



**Report of the
Comptroller and Auditor General of India
on
General, Social,
Economic (Other than State Public Sector Enterprises),
Economic (State Public Sector Enterprises) and Revenue Sectors
For the year ended 31 March 2022**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF MANIPUR
Report No. 2 of 2023

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PREFACE

This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor of Manipur under Article 151 of the Constitution of India for being laid on the floor of the State Legislature.

The Report contains significant results of compliance audit of the Departments of the Government of Manipur under General, Social, Economic, and Revenue Sectors including Home Department, Education (S) Department, Tribal Affairs and Hills Department, Social Welfare Department, Agriculture Department, Trade, Commerce and Industries Department, Public Works Department, Public Health Engineering Department and Taxation Department.

The cases mentioned in the Report are those which came to notice in the course of test audit during the year 2020-21 and 2021-22, as well as those which came to notice in earlier years, but could not be dealt with in the previous Reports. Matters relating to the period subsequent to 2020-21 and 2021-22 have also been included, wherever necessary. The Report has been finalized after considering the response of the Government Departments, wherever received.

Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Overview

OVERVIEW

This Report has been prepared in six chapters. Chapters I to V deal with General, Social, Economic (Other than State Public Sector Enterprises), Economic (State Public Sector Enterprises) and Revenue Sectors and Chapter VI deals with Follow up of Audit Observations. The Report contains eleven compliance audit paragraphs including two Subject Specific Compliance Audits viz., “Umbrella scheme of Modernisation of Police Force” and “Implementation of Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Yojana in Manipur”.

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

All the Subject Specific Compliance Audit Paragraphs were discussed with the concerned Administrative Heads of the Departments and other departmental officers. Replies received from the State Government in respect of the Compliance Audit paragraphs have been incorporated in the Report.

CHAPTER I GENERAL SECTOR

During 2020-21, we conducted audit of 21 units pertaining to General Sector involving expenditure of ₹ 1,376.24 crore. As of March 2022, 20 Inspection Reports containing 76 paras were issued to the State Government with copies to the Heads of the Departments concerned.

Again, during 2021-22, we conducted audit of 8 units pertaining to the General Sector involving expenditure of ₹ 988.10 crore. As of March 2022, 8 IRs containing 28 paras were issued to the State Government with copies to the heads of the departments concerned.

This chapter contains four compliance audit paragraph including one Subject Specific Compliance Audit paragraph viz., “*Umbrella Scheme of Modernisation of Police Force*”.

COMPLIANCE AUDIT

HOME DEPARTMENT

Subject Specific Compliance Audit of “Umbrella scheme of Modernisation of Police Force”

No strategic plan was prepared by the State Government during 2016-17 to 2020-21 under Modernisation of Police Force (MPF) scheme due to which many important activities relating to modernisation have either been delayed considerably or not implemented. Annual Action Plans of 2016-17 to 2020-21 were submitted to Ministry of Home Affairs (MHA) with a delay of approximately one to over two months which subsequently delayed its approval,

release of funds and implementation of the modernisation activities/ programmes.

There was lack of prioritization and no monitoring of the implementation of the scheme of MPF. Despite availability of funds under the scheme, there was tardy implementation and funds remained unspent every year (2016-22). As on 31 March 2022, ₹ 41.09 crore remained unspent.

There were huge shortages of modern arms such as Carbine Amogh, Ghatak rifle, Glock pistol. There were also shortages of ammunitions. Keeper of Technical Equipment (KOTE) where weapons/ ammunition are kept were in dilapidated condition without adequate firefighting equipment and proper boundary wall. The Department failed to utilise the available funds to purchase modern weapons.

There were excess number of Light Motor Vehicles and Motor Cycles in some Superintendent of Police (SP) offices while there were shortages in most of the police stations and in some SP offices. There were also less number of heavy and medium vehicles in all Armed Police units. The Department failed to utilise the available funds to purchase vehicles.

The State Forensic Science Laboratory was facing serious shortages of equipment and manpower. Shortages of much needed manpower across different cadres had not been addressed. Department failed to utilise the allocated fund by GoI to strengthen Manipur Forensic Science Laboratory with modern equipment.

Against guidelines of Security Related Expenditure, ₹ 27.38 crore was released to the accounts of cadres under Suspension of Operation (SoO) without linking of unique biometric identification numbers.

Crime and Criminal Tracking Network Systems (CCTNS) was not fully functional in the State even after 12 years from the date of implementation of the Scheme.

Recommendations

The State Government may consider the following recommendations:

- i. Prioritize the requirements of the police force under Modernisation of Police Force ;*
- ii. Strictly monitor the progress of implementation of Modernisation of Police Force and utilization of funds thereof as per priorities.*
- iii. to address shortage of weapons and ammunitions on priority basis as it could limit operational efficiency of the police force;*
- iv. to address the shortages of vehicles to improve mobility of the police force ;*

- v. *to address the shortage of technical manpower in the forensic science laboratories;*
- vi. *to take initiative to link unique biometric identity numbers of the Surrendered militants/ SoO cadres for making payment for better transparency; and to fix responsibility on the concerned person for making payment to the surrendered militants/SoO cadres without linking of unique biometric identity numbers; and*
- vii. *to complete networking in all Police stations and to appoint System Integrator under Crime and Criminal Tracking Network Systems (CCTNS).*

(Paragraph 1.2)

EDUCATION (S) DEPARTMENT

Education Engineering Wing of Education (S) Department had not deposited VAT amounting to ₹ 2.34 crore to the Government Account.

(Paragraph 1.3)

TRIBAL AFFAIRS AND HILLS DEPARTMENT

Manipur Tribal Development Corporation had not deposited Sales tax of ₹ 17.42 crore and GST amount of ₹ 1.04 crore into the Government Account.

(Paragraph 1.4)

Manipur Tribal Development Corporation had not deposited Labour Cess amounting to ₹ 3.81 crore into the account of Manipur Building and Other Construction Workers' Welfare Board.

(Paragraph 1.5)

CHAPTER II SOCIAL SECTOR

During 2020-21, we conducted audit of 32 units involving expenditure of ₹ 4,443.82 crore including expenditure of the previous years. As of March 2022, 29 IRs containing 176 paras were issued to the State Government with copies to the heads of the departments concerned.

During 2021-22, we conducted audit of 37 units pertaining to the Social Sector involving expenditure of ₹ 1054.67 crore including expenditure of the previous years. As of March 2022, 19 IRs containing 123 paras were issued to the State Government with copies to the heads of the departments concerned.

This chapter contains one Compliance Audit paragraph.

COMPLIANCE AUDIT

SOCIAL WELFARE DEPARTMENT

Social Welfare Department had blocked funds amounting to ₹ 8.08 crore meant for construction of Anganwadi Centre Buildings for three to four years.

(Paragraph 2.2)

CHAPTER III ECONOMIC SECTOR (OTHER THAN STATE PUBLIC SECTOR ENTERPRISES)

During 2020-21, we conducted audit of 76 units pertaining to Economic Sector involving expenditure of ₹ 1,187.84 crore including expenditure of previous years. As of March 2022, 58 Inspection Reports containing 388 paras were issued to the State Government with copies to the heads of the concerned departments.

During 2021-22, we conducted audit of 54 units pertaining to the Economic Sector involving expenditure of ₹ 4,080.04 crore including expenditure of the previous years. As of March 2022, 5 IRs containing 22 paras were issued to the State Government with copies to the heads of the departments concerned.

This Chapter contains five Compliance Audit paragraphs including Subject Specific Compliance Audit on *“Implementation of Pradhan Mantri Kisan Samman Nidhi Yojana (PM-KISAN) in Manipur”*.

COMPLIANCE AUDIT

DEPARTMENT OF AGRICULTURE

Subject Specific Compliance Audit on Implementation of Pradhan Mantri – Kisan Samman Nidhi (PM-KISAN) Yojana in Manipur

There were delays in processing of application forms of beneficiaries by two to 16 months. Records of the beneficiaries were not properly maintained in the selected districts. Irregular financial benefits of ₹ 65.49 crore was given to 1,91,244 ineligible beneficiaries as they were enrolled by fraudulent use of User IDs of Government employees of SNO/ fraudulently created Government User IDs, without required documents and some were Income Tax payees. There was a well-planned fraudulent *modus operandi* adopted to register beneficiaries unauthorisedly in order to take benefits of this Government scheme by using fraudulent User IDs. There was lack of system controls and monitoring to prevent fraudulent data entry. The validation of data was not done as per norms. Financial benefits of ₹ 27.30 crore were made in seven instalments to 46,023 beneficiaries whose details did not match with bank accounts details. Payments were also made to more than one family members and to families with no land holdings. The percentage of the mandatory physical verification of beneficiaries which was required to be conducted by the Department in the State was very low.

Recommendations

- i. *Verification of beneficiaries may be completed on priority basis to weed out the ineligible beneficiaries. Validation and verification of beneficiaries and documents must be streamlined and strengthened to eliminate ineligible beneficiaries;*
- ii. *There should be systematic monitoring of the implementation of the scheme;*
- iii. *The State Government should fix responsibilities for failure to detect fraudulent use of Government User IDs on a large scale, order full investigation, lodge FIRs and monitor time bound progress of the outcome of FIRs. Further, the State Government should validate the details of beneficiaries and their bank account;*
- iv. *Improve Information Technology system control for data entry and validation of beneficiaries;*
- v. *Recovery of instalments paid to ineligible beneficiaries should be made;*
- vi. *The State and the District Level Grievance Redressal Monitoring Committee may be set up in the State. A proper system for registering of grievances and tracking the resolution of the grievances lodged may be developed as the percentage of resolution of the complaints lodged by the beneficiaries is low; and*
- vii. *Physical verification of beneficiaries should be carried out annually as per the guidelines.*

(Paragraph 3.2)

TRADE, COMMERCE AND INDUSTRIES DEPARTMENT

Non-completion of cold chain facility for more than seven years rendered expenditure of ₹ 1.20 crore idle.

(Paragraph 3.3)

PUBLIC WORKS DEPARTMENT

Due to delay in release of payment to the contractor, PWD incurred an avoidable expenditure of ₹ 6.95 crore as Financing Charges.

(Paragraph 3.4)

PUBLIC HEALTH ENGINEERING DEPARTMENT

Undue benefit of ₹ 2.28 crore was given to contractors due to adoption of higher rate of scaffolding item in construction of six overhead tank.

(Paragraph 3.5)

Avoidable expenditure of ₹ 74.06 lakh was incurred by Water Supply Maintenance Division-II of PHED on removal of sliding earth.

(Paragraph 3.6)

CHAPTER IV ECONOMIC SECTOR (STATE PUBLIC SECTOR ENTERPRISES)

As of 31 March 2022, the State of Manipur had 13 State Public Sector Enterprises (SPSEs) (all Government Companies including one non-working). However, none of these SPSEs were listed on the Stock Exchange.

(Paragraph 4.1.1)

During last five years, the overall pendency of SPSE accounts had increased from 94 Accounts (2017-18) to 105 Accounts (2021-22) which was attributable to less number of Accounts finalised (23 Accounts) by the SPSEs during 2018-22 as compared to the number of accounts due for finalisation (41 Accounts) during the said period.

Against the total arrears of 105 Accounts (9 SPSEs) as on 31 March 2022, 58 Accounts (55 *per cent*) pertained to two SPSEs namely, Manipur Tribal Development Corporation Limited (34 Accounts) and Manipur Police Housing Corporation Limited (24 Accounts).

(Paragraph 4.1.5)

Recommendations

- i. State Government may set up a special cell to oversee the clearance of arrears of accounts and set the targets for individual SPSEs, which may be monitored by the cell;*
- ii. State Government may ensure that existing vacancies in the accounts department of SPSEs are timely filled up with persons having domain expertise and experience; and*
- iii. The SPSEs may get the figures of equity and loans reconciled with the State Government Departments to reflect correct position in the State Finance Accounts.*

CHAPTER V REVENUE SECTOR

During 2020-21, the revenue raised by the State Government was ₹ 1,442.56 crore which was 11.11 *per cent* of its total revenue receipts of ₹ 12,982.65 crore of the State. The balance receipts of ₹ 11,540.09 crore (88.89 *per cent*) during 2020-21 were from Government of India as State's share of net proceeds of Union taxes and duties and GIA.

During 2021-22, the revenue raised by the State Government was ₹ 1,756.64 crore which was 12.47 *per cent* of its total revenue receipts of ₹ 14,091 crore of the State. The balance receipts of ₹ 12,334.36 crore (87.53 *per cent*) were from

Government of India as State's share of net proceeds of Union taxes and duties and GIA.

(Paragraph 5.1)

During the year 2020-21, there were 64 auditable units, of which 19 units were planned and audited. During the year 2021-22, out of 64 auditable units, 8 units were planned and audited.

(Paragraph 5.3)

This Chapter contains one compliance audit paragraph involving financial effect of ₹ 73.33 lakh.

COMPLIANCE AUDIT

TAXATION DEPARTMENT

Failure of the Department to take timely action to realise outstanding tax from a dealer resulted in short-recovery of tax revenue amounting to ₹ 32.74 lakh and interest of ₹ 40.59 lakh.

(Paragraph 5.6)

CHAPTER VI FOLLOW UP OF AUDIT OBSERVATIONS

Audit Report for the year 2019-20 (Report No. 2 of 2022) featured two Performance Audit paragraphs and ten Compliance Audit paragraphs. The Report was placed in the State Legislature on 22 February 2023. In respect of earlier Audit Reports for the years 1999-2019, *suo moto* Explanatory Notes pertaining to 415 Performance Audits and Compliance Audit paragraphs were not received within the stipulated period of three months from the Departments.

(Paragraph 6.1)

As of January 2023, the PAC had published 37 Reports on the findings in the Audit Reports. These PAC Reports altogether contained 1,582 recommendations based on the examination of Audit Reports by the PAC. In respect of 21 Reports of the PAC containing 737 recommendations, the Action Taken Notes (ATN) had been received. Of the remaining 845 recommendations contained in 16 Reports of the PAC, no ATNs were received.

(Paragraph 6.2)

As on March 2022, there was 2,418 outstanding IRs with 11,590 audit paragraphs pertaining to General, Social and Economic Sectors other than SPSEs that were pending settlement.

In respect of Revenue Sector, there were 334 pending Inspection Reports with 1,181 outstanding audit paragraphs involving ₹ 242.66 crore as outstanding audit observations at the end of June 2022.

(Paragraphs 6.4.1 and 6.4.2)

Recommendations

It is recommended that the Government may review the matter and ensure:

- i. Submission of Action Taken Notes to the recommendations of the Public Accounts Committee (PAC)/ Committee on Public Undertakings (CoPU); and*
- ii. Convene of regular meetings of Departmental Audit and Accounts Committee (DAAC) and State Audit and Accounts Committee (SAAC) to review, discuss and monitor the progress in disposal of outstanding Inspection Reports and paragraphs.*

Chapter I
General Sector

CHAPTER I

GENERAL SECTOR

1.1 Introduction

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

The expenditure incurred during the last five years by some of the major departments under General Sector are as given/shown in the following Table.

Table 1.1.1: Expenditure incurred by major departments under General Sector during 2017-22

(₹ in crore)

Years	Finance including Local Fund Audit*	Police	Planning	Total on General Sector (per cent)	Total Expenditure
2017-18	1,416.84	1,299.56	162.33	3,188.88 (27.98)	11,397.17
2018-19	1,549.64	1,378.62	160.76	3,397.70 (23.29)	14,590.22
2019-20	1,747.11	1,577.20	63.14	3,740.79 (21.79)	17,165.50
2020-21	1,740.39	1,880.17	119.72	4,166.43 (18.51)	22,505.98
2021-22	2,441.78	2,078.42	260.74	5,285.95 (19.68)	26,855.94

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

Source: Appropriation Accounts.

Table 1.1.2 provides Department-wise details of budget provision and expenditure incurred by the 17 departments pertaining to General Sector during 2020-21 and 2021-22.

Table 1.1.2: Department-wise budget provision and expenditure under General Sector during 2020-21 and 2021-22

(₹ in crore)

Sl. No.	Department	2020-21			2021-22		
		Budget Provision	Expenditure	Savings	Budget Provision	Expenditure	Savings
1	Police	2,347.69	1,880.17	467.52	2,359.22	2,078.42	280.80
2	Finance	2,294.20	1,740.39	553.81	2,639.04	2,441.78	197.26
3	Local Fund Audit*						
4	Administration of Justice	159.50	68.18	91.32	196.58	60.47	136.11
5	Planning	508.99	119.72	389.27	1,403.15	260.74	1,142.41
6	Land revenue, Stamps & Registration and District Administration	172.52	97.87	74.65	187.65	102.12	85.53
7	Secretariat	134.73	99.49	35.24	188.73	102.54	86.19
8	Election	41.82	25.93	15.89	106.85	104.70	2.15
9	Jails	31.77	28.76	3.01	33.98	30.50	3.48
10	Home Guards	53.84	52.94	0.90	47.97	47.08	0.89

Sl. No.	Department	2020-21			2021-22		
		Budget Provision	Expenditure	Savings	Budget Provision	Expenditure	Savings
11	Fire Protection and Control	22.14	19.89	2.25	30.69	26.08	4.61
12	Governor	7.83	5.80	2.03	11.54	9.24	2.30
13	Manipur Public Service Commission	6.83	3.81	3.02	6.84	4.40	2.44
14	Stationery and Printing	7.15	5.71	1.44	7.47	5.86	1.61
15	Vigilance and anti-corruption	6.24	3.97	2.27	6.00	4.77	1.23
16	State Academy of Training	6.91	4.80	2.11	8.47	4.45	4.02
17	Rehabilitation	9.82	9.00	0.82	4.77	2.80	1.97
Total		5,811.98	4,166.43	1,645.55	7,238.95	5,285.95	1,953.00

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

Source: Budget Documents and Appropriation Accounts.

As can be seen from **Table** above, there was overall savings of ₹ 1,645.55 crore (28.31 *per cent*) during 2020-21 and ₹ 1,953 crore (26.98 *per cent*) during 2021-22 against Budget provision under General Sector.

During 2020-21, Planning Department had the maximum savings of ₹ 389.27 crore (76.48 *per cent*) followed by Administration of Justice ₹ 91.32 crore (57.25 *per cent*) and Manipur Public Service Commission ₹ 3.02 crore (44.27 *per cent*), against their respective Budget provisions in terms of percentage.

Again, during 2021-22, Planning Department had the maximum savings of ₹ 1,142.41 crore (81.42 *per cent*) followed by Administration of Justice ₹ 136.11 crore (69.24 *per cent*) and State Academy of Training Department ₹ 4.02 crore (47.46 *per cent*) against their respective Budget provisions.

1.1.1 Planning and execution of Audit

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

During 2020-21, we conducted audit of 21 units pertaining to General Sector involving expenditure of ₹ 1,376.24 crore. As of March 2022, 20 Inspection

Reports containing 76 paras were issued to the State Government with copies to the Heads of the departments concerned.

Again, during 2021-22, we conducted audit of 8 units pertaining to the General Sector involving expenditure of ₹ 988.10 crore. As of March 2022, 8 IRs containing 28 paras were issued to the State Government with copies to the Heads of the departments concerned.

Year-wise details of expenditure audited in respect of General Sector during 2020-21 and 2021-22 are shown in *Appendix 1.1*.

This chapter contains one Subject Specific Compliance Paragraph viz. “Umbrella Scheme of Modernisation of Police Force” and three Compliance Audit paragraphs as discussed in succeeding paragraphs.

COMPLIANCE AUDIT

HOME DEPARTMENT

1.2 Subject Specific Compliance Audit of “Umbrella scheme of Modernisation of Police Force”

1.2.1 Introduction

Police force is essential for maintenance of law and order and ensuring effective check on crimes. Law and order being the state subject, the State Police has its jurisdiction on law and order over the entire State of Manipur with a total population of 34.37 lakh¹ and a geographical area of 22,327 square kilometer.

To strengthen police infrastructure, mobility, modern weaponry, communication equipment and forensic set-up, etc., Government of India in 2017 implemented the Umbrella scheme² of “Modernisation of Police Force” (MPF schemes) for a three-year period from 2017-18. The scheme comprised of 17 sub-schemes of which four are implemented in Manipur viz., (i) Assistance to States for Modernisation of Police (ii) Assistance to States for Special Projects/programmes for upgrading Police infrastructure (iii) Security Related Expenditure (SRE) and (iv) Crime and Criminal Tracking Networks and System (CCTNS). The incidence of crime in Manipur are as follows:

¹ Estimated population of the State in 2021 as per IndiaCensus.net

²The State also has some State schemes of which the major schemes are (i) Centralised procurement (ii) Construction of Police Building (iii) Maintenance and repair of Police Buildings and (iv) Construction of Police Stations.

Table 1.2.1: Table showing incidence of crime in the State of Manipur

Year	Incidence of crime	Manipur	
		Number	Crime Rate per lakh of population
2016	Indian Penal Code (IPC)	3,170	121.90
	Special Local Laws (SLL)	928	35.70
	Total	4,098	
2017	IPC	3,416	130.00
	SLL	834	31.70
	Total	4,250	
2018	IPC	2,869	93.10
	SLL	912	29.60
	Total	3,781	
2019	IPC	2,830	91.00
	SLL	831	26.70
	Total	3,661	
2020	IPC	2,349	74.80
	SLL	637	20.30
	Total	2,986	
2021	IPC	2,484	78.30
	SLL	720	22.70
	Total	3,204	

Source: website of NCRB.

During 2016-20, the crime rate of IPC ranged from 74.80 to 130.00 per lakh of population and crime rate of SLL ranged from 20.3 to 35.70 per lakh of population.

1.2.2 Organisation Structure

The Department is headed by Commissioner, Home Department at the Government level and the Director General of Police (DGP) at the Department level. There are three Police Zones, each headed by Inspector General of Police (IGP) and four Ranges headed by Deputy Inspector General of Police (DIG). There are 16 Districts in the State, each headed by Superintendent of Police (SP), under which Police Stations and Police Outpost serve as field units in the districts. As on 1 March 2023, there are 101 functional Police Stations in the State. Also, there are 17 Armed Police Battalions headed by Commandant.

1.2.3 Scope of Audit and Methodology

The Subject Specific Compliance Audit of “Umbrella scheme of Modernisation of Police Force” (November 2021 to February 2022) covered the period from 2016-17 to 2020-21. The audit covered all the sub-schemes under MPF schemes implemented in Manipur viz., (i) Assistance to States for Modernisation of Police (ii) Assistance to States for Special Projects/programmes for upgrading Police infrastructure (iii) Security Related Expenditure (SRE) and (iv) Crime and Criminal Tracking Networks and System (CCTNS).

Audit scrutinised relevant records maintained by 18 offices selected out of 45 Auditable Units, using Probability Proportional to Size without Replacement

method (*Appendix 1.2*). Audit also conducted joint physical verification along with the departmental representatives.

Entry Conference was held (November 2022) with the Department in which the audit objectives, scope, criteria, and samples selected were explained, followed by an Exit Conference (March 2023) wherein audit findings were discussed. The responses of the Government have been incorporated in the report at appropriate places.

1.2.4 Audit objectives

The audit was conducted with the objectives to ascertain whether:

- Planning of the Department for implementation of schemes/ programmes was efficient;
- Financial management was efficient, economical and effective; and
- Funds were utilised optimally for the intended purposes.

1.2.5 Audit Criteria

The criteria based on which the Audit was conducted are:

- The schemes/ programmes guidelines;
- Norms prescribed by Bureau of Police Research and Development;
- General Financial Rules 2005 and 2017 & Central Treasury Rules;
- State Action Plan Documents; and
- Orders and instructions of the Central and the State Governments.

1.2.6 Sample selection

There were 45 Auditable units (23 SP Offices, 6 Manipur Rifles, 11 Indian Reserved Battalion and five other Offices) (*Appendix 1.2*). Of these, 12 units³ were sampled (7 SP offices, three IRBs, two MRs) for test check. In addition, five other offices (The Director General of Police, Manipur Police Telecom Organisation, Forensic Science Laboratory, Manipur Police Training College, Manipur Police Housing Corporation) and one SP office {Criminal Investigation Department (Crime Branch)} were selected.

1.2.7 Planning

Modernisation of Police Force Guidelines required that a strategic plan be prepared to identify and analyse the gaps in various components under Modernisation of Police Force (MPF) scheme in conjunction with the Bureau

³ For selection of district and field functionaries, a minimum of 30 *per cent* of the total number of the districts and field functionaries were selected on the basis of 'Probability Proportionate to Size Without Replacement' with size measure as amount of expenditure.

of Police Research and Development (BPR&D) and to rectify any shortcomings noticed. On the basis of the five-year strategic plan, Annual Action Plan (AAP) was to be prepared for approval by GoI.

However, audit noticed that no strategic plan was prepared by the State Government during 2016-17 to 2020-21 under MPF scheme. Though State AAP were prepared for the GoI scheme, no AAPs were prepared by the Department for infrastructure development and modernisation/ strengthening carried out from State's resources.

Due to lack of planning, many important activities relating to modernisation have either been delayed considerably or not implemented at all as discussed in **Paragraph 1.2.9.**

1.2.7.1 Delayed submission of Annual Action Plans of MPF

The Annual Action Plan under MPF Scheme is sanctioned by the High Powered Committee (HPC) of Ministry of Home Affairs (MHA). AAP are forwarded to HPC through State Level Empowered Committee (SLEC) headed by the Chief Secretary. As per instructions of the MHA, Government of Manipur (GoM) was to submit State AAP to the MHA in time for review and approval by HPC. Details of submissions and approvals of annual plans are given in the following **Table.**

Table 1.2.2: Timelines for submission of annual plans and the delay in release of MPF fund

Year	Due date of submission	Date of submission of Action Plan to the Ministry	Delay in Submission of Annual Action Plan (in days)	Date of approval by MHA	Amount (₹ in crore)	Date of release of fund
2016-17	31.03.2016	04.05.2016	34	30.06.2016	4.90 1.77	02.09.2016, 19.12.2016
2017-18	30.06.2018	21.07.2018	21	*		
2018-19	27.04.2018	07.06.2018	41	09.06.2018	4.05	27.09.2018
2019-20	31.12.2018	16.03.2019	75	19.03.2019	6.73 4.02	03.10.2019, 30.03.2020
2020-21	31.12.2019	23.01.2020	23	29.06.2020	8.01	Not available
Total					29.48	

* No record produced to Audit.

Source: Records of the Department.

From the above **Table**, it was noticed that State AAPs were submitted to MHA with a delay of 21 days to 75 days which subsequently delayed its approval and release of funds for the modernisation programme. However, no measures were taken by the Department to submit the State AAP on time to MHA.

The Department attributed (February 2023) the reason for delay in submission of State AAP to late receipt of proposals from field units.

1.2.7.2 Fund released by MHA and expenditure

The proposal of the Department in the State AAP and the fund released by the Ministry during 2016-17 to 2021-22 financial years are as follows:

Table 1.2.3: Details of funds proposed by Department and released by the MHA and Expenditure

(₹ in crore)

Scheme	2016-17			2018-19			2019-20			2020 - 21			2021-22	
	P	R	E	P	R	E	P	R	E	P	R	E	R	E
Mobility	2.45		2.58	2.87		2.87	2.65		0.00	2.65				
Weaponry	1.19		0.00	1.30		0.00	1.30		0.00	1.30				
Communication Equipment	0.00		0.00	0.00		0.00	0.00	4.02	0.00	2.17				
Forensic Equipment	0.00		0.00	0.00		0.00	0.00		0.00	0.98				
Security/ Intelligence equipment	5.90	6.67	2.46	0.64	4.05	0.00	0.82		0.00	1.67	8.01*	0.32*	24.08*	3.63*
Training Equipment	0.15		0.00	0.00		0.00	0.00	13.72	0.00	0.00				
FSL Equipment	0.15		0.00	0.60		0.25	0.00		4.01	0.00				
CCTNS equipment	0.00		0.00	0.00		0.00	0.00		0.00	1.84				
Construction of Police infrastructure	0.00		0.00	6.08		0.00	5.84		3.34	0.00				
Sub-total	9.84	6.67	5.04	11.49	4.05	3.12	10.61	17.74	7.35	10.61	8.01*	0.32*	24.08*	3.63*
Supplementary														
Weaponry	0.00		0.00			0.00	0.00		0.00	0.00				
Mobility	0.44		0.00	0.56		0.00	0.53		0.00	0.00				
Communication/ Security/ intelligence equipment	1.53	0.00	0.00	1.74	0.00	0.00	0.79		0.00	0.00	0.00*	0.00*	0.00*	0.00*
Construction	0.00		0.00	0.00		0.00	0.00		0.00	4.24				
FSL equipment	0.00		0.00	0.00		0.00	0.80		0.00	0.00				
Total	1.97	0.00	0.00	2.30	0.00	0.00	2.12	0.00	0.00	4.24				
Grand Total	11.81	6.67	5.04	13.79	4.05	3.12	12.73	17.74	7.35	14.85	8.01*	0.32*	24.08*	3.63*

* The Department could not furnish the bifurcation of Expenditure for 2020-21 and 2021-22. As such, the fund released and expenditure as appearing the Finance Accounts of the respective years had been adopted.

P = Proposal, R = Released, E = Expenditure, B = Balance

Note: No fund was released by the MHA during 2017-18.

Source: Records of the Department.

During 2016-17 to 2020-22, an amount of ₹ 60.55 crore was released by the Ministry against which the Department incurred an expenditure of only ₹ 19.46 crore leaving an accumulated balance of ₹ 41.09 crore at the end of March 2022. The Department earmarked the balance amount of ₹ 41.09 crore to be spent on various items as given in **Appendix 1.3**. However, the balance amount is yet to be spent as on March 2022.

In none of the five years, the Ministry released the entire amount envisaged in the State AAP component wise. Instead of component wise release of fund, a lump sum amount was released. While accepting the Audit observation, the Department stated (February 2023) that the components projected in the AAP were as per the detailed analysis of requirements of proposals received from the concerned units.

The Department admitted the delay in submission of State AAP.

1.2.8 Financial Management

Under MPF scheme, the Central and State government were to share the expenditure in the ratio of 90:10.

1.2.8.1 Release of funds

During 2016-22⁴ GoI released ₹ 60.55 crore. However, GoM did not release its share of ₹ 6.73 crore till March 2022. During 2018-19, GoI did not release ₹ 5.00 crore due to non-submission of utilisation certificate by the State Government for ₹ 5.00 crore of previous scheme of police modernisation (2011-17).

Audit also observed that:

- During 2016-2022, ₹ 60.55 crore was released by GoI for modernisation of police force. However, the Department could utilise only ₹ 19.46 crore (32.14 per cent) as of March 2022 and the remaining amount of ₹ 41.09 crore (67.86 per cent) remained unutilised (*Appendix 1.3*).
- Owing to low utilisation of funds, implementation of schemes under MPF suffered. Further, funds of ₹ 12.20 crore⁵ earmarked for Communication equipment, arms, vehicles and upgrading Forensic Laboratory during 2016-20, were still not procured as of March 2022.

1.2.9 Programme Implementation

The audit findings of the sub-schemes under MPF schemes viz., (i) Assistance to States for Modernisation of Police (ii) Assistance to States for Special Projects/programmes for upgrading Police infrastructure (iii) Security Related Expenditure (SRE) and (iv) Crime and Criminal Tracking Networks and System (CCTNS) are discussed in succeeding paras.

1.2.9.1 Assistance to States for Modernisation of Police and for Special Projects/ programmes for upgrading Police infrastructure

Assistance to States for Modernisation of Police is made to equip the police force with modern weapons, police mobility basic facilities etc. to enhance police performance. Assistance for forensic science and Closed Circuit Television (CCTV) cameras are provided both through Assistance to States for Modernisation of Police and for Special Projects/ programmes for upgrading Police infrastructure.

1.2.9.1.1 Availability of weapons

As per norms prescribed (July 2020) by the Committee of the State Police Department, the requirement of arms, present holding and shortage in the State as on 31 March 2021 is as shown in the following **Table**:

⁴ No fund was released during 2017-18.

⁵ ₹ 12.95 crore – ₹ 0.75 crore (for construction works).

Table 1.2.4: Arms requirement and present holding in Police Department

Types of arms	As on 31 March 2021		
	Requirement	Present holding	Shortage/ excess
7.62 mm SLR IAI	6,895	10,976	(+) 4,081
AK Rifles/ AK Series	4,663	3,908	(-) 755
INSAS Rifle/ Excalibur	7,013	6,743	(-) 270
9mm Pistol / Glock pistol	6,120	3,921	(-) 2,199
Carbine Amogh	692	345	(-) 347
Ghaatak/ TAR	11,024	1,275	(-) 9,749
SMG 9mm Carbine	2,800	3,137	(+) 337
MP5/JVPC	1,198	796	(-) 402
0.303 Rifle	12,814	10,003	(-) 2,811
LMG	1,494	1,259	(-) 235
51" mm Motar	588	364	(-) 224
Sniper	591	10	(-) 581
Tear Gas Gun	3,000	1,389	(-) 1,611
38 mm MSL	527	81	(-) 446
UBGL for INSAS Rifle	2,231	0	(-) 2,231
UBGL for AK Series	2,231	0	(-) 2,231
MGL 40 mm	395	0	(-) 395
Total	64,276	44,207	(-) 20,069

Source: Records of the Department.

As seen from the **Table** above, there was huge shortage in modern arms such as Carbine Amogh (50 per cent), Ghatak Rifle (88 per cent), Glock pistol (64 per cent), etc. Further, as regards total requirement of 4462 UBGL⁶, the present holding was nil. There was excess holding of 4,081 SLR and 337 SMG 9 mm Carbine against the requirement.

As per the scale of arms of the Police Department, there was a total shortage of 7,791 arms in the sampled units (**Appendix 1.4**) as on March 2021. Majority of the shortages were in the category of modern arms such as Ghatak rifles, assault rifles, Excalibur rifles etc. Audit observed that despite proposal in AAPs during the years 2016-17 to 2020-21 amounting to ₹ 5.09 crore for weaponry purchase, and despite availability of unspent balance of ₹ 41.09 crore during 2016-17 to 2021-22 under the scheme, the State Government failed to prioritise the unspent balance to procure necessary weaponry to equip the police force with modern weapons as well as reduce the existing shortfall.

The Department stated (February 2023) that due to technical issue of UBGL, Excalibur Rifles and Carbine Amogh, further procurement of the same had been stopped. It further stated that the excess SLR would be utilised for training purposes at MPTC. The reply of the Department is not convincing as the Department itself had proposed procurement of these weapons but no expenditure was incurred during 2016-17 to 2020-21 under weaponry.

⁶ Under barrel grenade launcher.

1.2.9.1.2 Shortage of Ammunitions

The Police Department prescribed (July 2020) the scale of ammunition. Ammunition used by the State Police in SLR, Ghatak rifles and AK Rifles, Insas rifles and Excalibur are 7.62 mm and 5.56 mm.

Based on the prescribed scale of ammunition, Audit worked out the requisite ammunition of the test checked units and noticed that there was huge shortage of ammunition of 7.62 mm and 5.56 mm. As on 31 March 2021, against the requirement of 8,40,120 ammunition of 7.62 mm, the availability was 7,81,310 ammunition, resulting in a shortage of 58,810 (7.53 per cent) ammunitions. For 5.56 mm ammunition, against the requirement of 4,37,910 there was 348,530 ammunition, resulting in shortage of 89,380 (25.64 per cent). The significant shortfall in ammunition of modern arms could have an impact on the maintenance of law and order of the State. The shortage of ammunition is shown in the following Table.

Table 1.2.5: Shortage of ammunition

Sl. No.	Type of Ammunition	Requirement	Available	Shortage (-) / Excess (+)
1	7.62 mm	8,40,120	7,81,310	(-) 58,810 (7.53 %)
2	9 mm	2,88,540	3,75,892	87,352 (23.24 %)
3	5.56 mm	4,37,910	3,48,530	(-) 89,380 (25.64 %)
	Total	15,66,570	15,05,732	(-) 60,838

The Department stated (February 2023) that the Police Department procured assorted ammunition annually to replete the shortage taking into account shortage and excess ammunition.

In order to mitigate the shortage of ammunition, the Department should take necessary measures to procure the ammunitions as per requirement.

1.2.9.1.3 Storage of Arms and Ammunitions

There are three Central Reserve for storage of ammunitions and munitions at 1st Battalion Manipur Rifles, Imphal, 2nd Battalion Manipur Rifles, Imphal and 7th Battalion Manipur Rifles, Khangabok. Joint physical verification of the Central Reserves disclosed major shortcoming in these three Central Reserves in maintenance and upkeep of storage facilities of ammunitions as discussed below:

(a) Improper Storage of Arms and Ammunitions

As per instruction of the Ministry of Home Affairs, storage of weapons/ammunition should be done in appropriate buildings *i.e.* Keeper of Technical Equipment (KOTE). Adequate arrangements for prevention of fire and essential equipment for firefighting in and around such storehouses shall be ensured to restrict and prevent any collateral damages due to fire.

Audit noticed during Joint Physical Inspection (February 2021) with the Department that the storage building at 1st Battalion Manipur Rifles was in a dilapidated condition. Roofs of the barracks had water leakages. Audit also

noticed similar water leakages at 7th Battalion Manipur Rifles. Some photographs of KOTE in a dilapidated condition with water leakages have been given below:



Storage of arms in the old barrack with water leakages (Arms KOTE at 1st Battalion Manipur Rifles)



Water leakages in the Arms KOTE (7th Battalion Manipur Rifles)

(b) Inadequate firefighting equipment at KOTE

The Police Department did not assess the requirement of firefighting equipment in the arm KOTE in liaison with the State Fire Service. During joint physical verification, Audit noticed that there were no smoke detectors, fire alarm systems *etc.* Only basic firefighting equipment such as fire extinguishers and sand buckets were found installed. However, the fire extinguishers had expired and there were no records to show when the fire extinguishers were last refilled. Further, the sand buckets were without sand. This indicated that 1st Battalion Manipur Rifles, 2nd Battalion Manipur Rifles and 7th Battalion Manipur Rifles had been functioning without even basic firefighting arrangements till February 2022.



Installation of sand buckets without sand (7th Battalion Manipur Rifles)



Sand buckets without sand and expired fire extinguishers (1st Battalion Manipur Rifle)

Thus, KOTE where weaponry was stored was exposed to the risk of fire hazards.

(c) Absence of boundary wall

The Central Reserve at 1st Battalion, Manipur Rifles was partly bounded by barbed wire fencing and did not have a boundary wall. As of date (February 2022), these KOTE lacked adequate physical security *i.e.* boundary wall with watch tower. Audit noticed that departmental repairing and maintenance of

KOTE at 1st Battalion Manipur Rifles was carried out during 2019-21 with a total expenditure of ₹ 16.50 lakh but the old barrack at nearby location where sizeable arms and ammunition have been stored was not covered in the repairing works.



Due to improper storage, inadequate firefighting equipment and absence of boundary wall in KOTE the arms and ammunitions were lying in unsafe condition and are prone to risk of theft, pilferage, looting and fire hazard.

(d) Disposal of unserviceable weapons

As per the Standard Operating Procedure⁷ for disposal of old, obsolete and unserviceable weapons, the field units would compile an inventory of all such weapons and forward to the Directorate. The Directorate should constitute a Board of Officers/ Empowered Committees for submitting their recommendations with respect to declaration of weapons/ ammunitions as obsolete.

The unserviceable or obsolete weapons are practically of no use to the Forces for operational or any other purposes. As manpower is required for their safe-keeping and space is required for storage, disposal of these category of weapons should be done in a time bound manner as per laid down norms.

Audit noticed from the records of test checked units that there were 1,195 unserviceable weapons (**Appendix 1.5**) as of 31 March 2021. These unserviceable weapons were stored in the concerned units. No action has been initiated by the Department for disposal of unserviceable weapons as of 31 March 2021.

While admitting the audit observation, the Department stated (February 2023) that the disposal of obsolete weaponry is under process.

⁷ Issued in December 2018 by Ministry of Home Affairs

1.2.9.1.4 Police mobility

Police mobility has direct linkage to its performance. Quick police response helps to save precious lives, maintain law and order and protect public and private property. The AAP had projected a requirement of ₹ 10.62 crore to meet this requirement.

(a) Shortage of vehicles at police stations

Bureau of Police Research and Development (BPR&D) has prescribed norms of two four-wheelers (light motor vehicles) and three two wheelers (motor cycles) for every Police Station (PS). Scrutiny of records of sampled districts revealed that out of 41 PSs, 17 PSs (41 per cent) and 41 PSs (100 per cent) did not have the required number of four-wheelers and two-wheelers respectively, including 31 PSs (76 per cent) which did not have any two-wheeler at all. The details are at **Appendix 1.6**.

Audit noticed that the number of Light Vehicles (LVs) were more than the norms in the Superintendent of Police (SP) Offices of Imphal West (58), Thoubal (26), Imphal East (43), Senapati (4) and Bishnupur (39) whereas the police stations under these SP offices were lacking the LVs. As the Police Stations are the cutting edge and respond to requirements of law and order, the LMV need to be provided in the Police Stations rather than pool them in the office of the SPs.

In respect of Motor Cycles (MCs), there were excess number of vehicles in SP Offices of Imphal West (6), Thoubal (8), Imphal East (13), Bishnupur (4) whereas there were shortages of MCs in Churachanpur (5), Senapati (6) and Chandel (7). Audit also noticed that there were excess number of LVs in some of the police stations of Imphal West, Thoubal, Imphal East, Senapati, Chandel against the norms which could have been allocated to the police stations where there are shortages for quick response. There were many Police Stations without any MCs.

While accepting the audit observation, the Department stated (February 2023) that due to creation of seven new districts (December 2016), new police stations and police outposts created in the newly created districts, vehicles could not be provided as per norms of the BPR&D. The reply of the Department is not acceptable as these 41 PSs existed prior to creation of new districts. Moreover, ₹ 2.64 crore earmarked for Mobility (**Appendix 1.3**) was not utilised for procurement of vehicles despite the availability of unspent balance of ₹ 41.09 crore during 2016-17 to 2021-22 under the scheme.

Thus, the objective of providing adequate mobility to the Police force is yet to be achieved despite release of adequate fund by MHA. Shortage of vehicles could adversely affect the mobility and response time of police in the field which could impact law and order situation in the State.

Recommendation: *The excess vehicles in SP offices and Police Stations could be rationalised to reduce the shortages in other SP offices and Police Stations to enhance their operational efficiency and the unspent funds of the scheme earmarked for mobility, may be utilised on a priority in order to mitigate the critical operational shortages.*

(b) Shortage of vehicles for Armed police

As per the Ministry of Home Affairs, Government of India, the scale for authorisation (March 2018) of transport for an armed police battalion should be 15 heavy vehicles; 10 medium vehicles; seven light vehicles and three motor cycles. Scrutiny of records of sampled armed battalions revealed that there was shortage of vehicles in the Armed police as shown in the following **Table**.

Table 1.2.6: Vehicles in the Armed police

Name of unit	Requirement as per scale/norm				Present holding of on-road vehicles				Shortage(-)/excess(+) of vehicles			
	HV	MV	LV	MC	HV	MV	LV	MC	HV	MV	LV	MC
1st MR	15	10	7	3	3	2	6	1	-12	-8	-1	-2
2nd MR	15	10	7	3	2	2	11	1	-13	-8	4	-2
3rd IRB	15	10	7	3	11	1	7	1	-4	-9	0	-2
4th IRB	15	10	7	3	13	1	10	0	-2	-9	3	-3
9th IRB	15	10	7	3	4	5	7	1	-11	-5	0	-2
Total	75	50	35	15	33	11	41	4	-42	-39	6	-11

Note: HV = Heavy vehicles i.e. TATA Truck, Bus, Water Tanker

MV = Medium vehicles i.e. TATA 407, Ambulance and Prison Van

LV = Light vehicles i.e. TATA Xenon, TATA Yodha, Innova, TATA Sumo, Gypsy, Mahindra Scorpio, Mahindra Thar, etc.

MC = Motor Cycle

MR = Manipur Rifles

Source: Records of the Department.

It can be seen from the above **Table** that there was no shortage of Light Vehicle (LV) in Armed police units except for 1st Manipur Rifles (MR) where there was shortage of one LV. There was excess of LVs in 2nd MR (+4) and 4th IRB (+3). In respect of Heavy Vehicles, Medium Vehicles and Motor Cycles, there were shortages in all the five Armed police units.

Thus, the minimum requirement of vehicles for armed police as prescribed by the Ministry was not fulfilled which would impact the operational efficiency of the police force. Though these armed police units made several requests (June 2018) for provision of adequate number of vehicles, no action was initiated.

The Department stated (February 2023) that there were shortages of vehicles due to non-procurement of vehicles as per MHA scale during the establishment of these Armed Police units.

The reply of the Department is not acceptable because these Armed Police units are old establishments. The funds for MPF *inter alia* include those for improving mobility of Police Department. There was unspent balance of ₹ 41.09 crore as on 31 March 2022 and no vehicles were purchased for these Armed police units. The shortages of heavy and medium vehicles would adversely impact movement of troops and response times thus adversely impacting the operational efficiency of the Armed police.

Recommendation: The Department should initiate steps to utilise the unspent funds of the scheme earmarked for mobility, on a priority in order to mitigate the critical operational shortages of heavy and medium vehicles as per norms.

(c) Shortfall in maintenance of vehicles

Police mobility is directly linked with its operational efficiency. Quick response of police forces during the time of law and order problems, helps significantly in protecting life and property of the people. Thus, regular maintenance of vehicles is essential for effective discharge of duties by the police personnel.

Audit noticed from the scrutiny of records of the Department that repair and maintenance of the vehicles were poor. There was huge shortfall in maintenance of vehicles by the Department as shown in the following **Table**.

Table 1.2.7: Statement showing shortfall in repairing of vehicles vis-à-vis the requirement

Year	Vehicles requiring repair			Vehicles repaired			Shortfall in repairing of vehicles		
	Major	Minor	Servicing	Major	Minor	Servicing	Major (%)	Minor (%)	Servicing (%)
2016-17	153	323	99	37	69	53	116 (75.82 %)	254 (78.64%)	46 (46.46%)
2017-18	71	238	88	4	43	44	67 (94.37 %)	195 (81.93%)	44 (50 %)
2018-19	82	252	81	35	77	65	47 (57.32%)	175 (69.44%)	16 (19.75%)
2019-20	94	248	128	49	86	90	45 (47.87%)	162 (65.32%)	38 (29.69%)
2020-21	64	201	77	30	56	49	34 (53.13%)	145 (72.14%)	28 (36.36%)
Total	464	1262	473	155	331	301	309 (66.59%)	931 (73.77 %)	172 (36.36%)

Source: Records of the Department.

As is evident from the **Table** above, the shortfall in maintenance of vehicles for major repairing and maintenance ranged from 48 to 94 per cent, 65 per cent to 82 per cent for minor repairing and for Servicing 19 per cent to 50 per cent during the period 2016-17 to 2020-21. Shortfall in maintenance of vehicles especially vehicles requiring major repairing would heavily impact the

operational efficiency of the police force. Further, the vehicles off road/unused for long time may complete their service life as fixed by the Government.

While admitting the audit observation, the Department stated (February 2023) that the shortfall in maintenance of vehicles was due to non-availability of fund under maintenance.

(d) Vehicles used by the Department after completing their useful life

Government of Manipur had fixed (December 1996) the norms for condemnation of vehicle in Police Department. The vehicles may be condemned as per the Life of vehicles as given in the following **Table**.

Table 1.2.8: Life of different types of vehicles as fixed by the Government

Description of vehicles	Life of vehicles
Heavy/Medium vehicles	10 years or 150000 kilometres
Light vehicles	10 years or 150000 kilometres
Motor cycles	7 years or 100000 kilometres

Scrutiny of records of units selected in Audit revealed that 207 out of 363 vehicles (57 per cent) heavy/ medium/ light vehicles had completed their service life as fixed by the Government. Further, 37 out of 59 Motor Cycles (63 per cent) had completed their service life. Though the prescribed service life of these vehicles had been completed, these vehicles were still being used by the Department. Non- replacing of these vehicles which had outlived their service life despite availability of funds would impact efficacy in the mobility and police performance. The position of available vehicles and vehicles that have completed their prescribed life is shown in **Appendix 1.7**.

While admitting the audit observation, the Department stated (February 2023) that in order to meet the immediate requirement of vehicles, the Department had repaired the over-age vehicles and utilised them in different locations for duties as per the requirement. Hence, proposal for condemnation of different types of vehicles could not be initiated on time.

(e) Non-repairing or replacement of Off-road vehicles

Vehicles play the most important role for quick response to any law and order situations. It is imperative that sufficient number of vehicles in good condition are in place for operational efficiency of the Police.

The position of off-road vehicles in the sampled units of the Department as of 31 March 2021 is as shown in the following **Table**.

Table 1.2.9: Position of vehicles in the sample units

	Heavy	Medium	Light	Motorcycle	Total
Total holding of vehicles	173	206	1226	258	1863
No. of off-road vehicles against the total holding (per cent)	29 (17)	35 (17)	201 (16)	71 (28)	336 (18)

Out of total 1,863 vehicles, 336 vehicles were off-road vehicles. These vehicles had been lying off-road for a period ranging from one to ten years.

Appropriate action for repairing/maintenance or disposal and replacement of off-road vehicles needs to be taken by the Department. Moreover, the shortfall in maintenance of vehicles especially vehicles requiring major repairing would also adversely impact the operational efficiency of the police force.

While admitting the audit observation, the Department stated (February 2023) that repairing and replacement of vehicles could not be carried out due to fund constraint and the Department was planning to provide phase-wise replacement of old vehicles. The response of the department is not acceptable as adequate funds (₹ 41.09 crore) were available as on 31 March 2022 under MPF.

1.2.9.1.5 Police Communication System

Manipur Police Telecommunication Organisation (MPTO) is responsible for providing immediate and secure communication to the police. Intra-district communication interconnects police stations, police posts, mobile units, district police and administrative officers for which police radio control rooms established at district headquarter have to remain active for 24 hours. For inter-district communication, radio centres are established at state radio headquarter and at each district. State headquarter is connected with zonal and range headquarters which are connected with each other and district headquarters. Most secret communications are also sent by radio department. Police in Manipur uses Very High Frequency (VHF) sets as mode of communication.

(a) Requirement and availability of communication equipment

For effective communication, Bureau of Police Research and Development (BPR&D) recommended one Very High Frequency (VHF) Handheld set per three police personnels in field offices. As of March 2021, the State had sanctioned strength of 15,391 against which 13,876 constables and head constables were in position. Against men-in-position, there was requirement of 4,625 handheld sets. However, only 2,007 handheld sets (43 *per cent*) were available as of March 2023.

Audit also noticed that out of 2007 handheld sets, 100 sets were defective. Thus, the net functional handheld sets available with the Department was 1,907 only.

Further, as per information available, 64 out of 84 police stations did not have telephones and 11 police stations out of 84 were running without wireless facilities as of January 2020. Thus, shortage of communication equipment in the Department would adversely affect effective communication.

(b) Status of procurement of telecommunication equipment

The status of utilisation of funds available under MPF for acquisition of modern communication equipment for the Police force as on 31 March 2021 are as shown in the following **Table**.

Table 1.2.10: Status of procurement of telecommunication equipment

(₹ in lakh)

Year	Allocation of fund		Utilisation	No. of equipment proposed by MPTO to PHQ	No. of equipment purchased as on 31 March 2021	No. of equipment purchased as on March 2023
	Source of fund	Amount				
2016-17	MPF	Nil	Nil	850	Nil	Nil
2017-18	MPF	Nil	Nil	4,136	Nil	Nil
2018-19	MPF	Nil	Nil	505	Nil	Nil
2019-20	MPF	402.00	Nil	505	Nil	Nil
2020-21	MPF	Nil	Nil	Nil	Nil	Nil

Source: Records of the Department.

During 2016-19, the MPTO proposed to the PHQ for procurement of communication equipment under the MPF scheme. However, the Police Department did not consider the proposal in the Annual Action Plan and hence no fund was provided during the three years. However, during 2019-20, the Ministry of Home Affairs sanctioned (March 2020) ₹ 4.02 crore and the same was earmarked for procurement of 505 communication equipment. After Audit pointed out the shortages, the Department procured equipment for ₹ 3.73 crore as of February 2023. The balance amount of ₹ 29 lakh was yet to be utilised (February 2023).

(c) Inventory of defective Communication Sets

The Department had 3,383 communication sets as on 31 March 2021. Out of the 3,383 communication sets available in the Department, 2,501 sets were deployed in field units and the remaining 882 sets were kept in reserve as shown in the following Table.

Table 1.2.11: Inventory of defective and unserviceable communication sets

Devices	Holding	Deployed	Available in store		Total	Net functional
			Functional	Defective		
VHF Handheld set	2,007	1,477	430	100	530	1,907
Vehicle/ Static	1,260	967	219	74	293	1,186
Repeater	62	19	7	36	43	26
HF Set	54	38	5	11	16	43
Total	3,383	2,501	661	221	882	3,162

Source: Records of the Department.

Out of 882 sets kept in reserve, only 661 sets were functional and 221 sets were defective. Thus, out of 3,383 communication sets, only 3,162 sets (93 per cent) were functional. Of the communication sets kept in reserve in the store, as many as 25 per cent were defective.

1.2.9.1.6 Forensic Science Laboratories

“Modernisation of Forensic Science Laboratories” is necessary to improve the quality of evidence and expedite criminal justice delivery process.

The Manipur police has only one Forensic Science Laboratory (FSL) at Imphal which has eight divisions viz., (i) Ballistics, (ii) Biology, (iii) Chemistry, (iv) Documents, (v) Toxicology (vi) Photography (vii) Cyber and (viii) Physics.

In addition, there are two mobile forensic units in Imphal West and Imphal East districts which function from the campus of the respective Superintendent of Police offices. Expert teams from mobile units visit round the clock throughout the State and collect evidences/samples from crime spots.

(a) Delay in disposal of cases

The status of cases received, disposed and pending during 2016-21 is given in the following **Table**.

Table 1.2.12: Statement showing status of case disposal by Forensic Science Laboratory, Manipur during the period from 2016-17 to 2020-21

Year	Pending at the beginning of the year	Receipt during the year	Total	Disposal during the year (%)	Pending at the end of the year (%)
2016-17	2,140	406	2,546	222 (8.72)	2,324 (91.28)
2017-18	2,324	764	3,088	727 (23.54)	2,363 (76.47)
2018-19	2,364	954	3,318	1,348 (40.63)	1,970 (59.37)
2019-20	1,969	702	2,671	876 (32.80)	1,795 (67.20)
2020-21	1,795	596	2,391	666 (27.85)	1,725 (72.15)
Total		3,422		3,839	

Source: Manipur Forensic Science Laboratory.

It can be seen from the above **Table** that at the beginning of 2016-17, total pending cases were 2,140. During 2016-17 to 2020-21, 3,422 cases were received and 3,839 cases were disposed. The rate of disposal of cases during 2016-17 to 2020-21 ranged between 8.72 per cent to 40.63 per cent. At the end of 2020-21, there was total 1,725 pending cases.

As on March 2023, there were shortages of 3 laboratory Assistants (Sanctioned Strength: 8), 11 Scientific Assistants (Sanctioned Strength: 21) and 3 Scientific Officers (Sanctioned Strength: 12). Thus, there were significant shortages in all the cadres affecting quick disposal of cases.

The Department stated (February 2023) that lack of manpower, equipment and infrastructure and fund are the major reasons for failure in disposal of pending cases. COVID pandemic also was a factor for less number of disposal of cases during 2019-21. The reply of the department is not tenable because there was an amount of ₹ 3.91 crore earmarked for FSL⁸ (**Appendix 1.3**) in the AAP for 2018-19 to 2019-20. Further, the shortage of man-power had not been addressed by the State Government⁹.

⁸ Including Security items as bifurcation was not furnished

⁹ As per Administrative Report of the Department of 2018-19, proposals for filling up of the vacant post was submitted to the State Government.

(b) Status of procurement of forensic equipment

The position of fund released and expenditure of Manipur State Police Forensic Science Laboratory (MFSL) for purchase of equipment was as given in the following **Table**.

Table 1.2.13: Status of funds of MFSL

(₹ in crore)

Year	Allocation of fund		Utilisation	Balance
	Source of fund	Amount (Central and State Share)		
2016-17	-	Nil	Nil	Nil
2017-18	CCPWC *	1.48	1.37	0.11
2018-19	MPF	0.60	0.25	0.35
2019-20	MPF	7.00	4.01	2.98
	Nirbhaya Fund	3.50	3.25	0.25
2020-21	-	Nil	Nil	Nil
Total		12.58	8.88	3.70

* Cybercrime prevention against women and children.

Source: Records of the Department.

During 2017-20, GoI allocated an aggregate amount of ₹12.58 crore under different schemes for strengthening of the Laboratory. As can be seen in the above, the Department could utilise ₹ 8.88 crore only out of the allocated fund of ₹ 12.58 crore. The balance of ₹ 3.70 crore remains un-utilised as of March 2022. This defeated the objective of strengthening the Forensic Laboratory with modern equipment.

(c) Shortage of equipment

As per the information furnished by the MFSL, the Laboratory required 2,347 equipment. Against this requirement, 22 equipment were available in the Laboratory (**Appendix 1.8**). Thus, there was shortage of 2,325 (99 per cent) equipment.

In Ballistic Division, where number of cases received by the Laboratory was the highest, basic equipment such as Scanning electron microscope with X-ray spectrometer, High resolution zoom stereo Microscope and bullet catcher were not available. In Chemistry Division, one basic equipment-HPLC for identifying the components in a mixture and separate mixture of very similar components was not available.

Thus, the MFSL was ill-equipped and has been functioning without requisite equipment to carry out examination.

While admitting the audit observation the Department stated (February 2023) that in respect of Chemistry Division, purchase of the basic equipment viz., HPLC is under process. The Department also stated that there is no sufficient space to keep Scanning electron microscope in the Ballistic division. The reply is not acceptable as the Department had not taken up any steps for creation of sufficient space to accommodate equipment.

(d) Non-upgradation of Forensic Science Laboratory

To facilitate timeliness and scientific evidence in investigating sexual assault cases and other crimes cases and for better convictions, MHA instructed (January 2019) to update forensic science set up on top priority while preparing State Action Plan 2019-20. The area of focus for better and faster conviction are (i) DNA Analysis (ii) Cyber forensic and (iii) Narcotic testing facilities. The Department submitted (December 2019) Forensic Action Plan to the Ministry for a project cost of ₹ 7.00 crore under “Assistance to States for Special Projects/ Programmes for upgrading Police Infrastructure”. For strengthening of Forensic Science Services, ₹ 7.00 crore was released during 2019-20. Audit noticed that draft e-tender was submitted (August 2020) to the Home Department. As of December 2021, the requisite equipment had not been procured, resulting in non-upgradation of Forensic Science Laboratory with requisite infrastructure.

Thus, due to shortage of required equipment and lack of adequate laboratory facilities, the MFSL has to depend on Forensic Science Laboratory of other states like West Bengal, Assam, etc., in some cases.

1.2.9.1.7 Non-procurement of CCTV

The DGP constituted (December 2017) a Committee to work out the requirement of CCTV cameras and based on inputs from all Superintendents of Police, the Committee worked out the requirement of 157 CCTV cameras on National Highways and important Police Stations.

Accordingly, the Department, Government of Manipur submitted (January 2018) a project proposal of ₹ 5.50 crore to the MHA for installation of Closed Circuit Television (CCTV) cameras and surveillance system at important Police Stations and National Highways as per Supreme Court order¹⁰ (***Appendix 1.9***). This would enhance NH security by capturing records/images relating to undesirable/criminal activities of insurgents, smugglers, looters, anti-social elements, foreigners and road accidents. The proposal was duly approved (March 2018) by the State Level Empowered Committee.

During 2017-18 and 2018-19, the Government of India sanctioned (March and May 2018) ₹ 4.95 crore with instruction for immediate implementation of the project. The committee submitted (February 2019) Detailed Project Report and approval for draft e-tender was sought (February 2019) from the State Government which in turn directed to obtain the approval of Information Technology Department. After approval of the IT Department, the Police Department pursued with the GoM for draft e-tender during March 2020 to June 2021. As of October 2021, approval of the draft e-tender notice was awaited from the Government. The MHA in the video conference held (July 2021) asked the Department to return the funds sanctioned as it remained unutilised for four years. Thus, due to delay in tendering process, CCTV cameras could not be

¹⁰ Dated 24/7/2015.

procured (March 2022) and the State Government may be forced to surrender the amount released by MHA due to delay in the procurement process.

During Exit Conference (March 2023), the Department stated that a committee has been constituted in this regard. The reply is not acceptable as the Department failed to utilise the funds for four years due to which MHA had asked the Department to return the fund.

1.2.9.1.8 Non-availability of basic facilities in Police Stations

As per Modernisation of Police Force scheme police stations should have basic facilities such as disable friendly entry, suspect/witness examination room, interrogation room, counselling room, etc., to improve police functioning and delivery of services. In 24 Police Stations test checked, some of the basic facilities as envisaged in the Modernisation of police to improve police functioning and delivery of police services were not available as detailed in the following **Table**.

Table 1.2.14: Facilities not available in Police Stations

Facilities	Number of Police Stations where the facilities were not available (per cent)
Disabled friendly entry	21 (88)
Adequate rooms for officers in the police station	16 (67)
Community policing room	21 (88)
Suspect/witness examination room	17 (71)
Recreational room & gym	23 (96)
Interrogation room	18 (75)
Counselling room	20 (83)

Non-availability of facilities in these test-checked police stations ranged from 67 per cent (Adequate rooms for officers in the police station) to 96 per cent (Recreational room & gym).

While admitting the audit observation, the Department stated (February 2023) that due to limitation of fund, construction of infrastructure for all police stations could not be taken up as per requirement. However, the facts on record do not support the reply as the funds earmarked for ‘Construction of police infrastructure’ in AAP were ₹ 6.08 crore in 2018-19, ₹ 5.84 crore in 2019-20 and ₹ 4.24 crore in 2020-21 against which expenditure of only ₹ 3.34 crore was made upto 2019-20, showing that the Department did not undertake sufficient planning to ensure that the amount is spent as per requirement.

Recommendation: *It is recommended that the unspent funds of the scheme earmarked for Construction of police infrastructure’ in AAP, may be utilised on priority in order to ensure basic infrastructure in all police stations.*

1.2.9.1.9 Security Related Expenditure

Security Related Expenditure (SRE) Scheme is implemented for the States seriously affected by militancy/ insurgency. It includes raising of India Reserve Battalions, Petrol, Oil and Lubricants (POL) in operations, maintenance of designated camps for groups under Suspension of Operations (SoO), expenditure on rehabilitation of surrendered militants etc.

(a) Loss to the State Government

As per Security Related Expenditure (SRE) guidelines, 75 per cent of expenditure on POL incurred by State Police will be reimbursed by the Central Government excluding taxes levied by the State Government on POL.

During 2016-17 to 2020-21, the Department claimed to have incurred ₹ 166.24 crore as expenditure on POL under SRE. The Internal Audit Wing (IAW) of the Ministry however, approved an amount of ₹ 90.54 crore only out of claim of ₹ 166.24 crore for reimbursement after deducting VAT and inadmissible item.

During scrutiny of records of the claims submitted to MHA, Audit noticed that the Department has miscalculated the permissible amount. As per calculation made by Audit, admissible amount of such claim worked out to ₹ 93.51 crore. Details are given at **Appendix 1.10**. This resulted in less reimbursement of ₹ 2.97 crore to the State Government, which was not yet taken up with the Ministry.

The Department has not furnished any reply (March 2023).

(b) Irregular payment to SoO cadres

Under the Security Related Expenditure scheme, reimbursement of expenditure on maintenance of designated camps of militant groups under SoO Agreement with Central/ State Government is admissible @ ₹ 6,000 per cadre per month. Government of India, Government of Manipur and two militant groups¹¹ had entered into this agreement with effect from 22 August 2008. As per guidelines for reimbursement of Security Related Expenditure, Aadhaar card (Unique biometric identification number) link is mandatory for payment to surrendered militants/ SoO cadres with effect from 1 April 2018. During the period 1 April 2018 to 31 March 2021 the Department incurred an expenditure of ₹ 27.38 crore for payment to the cadres under SoO as shown in the following **Table**.

Table 1.2.15: Details of amount paid to SoO cadres

Sl. No.	Payment Period	No. of militants	Duration (month)	Rate (in ₹)	Amount (₹ in lakh)	Date of payment
1	October 2017 to March 2018	1,122	6	3,000	6,05.88	22.04.2019
2	April 2018 to September 2018	1,122	6	6,000		
3	October 2017 to March 2018	1,059	6	3,000	5,71.86	22.04.2019
4	April 2018 to September 2018	1,059	6	6,000		
5	October 2018 to September 2019	2,167	12	6,000	15,60.24	21.07.2020
Total					27,37.98	

Source: Records of the Department.

The payments were made to the representatives of the cadres by cheque. There was no record for unique biometric identification number linking of the cadres.

¹¹ (i) The Kuki National Organisation and (ii) the United People's Front

Thus, payment of ₹ 27.38 crore to the cadres was irregular payment in terms of the Guidelines.

The Department stated (February 2023) that necessity of linking of unique biometric identification numbers was discussed in the meeting of the Joint Monitoring Group held on 30 December 2016 but details of unique biometric identification numbers were not submitted by the groups. The reply is not acceptable as linking of unique biometric identification number for surrendered militants is mandatory with effect from 1 April 2018 as per SRE guidelines.

(c) Irregular payment to surrendered militants

The objective of the scheme for surrender-cum-rehabilitation of militants in the North Eastern states is to wean away the misguided youth and hardcore militants from militancy. Such militants are to be scrutinised by the Screening Committee and a final decision would be taken by the State Government for payment of stipend upto ₹ 4,000 per cadre per month (enhanced to ₹ 6,000 per month per militant with effect from 1 April 2018). An immediate grant of ₹ 2.50 lakh (enhanced to ₹ 4.00 lakh with effect from 1 April 2018) was also to be kept in the name of the surrendered militant as Fixed Deposit for a period of three years.

During August 2017, 68 militants surrendered to the State Government and ₹ 5.44 lakh (68 x ₹ 4,000 x 2) was sanctioned (December 2017) as monthly stipend for two months before recommendation of the Scrutiny Committee. Besides, the State Government sanctioned ₹ 20,000 each per cadre out of the immediate grant of ₹ 2.50 lakh for immediate payment *i.e.* ₹ 13.60 lakh (68 x ₹ 20,000) in August 2017. The remaining amount of ₹ 2.30 lakh per cadre for 68 cadres *i.e.* ₹ 156.40 lakh was kept as Fixed Deposit in the name of the surrendered militants. However, the Screening Committee rejected (March 2018) 15 out of the 68 surrendered militants, as they were not genuine militant cadres.

Thus, before the recommendation of the Screening Committee, the Department paid monthly stipend to the 68 cadres alongwith ₹ 20,000 from the immediate grant kept in Fixed Deposit, amounting to ₹ 19.04 lakh¹². Out of ₹ 19.04 lakh, ₹ 4.02 lakh was paid to 15 fake militants. Thus, before recommendation of the Scrutiny Committee, the Department made payment of ₹ 4.20 lakh¹³, which was irregular.

While admitting the audit observation the Department stated (February 2023) that the stipends were released to meet the immediate requirements such as food and lodging for the surrendered cadres lodged at the camp before screening by the Screening Committee.

¹² ₹ 5.44 lakh + ₹ 13.60 lakh.

¹³ (15x ₹8000)+(15x ₹20000) = ₹ 4.20 lakh.

The reply was not acceptable as the Department made payment to the cadre before recommendation of the Screening Committee which resulted in payment to fake militants.

(d) Non-release of fund for immediate payment to the surrendered militants

With effect from 1 January 2018, surrendered militants were entitled an immediate grant of ₹ 4 lakh to be kept in the name of the surrendered militants as Fixed Deposit for a period of three years.

The Screening Committee for surrendered militants during 2019-20 screened and declared 22¹⁴ surrendered militants as genuine cadres.

However, the Department could not furnish documents about release of funds to the surrendered militants.

1.2.9.1.10 Implementation of Crime and Criminal Tracking Network System (CCTNS)

The Crime and Criminal Tracking Network Systems (CCTNS) aims at creating a comprehensive and integrated system for enhancing the efficiency and effectiveness of policing through adopting of principle of e-Governance and creation of a nationwide networking infrastructure for evolution of IT-enabled-state-of-the-art tracking system around 'Investigation of crime and detection of criminals'. A Memorandum of Understanding (MoU) was signed (September 2009) between MHA and GoM for implementation of the project in the State. The project was to be implemented in 216 locations including 101 police stations and 115 higher offices. The scheme was implemented in the State with effect from September 2009.

Government of India has sanctioned ₹ 20.03 crore since inception of CCTNS scheme in 2009 against which the Department incurred expenditure of ₹ 17.67 crore on CCTNS as on 31 March 2022. During audit coverage period *viz.*, from 2016-17 to 2021-22, an amount of ₹ 8.41 crore¹⁵ was sanctioned of which expenditure of ₹ 5.37 crore¹⁶ had been incurred¹⁷.

Audit noticed that the System integrator (SI) had completed installation of hardware components in 216 locations in May 2016. The system was not fully functional due to pending networking, delay in appointment of system integrator *etc.* The shortcomings in implementation of CCTNS are as follows:

- (i) Networking:*** Audit noticed that networking was pending in 34 Police Stations out of 101 Police Stations as on January 2023.
- (ii) Delay in appointment of System integrator (SI):*** The State Government had appointed (August 2013) Rolta India Limited as SI for a period of three years *i.e.* till 26 March 2020 from the date of Go-live on March

¹⁴ 22 militants were screened (6 militants in July 2019 & 16 in March 2020).

¹⁵ 41.98 *per cent* of the total amount ₹ 20.03 crore received.

¹⁶ 30.39 *per cent* of the total expenditure of ₹ 17.67 crore.

¹⁷ during 2016-17 to 2020-21.

2017. However, after the expiry period of service of the SI, the service of SI was not extended even though the Department had no in-house technical manpower to maintain CCTNS application. The Department stated (February 2023) that E-tender for hiring a new system integrator had been floated in January 2023 and the tender would be opened on 27 February 2023. Further, action had not been intimated (March 2023).

Thus, due to pending networking and appointment of System Integrator the CCTNS was not fully functional in the State even after 12 years from the date of implementation of the Scheme.

1.2.10 Conclusion

No strategic plan was prepared by the State Government during 2016-17 to 2020-21 under Modernisation of Police Force (MPF) scheme due to which many important activities relating to modernisation have either been delayed considerably or not implemented. Annual Action Plans of 2016-17 to 2020-21 were submitted to MHA with a delay of approximately one to over two months which subsequently delayed its approval, release of funds and implementation of the modernisation activities/ programmes.

There was lack of prioritization and no monitoring of the implementation of the scheme of MPF. Despite availability of funds under the scheme, there was tardy implementation and funds remained unspent every year (2016-22). As on 31 March 2022, ₹ 41.09 crore remained unspent.

There were huge shortages of modern arms such as Carbine Amogh, Ghatak rifle, Glock pistol. There were also shortages of ammunitions. Keeper of Technical Equipment (KOTE) where weapons/ ammunition are kept were in dilapidated condition without adequate firefighting equipment and proper boundary wall. The Department failed to utilise the available funds to purchase modern weapons.

There were excess number of Light Motor Vehicles and Motor Cycles in some Superintendent of Police (SP) offices while there were shortages in most of the police stations and in some SP offices. There were also less number of heavy and medium vehicles in all Armed Police units. The Department failed to utilise the available funds to purchase vehicles.

The State Forensic Science Laboratory was facing serious shortages of equipment and manpower. Shortages of much needed manpower across different cadres had not been addressed. Department failed to utilise the allocated fund by GoI to strengthen Manipur Forensic Science Laboratory with modern equipment.

Against guidelines of Security Related Expenditure, ₹ 27.38 crore was released to the accounts of cadres under Suspension of Operation (SoO) without linking of unique biometric identification numbers.

Crime and Criminal Tracking Network Systems (CCTNS) was not fully functional in the State even after 12 years from the date of implementation of the Scheme.

1.2.11 Recommendations

The State Government may consider the following recommendations:

- i. Prioritize the requirements of the police force under Modernisation of Police Force ;*
- ii. Strictly monitor the progress of implementation of Modernisation of Police Force and utilization of funds thereof as per priorities.*
- iii. to address shortage of weapons and ammunitions on priority basis as it could limit operational efficiency of the police force;*
- iv. to address the shortages of vehicles to improve mobility of the police force ;*
- v. to address the shortage of technical manpower in the forensic science laboratories;*
- vi. to take initiative to link unique biometric identity numbers of the Surrendered militants/ SoO cadres for making payment for better transparency; and to fix responsibility on the concerned person for making payment to the surrendered militants/SoO cadres without linking of unique biometric identity numbers; and*
- vii. to complete networking in all Police stations and to appoint System Integrator under Crime and Criminal Tracking Network Systems (CCTNS)*

EDUCATION (S) DEPARTMENT

1.3 Non-remittance of VAT into Government Account

Education Engineering Wing of Education (S) Department had not deposited VAT amounting to ₹ 2.34 crore to the Government Account.

Government of Manipur notified (September 2009)¹⁸ that the amount of sales tax deducted at source should be deposited by the Drawing and Disbursing Officer (DDO) within seven days from expiry of the month. In case the DDO fails to deposit the tax within the prescribed period, he shall be liable to pay penalty not exceeding double the amount of tax not so deposited.

Further, Rule 7 of the General Financial Rules, 2017 stipulates that all money received by or on behalf of the Government either as dues of Government or for

¹⁸ Vide notification No. 5/45/2006-FD (TAX) dated 03.09.2009.

deposit, remittance or otherwise, shall be brought into Government Account without delay. Rule 37 also stipulates that an officer shall be held personally responsible for any loss sustained by the Government through fraud or negligence on his part.

Scrutiny of records (January 2021) of the Chief Engineer, Education Engineering Wing (EEW), Education (S) Department revealed that during the period from September 2013 to March 2018, EEW received an amount of ₹ 90.09 crore from National Institute of Technology (NIT), Manipur for undertaking various deposit works for Development of Infrastructure for NIT, Manipur. Audit noticed that the amount so received was inclusive of 5.6 *per cent* VAT amounting to ₹ 4.30 crore which was to be deposited in the designated bank within seven days from the expiry of the month of receipt. However, out of the total amount deducted as VAT, the EEW had deposited only ₹ 1.96 crore¹⁹ with delays ranging from 51 days to 385 days²⁰, for which penalty of double the amount of tax *i.e.*, ₹ 3.92 crore was payable. The balance of ₹ 2.34 crore (₹ 4.30 crore – ₹ 1.96 crore) which was lying in the bank account of EEW was yet to be remitted into Government Account as on the date of audit (January 2021).

Thus, in violation of the Government order and Financial Rules *ibid*, the EEW had not deposited the deducted VAT amount of ₹ 2.34 crore into Government account even after lapse of more than four years which tantamount to loss of Government revenue. A penalty of ₹ 8.6 crore²¹ is also liable to be paid by EEW on account of failure to deposit the Government revenue within the prescribed time period.

While accepting the audit observation (January 2021), the EEW stated that the deposit of statutory dues into Government Account was in process. However, latest position of the deposit is yet to be furnished to Audit (March 2023).

Recommendation: Non-deposit of VAT amount would affect the State Government's Tax Revenue. The amount needs to be deposited into on priority basis and also take appropriate action against the incumbent officer responsible for such lapses.

¹⁹ ₹ 0.95 crore (VAT deducted for January 2014 to December 2014 deposited on 28/02/2015) plus ₹ 1.01 crore (VAT deducted for January 2015 to August 2015 deposited on 27/11/2015).

²⁰ 08/01/2015 to 28/02/2015 and 08/02/2014 to 28/02/2015.

²¹ ₹ 3.92 crore on the delayed deposit of ₹ 1.96 crore and ₹ 4.68 crore on the remaining VAT amount of ₹ 2.34 crore yet to be deposited into Government account.

TRIBAL AFFAIRS AND HILLS DEPARTMENT

1.4 Non-deposit of TDS into Government account

Manipur Tribal Development Corporation had not deposited Sales Tax of ₹ 17.42 crore and GST amount of ₹ 1.04 crore into the Government Account.

As per Government of Manipur notification (September 2009)²², the amount of Sales Tax deducted at source should be deposited by the Drawing and Disbursing Officer (DDO) within seven days from expiry of the month. In case the DDO fails to deposit the tax within the prescribed period, he shall be liable to pay penalty not exceeding double the amount of tax not so deposited.

Further, as per Section 51(2) of the Manipur Goods and Services Tax Act, 2017, the amount deducted as Tax Deducted at Source (TDS) shall be paid to the Government Account by the deductor within ten days after the end of the month in which such deduction is made.

Manipur Tribal Development Corporation (MTDC) is a State Government Company incorporated in 21 June 1979 (under Tribal Affairs and Hills Department) and engaged in construction of infrastructure facilities, particularly in Hill Districts of Manipur. Non-deposit of TDS by the Corporation as noticed in audit of records (January to February 2021) of the Corporation are discussed as follows:

a) Non-deposit of Sales Tax deducted at source - ₹ 17.42 crore

While making payments to the contractors for various works during 2018-19 and 2019-20, elements of Sales Tax at the rate of 5.6 per cent of the value of work done was deducted at source by MTDC from each Running Account bill. The amount so deducted was retained in the bank account of MTDC for deposit into the Government account, the details of which are as shown in the following Table:

Table No. 1.4.1: Amount of Sales Tax deducted at source not deposited

(₹ in lakh)

Sl. No.	Year	Opening Balance	Sales Tax deducted at Source	Progressive Total of Sales Tax deducted	Sales Tax Deposited into Govt. A/c	Closing Balance
1	2018-19	1,816.45	17.09	1,833.54	-	1,833.54
2	2019-20	1,833.54	7.93	1,841.47	99.33	1,742.14
Total					99.33	

However, Audit noticed that during the period 2018-20, as against the total outstanding Sales Tax amount of ₹ 18.41 crore lying in its bank account, MTDC had deposited only ₹ 99.33 lakh. Thus, there was an outstanding balance of Sales Tax amounting to ₹ 17.42 crore (March 2020) yet to be deposited into the Government Account even after lapse of 11 to 32 months.

²² Vide notification No. 5/45/2006-FD (TAX) dated 03.09.2009.

b) Non-deposit of GST deducted at Source - ₹ 1.04 crore

Similarly, elements of Goods and Service Tax at the rate of two *per cent* amounting to ₹ 1.76 core was deducted at source under the Manipur GST Act, 2017 from each Running Accounts (RA) bill by MTDC during 2018-19 to 2020-21. The amount so deducted was also retained in the bank account of the Corporation without depositing into appropriate Government account as shown in the following **Table**:

Table No. 1.4.2: Amount of GST deducted at Source not deposited

(₹ in lakh)

Sl. No.	Year	Opening Balance	Deducted during the year	Progressive Total of TDS	Deposited during the year	Closing Balance	Remarks
1	2018-19	-	31.55	31.55	2.43*	29.12	*Since inception of TDS
2	2019-20	29.12	81.51	1,10.63	0.16	1,10.47	
Sub Total			1,13.06		2.59		
3	2020-21	1,10.47	63.38	1,73.85	70.19	1,03.66	as on January 2021
Total			1,76.44		72.78		

As on March 2020, against the total tax of ₹ 1.13 crore deducted at source (TDS), MTDC deposited ₹ 2.59 lakh. As on the date of audit (January 2021), as against the accumulated TDS amount of ₹ 1.76 crore, MTDC had deposited ₹ 72.78 lakh, leaving an outstanding balance of ₹ 1.04 crore. Thus, MTDC failed to clear the statutory dues to the Government for which it was liable to pay penal interest prescribed under provision of the Act *ibid* for delay in deposition of the TDS.

The matter was pointed out to MTDC (September 2022). MTDC did not furnish the reason for not depositing the balance amount of TDS into the Government Account, but stated (February 2021) that the statutory dues would be deposited at the earliest. However, action taken in this regard has not been intimated (March 2023).

Recommendations: Necessary action may be initiated by the Department to get the outstanding amount of the Sales Tax and TDS deposited into Government Account and also take appropriate action against the incumbent officer responsible for such lapses.

1.5 Non-deposit of Labour Cess

Manipur Tribal Development Corporation had not deposited Labour Cess amounting to ₹ 3.81 crore into the account of Manipur Building and Other Construction Workers' Welfare Board.

Section 3(1) and 3(3) of the Building and Other Construction Workers' Welfare Cess Act, 1996 mandates levy and collection of cess of not less than one *per cent* of the cost of construction works to fund labour welfare schemes and the

proceeds of the cess collected shall be paid to Manipur Building and Other Construction Workers' Welfare Board after deducting the cost of collection of such cess not exceeding one *per cent* of the amount collected. Accordingly, Government of Manipur directed (January 2011) the concerned Drawing and Disbursing Officers (DDOs) to deduct at source, one *per cent* of the basic cost of construction as labour cess and deposit the amount to a specified Head of Account²³ by challan. Government of Manipur also instructed (November 2017)²⁴ that the amount of labour cess by challan be transferred in favour of Secretary, Manipur Building and Other Construction Workers' Welfare Board (the Welfare Board)²⁵.

Audit noticed from the scrutiny of records (January to February 2021) of the Managing Director, Manipur Tribal Development Corporation (MTDC) of Tribal Affairs and Hills Department, Manipur that while making payments by Running Account (RA) bills to contractors for various works executed, elements of labour cess of one *per cent* was deducted from each Running Account bill by MTDC. The deducted amount was retained in the bank account of MTDC for further deposition to the account of the Welfare Board. The details are as given in the following **Table**.

Table No. 1.5.1: Amount retained in bank account

(₹ in lakh)

Sl. No.	Year	Opening Balance	Labour Cess deducted during the year	Progressive total of Labour Cess deducted	Labour Cess deposited	Closing Balance	Remarks
1	2018-19	253.71	67.55	321.26	1.62	319.64	
2	2019-20	319.64	43.99	363.63	14.86	348.77	
3	2020-21	348.77	32.29	381.06	-	381.06	as on February 2021 ²⁶
	Total		143.83		16.48		

However, Audit noticed that during the period 2018-21, against the total amount of ₹ 3.97 crore²⁷ of Labour Cess deducted, MTDC had deposited only ₹ 0.16 crore into the account of the Welfare Board. Thus, there was an outstanding balance of Labour Cess amounting to ₹ 3.81 crore lying with MTDC as on February 2021 which was yet to be deposited into the account of the Welfare Board against the provisions of the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Government orders *ibid*.

When pointed out by Audit, MTDC did not furnish (February 2021) the reason for not depositing the amount into the account of the Welfare Board, but stated

²³ Major Head 0045- Other Taxes and Duties on Commodities and Services, Minor Head 112- Receipts from Cesses under Other Acts.

²⁴ Vide Finance Department OM no.12/1/2011-FR(Cess)/Pt dated November 2017.

²⁵ Account No. 31636873257 (SBI, Porompat Branch).

²⁶ Updated position since December 2020 could not be furnished. As such, the closing balance is taken as the position as on date of Audit *i.e.* February 2021.

²⁷ ₹ 2.53 crore + 1.44 crore

that the statutory dues would be deposited at the earliest. However, action taken in this regard has not been furnished till date (March 2023).

Recommendation: Necessary action may be initiated by the Department to get the outstanding amount of Labour Cess deposited into the account of the Welfare Board so that the amount is utilised for its intended purpose.

Chapter II

Social Sector

CHAPTER II SOCIAL SECTOR

2.1 Introduction

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

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

Table 2.1.1 gives the expenditure incurred during the last five years under Social Sector.

Table 2.1.1: Expenditure incurred by major departments under Social Sector during 2017-22

(₹ in crore)

Years	Education	Community & Rural Development	Medical Health & Family Welfare	Total on Social Sector (In per cent)	Total Expenditure
2017-18	1,263.75	942.72	583.13	4,505.71 (39.53)	11,397.17
2018-19	1,369.25	922.83	614.33	4,653.17 (31.89)	14,590.22
2019-20	1,471.16	1,017.35	665.69	4,817.07 (28.06)	17,165.50
2020-21	1,540.92	1,917.63	962.38	6,534.62 (28.93)	22,505.98
2021-22	1,725.22	2,129.83	1,073.46	6,792.93 (25.29)	26,855.94

Source: Appropriation Accounts.

Table 2.1.2 provides Department-wise details of budget provision and expenditure incurred by the 17 departments pertaining to Social Sector during 2020-21 and 2021-22.

Table 2.1.2: Budget Provision and Expenditure of departments under Social Sector during 2020-21 and 2021-22

(₹ in crore)

Sl. No.	Department	2020-21			2021-22		
		Budget Provision	Expenditure	Savings	Budget Provision	Expenditure	Savings
1	Adult Education*	2,376.24	1,540.92	835.32	2,567.85	1,725.22	842.63
2	Education (Schools)*						
3	Education (University)*						
4	Technical Education*						
5	Community and Rural Development	3,409.04	1,917.63	1,491.41	7,217.64	2,129.83	5,087.81
6	Tribal Affairs and Hill Development	987.46	742.39	245.07	802.14	573.89	228.25
7	Medical Health and Family Welfare	1,099.74	962.38	137.36	1,482.94	1,073.46	409.48
8	Municipal Administration Housing and Urban Development	889.73	330.04	559.69	749.73	243.46	506.27
9	Social Welfare	657.34	360.16	297.18	748.60	451.19	297.41
10	Minorities and Other Backward Classes and Schedule Castes	744.30	267.32	476.98	806.03	209.73	596.30
11	Panchayat	242.82	131.66	111.16	152.94	112.75	40.19
12	Relief and Disaster Management	123.78	50.14	73.64	158.56	34.67	123.89
13	Consumer Affairs, Food and Public Distribution	86.3	52.88	33.42	82.17	48.08	34.09
14	Youth Affairs and Sports	80.88	52.31	28.57	146.05	66.63	79.42
15	Labour and Employment	87.72	69.45	18.27	374.23	42.93	331.30
16	Arts and Culture	60.09	45.48	14.61	81.78	67.43	14.35
17	Information and Publicity	12.88	11.86	1.02	17.15	13.66	3.49
	Total	10,858.32	6,534.62	4,323.70	15,387.81	6,792.93	8,594.88

* Separate information not available.

Source: Budget Documents and Appropriation Accounts.

As can be seen from **Table** above, there was overall savings of ₹ 4,323.70 crore (39.82 *per cent*) crore during 2020-21 and ₹ 8,594.88 (55.86 *per cent*) during 2021-22 against Budget provision under Social Sector. In terms of percentage of savings, Department of Minorities and Other Backward Classes had the maximum savings of ₹ 476.98 crore (64.08 *per cent*) followed by Municipal Administration, Housing and Urban Development ₹ 559.69 crore (62.91 *per cent*) and Relief and Disaster Management ₹ 73.64 crore (59.49 *per cent*) against their respective Budget provisions during 2020-21.

During 2021-22, Labour and Employment Department accounted for the maximum savings of ₹ 331.30 crore (88.53 *per cent*) followed by Relief and Disaster Management ₹ 123.89 crore (78.13 *per cent*) and Minorities and Other Backward Classes ₹ 596.30 crore (73.98 *per cent*).

2.1.1 Planning and execution of Audit

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

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

Keeping in view the importance accorded to the Social Sector by the State, Audit accorded importance to the Social Sector in Annual Audit Plan. During 2020-21, we conducted audit of 32 units involving expenditure of ₹ 4,443.82 crore including expenditure of the previous years. As of March 2022, 29 IRs containing 176 paras were issued to the State Government with copies to the heads of the departments concerned.

During 2021-22, we conducted audit of 37 units pertaining to the Social Sector involving expenditure of ₹ 1054.67 crore including expenditure of the previous years. As of March 2022, 19 IRs containing 123 paras were issued to the State Government with copies to the heads of the departments concerned.

Year-wise details of expenditure audited in respect of Social Sector during 2020-21 and 2021-22 are shown in **Appendix 2.1**.

This chapter contains one Compliance Audit paragraph as discussed in succeeding paragraph.

COMPLIANCE AUDIT

SOCIAL WELFARE DEPARTMENT

2.2 Blockage of fund

Social Welfare Department had blocked funds amounting to ₹ 8.08 crore meant for construction of Anganwadi Centre Buildings for three to four years.

Rule 70 (ii) and (iii) of the General Financial Rules 2017 (as adopted by Government of Manipur) stipulates that the Secretary of a Department as its Chief Accounting Authority shall be responsible and accountable for financial management of his Department for the effective, efficient, economical and transparent use of the resources of the Department and complying with performance standards.

The Ministry of Women and Child Development (the Ministry), GoI targeted to construct two lakh Anganwadi Centre buildings (AWCBs) @ ₹ 4.5 lakh per unit across the country under Integrated Child Development Services Scheme in a phased manner (XIIth Plan period from 2012-2017) in order to facilitate better delivery of services to children under the Integrated Child Development Scheme (ICDS) Mission. Accordingly, 2000 AWCBs²⁸ were to be constructed in Manipur under Phase V and VI of the Scheme. The scheme was funded between the Centre and State in 90:10 ratio and funds released were to be utilised within the current financial year or within six months from the date of release. Timely construction of the AWC buildings is vitally important as AWCs are socially relevant mechanisms and instruments to deliver child care.

Scrutiny of records (September – October 2020) of the Director, Social Welfare Department (SWD) revealed that an amount of ₹ 60.75 crore was released (2013-2017) by the Ministry under Phase V and VI of the Scheme. The State Government also released its share of ₹ 4.06 crore under Phase V. The details of release of funds are as given in the following **Table**.

²⁸ 1000 AWCBs each under Phase V and VI.

Table 2.2.1: Details of release of funds for construction of AWCBs

₹ in crore)

Fund (Date) released by Ministry/ State Govt.		Fund (Date) released to Implementing Agency ²⁹ (through SWD)		Fund yet to be released to Implementing Agency		Delays in release of funds to Implementing Agency (in months)		Remarks
Centre Share	State Share	Centre Share	State Share	Centre Share	State Share	Centre Share	State Share	
Phase V - First Instalment								
20.25 (29.10.13)	4.06 (19.03.18)	20.25 (29.09.15)	Nil*	-	4.06	-	-	-
Phase V - Second & Final Instalment								
20.25 (8.3.16)		14.36 (24.01.18)		3.12		49 ³⁰	30 ³¹	Cost of 77 AWCBs ³²
		0.87 (24.03.18)						
		1.90 (16.02.19)						
40.50	4.06	37.38	Nil	3.12	4.06	-	-	-
Phase VI - First Instalment								
20.25 (31.5.16)	(2.25) (Yet to be released)	19.35 (24.07.20)	Nil	0.90		47 ³³	NA**	CS for 22 AWCBs ³⁴
60.75	4.06	56.73	Nil	4.01	-	-	-	-

* Deposited (April 2018) in MH 8449. ** State is yet to release its share for Phase VI.

Status of release of funds for AWCBs: Under Phase V, the total fund released was ₹ 44.50 crore (₹ 40.56 crore, Central Share & ₹ 4.06 crore, State Share). Against the available fund, Centre Share of ₹ 3.12 crore and State Share of ₹ 4.06 crore (cost of 77 AWCBs) was blocked by the State Government for 49 months and 30 months respectively till date of audit (October 2020). However, Utilisation Certificates (UCs) submitted by the Department showed that Centre Share of ₹ 40.50 crore³⁵ was released (November 2015 and July 2018) to the Works Agency. This tantamount to furnishing of incorrect UCs to the Ministry.

Further, under Phase VI, the State Government had blocked ₹ 0.90 crore of Centre Share (cost of 22 AWCBs) for 47 months till date of audit (October 2020). The State Share of ₹ 2.25 crore was yet to be released as of date of Audit. No UCs for Phase VI was produced during Audit.

Thus, altogether ₹ 8.08 crore³⁶ for construction of AWCBs has been blocked by SWD for three to four years.

²⁹ DRDAs.

³⁰ October 2016 (six months from date of release) to October 2020 (date of audit).

³¹ May 2018 to October 2020 (Date of Audit).

³² ₹ 312 lakh divided by ₹ 4.05 lakh.

³³ December 2016 (six months from date of release) to October 2020 9 (date of audit).

³⁴ ₹ 89 lakh divided by ₹ 4.05 lakh.

³⁵ UC for ₹ 20.25 crore was given November 2015 and UC for ₹ 20.25 crore was given in July 2018.

³⁶ ₹ 3.12 crore + ₹ 4.06 crore + ₹ 0.90 crore.

Status of Construction of the AWCBs: As per records maintained by the Department (September 2020), out of the 1000 AWCBs to be constructed under Phase V, 779 AWCBs were completed and 171 AWCBs were completed upto 90 per cent. Joint physical verification (February 2023) of 43 AWCBs in two districts constructed under Phase V revealed that the AWCBs were constructed as per the estimated plinth area and were functioning. However, there were no separate bifurcation of kitchen in 29 AWCBs and store room in 33 ACWBs. No toilet was constructed in 27 AWCBs. The number of windows were less than the construction estimates in 40 AWCBs.

Construction of the remaining 50 AWCBs were yet to be taken up till date of audit (October 2020). No records on status of construction of the AWCBs under Phase VI was produced to Audit.

While accepting the audit observation, the Department stated (November 2022) that the delays in construction of the AWCBs under Phase V were due to delay in authorisation/ sanction of fund by Finance Department as well as due to disputes in site selection for construction of a few AWCBs. Under Phase VI, the delays were due to revision of guidelines for construction of AWCBs, revision of estimate of works by DRDA³⁷ and geo-tagging of the selected site of 1000 AWCs across the State by Deputy Commissioners concerned. In case of State Share, the delay was due to shortage of fund which was later met from a loan from NABARD.

The reply of the Department suggests that the Finance Department failed to timely sanction the fund and there was delay in release of State share which resulted in non-construction/ late commencement of work. Such lapses in implementation of a socially important issue is a matter of concern as this has prevented children from receiving intended benefits of the scheme.

Recommendations:

The State Government should ensure that:

- i. Anganwadi Centre buildings are completed on priority basis with all facilities such as provision of toilets, kitchen, store rooms etc. and make these Centres functional without further delay;***
- ii. Funds are released timely as non-release of funds would impact timely completion of these AWC buildings; and***
- iii. Regular monitoring and supervision of construction works must be done since the scheme is socially important.***

³⁷ District Rural Development Agency.

Chapter III

Economic Sector

(Other than State Public Sector Enterprises)

CHAPTER III

ECONOMIC SECTOR

(OTHER THAN STATE PUBLIC SECTOR ENTERPRISES)

3.1 Introduction

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

The Economic Sector is one of the most important sectors of economy of any State. This Sector is directly responsible for production of goods and services and responsible for generation of employment in the economy. The expenditure incurred during the last five years by some major Departments under Economic Sector are tabulated below:

Table 3.1.1: Expenditure incurred by major departments under Economic Sector during 2017-22

(₹ in crore)

Years	Public Works	Power	Public Health Engineering	Total on Economic Sector (in per cent)	Total Expenditure
2016-17	722.04	765.87	275.29	2,814.63 (25.94)	10,852.06
2017-18	553.76	573.50	309.84	2,324.31 (20.39)	11,397.17
2018-19	692.76	556.79	372.14	2,673.17 (18.32)	14,590.22
2019-20	392.34	408.89	351.55	2,033.12 (11.84)	17,165.50
2020-21	562.79	409.99	710.58	3,182.60 (14.14)	22,505.98
2021-22	574.86	426.54	878.42	2,963.23 (11.03)	26,855.94

Source: Appropriation Accounts.

Department-wise details of budget provisions and expenditure incurred by the 18 departments pertaining to the Economic Sector during 2020-21 and 2021-22 are as follows.

Table 3.1.2: Budget Provision and Expenditure of departments under Economic Sector during 2020-21 and 2021-22

(₹ in crore)

Sl. No.	Department	2020-21			2021-22		
		Budget Provision	Expenditure	Savings	Budget Provision	Expenditure	Savings
1	Public Works	894.98	562.79	332.19	1,008.25	574.85	433.40
2	Environment and Forest	805.68	246.96	558.72	718.52	225.08	493.44
3	Water Resources	501.43	264.72	236.71	618.39	185.58	432.81
4	Power	461.07	409.99	51.08	547.36	426.54	120.82
5	Public Health Engineering	1,103.14	710.58	392.56	1,847.37	878.42	968.95
6	Agriculture	407.60	234.29	173.31	392.64	142.52	250.12
7	Minor Irrigation	276.34	141.04	135.30	303.61	49.32	254.29
8	Textiles, Commerce	199.60	72.74	126.86	198.44	51.62	146.82

Sl. No.	Department	2020-21			2021-22		
		Budget Provision	Expenditure	Savings	Budget Provision	Expenditure	Savings
	and Industries						
9	Animal Husbandry and Veterinary including Dairy farming	243.76	146.23	97.53	244.05	95.75	148.30
10	Horticulture and Soil Conservation	129.29	92.12	37.17	110.19	52.16	58.03
11	Tourism	225.35	94.35	131.00	381.74	80.38	301.36
12	Fisheries	55.34	37.23	18.11	78.03	39.88	38.15
13	Transport	33.51	29.14	4.37	32.59	11.86	20.73
14	Co-operation	35.78	24.73	11.05	38.41	23.04	15.37
15	Sericulture	45.38	29.43	15.95	45.99	23.06	22.93
16	Information Technology	85.45	64.07	21.38	171.76	84.64	87.12
17	Economic and Statistics	25.47	17.14	8.33	30.49	14.09	16.40
18	Science and Technology	5.60	5.05	0.55	5.63	4.44	1.19
	Total	5,534.76	3,182.60	2,352.17	6,773.46	2,963.23	3,810.23

Source: Budget documents and Appropriation Accounts.

As can be seen from **Table** above, there was overall savings of ₹ 2,352.17 crore (42.49 per cent) against Budget provision under Economic (Other than State Public Sector Enterprises) Sector. In terms of percentage, Environment and Forest Department had the maximum savings of ₹ 558.72 crore (69.35 per cent) followed by Textiles, Commerce and Industries ₹ 126.86 crore (63.56 per cent) and Tourism Department ₹ 131.00 crore (58.13 per cent) against their respective Budget provisions.

During 2021-22, there was a total savings of ₹ 3,810.23 (56.25 per cent) out of which Minor Irrigation accounted for the maximum savings of ₹ 254.29 crore (83.76 per cent) followed by Tourism Department ₹ 301.36 crore (78.94 per cent) and Textiles, Commerce and Industries ₹ 146.82 crore (73.99 per cent).

3.1.1 Planning and execution of Audit

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

After completion of the compliance audit, Inspection Reports (IRs) are issued to the heads of units as well as to the concerned heads of departments. In the light of replies received, audit observations are reviewed and settled if action

taken by the audited entities is satisfactory. However, if no action is taken or action taken is not enough, the audit findings are retained and units are advised to take further suitable remedial measures. However, some serious and selected audit findings are processed for inclusion in the Audit Report of the Comptroller and Auditor General of India for placing of the same before the State Legislative Assembly as mandated by the Constitution.

Keeping in view the importance accorded to the Economic Sector by the State, Audit also accorded due importance to this Sector. During 2020-21, we conducted audit of 76 units pertaining to Economic Sector involving expenditure of ₹ 1,187.84 crore including expenditure of previous years. As of March 2022, 58 Inspection Reports containing 388 paras were issued to the State Government with copies to the heads of the concerned departments.

During 2021-22, we conducted audit of 54 units pertaining to the Economic Sector involving expenditure of ₹ 4,080.04 crore including expenditure of the previous years. As of March 2022, 5 IRs containing 22 paras were issued to the State Government with copies to the heads of the departments concerned.

Year-wise details of expenditure audited in respect of Economic Sector during 2020-21 and 2021-22 are shown in **Appendix 3.1**.

This Chapter contains five Compliance Audit paragraphs including Subject Specific Compliance Audit on “Implementation of Pradhan Mantri Kisan Samman Nidhi Yojana (PM-KISAN) in Manipur” as discussed in the succeeding paragraphs.

COMPLIANCE AUDIT

AGRICULTURE DEPARTMENT

3.2 Subject Specific Compliance Audit on Implementation of Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Yojana in Manipur

3.2.1 Introduction

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme is a 100 per cent funded central sector scheme operated under Direct Benefit Transfer (DBT) mode. Under the scheme, which came into effect from 1 December 2018, income support @ ₹ 6,000 per annum *i.e.* @ ₹ 2,000 every four months is provided to all eligible farmer families across the country to meet expenses relating to agriculture and allied activities and to meet domestic needs. The salient features of the scheme are as follows:

- i. Payment of ₹ 6,000 per farmer family per year in three instalments of ₹ 2,000 each to be released in the months of April-July, August-November and December – March each year;

- ii. A landholder farmer's family is defined as "a family comprising of husband, wife and minor children, who own cultivable land as per land records of the State". Only one person from the defined farmer family is entitled to the scheme benefits, provided that the person is the land owner as per records;
- iii. For identification of *bona fide* beneficiary in Manipur, the certificate issued by the Village authority, namely, the Chairman/Chief, authorising any tribal family to cultivate a piece of land, may be accepted³⁸. Such certification of village Chairman/Chief shall be authenticated by the concerned sub-divisional officers;
- iv. Responsibility of identification of beneficiaries and of ensuring correctness of beneficiaries' details lies entirely with the State Government; and
- v. The amount due to the beneficiaries under the scheme is to be paid directly into their bank accounts through Direct benefit transfer (DBT) using Public Financial Management System (PFMS) portal.

Registration of beneficiaries can be done by the State Government through existing databases or a mechanism devised for the purpose. The eligible beneficiaries can also register themselves through online mode vide the PM-KISAN web portal, PM-KISAN mobile app or through Common Service Centres (CSCs).

In Manipur, the State Government directly uploaded the list of farmers after collecting application forms with supporting documents. Besides, beneficiaries also registered themselves through online mode via the PM-KISAN web portal, PM-KISAN mobile app and through Common Service Centres (CSCs).

As on 31 March 2021, there were 5,92,290 registered beneficiaries in Manipur.

3.2.2 Audit objectives

The audit was conducted to ascertain whether:

- procedural norms were followed in selection of beneficiaries;
- benefits were transferred to the right beneficiaries;
- there was delay in transferring benefits to the beneficiaries; and
- mechanism for redressal of grievances of the beneficiaries was in place.

3.2.3 Scope of Audit and Methodology

This audit covered the period from 2018-19 to 2020-21 and included verification of land records as well as test checking of beneficiary records and

³⁸ As per revised guidelines of February 2019

payments made in bank accounts of beneficiaries selected for the scheme at various levels.

The coverage in the audit is as shown below:

No of Districts	No of Blocks	Villages	Beneficiaries records	Method adopted of selection
5 (33 per cent of 16 districts) *	10 (2 from each selected district)	30 (3 villages from each selected block)	450 (15 from each selected villages)	District – Stratified Random Sampling was applied using Interactive Data Extraction and Analysis (IDEA) software Others strata – Random sampling

* Valleys - Imphal West, Jiribam and Thoubal Hills – Churachandpur and Kamjong

Audit also examined records of the state nodal department viz., Department of Agriculture. Details are given in **Appendix 3.2**.

3.2.4 Financial Status of the Scheme

PM-KISAN scheme is being executed through Direct Benefit Transfer (DBT) mode. Funds are first transferred from Central Government through Department of Agriculture and Farmers' Welfare (DAC&FW) to the Sponsoring bank of the States /UTs, from where funds are transferred to various destination banks.

The amount is finally credited to beneficiaries' account by the Destination banks. The entire fund flow is made online through Public Financial Management System (PFMS) portal. The details of funds received and disbursed under the scheme as of March 2021 are as shown below:

Table 3.2.1: Financial Status of the Scheme

(₹ in lakh)

Year	Amount transferred	Amount disbursed to destination banks	Amount successfully disbursed to beneficiaries	Amount refunded to Ministry after payment failure
2018-19	145.52	145.52	145.42 (99.93 %)	0.10 (0.07 %)
2019-20	8,782.08	8,782.08	8,756.62 (99.71 %)	25.46 (0.29 %)
2020-21	24,082.80	24,082.80	24,037.28 (99.81 %)	45.52 (0.19 %)
Total	33,010.40	33,010.40	32,939.32 (99.78 %)	71.08 (0.22 %)

As can be seen from above **Table**, an amount of ₹ 330.10 crore was transferred during 2018-19 to 2020-21 to the destination banks for disbursement to the benefits to the beneficiaries. However, successful transfer to beneficiaries from the banks ranged from 99.71 per cent to 99.93 per cent. As of March 2021, an amount of ₹ 71.08 lakh that could not be transferred to beneficiaries was refunded to the GoI. The Department could not furnish any reason for the failure in transfer of funds to the beneficiaries (March 2023).

3.2.5 Audit Findings

3.2.5.1 Non-availability of beneficiaries records

The State Government had not notified any mechanism for registration and verification of beneficiaries under the scheme. As a practice, registration in the State was done on the basis of application forms submitted by the farmers along with supporting documents as a proof of their identity and eligibility fulfilment. The application form had a provision of self-declaration by the farmers which were to be duly certified by the district level administrative authorities on the basis of supporting documents submitted along with application forms.

Out of 450 beneficiary records that were sampled for physical verification, records of only 177 beneficiaries could be produced to audit, as shown in the following **Table**:

Table 3.2.2: Non-availability of beneficiaries records

Records produced in respect of sample beneficiaries	Imphal West	Jiribam	Thoubal	Chura-chandpur	Kamjong	Total
Number of records produced	27	32	0	31	87	177
Number of records not produced	63	58	90	59	3	273

As can be seen from the above **Table**, none of the sample districts could produce all the records of the sample beneficiaries and in Thoubal district not a single record could be produced. In the absence of records, audit could not ascertain whether the eligibility of these beneficiaries were certified by the state officials before their entry in the portal.

The Department accepted the audit findings (December 2021).

3.2.5.2 Delay in processing of application forms of beneficiaries

As per the data available in the PM - KISAN portal, application of 1,38,299 number of individuals who applied for the scheme during the period from November 2019 to January 2021 were to be processed and approved by the State officials till date of audit (31 March 2021). As such, financial benefit of the scheme had not been extended to these potential beneficiaries for two to 16 months *i.e.* till date of audit (March 2021).

The Department accepted (December 2021) the audit findings and stated that such applications should be approved by the concerned DCs in future.

3.2.5.3 Irregularities in selection of beneficiaries and transfer of funds

The beneficiaries' data available in the PM-KISAN portal is limited and does not contain vital information (date of payment of instalment, details of User IDs used to approve beneficiaries, bank account details, land record details, *etc.*). The data provided by the Ministry contained all the vital information. As such, this data were used for audit analysis through Interactive Data Extraction and

Analysis (IDEA)³⁹ software tools. There were 5,92,290⁴⁰ beneficiaries in the State registered in the PM-KISAN portal, as analysed from the data. Of these, Aadhaar seeding⁴¹ of 5,86,795 beneficiaries (99.07 per cent) was done as of March 2021.

Audit noticed that there were 1,91,244 beneficiaries (32.29 per cent of 5,92,290) who were wrongly enrolled due to various reasons viz. fraudulent use of Government employees User IDs of State Nodal Officer (SNO), fraudulently created Government User IDs, enrolled without supporting documents (land records, bank passbooks etc.), flagged as ineligible beneficiaries by the Department and Income Tax payee. Details are shown in the following **Table**:

Table No 3.2.3: Irregularities in selection of beneficiaries and amount transferred

(₹ in lakh)

SI No.	Particulars of ineligible beneficiaries	Detected by	No. of Beneficiaries	Amount
1	Fraudulent use of Government Employees User IDs of SNO and fraudulently created Government User IDs	Detected by the Agriculture Department, GoM	29,086	3,20.42
		Detected by Audit	64,833	6,83.36
2	Without supporting documents	Detected by the Agriculture Department, GoM	708	26.50
		Detected by Audit	92,216	54,38.06
3	Flagged as ineligible beneficiaries by the Department	Detected by the Agriculture Department, GoM	3105	24.68
4	Income Tax Payees	Detected by the Agriculture Department, GoM	1296	56.00
Total			1,91,244	65,49.02

The audit findings are discussed in succeeding paragraphs:

(a) Payment to beneficiaries registered by Fraudulent use of Government Employees User ID of SNO / fraudulently created Government User IDs

Scrutiny of PM-KISAN data⁴² revealed that there were 2,26,340 beneficiaries registered in five districts viz., Thoubal, Kakching, Bishnupur, Imphal West and Imphal East. Of these, 93,919 beneficiaries were ineligible and registered by fraudulent use of Government Employees User IDs of SNO/ fraudulently created Government User IDs. Some of these beneficiaries were red flagged by the Department (29,086 ineligible beneficiaries) and Audit additionally detected 64,833 ineligible beneficiaries. Details of fraudulent registration of

³⁹ IDEA is a comprehensive data analysis tools with a modern, intuitive interface and advanced analytical functionalities.

⁴⁰ As obtained from Ministry of Agriculture.

⁴¹ Taken as beneficiaries whose eKYC are done.

⁴² As provided by CDMA.

beneficiaries through fraudulently created Government User IDs have been given in the following Table:

Table 3.2.4: Payment to beneficiaries registered by fraudulent use of Government Employees User IDs of SNO/ fraudulently created Government User IDs

(₹ in lakh)

No. of registered beneficiaries	Detected by Department				Detected by Audit			
	No. of beneficiaries registered irregularly	Instalment No.	Number of beneficiaries	Amount	No. of beneficiaries registered irregularly	Instalment No.	Number of beneficiaries	Amount
Thoubal - Beneficiaries uploaded by unauthorised person using User ID (THOU05) of DC Thoubal after obtaining the access to ID fraudulently								
1,20,400	28,540	1	15,135	302.70	27,621	1	1,672	33.44
		-	-	-		2	2	0.04
		-	-	-		3	2	0.04
<i>Sub-total</i>				302.70				33.52
Kakching - Beneficiaries uploaded by fraudulently created Government User IDs (KAKC01 & KAKC09)								
63,144	0	0	0	0.00	31,784	1	13,180	263.60
<i>Sub-total</i>				0.00				263.60
Bishnupur - Beneficiaries uploaded by fraudulently created Government User ID (BISH662903)								
27,609	534	1	515	10.30	395	1	379	7.58
		2	349	6.98		2	245	4.90
<i>Sub-total</i>				17.28				12.48
Imphal West - Beneficiaries uploaded by fraudulently created Government User ID (IMPW02)								
8,979	2	1	2	0.04	2,526	1	2,460	49.20
		2	2	0.04		2	2,460	49.20
		-	-	-		3	2,434	48.68
		-	-	-		4	1,192	23.84
		-	-	-		5	172	3.44
<i>Sub-total</i>				0.08				174.36
Imphal East - Beneficiaries uploaded by fraudulently created Government User ID (IMPE02)								
6,208	10	1	9	0.18	2,507	1	2,443	48.86
		2	9	0.18		2	2,441	48.82
		-	-	-		3	2,438	48.76
		-	-	-		4	2,341	46.82
		-	-	-		5	307	6.14
<i>Sub-total</i>				0.36				199.40
2,26,340	29,086			320.42	64,833			683.36

➤ **Detected by Department:**

As can be seen from the table, there were 29,086 ineligible beneficiaries registered by fraudulent use of User IDs of Government employees of SNO/ fraudulently created Government User IDs which were detected by the Agriculture Department, GoM. Maximum number of 28,540 cases out of 29,086 cases were detected in Thoubal district. The Department also detected

fraudulent registration cases in Bishnupur, Imphal West and Imphal East. An amount of ₹ 3.20 crore had been paid to these beneficiaries, registered using fraudulent means.

➤ ***Detected by Audit:***

Audit analysed the data and detected further 64,833 ineligible beneficiaries registered by fraudulent use of User IDs of Government employees of SNO/ fraudulently created Government User IDs. Maximum number of cases were detected in Kakching district 31,784 cases (49.02 *per cent*) where the Department had failed to detect even a single case, followed by Thoubal district at 27,621 cases (42.60 *per cent*). Imphal West district (2,526 cases) and Imphal East district (2,507) which had similar number of cases, followed by Bishnupur district (395 cases). An amount of ₹ 6.83 crore had been paid to these beneficiaries, registered using fraudulent means.

As per information, two First Information Reports (FIRs) were filed in this issue in July 2020. Outcome of FIRs has not been furnished (March 2023).

Thus, there was a well-planned fraudulent *modus operandi* to register beneficiaries fraudulently and take benefit of the scheme.

Audit noticed that there was no system in place to control fraudulent use of government employees' user IDs. This tantamounts to system infiltration which should be fixed. There was lack of system controls and monitoring to prevent fraudulent data entry. The validation of data was not done as per norms.

Recommendation: The State Government should fix responsibilities for failure to detect fraudulent use of Government User IDs on a large scale, order full investigation and lodge FIRs and monitor progress of time bound outcome of FIRs. Further, the State Government should validate the details of beneficiaries and their bank account. Robust system controls to ensure that Government employees user IDs are not hacked, is required.

(b) Payment to beneficiaries selected without supporting documents

The beneficiaries' information uploaded on the system at the district/tehsil/ block level is required to be verified by supervisory officials with the original forms to correct any errors/discrepancies.

Audit noticed that 92,924 out of 5,92,290 beneficiaries registered in the State were approved by SNO (user ID: MANI01) during November 2019 to February 2021 without required documents. Further, the supporting documents submitted by the beneficiaries such as photocopies of Jamabandi, Bank Account Passbook and Aadhaar Card were not in the custody of SNO for verification.

➤ **Detected by Department:**

The Department had detected 708 individuals⁴³ as ineligible beneficiaries as they had been enrolled without supporting documents. An amount of ₹ 26.50 lakh had been disbursed to these beneficiaries.

➤ **Detected by Audit:**

Audit further detected another 92,216 ineligible beneficiaries enrolled without supporting documents through IDEA assisted data analytics. An amount of ₹ 54.38 crore had been disbursed to these beneficiaries.

Thus, altogether an amount of ₹ 54.65 crore⁴⁴ had been paid to 92,924 beneficiaries (708 +92,216) enrolled without supporting documents. Payment of ₹ 54.65 crore made in five installments is as shown in the following **Table:**

Table 3.2.5: Payment to beneficiaries selected without supporting documents

Instalment No.	No. of beneficiaries who were not paid	No. of beneficiaries who were paid	Rate per instalment (₹)	Amount paid (₹ in crore)
1	4,157	88,767	2,000	17.75
2	15,104	77,820	2,000	15.57
3	37,077	55,847	2,000	11.17
4	42,522	50,402	2,000	10.08
5	92,532	392	2,000	0.08
Total				54.65

As can be seen above, the number of beneficiaries were reduced in each instalment and no payment were made after the fifth instalment.

Analysis of data further revealed the following irregularities while capturing data:

Table 3.2.6: Irregularities while capturing data

Beneficiaries having attributes	Number of beneficiaries
Invalid mobile number	639
No mobile number	1,214
Duplicate mobile no.	42,685
Duplicate bank account	5
No land record	28,785*
No Block name	7
No date of birth	14,632
Beneficiaries having bank account in outside the State	6,344(out of 85,002 beneficiaries having bank account)

* Out of 39,664 belonging to valley districts.

The Department accepted the audit findings and stated (December 2021) that approval was given during the initial phase of the implementation of the scheme and that there was lack of knowledge in this regard at that time.

⁴³ Initially flagged by the Department as ineligible beneficiaries and later ascertained with Audit that they enrolled without required documents

⁴⁴ ₹ 0.27 crore + ₹ 54.38 crore

However, necessary steps to rectify the irregularities and recover the instalments already paid to ineligible beneficiaries were not taken by the Department (March 2023).

(c) Payment to ineligible beneficiaries flagged by Nodal Department

Audit noticed that in nine districts⁴⁵ 3,105 beneficiaries out of 5,92,290 beneficiaries in the PM-KISAN portal were flagged ineligible beneficiaries by the Nodal Department and had been paid an amount of ₹ 24.68 lakh as of March 2021.

The Department stated (December 2021) that identification of beneficiaries was the responsibility of the Deputy Commissioners of each district and due to the ongoing cybercrime cases pertaining to registration of ineligible beneficiaries in three districts viz., Thoubal, Bishnupur and Kakching, cash payment to the entire beneficiaries belonging to these three districts had been put on hold.

(d) Payment to beneficiaries who were Income Tax payees

As per scheme Guidelines, a person paying Income Tax is not eligible for the benefit.

Audit noticed that 1,296 beneficiaries (out of 5,92,290 beneficiaries) who were paying income tax were included in the PM-KISAN portal. As of March 2021, an amount of ₹ 56 lakh had been paid to these beneficiaries in violation of the Guidelines.

Thus, altogether an amount of ₹ 65.49 crore⁴⁶ had been paid to 1,91,244 ineligible beneficiaries as of March 2021.

Recommendation: The Department needs to take action to validate the details of beneficiaries and recover the amount paid to the ineligible beneficiaries.

3.2.5.4 Fund Transfer to beneficiaries whose details do not match with bank Account details

The State government authorities are responsible for selection of beneficiaries. Further, GoI instructed (February 2019) the State Governments to cross-check the beneficiaries and their bank accounts.

Audit noticed that beneficiary name in respect of 46,023 beneficiaries were not matching with their bank accounts. Despite this discrepancy, financial benefits amounting to ₹ 27.30 crore have been transferred to these 46,023 beneficiaries as shown below:

⁴⁵ Bishnupur, Kakching, Kamjong, Kangpokpi, Noney, Pherzawl, Senapati, Thoubal and Ukhrol.

⁴⁶ ₹ 3.20 crore + ₹ 6.83 crore + ₹ 54.65 crore + ₹ 0.25 crore + ₹ 0.56 crore

Table 3.2.7: Fund Transfer to beneficiaries whose details do not match with Account details

Installment No.	Beneficiaries having name not matching with Bank Account	Amount per installment	Total (₹ in crore)
1	40,140	2,000	8.03
2	35,476	2,000	7.10
3	27,845	2,000	5.57
4	18,112	2,000	3.62
5	8,337	2,000	1.67
6	4,046	2,000	0.81
7	2,522	2,000	0.50
Total			27.30

The Department stated (December 2021) that validation of bank accounts submitted by the beneficiaries was done by PFMS. The reply was not tenable as validation of bank accounts by PFMS was only on the correctness of the account details and the system was not supposed to check the accuracy of the names of the beneficiaries.

Recommendation: *The Department needs to validate the details of bank account with beneficiaries names and take steps to recover the amount paid in bank account of non-beneficiaries.*

3.2.5.5 Benefit extended to more than one family member and with no land holding

As per the scheme guidelines, only landholding farmer families⁴⁷ are eligible for the benefit under the scheme. For identification of *bona fide* beneficiary in Manipur, the certificate issued by the Village authority, namely, the Chairman/Chief, authorising any tribal family to cultivate a piece of land, may be accepted and such certification of village Chairman/Chief shall be authenticated by the concerned sub-divisional officers.

Further, the State Government was to certify the eligibility of the beneficiaries and the self-declarations furnished by the applicants were to be certified by the Deputy Commissioner or his representatives.

Audit findings of the test-check of records of sampled 177 beneficiaries in four⁴⁸ test checked districts are as follows:

- No family details were provided in 68⁴⁹ application forms in respect of 68 beneficiaries;
- 32 beneficiaries had added their family members as beneficiaries. Thus there were 35 excess beneficiaries who were paid an amount of ₹ 2.92 lakh, as detailed in **Appendix 3.3**;

⁴⁷ Defined as “a family comprising of husband, wife and minor children who owns cultivable land as per land records of the concerned State/UT”.

⁴⁸ Thoubal district did not furnish any records.

⁴⁹ Churachandpur district (28), Jiribam district (1), Kamjong district (25) and Imphal West district (14).

- Further, there were 12 beneficiaries with no land holdings against their names in Imphal West district; and
- The certificates issued by the Village authority in respect of 16 beneficiaries in Jiribam district were not authenticated by the concerned Sub-Divisional Officers.

Thus, correctness of self-declaration contained in the application forms submitted by the intended beneficiaries were not properly verified. The Department accepted the audit findings (December 2021).

3.2.5.6 Delay in payment of first instalment

It is imperative that financial benefits are paid in a timely manner. Though the Operational guidelines is silent on the timeline of payment, Audit noticed that out of 4,97,126 numbers of beneficiaries who got their first instalment payment, 2,47,211 (49.73 per cent) beneficiaries got their first instalment between 0 to 30 days. The remaining 2,49,915 (50.27 per cent) beneficiaries got their first instalment after more than 30 days of their registration. Range of delay in getting their first instalment after registration is as follows:

Table 3.2.8: Delay in credit of first instalment

Sl. No.	Delay in credit of first instalment	No. of beneficiaries
1	One Month - Six Months	2,18,532
2	Six months - One Year	29,246
3	One Year - Two Years	2,136
4	More than Two years	1
	Total	2,49,915

The Department accepted (December 2021) the audit finding and stated that beneficiaries whose first instalment payments were delayed were mostly those beneficiaries who registered themselves through Common Service Centres (CSCs) and PM-KISAN Portal.

3.2.6 Lack of Grievance Redressal Mechanism

As per the Operational Guidelines, the States shall notify State and District Level Grievance Redressal Monitoring Committees (GRMC) to look into all the grievances related to implementation of the scheme. Any grievances or complaints which are received should be disposed of on merit preferably within two weeks time.

However, the State has not set up the State or District Level Grievance Redressal Monitoring Committee till date of audit. Grievances or complaints received from the beneficiaries were noted and attended to at the district level offices. However, no grievances and actions taken thereon were kept on record. The percentage of resolution of the complaints of the beneficiaries lodged in the portal was below one per cent. Only 10 out of 1,579 grievances of the beneficiaries lodged in the portal had been resolved within the prescribed time period of two weeks and 1,569 grievances were not yet resolved (July 2021)

The Department stated (December 2021) that GRMC were set up in the districts and were uploaded in the PM-KISAN portal and the grievances were uploaded in the portal. The department was asked to furnish documentary evidence of setting up of the Committees. However, the Department had not submitted (March 2023) any reply of any action taken by GRMC and clearance of pending grievances.

3.2.7 No physical verification of beneficiaries

Section 10.5 of the scheme guidelines envisages that the State Governments should ensure checking for around 5 *per cent* of the beneficiary for the eligibility during the year.

Scrutiny of records revealed that no physical verification as stipulated in the guidelines was conducted during the year 2019-20 by the Department. During 2020-21, physical verification of 14,569 beneficiaries was to be conducted by the Department in all the 16 districts of the State. Out of this, the Department had completed verification process for only 496 beneficiaries in six districts only. In the remaining 10 districts, no physical verification was done. The percentage of physical verification conducted in the districts ranged between 0.004 *per cent* to 0.83 *per cent*. As such, the physical verification conducted was much lesser than the recommended 5 *per cent* envisaged in the guidelines.

The Department stated (December 2021) that necessary instructions in this regard were regularly given to Deputy Commissioners. However, actual action taken by the DCs were not known and no reply was furnished in this regard.

3.2.8 Conclusion

There were delays in processing of application forms of beneficiaries by two to 16 months. Records of the beneficiaries were not properly maintained in the selected districts. Irregular financial benefits of ₹ 65.49 crore was given to 1,91,244 ineligible beneficiaries as they were enrolled by fraudulent use of User IDs of Government Employees of SNO/ fraudulently created Government User IDs, without required documents and some were Income Tax payees. There was a well-planned fraudulent *modus operandi* adopted to register beneficiaries unauthorisedly in order to take benefits of this Government scheme by using fraudulent User IDs. There was lack of system controls and monitoring to prevent fraudulent data entry. The validation of data was not done as per norms. Financial benefits of ₹ 27.30 crore were made in seven instalments to 46,023 beneficiaries whose details did not match with accounts details. Payments were also made to more than one family members and to families with no land holdings. The percentage of the mandatory physical verification of beneficiaries which was required to be conducted by the Department in the State was very low.

3.2.9 Recommendations

- i. *Verification of beneficiaries may be completed on priority basis to weed out the ineligible beneficiaries. Validation and verification of beneficiaries and documents must be streamlined and strengthened to eliminate ineligible beneficiaries;*
- ii. *There should be systematic monitoring of the implementation of the scheme;*
- iii. *The State Government should fix responsibilities for failure to detect fraudulent use of Government User IDs on a large scale, order full investigation, lodge FIRs and monitor time bound progress of the outcome of FIRs. Further, the State Government should validate the details of beneficiaries and their bank account;*
- iv. *Improve Information Technology system control for data entry and validation of beneficiaries;*
- v. *Recovery of instalments paid to ineligible beneficiaries should be made;*
- vi. *The State and the District Level Grievance Redressal Monitoring Committee may be set up in the State. A proper system for registering of grievances and tracking the resolution of the grievances lodged may be developed as the percentage of resolution of the complaints lodged by the beneficiaries is low; and*
- vii. *Physical verification of beneficiaries should be carried out annually as per the guidelines.*

TRADE, COMMERCE AND INDUSTRIES DEPARTMENT

3.3 Idle expenditure

Non-completion of cold chain facility for more than seven years rendered expenditure of ₹ 1.20 crore idle.

Rule 26 (iv) of General Financial Rules, 2005 (as adopted by Government of Manipur) states that the duties and responsibilities of a controlling officer in respect of funds placed at his disposal is to ensure that adequate control mechanism is functioning in his department for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public money.

Scrutiny of records (October 2019) of the Directorate of Trade, Commerce and Industries, Manipur revealed that the Government of Manipur sanctioned (March 2012) an amount of ₹ 3.00 crore for establishment of an Integrated Cold Chain/ Value Addition Facility Centre⁵⁰ at Ukhrul District with the objective to

⁵⁰ Though the cost of the project was ₹ 300.11 lakh viz. Cold Storage 50 MT capacity (₹ 49.79 lakh), Common Processing Hall (₹ 18.65 lakh), Common Facility Centre (₹ 31.46 lakh), Gate

save perishable fruits and vegetables produced in the District. The project was entrusted to Manipur Industrial Development Corporation Limited (MANIDCO)⁵¹ with a condition that 40 per cent of the sanctioned amount i.e ₹ 1.20 crore should be released to MANIDCO as advance.

As per the Memorandum of Understanding (MoU), MANIDCO was required to submit a monthly account by the tenth of every month which should indicate the time required for completion against each item of work. MANIDCO should also submit an item-wise progress report in physical and financial terms on a quarterly basis. However, no record was available about the target date of completion of the work.

The Department encashed (March 2012) ₹ 120 lakh (40 per cent of the sanctioned cost)⁵² for implementation of the project. After deducting 2.53 lakh for purchase of land for the Cold Chain Facility and Registration, the remaining amount of ₹ 117.47 lakh was deposited (April 2013) with MANIDCO. Accordingly, MANIDCO completed (October 2013) Land Development work that was estimated at a cost of ₹ 72.52 lakh. However, neither evidence showing utilisation of the remaining amount of ₹ 44.95 lakh (₹ 117.47 lakh - ₹ 72.52 lakh) nor release of additional amount to MANIDCO to complete the remaining items of work was found on record. In fact, the Department could not produce records such as monthly accounts, quarterly progress report of the work etc., that were required to be submitted by the work agency as per the MoU. Further, no record showing any action taken by the Department to pursue the matter with the work agency or the Government to complete the project was found in Audit.

To confirm the status of the work, a joint physical verification was conducted on 2 February 2023 along with representatives of the Department wherein it was found that the land development work was completed with barbed wire fencing and Iron Gate at entrance. A structure (primary processing center) was also seen constructed, but reportedly through another funding.



(₹ 2.19 lakh), Office Building (₹ 28.21 lakh), Approach Road (₹ 27.22 lakh), Campus Lighting (₹ 25.95 lakh), Barbed Wire Fencing (₹ 44.03 lakh) and Land Development (₹ 72.50 lakh), the sanctioned amount was ₹ 300 lakh

⁵¹ MoU signed with MANIDCO 19.04.2013. The details of the remaining amount of ₹ 180 lakh is being called for.

⁵² vide AC bill no. 607 dated 30.03.2012.

On enquiry, the Department also stated that no additional fund was released to the work agency as the Government failed to release the remaining 60 per cent of the project cost till date. Hence, the work remained incomplete.

Thus, the project that was sanctioned in March 2012 remained incomplete for more than seven years rendering idle expenditure of ₹ 1.20 crore on the project.

PUBLIC WORKS DEPARTMENT

3.4 Avoidable payment

Due to delay in release of payment to the contractor, PWD incurred an avoidable expenditure of ₹ 6.95 crore as Financing Charges.

Rule 21 of the General Financial Rules, 2005 states that every officer incurring or authorising expenditure from public money should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed.

Scrutiny of records (October 2020) of the Project Director, Externally Aided Projects, Public Works Department's Project Implementing Unit (PIU) for the period from April 19 to March 2020 revealed that the Department took up two road works under Asian Development Bank (ADB) assisted projects viz., (i) Tupul to Bishnupur (CW1) and (ii) Thoubal to Kasom Khullen (CW2) under 'Improvement and upgradation of road sections under North Eastern State Roads Investment Programme (NESRIP) for ₹ 233 crore⁵³. Both the works were awarded (December 2013) to the same contractor⁵⁴.

As per Clause 14.7 and 14.8 of the Contract Agreement, the Project Implementing Unit (PIU) shall pay to the contractor the amount certified in each Interim Payment Certificate (IPC)⁵⁵ within 56 days after the PIU receives the statement and supporting document for the works carried out, failing which the contractor shall be paid Financing Charges (FC) compounded monthly on the amount unpaid during the period of delay calculated at the annual rate of three per cent above the discount/ prime lending rate of the Reserve Bank of India (RBI).

Scrutiny of records of the PIU revealed that 53 IPCs for ₹ 367.94 crore were issued for both the works during the period from May 2014 to July 2020. However, payment in respect of 42 IPCs for ₹ 221.07 crore⁵⁶ were delayed. As such, the contractor submitted (September 2015) the first claim of FC amounting to ₹ 26.83 lakh. A negotiation, however, took place between the PIU

⁵³ GoI approved its share of ₹ 209.70 crore on 23.09 2011.

⁵⁴ M/s DRAIPL-ABCI Joint Venture

⁵⁵ The payment to the contractor for the works carried to be delivered within 28 days by the Engineer/Project Manager after receiving statement and supporting documents for the works carried out from the Contractor.

⁵⁶ ₹ 126.50 for CW1 and ₹ 94.57 crore for CW2.

and the contractor and a Memorandum of Understanding (MoU) was signed (March 2016), wherein the contractor agreed to waive-off all the previous FC⁵⁷ while reserving the right to re-claim the FC in the event of delay in payment of subsequent IPCs. The PIU in turn assured that all future payments would be made in time.

Further scrutiny of records, however, revealed that the commitment made in the MoU could not be fulfilled and there were delays in release of payment for subsequent IPCs also. Consequently, the contractor submitted (January 2018) a representation that nullified the previous waived-off FC while also insisting on payment of FC for subsequent delays. The PIU subsequently paid ₹ 7.37 crore⁵⁸ (as of October 2020) to the contractor as FC for the period from 22 February to 18 March 2019 for delay in payment of 42 IPCs (₹ 221.07 crore) ranging from 17 days to 169 days. The delay was due to late processing of bills by PIU coupled with late release of funds by Central Government and non-release of funds by State Government after funds were made available to them, as shown in the following Table:

Table 3.4.1: Delay⁵⁹ in release of funds

Number of Bills delayed in payment	Delay in processing bills by PIU	Delay in release of funds by Central Government	Delay in release of funds by State Government
Tupul to Bishnupur (CW1)			
18	1 (46 days)	9 (3 days to 77 days)	11 (10 days to 82 days)
Thoubal to Kasom Khullen (CW2)			
24	2 (2 days to 4 days)	11 (1 days to 77 days)	16 (1 day to 129 days)

Against payment of ₹ 7.37 crore made by PIU for delay in payment of 42 IPCs, Audit calculation of FC payable to the contractor based on the different interest rates notified by RBI from time to time showed that ₹ 6.95 crore⁶⁰ was payable as FC to the contractor for the delayed payment. Thus, ₹ 42.09 lakh⁶¹ (₹ 7.37 crore - ₹ 6.95 crore) was paid in excess to the contractor as FC. The details are given in **Appendix 3.4A & B**.

While admitting to the audit observations (January 2023), the Department stated that they have recovered ₹ 36.94 lakh (October 2021) out of the total amount of ₹ 42.09 lakh Financing Charge paid in excess. Thus, there was a balance amount of ₹ 5.15 lakh yet to be recovered. The Department further stated that the remaining amount of ₹ 5.15 lakh will be recovered from the retention money of ₹ 15.69 lakh payable to the contractor. Recovery of the remaining amount had not been intimated. (March 2023).

⁵⁷ Accumulated to ₹ 42.85 lakh on date of signing the MoU.

⁵⁸ ₹ 3.35 crore for CW1 and ₹ 4.02 crore for CW2.

⁵⁹ Delays as reckoned *vis-à-vis* 56 days, the time mentioned in the Agreement within which payment of Interim Payment Certificate is to be made.

⁶⁰ ₹ 3.10 crore for CW1 and ₹ 3.85 crore for CW2.

⁶¹ ₹ 24.97 lakh for CW1 and ₹ 17.12 lakh for CW2.

Thus, due to failure of the Department to release payments on time an avoidable expenditure of ₹ 6.95 crore as Financing Charges was incurred by the Department.

PUBLIC HEALTH ENGINEERING DEPARTMENT

3.5 Undue benefit to contractor

Undue benefit of ₹ 2.28 crore given to contractors due to adoption of higher rate of scaffolding item in construction of six overhead tanks.

Rule 21 of General Financial Rules 2017 as adopted by Government of Manipur states that every officer incurring or authorising expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy. The expenditure should not be *prima facie* more than the occasion demands.

As per para 24.2 of CPWD Analysis of rates for Delhi Volume-2 (2016), shuttering material used in scaffolding will become unserviceable after use of 40 times.

Scrutiny of records (December 2021 – January 2022) of the Executive Engineer, Imphal East Division, Public Health Engineering Department revealed that the work ‘Construction of six Overhead Tanks and ground sump and necessary pipelines in Thongju and its adjoining areas in Imphal East district for promoting tourism⁶² was to be executed at a cost of ₹ 23.89 crore as shown in the following **Table**:

Table 3.5.1: Details showing Estimated cost vis-à-vis Award cost

(Amount in ₹)				
Work	Nos.	Estimated cost	Total Estimated cost	Award cost (percentage above Estimated cost)
Construction of Over-Head tanks (6 lakh litre capacity)	4 Nos.	3,38,24,215	13,52,96,860	16,39,89,145 (21.21 %) ⁶³
Construction of Over-Head tanks (4.54 lakh litre capacity)	2 Nos.	3,01,05,925	6,02,11,850	7,48,86,013 (24.37%) ⁶⁴
Total				23,88,75,158

Construction of each of these Over-Head tanks consisted of 33 items of work, which among others, included ‘Construction of Scaffolding including fabrication, erection, dismantling, removal of the same, etc.,’ (referred hereafter as “Scaffolding, fabrication etc.”).

As per the item rate analysis, Scaffolding and fabrication, etc., work comprised using of material such as Mild Steel tubes/pipes, clamps, base plates, jacks, etc. Calculation was made on the basis that these material (*viz.*, *Mild Steel*

⁶² Funded under the North East Special Infrastructure Development Scheme (NESIDS) project.

⁶³ Actual percentage comes to 21.2069112320862 %.

⁶⁴ Actual percentage comes to 24.3708887868418 %.

tubes/pipes, clamps, base plates, jacks, etc.) would be unserviceable after using only four times. Accordingly, the estimated cost of Scaffolding, fabrication etc., work was worked out @ ₹ 34,21,377 (excluding 12 per cent GST) per Over-Head Tank.

Material used in Scaffolding, fabrication etc., work (viz., Mild Steel tubes/pipes, clamps, base plates, jacks, etc.) becoming unserviceable after using only four times is unlikely. Audit compared a similar item rate analysis of CPWD⁶⁵ and it was seen that such Scaffolding materials was treated as unserviceable after using 40 times. Considering the higher usage number adopted by CPWD (40 times), Audit calculated the cost of Scaffolding and fabrication, etc., work adopting a similar procedure followed by the Department and arrived at a cost of ₹ 3,16,037 per Over-Head Tank, against ₹ 34,21,377 per Over-Head Tank adopted by the Department. The details of comparison of these costs are given at **Appendix 3.5**.

The excess amount in construction of the six Over-Head tanks due to adoption of higher rate of Scaffolding, fabrication etc., work is shown in the following **Table**:

Table 3.5.2: Details showing excess amount

(Amount in ₹)

Name of Work (Number)	Estimated Cost of Scaffolding and fabrication, etc., work per Over-Head Tank		Difference	Difference after factoring the percentage above the estimate	Excess amount
	As adopted by the Department (Estimated cost inclusive of 12% GST)	As worked out by Audit (Estimated cost inclusive of 12% GST)			
(1)	(2)	(3)	(4) (2-3)	(5)	(6)
Construction of O/H tanks of 6.00 lakh litre capacity (4 Nos.)	34,21,377 (38,31,942)	3,16,037 (3,53,961)	31,05,340	37,63,983 (i.e. 21.21 per cent above)	1,50,55,930 (37,63,983 x 4)
Construction of O/H tanks of 4.54 lakh litre capacity (2 Nos.)	(Calculation on the basis that Scaffolding material are used 4 times)	(Calculation on the basis that Scaffolding material are used 40 times)		38,62,111 (i.e. 24.37 per cent above)	77,24,223 (38,62,111 x 2)
Total undue benefit					2,27,80,153

Thus, due to adoption of higher rate of the Scaffolding, fabrication etc., work, undue benefit amounting to ₹ 2.28 crore was extended to the contractor in execution of six Overhead Tanks.

In reply, the Department stated (March 2022) that the analysis of the Scaffolding was done as per norms. The Department further stated (December 2022) that the work was taken up on Turnkey basis for which all the designs, drawings, materials etc., were entirely under the scope of contractor. Hence, the question

⁶⁵ CPWD Analysis of rates for Delhi Volume-2 (2016).

of undue benefit to contractor because of unserviceability of materials does not arise.

The reply is not acceptable as Scaffolding materials becoming unusable after using four times is unlikely. Further, the Department had not furnished any norms which they claimed to have followed. In fact, Manipur Works Departments does not have its own published manual and follows the *mutatis mutandis* the CPWD manual.

Recommendation: The State Government should fix responsibility on the concerned person for non-adoption of CPWD rate analysis for the item of work and thus allowing undue benefit to the contractor.

3.6 Avoidable expenditure

Avoidable expenditure of ₹ 74.06 lakh was incurred by Water Supply Maintenance Division-II of PHED on removal of sliding earth.

Rule 21 of General Financial Rules 2017 states that every officer incurring or authorising expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy. The expenditure should not be *prima facie* more than the occasion demands.

Scrutiny of records (March 2022) of the Executive Engineer, Water Supply Maintenance Division-II, Public Health Engineering Department Manipur revealed that during 2019-21, the Department executed 10 (ten) works (February 2019 to August 2020) from State Fund for removal of excess excavated earth⁶⁶ sliding under construction of Water Treatment Plant (WTP) project at Chingkheiching at the cost of ₹ 3.14 crore. An expenditure of ₹ 2.88 crore was incurred (till date of Audit) for removal of the sliding earth of volume 82,085.67 cum at a distance of 5 km on these 10 works.

Audit noticed that a resort *viz.*, M/s Green Gold Park and Resort on the opposite side of the road had unconditionally offered to the Department (March 2017) its fields for dumping of the excess excavated earth from the WTP project. However, the Department prepared an estimate to dump the earth excavated at a distance of 5 km from the slide @ ₹ 382.12 per cum instead of a nearer distance just opposite to work site as offered by the Resort before commencement of the work. The Department did not consider the offer made by the Resort, which would have reduced the expenditure by ₹ 74.06 lakh. The details of calculation are given at **Appendix 3.6**. There is no record to show that the offer made by the Resort which could result in lesser expenditure was considered by the Department. Instead, the Department executed these 10 works by dumping the excess excavated earth of volume 82,085.67 cum at a longer

⁶⁶ Sliding of earth had taken place on the Northern side of the Lamlong Tinsid Road, adjacent to Green - Gold park and Resorts (on the opposite side of the road).

distance of 5 km and incurred an expenditure of ₹ 3.14 crore instead of ₹ 2.40 crore as shown in the following **Table**:

Table 3.6.1: Details showing avoidable expenditure

(Amount in ₹)

Quantity executed (Estimated quantity) (in cum)	Work amount for dumping excess earth at 5km	Work amount for dumping excess earth at 1km @ ₹ 291.90 per cum	Avoidable expenditure
(1)	(2)	(3)	(4) = (2-3)
82,085.67 (81,358.00)	3,13,66,576 (82,085.67 @ ₹ 382.12 per cum)	2,39,60,807 (82,085.67 @ ₹ 291.90 per cum)	74,05,769

Thus, the Department could have saved ₹ 74.06 lakh by dumping the excavated earth at the nearer site offered by the Resort.

The matter was referred (January 2023) to the Government; no reply is received (February 2023).

Chapter IV
Economic Sector
(State Public Sector Enterprises)

CHAPTER IV ECONOMIC SECTOR (STATE PUBLIC SECTOR ENTERPRISES)

4.1 Functioning of State Public Sector Enterprises

4.1.1 Introduction

As of 31 March 2022, the State of Manipur had 13 State Public Sector Enterprises (SPSEs) (all Government Companies including one non-working) as detailed in the following **Table**.

Table 4.1.1: Total number of SPSEs as on 31 March 2022

Type of SPSEs	Working SPSEs	Non-working SPSEs	Total
Government Companies ⁶⁷	10	3	13
Statutory Corporations	Nil	Nil	Nil
Total	10	3	13

None of these SPSEs were listed in the Stock Exchange, which means that shares of these SPSEs cannot be traded in the stock exchange. During the period of two years from 2020-21 to 2021-22, one new company⁶⁸ was incorporated under the Companies Act, 2013 while another company⁶⁹ was closed down.

4.1.2 Investment in SPSEs

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

As on 31 March 2022, investment of the State Government (capital and long-term loans) in 12 SPSEs⁷⁰ was ₹ 66.17 crore⁷¹ as per details given in the following **Table**.

Table 4.1.2: Details of State's investment in SPSEs

Year	Equity Capital	Long term Loans	Total
2021-22	65.59	0.58	66.17
2017-18	65.39	0.68	66.07

⁶⁷ Government Companies include 'Other Companies' referred to in Section 139(5) and 139(7) of the Companies Act, 2013 SPSEs.

⁶⁸ 'Cyber Corporation Manipur Limited' was incorporated (15 October 2020) under the Companies Act, 2013.

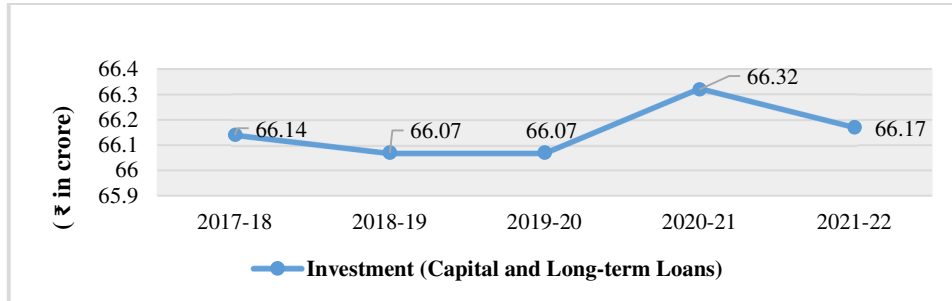
⁶⁹ 'Manipur IT SEZ Project Development Company Limited' ceased to exist with effect from 15 March 2022.

⁷⁰ Excluding one company (serial no. B3 of *Appendix 4.2*, a subsidiary of company at serial no. A1), which had no direct investment from the State Government as on 31 March 2022.

⁷¹ Investment figures are provisional and as provided by the SPSEs except for one SPSE (Manipur state Power Distribution Company Limited), which had finalised its Accounts for 2021-22.

State Government's investment as on 31 March 2022 consisted of 99.12 per cent (₹ 65.59 crore) towards capital and 0.88 per cent (₹ 0.58 crore) in long-term loans as against 98.97 per cent (capital) and 1.03 per cent (long-term loans) as on 31 March 2018. A graphical presentation of the State Government's investment in SPSEs during the last five years (2017-18 to 2021-22) has been given in **Chart 4.1.1**.

Chart 4.1.1: State's investment in SPSEs



Source: SPSEs Records.

As can be noticed from the **Chart** above, State Government's investment in SPSEs during the last five years remained almost steady except during 2020-21, when it increased to ₹ 66.32 crore. During last five years, the State's investment grew marginally by 0.05 per cent (₹ 0.03 crore) from ₹ 66.14 crore (2017-18) to ₹ 66.17 crore (2021-22).

During 2021-22, out of 10 working SPSEs, eight SPSEs incurred loss (₹ 24.58 crore) and only one SPSE earned profit (₹ 0.29 crore) as per their latest finalised accounts. Remaining one SPSEs⁷² (incorporated on 13 July 2016) had not finalised its first accounts (2016-17) as of September 2022. The profit-making SPSE had not declared any dividend during the year. There was no recorded information about existence of any specific policy of the State government regarding payment of minimum dividend by the SPSEs.

The State Government's investment (historical value) in SPSEs had eroded by 1.35 per cent in 2021-22, and the accumulated losses of five working SPSEs⁷³ (₹ 294.99 crore) had completely eroded the State's investment in their paid-up capital (₹ 47.19 crore), as per their latest finalised accounts.

4.1.2.1 Sector-wise total investment in SPSEs

Details of total investment (equity capital and long term loans) of State Government and Other Stakeholders (Central Government, Holding companies, Banks, Financial Institutions, etc.) in SPSEs under various important sectors at the end of 31 March 2018 and 31 March 2022 have been given in the following **Table**.

⁷² Serial No. A9 of **Appendix 4.2**.

⁷³ Serial No. A1, A5, A6, A7 and A8 of **Appendix 4.2**.

Table 4.1.3: Sector-wise details of total investments (equity capital & long term loans) in SPSEs

(₹ in crore)

Name of Sector	Government Companies	
	2017-18	2021-22
Power	511.83	612.51
Manufacturing	10.16	10.15
Finance	16.37	15.65
Agriculture & Allied	0.90	15.17
Miscellaneous	15.41	15.72
Total	554.67	669.20

It can be noticed from the **Table** above that during last five years (2017-18 to 2021-22), the combined investment of the State Government and other stakeholders in State SPSEs has increased in Power sector (₹ 100.68 crore) and Agriculture & Allied sector (₹ 14.27 crore) while the investment in Finance sector had decreased by ₹ 0.72 crore. The increase in the investment during 2017-22 under Power sector was on account of a net increase of ₹ 100.68 crore⁷⁴ in the long term borrowings of Power sector PSEs from ₹ 491.73 crore (2017-18) to ₹ 592.41 crore (2021-22) whereas the equity investment in Power sector PSEs during these years remained constant at ₹ 20.10 crore.

4.1.3 Reconciliation with Finance Accounts

The figures in respect of equity and loans provided by State Government as per the records of SPSEs should agree with the figures appearing in the Finance Accounts of the State for that year. In case the figures do not agree, the SPSEs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard as on 31 March 2022 is shown in the following **Table**.

Table 4.1.4: Equity, long term loans, guarantees outstanding as per the State Finance Accounts vis-à-vis the records of SPSEs

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as SSPSEs records	Difference
Equity	67.31	45.59 ⁷⁵	21.72
Loans	-	0.58	0.58
Guarantee ⁷⁶	548.21	695.65	147.44

Source: State Finance Accounts and information furnished by the SPSEs.

From the **Table** above, it can be noticed that there were unreconciled differences in the figures of equity (₹ 21.72 crore), loans (₹ 0.58 crore) and

⁷⁴ Fresh loans (₹ 232.35 crore) borrowed by State's power distribution company *minus* loan repayments (₹ 131.67 crore) by the State's power transmission company (₹ 100.00 crore) and State's power distribution company (₹ 31.67 crore) during 2018-22.

⁷⁵ Excluding equity contribution (₹ 20.00 crore) in the form of Assets transferred from the erstwhile State Electricity Department to two newly formed power sector companies (MSPCL and MSPDCL) consequent upon implementation of power sector reform.

⁷⁶ Represents the Guarantee outstanding against the borrowings of Manipur State Power Distribution Company Limited.

guarantees (₹ 147.44 crore). The difference in equity occurred in respect of 12 SPSEs⁷⁷ and some of the differences were pending reconciliation over a period of more than 23 years.

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

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

4.1.4 Accountability framework

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

➤ **Statutory Audit/ Supplementary Audit**

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

➤ **Role of Government and Legislature**

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

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

⁷⁷ Except for one SPSE (Manipur Police Housing Corporation Limited), in which no difference in equity investment was noticed.

Public Undertakings (CoPU) of the State Legislature. The CoPU sends its recommendations to the State Government for taking appropriate action.

4.1.5 Arrears in finalisation of accounts

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

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

Table 4.1.5 provides details of progress made by working SPSEs in finalisation of their annual accounts as of 30 September 2022.

Table 4.1.5: Position relating to finalisation of accounts of working SPSEs

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	Number of Working SPSEs	10	10	10	11	10
2	Number of accounts finalised during the year	1	10	1	5	7
3	Number of accounts in arrears	94	94	103	109	105 ⁷⁸
4	Number of Working SPSEs with arrears in accounts	10	10	10	10	9
5	Extent of arrears (numbers in years)	2 to 30 years	1 to 31 years	2 to 32 years	1 to 33 years	1 to 34 years

Source: Departmental Records.

As can be seen from the **Table** above, during last five years, the overall pendency of SPSE accounts had increased from 94 Accounts (2017-18) to 105 Accounts (2021-22). Increase in the pendency of accounts was attributable to less number of Accounts finalised (23 Accounts) by the SPSEs during 2018-22 compared to the number of accounts due for finalisation (41 Accounts) during the said period. Against the total arrears of 105 Accounts (9 SPSEs) as on 31 March 2022, 58 Accounts (55 *per cent*) pertained to two SPSEs namely, Manipur Tribal Development Corporation Limited (34 Accounts) and Manipur Police Housing Corporation Limited (24 Accounts).

⁷⁸ Excluding seven accounts of erstwhile Manipur IT SEZ Project Development Company Limited pending finalisation as on 31 March 2021, which ceased to exist with effect from 15 March 2022.

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

The Reports of the CAG have repeatedly highlighted the issue of arrears in preparation of accounts. Keeping in view the seriousness of the matter, the Principal Accountant General (Audit) Manipur took up (20 September 2021) the matter with the Chief Secretary of the State impressing upon to review the reasons for the huge pendency of State PSE accounts and initiate appropriate action to clear the arrears of accounts in a time bound manner. Further, meetings were also held with the Heads of SPSEs concerned from time to time (September to November 2021) suggesting several measures for early clearance of their pending accounts. The suggestions given to State SPSEs included engaging experts/ professionals to guide/help the SPSEs in finalisation of the pending accounts wherever the SPSEs lacked skilled manpower in this area. However, the State Government and the SPSEs concerned had not addressed the issue of clearing the accounts arrears in a time bound manner.

Recommendations:

- i. State Government may set up a special cell to oversee the clearance of arrears of accounts and set the targets for individual SPSEs, which may be monitored by the cell;*
- ii. State Government may ensure that existing vacancies in the accounts department of SPSEs are timely filled up with persons having domain expertise and experience; and*
- iii. The SPSEs may get the figures of equity and loans reconciled with the State Government Departments to reflect correct position in the State Finance Accounts.*

4.1.6 Investment by State Government in SPSEs whose accounts were in arrears

The State Government had invested ₹ 216.00 crore in six SPSEs (equity: ₹ 2.05 crore and grants: ₹ 213.95 crore) during the years for which these SPSEs had not finalised their accounts as detailed in **Appendix 4.1**. One Power sector SPSE (Manipur State Power Company Limited) was the major recipient of State Government funding amounting to ₹ 161.36 crore (Grants) during the period when its accounts were in arrears.

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

Recommendation: *Government may consider setting up a special cell under Finance Department to oversee the expeditious clearance of arrears of accounts of SPSEs. 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.

4.1.7 Special support and returns during the year

The State Government provides financial support to SPSEs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and interest waived in respect of the State SPSEs for the last three years ended 2021-22 are shown in the following **Table**.

Table 4.1.6: Details of budgetary support to SPSEs

(₹ in crore)

Sl. No.	Particulars	2019-20		2020-21		2021-22	
		No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
1	Equity Capital outgo from Budget	-	-	1	0.25	-	-
2	Loans given from budget	-	-	-	-	-	-
3	Grants/ subsidy from budget	4	281.94	4	299.26	6	495.69
4	Total outgo (1+2+3)	4	281.94	5	299.51	6	495.69
5	Guarantee issued	-	-	1	111.48	-	193.62
6	Guarantee commitment ⁷⁹	1	390.55	1	502.03	1	695.65

Source: As furnished by SPSEs.

As can be noticed from the **Table** above, the budgetary support provided by State Government to SPSEs during the last three years (2019-22) witnessed an increase from ₹ 281.94 crore in 2019-20 to ₹ 495.69 crore in 2021-22, which was mainly in the form of Grants/subsidy. The major recipient of the grants/subsidy during last three years was one power sector SPSE (Manipur State Power Distribution Company Limited), which received the grant/subsidy of ₹ 104.19 crore (2019-20), ₹ 120.00 crore (2020-21) and ₹ 323.23 crore (2021-22).

4.1.8 Performance of SPSEs as per their latest financial accounts

The financial position and working results of working SPSEs (Government Companies) are detailed in **Appendix 4.2**. The following **Table** provides the comparative details of working SPSEs turnover and State GDP for a period of five years ending 2021-22.

Table 4.1.7: Details of working SPSEs turnover vis-à-vis State GDP

(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Turnover ⁸⁰	161.02	232.60	232.63	480.88	584.92

⁷⁹ Guarantee commitment of the State Government for all three years pertained to the borrowings availed by Manipur State Power Distribution Company Limited.

⁸⁰ Turnover of working SPSEs as per their latest finalised accounts as on 30 September of the respective year.

GSDP⁸¹	25,789	27,388	31,297 (Q)	34,110 (A)	37,761 (P)
Percentage of Turnover to GSDP	0.62	0.85	0.74	1.40	1.55

It can be noticed from the table above that during 2017-22, the GSDP had increased from ₹ 25,789 crore (2017-18) to ₹ 37,761 crore (2021-22). Similarly, the SPSE-turnover during the corresponding period had also grown from ₹ 161.02 crore (2017-18) to ₹ 584.92 crore (2021-22). This led to corresponding increase in the contribution of SPSE-turnover to GSDP from 0.62 per cent (2017-18) to 1.55 per cent (2021-22). The increase in the SPSE-turnover was mainly driven by increase in turnover of power sector from ₹ 159.58 crore (2017-18) to ₹ 583.29 crore (2021-22).

➤ **Erosion of capital due to losses**

The paid-up capital and accumulated losses of 10 working SPSEs as per their latest finalised accounts as on 30 September 2022 were ₹ 53.39 crore and ₹ 295.51 crore respectively (*Appendix 4.2*).

During 2021-22, out of nine working SPSEs⁸², only one SPSE⁸³ earned profit (₹ 0.29 crore) as per its latest finalised accounts. Return on Equity (RoE) in respect of this profit-making SPSE was 47.54 per cent⁸⁴. Further, ROE of three⁸⁵ out of eight loss making SPSEs was negative.

ROE of the remaining five working SPSEs⁸⁶ was not workable as the accumulated losses (₹ 294.99 crore) of these SPSEs had completely eroded their paid-up capital (₹ 47.19 crore) as per their latest finalised accounts.

Primary erosion of equity capital by the accumulated losses occurred in respect of three working SPSEs as detailed in the following **Table**.

Table 4.1.8: SPSEs with primary erosion of paid up capital

(₹ in crore)			
Name of PSE	Latest finalised accounts	Paid up capital	Accumulated losses
Manipur State Power Distribution Company Limited	2021-22	10.05	156.70
Manipur State Power Company Limited	2020-21	10.05	83.22
Manipur Industrial Development Corporation Limited	2009-10	12.14	31.78
Total		32.24	271.70

⁸¹ Source: Department of Economics and Statistics, GoM (at current price, (Q)=Quick Estimate, (A)=Advance estimates, (P)=Provisional estimates.

⁸² Excluding one SPSE (Tourism Corporation of Manipur Limited), which had not finalised its first accounts (2016-17) as of September 2022.

⁸³ Manipur Police Housing Corporation Limited.

⁸⁴ ROE = Net Profit (₹ 0.29 crore) ÷ Shareholders' Fund (₹ 0.61 crore) % = 47.54 per cent.

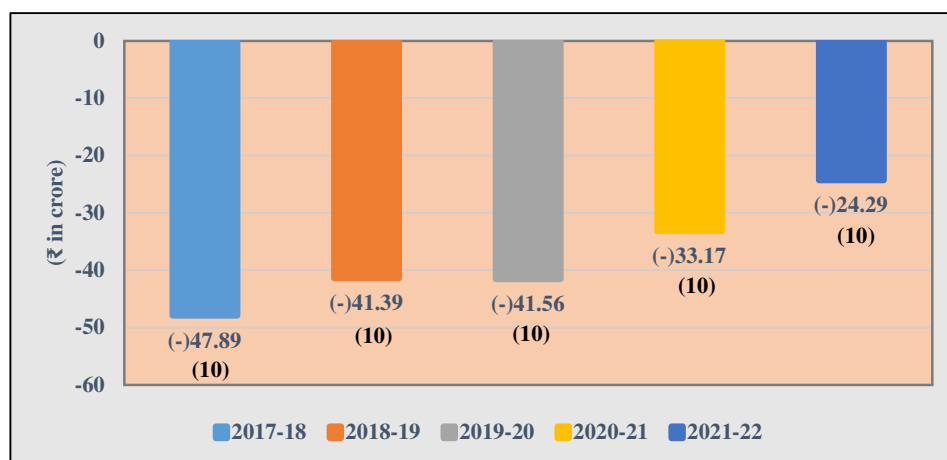
⁸⁵ Serial no. A2, A4 and A10 of *Appendix 4.2*.

⁸⁶ Serial no. A1, A5, A6, A7 and A8 of *Appendix 4.2*.

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

The overall position of losses incurred by the working SPSEs during 2017-18 to 2021-22 as per their latest finalised accounts as on 30 September of the respective year has been depicted in **Chart 4.1.2**.

Chart 4.1.2 Overall losses of working SPSEs



Figures in bracket show the number of working SPSEs in the respective years.

As depicted in the **Chart** above, the losses of working SPSEs showed a decreasing trend during 2017-22 except for marginal increase of ₹ 0.17 crore in SPSE losses during 2019-20. In five years, the overall losses of SPSEs have reduced by ₹ 23.60 crore (49 per cent) from ₹ 47.89 crore (2017-18) to ₹ 24.29 crore (2021-22) mainly due to reduction (₹ 21.74 crore⁸⁷) in losses of the two power sector SPSEs during the corresponding period.

During the year 2021-22, out of ten working SPSEs, only one SPSE⁸⁸ earned profit of ₹ 0.29 crore while eight SPSEs incurred losses aggregating ₹ 24.58 crore as per their latest finalised accounts. Remaining one SPSE⁸⁹ had not finalised its first annual Accounts (2016-17) as of September 2022. The major contributors to SPSE-losses were two power sector SPSEs as detailed in the following **Table**.

Table 4.1.9: Major contributors to the losses of working SPSEs

(₹ in crore)		
SPSE	Latest finalised accounts	Losses
Manipur State Power Company Limited	2020-21	11.19
Manipur State Power Distribution Company Limited	2021-22	11.11
Total		22.30

⁸⁷ Losses of two power sector SPSEs decreased from ₹ 44.04 crore (2017-18) to ₹ 22.30 crore (2021-22).

⁸⁸ Manipur Police Housing Corporation Limited.

⁸⁹ Tourism Corporation of Manipur Limited.

4.1.9 Key parameters

Some other key parameters of SPSEs performance as per their latest finalised accounts as on 30 September of the respective year are given in the following Table.

Table 4.1.10: Key parameters of SPSEs

Particulars	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Debt	83.59	151.71	160.56	493.11	477.51
Turnover⁹⁰	161.02	232.60	232.63	480.88	584.92
Debt/Turnover Ratio	0.52:1	0.65:1	0.69:1	1.03:1	0.82:1
Interest Expenses	0.61	0.89	0.89	2.73	10.12
Accumulated losses	124.53	166.35	166.52	250.06	302.77

➤ **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 SPSEs from core activities. Thus, the SPSEs having lower DTR are more likely to comfortably manage their debt servicing and repayments.

As can be seen from **Table 4.1.10**, during the period of five years (2017-18 to 2020-22), the SPSE debts had increased by around five fold (471 *per cent*) from ₹ 83.59 crore (2017-18) to ₹ 477.51 crore (2021-22) while the pace of growth in the SPSE-turnover during the corresponding period was comparatively low at around three fold (263 *per cent*) from ₹ 161.02 crore (2017-18) to ₹ 584.92 crore (2021-22). As a result, the Debt to Turnover Ratio during 2017-22, has increased from 0.52:1 (2017-18) to 0.82:1 (2021-22), which indicated deteriorated position of SPSEs in servicing and repayment of their long-term debts as compared to previous years.

Further, the accumulated losses of SPSEs during the last five years (2017-22) increased by ₹ 178.24 crore mainly due to increase of ₹ 175.83 crore in the accumulated losses of power sector SPSEs from ₹ 64.09 crore (2017-18) to ₹ 239.92 crore (2021-22).

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

The Rate of Real Return (RORR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for their time value. To determine the Rate of Real Return on Government Investment (RORR), the investment of State Government⁹¹ in the form of equity, interest free loans and grants/subsidies given by the State Government for operational and management expenses less the disinvestments (if any), should be considered, and indexed to their Present Value (PV) and

⁹⁰ Turnover of working SPSEs as per their latest finalised accounts as of 30 September of respective year.

⁹¹ State Government investment in SPSEs as per the records of respective SPSEs.

summed. The RORR is then to be calculated by dividing the ‘profit after tax’ (PAT) by the sum of the PV of the investments.

During 2021-22, overall losses of 13 SPSEs (10 working and 3 non-working) stood at ₹ 25.16 crore⁹² (*Appendix 4.2*). On the basis of return on historical value of investment, the State Government investment eroded by 1.35 *per cent* during 2021-22. Further, as per the Rate of Real Return worked out based on the present value of investment, the State Government investment eroded by 1.05 *per cent* as shown in *Appendix 4.3*. This difference in the percentage of investment erosion was on account of adjustments made in the investment amount for the time value of money.

4.1.11 Impact of Audit Comments on Annual Accounts of SPSEs

During October 2020 to September 2022, four SPSEs forwarded twelve audited accounts⁹³ to the Principal Accountant General (Audit), Manipur. The accounts were selected for supplementary audit, which was completed. The Statutory Auditors had given qualified opinion on eleven⁹⁴ accounts and unqualified certificate on one⁹⁵ accounts.

Gist of some of the important comments of the Statutory Auditors and CAG in respect of the accounts of the SPSEs are as under:

➤ *Manipur State Power Distribution company Limited (2021-22)*

(a) Understatement of current liabilities – Trade Payables

Understatement of ‘Current Liabilities-Trade Payables’ and ‘Loss for the year’ by ₹ 2.99 crore due to non-provisioning towards power purchase bills for the current year received (June 2022) before approval (August 2022) of the Annual Accounts.

(b) Overstatement of ‘Reserve & Surplus-Capital Reserves’

‘Reserve & Surplus-Capital Reserves’ was overstated by ₹ 7.49 crore due to incorrect classification of the Long Term Loans availed (2017-18 to 2020-21) from Rural Electrification Corporation Limited for implementation of the central scheme (Rajiv Gandhi Grameen Vidyutikaran Yojana) as ‘Capital Grants’.

⁹² As per latest finalised accounts of SPSEs as on 30 September 2022 and after considering the profit (₹ 0.29 crore) earned by one SPSE (Manipur Police Housing Corporation Limited).

⁹³ Five Accounts (October 2020 to September 2021) and seven Accounts (October 2021 to September 2022).

⁹⁴ Eleven accounts of two power sector companies: Manipur State Power Company Limited - 5 accounts (2016-17 to 2020-21) and Manipur State Power Distribution Company Limited - 6 accounts (2016-17 to 2021-22).

⁹⁵ Accounts of Cyber Corporation Manipur Limited for the year 2020-21.

➤ **Manipur State Power Company Limited (2020-21)**

(a) Overstatement of loss

Loss for the year was overstated by ₹ 0.74 crore due to non-accounting of dividend declared by North East Transmission Company Limited for the financial year 2020-21.

(b) Overstatement of Capital Work-in-Progress

Capital Work-in-Progress was overstated by ₹ 1.97 crore due to wrong accounting of the cost of 10 different civil works completed during 2020-21 under Capital Work-in-Progress instead of buildings.

4.1.12 Winding up of non-working SPSEs

As on 31 March 2022, there were three non-working SPSEs (*Appendix 4.2*), which had been non-functional for last 18 to 22 years. The said SPSEs were in the process of liquidation under Section 560 of the Companies Act, 1956. Since the non-working SPSEs were neither contributing to the State economy nor meeting the intended objectives of their formation, the liquidation process to wind up these SPSEs needs to be expedited.

4.1.13 Follow up action on Audit Reports

Replies/Explanatory notes outstanding

The Reports of the CAG represent the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive authorities. As per the recommendation of the Shakdher Committee⁹⁶, all Administrative Departments are required to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the CAG within a period of three months⁹⁷ of their presentation to the State Legislature in the prescribed format without waiting for any questionnaires from the Committee on Public Undertakings (CoPU).

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

⁹⁶ Shakdher Committee under the Chairmanship of Shri. S.L Shakdher, formerly Chief Election Commissioner of India was formed (01 August 1992) with a view (i) to study the response of the State Government (and their public enterprises) to the Audit Reports of CAG and the response of the State Governments to the recommendations of the respective PAC/CoPU in the context of the Audit Reports; and (ii) to examine how far the Audit Reports of CAG are effective in enhancing the Executive's financial accountability to the Legislature in the States.

⁹⁷ As per the prescribed time schedule, *suo moto* replies to be furnished within three months in case Audit Paragraphs are not selected by the PAC/CoPU during this period.

Table 4.1.11: Status of explanatory notes not received (as on 28 February 2023)

Year of the Audit Report (Commercial /SPSE)	Date of placement of Audit Report in the State Legislature	Total number of Performance Audits (PAs) and Paragraphs included in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2013-14	29 June 2015	-	3	-	3
2014-15	2 September 2016	2	1	-	-
2015-16	21 July 2017	-	2	-	-
2016-17	23 July 2018	-	1	-	-
2017-18	17 February 2020	-	1	-	-
2018-19	25 March 2022	1	2	-	-
2019-20	22 February 2023		1	-	1
Total		3	11	0	4

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

From **Table 4.1.11**, it could be seen that explanatory notes to four paragraphs relating to two SPSEs⁹⁸, included in the Audit Reports 2013-14 and 2019-20 respectively, were not submitted by the State Government (February 2023).

4.1.14 Discussion of Audit Reports by CoPU

The status as on 28 February 2023 of Performance Audits (PAs) and compliance Audit paragraphs relating to SPSEs that appeared in the Audit Reports of CAG for the last seven years (2013-14 to 2019-20) and discussed by the Committee on Public Undertakings (CoPU) is shown in following **Table**.

Table 4.1.12: Position on discussion of Audit Reports by CoPU

Period of Audit Report ⁹⁹	Number of performance audits/ paragraphs			
	Appeared in Audit Report		Paragraphs discussed	
	PAs	Paragraphs	PAs	Paragraphs
2013-14	Nil	3	Nil	Nil
2014-15	2	1	Nil	1
2015-16	Nil	2	Nil	2
2016-17	Nil	1	Nil	1
2017-18	Nil	1	Nil	Nil
2018-19	1	2	1	2
2019-20	Nil	1	Nil	Nil
Total	3	11	1	6

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

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

4.1.15 Compliance to Reports of the CoPU

Action Taken Notes (ATNs) relating to 114 recommendations pertaining to five Reports of the CoPU presented to the State Legislature between March 1986

⁹⁸ Manipur Tribal Development Corporation Limited and Manipur Police Housing Corporation Ltd.

⁹⁹ For periods prior to 2013-14, 37 audit paragraphs (6 PA and 31 CA) pertaining to Audit Reports for the years from 1995-96 to 2006-07, 2009-10 and 2012-13 are yet to be discussed by CoPU.

and March 2020 had not been received from the Government (28 February 2023) as indicated in the following **Table**.

Table 4.1.13: Compliance to CoPU Reports

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

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

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

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

Chapter V
Revenue Sector

CHAPTER V REVENUE SECTOR

5.1 Trend of revenue receipts

The Tax and Non-tax revenue raised by the Government of Manipur, the State's share of net proceeds of Union taxes and duties and Grant-in-aid (GIA) received from the Government of India (GoI) during the year 2021-22 and the corresponding figures in previous four years are given in the following **Table**.

Table 5.1.1: Trends of revenue receipts

(₹ in crore)						
Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue raised by the State Government						
1	Tax revenue	790.94	1,046.05	1,201.12	1,294.49	1,648.51
	Non-tax revenue	174.07	166.24	134.53	148.07	108.13
	Total	965.01	1,212.29	1,335.65	1,442.56	1,756.64
Receipts from the GoI						
2	State's share of Union taxes and duties	4,154.33	4,698.59	4,047.77	4,271.97	6,009.64
	GIA	5,238.49	4,650.83	5,300.74	7,268.12	6,324.72
	Total	9,392.82	9,349.42	9,348.51	11,540.09	12,334.36
3	Total receipts of State Government (1 & 2)	10,357.83	10,561.71	10,684.16	12,982.65	14,091.00
Percentage of 1 to 3		9.32	11.48	12.50	11.11	12.47

Source: Finance Accounts.

During 2020-21, the revenue raised by the State Government was ₹ 1,442.56 crore which was 11.11 *per cent* of its total revenue receipts of ₹ 12,982.65 crore of the State. The balance receipts of ₹ 11,540.09 crore (88.89 *per cent*) during 2020-21 were from Government of India as State's share of net proceeds of Union taxes and duties and GIA.

During 2021-22, the revenue raised by the State Government was ₹ 1,756.64 crore which was 12.47 *per cent* of its total revenue receipts of ₹ 14,091 crore of the State. The balance receipts of ₹ 12,334.36 crore (87.53 *per cent*) were from Government of India as State's share of net proceeds of Union taxes and duties and GIA.

5.1.1 Tax Revenue

Details of Budget Estimates (BEs) of tax revenue and actual receipts of tax revenue raised during the period 2017-18 to 2021-22 are given in the following **Table**.

Table 5.1.2: Details of Tax Revenue

(₹ in crore)

Head of revenue	2017-18		2018-19		2019-20		2020-21		Increase (+)/decrease (-) in actuals in 2020-21 over 2019-20 (in per cent)	2021-22		Increase (+)/decrease (-) in 2021-22 over 2020-21 (in per cent)
	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals		BEs	Actual	
Taxes on sales, trade etc.	700.00	385.58	204.66	253.02	288.45	235.53	274.74	336.45	(+42.85)	350.0	411.66	(+22.35)
Goods and Services Tax	0.00	301.53	400.98	694.70	754.78	852.58	913.58	866.51	(+1.63)	1500.0	1125.56	(+29.90)
Motor Vehicles Tax	40.00	36.14	45.60	39.83	45.28	47.70	51.62	37.96	(-)20.08	70.0	56.67	(+)49.29
Stamps & Registrati on Fees	30.00	13.98	34.20	17.62	16.01	16.60	16.01	8.66	(-)47.83	24.0	7.98	(-)7.85
State Excise	12.00	9.37	13.68	8.18	8.79	11.60	14.50	11.85	(+)2.16	18.0	16.00	(+)35.02
Land Revenue	5.00	1.44	5.70	3.54	2.70	4.10	2.70	3.81	(-)7.07	7.0	3.36	(-)11.81
Taxes and duties on electricity	0.06	0.00	0.07	-	-	-	-	-	-	-	-	-
Others ¹⁰⁰	44.64	40.73	44.81	42.89	51.08	33.01	51.51	29.25	(-)11.39	85.6	27.29	(-)6.70
Total	831.87	790.94	755.97	1046.05	1184.54	1201.12	1324.66	1294.49	(+)7.77	2054.6	1648.52	(+)27.35

BEs: Budget Estimates.

Source: Annual Financial Statements and Finance Accounts.

The State's Own Tax revenue increased during 2021-22 by ₹ 354.03 crore over the previous year mainly due to increase in Taxes on sales, trade etc., Goods and Services Tax and Motor Vehicles Tax.

Commissioner of Excise, Manipur stated (November 2022 and February 2023) that the increase in revenue is due to revised rates of Licence Fee and Excise Duty and increase of quantity of import of Indian-made foreign liquor (IMFL), Rum, Beer & Wine by the Para-Military Forces.

In respect of Stamps and Registration fees, the Revenue Department stated the decrease in revenue raised during 2020-21 was attributed to temporary suspension of registration of transactions (Sale, purchase and gifts) of land and property and due to the impact of COVID pandemic over the previous year.

Other departments despite being requested (October 2022 and January 2023) did not furnish the reasons for variations in tax-revenue (March 2023).

¹⁰⁰ Other taxes include other Taxes on income and expenditure, other taxes and Duties on Commodities and Services and Taxes on Goods and Passengers.

5.1.2 Non-tax Revenue

Details of budget estimates of non-tax revenue and actual realisation of non-tax revenues during the period 2017-18 to 2021-22 are given in the following **Table**.

Table 5.1.3: Details of Non-Tax Revenue

(₹ in crore)

Sl. No.	Head of revenue	2017-18		2018-19		2019-20		2020-21		Increase (+)/decrease(-) in 2020-21 over 2019-20 (in per cent)	2021-22		Increase (+)/decrease(-) in 2021-22 over 2020-21 (in per cent)
		BEs	Actual	BEs	Actual	BEs	Actual	BEs	Actual		BEs	Actual	
1	Miscellaneous General Services	150.00	114.39	150.00	111.37	220.11	101.13	206.86	123.77	(+)22.39	300.00	84.23	(-)31.95
2	Interest receipts	40.54	19.27	42.57	18.68	20.23	6.39	20.23	2.25	(-)64.79	15.00	1.36	(-)39.56
3	Forestry and Wild Life	35.00	23.61	35.00	15.26	24.80	9.70	10.00	6.65	(-)31.44	40.00	7.76	(+)16.69
4	Major and Medium Irrigation	2.10	0.27	2.21	2.68	0.28	0.76	0.29	0.22	(-)71.05	2.50	0.10	(-)54.55
5	Public Works	2.22	1.87	2.33	1.62	1.96	1.23	1.96	1.56	(+)26.83	4.00	0.84	(-)46.15
6	Other Administrative Services	1.45	2.34	1.52	3.09	2.46	2.75	2.46	2.68	(-)2.55	6.00	3.67	(+)36.94
7	Police	1.26	0.91	1.32	1.42	0.96	0.81	1.04	1.23	(+)51.85	1.50	1.69	(+)37.40
8	Medical and Public Health	0.35	1.16	0.37	0.69	1.22	0.69	1.31	0.45	(-)34.78	1.44	0.99	(+)120.00
9	Co-operation	0.27	0.34	0.29	0.41	0.36	0.45	0.46	0.34	(-)24.44	0.90	0.14	(-)58.82
10	Other non-tax receipts ¹⁰¹	12.31	9.91	12.93	11.02	10.4	10.62	12.00	8.92	(-)16.01	16.19	7.35	(-)17.60
	Total	245.50	174.07	248.54	166.24	282.78	134.53	256.61	148.07	(+)10.06	387.53	108.13	(-)26.97

Source: Annual Financial Statements and Finance Accounts.

During 2021-22 Non-tax revenue collection decreased by ₹ 39.94 crore as compared to previous year mainly due to less collection under Interest receipts, Major and Medium Irrigation and Co-operation.

Co-Operation Department reported (November 2022) that decrease in revenue as compared to previous year was due to impact of COVID pandemic.

Other departments, despite being requested (October 2022 and January 2023), did not furnish the reasons for variations in non-tax-revenue (March 2023).

5.1.3 Revenue and return filing trends under GST

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

The comparison of budget estimates and the corresponding actual collection of Goods and Service Tax (GST) during the period from 2017-18 to 2021-22 are as shown in the following **Table**.

¹⁰¹ Comprising of 22 Major Heads amounting to ₹ 8.92 crore during 2020-21 and 19 Major heads amounting to ₹ 7.35 crore during 2021-22

Table 5.1.4: Revenue from GST during 2017-18 to 2021-22

(₹ in crore)

Year ¹⁰² State GST	Budget Estimates (BE)	Revised Estimates (RE) (State GST)	Actuals State GST
2017-18	-	348.68	301.53
2018-19	400.98	662.09	694.70
2019-20	754.78	861.87	852.58
2020-21	913.58	1,000.00	866.51
2021-22	1,500.00	1,445.00	1,125.56

Source: Information furnished by Taxation Department, Manipur.

It could be seen from the above **Table** that the actual collection of revenue from SGST in the five years from 2017-18 to 2021-22 was less than the targets as projected in the revised estimates except for the year 2018-19.

5.1.3.2 Bi-monthly compensation received from Union Government

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

The bi-monthly compensation received from Union Government under GST (Compensation to States) Act, 2017¹⁰³ for the year 2020-21 and 2021-22 are as given in the following **Table**.

Table 5.1.5: Bi-monthly compensation received from Union Government for the year 2020-21 and 2021-22

(₹ in crores)

Month	Provisional compensation				Shortfall +/- Excess (-), if any	
	2020-21		2021-22		2020-21	2021-22
	Due	Received	Due	Received		
April-May	Nil	Nil	Nil	Nil	Nil	Nil
June-July	Nil	Nil	Nil	Nil	Nil	Nil
Aug-Sept	Nil	Nil	Nil	Nil	Nil	Nil
Oct-Nov	Nil	Nil	Nil	Nil	Nil	Nil
Dec-Jan	Nil	11.17	Nil	Nil	Nil	Nil
Feb-March	Nil	11.17	Nil	Nil	Nil	Nil
Total	Nil	22.34	Nil	Nil	Nil	Nil

Source: Information furnished by Taxation Department, Manipur.

During 2020-21, the State had received a provisional compensation of ₹ 22.34 crore from GoI. However, during 2021-22, the State government did not receive any compensation from GoI.

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

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

The trends of IGST apportionment to the State and its cross utilisation are as

¹⁰² GST data on Budget Estimates for the Financial year 2017-18 is not applicable as GST was implemented from July 2017.

¹⁰³ An act to provide compensation to the States for the loss of revenue arising on account of implementation of the GST in pursuance of the 101 Constitutional Amendment Act, 2016.

given in the following **Table**.

Table 5.1.6: Integrated Goods and Services Tax

(₹ in crore)

IGST component	2017-18	2018-19	2019-20	2020-21	2021-22
IGST ¹⁰⁴ apportioned to the State as per Section 17 of IGST Act, 2017	28.27	49.15	71.92	623.85	808.61
IGST provisionally/ad-hoc apportioned to the State	15.00	56.51	16.60	32.92	50.48
IGST cross utilised between					
SGST ¹⁰⁵ as IGST	(-) 0.19	(-) 3.04	(-) 2.10	NA	(+) 4.46
IGST as SGST	(+) 182.83	(+) 414.36	(+) 561.14	NA	(+) 672.54

NA – Not furnished.

Source: Information furnished by Taxation Department, Manipur.

As seen from the above **Table**, the IGST apportioned to the State that stood at ₹ 28.27 crore in 2017-18 increased significantly to ₹ 623.85 crore during 2020-21. This has again increased to ₹ 808.61 crore during 2021-22.

5.1.3.4 Registration under GST

The category-wise registrations under GST as on 31 March 2021 and 31 March 2022 are as given in the following **Table**.

Table 5.1.7: Details of GST registrations as on 31 March

Category of Registrant	2021		2022	
	No. of Registrants	Percentage of total	No. of Registrants	Percentage of total
Normal taxpayers	10,557	83.53	11,837	85.23
Composition taxpayers	1,459	11.54	1,378	9.92
Tax Deductors at Source	542	4.29	568	4.08
Tax Collectors at Source	70	0.55	100	0.72
Input Service Distributors	0	0.00	0	0.0
Others (Casual, NRTP, OIDAR)	11	0.09	5	0.03
Total Registrants	12,639		13,888	

Source: Information furnished by Taxation Department, Manipur.

As on 31 March 2021, the total registration under GST was 12,639 of which normal taxpayers were 10,557 which accounted for 83.5 per cent and composition taxpayers were 1,459 which accounted for 11.5 per cent.

As on 31 March 2022, the total registration under GST increased to 13,888 of which normal taxpayers were 11,837 (85.23 per cent). However, number of composition taxpayers decreased to from 1,459 in 2020-21 to 1,378 in 2021-22. No reason for decrease of number of Composition Tax payers was furnished by the Department.

¹⁰⁴ IGST: It is a tax collected by the Central Government for an inter-State sale.

¹⁰⁵ SGST: It is a tax collected by the State Government for an intra-State sale.

5.1.3.5 GST Return filing pattern of GSTR-1 and GSTR-3B

The trends of filing of GSTR-1¹⁰⁶ and GSTR-3B¹⁰⁷ in Manipur as on 31 March 2021 and 31 March 2022 are as shown in the following Table.

Table 5.1.8: Details of return filing of GSTR-1 and GSTR-3B during 2020-21 and 2021-22

GSTR-1						
Month	2020-21			2021-22		
	Due for filing	Return filed	Per cent	Due for filing	Return filed	Per cent
April	10,507	3,751	35.70	9,480	1,231	12.99
May	10,513	3,738	36.56	9,486	1,354	14.27
June	10,608	5,811	54.78	9,484	2,467	26.01
July	10,870	3,786	34.83	9,575	4,281	44.71
August	11,132	3,838	34.48	9,750	3,475	35.64
September	11,315	5,844	51.65	9,845	4,576	46.48
October	11,545	3,871	33.53	9,837	4,115	41.83
November	11,604	3,960	34.13	10,203	4,292	42.07
December	11,593	5,931	51.16	10,420	5,138	49.31
January	11,762	4846	41.20	10,606	4,208	39.68
February	11,873	4,723	39.78	10,805	4,293	39.73
March	12,010	4,853	40.41	10,641	5,006	47.04

GSTR-3B										
Month	2020-21					2021-22				
	Due for filing	Returns filed as on last day of the report period	Per cent	Returns filed by due date	Per cent	Due for filing	Returns filed as on last day of the report period	Per cent	Returns filed by due date	Per cent
April	10,507	7,505	71.43	602	5.73	9,480	7,148	75.40	1426	15.04
May	10,513	7,465	71.01	1,007	9.58	9,486	7,116	75.02	1763	18.59
June	10,608	7,490	70.61	1,936	18.25	9,484	8,566	90.32	4725	49.82
July	10,870	7,561	69.56	1,352	12.44	9,575	7,134	74.51	4688	48.96
August	11,132	7,640	68.63	2,397	21.53	9,750	7,164	73.48	5023	51.52
September	11,315	7,629	67.42	2,494	22.04	9,845	8,702	88.39	5077	51.57
October	11,545	7,705	66.74	2,780	24.08	9,837	7,099	72.17	5283	53.71
November	11,604	7,765	66.92	2,950	25.42	10,203	7,062	69.21	4642	45.50
December	11,593	7,767	67.00	3,663	31.60	10,420	8,449	81.08	5531	53.08
January	11,762	5,606	47.66	3,393	28.85	10,606	6,655	62.75	4317	40.70
February	11,873	4,951	41.70	3,946	33.24	10,805	6,384	59.08	4348	40.24
March	12,010	5,958	49.61	4,226	35.19	10,641	5,040	47.36	5040	47.36

Source: Information furnished by Taxation Department, Manipur.

During 2020-21, filing of GSTR-1 returns ranged from 33.53 per cent to 54.78 per cent while in 2021-22 it ranged from 12.99 per cent to 49.31 per cent. Filing of GSTR-3B ranged from 41.70 per cent to 71.43 per cent in 2020-21 and showed an improving trend as it ranged from 47.36 per cent to 90.32 per cent during 2021-22.

¹⁰⁶ GSTR-1: It is a sales return that is required to be filed by every GST registered person.

¹⁰⁷ GSTR-3B: It is a self-declared consolidated summary return of inward and outward supplies which is required to be filed by a registered person electronically on the GST common portal.

5.1.3.6 Revenue earning from top 10 commodities/services

The details of the revenue earning from top 10 commodities/services during 2020-21 and 2021-22 are as given in the following Table.

Table 5.1.9: Revenue from top 10 commodities/services during 2020-21

(₹ in crore)

SI. No.	Name of commodity	Revenue under GST	Ranking
1	Automobiles	82.06	1
2	Electrical Equipment	57.21	2
3	Iron & Steel	53.72	3
4	Cement and Mineral Products	35.39	4
5	Dairy Products	28.33	5
6	Pharmaceutical products	27.63	6
7	Machinery & Mechanical Appliances	21.56	7
8	Oil Products	15.54	8
9	Misc. Edible Preparations	14.86	9
10	Tubes & Tyres	8.82	10
Sl. No.	Name of Service	Revenue under GST	Ranking
1	Construction Services	50.70	1
2	Communication Services	19.82	2
3	Financial services	13.45	3
4	Support Services	11.72	4
5	Transport services	4.50	5
6	Other services	3.48	6
7	Leasing, rental services	3.30	7
8	Professional Services	1.61	8
9	Maintenance & Repair services	0.94	9
10	Accommodation, Food & Beverage Services	0.76	10

Source: Information furnished by Taxation Department, Manipur.

Table 5.1.10: Revenue from top 10 commodities/services during 2021-22

(₹ in crore)

Sl. No.	Name of Commodity	Revenue under GST	Ranking
1	Automobiles	90.03	1
2	Iron & Steel	66.13	2
3	Electrical, machinery and equipment	48.30	3
4	Lime, cement and minerals products	38.72	4
5	Pharmaceutical products	34.85	5
6	Diary products	31.80	6
7	Machinery & Mechanical Appliances	22.71	7
8	Mineral fuel and oil products	18.76	8
9	Mis. Edible preparations	17.04	9
10	Rubber & Articles (Tubes & Tyres)	10.27	10
Sl. No.	Name of Service	Revenue under GST	Ranking
1	Construction services	69.35	1
2	Communications services	15.71	2
3	Financial services	13.86	3
4	Support services	11.40	4
5	Other services	5.49	5
6	Transport services	4.65	6
7	Real Estate, Leasing, Rental services	2.61	7
8	Professional services	1.31	8
9	Accommodation, Food & Beverages services	1.27	9
10	Maintenance & Repair Services	0.94	10

Source: Information furnished by Taxation Department, Manipur.

During 2020-21, under the Commodity Sector, Automobiles (₹ 82.06 crore), Electrical Equipment (₹ 57.21 crore) and Iron & Steel (₹ 53.72 crore) were the main contributor of SGST, while Construction Services (₹ 50.70 crore) and Communication Services (₹ 19.82 crore) were the main contributor of SGST under Service Sector.

During 2021-22, Automobiles (₹ 90.03 crore), Iron & Steel (₹ 66.13 crore) and Electrical, machinery & equipment (₹ 48.30 crore) were the main contributors of SGST under the Commodity sector, while Construction services (₹ 69.35 crore), Communications services (₹ 15.71 crore) and Financial Services (₹ 13.86 crore) were the main contributor of SGST under the Service sector.

5.1.3.7 Analysis of arrears of revenue

The arrears of revenue on account of Taxes/VAT and GST as on 31 March 2020 to 31 March 2022 are as shown in the following **Table**.

Table 5.1.11: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Total amount outstanding as on 31 March			Amount outstanding for more than five years as on 31 March		
		2020	2021	2022	2020	2021	2022
1	Taxes/ VAT	0.00	91.00	0.73	0.00	0.00	0.00
2	GST	0.00	0.00	1.57	0.00	0.00	0.00
Total		0.00	91.00	2.30	0.00	0.00	0.00

Source: Information furnished by Taxation Department, Manipur.

It can be seen from the above **Table** that the arrear of Taxes/VAT which was nil at the end of March 2020 increased to ₹ 91.00 crore at the end of March 2021. However, this decreased considerably to ₹ 2.30 crore by the end of March 2022. There was no arrear of revenue (GST/VAT) outstanding for more than five years during 2019-20 to 2021-22.

5.2 Non-production of records to audit

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

During the year 2020-21, there was two cases under Revenue Department where records¹⁰⁸ were not made available to audit. Amount involved could not be ascertained due to non-availability of records. Break-up of the case are given in the following **Table**.

Table No. 5.2.1: Details of non-production of records

Name of the office/Department	Year in which it was to be audited	Number of cases not audited	Tax amount
Revenue	2020-21	2	Not Available

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

Details are shown in **Appendix 5.1**.

¹⁰⁸ Register of Mutation, Land Valuation, Issuance of Jammabandi, Income Certificate, Annual Village Statement, Taozi Register, Notice served to defaulting pattadars etc.,

As the records were not produced for scrutiny, Audit was unable to vouchsafe the genuineness of the underlying transactions and therefore, possibilities of fraud and unhealthy practices taking place in those offices could not be ruled out.

During the year 2021-22, there was no case of non-production of records to Audit for scrutiny.

5.3 Audit Planning

The audit units under various Departments are categorised into high, medium and low risk units according to their revenue position, volume of transactions, past trends of audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter alia* include critical issues in Government revenues and tax administration *i.e.* Budget Speech, White Paper on State Finances, Reports of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of the revenue earnings during the past five years, features of the tax administration, audit coverage and its impact during past five years, *etc.*

During the year 2020-21, there were 64 auditable units, of which 19 units were planned and audited, which was 100 *per cent* of the total planned units.

During the year 2021-22, out of 64 auditable units, 8 units were planned and audited, which was 100 *per cent* of the total planned units.

5.4 Results of Audit

Position of local audit conducted during the year

Test check of the records of Taxation Department, Finance Department and Settlement and Land Records, Sub-Registrar Office and Sub-Divisional Office during the year 2020-21 showed short levy/non-realisation of outstanding revenues aggregating to ₹ 0.15 crore in 19 cases. The Department did not furnish any reply regarding under assessment and other deficiencies, which were pointed out in audit during 2020-21.

During the year 2021-22, test check of the records of Transport Department revealed that there was short levy/non-realisation of outstanding revenues to the tune of ₹ 11.42 crore in 8 cases.

5.5 Coverage of this Report

This Chapter contains one Compliance Audit paragraphs involving financial effect of ₹ 73.33 lakh as discussed in succeeding paragraph.

COMPLIANCE AUDIT

TAXATION DEPARTMENT

5.6 Short-realisation of Revenue

Failure of the Department to take timely action to realise outstanding tax from a dealer resulted in short-recovery of tax revenue amounting to ₹ 32.74 lakh and interest of ₹ 40.59 lakh.

As per Section 28 (4) of the Manipur Value Added Tax (MVAT) Act, 2004, every dealer shall pay the full amount of tax payable according to the Return filed by him into the Government Treasury or in such other manner as may be prescribed, and shall furnish a receipt showing full payment of such amount along with the Return. Further, as per Section 29 (1)(a) of the Act *ibid*, where a dealer fails to pay the amount of tax due as per the Return, interest @ 2 per cent per month from the date the tax payable had become due shall be levied.

Scrutiny of records (February 2020) of the Office of Commissioner of Taxes for the period April 2018 to March 2019 revealed (in the Returns furnished by a dealer M/s Souvio Enterprises) that there was sale of High Speed Diesel (HSD) worth ₹ 373.41 lakh and Motor Spirit (MS) for ₹ 191.45 lakh for which the total tax payable was ₹ 98.81 lakh. Audit, however, observed that the dealer paid tax of only ₹ 66.07 lakh resulting in short payment of ₹ 32.74 lakh. Further, interest of ₹ 40.59 lakh was also leviable for delay in payment of the outstanding tax as on 31 December 2022 under the provisions of the MVAT Act *ibid*. Thus, a total amount of ₹ 73.33 lakh¹⁰⁹ was recoverable from the dealer as indicated in *Appendix 5.2*.

While accepting with the audit observation, the Department stated (November 2021) that notice had been served to the Dealer for payment of the outstanding tax amount. The Department also stated (October 2022) that updated tax recovery and assessment report would be furnished to Audit. However, no such report has been furnished to audit till date (January 2023).

Thus, failure of the assessing Authority to examine the returns and take timely action to realise the outstanding tax from the dealer resulted in short-recovery of tax revenue amounting to ₹ 73.33 lakh (₹ 32.74 lakh balance tax and an interest amount of ₹ 40.59 lakh) for the period from September 2016 to March 2019.

¹⁰⁹ ₹ 73.33 lakh = ₹ 32.74 lakh (Outstanding Tax) + ₹ 40.59 lakh (Interest).

Chapter VI
Follow up of Audit Observations

CHAPTER VI

FOLLOW UP OF AUDIT OBSERVATIONS

6.1 Follow up on Audit Reports

As per the recommendations made by the High Powered Committee¹¹⁰, *suo moto* Explanatory Notes on all paragraphs in the Audit Reports are to be submitted to the Public Accounts Committee (PAC)/ Committee on Public Undertakings (CoPU) by the concerned departments. A copy of the *suo moto* Explanatory Notes shall also be furnished to the Principal Accountant (Audit), Manipur office for vetting.

Audit Report for the year 2019-20 (Report No. 2 of 2022) featured two Performance Audit paragraphs and ten Compliance Audit paragraphs. The Report was placed in the State Legislature on 22 February 2023. In respect of earlier Audit Reports for the years 1999-2019, *suo moto* Explanatory Notes pertaining to 415 Performance Audits and Compliance Audit paragraphs were not received within the stipulated period of three months from the Departments.

6.2 Action taken on the Recommendations of Public Accounts Committee

The Administrative Departments are required to take suitable action on the recommendations made in the Report of the PAC presented to the State Legislature. Heads of Departments were to prepare comments on Action Taken Notes or proposed to be taken on the recommendations of the PAC and submit the same to the State Legislative Assembly Secretariat.

As of January 2023, the PAC had published 37 Reports¹¹¹ on the findings in the Audit Reports. These PAC Reports altogether contained 1,582 recommendations based on the examination of Audit Reports by the PAC. In respect of 21 Reports¹¹² of the PAC containing 737 recommendations, the Action Taken Notes (ATN) had been received. Of the remaining 845 recommendations contained in 16 Reports¹¹³ of the PAC, no ATNs were received.

¹¹⁰ High Powered Committee appointed to review the response of the State Governments to the Audit Reports of the Comptroller and Auditor General of India (Shakdher Committee Report).

¹¹¹ Out of the 54 Reports published so far by PAC, 37 Reports pertain to Audit Report on Social, Economic, Revenue and General Sectors. The remaining 17 Reports pertain to SFARs (Excess Regularisations) and ATIRs.

¹¹² 1st to 10th, 21st, 23rd, 25th, 26th, 28th, 30th, 31st, 33rd, 34th, 35th and 36th PAC Reports.

¹¹³ 11th to 19th, 38th, 40th, 45th, 47th, 49th, 51st and 54th PAC Reports, which are not included for the purpose of this analysis.

6.3 Monitoring compliance of Audit Observations

The following committees had been formed at the Government level to monitor the follow-up action on audit related matters:

Departmental Audit and Accounts Committees: Departmental Audit and Accounts Committees (DAAC) was formed (January 2010) by all the Departments of the State Government under the Chairmanship of the concerned Departmental Administrative Secretary to monitor the follow-up action on the audit related matters. The function of the DAACs were to monitor the progress in disposal of the outstanding audit paras and Inspection Reports issued by the Principal Accountant General (Audit), Manipur and to review and supervise the working of the Departmental Audit and Accounts Sub-Committees constituted. The DAACs were to hold meeting once in three months. During 2020-21 and 2021-22, no meeting of the DAAC was held.

State Audit and Accounts Committee: State Audit and Accounts Committees (SAAC) was formed (January 2010) at the State Level under the Chairmanship of the Chief Secretary to monitor the progress in disposal of outstanding audit objections and pending Inspection Reports and to review and oversee the working of the Departmental Audit and Accounts Committee (DAAC). The SAAC was to meet once in every six months. During 2020-21 and 2021-22, no meeting of the SAAC was held.

6.4 Outstanding Inspection Reports and Paragraphs

The Principal Accountant General (Audit), Manipur conducts periodical audits of Government Departments to test-check transactions and verify the maintenance of accounts and other records according to the prescribed rules and procedures. When important irregularities detected during the audits are not settled on the spot, Inspection Reports (IRs) are issued to the Heads of the concerned Offices with a copy to the next higher authority.

6.4.1 Outstanding IRs and Paragraphs

Details of outstanding IRs and Paragraphs pertaining to General, Social and Economic (other than SPSEs) Sectors at the end of March 2022 and corresponding figures for the previous four years as follows:

Particulars*	2017-18	2018-19	2019-20	2020-21	2021-22
General Sector	309 (1,443)	335 (1,547)	376 (1,687)	389 (1,743)	402 (1,788)
Social Sector	717 (3,334)	777 (3,668)	869 (4,143)	904 (4,311)	923 (4,426)
Economic Sector	852 (4,223)	919 (4,421)	992 (4,788)	1,011 (4,886)	1,093 (5,376)
Total	1,878 (9,000)	2,031 (9,636)	2,237 (10,618)	2,307 (10,940)	2,418 (11,590)

* Outstanding IRs as on March of respective years (Outstanding Paragraphs)

6.4.2 Outstanding IRs and Paragraphs (Revenue sector)

At the end of June 2022, there were 334 pending Inspection Reports with 1,181 outstanding audit paragraphs involving ₹ 242.66 crore as outstanding audit observations. The corresponding figures for the preceding three years are also given in the following Table.

Table 6.4.1: Details of pending Inspection Reports

	June 2019	June 2020	June 2021	June 2022
Number of pending IRs	304	315	322	334
Number of outstanding audit observations	1,084	1,061	1,117	1,181
Amount involved (₹ in crore)	209.84	233.03	237.22	242.66

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

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2021 and 30 June 2022 and their financial implications are mentioned in the following Table.

Table 6.4.2: Department wise details of Outstanding Inspection Reports during 2020-21 and 2021-22

(₹ in crore)

Name of Department	Nature of receipts	No. of outstanding				Money value involved	
		IRs		Audit observations		2020-21	2021-22
		2020-21	2021-22	2020-21	2021-22		
Taxation	Taxes on sales, trade etc.	65	67	262	264	127.41	127.49
	Passenger & Goods Tax (PGT)	0	0	0	0	0	0
Finance	Other Taxes & Duties on commodities and Services (OTD)	0	0	0	0	0	0
	Entertainment & Luxury tax etc.	0	0	0	0	0	0
	Small Saving	2	2	7	7	0.11	0.11
	Local Fund Audit	2	2	10	10	0.10	0.10
Excise	State Excise	15	15	45	45	7.23	7.23

Name of Department	Nature of receipts	No. of outstanding				Money value involved	
		IRs		Audit observations		2020-21	2021-22
		2020-21	2021-22	2020-21	2021-22		
Revenue	Land revenue	126	133	387	430	32.24	37.29
Transport	Taxes on Motor Vehicles	88	88	281	281	62.55	62.55
Stamp and Registration	Stamp & Registration Fees	24	27	125	144	7.58	7.89
Total		322	334	1,117	1,181	237.22	242.66

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

In respect of 12 IRs issued during 2021-22, Audit did not receive even the first replies from four head of the offices within the prescribed period from the date of issue of the IRs. As of June 2022, there was 334 IRs pending for settlement. The Large pendency was due to the non-receipt of the replies/ further clarification and is indicative of the fact that the Head of Offices and the Departments had not given due importance to the audit findings and had not initiated any action to rectify the omissions and irregularities pointed out by Audit.

6.5 Response of departments concerned to draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India (CAG) are forwarded to the Principal Secretary/Secretaries of the concerned Department, drawing their attention to the audit findings and requesting them to send their response within the prescribed time of six weeks. Non-receipt of the replies from the Departments/ Government is invariably indicated at the end of such paragraphs where replies are not received. The responses received from the Department have been incorporated in the Audit Report.

Eleven draft paragraphs including two Subject Specific Compliance Audit proposed to be included in the Audit Report for the year ended 31 March 2022 were sent to Principal Secretaries/ Commissioners / Secretaries of the respective departments for their responses. Government response was received in respect of ten paragraphs which have been incorporated at appropriate places. No response was received from Government/Department in respect of one paragraph.

6.6 Recommendations

It is recommended that the Government may review the matter and ensure:

- i. *Submission of Action Taken Notes to the recommendations of the Public Accounts Committee (PAC)/ Committee on Public Undertakings (CoPU); and*
- ii. *Convene regular meetings of Departmental Audit and Accounts Committee (DAAC) and State Audit and Accounts Committee (SAAC) to review, discuss and monitor the progress in disposal of outstanding Inspection Reports and paragraphs.*

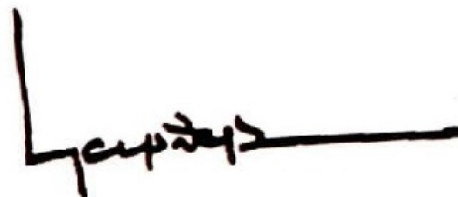


Imphal

(STEPHEN HONGRAY)

The 20 July 2023 Principal Accountant General (Audit), Manipur

Countersigned



New Delhi

(GIRISH CHANDRA MURMU)

The 24 July 2023

Comptroller and Auditor General of India

APPENDICES

Appendix 1.1

(Reference: Paragraph 1.1.1)

Year-wise details of expenditure audited in respect of General Sector during 2020-21 and 2021-22

(₹ in crore)

Year	Expenditure during 2020-21	Expenditure during 2021-22
2013-14	0	-
2014-15	11.17	0.00
2015-16	10.11	10.56
2016-17	12.03	18.60
2017-18	302.33	25.11
2018-19	430.68	32.59
2019-20	609.92	435.30
2020-21	0	465.94
2021-22	-	0.00
Total	1,376.24	988.10

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

Appendix 1.2

(Reference: Paragraphs 1.2.3, 1.2.6)

Statement showing total auditable units under Police Department

Sl. No.	Name of the units	Location	Selected for audit
1	Director General of Police	Imphal West	Selected
2	Manipur Police Training College	Imphal East	Selected
3	Manipur Police Telecom Organisation	Imphal west	Selected
4	Forensic Science Laboratory	Imphal East	Selected
5	Manipur Police Housing Corporation	Imphal	Selected
6	SP Criminal Investigation Department (Crime Branch)	Imphal West	Selected
7	SP Criminal Investigation Department (Special Branch)	Imphal West	
8	SP Criminal Investigation Department (Technical Branch)	Imphal West	
9	SP Criminal Investigation Department (Security Branch)	Imphal West	
10	SP DG Control Room	Imphal West	
11	SP Narcotic and Affairs of Border	Imphal West	
12	SP, Pherzwal District	Pherzwal	
13	SP, Jiribam District	Jiribam	
14	SP, Tengnoupal District	Tengnoupal	
15	SP, Noney District	Noney	
16	SP, Kamjong District	Kamjong	
17	SP, Kakching District	Kakching	
18	SP, Kangpokpi District	Kangpokpi	
19	SP, Tamenglong	Tamenglong	
20	SP, Ukhrul	Ukhrul	
21	SP, Chandel	Chandel	Selected
22	SP, Churachandpur	Churachandpur	Selected
23	SP, Senapati	Senapati	Selected
24	SP, Bishnupur	Bishnupur	Selected
25	SP, Imphal East	Imphal East	Selected
26	SP, Thoubal	Thoubal	Selected
27	SP, Imphal West	Imphal West	Selected

Sl. No.	Name of the units	Location	Selected for audit
28	SP, Central Motor Transport Workshop	Imphal West	
29	1st MR	Imphal West	Selected
30	2nd MR	Imphal West	Selected
31	5th MR	Tamenglong	
32	6th MR	Ukhrul	
33	7th MR	Imphal East	*
34	8th MR	Chandel	
35	1st IRB	Churachandpur	
36	2nd IRB	Bishnupur	
37	3rd IRB	Thoubal	Selected
38	4th IRB	Imphal East	Selected
39	5th IRB	Imphal East	
40	6th IRB	Imphal East	
41	7th IRB	Jiribam	
42	8th IRB	Imphal East	
43	9th IRB	Imphal East	Selected
44	10th IRB	Imphal West	
45	11th IRB	Imphal West	

* Selected as part of Director General of Police Pool for storage of arms and ammunition

Appendix 1.3

(Reference: Paragraphs 1.2.7.2, 1.2.9.1.6 (a), 1.2.8.1 and 1.2.9.1.4 (a))

Statement showing details of fund balance under Modernisation of Police Forces

(₹ in crore)

Sl. No.	Year	Fund released by GoI	Release of State share by the GoM	Utilised	Balance	Balance amount earmarked by the Department	
		Amount	Amount			Amount	Item/Purposes
1	2016-17	4.90	0.00	5.04	1.63	1.63	Bullet proof Jacket and Helmet
		1.77	0.00				
2	2017-18	0.00	0.00	0.00	0.00	-	-
3	2018-19	4.05	0.00	3.12	0.93	0.93	Security items and FSL equipment
4	2019-20	13.72	0.00	7.35	6.37	2.64	Vehicle
						0.75	Construction of kitchen cum dining hall of Kakching DP
						2.98	FSL equipment
						4.02	Wireless equipment
5	2020-21	8.01	0.00	0.32	7.69	7.69	Not furnished
6	2021-22	24.08	0.00	3.63	20.45	20.45	Not furnished
Grand Total		60.55	0.00	19.46	41.09	41.09	

Appendix 1.4

(Reference: Paragraph 1.2.9.1.1)

Statement showing shortage of Arms against sanctioned strength in Sampled Units

Sl. No.	Type of Weapons	SP IE	SP IW	SP BISH	SP CCP	SP CDL	SP SPT	SP TBL	3rd IRB	4th IRB	9th IRB	1st MR	2nd MR	Total
1	7.62 mm SLR			-14	-55						-173			-242
2	AK		-51			-25	-34	-5		-13	-55			-183
3	Pistol	-309	-411	-252	-111	-97		-168		-14	-73			-1435
4	Carbine 5.56 mm AMOGH	-23	-48	-11		-6	-13	-16	-1		-11			-129
5	Rifles 5.56 mm Excalibur/INSAS Rifles	-59	-48	-96	-4	-41	-52	-100	-10			-132		-542
6	Ghataak 7.62 mm Assault Rifles	-624	-1016	-555	-291	-296	-425	-597	-221	-219	-269	-246	-218	-4977
7	SMC Carbine	-10	-7	-10		-11	-2				8			-32
8	SMG MP 5 9 mm A3		-2		-19	-28	-34		-23	-14				-120
9	LMG			-5	-4				-4	-6		-9	-19	-47
10	Sniper Rifles								-21	-21		-21	-21	-84
	Total	-1025	-1583	-943	-484	-504	-560	-886	-280	-287	-573	-408	-258	-7791

Appendix 1.5

(Reference: Paragraph 1.2.9.1.3 (d))

Statement showing details of unserviceable Arms in Sampled Units

Sl. No.	Type of Weapons	SP IE	SP IW	SP BISH	SP CCP	SP CDL	SP SPT	SP TBL	3rd IRB	4th IRB	9th IRB	1st MR	2nd MR	Total
1	7.62 mm SLR		33	35	5	17	18	34	54	43	0	30	34	303
2	AK 47		1	1				2		1				5
	AK 56 Rifles													0
3	INSAS Rifles	4	4				4	4	8	24		4	4	56
4	9 mm Pistol	1	20	4	1			6	3	4	0	10	1	50
	.38 Revolver	5	30	15	3	6		15			0	1	1	76
	0.455 VL Pistol		2	2				8						8
5	Carbine 5.56 mm AMOGH	1							2					3
6	Rifles 5.56 mm Excalibur													0
7	Ghataak 7.62 mm Assault Rifles								1					1
8	SMC Carbine	2	10	8	1	4	1	8	3	1		10	4	52
9	SMG MP 5 9 mm A3													0
10	7.62 LMG		1	3										4
	.303 LMG	1		1				1						3
	INSAS LMG	2		2					4	6		1		15
	5.56 LMG													0
11	Sniper Rifles													0
12	Rifle .303	12	320	38	38	42	39	75	0	0	0	42	1	607
13	Sten Gun			6	1		1							8
	Total	28	421	115	49	69	63	153	75	79	0	98	45	1,195

Appendix 1.6

(Reference: Paragraph 1.2.9.1.4 (a))

Statement showing district-wise shortage/excess holding of vehicles as per norms in the police various Police Stations and Superintendent of Police offices

Name of unit	Present holding of on-road vehicles				Requirement as per scale/norm				Shortage(-)/excess(+) of vehicles			
	HVs	MV	LV	MC	HV	MV	LV	MC	HV	MV	LV	MC
Imphal West												
City PS	-	0	4	2	-	-	2	3	-	-	(+) 2	(-) 1
Imphal PS	-	0	3	2	-	-	2	3	-	-	(+) 1	(-) 1
Singjamei PS	-	0	4	2	-	-	2	3	-	-	(+) 2	(-) 1
Lamphel PS	-	1	2	1	-	-	2	3	-	(+) 1	0	(-) 2
Wangoi PS	-	1	1	0	-	-	2	3	-	(+) 1	(-) 1	(-) 3
Patsoi PS	-	0	2	0	-	-	2	3	-	-	0	(-) 3
lamsang PS	-	1	1	0	-	-	2	3	-	(+) 1	(-) 1	(-) 3
Tulihal Airport PS	-	0	1	0	-	-	2	3	-	-	(-) 1	(-) 3
Mayang Imphal PS	-	1	1	0	-	-	2	3	-	(+) 1	(-) 1	(-) 3
Sekmai PS	-	1	1	0	-	-	2	3	-	(+) 1	(-) 1	(-) 3
SP office	6	8	72	13	7	17	14	7	(-) 1	(-) 9	(+) 58	(+) 6
Sub-Total	6	13	92	20	7	17	34	37	(-) 1	(-) 4	(+) 58	(-) 17
Thoubal												
Thoubal PS	-	-	3	0	-	-	2	3	-	-	(+) 1	(-) 3
Yairpok PS	-	0	2	0	-	-	2	3	-	-	0	(-) 3
Heirok PS	-	-	1	0	-	-	2	3	-	-	(-) 1	(-) 3
Khongjom PS	-	-	2	0	-	-	2	3	-	-	0	(-) 3
Nongpoksekmai PS	-	-	1	0	-	-	2	3	-	-	(-) 1	(-) 3
Lilong PS	-	-	2	0	-	-	2	3	-	-	0	(-) 3
SP office	3	3	40	15	7	17	14	7	(-) 4	(-) 14	(+) 26	(+) 8
Sub-Total	3	3	51	15	7	17	26	25	(-) 4	(-) 14	25	(-) 10
Imphal East												
Porompat PS	-	-	5	2	-	-	2	3	-	-	(+) 3	(-) 1
Lamlai PS	-	1	2	0	-	-	2	3	-	(+) 1	0	(-) 3
Heingang PS	-	0	3	0	-	-	2	3	-	-	(+) 1	(-) 3
Iribung PS	-	-	2	0	-	-	2	3	-	-	0	(-) 3
Thoubal Dam PS	-	1	1	0	-	-	2	3	-	(+) 1	(-) 1	(-) 3
Sagolmang PS	-	-	2	0	-	-	2	3	-	-	0	(-) 3
Andro PS	-	1	2	0	-	-	2	3	-	(+) 1	0	(-) 3
Yaingangpokpi PS	-	-	1	0	-	-	2	3	-	-	(-) 1	(-) 3
SP office	6	3	57	20	7	17	14	7	(-) 1	(-) 14	(+) 43	(+) 13
Sub-Total	6	6	75	22	7	17	30	31	(-) 1	(-) 11	45	(-) 9
Bishnupur												
Bishnupur PS	-	-	2	0	-	-	2	3	-	-	0	(-) 3
Nambol PS	-	-	2	1	-	-	2	3	-	-	0	(-) 2
Moirang PS	-	-	2	1	-	-	2	3	-	-	0	(-) 2
Loktak PS	-	-	1	-	-	-	2	3	-	-	(-) 1	(-) 3
Kumbi PS	-	-	1	1	-	-	2	3	-	-	(-) 1	(-) 2
PGCI PS	-	-	1	1	-	-	2	3	-	-	(-) 1	(-) 2
SP office	2	3	53	11	7	17	14	7	(-) 5	(-) 14	(+) 39	(+) 4
Sub-Total	2	3	62	15	7	17	26	25	(-) 5	(-) 14	36	(-) 10
Churachanpur												
Behiang PS	-	-	1	1	-	-	2	3	-	-	(-) 1	(-) 2
CCPUR PS	-	1	2	-	-	-	2	3	-	1	0	(-) 3
SGT PS	-	-	1	-	-	-	2	3	-	-	(-) 1	(-) 3
SKT PS	-	-	1	-	-	-	2	3	-	-	(-) 1	(-) 3
SP office	5	2	13	2	7	17	14	7	-	-	(-) 1	(-) 5
Sub-Total	5	3	18	3	7	17	22	19	-	1	(-) 4	(-) 16
Senapati												
Mao PS	-	1	4	-	-	-	2	3	-	(+) 1	(+) 2	(-) 3
Tadubi PS	-	-	2	-	-	-	2	3	-	-	0	(-) 3
Senapati PS	1	1	1	0	-	-	2	3	(+) 1	(+) 1	(-) 1	(-) 3
SP office	3	1	18	1	7	17	14	7	(-) 4	(-) 16	(+) 4	(-) 6
Sub-Total	4	3	25	1	7	17	20	16	(-) 3	(-) 14	(-) 5	(-) 15

Name of unit	Present holding of on-road vehicles				Requirement as per scale/norm				Shortage(-)/excess(+) of vehicles			
	HVs	MV	LV	MC	HV	MV	LV	MC	HV	MV	LV	MC
Chandel												
Chandel PS	-	-	2	-	-	-	2	3	-	-	0	(-) 3
Chakpikarong PS	-	1	2	-	-	-	2	3	-	(+) 1	0	(-) 3
Khengjoi PS	-	-	1	-	-	-	2	3	-	-	(-) 1	(-) 3
Molcham PS	-	-	2	-	-	-	2	3	-	-	0	(-) 3
SP office	2	2	11	-	7	17	14	7	(-)5	(-) 15	(-) 3	(-) 7
Sub-Total	2	3	18	-	7	17	22	19	(-) 5	(-) 14	(-) 4	(-) 19
Total	28	34	341	76	49	119	108	172	(-) 19	(-) 70	151	(-) 96

Note:

HV =Heavy Vehicles i.e. TATA Truck, Bus, Water Tanker

MV= Medium Vehicles i.e. TATA 407, Ambulance and Prison van

LV =Light vehicles i.e. TATA Xenon, TATA Yodha, Innova, TATA Sumo, M/Gypsy, Mahindra Scorpio, Mahindra Thar

MC = Motor Cycles

Appendix 1.7

(Reference: Paragraph 1.2.9.1.4 (d))

Statement showing details of on-road vehicles completing life span

Sl. No.	Name of District/unit	Total no. of on-road vehicles available		Vehicles completing life span	
		Heavy/Medium/Light	Motor-cycle	Heavy/Medium/Light (%)	Motor-cycle (%)
1	SP, Senapati	37	0	13 (35.14)	0
2	SP, Thoubal	69	16	52 (75.36)	3 (18.75)
3	SP, Bishnupur	69	19	52 (75.36)	19 (100)
4	CID (Crime Branch)	5	1	3 (60)	1 (100)
5	MPTO	10	5	4 (40)	3 (60)
6	9 IRB	13	1	6 (46.15)	0
7	4 IRB	41	6	27 (65.85)	4 (66.67)
8	MPTC	20	3	11 (55)	3 (100)
9	Chandel	23	0	13 (56.52)	0
10	2 MR	76	8	26 (34.21)	4 (50)
Total		363	59	207(57.02)	37 (62.71)

Appendix 1.8

(Reference: Paragraph 1.2.9.1.6(c))

Statement showing details of shortage of equipment in Forensic Science laboratory, Manipur

Sl. No.	Name of Division	Name of equipment	Required Quantity	Available Quantity	Shortage quantity
1	Ballistics	Comparison Microscope	1	1	0
2		Velocity measuring equipment	1	0	1
3		Borescope	1	0	1
4		Pencil probe system	1	0	1
5		Universal receiver	1	0	1
6		Bullet catcher	1	0	1
7		Bullet puller for small arms	1	0	1
8		Bullet recovery box	2	0	2
9		Scanning electron microscope with X-ray spectrometer	1	0	1
10		Videoscope	1	0	1
11		Refractrometer	1	0	1
12		High resolution zoom stereo Microscope	1	0	1
13		ICP MS Detector	1	0	1
14		Multi element standard	1	0	1
15		Top loading balance	2	0	2
16		30 KVA UPS	1	1	0
17		computer with peripherals	6	0	6
18		Gas cylinders with regulators	12	0	12
19	Biology	Genetic Analyser	1	0	1
20		Real Time PCR System	1	0	1
21		Thermal cycler	2	0	2
22		DNA extraction System	1	0	1
23		Table top spin win centrifuge	2	0	2
24		Thermo mixer	2	0	2
25		Vortex machine with tube & plate capability	1	0	1
26		Set of micro-pipettes 0.1 ml to 1 ml	10	0	10
27		Refrigerator 2-8 C	2	0	2
28		Deep freezer (-80 C)	2	0	2
29		Water purification system	1	0	1
30		PCR workstation laminar flow	1	0	1
31		Bone tooth tissue mixer mill	1	0	1
32		pH meter	1	0	1
33		Autoclave	1	0	1
34		Digital Balance	2	0	2
35		High speed centrifuge	2	0	2
36		Digital microphotography equipment with power supply	1	0	1
37		Advanced High End Stereo-microscope with digital camera	1	0	1
38		Lab centrifuge	1	0	1
39		Water bath	1	0	1
40		Humidity cabinet	1	0	1
41		Muffle furnace	1	0	1
42		5 KVA, 6 KVA UPS	2	1	1
43		Computer with peripherals	4	1	3

Sl. No.	Name of Division	Name of equipment	Required Quantity	Available Quantity	Shortage quantity	
44	Chemistry	HPLC	1	0	1	
45		Gas chromatograph HS	1	1	0	
46		Infra-red imaging system	1	0	1	
47		gas Chromatograph MS	1	0	1	
48		GCXGC TOF MS	1	0	1	
49		ion mobility spectrometer	1	0	1	
50		UV cabinet	1	0	1	
51		Twin Trough Chamber	2	0	2	
52		Vacuum filtration assembly	2	0	2	
53		Centrifuge	2	0	2	
54		Research Microscope Binocular Version	1	0	1	
55		Pre-coated HPTLC plate	20	0	20	
56		FTIR	2	0	2	
57		UV Visible Spectro-photometer	2	0	2	
58		Fuming hood	2	0	2	
59		30 KVS UPS	1	1	0	
60		computer with peripherals	6	1	5	
61		Gas cylinders with regulators	12	0	12	
62		Documents	Documents examination system	1	0	1
63			Raman spectroscope	1	0	1
64	Electrostatic Detection Apparatus		1	0	1	
65	Advanced zoom Stereo-microscope with digital camera		1	1	0	
66	Standalone document examination system		1	0	1	
67	Computerised mini document examination system		1	0	1	
68	Portable document examination system with transmitted light		1	0	1	
69	6 KVA UPS		1	0	1	
70	computer with peripherals		4	0	4	
71	Photography		SLR camera with accessories	4	3	1
72		Filter set	4	0	4	
73		Tripod	2	0	2	
74		Gorilla Tripod	2	0	2	
75		Studio light set	2	0	2	
76		Lens sett	4	0	4	
77		10 KVA UPS	1	1	0	
78	computer with peripherals	4	1	3		
79	Toxicology	Microwave Digestion system	2	1	1	
80		Vertical Deep freezer	2	0	2	
81		Pesticide trace residue extractor	2	0	2	
82		High performance Thin layer chromatography-MS with scanner	1	1	0	
83		Biochip array Technology for drugs	1	0	1	
84		Micro-centrifuge	1	0	1	
85		10 KVA UPS	1	1	0	
86		Water bath	1	0	1	
87		Computer with peripherals	5	1	4	
88	Mobile	Forensic light source	4	0	4	
89		Crime scene Investigation Kit	4	0	4	
90		Portable GPS system	4	0	4	
91		Portable pH meter	4	0	4	
92		Hand-held FTIR	4	0	4	
93		Alloy Analyser	4	0	4	

Sl. No.	Name of Division	Name of equipment	Required Quantity	Available Quantity	Shortage quantity
94		Alternate light source	4	0	4
95		Large area scene light	4	0	4
96		Barrier tape (300m) with dispenser" crime scene do not cross)	12	0	12
97		Barrier post 5 each	12	0	12
98		Laser bullet trajectory reconstruction kit	4	0	4
99		Anti-putrefaction double mask	1,000	0	1,000
100		DNA/biological collection kit	4	0	4
101		Digital pH meter	4	0	4
102		Digital camera with optical zoom	8	3	5
103		Tripod	4	0	4
104		Gorilla Tripod	4	0	4
105		Top loading balance	4	2	2
106		PPE	1,000	0	1,000
107		All weather pen	12	0	12
108	Drone	4	0	4	
109	Cyber	High end forensic server workstation (High configuration)	2	0	2
110		High end forensic server workstation (for day today work)	4	0	4
111		Field cyber forensic kit pre-installed	2	0	2
112		hard drive portable write blocker kit with forensic duplicator	2	0	2
113		Comprehensive digital investigation platform for forensic data extraction and analysis of live system, hard drives, mobile phones and cloud services	2	0	2
114		Data extraction and analysis tool with live boot analysis for windows/Linux & Mac in virtual environment & forensically sound environment	2	0	2
115		Forensic triage software for field acquisition	1	0	1
116		Comprehensive password decryption with high end forensic workstation as host system	2	0	2
117		Software for forensic extraction of mobile, PDA, GPS, drone, tablets date with simultaneous extraction option	2	0	2
118		Software for data extraction of mobile, PDA, GPS, tablets with cloud based data extraction	2	0	2
119		DVR data extraction forensic and reporting software	2	0	2
120		Forensic video acquisition and analysis tools with face detection	2	0	2
121		Image/video enhancement software	2	0	2
122		call data analysis tool	1	0	1
123	social media analysis tool	2	0	2	
124	10 KVA UPS	2	0	2	
125	computer with peripherals	6	0	6	
126	Physics	Speaker identification set-up	1	0	1
127		ED-XRF	1	0	1
128		Comparison Microscope	1	0	1
129		FTIR	1	0	1
130		Digital refractometer	1	0	1
131		laboratory balance with sensitivity ± 0.0001 g or better	1	0	1

Sl. No.	Name of Division	Name of equipment	Required Quantity	Available Quantity	Shortage quantity
132		Zoom stereo microscope	1	0	1
133		pH meter	2	0	2
134		Laboratory oven up to 200 degree Celsius	1	0	1
135		Muffle furnace up to 1000 degree Celsius	1	0	1
136		Vibratory sieving machine	2	0	2
137		Vicat apparatus	1	0	1
		Total	2,347	22	2,325

Appendix 1.9

(Reference: Paragraph 1.2.9.1.7)

Details of Proposed CCTV coverage in National Highway and important Police Stations

Sl. No.	Police Station	Total number of cameras
National Highway-37		
1	Jiribam	3
2.	Foreigner Check post	3
3	Gularthol	3
4	Nungba	3
5	Noney	3
6	New Keithelmanbi	3
7	Patsoi	3
National Highway 150		
8	Jessami	3
9	Litan	3
10	Yaingangpokpi	3
11	Lamlai	3
12	Kwakeithel	3
13	Nambol	3
14	Bishnupur	3
15	Moirang	3
16	Kangvai Oupost	3
17	Chuarachandpur	3
18	Singhat	3
National Highway 2		
19	Mao	3
20	Tadubi	3
21	Senapati	3
22	Kangpokpi	3
23	Saparmeina	3
24	Motbung	3
25	Sekmai	3
26	Singjamei	3
27	Lilong	3
28	Thoubal	3
29	Wangjing	3
30	Khongjom	3
31	Pallel	3
32	Tegnoupal	3
33	Kondong Lairembi	3
34	Moreh	3
Other important road		
35	Mayang Imphal	3
36	Wangoi	3
37	Imphal Yairipok road	3
38	Andro	3
39	Iribung	3
40	Porompat	3
Important Stations @ 4 cameras per PS		
41	10 Police Stations	40
Total		157

Appendix 1.10

(Reference: Paragraph 1.2.9.1.9 (a))

Statement of expenditure on POL and reimbursement claimed thereof by Police Department

Items	Total Claim Amount claimed by the Department	Amount disallowed by IAW from the claimed made by the Department	Eligible Amount after considering the amount disallowed by IAW	Tax/VAT to be deducted (based on the amount at column d)	Base amount permissible for claim	Further amount disallowed by IAW (after deducting VAT)	Amount permissible for claim after considering all deductions made by IAW	Amount approved by IAW for claim	Loss to State
<i>a</i>	<i>b</i>	<i>c</i>	<i>d = b-c</i>	<i>e</i>	<i>f = d - e</i>	<i>g</i>	<i>h=75%(f-g)*</i>	<i>i</i>	<i>j = h-i</i>
April to Sep 2016									
Petrol	7,62,79,260		7,62,79,260	1,52,55,852	6,10,23,408		4,57,67,556	8,35,32,408	36,52,026
Diesel	5,57,27,897		5,57,27,897	70,57,245	4,86,70,652		3,65,02,989		
Lubricant	70,10,481		70,10,481	4,58,630	65,51,851		49,13,889		
Sub Total	13,90,17,638	0	13,90,17,638	2,27,71,726	11,62,45,912	0	8,71,84,434	8,35,32,408	36,52,026
Oct 2016 to March 2017									
Petrol	7,89,01,336		7,89,01,336	1,57,80,267	6,31,21,069		4,73,40,802	8,69,88,046	37,95,791
Diesel	6,44,90,319	54,00,488	5,90,89,831	74,82,992	5,16,06,839		3,87,05,129		
Lubricant	67,59,412		67,59,412	4,42,205	63,17,207		47,37,906		
Sub Total	15,01,51,067	54,00,488	14,47,50,579	2,37,05,463	12,10,45,116		9,07,83,837	8,69,88,046	37,95,791
April to Sep 2017									
Petrol	7,92,33,266		7,92,33,266	1,58,46,653	6,33,86,613		4,75,39,960	8,77,61,352	38,88,639
Diesel	6,07,36,067		6,07,36,067	76,91,467	5,30,44,600		3,97,83,450		
Lubricant	32,55,496		32,55,496	2,12,976	30,42,520		22,81,890		
	33,87,704		33,87,704	5,16,768	28,70,936		21,53,202		
							-1,08,510 **		
Sub Total	14,66,12,533	0	14,66,12,533	2,42,67,865	12,23,44,668	0	9,16,49,991	8,77,61,352	38,88,639
Oct 2017 to March 2018									
Petrol	8,51,73,450		8,51,73,450	1,70,34,690	6,81,38,760	6,29,41,392	38,98,026	22,05,098	42,14,751
Diesel	6,40,73,502		6,40,73,502	81,14,112	5,59,59,390	5,27,81,409	23,83,486		

Items	Total Claim Amount claimed by the Department	Amount disallowed by IAW from the claimed made by the Department	Eligible Amount after considering the amount disallowed by IAW	Tax/VAT to be deducted (based on the amount at column d)	Base amount permissible for claim	Further amount disallowed by IAW (after deducting VAT)	Amount permissible for claim after considering all deductions made by IAW	Amount approved by IAW for claim	Loss to State
Lubricant	67,17,576		67,17,576	10,24,715	56,92,861	55,08,412	1,38,337		
Sub Total	15,59,64,528	0	15,59,64,528	2,61,73,517	12,97,91,011	12,12,31,213	64,19,849	22,05,098	42,14,751
<i>April to Sep 2018</i>									
Petrol	7,55,88,510		7,55,88,510	1,51,17,702	6,04,70,808		4,53,53,106	8,50,29,988	0
Diesel	5,51,27,410		5,51,27,410	69,81,200	4,81,46,210		3,61,09,657		
Lubricant	56,12,433		56,12,433	8,56,134	47,56,299		35,67,224		
Sub Total	13,63,28,353	0	13,63,28,353	2,29,55,036	11,33,73,317	0	8,50,29,988	8,50,29,988	0
<i>Oct 2018 to March 2019</i>									
Petrol	10,19,90,785		10,19,90,785	2,03,98,157	8,15,92,628		6,11,94,471	11,39,71,652	1,59,022
Diesel	7,34,23,966		7,34,23,966	92,98,232	6,41,25,734	88,198	4,80,28,152		
Lubricant	77,21,999		77,21,999	11,77,932	65,44,067		49,08,050		
Sub Total	18,31,36,750	0	18,31,36,750	3,08,74,321	15,22,62,429	88,198	11,41,30,674	11,39,71,652	1,59,022
<i>April to Sep 2019</i>									
Petrol	7,42,29,086		7,42,29,086	1,48,45,817	5,93,83,269		4,45,37,452	8,29,36,709	37,17,283
Diesel	5,78,30,073		5,78,30,073	73,23,459	5,05,06,614		3,78,79,960		
Lubricant	66,65,553		66,65,553	10,16,779	56,48,774		42,36,580		
Sub Total	13,87,24,712	0	13,87,24,712	2,31,86,055	11,55,38,657	0	8,66,53,992	8,29,36,709	37,17,283
<i>Oct 2019 to March 2020</i>									
Petrol	11,45,38,925		11,45,38,925	2,29,07,785	9,16,31,140		6,87,23,355	13,14,33,675	57,93,993
Diesel	9,67,34,504		9,67,34,504	1,22,50,221	8,44,84,283		6,33,63,212		
Lubricant	80,88,665		80,88,665	12,33,864	68,54,801		51,41,101		
Sub Total	21,93,62,094	0	21,93,62,094	3,63,91,870	18,29,70,224	0	13,72,27,668	13,14,33,675	57,93,993
<i>April to Sep 2020</i>									
Petrol	9,83,28,201		9,83,28,201	1,96,65,640	7,86,62,561		5,89,96,921	11,03,32,886	49,17,777
Diesel	7,94,74,069		7,94,74,069	1,00,64,402	6,94,09,667		5,20,57,250		
Lubricant	66,02,481		66,02,481	10,07,158	55,95,323		41,96,492		

Items	Total Claim Amount claimed by the Department	Amount disallowed by IAW from the claimed made by the Department	Eligible Amount after considering the amount disallowed by IAW	Tax/VAT to be deducted (based on the amount at column d)	Base amount permissible for claim	Further amount disallowed by IAW (after deducting VAT)	Amount permissible for claim after considering all deductions made by IAW	Amount approved by IAW for claim	Loss to State
Sub Total	18,44,04,751	0	18,44,04,751	3,07,37,200	15,36,67,551	0	11,52,50,663	11,03,32,886	49,17,777
<i>Oct 2020 to March 2021</i>									
Petrol	11,45,75,774		11,45,75,774	3,06,37,478	8,39,38,296		6,29,53,722	12,11,13,236	-3,94,138
Diesel	8,71,97,237		8,71,97,237	1,60,15,819	7,11,81,418		5,33,86,063		
Lubricant	68,90,119		68,90,119	10,51,035	58,39,084		43,79,313		
Sub Total	20,86,63,130	0	20,86,63,130	4,77,04,332	16,09,58,798	0	12,07,19,098	12,11,13,236	-3,94,138
Grand Total	1,66,23,65,556						93,50,50,193	90,53,05,050	2,97,45,144

* 75% of the amount (after considering deduction of VAT and all deductions made by IAW).

** IAW made deduction of Rs. 1,08,510. The amount is considered for the working of loss.

Appendix 2.1

(Reference: Paragraph 2.1.1)

Year-wise details of expenditure audited in respect of Social Sector during 2020-21 and 2021-22

(₹ in crore)

Year	Expenditure during	
	2020-21	2021-22
2012-13	0	-
2013-14	5.44	-
2014-15	12.04	4.56
2015-16	20.61	6.95
2016-17	22.68	20.00
2017-18	215.85	19.30
2018-19	2,738.67	74.28
2019-20	1,428.53	242.68
2020-21	0.00	686.90
2021-22	-	0.00
Total	4,443.82	1,054.67

Appendix 3.1

(Reference: Paragraph 3.1.1)

Year-wise details of expenditure audited in respect of Economic Sector during 2020-21 and 2021-22

(₹ in crores)

Year	Expenditure Incurred During	
	2020-21	2021-22
2011-12	0.38	-
2012-13	2.87	-
2013-14	4.89	-
2014-15	30.72	-
2015-16	36.71	-
2016-17	62.66	-
2017-18	317.36	630.08
2018-19	358.57	253.88
2019-20	373.68	288.16
2020-21	-	2848.16
2021-22	-	59.76
Total	1,187.84	4,080.04

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

Appendix 3.2

(Reference: Paragraph 3.2.3)

Table showing sampled Districts, Blocks and Villages

Sl. No.	District	Block	Village
1	Churachandpur	Tuibong	Kholmun
			Mata Lambulane
			Synod Veng (Machet)
		Saikot	MisaoLhavom
			Dumsaumual
			M. Semol
2	Thoubal	Lilong	Keibung
			Huidrom Leikai
			PoirouTangkhul
		Thoubal	Khangabok Pt III
			Kekru
			Puleipokpi
3	Jiribam	Jiribam	Yairalpokpi
			Chingdong Leikai (Patchao)
			Champanagar Muslim
		Borobekra	Bhutangkhal
			Borobekra
			Aglapur
4	Kamjong	Phungyar	Thawai(T)
			Phungyar
			Leishi
		Sahamphung	ChahongKhullen
			Langli
			Kachouphung (T)
5	Imphal West	Haorangsabal	Lamphelpat
			Singjamei
			Leiphrakpam Leikai
		Wangoi	Bengoon
			Chirai
			MutumPhibou

Appendix 3.3

(Reference: Paragraph 3.2.5.5)

Benefits extended to more than one member of the same family

Sl. No	Registration Number	Farmer name	Village	Block	District	Details of excess family members			
						Excess Family member	Registration number of family member(s)	No of instalments paid	Amount (No. of Instalments X ₹ 2000)
1	MN263629915	Chipammi Jamang	Chahong Khullen	Sahamphung	Kamjong	W	MN264892834	4	8,000
2	MN284252195	K Tangreiwung	Langli	Sahamphung	Kamjong	W	MN267943491	4	8,000
3	MN157218524	R W Thanmi	Kachouphung(T)	Sahamphung	Kamjong	Sm	MN278362181	3	6,000
4	MN263628425	M C Angaila	Phungyar	Phungyar	Kamjong	H	MN273814904	3	6,000
5	MN260905783	Lamkhochin	Misao Lhavom	Saikot	Churachandpur	H	MN267849921	4	8,000
6	MN267900436	M R Kapangkhu	Thawai(T)	Phungyar	Kamjong	W	MN223278530	6	12,000

Sl. No	Registration Number	Farmer name	Village	Block	District	Details of excess family members			
						Excess Family member	Registration number of family member(s)	No of instalments paid	Amount (No. of Instalments X ₹ 2000)
7	MN255725331	L Rosah	Leishi	Phungyar	Kamjong	H	MN286568395	2	4,000
8	MN262287583	H Douthang	Dumsaumual	Saikot	Churachandpur	W	MN262292947	5	10,000
9	MN268724101	N G Timala	Thawai(T)	Phungyar	Kamjong	H	MN268724292	4	8,000
10	MN270732909	Brainy Keishing	Phungyar	Phungyar	Kamjong	H	MN168656038	7	14,000
11	MN157180360	A S Changpui	Kachouphung(T)	Sahamphung	Kamjong	W	MN278360815	3	6,000
12	MN255725907	Hanah Angkang	Leishi	Phungyar	Kamjong	H	MN268184592	4	8,000
13	MN273803937	M Homila	Thawai(T)	Phungyar	Kamjong	H	MN273808330	3	6,000
						Dm	MN273810856	3	6,000
14	MN265253996	Keishing Leishisan	Thawai(T)	Phungyar	Kamjong	W	MN260549161	5	10,000
15	MN270733398	K S Solei	Phungyar	Phungyar	Kamjong	W	MN270733108	4	8,000
16	MN270733140	M C Pamthingla	Phungyar	Phungyar	Kamjong	H	MN222760630	6	12,000
17	MN157205049	David Shaiza	Kachouphung(T)	Sahamphung	Kamjong	Dm	MN267599254	4	8,000
18	MN157243781	R W Ephraim	Kachouphung(T)	Sahamphung	Kamjong	W	MN268763164	4	8,000
19	MN273810540	Liberty Keishing	Phungyar	Phungyar	Kamjong	W	MN168719983	3	6,000
20	MN224407259	NG Chuimiwon	Thawai(T)	Phungyar	Kamjong	H	MN269966879	4	8,000
21	MN157217691	R W Ramthing	Kachouphung(T)	Sahamphung	Kamjong	W	MN269185691	4	8,000
22	MN265247360	Huimila Jamang	Chahong Khullen	Sahamphung	Kamjong	H	MN169107837	7	14,000
23	MN268721857	Hongsha Angkhong	Thawai(T)	Phungyar	Kamjong	W	MN268727730	3	6,000
						Dm	MN268724399	4	8,000
24	MN263571037	N Masowon	Langli	Sahamphung	Kamjong	H	MN268256757	4	8,000
25	MN278361618	H A Thingreila	Kachouphung(T)	Sahamphung	Kamjong	H	MN157176826	7	14,000
26	MN260909886	Leiton Makung	Phungyar	Phungyar	Kamjong	W	MN263254020	4	8,000
						Sm	MN273810026	3	6,000
27	MN268645944	N K Iris	Langli	Sahamphung	Kamjong	H	MN268645623	4	8,000
28	MN211494291	H Tharawon	Chahong Khullen	Sahamphung	Kamjong	H	MN266534215	4	8,000
29	MN211500975	Solomon Leikha	Chahong Khullen	Sahamphung	Kamjong	W	MN268600367	4	8,000
30	MN265253433	Khamnu Mungrei	Thawai(T)	Phungyar	Kamjong	H	MN262699389	5	10,000
31	MN270289229	H A S Sochanphy	Thawai(T)	Phungyar	Kamjong	H	MN265155465	4	8,000
32	MN169124155	Eliakim Leikha	Chahong Khullen	Sahamphung	Kamjong	W	MN271733791	4	8,000
Total									2,92,000

* H = Husband, W = Wife, Sm = Minor son, Dm = Minor daughter.

Appendix 3.4

(Reference: Paragraph 3.4)

A- Statement showing excess payment of FCs for CW I – Tupul to Bishnupur

(₹ in lakh)

Sl. No.	IPC No.	Amount	Date of submission by contractor to CSC (Engineer)	Stipulated date of payment	Date of payment to the contractor	Net amount paid to contractor	PIU's Calculation					Audit's Calculation				FCs paid in excess		
							Periods bearing different interest rates		No. of delayed days	Interest rate (in per cent)	Financing charges payable	Financing charges paid	Periods bearing different interest rates		No. of days delay		Interest rate (r)	Financing Charge payable
1	IPC 4	414.60	23-02-15	20-04-15	27-07-15	341.39	20-04-15	07-06-15	48	17.60	7.97	16.37	20-04-15	07-06-15	48	17.60	7.94	0.23
							07-06-15	27-07-15	50	17.45	8.20		07-06-15	27-07-15	50	17.45	8.20	
2	IPC 7	469.42	03-11-15	29-12-15	23-03-16	287.31	29-12-15	23-03-16	85	17.05	11.56	11.51	29-12-15	23-03-16	85	17.05	11.55	-0.04
3	IPC 9	364.15	30-12-15	24-02-16	06-06-16	163.60	24-02-16	06-06-16	103	17.05	8.00	7.97	24-02-16	06-06-16	103	17.05	8.01	-0.04
4	IPC 13	919.88	07-03-16	02-05-16	11-08-16	560.90	02-05-16	11-08-16	101	17.05	26.93	26.93	02-05-16	11-08-16	101	17.05	26.90	0.03
5	IPC 16	315.37	15-07-16	09-09-16	20-02-17	203.85	09-09-16	01-01-17	114	17.05	11.06	16.10	09-09-16	01-01-17	114	17.05	11.07	0.26
							01-01-17	20-02-17	50	17.00	4.77		01-01-17	20-02-17	50	17.00	4.77	
6	IPC 18	212.96	11-11-16	06-01-17	27-03-17	137.65	06-01-17	27-03-17	80	17.00	5.18	5.18	06-01-17	27-03-17	80	17.00	5.19	-0.01
7	IPC 21a	870.89	25-02-17	21-04-17	29-05-17	448.28	22-04-17	29-05-17	37	16.85	7.64	1.77	22-04-17	29-05-17	37	16.85	7.67	-5.9
8	IPC 21b		25-02-17	21-04-17	25-09-17	101.02	22-04-17	30-06-17	69	16.85	7.48	33.20	22-04-17	30-06-17	69	16.85	3.25	25.86
													30-06-17	25-09-17	87	16.75	4.09	
9	IPC 23	290.69	12-09-17	07-11-17	09-03-18	196.37	07-11-17	31-12-17	54	16.70	4.88	11.18	07-11-17	31-12-17	54	16.70	4.88	0.25
							31-12-17	09-03-18	68	16.40	6.04		31-12-17	09-03-18	68	16.40	6.05	
10	IPC 26	304.07	13-11-17	08-01-18	15-05-18	221.55	08-01-18	31-03-18	83	16.40	8.35	12.92	08-01-18	31-03-18	82	16.40	8.26	0.15

Sl. No.	IPC No.	Amount	Date of submission by contractor to CSC (Engineer)	Stipulated date of payment	Date of payment to the contractor	Net amount paid to contractor	PIU's Calculation					Audit's Calculation					FCs paid in excess	
							Periods bearing different interest rates		No. of delayed days	Interest rate (in per cent)	Financing charges payable	Financing charges paid	Periods bearing different interest rates		No. of days delay	Interest rate (r)		Financing Charge payable
							31-03-18	15-05-18	45	16.45	4.50		31-03-18	15-05-18	45	16.45	4.51	
11	IPC 28	429.72	25-01-18	22-03-18	08-08-18	394.57	22-03-18	31-03-18	9	16.40	1.61	25.26	22-03-18	31-03-18	9	16.40	1.59	0.22
							31-03-18	30-06-18	91	16.45	16.38		31-03-18	30-06-18	91	16.45	16.40	
							30-06-18	08-08-18	39	16.70	7.06		30-06-18	08-08-18	39	16.70	7.05	
12	IPC 31	1,178.36	15-03-18	10-05-18	27-09-18	901.61	10-05-18	30-06-18	51	16.45	20.86	61.36	10-05-18	30-06-18	51	16.45	20.82	3.33
							30-06-18	27-09-18	89	16.70	37.23		30-06-18	27-09-18	89	16.70	37.21	
13	IPC 33	452.22	26-06-18	21-08-18	22-12-18	451.22	21-08-18	30-09-18	40	16.70	8.30	25.94	21-08-18	30-09-18	40	16.70	8.28	0.34
							30-09-18	09-12-18	70	16.75	14.64		30-09-18	09-12-18	70	16.75	14.63	
							09-12-18	22-12-18	13	16.80	2.72		09-12-18	22-12-18	13	16.80	2.69	
14	IPC 35	540.70	05-09-18	31-10-18	25-01-19	403.75	31-10-18	09-12-18	39	16.70	7.23	16.12	31-10-18	09-12-18	39	16.70	7.22	0.13
							09-12-18	25-01-19	47	16.80	8.78		09-12-18	25-01-19	47	16.80	8.77	
15	IPC 37	482.08	18-10-18	13-12-18	25-01-19	70.76	13-12-18	25-01-19	43	16.80	1.41	1.41	13-12-18	25-01-19	43	16.80	1.40	0.01
			18-10-18	13-12-18	02-05-19	302.03	13-12-18	02-05-19	140	16.80	19.98	19.98	13-12-18	02-05-19	140	16.80	19.96	0.02
16	IPC 39	565.06	07-01-19	04-03-19	02-05-19	420.36	04-03-19	02-05-19	59	16.80	11.52	11.52	04-03-19	02-05-19	59	16.80	11.49	0.03
17	IPC 41	723.04	18-02-19	15-07-19	02-05-19	549.42	15-04-19	02-05-19	17	16.80	4.33	4.33	15-04-19	02-05-19	17	16.80	4.29	0.04
18	IPC 43	923.56	18-03-19	13-05-19	22-07-19	794.48	13-05-19	22-07-19	71	16.80	26.27	25.86	13-05-19	22-07-19	70	16.80	25.83	0.03
Total		9,456.77				6,950.12					310.88	334.91					309.94	24.97

B: Statement showing excess payment of FCs for CW II – Thoubal to Kasom Khullen

(₹ in lakh)

Sl. No.	IPC No.	Amount	Date of submission by contractor to CSC	Stipulated date of payment	Date of payment to the contractor	Net amount paid to contractor	PIU's Calculation					Audit's Calculation					FCs paid in excess	
							Periods bearing different interest rates		No. of delayed days	Interest rate (in per cent)	FC payable	FCs paid	Periods bearing different interest rates		No. of days delay	Interest rate (r)		FCs payable
1	IPC 05A	513.87	11-03-15	06-05-15	27-07-15	296.57	06-05-15	07-06-15	32	17.6	4.60	11.89	06-05-15	07-06-15	32	17.6	4.58	0.19
							07-06-15	27-07-15	50	17.45	7.12		07-06-15	27-07-15	50	17.45	7.12	
2	IPC 05B	81.79	11-03-15	06-05-15	22-10-15	73.86	06-05-15	07-06-15	32	17.6	1.14	6.22	06-05-15	07-06-15	32	17.6	1.14	0.17
							07-06-15	04-10-15	119	17.45	4.29		07-06-15	04-10-15	119	17.45	4.29	
							04-10-15	22-10-15	18	17.05	0.62		04-10-15	22-10-15	18	17.05	0.62	
3	IPC 06	1,200.72	20-08-15	15-10-15	09-02-16	627.81	15-10-15	09-02-16	117	17.05	35.06	35.06	15-10-15	09-02-16	117	17.05	35.01	0.05
4	IPC 08	544.71	19-12-15	13-02-16	30-03-16	322.8	13-02-16	30-03-16	46	17.05	6.96	6.96	13-02-16	30-03-16	46	17.05	6.96	-
5	IPC 10	303.27	15-01-16	11-03-16	06-06-16	170.85	11-03-16	06-06-16	87	17.05	7.03	7.03	11-03-16	06-06-16	87	17.05	7.04	-0.01
6	IPC 11	300.53	22-02-16	18-04-16	06-06-16	176.11	18-04-16	06-06-16	49	17.05	4.04	4.04	18-04-16	06-06-16	49	17.05	4.05	-0.01
7	IPC 12	539.18	08-03-16	03-05-16	11-08-16	310.61	03-05-16	11-08-16	100	17.05	14.69	14.69	03-05-16	11-08-16	100	17.05	14.75	-0.06
8	IPC 14	778.09	25-05-16	20-07-16	24-10-16	473.94	20-07-16	24-10-16	96	17.05	21.50	21.50	20-07-16	24-10-16	96	17.05	21.58	-0.08
9	IPC 15	488.28	29-07-16	23-09-16	20-02-17	299.21	23-09-16	31-12-16	99	17.05	13.99	21.51	23-09-16	31-12-16	99	17.05	14.06	0.31
							31-12-16	20-02-17	51	17	7.10		31-12-16	20-02-17	51	17	7.14	
10	IPC 17	180.38	14-10-16	09-12-16	31-01-17	113.84	09-12-16	31-12-16	22	17.05	1.16	2.83	09-12-16	31-12-16	22	17.05	1.17	0.02
							31-12-16	31-01-17	31	17	1.65		31-12-16	31-01-17	31	17	1.64	
11	IPC 19	703.13	04-02-17	01-04-17	29-05-17	498.19	01-04-17	29-05-17	58	16.85	13.35	13.43	01-04-17	29-05-17	58	16.85	13.42	0.01
12	IPC 20	644.25	25-02-17	22-04-17	25-09-17	406.34	22-04-17	30-06-17	69	16.85	13.06	30.10	22-04-17	30-06-17	69	16.85	13.06	0.61
							30-06-17	25-09-17	87	16.75	16.41		30-06-17	25-09-17	87	16.75	16.43	
13	IPC 22	290.30	17-06-17	25-08-17	20-11-17	196.1	25-08-17	30-09-17	36	16.75	3.22	7.92	25-08-17	30-09-17	36	16.75	3.24	0.08
							30-09-17	20-11-17	51	16.7	4.57		30-09-17	20-11-17	51	16.7	4.6	
14	IPC 24	449.83	26-08-17	21-10-17	09-03-18	303.87	21-10-17	31-12-17	71	16.7	9.94	19.82	21-10-17	31-12-17	71	16.7	9.96	0.50
							31-12-17	09-03-18	68	16.4	9.35		31-12-17	09-03-18	68	16.4	9.36	
15	IPC 25	402.57	02-11-17	28-12-18	15-05-18	271.33	28-12-17	31-12-17	3	16.7	0.36	17.55	28-12-17	31-12-17	3	16.7	0.37	0.54

(₹ in lakh)

Sl. No.	IPC No.	Amount	Date of submission by contractor to CSC	Stipulated date of payment	Date of payment to the contractor	Net amount paid to contractor	PIU's Calculation					Audit's Calculation					FCs paid in excess		
							Periods bearing different interest rates		No. of delayed days	Interest rate (in per cent)	FC payable	FCs paid	Periods bearing different interest rates		No. of days delay	Interest rate (r)		FCs payable	
							31-12-17	31-03-18	90	16.4	11.09		31-12-17	31-03-18	90	16.4	11.12		
							31-03-18	15-05-18	45	16.45	5.51		31-03-18	15-05-18	45	16.45	5.52		
16	IPC 27	340.95	10-01-18	08-03-18	08-08-18	313.06	07-03-18	31-03-18	24	16.4	3.38	22.28	07-03-18	31-03-18	24	16.4	3.37	0.29	
							31-03-18	30-06-18	91	16.45	13.00			31-03-18	30-06-18	91	16.45		13.02
							30-06-18	08-08-18	39	16.7	5.61			30-06-18	08-08-18	39	16.7		5.6
17	IPC 29	213.61	08-02-18	05-04-18	08-08-18	196.14	05-04-18	30-06-18	86	16.45	7.71	11.27	05-04-18	30-06-18	86	16.45	7.7	0.06	
							30-06-18	08-08-18	39	16.7	3.51			30-06-18	08-08-18	39	16.7		3.51
18	IPC 30	937.92	15-03-18	10-05-18	09-08-18	861.21	10-05-18	30-06-18	51	16.45	19.93	49.81	10-05-18	30-06-18	51	16.45	19.89	14.12	
							30-06-18	09-08-18	40	16.7	15.86			30-06-18	09-08-18	40	16.7		15.8
19	IPC 32	335.88	12-06-18	07-08-18	22-12-18	232.27	07-08-18	30-09-18	54	16.7	5.77	14.90	07-08-18	30-09-18	54	16.7	5.77	0.22	
							30-09-18	09-12-18	70	16.75	7.54			30-09-18	09-12-18	70	16.75		7.53
							09-12-18	22-12-18	13	16.8	1.40			09-12-18	22-12-18	13	16.8		1.38
20	IPC 34	405.25	20-08-18	15-10-18	25-01-19	299.77	15-10-18	09-12-18	55	16.75	7.62	14.20	15-10-18	09-12-18	55	16.75	7.61	0.08	
							09-12-18	25-01-19	47	16.8	6.52			09-12-18	25-01-19	47	16.8		6.51
21	IPC 36	200.55	27-09-18	22-11-18	02-05-19	191.49	22-11-18	09-12-18	17	16.7	1.50	14.53	22-11-18	09-12-18	17	16.7	1.48	0.02	
							09-12-18	02-05-19	145	16.8	13.11			09-12-18	02-05-19	144	16.8		13.03
22	IPC 38	477.82	31-12-18	25-02-19	02-05-19	456.24	25-02-19	02-05-19	66	16.8	13.99	13.99	25-02-19	02-05-19	66	16.8	13.97	0.02	
23	IPC 40	585.56	07-02-19	04-04-19	02-05-19	559.11	04-04-19	02-05-19	28	16.8	7.23	7.23	04-04-19	02-05-19	28	16.8	7.2	0.03	
24	IPC 42	1,731.62	12-03-19	07-05-19	02-05-19 & 22-07-19	559.11	07-05-19	22-07-19	76	16.8	33.11	33.11	07-05-19	22-07-19	76	16.8	33.15	-0.04	
Total		12,650.06									384.60	401.87					384.75	17.12	

Appendix 3.5

(Reference: Paragraph 3.5)

Rate Analysis of “Construction of Scaffolding including fabrication, erection, dismantling, removal of the same etc.”

Materials	Rate analysis of Department (Department in their analysis considered that scaffolding materials may be used 4 times only)			Rate analysis calculated by Audit (by considering the scaffolding shall be unserviceable after using 40 times as in CPWD rate analysis)			
			Amount (₹)			Amount (₹)	
(i)	Cost of pipe	1,29,763.59 kg @ ₹63.64 per kg	82,58,154.77	Cost of pipe	1,29,763.59 kg @ ₹63.64 per kg	82,58,154.77	
(ii)	Cost of clamps	10,400 kg @ ₹160 per kg	16,64,000.00	Cost of clamps	10,400 kg @ ₹160 per kg	16,64,000.00	
(iii)	Base plates	11.04 Qntl @ ₹8386 per Qntl	92,581.44	Base plates	11.04 Qntl @ ₹8386 per Qntl	92,581.44	
(iv)	Bearing Planks	9,000 Cudm @ 254.27 per 10 Cudm	2,28,843.00	Bearing Planks	9,000 Cudm @ 254.27 per 10 Cudm	2,28,843.00	
(v)	Hire charge of screw jack for 30 days @ ₹100 per day per screw jack	434 Nos. @ 3000	13,02,000	Cost of base jack for @ ₹ 228 ¹ per screw jack	434 Nos. @ 228	98,952	
Sub-Total (Materials)			1,15,45,579.21	Sub-Total (Materials)			1,03,42,531.21
				Considering the scaffolding material may be used 40 times, Cost of Material per one scaffolding = ₹ 2,58,563.28			2,58,563.28
Labour Charges			8,247.40	Labour Charges		8247.40	
			1,15,53,826.61				2,66,810.68
Add sundries and carriage charges etc. 3%			3,46,614.80				8004.32
			1,19,00,441.41				2,74,815.00
Add 15% contractor profit			17,85,066.21				41,222.25
			1,36,85,507.62				3,16,037.25
Cost of Scaffolding	Assuming that scaffolding material may be used 4 times, cost of Scaffolding for 1 job (without GST) = ₹ 34,21,377			Taking scaffolding material unserviceable after using 40 times as in CPWD analysis, Cost of Scaffolding for 1 job (without GST)			

¹ Information on market cost/estimated cost of base jack was called from the Department; however, no information was furnished in this regard. For comparison, the rate taken in CPWD rate analysis of 2016 (Delhi analysis of rates 2016 Vol.2) i.e. ₹ 150 per base jack is taken here. Percentage above is provided proportionate to the rate of Mild Steel (MS) tubes/pipes as adopted in departmental analysis (₹ 63.64 per kg) above the CPWD rate analysis of 2016 (₹ 42 per kg) i.e. ₹ 150 plus $\left[\frac{(63.64 - 42)}{(42)} \times 100\right] \% = ₹ 150 \text{ plus } 52\% \text{ above} = ₹ 228 \text{ per base jack.}$

Materials	Rate analysis of Department (Department in their analysis considered that scaffolding materials may be used 4 times only)	Rate analysis calculated by Audit (by considering the scaffolding shall be unserviceable after using 40 times as in CPWD rate analysis)
		=₹ 3,16,037
GST 12 %	4,10,565	GST 12 % 37,924
Cost of Scaffolding, etc.	Assuming that scaffolding material may be used 4 times, cost of Scaffolding for 1 job (inclusive of GST) 38,31,942	Taking scaffolding material unserviceable after using 40 times as in CPWD analysis, Cost of Scaffolding for 1 job (inclusive of GST) 3,53,961

Name of the work: 'Construction of six Overhead Tank & ground sump & necessary pipelines in Thongju & its adjoining areas in Imphal East for promoting tourism' - Cost for 18m X 18m = 324 sqm scaffolding at height of 25.00 m for construction of overhead tank of 6.00 lakh/4.54 lakh litre capacity

Appendix 3.6

(Reference: Paragraph 3.6)

A. Comparison of Rates adopted on removal of sliding earth

(Amount in ₹)

Sl. No.	Particulars	Unit	Departmental rate	Rate calculated by Audit	Remarks
1	Earthwork in excavation in hill cutting... loose/ soft soil	cum	95.60	95.60	Rate inclusive of 15% CP
2	Mechanical transportation per cum	cum	225.61	143.50	5 km distance taken by Department, whereas Audit considered for 1 km only
	CP & OH @ 15% on transportation charge	cum	33.84	21.53	
Total (1+2)			355.05	260.63	
3	GST @ 12%	cum	27.07	31.28	
Rate per cum			382.12	291.90	

B. Removal of excavated sliding earth with a lead of 5 km

(Amount in ₹)

Name of contractor for the 10 works below: P. Gaidimlung R. Naga							
Sl. No.	Name of work	Estimated Cost (Tendered cost)	Estimated quantity (cum)	Date of start of work/ date of completion of work	Actual quantity executed (cum)	Total value of work done @ 382.12 per cum	Amount paid to contractor (upto date of Audit)
1	Water Treatment Plant at Chingkheiching - Removal of excavated earth sliding along northern side of Lamlong Tinsid Road during rainy season for a length of 100 Rm opposite of Green Gold Park and Resort entrance towards east direction	20,08,423	5,256.00	25-02-2019/ 15-03-2019	5,440.50	20,78,924	19,51,723
2	-do- for a length of 70 Rm opposite of Green Gold Park and Resort entrance towards west direction)	20,73,765	5,427.00	25-02-2019/ 03-03-2019	5,595.75	21,38,248	20,17,065
3	-do- for a length of 70 Rm from Chingkheiching WTP entrance towards north west direction	20,09,187	5,258.00	25-02-2019/ 09-03-2019	5,456.25	20,84,942	19,52,487
4	-do- for a length of 110 Rm 50 metre away from Chingkheiching WTP site office towards east direction	19,91,227	5,211.00	25-02-2019/ 15-03-2019	5,377.50	20,54,850	11,79,410
5	-do- opposite to Green Gold Park and Resort entrance towards east direction	40,00,032	10,468.00	03-08-2020/ 19-08-2020	10,469.07	40,00,441	38,94,235
6	-do- for a length of 140 Rm 50 metre away from Chingkheiching WTP site office towards east direction	40,02,707	10,475.00	03-08-2020/ 20-08-2020	10,476.00	40,03,089	38,96,812
7	-do- for a length of 140 Rm opposite of Green Gold Park and Resort entrance towards west direction	40,00,414	10,469.00	03-08-2020/ 18-08-2020	10,471.50	40,01,370	38,95,139
8	-do- 50 metre away from Chingkheiching WTP site office towards east direction	40,00,414	10,469.00	08-07-2020/ 22-08-2022	10,471.50	40,01,370	38,95,139
9	-do- for a length of 150 Rm opposite to the entrance of Mega Manipur School towards east direction	30,00,788	7,853.00	28-07-2020/ 18-08-2020	7,853.85	30,01,113	22,08,662
10	-do- for a length of 140 Rm opposite of Green Gold Park and Resort entrance towards north west direction	40,01,561	10,472.00	28-07-2020/ 20-08-2020	10,473.75	40,02,229	38,95,975
Total		3,10,88,518	81,358.00		82,085.67	3,13,66,576	2,87,86,647

Appendix 4.1

(Reference: Paragraph: 4.1.6)

Statement showing investments made by State Government in SPSEs (all Government companies) whose accounts are in arrears

(Figures in columns 4 & 6 to 8 are ` in crore)

Sl. No.	Name of the State Public Sector Enterprises	Year up to which accounts finalised	Paid up capital	Period of accounts pending finalisation	Investment made by State Government during the year of which accounts are in arrears@		
					Equity	Grants	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Manipur Tribal Development Corporation Limited	1987-88	0.52	1988-89 to 2019-20	-	1.50	1.50
2	Manipur Police Housing Corporation Limited	1997-98	0.02	1998-99 to 2020-21	-	10.67	10.67
3	Manipur Food Industries Corporation Limited	2010-11	7.41	2011-12 to 2019-20	2.00	8.81	10.81
4	Manipur State Power Company Limited	2020-21	10.05	2021-22	-	161.36	161.36
5	Manipur Handloom & Handicrafts Development Corporation Limited	2009-10	12.21	2010-11 to 2019-20	-	21.04	21.04
6	Tourism Corporation of Manipur Limited	-	0.05	2016-17 to 2021-22	0.05	10.57	10.62
Total			30.26		2.05	213.95	216.00

Appendix 4.2

(Reference: Paragraphs 4.1.8, 4.1.10 & 4.1.12)

Summarised financial position and working results of State Public Sector Enterprises (all Government companies) as per their latest finalised financial statements as on 30 September 2022

(Figures in columns 5 to 12 are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit(+)/ loss (-)	Capital Employed	Return on capital employed (Earnings before tax and interest)	Percentage return on capital employed	Man-power
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Working Government Companies													
FINANCE													
1	Manipur Industrial Development Corporation Limited	2009-10	2014-15	12.14	6.31	(-) 31.78	-	0.07	(-)1.45	(-) 13.33	(-) 1.45	Not workable	37
2	Manipur Tribal Development. Corporation Limited	1987-88	2013-14	0.52	-	(-) 0.23	-	0.02	(-) 0.12	0.29	(-) 0.12	(-) 41.38	110
Sector wise total				12.66	6.31	(-) 32.01	-	0.09	(-) 1.57	(-) 13.04	(-) 1.57	Not workable	147
INFRASTRUCTURE													
3	Manipur Police Housing Corporation Limited	1997-98	2012-13	0.02	-	0.59	-	0.11	0.29	0.61	0.29	47.54	105
Sector wise total				0.02	-	0.59	-	0.11	0.29	0.61	0.29	47.54	105
MANUFACTURING													
4	Manipur Food Industries Corporation Limited ²	2010-11	2019-20	5.41	15.74	(-) 0.88	-	0.02	(-) 0.17	20.27	(-) 0.17	(-) 0.84	18
5	Manipur Electronics Development Corporation Limited	2017-18	2018-19	2.74	-	(-) 7.11	-	1.26	(-) 0.22	(-) 4.37	(-) 0.22	Not workable	26
Sector wise total				8.15	15.74	(-) 7.99	-	1.28	(-) 0.39	15.90	(-) 0.39	(-) 2.45	44
POWER													
6	Manipur State Power Company Limited	2020-21	2021-22	10.05	-	(-) 83.22	-	65.25	(-) 11.19	(-) 73.17	(-) 12.54	Not workable	1,437
7	Manipur State Power Distribution Company Limited	2021-22	2021-22	10.05	451.95	(-) 156.70	-	518.04	(-) 11.11	305.30	(-) 22.52	(-) 7.38	1,123
Sector wise total				20.10	451.95	(-) 239.92	-	583.29	(-) 22.30	232.13	(-) 35.06	(-) 15.10	2560

?

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit(+)/ loss (-)	Capital Employed	Return on capital employed (Earnings before tax and interest)	Percentage return on capital employed	Man-power
1	2	3	4	5	6	7	8	9	10	11	12	13	14
MISCELLANEOUS													
8	Manipur Handloom & Handicrafts Development Corporation Limited	2009-10	2018-19	12.21	1.69	(-) 16.18	-	0.15	(-)0.31	(-)2.28	(-) 0.31	Not workable	23
*9	Tourism Corporation of Manipur Limited	First accounts not finalised	-	-	-	-	-	-	-	-	-	-	16
*10	Cyber Corporation Manipur Ltd.	2020-21	2021-22	0.25	-	(-) 0.0	-	-	(-) 0.01	(-) 0.24	(-) 0.01	Not workable	20
Sector wise total				12.46	1.69	(-) 16.18	-	0.15	(-) 0.32	-2.52	(-) 0.32	Not workable	59
Total A (All sector wise working Government Companies)				53.39	475.69	(-) 295.51	-	584.92	(-) 24.29	233.08	(-) 37.05	(-) 15.90	2,915
B. Non-working Government Companies													
AGRICULTURE & ALLIED													
1	Manipur Agro Industries Corporation Limited	1988-89	2005-06	0.32	-	(-) 0.45	-	0.19	(-) 0.04	(-) 0.13	(-) 0.04	Not workable	-
2	Manipur Plantation Crops. Corporation Limited	1983-84	2000-01	0.51	0.07	-	-	-	-	0.58	-	-	-
Sector wise total				0.83	0.07	(-) 0.45	-	0.19	(-) 0.04	0.45	(-) 0.04	(-) 8.89	-
MISCELLANEOUS													
3	Manipur Pulp & Allied Products Limited	2002-03	2017-18	0.90	1.75	(-) 6.81	-	-	(-) 0.83 ³	(-) 4.16	(-) 0.25	Not workable	-
Sector wise total				0.90	1.75	(-) 6.81	-	-	(-) 0.83	(-) 4.16	(-) 0.25	Not workable	-
Total B (All sector wise non-working Government Companies)				1.73	1.82	(-) 7.26	-	0.19	(-) 0.87	(-) 3.71	(-) 0.29	Not workable	-
Grand Total (A+B)				55.12	477.51	(-) 302.77	0	585.11	(-) 25.16	229.37	(-) 37.34	(-) 16.28	2,915

*SPSEs at serial No. A9 incorporated on dated .13 July 2016 had not finalised its first accounts as of September 2022.

³As per the latest finalised accounts for the year 2002-03, the SPSE had no income. The loss was due to staff cost (₹ 0.21 crore), financial cost (₹ 0.58 crore) and other expenses (₹ 0.04 crore).

Appendix 4.3

(Reference: Paragraph 4.1.10)

Statement showing Rate of Real Return on Government Investment

(Figures in column no. B to I and K to M are ₹ in crore)

Financial Year	Present value of total investment at the beginning of the year	Equity infused by the State government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest (per cent)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/profit after tax (PAT) for the year*
A	B	C	D	E	F	G	H	I	J	K K=I x (1+J/100)	L L=(I x J)÷100	M
Upto 2012-13**		43.19	0.10	0.00	1.28	0.00	44.57	44.57	6.52	47.48	2.91	0.18
2013-14	47.48	0.00	0.00	0.00	0.00	0.00	0.00	47.48	6.42	50.52	3.05	0.78
2014-15	50.52	20.10	0.00	0.00	0.00	0.00	20.10	70.62	6.56	75.26	4.63	(-) 20.95
2015-16	75.26	2.05	0.00	0.00	259.93	0.00	261.98	337.24	6.67	359.73	22.49	(-) 24.59
2016-17	359.73	0.05	0.00	0.00	250.65	0.00	250.70	610.43	6.42	649.62	39.19	(-) 48.58
2017-18	649.62	0.00	0.00	0.00	286.89	0.00	286.89	936.51	6.13	993.92	57.41	(-) 48.75
2018-19	993.92	0.00	0.00	0.00	299.36	0.00	299.36	1,293.28	5.76	1,367.77	74.49	(-) 42.26
2019-20	1,367.77	0.00	0.00	0.00	165.41	0.00	165.41	1,533.18	6.78	1,637.13	103.95	(-) 42.43
2020-21	1,637.13	0.25	0.00	0.00	191.91	0.00	192.16	1,829.29	4.43	1,910.33	81.04	(-) 34.04
2021-22	1,910.33	0.00	0.00	0.00	348.95	0.00	348.95	2,259.28	5.84	2,391.22	131.94	(-) 25.16
Total		65.64	0.10	0	1,804.38	0	1,870.12					

* Worked out in respect of 13 SPSEs where State Government made direct investment on the basis of profit/loss as per their latest finalised accounts.

**These are cumulative figures upto 2012-13 for Columns C, D, E, F, G and H.

Year	Total earnings/loss in 2019-20	Investment by the State Government as per total of column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2019-20	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
	Value of column M of above table	Total of the column H of above Table	(A÷B)x100	Value of column K of above Table	(A÷D)x100
2020-22	-25.16	1870.12	-1.35	2391.22	(-) 1.05

Appendix 5.1

(Reference: Paragraph 5.2)

Records not produced to Audit for scrutiny by DDOs of departments under Revenue Sector during 2020-21

Sl. No.	Name of the DDO/ Office	Name of the Department	Nature of records not produced to audit for scrutiny	Periods for which records were not produced	Whether Audit pursued the matter with the Department
1	Sub-Divisional Officer, Lilong	Revenue	Register of Mutation, Land Valuation, Issuance of Jamabandi, Income Certificate, Annual Village statement, Taozi Register, Notice served to defaulting pattadars etc.	01.04.2016 to 31.03.2020 (Period covered by Audit)	Yes
2	Sub-Divisional Officer, Thoubal	Revenue	-do-	07.09.2011 to 31.03.2020 (Period covered by Audit)	Yes

Appendix 5.2

(Reference: Paragraph 5.6)

Statement showing balance of Tax yet to be paid and interest leviable

(₹ in lakh)

Quarter Ending	Sales of		Tax on		Total Tax	Tax paid	Balance Tax	Due date	Delay in days*	Interest leviable
	HSD	MS	HSD	MS						
(1)	(2)	(3)	(4)	(5)	(6) (4 +5)	(7)	(8) (6 – 7)	(9)	(10)	(11)
Sep-16	78.30	24.73	11.35	6.18	17.53	17	0.53	31-12-2022	2,263	0.80
Dec-16	50.30	50.04	7.29	12.51	19.80	17	2.80	31-12-2022	2,171	4.05
Mar-17	57.85	24.70	8.39	6.18	14.57	9	5.57	31-12-2022	2,081	7.73
Jun-17	33.26	29.74	4.82	7.43	12.25	12	0.25	31-12-2022	1,990	0.33
Sep-17	13.33	22.43	1.93	5.61	7.54	0	7.54	31-12-2022	1,898	9.54
Dec-17	34.04	6.26	4.94	1.57	6.51	0	6.51	31-12-2022	1,806	7.84
Mar-18	25.12	10.59	3.64	2.65	6.29	0	6.29	31-12-2022	1,716	7.20
Jun-18	13.70	8.16	1.99	2.04	4.03	3.07	0.96	31-12-2022	1,625	1.04
Sep-18	0	0	0	0	0	0	0	0	0	0.00
Dec-18	23.53	2.67	2.49	0.57	3.06	3.06	0	31-12-2022	1,441	0.00
Mar-19	43.98	12.13	4.66	2.57	7.23	4.94	2.29	31-12-2022	1,351	2.06
Total	373.41	191.45	51.5	47.31	98.81	66.07	32.74			40.59

* As on 31 December 2022.

GLOSSARY

GLOSSARY OF ABBREVIATIONS

Abbreviation	Expanded form
ATNs	Action Taken Notes
AWCBs	Anganwadi Centre buildings
AAP	Annual Action Plan
ADB	Asian Development Bank
CCTV	Closed Circuit Television
CoPU	Committee on Public Undertakings
CSCs	Common Service Centres
CAG	Comptroller and Auditor General of India
CCTNS	Crime and Criminal Tracking Networks and System
DAAC	Departmental Audit and Accounts Committees
DIG	Deputy Inspector General of Police
DBT	Direct Benefit Transfer
DGP	Director General of Police
DDO	Drawing and Disbursing Officer
EEW	Education Engineering Wing
GST	Goods and Service Tax
GoM	Government of Manipur
GIA	Grant-in-aid
GRMC	Grievance Redressal Monitoring Committees
HPC	High Powered Committee
HSD	High Speed Diesel
IPC	Indian Penal Code
IMFL	Indian-made foreign liquor
IRs	Inspection Reports
IGP	Inspector General of Police
ICDS	Integrated Child Development Scheme
IGST	Integrated GST
IDEA	Interactive Data Extraction and Analysis
IPC	Interim Payment Certificate
KOTE	Keeper of Technical Equipments
MANIDCO	Manipur Industrial Development Corporation Limited
MPTO	Manipur Police Telecommunication Organisation
MFSL	Manipur State Police Forensic Science Laboratory
MSPDCL	Manipur State Power Distribution Company Limited
MTDC	Manipur Tribal Development Corporation
MVAT	Manipur Value Added Tax
MoU	Memorandum of Understanding
MHA	Ministry of Home Affairs
MPF	Modernisation of Police Force
NeGP	National e-Governance Plan
NIT	National Institute of Technology
NESIDS	North East Special Infrastructure Development Scheme
PAs	Performance Audits
POL	Petrol, Oil and Lubricants
PM-KISAN	Pradhan Mantri Kisan Samman Nidhi Yojna
PIU	Project Implementing Unit
PAC	Public Account Committee
PFMS	Public Financial Management System
RoE	Return on Equity
RA	Running Account
SRE	Security Related Expenditure

SWD	Social Welfare Department
SLL	Special Local Laws
SAAC	State Audit and Accounts Committees
SLEC	State Level Empowered Committee
SNO	State Nodal Officer
SPSEs	State Public Sector Enterprises
SP	Superintendent of Police
SoO	Suspension of Operations
TDS	Tax Deducted at Source
BPR&D	the Bureau of Police Research and Development
RORR	The Rate of Real Return
UCs	Utilisation Certificates
VHF	Very High Frequency
WTP	Water Treatment Plant

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