

Laid Before Legislature
On 10 JUL 2003



Report of the
Comptroller and Auditor General of
India

AO/Rep

For the year ended 31 March 2002

GOVERNMENT OF MANIPUR

**Report of the
Comptroller and Auditor General of
India**

For the year ended 31 March 2002

GOVERNMENT OF MANIPUR

TABLE OF CONTENTS

	Paragraph(s)	Pages (s)
<i>Preface</i>		vii
<i>Overview</i>		xi-xvii
CHAPTER I		
AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT		
Introduction	1.1	1
Financial position of the State	1.2	1
Sources and applications of funds	1.3	3-4
Financial operations of the State Government	1.4	4-9
Revenue receipts	1.5	9-10
Revenue expenditure	1.6	10-12
Capital expenditure	1.7	12
Quality of Expenditure	1.8	12-13
Financial Management	1.9	13-16
Public debt	1.10	16-17
Indicators of the financial performance	1.11	17-22
Conclusion	1.12	23
CHAPTER II		
APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE		
Introduction	2.1	24
Summary of Appropriation Accounts – 2001-2002	2.2	24-25
Excess over provision relating to previous years requiring regularization	2.3	25-26
Results of Appropriation Audit	2.4	26-29
AGRICULTURE DEPARTMENT		
Drawal of fund in advance of requirement	2.5	30
MUNICIPAL ADMINISTRATION, HOUSING AND URBAN DEVELOPMENT DEPARTMENT		
Blocking of funds without implementing development programmes	2.6	31
CHAPTER III		
CIVIL DEPARTMENTS		
SECTION "A"- (AUDIT REVIEWS)		
RURAL DEVELOPMENT DEPARTMENT		
Rural Housing Schemes	3.1	32-42
Swaranjayanti Gram Swarozgar Yojana	3.2	43-53
SECTION "B" -AUDIT PARAGRAPHS		
COMMAND AREA DEVELOPMENT DEPARTMENT		
Extra expenditure on procurement of cement by CADA	3.3	54
COMMERCE AND INDUSTRIES DEPARTMENT		
Non-utilisation of financial assistance	3.4	55-56
Nugatory Expenditure	3.5	56
ELECTION DEPARTMENT		
Unauthorised expenditure	3.6	57-58

	Paragraph(s)	Pages (s)
Unauthorised expenditure out of electoral roll fund and from fund for electoral photo identity cards	3.7	58-59
HORTICULTURE AND SOIL CONSERVATION DEPARTMENT		
Drawal of funds without immediate requirement by Director, Horticulture and Soil Conservation vis-à-vis idle expenditure	3.8	60-61
TOURISM DEPARTMENT		
Non-execution of projects for tourist infrastructure with Central assistance	3.9	61-62
VETERINARY AND ANIMAL HUSBANDRY DEPARTMENT		
Idle outlay on procurement of dairy equipment for Central Dairy, Porompat	3.10	62-63
YOUTH AFFAIRS AND SPORTS DEPARTMENT		
Locking up of funds in the Directorate of Youth Affairs and Sports Department	3.11	64
CHAPTER IV		
WORKS EXPENDITURE		
SECTION "A"- AUDIT REVIEW		
IRRIGATION AND FLOOD CONTROL DEPARTMENT		
Review on Irrigation and Flood Control Department including Manpower Management	4.1	65-77
SECTION 'B' – AUDIT PARAGRAPH — NIL		
CHAPTER V		
STORES AND STOCK		
SECTION "A"- AUDIT REVIEW		
PUBLIC WORKS DEPARTMENT		
Material Management of Public Works Department	5.1	78-85
SECTION 'B'-AUDIT PARAGRAPHS		
POWER DEPARTMENT		
Injudicious Procurement of Materials	5.2	86
Locking up of fund on purchase of Energy meters	5.3	87
PUBLIC HEALTH ENGINEERING DEPARTMENT		
Locking up of funds due to procurement of material without assessment of requirement	5.4	88
CHAPTER VI		
REVENUE RECEIPTS		
Trend of Revenue receipts	6.1	89
Analysis of Revenue receipts	6.2	89-92
Outstanding Inspection Reports and Audit observations	6.3	92-93
Results of audit	6.4.	93

Paragraph(s) Pages (s)

SECTION 'A' REVIEW

NIL

SECTION "B"**AUDIT PARAGRAPHS****TAXATION DEPARTMENT**

Irregular grant of exemption 6.5 94

Short levy of Central Sales Tax 6.6 94-95

POWER DEPARTMENT

Short realisation of energy charges due to less billing 6.7 95-96

TRANSPORT DEPARTMENT

Non-collection of Professional Tax 6.8 96

CHAPTER VII**FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS**

General 7.1 97

Delay in furnishing utilisation certificate 7.2 97-98

Delay in submission of accounts 7.3 98

Entrustment of audit 7.4 98

Audit arrangement 7.5 98

SECTION "A" AUDIT REVIEW

NIL

SECTION "B" AUDIT PARAGRAPH**RURAL DEVELOPMENT DEPARTMENT****DISTRICT RURAL DEVELOPMENT AGENCY**

Undue financial aid to contractor 7.6 99

CHAPTER VIII**GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES**

Introduction 8.1 100

Working of Public Sector Undertakings (PSUs) 8.2 100-102

Budgetary outgo, grants/subsidies, guarantees and waiver 8.3 103

of dues and conversion of loans into equity

Finalisation of accounts by working PSUs 8.4 103-104

Financial position and working results of working PSUs 8.5 104

Working Government companies 8.6 104-105

Non-working PSUs 8.7 105-106

Status of placement of Separate Audit Reports of 8.8 106

Statutory Corporation in Legislature

Results of audit by Comptroller and Auditor General of 8.9 107

India

Recommendations for Closure of PSUs 8.10 108

Response to Inspection Reports, Draft paras and reviews 8.11 108

Position of discussion of Commercial Chapter of the 8.12 108-109

Audit Report by the Committee on Public Undertakings
(COPU)

Reforms in Power Sector 8.13 109

SECTION 'A' REVIEW

NIL

SECTION 'B' PARAGRAPHS

**TRIBAL AND BACKWARD CLASSES DEVELOPMENT DEPARTMENT
MANIPUR TRIBAL DEVELOPMENT CORPORATION LIMITED**

Sales tax deducted at source but not remitted into treasury 8.14 110-111

APPENDICES

Page (s)

APPENDIX - I	Statement showing the structure of Government Accounts	115
APPENDIX - IB	Part B. List of Indices/ ratios and basis for their calculation	116
APPENDIX - II	Working sheet for indicators of financial performance of Government	117
APPENDIX - III	Cases where Supplementary Provisions were wholly unnecessary	118
APPENDIX - IV	Cases where supplementary provisions were made in excess of actual requirement resulting	119
APPENDIX - V	Statement showing the details of excess over grants/appropriation	120
APPENDIX - VI	Inadequate Supplementary grant/ appropriation resulting in uncovered excess over grants/appropriation exceeding Rs.10 lakh in each case	121
APPENDIX - VII	Grants where expenditure fell short of total provision by more than Rs.1 crore and also by more than 10 per cent of total provision	122
APPENDIX - VIII	Cases where persistent saving in excess of Rs.10 lakh in each case and 20 per cent or more of the provision	123

APPENDICES		Page (s)
APPENDIX - IX	Cases where expenditure exceeded the approved provision by 25 lakh or more and by more than 10 per cent of the total provision	124
APPENDIX - X	Cases of injudicious/unnecessary re-appropriation resulting in excess/saving by over Rs.50 lakh	125-130
APPENDIX - XI	Cases where expenditure incurred without provision	131-135
APPENDIX - XII	Cases where the large savings had not been surrendered by the departments	136-137
APPENDIX - XIII	Instances of major variations in recoveries	138
APPENDIX - XIV	Scheme wise fund lying in 8449 Other Deposits	139
APPENDIX - XV	Statement showing the Block wise per capita monthly income of beneficiaries their targets and achievement and expenditure incurred thereagainst in respect of 4 test checked district during 1997-98 to 2001-02	140
APPENDIX - XVI	Work-charged and muster roll staff engaged without work during 1997-98 to 2001-02 by 16 divisions	141
APPENDIX - XVII	Statement showing details of works remained incomplete for want of materials	142
APPENDIX - XVIII	Statement showing quantity of material purchased, issued and balance lying in stock as at the end of August 2002.	143
APPENDIX - XIX	Statement showing the short realisation of energy charges from the bulk consumers	144
APPENDIX - XX	List of institutions/bodies receiving grants of more than Rs.25 lakh from State Government and others	145
APPENDIX - XXI	List of bodies whose audit of accounts were in arrears due to non-receipt of accounts	146-147

APPENDICES

Page (s)

APPENDIX - XXII	Statement showing particulars of up-to-date paid-up capital, budgetary outgo, loans given out of budget and loans outstanding as on 31 March 2002 in respect of Government Companies and Statutory corporations	148-149
APPENDIX - XXIII	Summarised financial results of Government companies and statutory corporations for the latest year for which accounts were finalized	150-152
APPENDIX - XXIV	Statement showing subsidy, guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year and subsidy receivable and guarantees outstanding at the end of March 2002	153
APPENDIX - XXV	Statement showing financial position of Statutory Corporation	154
APPENDIX - XXVI	Statement showing results of Statutory Corporations	155
APPENDIX - XXVII	Statement showing operational performance of Statutory Corporations	156
APPENDIX - XXVIII	Statement showing the department wise IRs outstanding	157

PREFACE

1. *This Report has been prepared for submission to the Governor under Article 151 of the Constitution.*
2. *Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2002.*
3. *The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation Department, audit of Stores and Stock, Revenue Receipts, audit of Autonomous Bodies, Statutory Corporation, Government Companies and departmentally run commercial undertakings.*
4. *The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2001-02, as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2001-02 have also been included wherever necessary.*

OVERVIEW

OVERVIEW

This Report contains eight chapters. Chapter-I contains a detailed analysis of the financial position of the State. Chapter-II reviews the Government's control over expenditure during the year. The remaining six chapters contain 4 reviews and 20 paragraphs based on audit of certain selected schemes and programmes and financial transactions of the Government. A synopsis of the findings contained in the reviews and important paragraphs is presented in this overview.

1. Financial position of the State Government

The assets of the State Government declined from Rs.3045.30 crore in 2000-01 to Rs.2989.00 crore in 2001-02. The liabilities of the State Government grew from Rs.2092.65 crore in 2000-01 to Rs.2197.53 crore in 2001-02.

During 2001-02 the revenue receipts of the State Government were Rs.1176.78 crore against which revenue expenditure was Rs.1337.96 crore resulting in revenue deficit of Rs.161.18 crore.

There was revenue surplus during the period from 1997-98 to 1998-99 but the State was having revenue deficits between 1999-2000 and 2001-02.

The fiscal deficit increased from Rs.189.75 crore in 1997-98 to Rs.340.31 crore during 2001-02.

The interest payment increased from Rs.78.90 crore in 1997-98 to Rs.191.41 crore in 2001-02.

The amount of capital expenditure decreased from Rs.254.56 crore in 1997-98 to Rs.175.46 crore in 2001-02 and its share in total expenditure decreased from 24 to 12 per cent during the same period.

As on 31 March 2002, 6 of the Government companies in which Government had invested Rs.35.50 crore, were running under loss. While the interest on market borrowings during the year was 10.35 per cent the investment in Government companies etc. fetched insignificant return.

During the period from 1997-98 to 2001-02 the total liabilities of the Government had grown by 92 per cent. This was on account of 91 per cent growth in internal debt, 61 per cent in loans and advances from Government of India and 120 per cent growth in other liabilities.

Analysis of financial data of the Government revealed that the State Government had negative BCRs in all the five years, suggesting that Government had to depend only on borrowings for meeting its Plan expenditure. The ratio of capital expenditure to capital receipts was steadily decreasing from 1.32 to 0.30 during

1997-98 to 2001-02 indicating that a substantial part of the capital receipts was not available for investment.

(Paragraphs 1.1 to 1.12)

2. Appropriation audit and control over expenditure

During 2001-02 expenditure of Rs.3589.10 crore was incurred against the total grants and appropriations of Rs.3087.60 crore resulting in excess of Rs.501.50 crore. The overall excess was the result of excess of Rs.895.20 crore in 8 cases of grants and appropriations offset by saving of Rs.393.70 crore in 70 cases of grants and appropriations. The excess of Rs.895.20 crore required regularisation by the Legislature under Article 205 of the Constitution.

Supplementary provision of Rs.657.52 crore obtained during 2001-02 constituted 27 *per cent* of original budget provision of Rs.2430.08 crore. In 25 cases, supplementary provision of Rs.94.57 crore proved unnecessary in view of final saving in each case being more than supplementary provision obtained in March 2002.

In 37 cases expenditure fell short by more than Rs.1 crore in each case and also by more than 10 *per cent* or more of the total provision.

In 10 cases there were persistent savings in excess of Rs.10 lakh in each case and 20 *per cent* or more of the provision.

(Paragraphs 2.1 to 2.4)

3. Audit Reviews on Development and Welfare activities

3.1 Rural Housing Schemes

Indira Awaas Yojana(IAY) was implemented with effect from January 1996 through all the nine District Development Agencies (DRDAs) under the administrative control of Rural Development Department in the State. The main objective of the programme was to help in the construction and upgradation of dwelling units by members of scheduled castes and scheduled tribes living below the poverty line (BPL) and also BPL non SC/ST households by providing them assistance in the ratio of 60:40. Due to short release of funds by Central and State Government, under utilisation of available funds, non-transparency in selection of beneficiaries, poor coverage of targeted beneficiaries and short release of assistance to the beneficiaries, performance under IAY remained defective.

Government of India could not release Rs.16.19 crore during 1998-2002 due to non-submission of proposals for release of second instalments of Central share by the DRDAs.

State share of Rs.31 lakh was diverted to another scheme during 1997-98 depriving BPL families of benefits under IAY.

As against targeted construction of 12687 dwelling houses during 1997-2002, 5564 houses only could be completed representing 44 *per cent* coverage.

There was short release of assistance of Rs.1.11 crore for construction of houses and Rs.3.68 lakh for upgradation of existing dwelling houses in four DRDAs.

(Paragraph 3.1)

3.2 Swaranjayanti Gram Swarozgar Yojana

Swaranjayanti Gram Swarozgar Yojana (SGSY) was launched on 1 April 1999 with the main objective of providing income (more than Rs.2000 per month) to rural families living below the poverty line (BPL) covering 30 *per cent* of rural BPL families in five years (1999-2004) i.e., 6 *per cent* per year. The swarozgaris (individual and self help groups) were to be brought above poverty line in 3 years providing them income generating assets through bank credit and subsidy. In the State 0.58 *per cent* of the rural BPL families were covered under the programme in three years (1999-2002) as against 18 *per cent* coverable under SGSY. No adequate initiative was taken at any level for proper implementation of the programme. Due to poor coverage of BPL families, short release of funds by the State Government, poor response of bankers in extending credit to swarozgaris and incorrect disbursement of subsidy, the very purpose of the scheme has been frustrated. The programme thus remained unsuccessful in the State till March 2002.

Government of India (GOI) could not release Rs.8.51 crore due to non-submission of proposal/utilisation certificates and audited statements by all DRDAs.

As against State's share of Rs.52.35 lakh during 1999-2002, State Government released only Rs.17.80 lakh leading to short release of Rs.34.55 lakh.

Two to six DRDAs incurred expenditure of Rs.1.54 crore and Rs.87.64 lakh during 1999-2002 on erstwhile programmes/schemes and administrative expenses respectively beyond the scope of SGSY.

(Paragraph 3.2)

3.3 Review on Irrigation and Flood Control Department including Manpower Management

To provide assured irrigation to the farmers of the State, the department had taken up eight irrigation projects between 1973 and 1993 of which five had been completed and commissioned up to 1995 and one partially commissioned in 1991. Upto the end of the Ninth Plan period (March 2002) irrigation potential of 28,500

hectares was created by six projects of which, actual addition during the Ninth Plan period was only 350 hectares (one per cent of the targeted achievement). Due to reluctance of farmers, utilisation of irrigation potential as at the end of Ninth Plan period was only 15,300 hectares (54 per cent). Five flood control projects taken up between 1984 and 1992 remained incomplete as of March 2002.

Rupees 4.04 crore retained under 8449—Other Deposit between 1998-99 and 2000-01 remained unutilised as of March 2002.

As against targeted creation of irrigation potential of 29295 hectares during the Ninth Plan only 350 hectares were created. The shortfall was mainly due to failure of canals of Loktak Lift Irrigation Project due to siltation of beds and non-completion of projects.

16 divisions incurred idle expenditure of Rs.14.25 crore during 1997-2002 on engaging 882 to 1500 work charged and muster roll labourers without any work.

(Paragraph 4.1)

3.4 Material Management of Public Works Department

A review on material management of Public Works Department conducted by test check of records covering the period from 1997-98 to 2001-02 revealed poor budgetary control, improper planning for procurement of materials, excess credit to suspense stock, discrepancies in stock account with reference to physical balance and improper storage arrangement.

There were persistent savings against budget provisions in all the years under review which varied from 2 *per cent* to 89 *per cent*. Reason for savings was stated to be due to short release of funds by the State Government.

Poor planning for procurement of materials had resulted in suspension of the works midway and non-completion of works till June 2002 for want of materials worth Rs.2.22 crore.

Department failed to get the materials as per the terms of contract resulting in undue financial aid to the supplier due to short supply of materials valuing Rs.10.15 lakh and injudicious payment of advance amounting to Rs.1.34 crore. No action was taken to recover the cost (Rs.10.15 lakh) from the defaulting suppliers.

(Paragraph 5.1)

4 Other Points

4.1 Civil

Unproductive expenditure/Idle outlay/Locking up of funds

Funds of Rs.13.77 crore drawn by the Director of Municipal Administration, Housing and Urban Development Department, Imphal under various development programmes had been retained in other deposits without implementation of the programmes.

(Paragraph 2.6)

Funds amounting to Rs.264.99 lakh drawn by the Director Commerce and Industries Department, Imphal for setting up of Industrial Growth Centre remained unutilised due to delay in acquisition of land.

(Paragraph 3.4)

Out of Rs.40 lakh drawn by the Deputy Director of Horticulture and Soil Conservation Department, Imphal, in March 1999, Rs.9.83 lakh was retained in current deposit account as of August 2002 and the expenditure of Rs.33.78 lakh on the scheme as of September 2002 remained idle.

(Paragraph 3.8)

Projects for tourist infrastructure with Central assistance of Rs.2.88 crore were not executed by the Tourism Department leading to non-release of further assistance of Rs.6.79 crore.

(Paragraph 3.9)

Dairy equipments procured at Rs.38.47 lakh by the Deputy Director, Central Dairy, Porompat were not installed and objective of Integrated Dairy Development Project in the State remained unfulfilled.

(Paragraph 3.10)

Rs.512.06 lakh was drawn and retained in deposit account by the Director of Youth Affairs and Sports Department to avoid lapse of budget grant

(Paragraph 3.11)

Energy meters retained in stock of the Executive Engineer, Store Division (Electricity) Yurembam, without use beyond guarantee period led to locking up of funds to the tune of Rs.95.44 lakh.

(Paragraph 5.3)

Unauthorised expenditure/Extra expenditure

Joint Chief Election Officer unauthorisedly spent Rs.41.74 lakh out of funds for election, special revision of electoral roll and electoral photo identity cards on various purposes and incurred an extra avoidable expenditure of Rs.3.08 lakh on purchase of white cream wove paper for special revision of electoral rolls.

(Paragraphs 3.6 and 3.7)

Undue financial aid

Injudicious payment of advance by the Chairman, District Rural Development Agency, Ukhrul, to a supplier resulted in undue financial aid amounting to Rs.16 lakh.

(Paragraph 7.6)

4.2 REVENUE

Irregular grant of exemption under the Central Sales Tax Act 1956 led to non-levy of tax to the tune of Rs.3.18 lakh

(Paragraph 6.5)

Levy of concessional rate on Inter-State sales turnover of dealer not supported by valid declaration in Form 'C' resulted in under-assessment of Central Sales Tax of Rs.3.42 lakh and non-levy of penalty of Rs.2.59 lakh

(Paragraph 6.6)

Application of incorrect rates of billing on account of defectives meters resulted in short realisation of revenue of Rs.4.59 lakh

(Paragraph 6.7)

Professional tax amounting to Rs.11.85 lakh was not realised from 1185 permit holders of Goods Vehicles Trucks, Taxies and Three wheelers by Transport Officer, Imphal West

(Paragraph 6.8)

4.3 COMMERCIAL

General view of Government Companies and Statutory Corporation

As on 31 March 2002 there were 15 Government Companies (13 working Companies and 2 non-working Companies) and one Statutory Corporation in the State. The total investment of working Public Sector Undertakings was Rs.103.61 crore (working Government Companies Rs.71.41 crore and working Statutory Corporation Rs.32.20 crore).

The total investment in 2 non-working Companies was Rs.1.15 crore as on 31 March 2002.

Out of 2 non-working Government Companies one Company was under liquidation for 3 years and substantial investment of Rs.0.42 crore was involved in this Company.

The accounts of 13 working Companies and one working Corporation were in arrears ranging from 5 to 20 years.

Of the 5 loss incurring working companies, aggregate loss incurred by 4 working Companies was Rs.5.00 crore and that by one working Corporation was Rs.16.70 crore.

No dividend was declared by any of the 4 profit making working Companies.
(Paragraph 8.1 to 8.6)

Sales tax of Rs.11.98 lakh not deposited in Government account making the Manipur Tribal Development Corporation Limited liable to the tune of Rs.17.97 lakh

(Paragraph 8.14)

CHAPTER I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

This chapter discusses the financial position of the State Government, based on the analysis of the information contained in the Finance Accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the chapter also contains a section on the analysis of indicators of financial performance of the Government, based on certain ratios and indices developed on the basis of the information contained in the Finance Accounts and other information furnished by the State Government. Some of the terms used in this chapter are described in the *Appendix I*.

1.2 Financial position of the State

In the Government accounting system comprehensive accounting of the fixed assets like land and buildings *etc.*, owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Following table gives an abstract of such liabilities and the assets as on 31 March 2002, compared with the corresponding position on 31 March 2001. While the liabilities in this statement consists mainly of internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balances. It would be seen from the table that while the liabilities grew by 5 *per cent*, the assets decreased by 2 *per cent* during 2001-02. This shows an overall deterioration in the financial condition of the Government.

Table No. 1.1
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF
MANIPUR AS ON 31 MARCH 2002

(Rupees in crore)

As on 31.03.2001	Liabilities	As on 31.03.2002
	Internal Debt —	963.66
244.94	Market Loans bearing interest	290.14
0.04	Market Loans not bearing interest	0.04
8.67	Loans from LIC and GIC	8.50
123.71	Loans from other Institutions	124.72
41.83	Ways and Means Advances	42.40
400.50	Overdrafts from Reserve Bank of India	497.86
	Loans and Advances from Central Government —	460.35
25.60	Pre 1984-85 Loans	23.73
94.36	Non-Plan Loans	91.57
277.58	Loans for State Plan Schemes	325.24
4.05	Loans for Central Plan Schemes	3.92
8.54	Loans for Centrally Sponsored Plan Schemes	9.55
4.35	Loans for Special Plan Schemes	4.02
134.16	Ways and Means advances	2.32
559.10	Small Savings, Provident Funds, etc.	600.40
151.33	Deposits	159.23
13.89	Reserve Funds	13.89
952.65	Surplus on Government Account	791.47
3045.30	Total	2989.00
	Assets	
	Gross Capital Outlay on Fixed Assets —	3031.98
115.75	Investments in shares of Companies, Corporations, etc.	107.57
2740.77	Other Capital Outlay	2924.41
	Loans and Advances —	54.96
46.26	Other Development Loans	49.97
5.03	Loans to Government servants and Miscellaneous loans	4.99
2.22	Advances	2.22
(-)169.47	Suspense and Miscellaneous Balances	40.58
58.61	Remittances	18.35
246.13	Cash —	(-)159.09
3.66	Cash in Treasuries	4.60
115.56	Deposits with Reserve Bank	(-)223.50
16.18	Departmental Cash Balance	8.28
0.02	Permanent Advance	0.02
106.18	Remittance on transit	47.06
4.53	Cash Balance Investments	4.45
3045.30	Total	2989.00

(Source: Finance Accounts)

Explanatory Notes

1. The abridged accounts in the above table have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government accounts, as shown in the above table indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items

payable or receivable or items like depreciation or variation in stock figures test-checked do not figure in the accounts.

3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement *etc.*

1.3 Sources and applications of funds

1.3.1 The following table gives the position of sources and applications of funds during the current and the preceding year. The main sources of funds include the revenue receipts of the Government, recoveries of loans and advances, public debt and the receipts in the Public Account. These are applied mainly on revenue and capital expenditure and lending for development purposes.

Table No. 1.2

(Rupees in crore)

2000-01		Sources		2001-02
1044.62	1.	Revenue receipts		1176.78
0.52	2.	Recoveries of Loans and Advances		0.47
191.86	3.	Increase in Public Debt		(-)41.68
	4.	Net receipts from Public Account		(-)120.59
91.43		Increase in Small Savings	41.30	
(-)13.19		Net effect of Deposits and Advances	7.90	
0.38		Increase in Reserve Funds	—	
115.65		Net effect of Suspense and Miscellaneous transactions	(-)210.05	
76.88		Net effect of Remittance transactions	40.26	
123.66	5.	Overdraft from the Reserve Bank of India		97.36
	6.	Decrease in closing cash balance		405.22
1631.81		Total		1517.56
		Applications		
1123.44	1.	Revenue expenditure		1337.96
0.82	2.	Lending for development and other purposes		4.14
147.49	3.	Capital expenditure		175.46
360.06	4.	Increase in closing cash balance		—
1631.81		Total		1517.56

(Source: Finance Accounts)

1.3.2. It would be seen that revenue receipts constitute the most significant source of funds for the State Government. Their relative share went up from 64.01 *per cent* in 2000-01 to 77.54 *per cent* in 2001-02. The receipts from public debt went down from Rs.191.86 crore to (-)Rs.41.68 crore. Against net receipt of Rs.271.15 crore from Public Account during 2000-01, there was minus receipt of Rs.120.59 crore in 2001-02. This was mainly due to decrease in small savings and adverse effect of suspense and miscellaneous transactions during the year.

1.3.3 The funds were mainly applied for revenue expenditure and capital expenditure. The percentage of its application to revenue expenditure and capital expenditure during 2000-01 went up from 77.88 to 99.73 *per cent* and lending for development purposes from 0.05 to 0.27 *per cent* as compared to the previous year.

1.4 Financial operations of the State Government

1.4.1 Table No.1.3 gives the details of the receipts and disbursements made by the State Government. Revenue receipts (Rs.1176.78 crore) during the year were less than the revenue expenditure (Rs.1337.96 crore) resulting in revenue deficit of Rs.161.18 crore. The revenue receipts comprised tax revenue (Rs.51.01 crore), non-tax revenue (Rs.28.73 crore), State's share of Union taxes and duties (Rs.142.14 crore) and grants-in-aid from the Central Government (Rs.954.90 crore). The main sources of tax revenue were sales tax (58 *per cent*). Non-tax revenue came mainly from Economic Services (74 *per cent*).

1.4.2 Against receipts of Rs.0.47 crore from recoveries of loans and advances and Rs.655.18 crore from public debt, the expenditure was Rs.175.46 crore on capital outlay, Rs.4.14 crore on disbursement of loans and advances and Rs.599.50 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.127.26 crore, against which disbursements of Rs.247.84 crore were made. The State Government resorted to overdraft from the Reserve Bank of India and the closing overdraft at the end of the year stood at Rs.497.86 crore. The net effect of the transactions in the Consolidated Fund and Public Account was a decrease in the cash balance of Rs.405.22 crore from Rs.246.13 crore at the beginning of the year to negative balance of Rs.159.09 crore at the end of the year.

1.4.3 The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in Table No. 1.3 and 1.4.

Table No. 1.3

Abstract of receipts and disbursements for the year 2001-02

(Rupees in crore)

Receipts				Disbursements			
2000-01		2001-02		2000-01			2001-02
	Section-A: Revenue					Non-Plan	Plan
	I. Revenue receipts		1176.78		I. Revenue expenditure—		
49.07	-Tax revenue	51.01		514.82	General Services	560.58	1.77
					Social Services		
41.66	-Non-tax revenue	28.73		267.91	-Education, Sports, Art and Culture	251.99	37.07
11.82	-State's share of Union Taxes	142.14		66.37	-Health and Family Welfare	52.46	16.74
151.70	-Union Excise Duties	—		10.99	-Water Supply, Sanitation, Housing and Urban Development	8.17	15.47
342.21	-Non-Plan grants	350.60		1.73	-Information and Broadcasting	1.40	0.47
370.25	-Grants for State Plan Scheme	521.89		20.21	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	5.42	27.03
65.03	-Grants for Central and Centrally Sponsored Plan Schemes	77.23		3.19	-Labour and Labour Welfare	2.85	0.71
12.88	-Grants for Special Plan Schemes for North Eastern Council and for other purposes	5.18		23.92	-Social Welfare and Nutrition	10.34	16.05
				3.80	-Others	4.00	—
					Total	336.63	113.54
					Economic Services		
				75.81	-Agriculture and Allied Activities	63.51	27.67
				11.81	-Rural Development	10.87	17.16
				0.18	-Special Areas Programmes	—	0.22
				20.51	-Irrigation and Flood Control	15.68	6.14
				47.12	-Energy	98.55	0.84
				25.17	-Industry and Minerals	17.56	11.13
				18.09	-Transport	28.53	1.11
				1.09	-Science, Technology and Environment	—	1.41
				10.72	-General Economic Services	7.30	17.76
					Total	242.00	83.44
				1123.44	Total	1139.21	198.75
78.82	II. Revenue deficit carried over to Section-B	161.18		—	II. Revenue Surplus carried over to Section-B.	—	—
1347.99	Total (Section-A)			1123.44			

Receipts			Disbursements				
2000-01		2001-02	2000-01				2001-02
	Section-B						
(-)113.93	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	246.13		III. Capital Outlay	Non-Plan	Plan	
			1.91	General Services	—	4.29	4.29
				Social Services			
			11.36	-Education, Sports, Art and Culture	—	1.54	1.54
			0.25	-Health and Family Welfare	—	3.01	3.01
			28.34	-Water Supply, Sanitation, Housing and Urban Development	0.03	43.48	43.51
			—	-Information and Broadcasting	—	—	—
			—	-Social Welfare and Nutrition	—	—	—
			—	-Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	—	0.30	0.30
			—	-Others	—	—	—
				Total	0.03	48.33	48.36
				Economic Services			
			2.96	-Agriculture and Allied Activities	(-)1.04	3.39	2.35
			0.14	-Rural Development	—	20.10	20.10
			1.84	-Special Areas Programmes	—	3.70	3.70
			22.87	-Irrigation and Flood Control	—	43.13	43.13
			50.79	-Energy	—	21.51	21.51
			4.13	-Industry and Minerals	—	11.48	11.48
			22.85	-Transport	—	20.61	20.61
			—	-Science, Technology and Environment	—	(-)0.10	(-)0.10
			0.05	-General Economic Services	—	0.03	0.03
				Total	(-)1.04	123.85	122.81
			147.49	Total	(-)1.01	176.47	175.46

(Source: Finance Accounts)

Chapter-I An Overview of the Finances of the State Government

Receipts				Disbursements			
2000-01			2001-02	2000-01			2001-02
—	IV. Miscellaneous Capital receipts		—		IV. Loans and Advances disbursed		4.14
				0.39	-To Government Servants	0.38	
				0.43	-To Others	3.76	
	V. Recoveries of Loans and Advances		0.47	78.82	V. Revenue deficit brought down		161.18
0.49	-From Government Servants	0.43					
0.03	-From Others	0.04					
—	VI. Revenue surplus brought down		—		VI. Repayment of Public Debt		599.50
	VII. Public debt receipts		655.18	14.45	-Internal debt other than Ways and Means Advances and Overdraft	7.01	
42.88	-Internal debt other than Ways and Means Advances and Overdraft	53.05		—	-Net transactions under Ways and Means Advances including Overdraft	—	
137.28	-Net transactions under Ways and Means Advances including Overdraft	97.93		87.10	-Repayment of Loans and Advances to Central Government	592.49	
236.91	-Loans and Advances from Central Government	504.20		—	VII. Appropriation to Contingency Fund		—
—	VIII. Appropriation to Contingency Fund		—	—	VIII. Expenditure from Contingency Fund		—
—	IX. Amount transferred to Contingency Fund		—		IX. Public Account Disbursement		247.84
				62.93	-Small Savings and Provident Funds	103.96	
				0.01	- Reserve funds	—	
				362.72	-Suspense and Miscellaneous	(-)236.31	
				207.20	-Remittance	342.79	
				59.46	-Deposits and Advances	37.40	
	X. Public Account Receipts		127.25		X. Cash Balance at end-		(-)159.09
154.36	-Small Savings and Provident Funds	145.26					
0.39	-Reserve funds	—		3.36	-Cash in Treasuries	4.59	
478.37	-Suspense and Miscellaneous	(-)446.36		115.56	-Deposits with Reserve Bank	(-)223.50	
284.08	-Remittance	383.05		16.20	-Departmental Cash Balance including permanent Advances	8.31	
46.27	-Deposits and Advances	45.30		4.53	-Cash Balance Investment	4.45	
				106.18	Remittance in transit	47.06	
2390.57	Total (Section: A+B)		2366.99	2390.57			2366.99

(Source: Finance Accounts)

Explanatory Note

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.

Table No. 1.4
TIME SERIES DATA ON STATE GOVERNMENT FINANCES
(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-01	2001-02
Part A. Receipts					
I. Revenue Receipts	863.01	896.78	1069.85	1044.62	1176.78
(i) Tax Revenue	35.73 (4)	30.75 (3)	39.95 (4)	49.07 (5)	51.01(4)
Taxes on Agriculture Income	—	—	—	—	—
Taxes on Sales, Trade etc.	23.98 (67)	19.42 (63)	22.87 (57)	31.30 (64)	29.52(58)
State Excise	1.85 (5)	1.83 (6)	1.39 (4)	1.24 (2)	1.46(3)
Taxes on Vehicles	1.38 (4)	1.11 (4)	2.33 (6)	2.80 (6)	2.77(5)
Stamps and Registration fees	1.44 (4)	1.23 (4)	1.46 (4)	1.80 (4)	1.48(3)
Land Revenue	0.30 (1)	0.34 (1)	0.52 (1)	0.36 (1)	0.40(1)
Other Taxes	6.78 (19)	6.82 (22)	11.38 (28)	11.57 (23)	15.38(30)
(ii) Non-Tax Revenue	40.57 (5)	31.52 (4)	42.65 (4)	41.66 (4)	28.73(3)
(iii) State's share of Union taxes and duties	310.82 (36)	331.68 (37)	317.87 (30)	163.52 (15)	142.14(12)
(iv) Grants-in-aid from Government of India	475.89 (55)	502.83 (56)	669.38 (62)	790.37 (76)	954.90(81)
2. Miscellaneous Capital Receipts	—	—	—	—	—
3. Total revenue and Non-debt capital receipts (1+2)	863.01	896.78	1069.85	1044.62	1176.78
4. Recoveries of Loans and Advances	0.62	0.39	0.56	0.52	0.47
5. Public Debt Receipts	327.91	390.04	143.09	417.07	655.18
Internal Debt (excluding Ways & Means Advances and Overdrafts)	45.98	44.86	50.22	42.88	53.05
Net transactions under Ways and Means Advances and Overdrafts	148.63	198.03	—	137.28	97.93
Loans and Advances from GOI ¹	133.30	147.15	92.87	236.91	504.20
6. Total receipts in the Consolidated Fund (3+4+5)	1191.54	1287.21	1213.50	1462.21	1832.43
7. Contingency Fund Receipts	—	—	—	—	—
8. Public Account receipts	791.94	556.90	1034.87	963.47	127.26
9. Total receipts of the State (6+7+8)	1983.48	1844.11	2248.37	2425.68	1959.69
Part B. Expenditure/Disbursement	1047.00	1005.02	1711.76	1270.94	1513.42
10. Revenue Expenditure	792.44 (92)	790.77 (88)	1347.99 (126)	1123.44 (108)	1337.96(114)
Plan	186.74	182.37	258.40	188.30	198.75
Non Plan	605.70	608.40	1089.59	935.14	1139.21
General Services (including Interest Payments)	274.97 (26)	292.44 (29)	558.10 (33)	514.82 (40)	562.35(37)
Social Services	305.14 (29)	307.31 (31)	505.86 (30)	398.12 (31)	450.17(30)
Economic Services	212.33 (20)	191.02 (19)	284.03 (17)	210.50 (17)	325.44(22)
Grants-in-aid and Contributions	—	—	—	—	—
11. Capital Expenditure	254.56 (24)	214.25 (21)	363.77 (21)	147.49 (12)	175.46(12)
Plan	244.94	213.34	361.36	145.24	176.47
Non Plan	9.62	0.91	2.41	2.25	(-1.01)
General Services	5.20	5.09	5.24	1.91	4.29(2)
Social Services	82.80	60.32	71.31	39.95	48.36
Economic Services	166.56	148.84	287.22	105.63	122.81
12. Disbursement of Loans and Advances	6.38	0.44	2.60	0.82	4.14
13. Total (10+11+12)	1053.38	1005.46	1714.36	1271.75	1517.56
14. Repayment of Public Debt	81.93	112.48	159.41	101.55	599.50
Internal Debt (excluding Ways & Means Advances and Overdrafts)	7.27	13.89	24.59	14.45	7.01
Net transactions under Ways and Means Advances and Overdrafts	—	105.88	—	—	—
Loans and Advances from Government of India	74.66	98.59	28.94	87.10	592.49
15. Appropriation to Contingency Fund	—	—	—	—	—
16. Total disbursement out of Consolidated Fund (13+14+15)	1135.31	1117.94	1873.77	1373.30	2117.06
17. Contingency Fund disbursements	—	—	—	—	—
18. Public Account disbursements	806.14	583.73	641.01	692.32	247.84
19. Total disbursement by the State (16+17+18)	1941.45	1701.67	2514.78	2065.62	2364.90
Part C. Deficits					
20. Revenue Surplus (+)/Deficit (-) [1-10]	(+) 70.57	(+) 106.01	(-) 278.14	(-) 78.82	(-)161.18
21. Fiscal Deficit (3+4-13)	189.75	108.29	643.95	226.61	340.31
22. Primary Deficit (21-23)	110.85	17.01	511.99	49.45	148.90

¹ Includes Ways and Means Advances from GOI.
Note—Figures in bracket represent percentage.

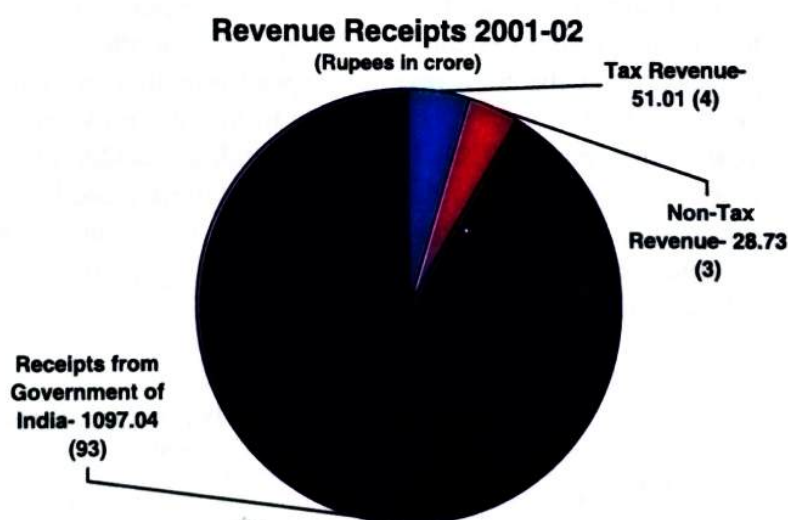
Part D. Other Data						
23.	Interest Payments (included in revenue expenditure)	78.90	91.28	131.96	177.16	191.41
24.	Arrears of Revenue (percentage of Tax & Non-tax Revenue Receipts)	24.29 (32)	35.34 (57)	NA	NA	NA
25.	Financial Assistance to Local Bodies etc.	15.94	25.16	27.38	22.57	34.08
26.	Ways and Means Advances (days)	82	83	50	45	—
27.	Interest on Ways and Means Advances/Overdraft	1.20	0.83	1.75	2.03	2.82
28.	State Gross Domestic Product (GSDP)	2249.68 ^a	2530.95	2740.30	3158.63	3590.76
29.	Outstanding Debt (year end)	1143.27	1430.09	1698.51	2092.65	2197.53
30.	Outstanding guarantees (year end)	2.76	2.76	2.76	2.76 ^a	9.47
31.	Maximum amount guaranteed (year end)	32.46	32.46	32.46	32.46	215.32
32.	Number of incomplete projects	348	348	323	328	328
33.	Capital blocked in incomplete projects	460.85	460.85	384.67	784.43	784.43

(Source: Finance Accounts)

1.5 Revenue receipts

1.5.1 The revenue receipts consist mainly of tax and non-tax revenue and receipts from Government of India. Their relative shares are shown in Chart 1.1. The revenue receipts increased by 13 per cent during 2001-02 with reference to previous year.

Chart 1.1



Note: Figures in bracket indicate percentage.

Tax revenue

1.5.2 The tax revenue constituted only 4 per cent of the revenue receipts of the Government as indicated in the table in para 1.4.3. The relative contribution of Sales Tax has come down from 64 per cent in 2000-01 to 58 per cent in 2001-02.

² From the information made available by Government.

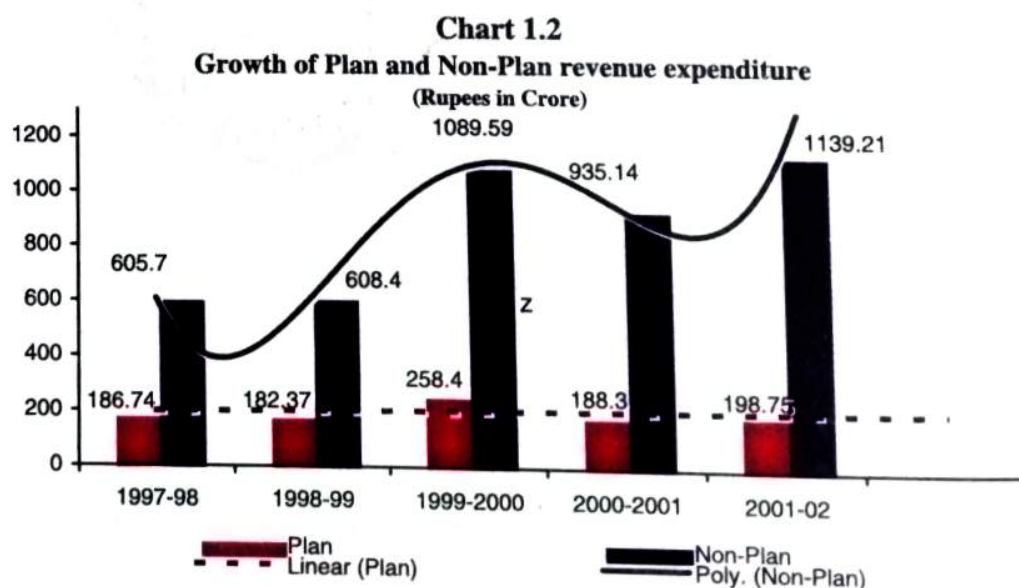
Non-tax revenue

1.5.3 The non-tax revenue constituted 3 *per cent* of the revenue receipts of the Government and their share in the revenue receipts declined gradually from 5 *per cent* in 1997-98 to 3 *per cent* in 2001-02. Realisation of non-tax revenue decreased by Rs.12.93 crore during 2001-02 over the previous year, its share in the revenue receipts declined from 4 *per cent* to 3 *per cent* as compared to the previous year.

1.5.4 The State's share of Union taxes (excise duty and income tax) decreased by 54 *per cent*, while the grants-in-aid from the Central Government increased by 101 *per cent* during the five years period. But the State share of Union Taxes decreased by Rs.21.38 crore as compared to the previous year. The total receipts from the Government of India during 2001-02 represented 93 *per cent* of the total revenue receipts of the Government.

1.6 Revenue expenditure

1.6.1 Revenue expenditure represented 114 *per cent* of the total revenue receipts of the State Government and increased from Rs.792.44 crore in 1997-98 to Rs.1337.96 crore in 2001-02, representing an increase of 69 *per cent*. The expenditure during 2001-02 increased by 19 *per cent* over the previous year. The non-Plan revenue expenditure during the year increased by Rs.204.07 crore (22 *per cent*) and the Plan revenue expenditure increased by Rs.10.45 crore (6 *per cent*) during the year in comparison to the previous year. However, over the five year period ending 2001-02, the expenditure under plan increased by Rs.12.01 crore (6 *per cent*) while that under non-Plan increased by Rs.533.51 crore (88 *per cent*). A comparison shows that the rate of growth in non-Plan component of revenue expenditure surpassed the Plan expenditure as can be seen in Chart below:



1.6.2 Sector-wise analysis shows that while the expenditure on General Services increased by 105 per cent, from Rs.274.97 crore in 1997-98 to Rs.562.35 crore in 2001-02, the corresponding increase in expenditure under Social Services was 48 per cent and that under Economic Services was only 53 per cent during the same period. As a proportion of total expenditure, the share of General Services increased from 26 per cent in 1997-98 to 37 per cent in 2001-02 whereas it increased from 29 to 30 per cent under Social Services and increased from 20 to 22 per cent under Economic Services during the same period.

Interest payments

1.6.3 Interest payments increased by 143 per cent from Rs.78.90 crore in 1997-98 to Rs.191.41 crore in 2001-02. This is further discussed in the section on financial indicators.

Financial assistance to local bodies and other institutions

1.6.4 The quantum of assistance provided to different local bodies etc. during the period of five years ending 2001-02 was as follows:

Table No. 1.5

(Rupees in crore)

		1997-98	1998-99	1999-2000	2000-01	2001-02
Universities and Educational Institutions	Grants	14.57	13.91	26.36	21.72	30.45
	Loans	—	—	—	—	—
Municipal Corporations/ Municipalities	Grants	0.98	0.97	0.66	0.59	2.45
	Loans	—	—	—	—	—
Co-operative Societies & other co-operative Institutions	Grants	0.31	0.17	—	0.12	0.94
	Loans	2.26	0.24	1.74	0.06	3.26
Other institutions	Grants	0.08	10.11	0.36	0.14	0.24
	Loans	—	—	—	—	—
				27.38	22.57	34.08
				1.74	0.06	3.26
Percentage of growth over previous year	Grants	—	58	9.00	(-) 18	51
	Loans	157	—	625.00	(-) 97	5333
Grants as a percentage of revenue expenditure	Grants	2	3	2	2	3

(Source: Finance and Appropriation Accounts)

1.6.5 The financial assistance to universities and educational institutions increased by 40 per cent while that to municipal corporations/ municipalities increased by 315 per cent over the previous year. Financial assistance to other institutions also increased from Rs.0.14 crore in 2000-01 to Rs.0.24 crore in 2001-02. Grants given to other co-operative Institutions, however, increased by Rs.0.82 crore over the previous year.

Loans and Advances by the State Government

1.6.6 Government gives loans and advances to Government companies, corporations, local bodies, autonomous bodies, co-operatives, non-Government institutions etc., for developmental and non-developmental activities. The position

for the last five years given below shows that during the period, there was no improvement in repayment, as a result of which the closing balance increased by 12 per cent.

Table No. 1.6

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-01	2001-02
Opening balance	43.14	48.90	48.95	50.99	51.29
Amount advanced during the year	6.38	0.44	2.60	0.82	4.14
Amount repaid during the year	0.62	0.39	0.56	0.52	0.47
Closing balance	48.90	48.95	50.99	51.29	54.96
• Net addition	5.76	0.05	2.04	0.30	3.67
Interest received	0.13	0.16	0.63	0.13	0.22

(Source: Finance Accounts)

In respect of loans, the detailed accounts of which are maintained by the departmental officers, all such departmental officers are required to furnish to the Accountant General (Accounts and Entitlement) each year the detailed accounts thereof and the details of arrears (as on 31 March) in recovery of loans and interest thereon. Information about arrears as on 31 March 2002 had not been received (November 2002) from any of these officers.

1.7 Capital expenditure

Capital expenditure leads to asset creation. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government *i.e.* Public Sector Undertakings (PSUs), corporations *etc.* and loans and advances. During 2001-02 the capital expenditure has increased by 19 per cent as compared to previous year. However, its share in total expenditure has decreased from 24 per cent in 1997-98 to 12 per cent in 2001-02. Table number 1.4 shows that most of the capital expenditure during the year has been on Economic Services and Social Services and on the Plan side.

1.8 Quality of Expenditure

1.8.1 Government spends money for different activities ranging from maintenance of law and order and regulatory functions to various developmental activities. Government expenditure is broadly classified into Plan and non-Plan and revenue and capital. While the Plan and capital expenditure are usually associated with asset creation, the non-Plan and revenue expenditure are identified with expenditure on establishment, maintenance and services. By definition, therefore, in general the Plan and capital expenditure can be viewed as contributing to the quality of expenditure.

1.8.2 Wastage in public expenditure, diversions of funds and funds blocked in incomplete projects would also impinge negatively on the quality of expenditure.

Similarly, funds transferred to deposit heads in the Public Account, after booking them as expenditure, can also be considered as a negative factor in judging the quality of expenditure. As the expenditure was not actually incurred in the concerned year it should be excluded from the figures of expenditure for that year. Another possible indicator is the increase in the expenditure on General Services, to the detriment of Economic and Social Services.

1.8.3 The following table lists out the trend in these indicators:

Table No. 1.7

	1997-98	1998-99	1999-2000	2000-01	2001-02
1. Plan expenditure as a percentage of:					
—Revenue expenditure	24	23	19	17	15
—Capital expenditure	96	99.6	99	98	101
2. Capital expenditure (per cent)	24	21	21	12	12
3. Expenditure on General Services (per cent)					
—Revenue	25	25	32	46	37
—Capital	2	2	1	1	2
4. Amount of wastages and diversion of funds detected during test audit (Rupees in crore)	—	—	—	9.15	0.88 ³
5. Non-remunerative expenditure on incomplete projects (Rupees in crore)	—	460.85	NA	784.43	—
6. Unspent balances under deposit heads, booked as expenditure at the time of their transfer to the deposit head (Rupees in crore)	4.85	5.57	---	5.06	20.29 ⁴

(Source: Finance Accounts)

1.8.4 It would be seen that the share of Plan expenditure on the revenue has declined in 2001-02. The share of Plan expenditure on capital has marginally increased in 2001-02 with reference to previous year. The expenditure on General Services, at the same time, has declined during 2001-02 on the Revenue side though it increased marginally on the Capital side.

1.9 Financial Management

1.9.1 The issue of financial management in the Government should relate to efficiency, economy and effectiveness of its revenue and expenditure operations. Subsequent chapters of this report deal extensively with these issues especially as they relate to the expenditure management in the Government, based on the findings of the test audit. Some other parameters, which can be segregated from the accounts and other related financial information of the Government, are discussed in this section.

Investments and returns

1.9.2 Investments are made out of the capital outlay by the Government to promote developmental, manufacturing, marketing and social activities. The sector-wise details of investments made and the number of concerns involved were as under:

³ Paragraph Nos. 3.1.9 (Rs.0.31 crore); 3.1.11 (Rs.0.04 crore); 3.5.2 (Rs.0.08 crore); 3.5.3 (Rs.0.04 crore); 3.6.2 (Rs.0.19 crore); 3.7.3 (Rs.0.15 crore); 3.7.7 (Rs.0.07 crore).

⁴ Paragraph Nos. 2.6.1 (Rs.13.77 crore); 3.4.3 (Rs.1.23 crore); 3.8.3 (Rs.0.10 crore); 3.11.2 (Rs.5.12 crore); 4.1.5 (b) (Rs.0.07 crore).

Table No.1.8

(Rupees in crore)

Sector	Number of concerns	Amount invested	
		as on 31.03.2002	Dividend declared/ interest received during 2001-02
1. Statutory corporations	2	28.92	—
2. Government companies	15	59.16	—
3. Co-operative Institutions	3312	19.49	—
Total		107.57	—

(Source: Finance Accounts)

1.9.3 The details of investments and the returns realised during the last five years by way of dividend and interest were as follows:

Table No.1.9

(Rupees in crore)

Year	Investment at the end of the year	Return	Percentage of return	Rate of interest on Government borrowing (%)
1997-98	73.91	Nil ⁵	—	13.75
1998-99	80.66	0.05	0.06	12.50
1999-2000	86.65	Nil	—	12.25
2000-01	91.40	Nil	—	12.00
2001-02	107.57	0.08	0.07	10.35

(Source: Finance Accounts)

1.9.4 Thus, while the Government was raising high cost borrowings from the market, its investments in Government companies *etc.*, fetched insignificant returns. As on 31 March 2002, 6 of the Government companies in which Government had invested Rs.35.50 crore, were running under loss.

Ways and means advances and overdraft

1.9.5 Under an agreement with the Reserve Bank of India, the State Government had to maintain with the Bank a minimum daily cash balance of Rs.0.24 crore. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking Ways and Means Advances (WMA)/overdraft (OD) from the Bank. In addition, special Ways and Means Advances are also made by the Bank whenever necessary. Recourse to WMA/OD means a mismatch between the receipts and expenditure of the Government, and hence reflects poor on the financial management in Government.

1.9.6 The position of Ways and Means Advances/overdraft taken by the State Government and interest paid thereon during 1997-98 to 2001-02 is detailed below:

⁵ Rs.11,480 only.

Table No. 1.10

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-01	2001-02
Ways and Means Advances					
(i) Taken during the year	208.92	224.13	169.44	209.03	70.31
(ii) Outstanding at the end of year	8.00	27.66	28.21	41.83	42.40
(iii) Interest paid	1.20	0.83	1.75	2.03	2.82
Overdraft					
(i) Taken during the year	347.55	384.50	961.69	982.08	1486.13
(ii) Outstanding at the end of year	204.90	383.27	276.84	400.50	497.86
(iii) Interest paid	0.75	0.80	2.20	5.73	9.12

(Source: Finance Accounts)

1.9.7 The position indicates poor cash management by the State Government leading to drawal of huge amount of overdrafts and Ways and Means advances and consequent payment of interest thereon. The annual interest liability has increased from Rs.1.95 crore in 1997-98 to Rs.11.94 crore in 2001-02.

Deficit

1.9.8 Deficits in Government account represent gaps between the receipts and expenditure. The nature of deficit is an important indicator of the prudence of financial management in the Government. Further, the ways of financing the deficit and the application of the funds raised in this manner are important pointers of the fiscal prudence of the Government. The discussion in this section relates to three concepts of deficit viz., revenue deficit, fiscal deficit and primary deficit.

1.9.9 Revenue deficit is the excess of revenue expenditure over revenue receipts. Fiscal deficit may be defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aid received). Primary deficit is fiscal deficit less interest payments. The following table gives a break-up of the deficit in Government account.

Table No. 1.11

CONSOLIDATED FUND

(Rupees in crore)

Receipt	Amount		Disbursement	Amount
Revenue	1176.78	Revenue deficit: 161.18	Revenue	1337.96
Misc. capital receipts			Capital	175.46
Recovery of loans & advances	0.47		Loans & advances disbursement	4.14
Sub- Total	1177.25	Gross fiscal deficit: 340.31	Sub- Total	1517.56
Public debt receipt	655.18		Public debt repayment	599.50
Total	1832.43	A: Deficit in Consolidated Fund: (-)284.63		2117.06
PUBLIC ACCOUNT				
Small savings, PF etc.	145.26		Small savings, PF etc.	103.96
Deposits & advances	45.30		Deposits & advances	37.40
Reserve funds	—		Reserve funds	—
Suspense & Misc.	(-)446.36		Suspense & Misc.	(-)236.31
Remittances	383.05		Remittances	342.79
Total Public Account	127.25	B: Deficit in Public Account: (-)120.59		247.84
Decrease in cash balance (A+B): 405.22				

(Source: Finance Accounts)

1.9.10 Deficit in Consolidated Fund as well as in Public Account resulted in decrease in cash balance. Table no.1.4 shows that fiscal deficit of Rs.189.75 crore in 1997-98 increased to Rs.340.31 crore in 2001-02.

Application of the borrowed funds (Fiscal Deficit)

1.9.11 The fiscal deficit represents total net borrowings of the Government. These borrowings are applied for meeting the capital expenditure (CE) and for giving loans to various bodies for developmental and other purposes. The relative proportions of these applications would indicate the financial prudence of the State Government and also the sustainability of its operations because continued borrowing for revenue expenditure would not be sustainable in the long run. The following table shows the position of the Government of Manipur for the last five years.

Table No. 1.12

Ratio	1997-98	1998-99	1999-2000	2000-01	2001-02
RD/FD	(-) 0.37	(-) 0.98	0.43	0.35	0.47
CE/FD	1.34	1.98	0.57	0.65	0.52
Net loans/FD	0.03	—	—	—	0.01
Total	1.00	1.00	1.00	1.00	1.00

(Source: Finance Accounts)

1.9.12 As there was continued revenue deficit during the years from 1999-2000 to 2001-02 the revenue expenditure during these years had to be incurred from borrowed funds.

Guarantees given by the State Government

1.9.13 Guarantees are given by the State Government for discharge of certain liabilities like repayment of loans, share capital, *etc.*, raised by the statutory corporations, Government companies and co-operative institutions *etc.*, and payment of interest and dividend by them. They constitute contingent liability of the State. No law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limits within which Government may give guarantees on the security of the Consolidated Fund of the State. Table no.1.4 lists the amounts of guarantees given by the Government and the amounts outstanding at the end of each year during 1997-2002. According to the information furnished by the State Government the amount outstanding was Rs.9.47 crore.

1.10 Public debt

1.10.1 The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law had been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government as at the end of the last five years are given in the following table. During the five year period, the total liabilities of the Government had grown by 92 *per cent*. This was on account of 91 *per cent* growth in internal debt, 61 *per cent* growth in loans and advances from Government of India and 120 *per cent* growth in other liabilities. During

2001-02 Government borrowed Rs.45.20 crore in the open market at interest rates of 8, 8.30, 9.45 and 10.35 *per cent* per annum.

Table No. 1.13

(Rupees in crore)

Year	Internal debt	Loans and advances from Central Government	Total Public debt	Other liabilities ⁶	Total liabilities	Ratio of debt to GSDP
1997-98	505.23	286.34	791.57	351.80	1143.27	0.51
1998-99	734.23	334.90	1069.13	360.96	1430.09	0.57
1999-2000	653.98	398.83	1052.81	645.70	1698.51	0.62
2000-01	819.69	548.64	1368.33	724.31	2092.64	0.66
2001-02	963.66	460.35	1424.01	773.66	2197.67	0.61

(Source: Finance Accounts)

1.10.2 The amount of funds raised through public debt, the amount of repayment and net funds available are given in the following table:

Table No. 1.14

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-01	2001-02
Internal Debt					
— Receipt	602.45	653.49	1181.35	1233.99	1609.49
— Repayment (principal + interest)	428.35	463.07	1319.68	1145.22	1536.44
— Net funds available (<i>per cent</i>)	174.10(29)	190.42(29)	(-)138.33 (12)	88.77 (7)	73.05(5)
Loans & advances from Government of India					
— Receipt during the year	133.30	147.15	92.87	236.91	504.20
— Repayment	122.77	131.80	68.49	135.32	662.87
— Net funds available (<i>per cent</i>)	10.53(8)	15.35(10)	24.38 (26)	101.59 (43)	(-)18.29(4)
Other liabilities					
— Receipt during the year	198.94	126.95	424.57	198.60	188.50
— Repayment	143.02	137.17	174.17	171.97	189.41
— Net funds available (<i>per cent</i>)	55.92(28)	(-)10.22(8)	250.40(59)	26.63 (13)	(-)0.91(0.48)

(Source: Finance Accounts)

1.10.3 It would be seen that very little of the borrowings are available for investment and other expenditure after meeting the repayment obligations. Considering that the outstanding debt has been increasing year after year the net availability of funds through public borrowings is going to reduce further.

1.11 Indicators of the financial performance

1.11.1 A Government may either wish to maintain its existing level of activity or increase its level of activity. For maintaining its current level of activity it would be necessary to know how far the means of financing are sustainable. Similarly, if Government wished to increase its level of activity it would be pertinent to examine the flexibility of the means of financing. Finally, Government's vulnerability increases in the process. All the State Governments continue to

⁶ Other liabilities include small savings, provident funds, reserve funds and deposits, etc.

increase the level of their activity principally through Five Year Plans which translate to Annual development plans and are provided for in the state budget. Broadly, it can be stated that non-Plan expenditure represents Government maintaining the existing level of activity⁷, while Plan expenditure entails expansion of activity. Both these activities require resource mobilisation increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, flexibility and vulnerability. These terms are defined as follows:

(i) Sustainability

Sustainability is the degree to which a Government can maintain existing programmes and meet existing creditor requirements without increasing the debt burden.

(ii) Flexibility

Flexibility is the degree to which a Government can increase its financial resources to respond to rising commitments by either expending its revenues or increasing its debt burden.

(iii) Vulnerability

Vulnerability is the degree to which a Government becomes dependent on and therefore vulnerable to sources of funding outside its control or influence, both domestic and international.

(iv) Transparency

There is also the issue of financial information provided by the Government. This consists of annual financial statement (budget) and the accounts. As regards the budget the important parameters are timely presentation indicating the efficiency of budgetary process and the accuracy of the estimates. As regards, accounts timeliness in submission, for which milestones exist and completeness of accounts would be the principal criteria.

1.11.2 Information available in Finance Accounts can be used to flesh out sustainability, flexibility and vulnerability that can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. The list of such indices/ratios is given in the *Appendix I B*. Table No.1.15 indicates the behaviour of these indices/ratios over the period from 1997-98 to 2001-02. The implications of these indices/ratios for the state of the financial health of the State Government are discussed in the following paragraphs.

1.11.3 The behaviour of the indices/ ratios is discussed below:

(i) Balance from current revenues (BCR)

BCR is defined as revenue receipts minus Plan assistance grants minus non-Plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting Plan expenditure. The table shows that the

⁷ There are exceptions to this, notably transfer of Plan to the Non-Plan at the end of Plan period.

State Government had negative BCRs in all the five years, suggesting that Government had to depend only on borrowings for meeting its Plan expenditure.

(ii) Interest ratio

The higher the ratio the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. In Manipur the ratio has moved significantly from 0.09 in 1997-98 to 0.16 in 2001-02. A rising interest ratio has adverse implications on the sustainability since it points out to the rising interest burden.

(iii) Capital outlay/ capital receipts

This ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than one would not be sustainable in the long term inasmuch as it indicates that a part of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance. In Manipur, the ratio was steadily decreasing from 1.32 in 1997-98 to 0.30 in 2001-02 showing not only steady reduction in availability of fund from revenue surplus for capital investment but also indicated diversion of capital receipts to unproductive revenue expenditure in 2001-02.

Table No. 1.15
Financial indicators for Government of Manipur

	1997-98	1998-99	1999-2000	2000-01	2001-02
1	2	3	4	5	6
Sustainability					
BCR (Rs. in crore)	(-)161.17	(-)161.93	(-) 672.63	(-)338.68	(-)566.73
Primary Deficit (PD) (Rs. in crore)	110.85	17.01	511.99	49.45	148.90
Interest Ratio	0.09	0.10	0.12	0.17	0.16
Capital outlay/Capital receipts	1.32	1.07	0.85	0.40	0.30
Total Tax receipts/ GSDP	0.15	0.14	0.13	0.07	0.05
State Tax Receipts/ GSDP	0.02	0.01	0.01	0.02	0.01
Return on Investment ratio	—	0.0006	—	—	0.0008
Flexibility					
BCR (Rs. in crore)	(-) 161.17	(-) 161.93	(-) 672.63	(-)338.68	(-)566.73
Capital repayments/Capital borrowings	0.46	0.59	0.37	0.36	1.08
State tax receipts/ GSDP	0.02	0.01	0.01	0.02	0.01
Debt/GSDP	0.51	0.57	0.62	0.66	0.61
Vulnerability					
Revenue Surplus (RS)/Revenue Deficit (RD) (Rs. in crore)	70.57	106.01	(-)278.14	(-) 78.82	(-)161.18
Fiscal Deficit (FD) (Rs. in crore)	189.75	108.29	643.95	226.61	340.31
Primary Deficit (PD) (Rs. in crore)	110.85	17.01	511.99	49.45	148.90
PD/FD	0.58	0.16	0.80	0.22	0.44
RD/FD	(-) 0.37	(-) 0.98	0.43	0.35	0.47
Outstanding Guarantees/ Revenue receipts	0.003	0.003	0.003	0.003	0.02
Assets/ Liabilities	2.05	1.92	1.61	1.45	1.36

(Further details in Appendix- II)

- Note : 1. Fiscal deficit has been calculated as : Revenue expenditure + Capital expenditure + Net loans and advances — Revenue receipts — Capital receipts.
2. In the ratio Capital outlay vs. Capital receipts, the denominator has been taken as Internal loans + Loans and Advances from Government of India + Net receipts from small savings, PF etc. + Repayments received from loans advanced by the State Government — Loans advanced by State Government.

(iv) Tax receipts vs. Gross State Domestic Product (GSDP)

The receipts consist of State taxes and State's share of Central taxes. The latter can also be viewed as Central taxes paid by people living in the state. Tax receipts suggest sustainability. But the ratio of tax receipts to GSDP would have implications for flexibility as well. While a low ratio would imply that the Government can tax more, and hence has more flexibility, a high ratio may not only point to the limits of this source of finance but also its reduced flexibility. Time series analysis shows that in Manipur this ratio has been fluctuating between

0.15 and 0.13 during 1997-98 to 1999-2000 and has declined to 0.07 in 2001-02. Similarly, the ratio of State tax receipts compared to GSDP was constant at 0.01 during 1998-99 to 1999-2000, increased to 0.02 in 2000-01 and again declined to 0.01 in 2001-02. This ratio suggests that the State Government had the option to raise more resources through taxation to generate more revenue for capital formation.

(v) Return on Investment (ROI)

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability. The table presents the return on Government's investments in statutory corporations, Government companies, joint stock companies and co-operative institutions. It shows that the ROI in Manipur, was negligible during the year 2001-02.

(vi) Capital repayments vs. Capital borrowings

This ratio would indicate the extent to which the capital borrowings are available for investment, after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. In Manipur Government this ratio ranged between 0.36 and 0.59 during the period from 1997-98 to 2000-01 but increased to 1.08 during the year 2001-02. This indicated lesser amount of funds being available on investment.

(vii) Debt vs. Gross State Domestic Product(GSDP)

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. In Manipur, this ratio showed an upward trend and increased from 0.51 in 1997-98 to 0.66 in 2000-01 but declined to 0.61 in 2001-02. This shows that Government's ability to meet its debt obligations slightly improved during 2001-02.

(viii) Revenue deficit/ Fiscal deficit

Revenue deficit is the excess of revenue expenditure over revenue receipts and represents the revenue expenditure financed by borrowings etc. Evidently, the higher the revenue deficit, the more vulnerable is the State. Since fiscal deficit represents the aggregate of all the borrowings the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus the higher the ratio the worse of the State because that would indicate that the debt burden is increasing without adding to the repayment capacity of the State. There was revenue surplus during 1997-98 and 1998-99, but the State had gone into revenue deficits during the period from 1999-2000 to 2001-02. This indicated a steep decline in the financial position of the State.

(ix) Primary deficit vs. Fiscal deficit

Primary deficit is the fiscal deficit minus interest payments. This means that the less the value of the ratio the less the availability of funds for capital investment. In Manipur, this ratio had been in the range of 0.16 to 0.58 during the five years ending 2001-02. This suggests that funds available for capital investment after meeting interest obligations were small during the years.

(x) Guarantees vs. Revenue receipts

Outstanding guarantees, including the letters of comfort issued by the Government, indicate the risk exposure of a State Government and should therefore be compared with the ability of the Government to pay viz., its revenue receipts. Thus, the ratio of the total outstanding guarantees to total revenue receipts of the Government would indicate the degree of vulnerability of the State Government. In Manipur though this ratio remained static at 0.003 during 1998-99 to 2000-01 it increased to 0.02 during 2001-02 indicating substantial improvement in the position.

(xi) Assets vs. Liabilities

This ratio indicates the solvency of the Government. A ratio of more than 1 would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than 1 would be a contra indicator. In Manipur the ratio was steadily declining from 2.05 in 1997-98 to 1.36 in 2001-02 indicating that the liabilities are fast overtaking the assets.

(xii) Budget

There was no delay in submission of the budget and their approval by the State Legislature. Chapter-II of this Report carries a detailed analysis of variations in the budget estimates and the actual expenditure as also of the quality of budgetary procedure and control over expenditure. It indicates defective budgeting and inadequate control over expenditure, as evidenced by persistent resumption (surrenders) of significant amounts every year vis-à-vis the final modified grant. Significant variations (excess/saving) between the final modified grant and actual expenditure were also persistent.

(xiii) Accounts

There was delay in the submission of accounts by the treasuries/ departments during 2001-02. Out of 103 divisions of Public Works Department, Electricity Department, Irrigation and Flood Control/Minor Irrigation Department and Public Health Engineering Department, in case of 29 divisions there were delays in submission of accounts ranging from 2 to 5 months. In the Forest Department out of 32 divisions there was delay up to 5 months resulting in exclusion from the monthly cash accounts/delay in accountal and finalisation of their accounts.

In case of treasuries/sub-treasuries out of 12, there were delay in submission of accounts up to 5 months in case of 11 treasuries.

1.12 Conclusion

The year 2001-02 witnessed revenue deficit for the third consecutive year during the period of five years ending 2001-02. This was due to utilisation of borrowed funds for revenue expenditure including large interest payment thus, making the financial condition of the State Government unsustainable. The borrowed funds were also inefficiently employed as would be seen from insignificant return on investment.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Introduction

2.1.1 In accordance with the provisions of Article 204 of the Constitution of India, soon after the grants under Article 203 are made by the State Legislature, an Appropriation Bill is introduced to provide for appropriation out of the Consolidated Fund of the State. The Appropriation Bill passed by the State Legislature contains authority to appropriate certain sums from the Consolidated Fund of the State for the specified services. Subsequently, supplementary or additional grants can also be sanctioned by subsequent Appropriation Acts in terms of Article 205 of the Constitution of India.

2.1.2 The Appropriation Act includes the expenditure which has been voted by the Legislature on various grants in terms of Articles 204 and 205 of the Constitution of India and also the expenditure which is required to be charged on the Consolidated Fund of the State. The Appropriation Accounts are prepared every year indicating the details of the amounts on various specified services actually spent by Government vis-à-vis those authorised by the Appropriation Act.

2.1.3 The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts – 2001-2002

2.2.1 The summarised position of original and supplementary grants/appropriations and expenditure thereagainst is given below:

Total number of Grants/ Appropriations	:	50 (47 Grants; 3 Appropriations)
---	---	----------------------------------

Table No. 2.1
Total provision and actual expenditure

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	2430.09		
Supplementary	657.51		
Total gross provision	3087.60	Total gross expenditure	3589.10
Deduct – Estimated recoveries in reduction of expenditure	89.19	Deduct – Actual recoveries in reduction of expenditure	13.52
Total net provision	2998.41	Total net expenditure	3575.58

Table No. 2.2
Voted and Charged provision and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	1348.51	181.23	1156.25	194.14
Capital	377.94	1179.92	180.69	2058.02
Total Gross :	1726.45	1361.15	1336.94	2252.16
Deduct-Recoveries in reduction of expenditure	89.19	—	13.52	—
Total : Net	1637.26	1361.15	1323.42	2252.16

2.2.2 The summarised position of actual expenditure, excess and savings during 2001-02 against grants and appropriations was as follows:

Table No. 2.3

(Rupees in crore)

	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving(-)/Excess (+)
Voted	I. Revenue	1155.59	192.92	1348.51	1156.25	(-) 192.26
	II. Capital	249.26	110.81	360.07	176.55	(-) 183.52
	III. Loans & Advances	10.24	7.63	17.87	4.14	(-) 13.73
	Total Voted	1415.09	311.36	1726.45	1336.94	(-) 389.51
Charged	IV. Revenue	162.76	18.47	181.23	194.14	(+) 12.91
	V. Capital	—	—	—	—	—
	VI. Public Debt	852.23	327.69	1179.92	2058.02	(+) 878.10
	Total Charged	1014.99	346.16	1361.15	2252.16	(+) 891.01
	Appropriation to Contingency Fund (if any)	—	—	—	—	—
	Grand Total	2430.08	657.52	3087.60	3589.10	(+) 501.50

2.3 Excess over provision relating to previous years requiring regularisation

2.3.1 As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.1608.88 crore for the years 1997-98 to 2000-01 is yet to be regularised.

Table No. 2.4

(Rupees in crore)				
Year	No. of grants/ appropriations	Grant/Appropriation No(s)	Amount of excess	Amount for which explanations not furnished to PAC
1997-98	12	5,11,16,21,26,34,44 Appn. 2,16,23,25 and Appn. 2	384.57	384.57
1998-99	8	Appn. 2,1,8,8,20,34 Appn. 2 and 23	293.66	293.66
1999-00	16	1, Appn. 2,4,5,8,20,21, 29,33,34,39,44,appn.2, 21,23 and 25	844.88	844.88
2000-01	9	1, Appn. 2,5,8,21,23, 26,27 and 34	85.77	85.77
		Total:-	1608.88	1608.88

2.4 Results of Appropriation Audit

2.4.1 The overall excess of Rs.501.50 crore was the result of excess of Rs.895.20 crore in 8 cases of grants and appropriations offset by saving of Rs.393.70 crore in 70 cases of grants and appropriations.

2.4.2 Supplementary provision made during the year constituted 27.05 *per cent* of the original provision as against 83.79 *per cent* in the previous year.

2.4.3 Supplementary provision of Rs.94.57 crore made in 25 cases during the year proved unnecessary in view of aggregate saving of Rs.177.99 crore as detailed in *Appendix III*.

2.4.4 In 20 cases against additional requirement of Rs.106.68 crore supplementary grants and appropriations of Rs.193.51 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating Rs.86.83 crore. Details of these are given in *Appendix IV*.

2.4.5 The excess of Rs.2.90 crore under 6 grants and Rs.892.30 crore under 1 appropriation require regularisation under Article 205 of the Constitution. Details of these are given in *Appendix V*.

2.4.6 In 5 cases, supplementary provision of Rs.352.79 crore proved insufficient by more than Rs.10 lakh each, leaving an aggregate uncovered excess expenditure of Rs.894.84 crore as per details given in *Appendix VI*.

2.4.7 In 37 cases, expenditure fell short by more than Rs.1 crore in each case and also by more than 10 *per cent* of the total provision as indicated in *Appendix VII*. In 3 of the above cases (Sl. No. 21, 23 and 26) the entire provision totalling Rs.7.79 crore was not utilised.

2.4.8 In 10 cases there were persistent savings in excess of Rs.10 lakh in each case and 20 *per cent* or more of the provision. Details are given in *Appendix VIII*. In 3 cases there were persistent excess in excess of Rs. 10 lakh in each case ranging from 1 to 86 *per cent* of the provision as detailed below:

Table No. 2.5

Sl. No.	Number and Name of grant	(Rupees in lakh)					
		1999-2000		2000-2001		2001-02	
		Total grant	Total excess (percentage to the total provision)	Total grant	Total excess (percentage to the total provision)	Total grant	Total excess (percentage to the total provision)
1	2	3	4	5	6	7	8
1.	Appropriation No.2- Interest Payment and Debt Services (Revenue) charged	13017.08	179.38 (1)	15857.84	1857.82 (12)	17719.59	1421.15 (8)
2.	21- Industries and Weights and Measures (Revenue) Voted	2276.64	320.15 (14)	1878.03	157.23 (8)	2105.68	175.54 (8)
3.	34- Rehabilitation (Revenue) Voted	312.33	30.98 (10)	190.65	263.43 (138)	78.43	66.06 (86)

2.4.9 Persistent excess requires investigation by the Government for remedial action.

2.4.10 In 2 cases, expenditure exceeded the approved provisions by Rs.25 lakh or more and also by more than 10 *per cent* of the total provision. Details are given in *Appendix IX*.

Excessive/unnecessary re-appropriation of funds

2.4.11 Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Significant cases where injudicious re-appropriation of funds proved excessive or resulted in savings by over Rs.50 lakh in each case are given in *Appendix X*.

Expenditure without provision

2.4.12 As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was, however, noticed that expenditure of Rs.52.57 crore was incurred in 18 grants/appropriations as detailed in *Appendix XI* without the provision having been made in the original estimates/supplementary demands and no re-appropriation orders were issued.

Anticipated savings not surrendered

2.4.13 According to rules framed by Government the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 2001-02 there were 70 cases in which large savings had not been surrendered by the departments. The amount involved was Rs.369.03 crore. In 46 cases, the amount of available savings not surrendered amounted to more than Rs.1 crore in each case. Details are given in *Appendix XII*.

2.4.14 The above instances of budgetary irregularities are reported from year to year in Chapter II of the Audit Report.

Trend of Recoveries and Credits

2.4.15 Under the system of gross budgeting followed by Government the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates.

2.4.16 In 9 grants the actual recoveries adjusted in reduction of expenditure (Rs.13.52 crore) were less than the estimated recoveries (Rs.89.19 crore) by Rs.75.67 crore. More details are given in *Appendix XIII*.

Non-receipt of explanations for savings/excesses

2.4.17 For the year 2001-02 explanations for savings/excesses were not received in respect of any Heads of Accounts.

Unreconciled expenditure

2.4.18 Financial rules require that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General. Out of 97 Controlling Officers, 36 Controlling Officers did not reconcile before the final closing.

Treasury inspection

2.4.19 Results of Treasury inspection carried out during 2001-02 by the Office of the Sr. Deputy Accountant General (A&E), Manipur are as under:

2.4.20 Overpayment of pensionary benefits of Rs.0.96 lakh (including family pension of Rs.0.26 lakh) was made to pensioner due to non-deduction and premature restoration of commuted pension, payment of family pension at the enhanced rate for the period from 1.12.1999 to 28.2.2002.

AGRICULTURE DEPARTMENT

2.5 Drawal of fund in advance of requirement

Out of Rs.37 lakh drawn by the Director of Agriculture for payment to MPCCL, Rs.10.75 lakh were lying unutilised in the Bank account.

2.5.1 Rule 290 of the Central Treasury Rules provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It also prohibits drawal of money to prevent the lapse of budget grant.

2.5.2 Test check (January/February 2002) of records of the Director of Agriculture, Imphal revealed that the Directorate drew (March 2001) Rs.37 lakh against Government sanction (October 2000) towards share capital contribution for payment to Manipur Plantation Crops Corporation Ltd. (MPCCL). Out of this, the Director paid (14 June 2001) Rs.0.67 lakh to MPCCL and kept Rs.36.29 lakh in the form of banker's cheque. Balance amount of Rs.0.04 lakh was lying in cash as of February 2002. The department released (28 February 2002) Rs.25.50 lakh to MPCCL and spent Rs.0.08 lakh towards bank charges keeping the balance amount of Rs.10.75 lakh unauthorisedly in a bank current account (No.2010 of United Bank of India). On this being pointed out, the department stated (April 2002) that the money would be released on getting completion report from MPCCL on supply and installation of diesel generating set.

2.5.3 In October 2002, the department stated that the amount was handed over to MPCC Ltd. on 22 June 2002. The completion report of supply and installation of diesel generating set was called for (November 2002) but the same could not be furnished to audit (December 2002). Thus actual utilisation of Rs.10.75 lakh could not be verified (December 2002).

2.5.4 Thus, drawal of money in contravention of the rule *ibid* and retention of unspent balance of Rs.10.75 lakh in bank (March 2001 to June 2002) was irregular. Besides, the Government continued to depend on borrowed funds during the years while funds in Government department remained unutilised.

2.5.5 The matter was reported to Government in April 2002; their reply had not been received (December 2002).

**MUNICIPAL ADMINISTRATION, HOUSING AND URBAN
DEVELOPMENT DEPARTMENT**

2.6 Blocking of funds without implementing development programmes

Funds of Rs.13.77 crore drawn under various development programmes had been retained in other deposits without implementation of the programmes.

2.6.1 Scrutiny (April 2002) of records revealed that the Director of Municipal Administration, Housing and Urban Development drew Rs.15.07 crore during the period from 1996-97 to 2001-02 for implementation of various development schemes and programmes and kept it under 8449 Other Deposits in contravention of the Rule 290 of the Central Treasury Rules. Out of this Rs.1.30 crore (8.62 per cent) was withdrawn (1996-97: Rs.0.79 crore and 1998-99: Rs.0.51 crore) by the department leaving the balance of Rs.13.77 crore in the deposit account as on April 2002 (details are shown in the *Appendix- XIV*).

2.6.2 Thus, inspite of availability of sufficient funds, the programmes/schemes remained unimplemented. As a result the targeted groups of beneficiaries were deprived of the intended benefits under these schemes/programmes.

2.6.3 The matter was referred to the Government in June 2002; reply has not been received (December 2002).

CHAPTER III

CIVIL DEPARTMENTS

SECTION "A" **(AUDIT REVIEWS)**

RURAL DEVELOPMENT DEPARTMENT

3.1 Rural Housing Schemes

Indira Awaas Yojana(IAY) was implemented with effect from January 1996 through all the nine District Development Agencies (DRDAs) under the administrative control of Rural Development Department in the state. The main objective of the programme was to help in the construction and upgradation of dwelling units by members of scheduled castes and scheduled tribes living below the poverty line (BPL) and also BPL non SC/ST households by providing them assistance in the ratio of 60:40. Due to short release of funds by Central and State Government, under utilisation of available funds, non-transparency in selection of beneficiaries, poor coverage of targeted beneficiaries and short release of assistance to the beneficiaries, performance under IAY remained defective.

Highlights

Government of India could not release Rs.16.19 crore during 1998-2002 due to non-submission of proposals for release of second instalments of Central share by the DRDAs.

(Paragraph 3.1.7)

State share of Rs.31 lakh was diverted to another scheme during 1997-98 depriving BPL families of benefits under IAY.

(Paragraph 3.1.9)

Four blocks under two DRDAs did not account for Rs.0.39 crore received during 1997-2002.

(Paragraph 3.1.10)

As against targeted construction of 12687 dwelling houses during 1997-2002, 5564 houses only could be completed representing 44 per cent coverage.

(Paragraph 3.1.16)

There was short release of assistance of Rs.1.11 crore for construction of houses and Rs.3.68 lakh for upgradation of existing dwelling houses in four DRDAs,

(Paragraphs 3.1.19 and 3.1.25)

Out of 6752 dwelling houses constructed and upgraded during 1997-98 to 2001-02, 4233 houses were not provided with smokeless chulhas and in 4644 houses sanitary latrines were not constructed,

(Paragraph 3.1.27)

Introduction

3.1.1 Government of India launched Indira Awaas Yojana (IAY) during 1985-86 as a sub-scheme of Rural Landless Employment Guarantee Programme. From April 1989, it continued as a sub-scheme of Jawahar Rozgar Yojana (JRY). IAY was delinked from JRY from 1 January 1996 and made an independent scheme. To supplement the efforts of IAY and address various issues on Rural Housing, Government of India launched five¹ new schemes from 1 April 1999. Of these, three² schemes were introduced in the State. The objective of IAY is primarily to help construction/upgradation of dwelling units of the population living below the poverty line (BPL) in rural areas belonging to SCs/STs, free bonded labourers and non SCs/STs categories in the ratio of 60:40 by providing grants-in-aid.

Audit Coverage

3.1.2 Out of 9 DRDAs (34 blocks), four³ DRDAs (44 *per cent*) along with 13 blocks⁴ (50 *per cent*) covering 30 *per cent* of the total expenditure during 1997-98 to 2001-02 and the State Monitoring Cell were test-checked during the period from April 2002 to June 2002.

Organisational set-up

3.1.3 The Rural Housing Schemes in Manipur was implemented through all nine DRDAs⁵ under the administrative control of Rural Development Department

¹ (a) Pradhan Mantri Gramodaya Yojana (PMGY) (b) Credit-cum-Subsidy Scheme for Rural Housing (CCSSRH) (c) Samagra Awaas Yojana (SAY) (d) Innovative Stream for Rural Housing and Habitat Development (ISRHD) and (e) Setting up of Rural Building Centres (RBC)

² PMGY, CCSSRH and ISRHD

³ DRDA (Imphal West), DRDA (Ukhrul), DRDA (Chandel) and DRDA (Churachandpur)

⁴ Imphal West district: Haorangsabal and Wangoi block

Ukhrul district: Ukhrul TD block, Kamjong, Kasom Khullen and Chingai block,

Churachandpur district: Churachandpur, Singhat, Henglep, Thanlon, Tipaimukh and Samulamlan block.

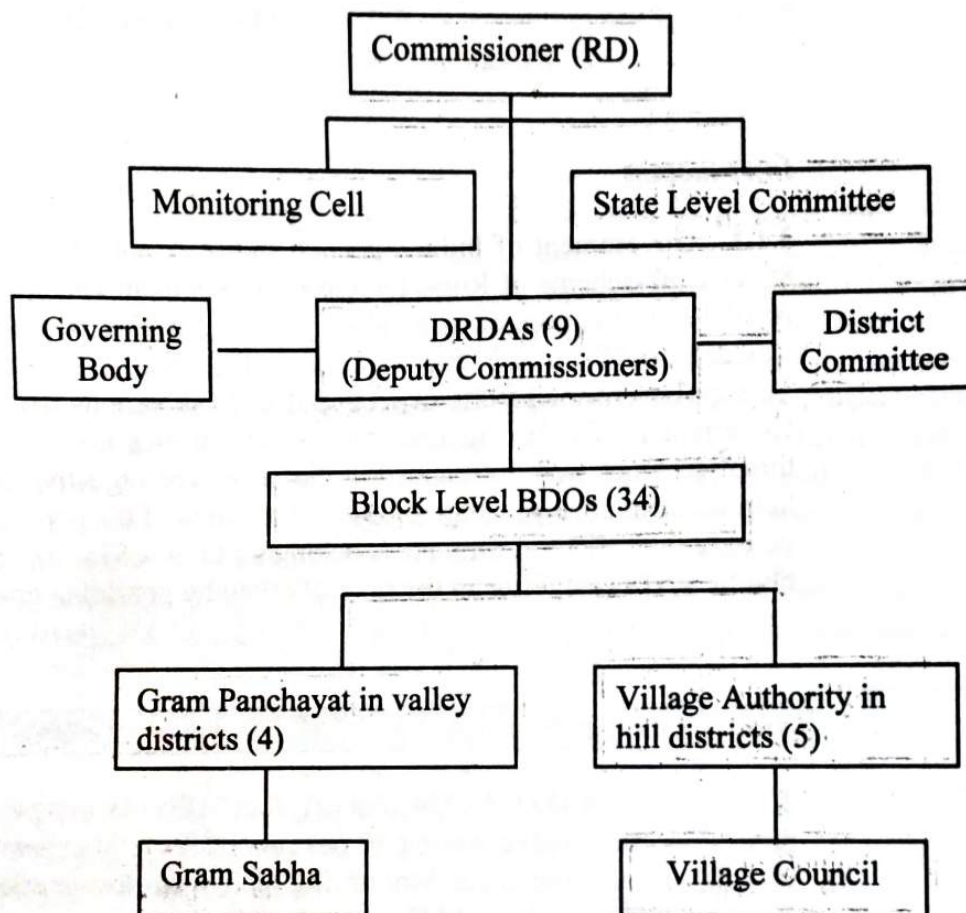
Chandel district: Chandel TD block.

⁵ Imphal East, Imphal West, Bishnupur, Thoubal, Churachandpur, Ukhrul, Chandel, Tamenglong and Senapati.

headed by Commissioner, Rural Development Department and Panchayati Raj. The Chairman/Executive Director of the DRDAs were assisted by Block Development Officers.

3.1.4 The organisational structure is shown in the following chart:

Chart No.3.1



Funding of scheme

3.1.5 Funds under IAY were shared between Government of India and the State Government on 80:20 cost sharing basis up to March 1999. From April 1999, the ratio was changed to 75:25. While Central shares were released direct to each DRDA, the State share was released to DRDAs through RD Department.

3.1.6 Year wise position of allocation of funds and release by Government of India and the State Government during 1997-98 to 2001-02 are given below:

Table No.3.1

(Rupees in crore)

Year	Allocation of fund		Funds released			Short released		Unspent balance	Total fund available (6+9)	Expenditure	Closing balance
	GOI	State	GOI	State	Total	GOI (2-4)	State (3-5)				
1	2	3	4	5	6	7	8	9	10	11	12
1997-98	1.04	0.26	0.57*	0.31*	0.88	(-)0.47	(+)0.05	3.05 ⁶	3.93	2.30	1.63
1998-99	3.20	0.80	1.57	0.31	1.88	(-)1.63	(-)0.49	1.63	3.51	2.58	0.93
1999-2000	6.93	2.31	1.77	0.65	2.42	(-)5.16	(-)1.66	0.93	3.35	1.60	1.75
2000-01	8.67	2.89	3.26	0.50	3.76	(-)5.41	(-)2.39	1.75	5.51	3.02	2.49
2001-02	6.62	2.21	3.10	2.20	5.30	(-)3.52	(-)0.01	2.49	7.79	3.25	4.54
Total:	26.46	8.47	10.27	3.97	14.24	(-)16.19	(-)4.50	—	—	12.75	—

(Source: Information furnished by the Monitoring Cell and Progress Reports of DRDA)

3.1.7 Government of India could not release Rs.16.19 crore during 1997-2002 due to non-submission of required documentation such as audited statement of accounts, utilisation certificates *etc.* by the DRDAs. It was however, noticed that in the case of 4 DRDAs Rs.38.96 lakh⁷ were deducted by the Government of India from the fund allocated on account of late submission of proposals (Rs.15.85 lakh) and excess carry over of balance (Rs.22.18 lakh) by DRDAs, and short release of funds by State Government (Rs.0.93 lakh).

3.1.8 Instead of releasing state's share within one month, the State Government released its share of Rs.2.21 crore (out of Rs.3.66 crore released) during 1998-99 to 2001-02 after a delay of 3 to 10 months from the time of release of Central share.

3.1.9 The State Government sanctioned (October 1997) Rs.31 lakh as its share for construction of houses under Basic Minimum Service (an erstwhile programme) with instruction to charge the expenditure against IAY during 1997-98. Thus the incorrect sanction order had led to diversion of IAY funds to the other scheme depriving benefits of the BPL families under IAY.

* excludes Central share: Rs.2.34 crore and State share: Rs.0.52 crore released during 1997-98 for the year 1996-97. Amounts are included in the opening balance (unspent balance) for 1997-98.

⁶ Includes unspent balance of Rs.0.19 crore pertaining to the year 1996-97 and Rs.2.86 crore sanctioned on March 1997 but released during 1997-98.

⁷ Rs.7.11 lakh (1997-98), Rs.24.65 lakh (2000-01) and Rs.7.20 lakh (2001-02).

Financial performance

3.1.10 As per cash book of two DRDA's, Rs.55.16 lakh (DRDA Chandel: Rs.34.96 lakh and DRDA Ukhrul: Rs.20.20 lakh) were released to four blocks⁸ during April 1997 to March 2002 of which only Rs.16.42 lakh were accounted for by three blocks in their cash books. The Block Development Officers could not also produce Actual Payee's Receipts *etc.* in support of disbursement of the balance amount of Rs.38.74 lakh. DRDA Chandel stated (September 2002) that non-accountal of Rs.18.54 lakh by the blocks was under investigation.

3.1.11 One DRDA, Chandel diverted Rs.4.42 lakh out of IAY fund to JRY Account (Rs.1.72 lakh) and for other inadmissible works (Rs.2.70 lakh) during 1998-2000.

Beneficiary identification

3.1.12 A survey conducted by State Government during 1997-98 identified 2,46,980 rural families living below the poverty line (BPL) in the State (out of the total BPL population of 13,31,504). According to 1991 census housing shortage of the State is 1,24,015 out of which 89,198 (72 *per cent*) are in rural areas. As per guidelines of IAY, Gram Sabha at block level was to select beneficiaries from list of eligible households to be prepared by DRDAs. Test-check in four DRDAs revealed that documentary evidence of selection of beneficiaries by Gram Sabhas was not maintained. As a result basis of selection of 5195⁹ beneficiaries during 1997-2002 in the four test checked districts could not be verified in audit.

3.1.13 Government of India fixed (September 1997) the income limit of Rs.280.86 per capita per month for identification of rural BPL member/families in the State. Test-check in three DRDAs revealed that 4147¹⁰ beneficiaries with income level ranging from Rs.391.66 to Rs.1666.66 were selected during 1997-2002. Of this, assistance to 1830 beneficiaries (1793 new construction and 37 upgraded houses as of March 2002) to the tune of Rs.2.59 crore was released

during 1997-98 to 2001-02 (*Appendix-XV*) which was beyond the scope of the scheme.

8

DRDA	Block and period	(Rupees in lakh)		
		Amount given by DRDAs	Amount accounted by BDOs	Unaccounted amount by Block
Ukhrul	Ukhrul, TD Block, April 1997 to October 2000	20.20	Nil	20.20
Chandel	Chandel Block April 1997 to March 2002	25.34	10.95	14.39
	Chakpikarong Block	2.93	2.29	0.64
	Machi Block 1999-2000 to 2001-02	6.69	3.18	3.51
Total:		55.16	16.42	38.74

⁹ Imphal West -1010; Churachandpur- 2063; Chandel- 1048 and Ukhrul- 1074

¹⁰ Imphal West- 1010; Churachandpur - 2063 and Ukhrul- 1074

3.1.14 As per report submitted (September 1999) to Government of India, rural BPL families in Chandel district was 69,316. In November 1999 Deputy Commissioner, Chandel reported to the State Government that the actual figure was 12,688, but the corrected figure was not intimated (June 2002) to Government of India.

Physical performance

3.1.15 Year-wise target fixed for construction/upgradation of dwelling units and achievement there against during 1997-98 to 2001-02 are given below:

Table No.3.2

(In numbers)

Year	Target	Achievement	
		Houses completed	Houses under progress
1997-98	619	1096 ¹¹ (177)	610
1998-99	1912	1125 (59)	—
1999-2000	3360	708 (21)	477
2000-01	3266	1276 (39)	935
2001-02	3530	1359 (38)	601
Total:	12687	5564 (44)	2623

(Source: As furnished by the Monitoring Cell)

(Figures within brackets represent percentage.)

3.1.16 Against targeted coverage of 12,687 BPL families 5 per cent of total BPL families (2,46,980) during 1997-98 to 2001-02, construction of 5,564 dwelling units (44 per cent of the target) could only be completed as of March 2002 which indicated poor performance of the scheme in the State.

3.1.17 Position of construction of dwelling units in respect of SC/ST and non SC/ST beneficiaries during 1997-98 to 2001-02 are given below:

Table No.3.3

Year	Target			Houses completed		Total
	SC/ST	Others	Total	SC/ST	Others	
	(In number)					
1997-98	446	173	619	889	207	1096
1998-99	1392	520	1912	878	247	1125
1999-2000	2550	810	3360	474	234	708
2000-01	2903	363	3266	921	355	1276
2001-02	3084	446	3530	1100	259	1359
Total:	10375	2312	12687	4262	1302	5564
	(82)	(18)	(100)	(77)	(23)	(100)

(Figures in brackets represent percentage.)

3.1.18 According to guidelines of IAY, 60 per cent houses were to be constructed for SC/ST beneficiaries and 40 per cent for non-SC/ST beneficiaries. But in the

¹¹ Higher achievement shown during the year was mainly due to non-fixation of target against Rs.2.86 crore received from Government of India and State Government for 1996-97 during 1997-98.

State, targeted construction was fixed in the ratio 82:18 during 1997-2002 against which completion was in the ratio 77:23 as of March 2002. Thus approved norm of construction was not followed.

Funds transfer to beneficiaries

3.1.19 According to IAY guidelines, each beneficiary was to be assisted to the extent of Rs.20,000 in plain areas and Rs.22,000 in hilly/difficult areas for construction of their dwelling houses. Test-check in four DRDAs revealed that 4 beneficiaries of DRDA Imphal West were assisted (1997-98 and 1998-99) at the rate of Rs.12,500 each instead of Rs.20,000 and 1183 beneficiaries of DRDA Chandel, Ukhrul and Churachandpur were released (1997-98 to 2000-01) assistance ranging from Rs.11,200 to Rs.18,333 instead of the admissible rate of Rs.22,000 each. This had thus led to short-release of assistance to the tune of Rs.1.11 crore to the beneficiaries as detailed below:

Table No.3.4

(Rupees in lakh)

Sl. No.	Name of the DRDA	Year of payment	No. of beneficiary	Admissible rate (Rupees)	Amount admissible	Assistance released	Short release of assistance
1.	Imphal West	1997-98 and 1998-99	4	20,000	0.80	0.50	0.30
2.	Churachandpur	1999-2000	48	22,000	10.56	8.80	1.76
3.	Chandel	1997-98 to 2000-01	289	22,000	63.58	45.79	17.79
4.	Ukhrul	1997-98 to 2000-01	846	22,000	186.12	94.75	91.37
	Total		1187		261.06	149.84¹²	111.22

(Source: DRDA records)

Upgradation of houses

Financial performance

3.1.20 According to guidelines, from April 1999, 20 per cent of total allocation was to be earmarked for conversion of unserviceable kutcha houses into pucca/semi pucca houses.

¹² includes Rs.19.01 lakh being the material components.

3.1.21 Funds available for conversion of unserviceable kutcha houses into pucca/semi-pucca houses during 1997-98 to 2001-02 are given below:

Table No.3.5

Year	Funds allocated	Funds received	(Rupees in lakh)
			Short release
1999-2000	184.20	48.43	135.77 (74)
2000-01	231.11	75.29	155.82 (67)
2001-02	176.48	103.97	72.51 (41)
Total:	591.79	227.69	364.10

(Source: DRDA records)

(Figures within brackets represent percentage)

3.1.22 The above table shows that the percentage of short release of funds ranged from 41 to 74 *per cent* during 1999-2002.

Physical performance

3.1.23 Year-wise target fixed for upgradation of houses and achievement thereagainst during 1999-2000 to 2001-02 are given below:

Table No.3.6

Year	Target	Achievement		Total expenditure
		Completed	Under progress	
		(In number)		(Rupees in lakh)
1999-2000	1848	361	—	23.24
2000-01	1796	350	147	32.33
2001-02	1765	477	—	28.44
Total	5409	1188 (22)	147	84.01 (37)

(Source : DRDA records)

(Figures within brackets represent percentage)

3.1.24 As against 37 *per cent* utilisation of available funds, (Rs.227.69 lakh) physical achievement was only 22 *per cent*.

3.1.25 According to guidelines of IAY, each beneficiary was to be assisted @ Rs.10,000 for conversion of unserviceable kutcha houses into pucca/semi pucca houses. In one DRDA (Ukhrul) assistance for upgrading the houses to 42 beneficiaries @ Rs.5,000 during 1999-2000 and to 79 beneficiaries @ Rs.8,000 during 2001-02 were only given. This had resulted in short-release of assistance

to the tune of Rs.3.68 lakh to the beneficiaries as detailed below:

Table No.3.7

Name of the DRDA	Year	No. of beneficiary	Rate admissible	Rate sanctioned	Difference	Amount
			(In Rupees)			(Rupees in lakh)
Ukhrul	1999-2000	42	10,000	5,000	5,000	2.10
	2001-02	79	10,000	8,000	2,000	1.58
Total:		121				3.68

Use of local technology and materials

3.1.26 As per guidelines each house was to be provided with a smokeless chulha and construction of sanitary latrine in each house was mandatory.

3.1.27 As per information furnished (June 2002) by the Commissioner Rural Development, out of 6752 dwelling houses constructed and upgraded during 1997-98 to 2001-02, 4233 houses were not provided with smokeless chulhas and in 4644 houses sanitary latrines were not constructed which represents less achievement of 63 per cent and 69 per cent respectively.

Allotment of houses

3.1.28 Under the programme, allotment of dwelling units should be in the name of female member of beneficiary households. Alternatively, it could be allotted in the name of both husband and wife.

3.1.29 As per information furnished (June 2002) by the Commissioner, RD, 2221 dwelling houses constructed during 1997-98 (1096) and 1998-99 (1125) were not formally allotted to any beneficiaries as there was no prescribed format for allotment. Further, out of 3343 dwelling houses constructed/upgraded during 1999-2000 to 2001-02, 1873 dwelling units were allotted to male beneficiaries without any prescribed format in violation of the scheme guidelines.

Monitoring

3.1.30 The State Government had not prescribed any reports/returns to be submitted by the DRDAs as required under the programme. No officer at State level had ever visited the districts and ascertained the performance of the programme through field visits. Even officers at the district, sub-division and block levels had not visited the work sites. The State Government also had not conducted periodic evaluation studies on the implementation of the IAY as

specified in the guidelines. Thus, system of monitoring the programme was lacking.

Inventory Registers

3.1.31 According to guidelines of IAY, the implementing agencies should have a complete inventory of houses constructed/upgraded showing the date of commencement and completion of construction of dwelling units, name of the village and block in which the house is located, occupation and category of beneficiaries and other particulars. But inventory of 2631 houses constructed(2525)/upgraded(106) during 1997-98 to 2001-02 were not maintained in any of the four DRDAs test-checked.

Credit cum subsidy scheme

3.1.32 This scheme for Rural Housing targets rural families having annual income upto Rs.32,000. Under the scheme, subsidy upto a maximum of Rs.10,000 per household can be given and construction loan upto Rs.40,000 per household is admissible. The State Government was to identify the source of loans to the beneficiary. The subsidy portion is shared by Centre and the State in 75:25 ratio.

3.1.33 Though Government of India released (December 2000) Rs.33.38 lakh to the Manipur State Housing Board for implementation of scheme, the amount was lying unutilised in the bank account as of March 2002. Thus the scheme remained inoperative in the State.

Innovative scheme for rural housing and habitat development

3.1.34 The main object of the scheme is to promote and propagate innovative technologies, materials methods, designs *etc.* for cost effective and environment friendly rural housing and habitat development. Under the scheme, a maximum assistance of Rs.50 lakh was to be provided to Government organisations and Rs.20 lakh to voluntary organisations for executing a project.

3.1.35 As per information furnished by Commissioner (RD), Government of India approved three districts (Imphal East, Imphal West and Bishnupur) under the scheme and released Rs.129.70 lakh to three DRDA's (Imphal East-Rs.49.70 lakh, Imphal West-Rs.50.00 lakh and Bishenpur-Rs.30.00 lakh) during 2000-01 and 2001-02. Test check revealed that DRDA Imphal West alone could utilise the total available fund of Rs.50.00 lakh on construction of houses and infrastructure development and accordingly utilisation certificate was forwarded (June 2001, February 2002 and April 2002). DRDA Imphal East could utilise only Rs.18.64 lakh for construction of 71 houses against the target of 142 houses. Balance

amount of Rs.61.06 lakh (Imphal East-Rs.31.06 lakh and Bishnupur Rs.30.00 lakh) remained unutilised as of October 2002. Reason for non-utilisation of funds was not intimated by the concerned DRDA's.

Conclusion

3.1.36 Due to short release of funds by Central and State, under utilisation of available funds, non-transparency in selection of beneficiaries, poor coverage of targeted beneficiaries and short release of assistance to the beneficiaries, performance under IAY remained defective.

3.2 Swaranjayanti Gram Swarozgar Yojana

Swaranjayanti Gram Swarozgar Yojana (SGSY) was launched on 1 April 1999 with the main objective of providing income (more than Rs.2000 per month) to rural families living below the poverty line (BPL) covering 30 per cent of rural BPL families in five years (1999-2004) i.e., 6 per cent per year. The swarozgaris (individual and self help groups) were to be brought above the poverty line in 3 years providing them income generating assets through bank credit and subsidy. In the State 0.58 per cent of the rural BPL families were covered under the programme in three years (1999-2002) as against 18 per cent coverable under SGSY. No adequate initiative was taken at any level for proper implementation of the programme. Due to poor coverage of BPL families, short release of funds by the State Government, poor response of bankers in extending credit to swarozgaris and incorrect disbursement of subsidy, the very purpose of the scheme has been frustrated. The programme thus remained unsuccessful in the State till March 2002.

Highlights

Government of India (GOI) could not release Rs.8.51 crore due to non-submission of proposal/utilisation certificates and audited statements by all DRDAs.

(Paragraph 3.2.6)

As against State's share of Rs.52.35 lakh during 1999-2002, State Government released only Rs.17.80 lakh leading to short release of Rs.34.55 lakh.

(Paragraph 3.2.7)

Four DRDAs disbursed Rs.42.18 lakh to 40 Self Help Groups (SHGs) and 580 individuals without arranging bank credit as required under guidelines of SGSY.

(Paragraph 3.2.12)

Two to six DRDAs incurred expenditure of Rs.1.54 crore and Rs.87.64 lakh during 1999-2002 on erstwhile programmes/schemes and administrative expenses respectively beyond the scope of SGSY.

(Paragraphs 3.2.31 and 3.2.32)

Monitoring and evaluation of the programme was not done at any level (State, District and Block level) and thus achievement of the desired objectives of the programme was not ensured.

(Paragraph 3.2.33)

Introduction

3.2.1 Swaranjayanti Gram Swarozgar Yojana (SGSY) was launched on 1 April 1999 by Government of India in replacement of six¹³ erstwhile self employment programmes/schemes. The programme was introduced in the State on 1 April 1999 and was being implemented by all the 9 District Rural Development Agencies (DRDAs) (4 in Valley districts and 5 in Hill districts). The programme aimed at providing income (more than Rs.2000 per month) to the rural population living below the poverty line (BPL) people by creation of a large number of micro-enterprises in rural areas. It envisaged the coverage of 30 per cent of the rural BPL families in each block in the next five years (1999-2000 to 2003-04). The targeted families included 50 per cent SC/ST, 40 per cent women and 3 per cent disabled. The assisted families (Swarozgaris) were to be brought above the poverty line in three years by providing them with income generating assets through bank credit and subsidy. The programme also sought to organise the rural BPL people into self help group (SHGs) and gradually, building up their capacity to generate sustainable income.

Audit Coverage

3.2.2 Out of 9 DRDAs (34 blocks), 3 DRDAs¹⁴ (33 per cent) with 5 blocks¹⁵ (50 per cent) covering 51 per cent of the total expenditure and 30 per cent of the total 2,46,980¹⁶ rural BPL families in the State were test checked during April to June 2002.

Organisational structure

3.2.3 The SGSY programme in Manipur was implemented through all nine DRDAs¹⁷ under the administrative control of Rural Development Department headed by Commissioner, Rural Development and Panchayati Raj (RD & PR). The Chairman/Executive Director of the DRDAs were assisted by Block Development Officers.

¹³ Integrated Rural Development Programme, Training of Rural Youth for self Employment, Development of Women and Children in Rural Areas, Supply of Improved tool kits to Rural Artisans, Ganga Kalyan Yojana and Million Wells scheme.

¹⁴ Imphal East, Imphal West and Ukhrul.

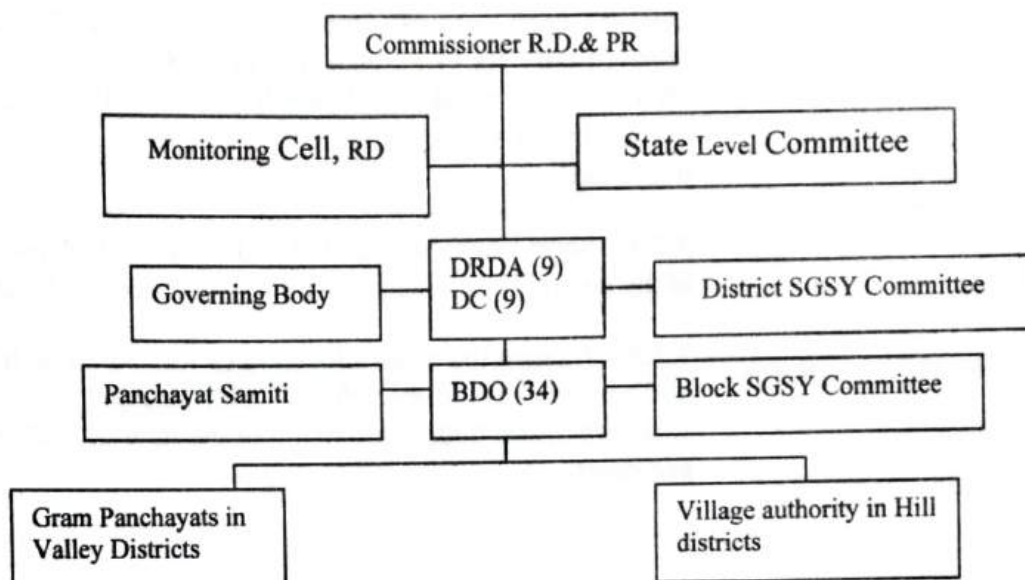
¹⁵ Sawombung, Keiraobitra, Haorangsabal, Ukhrul and Kamjong.

¹⁶ SC- 11747, ST- 171426, Women- 2,26,931 Physically handicapped- 3013

¹⁷ Imphal East, Imphal West, Bishnupur, Thoubal, Churachandpur, Ukhrul, Chandel, Tamenglong and Senapati.

The organisational set up for implementation of the scheme in the state is as under:

Chart No.3.2.



- Notes: (1) State level committee had not been formally constituted.
 (2) Panchayat Samiti's function at Block level was done by general body of gram pradhans in the valleys and village authorities in hills.

Funding

3.2.4 The programme was to be funded by the Central and State Government in the ratio of 75:25. The position of allocation of fund, release thereagainst and funds utilised by DRDA during 1999-2000 to 2001-02 are given below:

Table No.3.8

(Rupees in lakh)

Year	Fund allocation		Fund released		Shortfall		Release of IRDP Backlog State	Expenditure
	Central	State	Central (1 st Inst)	State	Central	State		
1999-2000	238.19	79.40	119.10	-	119.09	79.40	142.32	205.95
2000-01	482.36	160.79	24.94	17.80	457.42	142.99	-	124.83
2001-02	287.00	95.66	13.02	-	273.98	95.66	-	29.11
Total	1007.55	335.85	157.06	17.80	850.49	318.05	142.32	359.69

(Source – Departmental record)

3.2.5 Out of the total Central allocation of Rs.1007.55 lakh earmarked for all the 9 DRDAs of the State, Rs.119.10 lakh to 9 DRDAs (1999-2000), Rs.24.94 lakh to 2 DRDAs (Imphal East and Imphal West) during 2000-01 and Rs.13.02 lakh to 2 DRDAs (Thoubal and Chandel) during 2001-02 could be provided for the scheme by the Centre. This total amount of Rs.157.06 lakh related to the first instalment of Central share.

3.2.6 Government of India did not release the full allocated fund (Rs.850.49 lakh) to the DRDAs due to non-submission of proposal/utilisation certificate and audited statement of accounts by all the nine DRDAs.

3.2.7 As against State's share of Rs.52.35 lakh (releasable during 1999-2000 to 2001-02, (one third of Central release of Rs.157.06 lakh), the State Government released only Rs.17.80 lakh during 2000-01 leading to short release of Rs.34.55 lakh. Reasons for short release during 2000-01 was attributed to ban imposed on drawal by RBI. For 1999-2000 and 2001-02 reasons for short release was not intimated.

3.2.8 Short release of funds by Government of India and the State Government at the end of 2001-02 against allocations stood at 84 and 95 *per cent* respectively.

3.2.9 Against the State allocation of Rs.335.85 lakh the State Government made budget provision of Rs.129.40¹⁸ lakh during 1999-2000 to 2001-02. Thus, there was inadequate budget provision to the tune of Rs.206.45 lakh (shortfall being 61 *per cent*).

Physical and Financial performance

Financial performance

3.2.10 Funds received from Central and State Governments, expenditure incurred on SGSY components and on other activities including bank credits during the years 1999-2000 to 2000-01 were as follows:

¹⁸ Rs.75.50 lakh (1999-2000), Rs.43.90 lakh (2000-01) and Rs.10.00 lakh (2001-02).

Table No.3.9

		(Rupees in lakh)			
Sl. No.	Particulars	1999-2000	2000-01	2001-02	Total
1.	Unspent balance of previous year	164.74 ¹⁹	220.21	138.32	
2.	Fund received from				
	(a) GOI	119.10	24.94	13.02	157.06
	(b) State Government	142.32	17.80	--	160.12
	Total-2	261.42	42.74	13.02	317.18
3	Fund available during the year	426.16	262.95	151.34	481.92
4 (I)	Expenditure on account of				
	(a) Subsidy	18.75	34.08	20.10	72.93
	(b) Infrastructure development	Nil	25.44	3.20	28.64
	(c) Revolving Fund	Nil	5.80	Nil	5.80
	(d) Training	Nil	1.58	Nil	1.58
	(e) Risk fund for consumption credit	5.41	3.50	Nil	8.91
	Total 4(I)	24.16	70.40	23.30	117.86
(II)	Expenditure on account of				
	(a) DRDA Administration expense	41.04	41.08	5.52	87.64
	(b) Erstwhile programmes/schemes	140.75	13.15	0.29	154.19
	Total 4(II)	181.79	54.23	5.81	241.83
	Total -4	205.95²⁰	124.63	29.11²¹	359.69
5	Credit disbursement by bank	Nil	Nil	1.00	1.00

(Source : Monthly Progress Report/Balance Sheet/Utilisation Certificate)

Non-payment of bank loan/credit

3.2.11 Of the total subsidy of Rs.72.93 lakh during 1999-2002, three DRDAs deposited Rs.30.75 lakh in banks (Rs.18.75 lakh during 1999-2000 by two DRDAs²² and Rs.12 lakh by one DRDA²³ in respect of 27 Self Help Groups (SHGs)/422 Swarozgaris during 2001-02) but only one SHG (Imphal West) received bank credit of Rs.1 lakh in March 2002 for reasons not on record.

Payment of subsidy without credit from Bank

3.2.12 Four DRDAs²⁴ directly disbursed Rs.42.18 lakh (Rs.72.93 lakh – Rs.30.75 lakh) to 40 SHGs consisting of 435 swarozgaris and 580 individuals swarozgaris without arranging bank credit contrary to the provisions of guidelines of SGSY.

¹⁹ Unspent balance of erstwhile schemes.

²⁰ Excluding information in respect of one DRDA (Tamenglong) for want of M.P.R.

²¹ Excluding information in respect of one DRDA (Chandel) for want of M.P.R.

²² Imphal West District and Imphal East District

²³ Thoubal District

²⁴ Senapati, Ukhrul, Tamenglong and Chandel.

Identification of Swarozgaris/formation of SHGs

3.2.13 Identification of Swarozgaris and formation of SHGs and coverage of BPL families with reference to total rural families in three test checked DRDAs during 1999-2000 to 2001-02 are given below:

Table No.3.10

(In numbers)

Name of DRDA	Total BPL families	Individual Swarozgaris	No. of SHGs formed	BPL families in SHGs	Total BPL families covered	Per cent coverage of BPL families	BPL families required to be covered(18%)
Imphal West	24,387	Nil	6	105	105	0.43	4390
Imphal East	32,483	Nil	19	290	137 ²⁵	0.42	5847
Ukhrul	16,564	346	6	95	441	2.66	2982
Total	73,434	346	31	490	683		13219

(Source – Departmental Record.)

3.2.14 The above table shows that against 13219 BPL families to be covered in three DRDAs (test checked) only 683 BPL families were actually covered upto March 2002.

3.2.15 Test check of records further revealed that identification and selection of BPL families in Ukhrul district was not recommended by the village authority. As authorised by the block level SGSY Committees, all the BDO's under Ukhrul DRDA identified and selected the swarozgaris from BPL families.

Physical performance

Achievement in terms of coverage

3.2.16 According to the information furnished by the department (June 2002) and MPR's, BPL families targeted to be covered and actually covered during the years 1999-2000 to 2001-02 are given below:

²⁵ out of 9 SHGs.

Table No.3.11

(In numbers)

	1999-2000	2000-01	2001-02	Total
Total number of rural BPL families targeted	3630	4998	4373	13001
Total number of rural BPL families actually covered	242	934	261	1437
Coverage of vulnerable groups				
SC/ST	20	934	103	1057
Women	96	449	98	643
Disabled	--	05	--	05

N.B. The position is in respect of 9 DRDAs for 1999-2000 and 2001-02 (excluding Tamenglong for 1999-2000 and Chandel for 2001-02)

3.2.17 During 1999-2002, 18 *per cent* (44456 BPL families) of total rural BPL families (2,46,980) were to be covered under the scheme, against which only 13001 families were targeted and only 1437 families were covered. Target fixed was only 5 *per cent* and families covered were 0.58 *per cent* of the total rural BPL families which indicated poor achievement in terms of coverage.

Planning

Preparation of Annual/Perspective Plans

3.2.18 No annual action/perspective plan was prepared in any of the three test checked districts for reasons not stated (May 2002).

BPL families identification

3.2.19 BPL census was conducted as per Central guideline of April 1997 and the report was submitted to Government of India in September 1999.

Identification of key activities

3.2.20 The guidelines envisaged an elaborate process in identification of key activities under which the SGSY Committee, Panchayat Samitee, BDO and the Governing Body of DRDA were to select key activities on the basis of detailed analysis of available facilities of infrastructure, training, market support *etc.*

3.2.21 In Ukhrul DRDA (test checked) there was no evidence in the records shown to audit that the process of selection was gone through although as many as 3 to 19 activities were identified in 5 blocks against 4 to 5 as envisaged in the guideline.

Preparation of Project Reports

3.2.22 Of the three DRDAs (test checked), one DRDA (Ukhrul) did not prepare any project report in respect of any key activity as required. In the absence of project report dealing with, inter alia, viability of the project, the activities taken up by beneficiaries did not progress as no bank loans were sanctioned for their activities.

Programme Implementation

Assistance to individuals

3.2.23 In Ukhrul district (test checked) subsidy amounting to Rs.15.38 lakh was disbursed (2000-01) to 346 beneficiaries and 6 SHGs (95 swarozgaris) without any credit from bank beyond the scope of the scheme. No evaluation of generation of income, made out of the assistance, by the beneficiaries was done by the said DRDA. In respect of other two districts test checked (Imphal East and Imphal West), no individual beneficiary was selected and assisted.

Role of Banks

Credit-subsidy ratio

3.2.24 Due to poor participation of bank, subsidy credit ratio and per capita investment ranged between 1:0 to 1:0.05 and Rs.3,649 to Rs.8,084 respectively during 1999-2000 to 2001-02 as shown below :

Table No.3.12

(Rupees in lakh)				
Sl. No.	Particulars	1999-2000	2000-01	2001-02
1	Amount paid as			
	Subsidy	18.75	34.08	20.10
	Credit	-	-	1.00
	Total disbursement	18.75	34.08	21.10
2	No. of Swarozgaris assisted	242	934	261
3.	Subsidy credit ratio	1:0	1:0	1:0.05
4.	Per capita investment (in rupees)	7748	3649	8084

(Source – Departmental figures.)

Self Help Group**Evolution of SHGs**

3.2.25 The process of evolution and grading exercise of SHGs was not in existence in the three DRDAs (Imphal East, Imphal West and Ukhrul) and as a result, building up of capacity to generate sustainable income could not be assessed.

Revolving fund

3.2.26 For creation of revolving fund in respect of 4 SHGs, DRDA(Imphal West) deposited Rs.0.40 lakh (Rs.0.10 lakh x 4) to banks during 2000-01 but the concerned banks did not provide cash credit facility amounting to Rs.0.60 lakh (Rs.0.15 lakh x 4) to the SHGs and, as a result, funds provided by DRDA could not be utilised for capital formation. No revolving fund was however provided by the other two DRDAs test checked (Imphal East and Ukhrul).

Infrastructure creation

3.2.27 Test check revealed that in Imphal West district, market sheds at 3 places were constructed at an expenditure of Rs.1.81 lakh during 1999-2001 but these could not be utilised as of March 2002 by the assisted swarozgaris. Reason for non-utilisation of created infrastructure by the swarozgaris was neither on record nor stated.

3.2.28 Further, the Executive Engineer (EE), DRDA Imphal West was paid (March 2001) Rs.1.61 lakh for construction of a training hall in the district. The said infrastructure has not been created as of June 2002 for reasons not on record.

3.2.29 As per SGSY guideline, funds for infrastructure development in no case were to be used to augment the resources of the State Government for development of general infrastructure. In Ukhrul DRDA, Rs.9.24 lakh were spent during 2000-01 for improvement and construction of inter-village road, construction of rest house, community hall and repair of quarters, office *etc.* beyond the scope of the guidelines. Similarly, in DRDA Imphal East, Rs.0.78 lakh were utilised (2000-01) on construction of one building and Rs.0.60 lakh on road side plantation scheme which was also not permissible under SGSY.

Technology Management

3.2.30 Assessment of need of technology introduction/upgradation in terms of identified key activities was not done at any level and at any stage in the districts test checked.

Other Points of Interest

3.2.31 Two to six DRDAs incurred expenditure of Rs.1.54 crore²⁶ out of SGSY fund during 1999-2002 on 6 erstwhile self employment programmes/schemes²⁷ (discontinued w.e.f. April 1999) which was not permissible under SGSY.

3.2.32 Two to five DRDAs incurred expenditure of Rs.87.64 lakh²⁸ out of SGSY funds during 1999-2002 towards administrative expenses which was not admissible.

Monitoring and Evaluation

3.2.33 State Monitoring Cell set up for monitoring and evaluation of the programme did not monitor or evaluate the implementation of the programme. DRDAs/block officials did not closely monitor the economic activities taken up by the Swarozgaris assisted under the programme during 1999-2002 as required under the SGSY. No field visits and physical verification of assets created by swarozgaris out of the assistance received by them was ever conducted by DRDA authorities and BDOs as provided in the guidelines. District wise monthly/annual progress reports have never been submitted by the State Government to the Government of India. Thus, achievement of the desired objectives of the programme was not ensured at any level.

²⁶ Imphal East, Imphal West, Thoubal, Ukhrul, Senapati, Churachandpur: 1999-2000(Rs.140.75 lakh), Imphal East, Imphal West, Bishnupur, Ukhrul and Churachandpur: 2000-01(Rs.13.15 lakh) Bishnupur and Churachandpur: 2000-01(Rs.0.29 lakh).

²⁷ Integrated Rural Development Programme (Rs.47.64 lakh), Training Rural Youth for Self Employment (Rs.10.81 lakh), Million Wells Scheme (Rs.32.09 lakh), Development of Women and Children in Rural Areas (Rs.13.97 lakh), Supply of Improved tool kits to rural artisans (Rs.0.82 lakh), Ganga Kalyan Yojana (Rs.10.41 lakh), and Rs.38.45 lakh scheme wise expenditure not available in MPRs.

²⁸ Imphal East, Imphal West, Ukhrul and Senapati: 1999-2000(Rs.41.40 lakh)
Imphal East, Bishnupur, Ukhrul, Tamenglong and Senapati: 2000-01(Rs.41.08 lakh)
Bishnupur and Senapati: 2001-02(Rs.5.52 lakh).

Conclusion

3.2.34 Due to poor coverage of BPL families, short release of funds by the State Government, poor response of bankers in extending credit to swarozgaris and incorrect disbursement of subsidy, the very purpose of the scheme has been frustrated. Technology management and upgradation of identified key activities was lacking. The programme thus remained unsuccessful as of March 2002.

SECTION "B"

AUDIT PARAGRAPHS

COMMAND AREA DEVELOPMENT DEPARTMENT

3.3 Extra expenditure on procurement of cement by CADA

Procurement of cement of costlier grade led to an extra expenditure of Rs. 7.48 lakh.

3.3.1 According to Additional Chief Engineer, CADA's letter dated January 1999, the department was using Ordinary Portland (OP) cement of 33 grade satisfactorily for its field programme viz. construction of lined field channels *etc.* The department was procuring OP cement of 33 grade at the Government approved rate from a Guwahati based firm and in October 1999 the department had procured 767.37 MT of cement of 33 grade with the Guwahati based firm at the approved rate of Rs.3523.72 per MT on FOR Imphal basis for its field works.

3.3.2 Test-check of records (April 2002) of the Additional Chief Engineer, CADA, Manipur, Imphal however, revealed that the department placed 3 (three) supply orders (October, December 1999 & January 2000) on a Calcutta based firm for 1500 MT of ACC super cement (slag) at Rs.4102.22 per MT on FOR Imphal basis against which 1292.95 MT of cement was received upto March 2000. No further supply was made till October 2002.

3.3.3 As the department was using OP cement of 33 grade satisfactorily, purchase of ACC Super cement (slag) being costlier by Rs. 578.50 (Rs. 4102.22-Rs. 3523.72) per MT resulted in an extra expenditure of Rs. 7.48 lakh (Rs. 578.50 x 1292.95 MT).

3.3.4 The matter was reported to Government (July 2002). In reply, the Additional Chief Engineer stated (September 2002) that purchase of ACC (slag) cement was made as the supply position intimated (August 1999) by the CCI Ltd. was too meagre to meet the annual requirement. Further, payment to ACC Ltd. was to be made after the receipt of the material, whereas, in case of OP Cement of 33 grade, advance payment was to be made, which was considered not possible due to economic hardship of the Government.

3.3.5 The reply of the department is not tenable because the department did not plan in advance to procure the cement for execution of normal work to be executed during the month from November to April. Had the department planned and placed supply order in time, then delivery schedule could have been arranged to meet the demand and avoided the extra payment.

3.3.6 The reply of the Government is however awaited (December 2002).

COMMERCE AND INDUSTRIES DEPARTMENT

3.4 Non-utilisation of financial assistance

Funds amounting to Rs.264.99 lakh for setting up of Industrial Growth Centre remained unutilised due to delay in acquisition of land.

3.4.1 Under the growth centre scheme announced by the Government of India during 1988, the State Government's proposal for setting up of an Industrial Growth Centre at Kanglatongbi in Senapati district was approved by Government of India (1989). Later the site was shifted to Lamlai-Napet in Imphal East district with the approval of Government of India (1998) due to large scale encroachment at Kanglatongbi site in the wake of ethnic clashes. The objective of setting up of the Industrial Growth Centre was to promote industrialisation of backward areas along with concomitant infrastructure development. Manipur Industrial Development Corporation Ltd. (MANIDCO) was designated implementing agency under the Department of Commerce and Industries, Manipur. The estimated cost of the project was Rs.30 crore of which a maximum of Rs.15 crore was to be financed by Government of India as Central assistance. The land requirement was estimated at 461 acres (private land: 303.83 acres; Government Khasland: 157.17 acres).

3.4.2 Test check (September 2001) of the records of the Director, Commerce and Industries Department, Imphal revealed that out of the sanctioned amount of Rs.276.59 lakh (Central fund: Rs.150 lakh; State contribution: Rs.126.59 lakh), both Central and State Government released Rs.150 lakh only (1989-90: Rs.50 lakh State contribution; 2000-01: Rs.100 lakh direct Central release) to the MANIDCO from 1989-90 to 2000-01. MANIDCO had spent Rs.8.08 lakh (Rs.7.84 lakh for project report and Rs.0.24 lakh on works not related to the project).

3.4.3 Of the balance amount of Rs.126.59 lakh (Rs.276.59 lakh minus Rs.150.00 lakh) the department kept Rs.123.07 lakh (Rs.69.98 lakh in March/1991, Rs.3.09 lakh in November/1997 and Rs.50 lakh in April/1999) under '8449-Other deposits' as per instructions of the State Finance Department and incurred expenditure of Rs.3.52 lakh on project report for Export Promotion Industrial Park which was outside the purview of the project work.

3.4.4 It was further noticed that the acquisition and allotment of land for setting up of growth centre could not materialise as of April/2002 due to the following reasons as attributed by the Department:

- (i) Writ petition filed by the private land owners in the Hon'ble Guwahati High Court during the year 1999. The Imphal Bench of the said High Court, however, rejected (24 April 2000) the Public Interest Litigation on the ground of maintainability and vacated the earlier interim order passed in favour of private land owners.

(ii) Non-availability of financial sanction for withdrawal of money from deposit head.

3.4.5 Thus, due to delay in acquisition of land, funds amounting to Rs.264.99 lakh remained unnecessarily locked up thereby frustrating the very purpose of the project. Besides, there was irregular expenditure of Rs.3.76 lakh which could have been avoided.

3.4.6 The matter was reported to Government in February 2002; their reply had not been received (December 2002).

3.5 Nugatory Expenditure

Of the Central assistance of Rs.20 lakh earmarked for purchase of equipment for setting up of Trade Centres at Imphal and Moreh, the department unauthorisedly diverted Rs.11.64 lakh for other purposes.

3.5.1 For construction of Trade Centres at Imphal and Moreh, Government of India released (December 1994) Rs.2 crore as additional Central assistance to the State Government. In March 1995, State Government accorded expenditure sanction for Rs.2 crore at the rate of Rs. 1 crore each (Major Works: Rs.90 lakh and purchase of equipment Rs.10 lakh) for setting up of two centres by the department.

3.5.2 Test-check in audit (August/September 2001) revealed that the Director, Commerce and Industries Department, Imphal unauthorisedly diverted Rs.7.89 lakh out of funds (Rs.10 lakh) earmarked for purchase of equipment for setting up of Trade Centre at Imphal and spent it (September 1996 and October 1997) on development and extension of existing Handloom Centre of MHHDC (Rs.7.29 lakh) and hiring an apartment on rent (Rs.0.60 lakh) which was to be utilised for Handloom Sales Emporium of Manipur Handloom and Handicrafts Development Corporation Ltd. (MHHDC).

3.5.3 Further, scrutiny of records revealed that the construction of Moreh Trade Centre was completed in April 2000 at a total cost of Rs.88.75 lakh, but equipment required for the Centre was not purchased as of August 2002. Instead, the department, without obtaining specific approval of the Government, utilised (August 1996) Rs.3.75 lakh (out of fund of Rs.10 lakh meant for equipment) for dismantling and reconstruction of existing tailoring-cum-training centre and girls' hostel at Moreh which was beyond the objectives of the scheme.

3.5.4 This had resulted in a nugatory expenditure of Rs.11.64 lakh (Rs.7.89 lakh + Rs.3.75 lakh).

3.5.5 The matter was reported to the Government in February 2002; the reply had not been received (December 2002).

ELECTION DEPARTMENT

3.6 Unauthorised expenditure

Joint Chief Election Officer unauthorisedly spent election fund totalling Rs.19.47 lakh on various purposes and incurred an extra avoidable expenditure of Rs.3.08 lakh on purchase of white cream wave paper for special revision of electoral rolls.

Diversion of Election fund

3.6.1 Government of Manipur accorded (December 2001) expenditure sanction of Rs.3.50 crore for different purposes relating to conduct of 8th Manipur Legislative Assembly Election, 2002.

3.6.2 Test check (June/July 2002) of records of the Chief Electoral Officer (CEO), Imphal revealed that an expenditure of Rs.19.47 lakh was incurred between January 2002 and June 2002 out of the election funds for purposes not covered by the aforesaid sanction as detailed below:

Table No.3.13

(Rupees in lakh)

Sl. No.	Items of expenditure	Amount	DDO	Month of expenditure
1	Construction of vehicle shed	1.78	Joint CEO	February 2002
2	Payment of telephone bills for the period prior to December 2001	1.06	-do-	January 2002
3	Purchase of computer, projectors, accessories etc.	14.84	-do-	January 2002 to June 2002
4	Purchase of refrigerator, stabilisers, carpet, cushion and synthetic carpet	0.79	-do-	March 2002
5	Cash paid to the officers club, Imphal for purchase of utensils, Sofa, sofa cover and table cover	1.00	-do-	January 2002
Total		19.47		

3.6.3 The Joint CEO stated (July 2002) that purchase of computer Multimedia projector photocopier and computer accessories etc. (Rs.14.84 lakh) was part of training programme on use of Electronic Voting Machine (EVM), purchase of refrigerator and payment of telephone bills out of election funds were due to non-release of LOC by the Finance Department and payment of Rs.1.00 lakh to the officers club, Imphal was made as an assistance for arrangement of refreshment during the training programme of Electronic Voting Machine system as arranging the training in a hotel would have entailed much higher expenditure. The reply

was not tenable since the expenditure on items mentioned above was beyond the scope of the Government sanction.

Extra expenditure

3.6.4 For procurement of 3500 reams of 60 GSM (size 43x69 cms) white cream wove paper for special revision of electoral rolls, 2002 the Joint CEO obtained (September 2001) proforma invoice from M/s Hindustan Paper Corporation Ltd. (HPC), Guwahati for Rs.10.81 lakh on FOR Imphal basis (@ Rs.308.99 per ream). It was however noticed (June/July 2002) that instead of making procurement direct from HPC, the Joint CEO procured (November/December 2001) the materials (3500 reams of paper 60 GSM²⁹ size 43x69 cms) from a local stockist of HPC at a total cost of Rs.13.89 lakh (@ Rs.396.97 per ream). Thus, due to purchase of paper at higher cost, the department had incurred an extra avoidable expenditure of Rs.3.08 lakh.

3.6.5 On this being pointed out, the Joint CEO stated (July 2002/September 2002) that purchase of paper was made from the local authorised dealer of HPC by incurring an additional expenditure of Rs.3.08 lakh because procurement from HPC Guwahati would require the services of two/three officers/staff besides their journey expenses, transportation charges and other taxes with the consequent risk of life and property posed by prevailing law and order situation along the National Highway.

3.6.6 The reply was not tenable because the cost of paper as intimated (September 2001) by HPC, Guwahati was inclusive of insurance charge and freight charge from paper mill to Imphal.

3.6.7 The matter was referred to Government (July 2002); reply had not been received (December 2002).

3.7 Unauthorised expenditure out of electoral roll fund and from fund for electoral photo identity cards

Construction of wall fencing, store room and repairing of godown out of funds for special revision of electoral rolls 2001 and 2002 and for electoral photo identity cards resulted in unauthorised expenditure of Rs.22.27 lakh.

(i) 3.7.1 Government of Manipur accorded expenditure sanction for Rs.1.16 crore (November 2000: Rs.0.42 crore and November 2001: Rs.0.74 crore) for special revision of electoral rolls 2001 and 2002. The amount was sanctioned for specific purposes viz., (i) remuneration for officers, staff and others (ii) POL (iii) purchase of paper (iv) contingencies (specified), and (v) computerisation and printing of supplementary electoral rolls.

3.7.2 Test check (June/July 2002) of records of the Chief Electoral Officer (CEO), Imphal revealed that between May 2001 and April 2002, the Joint CEO

²⁹ GSM: Gram per square metre.

made payment of Rs.15.21 lakh to Manipur Development Society for construction of wall fencing (Rs.14.91 lakh) and repair of godown (Rs.0.30 lakh) of CEO's office which were not provided for in the sanction.

3.7.3 This had resulted in diversion of funds and an unauthorised expenditure of Rs.15.21 lakh on wall fencing and repair of godown out of funds (Rs.1.16 crore) for special revision of electoral rolls.

3.7.4 On this being pointed out, the Joint CEO stated (July 2002/September 2002) that the works were part of the drive to keep the Election Department fully secured as the CEO's office stores electronic voting machines, computers, gestener machines, electoral rolls *etc.* As the State Government did not provide separate funds for the purpose, the department created such infrastructure from the savings of the electoral rolls fund. However, the fact remained that permission of the Government was not obtained (July 2002) for diversion of electoral rolls funds for construction of wall fencing and repair of godown.

(ii) 3.7.5 Government of Manipur sanctioned (March 1999) Rs.7.06 lakh for payment to Manipur Electronic Development Corporation Limited for reconstruction and preparation of a fresh number of office copies of electoral photo identity cards (EPIC) damaged in the fire incident at sub-divisional officer's/Revenue Officer's office at Jiribam. The Joint Chief Electoral Officer (CEO), Imphal had drawn (March 1999) the amount (Rs.7.06 lakh) and kept in it a bank account operated in the name of Joint CEO in the SBI Main Branch, Imphal (No.01000/050443).

3.7.6 Test check (June/July 2002) of the records of the CEO, Imphal revealed that instead of utilising the amount for EPIC, CEO spent (April 2001) the entire amount of Rs.7.06 lakh for construction of wall fencing, store room *etc.* in the CEO's office through Manipur Development Society (a State Government undertaking).

3.7.7 This had resulted in diversion of funds and unauthorised expenditure of Rs.7.06 lakh on construction of wall fencing, store room *etc.* out of fund for EPICs. On this being pointed out in audit, the Joint CEO stated (July 2002) that the photo identity card (PIC) scheme could not be implemented due to violent obstruction by certain groups of people and as such the amount (Rs.7.06 lakh) earmarked for EPIC was utilised for construction of wall fencing, store room and drain with a view to secure office complex. The reply is not tenable because the fund was not utilised for the purpose for which it was sanctioned.

3.7.8 The matter was reported to Government in July 2002; reply had not been received (December 2002).

HORTICULTURE AND SOIL CONSERVATION DEPARTMENT

3.8 Drawal of funds without immediate requirement by Director, Horticulture and Soil Conservation vis-à-vis idle expenditure

Out of Rs.40 lakh drawn in March 1999, Rs.9.83 lakh was retained in current deposit account as of August 2002 and the expenditure of Rs.33.78 lakh on the scheme as of September 2002 remained idle.

3.8.1 Rule 290 of Central Treasury Rules provides that no money shall be drawn from treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent lapse of budget grant.

3.8.2 Test check of records (January 2002) of the Director of Horticulture and Soil Conservation revealed that against Government sanction (March 1999) for implementation of Centrally sponsored scheme on mushroom cultivation in the State during 1998-99, the Deputy Director of the Directorate drew (March 1999) Rs.40 lakh in abstract contingent bill. Of this, the department could utilise Rs.30.17 lakh as of April 2002 and there was an unspent amount of Rs.9.83 lakh (May 2002) as per the cash book which was, however, lying in the current deposit account of the Directorate (August 2002). Reason for non-utilisation of the balance amount (Rs.9.83 lakh) as attributed by the department (May 2002) were non-supply of machinery by a firm (Rs.3.66 lakh), non-completion of electrification work (Rs.2.51 lakh) and construction of toilet, water reservoir *etc.* (Rs.3.32 lakh) and non-payment of wages (Rs.0.34 lakh).

3.8.3 Thus, drawal of fund to the extent of Rs.9.83 lakh was without immediate requirement and because of their retention in current deposit account, Government sustained loss of interest of Rs.4.05 lakh³⁰ at the borrowing rate of Government during 1999-2000 to 2002-03 (August 2002).

3.8.4 The department in a reply (October 2002) stated that the amount (Rs.9.83 lakh) has been handed over (August 2002) by cheque to the Soil Conservation office, Kangpokpi, of which Rs.3.61 lakh was paid (September 2002) to the Guwahati based firm for equipment. It was further stated that no work could be taken up due to non-receipt of machinery and non-completion of electrification work.

³⁰ Calculation of interest

4/99 to 3/2000 @ 12.25% on Rs.9.83 lakh	Rs.1.20 lakh
4/2000 to 3/2001 @ 12% on Rs.9.83 lakh	Rs.1.18 lakh
4/2001 to 3/2002 @ 12% on Rs.9.83 lakh	Rs.1.18 lakh
4/2002 to 8/2002 @ 12% on Rs.9.83 lakh	<u>Rs.0.49 lakh</u>
	Rs.4.05 lakh

3.8.5 The slow and tardy implementation of the scheme has deprived the people of the benefit of the scheme so far (October 2002) and the expenditure of Rs.33.78 lakh on the scheme remained idle.

3.8.6 The matter was reported to Government (April 2002); reply had not been received (December 2002)

TOURISM DEPARTMENT

3.9 Non-execution of projects for tourist infrastructure with Central assistance

Projects for tourist infrastructure with Central assistance of Rs.2.88 crore were not executed leading to non-release of further assistance of Rs.6.79 crore.

3.9.1 To boost tourism in the State, Government of India, Ministry of Tourism sanctioned 25 projects (February 2000: 7 projects, March 2000:1 project, and March 2001: 17 projects) estimated to cost Rs.12.96 crore (Central share Rs.9.70 crore and State share Rs.3.26 crore) with the following terms and conditions:

(i) Projects were to be completed within a period of 12 to 30 months from the date of sanction.

(ii) The State Government would contribute land for the projects free of cost and provide cost of site development, compound wall fencing, approach road, external water supply, electricity *etc.*

(iii) Amount released by the Central Government should not be kept unutilised for more than six months. In case of non-utilisation of amount within the stipulated time, the same had to be surrendered to Central Government or their formal approval should be taken to transfer/adjust the amount against other Central Financially Assisted Projects.

3.9.2 Test-check (April 2002) of records of the Director of Tourism, Manipur revealed that Government of India had released Rs.2.91 crore (February/2000 - Rs.0.64 crore; March/2000 -Rs.0.03 crore and March/2001 -Rs.2.24 crore) being first instalment for 25 projects as an advance to start with the project work. Of this, the State Government released (January 2002) only Rs.3 lakh for one project (estimated cost: Rs.12.48 lakh; sanctioned in March 2000). The work of this project taken up during 2000-01 was completed upto 25 per cent as of October 2002.

3.9.3 The works of the remaining 24 projects could not be taken up even after a lapse of 17 to 31 months from the date of sanction due to non-acquisition of land in respect of 18 projects and non-release of fund (Central and State shares) by the State Government for reasons not stated.

3.9.4 Contrary to the terms of sanctions, State Government neither refunded the unutilised amount to the Central Government nor made any proposal to transfer/adjust the amount against other Central financially assisted projects.

3.9.5 Thus, non-utilisation of Central assistance of Rs.2.88 crore (Rs.2.91 crore – Rs.0.03 crore) coupled with non-release of State share resulted in non-execution of the projects. As a result, a further instalment of Central assistance of Rs.6.79 crore (Rs.9.70 crore - Rs.2.91 crore) to the State could not be released. Besides, objective of the projects to boost tourism in the State remained unachieved.

3.9.6 The matter was reported to Government (June 2002); reply had not been received (December 2002).

VETERINARY AND ANIMAL HUSBANDRY DEPARTMENT

3.10 Idle outlay on procurement of dairy equipment for Central Dairy, Porompat

Dairy equipments procured at Rs.38.47 lakh were not installed and objective of IDDP in the State remained unfulfilled.

3.10.1 Government of India released (March 1994-1999) Rs.224.10 lakh for implementation of the Integrated Dairy Development Project (IDDP) in the State. National Dairy Development Board (NDDB) on the request of the State Government, recommended (August 1995) replacement of old and unserviceable equipment and machineries of Central Dairy Farm, Porompat, Imphal, in order to make the plant operate efficiently at the installed capacity of 10,000 litres per day (the dairy was then handling only around 1200 litres per day). In March 1996, State Government decided to procure equipment for replacement of the Dairy plant through NDDB and made advance payment of Rs.57.95 lakh (January 1997) to NDDB towards cost of equipment and procurement fee (4 per cent).

3.10.2 Scrutiny in audit (August-September 2001) of records of the Director, Veterinary and Animal husbandry Department, Imphal revealed that the Deputy Director, Central Dairy received (August 1997-September 1998) equipments costing Rs.38.47 lakh (excluding procurement fee of Rs.1.73 lakh) from different suppliers through NDDB. These could not be installed/commissioned due to non-completion of civil works by the department as of September 2001 because of restriction on encashment of bill as stated (October 2002) by the Director. Balance amount of Rs.17.75 lakh was, however, lying with NDDB as of June 2001. The Deputy Director (Dairy) stated (September 2001), that one Calcutta based firm (through NDDB) took up installation work of refrigeration plant in 1999-2000 but discontinued the work after doing 40 per cent work due to non-completion of civil work by the department for want of funds. Another Calcutta based firm engaged through NDDB could not take up installation of steam boilers and chimney on the same ground. For erection, installation and commissioning of dairy plant for procurement of milk including dismantling of old plant equipment,

execution of agreement and issue of work order were stated to be under process (October 2002).

3.10.3 The IDDP was targeted for completion by 1996-97 but it remained incomplete in the State even after extended period of 2000-01 granted by Government of India (August 2000). As per report submitted (July 2001), to the Government of India, State Government released only Rs.174.53 lakh (1994-95 to 1999-2000) against release of Central assistance of Rs.224.10 lakh (1993-94 to 1998-99) of which Rs.32.70 lakh was kept under '8449-Other Deposit'. It was also noticed that physical achievement of the project as of March 2001 as a whole was far below the target as it would appear from the following table:

Table—3.14

Sl. No.	Item	Target	Achievement	Shortfall
1	Dairy Cooperative Society organised	60 Nos.	51 Nos.	9 Nos.
2	Dairy Cooperative Society membership	3250 Nos.	1624 Nos.	1626 Nos.
3	Dairy average milk procurement litre per day	5,250 ltrs	1,000 ltrs	4250 ltrs
4	Dairy average milk marketing litre per day	8,000 ltrs	1,500 ltrs	6,500 ltrs.

3.10.4 Thus, there was slow and tardy implementation of IDDP in the State. The department stated (October 2002) that no further progress could be made during 2001-02.

3.10.5 Shortfall in procurement and marketing of milk was stated to be due to non-strengthening/upgrading of the dairy plant.

3.10.6 Non-installation and commissioning of dairy plants thus led to an idle outlay of Rs.38.47 lakh on procurement of equipment and the dairy was not capable of handling the targeted quantity of milk which frustrated the objective of the project.

3.10.7 The matter was reported to Government (February 2002); reply had not been received (December 2002).

YOUTH AFFAIRS AND SPORTS DEPARTMENT

3.11 Locking up of funds in the Directorate of Youth Affairs and Sports Department

Rs.512.06 lakh was drawn and retained in deposit account to avoid lapse of budget grant

3.11.1 Rule 290 of Central Treasury Rules prohibits drawal of money from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demand or prevent lapse of budget grants.

3.11.2 Test check of records (April 2002) revealed that the Director of Youth Affairs and Sports drew (September 1995-March 1999) Rs.1855.79 lakh from the treasury for giving grants to club/organisation/association for construction/renovation of play field (Rs.44.98 lakh), in connection with 5th National Games (Rs.1806.51 lakh) and for giving vocational training of tribal youth (Rs.4.30 lakh). The money was deposited (March 1996-December 2001) under the major head of Account 8449-Other Deposits. Out of this, Rs.1343.73 lakh was withdrawn by the department and utilised (June 1996- May 1999) for various purposes (grants for construction/renovation of play-ground :Rs.37.65 lakh, 5th National Games: Rs.1306.08 lakh) retaining the balance amount of Rs.512.06 lakh still in the deposit account as of March 2002. Since funds could not be utilised even after a lapse of 3 to 6 years of the drawal and the 5th National Games were also over in February 1999, the amount drawn was obviously in excess of immediate requirement and to avoid lapse of budget grants.

3.11.3 Besides, the training of tribal youth scheduled to be held between September 2001 and March 2002 was also not conducted in spite of availability of funds for the purpose. The Director of the department stated (September 2002) that training could not be held due to non-availability of encashment permission from Finance Department.

3.11.4 Thus, drawal of money in anticipation of demand and their retention in deposit account resulted in loss of interest of Rs.253.54 lakh³¹ (calculated at the average borrowing rate of 12.41 per cent).

3.11.5 The matter was referred to the Government in June 2002; reply has not been received (December 2002).

³¹ Rs.7.33 lakh from 4/96 to 3/2002 @ 12.41%	Rs.5.38 lakh
Rs.499.43 lakh from 4/98 to 3/2002 @ 12.41%	Rs.247.92 lakh
Rs.4.30 lakh from 1/02 to 3/2002 @ 12.41%	<u>Rs.0.14 lakh</u>
Total	Rs.253.44 lakh

CHAPTER IV

WORKS EXPENDITURE

SECTION "A" **(AUDIT REVIEW)**

IRRIGATION AND FLOOD CONTROL DEPARTMENT

4.1 Review on Irrigation and Flood Control Department including Manpower Management

To provide assured irrigation to the farmers of the State, the department had taken up eight irrigation projects between 1973 and 1993 of which five had been completed and commissioned up to 1995 and one partially commissioned in 1991. Upto the end of the Ninth Plan period (March 2002) irrigation potential of 28,500 hectares was created by six projects of which, actual addition during the Ninth Plan period was only 350 hectares (one per cent of the targeted achievement). Due to reluctance of farmers, utilisation of irrigation potential as at the end of Ninth Plan period was only 15,300 hectares (54 per cent). Five flood control projects taken up between 1984 and 1992 remained incomplete as of March 2002.

Highlights

Out of a total provision of Rs.334.28 crore for the period 1997-2002, the department could spend only Rs.219.87 crore. Savings were mainly due to short-release of funds by the Government.

(Paragraph 4.1.5 (a))

Rupees 4.04 crore retained under 8449-Other Deposit between 1998-99 and 2000-01 remained unutilised as of March 2002.

(Paragraph 4.1.5 (b))

As against targeted creation of irrigation potential of 29295 hectares during the Ninth Plan only 350 hectares were created. The shortfall was mainly due to failure of canals of Loktak Lift Irrigation Project due to siltation of beds and non-completion of projects.

(Paragraph 4.1.8)

Due to non-commencement of construction work of a micro hydel project under Khuga Multipurpose Project, Ministry of Non-Conventional Energy Sources New Delhi asked the State Government to return the subsidy of Rs.25 lakh released so far along with penal interest.

(Paragraph 4.1.18)

Stores worth Rs.26.51 lakh deteriorated in the Project Store Division (Rs.15.08 lakh) and Store Division (Rs.11.43 lakh).

(Paragraph 4.1.35)

16 divisions incurred idle expenditure of Rs.14.25 crore during 1997-2002 on engaging 882 to 1500 work charged and muster roll labourers without any work.

(Paragraph 4.1.48)

Introduction

4.1.1 The State has a total geographical area of 22,327 square kilometres of which 2,230 square kilometres only are in the valley area. Of this, the net cultivable area is only 2.30 lakh hectares. It has an average annual rainfall of 1445 millimetres and water resource of 1.85 million hectares.

4.1.2 The Irrigation and Flood Control Department is responsible for providing assured irrigation to the farmers as well as tackling its flood problems.

Organisational set-up

4.1.3 The department is headed by a Chief Engineer who is assisted by 2 Additional Chief Engineers, 7 Superintending Engineers, one Superintending Surveyor of Works and 21 Executive Engineers.

Audit coverage

4.1.4 Records maintained in the offices of the Chief Engineer and 6 Executive Engineers¹ were test-checked during the review conducted from April to June 2002 covering 49 per cent (Rs.107.74 crore) of the expenditure incurred (Rs.219.87 crore) from 1997-98 to 2001-02.

Financial management

4.1.5 Budget allocation and expenditure incurred under two sectors—irrigation and flood control during the Ninth Plan Period (1997-2002) were as follows:

¹ Khuga Headwork Division, Khuga Spillway and Intake Division, Khuga Canal Division I, Thoubal Project Division I, Thoubal Project Division II and Flood Control Division IV.

Table No.4.1

(Rupees in crore)

Sector		Budget allocation	Expenditure	Savings (Percentage)
Irrigation	Revenue	40.32	18.01	22.31 (55)
	Capital	230.95	162.99	67.96 (29)
Flood Control	Revenue	50.08	29.23	20.85 (42)
	Capital	12.93	9.64	3.29 (25)
Total:		334.28	219.87	114.41 (34)

- (a) Savings were mainly due to reduced cheque drawal authority provided by the Finance Department.
- (b) A sum of Rs.6.98 crore was retained (1998-99 to 2000-01) under 8449– Other Deposits by the department. Of this, Rs.4.04 crore were not utilised as of March 2002.

Programme Management

Irrigation Projects

4.1.6 Between 1973 and 1993, the department had taken up eight irrigation projects. Out of this five had been completed and commissioned up to 1995 and one ongoing project (Thoubal Multipurpose) was partially commissioned in 1991. The remaining two² had not been completed (July 2002) mainly due to fund constraint.

4.1.7 Target for creation of irrigation potential during the Eighth and Ninth Plan periods and achievement there against are given in the table below:

² Khuga Multipurpose Project and Dolaithabi Barrage.

Table No.4.2

Table No. 12						(Cumulative in hectares)	
Sl.	Projects	Date of commencement	Date of commission	Eighth Plan target	Achievement	Ninth Plan target	Achievement
	Completed						
1.	Khoupam Dam	1976	1980	1000	1000	1000	1100
2.	Sekmai Barrage	1975	1983	6750	6750	8500	6900
3.	Imphal Barrage	1975-76	1984	6400	6400	6400	6500
4.	Loktak Lift Irrigation	1974	1990	32000	6000	37000	6000
5.	Singda Dam (Multipurpose Project)	1975-76	1995	4100	4000	4100	4000
	Ongoing						
6.	Thoubal Multipurpose	1980	1991	33400	4000	33400	4000
7.	Khuga Multipurpose	1983	—	—	—	15000	—
8.	Dolaithabi Barrage	1992-93	—	—	—	7545	—
	Total:			83650	28150	112945	28500

4.1.8 Against the targeted irrigation potential of 29295 hectares (1,12,945 hectares minus 83650 hectares) during Ninth Plan period (1997-2002), actual achievement was only 350 hectares (28,500 hectares minus 28150 hectares) and irrigation facilities could be created in 12 *per cent* (28500/230000 hectares) of the cultivable area as at the end of March 2002. The shortfall was mainly due to failure of the canals of Lokak Lift Irrigation Project due to siltation of their beds during floods. According to the department (November 2000) desiltation could not be taken up due to paucity of funds.

Thoubal Multipurpose Project

Slow progress of the Project

4.1.9 The project aimed at creation of an ultimate irrigation potential of 33,400 hectares over a cultivable command area of 21,860 hectares, supply of 45.46 MLD (million litres a day) of drinking water to Imphal town and generation of 7.50 Megawatts of hydro power. The original estimated cost of Rs.47.25 crore (May 1980) was revised to Rs.254 crore during 1994. At the present price level it is estimated at Rs.390 crore (2001-02). The project scheduled to be completed in October 1994 is now rescheduled for completion by March 2007.

4.1.10 While the department had spent Rs.198.92 crore (51 *per cent* of the estimated cost of Rs.390 crore) on the project up to the end of Ninth Plan period the physical progress was as follows:

Table No.4.3

Components	Physical progress by the end of	
	March 1997	March 2002
	(in percentage)	
Earth dam	6	14
Spillway	9	25
Barrage	100	100
Canals	66	71
Distribution systems	50	50
Drinking water and power generation	Nil	Nil

4.1.11 The department attributed the slow progress to fund constraints, land acquisition and law and order problems. Slow progress of the implementation of project thus led to increase in estimated cost.

Closure of works taken up without technical approval

4.1.12 Between April 1996 and June 1996, the Executive Engineer, Task Force Division awarded 60 works relating to the canal system of the project (inspection path/road: 27, Drainage and protective works: 25, Minor and distributaries: 4, Removal of silt: 3 and Canal embankment: 1, Tender value: Rs.24.12 lakh) to contractors without technical approval of CE and without considering priorities and availability of funds. In October 1996, CE ordered closure of these works taken up without technical approval etc. By this time out of 60 works, 34 works were completed and remaining 26 works were executed to the extent of 20 to 90 per cent and total value of work done amounting to Rs.21.99 lakh was the outstanding liability of the department (December 1998).

4.1.13 Thus, award of work without technical approval of the competent authority was irregular and led to closure of works entailing a liability of Rs.21.99 lakh to the department.

Khuga Multipurpose Project

Slow progress of the execution of work

4.1.14 The project envisaged the creation of an ultimate irrigation potential of 15,000 hectares over a cultivable command area of 9575 hectares in Churachandpur and Bishnupur districts, supply of drinking water to Churachandpur town @ 22.73 MLD and to generate 1.75 Megawatts hydro power.

4.1.15 The original estimated cost of Rs.15 crore (1980) was revised to Rs.160.19 crore in March 1999 and was further revised to Rs.249.22 crore in 2001 (awaiting

approval) due to increase in labour cost, materials, land compensation and increase in volume of earthwork *etc.* The targeted date of completion (1987-88) has been re-fixed in April 2004.

4.1.16 While the department incurred an expenditure of Rs.147.19 crore as at the end of March 2002, the physical progress was as follows:

Table No.4.4

(In percentages)

Components	Physical progress by the end of	
	March 1997	March 2002
Earth dam	62	65
Spillway	65	72
Canals	73	84
Distribution systems	54	68
Power component (3x5000 kw)	40	70
Land acquisition	70	72

4.1.17 While expenditure constituted 92 *per cent* of the revised estimated cost of R.160.19 crore, physical progress varied between 65 and 84 *per cent*. The department attributed the slow progress to fund constraints, land acquisition and law and order problems and shortage of construction materials.

Non-utilisation of Central assistance

4.1.18 For setting up of a Micro Hydel Project of 250 kw (estimated cost: Rs.1.64 crore) in Churachandpur district under Khuga Multipurpose Project, Ministry of Non-Conventional Energy Sources (MNCES) sanctioned (March 1994) a capital subsidy of Rs.50 lakh and released Rs.25 lakh up to March 1996 with the condition *inter alia* to issue work orders within one year of the sanction. The work could not be taken up due to non-finalisation of construction drawings. In August 2001, MNCES cancelled the incentive of Rs.50 lakh for the micro hydel scheme and asked the Manipur Government to return the entire amount released (Rs.25 lakh) along with 6 *per cent* penal interest. The amount had not been refunded so far (July 2002).

4.1.19 Thus due to inaction of the department, Central assistance of Rs.25 lakh could not be availed.

Dolaithabi Barrage Project

Slow progress of execution of work

4.1.20 With the aim of providing an ultimate irrigation potential of 7545 hectares over a cultivable command area of 5500 hectares, construction of Dolaithabi Barrage Project was started in 1992. The original estimated cost (Rs.18.86 crore) was revised to Rs.63.10 crore in March 2000 and the original target date of completion (March 1997) was also changed to March 2005.

4.1.21 The department incurred an expenditure of Rs.19.88 crore up to the end of Ninth Plan period while the physical progress was as follows:

Table No.4.5

Components	Estimated quantity	Progress by the end of March 2002	
		Quantity	Percentage
Land acquisition	190.69 ha	67.74 Ha	36
Earth works in			
Diversion Channel	1.62 LCM ³	1.10 LCM	68
Hill Spur Cutting	1.69 LCM	0.82 LCM	49
Barrage Foundation	2.18 LCM	1.50 LCM	69
Steel procurement	5317 MT	133 MT	3
Guide Bunds	1.01 LCM	0.48 LCM	48

4.1.22 As per departmental records buildings and roads were constructed up to 90 per cent and 70 per cent respectively till the end of March 2000. No progress was made thereafter. Works on the coffer dam, barrage foundation siltation, cement concreting, gates, canals and distribution systems were not taken up at all (April 2002).

4.1.23 Reasons for tardy progress were attributed by the department to contractual problems and inadequate outlays. Against a total demand of Rs.65.26 crore for completion of the project during the Ninth Plan period (1997-2002), budgetary support of Rs.22.75 crore only was provided and due to reduced check drawal authority the department could spend only Rs.13.27 crore during the Ninth Plan period.

³ LCM—Lakh cubic metres

Singda Micro Hydel Project

Singda Multipurpose Project planned to

- (a) augment the Imphal water supply scheme by 18.18 MLD
- (b) provide an annual irrigation of 4100 hectares, and,
- (c) generate 750 kilowatt of hydel power.

4.1.24 The water supply and irrigation components of the project had already been commissioned during June 1995. Construction of the micro hydel component (750 kw) was going on during the Ninth Plan period.

4.1.25 The original estimated cost of micro hydel component of Rs.2.48 crore (1992) was revised to Rs.4.20 crore in March 1998 due to increase in cost of labour and material. The completion of the project, initially scheduled for March 1999, had been rescheduled to June 2002. The scope of the work included (i) construction of power house, (ii) construction of tail race channel, (iii) water conductor system, (iv) land development, (v) engine foundation, and, (vi) procurement and commissioning of electro mechanical parts *etc.*

4.1.26 Although the department incurred an expenditure of Rs.3.31 crore till the end of Ninth Plan, the project remained incomplete (March 2002), as 30 *per cent* of construction of tail race channel, 20 *per cent* of the second stage concreting of the engine foundation and laying of cables in the cable trenches were not completed (May 2002).

Utilisation of irrigation potential

4.1.27 Although a total annual irrigation potential of 28500 hectares was created till the end of Ninth Plan period, the farmers were reluctant to adopt multiple cropping and unwilling to pay the water tax readily and as a result potential of 15300 hectares (54 *per cent*) only had been utilised annually. In November 2001, the Chief Engineer stated that repairs and maintenance of Khoupum Dam Project commissioned in 1980 and Loktak Lift Irrigation Project commissioned in 1990 would be a waste of public money as they did not give any benefit to the farmers. As a follow-up-action the department ordered (November 2001) immediate suspension of the operation of the two pump houses of Loktak Lift Irrigation Project.

FLOOD CONTROL SECTOR

Flood Control Projects

Delay in completion of projects

4.1.28 Between 1984 and 1992, the department undertook five flood control projects viz. (a) Merakhong FC, (b) Wangjing FC, (c) Nambol FC Phase I, (d) Nambol FC Phase II, and, (e) Waishel Drainage for completion within three working seasons. The main components of work under the project were resectioning of the narrow sections of the rivers, construction of new embankment, raising the existing low level of embankments, providing protection works at sharp curves and weak banks and construction of structures to drain out inundated waters. While each of the five projects was to be completed within three working seasons, the physical progress ranged between 25 to 75 per cent even after a lapse of 10 to 18 years of their commencement as shown below:

Table No.4.6

Projects	Estimated cost		Year of commencement	Physical progress (March 2002)
	Original	Revised		
	(Rupees in crore)			
				(Percentages)
1. Merakhong FC (0.00–16.45 kms)	1.16 (1982)	4.28 (1996)	1984	Resectioning and Embankment–70 Bridges–50
2. Wangjing FC (0.00–17.05 kms)	1.18 (1988)	4.50 (1996)	1989	61
3. Nambul FC (0.00–10 kms) Phase I	1.97 (1991)	11.15 (1999)	1992	25
4. Nambul FC Phase II (23.00–26.70 kms)	0.64 (1992)	1.00 (2000)	1992	60
5. Waishel Drainage (11.42–19.60 km)	0.49 (1992)	1.96 (1996)	1992	Resectioning and Embankment–75 Bridges–100

(The revised estimates were not yet approved)

4.1.29 The department attributed the reasons for the delay in completion of the projects to non-finalisation of land acquisition cases and reduced cheque drawal authority. As against the provision of Rs.12.93 crore during 1997-98 to 2001-02, the department could only spend Rs.9.64 crore during the period. Out of the targeted protection of 10,000 hectares during 1997-2002, the department achieved 1800 hectares during 1997-98 and 1998-99. Achievement for the last three years was not on record.

Wangjing River Flood Control Project

Stoppage of works due to non-finalisation of land compensation cases

4.1.30 The Government sanctioned the Wangjing River Flood Control Project in January 1988 and the department awarded (June 1989) earthwork (from RD 7.535–16.545 km) to a contractor at Rs.71.04 lakh for completion by June 1992 (later extended to September 1994).

4.1.31 The Superintending Engineer concerned initiated the land acquisition process belatedly in December 1993, but in the course of execution of work, the land owners objected to the execution of work due to non-payment of compensation for their land. As a result, contractor could not proceed with the work after executing 57 per cent of the work (value: Rs.40.81 lakh) and the department proposed (January 1996) closure of contract. As Government approval for closure had not been received the contract still remained unclosed (July 2002).

Stores management

4.1.32 The department procured construction materials centrally through two divisions, viz. Project Stores Division for the irrigation sector and Stores Division for the flood control sectors.

4.1.33 Materials procured and issued by the two divisions during the Ninth Plan Period were as follows:

Table No.4.7

(Rupees in lakh)

Division	Opening balance (April 1997)	Procurement (1997-2002)	Issues (1997-2002)	Closing balance (March 2002)
Project Stores Division	83.48	440.60	396.21	127.87
Stores Division	83.25	1259.36	576.37	766.24
Total:	166.73	1699.96	972.58	894.11

4.1.34 Due to excessive procurement of materials the closing balance was increasing adversely affecting the financial position and locking up funds.

Slow moving/deteriorated stores

4.1.35 Analysis of the closing balance revealed that there were slow-moving and deteriorated stores worth Rs.41.07 lakh and Rs.26.51 lakh respectively as given below:

Table No.4.8

(Rupees in lakh)

Name of the Division	Slow-moving	Deteriorated
Project Stores Division	36.90	15.08
Stores Division	4.17	11.43
Total:	41.07	26.51

4.1.36 The Government has not yet sanctioned the write-off of the deteriorated stores (July 2002) as proposed by the department.

Physical verification and reserve stock unit

4.1.37 Physical verification of stores was not conducted in Project Stores Division. In Stores Division physical verification of store was conducted during January, February, October and November 2000, but the verification reports could not be made available to Audit.

4.1.38 Reserve stock limits were not fixed by the Government. Consequently there was no control on the procurement, issues and balances held.

Machinery management

4.1.39 The department had 221 machines and vehicles (190 purchased by charging the projects).

4.1.40 Of these, by the end of March 2002, 122 were not in working condition, miscreants had taken away one and status of 20 was not ascertainable. Of the 122, the department had condemned 15, but no action was taken on the balance either for their repairs or condemnation.

4.1.41 Test-check revealed that 60 of them had been lying under break-down conditions from the periods shown below:

Table No.4.9

	(In number)
1982-90	7
1991-95	21
1996-2000	28
2001	4

Utilisation of machinery

4.1.42 Utilisation of project machinery was extremely poor. During the five years (1997-2002), the department put to use 14 of the machines of Thoubal Multipurpose Project on an average of one to 21 days in a year and earned a meagre revenue of Rs.43.58 lakh as shown below:

Table No.4.10

(Rupees in lakh)

Machinery	Revenue earned (1997-2002)	Number of days worked (1997-2002)	Average number of days worked per year per machinery
D50 dozer — 3 Nos.	16.19	225	15
D80 dozer — 2 Nos.	7.01	113	11
D65 dozer — 2 Nos.	3.33	38	4
90CK Poclain — 2 Nos.	13.44	207	21
170CK Poclain — 1 No.	3.43	43	9
Road Roller — 3 Nos.	0.10	7	1
Turbo Truck — 1 No.	0.08	3	1
Total:	43.58		

4.1.43 The trend of deployment revealed that machinery of the project had been purchased far in excess of their actual requirements. Earning Rs.43.58 lakh on 14 machines in five years is unsatisfactory.

Manpower management

Engagement of excess staff

4.1.44 Excluding the staff of Additional Chief Engineer-I for which the department could not furnish any information, sanctioned strength and men-in-position of the regular employees of the department were as follows:

Table No.4.11

Grade	As on 1.4.1998		As on 31.3.2002	
	SS	MIP	SS	MIP
Grade-I	117	113	120	111
Grade-II	3	1	3	—
Grade-III	774	751	1305	1351
Grade-IV	236	224	514	559
Total:	1130	1089	1942	2021

(SS—Sanctioned Strength, MIP—Men-in-Position)

4.1.45 Between April 1998 and March 2002 the department engaged 91 persons in excess of the sanctioned strength (Grade-III—46 persons and in Grade-IV—45 persons) which had not been regularised as of March 2002.

Excess engagement of work-charged and muster roll staff

4.1.46 Excluding the staff of Khuga Headwork Division, for which the department could not furnish any information, the sanctioned strength and the employed strength of the department were as follows:

Table No.4.12

Category	As on 1.4.1998		As on 31.3.2002	
	SS	MIP	SS	MIP
Work-charged	693	933	44	65
Muster Roll	876	1115	952	1262
Total:	1569	2048	996	1327

4.1.47 The excess over the sanctioned strength ranged from 331 to 479 during the years 1998-99 to 2001-02.

Engagement of work-charged and muster roll staff without any work

4.1.48 16 divisions of the department stated (June/July 2002) that they did not have any departmentally executed construction or maintenance works during the period 1997-2002 although they had been employing 882 to 1500 work-charged and muster roll staff by spending a total amount of Rs.14.25 crore on their remuneration and wages. Thus the entire expenditure was infructuous (Appendix-XVI).

Monitoring

4.1.49 The implementation of both irrigation and flood control projects was not adequately monitored at the State level. As a result, three irrigation projects and all the five flood control projects referred to in paragraph nos. 4.1.9, 4.1.15, 4.1.20 and 4.1.28 remained incomplete leading to revision of cost from Rs.1.47 crore to 234.22 crore.

Conclusion

4.1.50 Programme management of the department was not satisfactory as it could create irrigation facilities only in 12 per cent of the total cultivable areas. The low achievement was mainly due to lack of adequate budget. Measures taken up under flood control management also suffered from fund constraints and funds to the tune of Rs.8.94 crore was locked up due to excessive procurement of material. The department also engaged excess and idle manpower which adversely affected its finances.

CHAPTER V
STORES AND STOCK
SECTION "A"
(AUDIT REVIEW)

PUBLIC WORKS DEPARTMENT

5.1 Material Management of Public Works Department

The Store Division, Imphal is vested with centralised procurement of various materials required for execution of works by 32 divisions of the department. The budget provision during 1997-2002 was made without assessment of actual requirements. As a result, 108 works remained incomplete in six divisions due to non-supply of materials worth Rs.2.22 crore as of June 2002. The value accounts of stock (bitumen, steel and cement) did not depict the true picture of store management of the department as there was excess exhibition of closing value of stock to the tune of Rs.11.55 crore as of March 2002 in the accounts as against actual value (Rs.0.32 crore) as per ground balance. While there were no electrical stores, paints, sanitary stores *etc.*, the value accounts showed Rs.9.01 lakh during 1999-2000 to 2001-02. Undue financial aid to the tune of Rs.1.34 crore as of March 2002 was given to supplier as advance though materials were not received in full. Physical verification of store was not conducted during 1997-98 to 2001-02.

Highlights

There were persistent savings against budget provisions in all the years under review which varied from 2 per cent to 89 per cent. Reason for savings was stated to be due to short release of funds by the State Government.

(Paragraph 5.1.5)

Poor planning for procurement of materials resulted in suspension of the works midway and non-completion of works till June 2002 for want of materials worth Rs.2.22 crore.

(Paragraph 5.1.8)

Department failed to get the materials as per the terms of contract resulting in undue financial aid to the supplier due to short supply of materials valuing Rs.10.15 lakh and injudicious payment of advance amounting to Rs.1.34 crore. No action was taken to recover the cost (Rs.10.15 lakh) from the defaulting suppliers.

(Paragraph 5.1.9 and 5.1.14)

Procurement of material without immediate requirement resulted in locking up of Rs.20.12 lakh.

(Paragraph 5.1.16)

Value account of electrical stores, paints and sanitary stores showed Rs.9.01 lakh as of March 2002 but there was no record of these stores.

(Paragraph 5.1.24)

Physical verification of stores was not conducted during the period under review though CPWD Manual provides for such verification at least once in a year.

(Paragraph 5.1.25)

Introduction

5.1.1 The material component plays a significant role in the construction of maintenance works of Public Works Department. Therefore, planned procurement of stores is of vital importance to reduce uneconomic and excessive stock. The Stores Division, Public Works Department, Imphal is vested with the centralised procurement of various materials required for work executed by 32 divisions of the department.

Organisational set up

5.1.2 The general management of stores was the responsibility of the Executive Engineer, Stores Division, Imphal under the overall supervision of the Chief Engineer-I, PWD, assisted by a Superintending Surveyor of works and a Superintending Engineer.

Audit Coverage

5.1.3 The purchase, transportation and issue of materials during the period 1997-98 to 2001-02 (except stock accounts, purchase records *etc.* of Store Division upto January 2000 gutted in fire on 27 January 2000) were reviewed by test check of records of Chief Engineer, Store Division and 8¹ works divisions (out of 32) during April - June 2002. The result of test check (30 *per cent* of the total expenditure Rs.83.75 crore) have been incorporated in the succeeding paragraphs.

Financial Outlay

5.1.4 The expenditure incurred on procurement of stores are charged to suspense head "Stock" under the respective major heads (Public Works and Roads and Bridges).

5.1.5 Year wise details of budget allotment and savings and excesses thereon, debit, credit and balances under the suspense head for the period from 1997-98 to 2001-02 were as follows:

Table No.5.1

(Rupees in crore)

Year	Budget Provision	Opening balance	Receipt	Issues	Closing balance	Savings(-) (2-4)
1	2	3	4	5	6	7
1997-98	22.10	27.43	21.65	13.84	35.24	(-)0.45 (2)
1998-99	15.80	35.24	15.09	16.27	34.06	(-)0.71 (4)
1999-2000	11.05	34.06	10.84	8.66	36.24	(-)0.21 (2)
2000-01	11.05	36.24	1.21	7.58	29.87	(-)9.84 (89)
2001-02	11.05	29.87	7.53	3.18	34.22	(-) 3.52 (32)

Source – Appropriation Accounts
(Figures in bracket represent percentage)

5.1.6 Persistent savings during 1997-98 to 2000-01 were mainly due to short release of funds by the State Government due to financial constraints as stated by the Chief Engineer.

Planning

5.1.7 According to Central Public Works Department Manual, Executive Engineers of the works divisions are required to furnish annual requirement of stores well in advance before the commencement of the financial year so that the central stores division can arrange bulk purchases. It was the duty of the central stores division to consolidate such requirements to facilitate planning, control of

¹ Imphal West, Imphal East, Bridge Division, Imphal Building Division-I, Churachandpur, Chandel, Jiribam and Thoubal PW Divisions.

expenditure and receipt and issue of stores. However, this system was not followed in the department. The budget for procurement of stores was framed during the entire period of 1997-98 to 2001-02 without assessment of requirements. This had resulted in frequent failure of the department to arrange supply of bitumen, cement and steel in the right quantity and at the right time to the works leading to delay in completion of works.

5.1.8 Between June 1995 and February 2001, six divisions² awarded 108 works targeted for completion between June 1996 to May 2002 to contractors, but due to non-supply of materials worth Rs.2.22³ crore (*Appendix-XVII*) (total requirement of materials worth Rs.5.23 crore), the works remained incomplete as of June 2002 and physical progress of the works ranged between 2 to 90 per cent.

Undue financial aid to the supplier

(i) 5.1.9 Between January and March 1999 Executive Engineer (EE), Stores Division placed two supply orders with a local dealer of Indian Oil Corporation (IOC) Limited for 1000 tonnes of bitumen (value: Rs.93.96 lakh) and made an advance payment of Rs.87.96 lakh (January 1999: Rs.50.98 lakh; September 2000: Rs.36.98 lakh) without any security/bank guarantee. The dealer supplied only 828.17 tonnes of bitumen (value: Rs.77.81 lakh) between February 1999 and May 2001 though the supply was to be completed within three months from the date of supply orders. Thus, the irregular payment of advance to the dealer resulted in undue financial aid amounting to Rs.10.15 lakh (Rs.87.96 lakh – Rs.77.81 lakh).

5.1.10 Executive Engineer, Store Division stated (June 2002) that the matter had been taken up (January 2002) followed by reminders (May 2002) to the dealer.

(ii) 5.1.11 For construction of five Bailey Bridges under the Jiribam PW Division, the Superintending Engineer placed (February 1998) orders on a Calcutta based firm (M/S Garden Reach Ship Building and Engineers Ltd.) for supply of bridge components for a total value of Rs.2.90 crore. As per terms and condition of supply order, 50 per cent of the value was to be paid on receipt of the proforma bill from the supplier and 50 per cent after receipt of materials. The delivery was to be completed within five months from the date of payment of advance.

² Imphal West, Imphal East, Bridge Division, Imphal Building Division-I, Churachandpur and Chandel division.

(Rupees in lakh)				
	Bitumen	Steel	Cement	Total
Value of requirement of materials:	117.90	170.50	234.57	522.97
Value of material supplied by the Department and arranged by contractor:	10.51	144.60	145.67	300.78
Value of quantity yet to be supplied:	107.39	25.90	88.90	222.19

Rate of materials: Bitumen (Rs.13,524 per tonne), steel (18,914 per tonne) and cement (Rs.190 per Kg)

5.1.12 Test check of records of the Executive Engineer, Jiribam PW Division revealed that against admissible advance of Rs.1.45 crore, Rs.2.83 crore (98 *per cent*) was paid to the supplier (March 1998 and March 1999) without any security/bank guarantee.

5.1.13 The Executive Engineer, Jiribam Division stated (July 2002) that 8.670 MT of the bridge components valuing Rs.4.51 lakh only had been received by Mechanical Division II and some parts were in transit.

5.1.14 Thus, the irregular payment of advance of Rs.1.34 crore (Rs.2.83 crore – Rs.1.45 crore-0.045 crore) resulted in undue financial aid to the supplier.

Procurement of material in advance of requirement

5.1.15 The Executive Engineer (EE), Store Division, Imphal had procured (March/April 2001) 2550 metres of steel wire rope valued at Rs.20.12 lakh from a Kolkata based firm for stock (supply order was issued in September 2000). The material was lying unutilised as of April 2002.

5.1.16 Purchase without immediate requirement resulted in unnecessary locking up of funds of Rs.20.12 lakh. Besides, there was loss of interest of Rs.2.63⁴ lakh (calculated at the borrowing rate of 12 *per cent*) to the Government on the money locked up.

Departure from prescribed system

5.1.17 The practice of Cash Settlement Suspense Account (CSSA) was discontinued and the store division switched over to a new system known as "Proforma Bill System" from 1985-86.

5.1.18 Under the new system, on receipt of indents from the works divisions, Stores Division prefers proforma bill for the value of stores and the former is required to issue the cheque first and then lift the material from the stores division.

5.1.19 During review, it was noticed that on receipt of the indents from the works divisions, the stores division preferred proforma bills without ascertaining the availability of the material in the stores. On receipt of the cheque against the proforma bill, the store division entered them in the cash book as credit to Suspense Stock.

5.1.20 Switching over to new system, without considering its consequential effect, has given scope for excess credit to Suspense Stock on one hand and the

⁴ Rs.20.12 lakh x 12% x 13 months = Rs.2.63 lakh

works concerned have been over debited without receiving the material valued at Rs.37.36 lakh during 1999-2002 (Rs.1.46 lakh in 1999-2000, Rs.35.61 lakh in 2000-01 and Rs.0.29 lakh in 2001-02). The materials for the entire credited amount had not been issued at all though the values had been received from the works divisions and credited to Suspense Stock.

Accounts of stores

5.1.21 The divisional officer was responsible not only for financial regularity, but also for maintenance of accounts of stores correctly in accordance with rules in force. It was, however, noticed that 9 Divisional Officers whose records were test checked in audit failed to maintain such accounts properly as discussed below:

Stock Account

5.1.22 The schedule of stock accounts of store division at the end of 1999-2000, 2000-01 and 2001-02 showed stock balance (steel, cement and bitumen) of Rs.6.98 crore, Rs.3.61 crore and Rs.11.55 crore respectively whereas physical balance of the above items at the end of these years was only of Rs.1.11 crore, Rs.0.66 crore and Rs.0.32 crore (calculated at the current issue rates) respectively. The discrepancies were not reconciled and thus, the stock accounts did not depict the true picture of stores.

5.1.23 Eight divisions obtained materials⁵ from the store division on payment of Rs.11.81⁶ crore during April 1997 to March 2002 for use in works but material at site (MAS) accounts were not maintained by the divisions. One division stated (June 2002) that the materials were collected by the contractors and kept at the work site under their custody.

5.1.24 The schedule of stock accounts of store division exhibited Rs.9.01 lakh being value of electrical stores, paints, sanitary stores *etc.* during 1999-2000 to 2001-02 but no records in respect of these items were maintained nor was physical verification conducted to ascertain their existence *etc.* The procedure of taking materials into Stores and Stock Register has also not been followed.

Stock Taking

5.1.25 CPWD Manual provides for physical verification of stores by a responsible officer other than the custodian at least once a year, but, no such

⁵ Cement – 1,84,039 bags, steel – 1336.836 MT and bitumen – 5340.021 MT.

⁶ Cement- Rs.3.50 crore, steel – Rs.2.64 crore and bitumen- Rs.5.67 crore.

report of verification of stores were available for the period under review. Reasons for non verification of stores not stated.

Cash Settlement Suspense Account.

5.1.26 Prior to introduction of "Proforma Bill System" from 1985-86, value of materials issued were accounted for under 'Cash Settlement Suspense Account (CSSA)' and the claims preferred for recovery of cost of materials.

5.1.27 Test check of records, however, revealed that payment against CSSA claims of Rs.3.87 crore preferred prior to 1985-86 remained unsettled (June 2002). There was little scope of settlement of these claims since the records of the original claims were not traceable at this belated stage. The division had not initiated any action for settlement/writing off the outstanding amount.

Reserve stock limit

5.1.28 CPWD Manual stipulates that no reserve stock should be kept except with the specific sanction of and to a monetary limit to be prescribed by the competent authority. Test check of records of store division, however, revealed that the value of stock that stood at Rs.4.44 crore in 1999-2000 rose to Rs.9.16 crore in 2001-02 without any reserve stock limit being fixed by the Government.

Non accountal of dismantled bridge components

5.1.29 For reconstruction of Salanthong bridge, the Executive Engineer, Bridge Division procured (October 1996-January 1997) two (100' span and 110' span) Bailey bridge components at Rs.57.63 lakh from M/S Garden Reach Ship Building and Engineer Ltd. The bridge was constructed in August 1996 through a contractor at his tender value of Rs.2.52 lakh. But the bridge had to be dismantled (March 1999) due to depression of the abutments. The dismantled bridge parts were not taken into any appropriate accounts (Register of Dismantled Materials) till June 2002. The asset valued at Rs.57.63 lakh thus remained unutilized or disposed of.

Recommendations

5.1.30 (i) Planning for procurement and supply of materials should be done by the Chief Engineer on the basis of the requirement of working divisions.

- (ii) Advance payment should be regulated by the Chief Engineer by terms of the contract.
- (iii) Purchase of stores should be regulated by the Executive Engineer after fixing the reserve stock limit.

SECTION "B" **(AUDIT PARAGRAPHS)**

POWER DEPARTMENT

5.2 Injudicious Procurement of Materials

Procurement of materials without assessing requirement resulted in locking up of funds of Rs.31.25 lakh.

5.2.1 According to general principles of purchase laid down in Section 38 of Central Public Works Department Manual Volume II, stores should not be purchased in excess and much in advance of requirement.

5.2.2 Test check (March/April 2002) of records of the Executive Engineer, Store Division, Yurembam revealed that between May 1997 and April 2000, the division procured materials, without assessing the actual requirement, valued at Rs.31.35 lakh (electrical items -Rs.6.41 lakh and tools and plants – Rs.24.94 lakh) for stock (Rs.6.41 lakh) and general use by the executing divisions (Rs.24.94 lakh). Of these, a very negligible quantity only of electrical goods valued at Rs.0.10 lakh was issued between April 2002 and August 2002 to the working divisions leaving a balance of materials valued at Rs.31.25 lakh in stock as of August 2002. There was no issue of any tools and plants items during the said period (Details are given in *Appendix- XVIII*).

5.2.3 On this being pointed out in audit, the Executive Engineer while accepting (August/November 2002) the fact stated that indents for these items were not received from works divisions. Materials were, however, lying in good condition (November 2002).

5.2.4 Thus, the action of the department in procurement of materials without assessment of requirement was not only injudicious but resulted in locking up of funds to the tune of Rs.31.25 lakh. The matter was reported to Government in August 2002; the reply had not been received (December 2002).

5.3 Locking up of funds on purchase of Energy meters

Energy meters retained in stock without use beyond guarantee period led to locking up of funds of Rs.95.44 lakh.

5.3.1 Test-check (March–April 2002) of records of the Executive Engineer, Store Division (Electricity) Yurembam, Imphal revealed that between July 1998 and April 2000 the division procured 96,904 number of single phase energy meters costing Rs.4.73 crore (@ Rs.487.80 each) from two firms (New Delhi and Noida based) against supply orders (March 1998 and January 1999) placed by Superintending Engineer, (SE, Purchase) with the approval of Principal Secretary (Power). Performance of meters was guaranteed for replacement/rectification of defects for a period of 18 months from the date of supply or 12 months from the date of use/commissioning whichever earlier.

5.3.2 The division could issue only 77,338⁷ numbers of meters (out of 96,904) till June 2002 to the working divisions for new installation and replacement of defective meters leaving a balance of 19566 meters costing Rs.95.44 lakh in stock without having been put to use. Meanwhile the guarantee period of the meters for rectification/replacement expired in August 2000 (1415 nos.) and October 2001 (18151 nos.).

5.3.3 On being pointed out in audit, the Executive Engineer, Store Division stated (August 2002) that meters were procured after proper planning and assessment to provide energy meters to all the consumers without having meters (150000 Nos.) and to replace the defective meters (30000 Nos.) but the work could not be completed as the divisions were busy in maintenance of supply system and revenue collection. The contention of the Divisional Officer was not tenable in view of the fact that energy meters were not put to use within their guarantee period and purpose of procurement remained unfulfilled.

5.3.4 Thus, non-installation of energy meters led to locking up of funds of Rs.95.44 lakh for a period of more than two to three years. Besides there was also the risk of these meters being defective with little chance of replacement or rectification by the suppliers.

5.3.5 The matter was reported to Government in August 2002; the reply had not been received (December 2002).

⁷ Year	Quantity issued (Numbers)
1998-99	40,989
1999-2000	4,500
2000-01	14,349
2001-02	<u>17,500</u>
	77,338

PUBLIC HEALTH ENGINEERING DEPARTMENT

5.4 Locking up of funds due to procurement of material without assessment of requirement

Paints worth Rs.16.91 lakh purchased between September 1995 and October 1996 remained unutilised leading to locking up of funds.

5.4.1 The CPWD manual provides that paints should not normally be stored for long as these are likely to deteriorate in quality and become unfit for use after a short period. If the paints are not likely to be required during the following twelve months, these should be disposed off either by sale or transfer to other divisions where these are required (Para 46.1 & 46.3 of CPWD Manual Vol-II).

5.4.2 Test check (January 2002) of records of the Executive Engineer, Water Supply Stores (Rural) Division, Imphal revealed that the division, without assessing the requirement, procured (September 1995 to October 1996) 14,878 litres of paints valued at Rs.21.06 lakh (bituminous paints 6,320 litres, red oxide 3,170 litres, aluminium paints 3,090 litres and black putty 2,298 litres) for stock. Of these, the division could issue (February 1996 to September 1999) 2,921 litres only to the executing divisions leaving a balance of 11,957 litres costing Rs.16.91 lakh as of December 2001 (bituminous paints 5,234 litres, red oxide 2,120 litres, aluminium paints 2,435 litres and black putty 2,168 litres).

5.4.3 Though the paints were liable to deterioration and were lying unutilised from February/October 1996, the division did not take any action to dispose off the paints either by sale or by transfer to other division in contravention of the aforesaid manual provisions.

5.4.4 Further, physical verification of stock was also not conducted as required under the provision of the CPWD Manual (Para 48.1 of the said Manual).

5.4.5 Thus, procurement without assessing the requirement coupled with non-observance of manual provisions by the divisional officer resulted in unnecessary locking up of funds of Rs.16.91 lakh. In absence of physical verification, their fitness for use in the future also remained unassessed. Besides, there was loss of interest of Rs.11.94⁸ lakh on the locked up funds which could have been utilised for other development activities (calculated at the average borrowing rate of 12.57 per cent).

5.4.6 The matter was reported to Government (May 2002); the reply had not been received (December 2002).

⁸ Rs.8.98 lakh from 2/1996 to 12/2001 @12.57% =Rs.6.69 lakh
Rs.7.93 lakh from 10/1996 to 12/2001 @12.57% =Rs.5.25 lakh
Total: Rs.11.94 lakh

CHAPTER VI

REVENUE RECEIPTS

General

6.1 Trend of Revenue receipts

6.1.1 The total receipts of the Government of Manipur for the year 2001-02 were Rs.1176.78 crore. Of this, the State Government raised Rs.79.74 crore comprising Rs.51.01 crore as tax revenue and the balance of Rs.28.73 crore as non-tax revenue. Receipts from the Government of India were Rs.1097.04 crore which accounted for 93 *per cent* of the total receipts.

6.1.2 The particulars of revenue receipts for the last three years from 1999-2000 are given below:

Table No. 6.1

(Rupees in crore)

		1999-2000	2000-01	2001-02
I.	Revenue raised by the State Government			
	(a) Tax Revenue	39.95	49.07	51.01
	(b) Non-Tax Revenue	42.65	41.66	28.73
	Total:	82.60	90.73	79.74
		—	—	
II.	Receipts from Government of India			
	(a) State's share of net proceeds of divisible Union Taxes	317.87	163.52	142.14
	(b) Grants-in-aid	669.38	790.37	954.90
	Total:	987.25	953.89	1097.04
III.	Total receipts of State Government (I+II)	1069.85	1044.62	1176.78
IV.	Percentage of I to II	8	10	7

(Source: Finance Accounts)

6.2 Analysis of Revenue receipts

Tax revenue raised by the State

6.2.1 Receipts from tax revenue during 2001-02 constituted 64 *per cent* of the revenue raised by the State.

6.2.2 An analysis of tax revenue for the year 2001-02 and the preceding two years is given below:

Table No. 6.2

(Rupees in lakh)

Sl. No	Head of Revenue	1999-2000	2000-01	2001-02	Percentage of Increase(+)/Decrease(-) in 2001-02 over 2000-01
1.	Sales Tax	2287.47	3129.79	2951.64	(-) 5.69
2.	Other Taxes on Income and Expenditure	957.93	961.08	1264.02	(+) 31.52
3.	State Excise	139.01	124.20	146.48	(+) 17.94
4.	Stamps and Registration Fees	146.39	179.73	148.46	(-) 17.40
5.	Taxes on Vehicles	233.29	280.06	277.42	(-) 0.94
6.	Other Taxes and Duties on Commodities and Services	75.48	50.28	12.52	(-) 75.10
7.	Land Revenue	52.10	36.47	39.57	(+) 8.50
8.	Taxes on Goods and Passengers	48.74	48.45	43.71	(-) 9.78
9.	Taxes and Duties on Electricity	54.62	97.23	217.17	(+) 123.36
	Total :	3995.03	4907.29	5100.99	(+) 3.95

(Source: Finance Accounts)

6.2.3 Reasons for variations though called for (October 2002) from the Government/departments have not been received (November 2002).

Non-tax revenue raised by the State

6.2.4 Power, Public Works, Other Administrative Services, Education, Sports, Art and Culture, Interest Receipts, Housing, Forestry and Wild Life, Police, Water Supply and Sanitation, Medical and Public Health and Major and Medium Irrigation were the principal sources of non-tax revenue of the State. Receipts from non-tax revenue during 2001-02 constituted 36 per cent of the revenue raised by the State.

6.2.5 An analysis of non-tax revenue under the principal heads for the year 2001-02 and the preceding two years is given below:

Table No. 6.3

(Rupees in lakh)

SL No.	Head of Revenue	1999-2000	2000-01	2001-02	Percentage of Increase(+)/ Decrease(-) in 2001-02 over 2000-01
1.	Miscellaneous General Services	431.93	167.04	4.76	(-) 97.15
2.	Power	2221.73	2633.47	1972.83	(-) 25.09
3.	Public Works	402.17	218.48	122.82	(-) 43.78
4.	Forestry and Wild Life	79.42	97.22	75.28	(-) 22.57
5.	Police	71.32	96.63	59.00	(-) 38.94
6.	Interest Receipts	69.44	75.41	100.44	(+) 33.19
7.	Water Supply and Sanitation	61.94	65.62	66.81	(+) 1.81
8.	Education, Sports, Art and Culture	81.72	215.94	103.13	(-) 52.24
9.	Other Administrative Services	236.29	67.81	119.78	(+) 76.64
10.	Major and Medium Irrigation	37.87	30.74	30.63	(-) 0.36
11.	Medical and Public Health	79.07	26.04	31.93	(+) 22.62
12.	Social Security and Welfare	319.35	316.21	2.49	(-) 99.21
13.	Crop Husbandry	18.54	7.32	2.62	(-) 64.21
14.	Housing	43.11	58.23	99.79	(+) 71.37
15.	Co-operation	4.68	5.25	3.93	(-) 25.14
16.	Others	106.21	84.25	76.54	(-) 9.15
	Total :	4264.79	4165.66	2872.78	(-) 31.04

(Source: Finance Accounts)

6.2.6 Reasons for variations under non-tax revenue though called for (October 2002) from the departments have not been received (November 2002).

Variations between Budget estimates and actuals

6.2.7 The variations between Budget estimates and the actual receipts for the year 2001-02 under the principal heads are given below:

Table No. 6.4

(Rupees in lakh)

Sl. No.	Head of Revenue	Budget estimates	Actuals	Variations Increase(+)/ Decrease(-)	Percentage of variation
(1)	(2)	(3)	(4)	(5)	(6)
A. Tax Revenue					
1.	Sales Tax	2600.00	2951.64	(+) 351.64	(+) 13.52
2.	Other Taxes on Income and Expenditure	1100.00	1264.02	(+) 164.02	(+) 14.91
3.	Other Taxes and Duties on Commodities and Services	90.00	12.51	(-) 77.49	(-) 86.10
4.	Stamps and Registration Fees	235.00	148.46	(-) 86.54	(-) 36.83
5.	Taxes on Vehicles	270.00	277.42	(+) 7.42	(+) 2.75
6.	State Excise	225.00	146.48	(-) 78.52	(-) 34.90
7.	Land Revenue	65.00	39.57	(-) 25.43	(-) 39.12
8.	Taxes on Goods and Passengers	67.00	43.71	(-) 23.29	(-) 34.76
9.	Taxes and Duties on Electricity	400.00	217.17	(-) 182.83	(-) 45.71
	Total:	5052.00	5100.99	(+) 48.99	(+) 0.97
B. Non-tax Revenue					
1.	Miscellaneous General Services	150.00	4.76	(-) 145.24	(-) 96.83
2.	Power	3400.00	1972.83	(-) 1427.17	(-) 41.98
3.	Public Works	450.00	122.82	(-) 327.18	(-) 72.71
4.	Forestry and Wild Life	150.00	75.28	(-) 74.72	(-) 49.81
5.	Police	80.00	59.00	(-) 21.00	(-) 26.25
6.	Interest Receipts	70.00	100.44	(+) 30.44	(+) 43.49
7.	Water Supply and Sanitation	120.00	66.81	(-) 53.19	(-) 44.33
8.	Education, Sports, Art and Culture	210.00	103.13	(-) 106.87	(-) 50.89
9.	Other Administrative Services	270.00	119.78	(-) 150.22	(-) 55.64
10.	Major and Medium Irrigation	50.00	30.63	(-) 19.37	(-) 38.74
11.	Medical and Public Health	85.00	31.93	(-) 53.07	(-) 62.44
12.	Social Security and Welfare	1.00	2.49	(+) 1.49	(+) 149.00
13.	Crop Husbandry	23.00	2.62	(-) 20.38	(-) 88.61
14.	Housing	70.00	99.79	(+) 29.79	(+) 42.56
15.	Co-operation	7.00	3.93	(-) 3.07	(-) 43.86
16.	Others	137.95	76.54	(-) 61.41	(-) 44.52
	Total:	5273.95	2872.78	(-) 2401.17	(-) 45.53

(Source: Budget document/Finance Accounts)

6.2.8 Reasons for variations under different heads of account though called for (October 2002) have not been furnished by the Government/departments.

6.3 Outstanding Inspection Reports and Audit observations

6.3.1 Audit observations on incorrect assessments, under-assessments, non-levy and short-levy of taxes and other revenue receipts and defects in the maintenance of initial accounts noticed during local audit and not settled on the spot are communicated to the departmental authorities and heads of departments through Inspection Reports. The more important irregularities are also reported to Government for taking prompt remedial measures. The heads of offices are required to furnish replies to the Inspection Reports through the respective heads of departments within a period of two months.

6.3.2 The number of Inspection Reports and Audit Observations issued up to December 2001 but pending settlement by the departments as on 30 June 2002 along with corresponding figures for the preceding two years are given below:

Table No. 6.5

(Rupees in lakh)

Revenue Head	Number of Inspection Reports			Number of Audit observations			Money value		
	Up to 1999-2000	2000-01	2001-02	Up to 1999-2000	2000-01	2001-02	Up to 1999-2000	2000-01	2001-02
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Taxation	46	2	1	211	26	5	647.69	312.46	7.67
Excise	12	—	1	30	—	4	155.76	—	2.09
Land Revenue	74	10	6	233	2	17	535.05	58.31	45.17
Motor Vehicle	43	1	1	158	3	5	236.05	0.97	1.64
Electricity	49	7	3	164	18	17	2001.92	2348.04	768.59
Fisheries	46	—	1	103	—	1	83.71	—	6.20
Lotteries	8	—	—	45	—	—	2315.98	—	—
Forest	54	2	—	141	7	—	1307.94	6.12	—
Registration	9	2	—	12	5	—	2.14	1.31	—
PHED/Water Tax	7	4	1	15	10	3	15.50	27.13	85.31
Total :	348	28	14	1112	71	52	7301.74	2754.34	916.67

6.3.3 Out of 390 Inspection Reports with money value of Rs.10972.75 lakh pending settlement, even the first reply has not been received in respect of 35 Inspection Reports containing 118 Audit Observations with money value of Rs.1510.30 lakh. Further 161 Inspection Reports up to 2001-02 containing 496 Audit Observations with money value of Rs.1729.64 lakh have been pending for settlement for more than 10 years.

6.4. Results of audit

6.4.1 Test-check of the records of Power, Taxation and Excise Departments conducted during 2001-02 revealed short-demand/under-assessment/loss of revenue *etc.* amounting to Rs.117.07 lakh in 17 cases.

SECTION "A"
(AUDIT REVIEW)
NIL
SECTION "B"
AUDIT PARAGRAPHS

TAXATION DEPARTMENT

6.5 Irregular grant of exemption

Irregular grant of exemption under the Central Sales Tax Act 1956 led to non-levy of tax to the tune of Rs.3.18 lakh.

6.5.1 Under the provisions of Central Sales tax Act, 1956 and the Central Sales Tax (Registration and Turnover) Rules, 1957, export of goods outside India are exempted from levy of tax only when such exports are supported by Form 'H' duly filled and signed by the exporter along with the evidence of export of such goods which prove that goods crossed the custom frontiers of India, otherwise tax is leviable on these sales.

6.5.2 Test check of assessment records of the Superintendent of Taxes Moreh (December 2001) revealed that two dealers' exported betelnut/ginger outside India, valued at Rs.42.49 lakh which was exempted (September 2000-November 2001) from levy of tax by the assessing authority without obtaining Form 'H' or any document as a proof that the goods crossed the custom frontiers of India. This irregular exemption resulted in non levy of tax of Rs.3.18 lakh.

6.5.3 The Department however, stated (September 2002) that the two dealers had not exported betelnuts and ginger. The reply is not tenable as the above two dealers claimed exemption against export while submitting return under the CST(Manipur) Rules 1957 which had been accepted at the time of assessments.

6.5.4 The matter was reported to the Government and the Department (March 2002); their reply has not been received (October 2002).

6.6 Short levy of Central Sales Tax

Levy of concessional rate on Inter-State sales turnover of dealer not supported by valid declaration in Form 'C' resulted in under-assessment of Central Sales Tax of Rs.3.42 lakh and non-levy of penalty of Rs.2.59 lakh

6.6.1 Under the Central Sales Tax Act, 1956 and the rules framed thereunder, inter-state sales duly supported by the declaration in Form 'C' are taxable at the

rate of 4 *per cent*. Otherwise such sales are taxable at the rate of 10 *per cent* or at the rate applicable to the sale or purchase of such goods inside the state whichever is higher. Under the taxation laws of the state of Manipur, if any dealer evaded in any way the liability to pay tax, penalty not exceeding one and a half times the tax due is leviable on the dealer.

i) 6.6.2 Test check of assessment records of the Superintendent of Taxes, Moreh (December 2001) revealed that in case of a dealer 3 invalid 'C' Forms (Incomplete/Blank) covering total transaction amounting to Rs.29.95 lakh were accepted (October 2000) by the Assessing authority and tax at the concessional rate of 4 *per cent* as against 10 *per cent* otherwise leviable, was realised during the period from 1st January 2000 to 30th June 2000. This resulted in short levy of tax amounting to Rs.1.73 lakh which also attracted penalty of Rs.2.59 lakh.

ii) 6.6.3 The department stated (September 2002) that defects have been removed in view of the judgment/order of the Hon'ble High Courts of Madras and Allahabad in the case of Tirukoilur Oil Mills Vs State of Madras (1967) 20 STC 388 (Mad) (DB) and CST Vs Ino-Overseas Agencies (1969) 24 STC 81 (All) (DB). The reply is not tenable in Audit since the defects in "C" Forms were removed after finalisation of the assessment order and that too after observation raised by Audit, while as per Court's judgment the defects are to be removed before the assessment is completed.

6.6.4 Test check of assessment records of the Commissioner of Taxes, Imphal revealed (December 2001/January 2002) that one registered dealer sold (April 2001 to September 2001) plywood valued Rs.28.13 lakh in course of interstate trade and commerce and claimed concessional rate without furnishing declaration in Form "C". The Assessing Officer, without obtaining declaration in Form "C" from the dealer levied concessional rate instead of higher rate applicable in this case. This had resulted in short levy of Central Sales Tax amounting to Rs.1.69 lakh. The department stated (September 2002) that the dealer had since submitted all required declarations in Form "C". The reply is not tenable as the forms were procured and submitted by the dealers after finalisation of the assessment order and that too after observation raised by Audit.

POWER DEPARTMENT

6.7 Short realisation of energy charge due to incorrect billing

Application of incorrect rates of billing on account of defectives meters resulted in short realisation of revenue of Rs.4.59 lakh

6.7.1 As per the tariff rates applicable with effect from 18 March 2000 the minimum monthly charges prescribed for bulk supply are Rs.228 per KW of contract demand per month plus demand charges at the rate of Rs.64 per KW of 60 *per cent* of contract demand per month. Where supply to the consumer has been given without a meter or where the meter fixed is found defective the

consumer shall pay the flat rate of Rs.380 per KW of contract demand per month as energy charges plus demand charges.

6.7.2 Test-check of records (October 2001) of the Executive Engineer, Imphal Electrical Division No.I, Imphal revealed that during the period between April 2000 and August 2001 the Division levied energy charges of Rs.5.96 lakh instead of Rs.10.55 lakh due to application of incorrect rates of billing charges on account of defective/non provisioning of meters which resulted in short realisation of revenue of Rs.4.59 lakh as detailed in the *AppendixXIX*.

6.7.3 The matter was reported to the Government (December 2001); replies had not been received(June 2002).

6.7.4 The department however, stated (September 2002) that supplementary bills for Rs.4.59 lakh had been raised to the concerned consumers.

TRANSPORT DEPARTMENT

6.8 Non-collection of Professional Tax

Professional tax amounting to Rs.11.85 lakh was not realised from 1185 permit holders of Goods Vehicles Trucks, Taxies and Three wheelers by Transport Officer, Imphal West

6.8.1 Under the provision of the Manipur Professions, Trades, Callings and Employment Taxation Act, 1981, Government of Manipur by a notification (October 2000) appointed the District Transport Officer (DTO) posted in every district of the state as the Additional Taxation Officer for collection of Professional Tax in his/her administrative jurisdiction from person/persons holding permit/permits for taxies, goods vehicles, trucks, buses and three wheelers at the rate of Rs.1000 per annum and for deposit of the same into Government account.

6.8.2 Test check (April 2002) of records of the DTO Imphal West District revealed that DTO issued 1185 permits to 1185 persons during 2001-02 in respect of Goods Vehicle/trucks(728), taxies(127), and three wheelers(330). Professional tax amounting to Rs.11.85 lakh (Rs.1000 x 1185) was not collected from the permit holders by the DTO (June 2002).

6.8.3 On this being pointed out in audit the DTO, Imphal west stated (June 2002) that professional tax from the permit holders of vehicles could not be realised mainly due to shortage of staff and increase in work load of the Department.

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1 General

7.1.1 Autonomous bodies and authorities are set up to discharge generally non-commercial functions in the nature of public utility services. These bodies/authorities by and large receive substantial financial assistance from the Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective state Co-operative Societies Act, Companies Act, 1956 *etc.* to implement certain programmes of the State Government. The grants are intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

7.1.2 During 2001-02 financial assistance of Rs.37.34 crore was paid to various autonomous bodies and others grouped as under:

Table No. 7.1

Sl. No.	Name of institution	(Rupees in crore)	
		Grants	Loans
1.	Universities and Educational Institutions	30.45	3.20
2.	Municipal Corporations and Municipalities	2.45	—
3.	Co-operative Societies and Other Co-operative Institutions	0.94	0.06
4.	Other Institutions	0.24	—
	Total	34.08	3.26

(Source: Finance and Appropriation Accounts)

7.1.3 The above assistance constituted 2.79 *per cent* of Governments total expenditure on revenue account (Rs.1337.96 crore). In 2000-01 such assistance aggregated to Rs.22.63 crore.

7.2 Delay in furnishing utilisation certificate

The financial rules of Government require that where grants are given for specific purposes, certificates of utilisation are to be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the

Accountant General within one year from the date of sanction unless specified otherwise. Information in this regard were not furnished by the State Government departments though requested for in April 2002.

7.3 Delay in submission of accounts

7.3.1 In order to identify the institutions which attract audit under Section 14 and 15 of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971, Government/ Heads of Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Information for the year 2001-02 called for in April and in November 2002 had not been furnished by departments/Government (November 2002).

7.3.2 The accounts of the 5 institutions/bodies which had been receiving grants of more than Rs.25 lakh continuously from the State Government and others, and the accounts due for audit under Section 14 of the Act, *ibid*, in earlier years, were in arrears. The details are given in *Appendix- XX*.

7.4 Entrustment of audit

The audit of accounts of the 26 bodies as detailed in *Appendix- XXI* has been entrusted to the Comptroller and Auditor General of India under Section 19 (3) and 20 (1) of the Comptroller and Auditor General's (DPC) Act, 1971 were in arrears due to non-receipt of accounts from these bodies.

7.5 Audit arrangement

7.5.1 The primary audit of local bodies (Zila Parishads, Town Area Committees), Educational Institutions, Panchayati Raj Institutions and others is conducted by the Director of Local Fund Audit. Audit of Co-operative Societies is conducted by the Registrar of Co-operative Societies.

7.5.2 The 12 bodies/authorities, whose accounts for 2000-01 or previous years were received during the year, were all audited during the year 2001-02.

**SECTION “A”
(AUDIT REVIEW)**

NIL

**SECTION “B”
(AUDIT PARAGRAPHS)**

**RURAL DEVELOPMENT DEPARTMENT
DISTRICT RURAL DEVELOPMENT AGENCY**

7.6 Undue financial aid to contractor

Injudicious payment of advance to supplier resulted in undue financial aid amounting to Rs.16 lakh.

7.6.1 According to provisions of CPWD Manual, Volume II, no advance payment is to be made for any supplies to be obtained directly from any private party. Test check (December 2001) of records of the District Rural Development Agency (DRDA), Ukhrul revealed that the Chairman/DRDA sanctioned (March 1999) Rs.16 lakh out of Member of Parliament Local Area Development Scheme for construction of mini stadium at Tankhul Naga Long Ground. To start the initial ground work, the Construction Committee decided (March 1999) to purchase materials through two contractors for construction of public gallery (North wing) and VIP gallery. The DRDA, however, advanced (July 1999) Rs.16 lakh to one contractor for supply of 84.64 tonnes of M.S. rods through Block Development Officer (BDO) Ukhrul without any agreement/security. In view of non-supply of material, the contractor was served show cause notices on two occasions (November 1999 and November 2000) and was allowed (September 2001) a further one month by the Construction Committee for supply of material. In October 2001, the BDO, Ukhrul also asked the contractor to supply the material but the contractor did not make any supplies (November 2001).

7.6.2 The Deputy Commissioner, Ukhrul stated (November 2002) that as per resolution dated 16 December 2001 of the committee for construction of stadium, the contractor would utilise the amount for construction of pucca drainage of the mini stadium. Estimates for construction of drainage works at Khuman Lampak stadium from the Chief Engineer (PWD) were called for in September 2002 by the Deputy Commissioner, but the probable dates of commencement of work/completion, agreement made, if any and total cost involved were not stated.

7.6.3 Injudicious payment of advance to the contractor resulted in undue financial aid amounting to Rs.16 lakh.

7.6.4 The matter was referred to Government in February 2002; reply had not been received (December 2002).

CHAPTER VIII

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

Overview of Government Companies and Statutory Corporations

8.1 Introduction

As on 31 March 2002 there were 15 Government companies (13 working companies and 2 non-working companies) and one working Statutory corporation as against same number of companies/corporations as on 31 March 2001 under the control of the State Government. The accounts of the Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors who are appointed by the Comptroller and Auditor General of India (CAG) as per provision of Section 619 (2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 of the Companies Act, 1956. The audit arrangement of the Statutory Corporation is as shown below:

Table No. 8.1

Sl. No.	Name of the corporation	Authority for audit by the CAG	Audit arrangement
1	Manipur State Road Transport Corporation (MSRTC)	Section 33(2) of the Road Transport Corporation Act, 1950	Sole audit by CAG

8.2 Working Public Sector Undertakings (PSUs)

Investment in working PSUs

8.2.1 The total investment in 14 working PSUs (13 Government Companies and one Statutory Corporation) at the end of March 2001 and March 2002 was as follows:

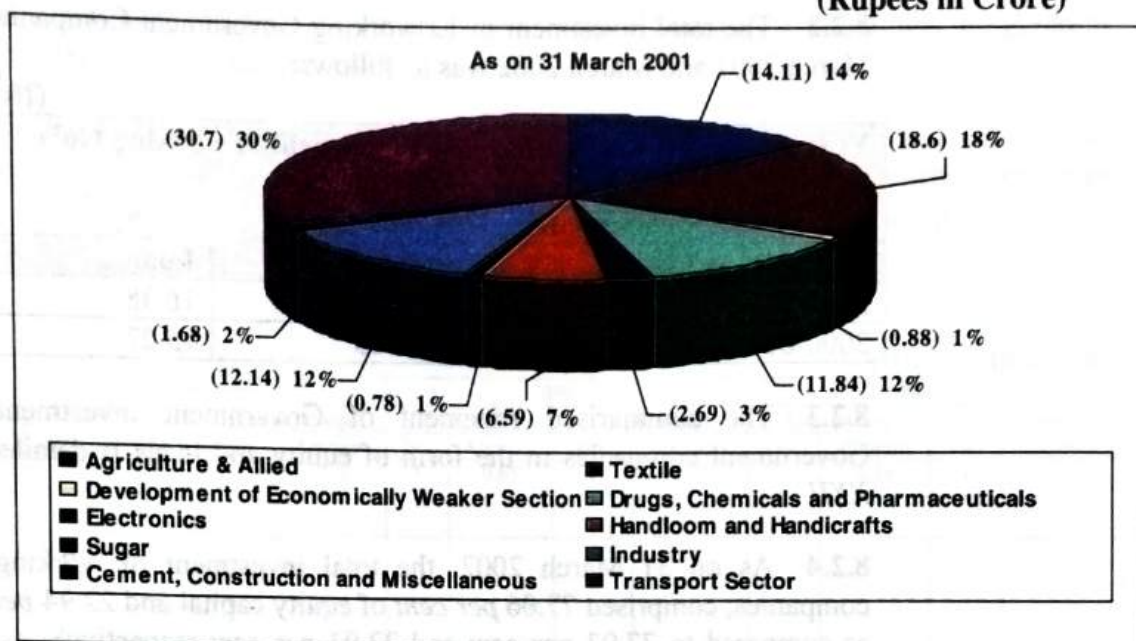
Year	Number of working PSUs	Investment in working PSUs (Rupees in crore)		
		Equity	Loan	Total
2001-02	14	87.23	16.38	103.61
2000-01	14	84.75	15.27	100.02

The analysis of investment in PSUs is given in the following paragraphs.

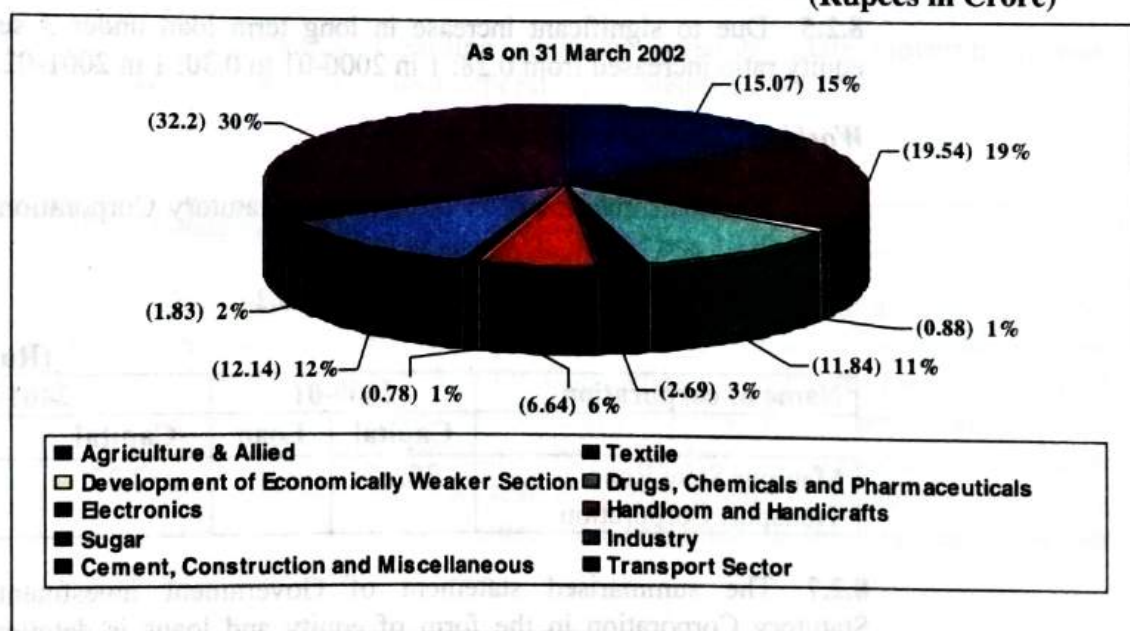
The investment (equity and long term loans) in various sectors and percentage thereof at the end of 31 March 2001 and 31 March 2002 are indicated below in the Pie Charts:

Chart 8.1

(Rupees in Crore)



(Rupees in Crore)



Sector-wise investment in working Government companies and Statutory Corporations

Working Government companies

8.2.2 The total investment in 13 working Government Companies at the end of March 2001 and March 2002 was as follows:

(Rupees in crore)

Year	Number of Government Companies	Investment in working Government Companies		
		Equity	Loan	Total
2001-02	13	55.03	16.38	71.41
2000-01	13	54.05	15.27	69.32

8.2.3 The summarised statement of Government investment in working Government companies in the form of equity and loans is detailed in *Appendix XXII*

8.2.4 As on 31 March 2002, the total investment of working Government companies, comprised 77.06 per cent of equity capital and 22.94 per cent of loans as compared to 77.97 per cent and 22.03 per cent respectively as on 31 March 2001.

8.2.5 Due to significant increase in long term loan under 3 sectors the debt equity ratio increased from 0.28: 1 in 2000-01 to 0.30: 1 in 2001-02.

Working Statutory corporations

8.2.6 The total investment in the working Statutory Corporation at the end of March 2001 and March 2002 was as follows:

Table No. 8.2

(Rupees in crore)

Name of corporation	2000-01		2001-02	
	Capital	Loan	Capital	Loan
Manipur State Road Transport Corporation	30.70	—	32.20	—

8.2.7 The summarised statement of Government investment in working Statutory Corporation in the form of equity and loans is detailed in *Appendix XXII*.

8.3 Budgetary outgo, grants/subsidies, guarantees and waiver of dues and conversion of loans into equity

8.3.1 The details regarding budgetary outgo, grants/subsidies, guarantees issued, waiver of dues and conversion of loans into equity by the State Government to working Government companies and working Statutory corporations are given in *Appendices XXII and XXIV*.

8.3.2 The budgetary outgo (in the form of equity capital and loans) and grants/subsidies from the State Government to working Government companies and working Statutory Corporation for the 3 years up to 2001-02 are given below:

Table No. 8.3

(Rupees in crore)

	1999-2000				2000-01				2001-02			
	Companies		Corporations		Companies		Corporations		Companies		Corporations	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Equity Capital outgo from budget	3	3.32	1	1.20	1	0.65	1	1.87	3	0.98	1	1.50
Grants/subsidy toward:												
(i) Projects/Programmes/Schemes	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Other subsidy	1	0.49	-	-	1	0.20	-	-	2	0.59	-	-
Total outgo	4	3.81	1	1.20	2	0.85	1	1.87	5	1.57	1	1.50

8.3.3 No information regarding guarantee given by State Government was received from the Companies/Corporation (September 2002).

8.4 Finalisation of accounts by working PSUs

8.4.1 The accounts of the companies for every financial year are required to be finalised within six months from the end of relevant financial year under Section 166, 210, 230, 619 and 619-B of the Companies Act, 1956 read with Section 19 of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in case of Statutory corporations their accounts are finalised, audited and presented to the Legislature as per provisions of their respective Acts.

8.4.2 However, as could be noticed from *Appendix XXIII*, out of 14 working PSUs (13 Government companies and one Statutory Corporation) none have finalised their accounts for the year 2001-02 within stipulated period. During the period from October 2001 to September 2002, 3 working Government companies finalised their accounts for previous years.

8.4.3 The accounts of 13 working Government companies and one Statutory corporation were in arrears for periods ranging from 5 years to 20 years as on 30 September 2002 as detailed below:

Table No. 8.4

Sl. No.	No. of working companies /corporations Number of years for which accounts are in arrears		Year from which accounts are in arrears	Number of years for which accounts are in arrear	Reference to SLNo. of Appendix 2	
	Government companies	Statutory corporation			Government companies	Statutory corporation
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2	—	1982-83	20	5 & 8	-
2.	1	—	1984-85	18	2	-
3.	1	—	1987-88	15	6	-
4.	1	—	1988-89	14	1	-
5.	1	—	1989-90	13	3	-
6.	1	—	1990-91	12	13	-
7.	1	1	1991-92	11	10	B1
8.	3	—	1995-96	7	4,7,8, & 9	—
9.	2	—	1997-98	5	11 & 12	-

8.4.4 The administrative departments have to oversee and ensure that the accounts are finalised and adopted by the PSUs within prescribed period. Though the concerned administrative departments and officials of the Government were appraised quarterly by the audit regarding arrears in finalisation of accounts, no effective measures had been taken by the Government and as a result, the investments made in these PSUs could not be assessed in audit.

8.5 Financial position and working results of working PSUs

8.5.1 The summarised financial results of working PSUs (Government companies and Statutory Corporation) as per latest finalised accounts are given in *Appendix XXIII*. Besides, statement showing financial position and working results of individual working Statutory Corporation for the latest three years for which accounts are finalised are given in *Appendices XXV* and *XXVI* respectively.

8.5.2 According to the finalised accounts of 13 working Government companies and 1 working Statutory corporation, 5 companies and 1 corporation had incurred an aggregate loss of Rs.1.81 crore and Rs.1.98 crore respectively, 4 companies earned an aggregate profit of Rs.0.54 crore and 4 companies had not commenced commercial activities.

8.6 Working Government companies

Profit earning working companies and dividend

8.6.1 None of the 4 profit making companies as per latest finalised accounts declared any dividend.

Loss incurring working Government companies

8.6.2 Of the 5 loss incurring working Government companies, 4 companies had accumulated losses aggregating Rs.5.00 crore which exceeded their aggregate paid up capital of Rs.2.37 crore.

Working Statutory corporations

Loss incurring working Statutory corporation

8.6.3 According to the latest audited accounts (as on 31 March 1991) Manipur State Road Transport Corporation had accumulated loss aggregating to Rs.16.70 crore which was 99 *per cent* of its aggregate paid up capital of Rs.16.80 crore. In spite of this, the State Government continued to provide financial support by way of equity capital of Rs.1.50 crore during 2001-02 to the corporation.

Operational performance of Statutory corporation

8.6.4 The operational performance of Manipur State Road Transport Corporation is given in *Appendix XXVII*.

Return on capital employed

8.6.5 As per latest accounts, the capital employed worked out to Rs.20.19 crore in 13 working companies and total return thereon amounted to Rs.0.71 crore which is 3.50 *per cent* as compared to total return of Rs.1.27 crore (7.16 *per cent*) in the previous year (accounts finalised up to September 2001). Similarly, the capital employed in case of working Statutory corporation as per the latest accounts worked out to Rs.0.29 crore. The details of capital employed and total return on capital employed in case of working Government companies and Statutory corporation are given in *Appendix XXIII*.

8.7 Non-working PSUs

Investment in non-working PSUs

8.7.1 As on 31 March 2002, the total investment in 2 non-working PSUs (2 non-working Government companies only) was Rs.1.15 crore (equity Rs.1.15 crore) as against total investment of Rs.1.15 crore (equity Rs.1.15 crore) as on 31 March 2001.

Table No. 8.5

(Rupees in crore)

Sl No.	Status of non-working PSUs	Number of companies	Investment
			Companies
			Equity
(i)	Under liquidation	1	0.42
(ii)	Under closure	1	0.73
	Total	2	1.15

8.7.2 Of the above non-working PSUs one Government company was under liquidation under Section 560 of the Companies Act, 1956 for 3 years and substantial investment of Rs.0.42 crore was involved in this company. Effective steps need to be taken for its expeditious liquidation or revival.

Finalisation of accounts by non-working PSUs

8.7.3 The accounts of 2 non-working companies were in arrear for periods ranging from 9 years to 11 years as on 30 September 2002 as could be noticed from *Appendix XXIII*.

Financial position and working results of non working PSUs

8.7.4 The summarised financial results of non-working Government companies as per latest finalised accounts are given in *Appendix XXIII*.

8.7.5 The year wise details of paid-up capital, net worth, cash loss/cash profits and accumulated loss/accumulated profit of non working PSUs as per their latest finalised accounts are given below:

Table No. 8.6

(Rupees in crore)

Year	Paid-up capital	Net worth	Cash loss (-)/cash profit (+)	Accumulated loss (-)/accumulated profit (+)
A. Non working companies	1.15	NA ¹	NA	(-) 1.50
Total	1.15	NA	NA	(-) 1.50

8.8 Status of placement of Separate Audit Reports of Statutory Corporation in Legislature

Separate Audit Reports on the accounts of the Manipur State Road Transport Corporation for the years 1981-82 to 1990-91 along with Audit Certificates had been sent to the State Government in June 1997. No information had been received (September 2002) from the Government regarding placement of the Reports in the State Legislature.

¹ Not available

8.9 Results of audit by Comptroller and Auditor General of India

8.9.1 During the period from October 2001 to September 2002, the audit of accounts of 3 Government companies were selected for review. The net impact of the important audit observations as a result of review were as follows:

Table No. 8.7

(Rupees in lakh)

Details	Number of accounts	
	Government companies	Government companies
	Working	Working
(i) Decrease in loss	1	0.43
(ii) Non-disclosure of material facts	1	1.00

8.9.2 Errors and Omissions noticed in case of Government Companies

(a) Manipur Police Housing Corporation Ltd. (1993-1994)

General

Certification of accounts for the year 1993-94 before adoption of previous years accounts.

The accounts for the year 1993-94 has been certified on 18.6.1998 by the Statutory Auditors before adoption of the previous years certified account in the Annual General Meeting (AGM) held on 4.4.2001 which is in contravention of the provisions for certification of annual accounts under the Companies Act.

(b) Manipur Cement Limited. (1990-1991)

General

The Statutory Auditors certified (February 2001) the accounts on the basis of the report (April 1992) of the internal auditor of the Company (Ref: Item No. 1 of Annexure-1 to Auditors Report).

Apart from non-availability of books of accounts, alteration of balances of the previous year after adoption by AGM was noticed. Both assets and liabilities figures were altered from Rs.39.42 lakh to Rs.284.81 lakh without any basis or explanation, and Profit and loss Accounts showed a loss of Rs.19.59 lakh instead of a profit of Rs.11.43 lakh for the period ending 31 March 1990 in the accounts for the year ended 31 March 1991.

In view of the above, the Balance Sheet as on 31 March 1991 and the Profit & Loss Account for the year ended 31 March 1991 do not reflect true and fair view of financial position and working results of the Company.

8.10 Recommendations for Closure of PSUs

8.10.1 Two Government companies (Manipur Agro-Industries Corporation Limited and Manipur Handloom and Handicrafts Development Corporation Limited) one working Statutory Corporation (Manipur State Road Transport Corporation) had been incurring losses for five consecutive years (as per latest finalised accounts) leading to negative net worth. In view of poor turnover and continuous losses, the Government may either improve performance of above two Government companies and one Statutory corporation or consider their closure.

8.11 Response to Inspection Reports, Draft paras and reviews

8.11.1 Audit observations noticed during audit and not settled on the spot are communicated to the head of PSUs and concerned departments of the State Government through Inspection Reports. The heads of PSUs are required to furnish replies to the Inspection Reports through respective heads of departments within a period of six weeks. Inspection Reports issued up to March 2002 pertaining to 13 PSUs disclosed that 203 paragraphs relating to 38 Inspection Reports remained outstanding at the end of September 2002. Of these 85 paragraphs relating to 13 Inspection Reports had not been replied for more than 2 to 9 years. Department-wise break-up of Inspection Reports and Audit Observations outstanding as on 30 September 2002 is given in *Appendix XXVIII*.

8.11.2 Similarly, draft paragraphs and reviews on the working of PSUs are forwarded to the Principal Secretary/Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks. It was however observed that one draft paragraph forwarded to the Tribal Development Department in July 2002 had not been replied to so far (October 2002).

8.11.3 It is recommended that (a) the Government should ensure that procedure exists for action against the officials who failed to send replies to Inspection Reports/draft paragraphs/reviews as per the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayment in a time bound schedule and (c) revamping the system of responding to the audit observations.

8.12 Position of discussion of Commercial Chapter of the Audit Report by the Committee on Public Undertakings (COPU)

8.12.1 The status of Commercial Chapter (Chapter-VIII) of the Audit Report and number of reviews/paragraphs pending for discussion at the end of 30 September 2002 are as shown below:

Table No. 8.8

Period of Audit Report	No. of reviews and paragraphs appeared in the Audit Report		No. of reviews/paragraphs pending for discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1995-96	-	3	-	3
1996-97	1	4	1	4
1997-98	-	2	-	2
1998-99	-	2	-	2
1999-2000	2	4	2	4
2000-01	1	2	1	2

8.13 Reforms in Power Sector

A draft MOU between Government of India and Government of Manipur was sent to the Government of India in May 2002 but the same is yet to be signed (October 2002).

SECTION "A" REVIEW

NIL

SECTION "B" PARAGRAPHS

TRIBAL AND BACKWARD CLASSES DEVELOPMENT DEPARTMENT

MANIPUR TRIBAL DEVELOPMENT CORPORATION LIMITED

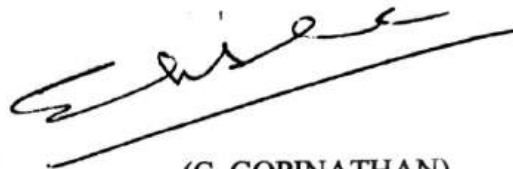
8.14 Sales tax deducted at source but not remitted into treasury

Sales tax of Rs.11.98 lakh not deposited in Government account making the Company liable to the tune of Rs.17.97 lakh

8.14.1 Under the State Government Notification dated 10 December 1990, any corporation established by the Central/State Government is required to deduct sales tax at source from the bill of the supplier/contractor and deposit the same into Government account within 7 days from the date of deduction; failing which the corporation shall be liable to pay by way of penalty one and a half times of the tax in addition to the tax payable.

8.14.2 Test check of records (October 2001) of the Manipur Tribal Development Corporation Ltd. revealed that the Corporation during March 2000 to July 2001 deducted sales tax amounting to Rs.11.98 lakh at source from the contractors bill. However, this tax was not deposited in the Government account till June 2002. As per the extant rules, Corporation would be liable to pay penalty amounting to Rs.17.97 lakh (one and a half times of Rs.11.98 lakh) on the amount of Sales tax not deposited in the Government account. The Corporation stated (June 2002) that the delay in deposit of Sales tax was due to non-availability of funds and the amount would be deposited early.

8.14.3 The matter was referred to Government (December 2001); their reply had not been received (June 2002).



(C. GOPINATHAN)
Accountant General (Audit) Manipur

Imphal
The **01 APR 2003**

Countersigned



(VIJAYENDRA N. KAUL)
Comptroller and Auditor General of India

New Delhi
The **07 APR 2003**

shall be read as the full amount till page 11

the same portion to the amount of Government in the same

Page 11 - Government in the same

the same

the same shall be read as the full amount till page 11

the same shall be read as the full amount till page 11

the same shall be read as the full amount till page 11

APPENDICES

the same shall be read as the full amount till page 11

II. Form of Annual Accounts

the same shall be read as the full amount till page 11

APPENDIX I

(Referred to in Paragraph 1.1; page 1)

Statement showing the structure of Government Accounts

Part-A - Government Accounts

I. Structure

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part-I Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This part consists of two main divisions, namely Revenue Account (Revenue receipts and Revenue expenditure) and Capital Account (Capital receipts, Capital expenditure, Public Debt and Loans *etc.*).

Part-II Contingency Fund

The Contingency Fund in respect of Government of Manipur has not yet been created.

Part-III Public Account

Receipts and disbursement in respect of small savings, provident funds, deposits, reserve funds, suspense, remittance *etc.*, which do not form part of the Consolidated Fund, are accounted for in the Public Account and are not subject to vote by the State Legislature.

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes viz., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government *vis-à-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

APPENDIX- IB

(Referred to in paragraph 1.11.2 at page 18)

Part B. List of Indices/ ratios and basis for their calculation

Indices/ ratio		Basis for calculation
Sustainability		
Balance from the current revenue	BCR	Revenue Receipts minus all Plan grants (under Major Head 1601- 02.03.04) and Non-Plan revenue expenditure
Primary Deficit		Fiscal Deficit minus Interest payments
Interest Ratio		$\frac{\text{Interest payments} - \text{Interest receipts}}{\text{Total revenue receipts} - \text{Interest receipts}}$
Capital Outlay Vs Capital receipts	Capital Outlay	Capital expenditure as per Statement No. of the Finance Accounts
	Capital receipts	Internal Loans (net of ways and means advances) + Loans and advances from Government of India + Net receipts from small savings, PF etc. + Repayment received of loans advanced by the State Government — Loans advanced by the State Government
Total tax receipts Vs GSDP		Statement 1 of Finance Accounts
State tax receipts Vs GSDP		State Tax receipts plus State's share of Union taxes
Flexibility		
- Balance from current revenues Capital Repayments Vs Capital Borrowings	Capital Repayments	As above Disbursements under Major heads 6003 and 6004 minus repayments on account of Ways and Means Advances/ Overdraft under both the major heads
	Capital borrowings	Addition under Major Heads 6003 & 6004 minus addition on accounts of Ways & Means advances/overdraft under both the major heads
- Total Tax receipts Vs GSDP	State Tax Receipts	Statement 1 of Finance Accounts
	Total Tax Receipts	State Tax receipts plus State's share of Union Taxes
- Debt Vs GSDP	Debt	Borrowings and other obligations at the end of the year (Statement No.3 of the Finance Accounts)
Vulnerability		
- Revenue deficit		Revenue Expenditure minus Revenue Receipts (Para 1.9.4.2 of Audit Report)
- Fiscal Deficit		Total expenditure minus Revenue receipts and non-debt public receipts (Para 1.9.4.3 of Audit Report)
- Primary Deficit Vs Fiscal Deficit	Primary Deficit	Fiscal Deficit minus interest payments
Total outstanding guarantees including letters of comfort Vs Total revenue receipts of the Government	Outstanding guarantees	Table in Para 1.4.3
	Revenue Receipts	Exhibit I
Assets Vs Liabilities	Assets and Liabilities	Table in Para 1.2

APPENDIX- II
Working sheet for indicators of financial performance of Government
(Referred to Table no.1.15 at page 20)

(Rupees in crore)

Sl. No.	Particulars	2001-02
1 (a)	Revenue receipts	1176.78
(b)	Less all plan grants under MH-1601 (02+03+04+05)	604.30
(c)	Less non-plan revenue expenditure	1139.21
(d)	Balance from current revenues (BCR)	(-) 566.73
2 (a)	Interest Receipts (0049)	1.00
(b)	Interest payments (2049)	191.41
(c)	Net interest payments (b-a)	190.41
(d)	Revenue receipts - Interest Receipts (1(a)-2(a))	1175.78
(e)	Interest Ratio (2c/2d)	0.16
3.	Capital outlay (Capital Expenditure)	175.46
4.	Capital Receipts	
(a)	Addition under 6003-Internal Debt (-) Ways and Means Advances	1539.18
(b)	Addition under 6004 Loans from Central Government (-) W & M Advances	(-) 981.93
(c)	Net receipts under small savings, PF etc.	41.30
(d)	Miscellaneous Capital Receipts (4000)	—
(e)	Net loans and advances (Receipts- repayments)	(-) 3.67
(f)	Total (4a+b+c+d+e)	594.88
5.	Capital outlay/Capital Receipts (3/4f)	0.30
6.	Gross State Domestic Product (GSDP)	3590.76
7.	Total Tax Receipts (State Tax+State's Share of Union taxes)	193.15
8.	Total tax receipts/ GSDP (7/6)	0.05
9.	State Tax Receipts (Tax Revenue- Income Tax)	51.01
10.	State Tax Receipts/ GSDP (9/6)	0.01
11.	Total Investments (at the year end)	107.57
12.	Return on investments	0.08
13.	Ratio of return on investment	0.0008
14.	Capital repayment:-	
(a)	Disbursements under 6003 Internal Debt (-) Ways and Means Advances	1395.78
(b)	6004 Loans and Advances from Central Government (minus) W&M advances	(-) 796.28
(c)	Total (14a+b)	599.50
15.	Capital borrowings (4a+4b)	557.25
16.	Capital repayment/Capital borrowings (14c/15)	1.08
17.	Debt	
(a)	Borrowings (Closing balance of the year)	1424.01
(b)	Other obligations (Closing balance of the year)	773.66
(c)	Total (17a+b)	2197.67
18.	Debt/GSDP (17c/b)	0.61
19.	Revenue Deficit	161.18
20.	Fiscal Deficit (Revenue Expenditure + Capital Expenditure+Net Loans and Advances) minus (Revenue Receipts+Miscellaneous Capital receipts)	340.31
21.	Primary Deficit (Fiscal Deficit minus Interest payments)- (20-2(b))	148.90
22.	PD/FD (21/20)	0.44
23.	RD/FD (19/20)	0.47
24.	Outstanding guarantees + Interest	23.70
25.	Outstanding guarantees/Revenue receipts (24/1(a))	0.02
26.	Assets	2989.00
27.	Liabilities	2197.53
28.	Assets/Liabilities (26/27)	1.36

APPENDIX III

(Referred to paragraph 2.4.3 at page 26)

Cases where Supplementary Provisions were wholly unnecessary

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Original grant/appropriation	Supplementary grant/appropriation	Expenditure	Savings
1	2	3	4	5	6
	Revenue Voted				
1	6- Transport	173.51	23.33	165.07	31.77
2	7- Police	14966.85	89.08	13993.54	1062.39
3	11- Medical, Health and Family Welfare Services	7060.08	1287.48	6843.55	1504.01
4	16- Co-operation	767.16	83.47	765.21	85.42
5	18- Animal Husbandry and Veterinary including Dairy Farming	2257.87	127.35	1985.42	399.80
6	19- Forestry and Soil Conservation	1759.88	555.94	1641.41	674.41
7	23- Power	11460.00	40.50	10130.85	1369.65
8	25- Youth Affairs and Sports	799.39	0.56	723.45	76.50
9	26- Administration of Justice	619.99	109.75	483.97	245.77
10	31- Fire Protection and Control	331.74	2.61	266.42	67.93
11	32- Jails	493.85	11.36	437.45	67.76
12	35- Stationery and Printing	254.05	27.39	232.23	49.21
13	36- Minor Irrigation	898.84	883.90	626.27	1156.47
14	38- Panchayet	474.99	71.73	326.01	220.71
15	40- Irrigation and Flood Control Department	2610.20	207.80	1473.51	1344.49
16	44- Social Welfare	2155.61	351.59	2018.33	488.87
17	46- Science and Technology	247.59	196.05	177.32	266.32
	Total (Revenue-Voted)	47331.60	4069.89	42290.01	9111.48
	Capital- Voted				
18	10- Education	40.00	229.00	—	269.00
19	12- Municipal-Administration, Housing and Urban Development	1542.04	195.49	413.31	1324.22
20	22- Public Health Engineering	4283.41	2593.73	3878.53	2998.61
21	25- Youth Affairs and Sports	104.00	8.00	8.00	104.00
22	37- Fisheries	1.24	48.77	—	50.01
23	40- Irrigation and Flood Control Department	5650.50	2140.44	4159.54	3631.40
24	43- Horticulture and Soil Conservation	25.00	120.00	4.16	140.84
25	45- Tourism	121.06	51.63	3.00	169.69
	Total (Capital- Voted)	11767.25	5387.06	8466.54	8687.77
	Grand Total	59098.85	9456.95	50756.55	17799.25

APPENDIX- IV

(Referred to paragraph 2.4.4 at page 26)

Cases where supplementary provisions were made in excess of actual requirement resulting in saving exceeding Rs.10 lakh in each case

(Rupees in lakh)

Sl. No.	Number and name of grant/ appropriation	Original provision	Expenditure	Additional requirement	Supplementary provision obtained	Saving
1	2	3	4	5	6	7
	Revenue – Voted					
1	3- Secretariat	1792.52	1814.28	21.76	122.34	100.58
2	4- Finance Department	9683.51	14500.77	4817.26	7696.44	2579.18
3	12- Municipal Administration, Housing and Urban Development	373.35	993.05	619.70	800.98	181.28
4	14- Development of Tribal and Scheduled Castes	5749.43	7769.66	2020.23	2278.14	257.91
5	17- Agriculture	1900.04	2148.90	248.86	421.61	172.75
6	20- Community Development, ANP, IRDP and NREP	2104.15	2451.09	346.94	846.00	499.06
7	27- Election	147.33	591.95	444.62	465.45	20.83
8	29- Sales Tax, Duties on Commodities and Services	150.50	183.62	33.12	44.25	11.13
9	30- General Economic Services and Planning	1384.21	2117.13	732.92	1356.88	623.96
10	37- Fisheries	778.06	882.25	104.19	159.01	54.82
11	39- Sericulture	695.76	696.63	0.87	69.24	68.37
12	42- State Academy of Training	51.94	55.97	4.03	24.56	20.53
	Total	24810.80	34205.30	9394.50	14284.90	4890.40
	Capital – Voted					
13	6- Transport	—	150.00	150.00	200.00	50.00
14	01- Medical, Health and Family Welfare Services	10.00	215.54	205.54	481.72	276.18
15	16- Co-operation	0.01	432.46	432.45	960.77	528.32
16	17- Sericulture	133.00	230.00	97.00	130.00	33.00
17	21- Industries and Weights and Measures	38.00	243.00	205.00	402.93	197.93
18	23-Power	2100.04	2150.56	50.52	2353.96	2303.44
19	41- Art and Culture	—	103.23	103.23	448.00	344.77
20	47- Welfare of Minorities and Backward Classes	—	30.00	30.00	88.92	58.92
	Total	2281.05	3554.79	1273.74	5066.30	3792.56
	Grand Total	27091.85	37760.09	10668.24	19351.20	8682.96

APPENDIX V
(Referred to paragraph 2.4.5 at page 26)
Statement showing the details of excess over grants/appropriation

Sl. No.	Number and names of grants/appropriation	Total grants/appropriation Rs.	Expenditure Rs.	Excess Rs.
1	2	3	4	5
1	Appropriation No.2- Interest Payment and Debt Services (Revenue) charged	1,77,19,59,000	1,91,40,74,409	142115409
2	8- Public Works Department (Revenue) charged	9,72,0000	21,30,372	11,58,372
	Total	1,77,29,31,000	1,91,62,04,781	14,32,73,781
3	21- Industries and Weights and Measures (Revenue) voted	21,05,68,000	22,81,22,465	1,75,54,465
4	33- Home Guards (Revenue) voted	4,22,35,000	4,45,44,273	23,09,273
5	34- Rehabilitation (Revenue) voted	78,43,000	1,44,48,742	66,05,742
6	41- Art and Culture (Revenue) voted	4,09,40,000	4,16,22,861	6,82,861
7	45- Tourism (Revenue) voted	1,19,95,000	1,26,72,159	6,77,159
	Total	31,35,81,000	34,14,10,500	2,78,29,500
8	Appropriation No.2- Interest Payment and Debt Services (Capital) charged	11,79,92,40,000	20,58,01,57,181	8,78,09,17,181
	Total	11,79,92,40,000	20,58,01,57,181	8,78,09,17,181
	Grand total	13,88,57,52,000	22,83,77,72,462	8,95,20,20,462

APPENDIX -VI

(Referred to paragraph 2.4.6 at page 26)

Inadequate Supplementary grant/ appropriation resulting in uncovered excess over grants/appropriation exceeding Rs.10 lakh in each case

(Rupees in lakh)

Sl. No.	Number and name of grants/ appropriation	Original provision	Supplementary provision	Total expenditure	Excess
1	2	3	4	5	6
	Revenue - Voted				
1	21- Industries and Weights and Measures	1435.33	670.35	2281.22	175.54
2	34- Rehabilitation	76.30	2.13	144.49	66.06
	Total	1511.63	672.48	2425.71	241.60
	Revenue - Charged				
3	Appropriation No.2- Interest Payment and Debt Services	15884.02	1835.57	19140.74	1421.15
4	8- Public Works Department	8.50	1.22	21.30	11.58
	Total	15892.52	1836.79	19162.04	1432.73
	Capital - Charged				
5	Appropriation No.2- Interest Payment and Debt Services	85223.12	32769.28	205801.57	87809.17
	Total	85223.12	32769.28	205801.57	87809.17
	Grand Total	102627.27	35278.55	42,16,832	89483.50

APPENDIX VII

(Referred to paragraph 2.4.7 at page 26)

Grants where expenditure fell short of total provision by more than Rs.1 crore and also by more than 10 per cent of total provision

(Rupees in crore)

Sl. No.	Number and name of grant/ appropriation	Total grant/ appropriation	Amount of saving and its percentage to the provision
1	2	3	4
	Revenue –Voted		
1	1- State Legislature	6.68	1.50 (22)
2	4- Land Revenue, Stamps and Registration and District Administration	25.97	6.66 (26)
3	5- Finance Department	173.80	28.79 (17)
4	8- Public Works Department	70.81	19.09 (27)
5	11- Medical, Health and Family Welfare Services	83.48	15.04 (18)
6	12- Municipal Administration, Housing and Urban Development	11.74	1.81 (15)
7	15- Food and Civil Supplies	5.15	1.34 (26)
8	18- Animal Husbandry and Veterinary including Dairy Farming	23.85	4.00 (17)
9	19- Forestry and Soil Conservation	23.16	6.74 (29)
10	20- Community Development, ANP, IRDP and NREP	29.50	4.99 (17)
11	22- Public Health Engineering	21.24	7.01 (33)
12	23- Power	115.00	13.70 (12)
13	26- Administration of Justice	7.30	2.46 (34)
14	28- State Excise	6.13	1.24 (20)
15	30- General Economics Services and Planning	27.41	6.24 (23)
16	36- Minor Irrigation	17.83	11.56 (65)
17	38- Panchayat	5.47	2.21 (40)
18	40- Irrigation and Flood Control Department	28.18	13.44 (48)
19	44- Social Welfare	25.07	4.89 (20)
20	46- Science and Technology	4.44	2.66 (60)
	Total	712.21	155.37
	Capital Voted		
21	7- Police	2.10	2.10 (100)
22	8- Public Works Department	50.07	20.68 (41)
23	10- Education	2.69	2.69 (100)
24	11- Medical, Health and Family Welfare Services	4.92	2.76 (56)
25	12- Municipal Administration, Housing and Urban Development	17.38	13.24 (76)
26	15- Food and Civil Supplies	3.00	3.00 (100)
27	16- Co-operation	9.61	5.28 (55)
28	21- Industries and Weights and Measures	4.41	1.98 (45)
29	22- Public Health Engineering	68.77	29.99 (44)
30	23- Power	44.54	23.04 (52)
31	25- Youth Affairs and Sports	1.12	1.04 (93)
32	36- Minor Irrigation	10.52	8.97 (85)
33	39- Sericulture	46.54	37.49 (81)
34	40- Irrigation and Flood Control Department	77.91	36.31 (47)
35	41- Art and Culture	4.48	3.45 (77)
36	43- Horticulture and Soil Conservation	1.45	1.41 (97)
37	45- Tourism	1.73	1.70 (98)
	Total	351.24	195.13
	Grand Total	1063.45	350.50

APPENDIX VIII

(Referred to paragraph 2.4.8 at page 27)

Cases where persistent saving in excess of Rs.10 lakh in each case and 20 per cent or more of the provision

Sl. No.	Number and name of grant	1999-2000		2000-01		2001-02	
		Total grant	Total saving (percentage to the total provision)	Total grant	Total saving (percentage to the total provision)	Total grant	Total saving (percentage to the total provision)
1	2	3	4	5	6	7	8
1	10- Education (Capital Voted)	1340.50	1340.50 (100)	872.00	872.00 (100)	269.00	269.00 (100)
2	15- Food and Civil Supplies (Revenue- Voted)	594.57	47.74 (8)	557.90	189.59 (34)	515.28	134.25 (26)
3	17- Agriculture (Capital - Voted)	227.00	90.43 (40)	183.00	117.73 (64)	263.00	33.00 (13)
4	23- Power (Revenue Voted)	7739.38	4037.07 (52)	7838.65	2443.29 (31)	11500.50	1369.65 (12)
5	30- General Economic Services and Planning (Revenue Voted)	4643.80	3385.63 (73)	3120.09	2338.12 (75)	2741.09	623.96 (23)
6	36- Minor Irrigation (Revenue Voted)	785.86	274.62 (35)	1525.83	1211.63 (79)	1782.74	1156.47 (65)
7	39- Sericulture (Capital Voted)	1150.00	1125.80 (98)	3660.00	3246.41 (89)	4654.00	3749.07 (81)
8	40- Irrigation and Flood Control Department						
	(a) Revenue Voted	3324.76	826.85 (25)	2113.28	501.81 (24)	2818.00	1344.49 (48)
	(b) Capital Voted	5689.25	1721.12 (30)	5782.71	3653.83 (63)	7790.94	3631.40 (47)
9	41- Art and Culture (Capital voted)	546.53	546.53 (100)	326.37	38.00 (12)	448.00	344.77 (77)
10	45- Tourism (Capital Voted)	54.30	39.86 (73)	121.06	121.06 (100)	172.69	169.69 (98)

APPENDIX IX

(Referred to paragraph 2.4.10 at page 27)

Cases where expenditure exceeded the approved provision by 25 lakh or more and by more than 10 per cent of the total provision

Sl No.	Number and name of grant/ appropriation	Total grant/ appropriation	Expenditure	Excess amount
1	2	3	4	5
1	34- Rehabilitation (Revenue- Voted)	78.43	144.49	66.06 (84)
2	Appropriation No.2- Interest Payment and Debt Services (Capital Charged)	117992.40	205801.57	87809.17 (74)

APPENDIX X

(Referred to in paragraph 2.4.11 at page 27)

Cases of injudicious/unnecessary re-appropriation resulting in excess/saving by over
Rs.50 lakh

SLNo.	Number and name of grant/ appropriation and head of account	(Rupees in lakh)				
		Provision (including supplementary)	Re-appropriation	Total grant	Actual expenditure	Saving(-)/ Excess(+)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Appropriation No.2 - Interest Payment and Debt Services					
	2049- Interest Payment (Non-Plan) (Charged)					
	200- Interest on Other Internal Debt					
	112145- Rural Electrification Corporation	1472.30	(+) 154.58	1626.88	813.70	(-)813.18
	112526- Special Securities issued to NSSF of Central Government by State Government	282.74	(+) 17.26	300.00	—	(-)300.00
	6003- Internal Debt of the State (charged)					
	108-Loans from National Co-operative Development Corporation					
	111731- Loans from National Co-operative Development Corporation	140.00	(+) 111.17	251.17	2.95	(-) 248.22
	209- Loans from Other Institutions					
	111727- Loans from HUDCO	600.00	(+) 149.84	749.84	—	(-) 749.84
	6004- Loans and Advances from Central Government (charged)					
	02- Loans for State/Union Territories Plan Schemes					
	101- Block Loans					
	111116- Block Loans	1863.20	(-) 546.55	1316.65	1547.94	(+) 231.29
2	Grant No.4 – Land Revenue, Stamps and Registration and District Administration					
	2245- Relief on account of Natural Calamities (Non-Plan)					
	80- General					
	800- Other Expenditure					
	112263- State Calamity Relief Fund	301.00	(+) 15.00	316.00	—	(-) 316.00
3	Grant No.7 – Police					
	2055- Police (Non-Plan)					
	001- Direction and Administration					
	111001- Direction	754.51	(+) 366.73	1121.24	1067.65	(-) 53.59
	111150- Centralised Procurement	260.00	(+) 270.00	530.00	341.79	(-) 188.21
	104- Special Police					
	111007- 12 th Bn. Manipur Rifles (2 nd IRB)	778.12	(+) 25.52	803.64	738.06	(-) 65.58
	112063- 13 th Bn. Manipur Rifles (3 rd IRB)	3.16	(+) 506.21	509.37	284.08	(-) 225.29
	109- District Police					
	111571- Imphal East District	280.28	(+) 135.55	415.83	282.47	(-) 133.36
	2055- Police (Plan)					
	800- Other Expenditure					
	271218- Schemes under EFC Award	258.35	(+) 0.65	259.00	—	(-) 259.00
	2059- Public Works (Non- Plan)					
	80- General					

(1)	(2)	(3)	(4)	(5)	(6)	(7)
4	Grant No.8 – Public Works Department					
	001- Direction and Administration					
	111001- Direction	158.06	(-) 24.21	133.85	206.03	(+) 72.18
	4059- Capital Outlay on Public Works (Plan)					
	01- Office Buildings					
	101- Construction of general Pool Accommodation					
	211216- Construction of Non-Residential PAB Buildings Valley Areas	353.29	(+) 277.26	630.55	385.13	(-) 245.42
	4216- Capital Outlay on Housing (Plan)					
	01- Government Residential Buildings					
	106- General Pool Accommodation					
	211126- Buildings at State Capital Valley Areas	130.00	(+) 223.00	353.00	50.12	(-) 302.88
	5054- Capital Outlay on Roads and Bridges (Plan)					
	800- Other Expenditure					
	211936- Other District Roads (Minimum Needs Programme) Hill Areas	43.55	(+) 40.45	84.00	13.69	(-) 70.31
	5054- Capital Outlay on Roads and Bridges (CPS)					
	04- District and Other Roads					
	800- Other Expenditure					
	412509- Bridges Works of Central Road Fund	—	(+) 137.24	137.24	—	(-) 137.24
	4552- Capital Outlay on North Eastern Areas (NEC)					
	337- Road Works					
	511874- NEC Works Hill Areas	500.00	(+) 40.00	540.00	368.35	(-) 171.65
5	Grant No.10 -. Education					
	2202- General Education (Non-Plan)					
	104- Inspection					
	112015- Primary School	199.71	(-) 52.76	146.95	200.91	(+) 53.96
	2202- General Education (Plan)					
	191- Assistance to Local Bodies for Secondary Education					
	211082- Assistance to Local Bodies for Secondary Education Valley Areas	104.50	(+) 92.50	197.00	146.24	(-) 50.76
	800- Other Expenditure					
	212100- Remuneration of Part Time Lecturers Valley Areas	171.03	(+) 91.37	262.40	120.61	(-) 141.79
	2202- General Education (CSS)					
	05- Language Development					
	102- Promotion of MIL and Literature					
	312046- Propagation of Hindi	—	(+) 176.59	176.59	—	(-) 176.59
	2202- General Education (CPS)					
	80- General					
	411318- District Institute of Educational Training	92.85	(+) 176.77	269.62	160.98	(-) 108.64

(1)	(2)	(3)	(4)	(5)	(6)	(7)
6.	Grant No. 11- Medical, Health and Family Welfare Services					
	2210- Medical and Public Health (Plan)					
	03- Rural Health Services-Allopathy					
	104- Community Health Centres					
	211194- Community Health Centre					
	Hill Areas	17.42	(+) 64.36	81.78	—	(-) 81.78
	Valley Areas	114.98	(+) 23.24	138.22	86.15	(-) 52.07
	04- Rural Health Services-Other Systems of Medicine					
	200- Other Schemes					
	211861- Multipurpose Workers Schemes					
	Hill Areas	20.00	(+) 78.89	98.89	—	(-) 98.89
7.	Grant No.12-Municipal Administration Housing and Urban Development					
	2217- Urban Development(Plan)					
	800- Other Expenditure					
	212238- Solid Waste Management	1.00	(-) 1.00	—	71.57	(+) 71.57
	6216- Loans for Housing (Plan)					
	80- General					
	800- Other loans					
	211746- Low Income Group (LIC/GIC)					
	Valley Areas	842.00	(+) 240.00	1082.00	—	(-) 1082.00
8	Grant No.14-Development of Tribal and Scheduled Castes					
	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Plan)					
	02- Welfare of Scheduled Tribes					
	800- Other Expenditure					
	211313- District Council					
	Valley Areas	359.00	(+) 15.00	374.00	—	(-) 374.00
9	Grant No. 16- Co-operation					
	2425- Co-operation (NCDC)					
	106- Assistance to Multipurpose Rural Co-operatives					
	611180- Co-operative Development Programme	83.47	(+) 78.20	161.67	85.62	(-) 76.05
10	Grant No. 17- Agriculture					
	2401- Crop Husbandry (Plan)					
	001- Direction and Administration					
	212288- Strengthening of Agricultural Extension and Administration					
	Hill Areas	95.20	(-) 23.55	71.65	226.47	(+)154.82
	Valley Areas	283.42	(+) 23.55	306.97	153.43	(-)153.54
	2410- Crop Husbandry (CSS)					
	108- Commercial Crops					
	312505- Macro Management of Agriculture	—	(+) 189.00	189.00	137.44	(-) 51.56
11	Grant No. 19- Forestry and Soil Conservation					
	2406- Forestry and Wild Life (Plan)					
	102- Social and Farm Forestry					
	211023- 50% State share of Centrally Sponsored Schemes					
	Hill Areas	95.19	(+) 1.71	96.90	4.29	(-) 92.61
	Valley Areas	73.65	(+) 2.29	75.94	12.36	(-) 63.58

(1)	(2)	(3)	(4)	(5)	(6)	(7)
12	Grant No. 20- Community Development ANP, IRDP, and NREP					
	2501- Special Programme for Rural Development (Plan)					
	101- Subsidy to District Rural Development Agency					
	212312- Subsidy to District Rural Development Agency Valley Areas	10.00	(+) 169.80	179.80	—	(-) 179.80
	2505- Rural Employment (Plan)					
	01- National Programme					
	701- Jawahar Razgar Yojana					
	211360- Employment Assurance Scheme (20% of State share)					
	Hill Areas	35.00	(-) 35.00	—	204.90	(+) 204.90
	Valley Areas	—	(+) 209.03	209.03	—	(-) 209.03
	211673- Jawahar Razgar Yojna Hill Areas	45.40	(+) 69.90	115.30	—	(-) 115.30
	60- Other Programmes					
	800- Other Expenditure					
	211748- MLA's Local Area Development Programme Hill Areas	100.00	(+) 100.00	200.00	—	(-) 200.00
	2515- Other Rural Development programme (Plan)					
	800- Other Expenditure					
	231325- Rural Shelter programme (PMGV) Hill Areas	200.00	(-) 200.00	—	315.00	(+) 315.00
13	Grant No.21- Industries and Weights and Measures					
	2851- Village and Small Industries (Non-Plan)					
	003- Training					
	111508- Handicraft Training Centres	36.05	(-) 2.75	33.30	90.13	(+) 56.83
14	Grant No.22- Public Health Engineering					
	4215- Capital Outlay on Water Supply and Sanitation (Plan)					
	01- Water Supply					
	102- Rural Water Supply					
	212156- Rural Water Supply Valley Areas	887.78	(+) 14.66	902.44	782.54	(-) 119.90
15	Grant No. 23- Power					
	2801- Power (Non-Plan)					
	800- Other Expenditure					
	11580- Imphal Supply System	270.00	(-) 10.00	260.00	313.17	(+) 53.17
	4801- Capital Outlay on Power Project (Plan)					
	001- Direction and Administration					
	212495- Installation of 33 KV S/S at Kakwa Valley Areas	30.00	(+) 50.00	80.00	—	(-) 80.00
	01- Hydel Generation					
	001- Direction and Administration					
	211398- Execution Valley Areas	106.00	(+) 156.98	262.98	186.70	(-) 76.28
	06- Rural Electrification					
	799- Rural Electrification Schemes					

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	211618- Installation of 132 KV S/S at Kongba Valley Areas					
		524.00	(+) 76.00	600.00	203.00	(-) 397.00
	211824- Minimum Needs Programme Hill Areas	181.00	(-) 53.79	127.21	180.11	(+) 52.90
	211972- Pilferage Prove Domestic Energy Meter Single Phase/ Three Phase Valley Areas	26.00	(+) 104.00	130.00	48.46	(-) 81.54
	4801- Capital Outlay on power project (CSS)					
	05- Transmission and Distribution					
	800- Other Expenditure					
	312498- Accelerated Power Development Programme (CSS)					
	02- Upgrading of Transmission Network energy accounting Valley Areas	71.97	(+) 0.01	71.98	—	(-) 71.98
16	Grant No.30- General Economic Services and Planning					
	3451- Secretariat Economic Services (Plan)					
	092- Other Offices					
	211246- Crash Scheme for generation of Employment Valley Areas	233.76	(+) 36.24	270.00	121.00	(-) 149.00
17	Grant No.37- Fisheries					
	6405- Loans for Fisheries (Plan)					
	800- Other Loans					
	211521- Inland Fisheries Development Valley Areas	48.77	(+) 1.23	50.00	—	(-) 50.00
18	Grant No. 39- Sericulture					
	2851- Village and Small Industries (Plan)					
	107- Sericulture Industries					
	212139- Rotating Fund for Sericulture Project Valley Areas	69.24	(+) 30.76	100.00	—	(-) 100.00
19	Grant No.40- Irrigation and Flood Control Department					
	4701- Capital Outlay on Major and Medium Irrigation (Plan)					
	02- Major Irrigation (Non-Commercial)					
	051- Construction					
	211701- Khuga Irrigation project Hill Areas	2504.00	(+)1978.00	4482.00	2280.00	(-)2202.00
	212215- Singda Irrigation Project Hill Area	97.00	(+)97.00	194.00	117.09	(-)76.91
	212348- Thoubal River Irrigation Project Hill Areas	164.50	(+)91.50	256.00	9.77	(-)246.23
20	Grant No.43- Horticulture and Soil Conservation					
	2401- Crop Husbandry (CSS)					
	800- Other Expenditure					
	312505- Macro Management of Agriculture Valley Areas	72.91	(+)117.09	190.00	—	(-)190.00

Audit Report for the year ended 31 March 2002

(1)	(2)	(3)	(4)	(5)	(6)	(7)
21	Grant No.45- Tourism					
	5452- Capital Outlay on Tourism (Plan)					
	01- Tourist Infrastructure					
	101- Tourist Centres					
	212284- State's share of Centrally Sponsored Schemes Valley Areas	51.63	(+)48.37	100.00	—	(-)100.00
22	Grant No.46- Science and Technology					
	2501- Special programme for Rural Development (Plan)					
	04- Integrated Rural Energy Planning Programme					
	105- Project Implementation					
	212035- Project Implementation Valley Areas	92.00	(+)3.40	95.40	—	(-)95.40

APPENDIX XI
(Referred to in paragraph 2.4.12 at page 27)
Cases where expenditure incurred without provision

SL No.	Number and name of grant/ appropriation and head of account	Total provision	Actual expenditure
1	2	3	4
1.	Appropriation No.2- Interest payment and Debt Services		
	2049- Interest payment (Non-Plan) Charged		
	04- Interest on Loans and Advances from Central Government		
	106- Interest on Ways and Means Advances	----	2409.10
2.	Grant No.4- Land Revenue, Stamps and Registration and District Administration		
	2029- Land Revenue (Non-Plan)		
	101- Collection Charges		
	112328- Tamenglong District	----	1.21
	102- Survey and Settlement		
	112389- Ukhrul District	----	2.54
	2029- Land Revenue (CSS)		
	102- Survey and Settlement		
	311206- Computerisation of Land Records	----	0.96
3	Grant No.8- Public Works Department		
	3054- Roads and Bridges (Plan)		
	80- General		
	001- Direction and Administration		
	211001- Direction Valley Areas	----	60.57
	211398-Execution Valley Areas	----	25.46
	212287- Store Control Valley Areas	----	0.09
	4059- Capital Outlay on Public Works (Plan)		
	80- General		
	800- Other Expenditure		
	211886- National Game Works Valley Areas	----	0.01
	4202- Capital Outlay on Education, Sports, Art and Culture (Plan)		
	02- Technical Education		
	105- Engineering/Technical Colleges and Institutions		
	211366- Engineering College Valley Areas	----	(-) 15.02
	211488- Government Polytechnic Valley Areas	----	1.94
	4210- Capital Outlay on Medical and Public Health (Plan)		
	104- Community Health Centres		
	211219- Construction of 30 bedded Community Health Centre at Lilong Haoreibi Valley Areas	----	0.26
	80- General		
	102- ISM and Homeopathy		
	211558- ISM and Homeopathy Valley Areas	----	6.86
	800- Other Expenditure		
	211808- Medical Directorate Hill Areas	----	19.81
	4405- Capital Outlay on Fisheries (Plan)		
	101- Inland Fisheries		

1	2	3	4
	211983- Ponds/Bunds Valley Areas	----	0.07
	5054- Capital Outlay on Roads and Bridges (Plan)		
	03- State Highways		
	052- Machinery and Equipment		
	211710- Leasing Finance Valley Areas	----	5.52
	04- District and Other Roads		
	337- Road Works		
	212203- Senapati Phaibung Road Valley Areas	----	7.63
	800- Other Expenditure		
	211886- National Games Works Valley Areas	----	15.47
	211946- Other Village Roads Hill Areas	----	19.98
	Valley Areas	----	47.08
	212135- Road submerged by Loktak Lake Hill Areas	----	74.80
	Valley Areas	----	0.78
	5425- Capital Outlay on Other Scientific and Environmental Research (Plan)		
	800- Other Expenditure		
	212187- Scientific and Research Buildings Valley Areas	----	(-) 9.89
	3055- Road Transport (CPS)		
	80- General		
	001- Direction and Administration		
	211398- Execution	----	24.97
4	Grant No.11- Medical, Health and Family Welfare Services		
	2210- Medical and Public Health (CSS)		
	06- Public Health		
	101- Prevention and Control of Diseases		
	311879- National AIDS Control Programme	----	2.35
	2211- Family Welfare (CSS)		
	103- Maternity and Child Health		
	311563- Immunisation programme	----	211.66
5	Grant No.14- Development of Tribal and Scheduled Castes		
	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Plan)		
	02- Welfare of Scheduled Tribes		
	800- Other Expenditure		
	211313- District Council Hill Areas	----	338.26
6	Grant No. 16- Co-operation		
	2425- Co-operation (Plan)		
	001- Direction and Administration		
	212482- Zonal Administration Hill Areas	----	0.29
	4425- Capital Outlay on Co-operation (Plan)		
	107- Investment in Credit Co-operatives		
	211787- Manipur State Co-operative Bank (MSCB)	----	15.00
	4425- Capital Outlay on Co-operation (NCDC)		
	108- Investment in Other Co-operatives		
	612210- Sericulture/Tasar Co-operatives Hill Areas	----	0.64

1	2	3	4
7	Grant No.17- Agriculture		
	2401- Crop Husbandry (Plan)		
	001- Direction and Administration		
	211389- Establishment of Other Agricultural Programme Valley Areas	----	2.39
8	Grant No.19- Forestry and Soil Conservation		
	2402- Soil and Water Conservation		
	001- Direction and Administration		
	211001- Direction Hill Areas	----	0.66
	Valley Areas	----	0.26
	2406- Forestry and Wild Life (Plan)		
	02- Environmental Forestry and Wild Life		
	110- Wild Life Preservation		
	211023- 50% State Share of Centrally Sponsored Schemes Hill Areas	----	0.88
	Valley Areas	----	3.88
	211131- Captive Breeding Valley Areas	----	0.11
	211237- Control of Poaching Valley Areas	----	0.06
	2406- Forestry and Wild Life (CSS)		
	01- Forestry		
	101- Forest Conservation, Development and Regeneration		
	311094- Association of Schedule Tribe and Rural Poor in Regeneration of Degraded Forest in Manipur (100% CSS) Hill Areas	----	25.00
	102- Social and Farm Forestry		
	311023- 50% State share of Centrally Sponsored Schemes Valley Areas	----	1.17
	105- Forest Produce		
	311103- Bamboo Plantation Hill Areas	----	24.64
	311827- Minor Forest Produce (Plantation) Hill Areas	----	18.63
	02- Environmental Forestry and Wild Life		
	110- Wild Life Preservation		
	312475- Yangoupokpi Lokchao Sanctuary Hill Areas	----	18.84
	800- Other Expenditure		
	311658- Integrated Afforestation and Eco-Development Project Hill Areas	----	141.96
9	Grant No.21- Industries and Weights and Measures		
	2851- Village and Small Industries (Non-Plan)		
	103- Handloom Industries		
	111516- Hank Yarn Price Subsidy	----	0.68
10	Grant No.22- Public Health Engineering		
	2215- Water Supply and Sanitation (Plan)		
	01- Water Supply		
	001- Direction and Administration		
	211001- Direction Valley Areas	----	2.24
	4215- Capital Outlay on Water Supply and Sanitation (Plan)		
	01- Water Supply		

1	2	3	4
	211583- Imphal Water Supply Hill Areas	----	2.78
	02- Sewerage and Sanitation		
	102- Rural Sanitation Services		
	212154- Rural Sanitation Services Hill Areas	----	6.91
	Valley Areas	----	8.92
	4215- Capital Outlay on Water Supply and Sanitation (CPS)		
	01- Water Supply		
	101- urban Water Supply		
	411037- Accelerated urban Water Supply programme (AUWSP) Hill Areas	----	26.35
	102- Rural Water Supply		
	411036- Accelerated Rural Water Supply programme (ARP) Hill Areas	----	218.67
11	Grant No.23- Power		
	2801- Power(Plan)		
	111398- Execution Valley Areas	----	4.19
	4801- Capital Outlay on Power Project (Plan)		
	799- Hydel Schemes		
	211715- Leimakhong Hydel Electrical Project Valley Areas	----	432.00
	05- Transmission and Distribution		
	211398- Execution Hill Areas	----	15.24
	Valley Areas	----	115.02
	06- Rural Electrification		
	211398- Execution Hill Areas	----	53.65
	799- Transmission and Distribution System		
	211010- 132/33 KV Supply System at Churachandpur Valley Areas	----	1.40
	211021- 33 KV Sub- Transmission System Valley Areas	----	26.12
	4801- Capital Outlay on Power Project (CSS)		
	05- transmission and Distribution		
	800- Other Expenditure		
	312498- Accelerated Power Development Programme(CSS) Valley Areas	----	56.91
12	Grant No.36- Minor Irrigation		
	2702- Minor Irrigation (Plan)		
	80- General		
	001- Direction and Administration		
	211001- Direction Valley Areas		
	211398- Execution Hill Areas	----	21.55
	Valley Areas	----	44.62
	2405- Fisheries (Plan)	----	66.93
	101- Inland Fisheries		
	211188- Commercial Fish Farm Hill Areas		
	211435- Fish Fry Distribution Hill Areas	----	0.50
		----	1.60

1	2	3	4
13	Grant No.37-Fisheries		
14	Grant No.39- Sericulture		
	2851- Village and Small Industries (Plan)		
	107- Sericulture Industries		
	211001- Direction Hill Areas	----	0.10
15	Grant No.40- Irrigation and Flood Control Department		
	2701- Major and Medium Irrigation (Plan)		
	04- Medium Irrigation (Non-Commercial)		
	001- Direction and Administration		
	211001- Direction Valley Areas	----	52.25
	2711- Flood Control (Plan)		
	01- Flood Control		
	001- Direction and Administration		
	211398- Execution Valley Areas	----	129.29
16	Grant No.41- Arts and Culture		
	2205- Art and Culture (Plan)		
	800- Other Expenditure		
	271218- Schemes under 11 th Finance Commission Awards Valley Areas	----	103.23
17	Grant No.43- Horticulture and Soil Conservation		
	2402- Soil and Water Conservation (Plan)		
	102- Soil Conservation		
	211240- Control of Shifting Cultivation Valley Areas	----	0.10
	2401- Crop Husbandry (CSS)		
	102- Food grain Crops		
	311387- Establishment of Nutritional Garden in Rural Areas Valley Areas	----	25.39
	312219- Small and Marginal Farmers Valley Areas	----	2.50
	800- Other Expenditure		
	312045- Promotion of use of Plastics Valley Areas	----	210.00
18	Grant No.44- Social Welfare Department		
	2235- Social Security and Welfare (CSS)		
	02- Social Welfare		
	102- Child Welfare		
	311676- Jiribam ICDS Project Valley Areas	----	29.28
	311753- Machi ICDS Project Hill Areas	----	17.02
	311811- Medical Component, Ukhurul ICDS Project Hill Areas	----	0.10
	311955- Parbung ICDS Project Hill Areas	----	13.27
	312067- Purul ICDS Project Hill Areas	----	17.97
	312168- Samulamlan ICDS Project Hill Areas	----	10.59
	106- Correctional Services		
	311629- Integrated Child Development Udisha Valley Areas	----	33.00
			5257.25

APPENDIX XII
(Referred to in paragraph 2.4.13 at page 28)

Cases where the large savings had not been surrendered by the departments

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total grant/appropriation	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)
	Revenue - Voted			
1.	1- State Legislature	667.81	150.42	11.30
2.	3- Secretariat	1914.86	100.58	100.58
3.	4- Land Revenue, Stamps and Registration and District Administration	2597.47	666.33	553.98
4.	5- Finance Department	17379.95	2879.18	2879.18
5.	6- Transport	196.84	31.77	31.77
6.	7- Police	15055.93	1062.39	1062.39
7.	8- Public Works Department	7081.48	1909.10	1217.26
8.	9- Information and Publicity	207.24	20.18	3.15
9.	10- Education	25078.35	1671.18	515.66
10.	11- Medical, Health and Family Welfare Services	8347.56	1504.01	1504.01
11.	12- Municipal Administration, Housing and Urban Development	1174.33	181.28	181.28
12.	13- Labour and Employment	360.68	3.98	3.98
13.	14- Development of Tribal and Scheduled Castes	8027.57	257.91	257.91
14.	15- Food and Civil Supplies	515.28	134.25	72.16
15.	16- Co-operation	850.63	85.42	85.42
16.	17- Agriculture	2321.65	172.75	172.75
17.	18- Animal Husbandry and Veterinary including Dairy Farming	2385.22	399.80	399.80
	Revenue Voted			
18.	19- Forestry and Soil Conservation	2315.82	674.41	674.41
19.	20- Community Development, ANP, IRDP and NREP	2950.15	499.06	499.06
20.	22- Public Health Engineering	2124.23	700.58	458.22
21.	23- Power	11500.50	1369.65	1369.65
22.	24- Vigilance	69.53	9.94	7.06
23.	25- Youth Affairs and Sports	799.95	76.50	76.50
24.	26- Administration of Justice	729.74	245.77	245.77
25.	27- Election	612.78	20.83	20.83
26.	28- State Excise	613.06	124.05	124.05
27.	29- Sales Tax, Other Taxes/Duties on Commodities and Services	194.75	11.13	11.13
28.	30- General Economic Services and Planning	2741.09	623.96	623.96
29.	31- Fire Protection and Control	334.35	67.93	67.93
30.	32- Jails	505.21	67.76	67.76
31.	35- Stationery and Printing	281.44	49.21	49.21
32.	36- Minor Irrigation	1782.74	1156.47	1156.47
33.	37- Fisheries	937.07	54.82	54.82
34.	38- Panchayat	546.72	220.71	220.71
35.	39- Sericulture	765.00	68.37	68.37
36.	40- Irrigation and Flood Control Department	2818.00	1344.49	1344.49

(1)	(2)	(3)	(4)	(5)
37.	42- State Academy of Training	76.50	20.53	20.53
38.	43- Horticulture and Soil Conservation	1530.74	1.98	1.98
39.	44- Social Welfare	2507.20	488.87	488.87
40.	46- Science and Technology	443.64	266.32	266.32
41.	47- Welfare of Minorities and Backward Classes	173.00	30.57	28.93
			Total :-	16,999.61
	Revenue-Charged			
42.	1- State Legislature	9.49	4.91	1.31
43.	Appropriation No.1- Governor	139.84	38.95	26.54
44.	5- Finance Department	10.29	3.91	3.91
45.	26- Administration of Justice	130.35	79.62	73.63
			Total :-	105.39
	Capital- Voted			
46.	5- Finance Department	51.22	12.78	12.78
47.	6- Transport	200.00	50.00	50.00
48.	7- Police	210.00	210.00	210.00
49.	8- Public Works Department	5006.84	2068.14	2068.14
50.	10- Education	269.00	269.00	269.00
51.	11- Medical, Health and Family Welfare Services	491.72	276.18	276.18
52.	12- Municipal Administration, Housing and Urban Development	1737.53	1324.22	1324.22
53.	15- Food and Civil Supplies	300.00	300.00	300.00
54.	16- Co-operation	960.78	528.32	528.32
55.	17- Agriculture	263.00	33.00	33.00
56.	18- Animal Husbandry and Veterinary including Dairy Farming	3.00	3.00	3.00
57.	20- Community Development, ANP, IRDP and NREP	2014.35	4.00	4.00
58.	21- Industry and Weights and Measures	440.93	197.93	197.93
59.	22- Public Health Engineering	6877.14	2998.61	2998.61
60.	23- Power	4454.00	2303.44	2303.44
61.	25- Youth Affairs and Sports	112.00	104.00	104.00
62.	26- Administration of Justice	130.35	79.62	73.63
63.	36- Minor Irrigation	1052.00	896.88	896.88
64.	37- Fisheries	50.01	50.01	50.01
65.	39- Sericulture	4654.00	3749.07	3749.07
66.	40- Irrigation and Flood Control Department	7790.94	3631.40	3631.40
67.	41- Art and Culture	448.00	344.77	344.77
68.	43- Horticulture and Soil Conservation	145.00	140.84	140.84
69.	45- Tourism	172.69	169.69	169.69
70.	47- Welfare of Minorities and Backward Classes	88.92	58.92	58.92
			Total:-	19797.83
			Grand Total:-	36902.83

APPENDIX – XIII

(Referred to paragraph 2.4.16 at page 28)

Instances of major variations in recoveries

(Rupees in Crore)

Sl. No.	Number and name of grant	Budget estimate	Actual recoveries	Excess (+) Savings (-)
1	2	3	4	5
1	8- Public Works Department (Revenue) (Capital)	39.28 12.50	4.69 —	(-) 34.59 (-) 12.50
2	15- Food and Civil Supplies (Revenue) (Capital)	0.90 3.00	— 1.04	(-) 0.90 (-) 1.96
3	17- Agriculture (Revenue) (Capital)	— 0.33	— 0.04	— (-) 0.29
4	21- Industries and Weights and Measures (Revenue) (Capital)	— 0.08	— —	— (-) 0.08
5	22- Public Health Engineering (Revenue) (Capital)	10.57 —	2.96 —	(-) 7.61 —
6	23- Power (Revenue) (Capital)	16.77 —	2.61 —	(-) 14.16 —
7	36- Minor Irrigation (Revenue) (Capital)	1.00 —	— —	(-) 1.00 —
8	40- Irrigation and Flood Control Department (Revenue) (Capital)	4.51 —	2.18 —	(-) 2.33 —
9	43- Horticulture and Soil Conservation (Revenue) (Capital)	— 0.25	— —	— (-) 0.25
	Total Voted	89.19	13.52	75.67

APPENDIX - XIV

(Referred to paragraph 2.6.1 at page 31)

Scheme wise fund lying in 8449 Other Deposits

(Rupees in lakh)

Sl. No.	Name of the scheme	Amount drawn and deposited to 8449 Other Deposit (1996-97 to 2001-02)	Amount withdrawn from 8449 Other Deposit (1996-97 to 2001-02)	Amount lying in 8449 Other Deposit as on 1 st April 2002
1.	Integrated Development of Small and Medium Town (IDSMT)	9.67	2.50	7.17
2.	State Capital Project	1.00	NIL	1.00
3.	EIUS Scheme	5.40	1.40	4.00
4.	National Slum Development programme(NSDP)	145.00	61.25	83.75
5.	Social housing scheme	350.00	NIL	350.00
6.	Development of Playground etc.	16.19	NIL	16.19
7.	Nehru Rojgar Yojana (NRY)	110.37	39.30	71.07
8.	Prime Minister's Integrated Urban Poverty Eradication programme (PMIUPEP)	159.70	19.66	140.04
9.	Urban Basic Services Programme(UBSP)	36.00	5.88	30.12
10.	Swarna Jayanti Sahari Rojgar Yojana (SJSRY)	624.15	NIL	624.15
11.	Garbage bin (50 nos.)	50.00	NIL	50.00
	Total	1507.48	129.99	1377.49

APPENDIX - XV

(Ref. paragraph 3.1.13 at page 36)

Statement showing the Block wise per capita monthly income of beneficiaries their targets and achievement and expenditure incurred thereagainst in respect of 4 test checked district during 1997-98 to 2001-02

Sl No.	Name of district	No. of block	No. of beneficiaries	Block wise achievement		Per capita monthly income of the beneficiaries	No. of houses completed		Expenditure (Rupees in lakh)
				Name of block	Achievement		New construction	Up-gradation	
1	2	3	4	5	6	7	8	9	10
1	Imphal West	2 blocks	1010	1. IW-I Haorangsabal block	178	1666.60	296	35	41.64
				2. IW-II Wangoi	118	533.33			
2	Churachandpur	6 blocks	2063	1. Churachandpur block	254	166.60	370		90.39
				2. Singhat block	27	426.66			
				3. Henglep block	29	391.66			
				4. Thanlon block	36	1666.60			
				5. Tipaimukh block	15	416.66			
				6. Samulamlan block	9	416.66			
3	Ukhrul	5 blocks	1074	1. Ukhrul block	528	500.00	1127	2	127.08
				2. Kamjong block	92	500.00			
				3. Kasom Khullen block	134	500.00			
				4. Chingai block	Not mentioned	500.00			
				5. Phungyar block	Not furnished	500.00			
Total		13 blocks	4147	13 blocks			1793	37	259.11

APPENDIX-XVI
(Referred to paragraph 4.1.48 at page 77)
WORK-CHARGED AND MUSTER ROLL STAFF ENGAGED WITHOUT
WORK DURING 1997-98 TO 2001-02 BY 16 DIVISIONS¹

Year	Work charged		Muster Roll	
	(In number)	(Rupees in lakh)	(In number)	(Rupees in lakh)
1997-98	679	316.58	813	148.53
1998-99	679	255.97	821	150.53
1999-2000	48	23.11	842	153.88
2000-01	46	40.22	846	151.77
2001-02	42	28.70	840	155.58
Total:		664.58		760.29

(Source: Information as furnished by the department)

¹ Khuga Headwork Division, Khuga Canal Division-I, Khuga Canal Division-II, Khuga Spillway & Intake Division, Dolaithabi Barrage Division-I, Dolaithabi Barrage Division-II, Thoubal Project Division-II, Thoubal Project Division-IV, Task Force Division, Thoubal Project Division-VI, Flood Control Division-II, Singda Irrigation Division, Project Stores Division, Irrigation Investigation Division, Quality Control & Monitoring Division and Stores Division.

APPENDIX - XVII
(Referred to paragraph 5.1.8 at page 81)
Statement showing details of works remained incomplete for want of materials

Name of Division	No. of works	Awarded between	To be completed between	Physical position in per-centage	Total requirement of materials				Total issue to contractors				Quantity arranged by contractors			
					Bitumen (MT)	Steel (MT)	Cement (Bag)	Bitumen (MT)	Steel (MT)	Cement (Bag)	Bitumen (MT)	Steel (MT)	Cement (Bag)	Bitumen (MT)	Steel (MT)	Cement (Bag)
1. Bridge	11	6/97 to 8/2000	6/97 to 10/01	10 to 60	Nil	629.499	68768	Nil	213.888	7832	Nil	385.986	43820			
2. Imphal West	25	3/97 to 1/01	9/97 to 5/02	20 to 70	209.75	4.672	3914	21.57	1.402	1019	Nil	Nil	170			
3. Building Division-I	6	1/97 to 2/01	7/97 to 2/02	2 to 80	Nil	157.335	19866	Nil	92.073	70	Nil	7.543	15584			
4. Churachandpur	14	2/99 to 9/2000	8/99 to 3/02	32 to 68	268.48	0.532	280	Nil	Nil	Nil	Nil	Nil	Nil			
5. Chandel	27	6/95 to 4/01	6/96 to 4/01	15 to 90	176.516	43.088	27761	13.632	7.403	2100	Nil	3.825	4826			
6. Imphal East	25	6/97 to 6/01	12/97 to 12/01	40 to 80	217.075	66.341	2869	42.53	52.40	100	Nil	—	1146			
Total	108				871.821	901.467	123458	77.732	367.166	11121	Nil	397.354	65546			

APPENDIX- XVIII

(Referred to paragraph 5.2.2 at page 86)

Statement showing quantity of material purchased, issued and balance lying in stock as at the end of August 2002.

Sl. No.	Name of the item	Period of purchase	Quantity	Value	Period of issue	Issue	Value	Balance	Value
	A. Electrical items		(Nos)	(Rs. in lakh)		(Nos)	(Rs. in lakh)	(Nos)	(Rs. in lakh)
1	Ismal Repair sleeves VCAs 1.2	5/97 to 4/2000	1000	0.83	4/2000 to 24.8.2000	100	0.06	900	0.77
2.	Ismal Repair Sleeves VCAs 1.1	5/97 to 4/2000	1100	0.48	—do—	100	0.03	1000	0.45
3.	Ismal Patch Sleeves VCAs 1.2	—do—	1250	1.44		20	0.01	1230	1.43
4	Ismal Patch Sleeves VCAs 1.1	1/98 to 4/2000	1250	0.76				1250	0.76
5	Ismal Angle Tape VCAs 3.2	5/97 to 4/2000	1500	0.36				1500	0.36
6.	Ismal Midspan Tension Sleeves VCAT 1.3	4/2000	1000	2.35				1000	2.35
7.	Ismal Tension Patch Sleeves VCAs 1.1	5/97	250	0.09				250	0.09
8	Ismal Bimetallic thimble 400	6/98	71	0.10				71	0.10
	Total A			6.41					6.31
	B. Tools and Plants								
9	Ismal Hydraulic Crimping Tool	4/2000	20	4.16				20	4.16
10	Ismal Hand operated Crimping Tools 6 sqmm to 400 sqmm	4/2000	40	8.58				40	8.58
11	Ismal Hand operated Crimping Tools 6 sqmm to 500 sqmm	4/2000	40	9.10				40	9.10
12	Ismal Hydraulic Cutter suitable for cutting cable and conductor upto 32 mm dia	4/2000	20	3.10				20	3.10
	Total B			24.94					24.94
			7541	31.35		220	0.10	7321	31.25

(Source: As per information furnished by the Executive Engineer of the division.)

APPENDIX XIX
(Referred to paragraph 6.7.2 at page 96)
STATEMENT SHOWING THE SHORT REALISATION OF ENERGY CHARGES
FROM THE BULK CONSUMERS

Name of the consumers	Consumer No.	Connected load	Position of meter	Period of bill	Energy charges to be claimed	Energy charges claimed and realised	Short realisation
1. Branch Manager, SBI, Imphal	Bulk-72	40 KW	Stopped	6.4.2000 to 6.8.2001 (16 months)	16x380x40 =Rs.2,43,200	16x228x40 =Rs.1,45,920	Rs.97,280
2. S.P. Imphal, Commando Quarters	Bulk-99	85 KW	Without meter	5.6.2000 to 6.8.2001 (14 months)	14x380x85 =Rs.4,52,200	14x44x380 = Rs.2,34,080	Rs.2,18,120
3. Hotel Nirmala	Bulk-110	36 KW	Stopped	6.7.2000 to 6.5.2001 (10 months)	10x380x36 =Rs.1,36,800	10x228x36 = Rs.82,080	Rs.54,720
4. Haobijam Yaima Singh	Bulk-113	12 KW	Defective	10.7.2000 to 6.8.2001 (13 months)	13x380x12 =Rs.59,280	13x228x12 = Rs.35,568	Rs.23,712
5. Central Bank of India	Bulk-122	23 KW	Stopped	10.7.2000 to 10.1.2001 (6 months)	6x380x23 =Rs.52,440	6x228x23 = Rs.31,464	Rs.20,976
6. Ph. Bimekishore Sharma C/o Adarsh Clinic	Bulk-122/2	14 KW	Stopped	9.2.2001 to 6.8.2001 (6 months)	6x380x14 =Rs.31,920	6x228x14 = Rs.19,152	Rs.12,768
7. M/s Station Manager Indian Oil Corporation	GC-B-5/1	16 KW	Defective	3.7.2000 to 3.8.2001 (13 months)	13x380x16 =Rs.79,040	13x228x16 = Rs.47,424	Rs.31,616
					Rs.10,54,880	Rs.59,56,888	Rs.45,91,920

APPENDIX -XX

(Referred to in paragraph 7.3.2 at page 98)

List of institutions/bodies receiving grants of more than Rs.25 lakh from State Government and others

(Rupees in lakh)

Sl. No.	Name of body/ authority	Source of funds	Amount of grant/loan		Years for which accounts due
			2000-01	2001-02	
1	2	3	4	5	6
1.	Manipur Development Society, Imphal	State Government Others	62.00 —	91.00 —	2000-01 to 2001-02
2.	Manipur University, Canchipur	State Government Others	749.07 —	780.00 —	2000-01 to 2001-02
3.	District Rural Development Agency, Churachandpur	State Government Others	63.72 25.33	152.79 99.59	2001-02
4.	District Rural Development Agency, Imphal west	State Government Others	4.37 152.89	NA 144.62	2001-02
5.	District Rural Development Agency, Bishnupur	State Government Others	7.01 222.88	4.42 142.97	2001-02

APPENDIX - XXI
(Referred to in paragraph 7.4 at page 98)

List of bodies whose audit of accounts were in arrears due to non-receipt of accounts

Sl. No.	Name of body	Period of entrustment	Year up to which accounts certified	Certification of accounts in arrears	Reasons for arrears
(1)	(2)	(3)	(4)	(5)	(6)
(a) Under Section 19 (3)					
1.	Senapati Autonomous District Council	Not specified	2000-01	2001-02	Due to non-receipt of accounts
2.	Ukhrul Autonomous District Council	—do—	1999-2000	2000-01 to 2001-02	—do—
3.	Tamenglong Autonomous District Council	—do—	1999-2000	2000-01 to 2001-02	—do—
4.	Churachandpur Autonomous District Council	—do—	2000-01	2001-02	—do—
5.	Chandel Autonomous District Council	—do—	2000-01	2001-02	—do—
6.	Sadar Hills Autonomous District Council, Kangpokpi	—do—	2000-01	2001-02	—do—
(b) Under Section 20 (1)					
1.	Kendriya Vidyalaya, Imphal	Up to 2001-02	2000-01	2001-02	Due to non-receipt of accounts
2.	Kendriya Vidyalaya, Langjing	—do—	2000-01	2001-02	—do—
3.	Kendriya Vidyalaya, Komkeirap	—do—	1994-95	1995-96 to 2001-02	—do—
4.	Kendriya Vidyalaya, Churachandpur	—do—	2000-01	2001-02	—do—
5.	Kendriya Vidyalaya, Leimakhong	—do—	2000-01	2001-02	—do—
6.	Jawahar Novodaya Vidyalaya, Kakching	—do—	1996-97	1997-98 to 2001-02	—do—
7.	Jawahar Novodaya Vidyalayas, Bishnupur	—do—	1994-95	1995-96 to 2001-02	—do—
8.	Jawahar Novodaya Vidyalayas, Khumbong	—do—	1997-98	1998-99 to 2001-02	—do—
9.	Jawahar Novodaya Vidyalayas, Chandel	—do—	1999-2000	2000-01 to 2001-02	—do—
10.	Jawahar Novodaya Vidyalaya, Mao	—do—	1996-97	1997-98 to 2001-02	—do—
11.	Jawahar Novodaya Vidyalayas, Churachandpur	—do—	1995-96	1996-97 to 2001-02	—do—
12.	Jawahar Novodayas, Ukhrul	—do—	1999-2000	2000-01 to 2001-02	—do—

(1)	(2)	(3)	(4)	(5)	(6)
13.	Nehru Yuva Kendra, Thoubal	2001-02	1994-95	1995-96 to 2001-02	Due to non- receipt of accounts
14.	Nehru Yuva Kendra, Imphal	—do—	1994-95	1995-96 to 2001-02	—do—
15.	Nehru Yuva Kendra, Tamenglong	—do—	1996-97	1997-98 to 2001-02	—do—
16.	Nehru Yuva Kendra, Bishnupur	—do—	1995-96	1996-97 to 2001-02	—do—
17.	Nehru Yuva Kendra, Chandel	—do—	1995-96	1996-97 to 2001-02	—do—
18.	Nehru Yuva Kendra, Churachandpur	—do—	1995-96	1996-97 to 2001-02	—do—
19.	Nehru Yuva Kendra, Ukhrul	—do—	1995-96	1996-97 to 2001-02	—do—
20.	Nehru Yuva Kendra, Kangpokpi	—do—	1994-95	1995-96 to 2001-02	—do—

APPENDIX XXII

(Referred to in paragraphs 8. 2.3., 8.2.7 and 8.3.1 at pages 102 and 103)

Statement showing particulars of up-to-date paid-up capital, budgetary outgo, loans given out of budget and loans outstanding as on 31 March 2002 in respect of Government Companies and Statutory corporations

(Figures in column 3(a) to 4(f) are Rupees in lakh)

Sl No.	Sector and name of the company	Paid-up capital as at the end of the current year					Equity/loans received out of Budget during the year		Other loans received during the year	Loans outstanding at the close of 2001-02			Debt equity ratio for 2001-02 [4 (f)/3(e) (previous year)]
		State Govt.	Central Govt.	Holding Companies	Others	Total	Equity	Loans		Govt.	Others	Total	
(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	(5)
A. Working Government companies													
1.	AGRICULTURE & ALLIED SECTORS Manipur Agro Industries Corporation Ltd.	306.46	-	-	-	306.46	60.00	-	-	-	-	-	-
2.	Manipur Plantation Crops Corporation Ltd.	1161.79	-	-	-	1161.79	33.00	-	-	-	38.25	38.25	0.03:1 (0.03:1)
	Sector wise total	1468.25	-	-	-	1468.25	93.00	-	-	-	38.25	38.25	-
3.	INDUSTRY SECTOR Manipur Industrial Development Corporation Ltd.	793.00	421.00	-	-	1214.00	-	-	-	-	-	-	-
	Sector wise total	793.00	421.00	-	-	1214.00	-	-	-	-	-	-	-
4.	ELECTRONICS SECTOR Manipur Electronics Development Corporation Ltd.	269.28	-	-	-	269.28	-	-	-	-	-	-	-
	Sector wise total	269.28	-	-	-	269.28	-	-	-	-	-	-	-
5.	TEXTILES SECTOR Manipur Spinning Mills Corporation Ltd.	1653.92	-	-	-	1653.92	-	-	-	-	299.82	299.82	0.18:1 (0.12:1)
	Sector wise total	1653.92	-	-	-	1653.92	-	-	-	-	299.02	299.82	-
6.	HANDLOOM AND HANDICRAFT SECTOR Manipur Handloom and Handicrafts Development Corporation Ltd.	386.69	102.00	-	-	488.69	5.00	-	-	175.38	-	175.38	0.36:1 (0.36:1)
	Sector wise total	386.69	102.00	-	-	488.69	5.00	-	-	175.38	-	175.38	0.36:1 (0.36:1)
7.	CONSTRUCTION SECTOR Manipur Police Housing Corporation Ltd.	2.00	-	-	-	2.00	-	-	-	-	-	-	-
	Sector wise total	2.00	-	-	-	2.00	-	-	-	-	-	-	-
8.	DEVELOPMENT OF ECONOMICALLY WEAKER SECTIONS SECTOR Manipur Tribal Development Corporation Ltd.	77.50	-	-	-	77.50	-	-	-	10.00	-	10.00	0.13:1 (0.13:1)
	Sector wise total	77.50	-	-	-	77.50	-	-	-	10.00	-	10.00	-
9.	SUGAR SECTOR Manipur Food Industries Corporation Ltd.	78.39	-	-	-	78.39	-	-	-	-	-	-	-
	Sector wise total	78.39	-	-	-	78.39	-	-	-	-	-	-	-
10.	CEMENT SECTOR Manipur Cement Ltd.	159.79	-	-	-	159.79	-	-	-	-	-	-	-
	Sector wise total	159.79	-	-	-	159.79	-	-	-	-	-	-	-

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	(5)
11.	DRUGS, CHEMICALS & PHARMACEUTICALS SECTOR. Manipur State Drugs & Pharmaceuticals Ltd.	41.65	-	43.35	-	85.00	-	-	-	1099.43	-	1099.43	12.93:1 (12.93:1)
	Sector wise total	41.65	-	43.35	-	85.00	-	-	-	1099.43	-	1099.43	-
12.	POWER SECTOR Manipur State Power Development Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
	Sector wise total	-	-	-	-	-	-	-	-	-	-	-	-
13.	MISCELLANEOUS Manipur Film Development Corporation Ltd.	6.00	-	-	-	6.00	-	-	-	15.00	-	15.00	2.5:1 (-)
	Sector wise total	6.00	-	-	-	6.00	-	-	-	15.00	-	15.00	-
	Total (A-All Sector-wise Government Companies)	4936.47	523.00	43.35	-	5502.82	98.00	-	-	1299.81	338.07	1637.88	0.30:1 (0.28:1)
	B. Working Statutory Corporations				-			-	-				
1.	TRANSPORT SECTOR Manipur State Road Transport Corporation	2877.46	343.01	-	-	3220.47	150.00	-	-	-	-	-	-
	Total (B)	2877.46	343.01	-	-	3220.47	150.00	-	-	-	-	-	-
	Grand Total (A+B)	7813.93	866.01	43.35	-	8723.29	248.00	-	-	1299.81	338.07	1637.88	0.30:1 (0.28:1)
	C. Non working Companies				-	-		-	-				
1.	INDUSTRY SECTOR Manipur Cycle Corporation Ltd.	42.00	-	-	-	42.00	-	-	-	-	-	-	-
2.	Manipur Pulp and Allied Products Ltd.	73.00	-	-	-	73.00	-	-	-	-	-	-	-
	Sector wise total	115.00	-	-	-	115.00	-	-	-	-	-	-	-
	D. Non working Statutory Corporations				-		-	-	-				
	Grand total (C+D)	115.00	-	-	-	115.00	-	-	-	-	-	-	-
	Grand Total (A+B+C+D)	7928.93	866.01	43.35	-	8838.29	248.00	-	-	1299.81	338.07	1637.88	0.30:1 (0.28:1)

APPENDIX XXIII

(Referred to in paragraph. 8.4.2, 8.5.1, 8.6.5, 8.7.3 and 8.7.4 at pages 103, 104, 105 and 106)

Summarised financial results of Government companies and statutory corporations for the latest year for which accounts were finalised
(Figures in columns 7 to 12 and 15 are Rupees in lakh)

Sl. No.	Sector and name of the company	Name of Department	Date of incorporation	Period of accounts	Year in which accounts finalised	Net profit/(+)/Loss (-)	Net impact of audit comments	Paid up capital	Accumulated profit (+)/Loss (-)	Capital employed (A)	Total return on capital employed	Percentage of total return on capital employed	Arrears of accounts in terms of years	Turn Over	Man-Power as on March 2002
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	A- Government Companies														
1.	Agriculture and Allied Sector Manipur Agro Industries Corporation Ltd.	Agriculture	19.3.81	1987-88	2000-01	(-) 8.62	-	32.25	(-) 41.25	(-) 9.58	(-) 8.62	-	14	3.25	30
2.	Manipur Plantation Crops Corporation Ltd.	-do-	19.3.81	1983-84	2000-01	-	-	51.15	-	60.00	-	-	18	Pre-operative stage	81
	Sector wise Total					(-) 8.62	-	83.40	(-) 41.25	50.42	(-) 8.62	14.27%	13	3.25	111
3.	Industry Sector Manipur Industrial Development Corporation Ltd.	Commerce and Industries	6/1969	1988-89	2001-02	(+) 28.70	-	348.00	(-) 17.92	667.00	(+) 95.20	14.27%	13	196.83	64
	Sector wise total					(+) 28.70	-	348.00	(-) 17.92	667.00	(+) 95.20	14.27%		196.83	64
4.	Electronics Sector Manipur Electronics Development Corporation Ltd.	-do-	4/1987	1994-95	2000-01	(+) 19.88	-	269.28	56.71	361.37	27.88	7.72%	7	613.10	NA
	Sector wise total					(+) 19.88	-	269.28	56.71	361.37	(+) 27.88	7.72%		613.10	NIL
5.	Textiles Sector Manipur Spinning Mills Corporation Ltd.	-do-	27.3.74	1981-82	2000-01	-	-	200.00	-	218.00	-	-	20	Pre-operative stage	84
	Sector wise total					-	-	200.00	-	218.00	-	-		NIL	84
6.	Handloom and Handicrafts Sector Manipur Handloom and Handicrafts Development Corporation Ltd.	-do-	16.10.76	1986-87	2002-03	(-) 19.58	-	100.00	(-) 169.65	75.62	(-) 19.58	-	15	11.42	135
	Sector wise total					(-) 19.58	-	100.00	(-) 169.65	75.62	(-) 19.58	-	-	11.42	135

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
7	Construction Sector Manipur Police Housing Corporation Ltd.	Home	26.4.86	1994-95	2001-02	(+) 0.47	-	2.00	(+) 2.15	4.15	(+) 0.47	11.33%	7	44.51	80
	Sector wise total					(+) 0.47	-	2.00	(+) 2.15	4.15	(+) 0.47			44.51	80
8	Development of Economically Weaker Section Sector Manipur Tribal Development Corporation Ltd.	Tribal Area Backward Classes Development	6/79	1981-82	1996-97	4.58	-	1.00	5.87	6.64	4.58	69%	20	13.14	84
	Sector wise total					4.58	-	1.00	5.87	6.64	4.58	69%		13.14	84
9	Sugar Sector Manipur Food Industries Corporation Ltd.	Commerce and Industries	4/87	1994-95	2001-02	-	-	78.39	-	65.62	-	-	7	Pre-operative stage	8
	Sector wise total					-	-	78.39	-	65.62	-	-		NIL	8
10	Cement Sector Manipur Cement Ltd.	Commerce and Industries	10.5.88	1990-91	2002-03	(-) 28.03	-	19.94	(-) 47.59	270.49	(-) 28.03	-	11	33.59	60
	Sector wise total					(-) 28.03	-	19.94	(-) 47.59	270.49	(-) 28.03	-		33.59	60
11	Drugs, Chemicals & Pharmaceuticals Sector Manipur State Drugs & Pharmaceuticals Ltd.	Chemicals & Pharmaceuticals	7/89	1996-97	1998	(-) 123.08	-	85.00	(-) 241.48	267.45	-	-	5	NA	NA
	Sector wise total					(-) 123.08	-	85.00	(-) 241.48	267.45	-	-		NIL	NIL
12	Power Manipur State Power Development Corporation Ltd.	Electricity	3/97	-	-	-	-	-	-	-	-	-	5	NA	NA
	Sector wise total					-	-	-	-	-	-	-		NA	NIL

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
13.	Miscellaneous Sector Manipur Film Development Corporation Ltd.	Art and Culture	1.5.87	1989-90	1993-94	(-)1.32	-	6.00	(-)1.32	31.90	(-)1.32	-	12	1.18	26
	Sector wise total					(-)1.32	-	6.00	(-)1.32	31.90	(-)1.32			1.18	26
	Total (A- Working Government companies)					(-)127.00		1193.01	(-)454.48	2018.66	70.58	3.50		917.02	652
	B. Statutory Corporations														
1.	Transport														
	Sector Manipur State Road Transport Corporation	Transport	27.3.76	1990-91	1997-98	(-)198.03	(+) 9.82	1679.51	(-)1670.21	29.08	(-)198.13		11	108.36	341
	Sector wise total					(-)198.03	(+) 9.82	1679.51	(-)1670.21	29.08	(-)198.13			108.36	341
	Total (B Statutory Corporations)					(-) 198.03	(+) 9.82	1679.51	(-) 1670.21	29.08	(-)198.13			108.36	341
	Grand total (A+ B)					(-)325.03	9.82	2872.52	(-)2124.69	2047.74	(-)127.55	-	-	1025.38	993
	C. Non-Working Companies														
1.	Manipur Cycle Corporation Ltd ²	Commerce and Industries	6/85	1990-91	1993-94	(-)6.33	-	42.15	(-)24.28	29.70	(-)6.33	-	11	4.43	NA
2.	Manipur Pulp and Allied Products Ltd.	-do-	10/88	1992-93	1996-97	(-)46.91	-	73.31	(-)126.02	93.16	(-)46.91	-	9	30.41	NA
	Sector wise total					(-)53.24	-	115.46	(-)150.30	122.86	(-)53.24			34.84	NIL
	Grand total (C)					(-) 53.24	-	115.46	(-) 150.30	122.86	(-) 53.24			34.84	
	Grand total (A + B + C)					(-)378.27		2987.98	(-)2274.99	2170.60	(-) 180.79			1060.22	993

(A) - Capital employed represents net fixed assets (including capital work-in-progress) plus working capital except in case of finance companies/ corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including refinance)

² Company at Sl. No. C(1) is under liquidation.

APPENDIX XXIV

(Referred to in paragraph 8.3.1 at page 103)

Statement showing subsidy, guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year and subsidy receivable and guarantees outstanding at the end of March 2002

(Figures in column 3(a) to 7 are in Rupees in lakh)

Sl. No.	Name of Public Sector Undertaking	Subsidy received during the year				Guarantees received during the year and outstanding at the end of the year (in bracket)							Waiver of dues during the year				Loan on which moratorium allowed	Loans converted into equity during the year
		Central Govt.	State Govt.	Others	Total	Cash credit from banks	Loans from other sources	Letters of credit opened by banks in respect of imports	Payment obligation under agreement with foreign consultants or contractors	Total	Loan repayment written off	Interest waived	Penal interest	Total				
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	6	7		
1.	A. Working Government companies																	
	Manipur Film Development Corporation Ltd.	—	19.00	—	19.00	—	—	—	—	—	—	—	—	—	—	—		
	2) MTDC Ltd.	—	40.00	—	40.00	—	—	—	—	—	—	—	—	—	—	—		
	3) MHDC Ltd.	—	—	6.00	6.00	—	—	—	—	—	—	—	—	—	—	—		
	Total — A		59.00	6.00	65.00													
	B. Working Statutory Corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
	Grand Total (A+B)		59.00	6.00	65.00													
	C. Non Working Government Companies		—	—	—	—	—	—	—	—	—	—	—	—	—	—		
	D. Non Working Statutory Corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
	Grand Total (C+D)	NA	—	—	—	—	—	—	—	—	—	—	—	—	—	—		

APPENDIX- XXV

(Referred to in paragraph 8.5.1 at page 104)

(Statement showing financial position of Statutory Corporation)

State Road Transport Corporation

(R u p e e s i n c r o r e)

Particulars	1988-89	1989-90	1990-91
A. Liabilities			
Capital (including capital loan and equity capital)	13.24	15.17	16.79
Borrowings:	0.55	0.08	—
Government:-			
Others:-			
Funds			
Trade dues and other current liabilities including provisions	1.27	1.60	1.86
Total	15.06	16.85	18.65
B. Assets			
Gross Block	3.75	4.08	4.40
Less depreciation	2.04	2.43	2.94
Net fixed assets	1.71	1.65	1.46
Capital works-in-progress (including cost of chassis)	—	—	—
Investments	—	—	—
Current assets, loans and advances	0.50	0.48	0.49
Accumulated losses	12.85	14.72	16.70
Total	15.06	16.85	18.65

APPENDIX -XXVI

(Referred to in paragraph 8.5.1 at page 104)

Statement showing results of Statutory Corporations

State Road Transport Corporation

(Rupees in crore)

Sl. No.	Particulars	1988-89	1989-90	1990-91
	Operating			
	(a) Revenue	1.41	1.32	1.04
	(b) Expenditure	2.34	2.57	2.42
	(c) Surplus (+) Deficit (-)	(-) 0.93	(-) 1.25	(-) 1.38
	Non-operating			
	(a) Revenue	0.11	0.11	0.04
	(b) Expenditure	0.65	0.73	0.64
	(c) Surplus (+) Deficit (-)	(-) 0.54	(-) 0.62	(-) 0.60
	Total			
	(a) Revenue	1.52	1.43	1.08
	(b) Expenditure	2.99	3.30	3.06
	(c) Net Profit /Loss	(-) 1.47	(-) 1.87	(-) 1.98
	Interest on capital and loans	0.21	0.21	0.21
	Total return on Capital employed			

APPENDIX- XXVII
(Referred to in paragraph No.8.6.4 at page 105)
Statement showing operational performance of Statutory Corporations

State Road Transport Corporation

Particulars	1999-2000	2000-01	2001-02
Average number of vehicles held	25	17	17
Average number of vehicles on road	7	—	7
Percentage of utilisation of vehicles	28	—	41
Number of employees	369	347	341
Employee vehicle ratio	15:1	20:1	20:1
Number of routes operated at the end of the year	7	—	NA
Route kilometres	1422	NA	NA
Kilometres operated (in lakh)			
(a) Gross	1.26	NA	NA
(b) Effective	1.16	NA	NA
(c) Dead	0.10	NA	NA
Percentage of dead kilometres to gross kilometres	7.93	NA	NA
Average kilometres covered per bus per day	49.31	NA	NA
Average operating revenue per kilometre (Paise) over previous year's income (per cent)	655		
Average operating revenue per kilometre (paise)	181.96	NA	NA
Increase in operating expenditure per kilometre over previous year's expenditure (percent)	—	NA	NA
Loss per kilometre (paise)(-)	(-) 17541	—	—
Number of operating depots	01	NA	NA
Average number of break-down per lakh kilometres	—	NA	NA
Average number of accidents per lakh kilometres	—	NA	NA
Passenger kilometre operated (in crore)	0.25	NA	NA
Occupancy ratio	53	NA	NA
Kilometres obtained per litre of:			
(a) Diesel Oil	—	NA	NA
(b) Engine Oil	—	NA	NA

APPENDIX- XXVIII
(Referred to in paragraph no.8.11.1 at page 108)
STATEMENT SHOWING THE DEPARTMENT WISE IRS OUTSTANDING

Sl. No.	Name of department	No. of SLPSU's	No. of outstanding IR	No. of outstanding paragraph	Years from which observation outstanding
1	Agriculture	2	10	75	1991-2002
2	Tribal development	1	4	25	—do—
3	Industries	7	15	64	—do—
4	Home	1	5	21	—do—
5	Arts and culture	1	3	17	—do—
6	Chemical and Pharmaceuticals	1	1	1	NA
	Total	13	38	203	

©
Comptroller and Auditor General of India
2002

<http://cagindia.org/states/manipur/2002>

Printed at
Jagadambale Printing cum Stationery Works,
Sagolband Tera Keithel Sapam Leirak,
Imphal - 795 001