14	Turmeric Rhizome	8	12,30,000
Vizo				
ZH Angami				
B Munglai				
S Kapfo				
Sao Angami				
Vizo				
Hentok	MIDH 2015-16	Ginger Rhizomes	1	1,20,000
Imna Imchen	HMNEH 13-14	Ginger Rhizomes	1	5,60,000
	MIDH 2018-19	Banana Cultivtion (Without Integration)	9	40,50,000
Aruna Humtsoe				
Holuto Aye	MIDH 2018-19	Pineapple Cultivation (Without Integration)	8	42,75,000
Chumabeni Tungoe				
Kilentula Longkumer				
Anungla Jamir				
T Longshithung & Abeni Humtsoe				
Limathung N Apon				
James Swu				
M Wati	MIDH 2018-19	Citrus Cultivation (Without Integration)	3	48,00,000
Renbomo				
Bendangwati Jamir				
I Temjen Longchar	MIDH 2018-19	Naga Mircha Cultivation	8	27,00,000
Medovilie Meru	MIDH 2018-19	Large Cardamom	19	21,50,000

Name of Supplier	Year	Particulars	No of Local Suppliers	Amount				
Yanpvuo Eruu								
Tsenchamo Humtsoe								
Nungshikaba Longkumer								
R Benrithung Patton								
Sumito Chisi								
T. Ajungla Aier								
Lhitsonyi Wetsah, Phek	MIDH 2019-20	Cardamom	12	43,00,000				
N. Yanpothung Ezung,								
Viketo Wotsa								
Lhitsonyi Wetsah, Phek								
Weprepe Mero								
Wepekha Wetsah								
Longso Yim								
Hampo Apon								
Libemo Kithan								
Mhabeni Odyuo								
Kitofo Chopi								
Kegwahu Kemp								
Kumzuk					MIDH 2019-20	Pineapple	12	51,30,000
Limawati Kichu								
T.C. Ao								
Imti Walling								
Bendangtemsu								
Neichutsolo Venuh								
Thejao Khro								
P Khevito Zhimo								
Lavito Sema								
Epibemo Lotha								
Rentsamo Humstore								
Rocky Ngullie								
Seyiekhriezo Pienyu	MIDH 2019-20	Vegetable	1	3,00,000				
Total			546	14,72,45,889				

Source: Departmental records

Appendix 3.2.2
Statement showing short distribution of planting materials/ seedlings
(Reference: Paragraph 3.2.5.3.1 (iv))

Sl. No.	Name of District	Year	Component	Name of Village	Name of Beneficiaries	Planting material issued as per Stock Register (Nos.)	Planting material received (Nos.)	Short Distributed (Nos.)	Rate/ Piece (₹)	Money Value as per Stock (₹)	Money value as planting material received (₹)	Money Value Short Distributed (₹)
1	Longleng	2018-19	Banana	Nyang	Ongche	2,000	400	1,600	15	30,000	6,000	24,000
2	Phek	2014-15	Banana	Kutsapo	Ato Vadeo	1,110	400	710	15	16,650	6,000	10,650
3	Phek	2014-15	Banana	Middle Khomi	Dusuta	1,110	800	310	15	16,650	12,000	4,650
4	Phek	2014-15	Banana	Ketsapo	Ravekho Vadeo	1,110	600	510	15	16,650	9,000	7,650
5	Phek	2014-15	Banana	Chesezu	Zasekhoyi Ringa & Group	1,110	400	710	15	16,650	6,000	10,650
6	Phek	2016-17	Banana	Leshemi	Chikha	1,800	600	1,200	15	27,000	9,000	18,000
7	Phek	2016-17	Banana	Mesulumi	Khronutso	1,800	600	1,200	15	27,000	9,000	18,000
8	Phek	2016-17	Banana	Chozu Basa	Vephuo Phesao	1,800	800	1,000	15	27,000	12,000	15,000
9	Phek	2016-17	Banana	Phusachodu	Zashehu Curhah	2,700	200	2,500	15	40,500	3,000	37,500
10	Kohima	2014-15	Banana	Periche High School Colony	Akhie	1,550	400	1,150	15	23,250	6,000	17,250
11	Kohima	2014-15	Banana	Touphema	Keduo Zumu G/ L	1,550	350	1,200	15	23,250	5,250	18,000
12	Kohima	2014-15	Banana	Dihoma	Khrielevo-U	1,550	600	950	15	23,250	9,000	14,250
13	Kohima	2014-15	Banana	Kidima	Sunrise Co-Operation Society	1,550	1,000	550	15	23,250	15,000	8,250
14	Kohima	2014-15	Banana	Kigwema	Thekhe- O	1,550	1,000	550	15	23,250	15,000	8,250
15	Kohima	2015-16	Banana	Kidima	Azonuo Pusa	1,550	1,000	550	15	23,250	15,000	8,250
16	Kohima	2018-19	Banana	Gariphema	Keviso Pielie	1,800	600	1,200	15	27,000	9,000	18,000
17	Kohima	2015-16	Banana	Peducha	Konuo	1,550	400	1,150	15	23,250	6,000	17,250
18	Kohima	2017-18	Banana	Nerhe Model	Kuolie Chadi	450	400	50	15	6,750	6,000	750
19	Kohima	2017-18	Banana	Gariphema Basa	Medoh Keditsu	2,250	200	2,050	15	33,750	3,000	30,750
20	Kohima	2015-16	Banana	L. Khel Kohima	Neikhotuo Kelio	1,550	800	750	15	23,250	12,000	11,250
21	Kohima	2015-16	Banana	Kohima	Nilo & 10 Others	3,100	800	2,300	15	46,500	12,000	34,500
22	Kohima	2015-16	Banana	Mezoma	Thepfülhoulie	3,100	50	3,050	15	46,500	750	45,750
23	Kohima	2015-16	Banana	Chiechama	Velhoul	4,650	800	3,850	15	69,750	12,000	57,750
24	Kohima	2018-19	Banana	Kezoma	Visakholie Naki	1,800	300	1,500	15	27,000	4,500	22,500
25	Longleng	2017-18	Banana	Orangkong	D. Doishom	600	300	300	15	9,000	4,500	4,500
26	Longleng	2017-18	Banana	Yangching	Pangko	600	500	100	15	9,000	7,500	1,500
27	Longleng	2017-18	Banana	Tamlu	Phuhnem Phom	600	300	300	15	9,000	4,500	4,500
28	Mokokchung	2018-19	Banana	Kinunger	Aosangba	900	500	400	15	13,500	7,500	6,000

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29	Mokokchung	2014-15	Banana	Chuchuyimpang	C.Imli Jamir	1,550	500	1,050	15	23,250	7,500	15,750
30	Mokokchung	2017-18	Banana	Tsumokong	Iminuklu	1,800	600	1,200	15	27,000	9,000	18,000
31	Mokokchung	2017-18	Banana	Chuchuyimlang	Lanutemsu	1,800	200	1,600	15	27,000	3,000	24,000
32	Mokokchung	2014-15	Banana	Longpha	Moatoshi/ Waluniba	1,550	500	1,050	15	23,250	7,500	15,750
33	Mokokchung	2014-15	Banana	Chuchuyimpang	Rongsenlemba	3,100	500	2,600	15	46,500	7,500	39,000
34	Mokokchung	2014-15	Banana	Khensa	Tsuktimeren	1,550	300	1,250	15	23,250	4,500	18,750
35	Mokokchung	2014-15	Banana	Akomen	Wabang	1,550	500	1,050	15	23,250	7,500	15,750
36	Mokokchung	2018-19	Banana	Kinunger	Watinungsang	900	500	400	15	13,500	7,500	6,000
37	Phek	2015-16	Banana	Kutsapo	Kewe Kromi	1,550	400	1,150	15	23,250	6,000	17,250
38	Phek	2018-19	Banana	Yoruba	Kuhukhru Lohe	1,800	800	1,000	15	27,000	12,000	15,000
39	Phek	2017-18	Banana	Pholami	Kulaveyi Khamo	900	500	400	15	13,500	7,500	6,000
40	Phek	2015-16	Banana	Phusachodu	Mutsikhoyi	1,550	600	950	15	23,250	9,000	14,250
41	Phek	2017-18	Banana	Kutsapo	Neizovi Vadeo	900	600	300	15	13,500	9,000	4,500
42	Phek	2017-18	Banana	Kikruma	Netsotalu Tunyi	900	500	400	15	13,500	7,500	6,000
43	Phek	2015-16	Banana	Phek Village	Nusheke Soho	1,550	200	1,350	15	23,250	3,000	20,250
44	Phek	2015-16	Banana	Sütü	T. Thüvüri	1,550	400	1,150	15	23,250	6,000	17,250
45	Phek	2017-18	Banana	Chesezu	Thepuyoyi Nienu	900	500	400	15	13,500	7,500	6,000
46	Phek	2015-16	Banana	Washolo	Tsomongthe	1,550	800	750	15	23,250	12,000	11,250
47	Phek	2018-19	Banana	Kikruma	Veduyo Yhobu	1,800	500	1,300	15	27,000	7,500	19,500
48	Phek	2017-18	Banana	Upper Khomi	Vevocu Vezuh	900	600	300	15	13,500	9,000	4,500
49	Phek	2018-19	Banana	Tehephu	Zavezo Lohe	1,800	400	1,400	15	27,000	6,000	21,000
50	Tseminyu	2015-16	Banana	Tesophenyu	Asapfu Magh	1,700	600	1,100	15	25,500	9,000	16,500
51	Tseminyu	2015-16	Banana	Phewhenyu	Inato Kent	1,700	600	1,100	15	25,500	9,000	16,500
52	Tseminyu	2018-19	Banana	Phenwhenyu	Josep Tep	900	150	750	15	13,500	2,250	11,250
53	Tseminyu	2016-17	Banana	Tseminyu	Kewasin	1,800	600	1,200	15	27,000	9,000	18,000
54	Tseminyu	2016-17	Banana	K. Station	Khushali Kath	1,800	600	1,200	15	27,000	9,000	18,000
55	Tseminyu	2015-16	Banana	Nsunyu	Mechailo Tep	1,700	600	1,100	15	25,500	9,000	16,500
56	Tseminyu	2018-19	Banana	T. Zisunyu	Peter Kent	900	150	750	15	13,500	2,250	11,250
57	Tseminyu	2018-19	Banana	Tesophenyu	Piekie Kath	900	600	300	15	13,500	9,000	4,500
58	Tseminyu	2015-16	Banana	Sedenyu	Runoha Khing	1,700	600	1,100	15	25,500	9,000	16,500
59	Tseminyu	2017-18	Banana	Tesophenyu	Thonlo Seb	3,600	400	3,200	15	54,000	6,000	48,000
60	Kohima	2016-17	Banana	Gariphema	Ketsitso Lohe	540	350	190	15	8,100	5,250	2,850
61	Kohima	2016-17	Banana	Pheza	Kikruneizo	540	150	390	15	8,100	2,250	5,850
62	Kohima	2016-17	Banana	Zhadima	Ruuzelie Khoubve	540	100	440	15	8,100	1,500	6,600
63	Kohima	2016-17	Banana	Mima	Visedelie Shunyu	540	350	190	15	8,100	5,250	2,850

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64	Mokokchung	2015-16	Banana	Yaongyimti	Akhum	3,100	300	2,800	15	46,500	4,500	42,000
65	Mokokchung	2016-17	Banana	Mongsenyimti	Alemnungsang	1,350	800	550	15	20,250	12,000	8,250
66	Mokokchung	2016-17	Banana	Kelingmen	Imliwabang	1,350	500	850	15	20,250	7,500	12,750
67	Mokokchung	2016-17	Banana	Mokokchung	R. Aotemsu	1,350	400	950	15	20,250	6,000	14,250
68	Mokokchung	2015-16	Banana	Nukshiyim	Semer dangba	1,550	400	1,150	15	23,250	6,000	17,250
69	Mokokchung	2016-17	Banana	Mokokchung	Sunjemyapang	1,350	200	1,150	15	20,250	3,000	17,250
70	Mokokchung	2015-16	Banana	Yisemyong	Supongtemjen	1,550	150	1,400	15	23,250	2,250	21,000
71	Mokokchung	2015-16	Banana	Nukshiyim	Tsuknungmenla	3,100	400	2,700	15	46,500	6,000	40,500
72	Longleng	2016-17	Banana	Sakshi	C. Yungmei Phom	400	200	200	15	6,000	3,000	3,000
73	Longleng	2016-17	Banana	Longleng	L. Chuba Phom	400	150	250	15	6,000	2,250	3,750
74	Longleng	2016-17	Banana	Longleng	Nyeiba Phom	400	150	250	15	6,000	2,250	3,750
75	Mokokchung	2014-15	Banana	Chuchuyimlang	Latungyanger	500	200	300	15	7,500	3,000	4,500
76	Kohima	2019-20	Citrus	Rusoma	Delhoulie Terhase	1,200	1,000	200	40	48,000	40,000	8,000
77	Kohima	2019-20	Citrus	Kohima	Keneirutuou Sekhose	1,800	800	1,000	40	72,000	32,000	40,000
78	Kohima	2019-20	Citrus	Tuophema	Kevikhe	1,800	400	1,400	40	72,000	16,000	56,000
79	Kohima	2018-19	Citrus	Chiechama	Lazolie Rio	600	300	300	40	24,000	12,000	12,000
80	Kohima	2019-20	Citrus	Rusoma	Mezhuzelie Zuyie	1,200	1,000	200	40	48,000	40,000	8,000
81	Kohima	2019-20	Citrus	Rusoma	Ngusanyu	1,800	1,000	800	40	72,000	40,000	32,000
82	Kohima	2017-18	Citrus	Phezha	Rokuovikho Tsurho	600	350	250	40	24,000	14,000	10,000
83	Kohima	2014-15	Citrus	Kigwema	Thasetuo	325	100	225	40	13,000	4,000	9,000
84	Kohima	2019-20	Citrus	Dihoma	Thekiengole Yano	1,800	1,700	100	40	72,000	68,000	4,000
85	Kohima	2017-18	Citrus	Meriema	Viyatuo U Ciesotsu	600	300	300	40	24,000	12,000	12,000
86	Longleng	2019-20	Citrus	Yongshei	A Chingau Phom	1,083	100	983	40	43,320	4,000	39,320
87	Longleng	2019-20	Citrus	Yaongyimchen	B Yongchet	1,250	200	1,050	40	50,000	8,000	42,000
88	Longleng	2018-19	Citrus	Oushok	Hongnau Phom	300	250	50	40	12,000	10,000	2,000
89	Longleng	2019-20	Citrus	Yachem	L Nungichiva Phom	1,250	150	1,100	40	50,000	6,000	44,000
90	Longleng	2019-20	Citrus	Yangching	L Yangngai Phom	1,000	100	900	40	40,000	4,000	36,000
91	Longleng	2019-20	Citrus	Pongching	Lakshom Phom	1,364	300	1,064	40	54,560	12,000	42,560
92	Longleng	2014-15	Citrus	Orangkong	Langpong, Mosa	600	500	100	40	24,000	20,000	4,000
93	Longleng	2019-20	Citrus	Pongching	N Ngubsum Phom	1,286	150	1,136	40	51,440	6,000	45,440
94	Longleng	2014-15	Citrus	B/ Namsang	Ngannyei, Akong,	600	500	100	40	24,000	20,000	4,000
95	Longleng	2018-19	Citrus	Buranamsang	Nyapong Phom	350	300	50	40	14,000	12,000	2,000
96	Longleng	2019-20	Citrus	Yongnyah	Ongei Phom	1,286	100	1,186	40	51,440	4,000	47,440
97	Longleng	2019-20	Citrus	Yongshei	P Manjoi Phom	1,083	150	933	40	43,320	6,000	37,320
98	Longleng	2019-20	Citrus	Pongo	Phumla Phom	1,084	150	934	40	43,360	6,000	37,360

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99	Longleng	2019-20	Citrus	Orangkong	S Chingau	1,250	100	1,150	40	50,000	4,000	46,000
100	Longleng	2016-17	Citrus	Yongshei	T. Yingi Phom	350	300	50	40	14,000	12,000	2,000
101	Longleng	2019-20	Citrus	Yangching	Yangnyu Phom	1,250	500	750	40	50,000	20,000	30,000
102	Longleng	2019-20	Citrus	Dungkhao	Yoyankaplong Phom	1,286	350	936	40	51,440	14,000	37,440
103	Mokokchung	2018-19	Citrus	Kupza	Imliwapang	1,000	200	800	40	40,000	8,000	32,000
104	Mokokchung	2019-20	Citrus	Kupza	Imliyangba	600	200	400	40	24,000	8,000	16,000
105	Mokokchung	2019-20	Citrus	Changtongya	L. Tongdang Ao	600	40	560	40	24,000	1,600	22,400
106	Mokokchung	2018-19	Citrus	Kupza	Lanusojang	1,000	160	840	40	40,000	6,400	33,600
107	Mokokchung	2019-20	Citrus	Kupza	Limatoshi	600	200	400	40	24,000	8,000	16,000
108	Mokokchung	2019-20	Citrus	Kupza	Rechasangba	600	100	500	40	24,000	4,000	20,000
109	Mokokchung	2019-20	Citrus	Kupza	Sashimayang	600	100	500	40	24,000	4,000	20,000
110	Mokokchung	2019-20	Citrus	Changtongya	Sentimoa	1,200	0	1,200	40	48,000	0	48,000
111	Mokokchung	2018-19	Citrus	Kinunger	Sentimongla	1,000	300	700	40	40,000	12,000	28,000
112	Mokokchung	2019-20	Citrus	Kupza	Shilukaba	600	100	500	40	24,000	4,000	20,000
113	Mokokchung	2018-19	Citrus	Chungtia	Supongchuba	1,000	300	700	40	40,000	12,000	28,000
114	Mokokchung	2019-20	Citrus	Longjang	Taliakum	600	200	400	40	24,000	8,000	16,000
115	Mokokchung	2018-19	Citrus	Unger	Talichuba	500	200	300	40	20,000	8,000	12,000
116	Mokokchung	2019-20	Citrus	Chungtia	Temsuwati	600	100	500	40	24,000	4,000	20,000
117	Mokokchung	2019-20	Citrus	Kupza	Tiameren	600	80	520	40	24,000	3,200	20,800
118	Mokokchung	2018-19	Citrus	Kinunger	Tongpangkokba	1,000	300	700	40	40,000	12,000	28,000
119	Mokokchung	2018-19	Citrus	Longjang	Watimongla	500	250	250	40	20,000	10,000	10,000
120	Mokokchung	2018-19	Citrus	Chungtia	Yimsenmongla	1,000	300	700	40	40,000	12,000	28,000
121	Phek	2019-20	Citrus	Yoruba	Besulhu Lohe	690	250	440	40	27,600	10,000	17,600.
122	Phek	2019-20	Citrus	Losami	Kewelhipe	690	100	590	40	27,600	4,000	23,600
123	Phek	2019-20	Citrus	K. Khuno	Khuvapa	690	100	590	40	27,600	4,000	23,600
124	Phek	2017-18	Citrus	Chozuba	Kudukho Nyekha	1,200	600	600	40	48,000	24,000	24,000
125	Phek	2019-20	Citrus	Chozuba	Kukhruzolu	690	100	590	40	27,600	4,000	23,600
126	Phek	2017-18	Citrus	Kikrumba	Kuveluzo	300	140	160	40	12,000	5,600	6,400
127	Phek	2019-20	Citrus	Kutsapo	Kuzholhuyi Vadeo	690	50	640	40	27,600	2,000	25,600
128	Phek	2014-15	Citrus	Meluri	Luoshiivi Refu (SHG)	650	600	50	40	26,000	24,000	2,000
129	Phek	2017-18	Citrus	Phek Town	Nuphizo Venuh	600	120	480	40	24,000	4,800	19,200
130	Phek	2017-18	Citrus	K. Khuno	Pokuyi Vero	600	400	200	40	24,000	16,000	8,000
131	Phek	2019-20	Citrus	Tehephu	Sakhopa	690	200	490	40	27,600	8,000	19,600
132	Phek	2017-18	Citrus	Phek	Shepahu Venuh	600	120	480	40	24,000	4,800	19,200
133	Phek	2014-15	Citrus	N/ Thewati	Shikalo	650	600	50	40	26,000	24,000	2,000

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134	Phek	2019-20	Citrus	Kotisu	Thujosheyi Venuh	690	300	390	40	27,600	12,000	15,600
135	Phek	2014-15	Citrus	Losami	Vekho Nienu	1,300	100	1200	40	52,000	4,000	48,000
136	Phek	2014-15	Citrus	Surhoba	Vekhochi	650	600	50	40	26,000	24,000	2,000
137	Phek	2018-19	Citrus	Mutsale	Vengoi Nienu	600	275	325	40	24,000	11,000	13,000
138	Phek	2014-15	Citrus	Phek Vill.	Veo Chuzho	650	120	530	40	26,000	4,800	21,200
139	Phek	2014-15	Citrus	M/ Kohmi	Vephisa	650	400	250	40	26,000	16,000	10,000
140	Phek	2014-15	Citrus	Phek Vill.	Vesheyi	650	120	530	40	26,000	4,800	21,200
141	Phek	2017-18	Citrus	Khuza	Vesonu Vero	600	300	300	40	24,000	12,000	12,000
142	Phek	2014-15	Citrus	Lanyi	Vesuta & Group	650	200	450	40	26,000	8,000	18,000
143	Phek	2019-20	Citrus	Chepoketa	Vonolu Akami	690	400	290	40	27,600	16,000	11,600
144	Phek	2019-20	Citrus	Sutsu	Yempantsu Thuvuri	690	120	570	40	27,600	4,800	22,800
145	Tseminyu	2019-20	Citrus	Kandinyu	Chowakha Apon	1,200	400	800	40	48,000	16,000	32,000
146	Tseminyu	2018-19	Citrus	Kandinu	Benchumo Kath	900	300	600	40	36,000	12,000	24,000
147	Tseminyu	2018-19	Citrus	Kandinu	Senlo Kath Rengma	900	300	600	40	36,000	12,000	24,000
148	Tseminyu	2016-17	Citrus	Tseminyu	Asinlo Kent	600	500	100	40	24,000	20,000	4,000
149	Tseminyu	2016-17	Citrus	Tsonsa	Japhet	600	300	300	40	24,000	12,000	12,000
150	Tseminyu	2016-17	Citrus	Tseminyu	Yhunthonlo Kent	600	400	200	40	24,000	16,000	8,000
151	Mokokchung	2015-16	Citrus	Longmisa	Aotemsu	325	300	25	40	13,000	12,000	1,000
152	Mokokchung	2015-16	Citrus	Longmisa	Lipoktongzuk	325	300	25	40	13,000	12,000	1,000
153	Mokokchung	2015-16	Citrus	Longmisa	Toshinungsang	325	300	25	40	13,000	12,000	1,000
154	Kohima	2016-17	Citrus	Rusoma	Mezhulhoubeinuo Nihu	300	200	100	40	12,000	8,000	4,000
155	Mokokchung	2016-17	Citrus	Yisemyong	Akangkokba	265	210	55	40	10,600	8,400	2,200
156	Mokokchung	2016-17	Citrus	Mokokchung	Chubasunep	350	300	50	40	14,000	12,000	2,000
157	Mokokchung	2016-17	Citrus	Longjang	Imnatemsu	575	100	475	40	23,000	4,000	19,000
158	Mokokchung	2016-17	Citrus	Mokokchung	Taliyangba	265	50	215	40	10,600	2,000	8,600
159	Kohima	2015-16	Citrus	Chiechama	Kevisetuo Chadi	650	150	500	40	26,000	6,000	20,000
160	Kohima	2015-16	Citrus	T. Khel Kohima	Khrieseo	650	400	250	40	26,000	16,000	10,000
161	Mokokchung	2018-19	Dragon Fruit	Akhoya	Impangonen	1,666	1,000	666	60	99,960	60,000	39,960
162	Mokokchung	2018-19	Dragon Fruit	Medemyim	Imtitoshi	1,666	1,500	166	60	99,960	90,000	9,960
163	Mokokchung	2017-18	Dragon Fruit	Chuchuyimpang	Lipokwati Jamir	1,666	300	1,366	60	99,960	18,000	81,960
164	Mokokchung	2018-19	Dragon Fruit	Longkong	Rongsensosang	1,666	1,000	666	60	99,960	60,000	39,960
165	Kohima	2017-18	Ginger	Kohima	Vikuosanuo	405	50	355	50	20,250	2,500	17,750
166	Kohima	2017-18	Ginger	Nachama	Vilasieu	405	80	325	50	20,250	4,000	16,250
167	Kohima	2017-18	Ginger	Dihoma	Vilezo Zhale	405	80	325	50	20,250	4,000	16,250
168	Kohima	2017-18	Ginger	Phesama	Vimhozolie	405	50	355	50	20,250	2,500	17,750

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169	Mokokchung	2017-18	Ginger	Mokokchung	Imotemsu Ao	500	120	380	50	25,000	6,000	19,000
170	Phek	2015-16	Ginger	Pfutsero Town	Boost Society	100	50	50	50	5,000	2,500	2,500
171	Phek	2017-18	Ginger	Kutisu	Thujosheyi Venuh	270	75	195	50	13,500	3,750	9,750
172	Phek	2016-17	Ginger	Runguzu Nawe	Velato Nienu	270	50	220	50	13,500	2,500	11,000
173	Phek	2016-17	Ginger	Chesezu	Vepoyi Ringa	270	50	220	50	13,500	2,500	11,000
174	Phek	2016-17	Ginger	Weziho	Yalula	270	50	220	50	13,500	2,500	11,000
175	Phek	2017-18	Ginger	Kizari	Zasheto Chizo	270	50	220	50	13,500	2,500	11,000
176	Tseminyu	2016-17	Ginger	Kashanyu	Hilole Khing	270	250	20	50	13,500	12,500	1,000
177	Tseminyu	2017-18	Ginger	Phenwhenyu	Joseph Tep	270	250	20	50	13,500	12,500	1,000
178	Tseminyu	2016-17	Ginger	Kashanyu	Yhunsenlo Khing	405	250	155	50	20,250	12,500	7,750
179	Kohima	2016-17	Ginger	Nachama	Vilasieu	135	90	45	50	6,750	4,500	2,250
180	Kohima	2014-15	Kiwi	Kigwema	Neiphreto	750	350	400	80	60,000	28,000	32,000
181	Kohima	2014-15	Kiwi	Viswema	Pduho Vitsu	750	200	550	80	60,000	16,000	44,000
182	Kohima	2014-15	Kiwi	Kigwema	Rokosalie	750	600	150	80	60,000	48,000	12,000
183	Kohima	2016-17	Kiwi	Cheichama	Velhoul Ruppri	3,125	1,800	1,325	80	2,50,000	1,44,000	1,06,000
184	Kohima	2018-19	Kiwi	Khonoma	Vikongu Khate	1,200	500	700	80	96,000	40,000	56,000
185	Phek	2016-17	Kiwi	Chozuba	Pukhoyi Rhakho	563	300	263	80	45,040	24,000	21,040
186	Kohima	2014-15	Kiwi	Kigwema	Vinonyu	360	260	100	80	28,800	20,800	8,000
187	Phek	2018-19	Kiwi	Zapami	Nguchulo Wetsah	383	150	233	80	30,640	12,000	18,640
188	Phek	2018-19	Kiwi	Chozuba	Vecizo Shijoh	383	380	3	80	30,640	30,400	240
189	Phek	2018-19	Kiwi	Tsupfume	Visu Leah	383	150	233	80	30,640	12,000	18,640
190	Phek	2018-19	Kiwi	Zapami	Zewekha Wetsah	383	150	233	80	30,640	12,000	18,640
191	Kohima	2014-15	Cardamom	Kigwema	Neibu	6,400	1,000	5,400	5	32,000	5,000	27,000
192	Kohima	2014-15	Cardamom	Mima	Teisovise Lese	6,400	1,500	4,900	5	32,000	7,500	24,500
193	Phek	2019-20	Cardamom	Runguzu Nasa	Besuyi Keyho	4,300	110	4,190	5	21,500	550	20,950
194	Phek	2014-15	Cardamom	Upper Kho	Cekrosu Nienu	4,800	1,000	3,800	5	24,000	5,000	19,000
195	Phek	2014-15	Cardamom	Pfutsero	Chuwe Wetsah	4,800	1,000	3,800	5	24,000	5,000	19,000
196	Phek	2019-20	Cardamom	Thevopisu	Keviselie	4,300	300	4,000	5	21,500	1,500	20,000
197	Phek	2014-15	Cardamom	Zapami	Kewetso	7,200	4,000	3,200	5	36,000	20,000	16,000
198	Phek	2014-15	Cardamom	Zapami	Lonyii	4,800	500	4,300	5	24,000	2,500	21,500
199	Phek	2019-20	Cardamom	Runguzu Nawe	Muzitolu	4,300	1,000	3,300	5	21,500	5,000	16,500
200	Phek	2019-20	Cardamom	Zhavame	Sanyi Shupao	4,300	300	4,000	5	21,500	1,500	20,000
201	Phek	2019-20	Cardamom	Kotisu	Somota Venuh	4,300	300	4,000	5	21,500	1,500	20,000
202	Phek	2019-20	Cardamom	Phek Town	Thuputhiyi Venuh	4,300	3,000	1,300	5	21,500	15,000	6,500
203	Phek	2019-20	Cardamom	Sohomi	Tusovelu	4,300	400	3,900	5	21,500	2,000	19,500

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204	Phek	2019-20	Cardamom	Phusachodu	Vekhayi Lupo-O	4,300	300	4,000	5	21,500	1,500	20,000
205	Phek	2019-20	Cardamom	Middle Khomi	Vekuzo Lohe	4,300	1,500	2,800	5	21,500	7,500	14,000
206	Phek	2019-20	Cardamom	Kotisu	Vezokho	4,300	3,000	1,300	5	21,500	15,000	6,500
207	Phek	2019-20	Cardamom	Enhulumi	Wekozou Kapfo	4,300	360	3,940	5	21,500	1,800	19,700
208	Phek	2014-15	Cardamom	Leshemi	Wezo	4,800	800	4,000	5	24,000	4,000	20,000
209	Phek	2019-20	Cardamom	Middle Khomi	Zalezo Vero	4,300	100	4,200	5	21,500	500	21,000
210	Phek	2019-20	Cardamom	Runguzu Nawe	Zaselhu	4,300	100	4,200	5	21,500	500	21,000
211	Phek	2019-20	Cardamom	Phek	Zhoshepa Keyho	4,300	200	4,100	5	21,500	1,000	20,500
212	Tseminyu	2015-16	Cardamom	Phewhenyu	Joshua Cheng	4,000	2,500	1,500	5	20,000	12,500	7,500
213	Tseminyu	2016-17	Cardamom	Zisunyu	Kegwaseng Kent	6,450	1,000	5,450	5	32,250	5,000	27,250
214	Tseminyu	2016-17	Cardamom	Tseminyu	Peter Tep	4,300	800	3,500	5	21,500	4,000	17,500
215	Phek	2016-17	Cardamom	Washelo	Sievitho Trakha	4,300	1,000	3,300	5	21,500	5,000	16,500
216	Phek	2016-17	Cardamom	Chozuba	Veswuku Nienu	8,600	1,000	7,600	5	43,000	5,000	38,000
217	Phek	2016-17	Cardamom	Akhegwo	Z. Junte Chugho	4,300	1,200	3,100	5	21,500	6,000	15,500
218	Phek	2016-17	Cardamom	Khulazu Basa	Zuvehu Rhakho	4,300	800	3,500	5	21,500	4,000	17,500
219	Mokokchung	2016-17	Cardamom	Akhoya	Aien Imsong	2,150	1,500	650	5	10,750	7,500	3,250
220	Mokokchung	2015-16	Cardamom	Chungtia	Imsu Kichu	3,000	700	2,300	5	15,000	3,500	11,500
221	Mokokchung	2016-17	Cardamom	Longsa	Japankokba	2,150	2,000	150	5	10,750	10,000	750
222	Mokokchung	2016-17	Cardamom	Khanimu	Lanuwati	6,450	1,000	5,450	5	32,250	5,000	27,250
223	Mokokchung	2016-17	Cardamom	Dibuia	Nungsangmeren	2,150	2,000	150	5	10,750	10,000	750
224	Phek	2015-16	Cardamom	Pfutsero Town	Gyasula	4,000	1,000	3,000	5	20,000	5,000	15,000
225	Phek	2015-16	Cardamom	Phek Town	Joseph	4,000	1,000	3,000	5	20,000	5,000	15,000
226	Phek	2015-16	Cardamom	Pfutsero	Neitsolo	4,000	1,000	3,000	5	20,000	5,000	15,000
227	Phek	2015-16	Cardamom	Upper Khomi	Thupuruda	4,000	1,200	2,800	5	20,000	6,000	14,000
228	Phek	2015-16	Cardamom	Pfutsero Town	Wepezu	4,000	1,000	3,000	5	20,000	5,000	15,000
229	Kohima	2015-16	Cardamom	Touphema	Dziesengulie Seyie	4,666	1,000	3,666	5	23,330	5,000	18,330
230	Kohima	2015-16	Cardamom	Kigwema	Nosevol Kin, Medongule	2,333	1,000	1,333	5	11,665	5,000	6,665
231	Mokokchung	2014-15	Litchi	Tuli	Imna Imchen	500	200	300	50	25,000	10,000	15,000
232	Mokokchung	2015-16	Litchi	Aosenden	Imnazulu	520	200	320	50	26,000	10,000	16,000
233	Mokokchung	2015-16	Litchi	Dibuia	Sunep	520	250	270	50	26,000	12,500	13,500
234	Mokokchung	2014-15	Mango	Merakiong, Longnak	Imchatiba	500	350	150	50	25,000	17,500	7,500
235	Mokokchung	2015-16	Mango	Lemchalu	Limachuba	520	300	220	50	26,000	15,000	11,000
236	Mokokchung	2014-15	Mango	Moalenden	Supongtemjen	500	300	200	50	25,000	15,000	10,000
237	Mokokchung	2014-15	Orange	Akhoya	Alimayang	998	200	798	40	39,920	8,000	31,920

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238	Mokokchung	2014-15	Orange	Yisemyong	Maputemjen	499	150	349	40	19,960	6,000	13,960
239	Mokokchung	2014-15	Orange	Khensa	Tsuktimeren	499	300	199	40	19,960	12,000	7,960
240	Kohima	2014-15	Papaya	Kohima	Atsuba	2,500	600	1,900	16	40,000	9,600	30,400
241	Kohima	2014-15	Papaya	Kohima	Mathew Solo	2,500	600	1,900	16	40,000	9,600	30,400
242	Kohima	2014-15	Papaya	Kohima	Virheituonuo	2,500	600	1,900	16	40,000	9,600	30,400
243	Kohima	2014-15	Papaya	Viphoma	Vivibalie	2,500	400	2,100	16	40,000	6,400	33,600
244	Mokokchung	2017-18	Passion Fruit	Chungtia	Acheer Kichu	4,000	800	3,200	10	40,000	8,000	32,000
245	Mokokchung	2017-18	Passion Fruit	Mongsenyimti	Akangwati	2,000	1,000	1,000	10	20,000	10,000	10,000
246	Mokokchung	2017-18	Passion Fruit	Khensa	Alemangshi	2,000	1,000	1,000	10	20,000	10,000	10,000
247	Mokokchung	2017-18	Passion Fruit	Kumlong Ward	Anettongba	2,000	1,000	1,000	10	20,000	10,000	10,000
248	Mokokchung	2017-18	Passion Fruit	Longkhum	Anokwaba	2,000	400	1,600	10	20,000	4,000	16,000
249	Mokokchung	2017-18	Passion Fruit	Chuchuyimlang	Aosadang	2,000	400	1,600	10	20,000	4,000	16,000
250	Mokokchung	2017-18	Passion Fruit	Chungliyimsen	Arenlong Jamir	2,000	1,000	1,000	10	20,000	10,000	10,000
251	Mokokchung	2017-18	Passion Fruit	Longkhum	Arishilu	2,000	1,000	1,000	10	20,000	10,000	10,000
252	Mokokchung	2017-18	Passion Fruit	Dibuia	Atenjempa	2,000	1,000	1,000	10	20,000	10,000	10,000
253	Mokokchung	2017-18	Passion Fruit	Mangmetong	Atsungliba	2,000	600	1,400	10	20,000	6,000	14,000
254	Mokokchung	2017-18	Passion Fruit	Longsa	Bendangkokba	2,000	1,000	1,000	10	20,000	10,000	10,000
255	Mokokchung	2017-18	Passion Fruit	Chuchuyimlang	Bendangsungit	2,000	800	1,200	10	20,000	8,000	12,000
256	Mokokchung	2017-18	Passion Fruit	Khensa	C. Rema Ao	2,000	1,000	1,000	10	20,000	10,000	10,000
257	Mokokchung	2017-18	Passion Fruit	Chakpa	I.Imlong Chang	2,000	400	1,600	10	20,000	4,000	16,000
258	Mokokchung	2017-18	Passion Fruit	Chakpa	Imkonglemba	2,000	400	1,600	10	20,000	4,000	16,000
259	Mokokchung	2017-18	Passion Fruit	Longkong	Imlimeren	2,000	1,000	1,000	10	20,000	10,000	10,000
260	Mokokchung	2017-18	Passion Fruit	Chakpa	Imlitongzuk	2,000	400	1,600	10	20,000	4,000	16,000
261	Mokokchung	2017-18	Passion Fruit	Chuchuyimlang	Imnawati	2,000	400	1,600	10	20,000	4,000	16,000
262	Mokokchung	2017-18	Passion Fruit	Mokokchung	Imotemsu Ao	2,000	500	1,500	10	20,000	5,000	15,000
263	Mokokchung	2017-18	Passion Fruit	Yaongyimsen	Impangmeren	2,000	400	1,600	10	20,000	4,000	16,000
264	Mokokchung	2017-18	Passion Fruit	Chuchuyimlang	Imsumar	2,000	800	1,200	10	20,000	8,000	12,000
265	Mokokchung	2017-18	Passion Fruit	Mongsenyimti	Imtichizung	2,000	1,000	1,000	10	20,000	10,000	10,000
266	Mokokchung	2017-18	Passion Fruit	Kumlong Ward	Imtimeren Ao	2,000	300	1,700	10	20,000	3,000	17,000
267	Mokokchung	2017-18	Passion Fruit	Dibuia	Imtinungla	2,000	1,000	1,000	10	20,000	10,000	10,000
268	Mokokchung	2017-18	Passion Fruit	Settsu	Imtishen	2,000	1,200	800	10	20,000	12,000	8,000
269	Mokokchung	2017-18	Passion Fruit	Akhoya	Jongpongyanger	4,000	2,000	2,000	10	40,000	20,000	20,000
270	Mokokchung	2017-18	Passion Fruit	Yimchalu	L.Temsu	2,000	400	1,600	10	20,000	4,000	16,000
271	Mokokchung	2017-18	Passion Fruit	Kupza	Lanumeren	2,000	150	1,850	10	20,000	1,500	18,500
272	Mokokchung	2017-18	Passion Fruit	Longsa	Likoktemjen	2,000	1,000	1,000	10	20,000	10,000	10,000

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273	Mokokchung	2017-18	Passion Fruit	Chungliyimsen	Limatemjen	2,000	1,000	1,000	10	20,000	10,000	10,000
274	Mokokchung	2017-18	Passion Fruit	Khensa	Marlemba	2,000	100	1,900	10	20,000	1,000	19,000
275	Mokokchung	2017-18	Passion Fruit	Aliba	Moalemba	2,000	400	1,600	10	20,000	4,000	16,000
276	Mokokchung	2017-18	Passion Fruit	Kumlong Ward	Moatoshi	2,000	400	1,600	10	20,000	4,000	16,000
277	Mokokchung	2017-18	Passion Fruit	Chakpa	Molulemba	2,000	1,000	1,000	10	20,000	10,000	10,000
278	Mokokchung	2017-18	Passion Fruit	Khensa	Nangshimetong	2,000	1,000	1,000	10	20,000	10,000	10,000
279	Mokokchung	2017-18	Passion Fruit	Chuchuyimpang	Nungshiwapang	2,000	300	1,700	10	20,000	3,000	17,000
280	Mokokchung	2017-18	Passion Fruit	Chakpa	Obangienba	2,000	400	1,600	10	20,000	4,000	16,000
281	Mokokchung	2017-18	Passion Fruit	Yaongyimsen	Odikumzuk	2,000	400	1,600	10	20,000	4,000	16,000
282	Mokokchung	2017-18	Passion Fruit	Longkong	Onenzungba	2,000	1,000	1,000	10	20,000	10,000	10,000
283	Mokokchung	2017-18	Passion Fruit	Chuchuyimlang	Putusanen	4,000	2,000	2,000	10	40,000	20,000	20,000
284	Mokokchung	2017-18	Passion Fruit	Longjang	Rendimar	2,000	400	1,600	10	20,000	4,000	16,000
285	Mokokchung	2017-18	Passion Fruit	Longjang	Rev. L. Tarep Ao	2,000	400	1,600	10	20,000	4,000	16,000
286	Mokokchung	2017-18	Passion Fruit	Mongchen	Rongsenkaba	2,000	1,000	1,000	10	20,000	10,000	10,000
287	Mokokchung	2017-18	Passion Fruit	Chakpa	Rongsennungsang	2,000	400	1,600	10	20,000	4,000	16,000
288	Mokokchung	2017-18	Passion Fruit	Mongchen	Sakurepba	2,000	1,000	1,000	10	20,000	10,000	10,000
289	Mokokchung	2017-18	Passion Fruit	Kinunger	Sashikokba	19,000	500	18,500	10	1,90,000	5,000	1,85,000
290	Mokokchung	2017-18	Passion Fruit	Chakpa	Sayunoklen	2,000	400	1,600	10	20,000	4,000	16,000
291	Mokokchung	2017-18	Passion Fruit	Yaongyimsen	Semer dangba	4,000	400	3,600	10	40,000	4,000	36,000
292	Mokokchung	2017-18	Passion Fruit	Khensa	Sentitoshi	2,000	1,000	1,000	10	20,000	10,000	10,000
293	Mokokchung	2017-18	Passion Fruit	Khensa	Supongnungsang	2,000	1,000	1,000	10	20,000	10,000	10,000
294	Mokokchung	2017-18	Passion Fruit	Chakpa	Supongsashi	2,000	400	1,600	10	20,000	4,000	16,000
295	Mokokchung	2017-18	Passion Fruit	Yimchalu	T.Imlitoshi Walling	2,000	450	1,550	10	20,000	4,500	15,500
296	Mokokchung	2017-18	Passion Fruit	Longkhum	Takamanen	2,000	500	1,500	10	20,000	5,000	15,000
297	Mokokchung	2017-18	Passion Fruit	Mekuli	Talisunep	2,000	1,500	500	10	20,000	15,000	5,000
298	Mokokchung	2017-18	Passion Fruit	Mongsenyimti	Talitemsu	2,000	1,000	1,000	10	20,000	10,000	10,000
299	Mokokchung	2017-18	Passion Fruit	Kinunger	Tatongtsuba	4,000	400	3,600	10	40,000	4,000	36,000
300	Mokokchung	2017-18	Passion Fruit	Yaongyimsen	Temsujungla	2,000	400	1,600	10	20,000	4,000	16,000
301	Mokokchung	2017-18	Passion Fruit	Kumlong Ward	Temsumongba	2,000	800	1,200	10	20,000	8,000	12,000
302	Mokokchung	2017-18	Passion Fruit	Longsa	Temsunungsang	2,000	1,000	1,000	10	20,000	10,000	10,000
303	Mokokchung	2017-18	Passion Fruit	Longmisa	Temsupongla	2,000	800	1,200	10	20,000	8,000	12,000
304	Mokokchung	2017-18	Passion Fruit	Mekuli	Temsusangla	2,000	1,500	500	10	20,000	15,000	5,000
305	Mokokchung	2017-18	Passion Fruit	Khensa	Temsuyanger	2,000	1,000	1,000	10	20,000	10,000	10,000
306	Mokokchung	2017-18	Passion Fruit	Chungtia	Tiakaba	4,000	400	3,600	10	40,000	4,000	36,000
307	Mokokchung	2017-18	Passion Fruit	Mokokchung	Tiamongba	2,000	1,000	1,000	10	20,000	10,000	10,000

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308	Mokokchung	2017-18	Passion Fruit	Chakpa	Tiatemsu	2,000	400	1,600	10	20,000	4,000	16,000
309	Mokokchung	2017-18	Passion Fruit	Yaongyimsen	Tongpangkokla	4,000	400	3,600	10	40,000	4,000	36,000
310	Mokokchung	2017-18	Passion Fruit	Chuchuyimlang	Tsukjemtangit	2,000	800	1,200	10	20,000	8,000	12,000
311	Mokokchung	2017-18	Passion Fruit	Chuchuyimlang	Tsuknungrenla	4,000	2,000	2,000	10	40,000	20,000	20,000
312	Mokokchung	2017-18	Passion Fruit	Dibuia	W. Samuel	2,000	800	1,200	10	20,000	8,000	12,000
313	Mokokchung	2017-18	Passion Fruit	Khensa	Wapangtemjen	2,000	1,000	1,000	10	20,000	10,000	10,000
314	Mokokchung	2017-18	Passion Fruit	Akhoya	Zulutemba	2,000	1,000	1,000	10	20,000	10,000	10,000
315	Phek	2014-15	Passion Fruit	Pfutseromi	W.K. Ritse	1,950	600	1,350	10	19,500	6,000	13,500
316	Tseminyu	2017-18	Passion Fruit	Tesophenyu	Hesenle Magh	4,200	1,000	3,000	10	42,000	10,000	32,000
317	Tseminyu	2017-18	Passion Fruit	Tseminyu	Hinilo Kent	4,200	1,000	3,200	10	42,000	10,000	32,000
318	Tseminyu	2017-18	Passion Fruit	Tseminyu	Hinilo Seb	4,200	1,200	3,000	10	42,000	12,000	30,000
319	Tseminyu	2017-18	Passion Fruit	Tseminyu	Jenny Tsela	4,200	600	3,600	10	42,000	6,000	36,000
320	Tseminyu	2016-17	Passion Fruit	Tesophenyu	Kenny Seb	2,100	600	1,500	10	21,000	6,000	15,000
321	Tseminyu	2017-18	Passion Fruit	Tesophenyu	Kenny Seb	4,200	600	3,600	10	42,000	6,000	36,000
322	Tseminyu	2016-17	Passion Fruit	Tseminyu	Loguseng Seb	4,200	600	3,600	10	42,000	6,000	36,000
323	Tseminyu	2017-18	Passion Fruit	Rumensinyu	Ngabu Kesen	4,200	800	3,400	10	42,000	8,000	34,000
324	Tseminyu	2017-18	Passion Fruit	Tesophenyu	Nzanti	4,200	600	3,600	10	42,000	6,000	36,000
325	Tseminyu	2017-18	Passion Fruit	Ziphenyu	Ozuka Kath	4,200	600	3,600	10	42,000	6,000	36,000
326	Tseminyu	2017-18	Passion Fruit	Tesophenyu	Sapun Tep	4,200	600	3,600	10	42,000	6,000	36,000
327	Tseminyu	2017-18	Passion Fruit	Ziphenyu	Shekenye Magh	4,200	600	3,600	10	42,000	6,000	36,000
328	Tseminyu	2017-18	Passion Fruit	Tseminyu	Shikiye Ayemi	4,200	600	3,600	10	42,000	6,000	36,000
329	Tseminyu	2017-18	Passion Fruit	Tseminyu	Shürhozelie Seb	6,000	800	5,200	10	60,000	8,000	52,000
330	Tseminyu	2017-18	Passion Fruit	Tseminyu	Sinlole Kent	4,200	800	3,400	10	42,000	8,000	34,000
331	Tseminyu	2017-18	Passion Fruit	Ziphenyu	Sothonlo Seb	4,200	400	3,800	10	42,000	4,000	38,000
332	Tseminyu	2017-18	Passion Fruit	Tseminyu	Sunchu Seb	4,200	800	3,400	10	42,000	8,000	34,000
333	Mokokchung	2015-16	Passion Fruit	Chuchu Town	Bendangla	3,900	400	3,400	10	39,000	4,000	35,000
334	Mokokchung	2015-16	Passion Fruit	Yisemyong	Imtitoshi	1,950	200	1,750	10	19,500	2,000	17,500
335	Mokokchung	2016-17	Passion Fruit	Mokokchung	Meyisenla	2,000	300	1,700	10	20,000	3,000	17,000
336	Mokokchung	2016-17	Passion Fruit	Molungyimsen	Nunsangchila	4,000	2,000	2,000	10	40,000	20,000	20,000
337	Mokokchung	2015-16	Passion Fruit	Chuchu Town	Opangla	3,900	400	3,400	10	39,000	4,000	35,000
338	Phek	2015-16	Passion Fruit	Chozuba	Azine	700	400	300	10	7,000	4,000	3,000
339	Phek	2015-16	Passion Fruit	Losumi	Kewezulo	700	600	100	10	7,000	6,000	1,000
340	Phek	2015-16	Passion Fruit	New Phor	Thilothurr	700	600	100	10	7,000	6,000	1,000
341	Phek	2015-16	Passion Fruit	Lozaphuhu Vill	Zaveba	2,800	600	2,200	10	28,000	6,000	22,000
342	Phek	2016-17	Passion Fruit	Pfutsero	Kewecheu Khalo	5,600	300	5,300	10	56,000	3,000	53,000

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Sl. No.	Name of District	Year	Component	Name of Village	Name of Beneficiaries	Planting material issued as per Stock Register (Nos.)	Planting material received (Nos.)	Short Distributed (Nos.)	Rate/ Piece (₹)	Money Value as per Stock (₹)	Money value as planting material received (₹)	Money Value Short Distributed (₹)
343	Mokokchung	2014-15	Pineapple	Chuchu Town	Aien Imsong	17,200	5,000	12,200	1.5	25,800	7,500	18,300
344	Mokokchung	2014-15	Pineapple	Ungma	Akaba Jamir	17,200	250	16,950	1.5	25,800	375	25,425
345	Mokokchung	2019-20	Pineapple	Khar	Alemyanger	11,400	100	11,300	1.5	17,100	150	16,950
346	Mokokchung	2019-20	Pineapple	Yaongyimsen	Bendangonen	11,400	100	11,300	1.5	17,100	150	16,950
347	Mokokchung	2014-15	Pineapple	Longkong	Imnatoshi	17,200	10,000	7,200	1.5	25,800	15,000	10,800
348	Mokokchung	2017-18	Pineapple	Lirmen	Lanuteka	19,000	2,000	17,000	1.5	28,500	3,000	25,500
349	Mokokchung	2017-18	Pineapple	Lemchalu	Lipila	19,000	5,000	14,000	1.5	28,500	7,500	21,000
350	Mokokchung	2019-20	Pineapple	Yaongyimsen	Longrinukshi	11,400	3,000	8,400	1.5	17,100	4,500	12,600
351	Mokokchung	2018-19	Pineapple	Unger	Merenlemba	9,500	1,500	8,000	1.5	14,250	2,250	12,000
352	Mokokchung	2019-20	Pineapple	Longsa	Nungshisola	11,400	0	11,400	1.5	17,100	0	17,100
353	Mokokchung	2017-18	Pineapple	Kinunger	Sashikokba	19,000	5,000	14,000	1.5	28,500	7,500	21,000
354	Mokokchung	2019-20	Pineapple	Yaongyimsen	Sentinungsang	11,400	100	11,300	1.5	17,100	150	16,950
355	Mokokchung	2019-20	Pineapple	Changtongya	Temsujungba	11,400	3,000	8,400	1.5	17,100	4,500	12,600
356	Mokokchung	2019-20	Pineapple	Changtongya	Tiatemjen	11,400	100	11,300	1.5	17,100	150	16,950
357	Mokokchung	2014-15	Pineapple	Longjemdang	Tinumeren	17,200	3,000	14,200	1.5	25,800	4,500	21,300
358	Mokokchung	2019-20	Pineapple	Yaongyimsen	Tsuktitola	11,400	100	11,300	1.5	17,100	150	16,950
359	Mokokchung	2017-18	Pineapple	Kinunger	Watikala	19,000	400	18,600	1.5	28,500	600	27,900
360	Phek	2014-15	Pineapple	Matikhrii	Ashela Katiry	17,200	500	16,700	1.5	25,800	750	25,050
361	Phek	2014-15	Pineapple	Phek Vill.	Chekuneyi Vero	17,200	100	17,100	1.5	25,800	150	25,650
362	Phek	2014-15	Pineapple	Tehephu	Chesayi Getsa	17,200	800	16,400	1.5	25,800	1,200	24,600
363	Phek	2014-15	Pineapple	Chesezu	Vevo	17,200	800	16,400	1.5	25,800	1,200	24,600
364	Longleng	2015-16	Pineapple	Mongtikang	Ashen Phom	1,500	300	1,200	1.5	2,250	450	1,800
365	Longleng	2017-18	Pineapple	Yongshei	C. Longshen Phom	3,000	500	2,500	1.5	4,500	750	3,750
366	Longleng	2015-16	Pineapple	Nyang	Hampon & 5 Others	1,500	500	1,000	1.5	2,250	750	1,500
367	Longleng	2017-18	Pineapple	Tangha	Konnyei Phom	3,000	500	2,500	1.5	4,500	750	3,750
368	Mokokchung	2015-16	Pineapple	Lirmen	Bendang	26,520	3,000	23,520	1.5	39,780	4,500	35,280
369	Phek	2017-18	Pineapple	Suthozu Nagwu	Besuneyi Rhakho	9,500	600	8,900	1.5	14,250	900	13,350
370	Phek	2017-18	Pineapple	Yisisotha	Luchilu	9,500	800	8,700	1.5	14,250	1,200	13,050
371	Phek	2017-18	Pineapple	Chozuba	Shoselu Khusoh	9,500	2,000	7,500	1.5	14,250	3,000	11,250
372	Phek	2017-18	Pineapple	Tehephu	Vekhoyi Lohe	9,500	1,000	8,500	1.5	14,250	1,500	12,750
373	Tseminyu	2018-19	Pineapple	Tsonsa	Alo H. Kath	19,000	3,000	16,000	1.5	28,500	4,500	24,000
374	Tseminyu	2015-16	Pineapple	Ehunnu	Atsuthong Kath	12,824	600	12,224	1.5	19,236	900	18,336
375	Tseminyu	2015-16	Pineapple	Tsonsa	Isac Apon	12,824	4,000	8,824	1.5	19,236	6,000	13,236
376	Tseminyu	2016-17	Pineapple	Rumensinyu	Josenle Kensen (Hekewa) SHG	28,500	600	27,900	1.5	42,750	900	41,850

Sl. No.	Name of District	Year	Component	Name of Village	Name of Beneficiaries	Planting material issued as per Stock Register (Nos.)	Planting material received (Nos.)	Short Distributed (Nos.)	Rate/ Piece (₹)	Money Value as per Stock (₹)	Money value as planting material received (₹)	Money Value Short Distributed (₹)
377	Tseminyu	2015-16	Pineapple	New Tesophenyu	Nyenkha Kez	6,412	600	5,812	1.5	9,618	900	8,718
378	Tseminyu	2017-18	Pineapple	Kashanyu	Senbu Cheng	4,750	1,000	3,750	1.5	7,125	1,500	5,625
379	Tseminyu	2015-16	Pineapple	Rnegmapani	Senthanlo	12,824	600	12,224	1.5	19,236	900	18,336
380	Mokokchung	2016-17	Pineapple	Ungma	Imtisowa	38,000	300	37,700	1.5	57,000	450	56,550
381	Mokokchung	2016-17	Pineapple	Chakpa	Lanumeren	28,500	1,000	27,500	1.5	42,750	1,500	41,250
382	Mokokchung	2016-17	Pineapple	Kinunger	Watisangba	28,500	5,000	23,500	1.5	42,750	7,500	35,250
383	Longleng	2014-15	Pineapple	Shetap (Shetapji)	Mopen	3,000	600	2,400	1.5	4,500	900	3,600
384	Longleng	2014-15	Pineapple	Tamlu (Yungmah)	Tamlu Baptist Church Project	3,000	600	2,400	1.5	4,500	900	3,600
385	Mokokchung	2016-17	Pineapple	Longjang	Imnukenba	38,000	200	37,800	10	3,80,000	2,000	3,78,000
386	Longleng	2016-17	Pineapple	Yongphang	B. Pangko Phom	3,000	300	2,700	1.5	4,500	450	4,050
387	Longleng	2016-17	Pineapple	Bhumnyu	Shemnyu Phom	1,500	500	1,000	1.5	2,250	750	1,500
388	Kohima	2014-15	Plum	Mezoma	Rovi Kuotsu	420	100	320	80	33,600	8,000	25,600
389	Mokokchung	2014-15	Plum	Kichutip	Sangwaba	400	300	100	80	32,000	24,000	8,000
390	Phek	2014-15	Plum	Rukizu	Cusazo	2,546	1,400	1,146	80	2,03,680	1,12,000	91,680
391	Phek	2014-15	Plum	Tsakiilii	Dietho Z. Puro	2,546	600	1,946	80	2,03,680	48,000	1,55,680
392	Phek	2014-15	Plum	Pfutsero	Horticulture Research Farm	6,365	3,000	3,365	80	5,09,200	2,40,000	2,69,200
393	Kohima	2016-17	Turmeric	Zhadima	Kekhriesilie Khubve	225	25	200	15	3,375	375	3,000
394	Kohima	2016-17	Turmeric	Tsiemekhuma	Vikuolie	225	25	200	15	3,375	375	3,000
395	Phek	2014-15	Xanthoxylum	Upper Kho	Khozolu	880	600	280	20	17,600	12,000	5,600
396	Phek	2014-15	Xanthoxylum	Runguzu	Mrs Vezine	880	600	280	20	17,600	12,000	5,600
397	Phek	2014-15	Xanthoxylum	Tehephu	Zachita	880	600	280	20	17,600	12,000	5,600
398	Mokokchung	2014-15	Xanthoxylum	Merayim	Tekumbuba	550	400	150	20	11,000	8,000	3,000
399	Mokokchung	2014-15	Xanthoxylum	Akhoya	Temsusongla	550	400	150	20	11,000	8,000	3,000
400	Kohima	2014-15	Lemon Grass	Kohima	Keneizenuo	40,000	400	39,600	1	40,000	400	39,600
Total										1,21,50,696	39,03,475	82,47,221

Source: Departmental records

Appendix 3.2.3
Statement showing expenditure incurred under Protected Cultivation
(Reference: Paragraph 3.2.5.5)

(₹ in lakh)

Year	Name of firm	Rose		Lilium		Alstroemeria		Gerbera		Orchid		Carnation		Anthurium		Vegetable		Total Unit	Total Amount
		Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt
2014-15	M/s Zopar Exports Pvt. Ltd, Assam	8	33.96	20	84.90	16	78.88	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	44	197.75
	M/s Meghastar Agrotech Pvt. Ltd, Assam	0	0.00	10	42.45	0	0.00	20	94.10	11	54.23	0	0.00	0	0.00	0	0.00	41	190.79
Sub Total		8	33.96	30	127.35	16	78.88	20	94.10	11	54.23	0	0.00	0	0.00	0	0.00	85	388.53
2015-16	M/s North Bengal Floritech, Dimapur	0	0.00	0	0.00	0	0.00	0	0.00	10	49.30	0	0.00	0	0.00	25	89.95	35	139.25
	M/s Zopar Exports Pvt. Ltd, Assam	5	21.23	20	84.90	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	25	106.13
	M/s Sheel Biotech, New Delhi	0	0.00	0	0.00	10	49.30	10	47.05	0	0.00	0	0.00	0	0.00	0	0.00	20	96.35
Sub Total		5	21.23	20	84.90	10	49.30	10	47.05	10	49.30	0	0.00	0	0.00	25	89.95	80	341.73
2016-17	M/s Saveer Biotech Pvt Ltd, New Delhi	10	41.13	10	41.13	4	19.19	4	18.29	9	43.18	0	0.00	0	0.00	0	0.00	37	162.91
Sub Total		10	41.13	10	41.13	4	19.19	4	18.29	9	43.18	0	0.00	0	0.00	0	0.00	37	162.91
2017-18	M/s Sheel Biotech, New Delhi	0	0.00	0	0.00	20	95.95	20	91.45	0	0.00	10	45.72	0	0.00	0	0.00	50	233.12
	M/s Saveer Biotech Pvt Ltd, New Delhi	0	0.00	0	0.00	0	0.00	0	0.00	20	95.95	0	0.00	0	0.00	40	135.90	60	231.85
	M/s Zopar	20	82.25	20	82.25	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	40	164.50

Year	Name of firm	Rose		Lilium		Alstroemeria		Gerbera		Orchid		Carnation		Anthurium		Vegetable		Total Unit	Total Amount
		Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt	Unit	Amt
	Exports Pvt. Ltd, Assam																		
	Sub Total	20	82.25	20	82.25	20	95.95	20	91.45	20	95.95	10	45.72	0	0.00	40	135.90	150	629.47
2018-19	M/s Allanger Agrovision Enterprise, Dimapur	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	7.00	0	7.00
	M/s Meghastar Agrotech Pvt. Ltd, Assam	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	20	27.43	20	27.43
	M/s Saveer Biotech Pvt Ltd, Assam	10	33.67	20	67.34	10	35.73	10	35.05	20	71.45	10	35.05	20	71.45	0	0.00	100	349.73
	Sub Total	10	33.67	20	67.34	10	35.73	10	35.05	20	71.45	10	35.05	20	71.45	20	34.43	120	384.16
2019-20	Work orders were not issued and no payment was released till the date of audit.																		
	Total	53	212.23	100	402.97	60	279.05	64	285.94	70	314.11	20	80.77	20	71.45	85	260.28	472	1,906.80

Source: Departmental records

Appendix 3.2.4
Statement showing short execution of Tubular Structure under Protected Cultivation
(Reference: Paragraph 3.2.5.5 (iii))

Sl. No.	Year	Unit	Name of District	Name of Plantation	Name of Village	Name of Beneficiary	Actual area (in Sqm)	As per beneficiary survey report (in Sqm)
1.	2016-17	1	Kohima	Lilium	Themezie Colony, High School Road	Kekhriellelie Liezietsu	500	75
2.	2015-16	1	Kohima	Lilium	Khonomaa	Abano Jerhijah	500	96
3.	2017-18	1	Kohima	Alstroemeria	Phesama	Thepfuleinuo Kuotsu	500	116
4.	2014-15	1	Kohima	Lilium	Below Dairy Farm, Lerie	Nenya Liezietsu	500	116
5.	2017-18	1	Phek	Lilium	Meluri	Elita Nyusou	500	120
6.	2017-18	1	Kohima	Vegetable	Kohima	Menguphrenuo Rutsa	500	120
7.	2015-16	1	Kohima	Rose	Seikhazu Colony H/No.1	Nibano V Swuro	500	120
8.	2014-15	1	Kohima	Lilium	C/o DPO, LRD, Kohima	Angang Tseikha	500	130
9.	2015-16	1	Kohima	Vegetable	T. Khel	Thejalhrirlic Mepfhou	500	133
10.	2016-17	1	Phek	Lilium	Pfutsero Town	Lidowe-u Wetsah	500	145
11.	2017-18	1	Phek	Alstroemeria	Pfutsero	Kewwlou Kronu	500	150
12.	2017-18	1	Kohima	Lilium	Khuzama	Vivotso Visa	500	150
13.	2017-18	1	Kohima	Vegetable	Chedema	Commandant	500	159
14.	2017-18	1	Longleng	Rose	Yungja	C. Pheiang Phom	500	160
15.	2014-15	1	Kohima	Lilium	P Khel Kohima Village	Dietho Sachu	500	160
16.	2016-17	1	Mokokchung	Rose	Chuchuyimlang	Imtisenla Jamir	500	160
17.	2017-18	1	Longleng	Rose	Longleng	Ongla Phom	500	160
18.	2018-19	1	Kohima	Carnation	Kigwema	Rokovino Phira	500	160
19.	2016-17	1	Kohima	Lilium	Sechu Zubza, Kohima	Vephotsolu Rakho	500	160
20.	2015-16	1	Kohima	Vegetable	T. Khel	Medovi-u Suohuo	500	184
21.	2015-16	1	Mokokchung	Lilium	Amenyong Compound	Dr Arenla	500	187
22.	2014-15	1	Kohima	Lilium	New Sectt. Road	Alenuo Vizo	500	192
23.	2014-15	1	Kohima	Lilium	Jotsoma	Kereileno Nagi	500	192
24.	2017-18	1	Kohima	Vegetables	Kohima	Menuolhoulie Yhome	500	192
25.	2014-15	1	Mokokchung	Alstromeria	Yimyu, Khensa	Mrs Anungla Aier	500	192
26.	2017-18	1	Kohima	Vegetable	Aradhura, Kohima	Zothangpui Kesiezie	500	192
27.	2017-18	1	Mokokchung	Vegetable	Chungtia	Acheer Kichu	500	200
28.	2018-19	1	Mokokchung	Orchid	Kumlong	Akok Walling	500	200
29.	2015-16	1	Mokokchung	Vegetable	Alongmen Ward	Atula	500	200
30.	2017-18	1	Mokokchung	Orchid	Mokokchung	B. Narola	500	200
31.	2018-19	1	Kohima	Lilium	Don Bosco	Dr. Pusazonu Chusi	500	200
32.	2018-19	1	Kohima	Rose	Lerie colony	Elena Kechu	500	200
33.	2014-15	1	Kohima	Lilium	Gariphema	Er Duonei Pielie	500	200
34.	2018-19	1	Kohima	Rose	Tsiese Basa	Keduosanyu Liezietsu	500	200
35.	2018-19	1	Mokokchung	Lilium	Molungyimsen	Kitienla	500	200
36.	2018-19	1	Kohima	Carnation	New Ministers Hill	Medoneinuo	500	200
37.	2018-19	1	Kohima	Lilium	Kohima	Menguphrenuo Rutsa	500	200
38.	2017-18	1	Mokokchung	Carnation	Chungtia	Meyalemla Jamir	500	200
39.	2018-19	1	Kohima	Lilium	Tuophema	Neitho- O Kense	500	200
40.	2018-19	1	Phek	Vegetable	Tsupfume	Ngonyi Leah	500	200
41.	2017-18	1	Kohima	Vegetables	Chiechama	Pfukeduo Sopfu	500	200
42.	2018-19	1	Kohima	Alstromeria	Meriema	Rhondeno Patton	500	200
43.	2017-18	1	Mokokchung	Alstroemeria	Chungtia	Rongsenmenla	500	200
44.	2018-19	1	Mokokchung	Gerbera	Saring	Samuel	500	200
45.	2017-18	1	Mokokchung	Rose	Dibuia	Tekanaro Aier	500	200
46.	2018-19	1	Phek	Rose	Lekrome	Keweteu Mero	500	200
47.	2015-16	1	Mokokchung	Vegetable	Alempang Ward	M Zulu Ozukum	500	200
48.	2014-15	1	Kohima	Lilium	Sechu Zubza	Petevi Meyase	500	204
49.	2015-16	1	Kohima	Lilium	Lower Midland	Akhiakliu Newmai	500	240

Source: Departmental records

Appendix 3.3.1
Statement showing status of four selected projects as of March 2020
(Reference: Paragraph 3.3.2)

(₹ in crore)

Sl. No.	Name of the Project	Date of approval	Approved Cost	Tendered cost	Stipulated date of completion	Funds released by MDoNER to State Govt.	Fund released by State Finance Department to implementing departments			Total expenditure	Status	Delay in completion (in months)
							Central	State	Total			
Public Works Department (Roads & Bridges)												
1.	Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District	25-02-2016	36.12	35.83	28-02-2018	25.80	25.80	3.61	29.41	29.41	Completed (25-02-2018)	Nil
2.	Project Upgradation of road from Aizuto Mission Centre to Shena old Saptiqa EAC HQ via Atoizu and Tulo river i/c one bridge (25m span) 45 km. (retained for 23 kms. only) in Nagaland	10-07-2015	14.00	14.00	30-04-2018	12.60	12.60	1.40	14.00	14.00	Completed (20-11-2019)	19
Public Health Engineering Department												
3.	Providing Water Supply by gravity to Mon village and 4 neighbouring villages in Mon District	29-10-2015	15.47	15.36	31-10-2017	13.82	13.82	1.54	15.36	15.36	Ongoing	29
Youth Resources & Sports Department												
4.	Development of Ziekezou Sports Complex, Kohima	21-11-2017	12.50	12.50	30-11-2019	11.25	4.50	0.00	4.50	2.43	Ongoing	4
TOTAL			78.09	77.69		63.47	56.72	6.55	63.27	61.20		

Source: Compiled from information furnished by the implementing departments. (Figures inclusive of departmental charges and work contract tax deducted at source by Finance Department, GoN)

Note: For projects at Serial Number 1 and 3, the tendered cost of the project was less than the approved cost of project. Therefore, GoI share was limited to 90 per cent of the tendered cost.

Appendix 3.3.2

Statement showing submission of incorrect Utilisation Certificates in respect of test-checked projects

(Reference: Paragraph 3.3.4.3)

(₹ in crore)

Sl. No.	Name of Project	Receipt of funds by State Government from MDoNER		Release of funds by State Government to the implementing department		Details of UC submitted to MDoNER			Audit Comments	
		Sanction Order No. & date	Amount	Sanction Order No. & date	Amount	Period for which UC submitted	Date of submission	UC Amount		
1.	Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District	No. 124/Year 2015-16 of 25-02-2016 (1 st installment)	13.00	No. WH/R&B-88/2014-15/NLCPR of 19-07-2016	*14.45	Upto 20-07-2016	26-08-2016	13.00	UC submitted was for GoI share ₹13 crore. As per cash book, actual expenditure was incurred on 05-08-2016. Incorrect UC since the amount was unutilised on 20-07-2016.	
		No. 80/Year 2016-17 of 16-09-2016 (2 nd installment)	12.80	No. WH/R&B-88/2014-15/NLCPR of 15-03-2017	12.80	Upto 28.04.2017	05-08-2017	12.80	UC as per actual expenditure.	
				No. WH/R&B-88/2014-15/NLCPR (Pt.) of 29-10-2019 (GoN share)	1.42	---	---	---	---	UC not submitted to MDoNER
				No. WH/R&B-88/2014-15/NLCPR of 26-11-2019 (GoN share)	0.75	---	---	---	---	UC not submitted to MDoNER
2.	Providing Water Supply by gravity to Mon village and 4 neighbouring villages in Mon District	No. 64/ Year 2015-16 of 02-11-2015 (1 st installment)	5.57	No. PHE-2/Works/28/2004 of 16-03-2016	*6.19	Upto 31-03-2016	16-08-2016	5.57	UC as per actual expenditure.	
		No. 156/Year 2016-17 of 21-12-2016 (2 nd installment)	5.49	No. PHE-2/Works/28/2004 of 07-09-2017	5.49	Upto December/ 2016	21-04-2017	5.49	The fund was transfer credit to Civil Deposit (CD) vide GoN order No. PHE-2/Works/28/2004 of 18-03-2017 and withdrawn from CD vide Bill No. 74 dated 19.09.2017. Incorrect UC since the amount remained unutilised on December/2016.	

Sl. No.	Name of Project	Receipt of funds by State Government from MDoNER		Release of funds by State Government to the implementing department		Details of UC submitted to MDoNER			Audit Comments
		Sanction Order No. & date	Amount	Sanction Order No. & date	Amount	Period for which UC submitted	Date of submission	UC Amount	
		No. 51/Year 2018-19 of 30-08-2018 (3 rd & final installment)	2.76	No. PHE-2/Works/22/2005 (pt) of 26-03-2019	2.76	Upto March/2019	09-04-2019	2.76	UC as per actual expenditure
				No. PHE-2/Works/22/2005 of 29-11-2017 (2nd installment GoN share)	0.61	---	---	---	UC not submitted to MDoNER
				No. PLN/M-270/2018 of 17.04.2019 (3 rd & final installment GoN share)	0.31	Upto June/2019	07-08-2019	0.31	UC as per actual expenditure.
3.	Development of Ziekezou Sports Complex, Kohima	No. 188/Year 2017-18 of 21-11-2017 (part payment 1 st installment)	0.10	No. YRS/NLCPR-1/33/2017 (Pt) of 12-07-2019 (GoI 1 st installment)	4.50	Upto December 2019	20-12-2019	5.75	UC amount submitted ₹5.75 crore was for MDoNER share (₹4.50 crore) and GoN full share (₹1.25 crore). However, as per cash book, ₹2.43 crore only was utilised at the time of submission of UC and State share (₹1.25 crore) was not released by GoN (March 2020)
		No. 38/Year 2018-19 of 27-07-2018 (balance of 1 st installment)	4.40						

Source: Records of the projects implementing departments and Planning & Coordination Department.

(*amount is inclusive of State share where State Government released its matching share simultaneously, with the Central fund)

Appendix 3.3.3

Statement showing the status of nine NLCPR projects sanctioned by MDoNER during 2015-20 (as of March 2020)

(Reference: Paragraph 3.3.5.1)

(₹ in crore)

Sl. No.	Name of the Project	Date of approval	Approved cost	Tendered cost	Stipulated date of completion	Funds released by MDoNER to GoN	Fund released by State Finance Department to implementing departments			Total expenditure	Status	Delay in completion (in months)
							Central	State	Total			
Public Works Department (Roads & Bridges)												
1.	Construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District	25-02-2016	36.12	35.83	28-02-2018	25.8	25.8	3.61	29.41	29.41	Completed^ (25-02-2018)	Nil
2.	Project Upgradation of road from Aizuto Mission Centre to Shena old Saptiqa EAC HQ via Atoizu and Tulo river i/c one bridge (25m span) 45 km. (retained for 23 kms. only) in Nagaland	10-07-2015	14	14	30-04-2018	12.6	12.6	1.4	14	14	Completed (20-11-2019)	19
3.	Upgradation of road from Alongchen to Mangkolemba to via impur Mopungchuket Mongchen (ODR to MDR) - 19 Km-Phase-II in Nagaland	25-05-2017	22.33	22.33	31-05-2019	8.04	8.04	2.23	10.27	10.27	Ongoing	10
Public Health Engineering Department												
4.	Providing Water Supply by gravity to Mon village and 4 neighbouring villages in Mon District	29-10-2015	15.47	15.36	31-10-2017	13.82	13.82	1.54	15.36	15.36	Ongoing	29
5.	Providing Water supply to Samziuram village, Peren	21-11-2017	18.93	18.93	30-11-2019	6.82	6.82	1.89	8.71	8.71	Ongoing	4
6.	Providing water supply by gravity system to Aboi HQ and Longching EAC HQ in Mon District	04-12-2017	9.66	9.66	31-12-2019	3.48	3.48	0.96	4.44	4.44	Ongoing	3
Youth Resources & Sports Department												
7.	Development of Ziekezou Sports Complex, Kohima	21-11-2017	12.5	12.5	30-11-2019	11.25	4.5	0	4.5	2.43	Ongoing	4

Sl. No.	Name of the Project	Date of approval	Approved cost	Tendered cost	Stipulated date of completion	Funds released by MDoNER to GoN	Fund released by State Finance Department to implementing departments			Total expenditure	Status	Delay in completion
							Central	State	Total			(in months)
Power Department												
8.	Construction of 220 K/V F/C Transmission Line from Dimapur to Zadima	17-11-2017	108.16	108.15	30-11-2020	38.93	38.83	10.82	49.65	49.65	Ongoing *	Nil
Justice & Law Department												
9.	Construction of New High Court Complex at Kohima Phase-I (Construction of residence for Honble Chief Justice of High Court and Construction of residences for Justice of High Court (six blocks)	19-12-2017	12.87	12.87	31-12-2020	0.1	0	0	0	0	Ongoing	Nil
TOTAL			250.04	249.63		120.84	113.89	22.45	136.34	134.27		

Source: Compiled from information furnished by the implementing departments/ executing agencies. (Figures inclusive of departmental charges and work contract tax deducted at source by Finance Department, GoN)

³rd and final instalment MDoNER share (₹6.45 crore) was released on May 2020. GoN released the fund to the implementing department on October 2020 and it was fully utilised by the EE PWD (R&B) Peren Division as of March 2021.

* 2nd and final instalment of MDoNER share (₹58.40 crore) released on November 2020 (₹31 crore) and December 2020 (₹27.40 crore). As of August 2021, out of total released of ₹108.05 crore, the Department utilised ₹87.83 crore on the project.

Note: For projects at Serial Number. 1, 4 and 8, the tendered cost of the project was less than the approved cost of the project. Therefore, GoI share was limited to 90 per cent of the tendered cost.

Appendix 3.3.4

Statement showing award of works in respect of the project “Providing Water Supply by gravity to Mon village and four neighbouring villages in Mon District”

(Reference: Paragraph 3.3.5.2)

(Amount in ₹)

Sl. No.	Name of Contractor	Items of works	Amount	Date of issue of work order
1.	M/s Millennium Construction, Dimapur	Supply of GMS Pipes of all sizes	12,51,46,753	21-01-2016
2.	M/s Dhariwal Steel Pvt. Limited, Kolkata	Supply of Galvanised Pressed Steel tanks	1,13,81,001	21.01.2016
3.	Nokpen Wangnao, Mon	Construction of Main Reservoir Stand	1,35,441	31-03-2016
		Construction of Sub-Reservoir Stand	4,51,475	31-03-2016
		Carriage from Dimapur Central Store to Mon Store	3,21,350	31-03-2016
			2,99,810	31-03-2016
			2,25,578	31-03-2016
		Supply of GMS pipe fitting materials	3,30,000	31-03-2016
		Supply of GMS pipe fitting materials	1,70,000	31-03-2016
		Haulage	1,46,000	31-03-2016
Construction of Slow Sand Filter	33,33,000	21-04-2016		
4.	M/s Lujuo Enterprises, Mon	Construction of Diversion Weir	5,35,000	21-04-2016
Sub-total (A)			14,24,75,408	
5.	SDO (PHED) Mon Sub-Division (Departmental works)	Construction of Anchor & Thrust Blocks & Control Box	19,74,000	08-07-2016
		Fitting & Fixing of GMS pipes of all sizes	15,28,500	08-07-2016
		Engagement of labours for head load carriage of pipes to work site	19,68,360	08-07-2016
		Engagement of labours for head load carriage of pipes to work site	2,25,578	08-07-2016
		Purchase of GMS pipe fitting materials	4,73,084	08-07-2016
		Purchase of GMS pipe fitting materials	4,72,200	08-07-2016
		Purchase of GMS pipe fitting materials	4,33,940	08-07-2016
		Purchase of GMS pipe fitting materials	3,33,400	08-07-2016
		Purchase of GMS pipe fitting materials	3,27,000	08-07-2016
		Purchase of GMS pipe fitting materials	3,19,790	08-07-2016
		Purchase of GMS pipe fitting materials	2,65,778	08-07-2016
		Purchase of GMS pipe fitting materials	2,43,248	08-07-2016
		Purchase of GMS pipe fitting materials	2,26,540	08-07-2016
		Purchase of GMS pipe fitting materials	2,03,200	08-07-2016
		Tools & Plants	5,00,000	08-07-2016
		Tools & Plants	5,00,000	08-07-2016
		Tools & Plants	4,38,700	08-07-2016
		Tools & Plants	3,40,000	08-07-2016
Tools & Plants	3,20,675	08-07-2016		
Sub-total (B)			1,10,93,993	
Grand Total (A+B)			15,35,69,401	

Source: Departmental records

Appendix 3.3.5

Statement showing comparative statement of rates of GMS Pipes of IS: 1239 of 2004 PT-I specification (Medium/ Heavy)

(Reference: Paragraph 3.3.5.3 (ii))

(Amount in ₹)

Govt. of Mizoram approved rate [^] (w.e.f August 2017) (IS: 1239 of 2008 PT-I)		Govt. of Manipur approved rate* (2015-16)		Govt. of Nagaland approved rate# (2015-16)		Difference in rate	Difference in rate	Quantity Procured	Avoidable expenditure
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(vi)-(iv)& (iv)-(ii)	(viii)	(ix)	(x)=(vii)*(ix)
Size (Diameter)	Rate/metre	Size (Diameter)	Rate/metre	Size (Diameter)	Rate/metre	Amount	Percentage	(in metre)	Amount
15 mm (Medium)	90.46	15 mm (Medium)	---	15 mm (Medium)	197.788	107.328	119	15,000	16,09,920.00
25 mm (Medium)	175.76	25 mm (Medium)	196.39	25 mm (Medium)	441.208	244.818	125	15,000	36,72,270.00
32 mm (Medium)	223.49	32 mm (Medium)	251.44	32 mm (Medium)	475.219	223.779	89	20,000	44,75,580.00
40 mm (Medium)	257.12	40 mm (Medium)	288.63	40 mm (Medium)	625.989	337.359	117	23,000	77,59,257.00
50 mm (Medium)	362.02	50 mm (Medium)	391.64	50 mm (Medium)	686.736	295.096	75	4,500	13,27,932.00
65 mm (Medium)	464.54	65 mm (Medium)	505.78	65 mm (Medium)	935.923	430.143	85	6,500	27,95,929.50
125 mm (Medium)	1,157.70	125 mm (Medium)	1,289.99	125 mm (Medium)	2,393.271	1,103.281	86	5,000	55,16,405.00
150 mm (Medium)	1,406.56	150 mm (Medium)	---	150 mm (Medium)	2,564.727	1,158.167	82	20,000	2,31,63,340.00
150 mm (Heavy)	1,554.56	150 mm (Heavy)	---	150 mm (Heavy)	2,653.122	1,098.562	71	5,000	54,92,810.00
								Total	5,58,13,443.50

Source: Departmental records and websites of PHED Mizoram & Manipur. (Note: Government of Manipur approved rates was considered for calculating the differences in rates except for 150 mm (Medium & Heavy) pipe)

[^]the approved rates are FOR Aizawl inclusive of GST, insurance, loading and unloading charges.

*the approved rates are inclusive of Excise duty (12.36 per cent), CST (4 per cent) and inspection charge (1.12 per cent), etc. The Supplier is fully responsible for delivery of materials up to the concerned PHED Division at his own cost.

the approved rates are inclusive of all taxes except NST/VAT. The Supplier is fully responsible for delivery of materials up to PHED Store Division, Dimapur at his own cost.

Appendix 4.2.1
Statement showing Department-wise list of double/ excess/ fraudulent draws
(Reference: Paragraph 4.2)

(in ₹)

Sl. No.	Department	No. of DDOs	Amount of objection	Amount recovered
1.	Agriculture	1	2,50,746	30,000
2.	Cooperation	2	6,03,573	0
3.	Economics & Statistics	1	2,82,939	0
4.	Employment, Skill Development & Entrepreneurship	1	4,18,195	0
5.	Evaluation	2	22,45,885	0
6.	Excise and Prohibition	4	23,61,941	1,70,000
7.	Finance (Taxation)	1	1,51,848	0
8.	Fisheries & Aquatic Resources	1	1,67,855	0
9.	Home Department (Police)	2	3,18,950	51,494
10.	Industries and Commerce	1	6,67,307	0
11.	Labour & Employment	1	7,31,156	1,05,000
12.	Land Records & Survey	1	2,49,624	1,99,624
13.	Law & Justice	1	13,87,250	0
14.	PWD (Mechanical)	1	17,15,219	3,00,000
15.	Rural Development	1	2,83,216	0
16.	School Education	6	1,34,94,993	42,660
17.	Veterinary & Animal Husbandry	1	24,77,902	0
TOTAL		28	2,78,08,599	8,98,778

Source: Departmental records

Appendix 4.2.2
Statement showing excess drawal by inflating the net total of pay bills
(Reference: Paragraph 4.2)

(in ₹)

Sl. No.	Department	DDO	Admissible Amount	Amount Drawn	Excess Amount Drawn	Recovered Amount (with month & year of recovery)	Outstanding Amount	Remarks
1.	Excise & Prohibition	Superintendent of Excise & Prohibition, Tuensang	12,62,616	12,85,216	22,600	0	22,600	Monthly pay bills vide TV No. 1 (May 2018) and TV No. 3 (June 2018).
2.		Superintendent of Excise & Prohibition, Dimapur	72,47,353	77,02,383	4,55,030	40,000 (June 2019)	4,15,030	The Superintendent of Excise, Dimapur had inflated the net total of pay and allowances in 11 bills during the period from April 2017 to April 2018 (Pay bills for month of April 17, May 17, June 17, August 17, October 17, November 17, December 17, January 18, February 18, March 18 and April 18) resulting in excess drawal of ₹4.55 lakh.
3.	Home	Superintendent of Police, Mon	1,58,09,058	1,60,49,514	2,40,456	0	2,40,456	Monthly pay bills of December 2017 (Bill No. 539 of 04-01-2018), January 2018 (Bill No.547 of 29-01-2018), February 2018 (Bill No. 556 of 22-02-2018)
4.		Superintendent of Police, Kohima	2,76,83,021	2,77,61,515	78,494	51,494 (March 2019)	27,000	The Superintendent of Police, Kohima had inflated the net total for the months of August 2014 (Vr. 61 dated 27/08/2014), October 2014 (Vr. 84 dated 29/10/2014) and August 2015 (Vr. 71 dated 28/08/2015) resulting in excess drawal of ₹0.78 lakh.

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Sl. No.	Department	DDO	Admissible Amount	Amount Drawn	Excess Amount Drawn	Recovered Amount (with month & year of recovery)	Outstanding Amount	Remarks
5.	Industries & Commerce Department	General Manager, District Industries Centre, Tuensang	66,72,699	73,40,006	6,67,307	0	6,67,307	Monthly pay bills of January 2017 (TV Nos 1 & 3 of 02-02-2017), June 2017 (Bill No. 12 of Nil & TV no. 8 of 03-07-2017, July 2017 (TV Nos. 5 & 7 of 01-08-2017), August 2017 (TV Nos. 1 & 3 of 01-09-2017), September 2017 (TV Nos. 2 & 3 of 03-10-2017), October 2017 (TV No. 7 of 01-11-2017), November 2017 (TV No. 1 of 08-12-2017) totalling 12 bills.
		Total	5,86,74,747	6,01,38,634	14,63,887		13,72,393	31 vouchers

Source: Departmental records

Appendix 4.2.3
Statement showing double drawal of pay & allowances including arrears

(Reference: Paragraph 4.2)

(in ₹)

Sl. No.	Department	DDO	Double Amount Drawn	Recovered Amount (with Month and Year of recovery)	Outstanding Amount	Remarks
1.	Fisheries	Sub Divisional Fishery Officer, Jalukie	1,67,855	0	1,67,855	Double drawal of less drawn pay arrears in respect of two employees for the period from March 2012 to October 2017 vide Bill No. 66 of 28-03-2018 which was already drawn by SDFO, Jalukie vide Bill No. 61 of 20-02-2018.
2.	PWD (Mechanical)	Mechanical Engineer, PWD, Mechanical Division, Mokokchung	17,15,219	3,00,000 (May 2019 & January 2021)	14,15,219	Double drawal of pay & allowances arrear in respect of 29 employees for the period from June to August 2017 vide Bill Nos. 150 & 151 of 19-09-2017, which was already drawn by Mechanical Engineer, PWD, Mechanical Division vide Bill Nos. 76 of 20-07-2017 (June 2017), 75 of 20-07-2017 (July 2017), 132 of 17-08-2017 (August 2017). Bill Nos. 78 of 20-07-2017 (June 2017), 79 of 20-07-2017 (July 2017), 128 of 17-08-2017 (August 2017).
3.	School Education	Principal, Government Higher Secondary School, Zunheboto	5,09,602	42,660 (July 2019)	4,66,942	The Principal, Govt. Higher Secondary School, Zunheboto had drawn bill (Bill No. 77 dated nil, TV No. 79 dated. 07 March 2017) in respect of eight Grade-III staffs in addition to the normal pay bills drawn.
4.		District Education Officer (DEO), Wokha	16,41,727	0	16,41,727	Double drawal of pay & allowances in respect of 52 employees for the month of January 2018 vide Bill Nos. 286,287 & 288 dated Nil, which was already drawn by DEO, Wokha vide Bill Nos. 242,244,246, 247, 249,250, 251 & 255 dated Nil.

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Sl. No.	Department	DDO	Double Amount Drawn	Recovered Amount (with Month and Year of recovery)	Outstanding Amount	Remarks
5.		Sub Divisional Education Officer, Wokha	7,39,880	0	7,39,880	Double drawal of pay in respect of 46 employees for the month of January & February 2018 vide TV No. 182 dated 31-03-2018 which was already drawn by the SDEO, Wokha vide TV No 42 of 22-02-2018 & TV No. 175 of 31-03-2018 & inadmissible drawal of dearness allowances arrear in respect of 60 employees for the period from July 2017 to December 2017 vide TV No. 4 of 05-02-2018.
6.	Veterinary & Animal Husbandry	Chief Veterinary & Animal Husbandry Officer,(CV& AHO), Wokha	24,77,902	0	24,77,902	Double drawal of pay & allowances in respect of 72 employees for the month of February 2018 vide Bill Nos. 104,105,106 & 107 dated Nil, which was already drawn by CV& AHO, Wokha vide Bill Nos. 90,91,92 & 93 dated Nil.
Total			72,52,185	3,42,660	69,09,525	12 vouchers

Source: Departmental records

Appendix 4.2.4
Statement showing Fraudulent inadmissible drawal of pay & allowances including arrears

(Reference: Paragraph 4.2)

(Amount in ₹)

Sl. No.	Department	DDO	Amount Drawn fraudulently	Recovered Amount (with Month and Year of recovery)	Outstanding Amount	Remarks
1.	Agriculture	District Agriculture Officer, Kiphire	93,600	30,000 (October 2018)	2,20,746	Fraudulent drawal of less drawn DAA arrears of ₹0.94 lakh in respect of four employees for the period from January 2012 to December 2016 on the basis of fictitious 'due & drawn' statement vide Bill No. 94 of 27-03-2017. However, the employees were drawing the entitlement through the following regular monthly bills: Bill No. 75 of 03-01-2017 (December 2016).
			1,57,146	0	0	Fraudulent drawal of less drawn HRA arrears of ₹1.57 lakh in respect of eight employees for the period from December 2015 to January 2017 on the basis of fictitious due & drawn statement vide Bill No. 92 of 27-03-2017. However, the employees were drawing the entitlement through the following regular monthly bills: Bill No. 70 & 72 of 03-01-2017 (December 2016).
2.	Co-operation	Assistant Registrar of Cooperative Societies, Mon	4,00,125	0	4,00,125	Fraudulent drawal of less drawn arrears in respect of 14 employees for the period from December 2013 to January 2015 on the basis of fictitious 'due & drawn' statement vide TV No. 8 of 31-03-2017.
3.		Assistant Registrar of Cooperative Societies, Mokokchung	2,03,448	0	2,03,448	Fraudulent drawal of less drawn pay arrears in respect of nine employees for the period from June 2016 to January 2017 on the basis of fictitious due & drawn statement vide Bill Nos. 82, 83, 84, 85, 86, 88, 89, 90 & 91 of 23-03-2017, however, the employees were drawing the entitlement through the following regular monthly bills: Bill Nos. 32 of 26-07-2016 (July 2016), 38 of 22-08-2016 (August 2016), 43 of 22-09-2016 (September 2016).
4.	Employment, Skill Development and Entrepreneurship	District Employment Officer, Mon	1,91,146	0	1,91,146	Fraudulent drawal of less drawn DA and House rent arrears in respect of three employees for the period from December 2011 to March 2016 on the basis of fictitious due & drawn statement vide Bill Nos. 70 & 71 of 29-03-2016 but the employees were drawing the entitlement through the following regular monthly bills: Bill Nos. 42 & 45 of 29-10-2015 (October 2015); TV no. 2 of 03-03-2016 (February 2016).
			2,27,049	0	2,27,049	Fraudulent drawal of DA arrears in respect of five employees for the period from January 2013 to December 2017 on the basis of fictitious due & drawn statement vide TV No. 12 of 01-10-2018 but the employees were drawing the

Sl. No.	Department	DDO	Amount Drawn fraudulently	Recovered Amount (with Month and Year of recovery)	Outstanding Amount	Remarks
						entitlement through the following regular monthly bills: TV No. 01 of 06-01-2018 (December 2017).
5.	Evaluation	Directorate of Evaluation, Kohima, Nagaland	21,09,459	0	21,09,459	Fraudulent drawal of pay & allowances arrears in respect of 25 employees under for Directorate and District Offices (Dimapur, Kiphire & Mokokchung) for the period from December 2016 to December 2017 on the basis of fictitious due & drawn statement vide TV Nos. 8,9,10 & 11 of 27-03-2018, however, the employees were drawing the entitlement through the following regular monthly bills: Bill Nos. 82 of 29-01-2018 (January 2018), 78 & 79 of 02-01-2018 (December 2017), 62 of 20-11-2017 (November 2017), Bills No. 24 of Nil (December 2016), 26 of Nil (January 2017), 28 of Nil (February 2017), 1 of Nil (March 2017), 3 of Nil (April 2017), 5 of Nil (May 2017), 7 of Nil (June 2017), 11 of Nil (July 2017), 13 of Nil (August 2017), 15 of Nil (September 2017), 17 of Nil (October 2017), 19 of Nil (November 2017), 21 of Nil (December 2017), Bill Nos. 46 of 31-03-2017 (March 2017), 1 of 26.04.2017 (April 2017), 4 of 29-05-2017 (May 2017), 10 of 28-06-2017 (June 2017), 16 of 25-08-2017 (August 2017), 19 of 25-09-2017 (September 2017), 22 of 26-10-2017 (October 2017), 25 of 24-11-2017 (November 2017), 31 of 05-01-2018 (December 2017). Bill Nos. 65 of 20-03-2017 (March 2017), 01 of 25-04-2017 (April 2017), 6 of 24-05-2017 (May 2017), 13 of 27-06-2017 (June 2017), 17 of 26-07-2017 (July 2017), 22 of 25-08-2017 (August 2017), 27 of 18-09-2017 (September 2017), 32 of 27-10-2017 (October 2017), 37 of 28-11-2017 (November 2017), 42 of 22-12-2017 (December 2017). Bill Nos. 02 of 25-04-2017 (April 2017), 07 of 24-05-2017 (May 2017), 14 of 27-06-2017 (June 2017), 18 of 26-07-2017 (July 2017), 23 of 15-08-2017 (August 2017), 28 of 15-08-2017 (September 2017), 33 of 27-10-2017 (October 2017), 38 of 28-11-2017 (November 2017), 43 of 22-12-2017 (December 2017). Bills Nos. 14 of 26-07-2017 (July 2017), 17 of 25-08-2017 (August 2017), 20 of 25-09-2017 (September 2017). Bill Nos. 11 of Nil (July 2017), 13 of Nil (August 2017), 15 of Nil (September 2017), 17 of Nil (October 2017), 19 of Nil (November 2017), 21 of Nil (December 2017). Name of 1 employee was not found in any of regular monthly pay bills.
6.		District Evaluation Officer, Mokokchung	1,36,426	0	1,36,426	Fraudulent drawal of less drawn pay arrears in respect of five employees for the period from January 2016 to February 2017 on the basis of fictitious due & drawn statement vide Bill Nos. 70 & 71 of 22-03-2017, 72 of 12-03-2017, however, the employees were drawing the entitlement through the following regular monthly bills: Bill Nos. 50, 51 & 52 of 02-01-2017 (December 2016) and 60, 61 & 62 of 27-02-2017 (February 2017).

Sl. No.	Department	DDO	Amount Drawn fraudulently	Recovered Amount (with Month and Year of recovery)	Outstanding Amount	Remarks
7.	Excise & Prohibition	Superintendent of Excise and Prohibition, Tuensang	2,01,103	0	2,01,103	Fraudulent drawal of pay arrears in respect of eight employees for the period from December 2016 to February 2018 vide TV No. 11 of 27-03-2018 (Total amount drawn vide the said TV No was ₹2.37 lakh for nine employees) but eight employees were drawing the entitlement through the following regular monthly bills: TV No. 2 of 03-03-2017 (February 2017) & TV No. 4 of 04-01-2018 (December 2017).
8.		Superintendent, Excise & Prohibition, Mon	14,94,940	1,00,000 (April 2019)	13,94,940	The Superintendent, Excise & Prohibition, Mon fictitiously drew an amount of ₹14.95 lakh (₹11.32 lakh in respect of 21 employees as increment arrear vide bill no. 117 dated nil (TV No. 5 dated 20-01-2017) and Bill No. 105 dated nil (TV No. 4 dated 01-11-2016) and ₹3.63 lakh as HRA arrears in respect of 14 employees vide TV No. 5 dated 15-03-2017 and TV No. 6 dated 15-03-2017).
9.		Superintendent of Excise & Prohibition, Phek	1,88,268	30,000 (March 2019)	1,58,268	The Superintendent of Excise, Phek fraudulently drew ₹1.88 lakh as less drawn DA arrear for 12 employees for the period from January 2013 to May 2013 vide bill no. 107 dated nil (TV no. 12 dated 28-03-2016) and Bill no. 108 dated nil (TV no. 13 dated nil).
10.	Finance (Taxation)	Superintendent of Taxes, Mon	1,51,848	0	1,51,848	Fraudulent drawal of pay arrears in respect of two employees for the period from December 2017 to November 2018 vide Bill No. 55 of 03-12-2018 on the statement prepared against pre-revised pay structure of 7th Revision of Pay (ROP) 2017. However, Regular Monthly paybill (October 2018) drawn vide Bill No. 44 of 02-11-2018 revealed that the two employees were already drawing their pay in the revised pay structure (7th ROP).
11.	Labour & Employment	Principal, Industrial Training Institute, Mon	7,31,156	1,05,000 (March 2019)	6,26,156	The Principal, Industrial Training Institute, Mon fraudulently drew an amount of ₹7,31,156/- as pay and allowances of nine persons during December 2015 to July 2016 vide bill nos. 33 of 30/11/2015, 38 of 06/01/2016, 45 of 18/03/2016, 7 of 06/06/2016 and 10 of 29/06/2016.
12.	Land Records and Survey	Land Record and Survey Officer, Wokha, Nagaland	2,49,624	1,99,624 (May 2019, July 2019, October 2019 and February 2020)	50,000	The Land Record and Survey Officer, Wokha, Nagaland fraudulently drew an amount of ₹2.49 lakh vide bill no. 13 dated nil (TV No. 4 dated 03/07/2017) as less drawn pay arrear for six employees for the period from January 2014 to December 2016.
13.	Law & Justice	Public Prosecutor, Dimapur	12,10,000		12,10,000	Inadmissible drawal of Honorarium of ₹12.10 lakh vide six bills (Bill Nos.166 & 167 of 16-03-2018, 151 & 152 of 24-03-2018, 173 & 174 of 28-03-2018) debited under 'Salary head'. The DDO in reply (November 2019 & October 2020) to inadmissible drawal

Audit Report for the year ended 31 March 2020

Sl. No.	Department	DDO	Amount Drawn fraudulently	Recovered Amount (with Month and Year of recovery)	Outstanding Amount	Remarks
						of Honararium stated that most of the time, the Officers and staff work beyond normal hours and thereby Honorarium was given from the surplus budget under "Salary head". However, the amount still stand recoverable as regularisation order from the government was not furnished by the department on diversion of funds from Salary head.
			1,77,250		1,77,250	Inadmissible drawal of TA of ₹1.77 lakh vide 2 bills (Bill Nos.168 & 169 of 16-03-2018). The DDO in reply (November 2019 & October 2020) could not furnish the re-appropriation order from the government for utilisation of funds from Salary head to Domestic Travel Expense (DTE) and therefore, the amount still stand recoverable.
14.	Rural Development	BDO, Sanis Wokha	2,83,216	0	2,83,216	Fraudulent drawal of less drawn pay arrears in respect of six employees for the period from July 2016 to December 2017 on the basis of fictitious due & drawn statement vide TV Nos. 20 & 21 of 09-02-2018, however, the employees were drawing the entitlement through the following regular monthly bills: TV Nos. 5 & 6 of 05-01-2017 (December 2016), TV Nos. 13 & 14 of 08-01-2018 (December 2017).
15.		Sub-Divisional Education Officer, Kiphire	68,13,863	0	68,13,863	Fraudulent drawal of less drawn increment arrears in respect of 214 employees for the period from December 2016 to February 2019 vide Bill Nos. 476 of 15-02-2019, 477 & 478 of 28-02-2019 on the statement prepared against pre-revised pay structure of 7th Revision of Pay (ROP) 2017.
16.	School Education	Sub-Divisional Education Officer, Wokha	3,22,276	0	3,22,276	Fraudulent drawal of less drawn pay arrears for ₹3.22 lakh in respect of 28 employees for the period from July 2017 to February 2018 vide TV No. 179 of 31-03-2018. However, the employees were drawing the entitlement through the following regular monthly bills: TV Nos. 43, 44, 45 & 47 of 19-04-2018 (March 2018).
			13,91,748	0	13,91,748	Fraudulent drawal of less drawn pay arrears for ₹13.92 lakh in respect of 16 employees for the period from July 2017 to May 2018 vide TV No. 137, 136,180 & 139 of 31-03-2018, however, the employees were drawing the entitlement through the following regular monthly bills: (February 2018) TV Nos. 173 & 178 of 31-03-2018, TV. No 14 of 01-09-2017 (August 2017), 21 of 03-08-2017 (July 2017), TV Nos. 40 & 42 of 08-01-2018 (December 2017)
17.		Sub-Divisional Education Officer, Meluri	6,24,139	0	6,24,139	Fraudulent drawal of less drawn arrears in respect of 35 employees for the period from April 2017 to October 2017 vide Bill No. 173 of 15-01-2018, however, the employees were drawing the entitlement through the following

Sl. No.	Department	DDO	Amount Drawn fraudulently	Recovered Amount (with Month and Year of recovery)	Outstanding Amount	Remarks
						regular monthly bills: Bill Nos. 65, 67, 69 & 70 of 29-06-2017 (June 2017), 74 of 24-07-2017 (May 2017), 134 of 26-10-2017 (July to September 2017). Name of 3 employees were not found in the regular monthly bills
18.		Sub-Divisional Education Officer, Zunheboto	5,52,355	0	5,52,355	Fraudulent drawal of pay and allowances for ₹5.52 lakh in respect of 20 employees for October 2017 vide Bill No. 57 of 20-11-2017, however, the employees were drawing the entitlement through the following regular monthly bills: Bill Nos. 52, 53 & 54 of 20-11-2017 (October 2017). Name of seven employees were not found in the regular monthly bills.
			69,205		69,205	Fraudulent drawal of DA arrear for ₹0.69 lakh in respect of 175 employees vide Bill Nos. 36 & 37 of 07-09-2017.
			8,30,198		8,30,198	Fraudulent drawal of pay and allowances for ₹8.30 lakh in respect of 15 employees vide Bill No. 269 of 20-11-2017 for October 2017, however, the employees were drawing the entitlement through the following regular monthly bills: Bill No.269 of 20-11-2017 (November 2017)
19.	Economics & Statistics	District Statistical Officer, Phek	2,82,939	0	2,82,939	Fraudulent drawal of HRA arrears in respect of 19 employees for the period from March 2017 to February 2018 on the basis of fictitious due & drawn statement vide eight Bills- (Bill No Nil with TV No 17, Bill No.63 with TV No.12 ,64 with TV No 14 ,65 with TV No.18, 67 with TV No.16, 68 with TV No. Nil, 69 with TV No.13 & 70 with TV No. 11 dated Nil), however, the employees were drawing the entitlement through the following regular monthly bills: May 2017 (Bill No. 10 & Bill No. Nil dated Nil), November 2017 (Bill Nos. 40,41 & 42 dated Nil), February 2018 (Bill Nos. 54,55 & 56 dated Nil)
Total			1,90,92,527	4,64,624	1,86,27,903	67 vouchers

Source: Departmental records

Appendix 4.2.5
Statement showing full recovery of fraudulent/ excess drawals
(Reference: Paragraph 4.2)

(Amount in ₹)

Sl. No.	Department	DDO	Excess Amount Drawn	Recovered Amount	Month & Year of recovery (in case recovery initiated)	Remarks	No. of vouchers/ Bills
(A) By Inflating Net Total							
1.	Home	Superintendent of Police, Mokokchung (NPTO)	2,04,000	2,04,000	January 2020	The SP, Mokokchung (NPTO) inflated the basic pay in respect of 22 employees for the month of February, March and April 2017 resulting in excess drawal of ₹2.04 lakh.	3
2.			2,12,783	2,12,783	April 2020	The SP, Mokokchung (NPTO) had drawn an amount of ₹2.13 lakh as pay and allowances arrear by inflating the basic pay in respect of 24 employees for the month of February 2018 which resulted in excess payment.	2
3.	Nagaland State Transport	Assistant General Manager, Nagaland State Transport (NST), Zunheboto	1,55,394	1,55,394	November 2020	The Assistant General Manager, Nagaland State Transport (NST), Zunheboto had inflated the net total of pay and allowances for the months of July 2014, September to November 2014 resulting in excess drawal of ₹1.55 lakh.	4
4.	Rural Development	Block Development Officer, RD Block, Tseminyu	6,08,000	6,08,000	From July 2015 to May 2017 (in 17 installments)	The Block Development Officer, RD Block, Tseminyu had inflated the net total of pay and allowances in 11 bills in respect of 73 employees during the period from March 2013 to November 2014 which resulted in excess drawal of ₹6.08 lakh.	11
5.	School Education	Sub-Divisional Education Officer (SDEO), Shamator	1,00,000	1,00,000	July 2019	The Sub-Divisional Education Officer (SDEO), Shamator had inflated the net totals of pay bills for the month of November and December 2015 resulting in excess drawal of ₹one lakh.	2
			50,000	50,000	July 2019	The Sub-Divisional Education Officer (SDEO), Shamator had inflated the net totals of pay bills for the month of January 2016 resulting in excess drawal of ₹0.50 lakh.	1
6.		Headmaster, Govt. High School, Akuhaito	10,13,299	10,13,299	March 2019	The Headmaster, Govt. High School, Akuhaito had inflated the net totals of pay for the month of May 2015, June 2015, July 2015, August 2015, October 2015 and December 2015 resulting in excess drawal of ₹10.13 lakh.	12

Sl. No.	Department	DDO	Excess Amount Drawn	Recovered Amount	Month & Year of recovery (in case recovery initiated)	Remarks	No. of vouchers/Bills
7.	Soil & Water Conservation	District Soil Conservation Officer, Kiphire	1,05,050	1,05,050	June 2019, January 2020 and May 2020	The District Soil & Conservation Officer, Kiphire drew an amount of ₹1.05 lakh by inflating the net total of pay and allowances.	1
Total (A)			24,48,526	24,48,526			36
(B) By Double Drawal							
8.	Employment, Skill development and Entrepreneurship	Vice Principal, Industrial Training Institute, Phek	1,11,817	1,11,817	September 2019	The Vice Principal, Industrial Training Institute, Phek had drawn an amount of ₹1.12 lakh as DA arrears in respect of 16 employees for the period from January 2017 to November 2017 which was already drawn during July 2017 and January 2018 resulting in double drawal (Bill nos. 82 to 86 dated 28/03/2018).	5
9.	School Education	Headmaster, Govt. High School, Akuhaito	2,25,593	2,25,593	March 2019	The Headmaster, Govt. High School, Akuhaito had drawn pay and allowances for four employees twice in different bills during March 2016 resulting in double drawal of ₹2.26 lakh (Bill No. 82 dated nil (TV no. 111 dated 03/03/2016)).	1
Total (B)			3,37,410	3,37,410			6
(C) By Fraudulent payment							
10.	Agriculture	Dy. Director of Agriculture (Sugarcane), Agri Expo, 4 th Mile, Dimapur	14,93,957	14,93,957	March 2019	The Deputy Director of Agriculture (Sugarcane), Agri Expo, 4 th Mile, Dimapur fraudulently drew an amount of ₹14.94 lakh as less drawn pay arrear of 21 employees for the period from December 2010 to January 2015.	5
11.	Cooperation	Assistant Registrar of Cooperative Societies, Kohima	3,28,664	3,28,664	July 2019	The Assistant Registrar of Cooperative Societies, Kohima had fraudulently drawn increment and DA arrear amounting to ₹3.29 lakh in respect of seven retired employees for the period from January 2010 to February 2017.	14
12.	Health & Family Welfare	Senior Medical Officer, Tseminyu	9,00,000	9,00,000	July 2017	The Senior Medical Officer, Tseminyu drew an amount of ₹nine lakh as less drawn arrears in respect of 41 employees for the period from January to October 2017.	4
13.	Health & Family Welfare	Executive Engineer, Medical Engineering Division, Kohima	4,99,385	4,99,385	July 2019	An amount of ₹4.99 lakh was fraudulently drawn (March 2018) as less drawn arrear in respect of 27 officials by the Executive Engineer, Medical Engineering Division, Kohima for the period from December 2016 to February 2018.	27

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Sl. No.	Department	DDO	Excess Amount Drawn	Recovered Amount	Month & Year of recovery (in case recovery initiated)	Remarks	No. of vouchers/ Bills
14.	Home	Inspector General of Police/INT Kohima	39,22,175	39,22,175	March 2019	The Inspector General of Police/INT, Kohima fraudulently drew an amount of ₹39.22 lakh by manipulating the basic pay of 117 personnel.	10
15.	Jails	Superintendent of Jail, Tuensang	2,03,000	2,03,000	February 2019	The Superintendent of Jail, Tuensang fraudulently drew (March 2016) an amount of ₹2.03 lakh as less pay arrears.	3
16.	Law & Justice	Public Prosecutor, Dimapur	9,680	9,680	November 2019	A.Excess drawal of DA arrear of ₹0.09 lakh in respect of 19 employees for the period from July to November 2017 vide TV Nos.7,8,9,10,11 & 12 of 02-01-2018.	6
17.	Nagaland State Transport	Divisional Manager, Nagaland State Transport, Mokokchung	5,22,355	5,22,355	July 2019	An amount of ₹5.22 lakh was fraudulently drawn (March 2018) by the Divisional Manager, Nagaland State Transport, Mokokchung, as House Rent Allowance arrears in respect of 10 employees for the period April 2015 to January 2018. However, the names of these 10 employees were not found in the regular monthly pay bills.	1
18.	PWD (Roads & Bridges)	E.E, PWD (R &B), Aghunato	4,27,742	4,27,742	March 2017	The E.E, PWD (R &B), Aghunato had fraudulently drawn (February 2017) an amount of ₹4.28 lakh as ROP 2010 arrear (Bill no. 117 dated nil (TV no. 9 of 23/02/2017) and bill no. 118 dated nil (TV no. 8 of 23/02/2017)).	2
19.	Rural Developemnt	Block Development Officer, RD Block, Tseminyu	4,20,644	4,20,644	July 2015	The Block Development Officer, RD Block, Tseminyu drew an amount of ₹4.20 lakh as HRA arrear in respect of 17 employees for the period from January 2012 to March 2014.	17
20.	Rural Developemnt	BDO, Changpang, Wokha	3,33,475	3,33,475	April 2021	The BDO, Changpang, Wokha had drawn an amount of ₹3.33 lakh as pay arrears in respect of seven employees for the period from February 2015 to December 2016.	14
21.	School Education	Sub-Divisional Education Officer, Noklak	3,34,514	3,34,514	February 2019	An amount of ₹3.35 lakh was fraudulently drawn by the Sub-Divisional Education Officer, Noklak as DA arrears in respect of Hindi Teachers for the month of January 2017 to June 2017 by claiming higher basic pay.	1
22.	School Education	Sub Divisional Education Officer, Mangkolemba	1,46,000	1,46,000	April 2019	The Sub Divisional Education Officer, Mangkolemba drew an inadmissible amount of ₹1.46 lakh as DA arrear in respect of 69 fixed pay staff.	2
23.	School Education	Principal, Government Higher	4,13,819	4,13,819	April 2019	The Principal, GHSS, Jalukie fraudulently drew an amount of ₹4.14 lakh as less drawn pay and allowances arrear without sanction order	18

Sl. No.	Department	DDO	Excess Amount Drawn	Recovered Amount	Month & Year of recovery (in case recovery initiated)	Remarks	No. of vouchers/ Bills
		Secondary School, Jalukie				and non drawal certificate.	
24.	School Education	Headmaster, Government High School, Suruhuto, Zunheboto	4,85,502	4,85,502	March 2017 and September 2019	The Headmaster, Government High School, Suruhuto, Zunheboto fraudulently drew an amount of ₹4.86 lakh in respect of nine Grade-III staff in addition to the normal pay bills for the month of February 2017.	1
25.	Sericulture	District Sericulture Officer Wokha	1,19,920	1,19,920	March 2019 (in two installments)	The District Sericulture Officer, Wokha fraudulently drew ₹1.19 lakh as house rent allowance arrears in respect of 10 employees for the period from January to November 2014.	1
26.	Treasuries & Accounts	Sub-Treasury Officer, Aboi, Mon	1,08,204	1,08,204	From October 2018 to August 2019 in 11 installments	An amount of ₹1.08 lakh was drawn as less drawn arrear in respect of 17 employees by the Sub-Treasury Officer, Aboi for the period from January 2014 to May 2016.	3
27.	Youth Resources & Sports	District Sports Officer, Mokokchung	1,59,450	1,59,450	June 2020	The District Sports Officer, Mokokchung had fraudulently drawn an amount of ₹1.59 lakh as 7 th ROP 2017 arrear for the period from February 2018 to June 2018 in respect of seven contract employees.	10
Total (C)			1,08,28,486	1,08,28,486			139
Grand total (A+B+C)			1,36,14,422	1,36,14,422			181

Source: Departmental records

Appendix 4.2.6
Statement showing details of similar cases highlighted in the last five years Audit Reports
(Reference: Paragraph 4.2)

Sl. No.	Year of Audit Report	Paragraph Reference	Particulars	Money Value (₹in crore)
1.	Audit Report for the Year ended 31 March 2019	2.4	Fraudulent/ excess drawal of money	5.16
		2.5	Fraudulent/ excess drawal of money and submission of fake challans by DDOs	0.45
2.	Audit Report for the Year ended 31 March 2018	5.4	Fraudulent/double/excess drawal by 28 DDOs	7.36
3.	Audit Report for the Year ended 31 March 2017	5.4	Fraudulent/excess drawal by 12 DDOs	1.72
4.	Audit Report for the Year ended 31 March 2016	5.3	Fraudulent payment of pension from Treasuries at Zunheboto and Dimapur by duplicating the pension payment authorisation letters and admitting multiple claims in respect of the same pension payment orders and same person for the same period	5.58
		5.4	Fraudulent drawal of pay and allowances by 12 different DDOs	1.96
5.	Audit Report for the Year ended 31 March 2015	5.3	Fraudulent/excess drawal by 41 DDOs	2.81

Source: C&AG Audit Reports of respective years

Appendix 5.2.1
Extent of deficiencies noticed (deviation)
(Reference: Paragraph 5.2.7)

(₹ in lakh)

Nature of Audit Finding (indicative only)	Audit Sample		Number of deficiencies noticed		Deficiencies as percentage of Sample
	Number	Amount	Number	Amount	
Delay in issue of acknowledgment	61	3,66.48	1	NA	1.64
Delay in issue of Refund orders	61	3,66.48	27	0.90	32.79
Delay in communicating refund orders to counterpart tax authority	61	3,66.48	20	17.11	32.79
Non production of records	61	3,66.48	8	4.98	13.11
Sanction of refund without checking status filing of returns	61	3,66.48	34	348.33	55.74
Refund issued despite deficiencies in refund application	61	3,66.48	59	366.48	1,00.00
Sanction of refund without submission of copy of GSTR-2A along with refund application by taxpayer	61	3,66.48	61	366.48	100.00
Grant of refund without verifying the required documents	61	3,66.48	59	49.27	80.33
Non-payment of interest of delayed processing of refunds	61	3,66.48	27	0.90	44.26

Source: Departmental records

Annexure 5.2.2

Statement showing refund cases pertaining to pre-automation period

(Reference: Paragraph 5.2.7.2)

(Amount in ₹)

Sl. No	Name of the Division	Name of the Assessee	Refund category	GSTIN	ARN	ARN Date	Refund amount claimed
1.	Kohima Ward B	M/S Baby Needs	EXBCL	13BFIPJ3403E1Z3	AA1310180003217	16-10-2018	40,000
2.	Dimapur Ward A	M/S Balaji Automobile	EXBCL	13AYLPA4308A1Z9	AA131018000329R	17-10-2018	7,500
3.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA1303180079863	25-10-2018	3,860
4.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA1304180059962	25-10-2018	3,240
5.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA1311170060803	25-10-2018	6,220
6.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA130118005794G	25-10-2018	4,980
7.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA130218005367J	25-10-2018	4,420
8.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA130518005295G	25-10-2018	6,500
9.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA130618007589Z	25-10-2018	2,240
10.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA130718005126J	25-10-2018	1,940
11.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA130818004740G	25-10-2018	1,240
12.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	ANYOTH	13AJWPA5824D5ZB	AA131217007035V	25-10-2018	5,640
13.	Mokokchung Ward B	M/S Variety Store	EXBCL	13BQNPA9885K1Z9	AA131118000156W	13-11-2018	5,000
14.	Kohima Ward C	M/S Eninum Constructions	EXBCL	13ATSPN3497K1ZY	AA1301190000046	02-01-2019	93,392
15.	Zunheboto Unit	M/S General Shop	EXBCL	13CTWPR4530F1ZF	AA130119000116Z	13-01-2019	17,000
16.	Dimapur Ward A	M/S Azhiete Transport	EXBCL	13AUHPM0839N1ZE	AA130119000371Z	26-01-2019	1,520
17.	Kohima Ward B	M/S NeisakholieRupre-O & Co	EXBCL	13AQJPR5968H3ZA	AA130219000296N	15-02-2019	5,21,736
18.	Dimapur Ward E	M/S Dimapur General Store	EXBCL	13BBIPM2908R1Z9	AA130419000352T	18-04-2019	2,882
19.	Dimapur Ward E	M/S Ensign Constructions	EXBCL	13AJHPT6913B1ZF	AA130419000626I	29-04-2019	4,32,000
20.	Wokha Unit	M/S E N Lotha Enterprise	EXBCL	13AIPPL0144H1ZI	AA1305190000311	02-05-2019	9,566
21.	Dimapur Ward E	M/S Friends Watch House	EXBCL	13ATIPD5206G1Z8	AA130519000153T	07-05-2019	12,400
22.	Dimapur Ward B	M/S The Book Thing	EXBCL	13ANCPL8052A1ZK	AA130519000359D	16-05-2019	1,020
23.	Mokokchung Ward A	M/S Jamir Traders	EXBCL	13AWSPA1037D1Z4	AA130519000465I	22-05-2019	4,820
24.	Kohima Ward A	M/S Lifeline Pharmacy	EXBCL	13CICPM9930P1ZR	AA130519000622O	29-05-2019	11,640

Sl. No	Name of the Division	Name of the Assessee	Refund category	GSTIN	ARN	ARN Date	Refund amount claimed
25.	Dimapur Ward C	M/S Z.C. Marketing	EXBCL	13BBMPC9209F2ZV	AA130619000006S	01-06-2019	28,040
26.	Kohima Ward C	M/S HabemoNgullie Govt. Contractor And Supplier	EXBCL	13ALUPN2852N1ZH	AA130619000270T	20-06-2019	8,040
27.	Mokokchung Ward A	M/S J.K. Enterprise	EXBCL	13AVZPA9564D1ZB	AA130619000339D	22-06-2019	5,600
28.	Dimapur Ward E	M/S Aditi Solar Pvt Ltd	EXBCL	13AAICA7380A1Z2	AA130719000022W	01-07-2019	10,19,636
29.	Dimapur Ward E	M/S Aditi Solar Pvt Ltd	INVITC	13AAICA7380A1Z2	AA130719000003W	01-07-2019	18,17,469
30.	Dimapur Ward B	M/S Funky Buddha	EXBCL	13AUUPG3910H1ZQ	AA130719000068G	02-07-2019	9,896
31.	Dimapur Ward C	M/S MoalongKichu	EXBCL	13AZIPM0605N2ZE	AA1307190004399	20-07-2019	1,49,704
32.	Dimapur Ward A	M/S Shyama Power India Limited	EXBCL	13AAHCS6024L1ZB	AA1307190005678	27-07-2019	4,500
33.	Dimapur Ward E	M/S. Lipika Medical	EXBCL	13ARKPB5059K1ZS	AA130919000049C	04-09-2019	12,304
34.	Dimapur Ward B	M/S Funky Buddha	ANYOTH	13AUUPG3910H1ZQ	AA130919000313L	18-09-2019	84,180

Source: Departmental records

Annexure 5.2.3

Statement showing refund cases pertaining to post-automation period

(Reference: Paragraph 5.2.7.2)

(Amount in ₹)

Sl. No.	Name of the division	Name of the assessee	Nature/ Category of refund	GSTIN	ARN	ARN Date	Refund amount claimed
1.	Kohima Ward A	M/S T.Tachu & Co	EXBCL	13AKZPT0027F1Z2	AA1309190004866	27-09-2019	17,04,210
2.	Kohima Ward C	M/S Vertex Construction	INTRVC	13AASPZ4394A2ZB	AA130919000504G	30-09-2019	1,03,30,651
3.	Kohima Ward B	M/S Excellogics Tech Solutions Private Limited	EXBCL	13AAECE0691E2Z1	AA131019000505V	28-10-2019	30,000
4.	Kohima Ward A	M/S Savizo Chadi & Co.	EXBCL	13AOWPC0583Q1ZE	AA130220000170K	10-02-2020	55,764
5.	Kohima Ward A	M/S Mako Express	EXBCL	13ATOPT8294N1ZL	AA1302200003764	19-02-2020	5,560
6.	Kohima Ward C	M/S Vertex Construction	EXBCL	13AASPZ4394A2ZB	AA130320000081H	04-03-2020	17,43,417
7.	Kohima Ward B	M/S B.C Avennoho & Sons	EXBCL	13COPPP9058G1ZF	AA130320000322F	16-03-2020	24,588
8.	Kohima Ward C	M/S Omni Enterprise	EXBCL	13ABIPZ8057H2Z5	AA130420000101L	30-04-2020	25,578
9.	Kohima Ward B	M/S Dzule Enterprises	EXBCL	13CTBPK0546D1ZB	AA1305200001457	20-05-2020	1,51,520
10.	Kohima Ward A	M/S Ngulie Solo And Sons	EXBCL	13FZDPS4900J1ZB	AA1305200002661	31-05-2020	83,336
11.	Kohima Ward B	M/S Sumlung Enterprises	EXBCL	13AECPW0173L1ZF	AA1306200001918	15-06-2020	32,268
12.	Kohima Ward A	M/S Viu Angami & Sons	EXBCL	13ANZPA8446L1ZF	AA130620000211E	16-06-2020	4,45,517
13.	Kohima Ward C	M/S Vertex Construction	EXBCL	13AASPZ4394A2ZB	AA1307200000447	02-07-2020	5,58,900
14.	Kohima Ward B	M/S Akhrieu & Co.	EXBCL	13CGHPK7468R1ZK	AA130720000110G	06-07-2020	99,262
15.	Dimapur Ward B	M/S M.Solo Engineerings	INTRVC	13ATGPS1877A1ZU	AA1310190002225	17-10-2019	55,28,660
16.	Dimapur Ward A	M/S Coal Mines Associated Traders Private Limited	EXBCL	13AACCC9108N1ZL	AA131119000027X	02-11-2019	44,40,716
17.	Dimapur Ward E	M/S Star Electricals	EXBCL	13ADDP4745L2Z7	AA130120000057C	04-01-2020	10,000
18.	Dimapur Ward D	M/S Calcom Cement India Limited	EXBCL	13AACCC5142J1ZZ	AA1301200003948	16-01-2020	52,280
19.	Dimapur Ward A	M/S Aja Communications	XSPAY	13AYZPD6980B1Z8	AA130220000103L	06-02-2020	2,999
20.	Dimapur Ward A	M/S Coal Mines Associated Traders Private Limited	EXBCL	13AACCC9108N1ZL	AA1302200005843	28-02-2020	23,18,746

Sl. No.	Name of the division	Name of the assessee	Nature/ Category of refund	GSTIN	ARN	ARN Date	Refund amount claimed
21.	Dimapur Ward A	M/S Techno Construction	EXBCL	13ADNPY5020A1ZV	AA1305200000491	08-05-2020	20,000
22.	Dimapur Ward A	M/S Coal Mines Associated Traders Private Limited	EXBCL	13AACCC9108N1ZL	AA130620000031G	03-06-2020	31,03,162
23.	Mokokchung Ward B	M/S North-East Trader	ASSORD	13CSBPP1874Q1Z8	AA131119000487J	26-11-2019	14,56,006
24.	Wokha Unit	M/S Ren Kik E.Z.J & Co.	EXBCL	13BYIPK7855E2ZA	AA131019000168R	15-10-2019	12,652
25.	Wokha Unit	M/S Ren Kik E.Z.J & Co.	EXBCL	13BYIPK7855E2ZA	AA1305200000673	10-05-2020	50,000
26.	Mon Unit	M/S Toalem Hardware Store	EXBCL	13AIYPT4999D1ZE	AA130620000033C	04-06-2020	19,000
27.	Zunheboto Unit	M/S Hekishe And Bros	EXBCL	13BNVPA9055Q2Z8	AA1302200004085	20-02-2020	3,000

Source: Departmental records

Annexure 5.2.4
Statement showing documents uploaded online pertaining to post-automation period
(Reference: Paragraph 5.2.7.3)

Sl. No	Name of Division	Name of the assessee	GSTIN	ARN	ARN Date	Documents uploaded online
1.	Kohima Ward A	M/S T.Tachu & Co	13AKZPT0027F1Z2	AA1309190004866	27-09-2019	Refund application
2.	Kohima Ward B	M/S Excellogics Tech Solutions Private Limited	13AAECE0691E2Z1	AA131019000505V	28-10-2019	Refund application
3.	Kohima Ward A	M/S Savizo Chadi & Co.	13AOWPC0583Q1ZE	AA130220000170K	10-02-2020	Refund application
4.	Kohima Ward A	M/S Mako Express	13ATOPT8294N1ZL	AA1302200003764	19-02-2020	Refund application
5.	Kohima Ward C	M/S Vertex Construction	13AASPZ4394A2ZB	AA130320000081H	04-03-2020	Refund application
6.	Kohima Ward B	M/S B.C Avennoho & Sons	13COPPP9058G1ZF	AA130320000322F	16-03-2020	Refund application
7.	Kohima Ward C	M/S Omni Enterprise	13ABIPZ8057H2Z5	AA130420000101L	30-04-2020	Refund application
8.	Kohima Ward B	M/S Dzule Enterprises	13CTBPK0546D1ZB	AA1305200001457	20-05-2020	Refund application
9.	Kohima Ward A	M/S Ngulie Solo And Sons	13FZDPS4900J1ZB	AA1305200002661	31-05-2020	Refund application
10.	Kohima Ward A	M/S Viu Angami & Sons	13ANZPA8446L1ZF	AA130620000211E	16-06-2020	Refund application
11.	Kohima Ward C	M/S Vertex Construction	13AASPZ4394A2ZB	AA1307200000447	02-07-2020	Refund application
12.	Dimapur Ward E	M/S Star Electricals	13ADDP4745L2Z7	AA130120000057C	04-01-2020	Refund application
13.	Dimapur Ward A	M/S Aja Communications	13AYZPD6980B1Z8	AA130220000103L	06-02-2020	Refund application
14.	Dimapur Ward A	M/S Techno Construction	13ADNPY5020A1ZV	AA1305200000491	08-05-2020	Refund application
15.	Wokha Unit	M/S Ren Kik E.Z.J & Co.	13BYIPK7855E2ZA	AA131019000168R	15-10-2019	Refund application
16.	Wokha Unit	M/S Ren Kik E.Z.J & Co.	13BYIPK7855E2ZA	AA1305200000673	10-05-2020	Refund application
17.	Zunheboto Unit	M/S Hekishe And Bros	13BNVPA9055Q2Z8	AA1302200004085	20-02-2020	Refund application
18.	Mon Unit	M/S Toalem Hardware Store	13AIYPT4999D1ZE	AA130620000033C	04-06-2020	Refund application, Tax invoice.
19.	Dimapur Ward A	M/S Coal Mines Associated Traders Private Limited	13AACCC9108N1ZL	AA1302200005843	28-02-2020	Refund application, Summary of TDS for Sept & Oct 2019, Electronic Cash Ledger, GSTR 7A- TDS certificate for sept & Oct 2019.
20.	Dimapur Ward A	M/S Coal Mines Associated Traders Private Limited	13AACCC9108N1ZL	AA130620000031G	03-06-2020	Refund application, Summary of TDS for February 2020, Electronic Cash Ledger, GSTR 7A-TDS February 2020.

Sl. No	Name of Division	Name of the assessee	GSTIN	ARN	ARN Date	Documents uploaded online
21.	Kohima Ward C	M/S Vertex Construction	13AASPZ4394A2ZB	AA130919000504G	30-09-2019	Refund application, Statement 6
22.	Dimapur Ward B	M/S M.Solo Engineerings	13ATGPS1877A1ZU	AA1310190002225	17-10-2019	Refund application, Statement 6, Application regarding request for release of bill. Bill attached.
23.	Dimapur Ward A	M/S Coal Mines Associated Traders Private Limited	13AACCC9108N1ZL	AA131119000027X	02-11-2019	Refund application, Electronic Cash Ledger, GSTR 7A-TDS for April, May, June 2019.Summary of TDS for April, May, June 2019.
24.	Mokokchung Ward B	M/S North-East Trader	13CSBPP1874Q1Z8	AA131119000487J	26-11-2019	Refund application, Order for re-application by Addl. Commissioner-State Taxes.
25.	Kohima Ward B	M/S Sumlung Enterprises	13AECPW0173L1ZF	AA1306200001918	15-06-2020	Refund application, GSTR 3B-Jan 2020
26.	Kohima Ward B	M/S Akhrieu & Co.	13CGHPK7468R1ZK	AA130720000110G	06-07-2020	Refund application, GSTR 3B-Feb 2020, march 2020, April 2020, May 2020.
27.	Dimapur Ward D	M/S Calcom Cement India Limited	13AACCC5142J1ZZ	AA1301200003948	16-01-2020	Refund application, Electronic Cash Ledger.

Annexure 5.2.5

Statement showing list of Refund cases in which deficiency noticed (Interest due-paid/ not paid) Pre-automation

(Reference: Paragraph 5.2.7.5)

(Amount in ₹)

Sl. No.	Name of Division	Name of the assessee	GSTIN	ARN	Date GST RFD-02	Date of GST RFD-06	Refund amount claimed	Period of delay (in days)
1.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA1303180079863	25-10-2018	21-12-2019	3,860	362
2.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA1304180059962	25-10-2018	21-12-2019	3,240	362
3.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA1311170060803	25-10-2018	21-12-2019	,6220	362
4.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130118005794G	25-10-2018	21-12-2019	4,980	362
5.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130218005367J	25-10-2018	21-12-2019	4,420	362
6.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130518005295G	25-10-2018	21-12-2019	6,500	362
7.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130618007589Z	25-10-2018	21-12-2019	2,240	362
8.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130718005126J	25-10-2018	21-12-2019	1,940	362
9.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130818004740G	25-10-2018	21-12-2019	1,240	362
10.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA131217007035V	25-10-2018	21-12-2019	5,640	362
11.	Dimapur Ward E	M/S Friends Watch House	13ATIPD5206G1Z8	AA130519000153T	07-05-2019	19-12-2019	12,400	166
12.	Dimapur Ward A	M/S Balaji Automobile	13AYLPA4308A1Z9	AA131018000329R	17-10-2018	20-12-2019	7,500	369
13.	Dimapur Ward A	M/S Azhiete Transport	13AUHPM0839N1ZE	AA130119000371Z	26-01-2019	20-12-2019	1,520	268
14.	Dimapur Ward E	M/S Dimapur General Store	13BBIPM2908R1Z9	AA130419000352T	18-04-2019	19-12-2019	2,882	185
15.	Dimapur Ward B	M/S The Book Thing	13ANCPL8052A1ZK	AA130519000359D	16-05-2019	20-12-2019	1,020	158
16.	Dimapur Ward C	M/S Z.C. Marketing	13BBMPC9209F2ZV	AA130619000006S	01-06-2019	20-12-2019	28,040	142
17.	Dimapur Ward E	M/S Aditi Solar Pvt Ltd	13AAICA7380A1Z2	AA130719000022W	01-07-2019	03-09-2019	10,19,636	4
18.	Dimapur Ward E	M/S Aditi Solar Pvt Ltd	13AAICA7380A1Z2	AA130719000003W	01-07-2019	10-10-2019	18,17,469	41
19.	Dimapur Ward B	M/S Funky Buddha	13AUUPG3910H1ZQ	AA130719000068G	02-07-2019	20-12-2019	9,896	111
20.	Dimapur Ward C	M/S Moalongkichu	13AZIPM0605N2ZE	AA1307190004399	20-07-2019	20-12-2019	1,49,704	93
21.	Dimapur Ward A	M/S Shyama Power India Limited	13AAHCS6024L1ZB	AA1307190005678	27-07-2019	20-12-2019	4,500	86
22.	Dimapur Ward B	M/S Funky Buddha	13AUUPG3910H1ZQ	AA130919000313L	18-09-2019	20-12-2019	84,180	33
23.	Kohima Ward B	M/S Baby Needs	13BFIPJ3403E1Z3	AA1310180003217	16-10-2018	19-02-2019	40,000	66
24.	Kohima Ward C	M/S Habemo Nnullie Govt. Contractor and Supplier	13ALUPN2852N1ZH	AA130619000270T	20-06-2019	10-12-2019	8,040	113

Source: Departmental records

Annexure 5.2.6

Statement showing list of Refund cases in which deficiency noticed (Applications not disposed off within time - Interest due-paid/ not paid)
Post-automation

(Reference: Paragraph 5.2.7.5)

(Amount in ₹)							
Sl. No.	Name of the assessee	GSTIN	ARN	Date of GST RFD-02	Date of GST RFD-06	Refund amount claimed	Period of delay
1.	M/S T.Tachu & Co	13AKZPT0027F1Z2	AA1309190004866	27-09-2019	29-06-2020	1,704,210	216
2.	M/S Vertex Construction	13AASPZ4394A2ZB	AA130919000504G	30-09-2019	11-10-2019	1,03,30,651	
3.	Excellogics Tech Solutions Private Limited	13AAECE0691E2Z1	AA131019000505V	28-10-2019	29-10-2019	30,000	
4.	M/S Savizo Chadi & Co.	13AOWPC0583Q1ZE	AA130220000170K	10-02-2020	14-02-2020	55,764	
5.	M/S Mako Express	13ATOPT8294N1ZL	AA1302200003764	19-02-2020	25-02-2020	5,560	
6.	M/S Vertex Construction	13AASPZ4394A2ZB	AA130320000081H	04-03-2020	07-03-2020	17,43,417	
7.	M/S B.C Avennoho & Sons	13COPPP9058G1ZF	AA130320000322F	16-03-2020	19-03-2020	24,588	
8.	M/S Omni Enterprise	13ABIPZ8057H2Z5	AA130420000101L	30-04-2020	05-05-2020	25,578	
9.	M/S Dzule Enterprises	13CTBPK0546D1ZB	AA1305200001457	20-05-2020	21-05-2020	1,51,520	
10.	M/S Ngulie Solo And Sons	13FZDPS4900J1ZB	AA1305200002661	31-05-2020	09-06-2020	83,336	
11.	M/S Sumlung Enterprises	13AECPW0173L1ZF	AA1306200001918	15-06-2020	16-06-2020	32,268	
12.	M/S Viu Angami & Sons	13ANZPA8446L1ZF	AA130620000211E	16-06-2020	24-06-2020	4,45,517	
13.	M/S Vertex Construction	13AASPZ4394A2ZB	AA1307200000447	02-07-2020	02-07-2020	5,58,900	
14.	M/S Akhrieu & Co.	13CGHPK7468R1ZK	AA130720000110G	06-07-2020	06-07-2020	99,262	
15.	M/S M.Solo Engineerings	13ATGPS1877A1ZU	AA1310190002225	17-10-2019	18-10-2019	55,28,660	
16.	M/S Coal Mines Associated Traders Private Limited	13AACCC9108N1ZL	AA131119000027X	02-11-2019	13-01-2020	44,40,716	12
17.	M/S Star Electricals	13ADDP4745L2Z7	AA130120000057C	04-01-2020	19-03-2020	10,000	15
18.	M/S Calcom Cement India Limited	13AACCC5142J1ZZ	AA1301200003948	20-01-2020	20-01-2020	52,280	
19.	M/S Aja Communications	13AYZPD6980B1Z8	AA130220000103L	24-02-2020	25-02-2020	2,999	
20.	M/S Coal Mines Associated Traders Private Limited	13AACCC9108N1ZL	AA1302200005843	28-02-2020	17-03-2020	23,18,746	
21.	M/S Techno Construction	13ADNPY5020A1ZV	AA1305200000491	08-05-2020	27-05-2020	20,000	

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Sl. No.	Name of the assessee	GSTIN	ARN	Date of GST RFD-02	Date of GST RFD-06	Refund amount claimed	Period of delay
22.	M/S Coal Mines Associated Traders Private Limited	13AACCC9108N1ZL	AA130620000031G	03-06-2020	12-06-2020	31,03,162	
23.	M/S North-East Trader	13CSBPP1874Q1Z8	AA131119000487J	27-11-2019	27-11-2019	14,56,006	
24.	M/S Ren Kik E.Z.J & Co.	13BYIPK7855E2ZA	AA131019000168R	15-10-2019	26-11-2019	12,652	
25.	M/S Ren Kik E.Z.J & Co.	13BYIPK7855E2ZA	AA1305200000673	10-05-2020	15-05-2020	50,000	
26.	M/S Toalem Hardware Store	13AIYPT4999D1ZE	AA130620000033C	04-06-2020	03-07-2020	19,000	
27.	M/S Hekishe And Bros	13BNVPA9055Q2Z8	AA1302200004085	20-02-2020	21-02-2020	3,000	

Source: Departmental records

Annexure 5.2.7
Statement showing non-production of records
(Reference: Paragraph 5.2.7.6)

(Amount in ₹)

Sl. No	Name of the Division	Name of the assessee	List of records (files/registers) in the auditee unit	GSTIN	ARN & Date	Amount claimed
1.	Dimapur Ward E	M/S Ensign Constructions	GST form RFD-02 & 06	13AJHPT6913B1ZF	AA130419000626I & 29-4-2019	43,2000
2.	Dimapur Ward E	M/S. Lipika Medical	GST form RFD- 02 & 06	13ARKPB5059K1ZS	AA130919000049C & 04-9-2019	12,304
3.	Kohima Ward A	M/S Lifeline Pharmacy	GST form RFD-02 & 06	13CICPM9930P1ZR	AA130519000622O & 29-5-2019	11,640
4.	Mokokchung Ward B	M/S Variety Store	GST form RFD-02 & 06	13BQNPA9885K1Z9	AA131118000156W & 13-11-2018	5,000
5.	Mokokchung Ward A	M/S Jamir Traders	GST form RFD-02 & 06	13AWSPA1037D1Z4	AA130519000465I & 22-05-2019	4,820
6.	Mokokchung Ward A	M/S J.K.Enterprise	GST form RFD-02 & 06	13AVZPA9564D1ZB	AA130619000339D & 22-06-2019	5,600
7.	Zunheboto Unit	M/S General Shop	GST form RFD-02 & 06	13CTWPR4530F1ZF	AA130119000116Z & 13-01-2019	17,000
8.	Wokha Unit	M/S E N Lotha Enterprise	GST form RFD-02 & 06	13AIPPL0144H1ZI	AA1305190000311 & 02-5-2019	9,566

Source: Departmental records

Annexure 5.2.8

**Statement showing refund orders forwarded to counterpart tax authority
(Abnormal delay in communicating refund orders to counterpart tax authority)**

(Reference: Paragraph 5.2.7.7)

Sl. No.	Name of the Division	Name of the assessee	GSTIN	ARN & Date	ARN Date	Date of issue of Refund Sanction Order in Form GST - RFD-06	Total Amount of Refund sanctioned			Date of receipt of refund order from the State nodal officer to the Central nodal officer	Delay in days
							IGST	CGST	SGST		
1.	Dimapur Ward A	M/S Balaji Automobile	13AYLPA4308A1Z9	AA131018000329R	17-10-2018	20-12-2019	7,500			28-01-2020	32
2.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA1303180079863	25-10-2018	21-12-2019		1,930	1,930	28-01-2020	31
3.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA1304180059962	25-10-2018	21-12-2019		1,620	1,620	28-01-2020	31
4.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA1311170060803	25-10-2018	21-12-2019		3,110	3,110	28-01-2020	31
5.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130118005794G	25-10-2018	21-12-2019		2,490	2,490	28-01-2020	31
6.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130218005367J	25-10-2018	21-12-2019		2,210	2,210	28-01-2020	31
7.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130518005295G	25-10-2018	21-12-2019		3,250	3,250	28-01-2020	31
8.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130618007589Z	25-10-2018	21-12-2019		1,120	1,120	28-01-2020	31
9.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130718005126J	25-10-2018	21-12-2019		970	970	28-01-2020	31
10.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA130818004740G	25-10-2018	21-12-2019		620	620	28-01-2020	31
11.	Dimapur Ward A	M/S Nagaland Steel Engineering Works	13AJWPA5824D5ZB	AA131217007035V	25-10-2018	21-12-2019		2,820	2,820	28-01-2020	31
12.	Dimapur Ward A	M/S Azhiete Transport	13AUHPM0839N1ZE	AA130119000371Z	26-01-2019	20-12-2019		760	760	28-01-2020	32

Sl. No.	Name of the Division	Name of the assessee	GSTIN	ARN & Date	ARN Date	Date of issue of Refund Sanction Order in Form GST - RFD-06	Total Amount of Refund sanctioned			Date of receipt of refund order from the State nodal officer to the Central nodal officer	Delay in days
							IGST	CGST	SGST		
13.	Kohima Ward B	M/S Neisakholie Rupre-O & Co	13AQJPR5968H3ZA	AA130219000296N	15-02-2019	19-02-2019	5,21,736			09-01-2020	317
14.	Dimapur Ward B	M/S The Book Thing	13ANCPL8052A1ZK	AA130519000359D	16-05-2019	20-12-2019		510	510	24-01-2020	28
15.	Dimapur Ward C	M/S Z.C. Marketing	13BBMPC9209F2ZV	AA130619000006S	01-06-2019	20-12-2019		14,020	14,020	18-01-2020	22
16.	Dimapur Ward E	M/S Aditi Solar Pvt Ltd	13AAICA7380A1Z2	AA130719000022W	01-07-2019	03-09-2019	10,19,636			16-10-2019	36
17.	Dimapur Ward B	M/S Funky Buddha	13AUUPG3910H1ZQ	AA130719000068G	02-07-2019	20-12-2019		4,948	4,948	24-01-2020	28
18.	Dimapur Ward C	M/S Moalongkichu	13AZIPM0605N2ZE	AA1307190004399	20-07-2019	20-12-2019		74,852	74,852	18-01-2020	22
19.	Dimapur Ward A	M/S Shyama Power India Limited	13AAHCS6024L1ZB	AA1307190005678	27-07-2019	20-12-2019	4,500			28-01-2020	32
20.	Dimapur Ward B	M/S Funky Buddha	13AUUPG3910H1ZQ	AA130919000313L	18-09-2019	20-12-2019		42,090	42,090	24-01-2020	28
						Sub Total	15,53,372	1,57,320			
						Total (IGST and CGST)	17,10,692				

Source: Departmental records

Annexure 5.2.9
Statement showing the Evasion of Tax
(Reference: Paragraph 5.2.7.8.2)

(₹ in lakh)

Name of Firms	ARN	Form reference	Tax period	TDS deducted @ 2%	Taxable value	Tax payable		Total tax	Total Invoice value with tax
						CGST @ 6%	SGST@ 6%		
M/S T. Tachu & Co.	AA1309190004866	GSTR7/7A	July 2019	6.15	274.74	16.48	16.48	32.97	307.71
		GSTR7/7A	November 2018	10.89	486.07	29.16	29.16	58.33	544.40
M/S Coal Mines Associated Traders Pvt. Ltd	AA1302200005843	GSTR7/7A	September 2019	13.7	611.56	36.69	36.69	73.39	684.95
	AA131119000027X	GSTR7/7A	April 2019	8.74	390.08	23.40	23.40	46.81	436.89
		GSTR7/7A	May 2019	22.51	1,005.09	60.31	60.31	120.61	1,125.7
		GSTR7/7A	June 2019	13.16	587.29	35.24	35.24	70.48	657.77
M/S Ren Kik Ezj & Co.	AA131019000168R	GSTR7/7A	August 2019	0.14	5.89	0.35	0.35	0.71	6.60
		GSTR7/7A	September 2019	0.18	8.20	0.49	0.49	0.98	9.18
		GSTR7/7A	October 2019	0.24	11.13	0.67	0.67	1.34	12.47
		GSTR7/7A	November 2019	0.84	37.52	2.25	2.25	4.50	42.02
		GSTR7/7A	December 2019	0.84	37.66	2.26	2.26	4.52	42.18
Sub Total (A)					3,455.23	207.30	207.30	414.64	
M/S T. Tachu & Co.	AA1309190004866	GSTR 3B	July 2019		0	0	0	0	0
		GSTR 3B	November 2018		0	0	0	0	0
M/S Coal Mines Associated Traders Pvt. Ltd	AA1302200005843	GSTR 3B	September 2019		504.70	30.28	30.28	60.56	565.27
	AA131119000027X	GSTR 3B	April 2019		0	0	0	0	0
		GSTR 3B	May 2019		0	0	0	0	0
		GSTR 3B	June 2019		375.00	22.50	22.50	45.00	420.00
M/S Ren Kik Ezj & Co.	AA131019000168R	GSTR 3B	August 2019 to December 2019		0.00600	0.00036	0.00036	0.00072	0.00672
Sub Total (B)					879.71	52.78	52.78	1,05.56	
Evasion (A-B)					2,575.54	154.53	154.53	309.06	

Source: Departmental records

Appendix 5.3.1
Statement showing 52 numbers of invalid/ obsolete C Forms of Nagaland
(Reference: Paragraph 5.3)

Sl. No.	Name of the Selling Dealers	Period of accounts	Name of Purchasing Dealer	Name of Ward	C Form No	Date of Issue of Form	Transaction period/ date	Amount of Invalid C Form	Rate of Tax (Per cent)	Tax evasion	Nos. of Month	Interest Payable (Up to April 2022)	
Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8	Col.9	Col. 10	Col. 11 = (Col. 10 /100)*Col. 9	Col.12	Col.13 = ((2/100)*Col.11*Col.12)	
1.	M/s. K. D. Cement	2013-14	M/s Zhimomi Iron & Steel 13501614094	Ward D, Dimapur	NL 144545	22-08-2013	January-March 2014	1,05,66,915	13.25	14,00,116	96	26,88,223	
2.					NL 144544	22-08-2013	October-December 2013	1,11,18,969	13.25	14,73,263	96	28,28,666	
3.	M/s. Mondelez India Foods Ltd.	2013-14	M/s Lucy Store 1309008136	Mokokchung	NL 135817	10-08-2013	January-March 2014	14,23,536	13.25	1,88,619	96	3,62,148	
4.					NL 135816	10-08-2013	October-December 2013	10,00,661	13.25	1,32,588	96	2,54,568	
5.			M/s Devangi & Company 13500768174	Ward B, Dimapur	NL 137085	Nil	January 2014	18,33,865	13.25	2,42,987	96	4,66,535	
6.					NL 137084	Nil	October-December 2013	56,24,684	13.25	7,45,271	96	14,30,920	
7.		2014-15	M/s B.N Enterprises 13501954002	Ward B, Dimapur	NL 134024	Nil	January-March 2015	63,47,070	13.25	8,40,987	84	14,12,858	
8.			M/s Lucy Store 1309008136	Mokokchung	NL 135821	10-08-2013	April-June 2014	10,03,121	13.25	1,32,914	84	2,23,295	
9.					NL 135822	10-08-2013	July-September 2014	9,15,611	13.25	1,21,318	84	2,03,815	
10.		M/s. Alembic Pharmaceuticals Ltd.	2013-14	M/s Medi Pharma 13010018193	Ward A, Dimapur	NL 139487	20-04-2014	October-December 2013	5,58,799	4.75	26,543	96	50,962
11.						NL 143277	21-08-2013	January-March 2014	1,95,497	4.75	9,286	96	17,829
12.	NL 143278					21-08-2013	April-June 2014	8,57,787	4.75	40,745	96	78,230	
13.	M/s. HCL Infosystems Ltd.	2013-14	M/s Tsensons Associate 13010455103	Ward A, Dimapur	NL 132251	17-08-2012	January-February 2014	2,38,46,326	4.75	11,32,700	96	21,74,785	
14.					NL 132250	17-08-2012	October-December 2013	2,76,76,350	4.75	13,14,627	96	25,24,083	
15.					NL 143283	21-08-2013	January-February 2014	4,08,99,580	4.75	19,42,730	96	37,30,042	
16.			M/s Eastern Enterprise 13500699163	Ward A, Dimapur	NL 143282	Nil	October-December 2013	5,74,73,687	4.75	27,30,000	96	52,41,600	

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Sl. No.	Name of the Selling Dealers	Period of accounts	Name of Purchasing Dealer	Name of Ward	C Form No	Date of Issue of Form	Transaction period/ date	Amount of Invalid C Form	Rate of Tax (Per cent)	Tax evasion	Nos. of Month	Interest Payable (Up to April 2022)	
17.	M/s. Voltas Ltd.	2013-14	M/s P.M Enterprises 1301009407	Ward A, Dimapur	NL 145039	26-06-2013	October-November 2013	7,34,488	13.25	97,320	96	1,86,854	
18.			M/s Gurbachan Radios 13010006071		NL 142766	20-06-2013	October-December 2013	8,28,199	13.25	1,09,736	96	2,10,694	
19.	M/s. Krishna Traders	2013-14	M/s KC Stores 13070201039	Kohima	NL 114609	11-12-2013	October-December 2013	20,39,573	13.25	2,70,243	96	5,18,867	
20.					NL 114610	11-12-2013	January-March 2014	14,15,695	13.25	1,87,580	96	3,60,153	
21.					M/s Premier Enterprises 13060086060	NL 054542	31-05-2006	October-December 2013	19,93,594	13.25	2,64,151	96	5,07,170
22.						NL 054543	31-05-2006	January-March 2014	13,72,451	13.25	1,81,850	96	3,49,152
23.			M/s Mohit Distributors 13010749032	Ward A, Dimapur	NL 143119	27-01-2014	October-December 2013	19,32,656	13.25	2,56,077	96	4,91,668	
24.					NL 143120	27-01-2014	January-March 2014	12,16,570	13.25	1,61,196	96	3,09,495	
25.					M/s RS traders 13020983037	Ward B, Dimapur	OJBB 060396	13-12-2013	July-September 2013	16,93,669	13.25	2,24,411	96
26.			OJBB 060397	13-12-2013			October-December 2013	20,80,394	13.25	2,75,652	96	5,29,252	
27.			OJBB 060398	13-12-2013			January-March 2014	11,75,908	13.25	1,55,808	96	2,99,151	
28.	M/s. Gulf Oil Corporation Ltd.	2013-14	M/s Mahesh Motors 13500456158	Ward F, Dimapur	NL 144141	22-07-2013	February-March 2014	9,13,827	13.25	1,21,082	96	2,32,478	
29.					NL 144140	22-07-2013	October-December 2013	11,01,028	13.25	1,45,886	96	2,80,102	
30.	M/s. Nestle India Ltd.	2013-14	M/s Longkumer Enterprises 13090053101	Mokokchung	NL 115673	06-05-2013	October 2013-February 2014	77,02,337	13.25	10,20,560	96	19,59,475	
31.					NL 135426	08-05-2013	January-March 2014	2,79,87,513	13.25	37,08,345	96	71,20,023	
32.					NL 135425	08-05-2013	October-December 2013	2,77,64,146	13.25	36,78,749	96	70,63,199	
33.		2014-15	M/s Eastern Medical 13090005106	Mokokchung	NL 135428	08-05-2013	April-June 2014	1,67,56,167	13.25	22,20,192	84	37,29,923	
34.					NL 135429	08-05-2013	July-September 2014	79,15,734	13.25	10,48,835	84	17,62,042	

Sl. No.	Name of the Selling Dealers	Period of accounts	Name of Purchasing Dealer	Name of Ward	C Form No	Date of Issue of Form	Transaction period/ date	Amount of Invalid C Form	Rate of Tax (Per cent)	Tax evasion	Nos. of Month	Interest Payable (Up to April 2022)				
35.					NL 135430	08-05-2013	October-December 2014	1,91,18,562	13.25	25,33,209	84	42,55,792				
36.					NL 135432	08-05-2013	January-March 2015	1,55,48,000	13.25	20,60,110	84	34,60,985				
37.					M/s Longkumer Enterprises 13090053101	Mokokchung	NL 114968	14-09-2013	April-June 2014	44,24,832	13.25	5,86,290	84	9,84,968		
38.							NL 114969	14-09-2015	July-September 2014	70,79,714	13.25	9,38,062	84	15,75,944		
39.					2015-16	M/s Eastern Agencies 13090002173	Mokokchung	NL 135451	08-05-2013	January-March 2016	1,32,54,073	4.75	6,29,568	72	9,06,579	
40.								NL 135450	08-05-2013	October-December 2015	1,23,38,242	4.75	5,86,066	72	8,43,936	
41.								NL 135449	08-05-2013	July-September 2015	1,27,96,464	4.75	6,07,832	72	8,75,278	
42.								M/s Eastern Medical 13090005106	NL 135431	08-05-2013	April-June 2015	1,21,84,773	4.75	5,78,777	72	8,33,438
43.					2016-17	M/s Eastern Agencies 13090002173	Mokokchung	NL 135452	08-05-2013	April-June 2016	2,43,61,126	4.75	11,57,153	60	13,88,584	
44.								NL 135453	08-05-2013	July-September 2016	2,45,23,022	4.75	11,64,844	60	13,97,812	
45.								NL 135454	08-05-2013	October-December 2016	2,27,84,551	4.75	10,82,266	60	12,98,719	
46.								NL 135455	08-05-2013	January-March 2017	2,95,71,737	4.75	14,04,658	60	16,85,589	
47.					2017-18	M/s Eastern Agencies 13090002173	Mokokchung	NL 135456	08-05-2013	April-June 2017	2,38,74,675	4.75	11,34,047	48	10,88,685	
48.					M/s. Goodyear India Pvt. Ltd.	2013-14	M/s MH Enterprises 13501096055	Ward A, Dimapur	NL 144584	Nil	October-December 2013	7,44,579	13.25	98,657	96	1,89,421
49.					M/s Glaxo Smithkline Healthcare Ltd.	2014-15	M/s Chakravarty & Co 13020084169	Ward B, Dimapur	NL 141639	12-06-2013	April-June 2014	1,19,37,624	13.25	15,81,735	84	26,57,315
50.									NL 141640	12-06-2013	July-September 2014	1,34,07,214	13.25	17,76,456	84	29,84,446
51.					M/s. Everest Agency House	2013-14	M/s Bachan Store 13160043146	Zunheboto	NL 058243	25-08-2013	October-December 2013	26,82,998	4.75	1,27,442	96	2,44,689
52.	M/s. Durga Store	2013-14	M/s Oking 13040610177	Dimapur	NL 081162	06-05-2014	January-March 2014	2,60,71,761	4.75	12,38,409	96	23,77,745				
Total								57,46,70,354		4,58,87,949		7,90,79,051				

Source: Departmental records

Appendix 5.6.1

Statement showing details of license fee and royalty collected and remained outstanding
(Reference: Paragraph 5.6 (i) and (iii))

(Amount in ₹)

Sl. No.	Name of firm	Games	Date of issue of license	License validity	License fee/rate	License/ renewal fee payable				License fee/renewal paid	Revenue earned from Royalty	Interest on delayed payment	Total revenue earned	Total license fee due
						2016-17	2018	2019	2020					
1.	M/s K365 Web Assets Pvt. Ltd	Poker (only No Limit Texas and Pot Limit Omaha)	14-12-2016	13-12-2019 (Yet to be renewed)	10,00,000	10,00,000	10,00,000	10,00,000	0	30,00,000	2,03,821	0	32,03,821	20,00,000
2.	M/s Club Empire Tech Pvt. Ltd	Poker (only No Limit Texas and Pot Limit Omaha)	15-12-2016	License cancelled on 02-03-2020	10,00,000	10,00,000	0	0	0	10,00,000	0	0	10,00,000	40,00,000
3.	WYZ Games India Pvt. Ltd	Poker (only No Limit Texas and Pot Limit Omaha)	16-12-2016	License suspended on 14-08-2019	10,00,000	10,00,000	0	0	0	10,00,000	0	0	10,00,000	20,00,000
4.	Quantum Skill Gaming & Tech Pvt. Ltd	Poker (only No Limit Texas and Pot Limit Omaha)	16-12-2016	15-12-2019 (Yet to be renewed)	10,00,000	10,00,000	10,00,000	10,00,000	0	30,00,000	7,44,500	0	37,44,500	20,00,000
5.	Baazi Networks Pvt. Ltd	Poker (only No Limit Texas and Pot Limit Omaha)	10-03-2017	09-03-2019 (Yet to be renewed)	10,00,000	10,00,000	10,00,000	10,00,000	0	30,00,000	50,44,853	0	80,44,853	20,00,000
6.	Sachar Gaming Pvt. Ltd	Poker (only No Limit Texas and Pot Limit Omaha), Rummy, Quizzes	22-03-2017	22-03-2019 (Yet to be renewed)	25,00,000	25,00,000	25,00,000	25,00,000	0	50,00,000	20,80,244	0	70,80,244	50,00,000
7.	Tictok Skill Games Pvt. Ltd	Quiz games	31-03-2017	31-03-2019 (Yet to be renewed)	10,00,000	10,00,000	10,00,000	10,00,000	0	20,00,000	1,39,441	6,575	21,46,016	20,00,000
8.	Stick Pool Pvt. Ltd	Snooker and Pool	27-04-2018	27-04-2020	10,00,000	NA	10,00,000	10,00,000	10,00,000	30,00,000	1,33,654	0	31,33,654	0

Sl. No.	Name of firm	Games	Date of issue of license	License validity	License fee/rate	License/ renewal fee payable				License fee/renewal paid	Revenue earned from Royalty	Interest on delayed payment	Total revenue earned	Total license fee due
						2016-17	2018	2019	2020					
9.	Quadrafic Media Pvt. Ltd	Poker (only No Limit Texas and Pot Limit Omaha)	04-10-2018	04-10-2020 (Yet to be renewed)	10,00,000	NA	10,00,000	10,00,000	0	20,00,000	70,24,183	0	90,24,183	10,00,000
10.	Sachiko Gaming Pvt. Ltd	Poker (only No Limit Texas and Pot Limit Omaha)	11-10-2018	11-10-2020	10,00,000	NA	10,00,000	10,00,000	10,00,000	30,00,000	32,35,197	0	62,35,197	0
11.	Golden Skill Game Pvt. Ltd	i)Poker (only No Limit Texas and Pot Limit Omaha) ii) Rummy iii) Binary iv) Virtual Sports and Racing v) Quiz	11-10-2018	License cancelled on 04-09-2019	25,00,000	NA	25,00,000	0	0	25,00,000	0	0	25,00,000	0
12.	Luminary Enterprises	Bouquet of games*	18-08-2020		25,00,000	NA	NA	NA	25,00,000	25,00,000	0	0	25,00,000	
Total										3,10,00,000	1,86,05,893	6,575	4,96,12,468	2,00,00,000

Source: Departmental records

*A license for three or more games including for all genres of games provided together.

Annexure 5.6.2
Statement showing penalty liable to be paid by the firms
(Reference: Paragraph 5.6 (ii))

(Amount in ₹)

Sl. No	Name of the firm	Rate	Date of issue of license	License validity	Penalty		
					Period	Rate (1 st to 3 rd year/4 th to 5 th year)*	Amount
1.	M/s K365 Web Assets Pvt. Ltd	10,00,000	14-12-2016	13-12-2019	1 year 18 days	10,00,000/ 20,00,000	2,53,255.89
2.	M/s Club Empire Tech Pvt. Ltd	10,00,000	15-12-2016	02-03-2020 (cancelled)	2 years 78 days	10,00,000	3,09,134.20
3.	WYZ Games India Pvt. Ltd	10,00,000	16-12-2016	14-08-2019 (suspended)	1 year 241 days	10,00,000	2,08,740.82
4.	Quantum Skill Gaming & Tech Pvt. Ltd	10,00,000	16-12-2016	15-12-2019	1 year 15 days	10,00,000/ 20,00,000	2,51,046.58
5.	Baazi Networks Pvt. Ltd	10,00,000	10-03-2017	09-03-2019	1 year 296 days	10,00,000/ 20,00,000	4,57,985.75
6.	Sachar Gaming Pvt. Ltd	25,00,000	22-03-2017	22-03-2019	1 year 283 days	25,00,000/ 50,00,000	11,21,030.14
7.	Tictok Skill Games Pvt. Ltd	10,00,000	31-03-2017	31-03-2019	1 year 275 days	10,00,000/ 20,00,000	4,42,520.55
8.	Stick Pool Pvt. Ltd	10,00,000	27-04-2018	27-04-2020	248 days	10,00,000	81,534.25
9.	Quadrafic Media Pvt. Ltd	10,00,000	05-10-2018	04-10-2020	87 days	10,00,000	28,602.74
10.	Sachiko Gaming Pvt. Ltd	10,00,000	12-10-2018	11-10-2020	80 days	10,00,000	26,301.37
11.	Golden Skill Game Pvt. Ltd	25,00,000	11-10-2018	04-09-2019 (cancelled)			0.00
12.	Luminary Enterprises	25,00,000	18-08-2020				0.00
Total							31,80,152.29

Source: Departmental records

* The Annual License Fee of ₹10 lakh per game per annum or ₹25 lakh for a bouquet of games per annum for the first three years and ₹20 lakh per game per annum or ₹50 lakh for a bouquet of games per annum for the next two years.

Appendix 5.7.1

**Rates of goods and passenger tax as per Schedule under Section 3 of Nagaland
Passengers & Goods Taxation (Amendment) Act, 2000**

(Reference: Paragraph 5.7)

Sl. No.	Vehicle type	Annual Goods/Passenger Tax Rate (In ₹)
Motor vehicles for transportation of goods on hire		
1.	Upto 2 metric tons	500
2.	Upto 5 metric tons	1,000
3.	Upto 10 metric tons	1,500
4.	Upto 20 metric tons	2,000
5.	Upto 30 metric tons	2,500
6.	Above 31 metric tons	3,000
Motor vehicle for carriage of passengers on hire or reward		
City Bus		
1.	Upto 25 seating capacity	1,250
2.	Upto 30 seating capacity	1,500
3.	Upto 35 seating capacity	1,750
4.	Upto 42 seating capacity	2,000
5.	Above 43 seating capacity	2,250
Stage/ Contract Carriage		
1.	Upto 25 seating capacity	1,500
2.	Upto 30 seating capacity	1,750
3.	Upto 35 seating capacity	2,000
4.	Upto 42 seating capacity	2,250
5.	Above 43 seating capacity	2,500
Taxi (Motor Cab)		
1.	Auto rickshaw seating capacity of 3 passengers	750
2.	Auto rickshaw seating capacity above 4	1,000
3.	Local taxi	1,000
4.	Regional taxi	1,000
5.	All India/State tourist taxi	1,250
Taxi (Maxi cab)		
1.	Regional taxi	1,250
2.	All India/State tourist taxi	1,500

Source: Departmental records

Appendix 5.7.2

Motor vehicle Tax rates for transport vehicles under Section IV & V of Nagaland Motor Vehicle Taxation (Amendment) Act 1999

(Reference: Paragraph 5.7)

Sl. No.	Vehicle type	Annual MV Tax Rate (In ₹)
1.	Local taxi within municipal limit	600
2.	Region taxi	800
3.	State tourist taxi	1,000
4.	All India tourist taxi	1,800
5.	Auto taxi (three seating capacity)	300
6.	Auto taxi (tempo) for every additional seat above three	40
7.	Maxi cab - regional	4,000
8.	Maxi cab - State	5,000
9.	Maxi cab – All India	6,000
10.	Rural bus service	80 per seat
11.	Inter-district bus	120 per seat
12.	City bus service	120 per seat 40 for every standing passenger not more than 10
13.	Inter-State bus	300 per seat
14.	All India tourist bus	300 per seat
15.	Vehicle used for transport of goods	340 for first 500 kgs or less 500 for every additional 500 kgs of load thereof

Source: Departmental records

Appendix 5.7.3

Transport office-wise number of vehicles registered and defaulted in payment of tax during 2016-20

(Reference: Paragraph 5.7)

(Amount in ₹)

Sl. No.	Office	MV tax		Goods tax		Passenger tax		Total
		Tax amount	Vehicle count	Tax amount	Vehicle count	Tax amount	Vehicle count	
1.	District Transport Offices (DTO), Tuensang (NL-3)	20,75,789	183	50,625	50	6,750	4	21,33,164
2.	DTO, Mon (NL-4)	30,48,399	449	1,65,125	74	38,735	33	32,52,259
3.	DTO, Wokha (NL-5)	27,64,350	190	90,375	51	7,245	5	28,61,970
4.	DTO, Zunheboto (NL-6)	5,19,996	92	20,750	8	18,140	10	5,58,886
5.	DTO, Dimapur (NL-7)	55,41,790	3,684	8,14,375	667	22,41,775	1,638	85,97,940
6.	DTO, Phek (NL-8)	2,81,394	73	24,125	19	2,520	2	3,08,039
7.	Regional Transport Offices (RTO), Kohima (NL-1)	5,27,46,816	6,316	1,72,44,620	5,628	11,26,740	413	7,11,18,176
8.	RTO, Mokokchung (NL-2)	44,00,542	470	4,20,125	173	7,530	5	48,28,197
Total		7,13,79,076	11,457	1,88,30,120	6,670	34,49,435	2,110	9,36,58,631

Source: VAHAN Report Portal, MORTH

Appendix 6.1.1

Statement showing investments by the State Government in State Public Sector Undertakings whose accounts are in arrears

(Reference: Paragraph 6.1.6)

(₹ in crore)

Sl. No.	Name of the Public Sector Undertaking	Year upto which finalised	Paid-up share capital	Period of Account pending finalisation	Investment made by the State Government	
					Equity	Loans
1	2	3	4	5	6	7
A	Working Government Companies					
1.	Nagaland Industrial Development Corporation Ltd, Dimapur	2017-18	23.20	2018-19 to 2019-20	0	7.26
2.	Nagaland State Mineral Development Corporation Ltd., Kohima	2017-18	1.60	2018-19 to 2019-20	0	0
3.	Nagaland Hotels Ltd, Dimapur	2014-15	0.40	2015-16 to 2019-20	0.42	0
4.	Nagaland Handloom & Handicrafts Development Corporation., Ltd	2009-10	0.83	2010-11 to 2019-20	0.85	0
5.	Nagaland Industrial Raw Materials Supply Corporation Ltd., Dimapur	2017-18	1.23	2018-19 to 2019-20	0	0
	Total A (Working Government Companies)		27.26		0	0
B	Non-working Government Companies					
6.	Nagaland Sugar Mill Company Limited	2001-02	5.89	2002-03 to 2019-20	0	0
	Total B (Non-working Government Companies)				1.27	7.26
Grand Total (A+B)					1.27	7.26

Source: Departmental records

Appendix 6.1.2

Summarised financial results of Government Companies for the latest year for which accounts are finalised

(Reference: Paragraphs 6.1.8 and 6.1.8.2)

(Figures in Column 5 to (6) and (8) to (10) are ₹in crore)

Sl. No.	Sector & Name of the Company	Period of accounts	Year in which finalized	Earnings before interest and taxes (EBIT)	Net Profit/ Loss	Turn over	Impact of accounts comments	Paid up Capital	Accumulated Profit (+) / Loss(-)	Free Reserves & Surplus	Long Term Loans outstanding	Capital Employed [@]	Return on Capital Employed [#]	Percentage of return on Capital Employed
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A. Working Government Companies														
1.	Nagaland Industrial Development Corporation Ltd, Dimapur	2017-18	2019-20	0.21	-1.69	1.97	-	23.20	-39.27	0	48.59	32.52	-1.48	
	Sector-wise total			0.21	-1.69	1.97	-	23.20	-39.27	0	48.59	32.52	-1.48	
MANUFACTURING														
2.	Nagaland State Mineral Development Corporation Ltd., Kohima	2017-18	2019-20	-2.25	-2.25	0.53	-	1.60	-10.33	0	0	-8.73	-2.25	
	Sector-wise total			-2.25	-2.25	0.53	-	1.60	-10.33	0	0	-8.73	-2.25	
SERVICES														
3.	Nagaland Hotels Ltd, Dimapur	2014-15	2019-20	-1.92	-1.92	4.00	-	0.40	-13.65	0	8.39	-4.86	-1.92	
	Sector-wise total			-1.92	-1.92	4.00	-	0.40	-13.65	0	8.39	-4.86	-1.92	
MISCELLANEOUS														
4.	Nagaland Handloom & Handicrafts Development Corporation., Ltd	2009-10	2013-14	0.02	-0.14	0.28	-	0.83	-4.16	0	10.61	7.28	0.02	

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Sl. No.	Sector & Name of the Company	Period of accounts	Year in which finalized	Earnings before interest and taxes (EBIT)	Net Profit/ Loss	Turn over	Impact of accounts comments	Paid up Capital	Accumulated Profit (+) / Loss(-)	Free Reserves & Surplus	Long Term Loans outstanding	Capital Employed @	Return on Capital Employed#	Percentage of return on Capital Employed
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
5.	Nagaland Industrial Raw Materials Supply Corporation Ltd., Dimapur	2017-18	2019-20	-0.03	-0.03	0.00	-	1.23	-1.21	0	0.05	-1.07	-0.03	
Sector-wise total				-0.01	-0.17	0.28	-	2.06	-5.37	0	10.66			
Total A (All sector wise working Government Companies)				-3.97	-6.03	6.78		27.26	-68.62		67.64			
B. Non-working Companies														
MANUFACTURING														
6.	Nagaland Sugar Mills Company Ltd., Dimapur	2001-02	2017-18	-0.08	-0.08	0	0	5.89	-15.10	0	6.08	-2.76	-0.08	-
Sector-wise total				-0.08	-0.08	0	0	5.89	-15.10	0	6.08	-2.76	-0.08	-
Total B (All sector wise non-working Government Companies)				-0.08	-0.08	0	0	5.89	-15.89	0	6.08	-2.76	-0.08	
Grand Total (A+B)				-4.05	-6.11	0	0	5.89	-90.62	0	73.72			

Source: Departmental records

Return on Capital Employed has been worked out by adding back the interest charged to Profit and Loss account to net profit/Loss figure.

@ Capital employed = Paid up Capital-Accumulated loss+ loans

Appendix 6.1.3
Statement showing Rate of Real Return on Government Investment
(Reference: Paragraph 6.1.9)

(₹ 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	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/profit after tax (PAT) for the year*
A	B	C	D	E	F	G	H	I	J	K $K=I \times (I+J)$	L $L=I*J/100$	M
Upto 2012-13		29.67		0.73	100.05		130.45	130.45	10.38	246.90	13.54	
2013-14	246.90	4.25	0.00	0.00	16.00	0.00	20.25	267.15	6.25	283.85	16.70	0.50
2014-15	283.85	0.00	0.00	0.00	10.66	0.00	10.66	294.51	6.81	314.57	20.06	-3.35
2015-16	314.57	0.00	0.00	0.08	16.25	0.00	16.33	330.90	6.95	353.89	23.00	-4.50
2016-17	353.89	0.00	0.00	0.00	18.90	0.00	18.90	372.79	6.87	398.41	25.61	-8.05
2017-18	398.41	0.42	0.00	0.00	24.04	0.00	24.46	422.87	6.79	451.58	28.71	-4.50
2018-19	451.58	0.00	0.00	0.00	25.04	0.00	25.04	476.62	7.14	510.65	34.03	-2.62
2019-20	510.65	0.00	0.00	0.00	24.49	0.00	24.29	535.14	7.80	576.88	41.74	-6.03
Total							270.38					

* worked out in respect of 5 PSUs where State Government made direct investment on the basis of profit/loss as per their latest finalised accounts.

**these are cumulative figures upto 2012-13 for Columns C, D, E, F, G and H.

Year	Total earnings/ loss in 2018-19	Investment by the State Government as per total of the column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2018-19	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
	Value of column M of above table	Total of the column H of above table	$A*100/B$	Value of column K of above table	$A*100/D$
2019-20	-6.03	270.38	-2.23	576.88	-1.05

Source: Departmental record

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