



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

**Report of the
Comptroller and Auditor General of India
on
General, Social, Economic and Revenue Sectors
for the year ended 31 March 2024**



**Government of Manipur
Report No. 2 of 2026
(Civil and Commercial)**

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Comptroller and Auditor General of India
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TABLE OF CONTENTS		

	Paragraph	Page
Preface	-	v
Executive Summary	-	vii
CHAPTER I GENERAL SECTOR		
Introduction	1.1	1
CHAPTER II SOCIAL SECTOR		
Introduction	2.1	5
PERFORMANCE AUDIT		
RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT (RD&PR)		
“Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Manipur”	2.2	9
SOCIAL WELFARE DEPARTMENT		
“Integrated Child Development Services (ICDS) Scheme”	2.3	76
COMPLIANCE AUDIT		
MINORITY AFFAIRS DEPARTMENT		
Irregular inflation of DPR and excess payment	2.4	120
CHAPTER III ECONOMIC SECTOR (OTHER THAN STATE PUBLIC SECTOR ENTERPRISES)		
Introduction	3.1	123
PERFORMANCE AUDIT		
PUBLIC HEALTH ENGINEERING DEPARTMENT		
“Jal Jeevan Mission (JJM)”	3.2	127
COMPLIANCE AUDIT		
PUBLIC WORKS DEPARTMENT		
Irregular expenditure on unauthorised works	3.3	174
Undue benefit to contractor due to inflated volume of work	3.4	177

	Paragraph	Page
CHAPTER IV ECONOMIC SECTOR (STATE PUBLIC SECTOR ENTERPRISES)		
Introduction	4.1.1	179
Investment in SPSEs	4.1.2	179
Reconciliation with Finance Accounts	4.1.3	181
Accountability framework	4.1.4	182
Arrears in finalisation of accounts	4.1.5	183
Investment by State Government in SPSEs whose accounts were in arrears	4.1.6	185
Special support and Guarantees to SPSEs during the year	4.1.7	185
Performance of SPSEs as per their latest financial accounts	4.1.8	186
Key parameters	4.1.9	189
Return on Investment on the basis of Present Value of Investment	4.1.10	190
Impact of Audit Comments on Annual Accounts of SPSEs	4.1.11	191
Winding up of non-working SPSEs	4.1.12	193
Follow up action on Audit Reports	4.1.13	193
Discussion of Audit Reports by CoPU	4.1.14	194
Compliance to Reports of the CoPU	4.1.15	194
PERFORMANCE AUDIT		
DEPARTMENT OF POWER		
“The System of Energy Billing and Collection of Revenue by Manipur State Power Distribution Company Limited (MSPDCL)”	4.2	195
COMPLIANCE AUDIT		
MANIPUR STATE POWER COMPANY LIMITED		
Undue benefit to Contractor	4.3	230
CHAPTER V REVENUE SECTOR		
Trend of revenue receipts	5.1	233
Non-production of records to audit	5.2	241
Audit Planning	5.3	241
Results of Audit	5.4	242
Coverage of this Report	5.5	242
PERFORMANCE AUDIT		
TRANSPORT DEPARTMENT		
“Functioning of District Transport Offices and State Transport Authority”	5.6	242
COMPLIANCE AUDIT		
TAXATION DEPARTMENT		
Subject Specific Compliance Audit (SSCA) on “Department’s Oversight on GST Payments and Returns Filing – Phase II”	5.7	297
RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT (RD&PR)		
Avoidable expenditure	5.8	321

CHAPTER VI		
FOLLOW UP OF AUDIT OBSERVATIONS		
Follow up on Audit Reports	6.1	323
Action taken on the Recommendations of Public Accounts Committee	6.2	323
Monitoring compliance of Audit Observations	6.3	324
Outstanding Inspection Reports and Paragraphs	6.4	324
Response of departments concerned to draft audit paragraphs	6.5	326
Recommendations	6.6	327

No.	Particulars	Page
APPENDICES		
1.1	Year-wise details of expenditure audited in respect of General Sector during 2023-24	329
2.1	Year-wise details of expenditure audited in respect of Social Sector during 2023-24	329
2.2	Sampling of Districts, Blocks, GPs, and Beneficiaries for audit	330
2.3	Statement showing delay in release of central share by Finance Department, GoM during 2019-2024	331
2.4	Statement showing delay in release of State matching share by Finance Department, GoM during 2019-2024	332
2.5	Statement showing inadmissible expenditure	333
2.6	Statement showing non-maintenance of wage and material ratio during 2019-2024	335
2.7	Statement showing delay in issue of Job cards which have been registered upto March 2024	336
2.8	List of works on which extra earthwork excavation not found at the worksite	337
2.9	Statement showing no excavation of work seen executed at the worksite during 2019-2024	338
2.10	Delays in payment of wages in sampled districts	339
2.11	Statement showing irregular creation of assets on private land	339
2.12	Statement showing list of tree plantation works taken up under MGNREGS where planted trees were not found at the worksite during Joint Physical Verification (August to October 2024)	340
2.13	Statement showing progress of construction of AWCs	341
2.14	Release of fund to TP Cell (Valley II) for construction of toilet and drinking water facility	341
2.15	Statement showing delay in payment of honorarium to AWWs & AWHs	342
2.16	List of infrastructure development works taken up by Minority Affairs Department	342
2.17	Statement showing inflation of cost of work in DPR	343
2.18	Statement showing excess payment made to contractors	346
3.1	Year-wise details of expenditure audited in respect of Economic Sector during 2023-24	349

No.	Particulars	Page
3.2	Details of sampled districts, blocks and villages	349
3.3	Zero FHTC Villages as per IMIS	350
3.4	District-wise target achievement of laboratories	351
3.5	JJM schemes with higher percentage of incomplete works	352
3.6	PFMS transactions for payment of works since July 2023	354
3.7	Details of TA/ DA payments to non JJM activities	356
3.8	Detail expenditure for items of work for Nungaipokpi Water Supply Scheme	356
3.9	Statement showing non-deduction of TDS on GST at source	357
4.1	Statement showing investments made by the State Government in SPSEs (all Government companies) whose accounts are in arrears	358
4.2	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 2024	359
4.3	Statement showing Rate of Real Return on Government Investment	362
4.4	Statement showing Energy Charges assessed and Actual for Temporary Connection	363
4.5	Statement showing outstanding arrears in respect of HT consumers as on 31 March 2024	364
4.6	Statement showing payment and recovery of mobilisation advance	366
5.1	Records not produced to Audit for scrutiny by DDOs of departments under Revenue Sector during 2023-24	367
5.2	Statistical data of Transport Department Revenue and Expenditure of Transport Department, GoM	368
5.3 (A)	Audit of Zones	370
5.3 (B)	Centralised Audit	370
5.3 (C)	Detailed Audit	373
5.4 (A)	Estimated impact due to non-taking of any action against GSTR-3B Non-filers during 2020-21 (MIS COMP 01)	373
5.4 (B)	GSTR-3A issued but assessment not completed	374
5.5	Statement showing cancelled registrations with effect from dates prior to the application dates	374
5.6	Statement showing delay in issuance of cancellation order	376
5.7	Statement showing non-filing of GSTR-10	380
5.8	Statement showing compliance deviations in respect of 16 parameters	387
5.9	Statement showing where Department's response was rebutted	392
5.10	Statement showing short payment of interest on delayed payments	393
5.11	Statement showing mismatch between tax liability and tax payment	394
5.12	Statement showing short tax payment	394
5.13	Statement showing avoidable expenditure on penalty/ interest	395
GLOSSARY		
Glossary of Abbreviations		397

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 Performance Audit and Compliance Audit of the Departments of the Government of Manipur under General, Social, Economic, and Revenue Sectors including Rural Development and Panchayati Raj Department, Social Welfare Department, Minority Affairs Department, Public Health Engineering Department, Public Works Department, Department of Power, Transport 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 2023-24, 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 2023-24 have also been included, wherever necessary. The Report has been finalised 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.

Executive Summary

EXECUTIVE SUMMARY

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 five Performance Audits viz. “Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Manipur”, “Integrated Child Development Services (ICDS) Scheme”, “Jal Jeevan Mission (JJM)”, “The System of Energy Billing and Collection of Revenue by Manipur State Power Distribution Company Limited (MSPDCL)” and “Functioning of District Transport Offices and State Transport Authority” and six compliance audit paragraphs including one Subject Specific Compliance Audit viz. “Department’s Oversight on GST Payments and Returns Filing- Phase II”.

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

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

A synopsis of the important findings contained in the Report is given below.

CHAPTER I GENERAL SECTOR

During 2023-24, the Office of the Accountant General (Audit), Manipur, planned to audit 44 out of 117 units in the General Sector. Out of which, 16 units were audited. These audits involved an expenditure of ₹1,144.54 crore including expenditure of previous years. As of March 2024, 08 Inspection Reports (IRs) containing 39 paragraphs were issued to the Government with copies to the Heads of Departments concerned.

CHAPTER II SOCIAL SECTOR

During 2023-24, the Office of the Accountant General (Audit), Manipur, planned to audit 88 out of 263 units in the Social Sector. Out of which, 54 units were audited. These audits involved an expenditure of ₹7,453.20 crore including expenditure of previous years. As of March 2024, 36 IRs containing 197 paragraphs were issued to the State Government with copies to the Heads of Departments concerned.

This chapter consists of two Performance Audits viz. ***“Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in***

Manipur” and “Integrated Child Development Services (ICDS) Scheme” and one Compliance Audit Paragraph.

PERFORMANCE AUDIT

Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Manipur

The National Rural Employment Guarantee Act (NREGA) enacted in September 2005 was later renamed as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in October 2009. It seeks to provide a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage. The Ministry of Rural Development (MoRD), Government of India (GoI) is monitoring the entire implementation of this scheme in association with State Government. This Act was introduced with an aim of improving the purchasing power of the rural people, by providing primarily semi or un-skilled work to people living below poverty line in rural India. It attempts to bridge the gap between the rich and poor in the country. Roughly one-third of the stipulated work force must be women.

MGNREGA provides a powerful framework of rights to ensure rural households have access to employment and livelihood security. The scheme encourages a sense of community and collective responsibility by strengthening Panchayati Raj institutions. MGNREGA promotes a bottom-up approach to planning and execution, empowering local communities to take charge of their development. Through the creation of productive assets of prescribed quality and durability, the scheme addresses immediate economic needs while laying the foundation for long-term prosperity.

In Manipur, the scheme was implemented *w.e.f.* 2006-07 in Tamenglong district. Coverage was extended to all the districts *w.e.f.* 2008-09.

The Rural Development and Panchayati Raj (RD&PR) Department, Government of Manipur (GoM) is the nodal Department for implementation of the Scheme in the State.

A Performance Audit on the “Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme” was carried out covering the period from 2019-20 to 2023-24 to assess: *the adequacy of planning process and financial management towards achieving the goals of the Act; achievement of fair access to employment opportunities with generation of employment adequately leading to social protection and livelihood security; the creation and maintenance of durable and useful assets were in compliance with rules and regulations and ensured convergence with other programmes/ schemes; and achievement of greater transparency and accountability through the existence and functioning of appropriate and adequate monitoring, social audit and grievance redressal systems.*

Some of the major findings of the Performance Audit are as follows:

Baseline survey was not conducted and no expert institutions were empanelled to finalise the framework and methodology for the pilot baseline survey. As a result, realistic development plan could not be prepared.

Data at Management Information System (MIS) revealed significant gaps in mandatory information viz. details of job card without- bank account number; Household (HH) photographs and workers without individual photographs.

Door-to-door survey was not conducted annually during the period 2019-2024 for identification and registration of willing Households (HHs) in all the sampled GPs. During 2019-2024, only 0.02 to 0.79 *per cent* HHs who demanded jobs were provided 100 days employment.

There were huge closing balances ranging from ₹138.73 crore (2023-24) to ₹673.82 crore (2022-23). The Finance Department, GoM retained 49 to 91 *per cent* of the unspent balances at the end of the financial years. During 2019-2024, there was short receipt of Central share of ₹1,971.39 crore due to availability of unspent balances of previous year, inability to send Utilisation Certificates (UCs) and proposal for 2nd tranche in time. Central share of ₹3,584.61 crore was released to State Employment Guarantee Fund (SEGF) account with delay ranging from 13 to 248 days. Similarly, state share of ₹386.67 crore was also released with delay ranging from 07 to 347 days. In the State large liabilities were pending on account of unpaid wages and material during 2019-2024 ranging from ₹454.09 crore (2023-24) to ₹1,020.37 crore (2021-22) despite the availability of unspent balance at the end of the respective years.

The RD&PR Department, GoM procured local made Face Masks and Hand Sanitisers by incurring an expenditure of ₹14.79 crore at State level and ₹5.59 crore in the sampled districts from the fund for administrative expenses against the Operational Guidelines and instruction of Ministry of Rural Development (MoRD).

During 2019-2024, the prescribed wages and material ratio was not maintained ranging from two districts in 2019-20 to eight districts in 2023-24, as an amount of ₹39.23 crore was utilised in excess on the material component, which could have generated 15.77 lakh Person Days (PDs) of wage employment.

Against the payable compensation of ₹240.42 crore for delayed payment, only ₹0.02 crore was approved and ₹49.51 crore was not verified (as of May 2025) by the Programme Officer. The State Government did not pay the compensation payable for delayed payments. In the sampled six blocks, unemployment allowance of ₹69.73 lakh was not provided to 6,074 HHs though they had demanded work during 2019-2024. At the State level, there was delay in payment of wages ranging from 83 to 99 *per cent* during the period 2019-2024.

Out of the prescribed 10 meetings of the State Employment Guarantee Council (SEGC) during 2019-2024, only two meetings were held in 2020-21. The non-official members of the SEGC were neither re-appointed nor new members were appointed. The posts of non-official members remained vacant since 15 January 2022. This compromised the oversight, monitoring and advisory functions to be discharged by the SEGC as envisaged under the Act, thereby reducing transparency and accountability in the implementation of the scheme at the State level.

In the State, GPs ranging between 4.02 and 93.59 *per cent* remained unaudited during 2019-2024 against the number of GPs planned by the Manipur Social Audit Agency (MSAA). However, the shortfall ranged from 77.73 to 98.70 *per cent* against required number of social audits to be conducted as per Operational Guidelines.

The State Government did not appoint full time Director of MSAA but was given to a senior official of the State Government as additional charge. Further, there was shortage of administrative staff and Resource Persons for conduct of social audit.

During 2019-2024, Vigilance Cell was not constituted at the State, District and Local level. Further, no State Quality Monitor (SQM)/ District Quality Monitor (DQM) were appointed. Citizens' Charter had not been developed due to which MGNREGS in Manipur had been implemented without any mandated duties of PRIs and Government officials. Hence, the main stakeholders of the scheme remained unaware of the duties and function of the MGNREGA functionaries.

Recommendations:

The Government may consider the following recommendations-

- *Conduct a comprehensive baseline survey to accurately assess the quantum and timing of labour demand and prepare a realistic documented annual plan.*
- *The State Government should ensure the timely release of funds to the SEGF to facilitate efficient utilisation and avoid accumulation of pending liabilities.*
- *Take steps to register households with complete information and issue accurate Job cards within the stipulated time.*
- *Guarantee 100 days of wage employment to all the eligible households, as mandated by the Act.*
- *Fix accountability for inadmissible expenditure, diversion of scheme funds and unauthorised utilisation and take appropriate corrective and disciplinary action against the concerned officers/ officials.*
- *The Department should strictly adhere to the prescribed wage-material ratio to optimise person-day generation and ensure compliance with scheme guidelines.*

- *Ensure prompt payment of unemployment allowance and compensation for delayed payment of wages to the eligible beneficiaries.*
- *The SEGC may hold bi-annual meeting regularly, appoint its non-official members and perform its duties as prescribed.*
- *The Department may appoint regular Director of MSAA and other staff and Resource Persons on priority.*
- *The Department should reassess the manpower requirement and ensure that adequate number of staff with requisite skills are provided.*
- *The Department may take up steps to constitute Vigilance Cell, appoint State and District Quality Monitor and prepare Citizens' Charter.*

Integrated Child Development Services (ICDS) Scheme

Integrated Child Development Services (ICDS) Scheme was launched by the GoI, in 1975 with the aim to help children and nursing mothers to respond to the challenge of providing pre-school and non-formal education on one hand and break the vicious cycle of malnutrition, morbidity, reduced learning capacity and mortality on the other. The scheme was launched in the same year in the State of Manipur. The beneficiaries under the scheme are children in the age group of zero to six years, pregnant women and lactating mothers and adolescent girls in the age group of 14 to 18 years. In November 2017, GoI renamed the ICDS as 'Anganwadi Services' and restructured it into 'Umbrella ICDS'. In March 2018, POSHAN Abhiyaan (erstwhile National Nutrition Mission) was launched to achieve improvement in the nutritional status of beneficiaries in a time bound manner. In August 2022, POSHAN Abhiyan and ICDS were re-structured as 'Saksham Anganwadi and Poshan 2.0' for implementation during the 15th Finance Commission period 2021-22 to 2025-26.

The package of services provided as part of the programme comprised, *inter-alia* (i) Supplementary Nutrition Programme (SNP), (ii) Immunisation, (iii) Health Check-up, (iv) Referral Services, (v) Non-formal Pre-school Education (PSE) and (vi) Nutrition and Health Education (NHED).

The Social Welfare Department (Department) is responsible for the implementation of ICDS in the State. The Department implements three components of the programme *viz.*, SNP, PSE and NHED, while the other three components are implemented in coordination with the Consumer Affairs, Food and Public Distribution Department and Health and Family Welfare Department (health check-up and referral services and immunisation).

A Performance Audit on "Integrated Child Development Services (ICDS)" was carried out covering the period from 2018-19 to 2023-24 to assess: *the comprehensiveness of the Planning for identification and coverage of beneficiaries, the activities under various interventions were designed to meet the scheme objectives and inter-sectoral monitoring mechanism were robust; optimal utilisation of available physical, human and financial resources and*

maximisation of the benefits of ICDS by convergence with other related programmes; effectiveness of awareness created among the targeted beneficiaries; and effectiveness, efficiency and economy of the delivery of services in achieving the desired outcomes of ICDS.

Some of the major findings of the Performance Audit are as follows:

The State Empowered Programme Committee, the highest body for planning, supervision and monitoring the implementation of ICDS in the state which was supposed to meet once every month, did not meet even once during the period 2018-2024. There were neither district ICDS Mission nor block ICDS Mission Committee in any of the sampled districts to get together and operationalise ICDS Mission Mode to take decisions on child development issues.

The State Convergence Committee met once during 2018-2024 against the requirement of once in each quarter. Further, the District and Block Convergence Committee did not meet at all during the period 2018-19 to 2023-24. There were no district and block convergence action plans during the period 2018-19 to 2023-24 indicating that the Committees were non-functional.

The Department did not lift 3,000 MT of rice for the fourth quarter of 2019-20 meant for Supplementary Nutrition Programme of 3,77,140 beneficiaries (children 6 months to 6 years: 3,22,186 and pregnant and lactating mother: 54,954).

Medicine kits were not available in 100 AWCs, the facts were confirmed from the Joint Physical Verification (JPV) (January 2024). Non-availability of medicine kits for controlling common ailments like fever, cold, cough, worm infestation, etc. including medicines and basic equipment for first-aid would result in exposure of young beneficiaries under the scheme to the vulnerability of common ailments.

Anganwadi Centre (AWC) buildings were in dilapidated conditions and not fit to effectively function as AWCs. There were no basic facilities such as proper buildings, toilets, drinking water facilities and space for indoor and outdoor activities of children.

There was delay in release of funds by the Government of Manipur to the implementing agencies for more than three years resulting in delay in completion of 936 AWCs. The GoI provided funds for construction of toilets and drinking water facilities for the AWCs with the objective of achieving total sanitation and cleanliness by 02 October 2019, however, the Department could not achieve the objective as of March 2024.

As of March 2024, out of 38 CDPOs, only 30 of them had received job related training while 33 of them had received induction training. Also, out of 377 Supervisors, only 53 of them had received the requisite job related training, leaving a backlog of 324. Only 56 Supervisors had received induction training.

There were shortfalls in the visit of senior functionaries in the 13 sampled ICDS projects, by the supervisors to the Anganwadi Centres ranging from 11 to 45 *per cent*, while shortfall in respect of Child Development Project Officers (CDPOs) ranged from 64 to 78 *per cent*.

Recommendations:

The Government may ensure that-

- *The Department should make all the institutional mechanisms under the scheme to participate fully in the planning process. The Department should also ensure that the requisite number of meetings of the State Empowered Committee are held for proper planning, supervision and monitoring for the effectiveness of the ICDS Scheme in the State.*
- *Convergence Action Plan should be materialised in order to accomplish the benefits of convergence of services.*
- *The Department should provide adequate nutrition to all the eligible beneficiaries.*
- *Medicine kits should be provided to all AWCS on regular basis to arrest exposure of young beneficiaries to the vulnerability of common ailments.*
- *Priority should be given to complete the construction of the Anganwadi Centres and toilets and providing the drinking water facilities.*
- *Regular training should be provided to Anganwadi services' functionaries.*
- *Supervision of district and project level functionaries should be strengthened as per prescribed standard to enhance delivery of services, quality of services and infrastructure issues.*

COMPLIANCE AUDIT

MINORITY AFFAIRS DEPARTMENT

Adoption of incorrect quantity on an item of work by Minorities and Other Backward Classes Economic Development Society (MOBEDS) in 12 projects led to inflation of cost in the contract agreements by ₹2.08 crore. This together with recording of incorrect quantity during execution resulted in excess payment to the tune of ₹0.98 crore.

Recommendation:

The State Government may take steps to adjust/ recover the excess payment of ₹0.98 crore from the contractors and safeguard the remaining project funds.

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

During 2023-24, the Office of the Accountant General (Audit), Manipur, planned to audit 54 out of 370 units in the Economic Sector. All the planned units were audited during 2023-24. These audits involved an expenditure of ₹2,709.93 crore including expenditure of previous years. As of March 2024, 21 IRs containing 77 paragraphs were issued to the State Government with copies to the heads of the concerned departments.

This chapter contains one Performance Audit on “Jal Jeevan Mission (JJM)” and two compliance audit paragraphs.

PERFORMANCE AUDIT

Jal Jeevan Mission (JJM)

The Jal Jeevan Mission (JJM), a flagship scheme, was launched by the Prime Minister of India on 15 August 2019. JJM adopts to provide potable water to rural areas through pipe water supply and aims to provide piped water supply to each of the 19 crore rural households of the country through Functional Household Tap Connections (FHTCs) by the end of 2024.

In Manipur, Public Health Engineering Department (PHED) (Department) is the implementing agency of the Programme covering 2,556 villages in the State. Out of the 15 villages covered in the three sampled districts, 13 villages sourced their water through gravity and two villages relied on groundwater exploration.

A Performance Audit on ‘Jal Jeevan Mission’ covering the period from 2019-20 to 2023-2024 was conducted to assess: *the successful achievement of Programme objectives (output and outcomes); existence of efficient institutional framework for planning, implementation, and post operational management of the schemes; economy and efficiency in utilisation of Financial resources; and sustainability of assets created through the programme for the next two to three decades and do not compromise water security for future generations.*

The major audit findings are as below:

Gram Panchayats of the sampled villages did not hold Gram Sabha meetings to approve Village Action Plan (VAP) as per JJM guidelines. This led to non-involvement of communities in planning and ineffective village action plans.

The State could not achieve the target of providing every rural household with Functional Household Tap Connections (FHTCs) by December 2024 by 20.41 per cent depriving 92,146 households of potable water supply. As per the Integrated Management Information System (IMIS) data, out of 2,556 villages, 39 villages had no FHTC as of December 2024.

In the sampled villages, it was observed that none of the 351 beneficiaries with FHTCs had a meter installed for their household connection.

Cross verification of IMIS data with the record of the Village Water and Sanitation Committees (VWCSs) revealed that there were 3,328 inflated number of FHTCs in the nine sampled villages indicating serious lapses in data integrity and potential misreporting of scheme progress under JJM.

Due to non-submission of Utilisation Certificate (UC) for the previous year (1st instalment of 2022-23), no fund was received from the Ministry during the year 2023-24, resulting in non-execution of approved activities for ₹335.18 crore. Moreover, annual accounts for the year 2022-23 and 2023-24 were not prepared.

Lack of regular review and analysis of procurement and issuance data of Field-Testing Kits (FTK) were observed in audit which was confirmed during JPV. This led to inefficient procurement processes leading to overstocking of stock and inability to distribute the stock in time before expiration.

Operational guidelines of JJM highlights the need to plan for skilled human resources in each district and for each village in convergence with Pradhan Mantri Kaushal Vikash Kendra (PMKVK) on priority, which was not yet taken up. Audit, however, observed that skilling development activities were conducted only in 180 villages out of 2,556 villages. Thus, 2,376 (92.96 *per cent*) villages have not been covered under skilling activities.

There was a significant gap in compliance with JJM planning guidelines as no district-level water budgets or comprehensive source sustainability plans were furnished for review. Audit observed that in all 351 surveyed households that had FHTCs, beneficiaries reported water shortages during the lean season, thereby indicating that the absence of planned source sustainability measures undermined the objective of JJM to provide a reliable and year-round supply of potable drinking water to rural households.

Inability to collect five *per cent* of the capital cost of the project have affected the involvement of the community in JJM activities and lack of sense of ownership.

Recommendations:

The State Government may-

- *facilitate participation of communities in planning, implementation and maintenance to increase transparency and social accountability.*
- *ensure that the incomplete works are completed by the State Water Sanitation Mission without further delay to achieve the target of providing tap water connection to every rural household.*
- *ensure installation of meter for every household.*

- *check and monitor appropriately online submission of data and information on IMIS to improve reliability of the database.*
- *ensure submission of UCs in time to enable timely receipt of fund from Ministry and timely execution of approved activities. Efforts should be made to prepare accounts for all the years.*
- *proper stock taking and assessment of requirement be made to minimise overstocking and non-distribution of FTKs to enable the beneficiaries testing the water quality for potential waterborne health risks.*
- *converge with Pradhan Mantri Kaushal Vikash Kendra (PMKVY) for skilling activities.*
- *make proper arrangement for source sustainability so that water reaches the households throughout the year.*
- *strengthen community engagement for increased local accountability, reduced over-reliance on state funding and increased likelihood of active local participation in operation and upkeep.*

COMPLIANCE AUDIT

PUBLIC WORKS DEPARTMENT (PWD)

Works carried out without requisite Administrative Approval & Expenditure Sanction, Technical Sanction, work order and without call of tender by awarding and payment to a contractor who was a near relative of the Engineer-in-charge resulted in irregular expenditure of ₹3.21 crore by the Executive Engineer, Imphal East Division on unauthorised works.

Recommendation:

The State Government may investigate the diversion of ₹3.21 crore to unauthorised works and fix responsibility on officials involved for irregular payments.

Due to inflated provision for earthwork and for providing/ laying cement concrete, the Executive Engineer, Building Division, Public Works Department made an excess payment thereby extending an undue benefit of ₹61.73 lakh to the contractor.

Recommendation:

The Government may recover the excess payment of ₹61.73 lakh from the contractor without delay.

CHAPTER IV
ECONOMIC SECTOR
(STATE PUBLIC SECTOR ENTERPRISES)

As of 31 March 2024, the State of Manipur had 14 State Public Sector Enterprises (SPSEs) (all Government Companies including three non-working). However, none of these SPSEs were listed on the Stock Exchange.

During the last five years, the overall pendency of SPSE accounts had increased from 103 Accounts (2019-20) to 122 Accounts (2023-24) which was attributable to less number of Accounts finalised (18 Accounts) by the SPSEs during 2019-2024 as compared to the number of accounts due for finalisation (53 Accounts) during the said period.

Against the total arrears of 122 Accounts (11 SPSEs) as on 30 September 2024, 62 Accounts (51 *per cent*) pertained to two SPSEs namely, Manipur Tribal Development Corporation Limited (36 Accounts) and Manipur Police Housing Corporation Limited (26 Accounts).

Recommendations:

The State Government may-

- *mandate each administrative department to prepare a time-bound action plan for SPSEs under their control to clear the backlog of accounts, starting with the most delayed cases.*
- *set up a special cell to oversee the clearance of arrears of SPSE-accounts and set the targets for individual SPSEs, which may be monitored by the cell.*
- *ensure that existing vacancies in the Accounts departments of SPSEs are filled up in a timely manner with persons having domain knowledge and experience.*
- *organise focused training sessions on statutory compliance, financial reporting, and governance for SPSE finance personnel and nodal officers in administrative departments.*

As on 31 March 2024, there were three non-working SPSEs, which had been non-functional for last 20 to 24 years. 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.

This chapter contains one Performance Audit on ***“The System of Energy Billing and Collection of Revenue by Manipur State Power Distribution Company Limited (MSPDCL)”*** and one compliance audit paragraph as discussed in the succeeding paragraphs.

PERFORMANCE AUDIT

The System of Energy Billing and Collection of Revenue by Manipur State Power Distribution Company Limited (MSPDCL)

After the unbundling and corporatising of the Manipur State Electricity Department into two independent State-owned entities viz. Manipur State Power Company Limited (MSPCL) and Manipur State Power Distribution Company Limited (MSPDCL) with effect from 01 February 2014, MSPDCL is responsible for the distribution of power through 11kV and below distribution lines and the implementation of the Energy Billing System (EBS) in the State.

MSPDCL (Company) uses e-Billing software, a web-based platform for its billing and online payment. The integrated IT billing system which became operational in August 2019 aimed to achieve regular bill preparation, distribution and revenue collection for post-paid consumers; centralised monitoring and report generation for all post-paid and prepaid consumers; and generation of prepaid recharge vouchers for different prepaid meter manufacturers from a single window/ platform.

A Performance Audit of “The System of Energy Billing and Collection of Revenue by MSPDCL” covering the period from 2018-19 to 2023-24 was conducted *to ascertain the adequacy of the IT-enabled energy billing system adopted by MSPDCL; the economy, efficiency and effectiveness of the management of the metering and energy billing; customer service and satisfaction; promptness in collection of Company’s revenue/ arrears; and the existence of an adequate monitoring and internal control system.*

The significant audit findings are as below:

The Company could not achieve the target of 100 *per cent* metering set by Joint Electricity Regulatory Commission (JERC) (Manipur and Mizoram) (M&M) as 65,587 consumers were unmetered out of total 5,60,238 consumers. In the absence of energy meters, the Company prepared the energy bills of the unmetered consumers based on the formula which was already withdrawn by the JERC (M&M) without ascertaining the actual quantum of energy consumed by these consumers. MSPDCL had not completed the installation of meters even for the High Tension (HT) consumers as of March 2024 as the *percentage* of installation of energy meters ranged between 58 and 65 *per cent* during 2020-21 and 2023-24.

The Company had not completed the installation of feeder meters and Distribution Transformer (DT) meters. *Percentage* of installation of 11kV feeder meters was 57 *per cent* while the *percentage* of installation of DT meters was 15 *per cent* as on 31 March 2024. Due to non-completion of installation of Feeder meters and DT meters, feeder-wise energy loss for all 11 kV lines and Low Tension (LT) line loss for individual DT fed LT lines could not be ascertained and identification of theft in particular feeder could not be done.

Audit observed that for the period from April 2018 to March 2024, 75,612 pre-paid consumers out of 4,91,820 pre-paid consumers (LT and HT), were not migrated to the Web-based Billing System as on 31 March 2024. The outstanding amount related to the consumers whose accounts were not migrated to billing system was not available. The absence of migrated data prevented automated recovery of arrears through the mandated 20 *per cent* deduction from recharge value.

IT billing system of MSPDCL lacked basic access controls, permitting simultaneous logins from multiple systems using the same user ID, thereby creating vulnerabilities for unauthorised access and potential data manipulation.

An amount of ₹24.05 crore was outstanding in respect of 88 HT consumers as of March 2024 in the six sampled Divisions. However, no disconnection was done in respect of these HT consumers inspite of having significant amount of arrears by invoking the provisions of JERC (M&M) Electricity Supply Code Regulations, 2013 stipulating issue of disconnection notices for default in payment of dues after giving him a notice period of 15 clear days.

MSPDCL could not realise the whole of the billed amount during the financial years 2018-19 to 2021-22 and 2023-24. The percentage of amount collected as against the amount billed ranged between 83 and 93 *per cent* during these five years while MSPDCL could achieve 107 *per cent* collection against the amount billed during the financial year 2022-23 indicating ineffective enforcement of recovery measures.

Audit noticed that the State Government did not release the full amount of assured subsidy to MSPDCL in five out of six years covered by audit. Though MSPDCL did not receive the subsidy amount in advance from the State Government in monthly instalments, MSPDCL also did not adopt the full cost tariffs as mandated by the Electricity Act, 2003.

Records for the collection of revenue by sampled Revenue Divisions and Sub-Divisions revealed that revenue amounting to ₹54.63 lakh collected by the Yairipok Sub-Division under Thoubal Electrical Division during January 2021 to January 2024, was neither remitted into the Bank Account nor retained in the custody of the cashier/ chest, thereby indicating suspected misappropriation. Audit also observed delay in remittance of revenue by four Electrical Divisions.

MSPDCL had to incur avoidable expenditure of ₹10.33 crore towards payment of Late Payment Surcharge to North Eastern Electric Power Corporation Ltd. (NEEPCO), which could have been avoided had MSPDCL not defaulted in payment of power purchase bills.

MSPDCL had not complied with the JERC (M&M) “Redressal of Consumer Grievances” Regulations, which mandate the establishment of Internal Grievance Redressal Cells (IGRC) at multiple levels and the maintenance of complaint registers. This lapse undermines consumer rights protection, prevents effective monitoring of service quality and obstructs regulatory oversight.

There was no Internal Audit Wing in MSPDCL. IT security audit by external agency was conducted only once in 2021 during the period of audit. However, MSPDCL did not conduct any internal audit of its IT resources and environment indicating weak internal control mechanisms.

Recommendations:

MSPDCL may ensure-

- *100 per cent metering of all High Tension (HT), Low Tension (LT), and Distribution Transformers (DTs) as mandated, including installation of smart meters to facilitate real-time energy audit.*
- *That Meters be installed at all incoming and outgoing points of substations and feeders to enable feeder-wise energy loss analysis and timely detection of theft or leakages.*
- *The migration of all pre-paid consumers to the web-based billing system be completed without delay to enable automated recovery of arrears from recharge amounts.*
- *Contractual provisions for surcharge on delayed payments be enforced, and secure payment arrangements such as advance payments or sovereign guarantees be put in place for high-risk consumers.*
- *IT billing systems be upgraded to restrict logins to one active session per user ID and access be granted only to authorised personnel.*
- *Enforcement of disconnection provisions under the JERC Supply Code for chronic defaulters, including HT consumers with high arrears.*
- *Targeted arrear recovery drives be undertaken, linking future supply to settlement of outstanding dues.*
- *Billed, collected and outstanding revenue may be reconciled regularly with clear accountability fixed for deviations.*
- *The release of subsidies in monthly advance instalments in accordance with Section 65 of the Electricity Act, 2003 by the State Government.*
- *The adoption of the full-cost tariff as required under the Act in cases of delayed subsidy release.*
- *Cash handling protocols be strictly enforced, ensuring daily deposit of collections into bank accounts and real-time monitoring through tools such as the 'Cash Tracker' module. Retention of cash beyond prescribed timelines be prohibited, with accountability fixed for delays or non-remittance. Surprise inspections be conducted at cash counters, vending stations, and revenue collection points to verify compliance.*
- *Adherence to timelines for payment to generating companies to avoid Late Payment Surcharges.*

- *Internal Grievance Redressal Cells (IGRCs) be established at all mandated levels, maintaining complete registers of complaints, action taken, and resolution timelines.*
- *Periodic internal audits be conducted to ensure full compliance with JERC directives and provisions of the Electricity Act, 2003.*

COMPLIANCE AUDIT

POWER DEPARTMENT

Manipur State Power Company Limited (MSPCL)

MSPCL extended undue benefit to the Contractor in the form of excess mobilisation advance of ₹3.63 crore and interest amount of ₹0.92 crore on mobilisation advance not yet recovered.

CHAPTER V

REVENUE SECTOR

During 2023-24, the revenue raised by the State Government was ₹1,433.07 crore which was 9.74 *per cent* of its total revenue receipts of ₹14,706.17 crore. The balance receipts of ₹13,273.10 crore (90.26 *per cent*) during 2023-24 were from Government of India as State’s share of net proceeds of Union taxes and duties and GIA.

During the year 2023-24, there were 93 auditable units, of which 21 units were planned and audited.

This Chapter contains one Performance Audit on **“Functioning of District Transport Offices and State Transport Authority”** and two compliance audit paragraphs including one Subject Specific Compliance Audit (SSCA) on **“Department’s Oversight on GST Payments and Returns Filing (Phase-II)”** involving financial effect of ₹385.52 crore.

PERFORMANCE AUDIT

Functioning of District Transport Offices and State Transport Authority

As per the Government of India (Allocation of Business) Rules, 1961, the Ministry of Road Transport, Government of India is responsible for formulation of broad policies relating to road transport and enforcement of Motor Vehicles Act, 1988 and Central Motor Vehicles Rules, 1989. Rule 68 of the Motor Vehicles Act also mandated the establishment of State Transport Authorities across India.

Resultantly, the State of Manipur enacted the Manipur Motor Vehicle Taxation Act, 1998 which details the taxes, fees, cess to be levied on motor vehicles. Manipur Motor Vehicle Taxation Act, 1998 governs the various levies on motor vehicles plying in the State. The Transport Department, Government of Manipur (GoM) is responsible for the enforcement of the Motor Vehicle Rules

and collection of tax, levies, cess, etc. Vehicle Administration and Highway Administration Network (VAHAN) 2.0 software and SARATHI software were introduced in Manipur in December 2003. The upgraded VAHAN 4.0 was implemented in Manipur in May 2017 and the SARATHI 4.0 in April 2018.

A Performance Audit on the functioning of District Transport Offices and State Transport Authority covering the period from 2019-20 to 2023-24 was conducted *to assess whether the DTOs effectively managed the issue, renewal and cancellation of licenses as per the Act/ Rules; regulated and controlled over registration and use of vehicles through registration, issuing permits and fitness certificates; efficiently assessed, levied, collected and remitted revenue and took effective action on arrears; effectively conducted the enforcement activities; and adequate manpower, equipment, and other resources were provided to discharge their functions and also to ensure public service delivery.*

The significant audit findings are as below:

Driving Licence (DL) was not issued to the E-rickshaw/ E-cart drivers and no mandatory *10-day training* programme was conducted for them. Further, Manipur Road Transport buses were being plied by unqualified drivers without valid DL. No conductor licence was issued by the Department for stage carriages as required under MV Act.

In four active Driving Schools under the Transport Department there were cases of inadequate infrastructure and inadequate equipment/ apparatus. Various deficiencies were noticed in the Institute of Driver Training and Research Centre (IDTRC) *viz.* non-availability of the required Teaching and Training equipment except Traffic Sign Boards and Slide Projector; Workshop equipment, testing equipment; Driving Training Simulator and Driving Range Aids. In the Driving Range, out of the required 12 types of road/ tracks for imparting basic driving practice, six types (*50 per cent*) of Road/ Tracks, were not available. Further, in violation of the terms of the MoU, Tata Motors Ltd. did not supply any of the Vehicles, Aggregates and Cut Section of Aggregates to the Institute till May 2025.

Analysis of VAHAN registration data of 5,43,570 vehicles registered between 12 February 1942 to 13 April 2024 in the State revealed several irregularities. These included cases where the same chassis number was assigned to more than one vehicle; duplicate chassis numbers were allotted; both chassis and engine numbers were duplicated for the same vehicle; the same engine number was assigned to multiple vehicles and 'NIL' engine numbers were recorded. Further analysis of VAHAN database showed that 428 vehicles with identical chassis and engine numbers were registered at multiple DTOs with different registration numbers. This indicated that the Department did not adequately capture and verify unique identification details *viz.* chassis and engine numbers during registration, which compromised the integrity of the system and increased the risk of fraudulent registration of illegally acquired vehicles.

Data analysis of VAHAN revealed that 1,04,373 applications (9,010 for Temporary Registration and 95,363 for Permanent Registration) were submitted after seven days from the date of purchase/ sale of motor vehicles during the period from 01 April 2019 to 31 March 2024. This indicated that the Department did not effectively monitor dealers to ensure timely submission of registration applications or enforce compliance by trade certificate holders to prevent delivery of vehicles without registration. Thus, the possibility of vehicles plying on the road without registration could not be ruled out.

Data analysis revealed that for the period from April 2019 to March 2024, in the State, 22,575 certificates of registration were issued after 30 days from the receipt of application for registration of motor vehicles. Audit further noticed that out of the aforesaid 22,575 vehicles, 9420 vehicles were found to be hypothecated under various Banks/ Financiers with 324 vehicles financed by SBI who had been imposed penalty of ₹28.86 lakh for non-registration/non-hypothecation of vehicle within the timeframe and recovery/ payment of vehicle search charges.

On the basis of laden weight of Transport vehicles, there were excess and short collection of Motor Vehicle (MV) tax amounting to ₹6.12 lakh and ₹4.46 crore respectively. Similarly, on the basis of seat capacity of Transport vehicles, there were excess and short collection of MV tax amounting to ₹0.98 lakh and ₹13.61 lakh respectively.

There was non-collection of five years MV tax and Green Tax to the tune of ₹65.12 lakh and ₹5.64 lakh respectively in respect of Non-transport vehicles who applied for Green Tax. Similarly, there was non-collection of MV tax and Green Tax to the tune of ₹8.98 lakh and ₹2.02 lakh respectively in respect of Transport vehicles who applied for Green Tax.

Transport Department did not collect ₹1.15 crore as MV tax and ₹30 (₹2 + ₹28) lakh as Green Tax from 1,936 transport vehicles that have completed 15 years life span in the state of Manipur and were still active.

Data migration of all motor vehicles in the State to VAHAN 4.0 which was to be completed by 13 May 2022 was not completed as of May 2025.

There was lack of co-ordination between Transport Department and Police Department as details of number of motor vehicle offences were neither shared by the Police Department nor the Transport Department had requested the data from the Police Department.

There was delay in use of e-Challan machines in all the traffic police offices under the test-checked districts and all the e-challans which were sent to e-court (virtual court) issued by Traffic Police were pending.

The Transport Department did not conduct any random checks of the PUC centres during 2019-20 to 2023-24, the authorised operators of both the Centres had not been trained *etc.* The Transport Department did not mandate a PUC

centre at any fuel station in the State. Out of the three authorised PUC/ Pollution Checking Centres, prescribed standards were not fully adhered. Vehicles with expired PUCC were still plying as audit noticed that PUCC of 78,236 vehicles had expired as on 31 March 2024 though they were still active in VAHAN database. In the case of the three sampled DTOs, the number of vehicles with expired PUCC as on 31 March 2024 were 36,715 (Imphal West), 34,943 (Imphal East) and 3,344 (Thoubal).

During the period from 01 January 2019 to 31 March 2024, 295 new passenger vehicles registered in the State were not fitted with Vehicle Location Tracking Device (VLTD). As such, support mechanism for safety of women and girl children in public passenger transport vehicles under 'Nirbhaya' Framework was not implemented in the State.

The provisions of penalties for various motor vehicle related offences were not complied in the three test-checked DTOs and Traffic Police due to non-availability of infrastructure such as CCTV cameras at check post/points, body worn cameras, non-offloading of overloaded vehicles, non-impounding of vehicles committing offences citing lack of infrastructure and parking space.

There was a shortage of manpower by 72.32 *per cent* in the Department as a whole and the percentage of shortage of manpower in DTOs ranged from 65.45 to 100 *per cent* as of May 2025. This may result in compromising the Department's ability to enforce vehicle regulations, conduct safety inspections, manage road safety and deliver public services effectively.

Out of the 58 citizen centric vehicle related services, the Transport Department had launched only 31 faceless services as of May 2025.

Recommendations:

The Department may-

- *ensure all E-rickshaw/ E-cart drivers undergo the mandatory 10-day training and hold valid licences.*
- *mandate valid licences for all MST drivers and conductors, with a centralised register and periodic verification.*
- *launch awareness drives and streamline conductor licensing; enforce penalties for employing unlicensed conductors.*
- *enforce compliance of Driving Schools with required infrastructure, equipment and dual-control vehicles.*
- *strengthen IDTRC by completing infrastructure, procuring training equipment and enforcing supply commitments.*
- *cleanse and validate VAHAN records to remove duplicate chassis/engine numbers and cancel fraudulent registrations.*
- *enforce timely dealer submissions, fix accountability for delays, and introduce automatic penalties for defaulting dealers.*

- ensure registration of hypothecated vehicles within 30 days; distinguish dealer vs DTO delays.
- correct MV tax assessments by reconciling VAHAN with physical records, recover shortfalls, and refund excess collections.
- enforce Green Tax and five-year MV tax on vehicles over 15 years; prevent revenue loss.
- complete migration to VAHAN 4.0 and strengthen data validation protocols.
- mandate data sharing between Police and DTOs for timely licence suspension/disqualification of offenders.
- ensure effective use of e-Challan system by deploying machines, clearing court pendencies and monitoring revenue.
- tighten pollution control by mandating PUC centres at fuel stations, enforcing adherence to standards, and penalising expired PUCCs.
- implement Nirbhaya framework by setting up monitoring centre and fitting Vehicle Location Tracking Devices (VLTs) and emergency buttons in public transport vehicles.
- augment enforcement with impounding yards, custody facilities, CCTV, speed guns, and body cameras.
- address manpower shortages by filling critical enforcement, tax and mechanical inspector posts.
- expand faceless citizen-centric services beyond current limited rollout to enhance transparency and ease of access.

COMPLIANCE AUDIT PARAGRAPHS

SUBJECT SPECIFIC COMPLIANCE AUDIT

Department's Oversight on GST Payments and Returns Filing

TAXATION DEPARTMENT

In the MIS GST back-end portal 183 taxpayers in the three sampled zones did not file 3,871 returns for 2020-21. As per the MIS report on GSTR-3B non-filers, the total expected shortfall across the three zones for the year 2020-21 amounted to ₹17.12 lakh. Out of 3,871 cases of non-filers identified, GSTR-3A was issued in 184 cases.

Recommendation: The Department may initiate action against non-filers by assessing the tax liability to the best of their judgement by invoking the best judgment assessment order (ASMT-13).

Two out of three sampled zones viz. Zone-1 & 10 did not conduct scrutiny of taxpayers' returns for the year 2020-21. Only, Zone-4 conducted scrutiny for

four taxpayers for the year 2020-21 and tax discrepancies of ₹14.40 lakh were issued to these four taxpayers through ASMT-10.

Recommendation: The Department may ensure the scrutiny of returns in a time bound manner before the cases become time barred.

In 56 cases out of the total 140 cases of cancellation, there were delays in issuance of Form REG-19 ranging from ranging between 01 to 917 days. The reason for delay in cancellation was because the Department did not monitor the cancellation process.

Out of the 140 cases of cancellation, GSTR-10 was filed in only 13 cases. The Department had no information/ reports to track the filing of GSTR-10 by the taxpayer and thus recovery proceedings of tax liability could not be initiated by the Zones. Further best judgement orders in ASMT-13 were also not issued by the Department as a result of which tax liability, if any, could not be recovered.

Recommendation: The Department may strengthen the monitoring mechanism in the Zones to ensure that due procedures for cancellation of registration, filing of final returns in form GSTR-10 and assessment of tax liabilities are adhered to.

Out of 20 sampled cases, 28 instances of ITC related mismatches amounting to ₹70.86 crore were noticed. The deficiencies were due to availing ITC irregularly, availing ineligible ITC and or non-reversal of ITC. Hence, these cases remain as mismatches.

Scrutiny of GSTR-1, GSTR-3B and GSTR-9 returns filed by the 20 sampled taxpayers for the years 2018-19 to 2020-21 revealed mismatch of ₹1.16 crore in discharge of tax liability by comparing the tax liability furnished in the returns.

Recommendation: Department should ensure remedial action for all the compliance deviations brought out in this report before they get time barred.

COMPLIANCE AUDIT

RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT (RD&PR)

Manipur State Rural Roads Development Agency (Agency) did not deposit amount of Tax Deducted at Source (TDS) from contractors within the timeframe stipulated in the GST Act. Thus, due to inefficiency leading to delay in remittance of TDS, an avoidable expenditure of ₹67.51 lakh was made by the Agency as penalty/ interest.

**CHAPTER VI
FOLLOW UP OF AUDIT OBSERVATIONS**

Audit Report for the year 2022-23 (Report No. 2 of 2025) featured three Performance Audits, one Subject Specific Compliance Audits and eight Compliance Audit paragraphs. The Report was placed in the State Legislature on 10 March 2026. In respect of earlier Audit Reports for the years 1999-2022,

suo moto Explanatory Notes pertaining to 427 Performance Audits and Compliance Audit paragraphs were not received within the stipulated period of three months from the Departments.

As of March 2025, the PAC had published 38 Reports on the findings in the Audit Reports. These PAC Reports altogether contained 1,592 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 855 recommendations contained in 17 Reports of the PAC, no ATNs were received.

As of March 2024, there were 2,608 outstanding IRs with 12,491 audit paragraphs pertaining to General, Social and Economic Sectors (other than SPSEs) that were pending settlement.

In respect of Revenue Sector, there were 355 pending Inspection Reports with 1,336 outstanding audit paragraphs involving ₹341.23 crore as outstanding audit observations at the end of June 2024.

The Departmental Audit and Accounts Committees (DAAC) and State Audit and Accounts Committees (SAAC) which were to hold meeting once in three months and once in six months respectively did not hold any meetings during 2023-24.

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. Convening 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

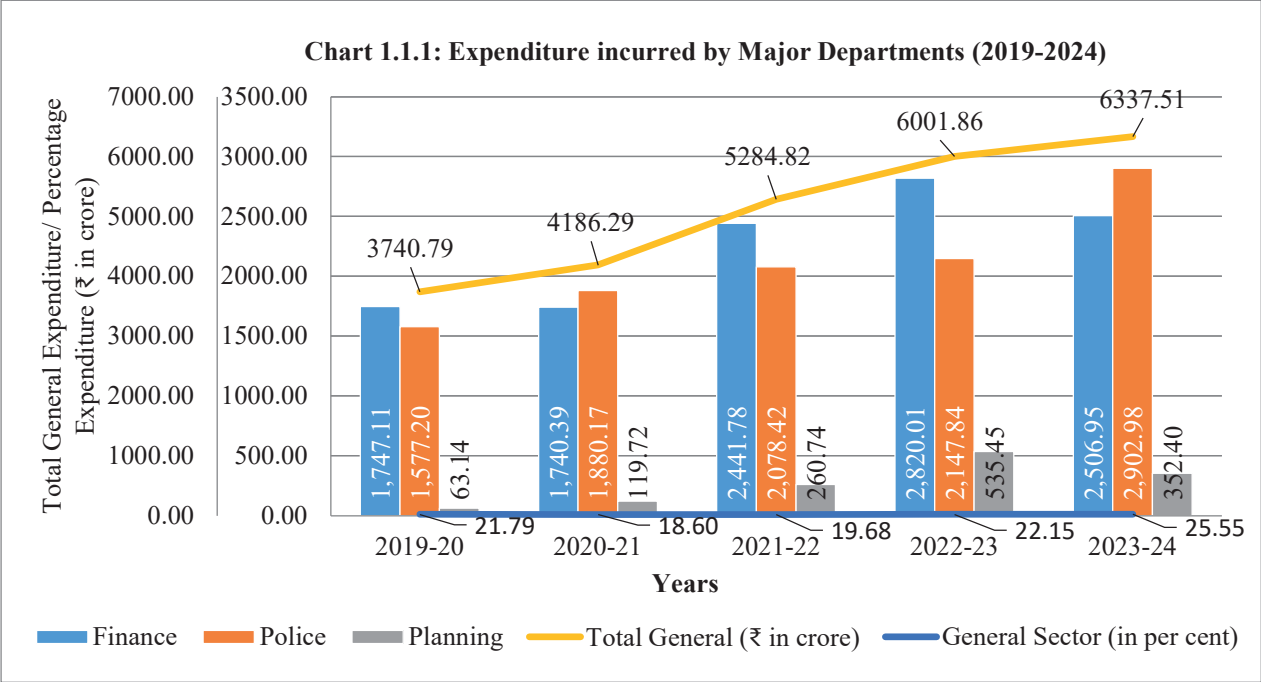
CHAPTER I

GENERAL SECTOR

1.1 Introduction

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

The expenditure incurred during the last five years by the major Departments under the General Sector is depicted in **Chart 1.1.1**.



Source: Appropriation Accounts of respective years

Table 1.1.1 provides department-wise details of budget provision and expenditure incurred by 16 departments pertaining to the General Sector during 2023-24.

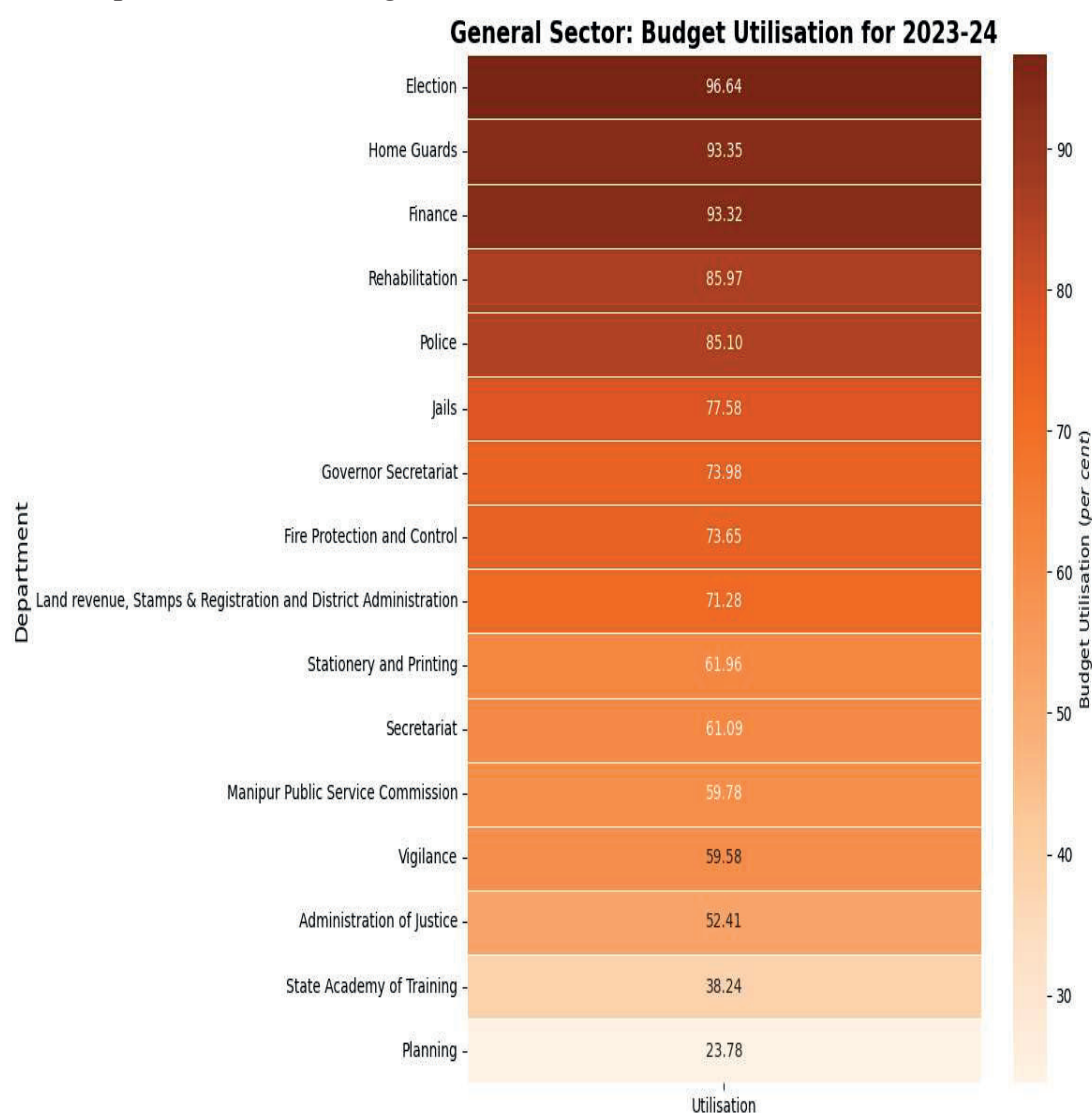
Table 1.1.1: Department-wise budget provision and expenditure under General Sector during 2023-24

Sl. No.	Name of Department	2023-24			
		Budget Provision	Expenditure	Savings	Savings as per cent of Budget Provision
1	Police	3,411.20	2,902.98	508.22	14.90
2	Finance	2,686.39	2,506.95	179.44	6.68
3	Administration of Justice	206.01	107.98	98.03	47.59
4	Planning	1,481.94	352.40	1,129.54	76.22

Sl. No.	Name of Department	2023-24			
		Budget Provision	Expenditure	Savings	Savings as per cent of Budget Provision
5	Land Revenue, Stamps & Registration and District Administration	163.77	116.74	47.03	28.72
6	Secretariat	184.76	112.87	71.89	38.91
7	Election	92.27	89.17	3.10	3.36
8	Jails	43.49	33.74	9.75	22.42
9	Home Guards	58.52	54.63	3.89	6.65
10	Fire Protection and Control	32.22	23.73	8.49	26.35
11	Governor Secretariat	8.07	5.97	2.10	26.02
12	Manipur Public Service Commission	7.16	4.28	2.88	40.22
13	Stationery and Printing	7.44	4.61	2.83	38.04
14	Vigilance	7.62	4.54	3.08	40.42
15	State Academy of Training	17.47	6.68	10.79	61.76
16	Rehabilitation	11.90	10.23	1.67	14.03
Total		8,420.23	6,337.50	2,082.73	24.73

Source: Appropriation Accounts, 2023-24

Heatmap 1.1 shows the Budget utilisation for 2023-24 under General Sector.



Source: Budget documents and Appropriation Accounts, 2023-24

KEY INSIGHTS

(i) Department-Wise Utilisation Analysis

A. High Budget Utilisation (≥ 90 per cent)

- **Election:** 96.64 per cent
- **Home Guards:** 93.35 per cent
- **Finance:** 93.32 per cent

These departments demonstrated efficient budget management with minimal savings.

B. Moderate Budget Utilisation (60 to 85 per cent)

- **Rehabilitation:** 85.97 per cent
- **Police:** 85.10 per cent
- **Jails:** 77.58 per cent
- **Governor Secretariat:** 73.98 per cent
- **Fire Protection & Control:** 73.65 per cent
- **Land Revenue, Stamps & Registration:** 71.28 per cent
- **Stationery & Printing:** 61.96 per cent
- **Secretariat:** 61.09 per cent

These departments managed to spend a reasonable share of funds but still recorded moderate savings ranging between 15 and 40 per cent.

C. Low Budget Utilisation (< 60 per cent)

- **Manipur Public Service Commission:** 59.78 per cent
- **Vigilance:** 59.58 per cent
- **Administration of Justice:** 52.41 per cent
- **State Academy of Training:** 38.24 per cent
- **Planning:** 23.78 per cent (*critical concern*)

These departments did not utilise their allocations effectively, leading to high savings and consequent probable impact on achievement of planned targets.

(ii) Key Audit Concerns

- *Excessive savings* in critical departments such as *Planning* (76.22 per cent) and *State Academy of Training* (61.76 per cent).
- Potentially indicates *ineffective planning* and *poor fund absorption capacity*.
- Possible risk of surrendering funds at the close of the Financial Year *i.e.* during February 2024.
- Probable non-achievement of programme objectives due to *low fund utilisation*.

Recommendations:

- Departments with less utilisation should submit action plans to improve fund absorption.
- Planning Department must strengthen its project implementation mechanisms to ensure timely fund deployment.
- Periodic mid-year expenditure reviews should be conducted to monitor utilisation trends.
- Unspent funds should be reallocated to the needy departments to maximise efficiency.
- The Finance Department may introduce budget execution performance indicators for better monitoring.

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 2023-24, Office of the Accountant General (Audit), Manipur, planned for audit of 44 units, out of 117 units, pertaining to General Sector. Of which, 16 units¹ involving expenditure of ₹1,144.54 crore (details are shown in *Appendix 1.1*) including expenditure of previous years were actually audited. As of March 2024, 08 Inspection Reports (IRs) containing 39 paragraphs were issued to the Government with copies to the Heads of the Departments concerned.

¹ Including 2 Apex Bodies for which no expenditure was incurred.

Chapter II

Social Sector

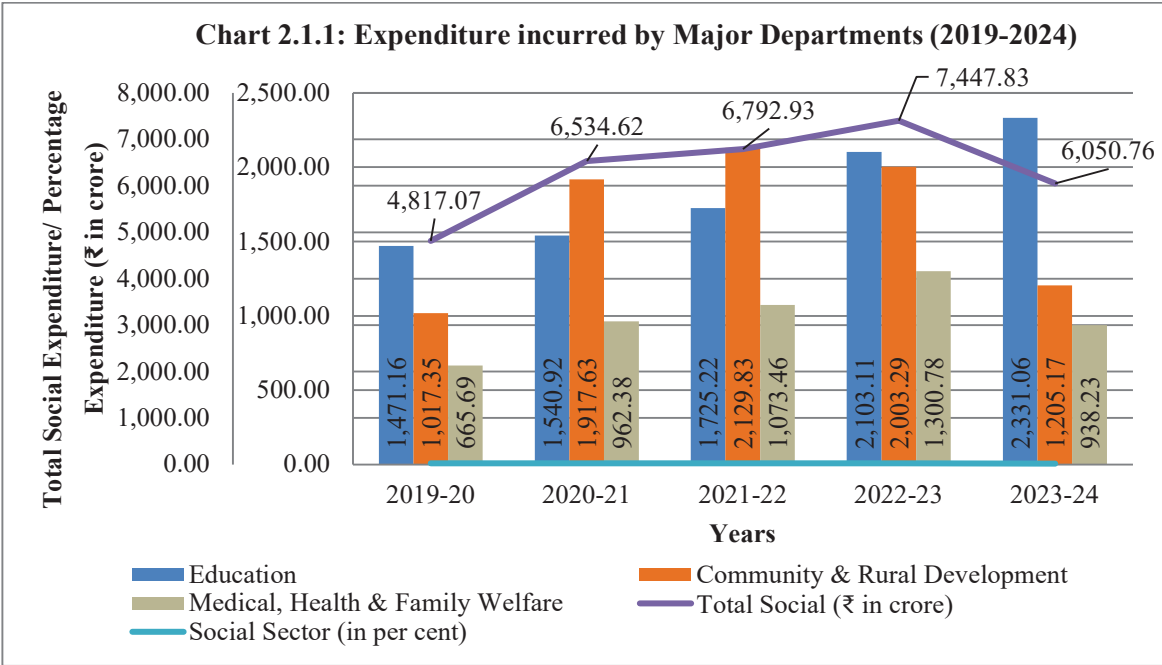
CHAPTER II SOCIAL SECTOR

2.1 Introduction

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

Social Sector is one of the most important sectors of any economy. It includes components which play an important role in contributing to human resource development. Education, health and medical care, training, water supply and sanitation, and 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 is a stock of skills and productive knowledge embodied in people, there is a direct relationship between Social Sector and the growth of an economy.

The expenditure incurred during the last five years by the major Departments under the Social Sector is depicted in **Chart 2.1.1**.



Source: Appropriation Accounts of respective years

Table 2.1.1 provides department-wise details of budget provision and expenditure incurred by 17 departments pertaining to the Social Sector during 2023-24.

Table 2.1.1: Budget Provision and Expenditure of departments in the Social Sector during 2023-24

Sl. No.	Department	2023-24		Savings	Savings as per cent of Budget Provision
		Budget Provision	Expenditure		
1	Adult Education*	3,320.25	2,331.06	989.19	29.79
2	Education (Schools)*				

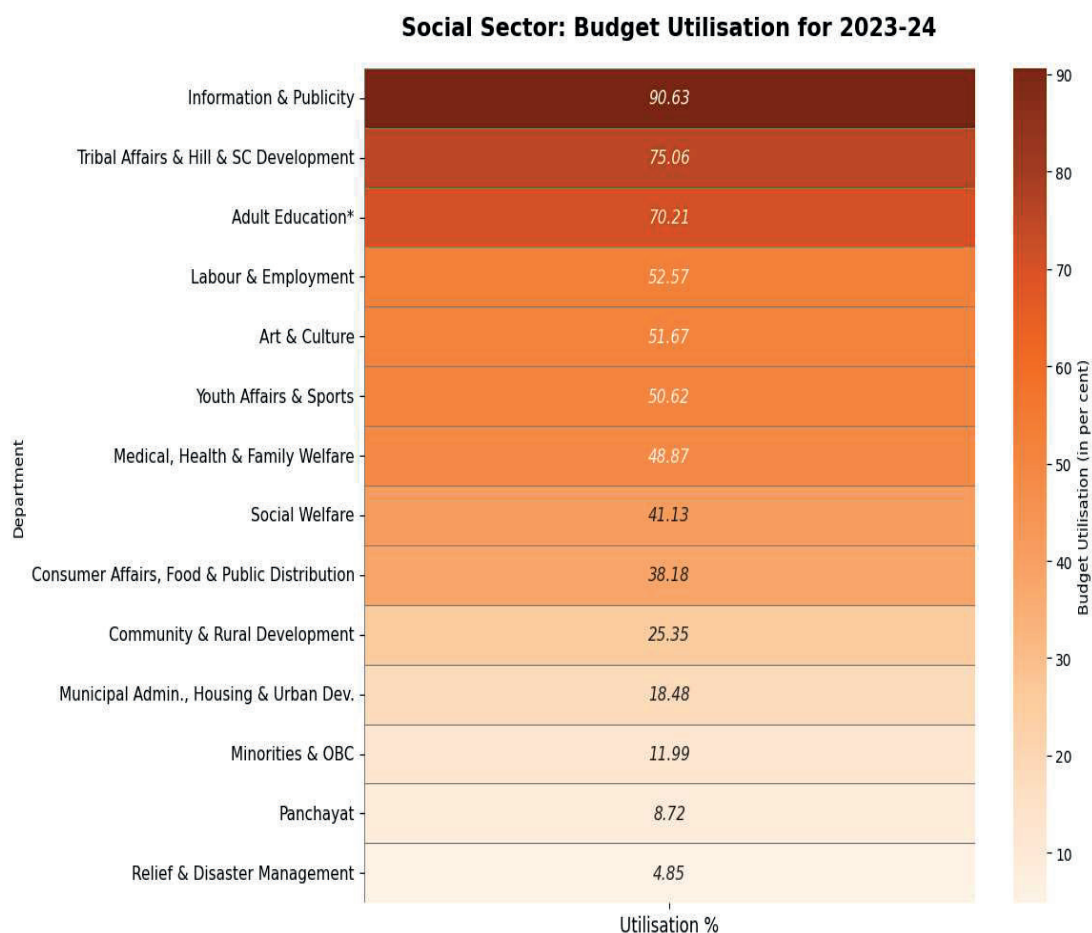
Audit Report for the year ended 31 March 2024

Sl. No.	Department	2023-24		Savings	Savings as per cent of Budget Provision
		Budget Provision	Expenditure		
3	Education (University)*				
4	Technical Education*				
5	Community and Rural Development	4,754.58	1,205.17	3,549.41	74.65
6	Tribal Affairs and Hill and Schedule Castes Development	875.57	657.23	218.34	24.94
7	Medical, Health and Family Welfare	1,919.67	938.23	981.44	51.13
8	Municipal Administration Housing and Urban Development	1,054.49	194.88	859.61	81.52
9	Social Welfare	972.95	400.13	572.82	58.87
10	Minorities and Other Backward Classes	642.07	76.99	565.08	88.01
11	Panchayat	156.80	13.67	143.13	91.28
12	Relief and Disaster Management	195.80	9.50	186.30	95.15
13	Consumer Affairs, Food and Public Distribution	184.03	70.26	113.77	61.82
14	Youth Affairs and Sports	129.92	65.76	64.16	49.38
15	Labour and Employment	73.64	38.71	34.93	47.43
16	Art and Culture	57.36	29.64	27.72	48.33
17	Information and Publicity	21.55	19.53	2.02	9.38
Total		14,358.68	6,050.76	8,307.92	57.86

* Separate information not available.

Source: Budget Documents and Appropriation Accounts, 2023-24.

Heatmap 2.1 shows the Budget utilisation for 2023-24 under Social Sector.



Source: Budget Documents and Appropriation Accounts, 2023-24

KEY INSIGHT

(i) Department-wise Utilisation Analysis

A. High Budget Utilisation

- **Information & Publicity:** 90.62 per cent
- **Tribal Affairs & Hill & SC Development:** 75.06 per cent
- **Education:** 70.21 per cent

These departments demonstrated efficient budget management with minimal savings.

B. Low Budget Utilisation

- **Community & Rural Development:** 25.35 per cent
- **Municipal Admin., Housing & Urban Development:** 18.48 per cent
- **Minorities & OBC:** 11.99 per cent
- **Panchayat:** 8.72 per cent

These departments did not utilise their allocations effectively, leading to high savings and consequent probable impact on achievement of planned targets.

(ii) Key Audit Concerns

- *Excessive savings* in the departments such as *Panchayat* (91.28 per cent).
- Potentially indicates *ineffective planning* and *poor fund absorption capacity*.
- Possible risk of *surrendering funds* at the close of the financial year.
- Probable non-achievement of programme objectives due to *low fund utilisation*.

Recommendations:

- Departments with less utilisation should submit action plans to improve fund absorption.
- *Panchayat* and *Minorities & OBC* Departments must strengthen their mechanisms to ensure timely fund deployment.
- Periodic mid-year expenditure reviews should be conducted to monitor utilisation trends and take corrective action.
- Unspent funds should be reallocated to the departments in need of funds so as to maximise efficiency.
- The Finance Department may introduce budget execution performance indicators for better monitoring and timely rectificatory action.

2.1.1 Planning and execution of Audit

Compliance audit of the Social 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 past audit findings form the basis of risk assessment while selecting auditable entities.

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 audited entities is satisfactory. However, if no action has been 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 material audit findings are selected and 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 too focused on the Social Sector in the Annual Audit Plan.

During 2023-24, the Office of the Accountant General (Audit), Manipur, planned for audit of 88 units², out of 263 units, pertaining to Social Sector. Of which, 54 units involving expenditure of ₹7,453.20 crore (details are shown in *Appendix 2.1*) including expenditure of previous years were actually audited. As of March 2024, 36 IRs containing 197 paragraphs were issued to the State Government with copies to the Heads of the Departments concerned.

This chapter consists of two Performance Audits and one Compliance Audit Paragraph as discussed in succeeding paragraphs.

² Including seven Apex Bodies

PERFORMANCE AUDIT

RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT

2.2 “Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Manipur”

A Performance Audit on the “Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme” was carried out covering the period from 2019-20 to 2023-24. This Performance Audit brought out the following significant findings.

Highlights

- *Baseline survey was not conducted and no expert institutions were empanelled to finalise the framework and methodology for the pilot baseline survey. As a result, realistic development plan could not be prepared.*
(Paragraph 2.2.7.1)
 - *There were huge closing balances ranging from ₹138.73 crore (2023-24) to ₹673.82 crore (2022-23). The Finance Department, Government of Manipur (GoM) retained 49 to 91 per cent of the unspent balances at the end of the financial years.*
(Paragraph 2.2.7.10)
 - *During 2019-2024, there was short receipt of Central share of ₹1,971.39 crore due to availability of unspent balances of previous year, inability to send Utilisation Certificates (UCs) and proposal for 2nd tranche in time. Out of ₹1,971.39 crore, during 2023-24 the short receipt was the highest (₹1,040.00 crore, 53 per cent).*
(Paragraph 2.2.7.11.1)
 - *Central share of ₹3,584.61 crore was released to State Employee Guarantee Fund (SEGF) account with delay ranging from 13 to 248 days. Similarly, state share of ₹386.67 crore was also released with delay ranging from 07 to 347 days.*
(Paragraph 2.2.7.11.2)
 - *The Department of Rural Development & Panchayati Raj, GoM procured local made Face Masks and Hand Sanitisers by incurring an expenditure of ₹14.79 crore at State level and ₹5.59 crore in the sampled districts from the fund for administrative expenses against the Operational Guidelines and instruction of Ministry of Rural Development (MoRD).*
(Paragraph 2.2.7.11.4)
 - *In the State large liabilities were pending on account of unpaid wages and material during 2019-2024 ranging from ₹454.09 crore (2023-24) to ₹1,020.37 crore (2021-22) despite the availability of unspent balance at the end of the respective years.*
(Paragraph 2.2.7.11.6)
-
-

- *During 2019-2024, the prescribed wages and material ratio was not maintained ranging from two districts in 2019-20 to eight districts in 2023-24, as an amount of ₹39.23 crore was utilised in excess on the material component, which could have generated 15.77 lakh Person Days (PDs) of wage employment.*

(Paragraph 2.2.7.11.7)

- *Door-to-door survey was not conducted annually during the period 2019-2024 for identification and registration of willing Households (HHs) in all the sampled GPs.*

(Paragraph 2.2.8.2.1)

- *Data at Management Information System (MIS) revealed significant gaps in mandatory information viz. details of job card without- bank account number; HH photographs and workers without individual photographs.*

(Paragraph 2.2.8.2.2)

- *During 2019-2024, only 0.02 to 0.79 per cent HHs who demanded jobs were provided 100 days employment.*

(Paragraph 2.2.8.3)

- *Against the payable compensation of ₹240.42 crore for delayed payment, only ₹0.02 crore was approved and ₹49.51 crore was not verified (as of May 2025) by the Programme Officer. The State Government did not pay the compensation payable for delayed payments.*

(Paragraph 2.2.8.9)

- *In the sampled six blocks, unemployment allowance of ₹69.73 lakh was not provided to 6,074 HHs though they had demanded work during 2019-2024.*

(Paragraph 2.2.8.10)

- *At the State level, there was delay in payment of wages ranging from 83 to 99 per cent during the period 2019-2024.*

(Paragraph 2.2.8.11.1)

- *During the period 2019-2024, except with Border Road Organisation in Tengenoupal, Chandel and Ukhrul districts, the State Government had not taken up any work under convergence in the remaining districts with the schemes of Panchayat and line departments.*

(Paragraph 2.2.9.2)

- *Out of the prescribed 10 meetings of the State Employment Guarantee Council (SEGC) during 2019-2024, only two meetings were held in 2020-21. The non-official members of the SEGC were neither re-appointed nor new members were appointed. The posts of non-official members remained vacant since 15 January 2022. This compromised the*

oversight, monitoring and advisory functions to be discharged by the SEGC as envisaged under the Act, thereby reducing transparency and accountability in the implementation of the scheme at the State level.

(Paragraph 2.2.10.4.1 & 2.2.10.4.2)

- *In the State, GPs ranging between 4.02 and 93.59 per cent remained unaudited during 2019-2024 against the number of GPs planned by the Manipur Social Audit Agency (MSAA). However, the shortfall ranged from 77.73 to 98.70 per cent against required number of social audits to be conducted as per Operational Guidelines.*

(Paragraph 2.2.10.11.2)

- *The State Government did not appoint full time Director of MSAA but was given to a senior official of the State Government as additional charge. Further, there was shortage of administrative staff and Resource Persons for conduct of social audit.*

(Paragraph 2.2.10.11.3)

- *During 2019-2024, Vigilance Cell was not constituted at the State, District and Local level. Further, no State Quality Monitor (SQM)/ District Quality Monitor (DQM) were appointed. Citizens' Charter had not been developed due to which MGNREGS in Manipur had been implemented without any mandated duties of PRIs and Government officials. Hence, the main stakeholders of the scheme remained unaware of the duties and function of the MGNREGA functionaries.*

(Paragraph 2.2.10.13)

Audit Snapshot



Why did we do this audit?

- To assess compliance with MGNREGA Act & Operational Guidelines.
- To verify fund management, planning, monitoring & employment generation
- To evaluate transparency & delivery of guarantee wage employment.



What did we find?

- Only 42 average employment days provided vs 100-day guarantee.
- Delay in release of Central fund and State fund by the State Government led to undue creation of interest liability of ₹148.83 crore.
- Acute shortage of Technical Assistant at the State level.
- Inadequate IEC activities led to low awareness
- Significant shortfall in social audits (92 per cent).
- Overall governance and oversight lapses undermined MGNREGA’s objective of ensuring rural livelihood security.



Registered Households: 6.09 lakh



Unskilled workers: 9.01 lakh



Average Employment Days: 42



Total expenditure incurred: ₹3,880.27 crore

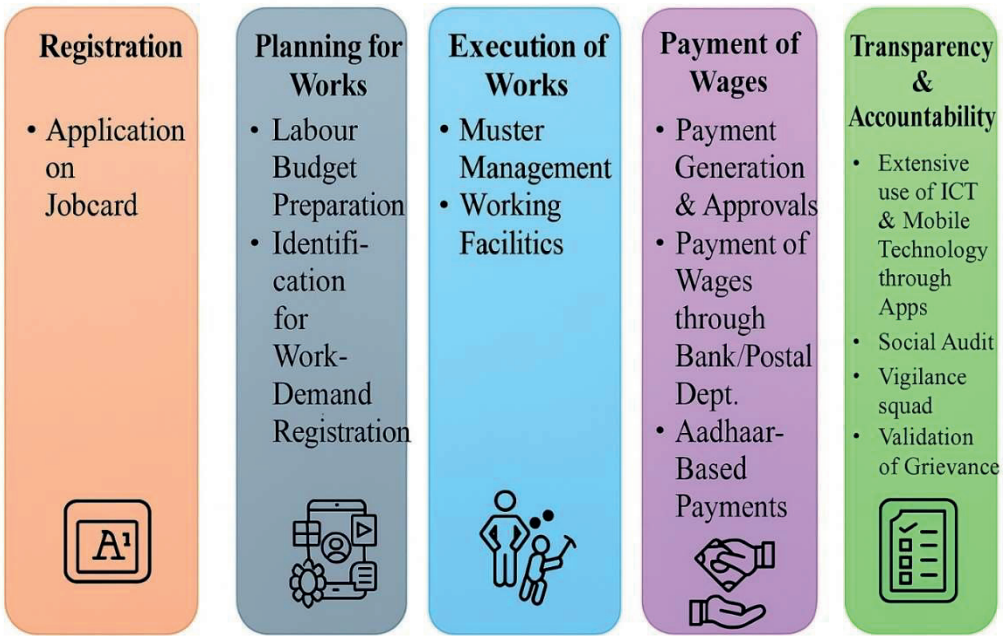


What do we recommend?

- Conduct baseline surveys and make a realistic annual plan.
- Timely release of fund to the SEGF to avoid delay in utilisation of funds and clearance of pending liabilities.
- Stop diversion of scheme and administrative fund.
- Conduct annual door to door job card verification.
- Constitute Vigilance cell and prepare citizens’ charter.
- Prepare IEC plan in bottom-up approach.
- Achieve 100 per cent Aadhaar Based Payment System coverage.
- Appoint independent SQM/ DQM.

2.2.1 Introduction

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a Centrally Sponsored Scheme under the Ministry of Rural Development (MoRD), Government of India (GoI) implemented on a cost sharing basis between the GoI and the State Governments³. The GoI enacted (September 2005) National Rural Employment Guarantee Act (NREGA), later renamed as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in October 2009. An overview of MGNREGS is shown below:



MGNREGA provides a legal guarantee of at least 100 days of wage employment, in a financial year, to every household whose adult members volunteer to do unskilled manual work at the minimum wage rate. The features of MGNREGS are shown below:

Novel Features of MGNREGS: Demand-Driven & Rights-Based Legal Guarantee

Aspect	What Makes it Novel
Legal Entitlement	Every rural household has the <i>right to demand</i> up to 100 days of guaranteed wage employment per financial year for unskilled manual work. This right is enforceable under the Mahatma Gandhi National Rural Employment Guarantee Act, 2005.
Demand-Driven Nature	Unlike supply-driven schemes, work must be provided within 15 days of a demand. If not, the State Government must pay unemployment allowance.
Accountability Mechanism	Legal penalties and compensation provisions create accountability on the part of the State if entitlements are not met.

³ GoI will bear 100 *per cent* of wages of unskilled manual workers and 75 *per cent* of the cost of material and the State Government will bear the remaining 25 *per cent*.

Aspect	What Makes it Novel
Social Audits & Transparency	Social audits by Gram Sabhas and proactive disclosure of information are institutionalised to prevent corruption and empower beneficiaries.

MGNREGA provides a powerful framework of rights to ensure rural households have access to employment and livelihood security. Understanding and exercising these rights is crucial for maximising the benefits of the scheme and promoting equitable development. The rights and entitlements of MGNREGS workers are shown below:

Major entitlements of the MGNREGS Scheme • Right to a Job Card. • Right to demand and receive work within 15 days. • Right to unemployment allowance. • Right to plan and prepare a Shelf of Projects. • Right to obtain work within a radius of five kilometres. • Right to worksite facilities. • Right to notified wage rate. • Right to receive wages within 15 days. • Compensation for delay in payment of wages. • Right to time-bound redressal of grievances and right to conduct concurrent social audits of all MGNREGS expenditure.

The other objectives of the MGNREGA were to create durable assets, to ensure that there is a source of livelihood for the economically weaker sections of the society and to strengthen Panchayati Raj establishments across India. The scheme of MGNREGA was rechristened (October 2009) as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) (Scheme). The MGNREGS, is a Centrally Sponsored Scheme (CSS), under the MoRD, Government of India (GoI).

The MGNREGS is a demand driven employment programme, implemented on a cost sharing basis between GoI and State Government⁴. The State Government is required to establish State Employment Guarantee Fund (SEGF) for the purposes of the implementation of the Scheme. All the funds received from the GoI and State Government are to be deposited to the SEGF which shall be expended in such manner as may be prescribed by the State Government. Accordingly, State Government has framed (October 2012) Manipur State Employment Guarantee Fund Rules, 2009.

In Manipur, the scheme was implemented *w.e.f.* 2006-07 in Tamenglong district. Coverage was extended to all the districts *w.e.f.* 2008-09.

⁴ GoI will bear 100 *per cent* of wages of unskilled manual workers and 75 *per cent* of the cost of the material. The State Government will bear the remaining 25 *per cent* of the material cost, unemployment allowances and administrative expenses of the SEGC.

The Department of Rural Development and Panchayati Raj (RD&PR), Government of Manipur (GoM) is the nodal Department for implementation of the Scheme in Manipur. As per Paragraph 6.10 of the MGNREGS Operational Guidelines, 2013, the Gram Sabha (GS) approve the Annual Plan of the Gram Panchayat (GP) and submit the plan to the Programme Officer (PO) at Block level. The consolidated and approved Annual Plans received from the GPs were submitted to District Programme Officer (DPC) by PO as Block Plan. The District Annual Plan (DAP) and Labour Budget (LB) were approved by the District Panchayat and submitted to the State. The LB submitted by the RD&PR Department is then approved by the Empowered Committee of the MoRD, GoI.

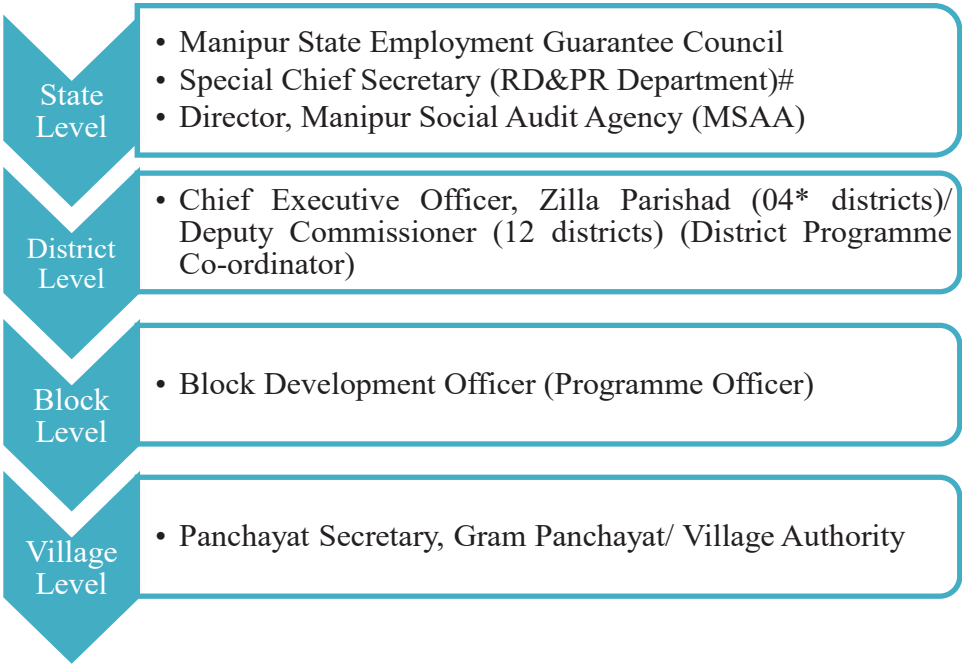
2.2.2 Organisational set-up

The key stakeholders at various level for implementation of MGNREGS are shown below:

Key stakeholders at various levels		
National Level	- Central Employment Guarantee Council - Ministry of Rural Development	- Overall monitoring and provide advice to the Central Government. - Policy formulation, providing financial and technical support to States, monitoring and evaluation of the Scheme.
State Level	- State Government - State Employment Guarantee Council	- Policy formulation, guidelines and overall supervision of MGNREGA implementation. - Advises the State Government on MGNREGA implementation and policy matters.
District Level	- District Programme Coordinator - District Rural Development Office	- Oversees the overall implementation of MGNREGA within the district. - Managing the technical aspects of MGNREGA projects.
Block Level	- Programme Officer - Block Panchayat	Coordinating MGNREGA activities within the block, including work allocation, monitoring and resolving grievances.
Village Level	- Village Panchayat - Village Employment Council	Identifying works, managing Job Card holders, and overseeing the implementation of MGNREGA projects within the village.
Civil Society	- Civil Society Organisations - Self Help Groups	Awareness generation, capacity building, and social accountability.

The organogram for implementation of the scheme at different levels is shown in **Chart 2.2.1**.

Chart 2.2.1: Organisational structure for implementation of MGNREGS



Source: Department records

- # State Level Monitoring Cell headed by Special Chief Secretary (RD&PR)-cum-State Programme Coordinator, MGNREGA
- * Imphal East, Imphal West, Bishnupur and Thoubal.

Audit framework

2.2.3 Audit Objectives

The objectives of the Performance Audit (PA) were to assess whether:

- Planning process and financial management practices were adequately geared towards achieving the goals of the Act, while adhering to relevant rules and regulations;
- Fair access to employment opportunities was achieved, as well as employment adequately generated, leading to social protection and livelihood security as envisaged;
- Durable and useful assets were created and maintained in compliance with rules and regulations, while ensuring convergence with other programmes/ schemes; and
- Appropriate and adequate monitoring, social audit and grievance redressal systems were in place and functioning as envisaged to achieve greater transparency and accountability.

2.2.4 Audit Criteria

The audit findings were benchmarked against the following criteria:

- MGNREGA, 2005; Operational Guidelines, 2013; amendments thereto and Rules issued under the Act;

- Annual Master Circulars⁵ issued by MoRD, GoI;
- National Rural Employment Guarantee Scheme (NREGS), Manipur, 2006 (as notified by the State Government) and amendments thereto;
- Government Orders, circulars and instructions, Guidelines *etc.*, issued by GoI and the State Government;
- Central Treasury Rules, General Financial Rules, 2017 and Manipur Delegation of Financial Power Rules, 1995;
- SEGF Rules, 2009 and MGNREG Audit of Scheme Rules, 2011;
- Auditing Standards for Social Audit issued by Ministry of Rural Development; and
- Management Information System (MIS)/ NREGASoft.

2.2.5 Audit scope, methodology and sampling

The performance audit (PA) commenced with an Entry Conference (19 June 2024) with Special Secretary, RD&PR Department and other responsible officers of the Department, wherein audit objectives, criteria, scope and methodology were discussed. The PA covered the period 2019-2024. The PA was conducted during July to November 2024 by test check of records in the State Level Monitoring Cell (SLMC), three sampled districts, six blocks (two blocks from each sampled district), and 24 GPs (04 GPs from each sampled block) (*details are given in Appendix 2.2*) by adopting Stratified Random Sampling method on expenditure basis through Interactive Data Extraction and Analysis (IDEA) software. Further, in the 24 sampled GPs, 242 beneficiaries (10 beneficiaries in each sampled GP) were also selected randomly and 192 works (eight works for each GP) were selected for Joint Physical Verification during August 2024 to October 2024. Exit Conference of the PA was held on 02 May 2025 with the Commissioner (RD&PR Department) and other responsible officers of the Department. The views expressed by the Commissioner during the Exit Conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs.

2.2.6 Acknowledgement

Audit acknowledges the co-operation extended by the Department of Rural Development & Panchayati Raj, SLMC, sampled DPCs, POs and GPs during the conduct of the PA.

Audit findings

The audit findings of the Performance Audit are discussed in the succeeding paragraphs.

⁵ Annual Master Circulars are comprehensive documents issued by MoRD each year. They provide detail guidelines and instructions for implementing the MGNREGA scheme, covering various aspects like planning, execution, financial management and monitoring of works.

2.2.7 Audit objective: Whether planning process and financial management practices were adequately geared towards achieving the goals of the Act, while adhering to relevant rules and regulations?

Planning

2.2.7.1 Non-assessment of quantum and timing of demand for work

Paragraph 6.2 of the Operational Guidelines, 2013 provides that the Gram Panchayat (GP) shall conduct survey of the job card holders mandatorily once in every five years, in order to prepare a base line to assess the quantum and timing of demand for employment in the GP. Expert institutions were to be empaneled separately to finalise the framework and methodology for the pilot baseline survey.

Audit, however, noticed that during the period 2019-2024:

- The sampled GPs neither conducted baseline survey nor expert institutions were empanelled to finalise the framework and methodology for the pilot baseline survey.
- In absence of the baseline survey, the sampled GPs prepared only shelf of works for the next financial year.
- The shelf of works so prepared were without assessing quantum and timing of demand for works for Labour Budget due to which a realistic Development/ Annual Plans could not be prepared.

Thus, non-conducting of baseline survey resulted in gap between projected, approved and generated Person Days (PDs) both month-wise and year-wise as discussed in **Paragraph 2.2.8.1**.

The State Government stated (May 2025) that an advance planning was carried out each year by assessing and projecting the job demand month-wise and also prepared month-wise quantum and timing of demand of works. However, no documents were furnished in support of the planning except MIS Report (R2.2.2) which shows projected PD and PD generated.

The lack of compliance by the sampled GPs to conduct the mandatory baseline survey and in empanelling expert institutions compromised the process of realistic planning under MGNREGS. As a result, the Labour Budgets were prepared without a proper assessment of actual demand for work, resulting in gaps between projected, approved and generated Person Days (PDs) and defeating the objective of need-based development planning.

2.2.7.2 Non-preparation of District Perspective Plan

Paragraph 15.3.1 of the Operational Guidelines of NREGA envisages that for implementation of convergence, a District Perspective Plan (DPP) which identifies the needs and gaps in the districts in all the sectors should be prepared. This plan is a multiyear plan for different departmental projects and requires to

be included in the Development Plan of the GP. It also requires maintaining of a shelf of possible works to be taken up under the Scheme as and when demand for works arises.

However, the DPPs were not prepared in the sampled districts. Thus, needs and gaps of all the sectors in the districts, with reference to convergence could not be identified. Further, non-preparation of DPP adversely affected the continuity of the planning process at the district level.

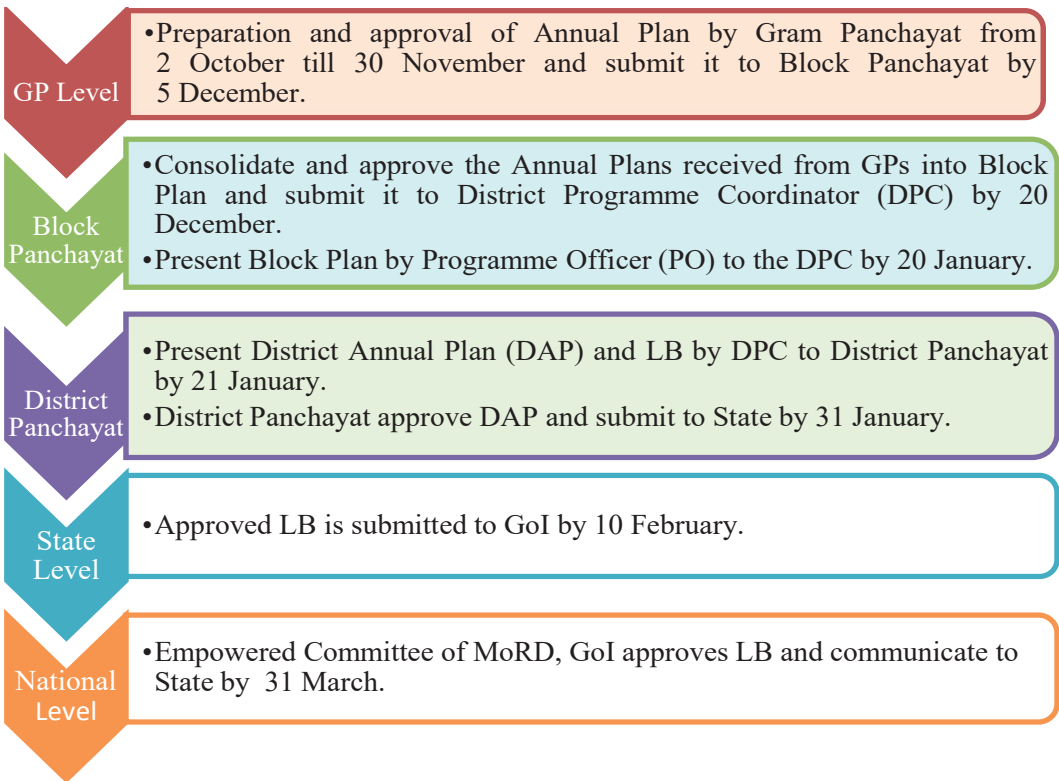
The State Government stated (May 2025) that the DPP was prepared in earlier years. However, as the Operational Guidelines highlighted the approval of LB on annual basis, the DPP was not prepared. The reply of the State Government is not acceptable, as the previously prepared DPPs do not ensure accurate, need-based planning for the current year. The absence of an updated DPP compromises the objective of realistic and responsive planning under MGNREGS.

The fact remained that non-preparation of DPPs in the sampled districts resulted in absence of a comprehensive assessment of sectoral needs and gaps, defeating the objective of convergence of different programmes with MGNREGS.

2.2.7.3 Non-adherence to timeline in preparation of Labour Budget

The MoRD, GoI directed (September 2019) all the States to take up a time bound participatory planning exercise followed with other relevant activities to ensure timely and realistic preparation of Labour Budget (LB). The time frame for preparation and submission of LB at every level is given in Chart 2.2.2.

Chart 2.2.2: Time frame for finalisation and submission of labour budget



Source: Annual Master Circular

During the audit period, several discrepancies were observed in the preparation and adherence to timelines at all levels, as discussed in the following paragraphs:

- **In the 24 sampled GPs** - out of 120 cases, delays in the submission of Annual Plans by the GPs to the Blocks were observed in 52 cases. Information was not available for 56 cases, while for 12 cases no delay was observed.
- **In the six sampled blocks** (30 cases), delays in the submission of Block Plans by the Blocks to the DPCs were observed in 20 cases. Information for 10 cases was not available.
- The sampled GPs did not hold Gram Sabha meetings for the approval and preparation of Annual Plans during the years 2022-23 and 2023-24. The Annual Plans were prepared by the Block and DPC on the basis of the previous years' approved shelf of works, as approved by the Gram Sabha, instead of preparing fresh plans based on the current priorities.
- There was delay in submission of DAP from the 16 districts in 21 cases. In 46 cases, information was not furnished by the SLMC. Thus, Audit could not ascertain whether the Plans had been submitted on time.

In turn there was delay in submission of Labour Budget by the State Government to the MoRD during 2019-2023, (except 2023-24). The LB for the year 2022-23 was submitted (11 March 2022) after a delay of one month. The State Government stated (May 2025) that the LB was submitted to MoRD in time before the conduct of the Empowered Committee meeting at the Ministry. The reply of the State Government regarding timely submission of LB is not acceptable as the documentary evidence clearly indicated that the submission had been delayed.

Thus, there were systemic deficiencies in the preparation and submission of plans at all levels such as GP, Block, District and State. Delays in the submission of Annual Plans, Block Plans, District Plans and Labour Budgets, coupled with the non-availability of records in a significant number of cases, indicate weak institutional planning. The non-conduct of Gram Sabha meetings for the approval of Annual Plans for the year 2022-23 and 2023-24 further compromised the spirit of participatory planning envisaged under the scheme. These lapses collectively compromised the objective of timely and participatory planning process, adversely affecting the implementation of the programme.

2.2.7.4 Non-preparation of Annual Plan in order of priority

Paragraph 6.4 of Operational Guidelines, stipulates that the order of priority of projects shall be determined by each GP in meetings of the Gram Sabha (GS) and the Ward Sabha and will be reflected in the Annual Plan. Works that are inserted at block and district level have to be approved and assigned a priority by the GS before administrative approval can be given. As per Paragraph 6.6 of the Annual Master Circular, the works are to be entered on the Management Information System (MIS) as per the order of priority decided in the GP and implemented in accordance with the priority decided.

Audit observed that out of 24 sampled GPs, 11 GPs did not prepare Annual Plans in the order of priority. Audit further observed that the works taken up by all the sampled GPs were not executed in the order of priority. Thus, the works that required higher priority for the GP were not taken up.

The State Government stated (May 2025) that shelf of works in order of priority was determined by Gram Sabha and any change in the priority is done at the GP level. The reply of the State Government is not completely acceptable as 11 out of 24 GPs did not prepare Annual Plan in the order of priority and no works in all the sampled GPs were executed in order of the priority during the audit period.

Thus, non-preparation and non-adherence to Annual Plans in order of priority defeated the very objective of ensuring that the most urgent and essential works of the GPs were addressed first. This led to arbitrary selection and execution of works, compromising the principles of need-based planning and optimal utilisation of resources under the scheme.

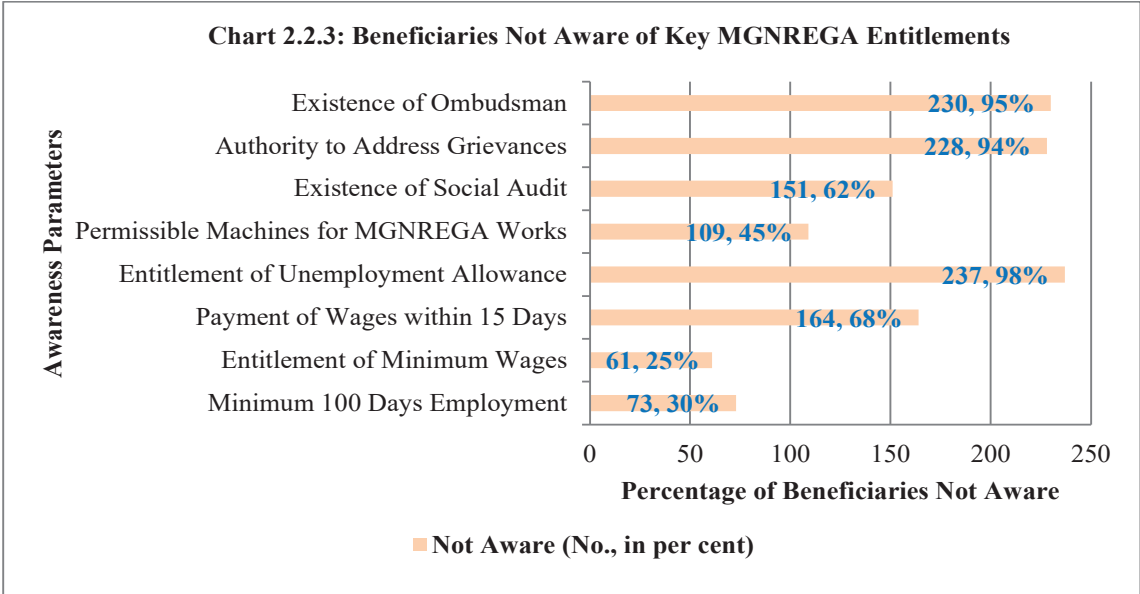
2.2.7.5 Non-preparation of Information, Education and Communication (IEC) Plan

Paragraph 5.4 of the Operational Guidelines stipulates that to ensure effective implementation of MGNREGA, it is crucial to raise awareness among the rural people, particularly MGNREGA workers, about the scheme's provisions and their rights and entitlements. Further, Paragraph 5.4.2 states that State should prepare an IEC plan by indicating State, District, Block and Local level activities. The State Public Relations Department and the publicity units of different departments like Agriculture, Social Welfare, Education, and Health and Family Welfare should be actively involved in the planning as well as in implementation stages to achieve maximum spread of the key messages. Paragraph 11.7 of the Annual Master Circular states that Job card may be an important IEC tool to create awareness by incorporating information like salient features of the scheme such as payment of wages within 15 days of completion of work authority to address grievances including ombudsman, and rights and entitlements of the worker such as compensation for delayed payment of wages, unemployment allowances *etc.*

On the Audit Report of the Comptroller and Auditor General of India for the year ending March 2012, featuring PA on implementation of the MGNREGS for the period 2007-12, the Public Accounts Committee (PAC) recommended that the State Government as well as the DPCs concerned to have a clear-cut policy of training with documentation and formulate IEC plan.

Audit observed that IEC activities *viz.* wall paintings, broadcast of serial play and success story at All India Radio, DDK and fixing of ink jet vinyl poster on transport vehicles *etc.* were conducted at State and District level independently. The State Public Relations Department and publicity units of different departments were not involved in the IEC activities. No IEC activities was conducted at State level during 2020-21. Non-preparation of holistic IEC plan

leads to lapses in the implementation of the Scheme as pointed out in Paragraphs 2.2.8.6, 2.2.8.10, 2.2.8.11.4, 2.2.8.12.1, 2.2.10.8, 2.2.10.9 and 2.2.10.10. Chart 2.2.3 depicts the deficiencies observed during beneficiary survey due to non-preparation of holistic IEC plan as envisaged in the Operational Guidelines.



Source: Beneficiary Survey

As evident from **Chart 2.2.3**, the non-preparation of a holistic IEC plan had resulted in beneficiaries not being well aware of the salient features of the scheme. It resulted in fragmented communication, poor community awareness, weak stakeholder participation, and inefficient use of resources, thereby undermining the core objectives of the scheme and increasing the risk of unachieved outcomes despite financial expenditure.

Audit further observed that the job cards of the sampled GPs did not mention the rights to compensation for delayed payments, entitlement to unemployment allowances, existence and contact details of the ombudsman and the toll-free help line number. Moreover, the contents of the Job cards were also not written in the local language as required.

The State Government stated (May 2025) that in future, a detailed IEC plan shall be prepared for each year as pointed out by audit. Further, MoRD has prepared a common IEC plan for the year 2025-26 onwards which shall be followed in the State accordingly. The reply of the State Government is not acceptable. While the State Government assured that a detailed IEC plan would be prepared in future and that the MoRD’s common IEC plan for 2025-26 onwards would be adopted, these are prospective measures and do not address the audit observation regarding the non-preparation of holistic IEC plans in the past years. Moreover, despite the recommendations of the PAC, the State Government has not complied with the directions till date. This continued non-compliance reflects inadequate planning and weak monitoring mechanisms in implementing the scheme effectively.

Thus, the inaction of the State Government in preparing and implementing a comprehensive annual IEC plan, despite PAC recommendations and audit observations, had adversely affected beneficiaries' awareness of the scheme's salient features and had deprived them of the intended benefits. The reliance on the MoRD's common IEC plan from 2025-26 onwards did not mitigate the lapses observed during the review period.

2.2.7.6 Non-constitution of Human Resource Development and Capacity Building Divisions and Units

Paragraph 16 of the Annual Master Circular states that the capacity building of MGNREGS functionaries and skilling of its workers is important for effective implementation of the Scheme. Paragraph 5 of the Operational Guidelines stipulates that a training Plan need to be prepared at the State and at each district level for each category of functionaries after carrying out training needs assessment by setting up a MGNREGA Human Resource Development and Capacity Building (HRD&CB) Division at the State level and Unit at each District level.

Audit observed that trainings on capacity building viz. Secure, NMMS, MIS, Amrit Sarovar *etc.* were conducted at State and District level. During the audit period, five trainings were conducted at the State level and 34 trainings were conducted at the sampled districts. However, no separate HRD&CB Division and Units were established at State and District level and no training needs assessment was conducted during the period 2019-2024. Thus, the effectiveness of the training provided and the fulfilment of actual training needs of the MGNREGS functionaries could not be ascertained.

The State Government stated (May 2025) that State Institute of Rural Development (SIRD) conducted regular training programmes for various schemes of RD&PR including MGNREGS. However, as pointed out by audit, the Department would propose to the competent authority for setting up of HRD&CB Division. The reply of the State Government is not acceptable, as the State Government stated that the SIRD conducted regular trainings and proposed to set up the HRD&CB Division, which are prospective measures and do not address the audit observation regarding the absence of a dedicated HRD&CB Division and the non-conduct of training needs assessment during 2019-2024. Hence, the effectiveness of the trainings and fulfilment of actual training needs could not be ascertained. The absence of a dedicated HRD&CB Division and the non-conduct of training needs assessment during the period under review led to lapses in the implementation of the Scheme and limited the effectiveness of capacity-building efforts for MGNREGS functionaries.

2.2.7.7 Shortfall in conducting Rozgar Diwas

Paragraph 3.3 of the Operational Guidelines provides that every GP should organise a *Rozgar Diwas* (RDs) at least once every month where the GP should pro-actively invite applications for work from potential workers.

Audit observed that out of 24 sampled GPs, 12 GPs did not organise RDs during 2019-2024. In the remaining 12 GPs, there was a shortfall in organising RDs as 01 to 24 RDs were organised out of the mandatory 60 RDs during 2019-2024.

Thus, non-compliance by GPs in organising the RDs, undermines the core demand-driven nature of MGNREGA, leading to suppressed demand registration, inaccurate labour budgets, reduced awareness of entitlements, weak accountability, and exclusion of vulnerable households, thereby diluting the very objective of the Act.

The State Government stated (May 2025) that instruction would be given to all the districts to mandatorily observe RD on every third Wednesday of a month. The reply of the State Government is not acceptable as the instructions to all districts to mandatorily observe RDs on every third Wednesday of the month are prospective measures and do not address the non-compliance during 2019-2024. The shortfall in organising the RDs during the review period affected proper assessment of beneficiary requirements.

Thus, the non-compliance by GPs in organising the RDs as mandated during 2019-2024 led to lapses in identifying and addressing the requirements of beneficiaries, thereby affecting the effective implementation of the scheme.

2.2.7.8 Non-preparation of Schedule of Rate (SoR) for MGNREGS works

As per Paragraph 7.7.1 of the Operational Guidelines, separate SoR needs to be devised for the works that are done manually as the SoR based on contractor-led, machine-based system of implementation was not appropriate for the works to be done manually and will lead to underpayment. The SoR for MGNREGS works was to be based on Work Time and Motion Study⁶ to be done by an expert agency independent of the nodal department. The Empowered Committee of MoRD had also repeatedly instructed the State Government during the approval of the LB to complete the Time and Motion Studies and prepare a separate SoR for MGNREGS works.

Audit, however, observed that the GoM had not completed the Time and Motion Studies and had not prepared a separate SoR for works under MGNREGS as of November 2024. In the absence of a separate SoR, the State continued to adopt the Manipur SoR of the Public Works Department for execution of MGNREGS works.

The SLMC stated (December 2024) that preparation of Time and Motion Studies is under process with NIRD, Hyderabad. The reply of the SLMC is not acceptable as the preparation of Time and Motion Studies is a prospective measure and does not address the audit observation regarding the non-preparation of Time and Motion Studies during the review period.

⁶ Systematic revision of SoRs requires an estimation of the amount of work (a “Task”) a human being can perform in a given area in the prescribed period of time (Nine hours including one hour of rest as per Schedule I). Thus, a carefully designed Work Time and Motion Studies need to be undertaken (Paragraph 7.7.4, Operational Guidelines).

Thus, the non-preparation of separate SoR for works under MGNREGS led to inappropriate estimation of works and underpayment to workers affecting the effective and fair implementation of the scheme.

2.2.7.9 Shortage of Human Resources

Paragraph 4 of the Operational Guidelines states that provision of adequate human resources at all levels of programme implementation holds the key to success of MGNREGA. Supporting staff could also be hired, on contractual basis, to provide professional services at the State level. The appointment of core staff cannot be deferred on grounds of insufficient fund. Further, Section 18 of the MGNREG Act provides that the State Government is mandated to make available to the DPC and PO necessary staff and technical support as may be necessary for effective implementation of the scheme.

The availability of staff against the sanctioned posts of RD&PR Department in the State is given in **Table 2.2.1**.

Table 2.2.1: Sanctioned strength and person-in-position of staff

Name of post	Sanctioned post	Person in position	Shortfall (-)/ Excess (+)	Shortfall (-)/ Excess (+) (per cent)
Executive Engineer (EE)	12	17	5	41.67
Assistant Engineer (AE)	20	21	1	5
IT Manager	79	99	20	25.32
Programme Officer/ BDO	70	63	(-)7	(-)10
Computer Operator (MIS)	75	123	48	64
Gram Rozgar Sahayak (GRS)	170	158	(-)12	(-)7.06
Panchayat Secretary	161	69	(-)92	(-)57.14
Assistant Project Officer (APO)	30	10	(-)20	(-)66.67
Accountant/ Accounts Manager	124	43	(-)81	(-)65.32

Source: Departmental data

The above table shows that there was excess of staff in the posts of EE, AE, IT Manager and Computer Operator (MIS) ranging from 05 to 64 *per cent*. There was shortfall of staff against the sanctioned strength ranging between 07 and 67 *per cent* in five posts. Moreover, the State Government/ DPC did not take adequate steps to assess the actual requirement for deploying staff in key areas. Thus, the shortage of staff in key areas adversely affected the implementation of the Scheme as pointed out in **Paragraphs 2.2.8.2.2 and 2.2.8.2.3**.

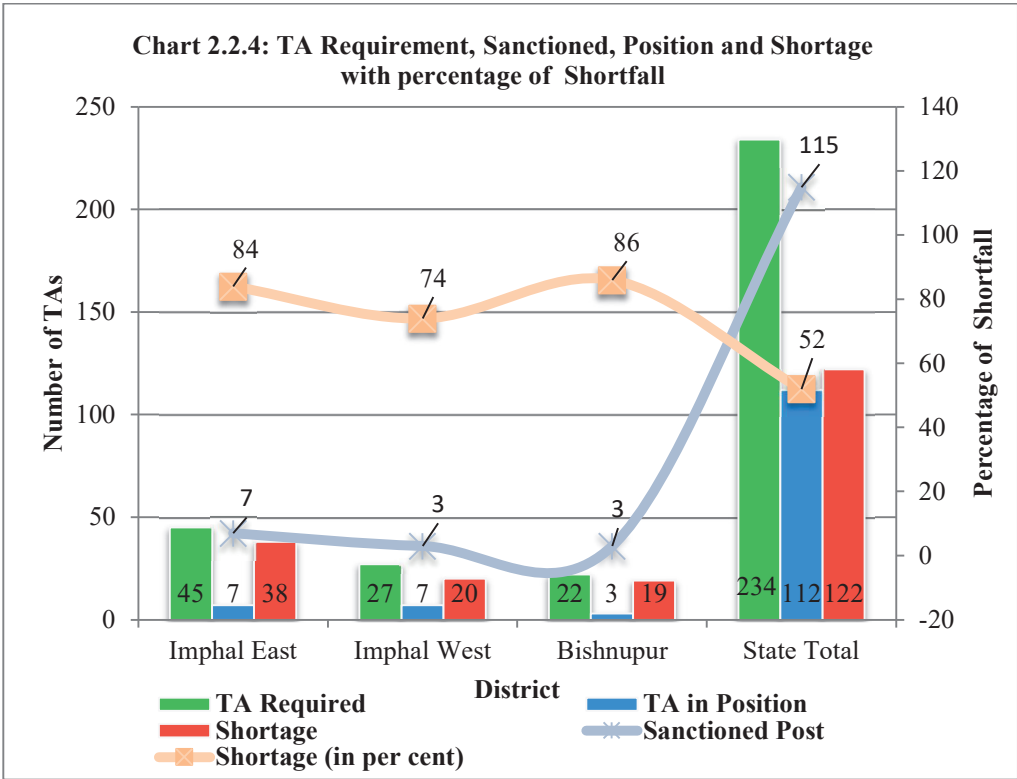
The State Government stated (May 2025) that the DPCs have sufficient flexibility for engaging human resources. The reply of the State Government is not acceptable as the staff engagement should be in accordance with the created sanctioned post.

Thus, the disproportionate engagement of staff, without assessing the actual requirement against sanctioned posts in key areas, adversely affected the implementation of the Scheme, leading to inefficiencies and inadequate delivery of services to beneficiaries.

2.2.7.9.1 Shortage of Technical Assistant

As per Paragraph 7.12.5 of the Annual Master Circular, there shall be a Technical Assistant (TA) for every 2,500 active Job Cards (JCs), for measuring and recording of measurement in the MB every week or soon after the closure of muster, whichever is earlier.

Chart 2.2.4 depicts the requirement of TA, sanctioned post, TA-in-position, shortage and shortfall (in per cent).



Source: Information furnished by the Department

Note (i) Including Village Authorities of Hill Districts
(ii) As per Annual Master Circular, one TA is required for 2,500 active JC holder.

As shown in the Chart 2.2.4 above, there was a shortfall of 122 (52 per cent) TAs at the State level. In the sampled districts, the shortage ranged from 74 to 86 per cent. Due to the shortfall in the availability of technical staff against the prescribed requirement, various shortcomings in ensuring the quality of works were observed as discussed under Paragraphs 2.2.8.8, 2.2.8.11.2 and 2.2.8.11.3.

The shortage of technical staff adversely affected the implementation of the Scheme, leading to lapses in quality control of works at both State and district levels.

2.2.7.9.2 Non appointment of full-time Programme Officer

As per Paragraph 4.3.1 of the Operational Guidelines, Programme Officer (PO) not below the rank of the Block Development Officer (BDO) may be appointed for each Block. The PO would be a full-time dedicated officer, and act as a coordinator and overall in-charge of all MGNREGS works at the Block level. The PO can be taken on deputation basis or recruited afresh and shall report to the DPC of the District. In the State, there was no full time PO, instead the BDO of the respective Block was designated as the PO. Against the sanctioned post of 70 POs in the State, there were 63 POs in position, resulting in a shortfall of seven POs as of May 2025.

The State Government stated (May 2025) that all Sub-Divisional Officers (SDOs)/ BDOs of all the blocks were functioning as full time PO under MGNREGS. The reply of the State Government is not acceptable as assigning BDOs or SDOs as POs does not constitute full-time dedicated POs and does not address the shortfall against sanctioned posts. Hence, the administrative and supervisory responsibilities of POs were likely diluted, affecting proper implementation of the Scheme.

Thus, the absence of full-time POs and the shortfall in sanctioned posts adversely affected the oversight and monitoring of the Scheme, leading to potential lapses in execution and delivery of benefits to beneficiaries.

Financial Management

2.2.7.10 Financial outlay

During the period 2019-2024, out of the total available funds of ₹4,019 crore, ₹3,880.27 crore (97 per cent) was utilised on the implementation of the Scheme in the State. The details of year-wise availability and utilisation of funds under the Scheme during 2019-2024 in the State are given in **Table 2.2.2**.

Table 2.2.2: Availability and utilisation of funds during the period 2019-2024

(₹ in crore)

Year	Opening Balance	Receipt					Total Expenditure (Percentage of Col. 7)	Closing Balance	Fund not released by FD, GoM out of Col. 9 (percentage)
		Central Share	State Share	Others/ Misc.*	Total receipt	Total fund Available			
1	2	3	4	5	6 (3+4+5)	7 (2+6)	8	9 (7-8)	10
2019-20	24.25	628.13	45.00	2.27	675.40	699.65	449.10 (64)	250.56	214.75 (86)
2020-21	250.56	1,306.74	115.11	5.91	1,427.76	1,678.31	1,056.15 (63)	622.15	569.17 (91)
2021-22	622.15	563.11	90.95	3.52	657.58	1,279.74	929.75 (73)	349.99	230.02 (66)
2022-23	349.99	1,086.63	25.56	5.80	1,117.99	1,467.98	794.16 (54.10)	673.82	330.14 (49)
2023-24	673.82	0	110.05	5.97	116.02	789.84	651.11 (82.44)	138.73	0
Total		3,584.61	386.67	23.47	3,994.75	4,019	3,880.27 (97)		

Source: Information furnished by the SLMC

* Bank interest, Quality control recoveries, Social Audit recoveries

As can be seen from the above table, the receipt of central fund shows a fluctuating trend during 2019-2024 ranging from ₹563.11 crore in 2021-22 to ₹1,306.74 crore (2020-21) and there was no release of central share during 2023-24.

There were closing balances at the end of each financial year ranging from ₹138.73 crore (2023-24) to ₹673.82 crore (2022-23). The substantial closing balance at the end of each financial year indicated that utilisation of funds was not efficient and led to creation of pending liabilities, delayed payment of wages and material cost to the workers and vendors respectively and less generation of employment during the year 2022-23 as the closing balance exceeded the total pending liabilities. As noticed in columns 9 and 10 of the table, the Finance Department, GoM did not release 49 to 91 *per cent* of the closing balances to the SEGF during 2019-2023.

The total expenditure against the total fund available was not optimal as during the five-years period of 2019-2024, the percentage of expenditure ranged between 54.10 *per cent* in 2022-23 to 82.44 *per cent* in 2023-24 against the available fund.

The State Government stated (May 2025) that fluctuation in fund availability is mainly due to delay in release from Finance Department, GoM owing to ways and means problem of the State. However, going forward with SNA SPARSH mechanism, the problem would be addressed properly. The reply of the State Government is not acceptable as the reply attributed the fluctuation in fund availability to delays by the Finance Department, which are prospective explanations and do not address the observed inefficiencies in fund utilisation during 2019-2024. The delayed release of funds had already resulted in pending liabilities, delayed payments, and lower employment generation, as evidenced in the audited period.

Thus, the inefficient utilisation of funds, coupled with delayed release by the Finance Department, adversely affected the implementation of the Scheme. This led to pending liabilities, delayed wage and material payments which in turn resulted in reduced employment generation, highlighting the need for improved fund management and timely releases.

2.2.7.11 Deficiencies noticed under Financial Management

The deficiencies in financial management have been discussed in succeeding paragraphs.

2.2.7.11.1 Delay and short release of central funds by MoRD

As per Paragraph 15.1.1 of the Annual Master Circular, the 1st tranche of central fund to be released by the MoRD is estimated on the basis of funds required for initial six months of a financial year or 50 *per cent* of Labour Budget (LB) for the State, whichever is lower, less the opening balance as per MIS pending liabilities shall also be considered. The first instalment of the 1st tranche will be released in the first half of April month of the financial year after adjusting unspent balance available with the Districts/ State and considering the pending liabilities, if any.

As per Paragraph 15.1.2 of the Annual Master Circular, the 2nd tranche is released on submission of proposal after the State has utilised 60 *per cent*

(75 per cent from 2021-22) of the total available funds. If the proposal for 2nd tranche is submitted after 1st October, then the Audit Report and audited UC of the previous financial year are also required. Quantum of funds to be released as part of 2nd tranche depends upon the performance of the State.

Audit noticed that out of ₹5,556 crore receivable from the MoRD for 2019-2024, the State Government received only ₹3,584.61 crore resulting in short receipt of ₹1,971.39 crore as given in the **Table 2.2.3**.

Table 2.2.3: Details of fund receivable, received and short receipt from MoRD during 2019-2024

<i>(₹ in crore)</i>				
Year	Approved Person days (PD)	Fund receivable ⁷ from the MoRD	Fund received from the MoRD	Short receipt of fund from the MoRD
2019-20	2,60,00,000	911.04	628.13	282.91
2020-21	3,35,00,000	1,275.68	1,306.74	(-)31.06
2021-22	3,30,00,000	1,325.28	563.11	762.17
2022-23	2,50,00,000	1,004.00	1,086.63	(-)82.63
2023-24	2,50,00,000	1,040.00	0	1,040.00
Total		5,556.00	3,584.61	1,971.39

Source: Departmental record

Audit observed that the short receipt of ₹1,971.39 crore was due to unspent balance of previous years, delayed submission of Utilisation Certificates and proposal for 2nd tranche fund due to delay/ non-release of fund by the Finance Department, GoM.

Moreover, for the year 2021-22, the 1st tranche of central fund was received in August 2021 with a delay of four months. Audit further observed that in 2023-24, the State Government did not receive any Central Fund. The delay in receipt/ non-receipt of fund had a cascading effect resulting in delay in generation of mandays and submission of proposals for the 2nd tranche.

The State Government stated (May 2025) that the LB was fixed by MoRD based on the performance of demand for works by the job card holders of the previous financial year. The reply of the State Government was not acceptable as the allocation of LB based on the previous year's demand could have been revised if the State had been able to utilise the approved LB. Further, the delays in fund release or the short receipt of funds impeded the timely execution of works and adversely affected wage employment generation during the audit period.

The short-receipt and delayed release of central funds had adversely affected the implementation of the Scheme, resulting in delays in employment generation, pending mandays and late submission of proposals for subsequent fund tranches, highlighting the need for timely fund release and improved monitoring mechanisms.

2.2.7.11.2 Delay in release of Central and State share by State Government

As per instruction issued by the MoRD in the sanction letters, the GoM must transfer funds received from the Centre along with the State share into the SEGF account within three days of receipt; in the event of non-compliance, the GoM

⁷ Fund receivable (Central Share) = Approved Labour Budget × Central share cost

is liable to pay interest @ 12 *per cent* for the period of delays beyond the specified period.

During 2019-2024, audit observed that the central share amounting to ₹3,584.61 crore was released to the SEGF account with delays ranging from 13 to 248 days. Similarly, the state share of ₹386.67 crore was also released with delays ranging from 07 to 347 days (*details are given in Appendices 2.3 & 2.4*). As a result, the State Government became liable to pay interest of ₹146.76 crore for delay in release of funds.

Thus, the inadequate management of financial resources by the Department led to the undue creation of interest liability, delay in payment of wages and low completion of works executed as highlighted in **Paragraphs 2.2.8.11.1 and 2.2.9.1.2**.

The State Government stated (May 2025) that delay in release of fund was due to delay in release of fund by the Finance Department, GoM which in turn is due to constraint in the resource of the State Government. The fact, however, remained that the delayed release of central and state funds, coupled with ineffective financial management, adversely affected the implementation of the Scheme. This resulted in avoidable interest liability, delayed wage payments, and low completion of works. Thus, a robust fund flow mechanism and improved coordination between the Department and the Finance Department are essential to ensure the timely release and utilisation of funds for the efficient execution of the Scheme in the State.

2.2.7.11.3 Inadmissible expenditure

Paragraph 12.5.2 of the Operational Guidelines provides that up to six *per cent* of the total expenditure can be utilised for administrative expenses. Further, as per Paragraph 12.5.5, administrative expenses can be utilised on training, IEC activities, operational expenses and social audit. However, expenditure should not be incurred on specific⁸ items.

Scrutiny of the records revealed that an amount of ₹74.56 lakh was incurred on civil works and other items *viz.* partition of office room, repairing and improvement of DPC office, construction of gates for G-20 Summit, Independence Day, Republic Day and material procurement for work *etc.* which were not admissible under the Scheme (*details are given in Appendix 2.5*).

The State Government stated (May 2025) that the expenditure was incurred on important National and the State occasions which showcase the activities and the achievement of the Department and is permissible.

The reply of the State Government is not acceptable. The Operational Guidelines of the Scheme do not permit expenditure on such activities as the

⁸ (i) Purchase of vehicles and repair of old vehicles; (ii) Civil works; (iii) Salaries/ remuneration of functionaries already engaged by the Government/ PRIs/ any other implementing agency; and (iv) Material procurement for works

funds were earmarked exclusively for training, IEC activities, operational expenses and social audit under the Scheme. Hence, incurring expenditure on inadmissible items was irregular and violated financial norms.

Thus, incurring on inadmissible works and activities indicated weak financial controls and deviation from the prescribed guidelines, thereby diverting funds from core objectives of the Scheme and adversely impacting its implementation.

2.2.7.11.4 Unauthorised Expenditure

Paragraph 12.4.4 of the Operational Guidelines provides that the scheme funds were not to be diverted for any other purposes and the State had to furnish a certificate regarding non-diversion of the scheme funds with the proposal for release of 2nd tranche of grants. On scrutiny of records of the sampled offices, it was noticed that fund for administrative expenses was diverted for purposes which were not authorised by the Operational Guidelines and MoRD.

- As per Paragraph 12.5.5 of the Operational Guidelines, first aid box with adequate material for emergency treatment for minor injury and health hazards in connection with the works performed under the MGNREG Act is permissible under worksite facilities. The MoRD had, however, clarified (May 2020) that expenditure on Masks and Sanitisers for use by MGNREGA workers could not be purchased or booked under administrative expenses. Despite this, the RD&PR Department, GoM procured locally made Face Masks and Hand Sanitisers through DPCs from the fund for administrative expenses as worksite facilities for preventing the spread of Covid 19 among job card holders and incurred an expenditure of ₹14.79 crore at State level, out of which ₹5.59 crore were in the sampled districts⁹.
- Audit noticed that an amount of ₹17.41 lakh was unauthorisedly utilised for printing of Annual Administrative Reports¹⁰ (AARs) for the nodal Department for all the schemes implemented by the Department viz. Pradhan Mantri Gram Sadak Yojana, DDU-GKY, Pradhan Mantri Awaas Yojana-Gramin, Manipur State Livelihood Mission, MLA Local Area Development, MP Local Area Development, MGNREGS etc., which were not permissible under administrative expenses.
- As per Paragraph 14 of the Cluster Facilitation Project (CFP) guidelines, the proposed budget for the CFP should be met by the Ministry from the Budget Head of “Capacity Building and Technical Support”, including remuneration, contingencies and travel allowance of thematic experts appointed for the Project.

Audit however noticed that ₹49.84 lakh was paid as remuneration to 11 thematic experts and ₹0.64 lakh for TA/ DA of one thematic expert from the administrative fund to be recouped once sanctioned by the Ministry. It

⁹ Imphal East - ₹2.93 crore, Imphal West - ₹1.44 crore and Bishnupur - ₹1.22 crore.

¹⁰ For the years 2017-18, 2018-19, 2021-22, 2022-23.

was observed that the amount was not refunded till the date of audit (November 2024). As such, an amount of ₹50.48 lakh has been diverted from the administrative fund.

- The Department of RD&PR granted (February 2022) ₹62 lakh to the Manipur Social Audit Agency (MSAA) for payment of remuneration of staff and office maintenance with a condition that the amount would be refunded upon receipt of funds from the Ministry. Out of this, ₹30 lakh was repaid (April 2024) and the balance amount of ₹32 lakh remained outstanding till the date of audit. At the instance of audit, the MSAA refunded the outstanding amount of ₹32 lakh to SEGF account in March 2025.

The State Government stated (May 2025) that purchase of handmade face mask and Sanitiser were covered under medical expenses which was permissible under administrative expenses as advised by the Advocate General of Manipur. The reply of the State Government is not acceptable as the MoRD's clarification (May 2020) explicitly prohibited the purchase of masks and Sanitisers from administrative expenses under MGNREGS. Moreover, the advice of the Advocate General could not override the provisions of the Operational Guidelines and instructions of the MoRD. Therefore, incurring ₹14.79 crore on inadmissible items was irregular.

Similarly, the utilisation of ₹17.41 lakh for printing AARs, ₹50.48 lakh under CFP, and ₹62.00 lakh for MSAA (of which ₹32 lakh was refunded later) were all instances of financial deviations from prescribed norms.

The fact, however, remained that the RD&PR Department, GoM, did not ensure adherence to the prescribed guidelines in the utilisation of administrative funds under MGNREGS. The expenditure on procurement of masks and Sanitisers, the printing of AAR, the remuneration and TA/ DA to thematic experts was incurred irregularly, in violation of MoRD guidelines. Further, the release to the MSAA without timely recovery, with the balance amount refunded only at the instance of audit, indicates financial irregularities, diversion of funds and weak internal controls within the Department.

2.2.7.11.5 Utilisation of fund for administrative expenses.

As per Paragraph 12.5.2 of the Operational Guidelines, at least two-thirds of the administrative expenditure should be spent at the Block level and below *i.e.* GP level.

Audit observed that the devolution of at least two-thirds (66.66 *per cent*) of the administrative expenses to the Block level and below were not complied with in all the five-years period of 2019-2024. Moreover, during the period 2019-2024, all the sampled GPs did not receive any fund under administrative expenses from the Block. Details of utilisation of administrative fund in State, District and Block levels during 2019-2024 are given in **Table 2.2.4.**

Table 2.2.4: Utilisation of administrative fund in Block level in the State during 2019-2024*(₹ in lakh)*

Year	Utilisation of administrative fund			
	During the year	At State level (percentage)	At districts level (percentage)	At Block (percentage)
1	2 (3 + 4 + 5)	3	4	5
2019-20	1,705.61	40.66 (2)	1,254.18 (74)	410.75 (24.08)
2020-21	4,447.13	83.44 (2)	2,953.93 (66)	1,409.72 (31.70)
2021-22	2,658.10	293.51 (11)	1,830.08 (69)	534.50 (20.10)
2022-23	2,951.09	574.25 (19)	1,352.73 (46)	1,024.11 (34.70)
2023-24	1,250.89	578.06 (46)	423.12 (34)	249.71 (19.96)

Source: MIS data

As can be seen from **Table 2.2.4**, the percentage of administrative fund spent at block level ranged from 20 to 35 *per cent* which is against the provision of the Operational Guidelines. Further, during the year 2023-24, the amount spent at state level was more than the amount spent by all the 16 districts.

The State was required to transfer minimum two-thirds to the Block and GPs mandatorily as prescribed in the Operational Guidelines. Short release of administrative fund at Block and GP level affects the implementation of the Scheme by the Block and GPs including provision of worksite facilities as pointed out in **Paragraph 2.2.10.2**.

The State Government while accepting the audit comment stated that provision of the Operational Guidelines would be complied.

2.2.7.11.6 Pending liability

As per the instructions of the MoRD (March 2019), the pending liabilities of wages and material were required to be cleared on priority, with the old pending liabilities to be cleared first.

Audit observed that in the State large liabilities were pending during 2019-2024 as detailed in **Table 2.2.5**.

Table 2.2.5: Outstanding liabilities for the year 2019-2024*(₹ in crore)*

Year	Wages	Material	Total liability	Closing Balance as on 31 March	Closing Balance lying with SEGF (out of Col 5)	Fund not released by FD, GoM out of Col. 5 (percentage)
1	2	3	4	5	6	7
2019-20	230.58	231.72	462.30	250.56	35.81	214.75 (85.71)
2020-21	467.48	229.04	696.52	622.15	52.98	569.17 (91.48)
2021-22	651.16	369.21	1,020.37	349.99	119.97	230.02 (65.72)
2022-23	157.43	371.81	529.24	673.82	343.68	330.14 (49.00)
2023-24	295.56	158.45	454.01	138.73	138.73	0

Source: CA Report and UCs

As can be seen from **Table 2.2.5**, the total liability of the State on account of unpaid wages and material during 2019-2024 ranged from ₹454.01 crore (2023-24) to ₹1,020.37 crore (2021-22) despite the availability of unspent

balance at the end of the respective years.

Table 2.2.6 depicts the pending wages and material liabilities in sampled districts during 2019-2024.

Table 2.2.6: Pending wages and material liabilities in sampled districts during 2019-2024
(₹ in lakh)

Year	Bishnupur			Imphal East			Imphal West		
	Wages	Material	Amount	Wages	Material	Amount	Wages	Material	Amount
2019-20	1.14	3.09	4.23	5.19	23.60	28.79	1.73	1.19	2.92
2020-21	1.23	3.25	4.48	11.34	8.05	19.39	4.55	1.59	6.14
2021-22	11.02	17.26	28.28	124.99	183.4	308.39	14.04	71.09	85.13
2022-23	1.81	25.50	27.31	27.89	104.58	132.47	2.46	0	2.46
2023-24	19.28	1,699.80	1,719.08	594.95	1,734.12	2,329.07	17.23	1024.24	1,041.47
Total	34.48	1,748.90	1783.38	764.36	2,053.75	2818.11	40.01	1,098.11	1,138.12

Source: MIS data

It can be seen from **Table 2.2.6** that in the sampled districts, an amount of ₹57.40 crore *i.e.* ₹8.39 crore for wages and ₹49.01 crore for material remained pending as on the date of audit (December 2024).

As MGNREGS is primarily a wage employment generation scheme for the rural poor, prolonged non-payment of dues to workers and suppliers defeated the basic objective of the scheme and adversely impacted on rural livelihoods.

The State Government stated (May 2025) that efforts were on to clear all the pending liabilities on priority.

The fact, however, remained that the persistent delays in wage and material payments compromised the implementation of MGNREGS and defeated its objective of providing timely wage support to rural households.

2.2.7.11.7 Non-maintenance of prescribed wage and material ratio

Paragraph 20 of Schedule-I of MGNREG Act provides that for all works taken up by the GPs and other implementing agencies, the cost of material component including the wages of the skilled and semi-skilled workers shall not exceed 40 *per cent* at the district level.

Audit examination revealed that, during 2019-2024, the prescribed wages and material ratio was not maintained ranging from two districts in 2019-20 to eight districts in 2023-24.

Excess utilisation of funds on the material component reduced the generation of wage employment for MGNREGA workers. During the period 2019-2024, an amount of ₹39.23 crore was utilised in excess on the material component, which could have generated 15.77 lakh PDs of wage employment (details are shown in **Appendix 2.6**).

The State Government stated (May 2025) that audit comment was noted for compliance.

The reply of the State Government did not address the impact of the excess expenditure on material components on the generation of wage employment. Merely noting the audit observation does not justify the deviation from the prescribed wage-material ratio.

The fact remained that the non-adherence to the prescribed wages and material ratio had resulted in inefficient utilisation of MGNREGA funds and reduced wage employment opportunities for workers.

2.2.7.12 Conclusion

The Department had not assessed the quantum and timing of labour demand. Thus, the very basic tenet of the scheme that it was a demand-based scheme for rural employment was violated as no baseline survey was conducted.

The Department did not prepare holistic plan for IEC and no Human Resource Development and Capacity Building Divisions and Units were established to create awareness among rural people, especially MGNREGS workers and to build the capacities of functionaries involved in the implementation of the Scheme.

There was short release of the Central Fund by the MoRD due to availability of unspent balances from previous years, inability to send UCs and proposal for 2nd tranche in time during 2019-20 to 2023-24. The State Government did not receive Central share estimated at ₹1,040 crore during 2023-24 due to the non-fulfilment of prescribed conditions. The State Government was liable to pay interest of ₹146.76 crore for delay in release of funds to the SEGF. Though the funds were available for clearing pending liabilities, the State Government did not clear the pending liabilities.

2.2.7.13 Recommendations

- (i) *The Department should conduct a comprehensive baseline survey to accurately assess the quantum and timing of labour demand and prepare a realistic documented annual plan.*
- (ii) *The State Government should formulate a holistic IEC strategy through a bottom-up approach and ensure the mandatory organisation of Rozgar Diwas every month to enhance awareness among beneficiaries.*
- (iii) *The Department should establish a dedicated HRD&CB Division and Unit, conduct training need assessments and implement capacity-building initiative for all stakeholders involved in scheme implementation.*
- (iv) *The State Government should ensure the timely release of funds to the SEGF to facilitate efficient utilisation and avoid accumulation of pending liabilities.*
- (v) *The Department should fix accountability for inadmissible expenditure, diversion of scheme funds and unauthorised utilisation and take appropriate corrective and disciplinary action against the concerned officers/ officials.*
- (vi) *The Department should ensure the transfer of at least two-third of the administrative funds to the Block level and below to strengthen field-level implementation.*
- (vii) *The Department should clear pending liabilities on priority in accordance with the instructions of the MoRD to ensure smooth execution of works and to sustain the employment generation of rural households.*

(viii) *The Department should strictly adhere to the prescribed wage-material ratio to optimise person-day generation and ensure compliance with scheme guidelines.*

2.2.8 Audit objective: Whether fair access to employment opportunities was achieved, as well as employment adequately generated, leading to social protection and livelihood security as envisaged?

2.2.8.1 Gap in projected, approved and generated person day

As per Paragraph 6.1.3 of the Operational Guidelines, the DPC has to ensure strict adherence to the principle of bottom-up approach from planning to approval of the selected shelf of projects by each of the Gram Sabhas in the district.

Scrutiny of the Labour Budget (LB) and MIS data revealed that against 1,425 lakh person days (PDs) approved by the GoI for the State for the period 2019-2024, only 1,092 lakh PDs (77 *per cent*) were actually generated, as detailed in **Table 2.2.7** and **Chart 2.2.5**.

Table 2.2.7: PDs proposed, approved and actual generation in the State during 2019-2024
(Figures in lakh)

Year	No. of PDs projected in LB	No. of PDs approved by GoI	No. of PDs Generated (percentage)	Shortfall in PDs against approved LB (percentage)
1	2	3	4	5 (3-4)
2019-20	578.11	260	234 (90)	26 (10)
2020-21	588.87	335	330 (99)	5 (1)
2021-22	589.03	330	303 (92)	27 (8)
2022-23	605.18	250	75 (30)	175 (70)
2023-24	610.20	250	150 (60)	100 (40)
Total	2,971.39	1425	1,092 (77)	333 (23)

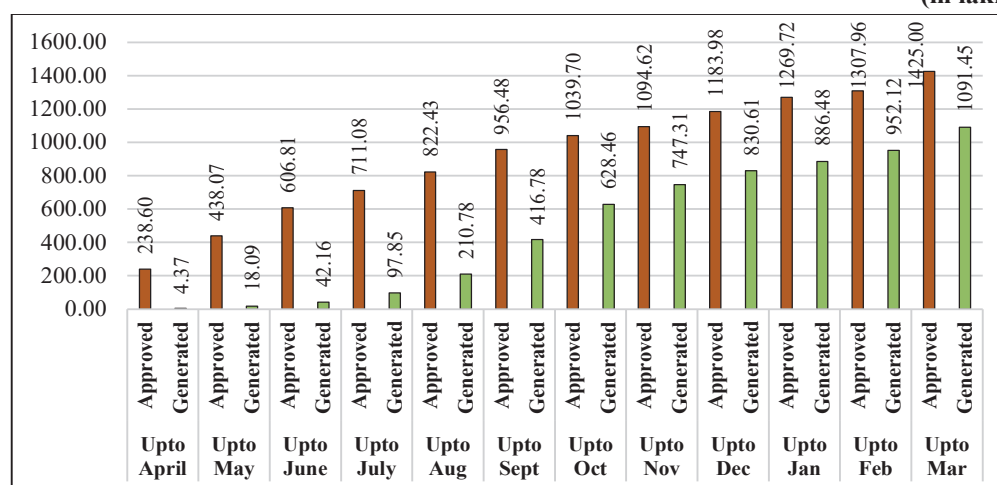
Source: MIS and Departmental data

As evident from **Table 2.2.7**, the shortfall between the approved PDs by MoRD and generated PDs ranged from 01 *per cent* (2020-21) to 70 *per cent* (2022-23) during the audit period. The total shortfall in PD generated against PD approved by MoRD is 333 lakh during 2019-2024. The short generation of PDs against approved PDs significantly impacted the objective of providing 100 days of wage employment to all eligible MGNREGS households.

An analysis of month-wise PD generation against the total PD approved during the period 2019-2024 revealed that generation of PD during the first six months (upto September) were very low (38.19 *per cent*), as shown in the **Chart 2.2.5**.

Chart 2.2.5: Month-wise mandays generated against approved during 2019-2024

(in lakh)



Source: MIS data

The low generation of PDs during the first half of the year *i.e.* upto September had a cascading effect on the submission of proposals for 2nd tranche of funds, as these could be submitted only after utilisation of 60 *per cent* (revised to 75 *per cent* from 2021-22) of the total available funds. Since the quantum of 2nd tranche release depends on the State's performance, low PD generation adversely affected the timely flow of funds and disrupted the regular income for livelihood of the rural workers.

The State Government stated (May 2025) that the gap between the approved and generated PDs is due to non-release of fund from the Finance Department, GoM. The reply of the State Government is not acceptable as the release of funds to the implementing agency is a core responsibility of the State Government to ensure continuity of employment under the scheme.

The fact remained that the short generation of PDs indicates inadequate planning, ineffective implementation and delayed utilisation of funds. The non-adherence to the bottom-up approach and the delay in release of adequate wage employment to rural households, defeating the core objective of MGNREGS.

2.2.8.2 Registration and issuance of Job Cards

As per Paragraph 3.1.2 of the Operational Guidelines, a household having adult members desirous of seeking unskilled employment in MGNREGS may apply for registration. The application for registration may be given on plain paper to the local GP and registration shall also be opened throughout the year at the GP office. As on the date of audit (December 2024), there are 6.09 lakh HHs registered in the State.

2.2.8.2.1 Door-to-door survey for registration of households (HHs)

As per Paragraph 3.1.1 of the Operational Guidelines, a door-to-door survey was to be conducted at GP level every year to identify eligible HHs who have been missed out and wish to be registered under the Act. The PO will lay down

a schedule for this survey and ensure that all GPs in his/her charge have done this survey. During the survey, details of individual in the registered HHs should also be verified and compared with the details in the database in MIS for any corrections.

Audit observed that door-to-door survey were not conducted annually during the period 2019-2024 for the identification and registration of willing HHs in all the sampled GPs. The sampled GPs stated that door-to-door survey were conducted once in five years as instructed by DPC. However, documents for conduct of survey were not produced to audit.

The State Government stated (May 2025) that time to time survey was done at GP level. The reply of the State Government is not acceptable as the information furnished by the sampled GPs clearly confirmed that no door-to-door surveys were conducted during the period 2019-2024. The claim of periodic surveys made by the State Government lacks documentary evidence and contradicts the records maintained at the GP level.

The fact remained that the non-conduct of annual door-to-door surveys, as mandated under the Operational Guidelines, resulted in the exclusion of potentially eligible households from registration under the Act. This reflects inadequate monitoring and supervision by the POs and indicates non-compliance with the prescribed provisions.

2.2.8.2.2 Registration of Job Cards with incomplete information

As per Paragraph 3.1.2 of the Operational Guidelines, application for registration should contain names of those adult members of the HH who are willing to do unskilled manual work. The information of HH and individual details in MIS should *inter-alia* include bank account number, Electoral Photo Identity Card (EPIC) number, village name, Aadhaar number, Rashtriya Swastha Bima Yojana (RSBY) number, HH photographs *etc.* The application for registration is required to be verified by the concerned GP.

Scrutiny of data at MIS of the sampled districts revealed significant gaps in mandatory information *viz.* details of job card without bank account number, HH photos and worker’s photo, as given in **Table 2.2.8.**

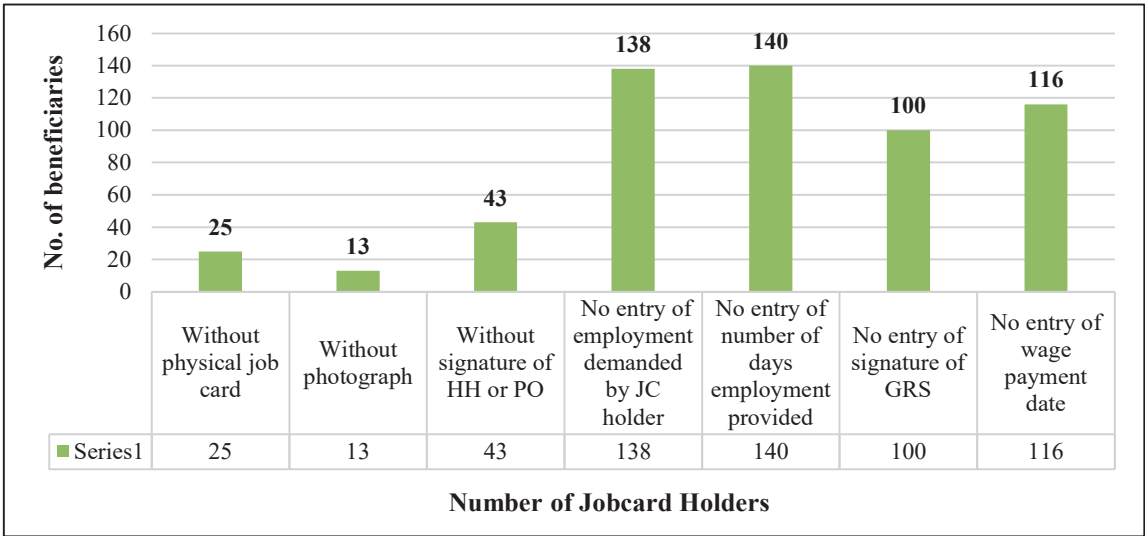
Table 2.2.8: Details of Job card without bank account number, HH and worker’s photograph

Mandatory information parameters	State/ Sampled Districts			
	Bishnupur	Imphal East	Imphal West	State
No. of HH Registered	54,760	1,18,049	68,734	6,09,453
No. of Job cards (JCs) issued	54,746	1,17,177	68,477	6,07,330
No. Workers Registered	93,593	1,39,771	1,33,720	9,29,994
No. of Workers without bank Account number (in per cent)	19,558 (20.90)	7,488 (5.36)	42,354 (31.67)	1,80,364 (19.39)
No. of JC without HHs Photographs (in per cent)	18,052 (32.97)	31,386 (26.79)	15,677 (22.80)	1,16,218 (19.07)
No. of Workers without individual Photographs (in per cent)	64,295 (68.70)	57,136 (40.88)	1,16,771 (87.33)	7,32,897 (78.81)

Source: MIS data as of November 2024

It can be seen from **Table 2.2.8** that workers without bank accounts number ranged from 05 to 32 *per cent* across sampled districts while it was 19 *per cent* for the State. Job cards without HH photographs ranged from 23 to 33 *per cent* in the sampled districts and stood at 19 *per cent* at the State level. Workers without individual photographs ranged from 41 to 87 *per cent*, with the State average at a significantly high 79 *per cent* as of November 2024. Shortcomings noticed during the beneficiary survey are given in **Chart 2.2.6**.

Chart 2.2.6: Shortcomings noticed during Beneficiaries survey (out of 242 beneficiaries surveyed)



Source: Beneficiaries Survey

Chart 2.2.6 indicates that the GPs did not ensure complete and accurate registration of HHs. The absence of essential information such as bank account numbers, household photographs, and worker photographs points towards inadequate verification of applications by the GPs and lack of effective monitoring and supervision by the POs. Due to the omission by GPs in entering requisite information on job cards, the correctness and reliability of the MIS data could not be ensured by the Department.

The State Government stated (May 2025) that necessary instruction would be issued to all districts to strictly observe caution while registering the job cards. The reply is not acceptable as issuing instructions after the audit findings does not address the deficiencies in existing job card data. The fact, however, remained that the Department did not establish effective monitoring mechanisms, regularly verify the accuracy of MIS entries and ensure compliance with operational guidelines at the GP level.

The lack of complete information in job cards and the lack of assurance of data integrity highlights systemic weaknesses in registration processes, poor monitoring and ineffective supervision. Unless the Department undertakes a comprehensive verification drive to update incomplete job card details and strengthens its internal controls, the reliability of MIS data will remain compromised.

2.2.8.2.3 Delay in issue of Job card

As per Paragraph 3.1.2 of the Operational Guidelines, a HH having adult members desirous of seeking unskilled employment in MGNREGS may apply for registration. If a HH is found to be eligible for registration after verification, the GP will issue a JC to the HH within a fortnight of the application.

Audit scrutiny of the Registration-1¹¹ available at the MIS, revealed that out of 57,800 HHs registered till March 2024 in the sampled GPs, 17,238 (30 *per cent*) JCs were issued beyond the prescribed period of a fortnight of its application with delay ranging from 01 to 3,413 days (*details are given in Appendix 2.7*). This finding was further corroborated by the beneficiaries surveyed, wherein 62 *per cent* (151 out of 242) of the beneficiaries confirmed delays in receiving their job cards. The delay in issuing JCs effectively deprived rural unemployed adults of their statutory right to seek wage employment within the stipulated timeframe, thereby compromising one of the core objectives of the scheme.

The State Government stated (May 2025) that the delay in issuing job cards was due to technical issues in the MIS portal, shortage of staff and delays in verification process at the GP level. The State Government further stated that steps were being taken to solve these issues. The reply of the State Government confirms that the State Government did not put in place effective monitoring mechanisms to ensure compliance with the prescribed timelines.

Thus, the persistent delays in issuing job cards highlight ineffective supervision, inadequate planning and weak internal controls at multiple administrative levels. Unless the Department implements robust monitoring systems, strengthens manpower deployment and ensures timely verification of applications, the objective of providing time-bound wage employment under MGNREGS will remain unfulfilled.

2.2.8.2.4 Partial coverage of household of landless casual labourers

The MoRD, GoI issued (December 2016) directives that the State had to proactively reach out to landless manual casual labourers HHs as per data of Socio Economic Caste Census (SECC), 2011 and register those HHs who were missed out and willing to work under the Scheme.

Audit observed that out of 61,455 landless casual labourers in the State, 28,817¹² were located in the sample districts. Out of this, 12,860 (44.63 *per cent*) were surveyed and 68.69 *per cent* (68 out of 99 willing HHs) were issued job cards. The objective of covering all willing landless casual labourers and provide job cards to the willing HHs under the Scheme was not achieved, thus, depriving many vulnerable households of the opportunity to access wage employment. Further, non-completion of the survey limited the identification of additional HHs who are most vulnerable and in need of work.

¹¹ Register for Job Card (JC) application, JC Registration, JC Issue and HH Employment Reports

¹² Bishnupur - 4,055, Imphal East - 16,126 and Imphal West - 8,636.

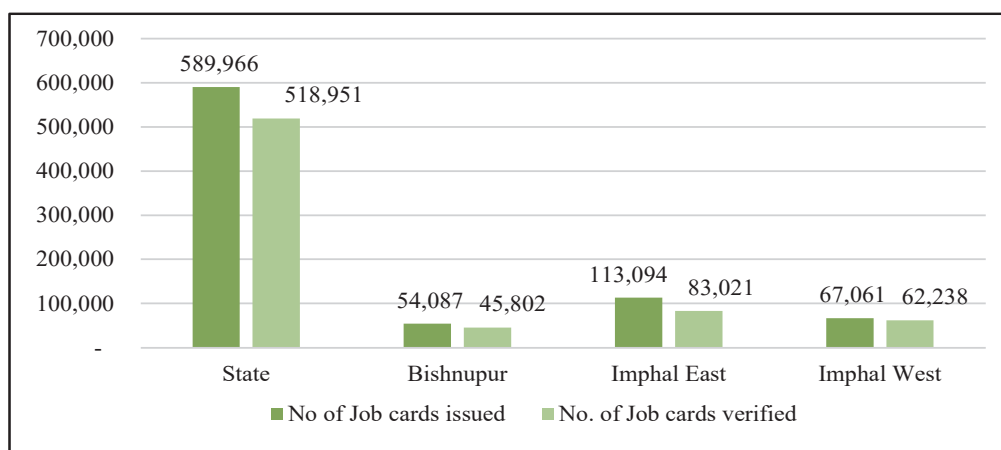
The State Government stated (May 2025) that audit comment was noted for necessary action and compliance. The reply of the State Government is silent about the reasons for incomplete coverage of eligible HHs and non-completion of surveys despite clear directives from MoRD. Also, the absence of a targeted outreach strategy and poor follow-up indicate weak planning, ineffective monitoring and inadequate supervision at the district and GP levels.

Thus, non-coverage of all willing landless casual labourer HHs under MGNREGS in a timely manner reflects systemic deficiencies in implementation and poor compliance with MoRD directives. Unless the Department completes the survey, identifies all uncovered eligible HHs and issues job cards to all willing applicants, the intended objective of extending wage employment to the most vulnerable sections of society will remain unachieved.

2.2.8.2.5 Updating and verification of Job card

As per Paragraph 3.1.5 of the Operational Guidelines, Job card was valid for a period of five years. GPs had to undertake an annual updating exercise in the same manner as for registration of HHs. The SEGC, Manipur directed (October 2021) all DPCs to complete 100 *per cent* Job card verification by 30 October 2021. The number of Job cards issued and verified in the State *vis-à-vis* sampled districts is shown in **Chart 2.2.7**.

Chart 2.2.7: Job card issued and verified in the State *vis-à-vis* sampled districts



Source: Departmental records

Audit observed that out of 5.90 lakh active job cards, 5.19 lakh (88 *per cent*) were verified and updated in the State as of March 2024. Similarly, in the sampled districts, out of 2.34 lakh active job cards, 1.91 lakh (82 *per cent*) were verified and updated as of March 2024. Further, out of job cards of 50,146 workers in the sampled GPs job cards of 12,452 workers were pending for verification as on the date of audit (December 2024).

The State Government stated (May 2025) that verification of job cards is an ongoing process and incomplete or wrong information in job cards are corrected from time to time. However, the fact remained that 100 *per cent* Job Card

verification by October 2021, remained incomplete as of May 2025, despite sufficient time having elapsed.

Thus, the non-completion of timely verification and updating of Job Cards indicates weak monitoring and ineffective enforcement of the SEGC's directives at the GP and district levels. This not only compromises the accuracy of the MIS but also affects targeted implementation of MGNREGS benefits.

2.2.8.3 Shortfall in providing of 100 days employment to HHs

Paragraph 1.1 of the Operational Guidelines provides that at least 100 days of guaranteed wage employment in a financial year should be provided to every rural HHs whose adult members volunteer to do unskilled manual work. The details of HHs registered and demanded job *vis-à-vis* actually provided 100 days of job to HHs during 2019-2024 are shown in the **Table 2.2.9**.

Table 2.2.9: Shortfall in providing 100 days of employment to HHs during 2019-2024

Year	HHs registered under MGNREGS	HHs demanding job	HHs provided job	HHs provided 100 days job	Percentage of HHs provided 100 days job against demand
2019-20	5,73,316	5,47,419	5,45,572	856	0.16
2020-21	5,86,416	5,52,103	5,51,599	4,365	0.79
2021-22	5,95,555	5,61,370	5,61,206	1,859	0.33
2022-23	5,99,099	3,87,619	3,87,231	64	0.02
2023-24	6,09,374	5,10,115	5,09,825	276	0.05

Source: MIS data as of August 2024

Audit observed that during 2019-2024, 64 to 4,365 HHs (0.02 to 0.79 *per cent*) who demanded jobs were provided 100 days employment. The percentage of HHs receiving 100 days of employment declined sharply from 0.79 *per cent* in 2020-21 to 0.05 *per cent* in 2023-24. Thus, the primary objective of providing at least 100 days of guaranteed wage employment to willing rural HHs in a financial year was not achieved.

The State Government stated (May 2025) that the reason was due to non-release of fund in time from the Finance Department, GoM. The reply of the State Government is not acceptable as the release of funds to the implementing agency is a core responsibility of the State Government to ensure continuity of employment under the scheme. The State Government did not demonstrate any proactive measures taken to mitigate the impact of delayed fund releases, such as phased planning of works, re-prioritisation of projects or requesting additional central assistance. The persistent shortfall across five years indicates systemic deficiencies in fund flow management rather than a one-time funding issue.

Thus, the shortfall in provision of 100 days of wage employment to the majority of HHs that demanded work during 2019-2024 reflects ineffective implementation of MGNREGS in the State. Unless the State Government ensures - timely release of funds, better planning & monitoring and strict adherence to operational guidelines, the scheme will continue to fall short of its mandate of guaranteeing employment and improving rural livelihoods.

2.2.8.4 Employment provided to the differently abled persons

Paragraph 9.3.9 of the Operational Guidelines provides that a special drive should be initiated to identify all persons with disability and other vulnerable persons and provide 100 days of work to each household. Paragraph 9.2.2 of the guidelines *ibid* states that each State Government should designate one officer in each district as a Co-ordinator (Vulnerable Groups) who will look after the needs and requirements of the special categories and create enabling conditions for their inclusion in MGNREGA works.

Audit observed that in the State, no Coordinator (Vulnerable Groups) was designated in any district and no special drive was undertaken by the Department to identify and include differently abled persons in MGNREGA works.

Audit scrutiny of MIS data revealed that in the State, the differently abled persons registered ranged between 3,107 and 4,331 during the period 2019-2024 and the percentage of employment provided to them remained significantly low, ranging from 41 to 60 *per cent* in the same period, as detailed in **Table 2.2.10**.

Table 2.2.10: Provision of employment to differently abled persons during 2019-2024 (State level)

Year	No. of Disabled persons registered	No. of Disabled persons employed in the FY	Percentage	PDs generated in the FY	Average PDs generated
2019-20	3,913	1,854	47	70,155	38
2020-21	4,185	1,987	47	1,01,547	51
2021-22	4,331	2,140	49	1,14,268	53
2022-23	3,261	1,341	41	24,876	19
2023-24	3,107	1,879	60	62,604	33

Source: MIS data

It can be seen from **Table 2.2.10**, the percentage of differently abled persons employed remained below the mandated target of 100 days of wage employment. The average PDs generated per differently abled worker ranged between 19 and 53 days, indicating significant underutilisation of the employment guarantee. The lack of special drives and absence of a dedicated Co-ordinator adversely impacted the participation of differently abled persons in MGNREGA works.

The State Government stated (May 2025) that employments are provided to differently abled persons. The reply of the State Government is not acceptable as can be seen from the table above, the percentage of employment and average PDs generated for differently abled persons remained low.

Thus, due to the inadequate initiatives of the State Government and non-compliance with the Operational Guidelines, a large number of differently abled persons could not access the guaranteed 100 days of wage employment under MGNREGA during 2019-2024.

2.2.8.5 Low provision of employment to the Internally Displaced Persons

Paragraph 9.8.1 of the Operational Guidelines stipulates that the DPC concerned has to issue a special Job Card to Internally Displaced Persons (IDPs), the validity of which would be lost as soon as the IDPs return to their original place of residence.

Audit scrutiny revealed that Special JC were issued to 4,607¹³ number of IDP HHs in sampled districts. However, the DPCs could provide wage employment to only 65 *per cent* of the Special JC holders in the sampled districts during the audit period.

Thus, the DPCs did not ensure provision of mandated livelihood security to the conflict affected vulnerable groups (IDPs) who had lost their houses, properties and means of livelihood due to conflict.

2.2.8.6 Non-coverage of workers under Social Security Scheme

Paragraph 8.9 of Operational Guidelines provides that MGNREGA workers are to be covered under the Janashree Bima Yojana (JBY) implemented by the Ministry of Finance which provides life coverage and disability benefits to rural people. Rashtriya Swasthya Bima Yojana (RSBY) has been extended to all MGNREGA workers/ beneficiaries who have worked for more than 15 days in the preceding financial year. DPCs and POs are required to make workers aware of these schemes.

The other schemes such as Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM) Pension Scheme envisaged minimum pension of ₹3,000 after 60 years.

As per directions of the Ministry (November 2021), State Government were to mobilise the PRIs and its officials for significant rise in the enrolment with e-SHRAM portal as well as Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PM-JAY).

Audit observed that during the period 2019-2024, neither the State Government nor the PRI officials undertook any significant IEC initiatives to spread awareness among MGNREGA workers about these social security schemes. Hence, a large number of eligible workers were not enrolled and therefore, could not avail themselves of the benefits envisaged under these schemes.

Thus, as the State did not enrol MGNREGS workers into the social security scheme, the benefits provided by the Schemes could not be availed.

While accepting the audit observation, the State Government stated that the Department would take necessary steps for compliance.

The fact remained that the State Government did not adequately promote and facilitate the enrolment of MGNREGA workers under the available social security schemes, which defeated the objective of extending financial, health and pension benefits to rural HHs. Effective IEC measures and better

¹³ Imphal East – 1,306; Imphal West – 586; and Bishnupur – 2,715.

institutional coordination are required to ensure that all eligible workers are covered under these welfare schemes.

2.2.8.7 Unauthorised deduction and non-refund of insurance premium to workers

As per the instruction (December 2009) of the State Government, health insurance was to be provided to the BPL Job Card Holders (JCHs) subject to a maximum premium of ₹750 *per annum* per family to be borne by the central and state government in the ratio of 90:10.

Audit, however, observed that the DPC, Bishnupur unauthorisedly deducted an amount of ₹2.72¹⁴ crore from the wages of JCHs during April 2010 to March 2011. The deducted amount was paid to Sunlife Insurance Company (Insurer) towards the premium for providing health insurance to 66,763 JCH.

It was also observed that the actual premium cost for insurance policies for 66,763 JCHs was only ₹1.02 crore. As such, the Insurer refunded (March 2014) the excess amount of ₹1.69 crore¹⁵ to the DPC. Details are given in Table 2.2.11.

Table 2.2.11: Details of insurance premium, payments and refunds

Particulars	1 st phase	2 nd phase	Total
Total number of policies issued	31,169	35,594	66,763
Total cost of policies (in ₹)	14,65,674	88,32,821	1,02,98,495
Amount deposited to the Insurer	16,00,000	2,56,07,227	2,72,07,227
Un-utilised amount	1,34,326	1,67,74,406	1,69,08,732
Refunded amount by the Insurer ¹⁶	-	-	1,68,96,157

Source: Departmental records

Since the funds were deducted from the wages of JCHs, it should have been refunded to the respective JCHs. However, as of March 2023, out of the total un-utilised refunded amount of ₹1.69 crore, an amount of ₹0.94 crore only had been refunded to 20,657 JCHs. The remaining amount of ₹0.75 crore was unauthorisedly retained in the MGNREGS account of the DPC, Bishnupur as of March 2024.

Moreover, the audit could not ascertain the position of subsequent payment of policy premium, status of the policy (either active or lapsed) and amount of bank interest accrued, so far, from the deposited amount as the relevant documents or reasons were not furnished by the DPC.

The State Government stated (May 2025) that the remaining policy holders/ Job Card holders could not be found by the office and proposed to deposit to the SEGF in consultation with the Finance Department, GoM. The reply of the State Government is not acceptable as it neither safeguards the financial interests of MGNREGA workers nor ensures compliance with the prescribed guidelines. Moreover, the reply is silent on the interest earned on the refunded amount

¹⁴ ₹16,00,000 (from 31,169 JCHs in Phase I) + ₹2,56,07,227 (from 35,594 JCHs in Phase-II)

¹⁵ ₹2.72 crore - ₹1.02 crore

¹⁶ ₹1,67,61,831 (DD No. 725102 dated 05.03.2014) + ₹1,34,327 (and DD No. 725103 dated 05 March 2014)

retained in the MGNREGS account and whether such interest would also be passed on to the beneficiaries. Further, the State Government did not furnish any action plan or timeline for identifying the beneficiaries and completing the refund process.

The unauthorised deduction of insurance premiums from workers' wages and the non-refund of the amount to the concerned Job Card Holders indicate serious lapses in financial management and non-compliance with government instructions. Although the State Government stated (May 2025) that the unrefunded amount would be deposited into the SEGF after consultation with the Finance Department, no timelines were provided and no assurance was given regarding safeguarding workers' interests. This reflects inadequate follow-up and ineffective monitoring, resulting in financial hardship to MGNREGA workers and compromising the intended objective of extending social security benefits to vulnerable rural HHs.

2.2.8.8 Payment without execution of works - ₹94.76 lakh

As per Paragraph 7.13.1 of Operational Guidelines, all measurements of work done shall be recorded in the Measurement Book (MB) duly authorised and issued by competent authority. Paragraphs 7.13.2 and 7.13.3 states that weekly measurement of works should be undertaken by measurement officers (Technical Assistants/ Junior Engineers). All measurements should be captured task-wise so that nothing remains invisible and underpaid. Paragraph 7.13.5 also states that checking of measurement recorded by TA/ Junior Engineer by an authority higher than the measurement officer is crucial for effective monitoring and ensuring quality of MGNREGS works. Appropriate check measurement norms have to be adopted by States to ensure creation of quality assets.

Further, as per SOP 5/20 of the CPWD Manual 2019, payments to contractors and others for the work done or other services rendered are made on the basis of measurements recorded in the MB. These books are considered as very important records and maintained carefully and accurately as these may be produced as evidence in a court of law, if and when required.

In the Report of the C&AG of India, for the year ending March 2012, GoM, featuring PA on implementation of MGNREGS, PAC recommended that the department fix the responsibility to the erring official for making payment without execution of the works and strictly monitor the financial management system of the Department.

Scrutiny of work files and JPV of 192 sampled works in the three sampled districts revealed that payments amounting to ₹94.76 lakh were incurred without actually executing the works, as detailed below:

- (i) In five sampled works, excavation of extra earthwork beyond the scope of original works were included in the estimates and recorded as executed in the MBs at a cost of ₹13.19 lakh. However, during JPV the extra excavations of earthwork were not found at the worksite. The village

representatives were also not aware of the extra earthwork excavation components. Details are shown in *Appendix 2.8*.

- (ii) In respect of seven¹⁷ sampled works, though earth excavation were recorded as executed at a cost of ₹49.47 lakh, the photographs of ‘during execution’ attached in the work file revealed that no earth excavation was seen executed at the worksite except surface dressing/ removal of vegetation over the already existing irrigation canal (pre-execution photograph), indicating that payment was made without execution. List of works are shown in *Appendix 2.9*.
- (iii) In one work ‘Renovation of public pond at Wangoo Ahallup at Ward No. 9¹⁸’, excavation of earthwork for pond estimating to ₹11.89 lakh was not found to have been executed as the existing pond was filled with water during execution of work as shown in the photographs below:



- (iv) In one work¹⁹ at Wangoo Terakhong GP, component of retaining wall (RR masonry with hard stone) of 62 m in length (valuing ₹6.19 lakh) included in the Hill cutting work and recorded in the MB as executed was not found at the worksite during JPV. The village representative was unaware of the retaining wall component.
- (v) In two works, one at Leirenjam Meijrao GP²⁰ and another at Phoubakchao Sekmajin GP²¹, banking of excavated earth was included in the estimate and recorded in the MBs as executed valuing ₹5.61 lakh, was not found at the worksite during JPV other than the levelling of excavated earth which was already included in the excavation item of the estimate.
- (vi) In one work at Pukhao GP²², dimension of the pond was found only 300m³ (15m × 5m × 4m) against the size in the estimate *i.e.* 7,696 m³

¹⁷ Two works at Haraorou Tangkham GP, one work at Ngangkhalawai GP, three works at Moirangkhunou GP and one work at Khoijuman Kwashiphai GP.

¹⁸ Work code: 2006004011/WC/48973 (2022-23).

¹⁹ Hill cutting with R/w and earth filling from Kh. Muhindro to Tomboi Meisnam lock taba (RC/GIS/15288)(2021-22).

²⁰ C/o Laishram khong with culvert ward No.11(2007007009/IC/38220) (2019-20)

²¹ C/o cement concrete road at water supply leirak ward No. 4 (2007007003/RC/33002) (2019-20)

²² C/o public pond at Khewa Phurju Makha Leikai near Anganwadi centre (2009005009/WC/43325) (2020-21).

(52m × 37m × 4m), thereby resulted in short execution of volume by 7,396 m³ amounting ₹8.41 lakh (7,396 m³@ ₹113.699).

The DPCs stated that at the instance of audit, the short executions of works were re-executed as per the estimate. The reply of the DPCs further corroborates the audit observation that payments were made without actual execution of works, as the Department had to re-execute the shortfall only after audit intervention. This clearly indicates serious lapses in monitoring, verification and internal control mechanisms. Moreover, the reply is silent about the action taken on the recommendations made by the State PAC.

Had these instances not been highlighted by audit, such irregularities would have remained undetected, leading to potential financial mismanagement and non-creation of intended assets. The Department did not institute robust pre-payment verification, strict check measurement protocols and did not comply with the recommendations of the State PAC by fixing the accountability on the responsible officers/ officials for authorising payments without ensuring actual execution.

2.2.8.9 Non-payment of compensation for delayed payments

As per Paragraph 29 of Schedule II of the Act, disbursement of wages is to be made within 15 days from the date of work done otherwise the workers are entitled to receive compensation, @ 0.05 per cent of the unpaid wages per day for the duration of the delay beyond the 15th day of the closure of the Muster Roll (MR).

Each PO shall decide whether the compensation calculated by the NREGA Soft is payable or not within 15 days of compensation becoming due. The State Government shall be responsible for operationalising a system for payment of compensation for delayed wage payments.

Audit observed that during 2019-2024 an amount of ₹240.42 crore was outstanding for making payment as compensation for delayed payment of wages in the State level, including ₹107.35 crore in the sampled districts. Details are given in Table 2.2.12.

Table 2.2.12: Status of Pending compensation for delayed payment of wages during 2019-2024

(₹ in crore)

State/ District	Delayed Compensation				Amount yet to be verified	Rejection reason (in PDs)				Total rejected days	Delayed compensa- tion Paid	Payment due
	Payable		Approved			Insuffi- cient fund	Natural calamities	Compensa- tion not due	Other			
	Days*	Amount	Days*	Amount								
Imphal East	59.72	55.58	0	0	18.58	11.00	0.01	27.28	0	38.29	0	0
Imphal West	28.80	27.97	0	0	0.06	22.82	3.29	2.64	0	28.75	0	0
Bishnupur	50.75	23.80	0	0	2.59	3.42	0.24	41.13	0	44.79	0	0
Sub-Total	139.27	107.35	0	0	21.23	37.24	3.53	71.05	0	111.82	0	0
State	314.09	240.42	0.01	0.02	49.51	68.04	3.74	178.28	0	250.06	0	0.02

Source: MIS data * Days in crore.

It can be seen from Table 2.2.12, out of delayed compensation payable of ₹240.42 crore in the State, ₹0.02 crore was approved and ₹49.51 crore was yet to be verified. However, the State Government did not pay the compensation

payable. Out of total 314.09 crore days payable during 2019-2024, the POs rejected 79.61 *per cent* (250.06 crore days) on the ground of insufficient fund (27.21 *per cent*), natural calamities (1.50 *per cent*) and compensation not due (71.29 *per cent*). The reason of 'insufficient fund' is not acceptable as there are fund available in the SEGF as could be seen from **Tables 2.2.2 and 2.2.5**. Further, reasons such as 'natural calamities' and 'compensation not due' were also not acceptable as there were no documented records in support of these statement at the offices of the POs and at the MIS.

The MoRD had instructed GoM to approve all delayed compensation and pay promptly. Further, the Hon'ble Supreme Court of India in the Writ Petition 'Swaraj Vs Union of India & Ors' ordered (March 2017) the GoI to focus on the delay in payment of wages as well as the delay in payment of interest and compensation to the workers. Despite the MoRD and Hon'ble Supreme Court directions, the GoM did not pay compensation for delayed payment of wages.

During beneficiary survey, out of 242 beneficiaries surveyed, 236 (98 *per cent*) beneficiaries reported non-receipt of wages within the prescribed limit of 15 days from the date of completion of work, which was further validated through entries in their Job cards.

In the Exit Conference, the State Government stated (May 2025) that the matter was noted for necessary action. The reply is not acceptable as it did not specify any action plan/ timeline or mechanism to clear the pending compensation. Further, no assurance was given regarding verification of rejected claims, nor was there any roadmap for compliance with MoRD and Hon'ble Supreme Court directions.

Thus, the non-compliance with provisions relating to timely payment of compensation for delayed wages violates the provisions of MGNREGA Act, MoRD guidelines and Supreme Court directives. This adversely affects workers' livelihood and reflects systemic lapses in monitoring, fund management and grievance redressal mechanisms.

2.2.8.10 Non-providing of Unemployment Allowance

Section 7 of the Act provides that if an applicant for employment under the Scheme is not provided such employment within 15 days of receipt of his/ her application seeking employment, he/ she shall be entitled to a daily unemployment allowance. Every payment of unemployment allowance shall be made not later than 15 days from the date on which it became due for payment.

Section 8 of the MGNREG Act states that every case of non-payment or delayed payment of unemployment allowance shall be reported in the annual report submitted by the DPC to the State Government along with reasons for it. State Government shall frame Rules governing the procedure and make necessary budgetary provision for payment of Unemployment Allowance.

Audit observed that in the sampled blocks, unemployment allowances of ₹69.73 lakh was not extended to 6,074 HHs though they had demanded the

work during 2019-2024, as shown in **Table 2.2.13**.

Table 2.2.13: Unemployment allowance not paid to in the sampled block during 2019-2024
(Amount in ₹)

Year	Imphal East I		Heingang		Patsoi		Imphal West II		Bishnupur		Moirang	
	HH	Amount	HH	Amount	HH	Amount	HH	Amount	HH	Amount	HH	Amount
2019-20	96	80,154	223	1,14,975	10	1,753	18	18,396	153	3,15,032	35	16,206
2020-21	334	2,92,859	11	12,733	167	60,928	195	2,10,630	768	12,53,189	64	79,254
2021-22	109	2,20,253	183	1,27,508	117	3,01,702	8	19,704	132	2,61,292	7	16,315
2022-23	5	2,259	40	30,622	354	6,57,620	43	26,104	0	0	8	2,887
2023-24	1,027	9,31,320	639	6,19,580	457	5,70,700	198	2,83,140	75	54,600	598	3,91,040
Total	1,571	15,26,845	1,096	9,05,418	1,105	15,92,703	462	5,57,974	1,128	18,84,113	712	5,05,702

Source: MIS data

Audit also observed that the State Government framed Rules (May 2021) for governing the procedure for payment of Unemployment Allowance, but no budgetary provision was made for its payment.

In the sampled districts and blocks, the POs and DPCs did not report the cases of non-payment of unemployment allowance to the State Government, as required under Section 8 of the Act.

Thus, the State Government not only deprived the timely provision of employment but also deprived the unemployment allowance of the wage seekers. Further, not reporting the matter by the PO and DPC to the State Government indicates the lack of seriousness on the part of the officials. Responsibility may be fixed to the responsible official/officer for not reporting the matter to the State Government.

The State Government stated (May 2025) that no unemployment allowances were reported in the MIS. But in the year 2024-25, an amount of ₹3,050 in Imphal West was reflected in MIS where the DPC was instructed for necessary action. All the DC/ DPCs/ POs would be directed to report any cases of unemployment allowances to the State Government. However, the reply is not acceptable as the data was sourced from the MIS, which clearly reflects the non-payment of unemployment allowance during 2019-2024.

2.2.8.11 Timely payment of wages

2.2.8.11.1 Delay in payment of wages

Scrutiny of MIS data revealed that during 2019-2024 wage payment at the State level was made with delays ranging from 83 to 99 per cent as detailed in **Table 2.2.14**.

Table 2.2.14: Delay in payment of wages (State level) during 2019-2024

(₹ in lakh)

Year	Total wage Payment	Payment of wages with delay of				Total Delayed payment	Percentage of delays
		1 to 15 days	16 to 45 days	46 to 75 days	More than 75 days		
2019-20	50,796.65	2,491.65	4,259.65	5,853.85	33,933.43	46,538.58	92
2020-21	77,535.52	1,729.94	2,912.72	4,236.87	60,992.62	69,872.15	90
2021-22	68,743.44	107.38	562.66	881.92	66,209.72	6,7761.68	99
2022-23	18,383.93	1,970.03	3,218.81	1,444.83	8,704.52	15,338.19	83
2023-24	34,357.48	4,121.59	2,660.90	2,756.83	19,469.81	29,009.13	84

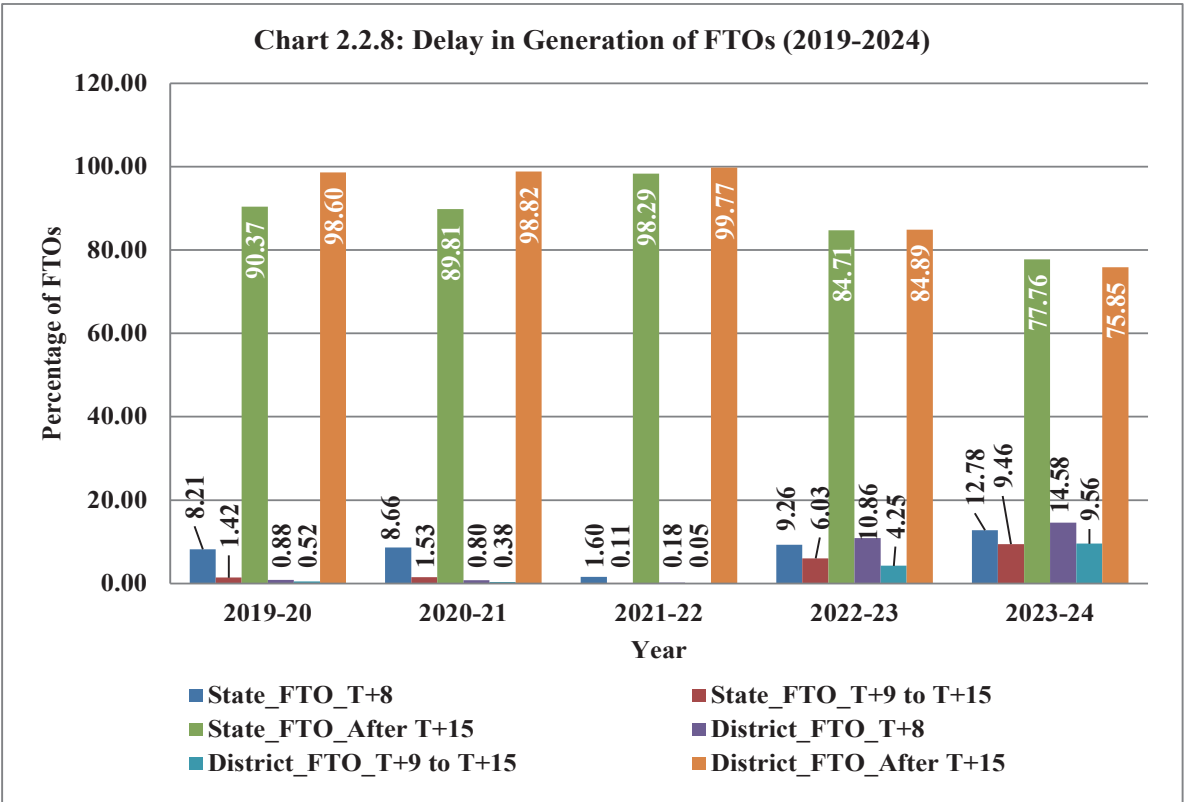
Source: MIS data

In the sampled districts, out of total wage payment of ₹955.35 crore during 2019-2024, wages amounting to ₹932.19 crore (98 *per cent*) were paid with delays (*Appendix 2.10*). Audit observed that the reason for delay in payment was mainly due to delay in release of fund by the Finance Department, GoM, rejection of Fund Transfer Orders (FTOs) in large numbers and delay in regeneration of rejected FTOs.

The State Government stated (May 2025) that no delay in payment of wages is reported. The reply is not acceptable as MIS data and verified job cards of the beneficiaries surveyed clearly established significant delays in wage payments. Therefore, the Department’s claim was factually incorrect.

2.2.8.11.2 Delay in generation of FTOs

As per instruction of MoRD, FTOs are to be generated within eight days of closure of MR for timely payment of wages. This includes filling of attendance (T+2 days), measurement of work (T+5 days), generation of wage list (T+6 days) where T refers to the date of closure of MR. Audit noticed that there were considerable delays in the generation of FTOs in the State and sampled districts as shown in **Chart 2.2.8**.



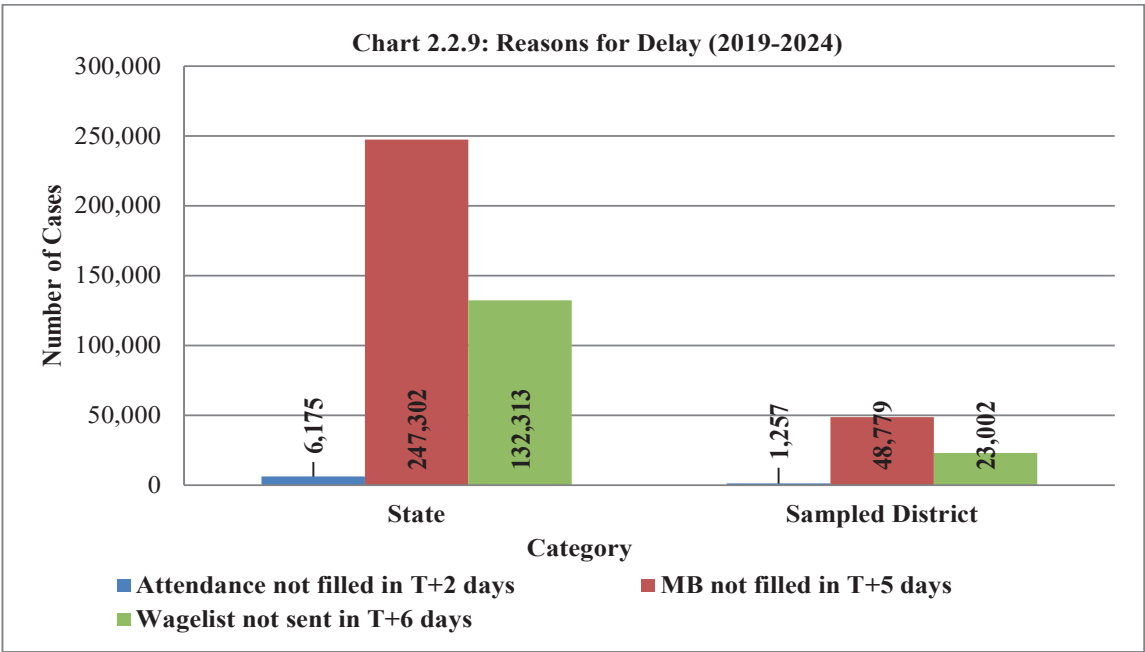
Source: MIS data

It can be seen from the **Chart 2.2.8** above that, during the period 2019-20 to 2023-24:

- The majority of FTOs were generated after 15 days of closure of MRs. The trend is visible at both state level (78 to 98 *per cent*) and sampled districts level (76 to 99 *per cent*).

- The percentage of FTOs generated within the prescribed T+8 days remained extremely low.
- There was some improvement in timely FTO generation in the last two years, particularly in sampled districts (increased by 10 to 15 *per cent*). However, even then, more than three-fourths of FTOs were delayed beyond 15 days.
- The consistently high proportion of delayed generation of the FTOs indicates that the delays were not just isolated lapses but rather indicated towards the systemic and monitoring deficiencies.
- The NREGASoft had a built-in provision for generating reports²³ to track the timeliness of wage payments. However, POs and DPCs did not effectively monitor the system-generated alerts and take corrective measures. Thus, workers faced avoidable delays in wage disbursement.

Further scrutiny showed that the delays in generation of FTOs were due to delay in filling/ to update key records such as attendance, Measurement Book (MB) and generation of wage list as shown in the **Chart 2.2.9**.



Source: MIS data

It can be seen from **Chart 2.2.9** above that-

- The largest cause of delay was non-entry of MBs within T+5 days. At the State level, 2.47 lakh and the sampled district level, 0.48 lakh cases were delayed due to MBs, compared to only a few thousand for attendance not filled in T+2 days.
- The secondary cause of delay was due to wage lists not sent within T+6 days. At the district level 23,002 cases against 1.32 lakh cases at the state level.

²³ R-4.1 (MR issued vs MR filled), R-14.3 (stage wise pendency of MR), R-14.2 (list of MR pending beyond T+15 days), R-8.1.1 (FTOs pending for signing by 2nd Signatory)

- The data shows that field-level execution deficiencies (MBs and wage lists), rather than attendance marking, were the main reasons of delays in FTO generation.

The State Government stated (May 2025) that DPCs had been instructed to strictly generate FTO within the given timeline *i.e.* within five days of closure of MR. The reply is not acceptable as despite repeated instructions, delays persisted over multiple years, with more than three-fourths of FTOs being generated after 15 days of MR closure. Issuing instructions without establishing an effective monitoring and accountability mechanism has not improved timeliness. Unless strict compliance is enforced through periodic review, fixing of responsibility, and leveraging NREGASoft's real-time reports, rural HHs workers will continue to suffer delays in receiving wages.

2.2.8.11.3 Delays in recording the measurement of works

Paragraph 7.13.2 of the Operational Guidelines provided that weekly measurement of works was to be undertaken by the competent technical personnel within three days of closure of the Muster Roll.

Audit scrutiny revealed that out of the 192 sampled works, there were delays of one to 30 days in recording the measurement in 17 works. This resulted in delay in generation of FTOs which ultimately caused delay in payment of wages.

Further, out of 192 sampled works, no MB was maintained for 24 works and incomplete entries were made in MBs of nine works. Thus, in the absence of the systematic monitoring mechanism the lapses were observed repeatedly, resulting in delays in wage payments.

The State Government stated (May 2025) that any delay from the field officials would be looked into so that there is no delay in measurement of works and payment to workers. The reply of the State Government is not acceptable due to the fact that, despite repeated instructions, delays continued over multiple years, with more than three-fourths of FTOs being generated after 15 days of MR closure. Issuing instructions without establishing an effective monitoring and accountability mechanism has not improved timeliness. Unless strict compliance is enforced through periodic review, fixing of responsibility, and leveraging NREGASoft's real-time reports, workers will continue to suffer delays in receiving wages.

2.2.8.11.4 Non-payment of wages due to non-generation of rejected FTOs

Paragraph 2.2.1 of the Operational Guidelines provided for proactive role of PO in opening of bank accounts of workers and linking it with their job cards after verification to ensure prompt payment to the right beneficiaries. Regeneration of rejected transaction should be done in a time bound manner. The MoRD directed the state to ensure regeneration of all rejected transactions within two days of the response on NREGASoft.

Audit observed that during 2019-24 out of 2.79 lakh rejected transactions involving ₹44.26 crore at the State level, 2.56 lakh transactions involving

₹40.46 crore were regenerated successfully. However, 3,993 transactions involving ₹54.18 lakh were pending for regeneration at the PO level while 19,159 regenerated transactions involving ₹3.26 crore were pending at bank level. The oldest being in 2019-20 with four transactions pending at PO level and 619 transactions pending at bank level, involving ₹10.53 lakh pending together at PO and bank level.

In the sampled districts, FTOs for wages amounting to ₹18.48 crore involving 1.25 lakh transactions were rejected during 2019-2024. Audit observed that out of 1.25 lakh, the oldest rejected transaction was for the year 2019-20 (34,924) due to closure of account, non-existence of account, account blocked/ frozen, Aadhaar de-seeding from National Payment Corporation of India (NPCI) mapper by bank.

The State Government stated (May 2025) that instruction would be given to all districts to ensure regeneration of rejected transactions after clarifying/ verifying the cause of rejected transactions.

The fact, however, remained that despite MoRD's directives, a large number of transactions were pending for over four years, leading to prolonged non-payment of wages to workers.

2.2.8.12 Direct Benefit Transfer (DBT)

2.2.8.12.1 Incomplete conversion to Aadhaar Based Payment System (ABPS)

As per Paragraph 14.6 of the Annual Master Circular, the PO had to ensure that verified Aadhaar were seeded for all active workers both in the bank core baseline banking system and in the National Payment Corporation of India (NPCI) mapper and 100 *per cent* payment through Aadhaar Based Payment System (ABPS) was ensured.

Audit noticed that out of 6.85 lakh active workers under the scheme, accounts of 1.24 lakh (18.70 *per cent*) active workers were not converted into ABPS. Further, in the sampled districts, the percentage of non-conversion of active workers into ABPS ranged from 12 to 14 *per cent*. Thus, due to non-conversion of accounts into ABPS, 1.24 lakh workers were denied the rights either to wage employment or timely receipt of wages.

Audit further observed that during 2019-2024, out of 1,178 transactions pending for regeneration in the sampled Blocks, 380 (32.26 *per cent*) transactions were rejected due to non-seeding of Aadhaar in the bank and NPCI mapper.

Moreover, 17,107 joint bank accounts of active HHs in the State were not converted into individual accounts upto March 2024, which was required for Aadhaar seeding and DBT payments.

Thus, the Department did not ensure that all the active workers were paid through the ABPS. Had all the payments to the workers been converted into ABPS, the delay in wage payments could have been avoided. Further,

transparency would be there if accounts of workers were mapped with Aadhaar.

The State Government stated (May 2025) that it is an ongoing process and likely to be completed soon. The reply of the State Government is not acceptable as treating Aadhaar-based payment conversion as an “ongoing process” is not justified, since the issue has persisted over multiple years despite clear guidelines. As of March 2024, workers’ accounts were not converted into ABPS, transactions were rejected due to non-seeding of Aadhaar and joint accounts were still not shifted to individual accounts. This reflects inadequate monitoring and lack of accountability at both State and district levels. Unless the Department enforces time-bound conversion of all active workers into ABPS with proper seeding in banks and NPCI mapper, wage delays and payment rejections will continue, defeating the purpose of DBT and transparency in MGNREGS.

2.2.8.13 Irregularities in procurement of material

2.2.8.13.1 Procurement of material without inviting Tender.

As per Paragraph 7.1.7 of Annual Master Circular, while procuring material, principles indicated in the General Financial Rules (GFR) or the State Financial Rules should be scrupulously followed and all related records should be kept for scrutiny by any authority. For items to be used across the block, requirements from each GP for the financial year can be aggregated at the block level. The BDO shall call a tender for such aggregated items and approve the vendors along with rates from which the GPs may procure the material at approved rates. The States can also procure such aggregated items either at the District or the State level after approval of the Principal Secretary in charge of MGNREGS.

The specifications in terms of quality, quantity, type *etc.* of goods to be procured, should be clearly spelt out while making supply order to the supplier. Offers should be invited following a fair, transparent and reasonable procedure.

Scrutiny of MIS data showed that in the six sampled blocks an amount of ₹290.68²⁴ crore was incurred on procurement of goods for execution of work. However, scrutiny of the records at the sampled Blocks and GPs revealed that the BDOs neither called tender for aggregated item nor for item for each work. Further, supply orders did not mention the specification of the required materials to be procured and delivery schedules. Thus, the manner of selection of suppliers, communication made for supply of material and receiving of material in full could not be ascertained by audit.

The State Government stated (May 2025) that all the DPCs shall be instructed and ensured that all procurement processes are in conformity with the applicable financial rules.

²⁴ (i) Sawombung – ₹62.43 crore, (ii) Heingang - ₹79.46 crore, (iii) Patsoi - ₹52.28 crore, (iv) Wangoi - ₹18.66 crore, (v) Bishnupur - ₹37.90 crore, (vi) Moirang - ₹39.95 crore.

The fact, however, remained that the procurement of materials was carried out in violation of the prescribed tendering procedures, resulting in a lack of transparency and the possibility of financial irregularities cannot not be ruled out.

2.2.8.13.2 E-procurement

As per Rule 149 of GFR and instruction of Finance Department, GoM (September 2017), the e-procurement of goods and services is mandatory for goods and services available on Government e-Marketplace (GeM). For goods not available at GeM, Local Purchase Committee (LPC) shall be formed for goods/ services costing ₹25,000 to ₹2.50 lakh and Limited Tender Enquiry and Advertised Tender Enquiry for purchase up to ₹25.00 lakh and above ₹25.00 lakh respectively.

In the Report of Comptroller and Auditor General of India (CAG), for the year ending 31 March 2012, GoM featuring PA on implementation of MGNREGS, PAC recommended the DPCs of Imphal East and Tamenglong to frame a policy and to maintain stock register.

Audit, however, observed that no policy was framed by the DPCs as per the recommendations of the State PAC. Further, scrutiny of records revealed that:

- During the period 2019-2024, DPC and ZP Imphal West procured goods and services valued between ₹2.50 lakh and ₹24.21 lakh amounting to ₹4.36 crore. The procurement was made directly from the market by utilising the administrative fund of MGNREGS bypassing GeM without forming Local Purchase Committee (LPC) and without inviting tenders, in violation of GFR and instructions of the Finance Department.
- In the SLMC, Imphal East and Bishnupur DPCs and sampled Blocks, the procurements of the goods and services were carried out directly from the market without utilising GeM, without inviting Limited Tender/ Advertised Tender Enquiry. Audit further observed in some instances, their composition did not comply with the prescribed norms.

Thus, due to non-invitation of open tender and non-procurement through GeM, the fairness and justification of the rate could not be verified.

The State Government stated (May 2025) that all the DPCs would be instructed and ensured that all procurement of goods and services would be made in conformity with the applicable financial rules.

The fact, however, remained that the State Government did not comply with the recommendations of the PAC and did not frame and enforce procurement policies, which resulted in violations of financial provisions and lacked transparency.

2.2.8.14 Conclusion

There was a significant gap between PDs projected, approved and generated, indicating poor planning and execution. The number of HH provided 100 days

guaranteed wage was very low ranging from 0.02 to 0.79 *per cent* of HHs. The steps taken up to register and issue Job card to the HH lack seriousness on the part of the GPs and Job cards issued do not contain basic information.

There were lapses on the execution of works violating the Operational Guidelines. Compensation for delayed payment of wages and Unemployment Allowances were not paid by the State. The payment of wages was made with delays ranging from 83 to 99 *per cent*. Procurement was not made by following the codal provision.

2.2.8.15 Recommendations:

The Department should:

- (i) *take steps to reduce gap between approved PDs and generated PDs.*
- (ii) *take steps to register households with complete information and issue accurate Job cards within the stipulated time.*
- (iii) *guarantee 100 days of wage employment to all the eligible households, as mandated by the Act.*
- (iv) *enforce strict adherence to Operational Guidelines/ applicable Rules and prevent execution of works in violation of prescribed norms.*
- (v) *take steps against the concerned officials for claiming false bills and recover the amount paid for works not executed. Also, the Department should take steps against the concerned officials and fix accountability.*
- (vi) *ensure prompt payment of unemployment allowance and compensation for delayed payment of wages to the eligible beneficiaries.*
- (vii) *expedite 100 per cent Aadhaar based Payment System (ABPS) conversion to ensure timely, transparent and direct benefit transfers.*
- (viii) *establish a robust monitoring mechanism to track wage disbursements, procurement and rejected transactions in real time.*

2.2.9 Audit objective: Whether durable and useful assets were created and maintained in compliance with rules and regulations, while ensuring convergence with other programmes/ schemes?

2.2.9.1 Execution of works

2.2.9.1.1 Low creation of individual works and common infrastructure

As per Paragraph 4 of Schedule I of the Act, permissible works were classified into four broad categories with various sub-categories viz.

- Category-A: Works related to Natural Resource Management (NRM),
- Category-B: Creation of community and individual assets for vulnerable groups,
- Category-C: Creation of common infrastructure for National Rural Livelihood Mission compliant self-help group, and

➤ Category-D: Creation of rural infrastructure.

Further, to address the issue of huge number of incomplete works, Paragraph 7.17.4 of the Operational Guidelines provides that Programme Implementing Agencies, that have incomplete works for more than one fiscal year, no sanction should be given for beginning new works.

During the period 2019-2024, the State had taken up 8.55 lakh works and incurred a total expenditure of ₹377.12 crore on execution of the following category of works, as shown in **Table 2.2.15**.

Table 2.2.15: Status of works taken up during 2019-2024 (category wise)

Category of work	Spill over + New					No. of New Works	Category wise percentage of work	Category wise percentage of expenditure
	Total Works	Ongoing Works	Completed Works	No. of works not started	Expenditure (₹ in lakh)			
A	2,66,144	47,224	29,272	1,89,648	2,32,914	97,247	31.12	61.76
B	3,49,826	3,409	2,780	3,43,637	11,518	83,873	40.90	3.05
C	1,602	189	35	1,378	596	850	0.19	0.16
D	2,37,732	29,577	14,341	1,93,814	1,32,090	62,015	27.80	35.03
Total	8,55,304	80,399	46,428	7,28,477	3,77,118	2,43,985	-	-

(Source: MGNREGA website)

As evident from **Table 2.2.15** above that:

- Out of 8.55 lakh works, only 46,428 (5.43 per cent) were completed till August 2024.
- Expenditure was skewed towards Category A (62 per cent) and Category D (35 per cent), while Category B and C received only 03 and 0.16 per cent respectively.
- This reflects under-prioritisation of individual and livelihood-supporting works despite the Act mandating special emphasis on vulnerable groups.

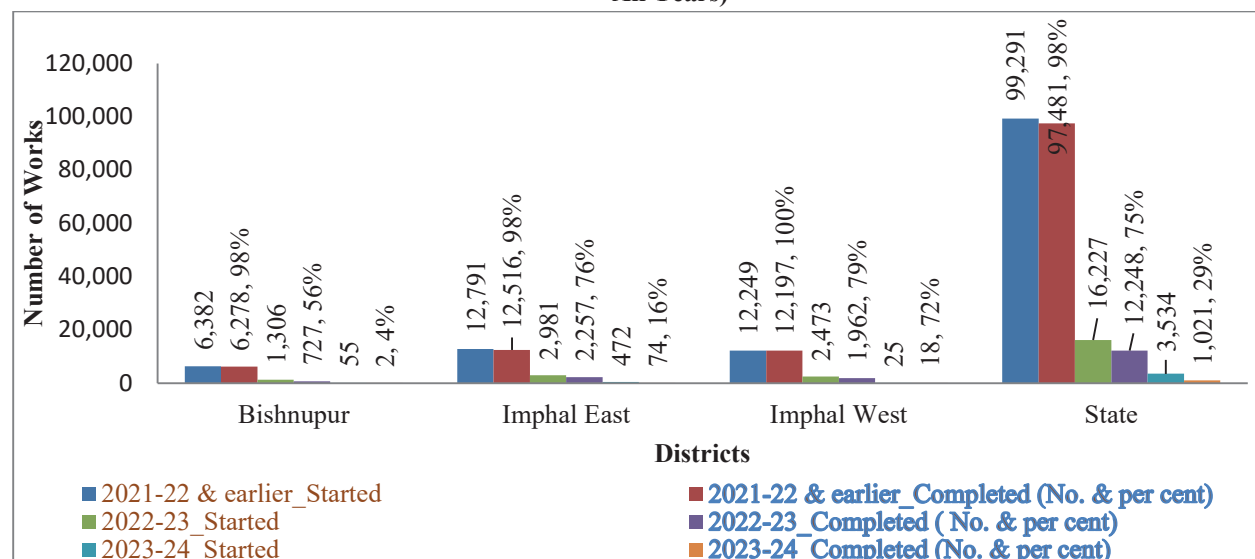
The State Government stated (May 2025) that selection of individual works and common infrastructure works were finalised at the GP level and low creation depends on the job card holder types of works selections. The State Government further added that the department was suggested to give necessary instruction to the implementing agencies to accord priority to the Category B and C works while preparing and approving the works.

The reply of the State Government is not acceptable as merely attributing the low creation of such works to job card holders' choices overlooks the Department's supervisory role. Further, the admission of the State Government that "instructions will be given" indicates that adequate directions and monitoring mechanisms were not in place during the audit period (2019–2024). The under-allocation of funds to Category B and C works demonstrates systemic neglect, not just a matter of beneficiary preference.

2.2.9.1.2 Low completion of works executed

The status of completion of works at the State and sampled districts during 2019-2024 is given in **Chart 2.2.10**.

Chart 2.2.10: State vis-à-vis sampled District-wise Works (Started vis-à-vis Completed, All Years)



Source: MIS Report

It can be seen from the **Chart 2.2.10** above that-

- At the state level, completion was very high (98 *per cent*) for works started in 2021-22 and earlier, but significantly lower for the year 2023-24 (29 *per cent*). This indicates weak execution capacity and inadequate planning, as more recent works remain incomplete despite continued sanctioning of new ones.
- In sampled districts, completion ranged from 56 to 79 *per cent* (2022-23) and a mere 04 to 72 *per cent* (2023-24). This shows a declining trend in work completion rate, indicating weak execution and monitoring.

The State Government stated (May 2025) that low completion of works executed was due to non-availability of material component fund in time. The reply of the State Government is not factually correct and hence not acceptable as large numbers of new works were sanctioned despite significant spill-over works, violating the scheme guidelines. Further, this diversion of resources towards new works aggravated the backlog. Thus, the core issue lies in weak planning and prioritisation of completion over sanctioning of fresh works.

2.2.9.1.3 Low coverage on works related to agriculture and allied activities

As per Paragraph 4(2) of Schedule 1 of the Act, the DPC shall ensure that at least 60 *per cent* of works to be taken up in a district in terms of cost shall be creation of productive assets directly linked to agriculture and allied activities through development of land, water and trees.

Audit observed that during the period 2019-2024, zero to 48 *per cent* and zero to 89 *per cent* of the total expenditure was incurred on agricultural and allied activities in the state and sampled districts respectively as shown in **Table 2.2.16**.

Table 2.2.16: Expenditure on works related to agriculture and allied activities during 2019-2024

(₹ in crore)

State/ District	2019-20		2020-21		2021-22		2022-23		2023-24	
	Total Expn.	Expn. on agricul- ture and allied activities	Total Expn.	Expn. on agricul- ture and allied activities	Total Expn.	Expn. on agricul- ture and allied activities	Total Expn.	Expn. on agricul- ture and allied activities	Total Expn.	Expn. on agricul- ture and allied activities
State	800.20	0	1251.76	0	1222.89	592.32 (48)	272.08	122.09 (45)	625.60	226.99 (36)
Bishnupur	77.79	0	115.23	0	111.13	71.65 (64)	13.06	10.81 (83)	49.70	30.31 (61)
Imphal East	181.64	0	267.98	0	275.55	165.00 (60)	2654	16.66 (63)	86.84	28.86 (33)
Imphal West	107.96	0	150.40	0	147.35	97.45 (66)	589	5.24 (89)	35.78	22.04 (62)

Source: MIS data *bracket indicates percentage

As can be seen from the above table, that:

- During 2019-20 and 2020-21, no expenditure was spent in the State as well as sampled districts on agriculture and allied activities.
- The State did not achieve the mandated 60 per cent expenditure benchmark in all the five years.
- Amongst the sampled districts, Imphal East did not achieve the mandated target in three years (2019-20, 2020-21 and 2023-24) out of five years.
- Out of 16 districts in the State, there were 11²⁵ districts where the expenditure on agriculture and allied activities since inception was less than 60 per cent. The percentage of expenditure on these 11 districts ranged from 31 to 55 per cent.

Thus, the statutory requirement of prioritising agriculture assets creation was not ensured, compromising the objective of augmenting incomes of small/marginal farmers apart from increasing the agriculture productivity of farmland not being fully achieved.

The State Government did not furnish actual reason(s) for low coverage of agriculture and related works.

2.2.9.1.4 Irregular creation of assets on private land

Paragraph 7.4.12 of Annual Master Circular (AMC) stipulated that works creating individual assets should be prioritised on land owned by HHs belonging to SC, ST, nomadic tribes, de-notified tribes, BPL families, women headed and physically handicapped headed HHs etc. For executing the above works, the landowner shall be a job card holder and also work in the project.

Further, the materials required for the individual works on private lands is to be procured by the beneficiary HH at the rates approved by the competent authority from any vendor having Tax Identification Number (TIN) number.

Scrutiny of records and JPV of the sampled works revealed that, 12 works such

²⁵ Chandel, Churachandpur, Jiribam, Kamjong, Kangpokpi, Noney, Pherzawl, Senapati, Tamenglong, Tengenoupal, Ukhrul

as construction of fishery pond, retaining walls *etc.* valuing ₹1.13 crore were found executed on the private lands. However, there are no records for selection of beneficiaries, procurement of materials by the landowner. Further, the landowner of the above mentioned works did not participate in the execution of the work. Thus, the execution of the works was irregular (*Appendix 2.11*) and violated the provisions of the AMC.

The State Government stated (May 2025) that the work on private land was undertaken only after obtaining the necessary permission from landowners and ensuring that it aligns with the stipulated norms. The reply is not relevant as the audit comment was not on ownership permission but specifically on non-participation of the landowners in the execution of works and absence of documents/ records establishing eligibility of beneficiaries and procurement of materials by the landowners.

Thus, the execution of works on private land without ensuring the mandatory conditions of beneficiary participation and documented material procurement violated the provisions of the AMC. This not only rendered the works irregular but also defeated the intended objective of providing employment and asset ownership to the targeted beneficiary groups.

2.2.9.1.5 Irregularities in tree plantation

As per Paragraph 7.6.4 of AMC, plant species should be selected as per agro-climatic conditions, market opportunities, income generation *etc.* Economically beneficial plants species should be listed with due consultation of experts from Horticulture department/ Forest department, KVKs *etc.* before the start of the planning process. Paragraph 7.6.6 of the AMC states that due permission of the concerned departments should be taken before taking up plantation work. Further, Paragraph 7.6.8 of the circular *ibid* states that plantlets/ seedlings for tree plantation should be procured from Forest/ Government nurseries at government rates or government approved private nurseries at rate fixed by the committee headed by DPC or free of cost from nurseries raised under MGNREGS.

Out of 192 sampled works, audit observed that in eight works (*Appendix 2.12*) of six GPs executed during 2019-2024 at a cost of ₹36.57 lakh, the GPs did not identify the sites/ areas for tree plantation and did not obtain prior permission or registration with the Divisional Forest Officer (DFO). Plant species were not listed in consultation with experts and saplings were procured from non-approved firms²⁶. Further, during JPV, it was observed that no tree species were found planted and no Citizen Information Boards were displayed at the worksite.

Further, as per norms, an application for felling of trees from non-forest areas for non-commercial purposes shall be made to the DFO. Application shall be

²⁶ M/s Nilla Agency, M/s S. Angou Enterprises, M/s Koubru Construction and Suppliers, M/s Luwang Enterprises

submitted along with marking list of trees to be felled, tree-wise measurements of girth proposed to be felled *etc.*

Audit observed that in three works²⁷ taken up in Phoubakchao Sekmaijing GP, expenditure of ₹7.71 lakh was shown on felling 2,259 trees. However, no records of stock taking or disposal of the felled logs were available. This fact was corroborated by the GRS of the concerned GP during the JPV. Thus, the expenditure incurred on felling of trees indicated inflated estimates and suspected misappropriation of funds.

The State Government stated (May 2025) that audit observation has been noted and shall be ensured to comply in future and all the DPCs shall be instructed accordingly. The reply was, however, silent on the irregular expenditure on the purported felling of trees.

2.2.9.2 Non-ensuring of convergence with other schemes

Paragraph 15 of the Operational Guidelines provides that the objective of the scheme was to be achieved through convergence of MGNREGS with other schemes of panchayats and line Departments.

The DPCs are to facilitate and ensure that at least 65 *per cent* of expenditure in a financial year is on Natural Resource Management (NRM) related works in convergence with other schemes²⁸ for better outcomes of the water conservation and water harvesting measures.

Audit however noticed that during the period 2019-2024, except with Border Road Organisation in Tengnoupal, Chandel and Ukhrul districts, the State Government had not taken up any work under convergence in the remaining districts with the schemes of Panchayat and line departments though works to be covered under convergence *viz.* Tree plantation, Construction of Anganwadi Centre *etc.* were taken up under the Scheme in the sampled GPs. Thus, the intention to create more durable assets with additional employment generation through convergence of similar schemes as envisaged in the Act remained un-achieved.

The State Government stated (May 2025) that as pointed out by the Audit, a stringent approach shall be followed up with all the concerned departments to implement convergence works successfully.

2.2.9.2.1 Irregularities in construction of Anganwadi Centre.

As per instruction of MoRD (February 2016), construction of Anganwadi Centre (AWC) is permissible under MGNREGA in convergence with Integrated Child Development Project (ICDS) Scheme of Ministry of Women

²⁷ WBM at Ema Kalika Leirak at Ward No. 7 (₹2,69,869), C/o of cement lining of irrigation canal at Meikam Iboton Singh Loukhong at Hangoon Ward No.7 (₹1,42,453) and C/o MI canal at Moirangthem Mohon Leirak, Hangoon ward No. 7 (₹3,58,722)

²⁸ Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Integrated Watershed Management Programme (IWMP) and Command Area Development and Water Management (CAD&WM)

and Child Development (MWCD). The location for construction of AWC buildings selected by the GP on land belonging to State government or Panchayat should be sent to the ICDS officer for consolidating all such proposals at the Block level and sent to the District Programme Officer at the District level which shall form part of the District Plan.

The construction of AWC building taken up under MGNREGS should be done by using appropriate building technologies with expenditure ceiling limit of ₹Five lakh²⁹ from the MGNREGA fund with provisions for learning areas, eating/ sleeping areas, kitchen, toilet *etc.*

Out of 192 sampled works, two works for construction of AWC at Ngangkhalawai and Nachou GP were not taken up in convergence with the ICDS Scheme of Social Welfare Department. Out of the two AWC buildings, the AWC at Ngangkhalawai GP was constructed on the private land of the Pradhan of the GP which is not permissible. Moreover, the construction cost was ₹14.62 lakh which exceeded the permissible limit. No drawings and designs were framed during preparation of estimate.

On JPV of the construction of AWC at Ngangkhalawai GP, audit noticed that there was no provision for essential areas/ facilities such as separate kitchen, store for storing food items, child friendly toilets, space for playing of children, separate sitting room *etc.* at the building as could be seen from the pictures below.

Audit further noticed during the JPV that the work for construction of AWC at Nachou GP (planned during 2023-24) was not yet started as on the date of audit (October 2024).



Outside the building of AWC at Ngangkhalawai GP



Inside the building of AWC at Ngangkhalawai GP

The State Government while accepting the audit observation stated (May 2025) that steps will be taken up to formalise land ownership in compliance with Operational Guidelines. The cost for construction of AWC through convergence will be restricted to ₹Eight lakh as per the instruction of the MoRD.

2.2.9.2.2 Non-integration with the District Irrigation Plan

Para 6.1.4 of the Annual Master Circular states that the recommended work plan on Watersheds/ Command Area approach as approved in the District Irrigation

²⁹ Revised from ₹Five lakh to ₹Eight lakh w.e.f. 30 January 2023

Plan (DIP) of Pradhan Mantri Krishi Sinchayee Yojna (PMKSY) should be sent to all the GPs for community validation and vetting. The DPC shall ensure that the NRM component of Labour Budget of MGNREGS is integrated into the DIP.

However, no work plan approved in the DIP were sent to the sampled GPs and the DPC did not integrate the NRM component of Labour Budget of MGNREGS into the DIP.

2.2.9.3 Conclusion

The completion of works at the State level was very low during 2022-2024 ranging from 29 to 75 *per cent*. The expenditure incurred on agriculture and allied activities was low at the State level. The State Government had not taken up any work under convergence in the State except with BRO in three districts of Tengenoupal, Chandel and Ukhrul.

2.2.9.4 Recommendations

- (i) *The Department may take steps to complete incomplete works on priority before taking up new works.*
- (ii) *Efforts towards ensuring convergence of schemes/ funds under MGNREGS with other rural Development Programme needs to be taken by the State Government for ensuring sustainable livelihood to the targeted rural community.*

2.2.10 Audit Objective: Whether appropriate and adequate monitoring, social audit and grievance redressal systems were in place and functioning as envisaged to achieve greater transparency and accountability?

2.2.10.1 Keeping of completed project as 'ongoing' status in MIS

As per Paragraph 7.17 of the Operational Guidelines, on completion of every project, a Project Completion Report (PCR) should be prepared and the details entered therein should be verified by a senior officer. Summary details should also be made available to concerned ward, block and district panchayat member, MLA and MP. Geo-tagged time-stamped photographs of the work for three stages *viz.* before start of work, at intermediate stage and after completion of work should be taken as a record of the work and attached to PCR and uploaded into NREGAssoft.

Scrutiny of records and JPV of 82 ongoing sampled works showed that 65 works were found completed during the period August 2020 to July 2024 and completion reports had also been issued by the Technical Assistant. However, the status of these completed works was yet to be updated as completed in the MIS due to pending liabilities (41 works) and shortage of manpower (24 works).

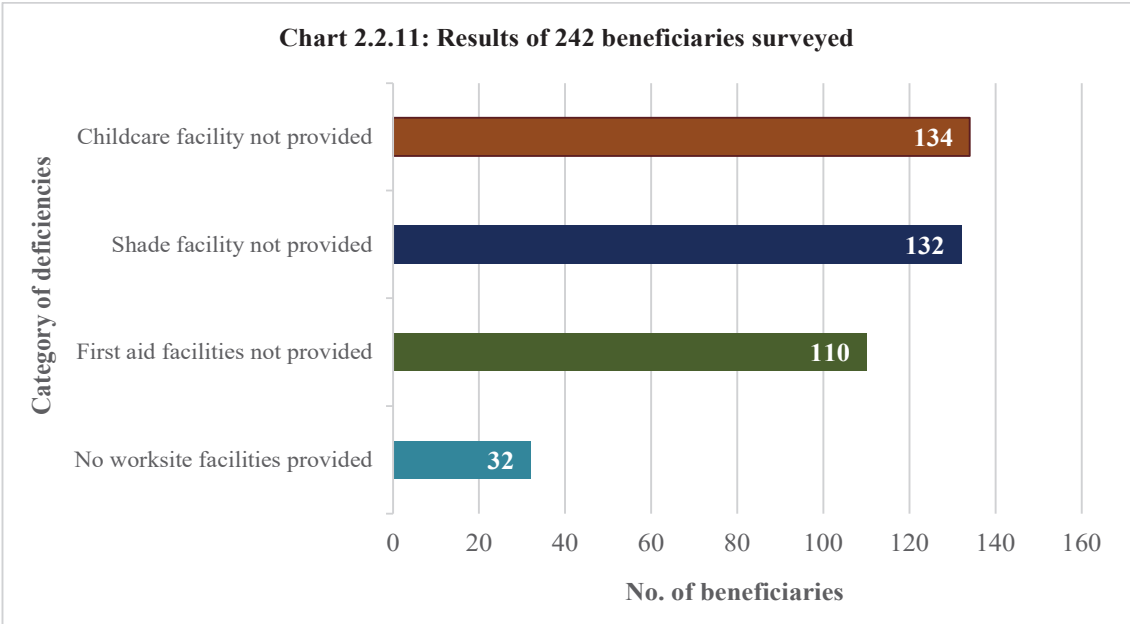
The State Government while accepting the audit observation stated (May 2025) that instruction shall be given to all the DPCs to update all completed works in the MIS.

Thus, despite issuance of completion reports, the completed works continued to remain shown as ‘ongoing’ in the MIS. This resulted in misrepresentation of the actual progress of works in the database and weakened planning and allocation of resources, indicating weak internal controls and non-compliance with the operational guidelines.

2.2.10.2 Non-providing of worksite facilities

As per Paragraph 7.12 of the Operational Guidelines, worksite facilities viz. medical aid, drinking water, shade for children and periods of rest are to be provided at the worksite. In case the number of children below the age of six years accompanying the women working at any site are five or more, a crèche needs to be provided.

Chart 2.2.11 depicted the deficiencies reported by 242 beneficiaries during the beneficiary survey.



Source: Beneficiary Survey Report

Non-availability of basic facilities at worksites adversely affected the participation of women or elderly beneficiaries in MGNREGS works.

The State Government while accepting the audit observation stated (May 2025) that worksite facilities were to be provided as per the Operational Guidelines.

Thus, despite clear provisions in the guidelines, essential worksite facilities were not provided at many sites. This adversely affected the working conditions and resulted in potential exclusion of vulnerable groups, thereby compromising the objectives of MGNREGS and indicating weak compliance by the implementing agencies of the State.

2.2.10.3 Non-verification of the bills/ vouchers at the worksite

Paragraph 7.11.5 of Operational Guidelines provides that when a work is in progress, the workers engaged in that work will select from among themselves,

not less than five workers, on a weekly rotational basis, to verify and certify all the bills/ vouchers of their worksite, at least once a week.

Scrutiny of records and information of 24 sampled GPs revealed that this aspect of verification/ certification of bills/ vouchers was not operationalised. This led to lack of transparency and supervision by workers' representatives engaged in the work.

The State Government noted the audit observation and stated (May 2025) that all the DPCs shall be informed that workers at worksites should verify and certify all the bills/ vouchers of their worksite at least once in a week.

The fact, however, remained that non-verification and non-certification of bills/ vouchers at the worksites compromised transparency and accountability envisaged under the scheme. This increased the risk of irregularities, misappropriation and reduced worker participation in monitoring of works.

2.2.10.4 State Employment Guarantee Council (SEGC)

2.2.10.4.1 Constitution and functioning of SEGC

Section 12 of the Act provides for constitution of the SEGC for the purpose of regular monitoring and review of the implementation of the scheme at the state level. The duties and functions of the SEGC include *inter alia* advising the state government on all matters concerning the scheme, determining the preferred works, review the monitoring and redressal mechanisms and prepare Annual Report to be laid before the State Legislature. As per Rule 6 of the Manipur State Employment Guarantee Council Rules, 2009, the SEGC shall meet at least twice a year or more frequently as it may consider necessary.

Audit observed that out of the prescribed 10 meetings of the SEGC during 2019-2024, only two meetings were held in 2020-21. While no meetings were held during the years 2019-20 and 2021-22 to 2023-24. In the two meetings conducted, discussions mainly focused on the progress of implementation of the scheme, National Electronic Fund Management System (NeFMS), geo-tagging of works, Aadhaar seeding and completion of incomplete works. It was also observed that the SEGC did not prepare any Annual Reports on the implementation of the scheme for the periods 2019-2024. As such, the main functions of the council remained ineffective.

The State Government stated (May 2025) that regular meeting would be conducted henceforth.

The fact remained that the irregular conduct of meetings and the non-preparation of Annual Reports compromised the monitoring and advisory functions envisaged for the SEGC, thereby weakening transparency and accountability in the implementation of the scheme.

2.2.10.4.2 Non-appointment of non-official members of the SEGC

Rule 3 of the Manipur State Employment Guarantee Council Rules, 2009 provides for the appointment of 10 non-official members of the SEGC (five from SC/ ST/ OBCs/ Minorities, three from PRIs and one each from workers'

organisation and disadvantaged groups) for a term of one year and shall be eligible for re-appointment for another term.

The non-official members were nominated on 14 January 2021. However, after the expiry of the tenure, the non-official members were neither re-appointed nor new members were appointed. The posts of non-official members remained vacant since 15 January 2022.

Thus, this inaction reduced the envisaged monitoring and steering of the scheme at the highest level to a perfunctory exercise, thereby weakening the accountability of the executive to the Legislature.

The State Government stated (May 2025) that non-appointment of non-officials of the State Council was due to non-conduct of Panchayat election. The reply of the State Government is not acceptable as except the members from PRIs all other members were to be selected from among SCs or STs or OBCs or Minorities, workers' organisation and disadvantaged groups, which is not contingent upon conduct of Panchayat elections.

The fact remained that irregular meetings of the SEGC, absence of Annual Reports and prolonged non-appointment of non-official members compromised the oversight, monitoring and advisory functions needed to be discharged by the SEGC envisaged under the Act. This reduced transparency and accountability in the implementation of the scheme at the State level.

2.2.10.5 Non-preparation of Annual Reports

As per Paragraph 13.11.4 of the Operational Guidelines, the DPC, the PO and the GP implementing the Scheme shall prepare annually a report containing the facts and figures, achievements relating to the implementation of the Scheme within their jurisdiction and a copy of the report shall be made available to the public on demand.

Audit observed that no Annual Reports were prepared by the sampled DPCs, POs and the GPs during the period 2019-2024. The non-preparation of the Annual Reports resulted in the public not being made aware of the status of implementation of the Scheme.

The State Government stated (May 2025) that Annual Reports for the Department were prepared. However, the State Government had taken note of the preparation of the Annual Reports for the MGNREGS exclusively. The State Government also added that the Department should ensure that the Annual Reports would be prepared by the DPCs, POs and GPs and the copies would be made available to the public on demand.

2.2.10.6 Ombudsman

2.2.10.6.1 Vacancy in the office of Ombudsman

As per Paragraph 30 of Schedule I of the Act, there shall be an Ombudsman for each district for receiving grievances, enquiring into and passing awards as per guidelines issued.

However, it was observed that during the period April 2019 to March 2022, the State Government did not appoint Ombudsman in two³⁰ sampled districts. The Ombudsman for the two districts were appointed on 28 March 2022 for two years.

The State Government stated (May 2025) that the posts were lying vacant due to expiry of tenure of the former Ombudsperson. At present, the Ombudspersons were appointed. However, the State Government did not furnish the supporting document for appointment.

2.2.10.6.2 Performance of Ombudsman

As per Paragraph 2.2.14 of the Guidelines of Ombudsman, output of an Ombudsman may be quantified among other things on the percentage of disposal of complaints. Further, yearly review of the functioning of Ombudsman shall be made at the level of the Chief Secretary and its minutes shall be placed before the SEGC.

During the period 2019-2024, out of 154³¹ complaints received by the Ombudsman in the sampled districts, no data on disposal of the complaints was available. Moreover, during the period 2019-2024, the yearly review of the functioning of Ombudsman was also not carried out.

During beneficiary survey of 242 workers, 230 workers (96 per cent) did not have the knowledge of the Ombudsman. Due to vacant posts of the Ombudsman and lack of awareness of public, the arrangement for lodging complaints to an independent authority and reporting the legal action against erring officials could not be ensured.

The State Government stated (May 2025) that as pointed out by the audit, necessary action shall be taken up to conduct yearly review meeting on the functioning of the Ombudsman at the level of the Chief Secretary and its minutes shall be placed before the SEGC. However, the reply is silent about the creation of awareness of the active JCHs of the existence and duties and powers of Ombudsman through IEC activity.

2.2.10.7 Disposal of Complaints

As per Paragraph 10.3.9 of the Operational Guidelines, a complaint register should be maintained at GP, Block and District level in which complaints were to be entered and issue dated and numbered acknowledgement to the complainants. The complaints were to be disposed of within seven days of their receipt and monitoring of disposal was to be done at next higher level every month.

Scrutiny of records revealed that none of the three sampled districts maintained complaint register. Out of six sampled blocks, the complaint registers were not

³⁰ Imphal East and Imphal West

³¹ Imphal East-07; Imphal West-09 and Bishnupur-138

maintained in five blocks and in the remaining one block,³² complaint register was maintained.

Thus, no assurance could be drawn on the correctness of scheme implementation for delivery of the scheme benefits without an acceptable grievances' redressal mechanism in place.

Further as per the data available at MIS, there were 118³³ complaints lodged against the GPs, POs, ZPs and DPCs. However, only four (3.39 *per cent*) complaints were disposed and 114³⁴ (96.61 *per cent*) complaints were pending for disposal as on the date of audit (December 2024).

The State Government stated (May 2025) that instructions were given to the districts to maintain Complaints Register. The State Government would reiterate to all the districts to record all forms of complaints under MGNREGA in the Complaint Register and take necessary action accordingly.

2.2.10.8 Lack of popularization of JANMANREGA app

To create citizen awareness, the MoRD launched (June 2017) 'JANMANREGA' - a Citizen Centric Mobile Application which allows locating already geotagged MGNREGS assets and two photographs using an android mobile phone. Citizens can use it to locate the assets and provide feedback about assets that have been created under the Scheme.

The MoRD requested states to popularise the app through its mention in Job Cards, Citizen Information Boards (CIBs), wall writings and Websites.

Audit noticed that the state did not take up any action to popularise the app through its mention in Job Cards, CIBs, wall writings and website of the office/department. As per the information available in the MIS there were only 624 users registered for the app in the State against 6.85 lakh active workers. The inaction of the State led to lack of information flow and improvement of quality of public services.

The State Government stated (May 2025) that instruction would be given to all the districts to popularise the JANMANREGA App through appropriate medium.

2.2.10.9 Non-disclosure of mandatory information

As per Paragraph 10.5 of the Annual Master Circular, State Governments are required to ensure proactive disclosure of information and records to all common people and stakeholders using a 'Janata Information System' consisting of disclosures at the worksites, through Citizen Information Board (CIB), GP Notice Boards and the MGNREGA website.

During the JPV, out of 192 sampled works visited, 121 (63.02 *per cent*) works did not have CIB at the worksite. Further, Panchayat office of all the 24 sampled

³² Imphal East-one Block.

³³ As per MIS, as of November 2024, 118 complaints.

³⁴ Two were forwarded and intermediate reply given.

GPs did not disclose information in the Notice Boards of the GPs.

The State Government stated (May 2025) that it would reiterate to all the districts to mandatorily install CIBs/GP Notice Boards and the MGNREGA website for all details of all works implemented under MGNREGA for information to all concerned.

2.2.10.10 Non-communication of pay/ wage slip

Paragraph 7.15.1 of the Operational Guidelines provided that individual pay/wage slips were to be communicated to each worker wherein the details of weekly wage payments like work ID, wage rate, number of days worked, amounts earned by the workers during the week *etc.*, were recorded, to increase transparency in the implementation of the Scheme. Individual pay-slips shall be generated through NREGASoft along with pay orders.

However, in reply to audit queries, the sampled GPs stated that the wage slips were not distributed to workers in any of the sampled GPs. Non-distribution of wage slip indicated lack of transparency in the implementation of the Scheme.

The State Government stated (May 2025) that it would instruct all the districts to mandatorily generate wage slips along with pay orders at the time of execution of works to ensure transparency in the implementation of the MGNREGA.

2.2.10.11 Social Audit

As per Paragraph 13.1 of the Operational Guidelines, an innovative feature of the Mahatma Gandhi NREGA is that it has institutionalised ‘Social Audit’ as a means of continuous public vigilance. The basic objective of social audit is to ensure public accountability in the implementation of projects, laws and policies.

2.2.10.11.1 Non-receipt of Central fund

As per Paragraph 10.1.6 of the Annual Master Circular, from the States’ entitlement of six *per cent* towards administrative expenditure, up to 0.5 *per cent* shall be earmarked for State’s Social Audit. The funds for the Social Audit Unit (SAU) will be released from the Ministry to the SAU’s independent bank account. The 1st tranche shall apply within the first month of the financial year and 2nd tranche shall be released to SAU after utilisation of 60 *per cent* (75 *per cent* since 2021-22) of the total available funds subject to the submission of prescribed documents.

The Manipur Social Audit Agency (MSAA) did not receive central fund during 2019-2023. During 2023-24, only 1st tranche amounting ₹94.86 lakh was received by the MSAA from the State Government. The administration of the SAU was carried out by utilising ₹62 lakh (February 2022) from the SEGF, Manipur.

The reason for non-receipt of Central fund was due to inability to utilise 60 *per cent* of the available funds, delay in mapping of MSAA’s account under

SNA in PFMS, delay in recovery of misappropriated amount *etc.* Non-receipt of fund affects the effective functioning of the MSAA.

The State Government stated (May 2025) that the MSAA did not receive central fund as it could not utilise 75 *per cent* of the then available fund and also due to some technical issues during SNA mapping. The issue has been resolved and the MSAA has started receiving central fund since 2023-24.

2.2.10.11.2 Shortfall in conducting social audit

As per Paragraph 13.1.1 of the Operational Guideline, social audit is to be conducted in every GP at least once in six months, involving a mandatory review of all aspects.

Audit noticed that the MSAA prepared an annual plan against the prescribed six monthly social audit, which was a deviation from the Operational Guidelines. The shortfall in the conduct of social audit during the period 2019-2024 for the State and sampled GPs are given in the **Tables 2.2.17** and **2.2.18**.

Table 2.2.17: Shortfall in conducting social audit during 2019-2024 for the State

Year	Total GPs in the State	No. of Social Audit to be conducted	No. of GPs planned for Social Audit	Social Audit conducted	Shortfall in Social Audit vis-à-vis actual requirement	Shortfall in Social Audit vis-à-vis planned (percentage)
1	2	3	4	5	6 (3 – 5)	7 (4 – 5)
2019–20	3,150	6,300	404	315	5,985 (95.00)	89 (22.03)
2020–21	3,150	6,300	402	337	5,963 (94.65)	65 (16.17)
2021–22	3,150	6,300	497	477	5,823 (92.43)	20 (4.02)
2022–23	3,150	6,300	1,558	1,403	4,897 (77.73)	155 (9.95)
2023–24	3,150	6,300	1,279	82	6,218 (98.70)	1,197 (93.59)
Total			4,140	2,614	28,886 (91.70)	1,526 (36.86)

Source: Data furnished by MSAA

Table 2.2.18: Shortfall in conducting social audit in sampled 24 GPs during 2019-2024

Year	Total GPs	No. of Social Audit planned	Social Audit conducted	Shortfall in Social Audit	Percentage
2019-20	24	22	22	0	0
2020-21	24	24	17	7	29
2021-22	24	16	16	0	0
2022-23	24	0	0	0	0
2023-24	24	11	7	4	36
Total	120	73	62	11	15

Source: Data furnished by MSAA

Thus, in the State, GPs ranging between 4.02 and 93.59 *per cent* remained unaudited during 2019-2024 against the number of GPs planned by the MSAA. However, the shortfall ranged from 77.73 to 98.70 *per cent* against required number of social audits to be conducted as per Operational Guidelines. Further, no social audit was conducted even once in all the sampled districts during the year 2022-23. In the sampled GPs, shortfall in conduct of social audit occurred only in 2020-21 (29 *per cent*) and 2023-24 (36 *per cent*).

Thus, non-conduct of social audit did not ensure public accountability in the implementation of the Scheme.

The State Government while accepting the audit observation stated (May 2025) that inadequate staff was the major reason behind the shortfall in conducting social audit.

2.2.10.11.3 Shortage of staff for social audit

As per Paragraph 10.1.4 of the Annual Master Circular, independent Social Audit Unit (SAU) should be equipped with sufficient staff to ensure smooth functioning. These shall include a full-time Director, an Accounts in-Charge, and staff dedicated for conduct of social audit, monitoring, IT, capacity building and documentation. SAU shall also appoint adequate number of State, District and Block Resource Persons (BRPs).

As per Annexure 31 of the Operational Guidelines, a fully functional SAU would have a Social Audit Consultant, Joint/Deputy Directors and Assistant Director each for Social Audit, Administration, Finance, MIS, Monitoring and Evaluation.

However, the State Government did not appoint full time Director but was given to a senior official of the State Government as additional charge. Further, there are no Social Audit Consultant, Deputy/ Joint Directors and Assistant Directors for Administration, Finance, MIS, Monitoring and Evaluation required for efficient functioning of the SAU. The status of manpower requirement, sanctioned post, persons-in-position and shortfall are shown in **Table 2.2.19**.

Table 2.2.19: Shortage of staff and Resource Person for MSAA

Resource Persons/Staff	Minimum requirement	Sanctioned post	Person in position	Short-fall	Shortfall percentage
Director	1	1	1	0	0
Social Audit Consultant	1	0	0	1	100
Joint Director, Social Audit	1	0	0	1	100
Dy. Director, Admin & Finance	1	0	0	1	100
Dy. Director, MIS, Monitoring & Evaluation	1	0	0	1	100
Asst. Director (Admin., Finance, MIS, Monitoring, Evaluation)	5 (one each)	0	0	5	100
State Team Monitors	7	2	1	6	85.71
District Resource Persons	16	9	9	7	43.75
Block Resource Persons	140	0	0	140	100
Village Resource Persons	12,600	0	0*	12,600	100
Accounts-in-charge	1	0	1	0	0
Monitoring	1	0	0	1	100
IT	1	0	0	1	100
Capacity building	1	0	0	1	100

*since 2022-23

Due to lack of sufficient staff and Resource Persons, the mandated function of the social audit was affected.

The State Government stated (May 2025) that it is in the process of taking up necessary action to cope up with the shortage of required manpower and recruitment will be done soon.

2.2.10.11.4 Pendency in settlement of Social Audit Observations and follow up mechanism

As per the Auditing Standard of Social Audit, the state government in consultation with the SAU, has to establish a follow-up mechanism to monitor and ensure that management actions have been effectively implemented on the findings of the social audit. The SAU should pursue the objections reported in

social audit reports and state government should promptly fix responsibility as well as take action against errant officials.

The status of social audit observations raised and settled during the period 2019-2024 in the State and the sampled GPs are shown in **Tables 2.2.20** and **2.2.21**.

Table 2.2.20: Social audit observations pendency status in State

Year	Social audit observations raised	Social audit observations settled	Outstanding Social audit observations	Percentage
2019-20	1,149	844	305	26.5
2020-21	2,589	2,583	6	0.23
2021-22	2,672	2,565	107	4
2022-23	4,416	3,623	793	17.96
2023-24	289	46	243	84.08
Total	11,115	9,661	1,454	13.08

Source: Data furnished by MSAA

Table 2.2.21: Social audit observations pendency status in the sampled 24 GPs

No. of GPs	Social Audit observation raised	Social Audit observations settled	Outstanding Social audit observations	Percentage	Since when the social audit observation was pending
24	410	354	56	13	2019-20

Source: Data furnished by MSAA.

It can be seen from the above table that in the State against 11,115 social audit observations raised during 2019-2024, corrective measures had been taken on 9,661 observations. The outstanding observations ranged from 0.23 to 84 *per cent*. In the sampled GPs, out of 410 social audit observation raised, 354 observations were settled and 56 (13 *per cent*) observations were pending since 2019-20.

The State Government stated (May 2025) that follow up are being initiated and all the concerned DPCs and POs have been strictly instructed to take immediate necessary action.

2.2.10.11.5 Non-conducting of Concurrent social audit

As per Paragraph 10.1.12 of the Annual Master Circular, a concurrent social audit shall be done for all works every month. For this purpose, every Gram Sabha will select a Village Monitoring Committee (VMC) consisting of five MGNREGA workers. The VMC shall conduct a concurrent social audit of all active works of the GP and will monitor whether due norms are being complied with at the worksite. The VMC shall submit its report to the PO.

Audit scrutiny revealed that neither the VMC was formed in any sampled block nor the concurrent social audit was conducted in the sampled GPs.

The State Government stated (May 2025) that necessary actions will be taken up for compliance.

2.2.10.11.6 Other irregularities noticed under Social Audit

- The social audit reports should be prepared in local language by the Social Audit Unit (SAU). However, the social audit reports were not prepared in local language but in English language.
- The Governing Body of the MSAA though constituted in August 2016 and requires meeting at least once in a quarter, no meeting of the Governing Body was held till the date of audit
- During the period 2019-2024 the MSAA did not prepare Annual Budget and Annual Report though required (as per auditing standard of MoRD).
- As per Audit of Schemes Rules, 2011, a summary of findings of social audits conducted during a financial year was to be submitted to the Comptroller and Auditor General of India. However, the MSAA did not submit the summary to CAG during the period 2019-2024.

The State Government stated (May 2025) that social audit reports will be prepared in local language and necessary steps will be initiated for convening Governing Body meeting regularly. MSAA would prepare Annual Budget and Annual Reports would be submitted to the CAG as per requirement.

2.2.10.12 Mandatory records and their maintenance

Chapter 10 of the Operational Guidelines describes the mandatory records required to be maintained. GoI issued instruction for proper maintenance of records for the effective implementation of any scheme and provided simplified formats of seven Registers. These registers are designed with a view to ease the functioning of the field level personnel and reduce duplication of work without compromising the quality of information especially those relating to entitlements of workers. Registers II and III were required to be maintained manually and remaining registers are to be maintained partially manually and partially printed and pasted from MIS itself.

Scrutiny of records of sampled six blocks and 24 sampled GPs revealed the following lapses in the maintenance of the records.

- i. All the 24 sampled GPs and six Blocks did not maintain files for proceeding and forwarding of Annual Plans to the DPCs.
- ii. All the sampled GPs did not maintain Register II and III manually as required. They were maintained by downloading from the MIS.
- iii. All the 24 sampled GPs did not maintain case files in the manner prescribed by the Operational Guidelines.
- iv. All the six sampled Blocks did not maintain e-Muster Roll issue registers.

The State Government stated (May 2025) that instructions were issued to maintain proper records as per the Operational Guidelines. However, districts would be reminded to mandatorily maintain all records as required by the Operational Guidelines.

2.2.10.13 Non-adherence to the provisions of the guidelines

The following provisions of the Operational Guidelines were not adhered to:

- ***Non-constitution of Vigilance Cell:*** Paragraph 13.6 of the Operational Guidelines provides for setting up of a three-tier vigilance (state, district and local level) mechanism. However, no vigilance cell was constituted at the state level and at any level of sampled districts and GPs during 2019-2024 to proactively detect irregularities and to follow up detected irregularities and malfeasance, including those identified during social audit, and ensure that the guilty are punished and recoveries of misspent funds duly made.
- ***Non-Appointment of State and District Quality Monitors:*** No State Quality Monitor (SQM)/ District Quality Monitor (DQM) were appointed in violation of Paragraphs 7.12.1, 14.8 and 14.10.4 of Annual Master Circular. As such, evaluation of works executed could not be affected properly.
- As per Paragraph 13.12.1 of the Operational Guidelines, Citizens' Charter shall cover all aspects of the duties of Panchayats and officials. It should lay down the minimum service levels mandated by these provisions on the Panchayats and the officers concerned. Audit noticed that no Citizens' Charter had been developed till date. As a result, MGNREGS in Manipur had been implemented so far without any mandated duties of PRIs and Government officials. Hence, the main stakeholders of the scheme remained unaware of the duties and function of the MGNREGA functionaries.

The State Government while accepting the audit observation stated (May 2025) that it has noted for necessary action.

2.2.10.14 Conclusion

The envisaged monitoring and grievance redressal mechanism was practically non-functional. The SEGC could not ensure envisaged monitoring and steering of the Scheme due to non-performance of prescribed duties. There were shortcomings in number of social audits carried out and settlements of objections raised in Social Audit Reports. There was no proper assessment of manpower requirement and gaps between men-in-position and sanctioned strength of various key field level posts.

2.2.10.15 Recommendations

- (i) ***The SEGC may hold bi-annual meeting regularly, appoint its non-official members and perform its duties as prescribed.***
- (ii) ***The Department may formulate Rules to determine appropriate grievance redressal mechanism at the Block and District level for dealing with any complaints.***

- (iii) *The Department may monitor proper functioning of Ombudsman and disseminate awareness on the duties and functions of Ombudsman to the beneficiaries.*
- (iv) *The Department may appoint regular Director of MSAA and other staff and Resource Persons on priority.*
- (v) *Adequate meeting of the Governing Body of the MSAA should be held for proper monitoring of the performance of the MSAA.*
- (vi) *The Department should reassess the manpower requirement and ensure that adequate number of staff with requisite skills are provided.*
- (vii) *The Department may take up steps to constitute Vigilance Cell, appoint State and District Quality Monitor and prepare Citizens' Charter.*

SOCIAL WELFARE DEPARTMENT

2.3 “Integrated Child Development Services (ICDS) Scheme”

A Performance Audit of Integrated Child Development Services (ICDS) covering the implementation of the programme during the period 2018-19 to 2023-24 was conducted during July 2023 to September 2024. This Performance Audit brought out the following significant findings.

Highlights

The Department prepared Annual Project Implementation Plans (APIP) annually and submitted them to Government of India (GoI) to get funding for the programme (GoI funded 90 per cent of approved APIP outlays for the North-East region), however, the Department did not prepare long term plans for the scheme. There was also no district or project level plan during the period 2018-19 to 2023-24.

(Paragraph 2.3.7.1)

The State Empowered Programme Committee, the highest body for planning, supervision and monitoring the implementation of ICDS in the State which was supposed to meet once every month, did not meet even once during the period 2018-2024. There were neither district ICDS Mission nor block ICDS Mission Committee in any of the sampled districts to get together and operationalise ICDS Mission Mode to take decisions on child development issues.

(Paragraph 2.3.7.2)

The State Convergence Committee met once during 2018-24 against the requirement of once in each quarter. Further, the District and Block Convergence Committee did not meet at all during the period 2018-19 to 2023-24. There were no district and block convergence action plans during the period 2018-19 to 2023-24 indicating that the Committees were non-functional.

(Paragraph 2.3.7.4)

The Department did not lift 3,000 MT of rice for the fourth quarter of 2019-20 meant for Supplementary Nutrition Programme of 3,77,140 beneficiaries (children 6 months to 6 years: 3,22,186 and pregnant and lactating mother: 54,954).

(Paragraph 2.3.8.3)

Anganwadi Centre (AWC) buildings were in dilapidated conditions and not fit to effectively function as AWCs. There were no basic facilities such as proper buildings, toilets, drinking water facilities, space for indoor and outdoor activities of children.

(Paragraph 2.3.8.8)

Medicine kits were not available in 100 AWCs, the facts were confirmed from the Joint Physical Verification (JPV) (January 2024). Non-availability of medicine kits for controlling common ailments like fever, cold, cough, worm infestation, etc. including medicines and basic equipment for first-aid would result in exposure of young beneficiaries under the scheme to the vulnerability of common ailments.

(Paragraph 2.3.8.9)

There was delay in release of fund by the Government of Manipur to the implementing agencies for more than three years resulting in delay in completion of the 936 AWCs.

(Paragraph 2.3.8.12)

The GoI provided funds for construction of toilets and drinking water facilities for the AWCs with the objective of achieving total sanitation and cleanliness by 02 October 2019, however, the Department could not achieve the objective as of March 2024.

(Paragraph 2.3.8.13)

As of March 2024, out of 38 CDPOs, only 30 of them had received job related training while 33 of them had received induction training. Also, out of 377 Supervisors, only 53 of them had received the requisite job related training, leaving a backlog of 324. Only 56 Supervisors had received induction training.

(Paragraph 2.3.8.19.2)

There were shortfalls in the visit of senior functionaries in the 13 sampled ICDS projects by the supervisors to the Anganwadi Centres ranging from 11 to 45 per cent, while shortfall in respect of Child Development Project Officers (CDPOs) ranged from 64 to 78 per cent.

(Paragraph 2.3.8.21)

2.3.1 Introduction

Integrated Child Development Services (ICDS) Scheme is one of the largest and unique programmes of the Government of India (GoI), launched in 1975 for childhood care and development. The scheme was launched in the same year in the State of Manipur. The scheme aims to help children and nursing mothers to respond to the challenge of providing pre-school

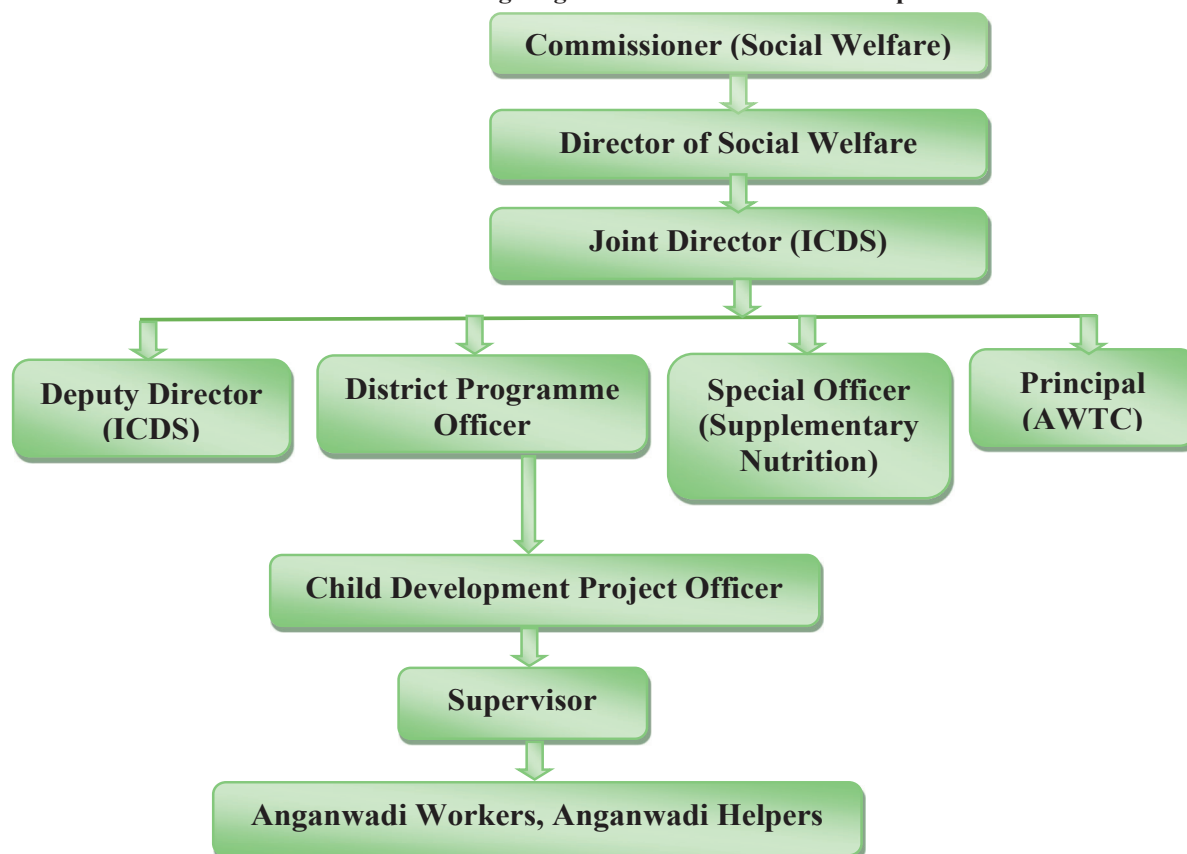
and non-formal education on one hand and break the vicious cycle of malnutrition, morbidity, reduced learning capacity and mortality on the other. The beneficiaries under the scheme are children in the age group of zero to six years, pregnant women and lactating mothers and adolescent girls in the age group of 14 to 18 years. In November 2017, GoI renamed the ICDS as 'Anganwadi Services' and restructured it into 'Umbrella ICDS'. In March 2018, POSHAN Abhiyaan (erstwhile National Nutrition Mission) was launched to achieve improvement in the nutritional status of beneficiaries in a time bound manner. In August 2022, POSHAN Abhiyan and ICDS were re-structured as 'Saksham Anganwadi and Poshan 2.0' (hereinafter called Poshan 2.0) for implementation during the 15th Finance Commission period 2021-22 to 2025-26.

The package of services provided as part of the programme comprised, *inter-alia* (i) Supplementary Nutrition Programme (SNP), (ii) Immunisation, (iii) Health Check-up, (iv) Referral Services, (v) Non-formal Pre-school Education (PSE) and (vi) Nutrition and Health Education (NHED).

2.3.2 Organisational set-up

The Social Welfare Department (Department) is responsible for the implementation of ICDS in the State. The Department implements three components of the programme *viz.*, SNP, PSE and NHED, while the other three components are implemented in coordination with the Department of Consumer Affairs, Food and Public Distribution and Health and Family Welfare Department (health check-up and referral services and immunisation). At the apex level, the Commissioner of the Department and the Director of Social Welfare are responsible for policy, planning, coordination and implementation of the programme. At the district level, the ICDS scheme is led by a District Programme Officer. Each district operates the program through a defined cluster of Anganwadi Centres (AWCs) referred to as the ICDS Projects. Each Project is managed by a Child Development Project Officer (CDPO). The CDPO is assisted by Supervisors who are responsible for review and reporting of information for about 25 AWCs. Each AWC has a dedicated Anganwadi Worker (AWW) and Anganwadi Helper (AWH). The organisational chart of the Department is given in **Chart 2.3.1**.

Chart 2.3.1: Organogram of the Social Welfare Department



Source: Departmental records

2.3.3 Audit objectives

Performance audit was taken up with the objective to ascertain whether:

- Planning for identification and coverage of beneficiaries was comprehensive, the activities envisaged under various interventions were designed to meet the scheme objectives and inter-sectoral monitoring mechanism was robust;
- The available physical, human and financial resources were optimally utilised and convergence with other related programmes was ensured to maximise the benefit of ICDS;
- Effective awareness was created among the targeted beneficiaries under ICDS scheme; and
- The delivery of services through ICDS was effective, efficient and economic in achieving the desired outcomes.

2.3.4 Audit criteria

Audit findings were benchmarked against the following sources of criteria:

- Scheme guidelines-‘ICDS Mission - the broad Framework for Implementation’, Operational Guidelines of Convergent Action Plan and instructions issued by GoI;
- National Food Security Act, 2013;

- General Financial Rules 2017;
- Instructions issued by Government of Manipur (GoM); and
- Monitoring mechanism instituted by GoI and GoM including reports of National/ State level monitors.

2.3.5 Scope, Sample and Audit Methodology

The Performance audit of ICDS was conducted during July 2023 to September 2024 and covered the implementation of the programme during the period 2018-19 to 2023-24. Audit methodology involved examination of the records in the Directorate of Social Welfare Department at the apex level, one Anganwadi Training Centre (AWTC), five out of sixteen District Programme Officers, 15 Child Development Project Officers (CDPOs) out of 43 Child Development Project Officers (CDPOs) and 100 Anganwadi Centres (AWCs) out of 11,510 AWCs in the State. There are sixteen districts in the State. Districts and projects were selected for audit by using Probability Proportional to Size Without Replacement (PPSWOR) sampling method and AWCs were selected through Simple Random Sampling method.

The Department authenticated the findings of the joint physical inspection of infrastructure conducted by audit along with the departmental representatives during November 2023 to January 2024. Audit objectives, criteria, scope and methodology were discussed in an Entry Conference held on 07 July 2023 with the Director, Social Welfare and Joint Secretary, Department of Social Welfare before commencement of Audit. Significant findings were discussed in an Exit Conference (February 2025) with the Commissioner, Social Welfare Department and other representatives of the Department. The responses of the Department have been incorporated in the report appropriately.

2.3.6 Acknowledgment

Audit acknowledges the cooperation and assistance extended by the authorities of the Department of Social Welfare during the conduct of the Performance Audit.

Audit findings

The audit findings of the Performance Audit are discussed in the succeeding paragraphs.

2.3.7 Audit Objective: Whether Planning for identification and coverage of beneficiaries was comprehensive, the activities envisaged under various interventions were designed to meet the scheme objectives and inter-sectoral monitoring mechanism was robust?

Planning

2.3.7.1 Planning process

As per Paragraph 6 of the ICDS Broad Framework for Implementation, the State and District plans would be formulated on the premise that the community can plan its children's needs and there would be greater requirement for developing capacities in communities to do so.

The State needs to prepare long term plan for the scheme as well as an Annual Plan that would be based on resource availability and prioritisation exercise. At the State level, the Department of Social Welfare needs to ensure that the core teams at the District and Block levels are carefully identified and are committed to the task of achieving the vision of ICDS. By aggregating Block and Local level information, District ICDS Annual Plan and District ICDS five-year plan were to be developed.

As required under Paragraph 7.7 of the ICDS broad framework, the State prepared Annual Project Implementation Plans (APIPs) annually and submitted them to GoI to get funding for the programme (GoI funded 90 *per cent* of approved APIP outlays for the North-East region). However, the Department did not prepare long term plans for the scheme. There were also no district or project level plans during the period 2018-19 to 2023-24.

Thus, the State APIP did not demonstrate a bottom up, decentralised and participatory approach to incorporate the roles of ICDS and Health functionaries in planning though they are required to work in a convergence mode. Further, there was nothing on record to demonstrate convergence with local Government institutions (Manipur Hill Areas District Councils and District and Village Panchayats, *etc.*)

The Department stated (March 2025) that the Department prepared APIPs before the beginning of a financial year. Ministry of Women and Child Development focuses on the annual project implementation plan for release of fund. The Department appreciated the observation and further stated that the capacity building programmes of block and district level offices would be taken up for preparation of annual and long term plan.

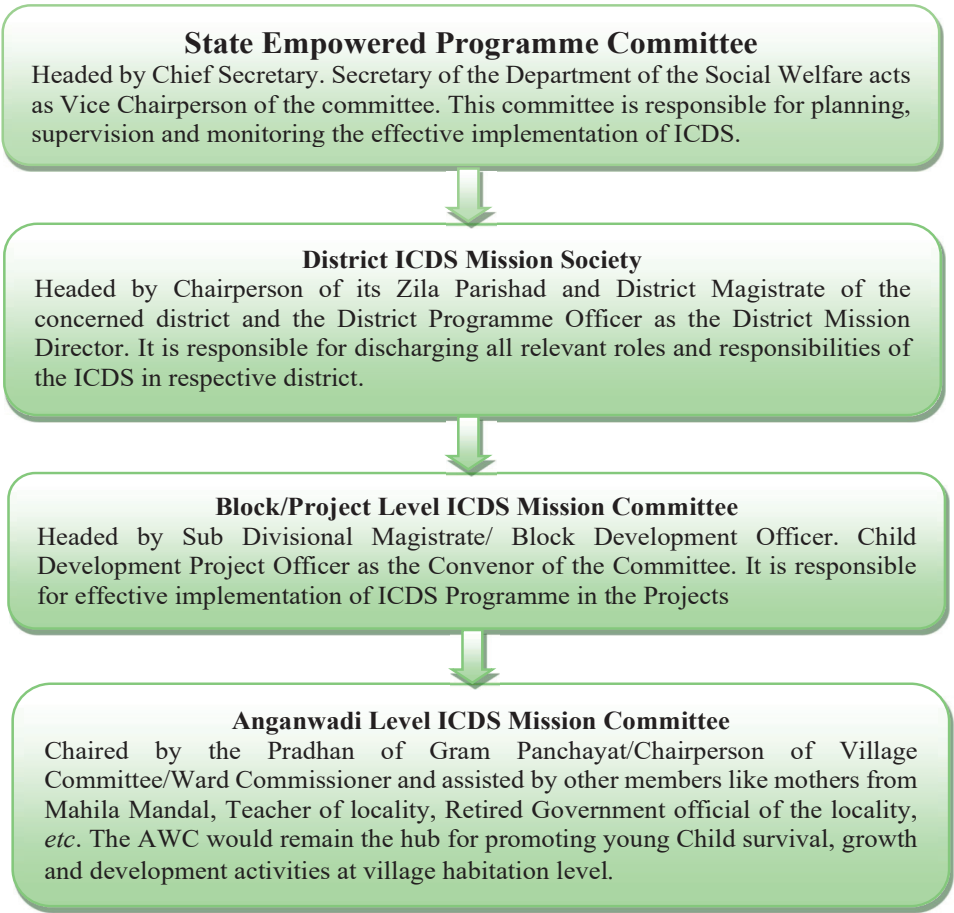
2.3.7.2 Lack of Institutional framework

Institutional framework and processes established for interactions among the various nodal authorities and stakeholders are of critical relevance for the success of a policy or program. ICDS has well planned administrative and organisational set up under the aegis of the Ministry of Women and Child

Development with structured programme implementation and monitoring mechanisms at State, District, Block, Sector and Village level. To ensure timely and smooth implementation as well as effective monitoring of the scheme, it is essential to create institutional mechanisms at state, district and block level.

The administrative structure to implement the programme is depicted in **Chart 2.3.2.**

Chart 2.3.2: Administrative structure of programme implementation



Source: Departmental records

Audit noticed deficiencies in functioning of the Institutional mechanisms as discussed in the following paragraphs.

- The State Empowered Programme Committee is the highest body for planning, supervising and monitoring the effective implementation of ICDS at the State level. The State Empowered Committee was reconstituted in May 2015. The Committee was supposed to meet once every month. However, the Empowered Programme Committee did not meet even once during the period 2018-2024.
- Every district would have a district ICDS Mission headed by the Chairperson of its Zilla Parishad. The district ICDS Mission would provide a platform where the three arms of governance, Zilla Parishad/ Urban Local Bodies, District Child Development Administration and

District Programme Manager or ICDS Mission Sector would get together to operationalise ICDS Mission Mode. They would discuss and take decisions on child development issues of the district. Audit noticed that there was no district ICDS Mission in any of the sampled districts.

- At the project level, each block within a district would have a Block ICDS Mission Committee that would be headed by the Chairperson of the concerned Panchayat Samiti. The Block Development Officer would act as the co-chairperson and the CDPO as the convener. Other members of the Committee may include public representatives such as MLAs and Members of the Panchayat. The Committee would meet once every month. Audit noticed that there was no Block ICDS Mission Committee in any of the test checked projects.

Thus, there was lack of institutional framework in planning and implementation of the scheme.

The Department stated (March 2025) that meetings of the State Empowered Committee had been held annually till 2022. Meetings could not be held for 2023-24 and 2024-25 in view of the unrest and conflicts that had prevailed since May 2023. Further, a meeting of the State Level Steering Committee was held in February 2025.

However, no monthly meetings of the State Empowered Committee were held as required for monitoring and effective implementation of the scheme.

2.3.7.3 Convergence of services

Paragraph 2.2.1(iii) of the Broad framework envisages an integrated delivery of a multiplicity of services which are handled by different departments at different levels. Three of the six services under ICDS namely immunization, health check-up and referral services are delivered through public health infrastructure under the Department of Health and Family Welfare.

The convergence among various departments and programmes for delivery of ICDS requires constitution of coordination committees at the State, District, Block and Village levels to review the progress of the ICDS scheme. Under State Level Coordination Committee, joint meetings of the State Nodal Department with National Health Mission functionaries were required to be held in every quarter to discuss about different health aspects of ICDS and to gather inputs on immunization and other health concerns of the ICDS from State on regular basis.

Test check of records for the period 2018-2024 revealed that the convergence among various programmes/ departments at the State and lower level was inadequate as discussed in **Paragraphs 2.3.7.4 and 2.3.7.5.**

The Department had assured (March 2025) that considering the importance of holding convergence action plan committee meetings for successful implementation of the scheme, such meeting would be conducted in future. The

fact, however, remained that the inadequate convergence among various departments and programmes at the State and lower levels during 2018-2024 compromised the effectiveness of ICDS service delivery.

2.3.7.4 Convergence Action Plans Committee

As per Paragraph 1.2 of the Operational Guidelines of Convergent Action Plan, a key pillar of the POSHAN *Abhiyan* is convergence of all nutrition related schemes on the target population. These include programmes such as the Anganwadi Services, Pradhan Mantri Matru Vandana Yojana, scheme for Adolescence Girls, Janani Suraksha Yojana, National Health Mission (NHM), Anaemia Mukh Bharat, Indradhanush, Swachh Bharat Mission, Public Distribution System, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), drinking water and toilets with Panchayati Raj Institutions and Urban Local Bodies. Poshan Abhiyan brings about convergence of nutrition action related schemes by identifying and bringing under one framework key nutrition related interventions, indicators and targets to be monitored and achieved by relevant line Ministries/ Departments implementing the scheme. The state should constitute Convergence Action Plan Committee at State, District and Block level to facilitate the operationalisation of the framework. These committees are responsible for carrying out all works related to convergence such as plan development, periodic review, work coordination, monitoring and evaluation, identifying the gaps and suggesting measures to fill the gaps.

The Department had constituted (June 2018) the State, District and Block Convergence Action Plan Committees as required. The State Convergence Committee was mandated to meet at least once in every quarter. The State Convergence Committee had met only once in October 2019 after its constitution. Thereafter, there had been no meetings of the Committee as of March 2024. Further, the District and Block Convergence Committee had not met even once during the period 2018-19 to 2023-24. It was also noticed that there had been no district and block convergence action plans during the period 2018-19 to 2023-24. Thus, the Convergence Committees at district and block level had remained non-functional.

During the meeting of the State Convergence Committee (October 2019) the Director of Social Welfare had deliberated on the convergence actions to be taken up by various departments focussing on strengthening of AWC infrastructure such as construction of AWC buildings, drinking water and toilet facilities. It had also focussed on reduction of malnourishment and anaemia as a common platform for convergence. However, there had been no report on the progress of proposed actions in the meeting. Audit also observed lack of toilet and drinking water facilities and other infrastructures in the test checked AWCs as discussed in the succeeding paragraphs.

The Department stated (March 2025) that no convergence committee meeting had been held due to covid 19 and unrest in the State since May 2023. The

Department assured that given the importance of convergence action plan committee meeting the same would be conducted in future. However, the reply was not acceptable as the Department did not convene the mandated quarterly meetings even during the period prior to COVID-19 and unrest (*i.e.*, 2018-19 to 2019-20). This indicated lack of seriousness and ineffective monitoring of the convergence mechanism, resulting in non-preparation and non-implementation of district and block level convergence action plans.

2.3.7.5 Convergence for construction of Anganwadi Centre

Paragraph 4.4 of the Framework (2012) and Paragraph 3.16 of Saksham Anganwadi Poshan 2.0 envisages convergence framework for ICDS scheme related sectoral programmes such as National Rural Drinking Water Programme (NRDWP), Sarva Shiksha Abhiyan (SSA), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Member of Parliament Local Area Development Scheme (MPLADS), Member of Legislative Assembly Local Area Development Scheme (MLALADS) in planning, funding and delivery of services.

As of March 2024, there were 8,358 AWCs running in rented buildings, 159 AWCs in community buildings and 2,993 AWCs in own/ Government buildings. However, there had been no plan for construction of AWC building from the funds under different schemes in convergence with the concerned departments.

The Department stated (March 2025) that the DPCs had been instructed in March 2024 to take up a supplementary shelf of projects and that once included in the shelf of projects, the construction would be taken up on ground.

The fact, however, remained that there had been no convergence for construction of AWCs during 2018-2024. Audit noticed that the AWCs were in dilapidated condition as discussed at **Paragraph 2.3.8.8**. With convergence with other schemes, the infrastructure of the AWCs could have been improved.

2.3.7.6 Non-sharing of data for planning

Paragraph 4.4 of the framework for convergence envisages formation of one common Village Health Sanitation and Nutrition Committee (VHSNC) as the institutional mechanism for convergence at village level with AWCs; preparation of Child Development Plan at Village, Block and District levels based on joint household surveys and village micro-planning exercises involving AWWs, ASHAs, community/ women's groups, VHSNCs and Panchayati Raj Institutions (PRIs); appraisal of District ICDS Mission Plans to ensure multi-sectoral interventions for young child health, growth and development. On review, audit had noticed that there had been no institutional mechanism for data sharing and cross-validation of data amongst the functionaries of ICDS (AWWs) and NHM (ASHAs, ANMs). Further, CDPOs and Medical Officers (MOs) had not undertaken joint inspections of AWCs.

There had been no joint convergence action plans for districts and blocks in the State.

The Department stated (March 2025) that a Standard Operating Procedure (SOP) would be designed in consultation with the Health Department for data sharing, cross validation of data and for joint inspection of AWCs.

The reply confirmed that the Department did not put in place such a system and did not prepare joint convergence action plans during the audit period, despite the requirement for coordinated service delivery. This indicated weak convergence, inadequate monitoring and ineffective coordination between ICDS and NHM functionaries, which adversely impacted delivery of services at the grassroots level.

2.3.7.7 Shortfall in AADHAAR seeding of beneficiaries

Ministry of Women and Child Development issued (November 2021) instructions to all the States to carry out updating AADHAAR seeding of beneficiaries' data of ICDS in Poshan Tracker by 15 December 2021. Future allocation of fund under Supplementary Nutrition Programme and foodgrains under Wheat Based Nutrition Programme (WBNP) was to be made on the basis of this data only.

Audit had noticed that out of 2,80,007 eligible beneficiaries³⁵, as of 31 March 2024, 2,66,127 beneficiaries had been verified, thereby resulting in a shortfall of 13,880 (five *per cent*) beneficiaries in verification of AADHAAR. Thus, as allocation of fund had been based on AADHAAR seeded beneficiaries, the scheme had not fully covered all the eligible beneficiaries.

The Department stated (March 2025) that all efforts would continue to make up the shortfall in AADHAAR verification of beneficiaries during home visits by AWWs and Supervisors.

The reply was not acceptable as the shortfall had persisted throughout the audit period despite the Department being aware of its impact on fund allocation. This indicated inadequate planning and ineffective monitoring of AADHAAR seeding by the Department. Thus, eligible beneficiaries had been deprived of full benefits under the scheme due to incomplete verification.

2.3.7.8 Early Childhood Care and Education (ECCE)

Paragraph 3.15 of Saksham Anganwadi Poshan 2.0 envisages Early Childhood Care and Education (ECCE) covers provision for pre-school learning material for cognitive, emotional, social and intellectual development of the child. The aim of Early Childhood Care and Education is to facilitate optimum development of the child's full potential and lay the foundation for all round development and lifelong learning. The programme at the early childhood stage helps to ensure opportunities for holistic learning and growth. The status of

³⁵ Records of the poshan tracker

delivery of early childhood care and development during 2018-2024 is discussed in the succeeding paragraphs.

2.3.7.8.1 Coverage of beneficiaries under Pre-school Education

The scheme mandates enrolment of all eligible children of the age group of three to six years for non-formal pre-school education for at least 21 days in a month. However, the Department had not been able to provide non-formal pre-school education to all eligible beneficiaries enrolled, as shown in **Table 2.3.1**.

Table 2.3.1: Details of coverage of beneficiaries under Pre-school education

Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
No. of children eligible for pre-school education in the State	1,95,427	1,83,272	1,74,751	1,88,512	1,75,740	1,72,673
No. of children enrolled in the State for pre-school education (<i>per cent</i>)	1,83,596 (93.95)	1,72,933 (94.36)	1,74,057 (99.60)	1,87,582 (99.51)	1,46,169 (83.17)	1,59,719 (92.50)
Shortfall (<i>per cent</i>)	11,831 (6.05)	10,339 (5.64)	694 (0.40)	930 (0.49)	29,571 (16.83)	12,954 (7.50)
No. of children eligible for pre-school education in the sampled Project	65,213	70,456	70,526	69,503	69,359	63,484
No. of children enrolled in the sampled projects in the State for pre-school education (<i>per cent</i>)	64,661 (99.15)	70,330 (99.82)	70,435 (99.87)	69,449 (99.92)	69,216 (99.79)	63,053 (99.32)
No. of eligible children in the sampled projects who were not provided pre-school education for at least 21 days in a month	747	5,238	4,939	2,450	1,245	725

Source: Departmental records

During the period 2018-19 to 2023-24, achievement for enrolment in pre-school education ranged from 83.17 to 99.60 *per cent* in the State and it had ranged from 99.15 to 99.92 *per cent* in the sampled projects. Shortfall in coverage of enrolment of children for pre-school education had ranged between 0.40 to 16.83 *per cent* in the State. In the sampled projects, there had also been shortfall in coverage of eligible children for pre-school education for at least 21 days in a month.

The Department attributed (March 2025) the reasons to irregular attendance by the children and non-recording of attendance on the Poshan tracker. In this regard, a review meeting with all CDPOs and DPOs had been convened at the level of the Commissioner (SW) and strict instructions had been issued to ensure that ECCE was provided to eligible beneficiaries and to ensure reporting of the same in the Poshan tracker.

The reply of the Department is not acceptable as the shortfall had persisted throughout the audit period despite the Department being aware of the issue and its impact on service delivery. This indicated weak monitoring, ineffective use of the Poshan Tracker and poor follow-up of instructions issued by the higher authorities. Thus, despite high enrolment figures, the Department did not

adequately ensure regular pre-school education for all eligible children, compromising the objectives of Early Childhood Care and Education (ECCE) under ICDS.

2.3.7.8.2 Monitoring and evaluation of the programme

ICDS Scheme envisages multiple tier monitoring system at the State, District, Project/ Block and Anganwadi levels through monitoring committees called State Level Monitoring and Review Committee (SLMRC), District Level Monitoring and Review Committee (DLMRC), Block Level Monitoring Committee (BLMC) and Anganwadi Level Monitoring and Support Committee (ALMSC). These Committees were to monitor the overall progress in implementation of the programme including coverage of beneficiaries, regularity in supply and quality of supplementary nutrition, performance of pre-school education provided at AWCs. However, such committees had not been in place in the State. Thus, there had been no multiple tier monitoring system at various levels to monitor overall progress in implementation of the scheme.

The Department stated (March 2025) that the programme had continued to be monitored by CDPOs, DPOs and District administration. Further, in line with the Saksham Anganwadi and Poshan 2.0 guidelines, the District Nutrition Committees had been constituted.

The reply of the Department on continuous monitoring of the scheme is not acceptable as the mandated multi-tier monitoring mechanism had not been established and the monitoring that had been claimed by the Department lacked proper documentation and evidence. Thus, in the absence of a functional multi-tier monitoring system, the Department did not put in place effective oversight of the implementation of the ICDS Scheme, which adversely impacted service delivery and achievement of the scheme's objectives.

2.3.7.8.3 Non-preparation of action plan

The Department is mandated to prepare district-wise action plan in advance for the monitoring and supervision visits by the officials at various levels for every six months. For joint visits along with the Health officials, an advance plan is required to be prepared in consultation with the Health Department, aligned with their monitoring visits.

Audit had observed that the Department of Social Welfare had not prepared district-wise action plan to visit officials at various levels to monitor and supervise the implementation of the schemes.

While admitting the audit observation, the Department stated (March 2025) that the district-wise action plans for regular monitoring had not been prepared. The Department also added that district-wise programme had mostly been monitored through the Poshan tracker and that District Nutrition Committees, which were the nodal point in the districts, had now been constituted for effective monitoring of the programme.

The reply of the Department is not acceptable as reliance solely on the Poshan Tracker did not substitute for on-field supervision. The constitution of District Nutrition Committees after the audit period did not address the gaps in monitoring that existed between 2018-2024. Thus, the Department did not put in place structured and effective monitoring of scheme implementation at the district and field levels, which compromised oversight and accountability.

2.3.7.8.4 Status of fund utilisation

Fund under ICDS is allocated under two heads, viz. Anganwadi Services (General) or ICDS General and the Supplementary Nutrition Programme (SNP) to the State. As per Paragraph 7.7 of the Broad Framework, release of fund under the scheme would be based on State APIPs. Every year there would be two instalments. The release of first instalment to the State would be processed after the receipt of the APIP on a lump sum basis. The second instalment would be based on the adequate utilisation of first instalment. The position of funds received, expenditure and unspent balance is shown in **Table 2.3.2**.

Table 2.3.2: Fund received and utilised for ICDS scheme for the period 2018-19 to 2023-24

(₹ in crore)

Sl. No.	Financial Year	Allocation of Fund in APIP	Total Fund Available	Total Fund Utilised	Un-utilised Fund
1	2018-19	50.89	96.55	50.65	45.90
2	2019-20	99.60	99.04	48.50	50.54
3	2020-21	87.72	161.30	74.09	87.21
4	2021-22	91.02	179.10	137.07	42.04
5	2022-23	85.89	69.98	59.29	10.70
6	2023-24	81.81	100.57	54.53	46.05

Source: Departmental records

It can be seen from **Table 2.3.2** that there were persistent unutilised funds during the period 2018-2024, indicating that the Department had not fully utilised the allocated funds during those years.

The State APIP did not demonstrate a bottom up, decentralised and participatory approach to incorporate the roles of ICDS and Health functionaries in planning, even though they were required to work in a convergence mode. The convergence, though well-intended, suffered from poor planning. There had been a lack of a multi-tier monitoring system at various levels to monitor the overall progress of the implementation of the scheme.

2.3.8 Audit Objective: *Whether the available physical, human and financial resources were optimally utilised and convergence with other related programmes was ensured to maximise the benefit of ICDS?*

Scheme Implementation

2.3.8.1 Nutritional status of children

Nutritional status affects every aspect of a child’s health, including normal growth and development, and response to serious illness. Malnutrition may originate from the deficiency or absence of any nutrient.

The moderate underweight children are measured as percentage of children aged 0-59 months who are below minus two standard deviations from median weight for age of the World Health Organisation Child Growth Standards. The severe underweight children are measured as percentage of children aged 0-59 months who are below minus three standard deviations for median weight for age of World Health Organisation Child Growth Standards. The year-wise nutritional status of children in the State during 2018-19 to 2023-24 is shown in **Table 2.3.3**.

Table 2.3.3: Nutritional status of children

Year	No. of children weighed	Moderate Acute Malnutrition (Percentage)	Severe Acute Malnutrition (Percentage)
2018-19	3,07,942	4,011 (1.30)	0
2019-20	3,47,909	4,075 (1.17)	0
2020-21	3,08,677	4,809 (1.56)	0
2021-22	3,38,004	2,610 (0.77)	0
2022-23	3,25,152	1,777 (0.55)	0
2023-24	2,58,700	1,262 (0.49)	619 (0.24)

Source: Departmental records

It can be seen from **Table 2.3.3** that the percentage of Moderate Acute Malnutrition (MAM) children ranged between 0.49 (2023-24) to 1.56 (2020-21) *per cent* and there was no occurrence of Severe Acute Malnutrition (SAM) children in the State during the period 2018-19 to 2022-23. However, during the year 2023-24, 619 severe malnourished children were identified by the Department.

Similarly, in the 13 sampled projects, there were MAM and SAM children during 2018-19 to 2023-24 as shown in **Table 2.3.4**.

Table 2.3.4: Nutritional status of children of sampled Projects

Sl. No.	Year	Total number of children weighed	MAM (Percentage)	SAM (Percentage)
1	2018-19	1,05,247	376 (0.36)	24 (0.02)
2	2019-20	1,09,418	481 (0.44)	21 (0.02)
3	2020-21	1,06,792	107 (0.10)	27 (0.03)
4	2021-22	1,00,181	164 (0.16)	24 (0.02)
5	2022-23	1,05,373	516 (0.49)	207 (0.20)
6	2023-24	94,865	754 (0.79)	224 (0.24)

Source: Departmental records

As can be seen from **Table 2.3.4**, percentage of MAM and SAM children increased from 2021-22 to 2023-24 in the 13 sampled Projects. The number of malnourished children in the test-checked projects implied that their health status had not been properly monitored. Thus, the possibility of all malnourished children getting additional food under SNP, health check-ups and referrals to the health centres could not be ascertained. Due to non-maintenance of proper records, early detection of severely malnourished children through the intervention of health services remained unaccomplished.

Further, during the years 2018-2023, the Department reported that there were no SAM children in the State, while occurrence of SAM children was observed in the sampled projects. Thus, the data maintained by the Department had not been reliable. Reasons for the variation had been called for and the reply of the Department was awaited (September 2025).

While accepting the audit observation the Department stated (March 2025) that after the introduction of Poshan Tracker, weight and height of all beneficiaries enrolled in Poshan tracker were to be measured monthly. However, due to deficiencies in regular measurement and timely upload of information in the Poshan tracker, mis-reporting of MAM and SAM cases in Poshan tracker had occurred.

The fact remained that regular monitoring of weight and height of the children, as mandated, had not been carried out, reflecting a significant lapse in implementation and monitoring mechanisms.

2.3.8.2 Supplementary Nutrition Programme

Supplementary Nutrition Programme (SNP) is an important component of ICDS to bridge the protein-energy gap between the recommended dietary allowance and average dietary intake of children, pregnant women and lactating mothers. ICDS programme envisaged Supplementary Nutrition for Pregnant and Lactating Mother (PLM), Children (six months to six years old) and Adolescent Girls (AG). The audit findings are discussed in subsequent paragraphs.

The coverage of beneficiaries under the programme is detailed in the following **Table 2.3.5**.

Table 2.3.5: Coverage of beneficiaries under Supplementary Nutrition

Category of beneficiaries	Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Children (6 months to 6 years old)	Eligible	3,74,450	3,46,949	3,42,503	3,58,313	3,12,142	2,90,287
	Enrolled	3,58,891	3,22,186	3,18,073	3,46,269	2,52,291	2,55,105
	Coverage	3,58,891	3,22,186	3,18,073	3,46,269	2,52,291	2,55,105
	Shortfall (per cent)	15,559 (4)	24,763 (7)	24,430 (7)	12,044 (3)	59,851 (19)	35,182 (12)
Pregnant and Lactating Mother	Eligible	65,999	54,954	53,318	56,554	56,078	19,447
	Enrolled	65,999	54,954	53,318	56,554	32,242	17,556
	coverage	65,999	54,954	53,318	56,554	32,242	17,556
	Shortfall (per cent)	0	0	0	0	23,836 (43)	1,891 (10)
Adolescent Girls	Eligible	4,056	3,384	3,075	3,075	56,471	50,696
	Enrolled	4,056	3,384	3,075	3,075	56,471	50,696
	Coverage	4,056	3,384	3,075	3,075	41,261	41,080
	Shortfall (per cent)	0	0	0	0	15,210 (27)	9,616 (19)

Source: Departmental records

From **Table 2.3.5**, it appears that there was shortfall in coverage of 03 (2021-22) to 19 (2022-23) *per cent* in respect of children. In respect of pregnant and lactating women the coverage was 100 *per cent* up to 2021-22, however, there was shortfall of 43 and 10 *per cent* during 2022-23 and 2023-24 respectively. In respect of adolescent girls, the coverage of beneficiaries was 100 *per cent* up to 2021-22 and there was shortfall of coverage of 27 and 19 *per cent* during 2022-23 and 2023-24 respectively.

Position of eligible, coverage and shortfall in coverage of supplementary nutrition in the sampled projects is depicted in **Table 2.3.6**.

Table 2.3.6: Details of coverage of beneficiaries in sampled projects

Category of beneficiaries	Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Children (6 months to 6 years old)	Eligible	1,19,933	1,28,553	1,28,320	1,24,953	1,20,158	1,03,350
	Enrolled	1,19,185	1,28,303	1,28,057	1,24,817	1,19,889	1,02,814
	Coverage	1,19,180	1,28,288	1,28,048	1,24,812	1,19,735	1,02,485
	Shortfall	753	265	272	141	423	865
Pregnant and Lactating Mother	Eligible	19,158	19,978	22,376	21,138	15,031	8,851
	Enrolled	19,132	19,944	22,330	21,102	14,901	8,446
	Coverage	19,125	19,937	22,325	21,098	14,795	8,409
	Shortfall	33	41	51	40	236	442
Adolescent Girls	Eligible	10,008	10,145	9,973	17,061	23,523	20,676
	Enrolled	9,970	10,021	9,943	17,049	23,369	20,416
	Coverage	9,963	10,013	9,936	17,044	23,360	20,408
	Shortfall	45	132	37	17	163	268

Source: Departmental records

As is evident from the **Table 2.3.6**, almost all the eligible beneficiaries had been enrolled and covered in respect of the sampled projects. However, information on the number of adolescent girls during 2018-2022 was not reliable, as the number of beneficiaries in the sampled projects exceeded the total number of beneficiaries in the State during these years. Reasons for the variation had been called for and the reply of the Department is awaited (September 2025).

The Department stated (March 2025) that prior to 2022-23, the scheme for Adolescent Girls had covered only out of School Girls in the age group of 11 to

14 years. The discrepancies observed by audit were attributed by the Department to the inclusion of adolescent girls in both the 11 to 14 years and 14 to 18 years age groups and it furnished revised information on the number of adolescent girls in the sampled projects.

The reply of the department is not acceptable as the audit observations were based on the information furnished by the Department for the sampled projects at the time of audit. Hence, the data furnished by the Department was not reliable.

Further, in the Health Management Information System (HMIS) report of the Health Department, GoM, discrepancies were observed in the number of pregnant women and lactating mothers identified for SNP under ICDS. As per HMIS reports, the number of pregnant women during 2018-2024 ranged from 45,641 to 59,589. Out of the six years' period, in four years 2018-2022, the number of pregnant women recorded in HMIS was lower than the beneficiaries identified by the Directorate of Social Welfare. However, in 2022-23 and 2023-24, HMIS reported 58,173 and 59,589 pregnant women respectively, whereas the Directorate identified only 56,078 and 19,447 beneficiaries. This highlighted a gap between the information in HMIS and the Directorate of Social Welfare. As such, not all pregnant and lactating women eligible for SNP had been identified by the Department during 2022-23 and 2023-24.

The Department stated (March 2025) that during 2023-24 it could not enrol all new beneficiaries as the state was facing a widespread internet ban due to unrest in Manipur since 03 May 2023, which resulted in reduction in the number of beneficiaries. The fact remained that reliable identification and enrolment of all eligible adolescent girls, pregnant women, and lactating mothers had not been ensured, reflecting lapses in monitoring, data management, and implementation of the scheme.

2.3.8.3 Non-lifting of WBNP rice

Wheat Based Nutrition Programme (WBNP) was started in January 1986. Under the scheme, foodgrains (wheat/ rice) are annually allocated from Central Reserve to the Ministry at BPL rates by the Department of Food and Public Distribution. These are subsequently allocated to the States for use in Supplementary Nutrition Programme. The purpose is to reduce the procurement cost of the Supplementary nutrition and ensure the availability of more foodgrains for the beneficiaries.

Government of India allocated (September 2019) 3,000 MT of rice each for third and fourth quarters of 2019-20 under the WBNP and National Food Security (NFS) Act at the subsidised price of ₹Three per Kg. The Directorate of Social Welfare deposited (27 December 2019) ₹1.80 crore to the FCI for 6,000 MTs of rice at the rate of ₹Three per kg. The Directorate requested (13 March 2020) for issue of release order to the FCI along with project wise allocation. The validity period for lifting of un-lifted quantity of 3,000 MT of

rice for the fourth quarter of 2019-20 was extended up to 27 March 2020. However, the Directorate could not lift the quantity of rice within the validity date due to lock down to prevent COVID 19.

Further, the Directorate requested (28 March 2020) the FCI to extend the validity period up to 30 April 2020. However, there was no record of any extension granted by the FCI. Thus, the Department did not lift 3,000 MT of rice for the fourth quarter of 2019-20 meant for SNP for 3,77,140 enrolled beneficiaries during 2019-20, including 3,22,186 children (six months to six years) and 54,954 pregnant and lactating mothers.

The Department stated (March 2025) that the FCI Regional office, Manipur had extended the validity period for lifting of the rice upto 27 March 2020, the order of which was received by the Department on 06 March 2020. The GoM announced a total lockdown with effect from 23 March 2020.

The reply of the Department is not acceptable as the allocation of rice was made in September 2019 and the requisite amount was deposited with the FCI in December 2019. However, the Department did not lift the allocated rice till 22 March 2020 *i.e.* before the lockdown was imposed. Thus, the non-lifting of rice was due to inaction on the part of the Department and not because of the COVID-19 lockdown.

The non-lifting of 3,000 MT of rice adversely affected the implementation of the SNP for 3,77,140 beneficiaries. The Department's delay compromised the objective of ensuring timely availability of subsidized foodgrains for the intended beneficiaries.

2.3.8.4 Distribution of WBNP rice

Supplementary nutrition was to be served for a minimum of 300 days in a calendar year *i.e.* on an average of 25 days in a month, with respect to morning snacks, hot cooked meals and take home ration. In respect of rice, 100 gram per day were to be provided to children and Pregnant and Lactating Mother. During 2018-19 to 2023-24, the quantity of rice required to meet the minimum standard, the quantity of rice distributed to 43 projects and details of rice provision to the beneficiaries are shown in **Table 2.3.7**.

Table 2.3.7: Details in provision of WBNP rice in the State

Year	No. of beneficiary		Recommended Quantity of rice per day (in gram)	Total requirement for 300 days (in kg)			Provision of rice to beneficiaries (kg)	Shortage in provision of rice in days
	Children	PLM*		Children	PLM	Total		
2018-19	3,58,891	65,999	100	1,07,66,730	19,79,970	1,27,46,700	1,97,87,000	Nil
2019-20	3,22,186	54,954	100	96,65,580	16,48,620	1,13,14,200	1,30,00,000	Nil
2020-21	3,18,073	53,318	100	95,42,190	15,99,540	1,11,41,730	1,36,22,530	Nil
2021-22	3,46,269	56,554	100	1,03,88,070	16,96,620	1,20,84,690	1,23,83,000	Nil
2022-23	2,52,291	32,242	100	75,68,730	9,67,260	85,35,990	96,72,000	Nil
2023-24	2,55,105	17,556	100	76,53,150	5,26,680	81,79,830	87,52,400	Nil

Source: Departmental records

* PLM: Pregnant and Lactating Mother

As can be seen from **Table 2.3.7**, the Department provided sufficient provision of WBNP rice during 2018-19 to 2023-24 under SNP.

Details of provision of WBNP rice in respect of 13 Sampled Projects during 2018-19 to 2023-24 are depicted in **Table 2.3.8**.

Table 2.3.8: Details in provision of WBNP rice in sampled projects

Year	No of beneficiary (furnished by dept)		Recommend d Quantity of rice per day (in gram)	Total requirement for 300 days (in kg)			Provision of rice to beneficiaries (kg)	Shortfall (-) in provision of rice in days
	Children	PLM		Children	PLM	Total		
2018-19	1,19,180	19,125	100	35,75,400	5,73,750	41,49,150	74,97,913	Nil
2019-20	1,28,288	19,937	100	38,48,640	5,98,110	44,46,750	51,46,758	Nil
2020-21	1,28,048	22,325	100	38,41,440	6,69,750	45,11,190	55,05,900	Nil
2021-22	1,24,812	21,098	100	37,44,360	6,32,940	43,77,300	49,70,500	Nil
2022-23	1,19,735	14,795	100	35,92,050	4,43,850	40,35,900	37,96,500	-18
2023-24	1,02,485	8,409	100	30,74,550	2,52,270	33,26,820	34,81,971	Nil

Source: Departmental records

As can be seen from **Table 2.3.8**, there was shortfall in 2022-23 for 18 days.

2.3.8.5 Scheme for Adolescent Girls

The Ministry of Women and Child Development issued (August 2018) Administrative guidelines for implementation of the scheme for Adolescent Girls (SAGs). As per the guidelines, a special intervention is provided for out of school adolescent girls in the age group of 11-14 years using the ICDS infrastructure with an aim of breaking the inter-generational life-cycle of nutritional and gender disadvantage and providing a supportive environment for self-development. However, under POSHAN 2.0 the scheme for Adolescent Girls was revised (August 2022) and the targeted beneficiaries were revised to Adolescent Girls in the age group of 14-18 years instead of out of school girls in the age group of 11-14 years.

The audit findings on the implementation are discussed in the succeeding paragraphs.

2.3.8.5.1 Non-lifting of rice for adolescent girls

As per the information available on the website of the Ministry of Women and Child Development, GoI, on the allocation of food grains under the scheme for adolescent girls, the details of allocations of rice made for the State of Manipur during the period 2018-2024, are given in **Table 2.3.9**.

Table 2.3.9: Details of allocation of rice for adolescent girls

Year	Date of allocation by the Ministry	Relevant quarters	Quantity in MT
2018-19	19-06-2018	1 st Quarter of 2018-19	15.21
	04-07-2018	2 nd Quarter of 2018-19	45.63
	26-10-2018	3 rd Quarter of 2018-19	45.63

Year	Date of allocation by the Ministry	Relevant quarters	Quantity in MT
2019-20	20-03-2019	1st Quarter of 2019-20	48.01
		2 nd Quarter of 2019-20	48.01
	02-01-2020	3 rd Quarter of 2019-20	64.00
		4 th Quarter of 2019-20	
2020-21	18-05-2020	1 st Quarter of 2020-21	38.90
		2 nd Quarter of 2020-21	38.90
2022-23	12-12-2022	3 rd and 4 th Quarter of 2022-23	673.88
2023-24	09-08-2023	2 nd and 3 rd Quarter of 2023-24	631
	05-02-2024	4 th Quarter of 2023-24	304
Total			1,953.17

Source: Ministry's website and Departmental records

Audit observed that the Directorate did not lift rice during 2018-19 and 2020-21, (the allocation for the year 2021-22 was neither available on the website nor in the records of the Directorate). The Directorate lifted the quantity allocated for the third and fourth quarters for the year 2022-23 and the second, third and fourth quarters of 2023-24 only.

As per the records, adolescent girls were provided rice during 2019-20, 2022-23 and 2023-24 only throughout the six year period. During the year 2018-19, the Directorate released (March 2019) ₹95.30 lakh to 30 out of 43 ICDS projects for providing supplementary nutrition to 3,344 beneficiaries. In 13 test checked projects, it was noticed that the adolescent girls were provided Supplementary nutrition without rice during 2018-19.

The non-lifting of rice by the Directorate during multiple years resulted in adolescent girls not receiving the full entitlement of supplementary nutrition under the scheme. This adversely affected the intended nutritional support and implementation of the programme in 13 sampled projects during 2018-19.

2.3.8.5.2 Shortage of supplementary nutrition

Supplementary nutrition shall be served for a minimum of 300 days in a calendar year *i.e.* on an average 25 days in a month with respect to Morning snacks, hot cooked meals and take home ration. In respect of rice, adolescent girls were to be provided 100 gram per day per adolescent girl of 14 to 18 years. During 2019-20, 2022-23 and 2023-24, the Directorate provided 1673.03 MT of rice to the adolescent girls under 43 ICDS projects. The rice provided by the Directorate was far below the requisite quantity as shown in **Table 2.3.10**.

Table 2.3.10: Details of shortage of supplementary nutrition for adolescent girls

Year	Number of adolescent girls covered	Requisite quantity of rice for the year (in MT)	Actual quantity provided (in MT)	Shortage (in MT)
2019-20	3,384	101.52	64.00	37.52 (37 per cent)
2022-23	41,261	1,237.83	673.88	563.95 (46 per cent)
2023-24	41,080	1,232.40	935.15	297.25 (24 per cent)
Total	85,725	2,571.75	1,673.03	898.72

Source: Departmental records

It is evident from **Table 2.3.10**, there was shortage in provision of rice for the adolescent girls by 898.72 MT (34.95 *per cent*) for the year 2019-20, 2022-23 and 2023-24 *i.e.* during the years in which rice was provided to adolescent girls.

2.3.8.5.3 Diet Diversity

As per Paragraph 3.4 of Saksham Anganwadi, Nutrition should aim at providing quality protein and essential micronutrients. Local dietary inputs and fresh produce such as green vegetables, fruits, medicinal plants and herbs, fortified rice was to be actively encouraged in prescription of meals to be served to different categories of beneficiaries under the Scheme to promote health, wellness and immunity and to manage anaemia. The beneficiaries were to be provided nuts and oilseeds in order to provide energy, protein as well as fats. The food items for Take Home Ration (not raw ration) and Hot Cooked Meals (HCM) were specific to the States and shall include locally grown/ available wholesome fruits and vegetables. Food ingredients used in Supplementary Nutrition shall comprise cereals, pulses (coarse grains), nuts and some fat to increase the energy content.

In the 13 test checked projects, Audit observed that during the period 2018-19 to 2023-24, beneficiaries were provided take home ration and hot cooked meals comprising rice, edible oil, cereals and pulses. In Manipur, vegetables and fruits such as cabbage, cauliflower, beans, mangoes, guava and pineapples *etc.*, are available. However, locally grown/ available wholesome fruits and vegetables and nuts were not provided to the beneficiaries. Thus, the State could not provide the benefits of diet diversity to the beneficiaries under the scheme.

The Department stated (March 2025) that it was unable to provide wholesome fruits and nuts as these are costly. However, Anganwadi workers and helpers included locally available vegetables while preparing Hot cooked meals.

The reply of the Department is not acceptable as there was no record for procurement of locally available vegetables by the Anganwadi workers.

The non-provision of locally available fruits, vegetables and nuts deprived beneficiaries of the intended diet diversity under the scheme. This limited the nutritional adequacy of supplementary nutrition provided through the programme.

2.3.8.5.4 Absence of Nutri Garden

As per Paragraph 3.12 of POSHAN 2.0, POSHAN Vatikas can meet the important dietary diversity gap. POSHAN Vatikas (kitchen gardens and nutri-gardens) shall be set up at or near Anganwadi Centres, wherever possible and in Government led schools and Gram Panchayat lands where benefits can easily be provided to women and children.

In test check of 100 AWCs, audit observed that none of the AWCs practiced cultivation of vegetable, fruits, important herbs, *etc.* within their jurisdiction. It was also observed that the hot cooked meal did not comprise dietary inputs such as fresh green vegetables *etc.* There was no record of provision of fresh

vegetables and fruits to the beneficiaries. Thus, the State had not taken steps to establish gardens that could serve as demonstration activity sites for children and promote healthy eating habits.

The Department stated (March 2025) that noting the value of POSHAN Vatikas at or near AWCs, more attention would be paid to maximise the POSHAN Vatikas by proposing in the APIP as per scheme guidelines with the allocation of funds to the AWCs. Thus, The absence of gardens and fresh dietary inputs in AWCs limited opportunities for children to experience healthy eating habits, undermining the objectives of the SNP and demonstration activities for nutrition education.

2.3.8.6 Absence of testing of food provided in AWC for quality

The scheme prescribed mandatory laboratory checks of the food materials being used for providing Supplementary Nutrition in order to ensure that the food material contain the required nutrition component. States should ensure that the quality of Supplementary Nutrition – Take Home Ration and Hot Cooked Meal-are being provided with reference to the norms of food safety as well as nutrient composition. Supplementary Nutrition must conform to prescribed standards laid down under the Food Safety and Standards Act, 2006 and regulations made there under to ensure consistent quality and nutritive value per serving. Quality testing was to be done through Food Safety and Standards Authority of India (FSSAI) owned or authorised laboratories. State Government needs to carry out periodic checks and get Supplementary Nutrition tested through the FSSAI owned/ registered/ empanelled/ accredited laboratories for adhering to food quality standards and testing in consultation with FSSAI.

Under the scheme, AWCs distributed Daliya sweet, Upma kheer, khichidi rice and pulse-based milk and hot cooked meals to children aged three to six years. It was observed that the food provided to children was never tested during the period from 2018-19 to 2023-24 to ensure its quality and nutritive value or compliance with the standards prescribed under the Food Safety and Standards Act, 2006. As a result, the Department could not ensure that children received food of standard quality and adequate nutritive valued under the SNP.

While accepting the audit observation, the Department stated (March 2025) that testing of food was not conducted regularly and that it would take steps to ensure the food was tested periodically in future. Thus, the intended objective of providing safe and nutritionally adequate food to children in AWCs remained unachieved during the period under review.

2.3.8.7 Inadequate PSE kits and activity books

As per the Guidelines for provision of Pre-School Education (PSE) Kits for AWCs, the non-formal PSE under the scheme is a crucial component of ICDS. It aims at the holistic development of young children. The PSE is imparted through a play-based and activity-based approach. To make AWCs child friendly centres, the AWCs should be equipped with locally appropriate play

material aids. (PSE kit including activity books shall be provided each year for all Anganwadi Centres in the State. Any preschool care and education centre should have adequate and varied supply of play equipment and materials which are developmentally and age appropriate) PSE Kit shall be provided to all operational AWC at the rate of ₹3,000 per AWC and ₹1,500 per mini AWC per annum (*w.e.f.* August 2022 the rates were revised as ₹5,000 per AWC/ mini AWC once in five years)

Audit observed that the Directorate procured PSE kits for ₹2.41 crore during 2018-19 and activity books in 2019-20 for ₹78.58 lakh (1.50 lakh copies) for all 11,510 AWCs. Thereafter, no procurement of PSE kits and activity books took place. In respect of PSE kits, the number of items to be procured was 26, based on the requirement for the AWCs. Out of the 26 items delivered by the firm, the Department found that two items *i.e.* Super block and Plastic ball did not conform to the samples submitted by the firm at the time of technical bid and were rejected. However, the Department did not procure the two items *viz.*, super block and plastic ball, identified as required for the ECCE, as of March 2024.

Thus, inadequacies in play material aids in AWCs defeated the objective of making AWCs child friendly centres.

In 100 test-checked AWCs, Audit observed that PSE kits were not adequate and activity books were exhausted.

The Department stated (March 2025) that due to paucity of fund PSE kits and activity books could not be procured on annual basis and that a tender for the two items *i.e.* Super Block and Plastic Ball would be floated at the earliest. However, this does not mitigate the fact that during the period under review, AWCs were not adequately equipped with PSE kits and activity books, compromising the objective of providing child-friendly learning environments.

2.3.8.8 Infrastructure of Anganwadi Centres

An Anganwadi Centre is the focal point for delivery of ICDS services. In order to discharge the function effectively, the AWCs require basic infrastructure. As per the norms, AWCs must have a separate sitting room for children/ women, separate kitchen, store for storing food items, child friendly toilets, separate space for children to play (indoor and outdoor activities) and safe drinking water facilities.

During Joint Physical Verification (November 2023-January 2024) of 100 sampled AWCs, audit observed that in majority of the cases, the AWC buildings were in dilapidated conditions and not fit to effectively function as AWCs. There were no basic facilities such as proper building, toilets, drinking water facilities, space for indoor and outdoor activities of children, as shown in photographs grouped under **Photograph 2.3.1**.

Photograph 2.3.1



Phojing Makha Awang Leikai, Bishnupur without basic facilities



Konthoujam Mamang ST, Imphal West without toilet facilities



Thanga Heisnam Leikai, Bishnupur without toilet facilities



Takhellambam Konjil Mayai Leikai, Imphal West without toilet facilities

Results of the JPV are summarised below.

- Each AWC was to be equipped with Growth Monitoring Devices (GMDs) comprising of Stadiometer³⁶, Infantometer³⁷ and Weighing Scale for Infant and Mother and Child. Use of growth monitoring devices would enable to accurately record height and weight of children, identification of SAM/ MAM children, treatment protocols for malnourished children in the community level, conditions under which to refer children for medical help or to Nutritional Rehabilitation Centres, active monitoring of SAM children. In 100 test-checked AWCs, it was observed that GMDs were not working in three AWCs and only weighing scale was not working in 51 AWCs.
- AWWs were also equipped with smart phones for uploading basic information in Poshan tracker on real time basis. Of 100 AWWs, smart phones were not in working condition in respect of 23 AWWs.
- Toilets facility was not available in 97 AWCs out of 100 test-checked AWCs. In two AWCs, though toilets were in place, the same were in dilapidated condition and not fit for use.
- AWCs should have an adequate supply of potable water with appropriate facilities for its storage, distribution for processing and cooking food. However, of 100 test-checked AWCs, drinking water facilities was not available in 94 AWCs.

³⁶ Equipment used for measuring human height.

³⁷ An Infantometer is used to measure an infant's length. It's a length and height measurement device.

- In all the test checked AWCs, separate spaces for cooking (kitchen) as well as space for storage of food items were not available.
- Electricity was not available in 98 out of 100 test-checked AWCs.
- In all the test checked AWCs, there were no LPG connections for cooking of food.
- White boards/ Black boards were not available in 74 AWCs.
- The Early Childhood Care and Education (ECCE) classroom arrangement must be flexible, which can be adjusted to lesson plans and activities, such as large groups for singing, story-telling and smaller groups for activities like drawing, blocks and for individual play. It should also have learning/ activity ‘corners’, such as creative corner, book corner, game corner, so that the children can play according to their interests and choose their activity. The outdoor environment plays an equally important role in the development of children as it provides a space for play, exploration and social interactions. It is mandatory that all children must have the opportunity to engage in daily outdoor physical activity. However, separate space for indoor and outdoor activities of children was not present in 99 test-checked AWCs.
- It is essential to display children’s art work and projects on the wall. This helps children to remember the activities in which they participated and fosters their self-esteem, as they feel their work is valued. However, there was no display of children’s artwork and projects in any of the test checked AWCs.
- The Sanitary block required for waste disposal was absent in 100 AWCs (100 *per cent*).

Inadequate infrastructural support to AWCs and absence of toilets and drinking water in the AWCs put the young children and pregnant and lactating mothers in unhygienic condition and fraught with risk of being contaminated with various diseases. The infrastructural deficiencies at the AWCs were adversely affecting the quality of services rendered by them. As a result, the Department could not achieve the goal of repositioning the AWC as a “vibrant focal centre” under ICDS mission mode to become the first village outpost for health, nutrition and early learning.

The Department stated (March 2025) that the Directorate had issued instruction to the Sectors to provide basic amenities.

However, mere issuance of instructions did not translate into tangible improvements on the ground and the infrastructural gaps continued to compromise the achievement of the objectives of the scheme. The persistent lack of basic infrastructure in AWCs compromised the delivery of health, nutrition and early learning services, highlighting the need for timely provision and maintenance of essential facilities to ensure a safe and child-friendly environment.

2.3.8.9 Medicine kit

Medicine kit includes medicines and other items for common ailments. It is a first aid kit for use in AWCs. As per Paragraph 7.6 of the Framework, medicine kit is to be provided to the AWCs annually.

Audit observed that the Directorate procured 11,510 medicine kits during 2021-22 and issued to the AWCs. The AWCs did not receive medicine kits during the period 2018-19 to 2020-21 and 2022-23 to 2023-24. The State did not procure medicine kits on an annual basis, which had a direct bearing on their availability at the AWCs.

During JPV (January 2024) of 100 AWCs, Audit observed that no medicine kits were available in these AWCs. Non-availability of medicine kits for controlling common ailments like fever, cold, cough, worm infestation, *etc.* including medicines and basic equipment for first aid would result in exposure of young beneficiaries under the scheme to the vulnerability of common ailments.

The Department attributed (March 2025) the reason for inadequate provision of medicine kits to the non-availability of adequate funds. The Department also added that sufficient funds had been allocated for procurement of medicine kits and the procurement of medicine kits for the year 2024-25 was under process.

However, this did not address the fact that children and beneficiaries were deprived of essential medicines during the period under review, affecting the delivery of health services at AWCs. The delay in providing medicine kits compromised the health and well-being of children and beneficiaries, highlighting the need for timely allocation and utilisation of funds to ensure uninterrupted medical support at AWCs.

2.3.8.10 Uniforms for AWW/AWH

AWW and AWH are the community based frontline workers of the ICDS. They are the central figure at the AWCs due to their continuous contact with the village people especially women and children they contact with. With a view to recognise their role and give them an identity under the ICDS scheme, GoI decided (2009-10) to provide uniform to these workers. The uniform would comprise two sets of sarees/ local dress at the rate of ₹400 each per year.

Audit observed that during the years 2018-19 to 2023-24, the AWWs/ AWHs were provided uniforms during 2020-21 (April 2021) only. The AWWs/ AWHs were not provided uniforms annually.

The Department attributed (March 2025) the reason for inadequate provision of uniforms to non-availability of adequate funds. The Department also added that sufficient funds had been allocated for procurement of uniforms and the procurement of uniforms for the year 2024-25 was under process.

However, this did not mitigate the fact that the AWWs/ AWHs were deprived of uniforms for several years during the period under review, affecting uniformity, visibility and service delivery at AWCs. Thus, the non-provision of

uniforms annually to the AWWs/ AWHs reduced the impact and efficacy of their professional identity and the standards prescribed under the scheme, highlighting the need for timely allocation and procurement to ensure compliance with guidelines.

2.3.8.11 Construction of Model Anganwadi Centres

The objective of converting existing AWCs into model AWCs was to provide child-friendly toilets, wash basins, safe drinking water facilities, play toys, child-friendly furniture, brightly coloured walls, LPG connections and other amenities so as to facilitate joyful learning for children and encourage their attendance at the AWCs.

The State Level Sanctioning Committee (SLSC), in its meeting held in March 2020 accorded approval of ₹1.68 crore for the construction of 16 model AWCs, one in each district. Similarly, in its meeting held in January 2021, the Committee accorded approval for the construction of another 16 model Anganwadi Centres, one in each district under the innovation component of Poshan Abhiyan. Thus, the Committee had agreed to the proposal for construction of 32 model AWCs, two in each district. The GoM accorded administrative approval and expenditure sanction for ₹3.28 crore and the fund was deposited to Technical Promotional (TP) Cell, Registrar of Cooperative Societies (RCS), Manipur, as detailed in the **Table 2.3.11**.

Table 2.3.11: Details of fund transferred to Work Agencies

(₹ in lakh)

Date of sanction	Amount	No. of unit	Unit cost	Amount deposited to TP Cell	Deposited to
5 March 2021	160.00	16	10.00	149.74	EE, TP Cell, Hill I RCS
7 January 2022	168.32	16	10.52	168.32	EE, TP Cell, Valley I RCS
Total	328.32	32	-	318.06	-

Source: Departmental records

Audit observed that construction of two Model AWCs *viz.* Chakpikarong (Lower Tampi) and Ukhrul (Lungchong Meiphai, Tuinam) was not commenced as of August 2022 due to land issue. However, current status of the construction was not on record of the Directorate.

Further, during JPV (November 2023- January 2024) of the four model AWCs in sampled districts *viz.* Bishnupur and Imphal West districts with the departmental authority, Audit observed the following:

(i) *Model AWC at Bishnupur ward no.5*

- The model AWC had been constructed in the premises of a private individual at Ward No. 5 Bishnupur. The AWC was not functioning in the Model AWC as the land owner had not allowed entry of the officials and children into the premises. Also, the land owner had not permitted installation of play equipment around the newly constructed Model AWC.

- Another Model AWC was functioning in the residential building of the AWW. Although play equipment had been installed but toilet, wash basin, LPG connection and drinking water facilities were not available. The weighing machine was found to be not working properly.
- In respect of the Model AWC at Bishnupur Ward No.7, audit noticed that drinking water facility, wash basin, electric connection, LPG connections *etc.* were not available. The weighing machine was also found to be not working properly.

Thus, the objective of converting the existing AWC to model AWC with basic infrastructure had not been fully achieved.

The Department stated (March 2025) that the land donor and the incumbent AWW had some personal issues due to which functioning of the AWC had been disturbed. The Department further stated that the Directorate had initiated corrective measures and the land donation deed had been signed between the land owner and the CDPO, Bishnupur.

Thus, the fact remained that the Model AWC Centre at Ward No. 5, Bishnupur was not functioning in the newly constructed building despite these measures.

2.3.8.12 Delay in construction of AWCs

The GoI sanctioned (31 May 2016) ₹20.25 crore as Grants-in-Aid during 2016-17 for construction of 1,000 AWC buildings under phase VI. As per the Ministry's instruction, the State Government was required to ensure that the funds so released were utilised within the current financial year or within six months from the date of release of funds. Accordingly, the State Government should have utilised the funds within the financial year 2016-17. However, the GoM accorded (July 2020) administrative approval and expenditure sanction for ₹19.35 crore being 1st instalment of Central share for construction of 956 AWC buildings. The Directorate of Social Welfare transferred the sanctioned amount to the concerned districts in August 2020. However, funds for construction of 44 AWCs building could not be released to the concerned districts due to non-availability of land for construction of the buildings. Thus, there was a delay in release of funds by GoM to the implementing agencies for more than three years. This had resulted in delay in completion of the AWCs and many AWCs continued functioning in rented premises.

The Directorate also drew (March 2021) ₹2.05 crore being the State share for construction of AWC buildings. Further, the GoM accorded (30 March 2022) administrative approval and expenditure sanction for ₹89.10 lakh. The Directorate of Social Welfare drew the amount in March 2022 being the first instalment for construction of the 44 left out AWC buildings. On scrutiny of reports on construction of AWC buildings, Audit observed that as of March 2024 construction of 64 AWC buildings had been completed out of 956. The details of District-wise construction status of AWCs are given in **Appendix 2.13**.

Audit further observed that there was no report on the status of construction of 44 Anganwadi Centre buildings for which first instalment was released in March 2022. Thus, altogether 936 Anganwadi centre buildings remained incomplete as of March 2024 after incurrence of an aggregate expenditure of ₹22.30 crore.

The Department stated (March 2025) that due to non-finalisation of guidelines for construction of AWC in time, the Directorate of Social Welfare released the fund only in 2020. The Ministry did not release the balance fund which had caused delay in completion of the AWC buildings.

The Department also stated (March 2025) that the construction of AWC buildings were entrusted to DRDAs in 2020. The Ministry had refused to release 50 per cent of the fund due to closure of the scheme. Out of 1000 AWCs, fund for 44 AWCs was released in 2022, but these 44 AWCs remained incomplete.

The reply of the Department is not acceptable as the Department did not ensure timely utilisation of funds sanctioned in 2016-17 and did not effectively monitor the progress of construction works. As a result, the objective of constructing AWC buildings under Phase VI could not be achieved even after incurring an expenditure of ₹22.30 crore.

2.3.8.13 Delay in construction of Anganwadi Toilets and drinking water facilities

For construction of toilets in AWCs and provision of drinking water in the AWCs, GoI released ₹9.18 crore during the years 2017-18 to 2019-20 with the unit cost of ₹12,000 for toilet and ₹10,000 for drinking water facilities respectively as shown in Table 2.3.12.

Table 2.3.12: Details of funds received

(₹ in lakh)					
Year	No. of AWCs where toilets to be constructed	Fund released	No. of AWCs for drinking water	Fund released	Total fund released
2017-18	973	105.09	439	39.51	144.60
2018-19	5,796	625.97	439	39.51	665.48
2019-20	698	75.38	361	32.49	107.87
Total	7,467	806.44	1239	111.51	917.95

Source: Departmental records

The amount sanctioned for construction of 973 toilets *i.e.* ₹1.05³⁸ crore had been deposited (January 2022) to Technical and Promotion (TP) Cell Valley I. Further, ₹39.51 lakh sanctioned by the GoI during 2017-18 had been disbursed (July 2020) to 439 AWCs for providing drinking water facilities at the rate of ₹9,000 per unit. The Directorate had also released ₹7.18 crore (*Appendix 2.14*) to TP Cell (Valley II), Health and Family Welfare (August 2022) for construction of toilets and drinking water facilities.

Subsequently, the unit cost for construction of toilets approved during 2017-18 to 2019-20 had been revised (September 2022) by the GoI from ₹12,000 to

³⁸ Deposited ₹97.38 lakh after deduction of ₹7.70 lakh as labour cess and agency charges

₹36,000. Thus, after revision of unit cost, an amount of ₹16.13 crore³⁹ had been released (March 2023) by the Ministry for completion of the project. The Directorate of Social Welfare released ₹13.06 crore (September 2023) to TP Cell for construction of toilets. Audit observed that the toilets remained under construction as of June 2024.

The funds provided by the Ministry was under the 'Swachh Action Plan' with the objective of achieving total sanitation and cleanliness by 02 October 2019, which could not be achieved as of March 2024. Also, AWCs had been deprived of basic infrastructure facilities due to non-completion of works.

The Department stated (March 2025) that the works were in good progress and nearing completion. The fact, however, remained that the AWCs continued to be deprived of basic sanitation and drinking water facilities despite availability of funds.

2.3.8.14 Idle stock of smart phone

As per Paragraph 4.2.3.2 of administrative guidelines on National Nutrition Mission, all AWWs will be equipped with a smart phone for capture of data and Lady Supervisors with a tablet. These devices were to be procured at State/ UT level and pre-loaded with the application software.

Rule 144 of General Financial Rules states that while making public procurement, the specifications in terms of quality, type *etc.*, as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The rule *ibid* also provides that care should be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.

The Directorate of Social Welfare worked out the total requirement of smartphone to 12,549 as detailed in **Table 2.3.13**.

Table 2.3.13: Details of requirement of smartphones

No. of post for Supervisor sanctioned	AWCs	District Coordinator	Block Coordinator	Actual no. of mobile required	Add 5 per cent of actual no. of mobile required	No. of mobile to be procured
391	11,510	13	38	11,952	597	12,549

Source: Departmental records

It was observed that as of March 2024, the Directorate had procured 12,549 smartphones out of which 11,518 were distributed to the AWWs. Of these, replacement of 33 smartphones was made due to technical defect in the devices already issued to AWWs. Thus, there remained a stock of 1,031 (including 33 defective devices, which were replaced with new devices). The smartphones were procured at the rates of ₹9,434 (9,949 Nos.) and ₹7,200 (2,600 Nos). Thus, there was an idle stock of smartphones valuing ₹96.10⁴⁰ lakh with the Directorate. It was further observed that the Directorate

³⁹ (90 per cent of ₹24000 x 7,467 Nos.) = ₹16.13 crore

⁴⁰ (₹9,434 x 979) + (₹7,200 x 52) = ₹96.10 lakh

did not issue the smartphones to the Lady Supervisors, District Coordinators and Block Coordinators. Procurement in excess of actual requirement raised concerns regarding the expenditure made on these smartphones, which were at risk of becoming obsolete in a rapidly evolving technological environment.

Moreover, as per the terms and conditions, the smartphones carried a one-year replacement guarantee from the Original Equipment Manufacturer (OEM). During July 2022 to January 2023, 33 defective smartphones were returned by AWWs, however, the Directorate did not record or initiate replacement claims with the supplier.

The Department stated (March 2025) that the requirement of smartphones had been projected by including an additional five *per cent* of total requirement in accordance with the scheme guidelines. The Department further stated that 377 smart phones had been distributed to the supervisors and 13 to AWWs of newly allocated AWCs in Particularly Vulnerable Tribal Groups (PVTG) areas of Mao Maram under Senapati Block. While 23 smartphones were reserved for the PVTG areas in Kangpokpi Block. The defective smartphones had been sent for repairing to the service centre and instructions were issued to the concerned officials to prevent recurrence of such lapses.

The reply of the Department regarding projection of five *per cent* extra smartphones was not acceptable, as the scheme guidelines (Shaksam Anganwadi and Poshan 2.0) did not provide for purchase of additional smartphones. The retention of a significant idle stock and non-utilisation of the OEM replacement guarantee indicate lapses in inventory management and adherence to supplier terms.

Thus, the procurement and management of smartphones were not aligned with actual requirement, resulting in idle stock and potential obsolescence. The absence of proper inventory control, untimely utilisation of warranty provisions and non-issuance of devices to all eligible personnel indicated ineffective and uneconomical use of resources.

2.3.8.15 Immunisation

Sub-Health Centre is responsible for carrying out immunisation of infants and two doses of Tetanus to pregnant women as per the National Immunisation Schedule (NIS) and Vitamin A and booster doses to the children would also be given on “Village Health Nutrition Days (VHND)” organised at the AWCs. Children between the age group of 0-1 year administered with different doses of vaccines started from BCG to first dose of Vitamin A as per NIS are considered as fully immunised. Audit, however, observed that the Department could not ensure full immunisation of children of the age group 0-1 year. The shortfall of immunisation ranged between 10 and 27 *per cent* during the years 2018-2024, as shown in **Table 2.3.14**.

Table 2.3.14: Status of immunisation of children

Year	Total number of children (0 to 1 year old)	Number of fully immunised children	Shortfall (per cent)
2018-19	42,020	34,977	7,043 (17)
2019-20	45,210	37,816	7,394 (16)
2020-21	44,530	33,616	10,914 (25)
2021-22	42,800	31,228	11,572 (27)
2022-23	42,946	33,688	9,258 (22)
2023-24	39,866	35,928	3,938 (10)

Source: Health Management Information System (HMIS)

Thus, the programme did not fully achieve its intended objective of providing full immunisation to eligible children.

The Department stated (March 2025) that necessary corrective action would be taken up in liaison with Health Department and the reasons for shortfall would be verified and necessary corrective measures would be taken up.

The reply of the Department was not adequate, as reliance on future liaison without documented accountability or timelines indicated weak programme supervision. Thus, the shortfall in ensuring full immunisation of children reflected deficiencies in programme implementation and monitoring at Sub-Health Centres and AWCs. The absence of coordination with the Health Department and lack of regular monitoring of immunisation coverage reflected non-initiation of prompt corrective measures as necessary to achieve the objectives of the National Immunisation Schedule.

2.3.8.16 Health Check up

Health check-up of children, pregnant and lactating mothers were to be provided by ANM and PHC staff at the AWCs. Audit observed that there was shortfall in antenatal care (ANC) to pregnant women and post-partum care to lactating mothers as detailed in **Table 2.3.15**.

Table 2.3.15: Shortfall in antenatal and post-natal care

Year	No. of pregnant women registered for ANC	No. of pregnant women receiving the prescribed ANC	Percentage of pregnant women receiving ANC	Total number of reported deliveries	No. of women getting post- partum check up	Percentage of women getting post-partum check up
2018-19	57,301	29,030	51	38,028	22,009	58
2019-20	55,346	30,525	55	39,373	20,439	52
2020-21	45,641	16,922	37	31,125	13,975	45
2021-22	47,058	16,564	35	29,322	10,089	34
2022-23	58,173	29,640	51	34,902	9,016	26
2023-24	59,589	36,922	62	33,285	6,963	21

Source: Health Management Information System (HMIS)

It can be seen from **Table 2.3.15** that the coverage of ANC to pregnant mothers ranged from 35 to 62 *per cent*, while post-partum care for mothers ranged between 21 and 58 *per cent*. Shortfalls in ANC to pregnant mothers and post-partum care to mothers could adversely affect the health of mothers and their infants.

The Department stated (March 2025) that Health Department had been requested (March 2025) to take up regular health check-up in AWCs.

The reply of the Department was not satisfactory, as requesting the Health Department does not fully address the existing shortfall in coverage. There was no evidence of systematic monitoring or follow-up to ensure that pregnant and post-partum mothers actually received the required care. Thus, inadequate provision of antenatal and post-partum care indicated gaps in programme implementation and monitoring. The absence of coordination with the Health Department, lack of regular monitoring of service delivery and non-initiation of timely corrective measures hindered the improvements in maternal health outcomes.

2.3.8.17 Care and Nutrition Counselling

Care and Nutrition Counselling is one of the core services for pregnant women and lactating mothers. This includes monitoring and promotion of infant and young child feeding promotion counselling, maternal care and counselling nutrition and health and hygiene education.

There was no substantial improvement in achieving the objective of development of nutritional and health status of children in the age-group 0 – 6 years and pregnant women, as shown in **Table 2.3.16**.

Table 2.3.16: Nutritional and Health Status of Children

Year	Number of newborns weighed at birth	Number of newborns having weight less than 2.5 kg (<i>per cent</i>)	Number of pregnant women receiving the prescribed ANC	Number having Hb<11 (<i>per cent</i>)	Number having severe anaemia Hb<7
2018-19	37,258	1,567 (4.21)	29,030	7,315 (25.20)	80
2019-20	39,168	1,566 (3.99)	30,525	7,418 (24.30)	69
2020-21	30,485	1,304 (4.27)	16,922	3,828 (22.62)	227
2021-22	29,019	1,515 (5.22)	16,564	4,708 (28.42)	146
2022-23	34,523	1,527 (4.42)	29,640	4,582 (15.46)	140
2023-24	33,167	1,854 (5.59)	36,922	3,219 (8.72)	92

Source: Health Management Information System (HMIS)

As can be seen from **Table 2.3.16**, the trend of low birth weight of newborn babies ranged between four to six *per cent* and anaemic pregnant women was in a reducing trend during 2020-21 to 2023-24.

2.3.8.18 Human Resource Management

The ICDS functionaries are the most crucial component of the program to ensure effective coverage and smooth delivery of the key services. Much of the implementation and convergence process depends on these frontline workers. Therefore, it is important to understand the problems of these human resources (HR), and the suggestions they have to make to improve the ICDS system.

The Broad Framework (2012) of ICDS suggested that all States must have a comprehensive Human Resource (HR) Policy with focus on development of effective and transparent appointment and selection policies, strengthening the

human resources, capacity development to ensure professional and child development services, welfare of the ICDS functionaries, etc.

The audit findings on human resource management are discussed in the succeeding paragraphs

2.3.8.18.1 Vacancies in field functionaries

It was observed that there were vacancies in the cadre of field functionaries as of February 2025. The position of sanctioned post and persons-in-position of field functionaries as of February 2025 is depicted in **Table 2.3.17**.

Table 2.3.17: Details of Categories of Post

Category of post	Sanctioned Strength	Persons-in-position	Vacancy
CDPO	43	38	5
Supervisor	391	377	14
AW Worker	11,552	11,164	388
AW Helper	11,552	9,727	1,825

Source: Departmental records

In the project level, there was vacancy of five CDPOs while there were 377 supervisors against the sanction of 391 thereby resulting in a vacancy of 14 supervisors. Further, there were also shortages of AWWs and AWHs. This would lead to overburdening of the existing field functionaries. This is a concern for the efficiency and effective implementation of the scheme.

While accepting the audit observation the Department assured (March 2025) that the vacancies would be filled up at the earliest.

The vacancies of key functionaries at the project level, including CDPOs, supervisors, AWWs, and AWHs, have resulted in an increased workload for the existing staff, potentially affecting the efficiency and effectiveness of scheme implementation. Prompt filling of these vacancies, as assured by the Department, is essential to ensure proper monitoring and delivery of services under the scheme.

2.3.8.18.2 Delay in payment of honorarium

The AWWs/ AWHs⁴¹ are offered honorarium for delivery of key ICDS services. Timely release of dues/ honorarium is very important to ensure that functionaries do not have to pay from their own pocket and are not demoralised by the delays.

Audit observed that honorarium to AWWs/ AWHs were often delayed by months. There were instances where these functionaries had not been paid honorarium for more than 20 months. Delay in payment of honorarium ranged from 01 to 20 months during 2018-19 to 2023-24 (**Appendix 2.15**). Delay in payment of honorarium may demotivate the field functionaries from effectively implementing the scheme.

⁴¹ Worker (Main): ₹5,500; Worker (Mini): ₹4,500; Helper: ₹3,100.

The Department stated (March 2025) that there was delay in payment of honorarium for ICDS functionaries before 2022. However, payment of honorarium had been made from the State Plan and hence delay had been minimised.

2.3.8.19 Capacity Building

Training and capacity building is the most crucial element in the ICDS scheme, as the achievement of the programme goals largely depends upon the effectiveness of frontline workers in improving service delivery under the programme.

The audit findings on capacity building are discussed in the succeeding paragraphs

2.3.8.19.1 Training needs assessment

The Directorate is responsible for identifying the training requirements of the frontline workers through a Training Needs Assessment (TNA) to ensure effective capacity building at all levels. The Directorate prepared TNA till 2019-20 in the form of State Training Action Plan and submitted to the Ministry (May 2019) and thereafter no TNA was prepared for the periods 2020-21 to 2023-24. Non-identification of training requirements hampers the implementation of the scheme and adversely affect the efficiency of field functionaries.

The Department stated (March 2025) that there was a liability of ₹77.67 lakh to be reimbursed to four Anganwadi Training Centres (AWTC) for conducting trainings during 2018-19 as funds were not released by the Ministry. Trainings had not been conducted since April 2019 for want of funds. Due to non-availability of funds for conducting trainings, TNA were also not done.

The reply of the Department is not acceptable as training needs analysis is mandatory and conduct of training on regular basis is necessary for implementation of the scheme.

2.3.8.19.2 Shortfall in capacity building of ICDS functionaries

As per Ministry's guidelines, training to Anganwadi services functionaries would be imparted at Government run AWTCs/ Middle Level Training Centres or National Institute of Public Cooperation and Child Development only. Induction training (one week's duration) would be imparted to newly recruited/ promoted CDPOs/ Supervisors/ AWWs within a period of one year of their recruitment/ promotion. Training to instructors (not more than one week's duration) wherever necessary would be done at National Institute of Public Cooperation and Child Development or Government run Training Institute.

In the State, there are four AWTCs, one is run by the Department of Social Welfare and the remaining three⁴² by Non-Governmental Organisations (NGOs). The State Training Action Plan for the year 2019-20 was submitted (May 2019) through MIS portal of ICDS Training programme. Audit observed that no training had been conducted in the training centres since 2018-19.

Job and Refresher training of AWWs were conducted during 2017-18 (covering 275 Anganwadi Workers) and thereafter no trainings had been conducted as of March 2024.

As of March 2024, out of 38 CDPOs, 30 (79 *per cent*) of them had received job training while 33 of them had received induction training. Also, out of 377 Supervisors, only 53 of them had received requisite job training with a backlog of 324 (86 *per cent*). Only 56 (15 *per cent*) Supervisors had received induction training. There was also backlog in providing job training to AWWs and AWHs. Shortfall in job training of AWW and AWH comprised of 25 and 44 *per cent*. A major chunk of the AWWs/ AWHs had not received induction training.

The shortfall in imparting requisite training would impede capacity building of the functionaries thereby resulting in an adverse impact in the successful implementation of the scheme.

The Department stated (March 2025) that conducting training at AWTC run by NGOs were allowed upto March 2020 by the Ministry. Proposal for setting up of one Middle Level Training Centre and two additional AWTCs to cope up the shortfall in training has been sent to the Ministry.

2.3.8.20 Non-supervision of construction of AWC buildings

As per Paragraph 1 of the guidelines on the construction of Anganwadi Centre (AWC) building (July 2021), the Directorate of Social Welfare shall be the nodal office for implementation of scheme for construction of AWC building. The Directorate is responsible for planning, supervision, co-ordination, monitoring and evaluation. The State level authorities should inspect at least three *per cent* of the total works sanctioned in the State and the District level authorities under the Social Welfare Department should inspect at least 25 *per cent* of the works sanctioned in the district.

Audit noticed that there were no records for carrying out physical inspection of works at both the State and District levels. As of March 2024, construction of 64 out of 1,000 Anganwadi Centres had been completed as discussed in **Paragraph 2.3.8.12**. However, there was no report on the status of construction of 936 Anganwadi Centre buildings for which first instalment has been released. Thus, altogether 936 Anganwadi centre buildings remained incomplete as of March 2024 after incurring an aggregate expenditure of ₹22.30 crore.

⁴² (i) Manipur State Council for Child Welfare Anganwadi Training Centre, Moirangkhom Bazar (AWTC I); (ii) Manipur State Council for Child Welfare (AWTC II); (iii) M/s Association of Professional Social Workers (AWTC III).

The Department had not furnished any specific reply on the audit observation (September 2025).

2.3.8.21 Lack of supervision at district and project level

Scheme guidelines envisaged that officials at all levels (State to Project) would physically visit Blocks/ AWCs at a prescribed frequency to assess the functioning of AWCs on following key parameters, delivery of services, quality of services, infrastructural issues, and community participation (PRIs, SHG, women group). Audit observed that during 2018-2024, there was a shortfall in visits of senior functionaries in the 13 sampled Projects as shown in **Table 2.3.18**.

Table 2.3.18: Details of visits to AWCs by the CDPO and Supervisors in the 13 sampled Projects

Sl. No.	Particulars		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1	Number of AWCs visited by the Supervisors during the year	Target	23,094	23,094	23,094	23,094	24,354	25,644
		Achievement	24,571	19,902	12,765	16,625	26,963	22,771
		Shortfall (per cent)	Nil	3,192(14)	10,329(45)	6,469(28)	Nil	2,873(11)
2	Number of AWCs visited by the CDPO during the year	Target	3,849	3,849	3,849	3,849	4,059	4,274
		Achievement	1,372	1,324	887	845	1,293	1,050
		Shortfall (per cent)	2,477 (64)	2,525 (66)	2,962 (77)	3,004 (78)	2,766 (68)	3,224 (75)
3	Number of AWCs jointly visited by CDPO with Medical Officer during the year	Target	540	540	540	600	660	720
		Achievement	374	338	201	387	556	521
		Shortfall (per cent)	166 (31)	202 (37)	339 (63)	213 (36)	104 (16)	199 (28)

Source: Departmental records

As depicted in **Table 2.3.18** shortfall in visit during 2018-2024 by the supervisors to the AWCs ranged from 11 to 45 *per cent*, while shortfall in respect of visit of CDPOs ranged from 64 to 78 *per cent*. There was also shortfall in joint visit of Medical Officers and the CDPOs which ranged from 16 to 63 *per cent*.

The Department while accepting the audit observation stated (March 2025) that the Department would coordinate to ensure regular visits of AWCs by Supervisors, CDPOs and MOs and a direction had been issued (February 2025) in this regard.

2.3.9 Audit objective: Whether effective awareness was created among the targeted beneficiaries under ICDS scheme?

2.3.9.1 Non-conduct of Information, Education and Communication (IEC) Activities

IEC strategy aims to create awareness and disseminate information regarding the benefits available under the various nutrition and health related government schemes and to guide the citizens on how to access them. This is in order to

encourage the communities to focus on promotive and preventive healthcare. These activities would be carried out through Print Media, Television, All India Radio and Social Media Campaigns.

Audit observed that in the Annual Programme Implementation Plan (APIP) for the years 2018-19 to 2022-23 there was no proposal for conduct of IEC activities. Proposal for IEC activities was incorporated in the APIP 2023-24 for implementation in all the 16 districts of the State. However, there was no record for conduct of IEC activities in any of the 13 sampled CDPOs.

The Department did not furnish any reply (September 2025).

2.3.9.2 Community based events

The community-based events are envisaged as a platform for disseminating essential messages and to counsel pregnant women and lactating mothers on appropriate health and nutrition behaviours and healthy practices. It provides an opportunity of face-to-face interaction between the beneficiaries, community representatives and facilitators. It further provides a forum wherein community support can be mobilised to motivate and enable the pregnant woman and mother to practice the behaviours being recommended. Community based events are required to be organised twice per month. For this, AWCs are entitled an amount of ₹250 per event to meet the incidental and other cost.

In 100 test-checked AWCs, Audit observed that Community Based Events (CBEs) were regularly organised by the AWWs. However, funds to meet the costs of these events were not released regularly and AWCs received payments only once during 2018-19 to 2023-24. Thus, the AWWs had to bear the expenditure from their own sources, leading to an increased burden on them.

The Department stated (March 2025) that the organisation of CBEs was depended on the release of funds by the Central and State Governments and events were conducted only when funds are released.

The non-availability of timely funds for CBEs places an undue financial burden on AWWs, which may affect their motivation and the effective conduct of community activities. Non-release of funds on a regular and timely basis hampers support to AWWs and adversely affects the effective conduct and impact of CBEs.

2.3.9.3 Social audit

Social audit is conducted by the intended beneficiaries and stakeholders, and therefore, assumes high policy relevance in monitoring of welfare programs. Social audit enhances public vigilance and accountability in implementation of scheme. Scheme Guidelines provides for undertaking of social audit of the implementation of ICDS scheme by the stakeholders such as Poshan Panchayats, Mothers' Groups and Village Health Sanitation and Nutrition Committees. The stakeholders would obtain direct feedback from the beneficiaries. Audit observed that there was no system of social audit in the

implementation of ICDS scheme in the State. Thus, the advantages of social audit for improvement in service delivery and challenges in implementation of the scheme as well as feedback of the beneficiaries could not be achieved.

The Department stated (March 2025) that the Department obtained feedback informally from those who availed the services under the scheme. However, a mechanism for social audit had not yet been put in place.

2.3.9.4 Shortfall in Village Health Sanitation and Nutrition Day (VHSND)

As per Paragraph 3.5.7.2 of the Administrative Guidelines for implementation of National Nutrition Mission, VHSND is a platform where the programmes are expected to converge and can be used for achieving effective integration of the field machinery of relevant Departments. VHSND is mandated in every village once every month where participation of Health and Nutrition functionaries (ASHA, ANM, AWW and AWH) along with sanitation and PRI workers should be ensured. The Voluntary Organisations, Self Help Groups and cluster federation are also required to attend the organisation of the VHSND. On this day, services like registration of all pregnant women, Anti Natal Care, weighing and recording of all children, vaccination, counselling are provided and various issues related to malnutrition, health and sanitation *etc.*, are discussed. Field workers *viz.*, AWW, ANM and ASHA can orient and generate awareness amongst the members on health and nutrition related issues. Hence, organisation of VHSND is indispensable at the village level.

From the data of the Health Management Information System (HMIS), National Health Mission (NHM), Manipur, Audit noticed that in the AWC level the State was mandated to organise 8,28,720⁴³ VHSND in the State during 2018-2024. However, only 1,12,054 (14 *per cent*) VHSNDs were organised during the period thereby resulting in shortfall of 86 *per cent* in organisation of VHSND at the AWC level.

Further, in the five test checked districts, mandated target and the position of observation of VHSND is as depicted in **Table 2.3.19**.

Table 2.3.19: Target and achievement in organisation of VHSND in AWCs in sampled districts

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Target in sampled districts	63,924	63,924	63,924	63,924	63,924	63,924	3,83,544
Achievement	10,873	11,576	6,413	7,169	14,929	6,921	57,881
Shortfall	53,051	52,348	57,511	56,755	48,995	57,003	3,25,663
Percentage of shortfall	83	82	90	89	77	89	85

Source: HMIS, NHM, Manipur

⁴³ 11,510 AWCs x 12 months x 6 years

Organisation of VHSND in the sampled districts was dismal. Shortfall ranged from 77 to 90 *per cent* during the period 2018-2024.

Therefore, the objectives of dissemination of awareness on nutrition and regular health check-up of mother and child on health and nutrition were not fulfilled.

The Department stated (March 2025) that the field functionaries had been instructed to coordinate with ANMs and ASHAs for regular conduct of VHSND.

2.3.10 Audit objective: Whether the delivery of services through ICDS was effective, efficient and economic in achieving the desired outcomes?

Outcome of the programme

The National Family Health Survey (NFHS) is a large-scale, multi-round survey providing information on fertility, infant and child mortality, the practice of family planning, maternal and child health, reproductive health, nutrition, anaemia, and utilisation and quality of health and family planning services in India.

2.3.10.1 Status of stunting, wasting, underweight children and malnutrition among women

Audit observed that as per the report of the NFHS, the State of Manipur was below All India average rate of stunting, wasting, underweight children and malnutrition among women. The percentage of wasting children increased from 6.8 to 9.9 from 2015-16 to 2020-2021 and also there was increase in underweight children in respect of the State. The position of the State in nutritional status in comparison with All India position is depicted in **Table 2.3.20**.

Table 2.3.20: Status of stunting, wasting, underweight and malnutrition
(Figures in per cent)

Category of Nutritional status		NFHS-4 (2015-16)	NFHS-5 (2019-21)
Stunting*	India	38.4	35.5
	Manipur	28.9	23.4
Wasting**	India	21	19.3
	Manipur	6.8	9.9
Underweight***	India	35.7	32.1
	Manipur	13.8	13.3
Malnutrition among women (19 to 49 years) i.e. BMI<18.5 kg/m2	India	22.9	18.7
	Manipur	8.8	7.2

Source: NFHS, MoH&FW
*Stunting: A child is considered stunted if their height-for-age is less than -2 standard deviations (SD) from the median of the WHO Child growth standards.
**Wasting: A child is considered wasted if their weight-for-height is less than -2 SD from the median of the WHO Child growth standards.
***Underweight: A child is considered underweight if their weight-for-age is less than -2 SD from the median of the WHO Child growth standards.

2.3.10.2 Increase in infant mortality rate

Infant Mortality Rate (IMR) is defined as number of deaths of children in the age 0-1 years per 1000 live births. One of the indicators of achievement of ICDS scheme is reduction in infant mortality rate. From the report of National Family Health Survey (NFHS) of the Ministry of Health and Family Welfare, Government of India, the infant mortality rate in the State was on increasing trend as shown in **Table 2.3.21**.

Table 2.3.21: Trend of Infant Mortality Rate (IMR) in Manipur

	NFHS-4 (2015-16)	NFHS-5 (2019-21)
India	40.70	35.20
Manipur	21.70	25.00

Source: NFHS, MoH&FW

*NFHS-6 (2022-24) has not been released.

The IMR of All India Average was in decreasing trend from 2015-16 to 2019-20 i.e. 5.5 (-13.51 per cent). Though the IMR of the State is less than All India Average, the rate is in increasing trend, with an increase by 3.3 (15.21 per cent) from 2015-16 to 2019-20.

The Department stated (March 2025) that concerted action would be taken for implementation of ICDS scheme to achieve the intended outcome. All infant mortality cases will be examined to study various possible factors responsible.

2.3.10.3 Increase in prevalence of Anaemia

Anaemia is a condition that is marked by low levels of haemoglobin in the blood. One of the indicators of achievement of ICDS scheme is reduction in prevalence of anaemia. From the report of NFHS of the Ministry of Health and Family Welfare, Government of India, the prevalence of anaemic women in the State was on increasing trend as shown in **Table 2.3.22**:

Table 2.3.22: Prevalence of anaemia in women (15-49 years) in Manipur

	NFHS-4 (2015-16) (Percentage)	NFHS-5 (2019-21) (Percentage)
India	53.1	57
Manipur	26.4	29.4

Source: NFHS, MoH&FW

The Department stated (March 2025) that IFA tablets are administered to pregnant women by Health Department under the National Health Mission. However, better coordination would be made with Health Department for reduction in prevalence of anaemia.

2.3.10.4 Utilisation of ICDS services

The scheme is implemented through a network of community-level Anganwadi centres (AWCs).

Status of utilisation of ICDS services from AWCs by the beneficiaries in respect of All India average, North-Eastern States average and the state of Manipur as per NFHS-4 and NFHS-5 is given in **Table 2.3.23**.

Table 2.3.23: Status of utilisation of ICDS services by the beneficiaries

		NFHS 4 (2015-16)			NFHS 5 (2019-21)			Percentage increase (+) decrease (-) (NFHS 4)		Percentage increase (+) decrease (-) (NFHS 5)	
		AI*	NE**	Manipur	AI	NE	Manipur	AI vs Manipur	NE vs Manipur	AI vs Manipur	NE vs Manipur
Percentage of children age 0-71 months who received any service		53.6	46.31	28.5	67.5	58.26	42	25.1	17.81	25.5	16.26
Percentage of children under age 6 years who received:	Food supplements	48.1	45.43	27.9	62.1	56.51	40.9	20.2	17.53	21.2	15.61
	Immunizations	39.8	18.69	4.2	53.2	27.54	16.3	35.6	14.49	36.9	11.24
	Health check-ups	39.7	27.80	2.7	56.5	37.78	10.1	37	25.10	46.4	27.68
	ECCE/ preschool	38.2	33.38	9.2	51	39.09	15.5	29	24.18	35.5	23.59
	Weighed	43.3	31.14	2.3	59.7	42.44	8.70	41	28.84	51.0	33.54
Percentage whose mothers received counselling from an AWC after child was weighed		64.1	43.03	14.2	82.1	54.48	58.7	49.9	28.83	23.4	-4.23

Source: National Family Health Survey, Ministry of Health and Family Welfare, GoI

*AI: All India average; **NE: North Eastern States average.

As evident from **Table 2.3.23**, in Manipur 42 *per cent* of children under age 0 to 71 months received one or more services from an AWC as per NFHS Report for the year 2019-2021 as against all India average of 67.5 and 58.26 *per cent* of North-Eastern States. The provision of food supplements service used in the State was 40.9 as against all India average of 62.10 and 56.51 *per cent* in North-Eastern States. Further, the State is far behind in utilisation of ICDS services in respect of immunization, health check-ups, ECCE/ pre-school and weighted as compared to all India average and average of North-Eastern States as per report of the NFHS-5 (2019-21).

Thus, utilisation of all ICDS services by the beneficiaries in respect of the State of Manipur was below the All India average and North Eastern average. The State was doing well in respect of counselling of mothers in comparison with North-Eastern states average as per report of the NFHS-5.

The Department stated (March 2025) that it had taken steps to increase the number of beneficiaries enrolled under the scheme to an optimum level through its field functionaries. Also, necessary IEC activities had been taken up to spread awareness about the scheme amongst the intended beneficiaries.

2.3.11 Conclusion

The Performance Audit of Integrated Child Development Services (ICDS) revealed that there was no long-term plan for implementation of the scheme. Planning was done at the Directorate level. There was no district and project level planning. Convergence action plan though prepared could not be materialised indicating complete lack of convergence services with relevant departments. Coverage of beneficiaries under supplementary nutrition in respect of children was appreciable. However, coverage in respect of Pregnant and Lactating Mother (PLM) and adolescent girls in 2022-23 was low.

Audit noticed shortfall in provision of supplementary nutrition to the beneficiaries during the entire period covered in audit. Adolescent girls were deprived the benefits of rice during 2018-19 and 2021-22. There was no adoption of diet diversity in order to promote health, wellness and immunity to the beneficiaries. Also, the Anganwadi Centres did not practice nutri-garden. Food provided to the children were never tested in laboratory to ensure that the food contain the required nutrition component. Medicine kits were not available in any of the test-checked Anganwadi Centres (AWCs) and uniforms were not provided annually to Anganwadi Workers (AWW)/ Anganwadi Helpers (AWH). Construction of 936 AWCs remained incomplete as on 31 March 2024 due to non-release of fund on time. During 2018-19 to 2023-24 there was shortfall in immunisation of children between 0-1 year old. Shortfall was also noticed in Antenatal Care (ANC) to pregnant mothers and Post-partum care to mothers. Audit noticed shortfall in coverage of enrolled children for pre-school education which ranged between 0.40 to 16.83 *per cent* in the State during 2018-19 to 2023-24.

The basic infrastructure facilities such as toilet, drinking water facilities were not available in 97 *per cent* of the AWCs out of 100 test checked AWCs. Buildings of the AWCs were in dilapidated conditions and not fit to run as AWCs. AWWs in the sampled AWCs did not receive fund for conduct of Community Based Events (CBEs) in the Anganwadi Centres thereby causing overburden to the AWCs. The percentage of wasting children increased from 6.8 to 9.9 from 2015-16 to 2019-2021 and increasing trend was also noticed in underweight children, Infant Mortality Rate (IMR) and anaemic women in the State. There was shortfall in training of the field functionaries. Supervision at District and project level to assess the functioning of AWCs was not sufficient.

2.3.12 Recommendation

The Government may consider the following recommendations:

- *The Department should make all the institutional mechanisms under the scheme to participate fully in the planning process. The Department should also ensure that the requisite number of meetings of the State Empowered Committee are held for proper planning, supervision and monitoring for the effectiveness of the ICDS Scheme in the State.*
- *Convergence Action Plan should be materialised in order to accomplish the benefits of convergence of services.*
- *The Department should provide adequate nutrition to all the eligible beneficiaries. The Department should also innovate and diversify the supplementary nutrition component with introduction of diverse food such as fruits, fresh vegetables, eggs, dry fruits etc.*
- *Medicine kits should be provided to all AWCs on regular basis to arrest exposure of young beneficiaries to the vulnerability of common ailments.*

- *Priority should be given to complete the construction of the Anganwadi Centres and toilets and providing the drinking water facilities.*
- *Reasons for increasing trends of wasting children, underweight children, infant mortality rate (IMR) and anaemic women in the State should be examined and appropriate steps taken.*
- *Regular training should be provided to Anganwadi services' functionaries.*
- *Supervision of district and project level functionaries should be strengthened as per prescribed standard to enhance delivery of services, quality of services and infrastructure issues.*

COMPLIANCE AUDIT

MINORITY AFFAIRS DEPARTMENT

2.4 Irregular inflation of DPR and excess payment

Adoption of incorrect quantity on an item of work by MOBEDS in 12 projects led to inflation of cost in the contract agreements by ₹2.08 crore. This together with recording of incorrect quantity during execution resulted in excess payment to the tune of ₹0.98 crore.

Rule 21 of General Financial Rules (GFR) 2017 stipulates 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 and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Scrutiny of the records of the office of the Manipur Minorities and Other Backward Classes Economic Development Society (MOBEDS) during August 2023 revealed that the Empowered Committee (EC) of Pradhan Mantri Jan Vikas Karyakaram (PMJVK) in its meeting held on 23 March 2021, had approved 13 projects. The approved projects comprised construction of 50-bedded boys' and girls' hostel in 10 schools & in one college and infrastructure development of one college (details in *Appendix 2.16*). These projects were to be executed by the Minority Affairs Department, GoM at a cost of ₹73.21 crore⁴⁴. The funds were to be released in two instalments with MOBEDS⁴⁵ as the project implementing agency. MOBEDS awarded the aforesaid approved projects to various contractors empanelled under it in November 2021 through e-tendering.

⁴⁴ To be shared between the centre and the state in the ratio of 90:10

⁴⁵ Manipur Minority & OBC Economic Development Society

Out of its share of ₹65.89 crore, the Centre released ₹32.94 crore (June 2021) as first instalment⁴⁶ to the State Government, which was subsequently released (April 2022) to MOBEDS.

Audit scrutiny (August 2023) of the Detailed Project Reports (DPRs) of the 13 projects revealed that the DPRs were framed based on Manipur Schedule of Rates (MSR) 2017. Further scrutiny of the DPRs revealed that 12 out of 13 projects *inter alia* included an item of work under brick work component namely, “*Extra for half brick masonry in superstructure above plinth (floor one level) to floor two level*” at the rate of ₹44.40 per sqm for lifting the bricks, which is only applicable to brick work on or above floor one level. As such, it is not applicable to brick work at ground floor level as it does not entail lifting of bricks above ground floor.

As per detailed measurement of the DPR, the item “*Half brick masonry in superstructure*” at the rate applicable as per Manipur Schedule of Rates, subject to analysis of rate of each work, was to be executed for quantity of 5,802.67 square metres (sqm) for ground floor and 5,327.99 sqm for 1st floor. Further, for the 1st floor, the item “*Extra for half brick masonry in superstructure above plinth (floor one level) to floor two level*” was to be added at the rate of ₹44.40 for lifting the bricks. Thus, brick work for both ground and 1st floor should have been 11,130.66 sqm (5,327.99 sqm + 5,802.67 sqm) amounting to ₹1.75 crore.

However, audit scrutiny of the DPRs and Agreement revealed that MOBEDS had incorrectly framed the abstract of cost of DPR by adopting excess quantity for both the ground and first floor as follows:

- The cost for the item “*Half brick masonry in superstructure above plinth*” for ground floor works were framed by taking a total quantity of 11,130.66 square metres instead of 5,802.67 sqm.
- The cost for the item “*Half brick masonry in superstructure above plinth*” including “*Extra for half brick masonry in superstructure above plinth (floor one level) to floor two level*” for 1st Floor were framed by taking a total quantity of 11,130.66 sqm instead of 5,327.99 sqm.

This resulted in inflation of the cost of work in the DPR and consequently in the Agreement by ₹2.08 crore as follows (Details are shown in **Appendix 2.17**).

(₹ in crore)

Work to be executed in Floor	As per Audit		As per MOBEDS		Excess	
	Quantity (sqm)	Cost of work	Quantity	Cost of work	Quantity	Cost of work
(1)	(2)	(3)	(4)	(5)	(6=4-2)	(7=5-3)
Ground	5802.67	0.90	11130.66	1.42	5327.99	0.52
First	5327.99	0.85	11130.66	2.09	5802.67	1.24
Total	11130.66	1.75	-	3.51	-	1.76
Add 12 per cent GST						0.21
Add 1 per cent LC						0.02
Add 3 per cent Contingency						0.05
Add 2 per cent Third Party Monitoring/ Consultancy						0.04
Total Excess Amount						2.08

⁴⁶ F.No.13/19/2021-MsDP-MOMA Dated: 07 June 2021

On further scrutiny of relevant MBs and RA bill payments, it was observed that, as of August 2025, expenditure to the tune of ₹18.98 crore had been incurred on execution of the 12 projects. Preparation of the RA bills were also made by adopting the incorrect rate for the above mentioned item of work. Thus, MOBEDS made excess payment of ₹97.66 lakh (*Appendix 2.18*) to the contractors as detailed below:

(₹ in crore)

Work executed in Floor	Executed work as per MBs		Payment made by MOBEDS		Excess in	
	Quantity (sqm)	Cost of work	Quantity	Cost of work	Quantity	Cost of work
Ground	2952.78	0.46	5640.77	0.87	2687.99	0.41
First	2687.99	0.42	5640.77	0.90	2952.78	0.48
Total	5640.77	0.88		1.77		0.89
Add 10 per cent GST released to the contractor						0.09
Total excess amount paid to contractor						0.98

Thus, due to adoption of incorrect quantity for above mentioned item of work, MOBEDS inflated the cost of the 12 projects by ₹2.08 crore in DPR and made excess payment of ₹0.98 crore to contractor.

While accepting the Audit observation, the State Government stated that (June 2025) the excess payment due to incorrect rate analysis in DPR would be adjusted from balance value of work/ security deposit.

The Department's reply (June 2025) that excess payments will be adjusted against balance work/security deposits is not tenable, as it merely addresses recovery without fixing the systemic weaknesses. The issue arose from adoption of incorrect DPR quantities and inadequate verification mechanisms, which were not addressed in the reply. Without accountability and strengthened DPR vetting processes, similar lapses could recur in future projects, undermining financial propriety and efficient use of PMJVK funds.

Recommendations:

The State Government may-

- *take steps to adjust/ recover the excess payment of ₹0.98 crore from the contractors and safeguard the remaining project funds.*
- *introduce a robust verification mechanism for preparation of DPR and rate analysis to prevent recurrence of such lapses.*
- fix responsibility on the officials concerned for non-exercise of the vigilance required under GFR, 2017.*

Chapter III
Economic Sector
(Other than State Public Sector
Enterprises)

CHAPTER III

ECONOMIC SECTOR

(OTHER THAN STATE PUBLIC SECTOR ENTERPRISES)

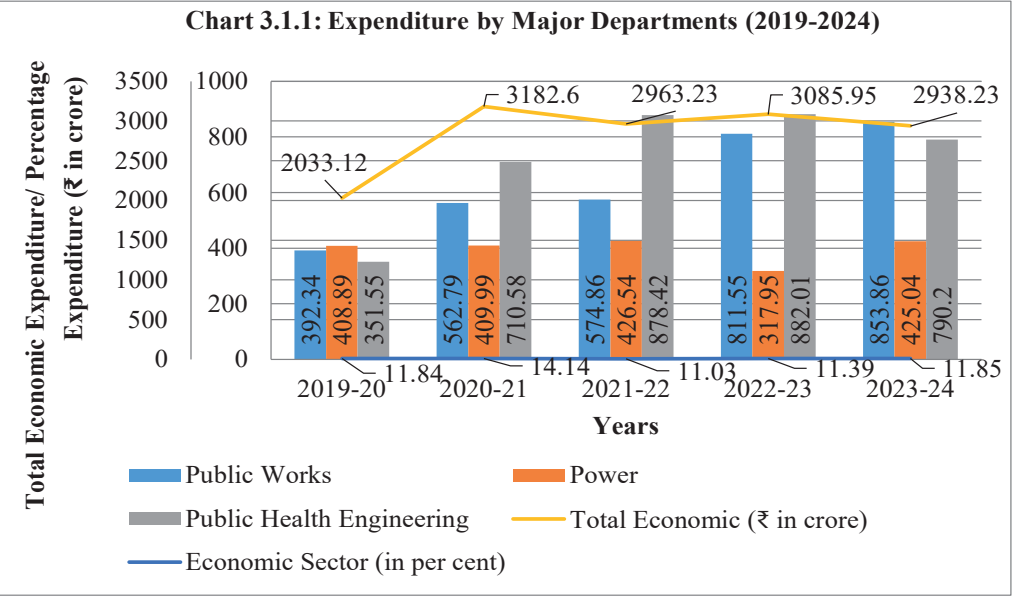
3.1 Introduction

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

The Government of Manipur has accorded due importance to the Economic Sector in the State by allocating a significant part of its financial resources to this Sector. During 2023-24, the Primary, Secondary and Tertiary sectors grew at the rate of 3.50 *per cent*, 18.32 *per cent* and 13.50 *per cent* respectively as compared to the previous year 2022-23⁴⁷.

The expenditure incurred during the last five years by the major Departments under the Economic Sector is depicted in **Chart 3.1.1**.



Source: Appropriation Accounts of respective years

⁴⁷ Based on Quick Estimates furnished by Directorate of Economics and Statistics, Manipur.

Table 3.1.1 provides department-wise details of budget provisions and expenditure incurred by 18 departments pertaining to the Economic Sector during 2023-24.

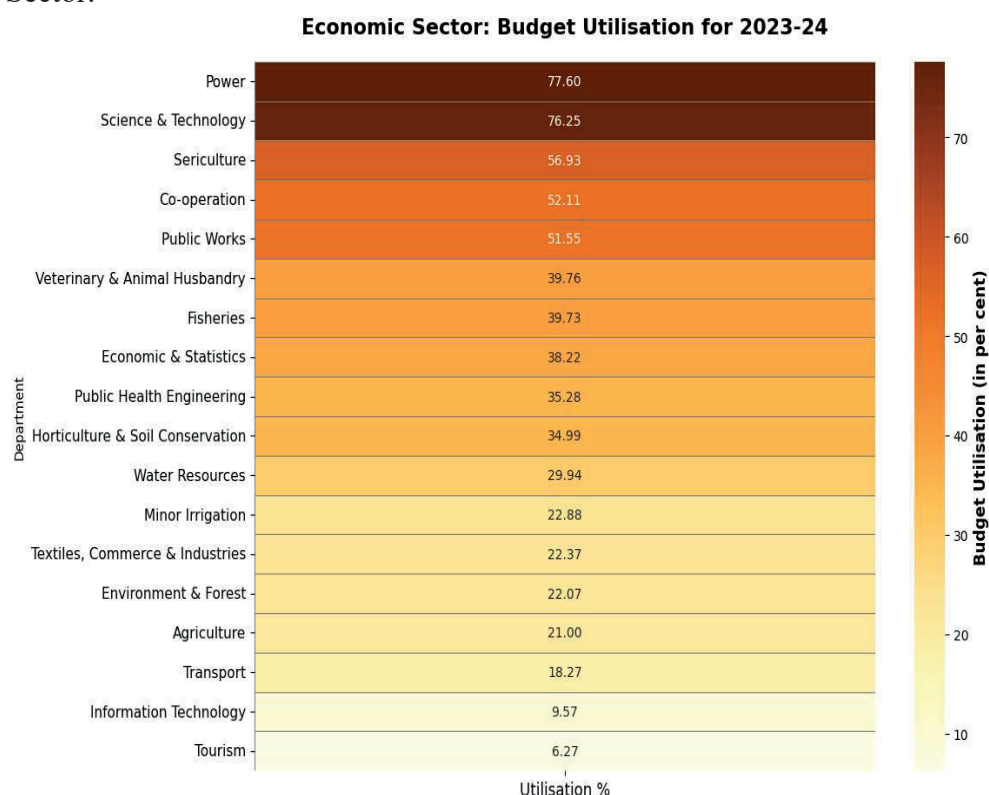
Table 3.1.1 Budget Provision and Expenditure of departments under the Economic Sector during 2023-24

(₹ in crore)

Sl. No.	Department	2023-24			
		Budget Provision	Expenditure	Savings	Savings as per cent of Budget Provision
1	Public Works	1656.30	853.86	802.44	48.45
2	Environment and Forests	755.13	166.67	588.46	77.93
3	Water Resources	839.84	251.48	588.36	70.06
4	Power	547.75	425.04	122.71	22.40
5	Public Health Engineering	2239.93	790.20	1449.73	64.72
6	Agriculture	391.60	82.25	309.35	79.00
7	Minor Irrigation	307.81	70.44	237.37	77.12
8	Textiles, Commerce and Industries	169.35	37.89	131.46	77.63
9	Veterinary and Animal Husbandry	194.25	77.24	117.01	60.24
10	Horticulture and Soil Conservation	96.51	33.77	62.74	65.01
11	Tourism	387.54	24.30	363.24	93.73
12	Fisheries	63.58	25.26	38.32	60.27
13	Transport	62.35	11.39	50.96	81.73
14	Co-operation	44.33	23.10	21.23	47.89
15	Sericulture	51.26	29.18	22.08	43.07
16	Information Technology	199.74	19.11	180.63	90.43
17	Economics and Statistics	33.41	12.77	20.64	61.78
18	Science and Technology	5.60	4.27	1.33	23.75
Total		8,046.28	2,938.22	5,108.06	63.48

Source: Budget documents and Appropriation Accounts, 2023-24.

Heatmap 3.1 shows the Budget utilisation for 2023-24 under the Economic Sector.



Source: Budget documents and Appropriation Accounts, 2023-24

KEY INSIGHTS

(i) Department-Wise Utilisation Analysis

A. High Budget Utilisation (≥ 70 per cent)

- **Power:** 77.60 per cent
- **Science and Technology:** 76.25 per cent

These departments demonstrated efficient fund absorption and better planning.

B. Moderate Budget Utilisation (40–69 per cent)

- **Sericulture:** 56.93 per cent
- **Cooperation:** 52.11 per cent
- **Public Works:** 51.55 per cent

The performance was mixed and scope existed to improve planning and execution.

C. Low Budget Utilisation (< 40 per cent)

- **Veterinary & Animal Husbandry:** 39.76 per cent
- **Fisheries:** 39.73 per cent
- **Economics & Statistics:** 38.22 per cent
- **Public Health Engineering:** 35.28 per cent
- **Horticulture & Soil Conservation:** 34.99 per cent
- **Water Resources:** 29.94 per cent
- **Minor Irrigation:** 22.88 per cent
- **Textiles, Commerce & Industries:** 22.37 per cent
- **Environment & Forests:** 22.07 per cent
- **Agriculture:** 21.00 per cent
- **Transport:** 18.27 per cent
- **Information Technology:** 9.57 per cent
- **Tourism:** 6.27 per cent

These departments struggled with fund utilisation, indicating delays, poor planning or implementation gaps.

(ii) Audit Conclusion

Audit observed significant underutilisation of funds during 2023-24. Out of the total ₹8,046.28 crore budgeted for the 18 departments, only ₹2,938.22 crore (36.52 per cent) was utilised, leaving savings of ₹5,108.06 crore (63.48 per cent) unspent.

- The departments, including **Power and Science & Technology**, showed efficient fund utilisation. However, major departments such as **Public Health Engineering** (35.28 per cent), **Water Resources** (29.94 per cent) and **Agriculture** (21 per cent) performed poorly.
- This reflected weak planning, probable delayed project implementation and lack of adequate monitoring mechanisms.

Recommendations:

- Departments with utilisation below 60 *per cent* should submit action plans to improve fund absorption.
- Planning Department must strengthen its project implementation mechanisms to ensure timely fund deployment.
- Periodic mid-year expenditure reviews should be conducted to monitor utilisation trends.
- Unspent funds should be reallocated to the needy departments to maximise efficiency.
- The Finance Department may introduce budget execution performance indicators for better monitoring.

3.1.1 Planning and execution of Audit

Compliance audit 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 the 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 sufficient, the audit findings are retained and units are advised to take further suitable remedial measures. However, some serious and material audit findings are processed for inclusion in the Audit Report of the Comptroller and Auditor General of India which is then placed 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 the audit of this Sector. Out of total 370 units, 54 units were selected for the compliance audit pertaining to Economic Sector during 2023-24, all 54 units (100 *per cent*) were covered, involving expenditure of ₹2,709.93 crore (details are shown in **Appendix 3.1**). As of March 2024, 21 Inspection Reports containing 77 paragraphs were issued to the Government with copies to the heads of the concerned departments.

This chapter contains one performance audit and two compliance audit paragraphs as discussed in the succeeding paragraphs.

PERFORMANCE AUDIT

PUBLIC HEALTH ENGINEERING DEPARTMENT

3.2 “Jal Jeevan Mission (JJM)”

A Performance Audit on Jal Jeevan Mission (JJM) in Manipur was carried out covering the period from 2019-20 to 2023-24. The Performance Audit brought out the following significant findings.

Highlights

- *The State could not achieve the target of providing every rural household with Functional Household Tap Connections (FHTCs) by December 2024, falling short by 20.41 per cent and depriving 92,146⁴⁸ households of potable water supply.*

(Paragraph 3.2.8.2)

- *As per the Integrated Management Information System (IMIS) data, out of 2,556 villages, 39 villages had no FHTC as of December 2024.*

(Paragraph 3.2.8.3)

- *In the sampled villages, it was observed that none of the 351 beneficiaries with FHTCs had a meter installed for their household connection. Further, the Government while accepting the fact stated that the provision for metering in rural household will be in future scope.*

(Paragraph 3.2.8.6)

- *Cross verification of IMIS data with the record of the Village Water and Sanitation Committees (VWCSs) revealed that there were 3,328 inflated number of FHTCs in the nine sampled villages indicating serious lapses in data integrity and potential misreporting of scheme progress under JJM.*

(Paragraph 3.2.8.12)

- *Even after the engagement of Implementation Support Agencies (ISAs), two out of 2,556 Village Action Plan (VAPs) were yet to be prepared. Thus, the payment of ₹75,000 per month per ISA was not linked to the time schedule and outputs on quarterly basis.*

(Paragraph 3.2.9.4)

- *Lack of regular review and analysis of procurement and issuance data of Field-Testing Kits (FTK) were observed in audit which was confirmed during JPV. This led to inefficient procurement processes leading to*

⁴⁸ Actual would be 95,474 considering the inflated FHTCs (3,328), as discussed under Paragraph 3.2.8.12

overstocking of stock and inability to distribute the stock in time before expiration.

(Paragraph 3.2.9.12)

- *Operational guidelines of JJM highlights the need to plan for skilled human resources in each district and for each village in convergence with Pradhan Mantri Kaushal Vikash Kendra (PMKVY) on priority, which was not yet taken up. Audit however observed that skilling development activities were conducted only in 180 villages out of 2,556 villages. Thus, 2,376 (92.96 per cent) villages have not been covered under skilling activities.*

(Paragraph 3.2.9.14)

- *Gram Panchayats of the sampled villages did not hold Gram Sabha meetings to approve Village Action Plan (VAP) as per JJM guidelines. This led to non-involvement of communities in planning and ineffective village action plans.*

(Paragraph 3.2.9.17)

- *Due to non-submission of Utilisation Certificate (UC) for the previous year (1st instalment of 2022-23), no fund was received from the Ministry during the year 2023-24, resulting in non-execution of approved activities for ₹335.18 crore. Moreover, annual accounts for the year 2022-23 and 2023-24 were not prepared.*

(Paragraph 3.2.10.3)

- *18,997 Rm of pipes were yet to be issued for the Imphal West Division, Public Health Engineering Department (PHED) and 1,076.50 Rm of 200 mm dia. D.I. pipes and 5,396.50 Rm of 150 mm dia. D.I. pipes were yet to be issued for the Kakching Division, PHED as of December 2024.*

(Paragraph 3.2.10.9)

- *There was a significant gap in compliance with JJM planning guidelines as no district-level water budgets or comprehensive source sustainability plans were furnished for review. Audit observed that in all 351 surveyed households that had FHTCs, beneficiaries reported water shortages during the lean season, thereby indicating that the absence of planned source sustainability measures undermined the objective of JJM to provide a reliable and year-round supply of potable drinking water to rural households.*

(Paragraph 3.2.11.1)

- *The inability to collect five per cent of the capital cost of the project had affected the community involvement in JJM activities and lack of sense of ownership. This not only violated JJM's operational conditions but also reflected poor community engagement, weakened local accountability and risk of over-reliance on State funding.*

(Paragraph 3.2.11.2)

3.2.1 Introduction

Programme to provide safe water supply to villages in India was started in 1954 with the National Water Supply and Sanitation Programme. Since then, the focus on rural water supply was covered by revised/ renewed programmes such as Accelerated Rural Water Supply Programme (ARWSP) (launched in 1972-73) which was later scaled up as Swajaldhara in 2002, National Rural Drinking Water Programme (2009-10).

The Jal Jeevan Mission (JJM), a flagship scheme, was launched by the Prime Minister of India on 15 August 2019. It adopts to provide potable water to rural areas through pipe water supply. It aims to provide piped water supply to each of the 19 crore rural households of the Country through Functional Household Tap Connections (FHTCs) by the end of 2024. A FHTCs has three definite characteristics, (i) it provides water in adequate quantity, *i.e.*, at least 55 litres *per capita* per day (lpcd), (ii) it provides water of prescribed quality, *i.e.*, BIS:10500 standard and (iii) water supply is on regular basis, *i.e.*, continuous supply in long-term.

In Manipur, Public Health Engineering Department (PHED) (Department) is the implementing agency of the Programme covering 2,556 villages in the State. Out of the 15 villages covered in the three sampled districts⁴⁹, 13 villages sourced their water through gravity and 02 villages relied on groundwater exploration.

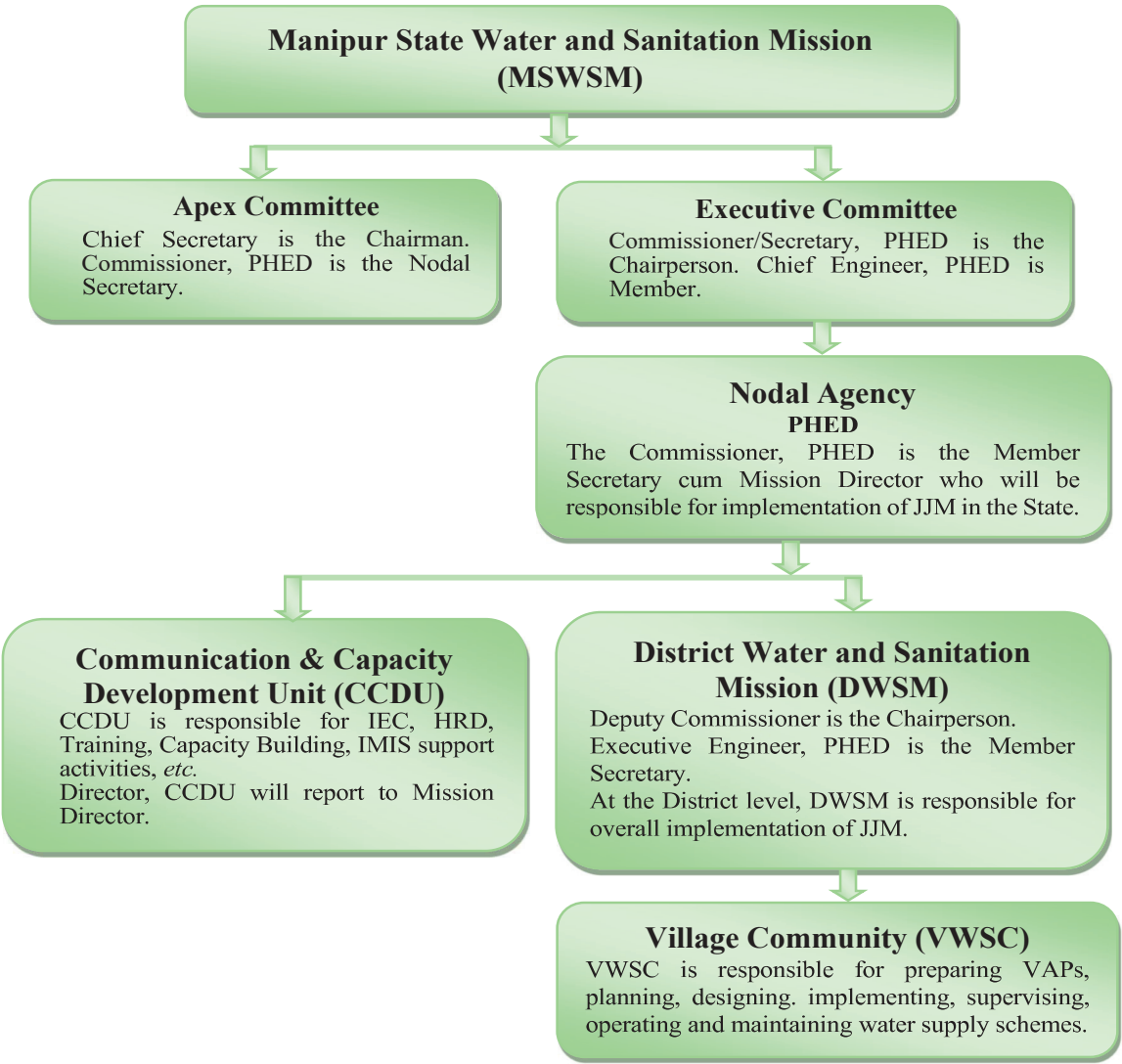
As per data available with the Department, in the State the number of FHTCs was 25,920 (5.74 *per cent*) out of 4,51,566 rural households as on 01 April 2019. By 31 December 2024, the number of FHTCs increased to 3,59,420 (79.59 *per cent*).

3.2.2 Organisational setup

The organisational setup that is to be followed for implementation of the scheme is as detailed in **Chart 3.2.1**.

⁴⁹ Imphal East, Imphal West and Kakching district.

Chart 3.2.1 Organisational setup for implementation of JJM in Manipur



3.2.3 Scope of Audit

The performance audit covered a period of five years from 2019-20 to 2023-24. Relevant records of 03 out of 16 district divisional offices of PHED, Communication & Capacity Development Unit (CCDU) and the Office of the Chief Engineer, PHED were scrutinised (July to December 2024). Test checks were carried out in the three selected Divisions including survey of beneficiaries, scrutiny of records and other evidence of Village Water and Sanitation Committees (VWSCs) in the 15 selected villages. Details are given in *Appendix 3.2*.

3.2.4 Audit Objectives

The Performance Audit was taken up to ascertain whether:

- Programme objectives (output and outcomes) have been achieved successfully;

- Efficient institutional framework is in place for planning, implementation, and post operational management of the schemes;
- Financial resources have been employed in an economic and efficient manner; and
- Assets created through the programme are sustainable for the next two to three decades and do not compromise water security for future generations.

3.2.5 Audit Criteria

The audit criteria were drawn from:

- Operational Guidelines for Implementation of JJM;
- Margdarshika for Gram Panchayat & VWSC to Provide Safe Drinking Water in Rural Households;
- Water Quality Monitoring and Surveillance Framework;
- SDG obligations and Standard Operating Procedure for Water Sanitation and Hygiene (WASH) standards;
- General Financial Rules, 2017;
- Orders/ Office Memorandum issued by Ministry and State Finance Department from time to time;
- Goods and Services Tax (GST) Act, 2017;
- Manual for the Utilisation of 15th Finance Commission tied grants to Rural Local Bodies/ Panchayati Raj Institution for water and sanitation 2021-22 to 2025-26;
- Handbooks on “Gram Panchayats to help them plan, implement, operate, maintain and manage drinking water security”; and
- Integrated Management Information System (IMIS) Data for JJM.

3.2.6 Audit Methodology

The Performance Audit commenced with an Entry Conference (28 June 2024) with the Secretary, PHED, Chief Engineer and other responsible officers of PHED, Manipur, wherein the audit scope, objectives, criteria and methodology were explained. Scrutiny of documents of sampled districts, beneficiary survey, VWSC survey, joint physical verification of schemes was done wherever possible and photographic evidence were taken to substantiate the audit findings.

An Exit conference was held on 28 May 2025 with the Secretary, PHED and other officers from the Department, wherein the audit findings were discussed and the replies of the Department have been incorporated as appropriate in the report.

3.2.7 Acknowledgement

Audit acknowledges the cooperation extended by the PHED and Rural Development and Panchayati Raj Department and VWSCs in providing necessary information and records during audit.

Audit Findings

The findings of the Performance Audit on the implementation of JJM are discussed in the succeeding paragraphs.

3.2.8 Audit Objective: Whether programme objectives (output and outcomes) have been achieved successfully?

3.2.8.1 Output Outcome framework of Jal Jeevan Mission

As per Chapter 12 of JJM Operational Guidelines, the Mission’s primary output is to provide a functional household tap connection (FHTC) to all rural households by 2024 and also strive to achieve four key measurable outcomes such as improved health conditions of rural communities; reduction in drudgery faced by women and girls and empowerment of women, reduced school dropout rates of upper primary level girls; and increase in employment opportunities for rural communities.

3.2.8.2 Progress of household connections

JJM aims to provide piped water supply to 4,51,566 rural households of the State through Functional Household Tap Connections (FHTCs) by the end of 2024, out of which, 1,38,886⁵⁰ FHTCs were in the sampled three districts.

The year-wise progress of FHTCs in Manipur as per the Integrated Management Information System (IMIS) data is shown in the **Table 3.2.1 and Chart 3.2.2.**

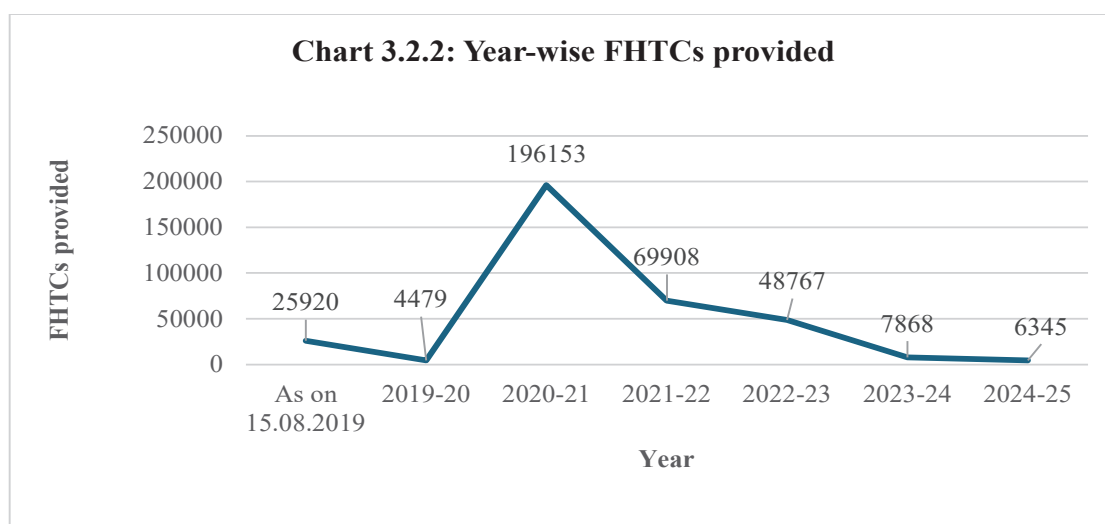
Table 3.2.1: Year-wise progress of FHTCs

Year	FHTCs	Progressive Total of FHTCs	Achievement (as Percentage of 4,51,566)
As on 15.08.2019	25,920	25,920	5.74
2019-20	4,479	30,399	6.73
2020-21	1,96,153	2,26,532	50.17
2021-22	69,908	2,96,440	65.65
2022-23	48,767	3,45,207	76.45
2023-24	7,868	3,53,075	78.19
2024-25	6,345	3,59,420*	79.59

Source: Integrated Management Information System (IMIS) Data

* Out of 3,59,420 FHTCs covered during the period 2019-2024, there was an inflated FHTCs of 3,328 in nine sampled villages, as discussed under **Paragraph 3.2.8.12.**

⁵⁰ Imphal East: 72,889; Imphal West: 45,725 and Kakching: 20,272



Source: IMIS Data

As can be seen from the above chart and table, the achievement as per IMIS data, 1,96,153 (43.44 *per cent*) of the rural household was provided with FHTC during the year 2020-21 only.

The district-wise achievement in respect of FHTC is shown in **Table 3.2.2**.

Table 3.2.2: District-wise achievement

Sl. No.	District	No. of Village	Total Rural household	Household Connections with PWS ⁵¹ as on 15.08.2019	Percentage of coverage as on 15.08.2019	Household Connections with PWS as on 31.12.2024	Percentage of coverage as on 31.12.2024
1	Jiribam	50	7,272	79	1.09	2,740	37.68
2	Pherzawl	89	8,005	316	3.95	4,128	51.57
3	Bishnupur	48	33,004	1,720	5.21	23,978	72.65
4	Kamjong	121	11,334	2,245	19.81	8,323	73.43
5	Noney	73	11,492	1,412	12.29	8,799	76.57
6	Senapati	136	42,625	3,059	7.18	32,689	76.69
7	Imphal West	113	45,725	1,520	3.32	35,347	77.30
8	Ukhrul	96	31,199	3,212	10.30	24,375	78.13
9	Chandel	265	19,475	405	2.08	15,311	78.62
10	Tamenglong	102	16,511	469	2.84	13,094	79.30
11	Imphal East	152	72,889	2,089	2.87	58,689	80.52
12	Kangpokpi	534	32,327	2,197	6.80	27,674	85.61
13	Churachandpur	524	42,161	2,072	4.91	36,061	85.53
14	Tengnoupal	165	14,973	298	1.99	13,045	87.12
15	Kakching	28	20,272	1,205	5.94	17,676	87.19
16	Thoubal	60	42,302	3,622	8.56	37,491	88.63
Total		2,556	4,51,566	25,920	5.74	3,59,420	79.59

Source: Information furnished by the Department

The analysis of the JJM implementation in Manipur revealed a mixed performance marked by early momentum but an inability to sustain progress toward the goal of universal FHTCs. While the State achieved an impressive coverage of over 43⁵² *per cent* in the year 2020-21 alone, subsequent years saw a steep decline in the number of new connections, leading to an overall coverage

⁵¹ PWS - Piped Water Supply

⁵² $(1,96,153 \div 4,51,566) \times 100$

of only 79.59 *per cent* by December 2024. This shortfall has left 92,146⁵³ (4,51,566 minus 3,59,420) rural households, over one-fifth of the total target, without access to piped drinking water. Moreover, district-level data points to stark disparities in implementation, with coverage ranging from just 37.68 *per cent* in Jiribam to 88.63 *per cent* in Thoubal. The inability to maintain the initial pace, coupled with significant regional imbalances, suggests underlying issues related to planning, execution, fund flow, and possibly administrative or logistical challenges. Had the momentum of 2020-21 been maintained, the State could have achieved its target by 2021-22 as envisaged in its approved Annual Action Plan.

The State Government accepted the non-achievement of target and stated (April 2025) that the slowdown of progress since May 2023 was due to the prevailing law and order situation. The State Government also stated that the remaining households will be covered in due course of time. The State Government added that the slow progress of work was mainly in New Development Bank funded schemes. The reply of the State Government is not fully acceptable as the fact, however, remained that during the years 2019-2022, the Department could not achieve the targets even under normal conditions. Moreover, no alternative measures or mitigation plans were prepared and conveyed to ensure the achievement of the targets.

3.2.8.3 Zero FHTC Villages as per IMIS

As per the IMIS data, out of 2,556 villages, 39 villages had no FHTC as of December 2024. Out of the deprived 92,146 households, 3,112 households were from these 39 villages with zero FHTC, as detailed in *Appendix 3.3*.

The State Government accepted (April 2025) that 39 villages had no FHTC. Further, the State Government stated that only five villages out of the 39 villages had been left out during the planning stage as the villages were getting water from nearby springs. In the Exit Conference, the State Government stated (May 2025) that the villages would be provided with FHTC within one year.

This points to significant gaps in the formulation of Village Action Plans (VAPs) and suggests inadequate ground-level needs assessment or data validation by the implementing agencies. The exclusion of these villages from FHTC coverage represents a deviation from the Mission's goal of universal and equitable access to safe drinking water.

3.2.8.4 Progress of connection in the sampled villages

Out of 469 beneficiaries surveyed, 96 beneficiaries (20.47 *per cent*) were from the three villages where there was either no functional Water Supply Scheme (WSS) or water from the WSS had yet to reach the village. Of the remaining

⁵³ Actual would be 95,474 considering the inflated FHTCs (3,328), as discussed under Paragraph 3.2.8.12

373 beneficiaries, 351⁵⁴ (74.84 *per cent*) had FHTC and 22 (4.69 *per cent*) did not have a FHTC. Out of the 22 beneficiaries, six were with dry tap, six with financial problem, nine were hesitant to take connection due to low pressure, and one did not have a distribution pipe near the house. 11 out of the 22 were dependent on Community Stand post as well. Thus, 118 (96 + 22) households did not have a FHTC.

The State Government while accepting the audit observation assured (May 2025) that the projects would be completed within three months and FHTCs would be provided to all the villagers.

3.2.8.5 Quantity, Quality and regularity of supplied water

Chapter 6 of the Operational Guidelines states that JJM is a time-bound mission-mode programme to ensure that every rural household has a FHTC by 2024 to provide drinking water in adequate quantity (minimum 55 lpcd), of prescribed quality (BIS:10500) on regular basis.

Annexure VI of the JJM Operational Guidelines provides functionality assessment of FHTCs as shown in the **Table 3.2.3**.

Table 3.2.3: Functionality assessment of FHTCs

	Fully functional	Partially functional	Non-functional
Quantity	≥55 lpcd	>40 lpcd <55 lpcd	<40 lpcd
Quality	Potable	Potable	Non-potable
Regularity	12 months or daily basis	9-12 months <daily basis	<9 months <daily basis

Source: JJM Guidelines (Annexure VI)

Chapter 12 of the JJM Operational Guidelines also provide for distribution of household meters and flow meters for verification of the adequacy of quantity of supplied water and FTKs⁵⁵, bacteriological vials sample test at labs and community feedback for quality checks of the water supplied.

During the field visit and beneficiary surveys, it was found that no flow meter or household meter had been installed. Out of 351 beneficiaries who had FHTC, 260 (74.07 *per cent*) were satisfied with the quantity of supplied water. All the beneficiaries stated that water supply could not be availed on a daily basis. The position of the frequency of supplied water is shown in **Table 3.2.4**.

Table 3.2.4: Frequency of supplied water

Frequency of supplied water	Number of beneficiaries
Alternate days	36
3 times a week	12
Once in three days	103
Twice a week	65
Once in four days	56
Once in five days	15
Once in six days	28

⁵⁴ 31 beneficiaries of Maisnam Kamong Village of Imphal West District had also been included. The beneficiaries of this village were enjoying the benefit of JJM till the outbreak (03 May 2023) of the conflict.

⁵⁵ Field testing kits

Frequency of supplied water	Number of beneficiaries
Once in a week	35
No regularity	1

Source: Beneficiary Survey report

All the above 351 beneficiaries stated that there had been a shortage of supplied water during lean season (February to May) which made them dependent on other sources (pond, river) and on purchasing potable water from commercial water carriers. Even the work for augmentation of sources had also been planned in a fragmented manner and had been proposed to the Ministry only in August 2024, which was yet to be approved as detailed in **Paragraph 3.2.9.15 (Fragmented planning)**. As could be seen from the beneficiary survey, FHTCs had been partially functional as the water supply had not been regular.

Out of 351 beneficiaries surveyed, 313 beneficiaries (89.17 *per cent*) stated that the quality of water had been satisfactory, while 38 beneficiaries (10.83 *per cent*) were not satisfied with the quality of water citing reasons such as excessive chlorine, rustiness, presence of mosses and high turbidity.

The audit revealed that while FHTCs had been provided, the core objective of JJM, to ensure the supply of potable water in adequate quantity and on a regular basis was only partially achieved. Water quantity and quality were generally acceptable to a majority of beneficiaries; however, no household or flow meters had been installed, contrary to the JJM Operational Guidelines, undermining the verification of actual supply levels. Furthermore, water was not supplied on a daily basis to any surveyed household, with most beneficiaries receiving water only once every 2–4 days. The situation worsened during the lean season (February to May), forcing households to resort to alternative sources or purchase water.

The delay in planning and proposing augmentation of water sources (only in August 2024) reflected fragmented planning and weak foresight. Although 89.17 *per cent* of beneficiaries reported satisfaction with water quality, 10.83 *per cent* cited issues such as excessive chlorine and turbidity, indicating lapses in quality control. Overall, FHTCs were found to be partially functional, compromising the intent of assured, safe and sufficient water supply under the JJM.

3.2.8.6 Non-metering of household connection

As per Paragraph 2.3 of the Operational Guidelines of JJM, the 14th Finance Commission (2015-2020) recognised health, education, drinking water and sanitation as public services of national importance and defined the sustainable drinking water supply systems as 'those being operated under a formal management model, have 100 *per cent* household meters installed and whose net revenues from water tariffs and subsidies are sufficient to cover at least the Operation & Maintenance (O&M) costs of the system. It has also recommended 100 *per cent* metering of individual connections in both rural and urban households, commercial establishments and institutions and individual

connections be provided only when functional water meters are installed. In the sampled villages, it was observed that none of the 351 beneficiaries with FHTCs had a meter installed for their household connection.

In the absence of installation of meter, audit could not ascertain whether the minimum requirement of 55 lpcd as envisaged in the guideline was being provided to the beneficiaries. However, it could also be seen from the results of Audit's beneficiary survey, as discussed in **Paragraph 3.2.8.5**, that 25.93 *per cent* of the beneficiaries who were provided FHTC were not satisfied with the quantity of water supply. Further, it was also observed that no arrangement had been made to provide metering of the household connection.

The State Government stated (May 2025) that the provision for metering in rural household will be in future scope.

The JJM Operational Guidelines and the 14th Finance Commission explicitly linked sustainability of drinking water systems with 100 *per cent* metering of individual connections. Providing FHTCs without meters constitutes a direct non-compliance with these guidelines. The absence of meters prevents measurement of actual water consumption, making it impossible to apply volume-based tariffs or assess O&M cost recovery. Without metering, households may have little incentive to conserve water, leading to overuse or wastage, particularly in water-scarce regions. It also hampers the ability of authorities to monitor usage trends, identify leakages or losses and optimise supply planning.

3.2.8.7 Outcome-Dropout rate of Upper Primary Level Girls

As per the UDISE+⁵⁶ data available from the Project Director, Samagra Shiksha State Implementation Society, Manipur, the dropout rate for upper primary level girls for the three sampled districts and for the State is given in **Table 3.2.5**.

Table 3.2.5: Dropout rate (per 100) for upper primary level girls in selected districts and the State

District	2018-19	2019-20	2020-21	2021-22	2022-23
Imphal West	3.17	0.09	4.04	-1.82	5.33
Imphal East	1.12	2.47	0.47	3.42	8.57
Kakching	-0.64	1.32	0.08	5.27	2.12
Manipur State	2.76	3.55	3.65	5.21	9.22

Source: UDISE Data

As can be seen from **Table 3.2.5** that the dropout rate had increased in the State year by year from 2018-19 to 2022-23 (Data is available only up to 2022-23).

However, during beneficiary survey, all the 469 beneficiaries confirmed that there had been no dropout of school going girls due to travelling long distances to fetch drinking water.

As such, at least for the sampled districts, the dropout rate could not be linked with the implementation of JJM in the State.

⁵⁶ UDISE- Unified District Information System for Education

3.2.8.8 Outcome-Water borne disease

Out of 351 beneficiaries who had FHTC, 196 beneficiaries (55.84 *per cent*) could not reply to the effect of JJM on water borne disease and 49 beneficiaries (13.96 *per cent*) stated in affirmative to the reduction of water borne diseases after getting potable drinking water supply.

Data for two water borne diseases, *viz.*, Acute Diarrheal Disease and Typhoid under Integrated Disease Surveillance Programme was not available with the PHED. In the absence of such data with the department, the data furnished by the State Health Society, National Health Mission, Manipur, was adopted and it was found that the trend for the two water borne diseases increased from 2019-20 to 2022-23 and decreased in 2023-24 for the State as a whole, as shown in **Tables 3.2.6 and 3.2.7.**

Table 3.2.6: Cases of Acute Diarrheal Diseases in selected districts and State

Name of the District	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Imphal East	0	0	124	761	628	1513
Imphal West	0	0	84	462	445	991
Kakching	0	0	21	214	39	274
State	0	1	1,514	8,037	3,310	12,862

Source: NHM data

Table 3.2.7: Cases of Typhoid in selected districts and State

Name of the District	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Imphal East	0	0	5	18	24	47
Imphal West	0	0	1	25	7	33
Kakching	0	0	7	41	1	49
State	0	0	129	2,029	345	2,503

Source: NHM data

Though there had been an increase in the FHTC in the State, there was no year-wise corresponding reduction in water borne disease as can be seen from the above tables. Moreover, the implementing authority of JJM did not maintain records of water borne diseases in the State. Thus, audit was unable to establish a causal relationship between implementation of JJM and reduction in water borne disease. Thus, the implementation of JJM could not be considered the sole measurable indicator for assessing the reduction of water borne diseases.

3.2.8.9 Outcome-Drudgery of women in villages

118 beneficiaries had no FHTC as already mentioned. Thus, they were deprived of the benefits of a functional tap at the ease of their home. Further, 108 (91.52 *per cent*) out of the 118 beneficiaries had to purchase potable water with expenditure ranging from ₹350 to ₹2,400 per month.

All the remaining 351 beneficiaries who had FHTC informed that the problems of women/ girls had been reduced due to water reaching their homes by saving their time and labour. However, during lean season, when there was shortage of water at the source, the villagers had to depend on other sources as confirmed by all the 351 beneficiaries. The households had to bear the extra burden of purchasing drinking water from commercial water carriers.

3.2.8.10 Outcome-Employment opportunities for rural communities

As per the Annual Reports of Periodic Labour Force Survey Report (PLFSR) published by the Ministry of Statistics and Programme Implementation, GoI, the Unemployment Rate for rural population in the State of Manipur from 2019-20 to 2023-24 is shown in **Table 3.2.8**.

Table 3.2.8: Unemployment rate of the State (as per PLFSR)

Year	Unemployment Rate as per PLFSR	HH having FHTC as per IMIS
2019-20	9.2	30,399
2020-21	3.8	2,26,532
2021-22	9.5	2,96,440
2022-23	4.5	3,45,207
2023-24	5.5	3,53,075

Source: Departmental records

During the beneficiary survey, out of 351 beneficiaries who had FHTCs, 349 (99.43 *per cent*) beneficiaries stated that no employment opportunities had arisen in the community due to the provision of drinking water supply. Only two beneficiaries (engaged in the Brass and Bell Metal family business) from Oinam Thingel village of Imphal West District, stated that employment opportunity had increased due to reaching of water supply at home.

3.2.8.11 Non-completion of work

The district-wise status of works of the water supply schemes under JJM funding and New Development Bank (NDB) funding is shown in **Table 3.2.9**.

Table 3.2.9: Status of water supply scheme

Name of the District	JJM				NDB				Total
	Completed	Non-Completed	HH	FHTC	Completed	Non-Completed	HH	FHTC	
Bishnupur	20	0	12,500	12,223	0	33	18,528	9,779	53
Chandel	94	3	7,992	7,436	0	82	11,483	7,875	179
Churachandpur	352	78	19,410	16,804	0	127	20,145	16,651	557
Imphal West	32	0	22,388	21,941	0	45	23,337	13,406	77
Kamjong	55	0	4,407	4,407	0	88	6,927	3,916	143
Kangpokpi	182	0	10,577	10,404	14	246	21,750	17,270	442
Tengnoupal	26	13	4,018	3,875	38	74	8,892	7,148	151
Imphal East	27	16	20,724	18,836	0	103	49,084	37,256	146
Senapati	30	0	11,492	10,955	0	106	31,133	21,734	136
Noney	32	0	3,297	3,296	0	82	7,295	4,614	114
Thoubal	25	10	25,576	24,157	1	30	16,726	13,334	66
Pherzawl	32	12	2,832	2,575	73	0	5,173	1,553	117
Ukhrul	23	19	10,127	10,045	0	52	18,014	12,146	94
Kakching	15	3	11,673	10,829	3	11	8,599	6,847	32
Jiribam	3	19	2,402	2,322	0	23	4,870	418	45
Tamenglong	44	6	4,827	4,769	0	97	8,482	5,149	147
Total	992	179	1,74,242	1,64,874	129	1199	2,60,438	1,79,096	2,499

Source: Departmental records

As can be seen from **Table 3.2.9** above, out of 1,171 works of Water Supply Schemes under JJM funding, 992 (84.71 *per cent*) works had been completed and 179 (15.29 *per cent*) had not been completed. While the physical progress of works of rural water supply schemes undertaken under NDB funding was not satisfactory. Further, out of 1,328 works, 129 (9.71 *per cent*) had been completed and 1,199 (90.29 *per cent*) works had not been completed. The

Department stated that 1,79,096 (68.77 *per cent*) out of 2,60,438 households had been provided with a FHTC. Thus, the non-completion of works under NDB has impacted on the non-achievement of target of providing every rural household with a FHTC by December 2024.

The very low completion rate (9.71 *per cent*) of NDB-funded schemes represents a significant bottleneck in the overall progress of the JJM in Manipur. This had directly impacted the ability to achieve the target of 100 *per cent* rural household coverage, particularly in the districts where many NDB-funded projects remained incomplete.

The high proportion of incomplete schemes under NDB, despite planning and allocation of funds, suggested issues in project planning and execution, co-ordination between implementing agencies and delayed fund flow. Projects under JJM showed far better completion rates, implying that the oversight on externally funded schemes like NDB had been inadequate.

The State Government stated (May 2025) that the non-completion of work was mainly due to slow progress on account of the outbreak of ethnic conflict since May 2023 and prevailing law and order condition in the State. The contractors of NDB Package No. VIII and IX which was terminated due to litigation issues, had been revoked and the work had recommenced to achieve the target in due course.

3.2.8.12 Inflated reporting of beneficiaries

Cross checking of Departmental data with VWSC records revealed that there were inflated number of FHTCs in the sampled villages in IMIS as given in Table 3.2.10.

Table 3.2.10: Table showing inflated number of beneficiaries

Sl. No.	Name of village	District	Total HH	FHTC provided (as per IMIS)	Number of FHTC as per VWSC record	Inflated FHTC	Inflated (Percentage)
1	Bitra Urakhong	Imphal West	384	379	331	48	13
2	Hayel	Kakching	423	406	212	194	48
3	Mayenglamjao		728	657	332	325	49
4	Waikhong Laimanai		403	359	89	270	75
5	Nongren	Imphal East	429	290	0	290	100
6	Changamdabi		1,346	1,346	0	1346	100
7	Top Dusara West		484	254	0	254	100
8	Kiyamgei Muslim Arapti		575	575	344	231	40
9	Pundongbam		668	593	223	370	62
Total			5,440	4,859	1,531	3,328	68

Source: IMIS data and VWSC records

The inflated number of FHTCs in remaining villages of Manipur could also not be ruled out. The Department should ensure proper monitoring and verification of online data submissions to the IMIS to enhance the reliability of the database. The Department stated (May 2025) that inflated reporting of beneficiaries is due to communication gap between VWSC members and PHED staffs.

The presence of inflated FHTC data in IMIS, as revealed through cross-verification with VWSC records, indicates deficiencies in data integrity, transparency, and accountability under the implementation of JJM in Manipur. This indicates serious lapses in data integrity and suggests potential misreporting of scheme progress under the Jal Jeevan Mission. The discrepancies undermine the credibility of official records, pose risks of financial irregularities, and reflect systemic weaknesses in monitoring and internal controls.

3.2.9 Audit Objective: Whether efficient institutional framework is in place for planning, implementation, and post operational management of the schemes?

3.2.9.1 State Water & Sanitation Mission

As per Paragraph 5.2 of the JJM Operational Guidelines, the concept of State Water and Sanitation Mission (SWSM) started in 1999 for coordination, convergence and policy guidance at the State level, headed by Chief Secretary of the State. SWSM, a state level institution headed by Chief Secretary with Principal Secretary/ Secretary in-charge of PHED/ RWS Department as Mission Director, is the organisation responsible for implementation of JJM in the State.

As per guidelines, most of the mission officials will be taken on deputation from various departments/ agencies/ institutions for time-bound implementation of JJM. In addition to public health engineers, the mission will also have officials/ personnel for project management, finance management, IT, IEC, capacity building and training, NGO coordination.

However, SWSM had not been deputed with officials from various departments and no personnel for project management, finance management, IT, IEC, capacity building and training, NGO coordination, had been earmarked.

The SWSM would have (i) Apex Committee and (ii) Executive Committee. The Apex Committee would be headed by the Chief Secretary of the State with Secretaries in-charge of PHE/ Rural Water Supply, Rural Development and Panchayati Raj (RD&PR), Primary Education, Health, Finance, Planning, Information and Public Relations and a Government of India representative as members.

State may decide to have an officer with administrative experience or Principal Secretary/ Secretary in charge of PHED/ RWS Department as Mission Director.

In the meeting held on 13 February 2020, the then existing Apex Committee expanded the members of the Apex Committee as per JJM Guidelines. The Apex Committee also approved the administrative secretary, PHED to be Mission Director who will be responsible for implementation of JJM in the State.

As per guidelines, the Apex Committee will meet at least twice a year and if possible, quarterly.

One meeting of the Apex Committee was held for the year 2019-20 (13 February 2020), two meetings for the year 2020-21 (11 August 2020 and 21 January 2021), one meeting for the year 2021-22 (17 November 2021) and one meeting for the year 2023-24 (06 December 2023). The meetings deliberated on Composition of the Committees, Action plan for JJM, status of implementation, financial status of JJM, VAP, VWSC, proposal for construction of district laboratories. No meeting was held for the year 2022-23. Inadequate review of the schemes resulted in delay in completion of works.

The Apex Committee is responsible for coordination among various departments and other agencies for convergence. However, as discussed in succeeding paragraphs, due to lack of coordination among various departments, convergence works had not yet been executed in the sampled villages.

The State Government stated (May 2025) that review meetings at the Secretary level with the departments were held monthly. Further, the Apex committee would be apprised to conduct the review meetings in future. The fact, however, remained that the stated mechanism for coordination and review had not been effective in ensuring convergence among the departments concerned.

3.2.9.2 Gram Panchayat/ Village Water & Sanitation Mission

As per the Handbook for Gram Panchayats on managing village-level drinking water security and Paragraph 5.4 of the Operational Guidelines of the JJM, the Village Water and Sanitation Committee (VWSC) is a standing committee of the Gram Panchayat (GP), responsible for planning, implementation, operation, maintenance, and management of drinking water schemes. Further, as per Paragraph 5.4 of the Operational Guidelines on JJM, VWSC or GP shall function as a legal entity under the 73rd Constitutional Amendment and its composition must ensure inclusive representation, including 50 *per cent* women and members from weaker sections (SC/ST). VWSC may be headed by Sarpanch/ Up-Sarpanch/ GP member/ traditional village head/ senior village leader as the Gram Sabha may decide and Panchayat Secretary may act as Secretary.

1. Non-Compliance with Institutional Guidelines

Audit scrutiny of sampled villages revealed significant deviations from the prescribed institutional framework:

- In all the sampled villages for which VWSC formation records were available, the Panchayat Secretary was neither the secretary nor a member of the VWSC, contrary to the role envisaged in the guidelines.
- No quarterly reports on implementation, progress or operational performance were submitted by VWSCs to the Gram Panchayat, indicating a lack of oversight and accountability.

- In six out of seven villages, the representation of women members in VWSCs was found to be below the mandated 50 *per cent*, compromising the inclusiveness and participatory approach central to the scheme.

2. Legal empowerment of VWSCs not operationalised

In a meeting of the Manipur State Level Water and Sanitation Mission (SLWSM) held on 13 February 2020, it was resolved that the PHED, in coordination with the RD&PR and Tribal Affairs & Hills Departments, would prepare rules to empower VWSCs as legal entities across all villages. However, no such rules were produced to audit and it could not be ascertained whether these were ever drafted or implemented.

3. Gaps in formation and functioning of VWSCs

- IMIS data indicated that seven out of 2,556 villages had not constituted VWSCs.
- Field verification in sampled districts showed that out of 15 villages surveyed, only 11 had active VWSCs, while four villages had none, reflecting a mismatch between reported data and ground realities.

4. Deficiencies in financial and administrative practices

In the functioning VWSCs surveyed:

- In the absence of metered connections, user charges ranging from ₹100 to ₹250 per month were collected from the beneficiaries as decided by the respective VWSCs, however, the user charges were not deposited into the VWSC's bank accounts, despite the accounts having been opened. Due to non-maintenance of proper records of collection, actual amount collected by VWSCs could not be ascertained by audit.
- There was poor maintenance of basic records, including:
 - Absence of vouchers for purchases and payments,
 - No annual operation and maintenance (O&M) budget,
 - No stock registers for chemicals and materials, and
 - No repair and maintenance registers.

The audit findings point to systemic non-compliance with the institutional provisions outlined in the JJM guidelines. The absence of effective constitution, empowerment and operationalisation of VWSCs as envisaged led to weak monitoring, poor financial accountability and inadequate maintenance of rural water supply infrastructure. These institutional lapses have contributed to avoidable gaps in scheme implementation and undermine the long-term sustainability and community ownership of the JJM.

Weak financial practices, absence of records and deficiencies in reporting to Gram Panchayats indicated systemic institutional lapses that undermined effective implementation, monitoring and sustainability of rural water supply schemes.

The State Government, while accepting the observation added (May 2025) that the user charges collected from the beneficiaries would be deposited into bank accounts. Necessary instructions/ arrangements would be made to make Panchayat Secretaries of GP as Secretary for VWSC. Further, the State Government stated that O&M policy for VWSC was yet to be approved by the State Government.

3.2.9.3 District Water & Sanitation Mission

In the meeting of the Manipur State Level Water & Sanitation Mission held on 13 February 2020, the then existing Apex Committee renamed the District Water & Sanitation Committee as District Water & Sanitation Mission (DWSM) with Deputy Commissioner as Chairperson and Executive Engineer, PHED as member secretary and other nine members from different departments. The DWSM is responsible for overall implementation of JJM in the district.

As per Paragraph 5.3 of the JJM Operational Guidelines, DWSM will convene monthly meetings to consider and accord administrative approval of the in-village water supply schemes, plan protection and preservation of village water sources, grey water management, preventing water bodies/ sources from getting polluted *etc.*

There was no record of meetings of the DWSMs of the three selected districts during the period of review.

As per the JJM Operational Guideline Paragraph 5.3, to support the DWSM, there should be separate Project Manager(s) for technical, financial and monitoring, Coordinators for Implementation Support Agencies (ISAs), IEC, Capacity Building & Training, MIS, Water Quality Monitoring & Surveillance (WQM&S).

However, technical and professional persons as envisaged in the guidelines were not available at the DWSM level. No separate staff was available for DWSM. The Divisional office of the PHED itself acted as support staff of DWSM. No records for functioning of the DWSM as separate entity could be seen during the performance audit.

The Department while accepting the audit observation stated (May 2025) that proposals was been made to the Government for engagement of separate staff for DWSM. Since the proposal was kept in abeyance, the PHED staff acted as support staff of DWSM.

As per Paragraph 5.3, DWSM is to ensure availability of funds for source sustainability works and grey water management in villages through convergence and projects may be cleared only if these components are part of DPR.

Since the function of DWSM was performed by the Implementing agency *i.e.*, PHED, the prepared DPR did not include the components of work to be taken up through convergence. In the absence of a DPR that should have included works to be taken up through convergence, it was observed and discussed in succeeding paragraphs that even the Gram Panchayats were unable to utilise the fund from 15th FC tied grant for convergence.

The non-functional status of DWSMs and the absence of dedicated staff and structured oversight mechanisms resulted in lapses in implementation of key planning and convergence provisions of the JJM guidelines. This contributed to gaps in scheme implementation, weakened institutional accountability and restricted access to available convergence funds at the Gram Panchayat level, thereby compromising the effectiveness and sustainability of the Mission.

3.2.9.4 Implementation support agency

As per Paragraph 4.23 of Margdarshika for Gram Panchayat & VWSC, Implementation Support Agencies (ISAs) are responsible for organising Gram Sabha, organising meetings of sub-committee, facilitating resolution in Gram Sabha, and acceptance of village scheme, mobilisation of community contribution, O&M arrangement, facilitating sanitation and grey water management activities. Self Help Groups (SHGs)/ CBOs/ NGOs/ VOs, need to be identified and empanelled as ISAs to handhold the community and facilitate the participatory approval and implementation, management, O&M, of in-village infrastructure by the Gram Panchayat or VWSC.

Further, as per Paragraph 5.5 of JJM Operational Guideline, for delivery of results, ISA will be provided financial support to engage a team comprising of six to eight members and conduct project activities. Once an ISA is selected by DWSM, it has to prepare the action plan for the villages it is allotted for entire scheme cycle with the help of PHED/ RWS Department and clearly specifying quarterly outputs. This plan will be in-line with the scheme cycle suggested by SWSM. Payment to ISA will be linked to the time schedule and outputs on quarterly basis.

The PHE Department approved (August 2021) the engagement of 21 ISAs under JJM. The VAPs were approved even before the engagement of ISAs. Even after the engagement of ISAs, two out of 2,556 VAPs were yet to be prepared (Kangpokpi-1 and Tengnoupal-1).

The State Government while accepting the audit observation stated (April 2025) that the VAPs were not prepared as the households were relatively few.

The composition of the team member of the ISA was also fixed by the Department with one Team Leader and five Members. The Remuneration of the Team Leader was fixed at ₹15,000 per month and that of the Member at ₹12,000 per month per person. Thus, ₹75,000 per month was fixed for one ISA which was in violation of the operational guidelines, as payments were to be made to the ISA based on the time schedule and outputs on quarterly basis.

No time schedule and specified quarterly output of the ISA were found to be prepared in the three sampled districts. The ISA also did not submit the quarterly output. Thus, the payment of ₹75,000 per month per ISA was not linked to the time schedule and outputs on quarterly basis.

The State Government while accepting the audit observation stated (May 2025) that the ISAs were paid monthly after certification of the work done by the division.

ISAs are meant to be the primary facilitators of community engagement, Gram Sabha resolutions and participatory planning. Their delayed engagement and limited involvement in preparing Village Action Plans undermined bottom-up planning and reduced community ownership, key principles of the JJM.

The payment of a fixed monthly remuneration to ISAs, instead of linking it to quarterly deliverables and timelines as mandated, defeats the incentive structure intended to ensure accountability, performance, and timely execution of responsibilities.

The absence of action plans and quarterly outputs from ISAs suggests that key support functions like sanitation planning, O&M facilitation and grey water management were likely inadequately addressed, impacting the overall quality and sustainability of the scheme at the village level.

The misalignment between the ISA's actual functioning and their intended role as per the JJM guidelines indicates a weakening of institutional support mechanisms, which may result in poor implementation outcomes, especially in villages with limited administrative capacity.

3.2.9.5 Non-conduct of social audit

As per Paragraph 5.4(xviii) of the operational guidelines of JJM, VWSCs have to undertake social audit of JJM. The social audit will help in ensuring quality and transparency in the implementation of JJM during the construction phase as well as during the operation and maintenance phase.

During the survey of VWSCs and beneficiaries of the sampled villages, it was found that no social audit of JJM activities was conducted. Further, during the audit of Gram Panchayat, the Panchayat Secretaries confirmed that no social audit was conducted for JJM related activities.

The State Government while accepting the audit observation stated (May 2025) that necessary instructions would be given to all concerned to conduct social audit.

Social audits provide real-time, grassroots-level feedback on issues such as irregular water supply, poor construction, or non-functional tap connections. Their absence means decision-makers and implementers are deprived of critical local insights that could improve performance and further, their non-conduct reflects poor institutional compliance, affecting programme credibility. Thus,

non-conduct of social audit defeated the principle of transparency, social accountability and involvement of the people.

3.2.9.6 Non-segregation of water quality monitoring function from water supply authorities

As per Paragraph 5.1.2.2 of the Water Quality Monitoring and Surveillance (WQMS) Framework, a Drinking Water Quality Commissionerate (DWQC) is recommended for separation between water supply delivery and water quality testing services to develop trust, transparency and accountability of water quality. The DWQC will be headed by the Chief Chemist (Water Quality) of the State/ UT designated as the nodal officer, who would directly report to the Secretary or Principal Secretary of the Department responsible for the rural water supply on all matters relating to water quality with information copy to the counterpart engineers. The States/ UTs are to complete this transition by 02 October 2022 positively.

In Manipur, there was no Dedicated Water Quality Control (DWQC) system, resulting in the absence of separation between water supply delivery and water quality testing services. Lack of trust could also be observed during the beneficiary survey where the consumers of Lamjaotongba Water Supply Scheme in Imphal West were reluctant to use the tap water for drinking purpose as the beneficiaries stated that the source water of the scheme is from Nambul River and the source of water is mixed with water from Lamphel sewerage project, even though tests were conducted (November 2024) and were within permissible limit.

Further, as per Paragraph 5.1.2.1 of the WQMS Framework, the SWSM is to nominate Chief Chemist of drinking water quality Commissionerate as the member of executive committee of SWSM.

The SWSM, Manipur did not nominate the Chief Chemist as member of the executive committee of SWSM.

Lack of institutional separation between water supply and water quality testing undermines the credibility and impartiality of test results, as the same agency is both supplying and certifying water quality. Further, not having the Chief Chemist as a member of the Executive Committee of the State Water and Sanitation Mission (SWSM) deprives the committee of critical scientific and technical expertise in water quality.

Without independent quality surveillance and institutional mechanisms to ensure regular, reliable testing, substandard or contaminated water may go undetected, increasing the risk of waterborne diseases and undermining the health benefits envisaged under the JJM.

3.2.9.7 Non-accreditation of Testing Labs

As per Chapter 8 of WQMS Framework, since the announcement of Jal Jeevan Mission, all laboratories are mandated to be accredited/ recognised by the National Accreditation Board for Testing and Calibration Laboratories (NABL).

The State had one state laboratory and twelve district laboratories, though four districts viz. Kamjong, Noney, Pherzawl, and Tengenoupal lacked district laboratory facilities. Among the existing laboratories, the state laboratory and seven district laboratories (Bishnupur, Chandel, Imphal East, Imphal West, Kangpokpi, Thoubal and Kakching) were accredited by the NABL. However, the remaining five district laboratories (Churachandpur, Jiribam, Senapati, Tamenglong, and Ukhrul) are not NABL-accredited.

In reply, the State Government stated (April 2025) that NABL accreditation processes were delayed/ temporarily expired owing to acute staff shortages, sporadic law and order disruptions and difficult logistics for sending samples and assessors.

Further, in May 2025 the State Government replied that construction works for the four districts Kamjong, Noney, Pherzawl and Tengenoupal which lacked district laboratory facility would be completed within the financial year. The State Government also added that the NABL accreditation process for Churachandpur, Jiribam, Senapati, Tamenglong and Ukhrul was under process.

This constitutes a deviation from national guidelines under the JJM and weakened the quality assurance mechanisms intended to safeguard public health. With four districts lacking laboratory facilities entirely and five districts operating non-accredited laboratories, there is a clear disparity in access to water quality testing infrastructure across the State which may create a credibility gap in water quality surveillance and may lead to inaccurate assessments.

3.2.9.8 Testing of inadequate number of parameters

As per Paragraph 5.1.2.2 of the WQMS Framework on the functions of DWQC and Annexure-III (Guidelines) on the list of parameters to be monitored at the State Laboratory and District Laboratories, 73 parameters are to be monitored at the State Level and 23 parameters are to be monitored at the District Level.

However, the State Laboratory could monitor only 16 parameters (22 per cent) and the District Laboratories could monitor 13 parameters (57 per cent).

The State Government replied (April 2025) that under the national protocol for drinking water quality, routine testing is mandated for 13 essential parameters and all those parameters are tested regularly. However, as per the same guideline, it is suggested that the laboratories may also analyse all the parameters once in a year keeping in view the newly emerging contaminants, thereafter frequency of analysis for some of the parameters may be reduced or

increased as deemed appropriate by the respective State Government as per local conditions.

Limiting testing to a subset of parameters significantly increases the risk of missing harmful contaminants, including heavy metals, pesticides, pathogens and other hazardous substances. This could lead to undetected health risks and exposure to unsafe drinking water.

3.2.9.9 Lack of manpower

The PHE Department has a sanctioned strength of one Chief Chemist, one biologist and four Laboratory Assistants. There is no sanctioned strength of chemist, biologist and Laboratory Assistant separately for the districts laboratories.

The persons-in-position *vis-à-vis* sanctioned strength at the State and the district laboratories are shown in **Table 3.2.11**.

Table 3.2.11 Statement showing persons-in-position *vis-à-vis* sanctioned strength at the state and the district levels

Level	Category of Post	Sanctioned Strength	Person-in-position	Excess (-)/ Shortage (+)
State	Chief Chemist	1	0	1
	Chemist	0	1	(-) 1
	Biologist	1	0	1
	Data Entry Operator	0	1	(-)1
	Laboratory Assistant	4	3	1
	Microbiologist	0	1	(-)1
	Peon	0	1	(-)1
District	Chemist/Junior Chemist	0	15	(-)15
	Laboratory Assistant	0	14	(-)14

Source: Departmental records

As can be seen from the above **Table 3.2.11**, even though there were no sanctioned posts, the Department appointed chemists, data entry operators, laboratory assistants, microbiologists, junior chemists, peon on contract basis and are remunerated from JJM fund.

However, out of one sanctioned post no Chief Chemist and Biologist were appointed at the state level. Further, as per Paragraph 5.2 of the WQMS Framework, one microbiologist/ bacteriologist at the district level is required. However, at the district level, neither microbiologist post had been created nor appointed as of December 2024.

The shortfall in sanctioned positions and lack of appointments, especially for microbiological testing, severely undermines the State's ability to detect and respond to biological contaminants, which are critical indicators of potable water safety. Inadequate staffing directly affects the quality, consistency, and reliability of test results. Without sufficient trained personnel, laboratories may be unable to perform the required number of tests or meet the standards of testing protocols.

The Department's reliance on contract-based personnel remunerated through JJM funds, without sanctioned posts may lead to issues of accountability, lack

of long-term capacity building and discontinuity in technical knowledge retention.

The State Government accepted (April 2025) the shortage of manpower and stated that process was underway for regular appointments and proposals would be initiated to create additional post as necessary.

3.2.9.10 Water Quality Testing

As per Paragraph 5.1.3.2 (xxv) of the WQMS Framework, district laboratories are responsible for testing 250 water sources/ samples per month (3,000 in a year).

Further, JJM in partnership with Indian Council of Medical Research has launched (March 2021) an online portal “Water Quality Information System” (WQIS) as an online tool for water testing to be regularly monitored for investigating and tracking the quality of drinking water supply.

As per information available in WQMIS, from 2021 to 2024, against the target of 48,000 tests (for all the 16 districts) as per guidelines, the district laboratories conducted 17,413 (36.28 *per cent*) tests in 2021-22, 21,950 (45.73 *per cent*) tests in 2022-23 and 17,271 (35.98 *per cent*) tests in 2023-24. The details are shown in *Appendix 3.4*.

As per Paragraph 5.1.2.3 (iii) of the WQMS Framework, State Laboratory should test at least five *per cent* of the total drinking water samples across all district level laboratories at random and uniform geographical spread. Thus, as per the guideline, the State Laboratory had a target of 2,400 (five *per cent* of 48,000) tests per year. However, the State Laboratory could conduct five tests in 2021-22, eight in 2022-23 and 29 in 2023-24 from the samples received from District Laboratories.

Thus, the State was not able to conduct the tests as stipulated in the guidelines. As such, the chances of providing unsafe drinking water to the consumers could not be ruled out.

The persistent shortfalls in water quality testing by both district and state laboratories undermine the effectiveness of water quality surveillance, weaken the credibility of test data reported in the Water Quality Information System (WQIS), and increase the risk of undetected contamination in drinking water sources. The deficiencies in adherence to prescribed testing norms not only compromised public health and safety but also reflected systemic gaps in compliance, institutional capacity and monitoring, thereby compromising the core objectives of the JJM.

The State Government stated that (April 2025) number of water quality tests conducted in the state was consistent with the targets defined on the JJM WQMS portal. However, the State Government did not furnish the supporting document for the defined targets. The fact remained that the Department had not fixed the quantum of targets for water quality tests based on JJM guidelines to draw assurance on water quality.

3.2.9.11 Lack of water quality surveillance by community

As per Paragraph 5.1.6 of the WQMS Framework, five women identified from local community is to conduct water quality test using FTKs, bacteriological vials and report the results.

On analysis of the WQMIS data for the three sampled districts at the Village level, audit noticed non-testing of water quality despite issue of FTKs and H2S bacteriological vials as shown in the **Table 3.2.12**.

Table 3.2.12: Non-testing of FTKs in the sampled villages

District	Total Villages	Total FTKs issued	Total H2S Vials issued	No. of villages where no testing was done		
				2021-22	2022-23	2023-24
Imphal East	152	482	2300	102	22	57
Imphal West	113	350	1135	71	2	17
Kakching	28	268	1000	19	1	1
Total	293	1,100	-	192	25	75

Source: Departmental records

Thus, in the three sampled districts, 192 (65.53 *per cent*) villages in 2021-22, 25 (8.53 *per cent*) villages in 2022-23 and 75 (25.60 *per cent*) villages in 2023-24 had not conducted water quality surveillance through FTKs though the villages had been issued at least one FTKs. As such, a minimum of 292 FTKs issued for conducting water quality surveillance were rendered useless resulting in minimum wasteful expenditure to the tune of ₹7.01 lakh (₹2,400 X 292).

Moreover, as per Paragraph 5.1.7 of the WQMS Framework, ISAs should facilitate GPs/ VWSCs in conducting timely water quality tests and uploading the data. However, as pointed out above, even after appointment of ISAs (August 2021), there was lack of water quality surveillance at the community level which points to non-satisfactory role of the ISA in mobilising the community.

The fact that up to 65.53 *per cent* of villages (in 2021-22) did not conduct any tests despite receiving FTKs indicates a breakdown in community engagement. The fact that at least 292 FTKs valued at ₹7.01 lakh were not utilised, reflected inefficient procurement and distribution without corresponding usage. ISAs are specifically tasked with facilitating community-level water quality testing and data reporting. The continued gaps in testing, even after the appointment of ISAs, indicated their non-satisfactory performance, poor mobilisation efforts, and non-fulfilment of one of their core responsibilities under the WQMS Framework.

The State Government accepted (April 2025) the low-level community-based water surveillance and attributed it to COVID-19 pandemic restrictions and law and order situation and stated (May 2025) that they will try to improve the level of community-based water quality surveillance.

3.2.9.12 Irregularities in planning, purchase and issuance of Field Test Kits

As per Chapter 10 of the operational guidelines of JJM, water quality monitoring and surveillance are critical for ensuring safe drinking water, detecting potential waterborne health risks and educating stakeholders on water quality issues. Field-Testing Kits (FTKs) and H2S bacteriological vials are essential tools used by Gram Panchayats (GPs) and VWSCs for primary detection of contamination in drinking water sources.

Joint physical verification (November 2024) of stock of FTKs and H2S bacteriological vials found gross negligence, with damaged, soaked, or torn boxes and green moss. Stock of FTKs and H2S bacteriological vials was stacked haphazardly, with no tagging, labelling or monitoring mechanism. Unorganised stacking increases the risk of pilferage or unauthorised access, as can be seen from the **Photograph 3.2.1**.

Photograph 3.2.1



Joint verification of FTK stock on 04 November 2024

Thus, lack of regular review and analysis of procurement and issuance data indicated inefficient procurement processes leading to overstocking of stock and inability to distribute the stock in time before expiration.

Over the period 2020 to 2023, the CCDU office procured 12,500 FTKs and 68,000 H2S vials in three phases, at a total cost of ₹3.57 crore (inclusive of GST). The details are shown in the **Table 3.2.13**.

Table 3.2.13: Details of procurement of FTKs and H2S vials

(Amount in ₹)

Sl. No	Supply Order Date & Order No.	Quantity of FTK	Unit price	Quantity of H2S	Unit price	Date of manufacture & Expiry	Amount inclusive of @12 per cent GST
1	27-10-2020 & No.Dir/CCDU/ WQ/ 46-Vol-II/ 2020/745	2,500	2400	33,000	17	NA*	73,48,320
2	17-01-2022 & No.Dir/CCDU/WQ/ 46-Vol-II/2022/ 859	3,000	2400	15,000	17	Feb 2022 to Feb 2024	83,49,600
3	01-08-2023 & No.Dir/CCDU/ WQ/ 46 Vol-II/ 2023/1110	7,000	2500	20,000	17	Oct 2023 to Oct 2025	1,99,80,800
Total		12,500		68,000			3,56,78,720

Source: Departmental records

* NA- Not Available

The stock distribution and balance analysis of FTK & H2S Vials as of November 2024, are shown in the **Table 3.2.14**.

Table 3.2.14: Details of stock distribution & balance of FTK & H2s Vials as of November 2024

(Amount in ₹)								
Status of Stock	Items	Received	Issued	Balance	Unit Price	Cost	GST @12 per cent	Actual Value
1	2	3	4	5	6	7	8	9=(7+8)
Expired Stock	FTK	2,500	2,424	76	2400	1,82,400	21,888	2,04,288
		3,000	2,792	208	2400	4,99,200	59,904	5,59,104
	Sub-Total	5,500	5,216	284		6,81,600	81,792	7,63,392
	H2S Vials	33,000	32,231	769	17	13,073	1,569	14,642
		15,000	14,500	500	17	8,500	1,020	9,520
	Sub-Total	48,000	46,731	1,269		21,573	2,589	24,162
Total value								7,87,554
Current Stock	FTK	7,000	1,723	5,277	2,500	1,31,92,500	15,83,100	1,47,75,600
	H2S Vials	20,000	3,492	16,508	17	2,80,636	33,676	3,14,312
	Total value							1,50,89,912

Source: Departmental records

The procurement and distribution of Field Testing Kits (FTKs) and H2S vials under JJM found significant inefficiencies. From **Table 3.2.14**, it is noticed that the third procurement order (7,000 FTKs) was significantly larger than the combined total of the first two orders (5,500 FTKs). Moreover, considering the two-year expiry period for both FTKs and H2S vials and historical issuance rate, this bulk procurement appeared unjustified, leading to wastage/ expiry of 284 FTKs and 1,269 H2S vials from the first two orders, resulting in a financial loss of ₹7.88 lakh.

The two-year expiry period necessitates timely distribution and usage. Out of 12,500 FTKs and 68,000 H2S vials procured, only 6,939 FTKs and 50,223 H2S vials were issued. The current stock of 5,277 FTKs and 16,508 H2S vials valued at ₹1.51 crore will expire by October 2025 if not utilised efficiently.

This points to overestimation in procurement planning, inadequate inventory management and non-ensuring of timely utilisation of test kits, thereby compromising both the cost-efficiency and the effectiveness of community-level water quality surveillance efforts.

The State Government accepted the audit observation and stated (April 2025) that steps would be taken to prevent future stock losses.

3.2.9.13 Non-dissemination of test results

As per Paragraph 5.4 (xvi) of operation guidelines of JJM, the Gram Panchayat or VWSC is to ensure to disseminate the test results among the community.

During the survey of the sampled villages, it was found that there was no dissemination of test results in the community.

The non-compliance with the mandate to disseminate water quality test results, as prescribed under Paragraph 5.4(xvi) of the JJM Operational Guidelines, represents a clear deviation from prescribed transparency practices, weakening

the principles of community participation and informed decision-making. Water quality issues, if present, need timely and widespread communication to enable preventive action (e.g., boiling water, avoiding consumption). Non-dissemination delays this process, potentially exposing the public to undetected health hazards.

3.2.9.14 Skill Development

As per Paragraph 4.25 of Margdarshika for Gram Panchayat & VWSC, to achieve the goal of FHTC on a long-term basis *i.e.* assured water supply of prescribed quality to every rural household, skilled human resource such as masons, plumbers, fitters, electricians *etc.*, are required at village level. Also, due to the scale of works to be undertaken, skilled work-force will be required, for which locally available labour will have to be trained. A mobile group of local technicians can be formed so that their availability can be ascertained. The objective is to have reliable and trustworthy arrangement at village level so that potable water supply to rural homes is not disrupted. A total of ₹1.26 crore was spent on skill development activities of 355 numbers of pump operators, masons, plumbers, fitters, electricians, as shown in **Table 3.2.15**.

Table 3.2.15: Skill development activities

Year	Expenditure (₹ in crore)	Number of persons trained					
		Pump operator	Motor Mechanic	Plumber	Electrician	Fitters	Mason
2019-20	0	0	0	0	0	0	0
2020-21	0	0	0	0	0	0	0
2021-22	0.28	11	9	12	8	11	10
2022-23	0.91	74	35	44	37	50	51
2023-24	0.07	2	0	1	0	0	0
Total	1.26	87	44	57	45	61	61

Source: Departmental records

As per data available with the department, out of 2,556 rural villages, skill development activities were conducted only in 180 villages. Thus, 2,376 (92.96 *per cent*) had not been covered under skill development activities. The details are shown in **Table 3.2.16**.

Table 3.2.16: Village coverage of skilling activities

Sl. No.	Name of District	No. of village	No. of village where skilling activities conducted as per IMIS
1	Bishnupur	48	9
2	Chandel	265	89
3	Churachandpur	524	3
4	Imphal East	152	1
5	Imphal West	113	1
6	Jiribam	50	1
7	Kakching	28	8
8	Kamjong	121	0
9	Kangpokpi	534	1
10	Noney	73	7
11	Pherzawl	89	1
12	Senapati	136	14
13	Tamenglong	102	15
14	Tengnoupal	165	7

Sl. No.	Name of District	No. of village	No. of village where skilling activities conducted as per IMIS
15	Thoubal	60	14
16	Ukhrul	96	9
Total		2,556	180

Source: Departmental records

Paragraph 9.4 of the operational guidelines of JJM highlights the need to plan for skilled human resources in each district and for each village, for which convergence with Pradhan Mantri Kaushal Vikash Kendra (PMKVK) operational in each district will have to be worked out. States have to identify district-wise requirement of such skilled human resources and their training will have to be taken up on priority through PMKVK.

The Department stated that the Manipur Society for Skill Development in convergence with the Rural Development & Panchayati Raj Department and Tribal Affairs and Hills Department had proposed imparting skill development training under JJM. However, the said program was yet to be implemented.

The audit revealed serious gaps in the implementation of skill development activities under the JJM, with only 180 out of 2,556 villages (seven *per cent*) covered, despite ₹1.26 crore spent on training a limited number of pump operators, plumbers, fitters and electricians. This inadequate coverage compromises the long-term sustainability and reliability of in-village water supply systems, as the availability of locally trained personnel is critical for timely maintenance and uninterrupted service.

The absence of convergence with Pradhan Mantri Kaushal Vikas Kendra (PMKVK), as required under JJM guidelines, reflects a missed opportunity to scale and institutionalise skill-building at the grassroots level. Without a skilled and responsive workforce, rural communities remain vulnerable to service disruptions, and the goal of functional household tap connections backed by sustainable O&M support is significantly undermined.

3.2.9.15 Fragmented Planning

As per Paragraph 5.2 of the JJM Operational Guidelines, the proposals to the State Level Scheme Sanctioning Committee (SLSSC) should be invariably reviewed by Source Finding Committee for availability of potable water in adequate quantity of prescribed quality for the scheme design period.

However, the Source Finding Committee was constituted only on 11 January 2024 after the SLSSC meeting (December 2023) proposing setting up of (a) Augmentation of sources for various water supply schemes in the State (estimated amount of ₹116.85 crore) and (b) Source sustainability of various water supply schemes in the State (estimated amount of ₹288.28 crore). The proposal for Augmentation of sources for various water supply schemes in Manipur State for estimated amount of ₹116.85 crore was sent (August 2024) to the Ministry of Jal Shakti and was pending approval (December 2024).

In this connection, it may be stated that the Source Finding Committee should have been constituted at the planning stage of JJM implementation in the State. Thus, the work for augmentation of sources should have been included in the State Action Plan. However, the Department could not furnish State Action Plan to audit till date (December 2024). In the absence of source augmentation works, the beneficiaries had to face water scarcity problem during lean season as corroborated during beneficiary survey.

The State Government, while accepting the observation, stated (May 2025) that the proposal of augmentation of various sources amounting to ₹116.85 crore had not been approved. The State Government also added that though source finding committee were not formed in the initial stage, recommendations from the villagers had been taken during the preparation of VAP and that source augmentation issues had been realised later, especially after the ethnic conflict of May 2023.

The non-integration of source augmentation needs into the initial State Action Plan, which was also not furnished to audit, points to weak institutional coordination and a lack of strategic foresight. As a result, critical proposals amounting to over ₹400 crore had to be taken up belatedly, delaying necessary interventions. Most importantly, the absence of timely source augmentation contributed directly to water scarcity during lean seasons, as reported by beneficiaries, thereby undermining the core objective of JJM to ensure regular and adequate potable water supply to all rural households.

3.2.9.16 Absence of baseline survey

As per Paragraph 3.6.1 operational guideline of JJM, a VAP will be prepared by Gram Panchayat or VWSC with the support of PHED Department based on the baseline survey of the village.

However, the Department replied (December 2024) that no baseline survey under JJM was conducted even at the planning stage. Thus, in the absence of baseline survey, households left out during planning stage could not be ruled out.

The non-conduct of baseline survey, as mandated under Paragraph 3.6.1 of the JJM Operational Guidelines, represents a foundational planning gap that compromises the integrity and effectiveness of the VAPs. Without a baseline assessment of existing water supply infrastructure, household-level access, source sustainability and service gaps, the VAPs risk being generic, inaccurate and misaligned with actual village needs. This compromises the quality of scheme design, prioritisation and resource allocation. It also impairs the ability to set measurable benchmarks, monitor progress and assess outcomes. Furthermore, the absence of baseline data hinders the effective identification of unserved and vulnerable populations, thereby risking exclusion and inequitable service delivery.

3.2.9.17 Poor involvement of rural community in planning and implementation

As per Paragraph 3.6.1 of operational guidelines of JJM, a VAP will be prepared by Gram Panchayat or VWSC with support from ISA, PHED/ RWS Department, DWSM based on baseline survey, resource mapping and needs of the village community.

Further, the Gram Panchayat or VWSC is to ensure participation of village community including all its habitations, ISA, DWSM, PHED/ RWS Department, *etc.* in Gram Sabha. The VAP would be approved in the Gram Sabha and submitted to DWSM for further action.

The PHE Department made data entry about VAP of each village in the IMIS portal.

However, on scrutiny of the records of the Gram Panchayat office of the sampled villages, it was revealed that the Gram Sabha meetings to approve VAP as per JJM guidelines were not held. This led to non-involvement of communities in planning and ineffective village action plans.

The State Government accepted (May 2025) the fact and stated that engagement of ISAs in Manipur was late.

The absence of Gram Sabha meetings to approve VAPs, as required under Paragraph 3.6.1 of the Jal Jeevan Mission (JJM) Operational Guidelines, undermines the participatory and community-led approach central to the Mission. Its non-convening suggests that the VAPs may have been prepared in a top-down manner, without adequate consultation with the community. This not only compromises the legitimacy and relevance of the plans but also weakens community ownership, accountability, and long-term sustainability of water supply schemes. While it raises concerns about potential exclusion of marginalised groups, bypassing the Gram Sabha also undermines the democratic spirit of decentralised planning envisaged under the 73rd Constitutional Amendment and JJM framework.

3.2.9.18 Lack of convergence with 15th Finance Commission

As per Paragraph 6.3 of JJM operational guidelines, the Finance Commission grants can be used for taking up the source sustainability and greywater management activities.

- i. As per Paragraph 2.1 of the Manual for the utilisation of Fifteenth Finance Commission (15th FC) (2021-22 to 2025-26), 40 *per cent* of the recommended grant is basic grant (untied) and the remaining 60 *per cent* is tied grant for (a) drinking water *etc.* and (b) sanitation.

The State Finance Department released (August 2022) 15th FC grants of ₹15.32 crore being payment of first instalment of tied grant for rural local bodies under for the year 2021-22.

After the expiry of the term of the last PRI on 24 October 2022, the Rural Development and Panchayati Raj (RD&PR) Department issued an order that no payment be made after 31 October 2022 under any circumstances for all work programmes or activities to be taken up under 15th FC. Consequent upon the RD&PR Department's administrative approval for appointment of Chairpersons/ members of the Administrative Committee for Gram Panchayat and Zilla Parishad on 07 March 2024, the Deputy Commissioners appointed (March 2024) the administrative committees of the GPs and ZPs of the respective districts. No election to the local bodies has been held since the expiry of the last term (October 2022).

Audit noticed that though the restriction on payment had been lifted in June 2024, the work for construction of soak pit and leaching pit included under tied grant had not been taken up (December 2024) in the sampled villages due to non-clarity on the issue of implementing agency as stated by the office of the gram panchayats.

- ii. Further, as per Paragraph 3.1 of the above manual, the Department of Drinking Water and Sanitation would also handhold and provide technical guidance to the RLBs in implementing the tied grant component or the schemes/ technology to be adopted for efficient use of the tied funds.

However, due to lack of convergence, the work was not executed depriving the villages of the benefit of the scheme.

- iii. As per Paragraph 8.1 of the Manual for the utilisation of Fifteenth Finance Commission tied Grants to Rural Local Bodies for water and sanitation (2021-22 to 2025-26), Gram Panchayats have been mandated to prepare Gram Panchayat Development Plan (GPDP) for rural economic development and social justice. The GPDP planning process has to be comprehensive and participatory and based on full convergence with other Schemes. A GPDP takes input from the VAP and reports the progress in the commensurate tied fund of the 15th Finance Commission in the GPDP.

However, the panchayat offices of the sampled villages were unaware of the concept of VAP which defeats the requirement of taking input from the VAP while preparing the GPDP. This shows that the planning process was not based on convergence.

This led to non-achievement of convergence with the Finance Commission.

The State Government accepted the lack of Convergence with 15th Finance Commission and stated (May 2025) that the works for construction of soak pit and leaching pit included under tied grant had to be executed by Gram Panchayat under funding from 15th FC. However, correspondence for

clarification that the works were to be executed by the GPs were yet to be furnished to audit (September 2025).

3.2.10 Audit Objective: Whether financial resources have been employed in an economic and efficient manner?

3.2.10.1 Fund position of the State

The JJM is funded through Ministry of Jal Shakti and the State Government in the ratio of 90:10. In Manipur, external funding was also obtained through Central Government from New Development Bank (NDB) for development of water supply projects. The audit findings on external fundings are discussed under **Paragraph 3.2.10.11**. The year wise details of funds released by the Central and State Governments and expenditure incurred by the Department for the period 2019-2025 are given in **Table 3.2.17**.

Table 3.2.17: Fund position of the State (JJM Funding)

(₹ in crore)

Year	Opening Balance	Fund Receipt		Total available Fund*	Total Expenditure	Balance
		Central	State			
2019-20	0	91.17	6.00	97.17	34.20	62.97
2020-21	62.97	141.80	18.88	223.65	207.66	15.99
2021-22	15.99	601.19	54.58	671.76	527.58	144.18
2022-23	144.18	256.03	41.78	441.99	259.67	182.32
2023-24	182.32	0.00	8.06	190.38	156.37	34.01
Total		1,090.19	129.30	-	1,185.48	-

Source: Departmental records

* Excluding Bank interest receipt: ₹1.29 crore for 2021-22, ₹3.53 crore for 2022-23 and ₹4.12 crore for 2023-24 which are refunded to GoI & GoM.

The financial analysis of implementation of the JJM in Manipur from 2019-20 to 2023-24 revealed that while the State received a total of ₹1,219.49 crore (including Central and State shares) for rural water supply projects, no central funds were received in 2023-24. Reason for non-release of fund is discussed in **Paragraph 2.3.4**. Although ₹1,185.48 crore was spent over the period, the sudden halt in central funding raises concerns about potential fund flow disruptions, which could adversely impact project continuity, particularly ongoing works and operations planned under earlier allocations. Moreover, the consistent carry-forward of unutilised balances in earlier years, peaking at ₹182.32 crore in 2022-23, suggests delays in fund absorption or implementation bottleneck.

3.2.10.2 Payment of work without Third Party Monitoring

As per Chapter 6 of the JJM guidelines, it is mandatory for all the works to be inspected and certified by a Third-Party Inspection Agency (TPIA) before making payment.

M/s EGIS India Consulting Pvt. Limited was engaged (November 2020) as TPIA for Implementation of Water supply schemes in Manipur under JJM for a period of 30 months *i.e.* till June 2023. However, the Department had not engaged any other TPIA after June 2023.

As on June 2023, there were many works/ schemes in progress which had not been inspected by any TPIA. District-wise overall work balance as of June 2023 is shown in the **Table 3.2.18**. Details of water supply schemes with higher percentage of incomplete works are highlighted in **Appendix 3.5**.

Table 3.2.18 : District wise work balance in percentage as of June 2023

Sl. No.	Name of the District	Overall balance work (in percentage)
1	Imphal East	8
2	Imphal West	7
3	Churachandpur	9
4	Chandel	8
5	Kamjong	1
6	Bishnupur	5
7	Jiribam	3
8	Kakching	2
9	Kangpokpi	4
10	Noney	6
11	Pherzawl	3
12	Senapati	2
13	Ukhrul	7
14	Thoubal	8
15	Tengnoupal	3
16	Tamenglong	13

Source: Third Party Monitoring 'EGIS' Report

Further, ₹153.59 crore had been paid for works of water supply schemes *w.e.f.* July 2023 till June 2024 (**Appendix 3.6**), without inspection and certification by an empanelled TPIA after disengagement of the EGIS India Consulting Pvt. Limited in violation of JJM guidelines.

This represents a serious violation of transparency and quality assurance protocols, as several water supply works remained incomplete or unverified during this period. The absence of an empanelled TPIA not only compromises the credibility of scheme execution and quality control but also exposes the department to risks of overpayment, substandard work, and potential financial irregularities.

The State Government accepted the observation and stated (May 2025) that engagement of TPIA *M/s* EGIS India Consulting Pvt. Limited expired in June 2023 and it could not be extended due to May 2023 incident as the firm was not willing to continue due to law and order situation.

3.2.10.3 Non submission of UC

As per Paragraph 7.8.1.2 of Operational Guidelines of JJM, the 2nd instalment amount will be 50 *per cent* of the total allocation admissible to a State in the financial year and its release shall be assessed based on the financial progress made by the State. This included provisional UC for the current year for the amount equivalent to 60 *per cent* of available balance (Central Fund) and State Matching share; Report of the AG for the year preceding the previous year/

ASA⁵⁷ from the C&AG of India's empanelled CA of previous year and final Central and State UC for the previous year.

Ministry of Jal Shakti, Department of Drinking Water & Sanitation released an amount of ₹256.03 crore as first instalment for Jal Jeevan Mission during 2022-23. However, UC for the same had not been submitted (December 2024) and resultantly, the Ministry did not release the 2nd instalment of ₹256.03 crore.

It was also noticed in audit that there was a closing balance of ₹182.32 crore (Central ₹164.43 crore and State: ₹17.89 crore) at the end of March 2023.

Thus, non-utilisation of the fund in time and non-fulfilment of conditions for release of 2nd instalment of Central share resulted in deprivation of 2nd instalment of central fund to the tune of ₹256.03 crore.

Ministry of Jal Shakti, Department of Drinking Water & Sanitation conveyed (March 2023) approval of the AAP 2023-24 to the State Government. As per the approved AAP, the financial resources for JJM for the year 2023-24 was ₹335.18 crore.

However, due to non-submission of UC for the previous year (1st instalment of 2022-23), no fund was received from the Ministry during the year 2023-24 resulting in non-execution of approved activities. Moreover, annual accounts for the year 2022-23 and 2023-24 have not been prepared.

The State Government stated (May 2025) that UC for financial year 2022-23 amounting to ₹233.64 crore had been submitted in August 2024 and UC for financial year 2023-24 would be submitted in due course.

3.2.10.4 Fund flow

As per Paragraph 7.9 of the operational guidelines of JJM, the funds released by the Government of India to the State Government shall be transferred to the single nodal agency account of SWSM within 15 days along with the corresponding matching State share as per the funding pattern *i.e.*, 90:10 Centre-State sharing basis. On receipt of the Central and State share of JJM by the SWSM in the single nodal account, its allocation amongst the districts, based on the annual district action plans (DAP) finalised by the respective SWSM shall be made within two weeks. Based on the allocation, a drawal limit will be set for every district by the SWSM and it will authorise districts to raise payment advice and payment will be made from Single Nodal Account.

As per Paragraph 7.15 of the operational guidelines of JJM, all transactions under JJM are to be made mandatorily through PFMS. Fund utilisation by State under JJM are monitored through PFMS.

The Department of Drinking Water and Sanitation, Ministry of Jal Shakti intimated (February 2021) the State that central fund, along with due state matching share, were not transferred to the single nodal account of the Mission

⁵⁷ Audited Statement of Accounts

in a timely manner. In view of this, it was decided that the central funds would be directly released to an 'escrow account' of SWSMs *w.e.f.* 01 April 2021.

Consequently, from October 2021, the Ministry released JJM funds for the state directly in the Escrow Account of the SWSM. The State Government released the state share to the above account henceforth. This arrangement ensured the timely release of funds as discussed in the succeeding paragraph.

3.2.10.5 Delay in release of fund

The release of JJM fund for the period 2019-20 to 2022-23 is shown in **Table 3.2.19**. There was no fund released for the period 2023-24.

Table 3.2.19: Delay in receipt of fund in SNA

(₹ in crore)

Year	Central share	Sanction date	Release to SNA from Finance Department, GoM	Delay beyond 15 days
2019-20	28.21	28.08.2019	03.01.2020	113
	39.48	20.02.2020	29.07.2020	145
	23.48	26.03.2020	29.07.2020	110
Total	91.17	-	-	-
2020-21	2.58	01.06.2020	29.07.2020	43
	30.37	14.09.2020	28.10.2020	29
	32.95	13.11.2020	23.12.2020	25
	32.95	31.12.2020	24.03.2021	68
	32.95	18.02.2021	24.03.2021	19
	10.00	27.03.2021	30.04.2021	19
Total	141.80	-	-	-
2021-22	120.30	13.05.2021	16.06.2021	19
	Release of fund after operationalisation of ESCROW account			
	120.30	05.10.2021	12.10.2021	No delay
	120.30	06.12.2021	09.12.2021	No delay
	120.30	31.01.2022	03.02.2022	No delay
	21.48	30.03.2022	31.03.2022	No delay
	98.51	30.03.2022	31.03.2022	No delay
Total	601.19	-	-	-
2022-23	2.56	12.08.2022	18.08.2022	No delay
	6.40	12.08.2022	18.08.2022	No delay
	119.05	12.08.2022	18.08.2022	No delay
	2.56	07.03.2023	10.03.2023	No delay
	6.41	07.03.2023	10.03.2023	No delay
	119.05	07.03.2023	10.03.2023	No delay
Total	256.03	-	-	-

Source: Departmental records

As can be seen from the above table, the delay in receipt of fund in Single Nodal Account of SWSM from date of sanction order by the Ministry ranged from 19 to 145 days during August 2019 till May 2021. The delays in transferring the funds from the Finance Department, GoM hampers the smooth implementation of the mission.

However, after the fund were directly transferred to the SNA (escrow) account of the Implementing Agency, there was no delay in the receipt of funds from the Ministry.

3.2.10.6 Diversion of funds

Diversion of funds amounting to ₹14.23 lakh from JJM fund were observed in the following cases:

1. An amount of ₹6.04 lakh was paid (December 2021) to BL Enterprises for 1,000 printed T-shirts and 1,000 caps for a Mega Marathon (NE) event.
2. TA/ DA amounting to ₹6.28 lakh for attending various trainings, workshops for other non JJM schemes like, NDB, integrated sewerage system, Swaccha Bharat Mission by officers/ officials of the department as shown in the *Appendix 3.7*.
3. An amount of ₹1.91 lakh was utilised for renovation of office building of PHED at Khuyathong.

The State Government stated (May 2025) that since there was no separate fund for SBM and other Schemes, JJM funds were utilised for payment of TA/ DA expenses of officers for workshops, reviews, training. The reply is not acceptable since TA/ DA could be drawn from the State Budget.

The Department further stated (May 2025) that the renovation of office was done as part of the development of MIS infrastructure. However, renovation of office building is not allowed as per JJM guidelines.

3.2.10.7 Excess payment for supply of pipes

The Public Health Engineering (PHE) Department, Imphal East Division, procured pipes under JJM. The details of the supply order where there is excess payment are as shown in **Table 3.2.20**.

Table 3.2.20: Details of supply of pipes

Name of Agency, Supply order No. & Date	Size (mm)	Order Quantity (in Rm)	Order Amount (in ₹)	Rate (in ₹)	Quantity Received (in Rm)	Value of Receipt quantity (in Rm)	Actual Payment (in ₹)	Excess (in ₹)
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9=(8-7)</i>
Electrosteel Casting Ltd. EE/IE-PHED/ 3(3)2021-22/01 & 05-06-2021	200	3830	9000,500	2350	3378.5	7939475	7,12,91,948	13,311
	150	19237	34857,444	1812	19231	34846572		
	100	21425	28495,250	1330	21423	28492590		
Total	-	-	7,23,53,194	-	-	7,12,78,637		
BST Infratech Ltd. CE/PHE/2P(R)/20 19(Pt)/1000 & 19- 03-2020	100	28945	25153,205	869	24813	21562497	5,04,12,500	19,434
	80	25084	14975,148	597	21495	12832515		
	65	28337	130,35,02 0	460	24295	11175700		
	50	13394	47,68,264	356	11428	4068368		
	40	1800	4,60,800	256	1544	395264		
	32	1910	4,18,290	219	1638	358722		
Total	-	-	5,88,10,727	-	-	5,03,93,066		
Total Excess								32,745

Source: Departmental records

However, audit noticed discrepancies in supply orders, payments and documentation. The findings indicate financial irregularities like excess payments. There were discrepancies between the quantities ordered and

received across various pipe sizes. The division made an excess payment of ₹0.33 lakh without receipt of materials in full. Records of follow-up actions were not available for the above pending pipes. Immediate corrective measures, including recovery, enhanced monitoring, and improved financial controls, are essential to prevent future discrepancies.

The Department accepted (April 2025) the excess payment.

3.2.10.8 Non-functional water supply schemes in the sampled villages

During joint physical verification (JPV) and beneficiary survey of 15 villages, it was observed that the villages were not having any FHTC due to absence of any functional water supply scheme despite claims made in IMIS, as shown in Table 3.2.21.

Table 3.2.21: Non-functional water supply schemes in sampled villages

Sl. No.	Name of Village	Total HH	No. of FHTC (Claim made in IMIS)	Actual FHTC	Remarks
1	Changamdabi, Imphal East	1255	1255	0	Nungaipokpi WSS was yet to be completed
2	Nongren, Imphal East	429	290	0	Nongren WSS was yet to be started
3	Top Dusara West, Imphal East	484	254	0	Water from Top Kanglatombi WSS was yet to reach the village

I. Changamdabi village

The PHE Department, Imphal East Division, initiated the execution of the “Water Supply Scheme at Nungaipokpi⁵⁸” at a total cost of ₹5.98 crore (Appendix 3.8).

Despite expenditure of ₹5.71 crore (95 per cent of the project cost), as detailed in Appendix 3.8, severe discrepancies in project execution were noticed in joint physical verification conducted in September 2024. The expenditure of ₹76.48 lakh, purportedly incurred on key components such as construction of approach road and levelling (₹18.93 lakh), construction of compound wall (₹22.33 lakh), providing household tap water connections (₹16.19 lakh) and procurement of pumpset (₹19.03 lakh) were found to be either missing or not executed at the work site. Thus, misappropriation of fund to the tune ₹76.48 lakh could not be ruled out.

The State Government replied (April 2025) that the work for providing FHTC had not been billed yet though information already furnished by the Department indicated that the payment had already been made. The State Government further stated that the procurement of the pumpset was delayed due to the law and order situation. However, in the same reply, the Department had already

⁵⁸ Construction of approach road and levelling, Intake, Aerator, Settling tank, slow sand filter, service reservoir, chowkidar quarter cum godown, compound wall, boulder sausages as protection wall, drain and culvert, providing and laying of filter media, procurement of pipes i/c pipe specials, laying and fixing of pipelines, procurement of pumps, energisation, providing household tap water connection and Last mile connectivity

made an expenditure of ₹19.03 lakhs towards procurement of pumpset. Release of payment without receipt of the item was in violation of Rule 172 of GFR which stipulates that payments for services rendered or supplies made should be released only after the services have been rendered or the supplies made.

In the exit conference, the State Government accepted (May 2025) that only earthwork in excavation in hill cutting had been done for the work-construction of approach road. Other components like singling, WBM and pre mix carpeting which are included in technical sanction were not done. The State Government also accepted that work for construction of compound wall had not been done. The Secretary instructed the EE to take necessary action and assured that the works would be completed within three months.

JPV (September 2024) identified multiple structural deficiencies, including overgrown vegetation at the site, cracks in the slow sand filter and instability in pump house infrastructure, non-installation of the pump at the intake point and inefficient layout of main distribution pipelines, which were laid in the middle of the road, obstructing road construction and posing risks for future maintenance which may be seen from the site visit photos shown in **Picture 3.2.2**.

Picture 3.2.2: Photographs were captured on 09 September 2024



Laying of pipe in middle of road Development of crack in reservoir wall No compound wall

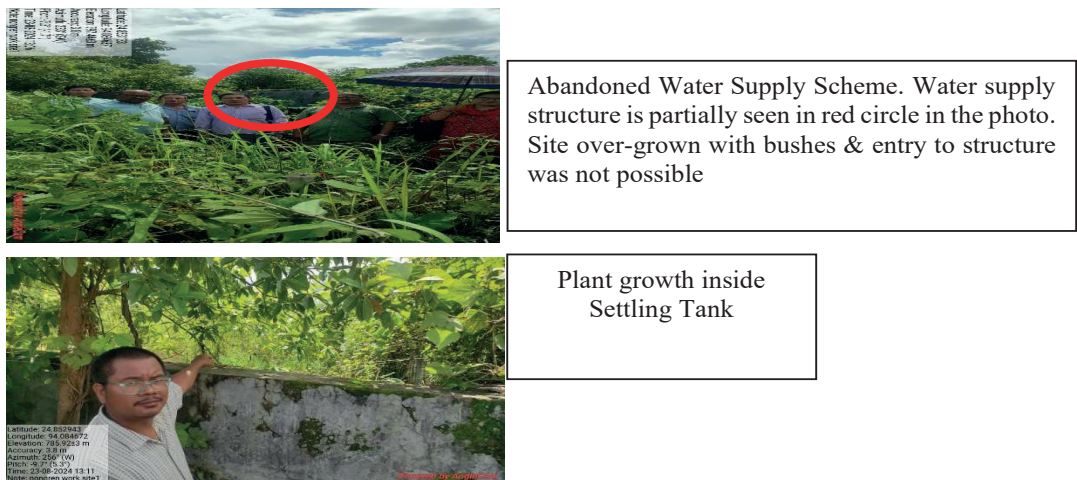
The non-completion of work of the water supply scheme has led to deprivation of access to drinking water in the village.

II. Nongren Village

Nongren village is covered by Augmentation of Nongren Water Supply Scheme of New Development Bank, NDB project. As per DPR of Augmentation of Nongren Water Supply Scheme, the project consists of items of works Construction of Pump House, Procurement of Electric motor Pumpset, Providing and Laying of Filter Media, Energisation of Intake and treatment site, Construction of Approach road, Construction of Aerator, Providing internal fitting to treatment Units, Construction of public hydrant, Procurement of pipes

and specials, Laying and fixing of pipes amounting to a total estimated cost of ₹1.15 crore. During Joint Physical Verification (August 2024) of the site along with the officials of Imphal East Division, PHED, it was found that the existing water supply scheme of Nongren was not functional and was in abandoned state.

Picture 3.2.3: Photographs were captured on 23 August 2024



Since the Augmentation work of the Nongren Water supply scheme under the NDB project had not commenced, the beneficiaries were deprived of the intended benefits of the scheme. The delay in access to clean drinking water had affected the main objectives of JJM related to functional household tap connections and public health and hygiene.

In the exit conference, the Department assured (May 2025) that the works would be completed within three months.

III. Top Dusara West

Top Dusara West village was covered under the Augmentation of Kanglatombi Top Water Supply Scheme (WSS) through the NDB project. As per the information provided by the Department, the total number of Households was 484, out of which 254 households were stated to have been provided with tap water connections. However, during the beneficiary surveys and JPV it was found that, not a single household had actually been provided with tap water connection under the Scheme. There was no main water supply pipeline laid to provide water to Top Dusara West from Kanglatombi Top WSS. Hence, 484 households remained without tap water connections.

In the exit conference, the State Government assured (May 2025) that the works would be completed within three months.

3.2.10.9 Non-issue of pipes

The PHE Imphal West Division placed (October 2023) supply order for 150 mm dia K7 D.I pipes of running metre 31,623 @ ₹2,687/ Rm to M/s Kejriwal Casting Limited. The Division received the pipes of 31,623 Rm in 40 invoices between 17 and 29 January 2024. The Division issued the pipes of 12,626 Rm to 19 water supply schemes of Imphal West District between 5 and 21 February

2024. Thus, 18,997 Rm of the pipes valued ₹5.10 crore (₹2,687 X 18,997) were yet to be issued even after a gap of 11 months from the date of receipt while JJM envisages provision of every rural household with FHTCs by December 2024. A balance amount of ₹5.10 crore remains tied up in undelivered or unutilised stock. The details of non-issue of pipes in Imphal West District are shown in **Table 3.2.22**.

Table 3.2.22: Non-issue of pipes (Imphal West)

Sl. No.	Name of Scheme	Requirement (in Rm)	Issued (in Rm)	Balance (in Rm)
1	Augmentation of Bitra Urokhong WSS	1,800	720	1,080
2	Augmentation of Chongtham Kona Water Supply Scheme	784	308	476
3	Augmentation of Hayel WSS	850	340	510
4	Augmentation of Khonghampat W/S Scheme	2,000	800	1,200
5	Augmentation of Khurkhul WSS	5,000	2,000	3,000
6	Augmentation of Tharoijam WSS	1,000	400	600
7	Augmentation of Uchiwa Water Supply Scheme	785	314	471
8	Construction of Aerator and Slap roofing of Ground sump of Samushang WSS	2,000	800	1,200
9	Construction of Mini Treatment unit at Khordak	1,000	400	600
10	Construction of WSS at Hangoon	3,000	1,200	1,800
11	Construction of WSS at Heibongpokpi	660	264	396
12	Construction. of WSS at Mayanglangjing Taning	1,000	400	600
13	Construction of WSS at Langjing Achouba	3,200	1,280	1,920
14	Extension of Pipeline for Phuramakhong and Langthabal Lep area	1,514	600	914
15	Extension of pipeline for Langthabal Mantrikhong area	1,000	400	600
16	Extension of pipeline for Leiphrakpam Leikai area	2,000	800	1,200
17	Extension of pipeline for Sorokhaibam Leikai area	514	200	314
18	Extension of pipeline upto Sangaiprou Mamang areas	1,500	600	900
19	Extension of supply to Langthabal Kunja area	2,000	800	1,200
20	Pipe not linked to any scheme	16	0	16
Total		31,623	12,626	18,997

Source; Departmental records

Further, PHE Kakching Division placed (27 October 2023) supply order for 200 mm dia. K9 D.I pipes of Rm 1,500 @ ₹4056 per Rm and 150 mm dia. K9 D.I pipes of Rm 15,663 @ ₹3,251 per Rm to M/s Kejriwal casting Limited. The division received the pipes of 200 mm in two invoices on 02 April 2024 and 150 mm on 19 invoices between 18 March 2024 and 17 April 2024. The division issued the pipes of 200 mm dia. of 423.50 Rm to one water supply scheme of Kakching district on 23 and 26 December 2024. The division also issued the pipes of 150 mm dia. of 10,266.50 Rm to six water supply schemes of Kakching district between 13 June 2024 and 29 September 2024. Thus, 1,076.50 Rm of 200 mm dia. D.I. pipes and 5,396.50 Rm of 150 mm dia. D.I. pipes had not been issued even after a gap of eight months from the date of receipt while JJM envisages provision of every rural household with FHTCs by December 2024. A balance amount of ₹2.19 crore remained tied up in undelivered or unutilised stock. Details are given in the **Table 3.2.23**.

Table 3.2.23: Non-issue of pipes (Kakching)

Supply order & Date	Size (mm)	Quantity (in Rm)	Rate (in ₹)	Amount (in ₹)	Issued (in Rm)	Balance (in Rm)	Balance Amount (in ₹)
EE/KAK-PHED/S.O./2020-21/ 67 & 27-10-2023	200	1,500	4,056	60,84,000	423.5	1,076.5	43,66,284
	150	15,663	3,251	5,09,20,413	10266.5	5,396.5	1,75,44,022
Total				5,70,04,413	-	-	2,19,10,306

Source: Departmental records

The State Government replied (April 2025) that there was delay in issue of pipe due to law and order situation. Thus, delay in pipe distribution had led to delays in completing water supply schemes thereby depriving every household with an FHTC of the benefits of the scheme. The objectives of JJM, specifically household water connectivity, were being directly affected due to these inefficiencies.

3.2.10.10 Non-deduction of TDS on GST

As per Section 51 of GST Act 2017, (a) a department or establishment of the Central Government or State Government; or (b) local authority; or (c) Governmental agencies; or (d) such persons or category of persons as may be notified by the Government on the recommendations of the Council, shall deduct tax at the rate of one *per cent* for Central GST and one *per cent* for State GST from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees.

Further, as per Section 24(vi) of the CGST Act, every Government department required to deduct tax must compulsorily obtain registration as a TDS deductor. The non-registration itself constitutes a distinct violation, attracting penal provisions under Section 122(1)(xi) for non-obtaining registration when liable.

Test check of records of the office of the CCDU revealed that TDS-GST amounting to ₹6,27,163 was not deducted at source for payment to different firms for various purposes as shown in *Appendix 3.9*.

Thus, non-deduction of GST at source violates the codal provisions of the act.

The State Government accepted the procedural lapse in not deducting TDS on GST and stated (April 2025) that this had occurred due to initial oversight and the absence of a dedicated accountant at the time. The State Government, further, stated (May 2025) that GST registration had been made in January 2024.

Thus, the reasons cited by the State Government that due to staff shortage and non-registration of CCDU as GST Deductor, ₹6,27,163 was not deducted at source could not absolve it from a statutory responsibility. The lapse constitutes a violation of Sections 24(vi) and 51 of the CGST Act, attracting interest and penal liability.

3.2.10.11 Funding under New Development Bank (NDB)

As per chapter 14 of operational guidelines of JJM, Externally Aided Projects (EAPs) are an important source of additional funding available to the States to fill up the funding gap that may arise in JJM implementation. States are to ensure that ultimate goal of such EAPs is provision of FHTCs, and such projects can cover both rural and urban areas. States/ UTs are encouraged to seek external financial assistance through EAPs funded by bi-lateral and multi-lateral agencies.

To fill up the funding gap in JJM implementation in State of Manipur, a loan agreement was signed (June 2020) between the Government of India and New Development Bank (NDB) for 312 million USD for construction and upgradation of drinking water supply systems in the State of Manipur.

The borrower shall pay interest at the rate being an aggregate of the Reference rate for the Loan Currency (USD) and the Spread⁵⁹. The loan shall be repaid in 38 semi-annual instalments with amortisation schedule from 15 September 2025 to 14 March 2044. As on 31 March 2024, a total of 259.79 million USD had been spent which included an amount of 91.66 million USD on rural water supply projects as shown in **Table 3.2.24**.

Table 3.2.24: NDB loan amount and expenditure

(Amount in USD million)

Contract Loan Amount			Expenditure till 31 March 2024		
NDB Loan (80 per cent)	GoM Funding (20 per cent)	Total amount	NDB loan	GoM funding	Total amount
312	78	390	207.99	51.80	259.79

The NDB projects were divided into 12 packages. The rural areas of Manipur are clubbed into packages RWS P-VIII to RWS P-XI. The package-wise expenditure and physical progress are shown in **Table 3.2.25**.

Table 3.2.25: Package details of NDB for rural water supply

(Amount in USD million)

Packages	Contractor	Expenditure (in per cent)	Physical progress (in per cent)
Rural Areas			
RWS P-VIII (Imphal East, Kamjong, Ukhrul)	M/s Sudhakara	13.19 (25)	30.91
RWS P-IX (Bishnupur, Imphal West, Noney, Tamenglong)	M/s Vishnu Prakash	10.39 (17)	27.95
RWS P-X (Kakching, Thoubal, Kangpokpi, Senapati,)	M/s Koya	31.67 (57)	57.85
RWS P-XI (Tengnoupal, Jiribam, Pherzawl, Chandel, Churachandpur,)	M/s GCKC	36.41 (51)	51.02

Source: Departmental records

The physical progress of the water supply projects in rural areas ranged from 27.95 to 57.85 per cent.

The contract with M/s Sudharkara Infratech Pvt. Ltd., Hyderabad, for package VIII covering Imphal East, Kamjong & Ukhrul Districts and M/s Vishnu

⁵⁹ Spread means 1.05 per cent per annum provided that if the Reference Rate is replaced with a Replacement Reference Rate, the spread will be adjusted as necessitated by the replacement of the Reference Rate, in consultation with the borrower.

Prakash R Punglia Ltd., Jodhpur for package IX covering Imphal West, Noney, Bishnupur & Tamenglong districts had been terminated (November 2023) for non-execution of the work effectively and delaying it inordinately. Further, no other contractor has been engaged for the two packages. This had resulted in low physical progress of the two packages as highlighted in **Table 3.2.25**.

The audit of EAPs under the JJM in Manipur revealed significant delays and non-performance in the execution of rural water supply packages funded by a \$312 million loan from the NDB, with an expenditure of \$259.79 million already spent as of March 2024.

Despite this substantial investment, physical progress in key rural packages remained low, ranging from only 27.95 to 57.85 *per cent*. The absence of replacement contractors stalled further progress in affected districts, jeopardising the timely achievement of FHTCs in rural areas. This not only undermined the intended impact of the EAPs but also raised concerns about financial efficiency, project governance, and the sustainability of debt-financed infrastructure development.

The State Government stated (May 2025) that the contract for package VIII and package IX had revoked on July 2024 and March 2025 only. The State Government also assured that the works would be completed within one year.

3.2.11 Audit Objective: Whether tests created through the programme are sustainable for the next two to three decades and do not compromise water security for future generations?

3.2.11.1 Sustainability of water sources

As per Annexure XB of the JJM Operational Guideline, District Action Plan should include the long-term drinking water security of the district. For this, it would prepare a district annual water budget based on the quantum of surface and groundwater available, water available from long distance water transfer and assess the uses by domestic, agricultural, industrial, etc. It would also contain details of water conservation activities to be taken up to ensure drinking water security by augmenting surface sources by rejuvenation and restoration of water bodies and recharging the groundwater aquifers.

However, the Department formed the Source Finding Committee only on 11 January 2024, well after key planning and approval stages had occurred. Following approval by the State Water and Sanitation Mission (SWSM), a proposal for source augmentation works, estimated at ₹116.85 crore, was sent to the Ministry of Jal Shakti in August 2024 and remained pending approval.

The Department further reported that out of 1,171 JJM schemes, 955 schemes lacked any provision for source augmentation.

Audit also noted that no district-level water budgets or comprehensive source sustainability plans were furnished for review, indicating a significant gap in compliance with JJM planning guidelines. As a result, in all 351 surveyed

households that had FHTCs, beneficiaries reported water shortages during the lean season. This clearly indicates that the absence of planned source sustainability measures undermined the objective of JJM to provide a reliable and year-round supply of potable drinking water to rural households.

The State Government stated (May 2025) that though source finding committees were not formed in the initial stage, recommendations from the villagers were taken during preparation of Village Action Plans. Source augmentation issues have been realised late specially after the May 2023 incident.

3.2.11.2 Lack of community contribution

As per Paragraph 6.1.2 of the JJM Operational Guidelines, willingness of the community and contribution as mandated (five *per cent* of the capital cost) under JJM from at least 80 *per cent* households of village is a pre-requisite for taking up water supply scheme. The Ministry of Jal Shakti while giving approval (March 2023) of the Annual Action Plan 2023-24 reiterated that any shortfall in community contribution shall have to be met by the state from its own resources and state may make best efforts for depositing of the community contribution.

The Department replied that no community contribution for initial construction of the scheme had been deposited till December 2024. The same was also corroborated during the beneficiary survey as all the 469 surveyed beneficiaries stated that they were unaware of the concept of community contribution.

During the VWSC survey, all the VWSCs also confirmed that no community contribution had been collected. The surveyed VWSCs also informed that no bank account had been opened for depositing community contributions till December 2024.

The absence of community contribution, as mandated under Paragraph 6.1.2 of the JJM Operational Guidelines, represents a fundamental deviation from the principles of community ownership and financial participation in rural water supply schemes. Despite clear instructions from the Ministry of Jal Shakti reiterating the requirement of five *per cent* capital cost contribution from at least 80 *per cent* of households, no contributions had been deposited as of December 2024, and neither beneficiaries nor VWSCs were aware of the requirement.

Moreover, no bank accounts were opened to facilitate such deposits, indicating a complete lack of institutional preparedness and mobilisation. This not only violates JJM's operational conditions but also reflects poor community engagement, weakened local accountability, and risks over-reliance on state funding. The absence of community buy-in compromises the sustainability, monitoring and long-term maintenance of water supply schemes, diminishing the likelihood of active local participation in operation and upkeep.

3.2.11.3 Non-formulation of operation and maintenance policy

As per Paragraph 6.1.4 of the operational guidelines of JJM, management and operation and maintenance (O&M) of the water supply scheme by the Gram Panchayat or VWSC will form the cornerstone of the long-term sustainability of the scheme. Further, as per Paragraph 5.2, SWSM should develop O&M strategy to ensure financial sustainability of the scheme.

Absence of operating and maintenance guidelines/ rules had resulted inactive VWSCs, non-preparation of OM budgets, non-involvement of Panchayat Secretaries in VWSCs, poor maintenance of basic records *etc.* as depicted in **Paragraph 3.2.9.2**. This undermines the long-term sustainability of the scheme. The Department stated (December 2024) that the guidelines/ rules for operating and maintaining JJM water supply infrastructure was under preparation.

Without active involvement of Gram Panchayats or VWSCs in managing and maintaining the infrastructure, there is a heightened risk of service breakdowns, poor upkeep and eventual non-functionality of schemes. Moreover, the lack of a state-level O&M strategy developed by the SWSM undermines financial planning for recurring costs, leading to inadequate budgeting, poor cost recovery and over-dependence on external funding. This weakens local ownership and accountability, reduces the lifespan of created assets and ultimately compromises the JJM's core objective of providing reliable, safe, and sustainable drinking water to every rural household.

3.2.12 Conclusion

The State has not adopted bottom-up approach in the implementation of the scheme. The State achieved an impressive coverage of over 43 *per cent* in the year 2020-21 alone, subsequent years saw a steep decline in the number of new connections, leading to an overall coverage of only 79.58 *per cent* by December 2024. This shortfall has left 92,146 (actual would be 95,474 considering the inflated FHTCs of 3,328) rural households *i.e.* over one-fifth of the total target, without access to piped drinking water. In 39 villages, not a single household had been provided with FHTC. There was no installation of household meters which prevents measurement of actual water consumption, making it impossible to apply volume-based tariffs or assess O&M cost recovery. There were inflated number of FHTCs in the sampled villages in IMIS. This undermines the credibility of official records and reflects systemic weaknesses in monitoring and internal control. The absence of effective constitution, empowerment and operationalisation of VWSCs as envisaged led to weak monitoring, poor financial accountability, and inadequate maintenance of rural water supply infrastructure.

Weak financial practices, absence of records and deficiencies in reporting to Gram Panchayats indicate systemic institutional lapses that undermined effective implementation, monitoring, and sustainability of rural water supply schemes. The payment of a fixed monthly remuneration to ISAs, instead of

linking it to quarterly deliverables and timelines as mandated, defeats the incentive structure intended to ensure accountability, performance and timely execution of responsibilities. Non-conduct of social audit defeated the principle of transparency, social accountability and involvement of the people. Lack of institutional separation between water supply and water quality testing undermines the credibility and impartiality of test results as the same agency was both supplying and certifying water quality. The Department's reliance on contract-based personnel remunerated through JJM funds, without sanctioned posts may lead to issues of accountability, lack of long-term capacity building and discontinuity in technical knowledge retention. The fact that up to 65.5 per cent of villages (2021-22) did not conduct any test despite receiving FTKs indicates a breakdown in community engagement. There was overestimation in procurement planning, inadequate inventory management, and non-ensuring of timely utilisation of test kits. The Department formed the Source Finding Committee only on 11 January 2024 well after key planning and approval stages had occurred. The non-integration of source augmentation needs in the initial planning stages points to weak institutional coordination and a lack of strategic foresight.

The non-conduct of baseline survey represents a foundational planning gap that undermines the integrity and effectiveness of VAPs. Due to non-submission of Utilisation Certificate for the year 2022-23, no fund was received from the Ministry during the year 2023-24. The presence of non-functional water supply scheme in three sampled villages led to deprivation of benefits of the scheme to the villagers. The absence of community contribution represents a fundamental deviation from the principles of community ownership and financial participation in rural water supply schemes.

3.2.13 Recommendations

The State Government may consider to:

- *facilitate participation of communities in planning, implementation and maintenance to increase transparency and social accountability.*
- *ensure that the incomplete works are completed by the State Water Sanitation Mission without further delay to achieve the target of providing tap water connection to every rural household.*
- *ensure installation of meter for every household.*
- *check and monitor appropriately online submission of data and information on IMIS to improve reliability of the database.*
- *ensure submission of UCs in time to enable timely receipt of fund from Ministry and timely execution of approved activities. Efforts should be made to prepare accounts for all the years.*

- *proper stock taking and assessment of requirement be made to minimise overstocking and non-distribution of FTKs to enable the beneficiaries testing the water quality for potential waterborne health risks.*
- *strengthen monitoring and evaluation system of the execution of works to achieve the objective of the scheme within the stipulated time frame.*
- *converge with Pradhan Mantri Kaushal Vikash Kendra (PMKVK) for skilling activities.*
- *make proper arrangement for source sustainability so that water reaches the households throughout the year.*
- *strengthen community engagement for increased local accountability, reduced over-reliance on state funding and increased likelihood of active local participation in operation and upkeep.*

COMPLIANCE AUDIT

PUBLIC WORKS DEPARTMENT

3.3 Irregular expenditure on unauthorised works

Works carried out without requisite Administrative Approval & Expenditure Sanction, Technical Sanction, work order and without call of tender by awarding and payment to a contractor who was a near relative of the Engineer-in-charge resulted in irregular expenditure of ₹3.21 crore by the Executive Engineer, Imphal East Division on unauthorised works.

As per Rule 136 (1) of General Financial Rules (GFR), 2017, (as adopted by Government of Manipur) no work shall commence, or liability be incurred in connection with it until:

- Administrative Approval & Expenditure Sanction (A/A & E/S) have been accorded by the Competent Authority;
- Technical Sanction (T/S) has been accorded by the Competent Authority;
- Funds to cover the charge during the year have been provided by competent authority;
- Tenders invited and processed in accordance with rules; and
- A Work order issued.

Rule 26 (ii) of GFR, 2017 further provides that the expenditure is incurred for the purpose for which funds have been provided.

Further, as per clause 36 of General Conditions of Contract (GCC), 2020 of the Manipur Public Works Department (PWD), the contractor shall not be permitted to tender for works in the Manipur PWD circle responsible for award

and execution of contracts in which his near relative⁶⁰ is posted as Divisional Accountant or as an officer in any capacity between the grades of the Superintending Engineer and Assistant Engineer (both inclusive).

In the PWD, where the Cheque Drawal Authority (CDA) system is in force, works are first accorded Administrative Approval and Expenditure Sanction (AA&ES) before tenders are called and contracts are awarded. Once AA&ES is granted, the tendering process is initiated, followed by the award of work to selected contractors. Payments for these works typically on a running account basis are made to the concerned contractors.

To ensure timely payment, each Division prepare and submit a liability statement to the Finance Department through the Administrative Department. Based on this liability statement, the Finance Department will release funds in the form of CDA, specifying the name of the approved work. Upon receipt of the CDA, the Division will issue cheque to the respective contractor for the executed portion of the work.

Scrutiny of records (March-April 2022) of the Office of the Executive Engineer, Imphal East Division, PWD revealed that between September 2020 and January 2022, 140 Cheque Drawal Authorities (CDAs) amounting to ₹46.03 crore were issued for payment to various contractors for the execution of 289 civil works.

However, audit observed that out of the sanctioned ₹46.03 crore, ₹3.21 crore had not been paid to the intended contractors. Instead, this amount had been disbursed to four other contractors for 150 works, even though these works were not included in the CDAs and were not listed in the Division's liability statements.

Further, the office had no records showing that it had obtained the following approvals for these 150 works:

1. Administrative Approval and Expenditure Sanction (AA&ES),
2. Technical Sanction,
3. Work orders, or
4. Tender approvals from the competent authority.

(₹ in lakh)

Year	No of CDA's released	Total CDA Amount	No. of Work against which the CDAs were released	No. of unauthorised Work	Amount paid for unauthorised work
2020-21	50	1273.27	119	60	152.51
2021-22	90	3329.51	170	90	169.03
Total	140	4,602.78	289	150	321.54

Scrutiny of the liability statements further revealed that no proposals had been submitted for clearing liabilities related to these 150 works.

In addition, for any of these works, there were no records of:

- Tender notices being issued,

⁶⁰ Near relatives include children.

- Tender forms being sold,
- Work orders being generated, or
- Agreements being executed.

Audit also observed that 141 out of 150 works valuing ₹2.93 crore were awarded and paid to a contractor who was a near relative of the Engineer-in-charge, in violation of GCC, 2020.

The absence of basic documentation and control checks such as verification of approved liabilities, validation of contractor eligibility and confirmation of sanction orders indicated a breakdown of internal controls, lack of due diligence and oversight, resulting in unauthorised and irregular expenditure amounting to ₹3.21 crore.

The State Government stated (July 2025) that the works had been carried out in an emergent manner during the Covid Pandemic by diverting funds from available works as Emergency case on setting up of Covid care centres in Imphal East⁶¹ by resorting to restricted tender as provided under Paragraph 1.5(1) of CPWD Works Manual, 2019.

The reply of the State Government is not acceptable as the audit observation pertained to irregular payment for unauthorised works which were not of emergent nature related to Covid pandemic. Moreover, audit observed that works claimed to have been executed during the Covid pandemic were not found in the list of 150 unauthorised works pointed out by audit. Also, out of the total 150 works valuing ₹3.21 crore under observation, payment for 141 works valuing ₹2.93 crore was paid to the contractor⁶² (a near relative) which was a violation of the GCC, 2020.

Thus, the Division had incurred unauthorised and irregular expenditure on works which were neither sanctioned nor approved and which lacked basic documentation such as AA&ES, technical sanction, tender notices, work orders or agreements. The justification of the State Government on emergency works during the Covid pandemic was not acceptable in the absence of any evidence that the works executed were related to Covid-19 or that they were carried out under emergent circumstances.

Recommendation:

The State Government may-

- ***investigate the diversion of ₹3.21 crore to unauthorised works and fix responsibility on officials involved for irregular payments.***
- ***ensure strict adherence to CPWD Works Manual provisions and the Manipur PWD General Conditions of Contract to prevent conflicts of interest and unauthorised payments.***

⁶¹ i) Pothole repairing of road leading to Porompat Headquarters, Inter State Bus Terminus, Khuman Lampak.

⁶² The daughter of the then Engineer-in-Charge.

- *institute stringent internal control mechanisms for verification of liabilities, approvals and contractor eligibility before disbursing funds.*

3.4 Undue benefit to contractor due to inflated volume of work

Due to inflated provision for earthwork and for providing/ laying cement concrete, the Executive Engineer, Building Division, Public Works Department made an excess payment thereby extending an undue benefit of ₹61.73 lakh to the contractor.

The Public Works Department (PWD) of Manipur is responsible for execution of construction and maintenance of government buildings, roads, and other public infrastructure. As per Rule 144 of the General Financial Rules (GFR), 2017, and Paras 2.1 and 2.5 of the CPWD Works Manual, 2014, no work shall commence unless a proper and accurate estimate has been prepared, technically sanctioned, and funds duly allocated. The estimate forms the foundation for awarding contracts, preparing Measurement Books (MBs), and making payments. Any deviation or manipulation in estimates or MB entries can lead to serious financial irregularities, undue benefit to contractors, and direct loss to the exchequer.

Audit scrutiny of the work “Major Improvement of State Guest House, Babupara, Imphal (Phase-II)” revealed that the estimates and Measurement Book (MB) entries were grossly inflated and did not correspond with actual site conditions. The estimate provided for 45 units of excavation, each of 110.51 metres in length, although the actual eastern boundary of the Guest House measured only 106.50 metres. This resulted in an inflated excavation length of 4,972.95 metres, over 44 times the physical boundary length, and the recording of 11,679.48 cubic metres of earthwork which could not have been executed. Based on these fictitious entries, the contractor was paid ₹18.49⁶³ lakh in excess.

Further examination of the MB showed cement concrete work recorded at 633.46 cubic metres against a realistic site requirement of only 12.78 cubic metres. This meant that 620.68 cubic metres of cement concrete was falsely entered, leading to an additional overpayment of ₹43.24⁶⁴ lakh. Together, these inflated entries resulted in undue financial benefit of ₹61.73 lakh to the contractor.

The Department admitted in January 2024 that the boundary length was only 106.50 metres, thereby corroborating Audit finding that the estimate and MB entries were inflated and fictitious. However, despite this admission, neither recovery was initiated nor was any responsibility fixed on the officials who had prepared and certified these entries. The reply of the Executive Engineer that

⁶³ ₹158.31 per cum X 11,679.48 cum

⁶⁴ (620.68 cum X ₹6,966.66)

the values would be rectified during re-measurement was untenable, as the actual site dimensions were already known and acknowledged.

The irregularities occurred due to poor site verification at the estimation stage, absence of supervisory checks and recording of fictitious MB entries that remained undetected during payment. The fact that such illogical and impossible quantities were sanctioned and certified suggests not only gross negligence but also the possibility of collusion between departmental officials and the contractor.

As a result, the Government suffered a direct financial loss of ₹61.73 lakh. More broadly, the case demonstrates systemic weaknesses in estimation, verification, and payment processes within the PWD. By permitting such inflated billing to pass through unchecked, the Department not only compromised financial discipline but also created a serious precedent for misuse of public funds in future works.

Audit concludes that the work on “*Major Improvement of State Guest House, Babupara, Imphal (Phase-II)*” suffered from serious deficiencies in planning, estimation, and verification. Inflated estimates and fictitious MB entries led to excess payment of ₹61.73 lakh to the contractor, despite the Department’s own admission that the boundary length was only 106.50m. The reply of the Executive Engineer that values would be rectified at the time of re-measurement is not acceptable, as physical site dimensions had already been established and admitted. Thus, the payments should be strictly based on actual work executed at site.

This case reflected weaknesses in internal controls, lack of effective supervision and possible collusion, resulting not only in direct financial loss but also in systemic risks of inflated billing across the Public Works Department.

Recommendations

The State Government may:

- ***recover the excess payment of ₹61.73 lakh from the contractor without delay.***
- ***fix accountability on officials responsible for preparing inflated estimates, recording fictitious MB entries, and certifying irregular payments.***
- ***strengthen departmental internal control and verification mechanisms by mandating third-party measurement checks for high-value works.***
- ***conduct a special audit of similar works under PWD to detect and rectify other cases of inflated or fictitious billing.***
- ***ensure strict compliance with GFR 2017 and CPWD Works Manual by linking estimates and MBs to actual site verification reports.***

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 2024, the State of Manipur had 14 State Public Sector Enterprises (SPSEs) (all Government Companies including three non-working) as detailed in **Table 4.1.1**.

Table 4.1.1: Total number of SPSEs as on 31 March 2024

Type of SPSEs	Working SPSEs	Non-working SPSEs	Total
Government Companies ⁶⁵	11	3	14
Statutory Corporations	Nil	Nil	Nil
Total	11	3	14

Source: Information furnished by SPSEs

None of these SPSEs were listed on the Stock Exchange, which means that shares of these SPSEs cannot be traded in the Stock Exchange. During the year 2023-24, no new company was incorporated under the Companies Act, 2013.

4.1.2 Investment in SPSEs

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

As on 31 March 2024, investment of the State Government (capital and long-term loans) in 13 SPSEs⁶⁶ was ₹45.90 crore⁶⁷ as per details given in **Table 4.1.2**.

Table 4.1.2: Details of State's investment in SPSEs

Year	(₹ in crore)		
	Equity Capital	Long term Loans	Total
2023-24	45.32	0.58	45.90
2019-20	40.07	0.68	40.75

Source: Information furnished by SPSEs

State Government's investment as on 31 March 2024 consisted of 98.74 *per cent* (₹45.32 crore) towards capital and 1.26 *per cent* (₹0.58 crore) in long-term loans as against 98.33 *per cent* (capital) and 1.67 *per cent* (long-term loans)

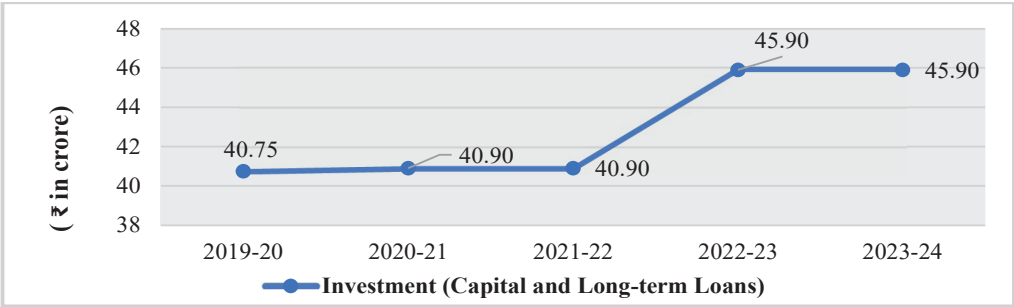
⁶⁵ Government Companies include 'Other Companies' referred to in Section 139 (5) and 139 (7) of the Companies Act, 2013 SPSEs.

⁶⁶ Excluding one company (serial No. B3 of **Appendix 4.2**, a subsidiary of company at serial No. A1), which had no direct equity investment from the State Government as on 31 March 2024.

⁶⁷ Since none of the SPSEs had finalised their Accounts for the year 2023-24, the Investment figures are provisional and as provided by the SPSEs.

as on 31 March 2020. A graphical presentation of the State Government’s investment in SPSEs during the last five years (2019-20 to 2023-24) has been given in **Chart 4.1.1**.

Chart 4.1.1: State’s investment in SPSEs during 2019-24



Source: As provided by the SPSEs.

As can be noticed from the **Chart 4.1.1** above, State Government’s investment in SPSEs during the first three years (2019-20 to 2021-22) remained almost steady but increased to ₹45.90 crore (2022-23) and remained unchanged during the year 2023-24. During the last five years, the State’s investment grew by 12.64 *per cent* (₹5.15 crore) from ₹40.75 crore (2019-20) to ₹45.90 crore (2023-24).

During 2023-24, out of 11 working SPSEs, eight SPSEs incurred loss (₹190.48 crore) and only one SPSE earned profit (₹0.29 crore⁶⁸) as per their latest finalised accounts. Remaining two SPSEs⁶⁹ had not finalised their first accounts (2016-17 & 2022-23) as of September 2024. 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 – such a policy would have ensured a minimum return on State investments.

The equity-heavy structure of investment, constituting 98.74 *per cent* of the total funding, also reflects weak fiscal discipline, as it does not incentivise operational efficiency. In view of the persistent losses, absence of dividends, and non-finalisation of accounts, a comprehensive performance review and rationalisation of SPSEs is warranted to ensure effective utilisation of public funds.

4.1.2.1 Sector-wise total investment in SPSEs

The summarised 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 (all Government companies) under various important sectors at the end of 31 March 2020 and 31 March 2024 have been given in **Table 4.1.3**.

⁶⁸ The profit (₹ 0.29 crore) pertained to one SPSE (Manipur Police Housing Corporation Limited) as per its latest finalised accounts (1997-98), which has not finalised any accounts for last 26 years after 1997-98.

⁶⁹ Serial Nos. A9 & A11 of **Appendix 4.2**.

**Table 4.1.3: Sector-wise details of total investments⁷⁰
(equity capital & long term loans) in SPSEs**

(₹ in crore)

Name of Sector	Investment in SPSEs	
	2019-20	2023-24
Power	381.46	781.21
Manufacturing	10.15	14.15
Finance	16.02	12.92
Agriculture & Allied	15.17	3.54
Miscellaneous	15.52	18.11
Total	438.32	829.93

Source: Information furnished by SPSEs

During the five-year period from 2019–20 to 2023–24, the total investment by the State Government and other stakeholders in State Public Sector Enterprises (SPSEs) increased significantly by 89.34 *per cent* from ₹438.32 crore to ₹829.93 crore. This growth was overwhelmingly concentrated in the power sector, which alone accounted for an increase of ₹399.75 crore (over 104 *per cent*), driven entirely by a surge in long-term borrowings. In contrast, investments in critical sectors like Agriculture & Allied activities and Finance declined sharply by 76.66 *per cent* and 19.35 *per cent*, respectively. The decline in Agriculture sector investment from ₹15.17 crore to ₹3.54 crore is particularly concerning given its direct link to rural livelihoods.

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 2024 is shown in **Table 4.1.4**.

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)

Investment in the form of	Investment as per		Difference
	Finance Accounts	SPSEs records	
Equity	75.40	45.32 ⁷¹	30.08
Loans	-	0.58	0.58
Guarantee	1,022.44 ⁷²	985.98 ⁷³	36.46

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

⁷⁰ Since none of the SPSEs had finalised their Accounts for the year 2023-24, the Investment figures are provisional and as provided by the SPSEs.

⁷¹ Excluding equity contribution (₹10.00 crore) in the form of Assets transferred from the erstwhile State Electricity Department to the newly formed State DISCOM (MSPDCL) consequent upon implementation of power sector reform.

⁷² Represents the Guarantee outstanding against the borrowings of Manipur State Power Distribution Company Limited (₹827.74 crore) and Manipur Police Housing Corporation Limited (₹194.70 crore).

⁷³ Only one SPSE (Manipur State Power Distribution Company Limited) had confirmed the Government Guarantee outstanding of ₹985.98 crore against its borrowings as on 31 March 2024.

From **Table 4.1.4** above, it can be noticed that there were longstanding unreconciled differences in the figures of equity (₹30.08 crore), loans (₹0.58 crore) and guarantees (₹36.46 crore) between the State Government's accounts and those maintained by the SPSEs. The difference in equity occurred in respect of 13 SPSEs⁷⁴ and some of the differences were pending reconciliation over a period of more than 25 years.

As regards Loan figures, Finance Department of the State Government allocates loans to various departments for specific sectoral activities. The loan amounts are recorded in the Finance Accounts based on the sector they are allocated to. The departments receiving the loans then disburse the same to the SPSEs under their control. However, the actual SPSE-wise details of loans received by the SPSEs from the State Government/ Departments concerned were not available in the State Finance Accounts.

Despite periodic engagement with the Finance Department, the absence of an institutionalised reconciliation mechanism has hindered the resolution of these mismatches. The continued non-reconciliation compromises the integrity of public financial reporting and may result in misstatement of the State's liabilities and assets. Immediate institutionalisation of a quarterly reconciliation process, mandatory reconciliation certification by SPSEs, and explicit reporting of SPSE-wise disbursements in Finance Accounts are critical to ensure fiscal accuracy and accountability.

Recommendation:

The State Government may institutionalise a quarterly reconciliation mechanism between the Finance Department, Administrative Department concerned, and SPSEs to reconcile figures of equity, loans, and guarantees.

The Finance Department may issue instructions to all departments concerned to maintain and report SPSE-wise loan disbursement details, and these should be incorporated into the Finance Accounts.

A reconciliation certificate mechanism may be institutionalised and made mandatory for all SPSEs at the end of each financial year.

4.1.4 Accountability framework

The audit of the financial statements of a Company in respect of financial years commencing on or after 01 April 2014 is governed by the provisions of the Companies Act, 2013 (Act) and audit of the financial statements in respect of financial years that commenced earlier than 01 April 2014 continued to be governed by the Companies Act, 1956. The new Act has brought about increased Regulatory Framework, wider Management Responsibility and higher Professional Accountability.

⁷⁴ Except for one SPSE (Manipur Police Housing Corporation Limited) in which no difference in equity investment was noticed.

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 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), read with Section 129(2) of the Companies Act, 2013 (Act). Non-compliance to do so may attract penal provisions under Section 99 of the Act. As per the Act, the SPSE and every officer of the SPSE who is at default shall be punishable with a fine which may extend up to ₹1.00 lakh and in the case of a continuing default, with a further fine which may extend up to ₹5,000 for every day during which such default continues.

Timely finalisation of accounts is crucial for the State Government to evaluate the financial stability of the SPSEs and to prevent financial inaccuracies and mismanagement. Persistent delay in finalisation of accounts poses significant risks, including the potential risk of undetected fraud and misappropriation of public funds besides 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 during the last five years from 2019-20 to 2023-24:

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

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	Number of Working SPSEs	10	11	10	11	11
2	Number of accounts finalised during the year	1	5	7	2	3
3	Number of accounts in arrears	103	109	105 ⁷⁵	114	122
4	Number of Working SPSEs with arrears in accounts	10	10	9	11	11
5	Extent of arrears (numbers in years)	2 to 32 years	1 to 33 years	1 to 34 years	1 to 35 years	1 to 36 years

Source: Departmental Records.

As can be seen from **Table 4.1.5** above, during the last five years, the overall pendency of SPSE accounts has shown an increasing trend. It can further be noticed that as against total 53 Accounts due for finalisation during last five years, the SPSEs could finalise only 18 Accounts leading to overall increase of 19 Accounts in the pendency of SPSE-accounts from 103 Accounts (2019-20) to 122 Accounts (2023-24). The major arrear of 62 accounts (51 *per cent*) pertained to two SPSEs namely, Manipur Tribal Development Corporation Limited (36 Accounts) and Manipur Police Housing Corporation Limited (26 Accounts) (**Appendix 4.1**).

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 (22 November 2023) 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. However, the State Government and the SPSEs concerned could not address the issue effectively, so as to clear the pendency of accounts in a time bound manner.

This chronic delay indicates serious weaknesses in financial governance and accountability mechanisms. Non-compliance with statutory timelines exposes SPSEs and their officers to penal provisions under Section 99 of the Companies Act, 2013 and risks the State's financial oversight. The continued delay in finalising accounts raises the risk of undetected fraud, misappropriation of public funds and misinformed decisions regarding budgetary support and guarantees.

Furthermore, the administrative departments responsible for oversight have neglected to enforce compliance, allowing arrears to accumulate year after year. This reflects inadequate monitoring, poor enforcement of reporting requirements, and a weak culture of accountability in SPSE management.

⁷⁵ 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

Recommendations:***The State Government may-***

- a. mandate each administrative department to prepare a time-bound action plan for SPSEs under their control to clear the backlog of accounts, starting with the most delayed cases.*
- b. set up a special cell to oversee the clearance of arrears of SPSE-accounts and set the targets for individual SPSEs, which may be monitored by the cell.*
- c. ensure that existing vacancies in the Accounts departments of SPSEs are filled up in a timely manner with persons having domain knowledge and experience.*
- d. organise focused training sessions on statutory compliance, financial reporting, and governance for SPSE finance personnel and nodal officers in administrative departments.*

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

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. Audit analysis revealed that the State Government had provided investment aggregating ₹124.12 crore to nine SPSEs (equity: ₹7.05 crore and grants: ₹117.07 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 ₹45.55 crore (Grants) during the period (2023-24) 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: The Government may take special measures for expeditious clearance of arrears of accounts of the SPSEs. Until these accounts are brought up to date, Government may contemplate withholding the financial assistance to such SPSEs.

4.1.7 Special support and Guarantees to SPSEs during the year

The State Government provides financial support to SPSEs in various forms through annual budgetary allocation. The summarised details of budgetary outgo towards equity, loans and grants/subsidies in respect of the State SPSEs for the last three years ended 2023-24 are shown in **Table 4.1.6**.

Table 4.1.6: Details of budgetary support to SPSEs

(₹ in crore)

Sl. No.	Particulars	2021-22		2022-23		2023-24	
		No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
1	Equity Capital outgo from Budget	-	-	1	5.00	-	-
2	Loans given from budget	-	-	-	-	-	-
3	Grants/ subsidy from budget (including Capital Grant)	6	495.69	5	328.40	4	373.30
Total outgo (1+2+3)		6	495.69	6	333.40	4	373.30
4	Guarantee issued	1	193.62	1	290.33	1	-
5	Guarantee commitment ⁷⁶	1	695.65	1	985.98	1	985.98

Source: As furnished by SPSEs.

As can be noticed from **Table 4.1.6** above, the budgetary support provided by the State Government to SPSEs during the last three years (2021-24) showed a decreasing trend. The budgetary support to SPSEs, which was mainly in the form of Grant/subsidy witnessed an overall decrease of ₹122.39 crore in last three years from ₹495.69 crore (2021-22) to ₹373.30 crore (2023-24). 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 ₹323.23 crore (2021-22), ₹286.60 crore (2022-23) and ₹325.86 crore (2023-24).

Over the last three years, the State Government's budgetary support to SPSEs showed a declining trend, with overall grants and subsidies reducing from ₹495.69 crore in 2021-22 to ₹373.30 crore in 2023-24. Notably, a significant portion of this support was extended to the power sector, particularly to Manipur State Power Distribution Company Limited. While the continued assistance reflects the State's commitment to supporting key sectors, the reduction in overall support underscores the importance of financial sustainability and efficient utilisation of public funds by the SPSEs.

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**. **Table 4.1.7** provides the comparative details of turnover of working SPSEs and State GDP for the period of previous five years ending 2023-24.

⁷⁶ Guarantee commitment of the State Government for all three years pertained to the borrowings availed by Manipur State Power Distribution Company Limited.

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

(₹ in crore)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Turnover ⁷⁷	232.63	480.88	584.92	583.87	583.08
GSDP ⁷⁸	29,813.03	29,776.09	35,027.48	40,242.94 [#]	44,994.89 [#]
Percentage of Turnover to GSDP	0.78	1.61	1.67	1.45	1.30

[#] Note: GSDP for 2022-23 & 2023-24 are Provisional Estimates

It can be noticed from **Table 4.1.7** above that during 2019-24, the GSDP had increased by 50.92 *per cent* from ₹29,813.03 crore (2019-20) to ₹44,994.89 crore (2023-24). In comparison, the SPSE-turnover during the corresponding period had grown by 150.65 *per cent* from ₹232.63 crore (2019-20) to ₹583.08 crore (2023-24). Higher pace of growth in SPSE-turnover compared to that of GSDP has led to increase in the contribution of SPSE-turnover to GSDP from 0.78 *per cent* (2019-20) to 1.30 *per cent* (2023-24). The increase in the SPSE-turnover was mainly driven by increase in turnover of power sector from ₹231.00 crore (2019-20) to ₹581.46 crore (2023-24).

Erosion of capital due to losses

The paid-up capital and overall accumulated losses of nine⁷⁹ working SPSEs as per their latest finalised accounts as on 30 September 2024 were ₹53.39 crore and ₹515.87 crore⁸⁰, respectively (**Appendix 4.2**).

During 2023-24, out of the nine working SPSEs, only one SPSE⁸¹ 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 cent*⁸².

Further, out of eight loss-making SPSEs, ROE of three⁸³ out of eight was negative due to the losses incurred by them as per their latest finalised accounts. ROE of the remaining five loss making SPSEs⁸⁴ was not workable as the accumulated losses (₹515.34 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 **Table 4.1.8**.

⁷⁷ Turnover of working SPSEs as per their latest finalised accounts as on 30 September of the respective year.

⁷⁸ Source: Department of Economics and Statistics, GoM (at current price).

⁷⁹ Excluding two newly incorporated SPSEs, viz., Tourism Corporation of Manipur Limited (13 July 2016) and Manipur Food & Distribution Corporation Limited (14 November 2022) which have not finalised their first Annual Accounts.

⁸⁰ After netting off the accumulated profits (₹0.59 crore) of Manipur Police Housing Corporation Limited.

⁸¹ Manipur Police Housing Corporation Limited.

⁸² ROE = Net Profit (₹0.29 crore) ÷ Shareholders' Fund (₹0.61 crore) % = 47.54 *per cent*.

⁸³ Serial No. A2, A4 and A10 of **Appendix 4.2**.

⁸⁴ Serial No. A1, A5, A6, A7 and A8 of **Appendix 4.2**.

Table 4.1.8: SPSEs with primary erosion of paid-up capital

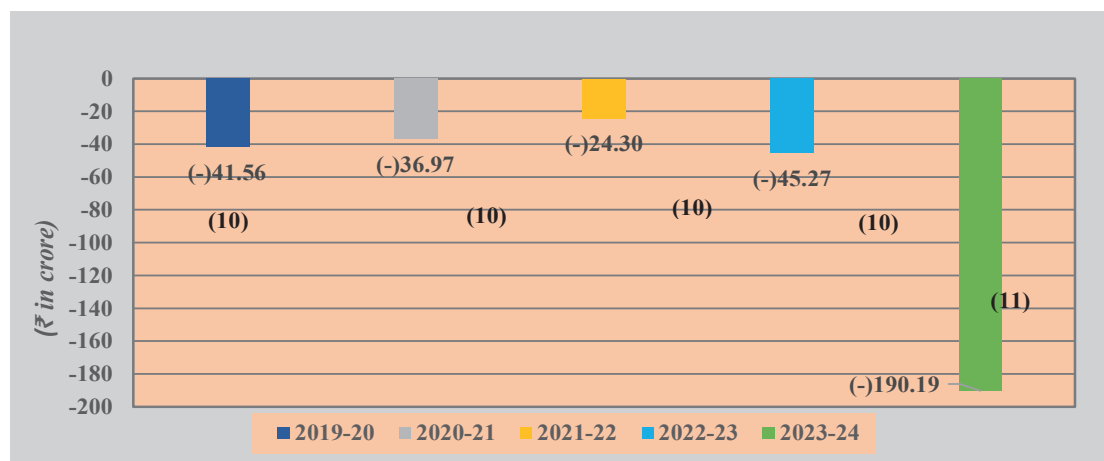
(₹ in crore)			
Name of PSE	Latest finalised accounts	Paid up capital	Accumulated losses
Manipur State Power Distribution Company Limited	2022-23	10.05	285.86
Manipur State Power Company Limited	2022-23	10.05	174.41
Manipur Industrial Development Corporation Limited	2009-10	12.14	31.78
Total		32.24	492.05

Source: Information furnished by SPSEs.

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 2019-20 to 2023-24 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 overall losses of working SPSEs showed a decreasing trend up to the year 2021-22 but increased thereafter. The SPSE-losses had increased by more than six times (₹165.89 crore) during 2023-24 (₹190.19 crore) as compared to the losses incurred during 2021-22 (₹24.30 crore). This deterioration in the performance of SPSEs during 2023-24 was attributable to increase (₹165.89 crore) in losses of the two power sector SPSEs from ₹22.30 crore (2021-22) to ₹188.19 crore (2023-24).

During the year 2023-24, out of 11 working SPSEs, only one SPSE⁸⁵ earned profit of ₹0.29 crore while eight SPSEs incurred losses aggregating ₹190.48 crore as per their latest finalised accounts. Remaining two SPSE⁸⁶ had not finalised their 'first accounts' as of September 2024. The major contributors

⁸⁵ Manipur Police Housing Corporation Limited earned profit of ₹0.29 crore as per its latest finalised Accounts (1997-98) and the SPSE had not finalised any of its accounts thereafter.

⁸⁶ Tourism Corporation of Manipur Limited (incorporated on 13 July 2016) and Manipur Food & Distribution Corporation Limited (incorporated on 14 November 2022).

to SPSE-losses during 2023-24 were two power sector SPSEs as detailed in **Table 4.1.9**.

Table 4.1.9: Major contributors to the losses of working SPSEs

(₹ in crore)

SPSE	Latest finalised accounts	Losses
Manipur State Power Company Limited	2022-23	59.03
Manipur State Power Distribution Company Limited	2022-23	129.16
Total		188.19

Source: Information furnished by SPSEs.

The financial position of working SPSEs in the State reflects a complex picture of increased operational turnover but deteriorating profitability. While the combined turnover of SPSEs grew significantly, primarily driven by the power sector, the contribution to GSDP remains modest at 1.30 *per cent* in 2023-24. This modest contribution is overshadowed by serious financial concerns, most notably the persistent accumulation of losses. As of September 2024, eight out of nine working SPSEs had incurred losses, with the overall accumulated losses standing at ₹515.87 crore against a total paid-up capital of ₹53.39 crore, indicating severe erosion of public investment.

Two SPSEs, particularly the Manipur State Power Distribution Company Limited and the Manipur State Power Company Limited, accounted for the bulk of these losses, with accumulated losses of ₹285.86 crore and ₹174.41 crore, respectively. These losses have fully eroded their equity base, rendering their Return on Equity either negative or not computable. Notably, only one SPSE reported a marginal profit of ₹0.29 crore in 2023-24.

Furthermore, the rise in SPSE losses during 2023–24 by over six times compared to 2021-22 signals a marked deterioration in financial performance, despite ongoing State support. This raise concerns over the long-term sustainability of such enterprises and the effectiveness of the current oversight and accountability mechanisms.

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 **Table 4.1.10**.

Table 4.1.10: Key parameters of SPSEs

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Debt	160.56	493.11	477.51	477.51	644.97
Turnover⁸⁷	232.63	480.88	584.92	583.87	583.08
Debt/Turnover Ratio	0.69:1	1.03:1	0.82:1	0.82:1	1.11:1
Interest Expenses	0.89	2.73	10.70	10.70	19.14
Accumulated losses	166.52	250.06	302.77	334.94	523.12

Source: Information furnished by SPSEs.

⁸⁷ Turnover of working SPSEs as per their latest finalised accounts as of 30 September of respective year.

➤ **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 (2019-20 to 2023-24), the SPSE debts had increased by ₹484.41 crore (301.70 *per cent*) from ₹160.56 crore (2019-20) to ₹644.97 crore (2023-24) while the pace of growth of the SPSE-turnover during the corresponding period was comparatively low at around 151 *per cent* (₹350.45 crore) from ₹232.63 crore (2019-20) to ₹583.08 crore (2023-24). As a result, the Debt to Turnover Ratio during 2019-24, has increased from 0.69:1 (2019-20) to 1.11:1 (2023-24), which indicated the deteriorating position of SPSEs in servicing their long-term debts as compared to previous years.

Further, the accumulated losses of SPSEs during the last five years (2019-24) increased by ₹356.60 crore (214 *per cent*) due to increase in the accumulated losses of power sector SPSEs from ₹103.67 crore (2019-20) to ₹460.27 crore (2023-24).

This imbalance suggests a growing reliance on debt without commensurate growth in revenue-generating capacity. Simultaneously, interest expenses almost doubled between 2021–22 and 2023–24, reflecting increased borrowing costs. Most notably, accumulated losses surged by 214 *per cent* to ₹523.12 crore, driven predominantly by power sector SPSEs. These trends collectively indicate weakening debt servicing capacity and call for urgent corrective measures, including financial restructuring, better cost control, and performance-based monitoring.

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 Government⁸⁸ in the form of equity, interest free loans and grants/subsidies given by the State Government for operational and management expenses less the disinvestments (if any), should be considered, and indexed to their Present Value (PV) and summated. The RORR is then to be calculated by dividing the ‘profit after tax’ (PAT) by the sum of the PV of the investments.

⁸⁸ State Government investment in SPSEs as per the records of respective SPSEs.

In Manipur, 13⁸⁹ out of 14 SPSEs (including two non-working) had direct equity investment by the State Government. During 2023-24, said 13 SPSEs had incurred an overall loss of ₹190.23 crore as per their latest finalised accounts as on 30 September 2024 (*Appendix 4.2*).

On the basis of return on historical value of investment, the State Government investment eroded by 7.80 *per cent* during 2023-24. Further, as per the Rate of Real Return worked out based on the present value of investment, the State Government investment eroded by 5.45 *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 2023 to September 2024, three SPSEs submitted their three Financial Statements (Accounts) for the previous year (2022-23). Out of the submitted three Accounts, two⁹⁰ Accounts were selected for supplementary audit by CAG, while Non-Review Certificate was issued to the remaining one⁹¹ Accounts. The Statutory Auditors had given qualified opinion on all the three Accounts. The Statutory Auditors reported (i) non-compliance with the Accounting Standard - 12 on 'Government Grants' and Accounting Standard - 15 on 'Employee benefits'⁹² and (ii) non-provision of liability towards interest on security deposits of consumers⁹³.

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

Manipur State Power Distribution Company Limited (2022-23)

Non-accounting of revenue income:

Revenue amounting to ₹6.75 crore generated from sale of power relating to the accounting year 2022-23 (₹0.65 crore) and 2021-22 (₹6.19 crore) was not accounted. This has correspondingly resulted in overstatement of 'Accumulated Losses' and understatement of 'Current Assets – Trade Receivables' by ₹6.75 crore each.

Non-accounting of revenue expenses:

(i) Vending charges

Vending charges of ₹9.39 crore (current year: ₹2.61 crore *plus* prior period: ₹6.78 crore) payable by the Company to the Metering Agencies was not

⁸⁹ Excluding one SPSE at serial no. B3 of *Appendix 4.2*, (subsidiary of SPSE at serial No. A1), which had no direct equity investment from the State Government as on 31 March 2024.

⁹⁰ Two Accounts: (i) Manipur State Power Company Limited - (2022-23) and (ii) Manipur State Power Distribution Company Limited - (2022-23)

⁹¹ One Accounts: Cyber Corporation Manipur Limited (2022-23)

⁹² Manipur Power Company Limited (2022-23) and Manipur Power Distribution Company Limited (2022-23)

⁹³ Manipur Power Distribution Company Limited (2022-23)

accounted for in the Statement of Profit and Loss resulting in understatement of 'Accumulated Losses' and 'Other Current Liabilities' (Note – 8) by ₹9.39 crore each.

(ii) Power purchase bills

Non-accounting of supplementary power purchase bills payable for the current year (2022-23) amounting to ₹1.81 crore resulted in understatement of 'Loss for the year' and 'Other Current Liabilities' (Note – 8) to that extent.

Manipur State Power Company Limited (2022-23)

Comments on financial position:

(i) Capital Work-in Progress

Incorrect capitalisation of revenue expenditure amounting to ₹0.38 crore incurred on account of operation & maintenance of three (existing) Transmission Lines (fixed assets) resulted in understatement of 'Capital Work-in Progress' and 'Loss for the year' by ₹0.38 crore.

(ii) Non-Current Investments

The investments of ₹60.21 crore in the equity shares of two Government Sector power companies (*viz.*, North East Transmission Company Limited (NETC): ₹24.68 crore and Loktak Downstream Hydro Electric Corporation Limited (LDHEC): ₹35.53 crore) booked as 'Non-Current Investment' in the Balance sheet of the Company, were held by Government of Manipur in the name of the Governor of the State and not in the name of the Company.

As such, the same should be adjusted/ written off against the 'Capital Reserves' in the financial statements. This has resulted in overstatement of 'Non-Current Investment' and 'Capital Reserves' by ₹60.21 crore each.

(iii) Capital Reserves

Capital Reserves include State Government's contribution of ₹13.40 crore towards equity capital of the Company which should have been depicted as 'Share application money pending allotment' on the Liabilities side of the Balance Sheet as per the requirement of the Companies Act, 2013 (*refer Schedule – III, Part I-Balance Sheet*) instead of the Capital Reserve. This has resulted in understatement of 'Share application money pending allotment' and overstatement of 'Capital Reserves' by ₹13.40 crore each.

(iv) General

The authenticity of seven items (aggregate value: ₹322.70 crore) of Balance Sheet (one item) and Statement of Profit and Loss (six items) could not be vouchsafed in audit due to damage/ loss of the supporting records in flood.

4.1.12 Winding up of non-working SPSEs

As on 31 March 2024, there were three non-working SPSEs (*Appendix 4.2*), which had been non-functional for last 20 to 24 years. 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 Shakhder Committee⁹⁴, 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 months⁹⁵ 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 **Table 4.1.11**.

Table 4.1.11: Status of Explanatory notes not received (as on 30 September 2025)

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
2021-22 (combined Report for 2020-21 and 2021-22)	29 February 2024	-	-	-	-
Total		3	11	0	4

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

⁹⁴ Shakhder Committee under the Chairmanship of Shri. S.L Shakhder, 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.

⁹⁵ 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.

From **Table 4.1.11**, it could be seen that explanatory notes to four paragraphs relating to two SPSEs⁹⁶, included in the Audit Reports 2013-14 and 2019-20 respectively, were not submitted by the State Government (September 2025).

4.1.14 Discussion of Audit Reports by CoPU

The status as on 30 April 2025 of Performance Audits (PAs) and compliance Audit paragraphs relating to SPSEs that appeared in the Audit Reports of CAG for the last nine years (2013-14 to 2021-22) and discussed by the Committee on Public Undertakings (CoPU) is shown in **Table 4.1.12**.

Table 4.1.12: Position on discussion of Audit Reports by CoPU

Period of Audit Report ⁹⁷	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
2021-22 (combined Audit Report for the years 2020-21 and 2021-22)	Nil	Nil	Nil	Nil
2022-23	Nil	Nil	Nil	Nil
Total	3	11	1	6

Source: Records of O/o the 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 122 recommendations pertaining to six Reports of the CoPU presented to the State Legislature between March 1986 and March 2023 had not been received from the Government (30 September 2025) as indicated in the following **Table 4.1.13**.

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
15 th Report (2022-23)	1	8	8
Total	6	122	122

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

⁹⁶ Manipur Tribal Development Corporation Limited and Manipur Police Housing Corporation Limited.

⁹⁷ For periods prior to 2013-14, 37 audit paragraphs (6 performance audits and 31 compliance audit paragraphs) 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.

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.

Recommendation: 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.

This chapter contains one Performance Audit and one compliance audit paragraph as discussed in the succeeding paragraphs.

PERFORMANCE AUDIT

DEPARTMENT OF POWER

4.2 “The System of Energy Billing and Collection of Revenue by Manipur State Power Distribution Company Limited (MSPDCL)”.

Highlights:

- *The Company could not achieve the target of 100 percent metering set by Joint Electricity Regulatory Commission (JERC) (Manipur and Mizoram) (M&M) as 65,587 consumers were unmetered out of total 5,60,238 consumers.*
(Paragraph 4.2.9.1)
- *The Company had not completed the installation of feeder meters and Distribution Transformer (DT) meters. Percentage of installation of 11kV feeder meters was 57 per cent while the percentage of installation of DT meters was 15 per cent as on 31 March 2024.*
(Paragraph 4.2.9.4)
- *In the absence of energy meters, the Company prepared the energy bills of the unmetered consumers based on the formula which was already withdrawn by the JERC (M&M)⁹⁸.*
(Paragraph 4.2.10.2)
- *The Company has not yet updated computerised billing programme to facilitate adoption of power factor rebate/ surcharge.*
(Paragraph 4.2.10.3)
- *In the absence of energy meters, meter reading was not possible in respect of 65,587 unmetered consumers and the Company prepared the energy bills without ascertaining the actual quantum of energy consumed by these consumers.*
(Paragraph 4.2.10.6)

⁹⁸ M&M: Manipur and Mizoram

- *The Company could not achieve the target of revenue collection during 2018-19 to 2023-24. The percentage of revenue collected against the target set by the JERC ranged between 69 per cent and 90 per cent.*

(Paragraph 4.2.12.1)

- *The Company did not initiate adequate steps to recover the dues from the consumers or to disconnect the lines of the defaulted consumers. The position of outstanding revenue rose from ₹515.51 crore in 2018-19 to ₹691.09 crore as at the end of March 2024.*

(Paragraph 4.2.12.3)

- *The Company incurred avoidable expenditure of ₹10.33 crore towards payment of Late Payment Surcharge for delay in payment of power purchase bills.*

(Paragraph 4.2.12.4)

- *There was short remittance of revenue of ₹54.63 lakh with the possibility of the amount having been misappropriated.*

(Paragraph 4.2.12.8)

- *There was no Internal Audit Wing in the Company. IT security audit was conducted only once in 2021 by external agency during audit coverage period.*

(Paragraph 4.2.13.2)

4.2.1 Introduction

The Manipur State Electricity Department (EDM) was unbundled and corporatised into two independent State-owned entities viz. Manipur State Power Company Limited (MSPCL) and Manipur State Power Distribution Company Limited (MSPDCL) with effect from 1 February 2014. MSPCL is the holding company with the core function of transmission, generation and operation of the State Load Despatch Centre (SLDC) while the distribution of power through 11 kV and below distribution lines and the implementation of the Energy Billing System (EBS) in the State is done by MSPDCL.

MSPDCL uses e-Billing software, a web-based platform for its billing and online payment and the system is managed by the in-house IT cell of MSPDCL while the data is hosted by M/s. Cyfuture India Limited with its Data Centre at Noida. The integrated IT billing system aimed to achieve:

- regular bill preparation, distribution and revenue collection for post-paid consumers;
- centralised monitoring and report generation for all post-paid and prepaid consumers;
- generation of prepaid recharge vouchers for different prepaid meter manufacturers from a single window/ platform.

For post-paid consumers, the system generates the bill online which can also be viewed by the consumers for payment of their bills through a payment interface. In case of post-paid consumers with meters, the respective sub-divisions feed the actual meter reading, while for un-metered consumers, the sub-divisions provide data of the number of hours supplied for a particular area for computation of energy bills using the formula provided by Joint Electricity Regulatory Commission (JERC), Manipur & Mizoram (M&M).

In the case of prepaid consumers, consumers can recharge their meter either at the designated counter by payment of cash as well as online portal pay upfront in amounts not less than ₹500. After their payment, MSPDCL server fetches a new voucher code from the corresponding Meter vendor⁹⁹. Consumer finally punches in the voucher code into his/ her meter box. The prepaid interface is also integrated with recovery of outstanding dues of the consumers once the prepaid meter is activated 20 percent of the amount of prepaid recharge value done by a consumer is adjusted towards outstanding dues of previous period (postpaid period, if any).

The integrated energy billing system became operational in August 2019. The entire consumer base is divided into 18 Revenue divisions. Each division is further broken down into multiple sub-divisions for easy administration and functioning. In total there were 49 Sub-divisions in the state.

4.2.2 Organisational Setup

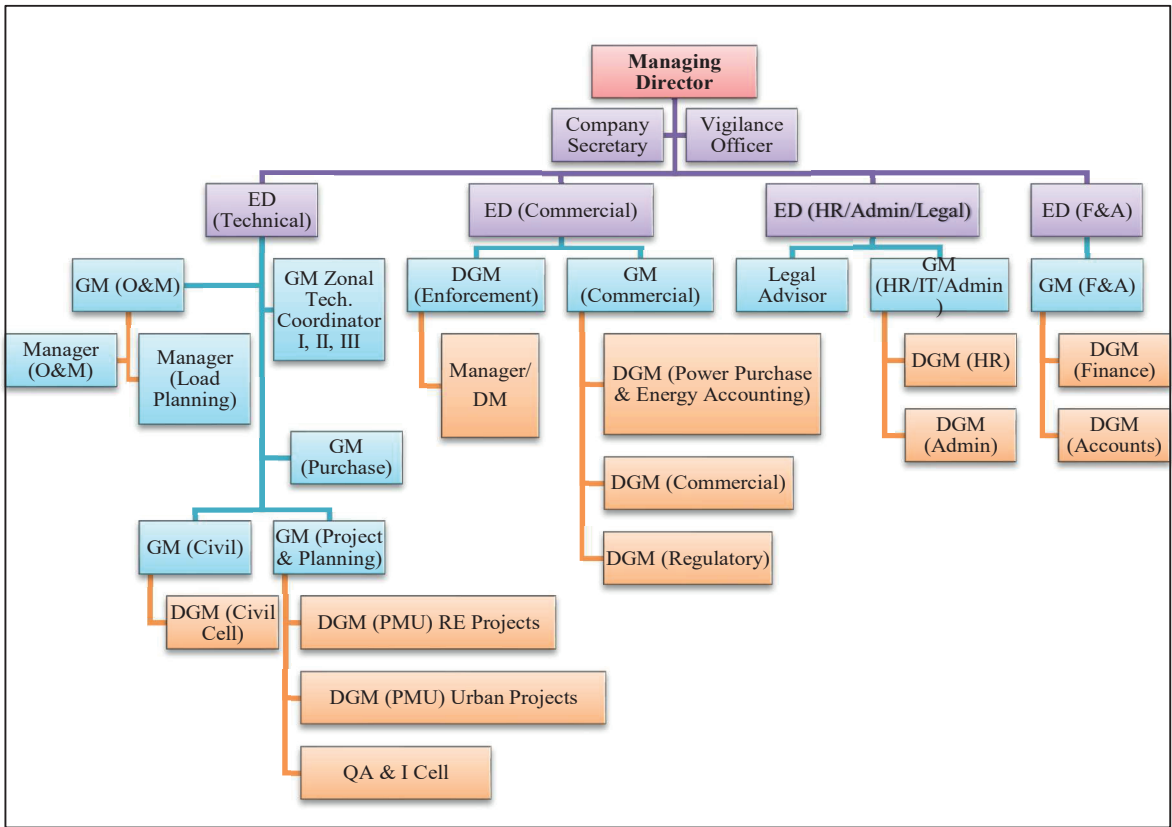
Manipur State Power Distribution Company Limited (MSPDCL) functions under the administrative control of the Department of Power, Government of Manipur. The Management of MSPDCL is vested with a Board of Directors appointed by the State Government. The day-to-day operations are carried out by the Managing Director (MD), who is the Chief Executive of MSPDCL, with the assistance of four Executive Directors (EDs)¹⁰⁰.

⁹⁹ Three vendors namely HPL Meters, Genus Meters and Secure Meters

¹⁰⁰ (i) Technical, (ii) Commercial, (iii) HR/ Admin/ Legal & (iv) Finance & Accounts

The organisational hierarchy of MSPDCL is depicted in **Chart 4.2.1**.

Chart 4.2.1: Organisational hierarchy of MSPDCL



4.2.3 Audit objectives

The objectives of the Performance Audit were to ascertain:

1. the adequacy of the IT-enabled energy billing system adopted by MSPDCL for both Pre-paid and Post-paid consumers;
2. whether the metering and energy billing were managed economically, efficiently & effectively;
3. steps taken to improve customer service and satisfaction;
4. whether Company’s revenue is collected promptly and arrears are not allowed to accumulate; and
5. the existence of an adequate monitoring and internal control system.

4.2.4 Scope of Audit and Methodology

The Performance Audit of “The System of Energy Billing and Collection of Revenue by MSPDCL” was conducted covering the period from 2018-19 to 2023-24. Audit includes scrutiny of records of the Corporate Office and six¹⁰¹ sampled divisions/ offices of the Deputy General Managers (DGMs) of MSPDCL.

¹⁰¹ Out of six sampled divisions, only four divisions could be covered due to law-and-order situation. However, information/ data available in respect of the two remaining divisions (Churachandpur and Kangpokpi) were also incorporated in the Report.

An Entry Conference was held on 14 July 2023 with the management of MSPDCL in which the audit objectives, criteria to be adopted and samples selected were explained. Exit Conference with Commissioner, Department of Power, Government of Manipur and management of MSPDCL was held on 13 February 2025 where the audit findings were discussed. The draft report was issued to the State Government/ MSPDCL on 13 December 2024. The replies of the Company received on 13 February 2025 are incorporated in the respective paragraphs in the report.

4.2.5 Audit Criteria

The audit criteria for assessing the achievements of audit objectives were derived from the following:

- the Electricity Act, 2003;
- the Information Technology Act, 2000;
- Joint Electricity Regulatory Commission (JERC), Manipur & Mizoram (M&M) Electricity Supply Code Regulations, 2013;
- Tariff orders issued by the JERC for (M&M);
- Agenda and Minutes of Board of Directors' meeting (BoD), circulars and orders of MSPDCL;
- General Financial Rules, 2017 & Central Treasury Rules;
- User Manuals/ operation manual of the IT systems;
- MSPDCL's IT Policy including access controls; and
- National Tariff Policy.

4.2.6 Financial performance

The financial performance of MSPDCL for the period 2018-19 to 2023-24 as per annual accounts of MSPDCL is depicted in **Table 4.2.1** below:

Table 4.2.1: financial performance of MSPDCL for the period 2018-19 to 2023-24

(₹ in crore)

Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1	Paid up Capital	10.05	10.05	10.05	10.05	10.05	10.05
2	Long Term Borrowings	334.86	360.06	467.55	451.95	619.41	729.98
3	Accumulated Losses	(-) 116.08	(-) 130.69	(-) 145.58	(-) 156.70	(-) 285.86	(-) 294.81
4	Total revenue	645.69	667.74	721.35	911.29	820.09	931.80
5	Total expenditure	652.20	673.59	728.28	921.03	936.46	943.76
6	Financial cost	0.01	0.11	2.73	10.12	18.56	29.43
7	Profit/ Loss of the year	(-) 6.51	(-) 5.85	(-)6.93	(-) 9.74	(-) 116.37	(-) 11.96

(Source: Annual accounts of MSPDCL)

4.2.7 Sample selection

MSPDCL has three Electrical Circles, 18 Divisions and 46 Sub-Divisions which are involved in energy billing and collection of revenue from sale of power. For sample selection of divisional offices, a minimum of 30 *per cent* of the total number of the divisional offices were selected on the basis of 'Stratified Random Sampling' based on average revenue actually collected during the last five years.

4.2.8 Acknowledgement

Audit acknowledges the co-operation extended by the MSPDCL and sampled units, during the conduct of the Performance Audit.

Audit Findings

The results of the Performance Audit are discussed in the succeeding paragraphs.

4.2.9 Audit Objective: To ascertain adequacy of the IT-enabled energy billing system adopted by MSPDCL for both Pre-paid and Post-paid consumers

4.2.9.1 Existence of unmetered connections

As per Electricity Act, 2003, no service connection be released without meter. Para 5.1 of the JERC (M&M) Electricity Supply Code Regulations, 2013 also provides that no installation shall be serviced without meter that conform to requirements as laid down in the Central Electricity Authority (Installation & Operation of Meters) Regulations, 2006 and all subsequent amendments issued under Section 55 of the Electricity Act.

Further, JERC (M&M) in its Tariff Orders for the financial years 2019-20 to 2023-24, directed MSPDCL to install meters for all its consumers. As per the Tariff Orders, 100 *per cent* metering was to be achieved within September 2019.

As of 31 March 2024, there were 5,60,238 consumers in the State with a connected load of 1,296.57 MW under different categories as depicted in the **Table 4.2.2**.

Table 4.2.2: Consumers in the State under different categories

Sl. No.	Category of consumers	Number of consumers	Connected load (MW)
LT Supply			
1	Kutir Jyoti	9,721	4.70255
2	Domestic	5,13,147	1,013.228
3	Non-Domestic (Commercial)	33,491	134.005
4	Public Lighting	504	1.7812
5	Public Water Works	20	0.24
6	Irrigation & Agriculture	53	0.219
7	Small Industry	1,270	12.26673
Sub-Total		5,58,206	1,166.44248
HT Supply			
1	Commercial	1,193	42.388
2	Public Water Works	221	14.993
3	Irrigation & Agriculture	18	0.781
4	Medium Industry	110	7.295
5	Large Industry	43	11.755
6	Bulk Supply	447	52.914
Sub-Total		2,032	130.126
Total		5,60,238	1,296.56848

(Source: Information furnished by MSPDCL)

Audit noticed that as of March 2024, out of the total of 5,60,238 consumers, 4,94,651 consumers (88 *per cent*) were metered, while the remaining 65,587 (12 *per cent*) were unmetered as shown in the **Table 4.2.3**.

Table 4.2.3: Metered and unmetered consumers as of March 2024

Category of consumers	Pre-paid	Post-paid Metered	Post-paid unmetered	Total
HT	668	660	704	2,032
LT	4,91,152	2,171	64,883	55,8206
Total	4,91,820	2,831	65,587	5,60,238

(Source: Information furnished by MSPDCL)

As such, there was inadequacy in metering as the target of 100 *per cent* metering set by JERC could not be achieved by MSPDCL even after a lapse of more than four years. In the absence of energy meters, the Company generated energy bills of the unmetered consumers based on the formula $L \times H \times F \times D^{102}$ as prescribed by JERC (M&M) irrespective of the actual quantum of energy consumed by the unmetered consumers.

The Company in its reply (February 2025) acknowledged the gaps while stating that all new connections are provided with prepaid meters and targets to achieve the balance by March 2025.

4.2.9.2 Non-installation of Energy Meters

As per Electricity Act, 2003, no service connection be released without meter. Para 5.1 of the JERC (M&M) Electricity Supply Code Regulations, 2013 also provides that no installation shall be serviced without meter that conform to requirements as laid down in the Central Electricity Authority (Installation & Operation of Meters) Regulations, 2006 and all subsequent amendments issued under Section 55 of the Electricity Act.

Para 5.2 states that, for Low Tension (LT) loads, Miniature Circuit Breakers (MCBs) and, for High Tension/ Extra High tension (HT/ EHT) loads, Circuit breakers (CBs) of appropriate rating and specifications shall be installed along with the meter.

Further, JERC (M&M) in its Tariff Orders, directed MSPDCL to install meters for all its consumers. As per the Tariff Orders, 100 *per cent* metering was to be achieved within September 2019. It was, however, noticed in audit that MSPDCL was yet to complete the installation of meters even for the HT consumers as of March 2024. The status of installation of energy meters in respect of HT consumers is shown in **Table 4.2.4**.

¹⁰² L= Connected load in kW or billing demand in KVA.
H= Total number of hours in a month during which power is actually supplied to that consumer through that feeder/through that DT concerned whichever is less.
F= Load factor.
D= Demand factor.

Table 4.2.4: Status of installation of energy meters in respect of HT consumers

As on	Total Nos. of HT consumers in the State	Total Nos. of HT consumers with meters (percentage)	Total Nos. of HT consumers without meter (percentage)
31 March 2019	1194	NA	NA
31 March 2020	1401	NA	NA
31 March 2021	1747	1016 (58)	731 (42)
31 March 2022	1866	1122 (60)	744 (40)
31 March 2023	1913	1251 (65)	662 (35)
31 March 2024	2032	1328 (65)	704 (35)

(Source: Information furnished by MSPDCL)

As could be seen from the Table above, the percentage of installation of energy meters ranged between 58 *per cent* and 65 *per cent* during 2020-21 and 2023-24 while information for the years 2018-19 and 2019-20 were not available with MSPDCL.

Scrutiny of records in the six sampled Divisions also revealed the existence of unmetered post-paid consumers both in the HT and LT categories as of 31 March 2024 as shown in **Table 4.2.5**.

Table 4.2.5: Unmetered post-paid in HT and LT categories in six sampled Divisions as of 31 March 2024

Period upto	Total no. of HT consumers	Total no. of unmetered HT consumers	Total no. of LT consumers	Total no. of unmetered post-paid LT consumers
31 March 2024	954	292	3,21,311	38,375

(Source: Information furnished by MSPDCL)

MSPDCL's persistent inability to ensure 100 *per cent* metering, despite explicit provisions in the Electricity Act, 2003, the JERC (M&M) Electricity Supply Code Regulations, 2013 and repeated directions in Tariff Orders, constitutes a serious regulatory non-compliance. As of March 2024, 35 *per cent* of HT consumers and 38,375 LT post-paid consumers remained unmetered, undermining accurate energy accounting, facilitating potential revenue leakage, and impairing effective demand-side management. The absence of complete metering not only violates statutory requirements but also exposes the utility to continued commercial losses and weakens its ability to enforce billing discipline.

The Company in its reply (February 2025) stated that it has initiated the installation of smart meters for all Distribution Transformers (DTs) including those serving HT consumers, and the project is expected to be completed by 2025-26.

4.2.9.3 Non-installation of Smart meters

Smart meters have the advantages of remote metering and billing, implementation of peak and off-peak tariff and demand side management through demand response. In order to enable energy audit in the distribution

system, all distribution companies shall ensure smart meters in their electricity system throughout the chain from transformers at 132 kV level right down to distribution transformer level at 11 kV and further down to each consumer.

The National Tariff Policy issued (28 January 2016) by the Government of India mandated smart meters¹⁰³ for:

- a. Consumers with monthly consumption of 500 units and more at the earliest but not later than 31 March 2017;
- b. Consumers with monthly consumption above 200 units by 31 December 2019.

Audit scrutiny however revealed that MSPDCL was yet to install any Smart Meters as of March 2024. Thus, the mandatory target for installation of Smart Meters as per the National Tariff Policy was not met besides depriving MSPDCL of easier monitoring mechanisms. This lapse not only violated statutory targets for consumers with higher monthly consumption but also deprived the utility of critical benefits such as remote metering and billing, implementation of peak/ off-peak tariffs, demand-side management, and comprehensive energy auditing across the distribution network, thereby perpetuating inefficiencies, revenue leakages, and weak load management.

The Company in its reply (February 2025) stated that a pilot phase was rolled out under the Revamped Distribution Sector Scheme (RDSS) where 2,263 smart meters were installed out of the total 1,54,000 provisioned and targets to achieve 50 *per cent* by 2025-26.

4.2.9.4 Non-completion of installation of Feeder meter and DT meter

As per JERC (M&M) Tariff Orders issued during 2018-19 to 2023-24, MSPDCL was to complete installation and energisation of all 11 kV feeder meters by September 2018 and calculate the energy injected by MSPCL to MSPDCL on monthly basis. MSPDCL was also to complete the Distribution Transformer (DT) metering by September 2018 and conduct a case study of feeder wise energy loss for all 11 kV lines. MSPDCL was further directed to come-up with LT line loss for individual DT fed LT lines.

Audit noticed that MSPDCL had not completed the installation of feeder meter and DT meters as of March 2024. The status for the last six years is shown in the **Table 4.2.6**.

Table 4.2.6: Status of installation of feeder meter and DT meters as of March 2024

Year	Total Nos. of 11 kV feeders in the State	Total Nos. of 11 kV feeders where meters installed (<i>percentage</i>)	Total Nos. of DTs	Total Nos. of DTs where meters installed (<i>percentage</i>)
2018-19	188	146 (78)	7,391	NA
2019-20	192	148 (77)	8,061	NA
2020-21	192	148 (77)	8,205	1,016 (12)

¹⁰³ They have General Packet Radio Service (GPRS) enabled communication device (Modem) for enabling meter reading from consumers premises to the data centre of the Company remotely without human intervention.

Year	Total Nos. of 11 kV feeders in the State	Total Nos. of 11 kV feeders where meters installed (percentage)	Total Nos. of DTs	Total Nos. of DTs where meters installed (percentage)
2021-22	216	134 (62)	8,593	1,122 (13)
2022-23	232	133 (57)	8,743	1,255 (14)
2023-24	232	133 (57)	9,139	1,332 (15)

Source: Information furnished by the Corporate Office, MSPDCL

As could be seen from the Table above, the status of installation of feeder meters and DT meters was as under:

- During 2018-19, against the 188, 11 kV feeder, 146 (78 per cent) feeder meter were installed whereas in 2023-24, 133 (57 per cent) feeder meter were installed against 232, 11kV feeder in the State.
- There was no DT meter during 2018-19 and 2019-20. In 2023-24, only 1332 (15 per cent) DT meter were installed against total 9139 DTs in the State.

Due to non-completion of installation of Feeder meters and DT meters, feeder wise energy loss for all 11 kV lines and LT line loss for individual DT fed LT lines could not be ascertained.

The Company stated that Smart Metering Project for all 11 kV feeders and DTs has commenced under the Revamped Distribution Sector Scheme (RDSS) with targeted completion by 2025-26.

The MSPDCL had not achieved 100 per cent metering of its consumers till March 2024 though the target set by JERC (M&M) was September 2019. The company was yet to install any smart meters as of March 2024 as per the National Tariff Policy, 2016. As on March 2024 the company could achieve installation of 57 per cent metering of 11 kV feeder and 15 per cent metering of DTs.

4.2.9.5 Overall Conclusion:

The Manipur State Power Distribution Company Limited (MSPDCL) has significantly lagged in implementing the mandated installation of feeder and distribution transformer (DT) meters, despite clear targets set by the Joint Electricity Regulatory Commission (JERC) and provisions under the National Tariff Policy. Over the six-year period from 2018-19 to 2023-24, meter installation coverage for 11 kV feeders declined in percentage terms, and DT metering remains critically low at only 15 per cent. This persistent shortfall has hindered accurate assessment of technical and commercial losses, limiting the company's ability to undertake effective loss reduction measures. Although the Smart Metering Project under the Revamped Distribution Sector Scheme is underway, its delayed completion target of 2025-26 indicates continued operational inefficiencies and regulatory non-compliance.

Recommendations:**The Company may consider-**

- *prioritising completion of feeder and DT metering within the next 12 months, with quarterly milestones and penalties for contractors for delays.*
- *adopting sampling-based energy audit methods to estimate feeder-wise and DT-wise losses, enabling targeted corrective measures until full metering is achieved.*
- *establishing a dedicated project management unit to oversee the Smart Metering Project to ensure vendor performance tracking, and report progress monthly to the regulator and the Board.*

4.2.10 Audit Objective: To ascertain whether the metering and energy billing were managed economically, efficiently & effectively
4.2.10.1 Non-installation of Maximum Demand Indicator Meter

As per the JERC (M&M) Tariff Orders for the years 2018-19 to 2023-24 (Directive-17), MSPDCL was to install Maximum Demand Indicator (MDI) meters for all high value connections.

Audit noticed that MSPDCL did not install MDI meters for the high value connections as it was evident from the fact that the MDI readings were not captured in the consumers' bills generated by MSPDCL for the high value connections.

As per Clause 2.3 (12) of the JERC (M&M) Electricity Supply Code Regulations, 2013 Billing Demand means the highest of the following:

- (i) The contract demand; or
- (ii) The maximum demand indicated by the meter during the billing cycle;
- or
- (iii) The sanctioned load wherever contract demand has not been provided in the supply agreement.

In the absence of MDI meters, MSPDCL defaulted to billing high-value consumers solely on contract demand, without recording actual maximum demand. This practice creates a systemic risk of short-billing demand charges, resulting in potential and recurring revenue losses for the utility. Furthermore, it undermines billing accuracy, weakens revenue assurance mechanisms, and reflects gaps in regulatory compliance and operational oversight.

The Company acknowledged the lapse and stated that it has now incorporated MDI readings in the bills of high tension (HT) consumers.

4.2.10.2 Computation of energy consumed for unmetered supply.

No installation should be serviced without appropriate and correct meter. MSPDCL is responsible to install energy meters for all categories of consumers. The formula for computation of energy consumed for unmetered supply was withdrawn *vide* JERC (M&M) Tariff Order 2019-20.

Audit however noticed that out of 2,032 HT postpaid and 5,58,206 LT postpaid consumers in the State, there were 704 unmetered HT postpaid and 64,883 unmetered LT postpaid consumers respectively as of March 2024.

Audit noticed that in the absence of energy meters, MSPDCL continued to prepare the energy bills for the unmetered consumers by adopting the formula $L \times H \times F \times D^{104}$ as per the Tariff order for the financial year 2018-19, irrespective of the actual quantum of energy consumed by the consumers.

Thus, in spite of aforesaid withdrawal of the formula for computation of energy consumed for unmetered supply by JERC (M&M) Tariff Order, MSPDCL, did not install the energy meters, continued to prepare the energy bills of the unmetered consumers by adopting the already withdrawn formula. The preparation of energy bills of the consumers on the basis of formula was against the Tariff orders and the actual quantum of energy consumed could not be verified.

The Company in its reply stated that best efforts are being given to ensure 100 *per cent* metering at the earliest and to avoid accumulation of consumers' electric usage charges, they are being served unmetered bills. However, the fact remained that the energy meters were not installed.

4.2.10.3 Rebate/ Surcharge for availing supply at voltage higher/ lower than base voltage

General Conditions of Supply (Paragraph 1.2) of the Tariff Order 2018-19 to 2023-24 allows rebate to those who avail supply at higher voltage than the classified supply voltage for corresponding load as per clause 3.2 of the JERC (M&M) (Electricity Supply Code) Regulations, 2013. Those availing at lower voltage than the specified voltage shall be levied surcharge. The rebate/ surcharge shall be applied as detailed below:

- (i) For consumers having contracted load upto 50 kW - if the supply is given at HV/ EHV, a rebate of 5 *per cent* would be admissible on the rate of energy charge and fixed charge of the applicable tariff.
- (ii) For consumers having contracted load above 50 kW-if the supply is given at voltage lower than the base voltage for corresponding load as

¹⁰⁴ L=contracted load in KW or billing demand in KVA

H=Total number of hours in a month during which power is actually supplied to that consumer through that feeder/ through that DT concerned whichever is less.

F= Load factor

D=Demand factor

per clause mentioned above, the consumer shall be required to pay an extra charge of 10 *per cent* on the bill amount (Energy charge + Fixed charge) calculated at the applicable tariff.

JERC (M&M) in its Tariff Order for 2023-24 (Directive 21) directed that MSPDCL should up to date computerised billing programme to facilitate adoption of power factor rebate/ surcharge as indicated in the tariff schedule.

It was, however, noticed in audit that MSPDCL had not yet updated computerised billing programme to facilitate adoption of power factor rebate/ surcharge. MSPDCL had not complied with the provisions of Paragraph 1.2 of the Tariff Orders (2018-19 to 2023-24) and Directive 21 of the JERC (M&M) Tariff Order 2023-24 by omitting to update its computerised billing programme to implement the mandated power factor rebate/ surcharge mechanism. This lapse has resulted in systemic non-enforcement of tariff provisions - eligible consumers had not received the rebates due to them, and defaulters operating below the prescribed voltage had not been charged the applicable surcharge.

The non-operationalisation of this functionality has led to potential financial losses from unrecovered surcharge, denial of legitimate benefits to compliant consumers and continued billing inefficiencies. It also reflects weak internal controls over tariff implementation and undermines transparency and fairness in billing practices.

MSPDCL assured that computerised billing program to enable the implementation of power factor rebates and surcharges will be addressed through the installation of smart meters under RDSS commencing from 2025-26 onwards.

4.2.10.4 Annual Review of Contract Demand

As per Paragraph 4.108 of the JERC (M&M), Electricity Supply Code Regulations, 2013, in case of High Tension (HT) and Extra High Tension (EHT) connections, if the maximum demand was recorded to be in excess of contract demand by five *per cent* or more for at least four times during the last financial year, the licensee should issue a 30 day notice to the consumer for submitting an application form for enhancement of load. If there was no response from the consumer by the end of the notice period, the licensee should start the procedure for enhancing the consumer's contract demand to the average of four readings of maximum demand shown by the consumer's Maximum Demand Indicator (MDI) meter in the last financial year. In case of LT connections, similar review shall be carried out for connections equipped with an MDI meter.

It was, however, noticed in audit that the maximum demand indicated by energy meters during the billing cycle was not captured in the energy bills of the HT consumers and LT consumers due to non-installation of MDI meters. Consequently, annual review of contract demand was not carried out in respect of both HT and LT consumers. This resulted in non-compliance of the JERC (M&M), Electricity Supply Code Regulations, 2013. This lapse has also

prevented automatic detection and correction of under-contracted loads, allowing consumers to continue drawing power in excess of their sanctioned demand without corresponding contract demand enhancement. The impact includes potential loss of revenue from unbilled demand charges, inefficient utilisation of network capacity, and non-compliance with regulatory requirements, ultimately weakening the company's load management and billing accuracy.

The Company in its reply (February 2025) stated that DT meters for all DTs and HT consumers in the state will be installed under RDSS. These meters shall have the capability to detect any surge in load that exceed the sanctioned load and disconnect temporarily as a warning to the consumer. The execution of the work is targeted for completion by 2025-26.

4.2.10.5 Incorrect Billing of Temporary Connections

Temporary connection shall be granted for a maximum period of three months at a time. For extension of the period of temporary supply the procedure is detailed in clause 4.68 of JERC (M&M) Electricity Supply Code Regulations, 2013. Temporary power supply shall be given through correct meter and carried out as per procedure laid down in clause 4.56 to 4.70 of the JERC for Manipur & Mizoram (Electricity Supply Code) Regulations, 2013.

Before release of the connection, probable consumption was to be assessed and consumption of energy for temporary connection shall be: -

$$\text{Units assessed} = \text{Assessed Connected Load} \times \text{Number of days} \times 24 \text{ hours} \times 0.5$$

and energy charges and demand charges were to be billed at 1.5 times of the highest applicable tariff of the category applicable.

The analysis of billing records for four temporary electricity connections revealed substantial under-billing due to incorrect application of tariff categories and possibly flawed assessment methodology. The total under-billed amount across the sampled cases amounted to ₹3,44,769, representing a significant revenue leakage for MSPDCL.

In each case, the actual energy and fixed charges, calculated based on connected load, duration, and applicable prevailing tariff, were markedly higher than the amounts billed. The shortfall arose primarily from:

- Presumption of tariff category without proper verification, leading to lower tariff rates being applied.
- Assessment based on reduced load factors rather than actual applicable load and consumption duration.

The impact is twofold: direct financial loss to the utility from uncollected dues, and non-compliance with prescribed billing procedures, which undermines billing integrity and creates scope for disputes and irregular practices.

Thus, incorrect billing for temporary connections resulted in under billing of ₹3.45 lakh between 2019-22 (details shown at *Appendix 4.4*).

The Company replied (February 2025) that the number of hours adopted was as per feeder data of power availability. The reply is not acceptable as JERC regulation specifically states the 24 hours to be adopted for calculation of energy charges. The Company was in violation of JERC norms by adopting number of hours as per feeder data instead of 24 hours specified by JERC for these cases.

4.2.10.6 Non-reading of Consumers' Meters

Paragraph 5.17 of the JERC (M&M) Electricity Supply Code Regulations, 2013 provides that the meter shall be read once in every billing cycle and the consumer shall extend all facilities to the licensee or his authorised representatives to read the meter.

Paragraph 5.22 of the Code *ibid* provides that in case, for any reason, the meter is not read during a billing cycle, the licensee shall prepare a provisional bill based on the average consumption of last three billing cycles when readings were taken. Such provisional billing shall not continue for more than two billing cycles at a stretch and the licensee shall not generate more than two provisional bills for a consumer during one financial year.

It was noticed in audit that there were 704 numbers of unmetered HT consumers out of 2,032 HT consumers in the State as of March 2024. In respect of LT consumers, 64,883 numbers of consumers were unmetered out of total 5,58,206 numbers of LT consumers. In the absence of energy meters, reading of meters was not possible in respect of these 65,587 consumers. Consequently, MSPDCL had to prepare the energy bills by adopting the formula for preparation of bills for the unmetered consumers. Consequently, loss of revenue cannot be ruled out.

Audit, thus, observed that MSPDCL did not comply with the provisions of JERC Regulations regarding the reading of meters in every billing cycle. The absence of meters made it impossible to record actual consumption, resulting in billing based on estimation formulas rather than actual readings. This practice not only violates regulatory provisions but also exposes MSPDCL to significant revenue risk, as consumption may be understated and potential energy losses remain unidentified. It further undermines billing accuracy, transparency, and the utility's ability to detect theft or inefficiencies in the distribution network.

The Company replied (February 2025) that efforts are being made to expedite the installation of meters for the unmetered consumers.

4.2.10.7 Testing of Meters

As per Para 5.28 JERC (M&M) Electricity Supply Code Regulations, 2013, the licensee shall conduct periodical inspection/ testing and calibration of the meters as specified by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and all subsequent amendments.

Further Para 5.29 of the regulations *ibid* provides that the licensee shall conduct periodical inspection/ testing of the meters as per the following schedule:

(1) Single phase meters:	Once in five years
(2) LT 3-phase meters:	Once in every three years
(3) HT meters including MDI:	Annually

Wherever applicable, Current Transformer (CT) and Potential Transformer (PT) shall also be tested along with meters.

As per information furnished to audit, there were 1,328 numbers of metered HT consumers (Pre-paid-668; Post-paid metered-660) and 4,93,323 numbers of metered LT consumers (Pre-paid-4,91,152; Post-paid-2,171) as of March 2024 in the State. In respect of the six sampled Divisions, there were 662 numbers of metered HT consumers (pre-paid-244; Post-paid-418) and 2,82,936 numbers of metered LT consumers (Pre-paid-2,81,797; Post-paid-1,139) as of March 2024.

It was, however, noticed in audit that MSPDCL/ Divisions did not have any system of periodical inspection/ testing of meters as specified by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and all subsequent amendments.

Further, Section 163 of Electricity Act, 2003, authorises the Distribution Company to enter the premises of a consumer for inspection and testing the apparatus.

MSPDCL stated (February 2025) that it analysed periodical recharge patterns for prepaid meter consumers after analysing the recharge history of the last six months and inspections were carried out at the premises of consumers whose prepaid recharge pattern deviates from the average consumption pattern. Physical verification of consumer meters was also conducted when consumers complain about excessive meter reading. The reply of MSPDCL is silent about its policy for regular inspection and testing of the consumers’ apparatus. Moreover, no analysis/ study was conducted with regard to post-paid consumers and MSPDCL did not have a specific policy in this regard. The Company assured that sample based testing and calibration of meters would be conducted from 2025-26 onwards.

Instead of adhering to the mandated schedule, MSPDCL relied on ad-hoc inspections triggered by abnormal prepaid recharge patterns or consumer complaints, with no inspection system for post-paid consumers. This regulatory non-compliance, coupled with the absence of a structured policy and manpower constraints, has compromised assurance over meter accuracy, increased the risk of billing errors and revenue leakage, and weakened consumer confidence in billing integrity.

4.2.10.8 Monthly joint meter reading of the 11 kV incoming meter

As per the JERC (M&M) Tariff Orders for the years 2018-19 to 2023-24 (Directive-30), MSPDCL along with MSPCL (Transmission Company) was to conduct monthly joint meter reading of the 11 kV incoming meter (which is the injection point of energy from MSPCL to MSPDCL). The JERC further directed

MSPDCL to complete the installation and energisation of all 11 kV feeder meters by September 2018 and calculate the energy injected by MSPCL to MSPDCL on monthly basis. MSPDCL was further directed to complete the DT metering by September 2018 and conduct a case study of feeder-wise energy loss for all 11 kV lines.

In response to the directive, MSPDCL admitted that energy accounting through DT metering could not be done and 100 *per cent* metering could not be completed due to non-availability of meters. It was further stated that month wise feeder-wise energy report is required to be reconciled with MSPCL and State Load Despatch Centre (SLDC) report. MSPDCL, stated (February 2025), that joint meter reading with MSPCL was not conducted.

From the above facts, audit concludes that MSPDCL was yet to comply with the directives of the JERC with the result that the quantum of energy injected by MSPCL to MSPDCL on monthly basis as well as feeder-wise energy loss for all 11 kV lines could not be ascertained. Resultantly, MSPDCL could not ascertain the quantum of energy loss and identification of theft in particular feeder could not be done.

The Company stated (February 2025) that Smart Metering Project for 11 kV feeder and DTs has been initiated under RDSS with the installation of 80 feeder meters out of the total 230 11 kV feeder meters till date and targets to cover all 230 feeders by 2025-26. Once completed, all readings from the feeders can be fetched remotely at any point of time.

4.2.10.9 Delayed filing of Tariff Petition to JERC

MSPDCL files Aggregate Revenue Requirement (ARR) with JERC for determination of tariff. The ARR projects the revenue requirements to meet the costs in a year which can be passed on to consumers by way of tariff. The JERC reviews the ARR and issues Tariff Orders detailing the revenue requirement which can be passed on by MSPDCL to the consumers, by way of tariff.

The ARR for a year is required to be filed 120 days before commencement of the respective financial year, *i.e.*, by 30 November of the preceding year. Timely tariff fixation was mandatory under the Financial Restructuring Plan of the Government of India (GoI).

It was observed during audit that MSPDCL had delayed filing its ARR since the last six years. The delay in filing ranged from 15 to 64 days as briefly depicted in the **Table 4.2.7**.

Table 4.2.7: Delay in filing ARR

Tariff Year	Due date for Filing	Actual date of filing	Delay (days)
2018-19	30-11-2017	15-01-2018	46
2019-20	30-11-2018	24-12-2018	24
2020-21	30-11-2019	31-12-2019	31
2021-22	30-11-2020	02-02-2021	64
2022-23	30-11-2021	24-12-2021	24
2023-24	30-11-2022	15-12-2022	15

(Source: Information furnished by the Corporate Office, MSPDCL)

As there was delay of 64 days in filing the ARR for 2021-22, the approval from JERC was also delayed. During the pendency of approval of the new tariff, the Tariff Order of the previous year (2020-21) was in effect till 30 April 2021 instead of 31 March 2021. The delay in submission of tariff petition for the tariff year 2021-22 ultimately resulted in lower revenue for one month *i.e.* April 2021. The Company replied (February 2025) that there was delay during 2021 due to delay in collection of data from divisions owing to Covid-19 pandemic.

MSPDCL consistently did not adhere to the prescribed timeline of 30 November for filing its Aggregate Revenue Requirement (ARR) for six consecutive years (2018-19 to 2023-24), with delays ranging from 15 to 64 days. This persistent non-compliance with JERC regulations and the Financial Restructuring Plan timelines directly impacts timely tariff determination.

The most significant consequence was in 2021-22, when a 64-day delay in filing led to a corresponding delay in issuance of the Tariff Order, forcing the company to operate on the previous year's tariff for April 2021. This resulted in foregone revenue from the higher revised tariff for that month, compounding financial strain. The justification citing COVID-19 for 2021-22 is untenable, as delays were a recurring pattern in all audited years, indicating systemic weaknesses in data consolidation, internal coordination and regulatory compliance

In absence of energy meters MSDPCL continued to prepare the energy bills for un-metered consumers by adopting a formula which was discontinued in 2019-20 and irrespective of energy actually consumed by the consumer. The Company adopted lesser number of hours than the prescribed number of hours for billing of four temporary connections. The Company suffered a revenue loss due to the absence of energy meters in 65,587 connections (HT: 2032 and LT: 64,803) for which the Company had prepared energy bill by adopting the formula. There was no system of periodical inspection/ testing of meter. Audit also noticed delays in filling of Tariff Petitions to JERC (M&M).

4.2.10.10 Overall Conclusion

The audit reveals systemic weaknesses in MSPDCL's metering, billing, and regulatory compliance processes, resulting in recurring revenue losses, billing inaccuracies, and persistent violations of JERC and CEA regulations. Key irregularities include non-installation of MDI meters for high-value consumers, continued use of a withdrawn formula for unmetered billing, non-implementation of mandated rebate/ surcharge mechanisms, omission to conduct annual contract demand reviews, under-billing of temporary connections, non-reading of meters for a significant share of consumers, absence of periodic meter testing, non-conduct of joint meter readings at injection points and chronic delays in filing tariff petitions. These lapses have led to substantial and recurring financial losses, weakened revenue assurance, poor load management, and reduced transparency in billing operations, undermining both regulatory compliance and consumer confidence.

Recommendations**The Company may consider-**

- *implementing a comprehensive metering and billing compliance plan with metering of all HT and LT consumers, prioritising high-value and unmetered connections.*
- *completing DT and feeder metering as per RDSS timelines and initiate monthly joint meter readings with MSPCL.*
- *establishing a data-driven energy accounting cell to reconcile injection, distribution, and billed energy, enabling theft detection and targeted loss reduction.*
- *developing and enforcing a standard operating procedure for periodic meter testing, contract demand review, and timely ARR filings.*

4.2.11 Audit Objective: To ascertain whether steps taken to improve customer service and satisfaction was sufficient
4.2.11.1 Consumers complaints

The “JERC M&M” recognising the urgency and need for enhancing the levels of service to the electricity consumers in the State of Manipur and Mizoram accords high importance to the rights of the consumers. With the objective of safeguarding their interests, JERC M&M proposes that the Distribution Licensees (in the states of Manipur and Mizoram as defined in Clause 17 of Section 2 of Electricity Act, 2003, to the extent of its activities of distribution and supply of electricity) implement these “Redressal of Consumer Grievances” Regulations to streamline and simplify the process for registration and resolution of complaints. The Distribution Licensee shall have Internal Grievance Redressal Cells (IGRC) at different appropriate locations headed by officers of different levels of the Distribution Licensee and each Cell shall maintain a register for registering the complaints received. IGRC Level-I shall be the Local Office in-charge of the Distribution Licensee, IGRC Level-II shall be the Office in-charge of Division concerned and IGRC Level-III shall be the Office in-charge of Circle concerned.

The consumer complaints shall be duly registered under the above categories within two hours of the receipt of the complaint. In the event the grievance of the consumer is not redressed satisfactory to the consumer within the period specified in Schedule-I to these regulations and the consumer does not accept in writing of such satisfactory resolution of the grievance, the officer concerned of the IGR cell shall within three days forward the complaint together with his comments to the higher Level and the Forum for further action.

MSPDCL has not complied with the JERC (M&M) “Redressal of Consumer Grievances” Regulations, which mandate the establishment of Internal Grievance Redressal Cells (IGRC) at multiple levels and the maintenance of complaint registers. Audit observed that the Company maintained no records or data on consumer complaints received, their registration, or their resolution status.

This lapse undermines consumer rights protection, prevents effective monitoring of service quality, and obstructs regulatory oversight. The absence of complaint data also limits the Company’s ability to identify recurring service issues, address systemic deficiencies, and demonstrate accountability in grievance redressal.

The Company stated (February 2025) that it had restructured (August 2023) the existing Consumer Grievances Redressal Forum in a 3-tier model headed by the Sub-Division Manager, Deputy General Manager and General Manager respectively. The Chairmen of all the three tiers were to maintain quarterly grievance report at all the three levels. During the period from 2022 to 2024, MSPDCL received and disposed 91,490 complaints.

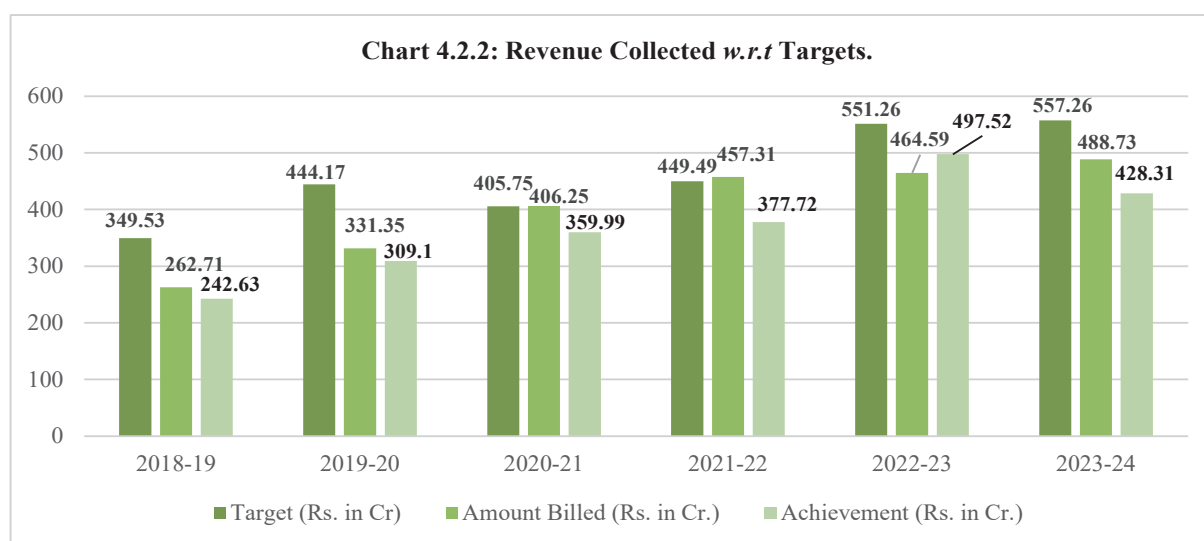
4.2.12 Audit Objective: To ascertain whether Company’s revenue is collected promptly and arrears are not allowed to accumulate

The revenue billed in respect of all categories of consumers is collected at respective Divisions/ Sub-divisions. It is imperative that revenue due to MSPDCL is collected promptly and recorded and arrears are not allowed to accumulate.

MSPDCL has 18 revenue divisions which maintain respective revenue account with scheduled banks. The deposited amount is transferred to MSPDCL’s corporate account. The deficiencies in collection and remittance of revenue noticed during audit are highlighted in the subsequent paragraphs.

4.2.12.1 Shortfall in achievement of target of revenue collection

While finalising the Tariff Orders for MSPDCL, JERC (M&M) fixed the target for collection of revenue from distribution of energy by MSPDCL. It was, however, noticed in audit that MSPDCL did not achieve the target in each of the financial years covered by audit. The position of revenue target fixed *vis-a-vis* revenue collected by MSPDCL is depicted in the **Chart 4.2.2.**



(Source: Information furnished by the Corporate Office, MSPDCL)

As seen from the Chart above, the *percentage* of revenue collected against the target set by the JERC (M&M) ranged between 69 *per cent* (2018-19) and 90 *per cent* (2022-23) during the period covered by audit. Further, the Company could not achieve *cent per cent* revenue collection on amount billed except during the year 2022-23 indicating poor collection efficiency. As a result, the outstanding arrears continued to increase during the period covered by audit as discussed in **Paragraph 4.2.12.3**.

It was noticed in audit that MSPDCL approached (January 2023) the State Government with a proposal for waiver of all accumulated Surcharge amount and 70 *per cent* of Principal Energy charges. As per the proposal of MSPDCL, the overall outstanding dues as on 31 March 2014 was ₹425.73 crore (Accumulated Surcharge: ₹118.28 crore and Principal Energy charges: ₹307.45 crore). MSPDCL proposed the waiver scheme as under:

- (a) For all non-State Government consumers, all the accumulated surcharge amount along with 70 *per cent* of the total Principal Energy charges amount be waived off against their total payable outstanding dues as on 31 March 2014.
- (b) For all State government consumers, the consumers shall pay 100 *per cent* of their total payable outstanding dues as on 31 March 2014.

As per the proposed waiver scheme, MSPDCL was expected to recover an amount of ₹107.17 crore against the due amount of ₹425.73 crore. Since the outstanding dues were the cost of power purchase which were already paid to the Central Generating Companies from time to time, MSPDCL requested the State Government for subsidy of ₹318.56 crore to compensate the revenue loss of the same amount if the proposed waiver scheme is implemented. However, as on the date of audit (September 2024), the State Government was yet to approve the proposal of MSPDCL and, as such, the outstanding dues continued to increase and stood at ₹691.09 crore as of March 2024, resulting in continued

accumulation of arrears and tying up funds equivalent to the cost of power already paid to generating companies, thereby straining the company's financial position and liquidity.

The Company in its reply (February 2025) stated that best efforts are being made to improve revenue collection by conducting regular raids of illegal connections/ tapping, recovering outstanding dues from prepaid recharges *etc.* With 100 *per cent* metering expected to be completed in near future, this issue can be effectively resolved.

4.2.12.2 Delay in release of subsidy by State Government

Section 65 of the Electricity Act, 2003 mandates the State Government to release subsidy amount due to the licensee in advance in each month so as to enable the licensee to implement the subsidised tariffs to their consumers as per Revised Subsidised Tariff Schedule. Hence, the State Government was to release the annual subsidy amount in advance in 12 equal monthly instalments. In the event of non-receipt of subsidy in any month from the government, the licensee (DISCOM) was to adopt the applicable Full Cost Tariff Schedule while issuing the monthly energy bill for that relevant month.

Scrutiny of records revealed that the State Government did not release the subsidy amount in advance in monthly instalments. The position of subsidy receivable from the State Government and the subsidy actually received by MSPDCL during the period covered by audit is depicted in **Table 4.2.8**.

Table 4.2.8: Subsidy receivable and received by MSPDCL from the State Government

(₹ in crore)						
Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Subsidy receivable	301.70	219.55	172.48	285.38	301.38	300.93
Subsidy actually received	220.12	209.27	191.84	213.87	195.00	284.00
(+)Excess/(-) Short	(-) 81.58	(-) 10.28	(+) 19.36	(-) 71.51	(-) 106.38	(-) 16.93

Source: JERC Tariff Orders & information furnished by MSPDCL

As seen from the **Table 4.2.8** above, the State Government did not release the full amount of assured subsidy to MSPDCL in five out of six years covered by audit. Though MSPDCL did not receive the subsidy amount in advance from the State Government in monthly instalments, MSPDCL also did not adopt the full cost tariffs as mandated by the Electricity Act, 2003.

During the financial year 2020-21, MSPDCL received excess amount of subsidy to the extent of ₹19.36 crore (₹191.84 crore received against ₹172.48 crore). Since the tariffs were fixed by the JERC after considering the subsidy receivable from the State Government, MSPDCL had to sustain the losses due to non-receipt of full amount of subsidy from the State Government.

The State Government repeatedly did not to comply with Section 65 of the Electricity Act, 2003 by neither releasing the assured subsidy in full nor providing it in advance through 12 equal monthly instalments. In five out of six years covered by audit, MSPDCL received less than the subsidy amount

determined by JERC, with shortfalls ranging from ₹10.28 crore to ₹106.38 crore.

Despite the shortfalls and delays, MSPDCL did not adopt the Full Cost Tariff Schedule as mandated in the absence of timely subsidy payments, thereby sustaining financial losses. Although there was an excess receipt of ₹19.36 crore in 2020-21, this was an exception, and overall subsidy deficits weakened MSPDCL's cash flow, increased reliance on borrowings and undermined its ability to fully recover the cost of supply as approved by the regulator.

The Company, in its reply (February 2025), stated that the Government of Manipur has been releasing subsidies on quarterly basis depending on availability of funds and has been supporting MSPDCL in meeting its Aggregate Revenue Requirement (ARR) gap.

4.2.12.3 Non-realisation of revenue from the consumers

The position of amount billed and revenue collected for sale of energy from the consumers during the period covered by audit (2018-19 to 2023-24) is depicted in **Table 4.2.9**.

Table 4.2.9: position of amount billed and revenue collected for sale of energy
(₹ in crore)

Year	Opening Balance of outstanding revenue	Amount billed	Amount collected	Percentage of collection	Closing Balance of outstanding revenue
2018-19	495.43	262.71	242.63	92	515.51
2019-20	515.51	331.35	309.10	93	537.76
2020-21	537.76	406.25	359.99	89	584.02
2021-22	584.02	457.31	377.72	83	663.61
2022-23	663.61	464.59	497.52	107	630.68
2023-24	630.68	488.73	428.32	88	691.09

Source: Information furnished by MSPDCL

As could be seen from the **Table 4.2.9** above, MSPDCL could not realise the whole of the billed amount during the financial years 2018-19 to 2021-22 and 2023-24. The *percentage* of amount collected as against the amount billed ranged between 83 *per cent* and 93 *per cent* during these five years while MSPDCL could achieve 107 *per cent* collection against the amount billed during the financial year 2022-23.

The outstanding revenue rose from ₹515.51 crore in 2018-19 to ₹691.09 crore as at the end of March 2024, which was attributable to the MSPDCL's inability to collect the entire billed amounts from the consumers.

Clause 6.32 of the JERC (M&M) Electricity Supply Code Regulations, 2013 stipulates issue of disconnection notices for default in payment of dues after a notice period of 15 days. However, MSPDCL did not disconnect defaulting consumers, indicating ineffective enforcement of recovery measures. Non-recovery of arrears from the consumers adversely impacted the financial

condition of MSPDCL, as MSPDCL was further compelled to pay a surcharge for the late payment of bills to the Central Generating Stations as discussed at **Paragraph 4.2.12.4.**

The persistent non-recovery of arrears not only weakened MSPDCL's liquidity position but also compelled it to incur additional expenditure in the form of surcharge payments to Central Generating Stations for delayed settlement of dues.

The Company, in its reply (February 2025), stated that the total dues at ₹691.09 crore includes an amount of ₹425.73 crore (*61.60 per cent*) which was transferred over to the Company during unbundling of the Electricity Department and the Company is persistent in its efforts of recovering outstanding dues. However, the fact remains that the outstanding revenues continue to increase over the years, thus exposing the Company's inefficiency in revenue collection.

4.2.12.4 Payment of Surcharge due to late payment of Power Purchase Bills; avoidable expenditure of ₹10.33 crore

Regulation 59 of the CERC (Terms & Conditions of Tariff) Regulations 2019 provides that in case the payment of any bill for charges payable under these regulations is delayed by a beneficiary or long term customers as the case may be, beyond a period of 45 days from the date of presentation of bills, a late payment surcharge at the rate of 1.50 *per cent* per month shall be levied by the generating company or the transmission licensee, as the case may be.

Further, as per the Electricity (Late Payment Surcharge) Rules, 2021, all payments by a distribution licensee to a generating company or a trading licensee for power procured from it or by a user of a transmission system to a transmission licensee shall be first adjusted towards Late Payment Surcharge and thereafter, towards monthly charges, starting from the longest overdue bill.

Test check of records revealed that MSPDCL paid (March 2021) a sum of ₹15.00 crore to North Eastern Electric Power Corporation Ltd. (NEEPCO) towards purchase of power during 2017-18 to 2020-21. Further scrutiny of records disclosed that NEEPCO informed (March 2021) MSPDCL that an amount of ₹10.33 crore had been adjusted from the amount paid of ₹15.00 crore for outstanding Late Payment Surcharge (LPS). The late payment surcharge related to the period from 2017-18 to 2020-21.

In view of the above, it has been observed that MSPDCL had to incur avoidable expenditure of ₹10.33 crore towards payment of Late Payment Surcharge which could have been avoided had MSPDCL not defaulted in payment of power purchase bills. The lapse in ensuring timely payment of dues to generating companies not only violated regulatory provisions but also resulted in a significant and avoidable financial burden on MSPDCL, adversely impacting its already strained financial position.

The Company, in its reply (February 2025), stated that there was delay in payment due to inadequate funds which will be mitigated in the future by taking appropriate steps.

4.2.12.5 Non-disconnection despite accumulation of huge arrears

Paragraph 6.32 of JERC (M&M) (Electricity Supply Code) Regulations, 2013 provides that the licensee (MSPDCL) may issue a disconnection notice in writing, as per Section 56 of Electricity Act, 2003, to any consumer who defaults on his payment of dues, after giving him a notice period of 15 clear days to pay the dues.

Para 8.3 of the Code further provides that MSPDCL may disconnect the consumer's installation on expiry of the said notice period by removing the service line/ meter as MSPDCL may deem fit.

Test check of consumers' bills in respect of HT consumers in the six sampled Divisions¹⁰⁵ revealed that huge arrears were outstanding against some of the HT consumers. However, no disconnection was done in respect of these HT consumers inspite of having significant amount of arrears. The list of the HT consumers along with arrears against each of them are shown at **Table 4.2.10**.

Table 4.2.10: Statement showing outstanding arrears in respect of HT consumers as on 31 March 2024

(₹ in lakh)

Sl. No.	Name of Divisions	No. of HT consumers	Current bill	Previous arrears	Accumulated surcharge	Total
1	Imphal Electrical Division-I	16	21.09	578.17	567.14	1,166.40
2	Imphal Electrical Division-II	16	15.33	178.47	62.69	256.49
3	Imphal Electrical Division-III	11	8.60	73.93	26.59	109.13
4	Thoubal Electrical Division	22	34.23	465.76	160.92	660.91
5	Kangpokpi Electrical Division	13	6.79	120.44	24.97	152.21
6	Churachandpur Electrical Division	10	4.78	46.96	7.50	59.44
Total		88	90.82	1,463.73	849.81	2,404.58

Source: Documents of MSPDCL

As could be seen from the **Table 4.2.10** above, an amount of ₹24.05 crore remains outstanding in respect of 88 HT consumers as of March 2024. However, neither the Corporate office nor the Divisions initiated any steps to recover the dues nor disconnected the lines of the consumers in contravention of the provisions of the JERC (M&M) (Electricity Supply Code) Regulations, 2013. Division wise names of the consumers along with outstanding amount is shown in **Appendix 4.5**. The inaction by both the Corporate Office and divisional offices not only reflects weak enforcement of recovery provisions but also contributed to the continued accumulation of arrears, adversely impacting MSPDCL's liquidity and its ability to meet power purchase obligations in a timely manner.

¹⁰⁵ IED-I, IED-II, IED-III, DGM Thoubal, DGM Churachandpur & DGM Kangpokpi Divisions

The Company, in its reply (February 2025), stated that disconnection notices had been served (between September 2023 to August 2024) to the defaulting consumers and some part payments have also been recovered from some of the consumers.

4.2.12.6 Non revision of tariff on supply of power

An agreement for supply of electricity to Tamu town in Myanmar was signed (5 March 2016) between MSPDCL and Tamu District Committee (TDC), Myanmar. It was agreed to draw 3 MW power through MSPCL's 11 kV, 33/ 11 kV substation at Moreh and the tariff for the supply was fixed at ₹6/ kWh till March 2017, which would be subject to annual escalation rate as notified by CERC.

MSPDCL intimated (June 2019) the District Electric Power Committee (DEPC), Tamu, Myanmar for revising the tariff from ₹6.40/ kwh to ₹7.33/ kwh *w.e.f.* 01 April 2019 which was as per the non-subsidized tariff prescribed by JERC. In response, the DEPC requested (16 July 2019) MSPDCL for fixing the tariff at ₹7/kwh for the period 2019-20 and consequently, the GoM fixed the tariff at ₹7/kwh for the period 2019-20. The basis for fixing the tariff at ₹7/ kwh as requested by DEPC was not available on records indicating that power purchase cost and other associated cost were not considered though JERC had prescribed the tariff for bulk consumers at ₹8.5/ kwh for the period 2019-20.

It was observed that the rate of ₹7/kwh fixed during 2019-20 was not revised till March 2024 though tariff was revised yearly by JERC. As the consumer was from outside the country, subsidy released by the State Government was not applicable and MSPDCL should have revised the tariff as per the non-subsidised tariff prescribed by JERC.

Further, DEPC, Tamu delayed payment of bills for periods even up to 15 months after the actual billing cycle. In the absence of any security deposits or sovereign guarantee, the accumulation of huge outstanding bills puts MSPDCL at risk of defaulting as well as losing considerable interest due to delayed payments.

Audit computed the bills as per the applicable tariff from January 2019 till March 2024 and found that there was under billing of ₹11.65 crore due to non-adoption of approved rates issued by JERC which also amounted to contempt of the JERC.

The manner in which MSPDCL approved the rates without considering the tariff, which was arrived at after accounting power purchase costs and other costs, was highly irregular. Further, the gap/shortfall of the supplied tariff and prevailing tariff was not reimbursed by the GoM to MSPDCL.

The decision to accept a tariff below JERC's approved rate not only amounted to contempt of the regulator's orders but also created a recurring revenue loss, as the gap between the applied rate and the prevailing tariff was not reimbursed

by the Government of Manipur. Further, the absence of security deposits or sovereign guarantees, coupled with payment delays of up to 15 months, exposed MSPDCL to significant financial risk, cash flow strain, and interest losses.

The Company replied (February 2025) that due to Covid-19 pandemic, proper communication could not be made with TDC, Myanmar. It is also stated that the Commissioner, JERC (M&M) had not allowed any tariff hike for the last three years.

The reply is not acceptable as the Company did not furnish any documentary evidence on JERC's directive.

4.2.12.7 Non-levy of surcharge for delayed payment

As per Clause 5 of the terms of Power Purchase Agreement signed between MSPDCL and Tamu District Committee, Myanmar, a surcharge of 1.5 *per cent* per month is applicable if the bills are not paid within 60 days from date of billing.

MSPDCL supplies electricity to Tamu town in Myanmar. The bills for which are served to Chairman, DEPC Tamu, Myanmar.

Due date for payment of monthly bill through cheques shall be **three days** in advance from the normal due date for that bill payment. While, in the case of payment through online bank transfer/ credit card, it shall be **one day** in advance from the normal due date specified for that bill. The licensee shall ensure that the bill is delivered to the consumer by hand/post/courier at **least 10 days** prior to the payment due date of the bill. (Clause 6.1 & 6.5 of the JERC for Manipur and Mizoram (Electricity Supply Code Regulations, 2013 with latest amendments).

During audit, it was observed that MSPDCL issued bills to the above consumer after a delay ranging from one month to nine months. While there was delay in issue of the bills, the due dates mentioned as per the bills depicted due date as on date of issue of the bills and not the actual billing cycle period of consumption, further distorting payment timelines. MSPDCL was also into the practice of accumulating several months bills before issuing collectively on a certain date. Further, though the bills were not cleared in time, arrears were not depicted in the bills.

Despite the prolonged delay in clearing of bills, MSPDCL did not claim surcharge from the consumer. While there was delay from the particular consumer in clearing bills, MSPDCL was also partly at fault as the bills were not served in a timely manner to the consumer.

During the period between April 2020 to June 2023, though there was delay in payments of bills ranging from two to 19 months from the date of issue of bills, MSPDCL did not raise surcharge bills for the above period amounting to ₹3.19 crore. The lapse was compounded by the utility's own omission to issue

bills promptly, undermining contractual enforceability, weakening revenue discipline, and causing avoidable financial loss.

The Company attributed (February 2025) the delay to communication challenges and the complex banking process owing to transaction with a sovereign country as Myanmar’s authorities could not deposit funds to Indian Banks. The reply reflects the inaction on the part of management to streamline the payment process considering that the supply to Myanmar was ongoing since 2016 and the standard protocol for timely payment should have been put in place since the first supply commenced. However, no reply had been received on non-levy of surcharge.

4.2.12.8 Non-adherences to Cash-Handling Protocols and misappropriation of Revenue

On examining the adherence to cash handling procedures, as outlined in MSPDCL’s Meeting Minutes (July 2019) and reiterated in MSPDCL’s Office Order (August 2023), audit uncovered deviation from the recommended practices. The stipulation that cash collected at vending stations for both prepaid and post-paid meters should be promptly deposited at the bank was found to be disregarded, leading to a potential risk of financial mismanagement.

MSPDCL’s Meeting Minutes specifically recommended that cash deposits at the bank be conducted at least once or twice a week, with daily entries detailing the cash in hand at the end of each day. However, audit found a lapse in compliance with these directives during the examination of records, indicating a laxity in the implementation of crucial internal controls.

The Office Order (August 2023) further emphasized the urgency of depositing all cash collected by concerned officers into respective bank accounts by 31 August 2023. Non-compliance with this order adds another layer of concern regarding MSPDCL's commitment to timely financial transactions.

Moreover, Rule 7 of the GFR 2017, emphasizing the swift transfer of government funds into designated accounts without delay, was not adhered to as per the findings. This non-compliance with established rules and internal orders raises serious questions about MSPDCL's commitment to financial discipline and regulatory compliance.

Audit examination of records for the collection of prepaid and post-paid revenue by sampled Revenue Divisions and Sub-Divisions revealed serious lapses. Revenue amounting to ₹54.63 lakh was collected by the Yairipok Sub-Division under Thoubal Electrical Division during January 2021 to January 2024, however, records indicating its remittance to the bank were absent. As the amount collected was not remitted in to the Bank Account, the amount should have been retained in the custody of the cashier/ chest. However, the amount was not found in the custody of cashier/ chest as well. The absence of both bank deposit records and physical cash indicates a strong possibility of misappropriation. These lapses reflect serious weaknesses in internal controls,

disregard for financial discipline, and non-compliance with statutory and internal directives, exposing MSPDCL to risks of revenue loss and fraud.

The Company in its reply (February 2025) stated that the concerned official involved has been placed under suspension and also stated that an amount of ₹48.20 lakh was recovered between October 2023 to January 2024. However, the Company's reply was not acceptable as there was no sufficient documentary evidence to indicate that the amount stated to be deposited was actually part of non-remittance of ₹54.63 lakh.

4.2.12.9 Delay in remittance of revenue

Scrutiny of records of sampled divisions revealed a broader pattern of delay in depositing revenue, exceeding the recommended timeframe of deposit of revenue weekly or twice a week. The cumulative delay involved prepaid revenue (₹10.48 crore), post-paid revenue (₹1.74 crore), Security Deposits (₹92.83 lakh) and Raid/ Miscellaneous (₹1.83 lakh), amounting to a staggering ₹13.17 crore. This delay in remittance of revenue ranged from 30 to 1,072 days for prepaid revenue, 30 to 962 days for post-paid revenue, 30 to 1,054 days for Security Deposits and 30 to 496 days for Raid/ Miscellaneous by four Electrical Divisions¹⁰⁶.

The delay in remittance of revenue equates to a temporary misappropriation of funds.

The Company in its reply (February 2025) stated that it has started taking remedial actions and a module called 'Cash Tracker' has been introduced to monitor cash revenue collected at any cash counter of MSPDCL on a daily basis. This shall ensure that cash collection and remittance is streamlined by the end of March 2025 and no cash shall remain in hand of the concerned officials.

4.2.12.10 Overall Conclusion

Audit revealed systemic weaknesses in MSPDCL's revenue management, subsidy realisation, billing practices, and enforcement of recovery measures. Persistent shortfalls in revenue collection against JERC targets, non-recovery of significant arrears, delays and shortfalls in State Government subsidy releases and did not to adopt full cost tariffs in the absence of timely subsidies have adversely impacted liquidity. Ineffective enforcement of disconnection provisions, non-revision of international supply tariffs, and non-levy of surcharge led to substantial under-billing and avoidable financial losses. Weak cash handling protocols, instances of suspected misappropriation, and delays in remitting collected revenue ranging up to nearly three years reflect serious lapses in internal controls and financial discipline. These deficiencies not only contravened statutory and regulatory provisions but also exposed the company

¹⁰⁶ IED-I,II,III and Thoubal ED.

to high financial risk, undermining its ability to meet power purchase obligations and maintain operational stability.

Recommendations:

The Company may consider-

- *Enforcing JERC-mandated disconnection procedures for chronic defaulters and link reconnection to full settlement of arrears.*
- *Aligning all consumer billing, including cross-border supply, strictly with JERC-approved tariffs and surcharge provisions, with no deviations without regulatory approval.*
- *Enforcing daily or weekly bank deposits of collections, backed by electronic reconciliation between cash counters and bank credits.*
- *Fully deploying and monitoring the ‘Cash Tracker’ module, with monthly audit checks*

4.2.13 Audit objective: To ascertain the existence of an adequate monitoring and internal control system

4.2.13.1 Non-formulation and adoption of Information Technology (IT) related policies

IT Policy is crucial for any company which relies its operations heavily on network systems. The IT policy would help to ensure the effective management and utilisation of technological assets. These policies are also crucial for security, data integrity, preventing unauthorised access, preventing system downtime, disaster recovery *etc.*

MSPDCL forwarded (July 2023) its draft IT Policy to the Department of Information Technology (IT), Government of Manipur for review and vetting. The draft IT Policy contains the procedures/ guidelines on the following aspects, *viz.* purchase of IT assets, IT assets management policy, Personal Computer standards, internet usage policy, information security policy, *e-mail* & chat policy and software usage policy.

Department of IT, Government of Manipur communicated (February 2024) to MSPDCL that the draft IT policy appeared to be too specific and suggested that a more generic approach may be considered so that the policy can remain relevant for a longer period. The fact, however, remains that MSPDCL does not have an IT policy as of March 2024.

The Company in its reply (February 2025) stated that draft IT policy had been sent (July 2023) to the Department of IT, Government of Manipur for approval,

and any reply/ approval from the Department of IT was awaited (September 2025).

4.2.13.2 IT Audit mechanisms

Regular internal IT audits by the in-house IT Department are essential for an organisation's operational integrity and data security. Without regular internal audits, the IT infrastructure remains vulnerable to undetected security breaches, inefficiencies, and non-compliance with regulatory standards. This oversight can lead to unauthorized access to sensitive data, system downtimes, financial losses, undermining the trust of stakeholders and customers.

There was no internal audit wing in MSPDCL. IT security audit by external agency was conducted only once (2021) during the period of audit. However, MSPDCL did not conduct any internal audit of its IT resources and environment indicating weak internal control mechanisms.

The Company in its reply (February 2025) stated that regular in-house audits for IT-infrastructure will soon be implemented after the implementation of IT-policy.

4.2.13.3 Weak Access controls of IT assets

Audit observed that the IT billing systems were allowing logon in multiple systems at the same time using the same user ID. The IT system does not have mechanism to prevent such multiple access and allow only one logon.

Further, it was seen during audit that in some divisions outsourced staff who were recruited as bill dispatchers and meter readers were deployed at billing counters by providing them with access user IDs. Issuing the outsourced/ contractual staffs with user IDs and deploying these staff as meter readers and bill distributors for bill collection was irregular as the misuse of these IDs by unauthorised contractual staff could not be ruled out and the cash collected by them too was rendered vulnerable to theft or defalcation.

MSPDCL's IT billing system lacked basic access controls, permitting simultaneous logins from multiple systems using the same user ID, thereby creating vulnerabilities for unauthorised access and potential data manipulation. Additionally, the practice of issuing system access credentials to outsourced contractual staff, originally recruited as bill dispatchers and meter readers but deployed at billing counters, was irregular and contrary to prudent security and financial management practices. This arrangement increased the risk of misuse of user IDs, unauthorised transactions, and potential theft or defalcation of collected revenue, reflecting weak IT governance and inadequate safeguarding of both financial and consumer data.

The Company admitted (February 2025) the fact that in some Sub-Divisions/ Divisions the account is being utilised by non-regular staff but they are constantly being monitored by Cashiers and their concerned Managers/ DGMs.

4.2.13.4 Non-adjustment of Interest on Security Deposit from Consumers

JERC's Supply Code Regulations, Clause 4.128 stipulates that the licensee shall pay interest to the consumer at the State Bank of India base rate prevailing on the 1st of April for the year, payable annually on the consumer's security deposit with effect from date of such deposit. The interest accrued during the year shall be adjusted in the consumer's bill for the first billing cycle of the ensuing financial year.

Audit observed that the rules and application of such interest to entitled consumers was not mapped in the IT billing systems. As per the Annual Accounts, MSPDCL collected an amount of ₹29.75 crore as security deposit from various categories of consumers as of March 2024. MSPDCL also did not maintain consumer wise security deposits in its IT database nor such data was available on paper ledgers, a fact which the management accepted.

This could lead to accumulation of huge interest burden in the future as well as exposing MSPDCL to legal complications in the future.

The Company replied that necessary provision shall be made in the books of accounts from the current financial year to cover the interest cost and non-accumulation of huge liabilities in future.

4.2.13.5 Non-migration of Consumers to the Web-based Billing Database System

As per Guidelines for pre-paid metering (December 2015), data of all outstanding dues including security deposits and service connection charges should be submitted to the Corporate Office.

All outstanding dues will be deducted from pre-paid consumers through automated deduction at the rate of 20 *per cent* of recharge value after data migration.

As per records made available to audit for the period from April 2018 to March 2024, it was observed that 75,612 pre-paid consumers out of 4,91,820 pre-paid consumers (LT and HT) were not migrated to the Web-based Billing System as on 31 March 2024. The outstanding amount related to the consumers whose accounts were not migrated to billing system was not available.

The absence of migrated data, including details of outstanding dues, security deposits, and service connection charges, prevented automated recovery of arrears through the mandated 20 *per cent* deduction from recharge value. This lapse resulted in loss of opportunity for systematic arrear recovery, weakened revenue assurance, and indicated deficiencies in project execution and data management, with completion now deferred to 2025-26.

Non-updation of consumers' data onto the Web-based billing database resulted in non-recovery of arrears through monthly bills/ recharges. The Company in its reply (February 2025) assured that the *JERC* will be completed by 2025-26.

4.2.13.6 Non-conduct of energy audit

Periodical review of energy injected into distribution feeders is essential to examine if there is excessive distribution losses in a particular feeder. MSPDCL lacks a functional system for conducting energy audits due to the absence of metering at both incoming and outgoing points of substations and transformers. Without such metering, the utility cannot accurately measure feeder-wise energy losses, detect leakages, or identify instances of power theft. This deficiency undermines effective loss monitoring, prevents targeted corrective action, and impedes compliance with best practices in distribution system management, thereby contributing to sustained technical and commercial losses.

4.2.13.7 Overall conclusion

Audit revealed significant gaps in MSPDCL's monitoring and internal control framework, particularly in IT governance, revenue assurance, and operational oversight. The absence of an approved IT policy and regular IT audits, weak user access controls, and irregular deployment of contractual staff at billing counters exposed the organisation to heightened risks of unauthorised transactions, data compromise, and misappropriation. The deficiency in mapping and adjusting interest on consumer security deposits, maintaining consumer-wise records and migrating over 75,000 prepaid consumers to the web-based billing database hindered systematic recovery of arrears and created potential legal and financial liabilities. Furthermore, the complete lack of a functional energy audit system due to non-installation of meters at feeder and transformer levels prevented identification of technical losses, leakages and theft, undermining loss control and regulatory compliance. Collectively, these deficiencies point to systemic weaknesses in MSPDCL's internal controls, data management, and risk mitigation measures.

Recommendations

The company may consider-

- *Finalising and adopting a comprehensive IT policy within a fixed timeline, covering asset management, access control, cyber security, and disaster recovery.*
- *Completing the migration of all consumer accounts to the web-based billing system, ensuring outstanding dues, security deposits, and service charges are accurately captured.*
- *Installing metering at all incoming and outgoing points of substations and transformers to enable feeder-wise energy accounting.*

4.2.14 Conclusion

The performance audit revealed systemic deficiencies in planning, execution, monitoring, and compliance in the functioning of Manipur State Power Distribution Company Limited (MSPDCL). Persistent delays in tariff filing, partial or non-implementation of regulatory directives and inadequate enforcement of revenue recovery measures contributed to sustained financial stress. The absence of complete metering and energy accounting systems hindered accurate loss assessment, while non-migration of a significant number of consumers to the web-based billing platform limited arrear recovery.

Weak internal controls, such as inadequate restrictions on IT system access, lax cash handling practices and irregular deployment of outsourced staff for sensitive revenue functions exposed the organisation to financial and operational risks. The non-enforcement of disconnection provisions against chronic defaulters, coupled with non-revision of tariffs for cross-border supply and non-collection of surcharges, resulted in significant unrealised revenue.

Consumer service delivery and grievance redressal mechanisms remained largely non-functional due to non-compliance with Joint Electricity Regulatory Commission (JERC) regulations, absence of complaint data, and lack of structured monitoring. Additionally, irregularities in subsidy management and delayed payments to generating companies led to avoidable financial burdens such as Late Payment Surcharge.

Overall, the audit underscores the need for comprehensive reforms in metering, billing, collection efficiency, cash management, internal controls, and consumer service frameworks. Unless these systemic weaknesses are addressed in a time-bound manner, MSPDCL's operational sustainability and ability to deliver reliable, consumer-centric services will remain at risks.

4.2.15 Recommendations

1. Metering & Energy Accounting

- 1.1 MSPDCL may ensure 100 per cent metering of all High Tension (HT), Low Tension (LT), and Distribution Transformers (DTs) as mandated, including installation of smart meters to facilitate real-time energy audit.
- 1.2 Meters may be installed at all incoming and outgoing points of substations and feeders to enable feeder-wise energy loss analysis and timely detection of theft or leakages.
- 1.3 The migration of all pre-paid consumers to the web-based billing system may be completed without delay to enable automated recovery of arrears from recharge amounts.

2. Billing & Tariff Compliance

- 2.1 Contractual provisions for surcharge on delayed payments may be enforced, and secure payment arrangements such as advance payments or sovereign guarantees may be put in place for high-risk consumers.
- 2.2 IT billing systems may be upgraded to restrict logins to one active session per user ID and access may be granted only to authorised personnel.

3. Revenue Collection & Arrear Management

- 3.1 MSPDCL may enforce disconnection provisions under the JERC Supply Code for chronic defaulters, including HT consumers with high arrears.
- 3.2 Targeted arrear recovery drives may be undertaken, linking future supply to settlement of outstanding dues.
- 3.3 Billed, collected and outstanding revenue may be reconciled regularly with clear accountability fixed for deviations.

4. Subsidy Management

- 4.1 The State Government may release subsidies in monthly advance instalments in accordance with Section 65 of the Electricity Act, 2003.
- 4.2 In cases of delayed subsidy release, MSPDCL may adopt the full-cost tariff as required under the Act.

5. Cash Handling & Internal Controls

- 5.1 Cash handling protocols may be strictly enforced, ensuring daily deposit of collections into bank accounts and real-time monitoring through tools such as the 'Cash Tracker' module.
- 5.2 Retention of cash beyond prescribed timelines may be prohibited, with accountability fixed for delays or non-remittance.
- 5.3 Surprise inspections may be conducted at cash counters, vending stations, and revenue collection points to verify compliance.

6. Power Purchase & Payment Discipline

6.1 MSPDCL may adhere to timelines for payment to generating companies to avoid Late Payment Surcharges.

7. Consumer Grievance Redressal & Regulatory Compliance

7.1 Internal Grievance Redressal Cells (IGRCs) may be established at all mandated levels, maintaining complete registers of complaints, action taken, and resolution timelines.

7.2 Periodic internal audits may be conducted to ensure full compliance with JERC directives and provisions of the Electricity Act, 2003.

COMPLIANCE AUDIT

Manipur State Power Company Limited

4.3 Undue benefit to Contractor

MSPCL extended undue benefit to the Contractor in the form of excess mobilisation advance of ₹3.63 crore and interest amount of ₹0.92 crore on mobilisation advance not yet recovered.

Paragraph 32.5 of Central Public Works Department (CPWD) Works Manual 2014 (as adopted by Government of Manipur) states that in respect of certain specialised and capital-intensive works with estimated cost put to tender of ₹2.00 crores and above, mobilisation advance limited to 10 per cent of tendered amount at 10 per cent simple interest calculated from the date of payment to the date of recovery can be sanctioned to the contractors on specific request as per terms of the contract.

Scrutiny of records of Manipur State Power Company Limited (Company) conducted in February 2022 and updated in February 2025 revealed that in August 2015 the Company issued a work order to M/s Shyama Power India Limited (Contractor) for the “Installation of 2x12.5 MVA, 132/33 KV Sub-station at Moreh”, along with the associated 132 KV Single Circuit Transmission Line on Double Circuit Towers and related civil works at a cost of ₹81.63 crore (exclusive of taxes and other deductions). The terms and conditions of the contract (Paragraphs 6.1.1 and 6.2.1) provided for an interest-bearing mobilisation advance of 20 per cent of the contract value against submission of an irrevocable and unconditional Bank Guarantee of equivalent amount. However, this provision was in violation of Paragraph 32.5 of the CPWD Works Manual 2014, which limits mobilisation advance to 10 per cent of the contract value for works above ₹2.00 crore.

Further scrutiny of records revealed that the Company released mobilisation advance of ₹11.79 crore (14.44 per cent) against the permissible amount of ₹8.16 crore¹⁰⁷ resulting in excess release of mobilisation advance of ₹3.63 crore

¹⁰⁷ 10 per cent of ₹81.63 crore

(₹11.79 crore – ₹8.16 crore) in September 2015 against Bank Guarantees (BG) submitted by the contractor. Payment of excess mobilisation advance contrary to the provisions of CPWD Manual resulted in undue benefit to the contractor.

Audit also noticed that although the Company recovered the principal amount of the mobilisation advance from running bills of the contractor, it recovered only ₹0.76 crore towards interest component (as of February 2025) against the recoverable interest of ₹1.68 crore (calculated @ 10 per cent). This resulted in short recovery of ₹0.92 crore. The details of recovery of mobilisation advance and interest recoverable are shown in *Appendix 4.6*.

The Company stated (April 2025) that Bank Guarantees amounting to ₹13.37 crore were obtained against the release of mobilisation advance to the contractor. However, the reply is not acceptable as it referred only to availability of Bank Guarantees and is silent on violation of CPWD norms and non-recovery of interest.

As per records (Measurement Book) provided to Audit, the mobilisation advance was fully recovered from March 2016 till March 2019. The Company, in its reply (April 2025), stated that the interest amounting to ₹0.76 crore was recovered at the rate of nine per cent by computing from date of receipt of materials till August 2016. However, this is in violation of the provisions of CPWD Manual which state that interest at the rate of 10 per cent should be recovered calculated from the date of payment to the date of recovery.

The reply confirmed that the Company extended undue benefit to the contractor to the tune of ₹4.55 crore¹⁰⁸.

Thus, due to non-adherence to the provisions of CPWD Manual, and erroneous calculation of interest, the Company extended undue benefit to the Contractor in the form of excess mobilisation advance of ₹3.63 crore (₹11.79 crore - ₹8.16¹⁰⁹ crore) and short recovery of interest amount of ₹0.92 crore on mobilisation advance which is not yet recovered (October 2025). Further, as the Company also stated in its reply that the bank guarantees had been returned to the contractor (January 2019 and February 2024), the Company had forgone the opportunity to recover the remaining amount of interest.

¹⁰⁸ Unrecovered interest of ₹0.92 crore + excess mobilisation advance of ₹3.63 crore.

¹⁰⁹ Admissible mobilisation advance (10 per cent) of tendered amount of ₹81.63 crore

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 (GoM) during the financial year 2023-24, the State's share of net proceeds of Union taxes and duties and Grants-in-Aid (GIA) received from the Government of India (GoI) during the year and the corresponding figures for the preceding four years are given in **Table 5.1.1**.

Table 5.1.1 Trends of revenue receipts

(₹ in crore)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	Revenue raised by the State Government					
	Tax revenue	1,201.12	1,294.49	1,648.52	1,867.90	1,223.50
	Non-tax revenue	134.53	148.07	108.13	457.59	209.57
	Total	1,335.65	1,442.56	1,756.65	2,325.49	1,433.07
2	Receipts from the GoI					
	State's share of Union taxes and duties	4,047.77	4,271.97	6,009.64	6,795.08	8,087.14
	GIA	5,300.74	7,268.12	6,324.72	6,772.58	5,185.96
	Total	9,348.51	11,540.09	12,334.36	13,567.66	13,273.10
3	Total receipts of State Government (1 & 2)	10,684.16	12,982.65	14,091.01	15,893.15	14,706.17
	Percentage of 1 to 3	12.50	11.11	12.47	14.63	9.74

Source: Finance Accounts of the respective years

During 2023-24, the revenue raised by the State Government was ₹1,433.07 crore which was 9.74 *per cent* of its total revenue receipts of ₹14,706.17 crore of the State. The balance receipts of ₹13,273.10 crore (90.26 *per cent*) during 2023-24 were from GoI 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 revenues raised during the period 2019-20 to 2023-24 are given in **Table 5.1.2**.

Table 5.1.2 Details of Tax Revenue

(₹ in crore)

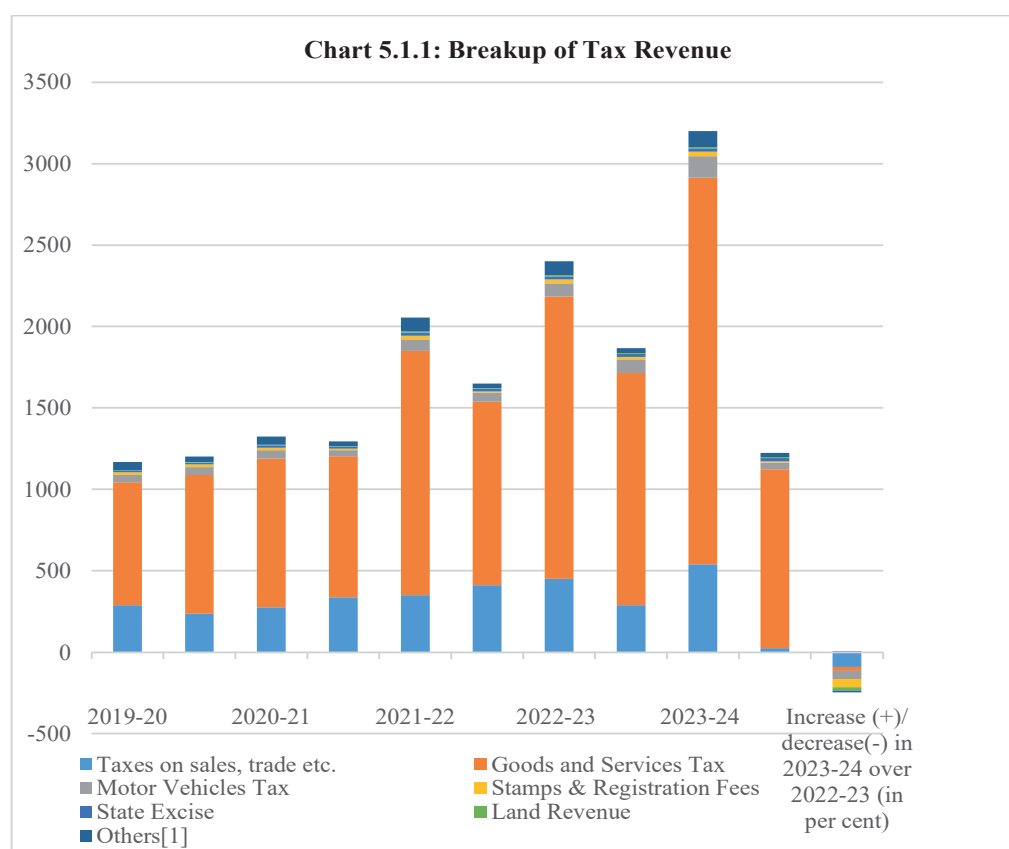
Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Increase (+)/decrease(-) in 2023-24 over 2022-23 (in per cent)
	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	
Taxes on sales, trade	288.45	235.53	274.74	336.45	350.00	411.66	450.00	288.89	540.00	24.92	-91.37
Goods and Services Tax	754.78	852.58	913.58	866.51	1500.00	1125.56	1735.40	1426.15	2374.56	1098.77	-22.96
Motor Vehicles Tax	45.28	47.70	51.62	37.96	70.00	56.67	80.00	83.21	132.00	40.54	-51.28
Stamps & Registration Fees	16.01	16.60	16.01	8.66	24.00	7.98	24.00	13.95	27.36	6.87	-50.75
State Excise	8.79	11.60	14.50	11.85	18.00	16.00	18.00	19.24	20.52	20.36	+5.82

Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Increase (+)/ decrease(-) in 2023-24 over 2022-23 (in per cent)
	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	
Land Revenue	2.70	4.10	2.70	3.81	7.00	3.36	7.00	6.58	7.98	5.28	-19.76
Others ¹¹⁰	51.08	33.01	51.51	29.25	85.60	27.29	85.60	29.88	97.59	26.76	-10.44
Total	1167.09	1201.12	1324.66	1294.49	2054.60	1648.52	2400.00	1867.90	3200.01	1223.50	-34.50

#BE: Budget Estimates.

Source: Annual Financial Statements and Finance Accounts of respective years.

Increase (+)/ decrease (-) in Budget Estimates (BEs) of tax revenue and actual receipts of tax revenues raised during the period 2022-23 to 2023-24, is given in **Chart 5.1.1**.



Source: Annual Financial Statements and Finance Accounts of respective years

Key insights from **Table 5.1.2**:

- Sharp Declines in 2023-24 Compared to 2022-23:
 - Trades on sales, Trades : Dropped by ₹263.97 crore (from ₹288.89 crore to ₹24.92 crore, showing drop of 91.37 per cent)
 - Motor Vehicles Tax: Dropped by ₹42.67 crore (from ₹83.21 crore to ₹40.54 crore), showing a 51.28 per cent decline.
 - Stamps & Registration Fees: Fell by ₹7.08 crore (from ₹13.95 crore to ₹6.87 crore), showing a 50.75 per cent decline.

¹¹⁰ Other taxes include Other Taxes on Income and Expenditure, Other Taxes and Duties on Commodities and Services, Taxes and Duties on Electricity and Taxes on Goods and Passengers.

- Land Revenue: Reduced by ₹1.30 crore (from ₹6.58 crore to ₹5.28 crore), showing a 19.76 *per cent* drop.
 - Other Taxes: Dropped from ₹29.88 crore to ₹26.76 crore (10.44 *per cent* decline).
 - Overall Revenue (Total): Declined by ₹644.4 crore (from ₹1,867.90 crore to ₹1,223.50 crore), a 34.50 *per cent* fall.
2. Exceptions which showed Positive Growth
 - State Excise increased slightly from ₹19.24 crore to ₹20.36 crore (5.82 *per cent* growth). It was the only head showing an upward trend.
 3. Persistent Shortfalls Against Budget Estimates (BE)
 - Across all years, actual collections were consistently below BE targets, except for a few instances:
 - Taxes on sales, trade *etc.* exceeded BE in 2020-21.
 - Goods and services tax exceeded BE in 2019-20.
 - Stamps and registration Fees exceeded BE in 2019-20.
 - Motor Vehicles Tax exceeded BE in 2019-20 and 2022-23.
 - State Excise exceeded BE in 2019-20 and 2022-23.
 4. Disproportionate Declines in Key Revenue Heads
 - Taxes on sales, Trade.
 - Motor Vehicles Tax and Stamps & Registration Fees suffered the steepest proportional declines in 2023-24.

5.1.2 Non-tax Revenue

Details of budget estimates of non-tax revenue and actual realisation of non-tax revenue during the period 2019-20 to 2023-24 are given in **Table 5.1.3**.

Table 5.1.3: Details of Non-Tax Revenue

Sl. No.	Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Increase (+)/decrease (-) in 2023-24 over 2022-23 (in <i>per cent</i>)
		BE	Actuals	Be	Actuals	BE	Actuals	BE	Actual	BE	Actual	
1	Social Security and Welfare	-	-	-	-	-	-	-	166.91	-	-	(-) 100.00
2	Miscellaneous General Services	220.11	101.13	206.86	123.77	300.00	84.23	310.00	81.44	206.61	82.58	(+) 1.40
3	Education, Sports, Art and Culture	2.39	2.06	2.53	0.46	2.78	0.55	2.86	98.08	0.70	67.24	(-) 31.44
4	Water Supply and Sanitation	2.82	3.48	3.52	4.52	3.87	3.36	4.60	31.27	4.00	3.18	(-) 89.83
5	Forestry and Wild Life	24.80	9.70	10.00	6.65	40.00	7.76	40.00	27.52	150.00	31.76	(+) 15.41
6	Other non-tax receipts ¹¹¹	32.66	18.16	33.70	12.67	40.88	12.23	42.54	52.38	38.69	24.81	(-) 52.63
Total		282.78	134.53	256.61	148.07	387.53	108.13	400.00	457.60	400.00	209.57	(-) 54.20

#BEs: Budget Estimates

Source: Annual Financial Statements and Finance Accounts.

¹¹¹ Comprising of 42 Major Heads amounting to ₹24.81 crore during 2023-24.

Key insights from **Table 5.1.3:**

1. Overall Decline in Non-Tax Revenue
 - The total actual non-tax revenue fell sharply from ₹457.60 crore in 2022-23 to ₹209.57 crore in 2023-24. This was a drop of 54.20 *per cent*.
 - This fall occurred despite the Budget Estimate (BE) for 2023-24 remaining constant at ₹400 crore, indicating overestimation and weak revenue realisation.
2. Sharpest Declines
 - Social Security and Welfare: Actual receipts fell from ₹166.91 crore in 2022-23 to zero in 2023-24 (100 *per cent* decline).
 - Water Supply and Sanitation: Dropped from ₹31.27 crore to ₹3.18 crore (89.83 *per cent* decline).
 - Other Non-Tax Receipts: Reduced by 52.63 *per cent*, from ₹52.38 crore to ₹24.81 crore.
3. Positive or Stable Trends
 - Forestry and Wildlife: Increased from ₹27.52 crore to ₹31.76 crore (15.41 *per cent* growth) despite a steep rise in BE from ₹40 crore to ₹150 crore.
 - Miscellaneous General Services: Slight growth of 1.40 *per cent* (₹81.44 crore to ₹82.58 crore), but far below BE targets.
4. Volatility in Education, Sports, Art & Culture
 - Jump from ₹0.55 crore in 2021-22 to ₹98.08 crore in 2022-23, then a steep drop to ₹67.24 crore in 2023-24 (31.44 *per cent* decline).
 - Indicates one-off receipts in 2022-23 that were not sustained.
5. Budget: Actual Gaps
 - Persistent gaps between BEs and actuals across almost all heads show optimistic forecasting.
 - Particularly large gaps in Forestry and Wildlife, where actuals remained far below the sharply increased BE.

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 State Goods and Service Tax (SGST) during the period from 2019-20 to 2023-24 are shown in **Table 5.1.4**.

Table 5.1.4: Revenue from GST during 2019-20 to 2023-24

(₹ in crore)			
Year	Budget Estimates (BE)	Revised Estimates (RE) - State GST	Actuals - State GST
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
2022-23	1,735.40	1,705.40	1,426.15
2023-24	2374.56	971.00	1098.77

Source: Information furnished by Taxation Department, GoM.

It could be seen from the above **Table 5.1.4** that the actual collection of revenue from SGST in the five years from 2019-20 to 2023-24 was short of the targets as projected in the revised estimates except for the year 2023-24.

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 Services (Compensation) Act, 2017.

The State did not receive any bi-monthly compensation during the year 2023-24.

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

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

The trends of IGST apportionment to the State and its cross utilisation are given in **Table 5.1.5**.

Table 5.1.5: Integrated Goods and Services Tax

					(₹ in crore)
IGST ¹¹² component	2019-20	2020-21	2021-22	2022-23	2023-24
IGST apportioned to the State as per Section 17 of IGST Act, 2017	71.92	623.85	808.61	1,093.30	749.88
IGST provisionally/ <i>ad-hoc</i> apportioned to the State	16.60	32.92	50.48	21.05	0
IGST cross utilised between					
SGST ¹¹³ as IGST	(-) 2.10	NA	(+) 4.46	(+) 6.07	(+) 70.18
IGST as SGST	(+) 561.14	NA	(+) 672.54	(+) 900.39	(+) 652.86

NA – Not furnished

Source: Information furnished by the Taxation Department, GoM.

As can be seen from the above Table, the IGST apportioned to the State that stood at ₹71.92 crore in 2019-20 increased significantly to ₹1,093.30 crore till 2022-23, which again decreased to ₹749.88 crore during 2023-24.

5.1.3.4 Registration under GST

The category-wise registrations under GST as on 31 March 2024 are given in **Table 5.1.6**.

Table 5.1.6: Details of GST registrations upto 31 March 2024

Category of Registrant	No. of Registrants	Percentage of total
Normal taxpayers	10,838	85.30
Composition taxpayers	1,066	8.39
Tax Deductors at Source	653	5.14
Tax Collectors at Source	141	1.11

¹¹² IGST: it is a tax collected by the Central Government for an inter-State Sale

¹¹³ SGST: It is a tax collected by the State Government for an intra-State Sale

Category of Registrant	No. of Registrants	Percentage of total
Input Service Distributors	0	0.00
Others (Casual, NRTP, OIDAR)	7	0.06
Total Registrants	12,705	100.00

Source: Information furnished by the Taxation Department, GoM

As on 31 March 2024, the total registration under GST was 12,705 of which normal taxpayers were 10,838 which accounted for 85.30 *per cent* and composition taxpayers were 1,066 which accounted for 8.39 *per cent*.

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

The trends of filing of GSTR-1¹¹⁴ and GSTR-3B¹¹⁵ in Manipur as on 31 March 2024 are as shown in **Table 5.1.7** below:

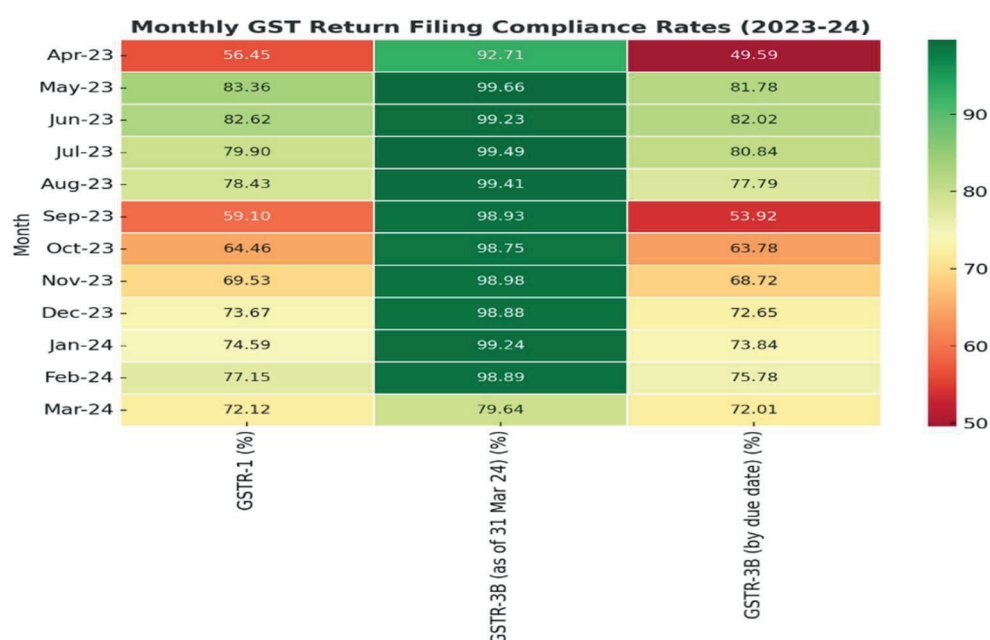
Table 5.1.7: Details of return filing (GSTR-1 and GSTR-3B) during 2023-24

GSTR – 1				GSTR – 3B				
Months*	Due for filing (in No.)	Return filed (in No.)	Return filing (in <i>per cent</i>)	Due for filing	Returns filed as on last day of the report period March 2024	Return filing (<i>per cent</i>)	Returns filed by due date	<i>Per cent</i> filed by due date
April-23	11,229	6,339	56.45	11,229	10,410	92.71	5,588	49.76
May-23	8,800	7,336	83.36	8,800	8,274	94.02	7,245	82.33
June-23	8,763	7,240	82.62	8,763	8,298	94.69	7,131	81.38
July-23	10,654	8,513	79.90	10,654	10,217	95.90	8,378	78.64
August-23	8,621	6,003	69.63	8,621	8,147	94.50	5,796	67.23
September-23	8,774	5,185	59.10	8,774	8,144	92.82	4,731	53.92
October-23	10,734	6,919	64.46	10,734	10,151	94.57	6,505	60.60
November-23	8,589	5,731	66.72	8,589	8,037	93.57	5,342	62.20
December-23	8,660	6,021	69.53	8,660	7,989	92.25	5,602	64.69
January-24	10,698	7,324	68.46	10,698	9,021	84.32	6,834	63.88
February-24	8,445	6,139	72.69	8,445	7,541	89.30	5,698	67.47
March-24	8,623	6,234	72.30	8,623	6,867	79.64	5,823	67.53

Source: Information furnished by the Taxation Department, GoM

¹¹⁴ GSTR-1: It is a sales return that is required to be filed by every GST registered person

¹¹⁵ 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.

Heatmap 5.1 showing monthly GST Return Filing Compliance Rates (2023-24).**Key insights from Table 5.1.7:**

1. **GSTR-1 Filing Performance**
 - Lowest filing rate: April 2023 (56.45 *per cent*) which is a significant compliance gap.
 - Highest filing rate: May 2023 (83.36 *per cent*), followed closely by June (82.62 *per cent*) and July (79.90 *per cent*).
 - Filing rates fluctuated between 56 *per cent* and 83 *per cent*, indicating inconsistent taxpayer compliance throughout the year.
 - Notable dips occurred in April, September (59.10 *per cent*) and October (64.46 *per cent*).
2. **GSTR-3B Filing (as of 31 March 2024)**
 - Filing rates by the end of the report period were consistently high, being mostly above 92 *per cent*.
 - Lowest was 79.64 *per cent* in March 2024, possibly due to pending filings close to year-end.
 - April 2023 had a strong 92.71 *per cent*, despite weak GSTR-1 filings that month.
3. **GSTR-3B Filing by Due Date**
 - Timely compliance was found to be significantly lower than eventual compliance.
 - Early months (April - June 2023) show less than 50 to 82 *per cent* timely filing.

- September 2023 was particularly poor: only 53.92 *per cent* filed on time.
 - The gap between “filed by due date” and “filed eventually” indicates late compliance as a recurring pattern.
4. Compliance Gaps and Risks
- Large discrepancy between GSTR-1 filing and GSTR-3B filing, especially in April and September, suggests either:
 - Businesses prioritise payment returns (3B) over sales reporting (1), or
 - Systemic delays in invoice data reporting.
 - Persistent late filing could affect GST revenue forecasting and reconciliation accuracy.

5.1.3.6 Revenue earning from top 10 commodities/ Services

The details of the revenue earning from top 10 commodities/ services during 2023-24 are given in **Table 5.1.8**.

Table 5.1.8: Revenue from top 10 commodities/services during 2023-24

(₹ in crore)

Sl. No.	Name of commodity	Revenue under GST	Ranking
1	Iron & steel	80.85	1
2	Automobiles	76.42	2
3	Lime, cement and Mineral Products	60.91	3
4	Electrical Machinery and Equipment and parts	55.38	4
5	Dairy Products	53.16	5
6	Pharmaceutical products	52.05	6
7	Mineral fuels & oils and products	29.90	7
8	Machinery and mechanical appliances parts	29.90	
9	Miscellaneous edible preparations	24.37	8
10	Plastics and articles thereof	21.04	9
Sl. No.	Name of Services	Revenue under GST	Ranking
1	Construction Services	64.24	1
2	Financial Services	21.04	2
3	Support Services	17.72	3
4	Communication Services	9.97	4
5	Transport Services	7.75	5
6	Professional Services	3.32	6
7	Accommodation, Food and Beverage services	2.22	7
8	Other Services	1.11	8
9	Real estate, Leasing, Rental services	1.11	
10	Maintenance & Repair services	0.00	9

Source: Information furnished by the Taxation Department, GoM.

During 2023-24, under the Commodity Sector, Iron & steel (₹80.85 crore), Automobiles (₹76.42 crore), and Lime, cement and Mineral Products (₹60.91 crore) were the main contributor of SGST, while Construction Services (₹64.2 crore), Financial Services (₹21.04 crore) and Support Services (₹17.72 crore) were the main contributor of SGST under 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 2022 to 31 March 2024 as shown in **Table 5.1.9**.

Table 5.1.9: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Total amount outstanding as on 31 March			Amount outstanding for more than five years as on 31 March		
		2022	2023	2024	2022	2023	2024
1	Taxes/ VAT	0.73	1.57	0.01	0.00	0.00	0.00
2	GST	1.57	0.87	0.01	0.00	0.00	0.00
Total		2.30	2.44	0.02	0.00	0.00	0.00

Source: Information furnished by the Taxation Department, GoM.

It can be seen from the above **Table 5.1.9** that the arrear of Taxes/VAT which was ₹2.30 crore at the end of March 2022 decreased considerably to ₹0.02 crore at the end of March 2024. There was no arrear of revenue (GST/ VAT) outstanding for more than five years as on 31 March 2024.

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 2023-24, there were two cases under Excise and Transport Departments where records¹¹⁶ such as supporting vouchers for encashment of fully vouched Contingent bills of ₹23.99 lakh and records relating to new registration, number of vehicles applied for assignment and enforcement activities *etc.* were not made available to audit. Break-up of the cases are given in **Table 5.2.1**.

Table 5.2.1: Details of non-production of records

(₹ in lakh)

Name of the office/Department	Year in which it was to be audited	Number of cases not audited	Amount
Excise	2023-24	1	23.99
Transport	2023-24	1	-
Total		2	23.99

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

Details are shown in **Appendix 5.1**.

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.

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,

¹¹⁶ Supporting vouchers for encashment of fully Vouched Contingent Bills.

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,

During the year 2023-24, there were 93 auditable units, of which 21 units were planned and audited, which is 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 Sub-Divisional Officers (i) Moirang, (ii) Thoubal and (iii) Lilong during the year 2023-24 showed short-deposit of revenue collected to Government account to the tune of ₹0.21 crore. During the course of the year, the Department did not furnish any reply regarding under assessment and other deficiencies.

For the other units planned for audit during 2023-24 *viz.* Secretary, Finance, and Commissioner, Transport, IRs have not been issued/are under process. Therefore, the amount involving underassessment/short levy/loss of revenue/non-realisation of outstanding revenues cannot be ascertained in respect of these Departments.

5.5 Coverage of this Report

This Chapter contains one Performance Audit, one Subject Specific Compliance Audit and one compliance audit paragraph involving financial effect of ₹385.52 crore as discussed in the succeeding paragraphs.

PERFORMANCE AUDIT

TRANSPORT DEPARTMENT

5.6 Functioning of District Transport Offices and State Transport Authority

A Performance Audit on “Functioning of District Transport Offices and State Transport Authority” was carried out covering the period from 2019-20 to 2023-24. The Performance Audit brought out the following significant findings.

Highlights:

3,628 stage carriages (passenger vehicles) registered in the State were plying either with Conductors without holding Conductors’ Licence or without any Conductors as no Conductor Licence was issued in the State.
(Paragraph 5.6.8.5)

Registration certificates for a period more than 15 years were issued to 5,679 non-transport vehicles, while registration certificates for a period less

than 15 years were issued to 3,677 non-transport vehicles which registered between 15 October 1988 to 31 March 2024

(Paragraph 5.6.9.4)

Royalty Fee amounting to ₹0.26 crore on issue of Smart Cards and Driving Licences for the period from 29 January 2020 to 31 March 2024 had not been paid by MANITRON.

(Paragraph 5.6.10.1)

As per VAHAN, 2,197 records of transport vehicles with expired permits and 18,415 records of transport vehicles without permits were active in the State as on 31 March 2024.

(Paragraph 5.6.10.2)

An amount of ₹1.66 crore for conducting test for fitness and grant and renewal of Fitness Certificate of motor vehicles was not realised from the vehicle owners.

{Paragraph 5.6.10.5 (A)}

There was excess collection of ₹4.12 crore on 55,683 vehicles and short collection of ₹3.97 crore on 23,328 vehicles in One Time Tax in respect of Transport vehicles. Similarly, there were excess collection of ₹17.50 lakh on 3,647 vehicles and short collection of ₹4.13 crore on 2,304 vehicles in One Time Tax in respect of Non-Transport vehicles.

{Paragraph 5.6.10.7 (A) & (B)}

There was non-collection of One Time Tax amounting to ₹4.34 crore for the balance years (remaining years to attain 15 years from the date of Registration) in respect of personalized vehicles registered and paid under the annual tax basis before the commencement of Manipur Motor Vehicles Taxation (MMVT) (Second Amendment) Act, 2015.

(Paragraph 5.6.10.8)

On the basis of laden weight of Transport vehicles, there were excess and short collection of MV tax amounting to ₹6.12 lakh and ₹4.46 crore respectively. Similarly, on the basis of seat capacity of Transport vehicles, there were excess and short collection of MV tax amounting to ₹0.98 lakh and ₹13.61 lakh respectively.

(Paragraph 5.6.10.9)

There was non-collection of five years MV tax and Green Tax to the tune of ₹65.12 lakh and ₹5.64 lakh respectively in respect of Non-transport vehicles who applied for Green Tax.

{Paragraph 5.6.10.10 (A)}

There was non-collection of MV tax and Green Tax to the tune of ₹8.98 lakh and ₹2.02 lakh respectively in respect of Transport vehicles who applied for Green Tax.

{Paragraph 5.6.10.11 (A)}

The data migration of all motor vehicles in the State to VAHAN database remained incomplete and therefore the vehicle database of the State did not represent true and correct picture of the vehicle population of the State.

(Paragraph 5.6.11.5)

5.6.1 Introduction

“Mechanically propelled vehicles including the principles on which taxes are to be levied” is under the concurrent list (Entry number 35 under list III) as per Schedule 7 of the Indian constitution. The Motor Vehicles Act, 1988 was enacted by the Parliament which provides the rules regarding the issuing of license to drivers of motor vehicles, issue of license to conductors of stage carriages, registration of motor vehicles, issue of various types of permits, *etc.* As per the Government of India (Allocation of Business) Rules, 1961, the Ministry of Road Transport, Government of India is responsible for formulation of broad policies relating to road transport and enforcement of Motor Vehicles Act, 1988 and Central Motor Vehicles Rules, 1989. Rule 68 of the Motor Vehicles Act also mandated the establishment of State Transport Authorities across India.

The taxation on the vehicles mentioned in the concurrent list is also included in the State list (Entry number 57). Resultantly, the State of Manipur enacted the Manipur Motor Vehicle Taxation Act, 1998 which details the taxes, fee, cess, to be levied on motor vehicles. The major regulatory functions envisaged under the Motor Vehicles Act, 1988 and the taxation powers envisaged under the various state Acts are implemented by the District Transport Offices (DTOs) that function under the State Transport Authority (STA).

Manipur Motor Vehicle Taxation Act, 1998 governs the various levies on motor vehicles plying in the State. The Transport Department, Government of Manipur (GoM) is responsible for the enforcement of the Motor Vehicle Rules and collection of tax, levies, cess, *etc.* As on 31 March 2024, there are 11 DTOs that function under the Transport Department, GoM. Vehicle Administration and Highway Administration Network (VAHAN) 2.0 software and SARATHI software were introduced in Manipur in December 2003. The upgraded VAHAN 4.0 was implemented in Manipur in May 2017 and the SARATHI 4.0 in April 2018. The Statistical data of the Department *viz.*, Revenue and Expenditure, of Transport Department during the year 2019-20 to 2023-24 and number of transactions in VAHAN and SARATHI application softwares are given in ***Appendix 5.2.***

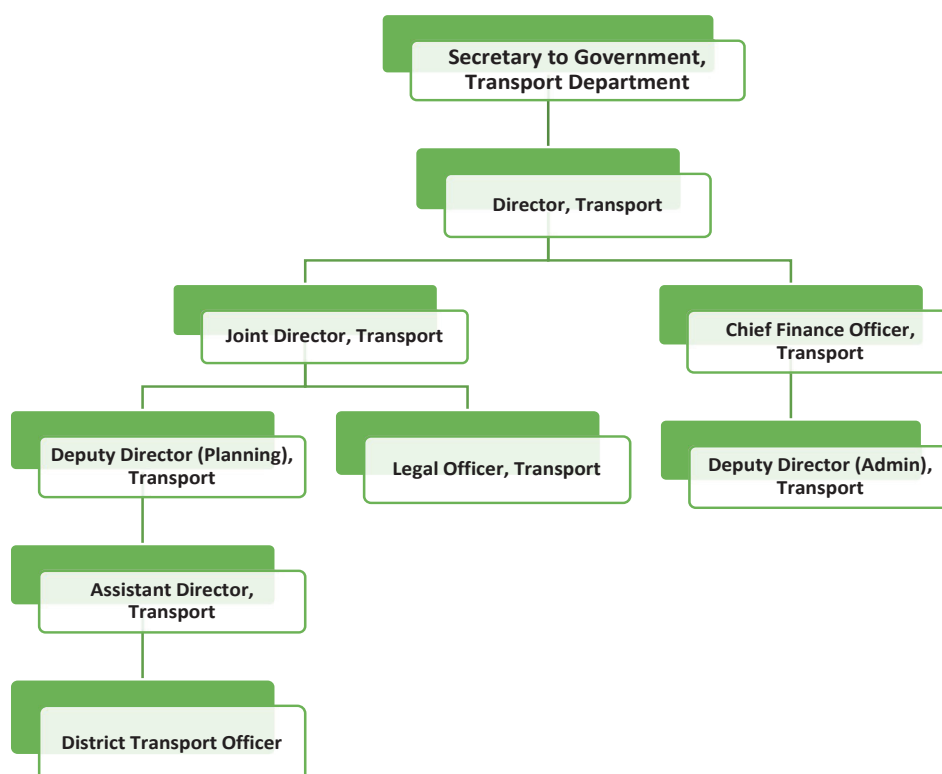
5.6.2 Organisational set-up

The Secretary, Transport, Government of Manipur, is the Administrative Head of the Department while the Director, Transport, is the Head of the Department under the control of Secretary, Transport, and is responsible for regulation of use of Motor Vehicles and enforcement of Motor vehicle legislation in the State. Also, the Director, Transport, is the overall controlling authority in all matters

relating to communication and exchanging responsibility with other departments and is responsible for overall functioning of the DTOs in the State. The Director is assisted by Joint Director of Transport, Chief Financial Officer, District Transport Officers.

The organisational structure of the Transport Department, Government of Manipur is given in **Chart 5.6.1**.

Chart 5.6.1: Organogram of the Transport Department Manipur



Source: Departmental records

5.6.3 Audit objectives

The Audit objectives were to assess whether the DTOs:

- managed the issue, renewal and cancellation of licenses effectively as per the Act/ Rules;
- implemented the regulation and control over registration and use of vehicles through registration, issuing permits and fitness certificates as per the Act/ Rules;
- efficiently assessed, levied, collected and remitted revenue (Motor vehicle taxes, fines, penalties, cess, *etc.* as per Act/ Rules) and took effective action on arrears;
- conducted the enforcement activities effectively to ensure compliance with the motor vehicles Acts/ Rules with adequate follow up to deter violations; and
- have been provided with required manpower, equipment, and other resources to discharge their functions and also to ensure public service delivery.

5.6.4 Audit criteria

The Audit findings were benchmarked against the following criteria:

- i. The Motor Vehicles Act, 1988;
- ii. The Central Motor Vehicles Rules, 1989;
- iii. The Manipur Motor Vehicle Taxation Act, 1998;
- iv. The Manipur Passengers and Goods Taxation Act, 1977;
- v. Manipur Motor Vehicles (Pollution Under Control) Rules, 2020;
- vi. Motor Vehicle Aggregators Guidelines, 2020;
- vii. State Transport Policy, Manipur, 2013;
- viii. Manipur Road Safety Fund Scheme, 2019;
- ix. VAHAN and SARATHI database;
- x. Manipur Road Safety Policy, 2023; and Notifications issued by the Ministry of Road Transport and Highways (MoRTH), Government of India (GoI) and Transport Department, GoM from time to time.

5.6.5 Scope and methodology of Audit

The Performance Audit covers five years' period from 2019-20 to 2023-24. An Entry Conference was held (16 June 2024) with the Secretary, Director and other responsible officers of the Transport Department to discuss the scope, criteria and methodology of Audit. Data of VAHAN and SARATHI and records of the Transport Commissionerate, Transport Directorate and three sampled¹¹⁷ DTOs and the concerned SP (Traffic) offices were examined by using Interactive Data Extraction and Analysis (IDEA) software. Migration of all vehicle data registered in Manipur into VAHAN 4.0 database was incomplete till the completion of audit (November 2024). As such, the audit exercise is limited to the database available in VAHAN 4.0 and SARATHI 4.0 in respect of Manipur. An Exit Conference was held (16 April 2025) with the Secretary, Transport Department and the Director (Transport), Government of Manipur to discuss the audit findings. The replies of the Department had been incorporated at appropriate places.

5.6.6 Audit sampling and units selected for audit

Out of the 11 DTOs in the State, three DTOs¹¹⁸ namely DTOs Imphal West (High Risk), Imphal East (Medium Risk) and Thoubal (Low risk) were selected for audit through stratified random sampling through IDEA software.

5.6.7 Acknowledgement

Audit acknowledges the cooperation extended by the Transport Department, Government of Manipur during the conduct of the performance audit.

Audit Findings

The audit findings of the Performance Audit are discussed in the succeeding paragraphs.

¹¹⁷ DTO Imphal West, DTO Imphal East and DTO Thoubal

¹¹⁸ Out of 11 DTOs in Manipur, only four DTOs, namely, DTO Imphal West, DTO Imphal East, DTO Thoubal and DTO Bishnupur are currently feasible for audit, in the present law and order situation

5.6.8 Audit Objective: Whether the DTOs managed the issue, renewal and cancellation of licenses effectively as per the Act/ Rules?

5.6.8.1 Non-Issue of Driving Licence of E-Rickshaw/ E-Cart

As per Rule 8-A of Central Motor Vehicle Rules (CMVR) 1989, applicants of Learner License (LL)/ Driving License (DL) of E-Rickshaw/E-cart shall undergo training for at least ten days and obtain a certificate of training from the registered E-rickshaw/ E-cart Association/ the manufacturer producing E-Rickshaw or E-cart as the case may be.

Analysis of VAHAN and SARATHI database revealed that 766 E-rickshaw/ E-cart transport vehicles registered in the State did not have any LL/ DL to drive these vehicles. Of these, 619 E-rickshaw/ E-cart transport vehicles pertained to the three sample districts.

Driving licence issued to the drivers of E-rickshaw/ E-cart were not found in the database of SARATHI as such it was highly doubtful that the drivers of E-rickshaws have undergone the minimum requirement of 10 days training as per the Act. While accepting the audit observation, the Department stated (May 2025) that enforcement drives had been conducted to identify E-rickshaw and E-cart drivers without valid licences and consequently, some had consequently started applying for Driving Licences of E-rickshaws/ E-carts.

The reply of the Department is not acceptable as no documentary evidence of the actions taken was furnished by the Department. Therefore, in the absence of such records, it was most likely that the E-rickshaws and E-carts were still plying without valid DLs.

5.6.8.2 Manipur State Transport Buses operated by Drivers without valid Driving Licence for Transport

As per Section 3(1) of MV Act 1988, no person shall drive a motor vehicle in any public place unless he holds a driving license. As per Section 14 (2)(a) of the Act, in case of transport vehicles, such license shall be effective for a period of five years from the date of issue or renewal.

Out of the 26 drivers of Manipur State Transport (MST), nine drivers were in the process of obtaining of DL as on date of audit (December 2024). Three drivers had not renewed¹¹⁹ their DL for more than three to four years.

As such, MST vehicles which are meant for public transport were being operated by unqualified drivers, thereby, compromising the safety of the passengers and general public.

While accepting the audit observation, the Department stated that driving licences of the drivers were renewed. However, the reply of the Department is

¹¹⁹ Date of expiry as per SARATHI: - 20/10/2022, 22/09/2020 & 17/07/2020

not acceptable as the documentary evidence of the renewed DLs for evidence were not furnished.

5.6.8.3 Unusual numbers of Driving Test in a Single Day with other irregularities

As per Section 9 (7) of the Central Motor Vehicle (CMV) Act 1988, the applicant of DL has to satisfy such appropriate licensing authority of his competence to drive the vehicle. Rule 15 of the CMV Rules, 1989 requires applicants to demonstrate their physical and driving competence through a comprehensive driving test.

As per SARATHI database, 3,38,362 DL tests have been conducted during 2019-20 to 2023-24 across the State. Analysis of the DL Test Table showed the following irregularities:

- No Driving Test Roster to allot slots to the applicants was maintained.
- The number of DL tests conducted per day in the DTOs differed substantially, ranging from 944 to one. In the three sample districts, the highest number of DL Tests conducted in a single day was 944 in DTO Imphal West, 416 in DTO Thoubal and 348 in DTO Imphal East. Thus, we calculated that the time taken to conduct DL Test per person (in 08 working hours or 480 working minutes per day) ranged from 1.56 seconds to 96 minutes.
- The Test result column of DL Test Table has no record of “Fail” applicants but only for “Pass” and all the applicants passed in the DL tests in their first attempts.
- DL Test Start Time and End Time were not recorded although respective columns were provided in the table. As such, the actual time taken to conduct the DL Test could not be ascertained.
- 41,829 DL tests in the State were conducted by unauthorised staff (*viz.*, Cashier, Peon, Data Entry Operator and others) other than the Inspectors of Motor Vehicles (IMVs) across the State.
- State Code and DTO Code in 1,53,447 records were not entered and kept blank in DL Test Table. As such actual records of DL test conducted in each DTO could not be ascertained.

During joint physical inspection of DL tests (November 2024), a minimum of 7 minutes was taken for the test by an Inspector of Motor Vehicles. As such, the number of DL tests in a single day in the above sampled DTOs were unreasonably high which may result in compromising the quality of tests conducted and possible exclusion of some driving tests. Also, all the applicants having passed the DL test in their first attempt seems doubtful.

The lack of proper monitoring and checking of the quality of the DL test conducted may result in an increased number of road accidents and related injuries and fatalities caused by unqualified drivers.

While accepting the audit observation, the Department stated (May 2025) that due to shortage of manpower in the Department, the entry of driving test results into the application system was not carried out on a regular basis but updated on a weekly basis, resulting in a higher cumulative number of DL tests appearing under specific dates.

The reply of the Department is not tenable as the data entry of driving test results was done on daily basis as per the SARATHI database.

5.6.8.4 Inadequate Driving Test Facilities

As per Rule 15(3) of the CMV Rules, 1989, the applicant shall satisfy the person conducting the test that he is competent to drive and hones skills for examination of all the required parameters of driving test as per the rules made hereunder.

However, for the proper driving test and assessment of applicants, the Transport Department should have a conducive place to conduct driving tests with proper lane/ track and other markings of adequate length, different types of tracks provided for different class of vehicles such as two wheelers, Light Motor Vehicles and Heavy Motor Vehicles, proper waiting lounges with proper sitting, rest rooms, drinking water facilities, etc.

Audit observed that the driving tests in the three sampled DTOs of Imphal West, Imphal East and Thoubal were conducted at the Inter State Bus Terminus (ISBT), Khuman Lampak, Imphal East without dedicated lanes, tracks, or markings and other infrastructure required for comprehensive assessment of driving skills in a testing facility. As such, conduct of driving tests in place not conducive for driving test would compromise the quality of tests conducted and possible exclusion of the examination of the required parameters as per the rule, thereby compromising the quality of licensing and would also result in issue of license to unqualified drivers. Conducting driving tests without proper infrastructure defeated the objective of Rule 15(3) of the CMV Rules, 1989, and undermined the reliability of the licensing process.

While accepting the audit observation, the Department replied (May 2025) that the Institute of Drivers Training and Research Centre (IDTRC) began functioning from 01 July 2024 and the driving tests for all types of vehicles had been conducted at IDTRC, which was fully equipped with modern infrastructure, including separate tracks, lane markings, and other necessary facilities to ensure thorough and standardised evaluation of driving skills.

However, the Department stated that establishment of driving test centres at every district required huge capital expenditure. Thus, non-establishment of driving test centres at other districts compromises the quality of test conducted.

Recommendation: The Department should also establish dedicated driving test centres under other DTOs.

5.6.8.5 Non-issue of Conductor Licence

As per section 29 of MV Act 1988, no person shall act as a conductor of a stage carriage unless he holds an effective conductor's licence authorising him to act as such conductor; and no person shall employ or permit any person who is not so licensed to act as a conductor of a stage carriage.

However, as per SARATHI dashboard in Parivahan, it was observed that no conductor had applied for Conductors' Licence and the Licensing Authorities had not issued any Conductors' Licence till date (May 2025). This indicates that 3,628¹²⁰ stage carriages (2864¹²¹ stage carriages in the three sampled districts) registered in VAHAN in the State were plying with unlicensed conductor or without conductor.

Further, as per the information on On-Road vehicles of MST, 26 conductors of MST did not have valid conductors' licence during the period from April 2019 to March 2024. Operation of stage carriages without licensed conductors may deprive the drivers from the required assistance which may lead to road accidents and compromise the safety of the passengers and general public and non-compliance with the provisions of the Motor Vehicle Acts and Rules.

While accepting the audit observation (May 2025), the Department stated that various corrective actions and preventive measures were being implemented, launching Licensing Drive by creating awareness, streamlining the licensing process, conducting tests and training for prospective conductors, *etc.*; strengthening enforcement mechanisms; collaboration with MST and private operators to ensure that all conductors employed comply with the licensing requirements.

However, the reply is silent whether the conductor of the 26 stage carriages of MST had obtained Conductors' Licence or not. However, Audit noticed that no Driving Licence (DL) was issued to the E-rickshaw/ E-cart drivers and no mandatory training programme was conducted for them. Further, Manipur Road Transport buses were plying by unqualified drivers without valid DL. No conductor licence was issued by the Department for stage carriages as required under MV Act. The unlicensed/ unqualified drivers were more likely to be involved in road accidents and to get engaged in high-risk driving behaviours like over speeding and driving in violation of extant traffic rules and notified directions which pose risk to both passengers and other road users.

¹²⁰ 1668 Buses, three Educational Buses, 1912 Maxi cab and 45 Omni Bus

¹²¹ 2041 in DTO Imphal West, 565 in DTO Imphal East and 258 in DTO Thoubal

Recommendations:**The Department may-**

- *Ensure that all E-rickshaw/ E-cart drivers undergo the prescribed 10-day training and obtain valid driving licences before being permitted to operate. Link vehicle registration with proof of valid LL/ DL.*
- *Mandate that all Manipur State Transport (MST) drivers and conductors possess valid licences at all times. Maintain a centralised register with periodic verification and documentary evidence.*
- *Introduce digital rosters and slot-booking for driving tests, record start/ end times, restrict test conduct to authorised Inspectors of Motor Vehicles, and institute regular quality checks.*
- *Establish dedicated test centres with proper tracks, lane markings, and facilities at district level. Pending full rollout, ensure applicants from all districts have periodic access to the Institute of Driver Training and Research Centre (IDTRC).*
- *Launch awareness drives and streamline processes for conductor licensing. Make it mandatory for MST and private operators to employ only licensed conductors, with penalties for non-compliance.*

5.6.9 Audit Objective: Whether the DTOs implemented the regulation and control over registration and use of vehicles through registration, issuing permits and fitness certificates as per the Act/ Rules?

5.6.9.1 Assignment of same chassis number and engine number to multiple vehicles with other irregularities

Rule 47 of CMV Rules 1989 states that an application for registration of a motor vehicle shall be made to the registering authority within a period of seven days from the date of taking delivery of such vehicle, excluding the period of journey. Rule 49 of rules *ibid* also states that every registering authority shall keep a permanent register of motor vehicles registered by it under section 41 and of motor vehicles of other States for which new registration marks are assigned by it under sub-section (2) of section 47 and shall also enter in such record under the respective registration numbers, all changes made with reference to the provisions of the Central Motor Vehicle (CMV) Act, 1988. The application for registration in Form 20 and Permanent Register in Form 24 requires records of chassis number affix pencil print and attested by registering authority and engine number or Motor Number in case of Battery-Operated Vehicles to be

verified and recorded in the Registration Certificate along with other details of the vehicles.

As per clause 5.0 of Amendment No. 1 to AIS – 065, Statutory Plates and Inscriptions for Motor Vehicles, their Location and Method of attachment – Vehicle Identification Numbering System, Ministry of Shipping, Road Transport & Highways, Department of Road Transport & Highways, Government of India, Vehicle Identification Number (VIN) or the chassis number is a unique combination of characters consisting of 17 digits assigned to each vehicle by the manufacturer marked on the chassis or frame by punching or embossing and on the manufacturer's plate. An engine number is also a unique identification number consisting of nine digits assigned to each engine of a vehicle.

On analysis of VAHAN registration table of 5,43,570 vehicles registered between 12 February 1942 to 13 April 2024 in the State, the following irregularities were observed:

1. One chassis number has been assigned to four different vehicles (four records of vehicles). In eight cases, same chassis numbers had been assigned to three different vehicles (24 records of vehicles) and in 347 cases, same chassis numbers have been assigned to two different vehicles (694 records of vehicles). As such, total 722 records of vehicles with duplicate chassis numbers were found which were registered between 12 February 1985 to 24 August 2018.
2. Out of the 722 records of duplicate chassis numbers, 128 cases were found where engine number, registration number, registration date, purchase date, owner name of the vehicles were different.
3. 360 records of vehicles with duplicate chassis numbers and duplicate engine numbers were found to have different owner name, different registration number, different registration date, different purchase date, *etc.*
4. 100 records of vehicles with duplicate chassis numbers were different Makers and Maker models.
5. In 2,997 records of vehicles with registration date from 07 April 1945 to 16 January 2022, duplicate engine numbers were found wherein one engine number was assigned to nine different vehicles (nine records of vehicles); in three cases, same engine numbers had been assigned to five different vehicles (15 records of vehicles); in five cases, same engine numbers had been assigned to four different vehicles (20 records of vehicles); in 35 cases, same engine numbers had been assigned to three different vehicles (105 records of vehicles) and in 1,417 cases, same engine numbers had been assigned to two different vehicles (2,834 records of vehicles). Also, 14 records of vehicles were assigned as "Nil" engine number.

6. Out of the 2,997 records of duplicate engine numbers, 837 cases were found where chassis number, registration number, registration date, purchase date, owner name of the vehicles were different.
7. 398 records of vehicles with duplicate engine numbers had different Makers and Maker models.

On further analysis of VAHAN database, 428 records of vehicles with same chassis and engine numbers were found to have been registered at multiple DTOs assigned with different registration numbers.

Further, as per section 55 (5) of CMV Act, 1988, “If a registering authority is satisfied that the registration of a motor vehicle has been obtained on the basis of documents which were, or by representation of facts which was, false in any material particular, or the engine number or the chassis number embossed thereon are different from such number entered in the certificate of registration, the registering authority shall after giving the owner an opportunity to make such representation as he may wish to make (by sending to the owner a notice by registered post acknowledgement due at his address entered in the certificate of registration) and for reasons to be recorded in writing cancel the registration.” However, there were no records for monitoring work taken up by the Department for cancellation of registration of motor vehicles with multiple chassis numbers and engine numbers registered with different registration numbers.

As such, the Department did not adequately capture and verify the unique identification details of vehicles, such as chassis and engine numbers during the process of registration, which compromised the integrity of the system and increased the risk of fraudulent registrations of illegally acquired vehicles.

While accepting the audit observation, the Department stated (May 2025) that nearly all the vehicles were registered at the DTOs before the introduction of VAHAN- 4.0, using the earlier VAHAN-2.0 version. During this period, the system had limitations, including the inability to detect data duplicity and other types of discrepancies at the time of registration. With the introduction of VAHAN-4.0 and the dealer point registration system, along with the implementation of homologated vehicle pricing in the State, the issue of data duplicity has been effectively eliminated.

Recommendation: The Transport Department should conduct periodic data validation of VAHAN records, reconcile duplicates, and cancel fraudulent registrations under Section 55(5) of the CMV Act to restore integrity of the vehicle registration database.

5.6.9.2 Delay in application for registration of motor vehicles

As per Rule 42 of the CMV Rules, 1989, no holder of a trade certificate shall deliver a motor vehicle to a purchaser without registration, whether temporary or permanent. As per Rule 47 of rules *ibid* an application for registration of a motor vehicle shall be made in Form 20 to the registering authority within a

period of seven days from the date of delivery of such vehicle, excluding the period of journey.

Further, as per Section 41(1) of the CMV Act, 1988, the application for registration, in the case of a new motor vehicle, in the State shall be made by the dealer of such motor vehicle, if the new motor vehicle is being registered in the same State in which the dealer is situated. However, there was no legal provision for imposing penalty to Dealers for causing delay in submission of application for registration of motor vehicles.

Data analysis of VAHAN revealed that in the State 1,04,373 applications (9,010 for Temporary Registration and 95,363 for Permanent Registration) for registration were made after seven days from the date of purchase/ sale of motor vehicles purchased during 01 April 2019 to 31 March 2024. Out of these, 1,00,264 applications¹²² pertained to the sampled districts.

As such, the Department did not effectively monitor dealers to ensure timely submission of registration applications or enforce compliance by trade certificate holders to prevent delivery of vehicles without registration. Thus, the possibility of vehicles plying on the road without registration could not be ruled out.

While accepting the audit observation, the State Government stated (May 2025) that the Department had been actively working to streamline the vehicle registration process by issuing instructions to dealers to submit the documents within the prescribed timelines and by organising enforcement drives to penalise vehicles plying without number plate.

The State Government further stated that a request had been made for updation of VAHAN application, so that the registration validity and the tax validity is calculated from the actual purchase date rather than the registration date, to avoid unusual extension of registration period of the vehicle.

During the Exit Conference (May 2025), the State Government stated that initiatives had been taken up in communication with NIC, Manipur for exploring features for imposition of automatic penalty to the defaulting dealers.

5.6.9.3 Non-registration/ non-hypothecation to Financier due to delay in issue of Registration Certificate of Motor Vehicles by Transport Department

As per Rule 48 of the CMV Rules 1989, on receipt of an application and after verification of the documents furnished therewith, the registering authority shall issue to the owner of the motor vehicle a certificate of registration in Form 23 or Form 23-A, as may be specified in the Notification issued by the concerned State Government or Union Territory Administration, within a period of 30 days from the receipt of such an application.

Further, as per State Bank of India (SBI) Master Circular– Auto-Loan of 2018, in case of non-registration of a vehicle within 120 days from the date of

¹²² 51,008 in Imphal West, 44,545 in Imphal-East and 4711 in Thoubal

disbursement of loan, vehicle search charges @ ₹50 *plus* GST and penalty @ ₹2,500 *plus* GST per month were to be recovered from the borrower. Data analysis of VAHAN for the period from April 2019 to March 2024 revealed that in the State, 22,575 certificates of registration were issued after 30 days from the receipt of application for registration of motor vehicles, out of which, 21,934¹²³ pertained to the sampled districts.

Audit also noticed that out of the aforesaid 22,575 vehicles pertaining to the period from April 2019 to March 2024 registered after 30 days from the receipt of application, 9,420 vehicles were found to be hypothecated under various Banks/ Financiers with 324 vehicles financed by SBI. Audit further noticed that the owners of these 324 vehicles financed by SBI in the state had been imposed penalty of ₹28.86 lakh for non-registration/ non-hypothecation of vehicle within the timeframe and recovery/payment of vehicle search charges during the period from 01 April 2019 to 31 March 2024, as detailed in **Table 5.6.1**.

Table 5.6.1: Details of late registration of vehicles and penalty levied

Particulars of Department/ office	No. of Vehicles registered late (30 days after application)	No. of Hypo-Veh registered late (30 days after application)	No. of Hypo-Veh financed by all Financiers registered very late (120 days after application)	No. of Hypo-Veh financed by SBI registered late (120 days after application)	Penalty charged by SBI For Non-Regn/ Non-Hypo of vehicles (including GST)	Vehicle search charges (including GST) levied by SBI	Total Penalty recovered from borrower by SBI as on the date of registration
Transport Department, Manipur	22,575	9,420	3,455	324	2950	59	28,85,631
DTO IW	10,810	5,027	1,855	270	2950	59	23,28,966
DTO IE	10,649	4,177	1,503	50	2950	59	4,99,494
DTO Thoubal	475	184	82	0	2950	59	0

Source: VAHAN database and SBI Master Circular-Auto-Loan 2018

As can be seen from the above **Table 5.6.1**, there were 3,455 vehicles in the State where certificate of registration of hypothecated motor vehicles was issued after 120 days from the date of hypothecation of the vehicles in the State.

Thus, due to the delay in application of registration by the Dealers or the DTOs' inability to issue the certificate of registration of auto loaned motor vehicles in a timely manner or both, the vehicle owners had to pay penalty for non-registration/ non-hypothecation of vehicle and recovery/ payment of vehicle search charges as required by their respective Banks/ Financiers.

While accepting the audit observation, the State Government replied (May 2025) that the registration of vehicles was delayed not only due to DTOs but also delay in application by Dealers and cases involving BS-IV vehicles. The Department also expressed the need to bifurcate the delay in two categories viz. (i) delay by the Department and (ii) delay in submission of application by the Dealers to the Department

Recommendation: *The Transport Department should monitor vehicle registration timelines by distinguishing delays attributable to Dealers and DTOs, enforce accountability, and ensure registration of hypothecated*

¹²³ 10,810 in Imphal West, 10,649 in Imphal-East and 475 in Thoubal

vehicles within the prescribed 30-day period to prevent financial loss to vehicle owners.

5.6.9.4 Issuance of Registration Certificate less than or more than 15 years in respect of Non-Transport Vehicles

As per section 41 (7) of the CMV Act, 1988, a certificate of registration of a motor vehicle shall be valid only for a period of fifteen years from the date of issue of such certificate and shall be renewable.

Analysis of VAHAN database revealed that registration certificates for a period more than 15 years were issued to 5,679 non-transport vehicles, while registration certificates for a period less than 15 years were issued to 3,677 non-transport vehicles which registered between 15 October 1988 to 31 March 2024 The numbers of cases found in the State and sampled DTOs are given in Table 5.6.2.

Table 5.6.2: Vehicles registered for more than and less than 15 years

Particulars	No. of vehicles registered for more than 15 years	No. of vehicles registered for less than 15 years
Transport Department	5679	3677
DTO, Imphal west	3753	1765
DTO, Imphal East	788	1163
DTO, Thoubal	318	78

Source: VAHAN Database

Since the VAHAN database for registration plays a vital role for DTOs in monitoring the validity of registration, fitness of vehicle and history of tax payment of the registered motor vehicles, the erroneous entries in the database would restrict the system for further renewal of registration after the valid 15 years for the extended number of years entered. As such, not only the Department did not realise revenues such as the five-year tax after 15 years, green tax, etc., payable in a timely manner, but it also compromised the safety of the public, other road users and the environment in cases where vehicles became unfit.

While accepting the audit comment, the State Government stated (May 2025) that the discrepancies in the validity period of Registration Certificates arose due to data entry errors and system-related issues during the migration and initial implementation phase of the VAHAN 4.0 database. Corrective measures have been taken up in collaboration with NIC which include Data Cleanup to review and correct the erroneous entries in the VAHAN database, System Enhancements to implement stricter data validation protocols in VAHAN to prevent incorrect validity periods from being entered during future registrations. The State Government also stated that an internal review is being conducted to ascertain the impact of erroneous entries on the collection of taxes and green tax. Any under-assessed or uncollected dues would be addressed promptly to ensure that there is no revenue loss to the exchequer.

5.6.9.5 Temporary Registration not followed by Permanent Registration & delay in Registration

As per Section 43 of MV Act 1988, the owner of a vehicle may apply to any registering authority or other authority as may be prescribed by the State Government to have the motor vehicle temporarily registered and such authority shall issue a temporary certificate of registration and temporary registration mark in accordance with such rules as may be made by Central Government. Provided that the State Government may register a motor vehicle that plies temporarily within the state and issue a certificate of registration and registration mark for a period of one month in such manner as may be prescribed by the State Government.

Data analysis of temporary vehicles purchased up to March 2024 revealed that 58 vehicles registered with temporary registration between 03 December 2018 to 02 April 2024 were found to not have been followed by permanent registration in any state in India. Out of these, 28¹²⁴ vehicles pertained to the sampled districts.

Further, a total of 5,315 temporary registered vehicles during 07 June 2013 to 29 February 2024 were found to have permanent registration after the expiry of 30 days with a delay ranging from 01 to 1,839 days in the State and 4,481¹²⁵ in the sampled districts. Out of these 5,315 registered vehicles, 127 vehicles pertain to loaned motor vehicles mentioned in **Paragraph 8.2.3**.

These discrepancies indicated weak system validation controls that did not prevent the registration of vehicles after the expiration of the temporary registration period.

While accepting the audit comment, the State Government replied (May 2025) that it was actively pursuing the matter to make the necessary modifications to the Motor Vehicle Act of the State, enabling the imposition of penalties on such vehicle owners for delays. Enforcement drives were also routine exercises to detect such cases.

5.6.9.6 Delay in implementation of AFMS/ ATS

MoRTH, GoI launched (2023) the Automatic Fitness Management System (AFMS) which aims to provide motor vehicle owners with the ability to book vehicle tests, view test results, apply for re-test and appeal against first test results online. Automated Testing System (ATS) operators will be able to manage test bookings and generate test results. In addition to this, DTOs will be able to manage requests for appeals against test results and update the status of vehicles accordingly. The application results are linked to VAHAN, which would help the authorities in enforcing strict action through measures like generating trigger on fuel stations when the vehicle enters it or gets re-fuelled. The application provides end-to-end visibility into vehicle testing process and

¹²⁴ Imphal West: 11, Imphal East: 05 and Thoubal: 12.

¹²⁵ Imphal West: 2,975, Imphal East: 1,201 and Thoubal: 305.

its results, thus improving transparency. It will help in maintaining digital recordings of visual checks and concealing individual test results till final report is generated¹²⁶.

As per the Gazette Notification¹²⁷, the deadline for the implementation of AFMS for all categories of vehicle was 1 October 2024. The Transport Department, GoM, constituted a “Direct Land Purchase Committee” in February 2024 to access the value of the proposed private land located at Imphal-East District to be purchased for setting up of ATS. The State Cabinet approved (February 2024) the direct purchase of a total area of 3.77 acres at Tellou, Terakhong under Sawombung Sub-Division, Imphal East which would be utilised for setting up of the Automated Testing Station (ATS) under Automatic Fitness Management System (AFMS).

While accepting audit observation, the Department stated (May 2025) that the land has been purchased by the Transport Department Manipur. The Department has completed the preparation of the Detailed Project Report (DPR) which has been submitted to the Ministry for approval and release of funds. Upon receipt of the necessary funds, the Department will take up necessary steps to expedite the tendering process for the construction of the ATS.

Thus, the Transport Department did not implement the ATS by 01 October 2024 as notified by MoRTH, thereby depriving the public of the intended benefits of ATS in a timely manner and did not take adequate steps to expedite the tendering process for the construction of the ATS.

5.6.9.7 Non-registered bus operated under MST

As per Section 39 of MV Act 1988, “No person shall drive any motor vehicle and no owner of a motor vehicle shall cause or permit the vehicle to be driven in any public place or in any other place unless the vehicle is registered and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carries a registration mark displayed in the prescribed manner”.

As per the information furnished by Manipur State Transport (MST), a total of 43 buses (nine semi-low floor) had been handed over to MST between 2017 and 2023 out of which, 26 vehicles were operable while 17 were inoperable as on 31 March 2024. Out of these 17 buses, three buses had not been registered till date. Audit also noticed cases where registration certificates were issued more than or less than 15 years.

While accepting the audit observation, the State Government replied (May 2025) that out of nine semi low floored (SLF) buses released by the Ministry of Urban Development, GoI through MAHUD Department, GoM and handed over to Transport Department for public transport service in 2012, six buses have been registered on 23 June 2017 and three buses were left out for registration.

¹²⁶ MoRTH Annual Report 2022-23.

¹²⁷ G.S.R.663(E) issued by the Ministry of Road Transport and Highways on 12 September 2023.

These nine SLF buses altogether were off-road and under process for condemnation.

Recommendations:

The Department may-

- *cleanse and validate VAHAN records to eliminate duplicate chassis/engine numbers and cancel fraudulent registrations under Section 55(5) of the MV Act.*
- *enforce timely dealer submissions by monitoring registration applications, fixing responsibility for delays, and enabling automatic penalties for defaulting dealers.*
- *ensure prompt registration of hypothecated vehicles within 30 days by distinguishing delays attributable to DTOs and dealers and enforcing accountability.*
- *strengthen system controls in VAHAN to prevent erroneous entries in validity of Registration Certificates and temporary registrations, ensuring correct tax and green tax realisation.*
- *expedite establishment of ATS under AFMS to provide reliable fitness certification and improve transparency in vehicle testing.*

5.6.10 Audit Objective: Whether the DTOs efficiently assessed, levied, collected and remitted revenue (Motor vehicle taxes, fines, penalties, cess, etc. as per Act/ Rules) and took effective action on arrears?

5.6.10.1 Non-realisation of Royalty Fee @ 5 per cent from MANITRON

An Agreement was made (15 April 2008) between the Transport Department, Government of Manipur and the Manipur Electronics Development Corporation Ltd. (MANITRON) for making Smart Card Driving License and Smart Card Registration Certificate for five years with effect from the date specified by the State Government which may be extended for another five years upon entering into fresh agreement. However, the agreement could not be extended further owing to disagreement between the two parties over royalty till January 2020. Subsequently, agreements were executed on 29 January 2020 and 02 September 2021 for the period from 29 January 2020 to 28 January 2021 and from 29 January 2021 to 28 January 2026 respectively whereby, MANITRON shall have to pay a royalty of five *per cent* of the total amount for charge of making Smart Card Driving License and Smart Card Registration Certificate to the Transport Department to be paid on monthly basis before the 10th of the following month.

The rates for making Smart Card Driving License and Smart Card Registration Certificate as prescribed under Rule 32 of the Central Motor Vehicle Rules (CMVR), 1989 as shown in **Table 5.6.3**.

Table 5.6.3: - Rate for Smart Card Fees w.e.f. 28 July 2016

Sl. No.	Description	Rate prescribed under CMV Rules, 1989 (in ₹) (Inclusive of 18 & 5 per cent GST/ Royalty respectively)
1	Smart Card Driving License	200
2	Smart Card Registration Certificate	200

Source: Departmental records

Test check of records of the office of the Directorate of Transport, GoM and the information furnished by MANITRON revealed that the Royalty fee @ five per cent had not been paid by MANITRON for making 1,58,587 Smart Card Driving Licenses and 1,59,813 Smart Card Registration Certificates during the period from 2019-20 to 2023-2024. The details are given in **Table 5.6.4**.

Table 5.6.4: - Royalty fees realisable from MANITRON for the period from 29 January 2020 to 31 March 2024

Sl. No.	Description	No. of Smart card	Amount Collected by MANITRON per Smart Card exclusive of Taxes/ Fee {(Base Cost) (₹ in crore) = @₹162.6/ Smart Card}	Royalty to be paid @Five per cent of Base Cost (₹ in crore)
1	Total Number of Smart Card Driving License issued	1,58,587	2.58	0.13*
2	Total Number of Vehicles registered	1,59,813	2.60	0.13**
Total Royalty Fee due from MANITRON				0.26

Source: Departmental data

* (5 per cent of ₹162.60 x 1,58,587)

** (5 per cent of ₹162.60 x 1,59,813)

As such, Royalty Fee amounting to ₹0.26 crore for the period from 29 January 2020 to 31 March 2024 had not been paid by MANITRON.

While accepting the audit observation, the State Government replied (May 2025) that necessary actions would be taken for recovery of the payable amount from M/s MANITRON.

However, the status of recovery was not intimated (May 2025).

5.6.10.2 Non-Realisation of Permit Fee

As per Section 66 of MV Act 1988, “No owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place whether or not such vehicle is actually carrying any passengers or goods save in accordance with the conditions of a permit granted or countersigned by a Regional or State Transport Authority or any prescribed authority authorising him the use of the vehicle in that place in the manner in which the vehicle is being used.”

Further, Section 81(2) provides that a permit may be renewed on application made not less than fifteen days before the date of its expiry. The rates of annual permit fee for different types of vehicles have been fixed as per the First

Schedule of the Manipur Motor Vehicles Taxation (Second Amendment) Act, 2015.

Analysis of VAHAN data Registration table with tables related to issue, renewal and cancellation of permits in the State pertaining to the period April 2010 to March 2024 revealed 2197 records of transport vehicles with expired permits and 18,415 records of transport vehicles without permits were active in the State as of 31 March 2024.

As per Section 11 of the Manipur Motor Vehicles Taxation Act, 1998 states that when the registered owner or the person having possession or control of a motor vehicle has given previous intimation in writing to the taxation authority that the motor vehicle would not be used in any public place for a particular period, being not less than one month, and deposits the certificate of registration of such motor vehicle with the taxation authority, and obtains an acknowledgement thereof from that authority, he shall be exempted from the payment of the tax for that period.

Operation of a large number of vehicles without valid permits and with expired permits implies that they did not have a defined route of journey.

However, Audit could not quantify the realisable permit fee of transport vehicles with expired permits and transport vehicles without permits due to non-availability of distinct categories of vehicles under different classes of transport vehicles in VAHAN database.

While accepting the audit observation, the State Government in its reply (May 2025) stated that the renewal and issuance of permits done at DTOs level and upon vehicle owners request. Moreover, there was no provision empowering Motor Vehicle Authority for realisation of such fees without following due process in the M.V. Act & Rules and the Department was not in a position to confirm the veracity of the vehicle fitness to ply on road and as such the Department cannot levy fines and collect fee.

However, the status of the commented vehicles was still shown as active in VAHAN and no records were made available to audit on prior intimation under Section 11 MMV Taxation Act, 1998 implying that the vehicles may be plying on road. And therefore, as per Manipur Motor Vehicle Taxation Act, 2015 (Second Amendment), the Department was required to take up actions for realisation of the pending permit fees.

5.6.10.3 Days Missed after the Registration to get the Permits issued

As per Section 66 of MV Act 1988, “No owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place whether or not such vehicle is actually carrying any passengers or goods save in accordance with the conditions of a permit granted or countersigned by a Regional or State Transport Authority or any prescribed authority authorising him the use of the vehicle in that place in the manner in which the vehicle is being used”.

Analysis of VAHAN database revealed that 1482 vehicles in the State registered during 01 April 2019 to 31 March 2024 under transport category which had applied for permits were issued permits during 01 October 2019 to 10 April 2024 with delays ranging from 01 to 1,654 days from their initial registration date. Out of these, 1,212¹²⁸ vehicles were registered in the sampled districts and 46 in STA, Manipur.

Thus, due to lack of monitoring of the part of the Department to ensure whether vehicles registered under transport category were applied for issue of permit on time or not, the loss of revenue to the government could not be ruled out.

While accepting the audit observation, the State Government in its reply (May 2025) stated that following the implementation of the online permit system through VAHAN, the data from manually issued permits was not updated in the portal. Hence, the Audit team observed delays in permit renewals, which were primarily due to this transition and not actual lapses. At present, with the online permit system fully operational through VAHAN, all permit related processes were systemised. Therefore, the issue of days missed after registration no longer arises.

However, Audit observed significant delays ranging from 01 to 1,125 days in issue of permits after the initial registration in respect of 1,260 vehicles registered between 2021 and 2024, *i.e.*, after the implementation of online permit system in the State with effect from 04 January 2021.

5.6.10.4 Permits issued without valid Fitness Certificate

Section 84 (a) of CMV Act, 1988 states the conditions that the vehicle to which the permit relates carries valid certificate of fitness issued under section 56 and is all the time so maintained as to comply with the requirement of this Act and the rules made there under.

Further, Section 86 (1) of MV Act, 1988 provides that the transport authority which granted a permit may cancel or may suspend it for such period as it thinks fit on the breach of any conditions specified in section 84 or any condition contained in the permit.

Analysis of VAHAN Permit table with the Fitness table revealed that 2026 vehicles permits were issued during 2009-10 to 2023-24 without Fitness Checks as on 31 March 2024 as shown in **Table 5.6.5**. As such, 2026 vehicles had breached the conditions of Section 84 (a).

Table 5.6.5 : Permits issued without valid Fitness Certificate

Particulars	No. of Permits issued/ renewed without valid Fitness Certificate	No. of Permits Issued or Renewed but Fitness Details not available in VAHAN Registration Tables	Total Nos. of Permit Issued without Fitness Checks
Transport Department, Manipur	284	1742	2026

¹²⁸ 1,050 in Imphal West, 134 in Imphal East and 28 in Thoubal

Particulars	No. of Permits issued/ renewed without valid Fitness Certificate	No. of Permits Issued or Renewed but Fitness Details not available in VAHAN Registration Tables	Total Nos. of Permit Issued without Fitness Checks
DTO, IW	64	765	829
DTO, IE	52	219	271
DTO, Thoubal	26	71	97
STA, Manipur	98	391	489

Source: VAHAN database

The operation of transport vehicles without valid fitness certificates poses serious safety risks, as these vehicles may not meet the required standards for roadworthiness.

The State Government replied (May 2025) that given the automated checks embedded within the Parivahan system, no permits were manually issued without valid Fitness Certificates. The audit observations appear to have resulted from technical issues related to data synchronisation.

The reply is not acceptable as there was no data showing that the Fitness Certificates (FCs) were taken during the relevant missing period as highlighted in the observation.

5.6.10.5 Non-renewal of Fitness Certificate

As per Section 56 of MV Act 1988, a transport vehicle shall not be deemed to be validly registered for the purposes of Section 39, unless it carries a certificate of fitness in such form containing such particulars and information as may be prescribed by the Central Government, issued by the prescribed authority, or by an authorised testing station, to the effect that the vehicle complies for the time being with all the requirements of this Act and the rules made there under.

Rule 62 of CMV Rules, 1989 read with a Gazette Notification (02 November 2018) provided that the renewal of certificate of fitness in respect of transport vehicles shall be two years for vehicles up to eight years old and one year for vehicles older than eight years. Provided further that no fitness certification shall be required at the time of registration for new transport vehicle sold as fully built vehicle and such vehicle shall be deemed to be having certificate of fitness for a period of two years from the date of registration.

Rule 81 of CMVR 1989 read with a Gazette Notification (December 2016) provided that the fees which would be charged for conducting fitness and grant and renewal of fitness certificate for motor vehicles, provided further that an additional fee of fifty rupees for each day of delay after the expiry of fitness certificate shall be levied. Details of fitness fee as per the Gazette Notification are given in **Table 5.6.6**.

Table 5.6.6: Details of Fitness Fee

Sl. No.	Purpose	Amount (in ₹)
1	Conducting test of a vehicle for grant and renewal of certificate of fitness	
	(i) Motorcycle	200
	(ii) Three wheeled or light motor vehicle or quadricycle	400
	(iii) Medium or heavy motor vehicle	600
	(iv) others	200
2	Grant or renewal of certificate of fitness for motor vehicle	200
3	Additional fee for each day of delay after the expiry of fitness certificate	50

Source: Gazette notification

A. Non-realisation of fitness fee

Data analysis of VAHAN database revealed that the fitness validity of 26,666-transport vehicles registered during 01 April 2010 to 31 March 2024 had expired. As per VAHAN, these vehicles were shown as active. As such, an amount of ₹1.66 crore for conducting test for fitness and grant and renewal of Fitness Certificate of motor vehicles need to be realised from the vehicle owners. Details of calculation for conducting test for fitness and grant/ renewal of Fitness Certificate of motor vehicles in the State and test checked DTOs are given in **Table 5.6.7**.

Table 5.6.7: Fee realisable for conducting fitness test, issue and renewal of Fitness Certificate

Particulars	No. of Active Transport Vehicles	Fitness Fee Due (₹ in crore)
Transport Department, Manipur	26,666	1.66
DTO, IW	13,456	0.84
DTO, IE	6,689	0.41
DTO, Thoubal	2,231	0.14

Source: VAHAN database.

B. Non-realisation of additional fitness fee for delay

Similarly, data analysis of VAHAN database revealed that fitness validity of 15,475 transport vehicles registered during 29 December 2014¹²⁹ to 31 March 2024 had expired. As per VAHAN, these vehicles were shown as active. As such, an amount of ₹102.59 crore on account of Additional fee for each day of delay after the expiry of fitness certificate need to be realised from the vehicle owners with effect from 29 December 2016. Details of calculation of Additional fee for each day of delay after the expiry of fitness certificate in the State and test checked DTOs are given in **Table 5.6.8**.

Table 5.6.8: Fee realisable for Additional Fitness

Particulars	No. of Active Transport Vehicles	Additional Fitness Fee Due (₹ in crore)
Transport Department, Manipur	15475	102.59
DTO, IW	7682	54.47
DTO, IE	3860	26.80
DTO, Thoubal	1519	7.72

Source: VAHAN database.

¹²⁹ In respect of vehicles in which fitness was expired after Gazette Notification (December 2016)

The operation of transport vehicles without valid fitness certificates poses serious safety risks, as these vehicles may not meet the required standards for road-worthiness.

The State Government in its reply (May 2025), while accepting the issue highlighted, did not accept the figure quantified by the audit and stated that the amount quantified by the audit is a presumptive figure purely based on the number of vehicles registered in VAHAN. It also stated that since the outbreak of Covid 19 pandemic and due to the ethnic clashes in the state, many vehicle owners had not been able to renew their Fitness Certificates. Moreover, whether the vehicles were plying/active on road was not confirmed. The Department can enforce only when the vehicles were plying on the road.

However, the status of the commented vehicles was still active in VAHAN and therefore, as per MMV Act, there was still an accrued liability amounting to ₹1.66 crore for conducting test for fitness and ₹102.59 crore as penalty for delay of renewal of Fitness Certificate from the vehicle owners.

5.6.10.6 MST buses not checked for fitness and pollution

As per Rule 115 (7) of the CMV Rule, 1989 after the expiry of a period of one year from the date on which the motor vehicle was first registered, every such vehicle shall carry a valid “Pollution under control certificate” (PUCC) with validity of twelve months for the vehicles manufactured as per BS-IV or BS-VI norms and six months for other vehicles issued by an agency authorised for this purpose by the State Government.

Cross verification of data available in VAHAN with the records furnished by the Department showed that the 43 Manipur State Transport (MST) buses have not been renewed for fitness certificate after the applicable two years from date of their registration as per Rule 62 of CMV Rule 1989 and PUCC after the applicable one year from the date of their registration as per Rule 115 (7) of CMV Rule 1989. The Transport Department, being the authority, did not take initiatives for timely checking of fitness and pollution of vehicles belonging to the MST.

While accepting the audit observation, the State Government replied (May 2025) that the necessary Fitness Certificates and PUCC of the buses belonging to MST were being obtained

5.6.10.7 Excess and short collection of One Time Tax

The Proviso to Section 3 of the Manipur Motor Vehicles Taxation (Second Amendment) Act, 2015 came into force from 18 February 2016 stipulates that the tax leviable under Section 3 in respect of personalised vehicles as well as auto rickshaws (goods or passengers), motor cabs, maxi cabs, school vans and goods vehicles below 7.5 Gross Vehicle Weight (GVW) after enactment of this Act shall be paid at the time of registration for fifteen years under One Time Tax (OTT) structure at the rates starting from minimum floor rate of tax at four

to eight *per cent* on sale prices before VAT/ GST as prescribed in the First Schedule depending on the categories of vehicle.

A) *Short/ excess collection in respect of non-transport vehicles*

Analysis of VAHAN database revealed that 2,20,608 numbers of Light Motor Vehicles, three-wheelers and two-wheeler vehicles that attract OTT were registered in the State since the commencement (18 February 2016) of the Act till March 2024. Out of 2,20,608 vehicles, the sale amount of 2,899 vehicles was less than ₹10,000 - including 2,847 vehicles having zero sale amount which was unrealistic and not considered for audit comment. This indicates that the sale amount of some vehicles entered in VAHAN database were not accurately ascertained.

- Further, out of 2,20,608 vehicles, the sale amount of 2,17,709 vehicles had been considered as realistic as the sale amount was greater than or equal to ₹10,000.
- However, records for payment of tax pertaining to 3,383 vehicles out of 2,17,709 vehicles were not found in VAHAN database.
- Out of 2,14,326 (2,17,709 – 3,383) vehicles, the number of vehicles which were still active in the VAHAN database was 2,14,207.
- On further analysis of OTT collection of 2,14,207 vehicles revealed difference between tax collection and tax to be collected in respect of 79,011 vehicles and nil difference in respect of 1,35,196 vehicles.
- Further analysis of said OTT difference between tax collection and tax to be collected for 79,011 vehicles revealed excess collection of OTT on 55,683 vehicles amounting to ₹4.12 crore and short collection of OTT on 23,328 vehicles amounting to ₹3.97 crore calculated based on the sale value of the vehicles.

Further, in the case of the three sampled DTOs, there was an excess collection of OTT amounting to ₹3.05 crore and short collection amounting to ₹2.32 crore.

B) *Short/ excess collection in respect of transport vehicles*

Analysis of VAHAN database revealed that 13,563 number of transport vehicles such as Maxi cab, motor cab, three-wheeler (Passengers/ Goods) and Goods Carrier having below 7.5 GVW vehicles that attract OTT were registered in the DTOs of Manipur since the commencement (18 February 2016) of the Act till March 2024. Out of 13,563 vehicles, the sale amount of 497 vehicles was less than ₹10,000 - including 461 vehicles having zero sale amount which was unrealistic and non-considered for audit comment. This indicates that the sale amount of some vehicles entered in VAHAN database were not accurately ascertained.

- Further, out of 13,563 vehicles, the sale amount of 13,066 (13,563 - 497) vehicles was realistic as the sale amount is greater than or equal to ₹10,000.
- However, records for payment of tax pertaining to 198 vehicles against 13,066 vehicles were not found in VAHAN database.

- Further analysis of OTT collection of 12,868 (13,066 – 198) vehicles revealed difference between tax collection and tax to be collected in respect of 5,951 vehicles and nil difference in respect of 6,917 vehicles.
- Further analysis of the difference between tax collection and tax to be collected for 5,951 vehicles revealed that excess collection of OTT on 3,647 vehicles amounting to ₹17.50 lakh and short collection of OTT on 2,304 vehicles amounting to ₹4.13 crore calculated based on the sale value of the vehicles.

Further, in the case of the three sampled DTOs, there was an excess collection of OTT amounting to ₹11 lakh and short collection amounting to ₹2.14 crore.

In order to cross-verify the database in VAHAN, physical records like sale invoice, registration certificate and MV tax receipt of some cases were requisitioned. However, the said records were not furnished despite reminder issued to the DTOs as of, September 2025. In absence of the records, cross-verification could not be done and therefore the correctness of the database could not be ascertained.

Reasons for feeding of unrealistic data on sale price of vehicles in VAHAN database and excess and short collection of OTT were not on record. As such, the sale price of vehicles was not ascertained accurately and the corresponding OTT was not calculated at applicable rates in respect of 84,962 (79,011 non-transport vehicles + 5,951 transport vehicles) vehicles that attracted OTT. This resulted in charging of unauthorised excess tax to vehicle owners to the tune of ₹4.30 (₹4.12 + ₹0.18) crore on the one hand and loss of Government revenue amounting to ₹8.10 (₹3.97 + ₹4.13) crore on the other.

During Exit Conference (April 2025), the State Government stated that the discrepancies occurred mainly due to error in data migration of old records into VAHAN. In this regard, the Secretary Transport directed the DTOs to segregate data into pre-VAHAN and post-VAHAN data for identification of errors and necessary rectification of data and tax accordingly.

The State Government while accepting the audit observation (May 2025) stated that due to shortage of experienced staff and limited availability of qualified personnel, some payments made through TR-5 (manual) were not accurately entered into the VAHAN software resulting in discrepancies in collection of taxes.

5.6.10.8 Non-collection of One Time Tax for balance years in case of personalised vehicles

Proviso to Section 3 of the Manipur Motor Vehicles Taxation (Second Amendment) Act, 2015 that came into force from 18 February 2016 stipulates that the owners of the personalised vehicles registered and paid under the recurring tax structure (annual tax basis) before the commencement of this Act

shall have to pay their taxes under One Time Tax¹³⁰ (OTT) structure which is meant for the remaining years to attain 15 years but subject to award of rebate on the tax payable and not on the cost of the vehicle @ 10 per cent discount per annum taking into consideration of the age of the vehicle with the original cost of the vehicle before VAT.

Analysis of VAHAN database revealed that 2,13,261 numbers of personalised/non-transport vehicles were registered in Manipur during the period from 17 February 2002 to 17 February 2016 *i.e.*, since one day to fourteen years back before the commencement of the Act.

- Out of the 2,13,261 non-transport vehicles, the sale amount of 81,814 vehicles was found in the VAHAN database.
- On further analysis of the data, Audit noticed that the sale value of 77,968 vehicles against 81,814 vehicles was realistic considering the value of sale amount of vehicles as more than or equal to ₹10,000.
- However, tax details of 67,631 vehicles only against 77,968 vehicles were found in VAHAN database.
- Further analysis on collection of OTT for balance years from 67,631 vehicles revealed that there were 4,990 vehicles applicable for payment of OTT for balance years ranging from one year to fifteen years.
- Out of 4,990 vehicles, 4,851 vehicles *i.e.*, LMVs, three wheelers and two wheelers (private) that attract OTT were considered.
- Analysis of collection of OTT for balance years from 4,851 vehicles revealed that there was an excess collection of OTT for balance years amounting to ₹14.32 lakh in case of 333 vehicles and nil balance in 06 vehicles.
- However, the balance OTT payable by 4,512 (4,851- 339) vehicles (excluding 333 vehicles with excess collection and 06 vehicles having zero balance) worked out to ₹4.34 crore as shown in **Table 5.6.9**.

Table 5.6.9: Details of collectible OTT for balance years from vehicles

(Amount in ₹)

Sl. No.	Name of DTO	No. of LMV	Balance OTT amount payable	No. of two and three wheelers	Balance OTT amount payable	Total vehicles	Total Balance payable
1	Imphal West	2,857	3,24,24,362	404	4,56,680	3,261	3,28,81,042
2	Churachandpur	90	11,19,982	43	53,810	133	11,73,792
3	Kangpokpi	11	1,91,762	2	2,175	13	1,93,937
4	Imphal East	49	341,720	10	12,750	59	3,54,470
5	Thoubal	148	12,03,130	65	68,702	213	12,71,832
6	Bishnupur	713	68,69,745	79	1,73,179	792	70,42,924
7	Ukhrul	13	20,32,35	2	6,580	15	2,09,815
8	Senapati	23	19,11,48	1	1	24	1,91,149
9	Chandel	2	33,187	0	0	2	33,187
Total		3,906	4,25,78,271	606	7,73,877	4512	4,33,52,148

Source: VAHAN database. No non-transport vehicles were registered in respect of two DTOs (Tamenglong & Tengnoupal) till March 2024.

¹³⁰ Mode of calculation for OTT for balance years as depicted in the Act is reproduced below:
 OTT payable for balance years = OTT-[(OTT/15) x n -(OTT/15) x n x 0.1]
 Where 'OTT' means derived One Time Tax of the particular 'type/class of vehicle, and 'n' stands for the age of the vehicle.

In order to cross-verify the database in VAHAN, physical records like sale invoice, registration certificate and MV tax receipt of some cases were requisitioned. However, the said records were not furnished despite reminder issued to the DTOs as of September 2025. In absence of the records, cross-verification could not be done and therefore the correctness of the database could not be ascertained. As such, Audit concludes that non-collection of OTT for balance years to the tune of ₹4.34 crore from such defaulters resulted in loss of government revenue to that extent calculated based on the sale value of the vehicles.

The State Government while accepting the fact stated (May 2025) that efforts would be made to ensure adherence to statutory provisions and efficient revenue collection.

5.6.10.9 Excess and short collection of tax in respect of vehicles liable to pay MV tax on annual (recurring) basis

Proviso (1) to Section 3 of the Manipur Motor Vehicles Taxation (Second Amendment) Act, 2015 stipulates that every motor vehicle liable to pay on annual (recurring) basis may pay tax in advance on or before 31st day of March for the commencing financial year by owner of a motor vehicle as prescribed in the First Schedule.

Proviso (2) to Section 3 of the Act *ibid* stipulates that every motor vehicle other than a motor vehicle liable to pay One Time Tax shall have the option of paying the tax in advance in four equal quarterly instalments payable on or before the last day of March, June, September and December respectively as prescribed in the First Schedule

A) *Transport vehicles that needs to pay MV tax as per the parameter i.e., Laden weight*

Analysis of VAHAN database revealed that 2,318 numbers of transport vehicles having more than or equal to 7.5 tonne in Gross Vehicle Weight (GVW) that paid MV tax quarterly or yearly were registered in Manipur since the commencement (18 February 2016) of the Act till March 2024. Out of 2,318 vehicles, the tax details of 2,175 vehicles were found in VAHAN database whereas that of 143 vehicles were not found in the database. Further, out of 2,175 vehicles, 684 vehicles paid MV tax quarterly and 1,384 vehicles paid the tax yearly. However, analysis on 107 vehicles was not considered as there was no consistency in the mode of periodicity of tax payments; the tax was paid neither quarterly nor yearly.

- Of 684 vehicles paying tax quarterly, Audit noticed that there was excess collection of ₹4.08 lakh in case of 72 vehicles and short collection of ₹1.32 crore in case of 612 vehicles.
- Also, analysis of tax collection of 1,384 vehicles paying yearly tax revealed that there was excess collection of ₹2.04 lakh in case of 42 vehicles, short collection of ₹3.14 crore in the case of 1,342 vehicles.

- As mentioned above, there was a difference in collection of MV tax pertaining to such 2,068 (684 + 1,384) transport vehicles having more than or equal to 7.5 tonne in Gross Vehicle Weight (GVW).
- This indicates that collection of MV tax was made without considering the applicable parameters such as type of vehicle or laden weight in violation of the Act *ibid*.

Further, in the case of the three sampled DTOs, there was an excess collection of MV tax amounting to ₹0.02 lakh and short collection amounting to ₹2.86 crore.

B) *Transport vehicles that needs to pay MV tax as per the parameter i.e., Seat capacity*

Analysis of VAHAN database revealed that 602 number of buses were registered in Manipur since the commencement (18 February 2016) of the Act till March 2024. Out of 602 buses, 459 buses were still active as per the VAHAN database. The tax details of 415 buses against 459 buses were found in VAHAN database whereas that of 44 buses were not found in the database. Further, out of 415 buses, 100 buses paid MV tax quarterly and 287 buses paid the tax yearly. However, analysis on 28 buses was not considered as there was no consistency in the periodicity of tax payments, *i.e.*, the tax was paid neither quarterly nor yearly.

On further analysis of tax collection of 100 buses paying quarterly, Audit noticed that there was excess collection of ₹0.40 lakh in case of 21 buses and short collection of ₹5.95 lakh in case of 33 buses and in the case of 46 buses, there was no difference.

Also, analysis of tax collection of 287 buses paying yearly revealed that there was excess collection of ₹0.58 lakh in the case of 39 buses, short collection of ₹7.66 lakh in the case of 64 buses and in the case of 184 buses, there was no difference in tax collection and tax to be collected.

As mentioned above, there was excess collection of MV tax of ₹0.98 lakh and short collection of ₹13.61 lakh from 387 buses. This indicated that collection of MV tax was made without considering the applicable parameters such as type of vehicle or seat capacity in violation of the Act *ibid*.

Further, in the case of the three sampled DTOs, there was an excess collection of MV tax amounting to ₹0.45 lakh and short collection amounting to ₹7.10 lakh.

In order to cross-verify the database in VAHAN, physical records like sale invoice, registration certificate and MV tax receipt of some cases were requisitioned. However, the said records are not furnished despite reminder issued to the DTOs. In absence of the records, cross-verification could not be done and therefore the correctness of the database could not be ascertained.

Reasons for excess and short collection of MV tax were not record. Thus, the quarterly/ yearly tax had been levied and collected without considering the applicable parameter *i.e.*, Laden weight/ Seat capacity in violation of the Act *ibid.*

The State Government while accepting the audit observation replied (May 2025) that reason for discrepancies in collection of MV tax was due to incorrect application of parameters such as Laden Weight and Seat Capacity as prescribed by the Act. Further, the State Government stated that it had initiated corrective measures like instructions issued to DTOs to ensure proper verification of Laden Weight or Seat Capacity and other relevant parameters at the time of tax assessment and directives to DTOs to promptly furnish physical records for cross-verification with the VAHAN database.

However, the State Government is silent on recovery of short collection of MV tax. Therefore, the State Government may take up necessary steps to collect the amount of short realisation of MV tax and adjust the excess MV tax collected with the future tax liability in subsequent quarters/ years.

5.6.10.10 Non-collection of five years MV tax and Green Tax in respect of non-transport vehicles

Proviso (2) to Section 3 of the Manipur Motor Vehicles Taxation (Second Amendment) Act, 2015 came into force from 18 February 2016 stipulates that every motor vehicle more than fifteen years of age from the date of its registration and also found mechanically fit for use shall, on payment of such tax for another period of five years with a Green Tax (GT) as specified in the first schedule of the Act, be allowed to use for another five years.

Further, Section 11 of the Manipur Motor Vehicles Taxation Act, 1998 states that when the registered owner or the person having possession or control of a motor vehicle has given previous intimation in writing to the taxation authority that the motor vehicle would not be used in any public place for a particular period, being not less than one month, and deposits the certificate of registration of such motor vehicle with the taxation authority, and obtains an acknowledgement thereof from that authority, he shall be exempted from the payment of the tax for that period.

Analysis of VAHAN database revealed that 50,693 numbers of vehicles both transport as well as non-transport vehicles were registered during 01 April 2004 to 01 April 2009¹³¹. Out of 50,693 vehicles, 47,171 vehicles belong to non-transport vehicles of which 46459 vehicles were still active as per the VAHAN database. Out of the active non-transport vehicles, 2291 vehicles had applied for GT whereas 44,168 vehicles had not applied for GT.

¹³¹ The period is considered as vehicles registered during the period fall completion of fifteen years during 01 April 2019 to 31 March 2024.

A) 2291 active vehicles applied for GT

In Manipur, 2291 vehicle owners applied for GT. Out of 2291 vehicles, 821 vehicles paid GT whereas 1470 vehicles had not paid GT as well as the corresponding five years Motor Vehicle (MV) tax though they were still plying *i.e.*, active as per the VAHAN database. Out of 1,470 vehicles, the number of personalised LMVs and Motor cycles/ scooters/ auto-rickshaws (personal) were 1,129 and 310 respectively as only such category of vehicles was considered.

Out of 1129 LMVs, the sale amount of 175 vehicles was not realistic as the sale amount was less than ₹10,000 and that of 954 vehicles have been considered as realistic. The relevant five years MV tax and corresponding GT to be collected from such 954 LMVs was ₹63.90 lakh and ₹5.38 lakh respectively.

Further, out of 310 motor-cycles/ scooters/ auto rickshaws, the sale amount of 216 vehicles was not realistic and that of 94 vehicles had been taken as realistic considering the sale amount of vehicle greater than or equal to ₹10,000 as realistic. The relevant five years MV tax and corresponding GT to be collected from such 94 vehicles were ₹1.22 lakh and ₹0.26 lakh respectively.

Thus, MV tax and GT of ₹65.12 (63.90 + 1.22) lakh and ₹5.64 (5.38 + 0.26) lakh respectively was not collected from 1,048 (954 + 94) non-transport vehicles.

Further, in the case of the three sampled DTOs, there was non-collection of MV tax and Green Tax amounting to ₹43.27 lakh and ₹3.78 lakh respectively

B) 44,168 active vehicles not applied for GT

Out of 44,168 vehicles, 177 vehicles paid Green Tax though they had not applied for GT for reasons not known to Audit. However, 43,991 vehicles against 44,168 vehicles were still plying *i.e.*, active as per the VAHAN database without paying any tax. Out of 43,991 vehicles, the number of personalised LMVs and Motor cycles/ scooters/ auto-rickshaws (personal) were 16,657 and 26,960 respectively as such category of vehicles were considered.

Out of 16,657 LMVs, the sale amount of 6684 vehicles was not realistic as the sale amount is less than ₹10,000 and that of 9,973 vehicles had been considered realistic. The relevant five years MV tax and corresponding GT to be collected from such 9,973 LMVs were ₹6.38 crore and ₹56.01 lakh respectively.

Further, out of 26,960 motor cycles/scooters/auto rickshaws, the sale amount of 12,661 vehicles was not realistic and that of 14,299 vehicles taken as realistic considering the sale amount of vehicle greater than or equal to ₹10,000 as realistic. The relevant five years MV tax and corresponding GT to be collected from such 14,299 vehicles were ₹1.79 crore and ₹42.93 lakh respectively.

In the case of the three sampled DTOs, there was non-collection of MV tax and GT amounting to ₹7.25 crore and ₹90 lakh respectively.

In order to cross-verify the database in VAHAN, physical records like sale invoice, registration certificate and MV tax receipt of though requisitioned for some cases, were not furnished despite reminder issued to the DTOs as of

September 2025. In absence of the records, cross-verification could not be done and therefore the correctness of the database could not be ascertained.

Thus, MV tax and GT ₹8.17 (6.38 + 1.79) crore and ₹98.94 (56.01 + 42.93) lakh respectively was not collected from 24,272 (9,973 + 14,299) non-transport in violation of the Act *ibid*.

Reasons for non- collection of five years MV tax and GT were not on record. As such, non-collection of such MV tax and GT resulted in loss of Government revenue amounting to ₹9.16 crore.

The State Government in their reply (May 2025), stated that for renewal of a RC, the vehicle owner is required to physically bring the vehicle to the District Transport Office for inspection and testing of the vehicle and subsequent renewal of RC. In the absence of the vehicle owners visiting the offices of the DTOs, collection of MV tax and the relevant GT from the vehicles is not possible. Further, the State Government stated that the amount quantified by audit was a presumptive figure purely based on the number of vehicles registered in VAHAN; whether the vehicles were active/plying on road could not be confirmed. The Department can enforce only when the vehicles were plying on road.

The replies of the State Government were not acceptable as audit considered only the vehicles registered during 01 April 2004 to 01 April 2009, which fall completion of 15 years during 01 April 2019 to 31 March 2024 and the status of the commented vehicles was still active in VAHAN database. Further, the State Government could not furnish any documentary evidence in support of prior intimation in writing to the taxation authority that the active motor vehicles would not be used in any public place as per Section 11 of the MMV Act 1998. Therefore, as per MMV Act, there was still an accrued liability amounting to ₹9.16 crore to be paid by the vehicle owners.

5.6.10.11 Non-collection of MV tax and Green Tax in respect of transport vehicles

Analysis of VAHAN database revealed that 50,693 numbers of vehicles both transport as well as non-transport vehicles were registered during 01 April 2004 to 01 April 2009¹³². Out of 50,693 vehicles, 3,522 vehicles belong to transport vehicles of which 3,351 vehicles were still active as per the VAHAN database. Out of the active transport vehicles, 174 vehicles had applied for GT whereas 3,177 vehicles had not applied for GT.

A) 174 active vehicles applied for GT

- Out of 174 vehicles, two vehicles paid GT whereas 172 vehicles did not pay the relevant GT as well as the corresponding five years Motor Vehicle (MV) tax though they were still plying *i.e.*, active as per the VAHAN database.

¹³² The period is considered as vehicles registered during the period fall completion of fifteen years during 01 April 2019 to 31 March 2024.

- Out of 172 vehicles, maxi cab (04), motor cab (23), three wheelers (goods and passengers) (63), goods carrier below 7.5 gvw (35) and goods carrier above 7.5 gvw (38) only were considered. Nine vehicles (one ambulance and eight buses) were not considered as specific categories of buses for applicability of the different rates as per the MMV Act was not clearly given in the VAHAN database while the rate of MV tax in respect of ambulance was not mentioned in the MMV Act.
- Out of 63 three - wheelers (goods and passengers), the sale value of 19 vehicles only was realistic considering the sale value more than ₹10,000 as realistic. The sale value of 44 vehicles was not realistic as the sale value was less than ₹10,000.
- Similarly, out of 35 goods carrier below 7.5 gvw, the sale value of 30 vehicles was realistic. But in the case of maxi cab, motor cab and goods carrier above 7.5 gvw vehicles, all the considered vehicles are treated as realistic.
- The relevant MV tax and corresponding GT to be collected from such 114 vehicles (04 maxi cab + 23 motor cab + 19 three-wheelers + 30 goods carrier below 7.5 gvw + 38 goods carrier above 7.5 gvw) were ₹8.98 lakh and ₹2.02 lakh respectively.

Further, in the case of the three sampled DTOs, there was non-collection of MV tax and GT amounting to ₹5.02 lakh and ₹1.28 lakh respectively

B) 3,177 active transport vehicles not applied for GT

As these transport vehicles were still active as per the VAHAN database though they did not apply for renewal of registration certificate, it indicates that the vehicles were allowed to ply on the road without paying any tax.

- Out of 3,177 vehicles, maxi cab (63), motor cab (507), three wheelers (goods and passengers) (1,434), goods carrier below 7.5 gvw (479) and goods carrier above 7.5 gvw (593) only were considered. 101 vehicles (01 ambulance + 93 buses + 02 mobile workshop + 01 omni bus + 02 tractor) were not considered as specific categories of buses/ omnibus for applicability of the different rates as per the MMV Act is not clearly given in the VAHAN database while the rate of MV tax in respect of ambulance, mobile workshop and tractor is not mentioned in the MMV Act.
- Out of 1,434 three - wheelers (goods and passengers), the sale value of 476 vehicles only was realistic considering the sale value more than ₹10,000 had been treated as realistic. The sale value of 958 vehicles was not realistic as the sale value was less than ₹10,000.
- Similarly, out of 479 goods carrier below 7.5 gvw, the sale value of 183 vehicles was realistic. But in the case of maxi cab, motor cab and goods carrier above 7.5 gvw vehicles, all the considered vehicles are treated as realistic.

- The relevant MV tax and corresponding GT to be collected from such 1,822 vehicles (63 maxi cab + 507 motor cab + 476 three wheelers + 183 goods carrier below 7.5 + 593 goods carrier above 7.5) were ₹1.06 crore and ₹28.06 lakh respectively.

Further, in the case of the three sampled DTOs, there was non-collection of MV tax and GT amounting to ₹99.18 lakh and ₹26.62 lakh respectively.

In order to cross-verify the database in VAHAN, physical records like sale invoice, registration certificate and MV tax receipt though requisitioned for some cases, were not furnished despite reminder issued to the DTOs as of September 2025. In absence of the records, cross-verification could not be done and therefore the correctness of the database could not be ascertained.

As discussed above, the Department did not collect ₹1.15 (0.09 + 1.06) crore as MV tax and ₹30 (₹2 + ₹28) lakh as GT from such 1,936 (114 + 1,822) transport vehicles that have completed 15 years life span in the state of Manipur and were still active. This indicates that GT at applicable rates and corresponding MV tax had not been charged and collected in violation of the Act *ibid*.

Reasons for non- collection of MV tax and GT were not on record. As such, non-collection of such MV tax and GT resulted in loss of government revenue amounting to ₹1.45 crore.

In reply (May 2025), the State Government stated that, for renewal of a RC, the vehicle owner is required to physically bring the vehicle to the District Transport Office for inspection and testing of the vehicle and subsequent renewal of RC. In the absence of the vehicle owners visiting the offices of the DTOs, collection of MV tax and the relevant GT from the vehicles was not possible. Further, the State Government stated that the amount quantified by audit is a presumptive figure purely based on the number of vehicles registered in VAHAN; whether the vehicles are active/plying on road could not be confirmed. The Department could enforce only when the vehicles were plying on road.

The replies of the State Government were not acceptable as audit considered only the vehicles registered during 01 April 2004 to 01 April 2009, which fall completion of 15 years during 01 April 2019 to 31 March 2024 and the status of the commented vehicles was still active in VAHAN. Further, there was no documentary evidence in support of prior intimation in writing to the taxation authority that the active motor vehicles would not be used in any public place as per Section 11 of the MMV Act 1998. Therefore, as per MMV Act, there was still an accrued liability amounting to ₹1.45 crore to be paid by the vehicle owners.

Audit noticed that MANITRON did not pay royalty of ₹0.26 crore to the Department on Smart Card Driving Licence and Registration Certificates as per agreement. Vehicles with expired permit and without permit were active as per VAHAN data. Instances of permits issued without valid fitness checks were

noticed. Fitness fee of ₹1.66 crore was realisable from 26,666 transport vehicles. Vehicles plying without valid fitness certificate poses serious safety risks. There was short as well as excess collection of one time MV tax from transport and non-transport vehicles. Audit also noticed non-collection of Green Tax and MV tax from the vehicle owner who applied for Green Tax.

Recommendations:

The Department may-

- *Recover pending royalty of ₹0.26 crore from MANITRON and enforce timely payment of future dues under the agreement.*
- *Enforce permit compliance by cancelling or suspending vehicles operating without valid permits and recovering the pending permit fees.*
- *Strengthen fitness monitoring by ensuring no permits are issued without valid fitness certificates and realising dues of ₹1.66 crore fitness fee and ₹102.59 crore penalty for delays.*
- *Correct MV tax assessments by reconciling VAHAN data with physical records to recover short collections and refund excess collections under One Time Tax and recurring tax structures.*
- *Enforce collection of Green Tax and five-year MV tax from vehicles older than 15 years that remain active in VAHAN, to prevent revenue loss and ensure compliance with environmental safeguards.*
- *Update and validate VAHAN database through systematic data cleanup, ensuring accurate entry of sale prices, permit status, and fitness records to strengthen reliability of tax and fee assessments.*
- *Fix accountability of DTOs by instituting periodic internal audits.*

5.6.11 Audit Objective: Whether the DTOs conducted the enforcement activities effectively to ensure compliance with the motor vehicles Acts/ Rules with adequate follow up to deter violations?

5.6.11.1 Limited Enforcement Activities and non-communication of offences to the Registering/ Licensing Authority

As per Rule 21 of the CMV Rules, 1989, the licensing authority has the power to disqualify holder of a driving licence for the acts which constitute nuisance or danger to the public, namely of the 25 offences including road accidents, theft

of vehicle, driving under the influence of drinks or drugs, carrying overloads in goods carriages, mentioned hereunder this rule.

Further, as per Rule 22 of the rules *ibid*, a Court convicting a holder of a licence, for any one of the offences specified, shall endorse or cause to be endorsed in the driving licence, the particulars of such conviction, namely of the 22 offences.

As per records furnished by the Superintendent of Police (SP) (Traffic) of Imphal West, SP, Imphal East and SP, Thoubal, Manipur for the period from April 2019 to March 2024, the periodical returns and communication for the offences pertaining to violation of Motor Vehicles Act and Rules were not made available to their concerned District Transport Offices (DTOs) even though 1,404 cases of Road Accidents and 3,648 cases of theft of vehicles were reported in the test checked districts as shown in **Table 5.6.10**.

Table 5.6.10: Road accident and theft of vehicles data during 2019-2024.

Particulars	No. of Road Accidents	No. of theft of vehicles
Imphal west	646	2135
Imphal East	335	1111
Thoubal	423	402
Total	1404	3648

Source: Records of SP (Traffic) of sampled districts.

Audit, however, noticed that there were no details of the offenders such as name, address, age, Driving License Numbers, *etc.* As such, without the requisite information or direction from enforcement authorities on the offences committed, the licensing authorities would not be able to pursue the cancellation/ suspension/ disqualification exercise. This is indicative of weak enforcement activities.

While accepting the audit observation (May 2025), the State Government stated that to address the gap of non-communication between the Transport Department and the Police Department, instructions will be issued to the enforcement authorities to ensure timely submission of offenders' details, including particulars such as name, address, age, and driving license number, as per the CMV Act and Rules. Regular coordination meetings are being planned between the enforcement agencies and the concerned DTOs to strengthen the reporting mechanism.

However, the fact remained that the Transport Department had not sought the road accident and theft of vehicles data from the SPs (Traffic). Also, the Police Department had not shared details of the traffic offenders such as name, address, age, Driving License Numbers, *etc.* to the Transport Department.

5.6.11.2 Inadequate enforcement mechanism

Chapter XIII of the CMV Act, 1988 outlines the penalties for various motor vehicle-related offences, the compounding of certain offences, and the procedures for enforcement to be conducted by DTOs.

Also, the Department of Transport, Government of Manipur delegated (April 2006) provisions under 12 Sections of CMV Act, 1988 to the Traffic Police, Government of Manipur to check motor vehicle related offences¹³³. Further, as per Government order (January 2021), all challans for motor vehicle/traffic offences shall be collected through e-Challan system whereby the challans shall be generated through online mode using hand held terminals or Point of Sale (POS) machines specifically configured for the system *w.e.f.* 04 January 2021.

Audit observed that the provisions of penalties for various motor vehicle related offences were not complied in the three test-checked DTOs and Traffic Police as summarised below:

- Infrastructure such as CCTV cameras at check post/points, body worn cameras, space for seized vehicles were not available.
- In cases of overloading, no vehicle was offloaded before being released citing there was no safe custody and adequate space to keep the offloaded goods in contravention to the provisions of the Act.
- Vehicles liable to be seized due to offences were not impounded, citing lack of infrastructure and parking space.
- Delay in use of e-Challan machines in all the traffic police offices under the test-checked districts in violation of the order *ibid* as detailed in **Table 5.6.11**.

Table 5.6.11: Details of E-challans made during enforcement drive by SPs, Traffic Police

Directorate, Department of Transport, Manipur issued E-challan machines to SP, Traffic Control Wing, Imphal West on 19/12/2020			
Date of issue of the machines to the district Superintendent of Police by SP, TCW, Imphal West	Imphal West	Imphal East	Thoubal
	19.12.2020	12.01.2023	12.01.2023
Date of start of using the machines	01.04.2021	09.09.2024	Not started
Delay in use of the machines in months	3	19	-

Source: Transport Department and SPs of sampled districts

¹³³ The delegated offences are 1. Section 177 (General provision for punishment of offences) 2. Section 179 (Disobedience of orders, obstruction and refusal of information) 3. Section 180 (Allowing unauthorised persons to drive vehicles) 4. Section 181 (Driving vehicles in contravention of Sec 3 or Sec 4) 5. Section 182 (Offences relating to licenses) 6. Section 183 (Driving at excessive speed) 7. Section 184 (Driving dangerously) 8. Section 186 (Driving when mentally or physically unfit to drive) 9. Section 189 (Racing and trails of speed) 10. Section 190 (Using vehicles in unsafe condition) 11. Section 192 (Using vehicles without registration) and 12. Section 198 (Unauthorised interference of vehicles)

All the e-Challans sent to e-court (virtual court) during 2019-20 to 2023-24 were still pending for disposal as on 31 March 2024 as detailed in **Table 5.6.12**.

Table 5.6.12: Details of e-Challans issued by Transport Department and Police Department during 2019-20 to 2023-24.

Particulars	DTO, Imphal West	SP, TCW, Imphal West	DTO, Imphal East	SP, Imphal East	DTO, Thoubal	SP, Thoubal
Total number of e-Challans	1349	3578	1699	168	788	Nil
No. of e-Challans disposed at the spot	319	666	761	9	61	
No. of pending challans	1030	2912	938	159	727	
No. of e-Challans sent to e-Court	869	2912	30	159	456	
No. of e-Challans pending in e-Court	869	2912	30	159	456	
No. of disposed challan in court	0	0	0	0	0	
Total challan amount (₹ in lakh)	55.78	41.93	49.11	1.43	29.29	
Total revenue collected (₹ in lakh)	13.04	6.14	19.98	0.11	1.48	
Pending challan amount (₹ in lakh)	42.74	35.79	29.13	1.33	277.86	

Source: Transport Department and Police Department

The non-compliance with statutory requirements for enforcing motor vehicle penalties in the DTOs and SPs, Traffic Police under the three test checked districts demonstrates significant lapses in enforcement and follow-up procedures.

While accepting the audit observations the State Government stated (May 2025) that it had initiated necessary action to strengthen the enforcement mechanism like for purchasing two interceptor vehicles equipped with cameras, laser speed gun.

5.6.11.3 Non-adherence to prescribed standards by Pollution Checking Centres

Rule 6 (i) of the Manipur Motor Vehicles (Pollution under Control) Rules, 2021 states that the State Transport Department shall mandate a PUC centre at every fuel station in the State. Rule 6 (ii) of *ibid* states that the Transport Department shall conduct random checks of the Pollution Under Control (PUC) Centres. Rule 15 of the rules *ibid* prescribes *inter alia* standards like maintenance of register separately for diesel or petrol driven vehicles for recording all the physical affects for pollution checks done on daily basis in Form-4, maintain Complaint Book in Form 5 to be observed by the authorized Pollution Checking Centres.

Further, Rule 17 of the rule *ibid* prescribes, *inter alia*, standard operating procedures for the authorised operators like deployment of trained operator by the service engineers of the concerned manufacturer/supplier/dealer for pollution checking, have an Annual Maintenance Contract for Smoke meter/Gas Analyzer and other equipment to ensure the pollution checking equipment is

regularly serviced and calibrated, shall periodically submit daily checking record, monthly report and other information relating to pollution checking to the Transport Department, shall prominently display the prevalent rates for pollution checking as prescribed by the department from time to time, prevalent emission norms/ standards, steps for pollution checking and name of pollution checking centre *etc.*

On scrutiny of records audit noticed that out of the three PUC/Pollution Checking Centres¹³⁴ authorised by the Transport Department, Government of Manipur during 2019-20 to 2023-24 the validity of licences of two centres¹³⁵ were till 24 December 2024 and 17 March 2026 respectively. Joint physical verification of the two Centres (September 2024) revealed that the prescribed standards were not fully adhered to as elucidated below:

- The Transport Department did not mandate a PUC centre at any fuel station in the State in violation of the rule *ibid.*
- Though the Department inspected the Centres at the time of granting licence, the Department did not conduct any random checks of the PUC centres during 2019-20 to 2023-24 as per the Rule.
- The authorised operators of both the Centres had not been trained.
- Of the two Centres, one centre¹³⁶ had no Annual Maintenance Contract for the equipment/ machines with their manufacturers or its authorised dealer to ensure the equipment/ machines regularly serviced and calibrated.
- Both the Centres had not submitted the daily checking record, monthly report and other information relating to pollution checking to the State Transport Authority.
- Both the Centres had not displayed the prevalent rates for pollution checking as prescribed by the Department from time to time, prevalent emission norms/ standards, steps for pollution checking.
- Both the Centres had not maintained registers separately for diesel or petrol driven vehicles for recording all the physical effects in pollution checks.
- Both the Centres had maintained neither Complaint book nor suggestion box. and
- Both the Centres had not displayed in cabin the valid calibration certificate.

¹³⁴ 1. M/s Keithel, Singjamei, 2. M/s Nirmala Auto Emission Testing Centre, Hiyangthang & 3. M/s KJ Auto Emission Testing Centre, Singjamei

¹³⁵ M/s Nirmala Auto Emission Testing Centre, Hiyangthang Mamang Leikai, Imphal West & M/s KJ Auto Emission Testing Centre, Singjamei

¹³⁶ M/s Nirmala Auto Emission Testing Centre, Hiyangthang Mamang Leikai, Imphal West

The reason/s for not imparting trainings to the authorised operators were attributable to lack of monitoring on the part of the Department and lack of mechanical inspectors of the Transport Department who are handling/ manning the Smoke Testing Centres as the Department has no Pollution Checking Centres of its own.

In view of the above, audit observes that testing of vehicles for Pollution under Control and issuance of Pollution Under Control Certificates by untrained operators may result in unreliability of emission data against the purpose for pollution control and non-adherence to the prescribed standards by the Pollution Checking Centres resulting in lack of enforcement of the rule on the part of the Department.

While accepting the audit comment the State Government stated (May 2025) that the reason for the lapses was due to shortage of mechanical inspector and overall manpower within the Department. However, the State Government assured that instruction had been issued to the PUCC centres to display rates for pollution checking, maintenance of register, for ensuring the objectives of pollution control and emission regulation.

5.6.11.4 Vehicles with expired Pollution Under Control Certificate

As per Rule 115(7) of the CMVR, 1989 on expiry of a period of one year from the date on which the motor vehicle was first registered, every such vehicle shall carry a valid “Pollution under Control” certificate (PUC), with a validity of six months issued by an agency authorised for this purpose by the State Government and produced on demand by the officers referred to in sub-Rule (1) of Rule 116. Provided that the validity of the certificate shall be twelve months for the vehicles manufactured as per BS-IV or BS-VI norms”. Further, as per section 190 (2) of the MV Act 1988, any person who drives a motor vehicle without a valid pollution certificate is punishable for the first offence with a fine of ₹1,000 and for any second or subsequent offence with a fine of ₹2,000.

As per VAHAN database, PUCs were issued to 1,14,387 vehicles during the period from 04 August 2018 to 15 April 2024. However, details of vehicles such as registration date, registration up to fit up to *etc.*, were available in the case of 91,818 vehicles. PUC of 78,236 vehicles had expired as on 31 March 2024 though they were still active in VAHAN database. In the case of the three sampled DTOs, the number of vehicles with expired PUC as on 31 March 2024 were 36,715 (Imphal West), 34,943 (Imphal East) and 3,344 (Thoubal).

This shows that vehicles with expired PUC were still plying in violation of the rule *ibid*. Reason for plying of vehicles with expired PUC is attributable to lack of enforcement activities.

While accepting the audit comment the State Government stated (May 2025) that random checking was being conducted by enforcement teams of the Department as well as traffic police.

5.6.11.5 Incomplete data migration of motor vehicles to VAHAN database

The Director (Transport) directed (November 2021) all the concerned DTOs to complete data migration/ data entry of motor vehicles from combined register to VAHAN 4.0 latest by 13 May 2022.

It was noticed that the data migration of all motor vehicles in the state was not completed yet (December 2024). Due to pending import of backlog data into VAHAN, the information/ data provided in VAHAN do not present the true and complete picture of the total vehicle population in the state. As such, matters regarding payment of due taxes, road worthiness/ fitness of the vehicle, valid insurance, pollution compliance norms, *etc.* in respect of such vehicles could not be ascertained. Moreover, allowing such vehicles to remain outside VAHAN may cause serious law and order problems because such vehicles may be used intentionally by unwanted elements to perpetrate crimes and unlawful activities as their vehicle details were not available in the VAHAN database.

While accepting audit observation, the State Government stated (May 2025) that the migration process had been delayed due to vehicle owners not submitting the mandatory documents required for migration to VAHAN 4.0 and due to the time-consuming nature of the migration process. Efforts are being made at the DTO level to expedite the completion of migration process.

However, the reply of the State Government is not tenable as migration of vehicle data to the VAHAN database is the primary responsibility of the Transport Department and the reasons for not submitting the documents by the vehicle owners is not clear.

5.6.11.6 Delay in implementation of Scheme under ‘Nirbhaya’ Framework

In order to enhance the safety of the women and the girl children in public transport vehicles by raising an alert in case of emergency, MoRTH, GoI had issued a notification on 28 November 2016 wherein Vehicle Location Tracking Device (VLTD) and Emergency Buttons were mandated to be fitted in all public service vehicles (all four wheeled or higher, passenger carrying vehicles) *w.e.f.* 01 April 2018. After re-examination by MoRTH, exemption from fitment of the aforesaid devices was given to all public service vehicles registered up to 31 December 2018 (old vehicles) till the time as notified by State/ UT Governments in their respective States/UTs. All public service vehicles registered on or after 01 January 2019 must be fitted with the devices.

Even though the implementation of Rule 125H of CMVR is the responsibility of the State Government, the matter being for safety of women and children, MoRTH decided to support the State Government for implementation of the said rule by providing financial support under ‘Nirbhaya’ fund managed by Ministry of Women & Child Development (MWCD).

As per MoRTH letter No. RT-16011/1/2018-T dated 15 January 2020, till the time the States set up the Monitoring Centres under this Scheme, they shall ensure the compliance of CMVR 125H for vehicles registered after 01 January 2019 through VAHAN/ respective State vehicle registration system using any backend system as per MoRTH SO No. 5453 date 25 October 2018.

The States shall notify the timelines for implementation of VLTD installation for vehicles registered prior to 01 January 2019 and the passenger transport vehicle owners shall be responsible for purchase of the devices and its installation from any approved VLT device vendors.

The State/ UT will enforce fitment/ functional status of device at the time of registration/ permit issuance/ renewal/ fitness check of the vehicle in VAHAN or the respective State vehicle registration/ permit system.

However, it was noticed that Monitoring Centre in respect of Manipur under this scheme has not been set up. The status and requisite documents/ records have been requisitioned to the Directorate office but not yet furnished. Further, on detailed analysis of VAHAN data, audit noticed that 193 Light Passenger Vehicles, 69 Medium Passenger Vehicles and 33 Heavy Passenger Vehicles totalling to 295 new passenger vehicles have been registered in the state during the period from 01 January 2019 to 31 March 2024 but none of these vehicles are fitted with VLT Device.

Further, it was noticed that out of 43 buses under MST, none of the 17 public passenger buses which were registered after 01 January 2019 were fitted with VLTD. As such, support mechanism for safety of women and girl children in public passenger transport vehicles under 'Nirbhaya' Framework was not implemented in the State.

While accepting audit observation, the Department in its reply stated (May 2025) that it has selected and awarded a firm (November 2024) as the Implementing Agency for setting up the Vehicle Tracking Platform under the 'Nirbhaya' Framework, which will enable real-time monitoring of public service vehicles and is targeting for its implementation by March 2026.

Audit noticed that there was lack of co-ordination between Transport Department and Police Department as details of number of motor vehicle offences were neither shared by the Police Department nor the Transport Department had requested the data to the Police Department. All the e-challans which were sent to e-court (virtual court) issued by Traffic Police were pending. Vehicles with expired Pollution Under Control Certificate were still plying on road in violation of Rule due to lack of enforcement activities. Vehicles remaining outside VAHAN data base due to pending import of backlog data into VAHAN may cause serious law and order problems in the State as the vehicles may be used for unlawful activities.

Recommendations:

The Department may-

- *Strengthen enforcement coordination by mandating regular sharing of accident and offence data between Police and DTOs for timely licence suspension or disqualification.*
- *Ensure effective use of e-Challan system by expediting deployment, clearing pending challans in e-courts, and monitoring revenue realisation.*
- *Tighten pollution control compliance by mandating PUC centres at fuel stations, conducting random inspections, and enforcing adherence to prescribed standards by authorised centres.*
- *Complete data migration to VAHAN 4.0 on priority to ensure full visibility of vehicle population and prevent misuse of unregistered vehicles.*
- *Implement Nirbhaya safety framework by setting up the monitoring centre and ensuring fitment of Vehicle Location Tracking Devices and emergency buttons in all eligible public transport vehicles.*
- *Enforce fitness and PUCC validity by penalising vehicles with expired certificates and ensuring real-time linkage of PUCC and fitness records with VAHAN for effective monitoring.*
- *Augment enforcement infrastructure by providing DTOs and Traffic Police with adequate impounding yards, custody facilities, and modern equipment (CCTV, body cameras, speed guns) to ensure credible enforcement.*

5.6.12 Audit Objective: Whether the DTOs have been provided with required manpower, equipment, and other resources to discharge their functions and also to ensure public service delivery in a transparent and efficient manner?

5.6.12.1 Inadequate infrastructure in Driving Schools

As per Rule 24 (3) of the Motor Vehicle Rules, 1989 regarding establishment of Driving Schools, the licensing authority shall, when considering an application for the grant or renewal of a license under this rule, have to check that the Driving School maintains, *inter alia*, the following infrastructure/equipment, among other criteria like (i) adequate provision for conducting lecture and demonstration of models, (ii) vehicles (except motor cycles) fitted with dual control facility exclusively for purposes of imparting instruction to enable the instructor to control or stop the vehicle, (iii) a road plan board with necessary model signals and charts, (iv) Engine gear box, (v) puncture kit with tyre lever, wheel brace, jack and tyre pressure gauge, (vi) driving instructions manual, (vii) a collection of books on automobile mechanism, driving, road safety, traffic regulations, laws relating to motor vehicles and related subjects and (viii) a fully equipped first-aid box for use in emergency at the premises.

As per information furnished by the Transport Department, there were four active Driving Schools and one Institute of Driver Training and Research Centre (IDTRC) in the State as on 31 March 2024. During JPV (September and November 2024) of the four active Driving Schools¹³⁷, it was observed that there were cases of inadequate infrastructure and inadequate equipment/ apparatus in these Driving Schools as given in **Table 5.6.13**.

Table 5.6.13: Inadequacies in Driving Schools

Sl. No.	Parameter	SODAT Driving School	Mayol Driving School	Kingdom Driving School & Automobile Technology	Rabi Driving School
1	Availability of dedicated room(s) for conducting lecture and demonstration of models for imparting instructions in driving	Adequate	Adequate	Not Adequate	Adequate
2	<i>Availability of apparatus, equipment and other requirements, namely:</i>				
	i) road plan board with necessary model signals and charts	Yes	Yes	No	No
	ii) Engine gear box	Yes	Yes	No	No
	iii) Puncture kit with tyre lever, wheel brace, jack and tyre pressure gauge	Yes	Yes	Yes	No
	iv) Driving instructions manual	Yes	Yes	No	No
	k) Books on automobile mechanism, driving, road	Yes	Yes	Yes	No

¹³⁷ 1) School of Driving and Automobile Technology (SODAT), Thangmeiband Hijam Dewan Leikai, Imphal West; 2) Mayol Driving School, Sangakpham Nongpok Village, Imphal East; 3) Kingdom Driving School & Automobile Technology, Soibam Leikai, Imphal East; and 4) Rabi Driving School, Kakching

Sl. No.	Parameter	SODAT Driving School	Mayol Driving School	Kingdom Driving School & Automobile Technology	Rabi Driving School
	v) A fully equipped first-aid box for use in emergency at the premises	Yes	Yes	Yes	No
3	Availability of 4-wheel vehicle(s) fitted with dual control facility to enable the instructor to control or stop the vehicle	Yes	No	No	Yes

Source: Joint Physical Verification Report

Due to inadequate infrastructure in three Driving schools, the quality in imparting driving skills and driving knowledge could have been compromised.

While accepting audit observation, the State Government stated (May 2025) that it was committed to improving the quality of training and ensuring that Driving Schools adhere to the mandated standards to enhance driving skills, knowledge and road safety.

5.6.12.2 Delay in completion of IDTRC

As per MoRTH, GoI, majority of road accidents in India are due to driver's fault. Institutes of Driving Training and Research (IDTR) were set up to impart driving training in 2-tier system. In tier-I, Model Driver Training Institute (in area of 10-15 acres) shall have complete infrastructure required for a modern IDTR. In tier-II, Regional Driver Training Centre(s) (RDTCs) (area of about three acres) are proposed to be developed across states (excluding the district in the state where IDTR is proposed or developed) with basic support infrastructure including testing tracks.

MoRTH had sanctioned an amount of ₹12.78 crore in December 2016 for setting up of Institute of Driver Training & Research Centre (IDTRC) at Top Dasara, Imphal East, Manipur during 12th five-year plan (2012-2017). The time frame for completion of the project was 12 months.

Audit noticed delay in the completion of construction of IDTRC as the civil work started in July 2019 could be completed only by November 2022 after a delay of 29 months. Further, the Institute has started the normal driving training programme and learner testing procedure only from 01 July 2024, *i.e.*, after commencement of the Performance Audit. As such, the intended benefits were given after a delay of about four years from the date of completion of the IDTRC.

While accepting audit observation, the Department stated (May 2025) that the main reasons for delay in completion of IDTRC are as follows: -

1. The original sanction was based on an old State Schedule of Rates (MSR 2013) with 5.6 *per cent* VAT. However, as GST Act had already been implemented by the time funds were released, valuable time was lost as the new State Schedule of Rates (MSR 2017) with GST was prepared by the State PWD and approved by the State Government only in December 2018.

2. Out-break of Covid-19 was the another main reason for the delay.

5.6.12.3 Diversion of scheme fund

Paragraph 4 of the Guidelines for setting up of IDTR and RDTC issued by MoRTH provides that mobilisation advance @ 10 per cent of the project cost of IDTR will be released as first installment.

Audit however noticed that in violation of the scheme guidelines for setting up of the Institute, IDTRC incurred ₹1.14 crore by diverting from the first instalment of Mobilisation advance on various inadmissible items in the nature of road safety awareness as detailed in **Table 5.6.14**.

Table 5.6.14: Fund diversion from Mobilisation advance

Sl. No.	Date	Particulars of expenditure	Cheque No.	Amount (₹)
1	11.05.2017	Basic preparatory works, awareness for schools and colleges.	303001	66.80
2	16.08.2017	Hoardings and signboards, advertising in newspapers and pamphlets with mobile awareness campaign through Traffic Control Wing Imphal.	303002	31.35
3	04.02.2018	Panel discussion on ISTV, Impact TV and AIR; and District and State level workshop on road safety measures.	303003	16.18
Total				114.34

Source: Departmental records

While accepting audit observation, the Department stated (May 2025) that the diversion of scheme fund was due to lack of knowledge and concrete ideas about the purpose of mobilisation fund. Due to diversion, second instalment (March 2019) had been blocked for very long time.

Therefore, the diversion of scheme fund also contributed to the delay in timely completion of IDTRC.

5.6.12.3 Inadequate vehicles, infrastructure and training equipment at IDTRC

As per Paragraph 6.1 of the Guidelines for setting up of IDTR and RDTC issued by MoRTH, Original Equipment Manufacturers (OEM) Memorandum of Understanding (MoU) was entered on 24 November 2016 between the GoM through the Commissioner, Transport (First Party) and MGT Motors Pvt. Ltd. having its registered office at MG Avenue, Imphal, authorised dealer of the Tata Motors Commercial Vehicle (Second Party) mainly to avail assistance, guidance, know-how and service of the Second Party in relation to establishing and carrying operations of IDTR on similar lines as Driver Training Institute promoted by Second Party, for benefit of general members of public in the state of Manipur.

Audit noticed that the MoU was not made with the OEM but with an authorised dealer of Tata Motors, in violation of the scheme guidelines. The Transport Department, however, entered into new MoU with the OEM, i.e., Tata Motors Limited (TML), Mumbai on 12 January 2024 after a period of seven years, with

TML agreeing among others to provide Vehicles, Aggregates¹³⁸ and Cut Section of Aggregates to the Institute (IDTRC).

On test check of records and joint physical verification of the Institute, the following deficiencies were noticed:

1. Out of the required 150 numbers of chair-cum-writing desk, only 20 chair-cum-writing desk were available;
2. None of the required teaching and training equipment except Traffic Sign Boards and Slide Projector; Workshop equipment, testing equipment; Driving Training Simulator and Driving Range Aids were available; and
3. In the Driving Range, out of the required 12 types of road/ tracks for imparting basic driving practice, six types (50 *per cent*) of Road/ Tracks, namely, Hump Road, Dip Road, 5 Point Turn, Reversing Box, Speed Track and Hill Track were not available.

Further, in violation of the terms of the MoU, TML did not supply any of the Vehicles, Aggregates and Cut Section of Aggregates to the Institute till date (May 2025). In addition to that, there is neither any mention of specific date (timeline) for supply of the requisite equipment nor for timeline of payments to be made to TML, Mumbai. As such, imparting driving training in the absence of vehicle, equipment, infrastructure, *etc.* would compromise the quality of the training imparted.

While accepting audit observation, the State Government stated (May 2025) that for deficiency of other infrastructure and equipment in respect of IDTRC, the Department would seek support of MoRTH, Government of India.

5.6.12.4 Ineffective implementation of Manipur Road Safety Fund Scheme

As per the directive of the Supreme Court Committee, a non-lapsable corpus *viz.*, State Road Safety Fund was created (January 2019) for the state under the Manipur Road Safety Fund Scheme, 2019 by transferring 50 *per cent* of the accumulated revenue generated from the traffic offenders at source.

In this regard, Government of Manipur had constituted (December 2014) a High-Level Committee on Road Safety Measures under the Chairmanship of Chief Secretary with 13 members with the objective to deliberate in-depth study on causes and analysis of motor vehicle accidents, formulation of Action Plan for carrying out Road Safety Measures, monitoring and evaluation of the Action Taken Reports, The Committee was to convene at least once in 6 months to formulate/approve Annual Action Plan/ Schemes.

Further, Manipur Road Safety Policy 2023 envisages establishment of safe transport infrastructure including operation of smart transportation modes with

¹³⁸ Cylinder engine, Transaxle, Gear Box, Clutch Model (with Booster)

GPS/ GIS Vehicle Tracking System and CCTVs by Public Transporters and raising awareness about road safety, education and training.

According to record of the Police Department, the number of fatalities and injuries caused due to road accidents in the state of Manipur during the last five years are as given in **Table 5.6.15**.

Table 5.6.15: Road accident data of Manipur from 2019 to 2024

Year	No. of road accidents	No. of fatalities	No. of injured persons	Change in fatality rate (Percent)	Change in rate of injured persons (Percent)
2019	678	164	904	-	-
2020	433	125	563	-	-
2021	374	105	435	-	-
2022	508	127	817	Considering 2022 as base year	
2023	398	73	634	42 percentage decrease	22 percentage decrease
2024	299	72	462	43.3 percentage decrease	43.5 percentage decrease

Source: Records of SCRB/CID(CB)

Audit noticed that there was no approved Annual Action Plans since the implementation of the Scheme in the State. Further, out of prescribed 10 meetings of the High-Power Committee, only three meetings were held. The expenditure from the fund had been mainly on Observation of Annual National Road Safety Week/ Month (₹53.42 lakh) though there had been some expenditure on conducting mass awareness programme on road safety. Till date (May 2025), no initiatives have been taken up on the matters pertaining to in-depth study on causes and analysis of motor vehicle accidents in the State of Manipur, investigation of motor accident cases, *etc.* which is the main focus area of the scheme. As of March 2024, an amount of ₹1.75 crore was lying in the Manipur Road Safety Fund Account.

Also, there was no functional operation of smart transportation modes with GPS/ GIS Vehicle Tracking System and CCTVs by Public Transporters.

In the absence of a proper Annual Action Plan, the implementation of the Scheme has been ineffective thereby defeating the objective of the Scheme.

In reply (May 2025), the State Government stated that the Department carried out Road Safety Week/ Road Safety Month in line with the Ministry suggestions focusing mainly on creating awareness among the road users, students at district level as well as at State level. However, the Department would consider for preparation of Annual Action Plan for taking up activities throughout the year.

While accepting audit observation regarding the absence of smart transportation modes with GPS/ GIS based Vehicle Tracking Systems and CCTVs in public transport vehicles, the Department stated (May 2025) that the matter was taken up under a separate scheme which was being implemented and expected to be operationalised by 2025.

However, the State Government had neither taken up any concrete steps pertaining to in-depth study on causes and analysis of motor vehicle accidents

in the State, investigation of motor accident cases, *etc.* which was the main focus area of the scheme nor prepared any systematic Annual Action Plan till date (May 2025).

5.6.12.5 Registered Vehicle Scrapping Facility not setup

The Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021 which came into force with effect from 25 September 2021 provides for registration and functions of Registered Vehicle Scrapping Facility (RVSF). These rules shall apply to all categories of vehicles and their last registered owners, automobile collection centres, automotive dismantling, scrapping and recycling facilities and recyclers of all types of automotive waste products; and the guidelines for Environmentally Sound Management of End-of-life vehicles (ELVs) and Automotive Industry Standard (AIS) 129.

The requirement of RVSF will arise once the ATS becomes operational. Those vehicles which cleared the fitness test exercise in ATS are declared to be road worthy to continue plying on road whereas those vehicles declared unfit (ELVs) shall logically follow the scrapping process in RVSF which is to be carried out in an environment friendly way.

The Vehicle Scrapping application provides motor vehicle owners to phase out new/ old and/ or unfit vehicle seamlessly. It helps to boost the automotive sector and provide checks on vehicular pollution. The application also encourages setting up of inspection and fitness centres and scrap yards to judge the condition of vehicles and then subsequently scrap the vehicles. The vehicle owners can voluntarily choose to scrap the damaged/ unfit vehicles based on State or Central Government regulations. This facility is available online for vehicles registered in VAHAN.

Analysis of VAHAN data revealed 80,088 vehicles registered in Manipur as on 31 March 2024 which are more than 20 years old; out of which, 73,364 vehicles belong to Non-Transport category while 4,724 vehicles belong to Transport category of motor vehicles. The number of such old vehicles will continue to increase with each passing year. As such, fitness test of such old vehicles and subsequent scrapping of unfit vehicles (ELVs) in RVSF are necessary.

However, there was no RVSF in the state which may result in unregistered scrapping of old vehicles in a manner which is not environmentally sound and may cause hazardous waste, soil pollution, *etc.*

While accepting audit observation, the State Government stated (May 2025) that the Department had started taking up steps for establishment of RVSF in the state. Initially, all the Deputy Commissioners (DCs) in the State were requested to provide suitable land for the establishment of RVSF. The State Government also stated that has proposal been submitted for funding for setting up of RVSF under special incentive for North Eastern States and Hilly States. The State Government also informed that the Department was considering to invite private parties to set up RVSF in the State.

5.6.12.6 Shortage of manpower

For discharging mandates of Transport Department such as to enforce vehicle regulations, conduct safety inspections, manage road safety and deliver public services effectively and efficiently in a transparent way, a required manpower is needed. Audit scrutiny revealed that there was a shortage of manpower in the Department as detailed in **Table 5.6.16**.

Table 5.6.16: Details of sanctioned post and men-in-position of the Department of Transport, GoM as of March 2024

Sl.	Directorate/Name of DTO	Total Sanctioned Strength of different post	Men-in-position	Shortage of manpower	Shortage of manpower in per cent
1	Directorate, Transport	73	26	47	64.38
2	DTO/ Imphal West	55	19	36	65.45
3	DTO/ Imphal East	36	12	24	66.67
4	DTO/ Churachandpur	25	7	18	72.00
5	DTO/ Kangpokpi	28	7	21	75.00
6	DTO/ Senapati	20	5	15	75.00
7	DTO Thoubal	24	7	17	70.83
8	DTO/ Bishnupur	24	7	17	70.83
9	DTO Ukhrul	20	3	17	85.00
10	DTO/ Chandel	11	0	11	100.00
11	DTO/ Tamenglong	10	0	10	100.00
12	DTO/ Tengnoupal	10	0	10	100.00
Total		336	93	243	72.32

Source: Departmental records

As seen above, there was a shortage of manpower by 72.32 per cent in the Department as a whole and the percentage of shortage of manpower in DTOs ranges from 65.45 to 100 per cent as of March 2024.

Further, the shortage of manpower in some important posts of the three test-checked DTOs is highlighted in **Table 5.6.17**.

Table 5.6.17: Statement of shortage of manpower in some important posts

Name of post	DTO/ Imphal West		Shortage (per cent)	DTO/ Imphal East		Shortage (per cent)	DTO/ Thoubal		Shortage (per cent)
	S ¹³⁹	M ¹⁴⁰		S	M		S	M	
Inspector (Enforcement)	2	2	0	2	1	50	1	0	100.00
Inspector (Tax)	3	1	66.67	1	1	0	1	1	0
Inspector (Mechanical)	3	1	66.67	2	2	0	1	1	0
Sub-Inspector (Enforcement)	3	1	66.67	2	1	50	1	0	100
Sub-Inspector (Tax)	3	1	66.67	2	1	50	1	1	0
ASI (Enforcement)	5	3	40.00	5	1	80	3	1	66.67
ASI (Tax)	8	7	12.50	3	3	0	2	1	50.00

Source: Departmental records

¹³⁹ S stands for Sanctioned Strength

¹⁴⁰ M stands for Men-in-Position

From the above table it can be seen that there was shortage of manpower in some important posts in the test checked districts. This shortage in manpower may result in compromising the Department's ability to enforce vehicle regulations, conduct safety inspections, manage road safety and deliver public services effectively.

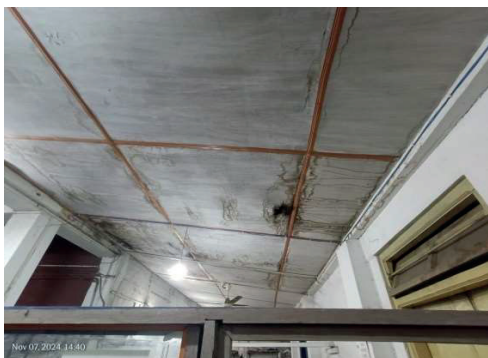
In reply (May 2025), the State Government acknowledged the issue of shortage of manpower in the Department. However, the State Government stated that, with the recent recruitment of 161 staff, it has arranged and distributed the staff to different DTOs.

However, even after considering the recent recruitment of 161 staff against the vacancy of 243, there was still shortage of staff in DTOs.

5.6.12.7 Inadequate infrastructure facilities

During conducting the horizontal performance audit on the Functioning of DTOs/STA, Transport Department, GoM, Audit observed the following inadequate infrastructure facilities:

- The office building of DTO/ Imphal West has no adequate working space; some portion of the roof of the building has leakage from rain; sign of frequent water logging during heavy rainfall is seen at areas where physical records are kept;



Photograph showing office building with sign of leakage in the roof (DTO, Imphal Wes)



Photograph showing keeping of physical records at the area where frequent waterlogging happens during heavy rainfall (DTO, Imphal West)

- Similarly, the office building of DTO/ Thoubal also has no adequate working space; it is in a dilapidated condition; the office is situated in low lying area, the front portion of the office has no secured gate and there is sign of frequent water logging during heavy rainfall at the areas where physical records are kept;
- The DTO/ Imphal East did not have its own building, the office is set up temporarily at Inter State Bus Terminal, Imphal;
- As stated by the respective DTOs, adequate desktop computers/ systems are not available for online functioning of the office using IT platforms in DTO/ Imphal East and DTO/ Thoubal;

- There was inadequate power backup for uninterrupted supply of power for online functioning of the offices using IT platforms in all the test-checked DTOs and the Directorate office;
- Offices of all the test-checked DTOs and the Directorate office have no functional Fire and Emergency Alarm System;
- There was no CCTV surveillance for promoting transparency and security in the office premises of all the test-checked DTOs and the Directorate office.
- There was no ramp available for differently abled persons in the offices of the DTO/ Imphal West, DTO/ Thoubal and the Directorate office; and
- There were no adequate toilet facilities separately for men and women in DTO/ Imphal West and DTO/ Thoubal;

In view of the inadequate infrastructure facilities the quality of the working environment in all the three test-checked DTOs for delivery of public services was compromised.

While accepting the audit comment, the State Government replied (May 2025) that proposal would be submitted to the higher authority regarding the requirements.

5.6.12.8 Limited faceless vehicle-related services in the state

The Ministry of Road Transport and Highways (MoRTH) had launched an AADHAAR - based 18 contactless service for vehicle-related services vide order dated 29 January 2021. Further, MoRTH has issued order (September 2022), a total of 58 citizen-centric services related to driving license, conductor license, vehicle registration, permit, transfer of ownership *etc.* which could be availed completely through online, eliminating the need to visit the RTO. This is for the purpose of ease of delivering the services thereby augmenting good governance.

However, as per the Annual Administrative Report for the year 2023-24, Department of Transport, GoM, only 10 online¹⁴¹ faceless services out of the 58 citizen centric vehicle related services had been launched *w.e.f.* 26 February 2024.

Though the Department was working with NIC to launch 11 more services in the next current Financial Year 2024-25, there was no addition of other faceless services till the date of completion of audit (November 2024).

¹⁴¹ (i) Transfer of ownership in case of normal sale, (ii) Transfer of ownership by succession, (iii) Transfer of ownership of vehicle purchased in public auction, (iv) Issue of duplicate RC, (v) Change of address in RC, (vi) Hypothecation addition/termination/continuation, (vii) No objection certificate, (viii) Information of RC particular, (ix) Withdrawal of application, (x) Mobile Number updation (Aadhaar based)

While accepting the audit comment in the reply (May 2025), the State Government stated that the Department had successfully launched 31 online faceless services out of 58.

Audit noticed inadequate infrastructure in the three driving schools out of four driving schools in the State which would compromise the quality of training. There was inadequate training equipment/ infrastructure in the Institute of Driving Training and research (IDTR). The Road Safety Fund was mainly used on observation of Annual National Road Safety Week/ Month. The Department had not initiated in-depth study on the causes and analysis of motor vehicle accident which is the main focus area of creation of the fund. Only 10 online faceless services out of 58 citizen centric vehicle related services were available in the State.

Recommendations

The Department may-

- ***Enforce compliance of Driving Schools by ensuring mandatory infrastructure, equipment, and dual-control vehicles before granting or renewing licences.***
- ***Strengthen IDTRC operations by completing pending infrastructure, procuring training equipment, and enforcing OEM obligations for vehicle and aggregate supply.***
- ***Prevent diversion of scheme funds by instituting financial controls and monitoring utilisation strictly as per MoRTH guidelines.***
- ***Revitalise Road Safety Fund by preparing Annual Action Plans, conducting accident cause analysis, and investing in smart transport infrastructure with GPS/GIS systems.***
- ***Establish Registered Vehicle Scrapping Facility (RVSF) to handle end-of-life vehicles in an environmentally sound manner and reduce vehicular pollution.***
- ***Address manpower shortages by filling critical enforcement, tax, and mechanical inspector posts to improve regulation, inspection, and public service delivery.***
- ***Upgrade DTO infrastructure with adequate office space, IT systems, power backup, CCTV, fire safety, ramps for differently abled, and gender-sensitive facilities.***

5.6.13 Conclusion

The Performance Audit on the Functioning of DTOs and State Transport Authority (STA) was conducted to mainly assess the effectiveness of driver licensing, vehicle registration, taxation, issue of permits, enforcement activities, etc. This Performance Audit revealed significant shortcomings across several critical areas. The procedures for issuing driving licenses were found to be inefficient, raising concerns about road safety. No conductor had applied for Conductor's Licence which may lead to road accident and safety of the passengers. Additionally, the vehicle registration process exhibited delays and inefficiencies that hinder compliance with MV Act and Rules as same chassis number and engine number assigned to multiple vehicles. There were also notable gaps in the regulation of statutory requirements, such as vehicle fitness, permits and Pollution Under Control Certificates (PUCC), which could compromise safety and environmental standards. The Transport Department is found to be sluggish in implementing fitment of Vehicle Location Tracking Device (VLTD) in passenger vehicles, realization of pending e-challan amount sent to e-court/ virtual court, establishment of Automated Testing Station (ATS) and consequential setting up of Registered Vehicle Scrapping Facility (RVSF) in the state. A substantial amount of tax in arrears indicates serious lapses in revenue collection which in turn indicated weak enforcement mechanisms allowing non-compliance to persist in addition to loss of government revenue. Finally, inadequate infrastructure for public service delivery hampered the ability to effectively serve the public. Data migration of all motor vehicles in the State to VAHAN database is still incomplete and therefore the vehicle database of the State does not represent true and correct picture of the vehicle population of the State. Vehicles remain outside VAHAN may cause serious law and order problems

5.6.14 Recommendations

Summary of our Key Recommendations to the Department

➤ *Licensing & Training*

- *Ensure all E-rickshaw/E-cart drivers undergo the mandatory 10-day training and hold valid licences; link registration to LL/DL.*
- *Mandate valid licences for all MST drivers and conductors, with a centralised register and periodic verification.*
- *Launch awareness drives and streamline conductor licensing; enforce penalties for employing unlicensed conductors.*
- *Enforce compliance of Driving Schools with required infrastructure, equipment, and dual-control vehicles.*
- *Strengthen IDTRC by completing infrastructure, procuring training equipment, and enforcing OEM supply commitments.*

➤ **Vehicle Registration & VAHAN Data**

- *Cleanse and validate VAHAN records to remove duplicate chassis/engine numbers and cancel fraudulent registrations.*
- *Enforce timely dealer submissions, fix accountability for delays, and introduce automatic penalties for defaulting dealers.*
- *Ensure registration of hypothecated vehicles within 30 days; distinguish dealer vs DTO delays.*
- *Correct MV tax assessments by reconciling VAHAN with physical records, recover shortfalls, and refund excess collections.*
- *Enforce Green Tax and five-year MV tax on vehicles over 15 years; prevent revenue loss.*
- *Complete migration to VAHAN 4.0 and strengthen data validation protocols.*

➤ **Enforcement & Road Safety**

- *Mandate data sharing between Police and DTOs for timely licence suspension/disqualification of offenders.*
- *Ensure effective use of e-Challan system by deploying machines, clearing court pendencies and monitoring revenue.*
- *Tighten pollution control by mandating PUC centres at fuel stations, enforcing adherence to standards, and penalising expired PUCs.*
- *Implement Nirbhaya framework by setting up monitoring centre and fitting Vehicle Location Tracking Devices (VLTDs) and emergency buttons in public transport vehicles.*
- *Augment enforcement with impounding yards, custody facilities, CCTV, speed guns, and body cameras.*

➤ **Infrastructure & Resources**

- *Address manpower shortages by filling critical enforcement, tax, and mechanical inspector posts.*
- *Expand faceless citizen-centric services beyond current limited rollout to enhance transparency and ease of access.*

COMPLIANCE AUDIT

TAXATION DEPARTMENT

5.7 Subject Specific Compliance Audit (SSCA) on “Department’s Oversight on GST Payments and Returns Filing – Phase II”

5.7.1 Introduction

Goods and Services Tax (GST), which came into effect from 1 July 2017, has replaced multiple taxes levied and collected by the Centre and States. It is a destination-based consumption tax on the supply of goods or services or both levied on every value addition. The Centre and States simultaneously levy GST on a common tax base. Central GST (CGST) and State GST (SGST)/Union Territory GST (UTGST) are levied on intra-state supplies, and Integrated GST (IGST) is levied on inter-state supplies.

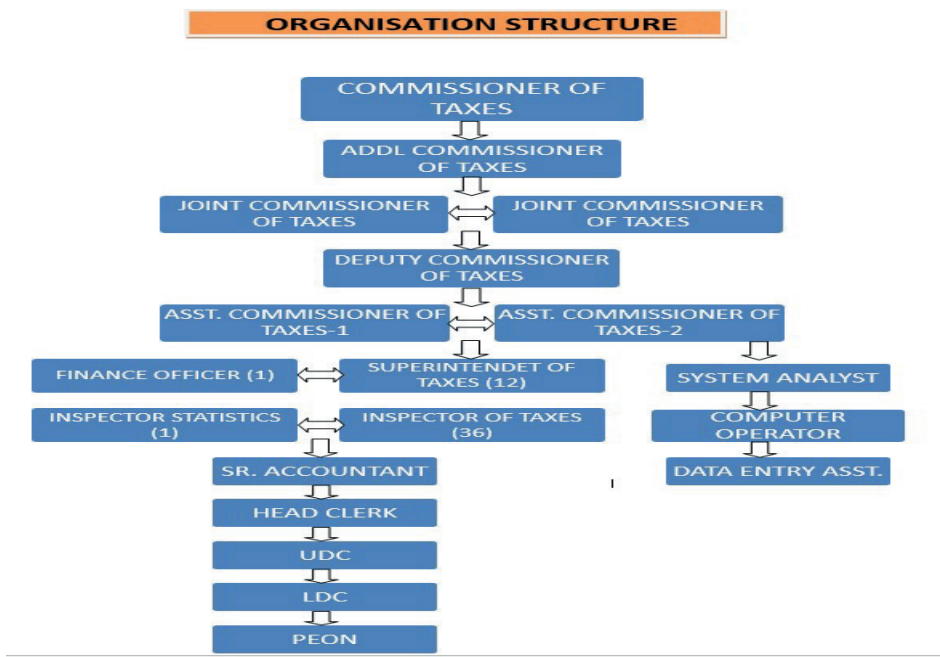
Section 59 of the Manipur GST (MGST) Act, 2017 stipulates GST as a self-assessment based tax, whereby the responsibility for calculating tax liability, discharging the computed tax liability and filing returns is vested with the taxpayer. The GST returns must be filed online regularly including nil return on the common GST portal, failing which penalties will be payable. Further, Section 61 of the MGST Act read with Rule 99 of MGST Rules stipulates that return must be scrutinised with particulars furnished by taxpayers, communicate discrepancies to the taxpayers and seek an explanation.

This Subject Specific Compliance Audit (SSCA) was taken up considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Commissioner of Taxes (Department), Government of Manipur (GoM) in this new tax regime.

5.7.2 Organisational set up

The Commissioner of State Taxes is the head of the State Taxes Department and exercises overall control and supervision of the entire tax administration in the State. The Commissioner is assisted by an Additional Commissioner and two Joint Commissioners in the Commissionerate office. The organisational set up of the Taxation Department, Manipur under GST regime is given in **Chart 5.7.1**.

Chart 5.7.1: organisational set up of the Taxation Department, Manipur



5.7.3 Audit objectives

This audit was oriented towards providing assurance on the adequacy and effectiveness of systems and procedures adopted by the Department with respect to tax compliance under GST regime. Audit of ‘Department’s oversight on GST Payments and Returns filing’ was taken up with the following audit

This audit was an attempt to provide assurance on the adequacy and effectiveness of systems and procedures adopted by the Department with respect to tax compliance under the GST regime with the following audit objectives:

- I. Whether the rules and procedures were designed to secure an effective check on tax compliance and were being duly observed by taxpayers; and
- II. Whether the scrutiny procedures, internal audit and other compliance functions of the Zones were adequate and effective.

5.7.4 Audit methodology and scope

This SSCA was predominantly conducted based on data analysis, which highlighted risk areas and red flags pertaining to the period from April 2018 to March 2021. Through data analysis, a set of 16 deviations were identified across the domains of input tax credit (ITC), discharge of tax liability, registration and return filing. Such deviations were followed up through a centralised audit (Limited Audit)¹⁴², whereby these deviations were communicated to the relevant State departmental field formations and action taken by the jurisdictional

¹⁴² Centralised Audit did not involve seeking taxpayer’s granular records such as financial statements related ledger accounts, invoices, agreements, etc.

formations on the identified deviations was ascertained without involving field visits. The centralised audit was supplemented by a Detailed Audit involving field visits for verification of records available with the jurisdictional field formations. Returns and related attachments and information were accessed through the back-end system of the Department/ State taxes department application as much as feasible to examine data/documents relating to taxpayers (*viz.* registration, tax payment, returns and other departmental functions). The Detailed Audit also involved accessing relevant granular records from the taxpayers such as invoices through the respective field formations. This apart, compliance functions of the departmental formations such as scrutiny of returns, action on non-filers and cancellation of registration were also reviewed in the selected Zones.

The review of the scrutiny of returns by the Department and verification of taxpayers' records covered the period from April 2018 to March 2021, while the audit of the functions of three Zones covered the period 2020-21. The SSCA covered only the State administered taxpayers. The field audit was conducted from August 2023 to February 2024.

Entry Conference of this SSCA was held on 10 August 2023 with the Commissioner, Department of Taxes, Government of Manipur in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 02 December 2024 with the Commissioner, Department of Taxes in which the audit findings were discussed. The replies received from the Department have been suitably incorporated in the relevant paragraphs.

5.7.5 Audit sample

A data-driven approach was adopted for planning as also to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for centralised audit that did not involve field visits; a sample of taxpayers for Detailed Audit that involved field visits and scrutiny of taxpayer's records at Departmental premises; and a sample of Zones for evaluating the compliance functions of the Zones.

There were *three* distinct parts of this SSCA as under:

(i) Part I-Audit of Zones

Three Zones *viz* Zones-1, 4 and 10 out of 14 Zones which were covered for audit during Phase -I Audit and having maximum number of sampled cases under Detailed Audit were considered as the sample of Zones for evaluation of their oversight functions.

(ii) Part II-Centralised Audit

The sample for Centralised Audit was selected by identification of high-value or high-risk deviations from rules and inconsistencies between returns through data analysis for evaluation of the adequacy and effectiveness of the scrutiny

procedure of the State Tax Department. Accordingly, a sample of 159 taxpayers were selected for Centralised Audit under this SSCA.

(iii) Part III-Detailed Audit

Audit was conducted by accessing taxpayers' records through Zones for evaluation of the extent of tax compliance by taxpayers. The sample of 20 taxpayers from Zonal Records was selected for Detailed Audit on the basis of risk parameters such as ITC mismatch and unsettled liability, four ratio-based trends {ITC availed/ tax paid, IGST/ CGST + SGST, Exempted/ Taxable turnover, Credit Notes/ Tax paid}, Risk prone goods as per Harmonised System of Nomenclature (HSN)/ Service Accounting Codes (SAC), ITC availed after limitation period and ITC availed without supplier paying tax. The sample comprised of Large (L1¹⁴³ and L2¹⁴⁴), Medium¹⁴⁵, Small¹⁴⁶ strata taxpayers as well as taxpayers selected randomly.

The details of sample for limited audit, detailed audit and audit of Zones selected for this SSCA are brought out in **Appendix-5.3. (A, B&C)**.

5.7.6 Audit criteria

The sources of audit criteria comprised the provisions contained in the MGST Act, IGST Act, 2017 and Rules made thereunder. In addition, the notifications and circulars issued by the State Tax Department relating to filing of returns, the effective dates of filing of various returns, payment of tax, availing and utilising ITC, scrutiny of returns, oversight of tax compliance, *etc.* also formed part of the audit criteria.

Audit findings

The audit findings are categorised into the following three categories:

- a. Oversight on Zone functions (Audit of Zones)
- b. Centralised Audit (Limited Audit)
- c. Detailed Audit.

5.7.7 Oversight on Zone functions – Audit of zones

The role of Zones is to provide oversight for ensuring compliance by taxpayers in respect of accuracy of the taxable value declared, calculation and payment of tax liabilities, filing of returns, ensuring compliance of GST Act. For evaluating the functions of the Zones, the audit areas include (i) Action on non-filers (ii) Effectiveness of scrutiny (iii) Cancellation of registration.

5.7.7.1 Lack of action on non-filers

Section 46 of the MGST Act, 2017 read with Rule 68 of MGST Rules, 2017 requires issuance of a notice in Form GSTR-3A to taxpayers who fail to furnish

¹⁴³ Top 0.25 *per cent* of taxpayers based on turnover.

¹⁴⁴ Next 0.25 *per cent* of taxpayers based on turnover.

¹⁴⁵ Taxpayers with a minimum turnover of ₹7.50 crore.

¹⁴⁶ Taxpayers with a minimum turnover of ₹2.50 crore.

returns (GSTR-1, 3B). Taxpayers who have been served notice under the above Act/ Rules are required to furnish their returns within fifteen days of receipt of the notice. Further, Section 62 of MGST Act, 2017 read with Rule 100 of MGST Rules, 2017 stipulates that where a registered person fails to furnish his returns even after the service of the notice, the Proper Officer may proceed to assess the tax liability of the said person to the best of his judgment in ASMT-13 (best judgment assessment order).

Audit accessed the profile of taxpayers and returns filed by taxpayer reports from the three selected Zones during 2020-21 from the GST portal. Audit noticed from the MIS GST back-end portal that 183 taxpayers in the three sampled zones did not file 3,871 returns for 2020-21. As per the MIS report on GSTR-3B non-filers, the total expected shortfall across the three zones for the year 2020-21 amounted to ₹17.12 lakh. (*Appendix 5.4A*). Out of 3,871 cases of non-filers identified, GSTR-3A was issued in 184 cases (*Appendix 5.4B*). Further, the due process of issue of GSTR-3A followed by ASMT 13 was also not observed in these cases.

The matter was communicated (March 2024) to the department. During the Exit Conference (December 2024) the department stated that reply/ clarification to audit observation would be provided. However, no reply has been received (January 2025).

Recommendation (i): The Department may initiate action against non-filers by assessing the tax liability to the best of their judgement by invoking the best judgment assessment order (ASMT-13).

5.7.7.2 Effectiveness of scrutiny of returns

Section 61 of the MGST Act, 2017, read with Rule 99, stipulates that the Proper Officer may scrutinise the returns and related particulars furnished by the taxpayers to verify the correctness of the returns and information. Discrepancies noticed, if any, are to be communicated to the taxpayer for seeking their explanation. If the explanation offered is found acceptable by the Proper Officer, the proceeding shall be dropped, the taxpayer shall be informed accordingly and no further action in the matter shall be taken. However, if the taxpayer does not furnish a satisfactory explanation within 30 days of being informed (extendable by the Proper Officer) or does not take any corrective measures, the Proper Officer may initiate appropriate action, including the issue of demand notices under Section 73 or Section 74 of the Act.

Out of the three sampled zones, two sampled zones viz. Zone-1 & 10 had not conducted scrutiny of taxpayers' returns for the year 2020-21. Only, Zone-4 conducted scrutiny for four taxpayers for the year 2020-21 and tax discrepancies of ₹14.40 lakh were issued to these four taxpayers through ASMT-10.

Audit pointed this in March 2024 but reason for non-conducting of scrutiny of taxpayers and action taken in respect of the scrutinised taxpayers were not furnished to Audit (September 2025).

Further, during the Exit Conference, the Department stated (December 2024) that reply/ clarification to audit observation would be provided. However, no reply had been received (September 2025).

Recommendation (ii): The Department may ensure the scrutiny of returns in a time bound manner before the cases become time barred.

5.7.7.3 Cancellation of registration

In the three Zones selected for audit, there were cases of 140 cases of cancellation during 2020-21 of which 87 cases were *suo moto* cancellations and 53 cases were cancelled on request by the taxpayers. Audit observations regarding cancellation of taxpayer registrations are as follows:

- **Date of cancellation prior to date of application**

Rule 20 of MGST Rules, 2017 read with a circular¹⁴⁷ dated 26 October 2018 provides that the taxpayer applying for cancellation of registration shall submit application in Form GST REG- 16 on the GST portal within a period of 30 days of the “occurrence of the event warranting the cancellation”. The circular also specifies that the order for cancellation should be issued in Form GST REG-19 with the effective date for cancellation being the same as the date from which the applicant has sought cancellation in Form GST REG-16. In any case the effective date should not be a date earlier than the date of application for the same.

Scrutiny of records revealed that 43 cases out of 53¹⁴⁸ cases of request of cancellation by taxpayers, cancellation was made with effect from dates prior to the date of application by the taxpayers (*Appendix 5.5*).

Audit pointed this out in March 2024. During the Exit Conference (December 2024) the department stated that reply/clarification to audit observation would be provided. However, no reply has been received (September 2025).

- **Delays in cancellation**

Rule 22 of the MGST Rules, 2017 states that cancellation order in Form REG-19 is to be issued within 30 days from the date of application made by the taxpayers or date of reply to REG-17 in case of *suo moto* cancellation. Rule 22(3) of MGST Rules, 2017 provides that where a person who has submitted an application for cancellation of his registration is no longer liable to be registered, the Department shall issue an order in Form GST REG-19, within a period of thirty days from the date of application or, as the case may be, the date of reply to any show cause issued, cancel the registration with effect from a date to be determined by Department and notify the taxable person, directing him to pay arrears of any tax, interest or penalty including the amount liable to be paid under sub-section (5) of Section 29. Audit observed that in

¹⁴⁷ Circular No. 69/43/2018-GST dated 26 October 2018. However, Department of Taxes, Manipur did not circulate the same.

¹⁴⁸ Zone-1=15, Zone-4=9 & Zone-10=29

56 cases out of the total 140 cases of cancellation, there were delays in issuance of Form REG-19 ranging from ranging between 01 to 917 days (*Appendix-5.6*). Audit further observed that the reason for delay in cancellation was because the Department did not monitor the cancellation process. During the Exit Conference, the department stated (December 2024) that reply/ clarification to audit observation would be provided. However, no reply has been received (September 2025).

- **Inadequate follow-up action on non-filing of GSTR-10**

As per Section 45 of the MGST Act, 2017, read with Rule 81 of MSGT Rules, 2017 GSTR-10 has to be filed by the taxpayer within three months of the effective date of cancellation or the date of order of cancellation, whichever is later through the common portal either directly or through a Facilitation Centre notified by the Commissioner. Further, as per Section 46 of the MGST Act, 2017, read with rule 68 of the MGST Rules, 2017 GSTR-3A has to be issued to the taxpayers, where GSTR-10 has not been filed. If the taxpayer still fails to file the final return within 15 days of the receipt of notice, an assessment order in Form ASMT-13 under Section 62 of the MGST Act read with Rule 100 of the MGST Rules shall have to be issued to determine the liability of the taxpayer under sub-Section (5) of Section 29 (*i.e.*, debit ITC equivalent to inputs, and inputs contained in semi-finished and finished goods held in stock or capital goods or the output tax payable on such goods whichever is higher). If the taxpayer files the final return within 30 days of the date of service of the order ASMT-13, then the said order shall be deemed to have been withdrawn. However, the liability for payment of interest and late fee shall continue. If the said return remains unfinished within the statutory period of 30 days from the issuance of order ASMT-13, then the Department may initiate proceedings under Section 78 and recovery under Section 79 of the MGST Act.

As mentioned in **Paragraph 5.7.7.3** above, there were 140 cases of cancellation of registration during 2020-21. Audit observed that GSTR-10 was filed in only 13 cases out of these 140 cases as shown in *Appendix-5.7*. Audit also observed that the Department had no information/ reports to track the filing of GSTR-10 by the taxpayer and thus recovery proceedings of tax liability could not be initiated by the Zones. Audit further observed that best judgement orders in ASMT-13 were also not issued by the Department as a result of which tax liability, if any, could not be recovered.

The observation was communicated to the Department in March 2024. During the exit conference, the department stated (December 2024) that reply/ clarification to audit observation would be provided. However, no reply has been received (September 2025).

Recommendation (iii): The Department may strengthen the monitoring mechanism in the Zones to ensure that due procedures for cancellation of registration, filing of final returns in form GSTR-10 and assessment of tax liabilities are adhered to.

5.7.7.4 Inconsistencies in GST returns- Centralised audit

Audit analyzed GST returns data pertaining to April 2018 to March 2021 as made available by GSTN. Rule-based deviations, and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 16 parameters, which can be broadly categorized into three domains – ITC, Annual Return & Financial Statements and Tax & Interest Payment.

Out of the 13 prescribed GST returns¹⁴⁹ the following seven returns that are applicable to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns/ data:

- **GSTR-1:** Monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.
- **GSTR-3B:** Monthly summary return of outward supplies and input tax credit claimed, along with payment of tax by the taxpayer to be filed by all taxpayers except those specified under Section 39(1) of the Act. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.
- **GSTR-6:** Monthly return for Input Service Distributors providing the details of their distributed input tax credit and inward supplies.
- **GSTR-8:** Monthly return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST, introduced in October 2018.
- **GSTR-9:** Annual return to be filed by all registered persons other than an Input Service Distributor (ISD), Tax Deductor at Source/ Tax Collector at Source, Casual Taxable Person, and Non-Resident taxpayer. This document contains the details of all supplies made and received under various tax heads (CGST, SGST and IGST) during the entire year along with turnover and audit details for the same.
- **GSTR-9C:** Annual audit form for all taxpayers having a turnover above ₹Five crores in a particular financial year. It is basically a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited annual financial statements.
- **GSTR-2A:** A system-generated statement of inward supplies for a recipient. It contains the details of all B2B transactions of suppliers declared in their Form GSTR-1/5, ISD details from GSTR6, details from

¹⁴⁹ i) GSTR-1, ii) GSTR-3B, iii) GSTR-4 (taxpayers under the Composition scheme), iv) GSTR-5 (non-resident taxable person), v) GSTR-5A (Non-resident OIDAR service providers), vi) GSTR-6 (Input service distributor), vii) GSTR-7 (taxpayers deducting TDS), viii) GSTR- 8 (E-commerce operator), ix) GSTR-9 (Annual Return), x) GSTR-10 (Final return), xi) GSTR-11 (person having UIN and claiming a refund), xii) CMP-08, and xiii) ITC-04 (Statement to be filed by a principal/ job-worker about details of goods sent to/ received from a job-worker).

GSTR-7 and GSTR-8 respectively by the counterparty and import of goods from overseas on bill of entry, as received from ICEGATE Portal of Indian Customs.

5.7.8 Audit findings based on Data Analysis

The data analysis of taxpayers' returns on 16 identified parameters and extent of deviations/ inconsistencies observed are summarised in **Tables 5.7.1-A and 5.7.1-B.**

Table 5.7.1-A: Details of Data Analysis undertaken

Sl. No.	Algorithm used	Impact
Domain: ITC		
1.	ITC available as per GSTR-2A with all its amendments was compared with the ITC availed in GSTR-3B in Table 4A (5) (accrued on domestic supplies) excluding the reversals in Table 4B(2) but including the ITC availed in the subsequent year from Table 8C of GSTR-9 and blocked credits.	ITC mismatch between GSTR-2A and GSTR-3B
2.	ITC available from GSTR-2A was compared with Table 8A of GSTR-9 which captures ITC available from GSTR-2A (as an auto-populated non-editable field) but excludes those entries in GSTR-2A where the supplier has not filed GSTR-1 by due date of its filing and also excludes the ITC for the period during which the recipient taxpayer was under composition scheme.	ITC passed on without supplier remitting tax
3.	ITC availed through Table 4 of GSTR-3Bs pertaining to period 2018-19 to 2020-21 filed after October of the following year	ITC availed in GSTR-3B filed after the cut-off period.
4.	ISD ITC availed in GSTR-9 Table 6G or GSTR-3B Table 4(A)(4) of recipient was compared with the sum of Table 5A, Table 8A, and Table 9A of GSTR-6 of distributor GSTINs	Incorrect availing of ISD credit
Domain: Annual Return and Financial Statements		
5.	Positive figure in GSTR-9C Table 12F and examination of reasons provided in Table 13 for mismatch	Mismatch of ITC availed between Annual returns and Books of accounts
6.	Positive figure in GSTR-9C Table 14T and examination of reasons provided in Table 15 for mismatch	Reconciliation between ITC availed in Annual returns with expenses in financial statements
7.	Negative figure in GSTR-9C Table 9R and examination of reasons provided in Table 10 for mismatch	Mismatch in tax paid between books of accounts and returns
Domain: Tax and Interest Payment		
8.	RCM payments in GSTR-9 Table 4G (tax payable) were compared with ITC availed in GSTR-9 Table 6C, 6D and 6F (ITC availed). In cases where GSTR-9 was not available, RCM payment in GSTR-3B Table 3.1(d) was compared with GSTR-3B 4(A)(2) and 4A(3). Greater of difference in GSTR-9 and GSTR-3B considered where both were available	Short payment of tax under RCM versus ITC availed in GSTR-3B/ GSTR-9
9.	The greater of tax liability between GSTR-1 (Tables 4 to 11), considering advances and amendments, and GSTR-9 (Tables 4N, 10 and 11) was compared with tax paid details in GSTR-3B Tables 3.1(a) and 3.1(b). In cases where GSTR-9 was not available, GSTR-3B tax paid was compared with GSTR-1 liability.	Unsettled liabilities. This would lead to short payment/non-payment of tax.
10.	GSTR-3B Table 3.1(a)+(b) was compared with tax liability declared in the e-way bills and cases where GSTR-3B are less than e-way bills are identified	Suppression of tax liability based on E-way bill verification
11.	The composition taxpayers whose turnover (State jurisdiction) under all GSTINs of the same PAN have crossed the turnover limit of ₹50 lakh in 2018-19 and ₹75 lakh in 2019-20 were identified.	Ineligible composition levy i.e. taxpayers continue to operate under composition levy scheme despite crossing threshold for the same.
12.	Taxpayers who have not filed GSTR-3B but have filed GSTR-1 or where GSTR-2A available, indicating taxpayers carrying on the business without discharging tax	GSTR-3B was not filed but GSTR-1 is available

Sl. No.	Algorithm used	Impact
13.	Interest calculated at the rate of 18 <i>per cent</i> on cash portion of tax payment on delayed filing of GSTR-3B <i>vis-à-vis</i> interest declared in GSTR-3B	Short payment of interest

Source: Departmental records

Table 5.7.1-B: Details of Data Analysis undertaken (Turnover mismatch)

Sl. No.	Algorithm used	Impact
14.	Table 3.1(a) of GSTR-3B was compared with Column 6 of Table 9 of GSTR-2A. Cases where GSTR-3B values are less than that of GSTR-2A are identified.	Under-declaration of taxable supplies by comparing TDS returns
15.	Unbilled revenue at the beginning of the year in GSTR-9C Table 5B should tally with the unbilled revenue of the previous GSTR-9C shown in Table 5H. Any mismatch indicates suppression of taxable turnover.	Suppression of taxable value based on unbilled revenue declared in GSTR-9C
16.	Negative figure in GSTR-9C Table 7G and examination of reasons provided in Table 8 for mismatch	Mismatch in taxable turnover declared in GSTR-9C Table 7G

Source: Departmental records

Audit selected a sample of 159 cases from amongst top deviations/inconsistencies in each of the 16 parameters for the year 2018-19 to 2020-21. Audit observations were issued to the respective zones during September 2023 without further scrutiny of taxpayer's records. The audit check in these cases was limited to verifying the Department's action on the identified deviations/mismatches.

5.7.9 Summary of deficiencies noticed during Centralised Audit

Based on responses received in 159 cases of audit queries, the extent of compliance deviations in respect of the 16 parameters is summarised in *Appendix-5.8*.

Audit observed deviations from the provisions of MGST Act in 159 cases involving mismatch amounting to ₹194.46¹⁵⁰ crore comprising mismatches in tax amounts in 141 cases (88.68 *per cent*) and turnover mismatches in 18 cases (11.32 *per cent*).

The Department provided responses in all the 159 cases. Out of these, 141 cases (88.68 *per cent*) involving ₹177.51¹⁵¹ crore were under correspondence or notices had been issued to the taxpayer. The Department's reply in 05 cases involving ₹4.25 crore was not acceptable to Audit.

The reply of the Department in 13 cases, constituting 8.18 *per cent* of the audit sample of 159 cases, amounting to ₹12.69¹⁵² crore was acceptable to Audit. Out of these cases, 01 case amounting to ₹0.07 crore was due to data entry errors by the taxpayers, 01 case amounting to ₹0.01 crore involved proactive action taken

¹⁵⁰ Excluding eighteen cases of turnover mismatch amounting to ₹430.12 crore

¹⁵¹ Excluding twenty cases of turnover mismatch amounting to ₹427.47 crore

¹⁵² Excluding two cases of turnover mismatch amounting to ₹2.65 crore.

by the Department prior to being pointed out by Audit and the remaining 11 cases amounting to ₹12.60¹⁵³ crore had valid explanations for the deviations.

A few high value illustrative cases are given below:

(A) Mismatch in availing of ITC

(i) ITC mismatch between GSTR-2A and GSTR-3B:

GSTR-2A is a purchase related dynamic tax return that is automatically generated for each business by the GST portal, whereas GSTR-3B is a monthly return of outward supplies along with ITC declared and payment of tax are self-declared by the taxpayer.

To analyse the veracity of ITC utilisation, relevant data were extracted from GSTR-3B and GSTR-2A for the period 2018-19 to 2020-21, and the ITC paid as per suppliers' details was matched with the ITC credit availed by the taxpayer. The methodology adopted was to compare the ITC availed as per GSTR-2A with all its amendments and the ITC availed in GSTR-3B in Tables 4A (5)¹⁵⁴, 4D (1) and 8C of GSTR-9.

A taxpayer (1XXXXXXXXXXXXXXQ) under Zone-8 availed ITC of ₹69.22 crore in GSTR-3B during 2018-19 to 2019-20, against the available ITC of ₹61.22 crore as per GSTR-2A. This resulted in mismatch of ITC of ₹8.00 crore. On this being pointed out (September 2023), the Department replied (February 2024) that notice was issued to the taxpayer and further reply awaited (September 2025).

(ii) ITC passed on without supplier remitting tax

In order to analyse the extent of compliance of ITC availment under Section 64 of MGST Act, 2017 an attempt has been made to identify likely cases where ITC would have been passed on by the taxpayer without the actual remitting of tax. For this purpose, the relevant data from GSTR-9 particularly pertaining to Table 8A of GSTR-9 was compared with the ITC data reflected in GSTR-2.

A taxpayer (1XXXXXXXXXXXXXXK) under works contract zone has ITC of ₹28.25 crore available under GSTR-2A against the admissible ITC of ₹18.05 crore shown under Table 8A of GSTR-9 for 2018-21. This resulted in availing of ineligible ITC ₹10.20 crore. On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was served to the taxpayer. Further reply was awaited (September 2025).

(iii) ITC availed in GSTR-3B filed after the cut-off period:

As per Section 16(4) of MGST Act, 2017 a registered person shall not be entitled to take ITC in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing GSTR-3B for the month of September following end of the financial year to which such ITC pertains or

¹⁵³ Excluding two cases of turnover mismatch amounting to ₹2.65 crore.

¹⁵⁴ All other eligible ITC.

furnishing of relevant annual returns whichever is earlier. Accordingly, if any GSTR-3B is furnished after such time, ITC availed therein becomes inadmissible. In order to review the extent of excess/ irregular ITC availed on this account, the ITC availed through Table 4 of GSTR-3Bs pertaining to 2018-19 to 2020-21 filed by the taxpayer beyond the due dates of October GSTR-3 return of the following year were identified at data level.

A taxpayer (1XXXXXXXXXXXXXC) under works contract zone availed ₹4.94 crore as ITC in GSTR-3B filed after limitation period for two months during 2018-19, which was inadmissible. On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was issued to the taxpayer and further reply awaited (September 2025).

(iv) Incorrect availing of ISD ITC:

To analyse whether the ITC availed by the taxpayer is in excess of that transferred by the Input Service Distributor (ISD), ITC availed as declared in the returns of the taxpayer is compared with the ITC transferred by the ISD in their GSTR-6. The methodology adopted was to compare Table 6G¹⁵⁵ of GSTR-9 or Table 4(A)(4)¹⁵⁶ of GSTR-3B of the recipient taxpayers under the jurisdiction of this State with the sum of Tables 5A¹⁵⁷, 8A¹⁵⁸ and 9A¹⁵⁹ of GSTR-6 of the respective ISD. This would help arrive at a determination of whether there is any excess ITC availed by the recipient taxpayers as compared to the ITC actually distributed by the ISD.

A taxpayer (1XXXXXXXXXXXXXB) under works contract zone availed ITC under ISD mechanism amounting to ₹5.47 lakh as per Table 6G against the actual sum of ₹22.37 only by the ISD distributor as per Table 5A and 8A of GSTR-6. This resulted in excess availing of ITC under ISD mechanism of ₹5.47 lakh. On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was served to the taxpayer for which reply was awaited (September 2025).

(B) Mismatch in Annual return and Financial Statement

(v) Mismatch of ITC availed between Annual returns and Books of accounts:

Table 12 of GSTR-9C reconciles ITC declared in Annual Return (GSTR-9) with ITC availed as per audited Annual Financial Statements or Books of Accounts. Table 12(F) deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of MGST Rules, 2017 in form GSTR-9C for the years 2018-19 to 2020-21 were analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the Financial Statements.

¹⁵⁵ ITC received from ISD.

¹⁵⁶ Inward supplies from ISD.

¹⁵⁷ Distribution of the amounts of eligible ITC for the tax period.

¹⁵⁸ Distribution of input tax credit (Plus/Minus).

¹⁵⁹ Redistribution of ITC distributed to a wrong recipient.

A taxpayer (1XXXXXXXXXXXXXO) under works contract had availed ITC of ₹24.51 crore as per Table 12 (E) of GSTR-9C against ITC of ₹22.23 crore available as per Table 12 (D) of GSTR-9C during 2019-20. As such, there was mismatch in availment of ITC amounting to ₹2.28 crore between Annual Return and Financial Statements as mentioned in Table 12F of form GSTR-9C. Reconciliation statement in respect of Table 12F was not found uploaded, though the taxpayer had mentioned in the remarks column under Table 13.

On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was served to the taxpayer. Further reply was awaited (September 2025).

(vi) Reconciliation between ITC availed in Annual returns with expenses in financial statements:

Table 14 of GSTR-9C reconciles ITC declared in annual return (GSTR-9) with ITC availed on expenses as per audited Annual Financial Statements or Books of Accounts. Table 14T of GSTR-9C deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under the Rule 80 (3) of MGST Rules, 2017 in form GSTR-9C for the year 2018-19 to 2020-21 was analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the expenses reported in the Financial Statements.

In case of a taxpayer (1XXXXXXXXXXXXXY) under works contract zone, Audit observed that during the year 2020-21, there was unreconciled ITC of ₹57.28 lakh between Annual Return and Books of Accounts as per certified Reconciliation Statement submitted by taxpayer in Table 14T of form GSTR-9C. The details furnished in Table 15A of GSTR-9C did not adequately explain the unreconciled ITC. On this being pointed out (September 2023) by Audit, the Department replied (February 2024) that notice was issued to the taxpayer. Further reply was awaited (September 2025).

(vii) Mismatch in tax paid between books of accounts and returns:

Table 9 of form GSTR-9C attempts to reconcile the tax paid by segregating turnover rate-wise and comparing with the tax discharged as per the Annual Return GSTR-9. The unreconciled amount could potentially indicate tax levied at incorrect rates, incorrect depiction of taxable turnover as exempt or incorrect levy of MGST/ IGST. There can also be situations, wherein supplies/ tax declared, are reduced through amendment (net of debit notes/ credit notes) in respect of the transaction carried out in the subsequent year from April to September. In order to rule out the possibility of incorrect disclosure of the tax paid amount in GSTR-9, this amount was compared with actual tax payment details in GSTR-9.

A taxpayer (1XXXXXXXXXXXXXL) under works contract zone shorted unreconciled tax payment of ₹1.28 crore in Table 9R of Form GSTR-9C during 2018-19. This resulted in mismatch between the tax paid in Books of Accounts

and Returns. The difference was due to advance adjusted in CGST (₹64,08,894.96) and SGST (₹64,08,894.96) as explained in Table 10A of GSTR-9C. However, the supporting document and break-up analysis to validate the claim of the taxpayer were not available in GSTR-9C. On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was issued to the taxpayer. Further reply was awaited (September 2025).

(C) Tax and Interest payment

(viii) Short payment of tax under RCM versus ITC availed in GSTR-3B/ GSTR-9:

Short payment of tax under Reverse Charge Mechanism was analysed by comparing the datasets pertaining to GSTR-3B and annual return GSTR-9 to check whether the tax has been discharged fully on the activities transactions under RCM. RCM payments in Table 3.1(d) of GSTR-3B/ Table 4G of GSTR-9 was compared with ITC availed in Table 4(A)2 and 4(A)(3) of GST-3B/ Table 6C, 6D and 6F of GSTR-9. One case is discussed below:

A taxpayer (1XXXXXXXXXXXXXU) under works contract zone paid only ₹1.96 lakh in Table 3.1(d) of GSTR-3B against ₹1.73 crore availed in Table 4(a)(3) during 2018-19 on inward supplies liable to reverse charges. This resulted in short payment of tax under RCM- ITC amounting to ₹1.71 crore. On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was served to the taxpayer. Further reply was awaited (September 2025).

(ix) Unsettled liabilities:

GSTR-1 depicts the monthly details of outward supplies of Goods or Services. These details are also assessed by the taxpayer and mentioned in annual return of GSTR-9 in the relevant columns. Further, taxable value and tax paid thereof were also shown in GSTR-3B.

To analyse the undischarged tax liability, relevant data were extracted from GSTR-1 and GSTR-9 for the years 2018-19 to 2020-21 and the tax payable in these returns was compared with the tax paid as declared in GSTR-9. Where GSTR- 9 was not available, a comparison of tax payable between GSTR-1 and GSTR-3B was attempted.

For the purpose, Tables 4 to 11 of GSTR-1 and Tables 4N, 10 and 11 of GSTR-9 were considered. Greater tax liability between GSTR-1 and GSTR-9 was compared with the tax paid declared in Tables 9 and 14 of GSTR-9 to identify the short payment of tax. In the case of GSTR-3B, Table 6.1 *minus* Table 3.1(d) were taken into account.

A taxpayer (1XXXXXXXXXXXXXU) under Zone-8 discharged a tax liability of ₹6.75 crore through GSTR-9 against a tax liability of ₹14.38 crore declared in GSTR-1 during 2020-21 resulting in short payment of tax of ₹7.63 crore. On

this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was issued to the taxpayer. Further reply was awaited (September 2025).

(x) Suppression of tax liability based on E-way bill verification:

To analyse the extent of short-payment of tax, relevant data related to tax liability declared in Table 3.1(a) and 3.1(b) of GSTR-3B for the period 2018-19 to 2020-21 were compared with the disclosures made in e-way bills. The outward e-way bills reflected a higher value of taxable supplies as compared to the liability declared in GSTR-3B leading to short payment of tax.

A taxpayer (1XXXXXXXXXXXXX0) under Zone-8 declared tax liability of ₹83.40 lakh in GSTR-3B against a tax liability of ₹103.38 lakh in the e-way bills for the year 2020-21, leading to short payment of GST amounting to ₹19.98 lakh.

On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was issued to the taxpayer. Further reply was awaited (September 2025).

(xi) Ineligible under composition levy scheme:

To analyse the veracity of ineligible composition levy scheme, taxpayers relevant data were extracted to identify composition levy scheme taxpayers whose turnover on pan India Basis (Central and State jurisdiction) under all GSTINs of the same PAN have crossed the turnover limit of ₹50 lakh in 2018-19 vide a notification¹⁶⁰ dated 29 June 2017 and ₹75 lakh in 2019-20 vide a notification¹⁶¹ dated 7 March 2019, but still continue to avail the benefit of composition levy.

A taxpayer (1XXXXXXXXXXXXX5) under Zone-8 showed such deviation being in the composition levy scheme where the turnover (₹3.73 crore in 2019-20) crossed the prescribed limit. The taxpayer was thus, liable to get registered as a normal taxpayer and pay accordingly. On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was issued to the taxpayer. Further reply was awaited (September 2025).

(xii) GSTR-3B was not filed but GSTR-1 is available:

As per Rule 61(2) of MSGT Rules, 2017 every registered person required to furnish return shall subject to the provision of section 49, discharge his liability towards tax, penalty, fees or any other amount payable under the Act by debiting the electronic cash ledger or electronic credit ledger and include the details in the return in Form GSTR-3B. Effort was made through data analysis to identify those taxpayers who had not filed GSTR-3B but had filed GSTR-1 or whose GSTR-2A was available. The very availability of GSTR-1 and GSTR-3A and non-filing of GSTR-3B indicates that the taxpayers had

¹⁶⁰ Notification No.5 /10/2017-FD(TAX)(A) dated 29 June 2017

¹⁶¹ Notification No.14/2019-Central tax dated 07 March 2019

undertaken/ carried on business during the period but have not discharged their tax liability. It may also include cases of irregular passing on of ITC.

A taxpayer (1XXXXXXXXXXXXXM) under Zone-8 did not file GSTR-3B for 30 months during 2018-19 to 2020-21 despite being liable to pay tax of ₹85.93 lakh in GSTR-1. On this being out (September 2023) by Audit, the Department stated (February 2024) that notice was issued to the taxpayer. Further reply was awaited (September 2025).

(xiii) Short payment of interest:

As per Section 50(1) of MGST Act, 2017 every person who is liable to pay tax in accordance with the provisions of this Act or the Rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding 18 *per cent*. The Section further provides that interest shall be payable on that portion of tax which is paid by debiting electronic cash ledger beyond due date. The extent of short payment of interest on account of delayed remittance of tax during 2018-19 to 2020-21 was identified using the tax paid details in GSTR-3B and date of filing GSTR-3B. Only the net tax liability (cash component) has been considered to work out the interest payable.

A taxpayer (1XXXXXXXXXXXXX0) under works contract zone delayed filing of GSTR-3B returns for 17 months during 2018-2021 by nine to 272 days. The short payment of interest of ₹81.89 lakh on account of delayed tax payment of ₹15.63 crore during 2018-2021 was communicated (September 2023). While admitting the observation, the Department stated (February 2024) that notice was served to the taxpayer. Further reply was awaited (September 2025).

(D) Details of Data Analysis undertaken (Turnover Mismatch)

(xiv) Under-declaration of taxable supplies by comparing TDS returns:

TDS and TCS details are declared in GSTR-7 and GSTR-8 respectively and communicated to the registered person in Table 9 of GSTR-2A. Cases were identified where the taxable value declared for outward taxable supplies (other than zero rated, nil rated and exempted) in GSTR-3B were less than the net amount liable for TCS and TDS credit as per Table 9 of GSTR-2.

A taxpayer (1XXXXXXXXXXXXXD) under works contract zone declared a taxable value of ₹64.29 crore in GSTR-3B for 2018-19 against a taxable value of ₹106.10 crore based on TDS statement. The short declaration of ₹41.81 crore resulted in short payment of tax amounting to ₹5.02 crore¹⁶². Audit pointed out in (September 2023). While admitting the observation, the Department stated (February 2024) that notice was served to the taxpayer. Further reply was awaited (September 2025).

¹⁶² TDS is calculated at 12 *per cent*.

(xv) Suppression of taxable value based on unbilled revenue declared in GSTR-9C:

In order to review the extent of identified mismatch in taxable turnover reported in the Annual Return *vis-à-vis* the Financial Statements, the relevant data points pertaining to Table 5 of the GSTR-9C reconciliation statement pertaining to disclosure of unbilled revenue submitted by the taxpayer as required under MGST Rules, 2017 for the years 2018-19 to 2020-21 was analysed at data level.

Table 5B figure of GSTR-9C for the years 2018-19 to 2020-21 which captures the unbilled revenue at the beginning of the financial year was compared with Table 5H of the previous GSTR-9C returns which captures the unbilled revenue at the end of the year to review the extent of identified mismatch in turnover declared in the Annual Return with the Financial Statements.

In case of taxpayer (1XXXXXXXXXXXXX5) under works contract zone comparison of 5B with 5H of Annual Return GSTR-9C for 2018-19 showed a mismatch in unbilled revenue of ₹2.17 crore. On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was served to the taxpayer. Further reply was awaited (September 2025).

(xvi) Mismatch in taxable turnover declared in GSTR-9C Table 7G:

Table 7 of GSTR 9C is the reconciliation of taxable turnover. Table 7G of this table captures the unreconciled taxable turnover between the annual return GSTR-9 and the turnover declared in the Financial Statement for the year after the requisite adjustments. The unreconciled amount in cases where the turnover in GSTR-9 is less than the financial statement indicates non-reporting, under-reporting, short-reporting, omission or error in reporting of taxable supplies. It could also be on account of non-reporting of both taxable and exempted supplies.

A taxpayer (1XXXXXXXXXXXXXS) under Zone-8 showed a deviation of ₹337.67 crore in Table 7G of Form GSTR-9C for the year 2019-20. This resulted in a mismatch in the taxable turnover declared in the return. The taxpayer submitted that the reason for the unreconciled difference in taxable turnover reported in GSTR-9C was due to having turnover in other states as well. Audit pointed this out in September 2023 to provide supporting documents and break-up analysis to validate the reason given in Table 8 of GSTR-9C. Instead while admitting the observation, the Department responded (February 2024) that notice was issued to the taxpayer. Further reply was awaited (September 2025).

5.7.10 Analysis of causative factors

Considering the response of the Department to the sample of 159 cases pointed by Audit, reasons for mismatch/ deviations were identified as (a) Deviation from GST law and rules, (b) Data entry errors, and (c) Action taken before issues of queries. These reasons along with relevant observations are discussed in the succeeding paragraph.

5.7.10.1 Cases of deviation from GST Law and Rules accepted or action initiated by Department

Out of the 159 deviations summarised in Paragraph 8.2, the Department accepted the audit observations and initiated examination/ under correspondence/ served notice to the taxpayer in 141 cases involving mismatches amounting to ₹177.51¹⁶³ crore (*Appendix-5.8, Column nos. 13 and 14*)

Illustrative case: ITC mismatch between GSTR-2A and GSTR-3B

A taxpayer (1XXXXXXXXXXXXX0) under works contract availed ITC of ₹34.54 crore in GSTR-3B during 2018-19 available against the available ITC of ₹28.19 crore in GSTR-2A. This resulted in mismatch of ₹6.35 crore. On this being pointed out (September 2023) by Audit, the Department stated (February 2024) that notice was served to the taxpayer. Further reply was awaited (September 2025).

5.7.10.2 Cases where Department's reply was not acceptable to Audit

The Department did not accept five out of 159 deviations pointed out by Audit. In these five cases, the Department's reply to the audit observation was not acceptable to Audit. Details of these cases along with the audit rebuttal are featured in *Appendix-5.9*.

Illustrative case: Ineligible under Composition Levy Scheme

A taxpayer (1XXXXXXXXXXXXXO) under Zone-12 showed such deviation with a potential of irregularly availing composition levy scheme where the turnover (₹1.45 crore in 2018-19) crossed the prescribed limit. The taxpayer is liable to get registered as a normal taxpayer and pay accordingly. On this being pointed out (September 2023) by Audit, the Department stated (August 2024) that the taxpayer was unable to opt out of composition scheme even after turnover exceeded threshold limit due to technical glitch in the GST portal. However, the reply was not acceptable as relevant documents such as documentary proof of error in GSTN, any complaint report filed by the taxpayer *etc.* were not enclosed.

5.7.10.3 Cases of data entry errors by taxpayer

In one case, the deviation which had a revenue implication of ₹7.38 lakh, was on account of a data entry error as per the response of the Department. The data entry error (*Appendix-5.8, Column Nos. 5, 6*) related to short payment of tax under reverse charge mechanism.

5.7.10.4 Cases where action was taken before issue of Audit Queries

Department had already taken action in one case out of the 159 cases as detailed in *Appendix-5.8 (Column Nos. 7, 8)*. One illustrative case is discussed below:

¹⁶³ Excluding turnover mis-matches amounting to ₹ 427.47 crore.

A taxpayer (1XXXXXXXXXXXXXXV) under Zone 9-2 discharged a tax liability of ₹5.87 crore through GSTR-3B against a tax liability ₹5.89 crore declared in GSTR-1 during 2018-19 resulting in short payment of ₹1.27 lakh.

On this being pointed out (September 2023) by Audit, the Department (January 2025) stated that the undischarged liability was discharged *vide* DRC-03 dated 19 December 2021.

Recommendation (iv): The Department must take up the matter with the GST Council to insert validation controls in GST Portals as highlighted above to curb data entry errors, enhance taxpayer compliance and facilitate better scrutiny.

5.7.11 Detailed audit of GST returns

In a self-assessment regime, the onus of compliance with the law is on the taxpayer. The role of the Department is to establish and maintain an efficient tax administration mechanism to provide oversight. With finite level of resources, for an effective tax administration, to ensure compliance with law and collection of revenue, an efficient governance mechanism is essential. An IT driven compliance model enables maintaining a non-discretionary regime of tax governance and facilitates a targeted approach to enforce compliance.

From an external audit perspective, Audit also focused on a data-driven risk-based approach. Thus, apart from identifying inconsistencies/deviations in GST returns through pan-state data analysis, a detailed audit of GST returns was also conducted as a part of this review. A risk-based sample of 20 taxpayers was selected for this part of the review. The methodology adopted was to initially conduct a desk review of GST returns and financial statements filed by the taxpayers as part of the GSTR-9C and other records available in the back-end system to identify potential risk areas, inconsistencies deviations and red flags. Desk review was carried out in the office of the Accountant General (Audit), Manipur. Based on the desk review results, detailed audit was conducted in the Office of the Commissioner of Taxes, GoM by requisitioning corresponding granular records of taxpayers such as financial ledgers, invoices *etc.*, to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

5.7.11.1 Scope limitation-Non-production of records

During the desk review of taxpayers' records available in the back-end system, Audit identified the risks related to excess ITC and tax liability mismatches for detailed examination. On the ITC dimension, the mismatches were identified by comparing GSTR-3B and GSTR-9 with GSTR-2A and the declarations made in Tables 12 and 14 of GSTR-9C. On the tax liability dimension, the mismatches were identified by comparing GSTR-3B and GSTR-9 with GSTR-1 and the declarations in Tables 5, 7 and 9 of GSTR-9C. However, in 11 out of 20 sampled cases (55 *per cent*), the Department did not produce the corresponding granular records such as the tax invoices, financial ledgers,

credit & debit notes required for examining the causative factors for mismatches of ITC and tax liability, though requisitioned by Audit through respective Zones. In the absence of these records, the audit findings were restricted to the information available in the returns filed by the taxpayers.

During the Exit Conference, the Commissioner of State Taxes stated that reply/clarifications to audit observation would be provided. Further reply was awaited (September 2025).

The jurisdiction wise non-production of records is summarised in **Table 5.7.2**.

Table 5.7.2: Non-production of records

Jurisdictional formation	Sample	Non-production	Amount of Mismatch (₹ in crore)
	Number of taxpayers	Number of taxpayers	
Works contract	7	3	22.08
Zone-1	1	0	0
Zone-4	1	1	4.01
Zone-8	4	4	6.50
Zone-9(1)	3	3	13.89
Zone-9(2)	3	0	0
Zone-10	1	0	0
Total	20	11	46.48

Source: Departmental records

Recommendation (v): Departmental units may be instructed for ensuring timely and complete production of records to Audit.

5.7.11.2 Detailed Audit-Audit Findings

As brought out in the previous paragraphs, detailed audit involved a desk review of GST returns and other basic records to identify risks and red flags, which were followed up by field audit to identify the extent of non-compliance by taxpayers and action taken by the departmental field formations. Non-compliance by taxpayers at various stages ultimately impacts the veracity of returns filed, utilisations of ITC and discharge of tax payments. Out of the 20 taxpayers that were audited either fully or partially, Audit observed 40 compliance deficiencies consisting of mismatches of ₹72.13¹⁶⁴ crore for which Department action is pending. The audit findings are categorised under a) Returns, b) Availment of ITC, and c) Discharge of tax liability. Category-wise observations are discussed below:

5.7.11.2.1 Return: Non-payment of interest by taxpayers on delayed filing of returns

As per Section 50 of the MGST Act, 2017, every person who is liable to pay tax in accordance with the provisions of this Act or the Rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay on his own, interest at such rate, not exceeding 18 *per cent* as may be notified.

¹⁶⁴ Five cases of non-payment of interest on delayed return filing (₹0.11 crore), 28 cases of ITC mismatch (₹70.86 crore) and seven cases of tax liability mismatch (₹1.16 crore)

As per CBIC notification dated 18 September 2020¹⁶⁵, the taxpayer is liable to pay interest only on net cash tax liability *i.e.*, cash component, if there is delay in payment of tax.

Scrutiny of GSTR-3B returns of 20 taxpayers under seven zonal offices for the period 2018-19 to 2020-21 revealed that five taxpayers had filed their returns with delay of two to 325 days, for which these taxpayers were liable to pay ₹11.28 lakh interest as shown in *Appendix-5.10*.

On this being pointed out (December 2023), the Department stated (February 2024) that notices were issued to the taxpayers.

5.7.11.2.2 Mismatch related to ITC

Input Tax Credit (ITC) means the Goods and Services Tax (GST) paid by a taxable person on purchase of goods and or services that are used in the course or furtherance of business. To avoid cascading effect of taxes, credit of taxes paid on input supplies can be used to set-off subsequent tax liabilities.

Section 16 and 17 of the MGST Act, 2017 prescribe the eligibility and conditions to avail ITC. Credit of CGST cannot be used for payment of SGST/UTGST and credit of SGST/UTGST cannot be utilised for payment of CGST. Rule 36 to 45 of the MGST Rules, 2017 prescribes the procedures for availing and reversal of ITC.

Audit analysed the dataset of GSTR-2A in respect of selected taxpayers along with datasets of GSTR-3B, GSTR-9 and GSTR-9C filed by the taxpayers and noticed mismatches of input tax credit among returns. Audit could not examine mismatches in detail since relevant granular records were not produced by the Department.

Audit observed 28 instances of ITC related mismatches amounting to ₹70.86 crore out of 20 sampled cases examined. The deficiencies were due to availing ITC irregularly, availing ineligible ITC and or non-reversal of ITC. Hence, these cases remain as mismatches. The details of mismatches in input tax credit noticed by Audit are given in **Table 5.7.3**. Dimension-wise details are given in *Appendix 5.11*.

¹⁶⁵ This circular was issued by the Central Government. The State Government is implementing it but has not issued a similar circular.

Table 5.7.3: Mismatch in input tax credit claimed by taxpayers

Sl. No.	Parameter	Amount involved (₹in crore)/ Number of mismatches	Remarks
Mismatch in availing of ITC			
1.	GSTR-2A Vs 3B ITC available as per GSTR-2A (with all amendments was compared with the ITC availed in GSTR-3B {Table 4A(5) for domestic supplies) after considering (i) reversal of ITC (Others pertaining to Table 4B(2)) and (ii) ITC availed in the subsequent year (Table 8(C) of GSTR-9). This showed mismatch in ITC availed by the taxpayer.	37.19/ (9)	On this being pointed out in audit (December 2023), the Department replied (February 2024) that notices were issued to the taxpayers to explain the reason for mismatch. Further reply was awaited (September 2025).
2.	Under RCM Payment in GSTR-9 Table 4G (tax payable) were compared with ITC availed in GSTR-9 Tables 6C, 6D and 6F (ITC availed). In cases where GSTR-9 was not available, RCM payment in GSTR-3B Table 3.1(d) was compared with GSTR-3B 4(A)(2) and 4A(3). Greater of difference in GSTR-9 and GSTR-3B considered where both were available. This showed short payment of tax under RCM.	0.0007 ¹⁶⁶ / (2)	On this being pointed out in audit (December 2023), the Department replied (February 2024) that notice was issued to the taxpayers to explain the reason for mismatch. Further reply was awaited (September 2025).
3	ITC availed without supplier remitting tax ITC available from GSTR-2A was compared with Table 8A of GSTR-9 which captures ITC available from GSTR-2A (as an auto-populated non-editable field) but excludes those entries in GSTR-2A where the supplier has not filed GSTR-1 by due date of its filing and also excludes the ITC for the period during which the recipient taxpayer was under composition scheme. This showed availing of ITC by the taxpayer wherein no tax was remitted by the suppliers of the taxpayers.	33.67/ (16)	On this being pointed out in audit (December 2023), the Department replied (February 2024) that notices were issued to the taxpayers to explain the reason for mismatch. Further reply was awaited (September 2025).
4	Positive figure in GSTR-9C Table 12F Higher amount of ITC claimed than credit that is due when compared between annual return and financial statements (Table 12F of GSTR-9C). This showed that unreconciled ITC availed by the taxpayer.	0.0003 ¹⁶⁷ (1)	The reason for difference was due to GSTR-9 wrongly filed by oversight as explained in Table 13. However, the difference was due to ITC availment on Cess. On this being pointed out in audit (December 2023), the Department replied (February 2024) that notice was issued to the taxpayer. Reply awaited (September 2025).
Total		70.86/ (28)	-

Source: Departmental records

5.7.11.2.3 Mismatches relating to discharge of tax liability

The taxable event in the case of GST is supply of goods and/ or services. Section 9 of the MGST Act, 2017 is the charging section authorising levy and collection of tax called Central State Goods and Services Tax on all intra-State supplies of goods or services or both, except on supply of alcoholic liquor for

¹⁶⁶ ₹69,353

¹⁶⁷ ₹29,833

human consumption, petroleum product, on value determined under Section 15 of the Act *ibid* and at such rates not exceeding 20 *per cent* under each Act, *i.e.*, CGST Act and SGST Act.

Audit scrutinised GSTR-1, GSTR-3B and GSTR-9 returns filed by the 20 sampled taxpayers for the years 2018-19 to 2020-21 and noticed mismatch of ₹1.16 crore in discharge of tax liability by comparing the tax liability furnished in the returns. Audit could not examine these mismatches in detail since relevant granular records were not produced by the Department. The details of mismatches are given in **Table 5.7.4**.

Table 5.7.4: Granular records were not produced by the Department

Sl. No.	Parameter	Amount involved (₹ in crore)/ Number of mismatch	Remarks
1.	Mismatch between tax liability and tax payment A Comparison of GSTR-1 (Tables 4 to 11) or GSTR-9 (Tables 4N, 10 and 11) with tax paid details declared in Table 9 and 14 of GSTR-9 was carried out. In case where GSTR-9 is not available, tax paid details declared in Table 3.1(a) and 3.1(b) in GSTR-3B was compared with GSTR-1 liability. The amendment and advance adjustments declared in GSTR-1 and 9 are duly considered. This showed short payment of tax due to a gap between liability reported and tax discharged by the taxpayer (<i>Appendix-5.12</i>)	1.16/ (7)	On this being pointed out in audit (December 2023), the Department stated (February 2024) that notice was issued to the taxpayer to explain the reason for mismatch. Reply awaited (September 2025).

Source: Departmental records

Recommendation (vi): Department should ensure remedial action for all the compliance deviations brought out in this report before they get time barred.

5.7.12 Conclusion

The Subject Specific Compliance Audit (SSCA) on Department's Oversight on GST Payments and Returns Filing was taken up considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism in this new tax regime. The objectives were to assess the adequacy of the system in monitoring return filing and tax payments, extent of compliance and other departmental oversight functions.

This SSCA was predominantly based on data analysis, which highlighted risk areas, red flags and in some cases, rule-based deviations and logical inconsistencies in GST returns filed for 2018-19 to 2020-21. The SSCA entailed assessing the oversight functions of State Jurisdictional formation at two levels – at the data level and at the functional level carried out through detailed audits of the Zones and scrutiny of GST returns, which involved accessing taxpayer records. The audit sample comprised three Zones, 159 high

value inconsistencies across 16 parameters and 20 taxpayers selected on risk assessment for detailed audit of GST returns for the years 2018-19 to 2020-21

A review of the functions of three Zones disclosed that there were deficiencies in oversight functions of Zones such as monitoring of return filing, scrutiny and cancellation of registration.

Further, out of the 159 high value data inconsistencies identified by Audit, the Department responded to all 159 cases with a revenue implications of ₹194.46¹⁶⁸ crore. The Department's reply in 13 cases amounting to ₹12.69¹⁶⁹ crore was acceptable to audit. Departmental action is pending in responses in 146 cases which has an identified risk exposure of ₹181.76¹⁷⁰ crore.

Detailed Audit of GST returns also suggested significant non-compliance. The Department did not produce the corresponding granular records such as the tax invoices, financial ledgers, credit & debit notes which constituted a significant scope limitation. These cases represent potential risk exposure towards identified mismatches in ITC availment and tax payments. Out of the 20 taxpayers that were audited either fully or partially, Audit observed 40 compliance deficiencies consisting of mismatches of ₹72.13 crore for which Department action is pending.

Considering the significant rate of compliance deficiencies, the Department must initiate remedial measures before they get time barred. From a systemic perspective, the Department needs to strengthen the institutional mechanism in the Zones to establish and maintain effective oversight on return filing, scrutiny of returns and cancellation of registrations. The Department may also consider introducing additional validation controls in GST returns to improve taxpayer compliance and to facilitate scrutiny of returns.

5.7.13 Recommendation

The Department may:

- (i) Initiate action against late-filers and non-filers by assessing the tax liability to the best of their judgment by invoking the best judgement assessment order (ASMT-13).*
- (ii) Ensure the scrutiny of returns in a time-bound manner before the cases become time barred.*
- (iii) Strengthen the monitoring mechanism in the Zones to ensure that due procedure for cancellation of registration, filing of final returns in GSTR-10 and assessment of tax liability are adhered to.*
- (iv) Take up the matter with the GST Council to insert validation controls in GST Portals to curb data entry errors, enhance taxpayer compliance and facilitate better scrutiny.*

¹⁶⁸ Excludes turnover mismatch of ₹430.12 crore.

¹⁶⁹ Excludes turnover mismatch of ₹2.65 crore.

¹⁷⁰ Excludes turnover mismatch of ₹427.47 crore.

(v) *Instruct Departmental units for ensuring timely and complete production of records to Audit.*

(vi) *Ensure remedial action for all the compliance deviations brought out in this report before they get time barred.*

RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT (RD&PR)

5.8 Avoidable expenditure

Due to inefficiency leading to delay in remittance of TDS, an avoidable expenditure of ₹67.51 lakh was made by the Agency as penalty/interest

As per Section 51 of the Manipur Goods and Services Tax Act, 2017 a department or establishment of the Central Government or State Government is required to deduct tax at the rate of two *per cent* (one *per cent* CGST and one *per cent* SGST) from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees. The amount so deducted as tax under this Section shall be paid to the Government by the deductor within ten days after the end of the month in which such deduction is made.

Further, if any deductor fails to pay to the Government the amount deducted as tax under this section, he shall pay, on his own, interest at such rate, not exceeding eighteen *per cent*, as may be notified by the Government on the recommendations of the Council. The Finance Department, GoM *vide* notification¹⁷¹ fixed the rate of interest for delayed remittance of tax @ 18 *per cent*.

Audit observed from scrutiny of records that the Manipur State Rural Roads Development Agency (Agency) deducted two *per cent* of GST as Tax Deduction at Source (TDS) from the Running Account Bill of various contractors while making payments.

Further scrutiny revealed that the Agency did not deposit the amount of TDS deducted from the contractors within the timeframe as stipulated in the Act. There was no record placed in the Chief Engineer's office indicating the reason as to why the Agency could not deposit the amount deducted from the contractors to the Government account. Due to inefficiency leading to delay in remittance of TDS, an avoidable expenditure of ₹67.51 lakh was made by the Agency as penalty/interest as shown in *Appendix 5.13*.

The matter was reported to the Government (October 2024) and reply was awaited (September 2025).

¹⁷¹ No. 5/10/2017-FD (TAX)(D) dated 29 June 2017

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 Committee¹⁷², *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 Office of the Accountant General (Audit), Manipur for vetting.

Audit Report for the year 2022-23 (Report No. 2 of 2025) featured three Performance Audits, one Subject Specific Compliance Audits and eight Compliance Audit paragraphs. The Report was placed in the State Legislature on 10 March 2026. In respect of earlier Audit Reports for the years 1999-2022, *suo moto* Explanatory Notes pertaining to 427 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 Public Accounts Committee (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 March 2025, the PAC had published 38 Reports¹⁷³ on the findings in the Audit Reports. These PAC Reports altogether contained 1,592 recommendations based on the examination of Audit Reports by the PAC. In respect of 21 Reports¹⁷⁴ of the PAC containing 737 recommendations, the Action Taken Notes (ATN) had been received. Of the remaining 855 recommendations contained in 17 Reports¹⁷⁵ of the PAC, no ATNs were received.

¹⁷² 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).

¹⁷³ Out of the 56 Reports published so far by PAC, 38 Reports pertain to Audit Report on Social, Economic, Revenue and General Sectors. The remaining 18 Reports pertain to SFARs (Excess Regularisations) and ATIRs.

¹⁷⁴ 1st to 10th, 21st, 23rd, 25th, 26th, 28th, 30th, 31st, 33rd, 34th, 35th and 36th PAC Reports.

¹⁷⁵ 11th to 19th, 38th, 40th, 45th, 47th, 49th, 51st, 54th and 56th 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) were 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 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 2023-24, no meeting of the DAAC was held.

State Audit and Accounts Committee: State Audit and Accounts Committees (SAAC) were 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 six months. During 2023-24, no meeting of the SAAC was held.

6.4 Outstanding Inspection Reports and Paragraphs

The 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 2024 and corresponding figures for the previous four years are as shown in **Table 6.4.1**.

Table 6.4.1: Details of outstanding IRs and Paragraphs pertaining to General, Social and Economic (other than SPSEs) Sectors at the end of March 2024

Year	General Sector		Social Sector		Economic Sector		Total	
	IRs	Paragraphs	IRs	Paragraphs	IRs	Paragraphs	IRs	Paragraphs
2019-20	376	1,685	869	4,143	992	4,788	2,237	10,616
2020-21	388	1,738	904	4,311	1,011	4,886	2,303	10,935
2021-22	401	1,783	923	4,426	1,093	5,376	2,417	11,585
2022-23	414	1,846	949	4,550	1,133	5,469	2,496	11,865
2023-24	421	1,885	985	4,747	1,202	5,859	2,608	12,491

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

6.4.2 Outstanding IRs and Paragraphs (Revenue sector)

At the end of June 2024, there were 355 pending Inspection Reports with 1,336 outstanding audit paragraphs involving ₹341.23 crore as outstanding audit observations. The corresponding figures for the preceding three years are also given in **Table 6.4.2**.

Table 6.4.2: Details of pending Inspection Reports

	June 2021	June 2022	June 2023	June 2024
Number of pending IRs	322	334	343	355
Number of outstanding audit observations	1,117	1,181	1,263	1,336
Amount involved (₹ in crore)	237.22	242.66	299.83	341.23

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

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2024 and their financial implications are mentioned in **Table 6.4.3**.

Table 6.4.3: Department-wise details of Outstanding Inspection Reports during 2023-24

(₹ in crore)

Name of Department	Nature of receipts	No. of outstanding		Money value involved
		IRs	Audit observations	
Taxation	Taxes on sales, trade etc.	68	273	130.86
Finance	Finance (Director Treasuries & Institutional Finance Cell)	4	15	3.23
	Small Saving	2	7	0.11
	Local Fund Audit	3	20	0.48
Excise	State Excise	16	49	7.30
Revenue	Land revenue	136	448	39.39
Transport	Taxes on Motor Vehicles	95	360	144.61
Stamp and Registration	Stamp & Registration Fees	31	164	15.25
Total		355	1,336	341.23

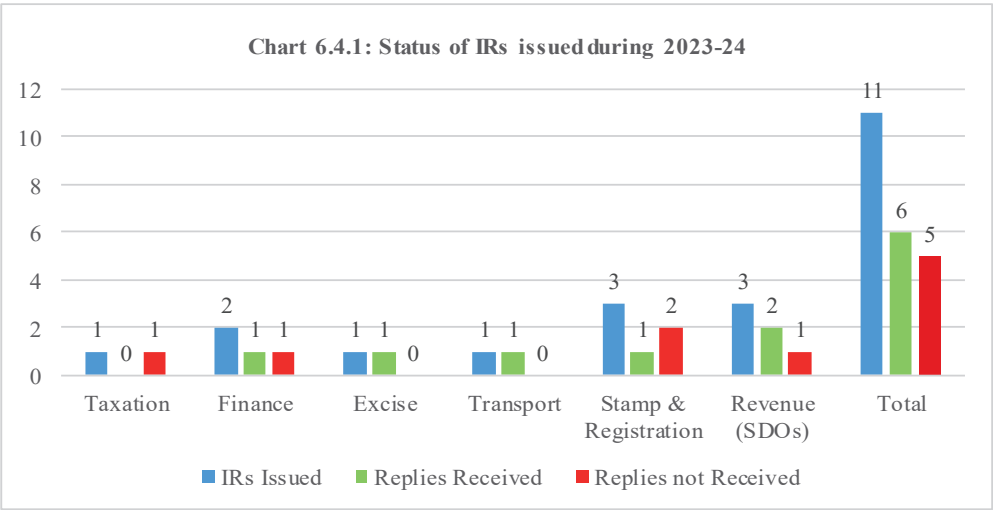
Source: Records of the O/o the Accountant General (Audit), Manipur.

In respect of 11 IRs issued during 2023-24, Audit did not receive even the first replies from two heads of the offices of the Excise Department and Transport Department within the prescribed period from the date of issue of the IRs. In respect of the Finance Department, out of a total of two IRs issued during 2023-24, the first replies¹⁷⁶ have been received for one IR while replies for one IR are still pending even after the expiry of the mandated period of four weeks.

¹⁷⁶ First replies refer the replies received from the State Government/ Department after issuing the IRs to them

Similarly, in respect of Stamp and Registration Department out of a total of three IRs issued during 2023-24, first replies have been received for one IR while replies for two IRs are still pending.

During 2023-24, 11 IRs were issued to the Auditee units. The status of IRs issued and replies received is depicted in **Chart 6.4.1**.



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

Moreover, as of June 2024, there was 355 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 Heads 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.

Six draft paragraphs including one Subject Specific Compliance Audit and five Performance Audit reports proposed to be included in the Audit Report for the year ended 31 March 2024 were sent to Principal Secretaries/ Commissioners / Secretaries of the respective departments for their responses. Government response was received in respect of four paragraphs and five performance audits which have been incorporated at appropriate places. No response was received from the Government/ Department in respect of two paragraphs.

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. *Convening 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.*

Imphal
The 12 June 2026


(HARI PRAKASH)
Accountant General (Audit), Manipur

Countersigned

New Delhi
The 15 June 2026


(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES

Appendix-1.1

Year-wise details of expenditure audited in respect of General Sector during 2023-24
(Reference: Paragraph 1.1.1)

(₹ in crore)

Year	Expenditure during 2023-24
2018-19	10.80
2019-20	18.56
2020-21	398.77
2021-22	370.72
2022-23	345.69
Total	1,144.54

Source: Records furnished by the AMG (I), o/o the Accountant General (Audit), Manipur

Appendix-2.1

Year-wise details of expenditure audited in respect of Social Sector during 2023-24
(Reference: Paragraph 2.1.1)

(₹ in crore)

Year	Expenditure during 2023-24
2018-19	667.20
2019-20	696.78
2020-21	853.39
2021-22	1,351.88
2022-23	3,883.95
Total	7,453.20

Source: Records furnished by the AMG (I), o/o the Accountant General (Audit), Manipur

Appendix-2.2

Sampling of Districts, Blocks, GPs, and Beneficiaries for audit

(Reference: Paragraph 2.2.5)

Sl. No.	Sampled Districts	Sampled Block	Sampled GPs	Total beneficiaries	Sampled Beneficiaries
1	Imphal East	Imphal East -I	Tellouchana Seijang	3,550	15
			Waiton	2,371	15
			Haraorou Tangkham	2,924	15
			Pukhao	2,243	15
		Heingang CD Block	Heingang	2,234	15
			Khurai Khaidem Leikai	1,845	15
			Luwangsangbam	2,583	15
			Khurai Nandeibam leikai	1,870	15
2	Imphal West	Imphal West - II	Laphupat Tera Komlakhong	2,568	15
			Samusang Bitra Urokhong	1,508	15
			Lairenjam Meijrao	3,153	15
			Phoubakchao Sekmaiijin	2,948	15
		Patsoi CD Block	Patsoi	2,264	15
			Konthoujam	1,806	15
			Ngairangbam	2,421	15
			Sagolband Thounaojam Leikai	1,501	15
3	Bishnupur	Bishnupur	Thinungei	3,120	15
			Nachou	3,206	15
			Khoijuman kwasiphai	3,403	15
			Moirangkhunou	4,596	15
		Moirang	Wangoo	4,078	15
			Tronglaobi Terakhongsangbi	3,586	15
			Wangoo Terakhong	3,692	15
			Ngangkhalawai	2,600	15

Source: Departmental records

Appendix-2.3

Statement showing delay in release of central share by Finance Department, GoM during 2019-2024

(Reference Para No. 2.2.7.11.2)

(₹ in crore)

Sl. No.	Sanction of MoRD			Due date for credit to SEGF	Release by Finance Department		Delay (No. of days)	Penal interest
	Sanction No	Date	Amount		Date of credit into SEGF	Amount		
1	J-14023/01/2019 RE-I (366192) Sl.No.201	26-03-2019	17.39	29-03-2019	23-05-2019	17.39	55	0.31
2	J-14023/01/2019 RE-I (366192) Sl.No.1	08-04-2019	181.42	11-04-2019	23-05-2019	90.71	42	1.25
					03-08-2019	60.00	114	2.25
					13-09-2019	30.71	155	1.56
3	J-14023/01/2019 RE-I (366192) Sl.No.73	01-10-2019	115.6	04-10-2019	24-10-2019	115.6	20	0.76
4	J-14023/01/2019 RE-I (366192) Sl.No.121	24-01-2020	98.97	27-01-2020	19-02-2020	98.97	23	0.75
5	J-14023/01/2019 RE-I (366192) Sl.No.159	23-03-2020	214.75	26-03-2020	08-04-2020	214.75	13	0.92
6	F.No. J-14023/01/2020-RE-I (Sl. No. 27)	05-04-2020	737.57	08-04-2020	15-04-2020	515.41	19	3.22
					15-09-2020	55.54	153	2.79
					21-12-2020	166.62	209	11.45
7	F.No.J-14023/01/2020-RE-I (Sl. No. 102)	09-02-2021	83.66	12-02-2021	21-04-2021	83.66	67	1.84
8	F.No. J-14023/01/2020-RE-I (Sl. No. 119)	18-03-2021	485.51	21-03-2021	24-05-2021	160.00	64	3.37
					30-06-2021	160.00	101	5.31
					05-08-2021	137.37	137	6.19
					05-08-2021	28.14	137	1.27
9	F.No. J-14023/01/2021-RE-I (Sl. No. 29)	25-08-2021	333.08	28-08-2021	29-10-2021	50.00	62	1.02
					29-10-2021	60.00	62	1.22
					23-12-2021	10.00	117	0.38
					30-12-2021	50.00	124	2.04
					24-01-2022	50.00	149	2.45
					16-02-2022	56.54	172	3.20
					19-02-2022	56.54	175	3.25
10	F.No. J-14023/01/2021-RE-I (Sl. No. 42)	30-03-2022	230.02	02-04-2022	29-04-2022	57.51	27	0.51
					13-05-2022	57.51	41	0.78
					27-05-2022	57.51	55	1.04
					27-05-2022	39.00	55	0.71
					27-05-2022	18.50	55	0.33
11	F.No. J-14023/01/2022-RE-I (379599) (Sl. No. 7) Wages only	23-06-2022	756.50	26-06-2022	05-10-2022	100.00	101	3.32
					15-11-2022	150.00	142	7.00
					07-02-2023	200.00	226	14.86
					01-03-2023	306.50	248	24.99
12	F.No. J-14023/01/2022-RE-I (379599)(Sl. No. 7) Material only	24-03-2023	330.14	27-03-2023	20-07-2023	330.14	115	12.48
Total								122.82

Source: Department records

Appendix-2.4

Statement showing delay in release of State matching share by Finance Department, GoM during 2019-2024

(Reference Para No. 2.2.7.11.2)

(₹ in crore)

Sl. No.	Sanction of State Government			Due date for credit to SEGF	Released by Finance Department		Delay (No. of days)	Penal interest
	Sanction No.	Date	Amount		Date of credit into SEGF	Amount		
1	01/07/2019-RD (MC) MGNREGA SMS	09-05-2019	22.09	11-04-2019	23-05-2019	19.23	42.00	0.27
					23-05-2019	2.85	42.00	0.04
2	1/07/2019-RD(MC)MGNREGA-SMS	11-11-2019	2.91	11-04-2019	23-03-2020	2.91	347.00	0.33
3	01/07/2019-RD(MC)MGNREGA -SMS – Pt.	23-03-2019	20.00	27-01-2020	23-03-2020	14.96	56.00	0.28
					23-03-2020	5.03	56.00	0.09
4	No.01/07/2019-RD(MC)/MGNREGS -SMS -Pt	15-04-2020	25.00	08-04-2020	15-04-2020	5.77	7.00	0.01
					15-04-2020	19.23	7.00	0.04
5	No.04/16/2019-MSRDA(FR)	26-03-2021	80.81	08-04-2020	21-11-2020	80.81	227.00	6.03
6	No.CELL-101//2020-RD and PR-RD &PR	26-03-2021	9.30	21-03-2021	29-03-2021	6.75	8.00	0.01
					29-03-2021	2.55	8.00	0.00
7	No.CELL-101//2020-RD and PR-RD &PR	05-08-2021	53.95	21-03-2021	05-08-2021	13.95	137.00	0.63
					05-08-2021	40.00	137.00	1.80
8	No.CELL-101//2020-RD and PR-RD &PR	27-01-2022	37.01	28-08-2021	01-02-2022	37.01	157.00	1.91
9	No.CELL-101//2020-RD and PR-RD &PR	29-04-2022	25.56	02-04-2022	29-04-2022	25.56	27.00	0.23
10	No.CELL-101//2020-RD and PR-RD & PR (State Share)	17-01-2024	110.05	27-03-2023	29-02-2024	110.05	339	12.27
Total								23.94

Source: Departmental records

Appendix-2.5

Statement showing inadmissible expenditure

(Reference: Paragraph 2.2.7.11.3)

Sl. No.	Implementing Agency	Name of Agency	Date of payment	Name of item	Amount (in ₹)
1.	State Level Monitoring Cell	SLMC	06-8-2019	Construction of gate for Independence Day	3,00,000
2.		M/s Sign Art Centre	19-4-2023	Construction of Welcome gate of G-20 summit	2,99,370
3.		M/s Sign Art Centre	24-8-2022	Construction of gate and printing of invitation card for Independence Day' 2022	3,07,939
4.			15-9-2023	Construction of gate for Republic Day 2023	2,99,725
5.		VR Khongreingam and M. Nabakumar	14-3-2022	TA/DA to VR Khongreingam and M. Nabakumar for attending 1 day workshop on MPLADS at Guwahati on 7.3.22	30,507
6.	DPC, Imphal East	Executive Engineer, DRDA Imphal East	29-09-2021	Erection of welcome gate for 75 th Independence Day	1,34,200
7.		Executive Engineer, DRDA Imphal East	14-02-2020	Erection of Republic Day Gate	1,24,580
8.		BCS Peripherals	10-02-2021	Purchase of AC for Conference Hall of the District	44,490
9.		Kangla Computer	05-02-2021	Cost of electronic items and installation charges for Conference Hall of the District	7,13,290
10.		R&W Supply Agency, Thangal Bazar	02-02-2021	Visitor's chairs and Executive Revolving chairs for Conference Hall of the District	2,52,992
11.		ANK Furniture House, Uripok	02-02-2021	Conference Table and Locker Table for Conference Hall of the District	1,90,924
12.		Executive Engineer, DRDA Imphal East	02-02-2021	Erection of Republic Day Gate and Demonstration of Tableau	1,78,300
13.		Kangla Enterprises Private Limited	26-12-2019	Networking and Electrification of CEO/DPC and MIS Rooms	1,54,009
14.	BDO, Imphal East-1	BDO, Imphal East-1	22-01-2021	Room Repairing	1,70,000
15.			08-03-2021	Electric Recharge	80,000
16.	BDO, Heingang	BDO, Heingang	19-01-2021	Room Repairing	1,70,000
17.	DPC, Imphal West	DPC, Imphal West	16-10-2023	Electricity recharge	20,000
18.		SSS Electrical and Hardware	02-12-2021	Improvement of DPC Office	34,136
19.		Anand Hardware and Electricals	04-01-2020	Procurement of electrical items including installation charges	72,000
20.		Gurunanak Hardware	01-10-2020	Pipe fitting charges	15,700
21.			26-11-2020	Pipe repairing of DPC office	14,130
22.	ZP, Imphal West	Pawan Kumar	5-12-2020 & 5-01-2021	Partition of office room	10,98,975
23.		14 ZP members	24-09-2020	Material procurement for works such as crowbars, baskets, pickaxes etc.	10,00,000
24.	BDO, Wangoi	BDO, Wangoi	Sept 2019	Demolition, repairing and renovation of official toilets (Gents & Ladies) at BDO office	2,72,000
25.		Okendro Careting Services & Thais Tent House	11-02-2020	Expenses on Republic Day Celebration	59,200
26.		Raj Hardware &	07-03-2020	Reimbursement for repairing for	30,970

Audit Report for the year ended 31 March 2024

Sl. No.	Implementing Agency	Name of Agency	Date of payment	Name of item	Amount (in ₹)
		Electrical Store		Electrification and Networking	
27.	DPC, Bishnupur	Yumshakol Interiors	24-11-2020	Supply & Installation of Wallpaper, Aluminum frame, Glass and Partition Board	9,68,135
28.		DPC, Bishnupur		74 th Independence Day Celebration	54,000
29.		Kalenyai Enterprises	08-04-2023	Purchase of furniture	1,26,000
30.		Okendro Catering Services	31-03-2023	Republic Day Celebration	58,950
31.		Sandy Enterprises	08-04-2023	Purchase of Sound System	97,100
32.		JCB Naobi Enterprises	21-01-2023	Room Repairing	54,700
33.	BDO, Moirang	Hotel Meat Zone, KRS Enterprises, Usha Computers etc.	16-09-2019	Reimbursement for Celebration of Independence day expenses	29,900
TOTAL					74,56,222

Source: Departmental records

Appendix-2.6

Statement showing non-maintenance of wage and material ratio during 2019-2024

(Reference: Paragraph 2.2.7.11.7)

(Amount ₹ in lakh)

Sl. No.	Districts	Expenditure on Labour	Expenditure on Material	Total Expenditure	Percentage on Material	Excess Expenditure on material	Wage rate (₹)	No. of mandays
2019-20								
1	Imphal East	10,606.15	7,558.02	18,164.17	41.61	292.35	219	1,33,494.06
2	Ukhrul	3,092.06	2,082.75	5,174.81	40.25	12.83	219	5,856.62
2020-21								
1	Imphal East	15,992.41	10,805.31	26,797.72	40.32	86.22	238	36,227.73
2	Jiribam	1,358.59	930.61	2,289.20	40.65	14.93	238	6,273.11
3	Kakching	5,121.34	3,613.83	8,735.17	41.37	119.76	238	50,320.17
4	Thoubal	6,373.13	4,867.60	11,240.73	43.30	371.31	238	1,56,011.76
2021-22								
1	Imphal East	16,072.17	11,483.27	27,555.44	41.67	461.09	251	1,83,702.79
2	Imphal West	8,646.02	6,089.13	14,735.15	41.32	195.07	251	77,717.13
3	Jiribam	1,191.43	828.31	2,019.74	41.01	20.41	251	8,133.07
4	Kakching	5,428.11	3,993.68	9,421.79	42.39	224.96	251	89,627.09
5	Kamjong	1,687.21	1,206.79	2,894.00	41.70	49.19	251	19,597.61
6	Thoubal	5,537.68	3,977.60	9,515.28	41.80	171.49	251	68,321.91
2022-23								
1	Bishnupur	566.19	739.46	1,305.65	56.64	217.20	251	86,533.86
2	Imphal East	1,353.90	1,300.22	2,654.12	48.99	238.57	251	95,048.61
3	Jiribam	914.51	757.23	1,671.74	45.30	88.53	251	35,272.51
4	Kakching	789.32	578.19	1,367.51	42.28	31.19	251	12,424.70
5	Kangpokpi	681.48	611.81	1,293.29	47.31	94.49	251	37,647.01
6	Thoubal	1,299.33	947.44	2,246.77	42.17	48.73	251	19,415.14
2023-24								
1	Bishnupur	2,901.07	2,083.50	4,984.57	41.80	89.67	260	34,489.23
2	Chandel	1,165.45	785.71	1,951.16	40.27	5.25	260	2,017.69
3	Jiribam	1,012.28	684.21	1,696.49	40.33	5.61	260	2,159.23
4	Kakching	3,230.85	2,178.55	5,409.40	40.27	14.79	260	5,688.46
5	Kamjong	2,114.70	1,551.76	3,666.46	42.32	85.18	260	32,760.00
6	Tamenglong	1,972.77	2,060.57	4,033.34	51.09	447.23	260	1,72,013.08
7	Thoubal	2,281.66	1,690.45	3,972.11	42.56	101.61	260	39,079.23
8	Ukhrul	3,703.64	3,194.09	6,897.73	46.31	435.00	260	1,67,306.92
Total						3,922.67		15,77,138.72

Source: Departmental records

Appendix-2.7

Statement showing delay in issue of Job cards which have been registered upto March 2024

(Reference Paragraph No. 2.2.8.2.3)

Sl. No.	Sampled District	Sampled Blocks	Sampled GPs	Job cards Registered upto March 2024	JC issued	Job cards issued after 15 days	Percentage of JCs issued after 15 days	Delays (in days)
1	Imphal East	Imphal East -I	Haraorou Tangkham	2,671	2,671	35	1.31	1 to 445
2			Pukhao	2,714	2,714	226	8.33	28 to 2033
3			Tellouchana Seijang	3,351	3,351	1,405	41.93	28 to 2288
4			Waiton	2,393	2,393	722	30.17	1 to 1388
5		Heingang CD Block	Heingang	2,293	2,293	54	2.35	29 to 1457
6			Khurai Khaidem Leikai	2,285	2,285	476	20.83	5 to 3413
7			Khurai Nandeibam Leikai	2,790	2,790	594	21.29	15 to 2303
8			Luwang Sangbam	1,717	1,717	118	6.87	76 to 2724
9	Imphal West	Imphal West-II	Lairenjam Meijrao	2,193	2,193	709	32.33	16 to 1200
10			Laphupat Tera Komlakong	2,195	2,195	635	28.93	16 to 1302
11			Phoubakchao Sekmajjin	1,763	1,763	406	23.03	55 to 2084
12			Samusang Bitra Urokhong	1,230	1,230	270	21.95	18 to 1279
13		Patsoi CD Block	Konthoujam	1,614	1,614	414	25.65	20 to 1271
14			Ngairangbam	1,567	1,567	203	12.95	2 to 2474
15			Patsoi	1,874	1,874	590	31.48	23 to 2644
16			Sagolband Thounaojam Leikai	1,222	1,222	102	8.35	15 to 1271
17	Bishnupur	Bishnupur CD Block	Khoijuman Kwashiphai	2,836	2,836	1,695	59.77	1 to 494
18			Moirang Khunou	3,936	3,936	2,595	65.93	3 to 850
19			Nachou	3,383	3,383	206	6.09	2 to 879
20			Thinungei	2,897	2,897	571	19.71	5 to 701
21		Moirang CD Block	Ngankhalawai	2,455	2,455	1,606	65.42	1 to 241
22			Tronglaobi Terakhong Sangbi	2,432	2,432	308	12.66	1 to 229
23			Wangoo	3,243	3,243	1,662	51.25	1 to 438
24			Wangoo Terakhong	2,746	2,746	1,636	59.58	13 to 363
Grand Total				57,800	57,800	17,238	29.82	-

Source: Departmental records

Appendix-2.8

List of works on which extra earthwork excavation not found at the worksite

{Reference: Paragraph 2.2.8.8(i)}

Sl No.	District	Block	Gram Panchayat	Name of work & work code	Year of execution	Sanctioned Amount	Amount Paid	Extra E/W excavation included in the MB but not executed (cum)	Rate	Total Amount
1.	Imphal West	Patsoi CD Block	Konthoujam	C/o IVR with gravel from Konthoujam Tomba mapa to Bajamohan taba leirak. (2007006014/RC/GIS/57423)	2021-22	4,67,748	4,31,067	1,008	76.43	77,041
2.				New Construction of gravel road from PWD road Bamdiar Lambi to LLI canal lambi taba with earthwork. (2007006014/RC/GIS/48528)	2021-22	10,98,636	10,98,464	4,320	76.43	3,30,178
3.				WBM at Khabam Bamdiar PWD road Lai Inthabi Loukontaba (2007006014/RC/36221)	2020-21	5,77,522	5,76,907	3,600	72.47	2,60,895
4.				Shingling of road from Konthoujam Makha Maning Sabal to Laingam Khul taba (2007006014/RC/GIS/33651)	2021-22	13,53,200	13,53,145	5,040	76.43	3,79,512
5.				C/o cement lining drain at Konthoujam Maning leikai YIGP club (2007006014/IC/40659)	2020-21	10,30,313	10,29,808	3,750	72.47	2,71,763
Total						45,27,419	44,89,391	-	-	13,19,389

Source: Departmental records

Appendix-2.9
Statement showing no excavation of work seen executed at the worksite during 2019-2024
(Reference: Paragraph 2.2.8.8 (ii))

		(Amount in ₹)										
Sl No.	District	Block	Gram panchayat	Work name & work code	Year	Sanctioned Amount	Amount Paid	Qty. of Excavated work (cum)	Rate	Qty. of extra lift (cum)	Rate for Extra lift	Amount
1	Imphal East	Imphal East -I	Haraorou Tangkham	Renovation of irrigation canal at Yumnam Khunou Makha Loukon. (2009005011/IC/GIS/79260)	2023-24	4,65,742	4,53,700	3,724.00	124.209	0	0	4,62,554.32
2				Renovation of Irrigation Canal from Khuman to Tolongkhomba mamang at Harourou (2009005011/IC/44238)	2020-21	6,95,406	6,71,876	5,388.63	120.786	0	0	6,50,865.67
3	Bishnupur	Moirang CD Block	Ngangkhalawai GP	C/o drain both side from P. Amusana Mamang to Leirak Macha, (2006004001/IC/42462)	2020-21	4,77,089	4,77,035	5,715.00	72.47	0	0	4,14,166.05
4				Renovation/const. of Sorenlok to Eco-park taba canal ward no. 6 (2006004005/IC/GIS/76843)	2023-24	10,94,940	8,53,060	11,702.20	79.17	2099.52	34.3	9,98,477.00
5		Bishnupur CD Block	Moirangkhumou GP	C/o MI Canal at H. Lukhoi Loupham to Salam taba. (2006004005/IC/GIS/11727)	2021-22	5,97,451	5,36,040	7,591.244	76.43	0	0	5,80,199.00
6				C/o MI canal from Moirangthem leirak machin to mamang pat taba 1/2 km. (2006004005/IC/42516)	2020-21	10,40,124	10,39,908	9,950.85	72.471	3280.5	34.3	8,33,669.00
7			Khoijuman Kwakshiphai GP	Renovation of drain from L. Yumjaobi Ingkhol mapa to mamang lou pukhri maril at Kwasiphai W/no. 6. (2006003009/IC/41586)	2020-21	10,68,388	10,68,563	14,178.916	71.022	0	0	10,07,014.97
Total						54,39,140	51,00,182	-	-	-	-	49,46,946.01

Source: Departmental records

Appendix-2.10

Delays in payment of wages in sampled districts

(Reference: Paragraph 2.2.8.11.1)

(Amount ₹ in lakh)

District	Period	Payment between 16 to 30 days	Payment between 31 to 60 days	Payment between 61 to 90 days	Payment in more than 90 days	Total Delayed payment	Total Payment	Per cent of delayed payment
Imphal East	2019-20	51.83	180.45	736.21	9,557.85	10,526.34	10,585.74	99.44
	2020-21	47.22	175.87	742.40	14,705.63	15,671.12	15,740.49	99.56
	2021-22	18.13	60.41	173.97	13,675.55	13,928.06	13,942.73	99.89
	2022-23	167.89	240.54	98.54	723.86	1,230.83	1,302.59	94.49
	2023-24	805.75	614.53	794.22	2,881.00	5,095.48	5,858.35	86.98
Imphal West	2019-20	49.17	357.03	606.23	5,471.76	6,484.19	6,503.23	99.71
	2020-21	100.21	273.26	566.28	7,985.37	8,925.12	8,980.76	99.38
	2021-22	3.63	20.35	13.39	7,758.40	7,795.77	7,801.09	99.93
	2022-23	24.30	27.50	52.72	393.90	498.42	550.62	90.52
	2023-24	177.07	125.99	158.76	1,404.59	1,866.40	2,379.89	78.42
Bishnupur	2019-20	183.65	469.36	69.50	3,967.45	4,689.96	4,743.13	98.88
	2020-21	144.57	292.89	473.30	6,033.96	6,944.72	6,994.95	99.28
	2021-22	1.47	97.37	15.74	6,703.13	6,817.72	6,824.82	99.90
	2022-23	34.79	133.28	91.28	167.04	426.38	564.38	75.55
	2023-24	50.31	22.11	0	2,245.98	2,318.39	2,762.51	83.92
Total		1,859.99	3,090.94	4,592.54	83,675.47	93,218.90	95,535.28	97.58

Source: Departmental records

Appendix-2.11

Statement showing irregular creation of assets on private land

(Reference: Paragraph 2.2.9.1.4)

(Amount in ₹)

Sl. No.	Work name	GP	Material	Wage	Total	Landowner
1	Construction of fishery pond for Thokchom Nimai at Chana	Tellou Chana Seijang	16,904	5,55,091	5,71,865	Thokchom Nimai
2	4 Side Retaining Wall at Kongkham Maning pukhri	Patsoi	12,20,008	2,56,271	14,76,279	Kongkham Jillangambi Devi
3	Excavation of new Pond at Chongtham Basanta Paddy field Ward No. 5		20,124	3,02,502	3,22,626	Chongtham Basanta
4	C/o Community water harvesting pond at N. Yaima Singh Inghkol W/no. 6	Laphupat Tera Komlakhong	7,936	5,51,698	5,59,634	Ningthoujam Yaima Singh
5	C/o public pond at O. Sanatombi loupam Upokpi W/No. 11	Nachou	61,759	8,28,696	8,90,455	O. Sanatombi
6	C/o pond at Thongbam Ibomcha loupam at Potshangbam W/No. 9		28,087	4,03,179	4,31,266	Thongbam Ibomcha
7	Digging of pond at Terakhongsangbi Bharat Loukon	Tronglaobi Terakhongsangbi	37,500	8,37,284	8,74,784	Wairokpam Bharat Singh
8	Digging of pond at Terakhongsangbi		94,630	17,30,143	18,24,773	Chingakham Dilip
9	Excavation of firm pond at A. Amarjit	Wangoo Terakhong	89,377	13,94,054	14,83,431	A Amarjit
10	Agri Pond at L. Lakshaheb Singh		53,545	12,67,112	13,20,657	L. Lakshaheb Singh
11	Excavation of Agri Pond near Dilip road at Wangoo Mayai Leikai	Wangoo	66,210	8,67,456	9,33,666	Amom Dilip Singh
12	Construction of Agri pond near L. Babusing W/No. 8		29,617	6,20,208	6,49,825	Loitongbam Babu Singh
Total			17,25,697	96,13,694	1,13,39,261	-

Source: Departmental records

Appendix-2.12

Statement showing list of tree plantation works taken up under MGNREGS where planted trees were not found at the worksite during Joint Physical Verification (August to October 2024)

(Reference: Paragraph 2.2.9.1.5)

Sl. No.	District	Block	Gram Panchayat	Work name	Year	Sanctioned Amount	Amount Paid	Saplings to be planted	Remark
1	Imphal East	Imphal East-I	Tellouchana Seijang GP	Tree plantation at Leimakhong Mapal playground. (2009005001/DP/GIS/77748)	2023-24	1,21,978	41,080	Parkia/ Yongchhak	No Parkia/ Yongchhak found at the worksite
2				Tree Plantation at Khuraileima Ching of Seijang Makha Leikai. (2009005001/DP/GIS/30834)	2021-22	7,03,088	6,98,505		
3		Heingang CD Block	Luwangsangbam GP	Tree Plantation from Lamlong Mari Phangba to Yumrembam (2009005014/DP/20875)	2019-20	2,10,652	2,06,269	Teak	No Teak found at the worksite
4	Imphal West	Imphal West -II	Lairenjam Meijrao GP	Tree plantation and Fencing at Lairenjam mayai leikai. (2007007009/DP/20973)	2019-20	5,19,424	5,19,413	Lemon /Orange	No lemon /orange trees found at the worksite
5	Bishnupur	Bishnupur CD Block	Thinungei GP	Tree Plantation on both sides of Toupokpi IVR from Toupokpi mamang public pond to Loktak taba. (2006003011/DP/19063)	2019-20	5,36,325	5,36,366	Yongchhak /Parkia	No Yongchhak /Parkia saplings were found at the worksite
6				Tree plantation at ward no.8. (2006003010/DP/GIS/11258)	2021-22	8,27,735	8,27,604	Eugenia Jambolana (Jamun)	No Jamun trees found at the worksite
7			Nachou GP	Tree plantation at potshangbam mamang main road nakal.ward no. 9. (2006003010/DP/GIS/11264).	2021-22	4,02,453	3,48,137		
8	Moirang CD Block		Wangoo Terakhong GP	PMGSY road both side tree plantation from wangoo sabal to Haotak Taba. (2006004012/DP/GIS/11446)	2021-22	4,80,129	4,80,013	Yongchhak /parkia	No Yongchhak /parkia trees found at the worksite
Total						38,01,784	36,57,387	-	-

Source: Departmental records

Appendix-2.13

Statement showing progress of construction of AWCs

(Reference paragraph 2.3.8.12)

(Amount in ₹)

Sl. No.	Name of District	No. of AWCs approved	Sanctioned amount (₹)	Completed	Incomplete
1	Bishnupur	43	87,07,500	Nil	43
2	Chandel	60	1,21,50,000		60
3	Tengnoupal	29	58,72,500	5	24
4	Churachandpur	128	2,59,20,000	Nil	128
5	Pherzawl	36	72,90,000		36
6	Imphal East	122	2,47,05,000	5	117
7	Jiribam	10	20,25,000	Nil	10
8	Imphal West	81	1,64,02,500	4	77
9	Ukhrul	53	1,07,32,500	7	46
10	Kamjong	23	46,57,500	Nil	23
11	Thoubal	58	1,17,45,000		58
12	Kakching	28	56,70,000		28
13	Tamenglong	35	70,87,500	9	26
14	Noney	34	68,85,000	Nil	34
15	Senapati	78	1,57,95,000	34	44
16	Kangpokpi	182	3,68,55,000	Nil	182
	Total	1000	20,25,00,000	64	936

(Source: Departmental records)

Appendix-2.14

Release of fund to TP Cell (Valley II) for construction of toilet and drinking water facility

(Reference paragraph 2.3.8.13)

(Amount in ₹)

Particulars of infrastructure	Unit	Basic cost	12% GST	1% labour cess	8% Agency charge	3.75% Agency Charge	Total	Amount after labour cess and 8% Agency charge	Total amount	90% Central share
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Toilet	6,494	9,619	1,154	96	770	361	12,000	11,134	7,23,04,196	6,50,73,776
Drinking water facility	800	8,016	962	80	641	301	10,000	9,279	74,23,200	66,80,880
Total										7,17,54,656

(Source: Departmental records)

Appendix-2.15

Statement showing delay in payment of honorarium to AWWs & AWHs

(Reference paragraph 2.3.8.18.2)

Sl. No.	Period of honorarium	Date of payment	Delay in payment (in months)
1	October 2018-February 2020	02-07-2020	20
2	March 2020	21-09-2020	6
3	April 2020	10-11-2020	6
4	May 2020	16-03-2021	10
5	June -July 2020	27-04-2021	11
6	August -September 2020	10-05-2021	8
7	October 2020 -January 2021	29-07-2021	9
8	February -April 2021	15-10-2021	7
9	May 2021	18-12-2021	7
10	June -July 2021	26-03-2022	9
11	August 2021 to May 2022	13-06-2022	10
12	June 2022	19-09-2022	3
13	July 2022-October 2022	13-10-2022	2
14	November - December 2022	28-12-2022	1
15	January 2023	14-03-2023	1
16	February - March 2023	04-07-2023	4
17	April- June 2023	10-08-2023	3
18	July- September 2023	19-10-2023	3
19	October - December 2023	14-12-2023	1
20	January-February 2024	11-03-2024	1
21	March 2024	02-08-2024	4

(Source: Departmental records)

Appendix-2.16

List of infrastructure development works taken up by Minority Affairs Department

(Reference: Paragraph 2.4)

(₹ in lakh)

Sl No.	Name of Project	Unit Cost	1 st instalment
1	Construction of (C/o) 50 bedded Boy's Hostel at Khangbarol UPS	247.7	111.465
2	C/o 50 bedded Girls' Hostel at Larong Govt. H/S	247.7	111.465
3	C/o 50 bedded Boys' Hostel at Liwachangning H/S	247.7	111.465
4	C/o 50 bedded Girls' Hostel at Khangbarol UPS	247.7	111.465
5	C/o 50 bedded Girls' Hostel at Sardar Patel H/S, Mao Gate	247.7	111.465
6	C/o 50 bedded Girls' Hostel at Liyai Khullen H/S	247.7	111.465
7	C/o 50-bedded Girls' Hostel at Purul Hr. Sec School	247.7	111.465
8	C/o 50 bedded Girls Hostel at KGBV, Mandeu	247.7	111.465
9	C/o 50 bedded Girls' Hostel at Paocham H/S	247.7	111.465
10	C/o 50 bedded Hostel at Jessami Hr. Sec School	247.7	111.465
11	C/o 50 bedded Boys' Hostel at Moreh College	489.59	220.316
12	C/o 50 bedded Girls' Hostel at Moreh College	489.59	220.316
13	Infrastructure Development at Pettigrew College at Ukhrul District	3864.7	1739.12
	Total	7320.88	3294.40

(Source: Departmental records)

Appendix-2.17
Statement showing inflation of cost of work in DPR
(Reference: Paragraph 2.4)

Sl No.	Name of Work	Quantity			Applied rate as per DPR		Amount in DPR			Cost of work with applicable rate				Inflated Amount (Amount in ₹)
		Ground Floor	First Floor	Total	Ground Floor	First Floor	Total	Ground Floor	First Floor	Total				
1	2	3	4	5=(3+4)	6	7	8	9	10=(8+9)	11=(3x6)	12=(4x7)	13=(11+12)	14=(10+13)	
1	C/o 50 bedded Girls Hostel at Larong Govt. HS, Chandel (E/C: A 181.51 lakh; T/A: A 181.53lakh) Contractor: H. Dorendro Singh No. 289/MOBEDS/CE/OT/2021/61 dated 08.11.2021	376.87	329.12	705.98	1,539.66	1,584.06	10,86,969.17	11,18,314.68	22,05,283.85	5,80,243.97	5,21,337.91	11,01,581.87	11,03,701.97	
2	C/o 50 Bedded Boys Hostel at Liwachangning HS, Chandel District Manipur (E/C: A 181.51 lakh; T/A: A 181.53 lakh) Contractor: H. Dorendro Singh No. 289/MOBEDS/CE/OT/2021/62 dated 15.11.2021	376.87	329.12	705.98	1,539.66	1,584.06	10,86,969.17	11,18,314.68	22,05,283.85	5,80,243.97	5,21,337.91	11,01,581.87	11,03,701.97	
3	C/o 50 Bedded Girls Hostel at Khangbarol UPS, Khengjoy, Chandel(E/C: A 181.51 lakh; T/A: A 181.53 lakh) Contractor: Ch.Arunkumar Singh No. 289/MOBEDS/CE/OT/2021/63 dated 12.04.2022	376.87	329.12	705.98	1,540.64	1,585.04	10,87,661.03	11,19,006.54	22,06,667.57	5,80,613.29	5,21,660.44	11,02,273.73	11,04,393.83	
4	C/o 50 Bedded Girls Hostel at Sardar Patel H/S, Mao Gate, Mao Maram, Senapati (E/C: A 181.51 lakh; T/A: A 181.49 lakh) Contractor: H. Dorendro Singh No. 289/MOBEDS/CE/OT/2021/64 dated 10.12.2021	376.87	329.12	705.98	1,554.67	1,599.07	10,97,565.93	11,28,911.44	22,26,477.37	5,85,900.71	5,26,277.92	11,12,178.63	11,14,298.73	
5	C/o 50 bedded Boys' Hostel at Khangbarol UPS, Khengjoy (E/C: A 181.51 lakh; T/A: A 181.53 lakh) Contractor: Ch. Arunkumar Singh	376.87	329.12	705.98	1,539.66	1,584.06	10,86,969.17	11,18,314.68	22,05,283.85	5,80,243.97	5,21,337.91	11,01,581.87	11,03,701.97	

Audit Report for the year ended 31 March 2024

Sl No.	Name of Work	Quantity			Applied rate as per DPR		Amount in DPR			Cost of work with applicable rate			Inflated Amount
		Ground Floor	First Floor	Total	Ground Floor	First Floor	Ground Floor	First Floor	Total	Ground Floor	First Floor	Total	
1	2	3	4	5=(3+4)	6	7	8	9	10=(8+9)	11=(3x6)	12=(4x7)	13=(11+12)	14=(10+13)
	No. 289/MOBEDS/CE/OT/2021/60 dated 08.11.2021												
6	C/o 50 Bedded Girls' Hostel at LiyaiKhullen HS, Paomata, Senapati(E/C: A 181.51 lakh; T/A: A 181.50 lakh) Contractor: M/s L.B.C. Roy Agency No. 289/MOBEDS/CE/OT/2021/65 dated 22.12.2021	376.87	329.12	705.98	1,554.67	1,599.07	10,97,565.93	11,28,911.44	22,26,477.37	5,85,900.71	5,26,277.92	11,12,178.63	11,14,298.73
7	C/o 50 Bedded Girls Hostel at Purul Hr. Sec School Purul, Senapati District (E/C: A 181.51 lakh; T/A: A 181.50 lakh) Contractor: M/s L.B.C. Roy Agency No. 289/MOBEDS/CE/OT/2021/66 dated 05.11.2021	376.87	329.12	705.98	1,554.67	1,599.07	10,97,565.93	11,28,911.44	22,26,477.37	5,85,900.71	5,26,277.92	11,12,178.63	11,14,298.73
8	C/o 50 bedded Girls' Hostel at Paocham HS, Chingai, Ukhrul District (E/C: ` 181.51 lakh; T/A: ` 181.52 lakh) Contractor: A.S. Chinaogai No. 289/MOBEDS/CE/OT/2021/67 dated 30.08.2021	369.64	329.12	698.75	1,748.04	1,792.44	12,21,442.95	12,52,467.45	24,73,910.40	6,46,136.77	5,89,918.89	12,36,055.66	12,37,854.74
9	C/o 50 Bedded Hostel at Jessami Hr. Sec. School, Ukhrul District, Manipur (E/C: ` 181.51 lakh; T/A: ` 181.52lakh) Contractor: A.S. Chinaogai No. 289/MOBEDS/CE/OT/2021/68 dated 15.12.2021	369.64	329.12	698.75	1,748.04	1,792.44	12,21,442.95	12,52,467.45	24,73,910.40	6,46,136.77	5,89,918.89	12,36,055.66	12,37,854.74
10	C/o 50 bedded Girls Hostel at KGBV, Mandeu, Tousem, Tamenglong Dist. (E/C: ` 181.51 lakh; T/A: A 181.52 lakh) Contractor: Ch.Sanahenba Meitei No. 289/MOBEDS/CE/OT/2021/69	376.87	329.12	705.98	1,554.67	1,599.07	10,97,565.93	11,28,911.44	22,26,477.37	5,85,900.71	5,26,277.92	11,12,178.63	11,14,298.73
11	C/o 50 Bedded Boys Hostel at Moreh College, Tengnoupal District,												

Sl No.	Name of Work	Quantity			Applied rate as per DPR		Amount in DPR			Cost of work with applicable rate				Inflated Amount
		Ground Floor	First Floor	Total	Ground Floor	First Floor	Ground Floor	First Floor	Total	Ground Floor	First Floor	Total	Total	
1	2 Manipur (E/C: ` 414.91 lakh; T/A: A 494.91) Contractor: M. Gunanda Sharma No. 289/MOBEDS/CE/OT/2021/79 dated 29.03.2022	3	4	5=(3+4)	6	7	8	9	10=(8+9)	11=(3x6)	12=(4x7)	13=(11+12)	14=(10+13)	
	a. Ground Floor	1,024.24		1,024.24	1,491.11	-	15,27,254.51	-	15,27,254.51	15,27,254.51		15,27,254.51		
	b. First Floor		796.80	796.80	-	1,535.51	-	12,23,494.37	12,23,494.37		12,23,494.37	12,23,494.37		
	c. Mumty		221.62	221.62	-	1,579.91	-	3,50,139.65	3,50,139.65		3,50,139.65	3,50,139.65		
	Extra for half brick masonry in superstructure above plinth (floor one level) to floor two level charged on total qty of work items in a, b, and c	Nil	Nil	2,042.66	-	1,535.51	-	31,36,524.86	31,36,524.86	Nil	Nil	Nil		
	Sub total						15,27,254.51	47,10,158.88	62,37,413.39	15,27,254.51	15,73,634.02	31,00,888.53	31,36,524.86	
12	C/o 50 Bedded Girls Hostel at Moreh College, Tenggounpal District, Manipur (E/C: ` 414.91 lakh; T/A: A 494.91lakh) Contractor: M. Gunanda Sharma No. 289/MOBEDS/CE/OT/2021/80 dated 19.11.2021													
	a. Ground Floor	1,024.24		1,024.24	1,491.11	-	15,27,254.51	-	15,27,254.51	15,27,254.51		15,27,254.51		
	b. First Floor		796.80	796.80	-	1,535.51	-	12,23,494.37	12,23,494.37		12,23,494.37	12,23,494.37		
	c. Mumty		221.62	221.62	-	1,579.91	-	3,50,139.65	3,50,139.65		3,50,139.65	3,50,139.65		
	Extra for half brick masonry in superstructure above plinth (floor one level) to floor two level charged on total qty of work items in a, b, and c	Nil	Nil	2,042.66	-	1,535.51	-	31,36,524.86	31,36,524.86	Nil	Nil	Nil		
	Sub total						15,27,254.51	47,10,158.88	62,37,413.39	15,27,254.51	15,73,634.02	31,00,888.53	31,36,524.86	
	Grand Total	5,802.67	5,327.99	11,130.66			1,42,36,227.15	2,09,14,848.99	3,51,51,076.13	90,11,730.57	85,17,891.68	1,75,29,622.25	1,76,21,453.88	

(Source: Departmental records)

Appendix-2.18
Statement showing excess payment made to contractors
(Reference: Paragraph 2.4)

Sl No.	Name of Work	As per Agreement (Rate)		Total Executed Qty. (sqm.)	Ground Floor				First Floor				(Amount in ₹)
		Ground floor	1st Floor		Qty. of work	Amount Payable	Amount Paid	Excess amount paid	Qty. of work	Amount Payable	Amount Paid	Excess amount paid	
1	2	3	4	5	6=(5-10)	7=(3 x 6)	8=(3 x 5)	9=(8-7)	10	11=(4 x 10)	12=(4 x 5)	13=(12-11)	
1	C/o 50 bedded Boys' Hostel at Khangbarol UPS, Khengjoy (E/C; ₹ 181.51 lakh; T/A: ₹ 181.53 lakh) Contractor: Ch. Arunkumar Singh No. 289/MOBEDS/CE/OT/2021/60 dated 08.11.2021	1540	1585	722.8	393.68	606267.20	1113112.00	506844.80	329.12	521655.2	1145638	623982.8	
2	C/o 50 bedded Girls Hostel at Larong Govt. HS, Chandel (E/C; ₹ 181.51 lakh; T/A: ₹ 181.53lakh) Contractor: H. Dorendro Singh No.289/MOBEDS/CE/OT/2021/61 dated 08.11.2021	1540	1585	705.98	376.86	580364.40	1087209.20	506844.80	329.12	521655.2	1118978.3	597323.1	
3	C/o 50 Bedded Boys Hostel at Liwachanging HS, Chandel District Manipur (E/C: ₹ 181.51 lakh; T/A: ₹ 181.53 lakh) Contractor: H. Dorendro Singh No.289/MOBEDS/CE/OT/2021/62 dated 15.11.2021	1540	1585	705.98	376.86	580364.40	1087209.20	506844.80	329.12	521655.2	1118978.3	597323.1	
4	C/o 50 Bedded Girls Hostel at Khangbarol UPS, Khengjoy, Chandel(E/C: ₹ 181.51 lakh; T/A: ₹ 181.53 lakh) Contractor: Ch.Arunkumar Singh No. 289/MOBEDS/CE/OT/2021/63 dated 12.04.2022		1585.4	0		0.00	0.00	0.00	0	0	0	0	

Sl No.	Name of Work	As per Agreement (Rate)		Total Executed Qty. (sqm.)	Ground Floor				First Floor			
		Ground floor	1st Floor		Qty. of work	Amount Payable	Amount Paid	Excess amount paid	Qty. of work	Amount Payable	Amount Paid	Excess amount paid
1	2	3	4	5	6=(5-10)	7=(3 x 6)	8=(3 x 5)	9=(8-7)	10	11=(4 x 10)	12=(4 x 5)	13=(12-11)
5	C/o 50 Bedded Girls Hostel at Sadar Patel H/S, Mao Gate, Mao Maram, Senapati (E/C: ₹ 181.51 lakh; T/A: ₹ 181.49 lakh) Contractor: H. Dorendro Singh No.289/MOBEDS/CE/OT/2021/64 dated 10.12.2021	1554.67	1599.44	705.99	404.71	629190.50	1097581.47	468390.98	301.28	481879.28	1129188.6	647309.362
6	C/o 50 Bedded Girls' Hostel at Liyai Khullen HS, Paomata, Senapati (E/C: ₹ 181.51 lakh; T/A: ₹ 181.50 lakh) Contractor: M/s L.B.C. Roy Agency No. 289/MOBEDS/CE/OT/2021/65 dated 22.12.2021	1554.73	1599.13	705.99	404.71	629214.78	1097623.83	468409.05	301.28	481785.89	1128969.8	647183.902
7	C/o 50 Bedded Girls Hostel at Purul Hr. Sec School Purul, Senapati District (E/C: ₹ 181.51 lakh; T/A: ₹ 181.50 lakh) Contractor: M/s L.B.C. Roy Agency No. 289/MOBEDS/CE/OT/2021/66 dated 05.11.2021	1554.73	1599.13	705.99	404.71	629214.78	1097623.83	468409.05	301.28	481785.89	1128969.8	647183.902
8	C/o 50 bedded Girls' Hostel at Paocham HS, Chingai, Ukhrul District (E/C: ₹ 181.51 lakh; T/A: ₹ 181.52 lakh) Contractor: A.S. Chinaogai No. 289/MOBEDS/CE/OT/2021/67 dated 30.08.2021		1793.06	0		0.00	0.00	0.00	0	0	0	0
9	C/o 50 Bedded Hostel at Jessami Hr. Sec. School, Ukhrul District, Manipur (E/C: ₹ 181.51 lakh; T/A: ₹ 181.52lakh) Contractor: A.S. Chinaogai No. 289/MOBEDS/CE/OT/2021/68 dated 15.12.2021	1748	1793.06	369.64	369.64	646130.72	646130.72	0.00	0	0	662786.7	662786.698

Audit Report for the year ended 31 March 2024

Sl No.	Name of Work	As per Agreement (Rate)		Total Executed Qty. (sqm.)	Ground Floor				First Floor			
		Ground floor	1st Floor		Qty. of work	Amount Payable	Amount Paid	Excess amount paid	Qty. of work	Amount Payable	Amount Paid	Excess amount paid
1	2	3	4	5	6=(5-10)	7=(3 x 6)	8=(3 x 5)	9=(8-7)	10	11=(4 x 10)	12=(4 x 5)	13=(12-11)
10	C/o 50 bedded Girls Hostel at KGBV, Mandeu, Tousem, Tamenglong Dist. (E/C: ₹ 181.51 lakh; T/A: ₹ 181.52 lakh) Contractor: Ch. Sanahenba Meitei No.289/MOBEDS/CE/OT/2021/69		1599.07	0		0.00	0.00	0.00	0	0	0	0
11	C/o 50 Bedded Girls Hostel at Moreh College, Tengnoupal District, Manipur (E/C: ₹ 414.91 lakh; T/A: ₹ 494.91) Contractor: M. Gunanda Sharma No. 289/MOBEDS/CE/OT/2021/79 dated 29.03.2022		1535.51	0		0.00	0.00	0.00	0	0	0	0
12	C/o 50 Bedded Girls Hostel at Moreh College, Tengnoupal District, Manipur (E/C: ₹ 414.91 lakh; T/A: ₹ 494.91lakh) Contractor: M. Gunanda Sharma No.289/MOBEDS/CE/OT/2021/80 dated 19.11.2021	1491	1535.51	1018.4	221.61	330420.51	1518434.40	1188013.89	796.79	1223479	1563763.4	340284.37
Total				5,641	2,953	46,31,167	87,44,925	41,13,757	2,688	42,33,896	89,97,273	47,63,377

(Source: Departmental records)

Appendix-3.1

Year-wise details of expenditure audited in respect of Economic Sector during 2023-24

(Reference: Paragraph 3.1.1)

(₹ in crores)

Year	Expenditure incurred during 2022-23
2017-18	69.91
2018-19	96.90
2019-20	113.62
2020-21	173.47
2021-22	628.88
2022-23	1,627.15
Total	2,709.93

Source: Records furnished by the AMG II, O/o the Accountant General (Audit), Manipur.

Appendix-3.2

Details of sampled districts, blocks and villages

(Reference: Paragraph 3.2.3)

State	Name of selected		No. of villages selected		Name of villages
	District	Block	Selected	Test checked	
Manipur	Imphal East	Sawombung	3	3	Tangkham
					Nongren
					Pungdongbam
		Heingang	3	3	Top Dusara West
					Kiyamgei Muslim Arapti
					Changamdabi
	Imphal West	Hiyanthang	3	3	Naorem Leikai
					Oinam Thingel
					Bitra Urokhong
		Haorangsabal	3	3	Maklang
					Maisnam Kamong
					Lamjaotongba
	Kakching	Kakching	3	3	Waikhong Laimanai
					Hayel
					Mayenglamjao
	3 districts	5 blocks	15 villages	15 villages	

Source: Departmental records

Appendix-3.3
Zero FHTC Villages as per IMIS
(Reference: Paragraph 3.2.8.3)

Sl. No.	District	Village	House Holds	FHTC	Scheme	Remarks
1	Bishnupur	Kumbi	54	0	Water Supply Scheme at Sagolpat under New Development Bank(NDB) funding	Work stalled due to court case and later resumed only after 19-07-2024.
2	Chandel	Khongtal	34	0	Water Supply Scheme at Haikha L & surrounding villages under NDB funding.	Not completed due to Ethnic Clashes.
3	Chandel	L. Chengvol	6	0	Water Supply Scheme at Peace island & Surrounding villages under NDB funding.	Not started due to Ethnic Clashes.
4	Chandel	P. Thumphajol	43	0	Water Supply Scheme at Toupokpi under NDB funding.	Not completed due to Ethnic Clashes.
5	Chandel	Pamtuyang	5	0	Water Supply Scheme at Peace island & Surrounding villages under NDB funding.	Not started due to Ethnic Clashes.
6	Churachandpur	Tonglon (k)	63	0	WSS at Tonglon (K) under NDB funding	Delayed due to prevailing situation.
7	Jiribam	Jirimukh	13	0	WSS at Jirimukh under NDB funding (New Scheme)	Not completed due to Ethnic Clashes
8	Jiribam	Sabughat	115	0	WSS at Sabughat under NDB funding (New Scheme)	Not yet started due to Ethnic Clashes.
9	Jiribam	Uchathol	68	0	WSS at Uchathol under NDB funding (New Scheme)	-Do-
10	Jiribam	Bhomukpara	38	0	WSS at Bhomukpara under NDB funding (New Scheme)	-Do-
11	Jiribam	Berabak	43	0	WSS at Berabak under NDB funding (New Scheme)	-Do-
12	Jiribam	Binselu	97	0	WSS at Binselu under NDB funding (New Scheme)	-Do-
13	Jiribam	Dolalkhal	216	0	WSS at Latingkhal under NDB funding (New Scheme)	-Do-
14	Jiribam	Latingkhal	512	0	WSS at Latingkhal under NDB funding (New Scheme)	-Do-
15	Jiribam	Makhabosti	124	0	WSS at Makhabosti under NDB funding (New Scheme)	-Do-
16	Jiribam	TilkaCompani	20	0	WSS at TilkaComapany under NDB funding (New Scheme)	-Do-
17	Jiribam	Aglapur	202	0	WSS at Aglapur under NDB funding (New Scheme)	-Do-
18	Jiribam	Ahamadabad	40	0	WSS at Ahamadabad under NDB funding (New Scheme)	-Do-
19	Jiribam	Lalpani	159	0	WSS at Lalpani under NDB funding (New Scheme)	-Do-
20	Jiribam	Leishabithol	91	0	WSS at Leishabithol under NDB funding (New Scheme)	-Do-
21	Jiribam	Mullargao	110	0	WSS at Leishabithol under NDB funding (New Scheme)	-Do-
22	Jiribam	Sonapur	614	0	WSS at Sonapur under NDB funding (New Scheme)	-Do-
23	Kangpokpi	G Sonbuphai	15	0	WSS at G.Sonbuphai under NDB funding (New Scheme)	Work delayed due to Ethnic Clashes.
24	Kangpokpi	EkpanChingkha	15	0	WSS at Ekpan Chingkha under NDB funding (New Scheme)	Not completed due to Ethnic Clashes.
25	Kangpokpi	Saichang	5	0	No linked scheme	

Sl. No.	District	Village	House Holds	FHTC	Scheme	Remarks
26	Kangpokpi	E Sapormeina	25	0	WSS at Sapermeina under NDB funding.	Work delayed due to Ethnic Clashes.
27	Kangpokpi	Goungaiphai	19	0	WSS at Goungaiphai under NDB funding (New Scheme)	Work delayed due to Ethnic Clashes.
28	Kangpokpi	Khochal	49	0	WSS at Chalbung under NDB funding (New Scheme).	Work delayed due to Ethnic Clashes.
29	Kangpokpi	L Champahi	58	0	WSS at Ch. Ebenezer under NDB funding (New Scheme).	Work delayed due to Ethnic Clashes.
30	Kangpokpi	MapaoKanglatongbi	15	0	No linked scheme	
31	Kangpokpi	S Gamnomjang	13	0	No linked scheme	
32	Kangpokpi	WaphongInthan	35	0	No linked scheme	
33	Noney	Tomolbung	15	0	WSS at T. Molbung under NDB funding (New Scheme)	Work stalled due to court case and later resumed only after 19-07-2024.
34	Pherzawl	Bualtang	24	0	WSS at Bualtang under NDB (Augmenation)	Not completed due to Ethnic Clashes.
35	Pherzawl	Thiakbung	21	0	WSS at Thiakbung under NDB funding (Augmentation)	-Do-
36	Pherzawl	Chingmun	34	0	Improvement of traditional spring source at Chingmun under NDB funding (Augmentation)	-Do-
37	Pherzawl	Dawltang	27	0	Improvement of traditional spring source at Dawltang under NDB funding (Augmentation)	-Do-
38	Pherzawl	Ngampabung	67	0	Improvement of traditional spring source at Ngampabung under NDB funding (Augmentation)	-Do-
39	Tengnoupal	MoyonKhullen	8	0	No linked scheme	
Total			3,112	0		

Source: Departmental records

Appendix-3.4

District-wise target achievement of laboratories

(Reference: Paragraph 3.2.9.10)

Sl No.	District	Target for every year	2021-22	Achievement (%)	2022-23	Achievement (%)	2023-24	Achievement (%)
1	Bishnupur	3,000	1,075	35.83	810	27	713	23.77
2	Chandel	3,000	1,027	34.23	2,311	77.03	1,058	35.27
3	Churachandpur	3,000	2,413	80.43	3,757	125.23	2,235	74.50
4	Imphal East	3,000	1,792	59.73	2,778	92.60	1,492	49.73
5	Imphal West	3,000	1,408	46.93	1,013	33.77	1,107	36.90
6	Jiribam	3,000	248	8.27	440	14.67	412	13.73
7	Kakching	3,000	730	24.33	539	17.97	699	23.30
8	Kamjong	3,000	1,051	35.03	173	5.77	997	33.23
9	Kangpokpi	3,000	680	22.67	2,086	69.53	2,659	88.63
10	Noney	3,000	806	26.87	1,252	41.73	906	30.20
11	Pherzawl	3,000	712	23.73	829	27.63	840	28
12	Senapati	3,000	1,475	49.17	2,065	68.83	1,008	33.60
13	Tamenglong	3,000	1,154	38.47	860	28.67	448	14.93
14	Tengnoupal	3,000	564	18.80	1,724	57.47	1,036	34.53
15	Thoubal	3,000	1,044	34.80	713	23.77	631	21.03
16	Ukhrul	3,000	1,234	41.13	600	20	1,030	34.33
		48,000	17,413	36.28	21,950	45.73	17,271	35.98

Source: Departmental records

Appendix-3.5

JJM schemes with higher percentage of incomplete works

(Reference: Paragraph 3.2.10.2)

Sl No.	District	Overall Balance work of district as on June 2023	Name of some schemes which have balance work	Balance work as on June 2023
1	Imphal East	8%	Upgradation of Yambem WSS	28%
			Extension of pipeline towards Kairang Meitei	20%
			Water supply scheme at Ningthoumanai	40%
			Augmentation of Kshetri Bengoon WSS	23%
			Water supply scheme at Nungaipokpi	50%
			Extension of pipeline from Khurai kongpal sajor leikai ZR towards thangjam leikai	40%
2	Imphal West	7%	Construction of WSS at Hangoon	20%
			Extension of pipeline for sapam Leikai area	25%
3	Churachandpur	9%	Augmentation of WSS at Ukhaloikhai	25%
			Augmentation of WSS at Khuinuai	25%
			Augmentation of WSS at Kungpi	25%
			Augmentation of WSS at K Lhangjol	25%
			Augmentation of WSS at Duitijol	25%
			Augmentation of WSS at Sialbu	35%
			Augmentation of WSS at Salva Lhangbung	25%
			Augmentation of WSS at Charoi Khullen	25%
			Augmentation of WSS at D Munlui	25%
			Augmentation of WSS at Langvon	25%
			Augmentation of WSS at Voujang	30%
			Augmentation of WSS at L Gamnomphai	40%
			Augmentation of WSS at Moslang	30%
4	Chandel	8%	Retrofitting of WSS at Chaljang	20%
			Augmentation of WSS at Chingkhair	25%
			Augmentation of WSS at Maha Centre West	20%
5	Kamjong	1%	Water supply scheme at Hengyang	10%
6	Bishnupur	5%	Augmentation of Uchan Makhong Thingel WSS	15%
			Augmentation of Wangoo Terakhong WSS	15%
7	Jiribam	3%	WSS at Tupidor	10%
8	Kakching	2%	Rehabitation of Thingel Leikai WSS	8%
9	Kangpokpi	4%	WSS at B. Khajang	10%
			WSS at Bollen	20%
			WSS at Geljang	20%
			WSS at Molhoi	20%
			WSS at West Joup	30%
			WSS at G. Lhangol	20%
			WSS at Khonomjang	20%
10	Noney	6%	Augmentation of WSS at Langkhong III	17%
			Augmentation of WSS at Nungsai	10%
11	Pherzawl	3%	Augmentation of WSS at Upper Kharkhuplien	15%
			Augmentation of WSS at Mong-on	20%
			Augmentation of WSS at Savaipaih	20%
12	Senapati	2%	Augmentation of Liyaikhullen WSS	10%
			Augmentation of Sangkhumai WSS	10%
13	Ukhrul	7%	Augmentation of WSS at Lungreiphung	10%
			Augmentation of WSS at Shiroichingthak	10%
14	Thoubal	8%	Augmentation of Makha Leikai WSS	22%
			Augmentation of Oinam Sawombung	25%
			Augmentation of Turel Ahanbi WSS	26%
			Extension of distribution of pipeline from Irom Chesaba	23%
			Extension of distribution of pipeline from	35%

Sl No.	District	Overall Balance work of district as on June 2023	Name of some schemes which have balance work	Balance work as on June 2023
			Chandrakhong WSS	
15	Tengnoupal	3%	WSS at Narum	9%
16	Tamenglong	13%	Augmentation of WSS at Charinapang	15%
			Augmentation of WSS at Joute Pabram	25%
			WSS Scheme at Azuram	25%
			WSS at Kamaranga Khasi	20%
			WSS at Khedagarkhasi	20%
			WSS at Lhangnom	35%
			WSS at Ngahmunphai	20%
			WSS at Tousem Khunnou	50%
			WSS at Tuisemphai	20%
			Augmentation of WSS at Khebuching	25%
			Augmentation of WSS at Bhalok Khunnou	25%
			Augmentation of WSS at Sonpram	25%
			Augmentation of WSS at Wairangba	40%
			Augmentation of WSS at LongdiPabram	35%
			WSS at Wairangba Namthan	30%

Source : Quarterly progress report of Third Party Inspection Agency "EGIS"

Appendix-3.6

PFMS transactions for payment of works since July 2023

(Reference: Paragraph 3.2.10.2)

Sl. No.	Division Name	PFMS Unique Agency Code	PFMS Voucher Number	PFMS Voucher Date	Total PFMS Voucher Amount
1	BISHNUPUR PHE DIVISION	MNBI00001416	BP-2023-24-2	7/17/2023	2,03,94,542
2	KAKCHING PHE DIVISION	MNKK00000044	BP-2023-24-1	7/17/2023	2,73,22,000
3	KAKCHING PHE DIVISION	MNKK00000044	BP-2023-24-2	7/17/2023	30,36,000
4	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2023-24-3	7/17/2023	50,50,000
5	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2023-24-4	7/17/2023	2,58,93,000
6	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-1	7/19/2023	40,30,000
7	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-2	7/19/2023	2,26,26,000
8	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-3	7/19/2023	1,24,22,000
9	BISHNUPUR PHE DIVISION	MNBI00001416	BP-2023-24-3	7/20/2023	1,22,27,458
10	BISHNUPUR PHE DIVISION	MNBI00001416	BP-2023-24-4	7/20/2023	7,93,068
11	SENAPATI PHE DIVISION	MNSE00002101	BP-2023-24-1	7/20/2023	1,25,10,000
12	SENAPATI PHE DIVISION	MNSE00002101	BP-2023-24-2	7/20/2023	13,90,000
13	KANGPOKPI PHE DIVISION	MNKP00000024	BP-2023-24-1	7/21/2023	3,76,38,000
14	KANGPOKPI PHE DIVISION	MNKP00000024	BP-2023-24-2	7/21/2023	41,82,000
15	TENGNOUPAL PHE DIVISION	MNTA00000658	BP-2023-24-2	7/21/2023	96,99,000
16	TENGNOUPAL PHE DIVISION	MNTA00000658	BP-2023-24-3	7/21/2023	1,32,99,000
17	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-4	7/21/2023	5,37,78,500
18	CHANDEL PHE DIVISION	MNCD00001472	BP-2023-24-1	7/24/2023	65,00,000
19	CHANDEL PHE DIVISION	MNCD00001472	BP-2023-24-2	7/24/2023	1,80,22,133
20	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-3	7/24/2023	1,22,81,250
21	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2023-24-6	7/25/2023	1,95,55,000
22	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-4	7/27/2023	54,03,750
23	UKHRUL PHE DIVISION	MNUK00000971	BP-2023-24-1	7/27/2023	52,23,000
24	UKHRUL PHE DIVISION	MNUK00000971	BP-2023-24-2	7/27/2023	19,09,000
25	KAMJONG PHE DIVISION	MNKJ00000006	BP-2023-24-2	7/28/2023	3,30,30,000
26	KAMJONG PHE DIVISION	MNKJ00000006	BP-2023-24-3	7/28/2023	36,70,000
27	TAMENGLONG PHE DIVISION	MNTA00000673	BP-2023-24-2	7/30/2023	2,53,00,000
28	TAMENGLONG PHE DIVISION	MNTA00000673	BP-2023-24-3	7/30/2023	30,00,000
29	NONEY PHE DIVISION	MNNN00000008	BP-2023-24-2	8/2/2023	20,00,000
30	NONEY PHE DIVISION	MNNN00000008	BP-2023-24-3	8/2/2023	1,30,00,000
31	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-6	8/2/2023	3,14,26,718
32	BISHNUPUR PHE Division	MNBI00001416	BP-2023-24-5	8/7/2023	22,06,932
33	CHANDEL PHE DIVISION	MNCD00001472	BP-2023-24-3	8/9/2023	3,04,77,867
34	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-7	8/16/2023	1,67,21,500
35	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-8	8/25/2023	1,04,55,601
36	UKHRUL PHE DIVISION	MNUK00000971	BP-2023-24-3	1/11/2024	20,00,000
37	UKHRUL PHE DIVISION	MNUK00000971	BP-2023-24-4	1/11/2024	2,10,000
38	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2023-24-9	1/11/2024	6,22,86,000
39	KANGPOKPI PHE DIVISION	MNKP00000024	BP-2023-24-3	1/16/2024	1,69,28,000
40	KANGPOKPI PHE DIVISION	MNKP00000024	BP-2023-24-4	1/16/2024	53,98,000
41	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-9	1/17/2024	1,16,95,000
42	BISHNUPUR PHE DIVISION	MNBI00001416	BP-2023-24-6	1/18/2024	37,46,000
43	KAMJONG PHE DIVISION	MNKJ00000006	BP-2023-24-5	1/18/2024	1,80,00,000
44	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-6	1/18/2024	1,71,01,350
45	CHURACHANDPUR PHE DIVISION	MNCC00001733	BP-2023-24-1	1/19/2024	29,54,000
46	TAMENGLONG PHE DIVISION	MNTA00000673	BP-2023-24-4	1/19/2024	2,20,00,000
47	BISHNUPUR PHE DIVISION	MNBI00001416	BP-2023-24-7	1/22/2024	14,24,000
48	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2023-24-10	1/24/2024	2,26,85,000
49	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2023-24-11	1/24/2024	94,75,000
50	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2023-24-12	1/24/2024	10,90,000
51	CHANDEL PHE DIVISION	MNCD00001472	BP-2023-24-4	1/25/2024	1,06,04,751
52	CHANDEL PHE DIVISION	MNCD00001472	BP-2023-24-5	1/25/2024	2,81,80,000
53	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-7	1/25/2024	2,04,21,450
54	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-10	1/25/2024	43,75,760
55	SENAPATI PHE DIVISION	MNSE00002101	BP-2023-24-3	1/29/2024	2,59,86,000
56	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-11	1/29/2024	6,90,300
57	KAMJONG PHE DIVISION	MNKJ00000006	BP-2023-24-6	1/30/2024	20,00,000
58	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2023-24-13	1/30/2024	3,35,000

Sl. No.	Division Name	PFMS Unique Agency Code	PFMS Voucher Number	PFMS Voucher Date	Total PFMS Voucher Amount
59	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-12	1/30/2024	30,00,000
60	SENAPATI PHE DIVISION	MNSE00002101	BP-2023-24-4	2/1/2024	43,79,000
61	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-13	2/1/2024	1,74,74,983
62	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-14	2/1/2024	240
63	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-8	2/2/2024	93,68,200
64	CHURACHANDPUR PHE DIVISION	MNCC00001733	BP-2023-24-4	2/4/2024	10,76,000
65	CHURACHANDPUR PHE DIVISION	MNCC00001733	BP-2023-24-5	2/4/2024	29,54,000
66	PERZAWL PHE DIVISION	MNPZ00000038	BP-2023-24-2	2/4/2024	3,69,000
67	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-15	2/5/2024	88,34,717
68	NONEY PHE DIVISION	MNNN00000008	BP-2023-24-4	2/6/2024	5,36,000
69	PERZAWL PHE DIVISION	MNPZ00000038	BP-2023-24-3	2/7/2024	40,00,000
70	PERZAWL PHE DIVISION	MNPZ00000038	BP-2023-24-4	2/7/2024	4,00,000
71	CHURACHANDPUR PHE DIVISION	MNCC00001733	BP-2023-24-6	2/8/2024	4,63,78,605
72	CHURACHANDPUR PHE DIVISION	MNCC00001733	BP-2023-24-7	2/8/2024	1,67,395
73	CHURACHANDPUR PHE DIVISION	MNCC00001733	BP-2023-24-8	2/8/2024	30,00,000
74	NONEY PHE DIVISION	MNNN00000008	BP-2023-24-6	2/9/2024	13,13,000
75	TAMENGLONG PHE DIVISION	MNTA00000673	BP-2023-24-5	2/19/2024	97,36,000
76	TAMENGLONG PHE DIVISION	MNTA00000673	BP-2023-24-7	2/19/2024	75,99,000
77	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-11	2/23/2024	2,48,70,000
78	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-12	2/23/2024	6,77,13,000
79	KAKCHING PHE DIVISION	MNKK00000044	BP-2023-24-6	2/27/2024	1,56,18,000
80	KAKCHING PHE DIVISION	MNKK00000044	BP-2023-24-5	2/28/2024	4,13,88,000
81	JIRIBAM PHE DIVISION	MNJB00000018	BP-2023-24-5	3/26/2024	12,00,000
82	JIRIBAM PHE DIVISION	MNJB00000018	BP-2023-24-6	3/26/2024	1,08,00,000
83	CHANDEL PHE DIVISION	MNCD00001472	BP-2023-24-8	3/28/2024	71,59,000
84	CHANDEL PHE DIVISION	MNCD00001472	BP-2023-24-9	3/29/2024	6,44,32,000
85	NONEY PHE DIVISION	MNNN00000008	BP-2023-24-10	3/29/2024	14,33,000
86	NONEY PHE DIVISION	MNNN00000008	BP-2023-24-9	3/29/2024	1,28,79,000
87	TAMENGLONG PHE DIVISION	MNTA00000673	BP-2023-24-10	3/29/2024	34,17,000
88	TAMENGLONG PHE DIVISION	MNTA00000673	BP-2023-24-9	3/29/2024	3,07,65,000
89	BISHNUPUR PHE DIVISION	MNBI00001416	BP-2023-24-12	3/30/2024	91,44,000
90	BISHNUPUR PHE DIVISION	MNBI00001416	BP-2023-24-13	3/30/2024	10,16,000
91	CHURACHANDPUR PHE DIVISION	MNCC00001733	BP-2023-24-10	3/30/2024	37,50,000
92	CHURACHANDPUR PHE DIVISION	MNCC00001733	BP-2023-24-11	3/30/2024	7,91,02,028
93	KAMJONG PHE DIVISION	MNKJ00000006	BP-2023-24-10	3/30/2024	34,99,000
94	KAMJONG PHE DIVISION	MNKJ00000006	BP-2023-24-9	3/30/2024	3,18,81,000
95	KAKCHING PHE DIVISION	MNKK00000044	BP-2023-24-10	3/30/2024	29,16,000
96	KAKCHING PHE DIVISION	MNKK00000044	BP-2023-24-11	3/30/2024	3,24,000
97	PERZAWL PHE DIVISION	MNPZ00000038	BP-2023-24-10	3/30/2024	38,88,000
98	PERZAWL PHE DIVISION	MNPZ00000038	BP-2023-24-9	3/30/2024	4,32,000
99	SENAPATI PHE DIVISION	MNSE00002101	BP-2023-24-7	3/30/2024	40,47,000
100	SENAPATI PHE DIVISION	MNSE00002101	BP-2023-24-9	3/30/2024	1,88,31,000
101	TENGNOUPAL PHE DIVISION	MNTA00000658	BP-2023-24-6	3/30/2024	40,00,000
102	TENGNOUPAL PHE DIVISION	MNTA00000658	BP-2023-24-7	3/30/2024	1,33,64,000
103	TENGNOUPAL PHE DIVISION	MNTA00000658	BP-2023-24-8	3/30/2024	7,60,000
104	TENGNOUPAL PHE DIVISION	MNTA00000658	BP-2023-24-9	3/30/2024	14,85,000
105	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-13	3/30/2024	5,28,000
106	THOUBAL PHE DIVISION	MNTH00001600	BP-2023-24-14	3/30/2024	47,57,000
107	UKHRUL PHE DIVISION	MNUK00000971	BP-2023-24-7	3/30/2024	1,71,77,000
108	UKHRUL PHE DIVISION	MNUK00000971	BP-2023-24-9	3/30/2024	17,18,000
109	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2023-24-16	3/30/2024	17,12,000
110	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-16	3/30/2024	1,11,18,000
111	IMPHAL EAST PHE DIVISION	MNWI00002247	BP-2023-24-17	3/30/2024	12,35,000
112	KANGPOKPI PHE DIVISION	MNKP00000024	BP-2024-25-1	4/30/2024	8,31,65,000
113	KANGPOKPI PHE DIVISION	MNKP00000024	BP-2024-25-2	4/30/2024	93,74,000
114	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2024-25-4	5/2/2024	64,55,000
115	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2024-25-11	5/3/2024	50,00,000
116	IMPHAL WEST PHE DIVISION	MNWI00002246	BP-2024-25-12	5/16/2024	39,51,000
117	TENGNOUPAL PHE DIVISION	MNTA00000658	BP-2024-25-1	6/13/2024	1,14,37,000
118	TENGNOUPAL PHE DIVISION	MNTA00000658	BP-2024-25-2	6/13/2024	15,11,000
Total					1,53,58,96,098

Source: Departmental records

Appendix-3.7

Details of TA/ DA payments to non JJM activities

(Reference: Paragraph 3.2.10.6)

Sl. No.	Details	Amount (in ₹)
1	TA /DA of 3 officers for attending full day seminar by Independent Evaluation office of BRIC NDB held on 7 th Nov 2023 in New Delhi.	82,284
2	TA/DA of 3 officers for attending Annual Implementation Plan of Manipur under SBM(G).	1,13,308
3	TA/DA for one officer of PHED for Loan agreement for Integrated Sewerage System for City of Imphal phase II under NDB at New Delhi.	1,78,899
4	TA/DA for five officers of PHED for attending Tripartite Porfolio Review Meeting for AIIB, NOB and IFAD assisted ongoing and pipeline project in India at New Delhi.	1,58,200
5	TA/DA of one officer of PHED for attending Workshop on Knowledge sharing and Best practices towards capacity building initiatives for Swachh Bharat Mission (G) held on 26 th March, 2022 at Guwahati.	95,060
	Total	6,27,751

Source: Departmental records

Appendix-3.8

Detail expenditure for items of work for Nungaipokpi Water Supply Scheme

(Reference: Paragraph 3.2.10.8)

Sl No	Items of works	Estimated Cost in ₹	Revised Cost in ₹	Expenditure till Date in ₹
1	Construction of approach road and levelling	18,93,376	18,93,376	18,93,376
2	Construction of Intake	51,24,607	51,24,607	51,24,607
3	Construction of Aerator	6,54,585	6,54,585	6,54,585
4	Construction of Settling tank	32,34,410	32,34,410	32,34,410
5	Construction of slow sand filter	58,56,631	58,56,631	58,56,631
6	Providing and laying of filter media	12,62,155	12,62,155	12,62,155
7	Construction of service reservoir	65,85,911	65,85,911	65,85,911
8	Construction of chowkidar qtr cum godown	10,33,974	10,33,974	10,33,974
9	Construction of compound wall	22,33,016	22,33,016	22,33,016
10	Construction of boulder sausages as protection wall	8,57,106	8,57,106	8,57,106
11	Construction of Drain and culvert	9,85,341	9,85,341	9,85,341
12	Procurement of pipes i/c pipe specials	1,12,33,528	1,50,83,528	1,50,83,528
13	Laying and fixing of pipelines	30,92,245	30,92,245	29,00,000
14	Procurement of pumps	19,03,440	19,03,440	19,03,440
15	Energisation	30,15,998	30,15,998	20,00,000
16	Providing household tap water connection	16,19,078	16,19,078	16,19,078
17	Last mile connectivity	54,14,599	54,14,599	39,69,842
	Total	5,60,00,000	5,98,50,000	5,71,97,000

Source: Departmental records

Appendix-3.9

Statement showing non-deduction of TDS on GST

(Reference Paragraph: 3.2.10.10)

Sl. No	Name of Agency	Purpose	Gross Amount	Net Amount	Date of Payment	2% GST
1	B.L Enterprises	Mega Marathon (NE)	6,03,750	5,75,000	21-12-2021	11,500
2	Prime Focus	Audio & Visual	23,04,540	19,53,000	21-12-2021	39,060
3	Yengkokpam Deepak Singh	Hoarding	11,04,480	9,36,000	30-12-2021	18,720
4	Prime Focus	Audio & Visual	46,09,080	39,06,000	16-02-2022	78,120
5	Yengkokpam Deepak Singh	Hoarding	23,95,400	20,30,000	16-02-2022	40,600
6	Prime Focus	Success Stories	28,89,466	24,48,700	12-08-2022	48,974
7	Asharjit and Marjing Designs	Diary & Calendar	1,30,21,200	1,10,34,915	13-02-2024	2,20,698
8	Cube Ten	Development of Radio Jingles and AVC	42,56,350	36,07,076	27-03-2021	72,141
9	Cube Ten	Broadcasting of Jingles and AVC	57,53,650	48,67,500	27-03-2021	97,350
Total						6,27,163

Source: Departmental records

Appendix-4.1

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

(Reference: Paragraph 4.1.5 and 4.1.6)

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

Sl. No.	Name of the Public Sector Enterprises	Year up to which accounts finalised	Paid up capital	Period of accounts pending finalisation	No. of Accounts in arrears	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)	(9)
1	Manipur Tribal Development Corporation Limited	1987-88	0.52	1988-89 to 2023-24	36	-	1.50	1.50
2	Manipur Police Housing Corporation Limited	1997-98	0.02	1998-99 to 2023-24	26	-	10.67	10.67
3	Manipur Food Industries Corporation Limited	2010-11	5.41	2011-12 to 2023-24	13	2.00	9.88	11.88
4	Manipur State Power Company Limited	2022-23	10.05	2023-24	1	-	45.55	45.55
5	Manipur State Power Distribution Company Limited	2022-23	10.05	2023-24	1	-	15.86	15.86
6	Manipur Handloom & Handicrafts Development Corporation Limited	2009-10	12.21	2010-11 to 2023-24	14	-	22.79	22.79
7	Cyber Corporation Manipur Limited	2022-23	0.25	2023-24	1	-	0.25	0.25
8	Tourism Corporation of Manipur Limited	First Accounts not finalised	0.05	2016-17 to 2023-24	8	0.05	10.57	10.62
9	Manipur Food & Distribution Corporation Limited	First Accounts not finalised	5.00	2022-23 to 2023-24	2	5.00	-	5.00
	Total		43.56			7.05	117.07	124.12

Source: Departmental records

Appendix-4.2

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 2024

(Reference: Paragraphs 4.1.8, 4.1.10 and 4.1.12)

(Figures in columns 5 to 12 and 14 to 16 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 (EBIT)	ROCE (per cent)	Net worth	Interest	Tax	ROE (per cent)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
A. Working Government Companies																
FINANCE																
1	Manipur Industrial Development Corporation Limited	2009-10	2014-15	12.14	6.31	-31.78	0	0.07	-1.45	-13.33	-1.45	Not workable	-19.64	0	0	Not workable
2	Manipur Tribal Development Corporation Limited	1987-88	2013-14	0.52	0	-0.22	0	0.02	-0.12	0.30	-0.12	-40.00	0.30	0	0	-40.00
	Sector wise total			12.66	6.31	-32.00		0.09	-1.57	-13.03	-1.57	Not workable	-19.34	0	0	Not workable
INFRASTRUCTURE																
3	Manipur Police Housing Corporation Limited	1997-98	2012-13	0.02	0	0.59	0	0.11	0.29	0.61	0.29	47.54	0.61	0	0	47.54
	Sector wise total			0.02	0	0.59	-	0.11	0.29	0.61	0.29	47.54	0.61	0	0	47.54
MANUFACTURING																
4	Manipur Food Industries Corporation Limited	2010-11	2019-20	5.41	15.74	-0.88	0	0.01	-0.17	20.27	-0.17	-0.84	4.53	0	0	-3.75
5	Manipur Electronics Development Corporation Limited	2017-18	2018-19	2.74	0	-7.11	0	1.26	-0.23	-4.37	-0.23	Not workable	-4.37	0	0	Not workable
	Sector wise total			8.15	15.74	-7.99	0	1.27	-0.40	15.90	-0.40	-2.52	0.16	0	0	-250.00
POWER																
6	Manipur State Power	2022-23	2024-25	10.05	0	-174.41	0	79.34	-59.03	-164.36	-66.04	Not	-164.36	0	-7.01	Not

Audit Report for the year ended 31 March 2024

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 (EBIT)	ROCE (per cent)	Net worth	Interest	Tax	ROE (per cent)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Company Limited											workable				workable
7	Manipur State Power Distribution Company Limited	2022-23	2023-24	10.05	619.41	-285.86	0	502.12	-129.16	343.60	-113.81	-33.12	-275.81	18.56	-3.21	Not workable
	Sector wise total			20.10	619.41	-460.27		581.46	-188.19	179.24	-179.85	-100.34	-440.17	18.56	-10.22	Not workable
MISCELLANEOUS																
8	Manipur Handloom & Handicrafts Development Corporation Limited	2009-10	2018-19	12.21	1.69	-16.18	0	0.15	-0.31	-2.28	-0.31	Not workable	-3.97	0	0	Not workable
9	Tourism Corporation of Manipur Limited	First accounts not finalised	-	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Cyber Corporation Manipur Ltd.	2022-23	2023-24	0.25	0	-0.02	0	0	-0.01	0.23	-0.01	-4.35	0.23	0	0	-4.35
11	Manipur Food & Distribution Corporation Ltd.	First accounts not finalised	-	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sector wise total			12.46	1.69	-16.20	0	0.15	-0.32	-2.05	-0.32	Not workable	-3.74	0	0	Not workable
	Total A (All sector wise working Government companies)			53.39	643.15	-515.87	0	583.08	-190.19	180.67	-181.85	-100.65	-462.48	18.56	-10.22	Not workable
B. Non-working Government Companies																
AGRICULTURE & ALLIED																
1	Manipur Agro Industries Corporation Limited	1988-89	2005-06	0.32	0	-0.45	0	0.19	-0.04	-0.13	-0.04	Not workable	-0.13	0	0	Not workable
2	Manipur Plantation Crops. Corporation Limited	1983-84	2000-01	0.51	0.07	0	0	0	0	0.58	0	0	0.51	0	0	0
	Sector wise total			0.83	0.07	-0.45	0	0.19	-0.04	0.45	-0.04	-8.89	0.38	0	0	-10.53
MISCELLANEOUS																
3	Manipur Pulp &	2002-03	2017-18	0.89	1.75	-6.80	0	0	-0.83	-4.16	-0.25	Not	-5.91	0.58	0	Not

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 (EBIT)	ROCE (per cent)	Net worth	Interest	Tax	ROE (per cent)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Allied Products Limited											workable				workable
Sector wise total				0.89	1.75	-6.80	-	-	-0.83	-4.16	-0.25	Not workable	-5.91	0.58	0	Not workable
Total B (All sector wise working Government companies)				1.72	1.82	-7.25		0.19	-0.87	-3.71	-0.29	Not workable	-5.53	0.58	0	Not workable
Grand Total (A+B)				55.11	644.97	-523.12	0	583.27	-191.06	176.96	-182.14	-102.92	-468.01	19.14	-10.22	Not workable

NB:

1. Accumulated loss (₹ 16.18 crore) of SPSE at serial no. A8 have been derived by adjusting the capital reserves (₹ 0.63 crore);
2. SPSE at serial No. B2 was at pre-operational stage, hence, did not prepare Profit and Loss Account.
3. Tourism Corporation of Manipur Limited (date of incorporation: 13 July 2016) and Manipur Food & Distribution Corporation Limited (Date of incorporation: 14 November 2022) had not submitted their first accounts.

Appendix-4.3
Statement showing Rate of Real Return on Government Investment
(Reference: Paragraphs 4.1.10)

(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 Government during the year	Grants/subsidies given by the State operational and Administrative expenditure	Total investment during the year	Total investment at the end of the year	Average rate of interest on Government Borrowings (percent)	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
								K	L		
A	B	C	D	F	H	I	J	K=I x (1+J÷100)	L= I x J÷100	M	
Up to 2012-13**		43.19	0.10	1.28	44.57	44.57	6.52	47.48	2.91		0.18
2013-14	47.48	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	20.10	70.62	6.56	75.26	4.63		(-)20.95
2015-16	75.26	2.05	0.00	259.93	261.98	337.24	6.67	359.73	22.49		(-)24.59
2016-17	359.73	0.05	0.00	250.65	250.70	610.43	6.42	649.62	39.19		(-)48.58
2017-18	649.62	0.00	0.00	286.89	286.89	936.51	6.13	993.92	57.41		(-)48.75
2018-19	993.92	0.00	0.00	299.36	299.36	1293.28	7.44	1389.50	96.22		(-)42.26
2019-20	1389.50	0.00	0.00	165.41	165.41	1554.91	7.84	1676.81	121.90		(-)42.43
2020-21	1676.81	0.25	0.00	191.91	192.16	1868.97	8.86	2034.56	165.59		(-) 37.84
2021-22	2034.56	0.00	0.00	348.95	348.95	2383.51	5.84	2522.71	139.20		(-) 25.17
2022-23	2522.71	5.00	0.00	249.24	254.24	2776.95	6.60	2960.23	183.28		(-) 46.14
2023-24	2960.23	0.00	0.00	315.98	315.98	3276.21	6.59	3492.12	215.91		(-)190.23
Total					2,440.34						

**These are cumulative figures up to 2012-13 for Columns C, D, F and H

Year	Total Earnings/Loss in 2023-24 (₹ in crore)	Investment by the State Government as per total of the column H above (₹ in crore)	Return on State Government investment on the basis of historical value (per cent)	Present value of State Government investment at the end of 2023-24 (₹ in crore)	Real return on State Government investment considering the present value of investments (per cent)
	A	B	C	D	E
2023-24	-190.23	2,440.34	-7.80	3,492.12	-5.45

Appendix-4.4

Statement Showing Energy Charges assessed and Actual for Temporary Connection

(Reference: Paragraphs 4.2.10.5)

Sl. No.	Consumer Name	Date of initial application	Connected Load (Kw)	Dumber of days for temporary connection	Assessed Energy Charge	Assessed Fixed Charge	Category presumed as no details available	Prevailing tariff (₹/unit)	Actual Energy Charge to be billed	Actual Fixed Charge to be billed	Under billing
1	Keystone Infra pvt Ltd.	21.12.2020	4	90	18103	1440	Bulk	8.8	57024	1890	39371
2	Vikas & Associates	13.12.2021	10	180	37179	3825	Bulk	8.8	285120	9450	253566
3	Angle Group of Advertisements	04.03.2020	1	180	9295	720	Com LT	7.65	24786	720	15491
4	SPD Constructions	22.12.2020	3	90	6787	720	Bulk	8.8	42768	1080	36341
	Total				71364	6705			409698	13140	344769

- Units Assessed = Connected Load x Number of days x 24 hours x 0.5, Energy Charge= Units Assessed x 1.5 times of prevailing tariff
- Fixed Charge = Connected Load x 1.5 times of applicable tariff x number of months.

Appendix-4.5

Statement showing outstanding arrears in respect of HT consumers as on 31 March 2024

(Referred to Para 4.2.12.5)

(Amount in ₹)

Sl. No.	Consumer ID	Current bill	Previous arrears	Accumulated surcharge	Amount payable
Name of the Division: Imphal Electrical Division-1 (IED-1)					
1	3549729	80,802	1,83,02,035	3,54,08,193	5,37,91,030
2	3549738	3,55,683	41,47,369	8,84,733	53,87,785
3	4487550	1,21,364	6,79,602	2,66,788	10,67,754
4	4487561	38,524	4,84,337	1,84,341	7,07,202
5	48689367	27,076	28,08,926	1,11,959	29,47,962
6	48808305	2,69,410	43,52,788	7,13,288	53,35,486
7	4487548	1,16,709	5,97,885	4,02,104	11,16,698
8	4487558	1,06,354	43,91,591	23,65,633	68,63,578
9	4487562	53,638	11,81,213	5,48,297	17,83,148
10	3549727	1,76,071	15,72,286	4,39,934	21,88,291
11	3549742	1,30,970	14,95,656	3,78,704	20,05,330
12	3549748	1,11,861	21,69,694	1,40,020	24,21,575
13	3549736	58,411	1,10,61,561	1,35,43,960	2,46,63,932
14	48821755	1,21,631	7,63,093	1,51,292	10,36,016
15	4487559	37,321	18,31,164	9,34,974	28,03,459
16	4487556	3,03,410	19,78,117	2,39,741	25,21,268
Sub-Total (A)		21,09,235	5,78,17,317	5,67,13,961	11,66,40,514
Name of the Division: Imphal Electrical Division-2 (IED-2)					
1	287643	17,187	5,10,833	58,120	5,86,140
2	158035	12,033	2,36,169	1,42,775	3,90,977
3	287626	1,04,661	9,97,978	2,82,696	13,85,335
4	158036	3,98,774	9,30,409	1,76,409	15,05,592
5	158038	1,08,167	6,29,695	23,698	7,61,560
6	385122	1,29,631	59,15,872	34,06,423	94,51,926
7	385123	1,19,215	11,69,387	2,64,426	15,53,028
8	48210577	17,181	13,73,755	2,60,875	16,51,811
9	48720057	47,681	8,74,649	1,03,328	10,25,658
10	385128	21,508	2,26,110	27,423	2,75,042
11	1299767	2,18,354	23,08,760	2,88,273	28,15,387
12	1118127	1,10,783	11,32,523	5,09,586	17,52,892
13	48231588	50,459	3,97,679	1,90,949	6,39,087
14	48237830	34,829	3,00,169	2,00,664	5,35,662
15	48624913	73,338	6,50,829	1,75,288	8,99,454
16	48218434	68,883	1,92,144	1,58,186	4,19,213
Sub-Total (B)		15,32,684	1,78,46,961	62,69,119	2,56,48,764
Name of the Division: Imphal Electrical Division-3 (IED-3)					
1	10162757	41,723	9,00,681	4,49,670	13,92,074
2	10162758	41,723	9,00,681	4,49,670	13,92,074
3	31111120	3,03,410	9,14,069	3,04,244	15,21,723
4	32111081	37,411	3,75,012	44,859	4,57,282
5	48600631	76,459	7,57,122	1,06,326	9,39,907
6	48616955	22,146	2,24,691	32,315	2,79,152
7	48672125	18,381	5,97,501	78,525	6,94,407
8	48673661	1,21,364	12,01,780	1,54,423	14,77,567
9	48851741	1,21,364	10,64,781	1,10,463	12,96,608
10	3141790	19,600	1,74,597	18,609	2,12,806
11	32111083	56,561	2,82,715	9,09,846	12,49,122
Sub-Total (C)		860142	7393630	2658950	1,09,12,722
Name of the Division: Thoubal Electrical Division					
1	3649124	41,723	9,00,170	2,14,086	11,55,979

Sl. No.	Consumer ID	Current bill	Previous arrears	Accumulated surcharge	Amount payable
2	3649125	7,64,593	23,03,454	7,27,667	37,95,714
3	3649127	41,723	8,70,170	2,26,880	11,38,773
4	3649132	2,55,021	96,07,398	40,48,246	1,39,10,665
5	3649133	2,55,021	61,06,365	15,67,832	79,29,218
6	3649135	5,17,684	1,68,04,559	61,46,533	2,34,68,776
7	3749706	79,161	15,98,084	4,36,056	21,13,301
8	4049158	4,41,564	12,41,612	9,57,456	26,40,632
9	36110230	1,41,079	2,00,397	5,761	3,47,237
10	37110235	1,44,909	3,95,326	2,17,143	7,57,378
11	40111004	19,600	1,97,216	29,465	2,46,281
12	46145347	54,004	4,78,383	4,02,763	9,35,150
13	48238638	24,711	7,72,826	1,68,913	9,66,450
14	48238639	1,13,809	8,51,292	1,43,185	11,08,286
15	48492927	67,891	5,31,097	2,71,105	8,70,093
16	48598699	1,67,035	12,40,064	2,09,091	16,16,190
17	48686825	82,588	6,33,458	1,22,440	8,38,486
18	3649138	32,469	3,38,161	40,639	4,11,269
19	3649139	19,600	1,99,089	23,615	2,42,304
20	3649144	62,998	6,42,633	76,397	7,82,028
21	3749705	79,161	4,93,021	36,539	6,08,721
22	3649095	16,985	1,70,828	20,155	2,07,968
	Sub-Total (D)	34,23,329	4,65,75,603	1,60,91,967	6,60,90,899
Name of the Division: Kangpokpi Electrical Division					
1	2157955	50,146	23,51,813	11,66,993	35,68,952
2	2157962	26,364	2,75,368	33,321	3,35,053
3	48589961	19,603	1,10,846	56,335	1,86,785
4	2157956	66,617	5,11,762	63,936	6,42,315
5	2358056	66,226	13,89,934	3,55,830	18,11,990
6	23172636	21,285	5,75,183	1,16,731	7,13,199
7	48413381	2,08,575	36,20,794	2,82,692	41,12,061
8	2157953	29,015	3,13,025	36,039	3,78,079
9	2157954	25,651	2,76,415	31,938	3,34,004
10	2358045	33,869	5,73,793	59,222	6,66,884
11	48833835	1,07,764	18,00,700	2,65,307	21,73,771
12	2258041	10,879	1,08,036	12,834	1,31,749
13	2157961	13,494	1,36,297	16,296	1,66,087
	Sub-Total (E)	6,79,488	1,20,43,966	24,97,474	1,52,20,929
Name of the Division: Churachandpur Electrical Division					
1	48847811	2,83,345	19,22,375	2,51,603	24,77,388
2	48847803	32,114	5,30,777	84,346	6,47,237
3	48803631	26,941	4,57,116	74,996	5,59,053
4	45410958	40,101	4,12,406	47,278	4,99,785
5	48209758	13,494	1,37,445	54,602	2,05,542
6	45410956	13,494	1,37,445	22,199	1,73,138
7	45410957	10,879	1,09,185	18,487	1,38,551
8	48758163	22,146	2,25,357	31,195	2,78,698
9	48206176	26,941	6,51,039	1,29,416	8,07,396
10	500823	8,607	1,12,779	36,352	1,57,738
	Sub-Total (F)	4,78,062	46,95,924	7,50,474	59,44,526
	Grand Total (A+B+C+D+E+F)	90,82,940	14,63,73,401	8,49,81,945	24,04,58,354

Source: Departmental records

Appendix-4.6

Statement showing payment and recovery of mobilisation advance

(Reference: Paragraph 4.3)

(Amount in ₹)										
Sub-head	Date of adv. payment	Advance paid	RA bill No.	Amount Recovered	Date of payment / recovery	Adv. lying unrecovered	Period for which advance remained unrecovered		No. of days	Recoverable interest @ 10 per cent
Sub-Station	01-09-15	4,51,05,054	1	-	-	4,51,05,054	01-09-15	21-03-16	202	24,96,225
			2	1,27,16,874	21-03-16	3,23,88,180	22-03-16	29-03-16	7	62,114
			3	84,22,940	29-03-16	2,39,65,240	30-03-16	20-10-16	204	13,39,427
			4	1,47,60,698	20-10-16	92,04,542	21-10-16	29-03-18	524	13,21,419
			5	25,14,232	29-03-18	66,90,310	30-03-18	08-03-19	343	6,28,706
			6	66,90,310	08-03-19	Nil	NA	NA	NA	
Sub Total		4,51,05,054		4,51,05,054						58,47,891
Line portion	01-09-15	7,27,53,472	1	-	-	7,27,53,472	01-09-15	10-06-16	283	56,40,886
			2	99,29,726	10-06-16	6,28,23,746	11-06-16	20-10-16	131	22,54,770
			3	2,24,98,777	20-10-16	4,03,24,969	21-10-16	31-12-16	71	7,84,404
			4	1,86,50,049	31-12-16	2,16,74,920	01-01-17	20-01-18	384	22,80,320
			5	2,16,74,920	20-01-18	Nil	NA	NA -	NA	
Sub Total		7,27,53,472		7,27,53,472						1,09,60,380
Total		11,78,58,526		11,78,58,526						1,68,08,271

A. Amount of interest on mobilisation advance to be recovered as per CPWD Manual norms:

₹1.68 crore

B. Amount of interest on mobilisation advance actually recovered by Company at the rate of 9 per cent by computing from date of receipt of materials:

₹ 0.76 crore

Amount of short recovery of interest on mobilisation advance:

₹ 0.92 crore (A-B)

Appendix-5.1

Records not produced to Audit for scrutiny by DDOs of departments under Revenue Sector during 2023-24

(Reference: Paragraph 5.2)

Sl. No.	Name of the DDO/ Office	Name of the Department	Nature of records not produced to audit for scrutiny	Period for which records were not produced	Whether Audit pursued the matter with the Department
1	Commissioner of Excise	Excise	Records related to bill/vouchers, APRs etc. for an expenditure amount of ₹ 3.66 lakh not produced. For drawal of fully vouched contingent bill of ₹ 20.33 lakh, the supporting bills/vouchers of the work, APRs and other relevant documents for the work such as MoU/Agreement between the parties for the deposit work, completion reports, etc. was not found on record	July 2019 to March 2022	Yes
2	Director, Transport	Transport	Records related to information regarding documents required, new registrations, number. of vehicles which applied for assignment, reject cases etc. Information related to Enforcement activities undertaken by the office of DTO Imphal West were not produced	May 2019 to March 2021	Yes

Source: Records furnished by the AMG II, O/o the Accountant General (Audit), Manipur.

Appendix-5.2

Statistical data of Transport Department Revenue and Expenditure of Transport Department, GoM

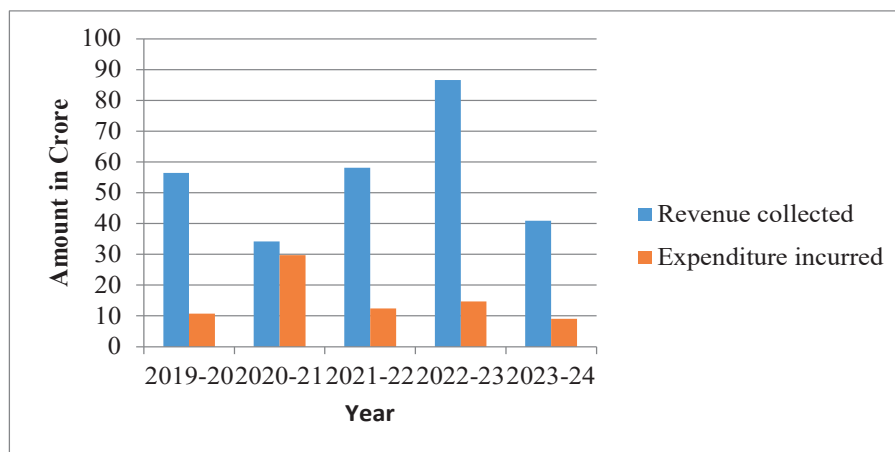
(Reference: Paragraph 5.6.1)

(₹in crore)

Year	Revenue collected	Expenditure incurred (percentage of revenue collected)
2019-20	56.4	10.70 (19 %)
2020-21	34.2	29.65 (70 %)
2021-22	58.05	12.39 (21 %)
2022-23	86.6	14.69 (17 %)
2023-24*	40.85	9.01 (22%)
Total	276.1	76.44 (28 %)

(Source: Departmental data; VLC data)

The graphical presentation of yearly trend in respect of the above statistical data is given below:



Number of transactions in VAHAN Manipur

Name of DTO	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Imphal West	36,159	16,896	29,421	48,021	19,512	1,50,009
Churachandpur	3,629	472	3,833	3,177	723	11,834
Kangpokpi	5,620	2,175	584	1,862	529	10,770
Thoubal	3,930	1,950	4,190	7,317	2,260	19,647
Bishnupur	2,411	1,481	2,084	2,008	1,322	9,306
Imphal East	15,606	13,192	28,919	34,380	16,212	1,08,309
Ukhrul	287	295	250	1,065	371	2,268
Senapati	1,391	1,411	3,702	6,323	2,136	14,963
Chandel	266	91	586	3,069	497	4,509
Tamenglong	0	0	9	33	22	64
Tengnoupal	0	0	0	0	5	5
Total	69299	37963	73578	107255	43589	331684

(Source: Departmental Data)

Number of applications in SARATHI Manipur

Name of DTO	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Imphal West	33,857	18,402	26,023	35,706	18,947	1,32,935
Churachandpur	4,869	340	11,057	14,578	2,832	33,676
Kangpokpi	6,249	3,500	4,246	4,375	1,457	19,827
Thoubal	19,534	7,927	9,105	10,556	5,058	52,180
Bishnupur	11,333	6,369	5,798	7,186	3,802	34,488
Imphal East	33,264	15,723	20,378	30,122	16,687	1,16,174
Ukhrul	2,298	1,016	2,348	4,188	4,347	14,197
Senapati	2,533	1,498	2,443	3,530	2,554	12,558

Name of DTO	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Chandel	0	0	146	1,333	707	2,186
Tamenglong	0	0	45	1,003	719	1,767
Tengnoupal	0	0	0	25	51	76
Total	1,13,937	54,775	81,589	1,12,602	57,161	4,20,064

(Source: Departmental Data)

Number of vehicles registered in Manipur

Name of DTO	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Imphal West	23644	8312	13833	28049	10214	84052
Churachandpur	1633	122	1169	1040	211	4175
Kangpokpi	294	86	40	224	140	784
Thoubal	2374	505	1465	2257	627	7228
Bishnupur	858	212	261	241	30	1602
Imphal East	9289	8431	21497	21241	8117	68575
Ukhrul	132	27	14	19	47	239
Senapati	297	114	116	171	134	832
Chandel	242	90	136	50	30	548
Tamenglong	1	0	1	12	6	20
Tengnoupal	0	0	0	0	4	4
Total	38764	17899	38532	53304	19560	168059

(Source: Departmental Data)

Number of transport vehicles registered in Manipur

Name of DTO	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Bishnupur	327	140	173	156	16	812
Chandel	94	33	50	16	7	200
Churachandpur	170	2	43	77	25	317
Imphal East	958	218	356	1,019	366	2,917
Imphal West	1,527	611	1,306	1,459	423	5,326
Kangpokpi	138	26	16	186	127	493
Senapati	178	23	14	40	23	278
Tamenglong	0	0	0	4	0	4
Thoubal	350	122	241	195	42	950
Ukhrul	78	8	2	4	8	100
Tengnoupal	0	0	0	0	0	0
Total	3,820	1,183	2,201	3,156	1,037	11,397

(Source: Departmental Data)

Number of non-transport vehicles registered in Manipur

DTO	2019-20	2020-21	2021-22	2022-23	2023-24	Total
DTO Bishnupur	531	72	88	85	14	790
DTO Chandel	148	57	86	34	23	348
DTO Churachandpur	1,463	120	1,126	963	186	3,858
DTO Imphal East	8,331	8,213	21,141	20,222	7,751	65,658
DTO Imphal West	22,117	7,701	12,527	26,590	9,791	78,726
DTO Kangpokpi	156	60	24	38	13	291
DTO Senapati	119	91	102	131	111	554
DTO Tamenglong	1	0	1	8	6	16
DTO Thoubal	2,024	383	1,224	2,062	585	6278
DTO Ukhrul	54	19	12	15	39	139
DTO Tengnoupal	0	0	0	0	4	4
Total	34,944	16,716	36,331	50,148	18,523	1,56,662

(Source: Departmental Data)

Appendix-5.3A

Audit of Zones

(Reference: Paragraph 5.7.5 (iii))

Zone Audit		
Sl. No.	Type of GST Audit	Jurisdiction
1	Zone Audit	Zone-1
2		Zone-4
3		Zone-10

Appendix-5.3B

Centralised Audit

(Reference: Paragraph 5.7.5 (iii))

Sl. No.	Audit Dimension	GSTIN	Zone	Amount of deviation/ mismatch (in ₹)
1	GSTR-2A vs GSTR-3B/9	1XXXXXXXXXXXXXQ	Zone-8	7,99,65,521
2		1XXXXXXXXXXXXX0	Works contract	6,29,98,930
3		1XXXXXXXXXXXXXO	Works contract	4,50,64,771
4		1XXXXXXXXXXXXX8	Works contract	4,01,33,459
5		1XXXXXXXXXXXXXG	Zone-1	3,90,56,441
6		1XXXXXXXXXXXXXV	Works contract	3,28,87,744
7		1XXXXXXXXXXXXXC	Works contract	3,27,20,051
8		1XXXXXXXXXXXXX4	Works contract	2,81,29,282
9		1XXXXXXXXXXXXXI	Zone-8	2,42,26,988
10		1XXXXXXXXXXXXXD	Works contract	2,41,04,124
11		1XXXXXXXXXXXXX8	Zone-3	2,10,64,390
12		1XXXXXXXXXXXXXL	Works contract	1,84,65,987
13		1XXXXXXXXXXXXXT	Zone-1	1,83,30,114
14		1XXXXXXXXXXXXXN	Zone-4	1,71,67,288
15		1XXXXXXXXXXXXXX	Works contract	1,68,96,457
16		1XXXXXXXXXXXXXN	Works contract	1,56,65,258
17		1XXXXXXXXXXXXXL	Zone-8	1,52,17,118
18		1XXXXXXXXXXXXXK	Works contract	1,51,61,322
19		1XXXXXXXXXXXXXV	Works contract	1,34,58,240
20		1XXXXXXXXXXXXXB	Works contract	1,17,59,100
21	ITC availed without supplier remitting tax	1XXXXXXXXXXXXXV	Zone-9-1	3,34,84,621
22		1XXXXXXXXXXXXXK	Works Contract	10,19,09,984
23		1XXXXXXXXXXXXXO	Works Contract	1,90,39,243
24		1XXXXXXXXXXXXXN	Works Contract	1,19,38,684
25		1XXXXXXXXXXXXXQ	Zone-8	2,75,99,100
26		1XXXXXXXXXXXXXW	Zone-8	11,00,568
27		1XXXXXXXXXXXXXL	Works Contract	97,82,072
28		1XXXXXXXXXXXXX8	Works Contract	6,33,96,883
29		1XXXXXXXXXXXXX5	Zone-9-1	2,29,96,181
30		1XXXXXXXXXXXXXI	Zone-8	1,56,31,200
31	ITC availed after cut-off period	1XXXXXXXXXXXXXD	Zone-9-1	1,97,24,533
32		1XXXXXXXXXXXXXP	Works Contract	55,13,547
33		1XXXXXXXXXXXXX5	Zone-8	1,62,23,308
34		1XXXXXXXXXXXXXM	Zone-8	1,10,67,007
35		1XXXXXXXXXXXXX6	Zone-1	1,37,11,424
36		1XXXXXXXXXXXXXH	Zone-8	1,08,92,499
37		1XXXXXXXXXXXXXU	Zone-10	2,14,27,499
38		1XXXXXXXXXXXXXN	Zone-9-1	92,69,508
39		1XXXXXXXXXXXXX6	Works Contract	1,97,41,831
40		1XXXXXXXXXXXXXU	Works Contract	71,92,254

Sl. No.	Audit Dimension	GSTIN	Zone	Amount of deviation/ mismatch (in ₹)
41		1XXXXXXXXXXXXXF	Zone-8	1,28,51,852
42		1XXXXXXXXXXXX8	Zone-3	84,59,983
43		1XXXXXXXXXXXXC	Works contract	4,93,51,388
44		1XXXXXXXXXXXXI	Zone-8	1,56,31,200
45		1XXXXXXXXXXXX6	Zone-9-1	1,03,60,852
46	ISD credit incorrectly availed by the recipient	1XXXXXXXXXXXXB	Works Contract	5,47,032
47	Positive figure in GSTR-9C Table 12 F	1XXXXXXXXXXXX4	Zone-9	31,44,614
48		1XXXXXXXXXXXX0	Works contract	2,07,92,036
49		1XXXXXXXXXXXXO	Works contract	2,27,88,174
50		1XXXXXXXXXXXX5	Works contract	2,55,045
51		1XXXXXXXXXXXX2	Zone-9	3,13,458
52	Positive figure in GSTR-9C Table 14T of Form 9C	1XXXXXXXXXXXX5	Works Contract	20,67,435
53		1XXXXXXXXXXXXO	Zone-9-2	26,04,275
54		1XXXXXXXXXXXXU	Zone-9-1	24,85,563
55		1XXXXXXXXXXXXK	Works Contract	32,36,259
56		1XXXXXXXXXXXXY	Works Contract	57,28,281
57	Negative figure in GSTR-9C Table 9R	1XXXXXXXXXXXX0	Zone-8	81,08,240
58		1XXXXXXXXXXXX5	Works Contract	59,95,278
59		1XXXXXXXXXXXXL	Works Contract	1,28,17,791
60		1XXXXXXXXXXXX8	Works Contract	92,83,484
61		1XXXXXXXXXXXX4	Works Contract	26,58,968
62	Under RCM	1XXXXXXXXXXXXL	Zone-9-2	12,33,012
63		1XXXXXXXXXXXXX	Zone-4	1,39,88,207
64		1XXXXXXXXXXXXI	Zone-8	11,15,527
65		1XXXXXXXXXXXXH	Zone- 12	1,36,22,295
66		1XXXXXXXXXXXXZ	Zone-8	7,19,805
67		1XXXXXXXXXXXXU	Works Contract	1,71,21,858
68		1XXXXXXXXXXXXE	Zone-7	25,87,955
69		1XXXXXXXXXXXXF	Zone-9-1	24,16,344
70		1XXXXXXXXXXXX3	Zone-9-2	54,79,983
71		1XXXXXXXXXXXXG	Zone- 1	1,00,95,321
72		1XXXXXXXXXXXX4	Works Contract	23,72,699
73		1XXXXXXXXXXXX3	Zone-1	18,23,949
74		1XXXXXXXXXXXXV	Works Contract	67,15,240
75		1XXXXXXXXXXXXC	Zone-9-1	34,39,918
76		1XXXXXXXXXXXX2	Zone-2	7,37,991
77	Tax short paid	1XXXXXXXXXXXXW	Zone-9-1	3,55,78,412
78		1XXXXXXXXXXXXC	Works contract	4,30,46,000
79		1XXXXXXXXXXXXD	Works contract	2,23,05,704
80		1XXXXXXXXXXXXU	Zone-8	7,63,18,868
81		1XXXXXXXXXXXXA	Works contract	2,82,14,194
82		1XXXXXXXXXXXXV	Zone-8	1,26,732
83		1XXXXXXXXXXXX5	Zone-8	6,146
84		1XXXXXXXXXXXXS	Zone-9-2	35,21,716
85		1XXXXXXXXXXXXU	Zone-8	6,83,55,434
86		1XXXXXXXXXXXXQ	Zone-3	84,759
87		1XXXXXXXXXXXX4	Zone-10	1,30,14,552
88		1XXXXXXXXXXXXL	Zone-1	1,87,81,374
89		1XXXXXXXXXXXXP	Zone-1	79,444
90		1XXXXXXXXXXXXB	Zone-10	1,54,82,771
91		1XXXXXXXXXXXX6	Zone-9-1	3,43,98,360
92		1XXXXXXXXXXXX7	Zone-13	5,28,05,840
93		1XXXXXXXXXXXXA	Zone-8	4,73,22,658
94	Suppression of tax liability (E way-bill)	1XXXXXXXXXXXXS	Zone-3	3,52,752
95		1XXXXXXXXXXXX7	Works Contract	8,92,708
96		1XXXXXXXXXXXXS	Zone-8	13,63,124

Sl. No.	Audit Dimension	GSTIN	Zone	Amount of deviation/ mismatch (in ₹)
97		1XXXXXXXXXXXXX0	Zone-8	8,03,392
98		1XXXXXXXXXXXXXV	Works Contract	3,91,558
99		1XXXXXXXXXXXXXG	Zone-6	15,56,663
100		1XXXXXXXXXXXXXC	Zone -5	8,95,289
101		1XXXXXXXXXXXXXS	Zone-8	3,83,040
102		1XXXXXXXXXXXXXV	Zone-8	1,42,380
103		1XXXXXXXXXXXXX4	Zone-9-1	1,28,986
104		1XXXXXXXXXXXXXY	Zone-9-1	4,00,000
105		1XXXXXXXXXXXXXU	Zone-9-2	2,16,607
106		1XXXXXXXXXXXXX0	Zone-8	19,98,074
107		1XXXXXXXXXXXXXW	Zone-8	1,44,800
108		1XXXXXXXXXXXXX5	Zone-8	1,15,782
109	Ineligible composition levy	1XXXXXXXXXXXXX5	Zone-8	3,73,19,073
110		1XXXXXXXXXXXXXW	Zone-8	1,59,00,000
111		1XXXXXXXXXXXXXY	Zone-12	1,51,82,515
112		1XXXXXXXXXXXXXO	Zone-12	1,45,26,734
113		1XXXXXXXXXXXXX3	Zone-9-1	1,26,16,144
114	Tax not remitted due to GSTR-3B not filed	1XXXXXXXXXXXXXM	Zone-8	85,93,013
115		1XXXXXXXXXXXXXG	Zone-9-1	48,11,024
116		1XXXXXXXXXXXXXH	Zone-9-1	22,04,244
117		1XXXXXXXXXXXXXL	Works Contract	9,56,275
118		1XXXXXXXXXXXXXD	Zone-9-1	20,48,160
119		1XXXXXXXXXXXXXT	Works Contract	18,92,900
120		1XXXXXXXXXXXXX4	Zone-9-2	6,94,582
121		1XXXXXXXXXXXXX5	Zone-9-1	5,58,861
122	Short payment of interest on delay payments	1XXXXXXXXXXXXXO	Works Contract	28,65,897
123		1XXXXXXXXXXXXX0	Works Contract	81,88,761
124		1XXXXXXXXXXXXXF	Zone-9-1	31,74,811
125		1XXXXXXXXXXXXXD	Works contract	25,54,143
126		1XXXXXXXXXXXXXL	Works Contract	73,23,401
127		1XXXXXXXXXXXXXV	Works Contract	33,84,626
128		1XXXXXXXXXXXXXA	Works Contract	69,75,675
129		1XXXXXXXXXXXXXV	Works Contract	14,16,497
130		1XXXXXXXXXXXXXU	Works Contract	32,70,974
131		1XXXXXXXXXXXXXM	Works contract	13,61,741
132		1XXXXXXXXXXXXX8	Zone-8	34,87,127
133		1XXXXXXXXXXXXXC	Works Contract	26,22,691
134		1XXXXXXXXXXXXXF	Works Contract	14,37,599
135		1XXXXXXXXXXXXXR	Zone-9-1	13,56,100
136		1XXXXXXXXXXXXXV	Works Contract	22,58,609
137		1XXXXXXXXXXXXX8	Works Contract	12,58,935
138		1XXXXXXXXXXXXXT	Zone-8	13,45,600
139		1XXXXXXXXXXXXXS	Works Contract	20,25,554
140		1XXXXXXXXXXXXXY	Zone-9-1	27,93,850
141		1XXXXXXXXXXXXXD	Works Contract	18,71,231
142	Under declaration of taxable supplies by comparing TDS returns	1XXXXXXXXXXXXXD	Works Contract	41,81,16,221
143		1XXXXXXXXXXXXX2	Works Contract	2,01,13,950
144		1XXXXXXXXXXXXXJ	Zone-8	1,74,64,228
145		1XXXXXXXXXXXXXH	Works Contract	9,76,01,678
146		1XXXXXXXXXXXXX0	Zone-9-1	2,12,96,439
147		1XXXXXXXXXXXXX4	Zone-10	3,80,41,100
148		1XXXXXXXXXXXXX6	Zone-8	1,92,22,900
149		1XXXXXXXXXXXXXA	Zone-12	2,02,91,375
150		1XXXXXXXXXXXXXA	Zone-7	1,59,15,050
151		1XXXXXXXXXXXXXL	Zone-8	1,50,23,725
152	Suppression of taxable value (Unbilled Revenue)	1XXXXXXXXXXXXXE	Zone-9-1	1,51,694
153		1XXXXXXXXXXXXX5	Works Contract	2,17,27,068

Sl. No.	Audit Dimension	GSTIN	Zone	Amount of deviation/ mismatch (in ₹)
154	Negative figure in GSTR-9C Table 7G	1XXXXXXXXXXXXXXN	Works Contract	23,40,983
155		1XXXXXXXXXXXXXXM	Zone-3	7,60,35,973
156		1XXXXXXXXXXXXXS	Zone-8	3,37,67,30,000
157		1XXXXXXXXXXXXX0	Zone-8	11,46,09,592
158		1XXXXXXXXXXXXXR	Zone-10	1,58,26,703
159		1XXXXXXXXXXXXXV	Zone-6	1,07,20,280
		Total		6,24,58,00,268
Total (₹ in crore)				624.58

Appendix-5.3C–Detailed Audit

Sl. No.	GSTIN	Jurisdiction/ Zone	Total amount of deviation/ mismatch (in ₹)
1	1XXXXXXXXXXXXXA	Works Contract	1,79,06,361
2	1XXXXXXXXXXXXX0	Zone-9(2)	3,24,47,125
3	1XXXXXXXXXXXXXF	Works Contract	2,19,20,325
4	1XXXXXXXXXXXXXQ	Zone-8	1,46,36,008
5	1XXXXXXXXXXXXXT	Zone-8	14,79,447
6	1XXXXXXXXXXXXXU	Works Contract	4,70,17,228
7	1XXXXXXXXXXXXXA	Zone-1	72,61,055
8	1XXXXXXXXXXXXXA	Zone-9(1)	13,13,80,346
9	1XXXXXXXXXXXXX6	Zone-8	65,32,811
10	1XXXXXXXXXXXXXW	Zone-8	4,23,61,206
11	1XXXXXXXXXXXXX3	Works Contract	0.00
12	1XXXXXXXXXXXXXC	Works Contract	7,77,65,825
13	1XXXXXXXXXXXXX2	Works Contract	20,63,36,747
14	1XXXXXXXXXXXXX0	Zone-9(2)	35,823
15	1XXXXXXXXXXXXXC	Zone-4	4,00,98,975
16	1XXXXXXXXXXXXXW	Zone-9(2)	7,73,75,358
17	1XXXXXXXXXXXXXJ	Zone-9(1)	68,37,434
18	1XXXXXXXXXXXXX4	Zone-10	0.00
19	1XXXXXXXXXXXXXO	Zone-9(1)	6,72,029
20	1XXXXXXXXXXXXXT	Works Contract	37,66,455
Total			73,58,30,558

Appendix-5.4A

Estimated impact due to non-taking of any action against GSTR-3B Non-filers during 2020-21 (MIS COMP 01)

(Reference: Paragraph 5.7.7.1)

Description	Zone	Number
Number of taxpayers	Zone-1	73
	Zone-4	29
	Zone-10	81
Total		183
Number of defaulting returns	Zone-1	1208
	Zone-4	819
	Zone-10	1844
Total		3871

Description	Zone	Number
Estimated impact (₹ in lakh)	Zone-1	15.41
	Zone-4	0.06
	Zone-10	1.65
Total		17.12

Appendix-5.4B

(Reference: Paragraph 5.7.7.1)

GSTR-3A issued but assessment not completed

Year	Number of GSTR-3A issued			Returns filed in pursuance of GSTR-3A			Number of cases pending of Return filling		
	Zone-1	Zone-4	Zone-10	Zone-1	Zone-4	Zone-10	Zone-1	Zone-4	Zone-10
2020-21	67	31	86	0	0	0	67	31	86
Total	184			0			184		

Appendix-5.5

(Reference: Paragraph 5.7.7.3)

Statement showing cancelled registrations with effect from dates prior to the application dates

Sl. No.	Zone	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Reason of Cancellation	Date of Filing Application	Date of Effecting Cancellation	Order of cancellation prior to application (days)
1	Zone-4	1XXXXXXXXXXXXXA	25-3-2018	NA	Others	03-7-2020	29-3-2020	96
2	Zone-4	1XXXXXXXXXXXXX5	26-3-2018	NA	Discontinuation/Closure of Business	21-9-2020	01-10-2018	721
3	Zone-4	1XXXXXXXXXXXXX5	26-8-2017	NA	Others	05-10-2020	31-12-2019	279
4	Zone-4	1XXXXXXXXXXXXX5	02-4-2018	NA	Others	18-10-2020	27-3-2020	205
5	Zone-4	1XXXXXXXXXXXXXH	19-8-2017	NA	Discontinuation/Closure of Business	18-11-2020	17-11-2020	1
6	Zone-4	1XXXXXXXXXXXXXY	11-2-2020	NA	Discontinuation/Closure of Business	09-2-2021	31-12-2020	40
7	Zone-4	1XXXXXXXXXXXXX0	04-2-2021	NA	Discontinuation/Closure of Business	09-2-2021	09-2-2021	0
8	Zone-4	1XXXXXXXXXXXXXL	28-2-2018	NA	Ceased to be liable to pay tax	19-2-2021	19-2-2021	0
9	Zone-4	1XXXXXXXXXXXXXH	10-7-2018	NA	Ceased to be liable to pay tax	25-2-2021	31-1-2021	25
10	Zone-1	1XXXXXXXXXXXXXV	03-1-2019	NA	Discontinuation/Closure of Business	14-3-2020	14-3-2020	0
11	Zone-1	1XXXXXXXXXXXXXH	13-2-2019	NA	Discontinuation/Closure of Business	29-5-2020	01-5-2020	28
12	Zone-1	1XXXXXXXXXXXXXR	15-6-2018	NA	Discontinuation/Closure of Business	25-7-2020	25-7-2020	0
13	Zone-1	1XXXXXXXXXXXXX8	01-8-2018	NA	Discontinuation/Closure of Business	25-9-2020	31-8-2020	25
14	Zone-1	1XXXXXXXXXXXXXZ	10-8-2017	NA	Others	28-2-2020	28-2-2020	0
15	Zone-1	1XXXXXXXXXXXXX	25-3-2020	NA	Discontinuation/Closure of Business	03-10-2020	26-3-2020	191
16	Zone-1	1XXXXXXXXXXXXXM	24-8-2017	NA	Discontinuation/Closure of Business	16-1-2019	31-12-2018	16
17	Zone-1	1XXXXXXXXXXXXX3	15-8-2019	NA	Discontinuation/Closure of Business	07-6-2020	31-5-2020	7
18	Zone-1	1XXXXXXXXXXXXXV	22-8-2018	NA	Others	12-4-2019	12-4-2019	0

Sl. No.	Zone	GSTIN/UID	Date of Registration	Date of Initiation of Notice	Reason of Cancellation	Date of Filing Application	Date of Effecting Cancellation	Order of cancellation prior to application (days)
19	Zone-1	1XXXXXXXXXXXXXL	16-11-2020	NA	Others	31-12-2020	16-11-2020	45
20	Zone-1	1XXXXXXXXXXXXX1	12-10-2020	NA	Ceased to be liable to pay tax	19-12-2020	01-12-2020	18
21	Zone-1	1XXXXXXXXXXXXX9	29-1-2019	NA	Ceased to be liable to pay tax	22-12-2020	01-12-2020	21
22	Zone-1	1XXXXXXXXXXXXX6	02-3-2020	NA	Discontinuation/Closure of Business	02-2-2021	03-3-2020	336
23	Zone-1	1XXXXXXXXXXXXXI	17-8-2017	NA	Discontinuation/Closure of Business	11-2-2021	31-12-2020	42
24	Zone-1	1XXXXXXXXXXXXXC	26-11-2018	NA	Discontinuation/Closure of Business	18-3-2021	28-2-2021	18
25	Zone-10	1XXXXXXXXXXXXXO	11-8-2017	NA	Ceased to be liable to pay tax	24-4-2020	31-3-2020	24
26	Zone-10	1XXXXXXXXXXXXXG	24-7-2017	NA	Others	28-4-2020	31-3-2020	28
27	Zone-10	1XXXXXXXXXXXXXB	31-8-2017	NA	Others	28-4-2020	31-3-2020	28
28	Zone-10	1XXXXXXXXXXXXXR	01-9-2017	NA	Others	28-4-2020	31-3-2020	28
29	Zone-10	1XXXXXXXXXXXXXT	30-7-2018	NA	Ceased to be liable to pay tax	02-7-2020	30-6-2020	2
30	Zone-10	1XXXXXXXXXXXXXN	06-7-2019	NA	Discontinuation/Closure of Business	22-6-2020	15-6-2020	7
31	Zone-10	1XXXXXXXXXXXXX2	01-12-2019	NA	Ceased to be liable to pay tax	29-6-2020	31-5-2020	29
32	Zone-10	1XXXXXXXXXXXXXJ	01-7-2017	NA	Others	02-4-2020	31-3-2020	2
33	Zone-10	1XXXXXXXXXXXXXO	13-7-2017	NA	Others	02-4-2020	31-3-2020	2
34	Zone-10	1XXXXXXXXXXXXXQ	29-8-2017	NA	Others	28-4-2020	31-3-2020	28
35	Zone-10	1XXXXXXXXXXXXXF	05-9-2017	NA	Others	28-4-2020	31-3-2020	28
36	Zone-10	1XXXXXXXXXXXXX3	31-8-2017	NA	Others	28-4-2020	31-3-2020	28
37	Zone-10	1XXXXXXXXXXXXX7	12-8-2017	NA	Others	05-5-2020	31-3-2020	35
38	Zone-10	1XXXXXXXXXXXXX1	26-8-2017	NA	Others	28-4-2020	31-3-2020	28
39	Zone-10	1XXXXXXXXXXXXXS	26-8-2017	NA	Others	30-6-2020	31-3-2020	91
40	Zone-10	1XXXXXXXXXXXXXL	02-11-2017	NA	Ceased to be liable to pay tax	12-2-2020	31-12-2019	43
41	Zone-10	1XXXXXXXXXXXXXK	08-3-2018	NA	Ceased to be liable to pay tax	24-6-2020	31-3-2020	85
42	Zone-10	1XXXXXXXXXXXXXA	24-3-2018	NA	Others	24-10-2019	30-9-2019	24
43	Zone-10	1XXXXXXXXXXXXXX	27-3-2018	NA	Others	24-10-2019	30-9-2019	24
44	Zone-10	1XXXXXXXXXXXXXD	12-7-2019	NA	Others	09-7-2020	12-7-2019	363
45	Zone-10	1XXXXXXXXXXXXX4	02-2-2018	NA	Ceased to be liable to pay tax	21-7-2020	31-3-2020	112
46	Zone-10	1XXXXXXXXXXXXXE	19-2-2018	NA	Ceased to be liable to pay tax	02-9-2020	30-6-2020	64
47	Zone-10	1XXXXXXXXXXXXXA	21-9-2020	NA	Others	05-10-2020	05-10-2020	0
48	Zone-10	1XXXXXXXXXXXXXT	20-10-2020	28-10-2020	Others	26-10-2020	20-10-2020	6
49	Zone-10	1XXXXXXXXXXXXXY	12-12-2019	NA	Discontinuation/Closure of Business	31-12-2020	16-3-2020	290
50	Zone-10	1XXXXXXXXXXXXX4	16-11-2020	NA	Discontinuation/Closure of Business	08-1-2021	31-12-2020	8
51	Zone-10	1XXXXXXXXXXXXXA	01-6-2018	NA	Discontinuation/Closure of Business	25-1-2021	25-1-2021	0
52	Zone-10	1XXXXXXXXXXXXX6	16-12-2020	NA	Ceased to be liable to pay tax	02-2-2021	02-2-2021	0
53	Zone-10	1XXXXXXXXXXXXXR	11-8-2017	NA	Ceased to be liable to pay tax	14-2-2021	14-2-2021	0

Appendix-5.6

Statement showing delay in issuance of cancellation order
(Reference: Paragraph. 5.7.7.3)

Sl. No.	Zone	GSTIN	Date of registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date by which order should have been issued (30 days from Application)	Date of Effecting Cancellation	Delay in issuance order in days
Suo-moto cancellation										
1	Zone-10	1XXXXXXXXXXXXXXP	06-9-2017	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	11-4-2020	20-4-2020	9
2	Zone-10	1XXXXXXXXXXXXXXQ	07-9-2017	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	11-4-2020	20-4-2020	9
3	Zone-10	1XXXXXXXXXXXXXXD	09-4-2018	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	11-4-2020	20-4-2020	9
4	Zone-10	1XXXXXXXXXXXXXX9	27-8-2018	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	11-4-2020	20-4-2020	9
5	Zone-10	1XXXXXXXXXXXXXXD	12-2-2019	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	11-4-2020	20-4-2020	9
6	Zone-10	1XXXXXXXXXXXXXXP	26-2-2019	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	11-4-2020	20-4-2020	9
7	Zone-10	1XXXXXXXXXXXXXXL	24-8-2017	25-4-2020	25-4-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	01-6-2020	25-5-2020	01-6-2020	7
8	Zone-10	1XXXXXXXXXXXXXXJ	29-8-2017	25-4-2020	25-4-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	01-6-2020	25-5-2020	01-6-2020	7
9	Zone-10	1XXXXXXXXXXXXXXA	14-6-2019	25-4-2020	25-4-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	04-6-2020	25-5-2020	04-6-2020	10
10	Zone-10	1XXXXXXXXXXXXXXU	17-6-2019	25-4-2020	25-4-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	04-6-2020	25-5-2020	04-6-2020	10
11	Zone-10	1XXXXXXXXXXXXXX8	17-10-2017	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying	17-3-2021	03-2-2021	17-3-2021	42

Sl. No.	Zone	GSTIN	Date of registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date by which order should have been issued (30 days from Application)	Date of Effecting Cancellation	Delay in issuance order in days
						tax u/s 10, has not furnished returns for a continuous period of six months				
12	Zone -4	1XXXXXXXXXXXXXXE	16-10-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	23-2-2021	06-2-2021	23-2-2021	17
13	Zone -4	1XXXXXXXXXXXXXXR	23-11-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-3-2021	06-2-2021	08-3-2021	30
14	Zone -4	1XXXXXXXXXXXXXXE	15-3-2018	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-3-2021	06-2-2021	10-3-2021	32
15	Zone -1	1XXXXXXXXXXXXXXV	01-7-2017	26-11-2019	26-11-2019	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	27-5-2020	26-12-2019	27-5-2020	153
16	Zone -1	1XXXXXXXXXXXXXB	01-7-2017	11-9-2020	11-9-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	03-12-2020	11-10-2020	03-12-2020	53
17	Zone -1	1XXXXXXXXXXXXXK	24-8-2017	30-8-2018	02-5-2018	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	NA	01-6-2018	04-12-2020	917
18	Zone -1	1XXXXXXXXXXXXXM	30-12-2017	03-11-2020	03-11-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	28-12-2020	03-12-2020	28-12-2020	25
19	Zone -1	1XXXXXXXXXXXXX4	31-8-2018	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-2-2021	27-1-2021	08-2-2021	12
20	Zone -1	1XXXXXXXXXXXXXK	19-8-2017	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	03-2-2021	10-2-2021	7
21	Zone -1	1XXXXXXXXXXXXX1	21-1-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	03-2-2021	10-2-2021	7
22	Zone -1	1XXXXXXXXXXXXXF	26-3-2019	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	27-1-2021	10-2-2021	14
23	Zone -1	1XXXXXXXXXXXXXL	27-3-2019	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	27-1-2021	10-2-2021	14

Audit Report for the year ended 31 March 2024

Sl. No.	Zone	GSTIN	Date of registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date by which order should have been issued (30 days from Application)	Date of Effecting Cancellation	Delay in issuance order in days
24	Zone -1	1XXXXXXXXXXXXXXH	03-6-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	03-2-2021	10-2-2021	7
25	Zone -1	1XXXXXXXXXXXXXXU	04-9-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	03-2-2021	10-2-2021	7
26	Zone -1	1XXXXXXXXXXXXXXK	14-2-2020	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	03-2-2021	10-2-2021	7
27	Zone -1	1XXXXXXXXXXXXXXG	06-9-2018	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-2-2021	03-2-2021	12-2-2021	9
28	Zone -1	1XXXXXXXXXXXXXXV	13-12-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-2-2021	03-2-2021	12-2-2021	9
29	Zone -1	1XXXXXXXXXXXXXXP	09-11-2018	05-1-2021	05-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-2-2021	04-2-2021	15-2-2021	11
30	Zone -1	1XXXXXXXXXXXXXXO	03-9-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-2-2021	03-2-2021	15-2-2021	12
31	Zone -1	1XXXXXXXXXXXXXXG	13-11-2019	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-2-2021	06-2-2021	15-2-2021	9
32	Zone -1	1XXXXXXXXXXXXXD	04-12-2019	22-1-2021	22-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-2-2021	21-2-2021	22-2-2021	1
33	Zone -1	1XXXXXXXXXXXXXY	26-8-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	03-3-2021	06-2-2021	03-3-2021	25
34	Zone -1	1XXXXXXXXXXXXX4	18-8-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-3-2021	06-2-2021	08-3-2021	30
35	Zone -1	1XXXXXXXXXXXXXB	19-8-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-3-2021	06-2-2021	08-3-2021	30
36	Zone -1	1XXXXXXXXXXXXXH	11-9-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-3-2021	06-2-2021	12-3-2021	34

Sl. No.	Zone	GSTIN	Date of registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date by which order should have been issued (30 days from Application)	Date of Effecting Cancellation	Delay in issuance order in days
						continuous period of six months				
37	Zone -1	1XXXXXXXXXXXXXXO	11-12-2018	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-3-2021	06-2-2021	12-3-2021	34
Cancelled on request by taxpayer										
38	Zone -1	1XXXXXXXXXXXXXXV	03-1-2019	NA	14-3-2020	Discontinuation/Closure of Business	27-4-2020	13-4-2020	14-3-2020	14
39	Zone -1	1XXXXXXXXXXXXXXZ	10-8-2017	NA	28-2-2020	Others	01-10-2020	29-3-2020	28-2-2020	186
40	Zone -1	1XXXXXXXXXXXXXXM	24-8-2017	NA	16-1-2019	Discontinuation/Closure of Business	19-11-2020	15-2-2019	31-12-2018	643
41	Zone -1	1XXXXXXXXXXXXXX3	15-8-2019	NA	07-6-2020	Discontinuation/Closure of Business	19-11-2020	07-7-2020	31-5-2020	135
42	Zone -1	1XXXXXXXXXXXXXXV	22-8-2018	NA	12-4-2019	Others	22-11-2020	12-5-2019	12-4-2019	560
43	Zone -1	1XXXXXXXXXXXXXX9	29-1-2019	NA	22-12-2020	Ceased to be liable to pay tax	28-1-2021	21-1-2021	01-12-2020	7
44	Zone-10	1XXXXXXXXXXXXXXG	24-7-2017	NA	28-4-2020	Others	01-6-2020	28-5-2020	31-3-2020	4
45	Zone-10	1XXXXXXXXXXXXXXB	31-8-2017	NA	28-4-2020	Others	01-6-2020	28-5-2020	31-3-2020	4
46	Zone-10	1XXXXXXXXXXXXXXR	01-9-2017	NA	28-4-2020	Others	01-6-2020	28-5-2020	31-3-2020	4
47	Zone-10	1XXXXXXXXXXXXXXJ	01-7-2017	NA	02-4-2020	Others	08-7-2020	02-5-2020	31-3-2020	67
48	Zone-10	1XXXXXXXXXXXXXXO	13-7-2017	NA	02-4-2020	Others	08-7-2020	02-5-2020	31-3-2020	67
49	Zone-10	1XXXXXXXXXXXXXXQ	29-8-2017	NA	28-4-2020	Others	08-7-2020	28-5-2020	31-3-2020	41
50	Zone-10	1XXXXXXXXXXXXXXF	05-9-2017	NA	28-4-2020	Others	08-7-2020	28-5-2020	31-3-2020	41
51	Zone-10	1XXXXXXXXXXXXXX3	31-8-2017	NA	28-4-2020	Others	08-7-2020	28-5-2020	31-3-2020	41
52	Zone-10	1XXXXXXXXXXXXXX7	12-8-2017	NA	05-5-2020	Others	09-7-2020	04-6-2020	31-3-2020	35
53	Zone-10	1XXXXXXXXXXXXXX1	26-8-2017	NA	28-4-2020	Others	09-7-2020	28-5-2020	31-3-2020	42
54	Zone-10	1XXXXXXXXXXXXXXL	02-11-2017	NA	12-2-2020	Ceased to be liable to pay tax	09-7-2020	13-3-2020	31-12-2019	118
55	Zone-10	1XXXXXXXXXXXXXXA	24-3-2018	NA	24-10-2019	Others	09-7-2020	23-11-2019	30-9-2019	229
56	Zone-10	1XXXXXXXXXXXXXX	27-3-2018	NA	24-10-2019	Others	09-7-2020	23-11-2019	30-9-2019	229

Appendix-5.7
Statement showing non-filing of GSTR-10
(Reference: Paragraph 5.7.7.3)

Sl. No.	Zone	GSTIN/UIDIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Effecting Cancellation	Date of Order	Final return filed
Suo-motto cancellation									
1	Zone-1	1XXXXXXXXXXXXXXV	01-7-2017	26-11-2019	26-11-2019	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	27-5-2020	27-5-2020	0
2	Zone-1	1XXXXXXXXXXXXXX1	01-10-2018	29-6-2020	29-6-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	09-7-2020	09-7-2020	0
3	Zone-1	1XXXXXXXXXXXXXXQ	09-11-2018	30-6-2020	30-6-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	13-7-2020	13-7-2020	0
4	Zone-1	1XXXXXXXXXXXXXX3	05-9-2017	28-7-2020	28-7-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	07-8-2020	07-8-2020	0
5	Zone-1	1XXXXXXXXXXXXXX2	12-8-2017	29-9-2020	29-9-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	21-10-2020	21-10-2020	0
6	Zone-1	1XXXXXXXXXXXXXXB	01-7-2017	11-9-2020	11-9-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	03-12-2020	03-12-2020	0
7	Zone-1	1XXXXXXXXXXXXXXK	24-8-2017	30-8-2018	02-5-2018	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	04-12-2020	NA	0
8	Zone-1	1XXXXXXXXXXXXXXM	30-12-2017	03-11-2020	03-11-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	28-12-2020	28-12-2020	0
9	Zone-1	1XXXXXXXXXXXXXXQ	28-12-2018	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-1-2021	08-1-2021	0
10	Zone-1	1XXXXXXXXXXXXXX3	01-9-2017	30-12-2020	30-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-1-2021	15-1-2021	0
11	Zone-1	1XXXXXXXXXXXXXXD	18-8-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	23-1-2021	0
12	Zone-1	1XXXXXXXXXXXXXXL	06-4-2018	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	23-1-2021	0
13	Zone-1	1XXXXXXXXXXXXXX0	19-11-2018	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	23-1-2021	0
14	Zone-1	1XXXXXXXXXXXXXXZ	26-11-2018	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	23-1-2021	0
15	Zone-1	1XXXXXXXXXXXXXX9	30-11-2018	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	23-1-2021	0

Sl. No.	Zone	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Effecting Cancellation	Date of Order	Final return filed
16	Zone-1	1XXXXXXXXXXXXXXXXX8	21-11-2019	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	23-1-2021	0
17	Zone-1	1XXXXXXXXXXXXXXXXXB	03-1-2019	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	25-1-2021	25-1-2021	0
18	Zone-1	1XXXXXXXXXXXXXXXXXJ	22-2-2019	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	25-1-2021	25-1-2021	0
19	Zone-1	1XXXXXXXXXXXXXXXXXR	22-12-2018	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	27-1-2021	27-1-2021	0
20	Zone-1	1XXXXXXXXXXXXXXXXXK	23-1-2019	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	27-1-2021	27-1-2021	0
21	Zone-1	1XXXXXXXXXXXXXXXXXQ	04-9-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	29-1-2021	29-1-2021	0
22	Zone-1	1XXXXXXXXXXXXXXXXXP	27-7-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	01-2-2021	01-2-2021	0
23	Zone-1	1XXXXXXXXXXXXXXXXX4	31-8-2018	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-2-2021	08-2-2021	0
24	Zone-1	1XXXXXXXXXXXXXXXXXK	19-8-2017	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	10-2-2021	0
25	Zone-1	1XXXXXXXXXXXXXXXXX1	21-1-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	10-2-2021	0
26	Zone-1	1XXXXXXXXXXXXXXXXXF	26-3-2019	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	10-2-2021	0
27	Zone-1	1XXXXXXXXXXXXXXXXXL	27-3-2019	28-12-2020	28-12-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	10-2-2021	0
28	Zone-1	1XXXXXXXXXXXXXXXXXH	03-6-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	10-2-2021	0
29	Zone-1	1XXXXXXXXXXXXXXXXXU	04-9-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	10-2-2021	0
30	Zone-1	1XXXXXXXXXXXXXXXXXK	14-2-2020	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-2-2021	10-2-2021	0
31	Zone-1	1XXXXXXXXXXXXXXXXXG	06-9-2018	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-2-2021	12-2-2021	0
32	Zone-1	1XXXXXXXXXXXXXXXXXV	13-12-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-2-2021	12-2-2021	0
33	Zone-1	1XXXXXXXXXXXXXXXXXP	09-11-2018	05-1-2021	05-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-2-2021	15-2-2021	0
34	Zone-1	1XXXXXXXXXXXXXXXXXO	03-9-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-2-2021	15-2-2021	0

Sl. No.	Zone	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Effecting Cancellation	Date of Order	Final return filed
35	Zone-1	1XXXXXXXXXXXXXXXXXG	13-11-2019	07-1-2021	07-1-2021	not furnished returns for a continuous period of six months Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-2-2021	15-2-2021	0
36	Zone-1	1XXXXXXXXXXXXXXXXXD	04-12-2019	22-1-2021	22-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-2-2021	22-2-2021	0
37	Zone-1	1XXXXXXXXXXXXXXXXXY	26-8-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	03-3-2021	03-3-2021	0
38	Zone-1	1XXXXXXXXXXXXXXXXX4	18-8-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-3-2021	08-3-2021	0
39	Zone-1	1XXXXXXXXXXXXXXXXXB	19-8-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-3-2021	08-3-2021	0
40	Zone-1	1XXXXXXXXXXXXXXXXXH	11-9-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-3-2021	12-3-2021	0
41	Zone-1	1XXXXXXXXXXXXXXXXXO	11-12-2018	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-3-2021	12-3-2021	0
42	Zone-1	1XXXXXXXXXXXXXXXXXM	18-5-2020	08-3-2021	08-3-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-3-2021	22-3-2021	0
43	Zone-4	1XXXXXXXXXXXXXXXXXE	16-10-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	23-2-2021	23-2-2021	0
44	Zone-4	1XXXXXXXXXXXXXXXXXR	23-11-2017	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	08-3-2021	08-3-2021	0
45	Zone-4	1XXXXXXXXXXXXXXXXXE	15-3-2018	07-1-2021	07-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	10-3-2021	10-3-2021	0
46	Zone-10	1XXXXXXXXXXXXXXXXXP	06-9-2017	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	20-4-2020	0
47	Zone-10	1XXXXXXXXXXXXXXXXXQ	07-9-2017	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	20-4-2020	0
48	Zone-10	1XXXXXXXXXXXXXXXXXD	09-4-2018	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	20-4-2020	0
49	Zone-10	1XXXXXXXXXXXXXXXXX9	27-8-2018	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	20-4-2020	0
50	Zone-10	1XXXXXXXXXXXXXXXXXD	12-2-2019	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	20-4-2020	0
51	Zone-10	1XXXXXXXXXXXXXXXXXP	26-2-2019	12-3-2020	12-3-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	20-4-2020	20-4-2020	0
52	Zone-10	1XXXXXXXXXXXXXXXXXL	24-8-2017	25-4-2020	25-4-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	01-6-2020	01-6-2020	0

Sl. No.	Zone	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Effecting Cancellation	Date of Order	Final return filed
53	Zone-10	1XXXXXXXXXXXXXXXJ	29-8-2017	25-4-2020	25-4-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	01-6-2020	01-6-2020	0
54	Zone-10	1XXXXXXXXXXXXXXXA	14-6-2019	25-4-2020	25-4-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	04-6-2020	04-6-2020	0
55	Zone-10	1XXXXXXXXXXXXXXXU	17-6-2019	25-4-2020	25-4-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	04-6-2020	04-6-2020	0
56	Zone-10	1XXXXXXXXXXXXXXXK	24-8-2017	01-6-2020	01-6-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-6-2020	12-6-2020	0
57	Zone-10	1XXXXXXXXXXXXXXX5	12-2-2019	01-6-2020	01-6-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	12-6-2020	12-6-2020	0
58	Zone-10	1XXXXXXXXXXXXXXX2	10-8-2017	27-7-2020	27-7-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	17-8-2020	17-8-2020	0
59	Zone-10	1XXXXXXXXXXXXXXXW	31-8-2017	27-7-2020	27-7-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	17-8-2020	17-8-2020	0
60	Zone-10	1XXXXXXXXXXXXXXXW	20-9-2018	17-8-2020	17-8-2020	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	02-9-2020	02-9-2020	0
61	Zone-10	1XXXXXXXXXXXXXXX9	12-8-2017	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-1-2021	15-1-2021	Yes
62	Zone-10	1XXXXXXXXXXXXXXX0	30-8-2017	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-1-2021	15-1-2021	0
63	Zone-10	1XXXXXXXXXXXXXXXW	13-11-2017	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-1-2021	15-1-2021	0
64	Zone-10	1XXXXXXXXXXXXXXXQ	06-8-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	15-1-2021	15-1-2021	0
65	Zone-10	1XXXXXXXXXXXXXXXJ	02-11-2018	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	18-1-2021	18-1-2021	0
66	Zone-10	1XXXXXXXXXXXXXXX7	05-7-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	18-1-2021	18-1-2021	0
67	Zone-10	1XXXXXXXXXXXXXXXA	04-8-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	18-1-2021	18-1-2021	0
68	Zone-10	1XXXXXXXXXXXXXXXT	26-8-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	18-1-2021	18-1-2021	Yes
69	Zone-10	1XXXXXXXXXXXXXXXV	21-11-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	18-1-2021	18-1-2021	0
70	Zone-10	1XXXXXXXXXXXXXXXU	03-5-2018	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	22-1-2021	0
71	Zone-10	1XXXXXXXXXXXXXXXB	22-11-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	22-1-2021	0

Audit Report for the year ended 31 March 2024

Sl. No.	Zone	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Effecting Cancellation	Date of Order	Final return filed
						not furnished returns for a continuous period of six months			
72	Zone-10	1XXXXXXXXXXXXXX2	12-12-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	22-1-2021	0
73	Zone-10	1XXXXXXXXXXXXXXM	26-12-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	22-1-2021	0
74	Zone-10	1XXXXXXXXXXXXXXD	27-12-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	22-1-2021	0
75	Zone-10	1XXXXXXXXXXXXXXZ	05-2-2020	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	22-1-2021	0
76	Zone-10	1XXXXXXXXXXXXXXK	11-2-2020	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	22-1-2021	22-1-2021	0
77	Zone-10	1XXXXXXXXXXXXXX0	03-8-2017	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	23-1-2021	23-1-2021	0
78	Zone-10	1XXXXXXXXXXXXXX4	01-3-2018	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	23-1-2021	23-1-2021	Yes
79	Zone-10	1XXXXXXXXXXXXXX3	09-7-2018	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	23-1-2021	23-1-2021	0
80	Zone-10	1XXXXXXXXXXXXXXV	24-2-2020	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	23-1-2021	23-1-2021	0
81	Zone-10	1XXXXXXXXXXXXXXE	17-10-2020	14-1-2021	14-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	23-1-2021	23-1-2021	0
82	Zone-10	1XXXXXXXXXXXXXX0	24-8-2017	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	24-1-2021	24-1-2021	0
83	Zone-10	1XXXXXXXXXXXXXXI	20-7-2019	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	24-1-2021	24-1-2021	0
84	Zone-10	1XXXXXXXXXXXXXX0	01-3-2020	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	24-1-2021	24-1-2021	0
85	Zone-10	1XXXXXXXXXXXXXXI	26-1-2018	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	03-2-2021	03-2-2021	0
86	Zone-10	1XXXXXXXXXXXXXX8	17-10-2017	04-1-2021	04-1-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	17-3-2021	17-3-2021	0
87	Zone-10	1XXXXXXXXXXXXXXP	22-2-2021	10-3-2021	10-3-2021	Section 29(2)(c)- Person, other than paying tax u/s 10, has not furnished returns for a continuous period of six months	19-3-2021	19-3-2021	0
							Sub Total of GSTR-10 filed= 03		
Cancellation on request by taxpayers									
88	Zone-1	1XXXXXXXXXXXXXXV	03-1-2019	NA	14-3-2020	Discontinuation/Closure of Business	14-3-2020	27-4-2020	0
89	Zone-1	1XXXXXXXXXXXXXXH	13-2-2019	NA	29-5-2020	Discontinuation/Closure of Business	01-5-2020	01-6-2020	0

Sl. No.	Zone	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Effecting Cancellation	Date of Order	Final return filed
90	Zone-1	1XXXXXXXXXXXXXXXXX	15-6-2018	NA	25-7-2020	Discontinuation/Closure of Business	25-7-2020	27-7-2020	0
91	Zone-1	1XXXXXXXXXXXXXXXXX8	01-8-2018	NA	25-9-2020	Discontinuation/Closure of Business	31-8-2020	25-9-2020	Yes
92	Zone-1	1XXXXXXXXXXXXXXXXXZ	10-8-2017	NA	28-2-2020	Others	28-2-2020	01-10-2020	Yes
93	Zone-1	1XXXXXXXXXXXXXXXXXX	25-3-2020	NA	03-10-2020	Discontinuation/Closure of Business	26-3-2020	08-10-2020	0
94	Zone-1	1XXXXXXXXXXXXXXXXXM	24-8-2017	NA	16-1-2019	Discontinuation/Closure of Business	31-12-2018	19-11-2020	Yes
95	Zone-1	1XXXXXXXXXXXXXXXXX3	15-8-2019	NA	07-6-2020	Discontinuation/Closure of Business	31-5-2020	19-11-2020	Yes
96	Zone-1	1XXXXXXXXXXXXXXXXXV	22-8-2018	NA	12-4-2019	Others	12-4-2019	22-11-2020	0
97	Zone-1	1XXXXXXXXXXXXXXXXXL	16-11-2020	NA	31-12-2020	Others	16-11-2020	31-12-2020	0
98	Zone-1	1XXXXXXXXXXXXXXXXX1	12-10-2020	NA	19-12-2020	Ceased to be liable to pay tax	01-12-2020	15-1-2021	0
99	Zone-1	1XXXXXXXXXXXXXXXXX9	29-1-2019	NA	22-12-2020	Ceased to be liable to pay tax	01-12-2020	28-1-2021	0
100	Zone-1	1XXXXXXXXXXXXXXXXX6	02-3-2020	NA	02-2-2021	Discontinuation/Closure of Business	03-3-2020	08-2-2021	0
101	Zone-1	1XXXXXXXXXXXXXXXXXI	17-8-2017	NA	11-2-2021	Discontinuation/Closure of Business	31-12-2020	18-2-2021	Yes
102	Zone-1	1XXXXXXXXXXXXXXXXXC	26-11-2018	NA	18-3-2021	Discontinuation/Closure of Business	28-2-2021	19-3-2021	Yes
103	Zone-4	1XXXXXXXXXXXXXXXXXA	25-3-2018	NA	03-7-2020	Others	29-3-2020	06-7-2020	0
104	Zone-4	1XXXXXXXXXXXXXXXXX5	26-3-2018	NA	21-9-2020	Discontinuation/Closure of Business	01-10-2018	22-9-2020	0
105	Zone-4	1XXXXXXXXXXXXXXXXX5	26-8-2017	NA	05-10-2020	Others	31-12-2019	05-10-2020	0
106	Zone-4	1XXXXXXXXXXXXXXXXX5	02-4-2018	NA	18-10-2020	Others	27-3-2020	20-10-2020	0
107	Zone-4	1XXXXXXXXXXXXXXXXXH	19-8-2017	NA	18-11-2020	Discontinuation/Closure of Business	17-1-2020	16-12-2020	0
108	Zone-4	1XXXXXXXXXXXXXXXXXY	11-2-2020	NA	09-2-2021	Discontinuation/Closure of Business	31-12-2020	09-2-2021	0
109	Zone-4	1XXXXXXXXXXXXXXXXX0	04-2-2021	NA	09-2-2021	Discontinuation/Closure of Business	09-2-2021	09-2-2021	0
110	Zone-4	1XXXXXXXXXXXXXXXXXL	28-2-2018	NA	19-2-2021	Ceased to be liable to pay tax	19-2-2021	03-3-2021	0
111	Zone-4	1XXXXXXXXXXXXXXXXXH	10-7-2018	NA	25-2-2021	Ceased to be liable to pay tax	31-1-2021	17-3-2021	0
112	Zone-10	1XXXXXXXXXXXXXXXXXO	11-8-2017	NA	24-4-2020	Ceased to be liable to pay tax	31-3-2020	24-4-2020	0
113	Zone-10	1XXXXXXXXXXXXXXXXXG	24-7-2017	NA	28-4-2020	Others	31-3-2020	01-6-2020	0
114	Zone-10	1XXXXXXXXXXXXXXXXXB	31-8-2017	NA	28-4-2020	Others	31-3-2020	01-6-2020	0
115	Zone-10	1XXXXXXXXXXXXXXXXXR	01-9-2017	NA	28-4-2020	Others	31-3-2020	01-6-2020	0
116	Zone-10	1XXXXXXXXXXXXXXXXXT	30-7-2018	NA	02-7-2020	Ceased to be liable to pay tax	30-6-2020	03-7-2020	0
117	Zone-10	1XXXXXXXXXXXXXXXXXN	06-7-2019	NA	22-6-2020	Discontinuation/Closure of Business	15-6-2020	03-7-2020	0
118	Zone-10	1XXXXXXXXXXXXXXXXX2	01-12-2019	NA	29-6-2020	Ceased to be liable to pay tax	31-5-2020	03-7-2020	Yes
119	Zone-10	1XXXXXXXXXXXXXXXXXJ	01-7-2017	NA	02-4-2020	Others	31-3-2020	08-7-2020	0
120	Zone-10	1XXXXXXXXXXXXXXXXXO	13-7-2017	NA	02-4-2020	Others	31-3-2020	08-7-2020	0
121	Zone-10	1XXXXXXXXXXXXXXXXXQ	29-8-2017	NA	28-4-2020	Others	31-3-2020	08-7-2020	0
122	Zone-10	1XXXXXXXXXXXXXXXXXF	05-9-2017	NA	28-4-2020	Others	31-3-2020	08-7-2020	0
123	Zone-10	1XXXXXXXXXXXXXXXXX3	31-8-2017	NA	28-4-2020	Others	31-3-2020	08-7-2020	0
124	Zone-10	1XXXXXXXXXXXXXXXXX7	12-8-2017	NA	05-5-2020	Others	31-3-2020	09-7-2020	0

Sl. No.	Zone	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Effecting Cancellation	Date of Order	Final return filed
125	Zone-10	1XXXXXXXXXXXXXXXXX1	26-8-2017	NA	28-4-2020	Others	31-3-2020	09-7-2020	0
126	Zone-10	1XXXXXXXXXXXXXXXXXS	26-8-2017	NA	30-6-2020	Others	31-3-2020	09-7-2020	Yes
127	Zone-10	1XXXXXXXXXXXXXXXXXL	02-11-2017	NA	12-2-2020	Ceased to be liable to pay tax	31-12-2019	09-7-2020	0
128	Zone-10	1XXXXXXXXXXXXXXXXK	08-3-2018	NA	24-6-2020	Ceased to be liable to pay tax	31-3-2020	09-7-2020	0
129	Zone-10	1XXXXXXXXXXXXXXXXXA	24-3-2018	NA	24-10-2019	Others	30-9-2019	09-7-2020	0
130	Zone-10	1XXXXXXXXXXXXXXXXX	27-3-2018	NA	24-10-2019	Others	30-9-2019	09-7-2020	0
131	Zone-10	1XXXXXXXXXXXXXXXXXD	12-7-2019	NA	09-7-2020	Others	12-7-2019	11-7-2020	0
132	Zone-10	1XXXXXXXXXXXXXXXXX4	02-2-2018	NA	21-7-2020	Ceased to be liable to pay tax	31-3-2020	26-7-2020	0
133	Zone-10	1XXXXXXXXXXXXXXXXXE	19-2-2018	NA	02-9-2020	Ceased to be liable to pay tax	30-6-2020	04-9-2020	0
134	Zone-10	1XXXXXXXXXXXXXXXXXA	21-9-2020	NA	05-10-2020	Others	05-10-2020	07-10-2020	Yes
135	Zone-10	1XXXXXXXXXXXXXXXXXT	20-10-2020	28-10-2020	26-10-2020	Others	20-10-2020	30-10-2020	0
136	Zone-10	1XXXXXXXXXXXXXXXXXY	12-12-2019	NA	31-12-2020	Discontinuation/Closure of Business	16-3-2020	03-1-2021	0
137	Zone-10	1XXXXXXXXXXXXXXXXX4	16-11-2020	NA	08-1-2021	Discontinuation/Closure of Business	31-12-2020	08-1-2021	Yes
138	Zone-10	1XXXXXXXXXXXXXXXXXA	01-6-2018	NA	25-1-2021	Discontinuation/Closure of Business	25-1-2021	28-1-2021	0
139	Zone-10	1XXXXXXXXXXXXXXXXX6	16-12-2020	NA	02-2-2021	Ceased to be liable to pay tax	02-2-2021	03-2-2021	0
140	Zone-10	1XXXXXXXXXXXXXXXXXR	11-8-2017	NA	14-2-2021	Ceased to be liable to pay tax	14-2-2021	24-2-2021	0
Sub-total of GSTR-10= 10									
Total of GSTR-10 filed= 13									

Appendix-5.8
Statement showing compliance deviations in respect of 16 parameters
(Reference: Paragraph 5.7.9)

Sl. No.	Audit Dimension	GSTIN	Cases where reply received		Data entry errors				Department reply accepted by Audit				Total accepted cases by Audit		Compliance deviation Under correspondence/ notice issued to taxpayer		Department's reply not acceptable to Audit (Rebuttal)	
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1		2	3	4	5	6		7	8	9	10	11	12	13	14	15	16	
Mismatch in availing of ITC																		
1	GSTR-2A vs GSTR-3B/9	1XXXXXXXXXXXXXXQ	1	7,99,65,521	0	0	0	0	0	0	0	0	0	1	7,99,65,521	0	0	
2		1XXXXXXXXXXXXXXX0	1	6,29,98,930	0	0	0	0	0	0	0	0	0	1	6,29,98,930	0	0	
3		1XXXXXXXXXXXXXXXO	1	4,50,64,771	0	0	0	0	0	0	0	0	0	1	4,50,64,771	0	0	
4		1XXXXXXXXXXXXXXX8	1	4,01,33,459	0	0	0	0	0	0	0	0	0	1	4,01,33,459	0	0	
5		1XXXXXXXXXXXXXXXG	1	3,90,56,441	0	0	0	0	0	0	0	0	0	1	3,90,56,441	0	0	
6		1XXXXXXXXXXXXXXXV	1	3,28,87,744	0	0	0	0	0	0	0	0	0	1	3,28,87,744	0	0	
7		1XXXXXXXXXXXXXXXC	1	3,27,20,051	0	0	0	0	0	0	0	0	0	1	3,27,20,051	0	0	
8		1XXXXXXXXXXXXXXX4	1	2,81,29,282	0	0	0	0	0	0	0	0	0	1	2,81,29,282	0	0	
9		1XXXXXXXXXXXXXXXI	1	2,42,26,988	0	0	0	0	0	0	0	0	0	1	2,42,26,988	0	0	
10		1XXXXXXXXXXXXXXXD	1	2,41,04,124	0	0	0	0	0	0	0	0	0	1	2,41,04,124	0	0	
11		1XXXXXXXXXXXXXXX8	1	2,10,64,390	0	0	0	0	0	0	0	0	0	1	2,10,64,390	0	0	
12		1XXXXXXXXXXXXXXXL	1	1,84,65,987	0	0	0	0	0	0	0	0	0	1	1,84,65,987	0	0	
13		1XXXXXXXXXXXXXXXT	1	1,83,30,114	0	0	0	0	0	0	0	0	0	1	1,83,30,114	0	0	
14		1XXXXXXXXXXXXXXXN	1	1,71,67,288	0	0	0	0	0	0	0	0	0	1	1,71,67,288	0	0	
15		1XXXXXXXXXXXXXXX	1	1,68,96,457	0	0	0	0	0	0	0	0	0	1	1,68,96,457	0	0	
16		1XXXXXXXXXXXXXXXN	1	1,56,65,258	0	0	0	0	0	0	0	0	0	1	1,56,65,258	0	0	
17		1XXXXXXXXXXXXXXXL	1	1,52,17,118	0	0	0	0	0	0	0	0	0	1	1,52,17,118	0	0	
18		1XXXXXXXXXXXXXXXK	1	1,51,61,322	0	0	0	0	0	0	0	0	0	1	1,51,61,322	0	0	
19		1XXXXXXXXXXXXXXXV	1	1,34,58,240	0	0	0	0	0	0	0	0	0	1	1,34,58,240	0	0	
20		1XXXXXXXXXXXXXXXB	1	1,17,59,100	0	0	0	0	0	0	0	0	0	1	1,17,59,100	0	0	
21	ITC availed without supplier remitting tax	1XXXXXXXXXXXXXXXV	1	3,34,84,621	0	0	0	0	0	0	0	0	0	1	3,34,84,621	0	0	
22		1XXXXXXXXXXXXXXXK	1	10,19,09,984	0	0	0	0	0	0	0	0	0	1	10,19,09,984	0	0	
23		1XXXXXXXXXXXXXXXO	1	1,90,39,243	0	0	0	0	0	0	0	0	0	1	1,90,39,243	0	0	
24		1XXXXXXXXXXXXXXXN	1	1,19,38,684	0	0	0	0	0	0	0	0	0	1	1,19,38,684	0	0	
25		1XXXXXXXXXXXXXXXQ	1	2,75,99,100	0	0	0	0	0	0	0	0	0	1	2,75,99,100	0	0	
26		1XXXXXXXXXXXXXXXW	1	11,00,568	0	0	0	0	0	0	0	0	0	1	11,00,568	0	0	
27		1XXXXXXXXXXXXXXXL	1	97,82,072	0	0	0	0	0	0	0	0	0	1	97,82,072	0	0	
28		1XXXXXXXXXXXXXXX8	1	6,33,96,883	0	0	0	0	0	0	0	0	0	1	6,33,96,883	0	0	
29		1XXXXXXXXXXXXXXX5	1	2,29,96,181	0	0	0	0	0	0	1	2,29,96,181	1	2,29,96,181	0	0	0	
30		1XXXXXXXXXXXXXXXI	1	1,56,31,200	0	0	0	0	0	0	0	0	0	1	1,56,31,200	0	0	
31	ITC availed after cut-off period	1XXXXXXXXXXXXXXXD	1	1,97,24,533	0	0	0	0	0	0	0	0	0	1	1,97,24,533	0	0	
32		1XXXXXXXXXXXXXXXP	1	55,13,547	0	0	0	0	0	0	0	0	0	1	55,13,547	0	0	

Audit Report for the year ended 31 March 2024

Sl. No.	Audit Dimension	GSTIN	Cases where reply received		Department reply accepted by Audit				Total accepted cases by Audit		Compliance deviation Under correspondence/ notice issued to taxpayer		Department's reply not acceptable to Audit (Rebuttal)			
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
33	ISD credit incorrectly availed by the recipient	1XXXXXXXXXXXXXXXXX5	1	1,62,23,308	0	0	0	0	0	0	0	1	1,62,23,308	0	0	
34		1XXXXXXXXXXXXXXXXXM	1	1,10,67,007	0	0	0	0	0	0	0	1	1,10,67,007	0	0	
35		1XXXXXXXXXXXXXXXXX6	1	1,37,11,424	0	0	0	0	1	1,37,11,424	1	1,37,11,424	0	0	0	0
36		1XXXXXXXXXXXXXXXXXH	1	1,08,92,499	0	0	0	0	0	0	0	0	1	1,08,92,499	0	0
37		1XXXXXXXXXXXXXXXXXU	1	2,14,27,499	0	0	0	0	0	0	0	0	1	2,14,27,499	0	0
38		1XXXXXXXXXXXXXXXXXN	1	92,69,508	0	0	0	0	0	0	0	0	1	92,69,508	0	0
39		1XXXXXXXXXXXXXXXXX6	1	1,97,41,831	0	0	0	0	0	0	0	0	1	1,97,41,831	0	0
40		1XXXXXXXXXXXXXXXXXU	1	71,92,254	0	0	0	0	0	0	0	0	1	71,92,254	0	0
41		1XXXXXXXXXXXXXXXXXF	1	1,28,51,852	0	0	0	0	0	0	0	0	1	1,28,51,852	0	0
42		1XXXXXXXXXXXXXXXXX8	1	84,59,983	0	0	0	0	0	0	0	0	1	84,59,983	0	0
43		1XXXXXXXXXXXXXXXXXC	1	4,93,51,388	0	0	0	0	0	0	0	0	1	4,93,51,388	0	0
44		1XXXXXXXXXXXXXXXXX1	1	1,56,31,200	0	0	0	0	0	0	0	0	1	1,56,31,200	0	0
45		1XXXXXXXXXXXXXXXXX6	1	1,03,60,852	0	0	0	0	0	0	0	0	1	1,03,60,852	0	0
46		1XXXXXXXXXXXXXXXXXB	1	5,47,032	0	0	0	0	0	0	0	0	1	5,47,032	0	0
Mismatch in Annual Return and Financial Statements (FS)																
47	Positive figure in GSTR-9C Table 12 F	1XXXXXXXXXXXXXXXXX4	1	31,44,614	0	0	0	0	0	0	0	1	31,44,614	0	0	
48		1XXXXXXXXXXXXXXXXX0	1	2,07,92,036	0	0	0	0	0	0	0	1	2,07,92,036	0	0	
49		1XXXXXXXXXXXXXXXXX0	1	2,27,88,174	0	0	0	0	0	0	0	1	2,27,88,174	0	0	
50		1XXXXXXXXXXXXXXXXX5	1	2,55,045	0	0	0	0	0	0	0	0	1	2,55,045	0	0
51	Positive figure in GSTR-9C Table 14T of Form 9C	1XXXXXXXXXXXXXXXXX2	1	3,13,458	0	0	0	0	0	0	0	0	0	1	3,13,458	
52		1XXXXXXXXXXXXXXXXX5	1	20,67,435	0	0	0	0	0	0	0	1	20,67,435	0	0	
53		1XXXXXXXXXXXXXXXXX0	1	26,04,275	0	0	0	0	1	26,04,275	1	26,04,275	0	0	0	0
54		1XXXXXXXXXXXXXXXXXU	1	24,85,563	0	0	0	0	0	0	0	0	1	24,85,563	0	0
55	Negative figure in GSTR-9C Table 9R	1XXXXXXXXXXXXXXXXXK	1	32,36,259	0	0	0	0	0	0	0	1	32,36,259	0	0	
56		1XXXXXXXXXXXXXXXXXY	1	57,28,281	0	0	0	0	0	0	0	1	57,28,281	0	0	
57		1XXXXXXXXXXXXXXXXX0	1	81,08,240	0	0	0	0	0	0	0	1	81,08,240	0	0	
58		1XXXXXXXXXXXXXXXXX5	1	59,95,278	0	0	0	0	0	0	0	1	59,95,278	0	0	
59		1XXXXXXXXXXXXXXXXXL	1	1,28,17,791	0	0	0	0	0	0	0	1	1,28,17,791	0	0	
60		1XXXXXXXXXXXXXXXXX8	1	92,83,484	0	0	0	0	0	0	0	1	92,83,484	0	0	
61		1XXXXXXXXXXXXXXXXX4	1	26,58,968	0	0	0	0	0	0	0	1	26,58,968	0	0	
62		1XXXXXXXXXXXXXXXXXL	1	12,33,012	0	0	0	0	0	0	0	1	12,33,012	0	0	
63	Under RCM	1XXXXXXXXXXXXXXXXXX	1	1,39,88,207	0	0	0	0	0	0	0	0	0	1	1,39,88,207	
64		1XXXXXXXXXXXXXXXXX1	1	11,15,527	0	0	0	0	0	0	0	1	11,15,527	0	0	
65		1XXXXXXXXXXXXXXXXXH	1	1,36,22,295	0	0	0	0	0	0	0	0	0	1	1,36,22,295	
66		1XXXXXXXXXXXXXXXXXZ	1	7,19,805	0	0	0	0	0	0	0	1	7,19,805	0	0	
67		1XXXXXXXXXXXXXXXXXU	1	1,71,21,858	0	0	0	0	0	0	0	1	1,71,21,858	0	0	

Sl. No.	Audit Dimension	GSTIN	Cases where reply received		Data entry errors		Department reply accepted by Audit		Total accepted cases by Audit		Compliance deviation Under correspondence/ notice issued to taxpayer		Department's reply not acceptable to Audit (Rebuttal)				
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
68	Tax short paid	1XXXXXXXXXXXXXXXXXXE	1	25,87,955	0	0	0	0	0	0	0	0	1	25,87,955	0	0	
69		1XXXXXXXXXXXXXXXXXXF	1	24,16,344	0	0	0	0	0	0	0	0	1	24,16,344	0	0	
70		1XXXXXXXXXXXXXXXXXX3	1	54,79,983	0	0	0	0	0	0	0	0	1	54,79,983	0	0	
71		1XXXXXXXXXXXXXXXXXXG	1	1,00,95,321	0	0	0	0	0	0	0	0	1	1,00,95,321	0	0	
72		1XXXXXXXXXXXXXXXXXX4	1	23,72,699	0	0	0	0	0	0	0	0	1	23,72,699	0	0	
73		1XXXXXXXXXXXXXXXXXX3	1	18,23,949	0	0	0	0	0	0	0	0	1	18,23,949	0	0	
74		1XXXXXXXXXXXXXXXXXXV	1	67,15,240	0	0	0	0	0	0	0	0	1	67,15,240	0	0	
75		1XXXXXXXXXXXXXXXXXXC	1	34,39,918	0	0	0	0	0	0	0	0	1	34,39,918	0	0	
76		1XXXXXXXXXXXXXXXXXX2	1	7,37,991	1	7,37,991	0	0	0	0	0	1	7,37,991	0	0	0	0
77		1XXXXXXXXXXXXXXXXXXW	1	3,55,78,412	0	0	0	0	0	0	0	0	0	1	3,55,78,412	0	0
78	1XXXXXXXXXXXXXXXXXXC	1	4,30,46,000	0	0	0	0	0	0	0	0	0	1	4,30,46,000	0	0	
79	Suppression of tax liability (E way-bill)	1XXXXXXXXXXXXXXXXXD	1	2,23,05,704	0	0	0	0	0	0	0	0	1	2,23,05,704	0	0	
80		1XXXXXXXXXXXXXXXXXU	1	7,63,18,868	0	0	0	0	0	0	0	0	1	7,63,18,868	0	0	
81		1XXXXXXXXXXXXXXXXXA	1	2,82,14,194	0	0	0	0	0	0	0	0	1	2,82,14,194	0	0	
82		1XXXXXXXXXXXXXXXXXV	1	1,26,732	0	0	1	1,26,732	0	0	1	1,26,732	0	0	0	0	0
83		1XXXXXXXXXXXXXXXXX5	1	6,146	0	0	0	0	0	0	0	0	1	6,146	0	0	0
84		1XXXXXXXXXXXXXXXXXS	1	35,21,716	0	0	0	0	0	1	35,21,716	1	35,21,716	0	0	0	0
85		1XXXXXXXXXXXXXXXXXU	1	6,83,55,434	0	0	0	0	0	0	0	0	0	1	6,83,55,434	0	0
86		1XXXXXXXXXXXXXXXXXQ	1	84,759	0	0	0	0	0	0	0	0	0	1	84,759	0	0
87		1XXXXXXXXXXXXXXXXX4	1	1,30,14,552	0	0	0	0	0	1	1,30,14,552	1	1,30,14,552	0	0	0	0
88		1XXXXXXXXXXXXXXXXXL	1	1,87,81,374	0	0	0	0	0	1	1,87,81,374	1	1,87,81,374	0	0	0	0
89	1XXXXXXXXXXXXXXXXXP	1	79,444	0	0	0	0	0	0	0	0	0	0	0	1	79,444	
90	1XXXXXXXXXXXXXXXXXB	1	1,54,82,771	0	0	0	0	0	1	1,54,82,771	1	1,54,82,771	0	0	0	0	
91	1XXXXXXXXXXXXXXXXX6	1	3,43,98,360	0	0	0	0	0	1	3,43,98,360	1	3,43,98,360	0	0	0	0	
92	1XXXXXXXXXXXXXXXXX7	1	5,28,05,840	0	0	0	0	0	0	0	0	0	1	5,28,05,840	0	0	
93	1XXXXXXXXXXXXXXXXXA	1	4,73,22,658	0	0	0	0	0	0	0	0	0	1	4,73,22,658	0	0	
94	1XXXXXXXXXXXXXXXXXS	1	3,52,752	0	0	0	0	0	0	0	0	0	1	3,52,752	0	0	
95	1XXXXXXXXXXXXXXXXX7	1	8,92,708	0	0	0	0	0	0	0	0	0	1	8,92,708	0	0	
96	1XXXXXXXXXXXXXXXXXS	1	13,63,124	0	0	0	0	0	0	0	0	0	1	13,63,124	0	0	
97	1XXXXXXXXXXXXXXXXX0	1	8,03,392	0	0	0	0	0	0	0	0	0	1	8,03,392	0	0	
98	1XXXXXXXXXXXXXXXXXV	1	3,91,558	0	0	0	0	0	0	0	0	0	1	3,91,558	0	0	
99	1XXXXXXXXXXXXXXXXXG	1	15,56,663	0	0	0	0	0	1	15,56,663	1	15,56,663	0	0	0	0	
100	1XXXXXXXXXXXXXXXXXC	1	8,95,289	0	0	0	0	0	0	0	0	0	1	8,95,289	0	0	
101	1XXXXXXXXXXXXXXXXXS	1	3,83,040	0	0	0	0	0	0	0	0	0	1	3,83,040	0	0	
102	1XXXXXXXXXXXXXXXXXV	1	1,42,380	0	0	0	0	0	0	0	0	0	1	1,42,380	0	0	
103	1XXXXXXXXXXXXXXXXX4	1	1,28,986	0	0	0	0	0	0	0	0	0	1	1,28,986	0	0	
104	1XXXXXXXXXXXXXXXXXY	1	4,00,000	0	0	0	0	0	0	0	0	0	1	4,00,000	0	0	
105	1XXXXXXXXXXXXXXXXXU	1	2,16,607	0	0	0	0	0	0	0	0	0	1	2,16,607	0	0	
106	1XXXXXXXXXXXXXXXXX0	1	19,98,074	0	0	0	0	0	0	0	0	0	1	19,98,074	0	0	
107	1XXXXXXXXXXXXXXXXXW	1	1,44,800	0	0	0	0	0	0	0	0	0	1	1,44,800	0	0	

Audit Report for the year ended 31 March 2024

Sl. No.	Audit Dimension	GSTIN	Cases where reply received		Department reply accepted by Audit				Total accepted cases by Audit		Compliance deviation Under correspondence/ notice issued to taxpayer		Department's reply not acceptable to Audit (Rebuttal)			
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.		
1		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
108	Ineligible composition levy	1XXXXXXXXXXXXXXXXX5	1	1,15,782	0	0	0	0	0	0	0	0	1	1,15,782	0	0
109		1XXXXXXXXXXXXXXXXX5	1	3,73,19,073	0	0	0	0	0	0	0	0	1	3,73,19,073	0	0
110		1XXXXXXXXXXXXXXXXXW	1	1,59,00,000	0	0	0	0	0	0	0	0	1	1,59,00,000	0	0
111		1XXXXXXXXXXXXXXXXXY	1	1,51,82,515	0	0	0	0	0	0	0	0	1	1,51,82,515	0	0
112		1XXXXXXXXXXXXXXXXXO	1	1,45,26,734	0	0	0	0	0	0	0	0	0	0	0	1
113	Tax not remitted due to GSTR-3B not filed	1XXXXXXXXXXXXXXXXX3	1	1,26,16,144	0	0	0	0	0	0	0	0	1	1,26,16,144	0	0
114		1XXXXXXXXXXXXXXXXXM	1	85,93,013	0	0	0	0	0	0	0	0	1	85,93,013	0	0
115		1XXXXXXXXXXXXXXXXXG	1	48,11,024	0	0	0	0	0	0	0	0	1	48,11,024	0	0
116		1XXXXXXXXXXXXXXXXXL	1	22,04,244	0	0	0	0	0	0	0	0	1	22,04,244	0	0
117		1XXXXXXXXXXXXXXXXXH	1	9,56,275	0	0	0	0	0	0	0	0	1	9,56,275	0	0
118		1XXXXXXXXXXXXXXXXXD	1	20,48,160	0	0	0	0	0	0	0	0	1	20,48,160	0	0
119		1XXXXXXXXXXXXXXXXXT	1	18,92,900	0	0	0	0	0	0	0	0	1	18,92,900	0	0
120		1XXXXXXXXXXXXXXXXX4	1	6,94,582	0	0	0	0	0	0	0	0	1	6,94,582	0	0
121		1XXXXXXXXXXXXXXXXX5	1	5,58,861	0	0	0	0	0	0	0	0	1	5,58,861	0	0
122		1XXXXXXXXXXXXXXXXXO	1	28,65,897	0	0	0	0	0	0	0	0	1	28,65,897	0	0
123	Short payment of interest on delay payments	1XXXXXXXXXXXXXXXXX0	1	81,88,761	0	0	0	0	0	0	0	0	1	81,88,761	0	0
124		1XXXXXXXXXXXXXXXXXF	1	31,74,811	0	0	0	0	0	0	0	0	1	31,74,811	0	0
125		1XXXXXXXXXXXXXXXXXD	1	25,54,143	0	0	0	0	0	0	0	0	1	25,54,143	0	0
126		1XXXXXXXXXXXXXXXXXL	1	73,23,401	0	0	0	0	0	0	0	0	1	73,23,401	0	0
127		1XXXXXXXXXXXXXXXXXV	1	33,84,626	0	0	0	0	0	0	0	0	1	33,84,626	0	0
128		1XXXXXXXXXXXXXXXXXA	1	69,75,675	0	0	0	0	0	0	0	0	1	69,75,675	0	0
129		1XXXXXXXXXXXXXXXXXV	1	14,16,497	0	0	0	0	0	0	0	0	1	14,16,497	0	0
130		1XXXXXXXXXXXXXXXXXU	1	32,70,974	0	0	0	0	0	0	0	0	1	32,70,974	0	0
131		1XXXXXXXXXXXXXXXXXM	1	13,61,741	0	0	0	0	0	0	0	0	1	13,61,741	0	0
132		1XXXXXXXXXXXXXXXXX8	1	34,87,127	0	0	0	0	0	0	0	0	1	34,87,127	0	0
133		XXXXXXXXXXXXXXXXXC	1	26,22,691	0	0	0	0	0	0	0	0	1	26,22,691	0	0
134		XXXXXXXXXXXXXXXXXF	1	14,37,599	0	0	0	0	0	0	0	0	1	14,37,599	0	0
135		XXXXXXXXXXXXXXXXXR	1	13,56,100	0	0	0	0	0	0	0	0	1	13,56,100	0	0
136		XXXXXXXXXXXXXXXXXV	1	22,58,609	0	0	0	0	0	0	0	0	1	22,58,609	0	0
137		XXXXXXXXXXXXXXXXX8	1	12,58,935	0	0	0	0	0	0	0	0	1	12,58,935	0	0
138		XXXXXXXXXXXXXXXXXT	1	13,45,600	0	0	0	0	0	0	0	0	1	13,45,600	0	0
139		XXXXXXXXXXXXXXXXXS	1	20,25,554	0	0	0	0	0	0	0	0	1	20,25,554	0	0
140		XXXXXXXXXXXXXXXXXY	1	27,93,850	0	0	0	0	0	0	0	0	1	27,93,850	0	0
141		XXXXXXXXXXXXXXXXXD	1	18,71,231	0	0	0	0	0	0	0	0	1	18,71,231	0	0
		Sub-total	141	1,94,45,71,309	1	7,37,991	1	1,26,732	9	12,60,67,316	11	12,69,32,039	125	1,77,51,09,132	5	4,25,30,138
Mismatch in Turnover																
142	Under declaration of taxable supplies by comparing TDS	1XXXXXXXXXXXXXXXXXD	1	41,81,16,221	0	0	0	0	0	0	0	0	1	41,81,16,221	0	0
143		1XXXXXXXXXXXXXXXXX2	1	2,01,13,950	0	0	0	0	0	0	0	0	1	2,01,13,950	0	0
144		1XXXXXXXXXXXXXXXXXJ	1	1,74,64,228	0	0	0	0	0	0	0	0	1	1,74,64,228	0	0
145		1XXXXXXXXXXXXXXXXXH	1	9,76,01,678	0	0	0	0	0	0	0	0	1	9,76,01,678	0	0

Sl. No.	Audit Dimension	GSTIN	Cases where reply received		Data entry errors			Department reply accepted by Audit before audit query			Other valid explanation		Total accepted cases by Audit		Compliance deviation Under correspondence/ notice issued to taxpayer		Department's reply not acceptable to Audit (Rebuttal)	
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		
146	returns	1XXXXXXXXXXXXXX0	1	2,12,96,439	0	0	0	0	0	0	0	0	1	2,12,96,439	0	0		
147		1XXXXXXXXXXXXXX4	1	3,80,41,100	0	0	0	0	0	0	0	0	1	3,80,41,100	0	0		
148		1XXXXXXXXXXXXXX6	1	1,92,22,900	0	0	0	0	0	0	0	0	1	1,92,22,900	0	0		
149		1XXXXXXXXXXXXXA	1	2,02,91,375	0	0	0	0	0	0	0	0	1	2,02,91,375	0	0		
150		1XXXXXXXXXXXXXA	1	1,59,15,050	0	0	0	0	0	0	0	0	1	1,59,15,050	0	0		
151	Suppression of taxable value (Unbilled Revenue)	1XXXXXXXXXXXXXL	1	1,50,23,725	0	0	0	0	0	0	0	0	1	1,50,23,725	0	0		
152		1XXXXXXXXXXXXXE	1	1,51,694	0	0	0	0	0	0	0	0	1	1,51,694	0	0		
153		1XXXXXXXXXXXXX5	1	2,17,27,068	0	0	0	0	0	0	0	0	1	2,17,27,068	0	0		
154		1XXXXXXXXXXXXXN	1	23,40,983	0	0	0	0	0	0	0	0	1	23,40,983	0	0		
155		1XXXXXXXXXXXXXM	1	7,60,35,973	0	0	0	0	0	0	0	0	1	7,60,35,973	0	0		
156	Negative figure in GSTR-9C Table 7G	1XXXXXXXXXXXXXS	1	3,37,67,30,000	0	0	0	0	0	0	0	0	1	3,37,67,30,000	0	0		
157		1XXXXXXXXXXXXX0	1	11,46,09,592	0	0	0	0	0	0	0	0	1	11,46,09,592	0	0		
158		1XXXXXXXXXXXXXR	1	1,58,26,703	0	0	0	0	1	1,58,26,703	1	1,58,26,703	0	0	0	0		
159		1XXXXXXXXXXXXXV	1	1,07,20,280	0	0	0	0	1	1,07,20,280	1	1,07,20,280	0	0	0	0		
		Sub-total	18	4,30,12,28,959	0	0	0	0	2	2,65,46,983	2	2,65,46,983	16	4,27,46,81,976	0	0		
		Grand total	159	6,24,58,00,268	1	7,37,991	1	1,26,732	11	15,26,14,299	13	15,34,79,022	141	6,04,97,91,108	5	4,25,30,138		
		Grand total (₹ in crore)		624.58		0.07		0.01		15.26		15.34		604.98		4.25		

- There were **159 cases** where **reply was received** from the department (Sl. No. 3), involving **₹ 624.58 crore**. Out of these:
 - **1 case** was accepted due to **data entry error** (Sl. No. 5, ₹ 0.07 crore).
 - **1 case** was accepted due to **action taken before audit query** (Sl. No. 7, ₹ 0.01 crore).
 - **11 cases** were accepted due to **other valid explanations** (Sl. No. 9, ₹ 15.26 crore).
 - Hence, **13 cases** in total were accepted by Audit (Sl. No. 11, ₹ 15.35 crore).
- There were **141 cases of under correspondence / notices issued** to the taxpayer (Sl. No. 13, ₹ 604.98 crore).
- There were **5 cases** where Department's reply **not accepted by Audit** (Sl. No. 15, ₹ 4.25 crore).

Appendix-5.9

Statement showing where Department's response was rebutted

(Reference: Paragraph 5.7.10.2)

Sl. No.	Audit Dimension	GSTIN	Zone	Mismatch amount (in ₹)	Department reply	Reply rebuttal
1	Under RCM	1XXXXXXXXXXXXXXX	Zone-4	1,39,88,207	The department stated (October 2023) that ITC under RCM for the period 2018-19 to 2020-21 were due to inadvertent error while filing GSTR return.	The reply could not be accepted because the taxpayer has not reversed the ITC under RCM in GSTR-9 as evident in Table 7H1.
2	Under RCM	1XXXXXXXXXXXXXXXH	Zone-12	1,36,22,295	The department (August 2024) stated that taxpayer was already scrutinised by Central GST Intelligent wing on excess ITC. Hence, Parallel audit on the same taxpayer in same dimension by State tax authority is unacceptable.	The department's reply could not be accepted as taxpayer's reply (08-09-2021) is not related with the audit.
3	Positive figure in GSTR-9C Table 12F	1XXXXXXXXXXXXXXX2	Zone-9-1	3,13,458	The department (January 2025) stated that the taxpayer had availed ITC correctly. The difference arose purely due to differential treatment in books of accounts and its reporting in GST returns.	Audit could not accept the department's reply on the ground that the supporting documents to validate their claim were not furnished.
4	Tax short paid	1XXXXXXXXXXXXXXXP	Zone-1	79,444	The department stated (October 2023) that the taxpayer had made excess payment compared to GSTR-1 to the tune of ₹ 1,29,797.	Tax payment for 2018-19 in Table 9 of GSTR-9 is only ₹ 13,52,57,239 which is lesser than tax liability (₹ 13,53,36,683) in R9 Table 4N by ₹ 79,444.
5	Ineligible composition levy	1XXXXXXXXXXXXXXXO	Zone-12	1,45,26,734	The Department stated (August 2024) that the taxpayer was unable to opt out of composition scheme even after turnover exceeding threshold limit due to technical glitch in GST portal.	The reply was unacceptable as relevant documents such as documentary proof of error in GSTN, any complaint report filed by the taxpayer <i>etc.</i> were not enclosed.
Total				4,25,30,138		

Appendix-5.10

Statement showing short payment of interest on delayed payments
(Reference: Paragraph 5.7.11.2.1)

Year	GSTN	Months where filing of GSTR 3B returns were delayed	Filing dates	Delayed in number of days	Cash payment in monthly return				Total tax paid in cash	18 per cent Interest liability payable
					CGST	MGST	IGST	IGST (Reverse Charge)		
2018-19	XXXXXXXXXXXXXXXA (Works Contract)	Dec-18	21-08-2019	143	2,19,940	4,74,005	0	0	6,93,945	48,937.38
		Mar-19	13-03-2020	325	2,08,237	4,61,934	0	0	6,70,171	1,07,410.97
		Jun-19	27-05-2020	312	5,28,306	5,29,369	0	0	10,57,675	1,62,737.06
2019-20		Dec-19	12-11-2020	297	0	8,20,766	0	0	8,20,766	1,20,214.11
		Mar-20	12-12-2020	232	0	2,61,334	0	0	2,61,334	29,899.47
		Sep-20	13-04-2021	171	231879	1272505		0	15,04,384	1,26,862.85
								Sub total	50,08,275	5,96,061.84
2019-20		Mar-20	18-09-2020	147	2,91,776	3,54,884		0	6,46,660	46,878.42
		Apr-20	29-09-2020	128	82,536	82,536		0	1,65,072	10,419.89
		May-20	24-11-2020	133	0	2,33,021		0	2,33,021	15,283.62
2020-21	XXXXXXXXXXXXXXXI (Zone-8)	Jun-20	24-11-2020	123	0	3,35,437		0	3,35,437	20,346.78
		Jul-20	24-11-2020	92	0	3,61,126		0	3,61,126	16,384.24
		Aug-20	24-11-2020	52	0	3,60,813		0	3,60,813	9,252.63
		Sep-20	24-11-2020	31	0	3,48,812		0	3,48,812	5,332.52
								Sub total	2450,941	1,23,898.10
2018-19	XXXXXXXXXXXXXXXW (Zone-8)	Jul-18	16-05-2019	46	355986	355986		0	7,11,972	16,151.04
		Jan-19	17-05-2019	47		354962		0	3,54,962	8,227.34
		Feb-19	17-05-2019	47	135503	135503		0	2,71,006	6,281.40
2019-20		Apr-19	01-07-2019	42	2244987	2244987		0	44,89,974	92,997.82
								Sub total	58,27,914	1,23,657.6
2018-19	XXXXXXXXXXXXXXXJ (Zone-9-1)	Apr-19	04-11-2019	168	0	91458		0	91,458	7,577.23
								Sub total	91,458	7,577.23
2018-19	XXXXXXXXXXXXXXXI (Works contract)	Mar-19	25-04-2019	2	0	6091019		105583	61,96,602	6,111.72
		Jun-19	22-07-2019	2	2870059	3720940		1384	65,92,383	6,502.08
		Jul-19	31-08-2019	9	1285729	2767181		74075	41,26,985	18,317.03
2019-20		Mar-20	14-07-2020	81	2006706	4346502			63,53,208	2,53,780.20
								Sub total	2,32,69,178	2,84,711.03
								Total	3,65,56,308	11,28,328.60
								Total (₹ in crore)	3.66	0.11

Appendix-5.11

Statement showing mismatch between tax liability and tax payment

(Reference: Paragraph 5.7.11.2.2)

Sl. No.	GSTIN	Zone	Mismatch in availing of ITC			Positive figure in GSTR-9C Table 12 F	Total amount
			GSTR-2A vs GSTR-3B	Under RCM	ITC availed without supplier remitting tax		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(4)+(5)+(6)+(7)
1	1XXXXXXXXXXXXXA	Works Contract	1,21,02,708	0	0	0	1,21,02,708
2	1XXXXXXXXXXXXX0	Zone-9(2)	0	0	3,24,47,125	0	3,24,47,125
3	1XXXXXXXXXXXXXF	Works Contract	0	0	2,18,07,693	0	2,18,07,693
4	1XXXXXXXXXXXXXQ	Zone-8	60,43,725	15,146	81,78,840	0	1,42,37,711
5	1XXXXXXXXXXXXXT	Zone-8	0	0	13,25,666	29,883	13,55,549
6	1XXXXXXXXXXXXXU	Works Contract	3,93,17,246	0	31,76,989	0	4,24,94,235
7	1XXXXXXXXXXXXXA	Zone-1	0	0	72,61,055	0	72,61,055
8	1XXXXXXXXXXXXXA	Zone-9(1)	49,77,094	0	12,64,03,252	0	13,13,80,346
9	1XXXXXXXXXXXXX6	Zone-8	0	0	65,32,811	0	65,32,811
10	1XXXXXXXXXXXXXW	Zone-8	0	0	4,22,37,548	0	4,22,37,548
11	1XXXXXXXXXXXXXC	Works Contract	2,50,44,634	0	4,36,74,800	0	6,87,19,434
12	1XXXXXXXXXXXXX2	Works Contract	20,63,36,747	0	0	0	20,63,36,747
13	1XXXXXXXXXXXXX0	Zone-9(2)	0	0	35,823	0	35,823
14	1XXXXXXXXXXXXXC	Zone-4	0	0	3,96,90,688	0	3,96,90,688
15	1XXXXXXXXXXXXXW	Zone-9(2)	7,33,25,952	0	27,70,629	0	7,60,96,581
16	1XXXXXXXXXXXXXJ	Zone-9(1)	17,68,710	0	43,750	0	18,12,460
17	1XXXXXXXXXXXXXO	Zone-9(1)	0	0	6,72,029	0	6,72,029
18	1XXXXXXXXXXXXXT	Works Contract	29,60,334	54,208	3,31,674	0	33,46,216
	Total		37,18,77,150	69,353	33,66,60,372	29,883	70,85,65,759
	Total (in crore)		37.19		33.67		70.86

Appendix-5.12

Statement showing short tax payment

(Reference: Table 5.7.4)

Sl. No.	GSTIN	Zone	Total amount (in ₹)
1	1XXXXXXXXXXXXXA	Works Contract	52,07,591
2	1XXXXXXXXXXXXXF	Works Contract	1,12,632
3	1XXXXXXXXXXXXXQ	Zone-8	79,158
4	1XXXXXXXXXXXXXC	Works Contract	20,481
5	1XXXXXXXXXXXXXC	Zone-4	1,52,029
6	1XXXXXXXXXXXXXW	Zone-9(2)	9,86,415
7	1XXXXXXXXXXXXXJ	Zone-9(1)	50,17,397
	Total		1,15,75,703
	Total (in crore)		1.16

Appendix-5.13

Statement showing avoidable expenditure on penalty/ interest

(Reference: Paragraph 5.8)

Sl No	For the month	Late fee/penalty Amount (₹)	Cheque no	Date	Delay in days
1	March 2021	11,50,390	449850	30-06-21	73
2	April 2021	2,222	449851	02-07-21	43
3	May 2021	23,243	449853	05-07-21	12
4	May 2021	9,720	449854	07-07-21	15
5	June 2021	14,365	449855	30-07-21	21
6	July 2021	6,01,219	460230	14-10-21	63
7	August 2021	1,10,140	449863	21-10-21	39
8	August 2021	10,553	449864	25-10-21	-*
9	September 2021	93,503	449866	27-10-21	20
10	October 2021	15,35,387	107384	06-04-22	145
11	October 2021	74,029	107385	11-04-22	145
12	October 2021	10,579	107386	12-04-22	-*
13	November 2021	2,84,742	107388	18-04-22	115
14	November 2021	13,685	107389	19-04-22	115
15	November 2021	4,562	107390	21-04-22	-*
16	December 2021	27,205	887507	16-05-22	84
17	January 2022	22,20,073	887509	20-05-22	53
18	April 2022	2,85,464	887512	31-05-22	12
19	May 2022	2,63,761	887514	01-09-22	85
20	July 2022	15,923	887516	07-09-22	30
	Total	67,50,765			

GLOSSARY

GLOSSARY OF ABBREVIATIONS

Abbreviation	Expanded form
ARWSP	Accelerated Rural Water Supply Programme
AWCs	Anganwadi Centres
CCDU	Communication & Capacity Development Unit
CDPO	Child Development Project Officer
DDK	Doordarshan Kendra
DPP	District Perspective Plan
DQM	District Quality Monitor
DWQC	Drinking Water Quality Commissionerate
EAP	Externally Aided Project
FHTCs	Functional Household Tap Connections
GoM	Government of Manipur
HHs	Households
HRD&CB	Human Resource Development and Capacity Building
IEC	Information, Education and Communication
JJM	Jal Jeevan Mission
MIS	Management Information System
MoRD	Ministry of Rural Development
MSAA	Manipur Social Audit Agency
NDB	New Development Bank
NHED	Nutrition and Health Education
NIRD	National Institute of Rural Development
NMMS	National Means-cum-Merit Scholarship Scheme
PAC	Public Accounts Committee
PSE	Non-formal Pre-school Education
SEGC	State Employment Guarantee Council
SEGF	State Employment Guarantee Fund
SNA	Single Nodal Agency - System of Timely, Integrated, Quick Fund
SPARSH	Transfer
SoR	Schedule of Rate
SQM	State Quality Monitor
VHSNC	Village Health Sanitation and Nutrition Committee
VWSC	Village Water and Sanitation Committees
WASH	Water Sanitation and Hygiene
WBNP	Wheat Based Nutrition Programme
WQMS	Water Quality Monitoring and Surveillance

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