



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

**Report of the
Comptroller and Auditor General of India
on
Social (including Local Governments Audit),
Economic, General and Revenue Sectors
for the year ended 31 March 2024**



**Government of Nagaland
Report No. 1 of 2026
(Civil and Commercial)**

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PREFACE

1. This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor of Nagaland under Article 151 of the Constitution of India for being laid on the floor of the State Legislature.
2. The Report contains significant results of the performance audit and compliance audit of the Departments of the Government of Nagaland under the Social (including Local Governments Audit), Economic, General and Revenue Sectors viz. Public Health Engineering, Social Welfare, Municipal Affairs, Health and Family Welfare, Transport, Rural Development, Nagaland State Transport, Horticulture, Planning and Transformation, Tourism, Finance (Treasuries and Accounts), Home (Police) and Home (District Administration) Departments.
3. The cases mentioned in this 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 reported 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.
4. The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.
5. The Report of the Comptroller and Auditor General of India containing the observations on State Finances is presented separately.

OVERVIEW

EXECUTIVE SUMMARY

Chapter-I Introduction

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

During 2023-24, the Principal Accountant General (Audit), Nagaland, planned for audit of 362 units out of a total of 1,186 units, after carrying out risk assessment and keeping in view the available manpower, of which 364 units were actually audited.

This Report contains four Performance Audits titled “**Jal Jeevan Mission in Nagaland**”, “**Implementation of Integrated Child Development Services (ICDS) Scheme in Nagaland**”, “**Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)**” in Nagaland, “**Functioning of Regional Transport Offices/District Transport Offices in Nagaland**”, Information Technology (IT) Audit on “**Treasury Computerisation in Nagaland**” and 10 compliance audit paragraphs which includes one Subject Specific Compliance Audit on “**Department’s Oversight on GST payments and Return filing (Phase II) in Nagaland**”.

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

Chapter-II Part-I Social Sector

Performance Audit

Jal Jeevan Mission in Nagaland

PUBLIC HEALTH ENGINEERING DEPARTMENT

The Jal Jeevan Mission (JJM), a flagship scheme launched by the Prime Minister of India on 15 August 2019, aimed to provide potable water to rural areas through piped water supply. The mission’s goal was to ensure that by the end of 2024, each of the 19 crore rural households in the country receives piped water supply through Functional Household Tap Connections (FHTCs). A Performance Audit on JJM in Nagaland was carried out covering the period from 2019-2024.

The significant findings of audit are highlighted below:

- The Village Action Plans were prepared without conducting baseline surveys and none of the 34 test-checked habitations prepared VAPs incorporating information such as the history of water supply schemes implemented in the village, the infrastructure created and an assessment of the existing water supply infrastructure by the DWSM.
- The number of FHTCs initially proposed for 34 villages in the four test-checked districts decreased from 16,400 to 16,288 in the finalised DPRs and was further reduced to 14,835 as reported in IMIS.
- The supply order for materials was awarded without inviting tenders, resulting in an avoidable extra expenditure of ₹288.12 crore and a corresponding financial benefit to the supplier.
- Delays in release of Central as well as State share by GoN to the Department ranging between 39 and 107 days (Central Share) and 10 and 255 days (State Share).
- Three out of the five PIUs did not use any HGM Maps even though 40 groundwater-based schemes were planned for implementation by these three PIUs.
- An expenditure of ₹23.05 lakh was incurred on the construction of a deep tube well, iron removal plant and an RCC tank. When attempts were made to connect individual households from the tube wells, no water could be drawn. Both the tube well and the submersible pump remained idle and non-functional.
- There was shortfall ranging from 64 to 95 *per cent* in conducting laboratory tests over the last five years. The district laboratories of the four test-checked districts did not conduct tests for sulphate, total arsenic, fluoride, nitrate, total coliform bacteria, and E. coli or thermo tolerant coliform bacteria. While out of the target of 71,448 tests of water sources in the four test-checked districts through usage of FTKs, only 14,231 tests (19.92 *per cent*) were conducted.
- Out of 34 test-checked WATSAN Committees, 30 had not opened any bank accounts for the deposit of community contributions towards the required five *per cent* of the capital cost.
- 10 villages out of 34 test-checked villages across the four test-checked districts, had conducted social audits.
- VAPs were prepared without adequate participatory appraisal or demand assessment, contrary to the decentralised, demand-driven approach mandated in the JJM Guidelines.

- In four out of the five PIUs, IoT and GIS software were neither planned nor provided and that the real-time dashboard was also not utilised for planning and monitoring household tap connections.
- Against the target to provide 16,288 FHTCs in 34 test-checked villages, the Department provided 8,251 FHTCs (50.66 per cent) depriving 5,851 households of the benefit of availing the scheme. The expenditure of ₹21.57 crore against 5,851 households proved fictitious as the services were not provided.

Recommendations:

The State Government may:

A. Strengthen Institutional Planning and Governance

- (i) *Ensure mandatory baseline surveys and need assessments are conducted prior to the preparation of Village Action Plans (VAPs), and align projections with Census and verified household data.*
- (ii) *Empower GPs and VWSCs with training, tools, and supervision to prepare realistic, community-owned plans.*

B. Improve Procurement and Financial Transparency

- (iii) *Discontinue nomination-based procurement. Adopt centralised e-tendering in line with JJM Guidelines and GFR provisions to ensure transparency and value for money.*
- (iv) *Adhere strictly to timelines for release of Central and State shares to prevent implementation delays.*

C. Ensure Functional and Sustainable Infrastructure

- (v) *Mandate use of Hydro-Geo-Morphological (HGM) maps and smart sensors for better site selection, source sustainability, and daily monitoring of water drawal and distribution.*
- (vi) *Conduct third-party validation of all completed works to assess physical and functional status, with accountability for incomplete or non-functional systems.*

D. Strengthen Water Quality Monitoring

- (vii) *Establish fully equipped and staffed laboratories at sub-division and district levels with microbiological testing facilities and standard protocols.*
- (viii) *Ensure 100 per cent source testing and FTK usage is achieved and recorded in WQMIS. Address manpower and connectivity gaps.*

E. Foster Community Ownership and Transparency

- (ix) *Enforce collection and accounting of the five per cent capital cost and O&M contributions from beneficiaries through designated bank accounts.*
- (x) *Institutionalise regular social audits and ensure public display of water quality test results at Panchayat offices and public institutions.*
- (xi) *Intensify Information, Education & Communication (IEC) campaigns and participatory rural appraisal (PRA) activities to build local ownership and user awareness.*

F. Monitoring and Accountability

- (xii) *Operationalise the JJM dashboard across all PIUs and integrate it with local MIS for consistent real-time monitoring.*
- (xiii) *Conduct annual independent evaluation of scheme performance with feedback loops into future planning.*

**Implementation of Integrated Child Development Services (ICDS) Scheme
in Nagaland**

SOCIAL WELFARE DEPARTMENT

The Integrated Child Development Services (ICDS) Scheme, was launched on 02 October 1975 by the Ministry of Women and Child Development, Government of India (GoI) aims to improve health, nutrition, and education of the targeted beneficiaries which included children up to the age of six years, pregnant and lactating mothers and adolescent girls aged 11-18 years. A Performance Audit on its implementation in Nagaland was conducted for the period 2018-19 to 2023-24. The significant findings of audit are highlighted below:

- Nagaland has 3,980 functional AWCs, against a population of 19,78,502 (2011 Census) and a projected population of 22,33,000 (2023), indicating that the number of AWCs is broadly adequate to meet the population-based requirement under the ICDS scheme as per prescribed norms, however, this did not ensure uniform access across all regions.
- An expenditure of ₹2.81 crore for procurement of medicine kits during 2018-2024 revealed serious lapses in inventory management, including non-maintenance of stock registers and untraceable distribution records.
- An expenditure of ₹1.36 crore for the procurement of uniforms and badges during 2021-2024 revealed absence of documentation in stock registers and non-receipt of supplies by the majority of sampled CDPOs.
- A standardised framework inclusive of input, output and outcome indicators for evidence-based monitoring was not formulated. Consequently, evaluation of the outcome-based indicators was not conducted at the district, block and village levels.
- Out of 4,09,851 beneficiaries, only 1,13,619 beneficiaries (28 *per cent*) in the State are being monitored through Poshan tracker App to track the nutritional status and growth of women and children, enabling timely intervention to combat malnutrition.
- The State failed to maintain reliable and comprehensive data on key nutritional indicators such as stunting, wasting, underweight, anaemia, and low birth weight.

Recommendations:

The State Government may-

- (i) conduct geo-tagged mapping of all AWCs to identify and address infrastructure gaps such as toilets, kitchens, electricity and drinking water.*
- (ii) implement real-time digital stock register and public disclosure of material distribution (e.g., food, kits) at all levels to ensure transparency and prevent misuse.*
- (iii) develop and adopt a unified monitoring framework with input, output, and outcome indicators for robust, real-time evaluation and accountability.*
- (iv) upgrading digital infrastructure by replacing obsolete smartphones and conducting periodic training of Anganwadi Workers (AWWs) and supervisors to improve usage of Poshan Tracker and digital record-keeping.*
- (v) leverage data from HMIS and Poshan Tracker to design targeted, area-specific interventions for reducing malnutrition, supported by regular food quality testing.*

Compliance Audit Paragraphs

HEALTH AND FAMILY WELFARE DEPARTMENT

Excess payment without supply of materials

Infrastructure Maintenance fund of ₹3.85 crore was diverted to procure medicines, hospital linens and nursing sundries of which items worth ₹0.88 crore were short supplied or rejected.

Recommendations:

The State Government may-

- (i) ensure that NHM funds are utilised as per the Scheme guidelines.*
- (ii) take necessary steps to recover the cost of short supplied or rejected supply items.*
- (iii) fix responsibility on the officers/officials responsible for releasing the payment to the suppliers without verifying the quantity and quality of the supply items.*
- (iv) incorporate enabling clause in all future contracts for obtaining security deposits against Performance Bank Guarantee and Liquidated Damages so as to safeguard its financial interests.*

MUNICIPAL AFFAIRS DEPARTMENT

Undue benefit

A Working Women Hostel was constructed by the Executive Engineer-II, Urban Engineering Wing, Directorate of Municipal Affairs, Nagaland, Kohima, for ₹13.26 crore (GoI share: ₹8.31 crore; GoN share: ₹4.95 crore) on a private plot of land resulting in undue favour to the land owner to that extent.

Recommendations:

The State Government may:

- (i) obtain ex-post-facto approval from the GoI for the subsequent changes made.*
- (ii) take necessary steps to review the Memorandum of Agreement entered into with NAPO so as to safeguard the financial interest of the Government.*
- (iii) ensure fixation of rent/hostel fees in a fair and transparent manner and extensive publicity of the Hostel for the benefit of the intended beneficiaries.*

Chapter-II

Part-II

Local Governments Audit

Under Article 243M of the Constitution of India, the State of Nagaland is exempted from the provisions of the 73rd Constitutional Amendment Act, 1992. Owing to its traditional local self-governing institutions in the form of Village Councils, Nagaland falls within this exemption.

As of March 2021, there were 1,280 recognised villages in the State, each governed by the Nagaland Village and Tribal Council Act, 1978 (erstwhile *Nagaland Village Council Act, 1978*), which mandates the establishment of a Village Council in every recognised village.

Under each Village Council, a Village Development Board (VDB) is constituted. The VDBs, *inter alia*, facilitate State functionaries that assists in identifying developmental works, selecting scheme beneficiaries and facilitating the implementation of Government schemes, including Centrally Sponsored Schemes (CSSs).

The general body of a VDB comprises of all permanent residents of the village, managed by a committee chosen by the Village Council, with a Secretary, appointed for a term of three years, oversees the day-to-day affairs of the VDB. The Deputy Commissioner of the district acts as the ex-officio Chairman of all VDBs within the district.

Article 243Q of the Constitution of India grants constitutional status to Urban Local Bodies (ULBs) for self-governance in urban areas, covering 18 subjects under the 12th Schedule. In Nagaland, the ULBs are governed by the Nagaland Municipal Act, 2023, comprising 03 Municipal Councils and 36 Town Councils. As per Census 2011, 28.86 *per cent* of the State's population (5.71 lakh) lived in urban areas, with an urban literacy rate of 89.62 *per cent*.

The Nagaland Municipal (NM) Act, 2023 provides the statutory framework for the constitution, functioning and dissolution of ULBs, mandating them to perform obligatory functions such as urban planning, public health, sanitation, solid waste management, fire services, and urban forestry, with provision for additional functions

as notified by the Government. Nagaland has 39 statutory towns (comprising 03 Municipal Councils and 36 Town Councils) of which 25 have elected Councils supported by Chief Executive Officers/Executive Officers from the State Civil Services, while the remaining 14 towns in the eastern region are administered by Government-appointed officers in the absence of elected representatives. To strengthen governance, the Government has also issued guidelines recommending the formation of committees within newly constituted ULBs.

No recruitment rules have been framed for ULBs, leading to staff being engaged on a contractual basis with Government approval, resulting in inconsistent staffing patterns across ULBs.

In Nagaland, out of 18 functions listed in the 12th Schedule, ULBs are fully responsible for only one, partially responsible for six and have no role in the remaining eleven, with limited revenue powers (no property tax) and absence of manpower policy restricting the ULBs to function as effective self-governing institutions.

The State has not constituted a Directorate of Local Fund Audit or entrusted Technical Guidance & Support to the C&AG, and audits of ULBs are conducted by the C&AG under Section 14 of the DPC Act, 1971. In addition, no system of internal audit exists in ULBs in Nagaland as the NM Act, 2023 does not provide for it. ULBs lack an institutionalised internal control mechanism to ensure compliance with Acts, Rules and Bye-laws.

The NM Act, 2023 excludes ULBs from levying property tax on land and buildings, leaving them heavily dependent on Government grants. The Municipal Accounts Code has not been prepared and ULBs currently follow a cash-based system and prepare only Receipt and Payment Statements.

Chapter-III

Economic Sector

Performance Audit

Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Nagaland

RURAL DEVELOPMENT DEPARTMENT

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a Centrally Sponsored Scheme under the Ministry of Rural Development, GoI implemented on a cost sharing basis between the GoI and the State Governments. The GoI enacted the National Rural Employment Guarantee Act (NREGA), 2005, later renamed as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in October 2009. MGNREGA provides a legal guarantee of at least 100 days of wage employment in every financial year to rural household whose adult members are willing to do unskilled manual work at the minimum wage rate. A

Performance Audit of the Scheme was conducted covering the period from 2019-20 to 2023-24. The significant findings of audit are highlighted below:

- In 32 test-checked villages, the annual door-to-door survey was not conducted by the Programme Officers. Further, 24 Government employees were enrolled as unskilled workers under MGNREGA and ₹6.04 lakh was paid as wages to 19 Government employees.
- The percentage of Aadhaar seeded and Aadhaar authenticated JC holders was 51 and 43 *per cent* respectively in the State and 47 and 39 *per cent* respectively in the four test-checked districts.
- The Department did not prepare any IEC plan during 2019-2024. Additionally, no funds for IEC activities were received by the block offices and VDBs in the last five years and only limited IEC activities were conducted at the Directorate of RD, GoN.
- The Department had not re-appoint SQM/DQM following their three-year term expiry (constituted in 2019).
- Ten projects costing ₹2.87 crore stated to have been completed, did not exist physically and there was short execution of works in 51 projects amounting to ₹8.69 crore indicating possible misappropriation of funds to that extent.
- The offices of Ombudsman were not functional in all the three test checked districts. Moreover, no Citizens' Charter was prepared by the State Government during the audit period.
- There was a shortfall in conducting 2,676 social audits (59 *per cent*) in the State during 2019-2024 against the target in the audit plan of 4,536 social audits.

Recommendations:

- An annual door-to-door survey should be institutionalised to include all eligible beneficiaries, remove ineligible persons (such as Government employees), and update Aadhaar-seeded job card records to eliminate authentication failures.*
- The Department should take focused steps, including field-level data correction, additional Aadhaar enrolment centres, and coordination with banks to expedite 100 per cent ABPS coverage for wage payments to prevent delays and leakages.*
- The State should develop an annual Information, Education and Communication (IEC) plan covering State, district, block, and village levels with clear timelines and targets to enhance worker awareness of their rights, entitlements, grievance mechanisms, and available mobile applications such as Janmanrega.*

- (iv) *The State must reconstitute and operationalise State and District Quality Monitoring Units (SQM/DQM) as per guidelines to independently monitor at least 10 per cent of the works for quality assurance and compliance.*
- (v) *Dedicated technical staff must be appointed at village and block levels to ensure proper work measurement, adherence to sanctioned estimates, correct geo-location tagging, and validation of work execution as per approved specifications.*
- (vi) *The State should operationalise fully functional grievance redressal systems and conduct mandated biannual social audits in every Village Development Board (VDB), with independent verification, resolution of audit observations, and public disclosure of audit reports.*

Functioning of Regional Transport Offices/District Transport Offices in Nagaland

TRANSPORT (MOTOR VEHICLES) DEPARTMENT

The Motor Vehicles Department (MVD) under the Transport Department, GoN was established in the year 1963 on Nagaland attaining Statehood. The powers and functions of the Department are regulated under the provisions of the Motor Vehicles (MV) Act 1988, Central Motor Vehicles (CMV) Rules 1989, the Nagaland MV Act, 1967 and the MV Taxation Rules 1972. As on 31 March 2024, there are two Regional Transport Offices and six District Transport Offices that function under the MVD of the State. A Performance Audit of the Department was conducted covering the period from 2019-20 to 2023-24. The significant findings of audit are highlighted below:

- 6,292 out of 33,567 LLs were issued without conducting the mandatory tests in the three test-checked RTOs/ DTO.
- There is no ATS in Nagaland to carry out the automatic testing of vehicles for the issuance of fitness certificates. The construction of an Inspection and Certification Centre at Chumukedima, proposed for conversion into an ATS, was under progress.
- During 2019-2024, 8,633 vehicles registered in Nagaland defaulted on tax payments, resulting in cumulative outstanding dues of ₹9.03 crore.
- Two RTOs - Kohima and Mokokchung under-imposed a penalty of ₹23.41 lakh for overloading.
- The provisions for imposing penalties for various motor vehicle related offences were not complied with by the three test-checked RTOs/DTO.
- The VAHAN and SARATHI applications were operational across all RTOs/DTOs in Nagaland, however, an online payment gateway for citizen users had not been integrated.

- The GoN had signed a Memorandum of Understanding (MoU) with HDFC Bank to provide a payment gateway for e-challan and other online payments, this integration with the VAHAN application was still under development.

Recommendations:

- The Department should implement a mandatory digital testing system integrated with SARATHI, ensuring that all Learner's License applicants undergo time-stamped, system-recorded tests. Manual issuance without records must be discontinued, and RTOs held accountable for compliance.*
- The State Government may fast-track the establishment and operationalisation of Automated Testing Stations (ATS) at Chumukedima, Kohima, and Mokokchung, ensuring all fitness renewals comply with CMV Rules, 2022. Until ATS are fully functional, interim quality control measures must be implemented for manual fitness testing.*
- The Department should implement an automated tracking and alert mechanism within VAHAN to notify vehicle owners before permit or fitness certificate expiry. Simultaneously, strengthen enforcement through e-challan systems and mandate field inspections backed by real-time data validation.*
- The Department may develop and enforce a structured compounding protocol, including compulsory entry of Check Reports in VAHAN, seizure of documents or vehicles where required, and verification of compliance before closure of cases. Enforcement performance must be reviewed quarterly.*
- The Department should immediately finalise and operationalise the integration of the HDFC payment gateway with VAHAN and SARATHI. All citizen-facing services should mandate digital payment options to enhance convenience, reduce cash handling, and improve transparency.*

Compliance Audit Paragraphs

HORTICULTURE DEPARTMENT

Undue favour to Contractor-cum-landowner

A Botanical Garden-cum-Recreational Park was created at Jalukie, Peren at a cost of ₹2.87 crore on a privately owned land in violation of NEC guidelines. The facility remained idle for the last two years resulting in loss of potential revenue from its operation.

Recommendations:

The State Government may-

- take necessary steps to review the 'Deed of Land Donation' and ensure that land records are updated to reflect the Government's ownership, thereby safeguarding its interest.*
- ensure that the assets/facilities created out of the project is utilised as envisaged in the Detailed Project Report.*

PLANNING AND TRANSFORMATION DEPARTMENT

Unauthorised utilisation of scheme fund

Funds amounting to ₹6.14 crore meant for construction of Boys and Girls Hostels was unauthorisedly diverted for construction of a private school in violation of the Pradhan Mantri Jan Vikas Karyakram (PMJVK) guidelines.

Recommendations:

The State Government may ensure that-

- (i) all future DPRs under PMJVK scheme includes complete details of project land and its intended usage.*
- (ii) the assets created under Government sponsored projects are utilised for the intended purpose; and*
- (iii) responsibility of the erring officials is fixed for unauthorised utilisation of the Scheme funding towards construction of a private school and action as per rules may be taken against them.*

TOURISM DEPARTMENT

Irregular payment for unexecuted works

The Executive Engineer, Directorate of Tourism, Nagaland, made an irregular payment of ₹0.43 crore to the contractor for unexecuted works based on fictitious entries in the Measurement Books (MBs) and Running Account Bills.

Recommendations:

The State Government may-

- (i) initiate action against the contractor for submitting bills without execution of works and take steps to recover the excess amount paid to the contractor.*
- (ii) fix responsibility on and take action against the erring officers for making false entries in the MBs and failure to cross check the correctness of Contractor's bill before release of payment.*

TRANSPORT DEPARTMENT

Unfruitful expenditure

The project ***“Conversion of NST Central Workshop into a Bus Station, Night Parking-cum-marketing Complex in Dimapur”*** remained incomplete even after a lapse of more than six years after incurring an expenditure of ₹10.61 crore. Moreover, the State Government had to bear an additional ₹16.64 crore burden without achieving the intended transport or revenue benefits.

Recommendation:

The State Government may earmark resources to complete the balance portion of the incomplete work so that the objective of the project is fulfilled without further delay.

Chapter-IV General sector

Information Technology (IT) Audit

Treasury Computerisation in Nagaland

TREASURIES AND ACCOUNTS DEPARTMENT

The Ministry of Finance (MoF), GoI notified (July 2010) the implementation of Treasury Computerisation (TC) Mission Mode Project (MMP) under the National e-Governance Plan (NeGP). This initiative aimed to enhance efficiency, reduce costs, eliminate redundancies and modernise public expenditure management practices. The TC was designed to streamline budgeting processes, enhance cash flow management, facilitate real-time account reconciliation, strengthen the Management Information System (MIS), improve accuracy and timeliness in account preparation, enhance transparency in public delivery systems and elevate financial management quality in States and Union Territories (UTs). A Performance Audit of the implementation of TC was conducted covering the period from 2018-19 to 2023-24. The significant findings of audit are highlighted below:

- The rollout of TreasuryNet system was delayed due to delay in selecting vendor for application development, resulting in the timelines stipulated in the DPR not being achieved. The Department had not adopted project management tools to monitor the progress of completion of individual tasks for the project with respect to the critical path for the project and had not maintained a risk register to list and identify risks and mitigation measures.
- Failure to complete the stipulated milestones resulted in project implementation delays, causing the State Government to miss out on Central assistance of ₹2.84 crore.
- Out of 13 modules, five modules were not implemented. Moreover, the implemented modules did not incorporate all the business rules and features outlined in the DPR. As a result, key application controls required in the lifecycle of the financial management process - from budget to accounts - have not yet been implemented in the TreasuryNet application.
- The database contained several discrepancies, indicating inadequate mapping of rules, logical access controls and validation controls.
- Training needs analysis was not conducted, and required numbers of IT personnel were not available in the Treasuries and Sub-Treasuries.
- Neither the State Government nor the Department submitted any progress report to the PSC throughout the project's implementation.

Recommendations:

The State Government may-

- (i) adopt project management tools to identify the list of individual tasks to be completed, persons responsible for each task, sequential dependencies among tasks and the impact of delays on the critical path for the project timelines.*
- (ii) direct the Department to undertake a comprehensive review of its project governance mechanism, to identify and address the root causes for delays and adopt standard controls such as maintenance of risk register, periodic meetings of governance Committee(s) and periodic reports on progress in implementation of projects.*
- (iii) instruct the Department to prioritise the completion of all modules of TreasuryNet along with key functionalities and application controls.*
- (iv) instruct the Department to implement application controls for budget management and expenditure control.*
- (v) instruct the Department to take steps to conduct training needs analysis to provide the required training for Treasury Computerisation and deploy IT support staff in the Treasuries and Sub-Treasuries.*
- (vi) strengthen the monitoring mechanism to ensure that the PSC meets at prescribed frequencies to review the progress of implementation, to analyse risks and reasons for delay, and to follow up on action taken on its previous decisions.*

Compliance Audit Paragraphs

FINANCE (TREASURIES & ACCOUNTS) DEPARTMENT

Fraudulent/excess drawal of money

The failure of the Drawing and Disbursing Officers and Treasury Officers to exercise prescribed checks resulted in fraudulent/double/excess drawal of ₹0.88 crore, out of which ₹0.24 crore was pending to be recovered.

Recommendations:

The State Government may-

- (i) take steps to recover the amount misappropriated immediately from the concerned employees/DDOs/TOs with penal interest.*
- (ii) investigate the matter and take appropriate action against the delinquent officers for the criminal offense of fraudulent withdrawal/theft of public money.*
- (iii) initiate steps to strengthen the internal control mechanism in all departments to prevent recurrence of fraudulent drawals.*

- (iv) *refer the cases to the State Lokayukta for further investigation.*
- (v) *direct all the departments to adhere to the recommendations made by the State PAC and ensure their strict compliance.*

HOME (POLICE) DEPARTMENT

Excess expenditure

Engaging an unlicensed Supplier for procurement of Commercial Liquefied Petroleum Gas cylinders/refills without following the tendering process in violation of the applicable Regulations by the Director General of Police, Nagaland resulted in an excess expenditure of ₹3.46 crore.

Recommendations:

The State Government may-

- (i) *follow the prescribed tendering process for procurements and strengthen the internal control mechanism to promote transparency and compliance with procurement norms.*
- (ii) *fix responsibility on the officials concerned for non-compliance of LPG (Regulation of Supply and Distribution) Order, 2000, leading to the financial loss to State Exchequer.*

HOME (DISTRICT ADMINISTRATION) DEPARTMENT

Misappropriation of fund

The Deputy Commissioner of Phek District misappropriated ₹17.56 lakh from the Government funds meant for land acquisition towards development of Sub-Jail in Pfutsero.

Recommendations:

The State Government may-

- (i) *conduct departmental enquiry to fix responsibility on the erring officials for the unauthorised expenditure and recover the amount from the officials concerned.*
- (ii) *ensure execution of the Sale Deed at the earliest to establish the ownership of the land acquired.*

Chapter-V Revenue Sector

Subject Specific Compliance Audit

Department's oversight on GST payments and Return filing (Phase II) in Nagaland

FINANCE (TAXATION) DEPARTMENT

Goods and Services Tax (GST) came into effect from 01 July 2017 replacing multiple taxes levied and collected by the Centre and States. GST 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. A 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), GoN in this new tax regime.

Audit revealed shortcomings in tax administration such as deficiencies in closed, non-finalised cases, cancellation of registration, ITC mismatch, short payment of tax and interest, turnover mismatches and errors in data entry were noticed. Audit has recommended corrective actions to address the shortcomings noticed.

Recommendations:

The Department may-

- (i) ensure time-bound compliance to the detailed procedures for scrutiny of returns.*
- (ii) take prompt steps to conduct internal audit under Section 65 of the NGST Act so that action could be initiated against the defaulters before time-barring of cases.*
- (iii) initiate action against late- filers and non-filers by assessing the tax liability through invoking of the ASMT-13 best judgment assessment order.*
- (iv) adhere to the Rules regarding the cancellation process to ensure that final returns in GSTR-10 are filed and the tax liability is discharged.*
- (v) ensure taxpayers' compliance to the deviations arising from non-adherence to the NGST Act and rules.*
- (vi) instruct the departmental units to ensure timely and complete production of records to Audit.*
- (vii) ensure remedial action for all the compliance deviations before they get time barred.*

Chapter VI

Economic Sector (Public Sector Enterprises)

As of 31 March 2024, the State of Nagaland had seven Public Sector Enterprises (five working Government companies and two non-working companies) wherein the investment of the State Government (equity capital and long-term loans) in the seven PSEs was ₹36.94 crore, consisting of ₹36.67 crore towards equity capital and ₹0.27 crore towards long term loans. As on 31 March 2024, the combined investment of the State Government and other stakeholders in the seven PSEs was ₹123.15 crore. The combined investment was highest in the Finance sector PSEs (₹82.61 crore) followed by Miscellaneous Sector PSEs (₹19.51 crore).

Executive Summary

- As on 30 September 2024, a total of 15 Accounts pertaining to all five working PSEs were in arrears for the periods ranging between one to six years.
- During 2023-2024, the State Government had provided budgetary support in the form of grants/subsidy of ₹89.07 crore to five working PSEs.
- As on 30 September 2024, the turnover of the working PSEs stood at ₹6.03 crore during 2023-2024. The accumulated losses (₹91.92 crore) of two working PSEs viz. Nagaland Industrial Development Corporation Ltd. and Nagaland Hotels and Tourism Development Corporation Ltd. had completely eroded their paid-up capital (₹25.55 crore) as per their latest finalised accounts.

CHAPTER-I

INTRODUCTION



CHAPTER I

INTRODUCTION

1.1 About this Report

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

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

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

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

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

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

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

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

The C&AG prescribes the principles and methodologies for various audits in the Auditing Standards and the Regulations on Audit and Accounts, 2020.

1.3 Planning and conduct of Audit

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

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

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

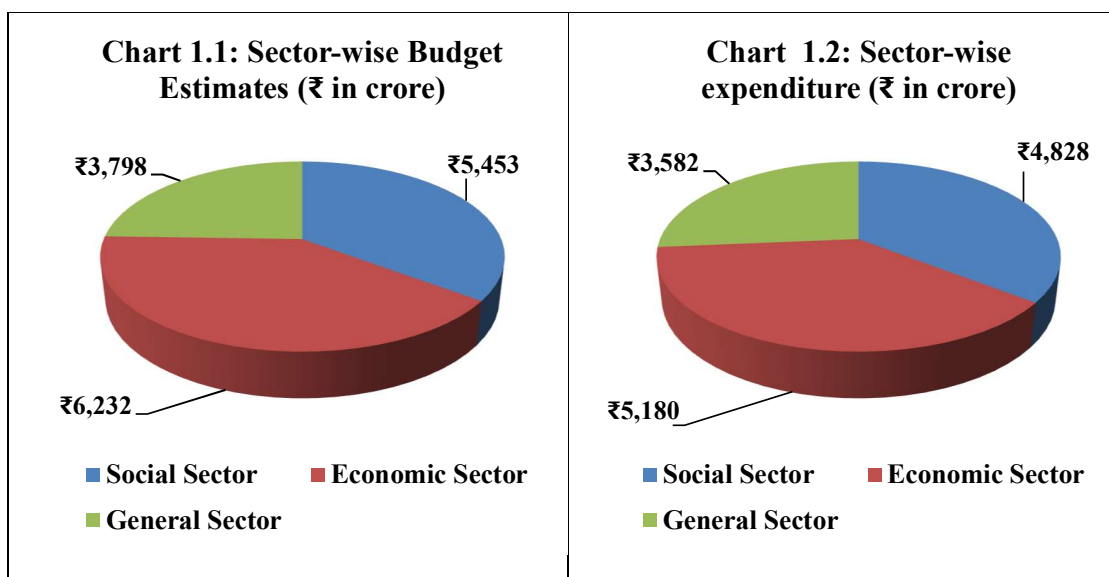
Considering the availability of resources, focus is given to areas of high financial risk rather than thinly spreading out the available resources across the Government activities. The aim is to have a better socio-economic impact and add value to governance.

Out of 1,186 units, 362 units were planned for audit during 2023-24 after carrying out a risk assessment and keeping in view the available manpower, of which 364 units were actually audited during 2023-24.

1.4 Significant Audit Observations

During the year 2023-24, the State Government incurred an expenditure of

₹13,590.11 crore² against the budget provision of ₹15,482.96 crore³ under Social, Economic and General Sectors. Sector-wise budget estimates and expenditure are depicted in Charts 1.1 and 1.2.



Source: Appropriation Accounts, 2023-24

This Report, *inter alia*, contains four Performance Audits viz., “Jal Jeevan Mission in Nagaland”, “Implementation of Integrated Child Development Services (ICDS) Scheme in Nagaland”, “Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Nagaland” and “Functioning of Regional Transport Offices/District Transport Offices in Nagaland”. The Compliance Audit consists of one Subject Specific Compliance Audit viz. “Department’s Oversight on GST Payments and Return filing (Phase II) in Nagaland” and major findings of audit from test check of the transactions of 323 units⁴ involving an expenditure of ₹18,087.35 crore⁵ under Social, Economic and General Sectors. The Report also contains an Information Technology (IT) Audit on “Treasury Computerisation in Nagaland”. Significant audit findings are discussed in the respective chapters.

² Social: ₹4,828.16 crore; Economic: ₹5,179.95 crore; General: ₹3,582.00 crore

³ Social: ₹5,453.71 crore; Economic: ₹6,231.53 crore; General: ₹3,797.72 crore

⁴ Social: 101 units; Economic: 141 units; General: 81 units

⁵ Social: ₹4,665.55 crore; Economic: ₹8,411.28 crore; General: ₹5,010.52 crore

CHAPTER-II
SOCIAL SECTOR
(including Local Government Audit)

PART-I
Performance and Compliance Audits
on Departments under Social Sector



CHAPTER – II

PART-I

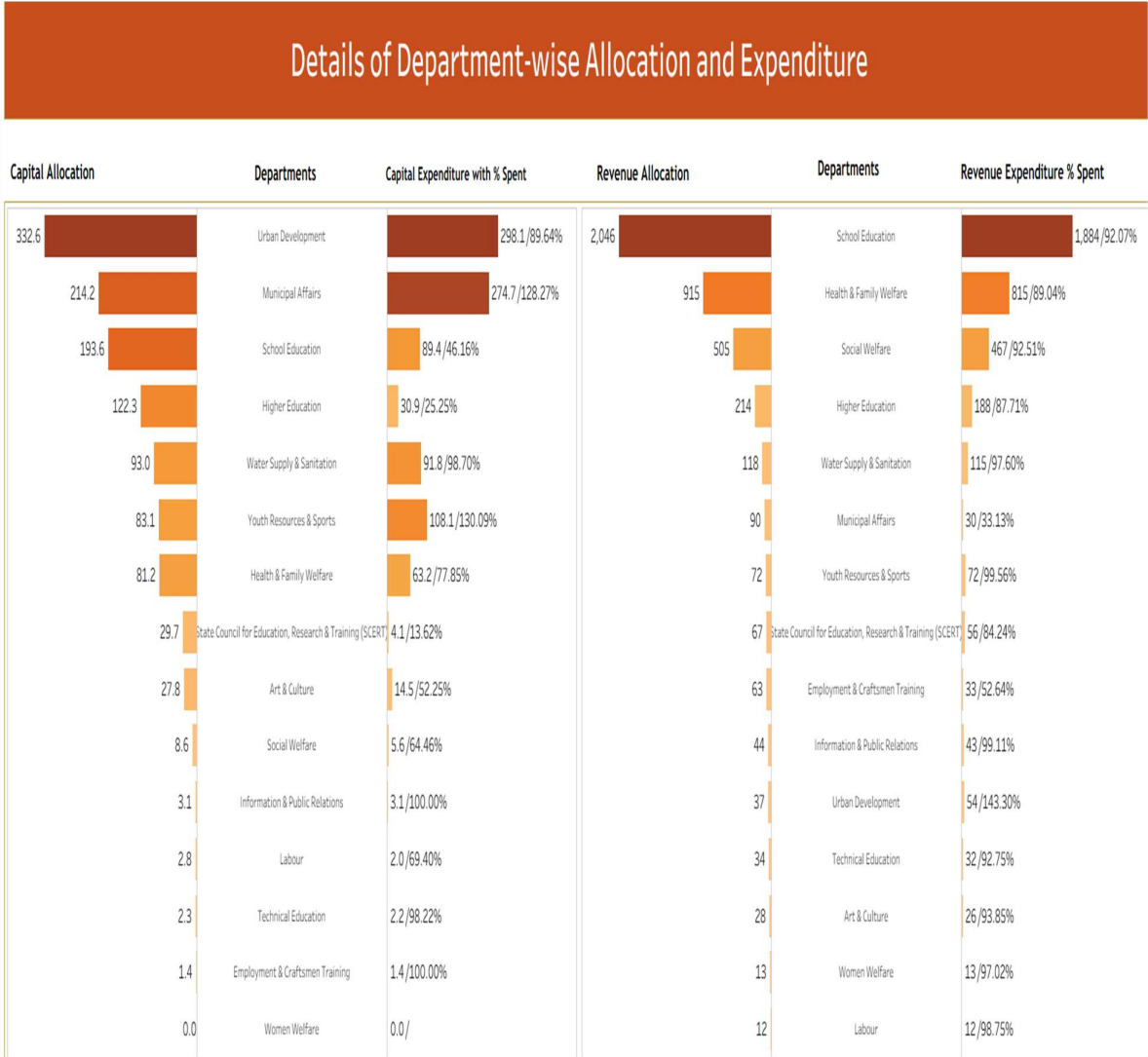
SOCIAL SECTOR

2.1 Introduction

This chapter of the Audit Report for the year ended 31 March 2024 deals with the findings on audit of the State Government units under Social Sector.

During 2023-24, total budget allocation of the State Government in the Departments under Social Sector was ₹5,453.69 crore against which actual expenditure incurred was ₹4,828.14 crore (89 *per cent*). The Department-wise details of Budget Allocations and Expenditure incurred during 2023-24, are shown in **Heatmap 2.1.1**.

Heatmap 2.1.1: Details of Department-wise Budget Allocations and Expenditure during 2023-24.
(₹ in crore)



Source: Appropriation Accounts, 2023-24

Key Insights

1. Overall Financial Performance

- **Total Budget:** ₹5,453.69 crore
- **Total Expenditure:** ₹4,828.14 crore (**89 per cent utilisation**)
- **Unspent Funds:** ₹625.55 crore

2. High Utilisation

- **Youth Resources & Sports** spent **116 per cent** of allocation - suggests either supplementary grants or expenditure beyond approved limits.
- **Municipal Affairs** (100 per cent), **Information & Public Relations** (99 per cent), and **Water Supply & Sanitation** (98 per cent) achieved near-full utilisation.
- High utilisation is generally positive but over-expenditure warrants scrutiny.

3. Low Utilisation/Underperformance

- **Employment & Craftsmen Training:** 54 per cent utilisation - weakest performer, signalling significant implementation delays.
- **SCERT:** 62 per cent utilisation - poor capital fund absorption.
- **Higher Education:** 65 per cent utilisation - large unspent amount in both percentage and ₹ terms.

4. Major Unspent Amounts (in ₹ terms)

- **School Education:** despite high allocation (₹2,239.87 crore) and decent utilisation (88 per cent), still has large unspent funds in absolute terms.
- **Higher Education** and **Health & Family Welfare** each have over ₹100 crore unspent.
- This indicates that large departments, even with high utilisation percentages, can have significant leftover funds due to scale.

5. Capital vs Revenue Trends

- Infrastructure-heavy departments like **Urban Development** and **Municipal Affairs** show strong capital utilisation (>95 per cent).
- Education-related departments (**Higher Education**, **SCERT**) lag in capital expenditure, suggesting project delays.

2.1.1 Planning and Conduct of Audit

Audit process starts with the assessment of risks faced by various Departments of the Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers and assessment of overall internal controls.

Audit was conducted in 101 units of five Departments involving an expenditure of ₹4,665.55 crore (including expenditure of previous years audited during the year during 2023-24) under the Social Sector.

After completion of audit of each unit, Inspection Reports containing audit findings were issued to the Heads of Departments for taking appropriate remedial measures on the audit findings. The Departments were requested to furnish replies to the audit findings within one month of the receipt of Inspection Reports. Wherever replies were received, audit findings were reviewed and either settled or further action for compliance was advised. Important audit observations arising out of the Inspection Reports were processed for inclusion in the C&AG's Audit Report, which is submitted to the Governor of the State under Article 151 of the Constitution of India, for laying before the State Legislature.

This Chapter contains audit observations on two Performance Audits *viz.* “Jal Jeevan Mission in Nagaland” and “Implementation of Integrated Child Development Services Scheme in Nagaland” and two compliance audit paragraphs.

Performance Audit

PUBLIC HEALTH ENGINEERING DEPARTMENT

2.2 Jal Jeevan Mission in Nagaland

Profile

Nagaland's topography is predominantly mountainous, with most villages located on hilltops. As a result, gravity-fed systems are the primary source of water supply across the State. However, in certain plain areas of Dimapur, Mokokchung, Mon, Wokha, and Peren districts, alternative sources such as ground water exploration are available. In some villages where neither gravity-fed systems nor ground water exploration are feasible, water is supplied through pumping. Out of the 34 villages covered in the four sampled districts, 15 villages sourced their water through gravity, 13 villages relied on groundwater exploration, 05 villages used pumping systems and 01 village depended on rainwater harvesting.

As of August 2019, Nagaland reported coverage of 13,882 Functional Household Tap Connection (FHTC). By March 2024, against the actual target of 3,63,829 households a total of 3,23,616 households was reported to be provided with tap connections, representing an achievement of 88.95 *per cent*. The achievement in the four sampled districts was reported as 82,212 households (93.44 *per cent*) against the target to cover 87,987 households.

Audit Snapshot



Why did we do this audit?

- 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;
- Assets created through the programme are sustainable for the next two to three decades and do not compromise water security for future generations; and
- Programme objectives (output and outcomes) have been achieved successfully.



What did we find?

- The Village Action Plans were prepared without conducting basic surveys.
- The supply order for materials was awarded without inviting tenders in contravention of financial rules and scheme guidelines.
- The Department reported transportation of pipes by engaging non-existent vehicles or vehicles which do not have the design capacity to transport the materials.
- Discrepancies in target and achievement in providing FHTCs in 34 test-checked villages.
- Weak Monitoring system.



Targeted FHTC- 3,63,829



Achievement of FHTC- 3,23,616



Total expenditure incurred: ₹1,376.33 crore out of ₹1,416.08



What do we recommend?

- Ensure mandatory baseline surveys and assess the needs prior to preparation of Village Action Plans.
- Discontinue nomination-based procurement and adopt centralised e-tendering in line with JJM Guidelines and GFR provisions.
- Mandate use of Hydro-Geo-Morphological (HGM) maps and smart sensors for better site selection, source sustainability, and daily monitoring of water drawal and distribution.
- Conduct annual independent evaluation of scheme performance with feedback loops into future planning.

A Performance Audit on Jal Jeevan Mission in Nagaland was carried out covering the period from 2019-2024. The Performance Audit brought out the following significant findings.

Highlights

- *The Village Action Plans were prepared without conducting baseline surveys and none of the 34 test-checked habitations prepared VAPs incorporating information such as the history of water supply schemes implemented in the village, the infrastructure created and an assessment of the existing water supply infrastructure by the DWSM.*

Paragraph 2.2.8.1

- *The number of Functional Household Tap Connections initially proposed for 34 villages in the four test-checked districts decreased from 16,400 to 16,288 in the finalised DPRs and were further reduced to 14,835 as reported in IMIS.*

Paragraph 2.2.8.2

- *VAPs were prepared without adequate participatory appraisal or demand assessment, contrary to the decentralised, demand-driven approach mandated in the JJM Guidelines.*

Paragraph 2.2.8.4

- *In four out of the five PIUs, IoT and GIS software were neither planned nor provided and that the real-time dashboard was also not utilised for planning and monitoring household tap connections.*

Paragraph 2.2.8.5

- *Three out of the five PIUs did not use any HGM Maps even though 40 groundwater-based schemes were planned for implementation by these three PIUs.*

Paragraph 2.2.8.6

- *An expenditure of ₹23.05 lakh was incurred on the construction of a deep tube well, iron removal plant and an RCC tank. When attempts were made to connect individual households from the tube wells, no water could be drawn. Both the tube well and the submersible pump remained idle and non-functional.*

Paragraph 2.2.8.6

- *Delays in release of Central as well as State share by GoN to the Department ranging between 39 and 107 days (Central Share) and 10 and 255 days (State Share).*

Paragraph 2.2.9.1

- *The supply order for materials was awarded without inviting tenders, resulting in an avoidable extra expenditure of ₹288.12 crore and a corresponding financial benefit to the supplier.*

Paragraph 2.2.10.1

- *The Department reported transportation of 13,67,421 metres of GMS pipes and 17 GPS tanks involving an amount of ₹50.97 crore by engaging 31 non-existent vehicles and 28 other vehicles which did not have the design capacity to transport the materials.*

Paragraph 2.2.10.3

- *There was shortfall ranging from 64 to 95 per cent in conducting laboratory tests over the last five years. The district laboratories of the four test-checked districts did not conduct tests for sulphate, total arsenic, fluoride, nitrate, total coliform bacteria, and E. coli or thermo tolerant coliform bacteria. While out of the target of 71,448 tests of water sources in the four test-checked districts through usage of FTKs, only 14,231 tests (19.92 per cent) were conducted.*

Paragraph 2.2.10.8

- Out of 34 test-checked WATSAN Committees, 30 had not opened any bank accounts for the deposit of community contributions towards the required five per cent of the capital cost.

Paragraph 2.2.10.12

- Against the target to provide 16,288 FHTCs in 34 test-checked villages, the Department provided 8,251 FHTCs (50.66 per cent) depriving 5,851 households of the benefit of availing the scheme. The expenditure of ₹21.57 crore against 5,851 households proved fictitious as the services were not provided.

Paragraph 2.2.11.1

- 10 villages out of 34 test-checked villages across the four test-checked districts, had conducted social audits.

Paragraph 2.2.11.4

2.2.1 Introduction

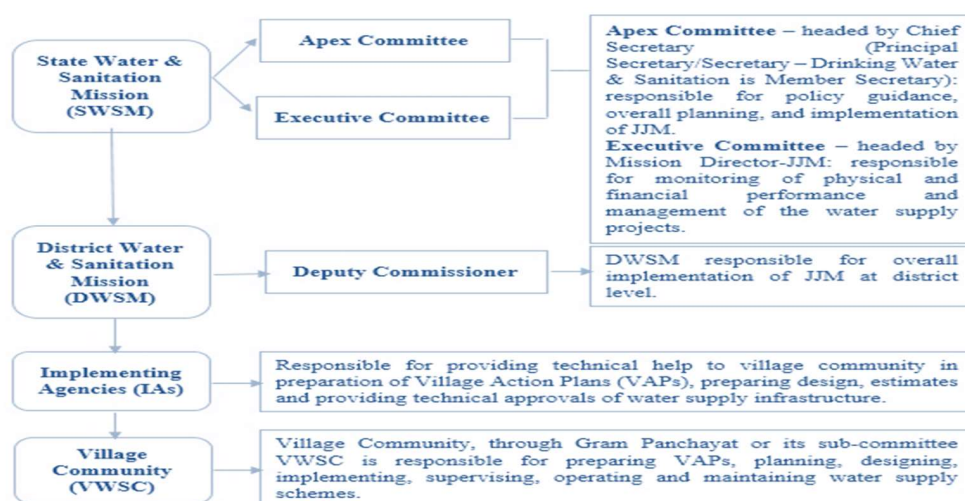
The Jal Jeevan Mission (JJM), a flagship scheme launched by the Prime Minister of India on 15 August 2019, aimed to provide potable water to rural areas through piped water supply. The Mission's goal was to ensure that by the end of 2024, each of the 19 crore rural households in the country received piped water supply through FHTCs. FHTCs were required to meet three key features/conditions:

- provide water in adequate quantity, at least 55 litres per capita per day (lpcd);
- ensure the water meets prescribed quality standards, of BIS:10500; and
- guarantee a regular supply, meaning continuous availability over the long term.

2.2.2 Organisational set-up

The organisational set up for implementation of JJM in the State is shown in Chart 2.2.1.

Chart 2.2.1: Organogram of the Department



Source: Departmental records

2.2.2.1 Institutional Mechanism

Paragraph 1 of the JJM Operational Guidelines, 2019 stipulates that proper planning, strategising and implementing water supply systems including development of proper institutional mechanism at all levels is essential for JJM implementation. The JJM is a time bound programme with the objective to provide FHTCs to all Households (HHs) within March 2024. To achieve this objective, a robust institutional mechanism and proper detailed planning is essential. Institutional mechanism existing in the State for implementation of JJM is discussed in the succeeding paragraphs.

2.2.2.2 State Water and Sanitation Mission

As per Paragraph 5.2 of the JJM Operational Guidelines, 2019, each State is required to constitute a State Water and Sanitation Mission (SWSM) which is the State level institution responsible for implementation of JJM in the State. The SWSM is to be headed by the Chief Secretary with the Principal Secretary/Secretary in-charge of PHE&WS Department as Mission Director in the State. The SWSM shall comprise of two committees viz. Apex Committee and Executive Committee.

The Government of Nagaland (GoN) constituted the SWSM in January 2020 under the JJM. The SWSM is headed by the Chief Secretary to the GoN as Chairman, with the Principal Secretary, Public Health Engineering Department (PHED) as the Mission Director, the Chief Engineer, PHED as Member Secretary and twelve¹ officials from allied Departments as Members. The main function of the SWSM is to provide operational and policy guidance to the implementing Department (PHED).

2.2.2.3 State Level Scheme Sanctioning Committee

Paragraph 5.2 of the JJM Operational Guidelines, 2019 provides for setting up of a State Level Scheme Sanctioning Committee (SLSSC) for approval of schemes.

The GoN constituted the SLSSC under JJM in January 2019, with the Chief Secretary as Chairperson, the Chief Engineer, PHED as Member Secretary and ten² officials from allied Departments as Members. The main function of the SLSSC is to approve the Annual Action Plan of JJM and to review its implementation.

2.2.2.4 District Water and Sanitation Mission

Paragraph 5.3 of the JJM Operational Guidelines, 2019 stipulates that, at the district level, the District Water and Sanitation Mission (DWSM) is responsible for overall implementation of JJM. The DWSM will be headed by the Deputy Commissioner/

¹ Development Commissioner, Finance Secretary, AHOD-School Education, AHOD-Health & Family Welfare, AHOD-Rural Development, AHOD-Water Resources, AHOD-Land Resources, AHOD-Soil & Water Conservation, AHOD-Social Welfare, Director-WSSO (PHED), Shri Achu Chang- Dolen Thangjam Society, Tuensang and Shri Y. Nuklu Phom-Lemsachenlok, Yaongyimchen, Longleng.

² Representative from the Department of School Education, Finance Department, Planning and Coordination, Health & Family Welfare, Rural Development, Water Resources, Soil & Water Conservation, Social Welfare, Director-WSSO (PHED) and Superintending Engineers, M&I.

District Collector (DC) as Chairman, with the Executive Engineer (EE), PHE & WS division, as Member Secretary.

Audit observed that the DWSM was not constituted in all the test-checked four districts of the State. It was, however, observed that in February 2020, the PHED had requested the Principal Secretary and Home Commissioner, Nagaland to revamp the DWSMs in the districts, with the DC as the head, the EE, PHED as Member Secretary and nine³ officials from allied Departments as Members, to facilitate the roll out the JJM Plan 2019-20.

2.2.2.5 Village Water and Sanitation Committees

Paragraph 5.4 of the JJM Operational Guidelines, 2019 stipulates that the community will play a lead role in planning, implementation, management, Operation and Maintenance (O&M) of in-village water supply infrastructure thereby leading to FHTCs to every rural household. The willingness of community, reflected through Gram Sabha resolution and community contribution, will be the foremost criterion for planning of water supply system in villages. Gram Sabha will decide whether GP or its subcommittee *i.e.* VWSC, will carry out the responsibilities of water supply management in the village. VWSC may be headed by Sarpanch/Up-Sarpanch/GP member/traditional village head/senior village leader as the Gram Sabha may decide.

Audit observed that prior to the JJM implementation, the State Government through the Communitisation Rules, 2003 constituted the Water and Sanitation (WATSAN) Committee in 2006 to participate in drinking water supply and sanitation activities. These WATSAN Committees functioned as VWSCs and no separate notification was issued for creation of VWSCs in the State.

2.2.3 Audit Objectives

The Audit objectives of the Performance Audit were to assess whether:

- 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;
- Assets created through the programme are sustainable for the next two to three decades and do not compromise water security for future generations; and
- Programme objectives (output and outcomes) have been achieved successfully.

2.2.4 Audit Criteria

The Audit findings were benchmarked against the following criteria:

³ District Planning Officer, Project Director- Rural Development, Divisional Forest Officer, District Medical Officer, District Education Officer, Executive Engineer-Water Resources, Project Officer-Land Resources, District Agriculture/Soil & Water Conservation Officer and District Information Public Relation Officer.

- Operational Guidelines for Implementation of JJM;
- Margdarshika for Gram Panchayat & VWSC to Provide Safe Drinking Water in Rural Households;
- Water Quality Monitoring & Surveillance Framework;
- SDG obligations and Standard Operating Procedure for WASH standards;
- General Financial Rules (GFR), 2017;
- Orders issued by the State Government facilitating implementation of JJM;
- Provisions of State Specific Procurement Rules; and
- Orders issued by the State Government pertaining to devolution of powers as envisaged in the 73rd Amendment Act of the Constitution of India.

2.2.5 Audit Scope and Methodology

In Nagaland, the JJM is implemented by the PHED. However, in terms of the recommendations of the Fifteenth Finance Commission (XV FC), funds were provided to the Rural Development (RD) Department for implementation of the JJM in 116 villages. The Performance Audit therefore involved examination of records for the period 2019-20 to 2023-24 of the Chief Engineer, PHED-cum-Member Secretary, SLSSC, Project Implementing Units (PIUs), test-checked DWSMs, and various villages and VWSCs. A beneficiary survey (493) was also conducted to assess the satisfaction level of the beneficiaries. An Entry Conference was held (May 2024) with the Principal Secretary, PHED-cum-Mission Director, SWSM and other representatives from the PHED and RD Department wherein the audit objectives, criteria and scope were discussed. The audit findings and recommendations were discussed with the Principal Secretary of the PHED during the Exit Conference (November 2024). Replies of the Departments concerned and of the Government are suitably incorporated in the Report.

2.2.6 Audit Sampling

Four⁴ out of 11 districts were selected through stratified random sampling using the IDEA software. From these four selected districts, nine⁵ out of 21 blocks and 34 out of 577 habitations/villages were selected through simple random sampling using the IDEA software. The sampled blocks and habitations included six blocks and six habitations where the scheme was implemented by the RD Department.

2.2.7 Acknowledgement

The Office of the Accountant General (Audit), Nagaland acknowledges the co-operation extended by the PHED, Nagaland in providing necessary information and records during audit.

⁴ Longleng, Dimapur, Wokha and Kiphire

⁵ **Sampled Blocks - Longleng District:** Longleng and Sakshi; **Dimapur District:** Chumukedima, Niuland and Medziphema; **Wokha District:** Sanis, and Wokha and **Kiphire District:** Kiphire and Pungro

Audit Findings

2.2.8 Audit Objective: *Whether efficient institutional framework is in place for planning, implementation and post operational management of the schemes?*

2.2.8.1 Preparation of Village Action Plans without conducting baseline surveys

Paragraph 2.3 of the Margdarshika for Gram Panchayat (GP) & Village Water & Sanitation Committee (VWSC) stated that based on the basic surveys, resource mapping and the felt needs of the rural community, the DWSM, PHED and Implementation Support Agencies (ISA) would assist the GP or its sub-committee *i.e.*, VWSC in preparing a Village Action Plan (VAP). Further, Paragraph 3.6.1 of the JJM Operational Guidelines stated that the VAP would include:

- History of water supply/availability in the village;
- Current availability of water in water source (yield measured) and its long-term sustainability;
- Need assessment of water required in the village and the available resources;
- Number of existing FHTCs and number of FHTCs yet to be provided in all habitations; and
- Ensuring availability of land in favour of GP and/or its sub-committee, *i.e.*, VWSC/Paani Samiti/User Group for construction of in-village water supply infrastructure.

The VAP will be approved in the Gram Sabha, when 80 *per cent* of the village community present in the meeting agrees to the prepared plan. The VAP will then be submitted to the DWSM for further action. Technical approval will be accorded by the PHED/RWS Department/Board. The VAP should also contain detailed information such as history of completed and ongoing rural water supply, infrastructure created under erstwhile National Rural Drinking Water Programme (NRDWP) for retrofitting compliant with JJM.

Audit observed that in violation of the scheme guidelines, none of the PIUs conducted a baseline survey to assess the actual number of households or determine the number of households to be covered. Failure to conduct baseline surveys prior to preparing the VAPs undermined the core planning principles of the JJM. Without reliable household-level data, the VAPs could not accurately assess water supply needs, existing infrastructure, or sustainability concerns - leading to a high risk of under-or over-provisioning, inefficient use of funds, and unsustainable implementation, as discussed under **Paragraph 2.2.8.2**.

During the period, 558⁶ VAPs were prepared and included in DAPs. Scrutiny of the VAPs revealed the following:

⁶ Kiphire:111, Longleng: 52, Wokha: 155 and Dimapur: 240

(i) Critical information in the VAP

Audit observed that none of the 34 test-checked habitations prepared VAPs that incorporated information such as the history of water supply schemes implemented in the village, the infrastructure created and an assessment of the existing water supply infrastructure by the DWSM. Audit further observed that 32 out of the 34 habitations had existing water supply infrastructure such as diversion weir, sedimentation tank, de-silting tank, main reservoir and slow sand filter.

Audit observed that in none of the 34 habitations tested, the VAPs included critical planning data such as history of earlier water supply schemes, existing infrastructure, or an assessment of their functionality: contravening the JJM Operational Guidelines (Paragraph 3.6.1). Despite the presence of infrastructure in 32 habitations, the Detailed Project Reports (DPRs) were prepared without reference to these assets, leading to the risk of redundancy and avoidable expenditure. Joint Physical Verification (JPV) confirmed that assets created under previous programmes (e.g., NRDWP) were lying idle and unused. Few instances of existing infrastructure are shown in the **Photograph-2.2.1**.

Photograph-2.2.1



In reply, the State Government stated (November 2024) that the community prepared the VAPs with technical support from the Department and that it had considered the existing infrastructure while preparing the DPR in order to reduce project costs.

The State Government contended that the VAPs were community-prepared with technical support and that existing infrastructure was considered in DPRs to reduce costs. However, this reply is not acceptable. As evident from the **Photograph-2.2.1** and JPV conducted by Audit, the assets such as reservoirs and treatment tanks were left idle, and no documentary evidence was available to demonstrate their inclusion in technical or financial planning. This contradicts the Government's claim and indicates a systemic failure to integrate past investments into new scheme planning, undermining both cost-efficiency and sustainability.

(ii) Inflated reporting of households/beneficiaries

Audit noted that in the four test-checked districts, the VAPs prepared during January-June 2020 projected a rural population of 6,19,986, compared to 4,12,669 recorded in the 2011 Census - an increase of 50.24 *per cent* over nine years. This level of population growth appears significantly higher than expected, particularly in the context of Nagaland recording a negative decadal population growth rate (-0.47 *per cent*) from 2001 to 2011. The abnormal projection raises concern about the reliability of the planning data and suggests that the absence of updated baseline surveys may have led to overestimation of beneficiaries, affecting the integrity of project costing and fund allocation under JJM.

In reply, the State Government stated (November 2024) that population and household projections in the VAPs were based on available Census data and that the village authority inputs and decadal growth rate was carefully analysed using methods such as arithmetical progression, geometric increase and incremental increase methods to ensure realistic projections and to prevent any overestimation in future fund requisition. However, this reply does not sufficiently address the anomaly of a 50 *per cent* increase in a State with a historically declining population trend. Moreover, the failure to conduct household-level baseline surveys undermines the accuracy of these projections. Without empirical validation, such estimates risk inflating scheme costs and misrepresenting service coverage needs.

2.2.8.2 Authenticity of Data of Census coded revenue villages

Paragraph 3.6.1 of the JJM Operational Guidelines states that the DWSM will be responsible for preparation and finalisation of the District Action Plan (DAP). The DAP would include strategic plan for FHTC to all rural households by 2024 and the timeline for all the activities identified for FHTCs coverage. Paragraph 3.6.1 also specifies that the DAP should be approved by the Mission Director of the SWSM.

Audit observed discrepancies between the numbers of FHTCs projected to be provided as per VAP, IMIS and the records of the District Administration (DA) showing the tax paying households/revenue households⁷ as shown in **Table 2.2.1**.

Table 2.2.1: Discrepancies in records as per VAP, DPR, DA records

District	No. of villages considered from the test checked village	No. of FHTCs required as per VAP	No. of FHTCs as per DPR	No. of FHTCs projection in IMIS	No. of household as per DA records
Kiphire	5	2,352	2,321	2,316	2,835
Longleng	8	4,406	4,234	2,754	4,737
Dimapur	15	6,827	6,929	6,963	7,931
Wokha	6	2,815	2,804	2,802	3,193
Total		16,400	16,288	14,835	18,696

Source: Departmental records

⁷ A “revenue household” is a family unit recognised in the official village records used for taxation, landholding, census, and administrative purposes. The primary source is the village revenue register or “household register” maintained by the revenue department.

From **Table 2.2.1**, it can be seen that the FHTCs projected in the VAPs for the four test-checked districts was 16,400, the number of FHTCs projected in the DPR was 16,288 and the number of households obtained from the four DA was 18,696.

It was further observed from the IMIS that the FHTCs projected was 14,835. Audit observed that the reason for these discrepancies was due to non-conduct of basic survey to assess the actual number of households and lack of coordination between the PIUs and the DWSM. Audit further observed that in two⁸ out of the four test-checked districts, the DAPs prepared by the PIUs were not approved by the DWSM headed by the Deputy Commissioner⁹ of the districts thereby contravening Paragraph 3.6.1 of the scheme guidelines. Due to these inconsistent projections, Audit was unable to establish the actual number of FHTCs required and assess the actual achievement of the target.

In reply, the State Government stated (November 2024) that the variations in the number of FHTCs was primarily due to data source differences and the evolving nature of household records. It was also stated that the DAPs were developed based on the VAP data and approved by the Deputy Commissioners of the districts.

The reply is not acceptable as none of the four selected PIUs conducted baseline surveys to verify the actual number of households but instead relied solely on the VAPs prepared by the village authorities. Moreover, two of the DAPs were not approved by the respective Deputy Commissioners.

2.2.8.3 Implementation in Urban Local Bodies

Chapter 1 of the JJM Operational Guidelines states that the scheme was launched with the aim of providing FHTCs to every rural household by 2024. The programme focussed on assisting, empowering and facilitating states in planning of participatory rural water supply strategy for ensuring potable drinking water security on a long-term basis to every rural household and public institution at affordable service delivery charges leading to improvement in living standards of rural communities.

Audit observed that in 2019-20 and 2020-21, the SLSSC approved 14 projects at an estimated cost of ₹30.67 crore for 14 Urban Local Bodies¹⁰ (ULBs) across nine districts. Audit also observed that as on March 2024, 13 projects were completed while one project was on-going, as detailed in **Appendix-2.2.1** for which an expenditure of ₹30.10 crore was incurred. Implementation of the JJM scheme in non-entitled ULBs not only violated the scheme guidelines along with the irregular expenditure of ₹30.10 crore but also resulted in diversion of benefits to ineligible beneficiaries. This also raises concerns about lack of proper planning and monitoring by the SLSSC.

⁸ Dimapur and Longleng.

⁹ As per Paragraph 5.3 of the Operational Guidelines of JJM, at the district level, DWSM is responsible for overall implementation of JJM. DWSM will be headed by Deputy Commissioner/ District Collector (DC).

¹⁰ Out of 109 villages covered in 2019-20, one was ULB while in 2020-21 out of 266 villages, 13 were ULBs.

In reply, the State Government stated (November 2024) that prior to 2022-23, except for district headquarters, all minor towns were included under rural water supply and reflected in the Ministry's IMIS database. However, following the introduction of AMRUT 2.0, no additional ULBs were included under JJM.

The reply is not acceptable. While minor towns may have been historically treated as rural for water supply, records indicate that the 14 towns were officially notified as ULBs prior to the approval and execution of the projects under JJM. Inclusion of such areas under JJM violated the eligibility norms defined in the Operational Guidelines, irrespective of IMIS classification, which is not a substitute for legal notification. This resulted in misapplication of ₹30.10 crore and points to a failure in institutional oversight by the SLSSC.

2.2.8.4 FHTCs not demand driven

Chapter 1 of the JJM Operational Guidelines stated that the implementation of the Scheme would be decentralised, demand-driven and community-managed so as to instil a 'sense of ownership' among the local community, create an environment of trust and bring in transparency leading to better implementation and the long-term O&M of water supply systems. Paragraph 6.1 of the Guidelines further stated that PHED and/or the Implementation Support Agency would undertake demand assessment, introduce JJM using various Information, Education and Communication (IEC) tools and carryout participatory rural appraisal (PRA) activities to enable the community to decide the type of in-village water supply infrastructure/scheme.

Interview of 493 beneficiaries (June-August 2024) in 34 test-checked villages of four districts, however, showed that 119 beneficiaries in Dimapur and Kiphire Districts had their own ring well or tube wells and therefore did not require tap water supply from PHED. The responses of 119 out of 493 interviewed beneficiaries in Dimapur and Kiphire districts indicated that they had adequate private water sources and did not perceive a need for FHTCs. This suggests that VAPs were prepared without adequate participatory appraisal or demand assessment, contrary to the decentralised, demand-driven approach mandated in the JJM Guidelines. This compromises effective community engagement and may result in underutilised infrastructure.

While accepting the Audit observation, the State Government stated (November 2024) that the Department is undertaking more intensive IECs and regular PRA activities to instil a 'sense of ownership' among the local community.

However, the State Government's reply did not address the core audit finding that VAPs were prepared without adequate demand assessment through PRA, as required by the JJM Guidelines. The conduct of IEC activities alone could not be considered a substitute for participatory planning. The inclusion of households who did not require FHTCs indicated a deviation from the decentralised and demand-driven approach envisaged under the Scheme. This undermined community ownership and could have affected the long-term sustainability of the water supply infrastructure.

2.2.8.5 Technology in Planning & Monitoring

Paragraph 8.4 of the JJM Operational Guidelines states that with the advent of smart technologies, it is possible to have real-time centralised and continuous monitoring through use of Internet of Things (IoT) and Geographic Information System (GIS). Use of data analytics will enable analysing data collected from rural areas to be used for various purposes by the utilities for smart management and better services which could be helpful for policy level interventions required for welfare measures. Further, a real time dashboard is to be used to constantly monitor the functionality of household tap connections.

Audit observed that in four out of the five PIUs, IoT and GIS software were neither planned nor provided and that the real-time dashboard was also not utilised for planning and monitoring household tap connections. As a result, centralised and continuous real-time monitoring was not effectively implemented and therefore the intended purpose of utilising the data collected from rural areas for various objectives remained unfulfilled. Audit further observed that due to non-utilisation of the dashboard, the ability to analyse and leverage this data for informed decision-making and enhanced service provision was not realised. This shortfall hindered efforts to improve water supply management, leading to missed opportunities for more efficient and responsive services in rural areas.

While accepting the Audit observation, the State Government stated (November 2024) that the Department was actively collaborating with the Department of GIS and Remote Sensing to prepare GIS maps for ULBs, planning to extend this mapping to cover all rural water infrastructure created under JJM and that IoT initiatives were launched in Kohima, Niuland, Peren and Phek on a pilot basis.

While the Department acknowledges the need for GIS mapping and IoT-based monitoring, the reply is not acceptable. The initiative cited pertained to ULBs, which were outside the purview of JJM, a scheme endeavoured especially to rural communities. Moreover, the IoT pilot projects launched in Kohima, Niuland, Peren, and Phek were not related to the four PIUs covered during audit, and hence, did not address the core issue of non-implementation in the test checked areas. As per the JJM Guidelines, there was a clear requirement for proactive planning and integration of digital technologies from the outset. The absence of such systems had hindered data-driven governance and deprived the mission of critical analytics essential for improving service delivery and ensuring long-term sustainability.

2.2.8.6 Wasteful expenditure on HGM Maps

Paragraph 8.4.1 of the JJM Operational Guidelines stated that with the support from DDWS, the National Remote Sensing Centre (NRSC), Hyderabad has prepared Hydro-Geo-Morphological (HGM) Maps (4,898 Nos.) in 1:50,000 scale for the country which can be used to determine the probable location of ground water availability and also the locations for recharge of the aquifers. Use of these maps

along with geo-physical studies helps to cut down the failure of the bore wells/tube wells and also help in in-situ dilution of certain chemical contaminants.

Audit observed that three¹¹ out of the five PIUs did not use any HGM Maps even though 40 groundwater-based schemes were planned for implementation by these three PIUs. Audit observed that non-usage of HGM maps for determining the location of ground water availability contributed to issues such as drying of water pumps in Longleng District. For example, the work “**Providing Drinking Water Supply with FHTC by Ground Water Exploration System in Hamlikong village under Longleng District**” involving an amount of ₹45.18 lakh was taken up under JJM. Examination of records showed that an expenditure of ₹23.05 lakh was incurred on the construction of a deep tube well, iron removal plant and an RCC tank. When attempts were made (December 2023) to connect individual households from the tube wells, no water could be drawn. Audit further observed that both the tube well and the submersible pump remained idle and non-functional. Moreover, the MIS report indicated that 101 out of 141 households were connected to a pipeline and marked as completed. In absence of the functional tube wells, the beneficiaries were dependent on the nearby small water spring. The **Photograph-2.2.2** depicts the idle and non-functional tube well and submersible pump.

Photograph-2.2.2



While accepting the Audit observation, the State Government stated (November 2024) that the Department will verify all the projects highlighted in the Audit observation and initiate remedial measures wherever feasible.

The State Government’s acceptance of the observation and intention to verify the projects is noted. However, the reply does not address the core audit finding that the planning process failed to incorporate mandatory hydro-technical safeguards (HGM mapping), despite these being available nationally. The case of Hamlikong village illustrates the serious consequences of this lapse, where infrastructure was created at significant cost, yet failed to deliver water due to poorly sited tube wells.

¹¹ EE, Kiphire Division-1, EE, Longleng Division-13 and EE, Wokha Division-26.

Additionally, the reporting of household coverage in MIS despite non-functional infrastructure highlights a systemic failure in monitoring and verification protocols.

2.2.9 Audit Objective: Whether financial resources have been employed in an economic and efficient manner?

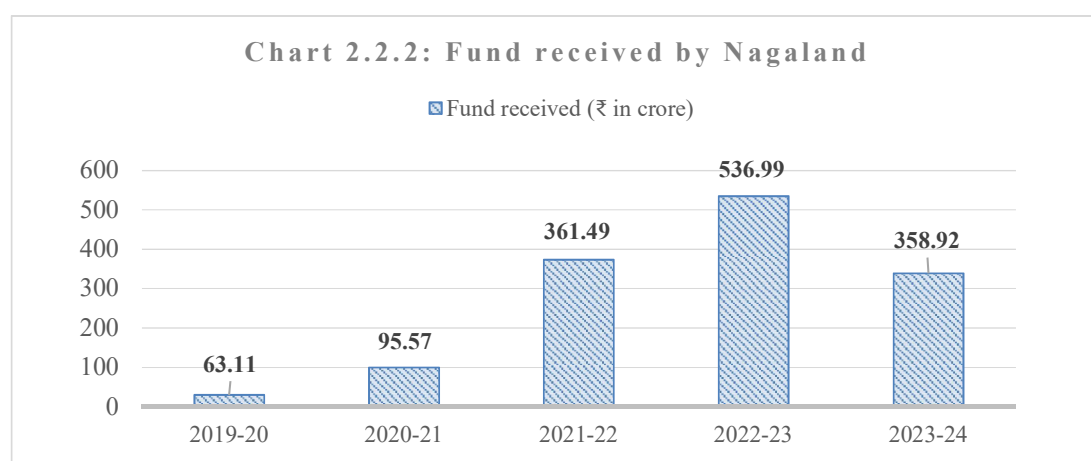
The fund allocated by Government of India for implementation of the JJM in Nagaland, contribution of the State Government and expenditure incurred during 2019-2024 is shown in **Table 2.2.2**.

Table 2.2.2: Statement showing fund allocation and expenditure for JJM

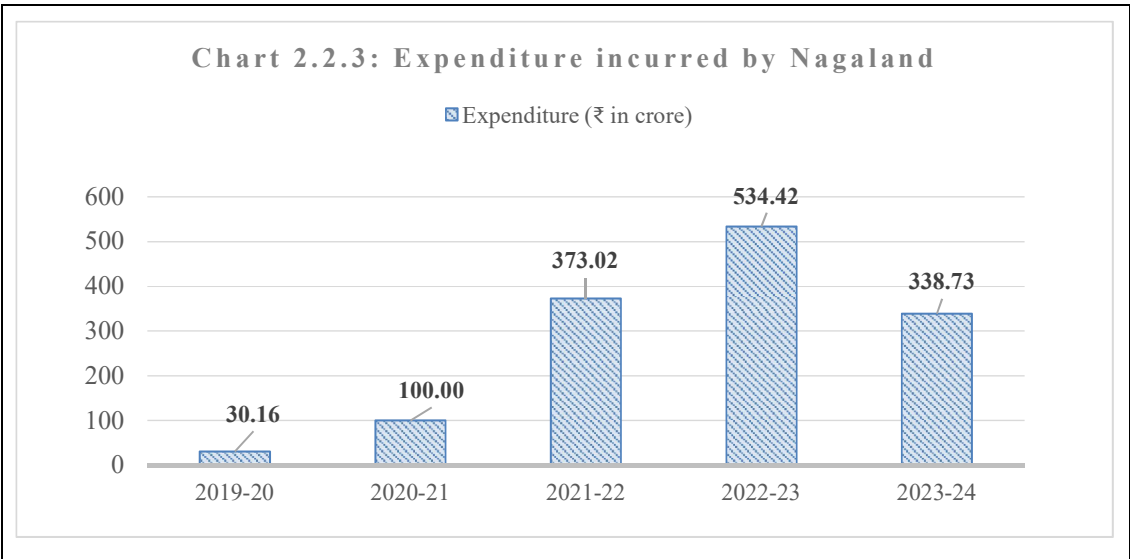
Year	Opening Balance		Fund received during the year		Misc. Receipt (Bank Interest and other receipts)	Total available during the year	Expenditure incurred during the year		Interest remitted during the year		Closing Balance		
	GoI share	Interest	GoI share	GoN share			GoI share	GoN share	GoI share (90 per cent)	GoN share (10 per cent)	GoI share	Interest	Total
2019-20	0.00	0.00	58.44 ¹²	4.67	0.00	63.11	25.49	4.67	0.00	0.00	32.95	0.00	32.95
2020-21	32.95	0.00	85.57	10.00	0.00	128.52	90.00	10.00	0.00	0.00	28.52	0.00	28.52
2021-22	28.52	0.00	333.61	27.88	0.40	390.41	345.14	27.88	0.00	0.00	17.00	0.40	17.39
2022-23	17.00	0.40	484.28	52.71	0.71	555.09	481.71	52.71	0.36	0.04	19.57	0.71	20.28
2023-24	19.57	0.71	314.90	44.02	0.71	379.90	294.71	44.02	1.09	0.12	39.75	0.20	39.95
Total			1,276.80	139.28	1.82		1,237.05	139.28	1.45	0.16	-	-	-

Source: Departmental records

As can be seen from **Table 2.2.2**, the Department received ₹1,416.08 crore, out of which an amount of ₹1,376.33 crore was expended during 2019-2024. The year-wise breakup of the budget and expenditure is shown in **Charts 2.2.2 and 2.2.3** respectively.



¹² There was an inadmissible amount of ₹1.95 crore in erstwhile NRDWP which was pointed out by audit and GoI accepted the observation and directed the State Government to recoup the amount and release it to PHED for utilisation under JJM. Therefore, the amount is included as receipt as Central share under JJM.



Source: Departmental records

In addition to the above funds, Nagaland also received (November 2020 and September 2021) a tied fund of ₹40.60 crore from the XV FC for the implementation of JJM by the RD Department in 116 villages. As per records made available to audit, the entire expenditure of ₹40.60 crore has been utilised to provide drinking water to 116 villages by the RD Department.

2.2.9.1 Delay in release of fund

As per the sanction order of the Ministry of Jal Shakti, GoI, the State Government was to ensure the release/transfer of the sanctioned amount to the Nodal Account of the implementing agency of the JJM along with State matching share within 15 days from the date of receipt of the funds. Examination of records however showed delays in release of Central as well as State share by GoN to the Department ranging between 39 and 107 days (Central Share) and 10 and 255 days (State Share) as shown in **Appendix-2.2.2**. Audit observed that these delays were due to non-compliance with the Ministry’s sanction orders thereby, impacting the timely implementation and effectiveness.

While accepting the Audit observation, the State Government stated (November 2024) that the delays in fund release to the Department was due to the process of completing various formalities and that the issue of delays in releasing the State Share has since been addressed.

The reply is not acceptable because the Ministry’s sanction order requires transfer of funds to the implementing agency within 15 days of receipt. The audit observed delays well beyond this limit for both Central and State shares, ranging up to 255 days. Merely citing “various formalities” does not justify this deviation from binding financial conditions. Further, the reply does not provide any documentary evidence to substantiate the claim that the issue has been addressed or to show that delays have not recurred in subsequent releases. Delayed fund flow compromises planning, contractor mobilisation, and timely execution of works under a time-bound mission.

2.2.10 Audit Objective: Whether assets created through the programme are sustainable for the next two to three decades and do not compromise water security for future generations?

2.2.10.1 Award of supply without tendering

Rule 144 of the GFR, 2017, states that every authority delegated with the financial powers of procuring goods in public interest should have the responsibility and accountability for bringing efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. Further, Rule 161 (i) of the GFR, 2017 states that subject to exceptions incorporated under Rule 154, 155, 162 and 166, invitation to tender by advertisement should be used for procurement of goods of estimated value of ₹25 lakh and above. Advertisement in such cases should be given on the Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. Further, Paragraph 3.5 (xxxvii) of the Strategy of the JJM Guidelines also stated that for executing the programme expeditiously, there would be a need for executing agencies to carry out in-village infrastructure work for which centralised e-tendering mechanism would be adopted to discover best rates, best agencies and speed up the implementation.

Examination of records showed that the Department awarded (between January 2020 to May 2023) supply orders for procurement of 2,37,72,586 metres of Galvanised Mild Steel (GMS) pipes and Galvanised Pressed Steel (GPS) tank amounting to ₹888.10¹³ crore to a supplier¹⁴ on nomination basis, without inviting tenders on the basis of a Government order¹⁵ of June 2018. The decision to award the contract to the supplier was not transparent or fair, as it bypassed an open, competitive tendering process, undermining fair competition and correct price discovery violating both the GFR provisions and the scheme guidelines. Audit further observed that the Department paid ₹863.43 crore (2019-2024) for 2,37,72,586 metres of GMS pipes and ₹24.67 crore (2020-24) for 1,213 GPS tanks to the supplier based on the supplier's tax invoices (**Appendix-2.2.3**). However, Audit scrutiny showed that the supplier procured the GMS pipes at a cost of ₹481.43 crore from M/s Indus Tubes, Delhi and GPS tanks for ₹14.01 crore from M/s Dhariwal Steel (P) Ltd, Kolkata, totalling ₹599.98¹⁶ crore. By engaging the supplier instead of directly procuring from the manufacturers, the Department incurred an avoidable extra expenditure of ₹288.12¹⁷ crore, resulting in a corresponding financial benefit to the supplier.

In reply, the State Government stated (November 2024) that the approved supply rates under JJM were finalised through a tendering process published in a national

¹³ ₹863.43 crore (GMS pipes) + ₹24.67 crore (GPS tanks) = ₹888.10 crore.

¹⁴ M/s Peseyie Construction, Kohima.

¹⁵ No. PHE/SECY/2018-2019 dated 20 June 2018.

¹⁶ ₹481.43 crore + ₹14.01 crore = ₹495.44 crore. Then, ₹495.44 crore + ₹89.18 crore (18 per cent GST of ₹495.44 crore) + ₹15.36 crore (Freight charges) = ₹599.98 crore.

¹⁷ ₹888.10 crore - ₹599.98 crore = ₹288.12 crore.

newspaper (January 2007) and subsequently revised (July 2012) due to increased raw material prices and changes in CST and NST/VAT rates. Based on these rates, DPRs for all the JJM schemes were prepared, which were vetted and approved by the Ministry through the Annual Action Plan and subsequently approved by the SLSSC. It was also stated that the State Government had authorised (June 2018) the supplier for supply of drinking water supply materials and SBM (G) Programme.

The State Government's reply is not acceptable on the following grounds. First, the cited supply rates of 2007 and their revision in 2012 predate the launch of JJM (2019) and do not meet the procurement transparency and competitiveness required under the GFR 2017 or JJM guidelines. Second, approval of DPRs by the Ministry or SLSSC pertains to scheme planning and does not revoke the requirement for competitive tendering. Third, the Government order of 2018 authorising the supplier for drinking water materials predates JJM and cannot be used to justify ₹888 crore worth of procurement without advertisement or e-tendering. The failure to follow Rule 144 and Rule 161 of the GFR, as well as JJM's e-procurement mandate, resulted in non-transparent procurement and avoidable extra expenditure of ₹288.12 crore, conferring undue financial benefit to an intermediary.

2.2.10.2 Avoidable excess expenditure

Rule 173 of the GFR, 2017 states that all Government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. As per the condition of the supply order issued by the PHED, Nagaland, the materials were to be delivered at Freight on Road (FOR) Store, Dimapur. Examination of the records showed that the supplier procured the materials valued at ₹863.43 crore from M/s Indus Tubes, Delhi. To assess the reasonableness of the rates allowed to the supplier, Audit cross verified the rates approved by GoN with the tendered rates approved by the neighbouring State of Manipur which showed that the rates allowed by GoN were 18 to 58 per cent higher than the tendered approved rates of Manipur as shown in Table 2.2.3.

Table 2.2.3: Statement showing comparison of rate of GMS pipes between Nagaland and Manipur

(Amount in ₹)						
Size of pipes (medium)	Rate allowed by Manipur	Rate allowed by Nagaland	Difference	Excess in Percentage	Total pipe procured in metre	Excess over Manipur
15 mm	154.95	203.64	48.69	31.42	1,30,15,992	63,37,48,650
25 mm	289.17	454.26	165.09	57.09	50,66,490	83,64,26,834
32 mm	353.78	489.29	135.51	38.30	19,84,003	26,88,52,247
40 mm	411.99	644.52	232.53	56.44	19,64,341	45,67,68,213
50 mm	599.27	707.07	107.80	17.99	11,84,495	12,76,88,561
65 mm	765.21	963.64	198.43	25.93	4,41,365	8,75,80,057
80 mm	993.31	1,571.24	577.93	58.18	1,13,700	6,57,10,641
100 mm	1,475.00	1,742.72	267.72	18.15	2,200	5,88,984
Total					2,37,72,586	2,47,73,64,187

Source: Department's records and PHED, Manipur

As may be seen from **Table 2.2.3**, the PHED procured 2,37,72,586 metres of GMS pipes at rates higher than the rate of Manipur resulting in avoidable excess expenditure of ₹247.74 crore. Incidentally, National Highway 29, which passes through Daboka, Dimapur and Kohima, serves as the primary route for transporting goods to Imphal, the capital of Manipur. Given that Imphal is located approximately 205 km beyond Dimapur, it is reasonable to conclude that prices in Dimapur should logically be lower than those in Imphal due to the shorter transportation distance.

In reply, the State Government stated (November 2024) that the Department has been procuring GMS pipes from Government approved manufacturer for implementation of all water supply schemes funded under GoI and GoN. The State Government further stated that it has no knowledge of the pipe rates of sister States, such as Manipur, as each State adopts its own unique Government approved rates and thus excess expenditure on the procurement of water supply materials by the Department does not arise. The reply is not acceptable as correct price discovery was not achieved as the supply order was awarded on nomination basis in violation of GFR provisions as discussed in **Paragraph 2.2.10.1**. The reply is also not acceptable as the Department should have ensured price reasonableness and secured best value for money as prescribed by Rule 173 of the GFR, 2017.

2.2.10.3 Distribution and lifting of GMS pipes

Section 39 of the Motor Vehicle Act, 1988 states that 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. Section 66 of the Motor Vehicle Act, 1988 Act also provides that 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.

Examination of records showed that the Department issued 36 supply orders to the supplier for supply of GPS tanks and GMS pipes of various specifications as detailed in **Appendices- 2.2.4 and 2.2.5**. As per the terms and conditions of the supply orders, the materials were to be delivered to the PHED Store Division in Dimapur, subject to acceptance by the Material Inspection Board. Further examination of records showed that the Material Inspection Board authenticated the receipt of the materials in full and subsequently, the Department released the total amount of ₹888.10 crore (May 2024) to the supplier¹⁸. Records also indicated that the materials were fully distributed to all districts.

¹⁸ The payment was made after deducting statutory deduction of GST @ 2 per cent.

To verify the transportation of the materials from the Store Division to the 13 PIUs across the State, Audit cross verified the transport challans issued by the Store Division, Dimapur to the PIUs with the records of the Transport Department and the data from the VAHAN¹⁹ database. This cross-verification exercise showed that out of the 293 vehicles used for transporting the materials to the 13 PIUs across the State, 31 were non-existent, 15 were Light Goods Vehicle (LGV), five were Light Motor Vehicles (LMV), three were two-wheelers, one was a three-wheeler and the remaining four were various other types of vehicles not designed for transporting GMS pipes and GPS tanks. Details of the vehicles are shown in **Table 2.2.4**.

Table 2.2.4: Details showing the types of vehicles where materials were transported

Sl. No	Types of Vehicles/Remarks of Transport Department records	Total number of vehicles	Carriage capacity of the vehicles (in Kg)	Weight of pipes* in MT	Length of pipes*	Frequency of transport (in trips)
1	Details not found in the VAHAN database and Transport Department, Nagaland	31	0	1,064.85	5,18,543	140
2	Agricultural tractor	1	0	8.21	1,350	1
4	Excavator	2	0	40.15	17,458	5
5	Light Goods Vehicle (LGV)	15	1015	1,308.4	6,49,909	176
6	Light Motor Vehicle (LMV)	5	480	34.64	11,364	5
7	Motor cycle/scooter	3	0	207.51	1,14,193	27
8	Tanker	1	0	77.29	48,460	10
9	Three wheeler	1	0	16.34	6,144	2
Total		59		2,757.39	13,67,421	366

Source: Transport Department and VAHAN

* 15, 25, 32, 40, 50, 65 & 80 mm

As may be seen from **Table 2.2.4**, out of 59 vehicles, 31 vehicles did not exist and the remaining 29 vehicles lacked the capacity to carry load of 13,67,421 metres of GMS pipes and 17 GPS tanks valued at ₹50.97 crore (**Appendix-2.2.6**). Thus, the Department's claims appeared doubtful. Further, as these items could not have been delivered to the 13 PIUs, the implementation of the scheme was bound to be adversely affected. Additionally, audit could not vouch safe the veracity of the claim that the entire materials issued by the Store Division was distributed to the villages, as the WATSAN Committees did not maintain any records indicating the actual quantity received and the number of pipes utilised.

In reply, the State Government stated (November 2024) that the registration number of the engaged vehicles were recorded on the transport challan as per the registration displayed on the vehicles but that errors occurred during the entry process. It was also stated that following the Audit observation, verification calls were made to the concerned drivers to ascertain the correct registration numbers and authenticate those

¹⁹ VAHAN software enables the process of RTO/DTO/MLO/SDM involving vehicle registration, fitness, taxes, permits and enforcement to get computerised.

not found in VAHAN. It was further stated that it was purely an inadvertent error in the vehicle registration entry.

The State Government's response is not acceptable for reasons explained ahead. The use of registration numbers of non-existent or inappropriate vehicles was consistently recorded not only in transport challans but also in corresponding gate pass challans, indicating that these were not mere clerical errors but systemic lapses in logistics documentation. Further, vehicles such as motorcycles, LMVs, and tractors are physically incapable of transporting the volume and type of materials in question. Post-audit verification through phone calls does not constitute verifiable or auditable evidence and cannot validate the genuineness of material delivery. The inconsistencies cast doubt on the authenticity of material distribution and may indicate irregularities in the physical movement of goods under the scheme.

2.2.10.4 Irregular stock management

Rule 211 (i) of the GFR, 2017 states that the Officer-in-charge of stores shall maintain suitable item-wise lists and accounts and prepare accurate returns in respect of the goods and materials in his charge making it possible at any point of time to check the actual balances with the book balances. For implementation of JJM in Nagaland, a total of 2,37,72,586 metres GMS pipes of varying specifications were required, of which 2,37,72,586 metres valued at ₹863.43 crore was purchased. Examination of the Stock records showed that all the pipes have been issued to the PIUs. A Joint Physical Verification (JPV) conducted in July 2024, however, showed that 5,14,440 metres of pipes of six different specifications were still in stock at the Central Store in Dimapur as shown in **Table 2.2.5**.

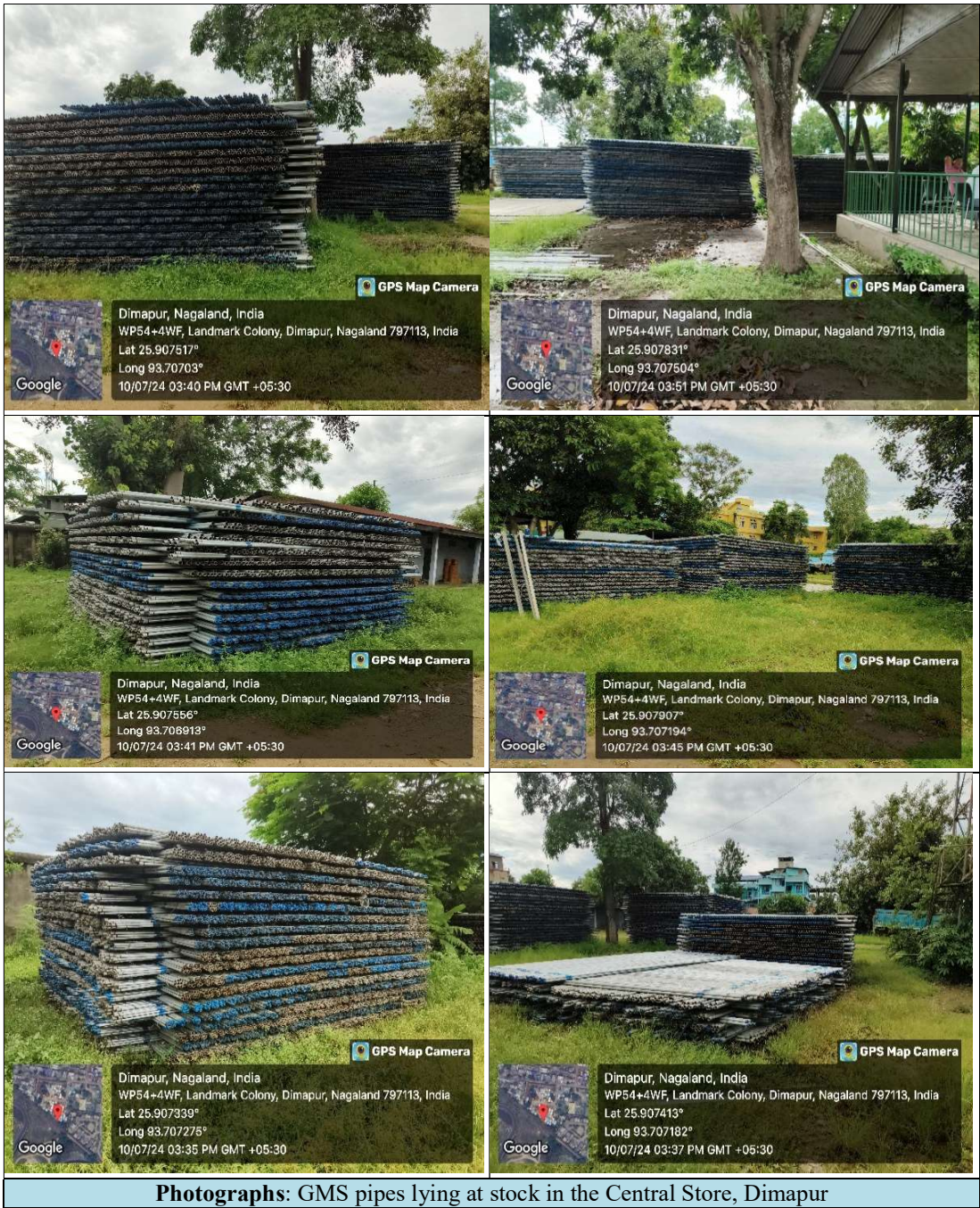
Table 2.2.5: Statement showing GMS pipes lying in the stockyard

Sl. No.	Specification of pipe	Number of pipes	Length of pipes (metre)	Issue Rate (per metre)	Amount (in ₹)
1	15 mm	45,000	2,70,000	203.64	5,49,82,800
2	25 mm	19,000	1,14,000	454.26	5,17,85,640
3	32 mm	10,500	63,000	489.29	3,08,25,270
4	40 mm	10,000	60,000	644.52	3,86,71,200
5	50 mm	1,040	6,240	707.07	44,12,117
6	65 mm	200	1,200	963.64	11,56,368
Total		85,740	5,14,440	-	18,18,33,395

Source: Departmental records

As may be seen from **Table 2.2.5**, GMS pipes valued at ₹18.18 crore were still in the store, despite the Department's claim that the pipes had been fully distributed to the PIUs. This discrepancy indicates that the stock records were not maintained as per the provisions of the GFR and that the Department's declaration of 91.30 *per cent* achievement (as of 24 July 2024) is misleading. Photographic evidence of GMS pipes lying at Central Store, Dimapur is shown in the **Photograph-2.2.3**.

Photograph-2.2.3



The Department’s claim of full distribution of GMS pipes to PIUs was found to be incorrect, as 5.14 lakh metres of pipes valued at ₹18.18 crore remained in the Central Store at Dimapur as of July 2024. This discrepancy indicates serious deficiencies in stock management practices, violating Rule 211(i) of the GFR, 2017. The Department’s declaration of achievement was based on inaccurate reporting, undermining transparency and the credibility of physical and financial progress claims.

In reply, the State Government stated (November 2024) that although allotment orders were issued, physical lifting of pipes was temporarily slowed down due to heavy

monsoon. It was also stated that lifting of the pipes was in progress and that it was expected to be completed soon.

The reply of the State Government is silent about the stock which was recorded as issued despite its physical presence in the store. The State Government's reply attributes the presence of stock to delays caused by monsoon, the Department's own stock entry records, transport challans, and gate passes confirm that lifting of the pipes had been completed by June 2024. This contradiction between physical verification and official documentation points to unreliable stock management and misreporting of scheme progress. Moreover, while the monsoon and its associated delay is predictable in the North East (NE), the Department did not make any contingency provision for the monsoon while planning for logistics. Further, the explanation does not account for the misleading certification of material movement nor does it reconcile book balances with physical stock, as mandated under Rule 211(i) of the GFR.

2.2.10.5 Short execution of civil works

Paragraph 325 of the Nagaland Public Works Department Code (NPWDC) states that the Measurement Book (MB) is a most important record, since it is the basis of all accounts of quantities whether of work done by the daily labour or by piece or by contract, or of materials received. The MBs must be an original record of the actual measurements of works done or materials received recorded at the site of work. Further, Paragraph 341 of the NPWDC stipulated that before the bill is prepared, entries in the MB relating to the description and quantities of work or supplies should be scrutinised by the SDO and the calculation of and "contents or area" should be checked under his supervision.

Scrutiny of the project estimates, Running Account (RA) bills and MBs showed that four out of five PIUs incurred an expenditure of ₹4.27 crore for construction of diversion weirs, sedimentation tanks, slow sand filters, RCC main reservoirs, RCC sub-reservoirs and brick masonry tanks in 11 habitations. Scrutiny of the records further showed that these works were executed by the WATSAN Committee and contractors. To ascertain the actual execution of these works, a JPV was conducted (June-August 2024) which showed that there was short execution of various items of work in these habitations amounting to ₹2.53 crore, as detailed in **Appendix-2.2.7**. Despite the shortfall in work executed by the WATSAN, the PIUs released the full payment to WATSAN committee resulting in excess payment of ₹2.53 crore.

In reply, the State Government stated (November 2024) that payments were made to the WATSAN Committee/vendors/contractors after obtaining completion report from Third Party Inspection Agencies duly countersigned by the respective Deputy Commissioner of the district.

The reply of the State Government is not acceptable on the following grounds. Audit findings are based on physical verification (JPV), which revealed that infrastructure created under JJM schemes was of lesser size and capacity than specified in the

DPRs, despite full payment being released. The reliance on Third Party Inspection Agency reports and Deputy Commissioners' countersignatures cannot justify or validate excess payments in cases where actual ground measurements contradict certified reports. This indicates serious lapses either in inspection quality or in verification procedures and raises concerns regarding the effectiveness of oversight and accountability mechanisms. The Department has not initiated any recovery or corrective action, despite financial loss to the public exchequer.

2.2.10.6 Centralised tendering

Paragraph 5.4 (iv) of the JJM Operational Guidelines states that the GP and/or its sub-committee, *i.e.* VWSC/Paani Samiti/User Group would procure construction services/goods/materials from agencies/vendors as finalised by the SWSM through centralised item rate tendering. As the districts of Dimapur, Chumukedima and Niuland are located in the plains of the State, the primary source of water is limited to deep tube wells. Examination of records showed that the WATSAN Committee of the test-checked villages of these three districts constructed 52 deep tube wells in nine habitations as shown in **Table 2.2.6**.

Table 2.2.6: Statement showing details of deep tube wells constructed

Sl. No.	Name of the district	Name of the Village	No. of Deep Tube wells
1.	Chumukedima	Thilixu Village	9
2.		Unity Village (Sugar Mill)	12
3.		Zani	2
4.		Phaipijang	3
5.		Diphupar 'A'	18
6.	Niuland	New Showuba	4
7.		Sukhato	1
8.		Hevikhe	2
9.	Medziphema	Pherima 'A'	1
Total			52

Source: Departmental records

Audit observed that the PIUs of these three districts, in violation of the prescribed guidelines, did not adopt the centralised item rate tendering to engage experts and machinery for the construction of 52 deep tube wells. Audit further observed that the work orders were issued to the WATSAN, however, there were no records to prove that specialised machineries or experts were engaged for execution of these works. Though the wells were reported to be functional, the DPR prescribed depths of 90 to 170 metres and the non-utilisation of specialised equipment and technical expertise casts doubt on the manner of their construction.

In reply, the State Government stated (November 2024) that no separate tendering system for selecting the firms was adopted and that the respective WATSAN Committee engaged professionals for the installation of deep tube well under supervision by the PIUs.

The State Government's reply is not acceptable because as per JJM Guidelines, procurement for works such as deep tube well construction must be done through

centralised item rate tendering to ensure transparency, competitive pricing, and technical quality. The Department not only failed to follow this process but also could not produce any documentation to substantiate the engagement of qualified professionals or the use of specialised machinery. In view of the technical complexity of drilling wells up to 170 metres deep, the absence of such records raises serious doubts about the authenticity and quality of execution. Moreover, mere supervision does not validate whether the execution met the technical specifications or whether qualified vendors were engaged.

2.2.10.7 Inadequate infrastructure for monitoring water quality

As per Paragraph 5.1.4 of the Drinking Water Quality Monitoring & Surveillance (DWQMS) Framework, the drinking water quality testing laboratories at sub divisional/block levels are the core agencies to test water quality parameters of local importance. The sub-division/block level laboratory Chemist is responsible for Water Quality Monitoring & Surveillance (WQMS) activities at the respective sub-division/block level. The sub-division/block level laboratory Chemist-in-charge is to report to the Chemist-in-charge of the district laboratory for water quality, with an information copy marked to the engineer-in-charge for rural water supply. Further, Paragraph 10.1 (i) of the JJM Operational Guidelines, stipulates that sub-division/block laboratory will test 100 *per cent* water sources under its jurisdiction; once for chemical parameters and twice for bacteriological parameters (pre and post monsoon) in a year, covering all water sources of a block for at least 13 basic water quality parameters. The Suggestive lists of instruments required for the State and district laboratories are incorporated in Annexure VI under sub-clause (xiv) of Paragraph 6.2 of the DWQMS Framework.

Examination of records showed the following deficiencies:

- Laboratories at block-levels were not established in any of the test-checked PIUs. As a result, monitoring of water quality crucial for ensuring the quality of water supplied to the communities was not done at the block levels.
- The State Laboratory (a National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratory) required 43 instruments of which only 21 instruments were partially available (*Appendix-2.2.8*). Further, in the four test-checked district laboratories, out of 35 instruments required, only eight instruments were available (*Appendix-2.2.9*). As a result, these laboratories were not equipped with all the necessary instruments required to conduct bacteriological and chemical tests at the State and district levels.

The absence of well-equipped laboratories impeded the ability to detect waterborne diseases thereby compromising public health and safety.

While accepting the Audit observation, the State Government stated (November 2024) that all district laboratories are accredited by the NABL but laboratories were yet to be established at the sub-division/block level. It was also stated that there was no provision for microbiological testing facilities in the district laboratories and that

Microbiological testing for E.coli and total coliform was done at the State microbiology testing laboratory, Dimapur through Membrane Filtration Technique (MFT) twice a year. It was further stated that five women FTK users in all the villages were trained for water quality monitoring and surveillance activities, once for chemical and twice for bacteriological parameters through the use of H2S vial strip test (pre and post monsoon) and that surveillance is done at the village level while monitoring is done by the District laboratory in compliance with the framework.

The State Government's reply is not acceptable because while NABL accreditation of district laboratories is claimed, this claim is undermined by the admitted lack of essential instruments, including those required for microbiological testing. Moreover, the absence of sub-division/block level laboratories violates Paragraph 10.1(i) of the JJM Guidelines, which mandates localised and comprehensive testing coverage. Relying on centralised microbiological testing at Dimapur twice a year and basic FTK-based village testing does not meet the frequency, scope, or scientific rigour required under the Drinking Water Quality Monitoring and Surveillance (DWQMS) Framework. The reply, in effect, confirms the audit observation that the current infrastructure is inadequate for ensuring safe drinking water in the State.

2.2.10.8 Inadequate tests conducted in the laboratories

Paragraph 10.1 (ii) & (iii) of the JJM Operational Guidelines states that district laboratories would test 250 water sources/samples per month (*i.e.*, 3,000 in a year as per the target of roster available on Department/National Mission IMIS) covering all sources randomly spread geographically including the positively tested samples referred by the sub-division/block laboratory/mobile laboratory on 13 basic water quality parameters. Further, the State Laboratory would test at least five *per cent* of the total drinking water samples across all district level laboratories with random and uniform geographical spread including positively tested samples referred by district/sub-division/block/mobile laboratory. While Paragraph 6.3.6 of the DWQMS Framework states that GPs and/or their sub-committee must ensure 100 *per cent* testing of drinking water sources, including private sources, and water supply at schools, anganwadi centres under their jurisdiction through the use of Field Testing Kits (FTKs) at least once in a month. The monthly test results are to be uploaded on the WQMIS portal.

Audit observed shortfall in conducting test as discussed below:

- There was shortfall ranging from 64 to 95 *per cent* in conducting laboratory tests over the last five years as shown in **Appendix-2.2.10**.
- The district laboratories of the four test-checked districts did not conduct tests for sulphate, total arsenic, fluoride, nitrate, total coliform bacteria, and E. coli or thermo tolerant coliform bacteria as shown in **Appendix-2.2.11**.
- Out of the target of 71,448 tests of water sources in the four test-checked districts through usage of FTKs, only 14,231 tests (19.92 *per cent*) were conducted as shown in **Appendix-2.2.12**. Such low compliance indicates that

the required extent of water quality testing was not carried out, limiting assurance on safe drinking water.

Though Audit observed significant shortfalls in tests conducted, Audit also observed that the water test results from the State Laboratory and test-checked district laboratories did not indicate the presence of major waterborne diseases. This suggests that the water supplied was potable. However, the testing limitations may still pose potential risks, as some water quality issues might not have been fully detected.

While accepting the Audit observation, the State Government stated (November 2024) that targeted number of testing per month was not practicable to achieve each month due to shortage of manpower and other logistical problems. Besides, COVID-19 lockdown hindered the testing during 2020-2022. The shortfall in the FTK test results was attributed to several challenges like poor network connectivity, migration of trained FTK personal from respective villages and difficulties in updating the WQMIS portal.

The State Government's reply is not acceptable. While COVID-19 and issues with transport, equipment or staffing may have temporarily affected testing, the observed shortfall spans a five-year period, that is, not only during the COVID-19 period, but also in later years. The failure to conduct tests for critical contaminants such as fluoride, nitrate, and coliform bacteria poses significant risks to public health and violates JJM and DWQMS protocols. The systemic issues, such as unavailability of manpower and inability to retain or retrain FTK users, point to weak implementation planning and inadequate institutional support. Excuses related to network connectivity do not absolve the duty to collect and report water quality data, especially when field testing and manual record-keeping could be integrated. Therefore, the reply only reinforces the audit's conclusion that current water quality surveillance mechanisms are unreliable and may mask potential threats to safe drinking water.

2.2.10.9 Dissemination of test results

Paragraph 6.5 (iii) of the DWQMS Framework, states that all drinking water quality testing laboratories in the State are to maintain proper records of all details related to stock of chemical/consumables, instruments/equipment, sampling and analysis. The instrument/equipment is to be properly labelled and test reports made accessible to the concerned officials and to the concerned GP and/ or its sub-committee, *i.e.* VWSC/ Pani Samiti/User Group for taking up corrective action. The test results may also be displayed on GP notice board or at other suitable public place.

Interviews of members of the WATSAN Committees of the test-checked villages showed that the results of water testing conducted in the laboratory were not displayed to 13 out of the 34 habitations test-checked. Audit also independently observed that the results of the water testing were not displayed in any of the Panchayat offices within the villages, indicating that the general public remain unaware of the testing outcomes. The absence of communication regarding display of

the test results undermines transparency and hinders community awareness about water quality and safety.

While accepting the Audit observation, the State Government stated (November 2024) that the Department had instructed all the villages to display water test reports in the public institutions such as Gram Panchayats, schools, Anganwadi centres and Health centres to promote transparency and raise awareness of water quality during Swachh Jal Se Suraksha Campaign and FTK training sessions. The Department further assured to continue to take further necessary action to disseminate the test results.

2.2.10.10 Monitoring of water supplied

As per Paragraph 11.1 of the JJM Operational Guidelines, in Single Village Scheme and piped water supply with stand posts, it was necessary to have sensors to measure water drawn every day from different sources, water level in the bore-well in case of ground water based scheme and of switching on and off of pumps on the basis of overflow sensors in the storage tanks. The Guidelines further stipulated that Management Information System (MIS) should be developed for capturing the data collected through sensors and analysing them. It is important to have same data capturing formats and protocols across the States for data handling consistency. The States can also tweak the existing MIS, if they have, to meet the data consistency requirements.

Audit observed that no measures were taken to use sensors or develop an MIS for monitoring water supply in four out of the five test-checked PIUs. In the absence of the sensors and the MIS, these four PIUs were unable to measure the volume of water drawn daily from different sources, resulting in inefficiencies and difficulties in managing water resources effectively.

While accepting the Audit observation, the State Government stated (November 2024) that the Department had, on pilot basis, initiated IoTs²⁰ (Internet of Things) in four districts namely Phek, Niuland, Peren and Kohima and assured to consider installing IoTs in the remaining districts in a phased manner.

The fact, however, remains that water quality testing through FTKs was grossly inadequate and unless IoT systems are scaled up across all districts, assurance regarding the safety of drinking water cannot be ensured.

2.2.10.11 Manpower Management

Paragraph 4.3 (iii) (b) of the DWQMS Framework states that States should decouple the functions of water service delivery and water quality testing to develop trust, transparency and accountability. A Drinking Water Quality Commissionerate is to be

²⁰ IoT-enabled sensors are installed in water sources (wells, pipelines, treatment plants) for real-time monitoring. These sensors continuously measure parameters such as pH, turbidity, temperature, TDS (Total Dissolved Solids), chlorine, iron, fluoride and arsenic, and transmit the data instantly to a central dashboard. The system also reduces dependence on manual FTKs.

constituted to decouple the functions. The States may designate the Chief Chemist to oversee the functioning of laboratories, water quality testing, monitoring and surveillance at all levels. Further, Paragraph 5.1.2.1(ii) of the DWQMS Framework stated that SWSN should nominate Chief Chemist of the Drinking Water Quality Commissionerate as a member of the executive committee of SWSM. The suggestive guidelines for staff required for various levels of laboratories as determined in Paragraph 5.2 of the DWQMS Framework and the available manpower in the Laboratories are shown in **Table 2.2.7**.

Table 2.2.7A: Manpower Shortfall in State-Level Laboratories

Designation	Manpower Required	Manpower Available	Shortage
Chief Chemist /Chief Analyst	1	0	1
Senior Chemist/Senior Analyst	1	0	1
Chemist/Water Analyst	2	1	1
Microbiologist/Bacteriologist	1	1	0
Laboratory Assistant	3	1	2
Data Entry Operator	2	0	2
Lab Attendant	2	4	+2
Field Assistant (need-based)	2	0	2

**Table 2.2.7B: Manpower Shortfall District-Level Laboratories
(Cumulative for four test-checked districts)**

Designation	Manpower Required	Manpower Available	Shortage
Chemist/Water Analyst	4	4	0
Microbiologist	4	0	4
Laboratory Assistant	8	0	8
Data Entry Operator	4	0	4
Lab Attendant	4	4	0
Field Assistant	8	0	8

Source: Departmental records

As can be seen from **Tables 2.2.7A** and **2.2.7B**, except for two categories of employees, the State laboratories were operating without the prescribed manpower. There were shortages in the cadres of Chief Chemist/Water Analyst, Senior Chemist/Water Analyst/Microbiologist, Chemist/Water Analyst, Laboratory Assistant, Data Entry Operator and Field Assistant in the laboratories of all the four test-checked districts. This shortage of personnel both in the State and District Laboratories hindered the efficiency and effectiveness of the laboratories in conducting necessary tests which in turn affected the effective monitoring of water quality.

While accepting the Audit observation, the State Government stated (November 2024) that except for the State Chemist, 11 District chemists and two microbiologists sanctioned at the State Laboratory were engaged and paid fixed monthly honorarium under the support activity fund of JJM. It was also stated that the Department has initiated efforts for the creation of the sanctioned posts, but that these are yet to materialise.

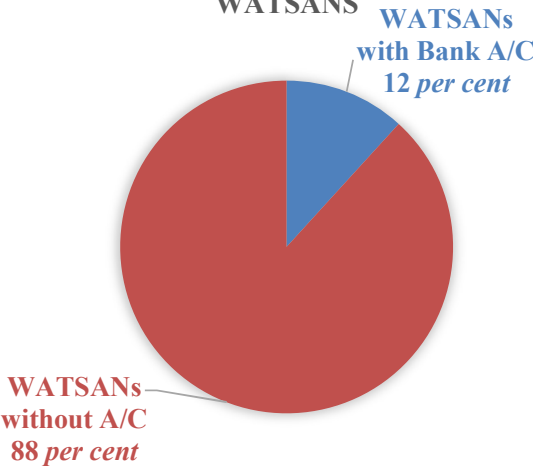
The State Government’s reply, while acknowledging the shortfall, does not fully address the core issue. Engagement of chemists and microbiologists on an honorarium basis is a temporary solution and does not ensure the continuity, quality, and accountability required for rigorous water quality monitoring. Moreover, the reply is silent on the shortage of other key support staff (lab assistants, field assistants, and data entry operators), who are essential for sample collection, testing, and data management. The continued absence of sanctioned positions and lack of permanent staff undermine the State’s ability to sustain water quality surveillance as required under the DWQMS Framework.

2.2.10.12 Community Contribution

Paragraphs 6.1.2 and 7.11 of the JJM Operational Guidelines states that for in-village piped water supply infrastructure and related source development in the North-Eastern States implemented by GP and/or its sub-committee, the beneficiaries will contribute five *per cent* of the capital cost in the form of cash and/ or kind and/ or labour. Further, as per Paragraph 6.1.4 of the JJM Operational Guidelines, the beneficiaries shall also make contribution to meet the recurring charges at the rate prescribed by the respective village community. While Paragraph 5.4 (vii) of the JJM Operational Guidelines stipulated that the GP and/or its sub-committee will open bank account/use existing account of the GP for community contribution and for depositing O&M service charge. In case an existing account is being used, it should be ensured that a separate ledger is maintained for community contributions.

Examination of records followed by interviews with the Chairman of the WATSAN Committee showed that out of 34 test-checked WATSAN Committees, 30 had not opened any bank accounts for the deposit of community contributions towards the required five *per cent* of the capital cost.

Chart 2.2.4: Bank Account Status In Test-checked WATSANS



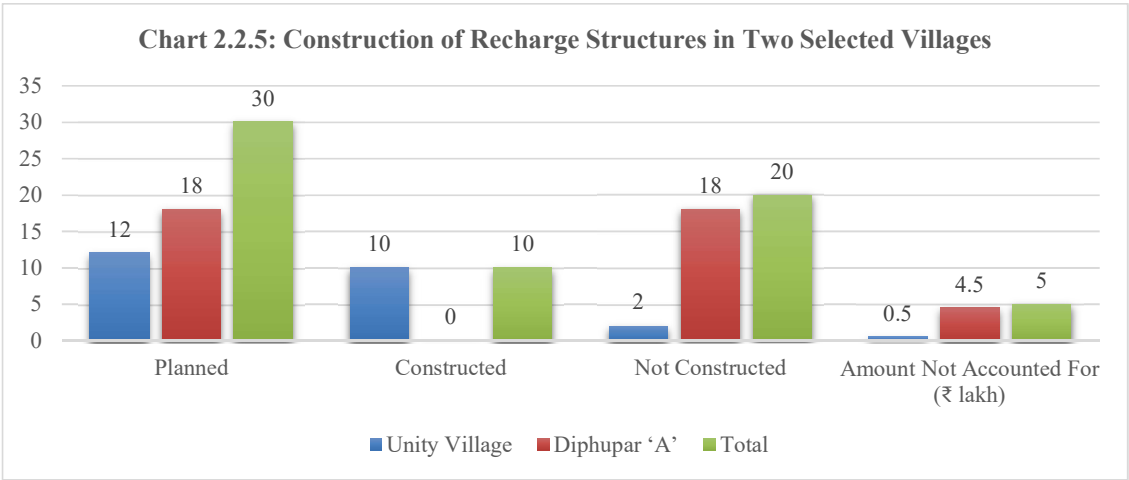
Audit further observed that these 30 WATSAN Committees had also not collected contribution towards the O&M service charge. Failure to collect recurring costs may lead to a decline in service delivery and poor upkeep of the assets created.

While accepting the Audit observation, the State Government stated (November 2024) that community contributions were typically made in cash, kind or labour. It was also stated that verification would be conducted across all villages and in cases where cash contributions are involved, the Department will direct the WATSANs to maintain bank accounts and that necessary step will be taken to establish regular monitoring and auditing.

The claim of the State Government on community contributions were made in kind or through labour could not be substantiated due to the absence of supporting documentation or valuation records. Further, the JJM Guidelines explicitly mandate the maintenance of bank accounts or separate ledgers to record such contributions, an obligation that was not fulfilled by 30 out of 34 WATSAN Committees. Assurances of future verification and monitoring do not address the underlying systemic failure to institutionalise community participation and ensure financial transparency, as required under the JJM framework.

2.2.10.13 Suspected Fraudulent payment in construction of recharge structures

As per sub-clause (iii) of Chapter 1 of the Introductory Para of the JJM Operational Guidelines, source sustainability measures such as aquifer recharge, rain water harvesting, increased storage capacity of water bodies, reservoirs and de-silting may be taken to improve the lifespan of water supply systems. Examination of the records showed that in two test-checked villages, 30 recharge structures valued at ₹7.50 lakh were projected in the DPR. Scrutiny of the Measurement Books (MBs) showed that the measurements recorded in the MBs were authenticated by the Sub-Divisional Officer (SDO) and the Executive Engineer (EE). Based on the authentication, these recharge structures were constructed and full payments made to the WATSAN Committees. A JPV conducted in June 2024, however, showed that contrary to the measurements recorded in the MBs, 20 recharge structures valued at ₹Five lakh were not constructed in two selected villages as shown in **Chart 2.2.5**.



Source: Joint Physical Verification

The false recording and subsequent authentication of such measurements in MBs indicate deliberate misrepresentation of facts by the officials concerned. These falsified entries facilitated release of payments without actual execution of corresponding works, resulting in suspected fraudulent expenditure. Despite the absence or shortfall in execution, the authentication by the SDO and EE, enabling payment from Government funds.

While accepting the Audit observation, the State Government stated (November 2024) that steps would be taken to ensure the construction of the remaining recharge structures as per the DPRs.

The reply is not acceptable as it does not address the failure in supervisory oversight that led to the release of full payment for incomplete works. The assurance of future construction does not regularise the irregular expenditure of ₹Five lakh incurred for non-existent assets.

2.2.11 Audit Objective: Whether programme objectives (output and outcomes) have been achieved successfully.

2.2.11.1 Progress of Household Connections in the State

Paragraphs 3.3 and 3.6 of the JJM Operational Guidelines states that the broad objectives of the Mission were 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. Further, Paragraph 7.1 of the JJM Operational Guidelines stipulates that the fund requirement for capital expenditure for JJM has to be arrived at on the basis of the remaining households to be provided with FHTCs as per the 'per household cost'.

Scrutiny of records showed that for the 34 test-checked villages of the four test-checked districts, 16,288 FHTCs were proposed in the DPRs at a cost of ₹61.14 crore. Budgetary provisions were then made based on this proposed number of FHTCs and the full amount released to the implementing units. Audit observed that though funds for 16,288 FHTCs were released to the PIUs, the Department reported installation of 14,102 FHTCs in the JJM IMIS (March 2024). Interview of the Chairmen/Secretaries of the WATSAN Committees in turn showed that only 8,251 (50.66 *per cent*) FHTCs were actually provided in the 34 test-checked villages. Audit also conducted a survey of 493 beneficiaries of the 34 test-checked villages in which 89 beneficiaries stated that FHTCs were provided on sharing basis as discussed below:

- 46 respondents stated that one connection was provided for two households;
- 21 respondents stated that one connection was provided for three households;
- 21 respondents stated that one connection was shared between five households; and
- One respondent stated that one connection was shared by six households.

Photographic evidence of FHTCs shared with multiple households is shown in **Photograph-2.2.4**.

Photograph-2.2.4

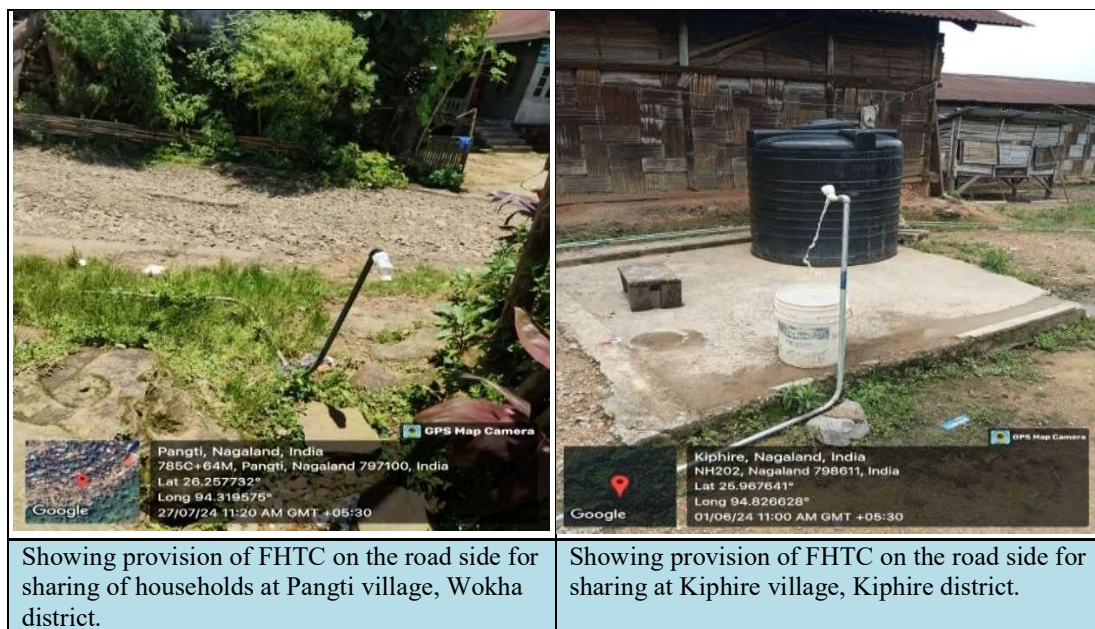
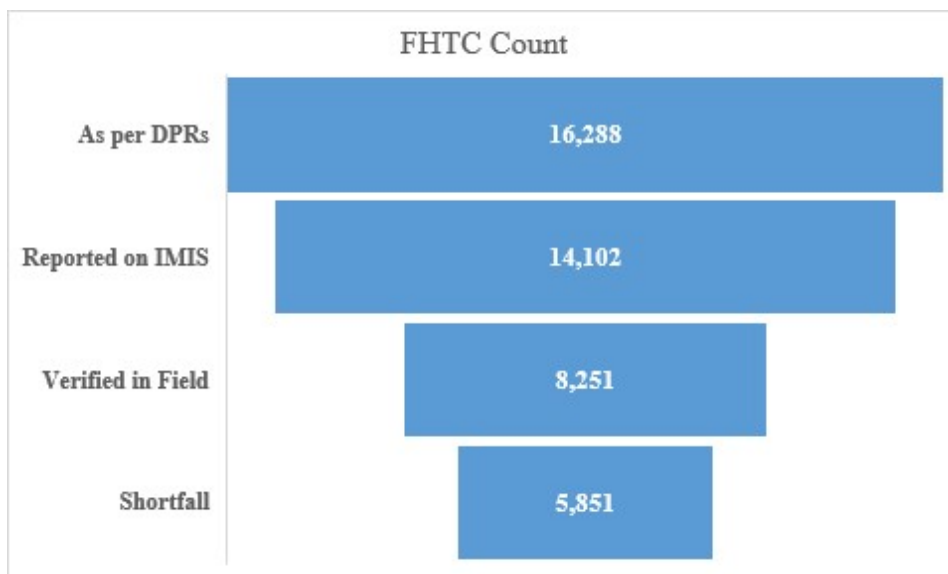


Chart 2.2.6: Comparative number of FHTC Count



Source: Departmental records and IMIS data

Thus, not only were beneficiaries deprived of the benefits of FHTCs, but reporting in the JJM IMIS was erroneous and expenditure of ₹21.57 crore on the purported construction of 5,851 FHTCs (*Appendix-2.2.13*) fictitious.

While accepting the Audit observation, the State Government stated (November 2024) that out of 34 villages, JJM in six villages is implemented by the RD Department and in the other 28 villages, JJM is implemented by PHED and that the Scheme in 18 villages was still on-going and yet to be certified. It was also stated that steps would be taken to reconcile discrepancies between the reported and actual FHTCs provided and ensure that the remaining households are provided FHTCs as per the DPR under PHED covered villages.

The reply is not acceptable. Premature reporting of completed FHTCs in the JJM IMIS, without field validation or certification, points to systemic lapses in monitoring and data accuracy. The distinction between PHED and RD implementation does not address the core issue of over-reporting. The audit finding of 5,851 unverified or non-functional connections involving an expenditure of ₹21.57 crore remains unaddressed.

The State Government should fix responsibility on the officials concerned for over-reporting of FHTCs and the resultant unverified or non-functional connections involving an expenditure of ₹21.57 crore. A comprehensive verification of the reported connections should be conducted and appropriate action should be initiated against those responsible. Further, a robust monitoring mechanism should be instituted to ensure accuracy in reporting and avoid such lapses in future.

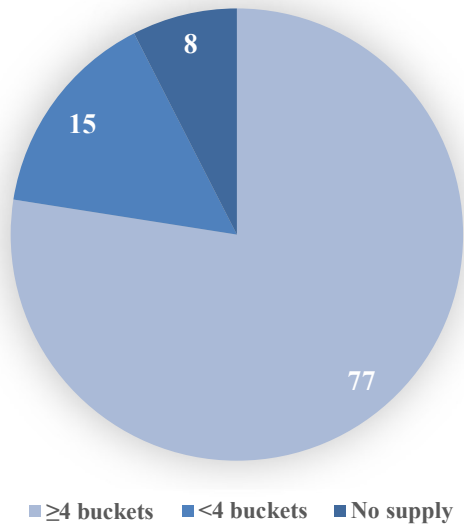
2.2.11.2 Insufficient water supply

Paragraph 3.4 (v) of the JJM Operational Guidelines states that one of the main objectives of the Mission is to provide FHTCs at minimum service level of 55 lpcd. Further, Paragraph 3.2 (i) of the JJM Operational Guidelines states that the Mission is aimed at assisting, empowering and facilitating States in planning of participatory rural water supply strategy for ensuring potable drinking water security on long-term basis to every rural household and public institution, viz. GP buildings, Schools, Anganwadi Centres, Health Centres and Wellness Centres.

Audit observed that in seven out of the 34 test-checked villages, though an amount of ₹10.83 crore was incurred reportedly for providing FHTCs to 3,045 households, no individual pipelines were laid and connected to the households thereby depriving the benefit of tap water supply to those households. To assess the extent of coverage of the JJM, Audit conducted a survey (June-August 2024) of 493 beneficiaries in which:

- 382 respondents stated that they received four buckets of water per day;
- 74 respondents stated that they received less than four buckets of water per day; and
- 37 respondents stated that regular supply of water has not commenced.

Chart 2.2.7: Coverage of JJM in respect of 493 Beneficiaries
(in per cent)



Despite incurring an expenditure of ₹10.83 crore, the intended household tap connections in seven test-checked villages were non-functional due to non-laying of pipelines. Field survey further revealed that a significant number of beneficiaries were either receiving water far below the prescribed norm of 55 litres per capita per day or had not received any regular water supply. This indicates that the objectives of the Mission, ensuring functional household tap connections and providing adequate quantity of potable water, were not achieved in the test-checked areas.

While accepting the Audit observation, the State Government stated (November 2024) that immediate corrective measures would be taken to complete the pending work in the seven villages. With regard to the quantity of water supplied, the Department stated that due to selection of ‘low hanging fruits’ of cost effective sources, climate change, huge fluctuations in dry and monsoon seasons, source water discharge, deforestation, various man-made and natural factors, source sustainability was a major issue that needs to be addressed.

The reply is not acceptable. While the Department attributes inadequate supply to natural and design factors, it fails to explain why DPRs were sanctioned and implemented without ensuring source sustainability. Further, release of funds despite non-laying of pipelines and premature reporting of FHTCs as completed indicate serious lapses in planning, implementation, and supervision.

2.2.11.3 Progress of FHTC provided in public institutions

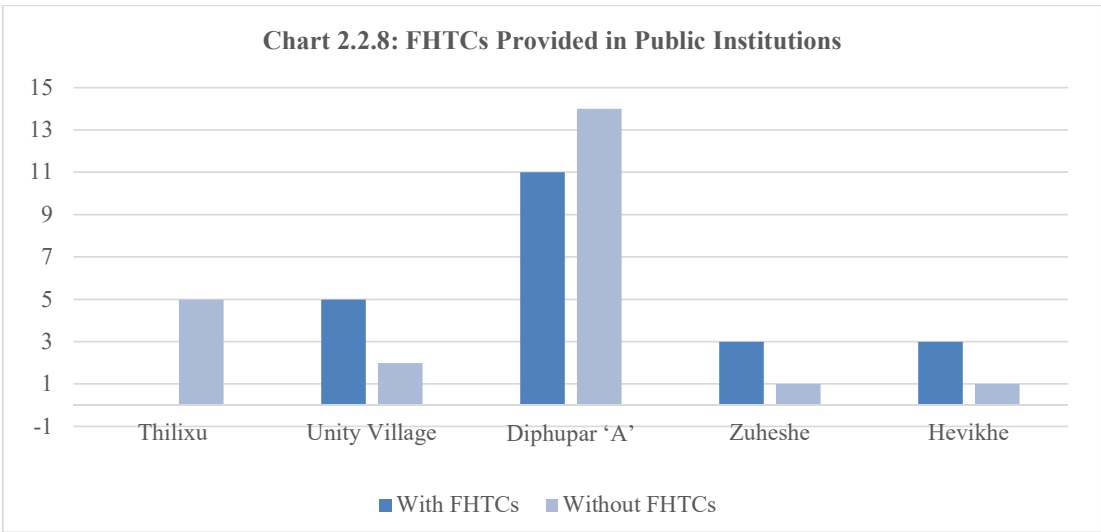
Paragraph 3.2 (i) of the JJM Operational Guidelines stated that the Mission is aimed at assisting, empowering and facilitating States in planning of participatory rural water supply strategy for ensuring potable drinking water security on long-term basis to every rural household and public institutions, viz. GP buildings, Schools, Anganwadi Centres, Health Centres and Wellness Centres.

Audit observed that in the three test-checked districts all public institutions were provided water supply. However, five test-checked villages of Dimapur district, all the public institutions had not been provided FHTCs (June 2024) as shown in **Table 2.2.8**.

Table 2.2.8: Details of FHTC in public institutions in Dimapur Districts

Sl. No.	Village	Number of Public Institutions in the Village	Number of Public Institutions in the Village where FHTC is provided	No. of Public Institutions where FHTC not provided
1.	Thilixu village	5	0	5
2.	Unity Village	7	5	2
3.	Diphupar 'A'	25	11	14
4.	Zuheshe	4	3	1
5.	Hevikhe	4	3	1
Total		23		

Source: Department records and JPV



As may be seen from **Table 2.2.8**, despite incurring an expenditure of ₹10.83 crore, the intended household tap connections in seven test-checked villages were non-functional due to non-laying of pipelines. Field survey further revealed that a significant number of beneficiaries were either receiving water far below the prescribed norm of 55 lpcd or had not received any regular water supply. This indicates that the objectives of the Mission which was to ensure functional household tap connections and to provide adequate quantity of potable water were not achieved in the test-checked areas.

In reply, the State Government stated (November 2024) that water supply to public institutions such as schools, Anganwadi Centres and community buildings was to be covered under the XV FC tied grants implemented by the RD Department.

The reply is not acceptable since the estimation for connection of FHTC to public institutions, such as schools and Anganwadi Centres, was already included in the approved DPRs of villages under JJM and the work should have been done.

2.2.11.4 Non-conduct of Social audit

Paragraph 5.4 (Clause xviii) of the JJM Operational Guidelines states that the GP and/or its sub-committee, will undertake social audit. Further, Section 5 of the Handbook of Gram Panchayats states that social audit will be carried out by the GP or VWSC to ensure transparency, inclusivity and accountability in the management of water resources in the village by following the steps listed:

- Place key issues for discussion in the Gram Sabha;
- Facilitate and ensure active participation;
- Inclusion of SCs, STs and poor households;
- Display key information publicly;
- Maintain key documents; and
- Prepare a citizen's charter.

Interviews of WATSAN Committee Chairpersons showed that, out of 34 test-checked villages across the four test-checked districts, only 10 villages had conducted social audits. Audit also observed that in the villages where social audits were carried out, no reports were prepared regarding the social audits conducted. In the absence of records of social audit conducted, Audit could not ascertain whether issues related to coverage, quality, sustainability, impact, O&M and user satisfaction were examined and publicly discussed in any of the social audits of the test-checked villages. The failure to institutionalise regular, documented social audits undermines accountability, citizen engagement, and the transparent implementation of the JJM.

While accepting the Audit observation, the State Government stated (November 2024) that social audit would be conducted for the remaining villages and an evaluation study of JJM implementation in the State will also be undertaken. However, the reply was silent on the maintaining proper documentation of discussions held during the social audits.

The reply is not acceptable. Social audit is a mandatory requirement under the JJM Guidelines and the GP Handbook for ensuring transparency, accountability, and inclusive participation at the grassroots level. The absence of documented social audits in 24 out of 34 test-checked villages, and lack of reports even in those where audits were claimed to be conducted, reflects systemic weaknesses in community oversight. Promises of future action do not address this failure in institutional accountability.

2.2.11.5 Grievances Redressal

Paragraph 3.6.2 (JJM Operational Guidelines) stipulated that the State may create an independent regulatory body for the water supply sector that would decide the terms and conditions for the water supply service provision by various agencies, tariff fixing and monitoring its collection and resolving the disputes and would also act as a water supply ombudsman so that any aggrieved user can approach it for redressal of her/his grievances.

The Department established (January 2022) a Grievances Redressal Cell and Helpline Solution. This system aimed to provide an organised framework for receiving,

addressing and resolving customer enquiries, complaints, disputes and grievances related to water and sanitation services. Citizens can lodge their complaints, queries and grievances by calling the dedicated helpline at Toll-free Number-1800-345-3853 or dedicated incoming number-03862-237535.

Details report of Grievances Redressal cases raised and settled under JJM during January 2022 to March 24 are detailed below:

Number of cases raised	Number of settled case	Number of cases pending settlement
20	20	0

2.2.12 Conclusion

The JJM was launched with the objective of providing potable water of prescribed quality to rural areas through Functional Household Tap Connections. This Performance Audit however showed multiple shortcomings, raising serious concerns about the scheme's successful implementation and effective outcomes. VAPs were prepared without conducting required baseline surveys and data maintained by the Department was inconsistent and unreliable as exemplified by the inflated population figure. The procurement process was flawed and arbitrary leading to substantial financial losses to the Government. Materials were shown to have been transported by non-existent vehicles and vehicles without the designed capacity to transport pipes and tanks. In the test-checked villages, only 50.66 *per cent* of the households have been provided FHTCs. The laboratories meant for conducting biological and chemical tests were functioning without the required instruments.

The State Government's replies, though accepting many audit observations, often relied on future assurances and did not fully address the underlying lapses in policy implementation, institutional oversight, and fiduciary responsibility. Unless these issues are urgently and comprehensively addressed, the long-term goals of JJM may remain unfulfilled, putting at risk both infrastructure sustainability and community trust.

Thus, the objective of the JJM to provide adequate amount of portable water on which an expenditure of ₹1,416.93 crore had been incurred during the period under review, was not fully achieved.

Recommendations:

The State Government may:

A. Strengthen Institutional Planning and Governance

- (i) *Ensure mandatory baseline surveys and need assessments are conducted prior to the preparation of Village Action Plans (VAPs) and align projections with Census and verified household data.*
- (ii) *Empower GPs and VWSCs with training, tools, and supervision to prepare realistic, community-owned plans.*

B. Improve Procurement and Financial Transparency

- (iii) *Discontinue nomination-based procurement. Adopt centralised e-tendering in line with JJM Guidelines and GFR provisions to ensure transparency and value for money.*
- (iv) *Adhere strictly to timelines for release of Central and State shares to prevent implementation delays.*

C. Ensure Functional and Sustainable Infrastructure

- (v) *Mandate use of Hydro-Geo-Morphological (HGM) maps and smart sensors for better site selection, source sustainability, and daily monitoring of water drawal and distribution.*
- (vi) *Conduct third-party validation of all completed works to assess physical and functional status, with accountability for incomplete or non-functional systems.*

D. Strengthen Water Quality Monitoring

- (vii) *Establish fully equipped and staffed laboratories at sub-division and district levels with microbiological testing facilities and standard protocols.*
- (viii) *Ensure 100 per cent source testing and FTK usage is achieved and recorded in WQMIS. Address manpower and connectivity gaps.*

E. Foster Community Ownership and Transparency

- (ix) *Enforce collection and accounting of the 5 per cent capital cost and O&M contributions from beneficiaries through designated bank accounts.*
- (x) *Institutionalise regular social audits and ensure public display of water quality test results at Panchayat offices and public institutions.*
- (xi) *Intensify Information, Education & Communication (IEC) campaigns and participatory rural appraisal (PRA) activities to build local ownership and user awareness.*

F. Monitoring and Accountability

- (xii) *Operationalise the JJM dashboard across all PIUs and integrate it with local MIS for consistent real-time monitoring.*
- (xiii) *Conduct annual independent evaluation of scheme performance with feedback loops into future planning.*

SOCIAL WELFARE DEPARTMENT

2.3 Implementation of Integrated Child Development Services (ICDS) Scheme in Nagaland

Audit Snapshot



Why did we do this audit?

- To check if the Scheme was implemented as per policies, rules, and guidelines.
- To assess if allocated funds were used economically, efficiently, and effectively.
- To examine if services were institutionalised and structures strengthened at all levels.
- To verify if the Scheme improved outcomes for children, adolescent girls, and mothers.
- To assess convergence, public awareness, and monitoring systems under the Scheme.
- To determine whether the intended outcomes of the Scheme were actually achieved.



What did we find?

- No household survey was conducted, so the total number of eligible beneficiaries was unknown.
- Aadhaar seeding was minimal despite spending ₹3.43 crore for the purpose.
- Inadequacy of infrastructure across all test-checked 46 AWCs.
- ₹2.45 crore was paid to a supplier against the short-delivery of 119.71 MT of food items.
- Children were denied ECCE benefits due to unavailability of pre-school kits and books in 41 out of 46 (89 per cent) test-checked AWCs.
- Only 28 per cent of beneficiaries were monitored through Poshan Tracker App despite wide coverage.



Registered Beneficiaries: 5.48 lakh



Operational Anganwadi Centres (AWCs): 3,980



Total expenditure incurred: ₹1,191.55 crore



What do we recommend?

- To develop and apply a unified set of indicators for real-time monitoring and evaluation.
- To activate and ensure regular meetings of committees at all administrative levels.
- To enforce mandatory growth, anaemia, and birth weight tracking with regular audits.
- To implement training and accountability systems for AWWs and Supervisors.
- To use HMIS and Poshan Tracker data for targeted, data-driven nutrition interventions.

Source: NFHS-4 and NFHS-5

A Performance Audit (PA) on the “Implementation of Integrated Child Development Services (ICDS) Scheme” was carried out covering the period from 2018-19 to 2023-24. The Performance Audit brought out the following significant findings.

Highlights

- *The Department did not have information on the total number of eligible beneficiaries in the State as no household survey was conducted.*

Paragraph 2.3.11.1

- *Nagaland has 3,980 functional AWCs, against a population of 19,78,502 (2011 Census) and a projected population of 22,33,000 (2023), indicating that the number of AWCs is broadly adequate to meet the population-based requirement under the ICDS scheme as per prescribed norms, however, this did not ensure uniform access across all regions.*

Paragraph 2.3.13.1

- *Inadequacy of infrastructure viz. lack of prescribed space of 600 sq. feet, kitchen, check-up/examination room, space for outdoor activities, safe & storage facility, and sanitary block required for waste disposal across all test-checked 46 AWCs.*

Paragraph 2.3.13.2

- *An expenditure of ₹2.81 crore for procurement of medicine kits during 2018-2024 revealed serious lapses in inventory management, including non-maintenance of stock registers and untraceable distribution records.*

Paragraph 2.3.13.3

- *An expenditure of ₹1.36 crore for the procurement of uniforms and badges during 2021-2024 revealed absence of documentation in stock registers and non-receipt of supplies by the majority of sampled CDPOs.*

Paragraph 2.3.13.4

- *Aadhaar seeding of beneficiaries was minimal (14.51 per cent) out of 5,47,228 ICDS beneficiaries despite incurring an expenditure of ₹3.43 crore for this purpose.*

Paragraph 2.3.13.5

- *The Department paid ₹2.45 crore to the supplier against the short-delivery of 119.71 MT of food items to nine test-checked CDPOs.*

Paragraph 2.3.13.8

- *The benefit of Early Childhood Care and Education was denied to the children in the AWCs as pre-school kits and age specific books were not available in 41 out of 46 (89 per cent) test-checked AWCs.*

Paragraph 2.3.13.9

- *Out of 4,09,851 beneficiaries, only 1,13,619 beneficiaries (28 per cent) in the State are being monitored through Poshan Tracker App to track the nutritional status and growth of women and children, enabling timely intervention to combat malnutrition.*

Paragraph 2.3.15.2

- *A standardised framework inclusive of input, output and outcome indicators for evidence-based monitoring was not formulated. Consequently, evaluation*

of the outcome-based indicators was not conducted at the district, block and village levels.

Paragraph 2.3.16.1

- The State failed to maintain reliable and comprehensive data on key nutritional indicators such as stunting, wasting, underweight, anaemia, and low birth weight.

Paragraphs 2.3.16.2 & 2.3.16.3

2.3.1 Introduction

The Integrated Child Development Services (ICDS) Scheme was launched on 02 October 1975 by the Ministry of Women and Child Development (MoWCD), Government of India (GoI), to improve the health, nutrition and education of the targeted beneficiaries which included children up to the age of six years, Pregnant and Lactating Mothers (P&LMs) and Adolescent Girls (AGs) aged 11-18 years. As per the notification (February 2009) of the MoWCD, all children below six years of age, pregnant women and lactating mothers are eligible for availing the services of the Scheme. Below Poverty Line (BPL) status was not a criterion for registration of beneficiaries under the ICDS. The Scheme is implemented by MoWCD at the National level and Social Welfare (SW) Department of the Government of Nagaland (GoN) at the State level. In 2017, the GoI also launched the National Nutritional Mission (NNM), which was later renamed (2018) as “Poshan Abhiyan”, to augment the nutritional requirements of the targeted beneficiaries in a time-bound manner. ‘Saksham Anganwadi²¹ and Poshan 2.0’ was launched in 2022, wherein three schemes - Anganwadi Services, Scheme for Adolescent Girls and Poshan Abhiyaan were re-aligned under Poshan 2.0 for maximising nutritional outcomes. The ICDS Scheme was being implemented in the State since 1975.

2.3.2 Objectives of the ICDS Scheme

The objectives of the ICDS Scheme were to:

- Improve the nutritional and health status of children aged up to six years;
- Lay the foundation for the proper psychological, physical and social development of the child;
- Reduce the incidence of mortality, morbidity, malnutrition and school dropout;
- Achieve effective co-ordination of policy and implementation amongst various departments to promote child development; and

²¹ Saksham Anganwadi is a Government of India initiative, launched in 2021, under the Ministry of Women and Child Development (MWCD) aimed at strengthening and upgrading Anganwadi Centres (AWCs) to improve the delivery of services under the Integrated Child Development Services (ICDS) scheme.

- Enhance the capability of the mother to look after the normal health and nutritional needs of the child through proper nutrition and health education.

2.3.3 Targeted beneficiaries and services provided under the ICDS Scheme

The objectives of the Scheme were to be achieved through a package of six services by the MoWCD and the Ministry of Health and Family Welfare (MoHFW), GoI through the SW Department and the Health and Family Welfare (H&FW) Department of the State, as given in **Table 2.3.1**.

Table 2.3.1: Services, target groups and service providers under the ICDS Scheme

Sl. No.	Services	Target Groups	Service provided at the State level
1.	Supplementary Nutrition Programme (SNP)	Children below the age of six years, P&LMs and AGs of age 11-18 years	SW Department through Anganwadi Centres (AWCs)
2.	Pre-School (non-formal) Education (PSE)	Children (aged three to six years)	SW Department through AWCs
3.	Nutrition and Health Education (NHE)	Women (aged 15 - 45 years) and Adolescent Girls of age 11 - 18 years	• Nutrition Education: SW Department through AWCs • Health Education: H&FW Department through Auxiliary Nurse Midwife (ANM)/Medical Officer (MO)
4.	Immunisation	Children below six years and P&LMs	SW Department through ANM/ MO in coordination with AWCs.
5.	Health check-ups	Children below six years, P&LMs and AGs of age 11-18 years	SW Department through ANM/ MO in coordination with AWCs.
6.	Referral services	Children below six years, P&LMs and AGs of age 11-18 years	SW Department through ANM/ MO in coordination with AWCs.

Source: ICDS Scheme guidelines

The latter three services - immunisation, health check-ups and referral services - are offered to Scheme beneficiaries by the H&FW Department at AWCs during the monthly organised "Village Health and Nutrition Day (VHND)". Auxiliary Nurse Midwife (ANM) and Accredited Social Health Activist (ASHA) visit the AWCs and conduct activities related to immunisation, health check-ups and referrals.

2.3.4 Organisational structure

The Secretary of the SW Department, GoN is responsible for the overall implementation of the ICDS Scheme in the State. The Secretary, SW Department, is assisted by the Director, ICDS, SW Department, who is the implementing and coordinating officer of the Scheme.

The organisational structure of the SW Department and the H&FW Department at various levels for the implementation of the ICDS Scheme is given in **Chart 2.3.1**.

Chart 2.3.1A: The organisational structure of the SW Department at the various levels for the implementation of the ICDS Scheme

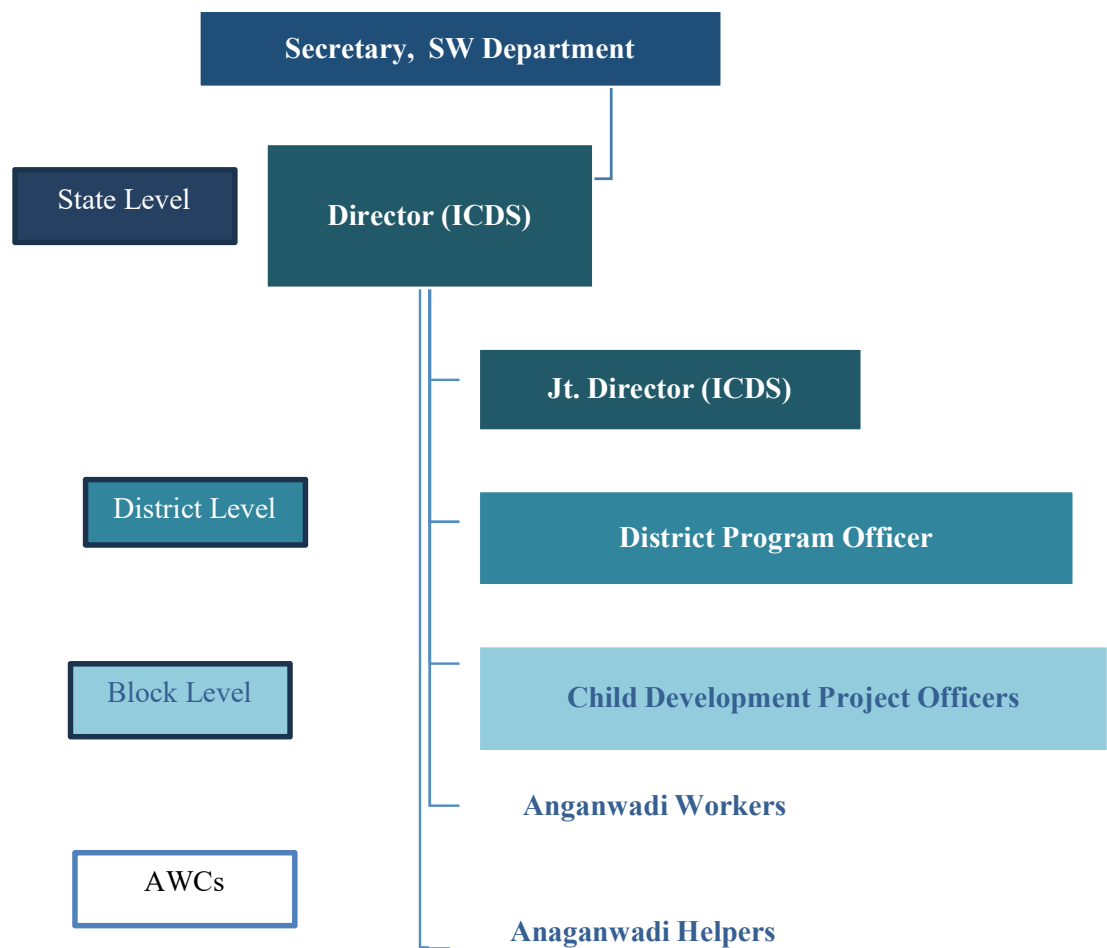
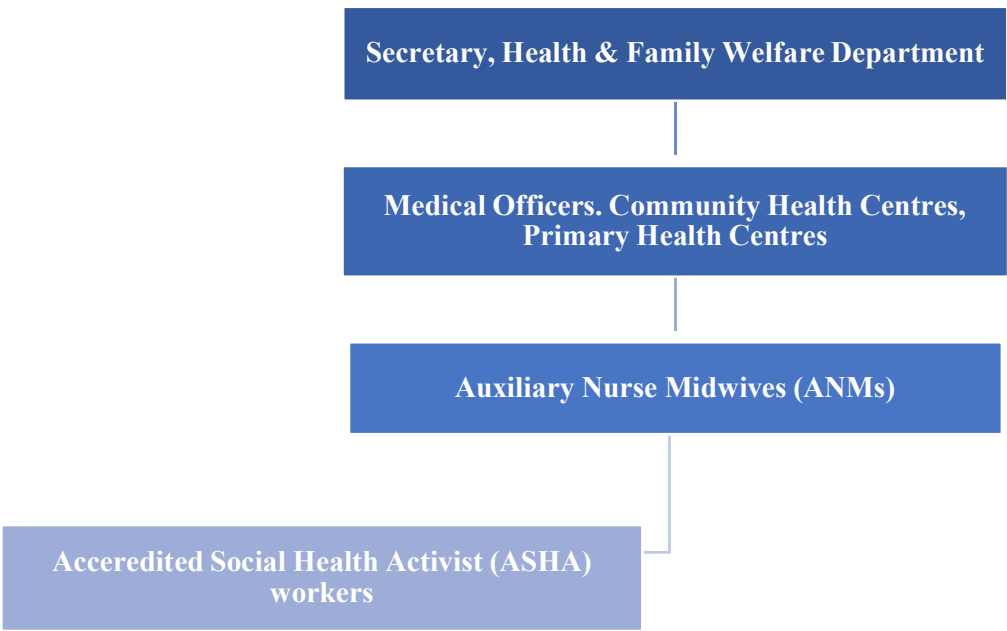


Chart 2.3.1B: The organisational structure of the H&FW Department at the various levels for the implementation of the ICDS Scheme



2.3.4.1 Institutional Mechanism of ICDS

A. State Level

Paragraphs 5.2 to 5.5 of the ICDS Mission - Broad Framework for Implementation (October 2012) stipulates that the State Mission Steering Group (SMSG) and the State Empowered Programme Committee (SEPC) under the chairpersonship of the Chief Minister and Chief Secretary respectively shall be set up to provide leadership, policy support and guidance for effective implementation of ICDS. Further, the functions under the State ICDS Mission would be carried out through the State Child Development Society (SCDS) headed by a State Mission Director.

The Director of SW Department, GoN is responsible for the implementation of policies and programmes in the State and is assisted by a Project Director, who oversees the implementation of the activities of the Poshan Abhiyaan.

B. District Level

At the District level, the District Programme Officer (DPO) acts as the Nodal Officer and is assisted by the Child Development Project Officers (CDPOs) in the blocks. Audit, however, observed that the DPOs were left out in the chain of distribution of, Medicine Kits, Uniforms and SNP food items which led to discrepancies as discussed in **Paragraphs 2.3.13.3, 2.3.13.4 and 2.3.13.8.**

C. Block level

At the block level, each ICDS project is under the charge of a CDPO assisted by Supervisors for the implementation of the scheme.

D. Village Level

At the village level, the Village Health Sanitation and Nutrition Committees (VHSNC) were one of the major platforms of convergent action at the grassroots levels with representation from different sectors. The VHSNC would be responsible for all activities to facilitate decision making at the AWC level. Further, Paragraph 2.2.1 (xii) of the Broad Framework for Implementation states that the VHSNCs would be actively engaged in the management and supervision of the ICDS programme at the village and local levels.

E. AWC Level

The AWW assisted by a Helper, looks after the delivery of services and activities of ICDS at the Anganwadi Centre. The AWWs also conduct regular health and nutrition education in the centres and home visits are carried out regularly.

Audit observed that the SMSG and SEPC were constituted; however, documented records of meetings convened and of policy support and guidance extended to the Department were not available. Audit also observed that the State did not constitute the SCDS, as a result, the scheme was implemented by the Directorate of SW Department. Audit further observed that there were no documented records of VHSNCs activities on convergence of different sectors, management and supervision

of health and nutrition at the village level. These deficiencies in institutional oversight are indicative of systemic weaknesses in leadership, inter-departmental convergence, and decentralised planning mechanisms, which are critical components for the effective implementation of the ICDS scheme.

On this being pointed out, the Government stated (June 2024) that the formation of the SCDS was under process and that the VHSNCs were not under the Department's administrative control and thus were not involved in managing and supervising the ICDS. It was further stated (October 2024) that meeting of the SEPC was held once in 2013. The reply of the Government is indicative of the fact that implementation of the scheme lacked the institutional support, guidance and supervision as prescribed by the guidelines.

The Government's reply is not acceptable. The prolonged delay in constituting the SCDS, despite being mandated under the ICDS Mission Framework since 2012, reflects a lack of institutional readiness to operationalise mission-mode implementation. The assertion that VHSNCs are outside the Department's control does not absolve the implementing agency of its responsibility to coordinate convergence activities at the village level as envisaged in Paragraph 2.2.1(xii) of the Broad Framework for Implementation. Moreover, convening a single meeting of the SEPC in 2013, with no documented evidence of follow-up policy guidance, indicates that the State-level bodies set up for strategic oversight and programme steering were effectively non-functional. These deficiencies compromised institutional accountability and undermined the integrated, community-based design of the ICDS scheme.

2.3.5 Audit Objectives

The Performance Audit was conducted to assess whether:

- the scheme was planned for implementation in accordance with the prescribed policy, rules and guidelines.
- the funds allocated under the Scheme were utilised economically, efficiently and effectively to achieve Scheme objectives.
- the scheme managed to institutionalise essential services effectively, economically and efficiently and strengthen structures at all levels ensuring children of the best possible start to life and improve health and well-being of Adolescent Girls as well as pregnant and lactating mothers.
- the ICDS has enhanced capacities at all levels and ensured convergence with the other related programs and scheme so as to maximise the impact and outcomes of ICDS.
- there existed a mechanism for raising public awareness and participation, creation of knowledge base for child development services and robust system for appropriate inter-sectoral monitoring of the scheme at all levels.
- the outcomes as envisaged in Scheme Guidelines were actually achieved.

2.3.6 Audit criteria

The audit findings were benchmarked against the following criteria:

- Scheme Guidelines/instructions issued by MoWCD, GoI;
- General Financial Rules (GFR), 2017;
- Department's Perspective, Annual Action and Annual Programme Implementation Plans;
- National Food Security Act, 2013;
- Standards fixed by the National Institute of Public Co-operation and Child Development (NIPCCD) for infrastructure of ICDS projects and training programmes;
- Instructions issued by GoN, prescribed norms for staffing and skill upgradation;
- Nagaland Public Works Department Code (NPWDC); and
- Monitoring mechanism instituted by the GoI and GoN.

2.3.7 Scope of Audit

The PA was conducted during June 2023 to May 2024 covering the period from 2018-19 to 2023-24. Records of the Directorate of Social Welfare and four out of nine DPOs, nine out of 60 CDPOs and 46 out of 3,980 AWCs were examined. Beneficiary survey of 208 beneficiaries in 46 AWCs under the four test-checked districts was conducted during the Audit.

2.3.8 Audit sampling

The district offices/institutions responsible for implementation of the scheme were sampled using Simple Random Sampling Without Replacement (SRSWOR) as follows:

- **Districts:** Out of 11 districts²² in Nagaland, four districts²³ (36.36 *per cent*) were test-checked.
- **CDPOs**²⁴: Of the four test-checked districts, 40 *per cent* CDPOs from each district were test-checked *i.e.* nine CDPOs out of 60 CDPOs in the State.
- **AWCs**²⁵: Of the nine test-checked CDPOs, five AWCs or five *per cent* of AWCs, whichever is higher, were test-checked, totalling 46 AWCs.

²² Six new districts were created out of the existing 11 districts, hence at present; there are 17 districts in Nagaland. The Department, however, was yet to create functionary units for the new districts. Hence, sampling was performed considering the number of districts as 11 *viz.* Dimapur, Kiphire, Kohima, Longleng, Mokokchung, Mon, Peren, Phek, Tuensang, Wokha and Zunheboto.

²³ Dimapur, Kohima, Peren and Tuensang.

²⁴ Number of CDPOs: Dimapur - six, Kohima -five, Peren -five and Tuensang – eight.

²⁵ Number of AWCs: CDPO, Chiephobozou (05 out of 64), CDPO, Kohima Tribal (05 out of 106), CDPO, Longkhim (05 out of 61), CDPO, Sangsangnyu (05 out of 92), CDPO, Chare (05 out of 42), CDPO, Medziphema (05 out of 60), CDPO, Dimapur Urban (06 out of 129), CDPO, Jalukie (05 out of 95) and CDPO, Peren (05 out of 49).

- **Beneficiaries:** A total of 208 beneficiaries present during the Audit team’s visit to the 46 test-checked AWCs were interviewed.

2.3.9 Audit approach and methodology

The PA commenced with an Entry Conference (05 June 2023) with the Secretary to the GoN, SW Department along with the Departmental officers²⁶ wherein audit objectives, criteria, scope and methodology were discussed. The audit methodology included examination of records and issue of requisition/questionnaires. Joint Physical Verification (JPV) during August - September 2024 was also carried out by Audit with department officials on assets and infrastructure created under the Scheme. The draft Report was forwarded to the State Government on 07 June 2024 and an Exit Conference was held on 22 July 2024 with the Secretary of the Department and Departmental officers²⁷. The replies and comments of the State Government/Department are suitably incorporated in the Report.

2.3.10 Acknowledgement

The Office of the Accountant General (Audit), Nagaland acknowledges the assistance and co-operation extended by the SW Department and the H&FW Department during the conduct of Audit.

Audit findings

2.3.11 Audit Objective: *Whether the Scheme was planned for implementation in accordance with the prescribed policy, rules and guidelines?*

2.3.11.1 Database of beneficiaries

Paragraph 4.4 of the ICDS Mission - Broad Framework for Implementation stipulates conduct of household surveys and village micro planning exercises involving AWWs, ASHAs, community/women’s groups, VHSNCs and Panchayati Raj Institutions. Further, Paragraph 4.2 of the Manual for District-Level Functionaries, 2017 stipulates that CDPOs should ensure coverage of all the eligible beneficiaries and preparation of a project report containing all the necessary/relevant baseline information.

Audit observed that the Department did not conduct household surveys. As a result, the Department did not possess information on the total number of eligible beneficiaries posing the risk of eligible beneficiaries in the entire State not getting the nutritional and health benefits provided by the Scheme. In the absence of verifiable beneficiary data, the Department cannot ensure comprehensive outreach or equitable service delivery under ICDS.

The State Government in its reply stated (June 2024) that household surveys were conducted during home visits but that records were not maintained. The evidence

²⁶ Director, Deputy Director, Registrar and Superintendent of the SW Department.

²⁷ Deputy Secretary, Director, Deputy Director, Superintendent and Accountant of the SW Department.

supporting the claim of the Government that household surveys were conducted was not documented. Moreover, while home visits under ICDS aimed at improving maternal and child health through direct and personalised interaction at beneficiary households, the number of eligible beneficiaries in the State could not be determined.

The State Government's reply is not acceptable. The reply admits that no records were maintained to substantiate the claim that household surveys were conducted during home visits. The ICDS Mission Framework and the Manual for District-Level Functionaries explicitly require the preparation and documentation of comprehensive baseline data on all eligible beneficiaries through formal household surveys and village micro-planning. Home visits, while an integral part of service delivery, cannot substitute for a documented and systematic enumeration of beneficiaries. In the absence of such records, the Department cannot demonstrate that all eligible individuals were identified and covered under the scheme, thereby undermining the objective of universal coverage and effective targeting of nutritional and health interventions.

2.3.11.2 Preparation of Annual Project Implementation Plan

Paragraph 6 of the ICDS Mission - Broad Framework for Implementation stipulates preparation and submission of the Annual Project Implementation Plan (APIP) to MoWCD, GoI emphasising a community-driven, decentralised planning approach through State and District Child Development Plans. Audit observed that while the APIP were prepared, they were done so without a bottom-up, decentralised and participatory planning process as requirements from the district, projects and village level were not accounted. Audit further observed that the APIPs were prepared at the Directorate level in anticipation of the requirement. This approach undermined the objective of community-led planning envisioned under the ICDS Mission Framework and reduced the responsiveness of project design to actual field-level requirements.

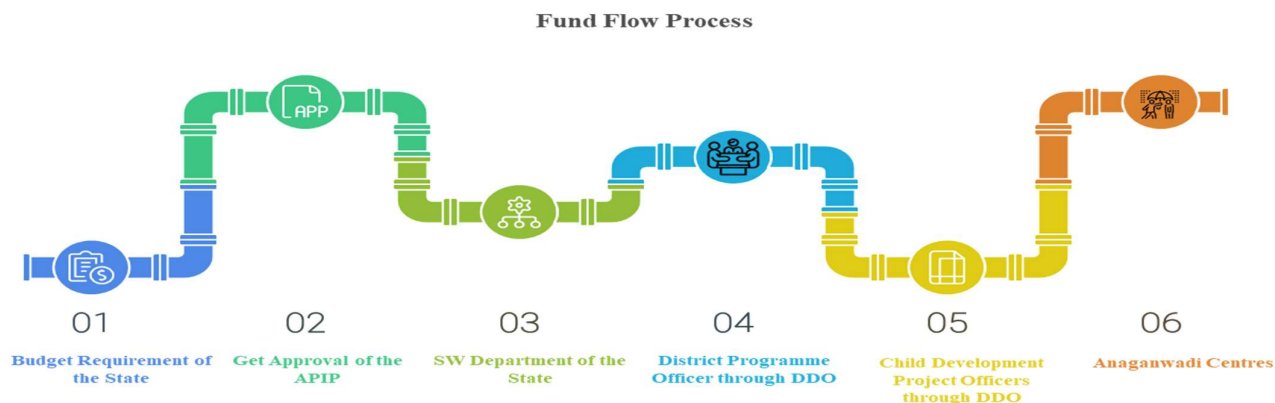
The State Government did not offer any comments on the Audit observation. However, the absence of a decentralised planning approach in the preparation of the APIPs constitutes a significant deviation from Paragraph 6 of the ICDS Mission - Broad Framework for Implementation, which mandates a community-driven, bottom-up planning process. Preparing APIPs at the Directorate level without consulting district, project, and village-level stakeholders compromises the participatory spirit of the scheme and results in top-down planning that may not reflect ground-level needs. Such practice weakens the alignment of scheme components with local requirements and may adversely affect the effectiveness and targeting of service delivery under ICDS.

2.3.12 Audit Objective: *Whether the funds allocated under the Scheme were utilised economically, efficiently and effectively to achieve Scheme objectives?*

2.3.12.1 Financial Management

The fund flow mechanism for funds under the ICDS scheme is as given in **Chart 2.3.2.**

Chart 2.3.2: Funds-flow process



Source: Information furnished by the Department

In the North Eastern Region, “**Saksham Anganwadi and Poshan 2.0**” which is an integration of Anganwadi Services (ICDS), Poshan Abhiyaan and Scheme for Adolescent Girls is implemented on a fund sharing pattern in the ratio of 90:10 between the Centre and the State Governments. The State Government submits APIP to the GoI, subsequently; GoI releases funds to the State on the basis of the approved APIP for onward transfer to the implementing Department. In addition to CSS, the State Government was also implementing Wheat Based Nutrition Programme (WBNP), a State Sector Scheme.

Audit observed that during 2018-2024, total funds released under ICDS (excluding WBNP) were ₹1,196.41 crore²⁸ against which the Department utilised ₹1,191.55 crore²⁹. Audit further observed that the Department utilised ₹44.00 crore out of ₹44.01 crore released by GoN during 2018-2024 under WBNP. Details of allocation and expenditure under different sub-schemes during 2018-2024 are shown in **Appendix 2.3.1**. Audit observations are summarised below:

- There were persistent savings under Supplementary Nutrition Programme (11 to 35 *per cent*), a sub-scheme of Anganwadi Services and Poshan Abhiyaan thereby resulting in reduced nutritional support to intended beneficiaries as discussed in **Paragraph 2.3.16.2**.
- There was short release of fund by GoI in training (14.19 *per cent*), Upgradation of AWC to Saksham Anganwadi (23.48 *per cent*) and Uniform for AWWs and AWHs (32.92 *per cent*) against the approved APIP. The short release of funds by GoI led to delays and shortfalls in training,

²⁸ Central share ₹1,103.57 crore and State share ₹92.84 crore

²⁹ Anganwadi Services (₹1,050.61 crore) + Poshan Abhiyaan (₹94.80 crore) + Scheme for Adolescent girls (₹46.15 crore)

infrastructure upgradation and discrepancies in provision of uniforms as discussed in **Paragraphs 2.3.13.7, 2.3.13.2 and 2.3.13.4** respectively.

- The Department's expenditure reports exceeded the figures in the Annual Accounts by 19 to 74 *per cent* each year.

Despite substantial Central and State funding under Saksham Anganwadi and Poshan 2.0, implementation was adversely affected due to persistent savings, short releases by GoI, and inconsistent expenditure reporting, resulting in diminished programme efficacy and potential understatement of unutilised funds.

A. Short-release of State share

Sanction orders of MoWCD, GoI stipulate that the State Government should contribute its matching share in the ratio of 90:10 between the Centre and the State for effective implementation of the Scheme. Audit observed that there was short release of matching State share by GoN as shown in **Table 2.3.2**.

Table 2.3.2: Short release of State share

(₹ in crore)

Sl. No.	Year	GoI Release (90 <i>per cent</i>)	State Share supposed to be released (10 <i>per cent</i>)	State Share released by GoN (10 <i>per cent</i>)	Short-release of State share
(A) ICDS (SNP)					
1	2018-19	82.31	9.15	2.11	7.04
2	2019-20	73.90	8.21	6.73	1.48
3	2020-21	82.33	9.15	11.51	-2.37
4	2021-22	82.33	9.15	9.15	0.00
5	2022-23	89.18	9.91	6.86	3.05
Sub-Total (A)			45.56	36.36	9.20
(B) ICDS (General)					
6	2018-19	37.21	4.13	0.00	4.13
7	2019-20	77.26	8.58	0.00	8.58
8	2020-21	56.92	6.32	7.44	(-)1.12
9	2021-22	72.32	8.04	3.85	4.19
10	2022-23	83.46	9.27	9.27	0.00
Sub-Total (B)			36.35	20.56	15.79
(C) Poshan Abhiyaan					
11	2020-21	15.50	1.72	0.97	0.75
Sub-Total (C)			1.72	0.97	0.75
Grand Total (A to C)			83.64	57.89	25.74

Source: Departmental records

It can be seen from **Table 2.3.2** that during 2018-2023, GoN released ₹36.36 crore (79.80 *per cent*) only against its due share of ₹45.56 crore resulting in short release of ₹9.20 crore under ICDS (SNP). Similarly, GoN released ₹20.56 crore (56.56 *per cent*) only against its due share of ₹36.35 crore under ICDS (General). Further, there was short release of ₹0.75 crore during 2020-21 under Poshan Abhiyaan. For the year 2023-24, there was no short release under any of the schemes. The State Government's persistent short release of its mandatory share under ICDS and Poshan Abhiyaan between 2018-2023, totalling ₹9.95 crore, reflects systemic budgetary shortfalls and lack of financial prioritisation. This deviation from the mandated 90:10

fund-sharing norm undermined the effective implementation of nutrition and welfare schemes, reducing outreach and impact for intended beneficiaries. The shortfall indicates a recurring issue of non-compliance with scheme guidelines and weak financial governance at the State levels.

While accepting the Audit observation, the State Government stated (June 2024) that the matter would be brought to the notice of the State Finance Department.

The reply of the State Government is not acceptable. Merely forwarding the issue to the Finance Department does not address the systemic failure in timely and adequate budgeting for critical welfare schemes. Despite clear guidelines under the ICDS framework and repeated instances of under-release, no concrete corrective mechanism or accountability structure was proposed. This continued pattern of short release indicates institutional weaknesses in fiscal planning and a lack of ownership over essential child and maternal nutrition schemes.

2.3.12.2 Conclusion

The implementation of the ICDS scheme in Nagaland during 2018-2024 suffered from systemic weaknesses in infrastructure development, service delivery, convergence mechanisms, inventory management, financial propriety, and accountability. Despite substantial Central and State funding, the audit found widespread deficiencies in infrastructure at AWCs, irregularities in procurement and distribution of critical supplies (including nutrition, medicines, and uniforms), inadequate capacity building of field functionaries, poor utilisation of Aadhaar enrolment infrastructure, and failure to institutionalise effective convergence with the H&FW Department. These gaps severely compromised the core objectives of the ICDS Mission, to provide a strong foundation for child development, ensure maternal health, and address malnutrition in an integrated and sustainable manner.

2.3.13 Audit Objective: *Whether the Scheme managed to institutionalise essential services effectively, economically and efficiently and strengthen structures at all levels ensuring children of the best possible start to life and improve health and well-being of Adolescent Girls as well as pregnant and lactating mothers?*

2.3.13.1 Adequacy of AWCs

The ICDS Scheme Guidelines for Monitoring & Supervision envisage one AWC is to be set up for every 300–800 population in tribal, hilly and other difficult areas. Audit observed that Nagaland has 3,980 functional AWCs, against a population of 19,78,502 (2011 Census) and a projected population of 22,33,000 (2023), indicating that the number of AWCs is broadly adequate to meet the population-based requirement under the ICDS scheme as per prescribed norms, however, this did not ensure uniform access across all regions. Audit is of the view that the Department may consider undertaking geo-tagged mapping of AWCs to identify and address localised shortfalls and ensure equitable and effective service delivery, particularly in remote and underserved areas.

JPV of the 46 test-checked AWCs showed significant deficiencies in the infrastructure and facilities of these centres, as detailed in subsequent paragraphs.

2.3.13.2 Inadequate infrastructure at the 46 test-checked AWCs

The GoI instructions (March 2011) envisage that an AWC must have separate sitting room for children/women, kitchen, storeroom for storing food items, child friendly toilets, drinking water facility and space for playing. Further, Paragraphs 2.3 to 2.5 of the Operational Guideline of Food Safety and Hygiene for Supplementary Nutrition under ICDS mandated that an AWC should have child friendly toilets and water supply facilities, adequate supply of potable water with appropriate facilities for its storage, distribution for processing and cooking food and adequate drainage and waste disposal systems and facilities. Audit observed that out of the 3,980 operational AWCs, 2,425 AWCs were functioning in their own building, 394 AWCs were co-located in schools, 199 AWCs in Panchayat buildings and 962 AWCs were functioning in a rented building. During JPV (August-September 2023) of 46 AWCs³⁰ in the four test-checked districts, Audit observed that the Department failed to provide the following infrastructural requirements:

(i) Absence of or non-functional AWC Building

- There were no AWCs at Tuophema F (under CDPO, Chiephobozou) and Angangba E (under CDPO, Longkhim).
- Two AWCs³¹ were non-functional under CDPO Peren.

(ii) Adequacy of space and basic facilities

- All the 46 AWCs did not have prescribed space of 600 square feet, kitchen, Check-up/Examination room, Counselling room, space for outdoor activities, safe and adequate storage facility and sanitary block required for waste disposal.
- Baby weighing scales were not available in 37 AWCs.
- Growth Chart was not available in 43 AWCs.
- Water storage container was not available in 41 AWCs.
- Electricity was not available in 38 AWCs.
- Drinking water and toilet facilities were not available in 45 AWCs.

(iii) Incomplete implementation of sanctioned projects for toilets and drinking water facilities

GoI sanctioned (March 2019 to October 2022) an amount of ₹3.01 crore³² for construction of child friendly toilets in 1,264 AWCs and for providing drinking water

³⁰ Infrastructure status of AWCs: own building-23, AWW's house-08, Panchayat Hall/Community building-08, temporarily housed -03, no centre -02 and non-functional -02.

³¹ Mpai New and Peren Village I in Peren.

³² MoWCD, GoI's

i. Sanction Order CD-II-14/7/2017-CD-II Dated 31 October 2022 released an amount of ₹136.51 lakh for provision of toilet facility in 632 AWWs

facilities in 1,069 AWCs. JPV showed that six AWCs³³, where the construction of toilet and drinking water facilities were stated to be provided, lacked toilet and drinking water facilities. Thus, despite clear infrastructure norms and Central funding support, implementation remained deficient due to weak convergence mechanisms, inadequate planning, and delayed fund release by partnering Departments. These systemic lapses compromised the quality of service delivery and denied intended beneficiaries access to basic health and nutrition services.

While accepting the Audit observation, the State Government stated (October 2024) that poor infrastructure is a matter of concern and assured that efforts are underway to identify and prioritise the infrastructural gaps. It was further stated that convergence with other Departments will help address and improve AWC infrastructure.

The reply is general and does not address the core issues highlighted by Audit. Despite the availability of Central assistance and the presence of convergence committees, the failure to ensure basic infrastructure at AWCs reflects a lack of coordinated planning, ineffective inter-departmental convergence and weak monitoring mechanisms. The absence of a clear action plan, timelines, or accountability for stalled construction and non-functional facilities further undermines service delivery to women and children.

2.3.13.3 Irregularities in procurement and distribution of medicine kits

Annexure III, Clause 3(ii) of the ICDS Mission - Broad Framework for Implementation stipulated provision of medicine kits for every AWC every year containing basic medicines for controlling common ailments such as fever, cold, cough, worm infestation and basic equipment for first aid. Further, Rule 208 of the GFR, 2017, *inter alia*, stated that details of the material received should be entered in the appropriate stock register. Audit observed that during 2018-24, the Department procured medicine kits on four occasions incurring an expenditure of ₹2.81 crore³⁴. Audit, however, observed the following irregularities in these purchases:

- The medicine kits procured during 2020-2022 were not supported by delivery challans. Further, in violation of Rule 208 of the GFR, 2017, the Directorate, the test-checked CDPOs and AWCs did not maintain stock registers to account for the medicine kits. Thus, Audit could not ascertain the actual date of delivery of these medicine kits to the nine test-checked CDPOs for further distribution to AWCs. However, JPV (August-September 2023) of the test-checked 46 AWCs showed non-availability of medicine kits in 36 AWCs.

ii. Sanction order No. CD-II-14/4/2019-CD-II Dated: 31 March 2020 released ₹117.22 lakh for provision of toilet facility in of 632 AWWs and drinking water in 544 AWWs, and

iii. Sanction order No. CD-II-14/7/2017-CD-II (e-43648) Dated: 01 March 2019 released ₹47.25 lakh for providing drinking water facilities in 525 AWWs.

³³ Kevijau C and Rio colony (CDPO (U), Dimapur), Old Tsadang C and Alisopor (CDPO Chare), Old Medical A1 (CDPO Sangsangyu), Rusoma A (CDPO Kohima Tribal)

³⁴ Bill No. 405 dated 31/03/2021 for ₹60.00 lakh, bill No. 196 dated 05/10/2021 for ₹59.70 lakh, bill No. 412 dated 27/03/2023 for ₹1.07 crore and bill No 43 dated 15/05/2023 for ₹0.54 crore.

- The medicine kits worth ₹1.07 crore procured in 2022-23 which were sent to the test-checked CDPOs were not received by eight test-checked CDPOs³⁵.

Despite incurring an expenditure of ₹2.81 crore for procurement of medicine kits during 2018-2024, Audit observed serious lapses in inventory management, including non-maintenance of stock registers and untraceable distribution records. The absence of internal controls and monitoring mechanisms resulted in non-availability of medicine kits at 36 out of 46 test-checked AWCs, and non-receipt of kits worth ₹1.07 crore by eight test-checked CDPOs. These deficiencies led to the denial of basic first-aid and health support services to the target beneficiaries, defeating the objective of this essential health intervention under the ICDS scheme.

The Government in its reply stated (October 2024) that medicine kits procured during 2020-2022 were distributed to AWCs and were exhausted during Audit inspection carried out in 2023. It was further stated that an amount of ₹1.07 crore was sanctioned by the State Government in 2022-23 for procurement of medicine kits and that the same was procured and distributed during 2023-24.

The reply of the Government is not acceptable. In the absence of stock registers at the Directorate, CDPO, and AWC levels, the claim regarding distribution and utilisation of medicine kits remains unsubstantiated. Further, certifications issued by CDPOs regarding non-receipt of kits between 2020 and 2023 contradict the Department's assertion. Audit maintains that the absence of requisite documentation and effective monitoring led to ineffective utilisation of funds amounting to ₹2.27 crore, resulting in the denial of basic healthcare services to the target beneficiaries.

2.3.13.4 Non-delivery of uniforms for AWWs and AWHs

Annexure XVIII of the ICDS Mission - Broad Framework for Implementation envisages provision of uniform and name badge to each AWWs and AWHs with a view to recognising their role and give them an "identity". As per norms, two sarees/uniform set at ₹300 each per year are admissible to workers and helpers. Further, Rule 208 of the GFR, 2017, *inter alia*, states that details of the material received should be entered in the appropriate stock register. During 2018-19 to 2023-24, GoI sanctioned ₹1.35 crore³⁶ for the procurement of uniforms and badges. Audit observed that the Directorate after procuring did not record the details of the receipt and distribution of the procured uniforms and badges in the stock register, however, the payment was made through Bills without ascertaining the actual delivery of the materials. Audit further observed that:

- In 2021-22, ₹0.64 crore was spent to procure 8,994 uniforms³⁷, but six out of nine test-checked CDPOs did not receive uniforms for AWWs/AWHs.

³⁵ CDPO Chiephobozou, CDPO Kohima Tribal, CDPO Longkhim, CDPO Sangsangnyu, CDPO Chare, CDPO Medziphema, CDPO Dimapur Urban and CDPO Peren.

³⁶ 2021-22 (₹63.68 lakh), 2022-23 (₹71.64 lakh) & 2023-24 (nil)

³⁷ Payment of an amount of ₹0.64 crore was made (October 2021) to M/s Alim Enterprise, Dimapur

- In 2023-24, ₹0.72 crore³⁸ was utilised for procuring 7,000 uniforms and 5,129 badges; however, none of the nine test-checked CDPOs received these items.

Despite incurring an expenditure of ₹1.36 crore for the procurement of uniforms and badges during 2021-22 and 2023-24, Audit observed the absence of documentation in stock registers and non-receipt of supplies by the majority of sampled CDPOs. The Directorate's failure to maintain basic inventory records in violation of Rule 208 of the GFR, 2017, combined with field-level evidence of non-delivery, indicates financial irregularity and potential misappropriation, undermining accountability, transparency, and the intended recognition of field functionaries under the ICDS Scheme.

The State Government in its reply stated (June 2024) that there was pendency in supply of procured uniforms and cited Covid-19 pandemic and change of AWWs for the delay in distribution of uniforms. It was further stated that uniforms procured during 2020-21 were distributed to the AWWs and AWHs and that procurements made during 2023-24, are now being distributed. The Government also assured that updated stock registers would be furnished for audit verification once the distribution was completed.

The State Government's reply is not acceptable. Audit observed that none of the nine test-checked CDPOs received uniforms or badges during 2021-22 and 2023-24, and no documentary evidence, such as updated stock registers or distribution records, was produced to substantiate the claims of procurement or dispatch. The absence of such documentation, combined with field-level certification of non-receipt, strongly indicates lapses in inventory control and raises concerns regarding financial accountability and the actual utilisation of ₹1.36 crore. The invocation of pandemic-related delays is not acceptable, as procurements were made in two separate years with no subsequent follow-through, even after restrictions had eased.

2.3.13.5 Inefficient utilisation of Aadhaar Enrolment kits

Paragraph 2.6 of the "Saksham Anganwadi and Poshan 2.0" guidelines stipulated that all the beneficiaries should be Aadhaar seeded to ensure last mile tracking and delivery of services. It further stipulated that States/UTs should make effort to enrol beneficiaries at the AWC itself.

Audit observed that during 2018-2024, the Department procured 222³⁹ Aadhaar Enrolment kits (AEKs) amounting to ₹3.43 crore, out of which only 62 AEKs were distributed to CDPOs. Audit also observed that, out of the 62 AEKs distributed⁴⁰, only four out of nine test-checked CDPOs received one kit each. Audit further

³⁸ to address the backlog of 2022-23, payment of ₹0.72 crore was made (May 2023) to M/s Jupiter Enterprises, Dimapur

³⁹ No. of AEKs = 162 procured in June 2019 + 60 procured on July 2023 = 222

⁴⁰ For the procurement of 162 AEKs the distribution date was not recorded in the register. While for the second procurement of 60 AEKs, the items were issued between 16/02/2024 and 21/03/2024.

observed that three out of the four test-checked CDPOs did not utilise the AEKs for Aadhaar enrolment. These shortcomings resulted in Aadhaar seeding of only 14.51 *per cent* beneficiaries⁴¹ in the State as of March 2024. These deficiencies indicate ineffective planning, delayed coordination with UIDAI for training, and inadequate operational readiness, which compromised the goal of universal Aadhaar-linked service delivery under the scheme.

While accepting the Audit observation, the State Government stated (June 2024) that there were delays in providing training to the operators (Supervisors) by UIDAI due to the Covid-19 pandemic and constant upgradation of the machine/software. It was also stated (October 2024) that efforts would be made to complete the distribution of the remaining AEKs and that 43 department employees were certified as Operators-cum-Aadhaar Supervisors and therefore it is expected that the majority of the beneficiaries would be covered by the end of this financial year.

The reply of the State Government is not acceptable. The Department failed to ensure timely distribution and operationalisation of AEKs despite clear guidelines under the scheme and substantial expenditure incurred. The reasons cited, namely, delays in training and software upgrades, do not justify the extended period of underutilisation spanning several years. Moreover, the Department did not furnish any evidence of contingency planning or interim measures to ensure Aadhaar seeding of beneficiaries during this period. The assurance of future action cannot substitute for the lack of timely implementation, which adversely affected service delivery and excluded a significant portion of beneficiaries from the intended benefits of Aadhaar-linked entitlements.

2.3.13.6 Training and capacity building of field functionaries

Annexure 4 of the Final Saksham and Poshan 2.0 guidelines envisaged that at the beginning of each financial year, assessment of existing capacity for each of the three tiers of frontline workers should be carried out at State level to identify the themes and topics for the training. The areas of capacity building included Capacity Building - Ante-natal and Post-natal care practices, Infant and Young Child Care and Feeding Practices, Growth Monitoring, Supplementary Nutrition, Basics of Nutrition and Regional Meal Plans, Poshan Vatikas, Poshan Tracker, Pre-school Education, Convergence, and Soft Skill knowledge- organising effective home visits, community based events and Jan Andolans, counselling, behaviour change communication, planning and time management, processes for quality testing of Take Home Ration (THR).

Audit observed that during the period 2018-2024, the Department did not make any assessment and had not set any targets for conducting trainings. Audit further observed

⁴¹ ICDS beneficiaries as per MPR of March 2024 is 5,47,228.

that the State Programme Management Unit (SPMU) conducted 11 trainings⁴² under Rashtriya Poshan Abhiyaan during 2019-2023. However, except for Poshan Tracker training, the sessions did not cover the themes and topics prescribed in the guidelines and the absence of a comprehensive training plan on key themes undermined the intended capacity building and skill enhancement of frontline workers, thereby limiting their effectiveness in delivering key nutrition, health, and behavioural change interventions at the grassroots level.

The State Government in its reply stated (June 2024) that trainings were conducted on need basis and hence comprehensive training plan was not prepared. The State Government also forwarded the attendance sheet of seven out of 11 trainings conducted by the SPMU during 2020-2024.

The reply of the State Government is not acceptable as it was not in conformity with the Scheme guidelines which require the Department to assess the existing capacity of frontline workers at each of the three tiers at the State level and identify training themes and topics at the beginning of each financial year. The conduct of sporadic trainings without a structured assessment or alignment to guideline-mandated themes does not meet the intended objectives of systematic capacity building. The attendance records furnished did not establish the content or coverage of essential skill domains. In the absence of a targeted and measurable training framework, the efforts made by the Department fall short of ensuring effective service delivery through adequately trained personnel.

2.3.13.7 Deficiencies in training implementation

Annexure XI of the ICDS Mission - Broad Framework for Implementation stipulated that at the State level, Middle Level Training Centres (MLTCs) were to be engaged for training of supervisors and instructors of AWWs/AWHs and Anganwadi Workers

⁴² Utilisation certificates, Actual Payment records and Food bills relating to the conduct of the trainings were furnished.

1. *ICDS -CAS Refresher Training for helpdesk (2019-20) - 18 to 19 September 2020,*
2. *Training on e-ILA for Poshan Coordinators - 2019-20),*
3. *NSS Training -2019-20,*
4. *e-ILA Training -2019-20,*
5. *Training on ICDS CAS - 2020-21,*
6. *Training on Governance Dashboard -2020-21,*
7. *Orientation training conducted for different communities - 14 to 19 February 2024.*
8. *Workshop for DWO/DPO/CDPO/Supervisors/Inspector/AWTC Instructor and State level coordination meeting on Poshan Abhiyaan for District and Block Coordinators - 12 to 13 February 2023*
9. *Orientation of church leader, Community elders & Youth leaders on importance of Good Nutrition and Balanced Diet. Seminar on Poshan Abhiyaan for District and Block Coordinators – 19 September 2023.*
10. *POSHAN Tracker Training and State level coordination meeting on Poshan Abhiyaan for District and Block Coordinators - 13 & 14 February 2024, and*
11. *Orientation program for communities – 27 February 2024 to 06 March 2024.*

Training Centres (AWTCs) were to be engaged for training of AWWs/AWHs. Audit observed that there was only one training centre in the State *i.e.*, AWTC, Diphupar and trainings⁴³ were conducted during 2018-2020 but no training was conducted during 2020-2024 due to non-allocation of funds. The absence of training activities at the State's only training centre for AWWs and AWHs from 2020 to 2024 due to non-allocation of funds undermined the capacity building of frontline workers, adversely affecting growth monitoring and malnutrition management as discussed in **Paragraph 2.3.16.2**.

The State Government did not offer comments on the Audit observation.

2.3.13.8 Supplementary Nutrition Programme

The Supplementary Nutrition Programme (SNP) aimed to improve the health and nutrition status of children aged six months to six years (6m – 6y), Adolescent Girls (AGs) aged 11 to 18 years⁴⁴ and Pregnant Women and Lactating Mothers (P&LMs). The details of enrolled beneficiaries under the various categories are given in **Table 2.3.3**.

Table 2.3.3: Details of beneficiaries enrolled during the period from 2018-19 to 2023-24

Sl. No.	Category	Number of beneficiaries enrolled during the period from 2018-19 to 2023-24					
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Children aged 6m - 6y	3,19,762	3,19,766	3,19,389	3,50,412	3,68,722	3,69,371
2.	P&LMs	46,165	51,180	50,953	40,115	41,296	41,387
3.	Severely Malnourished	296	271	269	248	244	234
4.	AGs*	7,320	7,320	7,320	7,629	1,37,377	1,37,377
Total		3,73,543	3,78,537	3,77,931	3,98,404	5,47,639	5,48,369

Source: Information furnished by the Department

* Nutrition for Adolescent girls is covered under Scheme for Adolescent girls.

From **Table 2.3.3** above, it can be seen that:

- (i) **Children aged 6m–6y:** The number of beneficiaries showed a steady increase over time, with a notable rise post 2020-21.
- (ii) **P&LMs:** The number of beneficiaries fluctuated slightly, with a dip in 2021-22 but overall stable.
- (iii) **Severely Malnourished:** The number of beneficiaries displayed a decreasing trend, but extremely low numbers may indicate under-identification or reporting issues.
- (iv) **AGs:** There was a dramatic increase in the number of beneficiaries from 7,000 to 1.37 lakh in 2022-23, probably due to change in coverage under the Scheme for AGs.

⁴³ Five Job Training course (JTC) and one Orientation for AWHs during 2018 -19 and six JTC and one Orientation for AWHs during 2019-20.

⁴⁴ Under Poshan 2.0, the SAG was revised from 11-14 years (as per SAG Administrative Guidelines, 2018) and the targeted beneficiaries were revised to Adolescent Girls in the age group of 14 to 18 years.

- (v) **Total beneficiaries:** The total beneficiaries increased from 3.7 lakh (2018-22) to over 5.4 lakh in 2022–24 primarily due to expanded adolescent girl enrolment.

The SNP cost norms for beneficiaries⁴⁵ under the ICDS Mission are revised time to time⁴⁶. The discrepancies noticed in the implementation of SNP are discussed in the succeeding paragraphs.

A. Excess expenditure on short supply of SNP food items

The terms and conditions of the supply order for supply of SNP items mandated the suppliers⁴⁷ to deliver food items⁴⁸ strictly as per the specifications endorsed by the Department. Audit observed that against 619.71 MT of five food items⁴⁹ shown as supplied to the nine test-checked CDPOs, only 499.99 MT was certified as received by the CDPOs, resulting in short receipt of 119.71 MT⁵⁰ amounting to ₹2.45 crore in respect of 10 supply bills during 2018-2024. The failure to ensure delivery of quantities as per supply orders reflects weak contract enforcement, inadequate verification mechanisms, and ineffective oversight of procurement processes, thereby impacting the integrity of the Supplementary Nutrition Programme.

The State Government in its reply stated (October 2024) that the Department conducted a thorough review of records and found no discrepancies in the quantity of item supplied.

The reply of the State Government is not acceptable as Audit observation is based on documentary evidence of physical receipt records maintained and certified by the nine test-checked CDPOs. The Department's assertion of no discrepancies contradicts the verified field-level data. In the absence of stock registers or acknowledgement receipts substantiating full delivery, the short supply of 119.71 MT remains unaccounted for. The reply also failed to address the issue of excess payment based on unverified quantities, raising concerns over financial propriety and lapses in supply chain accountability.

B. Wheat Based Nutrition Programme under SNP

Wheat Based Nutrition Programme (WBNP) was a State Sector scheme which followed the norms of SNP or of the nutrition component of the ICDS. Central

⁴⁵ Children (6-72 months), Severely malnourished children (6-72 months), Pregnant women and Nursing mothers and AGs (14-18 years)

⁴⁶ (1.) *w.e.f.* 2012 cost norms (i) Children (6-72 months) – ₹6, (ii) Severely malnourished children (6-72 months) – ₹9 and (iii) Pregnant women and Nursing mothers – ₹7 (2.) *w.e.f.* August 2022 i) Children (6-72 months) – ₹8, (ii) Severely malnourished children (6-72 months) – ₹12 and (iii) Pregnant women & Nursing mothers and AGs (14-18 years) – ₹9.50

⁴⁷ M/s Ponthungo Enterprises, M/s Abhinav Food Product, M/s Yetovi Enterprises, M/s Rausheena Udyog Ltd., M/s Surho Tribal Welfare and M/s Continental Milkose India Ltd.

⁴⁸ Micro nutrient fortified biscuit, cornflakes, Abhinav Biscuit, Marie Biscuit, Protein Rich Rice, Instant Daliya, Surho Kheer Mix and Kichidi

⁴⁹ Micronutrient Fortified Biscuit, Cornflakes, Energy Fortified Soya Biscuit, Surho Kheer Mix and Kichidi.

⁵⁰ 1 kg = 0.001 Metric Ton (MT)

assistance for the programme consists of supply of subsidised rice and wheat to the State. The agreement between the Department and the supplier⁵¹ (selected and approved by GoN) provided that the supplier should take delivery of food grains on behalf of the Department by depositing its own funds to the Food Corporation of India (FCI) and should transport and deliver to the consignee within a period of two months from the date of lifting the food grains from the FCI. During 2018-2024, an amount of ₹44.00 crore was sanctioned and paid to the suppliers against implementation of WBNP. Audit observed the following irregularities in the supply and delivery process of rice under WBNP:

- (i) **Short lifting of rice under WBNP:** During 2018-2023, the Department issued order for supply of 75,460 MT of rice under ICDS projects. Audit analysis of the release and lifting orders/issue report of FCI showed that only 70,180 MT out of 75,460 MT of rice was lifted resulting in short lifting of 5,280 MT of rice. Audit, however, observed that an amount of ₹1.95 crore⁵² was paid to the supplier against the quantity (5,280 MT) which was not actually lifted from FCI.
- (ii) **Short delivery of rice under WBNP:** Examination of records showed that during 2018-2023, the supplier claimed an amount of ₹4.25 crore⁵³ as reimbursement for delivery of 11,482 MT rice to the nine test-checked CDPOs and full payment was made to the supplier. Audit, however, observed that there was short supply of 3,633 MT of rice valued at ₹1.34 crore.

Audit observed that these discrepancies in the supply chain was due to the Department's failure to verify the actual quantity of rice lifted from the FCI and delivered to the CDPOs. These lapses point to serious weaknesses in the Department's contract enforcement and supply chain verification, leading to excess expenditure and probable diversion or misappropriation of subsidised food grains.

The State Government in its reply stated (June 2024) that the discrepancy regarding short-lifting of rice was due to non-maintenance of proper records at block levels. The State Government further stated (October 2024) that the Department conducted a thorough review of records which found no discrepancies in the quantity of item supplied.

The reply is not acceptable as Audit findings are based on verifiable documentation, including FCI Issue Reports that confirm the short lifting of 5,280 MT of rice and certified records from the test-checked CDPOs indicating a delivery shortfall of 3,633 MT. The Department's internal review lacked credibility in the absence of supporting evidence contradicting the third-party and field-verified records. The justification citing poor recordkeeping at the block level only underscored the systemic deficiencies in supply chain monitoring. The discrepancies reflected a failure

⁵¹ M/s Encore Enterprises selected at the Government level during the period covered by Audit

⁵² ₹370 x 52,800 = ₹1.95 crore (₹2.00 crore approx.)

⁵³ ₹370 x 1,14,824 quintal

of oversight and raised concerns of financial impropriety in the implementation of the WBNP.

C. Take-Home Ration, morning snacks and Hot Cooked Meal (HCM)

The Supplementary Nutrition (SN) is delivered through two modalities – Hot-Cooked Meal (HCM) and Take-Home Ration (THR) – containing required nutrition norms. Paragraph 3.3 of the Mission Saksham Anganwadi and Poshan 2.0 Guidelines stipulated that all pregnant and lactating mothers, children in the age group of 6-36 months, Severe Acute Malnutrition (SAM) children and adolescent girls (14-18 years) were entitled to receive THR and children in the age group of 3-6 years were entitled to receive HCM and morning snacks under the Anganwadi Services from the AWCs. HCMs were cooked and served to children aged 3-6 years at AWCs in the form of breakfast and lunch during Early Childhood Care and Education (ECCE) sessions, while THR was distributed to children aged 6 month-3 years, AGs and P&LMs in the form of premixes⁵⁴ consisting of fortified food grains.

Audit observed that while THR was provided to the beneficiaries in all the test-checked AWCs, morning snacks (biscuits) were provided in only six out of the 46 test-checked AWCs during the period covered by audit. Audit also observed that during the audit period, HCM was not provided in any of the 46 AWCs thereby depriving the targeted beneficiaries of the intended nutritional benefits. Audit further observed that no records were maintained at the AWCs to document the receipt, consumption and distribution of food items including THR, HCM and morning snacks.

The State Government in its reply stated (June 2024) that HCM in the form of Surho kheer mix or khichidi and biscuits as morning snacks were served to children in the age group of 3-6 years who attended the AWCs. It was further stated that records of consumption and distribution at the AWC levels were not maintained as these were monitored through Poshan Tracker app.

The reply of the State Government is not acceptable as the Audit findings are based on direct verification through test-check of 46 AWCs and field interviews with AWWs, who confirmed that HCMs were not served and morning snacks were not provided in 40 AWCs. The Department's claim of monitoring *via* the Poshan Tracker app was not substantiated with verifiable data during audit. Further, digital monitoring does not obviate the requirement for physical registers; particularly where service delivery is absent and field-level functionaries deny the provision of entitlements. The absence of HCM and morning snacks not only violated the scheme norms but also undermined the objectives of early childhood nutrition and care.

⁵⁴ THR Premixes are in powder form and can be used to prepare a variety of dishes by beneficiaries at their homes.

2.3.13.9 Early Childhood Care and Development

Paragraph 2.2.1(v) of the ICDS Mission - Broad Framework for Implementation stipulated that strengthening early childhood care and education was a core service of the AWCs with dedicated four hours of early childhood education sessions followed by supplementary nutrition, growth monitoring and other related interventions. Developing and implementing activity-based child centres and age-appropriate curricula aiming at all round development of children and monthly fixed Village Early Childhood Care and Education Day were also to be ensured.

Audit observed that age specific books/syllabus was not prepared by the Department. Audit also observed that sufficient and safe space was not available for conducting activities in all the 46 test-checked AWCs. Audit further observed that though an expenditure of ₹4.05 crore⁵⁵ was incurred for procurement of pre-school education (PSE) kits during 2021-2024, the Directorate did not maintain records of their receipt and distribution. Audit further observed that the two suppliers engaged for the supply of PSE kits were not registered for the provision of such items and had charged an excess amount of ₹14.45 lakh as Goods and Services Tax (GST). JPV conducted during August to September 2023, showed non-availability of PSE kits in 41 out of 46 test-checked (89.13 *per cent*) AWCs. The absence of age-specific curricula, inadequate infrastructure, and non-availability of PSE kits in most of the test-checked AWCs undermined the ICDS objective of laying a strong foundation for the proper psychological, physical, and social development of the child. These systemic lapses compromised the quality of ECCE services envisaged under the ICDS Mission and impeded the holistic development of children in the 3-6 year age group.

The State Government in its reply stated (June 2024) that Activity Books were issued from time to time with approval from the Ministry. It was further stated that records for the period 2018-2023 could not be traced and that procurement for 2023-2024 could not be made timely.

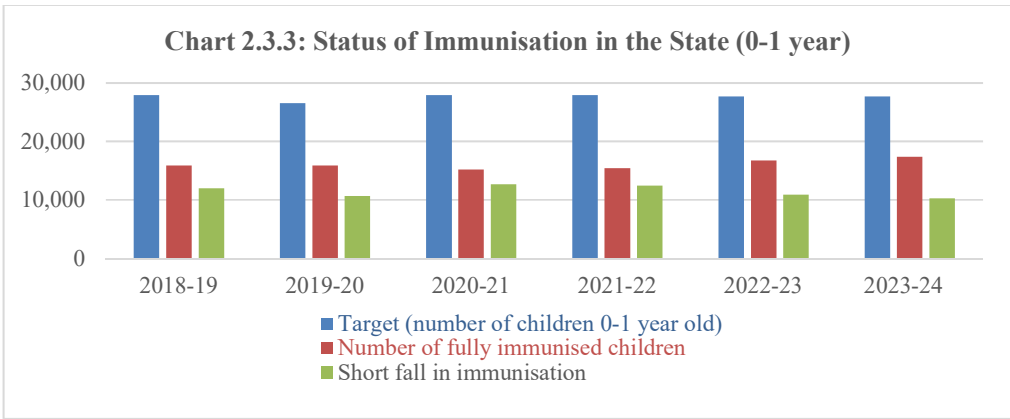
The reply of the State Government is not acceptable as there were no records of PSE kits being procured and delivered to AWCs during 2018-2023. The assertion that activity books were issued “from time to time” was not supported by any documentary evidence, nor were stock registers or distribution lists produced. The mere inability to trace records for 2018-23 and the delayed procurement for 2023-24 confirmed weak inventory control and planning rather than negating the audit finding. In the absence of verifiable proof of curriculum development, kit distribution, or adequate learning space, the deficiencies highlighted by Audit remain un-addressed.

⁵⁵ ₹1,19,40,000 vide Bill no. 197 dated 08/10/2021, ₹1,79,09,953- vide Bill No 412 dated 27/03/2023 and ₹1,07,46,000 (backlog of 2022-2023) vide Bill No 42 dated 15/05/2023

2.3.13.10 Immunisation

Under the Universal Immunisation Programme (UIP), GoI provides vaccination to prevent 11 vaccine preventable diseases⁵⁶. As per UIP, a child is fully immunised if he/she has received all due vaccines as per the national immunisation schedule within the first year. Immunisation in the villages is carried out by the H&FW Department, GoN in convergence with Anganwadi services.

The Public Accounts Committee (PAC)⁵⁷ had recommended that the Department should improve the efficiency of AWWs so as to enable them to their best potential to minimise the immunisation gap. Though the Department acknowledged the recommendation for compliance, Audit found no documented records on child immunisation, with data instead sourced from the H&FW Department. The status of immunisation in the State is shown in **Chart 2.3.3**.



Source: Data provided by H&FW Department

It can be seen from **Chart 2.3.3** that during 2018-2024, there was a significant shortfall in full immunisation of children aged 0-1 year ranging from 37 to 46 *per cent*, which compromised the ICDS core objective of improving the health status of children. Audit observed that the shortfall was due to the Department’s inability to ensure effective convergence with the H&FW Department. Despite recommendations from the PAC to enhance the role of AWWs in immunisation support, the Department failed to maintain any immunisation-related documentation or ensure effective convergence with the H&FW Department. This lack of coordination adversely impacted the achievement of ICDS objectives in improving child health and reducing preventable diseases in early childhood.

⁵⁶ Diphtheria, Pertussis, Tetanus, Polio, Measles, severe form of Childhood Tuberculosis and Hepatitis B and meningitis & pneumonia, Rubella & Rotavirus Diarrhoea in sampled States and Japanese Encephalitis in endemic districts

⁵⁷ 103rd Report of the Public Accounts Committee (2011-2012) on the Action Taken by the Government on the observation/Recommendations contained in the 95th Report of the Public Accounts on the C&AG Report of India 2005-06 recommendation No.1.2.15 Para 3.2.18 (Immunisation) of AR.

While accepting the Audit observation, the State Government stated (June 2024) that immunisations are carried out by the H&FW Department but that efforts are being made for better convergence and outreach.

The reply of the State Government, while acknowledging that immunisation is carried out by the H&FW Department, did not address the critical role envisaged for AWWs under the ICDS Framework in facilitating convergence and outreach. The absence of documentation and coordinated field-level engagement reflects inadequate follow-up on PAC recommendations and poor institutional linkage between the implementing departments. The persistent immunisation shortfall highlights the consequences of fragmented service delivery and the need for a structured mechanism for joint monitoring and accountability.

2.3.13.11 Health check-up

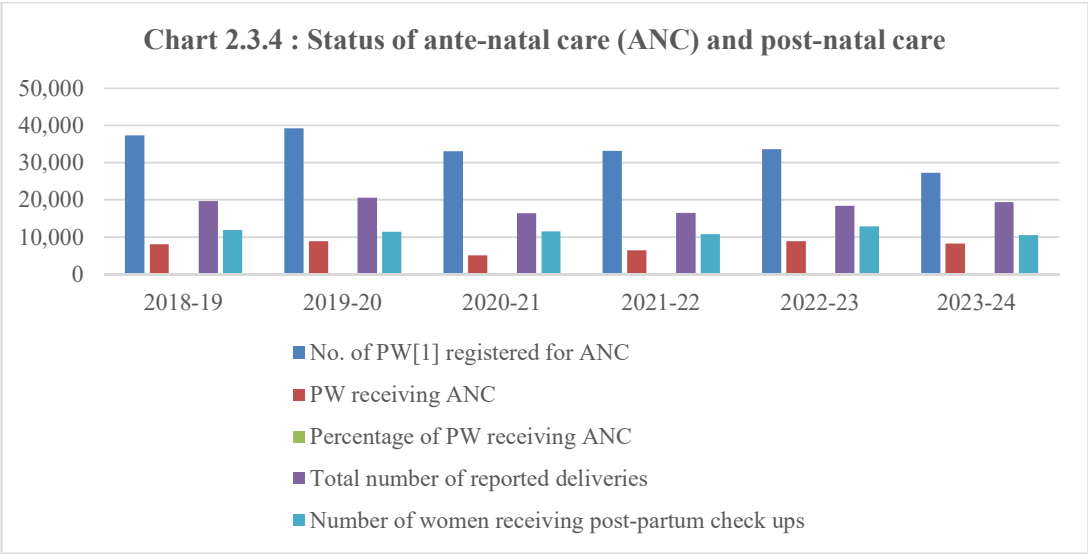
Paragraph 2.2.1(iii) of the ICDS Mission - Broad Framework for Implementation stipulates that health check-up of PLM should be provided by ANM and PHC staff at the AWCs. Audit observed that the Social Welfare Department did not maintain records on health check-ups carried out in AWCs because of which Audit could not ascertain the delivery of health services to PLM from the AWCs record. However, information obtained from the H&FW Department, GoN showed a considerable gap in health check-up services as shown in **Table 2.3.4**.

Table 2.3.4: Status of ante-natal care (ANC) and post-natal care

Year	No. of PW ⁵⁸ registered for ANC	PW receiving ANC	Percentage of PW receiving ANC	Total number of reported deliveries	Number of women receiving post-partum check ups	Percentage women getting post-partum check up
2018-19	37,402	8,151	22	19,690	11,917	61
2019-20	39,235	8,838	23	20,619	11,473	56
2020-21	33,105	5,124	15	16,467	11,503	70
2021-22	33,272	6,484	19	16,564	10,852	66
2022-23	33,689	8,873	26	18,454	12,866	70
2023-24	27,280	8,283	30	19,426	10,616	55

Source: HMIS Data provided by H&FW Department

⁵⁸ Pregnant Women



As can be seen from **Table 2.3.4**, Audit observed that the Social Welfare Department did not maintain any records of health check-up services delivered through AWCs, in violation of the ICDS Mission guidelines. Analysis of HMIS data from the H&FW Department revealed that only 15 to 30 *per cent* of registered pregnant women received ante-natal care during 2018-2024, and post-natal care coverage also declined over time. These findings reflect serious shortcomings in the convergence mechanism between the Social Welfare Department and the H&FW Department, adversely affecting the delivery of essential maternal healthcare services.

In reply, the State Government stated (June 2024) that health check-ups are carried out by H&FW Department, but that efforts would be made to improve convergence.

The reply of the State Government is not acceptable. While acknowledging that health check-up services are provided by the H&FW Department, it fails to address the ICDS guideline requirement for convergence and monitoring at the AWC level. The absence of AWC-level records on health service delivery reflects a systemic failure to institutionalise inter-departmental coordination. The lack of documentation and declining coverage indicators underscore a gap in service delivery planning and accountability.

2.3.13.12 Irregularities in selection of suppliers/contractors

The Nagaland State e-Procurement and Tendering Policy, 2017 stipulates that the Government Departments/Agencies should call open tenders for construction/supply works through e-procurement in the State portal for construction/civil works worth ₹One crore and above and supply works worth ₹20.00 lakh and above. Further, Paragraph 291 of the Nagaland Public Works Department Code (NPWDC) stipulated that sealed tenders should invariably be invited in the most open and public manner possible, by advertisement in the Government Gazette or the press, or by public

notice. Audit observed that Notice Inviting Tender (NIT)⁵⁹ for ‘Up-gradation of Anganwadi Houses at Dimapur and Kohima’ estimated at ₹3.44 crore (March 2021) was not floated in the State Portal in contravention of the GoN notification.

Audit observed procedural lapses in the execution of civil works under the ICDS scheme. Despite the mandate for e-tendering and open public advertisement as per the Nagaland State e-Procurement Policy and NPWDC, the Department failed to publish the tender for construction works worth ₹3.44 crore on the designated State Portal. These lapses led to non-competitive procurement, raising concerns over fairness, efficiency, and financial transparency in public contracting.

While accepting the Audit observation, the State Government stated (June 2024) that, the possibilities of procurement of materials and selection of contractors for civil works through e-tendering in line with provisions of the GFR would be explored.

The reply of the State Government is not acceptable. The assurance to explore future compliance with e-tendering provisions does not address the prolonged and recurring violations of existing procurement norms over a six-year period. The continued procurement from the same set of suppliers without fresh competitive bidding undermined transparency and equitable access to Government contracts. The failure to advertise high-value civil works on the State e-Procurement Portal, as required by policy, reflected systemic disregard for established procurement protocols and contributed to procedural irregularities and potential financial inefficiencies.

2.3.13.13 Conclusion

The implementation of the ICDS in Nagaland during 2018-2024 suffered from systemic weaknesses in infrastructure development, service delivery, convergence mechanisms, inventory management, financial propriety, and accountability. Despite substantial Central and State funding, the Audit found widespread deficiencies in infrastructure at AWCs, irregularities in procurement and distribution of critical supplies (including nutrition, medicines, and uniforms), inadequate capacity building of field functionaries, poor utilisation of Aadhaar enrolment infrastructure, and failure to institutionalise effective convergence with the H&FW Department. These gaps severely compromised the core objectives of the ICDS Mission - to provide a strong foundation for child development, ensure maternal health, and address malnutrition in an integrated and sustainable manner.

Recommendations:

The State Government may consider-

- (i) carrying out geo-tagged mapping of all AWCs to assess infrastructure gaps (toilets, kitchens, learning space, drinking water and electricity).***
- (ii) mandating real-time entry of receipt and distribution of all materials***

⁵⁹ By Executive Engineer, PWD Housing Division No-II Kohima, the executing agency for all civil works undertaken by the Department

(e.g., food items, uniforms, medicine kits, PSE kits) in standardised digital stock registers at Directorate, CDPO, and AWC levels. Quarterly distribution data on the Department's website may be published in order to promote transparency and deter misuse.

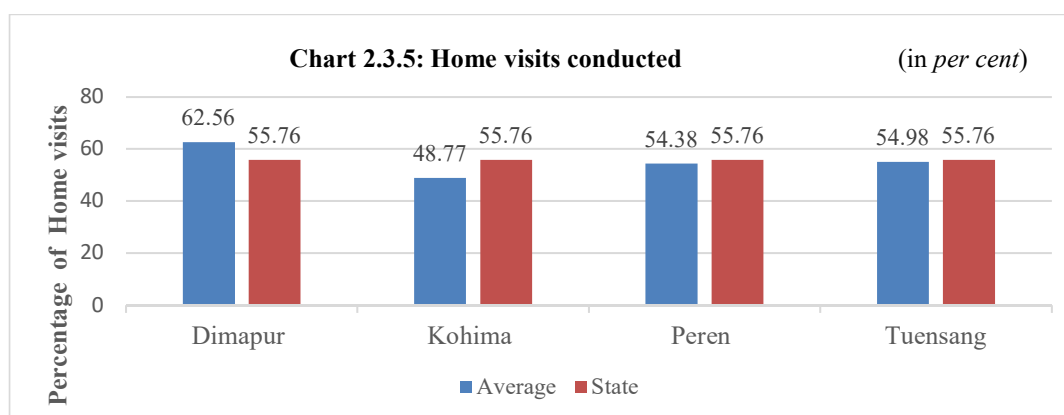
- (iii) developing an annual training calendar based on a State-level assessment of frontline workers' skill gaps, aligned to ICDS thematic domains, with outcome-based monitoring of training effectiveness.*
- (iv) establishing a monitoring cell to track Aadhaar-seeding coverage and troubleshoot operational bottlenecks.*
- (v) institutionalising convergence protocols with the Health & Family Welfare Department including shared planning, joint monitoring, and data exchange protocols for immunisation and maternal health services.*

2.3.14 Audit Objective: *Whether the ICDS has enhanced capacities at all levels and ensured convergence with other related programs and schemes so as to maximise the impact and outcomes of ICDS?*

2.3.14.1 Nutrition and Health Education

Nutrition, Health and Education (NHE) was a key element of the work of the AWWs which formed part of behaviour change communication (BCC) strategy. The long-term objective of NHE was capacity-building of women in the age group of 15-45 years so that they can look after their own health, nutrition and development needs as well as that of their children and families. To achieve the objective, the AWWs along with ASHA/ANMs should conduct activities like home visits, demonstration course, films and slides shows and mothers meetings. Monthly mothers' meeting was to educate the mothers on improving the child caring practices, feeding, health and hygiene and psychological development.

Audit observed that there were no documented records indicating the conduct of demonstration course, films, slide shows and mothers' meetings. Regarding home visits, analysis of data available in Poshan Tracker for the period from May 2022 to March 2024 showed that there was shortage in home visits conducted by AWWs ranging from 48.77 to 62.56 *per cent* in the four test checked districts as shown in **Chart 2.3.5**.



Source: Departmental figure- Extracted from Poshan tracker

These deficiencies indicate weak implementation of the core educational component of ICDS, thereby undermining the goal of empowering women to manage their own health and that of their children through informed practices.

The State Government in its reply stated (June 2024) that the ICDS-CAS software was used by the functionaries to upload data from 2018-2021 only and that from 2022, Poshan Tracker App was used for the same purpose. It was further stated that the shortfall in the data regarding home-visits was due to internet connectivity issues and obsolete smartphones.

The reply is not acceptable as it does not address the core issue of non-performance and lacked evidence of alternative documentation or remedial action despite known technical constraints. In the absence of any documented efforts, either digitally or manually, the shortfall could not be attributed solely to technological constraints. The reply also failed to address the complete absence of educational activities, such as demonstrations and mothers' meetings, which are critical for behaviour change communication and maternal empowerment under ICDS.

2.3.14.2 Jan Andolan

Paragraph 4.1 of the Mission Saksham Anganwadi and Poshan 2.0 Guidelines stipulated that Abhiyaan focus on converting the agenda of improving nutrition into a Jan Andolan through involvement of different Departments, PRIs/Villages/ Organisations/SHGs/volunteers and ensuring wide public participation. Further, Chapter IV (1) of the Jan Andolan Guidelines stated that a comprehensive Jan Andolan Plan was to be developed at State/District level covering ten themes⁶⁰. Audit observed that the Jan Andolan Plan was not developed at the State/District level. Audit further observed that record of activities carried out during the Jan Andolan programmes were not documented and therefore Audit could not analyse the type of activities carried out to achieve the objective of fostering community participation in

⁶⁰ (i) Ante natal check-up/diet of pregnant woman (ii) Optimal breastfeeding (iii) Complementary food & feeding (iv) Full immunisation & Vitamin A supplementation (v) Growth monitoring and promotion (vi) Anaemia prevention in children/adolescent girls/women (vii) Food fortification & micronutrient (viii) Diarrhoea management (ix) Girls education, diet & right age at marriage (x) Hygiene, sanitation & safe drinking water

improving health and nutrition levels of targeted population. Therefore, the absence of Jan Andolan Plan undermined the decentralised approach envisaged under the Jan Andolan strategy, thereby diluting the impact of convergence efforts aimed at improving nutrition outcomes.

The State Government in its reply stated (June 2024) that the State was following the Guidelines of the MoWCD for conducting activities under Jan Andolan and that it was in the process of developing a Jan Andolan Plan for the State and district levels.

The reply of the State Government is not acceptable. While it states that activities were conducted in accordance with the MoWCD guidelines and that a Jan Andolan Plan is under preparation, no documentary evidence was furnished to substantiate the conduct of any such activities during the audit period. The absence of both planning documents and activity records reflects non-implementation of a key strategic component of Poshan 2.0 and indicates a significant gap in community mobilisation and participatory governance. The assertion that planning is underway does not justify the prolonged inaction and failure to institutionalise the Jan Andolan approach during the audit period.

2.3.14.3 Conclusion

The Audit found that the ICDS in Nagaland failed to effectively implement two key components *viz.* Nutrition and Health Education (NHE) and Jan Andolan, which are critical for behavioural change, community participation and convergence-driven nutrition outcomes. The absence of documented educational outreach, coupled with significant shortfalls in home visits and the complete non-preparation of a Jan Andolan Plan at both State and district levels, indicates systemic weaknesses in planning, implementation, and monitoring. These deficiencies undermined the intended decentralised and participatory approach of the ICDS Mission, limiting its ability to empower women and promote health and nutrition awareness at the grassroots level.

Recommendations:

The State Government may consider-

- (i) ensuring that activities related to all ten prescribed themes of the Jan Andolan Plan are mapped to specific outcomes with clear responsibilities assigned at each tier: State, district, block, and AWC levels.***
- (ii) establishing standard templates for recording mothers' meetings, demonstrations, health talks, and film shows at AWC level. These should be maintained both manually and digitally, with periodic audits to ensure***

compliance.

- (iii) *in light of technical limitations, introducing a dual reporting mechanism (manual and digital) for home visits.*
- (iv) *ensuring replacement of obsolete smartphones and implement offline functionality in the Poshan Tracker to accommodate poor internet connectivity in remote regions. This should be complemented by regular training and IT support for Anganwadi Workers.*
- (v) *creating a publicly accessible dashboard that shows the Jan Andolan and Nutrition and Health Education activities carried out at the State, district, block, and village levels.*

2.3.15 Audit Objective: *Whether there existed a mechanism for raising public awareness and participation, creation of knowledge base for child development services and robust system for appropriate inter-sectorial monitoring of the scheme at all levels.*

2.3.15.1 Inadequate monitoring of the Scheme

Paragraph 8(iv) of the ICDS Mission - Broad Framework for Implementation envisaged monitoring system at the National/State/District/Block/Anganwadi levels through monitoring committees called National Level Monitoring and Review Committee (NLMRC), 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). Further, the ICDS Scheme Guidelines for monitoring and supervision of Scheme stipulated that a minimum of 50 *per cent* AWCs inspections should be carried out by Supervisors in a month, inspection of 100 *per cent* AWCs in a quarter by CDPOs and a minimum of 10 *per cent* AWCs in a year by DPOs. The PAC⁶¹ recommended that the Department make every effort to adhere strictly to the scheme guidelines and to initiate effective monitoring and supervision. The Department acknowledged the recommendation and assured strict compliance in the future.

However, Audit observed that while SLMRC, DLMRC, BLMC and ALMSC were constituted, there were no documented records to verify whether monitoring was conducted by these committees or by the field officers. In the absence of monitoring mechanism, effective implementation of the Scheme could not be achieved as indicated by the irregularities/deficiencies discussed in the **Paragraphs 2.3.11.1, 2.3.13.3 to 2.3.13.5, 2.3.13.8, 2.3.13.9 and 2.3.14.1.**

⁶¹ 103rd Report of the PAC (2011-2012) on the Action Taken by the Government on the observation/ Recommendations contained in the 95th Report of the Public Accounts on the C&AG Report of India 2005-06 Recommendation No.1.2.27 Para 3.2.27 (Monitoring and Evaluation) of AR.

The State Government stated (June 2024) that field functionaries covered the required supervisory visits though such visits were not documented. The reply of the State Government is not acceptable as there was no record of monitoring carried out by committees at various levels and of inspections conducted by the field officers. In the absence of verifiable records, the Audit maintains that mandated monitoring activities were not carried out as per the ICDS guidelines. This lack of documentation not only undermines transparency and accountability but also weakens corrective feedback mechanisms essential for ensuring service quality and compliance.

2.3.15.2 Inadequacies in monitoring through Real Time Monitoring Applications

The Common Application Software (CAS) was an Information and Communication Technology-Real Time Monitoring system introduced after launching of NNM. It functioned through a mobile application at the level of AWWs and Sector Supervisor and a comprehensive web-based dashboard at Block/District/State/National levels, providing real time information about service delivery. After CAS was discontinued, Poshan Tracker was introduced (March 2021) with the same objective of real time monitoring of services delivered under Anganwadi activities. Audit observed that the backup data of the CAS could not be retrieved by the Department, which resulted in inability to analyse service delivery up to March 2021. Audit also observed that only 1,13,619 beneficiaries (28 *per cent*) out of the total 4,09,851 beneficiaries in the State were uploaded and monitored through Poshan Tracker App. These deficiencies point to a weak transition strategy between digital platforms and poor technological integration at the field level, undermining transparency, accountability, and evidence-based decision-making in scheme implementation.

While accepting the Audit observation, the State Government cited (June 2024) poor internet connectivity, technological backwardness of AWWs in using smart phones and issue of outdated and obsolete smart phones for shortfall in uploading the details of beneficiaries.

While the reply above acknowledges the constraints of internet connectivity, limited digital literacy among AWWs, and outdated smartphones, no mitigating measures or phased adaptation strategy is presented to bridge these challenges. The inability to preserve CAS data reflects inadequate data governance practices, and the low beneficiary coverage in the Poshan Tracker indicates systemic gaps in implementation and support. These lapses compromise the integrity of real-time service monitoring, a core reform under the National Nutrition Mission.

2.3.15.3 Quality of food supplied under ICDS

Paragraph 3.10 of the Mission Saksham Anganwadi and Poshan 2.0 Guidelines stipulates that supplementary nutrition should conform to the standard laid down under the provisions of the Food Safety Standard Act, 2006 to ensure consistent quality and nutritive value. Further, Paragraph 2.3 also envisaged that the District Administration should also conduct periodic monitoring, including surprise spot-

checks and collection of samples for quality testing of supplementary nutrition (THR and HCM).

The Department had assured the PAC⁶² that testing of food items was conducted regularly at a testing facility in the H&FW Department in Kohima and Foodstuffs Quality Testing Report was furnished. However, Audit observed that during 2018-2024, the Department had sent samples of food provided under SNP on three occasions to the Regional Food Testing Laboratory (RFTL), Kolkata. While the report on two of the three samples was returned with normal acceptable quality, the third sample (August 2022) could not be verified as the Food and Nutritional Board, MoWCD had closed (April 2022) the RFTL at Kolkata. Audit further observed that after the closure of the RFTL, the Department did not make any alternative arrangements for quality checks. Audit also observed that the District Administrations did not conduct periodic monitoring to ensure the quality and standard of food provided under SNP in the test-checked districts and that both the Department and the District Administrations did not take measures to ensure that quality food items were supplied under SNP. The absence of alternative quality check mechanisms following the closure of RFTL in Kolkata, coupled with inaction by both the Department and District Administration, resulted in a systemic failure to ensure the quality and standard of food supplied under SNP.

While accepting the Audit observation, the State Government stated (June 2024) that in future, quality checks of food items would be carried out at frequent intervals. It was further stated (October 2024) that the Department planned to send samples for testing at the food testing laboratory established by the H&FW Department in Kohima.

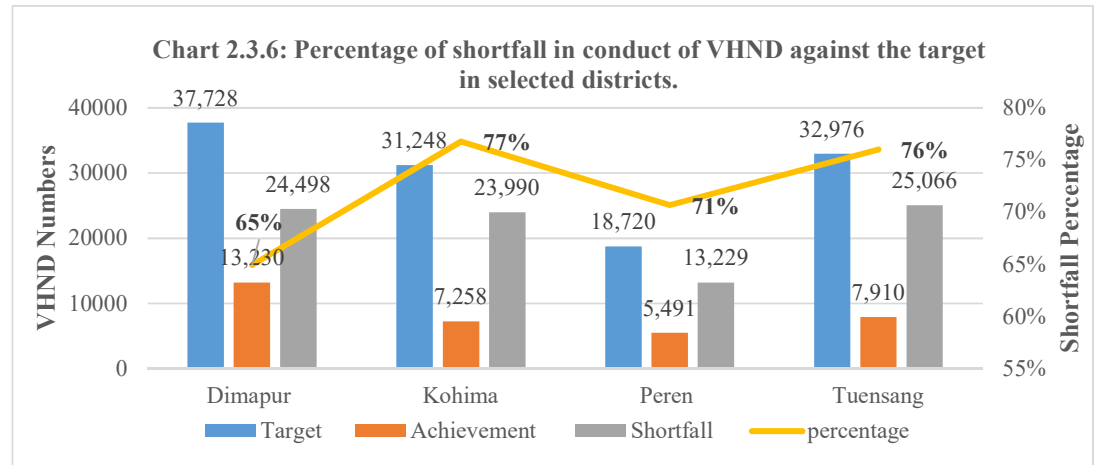
The reply of the State Government is not acceptable. The assurance of future compliance did not address the audit finding that no alternative arrangements were made for nearly two years following the closure of the RFTL. The absence of documented efforts to identify or engage accredited laboratories for food testing reflects a lack of proactive planning and accountability. Moreover, the failure of District Administrations to conduct surprise checks and sample testing, as required under Paragraph 2.3 of the guidelines, indicates administrative neglect in safeguarding the quality of food supplied under SNP. The proposed engagement of a local laboratory, while welcome, did not mitigate the systemic oversight during the audit period.

2.3.15.4 Shortfall in conduct of Village Health and Nutrition Day

Paragraph 3.5.7.2 of the NMM Administrative Guideline stipulates that every village shall earmark a fixed date of every month for conduct of Village Health and Nutrition Day (VHND), where participation of Health and Nutrition functionaries (ASHA,

⁶² 103rd Report of the PAC (2011-2012) on the Action Taken by the Government on the observation/ Recommendations contained in the 95th Report of the Public Accounts on the C&AG Report of India 2005-06 Recommendation No.1.2.11 Para 3.2.16 (Purchase of food stuffs without quality assurance) of AR.

AWW and AWH) along with sanitation and PRI workers should be ensured. Audit observed that the Department did not maintain records of observation of monthly VHND and there was limited convergence, therefore, Audit captured the Health Management Information System (HMIS) data. Examination of the HMIS of H&FW Department, GoN showed that during 2018-2024, there were shortfalls in conduct of VHND in the four test-checked districts ranging from 65 to 77 per cent as shown in **Chart 2.3.6**.



Source: HMIS of DHFW, Nagaland

Audit further observed that the reason for the shortfall in conducting VHND was due to inadequate collaboration between the AWCs and ASHAs, despite explicit provisions in the NNM guidelines mandating joint participation in VHNDs. The Department's failure to maintain records further reflects weak institutional accountability and monitoring. The shortfall in VHNDs undermined the platform's intended role in delivering essential health, nutrition, and sanitation services at the village level.

In reply, the State Government stated (June 2024) that VHND are conducted as per the Guidelines of National Health Mission and that the Department was only one of the stakeholders in the event.

The reply of the State Government is not acceptable as the scheme guidelines mandated effective convergence of the AWWs and ASHAs. While the Department has stated that VHNDs are conducted in line with NHM guidelines and that it is only one of the stakeholders, this response does not absolve it of its responsibilities under the ICDS framework and the National Nutrition Mission. The guidelines clearly assign joint responsibility to AWWs and ASHAs to ensure convergence and implementation. In the absence of documentary evidence or performance monitoring records, the Department's claim lacks credibility. The continued shortfall points to systemic lapses in planning, coordination, and oversight at the grassroots level.

2.3.15.5 Conclusion

Audit findings reveal systemic gaps in the monitoring and implementation framework of ICDS under the Mission Saksham Anganwadi and Poshan 2.0 in Nagaland. While

institutional structures like monitoring committees were formally constituted, there was a lack of documented evidence of their functioning. Digital platforms like Poshan Tracker faced poor integration and uptake, weakening real-time service monitoring. Absence of robust quality checks for supplementary nutrition, weak inter-departmental convergence for activities like VHND, and inadequate documentation reflect an overall failure to establish an effective mechanism for public participation, data-driven decision-making, and inter-sectoral accountability in delivering child development services.

Recommendations:

The State Government may consider-

- (i) institutionalising mandatory documentation of field inspections and monitoring committee meetings at all levels using a standardised digital template linked to Poshan Tracker.***
- (ii) upgrading digital infrastructure by replacing obsolete smartphones and conducting periodic training of AWWs and supervisors to improve usage of Poshan Tracker and digital record-keeping.***
- (iii) operationalising partnerships with local NABL-accredited food testing labs and mandate quarterly sample testing of THR and HCM across districts.***
- (iv) setting up a joint review mechanism with the Health & Family Welfare Department to ensure regular and documented conduct of VHNDs, with monthly reporting at the block level.***
- (v) developing a publicly accessible dashboard showing performance indicators—beneficiary coverage, quality testing results, VHNDs held, inspections done—to ensure transparency and citizen oversight.***

2.3.16 Audit Objective: *Whether the outcomes as envisaged in the Scheme Guidelines actually achieved.*

2.3.16.1 Development of outcome indicators and evaluation of outcomes

The ICDS Mission - Broad Framework for Implementation underscores the need for a standardised framework inclusive of input, output and outcome indicators for evidence-based monitoring. At the State Level, the Chief Secretary is required to coordinate the activities of various Departments through the State Level Steering Committee to ensure effective convergence between various schemes/programs having bearing on nutrition and review the progress made regarding Nutritional Indicators on a regular basis. Further, the district manual of ICDS envisages evaluation of the outcome-based indicators at the district, block and village level.

Audit observed that the Department did not formulate a standardised framework inclusive of input, output and outcome indicators for evidence-based monitoring.

Audit also observed that the State Level Steering Committee was non-functional, due to which review of the nutritional status of beneficiaries could not be carried out. Audit further observed that evaluation of the outcome-based indicators was not conducted at the district, block and village levels. The absence of outcome indicators, combined with lack of periodic monitoring and scheme implementation evaluations resulted in the scheme falling short of the targets outlined in the NNM Guidelines despite considerable resource allocation.

The State Government did not offer comments on the Audit observation.

2.3.16.2 Nutritional status of children

The National Nutrition Mission aims to achieve improvement in nutritional status of different beneficiary groups in a time bound manner with specific measurable targets. It sought to reduce stunting and under-nutrition (underweight prevalence) in children aged 0-6 years by six *per cent* at a rate of two *per cent* annually. The mission also targeted a reduction in the prevalence of anaemia by nine *per cent* at a rate of three *per cent* annually among young children aged 6-59 months, as well as among women and adolescent girls aged 15-49 years. Additionally, it aims to reduce the incidence of low birth weight (LBW) by six *per cent* at a rate of two *per cent* annually. Audit observed the following deficiencies in nutritional status of children in the State:

(i) Stunting in children

Children are defined as 'stunted' if they are low height-for-age. Stunting is caused by frequent illness, poor health, or malnutrition. Paragraph 3.1 (vii) of the Mission Saksham Anganwadi and Poshan 2.0 Guidelines emphasises growth measurement *i.e.*, length/height and weight in the age group of 6 months to 6 years every month. Efforts shall be made for 100 *per cent* measurement of the children.

Audit observed that records of growth measurement for the period from April 2018 to April 2022 were not available either with the AWCs of the four test-checked districts or with the Department. However, analysis of the available growth measurement data for the period from May 2022 to March 2024 showed that growth measurement of children varied from 0.17 to 60.29 *per cent* during these 23 months.

- As per guidelines (Paragraph 3.1 (vii), Poshan 2.0), all children aged 6 months to 6 years must be measured monthly for growth (length/height and weight).
- However, no records of growth measurement were found for the period April 2018 to April 2022 in any of the four test-checked districts.
- For May 2022 to March 2024, available data showed that only 0.17 to 60.29 *per cent* of children were measured—falling far short of the 100 *per cent* target.
- Audit further observed that the prevalence of stunting in the State averaged 27 *per cent*.

Audit also observed that as per the National Family Health Survey (NFHS-4 and NFHS-5), stunting was reduced from 32.70 (NFHS-4) to 28.60 *per cent* (NFHS-5). This achievement places Nagaland ahead of the National average (35.50 *per cent*) and Assam (35.30 *per cent*) but still behind States like Manipur (23.40 *per cent*) and Sikkim (22.30 *per cent*).

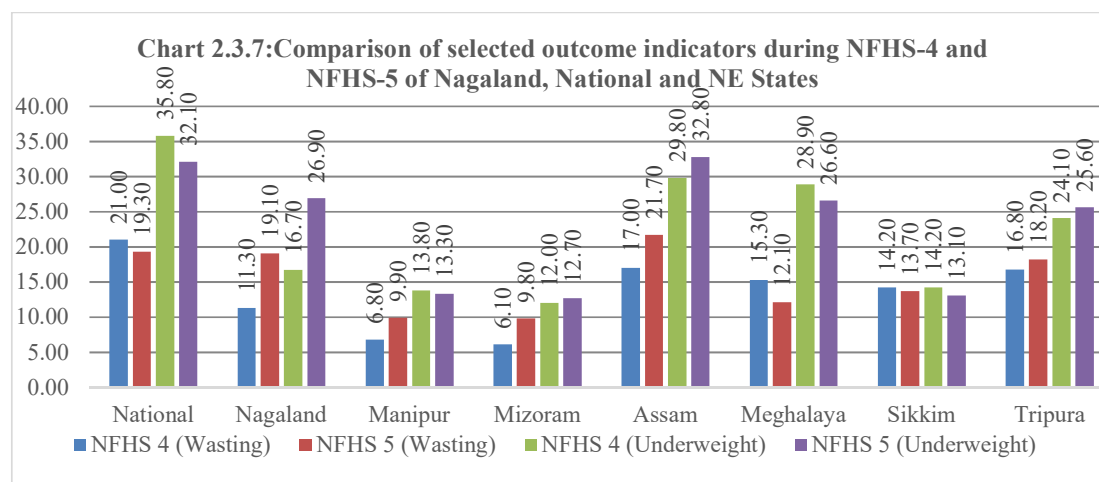
(ii) Wasting and Underweight in children

Wasting or low weight-for-height index is a measure of acute under-nutrition and represents failure to receive adequate nutrition. Underweight described the nutritional status of a child with reference to weight-for-age.

Audit observed that the data of wasting in children for the period 2018-2022 was not available with the Department. However, analysis of data regarding underweight prevalence furnished by the Department for the period from May 2022 to March 2024 showed a decrease in underweight prevalence from 7.33 *per cent* in May 2022 to 5.09 *per cent* in March 2024.

A comparison of wasting and underweight prevalence in the age group of zero to five years of NFHS-5 (2019-21) with NFHS-4 (2015-16) showed that the State faces a growing concern in wasting which surged from 11.30 (NFHS-4) to 19.10 *per cent* (NFHS-5), nearing the National average of 19.30 *per cent*.

This rise highlights acute malnutrition challenges in the State. Nagaland's wasting rates now surpass Mizoram (9.80 *per cent*) and Manipur (9.90 *per cent*) though slightly better than Assam (21.70 *per cent*) and Tripura (18.20 *per cent*). A comparative representation of weight-for-age index *vis-à-vis* the national average and the other North-Eastern States is as shown in **Chart 2.3.7**.



Source: NFHS-4 and NFHS-5

Audit observed that while the State demonstrated a positive trend in reducing the prevalence of underweight children between May 2022 and March 2024, the sharp increase in wasting rates from NFHS-4 to NFHS-5 is a matter of concern. The surge in wasting to 19.10 *per cent*, near the National average, indicates worsening acute malnutrition and reflects shortfalls in timely interventions related to health, sanitation, and food security. The absence of departmental data on wasting for a significant

period (2018–2022) points to serious gaps in monitoring and evidence-based planning.

(iii) Low birth weight in infants

Low birth weight (LBW) is defined by the World Health Organisation (WHO⁶³) as weight at birth less than 2,500 grams which can be a consequence of preterm birth or due to small size for gestational age or both. LBW infants are more susceptible for neonatal deaths. The Department could not furnish the data on prevalence of LBW in infants, therefore, HMIS data was captured. An analysis of the HMIS showed that during 2018-2024, the average prevalence of LBW in infants was four *per cent* as shown in **Table 2.3.5**.

Table 2.3.5: Prevalence of Low Birth Weight in Nagaland

Year	No. of New born weighed at birth	No. of New born having weight less than 2.5 kg	Percentage
I	II	III	IV (III/II*100)
2018-19	19,253	806	4.19
2019-20	20,076	883	4.40
2020-21	15,751	601	3.82
2021-22	16,016	554	3.46
2022-23	17,974	773	4.30
2023-24	18,900	740	3.92
Average			4.0

Source: HMIS, H&FW Department, Nagaland

It can be seen from **Table 2.3.5** that low birth weight rate of Nagaland is four *per cent* which is lower than the National percentage (NFHS-4: 18 *per cent* and NFHS-5: 18.24 *per cent*).

Audit observed that issues of poor growth monitoring, rising wasting rates and under-nutrition were compounded by short delivery of SNP food items (**Paragraphs 2.3.13.8**) and, weakening the effectiveness of nutrition interventions. These gaps hindered in addressing malnutrition indicators - stunting, wasting, underweight, and low birth weight and in achieving the core ICDS objective of improving child health.

The State Government in its reply stated (June 2024) that AWWs were advised to conduct regular growth monitoring, home visits and also to provide Health & Nutrition Education.

The reply of the State Government is not acceptable. While the Department claimed that AWWs were instructed to conduct growth monitoring and community outreach, no records or monitoring reports were furnished to substantiate the claim. Moreover, the Department failed to maintain direct records on the prevalence of low birth weight, relying instead on secondary HMIS data. The absence of primary data, compounded by systemic nutritional delivery gaps, undermines the Department's

⁶³ Under definitions of Operational Guidelines for programme Managers & Service provider on "Kangaroo Mother Care & And optimal feeding of Low-Birth-Weight Infants (September 2014)" Child Health Division, Ministry of Health & Family Welfare, Government of India

ability to ensure data reliability and address the broader objectives of the ICDS scheme.

2.3.16.3 Prevalence of Anaemia

Anaemia occurs when red blood cells (RBCs) cannot meet the body's oxygen needs due to insufficient haemoglobin (Hb), a protein that facilitates oxygen transport. Anaemia impairs cognitive and motor development in children, reduces work capacity in adults, and poses risks during pregnancy, including low birth weight and prematurity. The Department did not furnish data on prevalence of Anaemia in the State in respect of children and pregnant mother, therefore, HMIS data is captured. Analysis of HMIS data showed that during 2018-2024, the percentage of anaemic cases among pregnant women (PW) ranged from 13 to 36 *per cent* as shown in **Table 2.3.6**.

Table 2.3.6: Anaemic cases with reference to total number of PW registered for ANC

Year	Total number of pregnant women registered for ANC	Four or more ANC check up	Percentage getting four or more ANC check-up	No. of PW having anaemia	Percentage of PW having anaemia
2018-19	37,402	3,253	8.70	4,891	13
2019-20	39,235	8,838	22.53	8,669	22
2020-21	33,105	5,124	15.49	5,237	16
2021-22	34,272	6,484	18.92	5,970	17
2022-23	33,689	8,872	26.34	7,890	23
2023-24	27,280	8,283	30.36	9,739	36

Source: HMIS, H&FW Department, Nagaland

Audit observed that the Department's failure to maintain data on anaemia prevalence among children and pregnant women, coupled with anaemia rates of 13 to 36 *per cent* among pregnant women, highlights inadequate monitoring and aggravates risks to child development, maternal health and pregnancy outcomes.

The State Government in its reply stated (June 2024) that AWWs were advised to carry out regular home visits and to provide Health & Nutrition Education to pregnant women, lactating mothers and Adolescent Girls. The State Government did not furnish reply for the increasing trend of anaemic cases among pregnant women in the State.

The reply of the State Government is not acceptable because while the Department claimed that frontline workers were advised to conduct outreach and counselling, no documentary evidence was furnished to support this. Further, the Department failed to maintain primary data on anaemia prevalence and did not address the audit finding regarding the increasing trend of anaemia among pregnant women as per HMIS data. The lack of targeted interventions and monitoring mechanisms undermined the objective of improving maternal health outcomes under the ICDS scheme.

2.3.16.4 Conclusion

The ICDS Scheme in Nagaland fell significantly short of achieving its intended nutritional outcomes due to the absence of a standardised monitoring framework, non-functional steering and review committees, and systemic gaps in data collection and programme evaluation. Despite measurable national targets under the National

Nutrition Mission, the State failed to maintain reliable and comprehensive data on key nutritional indicators such as stunting, wasting, underweight, anaemia, and low birth weight thereby compromising evidence-based decision-making and mid-course correction. The State's reliance on secondary data in the absence of primary records, coupled with weak monitoring by AWWs and health staff, hindered effective targeting and delivery of nutrition interventions.

Recommendations:

The Government may consider-

- (i) developing and implementing a unified framework of input, output, and outcome indicators in line with the ICDS Mission Guidelines to enable robust, real-time monitoring and evidence-based evaluation.***
- (ii) activating the State Level Steering Committee and ensuring regular functioning of District, Block, and Village-level monitoring committees to review nutritional indicators and guide coordinated convergence efforts.***
- (iii) ensuring mandatory recording of growth measurement, anaemia prevalence, and low birth weight through AWCs and health facilities, backed by regular audits to improve data quality and reliability.***
- (iv) instituting periodic training and measurable accountability protocols for AWWs and Supervisors to ensure consistent growth monitoring, home visits, and nutrition education, with documentary evidence.***
- (v) utilising HMIS and Poshan Tracker data to design area-specific, data-driven interventions addressing high rates of wasting and anaemia, with a quarterly review mechanism to track improvements.***

2.3.17 Beneficiary Survey

In October 2023, Audit surveyed 208 beneficiaries present during visits to AWCs in four out of nine DPOs, nine out of 60 CDPOs and 46 out of 3,980 AWCs. The survey aimed to assess beneficiaries' experience regarding the functioning of AWCs and the quality of ICDS services provided. Important findings of the beneficiary survey are as follows:

- 136 beneficiaries (65 *per cent*) stated that against the minimum requirement of 21 days for AWCs to remain open in a month, AWCs were open for only two to five days in a month.
- 45 beneficiaries (22 *per cent*) stated that there were no pre-school kits available in the respective AWCs.
- 62 beneficiaries (30 *per cent*) stated that against the norms of 300 days in a year, THR distribution varied from two to 36 times in a year indicating huge discrepancy in the allocation of THR across the AWCs.
- 182 beneficiaries (90 *per cent*) stated that Health check-up and vaccination was not done.

While accepting the Audit observation, the State Government stated (June 2024) that the shortcomings indicated by the beneficiary survey would be used as a tool for the overall improvement in implementation of the Scheme in the State.

The reply of the State Government is not acceptable. While the Department acknowledged the audit findings and indicated that survey results would be used for improvement, it failed to outline any concrete steps to rectify the deficiencies observed. In particular, the reported functioning of AWCs for only two to five days per month and near-total absence of health services undermines the fundamental objectives of the ICDS scheme. The reply did not address the irregularities in THR distribution and absence of pre-school kits, nor did it provide a roadmap for service restoration or accountability.

2.3.18 Impact analysis

Audit identified key implementation challenges impacting the achievement of core ICDS objectives:

- Despite a reduction in stunting, irregular growth monitoring, increased wasting rates and inconsistent data on low birth weight and anaemia undermined efforts in improving child health. The persistence of acute malnutrition and rising anaemia among pregnant women showed gaps in achieving the ICDS goal of healthy early childhood development.
- The absence of age-specific curriculum, inadequate activity space, and non-availability of pre-school education kits in most AWCs hindered the ICDS objective of supporting children's psychological, physical, and social development.
- The Department's failure to conduct key NHE activities, limited home visits, and rising anaemia rates (13–36 *per cent*) highlighted a lapse in enhancing mothers' capacity to manage health and nutrition, thus undermining a core ICDS objective.

2.3.19 Conclusion

The Performance Audit on implementation of ICDS scheme in Nagaland was conducted to assess the efficiency and effectiveness of planning, financial management, service delivery, convergence programs, monitoring, impact and outcomes. This Performance Audit showed significant shortcomings in scheme implementation. The Department lacked crucial data on eligible beneficiaries due to the non-conduct of household surveys. Financial management suffered as AIPs were prepared without a bottom up approach.

Basic infrastructure such as toilets and drinking water were absent in 97.83 *per cent* of test-checked AWCs. Operational gaps were evident, as uniforms for AWWs and AWHs were not provided annually and minimal Aadhaar seeding occurred. Further, there was no analysis of the calorific value or quality of food items distributed and food items were short delivered despite payments compromising nutritional

objectives. Service delivery was hampered by the lack of ECCE resources such as PSE kits and age-specific books, while monitoring and evaluation mechanisms were inadequate, with shortfalls in conducting VHNDs and the absence of outcome indicators for evidence-based tracking. There was rising rates of wasting and underweight among children, failure to meet targets for reducing low birth weight by two *per cent* annually and increasing cases of anaemia among pregnant women.

Recommendations:

The State Government may consider to-

- (i) conduct geo-tagged mapping of all AWCs to identify and address infrastructure gaps such as toilets, kitchens, electricity and drinking water.***
- (ii) implement real-time digital stock register and public disclosure of material distribution (e.g., food, kits) at all levels to ensure transparency and prevent misuse.***
- (iii) develop and adopt a unified monitoring framework with input, output, and outcome indicators for robust, real-time evaluation and accountability.***
- (iv) upgrade the digital infrastructure by replacing obsolete smartphones and conducting periodic training of AWWs and supervisors to improve usage of Poshan Tracker and digital record-keeping.***
- (v) leverage data from HMIS and Poshan Tracker to design targeted, area-specific interventions for reducing malnutrition, supported by regular food quality testing.***

Compliance Audit Paragraphs

HEALTH AND FAMILY WELFARE DEPARTMENT

2.4 Excess payment without supply of materials

2.4.1 Introduction

The National Health Mission (NHM) was launched by the Government of India (GoI) in 2013 by subsuming the National Rural Health Mission and the National Urban Health Mission. The aim of the NHM was to provide universal access to equitable, affordable and quality health care services that are accountable and responsive to the needs of the people. The Directorate of Health and Family Welfare (DH&FW), Nagaland is responsible for formulating and implementing health policies, ensuring effective healthcare service delivery and strengthening the State's health infrastructure. State Governments in North-Eastern and Special Category States (including Nagaland) were to contribute 10 *per cent* of the implementation cost (25 *per cent* in case of other States) towards the matching State share of NHM.

2.4.2 Institutional procurement arrangement

The Health and Family Welfare Department, Government of Nagaland (GoN) constituted (June 2021) a departmental Procurement Board for effective planning and management of the procurement of drugs, diagnostics, other health sector goods and

all matters pertaining to procurement system. The departmental Procurement Board was broadly responsible for assessing the requirements, preparation/advertisement and evaluation of the tender document, contract awarding and quality assurance. The departmental Procurement Board endorses a copy of the work/supply order, along with relevant documents, to the departmental Verification Board, which was responsible to ensure the quality related aspects of the items supplied and had full right to reject any items that did not meet the required specification.

2.4.3 Audit scope and methodology

A compliance audit on the accounts of the Principal Director (PD), DH&FW, Nagaland for the period from April 2022 to December 2023 was conducted in January 2024. An entry meeting was held on 08 January 2024 with the Department representatives, followed by issue of audit requisition, examination of records and issue of audit observations. An exit meeting was held on 13 February 2024 with the Department representatives to discuss the audit findings. The Department's replies have been duly incorporated in the report.

2.4.4 Audit findings

i. Unauthorised diversion of fund

Under the NHM, the GoI provides financial support to the States under six financing components, namely, (i) NRHM-RCH Flexi pool, (ii) NUHM Flexi pool, (iii) Flexible pool for Communicable disease, (iv) Flexible pool for Non-communicable diseases including Injury and Trauma, (v) Infrastructure Maintenance and (vi) Family Welfare Central Sector component. Of the above six components, the financial support provided to States under **Infrastructure Maintenance** was meant to meet the salary requirement of regular staffs engaged in implementing Family Welfare Programmes.

Based on the Action Plan (*Appendix 2.4.1*) submitted (June 2022) by the Mission Director, NHM, Nagaland for NHM activities, the PD, DH&FW sought (June 2022) approval from the State Government for utilisation of the matching State share of ₹3.85 crore for **Infrastructure Maintenance** under NHM during 2021-22, which was sanctioned by GoN in August 2022.

Audit however, observed that the fund (₹3.85 crore) sanctioned under NHM was irregularly diverted towards procurement of medicines, hospital linens and nursing sundries instead of the activities approved by GoN (*Appendix 2.4.1*) under **Infrastructure Maintenance** in violation of GoN sanction and NHM guidelines. It was further observed that the items procured by diverting the NHM fund, were not even requisitioned/indented by the District-level health units.

In reply, the State Government stated (October 2024) that medicines, hospital linens and nursing sundries were procured based on the decision taken (August 2022) during a meeting chaired by the Minister, H&FW, GoN. The reply is not acceptable, as the **Infrastructure Maintenance** fund was intended to meet the salaries of regular staffs engaged in implementing Family Welfare Programmes and diversion of these funds for other purposes was against the spirit of the NHM.

ii. Faulty procurement process

Rule 144 of the General Financial Rules (GFR), 2017, states that every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. Additionally, Rule 161 of the GFR, 2017, *inter alia*, states that invitation to tenders by advertisement should be used for procurement of goods of estimated value of ₹25 lakh and above.

As pointed out under paragraph (i) *supra*, the funds (₹3.85 crore) sanctioned under **Infrastructure Maintenance** component were diverted towards procurement of medicines, hospital linens and nursing sundries. Audit observed that while inviting tenders for the above procurements, no advertisement was given for inviting the tenders but the Notice Inviting Tenders (NIT) was simply displayed on the Notice board of the office of the Directorate in violation of Rule 161 of the GFR, 2017. The Department thereafter issued the Supply order to the lowest bidder based on three quotations received in response to the NIT. Due to this faulty tendering and supplier selection, the procurement process was vitiated affecting transparency, fairness and correct price discovery.

In reply, the State Government stated (March 2025) that the fund allocated under Family Welfare Programmes was meagre and insufficient to meet the high advertisement cost. It was further stated that, due to anticipated delays in tender finalisation and legal issue, the Department opted for publicity through notice board which was transparent. The reply is not acceptable, as the procurement process adopted was not consistent with the provisions of the GFR, 2017.

iii. Short Supply of Materials

Rule 208 of the GFR, 2017, states that all materials shall be counted, measured or weighed and subjected to visual inspection at the time of receipt to ensure that the quantities are correct, the quality is according to the required specifications and there is no damage or deficiency in the materials. Details of the material so received should thereafter be entered in the appropriate stock register. Further, the officer-in charge of stores should certify the actual receipt of material and proper recording of the material received in the appropriate stock registers. Rule 171 of the GFR, 2017, further stipulated that to ensure due performance of the contract, Performance Security to the extent of 05 to 10 *per cent* of the value of the contract should be obtained from the successful bidder awarded the contract. Besides, Rule 225 (xvi) of the GFR, 2017 states that all contracts shall contain an enabling provision for recovery of liquidated damages for any defaults on the part of the supplier/contractor.

The Department placed (October 2022) supply orders on three suppliers for procurement of medicines, hospital linens and nursing sundries at an aggregate value of ₹3.85 crore as per the details given in **Table 2.4.1**.

Table 2.4.1: Details of supply orders

(Amount in ₹)

Sl. No.	Name of supplier	Items	Supply order date	Amount paid
1.	M/s RS Pharma & Surgico, Dimapur	Medicines	27/10/2022	2,20,00,000
2.	M/s New Homescape, Dimapur	Hospital linens		80,00,000
3.	M/s JB Construction, Kohima	Nursing sundries		85,10,000
Total				3.85.10.000

Source: Department records

To ascertain the actual receipt of materials, a Joint Physical Verification (JPV) of the Department Store at Kohima was conducted (January 2024) by Audit and the Departmental officials. The results of the JPV revealed the following:

- Rejection (November 2023) of the medicines valuing ₹14.36 lakh by the departmental Verification Board and non-replacement of the rejected supplies by the Supplier (serial no. 1 of **Table 2.4.1**) (*Appendix 2.4.2*).
- Short supply of hospital linens valued at ₹28.70 lakh by the Supplier (Sl. No. 2 of **Table 2.4.1**) (*Appendix 2.4.3*).
- Short supply of nursing sundries valued at ₹45.36 lakh by the Supplier (Sl. No. 3 of **Table 2.4.1**) (*Appendix 2.4.4*).

Scrutiny of the records revealed that the Department had released (December 2022) full payment of ₹3.85 crore to the Suppliers against supply of the above items without verifying the quality and quantity of the stores received in violation of Rule 208 of the GFR, 2017. Further, the Department did not obtain any assurance from the Suppliers regarding the availability of the items to be supplied while quoting the rates, which ultimately favoured the suppliers. Thus, due to release of payment without confirming the quality and quantity of the supply items, the Department could neither recover the cost of the rejected/short-supplied items (₹0.88 crore) nor effectively insist upon the Suppliers to make good the rejected/short-supplied quantities of material. This led to overpayment of ₹0.88 crore to Suppliers against rejected/short-supplied items.

In April 2024, the Department informed that the Suppliers had made good the short-supplied items (March-April 2024) and requested the Audit to verify the same. Accordingly, Audit re-examined the relevant records on 22 May 2024, and observed that:

- delivery challans, e-way bills and transportation challans of the items purported to have been received were not on record;
- entries made in the Stock Register for the purported receipt of materials were not authenticated by the Officer in-charge of the Departmental Store contrary to the requirements of Rule 208 of the GFR, 2017; and
- there was no enabling clause in the contract/supply agreements for obtaining the security towards Performance Bank Guarantee and Liquidated Damages

so as to ensure due performance of the contract as per the requirements of Rules 171 and 225 (xvi) of the GFR, 2017.

Thus, due to release of the entire payments to the Suppliers without verifying the quantity and quality of the supply items procured and absence of the enabling clause to obtain security against performance guarantee/liquidated damage, the Department could not take any effective action against the Suppliers for making good the cost of rejected/short supplied of items valuing ₹0.88 crore.

In reply, the State Government stated (October 2024) that the suppliers delivered the balance hospital linens on 28 March 2024, nursing sundries on 10 April 2024, and replaced the rejected medicines on 17 May 2024. It was further stated that these deliveries were verified by the departmental Verification Board during April-May 2024 and that, the stock registers produced during the JPV were not authenticated as the supplied items had not yet been issued.

The contention of the State Government was not found to be convincing considering the inconsistencies noticed in their reply during the cross-check (November 2024) with the records of the Commissioner of State Tax (CST), Nagaland as detailed below:

- The supplier, M/s RS Pharma and Surgico, Dimapur⁶⁴ (Sl. No. 1 of **Table 2.4.1**) did not supply four out of six rejected medicines worth ₹5.68 lakh⁶⁵, during May 2024 contrary to the contention of the reply; and
- The other two suppliers⁶⁶ (Sl. No. 2 & 3 of **Table 2.4.1**) had not supplied any item of hospital linens and nursing sundries to the PD, DH&FW, Nagaland⁶⁷, during the period from April 2023 to April 2024 as wrongly claimed in the reply.

The results of the cross-verification of the Government's reply with the records of CST, Nagaland discussed above indicated that the suppliers submitted fabricated challans and the Department made full payments without actual receipt of materials. Further, the reply for not authenticating stock register due to non-issuance of any material is also not acceptable as Rule 208 of the GFR, 2017 mandates entry of material received in the appropriate stock register, regardless of their issuance status.

2.4.5 Conclusion

The Department violated NHM guidelines by diverting ₹3.85 crore meant for **Infrastructure Maintenance** for procuring medicines, hospital linens and nursing sundries of which items worth ₹0.88 crore were short supplied or rejected. The Department also failed to comply with Rule 144, 161 and 208 of the GFR, 2017, in

⁶⁴ GSTIN-13ASPPA0562Q3ZI

⁶⁵ Paracetamol Syrup 125 mg (₹2.10 lakh) + Diclofenac Sodium Gel (₹0.22 lakh) + Ampicillin Cap 250 mg (₹2.76 lakh) + Ranitidine HCL Tablet 150 mg (₹0.60 lakh)

⁶⁶ M/s New Homescape, Dimapur (GSTIN-13ALWPT3236E4ZT) and M/s JB Construction, Kohima (GSTIN 13ECRPB7957L1ZZ)

⁶⁷ GSTIN-13SHLD04295E1DC

tendering, supplier selection and authentication of items received which compromised the entire procurement process.

Recommendations:

The State Government may-

- (i) *ensure that NHM funds are utilised as per the Scheme guidelines.*
- (ii) *take necessary steps to recover the cost of short supplied or rejected supply items.*
- (iii) *fix responsibility on the officers/officials responsible for releasing the payment to the suppliers without verifying the quantity and quality of the supply items.*
- (iv) *incorporate enabling clause in all future contracts for obtaining security deposits against Performance Bank Guarantee and Liquidated Damages so as to safeguard its financial interests.*

MUNICIPAL AFFAIRS DEPARTMENT

2.5 Undue benefit

Executive Engineer-II, Urban Engineering Wing, Directorate of Municipal Affairs, Nagaland, Kohima constructed a Working Women Hostel on a privately owned land resulted in undue benefit of ₹13.26 crore to the land owner.

The Ministry of Housing and Urban Affairs (MoHUA⁶⁸), Government of India (GoI) introduced the Scheme “10 per cent Lumpsum Provision for the benefit of North Eastern Region, including Sikkim”. The broad objective of the scheme is to ensure speedy development of infrastructure in the North Eastern Region including Sikkim by increasing the flow of budgetary financing for new infrastructure projects/schemes in the region. Paragraph 8 (ix) of the Operational Guidelines of the Scheme states that before submitting project proposals to the Ministry, the State Government should confirm that encumbrance-free land is available for the proposed project and that the land will be made physically available to the implementing agency as soon as the project is sanctioned.

The Government of Nagaland (GoN) submitted (September 2014) a proposal to the MoHUA, GoI for **Construction of Working Women Hostel in Dimapur, Nagaland**. Dimapur city, being the commercial capital was a suitable location for the project considering its convenient location for working women and therefore, having potential of high occupancy for the proposed hostel. As per the proposal, a G+3 hostel building⁶⁹ of 50 seat capacity was to be constructed on a plot of land to be donated to the State Government by the Northern Angami Public Organisation (NAPO), a Non-Governmental Organisation (NGO). In the Detailed Project Report (DPR) submitted to the GoI, the GoN had stated that the land would be handed over to the

⁶⁸ Formerly Ministry of Housing and Urban Poverty Alleviation

⁶⁹ Ground *plus* three floors

implementing Department free from all encumbrances upon sanction of the project. It was also stated that NAPO will take the responsibility of Operation and Maintenance (O&M) of the Hostel and that a Committee would be constituted by the Municipal Affairs Department (MAD) for fixation of rent/hostel fees.

The MoHUA approved (March 2015) the project at an estimated cost of ₹9.68 crore on a 90:10 sharing pattern between the Central (₹8.31 crore) and State (₹1.37 crore) Governments. Accordingly, GoI released its share of ₹8.31 crore in three instalments⁷⁰ as Grant-in-Aid to the GoN. In turn, the GoN released (November 2016 to June 2020) ₹9.68 crore (GoI share ₹8.31 crore and GoN share ₹1.37 crore) to the MAD for implementation of the project.

The Department invited tender (June 2016) and the work was awarded (September 2016) to M/s K. C. Angami and Sons Consortium, Kohima for ₹7.28 crore with a stipulation to complete the work by September 2018. Subsequently, the project cost was revised and a revised work order was issued (April 2022) for a revised project cost of ₹11.37 crore. Accordingly, the GoN released (April 2022) an amount of ₹3.58 crore to the MAD towards the enhanced project (₹1.69 crore) and additional cost of ₹1.89 crore towards electrification (internal and external), Consultancy charges, Contingency, Quality control and additional site development works. The work commenced in September 2016, was completed in October 2022 at a total cost of ₹11.37 crore and the entire payment (₹11.37 crore) against the project works was also released to the contractor in 18 Running Account (RA) bills. The newly constructed Working Women Hostel was inaugurated in November 2022.

Scrutiny of records of the Executive Engineer-II, Urban Engineering Wing, Directorate of Municipal Affairs, Nagaland, Kohima revealed the following:

- (i) The DPR submitted (September 2014) by the GoN to GoI based on which the project was approved (March 2015), envisaged that the Women Hostel under the project would be constructed on a plot of land donated by NAPO to the GoN and NAPO would be assigned only with the responsibility of Operation and Maintenance (O&M) of the Hostel.

Audit observed that after approval (March 2015) of the project, the GoN entered into (May 2017) a Memorandum of Agreement (MoA) with NAPO, which provided that after completion of the project, the project asset (Women Hostel) would be handed over to NAPO for operation on 'own, operate and maintain' basis with sole and absolute ownership of the project land without any interference of the GoN. The terms of the MoA were not consistent with the stipulations made in the DPR based on which the GoI had approved the project.

- (ii) Further, as per the MoA entered into (May 2017) between the GoN and NAPO, the State's 10 *per cent* matching share of the project (₹1.37 crore) was to be borne by NAPO. Audit, however, observed that contrary to the MoA provisions,

⁷⁰ 1st instalment 30/03/2016 (₹2.77 crore); 2nd instalment 21/02/2019 (₹2.77 crore) and 3rd & final instalment 23/10/2019 (₹2.77 crore)

the GoN not only contributed the State matching share of ₹1.37 crore but also invested an additional fund of ₹3.58 crore in the project.

- (iii) The DPR of the project provided for constitution of a Committee by the Department for fixation of rent/hostel fee. Audit observed that no such committee was constituted by the Government contrary to the stipulations made in the DPR. The Hostel building also remained idle even after more than one year of its inauguration (November 2022) due to lack of adequate efforts to publicise its functioning through print and electronic media.

Thus, the GoN utilised the Government funds of ₹13.26 crore (GoI: ₹8.31 crore; GoN: ₹4.95 crore) on construction of a Working Women Hostel on a private plot of land over which the GoN had no ownership rights, leading to undue favour to the land owner (NAPO) to that extent.

While accepting the facts, the State Government stated (September 2024) that a “Supplementary Agreement” was signed (June 2024) between the GoN and NAPO, which provided for reserving 30 *per cent* of the project revenue towards O&M and balance in equal proportion (35 *per cent* each) for GoN and NAPO. It was further added that on completion of this revenue-sharing arrangement, which would last for 15 years (since July 2024), the ownership of the hostel would be transferred to NAPO. It was also assured that to oversee the O&M of the hostel, a Committee comprising representatives from the MAD, NAPO and the Dimapur Municipal Council would be constituted.

The reply is not acceptable, as the project was approved by the GoI based on the assurance in the DPR that the Women’s Hostel would be constructed on land donated by NAPO to the State Government. However, the State Government did not obtain *ex-post-facto* approval from the GoI for the subsequent changes to the conditions/arrangements agreed at the approval stage of the project. Besides, the revenue-sharing model adopted by the GoN allows NAPO to receive 35 *per cent* of the project revenue generated and grants ownership of the project building (after 15 years) constructed out of the Government funding of ₹13.26 crore.

Recommendations:

The State Government may-

- (i) obtain ex-post-facto approval from the GoI for the subsequent changes made.***
- (ii) take necessary steps to review the Memorandum of Agreement entered into with NAPO so as to safeguard the financial interest of the Government.***
- (iii) ensure fixation of rent/hostel fees in a fair and transparent manner and extensive publicity of the Hostel for the benefit of the intended beneficiaries.***

PART-II
Local Governments Audit

CHAPTER – II (PART-II)
SOCIAL SECTOR (LOCAL GOVERNMENTS AUDIT)

An overview of Local Bodies in Nagaland

2.6.1 Functioning of Rural Local Bodies in the State

Under Article 243M of the Constitution of India, the State of Nagaland is exempted from the provisions of the 73rd Constitutional Amendment Act, 1992. Nagaland, given its traditional local bodies in the form of Village Councils, falls under this exemption. As of March 2021, there are 1,280 recognised villages in Nagaland, each governed by the Nagaland Village and Tribal Council Act, 1978 (erstwhile Nagaland Village Council Act, 1978) which mandates the establishment of a Village Council in every recognised village. Under each Village Council, there exists a Village Development Board (VDB). The VDBs, *inter alia*, facilitate the State functionaries responsible for implementing Government schemes including Centrally Sponsored Schemes (CSSs) by identifying the developmental works to be taken up in their respective villages and aid in the identification of scheme beneficiaries. All permanent residents of the village, with a management committee chosen by the Village Council form the general body of the VDB. A secretary, selected for a period of three years, oversees the affairs of the VDB. The Deputy Commissioner of the district functions as the ex-officio chairman of all VDBs in the district.

2.6.2 Functioning of Urban Local Bodies in the State

Article 243Q of the Constitution of India envisioned creation of Local Self Government for the urban population, granting constitutional status to Urban Local Bodies (ULBs) to carry out governance functions. The amendment empowered ULBs to function efficiently and effectively as autonomous entities, to deliver civic services and ensuring economic development and social justice, with regard to 18 subjects listed in the 12th Schedule of the Constitution of India (*Appendix 2.6.1*). In Nagaland, the ULBs consist of Municipal Councils and Town Councils. The legislative framework for the conduct of business of the ULBs is governed by the Nagaland Municipal (NM) Act, 2023¹, which was enacted to replace the earlier Municipal Act of 2001. There are 39 ULBs in the State: 03 Municipal Councils and 36 Town Councils as of March 2024.

Statistics relating to the urban population of the State, as per Census 2011, are shown in **Table 2.6.1:**

Table 2.6.1: Important statistics of the State (Urban areas)

Sl. No.	Indicator	Value
1.	Total Population of the State (in lakh)	19.78
2.	Population in urban areas (in lakh)	5.71
3.	Urban population (in <i>per cent</i>)	28.86
4.	Overall Population density (persons per Sq.km.)	119
5.	Urban Sex Ratio (per thousand)	908

¹ Notified by the Government on Nagaland on 09 November 2023

Sl. No.	Indicator	Value
6.	Urban Literacy Rate	89.62

Source: Census, 2011

2.6.3 Organisational setup in the State Government and ULBs

The administrative control of the ULBs in Nagaland lies with the Municipal Affairs Department, headed by the Commissioner and Secretary to the Government of Nagaland (GoN). The Directorate of Municipal Affairs is responsible for administering, facilitating, coordinating and monitoring the activities of ULBs. The first election for the ULBs was conducted in 2004. The GoN, however, dissolved the elected bodies in 2009 and since then ULBs have been administered by Government appointed administrators. After a lapse of 20 years, the ULB elections were held on 26 June 2024, in all the three Municipal Councils and 22 out of 36 Town Councils².

Chart 2.6.1 (i): Organogram of ULBs in Nagaland

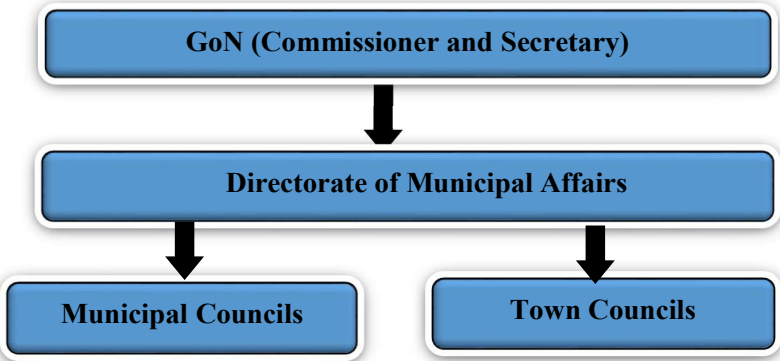
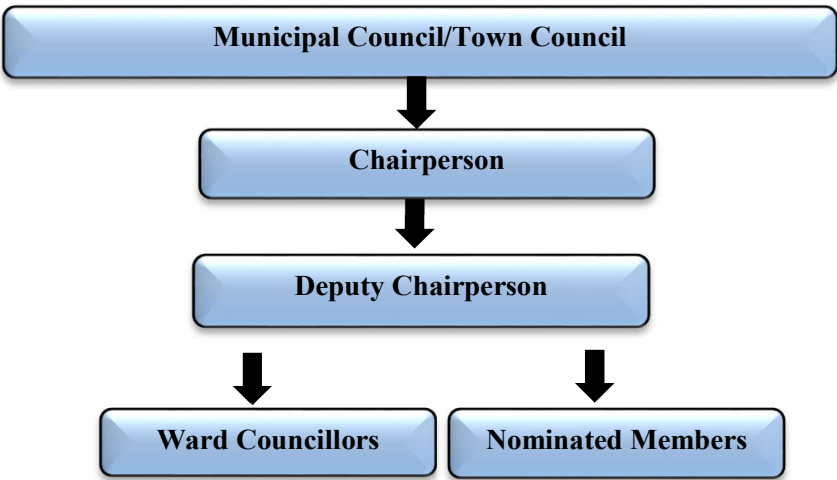


Chart 2.6.1 (ii): ULBs Elected Body Structure



² Election was not conducted in 14 Town Councils across six Districts as the Eastern Nagaland People’s Organisation had demanded separate administrative set-up.

2.6.4 Functioning of ULBs

The NM Act, 2023 provides the statutory framework for the constitution, functioning, and dissolution of ULBs in the State. As per Sections 61 and 63 of the NM Act, 2023, ULBs are mandated to perform a range of obligatory functions, subject to availability of financial resources. These include urban planning, public health, sanitation, solid waste management, fire services and urban forestry. In addition, Section 62 of the NM Act, 2023 states that the Government may assign additional functions to a Municipal Council through notification, depending on the Council's financial resources and organisational capacity relating to any other matters in the 12th Schedule to the Constitution of India.

The ULBs in Nagaland are divided into two distinct categories viz. Municipal Councils and Town Councils. Of the 39³ statutory towns in the State, 25⁴ have conducted elections and are governed by elected Councillors. These elected bodies are supported in their functioning by Chief Executive Officers or Executive Officers drawn from the State Civil Services. To support effective functioning, the Government has issued general advisories and guidelines recommending the formation of committees within the newly constituted ULBs. However, the remaining 14 towns, primarily located in the eastern region of Nagaland, had not participated in the electoral process. These ULBs are administered by Government-appointed administrative officers in the absence of elected representatives.

2.6.5 Staffing pattern of ULBs

Section 76(2) of the NM Act, 2023 states that the GoN may, in consultation with ULBs, make rules for regulating the method of recruitment, qualifications required for recruitment, the conditions of service, discipline and control of employees, their duties and functions and their classification into different categories on the basis of their duties and responsibilities and scale of pay for such posts. Till date, no recruitment rules have been framed for appointment of employees to ULBs. Consequently, the ULBs engage staffs on a contractual basis, based on local requirements and with the prior approval of the Government. Thus, the absence of any approved staffing pattern resulted in variation of the staff strength in ULBs.

2.6.6 Status of devolution of Funds, Functions and Functionaries to ULBs

The 74th Constitutional (Amendment) Act, 1992, empowers the ULBs to perform functions related to 18 subjects listed in the 12th Schedule. Both the Central Finance Commission (CFC) and the State Finance Commission (SFC) have emphasised the need for complete transfer of the 3Fs (funds, functions and functionaries) related to these 18 subjects, to the ULBs for meaningful devolution.

In Nagaland, however, the extent of devolution remains limited. Out of the 18 functions, ULBs were solely responsible for one function, partially responsible for six and had no role in the remaining 11 functions as detailed in **Table 2.6.2**.

³ Municipal Councils: 03 and Town Councils: 36

⁴ Municipal Councils: 03 and Town Councils: 36

Table 2.6.2: Status of devolution of 18 subjects to the ULBs

Sl. No.	Subjects	Status of devolution to ULBs
1	Urban planning including town planning.	Not devolved
2	Regulation of land-use and construction of buildings.	Not devolved
3	Planning for economic and social development.	Not devolved
4	Roads and bridges.	Not devolved
5	Water supply for domestic, industrial and commercial purposes.	Not devolved
6	Public health, sanitation conservancy and solid waste management.	Fully devolved
7	Fire services.	Not devolved
8	Urban forestry, protection of the environment and promotion of ecological aspects.	Not devolved
9	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.	Not devolved
10	Slum improvement and upgradation.	Partially assigned
11	Urban poverty alleviation.	Partially assigned
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds.	Partially assigned
13	Promotion of cultural, educational and aesthetic aspects.	Not devolved
14	Burials and burial grounds; cremations, cremation grounds; and electric crematoriums.	Partially assigned
15	Cattle pounds; prevention of cruelty to animals.	Not devolved
16	Vital statistics include registration of births and deaths.	Not devolved
17	Public amenities including street lighting, parking lots, bus stops and public conveniences.	Partially assigned
18	Regulation of slaughter houses and tanneries.	Partially assigned

Source: Departmental records

The remaining 11 subjects are discharged by various Government Departments, viz. Public Health Engineering Department (Water supply); Fire & Emergency Services Department (Fire services); Public Works Department (Roads and Bridges), among others. Further, effective implementation of devolved functions also requires adequate financial support. In Nagaland, ULBs generate revenue through sanitation fees, trade licences, permit fees, and rent from municipal properties. However, ULBs are not empowered to levy property tax, a key revenue source, due to its exclusion from the NM Act, 2023. Consequently, ULBs in the State have limited financial autonomy and remain reliant on the Government to meet their expenditure obligations. Also, effective devolution of functionaries is essential for efficient service delivery by ULBs. However, as discussed in **Paragraph 2.6.5**, the absence of a structured manpower policy has impeded the ability of the ULBs in discharging their mandated functions under the 12th Schedule of the Constitution of India. Thus, the 3Fs are yet to be completely devolved to the ULBs, limiting their ability to function as effective self-governing institutions.

2.6.7 Audit arrangement

The GoN has not constituted the Directorate of Local Fund Audit and thus has not entrusted the Technical Guidance & Support to the C&AG. The audit of ULBs is

conducted by the C&AG under Section 14 of the C&AG's Duties, Powers and Conditions of Service (DPC) Act, 1971.

2.6.8 Internal Audit

Internal Audit is an important instrument for examining and evaluating the level of compliance with rules and procedures, as envisaged in the relevant Acts and Financial/Accounting Rules, so as to provide independent assurance to management on the adequacy of the risk management and internal control framework in the ULBs. The system of Internal Audit has not been introduced in the ULBs in Nagaland as there is no provision for Internal Audit in the relevant Municipal Act.

2.6.9 Internal control mechanism in ULBs

The internal control mechanism is an integral function of an organisation, which helps it to discharge its activities effectively to achieve its objectives. It is intended to provide reasonable assurance of proper enforcement of Acts, Rules and Bye-laws minimising the risk of errors and irregularities. In Nagaland, however, no mechanism was instituted till date.

2.6.10 No Property Tax in the State

Section 124 of the NM Act, 2023, states that ULBs may levy various taxes and fees to raise its revenue. In term of the same Section, however, this power can be exercised by the ULBs only with the previous sanction of the GoN. The GoN, however, excluded the authority of ULBs to levy taxes on land and buildings from the NM Act, 2023 which is one of the main source of municipal revenue. This decision may make ULB's entirely dependent on external grants from the Central and State Governments, thereby undermining the essence of the third tier of Government to function as an independent entity.

2.6.11 Maintenance of Accounts

Section 109 of the NM Act, 2023 states that the GoN shall prepare and maintain Municipal Accounts Code containing all the financing matters related to ULBs. Further, Section 116 of the NM Act, 2023 states that ULBs must submit their audited accounts to the GoN. However, the Municipal Account Code has not been prepared. Presently, ULBs in the State follow the cash-based accounting system and prepare Receipt and Payment Statements.

CHAPTER-III

ECONOMIC SECTOR

Key Insights

1. Revenue Allocation vs Expenditure

- **Rural Development** had the highest allocation (₹1,572 crore) but actual expenditure was only ₹1,006 crore (64 *per cent* utilisation), reflecting significant under-spending.
- **Power** sector shows efficient utilisation (₹790 crore allocation vs ₹772 crore expenditure – 98 *per cent*).
- **Roads & Bridges** also absorbed most of its allocation (₹439 crore allocated, ₹388 crore spent – 88 *per cent*).
- **Agriculture** (₹463 crore allocation) appears smaller in expenditure footprint, indicating either delays or unreported spending.

2. Capital Allocation vs Expenditure

- **Roads & Bridges** is the dominant sector, with ₹799.5 crore allocation and ₹879.4 crore expenditure – overspending above allocation (110 *per cent*).
- This **indicates** either additional fund infusion or cost overruns.
- **Planning & Coordination** had ₹353.90 crore allocated, but actual expenditure is much lower (₹159.93 crore) in relative terms, pointing to execution delays in terms of Capital Expenditure.
- **Water Resources and Industries & Commerce** received capital allocations, but expenditure is modest, again suggesting under-utilisation.

3. Efficiency Insights

- **Power** stands out as the best-performing sector with almost full utilisation of its revenue allocation.
- **Rural Development** is a concern area, with a utilisation gap of nearly ₹566 crore on the revenue side.
- **Roads & Bridges** is absorbing massive funds in both capital and revenue sides, even exceeding its capital allocation, making it the single most investment-heavy sector.

4. Sectoral Priorities

- **Rural Development (Revenue)** and **Roads & Bridges (Capital)** dominate their respective categories.
- Other sectors like **Agriculture, Water Resources and Industries & Commerce** are much smaller in both allocation and expenditure, reflecting secondary priority.

5. Overall Pattern

- Capital investments are tilted heavily towards infrastructure (roads, planning, resources).
- Revenue side spending shows a stronger focus on **Rural Development and Power**, though utilisation in rural schemes lags significantly.

Audit was conducted in 141 units of nine Departments involving an expenditure of ₹8,411.28 crore (including expenditure of previous years audited during the year) during 2023-24 under the Economic Sector.

This chapter contains audit observations on two Performance Audits viz. “Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Nagaland” and “Functioning of Regional Transport Offices/District Transport Offices in Nagaland” and four compliance audit paragraphs.

Performance Audit

RURAL DEVELOPMENT DEPARTMENT

3.2 Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Nagaland

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

Highlights

- *The State Government accumulated liability of ₹22.37 crore as penal interest for delayed release of funds to the State Employment Guarantee Council during 2019-2021.*

Paragraph 3.2.8.5

- *There was shortfall in release of State matching share of ₹104.39 crore during 2019-2023.*

Paragraph 3.2.8.6

- *An amount of ₹29.53 crore was diverted for salaries of functionaries already engaged by the State Government and for purchase of vehicle and repairs.*

Paragraph 3.2.8.7

- *The State generated an average of 46 days of employment per household against the entitled 100 days during 2019-2024 due to Job Card holders being unaware of their rights to demand for 100 days of wage employment.*

Paragraph 3.2.9.1

- *In 32 test-checked villages, the annual door-to-door survey was not conducted by the Programme Officers. Further, 24 Government employees were enrolled as unskilled workers under MGNREGA and ₹6.04 lakh was paid as wages to 19 Government employees.*

Paragraphs 3.2.9.3 & 3.2.9.4

- *The percentage of Aadhaar seeded and Aadhaar authenticated JC holders were 51 and 43 per cent respectively in the State and 47 and 39 per cent respectively in the four test-checked districts.*

Paragraph 3.2.9.6

- *The Department did not prepare any IEC plan during 2019-2024. Additionally, no funds for IEC activities were received by the block offices*

and VDBs in the last five years and only limited IEC activities were conducted at the Directorate of RD, GoN.

Paragraph 3.2.9.11

- *Ten projects costing ₹2.87 crore stated to have been completed, did not exist physically and there was short execution of works in 51 projects amounting to ₹8.69 crore indicating possible misappropriation of funds to that extent.*

Paragraph 3.2.10.1

- *There was a shortfall in conducting 2,676 social audits (59 per cent) in the State during 2019-2024 against the target in the audit plan of 4,536 social audits.*

Paragraph 3.2.11.2

- *The offices of Ombudsman were not functional in all the three test checked districts. Moreover, no Citizens' Charter was prepared by the State Government during the audit period.*

Paragraph 3.2.11.4 and 3.2.11.7

- *The Department had not re-appoint SQM/DQM following their three-year term expiry (constituted in 2019).*

Paragraph 3.2.11.6

Audit Snapshot

 Why did we do this audit? - To assess compliance with MGNREG Act and Guidelines. - To verify fund management, planning, monitoring and employment generation. - To evaluate transparency and delivery of guaranteed wage employment.	 What did we find? - Only 46 average employment days provided vs. 100-day guarantee. - Delays in release of funds and shortfalls in State matching share disrupted execution. - Acute shortage of Gram Rozgar Sahayaks (GRS) and mates at village level. - Inadequate IEC activities led to low awareness. - Large shortfall in social audits (59 per cent). - Weak monitoring, IEC and grievance redressal. - Overall governance and oversight failures undermined MGNREGA's objective of ensuring rural livelihood security.
 Registered Households - 4.71 lakh  Registered Workers - 8.37 lakh  Average Employment Days – 46 days  Total expenditure incurred: ₹3,288.36 crore	 What do we recommend? - Conduct baseline surveys and prepare village development plans. - Timely release of SEGF funds to avoid interest. - Stop diversion of administrative funds. - Follow GFR, 2017 for procurements above ₹25 lakh. - Appoint GRS and Mates at village level. - Conduct annual door-to-door job card verification. - Achieve 100 per cent Aadhaar Based Payment System coverage. - Implement comprehensive IEC at all levels. - Restore independent SQM/DQM quality monitoring. - Conduct biannual social audits & publish Citizens' Charter.

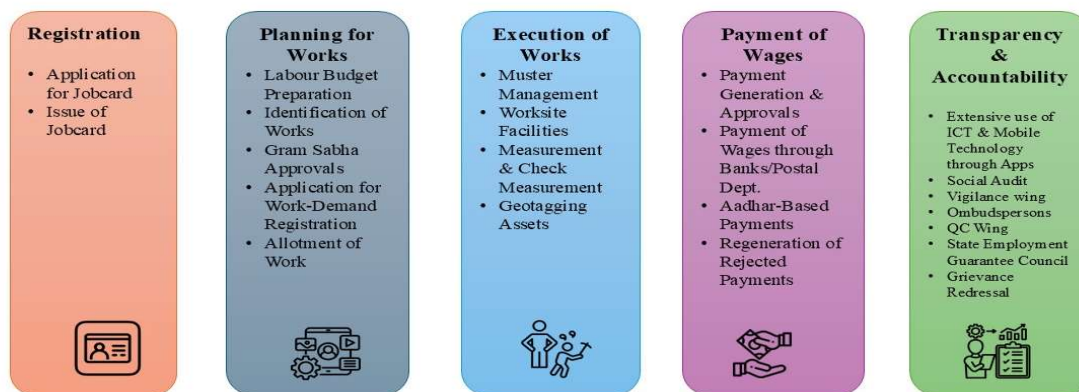
3.2.1 Introduction

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 Governments¹. The GoI enacted the National Rural Employment Guarantee

¹ 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.

Act (NREGA), 2005, later renamed as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in October 2009.

An overview of MGNREGS is shown below:



MGNREGA provided a legal guarantee of at least 100 days of wage employment in every financial year to a rural household whose adult members are willing to do unskilled manual work at the minimum wage rate.

Novel Features of MGNREGS: Demand-Driven and 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.
Social Audits & Transparency	Social audits by Gram Sabhas and proactive disclosure of information are institutionalised to prevent corruption and empower beneficiaries.

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 Rural Development (RD) Department is the project implementing agency in the State. As per Paragraph 6.10 of MGNREGS Operational Guidelines, 2013, the Gram Sabha (GS) shall approve the Annual Plan of Gram Panchayat (GP) and submit the same to the Programme Officer (PO) at Block level. In Nagaland, the role of the GS is performed by the Village Development Board (VDB). The Block Office consolidates the works proposed by all VDBs under its jurisdiction and submits the consolidated plan to the District Office for preparation of the State Labour budget. The Labour budget submitted by the RD Department is then approved by the Empowered Committee of MoRD, GoI.

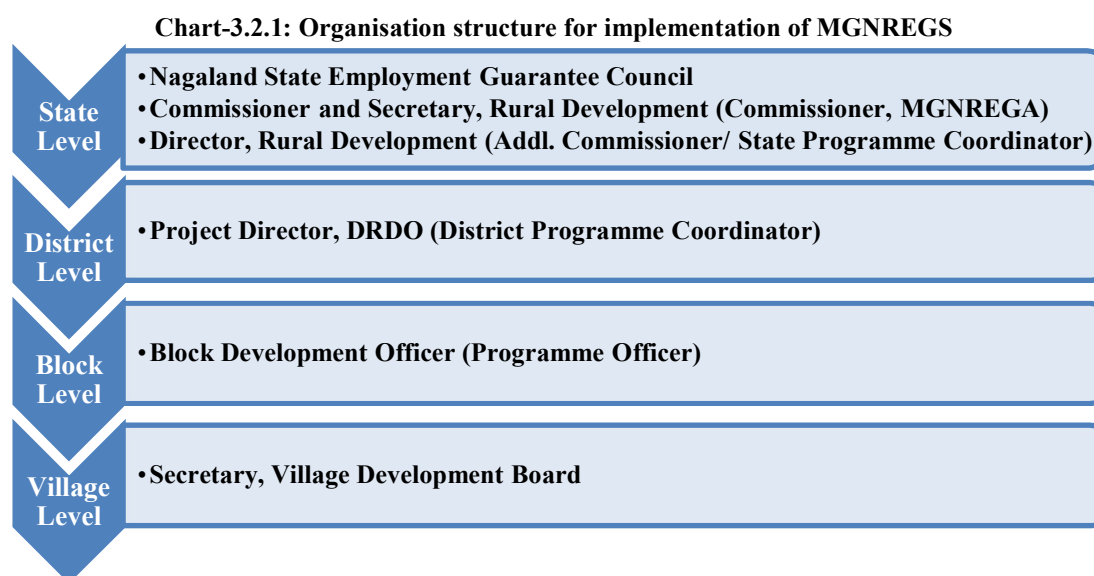
3.2.2 Organisational set up

At the State level, the RD Department is the nodal agency for the implementation of the scheme. A State Employment Guarantee Council (SEGC) to advise the State Government on the implementation of the scheme was set up in the year 2007. At the district level, the Project Director (PD), District Rural Development Agency (DRDA) is designated as the District Programme Coordinator (DPC) who is assisted by Programme Officer (PO) for administering the scheme implementation. At the block level, the Block Development Officer (BDO) is designated as Programme Officer (PO) for overseeing the scheme. Junior Programme Coordinator and other officials assist the BDO. Finally, the VDB which functions under the traditional Village Council is the project implementing agency for MGNREGA at the grassroots level.

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.

Key stakeholders at various levels		
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 3.2.1:**



Source: Departmental records

3.2.3 Audit Objectives

The Audit objectives 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.

3.2.4 Audit Criteria

The Audit findings were benchmarked against the following criteria:

- MGNREG Act, 2005 and Operational Guidelines, 2013 issued under the Act;
- Annual Master Circulars² (AMCs) issued by the MoRD, GoI;
- Nagaland Rural Employment Guarantee Scheme Rules, 2005;
- General Financial Rules (GFR), 2017, relevant orders, instructions, minutes of committee meetings issued by the MoRD, GoI and the State Government;
- Nagaland Public Works Department (NPWD) Schedule of Rates, 2016.

3.2.5 Audit Scope and Methodology

An entry conference was held on 16 May 2024 with the Joint Secretary to the Government of Nagaland (GoN), RD Department, wherein the audit objectives, criteria, scope and methodology were discussed. The Performance Audit (PA) covered the period from 2019-20 to 2023-24 and involved test-check of records, data analysis, joint physical verification (JPV) of works and survey of beneficiaries of the scheme. An exit conference was held on 18 November 2024 with the Commissioner and Secretary, RD Department and other departmental officials³, wherein the audit findings were discussed. The State Government's replies had been appropriately incorporated in the Report.

3.2.6 Audit Sampling and selection

Out of 16 districts in the State, four⁴ districts were selected for test-check. Further, eight⁵ blocks (from each district two blocks) and 32 villages (from each block four villages) were selected. The method used for selection was stratified random sampling and probability proportional to size without replacement. Besides, 323 beneficiaries (minimum 10 beneficiaries in each of the 32 selected villages) were randomly selected for beneficiary survey.

3.2.7 Acknowledgement

Audit acknowledges the co-operation extended by the RD Department, test-checked District Programme Coordinators (DPCs), Programme Officers (POs) and VDBs during the conduct of the Performance Audit.

² Annual Master Circulars are comprehensive documents issued by the 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.

³ Director and Rural Development Officer of RD Department

⁴ Dimapur, Mokokchung, Phek and Zunheboto

⁵ Dimapur (Aghunaqa & Chumukedima), Mokokchung (Longchem & Mangkolemba), Phek (Phek & Sekzruzu) and Zunheboto (Akuluto & Ghathashi)

Audit Findings

3.2.8 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?*

3.2.8.1 Failure to conduct mandatory Baseline Survey for planning under MGNREGS

Paragraph 6.2 of the MGNREGA Operational Guidelines, 2013 stated that a survey of job card (JC) holders was to be mandatorily conducted in every Gram Panchayat (GP) in order to prepare a baseline data to assess the quantum and timing of demand for employment in the village. The paragraph further recommended that expert institutions may be empanelled separately in each State to finalise the framework and methodology for the pilots for the baseline survey and train teams from each District to conduct the surveys.

Audit observed that during 2019-2024, the Department did not empanel expert institutions and did not conduct a baseline survey. Audit further observed that the absence of baseline survey data resulted in non-preparation of the development plan and preparation of an improbable labour budget as discussed in **Paragraphs 3.2.8.2 and 3.2.8.3** respectively.

The scheme guidelines provided that expert institutions may be empanelled separately in each State to provide technical and professional support in planning, design, and implementation. However, empanelment of expert institutions was not mandatory under the guidelines. Audit observed that while the State Government did not empanel expert institutions during the period covered, this did not constitute a violation of scheme provisions *per se*. Nevertheless, the absence of empanelled expert institutions resulted in limited access to technical expertise, which contributed to deficiencies in the preparation of realistic Development Plans, labour budget estimation, and project execution, as discussed in preceding paragraphs.

In reply, the State Government stated (December 2024) that the Agricultural Finance Corporation, Guwahati and the National Institute of Rural Development were engaged to carry out a baseline survey up to 2016 and that the same data was utilised in preparation of yearly labour budget. It was further stated that due to short receipt of the administrative expenses fund from the Ministry and tight timelines, the Department could not engage experts to conduct the baseline survey post 2016.

As per Paragraph 6.2 of the MGNREGA Operational Guidelines, 2013, a baseline survey was to be mandatorily conducted in every GP to assess the quantum and timing of demand for employment. This survey was intended to be a periodic and dynamic exercise aligned with actual field conditions. The use of data collected upto 2016 does not satisfy this requirement for the audit period 2019-2024. The reliance on pre-2016 data during 2019-2024 undermines the accuracy of labour demand

estimation. Factors such as changes in population, migration patterns, new job card registrations, and evolving work preferences directly affect the employment demand and necessitate updated surveys. The absence of empanelled expert institutions may have contributed to the non-conduct of baseline surveys, but it did not absolve the Department from its responsibility to ensure that updated baseline data was prepared through its own administrative mechanisms.

The Department's claim of insufficient administrative funds does not justify deviation from mandatory provisions as an amount of ₹29.53 crore was diverted from administrative expenses towards impermissible items of expenditure (**Paragraph 3.2.8.7**). The responsibility to ensure appropriate allocation and utilisation of administrative expenses rests with the implementing authority to ensure core planning functions like baseline survey are not compromised.

The non-conduct of updated baseline surveys led to deficiencies in preparation of realistic Development Plans and labour budgets, as already brought out in **Paragraphs 3.2.8.2 and 3.2.8.3**. This directly affected the overall effectiveness and credibility of MGNREGA implementation in the State.

3.2.8.2 Non-preparation of Development Plan at village level

Section 16 (3) & (4) of the MGNREG Act states that every GP shall, after considering the recommendations of the Gram Sabha and the Ward Sabhas, prepare a Development Plan and maintain a shelf of possible works to be taken up under the Scheme as and when demand for works arises. The Gram Panchayat shall forward its proposals for the development projects including the order of priority between different works to the Programme Officer for scrutiny and preliminary approval prior to the commencement of the year in which it is proposed to be executed. Further, Paragraph 6.1.3 of the MGNREGA Operational Guidelines, 2013 provides that DPC has to ensure strict adherence to the principles of bottom-up approach from planning to approval of the selected shelf of projects by each of the Gram Sabhas in the district.

Audit observed that during 2019-2024, the Development Plan was not prepared at the village level and instead a list of works identified in the Gram Sabha meeting was submitted to the Block office. Audit further observed that the reason for non-preparation of Development Plan was lack of baseline survey data and technical staff at the village level. In the absence of a Development Plan, there is a significant risk that the identified projects may not be aligned with the actual labour demand or the specific needs of the community, as the required planning and technical assessments were not conducted by VDBs. Audit also observed that non-preparation of Development Plan resulted in execution of impermissible works, unfruitful works and diversion of works as discussed in **Paragraphs 3.2.10.2 and 3.2.10.3**.

In reply, the State Government stated (December 2024) that the list of works to be taken up in the following year was discussed and approved in the village Gram Sabha meeting and was then submitted to the Block office for preparation of estimates and uploading in NREGASoft MIS. It was also stated that lack of GRS and technical staff

at village level led to non-preparation of comprehensive Development Plan at village level.

The reply of the State Government is not acceptable as the bottom-up approach of planning required each VDB to prepare a comprehensive Development Plan as envisaged in the Scheme Guidelines. The “list of works” approach followed by GPs falls short of statutory compliance as it is an ad hoc approach. The reply was also not acceptable as non-appointment of key functionaries at the village level was due to the fact that administrative expenses fund component was not provided to the VDBs to pay the salaries as discussed in **Paragraph 3.2.9.2**.

3.2.8.3 Shortfall in estimation, projection and generation of person days

As per the Guidelines for “Planning for Works and preparation of Labour Budget” issued by the MoRD, GoI, the State Government was to prepare a realistic budget. Labour Budget (LB) was an estimation of the anticipated demand for unskilled manual work and was based on the amount of total expenditure to be incurred while generating a person day wage employment including cost for wages, materials and administrative expenses. The year-wise number of estimated person days at block/district level, projected person days submitted by the Department to the MoRD, approved person days by GoI, actual person days generated at village level and the shortfall thereof is shown in **Table 3.2.1**.

Table 3.2.1A: Labour Budget - Estimation, Projection, Approval and Actual Generation of Person Days

(Figures in lakh Person Days)

Year	Estimated PDs	Projected PDs	GoI Approved PDs	Actual PDs Generated
2019-20	417.48	417.48	125.50	138.48
2020-21	410.95	410.95	200.00	180.11
2021-22	369.53	212.88	200.00	192.58
2022-23	419.42	300.00	200.00	196.83
2023-24	504.07	300.00	191.00	178.73

Source: Departmental records

Table 3.2.1 B: Shortfall in Person Days Generation (Absolute & Percentage Terms)

(Figures in lakh Person Days)

Year	Absolute Shortfall vs Estimate	Shortfall vs Estimate (in per cent)	Absolute Shortfall vs Projection	Shortfall vs Projection (in per cent)	Absolute Shortfall vs Approval	Shortfall vs Approval (in per cent)
2019-20	278.99	67	278.99	67	(-)12.98	-10
2020-21	230.83	56	230.83	56	19.89	10
2021-22	176.95	48	20.29	10	07.42	04
2022-23	222.59	53	103.17	34	03.17	02
2023-24	325.34	65	121.27	40	12.27	06

Source: Departmental records

As may be seen from **Table 3.2.1**, there was wide variation in person days estimation and projection against person days generated in the State. During 2019-2024, the shortfall in person days generated against the estimation ranged between 48 and 67 per cent. Similarly, the shortfall in person days generated against projection ranged

between 10 and 67 *per cent*. In the test-checked districts, the shortfall in person days generated against estimation of the districts/blocks ranged between 37 and 46 *per cent* (*Appendix-3.2.1*). Audit observed that the shortfall in actual generation of person days was due to inadequate planning (discussed in **Paragraphs 3.2.8.1 and 3.2.8.2**) and delay in utilisation of funds by the State Government as discussed in **Paragraph 3.2.8.5**. Thus, the labour budget submitted by the Department to the MoRD was not realistic in the absence of baseline survey and Development Plan. The mismatch between projections and actual generation undermined the credibility and accuracy of future labour budgeting exercises, thereby impacting scheme outcomes.

In reply, the State Government stated (December 2024) that the number of person days generated was determined by the GoI approved labour budget.

The reply is not acceptable as the State Government should have taken steps to prepare a realistic labour budget based on baseline survey and Development Plan. The reply essentially passes responsibility to the MoRD saying GoI sanctioned only a certain number of person-days. However, the State's responsibility lies in furnishing accurate estimates through proper demand assessment at GP/Block level which forms the basis for the MoRD approval. Further, the State is legally bound to follow bottom-up demand estimation as per MGNREGA Act and guidelines.

3.2.8.4 Funding Pattern

MGNREGS is a Centrally sponsored demand driven employment scheme implemented on a cost sharing basis between GoI and State Government. Under MGNREGS, the GoI was to bear 100 *per cent* of wages of unskilled manual workers and 75 *per cent* of the cost of material including wages of skilled and semi-skilled workers and the State Government was to bear the remaining 25 *per cent*. The State Government also had to bear expenditure on delayed payment of the wages⁶ to the workers, unemployment allowance⁷ and administrative expenses of the State Employment Guarantee Council (SEGC).

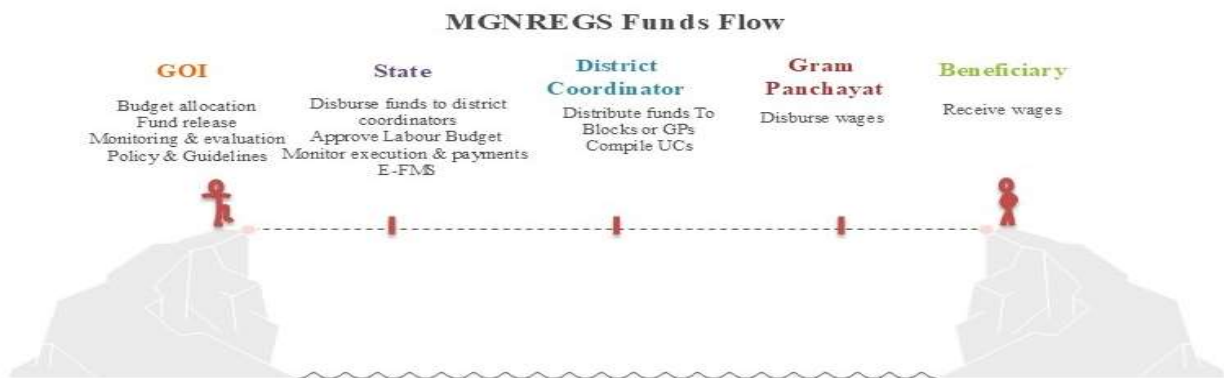
Table 3.2.2: Key Components of MGNREGA funding

Expenditure Item	Funded by
Wages for unskilled manual labourers	100 <i>per cent</i> by Centre
Material cost and wages for skilled/semi-skilled labour	75 <i>per cent</i> by Centre, 25 <i>per cent</i> by State
Administrative expenses (including staff salaries)	75 <i>per cent</i> by Centre, 25 <i>per cent</i> by State
Unemployment allowance (if due work is not provided)	100 <i>per cent</i> by State

⁶ MGNREGA workers are entitled to receive delay compensation at a rate of 0.05 *per cent* of the unpaid wages per day for the duration of the delay beyond the sixteenth day of the closure of the MR.

⁷ MGNREGA workers are entitled to receive unemployment allowance if employment is not provided within fifteen days of receipt of his/her application seeking employment.

The fund flow under MGNREGS is shown below:



The funds released and expenditure incurred during 2019-2024 are shown in Table 3.2.3.

Table 3.2.3: Grant received *vis-à-vis* expenditure incurred during 2019-20 to 2023-24

(₹ in crore)							
Year	Opening Balance	Fund Release		Interest/ Misc. receipts	Total Fund Available	Total Expenditure	Closing Balance
		GoI share	State share				
1	2	3	4	5	6=2+3+4+5	7	8=6-7
2019-20	156.93	330.45	39.21	2.50	529.09	464.98	64.11
2020-21	64.11	483.82	0	1.63	549.56	466.24	83.32
2021-22	83.32	597.48	43.57	0.83	725.20	515.13	210.07
2022-23	210.07	857.52	69.67	4.00	1,141.26	932.75	208.51
2023-24	208.51	643.72	80.81	0.94	933.98	909.26	24.72
Total		2,912.99	233.26	9.90	-	3,288.36	-

Source: Information furnished by the Rural Development Department, GoN

The audit analysis of fund flow and utilisation under MGNREGS during 2019-2024 revealed systemic deficiencies in financial planning and fund management. Despite substantial releases from the GoI, there were recurring instances of significant unspent balances at the end of each financial year, peaking at ₹210.07 crore (29 per cent of total available funds) in 2021-22, indicating delays in fund utilisation and weak absorption capacity at the State level. The irregular contribution of State share, including nil contribution in 2020-21, reflects non-adherence to the prescribed cost-sharing norms of the Scheme.

The substantial variations in year-wise fund releases and closing balances further point to deficient labour demand estimation, poor preparation of realistic labour budgets, and inadequate planning at the village level, as already brought out in earlier audit findings. The persistent underutilisation of available funds not only undermined the intended objectives of timely employment generation under the scheme but would also have adversely affected the financial efficiency and credibility of the labour budgeting process in the State.

Audit also observed that interest earnings on idle funds were not proportionate to the magnitude of unspent balances, indicating weaknesses in fund management practices. Audit findings on financial management are discussed in the succeeding paragraphs.

3.2.8.5 Delay in release of funds

Paragraph 2 of the sanction letters issued by the GoI states that the State Government is required to transfer these funds along with the State share to the State Employment Guarantee Fund (SEGF) for programme implementation within three days positively from the date of receipt of these funds (for 2019-20 to 2021-22) and 15 days from the receipt of Central funds in the State Treasury (for 2022-23 to 2023-24). Besides the State Government is liable to pay interest at 12 *per cent* (for 2019-20 to 2020-21) for any delay beyond the specified period. Audit observed that the State Government released an amount of ₹1,710.34 crore to the SEGF/PIA with delays ranging from 04 to 238 days. The details of delay in release of funds are given in *Appendix-3.2.2* and summarised in **Table 3.2.4**.

Table 3.2.4: Delay in release of funds from GoN to SEGF/PIA

(₹ in crore)

Financial Year	Delay Period (Days)	Amount of Grant Released (₹ crore)	Penal Interest Applicable	Interest Amount (₹ crore)
2019-20	41 to 238	370.10	Yes	8.33
2020-21	44 to 160	483.82	Yes	14.04
2021-22	43	307.33	No	NA
2022-23	22 to 25	334.06	No	NA
2023-24	4 to 80	215.03	No	NA
Total	-	1,710.34	-	22.37

Source: Departmental records

As can be seen from **Table 3.2.4**, the State Government was liable to pay penal interest of ₹22.37 crore for delay in release of funds during 2019-20 and 2020-21. Moreover, the delay in release of funds by the State Government resulted in delay of fund utilisation which in turn deprived the State Government of the opportunity to avail more funds to achieve 100 days of employment, besides leading to the undue creation of an interest liability of ₹22.37 crore. The reasons for persistent delays in release of funds by the State Government were neither on record nor stated to Audit.

While accepting the Audit observation, the State Government stated (December 2024) that it had noted the Audit observation and the matter would be pursued for timely release of fund.

3.2.8.6 Shortfall in release of State matching share

As per funding pattern of the scheme, the State Government was to bear 25 *per cent* of the cost of materials including wages for skilled and semi-skilled labour. Further, Paragraph 2.4.2 (vii) of the MGNREGA Operational Guidelines, 2013, stated that it was the responsibility of the State Government to ensure that the State share of the MGNREGS budget was provisioned for and released to SEGF in the beginning of the financial year so that it could be used as a revolving fund. The year-wise release of State matching share by the State Government was shown in **Table 3.2.5**.

Table 3.2.5: Shortfall in release of State share

(₹ in crore)

Sanction Year	State share due	Actual release	Shortfall amount	Shortfall against
2019-20	43.20	39.65	3.55	1 st tranche - 4 th instalment, 2 nd tranche – 1 st instalment
2020-21	53.76	43.57	10.19	1 st tranche – 1 st instalment (backlog)
2021-22	91.98	45.99	45.99	1 st tranche – 1 st instalment (backlog)
2022-23	82.75	38.09	44.66	1 st tranche – 1 st instalment (backlog)
2023-24*	66.40	66.40	0	
Total	338.09	233.70	104.39	

Source: Data of Rural Development Department, GoN

* as on 31 March 2024

Audit observed persistent shortfall in release of State matching share for implementation of MGNREGS during 2019-2024. Against the total obligation of ₹338.09 crore, the State Government released only ₹233.70 crore (69 *per cent*), resulting in cumulative short release of ₹104.39 crore (31 *per cent*). The consistent under-provisioning and delayed release of State share directly affected the implementation of works, particularly the material component envisaged in the labour budget.

The short release of State share not only restricted the scope and timely execution of approved works but also undermined the capacity of the Programme Implementing Agencies to plan, procure and execute material-intensive activities as per approved labour budgets. As the material component constitutes a significant portion of asset creation and durable livelihood infrastructure under MGNREGS, such funding gaps adversely impacted the quality and sustainability of works taken up during the period.

Furthermore, the recurring shortfall reflects weak financial planning and poor adherence to scheme guidelines, which mandate provisioning of State share at the beginning of the financial year to ensure smooth and uninterrupted fund flow. The delays in releasing matching share also contributed to overall fund parking, inefficient fund utilisation, and reduced employment generation capacity, as discussed in succeeding audit findings.

While accepting the Audit observation, the State Government stated (December 2024) that the matter had been taken up and the State matching share of 2023-24 had been released in full.

3.2.8.7 Irregular utilisation of Administrative Expenses Fund

Section 22(1)(c) of the MGNREG Act read with Paragraph 12.5.2 of the MGNREGA Operational Guidelines, 2013 states that the Central Government will provide up to six *per cent* of the total expenditure on MGNREGA in a financial year as administrative expenses for capacity building, IEC activities, MIS, quality management, setting up of a grievance redressal system, operational expenses, social audit, worksite facilities, ex-gratia payment on death/disablement and medical treatment of Job Card holders during the course of work. Further, Paragraph 12.5.6 of the MGNREGA Operational Guidelines, 2013 specifies that expenses relating to purchase/repair of old vehicles, civil works and salaries/remuneration of functionaries already engaged by the Government are not allowed to be made from administrative expenses. Audit, however, observed that an amount of ₹29.53 crore under

administrative expenses component was incorrectly utilised towards vehicle purchases (₹2.14 crore), vehicle repairs (₹0.27 crore), payment of staff salaries/honorarium of DRDA (₹26.26 crore) and honorarium for MIS coordinators of PMAY-G (₹0.86 crore) as shown in **Table 3.2.6**.

Table 3.2.6: Irregular utilisation of Administrative Expenses Fund

						(₹ in lakh)
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Purchase of vehicles	26.16	61.95	119.12	5.15	1.28	213.66
Repair of vehicles	2.23	0	2.30	20.60	2.37	27.50
DRDA salaries	761.77	880.68	467.45	516.24	0	2,626.14
PMAY-G salaries	41.82	43.96	0	0	0	85.78
Total						2,953.08

Source: Purchase vouchers and CA reports

The diversion of scheme fund intended for administrative purposes resulted in reduction of funds available for planning, IEC, quality management, appointment of key functionaries at village level and setting up of a grievance redressal system.

While accepting the Audit observation, the State Government stated (December 2024) that the Department resorted to purchase of vehicles because hiring of vehicles was not economical as hiring charge of a vehicle for 1-2 years exceeds the cost of new vehicle. It was further stated that the fund was temporarily transferred to meet the salary of DRDA staff on loan basis which would be recovered. Under PMAY-G, a temporary loan was advanced from MGNREGA fund to tide over the shortfall in release of administrative funds and ₹20 lakh has been recovered.

Though the State Government accepted the Audit observation, the rationale for purchase of vehicles and advancing loan from administrative expenses component was not acceptable. As per Paragraph 12.5.6 of MGNREGA Operational Guidelines 2013, administrative expenses fund shall not be utilised for purchase or maintenance of vehicles, payment of salaries to existing Government staff, or funding any expenditure of other schemes. The State Government's argument that hiring vehicles would be costlier, or that expenditures were incurred as temporary loans, does not override the mandatory scheme provisions which strictly define permissible uses of administrative funds.

The claim that salaries of DRDA and PMAY-G staff were temporarily paid out of MGNREGA administrative fund as recoverable advances is not acceptable. Utilisation of the scheme funds for purposes outside the approved administrative components constitutes misutilisation at the point of diversion itself, regardless of whether subsequent recovery is affected or not. Diversion of ₹29.53 crore from administrative funds reduced the financial resources available for core management functions such as planning, monitoring, grievance redressal, IEC activities, and technical quality control, thereby weakening the programme management systems essential for effective implementation of MGNREGA.

Repeated diversion of administrative funds across multiple years demonstrates systemic lapses in financial management, weak internal controls, and non-adherence to statutory fund utilisation norms.

3.2.8.8 Non-remittance of interest

Paragraph 5 of the scheme sanction letters issued by the MoRD, GoI stipulates observance of Rule 230 (8) of the GFR, 2017 for refund of interest receipts to the Consolidated Fund of India (CFI). Further, Paragraph 12.3.1 of the MGNREGA Operational Guidelines, 2013, states that interest accruing on account of MGNREGA funds should be a part of the SEGF and shall be spent only as per instructions of the Central Government.

Audit observed that interest earned on scheme funds for the period 2019-20 and 2020-21 amounting to ₹3.77 crore⁸ was not remitted to the CFI and was instead utilised as part of the Scheme fund.

In reply, the State Government stated (December 2024) that the interest earned was automatically added in the Scheme funds and utilised as there was no specific instruction from the Ministry for refund.

The reply of the State Government is not acceptable as Paragraph 5 of scheme sanction letters issued by MoRD, GoI stipulates refund of interest receipts to the CFI and there was no instruction from the Ministry for utilisation of these interest receipt funds by the Department. The irregular retention and utilisation of interest earnings reflect non-compliance with mandatory fund flow requirements under the MGNREGA financial management framework.

Recommendations:

The State Government may ensure that-

- (i) development plans are prepared to adopt a bottom-up approach in preparing a realistic Labour Budget to achieve minimum 100 days of wage employment to every rural household in a year.
- (ii) matching State share and GoI scheme funds are released to the implementing agency without delay.
- (iii) scheme fund is not diverted towards inadmissible expenditure.

3.2.9 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?

3.2.9.1 Low number of employment days generated

Section 3(1) of the MGNREG Act provided a legal guarantee of at least 100 days of wage employment in every financial year to every rural household (HH) whose adult members were willing to do unskilled manual work at the minimum wage rate. The total number of registered Households, Workers and Job Cards issued during 2019-2024 is given in Table 3.2.7.

⁸ ₹2.30 crore (2019-20) + ₹1.47 crore (2020-21)

Table 3.2.7: Year wise total Registered Households, Job Cards and Registered Workers

Year	Total Registered Households	Total Job Cards issued	Total Registered Workers
2019-20	4,36,793	4,36,346	7,33,997
2020-21	4,47,824	4,47,593	7,45,705
2021-22	4,56,704	4,56,154	7,73,326
2022-23	4,65,864	4,64,709	7,93,819
2023-24	4,71,418	4,70,464	8,37,030

Source: Departmental reply and MIS Report as on December 2024

As can be seen in table above, a total of 4,36,793 households were registered under the scheme with 7,33,997 registered workers during the year 2019-20. The number of registered households had increased to 4,71,418, with 8,37,030 registered workers during 2023-24.

Audit observed that during the period from 2019-2024, an average of 46 days⁹ of employment was generated for registered HHs in the State (*Appendix 3.2.3 (i)*). Further, the number of HHs receiving 100 days of employment was very low ranging from 17 HHs in 2021-22 to 289 HHs in 2023-24 (*Appendix 3.2.3 (ii)*). The failure to generate sufficient person-days of employment and to enable a larger number of households to access their full entitlements under MGNREGA reflects weaknesses in awareness generation, demand registration, and planning processes at the field level. The legal guarantee of up to 100 days of wage employment under Section 3 of the Act was not fully realised due to institutional and administrative deficiencies, as also corroborated by field verification where 86 *per cent* of surveyed beneficiaries expressed willingness to work for more days than actually provided.

In reply, the State Government stated (December 2024) that the guarantee of 100 days was the maximum permissible figure and not a mandatory allocation figure to the State and that it provided employment according to the approved labour budget from GoI. It was further stated that because of less demand and other factors beyond the control of the Department, the State had not achieved the person days approved by GoI. It was also stated that directives had been issued to sensitise beneficiaries on their rights and entitlements.

The reply of the State Government is not acceptable as the MGNREGA explicitly aims to provide a legal guarantee of upto 100 days of wage employment and as 280 (86 *per cent*) of the 323 beneficiaries surveyed in 32 test-checked villages responded that they were willing to work for more number of days than the employment offered by the VDB in last five years. Further, the contention of “less demand” is contradicted by the broader employment scenario in the State. As per the Periodic Labour Force Survey published by the Ministry of Statistics and Programme Implementation, GoI, the unemployment rate in Nagaland for individuals aged 15 years and above fluctuated between 7.10¹⁰ and 25.70 *per cent* during the period. The high

⁹ Dimapur (37 days), Mokokchung (47 days), Phek (42 days) and Zunheboto (37 days)

¹⁰ Unemployment rate in Nagaland: 25.70 *per cent* (2019-20), 19.20 *per cent* (2020-21), 9.10 *per cent* (2021-22), 4.30 *per cent* (2022-23) and 7.10 *per cent* (2023-24)

unemployment rate coupled with the survey findings clearly indicates that adequate demand for wage employment under MGNREGA existed, and hence the argument of “less demand” cannot be accepted. Moreover, all beneficiaries surveyed were not aware of their right to demand for work under the Scheme as discussed in **Paragraph 3.2.9.11**.

3.2.9.2 Lack of key functionaries at village level

Paragraph 4.1 of the MGNREGA Operational Guidelines, 2013 stipulated deployment of one Gram Rozgar Sahayak (GRS) or Employment Guarantee Assistant in each GP who would assist the GP in executing MGNREGA works. The GRS was responsible for overseeing the process of registration/distribution of Job Cards, filing job applications and maintenance of all MGNREGS-related registers at the GP level. Further, a mate or worksite supervisor was required for each work-site to record attendance and take initial measurement of work, which is validated by Technical Assistant/Junior Engineer.

Audit observed that the GRS and mates were not employed in any of the 32 test-checked villages. Audit further observed that the reason for non-employment of key functionaries at the village level was due to administrative expenses component not being provided to the VDBs to pay their salaries. The non-deployment of GRSs and mates in the test-checked villages represented a critical structural deficiency in MGNREGA’s implementation framework. Despite the Operational Guidelines mandating deployment since 2013, the State Government failed to appoint these key functionaries for more than a decade, thereby impairing the delivery of core scheme activities such as registration, job card management, demand processing, worksite supervision, and measurement recording. The delayed deployment of 1,328 mates at a later stage does not mitigate the prolonged period of non-compliance observed during the audit period 2019-2024.

While accepting the Audit observation, the State Government stated (December 2024) that due to short receipts of administrative expenses fund from GoI, key functionaries were not deployed in the villages. The Department, however, added that recently 1,328 mates have been placed in the villages to assist the VDBs in smooth implementation of the scheme.

The reply of the State Government should be seen in the context of a significant time period of more than a decade having elapsed after the notification of the Operational Guidelines in 2013 and the State Government having failed to appoint the key functionaries of the Scheme in the VDBs. Further, the justification on short receipt of fund is not acceptable as an amount of ₹29.53 crore was diverted from administrative expenses towards impermissible items of expenditure (**Paragraph 3.2.8.7**).

3.2.9.3 Non-conduct of door to door survey

Paragraph 3.1.1 (ii) of the MGNREGA Operational Guidelines, 2013, states that a door-to-door survey should be undertaken by each GP every year to identify eligible households who have been missed out and wish to be registered under the Act. The

application register for Job Card (JC) holders is also required to ensure an accurate record of registered households.

Audit observed that the annual door-to-door survey was not conducted by the POs in the 32 test-checked villages. Audit further observed that the application register required for registration of JC holders was also not maintained. The failure to conduct annual door-to-door surveys and maintain job card application registers represents a critical compliance lapse that undermined the core principle of universal access to guaranteed employment under MGNREGA. The absence of proactive identification and registration processes could have led to the exclusion of eligible households, under-reporting of employment demand, and sub-optimal implementation of the scheme during the audit period.

While accepting the Audit observation, the State Government stated (December 2024) that directives had been issued to POs for compulsory maintenance of application register and to conduct annual door-to-door survey.

3.2.9.4 Government employees registered as Job Card holders

Paragraph 1.4(v) of the MGNREGA Operational Guidelines, 2013 states that MGNREGA aims to provide rural employment to the marginalised section of the population.

Audit observed that in the 32 test-checked villages, 24 Government employees were enrolled as unskilled workers under MGNREGA and ₹6.04 lakh was paid as wages to 19 Government employees (*Appendix-3.2.4*). The enrolment of Government employees as MGNREGA beneficiaries undermined the scheme's intent, as it diverted funds meant to support marginalised and economically vulnerable communities. MGNREGA guidelines prohibit wage payments to individuals already in regular Government service. The irregular payments occurred due to absence of verification controls while issuing Job Cards and failure to cross-check registration data with the State Government's Personnel Information Management System (PIMS). The inclusion of ineligible beneficiaries reflects serious lapses in scheme oversight and financial management, resulting in mis-utilisation of public funds.

While accepting the Audit observation, the State Government stated (December 2024) that directives had been issued to the POs for identification and cancellation of Job Cards of the Government employees.

3.2.9.5 Custody of Job Cards

Paragraph 3.1.5(iv) of the MGNREGA Operational Guidelines, 2013 states that Job Card must always be in the custody of the household to whom it is issued and if for any reason, it is taken by implementing agencies, it should be returned on the same day after the updates. Further, the Job Cards found in the possession of any Panchayat or MGNREGA functionary, without a valid reason, will be considered as an offence punishable under Section 25 of the MGNREG Act.

During beneficiary survey conducted by Audit, 280 out of 323 beneficiaries surveyed (87 *per cent*) stated that their Job Cards were kept in the VDB offices. Further, the beneficiaries reported that the primary reason for keeping Job Cards in VDB offices was to avoid the risk of loss or improper handling. The widespread retention of Job Cards by VDB offices led to Job Cards without signature of Head of Household in 50 out of 323 beneficiaries surveyed. Such widespread retention of Job Cards constitutes a serious violation of Paragraph 3.1.5(iv) of the MGNREGA Operational Guidelines, 2013 and Section 25 of the MGNREG Act. The Job Card is a legal document which enables beneficiaries to demand work, record employment details, and verify payments received. Retaining Job Cards at the VDB office deprives beneficiaries of independent access to their legal entitlements, compromises transparency in wage payments, increases the risk of manipulation of records, and undermines the demand-driven design of the scheme. The systemic nature of this practice reflects weak field-level monitoring and failure to enforce basic scheme safeguards.

While accepting the Audit observation, the State Government stated (December 2024) that directives have been issued to DPCs and POs for necessary corrective action.

The State Government's post-audit corrective instructions, while noted, do not address the persistent non-compliance during the audit period.

3.2.9.6 Slow progress in Aadhaar Based Payment System (ABPS)

GoI introduced Aadhaar-based payment system (ABPS) to facilitate direct transfer of wages to the unskilled workers' bank accounts for efficient process of wage distribution. The ABPS is a method of disbursing payments to MGNREGA workers using their Aadhaar number as their financial address. Further, GoI had advised the State Government to bring all beneficiaries into the ABPS platform by 31 December 2023. In addition, GoI (February 2016) directed the State Government to expedite the process of Aadhaar enrolment of the MGNREGA workers and seeding the same into their bank accounts by organising camps at the block or GP level. Audit observed that as of September 2024, the percentage of Aadhaar seeded and Aadhaar authenticated¹¹ JC holders was 51 *per cent* and 43 *per cent* respectively in the State and 47 *per cent* and 39 *per cent* respectively in the four test-checked districts as shown in **Table 3.2.8**:

Table 3.2.8: Status of Aadhaar seeding and authentication of MGNREGA workers as on September 2024

Particulars	Total number of workers	Aadhaar seeded	Percentage of Aadhaar seeded	Aadhaar Authenticated	Percentage of Aadhaar authenticated	Eligible for ABPS
State	5,78,247	2,92,842	51	2,50,725	43	1,81,306
Dimapur	1,00,483	40,627	40	32,297	32	22,660
Mokokchung	43,388	31,724	73	30,184	70	21,802

¹¹ Regulation 2(C) of the AADHAAR (Authentication) Regulations, 2016 defines the AADHAAR authentication as the process by which the AADHAAR number along with demographic information or biometric information of an individual is submitted to the Central Identities Data Repository for its verification and such Repository verifies the corrections, or the lack thereof, on the basis of information available with it.

Particulars	Total number of workers	Aadhaar seeded	Percentage of Aadhaar seeded	Aadhaar Authenticated	Percentage of Aadhaar authenticated	Eligible for ABPS
Phek	49,667	25,450	51	19,348	39	12,064
Zunheboto	50,363	17,376	35	13,648	27	9,796
Total of test-checked districts	2,43,901	1,15,177	47	95,477	39	66,322

Source: Departmental reply and MIS as on September 2024

The slow progress in adoption of ABPS reflects persistent weaknesses in field-level data management, inadequate Aadhaar seeding and authentication processes, limited banking infrastructure in rural areas, and poor coordination with enrolment and banking agencies. Despite GoI's target of universal ABPS coverage by December 2023, the State was unable to ensure full migration to the platform, thereby compromising the efficiency, transparency, and accountability of MGNREGA wage disbursements. The implementation gaps observed remain a significant systemic issue requiring institutional corrective measures.

While accepting the Audit observation, the State Government stated (December 2024) that the main reasons for non-achievement of 100 *per cent* ABPS were location of Aadhaar enrolment centres at district and few sub-division headquarters, mismatch in job card details seeded in NREGASoft MIS with Aadhaar, 23 unbanked rural blocks out of total 74 blocks and location of bank branches in urban/semi-urban areas.

3.2.9.7 Non-provision of unemployment allowance

Section 7(3) of the MGNREG Act states that the State Government is liable to pay unemployment allowance to the household concerned if an applicant is not provided employment within fifteen days of receipt of his/her application seeking employment.

Audit observed that the State had no provision for unemployment allowance and all 323 beneficiaries surveyed were unaware of their entitlement to unemployment allowances. Moreover, the State Government had notified Nagaland MGNREGS Payment of Unemployment Allowance Rules, 2023 on 17 February 2023. Reasons for non-allocation of unemployment allowance by the Department were neither on record nor stated to Audit. The State Government's failure to establish an effective mechanism for payment of unemployment allowance under Section 7(3) of MGNREG Act deprived eligible workers of their statutory entitlement in cases where employment was not provided within fifteen days of demand. Despite notifying the Nagaland MGNREGS Payment of Unemployment Allowance Rules only in February 2023, no unemployment allowance had been paid during the audit period. Audit further observed that the absence of any claims for unemployment allowance was not indicative of absence of demand, but rather a direct consequence of weak Information, Education and Communication (IEC) efforts by the State, resulting in low awareness levels among workers regarding their entitlements. The persistent non-allocation of funds for unemployment allowance reflects systemic lapses in compliance with statutory obligations and deficiencies in institutional arrangements necessary to operationalise this provision of the Act.

In reply, the State Government stated (December 2024) that unemployment allowance was not paid as there was no demand from Job Card holders. The reply is not acceptable since the lack of demand for unemployment allowance is a consequence of the workers' lack of awareness of their entitlement, which in turn reflected the less than effective IEC activities conducted by the State Government to increase awareness regarding the unemployment allowance.

3.2.9.8 Non-coverage of workers under JBY and RSBY

Paragraph 8.9 of the MGNREGA Operational Guidelines, 2013 stipulates that MGNREGA workers are eligible for coverage under two insurance schemes¹² *i.e.*, the Janashree Bima Yojana (JBY) and Rashtriya Swasthya Bima Yojana (RSBY). The JBY, implemented by the Ministry of Finance provides life coverage and disability benefits to rural people. RSBY is a health insurance scheme implemented by the Ministry of Labour and Employment extended to all MGNREGA workers who have worked for more than 15 days in the preceding financial year. Under JBY, beneficiaries have to contribute ₹100 per annum as premium and while beneficiaries have to contribute ₹30 per annum as registration or renewal fee under RSBY.

Audit observed that none of the households were covered under JBY and only 22 out of 4,72,942 households in the State were covered under RSBY. Audit observed that despite the eligibility of MGNREGA workers for insurance coverage under the JBY and RSBY as per Paragraph 8.9 of the MGNREGA Operational Guidelines, 2013, no meaningful coverage was achieved even after a decade of the guidelines coming into effect. The negligible level of coverage, with no household covered under JBY and only 22 households under RSBY, reflects systemic failures in institutional arrangements, lack of administrative initiative, and weak IEC efforts to create awareness among beneficiaries. The non-coverage of workers deprived them of critical financial risk protection against illness, disability, or death, thereby defeating one of the key social security objectives embedded in the MGNREGA framework. The Department's post-audit instructions to initiate corrective measures do not offset the persistent non-compliance observed during the audit period.

In reply, the State Government stated (December 2024) that directives had been issued to DPCs and POs for wide publicity and to extend coverage of the insurance scheme to eligible beneficiaries. The reply is not acceptable since a significant time period had lapse after the notification of the Operational Guidelines in 2013 and the coverage of the insurance schemes remained negligible.

3.2.9.9 Non-adoption of NREGSoft in work estimation

Paragraph 7.7.1 of the MGNREGA Operational Guidelines, 2013 states that payments to workers based on work valued using Schedule of Rates (SoRs) appropriate for a contractor-led and machine-based system of work execution will lead to underpayment

¹² The two types of insurance provided under social security exclusively for MGNREGS workers are:
(i) JBY which provides life coverage and disability benefits to rural people. and
(ii) RSBY which has been extended to all MGNREGA workers/beneficiaries who have worked for more than 15 days in the preceding financial year.

of unskilled wages. Further, Paragraph 7.8.1 of the MGNREGA Operational Guidelines, 2013 states that work estimates should be generated from the NREGSoft with the help of back-end standard template which is designed for each type of work.

Audit observed that the estimates for works were prepared basing on the SoR of Nagaland Public Works Department (NPWD) due to lack of a functional Time and Motion System (TMS) module in the live server of the SECURE¹³ Software. The non-compliance with the MGNREGA guidelines by using NPWD's SoR instead of estimates generated through NREGSoft led to inaccurate valuations of work.

The continued reliance on NPWD's SoR for preparation of work estimates, in contravention of Paragraphs 7.7.1 and 7.8.1 of MGNREGA Operational Guidelines, 2013, resulted in systemic deviation from the prescribed estimation methodology under MGNREGA. As the NPWD SoR is designed for mechanised and contractor-led execution, its application in MGNREGA's unskilled manual work framework risks undervaluing the quantum of work executed by labourers and may potentially lead to underpayment of wages to beneficiaries. The State Government's failure to operationalise the TMS module in the NREGSoft system for several years reflects weak institutional arrangements and delayed compliance with scheme provisions, undermining accurate estimation, financial integrity, and wage protection under the scheme. The subsequent approval of the TMS study in December 2022 does not offset the prolonged non-compliance during the audit period.

While accepting the Audit observation, the State Government stated (December 2024) that TMS study was carried out and the report was approved (December 2022) by the State Government and pending with the MoRD for enabling in the live server.

3.2.9.10 Non-installation of Citizen Information Board

Paragraph 7.10.1 (V) of the MGNREGA Operational Guidelines, 2013 states that the Citizen Information Board (CIB) with MGNREGA logo must be set up containing essential information, details of work, estimates, rate at which each of these have been estimated, work status, quantities of materials that are to be used, basic dimensions of the work, person-days that will be generated, rate at which workers will be paid and amount of work to be done for this to be paid, expected benefit from the work etc. The details must be displayed on the Citizen Information Board and at the public place in the GP.

Paragraph 25(a) of Schedule I of MGNREGA stipulated installation of durable Citizen Information Board (CIB) displaying details of work such as cost and quantity of labour and material used at every worksite of the scheme. Further, the MoRD developed a suggestive framework and instructed (April 2017) all States and UTs to adopt a standardised CIB design made of cement and concrete to ensure durability and uniformity. The pro-active disclosure of information at the worksite through the suggestive framework for CIB for each work was reiterated in Paragraph 10.5 of the AMCs issued by GoI from time to time. During the JPV of works executed across

¹³ Software for Estimate Calculation Using Rural Rate for Employment

eight test-checked blocks, Audit observed that out of 332 worksites, only 164 had CIBs made of cement and concrete. In the remaining 168 worksites, temporary metal signboards were installed, which displayed limited information regarding the projects as shown in **Table 3.2.9**.

Table 3.2.9: Installation of CIB at scheme worksites

District	Block	No. of VDBs	No. of works selected for JPV	Concrete CIB installed	Temporary CIB installed
Dimapur	Chumukedima	4	43	41	2
	Aqhunaqa	4	40	0	40
Mokokchung	Mangkolemba	4	68	68	0
	Longchem	4	36	23	13
Zunheboto	Ghathashi	4	36	0	36
	Akuluto	4	27	18	9
Phek	Phek	4	41	0	41
	Sekhruzou	4	41	14	27
Total		32	332	164	168

Source: JPV report

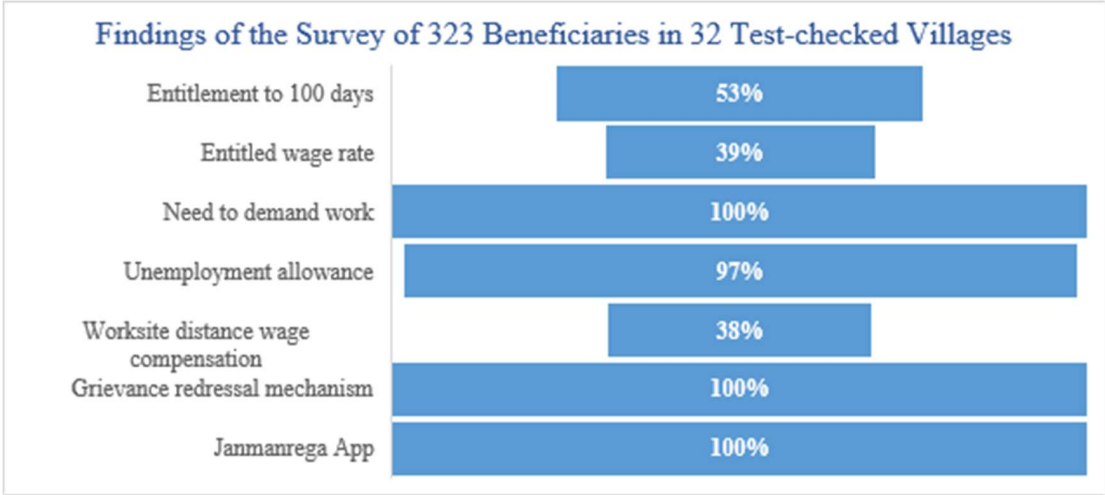
The deviation from prescribed norms for installation of CIBs at MGNREGA worksites reflects non-compliance with GoI directives for standardised concrete-based CIBs. The continued use of temporary metal signboards at 168 out of 332 worksites compromises the durability, visibility, and completeness of information available to the public regarding project cost, labour engagement, and material utilisation. This weakens the transparency framework of MGNREGA, reduces citizen oversight, and undermines one of the core design features intended to promote community-level accountability under the scheme. The State Government's post-audit assurance of corrective action does not address the persistent non-compliance observed during the audit period.

In reply, the State Government stated (December 2024) that the Audit observation had been noted for compliance and that necessary directives had been issued to POs for installation and replacement of temporary metal signboards with concrete CIBs.

3.2.9.11 Inadequate Information, Education and Communication activities

Paragraph 5.4.2 of the MGNREGA Operational Guidelines, 2013 states that all States should develop an Information, Education and Communication (IEC) plan of the scheme with focus on reaching out to the registered workers as well as other groups which could benefit from the scheme. The IEC plan should clearly indicate State, district, block and local level activities. Further, Paragraph 5.5 of the said Guidelines highlights the activities to be taken up under IEC such as project initiation meetings, use of help lines and rural common service centres, wall paintings, door to door contact programme, interactive sessions and quiz competitions on MGNREGS in schools and colleges. While Paragraph 12.5.2 of the said Guidelines states that at least two-thirds of the administrative expense should be spent at the block-level and below. Panchayats, in accordance with their needs and requirements may utilise the administrative expenses for approved activities.

Audit observed that the Department did not prepare any IEC plan during 2019-2024. Audit further observed that no funds for IEC activities were received by the block offices and VDBs in the last five years and only limited IEC activities such as wall paintings and printing of pamphlets were conducted at the Directorate of RD, GoN. The reason for the non-preparation of IEC plan was because the Department conducted IEC activities as per need basis and did not rely on a structured IEC plan. The Department’s failure to develop an IEC plan in all probability would hinder the scheme’s outreach and effectiveness, particularly in informing workers about their rights and opportunities as observed in beneficiary survey of 323 beneficiaries in 32 test-checked villages as stated below:



Audit observed that the absence of a structured IEC plan during 2019-2024 reflects persistent non-compliance with Paragraph 5.4.2 of the MGNREGA Operational Guidelines, 2013. Limited centralised IEC activities conducted at the Directorate level were insufficient to meet the scheme’s requirements for decentralised outreach at State, district, block, and GP levels. The lack of a structured IEC framework significantly impaired the scheme’s ability to inform workers about their entitlements, as evidenced by the audit’s beneficiary survey where a substantial proportion of workers remained unaware of their legal rights to guaranteed employment, applicable wage rates, unemployment allowances, demand registration process, worksite facilities, grievance redressal mechanisms, and citizen-centric monitoring tools such as Janmanrega. The Department’s reliance on ad-hoc IEC actions and post-audit justifications failed to address systemic information gaps that directly undermined beneficiary access, demand generation, and overall effectiveness of MGNREGA implementation in the State.

In reply, the State Government stated (December 2024) that in earlier years (2014-15) the State prepared annual IEC plans for MGNREGS. It was further stated that the Ministry IEC calendar for implementation of activities was circulated for compliance and that the Department had organised activities as per timelines and reports submitted to the Ministry. The reply is not acceptable since it did not align with the

requirements specified in the MGNREGA Operational Guidelines, which envisaged a structured and pre-planned IEC strategy.

Recommendations:

The State Government may ensure that-

- (i) *minimum 100 days of wage employment is provided to every desiring rural household in a year.*
- (ii) *at least one third of the fund allocation under administrative expenses reaches Block/Village level to appoint key functionaries at the village level.*
- (iii) *an annual door-to-door survey is conducted to provide opportunities to eligible beneficiaries for enrolment as MGNREGS workers.*
- (iv) *periodic verification of Job Cards is conducted to remove ineligible beneficiaries.*
- (v) *Job Cards are periodically updated with full name as recorded in Aadhaar card to expedite Aadhaar seeding and prevent authentication failure.*
- (vi) *standardised cement and concrete CIBs are installed in every worksite of the scheme.*
- (vii) *the Department develop and implement an annual IEC plan by including specific activities and targets at the State, district, block, and village levels.*

3.2.10 Audit Objective: Whether durable and useful assets were created and maintained in compliance with rules and regulations, while ensuring convergence with other schemes?

Paragraph 1.2 of the MGNREGA Operational Guidelines, 2013 stated that creation of durable assets and strengthening the livelihood source of the rural poor was an important objective of the Scheme. Audit observed that a total of 513 works were executed during 2019-2024 in the 32 test-checked VDBs under eight blocks in four districts, at a cost of ₹106.75 crore. A JPV of 332 completed works out of 513 works amounting to ₹75.54 crore was conducted in these villages and outcomes are detailed in **Appendix-3.2.5 to 3.2.7** and summarised in **Table 3.2.10**.

Table 3.2.10: Statement showing summary of JPV of works in 32 villages

(₹ in lakh)

District	Block	No. of VDBs	No. of works selected for JPV	Unexecuted works		Short executed works		Impermissible works executed	
				No.	Cost	No.	Cost	No.	Cost
Dimapur	Chumukedima	4	43	-	-	16	440.64	-	-
	Aqhunaqa	4	40	1	11.22	13	113.83	-	-
Mokokchung	Mangkolemba	4	68	-	-	-	-	28	653.87
	Longchem	4	36	1	11.42	4	63.01	-	-
Zunheboto	Ghathashi	4	36	-	-	4	119.72	-	-
	Akuluto	4	27	-	-	7	63.23	2	57.60
Phek	Phek	4	41	5	182.45	1	31.87	1	183.90
	Sekhruzu	4	41	3	81.61	6	37.13	7	60.59
Total		32	332	10	286.70	51	869.43	38	955.96

Source: JPV reports

As may be seen from **Table 3.2.10**, 10 sanctioned works amounting to ₹2.87 crore remained unexecuted while 51 works amounting to ₹8.69 crore were short executed despite payments being made and works reported as completed. The payments were released to the VDBs after certification of completion by the concerned BDOs and JEs/SOs. In turn the State Government submitted UCs to the Ministry based on the reported payments made/expenditure incurred. Further, the VDBs executed 14 impermissible works amounting to ₹9.56 crore, which were outside the purview of the Guidelines. The magnitude and nature of these deficiencies reflect systemic lapses in work selection, technical supervision, measurement verification, and financial oversight, resulting in irregular expenditure of ₹21.12 crore and undermining the creation of durable and permissible assets as mandated under the scheme.

Significant findings noticed during JPV are discussed in the succeeding paragraphs.

3.2.10.1 Unexecuted and short execution of works

Paragraph 7.13.1 of the MGNREGA Operational Guidelines, 2013 states that all measurements of work done shall be recorded in the measurement book (MB) duly authorised and issued by the competent authority. Further, Paragraph 7.13.5 of the Guidelines states that measurements recorded in MBs by Overseer/Junior Engineer should be checked by an authority higher than the measurement officer which is crucial for effective monitoring and ensuring quality of MGNREGS works. JPV of 332 works in the 32 test-checked villages showed that 10 sanctioned works remained unexecuted amounting to ₹2.87 crore (**Appendix-3.2.5**), while 51 works were short executed, amounting to ₹8.69 crore (**Appendix-3.2.6**), despite payments being made and recorded in MBs. Instances of unexecuted and short execution of works are highlighted in the **Chart 3.2.2**.

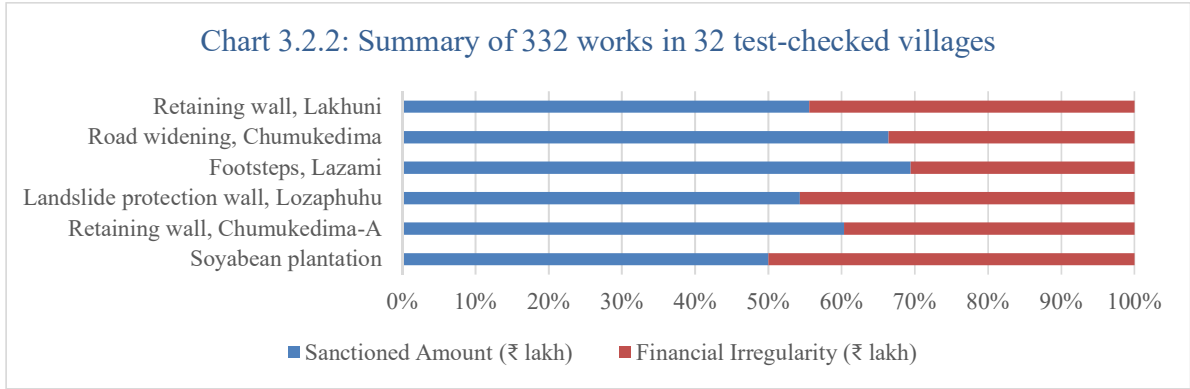
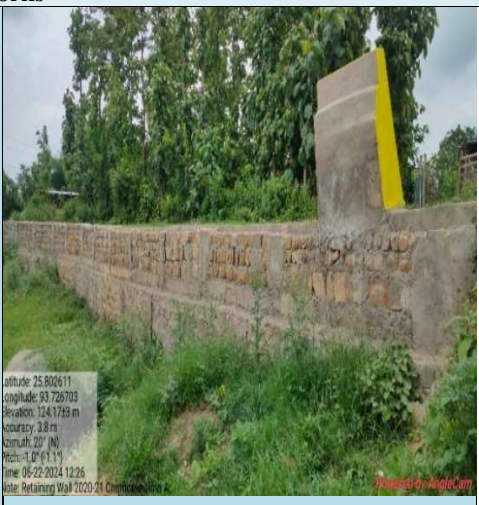


Table 3.2.11: Statement showing instances of unexecuted works

Sl. No.	Audit finding	Photographic evidence
Unexecuted works		
1	Name of work: Soyabean plantation in Chozuba Village during 2023-24 (DP/23841) Block: Phek Estimated cost: ₹73.39 lakh Actual cost: ₹72.44 lakh Schedule date of completion: 12.12.2023 Actual date of completion: 12.12.2023 Date of payment: 22.02.2024 During JPV, Audit could not find soyabean saplings which indicated non-execution of work. In reply, the State Government stated (December 2024) that the VDB in its resolution agreed to divert the cultivation of soyabean towards cultivation of kiwi. The reply was not acceptable as all Cash memos, MBs and cash book showed fictitious purchase of soyabean seeds and the payment released accordingly. Further, JPV with the Department representatives and VDB in July 2024 revealed that full grown kiwi tree was already planted at the geotagged location which is also not acceptable as the work was reported as completed only in December 2023.	 Photograph 3.2.1: Non plantation of Soyabean in Chozuba village

Table 3.2.12: Statement showing instances of short execution of works

Sl. No.	Audit finding	Photographic evidence
Short execution of works		
1	Name of work: Construction of retaining wall at Chumukedima 'A' Village during 2020-21 (RP/19264) Block: Chumukedima Estimated cost: ₹53.29 lakh Actual cost: ₹53.25 lakh Schedule date of completion: NA Actual date of completion: 11.06.2020 Date of payment: NA Audit observed that there was short execution of earthwork and soiling with stone amounting ₹35.05 lakh. In reply, the State Government stated (December 2024) that the work was executed at two locations. The reply was not acceptable as the Department representatives and VDB had jointly certified during JPV that the work was executed at the verified geo tagged site.	 Photograph 3.2.2: Construction of retaining wall, Chumukedima-A

Sl. No.	Audit finding	Photographic evidence
2	Name of work: Construction of landslide protection wall below Vesuta's Residence at Lozaphuhu village during 2022-23 (LD/13992) Block: Phek Estimated cost: ₹38.11 lakh Actual cost: ₹37.86 lakh Schedule date of completion: NA Actual date of completion: 09.10.2023 Date of payment: NA Audit observed that there was short execution in earthwork, rubble masonry and backfilling behind the wall with granular materials amounting to ₹31.87 lakh. In reply, the State Government stated (December 2024) that the reasons behind short execution was high cost of the materials in remote villages and execution of work by VDB without technical expertise. The reply was not acceptable as the work should have been executed as per estimates prepared by the Block office.	 Photograph 3.2.3: Construction of protection wall, Lozaphuhu
3	Name of work: Construction of road widening and soiling at Chumukedima village during 2022-23 (RC/29649) Block: Chumukedima Estimated cost: ₹56.38 lakh Actual cost: ₹56.36 lakh Schedule date of completion: NA Actual date of completion: 27.06.2022 Date of payment: NA Audit observed that there was short execution in WBM Grading-III amounting ₹28.48 lakh. In reply, the State Government stated (December 2024) that the work was executed at the given location using WBM Grading-II measuring L-1590 m on the request of VDB and the remaining fund was utilised for road widening and soiling of adjacent village road measuring 1,300 m based on resolution of general body meeting of the village. The reply was not acceptable as the Department representatives and VDB had jointly certified during JPV that the work was executed at the verified geo tagged site.	 Photograph 3.2.4: Road widening and soiling, Chumukedima-A

Sl. No.	Audit finding	Photographic evidence
4	Name of work: Construction of retaining wall at Lakhuni Village during 2022-23 (LD/14113) Block: Longchem Estimated cost: ₹35.85 lakh Actual cost: ₹35.85 lakh Schedule date of completion: NA Actual date of completion: 16.06.2022 Date of payment: NA Audit observed that 70 m against the estimate of 350 m in length was executed resulting in short execution of 280 m in length amounting to ₹28.68 lakh. In reply, the State Government stated (December 2024) that the work was executed at five different locations. The reply was not acceptable as the Department representatives and VDB had jointly certified during JPV that the work was executed at the verified geo tagged site.	 Photograph 3.2.5: Construction of retaining wall, Lakhuni

The irregularities highlighted in **Table 3.2.11 and 3.2.12** reflects systemic lapses in technical supervision, worksite monitoring, adherence to geo-tagging protocols, and compliance with approved work estimates, resulting in financial mismanagement and dilution of scheme objectives.

3.2.10.2 Execution of impermissible works

Paragraph 4(1) of Schedule I of the MGNREGA stipulates the list of permissible works that can be taken up under the Scheme. Further, Paragraph 7.2.2 of the MGNREGA Operational Guidelines, 2013 states that if the State Government believes that the current list of permissible works is not proving adequate to generate sufficient employment, the State Government should draw up a proposal of such works to be sent to the Ministry for approval. In addition, Paragraph 7.3.10 of the Guidelines stipulates that States must seek clearance from the Ministry whenever there is any doubt about an activity being permissible or not. Audit observed that out of 332 works in 32 test-checked villages taken up during 2019-2024, 14 works were impermissible (**Appendix-3.2.7**).

Summary of expenditure on impermissible works

Type of Impermissible Work	No. of Works	Total Amount (₹ lakh)
Panchayat building constructions (beyond ceiling)	2	431.82
Bridge construction	1	375.00
Livestock distribution (piglets/chicks)	3	48.42
Total (sampled works)	6	855.24

A few instances of such works are highlighted in **Table 3.2.13**.

Table 3.2.13: Statement showing instances of execution of impermissible works

Impermissible works		
Sl. No.	Audit findings	Photographic evidence
1	Construction of Panchayat buildings were taken up in the test-checked VDBs in Khar village (2019-20 and 2020-21) and Phek village (2020-21, 2021-22 and 2022-23) at a cost of ₹247.92 lakh and ₹183.90 lakh respectively which are beyond the permissible ceiling limit of ₹20 lakh as per Paragraph 6.7.4 of Annual Master Circular of 2021-22 issued by MoRD.	 Photograph 3.2.6: Construction of Multi-Complex Community Hall in Khar village
2	Construction of bridge on Tsuong river was undertaken by VDB of Changki village during 2019-2021 amounting to ₹375 lakh which is not permissible under MGNREGS.	 Photograph 3.2.7: Construction of bridge on Tsuong river in Changki
3	Three VDBs under Sekruzu Block distributed chicks and piglets to individual household beneficiaries amounting to ₹48.42 lakh during 2020-21 and 2022-23. The VDBs proposed and executed these impermissible works without adhering to the Scheme guidelines.	 Photograph 3.2.8: Piglet distributed in Chozu Basa

The execution of impermissible works listed in **Table 3.2.13** was not referred to the Ministry for seeking their clearance regarding their permissibility under MGNREGS.

Audit observed that 14 impermissible works were executed under MGNREGA in the test-checked villages during 2019–24 in violation of Paragraph 4(1) of Schedule I and Paragraphs 7.2.2 and 7.3.10 of the MGNREGA Operational Guidelines. These included construction of Panchayat buildings exceeding the permissible cost ceiling, bridge construction, and distribution of livestock to individual households, collectively involving an irregular expenditure of ₹9.56 crore. Execution of such inadmissible works reflects serious weaknesses in scheme planning, administrative oversight, and adherence to scheme guidelines, leading to mis-utilisation of scheme funds.

In reply, the State Government stated (December 2024) that permissible works list provided by the Ministry had a limited applicability in Nagaland and therefore, works were taken up as per the immediate community needs which were not currently permissible but generate additional employment and strengthen livelihood resource base of rural poor. It was further stated that necessary directives had been issued to DPCs and POs to refuse proposal of impermissible works from VDBs. The reply proved the audit contention that inadmissible works were executed under MGNREGS.

3.2.10.3 Unfruitful expenditure and diversion of funds

Paragraph 14.1 of the MGNREGA Operational Guidelines, 2013 places importance on quality and durability of assets created as the proper implementation of the Scheme has the potential to transform rural areas by creating durable assets that would not only enhance the livelihood security of rural poor but also result in substantial infrastructural development in rural areas. Further, Paragraph 6.8 of the said Guidelines states that all the works approved under District Annual Development Plan shall be accorded administrative sanctions by the DPC or as per norms set by State Government. In parallel, the DPC will coordinate the preparation of detailed technical estimates and sanctions. Only works that are accorded administrative and technical sanctions will become available for allocation. The Public Accounts Committee (PAC), Nagaland in its Report (2018-19) recommended that the RD Department, GoN should take approval of the competent authority and maintain a register on the deviation of plan/projects so as to avert deviation in future projects highlighted in the C&AG Audit Report (2011-12).

During the JPV (June and July 2024) of works in the 32 test-checked villages, Audit observed that the VDBs had executed three works costing ₹16 lakh, which were non-functional and therefore rendered the expenditure unfruitful. Audit further observed that six works amounting to ₹101.13 lakh were diverted to other works not included in the original sanction, as detailed in *Appendix-3.2.8*. The inability to create durable assets not only resulted in unfruitful expenditure but also undermined the long-term goals of MGNREGA to improve rural infrastructure and enhance livelihood security. Further, the diversion of funds indicated deficiencies in planning, execution, and monitoring phases of project implementation. These deficiencies reflect weaknesses in the planning, technical supervision, and monitoring frameworks at both the implementing agency and oversight levels. The Department's post-audit assurance of corrective action does not mitigate the systemic non-compliance observed during the audit period.

While accepting the Audit observation, the State Government stated (December 2024) that necessary directions had been issued to DPCs and POs for corrective action. Notably, this assurance had already been reiterated in the Action Taken Note submitted in response to the PAC's recommendation.

3.2.10.4 Non-compliance to General Financial Rules on procurement

Rule 161 of the GFR¹⁴, 2017 states that advertised tender should be called for the procurement of goods¹⁵ valuing ₹25 lakh and above. Further, Rule 173 of the GFR, 2017 states that purchases should be made in a transparent, competitive and fair manner to secure best value for money. In addition, the State Government directed (July 2017) all Government Departments to call for bids through open tenders through e-procurement for supply works of ₹20 lakh and above.

Audit observed that purchases valuing ₹25 lakh and above amounting to ₹6.23 crore (2019-20 to 2022-23) were made from the scheme's administrative expenses fund without calling for tenders as shown in *Appendix-3.2.9*.

Audit observed the following significant issues in these procurements:

- Multiple job card printing orders were placed with the same vendor (M/s NV Press) on closely spaced dates in December 2022, each slightly exceeding ₹25 lakh, suggesting possible splitting of tenders to remain below higher sanction thresholds and competitive bidding requirements.
- MIS Room setup was executed twice within a span of less than two years from different vendors for providing goods (M/s Temptation, Dimapur) and services (M/s Infinity World, Guwahati) amounting to ₹0.55 crore and ₹0.57 crore respectively.
- A large procurement of ₹3.51 crore was incurred in 2022-23 for worksite tents was awarded to M/s Komorebi Supply based on the request of the firm without competitive tendering, rate reasonableness assessments, or technical justification supporting the scale of this procurement.

Audit further noted that these purchases were debited to the Administrative Expenses Fund, which under Paragraph 12.5.6 of the MGNREGA Operational Guidelines prohibits such high-value asset creation expenditures under administrative heads.

The recurring pattern of fragmented procurements, absence of competitive tendering records, and diversion of administrative funds for asset creation indicate non-compliance with the GFR provisions and MGNREGA scheme norms, leading to the risk of financial irregularities, lack of transparency, and inefficient utilisation of scheme funds.

While accepting the Audit observation, the State Government stated (December 2024) that the purchases were in view of exigent situation and smooth implementation of the scheme and assured compliance to provisions of the GFR, 2017 in future purchases. The fact, however, remains that these actions were in clear violation of the provisions of the GFR, 2017 and MGNREGA Operational Guidelines and cannot be justified retrospectively on the grounds of urgency.

¹⁴ which is followed by GoN

¹⁵ Rule 143 of the GFR, 2017 states that the term 'goods' also includes works and services which are incidental or consequential to the supply of such goods, such as, transportation, insurance, installation, commissioning, training and maintenance.

3.2.10.5 Non-installation of electronic items in the MIS Room

Rule 21 of the GFR, 2017 states that every officer incurring or authorising expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Audit observed that the works for setting up of a MIS training-cum-monitoring video conference room exclusively for MGNREGS were awarded to M/s Infinity World, Guwahati and M/s Temptation at a total cost of ₹1.13 crore. JPV conducted in June 2024 showed non-installation of items as detailed in **Table 3.2.14**.

Table 3.2.14: Shortfall in supply and installation of equipment

Sl. No.	Particulars (Date of payment)	Project Cost (in ₹)	Short supply of items	Quantity (in nos.)	Shortfall (in ₹)
1	M/s Infinity World Guwahati (30.04.2019)	55,46,000	Projector Ben Q	1	1,28,000
			IP Phone (₹98,700 each)	4	3,94,800
2	M/s Temptation, Dimapur (19.12.2020)	57,35,810	Wireless Antenna PTP Devices (₹4,47,500 each)	2	8,95,000
Total		1,12,81,810	-	-	14,17,800

Source: Department records and physical verification.

As may be seen from **Table 3.2.14**, the supplier failed to fully supply and install equipment worth ₹14.18 lakh, resulting in incomplete establishment of the MIS training-cum-monitoring room despite full payment. The absence of these key components compromised the functional effectiveness of the MIS facility. The Department's failure to produce any records of initial installation, repair requests, or disposal orders indicates lapses in financial propriety, internal controls, and asset management, in violation of Rule 21 of the GFR, 2017 and established procurement principles.

In reply, the State Government stated (December 2024) that the above items were installed initially but removed for repairs due to technical snag and thereafter declared beyond repair.

The reply of the State Government was not acceptable as there was no record indicating that the items were sent for repairs.

3.2.10.6 Irregular procurement of material by the VDBs

Paragraph 7.1.7 of the Annual Master Circular of MGNREGS 2019-20 states that if some items are to be used across the entire block e.g., bricks, reinforcement bars, then the requirement from each GP for the entire financial year may be aggregated at the Block level. It further states that the Block officer shall call a tender for such aggregated items so that materials are procured at competitive rates and economies of scale were achieved. The Block officer shall then approve the vendors along with rates for procurement of the aggregated items and in all such cases; the GPs may procure the material at approved rates through approved vendors.

Audit observed that materials like bricks, cement and steel were purchased by the VDBs directly from suppliers without calling for quotations/tenders. By not adhering to the Master Circular, the scheme missed out on securing materials at competitive rates, leading to inefficiencies and possibly higher costs. The direct procurement of materials without a proper tendering process undermined transparency and accountability in the utilisation of public funds.

In reply, the State Government stated (December 2024) that it had declared VDBs as a vendor and as such Block officers were compelled to issue work orders to VDBs for execution of Scheme works. The reply was not acceptable as the State Government cannot supersede the Centrally mandated instructions that are designed to ensure financial propriety and cost-efficiency.

Recommendations:

The State Government may ensure that-

- (i) works reported as completed should be verified through field inspections to avoid non-execution and short execution of works.***
- (ii) clarification regarding the incorporation of works not specified in the schedule of permissible works is sought from the Ministry and necessary approvals are obtained before sanctioning of such works.***
- (iii) there is creation of durable assets and unfruitful expenditure is avoided by ensuring that funds sanctioned for approved projects are not diverted to other works.***
- (iv) provisions of the GFR, 2017 on procurement are strictly observed.***
- (v) materials required for scheme works in villages are procured at competitive rates by adopting tendering process at the Block level.***

3.2.11 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?*

3.2.11.1 State Employment Guarantee Council

Section 12 of the MGNREG Act stipulates that every State Government should set up a State Employment Guarantee Council (SEGC). The SEGC is responsible for advising the State Government on the implementation, evaluation and monitoring of the scheme and for preparing an Annual Report on MGNREGA to be presented to the State Legislature. Further, the SEGC should convene at least one meeting annually to discuss the progress of the Scheme in the State. The PAC in its Report (2018-19) recommended the RD Department, GoN to submit separate Annual Report of SEGC to the Committee on the shortfall highlighted in the C&AG Report (2011-12).

Audit observed that though the State Government had constituted (March 2008) the SEGC headed by the Chief Minister as the Chairman. The SEGC was reconstituted (June 2016) with the Minister, RD Department as the Chairman. During the audit

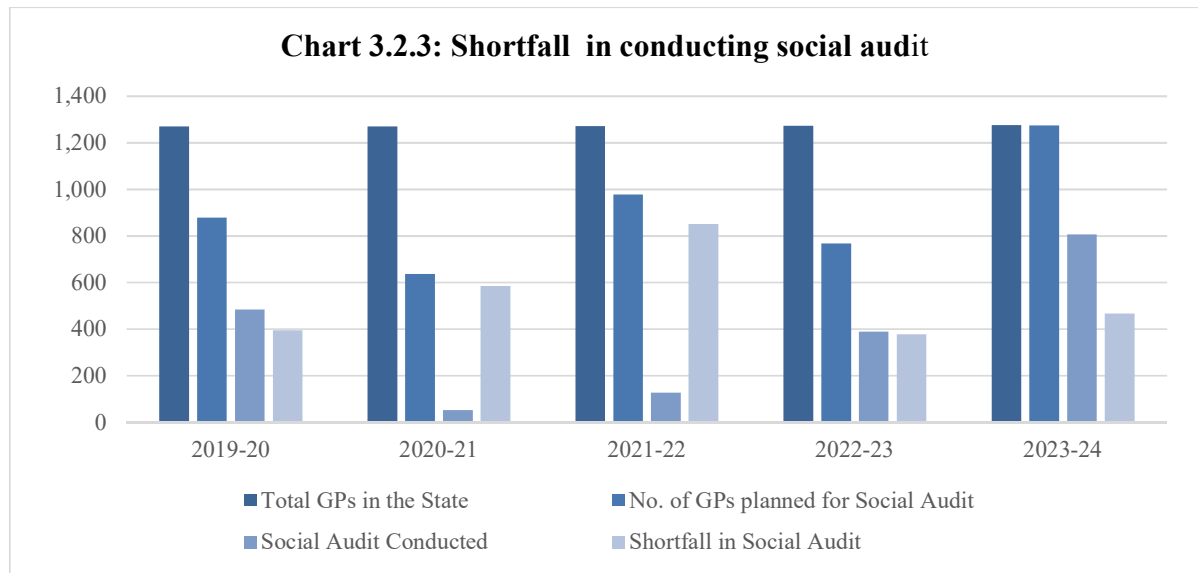
period, the SEGC did not prepare the Annual Report on MGNREGA for presentation to the State Legislature in contravention of the directions issued by the PAC. Audit further observed that during 2019-20 to 2023-24, meeting of the SEGC was convened only on three occasions (February 2021, March 2022 and December 2022) against the minimum requirement of five meetings. As such, the SEGC failed to fulfil its responsibilities of advising the State Government on the implementation of the scheme. The failure to ensure regular functioning of the SEGC reflects serious deficiencies in institutional oversight, monitoring, and advisory mechanisms that are critical for the effective implementation and evaluation of MGNREGA in the State. The Department's post-audit assurances of future compliance do not mitigate the prolonged statutory non-compliance observed during the audit period.

While accepting the Audit observation, the State Government stated (December 2024) that the SEGC meetings are held on need basis and the observation on non-submission of Annual Report to the State Legislature has been noted for compliance.

3.2.11.2 Shortfall in Social Audit and pending observations

Section 17 of the MGNREG Act stipulates conduct of '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. Additionally, Section 3(1) of the MGNREGA Audit of Schemes Rules, 2011 states that social audit should be conducted in each GP at least twice a year. The PAC in its Report (2018-19) recommended the RD Department, GoN to conduct regular Social Audit so as to ensure transparency and public accountability in the implementation of project highlighted in the C&AG Audit Report (2011-12).

Audit observed that the Social Audit Unit (SAU) prepared an annual social audit plan aiming to cover each VDB once a year, contrary to the requirement of biannual audits (*i.e.* two such audits in a year). Audit further observed that there was a shortfall in conducting 2,676 social audits (59 *per cent*) in the State during 2019-2024 against the target in the audit plan of 4,536 social audits, details are given in *Appendix-3.2.10*.



Audit also observed that no social audit was conducted during 2020-21 in the 32 test-checked VDBs, while in the remaining four years, the shortfall ranged from 44 to 75 *per cent*. Further, against 16,290 audit observations raised by SAU in the State during 2019-2024, corrective measures were taken only against 10,661 social audit observations as shown in **Appendix-3.2.10**. Similarly, in the 32 test-checked VDBs, SAU raised 426 audit observations during 2019-2024 with 90 outstanding observations (21 *per cent*). Inadequate social audits undermine the accountability and transparency objectives of MGNREGA, allowing potential irregularities in the Scheme's implementation to persist. Additionally, the incomplete follow-up on social audit observations suggests that issues identified during audits may not be adequately addressed, limiting the impact of the social audit process.

While accepting the Audit observation, the State Government stated (December 2024) that paucity of funds and unfavourable climatic conditions for travel were the reasons for shortfall in conduct of social audit. It was further stated that necessary directions had been issued to POs for settlement of social audit observations.

The reply of the State Government was not acceptable as the mandatory provisions under Section 17 of the MGNREG Act and Section 3(1) of the MGNREGA Audit of Schemes Rules, 2011 require regular biannual social audits to ensure continuous public oversight. Constraints such as limited funds or climatic conditions should have been anticipated and factored into the State's annual social audit planning and budgeting processes. Further, despite the PAC's recommendations, the persistent shortfall over multiple years reflects systemic weaknesses in administrative planning, fund management, and compliance with statutory obligations.

3.2.11.3 Concurrent Social Audit

Paragraph 25(b) of Schedule I of the MGNREG Act mandates conduct of concurrent social audits to ensure transparency and accountability. The provision states that self-help groups, village social auditors, Village Monitoring Committees (VMCs), and other village-level organisations have had the right to inspect all records of works and expenditures in the village on a fixed day each week. The VMCs are required to submit a signed report of their observations to the POs.

Audit observed that concurrent social audits were not conducted in the test-checked blocks and VMCs which are responsible for ensuring continuous oversight of MGNREGA activities, were not formed. The Department's failure to establish VMCs and conduct concurrent social audits undermined the transparency and accountability mechanisms necessary for the effective implementation of the Scheme as provided under the MGNREGA guidelines.

In reply, the State Government stated (December 2024) that the Village Council members visited the work site to monitor and ensure proper implementation of works by VDBs. It was further stated that, necessary directions had been given for formation of Village Monitoring Committee for concurrent social audit.

3.2.11.4 Functioning of Ombudsman

Paragraph 13.14 of the MGNREGA Operational Guidelines, 2013 states that the State Government must establish the office of an Ombudsman in all districts for expeditious redressal of grievances regarding implementation of the scheme. The main duties of the Ombudsman were to submit monthly and annual reports, highlighting action to be taken against erring MGNREGA functionaries and summarise report of cases disposed by ombudsman to SEGC.

Audit observed that the State Government appointed Ombudsmen for all districts to address the complaints against the Village Councils/VDBs elected members and staff. Audit, however, observed that in three test-checked districts, the offices of Ombudsman were not functional, as they had neither submitted monthly/annual reports to higher authorities nor summary reports to the SEGC. The failure to operate Ombudsman offices undermines the grievance redressal mechanism of MGNREGA's accountability framework.

In reply, the State Government stated (December 2024) that a workshop had been organised for all appointed Ombudspersons to discuss their roles and functions. It was further stated that instructions had been issued to district implementing agencies to ensure proper functioning of Ombudsperson as per the MoRD guidelines. The reply of the State Government was not acceptable as non-functionality of the Ombudsman offices persisted over a long period of time, suggesting that the State Government failed to address the issue in a timely manner.

3.2.11.5 Functioning of Vigilance Cell

Paragraphs 13.6.2, 13.6.3 and 13.6.4 of the MGNREGA Operational Guidelines, 2013 prescribe the constitution of a Vigilance Cell at the State level headed by a Chief Vigilance Officer (CVO), a District Vigilance Cell at the district level and the Vigilance and Monitoring Committee at the local level. These cells were required to be set-up for receiving complaints about the implementation of the scheme, for conducting regular field visits to detect irregularities, for taking *suo-moto* action based on reports appearing in the media and for interaction with workers.

Audit observed that the State Level Vigilance and Monitoring Committee was constituted (December 2009), however, a CVO was not appointed and as such no activities were conducted, indicating the Committee's non-functionality. Audit further observed that the absence of a functioning CVO and complaint management system contributed to the inactivity of the Vigilance Cell.

In reply, the State Government stated (December 2024) that, in the absence of any substantial complaints the Committee had not undertaken any field visits. The reply was not acceptable as the State Government failed to appoint CVO at the State level as mandated by the Scheme guidelines.

3.2.11.6 State and District Quality Monitors

Paragraph 14.10.4 of the MGNREGA Operational Guidelines, 2013 stipulates that the State Quality Monitor (SQM) will inspect at least five *per cent* works while they are

still in progress, so as to assess asset quality aspects. Further, as per Paragraph 7.12.1 of the Annual Master Circular 2019-20, the SQM and District Quality Monitors (DQM) were required to evaluate at least 10 *per cent* of the works executed under the Scheme. The expenses on SQMU will be borne out of funds provided by the Central Government to meet administrative expenses for MGNREGA.

Audit observed that though the State and District Quality Monitoring Cells were constituted (November/December 2019), no inspections were conducted during the progress or completion of works to verify quality or authenticity. Audit further observed that the Department had not reappointed SQM/DQM following their three-year term expiry. The absence of independent quality verification deprived the scheme of an essential oversight mechanism to ensure asset quality and scheme integrity. The Department's practice of assigning quality inspections to Programme Officers, who are part of the implementing hierarchy, is not a valid substitute for independent monitoring. This reflects systemic governance failure in quality assurance despite availability of administrative funds earmarked for this purpose under the scheme.

In reply, the State Government stated (December 2024) that the SQM and DQM were constituted, but due to fund constraints, the regular monitoring of works had been entrusted to concern POs. The reply of the State Government was not acceptable as it failed to comply with the scheme operational guidelines for constitution of SQM/DQM. The guidelines require independent monitoring by SQM/DQM, funded from the administrative expenses provided by the Central Government. The delegation of quality monitoring responsibilities to Programme Officers, who are directly involved in scheme execution, compromises objectivity, independence, and integrity of the quality monitoring process. The State's failure to reappoint SQM/DQM after the expiry of their tenure reflects systemic non-compliance with scheme quality assurance mechanisms.

3.2.11.7 Non-preparation of Citizens' Charter

Paragraph 13.12.1 of the MGNREGA Operational Guidelines, 2013 states that the Citizens' Charter shall cover all aspects of the duties of Panchayats and officials under the Act. It should describe the specific steps involved in implementing the provisions of the Act and lay down the minimum service levels mandated by these provisions on the Panchayats and the officers concerned.

Audit observed that no Citizens' Charter was prepared by the State Government during the audit period. The lack of a Citizens' Charter indicated the absence of the State's commitment to adhere to the MGNREGA guidelines. Without the Citizens' Charter, beneficiaries were deprived of critical information regarding their legal entitlements, procedural steps for work allocation, grievance redressal mechanisms, and the performance obligations of implementing authorities. This undermined the rights-based framework of the Scheme and weakened institutional accountability at all levels of implementation.

While accepting the audit observation, the Government stated (December 2024) that the Audit observation was duly noted for compliance and necessary action would be taken to prepare the Citizen’s Charter.

3.2.11.8 NMMS application

National Mobile Monitoring System (NMMS) App was introduced (May 2021) by the MoRD, GoI, to ensure more transparency in the implementation of the scheme. Subsequently, attendance through NMMS app was made mandatory from January 2023 by the Ministry. Through NMMS app, the attendance of workers/job-card holders was to be captured at the worksite with geo-tagged time stamped photographs of the workers.

Audit, however, observed that NMMS app was not implemented in any of the 32 test-checked villages. Audit further observed that internet connectivity issues in the interior places of the State posed a major challenge in implementation of the NMMS app. Audit observed that despite the Ministry’s instructions making NMMS App-based attendance mandatory from January 2023, the State Government failed to implement the system in the 32 test-checked villages during 2023-24. As of 2024-25, the App was operational in only 116 villages, indicating limited and delayed adoption. The non-implementation of NMMS deprived the Scheme of a critical transparency mechanism intended to capture real-time, geo-tagged, time-stamped attendance and prevent manipulation of work records. The continued absence of full-scale implementation reflects systemic weaknesses in digital infrastructure, institutional preparedness, and administrative oversight, thereby undermining transparency, accountability, and accuracy in wage disbursement processes envisaged under MGNREGA.

While accepting the Audit observation, the State Government stated (December 2024) that trainings had been imparted to District and Block officials on NMMS app usage. It was further stated that in current financial year 2024-25, the said app was being used in 116 villages and the same shall be gradually extended to all villages in the State.

Recommendations:

The State Government may ensure that-

- (i) SEGC holds regular meeting for effective monitoring of the Scheme and submits annual reports to the State Legislature to enhance accountability and transparency.***
- (ii) Social audits are conducted in all VDBs and steps may be taken for prompt disposal of outstanding audit observations.***
- (iii) Vigilance and Quality Monitoring Committees may be strengthened to enhance the quality control and monitoring mechanism of the Scheme implementation.***

3.2.12 Conclusion

The Performance Audit was conducted to evaluate the effectiveness of planning, financial management, execution, monitoring mechanisms and the overall impact of the Scheme on improving rural livelihood security. The audit showed some shortcomings in various aspects of implementation. Over the past five years, the State failed to provide the mandated minimum of 100 days of wage employment, primarily due to improper demand assessment and the preparation of unrealistic labour budgets. Financial management issues were also prevalent, with delays in releasing funds to implementing agencies and shortfalls in the State's matching share, which adversely affected the Scheme's execution. Instances of fund diversion from administrative expenses and non-compliance with the GFR in procurement were also observed, further undermining efficiency. At the operational level, a shortage of key personnel, such as GRS and mates at the village level, along with inadequate IEC activities, contributed to low levels of awareness among beneficiaries about their rights as exemplified by Job Cards being in the custody of VDBs instead of the beneficiaries.

Moreover, in the 32 test-checked villages, several irregularities were observed which included unexecuted works, incomplete projects and execution of impermissible works. These shortcomings were primarily attributable to inadequate planning and oversight, shortage of key functionaries such as GRS and mates at the village level, and insufficient monitoring during project execution. The monitoring mechanisms envisaged under the Scheme, such as social audits, vigilance systems and quality control measures, were found to be inadequately functioning. Additionally, the SEGC failed to prepare and present annual reports on MGNREGA to the State Legislature, thereby weakening the accountability of the Executive to the Legislature. These deficiencies collectively highlight inefficiencies in the Scheme's implementation, undermining its objective of ensuring rural livelihood security.

Summary of Recommendations:

- (i) An annual door-to-door survey was not conducted by the Programme Officers should be institutionalised to include all eligible beneficiaries, remove ineligible persons (such as Government employees), and update Aadhaar-seeded job card records to eliminate authentication failures.*
- (ii) The Department should take focused steps, including field-level data correction, additional Aadhaar enrolment centres, and coordination with banks to expedite 100 per cent ABPS coverage for wage payments to prevent delays and leakages.*
- (iii) The State should develop an annual IEC plan covering State, district, block, and village levels with clear timelines and targets to enhance worker awareness of their rights, entitlements, grievance mechanisms, and available mobile applications such as Janmanrega.*
- (iv) The State must reconstitute and operationalise State and District Quality Monitoring Units (SQM/DQM) as per guidelines to independently monitor*

at least 10 per cent of the works for quality assurance and compliance.

- (v) Dedicated technical staff must be appointed at village and block levels to ensure proper work measurement, adherence to sanctioned estimates, correct geo-location tagging, and validation of work execution as per approved specifications.*
- (vi) The State must reconstitute and operationalise State and District Quality Monitoring Units (SQM/DQM) as per guidelines to independently monitor at least 10 per cent of the works for quality assurance and compliance.*
- (vii) The State should operationalise fully functional grievance redressal systems and conduct mandated biannual social audits in every VDB, with independent verification, resolution of audit observations, and public disclosure of audit reports.*

TRANSPORT (MOTOR VEHICLES) DEPARTMENT

3.3 Functioning of Regional Transport Offices/District Transport Offices

A Performance Audit of the “Functioning of Regional Transport Offices/District Transport Offices” was carried out covering the period from 2018-19 to 2023-24. The performance audit brought out the following significant findings.

Highlights

- *6,292 out of 33,567 LLs were issued without conducting the mandatory tests in the three test-checked RTOs/DTO.*

Paragraph 3.3.8.1

- *Out of 1,490 chassis numbers that were assigned to multiple vehicles in VAHAN database, 903 chassis number were found to be issued with No Objection Certificates (NOCs), while the remaining 587 chassis numbers were assigned to multiple vehicles without obtaining NOCs.*

Paragraph 3.3.9.1

- *Ownership of 146 out of 1,152 Government auctioned vehicles had not been transferred to the buyer’s name, indicating that the buyers failed to apply to the registering authority for ownership transfer.*

Paragraph 3.3.9.4

- *As on 31 March 2024, 4,864 transport vehicles are plying with expired permits.*

Paragraph 3.3.9.5

- *There is no ATS in Nagaland to carry out the automatic testing of vehicles for the issuance of fitness certificates. The construction of an Inspection and Certification Centre at Chumukedima, proposed for conversion into an ATS, was under progress.*

Paragraph 3.3.9.10

- *During 2019-2024, 8,633 vehicles registered in Nagaland defaulted on tax payments, resulting in cumulative outstanding dues of ₹9.03 crore.*

Paragraph 3.3.10.1

- *A Road safety cess amounting to ₹34.54 crore collected by the Department was not transferred to the Nagaland Road Safety Fund for utilisation towards road safety functions.*

Paragraph 3.3.10.2

- *Two RTOs Kohima and Mokokchung under-imposed a penalty of ₹23.41 lakh for overloading.*

Paragraph 3.3.11.2

- *The provisions for imposing penalties for various motor vehicle related offences were not complied with by the three test-checked RTOs/DTO.*

Paragraph 3.3.11.3

- *The VAHAN and SARATHI applications were operational across all RTOs/DTOs in Nagaland, however, an online payment gateway for citizen users had not been integrated.*

Paragraph 3.3.12.2

- *The GoN had signed a Memorandum of Understanding (MoU) with HDFC Bank to provide a payment gateway for e-challan and other online payments, this integration with the VAHAN application was still under development.*

Paragraph 3.3.12.2

- *The absence of operational DTOs in 50 per cent of the districts (08 out of 16 districts) compromises the Department's ability to enforce vehicle regulations, conduct safety inspections, manage road safety and deliver public services effectively.*

Paragraph 3.3.12.3

3.3.1 Introduction

The regulation and taxation of mechanically propelled vehicles fall under the Concurrent List (Entry 35 under List III) of the 7th Schedule of the Constitution of India. This provision grants both the Central and State Governments jurisdiction over rules, regulations, and their implementation related to motor vehicles. The Motor Vehicles Act (MV Act), 1988, enacted by Parliament, covers various aspects such as grant of driver and conductor licenses, vehicle registration and various permits. The Ministry of Road Transport & Highways (MoRTH), Government of India (GoI) formulates policies and enforces this Act, alongside the Central Motor Vehicles Rules (CMV Rules), 1989. Vehicle taxation also listed in the Concurrent List of the Constitution of India, is covered under the State List (Entry 57 under List II).

Nagaland has enacted the Nagaland Motor Vehicle Taxation Act, 1967, and the Nagaland Passengers & Goods Taxation Act, 1967, which specify taxes and fees for vehicles in the State. In order to have National and State Registers¹⁶ of motor vehicles

¹⁶ Section 26 and 63 of the Motor Vehicle Act, 1988 read with Rule 23 and 75 of the Central Motor Vehicle Rules 1989.

and driving licenses issued respectively and for providing valuable data to the Centre, the State Government implemented the 'VAHAN' and 'SARATHI' application systems developed by the National Informatics Centre (NIC).

The Motor Vehicles Department (MVD) under the Transport Department, Government of Nagaland (GoN) was established in the year 1963 on Nagaland attaining Statehood. The powers and functions of the Department are regulated under the provisions of the MV Act 1988, CMV Rules 1989, the Nagaland Motor Vehicles Act, 1967 and the Motor Vehicles Taxation Rules, 1972. As on 31 March 2024, there are two Regional Transport Offices and six District Transport Offices that function under the MVD of the State.

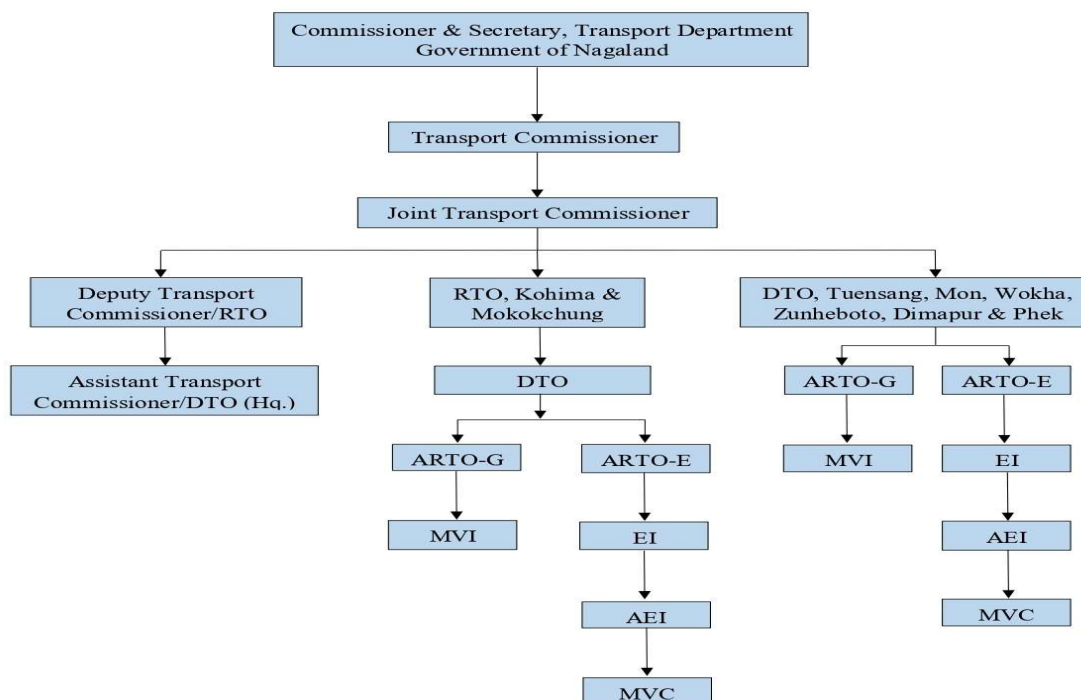
The MVD, GoN uses the VAHAN application for registration/renewal of registration of vehicles, transfer of ownership, change of address, issue of NOC certificate, issue/renewal of fitness certificates, issue/renewal of permits and collection of taxes and penalties. Similarly, the Department is using the SARATHI application for issue of learners driving license, issue/renewal of permanent driving license and collection of fees. VAHAN and SARATHI applications were adopted and implemented in Nagaland since 2008.

3.3.2 Organisational Set-up

The Transport Commissioner (TC) heads the MV Department under the administrative control of the Commissioner and Secretary to the GoN, Transport Department. At the Transport Commissionerate, the TC is assisted by one Additional TC, one Joint TC, two Deputy TC and one Assistant TC. At the district level, the Regional Transport Officer (RTO) at Kohima and Mokokchung and District Transport Officers (DTO) at Mon, Tuensang, Wokha, Dimapur, Phek and Zunheboto are the eight Registering and Licensing Offices in the State. To strictly enforce the MV Acts and Rules, the Department also have the Enforcement wing comprising of Assistant RTO (Enforcement), Enforcement Inspectors, Assistant Enforcement Inspectors and Motor Vehicle Checkers under the eight RTO/DTOs.

The organogram of the Department is depicted in **Chart 3.3.1**.

Chart 3.3.1: Organogram of the Department



Source: Department's record

(RTO: Regional Transport Officer, DTO: District Transport Officer, ARTO-G: Assistant Regional Transport Officer - General), ARTO-E: Assistant Regional Transport Officer – Enforcement, MVI: Motor Vehicle Inspector, EI: Enforcement Inspector, AEI: Assistant Enforcement Inspector, MVC: Motor Vehicle Checker)

3.3.3 Audit objectives

The Audit objectives were to assess whether:

- The RTOs/DTOs managed the issue, renewal and cancellation of licenses effectively as per the Act/Rules;
- The regulation and control over registration and use of vehicles through registration, issuing permits and fitness certificates was implemented by RTOs/DTOs as per the Act/Rules;
- The RTOs/DTOs efficiently assessed, levied, collected and remitted revenue (Motor vehicle taxes, fines, penalties and cess, as per Act/Rules) and took effective action on arrears;
- The enforcement activities were effectively conducted by RTOs/DTOs to ensure compliance with the motor vehicles Acts/Rules with adequate follow up to deter violations; and
- The RTOs/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.

3.3.4 Audit criteria

The Audit findings were benchmarked against the following criteria:

- 1. The Motor Vehicles Act, 1988.
- 2. The Central Motor Vehicles Rules, 1989.
- 3. The Nagaland Motor Vehicles Taxation Act, 1967.
- 4. The Nagaland Passengers and Goods Taxation Act, 1967.
- 5. The Nagaland Road Safety Authority Act, 2013.
- 6. Notifications and circulars issued by GoN from time to time.
- 7. Notifications issued by the MoRTH, GoI from time to time.

3.3.5 Scope and methodology of Audit

The Performance Audit was conducted between May 2024 and August 2024, covering the period from 2019-20 to 2023-24. An Entry Conference was held with the Joint Secretary, Transport Department, GoN and other officers from the Department on 16 May 2024, in which the audit objectives, scope and methodology of audit, were discussed. Records of the Transport Commissionerate and RTOs/DTOs were examined besides extraction of data of VAHAN and SARATHI application and analysis thereof. An Exit Conference was held on 27 November 2024 with the Deputy Secretary, Transport Department, GoN, and officers from the MV Department wherein the Audit observations were discussed. Replies of the Department as well as the State Government are suitably incorporated in the Report.

3.3.6 Audit sampling and units selected for audit

The Audit covered the Office of the Transport Commissioner, Nagaland, Kohima along with two Regional Transport Offices (Kohima and Mokokchung), and one District Transport Office (Tuensang). Three out of eight RTOs/DTOs were selected by random sampling based on the revenue data, transaction (VAHAN) and application (SARATHI) data and vehicle registration (transport and non-transport) data for five years (2019-20 to 2023-24).

3.3.7 Statistical data of the Department

The statistical data of the MV Department consists of revenue collected and expenditure incurred in the State during 2019-2024, number of transactions in VAHAN, number of vehicles registered in VAHAN and number of applications in SARATHI during the five-years' period from 2019-2024 in respect of the sampled DTOs/RTOs, are given in **Tables 3.3.1 to 3.3.4.**

Table 3.3.1: Revenue collected and Expenditure incurred by MV Department
(₹ in crore)

Year	Revenue collected	Expenditure incurred
2019-20	132.02	13.20
2020-21	108.91	13.24
2021-22	162.47	15.29
2022-23	209.22	15.61
2023-24	221.10	17.26
Total	833.72	74.60

Source: Finance Accounts of respective years

Table 3.3.2: Number of transactions in VAHAN

Name of DTO/RTO	2019-20	2020-21	2021-22	2022-23	2023-24	Total
DTO Dimapur	33,536	27,323	36,597	42,270	51,877	1,91,603
RTO Kohima	2,24,014	1,32,050	1,63,602	1,74,556	1,86,986	8,81,208
RTO Mokokchung	31,402	14,076	18,282	17,354	15,891	97,005
DTO Mon	4,348	2,247	2,339	2,177	6,063	17,174
DTO Phek	2,254	1,457	3,935	9,087	3,257	19,990
DTO Tuensang	2,106	2,365	6,481	6,946	3,470	21,368
DTO Wokha	2,734	1,306	1,904	1,988	1,549	9,481
DTO Zunheboto	700	348	2,257	989	4,257	8,551
Total	3,01,094	1,81,172	2,35,397	2,55,367	2,73,350	12,46,380

Source: VAHAN dashboard as on 28 November 2024

Table 3.3.3: Number of applications in SARATHI

Name of DTO/RTO	2019-20	2020-21	2021-22	2022-23	2023-24	Total
DTO Dimapur	2,532	15,892	33,731	26,148	25,039	1,03,342
RTO Kohima	6,379	4,377	8,125	8,897	8,550	36,328
RTO Mokokchung	678	3,327	4,219	4,520	3,797	16,541
DTO Mon	986	2,203	3,061	2,777	2,860	11,887
DTO Phek	709	1,753	2,627	2,209	2,419	9,717
DTO Tuensang	1,093	2,160	3,671	4,020	3,581	14,525
DTO Wokha	1,658	1,735	3,135	3,132	2,933	12,593
DTO Zunheboto	328	1,120	2,048	2,044	1,956	7,496
Total	14,363	32,567	60,617	53,747	51,135	2,12,429

Source: SARATHI dashboard as on 28 November 2024

Table 3.3.4: Number of vehicles registered

Name of DTO/RTO	2019-20	2020-21	2021-22	2022-23	2023-24	Total
DTO Dimapur	10,694	8,978	10,679	12,098	13,028	55,477
RTO Kohima	14,958	5,310	9,477	12,777	13,911	56,433
RTO Mokokchung	607	477	579	610	829	3,102
DTO Mon	558	246	194	179	207	1,384
DTO Phek	123	107	116	133	145	624
DTO Tuensang	196	100	96	104	83	579
DTO Wokha	238	221	225	227	203	1,114
DTO Zunheboto	110	76	72	55	271	584
Total	27,484	15,515	21,438	26,183	28,677	1,19,297

Source: VAHAN dashboard as on 28 November 2024

Audit findings

3.3.8 Audit Objective: *Whether the RTOs/DTOs managed the issue, renewal and cancellation of licenses effectively as per the Act/Rules?*

3.3.8.1 Issue of Learner's License without conducting tests

Section 8(6) of the MV Act 1988 states that when an application has been duly made to the appropriate licensing authority and the applicant has satisfied such authority of his physical fitness and has passed to the satisfaction of the licensing authority the test referred, the licensing authority shall issue the applicant a Learner's License (LL). Section 9(3) further states that Driving License (DL) shall be issued if the applicant passes such test as may be prescribed by the Central Government. During the Audit period, a total of 1,14,770 LLs were issued in the State. An analysis of data pertaining to driving tests conducted by the licensing authorities revealed that 6,292 out of

33,567 LLs were issued without conducting the mandatory tests during the period 2019-20 to 2023-24 in the three test-checked RTOs/DTO, as shown in **Table 3.3.5**.

Table 3.3.5: LLs issued without conducting tests

Name of RTO/DTO	LL Issued	LL Issued without Test
RTO Kohima	16,665	2,321
RTO Mokokchung	8,616	2,298
DTO Tuensang	8,286	1,673
Total	33,567	6,292

Source: SARATHI database

Further analysis revealed that of the 27,275 LL reportedly issued after conducting tests, the tests time was recorded as *00:00 hours* in the database. This anomaly indicates that the actual test time was not recorded. The audit findings revealed systemic weaknesses in the LL issuance process in the State, characterised both by the issuance of LLs without mandatory tests and by the failure to record essential data such as test timings. The practice of issuing 6,292 LLs without conducting tests, and the absence of recorded test timings for 27,275 LLs, demonstrates significant lapses in compliance with the provisions of the Motor Vehicles Act, 1988. These lapses undermine the reliability of the licensing process and compromise road safety by potentially allowing unqualified individuals to operate vehicles. The continued reliance on manual processes, coupled with the lack of integration between testing and digital records, reflects deficiencies not merely at an operational level but within the overall governance framework of the licensing system. Unless robust measures, including the adoption of online testing modules and stringent monitoring mechanisms, are promptly implemented, these systemic gaps will persist, posing on-going risks to public safety and eroding confidence in the regulatory framework.

In reply, the State Government stated (November 2024) that the physical fitness of an applicant is self-certified in a self-declaration under Form-2 as prescribed under Rule 10 of the CMV Rules 1989. The State Government further stated that since online tutorial and test are yet to be adopted, manual tests are being conducted. It was also stated that as the tests are conducted manually, the application auto records the test time as *'00:00' hours* as default. The State Government also assured that it shall undertake the process of customisation of module to conduct online tutorial and test as prescribed under the rules for strict compliance with the requirement to conduct mandatory test before issuing Learner's License.

The reply of the State Government is not acceptable for the following reasons:

1. **Non-furnishing of records:** The State's assertion that manual tests were conducted is unsubstantiated, as no documentary evidence (*e.g.*, attendance sheets, test logs, assessment forms) of such tests was produced to Audit.
2. **Inadequate justification of data anomaly:** The explanation that the SARATHI system auto-records "00:00" as test time in the case of manual tests highlights a serious procedural and data integrity issue. In the absence

of alternate verifiable evidence, this anomaly casts doubt on whether the tests were conducted at all.

3. **Violation of statutory provisions:** Issuance of LLs without documented evidence of having conducted the mandatory test is a clear non-compliance with Sections 8(6) and 9(3) of the Motor Vehicles Act, 1988.
4. **Failure to implement mandated reforms:** While the State has assured future adoption of online tutorial and testing, the continued issuance of LLs without ensuring legal compliance up to 2023-24 undermines both regulatory enforcement and road safety objectives.

Therefore, the reply does not address the core audit concern-systemic failure to ensure transparent, test-based issuance of Learner's Licenses - and cannot be accepted.

Recommendation:

The Department may enforce strict compliance with the requirement to conduct mandatory online tests before issuing Learner's Licenses.

3.3.8.2 Inadequate infrastructure for conducting driving tests

Rule 15 of the CMV Rules, 1989 stipulates that applicants for driving licenses must demonstrate physical fitness and competence to drive through a comprehensive driving test. This test should assess various skills such as vehicle control, mirror adjustment, gear shifting, signalling and emergency stopping, and should be conducted on properly designed test lanes, tracks, or markings. Audit observed that driving tests in RTO, Kohima and DTO, Tuensang were conducted on public roads, while in RTO, Mokokchung, the tests were conducted within the office premises. Audit, however, observed that none of these places had the designated lanes, test tracks, or standard road markings necessary to facilitate a comprehensive and structured assessment of driving skills. The absence of adequate infrastructure compromises the quality, uniformity and thoroughness of the driving tests, increasing the risk of drivers being awarded licenses without a complete evaluation of their driving competence. While accepting the Audit observation, the State Government stated (November 2024) that owing to lack of infrastructure, driving tests were being conducted on available public roads and that the Department was pursuing the upgradation of infrastructure and establishment of Driving Training Centre in six districts. The contention of the State Government to upgrade infrastructure and establish DTCs in six districts, though indicative of ongoing efforts to improve, did not however, justify the continued non-compliance with established safety and regulatory standards.

The continued practice of conducting driving tests without the required infrastructure including standard test tracks, designated lanes, and proper markings, constitutes a clear and persistent non-compliance with Rule 15 of the Central Motor Vehicles Rules, 1989. While the State Government has acknowledged the issue and expressed intent to upgrade infrastructure, the absence of a structured testing environment reflects a systemic failure to uphold minimum standards for evaluating driving

competence. The intent to improve does not absolve the Department of its responsibility to comply with existing statutory requirements. Delays in addressing these issues could result in significant disruptions or safety concerns.

Recommendations:

The Department may-

- (i) take immediate action to prevent escalation of risks and to maintain operational stability.*
- (ii) establish standardised driving test infrastructure at all RTOs and DTOs, including designated test lanes, marked test tracks and appropriate markings, to ensure that driving tests are conducted in a controlled and uniform environment, in line with the national standards and best practices.*

3.3.9 Audit Objective: *Whether regulation and control over registration and use of vehicles through registration, issuing permits and fitness certificates was implemented by RTOs/DTOs as per the Act/Rules?*

3.3.9.1 Irregularities in Vehicle Registration Records

Rule 47 of the CMV Rules, 1989 states that 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 taking delivery of such vehicle, excluding the period of journey. Further, Rule 49 states that every registering authority shall keep in Form 24 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 these rules. As per applicable rules, every vehicle registered with a RTO must have a unique chassis number and engine number, both of which are verified during the registration process. However, an analysis of vehicle registration data revealed that there were instances where the same chassis number (1,490) and engine number (2,104) were assigned to multiple vehicles across all the eight RTO/DTOs in the State, as shown in **Table 3.3.6**.

Table 3.3.6: Instances of multiple assignments of chassis and engine number

Frequency of Duplicate Assignments	Chassis Numbers	Engine Numbers
Assigned Twice	1,468	2,035
Assigned Thrice	22	64
Assigned Four Times	0*	5
Assigned Five Times	0*	6
Assigned Seven/Nine/Eleven Times	0*	1

Source: VAHAN data

* No of occurrence of assigning same chassis number four times and above

Out of 1,490 chassis numbers, it was observed in Audit that 903 chassis numbers were associated with the vehicles that had been issued a NOC. The remaining 587 chassis

numbers were assigned to multiple vehicles without obtaining NOC. Further, test check with vehicle registration data from the State of Assam revealed 556 vehicles registered in both Nagaland and Assam, shared the same chassis and engine numbers. Verification of these vehicle registration numbers with NOC issued by the Nagaland State revealed that only 166 vehicles were issued NOC and the remaining 390 vehicles had no record of an NOC being issued from Nagaland for registration in another State. These discrepancies suggest a serious lapse in the verification and data entry process, and raise the risk of fraudulent registrations, duplication of vehicle identities and compromise of vehicle traceability.

In reply, the State Government stated (November 2024) that the same chassis and engine numbers were assigned to multiple vehicles due to legacy data (pre-VAHAN), conversion/reassignment of vehicles and issue of NOC manually prior to VAHAN 4.0. It was further stated that the flaws that were prevalent prior to VAHAN 4.0 were being rectified in the current application to make the system more stringent in making the registration process error free.

While Audit partially accepts the reply regarding legacy data issue, the reasons cited by the State Government for conversion/reassignment of vehicles and issue of NOC manually are not acceptable. The foundational requirement of any registration system, viz., accurate, unique, verifiable details and error-free information irrespective of the mode or timing of data entry must remain uncompromised. The continued presence of such discrepancies reflects insufficient controls during the registration process.

Recommendations:

The Department may-

- (i) implement stringent verification protocols and validation checks during vehicle registration to ensure that the same chassis and engine numbers are not assigned to multiple vehicles.***
- (ii) conduct a systematic review and cleaning of legacy data and digitally reconcile past No Objection Certificates to uphold the integrity of the vehicle registration database.***

3.3.9.2 Weak validation controls in Temporary and permanent vehicle registration

Section 43 of the MV Act, 1988 states that the owner of a vehicle may apply to any registering authority or other prescribed authority to have the vehicle temporarily registered in the prescribed manner and for the issue in the prescribed manner of a temporary certificate of registration and a temporary registration mark. A registration made under this section shall be valid only for a period not exceeding one month, and shall not be renewable. An analysis of vehicle registration data for the period 2019-20 to 2023-24 revealed that 11,174 vehicles with temporary registrations were granted permanent registration after the expiry of the stipulated 30-day period, with delays ranging from 01 to 1,518 days. Audit also observed that 830 temporary registered

vehicles¹⁷, initially earmarked for permanent registration at RTO, Kohima; RTO, Mokokchung; and DTO, Tuensang, were eventually permanently registered in other RTOs/DTOs. This contravenes the intended flow of registration and reflects lapses in system controls. The core issue was found to be weak validation controls in the vehicle registration system. Moreover, the system did not enforce restrictions to ensure that permanent registration occurred only at the RTO/DTO initially designated during the issuance of the Temporary Registration Certificate (TRC). Details are shown in the **Table 3.3.7**.

Table 3.3.7: Statement showing temporary registration of vehicles

RTO/DTO	Number of vehicles			
	Temporary Registered	Permanent Registration made after 30 Days	Percentage delayed (in per cent)	Registered at Other RTOs
Kohima	48,023	5,274	11	778
Mokokchung	2,699	759	28	33
Tuensang	353	151	43	19

Source: VAHAN data

In reply, the State Government stated (November 2024) that, for vehicles whose TRCs were expired, registrations were granted with realisation of penalty fees on daily basis from the date of expiry of the TRC. Audit attempted to calculate the penalty fees realised from 11,174 vehicles and observed that only 7,308 vehicles paid the penalty fees amounting to ₹48.95 lakh and the remaining 3,866 vehicles did not pay the penalty fees. It was further stated that no registration of vehicles can be made in other RTO/DTO other than as specified in the TRC unless the issuing authority of TRC, through the process of modification to suit the need of the applicant, change the name of the authority where it is desired to be permanently registered.

The reply is not acceptable as it fails to address the root cause: the registration system allowed deviations without enforcing traceable modifications. In the absence of systemic checks, allowing post-facto justification of changes undermines the integrity of the registration process and defeats the purpose of earmarking an RTO at the temporary registration stage.

Recommendation:

The Department may strengthen validation and control mechanisms in the vehicle registration system to enforce adherence to not exceeding one month validity of temporary registration and restrict permanent registration to only the RTO/DTO specified in the original TRC, unless formally amended with traceable documentation.

3.3.9.3 Delay in renewal of Registration Certificates

As per Schedule II(C) of the Nagaland Motor Vehicles Taxation (3rd Amendment) Act, 2009, on expiration of the 15 years of life of a vehicle, further renewal of the registration of a vehicle for a period of five years shall be obtained by paying one-

¹⁷ RTO Kohima=778, RTO Mokokchung=33 and DTO Tuensang=19

time tax at the rate of two *per cent* of the original cost of the vehicle. Data analysis of renewal of Registration Certificates (RC) of vehicles revealed that during 2019-2024, RCs of 7,565 vehicles were renewed with delays ranging from 01 to 8,975 days out of which 5,217¹⁸ vehicles belonged to the three test-checked RTOs/DTO. Results of detailed analysis of 10 such vehicles selected randomly are given in **Table 3.3.8**.

Table 3.3.8: Detail analysis of delay in RC renewal cases

Vehicle No.	Date of Purchase	Tax Expired on	Tax Paid After	Gap (Years)	Tax Paid For	Remarks
NL01CA3186	08/08/1996	30/04/1997	28/09/2020	24	2020–2025	Renewal after 25 years. Tax paid after a long delay.
NL018450	15/04/1995	31/03/2000	06/09/2019	19	2000–2020	Huge gap in tax payment.
NL02C0137	30/04/2002	30/04/2007	31/03/2022	15	2007–2027	Significant lapse in compliance.
NL054274	05/01/1998	31/12/2005	21/10/2019	13	2006–2020	Tax paid after 13 years.
NL074003	11/07/2006	10/07/2011	20/10/2022	11	2011–2026	Long delay in tax renewal.
NL012814	01/11/1996	01/11/2015	04/04/2022	6	2015–2025	Moderate delay.
NL080613	26/04/1944	31/03/2011	05/08/2021	10	2011–2024	Extremely outdated vehicle.
NL01C0132	14/11/1975	31/03/2012	24/11/2021	9	2012–2022	Tax gap not justified.
NL01H1673	19/01/1998	31/12/2012	01/06/2022	9	2013–2027	Late tax for a long period.
NL02C2286	25/07/2006	31/05/2011	14/10/2019	8	2011–2026	Delay evident.

Source: VAHAN database

Audit observed that the reason for the delays in renewing vehicles' RCs was due to the ineffective enforcement of registration renewal timelines by the Department. The delayed renewal of RC undermines compliance with the Nagaland Motor Vehicles Taxation (3rd Amendment) Act, 2009.

While accepting the Audit observation, the State Government stated (November 2024) that a late fee for delay in renewal of vehicle RC was levied as per rules and automated alert system was in place for alerting the mobile number of vehicle owners before the expiry of RC. It was further stated that enforcement personnel were deployed for checking vehicle documents including tax validity and the process for introducing e-challan had been initiated.

While acknowledging the reply, the audit maintains that enforcement was still weak, as evidenced by the volume and scale of delays. However, the existence of such a high number of delayed cases despite automated alerts and penalties indicates ineffective enforcement and follow-up. The Department may consider time-bound compliance tracking and monthly reconciliation to ensure timely renewal and improve revenue realisation.

Recommendation:

The Department may strengthen the enforcement wing by instituting regular compliance checks, levying applicable penalties in all delay cases, and expediting the implementation of the e-challan system.

3.3.9.4 Re-assignment of vehicle registration on transfer of ownership

Section 50 of the MV Act, 1988 states that, the person succeeding to the possession of the vehicle or, as the case may be, who has purchased or acquired the motor vehicle,

¹⁸ RTO, Kohima: 2,417 vehicles, RTO, Mokokchung: 2,466 vehicles and DTO, Tuensang: 334 vehicles

shall make an application for the purpose of transferring the ownership of the vehicle in his name, to the registering authority in whose jurisdiction he has the residence or place of business where the vehicle is normally kept. Further, Rule 57 of the CMV Rules, 1989 states that the person who has acquired or purchased a motor vehicle at a public auction conducted by or on behalf of the Central Government or a State Government shall make an application in Form 32 within thirty days of taking possession of the vehicle to the registering authority. Audit observed that during 2019-20 to 2023-24, a total of 1,152 Government vehicles were auctioned to various individuals by different Departments of GoN.

However, upon verification of the VAHAN database (May to August 2024), it was observed that the ownership transfers of 146 vehicles had not been completed with delays ranging from one to six years, indicating that the transferees failed to apply to the registering authority as required. The failure to ensure transfer of ownership for the 146 auctioned Government vehicles constitutes a breach of statutory requirements under the MV Act, 1988 and undermines regulatory oversight. It may also expose the State to potential legal liabilities and misuse of vehicles whose ownership remains in the Government’s name.

In reply, the State Government stated (November 2024) that Government vehicles older than 15 years were mandatorily scrapped and therefore not re-assigned. It was, further, stated that vehicles which were not road worthy were auctioned on scrap basis and were also not re-assigned.

The reply of the State Government is not acceptable, since only two out of the 146 vehicles were older than 15 years at the time of auction, and there was no documentary evidence to substantiate that the remaining vehicles were auctioned as scrap. In the absence of such classification, the onus of enforcing the transfer of ownership remains with the Department as per the MV Act.

Recommendation:

The State Government may ensure that auction notices explicitly include statutory requirements for ownership transfer, and that purchasers are required to submit Form 32 within the stipulated 30 days. It may also establish a monitoring mechanism to track post-auction compliance and take timely action in case of default.

3.3.9.5 Transport vehicles with expired permits

Section 66 of the MV Act, 1988 states that 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. Further, Section 81 states that a permit other than a temporary permit

issued under Section 87 or a special permit issued under sub-section (8) of Section 88 shall be effective for a period of five years.

Data analysis of records of permit issued revealed that as on 31 March 2024, 4,864 transport vehicles were plying with expired permits. Of these, 3,586 pertained to National Permits, 639 to Contract Carriage Permits, 365 to Goods Permits, 251 to Tourist Permits and 23 to Stage Carriage Permits. Audit observed that the continued operation of vehicles with expired permits was due to insufficient monitoring and enforcement mechanisms by the Department, which led to a lack of timely renewal of permits. The continued operation of 4,864 transport vehicles with expired permits, in contravention of Section 66 of the MV Act, 1988, reflects systemic lapses in monitoring and enforcement by the Department. This situation poses significant risks to road safety, revenue loss, and undermines the credibility of transport regulations.

While accepting the Audit observation, the State Government stated (November 2024) that acute manpower shortage was one of the main reasons for the inability to effectively enforce the provisions of the Act and Rules.

The reply of the State Government, attributing the issue to manpower shortage, is not acceptable. While staffing constraints may impact field enforcement, the Department has not demonstrated efforts to leverage available digital systems for monitoring permit expiry, issuing automated reminders, or restricting renewals of other services for vehicles with expired permits. These are low-cost, high-impact solutions that could have mitigated the enforcement gap.

Recommendation:

The Department may implement stringent monitoring mechanisms, including automated alerts for permit expirations, and strengthen enforcement actions to ensure that vehicles do not operate without valid permits.

3.3.9.6 Non-renewal of national permit authorisations

Section 81 of the MV Act, 1988 states that a permit other than a temporary permit issued under Section 87 or a special permit issued under sub-section (8) of Section 88 shall be effective from the date of issuance or renewal thereof for a period of five years. Further, Rule 87 of the CMV Rules, 1989 states that an application for the grant of an authorisation for a national permit shall be made in Form 46 and shall be accompanied by a fee of ₹1,000 per annum in the form of a bank draft. Every authorisation shall be granted in Form 23-A, in case the certificate of registration is issued on Smart Card or shall be granted in Form 47, in case the authorisation is in paper document subject to the payment of a consolidated fees of ₹15,000 per annum to be deposited in the national permit account for the permit granted to operate throughout the territory of India.

Data analysis of the authorisation of national permits revealed that 4,437 vehicles, which had obtained national permits valid for five years, did not renew the required annual authorisation. Failure to renew national permit authorisation in a timely

manner not only constitutes non-compliance with statutory provisions but also resulted in a revenue loss of ₹1.81 crore as annual authorisation fees and ₹29.04 crore as annual consolidated fees during the period 2019-2024. This reflected significant gaps in the enforcement and monitoring processes, contributing to continued non-compliance by permit holders.

In reply, the State Government stated (November 2024) that, it was not mandatory for a vehicle to avail a national permit and authorisation.

The reply of the State Government is not acceptable. While obtaining a national permit is optional, renewing the annual authorisation is mandatory once a national permit has been granted, as per Rule 87 of the CMV Rules, 1989. The Department’s failure to track and enforce this requirement enabled widespread non-compliance and significant revenue loss. The absence of a system to monitor and alert permit holders contributed directly to the scale of this lapse.

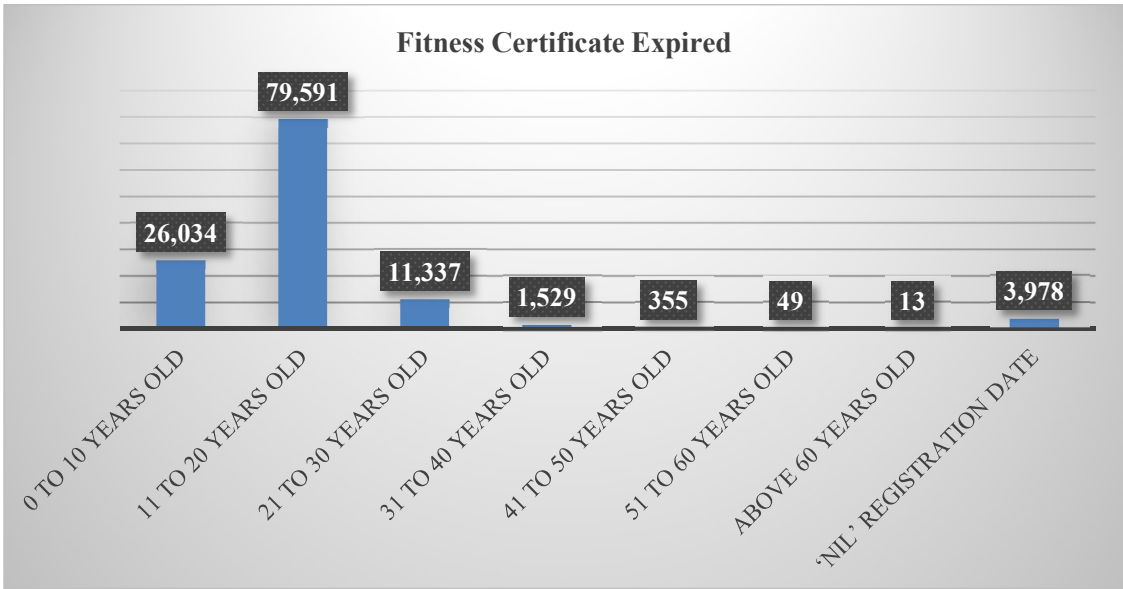
Recommendation:
The Department may implement an automated tracking and notification system which cross-verifies national permit data with annual authorisation renewals and triggers reminders and enforcement actions for non-compliant vehicles.

3.3.9.7 Vehicles plying with expired fitness certificate

Section 56 of the MV Act, 1988 states that a transport vehicle shall not be deemed to be validly registered, 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 authorities, or by an authorised testing station mentioned to the effect that the vehicle complies with all the requirements of the Act and the rules made thereunder. An analysis of the database related to the issuance of fitness certificates showed that, as of March 2024, the fitness certificates of 1,22,886 transport vehicles had expired but had not been renewed, of which 85,248 vehicles were from the three test-checked RTOs/DTO¹⁹. An age-wise analysis of expired fitness certificates, based on vehicle registration period, as shown in **Chart 3.3.2**.

¹⁹ RTO Kohima = 39,242; RTO Mokokchung = 33,791; DTO Tuensang = 12,215

Chart 3.3.2: Age-wise analysis of expired fitness certificates



Source: VAHAN database

Note: “Nil” registration date refers to records where vehicle registration data was missing from the VAHAN database.

Audit observed that the reason for the failure to renew fitness certificates was due to weak enforcement and monitoring mechanisms by the Department. The continued operation of 1.23 lakh transport vehicles without valid fitness certificates, including over 85,000 from just three RTOs/DTO, constitutes a significant violation of Section 56 of the MV Act and compromises public road safety. The age profile of these vehicles further highlights the risk, with nearly 80,000 vehicles aged between 11 to 20 years – which is the period when vehicle condition typically deteriorates. This reflects systemic enforcement gaps and inadequate monitoring of roadworthiness compliance.

While accepting the Audit observation, the State Government stated (November 2024) that, due to manual and random checking, there were limitations in covering all vehicles. It was also stated that the introduction of e-challan will empower the enforcement personnel to conduct more effective checks of vehicle documents, including the validity of fitness certificates.

The State Government’s reply is not acceptable. While introduction of e-challan is a positive step, it does not address the core issue of allowing vehicles with expired fitness certificates to continue plying for years. Given that over 1.23 lakh vehicles lacked valid fitness certification, relying on manual checks alone is insufficient. Moreover, the presence of vehicles with “Nil” registration dates indicates serious deficiencies in database validation and oversight. A robust enforcement framework, backed by real-time data analytics and automated alerts, is critical to ensure road safety and regulatory compliance.

Recommendation:

The Department may strengthen its enforcement mechanisms to ensure the timely renewal of fitness certificates, so that only road worthy vehicles are allowed to ply.

3.3.9.8 Renewal of fitness certificate beyond validity period

As per the CMV (Eight Amendment) Rules, 2022, 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 old.

Data analysis of the database relating to the issuance of fitness certificates showed that, during the period 2022-23 to 2023-24, fitness certificates were renewed for more than one year for 41 transport vehicles²⁰ that were older than eight years, in contravention of the provisions of the CMV Rules. The issuance of fitness certificates with validity periods exceeding the permissible limit under the CMV Rules, 2022 for vehicles older than eight years reflects a systemic failure to adhere to regulatory norms. Such deviations compromise the periodic assessment of vehicle roadworthiness and pose a direct risk to road safety. This also undermines the enforcement framework intended to ensure that ageing transport vehicles meet minimum safety standards.

While accepting the Audit observation, the State Government stated (November 2024) that fitness certificates were auto-generated once the data was entered. It was, further, stated that the matter would be taken up with the application developer to rectify such lapses.

Reliance on auto-generation of certificates without appropriate system-level validation reflects inadequate application controls. Fitness validity should be governed strictly by the CMV Rules, irrespective of system limitations. The fact that 41 certificates were issued in contravention of the prescribed one-year limit for older vehicles points to a lapse in both regulatory oversight and IT governance. Rectification at the software level must be prioritised, but it should be accompanied by interim manual checks to prevent further violations and safeguard public safety.

Recommendation:

The Department may strictly enforce the rules regarding the renewal period of fitness certificates for vehicles older than eight years.

3.3.9.9 Unusual number of fitness tests conducted per day

Rule 62 of the CMV Rules, 1989 states that the renewal of a fitness certificate shall be made only after the Inspecting Officer or an authorised testing station has carried out the tests specified in the rule. Analysis of the database relating to fitness testing revealed that, during 2019-20 to 2023-24, a total of 1,18,860 fitness tests²¹ were conducted across the three test-checked RTOs/DTO. Further analysis revealed that the

²⁰ Kohima = 34, Mokokchung = 2, Zunheboto = 2 and Dimapur = 3

²¹ RTO Kohima = 1,06,372; RTO Mokokchung = 10,552; DTO Tuensang = 1,936

maximum number of fitness tests conducted in a single day was 1,055 in RTO, Kohima, 141 in RTO, Mokokchung and 30 in DTO, Tuensang, while the average number of fitness tests conducted per day was 94 in RTO, Kohima, 11 in RTO, Mokokchung and 04 in DTO, Tuensang.

During joint inspections with Department officials, it was observed that a full manual fitness test of a vehicle typically takes 10 to 15 minutes. Therefore, the recording of 1,055 fitness tests as conducted in a single day at RTO, Kohima appears unreasonably high, given the required thoroughness and time commitment for the fitness testing process. It is, therefore, concluded that either the tests were not thoroughly conducted or the records were inaccurately maintained. Thus, failure to adhere to proper fitness testing procedures compromises road safety, as vehicles may be certified as fit without undergoing the necessary inspections.

While accepting the Audit observation, the State Government stated (November 2024) that tests were conducted manually on different dates, but the application captures the date of data entry as the inspection date, which may differ from the actual physical date of inspection.

The reply of the State Government reflects serious deficiencies in record-keeping practices and the absence of time stamped, verifiable documentation of actual physical inspections. Unless rectified, this data integrity issue compromises the audit trail and allows circumvention of mandated safety protocols.

Recommendation:

The Department may enhance its monitoring mechanisms to ensure compliance with the required testing procedures for the renewal of fitness certificates.

3.3.9.10 Absence of automated testing stations in Nagaland

Section 56 of the MV Act, 1988 states that a transport vehicle shall not be deemed to be validly registered, 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 the Act and the rules made thereunder. Further, as per the CMV (Eight Amendment) Rules 2022, renewal of certificate of fitness in respect of transport vehicles shall be done mandatorily only through an Automated Testing Stations (ATS). Audit observed that there is no ATS in Nagaland to carry out the automatic testing of vehicles for the issuance of fitness certificates. Audit also observed that the construction of an Inspection and Certification Centre at Chumukedima, proposed for conversion into an ATS, was under progress. Further, Audit observed that the Department's proposal (February 2024) to the GoN for the establishment of additional ATS facilities at Kohima and Mokokchung was awaiting approval. The absence of operational ATS in the State indicated that fitness certificate renewals for transport vehicles were not being conducted in compliance with the CMV (Eighth Amendment) Rules, 2022.

While accepting the Audit observation, the State Government stated (November 2024) that in addition to the ongoing construction of the ATS at Chumukedima, it was pursuing the establishment of two more ATS facilities at Kohima and Mokokchung with funding from the MoRTH. The reply is not acceptable as the MV Act, 1988, read with the CMV (Eighth Amendment) Rules, 2022, mandates that renewal of fitness certificates for transport vehicles shall be carried out exclusively through ATS. In the absence of any operational ATS in the State, all fitness certificate renewals are currently being undertaken in contravention of the prescribed Rules, thereby compromising the statutory mandate and undermining vehicle safety standards. Further, the reply lacks a committed timeline for the operationalisation of the Chumukedima ATS and does not indicate any interim mechanism or approval from the competent authority for continuing manual testing.

Recommendation:

The State Government may expedite the completion and operationalisation of the Inspection and Certification Centre at Chumukedima as an ATS and prioritise the approval and establishment of ATS facilities at Kohima and Mokokchung.

3.3.10 Audit Objective: *Whether RTOs/DTOs efficiently assessed, levied, collected and remitted revenue (Motor vehicle taxes, fines, penalties and cess, as per Act/Rules) and took effective action on arrears?*

3.3.10.1 Outstanding tax defaulting arrears

As per Section 4 of the Nagaland Motor Vehicles Taxation Act, 1967, no motor vehicles shall be used unless the owner thereof has paid in respect of it a tax at the appropriate rate specified in the schedule to the Act. Further, Section 16 of the Act stipulates that when any person without any reasonable cause fails or refuses to pay the tax, the licensing officer may forward to the Deputy Commissioner a certificate over his signature specifying the amount of tax due from such person, and the Deputy Commissioner on receipt of such certificate, shall proceed to recover such tax including such penalty as he may deem fit not exceeding one half of the annual tax. In addition, Section 3 of the Nagaland Passengers and Goods Taxation Act, 1967 states that there shall be levied, charged and paid to the State Government a tax on all fares in respect of all passengers and goods carried in a taxable vehicle. And Section 9 of the Nagaland Passengers and Goods Taxation Act, 1967 stipulates that, if the prescribed authority is satisfied that any owner is liable to pay tax under the provisions of this Act, in respect of any period but has failed to pay the tax, the said authority may after giving the owner a reasonable opportunity of being heard, assess the amount of tax, if any, due from the owner and also direct that the owner shall pay in the prescribed manner, by way of penalty, a sum not exceeding one and a half time the amount of tax.

Data analysis of records relating to tax arrears revealed that, as of 31 August 2024, a total of 8,633 vehicles registered during 2019-2024 had defaulted on tax payments

amounting to ₹9.03 crore²². The failure to recover outstanding taxes resulted in a substantial revenue loss for the State Government, thereby undermining the effectiveness of the Motor Vehicles and the Passengers and Goods Taxation Acts.

While accepting the Audit observation, the State Government stated (November 2024) that it was in the process of determining the actual number of on-road/off-road vehicles out of the total number of vehicles registered in the State. It was, further, stated that once the records of unused/off-road vehicles were archived, the number of tax defaulters was expected to be significantly reduced. The State Government also informed that an SMS alert system had been activated to notify vehicle owners upon expiry of tax paid validity period, and that the registering authorities were issuing demand notices periodically.

Recommendation:

The Department may strengthen its tax collection and monitoring mechanisms, including the implementation of automated systems for tracking tax defaulters. The Department may also take immediate steps to recover the outstanding dues through stringent enforcement of the legal provisions for tax recovery and penalties.

3.3.10.2 Non-transfer of cess fund to the Nagaland Road Safety Fund

Section 10 of the Nagaland Road Safety Authority Act, 2013 states that there shall be levied and collected a one-time cess for the purposes of this Act on every motor vehicle used or kept use in the State at the rate of 0.50 *per cent* of the basic cost of the vehicle. The proceeds of the cess levied and collected under this Act by the Government together with fines, interest and fees recovered thereunder shall *first* be credited to the Consolidated Fund of the State and after deducting the expenses of collection and recovery, as determined by the Government, the remaining amount shall, under appropriation duly made by law in this behalf, be entered into and transferred to the Fund. Further, Section 11 of the Nagaland Road Safety Authority Act, 2013 states that there shall be establishment of Fund to be called the "Nagaland Road Safety Fund" and there shall be credited to the Fund the amount transferred under Section 10 and 50 *per cent* of the compounding fee collected by the Department.

Audit observed that while the GoN notified the establishment of the Nagaland Road Safety Fund (NRSF) in August 2022 and implemented its provisions from October 2022, cess amounting to ₹34.54 crore collected during 2022-23 to 2023-24 had not been transferred to the NRSF. Similarly, 50 *per cent* of ₹0.52 crore collected during the same period as compounding fees for violations of various provisions of the MV Act was also not transferred to the NRSF. The non-transfer of cess and compounding fees to the NRSF resulted in delays in utilising these funds for their intended purpose of enhancing road safety in the State.

While accepting the Audit observation, the State Government stated (November 2024) that ₹5.00 crore had been transferred to the NRSF during 2024-25, and that the

²² Goods tax=₹2.01 crore, MV tax= ₹6.33 crore and Passenger tax= ₹0.69 crore

release of 50 per cent of the compounding fees was likely to occur soon. However, the transfer of funds had not occurred as of July 2025.

Recommendation:

The State Government may immediately transfer the accumulated road safety cess and 50 per cent of the compounding fees to the Nagaland Road Safety Fund.

3.3.11 Audit Objective: *Whether enforcement activities were effectively conducted by RTOs/DTOs to ensure compliance with the Motor Vehicles Acts/Rules with adequate follow up to deter violations?*

3.3.11.1 Non-implementation of electronic monitoring systems

Section 136A of the MV Act, 1988 states that the State Government shall ensure electronic monitoring and enforcement of road safety on national highways, state highways, roads or in any urban city within a State which has a population up to such limits as may be prescribed by the Central Government. Further, as per Section 136A (2) of the MV Act, 1988, the Central Government shall make rules for the electronic monitoring and enforcement of road safety including speed cameras, closed-circuit television cameras, speed guns, body wearable cameras and such other technology. Audit observed that the Department did not implement electronic monitoring and enforcement of road safety in the State, as the use of speed cameras, closed-circuit television cameras, speed guns, body-worn cameras, and other such technology had not been installed. Audit, further, observed that the non-implementation of electronic monitoring and enforcement of road safety was primarily due to the failure of the Department to submit a proposal to the GoN for allocation of funds for the necessary technological infrastructure.

While accepting the Audit observation, the State Government stated (November 2024) that the Department would submit a proposal for an Integrated Road Safety Project for the State of Nagaland.

Recommendation:

The State Government may allocate funds and take necessary action to implement electronic monitoring systems in the State.

3.3.11.2 Short collection of penalties for offenses as per the MV Act

Section 113 of the MV Act, 1988, empowers the State Government to prescribe conditions for the issuance of permits and restrict the use of vehicles if the unladen or laden weight exceeds the specified limits in the vehicle's certificate of registration. Further, Section 194 stipulates that any violation of Section 113, such as driving with excess load, shall result in a fine of ₹20,000, with an additional ₹2,000 per tonne of excess load. The vehicle owner is also liable for charges for off-loading the excess load. Audit observed that during 2019-2020 to 2023-2024, enforcement personnel in RTO, Kohima and RTO, Mokokchung booked 24 and 105 cases respectively under Section 194 for overloading. Audit, however, observed that there was short realisation

of penalty by the enforcement personnel under Section 194 of the MV Act, as shown in **Table 3.3.9**.

Table 3.3.9: Short penalty amount realised under Section 194 of the MV Act
(Amount in ₹)

Name of RTO/DTO	Financial Year	Actual penalty	Penalty realised	Short realisation
(A) RTO, Kohima	2019-20	40,000	2,000	38,000
	2020-21	0	0	0
	2021-22	3,60,000	21,500	3,38,500
	2022-23	20,000	1,000	19,000
	2023-24	60,000	6,000	54,000
Sub-Total (A)		4,80,000	30,500	4,49,500
(B) RTO, Mokokchung	2019-20	0	0	0
	2020-21	0	0	0
	2021-22	12,40,000	1,61,000	10,79,000
	2022-23	8,60,000	47,000	8,13,000
	2023-24	0	0	0
Sub-Total (B)		21,00,000	2,08,000	18,92,000
Grand Total		25,80,000	2,38,500	23,41,500

Source: Departmental records

It can be seen from the **Table 3.3.9** above that against the actual penalty amount of ₹25.80 lakh, the enforcement personnel imposed a penalty of ₹2.39 lakh. Thus, there was a short penalty realisation of ₹23.41 lakh. Failure to levy penalties as per the MV Act resulted in a revenue loss of ₹23.41 lakh.

The State Government in its reply, stated (November 2024) that the State had only one weighbridge and that the enforcement personnel were compelled to check the load of the vehicles through bills and physical observation. The State Government further added that the Department was in the process of installing six weighbridges across the State.

The State Government's justification regarding lack of weighbridges does not absolve the responsibility to levy minimum statutory penalties as per Section 194 of the MV Act. Absence of appropriate infrastructure should have led to more rigorous compensatory mechanisms or temporary procedures rather than significant under-realisation. The reply also remains silent on the quantifiable loss of ₹23.41 lakh, reflecting lack of internal accountability.

Recommendation:

The Department may take immediate steps to enforce the penalty provisions under Section 194 of the MV Act to prevent future revenue losses.

3.3.11.3 Inadequate enforcement mechanism

Chapter XIII of the MV Act, 1988 outlines the penalties for various motor vehicle-related offences, the compounding of certain offences, and the procedures for enforcement. This chapter also mandates that penalties for offences, such as overloading and driving without proper documentation, must be recorded and enforced by RTOs/DTOs. Further, Section 194, 206 and 207 of the MV Act 1988 also requires that in case of compounded offences, records must be properly maintained,

and actions such as vehicle seizure, registration suspension, and offloading of overloaded vehicles should be taken as per legal requirements. Audit observed that the provisions for imposing penalties for various motor vehicle related offences were not complied with by the three test-checked RTOs/DTO, as summarised below:

- Offences recorded in the Check Report (CR) were not entered into the VAHAN application against the vehicles involved.
- For compounded offences where fines were collected, the RTOs/DTO did not obtain proper compliance proof or supporting documents to verify that the fines were settled in accordance with the law.
- In cases of overloading, no vehicles were offloaded before being released, contravening the provisions of the Act.
- Vehicles liable to be seized due to offences were not impounded, citing lack of infrastructure and parking space.
- In cases where vehicles were not seized, registration certificates, permits, and other issued documents were also not confiscated, as required by law.
- No follow-up action was taken on the CRs issued, and registered owners of the offending vehicles were not pursued for compliance.

The non-compliance with statutory requirements for enforcing motor vehicle penalties in the three test-checked RTOs/DTO indicated significant lapses in enforcement, documentation, and follow-up procedures. While accepting the Audit observation, the State Government stated (October 2024) that it had taken serious note of the deficiencies in the maintenance of compounding records and assured that lapses in the enforcement documentation would be addressed in earnest.

The reply of the State Government is only partially acceptable. While it acknowledges deficiencies, it does not address the root causes of persistent non-compliance, including failure to offload overloaded vehicles, seize documents, or follow up on check reports as mandated under Sections 194, 206, and 207 of the MV Act. The assurance of future compliance, without evidence of systemic reform or corrective action, is inadequate to address the serious lapses observed.

Recommendation:

The Department may ensure that all offences are recorded in the VAHAN application and that proper documentation is obtained for compounded offences.

3.3.11.4 Vehicles with expired Pollution Under Control Certificate

Section 158 of the MV Act, 1988 states that any person driving a motor vehicle in any public place shall, on being so required by a police officer in uniform authorised in this behalf by the State Government, produce the Pollution Under Control Certificate (PUCC). Further, Section 190 states that any person who drives or causes or allows to be driven, in any public place a motor vehicle, which violates the standards prescribed in relation to road safety, control of noise and air-pollution, shall be punishable.

Analysis of the PUCCs issued showed that, as on 31 March 2024, the PUCCs of 58,128 vehicles had expired, out of which 32,628 vehicles²³ belonged to the three test-checked RTOs/DTO. Further analysis showed that the number of PUC tests conducted per day across all RTOs/DTOs varied significantly, ranging from 01 to 9,150 tests. Notably, in the three test-checked RTOs/DTO, the maximum number of PUC tests conducted in a single day was 3,915 in RTO, Kohima, 383 in RTO, Mokokchung, and 84 in DTO, Tuensang. The average number of PUC tests conducted per day was 67 in RTO, Kohima, 09 in RTO, Mokokchung and 02 in DTO, Tuensang.

Audit observed that the high number of vehicles operating with expired PUCCs was due to the Department's inadequate enforcement of PUC issuance and renewal, as evidenced by the large number of expired certificates and inconsistent testing practices across RTOs/DTOs.

While accepting the Audit observation, the State Government stated (November 2024) that until 10 June 2024, pollution testing and PUC issuance was carried out manually, and the data were entered into the system/application collectively on a single day. This resulted in the application showing an unusually high number of tests conducted on a single day. The State Government further stated that the pollution testing machines had not been integrated with the VAHAN application earlier, but had since been integrated, enabling uniform online testing and issuance of PUCs by all the registering and licensing authorities.

Recommendation:

The Department may strengthen monitoring mechanisms to ensure the timely renewal of PUCs. Further, a uniform system for conducting PUC tests across all RTOs/DTO may be implemented to ensure consistency and compliance.

3.3.12 Audit Objective: Whether RTOs/DTOs have been provided with required manpower, equipment, and other resources to discharge the mandate as also to ensure public service delivery in a transparent and efficient manner?

3.3.12.1 Non-implementation of refunds

Section 7 of the Nagaland Motor Vehicle Taxation Act, 1967 states that if someone has paid motor vehicle tax and proves to the licensing officer that the vehicle's registration or renewal has been refused or cancelled, they are entitled to a refund. Further, Section 8 states that if a person proves that their vehicle has not been used for a continuous period of at least three months, they can receive a remission of tax. Audit observed that the Department lacked an established mechanism to process and issue refunds for motor vehicle taxes, as required under Sections 7 and 8 of the Nagaland Motor Vehicle Taxation Act, 1967.

Audit observed that despite the MoRTH directive (January 2024), instructing the Department to ensure refunds as per the provisions of the State Motor Vehicle

²³ RTO Kohima = 25,684; RTO Mokokchung = 6,059; DTO Tuensang = 885

Taxation Act, no system had been set up to process such claims. Audit concludes that the Department’s failure to establish a mechanism for processing tax refunds and remissions, despite clear statutory provisions and instructions from the MoRTH, resulted in the denial of legitimate entitlements to vehicle owners and reflected a significant compliance and service delivery gap.

While accepting the Audit observation, the State Government stated (November 2024) that the matter was under consideration by the Finance Department.

Recommendation:
The State Government may expedite creating a separate head of account for motor vehicle tax refunds and establish a robust mechanism for processing and disbursing refunds in a timely and transparent manner.

3.3.12.2 Non-integration of online payment gateway

The MoRTH has introduced the VAHAN and SARATHI applications to digitise vehicle and driver-related services. The advantages of these applications include facilitating online services for vehicle registration, permit issuance, fitness certificates, and driving licenses to reducing the need for physical visits to RTOs/ DTOs and enabling online payments through integrated payment gateways. Audit observed that although the VAHAN and SARATHI applications were operational across all RTOs/DTOs in Nagaland, an online payment gateway for citizen users had not been integrated. Audit further observed that although the GoN had signed a Memorandum of Understanding (MoU) with HDFC Bank to provide a payment gateway for e-challan and other online payments, this integration with the VAHAN application was still under development. As a result, key citizen-centric services such as online payments for vehicle registration, license issuance, and e-challans remained inaccessible, defeating the objective of reducing reliance on physical visits to RTOs/DTOs and limiting transparency, efficiency, and convenience envisaged under the national digitisation initiative led by the MoRTH.

While accepting the Audit observation, the State Government stated (October 2024) that the payment gateway had since been integrated in the registering and the licensing offices, however, citizen services were yet to be made accessible to applicants and service seekers.

Recommendation:
The Department may expedite the integration of the payment gateway with the VAHAN application to ensure that citizens can access complete online services.

3.3.12.3 Shortage of RTOs/DTOs

The GoN issued a notification (July 2018) stating that, with the upgradation, re-designation and creation of new posts, the Department shall reorganise the staffing pattern, deployment and posting in the Commissionerate and the 11 district offices. Accordingly, the remaining three District Transport Offices in Kiphire, Longleng and Peren districts shall function with immediate effect with the staffing pattern of a DTO,

along with one staff member each for the posts of Motor Vehicle Officer, Road Safety & Enforcement Officer, Motor Vehicle Inspector, Road Safety & Enforcement Inspector, Assistant Road Safety & Enforcement Inspector and Motor Vehicle Checker. Audit observed that, as of March 2024, the three District Transport Offices in Kiphire, Longleng and Peren districts were yet to become operational. Audit also observed that DTOs had not yet been established in five newly created districts²⁴. The absence of operational DTOs in 50 *per cent* of the districts (08 out of 16 districts) compromises the Department's capacity to enforce vehicle regulations, conduct safety inspections, manage road safety, and deliver public services effectively.

While accepting the Audit observation, the State Government stated (November 2024) that the creation of new ministerial posts was not pursued due to a blanket ban on creation of new posts by the State Government. As a result, the DTOs in the then newly created three districts could not be established.

Recommendation:

The State Government may prioritise the establishment of DTOs in the remaining districts.

3.3.12.4 Inadequate infrastructure facilities in RTO Kohima

As per the Handbook of Planning of Office Buildings, February 2013 issued by CPWD, an office building must have flexible and technologically-advanced working environments that are safe, healthy, comfortable, durable, aesthetically-pleasing, and accessible. It must be able to accommodate the specific space and equipment needs of the tenant. Special attention should be made to the selection of interior finishes and art installations, particularly in entry spaces, conference rooms and other areas with public access. Audit observed that out of a total number of 1,19,289 vehicles registered during 2019-20 to 2023-24, 56,433 vehicles constituting 47 *per cent* were registered in RTO, Kohima. Audit also observed that there was an increase of 76 *per cent* in vehicle registration at RTO, Kohima over the last 10 years (January 2014 to December 2023). Audit, however, observed that the office of the RTO, Kohima was functioning in a private rented building, with limited space and inadequate infrastructure. The office lacked essential facilities such as separate areas for enforcement personnel, public toilets, lounges, waiting rooms, public queuing areas, drinking water facilities and storage for files and records. Moreover, the absence of fitness testing, pollution control and driving test facilities had resulted in these tests being conducted on public roads, posing safety risks. Inadequate infrastructure at RTO, Kohima not only hampered the efficiency of the office staff but also caused inconvenience to the public visiting the office for availing the services of the Department.

While accepting the Audit observation, the State Government stated (November 2024) that it had approved the construction of a new building for RTO, Kohima and that the deficiencies pointed out in the Audit observation had been incorporated in the

²⁴ July 2020 (Noklak), December 2021 (Chumukedima, Niuland and Tseminyu) and January 2022 (Shamator).

DPR. The State Government further stated that the District Transport Office at Zunheboto was also functioning in a rented premise which lacked essential infrastructure and facilities necessary for effective public service delivery.

Recommendation:

The Department may seek to secure a more suitable office location with planning for adequate infrastructure, ensuring compliance with safety and accessibility standards, and enhancing the overall working environment for both employees and members of the public.

3.3.13 Conclusion

The Performance Audit on the functioning of RTOs/DTOs were conducted to assess the efficiency, compliance and effectiveness of systems related to vehicle licensing, registration and regulation. This Performance Audit revealed significant shortcomings across several critical areas. The procedures for issuing driving licenses were found to be deficient, raising serious concerns regarding road safety, as the existing system may allow unqualified individuals to obtain licences. The vehicle registration process suffered from procedural delays and system weakness, undermining compliance with the Motor Vehicles Act and Central Motor Vehicle Rules. There were notable lapses in the enforcement of mandatory requirements, such as vehicle fitness certification, permits and Pollution Under Control Certificates (PUCC). These lapses posed risks to both safety and environmental standards. A substantial amount of tax arrears was observed, highlighting serious lapses in revenue collection and enforcement. The continued accumulation of outstanding dues points to systemic weaknesses that allowed non-compliance to go unchecked. The Audit also found that the infrastructure at RTOs/DTO was inadequate, affecting the quality and timeliness of public service delivery.

Summary of recommendations:

- (i) The Department should implement a mandatory digital testing system integrated with SARATHI, ensuring that all Learner's License applicants undergo time-stamped, system-recorded tests. Manual issuance without records must be discontinued, and RTOs held accountable for compliance.*
- (ii) The State Government may fast-track the establishment and operationalisation of Automated Testing Stations (ATS) at Chumukedima, Kohima, and Mokokchung, ensuring all fitness renewals comply with CMV Rules, 2022. Until ATS are fully functional, interim quality control measures must be implemented for manual fitness testing.*
- (iii) The Department should implement an automated tracking and alert mechanism within VAHAN to notify vehicle owners before permit or fitness certificate expiry. Simultaneously, strengthen enforcement through e-challan systems and mandate field inspections backed by real-time data validation.*
- (iv) The Department may develop and enforce a structured compounding protocol, including compulsory entry of Check Reports in VAHAN, seizure of documents or vehicles where required, and verification of compliance before closure of cases. Enforcement performance must be reviewed quarterly.*
- (v) The Department should immediately finalise and operationalise the integration of the HDFC payment gateway with VAHAN and SARATHI. All citizen-facing services should mandate digital payment options to enhance convenience, reduce cash handling, and improve transparency.*

Compliance Audit Paragraphs

HORTICULTURE DEPARTMENT

3.4 Undue favour to Contractor-cum-landowner

The Horticulture Department extended undue favour to the Contractor-cum-landowner by creating the project assets worth ₹2.87 crore on a private plot of land owned by the Contractor besides allowing the project works to deviate from the approved DPR without the concurrence of the NEC in violation of the NEC guidelines.

The North Eastern Council (NEC) guidelines, 2015, stipulate that for projects (NEC funded) requiring construction of physical assets, the State Government shall furnish valid land document for establishing ownership or possession of land by the entity concerned through long term lease (**Paragraph 18.7**). Further, the State Government shall ensure proper upkeep, maintenance and operation of the assets/facilities created out of the project (**Paragraph 18.10**). Any deviation from the approved DPR, if required at all, shall be made only with the prior approval of NEC (**Paragraph 19.2**). The Finance Department, Government of Nagaland (GoN) had also instructed (March 2014) all Departments to ensure that before executing any agreement on behalf of the State Government involving responsibilities and obligations, a copy of the draft agreement be endorsed to the Finance Department for review and concurrence.

The NEC approved (April 2017) the project “**Creation of Botanical Garden-cum-Recreational Park at Jalukie, Peren**” at a cost of ₹2.87 crore on a 90:10 sharing basis between the Central (₹2.58 crore) and State (₹0.29 crore) Governments, with a stipulation to complete the project within two years (March 2019) from the date of approval (April 2017) of the project. The objectives of the project were to promote recreational facilities, *ex situ* conservation²⁵ and multiplication of threatened and endemic plants, rehabilitate the natural and endangered germplasm²⁶ and also promote eco-tourism and improve the economy through generation of revenue/employment avenues. As per the approved Detailed Project Report (DPR), the components of project works included creation of various facilities such as, Reception, Amphitheatre, Watch tower, Gazebo, Laboratory, Fence, Retaining wall, Quarters, Public toilet, Septic tank, Green House, Park and Horticultural Works. The DPR envisaged ensured availability of the project land as the intended beneficiaries of the project were willing to donate the same for the project.

The NEC released its share of ₹2.58 crore in two instalments²⁷ (April 2017 and August 2020) as Grant-in-Aid to the State Government for creation of capital assets.

²⁵ *Ex situ* conservation means conserving components of biodiversity outside their natural habitats. It involves maintaining and breeding endangered species of plants and animals in controlled conditions away from their original ecosystems

²⁶ Germplasm is the term used to describe the seeds, plants, or plant parts useful in crop breeding, research and conservation efforts

²⁷ ₹1.03 crore on 21 April 2017 and ₹1.55 crore on 25 August 2020

In turn, GoN released (November 2017 to March 2021) total funding of ₹2.87 crore (NEC/GoI share: ₹2.58 crore and GoN share: ₹0.29 crore) to the Horticulture Department for implementation of the project. After inviting (July-August 2017) the tenders, the Executive Engineer, Public Works Department (Housing) Division-III, Directorate of Horticulture, Nagaland awarded (August 2017) the civil works to M/s Gaihiak Riamei & Co, Peren (Contractor) at a contract value of ₹1.69 crore with stipulation to complete the works by December 2018. Later, the work order was revised (June 2022) providing for several additional works (internal water supply and sanitary installation, internal electrification) and cost escalation on civil works at an enhanced project cost of ₹2.87 crore. The project works commenced in August 2017, were completed in July 2022 and the entire payments (₹2.87 crore) were also released²⁸ to the Contractor.

In this connection, following observations are made:

- As observed from the records of the Director, Horticulture Department, GoN, the State Government did not submit any valid land document to the NEC to establish the ownership or possession (through long term lease) of the proposed project site by the State Government as required under the NEC guidelines (**Paragraph 18.7**). The NEC, however, sanctioned (April 2017) the project and released (April 2017 and August 2020) the project funding based on the assurance given in the DPR regarding availability of the project land from the intended beneficiaries of the project, who were willing to donate the required land to the State Government for project implementation.
- After the approval (April 2017) of the project by the NEC, the Horticulture Department, GoN signed (December 2017) a bipartite Memorandum of Understanding (MoU) with the Contractor to provide a piece of land (area: 32 Ha) owned by the Contractor for implementation of the project. The Department, however, did not obtain prior concurrence of the State Finance Department before signing the MoU in violation of GoN instructions issued (March 2014) in the matter.
- The terms of the MoU fully authorised the Contractor to own, operate and manage the Botanical Garden-cum-Recreational Park to be created on the said private land besides retaining the ownership of the land so provided for all purposes. This was a clear violation of the NEC guidelines (**Paragraph 18.7**) regarding holding the ownership or possession of the project land by the State Government through execution of a long-term lease agreement with the landowner.
- The NEC guidelines require the State Government to ensure proper upkeep, maintenance and operation of the assets/facilities created out of the project (**Paragraph 18.10**). Contrary to this, however, the MoU provided the Contractor with the sole rights to undertake income generating activities on

²⁸ December 2017, February 2019 and August 2022

the assets created under the project and manage all incomes generated from such activities, which was not in consonance with the provisions of the NEC guidelines.

- The Contractor-cum-landowner had executed certain unauthorised works (such as, Guest House, Swimming Pool and Gate) in deviation to the designs and specifications outlined in the DPR approved by the NEC. To regularise the above deviations in the project specifications, the Department submitted (May 2022) a revised DPR²⁹ to the State Government with revised project cost of ₹2.87 crore, which was approved (May 2022) by the State Government. The revised DPR had omitted few essential project components (such as, Reception, Laboratory, Park, Public Toilet and Horticultural Works) originally approved by the NEC under the project. However, while approving (May 2022) the revised DPR, the State Government did not forward the same to the NEC for concurrence/approval, indicating a lapse on part of the State Government in complying with NEC guidelines.

Thus, the facts narrated above are evident of extending the undue favour to the Contractor-cum-landowner by creating the project assets worth ₹2.87 crore on a private plot of land owned by the Contractor besides allowing the project works to deviate from the approved DPR without the concurrence of the NEC in violation of the NEC guidelines.

The State Government in its initial reply (April 2024) accepted the facts and assured that it would suitably rectify the MoU signed with the landowner. In its subsequent reply (July 2024), the Department stated that as per State Government norms, a survey of the land measuring 35 acres was conducted by the Land Records and Survey Department and a 'Deed of Land Donation' to the Department was executed with the landowner in June 2024. The Department also stated that the facility so created would be leased out to the interested parties under the terms and conditions as deemed fit to generate revenue.

The reply is not acceptable in view of the fact that the Deed of Land Donation executed between the Department and the landowner lacked several details relating to the land donated, including the survey number, dimensions and the area of the donated land which were essential for identification and establishing the land ownership in the Department's favour. Further, the mutation of the land donated was not transferred in favour of the Department or State Government to safeguard the project assets.

Thus, creation of Botanical Garden-cum-Recreational Park on a privately owned land resulted in undue benefit of ₹2.87 crore to the landowner/contractor. Besides, the Department's laxity in implementing the project as per the NEC guidelines led to the

²⁹ Technical approval of the revised DPR was accorded by the Office of the Chief Engineer, Public Works Department (Housing) Nagaland in March 2022

facility, created at a cost of ₹2.87 crore, lying idle for the last two years and loss of potential revenue from its operation.

Recommendations:

The State Government may-

- (i) *take necessary steps to review the 'Deed of Land Donation' and ensure that land records are updated to reflect the Government's ownership on the project land, thereby safeguarding its interest.*
- (ii) *ensure that the assets/facilities created out of the project are utilised as envisaged in the Detailed Project Report.*

PLANNING AND TRANSFORMATION DEPARTMENT

3.5 Unauthorised utilisation of scheme fund

Scheme funding amounting to ₹6.14 crore meant for construction of Boys and Girls Hostels was un-authorisedly utilised for construction of a private school in violation of the Pradhan Mantri Jan Vikas Karyakram guidelines.

The Ministry of Minority Affairs (MoMA), Government of India (GoI) introduced (April 2018) the Pradhan Mantri Jan Vikas Karyakram (PMJVK) Scheme with the aim of improving the socio-economic conditions of minorities³⁰ and providing basic amenities to them for improving quality of life of the people and reducing imbalances in the identified minority concentration areas (MCA). The projects funded under PMJVK would relate to creation of infrastructure mainly in the sectors of education, health and skill development. The Guidelines of the PMJVK Scheme had the following important provisions:

- The land for construction of infrastructure in MCA shall be provided by States including the Panchayat land. Based on local need, however, the project proposed on land of notified Minority Communities offered by respective authority, free of any lease amount/nominal amount, for a particular period on lease basis would also be considered (**Paragraph 7.1**);
- The State concerned would submit the complete details of project land and other information/details required for geo-tagging of the project asset along with the project proposal (**Paragraph 7.3**); and
- The State Government concerned shall disseminate the information through print/electronic media to ensure that the details of the developmental scheme reach the ultimate beneficiaries (**Paragraph 18**).

The Government of Nagaland (GoN) submitted (October 2019) a Detailed Project Report (DPR) to the MoMA, GoI, for “**Construction of Hostel for Boys and Girls**

³⁰ At present six communities namely Muslims, Sikhs, Christians, Buddhists, Zoroastrians (Parsis) and Jains have been notified as Minority Communities under Section 2(c) of the National Commission for Minorities Act, 1992

at Vihokhu village, Niuland, Nagaland” under the PMJVK scheme. The project proposal entailed construction of two separate G+2 hostel building³¹ – one each for Boys and Girls – with a capacity of 54 beds in each, to be implemented by the Executive Engineer, Planning and Transformation Department (Minority Affairs Cell), GoN.

The MoMA, GoI approved (December 2019) the project at an estimated cost of ₹6.14 crore on a 90:10 sharing pattern between the Central (₹5.53 crore) and State (₹0.61 crore) Governments. Accordingly, GoI released (December 2019 and August 2021) its share of ₹5.53 crore³² to the GoN. In turn, the GoN released (January 2020 to March 2022) ₹6.14 crore (GoI share ₹5.53 crore and GoN share ₹0.61 crore) to the Department for project implementation. The Department awarded (January 2020) the work to Shri Pukhashe (Contractor I) for ₹6.14 crore with a stipulation to complete the work by January 2022. The Contractor commenced (January 2020) the project works but transferred (August 2022), the project execution rights to another contractor, Shri Peter Rio (Contractor II), through a power of attorney for construction of the hostel buildings at Vihokhu, Dimapur. The work was finally completed³³ in May 2023 and the entire payment (₹6.14 crore) was also released to the Contractor II. Subsequently, the GoN signed (19 June 2023) a Memorandum of Understanding (MoU) with Ms. Akaholi Sema (School Proprietor), the proprietor of ‘Vitoi Memorial School, Vihokhu’ in the premises of which the hostel buildings were constructed, authorising the School Proprietor to maintain and manage the hostel as per guidelines and norms formulated by the Central and State Governments.

Examination of records of the Department/Minority Affairs Cell of GoN revealed the following:

- The DPR submitted (October 2019) for the project to GoI, had no specific details of the project land on which the project assets (hostel buildings) were to be created/constructed. Despite this, however, the MoMA/GoI sanctioned and released (December 2019/August 2021) the project funding contrary to the provisions of the Scheme guidelines (**Paragraphs 7.1 and 7.3**);
- The results of a joint physical verification (JPV) conducted (August 2023) by Audit and the Departmental officials to ascertain the actual execution of project works revealed that both the hostel buildings were located inside the compound of the private school (*Vitoi Memorial School, Vihokhu*) owned by the School Proprietor. Further, no other building existed in the School compound (other than the hostel buildings) that could be utilised to operate a School to justify the utilisation of the hostel buildings constructed under the project for their intended purpose.
- Examination of the records (June 2024) of the Sub-Divisional Education Officer, Niuland further revealed that although the private School (*Vitoi*

³¹ Ground floor + two floors above

³² 27 December 2019 (1st instalment: ₹ 2.76 crore) and 18 August 2021 (2nd instalment: ₹ 2.77 crore)

³³ GPS coordinates: Latitude 25°86'79"N Longitude 93°85'99"E

Memorial School, Vihokhu) where the hostel buildings were constructed, had enrolled 48 and 64 students (pre-school to eighth grade) during the academic years 2023 and 2024 respectively, the School on record, did not have a hostel facility.

The narration as above evidently establishes the fact that that while submitting the project proposal to GoI, the Department failed to sense and take timely corrective action against the fraudulent act of the private party (School Proprietor) for irregularly setting up a private school out of the PMJVK Scheme funding meant to construct two hostel buildings. The audit contention is further corroborated with the fact that the Department had neither disseminated the information regarding creation of the hostel facilities through print and electronic media as required under the Scheme guidelines (**Paragraph 18**), nor formulated any guidelines/norms for regulation of the hostels as stipulated under the MoU signed (June 2023) with the School Proprietor.

Thus, public funds amounting to ₹6.14 crore, meant for creation of Government-managed hostel infrastructure for minority students, were diverted to serve a private educational institution, in violation of PMJVK guidelines. The absence of land disclosure, lack of regulatory oversight, and irregular MoU execution reflect serious lapses in planning, due diligence, and accountability.

In reply, the State Government stated (July 2024) that the Boys and Girls Hostels at Vihokhu was constructed on a land purchased by Shri Peter Rio (Contractor II), and a MoU was signed (14 June 2023) between the State Government and the Contractor II, designating the State Government as the sole owner of the hostels. It was further stated that Regulatory Modalities for running of hostels constructed under the PMJVK Scheme were issued (July 2024) and a “Show Cause Notice” was served (July 2024) to the School Proprietor (owner of Vitoyi Memorial School, Vihokhu) for violation of the MoU signed (19 June 2023) with the Department. Subsequently, an eviction notice was also issued (August 2024) to the School Proprietor to vacate the occupied hostel buildings.

The reply confirms the audit contention regarding unauthorised use of the Hostel buildings constructed under the PMJVK Scheme for running a private school owned by the School Proprietor (Ms. Akaholi Sema) in violation of the PMJVK guidelines. No comments were, however, offered in the reply on missing information/details relating to the project land in the DPR.

Recommendations:

The State Government may ensure that-

- (i) all future DPRs under PMJVK scheme include complete details of project land and its intended usage.***
- (ii) the assets created under Government sponsored projects are utilised for the intended purpose; and***
- (iii) responsibility of the erring officials is fixed for unauthorised utilisation of the Scheme funding towards construction of a private school and action as per rules may be taken against them.***

TOURISM DEPARTMENT

3.6 Irregular payment for unexecuted works

The Executive Engineer, Directorate of Tourism, Nagaland made an excess payment of ₹0.43 crore to the Contractor for unexecuted works based on false bills and entries in the Measurement Books in deviation from the standard procedures.

The Nagaland Public Works Department (NPWD) Code has the following important provisions on the execution of the departmental works:

- The measurement of works done or materials received should be recorded in the Measurement Book (MB) at the work site and every payment should be based on actual measurement recorded in MBs (**Paragraph 325**);
- Before the bill of the contractor is prepared, entries in the MB relating to the description and quantities of work or supplies should be scrutinised by the Sub-Divisional Officer (SDO) concerned (**Paragraph 341**); and
- The Executive Engineer (EE) would be overall responsible for efficient execution and measurements of all the works within his Division (**Paragraph 101**).

With regard to the Departmental charges³⁴ (DC) recoverable by GoN on the capital works executed under the schemes sponsored by the Government of India (GoI)/other Agencies, GoN had decided (November 2005) that recovery of such DC, can be waived/reduced if there are justified reasons and if such condition is imposed by the Sponsoring Authority such as GoI or any International Agency sponsored works.

The North Eastern Council (NEC)/GoI approved (December 2017) the project **“Construction of Tourist Lodge at Jalukie, Peren, Nagaland”** at a cost of ₹2.95 crore on a 90:10 sharing basis between the Central (₹2.66 crore) and State (₹0.29 crore) Governments. The project cost approved by the NEC, however, did not have any provision for payment of DC. Further, as per the NEC guidelines, 2015, the State Government was responsible to ensure proper upkeep, maintenance and operation of the assets/facilities created out of the project (**Paragraph 18.10**).

The project aimed to provide cost-effective and sustainable tourist facilities, support local tourism, create employment opportunities and generate revenue for the State Government. The approved scope of works included site levelling and approach road, construction of building³⁵, water supply and sanitary installations, rain water harvesting, generator shed, security fencing, parking lot and electrification.

³⁴ Departmental Charges (13 *per cent*) are recovered from all construction works of capital nature with a view to adjusting the supervision cost incurred by the Government in the form of establishment charges and Tools & plants, which are in general met from the non-plan budget provision under the respective Demand for Grant

³⁵ Ground floor, first floor, second floor, third floor and headroom

The NEC also accorded (December 2017) the Administrative Approval (AA) for the project with the following specific conditions:

- Utilisation of the project funds **only for the purpose** for which they were approved;
- Release of the project funds to the Implementing Agency **within one month** of the receipt from the NEC; and
- Completion of the project in all respects **within three years** from the date of the AA (*i.e.* by December 2020).

The NEC released (December 2017 to May 2021) its share of ₹2.66 crore³⁶ in three instalments to the State. In turn, the GoN released (March 2018 to August 2023) the funds aggregating to ₹2.92 crore (NEC share ₹2.66 crore and GoN share ₹0.26 crore³⁷) to the Tourism Department for implementation of the project.

After inviting (September 2020) the tenders, the EE, Directorate of Tourism, Nagaland awarded (September 2020) the civil works of the project to M/s. K. Albert Tsopoe & Sons, Kohima (Civil Contractor) for a contract value of ₹2.60 crore with a stipulation to complete the work within three years (by September 2023). The work commenced in October 2020 and on completion (November 2022) of the work, the entire payment (₹2.60 crore) was released to the Civil Contractor in four Running Account (RA) bills³⁸. Simultaneously, the site development work of the project under contingencies charges, which was awarded (October 2020) to M/s T. Asu Construction (Site Contractor) was also completed (October 2020) and the full payment of ₹0.05 crore was also released to the Site Contractor in two RA bills. Subsequently, the electrification work of the project was awarded (March 2024) to M/s Ketoupuzo Lhoushe, Kohima (Electrification Contractor) for ₹27.47 lakh with a stipulation to complete the work within three months (by June 2024). The electrification work commenced in March 2024 and on completion (June 2024) of the work, the entire payment of ₹27.47 lakh was also released to the Electrification Contractor in one RA bill.

Delay in execution of the project works

Scrutiny of records of the Executive Engineer, Directorate of Tourism, Nagaland revealed the following:

- The Department had invited (September 2020) the NIT for civil works of the project after a gap of 33 months, following the NEC's approval (December 2017) due to an ongoing land dispute over the site proposed for construction of the Tourist Lodge under the project. This highlights the failure of the Department to ensure an 'encumbrance free land' before taking up the

³⁶ 1st instalment ₹1.06 crore dated 28/12/2017, 2nd instalment ₹1.06 crore dated 22/12/2020 and 3rd instalment ₹0.54 crore dated 11/05/2021.

³⁷ Short released of State share was due to deduction (March 2021) of Departmental Charges of ₹3.39 lakh by the Finance Department, GoN

³⁸ 1st RA Bill for ₹0.77 crore dated 07/12/2020, 2nd RA Bill for ₹0.68 crore dated 07/04/2021, 3rd RA Bill for ₹0.58 crore dated 29/10/2021 and 4th RA Bill for ₹0.57 crore dated 29/11/2022

project, which was a pre-requisite for the timely and successful completion of the project. Audit noticed that this delay was one of the major factors that delayed the release of funds to the project implementing Department, which correspondingly delayed the completion of the project.

- As per the AA and project cost approval accorded (December 2017) by the NEC, there was no provision for deduction of any DC by the GoN. Contrary to the NEC's approval, however, the Finance Department, GoN, had irregularly deducted an amount of ₹33.92 lakh from the project funding provided by the NEC (₹30.53 lakh) and GoN (₹3.39 lakh) towards DC. This irregular deduction of DC by the Finance Department, GoN had hampered the work of electrification due to shortage of funds. Audit observed that the civil works were shown as fully completed in November 2022, even though electrical works had not been undertaken. Due to the delay in the restoration of the deducted NEC share until August 2023, the tendering of electrification work was also delayed, and the work could only be awarded in March 2024. The electrification was finally completed in June 2024, 20 months after the completion of the civil works (November 2022). This contributed towards the time overrun of 42 months in overall completion (June 2024) of the project works from the NEC's stipulated date of completion (December 2020).

Results of the Joint Physical Verification (JPV) of the project works

To ascertain the actual execution of the works, a Joint Physical Verification (JPV) of the project works was conducted (June 2023) by Audit along with the Departmental officials. The results of the JPV revealed that 32 items of civil works valued at ₹0.77 crore against which the payment was already released, were not executed (details in **Appendix-3.6.1**). In response, the Department after taking corrective action had provided (March 2024) a project completion certificate along with updated photographic evidence of the completed works for verification.

To verify the Department's claims and ascertain the updated status of project works, a follow-up JPV was conducted (May 2024) by Audit with the representatives of the Department. The results of follow-up JPV, however, revealed that 10 items out of 32 short-executed items of civil works valued at ₹0.43 crore were still not executed as detailed in **Appendix-3.6.2**. However, execution of the balance 22 items worth ₹0.34 lakh (₹0.77 crore minus ₹0.43 crore) by the Department at the instance of Audit is confirmed. Thus, out of ₹0.77 crore worth of initially unexecuted works, items worth ₹0.34 crore were subsequently completed for civil works, while items worth ₹0.43 crore remain unexecuted as of May 2024.

Audit observed that, to facilitate the payment of the Civil Contractor's bills, the SDO fictitiously updated the MB before actual execution of the work by recording the incomplete works as 'executed' in the MBs. This indicated failure of the SDO in properly securitising the entries made in the MB relating to the description/quantities of the works so as to ensure correctness of the Civil Contractor's bills. Further, the EE

also failed to check the correctness of the quantities executed before passing the Contractor's bills for payment contrary to the requirements of the NPWD Code (**Paragraph 341, Paragraph 101**). Thus, both the SDO and the EE failed in discharging their oversight duties as prescribed under the NPWD Code.

As a result, the Department made an excess payment of ₹0.43 crore to the Civil Contractor for unexecuted works based on false bills and entries in the MBs in deviation from the standard procedures.

In reply, the State Government stated (July 2024) that:

- instead of applying plaster of paris putty, higher-grade paint quality was used and completed at the same cost.
- in order to provide proper ventilation system and to avoid safety hazards such as toxic fumes, overheating and risk of fire, the Generator shed with steel structure, Dyna sheet roofing and cement concrete flooring was constructed.
- the fund meant for Rain Water Harvesting was utilised to construct a Ring Well, connected to overhead Sintex tanks with all necessary piping and that the Security fencing, Approach road and Parking lot have been completed as per specification.

The reply is not acceptable in view of the fact that the audit observations are based on the findings of the follow-up JPV conducted (May 2024) by Audit in the presence of the representatives of the Department. All the referenced items were marked as 'executed' in the MBs and RA Bills, but were physically found unexecuted during the follow-up JPV in May 2024. Thus, out of ₹0.77 crore worth of initially unexecuted civil works, items worth ₹0.34 crore were subsequently completed, while items worth ₹0.43 crore remain unexecuted as of May 2024. Moreover, substitution of approved items (e.g., plaster of paris putty with paint, rainwater harvesting with a ring well) without formal approval from the funding agency constitutes deviation from the sanctioned scope and violates **Paragraph 18.10** of NEC Guidelines 2015. Thus, the payments made for these unexecuted or un-authorisedly substituted works remain irregular.

Recommendations:

The State Government may-

- initiate action against the contractor for submitting bills without actual execution of project works and take steps to recover the excess amount paid.***
- fix responsibility on and take action against the erring officers for making false entries in the MB and failure to cross check the correctness of the Contractor's bill before release of payment.***

TRANSPORT DEPARTMENT

3.7 Unfruitful expenditure

The project “Converting the NST Central Workshop into a Bus Station, Night Parking-cum-Marketing Complex” in Dimapur remained incomplete even after a lapse of more than six years due to poor planning, delayed fund releases and failure to obtain GoI approval for changes. Despite spending ₹10.61 crore, key facilities remain non-functional, leaving the State to bear an additional ₹16.64 crore burden without achieving the intended transport or revenue benefits.

The Ministry of Housing and Urban Affairs (Ministry/MoHUA³⁹), Government of India (GoI) introduced the Scheme ‘10 per cent Lumpsum Provision for the benefit of North Eastern Region, including Sikkim’ (Scheme) in 2001-02. The broad objective of the scheme was to ensure speedy development of infrastructure in NER (including Sikkim) by increasing the flow of budgetary financing for new infrastructure projects/schemes in the region. The Operational Guidelines of the Scheme had the following important provisions:

- multi-utility Centre projects located at a central place were among the critical components admissible under the Scheme (**Paragraph 4 (vi)**);
- before submitting the project proposals to the Ministry, the State Government concerned must confirm availability of the ‘encumbrance-free land’ for the proposed project and assure physical availability of the project land to the project implementing agency immediately on sanction of the project (**Paragraph 8 (ix)**);
- in case of any change in the scope of the project due to any unavoidable circumstances, the State Government concerned must obtain the advance approval of the Ministry/GoI to the revised Detailed Project Report (DPR) before further execution of the project works (**Paragraph 8 (x)**); and
- cost escalation of sanctioned projects, for any reasons, shall be met by the State Government concerned (**Paragraph 10 (viii)**).

Dimapur city is connected to other districts of the State and neighbouring Assam by a rural bus service that terminates at isolated locations, causing inconvenience to travellers and traffic congestion. To address the issue, the Nagaland State Transport (NST) submitted (August 2010) a proposal to the State Government for establishment of a common terminal for rural and short-distance services. This proposal aimed to improve the quality of life for urban poor and low-income groups by providing essential passenger amenities and integrated public facilities, such as marketing spaces for selling agricultural products, parking, and affordable lodging. The proposal, which was expected to generate an annual revenue of ₹1.29 crore, had the following two components of works

³⁹ Formerly Ministry of Housing and Urban Poverty Alleviation

- i. Shifting of the NST Central Workshop, Khermahal, Dimapur to Inter-State Truck Terminus (ISTT), Purana Bazar, Dimapur (**Component I**), and
- ii. Conversion of the NST Central Workshop into a Bus Station, Night Parking-cum-Marketing Complex (**Component II**).

The Government of Nagaland (GoN) accorded (September 2010) the administrative approval for both the components. For **Component I**, which was to be funded through State's own resources, the Department submitted (August 2010 to June 2018) three cost estimates aggregating to ₹5.20 crore to the GoN in August 2010 (₹2.24 crore), October 2011 (₹1.00 crore) and June 2018 (₹1.96 crore); against which, GoN released (March 2011/September 2012) an amount aggregating to ₹3.00 crore⁴⁰ (57.69 per cent) under State Plan, which was fully utilised (December 2012) by the Department.

In October 2013, GoN submitted a DPR for estimated project cost of ₹50.00 crore to the Ministry for funding the **Component II** of the project with planned execution of the project in two phases involving the cost of ₹24.87 crore (phase I) and ₹24.98 crore (phase II). The Ministry/GoI approved (September 2014) the phase I of the **Component II** at a cost of ₹24.87 crore on a 90:10 sharing basis between the Central (₹22.38 crore) and the State (₹2.49 crore) Government, with a stipulation to complete the project within three years from the date of release of the first instalment. However, no reasons were found on record for GoI's partial approval to the project cost (*viz.* phase I: ₹24.87 crore) as against the cost of ₹50.00 crore proposed for both the phases of the project (**Component II**).

After a delay of six-month following GoI's approval (September 2014), the Department invited (March 2015) tenders for implementation of the project works under phase I (**Component II**). This delay occurred due to an ongoing conflict between the 'Urban Development' and 'Transport' Departments over project implementation responsibilities, which was resolved (March 2015) and the Transport Department was designated as the project implementing authority. Based on the tendering, the civil works contract was awarded (March 2015) to M/s Naagaamii Tech, Dimapur (Contractor), at a contract value of ₹19.13 crore, with stipulation to complete the work within 24 months (by February 2017).

The delay in the tendering and award of work order by the GoN had cascading effects on release of funds by GoI for the project (**Component II**). Audit observed that the GoI, after almost two years of according the approval (September 2014) for the project, released (June 2016) the first instalment (₹5.74 crore) towards its share of the project cost to the GoN. Audit observed that the GoN released (December 2020) the GoI's funding (₹5.74 crore⁴¹) to the Department after keeping the funds idle under civil deposits **for more than four years** of its receipt (June 2016). Further, the GoN released the State's corresponding share of the project cost (₹2.49 crore) to the Department after delay of another eight months in August 2021. As of June 2024, the

⁴⁰ Including Departmental Charges of ₹0.37 crore deducted at source by the State Finance Department

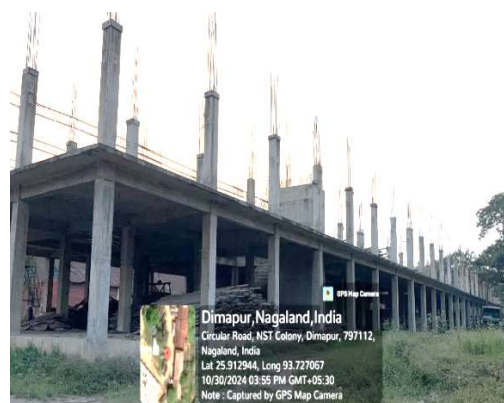
⁴¹ the entire amount was kept in Civil Deposit since March 2017 and withdrawn in December 2020

Department utilised an amount of ₹7.61 crore (92.47 *per cent*) out of the total fund of ₹8.23 crore (GoI share: ₹5.74 crore; State's share: ₹2.49 crore), with physical work progress at 33 *per cent*. No major physical progress occurred between 2016 and 2020, as the Department had not received either the State share or issued the revised work order.

Meanwhile, based on the request (February 2020) of the Contractor for revision of the cost estimates⁴² to compensate for the cost escalation, the GoN approved (November 2020) the revised DPR for ₹24.87 crore and a revised work order for civil works was issued (November 2020) to the Contractor for ₹18.08 crore (₹13.91 crore for civil works+ ₹4.17 crore being 30 *per cent* cost escalation on civil works). Further, to compensate for the cost escalation, the revised DPR also curtailed the work scope of constructing two 'three-storey buildings' (Bus terminus and Market complex buildings) approved under the original DPR, to one 'three-storey building' (Bus Terminus-cum-Market Complex).

Audit observed that despite the significant changes in the cost, scope, and design of the project (**Component II**), the Department did not submit the revised DPR to the GoI for concurrence/approval in violation to the Scheme Guidelines (*refer Paragraphs 8 (x) and 10 (viii)*). Non-submission of the revised DPR to the GoI was attributed to the time constraints, as the project had to commence immediately to secure the remaining Central funding, before the Scheme's closure in March 2021.

As regards the **Component I** (*Shifting of the NST Central Workshop, Khermahal, to ISTT, Purana Bazar*) of the project, Audit observed that even after more than 12 years of release (March 2011/September 2012) of the project funding (₹3.00 crore) by the GoN, the Department was unable to proceed with the planned relocation of the NST Central Workshop. The Department attributed the delay to release of inadequate funding (₹3.00 crore out of sanctioned amount of ₹5.20 crore) by the GoN, which was insufficient to complete the works. Since execution of the project works under **Component II** depended upon completion of the works under **Component I**, the project as a whole (Components I & II) remained incomplete for more than 14 years of submission (August 2010) of the project proposal by the Nagaland State Transport Department to the GoN. Though the ₹3.00 crore released for Component I was fully spent by December 2012, the component remained functionally incomplete, rendering the expenditure ineffective.



Photograph of the incomplete building

⁴² For revision of the cost estimate from originally approved rates of Nagaland Public Works Department (NPWD) (Schedule of Rates (SoR), 2013) to the prevailing NPWD SoR 2016 with 30 *per cent* enhancement to bring the rate at par to the current year 2020.

Audit further observed that when the GoN approached (March 2021) GoI for release of the subsequent instalment of the project funding, the GoN was informed (June 2021) that the Scheme was co-terminus with the recommendations of the 14th Finance Commission and all the projects funded under the Scheme should be completed/closed by 31 March 2021. As the Scheme was closed in March 2021, and GoI funding for the project had stopped, the State Government had an additional financial obligation of ₹16.64 crore⁴³ to complete the existing project from its own source.

Thus, the project **(Components I & II)** suffered from inadequate planning and implementation, leading to significant delays at various stages and resultant cost escalation. The inadequacy of the initial funding released by the GoN for the required infrastructural development at ISTT, Purana Bazar **(Component I)** hindered the relocation process and delayed the project **(Component II)** funded by GoI. The delays, which necessitated for cost escalation and the lack of communication with GoI about revised project plans, indicated inefficient management and oversight by the Department. As a result, the prime objective of the scheme/project to develop a city bus transport system for Dimapur city remains unachieved even after spending a total expenditure of ₹10.61 crore⁴⁴ on the project rendering the expenditure unfruitful. Non-completion of the project also resulted in loss of potential annual revenue of ₹1.29 crore projected in the DPR of the project. Further, with the closure of the funding scheme and the cessation of GoI support, the State Government now faced a financial burden of at least ₹16.64 crore to complete the project.

While accepting the facts on fund constraints, the State Government stated (May 2024) that the Government is making efforts to find out ways and means to make available the required fund to the Department for early completion of the project. The reply was indicative of the Government's failure to address the planning, execution and oversight shortcomings that contributed to these issues.

Recommendation:

The State Government may earmark resources to complete the balance portion of the incomplete work so that the objective of the project is fulfilled without further delay.

⁴³ Total project cost (₹24.87 crore) minus funds released ₹8.23 crore (GoI ₹5.74 crore + GoN ₹2.49 crore)

⁴⁴ ₹3.00 crore + ₹7.61 crore

CHAPTER-IV

GENERAL SECTOR

CHAPTER - IV

GENERAL SECTOR

4.1 Introduction

This chapter of the Audit Report for the year ended 31 March 2024 deals with the audit observations relating to the State Government Departments under General Sector.

During 2023-24, total budget allocation of the State Government in the Departments under General Sector was ₹3,797.73 crore against which actual expenditure incurred was ₹3,581.55 crore (94 *per cent*). The Department-wise details of Budget Allocations and Expenditure incurred during 2023-24, are shown in **Heatmap 4.1.1**.

Heatmap 4.1.1 Details of Department-wise Budget Allocations and Expenditure during 2023-24

(₹ in crore)

Details of Department-wise Allocation and Expenditure

Capital Allocation	Departments	Capital Expenditure with % spent	Revenue Allocation	Departments	Revenue Expenditure with % spent
179.0	Civil Secretariat	128.7/71.90%	1,822	Police	1,754 /96.29%
144.7	Police Engineering Project	111.6/77.13%	308	Civil Secretariat	292 /95.01%
73.8	Public Works (Housing)	42.9/58.06%	213	District Administration	191 /89.53%
64.6	Civil Administrative Works	59.6/92.25%	178	Public Works (Housing)	175 /98.57%
41.8	Law & Justice	94.5/225.90%	66	Treasuries & Accounts	48 /72.77%
24.2	State Guest Houses	24.2/100.00%	65	Prison	61 /92.99%
19.7	Fire & Emergency Services	19.7/100.00%	58	Mechanical Engineering	55 /94.94%
11.5	State Legislature	11.5/100.00%	53	Village Guards	51 /97.54%
5.0	Prison	5.0/100.00%	52	Law & Justice	51 /98.41%
5.0	Home Guards	5.0/100.00%	49	Election	48 /98.03%
2.8	Village Guards	2.8/100.00%	49	Statistics	47 /96.45%
2.5	Printing & Stationery	2.5/100.00%	47	Fire & Emergency Services	44 /93.44%
2.0	Statistics	2.0/100.00%	42	Home Guards	41 /97.38%
1.4	Treasuries & Accounts	1.4/100.00%	39	State Legislature	39 /98.70%
1.3	Administrative Training Institute	1.3/100.00%	33	Printing & Stationery	32 /99.66%
1.0	Mechanical Engineering	1.0/100.00%	24	Police Engineering Project	22 /92.33%
0.9	Election	0.9/100.00%	24	State Guest Houses	23 /96.60%
0.5	Legal Metrology & Consumer Protection	1.5/300.00%	16	Council of Ministers	16 /99.39%
0.0	State Information Commission	0.0/	13	Legal Metrology & Consumer Protection	12 /90.98%
0.0	Relief & Rehabilitation	0.0/	12	Lokayukta	12 /100.00%
0.0	Rajya Sainik Board	0.0/	11	Civil Administrative Works	11 /97.67%
0.0	Public Service Commission	0.0/	10	Head of State	10 /99.61%
0.0	Police	0.0/	10	Public Service Commission	10 /96.93%
0.0	Parliamentary Affairs	0.0/	8	Administrative Training Institute	7 /86.15%
0.0	Lokayukta	0.0/	5	Rajya Sainik Board	5 /96.23%
0.0	Head of State	0.0/	5	State Information Commission	4 /88.10%
0.0	District Administration	0.0/	2	Parliamentary Affairs	2 /100.00%
0.0	Council of Ministers	0.0/	2	Relief & Rehabilitation	1 /65.90%

Source: Appropriation Accounts, 2023-24

Key Insights

1. Revenue Allocation vs Expenditure

- **Police** dominate the revenue side with ₹1,822 crore allocated and ₹1,754 crore spent – **96 per cent utilisation**, reflecting strong absorption capacity.
- **Civil Secretariat** is the second highest with ₹308 crore allocated, but utilisation is at **87 per cent**, leaving a gap of ₹15 crore.
- Most smaller departments such as **Council of Ministers, Head of States, Home Guards, Election, Prison, Parliamentary Affairs** and **Printing & Stationery** show near full or full utilisation.
- **Relief & Rehabilitation** is an exception with only **66 per cent utilisation**, the weakest among the departments.

2. Capital Allocation vs Expenditure

- **Police Engineering Project** received a large capital allocation (₹145 crore), but actual expenditure was only ₹112 crore (**77 per cent utilisation**), showing execution delays.
- **Civil Secretariat** also received ₹179 crore for capital works, but only ₹129 crore was spent (**72 per cent utilisation**).
- **Public Works (Housing)** got ₹74 crore allocation, but spent only ₹43 crore (**58 per cent utilisation**), reflecting possible project hold-ups.
- **Law & Justice** stands out as an outlier, with capital expenditure exceeding allocation (₹42 crore allocation vs ₹94 crore expenditure, **226 per cent of allocation**).

3. Efficiency Insights

- **Overall utilisation is strong at 94 per cent** (₹3,798 crore allocated vs ₹3,582 crore spent).
- **Law & Justice** overspending raises red flags for possible budgeting inaccuracies or unforeseen liabilities.

4. Sectoral Priorities

- **Security and administration dominate:** Police, Civil Secretariat, District Administration and Public Works (Housing) together absorb the largest share of allocations.
- Infrastructure-related allocations (Civil Secretariat, Housing, Police Engineering Project) are heavily tilted towards **capital expenditure**.

5. Overall Pattern

- Revenue expenditure is highly concentrated in the **Police** and **Civil Secretariat**, with most other departments running small, steady allocations.
- Capital allocations are narrower in scope, focusing mainly on **Police Engineering, Civil Secretariat and Housing**.

Audit was conducted in 81 units of 10 Departments involving an expenditure of ₹5,010.52 crore (including expenditure of previous years audited during the year) during 2023-24 under the General Sector.

This chapter contains the audit observations in respect of Information Technology Audit on “Treasury Computerisation in Nagaland” and three compliance audit paragraphs.

Information Technology (IT) Audit

FINANCE (TREASURIES & ACCOUNTS) DEPARTMENT

4.2 Treasury Computerisation in Nagaland

4.2.1 Introduction

The Department of Treasuries and Accounts (DTA), Government of Nagaland (GoN), is responsible for the administration and enforcement of financial rules and regulations across all Government Departments. Its role extends to maintaining financial discipline through the Accounts Officers deployed at Directorates, Works Divisions and Treasuries. The DTA also conducts internal audits of State Government Departments, Local Bodies and Private Institutions receiving Government grants. Additionally, the DTA assists all Departments in the proper maintenance of service records and accounts.

As a pivotal player in fiscal management, the DTA regulates and controls the budget and expenditure of the State Government through its officers deployed at different levels. It also undertakes the responsibility of streamlining the accounting system and maintaining State financial records. All financial transactions including receipts, payments and disbursement of pensionary benefits to retirees are processed through the network of Treasuries and Sub-Treasuries. The DTA is also tasked with the initial accounting of State Government receipts and payments.

Highlights

- *The rollout of Treasury Net system was delayed due to delay in selecting vendor for application development, resulting in the timelines stipulated in the DPR not being achieved. The Department had not adopted project management tools to monitor the progress of completion of individual tasks for the project with respect to the critical path for the project and had not maintained a risk register to list and identify risks and mitigation measures.*

Paragraph 4.2.9.1

- *Failure to complete the stipulated milestones resulted in project implementation delays, causing the State Government to miss out on Central assistance of ₹2.84 crore.*

Paragraph 4.2.9.2

- *The in-house development of the application carried significant software engineering risks and dependency risks (on key Government personnel with no formal knowledge transfer mechanism or documentation) which could*

have been mitigated through professional industry standards for general controls for domains such as documentation, change management, user access management, incident response management, information security management, master data management, maintenance and Service Level management.

Paragraph 4.2.9.3

- *Out of 13 modules, five modules were not implemented. Moreover, the implemented modules did not incorporate all the business rules and features outlined in the DPR. As a result, key application controls required in the lifecycle of the financial management process- from budget to accounts- have not yet been implemented in the TreasuryNet application.*

Paragraph 4.2.10

- *The database contained several discrepancies, indicating inadequate mapping of rules, logical access controls and validation controls.*

Paragraph 4.2.11

- *The Department did not formulate and adopt a formal Policy for Business Continuity and Disaster Recovery planning.*

Paragraph 4.2.12

- *Training needs analysis was not conducted, and required numbers of IT personnel were not available in the Treasuries and Sub-Treasuries.*

Paragraph 4.2.13

- *Neither the State Government nor the Department submitted any progress report to the PSC throughout the project's implementation.*

Paragraph 4.2.14

4.2.2 Treasury Computerisation

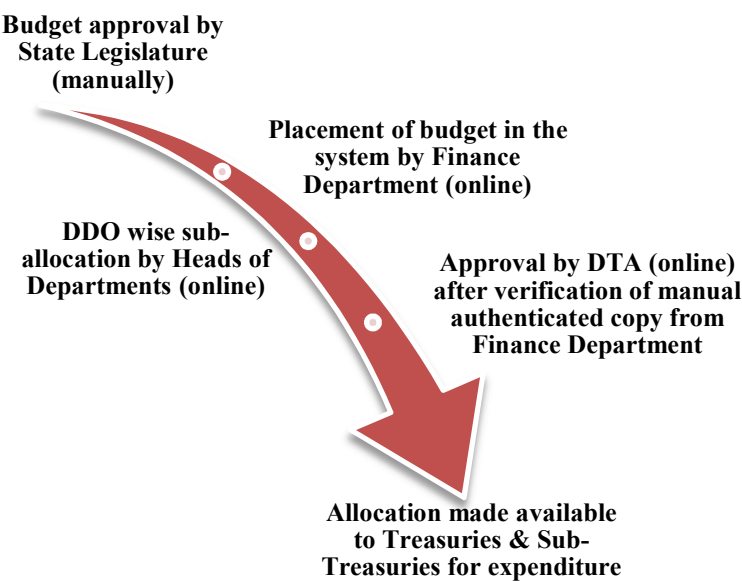
The Ministry of Finance (MoF), Government of India (GoI) notified (July 2010) the implementation of Treasury Computerisation (TC) Mission Mode Project (MMP) under the National e-Governance Plan (NeGP). This initiative aimed to enhance efficiency, reduce costs, eliminate redundancies and modernise public expenditure management practices. The TC was designed to streamline budgeting processes, enhance cash flow management, facilitate real-time account reconciliation, strengthen the Management Information System (MIS), improve accuracy and timeliness in account preparation, enhance transparency in public delivery systems and elevate financial management quality in States and Union Territories (UTs). The Ministry approved a set of deliverables for TC, including business process reengineering, standardised data exchange formats, modules for budgeting, accounts, personnel management, payroll, pension, receipt, fund management, virtual Treasury, banking interface, C&AG interface, financial data warehouse, e-status enquiry and e-audit.

The Integrated Financial Management System (IFMS), an extension of the TC Project, is a unique application software package tailored to the specific Information Technology (IT) platforms, hardware/software, processes and requirements of the respective States. As part of the NeGP, IFMS enables online real-time management,

monitoring, and control of fund allocations and financial transactions across different departments and subordinate offices of the State Governments. It emphasises a single point data capture to ensure the integrity and correctness of information.

The Government of Nagaland (GoN) engaged (March 2012) M/s. Wipro Consultancy Services (WCS) as the Project Management Consultant (PMC) for the Scheme. The Treasury application software, TreasuryNet, developed by the National Informatics Centre (NIC) in Pune was the adopted software. NIC, Nagaland was appointed (February 2015) as the Application Customisation/Development Partner with support from NIC Manipur. From 2015-16 to 2021-22, the Department used the TreasuryNet software of NIC and from 2022-23, the Department transitioned to a new TreasuryNet application developed in-house which was initially an offline application with a decentralised data server. From 2023-24, the application shifted to online mode, with functionality for budget, receipt, payment, compilation, and reporting to the Accountant General (AG). The workflows in the system for three key processes are shown in **Charts 4.2.1 to 4.2.3**.

Chart 4.2.1: Budget module work flow



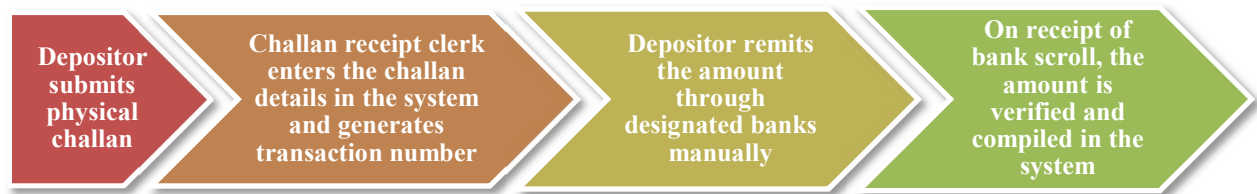
Source: TreasuryNet system workflow

Chart 4.2.2: Bill payment module work flow



Source: TreasuryNet system workflow

Chart 4.2.3: Receipt module work flow

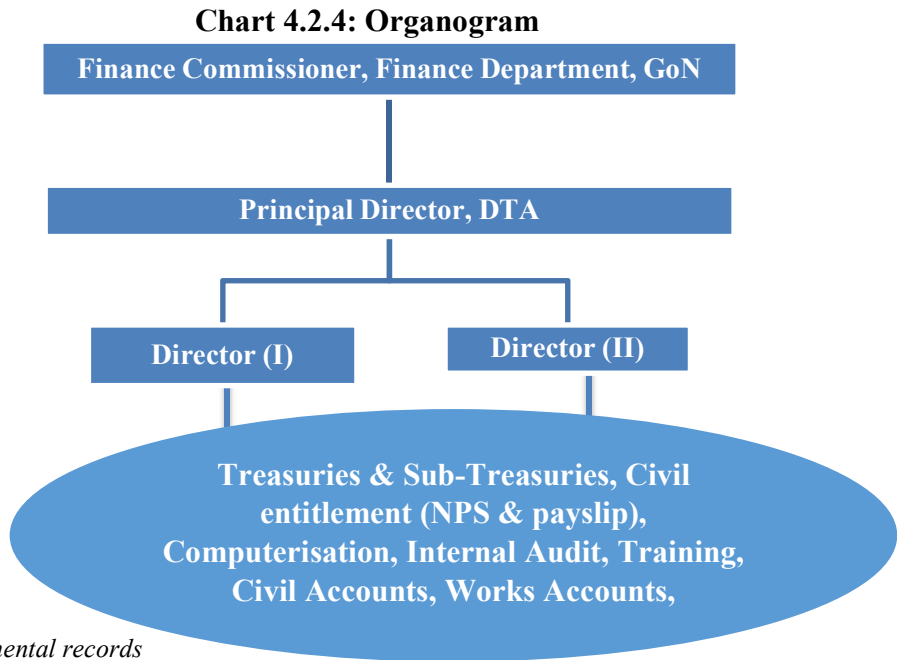


Source: TreasuryNet system workflow

4.2.3 Organisational set-up

The Finance Department (FD), headed by the Finance Commissioner, exercises administrative control and supervisory authority over the DTA. The Principal Director, who heads the Directorate, assists the Finance Commissioner. The Directorate comprises eight Wings- Civil Entitlement, Computerisation, Internal Audit, Training, Civil Accounts, Works Accounts, Treasuries and Sub-Treasuries and Monitoring Cell. There are 12 Treasuries and 10 Sub-Treasuries, which are distributed across the 16 districts of Nagaland.

The organogram of the Department is shown in Chart 4.2.4.



Source: Departmental records

4.2.4 Funding pattern and allotment of funds

The Mission Mode Project for IFMS was instituted as a State Plan Scheme with financial support to the North Eastern States in the ratio of 90:10 (Central: State). Funds were disbursed as Additional Central Assistance (ACA). For Nagaland, the MoF, GoI approved ₹5.26 crore as the total project cost with Central share of ₹4.73 crore and State share of ₹0.53 crore. The MoF, however, released (2011-12) ₹1.89 crore only and the State Government released (2015-16) State share of ₹0.27

crore only. Of the total funds received amounting to ₹2.16 crore, the Department expended ₹2.13 crore leaving a balance of ₹0.03 crore as of March 2024. Apart from the sanctioned funds, the GoN also allocated funds from State's own resources amounting to ₹4.88 crore during 2018-19 to 2023-24.

4.2.5 Audit objectives

The IT Audit was conducted to assess whether:

- Treasury Computerisation was implemented with efficient planning, proper financial management and effective human resource management.
- Treasury Computerisation has onboarded all treasury functions and relevant financial rules in the computerised environment with adequate IT controls to ensure authenticity of data and data security.
- Internal controls and monitoring mechanisms were adequate and effective.

4.2.6 Audit criteria

The Audit findings were benchmarked against the following criteria:

- GoI MMP Treasury Computerisation, NeGP Scheme Guidelines;
- The Central Treasury Rules;
- The Receipt & Payment Rules, 1983;
- The General Financial Rules (GFR), 2017;
- The Government Accounting Rules; and
- Orders, Circulars and Office Memorandum issued by GoI and GoN from time to time.

4.2.7 Scope and methodology of Audit

The IT Audit covered the period from 2018-19 to 2023-24. An Entry Conference was held with the Department on 23 June 2023. Records of the Directorate of Treasuries and Accounts and District Treasuries and Sub-Treasuries on project implementation were examined besides extraction of data and analysis thereof. Findings and recommendations of the IT Audit was discussed with the Department during the Exit Conference on 12 August 2024. Replies of the Department as well as the State Government are suitably incorporated in the Report.

4.2.8 Audit sampling and units selected for audit

The IT Audit covered the Directorate of Treasuries and Accounts along with Kohima North Treasury and Kohima South Treasury. The other 10 Treasuries in the State were stratified into two categories viz., high volume transaction Treasuries¹ (above ₹2,000 crore annually) and low volume transaction Treasuries² (below ₹2,000 crore annually) based on the transactions carried out during the last five years (2018-23). From the high volume transactions Treasuries, two Treasuries (Dimapur and Mokokchung) were selected and from the low volume transactions Treasuries, one

¹ Dimapur, Mokokchung, Mon, Tuensang, and Zunheboto

² Chümoukedima, Kiphire, Peren, Phek and Wokha

Treasury (Phek) was selected on the basis of random sampling. All five Sub-Treasuries³ under the selected District Treasuries were selected.

Audit findings

4.2.9 Project management and implementation

4.2.9.1 Delay in project rollout

Chapter 10 of the Detailed Project Report (DPR) for Treasury Computerisation under NeGP in Nagaland specifies the timeline⁴ for various stages of the project. As per this timeline, the rollout of the application across the State was envisaged to be completed within 24 months of the project commencement date. Further, Clause 11.1 of the Master Business Agreement (MBA) between the Department and the Project Management Consultant (PMC) states that the agreement will be effective from the project commencement date (May 2012) for a period of 24 months (*i.e.* up to May 2014). The PMC was required to complete the rollout, including operations, management and handholding within this stipulated timeline. Payments to the PMC were to be made milestone-wise, based on the progress of the project.

Audit observed that the Department engaged (March 2012) M/s Wipro Consultancy Services as the PMC for the project at a cost of ₹1.19 crore. The project commenced in May 2012, with a planned rollout by May 2014. Audit, however, observed that the pilot rollout could only be achieved in May 2015, with a delay of 15 months from the original timeline of February 2014. Subsequent rollouts in other Treasuries/Sub-Treasuries also missed the May 2014 timeline as shown in **Table 4.2.1**:

Table 4.2.1: Details of project go-live in the Treasuries/Sub-Treasuries

Sl. No.	Computerised w.e.f.	Treasuries/Sub-Treasuries
1.	February 2017	Mangkolemba
2.	October 2017	Kohima South, Dimapur and Mokokchung
3.	February 2018	Changtongya and Tseminyu
4.	February 2019	Wokha, Phek, Zunheboto, Aghunato, Pfutsero and Baghty
5.	July 2019	Tuensang, Kiphire and Longleng
6.	October 2019	Mon, Peren, Aboi and Chozuba
7.	July 2022	Chümoukedima (New Treasury)

Source: Departmental reply

Audit further observed that the delay in the rollout of the project was due to the delay in selection of the Application Developer (NIC) which could be achieved only in February 2015 as against the stipulated timeline of November 2012. The delay in selection of the Application Developer not only resulted in significant timeline

³ Tseminyu under Kohima North; Chozuba and Pfutsero under Phek; Changtongya and Mangkolemba under Mokokchung.

⁴

Sl. No.	Activity/Module	Timeline
1.	Initiation and vendor selection phase	T+180 days (6 months)
2.	Application Development Phase	T+390 days (13 months)
3.	Pilot roll out of the application	T+630 days (21 months)
4.	Infrastructure installation and roll out phase	T+720 days (24 months)

deviations but also led to short release of GoI funds and partial implementation of project modules, thereby delaying the benefits of the Treasury Computerisation as discussed in **Paragraphs 4.2.9.2 and 4.2.10**.

The Department had not adopted project management tools to monitor the progress of completion of individual tasks for the project with respect to the critical path for the project and had not maintained a risk register to list and identify risks and mitigation measures.

While accepting (July 2024) the Audit observation, the State Government stated that the delay in the selection of the Application Developer was because the State was not ready with the budget codification. It was further stated that the codification was only up to the Minor Head of Account level and that computerisation could not proceed without review of the proper Heads of Account at all levels. The reply of the State Government indicated that preparatory work for commencement of computerisation had taken much longer than planned as per the contractual timelines.

Recommendation:

The Department may adopt project management tools to identify the list of individual tasks to be completed, persons responsible for each task, sequential dependencies among tasks and the impact of delays on the critical path for the project timelines.

4.2.9.2 Short receipt of Central assistance and delay in release of State share

Paragraph 8 of the MMP (TC) Scheme Guidelines states that the project would be implemented as a State Plan Scheme under NeGP, with 90 *per cent* financial support to the North Eastern States. Funds would be released as Central Assistance to the designated State agency in three instalments of 40 *per cent*, 30 *per cent* and 30 *per cent* each, subject to satisfactory receipt of Utilisation Certificates. In turn, Paragraph 9 of the MMP (TC) Scheme Guidelines states that the States are required to complete their project within three years, with any residual components allowed to spill over into the fourth year. The release of instalments is based on achieving the stipulated milestones outlined in the project guidelines.

Audit observed that the Department received an amount of ₹2.16 crore out of the total approved cost of ₹5.26 crore for project implementation during 2011-12 to 2015-16. Details of receipt and expenditure of Central and State shares are shown in **Table 4.2.2**.

Table 4.2.2: Year-wise receipt and expenditure incurred

(₹ in lakh)

Year	Receipt			Expenditure		
	Central Share	State Share	Total	Central Share	State Share	Total
2011-12	189.00	0	189.00	0	0	0
2012-13	0	0	0	23.74	0	23.74
2013-14	0	0	0	11.86	0	11.86
2014-15	0	0	0	103.84	0	103.84
2015-16	0	27.00	27.00	46.15	27.07	73.22
Total	189.00	27.00	216.00	185.59	27.07	212.66

Source: Departmental records

As can be seen from **Table 4.2.2** above, the GoN received (March 2012) ₹1.89 crore out of the total Central share of ₹4.73 crore⁵ resulting in short receipt of ₹2.84 crore. On its part, the GoN released its share of ₹0.27 crore in May 2015 and March 2016 only, with a delay exceeding three years. Audit observed that the Department incurred an expenditure of ₹2.13 crore⁶ against the total receipt of ₹2.16 crore with an unspent balance of ₹0.03 crore as of March 2024. Audit further observed that the reason for short receipt of Central assistance was because of the Department's failure to complete activities as per the stipulated timelines as discussed in **Paragraph 4.2.9.1**. As a result, the State Government had to subsequently bear the cost of implementation for this application on its own, even though funding from GoI had been available for the stipulated period.

In reply, the State Government stated (July 2024) that the State received ₹1.89 crore as first instalment, however, subsequent instalments were not released despite the Government writing to the Ministry. It was further stated that there was a change in the funding policy under e-Governance during 2014. The response was not tenable, as the short release of GoI funds was because the project was not completed within the Ministry's stipulated timeline of three years.

Recommendation:

The Department may undertake a comprehensive review of its project governance mechanism, to identify and address the root causes for delays and adopt standard controls such as maintenance of risk register, periodic meetings of governance Committee(s) and periodic reports on progress in implementation of projects.

4.2.9.3 Transition to in-house developed TreasuryNet system

As per Annexure-I of the MMP (TC) Scheme Guidelines, project proposals should be prepared with defined project objectives, outcomes envisaged, details of proposed business model and business process re-engineering. Further, for the development of any IT project, it is essential to document the requirements and segment them into phases based on the project's needs. This documentation includes preparing a Detailed Project Report (DPR) and a User Requirement Specifications (URS) that outlines the project scope, objectives, functionalities, and technical specifications.

Audit observed that due to the obsolete system technology of NIC TreasuryNet system, developed at a cost of ₹2.03 crore and the absence of GoI funding in view of delays during 2012-15, the Department implemented an in-house TreasuryNet application software and migrated to it in April 2022. Audit further observed that the

⁵ GoI approved ₹5.26 crore as project cost with Central share of ₹4.73 crore and State share of ₹0.53 crore
⁶ Payments released to the PMC (₹128.23 lakh), NIC (₹74.67 lakh) and for hardware purchases (₹9.76 lakh).

application was developed considering the broad objectives outlined in the DPR prepared by the PMC, with implementation based on priorities identified by the DTA and the Finance Department.

However, Audit observed the following process deficiencies in the development of the in-house application-

- DPR and URS documents had not been updated to reflect a true and fair view of implementation of the in-house application.
- Timelines for phase-wise implementation of various modules were not specified.

Absence of DPR, URS and clear timelines for phase-wise module implementation resulted in significant risks to achievement of project objectives and deliverables on time.

While accepting the Audit observation, the State Government stated (July 2024) that the existing application had been developed in-house guided by Senior Officers of the Department, which had saved time and reduced costs. It was also stated that the development of the new TreasuryNet system was broadly guided by the objectives of the DPR prepared by Wipro in consultation with the DTA, Finance Department and Information Technology & Communication Department, Government of Nagaland. It was further stated that the implementation was based on the priority identified by the DTA and the Finance Department. The response was not tenable, as the in-house development of the application carried significant software engineering risks and dependency risks (on key Government personnel with no formal knowledge transfer mechanism or documentation) which could have been mitigated through professional industry standards for general controls for domains such as documentation, change management, user access management, incident response management, information security management, master data management, maintenance and Service Level management. In the absence of professional involvement and inadequate documentation on these domains, Audit was unable to derive assurance that these controls had been implemented and associated risks had been mitigated for the in-house TreasuryNet application.

Recommendation:

The Department may prepare documentation for DPR, URS and different domains such as changes made, incidents resolved, information security patches deployed, user access rights and service levels for the in-house application, so that the future maintenance and further enhancements may be taken up by a professional firm using industry-best practices.

4.2.9.4 Shortfalls in IT hardware

Paragraph 13.2.1 of the DPR for Treasury Computerisation under NeGP in Nagaland states that hardware cost, including networking hardware, pertains to the cost to be incurred towards procurement of new hardware equipment for meeting the IT

requirement of the Department across the Directorate, Treasuries and Sub-Treasuries. For successful implementation of the Treasury Computerisation project, it was essential that sufficient hardware be provided to organisational units. The IT hardware requirement and actual availability (as of April 2024) in the sampled Treasuries and Sub-Treasuries are shown in **Table 4.2.3**.

Table 4.2.3: IT hardware requirement and availability in the sampled Treasuries and Sub-Treasuries, as of April 2024.

(in numbers)

Treasury/ Sub-Treasury	Desktop			UPS			Generator			Laptop		
	Req*	Av*	Sh*	Req	Av	Sh	Req	Av	Sh	Req	Av	Sh
Kohima North	-	-	-	-	-	-	-	-	-	3	0	3
Kohima South	24	16	8	-	-	-	-	-	-	3	0	3
Tseminyu	7	5	2	-	-	-	-	-	-	1	0	1
Dimapur	17	13	4	-	-	-	-	-	-	4	0	4
Changtongya	8	5	3	1	0	1	1	0	1	2	0	2
Phek	15	11	4	-	-	-	-	-	-	-	-	-
Pfutsero	8	7	1	-	-	-	-	-	-	-	-	-
Chozuba	5	3	2	-	-	-	-	-	-	1	0	1
Mokokchung	20	18	2	-	-	-	-	-	-	1	0	1
Total	104	78	26	1	0	1	1	0	1	15	0	15

*Req=Requirement, Av=Availability, Sh=Shortage

Source: Reply of the Department

As can be seen from **Table 4.2.3** above, there were shortfalls of desktops, laptops, UPS and generators in the sampled Treasuries and Sub-Treasuries, which affected the smooth functioning of treasury operations. Audit observed that the reason for the shortage in IT hardware was because the Department did not assess the IT hardware requirement for submission to the State Government for fund allocation.

In reply, the State Government stated (July 2024) that the purchase of IT hardware was done with minimum requirements, due to funds constraints. The response was not acceptable, as the Department had neither assessed the IT hardware requirements nor submitted proposals for phased procurement to the State Government for fund allocation for the purchase of IT hardware.

Recommendation:

The Department may assess the IT hardware requirement and submit the requirement to the State Government for fund allocation in a phased manner with clear timelines.

4.2.10 Incomplete implementation of key functionalities and missing application controls

Paragraph 8 of the DPR for Treasury Computerisation under NeGP in Nagaland states that the application should be developed to include various modules covering the entire functionalities of the Treasury and that data digitisation of all the current and past records of the Treasury will be done so that any data can be fetched at any point

of time. As per Paragraph 8.1.2 of the DPR, the proposed application was to consist of 13 modules covering all the functionalities of the Department.

The actual status of implementation of the 13 modules as of March 2024 is shown in **Table 4.2.4:**

Table 4.2.4: Statement showing status of module implementation as of March 2024

Sl. No.	Module	Description	Status
1.	Treasury Receipts Module (TRM)	The TRM will provide depositors with the provision to deposit money online or through agency banks. It will also allow banks to collect receipts in cash on behalf of the State Government and deposit the same online in the State Treasury.	The TRM currently does not have the provision for depositors or banks to login directly to TRM and deposit money online.
2.	Financial Data Warehouse Module (FDWM)	FDWM will maintain e-record of valuables in strong room such as Government stationery procurement, material storage, stamps selling and returns of valuables.	Not implemented.
3.	Fund Management Module (FMM)	FMM is an integrated fund management system that will handle all State's fund transaction where, the claimant such as an employee or Government department will submit their claims/invoices to the office concerned. The office will enter these into the Office Accounting System and the HOO/DDO will further validate them, after which the office will prepare the bills and clear payments electronically.	The FMM currently does not have the provision for online submission of claims and validation by DDOs. Physical bills are submitted by DDOs and bill details are entered by Treasury staff for approval by Treasury Officer through FMM and payments made electronically.
4.	Accounts Maintenance and Compilation Module (AMCM)	AMCM will compile and maintain Accounts. All expenditure details under different heads will be captured. As data is entered, AMCM will automatically generate reports. AMCM will embed various checks and balances, which will help in monitoring the bills to ensure that expenditures are entered under the appropriate heads.	Implemented.
5.	Internal Audit (e-Audit)	Internal Audit (e-Audit) module will incorporate the Electronic Audit Management System.	Not implemented.
6.	E-status enquiry	E-Status enquiry module will enable citizens to enquire with DDOs and banks to check the status of pensions, debt, debentures allotment, cheques and challans.	Not implemented.
7.	Personnel Management and Payroll Module (PMPM)	PMPM will capture all processes related to the employee lifecycle such as manpower planning and cadre management, leave management, payroll processing, employee entitlement and employee resignation, retirement or death.	Not implemented.
8.	Pension Management Information System (PMIS)	PMIS module is a pension management module that will capture processes after the employee exits from service.	PMIS is partially implemented from 2024-25 with the provision for data capturing of pensioner's information only.
9.	Budgeting Module (BM) (Planning and Budgeting)	The BM will integrate planning, budgeting and execution activities to ensure efficient and systematic planning and budgeting.	BM is currently limited to placement of budget in the module after being passed by the Legislature and the Finance Department make allocations. Currently, there

Sl. No.	Module	Description	Status
			is no provision for capturing sanction order and subsequent linking with the bills passed by the Treasury.
10.	Virtual Treasury Module (VTM)	VTM will provide an interface for the uploading of reconciliation data received from State Bank of India as part of Cyber Treasury initiative.	Not implemented.
11.	Banking Interface Module (BIM)	BIM will enable electronic capture of receipt as well as payment data from the commercial banks authorised to do Government business, as well as from the RBI.	The TreasuryNet system is currently linked with SBI-Cash Management Product (CMP) for electronic payment only. There is no provision for electronic capturing of receipts.
12.	CAG Interface Module (CIM)	CIM will establish linkages with the Accountant General's (AG) office and allow exchange of voucher level data electronically thus providing an efficient means for reconciling accounting transactions. Further, the module will enable compilation of accounts, so that monthly/annual accounts are available promptly.	CIM is currently limited to providing access to AG office for downloading of voucher level data.
13.	MIS Reports	MIS module will generate reports that will assist Departments for effective monitoring of transactions carried out in the TreasuryNet system.	MIS reports generated from the TreasuryNet are currently limited to the implemented modules only.

Source: Department records

As can be seen from **Table 4.2.4** above, the Department has not implemented 05 of the 13 modules and in the eight implemented modules, all the features envisaged in the DPR are not yet incorporated. Audit observed that the non-implementation of the five modules and partial incorporation of features into the implemented modules was due to inadequate project planning, resource constraints, technical challenges and changes in project requirements over time. This partial implementation created a gap between the features outlined in the DPR and the actual implementation of modules resulting in essential functionalities like e-challan and online remittances of the Treasury not being covered.

In reply, the Government stated (July 2024) that the Department had implemented receipt module, payment module, compilation module, pension payment module, budget sub-allocation module and SBI-CMP module based on the priorities identified.

The response was not tenable, as the following key functionalities and application controls across the financial management process - from budget to accounts - have not yet been implemented.

i. Budget Management-

1. Preparation of budget estimates and submission by all Departments through the system, with required data fields (such as Department Name, DDO Code, Head of Account, Scheme Code, Amount, Justification/Remarks).

2. Review of budget estimates submitted by all Departments by Department of Treasuries and Accounts through the system, with inclusion/exclusion of line items and increase/decrease of amount in each line item recorded.
3. Maintenance of data trail in the system to track the budget estimates and the actual allotment of budget estimates approved by the Legislative Assembly for a new financial year.
4. Mapping in the system to prevent loading of allotment of budget estimates under different Heads of Account to unrelated Departments (for example, budget allotment under MH 2202-01-111 Sarva Shiksha Abhiyan should not be permitted to be loaded to Industries Department).
5. Processing of re-appropriations through the system, in compliance with business rules (as per delegation of powers and only across the permitted Heads of Account).
6. Processing of surrenders through the system, in compliance with business rules (for example, surrender amount cannot exceed available budget amount).

ii. Sanction Orders Management-

1. Provision for generation of all the types of Sanction Orders specified in the Treasury Rules with all the key data fields to be entered for each type of Sanction Order.
2. Application controls to ensure that Sanction Order can be generated in the system by a user only as per delegation of powers (based on sanctioned amount and type of expenditure).
3. Mapping in the system to ensure that Sanction Order types can only be generated under the permissible Heads of Account for those types of Sanction Orders (for example, Sanction Order of type Grants-in-Aid should not be permitted under Capital Section Heads of Account, as it would violate Indian Government Accounting Standard 2).
4. Application controls to prevent generation of Sanction Order under a Head of Account under which budget allotment for that user is not available.
5. Application controls to prevent generation of Sanction Order under a Head of Account where sanctioned amount exceeds available budget amount (*i.e.*, the system should keep track of available budget amount for a new Sanction Order, after deducting previous sanctioned amounts under that Head of Account).
6. Application control to prevent cancellation of Sanction Order after a Bill has been passed using that Sanction Order as the underlying basis for drawal of funds.
7. Provision for recording terms and conditions for each type of Sanction Order (such as date for submission of UCs, names and codes of DDO(s))

authorised to draw the sanctioned amount(s), specific conditions from Scheme guidelines/conditional Grants-in-Aid).

8. Application controls to prevent direct specification of payment beneficiary for the funds to be drawn in the Sanction Order, if details of the payment beneficiary have not been previously entered as master data.
9. Application controls to prevent modification of the bank account details of payment beneficiary in the Sanction Order, instead of modifying the same in the master data, through a defined process for master data management.

iii. Bills processing by DDOs and DTOs-

1. Provision for generation of all the types of Bills specified in the Treasury Rules with all the key data fields to be entered for each type of Bill.
2. Mapping and restricting the permissible combinations of Sanction Order types and Bill types (for example, Contingent Expenditure Bill cannot be passed by linking to a Grants-in-Aid Sanction Order).
3. Application controls to prevent Bills to be generated in the system and passed, without linking to a Sanction Order Number in the system.
4. Application controls to prevent Bills to be passed by linking to Sanction Orders from previous years.
5. Application controls to prevent Bills to be passed by linking to a Sanction Order against which Bills have been previously drawn for the entire sanctioned amount.
6. Application controls to prevent Bills to be generated and passed with Bill amount exceeding the available balance of the sanctioned amount in the linked Sanction Order (*i.e.* the system should keep track of available sanctioned amount for a new Bill, after deducting previous Bills passed which were linked to that Sanction Order).
7. Application controls to auto-populate key data fields from the linked Sanction Order at the time of generation of Bills (such as Head of Account and payment beneficiary).
8. Provision for review of master data for payment beneficiaries, to ensure that there is a clear trail of details of Departmental users who have verified the name of payment beneficiary, bank account number, IFSC with an uploaded copy of the bank pass book.
9. Application controls for validating data entered into key fields in case of Bill types for Scheme expenditure and Grants-in-Aid, corresponding to the checks to be exercised by the DDO and DTO as per the Treasury Code.

10. Application controls for validating data entered into key fields for Pay and Allowances for serving State Government employees and Pension for retired employees.

iv. Utilisation Certificates, adjustment of Abstract Contingent Bills and Personal Deposit Accounts-

1. Functionality for monitoring the submission of Utilisation Certificates.
2. Application controls for submission of UCs on time and Sanction Order-wise (UCs should not be submitted Scheme-wise or Head of Account-wise, they have to be submitted Sanction Order-wise by each entity responsible for end utilisation of funds).
3. Generation of MIS Reports on correct status of outstanding UCs and prevent further release of Grants-in-Aid in such a scenario, in compliance with the extant Rules.
4. Functionality for submission of Detailed Contingent (DC) Bills for adjustment of Abstract Contingent (AC) Bills previously drawn.
5. Application controls for submission of DC Bills against each AC Bill (DC Bills should not be submitted Scheme-wise or Head of Account-wise, they have to be submitted AC Bill-wise by each entity responsible for end utilisation of funds).
6. Generation of MIS Reports on correct status of unadjusted AC Bills and prevent further drawal of AC Bills in such a scenario, in compliance with the extant Rules.
7. Functionality for accounting receipts into and payments out of Personal Deposit (PD) Accounts.
8. Application controls in place to ensure compliance with Rule provisions regarding refund of inoperative PD Account balances.
9. Provision to track the status of PD Account balances and generation of timely alerts on inoperative PD Accounts whose balances are to be refunded at the end of the financial year.

v. There is no integration of TreasuryNet with Works Accounting System and Human Resources Management System of the State Government.

In the absence of these key functionalities and application controls, the full benefits of implementing the TreasuryNet application had not yet been realised, since the burden of compliance was still being borne by individual users and had not shifted to the system as intended.

Recommendation:

The Department may prioritise the completion of all modules of TreasuryNet along with key functionalities and application controls.

4.2.11 Data discrepancies due to deficient application controls

The TC project aims to make the budgeting processes more efficient, improve cash flow management, promote real time reconciliation of accounts, strengthen MIS, improve accuracy and timeliness of accounts preparation, promote transparency and efficiency in public delivery systems and better financial management along with improved governance quality. To achieve this, it is crucial to incorporate master data and transaction data with adequate application controls to ensure accurate record keeping as per rules. The results of analysis of the data in the TreasuryNet application are described below.

4.2.11.1 Discrepancies in data related to budget management

After the Budget is passed and the Appropriation Bill is enacted, the administrative departments, in consultation with the Finance Department, allocate the Appropriation against each head of account (HoA) to the Controlling Officers (COs). The COs are then to ensure that expenditure under each unit does not exceed the appropriation. Subsequently, the COs allocate the appropriation to DDOs, who are responsible for making expenditure within the released amount.

Data analysis of the table 'budget_centralbudgetmaster' revealed the following discrepancies:

- During 2022-23 and 2023-24, there were 2,180 budget entries with negative amount totalling ₹1,842.14 crore, which was due to lack of functionality for re-appropriations without effecting such negative entries.
- During 2023-24, there were 2,485 budget entries amounting to ₹2,450.47 crore entered without sanction orders in the system.
- During 2023-24, seven DDOs exceeded their allocated budgets totalling ₹47.28 lakh, as per the 'payment_budgetexpenditure' table.

Audit observed that these deficiencies were due to inadequate budget management and expenditure controls within the system resulting in erroneous financial accounting. In reply, the State Government stated (July 2024) that the negative amount was required for budget re-appropriation and adjustment with the placement amount approved by the Finance Department. It was also stated that 'sanction order' field was an optional field since 'drawal authority number' field is a unique mandatory field for each budget used to identify a particular budget order. It was further stated that the excess expenditure of ₹47.28 lakh by seven DDOs was because the revised sub-allocation was made after the expenditure was incurred by four DDOs, wrong booking of one DDO, shifting of one DDO from Kohima North Treasury to Kohima South Treasury and double negative entry of ₹5.00 lakh for one DDO.

The response indicated the need to prioritise the implementation of necessary application controls for the budget management processes, to ensure compliance with extant rules.

Recommendation:

The Department may implement application controls for budget management and expenditure control.

4.2.11.2 Discrepancies in data related to adjustment of Abstract Contingent bills

Rule 118 of the Receipt and Payment Rules, 1983 states that a certificate shall be attached to every abstract contingent bill (AC bill) to the effect that the detailed contingent bills (DC bill) is submitted to the controlling officer in respect of abstract contingent bills drawn during the month previous to that in which the bill in question is presented for payment. On no account may an abstract contingent bill be cashed without this certificate.

Audit observed that there was no provision in the TreasuryNet system to verify pending DC bills when accepting the AC bills. Audit also observed that the reason for the absence of provision to verify pending DC bill was because Rule 118 of Receipt and Payment Rules, 1983 was not mapped in the application system. Data analysis of the 'payment_cmpbillmaster' table revealed that 294 AC bills were drawn during 2022-24 amounting to ₹426.23 crore. However, these 294 AC bills were processed without verification of pending DC bills in the system. The absence of a provision and adequate mapping in the TreasuryNet system resulted in the failure to verify pending DC bills and monitor their submission.

In reply, the State Government stated (July 2024) that the functionality for verifying AC bills with DC bills was not incorporated in the TreasuryNet system since detailed countersigned contingent bills were submitted by the Departments directly to the AG Office without routing through Treasuries. The Department also opined that Treasuries can be advised to insist on the certificate from the AG before passing new AC bills. The reply was not acceptable as Rule 118 of the Receipt and Payment Rules clearly outline the monitoring of AC bills and of the necessity of this Rule being incorporated into the TreasuryNet system to ensure compliance and proper monitoring of AC bills.

Recommendation:

The Department may take immediate measures to map Rule 118 of Receipt and Payment Rules, 1983 on abstract contingent bills into the TreasuryNet system.

4.2.11.3 Discrepancies in data related to user access management

User access management is crucial for prevention or detection of unauthorised viewing and modification of data. User access management is implemented through individual login-identifiers and passwords for user authentication, to ensure accountability for user activities.

Analysis of database under the category of administrator and authentication revealed that:

- In the table ‘administrator_centralusers’, which captures details of all system users, one user had ‘NA’ username and ‘NA’ Designation, with user type listed as ‘MONITORING’. Further, 81 HODs had been assigned the designation of ‘Admin Operator’ instead of actual designations.
- In the table ‘administrator_operators’, which captures the details of all system operators, 14 names of operators are recorded with the names dispatch (4), challan (1), bill receipt (2), compilation (4) and bill clerk (3).
- In the table ‘auth_user’, which captures status and login details of users, 577 active users did not have first name and last name recorded in the database.
- Functionality for biometric based authentication and digital signature certificates had not been implemented.

These discrepancies indicated absence of proper user authentication and access controls in the system, which posed material risks to information security.

While accepting the Audit observation, the State Government stated (July 2024) that the system would be updated to rectify the discrepancies observed by Audit.

Recommendation:
The Department may take immediate measures to strengthen user access management for the TreasuryNet system.

4.2.11.4 Discrepancies in transaction data

Analysis of the transactions data for expenditure and receipts in the system revealed the following discrepancies:

- In the table ‘payment_billmaster’, which captures all the payment bill details of each DDO including Department’s bill numbers, 681 out of 802 records have a ‘0’ value as the Department’s bill number during 2023-24.
- In the table ‘receipt_finalreceiptmaster’, which captures details of remittances of the depositors, there were two records of remittance with negative amount and 58 records with zero remittance amount during 2023-24.
- In the table ‘payment_cmpbillmaster’, which captures details of online payment, three bills of Grants-in-Aid were booked under the Major Head ‘8011’ (Insurance and pension fund) during 2023-24.
- In the table ‘payment_finalgpfdetails’, which captures details of GPF withdrawal by Government employees, multiple withdrawals from the same GPF account ranging from five to nine times were observed in 97 GPF account numbers.
- In the table ‘receipt_finalreceiptmaster’, which captures details of

remittances of the depositors, the authorised date of receipts was earlier than the data entry date in 98 cases ranging from 01 to 407 days and, in 357 cases, authorisation occurred after a delay ranging from 30 to 374 days.

- In the table ‘payment_billcorrectionhistory’, which captures bill detail correction requested by system users, 249 out of 461 bill correction requests still showed ‘processing’ status, with request ranging from May 2023 to April 2024.
- In the table ‘payment_finalbilltrack’, which captures the details of bill processing, 93 bills were authorised before the receipt of bill ranging from 01 to 365 days and 2,184 bills were authorised after a delay ranging from 30 to 349 days.
- In the table ‘payment_objectedbills’, which captures the details of objected bills including the reasons for objection, the reason for objection in 501 out of 2,943 rejected bills contained invalid descriptions⁷, which reflected absence of validation controls.
- In the table ‘receipt_receiptcorrectionhistory’, which captures receipt challan details correction requested by system users, the status of 36 out of 38 receipt correction cases showed ‘processing’, while only two cases were marked as ‘closed’.

The above discrepancies indicated the deficiencies in validation controls in the TreasuryNet application for processing transactions data.

While accepting the Audit observations, the Government stated (July 2024) that rectifications in the system would be carried out.

Recommendation:

The Department may take immediate measures to strengthen validation controls for transactions within the TreasuryNet system.

4.2.12 Absence of Disaster Recovery and Business Continuity Plans

Paragraph 7.1 of the MMP (TC) Scheme Guidelines stipulates implementation of adequate and secure network infrastructure, disaster recovery and business continuity plan to ensure that the system runs even in the case of power outages, natural disasters and cyber-attacks. Further, Guidelines on Information Security Practices for Government Entities by Indian Computer Emergency Response Team (CERT-in), Ministry of Electronics and IT, GoI stipulates formulation of security policies and procedures for building cyber resiliency, prepare, test and implement business continuity plan and disaster recovery plan.

Examination of this function for the TreasuryNet system revealed the following discrepancies:

⁷ ‘r’, ‘w’, ‘RE’, ‘mis’, ‘wr’, ‘lll’, ‘wron’, ‘retr’, ‘tempo’ and ‘thtt’.

- The Department had not formulated and adopted a policy for safeguarding IT assets, software and data.
- Disaster Recovery and Business Continuity plans had not been formulated. As a result, Recovery Point Objective and Recovery Time Objective had not been defined, data back-ups had not been taken and Disaster Recovery Drills had not been conducted at periodic intervals. In the absence of these controls, Audit was unable to derive assurance on the adequacy of measures for Disaster Recovery and Business Continuity for the TreasuryNet application, in the event of business disruptions.
- The process for migration from the NIC legacy system to the new TreasuryNet system had not been documented and there was no assurance on the completeness and correctness of data migrated from the legacy system.

While accepting the Audit observation, the Government stated (July 2024) that it will work on the issues observed by Audit.

Recommendation:

The Department may promptly formulate and adopt an IT security policy, including business continuity and disaster recovery plans.

4.2.13 Inadequate measures for capacity building

Paragraph 9.2 of the DPR for Treasury Computerisation under NeGP in Nagaland envisages capacity building through basic computer and application training. As per the DPR, basic computer training is meant to acquaint and make aware the Government officials of the basic function and nature of computers and its application. Further, as per the DPR, the application training is meant for providing an in-depth training on the usage and handling of the application for Government official at different levels.

Audit observed that the Department did not conduct training needs analysis to identify skills and knowledge gaps among employees for utilising the TreasuryNet system. Audit further observed that assessment of number of IT staff required and actually in position to provide technical support in Treasuries/Sub-Treasuries had not been carried out.

In reply, the Government stated (July 2024) that training was conducted whenever a new module of the application was implemented. It was also stated that the Department's Training Institute at Dimapur imparts general and IT trainings for new recruits and for in-service employees. The response was not tenable, since training needs analysis had not been carried out and technical support staff was not available in the test-checked Treasuries and Sub-Treasuries.

Recommendation:

The Department may take steps to conduct training needs analysis to provide the required training for Treasury Computerisation and deploy IT support staff in the Treasuries and Sub-Treasuries.

4.2.14 Deficiencies in monitoring mechanism for the TreasuryNet application

Paragraph 10 of the MMP (TC) Scheme Guidelines states that quarterly progress reports must be submitted by each State Government to the Programme Steering Committee (PSC) to monitor the Scheme's progress periodically. Audit observed that neither the State Government nor the Department submitted any progress report to the PSC throughout the project's implementation. The failure to submit progress reports indicated significant deficiencies in monitoring which contributed to overall project delays and partial module implementation.

The State Government accepted (July 2024) the Audit observation and stated that steps would be taken to strengthen the monitoring mechanism in the Department.

Recommendation:

The State Government may strengthen the monitoring mechanism to ensure that the PSC meets at prescribed frequencies to review the progress of implementation, to analyse risks and reasons for delay, and to follow up on action taken on its previous decisions.

4.2.15 Conclusion

The Audit was conducted to assess the governance mechanism adopted and the general and application controls implemented for the in-house developed TreasuryNet application.

There were deficiencies in the governance mechanism, as evidenced by the absence of reviews conducted by the Programme Steering Committee and the significant delays in deployment of modules and functionalities of the application, which had resulted in the loss of Central assistance for this project.

There were deficiencies in the general controls adopted for the application, with inadequate provisions for documentation, change management, information security management, disaster recovery management, incident response management and maintenance management. The absence of a professional software development firm/partner following best practices as per industry norms and the current dependence on key Government employees are major risk areas, since they may impact future maintenance and enhancement requirements.

There were deficiencies in key functionalities and application controls in the TreasuryNet system as implemented currently, such as absence of validation controls in data fields; absence of mapping between permissible Heads of Accounts, Sanction

Order types and Bill types; tracking available budget balances for Sanction Orders and available sanctioned amounts for Bills; and monitoring pendency of Utilisation Certificates, Abstract Contingency Bills and inoperative Personal Deposit Accounts. There was no integration of the TreasuryNet application with other applications for the Works Accounts and Human Resources Management functions of the State Government.

The State Government may consider implementing the specific Recommendations made in this Report, to address the above deficiencies.

Compliance Audit Paragraphs

FINANCE (TREASURIES & ACCOUNTS) DEPARTMENT

4.3 Fraudulent/excess drawal of money

Failure of the Drawing and Disbursing Officers and Treasury Officers to exercise prescribed checks resulted in fraudulent/double/excess drawal of ₹0.88 crore out of which ₹0.24 crore was pending to be recovered.

The issue of fraudulent/excess drawal by the Drawing and Disbursing Officers (DDOs), through the manipulation of pay and allowances bills was highlighted in the previous Audit Reports of the Comptroller and Auditor General (C&AG) of India. Details of these cases in the Audit Reports for the year ended 31 March 2017 to 31 March 2022 is provided in *Appendix-4.3.1*.

The Public Accounts Committee (PAC) Reports/Recommendations are the principal medium through which the Legislature enforces financial accountability of the Executive to the Legislature and it is appropriate that they elicit a timely response from the concerned departments in the form of Action Taken Notes (ATNs). The State PAC discussed four paragraphs on fraudulent/excess drawals of money by DDOs/Treasury Officers (TOs) reflected in the Audit Reports of the C&AG of India for the years 2014-15 to 2016-17 and made⁸ the following recommendations:

- The Department should furnish the latest report on the recovery.
- The Department should take disciplinary action against the defaulting DDOs for presenting false bills and the TOs for passing bills without following the prescribed checks.

As per the instructions contained in the PAC Reports, the Departments concerned should submit the ATNs on the recommendations of the PAC within two months from the date of laying such Reports in the Legislature. However, contrary to the above stipulation, however, Departments concerned of the State Government (total: 15⁹) failed to submit the ATNs on the recommendations made by the PAC.

Non-compliance with the instructions of PAC and non-submissions of ATNs on the recommendations of the PAC by the Government Departments concerned resulted in further irregularities as discussed below.

Rule 66, Sub-clause 3 of the Central Government Accounts (Receipts and Payments) Rules, 1983, as adopted by the Government of Nagaland (GoN), prescribes that

⁸ The C&AG Audit Reports 2014-15 and 2015-16: PAC adopted the recommendation on 16 December 2020 and the report was presented to the House on 15 February 2021
The C&AG Audit Report 2016-17: PAC adopted the recommendation on 20 July 2021 and the report was presented to the House on 05 August 2021

⁹ Departments: 1. Rural Development, 2. School Education, 3. Health & Family Welfare, 4. Agriculture, 5. Home, 6. Land Records & Survey, 7. Economics & Statistics, 8. Information & Public Relations, 9. Veterinary & Animal Husbandry, 10. Industries & Commerce, 11. Social Welfare, 12. Sericulture, Fisheries & Aquatic Resources, 13. Nagaland State Transport, 14. Employment, Skill Development & Entrepreneurship and 15. Public Works Department.

entries in all money columns of the pay bills are to be totalled separately under each section and parts, to arrive at the total entitlements as well as net payable after statutory deductions. Section-wise totalling of the pay bills must be checked by the DDO himself or by some responsible official other than the person preparing the bill.

Further, Rule 276 of the Central Treasury Rules (CTR), as adopted by the GoN, states that while drawing any arrear bill, the DDO shall record certificates on the arrear bill under his dated signature to the effect that (i) no part of the amount claimed has been drawn previously; and (ii) a note of the arrear claim has been made in the office copy of the bill or the pay bill register for the period to which the claim pertains. While Rule 23 of the CTR prescribes that the TO shall obtain sufficient information as to the nature of every payment he is making and shall not accept a claim which does not formally present that information unless there are valid reasons which he shall record in writing for omitting to enquire it. Rule 24 further states that the TO may correct an arithmetical inaccuracy or an obvious mistake in any bill presented to him for payment.

Test check (April 2017 to October 2023) of pay bill vouchers of various Departments submitted by the TOs to the Principal Accountant General (A&E), Nagaland pertaining to the period from 2016-17 to 2019-20 revealed that 13 DDOs from nine Departments (**Appendix-4.3.2**) had fraudulently drawn ₹87.73 lakh. This amount was misappropriated through inflated net totals in pay bills, double drawals, and fraudulent claims of pay and allowances, including arrears, in violation of the prescribed Financial Rules.

On this being pointed out by audit (October 2024), the Departments recovered and deposited ₹63.66 lakh into the Government Account (as of December 2024). However, no report on disciplinary action initiated against the defaulting officials was furnished. Details of the *modus operandi* of the misappropriation are outlined in **Table 4.3.1**.

Table 4.3.1: Cases of excess/fraudulent drawals

Nature of Objections	Audit observations	Action Taken by Departments concerned
Excess drawal by altering the net total figure of pay bills.	The District Soil and Water Conservation Officer, Zunheboto, drew funds of ₹11.35 lakh in four pay bills between December 2018 and February 2019 by irregularly altering the actual 'net total figure' of ₹9.65 lakh. This had resulted in an excess drawal of ₹1.70 lakh as detailed in Appendix-4.3.3 .	On this being pointed out, the DDO recovered an amount of ₹1.70 lakh (October 2022) and deposited it into the Government account.
Double drawal of pay and allowances including arrears.	Two DDOs from two Departments ¹⁰ fraudulently drew funds (June 2018 to February 2019) aggregating to ₹6.57 lakh in two bills for pay and allowances, which had already been drawn in regular bills. This resulted in a double drawal of ₹6.57 lakh, as detailed in Appendix-4.3.4 .	On this being pointed out, the two DDOs have recovered an amount of ₹6.57 lakh (February 2023 to October 2024) and deposited it into the Government account.

¹⁰ Home (Police) and School Education Departments

Nature of Objections	Audit observations	Action Taken by Departments concerned
Fraudulent/inadmissible drawal of pay and allowances including arrears.	11 DDOs from seven Departments ¹¹ fraudulently drew (February 2017 to March 2020) funds aggregating to ₹79.46 lakh in 43 arrear bills by preparing fictitious 'Due and drawn' statements for employees who were not entitled to draw arrears, as detailed in <i>Appendix-4.3.5</i> .	On this being pointed out, nine DDOs have recovered an amount of ₹55.39 lakh (July 2019 to October 2024) and deposited it into the Government account. The remaining balance of ₹24.07 lakh is yet to be recovered (December 2024).

The above instances of excess/double/fraudulent drawal of funds by the DDOs of nine Departments indicated a serious failure on the part of the DDOs as well as TOs of the respective Departments in exercising the required control and checks as prescribed under the applicable Rules and Procedures.

Audit further observed that out of a total number of 138 cases (amount involved: ₹19.28 crore) of fraudulent/excess drawal by the DDOs reported in the C&AG of India's Audit Reports for the years from 2016-17 to 2021-22, 59 cases (amount involved: ₹13.68 crore) pertained to four Departments¹² of the State Government as detailed in *Appendix-4.3.6*.

In all the cases mentioned above, the DDOs prepared the pay bills/arrear bills and presented the same to the Government Treasuries without ensuring accuracy of the arithmetic calculations and availability of the required certificates (Non-Drawal Certificates). The TOs also failed to conduct the essential mandatory checks before authorising the payments against these bills. The failure of the DDOs and TOs to comply with the relevant provisions of the CTR and Receipt and Payment Rules, while preparing and authorising the bills for payment, was indicative of possible collusion of these officials in the fraudulent drawals.

Thus, due to the failure of the Departments concerned to comply with the instructions of the PAC, the objective of ensuring financial accountability of the Executive to the Legislature remained unfulfilled, besides allowing the financial malpractices to persist. The reply from the Government was awaited (June 2025).

¹¹ Rural Development, Finance, Public Health Engineering, Urban Development, Employment, Skill Development & Entrepreneurship, School Education and Fisheries & Aquatic Resources Departments.

¹² 39 cases in School Education (amount: ₹6.04 crore); 06 cases in Health and Family Welfare (amount: ₹3.56 crore); 08 cases in Home (Police) (amount: ₹3.25 crore) and 06 cases in Veterinary & Animal Husbandry (amount: ₹0.83 crore)

Recommendations:

The State Government may-

- (i) take steps to recover the amount misappropriated immediately from the employees/DDOs/TOs concerned with penal interest.***
- (ii) investigate the matter and take appropriate action against the delinquent officers for the criminal offense of fraudulent withdrawal/theft of public money.***
- (iii) initiate steps to strengthen the internal control mechanism in all departments to prevent recurrence of fraudulent drawals.***
- (iv) refer the cases to the State Lokayukta for further investigation.***
- (v) direct all the departments to adhere to the recommendations made by the State PAC and ensure their strict compliance.***

HOME (POLICE) DEPARTMENT

4.4 Excess expenditure

The Director General of Police, Nagaland procured Commercial Liquefied Petroleum Gas cylinders/refills from an unlicensed supplier without following the prescribed tendering process, in violation of applicable regulations, which resulted in excess expenditure of ₹3.46 crore.

Rule 136 (1)(vi) of the General Financial Rules (GFR), 2017 states that no works shall be commenced, or liability incurred in connection with it until tenders are invited and processed in accordance with rules. In terms of Central Vigilance Commission (CVC) Order dated 23 July 2007, tendering process or public auction is a basic requirement for the award of contract by any Government agency. The order reiterated that equal right should be provided to all interested parties and no contract work should be awarded on nomination basis as it tantamount to a breach of Article 14 of the Constitution guaranteeing right to equality.

The supply, distribution and pricing of Liquefied Petroleum Gas (LPG) is regulated by the LPG (Regulation of Supply and Distribution) Order, 2000 (*LPG Regulation Order, 2000*). Regulation 6 of this Order states that no person, other than a Government Oil Company, a parallel marketer or a distributor shall be engaged in the business of selling LPG to the consumers. Further, Regulation 2(e) of this Order, defines “*distributor*” as a person, firm, association of persons, company, institution, organisation or a co-operative society appointed by a Government Oil Company or parallel marketer and engaged in the business of purchase, sale, or storage for sale of LPG in cylinders to consumers on the basis of an agreement with a Government Oil Company or a parallel marketer. While, Regulation 2 (b) of this Order, defines “*consumer*” as a registered person, firm, company, institution, association of persons, co-operative society or organisation, who has been granted LPG connection or supply,

either in bulk or in cylinder, by a distributor or a Government Oil Company or a parallel marketer. Furthermore, Regulation 9 (d) of the Order states that the price of LPG is fixed by the Government Oil Companies¹³.

Examination of records (February 2024) of the Director General of Police, Nagaland revealed that the Government of Nagaland (GoN) awarded (March 2018) the work order to M/s Bokavi Chishi, Dimapur¹⁴ (Supplier) for the supply of wet ration items, including firewood, to the Nagaland Armed Police (NAP)/Indian Reserve (IR) units/companies deployed in Delhi for a period of seven years up to March 2024. Based on the GoN's decision (March 2019) to replace the use of firewood in all the NAP/IR units with the LPG, the Supplier (M/s Bokavi Chishi) was instructed to supply LPG in lieu of the firewood and their contract period was also extended up to March 2024.

Over the three years from 2021-22 to 2023-24, the Supplier delivered a total 14,651 of commercial LPG cylinders/refills (19 Kgs) for the NAP/IR personnel¹⁵ deployed in Delhi and submitted bills amounting to ₹6.15 crore for the cost of these supplies. The Home Department (Police) released¹⁶ ₹4.06 crore for 9,731 Commercial LPG cylinders/refills delivered during the first two years (2021-2023). They carried forward the balance dues of ₹2.09 crore for 4,920 commercial LPG cylinders/refills supplied during 2023-24, to the next financial year due to the shortfall in the annual ration budget. The balance payment (₹2.09 crore) was also released to the Supplier in February 2025.

In this connection, the following observations are made:

- The Supplier (M/s Bokavi Chishi), who was part of the Government approved panel of suppliers for 2017-18, was awarded (March 2018) the work order for supply of the 'wet ration items' for 2018-19 on the grounds of 'urgency', without following the tendering process. This was in violation of the provisions of the GFR, 2017 as well as the orders of the CVC on the issue.
- The GoN further extended the supply contract of the Supplier up to March 2024 without inviting fresh global tenders. This action of the GoN deprived the Department of the benefits of competitive and transparent bidding besides potentially compromising both cost efficiency and quality of the supply items.
- The work order for the supply of LPG cylinders for the personnel deployed in Delhi was awarded to the Supplier (M/s Bokavi Chishi), completely ignoring the fact that the supplier did not hold a valid licence to supply LPG in Delhi.

¹³ Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited (HPCL) and Bharat Petroleum Corporation Limited (BPCL)

¹⁴ The firm (M/s Bokavi Chishi, Dimapur) was part of the Government approved panel of suppliers for 2017-18.

¹⁵ 1st NAP, 2nd NAP, 3rd NAP, 4th NAP, 5th NAP, 7th NAP and 8th NAP

¹⁶ August 2022, October 2022, November 2022, March 2023 and August 2023

- Further, in terms of Regulations 2 (b) and 2 (e) of the LPG Regulation Order, 2000, the Supplier (M/s Bokavi Chishi) falls under the definition of a “Consumer” and not a “Distributor” of LPG. As such, the firm was not authorised to supply LPG. Audit observed that to execute the supply order, the Supplier (M/s Bokavi Chishi) procured the LPG items from a Distributor of Indane Cooking Gas (M/s C. Lal & Sons (Gas), New Delhi).
- As per Regulation 9(d) of the LPG Regulation Order, 2000, the price of LPG is determined by Government Oil Companies. However, the work contract for supplying LPG items was awarded to the supplier at rates that were 62 to 189 *per cent* higher than the rates (including handling and transportation charges) fixed by Indian Oil Corporation Limited (IOCL), a Government Oil Company. Thus, the Department incurred avoidable financial loss of ₹3.46 crore (details in *Appendix-4.4.1*) on the supply of LPG items (14,651 commercial LPG cylinders/refills) effected through the Supplier (M/s Bokavi Chishi) during the period of three years from April 2021 to March 2024.
- Audit further observed that, while placing the supply order with the Supplier (M/s Bokavi Chishi), the Department did not consult IOCL or its Delhi-based distributors to explore the possibility of directly supplying commercial LPG cylinders to Nagaland Police units stationed in Delhi.

The Department procured commercial LPG cylinders/refills from an unlicensed supplier at rates significantly higher than those fixed by IOCL, thereby violating Regulations 2, 6, and 9(d) of the LPG (Regulation of Supply and Distribution) Order, 2000. This action led to an avoidable excess expenditure of ₹3.46 crore. Further, the procedural deficiencies in the selection/continued engagement of the Supplier (M/s Bokavi Chishi) without following the prescribed tendering procedure highlights ineffective internal controls and monitoring mechanism in the Department.

On this being pointed out (August 2024), the Government stated (September 2024) that LPG was made available to those Armed Units/Coys¹⁷ deployed outside the State, such as in Delhi, for practical reasons and non-availability of firewood. M/s Bokavi Chishi, Dimapur, engaged the services of M/s C. Lal & Sons (Gas), an authorised LPG distributor of Indian Oil, to fulfil the requirements of Group “D” Wet Ration item of the NAP Coys posted in Delhi. It was also stated that the extension of supply for Dry, Wet and CPR Ration items to NAP/IR Battalions for the year 2024-25 was cancelled in March 2024 and the State Government approved (March 2024) a monthly allocation of ₹2,500 per eligible police personnel for purchase of rations with effect from April 2024.

The reply was not acceptable, as the procurement of commercial LPG cylinders/refills was awarded to a Supplier not holding a valid licence to supply LPG, which

¹⁷ ‘Coys’ is an abbreviation for Company. It refers to a unit within a larger military organization, often composed of multiple platoons.

was in violation of the LPG (Regulation of Supply and Distribution) Order, 2000. Moreover, engaging the Supplier without following the open tendering process violated standard procurement procedures and caused substantial financial loss to the State Exchequer due to payment of higher rates than admissible for the procured items.

Recommendations:

The State Government may-

- (i) *follow the prescribed tendering process for procurements and strengthen the internal control mechanism to promote transparency and compliance with procurement norms; and*
- (ii) *fix responsibility on the officials concerned for non-compliance of LPG (Regulation of Supply and Distribution) Order, 2000, leading to the financial loss to the State Exchequer.*

HOME (DISTRICT ADMINISTRATION) DEPARTMENT

4.5 Misappropriation of fund

The Deputy Commissioner of Phek District misappropriated ₹17.56 lakh from the Government funds meant for land acquisition towards development of Sub-Jail in Pfutsero.

In Nagaland, the process of land acquisition for Government's developmental activities and compensation to the landowners is regulated by provisions of "The Nagaland Land Requisition and Acquisition Act, 1964". Section 11 (1) of the Act states that whenever any land is acquired, there shall be paid compensation the amount of which shall be determined by the Collector of the District. The Land Revenue Department, Government of Nagaland (GoN), also instructed (February 1994) all Departments, Government Institutions, District Administrations, and other entities involved in land acquisition to obtain copies of acquisition documents, deeds of transfer and agreements entered into with original landowners related to acquired land for which compensation had been paid. Further, the GoN constituted (June 2006) the State Land Acquisition Authority (SLAA) under the Planning and Transformation Department¹⁸ (P&TD), GoN, to examine all the proposals for land acquisition to decide the area of land to be acquired and approve land compensation rates.

Examination of records (September 2023) of the Deputy Commissioner (DC), Phek revealed that the Additional Deputy Commissioner (ADC), Pfutsero, Phek signed (June 2021) an agreement with the representatives¹⁹ of Kupa Clan of Kami village for acquisition of land measuring five acres (2,17,800 sq.ft.) situated at Reku area under Pfutsero Sub-Division for the development of a Sub-Jail at Pfutsero. As per the agreement, the landowners agreed to sell five acres of land at the rate of ₹20 per sq. ft.

¹⁸ Planning and Co-ordination Department was renamed as Planning and Transformation Department vide Cabinet approval No.CAB-1/14/2023 dated 09 March 2023

¹⁹ Represented by Shri Neilhi Kupa, Clan Chairman and Shri Wetezu Kupa, Clan Secretary

The agreement also stipulated that a Sale Deed would be executed at the time of payment of the compensation amount by the State Government. The SLAA thereafter approved (February 2022) the acquisition of five acres of the land at ₹20 per sq. ft. for a total amount of ₹43.56 lakh. The GoN sanctioned an amount of ₹43.56 lakh in September 2022 and the P&TD, GoN released (September 2022) ₹43.56 lakh²⁰ to the DC, Phek for payment of land compensation to the landowners. The land compensation amount was to be transferred to the landowners.

Audit observed that in October 2022, Shri Wetezu Kupa, an individual landowner from Kami village, offered to sell five acres of land situated at a nearby location (Tsukozhe²¹) for the development of a Sub-Jail at cheaper rate of ₹12 per sq. ft. as an alternative of the site (Pfutsero) approved (February 2022) by the SLAA for development of the Sub-Jail. The land owner (Shri Wetezu Kupa) had also signed (28 October 2022) an 'Undertaking' (Affidavit registration No. 1890 dated 28 October 2022) in this regard before the Judicial Magistrate First Class, Pfutsero, which was also countersigned (November 2022) by the DC, Phek. In November 2022 itself, the DC, Phek released the full payment of ₹ 26.00 lakh²² to the land owner (Shri Wetezu Kupa) for the purchase of five acres of land at new location at the agreed rate of ₹12 per sq.ft.

In this connection, the following observations are made:

- As per the original proposal approved (February 2022) by the SLAA, the Sub-Jail was to be developed on a plot of land (five acre) owned by Kupa Clan of Kami village situated at Reku area under Pfutsero Sub-Division, which was to be acquired at the rate of ₹20 per sq. ft. While changing the location for the proposed Sub-jail, however, the DC, Phek, did not submit any revised proposal for land acquisition/cost for approval of the SLAA/GoN; in violation of the laid down procedure for acquisition of land.
- The DC, Phek had released (November 2022) full payment (₹26.00 lakh) to the land owner (Shri Wetezu Kupa) towards acquisition of five acre land without execution of the 'Sale Deed' for purchase/acquisition of land in violation of the instructions issued (February 1994) by the Land Revenue Department, GoN.
- Further, while releasing (November 2022) the payment (₹26.00 lakh) to the individual land owner (Shri Wetezu Kupa), the DC, Phek had irregularly utilised the funding (₹43.56 lakh) released (September 2022) by the GoN towards acquisition of land originally approved (February 2022) by SLAA for development of Sub-Jail without obtaining the approval of the GoN/SLAA.

²⁰ Vide cheque No 318259 dated 17/09/2022

²¹ The area is also called as Reku, which was situated near Horticulture Farm in Pfutsero town.

²² Vide Cheque No. 172004 dated 03/11/2022

- Further, the DC, Phek had withdrawn²³ (November 2022) the balance unutilised amount (₹17.56 lakh) in cash instead of refunding/depositing the same into State Government Account. No supporting vouchers for the utilisation of balance amount (₹17.56 lakh) by the DC, Phek were found on records.

Thus, the facts stated above indicated that the DC, Phek had misappropriated the unutilised Government funds of ₹17.56 lakh intended for acquisition of land for development of a Sub-Jail at Pfutsero, resulting in a direct financial loss to the State Exchequer. Moreover, as the Sale Deed for the land had not been executed, the completion of the project may be delayed, affecting the development of prison infrastructure in the area. The actions of the DC in deviating from the SLAA approval were unauthorised and could undermine public trust and participation in future land acquisition efforts.

In reply, the Government stated (August 2024) that the additional amount of ₹17.56 lakh was released (November 2022) to the landowner through cash payment and also furnished receipt voucher of ₹17.56 lakh signed by Shri Huvesiyi, UDA, DC Phek in support of the payment made. In a separate reply, the DC, Phek stated (October 2024) that, the Undertaking/Affidavit signed by the individual land owner (Shri Wetezu Kupa) was declared 'null and void'. It was further added that the agreement entered into (June 2021) between Kupa Clan and ADC, Pfutsero, was accepted whereby it was decided to acquire the plot of land at ₹20 per sq.ft.

The reply of the Government was not acceptable as based on the Undertaking/Affidavit signed (28 October 2022) by the individual land owner, full payment (₹26.00 lakh) was released towards acquisition of the alternative land offered by the land owner. The receipt voucher towards payment of ₹17.56 lakh to the land owner (Shri Wetezu Kupa) also appears to be fictitious in view of the fact that the landowner had denied receipt of the said amount and also that the 'Sale Deed' for acquisition of land for development of the Sub-Jail was still pending to be executed.

Recommendations:

The State Government may-

- conduct departmental enquiry to fix responsibility on the erring officials for the unauthorised expenditure and recover the amount from the officials concerned.***
- ensure execution of the Sale Deed at the earliest to establish the ownership of the land acquired.***

²³ Withdrawn by Shri Huvesiyi, Upper Divisional Assistant (UDA) of the establishment of DC, Phek.

CHAPTER-V

REVENUE SECTOR

CHAPTER-V

REVENUE SECTOR

5.1 General

5.1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the GoN during the financial year 2023-24, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and Grants-in-Aid received from the GoI during the year and the corresponding figures for the preceding four years are shown in **Table 5.1.1**.

Table 5.1.1: Trends of revenue receipts

(₹ in crore)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Revenue raised by the State Government					
	• Tax Revenue	958.23	1,022.74	1,300.89	1,461.88	1,598.09
	• Non-Tax Revenue	339.29	242.60	303.58	478.41	677.85
	Total	1,297.52	1,265.34	1,604.47	1,940.29	2,275.94
2.	Receipts from the GoI					
	• Share of net proceeds of divisible Union Taxes and Duties	3,267.08	3,409.25	4,875.46	5,400.19	6,426.82
	• Grants-in-Aid	6,858.69	6,752.84	6,971.21	6,758.78	7,452.37
	Total	10,125.77	10,162.09	11,846.67	12,158.97	13,879.19
3.	Total revenue receipts of the State Government (Sl. No. 1 and 2)	11,423.29	11,427.43	13,451.14	14,099.26	16,155.13
4.	Percentage of 1 to 3	11	11	12	14	14

Source: Finance Accounts of the respective years

The above table indicates that during the year 2023-24, the revenue raised by the State Government (₹2,275.94 crore) was 14 *per cent* of its total revenue receipts. The balance 86 *per cent* of the receipts during 2023-24 was from the GoI.

The details of tax revenue raised against the Budget Estimates (BEs) during the period 2019-24 are shown in **Table 5.1.2**.

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

(₹ in crore)

Sl. No.	Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Percentage of 2023-24 over 2022-23
		BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	
1.	State Goods and Services Tax	340.37	613.22	541.25	663.81	726.72	830.34	957.65	959.09	1,075.00	1,063.04	11
2.	Other Taxes on Income and Expenditure	37.50	30.64	37.50	31.24	37.50	30.50	32.94	30.13	32.94	29.98	0
3.	Land Revenue	0.81	1.04	1.20	1.09	1.25	1.23	0.85	1.09	1.38	1.34	23
4.	Stamps and Registration Fees	2.64	2.79	3.10	2.25	3.10	3.39	3.10	3.43	3.15	4.22	23

Chapter V: Revenue Sector

Sl. No.	Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Percentage of 2023-24 over 2022-23
		BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	
5.	State Excise	5.10	3.24	5.50	4.54	5.50	3.32	3.20	4.40	3.25	4.55	3
6.	Taxes on Sales, Trade etc.	252.89	175.15	265.50	205.50	325.00	261.87	280.00	246.55	290.00	265.97	8
7.	Taxes on vehicles	121.04	113.93	131.72	93.29	145.00	141.04	115.00	187.64	135.00	198.48	6
8.	Taxes on Goods and Passengers	18.91	18.09	25.00	15.62	25.00	21.43	20.00	21.58	22.00	22.62	5
9.	Taxes on Duties and Electricity	0.09	0.08	0.11	5.40	0.10	7.77	4.75	7.97	7.00	7.90	(-)1
10.	Other Taxes and Duties on Commodities and Services	0.80	0.05	0.25	0.00	2.45	0.00	0.00	0.00	0.00	0.00	0
Total (Own Tax Revenue)		780.15	958.23	1,011.13	1,022.74	1,271.62	1,300.89	1,417.49	1,461.88	1,569.72	1,598.10	9

Source: Budget documents and Finance Accounts of the respective years

Key insights:

- During 2023-24, Goods and Services Tax (GST) collection of the State increased by 11 *per cent* from ₹959.09 crore in 2022-23 to ₹1,063.04 crore in 2023-24.
- Both ‘Land Revenue’ and ‘Stamps and Registration Fees’ increased by 23 *per cent* from ₹1.09 crore and ₹3.43 crore in 2022-23 to ₹1.34 crore and ₹4.22 crore respectively in 2023-24.
- Tax revenue under ‘State Excise’, ‘Taxes on vehicles’, ‘Taxes on Goods and Passengers’ and ‘Taxes on Sales and Trade’, observed a growth of three *per cent*, six *per cent*, five *per cent* and eight *per cent* respectively from previous year.
- There was decrease in revenue under ‘Taxes on Duties and Electricity’ by one *per cent* compared to the previous year.

Thus, the trend in the State’s tax revenue indicates overall growth, with GST continuing to be the single largest contributor.

Details of the Non-tax revenue against the BEs raised during the period 2019-24 are shown in **Table 5.1.3**.

Table 5.1.3: Details of Non-Tax Revenue against the BEs raised during 2019-24

(₹ in crore)

Sl. No.	Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Percentage of 2023-24 over 2022-23
		BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	
1.	Interest Receipts	7.95	5.73	8.50	4.55	7.00	5.10	3.25	7.13	5.50	15.68	120
2.	Miscellaneous General Services	23.50	22.18	21.00	21.45	24.50	19.34	11.10	28.70	2.00	31.80	11

Sl. No.	Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Percentage of 2023-24 over 2022-23
		BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	
3.	Power	160.00	159.31	175.00	171.42	185.00	211.92	225.00	286.35	310.00	282.78	(-) 1
4.	Road Transport	8.50	8.43	8.90	3.24	9.00	5.45	5.10	7.92	6.80	8.91	13
5.	Forestry and Wildlife	11.00	13.72	12.50	11.55	14.25	19.07	15.00	26.60	20.00	30.81	16
6.	Housing	6.70	6.40	6.80	7.11	7.50	7.71	6.55	13.43	10.50	15.46	15
7.	Co-operation	0.10	1.41	2.25	3.03	1.65	1.80	1.90	0.25	1.90	0.13	(-) 48
8.	Roads and Bridges	1.40	0.73	1.62	0.51	0.75	1.17	0.80	0.63	0.50	1.23	95
9.	Other Administrative Services	6.75	2.86	7.00	1.87	6.00	3.45	1.30	4.48	2.10	6.29	40
10.	Others	103.12	118.51	28.66	17.87	27.76	28.57	20.67	102.92	21.53	284.76	177
Total (Non-Tax Revenue)		329.02	339.29	272.23	242.60	283.41	303.58	290.67	478.41	380.83	677.85	41.69

Source: Budget documents and Finance Accounts of the respective years

Key insights:

- The revenue receipts under the head ‘Interest Receipts’ increased by ₹8.55 crore from ₹7.13 crore during 2022-23 to ₹15.68 crore during 2023-24 due to increase in ‘Minor Heads: 800- Other receipts, 195- Interests from Co-operative Societies and 110- Interest realised on investment of Cash balances’.
- The revenue receipts under the head ‘Road and Bridges’ increased by 95 *per cent*, from ₹0.63 crore to ₹1.23 crore.
- Similarly, revenue receipts under the head ‘Other Administrative Services’ rose by 40 *per cent*, from ₹4.48 crore to ₹6.29 crore.
- The revenue receipts under the head ‘Co-operation’ decreased by 48 *per cent* from ₹0.25 crore to ₹0.13 crore due to decrease in ‘Minor Head: 800-Other Receipts’.

Non-Tax Revenue exhibited an increasing trend from the year 2020-21 onwards. The power sector continuing to remain the single largest contributor.

5.1.2 Goods and Services Tax

Goods and Services Tax (GST) was implemented with effect from 01 July 2017 on supply of goods or services or both. GST is concurrently administered by the Union (Central GST) and the States (State GST) on supply within the State while Integrated Goods and Services Tax (IGST) is levied on inter-State supply of goods or services or both.

The Central Goods and Services Tax (CGST) Act 2017, the Nagaland State Goods and Services Tax (NGST) Act 2017 and the Integrated Goods and Services Tax (IGST) Act 2017 and allied Rules of all the three Acts are applicable in the State of Nagaland.

Goods and Services Tax Network (GSTN), a non-Government Company set up by

Government of India provides both front-end and back-end services to Nagaland being a Model-II State. Front-end services provided to taxpayers include registration, return filing, and payment of tax, while back-end services include approval of registration, taxpayer detail viewer, refund processing and MIS reports.

Implementation of GST necessitated smooth transitional provisions which enable migration of all existing businesses to the new regime. The transitional provisions have been specifically incorporated in all the three GST Acts/Rules.

5.1.2.1 GST Registrations

As per Section 22 of the GST Act 2017 every supplier is liable to be registered under GST if their aggregate turnover exceeds ₹10¹ lakh in any financial year. This threshold was enhanced² (01 April 2019) to ₹20 lakh in respect of dealers dealing with sale of goods. The category wise registrations under GST as on March 2024 is shown in **Table 5.1.4**.

Table 5.1.4: Registered taxpayers under GST

Types of Taxpayers	Number of dealers	Percentage of total
Normal Taxpayers	8,202	77
Composition Taxpayers	1,961	18
Tax Deductors at Source (TDS)	361	3
Tax Collectors at Source (TCS)	110	1
Input Service Distributors (ISD)	3	0.03
Others (Casual, NRTP, OIDAR)	0	0
Total Registrants	10,637	-

Source: Information provided by State Taxation Department

The total registrations under GST in Nagaland as on March 2024 was 10,637 of which, normal taxpayers accounted for 77 *per cent*, TDS accounted for three *per cent* and others (including TCS, composition taxpayers and ISD) accounted for 19.03 *per cent*.

5.1.2.2 State GST Revenue

The comparison of budget estimates and the corresponding actual collection of GST during the period from 2018-19 to 2023-24 are shown in **Table 5.1.5**.

Table 5.1.5: Revenue from GST during 2018-19 to 2023-24

Year	Budget Estimate (BE)	Revised Estimate (RE)	(₹ in crore) Actuals
	State GST	State GST	State GST
2018-19	250.00	301.21	469.64
2019-20	340.37	491.36	613.22
2020-21	541.25	462.94	663.81
2021-22	726.72	895.00	830.34
2022-23	957.65	975.00	959.09
2023-24	1,075.00	1,112.54	1,063.04

Source: Budget documents and Finance Accounts of the respective years

It could be seen from the above table that the actual collection of revenue from State GST during 2018-19 to 2020-21 was more than the target as projected in the revised

¹ Special category States

² Vide Notification No.10/2019-Central Tax dated 7 March 2019

estimates whereas State GST collection during 2021-22 to 2023-24 was short of the target as projected in the revised estimates for the respective years.

5.1.2.3 Trends of Integrated GST apportionment to the State

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 are shown in **Table 5.1.6**.

Table 5.1.6: Integrated Goods and Services Tax

IGST component	(₹ in crore)					
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
IGST apportioned to the State as per Section 17 of IGST Act, 2017	331.41	457.98	451.65	617.57	720.50	751.90
IGST provisionally/ad-hoc apportioned to the State	41.78	10.56	24.33	25.30	15.71	11.30

Source: Information provided by the Department

5.1.2.4 GST Return filing pattern

The filing of GSTR-1 and GSTR-3B returns is mandated under Section 37 and 39(1) of the NGST Act. The system envisages that both the returns are linked to enable the assessing officer to accurately assess the tax dues of the dealer, for a particular month.

The trends of filing of GSTR-1 and GSTR-3B as on 31 March 2024 for the period from April 2023 to March 2024, as compiled from the information furnished by the Department, is depicted in the following **Table 5.1.7**.

Table 5.1.7: Filing pattern of GSTR-1 and GSTR-3B

Return Type	GSTR-1			GSTR-3B				
Month	Due for filing	Return filed	Return filing <i>per cent</i>	Due for filing	Returns filed as on the last day of the report period	Return filing <i>per cent</i>	Returns filed by due date	<i>Per cent</i> filed by due date
April 2023	6,830	6,107	89	6,830	6,098	89	Data not available	Data not available
May 2023	6,915	6,185	89	6,915	6,173	89		
June 2023 (Monthly & Quarterly)	8,244	7,437	90	8,244	7,416	90		
July 2023	6,984	6,208	89	6,984	6,204	89		
August 2023	7,036	6,268	89	7,036	6,264	89		
September 2023 (Monthly & Quarterly)	8,335	7,439	89	8,335	7,459	89		
October 2023	7,047	6,246	87	7,047	6,226	88		
November 2023	7,108	6,246	88	7,108	6,227	88		
December 2023 (Monthly & Quarterly)	8,450	7,432	88	8,450	7,423	88		
January 2024	7,125	6,124	86	7,125	6,087	85		
February 2024	7,108	5,994	84	7,108	5,936	84		
March 2024 (Monthly & Quarterly)	8,509	6,394	75	8,509	6,143	72		

Source: Information provided by Department

Here are some key insights from **Table 5.1.7**:

1. Overall Filing Trends

- Filing percentages for both GSTR-1 and GSTR-3B mostly stayed in the 84-90 *per cent* range throughout April 2023 to February 2024, indicating high compliance. However, there was a significant drop in March 2024, when GSTR-1 compliance fell to 75 *per cent* and GSTR-3B compliance fell to 72 *per cent*.
- The filing patterns for GSTR-1 and GSTR-3B were closely linked, as both return types showed similar monthly filing percentages across the year.

2. Notable Monthly Observations

- The highest filing compliance was recorded in June 2023, when both GSTR-1 and GSTR-3B achieved 90 *per cent* filing rates.
- The lowest filing compliance occurred in March 2024, which saw a sharp drop of about 15 percentage points from the June 2023 peak.
- Filing rates gradually declined from October 2023, when compliance was in the 87 - 88 *per cent* range, to February 2024, when compliance had reduced to 84 *per cent*.

3. Filing by Due Date

- Data on returns filed by the due date was generally unavailable for most months, with only partial data available for GSTR-3B.
- The available GSTR-3B data shows that on-time compliance was slightly lower than total compliance, indicating that some taxpayers filed after the due date.
- The lack of comprehensive data on timely filing makes it difficult to analyse patterns of delayed filing behaviour.

4. Compliance Gaps and Risk Areas

- In most months, 10–16 *per cent* of registered taxpayers did not file returns at all.
- The sharp decline in March 2024 filing rates could indicate seasonal compliance lapses, taxpayer fatigue, or gaps in enforcement measures.
- Without timely filing data for most months, it is not possible to fully assess the risk of revenue leakage or the extent of penalties from late return filing.

5.1.3 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2024 on some principal heads of revenue amounted to ₹5.45 crore out of which ₹2.52 crore was outstanding for more than five years as shown in **Table 5.1.8**.

Table 5.1.8: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Total Amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024
1.	Nagaland Value Added Tax	0.91	0.61
2.	Petroleum Tax	3.87	1.24
3.	Central Sales Tax	0.41	0.41
4.	Purchase Tax	0.00	0.00
5.	Professional Tax	0.03	0.03
6.	Nagaland Sales Tax	0.23	0.23
7.	GST	0.00	0.00
Total		5.45	2.52

Source: Departmental figures

As on 31 March 2024, arrears of ₹5.45 crore were pending with the departmental authorities of which recovery of ₹2.52 crore was pending for more than five years.

Recommendation:

The Department should review the arrears and take action for recovery in accordance with the law.

5.1.4 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year as furnished by the State Taxes Department in respect of Sales Tax/VAT on Sales, Trades, etc. as shown in **Table 5.1.9**.

Table 5.1.9: Arrears in assessments

Head of Revenue	Opening Balance of arrears in assessment as on 01 April 2023	New cases due for assessment during 2023-24	Total assessment due	Cases disposed-off during 2023-24	Balance at the end of 31 March 2024	Percentage of cases disposed to the total assessment due
	(in number)					(in per cent)
1	2	3	4	5	6	7 (5 to 4)
Taxes/VAT on Sales, Trades, etc.	548	110	658	555	103	84

Source: Departmental figures

The arrears in assessment decreased by 81 per cent from 548 to 103 cases with the addition of 110 cases, which became due for assessment during 2023-24 and 555 cases were disposed-off (84 per cent of the total assessment due) during the year.

5.1.5 Pendency of Refund Cases

The number of refund cases under Sales Tax/NVAT and State GST pending at the beginning of the year 2023-24, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2023-24 as reported by the Department as shown in **Table 5.1.10**.

Table 5.1.10: Details of pendency of refund cases

Sl. No.	Particulars	Sales Tax/VAT		State GST	
		No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)
1.	Claims outstanding at the beginning of the year	-	-	44	4.65
2.	Claims received during the year	-	-	46	7.01
3.	Refunds made during the year	-	-	75	7.54
4.	Refunds rejected during the year	-	-	03	1.02
5.	Balance outstanding at the end of the year	-	-	12	3.10

Source: Information furnished by the Department

As can be seen from **Table 5.1.10** above, out of the total 90 pending refund cases valued at ₹11.66 crore under the State GST, 75 cases valued at ₹7.54 crore (65 per cent) were refunded and three cases valued at ₹1.02 crore were rejected. Out of the 75 refund cases settled during the year, the Department made an interest payment of ₹15.00 for one case. The balance 12 cases involving ₹3.10 crore (27 per cent) under the State GST were yet to be refunded as of March 2024.

Under Section 56 of the NGST Act, the Taxation Department is liable to pay interest at the rate of six per cent per annum, if any tax ordered to be refunded to the applicant is not refunded within 60 days from the date of receipt of application.

Recommendation:

The Department may expedite the pendency of refund cases to avoid the interest payment.

5.1.6 Cases of evasion of tax detected by the Department

The details of cases of evasion of tax detected by the Department, cases finalised and the demands for additional tax raised were requisitioned (July 2024) from the Commissioner of State Taxes, Nagaland, Dimapur. The Commissioner of State Taxes, Nagaland, Dimapur replied (August 2024) that no evasion of tax was detected.

5.1.7 Response of the Government/Departments towards Audit

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

IRs issued upto March 2024 revealed that 329 paragraphs involving ₹2,320.25 crore relating to 60 IRs remained outstanding. Such details along with the corresponding figures for the preceding two years are shown in **Table 5.1.11**.

Table 5.1.11: Details of outstanding audit observations

Particulars	March 2022	March 2023	March 2024
Number of outstanding IRs	91	94	60
Number of outstanding audit observations	392	402	329
Amount involved (₹ in crore)	408.93	411.36	2,320.25

Source: IRs of Revenue Sector

5.1.7.1 Outstanding Inspection Reports and Audit Observations

The Department-wise details of the IRs and audit observations outstanding as on 31 March 2024 and the amount involved are shown in **Table 5.1.12**.

Table 5.1.12: Department-wise details of IRs and audit observations outstanding

Sl. No.	Name of Department	Name of Receipts	No. of outstanding IRs	No. of Outstanding Audit Observations	Money Value involved (₹ in crore)
1.	Finance	Taxes/VAT on Sales, Trade, etc.	26	219	168.23
2.		Miscellaneous General Services/Lottery	04	22	2,140.49
3.	Transport	Taxes on Vehicles/Taxes on Goods & Passengers	28	70	11.51
4.	Forests & Environment	Forest & Wildlife	02	18	0.02
Total			60	329	2,320.25

Source: IRs of Revenue Sector

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

Recommendation:

The State Government may consider putting in place an effective system for prompt and appropriate response to audit observations.

5.1.7.2 Departmental Audit Committee meetings

In order to expedite settlement of the outstanding audit observations contained in the IRs, Departmental Audit Committees are constituted by the State Government. These Committees are chaired by the Secretaries of the Administrative Departments concerned and attended by the officers concerned of the State Government and officers of the Accountant General (Audit), Nagaland. The Audit Committees need to meet regularly in order to expedite clearance of the outstanding audit observations.

During 2023-24, no Audit Committee meeting was convened during the period to clear the outstanding audit observations.

Recommendation:

The State Government may ensure holding of regular meetings of the Audit Committees for ensuring effective remedial action on the audit observations.

5.1.7.3 Follow up on the Audit Reports-summarised position

The internal working system of the Public Accounts Committee (PAC), notified in December 2002, laid down that after the presentation of the Report of the C&AG in the Legislative Assembly, the departments shall initiate action on the audit paragraphs and the action taken explanatory notes thereon should be submitted by the Government within three months of tabling the Report, for consideration of the Committee. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed inordinately.

Nineteen paragraphs³, two Performance Audits⁴ and one Subject Specific Compliance Audit⁵ (SSCA) included in the Reports of the C&AG on the Revenue Sector of the GoN for the years 31 March 2016 to 31 March 2022 were placed before the State Legislative Assembly between March 2017 and September 2023.

PAC discussed (during June 2023 to December 2023) eight paragraphs⁶ pertaining to the Reports of the years March 2019 and March 2020. Of these, two paragraphs were dropped following the Department's reply. The PAC recommended two paragraphs for dropping and gave recommendations for the remaining four paragraphs which are pending presentation in the State Legislative Assembly. The Departments did not furnish *suo-moto* explanatory notes to the Principal Accountant General (Audit) through the Nagaland Legislative Assembly Secretariat in respect of paragraphs/reviews which appeared in the Audit Reports.

During 2023-24, seven PAC meetings were held, however, no Action Taken Note was received.

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

To analyse the system of addressing the issues highlighted in the IRs/Audit Reports by the Departments/Government, the action taken on the paragraphs and performance audits included in the Audit Reports of the last 10 years for Taxation Department was evaluated. The succeeding **Paragraphs 5.1.8.1 and 5.1.9** discuss the performance of Taxation Department in dealing with the cases detected in the course of local audit conducted and also the cases included in the Audit Reports for the years 2018-19 to 2023-24.

³ Three paragraphs of Audit Report 2015-16, three paragraphs of Audit Report 2016-17, three paragraphs of Audit Report 2017-18, two paragraphs of Audit Report 2018-19, five paragraphs of Audit Report 2019-20 and three paragraphs of Audit Report 2020-22.

⁴ Two Performance Audits in Audit Report 2015-16 viz. Nagaland State Lotteries and Computerisation of Motor Vehicle Department.

⁵ One SSCA in Audit Report 2019-20 viz. Processing of refund claims under Goods and Service Tax.

⁶ Two paragraphs from Audit Report of 2018-19 and six paragraphs from Audit Report 2019-20.

5.1.8.1 Position of Inspection Reports

The summarised position of IRs issued during the last five years and their status as on 31 March 2024 are shown in **Table 5.1.13**.

Table 5.1.13: Position of Inspection Reports

Year	Opening Balance			Addition during the year			Clearance during the year			Closing Balance		
	IR	Para s	Money Value	IR	Paras	Money Value	IR	Paras	Money Value	IR	Paras	Money Value
2019-20	78	318	376.96	12	65	40.83	6	21	12.73	84	362	405.06
2020-21	84	362	405.06	2	11	3.03	2	20	11.17	84	353	396.92
2021-22	84	353	396.92	7	46	17.78	0	7	5.77	91	392	408.93
2022-23	91	392	408.93	3	15	3.92	0	5	1.48	94	402	411.37
2023-24	117	402	411.36	10	61	2,144.12	67	134	235.23	60	329	2,320.25

Source: IRs of Revenue Sector

It is evident from the above table that against 78 outstanding IRs with 318 paragraphs as on 01 April 2019, the number of outstanding IRs decreased to 60 with 329 paragraphs at the end of March 2024.

Recommendation:

The Department needs to take adequate steps to settle the outstanding IRs to avoid accumulation of the IRs and paragraphs.

5.1.9 Recovery in cases accepted by the Departments

The position of paragraphs included in the C&AG's Audit Reports of the last three years, those accepted by the Departments and the amounts recovered are shown in **Table 5.1.14**.

Table 5.1.14: Position of recovery of accepted cases

Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year
2018-19	2	21.02	0	0.00	0.00
2019-20	5	31.42	0	0.00	0.00
2020-22	3	25.61	1	7.47	2.48
Total				7.47	2.48

Source: Previous C&AG Reports

Note: Audit Report for 2022-23 and 2023-24 not yet presented in the State Legislative Assembly.

From the above table, it may be seen that during the last three years, the Department accepted paragraphs with an amount of ₹7.47 crore, against which ₹2.48 crore (33 per cent) was recovered. Thus, it is evident that recovery progress, even in accepted cases, remained slow over the past three years.

Recommendation:

The State Government may direct the Department to expedite the recovery of the dues involved in the accepted cases.

5.1.9.1 Action taken on recommendations accepted by Government

The draft Reports of the Performance Audits (PAs) conducted by the Accountant General (Audit) are forwarded to the departments concerned/Government to furnish their replies. These PAs are also discussed during the exit conference and views of departments/Government are taken into account while finalising PAs for inclusion in C&AG Audit Reports. Besides, audit also makes recommendations against some specific issues brought out in the paragraphs wherever felt appropriate.

No PA on Revenue Sector was conducted during 2016-17 to 2022-24.

5.1.10 Audit Planning

The offices under various departments are, for the purpose of audit, categorised into high, medium and low risk units according to their revenue position, past trends of audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter alia* include critical issues in Government revenues and tax administration *i.e.*, budget speech, white paper on State Finances, Reports of the Finance Commission (State & Central), recommendations of the Taxation Reforms Committee, statistical analysis of revenue earnings during the past five years, factors of tax administration, audit coverage and its impact during past five-years.

Out of 22 auditable units, 12 auditee units were planned for audit during 2023-24. Out of which, a Subject Specific Compliance Audit on Departments’ oversight on GST payments and Return filing (Phase-II) in Nagaland was conducted during 2023-24.

5.1.11 Coverage of this chapter

This chapter contains a Subject Specific Compliance Audit Paragraph on Departments’ oversight on GST payments and Return filing (Phase-II) in Nagaland.

Subject Specific Compliance Audit

FINANCE (TAXATION) DEPARTMENT

5.2 Departments’ oversight on GST payments and Return filing (Phase-II) in Nagaland

5.2.1 Introduction

Goods and Service Tax (GST) came into effect from 01 July 2017 replacing multiple taxes levied and collected by the Centre and States. GST 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 Nagaland GST (NGST) 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.

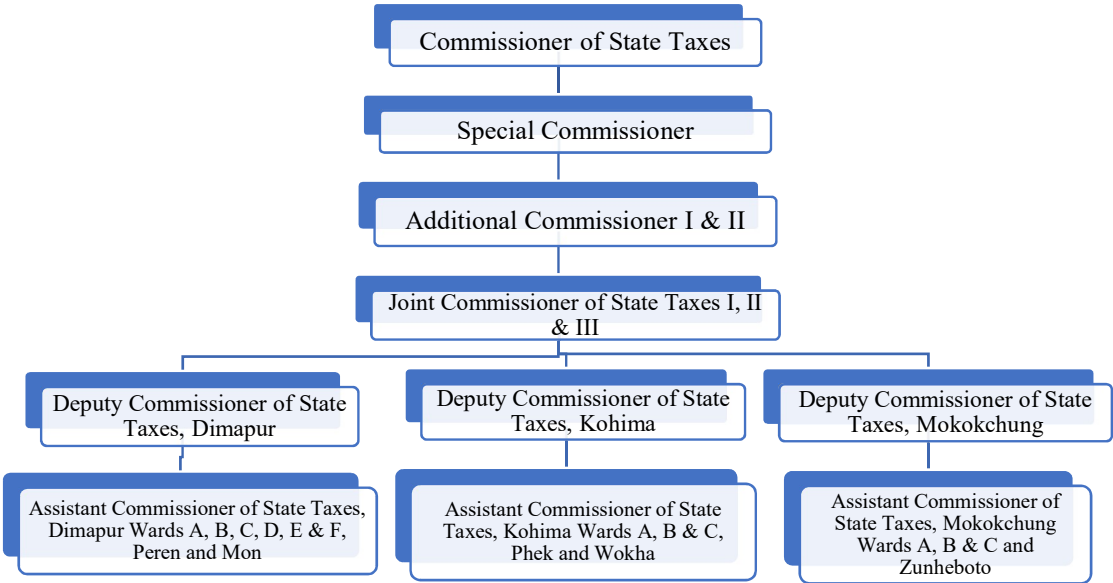
The GST returns must be filed online regularly on the common GST portal, failing which penalties will be payable. Even if the business has had no tax liability during a particular tax period, it must file a ‘Nil’ return mandatorily. Further, Section 61 of the NGST Act read with Rule 99 of the Nagaland Goods and Service Tax Rules (NGST Rules), 2017 stipulate that the proper officer may scrutinise the return and related 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 Nagaland in this new tax regime.

5.2.2 Organisational set up

The Commissioner of State Taxes is the head of the State Taxes Department. He exercises overall control and supervision of the entire tax administration in the State. The Commissioner is assisted by one Special Commissioner, two Additional Commissioner and three Joint Commissioners in the Directorate. For efficient tax administration, the State is also divided into three Zones each headed by a Deputy Commissioner of State Taxes. The organogram of the State Taxes Department, Nagaland under GST regime is shown in **Chart 5.2.1**.

Chart 5.2.1: Organogram



Source: Departmental records

5.2.3 Audit objectives

This audit was oriented towards providing assurance on the adequacy and effectiveness of systems and procedures adopted by the State Taxes Department with respect to tax compliance under GST regime with the following audit objectives to seek an assurance on:

- (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 Departmental field formations were adequate and effective.

5.2.4 Audit methodology and scope

This SSCA was 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)⁷, whereby these deviations were communicated to the relevant State departmental field formations and action taken by the jurisdictional 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 State GST Portal 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. Besides, compliance functions of the departmental formations such as scrutiny of returns, action on late-filers and non-filers, cancellation of registration and internal audit were also reviewed in selected charges.

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 four selected Wards covered the period 2020-21. The SSCA covered only the State administered taxpayers. The field audit was conducted from July 2023 to November 2023.

The entry conference of this SSCA was held on 14 July 2023 with the Department in which the audit objectives, sample selection, audit scope and methodology were discussed. The exit conference was held on 10 July 2024 with the Department in which the audit findings were discussed. The replies received from the Department have been suitably incorporated in the relevant paragraphs.

5.2.5 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 Wards for evaluating the compliance functions of the Wards.

⁷ Centralised Audit did not involve seeking taxpayer's granular records such as financial statements related ledger accounts, invoices and agreements.

There were *three* distinct parts of this SSCA as under:

(i) Part I- Audit of Wards

For the purpose of evaluation of oversight functions, four Wards⁸ with jurisdiction over highest number of selected samples for Detailed Audit excluding those Wards which were covered for audit during Phase -I Audit were considered as the sample for audit of Wards.

(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 Taxes Department. Accordingly, a sample of 88 taxpayers pertaining to 13 Wards were selected for Centralised Audit under this SSCA.

(iii) Part III- Detailed Audit

Audit was conducted by accessing taxpayers' records through Wards for evaluation of the extent of tax compliance by taxpayers. The sample of taxpayers for Detailed Audit was selected on the basis of risk parameters such as Excess ITC, Tax Liability mismatch, Disproportionate exempted turnover to total turnover and Irregular ITC reversal. The 15 taxpayers selected for Detailed Audit comprised of Large (L1⁹ and L2¹⁰), Medium¹¹ and Small¹² strata taxpayers as well as taxpayers selected randomly. The details of audit sample for Centralised Audit, Detailed Audit and Audit of Wards are brought out in *Appendix-5.2.1*.

5.2.6 Audit criteria

The source of audit criteria comprised the provisions contained in the NGST Act, IGST Act, 2017 and Rules made thereunder. In addition, the notifications and circulars issued by the State Taxes Department relating to filing of returns, rates of tax on goods and services, payment of tax, availing and utilising ITC, scrutiny of returns and oversight of tax compliance also formed part of the audit criteria.

5.2.7 Audit findings

The audit findings are categorised into the following three categories:

- Oversight on Wards functions (Audit of Wards)
- Centralised Audit (Limited Audit)
- Detailed Audit

⁸ Kohima Ward A, Wokha, Dimapur Ward C and Dimapur Ward D

⁹ Top 0.25 *per cent* of taxpayers based on turnover.

¹⁰ Next 0.25 *per cent* of taxpayers based on turnover

¹¹ Taxpayers with a minimum turnover of ₹7.50 crore

¹² remaining taxpayers with a minimum turnover of ₹2.50 crore

5.2.8 Oversight on Ward functions– Audit of Wards

The role of Wards 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 charges, the audit areas include (i) effectiveness of scrutiny of returns, (ii) effectiveness of internal audit, (iii) action on late-filers and non-filers and (iv) cancellation of registration. The detailed findings are portrayed in the following paragraphs.

5.2.8.1 Effectiveness of scrutiny of returns

Section 61 of the NGST Act, 2017, read with Rule 99, stipulates that the Proper Officer may scrutinise the return 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. With a view to assessing whether due process was followed in the scrutiny of returns, Audit examined all the **106 cases** of scrutiny conducted by the four selected Wards and observed the following irregularities:

- **Deficiencies noticed in closed cases:** Out of 106 cases where returns were scrutinised by the Proper Officers in the four selected Wards, there were 24 cases which were closed by the Department. Audit scrutiny of these 24 closed cases revealed that in two cases, the tax liability was partially discharged by the taxpayers and in eight other cases, interest was not paid or partly paid as shown in *Appendix-5.2.2*. The observation was communicated (October 2023) to the Department. No reply was provided to the Audit observation (October 2024).
- **Deficiencies in non-finalised cases:** During 2020-21, the Proper Officers scrutinised 106 cases and issued ASMT-10¹³ in the four selected Wards. It was noticed that 82 cases were not finalised by the Department. Audit scrutiny of these non-finalised cases revealed that 13 cases had no discrepancies and that replies in 69 other cases had not been submitted by the taxpayers even after a lapse of 1,126 to 1,273 days from the date of issue of ASMT-10. Audit further observed that the Proper Officers had, however, not determined the tax and other dues under Section 73 or Section 74 of the Act. The tax/ITC implication in these cases was ₹7.75 crore as

¹³ Conveying discrepancies in Returns filed by Taxpayers and seeking explanations to be submitted on the date specified in the notice

shown in *Appendix-5.2.3*. On this being pointed out (October 2023), the Department stated (July 2024) that the Proper Officers had recovered ₹0.17 crore in seven cases. The Department may take necessary steps to ascertain and recover the tax and other dues on the remaining cases.

Recommendation:

The Department may ensure a time-bound compliance to the detailed procedures for scrutiny of returns.

5.2.8.2 Effectiveness of Internal Audit

Section 65 of the NGST Act, 2017, stipulates that the Commissioner or any officer authorised by him, by way of a general or a specific order, may undertake audit of any registered person for such period, at such frequency and in such manner as may be prescribed. Further, Section 2 (13) of the NGST Act defines “Audit” as the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the Rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the Rules made thereunder.

Information regarding conduct of internal audit, guidelines and mechanism devised by the State Taxes Department for internal audit during the period 2020-21 was sought for by Audit (August 2023). In reply (September 2023), the Department stated that internal audit has not commenced. The reply was despite the issue being highlighted during GST Phase-I audit where the Department stated that the process of commencement of internal audit was underway. Since audit of registered person is a core compliance function of the Department in the era of self-assessment, there is a need for strict compliance to the provision of Section 65 of the NGST Act.

Recommendation:

The Department may take prompt steps to conduct internal audit under Section 65 of the NGST Act so that action could be initiated against the defaulters before time-barring of cases.

5.2.8.3 Action on late-filers and non-filers

Section 46 of the NGST Act, 2017, read with Rule 68 of the NGST Rules, 2017 requires issuance of a notice in Form GSTR-3A to taxpayers who fail to furnish returns (GSTR-1, GSTR-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 the NGST Act stipulates that where a registered person fails to furnish his return even after the service of notice, the Proper Officer may proceed to assess the tax liability of the said person to the best of his judgement in ASMT-13 (best judgement assessment order). Audit accessed the profile of taxpayers and returns filed by taxpayers of the four selected Wards during 2020-21 from the GST portal. There were 10,638 GSTR-3B returns filed by due date,

3,141 GSTR-3B returns not filed and 8,659 GSTR-3B returns filed after due date. The irregularities observed by Audit during examination are given below:

- (i) Notice in GSTR-3As was issued in 1,376¹⁴ out of 3,141 cases of GSTR-3B non-filers. The Proper Officers had, however, not assessed the tax liability of the non-filers by invoking the best judgement assessment procedure. On this being pointed out, the Department replied (September 2023) that GSTR-3A notice was system generated¹⁵ and sent directly to taxpayers through their portals. However, despite this automated intimation, Audit observed that returns were not filed (upto May 2024) even after a lapse of 485 to 683 days.
- (ii) The Department did not initiate any action on the remaining 1,765 non-filers by issuing GSTR-3A and best judgement orders in ASMT-13¹⁶. The Department accepted (September 2023) the Audit observation. Subsequently, while reiterating acceptance (July 2024), the Department stated that those dealers who had not filed their returns even after notice being served and suspension/cancellation of registration, were non-functional taxpayers. The reply is not acceptable as the Department, did not furnish any documentary evidence to substantiate that the dealers were non-functional taxpayers.

Recommendation:

The Department may initiate action against late-filers and non-filers by assessing the tax liability through invoking of the ASMT-13 best judgment assessment order.

5.2.8.4 Cancellation of Registration

In the four Wards selected for audit, there were 76 cases of cancellation during 2020-21 of which 31 cases were *suo-moto* cancellations and 45 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 the NGST Rules, 2017 read with Circular No. 04/2018-GST dated 26 October 2018 provides that the taxpayer applying for cancellation of registration shall submit the 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 of 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 26 out of 45 cases of cancellation on taxpayers’ request was

¹⁴ Notices issued since November 2020

¹⁵ Commenced since November 2020

¹⁶ Order in best judgement assessment initiated by the Department if a tax payer (GST registered entities) fails to file returns within prescribed time limit.

cancelled with effect from dates prior to the date of application of the taxpayer as shown in *Appendix-5.2.4*. While accepting the Audit observation, the Department stated (July 2024) that the effective date of cancellation was mistakenly approved from dates prior to the date of application of the taxpayer.

- **Delay in issuance of cancellation order:** Rule 22 of the NGST 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 the NGST 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 the 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 27 out of 76 cases of cancellation, there were delays in issuance of Form REG-19¹⁷ ranging from 01 to 833 days as shown in *Appendix-5.2.5*. Audit further observed that the reason for delay in cancellation was because the Department did not monitor the cancellation process. While accepting the Audit observation, the Department stated (July 2024) that the Proper Officers overlooked the given timeframe since the notices were system generated leading to delays in cancellation.
- **Reason for dropping of proceedings for cancellation not in GSTN Portal:** The provisions of Rule 22(4) of the NGST Rules, 2017 regulate the issuance of orders in Form GST REG-20 for dropping the proceedings of GST registration cancellation process. Audit observed that in 31 *suo-moto* cases under four Wards, four cases of proceedings for cancellation of Registration were revoked after issue of Form REG-17 on the basis of the reply given by the taxpayers. Audit could, however, not examine whether the dropping of proceedings was done as per the relevant provisions of the NGST Rules as Form REG-20 was not available in the GST portal. In reply, the Department stated (July 2024) that the dealers' registration was revoked or proceedings dropped only after the dealer filed his GST returns along with an application for revocation. The reply is not acceptable as the Department should issue orders in Form GST REG-20 to drop the proceedings of the GST registration cancellation process.
- **Follow-up action on non-filing of GSTR-10:** As per Section 45 of the NGST Act, 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

¹⁷ Order of cancellation

cancellation, whichever is later. The last date for furnishing of GSTR-10 by those taxpayers whose registration has been cancelled on or before 30 September 2018 was extended¹⁸ till 31 December 2018. Further, as per Section 46 of the NGST Act, 2017, GSTR-3A has to be issued to the taxpayer, 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 NGST Act read with Rule 100 of the NGST 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 unfurnished 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 NGST Act.

As mentioned in **Paragraph 5.2.8.4** above, there were 76 cases of cancellation of registration during 2020-21. Audit observed that GSTR-10 was filed in only 12 out of these 76 cases as shown in **Appendix-5.2.6**. Audit also observed that the Department had no information/reports to track the filing of GSTR-10 by the taxpayers and thus recovery proceedings of tax liability could not be initiated by the Wards. 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 October 2023. In reply, the Department stated (December 2023) that most of the taxpayers were yet to file their final return in GSTR-10 as they were unaware that it must be filed within three months from the date of cancellation. The reply is not acceptable as the Department should have issued notices and initiate proceeding under Section 46 of the NGST Act for recovery of the tax due.

Recommendation:

The Department may adhere to the rules regarding the cancellation process to ensure that final returns in GSTR-10 are filed and the tax liability is discharged.

5.2.9 Centralised Audit

Audit analysed GST returns 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 risk parameters, which can be broadly categorised into two domains - ITC and tax payments. Out of the

¹⁸ Notification No F.NO.FIN/REV-3/GST/1/08(Pt-1)(Vol-1)/297 dated 26 October 2018.

13 prescribed GST returns¹⁹, the following basic returns that apply 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-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 crore 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 GSTR-6, details from 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.

5.2.9.1 Audit findings based on Data Analysis

The data analysis pertaining to State jurisdiction on the 16 identified parameters and extent of deviations/inconsistencies observed are summarised in **Tables – 5.2.1A and 5.2.1B.**

Table –5.2.1A: 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

¹⁹ GSTR-1, GSTR-3B, GSTR-4 (taxpayers under the Composition scheme), GSTR-5 (non-resident taxable person), GSTR-5A (Non-resident OIDAR service providers), GSTR-6 (Input service distributor), GSTR-7 (taxpayers deducting TDS), GSTR-8 (E-commerce operator), GSTR-9 (Annual Return), GSTR-10 (Final return), GSTR-11 (person having UIN and claiming a refund), CMP-08, and ITC-04 (Statement to be filed by a principal/job-worker about details of goods sent to/received from a job-worker)

Sl. No.	Algorithm used	Impact
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 (FS)		
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
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 on all India basis (Central and State jurisdiction) under all GSTINs of the same PAN have crossed the turnover limit of ₹1.00 crore in 2018-19 and ₹1.50 crore in 2019-20 were identified.	Ineligible composition levy
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
13.	Interest calculated at the rate of 18 per cent on cash portion of tax payment on delayed filing of GSTR-3B vis-à-vis interest declared in GSTR-3B	Short payment of interest

Table-5.2.1B: 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

Audit selected a sample of 88 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 wards between July 2023 and August 2023 without further scrutiny of taxpayers' records. The audit check in these cases was limited to verifying the Department's action on the identified deviations/mismatches.

5.2.9.2 Summary of deficiencies noticed during Centralised Audit

Based on responses received in 88 cases of audit queries, the extent of compliance deviations in respect of the 16 parameters is summarised in *Appendix-5.2.7*.

Audit observed deviations from the provisions of NGST Act in 88 cases involving mismatch amounting to ₹84.61²⁰ crore comprising of tax amount mismatches in 82 cases (93.18 *per cent*) and turnover mismatches in six cases (6.82 *per cent*). The Department provided responses in all the 88 cases.

The Department made recovery in five cases of tax mismatch involving ₹0.16 crore and ASMT-10 notices were issued in 53²¹ cases involving ₹56.53 crore. The Department reply in 11²² cases involving ₹ 20.55 crore was not acceptable to audit.

The reply of the Department in 19 cases, constituting 21.59 *per cent* of the audit sample of 88 cases, amounting to ₹20.98 crore was acceptable to Audit. Out of these 19 cases, five²³ cases amounting to ₹3.03 crore were due to data entry errors by the taxpayers, five cases amounting to ₹3.10 crore involved proactive action taken by the Department and the remaining nine²⁴ cases amounting to ₹14.85 crore had valid explanations for the deviations.

A few high value illustrative are given below:

(A) ITC Mismatch

(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 in which summary of outward

²⁰ excluding six cases of turnover mismatch amounting to ₹16.11 crore
²¹ including one case of turnover mismatch amounting to ₹3.07 crore
²² Including three cases of turnover mismatch amounting to ₹9.90 crore
²³ Including one case of turnover mismatch amounting to ₹1.77 crore
²⁴ Including two cases of turnover mismatch amounting to ₹3.14 crore

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 available as per GSTR-2A with all its amendments and the ITC availed in GSTR-3B in Table 4A (5)²⁵, 4D (1) and Table 8C of GSTR-9.

A taxpayer (1XXXXXXXXXXXXXV) under Ward D, Dimapur availed ITC of ₹20.53 crore in GSTR-3Bs during 2018-19 to 2020-21, against the available ITC of ₹15.36 crore as per GSTR-2A. This resulted in mismatch of ITC of ₹5.17 crore. On this being pointed out (October 2023), the Department replied (July 2024) that the amount shown under Table 8C of GSTR-9 was the amount booked for availing ITC in the preceding year and not for the current year. The reply of the Department is not acceptable as the amount of mismatch is arrived at by Audit after considering the amount under Table 8C of GSTR-9. Further reply is awaited (October 2024).

(ii) ITC passed on without supplier remitting tax: In order to analyse the extent of compliance of ITC availment under Section 16(4) of the NGST Act, 2017 an attempt has been made to identify likely cases where the ITC would have been passed on by the taxpayer without the actual remitting the 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-2As.

A taxpayer (1XXXXXXXXXXXXX7) under Ward C, Dimapur availed ITC of ₹6.97 crore under GSTR-2A against the admissible ITC of ₹5.64 crore shown under Table 8A of GSTR-9 for 2018-21. This resulted in availing of ineligible ITC of ₹1.33 crore.

On this being pointed out (October 2023) by Audit, the Department stated (July 2024) that notice under Section 61 (in form ASMT-10) was issued to taxpayer to explain the reasons for discrepancies. Further reply is awaited (October 2024).

(iii) ITC availed in GSTR-3B filed after the cut-off period: As per Section 16(4) of the NGST 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 the end of the financial year to which such ITC pertains or furnishing of relevant Annual Return, 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 September GSTR-3B return of the following year, were identified at data level.

²⁵ All other eligible ITC

A taxpayer (1XXXXXXXXXXXXXU) under Ward E, Dimapur availed ₹10.52 crore as ITC in GSTR-3Bs filed after the limitation period for 11 months during 2018-19, which was inadmissible. On this being pointed out (October 2023) by Audit, the Department stated (July 2024) that notice under Section 61 (in form ASMT-10) was issued to taxpayer to explain the reasons for discrepancies. Further reply is awaited (October 2024).

(iv) Incorrect availing of ISD credit: 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 was compared with the ITC transferred by the ISD in their GSTR-6. The methodology adopted was to compare Table 6G²⁶ of GSTR-9 or Table 4(A)(4)²⁷ of STR-3B of the recipient taxpayers under the jurisdiction of this State with the sum of Table 5A²⁸, Table 8A²⁹ and Table 9A³⁰ of GSTR-6 of the respective ISD.

A taxpayer (1XXXXXXXXXXXXX2), under Mon Unit availed ITC under ISD mechanism amounting to ₹44.77 lakh as per Table 6G and 7H of GSTR-9 against the actual amount of ₹20.32 lakh distributed by the ISD distributor as per tables 5(A) and 8(A) of GSTR 6. This resulted in excess availing of ITC under ISD mechanism of ₹0.24 crore. On this being pointed out (October 2023) by Audit, the Department stated (July 2024) that notice under Section 61 (in form ASMT-10) was issued to taxpayer to explain the reasons for discrepancies. Further reply is awaited (October 2024).

(B) Annual Return and Financial Statements

(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 Statement or Books of Accounts. Table 12 (F) deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under the Rule 80(3) of the NGST Rules 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.

A tax payer (1XXXXXXXXXXXXXY) under Ward F, Dimapur had availed ITC of ₹1.70 crore as per Table 12 (E) of GSTR-9C against ITC of ₹1.56 crore available as per Table 12 (D) of GSTR-9C. As such, there was mismatch in availment of ITC amounting to ₹0.14 crore between Annual Return and Financial Statements (as mentioned in Table 12F³¹ of form GSTR-9C). Reconciliation statement in respect of

²⁶ ITC received from ISD.

²⁷ Inward supplies from ISD.

²⁸ Distribution of the amounts of eligible ITC for the tax period.

²⁹ Distribution of input tax credit (Plus/Minus).

³⁰ Redistribution of ITC distributed to a wrong recipient.

³¹ Taxpayer in table 12F of GSTR 9C for the year 2019-20 showed reason as follow:- The amount reflecting in table 12f is on account of input of FY 2019-20 reversed in FY 2020-21 and FY 2019-20 input availed in FY 20-21.

Table 12F was not found uploaded, though the taxpayer had mentioned in the remarks column under **Table 5.2.3**.

On this being pointed out (October 2023) by Audit, the Department stated (July 2024) that notice under Section 61 (in form ASMT-10) was issued to taxpayer to explain the reasons for discrepancies. Further reply is awaited (October 2024).

(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 Statement 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 NGST Rules in form GSTR-9C for the years 2018-19 and 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 (1XXXXXXXXXXXXXB), under Wokha unit, Audit observed that during the years 2018-19 and 2020-21, there was unreconciled ITC of ₹ 0.23 crore between the Annual Return and Books of Account as per certified reconciliation statement submitted by tax payer in Table 14T of form GSTR-9C. There was no clarity in the reason for unreconciled ITC given at Table 15A of GSTR 9C.

On this being pointed out (October 2023) by Audit, the Department stated (July 2024) that notice under Section 61 (in form ASMT-10) was issued to taxpayer to explain the reasons for discrepancies. Further reply is awaited (October 2024).

(C) Tax and Interest payment

(vii) Short payment of tax under RCM versus ITC availed in GSTR-3B/ GSTR-9: Short payment of tax under RCM 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 no. 6C, 6D and 6F of GSTR-9. A top case is discussed below:

A taxpayer(1XXXXXXXXXXXXX1) under Ward C, Dimapur paid only ₹0.03 core in Table 4G of GSTR-9 against ₹1.08 crore availed in Table 6C and 6D during 2019-20 as RCM ITC. This resulted in short payment of tax under RCM- ITC amounting to ₹1.05 crore. On this being pointed out (October 2023), the Department stated (February 2024) that notice had been issued. Further reply is awaited (October 2024).

(viii) Unsettled liabilities: GSTR-1 depicts the monthly details of outward supplies of Goods or Services. Outward supply is also assessed by the taxpayer and mentioned in Annual Return GSTR-9 in the relevant columns. Further, taxable value and tax paid thereof is also shown in GSTR-3B.

To analyse the undischarged tax liability, 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.

A taxpayer (1XXXXXXXXXXXXXC) under Ward E, Dimapur discharged a tax liability of ₹9.60 crore through GSTR-3B against a tax liability of ₹11.10 crore declared in GSTR-1/GSTR-9 during 2018-20, resulting in short payment of tax of ₹1.50 crore. On this being pointed out (October 2023), the Department stated (February 2024) that notice had been issued. Further reply is awaited (October 2024).

(ix) Suppression of tax liability based on E-way bill verification: To analyse the extent of short payment of tax, relevant data on tax liability declared in Tables 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-Waybills.

A taxpayer (1XXXXXXXXXXXXX2) under Mon unit, declared tax liability of ₹67.42 crore in GSTR-3B against a tax liability of ₹71.10 crore shown in E-waybill during 2018-19 and 2020-21, leading to short payment of GST amounting to ₹3.68 crore.

On this being pointed out (October 2023) by Audit, the Department stated (July 2024) that notice under Section 61 (in form ASMT-10) was issued to taxpayer to explain the reasons for discrepancies. Further reply is awaited (October 2024).

(x) GSTR-3B not filed but GSTR-1 is available: As per Rule 61(2) of the NGST Rules, 2017 every registered person required to furnish return shall, subject to the provision of Section 49, discharge his liability towards tax, interest, 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-2A and non-filing of GSTR-3B indicates that the taxpayers had undertaken/carried on the business during the period but have not discharged their tax liability. It may also include cases of irregular passing on of ITC.

A taxpayer (1XXXXXXXXXXXXXO) under Mon unit, did not file GSTR-3B for three months during 2019-21 despite being liable to pay tax of ₹0.33 crore as per GSTR-1. On this being pointed out (October 2023), the Department stated (July 2024) that the taxpayer discharged tax liability by filing returns for February 2020 and May 2020 on 14 September 2023. The reply was, however, silent on the return of March 2020 wherein the taxpayer had a liability of ₹0.14 crore.

(xi) Short payment of interest: As per Section 50(1) of the NGST 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*. Further, the State Government notified the rate of interest³² on delayed payment at 18 *per cent*. The penal interest is payable only if cash ledger balance is utilised to pay taxes. 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 the date of filing of GSTR-3B. Only the net tax liability (cash component) has been considered to work out the interest payable.

A taxpayer (1XXXXXXXXXXXXXU), under Ward E, Dimapur delayed filing of GSTR-B returns for nine months during 2018-20 by 175 to 675 days. The short payment of interest of ₹1.30 crore on account of delayed tax payment of ₹4.36 crore during 2018-20 was communicated to the Department (October 2023). In reply, the Department stated (February 2024) that notice had been issued to the taxpayer. Further reply is awaited (October 2024).

(D) Turnover Mismatches

(xii) Under-declaration of taxable supplies by comparing TDS returns: Tax Deducted at Source (TDS) and Tax Collected at Source (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 (excluding 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-2A.

A taxpayer (1XXXXXXXXXXXXXL) under Ward A, Dimapur declared a taxable value of ₹36.67 crore in GSTR-3B for 2019-20 against a taxable value of ₹55.87 crore based on TDS/TCS statement. The short declaration of taxable value of ₹36.67 crore resulted in short payment of GST amounting to ₹3.07 crore³³.

In reply, the Department stated (July 2024), that the difference was due to non-inclusion of the amount in the return for March 2019 and the deductor declaring invoice value as turnover while uploading TDS details, which included GST, instead of the taxable value. The reply of the Department is not acceptable as Audit observed that the difference was due to non-declaration TDS turnover during April and May 2019 and short declaration during June 2019 and September 2019 and the reply was not supported with invoices. Further reply is awaited (October 2024).

(xiii) 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 Statement, the relevant data points pertaining to Table 5 of the GSTR-9C reconciliation statement pertaining to disclosures of unbilled revenue submitted by the taxpayer as required under NGST Rules, 2017 for the years 2018-19 to 2020-21 was analysed at data level.

³² Notification No. F.NO.FIN/REV-3/GST/1/08(Pt-1)'V' dated 06 July 2017

³³ TDS is calculated at 16 per cent (18 *per cent* - 2 *per cent* (already deducted))

Table 5B figures 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 of 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 a tax payer (1XXXXXXXXXXXXX9) under Ward D, Dimapur, comparison of Table 5B with Table 5H of Annual Return (GSTR 9C) for 2018-19 to 2020-21 showed a mismatch in unbilled revenue of ₹1.61 crore.

On this being pointed out (October 2023) by Audit, the Department forwarded (February 2024) reply of the taxpayer to Audit and reply is not acceptable as the mismatch turnover (unbilled revenue) was not declared in GSTR-9C Table 5(O).

5.2.9.3 Centralised Audit- Reasons for mismatches/deviations noticed

Considering the response of the Department to 88 mismatches 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 paragraphs:

A. Deviation from GST law and rules-accepted or action initiated by Department

Out of the 88 deviations summarised in **Paragraph 5.2.9.2**, the Department accepted the audit observations or initiated action in 58 cases involving mismatches amounting to ₹56.69³⁴ crore. Out of these cases, the Department has recovered ₹0.16 crore in five cases issued notice in Form ASMT-10 in 53 cases³⁵ for ₹56.53 crore. Details are given in *Appendix-5.2.8*.

Illustrative case: ITC mismatch between GSTR-2A and GSTR-3B

A taxpayer (1XXXXXXXXXXXXXY) under Ward E, Dimapur availed ITC of ₹18.20 crore in GSTR-3B during 2018-20 against the available ITC of ₹15.01 crore in GSTR-2A. This resulted in excess ITC claim of ₹3.19 crore. On this being pointed out, the Department stated (February 2024) that notice had been issued. Further reply is awaited (October 2024).

B. Cases where Department's reply was not acceptable to Audit

The Department did not accept 11 out of 88 deviations pointed out by Audit. In these 11 cases, the Department's reason for not accepting the audit observations was not acceptable to Audit. Details of these cases along with the audit rebuttal are featured in *Appendix –5.2.9*.

³⁴ Including one case of turnover mismatch amounting to ₹3.07 crore

³⁵ Including one case of turnover mismatch amounting to ₹3.07 crore

Illustrative case: Under-declaration of taxable supplies by comparing TDS returns

A taxpayer (1XXXXXXXXXXXXXC) under Ward D, Dimapur received a TDS amount of ₹0.13 crore in GSTR-2A against a taxable value of ₹6.71 crore during February 2019. However, the taxpayer did not file GSTR-3B, resulting in an undischarged tax liability of ₹1.07 crore³⁶. On this being pointed out (October 2023), the Department replied (July 2024) that the taxpayer received payment for work executed for the Chief Engineer (R&B), Public Works Department, Nagaland on a DPR prepared based on SOR 2016, where there was no provision for GST. It was also stated that the taxpayer had requested the Chief Engineer to release the GST component, as TDS on GST was deducted by the Chief Engineer. The reply is not acceptable as the taxpayer was liable to pay tax on the taxable turnover of work done, by obtaining the GST component sanctioned by the concerned Department.

C. Cases of data entry errors by taxpayers

There were data entry errors in five cases constituting 5.68 *per cent* of the total 88 responses received from the Department. These data entry errors did not have any revenue implication. Details of these cases are given in *Appendix-5.2.10*.

Illustrative case: Under Reverse Charge Mechanism (RCM)

A taxpayer (1XXXXXXXXXXXXXH) under Ward A, Kohima reported ₹0.70 crore as ITC under RCM in Table 4A(3) of GSTR-3B during May 2019 to February 2020 without discharging the tax liability in Table 3.1(d) of GSTR-3B or in Table 4(G) of GSTR-9. Thus, there was a short payment of tax of ₹0.70 crore.

On this being pointed out (October 2023), the Department stated (July 2024) that the amount was wrongly shown under Table 4(A)(3) of GSTR-3B instead of Table 4 (A)(5). Audit cross examined the entries in GSTR-2A of both the dealers and found that the reply of the Department was correct as the taxpayers were not in receipt of any RCM supplies.

D. Cases where action was taken before issue of Audit Queries

The Department had already taken action in five cases constituting 5.68 *per cent* of the 88 responses received as detailed in *Appendix-5.2.11*. One illustrative case is discussed below:

A tax payer (1XXXXXXXXXXXXXW) under Ward E, Dimapur availed ITC of ₹2.80 crore in GSTR-3B against the available ITC of ₹0.30 crore as per GSTR-2A during 2018-19. This resulted in excess availing of ITC of ₹2.50 crore.

On this being pointed out (October 2023), the Department replied (February 2024) that excess ITC had been reversed by the taxpayer in January 2019. The reply was found to be correct.

³⁶ 18 *per cent* of ₹6.71 crore = ₹1.20 crore - ₹0.13 crore (TDS)

Recommendation:

The Department may ensure taxpayers' compliance to the deviations arising from non-adherence to the NGST Act and Rules.

5.2.9.4 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. 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 governance on scale 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 SSCA. A risk-based sample of 15 taxpayers was selected for this part of the SSCA. 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. Based on the results of desk review, Detailed Audit was conducted by requisitioning corresponding granular records from the Department such as financial ledgers and invoices to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

A. 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 with GSTR-2A and GSTR-9, and the declarations made in Table 12 and 14 of GSTR-9C. On the tax liability dimension, the mismatches were identified by comparing GSTR-3B with GSTR-1 and GSTR-9 and the declarations in Table 5, Table 7, and Table 9 of GSTR-9C. However, in 10 out of 15 sampled cases (66.67 per cent), the Department did not produce the corresponding granular records such as the tax invoices, financial ledgers and credit & debit notes required for examining the causative factors for mismatches of ITC and tax liability, though requisitioned by audit through the respective Wards. In the absence of these records, the audit findings were restricted to the information available in the returns filed by the taxpayer.

During the Exit Conference, the Special Commissioner of State Taxes stated that granular records are not available with the Proper Officers/Department. It was further stated that, although the Proper Officers requisitioned these records from the taxpayers, the records are yet to be produced.

The jurisdiction wise non-production of records is summarised in **Table 5.2.2**.

Table – 5.2.2: Non-Production of Records

Jurisdictional formation	Sample	Non-production	
	Number of taxpayers	Number of taxpayers	Amount of mismatch (₹ in crore)
Dimapur ward A	4	4	55.62
Dimapur ward C	2	2	0.78
Dimapur ward D	1	1	0.61
Dimapur ward E	4	2	4.08
Kohima Ward A	2	1	11.69
Mokokchung Ward A	1	-	0
Wokha	1	-	0
Total	15	10	72.78

Recommendation:

The Department may instruct the departmental units to ensure timely and complete production of records to Audit.

B. 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, utilisation of ITC and discharge of tax payments. The audit findings are categorised under a) Returns b) Utilisation of ITC and c) Other findings. Category-wise observations are discussed below:

1. Return

(i) Non-payment of interest on delayed payment

As per Section 50(1) of the NGST 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*. Further, the State Government notified the rate of interest³⁷ on delayed payment at 18 *per cent*. The penal interest is payable only if cash ledger balance is utilised to pay taxes.

Scrutiny of GSTR-3B returns of 15 taxpayers for the period from 2018-19 to 2020-21 revealed that two taxpayers had filed their returns with delay of 07 to 271 days, for which these taxpayers were liable to pay ₹0.14 crore as shown in **Appendix-5.2.12**.

³⁷ Notification No. F.NO.FIN/REV-3/GST/1/08(Pt-1)'V' dated 06 July 2017

On this being pointed out (October 2023), the Department stated (February 2024) that notice had been issued to the taxpayer for clearance of liabilities. Further reply is awaited (October 2024).

(ii) Non-filing of Annual Return (GSTR-9) and Reconciliation Statement (GSTR-9C)

Rule 80 of the NGST Rules, 2017, envisages that every registered person whose aggregate turnover during a financial year exceeds two crore rupees shall get his accounts audited by a Chartered Accountant and furnish a copy of the audited annual accounts and a reconciliation statement, duly certified, in Form GSTR-9C along with annual return filed in Form GSTR-9. Further, Section 46 of the NGST Act, 2017, read with Rule 68 of the NGST Rules, 2017, stipulates issue of a notice in Form GSTR-3A followed by issue of an assessment order in Form ASMT-13, if the taxpayer fails to file return within fifteen days of notice. A summary of such order should be uploaded in the system in Form DRC-07. Filing of returns is related to payment of tax as the due date for both the actions are the same, which implies risk of non-payment of tax/penalty in the case of non-filers.

Audit observed that out of 15 taxpayers selected for Detailed Audit, two taxpayers filed GSTR-9 return without filing the Annual GST Reconciliation statement in GSTR-9C while one taxpayer did not file GSTR-9 and GSTR-9C even though the taxable value of outward supplies ranged from ₹6.70 crore to ₹151.19 crore during 2019-20 to 2020-21. List of these taxpayers are shown in *Appendix 5.2.13*.

On this being pointed out, the Department stated (July 2024) that those two taxpayers had filed GSTR-9C on 16 April 2024 and 15 June 2024.

2. Mismatches related to ITC

Input Tax Credit means the Goods and Services Tax 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 for payment of taxes on outward supplies.

Section 16 and 17 of the NGST 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 NGST 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 26 instances of ITC related mismatches, amounting to ₹85.62 crore out of 15 sampled cases examined. The deficiencies were due to availing ITC irregularly, availing ineligible ITC and availing of ITC without supplier remitting tax. Hence, these cases remain as mismatches. The details of mismatches in input tax

credit noticed by Audit are given in **Table 5.2.3**. Dimension-wise details are given in **Appendix 5.2.14**.

Table No. 5.2.3 – Mismatch in Input Tax Credit claimed by taxpayers

Sl. No	Algorithm	Amount involved (₹ in crore)/ Number of mismatches	Remarks/Replies
1	<u>GSTR-2A vs GSTR-3B</u> ITC available as per GSTR-2A (with all its 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 8C of GSTR-9)	33.29 (10)	On these cases being pointed out (October 2023), the Department stated (February 2024) that notice was issued to the taxpayers to explain the reason for mismatch. Further reply is awaited (October 2024).
2	<u>ITC availed without supplier remitting tax</u> 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.	37.45 (7)	On these cases being pointed out (October 2023), the Department stated (February 2024) that notice was issued to the taxpayers to explain the reason for mismatch. Further reply is awaited (October 2024).
3	<u>ITC availed after cut-off period</u> ITC availed through Table 4 of GSTR-3Bs pertaining to period 2018-19 to 2020-21 filed after October of the following year.	1.88 (1)	On this being pointed out (October 2023), the Department stated (February 2024) that notice was issued to the taxpayers to explain the reason for mismatch. Further reply is awaited (October 2024).
4	<u>Positive figure in GSTR-9C Table 12 F</u> Higher amount of ITC claimed than credit that is due when compared between annual return and financial statements (Table 12F of GSTR-9C)	0.16 (2)	On these cases being pointed out (October 2023), the Department stated (February 2024) that notice was issued to the taxpayers to explain the reason for mismatch. Further reply is awaited (October 2024).
Total		72.78 (20)	-

Recommendation:

The Department may ensure remedial action for all the compliance deviations before they get time barred.

5.2.10 Conclusion

The SSCA on Department Oversight on GST Payments and Return Filing Phase-II was undertaken in the context of varying trend of return filing and continued data inconsistencies with an objective of assessing 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 during the period 2018-19 to 2020-21. The SSCA entailed assessing the

oversight functions of State Jurisdictional formation at two levels – at the data level through global data queries and at the functional level with a deeper detailed audit both of the Wards and of the GST returns, which involved accessing taxpayer records. The audit sample therefore comprised four Wards, 88 high value inconsistencies across 16 parameters selected through global queries and 15 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 four Wards disclosed that there were deficiencies in oversight functions of Wards such as monitoring of return filing, scrutiny of returns, conduct of Internal Audit and cancellation of registration.

Further, out of the 88 high value data inconsistencies identified by Audit, the Department responded to all 88 cases with a revenue implication of ₹84.61 crore³⁸. The Department reply in 19 cases amounting to ₹20.98 crore were acceptable to audit. Departmental action is pending in responses in 64 cases which has an identified risk exposure of ₹74.01³⁹ crore.

Detailed audit of GST returns also suggested significant non-compliance. At the outset, essential records such as financial statements, and granular records such as supplementary financial ledgers, invoices and agreement copies were not produced, which constituted a significant scope limitation. These cases represent potential risk exposure towards identified mismatches in ITC availment and tax payments. Out of the 15 cases that were audited either fully or partially, Audit observed 20 compliance deficiencies consisting of mismatches of ₹72.78 crore for which Departmental 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 Wards to establish and maintain effective oversight on return filing, scrutiny of returns, Internal Audit 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.

³⁸ Excludes turnover mismatch of ₹16.11 crore

³⁹ Excludes turnover mismatch of ₹3.07 crore

Summary of recommendations:

The Department may-

- (i) ensure time-bound compliance to the detailed procedures for scrutiny of returns.*
- (ii) take prompt steps to conduct internal audit under Section 65 of the NGST Act so that action could be initiated against the defaulters before time-barring of cases.*
- (iii) initiate action against late-filers and non-filers by assessing the tax liability through invoking of the ASMT-13 best judgment assessment order.*
- (iv) adhere to the rules regarding the cancellation process to ensure that final returns in GSTR-10 are filed and the tax liability is discharged.*
- (v) ensure taxpayers' compliance to the deviations arising from non-adherence to the NGST Act and rules.*
- (vi) instruct the departmental units to ensure timely and complete production of records to Audit.*
- (vii) ensure remedial action for all the compliance deviations before they get time barred.*

CHAPTER-VI
ECONOMIC SECTOR
(PUBLIC SECTOR ENTERPRISES)



CHAPTER-VI

ECONOMIC SECTOR (PUBLIC SECTOR ENTERPRISES)

6.1.1 Introduction

As of 31 March 2024, there were seven Public Sector Enterprises (PSEs)¹ in Nagaland as shown in Table 6.1.1.

Table 6.1.1: Total number of PSEs as on 31 March 2024

Type of PSEs	Working PSEs	Non-working PSEs	Total
Government Companies ²	5	2	7
Statutory Corporations	Nil	Nil	Nil
Total	5	2	7

Source: Information furnished by PSEs

None of these companies are listed on the stock exchange which means that the shares of the PSEs cannot be traded on the stock exchange. During the year 2023-24, no new PSE was incorporated and no existing PSE was closed down.

6.1.2 Investment in PSEs

The investments in PSEs include the investments made by the State Government and Others (including the Central Government, Holding Companies, Banks and Financial Institutions). The State Government’s stake in these PSEs is mainly of three types:

- **Share Capital and Loans:** In addition to the share capital contribution, the State Government also provides financial assistance by way of loans to the PSEs from time to time.
- **Special Financial Support:** The State Government provides budgetary support by way of grants and subsidies to the PSEs as and when required.
- **Guarantees:** The State Government also guarantees the repayment of loans with interest availed by the PSEs from Financial Institutions (FIs).

As on 31 March 2023 and 31 March 2024, the total investment in seven PSEs was ₹122.54 crore and ₹123.15 crore³ respectively as per details shown in Table 6.1.2.

Table 6.1.2: Details of total investment in seven PSEs⁴ as on 31 March 2023 and 31 March 2024
(₹ in crore)

Particulars	2022-23			2023-24		
	Equity Capital	Long term Loans	Total	Equity Capital	Long term Loans	Total
State Government	36.67	0.27	36.94	36.67	0.27	36.94
Others*	8.21	77.39	85.60	8.31	77.90	86.21
Total	44.88	77.66	122.54	44.98	78.17	123.15

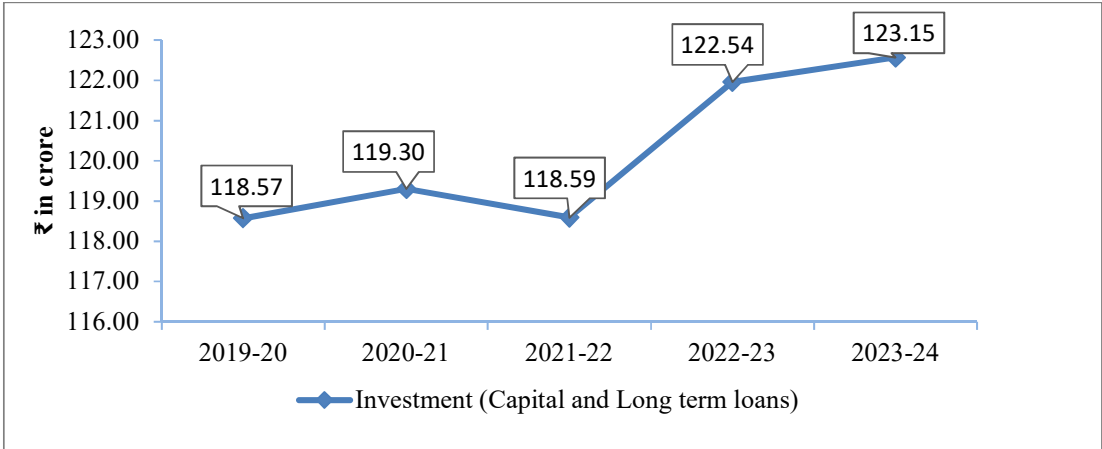
Source: Information furnished by PSEs

* Others include Central Government, Holding Companies and Banks/FIs.

¹ All Government Companies
² Government Companies include ‘Other companies’ referred to in Section 139(5) and 139(7) of the Companies Act 2013
³ Investment figures are provisional and as per the information provided by the PSEs, none of the seven PSEs has finalised accounts for 2023-24 as of September 2024
⁴ Due to non-availability of latest information (for 2023-24) from two non-working PSEs, investment (equity & loans) figures of these two PSEs adopted from their latest finalised accounts.

The total investment as on 31 March 2024 consisted of 36.52 *per cent* towards capital and 63.48 *per cent* in long-term loans. The investment in 2023-24 increased by ₹0.61 crore from 2022-23 mainly due to increase in the long term loans of Nagaland Industrial Development Corporation Limited. The investment increased by 3.86 *per cent* (₹4.58 crore) from ₹118.57 crore in 2019-20 to ₹123.15 crore in 2023-24 as shown in **Chart 6.1.1** below:

Chart 6.1.1: Total investment in PSEs



Source: Information furnished by PSEs

Further, it can be seen from **Table 6.1.2** above that, around 30 *per cent* (₹36.94 crore) of the total investment (₹123.15 crore) in PSEs as on 31 March 2024 was contributed by the State Government. However, there was no recorded information about the existence of any specific policy of the State Government regarding payment of minimum dividend by the PSEs. During 2023-24, out of five working PSEs, only two PSEs - Nagaland State Mineral Development Corporation Limited and Kohima Smart City Development Limited recorded book profit of ₹0.90 crore and ₹0.02 crore respectively as per the latest finalised accounts (*Appendix 6.1.1*). However, no dividend was declared by these PSEs.

6.1.2.1 Sector-wise investment in PSEs

The total investment by the State Government and Others (Central Government, Holding Companies, Banks and Financial Institutions) in various important sectors at the end of 31 March 2020 and 31 March 2024 is shown in **Table 6.1.3**.

Table 6.1.3: Sector-wise investment in PSEs as on 31 March 2024 (₹ in crore)

Name of Sector	Year of investment	
	2019-20	2023-24
Finance	77.57	82.61
Manufacturing	10.68	15.42
Service	10.97	5.61
Miscellaneous	19.35	19.51
Total	118.57	123.15

Source: Information furnished by PSEs

As can be seen from **Table 6.1.3** above, the thrust of PSE investment during 2019-20 and 2023-24 was in the Finance sector⁵, which increased by 6.50 *per cent* from ₹77.57 crore (2019-20) to ₹82.61 crore (2023-24). The share of this Sector in overall investment increased by 1.66 *per cent* during 2023-24 (67.08 *per cent*) from 65.42 *per cent* during 2019-20.

6.1.3 Reconciliation with Finance Accounts

The figures in respect of equity, loans and guarantees outstanding as per the records of PSEs should agree with the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the Finance Department and the PSEs concerned should carry out a reconciliation of the differences. The position in this regard as on 31 March 2024 is shown in **Table 6.1.4**.

Table 6.1.4: Variation between Finance Accounts and records of PSEs

Outstanding in respect of	Amount as per		Difference
	Finance Accounts	Records of PSEs ⁶	
Equity	125.95	36.67	89.28
Loans ⁷	0.48	0.27	0.21
Guarantees	67.81	91.11	23.30

Source: As per the State Finance Accounts, 2023-24 and information furnished by PSEs

From **Table 6.1.4** above, it can be seen that as on 31 March 2024, there were unreconciled differences in the figures of equity (₹89.28 crore) and guarantees (₹23.30 crore) as per the two sets of records. The differences in the figures of equity occurred in respect of all the PSEs while differences in the figures of guarantee relate to two PSEs⁸.

Though the Finance Department, Government of Nagaland as well as the PSEs concerned were apprised about the differences, impressing upon the need for early reconciliation, no progress was noticed in this regard. The Committee on Public Undertakings (COPU) meeting held (22 August 2024) directed the Finance Department to take up the reconciliation with the related PSEs at the earliest.

Recommendations:

- (i) *The State Government should establish a structured mechanism with defined timelines for periodic reconciliation of financial records between the Finance Department and the Public Sector Enterprises (PSEs).*
- (ii) *A dedicated nodal officer should be appointed both in the Finance Department and in each PSE to ensure timely reconciliation of outstanding figures and address discrepancies, with quarterly reports*

⁵ Finance Sector included only one PSE (Nagaland Industrial Development Corporation Limited)

⁶ Information as provided by PSEs and includes only the investment made by the State Government

⁷ In the State Finance Accounts, 2023-24, the loan figures appear sector-wise and not PSE-wise, hence, the figures of the State Government loans provided to PSEs are not available in Finance Accounts

⁸ Serial no. A1, A4 and B7 of **Appendix 6.1.1**

submitted to the Finance Department and reviewed by a competent authority.

6.1.4 Accountability framework

The audit of the financial statements of a Company in respect of financial years commencing on or after 01 April 2014 is governed by the provisions of the Companies Act, 2013 and audit of the financial statements in respect of financial years that commenced prior to 01 April 2014 continue to be governed by the Companies Act, 1956. The new Act has brought about increased regulatory framework, wider management responsibility and higher professional accountability.

6.1.4.1 Statutory Audit/Supplementary Audit

Statutory Auditors appointed by the C&AG audits the financial statements of a Government Company. In addition, C&AG conducts the supplementary audit of these financial statements under the provisions of Section 143(6) of the Companies Act, 2013.

6.1.4.2 Role of Government and Legislature

The State Government exercises control over the affairs of these PSEs through its administrative departments. The Government appoints the Chief Executives and Directors on the Board of these PSEs. The State Legislature also monitors the accounting and utilisation of Government investment in the PSEs. For this purpose, the Annual Reports of the State Government Companies together with the Statutory Auditors' Reports and comments of the C&AG thereon are required to be placed before the Legislature under Section 394 of the Companies Act, 2013.

6.1.5 Arrears in finalisation of accounts

The financial statements of the companies are required to be finalised within six months after the end of the financial year *i.e.* by 30 September in accordance with the provisions of Section 96(1) of the Companies Act, 2013. Failure to do so may attract penal provisions under Section 99 of the Companies Act, 2013. As per the Companies Act, 2013, the SPSE and every officer of the SPSE who is at default shall be punishable with fine which may extend up to ₹one lakh and in the case of continuing default, with a further fine which may extend upto ₹5,000 for every day during which such default continues.

Moreover, timely finalisation of accounts is important for the State Government to assess the financial health of the PSEs and to avoid financial misappropriation and mismanagement. Persistent delay in finalisation of accounts is fraught with the risk of fraud and leakage of public money going undetected apart from violation of the provision of the Companies Act, 2013.

Table 6.1.5 below provides the details of progress made by the five working PSEs⁹ in finalisation of their annual accounts as on 30 September 2024.

Table 6.1.5: Position relating to finalisation of accounts of working PSEs

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Number of Working PSEs	5	4 ¹⁰	5 ¹¹	5	5
2.	Number of accounts finalised during the year	2	14	3	3	7
3.	Number of accounts in arrears	21	9 ¹²	15 ¹³	17	15
4.	Number of Working PSEs with arrears in accounts	5	4	5	5	5
5.	Extent of arrears (nos. in years)	1 to 10	1 to 3	1 to 5	1 to 6	1 to 6

Source: Department records

As can be seen from **Table 6.1.5** above, the extent of arrears of working PSE-accounts has shown a mixed trend during last five years (2019-20 to 2023-24). The arrears of accounts were lowest during 2020-21 (nine accounts) due to finalisation of highest number of accounts (14 Accounts) by the PSEs during that year. As on 30 September 2024, total 15 Accounts pertaining to all five working PSEs were in arrears for the periods ranging between one to six years.

The administrative departments, which have the responsibility of overseeing the activities of the PSEs, have to ensure that the PSEs finalise and adopt their accounts within the stipulated period. The Principal Accountant General (Audit), Nagaland had been pursuing with the administrative departments to clear the arrears of accounts of the defaulting PSEs. The COPU meeting held on 22 August 2024 also impressed upon the Finance Department to take up the finalisation of accounts in arrear in the related PSEs at the earliest. However, the State Government and the PSEs concerned could not clear the pendency of accounts of the PSEs in a time-bound manner.

Recommendation:

The State Government may develop a time-bound roadmap with clear milestones to clear the backlog of accounts, prioritising the oldest pending accounts first. A nodal officer should be designated within each administrative department and PSE to monitor progress and ensure accountability

⁹ As on 30 September 2024, Nagaland Handloom & Handicraft Development Limited finalised its accounts upto 2019-20, Nagaland Hotels and Tourism Development Corporation Limited finalised upto 2021-22, Nagaland State Mineral Development Corporation Limited upto 2021-22, Nagaland Industrial Development Corporation Limited upto 2022-23 and Kohima Smart City Development Limited finalised upto 2017-18.

¹⁰ Nagaland Industrial Raw Material Supply Corporation Ltd (NIRMSCL) became non-working.

¹¹ Includes Kohima Smart City Development Ltd (KSCDL) incorporated on 24 March 2017.

¹² Does not include two Accounts on NIRMSCL which became non-working.

¹³ Includes Accounts of KSCDL since 2017-18.

6.1.6 Investment by State Government in PSEs whose accounts are in arrears

The State Government provided budgetary support aggregating to ₹159.90 crore by way of grants to five PSEs during the years for which the accounts of these SPSEs had not been finalised as detailed in **Table 6.1.6**.

Table 6.1.6: State Government investment in SPSEs with pending accounts as on 30 September 2024

Sl. No.	Name of SPSE	Accounts finalised upto	Accounts pending finalisation	(₹ in crore)		
				Investment by State Government during the period of accounts in arrears		
				Equity	Loans	Grants
1.	Nagaland Industrial Development Corporation Ltd.	2022-23	2023-24	0	0	0.80
2.	Nagaland State Mineral Development Corporation Ltd	2021-22	2022-23 to 2023-24	0	0	26.71
3.	Nagaland Hotels and Tourism Development Corporation Ltd.	2021-22	2022-23 to 2023-24	0	0	11.50
4.	Nagaland Handloom & Handicrafts Development Corporation., Ltd.	2019-20	2020-21 to 2023-24	0	0	47.75
5.	Kohima Smart City Development Ltd.	2017-18	2018-19 to 2023-24	0	0	73.14
Total				0	0	159.90

Source: Department records

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

Recommendations:

The Government may consider-

- (i) *setting up a special cell under the Finance Department with a Nodal Officer to oversee the expeditious clearance of arrears of accounts of PSEs.*
- (ii) *outsourcing the work relating to preparation of accounts and take punitive action against company heads responsible for arrears of accounts.*
- (iii) *stop providing further financial assistance to such companies until the accounts are made as current as possible.*

6.1.7 Special support and guarantees to PSEs during the year

The State Government provides financial support to PSEs in various forms through annual budgetary allocations. The details of budgetary outgo towards equity, loans and grants/subsidies in respect of working PSEs for three years are shown in **Table 6.1.7**.

Table 6.1.7: Details of budgetary support to PSEs

(₹ in crore)

Sl. No.	Particulars	2021-22		2022-23		2023-24	
		No. of PSEs	Amount	No. of PSEs	Amount	No. of PSEs	Amount
1.	Equity Capital outgo from budget	0	0.00	0	0.00	0	0.00
2.	Loans given from budget	1	4.28	1	0.69	0	0.00
3.	Grants/Subsidy from budget	4	28.30	5	49.54	5	89.07
Total Outgo (1+2+3)			32.58		50.23		89.07
4.	Guarantees issued	1	4.28	0	0.00	0	0.00
5.	Guarantee Commitment	1	15.00	2	88.00	2	88.00

Source: Information furnished by PSEs

It can be seen from **Table 6.1.7** above that as compared to the previous year (2022-23), the budgetary outgo to PSEs during 2023-24 increased significantly by ₹38.84 crore mainly due to increase in Government grant provided to Kohima Smart City Development Limited (₹33.14 crore) during 2023-24. However, no budgetary support was provided to any SPSEs in the form of equity or loans during the previous two years.

The State Government also guarantees the repayment of loans (with interest) availed by the PSEs from Banks/Financial Institutions subject to the prescribed limits and payment of guarantee fee of one *per cent* of the guarantee amount by the PSEs concerned. The State Government guarantee amounting to ₹88.00 crore remained outstanding during last two years against the borrowings of two SPSEs¹⁴. None of the two SPSEs, however, had paid any guarantee fee to the State Government in absence of any demand from the State Government.

6.1.8 Performance of PSEs as per their latest finalised accounts

The financial position and working results of working PSEs as per their latest finalised accounts are detailed in **Appendix 6.1.1**. The comparative details of working PSE turnover and State GDP (GSDP) for five years ending 2023-24 are shown in **Table 6.1.8**.

Table 6.1.8: Details of working PSEs turnover vis-à-vis SGDP

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Turnover	6.78	6.52	6.05	5.92	6.03
GSDP	29,716	29,832	32,265	37,150	41,887
Percentage of Turnover to SGDP	0.02	0.02	0.02	0.02	0.01

Source: Turnover as per the latest finalised accounts of working PSEs and GSDP as per the information published by the Directorate of Economics & Statistics, GoN

A ratio of PSE-turnover to GSDP shows the extent of PSE activities in the State economy. It can be seen from **Table 6.1.8** above that during the last five years (2019-2024), the GSDP had grown by 40.96 *per cent* while the turnover of PSEs during the corresponding period had decreased by 11.06 *per cent*. As a result, the contribution of PSE-turnover to GSDP, has registered an overall decrease from 0.02 *per cent* (2019-20) to 0.01 *per cent* (2023-24).

¹⁴ Nagaland Industrial Development Corporation Limited (₹73.00 crore) and Nagaland Handloom & Handicrafts Development Corporation Limited (₹15.00 crore)

6.1.8.1 Key parameters

Some other key parameters of PSEs performance as per their latest **finalised** accounts of the respective year are shown in Table 6.1.9.

Table 6.1.9: Key Parameters of working PSEs

Particulars	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Debt	73.72	71.63	71.85	84.74	72.38
Turnover ¹⁵	6.78	6.52	6.05	5.92	6.03
Debt/Turnover Ratio	10.87:1	10.99:1	11.88:1	14.31:1	12.00:1
Interest Payments ¹⁶	2.06	1.61	1.09	0.86	0.73
Accumulated Profits/(Losses)	(68.62)	(67.75)	(73.33)	(96.96)	(90.48)

Source: Latest finalised Accounts of PSEs

Debt-Turnover Ratio

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

PSE Debt

It can be seen from **Table 6.1.9** above that during the period of five years (2019-24), the PSE debt had been more than 10 times of their turnover indicating acute difficulties in repayment and servicing of debts by the PSEs. The DTR of working PSEs was highest (14.31:1) during 2022-23 and improved marginally to 12.00:1 during the current year (2023-24). However, the DTR position of working SPSEs remained critical during all the five years under reference causing high pressure on the PSEs in servicing their debts by way of interest liability.

6.1.8.2 Erosion of capital due to losses

The paid-up capital and overall accumulated losses of five working PSEs as per their latest finalised accounts were ₹35.24 crore and ₹90.48 crore¹⁷ respectively (**Appendix 6.1.1**).

The accumulated losses (₹91.92 crore) of two working PSEs had completely eroded their paid-up capital (₹25.55 crore) as per their latest finalised accounts as shown in **Table 6.1.10**.

Table 6.1.10: PSEs with erosion of paid-up capital

Name of PSE	(₹ in crore)		
	Latest finalised accounts	Paid up capital	Accumulated losses
Nagaland Industrial Development Corporation Limited	2022-23	23.20	65.11

¹⁵ Turnover of working PSEs as per the latest finalised accounts as on 30 September of the respective year

¹⁶ Interest payments of working PSEs as per the latest finalised accounts as of 30 September of the respective year

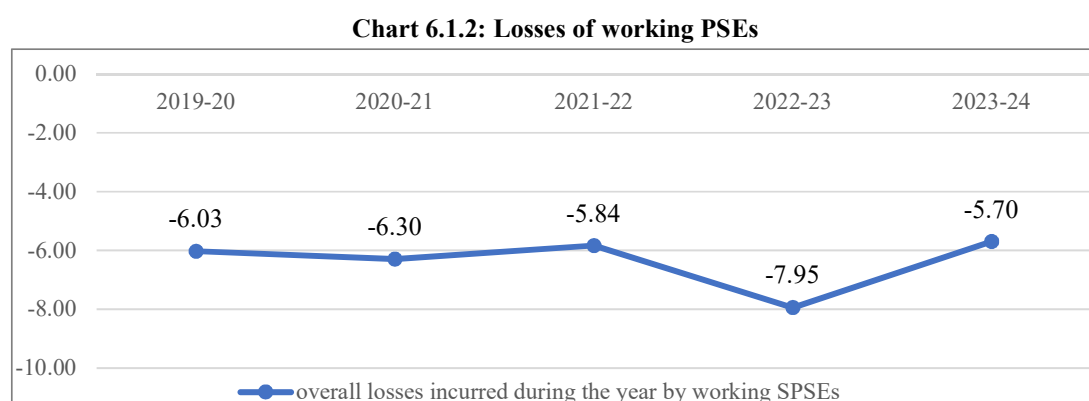
¹⁷ Comprising accumulated losses (₹98.23 crore) of three working PSEs (Sl. No. A1, A3 and A4 of **Appendix 6.1.1**) and accumulated profits (₹7.75 crore) of other two working PSEs (Sl. No. A2 and A5 of **Appendix 6.1.1**).

Name of PSE	Latest finalised accounts	Paid up capital	Accumulated losses
Nagaland Hotels and Tourism Development Corporation Limited	2021-22	2.35	26.81
Total	--	25.55	91.92

Source: Latest finalised Accounts of the PSEs

The Return on Equity (ROE)¹⁸ of above two PSEs was not workable due to complete erosion of their equity capital. ROE in respect of other two PSEs¹⁹ was positive. The ROE of the remaining PSE (Nagaland Handloom & Handicrafts Development Corporation Ltd.) was negative.

The overall position of the aggregate losses incurred by working PSEs during 2019-20 to 2023-24 is shown in **Chart 6.1.2**.



Source: Latest finalised accounts of the PSEs as on 30 September of the respective years

As can be seen from **Chart 6.1.2**, the losses of working PSEs during last five years ranged between ₹5.70 crore (2023-24) and ₹7.95 crore (2022-23). During the current year (2023-24), the PSE-losses were at the lowest at ₹5.70 crore mainly due to decrease in the loss of one SPSE (Nagaland Hotels and Tourism Development Corporation Limited) by ₹2.67 crore during 2023-24 as compared to 2022-23. However, the PSEs mostly remained dependent on the State Government Grants to meet their salary and employee-related expenditure in the absence of adequate income from their core operations.

Persistent financial distress in PSEs indicates the need for urgent restructuring and better financial management. The failure to finalise accounts in a timely manner weakens financial governance and leads to unreliable financial reporting. Heavy reliance on Government support instead of self-sufficiency highlights the need for performance-based funding. Stronger monitoring by administrative departments is essential to ensure timely compliance with financial reporting norms.

¹⁸ ROE = (Net Profit after taxes *minus* preference dividend) ÷ Shareholders' Fund/Equity; Where, Shareholders' Fund/Equity = Paid up Share Capital *plus* Free Reserves and Surplus *minus* Accumulated Loss *minus* Deferred Revenue Expenditure

¹⁹ Nagaland State Mineral Development Corporation Ltd (9.65 *per cent*) and Kohima Smart City Development Ltd (16.67 *per cent*).

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

The Rate of Real Return (RORR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for their time value. To determine the RORR on Government investment in the State PSEs, the investment of State Government 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), has been considered and indexed to their Present Value (PV) and summated. The RORR is then calculated by dividing the 'profit after tax' (PAT) of the PSEs by the sum of the PV of Government investment.

During 2023-24, as per their latest finalised accounts, three PSEs where the State Government had made direct investment, incurred losses and two PSEs (Nagaland State Mineral Development Corporation Limited and Kohima Smart City Development Limited), had shown aggregate profit of ₹0.92 crore. On the basis of return on historical value, the State Government's investment in the PSEs had eroded by (-)1.58 *per cent* during 2023-24. As per the RORR where the PV of investment is considered, the State Government investment eroded by (-)0.76 *per cent* as shown in **Appendix 6.1.2**. This difference in the percentage of investment erosion was on account of the adjustment made in the investment amount for time value of money.

6.1.10 Impact of Audit Comments on Annual Accounts of PSEs

During October 2023 to September 2024, four working Companies forwarded seven audited accounts to the Principal Accountant General (Audit), Nagaland. Of these, five accounts were issued a Non-Review Certificate and two accounts were selected for audit. The Statutory Auditors had given qualified certificate to four accounts. The details of aggregate money value of comments of C&AG during the last three years is shown in **Table 6.1.11**.

Table 6.1.11: Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2021-22		2022-23		2023-24	
		No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
1.	Increase in loss	1	1.67	1	10.99	-	-
2.	Decrease in loss	-	-	-	-	1	0.45
3.	Decrease in profit	0	0	1	0.06	0	0
4.	Errors of classification	-	-	-	-	1	0.36
Total			1.67		11.05		0.81

Source: Comments on Accounts issued to PSEs by C&AG

From **Table 6.1.11**, it can be seen that the money value of comments of the C&AG of India during last three years ranged between ₹11.05 crore (2022-23) and ₹0.81 crore (2023-24) indicating deficiencies with the requirements of 'Generally Accepted Accounting Principles' (GAAP) and Accounting Standards (AS) by the PSEs.

6.1.11 Follow up action on Audit Reports

6.1.11.1 Submission of Explanatory notes

The Report of the C&AG represents the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. The administrative departments concerned are required to submit the explanatory notes to paragraphs/performance audits included in the Audit Reports of the C&AG after their presentation to the Legislature, without waiting for any questionnaires from the COPU. However, the Finance Department, Government of Nagaland had not issued any specific instructions in this regard.

The State Audit Reports for the years from 2013-14 to 2021-22 have already been placed in the State Legislature. These included four compliance audit paragraphs²⁰ and one performance audit²¹ on PSEs in these Reports. As per the status available as on 30 September 2024, no explanatory notes were pending to be received from the administrative departments concerned against these compliance audit paragraphs.

6.1.11.2 Discussion of Audit Reports by COPU

The status as on 30 September 2024, of Performance Audits and audit paragraphs on the State PSEs that appeared in State Audit Reports and had been discussed by the COPU was as under:

Table 6.1.12: Details of performance audits and paragraphs featured in the State Audit Reports and their discussion held in the COPU

Period of Audit Report	Number of reviews/paragraphs as on September 2024	
	Paragraphs appeared in Audit Report	Paragraphs discussed
2013-14	1	1
2014-16	0	-
2016-17	1	1
2017-18	0	-
2018-19	2	2
2019-20	0	-
2020-22	1	1
Total	5	5

Source: Audit Reports of the respective years

During the period 2013-14 to 2023-24, five paragraphs relating to PSEs had featured in the State Audit Reports which were also discussed in COPU. However, no ATN was received (July 2025).

²⁰ One compliance audit paragraph appeared in each of the State Audit Report for the year 2013-14 and 2016-17 and two paragraph appeared in 2018-19

²¹ One performance audit on Kohima Smart City Mission appeared in the C&AG Audit Report for 2020-22

CHAPTER-VII
FOLLOW UP OF AUDIT
OBSERVATIONS

CHAPTER - VII

FOLLOW UP OF AUDIT OBSERVATIONS

7.1 Response of the Departments to the recommendations of the Public Accounts Committee

The Public Accounts Committee (PAC) Reports/recommendations are the principal medium by which the Legislature enforces financial accountability of the Executive to the Legislature and it is appropriate that they elicit timely response from the departments concerned in the form of Action Taken Notes (ATNs). As per PAC Reports of the State of Nagaland, the departments concerned were required to submit the ATNs on the recommendations of the PAC within three months from the date of laying of the Reports of the PAC to the Legislature.

As of March 2024, out of 2,145 recommendations made by the PAC during the period from 1990-91 to 2023-24, 1,217 ATNs on the recommendations had been submitted to the PAC and discussed.

7.2 Monitoring

The State Level Audit and Accounts Committee was formed (June 2008) under the Chairmanship of the Chief Secretary to monitor the follow up action on audit related matters and corrective action on the findings reported by Audit. The Committee was also to review and oversee the working of the Departmental Audit and Accounts Committee and also to hold meetings once in six months. During 2023-24, no State Level Audit and Accounts Committee meeting was convened.

7.3 Outstanding Inspection Reports

The Accountant General (Audit), Nagaland conducts periodic inspection of the Government departments to test-check the transactions and verify the maintenance of important accounts and other records as prescribed under the rules and procedures. These inspections are followed up with the issuance of Inspection Reports (IRs) incorporating irregularities noticed during the inspection and not settled on the spot. The IRs are issued to the Heads of the Offices inspected with copies to the higher authorities for taking corrective action.

The Heads of the Offices/Government are required to comply with the observations contained in the IRs, rectify the defects, omissions and report compliance through initial reply to the Accountant General (Audit) within one month from the date of issue of the IRs. Serious irregularities are reported to the Heads of the Departments and the Government.

As of March 2024, 1,665 IRs containing major paragraphs issued from 1997-98 onwards were pending for settlement. The large pendency of IRs was indicative of an absence of adequate action to rectify the defects, omissions and irregularities pointed out through the IRs by the Heads of the Offices and Heads of the Departments.

Recommendation:

The Government may look into the matter and consider streamlining the system to ensure timely response to audit observations. Action may be taken against the officials who fail to send replies to IRs/paragraphs as per the prescribed time schedule and the losses/outstanding advances/overpayments may be recovered in a time-bound manner.

7.4 Departmental Audit Committee Meetings

In order to expedite the settlement of the outstanding audit observations contained in the IRs, Departmental Audit Committees had been constituted by the Government.

Departmental Audit Committees are chaired by the Secretaries of the Departments concerned and their meetings are attended by the officers concerned of the State Government and officers from the office of the Accountant General (Audit), Nagaland.

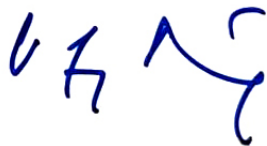
During 2023-24, no Audit Committee Meeting was convened to clear the outstanding audit observations. The Government needs to ensure that such meetings are held at regular intervals to take necessary action.

Kohima
The 27 February 2026


(VARUN AHLUWALIA)
Accountant General (Audit),
Nagaland

Countersigned

New Delhi
The 27 February 2026


(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES



Appendix-2.2.1
Statement showing details of Progress report of 14 projects implemented in the Urban Local Bodies of nine districts
(Reference: Paragraph 2.2.8.3)

Sl. No.	Name of the Scheme	ULB notification date	Name of district	Year	Estimated Cost	Central Share	State Share	(₹ in lakh)	
								Financial Status	Physical Progress
1	Augmentation of drinking water supply by Gravity System and Retrofitting with FHTC under JJM to Pfutsaro Town under Phek District.	01.09.2003	Phek	2020-21	567.00	510.30	56.70	510.00	Incomplete
2	Augmentation of drinking water supply by Gravity System and Retrofitting with FHTC under JJM to Mangkolemba Town under Mokokechung District.	18.08.2016	Mokokechung	2020-21	383.61	345.25	38.36	383.61	Completed
3	Augmentation of drinking water supply by Gravity System and Retrofitting with FHTC under JJM to Tizit Town under Mon District.	18.08.2016	Mon	2020-21	519.47	467.52	51.95	519.47	Completed
4	Retrofitting of drinking water supply with FHTC under JJM to Aboi Hq under Mon District.	10.09.2015	Mon	2020-21	93.30	83.97	9.33	93.30	Completed
5	Augmentation of drinking water supply by Rain Water Harvesting System and Retrofitting with FHTC under JJM to Tamlu Town under Longleng District.	06.09.2019	Longleng	2020-21	142.02	127.82	14.20	142.02	Completed
6	Augmentation of drinking water supply by Gravity System and Retrofitting with FHTC under JJM to Seyochung Town under Kiphire District.	06.09.2019	Kiphire	2020-21	107.63	96.87	10.76	107.63	Completed
7	Retrofitting of drinking water supply with FHTC under JJM to Chozuba Hq under Phek District.	18.08.2016	Phek	2020-21	119.36	107.42	11.94	119.36	Completed
8	Retrofitting of drinking water supply by Gravity System with FHTC under JJM to Nagimimora Town under Mon District.	04.07.2003	Mon	2020-21	121.24	109.12	12.12	121.24	Completed
9	Retrofitting of drinking water supply by Gravity System with FHTC under JJM to Longkhim Hq under Tuensang District.	18.08.2016	Tuensang	2020-21	68.77	61.89	6.88	68.77	Completed
10	Augmentation of drinking water supply by Gravity System and Retrofitting with FHTC under JJM to Tseminyu Old Town under Kohima District.	01.09.2003	Kohima	2020-21	128.95	116.06	12.90	128.95	Completed
11	Augmentation of drinking water supply by Ground Water Exploration System and Retrofitting with FHTC under JJM to Chiephobozou under Kohima District.	06.09.2019	Kohima	2020-21	159.14	143.23	15.91	159.14	Completed

Sl. No.	Name of the Scheme	ULB notification date	Name of district	Year	Estimated Cost	Central Share	State Share	Financial Status	Physical Progress
12	Retrofitting of drinking water supply with FHTC under JJM to Niuland under Dimapur District.	06.09.2019	Dimapur	2020-21	95.57	86.01	9.56	95.57	Completed
13	Augmentation and Retrofitting of drinking water supply by Gravity System with FHTC under JJM to Satakha Town under Zunheboto District.	06.09.2019	Zunheboto	2019-20	242.57	218.31	24.26	242.57	Completed
14	Augmentation of drinking water supply by Gravity System and Retrofitting with FHTC under JJM to Aghunato Town under Zunheboto District.	06.09.2019	Zunheboto	2020-21	318.78	286.90	31.88	318.78	Completed
Total					3,067.41	2,760.67	306.74	3,010.41	-

Source: Departmental records

Appendix-2.2.2
Statement showing delay in release of fund
(Reference: Paragraph 2.2.9.1)

(₹ in crore)

Central Share					State Share		
Date of release by GoI	Amount	Date of release by GoN	Amount	Period of delay (in days)	Date of release by GoN	Amount	Period of delay (in days)
06-11-2019	23.54	15-01-2020	23.54	55	10-02-2020	2.62	81
19-03-2020	32.95	19-05-2020	32.95	46	01-10-2020	3.66	181
01-06-2020	28.52	01-10-2020	28.52	107	01-10-2020	3.17	107
23-10-2020	28.52	16-12-2020	28.52	39	26-03-2021	3.17	139
15-03-2021	28.52	04-06-2021	28.52	66	10-12-2021	3.17	255
13-05-2021	111.20	31-08-2021	111.20	95	10-12-2021	12.36	196
31-12-2021	111.20	Directly deposited to Escrow A/c			17-03-2022	12.36	61
17-03-2022	111.20	Directly deposited to Escrow A/c			12-05-2022	12.36	41
17-06-2022	121.07	Directly deposited to Escrow A/c			11-08-2022	13.45	40
23-08-2022	121.07	Directly deposited to Escrow A/c			17-10-2022	13.45	40
07-12-2022	121.07	Directly deposited to Escrow A/c			18-03-2023	13.45	86
24-03-2023	121.07	Directly deposited to Escrow A/c			11-05-2023	13.45	33
19-06-2023	91.72	Directly deposited to Escrow A/c			05-09-2023	10.19	63
18-09-2023	91.72	Directly deposited to Escrow A/c			28-11-2023	10.19	56
09-01-2024	91.72	Directly deposited to Escrow A/c			03-02-2024	10.19	10
13-03-2024	39.75	Directly deposited to Escrow A/c			29-04-2024	4.42	32

Source: Departmental records

Appendix-2.2.3
Statement showing total amount incurred for procurement of GMS pipes and GPS tank from the supplier under JJM Scheme
(Reference: Paragraph 2.2.10.1)

Procurement of GMS Pipes from the supplier during the years 2019-20 to 2023-24										
Year	Specification	15mm	25mm	32mm	40mm	50mm	65mm	80mm	100mm	
2019-20	Qty. (mtr)	2,97,416.00	2,76,463.60	1,31,050.00	1,12,505.60	97,170.00	34,605.00	0	0	
	Amount (₹)	5,13,28,053.28	10,64,30,192.09	5,43,39,882.50	6,14,50,558.72	5,82,25,235.70	2,82,59,827.20	0	0	
2020-21	Qty. (mtr)	35,67,379.00	11,14,590.00	4,37,730.00	3,80,716.00	2,33,705.20	96,000.00	3,500.00	2,200.00	
	Amount (₹)	61,56,58,267.82	42,90,83,712.30	18,15,04,744.50	20,79,47,079.20	14,00,38,492.89	7,83,97,440.00	46,60,460.00	32,49,136.00	
2021-22	Qty. (mtr)	50,72,112.00	18,53,043.00	7,58,440.00	7,96,920.00	5,05,020.00	1,82,250.00	17,200.00	0	
	Amount (₹)	87,53,45,088.96	71,33,65,963.71	31,44,87,146.00	43,52,77,704.00	30,26,13,034.20	14,88,32,640.00	2,29,02,832.00	0	
2022-23	Qty. (mtr)	38,59,657.00	16,12,378.00	5,30,433.00	6,64,490.00	3,16,800.00	1,28,510.00	93,000.00	0	
	Amount (₹)	66,60,99,605.06	62,07,17,158.66	21,99,44,043.45	36,29,44,438.00	18,98,29,728.00	10,49,46,406.40	12,38,35,080.00	0	
2023-24	Qty. (mtr)	2,19,428.00	2,10,015.00	1,26,350.00	9,710.00	31,800.00	0	0	0	
	Amount (₹)	37,86,8884.24	8,08,49,474.55	5,23,91,027.50	53,03,602.00	1,90,54,878.00	0.00	0	0	
Total Qty. (mtr)		1,30,15,992	50,66,489.60	19,84,003	19,64,341.60	11,84,495.20	4,41,365	1,13,700	2,200	
Total Amount paid (₹)		2,24,62,99,899	1,95,04,46,501	82,26,66,844	1,07,29,23,382	70,97,61,368.80	36,04,36,313.60	15,13,98,372	32,49,136	
Total Amount incurred for procurement of GMS pipes during 2019-20 to 2023-24										
Add 18 per cent GST										
Grand Total Amount (including GST)								863,42,74,542 (round off)		
Source: Departmental records										
Procurement of GPS Tanks from the supplier during the years 2020-21 to 2023-24										
Year	Quantity of GPS Tanks procured (Nos.)		Amount incurred for procurement of GPS Tank (₹)				Grand Total			
	1,950 litres	7,800 litres	1,950 litres	7,800 litres	Total	Add 18 per cent GST				
2020-21	79	120	1,07,97,120.39	2,46,86,498.40	3,54,83,618.79	63,87,051.38	4,18,70,670			
2021-22	249	188	3,40,31,430.09	3,86,75,514.16	7,27,06,944.25	1,30,87,249.97	8,57,94,194			
2022-23	254	314	3,47,14,792.14	6,45,96,337.48	9,93,11,129.62	1,78,76,003.33	11,71,87,133			
2023-24	4	5	5,46,689.64	10,28,604.10	15,75,293.74	2,83,552.87	18,58,847			
Total	586	627	8,00,90,032.26	12,89,86,954.14	20,90,76,986.40	3,76,33,857.55	24,67,10,844			

Appendix-2.2.4

Statement showing details of procurement of GMS Pipes during the years 2019-20 to 2023-24

(Reference: Paragraph 2.2.10.3)

Year wise details of supply order issued		Quantity of GMS Pipes procured (in metres)							
Year	No.	15mm	25mm	32mm	40mm	50mm	65mm	80mm	100mm
2019-20	05	2,97,416	2,76,463.60	1,31,050	1,12,505.60	97,170	34,605	0	0
2020-21	11	35,67,379	11,14,590	4,37,730	3,80,716	2,33,705.20	96,000	3,500	2,200
2021-22	05	50,72,112	18,53,043	7,58,440	7,96,920	5,05,020	1,82,250	17,200	0
2022-23	04	38,59,657	16,12,378	5,30,433	6,64,490	3,16,800	1,28,510	93,000	0
2023-24	01	2,19,428	2,10,015	1,26,350	9,710	31,800	0	0	0
Total	26	1,30,15,992	50,66,489.60	19,84,003	19,64,341.60	11,84,495.20	4,41,365	1,13,700	2,200

Source: Departmental records

Appendix-2.2.5

Statement showing details of procurement of GPS Tanks during the years 2019-20 to 2023-24

(Reference: Paragraph 2.2.10.3)

Year wise details of supply order issued		Quantity of GPS Tanks procured (Nos.)		Amount incurred for procurement of GPS Tank (₹)				
Year	No.	1,950 litres	7,800 litres	1,950 litres	7,800 litres	Total	Add 18% GST	Grand Total
2019-20	04*	112	123	1,53,07,309.92	2,53,03,660.86	4,06,10,970.78	73,09,974.74	4,79,20,946
2020-21	06	79	120	1,07,97,120.39	2,46,86,498.40	3,54,83,618.79	63,87,051.38	4,18,70,670
2021-22	02	249	188	3,40,31,430.09	3,86,75,514.16	7,27,06,944.25	1,30,87,249.97	8,57,94,194
2022-23	01	254	314	3,47,14,792.14	6,45,96,337.48	9,93,11,129.62	1,78,76,003.33	11,71,87,133
2023-24	01	4	5	5,46,689.64	10,28,604.10	15,75,293.74	2,83,552.87	18,58,847
Total	14	698	750	9,53,97,342	15,42,90,615	24,96,87,957	4,49,43,832	29,46,31,791

*Supply Orders issued directly to the manufacturer M/s Dhariwal Steel Private Limited

Source: Departmental records

Appendix-2.2.6
Statement showing the details of GMS Pipes & GPS Tanks transported on non-existent and low-Capacity Vehicles
(Reference: Paragraph 2.2.10.3)

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
1	MON/S/03	25.02.2020	AS04J 1475	M-Cycle/scooter	0	0	2,598	0	0	0	0	0	0
2	MON/S/05	25.02.2020	NL07A 0048	LGV	0	0	932	1,410	0	0	0	0	0
3	MON/S/07	25.02.2020	NL05D 9441	D series not Utilised	0	0	0	1,100	0	570	0	0	0
4	MON/S/10	25.02.2020	NL08 0104	Details not in Database	0	0	0	0	0	1,152	0	0	0
5	MON/S/09	27.10.2020	NL07D 9441	D series not Utilised	6,138	0	0	0	0	0	0	0	0
6	MON/S/10	27.10.2020	NL07A 0048	LGV	6,138	0	0	0	0	0	0	0	0
7	MON/S/12	28.10.2020	AS04J 1475	M-Cycle/scooter	0	3,090	0	0	0	0	0	0	0
8	MON/S/15	28.10.2020	NL08 0104	Details not in Database	0	3,090	0	0	0	0	0	0	0
9	MON/S/24	02.12.2020	NL08 0104	Details not in Database	0	0	0	0	0	1,110	0	0	0
10	MON/S/16	22.03.2021	NL07A 9737	LGV	0	0	0	0	1,422	0	0	0	0
11	MON/S/07	30.07.2021	NL02A 3231	Details not in Database	5,856	0	0	0	0	0	0	0	0
12	MON/S/07	03.10.2021	MN03T 0312	Details not in VAHAN	0	4,020	0	0	0	0	0	0	0
13	MON/S/08	03.10.2021	NL07A 3779	LGV	0	4,020	0	0	0	0	0	0	0
14	MON/S/09	03.10.2021	NL07A 7281	LGV	0	4,020	0	0	0	0	0	0	0
15	MON/S/21	03.10.2021	NL01D 1521	Details not in Database	0	0	0	0	0	1,450	0	0	0
16	MON/S/01	14.10.2022	NL05D 1521	Details not in Database	7,230	0	0	0	0	0	0	0	0
17	MON/S/11	14.10.2022	AS01N 7176	Not Found in VAHAN	0	3,630	0	0	0	0	0	0	0
18	MON/S/24	25.02.2022	NL01CC 0551	Details not in Database	0	0	0	0	1,680	0	0	0	0

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
19	MON/S/40	25.02.2022	NL01C 8070	Details not in Database	0	0	0	0	0	1,301	0	0	0
20	MON/S/10	08.04.2022	NL05G 1874	LGV	6,516	0	0	0	0	0	0	0	0
21	MON/S/12	08.04.2022	NL02L 3362	LGV	0	3,258	0	0	0	0	0	0	0
22	MON/S/14	08.04.2022	NL01A 6202	Details not in Database	0	3,258	0	0	0	0	0	0	0
23	MON/S/02	10.06.2022	NL07A 3702	LGV	5,775	0	0	0	0	0	0	0	0
24	MON/S/13	20.07.2022	NL07A 0254	LGV	0	0	0	2,298	0	0	0	0	0
25	MON/S/32	28.07.2022	NL07A 0254	LGV	0	0	0	0	1,620	0	0	0	0
26	MON/S/43	03.08.2022	NL02L 3362	LGV	0	0	0	0	0	0	942	0	0
27	MON/S/71	06.08.2022	NL02L 3362	LGV	0	0	0	0	1,620	0	0	0	0
28	MON/S/82	09.08.2022	NL07AA 0805	LGV	0	0	0	0	0	1,254	0	0	0
29	MON/S/87	09.08.2022	NL01D 1521	Details not in Database	0	0	0	0	0	1,254	0	0	0
30	MON/S/01	09.09.2022	NL07A 0254	LGV	6,390	0	0	0	0	0	0	0	0
31	MON/S/41	30.09.2022	NL07AA 0805	LGV	0	0	0	0	1,752	0	0	0	0
32	MON/S/46	30.09.2022	NL01D 1521	Details not in Database	0	0	0	0	0	1,362	0	0	0
33	MON/S/56	06.10.2022	NL07AA 0805	LGV	0	0	0	0	0	1,362	0	0	0
34	MON/S/61	06.10.2022	NL01D 1521	Details not in Database	0	0	0	0	0	1,362	0	0	0
35	MON/S/88	12.10.2022	NL07AA 0805	LGV	0	0	0	0	1,755	0	0	0	0
36	MON/S/93	12.10.2022	NL01D 1521	Details not in Database	0	0	0	0	1,754	0	0	0	0
37	MON/S/28	17.01.2023	NL07A 0254	LGV	0	2,256	0	0	0	0	0	0	0
38	MON/S/52	20.01.2023	NL07A 0254	LGV	4,380	0	0	0	0	0	0	0	0

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Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
39	MON/S/81	02.02.2023	NL07A 0254	LGV	0	2,256	0	0	0	0	0	0	0
40	MON/S/88	06.02.2023	NL07AA 0805	LGV	0	2,256	0	0	0	0	0	0	0
41	MON/S/93	06.02.2023	NL01D 1521	Details not in Database	0	2,256	0	0	0	0	0	0	0
42	MON/S/1	07.04.2023	NL02L 3362	LGV	0	4,608	0	0	0	0	0	0	0
43	MON/S/17	07.04.2023	NL07AA 0805	LGV	0	0	0	0	0	1,692	0	0	0
44	MON/S/22	07.04.2023	NL01D 0521	Details not in Database	0	0	0	0	0	1,692	0	0	0
45	MON/S/31	15.04.2023	NL07AA 0805	LGV	0	0	0	3,102	0	0	0	0	0
46	MON/S/36	15.04.2023	NL01D 1521	Details not in Database	0	0	0	3,102	0	0	0	0	0
47	MON/S/54	24.04.2023	NL02L 3362	LGV	0	0	0	0	2,172	0	0	0	0
48	MON/S/70	24.04.2023	NL07AA 0805	LGV	0	0	0	0	0	1,692	0	0	0
49	MON/S/75	24.04.2023	NL01D 1521	Details not in Database	0	0	0	0	0	1,692	0	0	0
50	MON/S/87	27.04.2023	AS09C 7216	Details not in Database	0	0	0	0	0	0	1,266	0	0
51	MON/S/90	27.04.2023	AS01GL 8767	Details not in VAHAN	0	0	0	0	0	0	1,266	0	0
52	MON/S/110	29.04.2023	NL07A 0254	LGV	0	0	0	0	0	1,692	0	0	0
53	MON/S/137	03.05.2023	NL07AA 0805	LGV	0	0	0	0	0	1,692	0	0	0
54	MON/S/142	03.05.2023	NL01D 1521	Details not in Database	0	0	0	0	0	0	1,266	0	0
55	MON/S/159	04.05.2023	AS05AC 9466	Details not in VAHAN	0	0	0	0	0	1,692	0	0	0
56	MON/S/188	05.05.2023	NL01H 2245	Motor Car	0	0	0	0	0	0	1,266	0	0
57	MON/S/194	05.05.2023	AS09C 7216	Details not in VAHAN	0	4,423	0	0	0	0	0	1	0
58	MON/S/37	16.08.2023	NL02L 3362	LGV	0	0	0	2,232	0	0	0	0	0

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
59	MON/S/58	23.08.2023	NL02L 3362	LGV	6,450	0	0	0	0	0	0	0	0
60	MON/S/82	30.08.2023	NL07A 0254	LGV	0	0	0	0	1,560	0	0	0	0
61	MON/S/92	05.09.2023	NL07AA 0805	LGV	0	0	0	0	1,560	0	0	0	0
62	MON/S/95	05.09.2023	NL07A 3737	Details not in Database	0	0	0	0	1,560	0	0	0	0
63	MON/S/41	17.10.2023	NL01D 1521	Details not in Database	7,440	0	0	0	0	0	0	0	0
64	MON/S/80	27.10.2023	NL07AA 0805	LGV	0	0	0	0	1,800	0	0	0	0
65	MON/S/12	11.12.2023	NL02L 3362	LGV	0	3,810	0	0	0	0	0	0	0
66	MON/S/28	17.12.2023	NL07AA 0805	LGV	0	0	0	2,563	0	0	0	0	0
67	MON/S/33	17.12.2023	NL01D 1521	Details not in Database	0	0	0	0	1,800	0	0	0	0
68	MON/S/35	09.02.2024	NL07A 0254	LGV	7,440	0	0	0	0	0	0	0	0
69	MON/S/40	09.02.2024	AS05D 6641	M-Cycle/scooter	7,440	0	0	0	0	0	0	0	0
70	MON/S/50	12.02.2024	NL02L 3362	LGV	0	3,828	0	0	0	0	0	0	0
71	MON/S/66	14.02.2024	NL07AA 0805	LGV	0	3,828	0	0	0	0	0	0	0
72	MON/S/71	14.02.2024	NL01D 1521	Details not in Database	0	3,828	0	0	0	0	0	0	0
73	MON/S/2	11.03.2024	AS05AC 9466	Details not in VAHAN	9,442	0	0	0	0	0	0	0	0
74	MON/S/7	27.05.2024	NL07A 9053	LGV	7,950	0	0	0	0	0	0	0	0
75	KMA(U)/S/12	15.02.2022	NL07A 9372	LGV	0	0	0	0	184	0	1,224	0	0
76	MKG/S/06	09.03.2020	NL07A 0048	LGV	0	3,120	0	0	0	0	0	0	0
77	MKG/S/08	09.03.2020	NL05D 9441	D series not Utilised	0	0	2,520	0	0	0	0	0	0
78	MKG/S/05	20.07.2020	NL07A 0048	LGV	4,125	1,080	0	0	0	0	0	0	0

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Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
79	MKG/S/07	20.07.2020	NL05D 9441	D series not Utilised	0	0	2,550	0	0	0	0	0	0
80	MKG/S/10	20.07.2020	NL08 0104	NA	0	3,150	0	0	0	0	0	0	0
81	MKG/S/19	12.03.2021	NL07A 9739	LGV	0	3,150	0	0	0	0	0	0	0
82	MKG/S/22	12.03.2021	NL05D 9441	D series not Utilised	0	540	2,000	0	0	0	0	0	0
83	MKG/S/26	12.03.2021	NL08 3124	LMV	0	0	0	2,142	0	0	0	0	0
84	MKG/S/04	14.04.2021	NL08 0104	NA	6,696	0	0	0	0	0	0	0	0
85	MKG/S/06	05.10.2021	NL01A 3686	Details not in Database	0	3,660	0	0	0	0	0	0	0
86	MKG/S/07	05.10.2021	NL01A 6202	Details not in Database	0	3,660	0	0	0	0	0	0	0
87	MKG/S/11	05.10.2021	NL01D 1521	Details not in Database	0	0	2,976	0	0	0	0	0	0
88	MKG/S/13	05.10.2021	NL07A 1056	LGV	0	702	2,408	0	0	0	0	0	0
89	MKG/S/24	18.10.2021	AS01D 7162	Details not in VAHAN	7,326	0	0	0	0	0	0	0	0
90	MKG/S/26	18.10.2021	NL07A 0048	LGV	1,951	2,670	0	0	0	0	0	0	0
91	MKG/S/29	18.10.2021	AS04J 1475	M-Cycle/scooter	0	0	0	0	1,710	0	0	0	0
92	MKG/S/06	16.02.2022	NL02L 3362	LGV	7,260	0	0	0	0	0	0	0	0
93	MKG/S/08	16.02.2022	NL01A 6202	Details not in Database	7,260	0	0	0	0	0	0	0	0
94	MKG/S/15	16.02.2022	AS04J 1475	M-Cycle/scooter	0	3,630	0	0	0	0	0	0	0
95	MKG/S/21	16.02.2022	NL07A 3481	Tanker	0	0	0	2,500	0	0	0	0	0
96	MKG/S/6	30.03.2022	AS01N 3906	M-Cycle/scooter	5,380	0	0	0	0	0	0	0	0
97	MKG/S/7	31.03.2022	NL05D 1521	Details not in Database	6,420	0	0	0	0	0	0	0	0
98	MKG/S/19	31.03.2022	AS01D 4001	Details not in VAHAN	0	3,210	0	0	0	0	0	0	0

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
99	MKG/S/20	31.03.2022	NL02L 3362	LGV	0	3,210	0	0	0	0	0	0	0
100	MKG/S/22	31.03.2022	NL01A 6202	Details not in Database	3,510	0	0	1,000	0	0	0	0	0
101	MKG/S/01	19.07.2022	NL07AA 0805	LGV	6,900	0	0	0	0	0	0	0	0
102	MKG/S/06	19.07.2022	NL01D 1521	Details not in Database	0	3,552	0	0	0	0	0	0	0
103	MKG/S/29	29.07.2022	NL02L 3362	LGV	0	0	2,802	0	0	0	0	0	0
104	MKG/S/05	19.09.2022	NL01D 1521	Details not in Database	0	3,480	0	0	0	0	0	0	0
105	MKG/S/58	13.10.2022	NL01A 1317	Details not in Database	0	0	1,590	0	690	0	0	0	0
106	MKG/S/01	15.11.2022	NL07A 0254	LGV	8,100	0	0	0	0	0	0	0	0
107	MKG/S/43	18.01.2023	NL02L 3362	LGV	0	1,800	0	0	0	0	0	0	0
108	MKG/S/56	24.01.2023	NL02C 3362	LMV	3,498	0	0	0	0	0	0	0	0
109	MKG/S/72	24.01.2023	NL07AA 0805	LGV	0	1,800	0	0	0	0	0	0	0
110	MKG/S/77	24.01.2023	NL01D 1521	Details not in Database	0	1,800	0	0	0	0	0	0	0
111	MKG/S/98	30.01.2023	NL07A 9372	LGV	3,498	0	0	0	0	0	0	0	0
112	MKG/S/100	30.01.2023	NL07A 0254	LGV	3,498	0	0	0	0	0	0	0	0
113	MKG/S/112	01.02.2023	NL01D 1521	Details not in Database	3,498	0	0	0	0	0	0	0	0
114	MKG/S/149	03.02.2023	NL02L 3362	LGV	0	1,800	0	0	0	0	0	0	0
115	MKG/S/25	05.04.2023	NL01A 8375	Details not in Database	0	0	2,538	0	0	0	0	0	0
116	MKG/S/38	18.04.2023	AS09C 7216	Details not in VAHAN	0	0	0	2,166	0	0	0	0	0
117	MKG/S/51	25.04.2023	NL02C 8070	LMV	0	0	0	0	1,518	0	0	0	0
118	MKG/S/78	04.09.2023	NL02L 3362	LGV	6,268	0	0	210	0	0	0	0	0

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Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
119	MKG/S/10	05.10.2023	NL02L 3362	LGV	2,530	2,250	0	0	0	0	0	0	0
120	MKG/S/17	12.10.2023	AS11DC 7778	Three wheeler (passenger)	0	3,552	0	0	0	0	0	0	0
121	MKG/S/35	12.10.2023	NL07A 0254	LGV	0	3,552	0	0	0	0	0	0	0
122	MKG/S/45	26.10.2023	NL02L 3362	LGV	0	3,552	0	0	0	0	0	0	0
123	WKA/S/05	17.11.2020	NL08 0104	NA	390	2,850	0	0	0	0	0	0	0
124	WKA/S/09	13.07.2021	NL07A 9739	LGV	6,012	0	0	0	0	0	0	0	0
125	WKA/S/01	09.10.2021	NL07A 7281	LGV	7,800	0	0	0	0	0	0	0	0
126	WKA/S/02	09.10.2021	NL07A 3779	LGV	7,800	0	0	0	0	0	0	0	0
127	WKA/S/03	09.10.2021	MN03T 0312	Details not in VAHAN	7,800	0	0	0	0	0	0	0	0
128	WKA/S/12	09.10.2021	NL07A 0048	LGV	0	3,900	0	0	0	0	0	0	0
129	WKA/S/15	09.10.2021	AS04J 1475	M-Cycle/scooter	0	0	3,168	0	0	0	0	0	0
130	WKA/S/37	22.10.2021	AS01N 3906	Hero Honda Splendor	7,800	0	0	0	0	0	0	0	0
131	WKA/S/60	26.10.2021	AS04J 1475	M-Cycle/scooter	0	4,062	0	0	0	0	0	0	0
132	WKA/S/13	23.02.2022	NL07A 9372	LGV	0	3,582	0	0	0	0	0	0	0
133	WKA/S/21	23.02.2022	NL02L 3362	LGV	0	0	0	2,457	1,662	0	0	0	0
134	WKA/S/23	23.02.2022	NL01A 6202	Details not in Database	0	0	0	0	1,662	0	0	0	0
135	WKA/S/33	01.03.2022	NL07A 3481	Tanker	7,164	0	0	0	0	0	0	0	0
136	WKA/S/34	01.03.2022	NL07A 1420	NA	7,164	0	0	0	0	0	0	0	0
137	WKA/S/39	01.03.2022	NL05D 1521	Details not in Database	89	3,540	0	0	0	0	0	0	0
138	WKA/S/47	01.03.2022	ML07B 9287	Excavator	0	0	0	2,458	0	0	0	0	0

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
139	WKA/S/04	28.03.2022	NL07A 9287	Details not in Database	6,684	0	0	0	0	0	0	0	0
140	WKA/S/01	05.04.2022	NL02L 3362	LGV	6,684	0	0	0	0	0	0	0	0
141	WKA/S/03	05.04.2022	NL01A 6202	Details not in Database	6,684	0	0	0	0	0	0	0	0
142	WKA/S/08	05.04.2022	AS04J 1475	M-Cycle/scooter	6,684	0	0	0	0	0	0	0	0
143	WKA/S/12	05.04.2022	NL07A 3481	Tanker	6,684	0	0	0	0	0	0	0	0
144	WKA/S/21	14.04.2022	NL01A 6202	Details not in Database	0	3,342	0	0	0	0	0	0	0
145	WKA/S/26	14.04.2022	AS04J 1475	M-Cycle/scooter	0	3,342	0	0	0	0	0	0	0
146	WKA/S/30	14.04.2022	NL07A 3481	Tanker	0	3,342	0	0	0	0	0	0	0
147	WKA/S/25	23.07.2022	NL07A 0254	LGV	0	0	0	0	1,730	0	0	0	0
148	WKA/S/09	21.09.2022	NL02L 3362	LGV	0	4,056	0	0	0	0	0	0	0
149	WKA/S/10	11.01.2023	NL07A 0254	LGV	3,492	0	0	0	0	0	0	0	0
150	WKA/S/14	10.04.2023	AS05AC 9466	Details not in VAHAN	0	3,366	0	0	0	0	0	0	0
151	WKA/S/19	10.04.2023	AS09DC 1560	Details not in VAHAN	0	0	2,658	0	0	0	0	0	0
152	WKA/S/05	05.08.2023	NL07AA 0805	LGV	5,910	0	0	0	0	0	0	0	0
153	WKA/S/10	05.08.2023	NL01D 1521	Details not in Database	5,910	0	0	0	0	0	0	0	0
154	WKA/S/28	17.08.2023	NL07AA 0805	LGV	5,910	0	0	0	0	0	0	0	0
155	WKA/S/33	17.08.2023	NL01D 1521	Details not in Database	5,910	0	0	0	0	0	0	0	0
156	WKA/S/03	09.10.2023	AS09DC 1560	Details not in VAHAN	5,436	0	0	0	0	0	0	0	0
157	Long/S/08	16.07.2021	MN03 T 0312	Details not in VAHAN	6,042	0	0	0	0	0	0	0	0
158	Long/S/10	30.09.2021	AS01N 3906	M-Cycle/scooter	0	3,810	0	0	0	0	0	0	0

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Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
159	Long/S/05	21.02.2022	ML07B 9287	Excavator	0	3,666	0	0	0	0	0	0	0
160	Long/S/02	12.09.2022	NL02L 3362	LGV	3,978	0	0	0	0	0	0	0	0
161	Long/S/01	17.09.2022	NL02L 3362	LGV	7,266	0	0	0	0	0	0	0	0
162	Long/S/14	17.09.2022	AS01AC 3274	Agriculture Tractor	0	0	0	0	0	1,350	0	0	0
163	Long/S/17	17.09.2022	NL07AA 0805	LGV	0	0	0	0	0	1,350	0	0	0
164	Long/S/03	09.01.2023	NL07AA 0805	LGV	3,636	0	0	0	0	0	0	0	0
165	Long/S/08	09.01.2023	NL01D 1521	Details not in Database	0	1,872	0	0	0	0	0	0	0
166	Long/S/10	13.04.2023	NL07A 1937	LGV	0	0	2,850	0	0	0	0	0	0
167	Long/S/14	13.04.2023	NL07A 0254	LGV	0	0	0	1,685	0	0	0	0	0
168	Long/S/11	08.08.2023	NL02L 3362	LGV	2,070	2,718	0	0	0	0	0	0	0
169	DMP(R)/S/08/ issued	21.08.2020	NL08 0104	N/A	0	3,300	0	0	0	0	0	0	0
170	DMP(R)/S/11/ issued	24.02.2021	NL05O 2595	Details not in VAHAN	5,802	0	0	0	0	0	0	0	0
171	DMP(R)/S/01/ issued	02.07.2021	MN03T 0312	Not Found in VAHAN	6,456	0	0	0	0	0	0	0	0
172	Issued Peren (S)	17.02.2021	NL08 0104	N/A	4,500	0	0	0	0	0	0	0	0
173	PRN/S/04/ issued	17.02.2021	MN03T 0312	Not Found in VAHAN	0	2,940	0	0	0	0	0	0	0
174	PRN/S/04/ issued	22.07.2021	NL07C 3654	LMV	0	2,940	0	0	0	0	0	0	0
175	PRN/S/18/ issued	07.04.2022	NL07A 0254	LGV	0	3,696	0	0	0	0	0	0	0
176	PRN/S/27/ issued	07.04.2022	NL05D 1521	Details not in VAHAN	7,380	0	0	0	0	0	0	0	0
177	Issued PRN/S/41	02.08.2022	NL07AA 9372	N/A	0	0	0	0	1,770	0	0	0	0
178	Issued PRN/S/43	02.08.2022	NL07A 0254	LGV	0	0	0	0	1,770	0	0	0	0

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
179	PRN/S/20/ issued	24.09.2022	NL07A 0254	LGV	0	0	0	2,478	0	0	0	0	0
180	PRN/S/70/ issued	07.10.2022	NL07A 0252	LGV	0	0	0	2,478	0	0	0	0	0
181	PRN/S/25/ issued	13.01.2023	NL07AA 0805	LGV	0	2,292	0	0	0	0	0	0	0
182	PRN/S/22/ issued	22.08.2023	NL07A 0254	LGV	8,172	0	0	0	0	0	0	0	0
183	PRN/S/11/ issued	06.10.2023	NL07AA 0805	LGV	0	0	3,000	0	0	0	0	0	0
184	PK/S/06/ issued	03.03.2020	NL07D 9441	D-series not utilised	0	414	2,184	0	0	0	0	0	0
185	PK/S/15/ issued	13.03.2020	NL08 0104	N/A	0	0	0	0	1,440	0	0	0	0
186	PK/S/25/ issued	17.03.2020	NL08 0104	N/A	0	0	0	0	0	1,136	0	0	0
187	PK/S/23/ issued	10.09.2020	NL07D 9441	D-series not utilised	0	0	0	0	1,470	0	0	0	0
188	PK/S/09/ issued	07.11.2020	AS04J 1475	M-Cycle/scooter	6,150	0	0	0	0	0	0	0	0
189	PK/S/13/ issued	09.11.2020	NL07A 0048	LGV	2,730	1,700	0	0	0	0	0	0	0
190	PK/S/14/ issued	09.11.2020	NL05O 2595	Details not in VAHAN	6,150	0	0	0	0	0	0	0	0
191	PK/S/01/ issued	04.12.2020	AS04J 1475	M-Cycle/scooter	0	600	0	0	0	0	0	3	0
192	PK/S/05/ issued	05.03.2021	MN03T 0312	Not Found in VAHAN	0	2,712	0	0	0	0	0	0	0
193	PK/S/03/ issued	20.04.2021	NL07A 0048	LGV	5,670	0	0	0	0	0	0	0	0
194	PK/S/15/ issued	11.10.2021	AS01N 3906	M-Cycle/scooter	0	0	0	2,622	0	0	0	0	0
195	PHK/S/27/ issued	23.10.2021	AS01D 7162	Details not in VAHAN	7,680	0	0	0	0	0	0	0	0
196	PHK/S/29/ issued	23.10.2021	NL07A 0048	LGV	7,680	0	0	0	0	0	0	0	0
197	PHK/S/32/ issued	23.10.2021	AS04J 1475	M-Cycle/scooter	1,291	3,192	0	0	0	0	0	0	0
198	PHK/S/44/ issued	23.10.2021	MN03T 0312	Not Found in VAHAN	0	0	0	2,622	0	0	0	0	0

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Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
199	PHK/S/45/ issued	23.10.2021	NL07A 3779	LGV	0	0	0	1,184	990	0	0	0	0
200	PHK/S/46/ issued	23.10.2021	NL07A 7281	LGV	0	0	0	0	1,795	0	0	0	0
201	PHK/S/18/ issued	18.02.2022	NL07A 9372	LGV	0	1,800	0	0	840	0	0	0	0
202	PHK/S/33/issu ed	28.02.2022	NL07A 3702	LGV	7,188	0	0	0	0	0	0	0	0
203	PHK/S/35/issu ed	28.02.2022	NL07A 9372	LGV	0	0	0	0	1,674	0	0	0	0
204	PHK/S/36/ issued	28.02.2022	NL07A 4160	N/A	0	0	0	0	1,674	0	0	0	0
205	PHK/S/43/ issued	28.02.2022	NL02L 3362	LGV	0	0	0	0	1,647	0	0	0	0
206	PHK/S/45/ issued	28.02.2022	NL01A 6202	Details not in Database	0	0	0	0	0	1,296	0	0	0
207	PHK/S/50/ issued	28.02.2022	NL07A 1327	N/A	0	0	0	0	0	1,296	0	0	0
208	PHK/S/52/ issued	28.02.2022	AS04J 1475	M-Cycle/scooter	0	0	0	0	0	1,296	0	0	0
209	PHK/S/65/ issued	02.03.2022	NL07A 9372	LGV	0	0	0	0	1,675	0	0	0	0
210	Phek/S/01	28.03.2022	NL05D 1521	Details not in VAHAN	7,800	0	0	0	0	0	0	0	0
211	Phek/S/03	22.07.2022	NL07AA 0805	LGV	0	3,492	0	0	0	0	0	0	0
212	Phek/S/27	30.07.2022	NL07AA 0805	LGV	0	0	2,760	0	0	0	0	0	0
213	Phk/S/03	22.09.2022	NL07AA 0805	LGV	163	3,660	0	0	0	0	0	0	0
214	Phk/S/07	10.01.2023	NL07AA 6614	N/A	3,570	0	0	0	0	0	0	0	0
215	Phk/S/09	14.04.2023	NL05A 9548	Details not in VAHAN	0	3,450	0	0	0	0	0	0	0
216	Phk/S/15	14.04.2023	NL02L 3362	LGV	0	0	2,724	0	0	0	0	0	0
217	Phk/S/36	20.04.2023	NL07A 0254	LGV	0	0	0	186	1,500	0	0	0	0
218	Phk/S/10	09.08.2023	NL07AA 0805	LGV	7,056	0	0	0	0	0	0	0	0

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
219	Phk/S/15	07.10.2023	AS05AC 9466	Not Found in VAHAN	0	0	0	0	1,780	0	0	0	0
220	Issued Dmr(u) 5/27	11.01.2023	NL02L 3362	LGV	5,460	0	0	0	0	0	0	0	0
221	Issued Dmr(u) 5/138	20.01.2023	NL02L 3362	LGV	5,460	0	0	0	0	0	0	0	0
222	Issued Dmr(u) 5/251	31.01.2023	NL02L 3362	LGV	5,460	0	0	0	0	0	0	0	0
223	Issued Dmr(u) 5/299	09.02.2023	NL02L 3362	LGV	0	2,808	0	0	0	0	0	0	0
224	Issued Dmr(u) 5/384	13.02.2023	NL02L 3362	LGV	0	2,808	0	0	0	0	0	0	0
225	Dmp/U/S/38	29.03.2023	NL02L 3362	LGV	0	0	0	0	0	0	0	3	1
226	KPR/S/01/ Issued	19.02.2022	NL02L 3362	LGV	7,188	0	0	0	0	0	0	0	0
227	KPR/S/62/ Issued	20.04.2022	NL02L 3362	LGV	6,618	0	0	0	0	0	0	0	0
228	KPR/S/08/ Issued	18.07.2022	NL02L 3362	LGV	0	0	2,850	0	0	0	0	0	0
229	TSG/S/52/ Issued	25.10.2021	NL02L 3362	LGV	0	0	0	2,262	0	0	0	0	0
230	TSG/S/29	03.03.2022	NL02L 3362	LGV	7,200	0	0	0	0	0	0	0	0
231	TSG/S/53/ Issued	13.04.2022	NL02L 3362	LGV	0	3,259	0	0	0	0	0	0	0
232	Issued TSG/S/10	21.07.2022	NL02L 3362	LGV	0	0	2,790	0	0	0	0	0	0
233	TSG/S/50/ Issued	29.09.2022	NL02L 3362	LGV	0	0	0	0	1,908	0	0	0	0
234	TSG/S/11/ Issued	04.08.2023	NL02L 3362	LGV	0	4,110	0	0	0	0	0	0	0
235	TSG/S/33/ Issued	13.10.2023	NL02L 3362	LGV	0	0	3,048	0	0	0	0	0	0
236	Zbto/S/55/ Issued	05.10.2022	NL02L 3362	LGV	0	0	3,102		0	0	0	0	0
237	Zbto/S/75/ Issued	11.10.2022	NL02L 3362	LGV	0	0	512	2,208	0	0	0	0	0
238	Zbto/S/24/ Issued	06.01.2023	NL02L 3362	LGV	0	2,220	0	0	0	0	0	0	0

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239	Zbto/S/96 Issued	01.05.2023	NL02L 3362	LGV	0	0	0	0	1,476	0	0	0	0
240	Issued Dmr(u) 5/156	23.01.2023	NL07A 0254	LGV	5,460	0	0	0	0	0	0	0	0
241	Issued Dmr(u) 5/283	08.02.2023	NL07A 0254	LGV	5,460	0	0	0	0	0	0	0	0
242	Issued Dmr(u) 5/368	11.02.2023	NL07A 0254	LGV	0	2,808	0	0	0	0	0	0	0
243	Dmp/U/S/22	29.03.2023	NL07A 0254	LGV	0	0	0	0	0	0	0	3	1
244	TSG/S/06/ Issued	04.04.2022	NL07A 0254	LGV	6,510	0	0	0	0	0	0	0	0
245	TSG/S/31/ Issued	13.04.2022	NL07A 0254	LGV	6,510	0	0	0	0	0	0	0	0
246	TSG/S/18/ Issued	20.09.2022	NL07A 0254	LGV	0	0	0	0	1,908	0	0	0	0
247	TSG/S/34/ Issued	29.09.2022	NL07A 0254	LGV	0	0	3,186	0	0	0	0	0	0
248	TSG/S/64	04.10.2022	NL07A 0254	LGV	0	0	0	0	1,908	0	0	0	0
249	TSG/S/06/ Issued	14.08.2023	NL07A 0254	LGV	7,992	0	0	0		0	0	0	0
250	TSG/S/10/ Issued	26.09.2023	NL07A 0254	LGV	0	0	954	810	0	0	0	0	0
251	Zbto/S/23/ Issued	30.03.2022	NL07A 0254	LGV	0	0	2,760	0	0	0	0	0	0
252	Zbto/S/66	18.04.2022	NL07A 0254	LGV	0	0	2,760	0	0	0	0	0	0
253	Zbto/S/10/ Issued	09.06.2022	NL07A 0254	LGV	6,546	0	0	0	0	0	0	0	0
254	Zbto/S/13/ Issued	16.07.2022	NL07A 0254	LGV	0	0	0	2,334	0	0	0	0	0
255	Zbto/S/68/ Issued	05.08.2022	NL07A 0254	LGV	0	0	0	0	1,638	0	0	0	0
256	Zbto/S/10/ Issued	16.09.2022	NL07A 0254	LGV	0	0	3,102	0	0	0	0	0	0
257	ZBTO/S/08/ Issued	06.01.2023	NL07A 0254	LGV	4,320	0	0	0	0	0	0	0	0
258	Zbto/S/10/	06.04.2023	NL07A	LGV	0	3,138	0	0	0	0	0	0	0

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
	Issued		0254										
259	Zbto/S/10/Issued	03.08.2023	NL07A 0254	LGV	6,722	0	0	0	0	0	0	0	0
260	Zbto/S/15/Issued	04.10.2023	NL07A 0254	LGV	0	3,792	0	0	0	0	0	0	0
261	Zbto/S/48/Issued	25.10.2023	NL07A 0254	LGV	0	3,792	0	0	0	0	0	0	0
262	Issued Dmr(u) 5/267	31.01.2023	NL07AA 0805	LGV	5,460	0	0	0	0	0	0	0	0
263	Issued Dmr(u) 5/315	09.02.2023	NL07AA 0805	LGV	0	2,808	0	0	0	0	0	0	0
264	Issued Dmr(u) 5/400	14.02.2023	NL07AA 0805	LGV	0	2,808	0	0	0	0	0	0	0
265	Dmp/U/S/ 58/Issued	30.03.2023	NL07AA 0805	LGV	0	0	0	0	0	0	0	3	1
266	KPR/S/36/issued	26.07.2022	NL07AA 0805	LGV	0	0	0	2,419	0	0	0	0	0
267	Tsg/S/51	04.08.2022	NL07AA 0805	LGV	0	0	0	2,376	0	0	0	0	0
268	TSG/S/9 issued	12.01.2023	NL07AA 0805	LGV	4,095	0	0	0	0	0	0	0	0
269	Zbto/S/36/issued	26.09.2022	NL07AA 0805	LGV	0	0	0	0	1,860	0	0	0	0
270	Zbto/S/30/Issued	19.01.2023	NL07AA 0805	LGV	0	2,220		0	0	0	0	0	0
271	Zbto/S/39/Issued	24.08.2023	NL07AA 0805	LGV	0	0	2,730	0	0	0	0	0	0
272	Zbto/S/34/Issued	16.10.2023	NL07AA 0805	LGV	0	0	0	2,550	0	0	0	0	0
273	KPR/S/09/issued	27.02.2021	NL07A 9739	LGV	0	0	2,430	0	0	0	0	0	0
274	KPR/S/41/issued	20.10.2021	NL07A 3779	LGV	0	0	3,095	0	0	0	0	0	0
275	TSG/S/78/Issued	28.10.2021	NL07A 3779	LGV	6,618	0	0	0	0	0	0	0	0
276	KMA(R)/S/19/issued	06.08.2021	NL07A 3779	LGV	5,969	0	0	0	0	0	0	0	0
277	KPR/S/42/issued	20.10.2021	NL07A 7281	LGV	0	0	3,094	0	0	0	0	0	0

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Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
278	TSG/S/79/ Issued	28.10.2021	NL07A 7281	LGV	6,281	180	0	0	0	0	0	0	0
279	KPR/S/16/ issued	19.02.2022	NL07A 3481	Tanker	0	0	2,922	0	0	0	0	0	0
280	KPR/S/06/ issued	01.04.2022	NL07A 3481	Tanker	6,612	0	0	0	0	0	0	0	0
281	KPR/S/32/ issued	11.04.2022	NL07A 3481	Tanker	6,180	0	172	0	0	0	0	0	0
282	KPR/S/73/ issued	20.04.2022	NL07A 3481	Tanker	6,618	0	0	0	0	0	0	0	0
283	KMA(R)/S/ 35/issued	24.02.2022	NL07A 3481	Tanker	0	3,570	0	0	0	0	0	0	0
284	KPR/S/22/ issued	19.02.2022	NL05D 1521	Details not in Database	0	0	0	2,460	0	0	0	0	0
285	TSG/S/02/ issued	17.02.2022	NL05D 1521	Details not in Database	7,200	0	0	0	0	0	0	0	0
286	TSG/S/50 issued	03.03.2022	NL05D 1521	Details not in Database	0	0	0	2,466	0	0	0	0	0
287	TSG/S/60	05.03.2022	NL05D 1521	Details not in Database	7,200	0	0	0	0	0	0	0	0
288	TSG/S/15	04.04.2022	NL05D 1521	Details not in Database	0	3,258	0	0	0	0	0	0	0
289	TSG/S/40 issued	13.04.2022	NL05D 1521	Details not in Database	6,510	0	0	0	0	0	0	0	0
290	Zbto/S/75/ Issued	18.04.2022	NL05D 1521	Details not in Database	0	0	2,760	0	0	0	0	0	0
291	KPR/S/60/ issued	20.04.2022	NL05G 1874	LGV	1,170	2,720	0	0	0	0	0	0	0
292	TSG/S/26 issued	04.04.2022	NL05G 1874	LGV	4,620	0	770	0	0	0	0	0	0
293	TSG/S/51 issued	13.04.2022	NL05G 1874	LGV	0	3,259	0	0	0	0	0	0	0
294	TSG/S/06/ Issued	18.02.2020	NL07A 0048	LGV	0	0	0	0	1,488	0	0	0	0
295	ZBT/S/02/ issued	06.05.2020	NL07A 0048	LGV	0	0	0	758	1,038	0	0	0	0
296	ZBT/S/17/ issued	08.09.2020	NL07A 0048	LGV	0	0	0	2,190	0	0	0	0	0
297	Zbto/S/05/ issued	02.11.2020	NL07A	LGV	7,500	0	0	0	0	0	0	0	0

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
	issued		0048										
298	Zbto/S/20/ issued	03.12.2020	NL07A 0048	LGV	0	0	0	2,060	330	0	0	0	0
299	Zbto/S/07/ issued	01.10.2021	NL07A 0048	LGV	0	4,218	0	0	0	0	0	0	0
300	TSG/S/06/ Issued	21.06.2021	NL02A 3231	Not Available	6,402	0	0	0	0	0	0	0	0
301	Zbto/S/05/ issued	25.06.2021	NL02A 3231	Not Available	6,240	0	0	0	0	0	0	0	0
302	TSG/S/15/ Issued	11.08.2021	NL07A 9737	LGV	6,402	0	0	0	0	0	0	0	0
303	TSG/S/11/ Issued	28.09.2021	NL01A 3686	Details not in Database	0	3,300	0	0	0	0	0	0	0
304	TSG/S/38/ Issued	21.10.2021	NL01A 3686	Details not in Database	0	3,300	0	0	0	0	0	0	0
305	TSG/S/62/ Issued	25.10.2021	NL01A 3686	Details not in Database	0	0	2,688	0	0	0	0	0	0
306	KMA(R)/S/ 24/issued	14.10.2021	NL01A 3686	Details not in Database	0	3,330	0	0	0	0	0	0	0
307	TSG/S/18/Issued	28.09.2021	NL07A 1056	LGV	0	0	0	2,262	0	0	0	0	0
308	TSG/S/45/ Issued	21.10.2021	NL07A 1056	LGV	0	0	2,688	0	0	0	0	0	0
309	TSG/S/69/ Issued	25.10.2021	NL07A 1056	LGV	6,618	0	0	0	0	0	0	0	0
310	KMA(R)/S/ 31/issued	14.10.2021	NL07A 1056	LGV	0	0	2,706	0	0	0	0	0	0
311	TSG/S/74 Issued	10.10.2022	NL07A 0252	LGV	0	0	0	2,677	0	0	0	0	0
312	KMA(R)/S/ 07/issued	21.11.2020	NL08 0104	Not Available	6,210	0	0	0	0	0	0	0	0
313	Zbto/S/25/ issued	18.09.2020	NL08 0104	Not Available	0	0	0	2,190	0	0	0	0	0
314	Zbto/S/15/ issued	05.11.2020	NL08 0104	Not Available	0	3,788	0	0	0	0	0	0	0
315	KMA(R)/S/ 71/issued	04.03.2022	NL01CC 0551	Details not in Database	3,418	0	0	1,170	0	0	0	0	0
316	TSG/S/05/ Issued	18.02.2020	NL07D 9441	D series not Utilised	0	0	0	0	1,488	0	0	0	0

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Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
317	ZBT/S/01/ Issued	06.05.2020	NL07D 9441	D series not Utilised	0	0	0	2,292	0	0	0	0	0
318	ZBTO/S/08/ issued	14.07.2020	NL07D 9441	D series not Utilised	0	0	2,610	0	0	0	0	0	0
319	ZBTO/S/11/ issued	05.11.2020	NL07D 9441	D series not Utilised	0	0	800	1,890	0	0	0	0	0
320	Zbto/S/74/ issued	18.04.2022	NL07A 1420	Not Available	0	0	2,760	0	0	0	0	0	0
321	TSG/S/07/ Issued	18.02.2020	NL05O 2595	Details not in Database	0	0	0	0	1,244	0	0	1	0
322	TSG/S/03/ Issued	14.04.2021	AS01D 7162	Not found	6,673	0	0	0	0	0	0	0	0
323	TSG/S/12	28.09.2021	NL01A 6202	Details not in Database	0	3,300	0	0	0	0	0	0	0
324	TSG/S/39	21.10.2021	NL01A 6202	Details not in Database	0	3,300	0	0	0	0	0	0	0
325	TSG/S/63	25.10.2021	NL01A 6202	Details not in Database	0	0	2,688	0	0	0	0	0	0
326	TSG/S/31	03.03.2022	NL01A 6202	Details not in Database	7,200	0	0	0	0	0	0	0	0
327	TSG/S/77	28.10.2021	MN03T 0312	Not found	6,618	0	0	0	0	0	0	0	0
328	TSG/S/86	28.10.2021	AS01N 3906	M-Cycle/ scooter	0	3,190	90	0	0	0	0	0	0
329	TSG/S/05/ Issued	17.02.2022	AS25D 6907	Not found	7,200	0	0	0	0	0	0	0	0
330	TSG/S/38	03.03.2022	AS04J 1475	M-Cycle/scooter	7,200	0	0	0	0	0	0	0	0
331	TSG/S/44	03.03.2022	NL07A 3481	Tanker	0	0	1,376	1,320	0	0	0	0	0
332	TSG/S/52	05.03.2022	ML07B 9287	Excavator	0	0	0	0	0	1,302	0	0	0
333	TSG/S/24	11.04.2023	AS09C 7216	Not found	0	0	0	2,244	0	0	0	0	0
334	TSG/S/12	10.12.2023	AS09C 7216	Not found	0	0	3,048	0	0	0	0	0	0
335	TSG/S/40	18.10.2023	AS05AC 9466	Not found	0	3,858	0	0	0	0	0	0	0
336	TSG/S/45	18.10.2023	AS09DC 1560	Not found	0	3,858	0	0	0	0	0	0	0

Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
337	TSG/S/68	21.10.2023	AS11DC 7778	Three-wheeler (passenger)	0	0	0	2,592	0	0	0	0	0
338	KPR/S/02	21.11.2020	NL05O 2595	Details not in Database	260	1,250	0	0	780	0	0	0	0
339	KPR/S/10	07.10.2021	AS01N 3906	M-Cycle/scooter	0	1,902	1,560	0	0	0	0	0	0
340	KPR/S/29	20.10.2021	AS01N 3906	M-Cycle/scooter	0	0	0	0	1,776	0	0	0	0
341	KPR/S/40	20.10.2021	MN03T 0312	Not found	0	0	3,095	0	0	0	0	0	0
342	KPR/S/03	19.02.2022	NL01A 6202	Details not in Database	7,188	0	0	0	0	0	0	0	0
343	KPR/S/10	19.02.2022	AS04J 1475	M-Cycle/scooter	1,750	2,700	0	0	0	0	0	0	0
344	KPR/S/20	31.03.2022	NL07A 0254	LGV	8,790	0	0	0	0	0	0	0	0
345	KPR/S/02	01.04.2022	AS04J 1475	M-Cycle/scooter	6,612	0	0	0	0	0	0	0	0
346	KPR/S/28	11.04.2022	AS04J 1475	M-Cycle/scooter	0	0	2,688	0	0	0	0	0	0
347	KPR/S/64	20.04.2022	NL01A 6202	Details not in database	6,618	0	0	0	0	0	0	0	0
348	KPR/S/69	20.04.2022	AS04J 1475	M-Cycle/scooter	6,618	0	0	0	0	0	0	0	0
349	KMA/R/S/ 29	24.02.2022	AS04J 1475	M-Cycle/scooter	7,140	0	0	0	0	0	0	0	0
350	KMA/R/S/ 49	24.02.2022	ML07B 9287	Excavator	0	0	2,892	0	0	0	0	0	0
351	KMA/R/S/ 67	04.03.2022	ML07B 9287	Excavator	7,140	0	0	0	0	0	0	0	0
352	KMA/R/S/ 25	14.10.2021	NL01A 6202	Details not in Database	0	3,330	0	0	0	0	0	0	0
353	Zbto/S/03	06.05.2020	NL05O 2595	Details not in Database	0	0	0	0	1,562	0	0	0	0
354	Zbto/S/18	08.09.2020	NL05O 2595	Details not in Database	0	0	0	2,190	0	0	0	0	0
355	Zbto/S/06	02.11.2020	NL05O 2595	Details not in Database	7,500	0	0	0	0	0	0	0	0
356	Zbto/S/13	05.11.2020	NL05O 2595	Details not in Database	0	3,788	0	0	0	0	0	0	0

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Sl. No.	Challan No.	Date	Vehicle No.	Make/ Model of vehicle	15 mm	25 mm	32 mm	40 mm	50 mm	65 mm	80 mm	GPS 7800	GPS 1950
357	Zbto/S/21	03.12.2020	NL05O 2595	Details not in Database	0	0	0	0	1,740	0	0	0	0
358	Zbto/S/05	01.10.2021	AS01D 7162	Not found	4,796	1,830	0	0	0	0	0	0	0
359	Zbto/S/10	01.10.2021	AS04J 1475	M-Cycle/scooter	0	0	1,392	1,710	0	0	0	0	0
360	Zbto/S/13	30.03.2022	AS01D 7778	Not found	0	3,402	0	0	0	0	0	0	0
361	Zbto/S/28	17.04.2023	AS05AC 9466	Not found	0	0	2,472	0	0	0	0	0	0
362	Zbto/S/33	17.04.2023	AS09DC 1560	Not found	0	0	2,472	0	0	0	0	0	0
363	Zbto/S/52	26.04.2023	AS05AC 9466	Not found	0	0	2,472	0	0	0	0	0	0
364	Zbto/S/57	26.04.2023	AS09DC 1560	Not found	0	0	2,472	0	0	0	0	0	0
365	Zbto/S/57	31.10.2023	AS05AC 9466	Not found	0	0	0	2,550	0	0	0	0	0
366	Zbto/S/61	31.10.2023	AS09DC 1560	Not found	0	3,760	0	0	0	0	0	0	0
Total					7,22,272	3,11,253	1,28,264	91,975	73,380	33,047	7,230	14	3
Issue rate of GMS Pipes & GPS Tanks					204	454	489	645	707	964	1,571	2,42,751	1,61,273
Total					14,73,43,488	14,13,08,862	6,27,21,096	5,93,23,875	5,18,79,660	3,18,57,308	1,13,58,330	33,98,514	4,83,819
Grand Total					50,96,74,952								

Source: VAHAN database and Transport Department records

Appendix- 2.2.7
Statement showing short execution of works by four PIUs under JJM
(Reference: Paragraph 2.2.10.5)

Sl. No.	Name of the Habitation	As per DPR						As per JVP	Difference (5-9)	Cost (10 x 8)	Nos	Total difference (11 x 12)
		Particulars	Nos.	Volume (LxBxH)	Unit cost	Total cost (4x6)	Cost per m³					
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Pangti	Sedimentation tank	1	55.44	6,97,539	6,97,539	12,582	5.95	49.49	6,22,663	1	6,22,663
		Slow Sand Filter	1	478.50	13,82,511	13,82,511	2,889	20.40	458.10	13,23,559	1	13,23,559
		Main Reservoir	1	291.09	23,65,612	23,65,612	8,127	113.35	177.74	14,44,422	1	14,44,422
		Sub-Reservoir	4	59.64	6,69,893	26,79,574	11,232	34.01	25.64	2,87,944	4	11,51,775
		Clear Water Tank	6	24.15	2,61,750	15,70,499	10,839	10.20	13.95	1,51,177	6	9,07,060
		Brick Masonry Tank	21	9.94	1,36,090	28,57,885	13,690	2.27	7.67	1,05,053	21	22,06,103
2	Longtsung	security fencing (460 m)	1	460 m	13,29,483	13,29,483	2,890	60 m	400 m	11,56,000		11,56,000
		Slow Sand Filter	1	145.83	8,76,076	8,76,076	6,007	58.94	86.89	5,21,978	1	5,21,978
		RCC tank at Source	1	105.63	12,20,757	12,20,757	11,557	58.94	46.68	5,39,510	1	5,39,510
		Security fencing (310 m)	1	310 m	12,62,176	12,62,176	4,072	60 m	250 m	10,18,000		10,18,000
3	Old Changsu	Main Reservoir	1	272.25	24,59,739	24,59,739	9,035	91.82	180.43	16,30,185	1	16,30,185
		RCC Sub Reservoir	3	49.92	6,96,548	20,89,645	13,952	28.34	21.58	3,01,155	3	9,03,465
		Brick Masonry Tank	12	7.06	1,41,505	16,98,057	20,055	3.19	3.87	77,569	12	9,30,830
		Security fencing (210 m)	1	210 m	6,31,088	6,31,088	3,005	80 m	130 m	3,90,650		3,90,650

Sl. No.	Name of the Habitation	As per DPR						As per JVP	Difference (5-9)	Cost (10 x 8)	Nos	Total difference (11 x 12)
		Particulars	Nos.	Volume (LxBxH)	Unit cost	Total cost (4x6)	Cost per m ³					
1	2	3	4	5	6	7	8	9	10	11	12	13
4	Niroyo	Clear Water Tank	1	59.64	6,96,549	6,96,549	11,679	0.00	59.64	6,96,549	1	6,96,549
		Main Reservoir	1	59.64	6,96,549	6,96,549	11,679	33.16	26.49	3,09,330	1	3,09,330
		Sub-Reservoir	2	30.00	4,98,337	9,96,674	16,611	11.56	18.44	3,06,275	2	6,12,551
		Brick Masonry Tank	6	7.06	1,41,505	8,49,029	20,055	3.54	3.51	70,465	6	4,22,791
5	Pherima A	Construction of DTW (150 m)	1	150 m	9,87,500	9,87,500		100 m	50 m	1,99,500	1	1,99,500
6	Yachem	Main Reservoir	1	123.79	9,45,600	9,45,600	7,639	38.68	85.10	6,50,107	1	6,50,107
		RCC Sub Reservoir	4	31.20	3,84,700	15,38,800	12,330	15.30	15.90	1,96,014	4	7,84,056
7	Bhumnyu (Mongnyu)	RCC Tank	4	123.79	9,45,600	37,82,400	7,639	50.78	73.00	5,57,671	4	22,30,683
		Rougening Filter	4	4.00	60,000	2,40,000	15,000	3.00	1.00	15,000	1	15,000
		Sub-Reservoir	3	31.20	3,84,700	11,34,100	12,330	17.00	14.20	1,75,049	3	5,25,146
		Brick Masonry Tank	12	7.06	1,13,700	15,91,800	16,114	2.83	4.22	68,035	12	8,16,424
8	Sakshi	PVC Half round pipe of 100 mm for rain gutters (288 m)	1	288 m	3,45,600	3,45,600	1,200	0.00	288 m	3,45,600	1	3,45,600
		Main Reservoir	1	59.64	5,38,500	5,38,500	9,029	24.48	35.16	3,17,436	1	3,17,436
		Sub-Reservoir	2	37.63	3,84,700	7,69,400	10,225	17.00	20.62	2,10,850	2	4,21,699
		Brick Masonry Tank	9	7.06	1,13,700	10,23,300	16,114	2.83	4.22	68,035	9	6,12,318
9	Yongpang	Main Reservoir	1	75.00	5,38,500	5,38,500	7,180	19.84	55.16	3,96,070	1	3,96,070
		Sub-Reservoir	1	35.48	3,84,700	3,84,700	10,844	17.68	17.79	1,92,938	1	1,92,938

Sl. No.	Name of the Habitation	As per DPR						As per JVP	Difference (5-9)	Cost (10 x 8)	Nos	Total difference (11 x 12)
		Particulars	Nos.	Volume (LxBxH)	Unit cost	Total cost (4x6)	Cost per m³					
1	2	3	4	5	6	7	8	9	10	11	12	13
10	Chomi village	Main Reservoir	1	31.20	8,57,881	8,57,881	27,496	30.61	0.59	16,341	1	16,341
		Brick Masonry Tank	8	7.94	2,09,098	16,72,786	26,341	2.83	5.10	1,34,450	8	10,75,601
		Total					-	-	-	-	-	2,53,86,343

Source: Departmental records

Appendix-2.2.8
Statement showing details of availability of instruments in State Laboratory
(Reference: Paragraph 2.2.10.7)

Sl. No.	Name of the Instrument	Required in State Lab	Total Qty. available in State Lab	Shortage
1	pH meter (both laboratory based and portable type)	Yes	2	0
2	TDS/ Conductivity meter (both laboratory based and potable type)	Yes	1	0
3	Nephelometer (Turbidimeter)	Yes	1	0
4	Digital balance	Yes	2	0
5	UV- Visible spectrophotometer	Yes	-	1
6	Refrigerator	Yes (2 Nos.)	3	Excess 1
7	Water still	Yes	-	1
8	Voltage stabilizer/ Inverters	3 Nos.	-	3
9	Hot Plate	2 Nos.	1	1
10	Heating mantle	Yes	-	1
11	Water bath	Yes	1	0
12	Hot air oven	4 Nos.	1	3
13	Bacteriological incubator	2 Nos	1	1
14	Autoclave	2 Nos.	1	1
15	Magnetic Stirrer	2 Nos.	1	1
16	Microscope	Yes	1	0
17	Vacuum pump	Yes	1	0
18	Atomic Absorption Spectrophotometer (AAS) with electrode lamp	Yes	-	1
19	Inductively coupled plasma- optical emission spectrometry (ICP-OES)/ mass spectrometry (MS)	Yes	-	1
20	UV laminar Air flow chamber for bacteriological analysis	Yes	1	0
21	Plate count and colony counter	Yes	1	0
22	Arsenic Testing Instrumentation (portable)	Yes	1	0
23	Hydride generator with all accessories	Yes	-	1
24	DO meter	Yes	-	1
25	Cool box with icepacks	Yes	-	1
26	Specific Ion meter along with electrodes (for Fluoride)	Yes	-	1
27	Fume coup board	Yes	-	1
28	GC-MS/HPLC/LC-MS	Yes	-	1
29	Auto burette and auto pipette	Yes	1	0
30	Uranium analyser	Yes	-	1
31	Thermometers	Yes	1	0
32	Single Stage distillation apparatus	Yes	1	0
33	Double distillation Apparatus/ Ultrapure Water Purification System to provide type I/type II water for sophisticated instruments	Yes	1	0
34	Argon, Nitrogen, Hydrogen Helium & Oxygen Gas Cylinders (To be used with AAS/ Advanced Spectrophotometer)/ICP-MS/ OES	Yes	-	1
35	Kjeldal distillation apparatus	Yes	-	1
36	Pressure Pump	Yes	-	1
37	Membrane Filtration	Yes	1	0

Sl. No.	Name of the Instrument	Required in State Lab	Total Qty. available in State Lab	Shortage
38	PCR machine	Yes	-	1
39	Deep freezer (-20 deg c)	Yes	-	1
40	Micropipette	Yes	-	1
41	Centrifuge	Yes	-	1
42	Redflux Apparatus/COD digester	Yes	-	1
43	Ion Chromatograph	Yes	-	1

Source: Information supplied by the Department

Appendix-2.2.9

Statement showing details of availability of instruments in four test-checked district laboratories
(Reference: Paragraph 2.2.10.7)

Sl. No.	Name of the Instrument	Required in District Labs	Kiphire	Longleng	Wokha	Dimapur	Total Qty. available in Dist. Labs	Shortage
1	pH meter (both laboratory based and portable type)	Yes	1	2	1	2	6	0
2	TDS/ Conductivity meter (both laboratory based and potable type)	Yes	1	3	1	2	7	0
3	Nephelometer (Turbidimeter)	Yes	1	1	1	1	4	0
4	Digital balance	Yes	1	2	1	2	6	0
5	UV- Visible spectrophotometer	Yes	0	0	0	1	1	3
6	Refrigerator	Yes	2	2	1	2	7	0
7	Water still	Yes	0	1	1	0	2	2
8	Voltage stabilizer/ Inverters	2 Nos.	1	1	1	1	4	4
9	Hot Plate	1 No.	1	1	1	1	4	0
10	Heating mantle	Yes	0	0	0	0	0	4
11	Water bath	Yes	0	0	0	0	0	4
12	Hot air oven	2 Nos.	1	1	1	1	4	4
13	Bacteriological incubator	2 Nos.	0	0	0	0	0	8
14	Autoclave	1 No.	0	0	0	0	0	4
15	Magnetic Stirrer	1 No.	0	1	0	0	1	3
16	Microscope	Yes	0	0	0	0	0	4
17	Vacuum pump	Yes	0	0	0	0	0	4
18	UV laminar Air flow chamber for bacteriological analysis	Yes	0	0	0	0	0	4
19	Plate count and colony counter	Yes	0	0	0	0	0	4

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Sl. No.	Name of the Instrument	Required in District Labs	Kiphire	Longleng	Wokha	Dimapur	Total Qty. available in Dist. Labs	Shortage
20	Arsenic Testing Instrumentation (portable)	Yes	0	0	0	0	0	4
21	Hydride generator with all accessories	Yes	0	0	0	0	0	4
22	DO meter	Yes	0	0	0	0	0	4
23	Cool box with icepacks	Yes	1	1	1	1	4	0
24	Specific Ion meter along with electrodes (for Fluoride)	Yes	0	0	0	0	0	4
25	Fume coup board	Yes	0	0	0	0	0	4
26	Auto burette and auto pipette	Yes	0	0	0	0	0	4
27	Thermometers	Yes	1	5	1	7	14	0
28	Single Stage distillation apparatus	Yes	0	0	0	1	1	3
29	Double distillation Apparatus/ Ultrapure Water Purification System to provide type I/type II water for sophisticated instruments	Yes	0	0	0	0	0	4
30	Argon, Nitrogen, Hydrogen Helium & Oxygen Gas Cylinders (To be used with AAS/ Advanced Spectrophotometer)/ICP-MS/ OES	Yes	0	0	0	0	0	4
31	Kjeldal distillation apparatus	Yes	0	0	0	0	0	4
32	Pressure Pump	Yes	0	0	0	0	0	4
33	Membrane Filtration	Yes	0	0	0	0	0	4
34	Centrifuge	Yes	0	0	0	0	0	4
35	Redflux Apparatus/COD digester	Yes	0	0	0	0	0	4

Source: Information supplied by the Department

Appendix-2.2.10
Statement showing details of water quality tests conducted in the selected district and designated State laboratories
(Reference: Paragraph 2.2.10.8)

Year	No. of selected ¹ laboratories	Tests required to be conducted by laboratories	Tests actually conducted by the district laboratories	Shortfall (figure in parenthesis indicates percentage)	Tests required to be conducted by State laboratory	Tests actually conducted by State laboratory	Shortfall (per cent)
2019-20	4	12,000	642 ²	11,358 (95)	32	0	32 (100)
2020-21	4	12,000	796	11,204 (93)	40	0	40 (100)
2021-22	4	12,000	1,305	10,695 (89)	65	80	-
2022-23	4	12,000	4,250	7,750 (64)	212	186	26 (12)
2023-24	4	12,000	3,778	8,222(68)	189	96	93 (49)

Source: Departmental records

Appendix-2.2.11
Statement showing details of testing of water quality of the required parameters in the four District laboratories
(Reference: Paragraph 2.2.10.8)

Sl. No.	Parameters	No. of test-checked laboratories which conducted tests on the required parameter					No. of laboratories which had not conducted tests
		Kiphire	Longleng	Wokha	Dimapur	Total	
1	pH value	Yes	Yes	Yes	Yes	4	0
2	Total dissolved solids	Yes	Yes	Yes	Yes	4	0
3	Turbidity	Yes	Yes	Yes	Yes	4	0
4	Chloride	Yes	Yes	Yes	Yes	4	0
5	Total alkalinity	Yes	Yes	Yes	Yes	4	0
6	Total hardness	Yes	Yes	Yes	Yes	4	0
7	Sulphate	No	No	No	No	0	4
8	Iron	Yes	Yes	Yes	Yes	4	0
9	Total arsenic	No	No	No	No	0	4
10	Fluoride	No	Yes	Yes	Yes	3	1
11	Nitrate	No	Yes	Yes	Yes	3	1
12	Total coliform bacteria	No	No	No	No	0	4
13	E.coli or thermotolerant coliform bacteria	No	No	Yes	No	1	3

Source: Information supplied by the department

¹ Kiphire District Lab, Longleng District Lab, Wokha District Lab and Dimapur District Lab

² Test conducted in respect of Kiphire District Lab was not available for the period 2019-20

Appendix-2.2.12

Statement showing details of targets for testing of water sources in four selected districts using FTKs

(Reference: Paragraph 2.2.10.8)

Year	Total number of sources in four selected districts	Targets of Tests	Total number of Tests conducted	Shortfall (per cent)
2019-20	854 ³	10,248	401	9,847(96)
2020-21	1,024	12,288	687	11,601(94)
2021-22	1,286	15,432	2,339	13,093(84)
2022-23	1,394	16,728	6,802	9,926(59)
2023-24	1,396	16,752	4,002	12,750(76)
Total		71,448	14,231	57,217(82)

Source: Departmental records

³ Total number of sources and No. of Tests conducted in respect of Kiphire District Lab was not available for the year 2019-20

Appendix-2.2.13
Statement showing discrepancy of FHTCs provided between IMIS and actual execution and its monetary effect
(Reference: Paragraph 2.2.11.1)

Sl. No.	District	Block	Village Name /Habitation	Project cost	No. of FHTC required in DPR	Present status (IMIS) (Sept 2024)	Number of FHTC provided during JPV	Cost per FHTC (5/6)	Number of Short execution of FHTC (7-8)	Cost of short execution cost (9x10) (₹ in lakh)	Present Status (September 2024)
1	2	3	4	5	6	7	8	9	10	11	12
1	Dimapur	Chumukedima	Thilixu Village	696.92	1,181	1,153	881	0.59	272	160.48	On-going
2			Unity Village (Sugar Mill)	510.10	1,027	850	850	0.50	0	0.00	On-going
3			Zani	86.89	225	255	192	0.39	63	24.57	On-going
4			Phaipijang	120.32	247	247	240	0.49	7	3.43	Completed
5			Paglapahar (New Chumukedima)	88.32	157	130	96	0.56	34	19.04	On-going
6			Diphupar "A"	807.21	2,476	1,530	648	0.33	882	291.06	On-going
7			Aoyim	17.47	80	80	32	0.22	48	10.56	Completed
8		Niuland	New Showuba	129.54	205	194	194	0.63	0	0.00	On-going
9			Zuheshe	36.80	72	72	20	0.51	52	26.52	Completed
10			Sukhato	32.57	56	51	51	0.58	0	0.00	Completed
11			Hevikhe	65.46	90	45	45	0.73	0	0.00	On-going
12		Medziphema	Ruzaphema	208.38	366	366	150	0.57	216	123.12	Completed
13			Medziphema Village	166.66	343	339	110	0.49	229	112.21	Completed
14			Pherima -A	44.47	125	66	66	0.36	0	0.00	On-going
15			Piphema - A	56.49	279	235	180	0.20	55	11.00	On-going
16	Longleng	Longleng	Yachem	305.95	724	724	504	0.42	220	92.40	100 phy

Sl. No.	District	Block	Village Name /Habitation	Project cost	No. of FHTC required in DPR	Present status (IMIS) (Sept 2024)	Number of FHTC provided during JPV	Cost per FHTC (5/6)	Number of Short execution of FHTC (7-8)	Cost of short execution cost (9x10) (₹ in lakh)	Present Status (September 2024)
17			Bhumnyu (Mongnyu)	220.14	994	702	504	0.22	198	43.56	Completed
18			Oushok	38.71	102	80	0	0.38	80	30.40	On-going
19			Hamlikong	45.18	141	101	0	0.32	101	32.32	On-going
20			Hukpang	75.77	517	517	150	0.15	367	55.05	On-going
21		Sakshi	Sakshi	168.12	535	355	240	0.31	115	35.65	Completed
22			Yongpang Village	113.80	413	342	250	0.28	92	25.76	Completed
23			Pongo	118.25	808	550	550	0.15	0	0.00	On-going
24	Kiphire	Kiphire	Anatongre	125.40	688	688	688	0.18	0	0.00	Completed
25			Kiphire Village	161.75	481	481	222	0.34	259	88.06	Completed
26			Kesitong	58.42	350	350	177	0.17	173	29.41	On-going
27		Pungro	Phuvkiu (Chomi)	205.60	553	553	338	0.37	215	79.55	Completed
28	Wokha	Wokha	Sangkumti	187.22	249	244	244	0.75	0	0.00	Completed
29			Changsui Old Village	322.46	566	565	205	0.57	360	205.20	On-going
30			Niroyo	132.58	199	198	105	0.67	93	62.31	On-going
31			Riphym Old Village	70.20	484	484	0	0.15	484	72.60	On-going
32		Sanis	Pangti	463.10	1,200	1,200	115	0.39	1085	423.15	100 phy
33			Longtsung	177.84	268	268	134	0.66	134	88.44	On-going
34			Meshangpen	55.84	87	87	70	0.64	17	10.88	Completed
Total				6,113.93	16,288	14,102	8,251	-	5,851	2,157.00	-
									Say	₹21.57 crore	

Source: Departmental records

Appendix: 2.3.1
Statement on receipts and expenditure of different sub-schemes under Anganwadi services during
2018-2024
(Reference Paragraph 2.3.12.1)

(₹ in lakh)

Year	Unspent balance of previous year	Amount released by GoI	State share released by GoN	Total	Expenditure	Unspent balance	Percentage of savings
A. ICDS General							
2018-19	0	3,721.00	0	3,721.00	3,721.00	0.00	
2019-20	0	7,725.91	0	7,725.91	7,725.91	0.00	
2020-21	0	6,688.44	744.16	7,432.60	7,432.60	0.00	
2021-22	0	7,232.43	384.52	7,616.95	7,616.95	0.00	
2022-23	0	8,346.43	927.38	9,273.81	9,273.81	0.00	
2023-24	0	10,113.00	1,123.66	11,236.66	11,204.20	32.46	
Total		43,827.21	3,179.72	47,006.93	46,974.47		
B. Supplementary Nutrition programme (SNP)							
2018-19	2,351.33	8,231.20	210.79	10,793.32	7,043.61	3,749.71	34.74
2019-20	3,749.71	7,390.27	673.00	11,812.98	10,488.64	1,324.34	11.21
2020-21	1,324.34	8,232.90	1151.27	10,708.51	8,650.40	2,058.11	19.22
2021-22	2,058.11	8,232.75	914.75	11,205.61	9,147.49	2,058.12	18.37
2022-23	2,058.12	8,918.17	686.08	11,662.37	8,918.88	2,743.49	23.52
2023-24	2,743.49	9,732.94	1157.19	13,633.62	10,686.33	2,947.29	21.62
Total		50,738.23	4,793.08	57,882.64	54,935.35		--
C. ICDS Training							
2018-19	0	0	0	0	0	0	
2019-20	0	17.02	0	17.02	17.02	0	
2020-21	0	0	0	0	0	0	
2021-22	0	0	0	0	0	0	
2022-23	0	0	0	0	0	0	
2023-24	0	23.40	2.60	26.00	0	26.00	
Total		40.42	2.60	43.02	17.02		
D. ICDS Construction budget							
i. Upgradation of AWC							
2018-19	2,318.40	0	0	2,318.40	1,518.40	800.00	
2019-20	800.00	0	0	800.00	800.00	0	
2020-21	0	381.60	42.40	424.00	424.00	0	
2021-22	0	0	0	0	0	0	
2022-23	0	0	0	0	0	0	
2023-24	0	266.40	0	266.40	0	266.40	
Total		648.00	42.40	3,008.80	2,742.40		
ii. Upgradation of AWC to Saksham Anganwadi							
2018-19	0	0	0	0	0	0	
2019-20	0	0	0	0	0	0	
2020-21	0	0	0	0	0	0	
2021-22	0	0	0	0	0	0	
2022-23	0	72.14	8.02	80.16	80.16	0	
2023-24	0	44.10	4.90	49.00	0	49.00	
Total		116.24	12.92	129.16	80.16		
iii. Construction of Toilet facilities at AWC							
2018-19	0	0	0	0	0	0	
2019-20	0	68.26	0	68.26	68.26	0	
2020-21	0	0	0	0	0	0	
2021-22	0	0	0	0	0	0	
2022-23	0	136.51	0	136.51	136.51	0	
2023-24	0	707.94	78.66	786.60	0	786.60	

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Year	Unspent balance of previous year	Amount released by GoI	State share released by GoN	Total	Expenditure	Unspent balance	Percentage of savings
Total	0	912.71	78.66	991.37	204.77	786.60	
iv. Construction of Drinking water facilities at AWC							
2018-19	0	47.25	5.25	52.50	52.50	0	
2019-20	0	54.40	0	54.40	54.40	0	
2020-21	0	0	0	0	0	0	
2021-22	0	0	0	0	0	0	
2022-23	0	0	0	0	0	0	
2023-24	0	204.26	22.70	226.96	0	226.96	
Total		305.91	27.95	333.86	106.90		
E. Poshan Abhiyaan							
2018-19	163.74	1,251.97	0	1,415.71	856.13	559.58	39.53
2019-20	559.58	2,298.17	0	2,857.75	2,227.38	630.37	22.06
2020-21	630.37	1,550.11	289.84	2,470.32	2,155.75	314.57	12.73
2021-22	314.57	1,461.30	115.31	1,891.18	1,891.18	0	0.00
2022-23	0	943.69	259.04	1,202.73	1,202.73	0	0.00
2023-24	0	1,946.89	183.48	2,130.37	1,146.79	983.58	46.17
Total		9,452.13	847.67	10,463.54	9,479.96		
F. Scheme for Adolescent Girls (SAG)							
2018-19	0	125.09	13.9	138.99	138.99	0	
2019-20	0	248.9	27.65	276.55	276.55	0	
2020-21	0	187.76	20.86	208.62	208.62	0	
2021-22	0	154.97	17.22	172.19	172.19	0	
2022-23	0	28.16	3.13	31.29	31.29	0	
2023-24	0	3,571.28	215.89	3,787.17	3,787.17	0	
Total		4,316.16	298.65	4,614.81	4,614.81		

G. Statement showing budget and expenditure for WBNP

(Amount in ₹)

Financial Year	Instalment	Opening Balance	Fund sanctioned	Expenditure	Closing Balance
2018-19	1 st and 2 nd of 2018-19	Nil	5,82,98,542	5,82,98,542	Nil
2019-20	3 rd and 4 th of 2018-19	Nil	5,82,99,000	5,82,99,000	Nil
2020-21	Nil	Nil	Nil	Nil	Nil
2021-22	3 rd and 4 th of 2019-20	Nil	5,06,26,000	5,06,26,000	Nil
	1 st , 2 nd , 3 rd and 4 th of 2020-21	Nil	7,19,43,000	7,19,43,000	
2022-23	1 st and 2 nd of 2019-20	Nil	5,83,99,000	5,82,98,542	1,00,458
	1 st , 2 nd , 3 rd and 4 th of 2021-22	Nil	7,01,76,000	7,01,76,000	
2023-24	1 st , 2 nd , 3 rd and 4 th of 2022-23	1,00,458	7,23,21,000	7,23,21,000	1,00,458

Source: Departmental records

Appendix-2.4.1

Statement showing Action Plan for NHM activities on matching State Share for Infrastructure Maintenance under NHM
(Reference Paragraph 2.4.4)

Codes		Strategy/Activities	Amount (in ₹)
	A.1	Maternal Health	
2.3.1.1.1	A.1.2.1	Outreach camps	75,00,000
2.3.1.1.2	A.1.2.2	Monthly Village Health and Nutrition Days	85,00,000
	A.1.3	Janani Suraksha Yojana/JSY	
1.2.1.1	A.1.3.1	Home Deliveries	30,00,000
1.2.1.2	A.1.3.2	Institutional deliveries	
1.2.1.2.1	A.1.3.2.a	Rural	95,00,000
1.2.1.2.3	A.1.3.2.c	C Sections	95,00,000
	A.1.6	JSSK- Janani Shishu Suraksha Karyakram	
1.1.1.2	A.1.6.3	Diet services for JSSK beneficiaries (3 days for normal delivery and 7 days for Cesarean)	5,10,111
Total			3,85,10,111

Source: Departmental records

Appendix-2.4.2

Statement showing non-replacement of rejected medicines by M/s RS Pharma & Surgico, Dimapur
(Reference Paragraph 2.4.4)

(Amount in ₹)

Sl. No.	As per supply order							Rejected stores for replacement by	
	Name of Drugs	Dosage Form	Strength	Unit/packing	Rate	Quantity	Amount	Quantity	Amount
1.	Paracetamol	Tab	500mg	1x10	10.4	30,000	3,12,000	0	0
2.	Paracetamol	Syrup	125mg/5ml	60ml	21	20,000	4,20,000	10,000	2,10,000
3.	Diclofenac sodium	SR.Tab	50mg	1x10	21.5	20,000	4,30,000	0	0
4.	Diclofenac Sodium	Gel	1%w/w	30gm tube	32	10,000	3,20,000	680	21,760
5.	Ibuprofen	Tab	400mg	1x10	10	22,460	2,24,600	0	0
6.	Ampicillin	Cap	250mg	1x10	27.6	20,000	5,52,000	10,000	2,76,000
7.	Ampicillin	Cap	500mg	1x10	52.4	20,000	10,48,000	0	0
8.	Amoxicillin	Cap	250mg	1x10	30.4	20,000	6,08,000	0	0
9.	Amoxicillin	Cap	500mg	1x10	67.2	20,000	13,44,000	0	0
10.	Amoxicillin	Dry Syp.	125mg/5ml	60ml	37.8	10,000	3,78,000	5,000	1,89,000
11.	Trimethoprim & Sulphamethazole	Tab	80 + 400mg	1x10	6	15,000	90,000	0	0
12.	Ofloxacin	Tab	200mg	1x10	60.3	15,000	9,04,500	0	0
13.	Azithromycin	Tab	250mg	1x6	67.98	20,000	13,59,600	0	0
14.	Azithromycin	Tab	500mg	1x3	67.95	20,000	13,59,000	10,000	6,79,500
15.	Doxycycline HCL	Tab	100mg	1x10	10.4	14,000	1,45,600	0	0
16.	Metronidazole	Tab	400mg	1x10	11.81	15,000	1,77,150	0	0
17.	Cefixime	Tab	100mg	1x10	84.9	15,000	12,73,500	0	0
18.	Cefixime	Tab	200mg	1x10	124.2	15,000	18,63,000	0	0
19.	Amoxicillin + Clavulanic acid	Tab	300+75 mg	1x10	125	20,000	25,00,000	0	0
20.	Ornidazole	Tab	500mg	1x10	48	15,000	7,20,000	0	0
21.	Ranitidine HCL	Tab	150mg	1x15	8	15,000	1,20,000	7,500	60,000
22.	Omeprazole	Cap	20mg	1x15	49.95	20,000	9,99,000	0	0
23.	Domperidone	Tab	10mg	1x10	24.9	15,000	3,73,500	0	0
24.	Vit C + Zinc	Cap	Zinc+Vit	1x10	64.34	18,000	11,58,120	0	0
25.	Cetirizine Hydrochloride	Tab	10mg	1x10	19.9	17,000	3,38,300	0	0
26.	Pheneramine Maleate	Tab	25mg	1x10	4	20,000	80,000	0	0
27.	Ciprofloxacin	Eye/Ear Drops	0.3%w/v	5ml Vial	7.75	15,000	1,16,250	0	0

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Sl. No.	As per supply order							Rejected stores for replacement by	
	Name of Drugs	Dosage Form	Strength	Unit/packing	Rate	Quantity	Amount	Quantity	Amount
28.	Mupirocin oint.	Ointment	2%	5 gm	75.8	8,000	6,06,400	0	0
29.	ORS	powder	21gm	Sachet	24.9	14,000	3,48,600	0	0
30.	Amlodipine	Tab	5mg	1x10	35.06	8,000	2,80,480	0	0
31.	Amlodipine	Tab	10mg	1x10	55.55	8,000	4,44,400	0	0
32.	Telmisartan	Tab	40 mg	1x10	107.96	8,000	8,63,680	0	0
33.	Metformin	Tab	500mg	1x10	19.26	8,000	1,54,080	0	0
34.	Glimiperide	Tab	1 mg	1x10	11.03	8,000	88,240	0	0
Total						538,460	2,20,00,000	43,180	14,36,260

Source: Department records

Appendix 2.4.3 Statement showing short supply of hospital linens by M/s New Homescape, Dimapur (Reference Paragraph 2.4.4)

Sl. No.	As per supply order						(Amount in ₹) Short supply	
	Items	Specification	Packing (No.)	Rate	Quantity	Amount	Quantity	Amount
1.	White Hand Towel (soft Cotton)	75 cm X 30 cm	1	90	4,000	3,60,000	1,200	1,08,000
2.	Bed Sheet white (Stitched Border)	225 cm X 135 cm	1	300	4,000	12,00,000	1,590	4,77,000
3.	Pillow	75 cm X 45 cm	1	550	2,000	11,00,000	650	3,57,500
4.	Pillow Cover	75 cm X 45 cm	1	100	4,000	4,00,000	2,400	2,40,000
5.	Blanket (Mink Thick)	250 cm X 150 cm	1	1,500	1,800	27,00,000	540	8,10,000
6.	Dunlop Mattress	36 " X 78" X 3"	1	5,500	350	19,25,000	131	7,20,500
7.	Macintosh sheet (90cm x 1 meter)	90cm x 1 meter	1	200	450	90,000	225	45,000
8.	PVC apron	24 x 36 inch	1	250	900	2,25,000	450	1,12,500
Total						80,00,000	7,186	28,70,500

Source: Department records

Appendix-2.4.4 Statement showing short supply of nursing sundries by M/s JB Construction, Kohima (Reference Paragraph 2.4.4)

Sl. No.	As per supply order					(Amount in ₹) Short supply	
	Name of Items	Specification	Rate	Quantity	Amount	Quantity	Amount
1.	Gauze Cloth	90 x 16.5 mtr	₹425/ than	6,500 than	27,62,500	4,460	18,95,500
2.	R/Bandage	5cm x 5 mtrs	₹70/ Dozen	4,500 Dozen	3,15,000	2,250	1,57,500
3.	R/ Bandage	7.5cm x5 mtrs	₹85/Dozen	4,500Dozen	3,82,500	2,250	1,91,250
4.	R/Bandage	10cm x 5 mtrs	₹110/ Dozen	4,500 Dozen	4,95,000	2,220	2,44,200
5.	R/Bandage	15cm x 5 mtrs	₹150/Dozen	4,500 Dozen	6,75,000	2,250	3,37,500
6.	Crepe Bandage	7.5cm x 4 mtrs	₹150/Roll	4,500	6,75,000	2,834	4,25,100
7.	Crepe Bandage	10cm X 4mtrs	₹180/Roll	4,500	8,10,000	2,148	3,86,640
8.	Cotton	500 Grms	₹250/Roll	5,100	12,75,000	2,850	7,12,500
9.	Cotton roll	100 grms	₹50/Roll	5,320	2,66,000	3,720	1,86,000
10.	G. Dress	20 cm	₹120/-	3,500	4,20,000	0	0
11.	G. Dress	15cm	₹75/-	3,500	2,62,500	0	0
12.	G. Dress	10 cm	₹49/-	3,500	1,71,500	0	0
Total					85,10,000	24,982	45,36,190

Source: Department records

Appendix-2.6.1
Statement showing 18 subjects listed in the 12th Schedule of the Constitution of India
(Reference Paragraph 2.6.2)

Sl No.	Subject
1.	Urban planning including town planning.
2.	Regulation of land-use and construction of buildings.
3.	Planning for economic and social development.
4.	Roads and bridges.
5.	Water supply for domestic, industrial and commercial purposes.
6.	Public health, sanitation conservancy and solid waste management.
7.	Fire services.
8.	Urban forestry, protection of the environment and promotion of ecological aspects.
9.	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10.	Slum improvement and upgradation.
11.	Urban poverty alleviation.
12.	Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13.	Promotion of cultural, educational and aesthetic aspects
14.	Burials and burial grounds; cremations, cremation grounds and electric crematoriums.
15.	Cattle pounds; prevention of cruelty to animals.
16.	Vital statistics including registration of births and deaths.
17.	Public amenities including street lighting, parking lots, bus stops and public conveniences.
18.	Regulation of slaughter houses and tanneries

Appendix-3.2.1
Statement showing Person Days (PDs) estimated and actual generation in the test-checked districts
(Reference: Paragraph 3.2.8.3)

Year	Estimated	Generated	Excess/ Shortfall Generated	Percentage of short generation
DIMAPUR				
2019-20	21,45,084	21,32,531	12,553	
2020-21	34,10,183	31,06,352	3,03,831	
2021-22	70,89,200	33,21,489	37,67,711	
2022-23	69,98,700	30,34,680	39,64,020	
2023-24	66,64,700	25,29,510	41,35,190	
Total	2,63,07,867	1,41,24,562	1,21,83,305	46
MOKOKCHUNG				
2019-20	10,43,090	14,32,556	-3,89,466	
2020-21	16,63,748	16,77,353	-13,605	
2021-22	35,73,100	17,63,222	18,09,878	
2022-23	35,45,500	18,74,720	16,70,780	
2023-24	35,72,600	16,95,430	18,77,170	
Total	1,33,98,038	84,43,281	49,54,757	37
PHEK				
2019-20	9,99,288	14,27,783	-4,28,495	
2020-21	15,88,746	13,77,344	2,11,402	
2021-22	35,57,900	14,81,023	20,76,877	
2022-23	37,56,800	17,16,827	20,39,973	
2023-24	38,18,800	16,18,749	22,00,051	
Total	1,37,21,534	76,21,726	60,99,808	44
ZUNHEBOTO				
2019-20	10,33,844	11,64,363	-1,30,519	
2020-21	16,04,530	13,15,500	2,89,030	
2021-22	33,31,900	15,49,959	17,81,941	
2022-23	33,31,900	16,12,978	17,18,922	
2023-24	33,31,751	13,37,681	19,94,070	
Total	1,26,33,925	69,80,481	56,53,444	45

Source: Departmental records

Appendix-3.2.2
Statement showing delay in release of fund
(Reference: Paragraph 3.2.8.5)

Receipt of funds by State Government from GoI (MoRD)		Release of funds by State Government to the implementing Department		Details of release of State Share		Date of Withdrawal from Civil Deposit (CD)	Delay in release of GoI Share (in days)	Delay in release of State Share (in days)	Interest on delay in release of GoI share	Interest on delay in release of State share
Sanction no. and date	Particulars	Amount	Sanction no. and date	Amount	Drawal Authority No./ Limit No.	Amount				
2019-20										
F.No.J-11060/19/2019-MGNREG A(RE-III) Sl. No.3 dated 08.04.2019	1st Instalment of 1st Tranche of Central Assistance for financial year 2019-20 (Wages, Material & Admin)	2,42,75,77,000	NO.RD/MG NREGA-SEGF-35/2014 Dated Kohima, the 22.05.2019	2,42,75,77,000	15 of 2019-20 dated 07.12.2019 (1st & 2nd instalment of 1st Tranche 2019-20) & 3rd Instalment 2018-19	36,93,26,000	41	238	3,27,22,408	2,88,98,495
F.No.J-11060/19/2019-MGNREG A(RE-III) Sl. No.62 dated 05.08.2019	2nd Instalment of 1st Tranche of Central Assistance for financial year 2019-20 ((Materials and Admin Component)	31,33,03,000	NO.RD/MG NREGA-SEGF-35/2014 Dated Kohima, the 05.11.2019	31,33,03,000			89	121	91,67,332	0
F.No.J-11060/19/2019-MGNREG A(RE-III) Sl. No.82 dated	3rd Instalment of 1st Tranche of Central Assistance for financial year 2019-20 (Materials and Admin Component)	24,44,95,000	NO.RD/MG NREGA-SEGF-35/2014 Dated Kohima, the 20.12.2019	24,44,95,000	18 of 2019-20 dated 01.02.2020 (State matching share during FY 2019-20	2,71,66,000	56	99	45,01,387	8,84,197

Receipt of funds by State Government from GoI (MoRD)		Release of funds by State Government to the implementing Department		Details of release of State Share		Date of Withdrawal from Civil Deposit (CD)	Delay in release of GoI Share (in days)	Delay in release of State Share (in days)	Interest on delay in release of GOI share	Interest on delay in release of State share
Sanction no. and date	Particulars	Amount	Sanction no. and date	Amount	Drawal Authority No./ Limit No.					
22.10.2019					against 3 rd instalment of 1 st Trench of Central share released by GoI)					
F.No.J-11060/19/2 019-MGNREG A(RE-III) Sl. No.154 dated 26.02.2020	4th Instalment of 1st Tranche of Central Assistance for financial year 2019-20 (Wages, Materials and Admin Component)	18,29,80,000	Drawal limit No. 33 of 2019-20 Dated 30.03.2020 (Transfer Credit to Civil Deposit)	18,29,80,000		08.05.2020	68		40,90,731	0
F.No.J-11060/19/2 019-MGNREG A(RE-III) Sl. No.156 dated 23.03.2020	1st Instalment of 2nd Tranche of Central Assistance for financial year 2019-20 (Wages, Materials and Admin Component)	13,61,15,000	Drawal limit No. 33 of 2019-20 Dated 30.03.2020 (Transfer Credit to Civil Deposit)	13,61,15,000		08.05.2020	68		30,43,009	0
Total		3,30,44,70,000							5,35,24,867	2,97,82,692
	Fund	Interest								
GOI	3,30,44,70,000	5,35,24,867								
GON	39,64,92,000	2,97,82,692								
Total	3,70,09,62,000	8,33,07,559								

Source: Departmental records

2020-21											
Receipt of funds by State Government from GoI (MoRD)			Release of funds by State Government to the implementing Department		Details of release of State Share		Date of Withdrawal from Civil Deposit (CD)	Delay in release of GoI Share (in days)	Delay in release of State Share (in days)	Interest on delay in release of GOI share	Interest on delay in release of State share
Sanction no. and date	Particulars	Amount	Sanction no. and date	Amount	Drawal Authority No./ Limit No.	Amount					
F. No. J-11060/14/2020-MGNREGA(RE-III) Sl. No.16 Dated 07.04.2020	1st instalment of 1st Tranche of Central Assistance for financial year 2020-21 (Wages, Material and Admin Component	3,27,58,62,000	NO.RD/MGN REGA-SEGF-35/2014 Dated Kohima, the 21.05.2020	1,91,12,00,000				44		2,76,46,948	0
			NO.RD/MGN REGA-SEGF-35/2014 Dated Kohima, the 14.07.2020	1,36,46,62,000				97		4,35,19,632	0
F. No. J-11060/14/2020-MGNREGA(RE-III) Sl. No.57 Dated 19.10.2020	2nd instalment of 1st Tranche of Central Assistance for financial year 2020-21 (Wages, Material and Admin Component	1,56,23,52,000	NO.RD,MGN REGA-SECF/17/2018 Dated Kohima, the 16.02.2021	93,74,00,000				118		3,63,65,984	0
			Dated Kohima the 30.03.2021	62,49,52,000				160		3,28,74,187	0
Total		4,83,82,14,000		4,83,82,14,000						14,04,06,751	0
	Fund	Interest									
GOI	4,83,82,14,000	14,04,06,751									
GON	0	0									
Total	4,83,82,14,000	14,04,06,751									

Source: Departmental records

2021-22									
Receipt of funds by State Government from GoI (MoRD)			Release of funds by State Government to the implementing Department		Details of release of State Share			(Amount in ₹)	
Sanction no. and date	Particulars	Amount	Sanction no. and date	Amount	Drawal Authority No. / Limit No.	Amount	Date of Withdrawal from Civil Deposit (CD)	Delay in release of State Share (in days)	Delay in Submission of UCs
F. No. J-11060/09/2021-MGNRG A (RE-III) Sl. No.31 Dated 21.09.2021	1st Instalment of 1st Tranche of Central Assistance for financial year 2021-22 towards Material and Admin Contingency (247,86,18,000 = Pending Liabilities for FY 2020-21, Material = 7,70,76,000 and Admin Contingency = 8,18,52,500)	2,63,75,46,500	NO.RD/ MGNRE GA- SEGF/17 /2018 Dated Kohima, the 05.11.20 21	2637546500	2 of 2021-22 Dated Kohima, the 04.06.2021 (State matching share against central assistance pertaining to 2020-21)	29,99,86,000		43 Nil	
					5 of 2021-22 Dated Kohima, the 12.08.2021 (State matching share against central assistance pertaining to 2020-21)	13,57,42,000		Nil	
Total		2,63,75,46,500				43,57,28,000			
	Fund	Interest							
GOI	2,63,75,46,500	Not applicable							
GON	43,57,28,000	Not applicable							
Total	3,07,32,74,500	0							

Source: Departmental records

2022-23										
Receipt of funds by State Government from GoI (MoRD)				Release of funds by State Government to the implementing Department			Details of release of State Share		(Amount in ₹)	
Sanction no. and date	Particulars	Amount		Sanction no. and date	Amount		Drawal Authority No. / Limit No.	Amount	Date of Withdrawal from Civil Deposit (CD)	Delay in release of GoI Share (in days)
File No.J-11060/10/2022-RE-III Sl. No. 31 Date : 05.09.2022	1st Instalment of 1st Tranche of Central Assistance for financial year 2022-23 (Material =205,00,82,000, Admin Contingency = 8,07,01,000)	2,13,07,83,000		NO.RD/MG NREGA-SEGF/17/20 18(pt.1) Dated Kohima, the 12.10.2022	2130783000		1 of 2022-23 dated Kohima the 05.04.2022 (State matching share for clearing liabilities-material component for FY 2020-21 & 2021-22)	45,99,49,000		22 Nil
File No.J-11060/10/2022-RE-III Sl. No. 31 Date : 25.03.2023	2nd Instalment of 1st Tranche of Central Assistance for Financial year 2022-23 (Material = 43,23,78,000, Admin = 8,07,02,000)	51,30,80,000		04.05.2023	513080000		27 of 2022-23 Dated Kohima, the 28.03.2023 (State matching share against 1 st instalment of 1 st Trench for central assistance during 2022-23)	23,67,54,000		25 Nil
Total		2,64,38,63,000						69,67,03,000		
GOI		Fund	Interest							
GON		2,64,38,63,000	Not applicable							
Total		69,67,03,000	Not applicable							
Total		3,34,05,66,000	0							

Source: Departmental records

2023-24												(Amount in ₹)		
Receipt of funds by State Government from GoI (MoRD)				Release of funds by State Government to the implementing Department		Details of release of State Share		Date of Withdrawal from Civil Deposit (CD)	Delay in release of GoI Share (in days)	Delay in release of State Share (in days)	Delay in Sub mission of UCs			
				Sanction no. and date	Amount							Drawal Authority No. / Limit No.	Amount	
File No.J-11060/12/2023-RE-III Sl. No.17 Dated 06.07.2023	1st Instalment of 1st Tranche of Central Assistance for Financial year 2023-24 (Material & Administrative Contingency) (Material = 174,92,25,000 and Admin Contingency=7,99,85,000			1,82,92,10,000	14.08.2023	7 of 2023-24 Dated 10.08.2023 (State matching share against 1 st instalment of 1 st Trench of central assistance 2023-24)	58,30,75,000	24	35					
						4 of 2023-24 Dated 01.05.2023 (2 nd instalment of 1 st Trench State share for material component for 2022-23)	14,41,26,000							
File No.J-11060/12/2023-RE-III Sl. No.52 Dated 25.01.2024	2nd Instalment of 1st Tranche of Central Assistance for financial year 2023-24 (Material Component)			24,26,74,000		27 of 2023-24 Dated 16.02.2024	8,08,91,333	80	21					
File No. J-11060/12/2023-RE-III Sl. No. 75 Dated 11.03.2024	2nd instalment of 1st Tranche of Central Assistance for financial year 2023-24 (Administrative Contingency)			7,83,91,000	30.03.2024			4						
Total				2,15,02,75,000										
Fund				Interest										
GOI	2,15,02,75,000			Not applicable										
GON	0			Not applicable										
Total	2,15,02,75,000			0										
*Position as on 30 September 2024														

Source: Departmental records

Appendix 3.2.3 (i)
Average person days of employment provided per HHs
(Reference: Paragraph 3.2.9.1)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
State	NA	46	47	47	44
<i>Dimapur</i>	29	41	44	40	33
<i>Mokokchung</i>	40	47	49	51	47
<i>Phek</i>	41	39	41	46	42
<i>Zunheboto</i>	31	35	41	43	35

Source: Departmental reply

Appendix 3.2.3 (ii)
Total No. of HHs provided 100 Days of employment
(Reference: Paragraph 3.2.9.1)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
State	NA	48	17	72	289
<i>Dimapur</i>	0	0	0	0	0
<i>Mokokchung</i>	0	0	0	20	0
<i>Phek</i>	0	0	0	1	0
<i>Zunheboto</i>	0	0	0	0	10

Source: Departmental reply

Appendix-3.2.4
Statement showing payment of wages under MGNREGA to Government employees in nine out of 21 selected VDBs
(Reference: Paragraph 3.2.9.4)

Sl. No.	Data as per MGNREGA			Aadhaar number	Data as per PIMS				Wages paid (₹)
	Block	VDB	Registration No.	Name of applicant	Emp. code	Name	Date of joining	Department	
1	Chumuk edima	Chumu A	NL-08-003-048-048/701287	Abel	POL16347	Abel Vera	01-02-2006	Civil Police	21,228
2		Diphupar	NL-08-003-006-006/900751	Sunjemyenla	PRI01422	Ayenla Alem	01-09-2015	Jails (Prison)	0
3		Diphupar	NL-08-003-006-006/900751	Suyemerren	PWD06403	Soyimerren Changkeri	09-01-2013	PWD (Roads & Bridges)	0
4		Diphupar	NL-08-003-006-006/901021	Vilalhounuo	EXC00510	Vilalhounuo Belho	09-05-2016	State Excise	0
5		Diphupar	NL-08-003-006-006/901032	S.Betovi Swu	MED02749	Betovi Sema	24-08-1990	Health & Family Welfare (H&FW)	18,715
6	Longchem	Diphupar	NL-08-003-006-006/901785	Akala B Longchar	PWD20519	B. Akala Longchar	02-06-2017	PWD (Mechanical)	9,840
7		Diphupar	NL-08-003-006-006/902363	Aseno	MED02979	Aseno Lotha	29-06-2004	H & FW	0
8		Maromi	NL-03-001-022-022/79	Kanito	HOR00217	C Kanito Sumi	27-11-2003	Horticulture	9,600
9		Sutemi	NL-03-001-031-031/124	Bokaho Chophy	POW01761	Bokaho Chophy	03-06-2009	Power	18,188
10		Lakhuni	NL-05-003-001-001/213	Tangmetemba	NFS00357	Tangmetemba	01-12-2012	Fire & Emergency Services	50,713
11		Lakhuni	NL-05-003-001-001/274	Benjongwati	PWD02403	Benjong Wati Ao	03-11-2011	PWD (R&B)	44,105
12		Lakhuni	NL-05-003-001-001/328	Imtitola	PWD13508	Atola Jamir	01-05-2013	PWD (M)	3,072
13		Saringyim	NL-05-003-008-008/8	Aoyanger	T4-UDV00023	Aoyanger	26-08-2021	Municipal Affairs	24,632
14	Mangkolamba	Changki	NL-05-006-001-001/1045	Chamikumba	MED12350	Chamikumba	19-05-2016	H & FW	35,605
15		Changki	NL-05-006-001-001/155	Pangjungtemsu	PHE02104	Pangjung	10-01-2013	Public Health Engineering Department	58,878
16		Changki	NL-05-006-001-001/224	Anungla	POW02597	Anungla	01-03-2015	Power	58,538
17		Changki	NL-05-006-001-001/765	Bendangkumba	T5-VET00011	Bendangkumba	08-12-2017	Animal Husbandry & Veterinary Sciences	13,790

Sl. No.	Data as per MGNREGA				Aadhaar number	Data as per PIMS				Wages paid (₹)	
	Block	VDB	Registration No.	Name of applicant		Emp. code	Name	Date of joining	Department		
18		Changki	NL-05-006-001-001/863	Asemwati	xxxxxxxx5408	POW01627	Asemwati	28-07-2004	Power	13,329	
19		Changki	NL-05-006-001-001/915	Arenlong	xxxxxxxx1807	MED12743	Arenlong	04-06-2019	H & FW	0	
20		Khar	NL-05-006-002-002/531	Tiajungla	xxxxxxxx2203	POW01034	A. Tiajungla	21-04-1994	Power	39,165	
21		Khar	NL-05-006-002-002/542	C Wati Ao	xxxxxxxx4458	PWD000299	C.Wati	03-12-2012	PWD (National Highways)	48,237	
22		Khar	NL-05-006-002-002/642	Yunenkaba	xxxxxxxx7632	POL11271	Akaba Ao	01-04-2001	Civil Police	37,653	
23		Khar	NL-05-006-002-002/714	Artong	xxxxxxxx9076	TAX00214	Artong	04-02-2008	Taxes	46,089	
24		Mongchen	NL-05-006-003-003/40	Limatoshi	xxxxxxxx1328	ADM01935	Limatoshi	01-10-2011	District Administration.	52,184	
Total wages paid											6,03,561

Source: Departmental records

Appendix – 3.2.5
Statement showing non-execution in 10 out of 332 works in the four selected districts
(Reference: Paragraph 3.2.10 and 3.2.10.1)

Sl. No.	District	Block	VDB	Year	Name of work	Work code	Work Cost	Finding of JPV	Unexecuted Amount
1	Phek	Sekruzu	Thuvopisu	2021-22	Drainage	FP/19448	6,02,292	Work not found executed.	6,02,292
2	Phek	Sekruzu	Chozu Basa	2021-22	Construction of VDB hall	AV/14748	3,14,184	Work not found executed.	3,14,184
3	Phek	Sekruzu	Chozuba	2023-24	Horticulture (Soyabean)	DP/23841	72,44,160	Soyabean sapling not planted at the site.	72,44,160
4	Mokokchung	Longchem	Lakhuni	2023-24	Improvement of internal road	RC/33092	11,42,400	Work not found executed.	11,42,400
5	Dimapur	Aghunaqa	Vikheto	2023-24	Betel nut plantation	DP/24006	11,22,252	Betelnut saplings not planted at the site.	11,22,252
6	Phek	Phek	Lozaphuhu	2021-22	Construction of Farm Pond at Uzal (Cepi)	FR/2274	27,70,180	Work not found executed.	27,70,180
7	Phek	Phek	Lozaphuhu	2021-22	Tree Plantation at Shushu	DP/17112	26,80,800	Work not found executed.	26,80,800
8	Phek	Phek	Lozaphuhu	2022-23	Construction of farm pond at Koheru	FR/2525	56,02,728	Work not found executed.	56,02,728
9	Phek	Phek	Old Phek	2022-23	Land development at Village	LD/13997	43,31,056	Work not found executed.	43,31,056
10	Phek	Phek	Old Phek	2023-24	Nullah Treatment for different Khel at Phek Village	FP/20420	28,60,032	Work not found executed.	28,60,032
Total							2,86,70,084		2,86,70,084

Source: JPV reports

Appendix – 3.2.6
Statement showing short execution in 51 out of 332 works in the four selected districts
(Reference: Paragraph 3.2.10 and 3.2.10.1)

Sl. No.	District	Block	VDB	Year	Name of work	Work code	Work Cost	Finding of JPV	Short executed amount
1	Dimapur	Chumukedima	Chumukedima-A	2020-21	Construction of drainage	FP/18944	15,99,000	Short execution of earthwork and thick soiling with approved quantity of stone.	6,78,548
2	Dimapur	Chumukedima	Chumukedima-A	2020-21	Repair & Renovation of Approach Road	RC/25832	52,14,000	Short execution in WBM Grading-II & III.	18,48,721
3	Dimapur	Chumukedima	Chumukedima-A	2020-21	Construction of retaining wall	RP/19264	53,25,000	Short execution of earthwork and thick soiling with approved quantity of stone.	35,04,694
4	Dimapur	Chumukedima	Chumukedima-A	2021-22	Construction of Drainage at Chumukedima A	FP/19541	81,26,000	Short execution of earthwork and thick soiling with approved quantity of stone.	74,70,777
5	Dimapur	Chumukedima	Chumukedima-A	2022-23	Chumukedima-A Sarovar	WC/16364	54,94,000	Short execution of boulder apron in wire crates.	52,74,308
6	Dimapur	Chumukedima	Chumukedima-A	2022-23	Road widening and soiling	RC/29649	56,36,000	Short execution in WBM Grading-III.	28,48,283
7	Dimapur	Chumukedima	Chumukedima- A	2022-23	Improvement of Agri link road	RC/29614	55,91,185	Size boulder procured for WBM works were not executed.	9,60,000
8	Dimapur	Chumukedima	Diphupar	2020-21	Earth cutting and construction of drainage	FP/18956	75,54,000	Short execution of earthwork in excavation.	50,60,180
9	Dimapur	Chumukedima	Diphupar	2020-21	Construction of Soil protection at Diphupar	FP/18957	45,35,000	Short execution in earthwork, soiling, PCC, Coursed rubble masonry and backfilling behind the wall with granular materials.	29,39,388
10	Dimapur	Chumukedima	Diphupar	2022-23	Construction of Drainage at Diphupar Village	FP/19952	79,64,000	Short execution in earthwork, dry Brick on edge flooring, PCC and brick work.	45,18,185
11	Dimapur	Chumukedima	Diphupar	2022-23	Water harvesting pond at Diphupar village	WC/15578	41,50,000	Only two water harvesting ponds were constructed against three to be constructed.	13,83,814

Sl. No.	District	Block	VDB	Year	Name of work	Work code	Work Cost	Finding of JPV	Short executed amount
12	Dimapur	Chumukedima	Diphupar	2022-23	Soil protection wall at Diphupar	FP/20410	40,26,000	Short execution in Earthwork, Dry Brick on edge flooring, PCC, Coursed rubble masonry with hard rock in cement mortar and backfilling behind the wall with granular materials.	16,80,203
13	Dimapur	Chumukedima	Diphupar	2021-22	Construction of village link Road	RC/28041	1,30,04,321	L-2000 metre and B-3.75 metre executed out of 2640 metre and B-3.75.	22,38,240
14	Dimapur	Chumukedima	Diphupar	2022-23	Construction of Rain water harvesting tank	WC/15577	38,32,198	Only two out of five Rain Water harvesting tanks executed.	22,99,319
15	Dimapur	Chumukedima	Tenyiphe II	2021-22	Construction of Ring well	WC/15342	8,72,868	One out of five ring-wells constructed.	6,98,294
16	Dimapur	Chumukedima	Tenyiphe II	2022-23	Construction of Ring well	WC/15703	9,91,396	One out of three ring-wells constructed.	6,60,931
17	Dimapur	Aghunaqa	Kikheyi	2020-21	Const. of piggery shelter	AV/11062	1,68,210	Two out of five piggery units not constructed.	67,284
18	Dimapur	Aghunaqa	Kikheyi	2021-22	Const. of piggery shelter	IF/15608	16,41,016	42 out of 48 piggery units not constructed.	14,35,889
19	Dimapur	Aghunaqa	Kikheyi	2021-22	Renovation of approach road	RC/28261	2,81,085	No WBM and bituminous works.	2,00,451
20	Dimapur	Aghunaqa	Kikheyi	2021-22	Const. of farm pond	WC/15032	2,01,819	No PCC in foundation and plinth.	1,28,624
21	Dimapur	Aghunaqa	Kikheyi	2022-23	Renovation of Agri link road	RC/30437	4,04,246	No WBM and bituminous works.	2,88,133
22	Dimapur	Aghunaqa	Pihekhu	2019-20	Const. of Hume Pipe Culvert	FP/18337	6,70,761	Two out of three culverts not constructed.	4,47,174
23	Dimapur	Aghunaqa	Pihekhu	2021-22	Const. of approach road	RC/28187	7,10,051	No WBM and bituminous works.	5,11,691
24	Dimapur	Aghunaqa	Pihekhu	2021-22	Construction of Irrigation Channel	IC/4941	13,34,691	Earth excavation without RCC works.	12,82,678
25	Dimapur	Aghunaqa	Pihekhu	2021-22	Const. of culvert	RC/28188	29,05,028	10 out of 13 culverts not constructed.	22,34,637
26	Dimapur	Aghunaqa	Pihekhu	2022-23	Renovation of Agri link road	RC/30460	6,95,240	No WBM and bituminous works.	5,01,718

Sl. No.	District	Block	VDB	Year	Name of work	Work code	Work Cost	Finding of JPV	Short executed amount
27	Dimapur	Aghunaqa	Pihekh	2022-23	Renovation of approach road	RC/30458	21,07,426	No WBM and bituminous works.	15,17,183
28	Dimapur	Aghunaqa	Yetoho	2019-20	Construction of HP Culvert	FP/18348	4,08,536	Only one HP executed out of two HP.	2,04,268
29	Dimapur	Aghunaqa	Yetoho	2021-22	Construction of culvert	RC/28556	27,76,776	Only one culvert executed out of thirteen culverts.	25,63,178
30	Phek	Sekruzu	Thuvopisu	2020-21	Irrigation canal	IC/4796	13,42,135	Cement concrete work not executed.	12,69,343
31	Phek	Sekruzu	Thuvopisu	2020-21	Terrace	LD/12530	17,86,840	₹3.10 lakh incurred for purchase of sand, cement and stone not found at site.	3,10,000
32	Phek	Sekruzu	Thuvopisu	2020-21	Const. of Village circular road	RC/25878	10,23,291	₹ 2.75 lakh incurred for purchase of sand, cement and stone not found at site	2,75,158
33	Phek	Sekruzu	Thuvopisu	2022-23	Phudzukhu sarovar	WC/16493	20,07,000	Masonry and cement works not executed.	5,06,888
34	Phek	Sekruzu	Chozu Basa	2022-23	Farm Pond	WC/15581	13,13,788	Random rubble masonry with hard stone in foundation and plinth including levelling up with cement not executed.	3,07,204
35	Phek	Sekruzu	Chozuba	2022-23	Farm Pond	WC/16062	50,89,245	Random rubble masonry with hard stone in foundation and plinth including levelling up with cement not found at site.	10,44,496
36	Phek	Phek	Lozaphuhu	2022-23	Construction of landslide protection wall at village (Below Vesuta Residence)	LD/13992	37,86,150	Short execution in Earthwork, Rubble Masonry providing and backfilling behind the wall with granular materials.	31,86,635
37	Zunheboto	Akuluto	Litta Old	2020-21	Water tanks	WC/12185	34,47,417	One out of three tanks not executed and double representation of material cost in estimates by ₹13.79 lakh.	20,68,450
38	Zunheboto	Akuluto	Litta Old	2021-22	Plantation	DP/17394	39,33,941	18,350 out 19,350 saplings not planted (₹80 per sapling).	14,68,000

Sl. No.	District	Block	VDB	Year	Name of work	Work code	Work Cost	Finding of JPV	Short executed amount
39	Zunheboto	Akuluto	Litta Old	2022-23	Agri link road from Patizu to Yemukha	RC/30663	19,60,962	WBM work not executed.	7,97,706
40	Zunheboto	Akuluto	Mukhami	2020-21	Sector tanks	WC/12186	12,31,367	One out of two tanks not executed and double representation of material cost in estimates by ₹4.93 lakh	8,61,957
41	Zunheboto	Akuluto	Mukhami	2021-22	Tree plantation	DP/17400	17,86,094	5,095 out of 7,095 saplings not planted at site (₹80 per sapling).	4,07,600
42	Zunheboto	Akuluto	Mukhami	2022-23	Maintenance of Agri link road from vill to Avialazuye	LD/13983	6,86,868	WBM work not executed.	5,20,143
43	Zunheboto	Akuluto	Morami	2022-23	Maintenance Agri link road	LD/13972	12,18,897	Water Bound Macadam not executed.	1,99,426
44	Zunheboto	Ghathashi	Lazami	2020-21	Construction of Drainage	LD/12010	1,27,60,248	Short execution of earthwork and providing and laying in position cement concrete.	41,74,508
45	Zunheboto	Ghathashi	Kitami	2020-21	Construction of Drainage	LD/12366	76,93,000	Short execution of earthwork and providing and laying in position cement concrete	32,59,327
46	Zunheboto	Ghathashi	Ghokimi	2021-22	Renovation of Traditional Water Bodies	WH/642	46,29,321	Short execution of earthwork and thick soiling with approved quantity of stone.	23,69,149
47	Zunheboto	Ghathashi	Ghokimi	2021-22	Renovation of Traditional Water Bodies	WH/643	27,77,369	Short execution of earthwork and thick soiling with approved quantity of stone.	21,68,856
48	Mokokchung	Longchem	Lakhuni	2020-21	Renovation of traditional water bodies (2 nos)	WH/616	32,39,679	One out of two water bodies not executed.	16,19,840
49	Mokokchung	Longchem	Lakhuni	2022-23	Construction of retaining wall	LD/14113	35,85,340	280m out of 350m length was short executed.	28,68,273
50	Mokokchung	Longchem	Saringyim	2019-20	Road side tree plantation	DP/13681	8,73,600	3,456 out of 4,156 saplings not planted (₹193.38 per sapling for purchase and planting).	6,68,321
51	Mokokchung	Longchem	Saringyim	2021-22	Construction of Fishery pond	FR/2482	22,51,139	Cement concrete with bricks work not executed.	11,44,550

Sl. No.	District	Block	VDB	Year	Name of work	Work code	Work Cost	Finding of JPV	Short executed amount
Total							16,66,43,544		8,69,42,623

Source: JPV reports

Appendix – 3.2.7
Statement showing execution of impermissible works in 14 out of 332 works in the four selected districts
(Reference: Paragraph 3.2.10 and 3.2.10.2)

Sl. No.	District	Block	VDB	Year	Name of work	Work code	Work Cost	Finding of JPV	(Amount in ₹)
1	Phek	Sekruzu	Runguzu Nawe	2020-21	Poultry	AV/14561	4,92,745	No durable assets created (Chicks distributed to individual HHs).	
2	Phek	Sekruzu	Runguzu Nawe	2020-21	Piggery	IF/15450	6,91,191	No durable assets created (Piglets distributed to individual HHs).	
3	Phek	Sekruzu	Runguzu Nawe	2021-22	Jungle clearance	DP/19022	12,16,880	Impermissible work.	
4	Phek	Sekruzu	Thuvopisu	2020-21	Poultry	AV/14555	11,16,775	No durable assets created (Chicks distributed to individual HHs).	
5	Phek	Sekruzu	Thuvopisu	2022-23	Piggery	AV/15398	21,14,560	No durable assets created (Piglets distributed to individual HHs).	
6	Phek	Sekruzu	Chozu Basa	2020-21	Piggery	AV/14550	1,28,125	No durable assets created (Piglets distributed to individual HHs).	
7	Phek	Sekruzu	Chozu Basa	2020-21	Piggery	IF/15443	2,98,958	No durable assets created (Piglets distributed to individual HHs).	
8	Phek	Phek	Phek	2022-23	VDB office	Multiple IDs	1,83,90,000	Construction beyond ceiling of ₹20 lakh.	
9	Zunheboto	Akuluto	Morami	2021-22	Pineapple plantation	DP/17399	37,60,457	Impermissible work.	
10	Zunheboto	Akuluto	Sutemi	2020-21	Coffee Plantation	DP/15659	19,99,433	Impermissible work.	
11	Mokokchung	Mangkolemba	Changki	2019-21	Bridge construction	Multiple IDs	3,75,31,874	Impermissible work.	
12	Mokokchung	Mangkolemba	Khar	2019-21	Multi-complex	Multiple IDs	2,47,92,273	Construction beyond ceiling of ₹20 lakh.	
13	Mokokchung	Mangkolemba	Khar	2023-24	Coffee Plantation	DP/25463	18,17,527	Impermissible work.	
14	Mokokchung	Mangkolemba	Khar	2023-24	Coffee Plantation	DP/25311	12,45,172	Impermissible work.	
Total							9,55,95,970		

Source: JPV reports

Appendix – 3.2.8
Statement showing execution of unfruitful expenditure and diversion of funds in 9 out of 332 works in the four selected districts
(Reference: Paragraph 3.2.10.3)

Unfruitful works									(Amount in ₹)
Sl. No.	District	Block	VDB	Year	Name of work	Work code	Work Cost	Finding of JPV	
1	Dimapur	Aghunaqa	Kikheyi	2022-23	Construction of fishery pond	WC/15751	1,53,792	Constructed pond has no water	
2	Zunheboto	Akuluto	Mukhami	2019-20	Water reservoir tank	WC/10910	8,48,000	Water tank demolished for church construction	
3	Phek	Phek	Kizari	2020-21	Water Conservation and water harvesting	WC/11995	5,97,740	No visible water retention in the water harvesting area	
Total							15,99,532		

Source: JPV reports

Diverted works							Finding of JPV	
Sl. No.	District	Block	VDB	Year	Name of work	Work code	Work Cost	Finding of JPV
1	Dimapur	Aghunaqa	Pihekhu	2020-21	Construction of rain water harvesting tanks	WC/11975	9,96,538	Diverted to construction of pond
2	Phek	Sekruzu	Runguzu Nawe	2020-21	Sanitation (toilet)	RS/10997	4,92,680	Diverted to construction of retaining wall
3	Phek	Sekruzu	Runguzu Nawe	2022-23	Horticulture (Banana)	DP/19533	5,57,960	Diverted to plantation of persimmon and turmeric
4	Phek	Sekruzu	Runguzu Nawe	2023-24	Horticulture (ginger)	DP/24069	18,27,840	Diverted to plantation of persimmon and kiwi
5	Phek	Sekruzu	Thuvopisu	2023-24	Traditional well	WC/16870	55,16,000	Diverted to construct retaining walls
6	Mokokchung	Longchem	Yajang A	2020-21	Construction of retaining wall	LD/12575	7,21,736	Diverted to Monolith construction
Total							1,01,12,754	

Source: JPV reports

Appendix – 3.2.9
Statement showing various purchases above ₹25 lakh during 2019-2023
(Reference: Paragraph 3.2.10.4)

Sl. No.	Date	Particulars	Purchases	Amount (in ₹)
1	01.04.19	M/s Infinity World	Setting up of MIS room	55,46,000
2	22.07.19	M/s New AV Printing Press	Printing of Job Cards	26,50,000
3	16.12.20	M/s Temptation	Setting up of MIS room	57,35,810
4	23.11.22	M/s Komorebi Supply	Tent for worksite amenities	3,51,35,100
5	17.12.22	M/s NV Press	Printing of Job Cards	52,50,000
6	17.12.22	M/s Mahabir Art Printers	Printing of Job Cards	29,50,000
7	19.12.22	M/s NV Press	Printing of Job Cards	25,00,000
8	22.12.22	M/s NV Press	Printing of Job Cards	25,00,000
Total				6,22,66,910

Source: Department records.

Appendix – 3.2.10
(a) Statement showing shortfall in conducting social audit
(Reference: Paragraph 3.2.11.2)

Year	Total GPs in the State	No. of GPs planned for Social Audit	Social Audit Conducted	Shortfall in Social Audit	Percentage (in per cent)
2019-20	1,270	879	484	395	45
2020-21	1,270	637	52	585	92
2021-22	1,272	978	127	851	87
2022-23	1,273	768	390	378	49
2023-24	1,275	1,274	807	467	37
Total		4,536	1,860	2,676	-

Source: Departmental data

(b) Statement showing Social audit observations pendency status in State
(Reference: Paragraph 3.2.11.2)

Year	Social audit observations raised	Social audit Observations settled	Outstanding Social audit observations	Percentage (in per cent)
2019-20	6,486	5,200	1,286	20
2020-21	495	314	181	37
2021-22	1,165	993	172	15
2022-23	3,343	2,577	766	23
2023-24	4,801	1,577	3,224	67
Total	16,290	10,661	5,629	-

Source: Departmental data

Appendix-3.6.1
Details of unexecuted works
(Reference: Paragraph 3.6)

(Amount in ₹)

Sl. No.	Particulars	Items of works	Unit	Quantity	Rate	Amount paid for unexecuted works
	<i>i</i>	<i>ii</i>	<i>iii</i>	<i>iv</i>	<i>v</i>	<i>vi (iv x v)</i>
1.	Ground floor	Marble stone flooring	Sqm	88.80	4,537.11	4,02,895.37
2.		Marble stone skirting	Sqm	11.14	4,537.11	50,543.41
3.		Providing and fixing hand rail by welding <i>etc.</i>	Kg	128.93	320.96	41,381.37
4.		Providing and applying plaster of paris putty	Sqm	732.54	691.05	5,06,221.77
5.		Finishing walls with Delux multi surface paint	Sqm	732.54	179.02	1,31,139.31
6.		Finishing walls with textured exterior paints	Sqm	206.74	268.68	55,546.90
7.	1 st floor	Marble stone flooring	Sqm	97.07	4,537.11	4,40,417.27
8.		Marble chips skirting	Sqm	8.41	4,537.11	38,157.10
9.		Providing and fixing hand rail by welding <i>etc.</i>	Kg	128.93	320.96	41,381.37
10.		Providing and applying plaster of paris putty	Sqm	977.30	691.05	6,75,363.17
11.		Finishing walls with Delux multi surface paint	Sqm	977.30	179.02	1,74,956.25
12.		Finishing walls with textured exterior paints	Sqm	261.97	268.68	70,386.10
13.	2 Floor	Marble stone flooring	Sqm	102.92	4,537.11	4,66,959.36
14.		Marble chips Skirting	Sqm	8.84	4,537.11	40,108.05
15.		Providing and fixing hand rail by welding <i>etc.</i>	Kg	128.93	320.96	41,381.37
16.		Providing and applying plaster of paris putty	Sqm	882.83	691.05	6,10,079.67
17.		Finishing walls with Delux multi surface paint	Sqm	882.83	179.02	1,58,044.23
18.		Finishing walls with textured exterior paints	Sqm	277.69	268.68	74,609.75
19.	3 floor	Marble stone flooring	Sqm	102.92	4,537.11	4,66,959.36
20.		Marble chips Skirting	Sqm	8.84	4,537.11	40,108.05
21.		Providing and fixing hand rail by welding <i>etc.</i>	Kg	128.93	320.96	41,381.37
22.		Providing and applying plaster of paris putty	Sqm	882.82	691.05	6,10,072.76
23.		Finishing walls with Delux multi surface paint	Sqm	882.82	179.02	1,58,042.44
24.		Finishing walls with textured exterior paints	Sqm	277.69	268.68	74,609.75
25.	Head Room	Providing and applying plaster of paris putty	Sqm	57.11	691.05	39,465.87
26.		Finishing walls with Delux multi surface paint	Sqm	57.11	179.63	10,258.67
27.		Finishing walls with textured exterior paints	Sqm	208.22	268.68	55,944.55
28.	Construction of Generator shed					3,14,940.00
29.	Construction of Security Fencing					6,13,300.00
30.	Construction of parking lot					3,83,930.00
31.	Rain Water Harvesting					2,21,893.00
32.	Approach Road					6,35,532.00
Total						76,86,009.64

Source: Departmental records and JPV report

Appendix-3.6.2
Details of unexecuted works
(Reference: Paragraph 3.6)

(Amount in ₹)

Sl. No.	Items of works		Unit	Quantity	Rate	Amount paid for unexecuted works
	<i>i</i>	<i>ii</i>	<i>iii</i>	<i>iv</i>	<i>v</i>	<i>vi (iv x v)</i>
1.	Providing and applying plaster of paris putty	Ground floor	Sqm	732.54	691.05	5,06,221.77
2.		1 st floor	Sqm	977.30	691.05	6,75,363.17
3.		2 Floor	Sqm	882.83	691.05	6,10,079.67
4.		3 floor	Sqm	882.82	691.05	6,10,072.76
5.		Head Room	Sqm	57.11	691.05	39,465.87
6.	Construction of Generator shed (RCC works in columns, Brick works, Cement plaster & painting works)					2,67,901.00
7.	Construction of Security Fencing (Cost of chain link)					3,43,952.00
8.	Construction of parking lot					3,83,930.00
9.	Rain Water Harvesting					2,21,893.00
10.	Approach Road					6,35,532.00
Total						42,94,411.24

Source: Departmental records and JPV report

Appendix-4.3.1
Statement showing details of similar cases highlighted in the Audit Reports for year ended 31 March 2017 to 31 March 2022
(Reference: Paragraph 4.3)

(₹ in crore)

Sl. No.	Year of Audit Report	Paragraph Reference	Particulars	Money Value
1.	Audit Report for the Year ended 31 March 2022	4.3	Fraudulent/ excess drawal of money	2.26
2.	Audit Report for the Year ended 31 March 2020	4.2	Fraudulent/ excess drawal of money	2.78
3.	Audit Report for the Year ended 31 March 2019	2.4	Fraudulent/ excess drawal of money	5.16
		2.5	Fraudulent/ excess drawal of money and submission of fake challans by DDOs	0.45
4.	Audit Report for the Year ended 31 March 2018	5.4	Fraudulent/ double/ excess drawal by 28 DDOs	7.36
5.	Audit Report for the Year ended 31 March 2017	5.4	Fraudulent/excess drawal by 12 DDOs	1.72

Source: C&AG Audit Reports of respective years

Appendix-4.3.2
Statement showing Department-wise list of double/ excess/ fraudulent drawals
(Reference: Paragraph 4.3)

(₹ in lakh)

Sl. No.	Department	No. of DDO	Amount of objection	Amount recovered	Amount to be recovered
1.	Rural Development	1	4.58	4.58	0.00
2.	Finance	1	2.30	2.30	0.00
3.	Soil & Water Conservation	1	1.70	1.70	0.00
4.	Public Health Engineering	1	17.65	17.65	0.00
5.	Home (Police)	1	4.39	4.39	0.00
6.	Urban Development	2	15.12	0.82	14.30
7.	Employment, Skill Development & Entrepreneurship	2	8.32	3.60	4.72
8.	School Education	3	28.62	28.62	0.00
9.	Fisheries & Aquatic Resources	1	5.05	0.00	5.05
Total		13	87.73	63.66	24.07

Source: Departmental records

Appendix-4.3.3
Statement showing excess drawal by inflating the net totals of pay bills
(Reference: Paragraph 4.3)

Sl. No.	Department	DDO	Admissible Amount	Amount Drawn	Excess Amount Drawn	Recovered Amount (with month & year of recovery)	Outstanding Amount	Remarks
1.	Soil & Water Conservation	District Soil & Water Conservation Officer, Zunheboto	9,65,209	11,35,209	1,70,000	1,70,000 (October 2022)	0	The District Soil & Water Conservation Officer, Zunheboto drew ₹1,70,000 by inflating the net total of the pay and allowances for the month of December 2018 to March 2019 in respect of 12 employees vide four Bill viz. TV No. 3 of 10/01/2019, TV No. 1 of 4/02/2019, TV No.9 of 7/03/2019 and TV No. 8 of 05/04/2019.
Total			9,65,209	11,35,209	1,70,000	1,70,000	0	--

Source: Departmental records

Appendix-4.3.4
Statement showing double drawal of pay & allowances including arrears
(Reference: Paragraph 4.3)

Sl. No.	Department	DDO	Double Amount Drawn	Recovered Amount (with Month and year of recovery)	Outstanding Amount	Remarks
1.	Home (Police)	Commandant, 12 NAP (IR) Battalion, Chingtok	4,38,503	4,38,503 (January 2023 and February 2023)	0	The Commandant, 12 NAP (IR) Battalion, Chingtok fictitiously drew ₹4,38,503 as pay and allowances for the month of January 2019 and February 2019 in respect of 17 employees <i>vide</i> Bill No.159 dated 25/02/2019 (TV No.81 of 01/03/2019) although they had already drawn their pay as per their entitlement <i>vide</i> Bill No.148 dated 27/01/2019 (TV No.95 of 01/02/2019).
2.	School Education	Sub-Divisional Education Officer, Mon	2,18,257	2,18,257 (June 2024 and October 2024)	0	The Sub-Divisional Education Officer, Mon fictitiously drew ₹2,18,257 as pay and allowance for the month of June 2018 <i>vide</i> Bill No. 84 dated 15/06/2018 (TV No.59 of 6/07/2018) in respect of seven under graduate Hindi teachers although the employees had already drawn their pay and allowances as per their entitlement <i>vide</i> Bill No. 73 dated 15/06/2018 (TV No.48 of 6/07/2018).
Total			6,56,760	6,56,760	0	-

Source: Departmental records

Appendix-4.3.5
Statement showing fraudulent inadmissible drawal of pay & allowances including arrears
(Reference: Paragraph 4.3)

Sl. No.	Department	DDO	Amount Drawn fraudulently	Recovered Amount (with Month and year of recovery)	Outstanding Amount	Remarks
1.	Rural Development	Block Development Officer, Changpang, Wokha	4,57,531	4,57,531 (February 2023)	0	The Block Development Officer, Changpang, Wokha fictitiously drew ₹4,57,531 as less drawn pay arrear for the period ranging from January 2014 to December 2016 in respect of eight employees vide Bill No. 21 (TV No.20 of 30/07/2019), 22 (TV No.21 of 30/07/2019), 23 (TV No.22 of 30/07/2019), 24 (TV No.23 of 30/07/2019), 25 (TV No.24 of 30/07/2019), 26 (TV No.25 of 30/07/2019), 27 (TV No.26 of 30/07/2019), 28 (TV No.27 of 30/07/2019), 29 (TV No.29 of 30/07/2019), 30 (TV No.29 of 30/07/2019), 31 (TV No.30 of 30/07/2019), 32 (TV No.31 of 30/07/2019), 33 (TV No.32 of 30/07/2019), 34 (TV No.33 of 30/07/2019), 35 (TV No.34 of 30/07/2019), 36 (TV No.35 of 30/07/2019), 37 (TV No.36 of 30/07/2019), 38 (TV No.37 of 30/07/2019) and 39 (TV No.38 of 30/07/2019) although they had already drawn their pay as per their entitlement.
2.	Finance	Sub-Treasury Officer, Aghunato	2,30,059	2,30,059 (March 2023)	0	The Sub-Treasury Officer, Aghunato, fictitiously drew ₹2,30,059 as DA arrear for the period ranging from November 2013 to November 2019 in respect of eight employees vide Bill No. 43 (TV No.9 of 05/03/2020) and 42 (TV No.10 of 05/03/2020).
3.	Public Health Engineering	Executive Engineer, PHED Division, Zunheboto	17,65,468	17,65,468 (June 2022)	0	The Executive Engineer, PHED Division, Zunheboto fictitiously drew ₹17,65,468 as pay and allowances for the month of May 2017 to October 2017 in respect of eight contract staff vide two Bill viz. TV No.4 of 14/02/2019 and TV No.4 of 19/03/2019.
4.	Urban Development	District Urban Development Officer, Wokha	5,24,288	15,200 (August 2021)	5,09,088	The District Urban Development Officer, fictitiously drew ₹5,24,288 as less drawn DA arrears for the month of July 2010 to June 2016 in respect of six employees vide three Bill viz. TV No.5 of 27/02/2017, TV No.6 of 27/02/2017 and TV No.7 of 27/02/2017.

Sl. No.	Department	DDO	Amount Drawn fraudulently	Recovered Amount (with Month and year of recovery)	Outstanding Amount	Remarks
5.	Urban Development	Director, Urban Development, Kohima	9,88,060	66,600 (July 2019 and August 2021)	9,21,460	The Director, Urban Development, Nagaland, Kohima fictitiously drew ₹9,88,060 as DA arrears for the month of January 2012 to October 2012 in respect of 66 employees <i>vide</i> Bill No.154 dated 20/03/2018 (TV No.47 of 21/03/2018), 155 dated 20/03/2018 (TV No.48 of 21/03/2018), 156 dated 20/03/2018 (TV No.49 of 21/03/2018), 157 dated 20/03/2018 (TV No.50 of 21/03/2018) and 158 dated 20/03/2018 (TV No.51 of 21/03/2018).
6.	Employment, Skill Development & Entrepreneurship	District Employment Officer, Wokha	2,89,774	2,65,000 (September 2020, December 2020, January 2022, February 2022, March 2022, June 2022, April 2023, May 2024, October 2024)	24,774	The District Employment Officer, Wokha fictitiously drew ₹2,89,774 as less drawn arrear of pay and allowances for the period ranging from April 2010 to November 2016 in respect of nine employees <i>vide</i> Bill No.59 (TV No.16 of 20/03/2017) and Bill No.60 (TV No.17 of 20/3/2017).
7.	Employment, Skill Development & Entrepreneurship	District Employment Officer, Zunheboto	5,41,724	95,000 (May 2022 to September 2024)	4,46,724	The District Employment Officer, Zunheboto fictitiously drew ₹5,41,724 as pay and allowances for the period ranging from May 2018 to February 2019 in respect of four contract and substitute employees <i>vide</i> Bill No.94 dated 20/02/2019 (TV No.14 of 07/03/2019) and Bill No.95 dated 20/02/2019 (TV No.15 of 07/03/2019).
8.	School Education	Sub-Divisional Education Officer, Tobu	17,85,290	17,85,290 (May 2023, October 2023, September 2023, March 2024 and July 2024)	0	The Sub-Divisional Education Officer, Tobu fictitiously drew ₹17,85,290 as pay and allowances for the month of February 2019 and March 2019 in respect of 14 employees <i>vide</i> Bill No. 223 dated 22/01/2019 (TV No.114 dated 21/02/2019) and Bill No.248 dated 19/02/2019 (TV No.139 dated 26/03/2019) although the employees name were not reflected in any of the pay Bills maintained by the establishment.

Sl. No.	Department	DDO	Amount Drawn fraudulently	Recovered Amount (with Month and year of recovery)	Outstanding Amount	Remarks
9.	School Education	Sub-Divisional Education Officer, Aboi	6,00,952	6,00,952 (May 2024)	0	The Sub-Divisional Education Officer, Aboi fictitiously drew ₹1,31,997 as ADA arrear for the month of January 2018 to September 2018 <i>vide</i> Bill No.184 (TV No.135 of 27/11/2018) in respect of 41 teachers although the officials had already drawn their pay as per their entitlement <i>vide</i> Bill No. 141 (TV No.135 of 20.10.2018) and 142 (TV No.136 of 20/10/2018). Further, the SDEO Aboi fictitiously drew ₹4,68,955 as less drawn increment arrear for the month of July 2017 to November 2017 <i>vide</i> Bill No. 62 (TV No.195 of 31/12/2018) in respect of 27 CSS Hindi teacher although the officials had already drawn their pay as per their entitlement <i>vide</i> Bill No.77 (TV No. 226 of 31/3/2018) and Bill No.78 (TV No. 227 of 31/3/2018).
10.	School Education	Sub-Divisional Education Officer, Mon	2,57,970	2,57,970 (June 2024)	0	The Sub-Divisional Education Officer, Mon fictitiously drew ₹2,57,970 as ADA arrear for the month of January 2018 to September 2018 in respect of 76 teachers <i>vide</i> Bill No.180 (TV No.49 of 02/11/2018). However, the teachers are fixed pay employees and drawing their entitled pay as per Bill No. 141 dated 19/09/2018 (TV No.67 of 5/10/2018) and 140 dated 19/09/2018 (TV No.66 of 5/10/2018).
11.	Fisheries & Aquatic Resources	Sub-Divisional Fishery Officer, Kiphire	5,04,705	0	5,04,705	The Sub-Divisional Fishery Officer, Kiphire fictitiously drew ₹1,03,541 as less drawn HRA arrear for the month of December 2014 to February 2017 in respect of five employees <i>vide</i> Bill No. 40 dated nil (TV No.7 of 30/03/2017). However, the employees had already drawn their pay and allowances as per their entitlement <i>vide</i> Bill No. 32 (TV No.1 of 6/01/2017) and 33 (TV No.2 of 6/01/2017). The Sub-Divisional Fishery Officer, Kiphire also drew ₹1,00,900 as less drawn pay arrear for the month of December 2014 to March 2017 in respect of six employees <i>vide</i> Bill No. 41 (TV No.5 of 30/03/2017). However, the employees had already drawn their pay and allowances as per their entitlement <i>vide</i> Bill No. 32 (TV No.1 of 6/01/2017) and 33 (TV No.2 of 06/01/2017).

Sl. No.	Department	DDO	Amount Drawn fraudulently	Recovered Amount (with Month and year of recovery)	Outstanding Amount	Remarks
						Further, The Sub-Divisional Fishery Officer, Kiphire fictitiously drew ₹3,00,264 as less drawn HRA arrear for the month of January 2018 to February 2019 in respect of nine employees vide Bill No. 63 (TV No.7 of 26/03/2019). However, the employees had already drawn their pay and allowances as per their entitlement vide Bill No. 45 (TV No.3 of 6/12/2018), 44 (TV No.2 of 6/12/2018) and 43 (TV No.1 of 6/12/2018).
Total			79,45,821	55,39,070	24,06,751	-

Source: Departmental records

Appendix-4.3.6
Statement showing details of department-wise cases of irregularities highlighted in the Audit Reports for year ended 31 March 2017 to 31 March 2022
(Reference: Paragraph 4.3)

Sl. No.	Department	AR for year ended 31 March 2017		AR for year ended 31 March 2018		AR for year ended 31 March 2019		AR for year ended 31 March 2020		AR for year ended 31 March 2022		Total Amount (₹ in lakh)
		No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	
1.	Agriculture	-	-	5	18.22	2	3.24	1	2.51	1	45.42	69.39
2.	Art and Culture	-	-	1	1.22	1	7.32	-	-	1	1.96	10.50
3.	Cooperation	-	-	1	6.29	1	15.73	2	6.04	-	-	28.06
4.	Department of Information and Public Relations	-	-	-	-	2	9.81	-	-	-	-	9.81
5.	District Administration	1	1.89	-	-	-	-	-	-	-	-	1.89
6.	Economics & Statistics	-	-	-	-	-	-	1	2.83	-	-	2.83
7.	Employment, Skill Development & Entrepreneurship	-	-	3	6.58	3	31.15	1	4.18	1	1.94	43.85
8.	Evaluation	-	-	-	-	-	-	1	22.46	-	-	22.46
9.	Excise and Prohibition	-	-	-	-	3	19.67	4	23.61	-	-	43.28
10.	Finance Department (Taxation)	-	-	-	-	1	3.43	1	1.52	-	-	4.95
11.	Finance Department (Treasuries & Accounts)	-	-	2	6.75	2	21.84	-	-	-	-	28.59
12.	Fisheries and Aquatic Resources	-	-	1	5.56	-	-	1	1.68	-	-	7.24
13.	Health & Family Welfare	-	-	4	344	-	-	-	-	2	11.88	355.88
14.	Home (Police)	1	39.28	2	125.37	3	155.93	1	3.19	1	1.33	325.10

Sl. No.	Department	AR for year ended 31 March 2017		AR for year ended 31 March 2018		AR for year ended 31 March 2019		AR for year ended 31 March 2020		AR for year ended 31 March 2022		Total Amount (₹ in lakh)
		No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	
15.	Home (Prisons)	1	6.53	-	-	1	9.79	-	-	1	13	29.32
16.	Horticulture	-	-	-	-	1	1.62	-	-	-	-	1.62
17.	Industries and Commerce	-	-	-	-	6	28.69	1	6.67	1	10.12	45.48
18.	Labour & Employment	-	-	-	-	-	-	1	7.31	-	-	7.31
19.	Land Records & Survey	-	-	-	-	-	-	1	2.5	-	-	2.50
20.	Law & Justice	-	-	-	-	-	-	1	13.87	-	-	13.87
21.	Motor Vehicles	-	-	-	-	1	2.27	-	-	-	-	2.27
22.	Nagaland State Transport	1	0.58	-	-	-	-	-	-	-	-	0.58
23.	Power	-	-	-	-	1	1.91	-	-	-	-	1.91
24.	Public Health Engineering (PHED)	-	-	-	-	1	11.99	-	-	1	36.08	48.07
25.	Public Works Department (Mechanical)	-	-	-	-	1	8	1	17.15	1	16.36	41.51
26.	Public Works Department (Road & Bridges)	-	-	-	-	1	15.42	-	-	-	-	15.42
27.	Rural Development	1	2.58	2	4.53	-	-	1	2.83	-	-	9.94
28.	School Education	5	106.45	17	206.37	7	96.03	6	134.95	4	60.29	604.09
29.	Social Welfare	-	-	-	-	-	-	-	-	1	0.86	0.86
30.	Soil & Water Conservation	-	-	1	8.66	1	12.59	-	-	-	-	21.25
31.	Treasuries and Accounts	-	-	-	-	-	-	-	-	2	6.23	6.23
32.	Water Resources	-	-	-	-	1	23.81	-	-	-	-	23.81

Sl. No.	Department	AR for year ended 31 March 2017		AR for year ended 31 March 2018		AR for year ended 31 March 2019		AR for year ended 31 March 2020		AR for year ended 31 March 2022		Total Amount (₹ in lakh)
		No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	No. of DDOs	Amount (₹ in lakh)	
33.	Youth Resources and Sports	-	-	-	-	1	15.69	-	-	-	-	15.69
34.	Veterinary and Animal Husbandry	2	14.19	1	2.96	1	20.1	1	24.78	1	20.1	82.13
Total		12	171.5	40	736.51	42	516.03	26	278.08	18	225.57	1927.69

Source: C&AG Audit Reports of respective years

Appendix-4.4.1
Comparative statement showing procurement of Commercial LPG Cylinder/Refills (2021-2023) at higher rates
(Reference: Paragraph 4.4)

Bill No. and date	Supply for the month of	Name of the Battalion	Rate per cylinder/ refill (including 18% GST)	Number of cylinder/ refill (in Nos.)	Total bill amount passed for payment	IOC rate for the month (including GST)	Rate in excess of IOC rate per cylinder/ refill	Total amount paid to supplier in excess of IOC rate
<i>i</i>	<i>ii</i>	<i>iii</i>	<i>iv</i>	<i>v</i>	<i>vi</i>	<i>vii</i>	<i>viii (iv-vii)</i>	<i>ix (v*viii)</i>
894 of 20/08/2022	April 2021	1 st NAP	4,257.44	90	3,83,169.60	1,641.00	2,616.44	2,35,479.60
		2 nd NAP	4,257.44	90	3,83,169.60	1,641.00	2,616.44	2,35,479.60
		3 rd NAP	4,257.44	90	3,83,169.60	1,641.00	2,616.44	2,35,479.60
		7 th NAP	3,822.93	90	3,44,063.70	1,641.00	2,181.93	1,96,373.70
		8 th NAP	4,204.22	45	1,89,189.90	1,641.00	2,563.22	1,15,344.90
		1 st NAP	4,257.44	92	3,91,684.48	1,595.50	2,661.94	2,44,898.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,595.50	2,661.94	2,47,560.42
		3 rd NAP	4,257.44	92	3,91,684.48	1,595.50	2,661.94	2,44,898.48
	May 2021	7 th NAP	3,822.93	90	3,44,063.70	1,595.50	2,227.43	2,00,468.70
		8 th NAP	4,204.22	46	1,93,394.12	1,595.50	2,608.72	1,20,001.12
		1 st NAP	4,257.44	90	3,83,169.60	1,473.50	2,783.94	2,50,554.60
		2 nd NAP	4,257.44	90	3,83,169.60	1,473.50	2,783.94	2,50,554.60
		3 rd NAP	4,257.44	90	3,83,169.60	1,473.50	2,783.94	2,50,554.60
		7 th NAP	3,822.93	90	3,44,063.70	1,473.50	2,349.43	2,11,448.70
		8 th NAP	4,204.22	45	1,89,189.90	1,473.50	2,730.72	1,22,882.40
	June 2021	1 st NAP	4,257.44	90	3,83,169.60	1,473.50	2,783.94	2,50,554.60
		2 nd NAP	4,257.44	90	3,83,169.60	1,473.50	2,783.94	2,50,554.60
		3 rd NAP	4,257.44	90	3,83,169.60	1,473.50	2,783.94	2,50,554.60
		7 th NAP	3,822.93	90	3,44,063.70	1,473.50	2,349.43	2,11,448.70
		8 th NAP	4,204.22	45	1,89,189.90	1,473.50	2,730.72	1,22,882.40
		1 st NAP	4,257.44	90	3,83,169.60	1,473.50	2,783.94	2,50,554.60
		2 nd NAP	4,257.44	90	3,83,169.60	1,473.50	2,783.94	2,50,554.60
		3 rd NAP	4,257.44	90	3,83,169.60	1,473.50	2,783.94	2,50,554.60

Bill No. and date	Supply for the month of	Name of the Battalion	Rate per cylinder/ refill (including 18% GST)	Number of cylinder/ refill (in Nos.)	Total bill amount passed for payment	IOC rate for the month (including GST)	Rate in excess of IOCL rate per cylinder/ refill	Total amount paid to supplier in excess of IOCL rate
<i>i</i>	<i>ii</i>	<i>iii</i>	<i>iv</i>	<i>v</i>	<i>vi</i>	<i>vii</i>	<i>viii (iv-vii)</i>	<i>ix (v*viii)</i>
1061 of 12/10/2022	July 2021	1 st NAP	4,257.44	92	3,91,684.48	1,550.00	2,707.44	2,49,084.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,550.00	2,707.44	2,51,791.92
		3 rd NAP	4,257.44	92	3,91,684.48	1,550.00	2,707.44	2,49,084.48
		7 th NAP	3,822.93	90	3,44,063.70	1,550.00	2,272.93	2,04,563.70
		8 th NAP	4,204.22	46	1,93,394.12	1,550.00	2,654.22	1,22,094.12
	August 2021	1 st NAP	4,257.44	92	3,91,684.48	1,623.00	2,634.44	2,42,368.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,623.00	2,634.44	2,45,002.92
		3 rd NAP	4,257.44	92	3,91,684.48	1,623.00	2,634.44	2,42,368.48
		7 th NAP	3,822.93	90	3,44,063.70	1,623.00	2,199.93	1,97,993.70
	September 2021	8 th NAP	4,204.22	46	1,93,394.12	1,623.00	2,581.22	1,18,736.12
		1 st NAP	4,257.44	90	3,83,169.60	1,693.00	2,564.44	2,30,799.60
		2 nd NAP	4,257.44	90	3,83,169.60	1,693.00	2,564.44	2,30,799.60
		3 rd NAP	4,257.44	90	3,83,169.60	1,693.00	2,564.44	2,30,799.60
		7 th NAP	3,822.93	90	3,44,063.70	1,693.00	2,129.93	1,91,693.70
	October 2021	8 th NAP	4,204.22	45	1,89,189.90	1,693.00	2,511.22	1,13,004.90
		1 st NAP	4,257.44	92	3,91,684.48	1,736.50	2,520.94	2,31,926.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,736.50	2,520.94	2,34,447.42
		3 rd NAP	4,257.44	92	3,91,684.48	1,736.50	2,520.94	2,31,926.48
		7 th NAP	3,822.93	90	3,44,063.70	1,736.50	2,086.43	1,87,778.70
1132 of 22/11/ 2022	November 2021	8 th NAP	4,204.22	46	1,93,394.12	1,736.50	2,467.72	1,13,515.12
		1 st NAP	4,257.44	90	3,83,169.60	2,000.50	2,256.94	2,03,124.60
		2 nd NAP	4,257.44	90	3,83,169.60	2,000.50	2,256.94	2,03,124.60
		3 rd NAP	4,257.44	90	3,83,169.60	2,000.50	2,256.94	2,03,124.60
		7 th NAP	3,822.93	90	3,44,063.70	2,000.50	1,822.43	1,64,018.70
	December 2021	8 th NAP	4,204.22	45	1,89,189.90	2,000.50	2,203.72	99,167.40
		1 st NAP	4,257.44	92	3,91,684.48	2,101.00	2,156.44	1,98,392.48
		2 nd NAP	4,257.44	93	3,95,941.92	2,101.00	2,156.44	2,00,548.92
		3 rd NAP	4,257.44	92	3,91,684.48	2,101.00	2,156.44	1,98,392.48
		7 th NAP	3,822.93	90	3,44,063.70	2,101.00	1,721.93	1,54,973.70
		8 th NAP	4,204.22	46	1,93,394.12	2,101.00	2,103.22	96,748.12

Bill No. and date	Supply for the month of	Name of the Battalion	Rate per cylinder/ refill (including 18% GST)	Number of cylinder/ refill (in Nos.)	Total bill amount passed for payment	IOC rate for the month (including GST)	Rate in excess of IOCL rate per cylinder/ refill	Total amount paid to supplier in excess of IOCL rate
<i>i</i>	<i>ii</i>	<i>iii</i>	<i>iv</i>	<i>v</i>	<i>vi</i>	<i>vii</i>	<i>viii (iv-vii)</i>	<i>ix (v*viii)</i>
1696 of 30/03/2023	January 2022	1 st NAP	4,257.44	92	3,91,684.48	1,998.50	2,258.94	2,07,822.48
		2 nd NAP	4,257.44	92	3,91,684.48	1,998.50	2,258.94	2,07,822.48
		7 th NAP	3,822.93	90	3,44,063.70	1,998.50	1,824.43	1,64,198.70
	February 2022	1 st NAP	4,257.44	84	3,57,624.96	1,907.00	2,350.44	1,97,436.96
		2 nd NAP	4,257.44	84	3,57,624.96	1,907.00	2,350.44	1,97,436.96
		3 rd NAP	4,257.44	90	3,83,169.60	1,907.00	2,350.44	2,11,539.60
		7 th NAP	3,822.93	90	3,44,063.70	1,907.00	1,915.93	1,72,433.70
		8 th NAP	4,204.22	42	1,76,577.24	1,907.00	2,297.22	96,483.24
	March 2022	1 st NAP	4,257.44	92	3,91,684.48	2,012.00	2,245.44	2,06,580.48
		2 nd NAP	4,257.44	93	3,95,941.92	2,012.00	2,245.44	2,08,825.92
		3 rd NAP	4,257.44	92	3,91,684.48	2,012.00	2,245.44	2,06,580.48
		7 th NAP	3,822.93	90	3,44,063.70	2,012.00	1,810.93	1,62,983.70
		8 th NAP	4,204.22	46	1,93,394.12	2,012.00	2,192.22	1,00,842.12
	April 2022	1 st NAP	4,257.44	90	3,83,169.60	2,253.00	2,004.44	1,80,399.60
		2 nd NAP	4,257.44	90	3,83,169.60	2,253.00	2,004.44	1,80,399.60
		3 rd NAP	4,257.44	90	3,83,169.60	2,253.00	2,004.44	1,80,399.60
		7 th NAP	3,822.93	90	3,44,063.70	2,253.00	1,569.93	1,41,293.70
		8 th NAP	4,204.22	45	1,89,189.90	2,253.00	1,951.22	87,804.90
	May 2022	1 st NAP	4,257.44	92	3,91,684.48	2,355.50	1,901.94	1,74,978.48
		2 nd NAP	4,257.44	93	3,95,941.92	2,355.50	1,901.94	1,76,880.42
		3 rd NAP	4,257.44	94	4,00,199.36	2,355.50	1,901.94	1,78,782.36
		7 th NAP	3,822.93	90	3,44,063.70	2,355.50	1,467.43	1,32,068.70
		8 th NAP	4,204.22	46	1,93,394.12	2,355.50	1,848.72	85,041.12
	June 2022	1 st NAP	4,257.44	90	3,83,169.60	2,219.00	2,038.44	1,83,459.60
		2 nd NAP	4,257.44	90	3,83,169.60	2,219.00	2,038.44	1,83,459.60
		3 rd NAP	4,257.44	90	3,83,169.60	2,219.00	2,038.44	1,83,459.60
		7 th NAP	3,822.93	90	3,44,063.70	2,219.00	1,603.93	1,44,353.70
		8 th NAP	4,204.22	45	1,89,189.90	2,219.00	1,985.22	89,334.90
	July 2022	1 st NAP	4,257.44	92	3,91,684.48	2,021.00	2,236.44	2,05,752.48
		2 nd NAP	4,257.44	93	3,95,941.92	2,021.00	2,236.44	2,07,988.92
		3 rd NAP	4,257.44	94	4,00,199.36	2,021.00	2,236.44	2,10,225.36
		7 th NAP	3,822.93	90	3,44,063.70	2,021.00	1,801.93	1,62,173.70

Bill No. and date	Supply for the month of	Name of the Battalion	Rate per cylinder/ refill (including 18% GST)	Number of cylinder/ refill (in Nos.)	Total bill amount passed for payment	IOC rate for the month (including GST)	Rate in excess of IOCL rate per cylinder/ refill	Total amount paid to supplier in excess of IOCL rate
<i>i</i>	<i>ii</i>	<i>iii</i>	<i>iv</i>	<i>v</i>	<i>vi</i>	<i>vii</i>	<i>viii (v-vii)</i>	<i>ix (v*viii)</i>
675 of 19/08/2023	August 2022	8 th NAP	4,204.22	46	1,93,394.12	2,021.00	2,183.22	1,00,428.12
		1 st NAP	4,257.44	92	3,91,684.48	1,976.50	2,280.94	2,09,846.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,976.50	2,280.94	2,12,127.42
		3 rd NAP	4,257.44	92	3,91,684.48	1,976.50	2,280.94	2,09,846.48
		7 th NAP	3,822.93	90	3,44,063.70	1,976.50	1,846.43	1,66,178.70
		8 th NAP	4,204.22	46	1,93,394.12	1,976.50	2,227.72	1,02,475.12
		1 st NAP	4,257.44	90	3,83,169.60	1,885.00	2,372.44	2,13,519.60
		2 nd NAP	4,257.44	90	3,83,169.60	1,885.00	2,372.44	2,13,519.60
	September 2022	3 rd NAP	4,257.44	90	3,83,169.60	1,885.00	2,372.44	2,13,519.60
		7 th NAP	3,822.93	90	3,44,063.70	1,885.00	1,937.93	1,74,413.70
		8 th NAP	4,204.22	45	1,89,189.90	1,885.00	2,319.22	1,04,364.90
		1 st NAP	4,257.44	92	3,91,684.48	1,859.50	2,397.94	2,20,610.48
	October 2022	2 nd NAP	4,257.44	93	3,95,941.92	1,859.50	2,397.94	2,23,008.42
		3 rd NAP	4,257.44	93	3,95,941.92	1,859.50	2,397.94	2,23,008.42
		7 th NAP	3,822.93	90	3,44,063.70	1,859.50	1,963.43	1,76,708.70
		8 th NAP	4,204.22	46	1,93,394.12	1,859.50	2,344.72	1,07,857.12
	November 2022	1 st NAP	4,257.44	90	3,83,169.60	1,744.00	2,513.44	2,26,209.60
		2 nd NAP	4,257.44	105	4,47,031.20	1,744.00	2,513.44	2,63,911.20
		3 rd NAP	4,257.44	105	4,47,031.20	1,744.00	2,513.44	2,63,911.20
			4,257.44	45	1,91,584.80	1,744.00	2,513.44	1,13,104.80
		5 th NAP	4,257.44	90	3,83,169.60	1,744.00	2,513.44	2,26,209.60
		7 th NAP	3,822.93	15	57,343.95	1,744.00	2,078.93	31,183.95
		8 th NAP	4,204.22	7	29,429.54	1,744.00	2,460.22	17,221.54
		1 st NAP	4,257.44	92	3,91,684.48	1,744.00	2,513.44	2,31,236.48
	December 2022	2 nd NAP	4,257.44	93	3,95,941.92	1,744.00	2,513.44	2,33,749.92
		3 rd NAP	4,257.44	92	3,91,684.48	1,744.00	2,513.44	2,31,236.48
		4 th NAP	4,257.44	46	1,95,842.24	1,744.00	2,513.44	1,15,618.24
		5 th NAP	4,257.44	92	3,91,684.48	1,744.00	2,513.44	2,31,236.48
		1 st NAP	4,257.44	92	3,91,684.48	1,769.00	2,488.44	2,28,936.48
	January 2023	2 nd NAP	4,257.44	93	3,95,941.92	1,769.00	2,488.44	2,31,424.92
		3 rd NAP	4,257.44	93	3,95,941.92	1,769.00	2,488.44	2,31,424.92
		4 th NAP	4,257.44	46	1,95,842.24	1,769.00	2,488.44	1,14,468.24

Bill No. and date	Supply for the month of	Name of the Battalion	Rate per cylinder/ refill (including 18% GST)	Number of cylinder/ refill (in Nos.)	Total bill amount passed for payment	IOC rate for the month (including GST)	Rate in excess of IOCL rate per cylinder/ refill	Total amount paid to supplier in excess of IOCL rate
<i>i</i>	<i>ii</i>	<i>iii</i>	<i>iv</i>	<i>v</i>	<i>vi</i>	<i>vii</i>	<i>viii (iv-vii)</i>	<i>ix (v*viii)</i>
1331 of 17/02/2025	February 2023	5 th NAP	4,257.44	92	3,91,684.48	1,769.00	2,488.44	2,28,936.48
		1 st NAP	4,257.44	84	3,57,624.96	1,769.00	2,488.44	2,09,028.96
		2 nd NAP	4,257.44	84	3,57,624.96	1,769.00	2,488.44	2,09,028.96
		3 rd NAP	4,257.44	93	3,95,941.92	1,769.00	2,488.44	2,31,424.92
		4 th NAP	4,257.44	45	1,91,584.80	1,769.00	2,488.44	1,11,979.80
	March 2023	5 th NAP	4,257.44	88	3,74,654.72	1,769.00	2,488.44	2,18,982.72
		1 st NAP	4,257.44	92	3,91,684.48	2,119.50	2,137.94	1,96,690.48
		2 nd NAP	4,257.44	93	3,95,941.92	2,119.50	2,137.94	1,98,828.42
		3 rd NAP	4,257.44	92	3,91,684.48	2,119.50	2,137.94	1,96,690.48
		4 th NAP	4,257.44	46	1,95,842.24	2,119.50	2,137.94	98,345.24
	April 2023	5 th NAP	4,257.44	92	3,91,684.48	2,119.50	2,137.94	1,96,690.48
		1 st NAP	4,257.44	90	3,83,169.60	2,028.00	2,229.44	2,00,649.60
		2 nd NAP	4,257.44	90	3,83,169.60	2,028.00	2,229.44	2,00,649.60
		3 rd NAP	4,257.44	90	3,83,169.60	2,028.00	2,229.44	2,00,649.60
		4 th NAP	4,257.44	45	1,91,584.80	2,028.00	2,229.44	1,00,324.80
	May 2023	5 th NAP	4,257.44	90	3,83,169.60	2,028.00	2,229.44	2,00,649.60
		1 st NAP	4,257.44	92	3,91,684.48	1,856.50	2,400.94	2,20,886.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,856.50	2,400.94	2,23,287.42
		3 rd NAP	4,257.44	92	3,91,684.48	1,856.50	2,400.94	2,20,886.48
		4 th NAP	4,257.44	46	1,95,842.24	1,856.50	2,400.94	1,10,443.24
	June 2023	5 th NAP	4,257.44	92	3,91,684.48	1,856.50	2,400.94	2,20,886.48
		1 st NAP	4,257.44	90	3,83,169.60	1,773.00	2,484.44	2,23,599.60
		2 nd NAP	4,257.44	90	3,83,169.60	1,773.00	2,484.44	2,23,599.60
		3 rd NAP	4,257.44	90	3,83,169.60	1,773.00	2,484.44	2,23,599.60
		4 th NAP	4,257.44	45	1,91,584.80	1,773.00	2,484.44	1,11,799.80
	July 2023	5 th NAP	4,257.44	90	3,83,169.60	1,773.00	2,484.44	2,23,599.60
		1 st NAP	4,257.44	92	3,91,684.48	1,773.00	2,484.44	2,28,568.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,773.00	2,484.44	2,31,052.92
		3 rd NAP	4,257.44	92	3,91,684.48	1,773.00	2,484.44	2,28,568.48
		4 th NAP	4,257.44	46	1,95,842.24	1,773.00	2,484.44	1,14,284.24
		5 th NAP	4,257.44	92	3,91,684.48	1,773.00	2,484.44	2,28,568.48

Bill No. and date	Supply for the month of	Name of the Battalion	Rate per cylinder/ refill (including 18% GST)	Number of cylinder/ refill (in Nos.)	Total bill amount passed for payment	IOC rate for the month (including GST)	Rate in excess of IOCL rate per cylinder/ refill	Total amount paid to supplier in excess of IOCL rate
<i>i</i>	<i>ii</i>	<i>iii</i>	<i>iv</i>	<i>v</i>	<i>vi</i>	<i>vii</i>	<i>viii</i> (iv-vii)	<i>ix</i> (v*viii)
	August 2023	1 st NAP	4,257.44	92	3,91,684.48	1,680.00	2,577.44	2,37,124.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,680.00	2,577.44	2,39,701.92
		3 rd NAP	4,257.44	92	3,91,684.48	1,680.00	2,577.44	2,37,124.48
		4 th NAP	4,257.44	46	1,95,842.24	1,680.00	2,577.44	1,18,562.24
		5 th NAP	4,257.44	92	3,91,684.48	1,680.00	2,577.44	2,37,124.48
	September 2023	1 st NAP	4,257.44	90	3,83,169.60	1,522.50	2,734.94	2,46,144.60
		2 nd NAP	4,257.44	90	3,83,169.60	1,522.50	2,734.94	2,46,144.60
		3 rd NAP	4,257.44	90	3,83,169.60	1,522.50	2,734.94	2,46,144.60
		4 th NAP	4,257.44	45	1,91,584.80	1,522.50	2,734.94	1,23,072.30
		5 th NAP	4,257.44	91	3,87,427.04	1,522.50	2,734.94	2,48,879.54
	October 2023	1 st NAP	4,257.44	92	3,91,684.48	1,731.50	2,525.94	2,32,386.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,731.50	2,525.94	2,34,912.42
		3 rd NAP	4,257.44	92	3,91,684.48	1,731.50	2,525.94	2,32,386.48
		4 th NAP	4,257.44	46	1,95,842.24	1,731.50	2,525.94	1,16,193.24
		5 th NAP	4,257.44	92	3,91,684.48	1,731.50	2,525.94	2,32,386.48
	November 2023	1 st NAP	4,257.44	90	3,83,169.60	1,775.50	2,481.94	2,23,374.60
		2 nd NAP	4,257.44	90	3,83,169.60	1,775.50	2,481.94	2,23,374.60
		3 rd NAP	4,257.44	90	3,83,169.60	1,775.50	2,481.94	2,23,374.60
		4 th NAP	4,257.44	45	1,91,584.80	1,775.50	2,481.94	1,11,687.30
		5 th NAP	4,257.44	91	3,87,427.04	1,775.50	2,481.94	2,25,856.54
	December 2023	1 st NAP	4,257.44	92	3,91,684.48	1,757.00	2,500.44	2,30,040.48
		2 nd NAP	4,257.44	90	3,83,169.60	1,757.00	2,500.44	2,25,039.60
		3 rd NAP	4,257.44	92	3,91,684.48	1,757.00	2,500.44	2,30,040.48
		4 th NAP	4,257.44	46	1,95,842.24	1,757.00	2,500.44	1,15,020.24
		5 th NAP	4,257.44	92	3,91,684.48	1,757.00	2,500.44	2,30,040.48
	January 2024	1 st NAP	4,257.44	92	3,91,684.48	1,755.50	2,501.94	2,30,178.48
		2 nd NAP	4,257.44	93	3,95,941.92	1,755.50	2,501.94	2,32,680.42
		3 rd NAP	4,257.44	92	3,91,684.48	1,755.50	2,501.94	2,30,178.48
		4 th NAP	4,257.44	46	1,95,842.24	1,755.50	2,501.94	1,15,089.24
		5 th NAP	4,257.44	92	3,91,684.48	1,755.50	2,501.94	2,30,178.48

Bill No. and date	Supply for the month of	Name of the Battalion	Rate per cylinder/ refill (including 18% GST)	Number of cylinder/ refill (in Nos.)	Total bill amount passed for payment	IOC rate for the month (including GST)	Rate in excess of IOCL rate per cylinder/ refill	Total amount paid to supplier in excess of IOCL rate
<i>i</i>	<i>ii</i>	<i>iii</i>	<i>iv</i>	<i>v</i>	<i>vi</i>	<i>vii</i>	<i>viii (iv-vii)</i>	<i>ix (v*viii)</i>
	February 2024	1 st NAP	4,257.44	86	3,66,139.84	1,769.50	2,487.94	2,13,962.84
		2 nd NAP	4,257.44	87	3,70,397.28	1,769.50	2,487.94	2,16,450.78
		3 rd NAP	4,257.44	90	3,83,169.60	1,769.50	2,487.94	2,23,914.60
		4 th NAP	4,257.44	43	1,83,069.92	1,769.50	2,487.94	1,06,981.42
		5 th NAP	4,257.44	91	3,87,427.04	1,769.50	2,487.94	2,26,402.54
	March 2024	1 st NAP	4,257.44	92	3,91,684.48	1,795.00	2,462.44	2,26,544.48
		2 nd NAP	4,257.44	92	3,91,684.48	1,795.00	2,462.44	2,26,544.48
		3 rd NAP	4,257.44	92	3,91,684.48	1,795.00	2,462.44	2,26,544.48
		4 th NAP	4,257.44	46	1,95,842.24	1,795.00	2,462.44	1,13,272.24
		5 th NAP	4,257.44	92	3,91,684.48	1,795.00	2,462.44	2,26,544.48
Total				14,651	6,15,82,370.41	-	-	3,46,39,920.91

Source: Department records and Indian Oil Corporation Limited notified Commercial (19 Kgs) LPG rates

Appendix-5.2.1

Statement showing details of audit sample for Centralised Audit, Detailed Audit and Audit of wards
(Reference: Paragraph 5.2.5)

(A)

Ward Audit		
Sl. No.	Type of GST Audit	Jurisdiction
1	Ward Audit	Kohima Ward A
2	Ward Audit	Wokha unit
3	Ward Audit	Dimapur Ward C
4	Ward Audit	Dimapur Ward D

(B)

Sl. No.	Audit Dimension	GSTIN	Ward	Amount of deviation/ mismatch (in ₹)
1	Mismatch in availing of ITC – GSTR-2A vs GSTR-3B	1XXXXXXXXXXXXX7	Ward C, Dimapur	93,85,677
2		1XXXXXXXXXXXXXZ	Ward A, Dimapur	2,41,52,494
3		1XXXXXXXXXXXXXV	Ward D, Dimapur	5,17,77,288
4		1XXXXXXXXXXXXXS	Ward A, Dimapur	1,56,00,793
5		1XXXXXXXXXXXXXH	Ward A, Dimapur	1,52,09,407
6		1XXXXXXXXXXXXXY	Ward E, Dimapur	3,18,53,489
7		1XXXXXXXXXXXXXC	Ward D, Dimapur	3,02,59,656
8		1XXXXXXXXXXXXXB	Ward A, Dimapur	2,76,38,482
9		1XXXXXXXXXXXXXR	Ward B, Dimapur	2,56,74,278
10		1XXXXXXXXXXXXXW	Ward E, Dimapur	2,49,80,926
11	Mismatch in availing of ITC – Under Reverse Charge Mechanism	1XXXXXXXXXXXXXZ	Ward A, Dimapur	6,36,657
12		1XXXXXXXXXXXXXH	Ward C, Dimapur	1,90,403
13		1XXXXXXXXXXXXX9	Ward D, Dimapur	1,91,558
14		1XXXXXXXXXXXXXV	Ward A, Dimapur	45,34,112
15		1XXXXXXXXXXXXXH	Ward A, Kohima	70,93,923
16		1XXXXXXXXXXXXXT	Tuensang unit	4,45,040
17		1XXXXXXXXXXXXXS	Ward A, Dimapur	1,68,240
18		1XXXXXXXXXXXXXI	Mon unit	3,73,878
19		1XXXXXXXXXXXXX1	Ward C, Dimapur	1,05,26,140
20		1XXXXXXXXXXXXXU	Wokha	1,78,370
21	Mismatch in availing of ITC – ISD credit incorrectly availed by the recipients	1XXXXXXXXXXXXX2	Mon unit	24,44,469
22		1XXXXXXXXXXXXXP	Ward A, Dimapur	4,34,462
23	Mismatch in Annual Return and Financial Statements (FS) – Positive figure in GSTR-9C Table 12F	1XXXXXXXXXXXXXI	Ward E, Dimapur	1,82,589
24		1XXXXXXXXXXXXX8	Ward A, Dimapur	5,36,811
25		1XXXXXXXXXXXXXY	Ward F, Dimapur	14,25,871
26	Mismatch in Annual Return and Financial Statements (FS) – Positive figure in GSTR-9C Table 14T	1XXXXXXXXXXXXXH	Ward B, Dimapur	16,00,492
27		1XXXXXXXXXXXXXP	Ward B, Dimapur	12,67,310
28		1XXXXXXXXXXXXXB	Wokha	23,49,514
29	ITC availed after cut-off period	1XXXXXXXXXXXXXS	Ward E, Dimapur	1,60,18,431
30		1XXXXXXXXXXXXXU	Ward E, Dimapur	10,52,24,991
31		1XXXXXXXXXXXXX4	Ward D, Dimapur	90,95,068
32		1XXXXXXXXXXXXX7	Ward A, Dimapur	1,12,48,733
33		1XXXXXXXXXXXXXO	Ward C, Dimapur	2,34,49,245
34		1XXXXXXXXXXXXX5	Ward A, Dimapur	1,97,45,891
35		1XXXXXXXXXXXXX0	Ward B, Kohima	1,95,43,106

Appendices

Sl. No.	Audit Dimension	GSTIN	Ward	Amount of deviation/ mismatch (in ₹)
36		1XXXXXXXXXXXXXXK	Ward B, Kohima	1,00,44,677
37		1XXXXXXXXXXXXXX1	Ward A, Kohima	1,30,82,066
38		1XXXXXXXXXXXXXXC	Ward E, Dimapur	6,42,16,830
39		1XXXXXXXXXXXXXX7	Ward C, Dimapur	1,33,34,306
40	ITC availed without supplier remitting tax	1XXXXXXXXXXXXXX2	Ward E, Dimapur	99,35,294
41		1XXXXXXXXXXXXXXB	Ward A, Dimapur	10,43,189
42		1XXXXXXXXXXXXXXH	Tuensang unit	6,35,188
43		1XXXXXXXXXXXXXXR	Ward B, Dimapur	70,28,077
44	Short payment of interest on delayed payments	1XXXXXXXXXXXXXXU	Ward E, Dimapur	1,30,39,181
45		1XXXXXXXXXXXXXX7	Ward B, Dimapur	18,86,293
46		1XXXXXXXXXXXXXXE	Ward B, Dimapur	75,99,654
47		1XXXXXXXXXXXXXXC	Ward B, Dimapur	53,51,215
48		1XXXXXXXXXXXXXXG	Ward B, Kohima	27,27,397
49		1XXXXXXXXXXXXXX3	Ward D, Dimapur	19,94,933
50		1XXXXXXXXXXXXXXP	Ward A, Dimapur	19,10,812
51		1XXXXXXXXXXXXXXO	Mon unit	21,62,006
52		1XXXXXXXXXXXXXXC	Ward E, Dimapur	73,65,069
53		1XXXXXXXXXXXXXX5	Ward A, Dimapur	9,80,027
54	Tax not remitted due to GSTR-3B not filed	1XXXXXXXXXXXXXXG	Wokha	22,78,080
55		1XXXXXXXXXXXXXXO	Mon unit	33,58,549
56		1XXXXXXXXXXXXXXB	Ward A, Mokokchung	4,21,296
57	Suppression of tax liability (Eway-bill)	1XXXXXXXXXXXXXX2	Mon unit	3,68,23,505
58		1XXXXXXXXXXXXXXG	Ward A, Dimapur	21,26,497
59		1XXXXXXXXXXXXXXJ	Ward B, Dimapur	23,99,381
60		1XXXXXXXXXXXXXXG	Wokha	27,16,560
61		1XXXXXXXXXXXXXX8	Ward A, Dimapur	16,91,192
62		1XXXXXXXXXXXXXXH	Wokha	28,34,477
63		1XXXXXXXXXXXXXX2	Ward E, Dimapur	39,27,502
64		1XXXXXXXXXXXXXX2	Ward B, Mokokchung	22,86,760
65		1XXXXXXXXXXXXXXF	Ward C, Dimapur	12,99,322
66		1XXXXXXXXXXXXXXW	Mon unit	56,18,819
67	Tax short-paid	1XXXXXXXXXXXXXXC	Ward E, Dimapur	1,49,60,400
68		1XXXXXXXXXXXXXX8	Ward A, Dimapur	57,73,361
69		1XXXXXXXXXXXXXXC	Ward D, Dimapur	1,25,69,899
70		1XXXXXXXXXXXXXXP	Ward A, Dimapur	1,33,46,549
71		1XXXXXXXXXXXXXX1	Ward D, Dimapur	41,954
72		1XXXXXXXXXXXXXXL	Ward B, Mokokchung	77,32,896
73		1XXXXXXXXXXXXXXB	Ward A, Dimapur	7,01,556
74		1XXXXXXXXXXXXXXW	Ward A, Dimapur	1,62,84,674
75		1XXXXXXXXXXXXXXL	Ward B, Dimapur	2,32,46,320
76		1XXXXXXXXXXXXXX7	Ward E, Dimapur	60,446
77	Mismatch in Annual Return and Financial Statements (FS) – Negative figure in GSTR- 9C Table 9R	1XXXXXXXXXXXXXXP	Ward B, Dimapur	14,09,092
78		1XXXXXXXXXXXXXXR	Ward B, Dimapur	17,852
79		1XXXXXXXXXXXXXXT	Ward A, Kohima	9,81,545
80		1XXXXXXXXXXXXXXB	Wokha	18,60,501
81		1XXXXXXXXXXXXXX7	Ward B, Kohima	18,38,895
82	Suppression of taxable value (Unbilled Revenue)	1XXXXXXXXXXXXXX9	Ward D, Dimapur	1,61,43,246
83	Mismatch in Annual Return and Financial Statements (FS) - Negative figure in GSTR- 9C Table 7G	1XXXXXXXXXXXXXX9	Ward A, Dimapur	68,49,258
84	Under declaration of	1XXXXXXXXXXXXXX2	Ward E, Dimapur	2,45,81,064

Sl. No.	Audit Dimension	GSTIN	Ward	Amount of deviation/ mismatch (in ₹)
85	taxable supplies by comparing TDS returns	1XXXXXXXXXXXXXL	Ward A, Dimapur	3,07,00,000
86		1XXXXXXXXXXXXXC	Ward D, Dimapur	6,71,23,263
87		1XXXXXXXXXXXXXP	Ward C, Kohima	1,57,81,666
88	Ineligible composition levy	1XXXXXXXXXXXX B	Ward A, Dimapur	1,77,30,000
Total				100,72,90,385
Total (₹ in crore)				100.72

(C)

Detailed Audit			
Sl. No	GSTIN	Ward	Total amount of deviation/ mismatch (in ₹)
1	1XXXXXXXXXXXXXE	Dimapur Ward A	38,96,47,712
2	1XXXXXXXXXXXXXO	Dimapur Ward A	4,17,90,000
3	1XXXXXXXXXXXXX6	Dimapur Ward A	7,51,99,937
4	1XXXXXXXXXXXXXL	Dimapur Ward A	4,95,27,276
5	1XXXXXXXXXXXXXK	Dimapur, Ward C	39,59,523
6	1XXXXXXXXXXXXXH	Dimapur, Ward C	38,51,706
7	1XXXXXXXXXXXXX8	Dimapur, Ward D	61,34,867
8	1XXXXXXXXXXXXX2	Dimapur Ward E	3,72,94,824
9	1XXXXXXXXXXXXX5	Dimapur Ward E	0.00
10	1XXXXXXXXXXXXXA	Dimapur Ward E	35,71,614
11	1XXXXXXXXXXXXXM	Dimapur Ward E	0.00
12	1XXXXXXXXXXXXXS	Kohima Ward A	11,68,96,748
13	1XXXXXXXXXXXXXD	Kohima Ward A	0.00
14	1XXXXXXXXXXXXXI	Wokha	0.00
15	1XXXXXXXXXXXXX6	Mokokchung Ward A	0.00
Total			72,78,74,207
Total (₹ in crore)			72.78

Appendix-5.2.2
Statement showing deficiencies noticed in closed cases
(Reference: Paragraph 5.2.8.1)

Sl. No.	GSTIN/Temp ID/ UIN	Notice Ref. No.	Notice Date	Tax period (From) Month, Year	Tax period (To) Month, Year	Amount 3B_2A	R1_R3B	TDS/ work contract/ short payment	Interest and penalty	ASMT 11	ASMT 12	DRC	Interest	Amount due	Interest due (in ₹)	Audit comment
1.	IXXXXX XXXXX XXXXX	ZD13112 0000017K	04/11/2020	Jul-17	Mar-18		4,16,075		148,208	22/10/2021	22/10/2021	4,16,076		0	1,48,208	Dropped but interest not paid
2.	IXXXXX XXXXX XXXXX	ZD13032 1000192F XXXXX	23/03/2021	Apr-19	Mar-20			14,64,598	484,075	23/08/2021	23/08/2021	14,64,598		0	4,84,075	Dropped but interest not paid
3.	IXXXXX XXXXX XXXXX	ZD13112 0000032S	12/11/2020	Mar-19	Mar-19		3,39,372		91,850	20/09/2021	30/09/2021	3,39,372		0	91,850	Dropped but interest not paid
4.	IXXXXX XXXXX XXXXX	ZD13112 00000899 XXXXX	27/11/2020	Jul-17	Mar-18			19,052	8,545	23/12/2020	02/09/2021	19,052		0	8,545	Dropped but interest not paid
5.	IXXXXX XXXXX XXXXX	ZD131120 000026L	09/11/2020	Jul-17	Mar-18		2,16,374		97,090	21/12/2021	21/12/2021	2,16,374		0	97,090	Dropped but interest not paid
6.	IXXXXX XXXXX XXXXX	ZD131120 000027J	09/11/2020	Apr-18	Mar-19		4,01,532		113,058	21/12/2021	21/12/2021	1,49,560		0	1,13,058	Dropped but interest not paid
7.	IXXXXX XXXXX XXXXX	ZD130121 000041S XXXXX	14/01/2021	Apr-18	Mar-19		26,468		6,890	20/09/2021	30/09/2021	26,468		0	6,890	Dropped but interest not paid
8.	IXXXXX XXXXX XXXXX	ZD131120 000015O	04/11/2020	Dec-17	Dec-17			59,878	48,340	30/09/2021	01/10/2021	59,878		0		Dropped but interest not paid
9.	IXXXXX XXXXX XXXXX	ZD130121 000036J	14/01/2021	Apr-18	Mar-19		1,14,473				12/10/2021	41,528		58,137		Dropped however ₹0.58 lakh is outstanding
10.	IXXXXX XXXXX XXXXX	ZD130321 000135F	18/03/2021	Jul-20	Sep-20	33,90,758			225,720	10/05/2021	13/08/2021	3,31,976		18,00,943	2,25,720	Dropped however, ₹18 lakh is outstanding

Sl. No.	GSTIN/ Temp ID/ UIN	Notice Ref. No.	Notice Date	Tax period (From) Month, Year	Tax period (To) Month, Year	Amount 3B_2A	R1_R3B	TDS/ work contract/ short payment	Interest and penalty	ASMT H	ASMT 12	DRC	Interest	Amount due	Interest due (in ₹)	Audit comment
11.	1XXXXX XXXXXX XXXXS	ZD130321 000134H	18/03/2021	Jul-20	Sep-20	40,472			1,260	30/09/2021	10/10/2021	20,236	630	0		No excess ITC
12.	1XXXXX XXXXXX XXXFX	ZD131020 00050789	27/10/2020	Apr-18	Mar-19		40,30,290			27/06/2022	28/06/2022	4,42,712	16,230	0		No excess ITC
13.	1XXXXX XXXXXX XXXXM	ZD13032 1000046E	08/03/2021	Jul-17	Mar-18	18,28,566				03/04/2021	02/11/2022			0		Dropped
14.	XXXXXX XXXXXX XXXXQ	ZD13022 1000255D	23/02/2021	Jul-17	Mar-18	1,89,415	21,225			20/10/2021	02/11/2022			0		Dropped
15.	1XXXXX XXXXXX XXXX2	ZD13012 1000008I	07/01/2021	Apr-19	Mar-20					12/07/2022	02/08/2022			0		Dropped
16.	1XXXXX XXXXXX XXXX2	ZD130121 000007K	07/01/2021	Apr-18	Mar-19					12/07/2022	02/08/2022			0		Dropped
17.	1XXXXX XXXXXX XXXX9	ZD130121 000039D	14/01/2021	Apr-18	Mar-19			28,76,478	822,747		15/09/2021			0		dropped
18.	1XXXXX XXXXXX XXXX9	ZD130121 000040U	14/01/2021	Apr-19	Mar-20			77,02,148	721,620	12/02/2021	03/09/2021			0		dropped
19.	1XXXXX XXXXXX XXXJ	ZD13012 1000035L	14/01/2021	Mar-19	Mar-19			19,148	4,718	30/04/2021	17/07/2021	19,148	4,718	0		dropped
20.	1XXXXX XXXXXX XXXXM	ZD131220 000010W	02/12/2020	Jul-17	Mar-18			26,676	12,220	10/02/2021	15/03/2021	26,676	12,220	0		dropped
21.	1XXXXX XXXXXX XXXL	ZD131220 000011U	02/12/2020	Jul-17	Mar-18			1,80,604	82,770	30/09/2021	01/10/2021			0		dropped
22.	1XXXXX XXXXXX XXXT	ZD131120 000090Q	27/11/2020	Jul-17	Mar-18		3,58,653			28/12/2020	15/03/2021			0		dropped

Sl. No.	GSTIN/Temp ID/ UIN	Notice Ref. No.	Notice Date	Tax period (From) Month, Year	Tax period (To) Month, Year	Amount 3B_2A	R1_R3B	TDS/ work contract/ short payment	Interest and penalty	ASMT II	ASMT 12	DRC	Interest	Amount due	Interest due (in ₹)	Audit comment
23.	1XXXXX XXXXXX XXXX4	ZD131220 000012S	02/12/2020	Jul-17	Mar-18			32,612	12,896	10/02/2021	15/03/2021	32,612	12,896	0		dropped
24.	1XXXXX XXXXXX XXXX8	ZD130121 000034N	14/01/2021	Dec-18	Jan-19			85,99,731			21/09/2021	85,99,731		0		dropped
Total														1859080	1175436	
Total (₹ in crore)														0.18	0.11	

Source: GSTN Back Office data

Appendix-5.2.3
Statement showing deficiencies in non-finalised cases
(Reference: Paragraph 5.2.8.1)

Sl. No.	GSTIN/Temp ID/ UIN	Notice Ref. No.	Notice Date	Delay in days as on 30-4-2024)	Tax period (From) Month, Year	Tax period (To) Month, Year	Amount 3B_2A	R1_R3 B	TDS/ work contract/ short payment	Interest and penalty	ASMT11	ASMT 12	DRC	Interest	Amount due as per GST Back Office portal (in ₹)	Interest due (in ₹)	Recovered through DRC
Non finalised cases																	
1.	1XXXXXXXXXX XXXXXXXXR	ZD1302210 00246C	23/02/2021	1162	Apr-18	Mar-19	4,04,799				11/03/2021				3,86,437		
2.	1XXXXXXXXXX XXXXXXXXX	ZD1302210 002488	23/02/2021	1162	Apr-18	Mar-19	1,20,867				31/03/2021				1,20,867		
3.	1XXXXXXXXXX XXXXXXXXM	ZD1302210 00250N	23/02/2021	1162	Apr-18	Mar-19	3,82,966				23/08/2022				3,82,966		
4.	1XXXXXXXXXX XXXXXXXXX	ZD1302210 002579	23/02/2021	1162	Jul-17	Mar-18	1,20,707				11/03/2021		947		7,93,397		
5.	1XXXXXXXXXX XXXXXXXXL	ZD1302210 00259S	23/02/2021	1162	Jul-17	Mar-18	63,549				26/02/2021				63,549		
6.	1XXXXXXXXXX XXXXXXXXJ	ZD1302210 002686	23/02/2021	1162	Jul-17	Mar-18	1,17,367				10/03/2021				1,22,010		
7.	1XXXXXXXXXX XXXXXXXXP	ZD1302210 00270L	23/02/2021	1162	Jul-17	Mar-18	1,04,590				10/03/2021				11,757		
8.	1XXXXXXXXXX XXXXXXXX6	ZD1302210 00272H	23/02/2021	1162	Jul-17	Mar-18	1,05,134				03/05/2023		6,452	1,161	97,521		
9.	1XXXXXXXXXX XXXXXXXX1	ZD1302210 002769	23/02/2021	1162	Jul-17	Mar-18	1,70,836				23/02/2021				1,70,845		
10.	1XXXXXXXXXX XXXXXXXX0	ZD1303210 00008E	01/03/2021	1156	Apr-18	Mar-19	8,39,643				10/08/2022				5,404		
11.	1XXXXXXXXXX XXXXXXXXJ	ZD1302210 002397	23/02/2021	1162	Jul-17	Mar-18	35,55,985				21/03/2021		39,46,651		0		
12.	1XXXXXXXXXX XXXXXXXXP	ZD1302210 00253H	23/02/2021	1162	Jul-17	Mar-18	2,30,51,058				22/03/2021				2,30,51,058		
13.	1XXXXXXXXXX XXXXXXXXL	ZD1303210 00006I	01/03/2021	1156	Jul-17	Mar-18	14,354				25/08/2022				12,533		12,533
14.	1XXXXXXXXXX XXXXXXXX3	ZD1302210 00271J	23/02/2021	1162	Jul-17	Mar-18	5,39,105				01/10/2022				5,39,105		5,39,105
15.	1XXXXXXXXXX XXXXXXXXV	ZD1303210 00009C	01/03/2021	1156	Jul-17	Mar-18	35,60,159				18/03/2021				1,47,307		
16.	1XXXXXXXXXX XXXXXXXXV	ZD1303210 00011R	01/03/2021	1156	Jul-17	Mar-18	26,615				01/03/2021				26,615		
17.	1XXXXXXXXXX XXXXXXXXH	ZD1302210 00194D	22/02/2021	1163	Apr-18	Mar-19	16,64,685				17/08/2022				16,10,334		3,56,600
18.	1XXXXXXXXXX XXXXXXXXT	ZD1302210 00266A	23/02/2021	1162	Jul-17	Mar-18	4,55,235				16/08/2022				4,55,235		4,55,235

Appendix-5.2.4
Statement showing cancelled registrations with effect from dates prior to the application dates
(Reference: Paragraph 5.2.8.4)

Sl. No.	Ward	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Reason of Cancellation	Date of Filing Application	Date of Effect of Cancellation	Order prior application
1.	Dimapur Ward C	1XXXXXXXXXXXXXXH	02/08/2017	NA	Discontinuation/Closure of Business	11/6/2020	11/06/2020	0
2.	Dimapur Ward C	1XXXXXXXXXXXXXXB	28/08/2020	NA	Others	20/02/2021	01/02/2021	-19
3.	Dimapur Ward C	1XXXXXXXXXXXXXS	01/07/2017	NA	Discontinuation/Closure of Business	05/10/2020	10/08/2019	-422
4.	Dimapur Ward C	1XXXXXXXXXXXXXL	28/08/2017	NA	Others	16/06/2020	01/04/2020	-76
5.	Dimapur Ward C	1XXXXXXXXXXXXX9	01/07/2017	NA	Discontinuation/Closure of Business	20/1/2021	18/01/2021	-2
6.	Dimapur Ward C	1XXXXXXXXXXXXXM	22/07/2017	NA	Discontinuation/Closure of Business	16/5/2020	16/05/2020	0
7.	Dimapur Ward C	1XXXXXXXXXXXXXL	01/07/2017	NA	Discontinuation/Closure of Business	18/3/2020	18/03/2020	0
8.	Dimapur Ward C	1XXXXXXXXXXXXX0	01/07/2017	NA	Discontinuation/Closure of Business	03/10/2018	30/09/2018	-3
9.	Dimapur Ward D	1XXXXXXXXXXXXXY	01/07/2020	NA	Discontinuance of business/ Closure	12/08/2020	12/08/2020	0
10.	Dimapur Ward D	1XXXXXXXXXXXXX0	01/03/2019	NA	Discontinuance of business/ Closure	11/08/2020	31/03/2020	-133
11.	Dimapur Ward D	1XXXXXXXXXXXXX3	01/07/2017	NA	Others	31/08/2020	01/04/2020	-152
12.	Dimapur Ward D	1XXXXXXXXXXXXXV	04/02/2020	NA	Discontinuance of business/ Closure	21/10/2020	30/09/2020	-21
13.	Dimapur Ward D	1XXXXXXXXXXXXXQ	19/12/2020	NA	Discontinuance of business/ Closure	04/03/2021	04/03/2021	0
14.	Dimapur Ward D	1XXXXXXXXXXXXXM	18/11/2019	NA	Discontinuance of business/ Closure	01/08/2020	30/06/2020	-32

Sl. No.	Ward	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Reason of Cancellation	Date of Filing Application	Date of Effect of Cancellation	Order prior application
15.	Dimapur Ward D	1XXXXXXXXXXXXXXXXXXE	24/08/2017	NA	Death of Sole Proprietor	03/02/2021	01/01/2021	-33
16.	Dimapur Ward D	1XXXXXXXXXXXXXXXXXX0	03/08/2018	NA	Discontinuance of business/ Closure	30/01/2021	01/12/2020	-60
17.	Dimapur Ward D	1XXXXXXXXXXXXXXXXXX9	01/07/2017	NA	Discontinuance of business/ Closure	14/03/2020	28/02/2020	-15
18.	Dimapur Ward D	1XXXXXXXXXXXXXXXXXS	14/08/2019	NA	Discontinuance of business/ Closure	20/07/2020	20/07/2020	0
19.	Dimapur Ward D	1XXXXXXXXXXXXXXXXXA	20/11/2017	NA	Others	15/07/2020	30/06/2020	-15
20.	Dimapur Ward D	1XXXXXXXXXXXXXXXXXD	11/09/2018	NA	Discontinuance of business/ Closure	27/11/2020	01/04/2019	-606
21.	Dimapur Ward D	1XXXXXXXXXXXXXXXXX5	01/07/2017	NA	Discontinuance of business/ Closure	28/11/2020	31/03/2020	-242
22.	Dimapur Ward D	1XXXXXXXXXXXXXXXXXF	13/07/2017	13/07/2020	Discontinuance of business/ Closure	10/01/2020	01/11/2018	-435
23.	Dimapur Ward D	1XXXXXXXXXXXXXXXXXW	01/07/2017	NA	Discontinuance of business/ Closure	11/06/2019	11/06/2019	0
24.	Kohima Ward A	1XXXXXXXXXXXXXXXXXL	01/07/2017	NA	Discontinuance of business/ Closure	18/03/2021	01/07/2020	-260
25.	Kohima Ward A	1XXXXXXXXXXXXXXXXXX	25/10/2017	NA	Others	05/01/2021	05/01/2021	0
26.	Kohima Ward A	1XXXXXXXXXXXXXXXXXT	19/02/2021	NA	Others	27/02/2021	19/02/2021	-8
27.	Kohima Ward A	1XXXXXXXXXXXXXXXXXY	28/09/2020	NA	Others	27/03/2021	28/02/2021	-27
28.	Kohima Ward A	1XXXXXXXXXXXXXXXXX3	17/04/2019	NA	Discontinuance of business/ Closure	25/06/2020	25/06/2020	0
29.	Kohima Ward A	1XXXXXXXXXXXXXXXXXH	01/07/2017	NA	Discontinuance of business/ Closure	06/10/2020	06/10/2020	0
30.	Kohima Ward A	1XXXXXXXXXXXXXXXXX7	20/07/2017	NA	Discontinuance of business/ Closure	30/08/2020	31/07/2020	-30
31.	Kohima Ward A	1XXXXXXXXXXXXXXXXXL	06/11/2019	NA	Discontinuance of business/ Closure	19/10/2020	31/07/2020	-80

Sl. No.	Ward	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Reason of Cancellation	Date of Filing Application	Date of Effect of Cancellation	Order prior application
32.	Kohima Ward A	1XXXXXXXXXXXXXX2	26/09/2019	NA	Discontinuance of business/ Closure	22/12/2020	22/12/2020	0
33.	Kohima Ward A	1XXXXXXXXXXXXXXZ	01/07/2017	NA	Discontinuance of business/ Closure	20/01/2021	20/01/2021	0
34.	Kohima Ward A	1XXXXXXXXXXXXXXJ	23/08/2019	NA	Discontinuance of business/ Closure	28/09/2020	28/09/2020	0
35.	Kohima Ward A	1XXXXXXXXXXXXXXG	19/12/2020	NA	Others	19/12/2020	19/12/2020	0
36.	Kohima Ward A	1XXXXXXXXXXXXXXL	14/08/2017	30/05/2020	Others	22/05/2020	30/04/2020	-22
37.	Kohima Ward A	1XXXXXXXXXXXXXXC	22/09/2017	10/11/2020	Discontinuance of business/ Closure	20/10/2020	20/10/2020	0
38.	Wokha Unit	1XXXXXXXXXXXXXXL	05/11/2020	NA	Discontinuation/Closure of Business	11/11/2020	11/11/2020	0
39.	Wokha Unit	1XXXXXXXXXXXXXXQ	26/11/2019	NA	Discontinuation/Closure of Business	28/1/2021	01/01/2021	-27
40.	Wokha Unit	1XXXXXXXXXXXXXXP	15/07/2017	NA	Others	25/01/2021	25/01/2021	0
41.	Wokha Unit	1XXXXXXXXXXXXXXC	16/07/2019	NA	Discontinuation/Closure of Business	20/5/2020	20/05/2020	0
42.	Wokha Unit	1XXXXXXXXXXXXXXV	01/09/2020	NA	Ceased to be liable to pay tax	23/12/2020	23/12/2020	0
43.	Wokha Unit	1XXXXXXXXXXXXXXY	01/07/2017	NA	Discontinuation/Closure of Business	20/11/2020	31/03/2020	-234
44.	Wokha Unit	1XXXXXXXXXXXXXXU	04/05/2018	NA	Change in constitution of business	24/08/2020	31/07/2020	-24
45.	Wokha Unit	1XXXXXXXXXXXXXX	06/02/2018	NA	Discontinuation/Closure of Business	28/6/2020	31/03/2020	-89
Total								26 negative cases

Source: GSTN Back Office data

Appendix – 5.2.5
Statement showing delay in issuance of cancellation order
(Reference: Paragraph 5.2.8.4)

Sl. No.	Name of Ward	GSTIN/ UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Actual order (30 days from Application)	Delay in order in days
Suo-moto cancellation										
1	Dimapur Ward C	IXXXXXXXXXXXXXX XR	29/8/2019	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	16/6/2020	16/6/2020	17/4/2020	60
2	Dimapur Ward C	IXXXXXXXXXXXXXX XN	01/7/2017	17/3/2020	17/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	16/6/2020	16/6/2020	16/4/2020	61
3	Dimapur Ward C	IXXXXXXXXXXXXXX XD	01/7/2017	17/3/2020	17/3/2020	Non-Compliance of provisions of law	03/11/2020	03/11/2020	16/4/2020	201
4	Dimapur Ward D	IXXXXXXXXXXXXXX XM	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	17/4/2020	41
5	Dimapur Ward D	IXXXXXXXXXXXXXX XY	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	17/4/2020	41
6	Dimapur Ward D	IXXXXXXXXXXXXXX XA	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	17/4/2020	41
7	Dimapur Ward D	IXXXXXXXXXXXXXX X9	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	17/4/2020	41
8	Dimapur Ward D	IXXXXXXXXXXXXXX XK	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	17/4/2020	41
9	Dimapur Ward D	IXXXXXXXXXXXXXX XM	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	17/4/2020	41
10	Dimapur Ward D	IXXXXXXXXXXXXXX XC	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	17/4/2020	41
11	Dimapur Ward D	IXXXXXXXXXXXXXX XI	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	17/4/2020	41
12	Dimapur Ward D	IXXXXXXXXXXXXXX XE	15/12/2017	17/3/2020	17/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	16/4/2020	42
13	Kohima Ward A	IXXXXXXXXXXXXXX XV	14/7/2017	15/11/2020	15/11/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	24/11/2020	24/11/2020	15/12/2020	-21
14	Kohima Ward A	IXXXXXXXXXXXXXX X5	14/9/2017	29/9/2020	29/9/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	09/10/2020	09/10/2020	29/10/2020	-20
15	Kohima Ward A	IXXXXXXXXXXXXXX XF	14/9/2017	17/7/2020	17/7/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/7/2020	28/7/2020	16/8/2020	-19

SL No.	Name of Ward	GSTIN/ UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Actual order (30 days from Application)	Delay in order in days
16	Kohima Ward A	1XXXXXXXXXXXXX4	21/7/2017	15/8/2020	15/8/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	26/8/2020	26/8/2020	14/9/2020	-19
17	Kohima Ward A	1XXXXXXXXXXXXXA	15/9/2017	15/8/2020	15/8/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	26/8/2020	26/8/2020	14/9/2020	-19
18	Kohima Ward A	1XXXXXXXXXXXXXZ	01/11/2017	15/8/2020	15/8/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	26/8/2020	26/8/2020	14/9/2020	-19
19	Kohima Ward A	1XXXXXXXXXXXXXF	01/3/2018	15/8/2020	15/8/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	26/8/2020	26/8/2020	14/9/2020	-19
20	Kohima Ward A	1XXXXXXXXXXXXXV	11/7/2018	10/9/2020	10/9/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	21/9/2020	21/9/2020	10/10/2020	-19
21	Kohima Ward A	1XXXXXXXXXXXXX8	01/8/2018	11/9/2020	11/9/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	22/9/2020	22/9/2020	11/10/2020	-19
22	Kohima Ward A	1XXXXXXXXXXXXXR	01/7/2018	10/12/2020	10/12/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	21/12/2020	21/12/2020	09/1/2021	-19
23	Kohima Ward A	1XXXXXXXXXXXXX8	01/7/2017	16/7/2020	16/7/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/7/2020	28/7/2020	15/8/2020	-18
24	Kohima Ward A	1XXXXXXXXXXXXX3	01/7/2017	18/3/2021	18/3/2021	Section 29(2)(c)- Person, other than paying tax u/s 10,	30/3/2021	30/3/2021	17/4/2021	-18
25	Kohima Ward A	1XXXXXXXXXXXXX1	01/7/2017	18/3/2021	18/3/2021	Section 29(2)(c)- Person, other than paying tax u/s 10,	30/3/2021	30/3/2021	17/4/2021	-18
26	Kohima Ward A	1XXXXXXXXXXXXX4	09/8/2017	20/11/2020	20/11/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	03/12/2020	03/12/2020	20/12/2020	-17
27	Kohima Ward A	1XXXXXXXXXXXXXR	01/4/2018	22/2/2021	22/2/2021	Section 29(2)(c)- Person, other than paying tax u/s 10,	07/3/2021	07/3/2021	24/3/2021	-17
28	Kohima Ward A	1XXXXXXXXXXXXX7	03/6/2019	22/2/2021	22/2/2021	Section 29(2)(c)- Person, other than paying tax u/s 10,	07/3/2021	07/3/2021	24/3/2021	-17
29	Kohima Ward A	1XXXXXXXXXXXXXK	30/7/2018	07/9/2020	07/9/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	21/9/2020	21/9/2020	07/10/2020	-16
30	Kohima Ward A	1XXXXXXXXXXXXXG	08/3/2019	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	06/4/2020	06/4/2020	17/4/2020	-11
31	Kohima Ward A	1XXXXXXXXXXXXXU	01/7/2017	21/12/2020	21/12/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	11/1/2021	11/1/2021	20/1/2021	-9
Sub-total										12 positive cases

Sl. No.	Name of Ward	GSTIN/ UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Actual order (30 days from Application)	Delay order in days
Cancelled on request by the taxpayers										
32	Dimapur Ward C	1XXXXXXXXXXXXX XH	02/8/2017	NA	11/6/2020	Discontinuation/Closure of Business	16/6/2020	11/6/2020	11/7/2020	-25.00
33	Dimapur Ward C	1XXXXXXXXXXXXX XB	28/8/2020	NA	20/2/2021	Others	26/2/2021	01/2/2021	22/3/2021	-24.00
34	Dimapur Ward C	1XXXXXXXXXXXXX XS	01/7/2017	NA	05/10/2020	Discontinuation/Closure of Business	13/10/2020	10/8/2019	04/11/2020	-22.00
35	Dimapur Ward C	1XXXXXXXXXXXXX XL	28/8/2017	NA	16/6/2020	Others	03/7/2020	01/4/2020	16/7/2020	-13.00
36	Dimapur Ward C	1XXXXXXXXXXXXX X9	01/7/2017	NA	20/1/2021	Discontinuation/Closure of Business	08/2/2021	18/1/2021	19/2/2021	-11.00
37	Dimapur Ward D	1XXXXXXXXXXXXX XY	01/7/2020	NA	12/8/2020	Discontinuance of business/ Closure of business	20/8/2020	12/8/2020	11/9/2020	-22.00
38	Dimapur Ward D	1XXXXXXXXXXXXX X0	01/3/2019	NA	11/8/2020	Discontinuance of business/ Closure of business	20/8/2020	31/3/2020	10/9/2020	-21.00
39	Dimapur Ward D	1XXXXXXXXXXXXX X3	01/7/2017	NA	31/8/2020	Others	11/9/2020	01/4/2020	30/9/2020	-19.00
40	Dimapur Ward D	1XXXXXXXXXXXXX XV	04/2/2020	NA	21/10/2020	Discontinuance of business/ Closure of business	03/11/2020	30/9/2020	20/11/2020	-17.00
41	Dimapur Ward D	1XXXXXXXXXXXXX XQ	19/12/2020	NA	04/3/2021	Discontinuance of business/ Closure of business	19/3/2021	04/3/2021	03/4/2021	-15.00
42	Dimapur Ward D	1XXXXXXXXXXXXX XM	18/11/2019	NA	01/8/2020	Discontinuance of business/ Closure of business	20/8/2020	30/6/2020	31/8/2020	-11.00
43	Dimapur Ward D	1XXXXXXXXXXXXX XE	24/8/2017	NA	03/2/2021	Death of Sole Proprietor	26/2/2021	01/1/2021	05/3/2021	-7.00
44	Dimapur Ward D	1XXXXXXXXXXXXX X0	03/8/2018	NA	30/1/2021	Discontinuance of business/ Closure of business	26/2/2021	01/12/2020	01/3/2021	-3.00
45	Dimapur Ward D	1XXXXXXXXXXXXX X9	01/7/2017	NA	14/3/2020	Discontinuance of business/ Closure of business	13/4/2020	28/2/2020	13/4/2020	0.00
46	Kohima Ward A	1XXXXXXXXXXXXX XL	01/7/2017	NA	18/3/2021	Discontinuance of business/ Closure of business	19/3/2021	01/7/2020	17/4/2021	-29.00
47	Kohima Ward A	1XXXXXXXXXXXXX XX	25/10/2017	NA	05/1/2021	Others	07/1/2021	05/1/2021	04/2/2021	-28.00
48	Kohima Ward A	1XXXXXXXXXXXXX XT	19/2/2021	NA	27/2/2021	Others	01/3/2021	19/2/2021	29/3/2021	-28.00

Sl. No.	Name of Ward	GSTIN/ UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Actual order (30 days from Application)	Delay in order in days
49	Kohima Ward A	1XXXXXXXXXXXY	28/9/2020	NA	27/3/2021	Others	30/3/2021	28/2/2021	26/4/2021	-27.00
50	Kohima Ward A	1XXXXXXXXXXXXX3	17/4/2019	NA	25/6/2020	Discontinuance of business/ Closure of business	29/6/2020	25/6/2020	25/7/2020	-26.00
51	Kohima Ward A	1XXXXXXXXXXXXXH	01/7/2017	NA	06/10/2020	Discontinuance of business/ Closure of business	12/10/2020	06/10/2020	05/11/2020	-24.00
52	Kohima Ward A	1XXXXXXXXXXXXX7	20/7/2017	NA	30/8/2020	Discontinuance of business/ Closure of business	07/9/2020	31/7/2020	29/9/2020	-22.00
53	Kohima Ward A	1XXXXXXXXXXXXXL	06/11/2019	NA	19/10/2020	Discontinuance of business/ Closure of business	27/10/2020	31/7/2020	18/11/2020	-22.00
54	Kohima Ward A	1XXXXXXXXXXXXX2	26/9/2019	NA	22/12/2020	Discontinuance of business/ Closure of business	31/12/2020	22/12/2020	21/1/2021	-21.00
55	Kohima Ward A	1XXXXXXXXXXXXXZ	01/7/2017	NA	20/1/2021	Discontinuance of business/ Closure of business	29/1/2021	20/1/2021	19/2/2021	-21.00
56	Kohima Ward A	1XXXXXXXXXXXXXJ	23/8/2019	NA	28/9/2020	Discontinuance of business/ Closure of business	08/10/2020	28/9/2020	28/10/2020	-20.00
57	Kohima Ward A	1XXXXXXXXXXXXXG	19/12/2020	NA	19/12/2020	Others	29/12/2020	19/12/2020	18/1/2021	-20.00
58	Kohima Ward A	1XXXXXXXXXXXXXL	14/8/2017	30/5/2020	22/5/2020	Others	09/6/2020	30/4/2020	21/6/2020	-12.00
59	Wokha Unit	1XXXXXXXXXXXXXL	05/11/2020	NA	11/11/2020	Discontinuation/Closure of Business	12/11/2020	11/11/2020	11/12/2020	-29.00
60	Wokha Unit	1XXXXXXXXXXXXXQ	26/11/2019	NA	28/1/2021	Discontinuation/Closure of Business	03/2/2021	01/1/2021	27/2/2021	-24.00
61	Wokha Unit	1XXXXXXXXXXXXXP	15/7/2017	NA	25/1/2021	Others	03/2/2021	25/1/2021	24/2/2021	-21.00
62	Wokha Unit	1XXXXXXXXXXXXXC	16/7/2019	NA	20/5/2020	Discontinuation/Closure of Business	24/6/2020	20/5/2020	19/6/2020	5.00
63	Wokha Unit	1XXXXXXXXXXXXXV	01/9/2020	NA	23/12/2020	Ceased to be liable to pay tax	03/2/2021	23/12/2020	22/1/2021	12.00
64	Wokha Unit	1XXXXXXXXXXXXXY	01/7/2017	NA	20/11/2020	Discontinuation/Closure of Business	03/2/2021	31/3/2020	20/12/2020	45.00
65	Wokha Unit	1XXXXXXXXXXXXXU	04/5/2018	NA	24/8/2020	Change in constitution of business leading to	17/11/2020	31/7/2020	23/9/2020	55.00
66	Wokha Unit	1XXXXXXXXXXXXXX	06/2/2018	NA	28/6/2020	Discontinuation/Closure of Business	17/11/2020	31/3/2020	28/7/2020	112.00

Sl. No.	Name of Ward	GSTIN/ UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Actual order (30 days from Application)	Delay order in days
67	Dimapur Ward C	1XXXXXXXXXXXXXX XM	22/7/2017	NA	16/5/2020	Discontinuation/Closure of Business	01/10/2020	16/5/2020	15/6/2020	108.00
68	Dimapur Ward C	1XXXXXXXXXXXXXX XL	01/7/2017	NA	18/3/2020	Discontinuation/Closure of Business	01/10/2020	18/3/2020	17/4/2020	167.00
69	Dimapur Ward C	1XXXXXXXXXXXXXX X0	01/7/2017	NA	03/10/2018	Discontinuation/Closure of Business	12/2/2021	30/9/2018	02/11/2018	833.00
70	Dimapur Ward D	1XXXXXXXXXXXXXX XS	14/8/2019	NA	20/7/2020	Discontinuance of business/ Closure of business	20/8/2020	20/7/2020	19/8/2020	1.00
71	Dimapur Ward D	1XXXXXXXXXXXXXX XA	20/11/2017	NA	15/7/2020	Others	20/8/2020	30/6/2020	14/8/2020	6.00
72	Dimapur Ward D	1XXXXXXXXXXXXXX XD	11/9/2018	NA	27/11/2020	Discontinuance of business/ Closure of business	12/1/2021	01/4/2019	27/12/2020	16.00
73	Dimapur Ward D	1XXXXXXXXXXXXXX X5	01/7/2017	NA	28/11/2020	Discontinuance of business/ Closure of business	19/3/2021	31/3/2020	28/12/2020	81.00
74	Dimapur Ward D	1XXXXXXXXXXXXXX XF	13/7/2017	13/7/2020	10/1/2020	Discontinuance of business/ Closure of business	23/7/2020	01/11/2018	09/2/2020	165.00
75	Dimapur Ward D	1XXXXXXXXXXXXXX XW	01/7/2017	NA	11/6/2019	Discontinuance of business/ Closure of business	08/9/2020	11/6/2019	11/7/2019	425.00
76	Kohima Ward A	1XXXXXXXXXXXXXX XC	22/9/2017	10/11/2020	20/10/2020	Discontinuance of business/ Closure of business	21/11/2020	20/10/2020	19/11/2020	2.00
Sub total										15 positive cases
Total										27 positive cases

Appendix – 5.2.6
Statement showing non-filing of GSTR-10
(Reference: Paragraph 5.2.8.4)

Sou-moto cancellation									
SL No.	Name of Ward	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Date of GSTR 10 filed
1	Dimapur Ward C	1XXXXXXXXXXXXXXXXX	29/8/2019	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	16/6/2020	16/6/2020	-----
2	Dimapur Ward C	1XXXXXXXXXXXXXXXXX	01/7/2017	17/3/2020	17/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	16/6/2020	16/6/2020	-----
3	Dimapur Ward C	1XXXXXXXXXXXXXXXXX	01/7/2017	17/3/2020	17/3/2020	Non Compliance of provisions of law	03/11/2020	03/11/2020	-----
4	Dimapur Ward D	1XXXXXXXXXXXXXXXXX	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	17/12/2020
5	Dimapur Ward D	1XXXXXXXXXXXXXXXXX	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	-----
6	Dimapur Ward D	1XXXXXXXXXXXXXXXXX	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	-----
7	Dimapur Ward D	1XXXXXXXXXXXXXXXXX	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	-----
8	Dimapur Ward D	1XXXXXXXXXXXXXXXXX	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	-----
9	Dimapur Ward D	1XXXXXXXXXXXXXXXXX	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	-----
10	Dimapur Ward D	1XXXXXXXXXXXXXXXXX	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	-----
11	Dimapur Ward D	1XXXXXXXXXXXXXXXXX	01/7/2017	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	-----
12	Dimapur Ward D	1XXXXXXXXXXXXXXXXX	15/12/2017	17/3/2020	17/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/5/2020	28/5/2020	-----
13	Kohima Ward A	1XXXXXXXXXXXXXXXXX	14/7/2017	15/11/2020	15/11/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	24/11/2020	24/11/2020	-----
14	Kohima Ward A	1XXXXXXXXXXXXXXXXX	14/9/2017	29/9/2020	29/9/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	09/10/2020	09/10/2020	-----
15	Kohima Ward A	1XXXXXXXXXXXXXXXXX	14/9/2017	17/7/2020	17/7/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/7/2020	28/7/2020	-----

SL No.	Name of Ward	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Date of GSTR 10 filed
16	Kohima Ward A	1XXXXXXXXXXXXXXXXX4	21/7/2017	15/8/2020	15/8/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	26/8/2020	26/8/2020	-----
17	Kohima Ward A	1XXXXXXXXXXXXXXXXXA	15/9/2017	15/8/2020	15/8/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	26/8/2020	26/8/2020	-----
18	Kohima Ward A	1XXXXXXXXXXXXXXXXXZ	01/11/2017	15/8/2020	15/8/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	26/8/2020	26/8/2020	-----
19	Kohima Ward A	1XXXXXXXXXXXXXXXXXF	01/3/2018	15/8/2020	15/8/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	26/8/2020	26/8/2020	-----
20	Kohima Ward A	1XXXXXXXXXXXXXXXXVV	11/7/2018	10/9/2020	10/9/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	21/9/2020	21/9/2020	-----
21	Kohima Ward A	1XXXXXXXXXXXXXXXXX8	01/8/2018	11/9/2020	11/9/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	22/9/2020	22/9/2020	-----
22	Kohima Ward A	1XXXXXXXXXXXXXXXXXR	01/7/2018	10/12/2020	10/12/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	21/12/2020	21/12/2020	16/03/2023
23	Kohima Ward A	1XXXXXXXXXXXXXXXXX8	01/7/2017	16/7/2020	16/7/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	28/7/2020	28/7/2020	-----
24	Kohima Ward A	1XXXXXXXXXXXXXXXXX3	01/7/2017	18/3/2021	18/3/2021	Section 29(2)(c)- Person, other than paying tax u/s 10,	30/3/2021	30/3/2021	-----
25	Kohima Ward A	1XXXXXXXXXXXXXXXXX1	01/7/2017	18/3/2021	18/3/2021	Section 29(2)(c)- Person, other than paying tax u/s 10,	30/3/2021	30/3/2021	-----
26	Kohima Ward A	1XXXXXXXXXXXXXXXXX4	09/8/2017	20/11/2020	20/11/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	03/12/2020	03/12/2020	-----
27	Kohima Ward A	1XXXXXXXXXXXXXXXXXR	01/4/2018	22/2/2021	22/2/2021	Section 29(2)(c)- Person, other than paying tax u/s 10,	07/3/2021	07/3/2021	-----
28	Kohima Ward A	1XXXXXXXXXXXXXXXXX7	03/6/2019	22/2/2021	22/2/2021	Section 29(2)(c)- Person, other than paying tax u/s 10,	07/3/2021	07/3/2021	-----
29	Kohima Ward A	1XXXXXXXXXXXXXXXXXK	30/7/2018	07/9/2020	07/9/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	21/9/2020	21/9/2020	10/04/2023
30	Kohima Ward A	1XXXXXXXXXXXXXXXXXG	08/3/2019	18/3/2020	18/3/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	06/4/2020	06/4/2020	-----
31	Kohima Ward A	1XXXXXXXXXXXXXXXXXU	01/7/2017	21/12/2020	21/12/2020	Section 29(2)(c)- Person, other than paying tax u/s 10,	11/1/2021	11/1/2021	-----
Sub total								3 nos	

Sl. No.	Name of Ward	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Date of GSTR 10 filed
Cancelled on request by the taxpayers									
32	Dimapur Ward C	1XXXXXXXXXXXXXXH	02/8/2017	NA	11/6/2020	Discontinuation/Closure of Business	16/6/2020	11/6/2020	-----
33	Dimapur Ward C	1XXXXXXXXXXXXXXB	28/8/2020	NA	20/2/2021	Others	26/2/2021	01/2/2021	01/03/2021
34	Dimapur Ward C	1XXXXXXXXXXXXXXS	01/7/2017	NA	05/10/2020	Discontinuation/Closure of Business	13/10/2020	10/8/2019	-----
35	Dimapur Ward C	1XXXXXXXXXXXXXXL	28/8/2017	NA	16/6/2020	Others	03/7/2020	01/4/2020	-----
36	Dimapur Ward C	1XXXXXXXXXXXXXX9	01/7/2017	NA	20/1/2021	Discontinuation/Closure of Business	08/2/2021	18/1/2021	09/04/2021
37	Dimapur Ward D	1XXXXXXXXXXXXXXY	01/7/2020	NA	12/8/2020	Discontinuation of business/ Closure of business	20/8/2020	12/8/2020	-----
38	Dimapur Ward D	1XXXXXXXXXXXXXX0	01/3/2019	NA	11/8/2020	Discontinuation of business/ Closure of business	20/8/2020	31/3/2020	24/08/2020
39	Dimapur Ward D	1XXXXXXXXXXXXXX3	01/7/2017	NA	31/8/2020	Others	11/9/2020	01/4/2020	-----
40	Dimapur Ward D	1XXXXXXXXXXXXXXV	04/2/2020	NA	21/10/2020	Discontinuation of business/ Closure of business	03/11/2020	30/9/2020	14/11/2020
41	Dimapur Ward D	1XXXXXXXXXXXXXXQ	19/12/2020	NA	04/3/2021	Discontinuation of business/ Closure of business	19/3/2021	04/3/2021	-----
42	Dimapur Ward D	1XXXXXXXXXXXXXXM	18/11/2019	NA	01/8/2020	Discontinuation of business/ Closure of business	20/8/2020	30/6/2020	-----
43	Dimapur Ward D	1XXXXXXXXXXXXXXE	24/8/2017	NA	03/2/2021	Death of Sole Proprietor	26/2/2021	01/1/2021	-----
44	Dimapur Ward D	1XXXXXXXXXXXXXX0	03/8/2018	NA	30/1/2021	Discontinuation of business/ Closure of business	26/2/2021	01/12/2020	-----
45	Dimapur Ward D	1XXXXXXXXXXXXXX9	01/7/2017	NA	14/3/2020	Discontinuation of business/ Closure of business	13/4/2020	28/2/2020	25/05/2020
46	Kohima Ward A	1XXXXXXXXXXXXXXL	01/7/2017	NA	18/3/2021	Discontinuation of business/ Closure of business	19/3/2021	01/7/2020	-----
47	Kohima Ward A	1XXXXXXXXXXXXXXX	25/10/2017	NA	05/1/2021	Others	07/1/2021	05/1/2021	-----

Sl. No.	Name of Ward	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Date of GSTR 10 filed
48	Kohima Ward A	1XXXXXXXXXXXXXXX	19/2/2021	NA	27/2/2021	Others	01/3/2021	19/2/2021	-----
49	Kohima Ward A	1XXXXXXXXXXXXXXX	28/9/2020	NA	27/3/2021	Others	30/3/2021	28/2/2021	-----
50	Kohima Ward A	1XXXXXXXXXXXXXXX3	17/4/2019	NA	25/6/2020	Discontinuance of business/ Closure of business	29/6/2020	25/6/2020	-----
51	Kohima Ward A	1XXXXXXXXXXXXXXXH	01/7/2017	NA	06/10/2020	Discontinuance of business/ Closure of business	12/10/2020	06/10/2020	-----
52	Kohima Ward A	1XXXXXXXXXXXXXXX7	20/7/2017	NA	30/8/2020	Discontinuance of business/ Closure of business	07/9/2020	31/7/2020	11/10/2020
53	Kohima Ward A	1XXXXXXXXXXXXXXXL	06/11/2019	NA	19/10/2020	Discontinuance of business/ Closure of business	27/10/2020	31/7/2020	-----
54	Kohima Ward A	1XXXXXXXXXXXXXXX2	26/9/2019	NA	22/12/2020	Discontinuance of business/ Closure of business	31/12/2020	22/12/2020	-----
55	Kohima Ward A	1XXXXXXXXXXXXXXXZ	01/7/2017	NA	20/1/2021	Discontinuance of business/ Closure of business	29/1/2021	20/1/2021	-----
56	Kohima Ward A	1XXXXXXXXXXXXXXXJ	23/8/2019	NA	28/9/2020	Discontinuance of business/ Closure of business	08/10/2020	28/9/2020	-----
57	Kohima Ward A	1XXXXXXXXXXXXXXXG	19/12/2020	NA	19/12/2020	Others	29/12/2020	19/12/2020	-----
58	Kohima Ward A	1XXXXXXXXXXXXXXXL	14/8/2017	30/5/2020	22/5/2020	Others	09/6/2020	30/4/2020	23/07/2020
59	Wokha Unit	1XXXXXXXXXXXXXXXL	05/11/2020	NA	11/11/2020	Discontinuation/Closure of Business	12/11/2020	11/11/2020	-----
60	Wokha Unit	1XXXXXXXXXXXXXXXQ	26/11/2019	NA	28/1/2021	Discontinuation/Closure of Business	03/2/2021	01/1/2021	-----
61	Wokha Unit	1XXXXXXXXXXXXXXXP	15/7/2017	NA	25/1/2021	Others	03/2/2021	25/1/2021	-----
62	Wokha Unit	1XXXXXXXXXXXXXXXC	16/7/2019	NA	20/5/2020	Discontinuation/Closure of Business	24/6/2020	20/5/2020	-----
63	Wokha Unit	1XXXXXXXXXXXXXXXV	01/9/2020	NA	23/12/2020	Ceased to be liable to pay tax	03/2/2021	23/12/2020	-----
64	Wokha Unit	1XXXXXXXXXXXXXXXV	01/7/2017	NA	20/11/2020	Discontinuation/Closure of Business	03/2/2021	31/3/2020	-----
65	Wokha Unit	1XXXXXXXXXXXXXXXU	04/5/2018	NA	24/8/2020	Change in constitution of business leading to	17/11/2020	31/7/2020	-----
66	Wokha Unit	1XXXXXXXXXXXXXXX	06/2/2018	NA	28/6/2020	Discontinuation/Closure of Business	17/11/2020	31/3/2020	-----
67	Dimapur Ward	1XXXXXXXXXXXXXXXM	22/7/2017	NA	16/5/2020	Discontinuation/Closure of Business	01/10/2020	16/5/2020	09/10/2020

Sl. No.	Name of Ward	GSTIN/UIN	Date of Registration	Date of Initiation of Notice	Date of Filing Application	Reason of Cancellation	Date of Order	Date of Effect of Cancellation	Date of GSTR 10 filed
	C								
68	Dimapur Ward C	1XXXXXXXXXXXXXXXXXL	01/7/2017	NA	18/3/2020	Discontinuation/Closure of Business	01/10/2020	18/3/2020	10/10/2020
69	Dimapur Ward C	1XXXXXXXXXXXXXXXXXX0	01/7/2017	NA	03/10/2018	Discontinuation/Closure of Business	12/2/2021	30/9/2018	-----
70	Dimapur Ward D	1XXXXXXXXXXXXXXXXXS	14/8/2019	NA	20/7/2020	Discontinuance of business/ Closure of business	20/8/2020	20/7/2020	-----
71	Dimapur Ward D	1XXXXXXXXXXXXXXXXXA	20/11/2017	NA	15/7/2020	Others	20/8/2020	30/6/2020	-----
72	Dimapur Ward D	1XXXXXXXXXXXXXXXXXD	11/9/2018	NA	27/11/2020	Discontinuance of business/ Closure of business	12/1/2021	01/4/2019	-----
73	Dimapur Ward D	1XXXXXXXXXXXXXXXXX5	01/7/2017	NA	28/11/2020	Discontinuance of business/ Closure of business	19/3/2021	31/3/2020	-----
74	Dimapur Ward D	1XXXXXXXXXXXXXXXXXF	13/7/2017	13/7/2020	10/1/2020	Discontinuance of business/ Closure of business	23/7/2020	01/11/2018	-----
75	Dimapur Ward D	1XXXXXXXXXXXXXXXXXW	01/7/2017	NA	11/6/2019	Discontinuance of business/ Closure of business	08/9/2020	11/6/2019	-----
76	Kohima Ward A	1XXXXXXXXXXXXXXXXXC	22/9/2017	10/11/2020	20/10/2020	Discontinuance of business/ Closure of business	21/11/2020	20/10/2020	-----
Sub total							9 nos		
Total							12 nos		

Appendix – 5.2.7
Statement showing compliance deviations in respect of 16 parameters
(Reference: Paragraph 5.2.9.2)

Sl. No	Audit Dimension	GSTIN	Cases where reply received		Accepted by Dept. including cases where action is yet to be initiated			Department reply accepted by Audit								Department's reply not acceptable to Audit (Rebuttal)		
			No.	Amt.	Recovered	No.	Amt.	ASMT-10 Amt.	Data entry errors				Action taken before query		Other valid explanations		Total accepted cases by audit.	
									No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Domain: ITC																		
1	ITC mismatch between GSTR-2A and GSTR-3B	1XXXXXXXXXX7	1	93,85,677	0	0	1	93,85,677	0	0	0	0	0	0	0	0	0	
2		1XXXXXXXXXXZ	1	2,41,52,494	0	0	1	2,41,52,494	0	0	0	0	0	0	0	0	0	
3		1XXXXXXXXXXV	1	5,17,77,288	0	0	0	0	0	0	0	0	0	0	0	0	1	5,17,77,288
4		1XXXXXXXXXXS	1	1,56,00,793	0	0	1	1,56,00,793	0	0	0	0	0	0	0	0	0	0
5		1XXXXXXXXXXH	1	1,52,09,407	0	0	1	1,52,09,407	0	0	0	0	0	0	0	0	0	0
6		1XXXXXXXXXXY	1	3,18,53,489	0	0	1	3,18,53,489	0	0	0	0	0	0	0	0	0	0
7		1XXXXXXXXXXC	1	3,02,59,656	0	0	1	71,85,096	0	0	0	0	0	0	0	0	0	0
8		1XXXXXXXXXXB	1	2,76,38,482	0	0	1	2,76,38,482	0	0	0	0	0	0	0	0	0	0
9		1XXXXXXXXXXR	1	2,56,74,278	0	0	1	2,56,74,278	0	0	0	0	0	0	0	0	0	0
10		1XXXXXXXXXXW	1	2,49,80,926	0	0	0	0	0	0	1	2,49,80,926	0	0	1	2,49,80,926	0	0
11	ITC passed on without supplier remitting tax	1XXXXXXXXXX7	1	1,33,34,306	0	0	1	1,33,34,306	0	0	0	0	0	0	0	0	0	
12		1XXXXXXXXXX2	1	99,35,294	0	0	1	99,35,294	0	0	0	0	0	0	0	0	0	
13		1XXXXXXXXXXB	1	10,43,189	0	0	1	10,43,189	0	0	0	0	0	0	0	0	0	
14		1XXXXXXXXXXH	1	6,35,188	1	6,35,188	0	0	0	0	0	0	0	0	0	0	0	
15	ITC availed in GSTR-3B filed after the cut-off period.	1XXXXXXXXXXS	1	1,60,18,431	0	0	1	1,60,18,431	0	0	0	0	0	0	0	0	0	
16		1XXXXXXXXXXU	1	10,52,24,991	0	0	1	10,52,24,991	0	0	0	0	0	0	0	0	0	
17		1XXXXXXXXXX4	1	90,95,068	0	0	0	0	0	0	0	0	0	0	0	0	1	90,95,068
18		1XXXXXXXXXX7	1	1,12,48,733	0	0	0	0	0	0	0	0	0	0	0	0	1	1,12,48,733

Sl. No	Audit Dimension	GSTIN	Cases where reply received		Accepted by Dept. including cases where action is yet to be initiated				Department reply accepted by Audit								Department's reply not acceptable to Audit (Rebuttal)	
			No.	Amt.	Recovered		ASMT-10		Data entry errors		Action taken before query		Other valid explanations		Total accepted cases by audit.			
					No.	Amt.	No.	Amt.	No.	Amt.	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Domain: Annual Return and financial statements (FS)																		
19	Incorrect availing of ISD credit	1XXXXXXXXXXXXX0	1	2,34,49,245	0	0	1	2,34,49,245	0	0	0	0	0	0	0	0	0	0
20		1XXXXXXXXXXXXX5	1	1,97,45,891	0	0	1	1,97,45,891	0	0	0	0	0	0	0	0	0	0
21		1XXXXXXXXXXXXX0	1	1,95,43,106	0	0	1	1,95,43,106	0	0	0	0	0	0	0	0	0	0
22		1XXXXXXXXXXXXXK	1	1,00,44,677	0	0	1	1,00,44,677	0	0	0	0	0	0	0	0	0	0
23		1XXXXXXXXXXXXX1	1	1,30,82,066	0	0	0	0	0	0	0	0	0	0	0	0	1	1,30,82,066
24		1XXXXXXXXXXXXXC	1	6,42,16,830	0	0	0	0	0	0	0	0	1	6,42,16,830	1	6,42,16,830	0	0
25		1XXXXXXXXXXXXX2	1	24,44,469	0	0	1	24,44,469	0	0	0	0	0	0	0	0	0	0
26		1XXXXXXXXXXXXXP	1	4,34,462	0	0	1	4,34,462	0	0	0	0	0	0	0	0	0	0
Domain: Annual Return and financial statements (FS)																		
27	Mismatch of ITC availed between Annual returns and Books of accounts	1XXXXXXXXXXXXX1	1	1,82,589	1	1,82,589	0	0	0	0	0	0	0	0	0	0	0	0
28		1XXXXXXXXXXXXX8	1	5,36,811	0	0	0	0	0	0	0	0	0	0	0	0	1	536811
29		1XXXXXXXXXXXXXY	1	14,25,871	0	0	1	14,25,871	0	0	0	0	0	0	0	0	0	0
30		1XXXXXXXXXXXXXH	1	16,00,492	0	0	1	16,00,492	0	0	0	0	0	0	0	0	0	0
31		1XXXXXXXXXXXXXP	1	12,67,310	0	0	1	12,67,310	0	0	0	0	0	0	0	0	0	0
32		1XXXXXXXXXXXXXB	1	23,49,514	0	0	1	23,49,514	0	0	0	0	0	0	0	0	0	0
33		1XXXXXXXXXXXXXP	1	14,09,092	0	0	0	0	0	0	1	14,09,092	0	0	1	14,09,092	0	0
34		1XXXXXXXXXXXXXR	1	17,852	0	0	0	0	1	17,852	0	0	0	0	1	17,852	0	0
35	Mismatch in tax paid between books of accounts and returns	1XXXXXXXXXXXXXT	1	9,81,545	0	0	0	0	1	9,81,545	0	0	0	0	1	9,81,545	0	0
36		1XXXXXXXXXXXXXB	1	18,60,501	0	0	0	0	0	0	0	1	18,60,501	1	18,60,501	0	0	
37		1XXXXXXXXXXXXX	1	18,38,895	0	0	0	0	0	0	0	1	18,38,895	1	18,38,895	0	0	

Sl. No	Audit Dimension	GSTIN	Cases where reply received		Accepted by Dept. including cases where action is yet to be initiated				Department reply accepted by Audit								Department's reply not acceptable to Audit (Rebuttal)					
			Amt.		Recovered		ASMT-10		Data entry errors		Action taken before query		Other valid explanations		Total accepted cases by audit.							
			No.		No.	Amt.	No.	Amt.	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amt				
		XXXXXXXX7							Domain: Tax and Interest payment													
38	Short payment of tax under RCM versus ITC availed in GSTR-3B/ GSTR-9	XXXXXXXXXX	1	6,36,657	0	0	1	6,36,657	0	0	0	0	0	0	0	0	0	0	0	0	0	
39		XXXXXXXXXZ	1	1,90,403	0	0	1	1,90,403	0	0	0	0	0	0	0	0	0	0	0	0	0	
40		XXXXXXXXXH	1	1,91,558	0	0	0	0	0	0	1	1,91,558	0	0	1	1,91,558	0	0	0	0	0	
41		XXXXXXXXX9	1	45,34,112	0	0	0	0	1	45,34,112	0	0	0	0	1	45,34,112	0	0	0	0	0	
42		XXXXXXXXXV	1	70,93,923	0	0	0	0	1	70,93,923	0	0	0	0	1	70,93,923	0	0	0	0	0	
43		XXXXXXXXXH	1	4,45,040	0	0	0	0	0	0	1	4,45,040	0	0	1	4,45,040	0	0	0	0	0	
44		XXXXXXXXXT	1	1,68,240	0	0	1	1,68,240	0	0	0	0	0	0	0	0	0	0	0	0	0	
45		XXXXXXXXXS	1	3,73,878	0	0	1	3,73,878	0	0	0	0	0	0	0	0	0	0	0	0	0	
46		XXXXXXXXXI	1	1,05,26,140	0	0	1	1,05,26,140	0	0	0	0	0	0	0	0	0	0	0	0	0	
47		XXXXXXXXXU	1	1,78,370	0	0	1	1,78,370	0	0	0	0	0	0	0	0	0	0	0	0	0	
48	Unsettled liabilities	XXXXXXXXXX	1	1,49,60,400	0	0	1	1,49,60,400	0	0	0	0	0	0	0	0	0	0	0	0	0	
49		XXXXXXXXXC	1	57,73,361	0	0	1	57,73,361	0	0	0	0	0	0	0	0	0	0	0	0	0	
50		XXXXXXXXX8	1	1,25,69,899	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1,25,69,899			
51		XXXXXXXXXC	1	1,33,46,549	0	0	1	1,33,46,549	0	0	0	0	0	0	0	0	0	0	0	0	0	
52		XXXXXXXXXP	1	41,954	1	41,954			0	0	0	0	0	0	0	0	0	0	0	0	0	
53		XXXXXXXXXI	1	77,32,896	0	0	0	0	0	0	0	0	0	0	0	0	0	1	77,32,896			
54		XXXXXXXXXL	1	7,01,556	1	7,01,556	0		0	0	0	0	0	0	0	0	0	0	0	0	0	
55		XXXXXXXXXB	1	1,62,84,674	0	0	0	0	0	0	0	0	0	0	1	1,62,84,674	1	1,62,84,674		0	0	
56		XXXXXXXXXW	1	2,32,46,320	0	0	0	0	0	0	0	0	0	0	1	2,32,46,320	1	2,32,46,320		0	0	
57		XXXXXXXXX7	1	60,446	1	60,446	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sl. No	Audit Dimension	GSTIN	Cases where reply received		Accepted by Dept. including cases where action is yet to be initiated				Department reply accepted by Audit						Department's reply not acceptable to Audit (Rebuttal)	
			No.	Amt.	No.	Amt.	Recovered	ASMT-10							No.	Amt
58	Suppression of tax liability based on E-way bill verification	1XXXXXXXXXXXXX2	1	3,68,23,505	0	0	0	1	3,68,23,505	0	0	0	0	0	0	0
59		1XXXXXXXXXXXXXG	1	21,26,497	0	0	0	1	21,26,497	0	0	0	0	0	0	0
60		1XXXXXXXXXXXXXJ	1	23,99,381	0	0	0	1	23,99,381	0	0	0	0	0	0	0
61		1XXXXXXXXXXXXXG	1	27,16,560	0	0	0	1	27,16,560	0	0	0	0	0	0	0
62		1XXXXXXXXXXXXX8	1	16,91,192	0	0	0	1	16,91,192	0	0	0	0	0	0	0
63		1XXXXXXXXXXXXXH	1	28,34,477	0	0	0	1	28,34,477	0	0	0	0	0	0	0
64		1XXXXXXXXXXXXX2	1	39,27,502	0	0	0	0	0	0	1	39,27,502	0	0	1	39,27,502
65		1XXXXXXXXXXXXX2	1	22,86,760	0	0	0	0	0	0	0	0	1	22,86,760	0	0
66		1XXXXXXXXXXXXXF	1	12,99,322	0	0	0	1	12,99,322	0	0	0	0	0	0	0
67		1XXXXXXXXXXXXXW	1	56,18,819	0	0	0	1	56,18,819	0	0	0	0	0	0	0
68	Composition taxpayers also availing e-commerce facility	1XXXXXXXXXXXXX B	1	1,77,30,000	0	0	0	0	0	1	1,77,30,000	0	0	0	1	1,77,30,000
69		1XXXXXXXXXXXXX5	1	9,80,027	0	0	0	1	9,80,027	0	0	0	0	0	0	0
70		1XXXXXXXXXXXXXG	1	22,78,080	0	0	0	1	22,78,080	0	0	0	0	0	0	0
71		1XXXXXXXXXXXXXO	1	33,58,549	0	0	0	1	14,28,439	0	0	0	0	0	0	0
72		1XXXXXXXXXXXXXB	1	4,21,296	0	0	0	0	0	0	0	0	0	0	1	4,21,296
73	Short payment of interest	1XXXXXXXXXXXXXR	1	70,28,077	0	0	0	1	70,28,077	0	0	0	0	0	0	0
74		1XXXXXXXXXXXXXU	1	1,30,39,181	0	0	0	1	1,30,39,181	0	0	0	0	0	0	0
75		1XXXXXXXXXXXXX7	1	18,86,293	0	0	0	1	18,86,293	0	0	0	0	0	0	0
76		1XXXXXXXXXXXXXE	1	75,99,654	0	0	0	1	75,99,654	0	0	0	0	0	0	0

Sl. No	Audit Dimension	GSTIN	Cases where reply received		Accepted by Dept. including cases where action is yet to be initiated				Department reply accepted by Audit								Department's reply not acceptable to Audit (Rebuttal)		
			No.	Amt.	Recovered	ASMT-10	Data entry errors		Action taken before query		Other valid explanations		Total accepted cases by audit.						
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.			
77		IXXXXXXXXXXXXXXXXXX	1	53,51,215	0	0	1	53,51,215	0	0	0	0	0	0	0	0			
78		IXXXXXXXXXXXXXXXXXXG	1	27,27,397	0	0	1	27,27,397	0	0	0	0	0	0	0	0			
79		IXXXXXXXXXXXXXXXXXX3	1	19,94,933	0	0	1	19,94,933	0	0	0	0	0	0	0	0			
80		IXXXXXXXXXXXXXXXXXXP	1	19,10,812	0	0	1	19,10,812	0	0	0	0	0	0	0	0			
81		IXXXXXXXXXXXXXXXXXXO	1	21,62,006	0	0	1	21,62,006	0	0	0	0	0	0	0	0			
82		IXXXXXXXXXXXXXXXXXXC	1	73,65,069	0	0	0	0	0	0	0	0	1	73,65,069	1	73,65,069	0	0	
Sub total			82	84,61,11,888	5	16,21,733	52	53,46,10,829	5	3,03,57,432	5	3,09,54,118	7	11,70,99,049	17	17,84,10,599	8	10,64,64,057	
Turnover mismatch																			
83	Under-declaration of taxable supplies by comparing TDS returns	IXXXXXXXXXXXXXXXXXX2	1	2,45,81,064	0	0	0	0	0	0	0	0	1	2,45,81,064	1	2,45,81,064	0	0	
84		IXXXXXXXXXXXXXXXXXXL	1	3,07,00,000	0	0	1	3,07,00,000	0	0	0	0	0	0	0	0	0	0	
85		IXXXXXXXXXXXXXXXXXXC	1	6,71,23,263	0	0	0	0	0	0	0	0	0	0	0	0	1	6,71,23,263	
86		IXXXXXXXXXXXXXXXXXXP	1	1,57,81,666	0	0	0	0	0	0	0	0	0	0	0	1	1,57,81,666		
87	Suppression of taxable value (Unbilled Revenue)	IXXXXXXXXXXXXXXXXXX9	1	1,61,43,246	0	0	0	0	0	0	0	0	0	0	0	1	1,61,43,246		
88	Negative figure in GSTR-9C Table 7G	IXXXXXXXXXXXXXXXXXX9	1	68,49,258	0	0	0	0	0	0	0	0	1	68,49,258	1	68,49,258	0	0	
	Sub total		6	16,11,78,497	0	0	1	3,07,00,000	0	0	0	0	2	3,14,30,322	2	3,14,30,322	3	9,90,48,175	
	Grand Total		88	100,72,90,385	5	16,21,733	53	56,53,10,829	5	3,03,57,432	5	3,09,54,118	9	14,85,29,371	19	20,98,40,921	11	20,55,12,232	
Grand Total (₹ in crore)			-	100.73		0.16		56.53		3.04		3.10		14.85		20.98		20.55	

Appendix – 5.2.8
Statement showing cases accepted or action initiated by Department.
(Reference: Paragraph 5.2.9.3)

Audit Dimension	GSTIN	Ward	Recovered		ASMT-10		Total	
			Accepted by Dept. action is yet to be initiated		Amount		Amount	
			No.	Amount	No.	Amount	No	Amount
GSTR-2A vs GSTR-3B	1XXXXXXXXXXXXXX7	Ward C, Dimapur	0	0	1	93,85,677	1	93,85,677
	1XXXXXXXXXXXXXXZ	Ward A, Dimapur	0	0	1	2,41,52,494	1	2,41,52,494
	1XXXXXXXXXXXXXS	Ward A, Dimapur	0	0	1	1,56,00,793	1	1,56,00,793
	1XXXXXXXXXXXXXH	Ward A, Dimapur	0	0	1	1,52,09,407	1	1,52,09,407
	1XXXXXXXXXXXXXY	Ward E, Dimapur	0	0	1	3,18,53,489	1	3,18,53,489
	1XXXXXXXXXXXXXC	Ward D, Dimapur	0	0	1	71,85,096	1	71,85,096
	1XXXXXXXXXXXXXB	Ward A, Dimapur	0	0	1	2,76,38,482	1	2,76,38,482
	1XXXXXXXXXXXXXR	Ward B, Dimapur	0	0	1	2,56,74,278	1	2,56,74,278
	1XXXXXXXXXXXXXZ	Ward A, Dimapur	0	0	1	6,36,657	1	6,36,657
	1XXXXXXXXXXXXXH	Ward C, Dimapur	0	0	1	1,90,403	1	1,90,403
Under RCM	1XXXXXXXXXXXXXS	Ward A, Dimapur	0	0	1	1,68,240	1	1,68,240
	1XXXXXXXXXXXXX1	Mon unit	0	0	1	3,73,878	1	3,73,878
	1XXXXXXXXXXXXX1	Ward C, Dimapur	0	0	1	1,05,26,140	1	1,05,26,140
	1XXXXXXXXXXXXXU	Wokha	0	0	1	1,78,370	1	1,78,370
	1XXXXXXXXXXXXX2	Mon unit	0	0	1	24,44,469	1	24,44,469
	1XXXXXXXXXXXXXP	Ward A, Dimapur	0	0	1	4,34,462	1	4,34,462
	1XXXXXXXXXXXXXS	Ward E, Dimapur	0	0	1	1,60,18,431	1	1,60,18,431
	1XXXXXXXXXXXXXU	Ward E, Dimapur	0	0	1	10,52,24,991	1	10,52,24,991
	1XXXXXXXXXXXXXO	Ward C, Dimapur	0	0	1	2,34,49,245	1	2,34,49,245
	1XXXXXXXXXXXXX5	Ward A, Dimapur	0	0	1	1,97,45,891	1	1,97,45,891
ITC availed after cut-off period	1XXXXXXXXXXXXX0	Ward B, Kohima	0	0	1	1,95,43,106	1	1,95,43,106
	1XXXXXXXXXXXXXK	Ward B, Kohima	0	0	1	1,00,44,677	1	1,00,44,677
	1XXXXXXXXXXXXX7	Ward C, Dimapur	0	0	1	1,33,34,306	1	1,33,34,306
	1XXXXXXXXXXXXX2	Ward E, Dimapur	0	0	1	99,35,294	1	99,35,294
	1XXXXXXXXXXXXXB	Ward A, Dimapur	0	0	1	10,43,189	1	10,43,189
	1XXXXXXXXXXXXXH	Tuensang unit	1	6,35,188	0	0	1	6,35,188
	1XXXXXXXXXXXXX1	Ward E, Dimapur	1	1,82,589	0	0	1	1,82,589
	1XXXXXXXXXXXXXY	Ward F, Dimapur	0	0	1	14,25,871	1	14,25,871
Positive figure in GSTR-9C Table 12F								

Audit Dimension	GSTIN	Ward	Recovered		ASMT-10		Total	
			Accepted by Dept. including cases where action is yet to be initiated					
			No.	Amount	No.	Amount	No	Amount
Positive figure in GSTR-9C Table 14T	1XXXXXXXXXXXXXXXXXH	Ward B, Dimapur	0	0	1	16,00,492	1	16,00,492
	1XXXXXXXXXXXXXXXXXP	Ward B, Dimapur	0	0	1	12,67,310	1	12,67,310
	1XXXXXXXXXXXXXXXXXB	Wokha	0	0	1	23,49,514	1	23,49,514
Short payment of interest on delayed payments	1XXXXXXXXXXXXXXXXXR	Ward B, Dimapur	0	0	1	70,28,077	1	70,28,077
	1XXXXXXXXXXXXXXXXXU	Ward E, Dimapur	0	0	1	1,30,39,181	1	1,30,39,181
	1XXXXXXXXXXXXXXXXX7	Ward B, Dimapur	0	0	1	18,86,293	1	18,86,293
	1XXXXXXXXXXXXXXXXXE	Ward B, Dimapur	0	0	1	75,99,654	1	75,99,654
	1XXXXXXXXXXXXXXXXXC	Ward B, Dimapur	0	0	1	53,51,215	1	53,51,215
	1XXXXXXXXXXXXXXXXXG	Ward B, Kohima	0	0	1	27,27,397	1	27,27,397
	1XXXXXXXXXXXXXXXXX3	Ward D, Dimapur	0	0	1	19,94,933	1	19,94,933
	1XXXXXXXXXXXXXXXXXP	Ward A, Dimapur	0	0	1	19,10,812	1	19,10,812
	1XXXXXXXXXXXXXXXXXO	Mon unit	0	0	1	21,62,006	1	21,62,006
	1XXXXXXXXXXXXXXXXX5	Ward A, Dimapur	0	0	1	9,80,027	1	9,80,027
	1XXXXXXXXXXXXXXXXXG	Wokha	0	0	1	22,78,080	1	22,78,080
	1XXXXXXXXXXXXXXXXXO	Mon unit	0	0	1	14,28,439	1	14,28,439
Tax not remitted due to GSTR-3B not filed	1XXXXXXXXXXXXXXXXX2	Mon unit	0	0	1	3,68,23,505	1	3,68,23,505
	1XXXXXXXXXXXXXXXXXG	Ward A, Dimapur	0	0	1	21,26,497	1	21,26,497
	1XXXXXXXXXXXXXXXXXJ	Ward B, Dimapur	0	0	1	23,99,381	1	23,99,381
	1XXXXXXXXXXXXXXXXXG	Wokha	0	0	1	27,16,560	1	27,16,560
	1XXXXXXXXXXXXXXXXX8	Ward A, Dimapur	0	0	1	16,91,192	1	16,91,192
	1XXXXXXXXXXXXXXXXXH	Wokha	0	0	1	28,34,477	1	28,34,477
	1XXXXXXXXXXXXXXXXXF	Ward C, Dimapur	0	0	1	12,99,322	1	12,99,322
	1XXXXXXXXXXXXXXXXW	Mon unit	0	0	1	56,18,819	1	56,18,819
	1XXXXXXXXXXXXXXXXC	Ward E, Dimapur	0	0	1	1,49,60,400	1	1,49,60,400
	1XXXXXXXXXXXXXXXXX8	Ward A, Dimapur	0	0	1	57,73,361	1	57,73,361
Tax short-paid	1XXXXXXXXXXXXXXXXXP	Ward A, Dimapur	0	0	1	1,33,46,549	1	1,33,46,549
	1XXXXXXXXXXXXXXXXX1	Ward D, Dimapur	1	41,954	0	0	1	41,954
	1XXXXXXXXXXXXXXXXXB	Ward A, Dimapur	1	7,01,556	0	0	1	7,01,556
	1XXXXXXXXXXXXXXXXX7	Ward E, Dimapur	1	60,446	0	0	1	60,446
	Sub total		5	16,21,733	52	53,46,10,829	57	53,62,32,562

Audit Dimension	GSTIN	Ward	Recovered		ASMT-10		Total	
			Accepted by Dept. including cases where action is yet to be initiated					
			No.	Amount	No.	Amount	No.	Amount
Under declaration of taxable supplies by comparing TDS returns	1XXXXXXXXXXXXXXXXXL	Ward A, Dimapur	0	0	1	3,07,00,000	1	3,07,00,000
	Sub total		0	0	1	3,07,00,000	1	3,07,00,000
	Grand Total		5	16,21,733	53	56,53,10,829	58	56,69,32,562
Grand Total (₹ in crore)				0.16		56.53	-	56.69

Appendix-5.2.9
Statement showing where Department's response was rebutted
(Reference: Paragraph 5.2.9.3)

Sl. No.	Audit Dimension	GSTN	Ward	Mismatch Amount (in ₹)	Department Reply	Reply Rebuttal
1.	Under declaration of taxable supplies by comparing TDS returns	1XXXXXXXXXXXXXXC	Ward D, Dimapur	6,71,23,263	In reply the department stated that the DPR for the said project was prepared based on Nagaland SoR of Roads and Bridges 2016 where there was no provision for payment of GST. The taxpayer had also written to the Chief Engineer R&B for reimbursement of the differential amount.	The reply is not acceptable as the liability of payment of GST lies with the Taxpayer.
2.	Mismatch in availing of ITC - GSTR-2A v GSTR-3B	1XXXXXXXXXXXXXXV	Ward D, Dimapur	5,17,77,288	In reply, the department stated that no discrepancy in R2A and ITC availed as per summary Comparison	Reply is not acceptable as summary comparison table considers only the ITC available as per GSTR 2A and availed in GSTR 3B during the current year and Audit calculation is made on the basis of algorithm given in Table 1 of paragraph 8.1 which is the right method as per NGST Act/ Rules.
3.	Unbilled revenue	1XXXXXXXXXXXXXX9	Ward D, Dimapur	1,61,43,246	The Department in reply stated that the unbilled revenue was reported under Table 5(O)	The Department didn't provide a proper reply on the basis of the taxpayer reply and forwarded (Feb 2024) to Audit. The reply is also unacceptable as the mismatch turnover was not declared in GSTR-9C Table 5(O).
4.	Under declaration of taxable supplies by comparing TDS returns	1XXXXXXXXXXXXXXP	Ward C, Kohima	1,57,81,666	In reply the Department stated that TDS credit was declared in monthly GSTR 3B return of Sep 2019 and Aug 2019. However, the tax was paid at lower rate of tax 5% in Aug 2019 and 8.86% in Sep 2019 due to non-release of remaining GST by the Public Works Department for whom the work was executed.	The reply is not acceptable as the liability of payment of GST lies with the Taxpayer.

Sl. No.	Audit Dimension	GSTN	Ward	Mismatch Amount (in ₹)	Department Reply	Reply Rebuttal
5.	Mismatch in availing of ITC - ITC availed in GSTR 3B after cut-off period	1XXXXXXXXXXXXXXXXX1	Ward A, Kohima	1,30,82,066	The PO dropped the proceedings initiated under Section 61 of the NGST Act, stating that the taxpayer had filed the GSTR 3B and GSTR 9 availing the Amnesty scheme and ITC used was available as per the books of accounts for the relevant period.	The Amnesty Scheme was introduced to encourage the non-filers to file Monthly / Annual Returns and for regulating the rate of late fee charged from them. Therefore, the action of the PO is against the NGST Act. The PO also failed to protect the revenue interest of the Government.
6.	Tax short-paid	1XXXXXXXXXXXXXXXXXC	Ward D, Dimapur	1,25,69,899	In reply, the department stated that the DPR for the said project was prepared on the basis of SoR (Roads and Bridges) 2016, where there was no provision for GST. The taxpayer had also written to the Chief Engineer R&B for reimbursement of the differential amount.	The reply is not acceptable as the liability of payment of GST lies with the Taxpayer.
7.	Mismatch in availing of ITC - ITC availed in GSTR 3B after cut-off period	1XXXXXXXXXXXXXXXXX7	Ward A, Dimapur	1,12,48,733	Though the department forwarded the reply received from the TP, which stated that the interpretation of the provision under section 16(4) made by the department is wrong and to drop the proceedings or to keep the proceedings in abeyance till section 16(4) of the NGST act is interpreted by the judiciary, the views of the department had not been furnished.	The Department needs to give proper reply on the basis of the reply of the Taxpayer.
8.	Mismatch in availing of ITC - ITC availed in GSTR 3B after cut-off period	1XXXXXXXXXXXXXXXXX4	Ward D, Dimapur	90,95,068	Though the department forwarded the reply received from the TP, which stated that the interpretation of the provision under section 16(4) made by the department is wrong and to drop the proceedings or to keep the proceedings in abeyance till section 16(4) of the NGST act is interpreted by the judiciary, the views of the department had not been furnished.	The Department needs to give proper reply on the basis of the reply of the taxpayer
9.	Tax short-paid	1XXXXXXXXXXXXXXXXXL	Ward B, Mokokechung	77,32,896	In reply, the PO sated (Sept 2023) that the notice was issued to the firm through E-mail and speed post, however the same was not delivered as the addressee was not found. The PO also furnished a copy of the inspection report of the CSTO,	The reply of the PO is not acceptable as the address for communication mentioned in the letter and the E-mail address was different from the contact person available in the profile of the

Sl. No.	Audit Dimension	GSTN	Ward	Mismatch Amount (in ₹)	Department Reply	Reply Rebuttal
					Mokokchung which	Taxpayer. Further the PO also did not take any action required as per the NGST ACT.
10.	Mismatch in Annual Return and Financial Statements (FS) - Positive figure in GSTR9C Table 12 F	1XXXXXXXXXXXXXXX8	Ward A, Dimapur	5,36,811	In reply, the department stated that the difference is due to ITC booked of 86424 in FY 17-18 but claimed in 2018-19, ITC booked of 693442 in FY 2018-19 but claimed in 2019-20 and ITC reversed of 70207 in GSTR 9 of 2018-19.	Reply of the department is not found correct as per GSTR 9 return pertaining to the mentioned periods.
11.	Tax not remitted due to GSTR-3B not filed	1XXXXXXXXXXXXXXXB	Ward A, Mokokchung	4,21,296	The department stated in reply stated that notice was issued to email address given in the Registration certificate, the reply is awaited. However, the business was no longer found in existence during inspection by CSTO.	The reply of the PO is not acceptable as PO did not take any action required as per the NGST ACT.
			Total	20,55,12,232		

Source: Departmental records

Appendix-5.2.10
Statement showing Data Entry Errors
(Reference: Paragraph 5.2.9.3)

Sl. No.	GSTIN	Audit Dimension	Ward	Amount (in ₹)
1.	1XXXXXXXXXXXXXXH	Mismatch in availing of ITC – Under Reverse Charge Mechanism	Ward A, Kohima	70,93,923
2.	1XXXXXXXXXXXXXXV	Mismatch in availing of ITC – Under Reverse Charge Mechanism	Ward A, Dimapur	45,34,112
3.	1XXXXXXXXXXXXXXR	Mismatch in Annual Return and Financial Statements (FS) - Negative figure in GSTR-9C Table 9R	Ward B, Dimapur	17,852
4.	1XXXXXXXXXXXXXT	Mismatch in Annual Return and Financial Statements (FS) - Negative figure in GSTR-9C Table 9R	Ward A, Kohima	9,81,545
5.	1XXXXXXXXXXXXXB	Ineligible composition levy due to incorrect turnover	Ward A, Dimapur	1,77,30,000
Total				3,03,57,432
Total (₹ in crore)				3.03

Source: Departmental records

Appendix-5.2.11
Statement showing Department action taken before audit query
(Reference: Paragraph 5.2.9.3)

Sl. No.	GSTIN	Audit Dimension	Ward	Amount (in ₹)
1.	1XXXXXXXXXXXXXXW	Mismatch in availing of ITC – GSTR-2A vs GSTR3B	Ward E, Dimapur	2,49,80,928
2.	1XXXXXXXXXXXXXX P	Mismatch in Annual Return and Financial Statements (FS) - Negative figure in GSTR-9C Table 9R	Ward B, Dimapur	14,09,092
3.	1XXXXXXXXXXXXXX2	Eway-bill	Ward E, Dimapur	39,27,502
4.	1XXXXXXXXXXXXXX9	Mismatch in availing of ITC – Under Reverse Charge Mechanism	Ward D, Dimapur	1,91,558
5.	1XXXXXXXXXXXXXT	Mismatch in availing of ITC – Under Reverse Charge Mechanism	Tuensang unit	4,45,040
Total				3,09,54,118
Total (₹ in crore)				3.09

Source: Departmental records

Appendix – 5.2.12
Statement showing short payment of interest on delayed payments
(Reference: Paragraph 5.2.9.4)

Year	GSTN	Months where filing of GSTR 3B returns were delayed	Filing dates	Number of days delayed	Cash payment in monthly return				Total tax paid in cash	18 per cent Interest liability	Interest paid	Balance payable
					CGST	NGST	IGST	IGST (Reverse Charge)				
2018-19	1XXXXXXXXXXXXXXX 6 Ward A, Dimapur	Dec-18	18/10/2019	271	13,82,604	13,82,604	0	0	27,65,208	3,69,553	1,63,640	2,05,913
		Feb-19	15/11/2019	245	0	0	0	4,23,600	4,23,600	51,180	0	51,180
		Mar-19	15/11/2019	240	0	0	0	4,19,000	4,19,000	49,591	0	49,591
		Apr-19	29/11/2019	209	0	0	0	49,49,848	49,49,848	5,10,173	0	5,10,173
		Jun-19	29/11/2019	101	0	0	0	11,10,332	11,10,332	55,304	0	55,304
		Aug-19	29/11/2019	70	0	0	0	12,18,230	12,18,230	42,054	0	42,054
		Sep-19	29/11/2019	40	0	0	0	39,70,039	39,70,039	78,313	0	78,313
		Oct-19	18/12/2019	28	0	0	0	24,89,220	24,89,220	34,372	0	34,372
		Jun-20	13/11/2020	116	13,45,398	13,45,398	0	0	26,90,796	1,53,928	0	1,53,928
		Jul-20	13/11/2020	85	25,94,084	25,95,884	0	0	51,89,968	2,17,552	0	2,17,552
								Sub-total	2,52,26,241	15,62,020	1,63,640	13,98,380
2018-19	1XXXXXXXXXXXXXXX K Ward C Dimapur	Apr-18	09/06/2018	20	5,256	2,61,960	0	0	2,67,216	2,636	0	2,636
		May-18	27/06/2018	7	1,86,127	1,86,127	2,38,128	37,800	6,48,182	2,238	0	2,238
		Aug-18	20/10/2018	30	0	0	0	71,583	71,583	1,059	0	1,059
		Nov-18	16/01/2019	27	0	0	0	99,659	99,659	1,327	0	1,327
		Dec-18	13/04/2019	83	0	0	0	1,18,025	1,18,025	4,831	0	4,831
		Jan-19	19/04/2019	58	0	0	0	51,350	51,350	1,469	0	1,469
		May-19	18/07/2019	28	0	0	0	87,573	87,573	1,209	0	1,209
		Jun-19	10/10/2019	82	54,031	2,15,132		1,13,702	3,82,865	15,482	0	15,482
		Jul-19	11/11/2019	83	0	0	0	1,32,900	1,32,900	5,440	0	5,440
		Aug-19	28/11/2019	69	0		0	95,650	95,650	3,255	0	3,255

Year	GSTN	Months where filing of GSTR 3B returns were delayed	Filing dates	Number of days delayed	Cash payment in monthly return				Total tax paid in cash	18 per cent Interest liability	Interest paid	Balance payable
					CGST	NGST	IGST	IGST (Reverse Charge)				
2020-21		Sep-19	30/11/2019	41	0	0	0	1,04,542	1,04,542	2,114	0	2,114
		Oct-19	17/12/2019	27	0	2,00,040	0	25,550	2,25,590	3,004	0	3,004
		Jan-20	29/02/2020	9	0	1,74,883	0	52,900	2,27,783	1,011	0	1,011
		Mar-20	20/10/2020	50	0	0	0	74,800	74,800	1,844	0	1,844
		Aug-20	18/11/2020	59	0	0	0	39,250	39,250	1,142	0	1,142
Sub total									48,061	48,061	48,061	48,061
Total									2,52,74,302	16,10,081	2,11,701	14,46,441
Total (₹ in crore)									2.52	0.16	0.02	0.14

Source: Departmental records

Appendix-5.2.13
Statement showing lack of action on non-filers of GST returns
(Reference: Paragraph 5.2.9.4)

Sl. No	GSTIN	Year	Value of Outward Taxable Supplies as per GSTR 9	Value of Outward Taxable Supplies as per GSTR 3B Table 3.1	Total amount in ₹	Non-filing of GSTR 9 and 9C
1	1XXXXXXXXXXXXX8	2019-20	6,69,85,338	-	6,69,85,338	GSTR 9C not filed
		2020-21	6,85,89,461	-	6,85,89,461	GSTR 9C not filed
2	1XXXXXXXXXXXXX6	2020-21	1,51,19,53,604	-	1,51,19,53,604	GSTR 9C not filed
3	1XXXXXXXXXXXXXA	2020-21	-	18,47,01,046	18,47,01,046	GSTR 9 and 9C not filed
Total			1,64,75,28,403	18,47,01,046	1,83,22,29,449	
Total (in crore)			164.75	18.47	183.22	

Source: Departmental records

Appendix-5.2.14
Statement showing Mismatch in Input Tax Credit claimed by taxpayers
(Reference: Paragraph 5.2.9.4)

Sl. No	GSTIN	Ward	Mismatch in availing of ITC			Mismatch in Annual Return and Financial Statements (FS) - Positive figure in GSTR-9C Table 12F	Total amount
			GSTR 2A vs GSTR-3B	ITC availed without supplier remitting tax	ITC availed after cut-off period		
1	1XXXXXXXXXXXXXE	Dimapur Ward A	14,19,67,569	24,76,80,143	0	0	38,96,47,712
2	1XXXXXXXXXXXXXO	Dimapur Ward A	57,06,293	3,60,83,707	0	0	4,17,90,000
3	1XXXXXXXXXXXXX6	Dimapur Ward A	34,18,104	5,22,19,644	1,87,86,872	7,75,317	7,51,99,937
4	1XXXXXXXXXXXXXL	Dimapur Ward A	4,95,27,276	0	0	0	4,95,27,276
5	1XXXXXXXXXXXXXK	Dimapur, Ward C	19,82,109	10,91,535	0	8,85,879	39,59,523
6	1XXXXXXXXXXXXXH	Dimapur, Ward C	38,51,706	0	0	0	38,51,706
7	1XXXXXXXXXXXXX8	Dimapur, Ward D	59,29,271	2,05,596	0	0	61,34,867
8	1XXXXXXXXXXXXX2	Dimapur Ward E	55,75,288	3,17,19,536	0	0	3,72,94,824
9	1XXXXXXXXXXXXXA	Dimapur Ward E	35,71,614	0	0	0	35,71,614
10	1XXXXXXXXXXXXXS	Kohima Ward A	11,14,17,515	54,79,233	0	0	11,68,96,748
Total			33,29,46,745	37,44,79,394	1,87,86,872	16,61,196	72,78,74,207
Total (₹ in crore)			33.29	37.44	1.87	0.16	72.78

Source: Departmental records

Appendix-6.1.1
Statement showing summarised financial results of Government Companies for the latest year for which accounts are finalised as on 30 September 2024
(Reference: Paragraphs 6.1.2, 6.1.8 and 6.1.8.2)

(₹ in crore)														
Sl. No.	Sector & Name of the Company	Period of accounts	Year in which finalized	Earnings before interest and taxes (EBIT)	Net Profit/ Loss	Turn over	Impact of accounts comments	Paid up Capital	Accumulated Profit(+)/ Loss(-)	Free Reserves & Surplus	Long Term Loans outstanding	Capital Employed @	Return on Capital Employed #	Percentage of return on Capital Employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A. Working Government Companies														
FINANCE														
1	Nagaland Development Corporation Ltd.	2022-23	2023-24	-5.36	-5.75	1.47	-	23.20	-65.11	0	59.45	17.54	-5.36	-30.56
	Sector-wise total			-5.36	-5.75	1.47		23.20	-65.11	0	59.45	17.54	-5.36	-30.56
MANUFACTURING														
2	Nagaland State Mineral Development Corporation Ltd.	2021-22	2023-24	0.90	0.90	0.72	-	1.60	7.73	0	0	9.33	0.90	9.65
	Sector-wise total			0.90	0.90	0.72	-	1.60	7.73	0	0	9.33	0.90	9.65
SERVICES														
3	Nagaland Tourism and Hotels Development Corporation Ltd.	2021-22	2023-24	-0.17	-0.17	3.62	-	2.35 ⁴	-26.81	0	4.12	-20.34	-0.17	Not workable
	Sector-wise total			-0.17	-0.17	3.62	-	2.35	-26.81	0	4.12	-20.34	-0.17	Not workable

⁴ Paid up capital of the Company (serial no. A3) includes 'Share application money pending allotment' of ₹1.53 crore shown in the Annual Accounts under 'Reserve & Surplus (Schedule B)'.

Sl. No.	Sector & Name of the Company	Period of accounts	Year in which finalized	Earnings before interest and taxes (EBIT)	Net Profit/ Loss	Turn over	Impact of accounts comments	Paid up Capital	Accumulated Profit(+)/ Loss(-)	Free Reserves & Surplus	Long Term Loans outstanding	Capital Employed @	Return on Capital Employed #	Percentage of return on Capital Employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
MISCELLANEOUS														
4	Nagaland Handloom & Handicrafts Development Corporation Ltd.	2019-20	2022-23	-0.36	-0.70	0.22	-	7.99 ⁵	-6.31	0	8.81	10.49	-0.36	-3.43
5	Kohima Smart City Development Ltd.	2017-18	2023-24	0.02	0.02	0	-	0.10	0.02	0	0	0.12	0.02	16.67
	Sector-wise total			-0.34	-0.68	0.22	-	8.09	-6.29	0.00	8.81	10.61	-0.34	-3.20
	Total A (All sector wise working Government Companies)			-4.97	-5.70	6.03	-	35.24	-90.48	0.00	72.38	17.14	-4.97	-29.00
B. Non-working Companies														
MANUFACTURING														
6	Nagaland Industrial Raw Materials Supply Corporation Ltd.	2018-19	2020-21	0.29	0.29	0	-	1.23 ⁶	-0.93	0	0.04	0.34	0.29	85.29
	Sector-wise total			0.29	0.29	0	-	1.23	-0.93	0	0.04	0.34	0.29	85.29
7	Nagaland Sugar Mills Company Ltd.	2001-02	2017-18	-0.07	-0.07	0	-	8.51	-15.10	0	4.04	-2.55	-0.07	Not workable
	Sector-wise total			-0.07	-0.07	0	-	8.51	-15.10	0	4.04	-2.55	-0.07	Not workable
	Total B (All sector wise non-working Government Companies)			0.22	0.22	0	-	9.74	-16.03	0	4.08	-2.21	0.22	Not workable
	Grand Total (A+B)			-4.75	-5.48	6.03	-	44.98	-106.51	0	76.46	14.93	-4.74	-31.75

[#] Return on Capital Employed has been worked out by adding back the interest charged to Profit and Loss account to net profit/Loss figure.

[@] Capital employed represents shareholders' fund plus long-term borrowing.

⁵ Paid up capital of the Company (serial no. A4) includes 'Share application money pending allotment' of ₹7.16 crore

⁶ Paid up capital of the Company (serial no. B6) includes 'Share application money pending allotment' of ₹1.13 crore shown in the Annual Accounts under 'Current Liabilities'.

Appendix –6.1.2
Statement showing Rate of Real Return on Government Investment
(Reference: Paragraph 6.1.9)

Financial Year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Interest free loan converted into equity during the year	Grants/subsidies given by the State Government for operational and administrative expenditure	Total investment during the year	Total investment at the end of the year	Average rate of interest	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/profit after tax (PAT) for the year*
A	B	C	D	E	F=C+D+E	G=B+F	H	I={G x (1+H/100)}	J=I-G	K
Upto 2012-13	100.78	32.00	0	0	32.00	132.78	6.34	141.20	8.42	
2013-14	141.20	4.25	0	16	20.25	161.45	6.25	171.54	10.09	0.5
2014-15	171.54	0	0	10.66	10.66	182.20	6.81	194.61	12.41	-3.35
2015-16	194.61	0	0.08	16.25	16.33	210.94	6.95	225.60	14.66	-4.5
2016-17	225.60	0	0	18.9	18.9	244.50	6.87	261.29	16.80	-8.05
2017-18	261.29	0.42	0	24.04	24.46	285.75	6.79	305.16	19.40	-4.5
2018-19	305.16	0	0	25.04	25.04	330.20	7.14	353.77	23.58	-2.62
2019-20	353.77	0	0	24.49	24.49	378.26	7.16	405.35	27.08	-6.03
2020-21	405.35	0	0	26.76	26.76	432.11	6.68	460.97	28.86	-6.3
2021-22	460.97	0	0	28.3	28.3	489.27	6.81	522.59	33.32	-6.21
2022-23	522.59	0	0	29.54	29.54	552.13	6.73	589.29	37.16	-7.73
2023-24	589.29	0	0	89.07	89.07	678.36	6.33	721.30	42.94	-5.48
Total	-	36.67	0.08	309.05	345.80	-	-	-	-	-

Source: Information provided by the SPSEs

Year	Total earnings/ loss in 2022-23	Investment by the State Government as per total of the column F above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2022-23	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
	Value of column K of above table	Total of the column F of above table	A*100/B	Value of column I of above table	A*100/D
2022-23	-5.48	345.80	-1.58	721.30	-0.76

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