SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
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# Report of the Comptroller and Auditor General of India on General, Social, Economic and Revenue Sectors for the year ended 31 March 2023

## GOVERNMENT OF MANIPUR

**Report No. 2 of 2024**

**(Civil and Commercial)**

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# Report of the
# Comptroller and Auditor General of India
# on
# General, Social, Economic and Revenue Sectors
# for the year ended 31 March 2023

## Government of Manipur

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***(Civil and Commercial)***

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# PREFACE

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

*The Report contains significant results of compliance audit of the Departments of the Government of Manipur under General, Social, Economic, and Revenue Sectors including Tribal Affairs and Hills Department, Labour and Employment, Municipal Administration Housing and Urban Department, Rural Development and Panchayati Raj Department, Tourism Department, Public Works Department, Trade, Commerce and Industries Department, Transport and Taxation Department.*

*The cases mentioned in the Report are those which came to notice in the course of test audit during the year 2022-23, as well as those which came to notice in earlier years, but could not be dealt with in the previous Reports. Matters relating to the period subsequent to 2022-23 have also been included, wherever necessary. The Report has been finalised after considering the response of the Government Departments, wherever received.*

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

# Overview

# OVERVIEW

This Report has been prepared in six chapters. Chapters I to V deal with General, Social, Economic (Other than State Public Sector Enterprises), Economic (State Public Sector Enterprises) and Revenue Sectors and Chapter VI deals with Follow up of Audit Observations. The Report contains three Performance Audits *viz.* "Performance Audit on Welfare of Building and Other Construction Workers", "Performance Audit on Solid Waste Management in Urban Areas" and "Performance Audit on Development and Promotion of Tourism" and nine compliance audit paragraphs including one Subject Specific Compliance Audit *viz.* "Subject Specific Compliance Audit on Department's Oversight on GST Payments and Returns Filing".

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

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

# CHAPTER I
# GENERAL SECTOR

During 2022-23, we conducted audit of 18 units pertaining to General Sector involving expenditure of ₹ 399.65 crore. As of March 2023, four Inspection Reports containing 19 paras were issued to the State Government with copies to the Heads of the Departments concerned.

This chapter contains one compliance audit paragraph.

## COMPLIANCE AUDIT

### TRIBAL AFFAIRS AND HILLS DEPARTMENT

Non-collection of Performance Guarantee from contractors led to extension of undue benefit to contractors to the tune of ₹ 2.4 crore.

***(Paragraph 1.2)***

# CHAPTER II
# SOCIAL SECTOR

During 2022-23, we conducted audit of 58 units involving expenditure of ₹ 1,569.32 crore including expenditure of previous years. As of March 2023, 29 IRs containing 95 paras were issued to the State Government with copies to the heads of the departments concerned.

This chapter contains two Performance Audits *viz.* **"Welfare of Building and Other Construction Workers" and "Solid Waste Management in Urban Areas"** and two Compliance Audit paragraphs.

## PERFORMANCE AUDIT

### Welfare of Building and Other Construction Workers

The main responsibility of the Labour Department is to protect and safeguard the interests of workers in general and those who constitute the poor, deprived and disadvantaged sections of the society, in particular, with due regard to creating a healthy work environment for higher production and productivity and to develop and coordinate vocational skill training and employment services. With a view to achieve this aim, the Government of India enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (Act) and Building and Other Construction Workers Welfare Cess Act in 1996 with an aim to provide safety, health and welfare measures for the benefit of building and other construction workers through levy/collection of cess.

Accordingly, for implementation of the Act in Manipur, the Government of Manipur notified the Manipur Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008 and constituted the Manipur Building and Other Construction Workers' Welfare Board for implementation of the welfare schemes provided in the Act and Rules *ibid* for which it levied labour cess (cess) at the rate of one *per cent* of the cost of construction.

A Performance Audit was carried out to assess consistency of the Rules notified by the Government of Manipur under the Act with the objectives of the Act; effectiveness of system for registration of establishments and beneficiaries; efficiency of cess assessment, collection and transfer; and efficiency of administration and utilisation of fund on implementation of welfare schemes covering the period 2017-22. Some of the major findings of the Performance Audit are as follows:

There was delay in implementation of the provisions of the Act as the State Government notified the "The Manipur Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules 2008" in October 2008 after a gap of 12 years from enactment of the Act. The State Advisory Committee (SAC) was not reconstituted till March 2023 and only two meetings of the State Advisory Committee were held (November 2010 and December 2015). The Labour Department had not made any significant effort to identify and register establishments or employers within the State. None of the 52 registered employers had furnished requisite annual returns to the Department and to the Board during the period 2017-18 to 2021-22. Further, no follow-up action was taken to ensure submission of these returns by the employers. There was no systematic or uniform pattern of assigning registration numbers to the registered building workers as the workers were registered

offline. Analysis of beneficiaries records revealed that there were 433 cases having same name, same father's name, same address and same date of birth but allotted with multiple registration numbers. During the audit period no assessment of cess was conducted by the Deputy Labour Commissioner.

Test check of the Bank Account of the Board for the years 2017-18 to 2021-22 revealed that 73 cheques for an amount of ₹ 16.08 crore presented for deposit into account of the Board were dishonoured by the Bank, resulting in loss of Cess. The State Government had released the Cess collected amounting to ₹ 63.61 crore to the Board only on two occasions out of total cess collection of ₹ 101.15 crore, leaving a balance of ₹ 37.54 crore. Board had invested ₹ 5.31 crore in Manipur State Corporative Bank (MSCB), which is not a nationalised bank, contrary to the direction of the Hon'ble Supreme Court of India. Analysis of records of 74,838 registered beneficiaries of the State who had availed benefits under one scheme or more during the period covered by audit revealed irregular payment through DBT and payment to beneficiaries whose names did not match with registration data. Out of payment made to 675 beneficiaries for Natural Death, there were 242 cases where financial assistance was given after a delay ranging from 61 days to 1947 days.

***Recommendations***

*The Government may consider the following recommendations:*

- *The State Advisory Committee should be re-constituted for better administration of the Act and hold regular meetings as prescribed;*
- *The Board should make efforts to identify and register establishments/employees and properly assess the cess amount;*
- *Registration of workers should be done online with user friendly options and special efforts should be made to register all workers including migrant workers under the Board;*
- *Responsibility should be fixed against concerned Departments/Officers for dishonoured cheques;*
- *The State Government should transfer the Labour Cess amount lying in the Government account to the Board without delay;*
- *Funds should be invested in Nationalised Banks only in compliance to the direction of the Hon'ble Supreme Court;*
- *The Board should carry out a comprehensive exercise to identify and de-register all ineligible persons.*

***(Paragraph 2.2)***

## Performance Audit on Solid Waste Management in Urban Areas

Solid Waste Management (SWM) is a part of public health and sanitation since solid waste poses a threat to the environment and human life if not handled or disposed of properly.

The most important task of waste management in our country is to protect the environment. The poor management of solid waste not only causes land and water pollution but also generates many vector and water-borne diseases like cholera, dysentery, jaundice, typhoid and diarrhea. Therefore, solid waste management is one of the major environmental areas that needs to be addressed effectively. Waste management is a State subject and local bodies are responsible for performing waste management related activities. In Manipur, the Urban Local Bodies (ULBs) are spread out in six valley districts of the State.

A Performance Audit was conducted to assess the "Strategy and planning" of solid waste management in ULBs; economy, efficiency, effectiveness and sustainability of (a) municipal tasks associated with solid waste management, (b) planning, construction, commissioning, operation and maintenance of solid waste management projects in ULBs; and adequacy and effectiveness of Monitoring and Evaluation of solid waste management system covering the period 2018-22, which brought out the following major findings:

None of the test-checked ULBs assessed requirement of funds for waste management and no budget was also prepared in these ULBs. All seven test checked ULBs neither assessed daily generation of Solid Waste nor submitted their Annual Report on SWM to the State Pollution Control Board or to the Director or Commissioner, Municipal Administration. Solid waste was not being segregated at source/household level in any of the seven test-checked ULBs which resulted in mixing up of different kinds of wastes together for disposal. High percentage of unregistered households showed that collection of segregated solid waste from these households has not been effected which posed risks to health and environment. Uncovered and un-partitioned vehicles were used in six test checked ULBs (except in Jiribam MC) for door-to-door collection and transportation of solid waste. In all the test-checked ULBs, waste was not processed before its disposal but being dumped without processing in open dumping sites and landfills. This not only showed ineffective waste management by the ULBs but also resulted in reduction of quality and quantity of compost. During joint physical verification audit observed in the test-checked ULBs that the work force handling waste were without protective equipment particularly gloves and boots though these were provided by the ULBs.

***Recommendations***

*The Government may ensure that:*

- *The Department should earmark funds for management of Municipal Solid Waste in its budget;*
- *Segregation of solid waste at source should be strictly enforced and implemented and weighbridge should be installed in all the ULBs for assessment of Solid Waste generated;*

- *Transportation of Solid Waste should be done in an environmentally sound manner to prevent spreading of odour, littering etc.;*
- *ULBs should ensure stoppage of the practice of burning solid waste in open/dumping site;*
- *Assessment of risks to environment and human health posed by waste should be conducted periodically in consultation with stakeholders.*

***(Paragraph 2.3)***

## RURAL DEVELOPMENT

### RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT (RD&PR)

Two Programme Implementation Units (PIUs) did not adhere to contractual terms and conditions while recovering liquidated damages from contractors executing Pradhan Mantri Gram Sadak Yojana (PMGSY) works.

***(Paragraph 2.4)***

There was extra expenditure of ₹ 1.73 crore due to award of works at higher rates.

***(Paragraph 2.5)***

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

During 2022-23, we conducted audit of 125 units pertaining to Economic Sector involving expenditure of ₹ 2,536.12 crore including expenditure of previous years. As of March 2023, 37 Inspection Reports containing 171 paras were issued to the State Government with copies to the heads of the concerned departments.

This Chapter contains one Performance Audit on ***"Development and Promotion of Tourism"*** and two Compliance Audit paragraphs.

## PERFORMANCE AUDIT

### Development and Promotion of Tourism

Manipur is a promising tourist destination for adventure and nature lovers alike. For growth of tourism in the State, the Government of India and the State Government have been funding several tourism projects for creation of infrastructure, promotion and publicity.

The Tourism Department and the Tourism Corporation of Manipur Limited, a public sector undertaking established in 2016, are responsible for development and promotion of tourism in the State. They take up various infrastructure works such as development of spiritual circuit, amusement park, eco-tourism

destination lodges, *etc*., and promotes tourism through publicity, tourism festivals *etc*.

A Performance Audit on 'Development and Promotion of Tourism' covering the period from 2017-18 to 2022-2023 revealed inadequate planning, poor financial management and instances of wasteful/idle/excess expenditure. The major audit findings are as below:

Due to non-preparation of Tourism Master Plan, Perspective Plan and Annual Action Plans, the tourism development projects were taken up in an ad hoc manner. No State Level Tourism Steering Committee and Tourism Advisory Committee had been constituted though envisaged in the State Tourism Policy. During 2017-18 to 2022-23, the Department did not involve private entrepreneurs to promote tourism in the State. Against total budget provision of ₹ 1,124.59 crore during 2017-18 to 2022-23, the total expenditure was ₹ 350.09 crore, indicating overall savings of ₹ 774.50 crore and sub-optimal utilisation of the budgetary allocation. There were delays in release of funds by the State Government to the implementing agencies, which ranged from 83 days to 421 days for NLCPR projects, 69 days to 468 days for NESIDS projects and 40 days to 573 days for NEC projects.

The State Government could not avail GoI grant amounting to ₹ 92.45 crore in respect of 13 Product Infrastructure Development for Destinations and Circuits (PIDDC) projects due to non-completion of the projects. The 13 projects were lying incomplete/abandoned after incurring ₹ 50.85 crore and even after delays ranging from seven to 13 years from the stipulated date of completion. In respect of the project "Development of Eco-Tourism Destinations in each Assembly Constituency" items of work worth ₹ 2.88 crore were not executed though payments had been made.

The non-opening of the light and sound show at Kangla under Swadesh Darshan Scheme after its inauguration on 14 August 2018 rendered the light and sound show non-functional, thereby resulting in wasteful expenditure of ₹ 6.35 crore. In respect of the project "Development of Spiritual Circuits" taken under Swadesh Darshan Scheme, assets created at a cost of ₹ 16.83 crore were either lying idle/ unutilised or not utilised for the intended purposes. During 2017-18 to 2022-23, three Projects with a total approved cost of ₹131.61 crore were taken up under Special Assistance to States for Capital Expenditure, however the projects were yet to be completed despite delays ranging from three months to 11 months. There was no structured monitoring system in place to oversee the execution and management of tourism projects.

***Recommendations***

*The following recommendations may be considered by the State Government:*

- *To prepare Tourism Master Plan, Perspective Plan and Annual Action Plans and the development of tourism infrastructure based on these plans to ensure sustainable development of Tourism in the State;*

- *To review and strengthen its budgetary management to ensure optimal utilisation of budget provisions to avoid persistent savings;*
- *To ensure that the completed projects are properly utilised through proper arrangements for their operation & maintenance;*
- *To ensure that all projects are completed in a timely manner and to fix responsibility on the concerned officers/officials for undue delay in execution or non-completion of projects;*
- *To ensure effective monitoring in implementation of the projects.*

***(Paragraph 3.2)***

## COMPLIANCE AUDIT

### PUBLIC WORKS DEPARTMENT (PWD)

The work taken up in May 2014 was not yet completed due to inability of the Department to take timely action.

***(Paragraph 3.3)***

### TRADE, COMMERCE AND INDUSTRIES DEPARTMENT

Lack of monitoring and inability of the State Government to contribute its share for Honey Processing Facilities at Toupokpi, Bishnupur resulted in wasteful expenditure to the tune of ₹ 3.23 crore.

***(Paragraph 3.4)***

# CHAPTER IV
# ECONOMIC SECTOR
# (STATE PUBLIC SECTOR ENTERPRISES)

As of 31 March 2023, the State of Manipur had 14 State Public Sector Enterprises (SPSEs) (all Government Companies including one non-working). However, none of these SPSEs were listed on the Stock Exchange.

***(Paragraph 4.1.1)***

During the last five years, the overall pendency of SPSE accounts had increased from 94 Accounts (2018-19) to 114 Accounts (2022-23) which was attributable to less number of Accounts finalised (25 Accounts) by the SPSEs during 2019-23 as compared to the number of accounts due for finalisation (52 Accounts) during the said period.

Against the total arrears of 114 Accounts (11 SPSEs) as on 30 September 2023, 60 Accounts (53 *per cent*) pertained to two SPSEs namely, Manipur Tribal Development Corporation Limited (35 Accounts) and Manipur Police Housing Corporation Limited (25 Accounts).

***(Paragraph 4.1.5)***

***Recommendations***

- *State Government may ensure the clearance of arrears of accounts and set targets for individual SPSEs; and*

- *State Government may consider taking appropriate action against the Company Management responsible for arrears of accounts.*

# CHAPTER V
# REVENUE SECTOR

During 2022-23, the revenue raised by the State Government was ₹ 2,325.49 crore which was 14.63 *per cent* of its total revenue receipts of ₹ 15,893.15 crore. The balance receipts of ₹ 13,567.66 crore (85.37 *per cent*) during 2022-23 were from Government of India as State's share of net proceeds of Union taxes and duties and GIA.

***(Paragraph 5.1)***

During the year 2022-23, there were 93 auditable units, of which eight units were planned and audited.

***(Paragraph 5.3)***

This Chapter contains one Subject Specific Compliance Audit and three compliance audit paragraphs involving financial effect of ₹ 81.55 crore.

***(Paragraph 5.5)***

## COMPLIANCE AUDIT

### TAXATION DEPARTMENT

***Subject Specific Compliance Audit (SSCA) on "Department's Oversight on GST Payments and Returns Filing"***

In the MIS GST back-end portal 4,785 taxpayers in the five sampled zones did not file 68,623 returns for the years 2017-18 to 2020-21. Out of 68,623 cases of non-filers identified, GSTR-3A was issued in 8,027 cases only for the year 2020-21 and the due process of issue of GSTR-3A followed by ASMT 13 was not observed in all the other remaining cases. Total estimated loss for the years 2017-18 to 2020-21 for the five zones amounted to ₹ 13.22 crore as per MIS report.

***(Paragraph* 5.6.7.1*)***

***Recommendation:*** *The Department may ensure scrutiny of returns for all Zones with reference to the prescribed SoP.*

Out of total 951 cases of cancellation on taxpayers' request, 430 cases were cancelled with effect from dates prior to the date of application of the taxpayers.

Out of 1610 cases of GSTR-10 which were liable to be filed during the financial year 2017-18 to 2020-21 for five zones, only 101 cases of GSTR-10 were filed before due date and 22 cases of GSTR-10 were filed after due date. However, no action was taken on defaulters in filing GSTR-10, as the Superintendent of Taxes (ST) neither issued notice in GSTR-3A nor was any ASTM 13 issued during the period. Thus, no recovery proceedings were initiated by the ST against the defaulters.

***{Paragraph 5.6.7.3.1 & 5.6.7.3.2)}***

***Recommendation:*** *The Department may exercise due diligence in cancellation of registrations.*

There were deviations from the provisions of the Act in 104 cases involving mismatch in ITC/tax liability of ₹ 34.04 crore constituting 68.87 *per cent* of the 151 inconsistencies/mis-matches in data for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as mismatch in availing of ITC, mismatch in tax paid, short payment of interest on delayed payment etc.

In 26 cases constituting 17.22 *per cent*, where the Department's reply was acceptable to Audit involving mismatch in tax paid, mismatch in availing of ITC amounting to ₹ 11.14 crore, data entry errors by taxpayers comprised three cases.

***(Paragraph 5.6.8.1)***

Out of the 151 deviations, the Department accepted the audit observations or initiated departmental examination in 104 cases with mismatch in ITC/tax liability of ₹ 34.04 crore. Out of these cases, the department has recovered ₹ 1.08 crore in 15 cases and was in correspondence with the respective taxpayers in 89 cases involving mismatch in ITC/tax liability of ₹ 32.96 crore.

Out of the 151 replied cases, the Department has not accepted six cases amounting (including mismatch) to ₹ 0.61 crore. In these cases, the Department only forwarded explanation of the taxpayers either without explicitly commenting on the audit observations or without appropriate documentary evidence.

***{Paragraph 5.6.8.2 (1)&(2)}***

***Recommendation:*** *The Department may take up the matter with the GST Council to insert validation controls in GST Portals as highlighted above to curb data entry errors, enhance taxpayer compliance and facilitate better scrutiny.*

There was scope limitation of audit due to non-production of granular record by the Department as during the desk review of taxpayers' records available in the back-end system, as in 13 cases out of 20 sampled cases with the risks related to excess ITC and tax liability mismatches for detailed examination, the Department did not produce the corresponding granular records such as the supplementary financial ledgers, invoices, agreement copies, returns, vouchers, credit note, debit note, etc. required for examining the causative factors for mismatches of ITC and tax liability. As a result, deviation/mismatches in ITC and tax liability amounting to ₹ 19.52 crore could not be examined in detail by Audit.

***(Paragraph 5.6.9.1)***

***Recommendation:*** *The Government may instruct the Departmental units for ensuring timely and complete production of records to Audit.*

There were 25 instances of mismatches relating to Input Tax Credit (ITC), amounting to ₹ 23.65 crore out of 20 sampled cases examined. The deficiencies were due to availing ITC irregularly, availing ineligible ITC and non or short reversal of ITC.

***(Paragraph 5.6.9.3)***

***Recommendation:*** *The Department may initiate remedial action for all the compliance deviations brought out in this report before they get time barred.*

**TRANSPORT DEPARTMENT**

Inability of the Tax Authorities to realise tax led to non-realisation of government revenue to the tune of ₹ 34.92 lakh.

***(Paragraph 5.7)***

**TAXATION DEPARTMENT**

Inability of Taxation Department to detect suppression of sales turnover under GST Act resulted in evasion of tax amounting to ₹ 0.76 crore.

***(Paragraph 5.8)***

**RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT (RD&PR)**

There was loss of Government Revenue due to non-enforcement of GST Act on ongoing works applicable to work value amounting to ₹ 38.53 crore due to non-application of extant provisions of GST.

***(Paragraph 5.9)***

## CHAPTER VI
## FOLLOW UP OF AUDIT OBSERVATIONS

Audit Report for the year 2021-22 (Report No. 2 of 2023) featured two Subject Specific Compliance Audits and nine Compliance Audit paragraphs. The Report was placed in the State Legislature on 29 February 2024. In respect of earlier Audit Reports for the years 1999-2020, *suo moto* Explanatory Notes pertaining to 427 Performance Audits and Compliance Audit paragraphs were not received within the stipulated period of three months from the Departments.

***(Paragraph 6.1)***

As of March 2024, the PAC had published 38 Reports on the findings in the Audit Reports. These PAC Reports altogether contained 1,592 recommendations based on the examination of Audit Reports by the PAC. In respect of 21 Reports of the PAC containing 737 recommendations, the Action Taken Notes (ATN) had been received. Of the remaining 855 recommendations contained in 17 Reports of the PAC, no ATNs were received.

***(Paragraph 6.2)***

As of March 2023, there was 2,496 outstanding IRs with 11,865 audit paragraphs pertaining to General, Social and Economic Sectors (other than SPSEs) that were pending settlement.

In respect of Revenue Sector, there were 343 pending Inspection Reports with 1,263 outstanding audit paragraphs involving ₹ 299.83 crore as outstanding audit observations at the end of June 2023.

***(Paragraphs 6.4.1 and 6.4.2)***

***Recommendations***

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

i. *Submission of Action Taken Notes to the recommendations of the Public Accounts Committee (PAC)/ Committee on Public Undertakings (CoPU); and*

ii. *Convening of regular meetings of Departmental Audit and Accounts Committee (DAAC) and State Audit and Accounts Committee (SAAC) to review, discuss and monitor the progress in disposal of outstanding Inspection Reports and paragraphs.*

# Chapter I
# General Sector

# CHAPTER I
# GENERAL SECTOR

## 1.1 Introduction

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

The expenditure incurred during the last five years by some of the major Departments pertaining to the General Sector are tabulated below.

**Table 1.1.1: Expenditure incurred by major departments under General Sector during 2018-23**

*(₹ in crore)*

| Years | Finance | Police | Planning | Total on General Sector (*per cent*) | Total Expenditure# |
|---|---|---|---|---|---|
| 2018-19 | 1,549.64 | 1,378.62 | 160.76 | 3,397.70 (23.29) | 14,590.22 |
| 2019-20 | 1,747.11 | 1,577.20 | 63.14 | 3,740.79 (21.79) | 17,165.50 |
| 2020-21 | 1,740.39 | 1,880.17 | 119.72 | 4,166.43 (18.51) | 22,505.98 |
| 2021-22 | 2,441.78 | 2,078.42 | 260.74 | 5,285.95 (19.68) | 26,855.94 |
| 2022-23 | 2,820.01 | 2,147.84 | 535.45 | 6,008.15 (22.17) | 27,096.84 |

*Source: Appropriation Accounts.*
*# General, Economic (Other than PSUs) and Social Sectors.*

**Table 1.1.2** provides Department-wise details of budget provision and expenditure incurred by the 16 departments pertaining to General Sector during 2022-23.

**Table 1.1.2: Department-wise budget provision and expenditure under General Sector during 2022-23**

*(₹ in crore)*

| Sl. No. | Department | 2022-23 | | | Savings as *per cent* of Budget Provision |
|---|---|---|---|---|---|
| | | Budget Provision | Expenditure | Savings | |
| 1 | Police | 2,258.12 | 2,147.84 | 110.28 | 4.88 |
| 2 | Finance | 3,235.18 | 2,820.01 | 415.17 | 12.83 |
| 3 | Administration of Justice | 175.72 | 100.85 | 74.87 | 42.61 |
| 4 | Planning | 1,542.71 | 535.45 | 1,007.25 | 65.29 |
| 5 | Land Revenue, Stamps & Registration and District Administration | 141.90 | 115.32 | 26.58 | 18.73 |
| 6 | Secretariat | 173.86 | 120.34 | 53.52 | 30.78 |
| 7 | Election | 28.48 | 20.44 | 8.04 | 28.23 |
| 8 | Jails | 42.68 | 38.14 | 4.54 | 10.64 |
| 9 | Home Guards | 56.52 | 54.64 | 1.88 | 3.33 |
| 10 | Fire Protection and Control | 35.88 | 21.92 | 13.96 | 38.91 |
| 11 | Governor Secretariat | 7.84 | 6.01 | 1.83 | 23.34 |
| 12 | Manipur Public Service Commission | 7.16 | 6.11 | 1.05 | 14.66 |
| 13 | Stationery and Printing | 7.96 | 5.14 | 2.82 | 35.43 |
| 14 | Vigilance Department | 8.24 | 5.74 | 2.50 | 30.34 |

| Sl. No. | Department | 2022-23 | | | Savings as *per cent* of Budget Provision |
|---|---|---|---|---|---|
| | | Budget Provision | Expenditure | Savings | |
| 15 | State Academy of Training | 16.72 | 7.04 | 9.68 | 57.89 |
| 16 | Rehabilitation | 6.94 | 3.16 | 3.78 | 54.47 |
| **Total** | | **7,745.91** | **6,008.15** | **1,737.75** | **22.43** |

*Source: Appropriation Accounts*

As it can be seen from the **Table** above, there was savings of ₹ 1,737.75 crore (22.43 *per cent*) during 2022-23 against Budget provision under General Sector. Additionally, during 2022-23, Planning Department had the maximum savings of ₹ 1,007.25 crore (65.29 *per cent*) followed by State Academy of Training at ₹ 9.68 crore (57.89 *per cent*) and Rehabilitation at ₹ 3.78 crore (54.47 *per cent*) against their respective Budget provisions in terms of percentage.

### 1.1.1 Planning and execution of Audit

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

Out of total 19 units pertaining to General Sector (including 2 Apex Bodies) selected for compliance audit during 2022-23, we conducted audit of 18 units[1] involving expenditure of ₹ 399.65 crore including expenditure of the previous years. As of March 2023, four Inspection Reports containing 19 paras were issued to the Government with copies to the Heads of the Departments concerned.

Year-wise details of expenditure audited in respect of General Sector during 2022-23 are shown in ***Appendix 1.1***.

This chapter contains one compliance audit paragraph as discussed in the succeeding paragraph.

[1] Including 2 Apex Bodies for which no expenditure is incurred.

# COMPLIANCE AUDIT

## TRIBAL AFFAIRS AND HILLS DEPARTMENT

### 1.2 Undue benefit to contractors

**Non-collection of Performance Guarantee from contractors led to extension of undue benefit to contractors to the tune of ₹ 2.4 crore.**

As per Rule 171 of the General Financial Rules (GFR) 2017 (as adopted by Government of Manipur), Performance Security/Guarantee is to be obtained from the successful bidder who is awarded the contract, for an amount equal to five to ten *per cent* of the value of the contract. This may be furnished in the form of an Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee from a Commercial bank in an acceptable form with validity for a period of sixty days beyond the date of completion of all contractual obligations.

Further, Clause 1 under Contract Agreement of General Conditions of Contract for execution of the work stipulates that the contractor shall submit an irrevocable Performance Guarantee of five *per cent* of the tendered amount in addition to other deposits mentioned elsewhere in the contract for proper performance of the contract agreement within specified period from the date of issue of letter of acceptance.

Test check of the records of the Director, Tribal Affairs and Hills Department (TA&HD) (July to August 2022), revealed that Work Orders were issued during June 2020 to September 2021 by the Directorate to different contractors for an amount of ₹ 48.06 crore for 19 construction works as detailed in ***Appendix 1.2***. However, Performance Guarantees were not obtained from the successful bidders after award of the work contracts. The works were allowed to be executed even though the prescribed Performance Guarantees were not submitted by the contractors in violation of the Rule/Contract agreement. The Performance Guarantees at the rate of five *per cent* worked out to ₹ 2.40 crore *(**Appendix 1.2**)*. Inability of the Department to collect Performance Guarantee from the contractors resulted in undue benefit to the tune of ₹ 2.40 crore.

In the absence of Performance Guarantees there was no safeguard available with the Department in case of non-performance of contract by the contractors. The Department replied (April 2024) that Performance Guarantee had not been collected from the contractors through oversight and assured that such irregularities would be avoided henceforth. The Department, however, replied that out of 19 works six works were still ongoing and Performance Guarantees for these works would be deducted from the payments.

***Recommendation:***

***The Government should follow the codal provisions to ensure that applicable performance guarantee is inevitably collected from the contractors.***

# Chapter II
# Social Sector

# CHAPTER II
# SOCIAL SECTOR

## 2.1 Introduction

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

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

**Table 2.1.1** gives the expenditure incurred during the last five years by some of the major departments under Social Sector.

**Table 2.1.1: Expenditure incurred by major departments under Social Sector during 2018-23**

***(₹ in crore)***

| Years | Education | Community & Rural Development | Medical, Health & Family Welfare | Total on Social Sector *(per cent)* | Total Expenditure# |
|---|---|---|---|---|---|
| 2018-19 | 1,369.25 | 922.83 | 614.33 | 4,653.17 (31.89) | 14,590.22 |
| 2019-20 | 1,471.16 | 1,017.35 | 665.69 | 4,817.07 (28.06) | 17,165.50 |
| 2020-21 | 1,540.92 | 1,917.63 | 962.38 | 6,534.62 (29.04) | 22,505.98 |
| 2021-22 | 1,725.22 | 2,129.83 | 1,073.46 | 6,792.93 (25.29) | 26,855.94 |
| 2022-23 | 2,103.11 | 2,003.29 | 1,300.78 | 7,447.83 (27.89) | 27,096.84 |

*Source: Appropriation Accounts.*
*# General, Economic (Other than PSUs) and Social Sectors.*

**Table 2.1.2** provides Department-wise details of budget provision and expenditure incurred by the 17 departments pertaining to Social Sector during 2022-23.

**Table 2.1.2: Budget Provision and Expenditure of departments in Social Sector during 2022-23**

***(₹ in crore)***

| Sl. No. | Department | 2022-23 | | Savings | Savings as *per cent* of Budget Provision |
|---|---|---|---|---|---|
| | | Budget Provision | Expenditure | | |
| 1 | Adult Education* | 2,574.15 | 2,103.11 | 471.04 | 18.30 |
| 2 | Education (Schools)* | | | | |
| 3 | Education (University)* | | | | |
| 4 | Technical Education* | | | | |

| Sl. No. | Department | 2022-23 | | Savings | Savings as *per cent* of Budget Provision |
|---|---|---|---|---|---|
| | | Budget Provision | Expenditure | | |
| 5 | Community and Rural Development | 4,758.66 | 2,003.29 | 2,755.37 | 57.90 |
| 6 | Tribal Affairs and Hill and Schedule Castes Development | 865.50 | 531.39 | 334.11 | 38.60 |
| 7 | Medical, Health and Family Welfare | 1,747.26 | 1,300.78 | 446.48 | 25.55 |
| 8 | Municipal Administration Housing and Urban Development | 823.39 | 361.84 | 461.55 | 56.05 |
| 9 | Social Welfare | 1,270.22 | 644.43 | 625.79 | 49.27 |
| 10 | Minorities and Other Backward Classes | 674.62 | 210.43 | 464.19 | 68.81 |
| 11 | Panchayat | 162.27 | 56.83 | 105.44 | 64.98 |
| 12 | Relief and Disaster Management | 128.34 | 15.64 | 112.70 | 87.81 |
| 13 | Consumer Affairs, Food and Public Distribution | 172.77 | 54.25 | 118.52 | 68.60 |
| 14 | Youth Affairs and Sports | 146.36 | 76.35 | 70.01 | 47.83 |
| 15 | Labour and Employment | 420.45 | 28.02 | 392.43 | 93.34 |
| 16 | Art and Culture | 59.93 | 46.22 | 13.71 | 22.88 |
| 17 | Information and Publicity | 16.90 | 15.25 | 1.65 | 9.76 |
| | **Total** | **13,820.82** | **7,447.83** | **6,372.99** | **46.11** |

** Separate information not available.*
*Source: Budget Documents and Appropriation Accounts.*

As it can be seen from the **Table** above, there was overall savings of ₹ 6,372.99 crore (46.11 *per cent*) during 2022-23 from Budget provision under Social Sector. In terms of percentage of savings, Department of Labour and Employment had the maximum savings of ₹ 392.43 crore (93.34 *per cent*) followed by Relief and Disaster Management at ₹ 112.70 crore (87.81 *per cent*) and Minorities and Other Backward Classes Department at ₹ 464.19 crore (68.81 *per cent*) against their respective Budget provisions during 2022-23.

### 2.1.1 Planning and execution of Audit

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

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

Keeping in view the importance accorded to the Social Sector by the State, Audit accorded importance to the Social Sector in the Annual Audit Plan. Out

of total 73 units[2] selected for compliance audit during 2022-23 which pertained to Social Sector, we conducted audit of 58 units (79.45 *per cent)* involving expenditure of ₹ 1,569.32 crore including expenditure of previous years. As of March 2023, 29 IRs containing 95 paras were issued to the State Government with copies to the heads of the departments concerned.

Year-wise details of expenditure audited in respect of Social Sector during 2022-23 are shown in ***Appendix 2.1***.

This chapter contains two Performance Audits and two Compliance Audit Paragraphs as discussed in succeeding paragraphs.

## PERFORMANCE AUDIT

## DEPARTMENT OF LABOUR AND EMPLOYMENT

### 2.2 Performance Audit on Welfare of Building and Other Construction Workers

**Highlights:**

- ***There was delay in implementation of the provisions of the Act as the State Government notified the "The Manipur Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules 2008" in October 2008 after a gap of 12 years of the enactment of the Act.***

  ***(Paragraph 2.2.9.1)***

- ***The Labour Department had not made any significant effort to identify and register establishments or employers within the State.***

  ***(Paragraph 2.2.10.1)***

- ***None of the 52 registered employers/establishments had furnished requisite annual returns to the Department and to the Board during the period 2017-18 to 2021-22. Further, no follow-up action was taken to ensure submission of these returns by the employers.***

  ***(Paragraph 2.2.10.2)***

- ***Analysis of beneficiaries' records revealed that there were 433 cases having same name, same father's name, same address and same date of birth but allotted with multiple registration number.***

  ***(Paragraph 2.2.10.8)***

- ***During the audit period no assessment of cess was conducted by the Deputy Labour Commissioner.***

  ***(Paragraph 2.2.11.1)***

- ***Test check of the Bank Account of the Board for the years 2017-18 to 2021-22 revealed that 73 cheques for an amount of ₹ 16.08 crore presented for deposit into the account of the Board were dishonoured by the Bank, resulting in loss of cess.***

  ***(Paragraph 2.2.12.3)***

[2] Including 7 Apex Bodies

- ***The State Government had released the cess collected amounting to ₹ 63.61 crore to the Board only on two occasions, out of cess collected amounting to ₹ 101.15 crore, leaving a balance of ₹ 37.54 crore.***

  ***(Paragraph 2.2.12.7)***

- ***Board had invested ₹ 5.31 crore in Manipur State Co-operative Bank (MSCB), which is not a nationalised bank, against the direction of the Hon'ble Supreme Court of India.***

  ***(Paragraph 2.2.14.3)***

- ***Analysis of records of 74,838 registered beneficiaries of the State who had availed benefits under one scheme or more during the period covered by audit revealed several irregularities.***

  ***(Paragraph 2.2.15.2)***

- ***Out of payment made to 675 beneficiaries for Natural Death, there were 242 cases where financial assistance was given after a delay ranging from 61 days to 1947 days.***

  ***(Paragraph 2.2.15.6)***

## 2.2.1 Introduction

The Government of India (GoI) enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (Act) and Building and Other Construction Workers Welfare Cess Act in 1996 (Cess Act) with the aim to provide safety, health and welfare measures for the benefit of building and other construction workers through levy/collection of cess. The GoI also framed (November 1998) the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998 (Rules) and Building and Other Construction Workers Welfare Cess Rules (Cess Rules) in 1998. The Act *inter alia* mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by every State Government to exercise the powers conferred under the Act.

Accordingly, the Government of Manipur (GoM) notified[3] the Manipur Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008 (MBOCW Rules) and constituted (April 2010) the Manipur Building and Other Construction Workers' Welfare Board (Board) for implementation of the welfare schemes provided in the Act and Rules *ibid.* The Board levies labour cess at the rate of one *per cent* of the cost of construction.

The provision of the Act is applicable to every establishment which employs or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work in the age group of 18 to 60 years and who were not members of any Welfare Fund established under any law and had completed a period of 90 days of service during the preceding

[3] No. 5/254/97-Lab dated 29th October 2008

12 months as construction worker in the State, who in turn could be registered as beneficiary. The 'Establishment' defined as per the Act is as follows:

I. Any establishment belonging to, or under the control of Government, any body corporate or firm, an individual or association or other body of individuals which or who employs building workers in any building or other construction work; and includes an establishment belonging to a contractor;

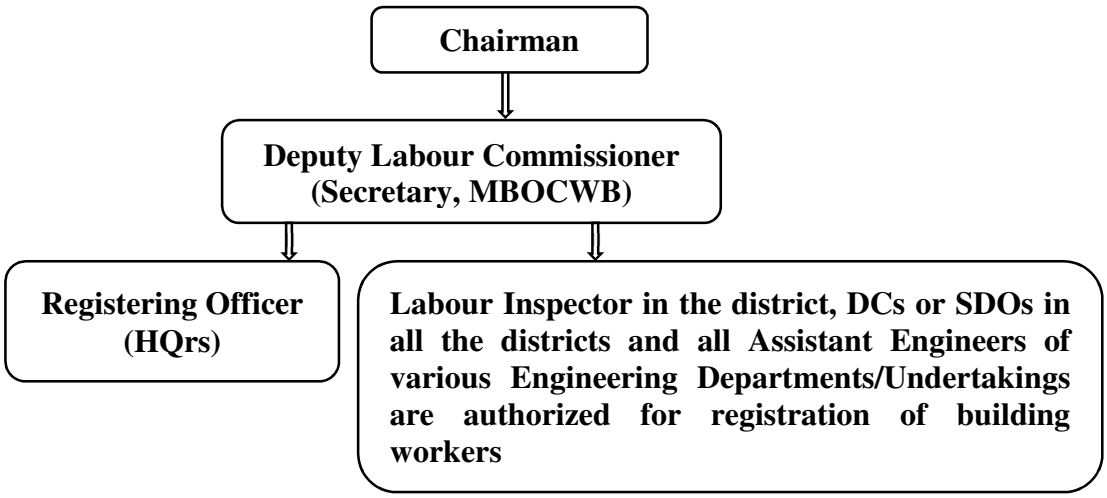
II. An individual who employs such workers in any building or construction work in relation to his own residence, where the total cost of such construction is more than ₹ 10 lakh.

### 2.2.2 Organisational Set up

The Board is headed by a Chairperson who is responsible for administration of the fund and implementation of various welfare schemes. He is assisted by the Deputy Labour Commissioner who acts as the Secretary of the Welfare Board. One Labour Inspector in each district is authorised for registration of building workers under Section 12 (2) of the Act. Besides, the Deputy Commissioner (DC) or Sub-Divisional Officers (SDO) in all Districts and all the Assistant Engineers (AEs) of various engineering Departments/Undertakings are authorised for registration of building workers[4].

The organisational set-up has been depicted in the following chart:

**Organisational Set-up**




### 2.2.3 Function and Duties of the Board

#### 2.2.3.1 Functions of the Board

As per Section 22 of the Act, the Board may:

- provide immediate assistance to a beneficiary in case of accident;
- make payment of pension to the beneficiaries who have completed the age of sixty years;

[4] Till now no registration has been made by these offices

- pay such amount in connection with premia for Group Insurance Scheme of the beneficiaries as it may deem fit;
- give such financial assistance for the education of children of the beneficiaries as may be prescribed;
- meet such medical expenses for treatment of major ailments of a beneficiary or, such dependent, as may be prescribed; and
- make payment of maternity benefit to the female beneficiaries, *etc*.

#### 2.2.3.2 Duties of the Board

As per Manipur Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules 2008, the responsibilities of the Board are:

(1) Administration of the Fund, laying down policies for the deposits of the amount of the Fund, submission of annual budget for sanction and annual report on the activities of the Board to the State Government, proper maintenance of accounts, annual audit of accounts of the Board and submitting audit report to the State Government on or before 31 July every year, collection of contribution to the fund and other charges, *etc*.

(2) Furnishing information to the State Government on such matters as the State Government may refer to it, from time to time.

#### 2.2.3.3 Shortage of human resources

The Hon'ble Supreme Court of India issued directions (January 2010) to all the States for the formation of Welfare Boards with adequate full time staff within three months. It also directed the State Government to appoint Registering Officers and set up centers in each district to receive and register the applications and issue receipts for the applications.

The State Advisory Committee in its First Meeting (October 2010) recommended that the Welfare Board may frame and notify its Standing Order describing the condition of the Chairman, Members, Secretary, Officers and other employees of the Welfare Board, Recruitment Rules with the approval of the State Government.

The details of men in position of the Board are shown in the **Table** below:

**Table 2.2.1: Sanctioned strength and Men in position**

| Category of post | Sanctioned strength | Men in position | Shortage/ Remarks |
|---|---|---|---|
| Deputy Labour Commissioner* | 1 | 1 | - |
| Chief Inspector* | 1 | 1 | - |
| Inspector* | 16 | 8 | 8 |
| OSD (Legal) | - | 1 | The Department does not have sanctioned strength of these categories of post. |
| Computer Programmer | - | 2 | |
| Assistant Computer Programmer | - | 2 | |
| Computer Assistant | - | 13 | |
| Field Assistant | - | 22 | |
| LDC | - | 1 | |
| Accountant | - | 10 | |

| Category of post | Sanctioned strength | Men in position | Shortage/ Remarks |
|---|---|---|---|
| Office Assistant | - | 4 | |
| Peon | - | 2 | |
| Driver | - | 5 | |
| Multitasking Assistant | - | 3 | |
| Sweeper cum Chowkidar | - | 1 | |
| Personal Assistant | - | 1 | |

** Staff utilised on deputation from Labour Department*
*Source: Departmental records*

Audit observed that the Board is yet to frame its Standing Order and Recruitment Rules. Audit also observed that the State Government had neither assessed staff requirement nor sanctioned any staff for implementation of the Act. There was no regular staff of the Board. As such, the Board was functioning with staff on deputation from Labour Department and temporary[5] engagement. Besides this, there was acute shortage of staff and as such the Board could not open field offices and exercise proper control over collection and implementation of the schemes.

### 2.2.4 Audit Objectives

The objectives of audit were to assess whether:

- The rules notified by the Government of Manipur under the Act are consistent with the objectives of the Act;
- There was effective system for registration of establishments and beneficiaries;
- Cess assessment, collection, and transfer of collected cess to the Fund was efficient;
- Government prescribed appropriate health and safety norms and could ensure an environment of compliance to those norms by Employers;
- Government implemented transparent and effective system of inspections to check evasion of Labour cess and compliance to health and safety norms by Employers; and
- Administration and utilisation of fund on implementation of welfare scheme by the Board was efficient and effective and as per the Act and rules framed by the State Government.

### 2.2.5 Audit Criteria

The Audit Criteria for assessing the implementation of various provisions of the Act/Rules are:

- Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996;

[5] OSD (Legal) (1); Computer Programmer (2); Assistant Computer Programmer (2); Computer Assistant (13); Field Assistant (22); LDC (1); Accountant (10); Office Assistant (4); Peon (2); Driver (5); Multitasking Assistant (3); Sweeper cum Chowkidar (1) & Personal Assistant (1)

- State Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Rules, 2008;
- Manipur Building and Other Construction Workers' Welfare Scheme Rules 2016;
- Building and Other Construction Workers' Cess Act 1996 and Cess Rules, 1998;
- General Financial Rules, 2017;
- Resolutions passed by the Board;
- National Building Code of India, 2016 titled 'Construction Management, Practices and Safety';
- Indian Standard Safety Code for Scaffolds and Ladders Part I & II (IS: 3696);
- Inspection Policy notified by State Government;
- The Hon'ble Supreme Court of India's judgment 2018; and
- Model Scheme for Building and Other Construction Workers and Action Plan.

### 2.2.6 Audit Scope

The Performance Audit (PA) of the Welfare of Building and Other Construction Workers for the period 2017-18 to 2021-22 was conducted during September 2022 to April 2023, by test check of records of the Manipur Building and Other Construction Workers Welfare Board (Board), Labour Department, Works Department with highest expenditure on works and local bodies from each selected district. As the Labour Department and Board had no field/District offices, no offices were selected at District level.

The PA commenced with an Entry Conference held on 27 September 2022 with the Deputy Labour Commissioner, who is the Secretary of the Welfare Board and representatives from the State Finance Department, Engineering Departments, ULBs and PRIs wherein audit objectives, scope, criteria and methodology of the PA were discussed. The audit findings were discussed in an Exit Conference held on 7 December 2023 with officials from Municipal Administration, Housing & Urban Development Department (MAHUD), Tribal Affairs and Hills Department, Labour Board, Labour Department, Public Health Engineering Department (PHED) and Public Works Department (PWD). The replies of the Department/Board have been incorporated as appropriate in the report.

### 2.2.7 Sampling Methodology

Four districts (two each from valley[6] and hill[7] districts) out of 16 districts (six valley and 10 hill districts) in the State, were selected based on maximum amount of benefits under welfare schemes implemented by the Board and maximum contribution in cess fund, for detailed examination.

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[6] Imphal East and Imphal West
[7] Churachandpur and Senapati

Two audit units in each selected district with highest expenditure on works were selected for checking whether the construction works are being registered as establishments, the contractors are being registered as employers and whether applicable Labour Cess is being deducted from payments and is deposited timely into the Board's account.

Two Local Bodies/Urban Development Authorities were selected from each district for assessing whether applicable Labour Cess was collected and deposited with the Board.

As per "The Manipur Building and Other Construction Workers' Welfare Scheme, 2016", 11 Welfare Schemes[8] were to be implemented. However, only seven schemes were being implemented as of March 2023, all the seven Schemes implemented by the Board were selected for the Performance Audit.

Beneficiary survey and joint physical verification was conducted with Department officers and the findings were incorporated in appropriate paragraphs.

### 2.2.8 Acknowledgement

Audit acknowledges the co-operation extended by the Labour Department, Board, sampled audit units, Local Bodies/Urban Development Authorities and beneficiaries during the conduct of the Performance Audit.

### Audit Findings

The results of the Performance Audit are discussed in the succeeding paragraphs.

### 2.2.9 Compliance with Acts and Rules

#### 2.2.9.1 Delay in implementation of provisions of the Act

The Government of India enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act in 1996.

However, the State Government notified the "The Manipur Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules 2008" in October 2008 after a gap of 12 years from enactment of the Act by adopting the provisions of "The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules 1998", except for Rules 10 to 22 which were modified in accordance with the requirement of the State. There was no inconsistency noticed with the Central Rules.

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[8] (i) Immediate assistance in case of accident to the beneficiary (Accidental Benefit); (ii) Financial assistance for education of children of the beneficiary (Education); (iii) Medical expenses for treatment of major ailments of a beneficiary (Medical treatment); (iv) Maternity benefit and Health benefit; (v) Natural death relief; (vi) Skill Development Training (vii) Other Benefits (viii) Pension to the beneficiaries building workers who has completed sixty years; (ix) Loan or advance for construction of a house; (x) Premium of group insurance scheme of beneficiaries and (xi) Health care insurance.

#### 2.2.9.2 State Advisory Committee

Section 4(1) of the Act provides that the State Government had to constitute a committee *viz*., State Advisory Committee (SAC) to advise the State Government on such matters arising out of the administration of the Act and the State Advisory Committee had to conduct meetings[9] at least once in six months.

The SAC was constituted twice[10] after notification of MBOCW Rules in 2008. The term of the Committee was three years from the date of notification. The Committee formed in 2010 was in existence till it was re-constituted in December 2015. Thereafter, SAC was not re-constituted till March 2023. Further, up to 31 March 2023, only two meetings were held (November 2010 and December 2015). No SAC meeting was held during the period covered in audit.

While accepting the audit observation, the Board stated (November 2023) that meeting of the committee are being planned and will be held soon. However, no information has been received on holding of meetings (May 2024).

#### 2.2.9.3 Expert Committees

Section 5(1) of the Act stipulates that the Government may constitute one or more expert committees consisting of persons specially qualified in building and other construction works to advise the Government to frame Rules under the Act.

Though an expert committee was constituted[11] (September 2018), its recommendations[12] were made only once in November 2019 and no meetings/recommendations were made since then. In the absence of such meetings or periodical recommendations, the Board was deprived of the expert committees' advice for efficient implementation of the schemes.

While accepting the audit observation, the Board stated (November 2023) that meeting of the committee are being planned and will be held soon. However, no information has been received on holding of meetings (May 2024).

#### 2.2.9.4 Manipur Building and Other Construction Workers' Welfare Board

The Hon'ble Supreme Court of India directed[13] (January 2010) that every Welfare Board would hold meeting at least once in every two months and shall submit comprehensive reports as required under the Act and Rules to the respective Government.

The Board had conducted only four meetings[14] against the required 30 meetings during 2017-22. As such, implementation of all the schemes could not be

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[9] Rule 14(1) of MBOCW Rules 2008
[10] On 01-10-2010 & 16-12-2015
[11] No. 5/16/2018-L&E (MBOCWWB) dated 29th September 2018
[12] No. 5/16/2018-L&E (MBOCWWB) dated 12th November 2019
[13] Civil Writ Petition No. 318 of 2006
[14] On 14-06-2017, 05-02-2018, 22-10-2018 & 05-10-2020

discussed, and out of 11 schemes listed in the Scheme Rules for implementation, four schemes[15] were not implemented by the Board and implementation of the seven schemes which were being implemented could not be reviewed periodically.

While accepting the audit observation, the Board stated (November 2023) that the meeting would be planned soon. However, no information has been received on holding of meetings (May 2024).

#### 2.2.9.5 Non-preparation of Budget

Section 25 of the Act stipulates that the Board shall prepare in such form and at such time each financial year, as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Board and forward it to the State Government and the Central Government. Also Rule 34 of the Manipur Building and Other Construction Workers (MBOCW) Rules, 2008 prescribes the forms and manner of preparation of the Budget.

Scrutiny of records revealed that the Board had not prepared any budget estimate since inception. For a scheme/project to be successful a budget is required to be prepared and the source of fund estimated at the planning stage. Non-preparation of budget would have an adverse impact on the effective implementation of the schemes.

While accepting the audit observation, the department stated (November 2023) that the Board is planning to prepare the Annual Budget from 2023-24 onwards. However, no information has been received on preparation of Annual Budget (May 2024).

#### 2.2.9.6 Non-preparation of Annual Report

Rule 35 of the MBOCW Rules, 2008 stipulates that the Annual Report on the workings and activities of the Board shall be prepared within 60 days after the end of the previous financial year and a copy of the reports shall be submitted to the State Government and the Central Government by July every year.

Audit noticed that the Board had not prepared any Annual Reports during the period covered by audit.

The Board stated (November 2023) that as they did not have expert staff for preparation of Annual Account, they have requested the State Government for posting a Finance Officer. Expert knowledge of accounts is not a necessary requirement for preparation of Annual Report.

#### 2.2.9.7 Non-preparation of Annual Statement of Accounts

Rule 36 of MBOCW Rules 2008 stipulates that the Board shall prepare and maintain the Annual Statement of Accounts and furnish to the State Government on or before 31 July every year its audited copy of accounts

[15] Health Care Insurance, Premium of Group Insurance Scheme of beneficiary, Loans or advances for construction of a house and Pension to the beneficiary building worker who has completed sixty years

together with the Auditor's Report under sub-section (4) of section 27 of the Act.

The Board had not prepared any Annual Statement of Accounts during the period covered by audit.

While admitting the audit observation, the Board stated (November 2023) that they have now recruited regular/permanent staff during April 2023 and henceforth audit observation would be complied with.

### 2.2.10 Registration of establishments and beneficiaries

#### 2.2.10.1 Short registration of establishments

Section 7 of the Act stipulates that every employer, undertaking construction work, would make an application to the registering officer for registration of the establishment within 60 days from the commencement of the work. Further, Chapter IV of the Central Rules (as adopted by the State Government) specifies the manner of registration of the works as establishments.

The Model Welfare Scheme guidelines suggested that the State may take up the following measures to strengthen the machinery for registration of establishments, which, *inter alia,* includes:

- The registration of establishments should be made on-line to make the process of registration quicker and to minimise public interface [Clause B],
- The State Governments should issue directions to all Departments/ State undertakings/ local bodies in their jurisdiction to timely forward a copy of the allotment of work order with regard to construction activity to be carried out, to the relevant registration, cess collection and cess assessment authorities appointed under the BOCW Act by the State [Clause C],
- The State Governments should develop a mechanism for regular monitoring of construction activities going on in the State and make use of Geographic Information System (GIS) technology/ mapping *etc*., for the purpose [Clause D].

Audit noticed that the measures suggested in the Model Welfare Scheme guidelines for strengthening the machinery for registration of establishments were not complied with in the State. In Manipur, works were registered offline. During the period covered by Audit, only 52 establishments/employers were registered in Labour Department. Further during the course of audit of units of selected work departments and local bodies, audit noticed that 3,524 number of works/establishments[16] being implemented by these units, should have been registered with the Labour Department, however were not registered in violation of the aforesaid provisions of the Act and Rules.

[16] Works executed by the units during 2017-18 to 2021-22 covered in the Performance Audit.

This indicated that the Labour Department had not made any significant effort to identify and register establishments or employers within the State.

While admitting the audit observation, the Board stated (November 2023) that more publicity drives and inspection would be conducted at construction sites in the future to improve registration of establishment and construction workers at worksite.

#### 2.2.10.2 Non-submission of returns by employers of registered establishments

Rule 242 of the Rules stipulated that every employer of the registered establishments shall send annually a return relating to an establishment in Form XXV to the Registering Officers before 15 February following the end of each calendar year with a copy to the Inspector having jurisdiction.

Audit scrutiny revealed that none of the 52 establishments/registered employers had furnished requisite annual returns to the Department and to the Board during the period 2017-18 to 2021-22. However, no follow-up action was taken to ensure submission of these returns by the employers.

As such, the details of workers employed and their registration status, details of worker's health and safety condition, *etc*., at work sites were not available with the Board and Department.

#### 2.2.10.3 Non-establishment of Labour Offices in the districts

Manipur Building and Other Construction Workers' Welfare Board (Board) was constituted in April 2010 and located at Imphal West.

However, even after 13 years of the establishment of the Board, audit noticed that there were no district offices of the Labour Department and Board in any of the remaining 15 districts of the State.

The Board stated (November 2023) that District Office could not be set up earlier due to shortage of Staff. However, they have appointed 60 regular staff in April 2023 and are working out mechanisms for setting up district office either in Deputy Commissioner's office complex or other government offices.

#### 2.2.10.4 Low registration of construction workers

In Manipur workers were registered offline. The workers need to submit application form along with personal details, bank account details and certificate from the employer for whom they worked to get registered. As per information furnished by the Labour Welfare Board as of March 2023 there were 1,20,393 registered workers in the State. During audit coverage period the number of workers registered with the Board is shown in the following **Table**.

**Table 2.2.2: Year wise registration of Construction workers**

| Year | Number of Registered workers |
|---|---|
| Up to 2016-17 | 76,427 |
| 2017-18 | 16,419 |
| 2018-19 | 6,297 |

| Year | Number of Registered workers |
|---|---|
| 2019-20 | 14,760 |
| 2020-21 | 5,366 |
| 2021-22 | 912 |
| 2022-23 | 212 |
| **Total** | **1,20,393** |

*Source: Departmental Records*

The details of year-wise as well as district-wise registered workers are shown in ***Appendix 2.2 & 2.3***. The maximum number of workers were registered in Imphal West (29.77 *per cent*) followed by Imphal East (21.85 *per cent*).

Audit noticed that there was a decline in registration of workers as beneficiaries' (as shown in ***Appendix 2.2***) after 2016-17. The reasons for declining trend in registration of workers can be attributed to lack of sufficient initiative to create awareness by the Board, such as knowledge of benefits payable under various schemes like natural death, education *etc.*, as discussed in **Paragraph 2.2.10.10**.

Audit further noticed that the Board did not update the list of workers by removing workers who were retired, expired and those who left the State.

Section 10 of the Act stipulates that no employer can employ any construction worker until it gets registered with the Labour Department as establishment. For contravention of this provision, they are liable to pay penalty at the rate of ₹ 1,000 for every such contravention as per Section 50 of the Act.

During joint physical inspection of the 11 registered and 32 unregistered work sites, audit noticed that out of a total of 295 workers, only 23 workers were registered as detailed in the **Table** below:

**Table 2.2.3: Registered and non-registered worker from work site**

| Type of work | No. of Work sites selected for joint physical verification | No. of workers | | | |
|---|---|---|---|---|---|
| | | Employed | Not Registered | Registered | Percentage of not registered |
| Registered | 11 | 90 | 89 | 1 | 99 |
| Unregistered | 32 | 205 | 183 | 22 | 89 |
| **Total** | **43** | **295** | **272** | **23** | |

As seen from **Table 2.2.3,** 89 *per cent* of workers from unregistered worksites and 99 *per cent* of workers from registered worksites were not registered with the Board, thereby depriving them from receiving benefits of the welfare schemes, due to lack of initiative of the establishments as well as the Board.

The Labour Department also did not impose any penalty to the employer for un-registered workers as per the provisions of the Act.

Out of the 23 registered workers, 14 workers stated that they were aware of one or more of the welfare schemes *viz.*, Education Scheme, Major Ailments and Accident Schemes. However, nine registered workers stated that they were not aware of any schemes.

While admitting to the audit observation, the Board stated (November 2023) that more publicity drives and inspection will be conducted at construction sites

in the future to improve registration of establishment and construction workers at worksite.

### 2.2.10.5 No facility for registration of Migrant Workers

As per directives (July 2018) of the Hon'ble Supreme Court of India, the Ministry of Labour and Employment had prepared Model Scheme for Building and Other Construction Workers (BOC). As per the scheme guidelines, a non-domicile worker should not be prevented from getting registered outside his/her state of origin. The destination states are to conduct special drives and ensure that the migrant workers are not discriminated against in registration and delivery of benefits. The Ministry of Labour and Employment, GoI recommended that the State should submit their compliance reports by 31 December 2018.

Further, the Ministry[17] directed (July 2020) the State Welfare Board to develop a Mission Mode Project and operationalise a simple system of Migration certificate within three months. The destination/host State Welfare Board needs to provide the migrant workers the benefits of the Act/Welfare Scheme as they contributed to the prosperity of the state.

However, the Board had neither formulated any such mechanism of registration of migrant workers nor submitted compliance report to GoI till date (May 2024).

This fact was substantiated during the joint physical verification (JPV) which revealed that none of the 114[18] migrant workers out of 295[19] construction workers were registered with any of the State Boards and none of them were aware of any of the welfare schemes which resulted in depriving the migrant workers of the benefits of welfare schemes.

The Board replied (November 2023) that they have appointed the Nodal Officer for Inter State Migrant Workers in November 2023 and opened two facilitation centres. A helpline number for migrant works has also been made operational.

Thus, due to negligence on the part of Board, migrant workers were deprived of the benefit of the welfare schemes.

### 2.2.10.6 Gaps in sequence of registration number

Due care should be exercised while assigning registration numbers to each registered beneficiary so as to assign the registration numbers in a systematic pattern without any gaps till completion of a series and commencement of a new series.

Analysis of registration data furnished by the Board, revealed that though the Registering Officers (ROs) assigned unique registration numbers to the beneficiaries, there were 84,876 cases of gaps in the sequence of registration number series as noticed by audit. Due to the gaps in assigning registration

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[17] Ministry of Labour and Employment, Government of India.
[18] 65 migrant workers from Registered work site and 49 from unregistered work site.
[19] 90 workers from registered work site and 205 workers from unregistered work site.

numbers, the Board irregularly utilised the gaps by including names of ineligible workers as pointed out in **Paragraph 2.2.15.2.1 (i)**.

### 2.2.10.7 Non-uniform patterns of assigning registration number

There was no systematic or uniform pattern of assigning registration numbers to the registered building workers as the workers were registered offline. There were instances where the registration number had the name of the Board, a number and district name (e.g. MBCWB/1066/IE). In some cases, it began with the initial of the Registering Officer (RO) (e.g. KT/MBCWB/IE/2016/1088) while the initial of the RO was at the end in some other cases (e.g. MBCWB/010/BPR/YS). Also, there were cases where the year of registering was inserted in the registration number (e.g. KT/MBCWB/IW/2016/1088). The difference in pattern of assigning registration number also arises as the initial of some Registering Officers was only two letters while others were three. Similar cases arose for initial of the district name with two or three letters.

While admitting the audit observation (November 2023), the Board decided (May 2022) to fully implement Online Registration System and Renewal in the Board's portal through assigning of Unique Identification Number.

### 2.2.10.8 Allotment of multiple registration number to same person

Audit analysis of records of beneficiaries registered with the Board revealed that there were 433 cases having same name, same father's name, same address and same date of birth but allotted with multiple registration numbers as shown below:

**Table 2.2.4: Number of beneficiaries holding multiple registration card**

| Sl. No. | Number of Registration number allotted to each beneficiary | Number of beneficiary |
|---|---|---|
| 1 | 2 cards | 426 |
| 2 | 3 cards | 7 |
| | **Total** | **433** |

*Source: Departmental records*

Due to allotment of multiple registration number to same person, multiple claims were made by the same person under the schemes as discussed at **Paragraph no. 2.2.10.9**.

While admitting the audit observation (November 2023), the Board stated that they issue registration number to workers manually and no standard software for registration and preparation of Labour Card are available. However, the Board has developed an AADHAAR (Unique Identity Number) based software for registration of workers which would resolve such issues henceforth.

### 2.2.10.9 Same name, same father's name, same address but different date of birth

Scrutiny of the beneficiary list revealed that there were 259 cases out of 1,20,393 registered workers where the name, father's name and address were the same but with different dates of birth. Audit noticed that in eight cases,

payment amounting to ₹ 80,000 for education was made twice to the same name but different card numbers for education scheme in 2019-20. Details are given in ***Appendix 2.4***. This happened due to loopholes in allotment of registration numbers to the workers.

### 2.2.10.10 Inadequate publicity campaign

As per directives (July 2018) of the Hon'ble Supreme Court of India, the Ministry of Labour and Employment had prepared Model Scheme for Building and Other Construction Workers and Action Plan (for Strengthening Implementation Machinery), which amongst others included spreading of awareness about the welfare schemes to workers at grass roots level through awareness programs rather than by advertisements in newspapers or TV channels.

The awareness campaigns should exclusively and strictly focus on Building and Other Construction Workers (BOC) and should not carry therewith the name and photograph of any public or Government representative. Despite such directives, the names of politicians were seen on the signboards of awareness campaigns.

The Board incurred an expenditure of ₹ 11.30 crore during 2017-18 to 2021-22 for publicity and awareness programs. However, no grass root level awareness program was seen to have been conducted, as per records.

During survey of 991 beneficiaries, it was observed that none of the workers were aware of the publicity hoardings. Thus, it was seen that the Board's awareness campaign, through hoardings and unipoles, could not achieve the desired outcome to generate awareness amongst the targeted workers.

While admitting the audit observation, the Board stated (November 2023) that better awareness programs covering wider spectrum of activities will be conducted in future. Board further stated that they were not aware of the displaying of photographs of elected representatives in the signboards and assured that such violation of directions of the Hon'ble Supreme Court of India and such loopholes in publicity campaigns will be avoided in future.

### 2.2.10.11 Lack of awareness

Audit conducted a survey of 991 beneficiaries. Total 696 beneficiaries had availed welfare benefits. Out of the 295 remaining construction workers (registered as well as unregistered) 281 beneficiaries did not know about the schemes.

The following points were observed from the beneficiary survey:

- None of the beneficiaries knew about all the eleven schemes included in the Scheme Rules of the Board;
- Only two (0.20 *per cent*) were aware of five schemes implemented by the Board. No other worker was aware of more than five schemes;

- 488 (49.24 *per cent*) of the beneficiaries surveyed knew of only one scheme;
- The rate of lack of awareness of the seven implemented schemes ranged from 64.68 % (Education Benefit) to 96.87 % (Natural Death).

None of the beneficiaries were aware of the publicity awareness hoardings. Details are shown in ***Appendix 2.5 (A) and (B)***.

### 2.2.11 Assessment of cess

#### 2.2.11.1 Non-assessment of cess

Section 3 of the Building and Other Construction Workers' Welfare Cess Act 1996 states that cess for the purposes of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, at the rate not exceeding two *per cent* and not less than one *per cent* of the cost of construction shall be levied. Accordingly, cess at the rate of one *per cent* of the cost of construction was fixed in 26 September 1996. As per Rule 6 of the Cess Rule 1998, every employer, within thirty days of commencement of his work of payment of cess, as the case may be, furnish to the Assessing Officer, information in Form I.

Further, rule 7 of the Rule *ibid* states that the Assessing Officer shall scrutinise such information furnished in Form I and, if he is satisfied about the correctness of the particulars so furnished, he shall make an order of assessment within a period not exceeding six months from its receipt and endorse a copy thereof to the employer, to the Board and to the cess collector within five days of such order. Also, as per the Finance Department, GoM order dated 24 November 2017, labour cess collected from the construction of works is to be transferred directly to the Bank account of the Labour Board. The Drawing & Disbursing Officer (DDOs) making such deposits by challans shall through their Administrative Department compile and furnish copies of the challan to the Finance Department at the end of every month.

Though Deputy Labour Commissioner had been appointed as Assessing Officer for the entire State, audit observed the following:

- No assessment of cess was conducted by the Deputy Labour Commissioner during the audit period;
- No returns in Form I were submitted by registered employers to Deputy Labour Commissioner;
- Assessment of the cost of construction was not done as per devised formula which could have determined cess amount recoverable from the employers;
- No mechanism had been devised by the Board to ensure timely assessment of Cess return.

Audit further observed that the Board had no knowledge about the details of the source of Cess amount being credited to their designated account. As such, the

Deputy Labour Commissioner did not carry out any exercise for assessment of actual cess due *vis-à-vis* actual remittances.

While admitting the audit observation, the Board stated (November 2023) that the assessment of Labour Cess could not be done due to non-submission of details of work by the various agencies (Local Bodies, PHED, PWD). Further it was also stated that the Board organised meeting with all the concerned departments (November 2023) and appraised the departments who should submit the information in Form-I.

## 2.2.12 Collection of cess

### 2.2.12.1 Non collection of Labour Cess while approving Building Plan

Rule 4(4) of the Cess Rules, 1998 stated that where the approval of a construction work by a local authority is required, every application for such approval shall be accompanied by a crossed demand draft in favour of the Board and payable at the station at which the Board is located for an amount of cess payable at the notified rates from the estimated cost of construction.

Test check of the records of the Imphal Municipal Corporation (IMC) and Mayang Imphal Municipal Council (MMC) revealed that 1557[20] building plans were approved under their jurisdiction during audit coverage period for which construction cost was more than ₹ 10 lakh. However, IMC and MMC did not collect labour cess as per the rules while giving approval of building plan.

During the exit conference (November 2023), the Municipal Administration, Housing & Urban Development Department (MAHUD) stated that the provision for collection of labour cess while giving approval of building plan is not included in the building bye law and as such specific instruction/orders in this regard had not been issued.

The reply is not acceptable because as per Cess Rules, 1998 the local authorities are required to collect the cess. Further, Government of Manipur *vide* OM No. 12/1/2011-FR(Cess)/Pt dated 24 November 2017 instructed all the heads of Department to transfer the collected labour cess to the bank account of the Board.

### 2.2.12.2 Non-deduction of Labour Cess

Audit noticed that two Autonomous District Councils (ADCs), Churachandpur and Senapati, had taken up various construction works under XIV Finance Commission, XV Finance Commission and III State Finance Commission. Details of the funds received and the expenditure of works/construction components are as follows:

[20] IMC: 2017-18= 463, 2018-19= 372, 2019-20= 336,2020-21=148, 2021-22=207 and MMC: 2017-18 = 5, 2018-19 = 6, 2019-20 = 6, 2020-21= 8, 2021-22= 7.

**Table 2.2.5: Statement showing non-deduction of Labour Cess**

*(₹ in crore)*

| Name of Office/Scheme | Sanction Amount | Work Component where labour Cess was to be levied | Labour Cess Amount | Labour cess deducted |
|---|---|---|---|---|
| **ADC Senapati** | | | | |
| 3rd SFC | 37.37 | 34.71 | 0.35 | Nil |
| 14th FC | 54.25 | 54.25 | 0.54 | Nil |
| 15th FC | 20.66 | 17.08 | 0.17 | Nil |
| **ADC Churachandpur** | | | | |
| 15th FC | 17.46 | 10.11 | 0.10 | Nil |
| **Total** | **129.74** | **116.15** | **1.16** | |

*Source: Departmental Records*

As seen from the above **Table**, during audit coverage period two ADCs had taken up construction works amounting to ₹ 116.15 crore. However, labour cess amounting to ₹ 1.16 crore had not been deducted.

While admitting the audit observation, the Tribal Affairs & Hills Department stated that Labour Cess was not deducted as per instructions given in the fund flow mechanism and release of Grants under Finance Commission Guidelines that there should not be any deduction from the Grants due to the excluded areas. The Joint Secretary however assured that clarification would be sought from the Finance Department in this regard.

The reply of the department is not acceptable as there are no instructions about non-deduction of Cess, in the fund flow mechanism and release of Grants under Finance Commission Guidelines.

### 2.2.12.3 Loss of Cess fund due to dishonoured cheques

Cess deducted at source by the implementing department/agencies *etc*., is deposited to the Board either by Cheque or by direct credit from the account of the implementing department/agencies or through treasury bill.

Test check of the Bank Account of the Board for the years 2017-18 to 2021-22 revealed that 73 cheques for an amount of ₹ 16.08 crore presented for deposit into the account of the Board were dishonoured by the Bank citing insufficient balance or signature mismatch *etc*. The details are given in ***Appendix 2.6***.

Audit also noticed that the Board did not initiate any action to recover these funds from the implementing departments/agencies.

While admitting the audit observation (November 2023), the Board stated that details have been called for from the banks and action will be taken with the concerned Departments after receipt of detailed report from the bank.

### 2.2.12.4 Loss due to non-deposit of cheque/demand draft to bank

As per Rule 5 of the Cess Rules, the proceeds of the cess collected shall be transferred to the Board by the Government Offices, Public Sector Undertaking, Local Authorities or collectors along with the form of challan prescribed (and in the head of account of the Board) under the accounting procedures of the State.

Further, rule 57 (5) of General Financial Rules, 2017 (GFR) states that the Head of the Department and the Accounts Officer shall be jointly responsible for the monthly reconciliation of the figures given in the accounts maintained by the Head of the Department with those appearing in the Accounts Officer's books.

The Board maintains a register[21] of cheques/Demand Drafts (DDs) received from various departments/Public Sector Companies and Private Sector. Audit noticed that 63 cheques/DDs of cess amounting to ₹ 1.43 crore received from various Departments (Central and State), Public Sector Undertakings (PSUs) and Private Sectors were recorded in the register but not reflected in the bank statement (2019-22) of the Board. The details are given in ***Appendix 2.7***.

Further, the Board could not furnish any documentary evidence about the cheques/DDs deposited with the Bank. While admitting the audit observation, the Board stated (November 2023) that details have been called for from the bank and action will be taken up with the concerned departments after receipt of detailed report from the bank. However, the Department has not furnished any reply till date (May 2024).

#### 2.2.12.5 Delay in deposit of Labour Cess

Rule 5 of the Cess rules 1998 states that the proceeds of the cess collected shall be transferred by such Government office, Public Sector Undertaking, local authority, or cess collector to the Board within thirty days of its collection.

Further, Section 8 of the Cess Act 1996, states that if any employer fails to pay any amount of cess payable within the time specified in the order of assessment, interest on the amount shall be paid at the rate of two *per cent* for every month or part of a month from the date on which such payment is due till such amount is actually paid.

Scrutiny of records revealed that labour Cess amounting to ₹ 55.22 lakh deducted by urban local bodies[22] for the construction works was deposited after a delay ranging from one month to 69 months. Delay in deposit of Cess also resulted in liability of penal interest of ₹ 20.08 lakh.

While accepting the audit observation the department assured (December 2023) to co-ordinate with the Local Bodies and the action taken will be intimated to audit.

#### 2.2.12.6 Non-realisation of Registration and renewal fees of workers

As per Rule 31 of MBOCW Rules 2008, the Board had to collect ₹ 50 as registration fee of workers. As per the recommendation (December 2015) of the Advisory Committee, the monthly renewal fee had been revised from ₹ 2 to ₹ 10 per month. Year-wise number of beneficiaries registered with the Board is given in ***Appendix 2.8***.

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[21] Registers for the three years of 2016-17 to 2018-19 were not produced to audit

[22] Nambol MC, Heirok MC, Wangjing MC, Andro MC, Thongkhong Laxmi MC, Mayang Imphal MC, Lamlai MC, Samurou MC, Imphal MC, Kwakta MC, Yairipok MC, Lilong MC, Oinam MC and ADC Churachandpur

The Labour Board had not cancelled any beneficiaries' cards due to non-renewal. Therefore, the total amount to be realised during 2010-11 to 2021-22 worked out to ₹ 6.77 crore ***(Appendix 2.8)***. However, as seen from the bank statement the amount deposited during the period was only ₹ 2.63 crore. Thus, there was a short-realisation of ₹ 4.14 crore.

While accepting the audit observation the Board stated that now the Board has adopted computerised AADHAAR based registration and as such the actual registered active card holder would be ascertained henceforth.

#### 2.2.12.7 Non-transfer of Cess to the Board by the State Government

As per Section 3 of the Act, proceeds of Cess collected shall be transferred by the local authority or the State Government to the Board after deducting the cost of collection not exceeding one *per cent* of the amount collected.

Details of the Cess collected by the State Government as reflected in the State Finance Account for the year 2010-11 to 2021-22 and the amount to be credited after deducting the cost of collection as permitted by the Act is shown in ***Appendix 2.9***.

The State Government had released the Cess collected amounting to ₹ 63.61 crore[23] to the Board only on two occasions out of total Cess collection of ₹ 101.15 crore, leaving a balance of ₹ 37.54 crore.

Non release of Cess to the Board hampered the implementation of welfare schemes as mentioned in **Paragraph 2.2.15.1**.

While accepting the audit observation, the Board requested (May 2022) the State Government to release the pending Cess amount of ₹ 37.54 crore to the Board.

### 2.2.13 Health and safety for workers at work sites

#### 2.2.13.1 Non-conduct of regular inspections

Section 42(2) of the Act, 1996 states that the State Government may, by notification, appoint a Gazetted Officer as Chief Inspector of Inspection of Building and Construction who shall be responsible for implementation of the provisions of this Act. Any Inspector appointed under the act shall be subject to the control of the Chief Inspector and shall exercise such powers and perform such functions under this Act subject to the general control and supervision of the Chief Inspector.

The Deputy Labour Commissioner, Manipur has been appointed as Chief Inspector of Inspection of Building and Construction. However, there was shortage of inspectors as only eight persons were in position as against the sanctioned strength of 16.

Audit noticed that no regular inspection was done or planned for inspection at worksites to ensure safety and security of the workers.

[23] ₹ 27,16,92,615 in 2017-18 and ₹ 36,44,27,000 in 2020-21.

The Labour Department replied that regular inspections (month-wise or year-wise) of the building or other construction works could not be planned and conducted due to shortage of inspectors.

The Department further stated that inspections are conducted as and when complaints are received. However, the inspection should also be planned by segregation of the registered work sites according to various risk based criteria and not only on occasional receipt of complaints.

Though Labour Department has a prescribed format (to capture date and time of inspection, details of the inspector and particulars about the establishment) of the Memorandum of inspections, Audit noticed that the inspection reports on the inspections conducted on receipt of complaints were not prepared in the prescribed format. As such, the inspection reports were without observations on overtime payment, workers deployed, facilities provided to workers.

The Labour Department further stated that the Department did not maintain the information at the district level or State Level for inspections conducted, inspection notes issued, and action taken by the employer due to shortage of inspectors.

As such, the Labour Department had not been able to check compliance to health and safety norms by Employers.

## 2.2.14 Administration of Welfare Funds

### 2.2.14.1 Constitution of Fund

The major source of the fund for the Board is from the collection of Cess at the rate of one *per cent* of the cost of construction incurred by the employer under the Act to be utilised for the welfare of construction workers.

The details of receipt and expenditure of the Board for the period from 2017-18 to 2021-22 are as follows:

**Table 2.2.6: Receipt and expenditure for the year 2017-22**

*(₹ in crore)*

| Year | Opening balance | Receipts | | | | | Expenditure | Closing Balance |
|---|---|---|---|---|---|---|---|---|
| | | Cess collected | Registration | Interest earned | Refund from Fail transaction | Total funds available | Board's Expenditure* | |
| 2017-18 | 7.28 | 60.65 | 0.68 | 0.80 | 0.64 | 70.05 | 47.56 | 22.49 |
| 2018-19 | 22.49 | 35.10 | 0.27 | 1.14 | 0.02 | 59.02 | 19.96 | 39.06 |
| 2019-20 | 39.06 | 29.23 | 0.39 | 0.83 | 0.61 | 70.12 | 51.88 | 18.24 |
| 2020-21 | 18.24 | 74.74 | 0.59 | 0.67 | 0.29 | 94.53 | 20.54 | 73.99 |
| 2021-22 | 73.99 | 50.06 | 0.70 | 2.34 | 1.41 | 128.50 | 71.13 | 57.37 |

*Source: MBOCWWB*

** Includes administrative expenses, expenditure on welfare schemes, publicity and capital expenditure.*

From the above **Table** it can be seen that the Cess collection depicted decreasing trend from 2017-18 to 2019-20 which increased substantially in 2020-21. However, there was a downward trend again in 2021-22.

During 2017-18 to 2021-22, the expenditure incurred by the Board was also in a fluctuating trend, which is indicative of the fact that the benefits under welfare scheme were not distributed uniformly.

#### 2.2.14.2 Irregular Expenditure

The Imphal Municipal Corporation (IMC) issued permits for erection/ installation of Unipoles in road median to advertising agencies.

Audit however noticed that the Board had made payment of ₹ 1.12 crore out of the labour cess collected for installation of 51 unipoles to an unregistered agency for three months on a monthly rental basis (February 2021, March 2021 & April 2021) under the jurisdiction of IMC without obtaining any permission from IMC. Audit noticed that due to COVID-19, the IMC did not give permit/ renewal to any advertising agency for the calendar year 2020 and 2021.

Thus, the expenditure of ₹ 1.12 crore to an unregistered agency was irregular as advertisement could not be hoarded due to the ban by the IMC.

The Board stated (November 2023) that they were not aware of any ban on hoarding by IMC. Further the Board stated that the payment was made based on actual installation of unipoles.

The reply is not acceptable, as construction of the Unipole without obtaining permission tantamount to unauthorised work. Further, the Board's reply is silent about the assignment of the work to an unregistered agency.

#### 2.2.14.3 Investments of fund in a Non-Nationalised Bank

The Hon'ble Supreme Court of India directed the Welfare Boards to properly invest those undisbursed funds or funds that are not likely to be disbursed within a short period with the nationalised banks only.

Audit however noticed that at the end of March 2023, out of total available fund of ₹ 57.46 crore the Board invested ₹ 5.31 crore solely in Manipur State Co-operative Bank (MSCB), which is not a nationalised bank, contrary to the direction of the Hon'ble Supreme Court of India.

The Board stated that MSCB is an approved bank to handle government business. The reply is not acceptable as the directives of the Hon'ble Supreme Court of India are about investing only with nationalised banks.

#### 2.2.14.4 Inadmissible expenditure

The Ministry of Labour & Employment (Ministry) directed (June 2016) the State Governments and UT Administrations not to spend the cess fund for construction of buildings for schools, hospitals, training centre *etc*., as the fund was not to be utilised for any other purpose other than for welfare of Building and Other Construction Workers and their family.

The Board had incurred expenditure on construction/renovation and purchase of vehicles amounting to ₹ 89.12 lakh, as discussed in the succeeding paragraph.

### a) Renovation works

The Welfare Board approved (December 2018) ₹ 41.95 lakh on renovation works at Lamphelpat, Secretariat North Block and Directorate Complex Office, North AOC of Labour and Employment Department as shown below:

**Table 2.2.7: List of Renovation work taken up**

*(₹ in lakh)*

| Sl. No. | Name of Work | Estimated Cost | Date of approval by the Board | Cheque no. & date |
|---|---|---|---|---|
| 1 | Renovation at Lamphelpat | 8.91 | 28-12-2018 | 951529 (SBI) 07-01-2019 |
| 2 | Renovation at Secretariat North Block | 6.41 | | |
| 3 | Renovation of 2nd floor at Northern side of Directorate Complex Building, North AOC, Imphal for Labour & Employment Department, Manipur | 26.63 | 19-12-2018 | 951531 (SBI) 08-01-2019 |
| **Total** | | **41.95** | | |

Expenditure of ₹ 41.95 lakh on renovation works was not admissible as the instruction/guidelines of the Ministry does not permit utilisation of cess fund for purposes other than for the welfare of the construction workers.

The Board stated (November 2023) that minor and urgent renovation works were undertaken considering as part of the office expenses.

The reply is not acceptable as the funds meant for welfare of the workers were incurred on non-permissible works.

### b) Purchase of vehicles

Purchase of vehicles from Cess fund is not admissible as per the direction of the Ministry. Audit noticed that the Board had incurred an expenditure amounting to ₹ 47.17 lakh on purchase of five vehicles during 2017-18 to 2021-22. Details are shown in ***Appendix 2.10***.

It was further observed that only one vehicle was utilised by the Board and the rest of the vehicles were not utilised to discharge the functions of the Board.

As such, the Board had incurred an expenditure amounting to ₹ 89.12 lakh[24] in contravention of the directions issued by the Ministry resulting in inadmissible expenditure.

The Board stated that all the vehicles are currently utilised for smooth functioning of the Board and the vehicle were purchased from the administrative expenses permissible limit as per act. The reply is not acceptable as the fund was utilised for procurement of vehicles which does not fall under administrative expenditure.

[24] (₹ 47.17 lakh + ₹ 41.95 lakh) = ₹ 89.12 lakh

### 2.2.14.5 Non completion of construction of shelter home

As per Ministry of Labour & Employment (July 2017), States were advised to take proactive steps to facilitate transit accommodation/ labour shed for the workers, who are predominantly a migratory lot in the area of concentration prior to their finding work.

A Memorandum of Understanding (MoU) for Construction of "Shelter Home of Manipur Building and Other Construction Workers' Welfare Board" at Heirok was signed (December 2017) between Manipur Building and Other Construction Workers' Welfare Board and Engineering Wing, Education Department, Government of Manipur. As per Clause 4.1 of the MoU, in the event of delay in execution or in violation of any agreed terms the process to terminate the Agreement and/or reduce the scope of the work may be initiated by giving two-week time to the Agency. The work was awarded (March 2018) to a Special Class Local contractor at a tendered cost of ₹ 1.30 crore with date of completion of the work within 24 months.

First instalment of ₹ 1.02 crore was paid (March 2018) to the Agency and second instalment of ₹ 81.60 lakh during October 2021. The Board had incurred an expenditure of ₹ 1.84 crore against tendered value of ₹ 1.30 crore. The work remained incomplete even after more than 48 months from the scheduled date of completion (May 2024).

Thus, the purpose of construction of shelter home was not fulfilled.

The Department/Board has not furnished any reply (May 2024).

## 2.2.15 Implementation of Welfare Schemes

### 2.2.15.1 Delay in Implementation of scheme

The Manipur Building and Other Construction Workers' Welfare Board (Board) was constituted in April 2010 for implementation of the welfare schemes as provided in Act and Rules *ibid*. The Board extends the seven welfare schemes to registered workers. Details are shown in the following **Table**:

**Table 2.2.8: Welfare benefits extended by the Board**

| Sl. No. | Name of the Scheme | Mode of payment/benefits | Rate per beneficiary (in ₹) |
|---|---|---|---|
| 1 | Immediate assistance in case of accident to the beneficiary (Accidental Benefit) | Direct Transfer Benefit (DBT) Schemes | • ₹ 5 lakh in case of death at worksite.<br>• ₹ 2 lakh in other case |
| 2 | Financial assistance for education of children of the beneficiary (Education) | -do- | • ₹ 5,000 per annum upto Higher Secondary.<br>• ₹ 7,500 per annum in case of BA/ BSc/ B.Com<br>• ₹ 10,000 per annum for Post Graduate courses.<br>• ₹ 37,500 per annum for Medical and Engineering degree. |
| 3 | Medical expenses for treatment of major ailments of a beneficiary (Medical treatment) | -do- | Maximum upto ₹ 45,000 per incident. |

| Sl. No. | Name of the Scheme | Mode of payment/benefits | Rate per beneficiary (in ₹) |
|---|---|---|---|
| 4 | Maternity benefit and Health benefit | -do- | ₹ 6,000 per child birth upto two children. |
| 5 | Natural death relief | -do- | ₹ 30,000 |
| 6 | Skill Development Training | Non DBT | Not fixed |
| 7 | Other Benefits[25] | -do- | Maximum upto ₹ 15,000 per beneficiary. |

Out of seven schemes the benefit under five schemes is given through Direct Benefit Transfer (DBT) to the beneficiaries.

Details of the expenditure for the period from 2017-18 to 2021-22 on the above mentioned seven schemes are as shown below:

**Table 2.2.9: Scheme wise expenditure for the period 2017-2022**

***(₹ in crore)***

| Year | Five Welfare Scheme (DBT) | Other Benefits | Skill Development | Total |
|---|---|---|---|---|
| 2017-18 | 9.77 | 0.11 | 36.96 | 46.84 |
| 2018-19 | 14.19 | 0 | 0.66 | 14.85 |
| 2019-20 | 19.07 | 6.83 | 19.83 | 45.73 |
| 2020-21 | 8.46 | 0.48 | 3.62 | 12.56 |
| 2021-22 | 30.71 | 13.40 | 6.18 | 50.29 |
| **Total** | **82.20** | **20.82** | **67.25** | **170.27** |

*Source: Departmental records*

Audit noticed that under DBT the benefits given during 2017-18 and 2018-19 were related to the claims submitted during the year 2013-14 to 2015-16 with a delay ranging from two to five years.

For financial assistance for education, disbursement made during 2019-22 amounting to ₹ 36.47 crore pertain to the claims submitted for the year 2016-17.

Similarly, for the other four DBT schemes, disbursement for claim forms submitted for 2016-17 to 2019-20 had commenced only in the year 2019-20.

This indicated significant delay on the part of the Board in implementation of the schemes resulting in inability to provide financial assistance on time to the beneficiaries, which otherwise would have eased hardships faced by the beneficiaries/dependents at the right time.

The Board while admitting the audit observation stated that they are in the process of making Annual Budget and Annual Statements of Account and thus accordingly plan to implement the schemes on time.

### 2.2.15.2 Irregularities in implementation of the Scheme

Irregularities noticed on analysis of the records of 74,838 registered beneficiaries of the State who had availed benefits under one scheme or more during the period covered by audit are given in the following **Table**:

[25] Providing the registered beneficiary with: one bicycle or one set of trade tools or one water tank for improving health and sanitation to needy beneficiaries.

**Table 2.2.10: Scheme wise analysis of Beneficiary availing benefit**

*(₹ in lakh)*

| Scheme | Incomplete Registration Number | | Registration number not in Registration data | | Name not matching with Registration Data | | Name matching with Registration Data | | Total Number of Beneficiaries | |
|---|---|---|---|---|---|---|---|---|---|---|
| **DBT** | | | | | | | | | | |
| | **No.** | **Amt.** | **No.** | **Amt.** | **No.** | **Amt.** | **No.** | **Amt.** | **No.** | **Amt.** |
| Accidental | 0 | 0 | 8 | 9.52 | 23 | 19.12 | 28 | 27.85 | 59 | 56.48 |
| Education | 23 | 2.55 | 7115 | 778.85 | 6139 | 662.93 | 21918 | 2202.78 | 35195 | 3647.10 |
| Maternity | 8 | 0.48 | 39 | 2.34 | 76 | 4.56 | 99 | 5.94 | 222 | 13.32 |
| Major Ailments | 481 | 197.63 | 1024 | 411.62 | 1246 | 495.91 | 2066 | 798.99 | 4817 | 1904.15 |
| Natural Death | 1 | 0.30 | 169 | 50.70 | 267 | 80.10 | 238 | 71.40 | 675 | 202.50 |
| **Sub Total DBT** | **513** | **200.96** | **8,355** | **1,253.03** | **7,751** | **1,262.62** | **24,349** | **3,106.96** | **40,968** | **5,823.55** |
| **Others*** | | | | | | | | | | |
| | | **No.** | | **No.** | | **No.** | | **No.** | | **No.** |
| Skill Development | | 180 | | 1,805 | | 1,076 | | 20,309 | | 23,370 |
| Other Benefits | | 97 | | 3,750 | | 2,315 | | 4,338 | | 10,500 |
| **Sub Total Non-DBT** | | **277** | | **5,555** | | **3,391** | | **24,647** | | **33,870** |
| **Grand Total** | | **790** | | **13,910** | | **11,142** | | **48,996** | | **74,838** |

*Source: Departmental Record*

** Maternity benefits cannot be ascertained as the benefit is given in DBT.*

### i) Irregular payment through DBT

Section 11 of the Act states that every building worker registered as a beneficiary under this act shall be entitled to the benefits provided by the Board from its fund under this Act.

Test check of the records of payment to the beneficiaries based on the registration number allotted to registered building workers revealed that payment made to 513 beneficiaries (*1.25 per cent*) under DBT was without proper registration number and amounted to ₹ 2.01 crore (*3.45 per cent*).

Further, payments amounting to ₹ 12.53 crore (*21.52 per cent*) were made irregularly to 8,355 (*20.39 per cent*) unregistered beneficiaries, as their registration numbers were not in the approved list of registration data maintained with the Board**.**

Furthermore, out of the registration numbers allotted to these 8,355 beneficiaries, the registration numbers of 1,452 beneficiaries were utilised from the gaps in allotment of registration numbers.

### ii) Payment to the beneficiaries whose names did not match with registration data

Scrutiny of names of the beneficiaries who received financial assistance and names of the beneficiaries as per the registration data revealed that 7,751 beneficiaries who received the financial assistance amounting to ₹ 12.63 crore were not matched with registration data.

This might result in fraudulent payment to persons not registered with the Board. Payment to persons whose name differs from the registration data also questions the evaluation process for selection of eligible beneficiaries.

The Board stated (November 2013) that due to erstwhile practices of maintaining of registration data of beneficiaries manually in separate registers for different Registering Officers, it was difficult to verify the registration number of a beneficiary and their payment details. The Board has however developed new software for registration of beneficiaries generating unique registration number and linked to AADHAAR to prevent cases of duplication of payment and payment to wrong account.

On comparison of the registration data maintained by the Board along with the registration number and particulars of the beneficiaries recorded in the payment advice submitted to the banks/beneficiary list (for the two non-DBT schemes) the following observations were noticed:

- In 790 cases proper registration numbers were not recorded while giving the monetary benefits/ goods/ skill development training.
- In 13,910 cases registration number against which the benefit was given could not be found in the master data maintained with the Board. This may be the cases of giving benefits to non-registered persons. It also indicated the flaw in scrutiny of the claim forms submitted by the beneficiary.
- In 11,142 cases name in the database with the Board did not match with the name as recorded while giving the benefits.

Thus, in 25,842[26] cases, discrepancies were noticed. In the remaining 48,996[27] (65.47 *per cent*) cases, no such discrepancies were noticed.

Audit analysis revealed that 48,996 cases of benefits were given to 36,431 registered beneficiaries. Further multiple benefits ranging from twice to 13 times was given to 9,244 beneficiaries.

#### 2.2.15.3 Excess Payment under same registration number under Education

The Board disbursed benefits under financial assistance of education of the ward for the claims submitted for the year 2016-17 to 35,915 beneficiaries during 2019-20 to 2021-22. Out of this, there were 21,918 cases where the details/particular in the list of payments and the details/particulars in the registration data of all the registered beneficiaries maintained in the Board were the same.

Further, analysis of 21,918 data revealed the following points:

i) In 438 cases where registration numbers are same the benefit was given twice,

ii) In one case the benefit was given thrice,

[26] (790+13,910+11,142=25,842)

[27] (74,838-25,842=48,996)

Thus, the total excess payment amounting to ₹ 43.93 lakh was given to beneficiaries. The details are given in ***Appendix 2.11***.

Thus, had proper scrutiny of claim forms been done, the fund could have been used for other welfare program.

The Board stated (November 2013) that they are looking into the matter and will need more time to ascertain the same. However, no further reply has been received (May 2024).

#### 2.2.15.4 Multiple Payment to same bank account

Analysis of the list of payment made to 35,195 beneficiaries for Education Benefit for 2016-17 revealed that there were 439 bank account numbers in which same amount was paid twice, in five bank account numbers same amount was paid thrice and in one bank account number same amount was paid four times as Education Benefit. Thus, there was total excess payment of ₹ 43.80 lakh as shown in ***Appendix 2.12***.

This establishes the fact that the Department had not exercised any check in disbursing payments to the beneficiaries.

#### 2.2.15.5 District wise distribution of Welfare Benefits:

There were 48,996 beneficiaries whose details/particulars matched in both registration and payment data. Audit analysed the records to check the district wise coverage and found that almost all the benefits were confined to the Valley Districts (Imphal West-33.46 *per cent*, Imphal East-25.41 *per cent*, Bishnupur-17.75 *per cent* and Thoubal-14.37 *per cent*) which altogether accounted for *90.99 per cent* of the total benefits availed. Details are shown in ***Appendix 2.13***.

During the beneficiary survey, these grievances were attributed to non-availability of branch offices of the Board in the various districts of the State.

The Board stated (November 2013) that it is considering to set up field offices in the Districts to register all eligible construction workers.

#### 2.2.15.6 Non-disbursement of Natural death relief within 60 days

As per directives (July 2018) of the Hon'ble Supreme Court of India and subsequent Judgement,[28] the Ministry of Labour and Employment had prepared Model Scheme for Building and Other Construction Workers and Action Plan (for Strengthening Implementation Machinery). The State Governments are to comply with the action plan.

In case of death of the beneficiary, the Model Scheme emphasized that compensation be disbursed in not exceeding 60 days from the date of death.

The Scheme Rules in the Manipur Building and Other Construction Workers' Welfare Board provides for the financial assistance of ₹ 30,000 for Natural Death Cases to the dependent(s) of the deceased beneficiary.

[28] dated 19th March, 2018 and 7th May, 2018 in Writ Petition (Civil) No. 318 of 2006

Audit analysed the records for payment made to 675 beneficiaries for Natural Death which revealed that there were 242 cases where financial assistance was given after a delay ranging from 61 days to 1947 days.

Timely payment of the financial assistance to the beneficiary could have helped the families tide over the period of hardships. However, the Board by not adhering to the direction of the Ministry of Labour and Employment defeated the purpose of giving timely financial assistance.

While admitting the audit observation, the Board stated (November 2013) that it will make all the efforts to disburse Natural death relief within 60 days in future.

### 2.2.15.7 Irregular payment under Natural Death Benefit

Analysis of the 675 Natural Death cases revealed that seven registration numbers were used to make double payment for Natural Death Benefit 14 times as shown in the following **Table**.

**Table 2.2.11: Double payment of Natural Death Benefit**

| Sl. No. | Registration Number | Name | Year of Payment | Amount (in ₹) |
|---|---|---|---|---|
| 1 | MBCWB/10987/IW | Sinam Ranjana Devi | 2019-20 | 30,000 |
| | MBCWB/10987/IW | Wahengbam Shanti s/o Meitankeishangbam Prabita Devi | 2021-22 | 30,000 |
| 2 | MBCWB/05315/BPR | Ningthoujam Ahanbi Devi | 2019-20 | 30,000 |
| | MBCWB/05315/BPR | Ningthoujam Ahanbi Devi | 2020-21 | 30,000 |
| 3 | MBCWB/05210/TBL | Nongmaithem Mamta Devi | 2019-20 | 30,000 |
| | MBCWB/05210/TBL | Nongmaithem Mamata Devi | 2021-22 | 30,000 |
| 4 | MBCWB/04544/IE | Loukrakpam Thoi Leima | 2019-20 | 30,000 |
| | MBCWB/04544/IE | Loukrakpam Thoi Leima w/o (L) L. Inaocha Meitei | 2021-22 | 30,000 |
| 5 | MBCWB/01107/SPT | N. Henia | 2019-20 | 30,000 |
| | MBCWB/01107/SPT | J Henia | 2020-21 | 30,000 |
| 6 | MBCWB/01010/SPT | K Yaomila Onia | 2020-21 | 30,000 |
| | MBCWB/01010/SPT | A Akha | 2019-20 | 30,000 |
| 7 | MBCWB/00412/IW-LI | Khoirom Monika Devi | 2019-20 | 30,000 |
| | MBCWB/00412/IW-LI | Khoirom Monika Devi | 2021-22 | 30,000 |

*Source: Departmental Records*

Thus, financial benefit of ₹ 2.10 lakh (₹ 30,000 x 7) had been incurred by the Board without necessary checking of claims already settled.

The Board stated (November 2023) that they are looking into the matter and will need more time to ascertain the same. However, the Department has not furnished the reply (May 2024).

### 2.2.15.8 Payment without submission of Claim forms

As per Section 4 of the Manipur Building and Other Construction Workers' Welfare Scheme, 2016, welfare benefits and facilities are to be given by the Board to the beneficiary building workers on their application.

Test check of the records such as payments to the beneficiaries, claim details, registration data and registration numbers of 675 beneficiaries revealed that payment of ₹ 96.60 lakh was made to 322 beneficiaries who were not in the claim list.

The Board stated (November 2023) that it is most likely the case of misplacement of claim forms due to frequent shifting of the Board Office.

The reply is not acceptable as they have submitted the list in Excel format to audit and analysis were done based on it.

### 2.2.15.9 Skill Development

#### i) Excess expenditure against the Rule

As per Model Welfare Scheme, the expenditure to be incurred for Skill Development in a financial year should not exceed 10 *per cent* of the cess collected in the previous year.

Details of the cess collected in a financial year along with their expenditure on skill development is as shown in the following **Table**:

**Table 2.2.12: Yearly cess collection and expenditure on Skill Development**

***(₹ in crore)***

| Sl. No. | Year | Cess Collected | Expenditure on Skill Development | *Per cent* of expenditure against cess collected during a FY |
|---|---|---|---|---|
| 1 | 2017-18 | 60.65 | 36.96 | 60.94 |
| 2 | 2018-19 | 35.10 | 0.66 | 1.88 |
| 3 | 2019-20 | 29.23 | 19.83 | 67.84 |
| 4 | 2020-21 | 74.74 | 3.62 | 4.84 |
| 5 | 2021-22 | 50.06 | 6.18 | 12.35 |
| **Total** | | **249.78** | **67.25** | **26.92** |

*Source: Departmental Records*

As seen from the above table, in three (2017-18, 2019-20 and 2021-22) out of the five years, the expenditure incurred on Skill Development exceeded the limit given under the Model Welfare Scheme.

While admitting to audit observation, the Board stated (November 2023) that they will make all effort to adhere to the norms in future.

#### ii) Selection of Vocational Training Provider (VTP)

As per Model Scheme, the State Board should coordinate with State Skill Development Missions/ Ministry of Skill Development and Entrepreneurship and National Skill Development Corporation to impart Skill Development and to upgrade and diversify the skills of workers and their dependents.

The Manipur Building and Other Construction Workers' Welfare Scheme 2016[29], envisaged payment of financial assistance either directly to a Vocational Training Provider or through an agency dealing with Vocational Training Providers.

[29] notified 18-04-2016; Rule 4 (j)(6),

The State Scheme Rule is yet to be amended in line with the Model Scheme circulated by the Ministry of Labour. As such, the selection of the Training Providers were being done at the Board's Office level without coordinating with the State Skill Development Missions/ Ministry of Skill Development and Entrepreneurship and National Skill Development Corporation.

Scrutiny of records revealed that there was instance where the training course provided was not completed and the same has been elaborated in subsequent **Paragraph 2.2.15.10.** It was also found that there were training providers who did not have their own training hall and equipment. Training hall and equipment were taken on rent. Thus, the credibility of the vocational training providers was not verified by the Board.

Had the Board's office worked in coordination with the State Skill Development Missions/Ministry of Skill Development and Entrepreneurship and National Skill Development Corporation for imparting Skill Development to upgrade and diversify the skills of workers and their dependents, the above deficiencies might not have occurred.

While accepting the audit observation, the Board stated (November 2023) that the Board will coordinate with State Skill Development Missions/Ministry of Skill Development and Entrepreneurship and National Skill Development corporation to impart Skill Development and to upgrade and diversify the skills of workers and their dependents in future.

**iii) Selection of the trainees:**

The Board stated (April 2022) that the selection of trainees for Skill Development training was done by the Vocational Training Providers (VTP). During survey, it was revealed that VTPs did not circulate/ widely publish in newspapers for the ongoing courses to be taken up under the Building and Other Construction Workers (BOCW). Selection of the trainees and publicity were done through personal contacts.

Audit findings on selection of the trainees by the VTP are discussed in succeeding paras.

***(a) Selection of Unregistered beneficiary/ worker***

Records of 23,370 beneficiaries who attended training under Skill Development were analysed and noticed that the registration number of 180 trainee list submitted by the training providers were incomplete. 1,805 registration numbers were not available in the registration data maintained by the Board and for 1,076 registration numbers, the names did not match that of the registration data maintained by the Board.

As such, scrutiny of the list of the beneficiaries provided by the training providers was not conducted at the Board level and thus their authenticity could not be established.

***(b) Disparity in district-wise selection of trainees***

Audit analysed the records of 20,309 beneficiaries whose details/particulars matched in both the database[30] and observed that almost all the trainees were confined to the Valley Districts (Imphal West-40.46 *per cent*, Imphal East-25.35 *per cent*, Bishnupur-13.91 *per cent* and Thoubal-15.02 *per cent*). The four districts together accounted for 94.74 *per cent* of the trainees.

**2.2.15.10 Wasteful expenditure on Training**

The Board sanctioned (December 2016) ₹ 54.46 lakh to Info Valley Educational & Research Pvt. Ltd., Guwahati to impart training in Airlines Hospitality & Tourism Management to registered building workers or their spouse and dependent children/siblings.

The Board released (December 2016) ₹ 10.59 lakh[31] as first instalment to the Training Provider. No further instalment was released to the Training Provider. There was no record in support of the completion of the training and utilisation of the fund. It appears that the training was either abandoned mid-way or not conducted at all. There were no records pertaining to the selection of trainees and their placement.

Thus, expenditure of ₹ 10.59 lakh to the Training provider was wasteful.

While accepting the audit observation, the Board directed (May 2022) the Training Provider to refund the amount within a period of 30 days. However, the Department has not furnished the status of refund (May 2024).

**2.2.15.11 Benefit given in Kinds against Ministry order**

As per Model Scheme for Building and Other Construction Workers and Action Plan (for Strengthening Implementation Machinery), precedence will be given to schemes relating to Social security benefits[32] over all other existing benefits. Other benefits can be considered after meeting the priority expenses on Social Security.

Further as per Ministry order (March 2021)[33], no benefit is to be provided in-kind except in extra-ordinary circumstances such as natural calamities, epidemics, fire, accidents caused due to occupational hazard or similar other crisis, and with prior approval of the State Government and intimation to Labour Welfare, Government of India.

However, as per Manipur Building and Other Construction Workers' Welfare Scheme 2016, the State implemented "Welfare Tools (Other Benefits)" through which assistance in kind was given, in contravention of the above Model Scheme and Ministry's order of March 2021.

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[30] List of Trainees of the Training provider whose detail match with the Registration Data of the Board.

[31] Cheque no. 951046 (SBI) dated 27-12-2016 (the amount was encased on 10-02-2017)

[32] 1) Life and Disability cover, Health and Maternity cover, Education, Housing, Skill Development, Awareness programs and Pension.

[33] No. Z-2001 l/08/2021-BOCW dated 22 March 2021.

During 2019-20 to 2021-22 the Board spent ₹ 20.70 crore on purchase of Sewing Machine, tools kits, Loom machine, Poultry, Piggery, *etc*., under 'Other Benefits'.

Further, the Board cancelled financial assistance for education of children of the beneficiaries for the years 2018-19, 2019-20 and 2020-21 on the ground that there was extreme financial crisis and if the backlogs of financial assistance for education is disbursed no other schemes can be implemented in future.

Thus, benefit given in kind in contravention of the scheme guidelines by the Board resulted in cancelling financial assistance for education during 2018-19 to 2020-21 and incurred expenditure on the benefit given in kind during the same period.

While accepting to audit observation, the Board stated (November 2023) that the Board would comply with the Model Scheme and Ministry's order (March 2021) henceforth and will make the necessary changes in the State Scheme Rules.

### 2.2.15.12 Avoidable expenditure due to non-implementation of welfare schemes

The Manipur Building and other Construction Workers' Welfare Scheme 2016 listed 11 schemes/benefits that are to be provided to every eligible beneficiary who are registered as building or construction worker. Though the Board claimed that all the eleven schemes are extended under the Scheme Rules in their publicity, the four schemes as given below were yet to be undertaken even after a lapse of five years from the date of implementation of the scheme Rule:-

(a) Pension to the beneficiary building worker who has completed sixty years;

(b) Loans or advances for construction of a house;

(c) Premium of Group Insurance Scheme of beneficiary;

(d) Health Care Insurance.

Out of the four schemes three benefits *viz*., Pension, Loans or Advances and Premium of Group Insurance Scheme were also listed in the Building and other Construction Workers (Regulation of employment and conditions of service) Act, 1996 enacted by the Central Government.

The Ministry had requested (July 2020) the Chief Secretary to implement Mission Mode Project for Building and other Construction workers. The components of Mission Mode Project included:

1) Health Insurance (Ayushman Bharat/ Pradhan Mantri Jan Arogya Yojana);
2) Life and Disability Cover (Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana);
3) Life Long Pension (Pradhan Mantri Shram-Yogi Maandhan).

For enrolment in these schemes, timeline of three months was given. However, no step had been initiated by the Board to implement the schemes.

Non-implementation of the schemes not only deprived the benefits but also defeated the mandates of the Act.

The department stated that the registered workers had not claimed any of the benefits under the four schemes. The Board further stated that it would process any claims applied for the above mentioned schemes as early as possible.

The reply of the Board is not acceptable as the Board had stated that the four schemes out of eleven schemes were not being implemented in response to audit queries.

### 2.2.15.13 Non-implementation of financial assistance for Education of children of the workers for three years

Section 22 (1) of the Act directed the Board to provide welfare measures for the beneficiaries. This included giving financial assistance for the education of children of the beneficiaries.

The Board in its 15th meeting (October 2021) decided cancellation of financial assistance for education of children of the beneficiaries for the years 2018-19, 2019-20 and 2020-21 due to extreme financial crisis.

An amount of ₹ 36.47 crore was utilised during the year 2019-22 for payment of financial assistance for education of children of the beneficiaries related to the period 2016-17. Audit observed that an amount of ₹ 59.18 crore[34] could have been received by the Board, had the Board formulated a proper budgetary planning and monitoring of labour cess which could have been utilised for financial assistance for Education of Children of the workers.

Thus, due to lack of proper budgetary planning and monitoring of labour cess on the part of the Board, the potential beneficiaries were deprived of the benefits of education welfare scheme for the years 2017-18 to 2020-21.

### 2.2.15.14 Absence of mechanism to confirm credit of Welfare Scheme amount into beneficiaries' account

Payment of Welfare benefits was made to the beneficiaries' bank account(s) through e-payment for which the bank should furnish Unique Transfer Receipts (UTRs) for each advice of such transfer made by the Board. However, the Board had no records of UTRs received (except for the payments made during 2019-20). In absence of UTRs, the Department was not in a position to ascertain transfer of money to the beneficiary.

Scrutiny of Bank statements for the period from 2017-18 to 2021-22 revealed cases of unsuccessful transfer of benefits amounting to ₹ 2.52 crore for all the five welfare schemes implemented by Board as shown below:

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[34] ₹ 37.54 crore from non-release of cess amount by the Finance Department (para 2.2.12.7), ₹ 16.08 crore on account of cess amount reversal due to insufficient fund, signature mismatch, *etc.,* (para 2.2.12.3), ₹ 1.43 crore on account of non-deposit of received cess cheques (para 2.2.12.4) and ₹ 4.13 crore due to short realisation of renewal and registration fees (para 2.2.12.6).

**Table 2.2.13: Details of failed transactions against the expenditure on Welfare Scheme & Covid Expenditure**

*(₹ in crore)*

| Year | Expenditure on Welfare Scheme | Failed Transaction | Numbers |
|---|---|---|---|
| 2017-18 | 9.77 | 0.63 | 484 |
| 2018-19 | 14.19 | 0.03 | 15 |
| 2019-20 | 19.07 | 0.60 | 585 |
| 2020-21 | 8.46 | 0.29 | 1,935 |
| 2021-22 | 30.71 | 1.02 | 2,227 |
| **Total** | **82.20** | **2.57** | |

After audit pointed out, the Board rectified failed transaction of ₹ 90.09 lakhs out of ₹ 2.57 crore to the concerned beneficiaries' account. The balance of ₹ 1.67 crore was not yet transferred to the beneficiaries' account (May 2024).

Absence of an adequate mechanism in place to confirm the actual payment/ transfers of welfare benefits to the beneficiaries' account led to not only denial of welfare benefits to the beneficiaries but also indicated the inefficiency and indifference on the part of the Board in monitoring mechanisms of transactions of benefits to the beneficiaries.

The Board stated (November 2023) that they have computerised registration and renewal of construction workers and is making gradual improvements in other areas too. A mechanism to confirm credit of welfare scheme amount to beneficiaries account is also being looked into.

## 2.2.16 Conclusion

The State Advisory Committee, after its re-constitution in December 2015, was not re-constituted till March 2023 and against the prescribed norms of holding a meeting every six months no meeting was held during the audit coverage period.

The Labour Department had not taken any effort to identify and register establishments or employers within the State. There were deficiencies in the maintenance of register of establishments by the Registering Officers. None of the 52 registered employers had furnished requisite annual returns to the Department and to the Board.

Even after 13 years of the establishment of the board, no district offices of the Labour Department and Board had been established.

Due to lack of initiative of the establishments as well as the Board, 89 *per cent* of workers from unregistered worksite and 99 *per cent* of workers from registered worksite were not registered with the board, thereby depriving them of the welfare schemes. There was no systematic or uniform pattern of assigning registration numbers to the registered building workers resulting in gaps in sequence of registration numbers, allotment of multiple registration number to same person as the registration of the workers is being done offline.

The Board had not formulated any mechanism for registration of migrant workers. There was inadequate publicity campaign resulting in lack of awareness of all the schemes amongst the beneficiaries surveyed.

Even though Deputy Labour Commissioner had been appointed as Assessing Officer for the entire State, no assessment of cess was conducted during the audit coverage period. The Board had no knowledge about the details of the Cess amount being credited to their designated account. The Board suffered loss due to dishonoured Cheques and non-deposit of Cheques and Demand Drafts to bank. State Government did not transfer cess to the Board's account.

Health and Safety norms were notified by the Government, but no inspection to ensure compliance was conducted by the Department/Board. The Department/Board conduct inspection only when they received complain. Instances of irregular payments to ineligible beneficiaries were noticed. Non preparation of budget and lack of proper planning resulted in non-implementation of financial assistance for education of children for three years.

### 2.2.17 Recommendations

***The Government may consider the following recommendations:***

- ***The State Advisory Committee should be re-constituted for better administration of the Act and hold regular meetings as prescribed;***
- ***The Board should make efforts to identify and register establishments/employees and properly assess the cess amount;***
- ***Registration of workers should be done online with user friendly options and special efforts should be made to register all workers including migrant workers under the Board;***
- ***Responsibility should be fixed against concerned Departments/Officers for dishonoured cheques;***
- ***The State Government should transfer the Labour Cess amount lying in the Government account to the Board without delay;***
- ***Funds should be invested in Nationalised Banks only, in compliance to the direction of the Hon'ble Supreme Court;***
- ***The Board should carry out a comprehensive exercise to identify and de-register all ineligible persons.***

# MUNICIPAL ADMINISTRATION HOUSING AND URBAN DEVELOPMENT

## 2.3 Performance Audit on Solid Waste Management in Urban Areas

**Highlights**

- ***None of the test-checked ULBs assessed the requirement of funds for waste management and no budget was also prepared in these ULBs.***

  ***(Paragraph 2.3.8.1)***

- ***There was no scientific assessment of and accurate data on solid waste generated.***

  ***(Paragraph 2.3.9.3)***

- ***Solid waste was not being segregated at source/ household level in any of the seven test-checked ULBs which resulted in mixing up of different kinds of wastes together for disposal.***

  ***(Paragraph 2.3.10.1)***

- ***Jiribam Municipal Council (JMC) had practised segregating items of tin, plastic, iron, card board, glasses, damaged shoes, LED bulbs etc. The segregated items were then sold to vendors for further recycling. This practice not only facilitates processed output (compost) towards meeting regulatory standards but also generates revenue for the municipality.***

  ***(Paragraph 2.3.10.1)***

- ***High percentage of unregistered households (ranging from 36.34 per cent to 98.58 per cent) showed that collection of segregated solid waste from these households has not been effected which poses risks to health and contaminates the environment.***

  ***(Paragraph 2.3.11.1)***

- ***Except in Jiribam Municipal Council (JMC), uncovered and unpartitioned vehicles were used in the remaining six test checked ULBs for door-to-door collection and transportation of solid waste.***

  ***(Paragraph 2.3.12.1)***

- ***In all the test-checked ULBs, waste was not processed before its disposal but being dumped without processing in open dumping sites and landfills.***

  ***(Paragraph 2.3.13.1)***

- ***During joint physical verification audit observed in the test-checked ULBs that the work force handling waste were without protective equipment.***

  ***(Paragraph 2.3.13.5)***

## Introduction

### 2.3.1 Definition and characteristics of Solid Waste

As per the Solid Waste Management Rules, 2016 (SWM Rules) "solid waste" includes solid or semi-solid domestic waste, sanitary waste, commercial waste, institutional waste, catering and market waste and other non-residential wastes, street sweepings, silt removed or collected from the surface drains, horticulture waste, agriculture and dairy waste. Solid Waste Management is a part of public health and sanitation since solid waste poses a threat to the environment and human life if not handled or disposed of properly.

Waste can be summarised as **(i)** ***solid waste*** **–** consists of household waste, construction and demolition debris, sanitation residue, wastes from slaughter houses & packaging houses and waste from streets, **(ii)** ***plastic waste*** - consists of plastic carry bags, pouches, or multi-layered packaging, which have been discarded after use or after their intended life is over, **(iii)** ***e-waste*** - consists of end of life products and a range of electrical and electronic items, **(iv) construction and demolition (C&D) waste -** waste arising from activities such as the construction and demolition of buildings, creation of infrastructure such as road planning and maintenance *etc.,* and **(v) medical waste -** waste generated by health care activities, ranging from used needles and syringes to soiled dressings, body parts, diagnostic samples, blood, chemicals, pharmaceuticals, medical devices and radioactive materials. Besides this, there are some other wastes such as battery waste, industrial waste, biomedical waste, mining waste, radio-active waste, discarded motor vehicles, tyre waste *etc.*

The most important task of waste management is to protect the environment. The poor management of solid waste not only causes land and water pollution but also generates many vector and water-borne diseases like cholera, dysentery, jaundice, typhoid and diarrhoea. Therefore, solid waste management is one of the major environmental areas that needs to be addressed effectively.

With growing urbanisation and changing lifestyle, generation of waste and its appropriate disposal has emerged as one of the biggest challenges. The situation is aggravated by inadequate management of waste. Waste management is a State subject and local bodies are responsible for performing waste management related activities.

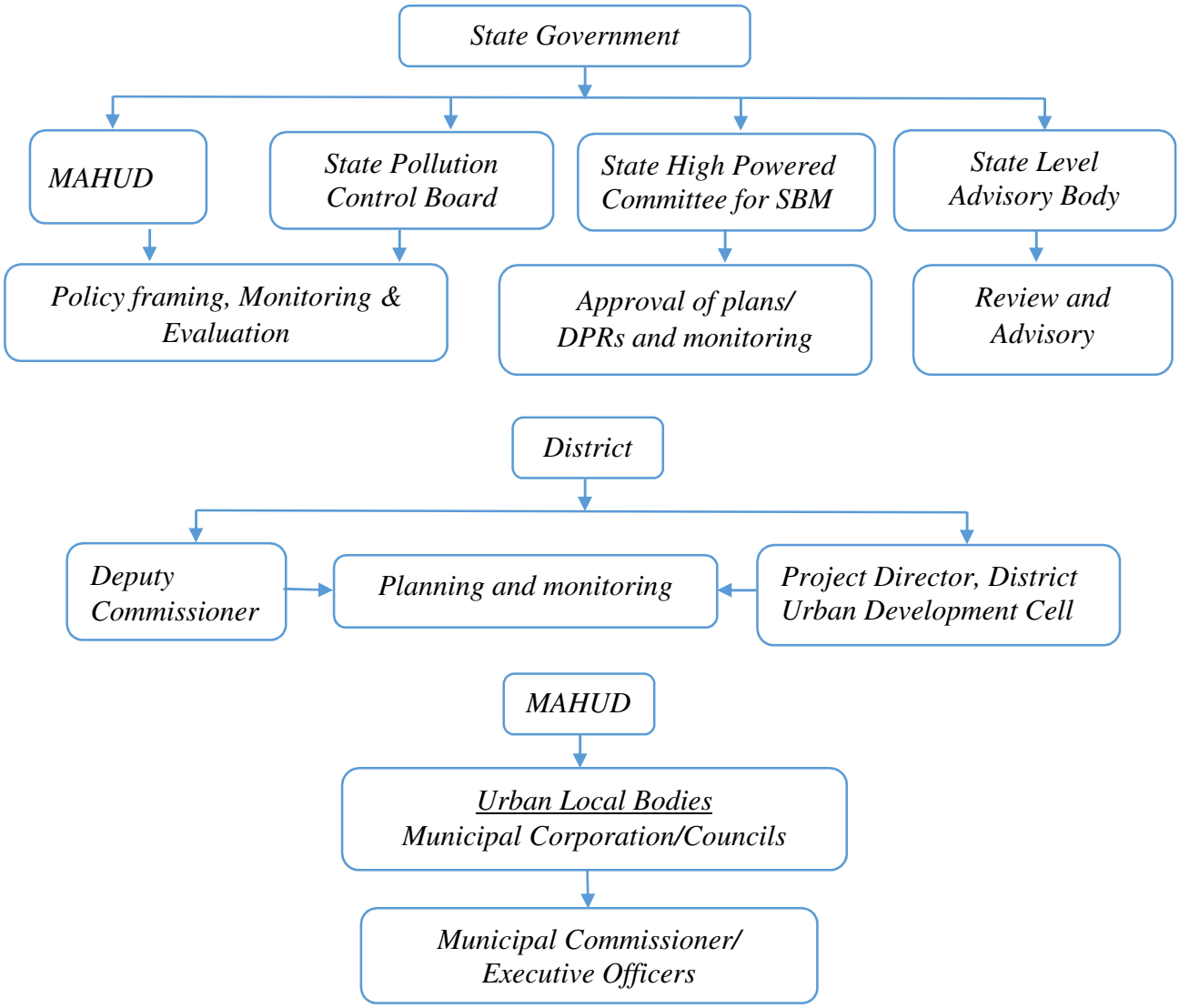
The State covers an area of 22,327 sq. km. with a total population of 28.56 lakh. The urban population of the State as per 2011 Census was 8.34 lakh which was 29 *per cent* of the total population of the State. In Manipur, the Urban Local Bodies (ULBs) are spread out in six valley districts of the State. There are 27 ULBs comprising one Municipal Corporation *i.e.,* Imphal Municipal Corporation (IMC) and 26 Municipal Councils (MC) in the State. Of these 27 ULBs, IMC with a population of 2.68 lakh, is the largest ULB covering almost one third of the total urban population of Manipur.

In urban areas of valley districts of Manipur, Solid Waste Management Rules 2016 were implemented by Municipal Administration, Housing and Urban Development (MAHUD). Whereas in urban areas of hill districts which are under the purview of Autonomous District Councils (ADCs), the management of solid waste is undertaken by the respective ADCs. The Performance Audit of Solid Waste Management in Urban Areas in Manipur was conducted covering the period from 2018-19 to 2021-22.

### 2.3.2 Organisational Structure

The Chart shows the role of various authorities at all levels in planning, execution and monitoring of Municipal Solid Waste (MSW) management.

**Chart 2.3.1: Role of various authorities in MSW management**




*SBM- Swachh Bharat Mission.*
*Source: SWM Rules and Manuals.*

MAHUD is the nodal Department for overall monitoring and implementation of SWM in urban areas through ULBs. The Municipal Corporation and Councils (elected bodies) prepare SWM plans and the Municipal Commissioner/Executive Officer monitors the implementation of SWM.

The organisational structure with respect to functioning of Urban Local Bodies (ULBs) in the State is given in ***Appendix 2.14***.

### 2.3.3 Audit Objectives

This Performance Audit was conducted to assess whether:

- "Strategy and planning" of solid waste management in ULBs is commensurate with the wastes generated and concurrent with the prevailing legal framework;
- Municipal tasks associated with solid waste management including collection, segregation, storage, transportation, disposal and social inclusion of informal waste workers were effective, efficient and economical;
- Planning, construction, commissioning, operation and maintenance of solid waste management projects in ULBs was effective, efficient and financially sustainable; and
- Monitoring and evaluation of solid waste management system including adequacy of awareness creation, citizen engagement for effective behavioural change, complaint redressal mechanism for citizens, assessment of environmental impacts and implementation of the "internal control and monitoring mechanism" was adequate and effective.

### 2.3.4 Audit Criteria

Audit criteria were derived from the following sources:

- Municipal Solid Waste (Management & Handling) Rules, 2000, Solid Waste Management Rules, 2016, Municipal Solid Waste Manuals, 2000 & 2016;
- The Bio-medical Waste (Management and Handling) Rules, 1998 and Biomedical Waste Management Rules, 2016;
- The Plastic Waste (Management and Handling) Rules, 2011 and Plastic Waste Management Rules, 2016;
- The E-Waste (Management and Handling) Rules, 2011 and E-waste Management Rules, 2016;
- The Construction and Demolition Waste Management Rules, 2016;
- National Action Plan for Municipal Solid Waste Management;
- Instructions, guidelines, policies issued by Central Pollution Control Board, State Pollution Control Board, Government of India / State Government on solid waste management from time to time;
- Air (Prevention and Control of Pollution) Act, 1981;
- Orders/instructions of National Green Tribunal and Supreme Court/High Court; and

- State Action Plan, Detailed Project Reports (DPRs) & Bye-Laws of ULBs and other instructions issued by MoHUA, MoE&F and those issued by MAHUD.

### 2.3.5 Audit Scope

An Entry Conference with the Municipal Commissioner, IMC and representatives of MAHUD and Manipur State Pollution Control Board (MSPCB) was held on 28 September 2022 in which the Audit objectives, criteria, scope and methodology were discussed. An Exit Conference with the departmental officials and representatives of other ULBs was held on 28 February 2024. The Audit findings pertaining to the period 2018-19 to 2021-22 were discussed in detail and opinion of the department was also sought during the discussion. The responses of the Department wherever appropriate have been incorporated while finalising the Performance Audit.

### 2.3.6 Audit Sampling and Methodology

Audit included scrutiny of records relating to the functioning of Municipal Administration, Housing and Urban Development (MAHUD), Manipur Urban Development Agency (MUDA), Manipur State Pollution Control Board (MSPCB), seven ULBs out of 27 ULBs in the State selected by Simple Random Sampling Without Replacement method while ensuring that one urban local body from each district is selected *i.e.,* Imphal Municipal Corporation (IMC) and six[35] Municipal Councils (MCs) out of 26 Municipal Councils. Details are shown in ***Appendix 2.15.*** Besides, joint physical inspection of Municipal Solid Waste (MSW) management sites (collection, dumping/ landfill and processing) in the selected MCs was conducted in Audit and photographic evidence was gathered in support of Audit observations.

### 2.3.7 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the State Government, sampled ULBs, MAHUD and MSPCB in conducting the Performance Audit.

### 2.3.8 Financial Management

#### 2.3.8.1 Non-preparation of budget by the ULBs

As per Rule 15(x) of the Solid Waste Management Rules (SWM) 2016, Municipal authorities shall make adequate provision of funds for capital investments as well as operation and maintenance of solid waste management services in the annual budget ensuring that funds for discretionary functions of the local body have been allocated only after meeting the requirement of necessary funds for solid waste management and other obligatory functions of the local bodies as per these rules. As per Rule 11 (d) of the rules *ibid*, the

[35] (i) Andro Municipal Council (AMC), (ii) Bishnupur Municipal Council (BMC), (iii) Jiribam Municipal Council (JMC), (iv) Kakching Municipal Council (KMC), (v) Samurou Municipal Council (SMC) and (vi) Thoubal Municipal Council (TMC).

Secretary in charge of MAHUD is required to ensure implementation of provisions of these rules in all local authorities.

Audit noticed that during 2018-19 to 2021-22 none of the test-checked ULBs assessed requirement of funds for waste management and no budget was also prepared in these ULBs. Thus, SWM activities were being carried out without proper financial assessment for meeting the requirement of funds for implementation of solid waste management and other obligatory functions. There was no record of any instruction of the Secretary, MAHUD for preparation of budget relating to solid waste management by the ULBs as envisaged in the SWM Rules 2016.

During the exit conference (February 2024), the Department accepted the audit observation.

### 2.3.8.2 Sources of funds and usage

The source of fund of ULBs in the State are under XIV and XV Finance Commission allocation, III State Finance Commission (SFC) allocation, Swachh Bharat Mission (SBM), Non Lapsable Central Pool of Resources (NLCPR) and some amount from own sources of revenues *etc.*, for creation of infrastructure for Solid Waste Management (SWM) and carrying out other activities.

The budget for MAHUD does not earmark funds for municipal solid waste management. Further, as there was no separate provision for SWM in the Grants-in-Aid provided to the ULBs, MAHUD could not segregate the funds/grants received and expenditure incurred for implementation of SWM.

However, the position of total funds received *vis-à-vis* expenditure incurred for SWM in respect of the sampled ULBs is given in the **Table** below:

**Table 2.3.1: Statement showing position of total funds received and expenditure on SWM in the test-checked ULBs**

***(₹ in crore)***

| Year | Total funds received | Expenditure on SWM | % of expenditure on SWM to total funds received |
|---|---|---|---|
| 2018-19 | 61.67 | 3.57 | *5.79* |
| 2019-20 | 81.22 | 5.57 | *6.86* |
| 2020-21 | 95.04 | 5.52 | *5.81* |
| 2021-22 | 63.48 | 4.71 | *7.42* |
| **Total** | **301.41** | **19.37** | ***6.43*** |

*Source: Figures furnished by test-checked ULBs.*

As seen from the above **Table**, during the period 2018-19 to 2021-22 the percentage of expenditure in SWM in the test-checked ULBs ranged from 5.79 *per cent* (2018-19) to 7.42 *per cent* (2021-22) of the total funds received. Details of ULB wise expenditure on SWM are given in ***Appendix-2.16***.

### 2.3.8.3 Fine for improper waste management

National Green Tribunal (NGT) directed (August 2018) all the States to comply with various provisions of SWM Rules 2016. For non-compliance, the NGT

directed (May 2019) the Government of Manipur to pay ₹ 200 crore as environmental compensation for improper waste management.

In this connection the Department instructed (January 2020) all the Model Cities/Towns of the State (Imphal, Thoubal, Kakching, Bishnupur, Jiribam and Moirang) to be fully compliant with Waste Management Rules within a period of six months, and one year in case of the remaining towns by giving due priority/emphasis on waste management activities/works while preparing work programmes for timely compliance of the NGT orders.

Audit noticed that due to non-compliance of the directions of the NGT within the timeframe, all the 27 ULBS were paying a monthly fine of ₹ 1.00 lakh, thereby imposing a huge burden on the finances of the ULBs.

Audit could not ascertain since when the fine was being paid by ULBs due to non-availability of records.

Due to non-compliance with NGT directions the ULBs in the State are paying monthly fine to NGT which could impact the implementation of other works.

No reply was furnished by the Department (May 2024).

#### 2.3.8.4 Irregular retention of heavy cash balance for more than 9 years

Rule 290 of Central Treasury Rules (CTR) stated that no money shall be drawn 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 to prevent the lapse of budget grant.

Further, as per Rule 230 (7) of General Financial Rules (GFR) 2017 (as adopted by Government of Manipur) (i) unspent cash balance at a time should preferably not be more than 3 months of requirements and (ii) funds should be released as per actual requirements and that sanction may precede the release of funds, though its validity may be limited to that financial year.

Moreover, as per orders of the Government of Manipur vide No.1/37/2000-FC dated 3 November 2006, funds lying in Bankers' Cheques/Demand-at-Calls and/or unauthorised bank accounts by any Drawing and Disbursing Officer was a violation of the Central Treasury Rules and renders such DDOs/Heads of Office to administrative/ disciplinary action.

Scrutiny of documents revealed that Directorate of MAHUD retained cash balance of ₹ 2.01 crore in DDO's Bank account as of November 2022. The cash balance pertained to the period prior to 2013. The details are shown in ***Appendix 2.17***. The Directorate of MAHUD did not verify/carry out Cash analysis of the cash balance lying in the bank account.

Similarly, MUDA[36] also retained significant cash balance of ₹ 44.87 crore as of March 2022. The cash balances are related to the period prior to October 2014. Details are shown in ***Appendix 2.18***.

Both the DDOs irregularly retained huge cash balance persistently for a significant time period, in violation of Government orders dated 3 November 2006.

Retention of huge cash balance indicated that the Department had drawn money from Treasury without immediate requirement. Retention of huge cash balance by the Department violated the Rules *ibid* and was potentially fraught with risk of mis-utilisation of fund. Retention of funds by the Drawing and Disbursing Officer (DDO) beyond the relevant financial year violated the canons of financial propriety and violated the Rules *ibid*.

While accepting the audit observation the Department stated (February 2024) that source and specific purpose for which funds are there in DDO account were not known.

However, the Department should analyse the source and purpose of the fund and should release it to the ULBs for implementation of various schemes including SWM.

## Audit Findings

### 2.3.9 Planning and institutional mechanism

#### 2.3.9.1 Preparation of action plans

Para 5.2 of MSWM Manual, 2016 stipulates that the five year short term plan should be further detailed into task specific action plans.

Para 7.1 of the National Action Plan for Municipal Solid Waste Management requires each State to assess the local situation and prepare a State Plan considering the preparedness of the local bodies and finalise modalities for setting up of waste processing and disposal facilities. Each State has to follow the waste management policy/hierarchy such as, waste prevention or minimisation, waste utilisation, waste recycling, waste processing, waste to energy conversion and landfilling. Each municipal body will prepare action plan in consultation with the State Urban Department after assessing the status of waste generation and composition. Local bodies are to work out the requirement of tools and equipment to ensure proper segregation, material recovery, storage, transportation, processing and disposal of waste and document it in the form of Detailed Project Report (DPR).

Audit observed that the Action Plan for SWM was prepared in four[37] out of seven sampled ULBs. Thus, three sampled ULBs had not worked out their requirement of tools and equipment to ensure proper segregation, material

[36] Manipur Urban Development Agency (MUDA), the nodal agency of Swachh Bharat Mission, PMAY, AMRUT and NULM under the department of MAHUD

[37] Samurou MC, Andro MC, Bishnupur MC and Thoubal MC

recovery, storage, transportation, processing and disposal of waste of their respective areas.

Audit further observed that the four ULBs who prepared Action Plan did not implement their respective plans as pointed out in **Paragraph 2.3.10.1, 2.3.13.1, 2.3.14.5**.

#### 2.3.9.2 Non-preparation of contingency plans

MSWM Manuals, 2000 (Para 26.1) and 2016 (Para 5.4) stipulate that ULBs should prepare contingency plans for appropriate storage of waste to tide over situations of non-performance of processing, treatment and disposal facilities. Also, MSWM Manual 2000 (Para 25.2) stipulates that the State Government should prepare a State Policy and strategy on SWM.

The Department notified a State Policy for integrated SWM in December 2021. The Policy highlighted that a long-term management strategy and action plan would be developed.

However, requirement of a contingency plan was neither envisaged in the State Policy on SWM (2021) nor addressed by the test-checked ULBs.

The Department stated (February 2024) that contingency plans will be prepared and incorporated by amending the State Policy.

#### 2.3.9.3 Assessment of waste generation

To achieve the benchmark fixed by the Ministry of Urban Development for household level coverage/efficiency in collection of solid waste, the quantity of solid waste generated daily in municipal areas and the quantum of each service level benchmark was required to be assessed properly.

As per Rule 24(2) of the SWM Rules, 2016, a local body is required to submit its Annual Report on SWM in Form IV to the State Pollution Control Board and to the Director or Commissioner, Municipal Administration or officer in-charge of urban local bodies in the State on or before 30 June every year.

Audit noticed that all the seven test checked ULBs neither assessed daily generation of Solid Waste nor submitted their Annual Report on SWM to any of the aforementioned authorities.

However, the seven test checked ULBs only furnished quantum of Municipal Solid Waste (MSW) generated, collected and processed for the period from 2018-19 to 2021-22 to Audit.

ULB wise population figures after 2011 census were not available. Due to non availability of latest population figures, Central Public Health & Environmental Engineering Organisation (CPHEEO) norms for estimating generation of MSW could not be applied. Details of MSW generated, collected and processed during 2018-19 to 2021-22 are shown in the **Table** below:

**Table 2.3.2: Year wise MSW generated, collected and processed during 2018-19 to 2021-22 by selected ULBs**

*(Weight in Tons Per Day)*

| Sl. No. | Name of ULB | Year | Generation | Collection | Percentage of Collection *vis-à-vis* Generation | Processed | Percentage of processed *vis-à-vis* Collection |
|---|---|---|---|---|---|---|---|
| 1 | Imphal Municipal Corporation | 2018-19 | 130 | 125 | 96 | 125 | 100 |
| | | 2019-20 | 135 | 130 | 96 | 130 | 100 |
| | | 2020-21 | 125 | 120 | 96 | 120 | 100 |
| | | 2021-22 | 140 | 132 | 94 | 132 | 100 |
| 2 | Samurou Municipal Council | 2018-19 | 5.58 | 0 | 0 | 0 | 0 |
| | | 2019-20 | 5.58 | 0 | 0 | 0 | 0 |
| | | 2020-21 | 5.58 | 2.45 | 44 | 2.45 | 100 |
| | | 2021-22 | 5.58 | 3.13 | 56 | 3.13 | 100 |
| 3 | Andro Municipal Council | 2018-19 | 3.29 | 0 | 0 | 0 | 0 |
| | | 2019-20 | 3.29 | 0 | 0 | 0 | 0 |
| | | 2020-21 | 3.29 | 2.85 | 87 | 2.7 | 95 |
| | | 2021-22 | 3.29 | 3.05 | 93 | 0.9 | 30 |
| 4 | Bishnupur Municipal Council | 2018-19 | 12 | 4 | 33 | 0.97 | 24 |
| | | 2019-20 | 4 | 3.66 | 92 | 0.95 | 26 |
| | | 2020-21 | 2.92 | 0.83 | 28 | 0.92 | 111 |
| | | 2021-22 | 3.75 | 2.08 | 55 | 0.92 | 44 |
| 5 | Thoubal Municipal Council | 2018-19 | 17.3 | 8 | 46 | 4 | 50 |
| | | 2019-20 | 17.3 | 10 | 58 | 4 | 40 |
| | | 2020-21 | 17.3 | 11 | 64 | 4 | 36 |
| | | 2021-22 | 17.3 | 13 | 75 | 8 | 62 |
| 6 | Kakching Municipal Council | 2018-19 | 10.5 | 4.5 | 43 | 2.5 | 56 |
| | | 2019-20 | 11.3 | 6.3 | 56 | 2.6 | 41 |
| | | 2020-21 | 11.7 | 7.4 | 63 | 4.3 | 58 |
| | | 2021-22 | 12.1 | 8.5 | 70 | 6.36 | 75 |
| 7 | Jiribam Municipal Council | 2018-19 | 3.23 | 0 | 0 | 0 | 0 |
| | | 2019-20 | 3.23 | 2.83 | 88 | 2.83 | 100 |
| | | 2020-21 | 3.23 | 2.68 | 83 | 2.68 | 100 |
| | | 2021-22 | 3.23 | 2.75 | 85 | 2.75 | 100 |

*Source: Departmental records*

Audit also observed that except Imphal Municipal Corporation (IMC), the other six test checked ULBs did not make a scientific assessment as they did not have weighbridges to assess the actual daily generation of solid waste. Moreover, audit noticed that no records for waste generation, collection and processing were kept in all the test checked ULBs. In the absence of any verifiable records and equipment required for measurement of the waste generated like weighbridge, the authenticity of the data furnished by the sampled ULBs in the above table was doubtful as observed below:

- In Samurou, Andro, Thoubal and Jiribam MC, waste generation data remained unchanged for four years (2018-22);
- In Bishnupur MC the waste generation decreased in two consecutive years from 2018-19 to 2019-20 and from 2019-20 to 2020-21 and later increased in 2021-22;
- In Bishnupur and Jiribam MC, the data on collection of MSW showed rise and fall in consecutive years;
- In Bishnupur MC, the quantum of waste processed was more than the waste collected in 2020-21.

In the absence of scientific assessment and accurate data on solid waste generated, planning for effective solid waste management strategies which is efficient, cost effective and sustainable would not be possible. Hence, there was a need for installation of weighbridges in all the ULBs at the site of disposal to assess the daily generation of waste and to increase the efficiency of collection and disposal.

The Department replied (February 2024) that assessment of quantum of e-waste is under the purview of Industry Department. The bio-medical waste at Lamdeng site was assessed by the Shija Hospitals & Research Institute. However, assessment of C&D waste is yet to be done and proposal is in the pipeline.

The reply is not acceptable as vital data required for planning of waste management in urban areas should be readily available with the Department. This shows their casual and lackadaisical approach in assessment of municipal waste.

## 2.3.10 Segregation of waste

### 2.3.10.1 Non Segregation of waste at source

Rule 15 (zg) of the SWM Rules, 2016 envisages that it shall be the duty and responsibility of the local authorities to create public awareness through Information, Education and Communication (IEC) campaign and educate the solid waste generators on practicing segregation of waste into bio–degradable, non-biodegradable (recyclable and combustible), sanitary waste and domestic hazardous wastes at source.

During test-check, it was observed that solid waste was not being segregated at source/ household level in any of the seven test-checked ULBs which resulted in mixing up of different kinds of wastes together for disposal.

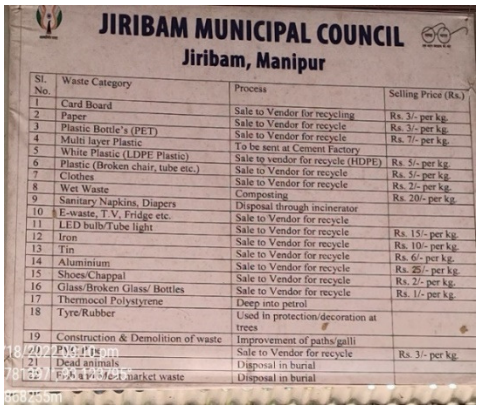
Audit also noticed that the ULBs had provided twin bins (green for bio-degradable and blue for non-bio degradable) in market areas for collecting segregated waste at source. However, all kinds of waste irrespective of bio-degradable, non-bio degradable or hazardous waste materials were disposed of without segregating the same at source, as illustrated in the photographs below, thereby showing lack of necessary awareness about segregating waste material and its proper disposal.

*Unsegregated twin bins at JMC*

During exit conference (February 2024), the Municipal Commissioner of IMC stated that orders and notifications have been issued for segregation of waste at source/household level, and all efforts are being put to ensure segregation of waste at source.

**Good Practice**

JMC has practised segregating items of tin, plastic, iron, card board, glasses, damaged shoes, LED bulbs *etc*., from the mixed waste collected from markets and residential areas. The segregated items were then sold to vendors for further recycling. This practice not only facilitates the processed output (compost) towards meeting the regulatory standards[38] but also generates revenue for the municipality. As a result, an amount of ₹ 96,653/- could be generated during 2021-22 by selling the segregated items.



JIRIBAM MUNICIPAL COUNCIL
Jiribam, Manipur

| Sl. No. | Waste Category | Process | Selling Price (Rs.) |
|---|---|---|---|
| 1 | Card Board | Sale to Vendor for recycling | Rs. 3/- per kg. |
| 2 | Paper | Sale to Vendor for recycle | Rs. 3/- per kg. |
| 3 | Plastic Bottle's (PET) | Sale to Vendor for recycle | Rs. 7/- per kg. |
| 4 | Multi layer Plastic | To be sent at Cement Factory | |
| 5 | White Plastic (LDPE Plastic) | Sale to vendor for recycle (HDPE) | Rs. 5/- per kg. |
| 6 | Plastic (Broken chair, tube etc.) | Sale to Vendor for recycle | Rs. 5/- per kg. |
| 7 | Clothes | Sale to Vendor for recycle | Rs. 2/- per kg. |
| 8 | Wet Waste | Composting | Rs. 20/- per kg. |
| 9 | Sanitary Napkins, Diapers | Disposal through incinerator | |
| 10 | E-waste, T.V, Fridge etc. | Sale to Vendor for recycle | |
| 11 | LED bulb/Tube light | Sale to Vendor for recycle | Rs. 15/- per kg. |
| 12 | Iron | Sale to Vendor for recycle | Rs. 10/- per kg. |
| 13 | Tin | Sale to Vendor for recycle | Rs. 6/- per kg. |
| 14 | Aluminium | Sale to Vendor for recycle | Rs. 25/- per kg. |
| 15 | Shoes/Chappal | Sale to Vendor for recycle | Rs. 2/- per kg. |
| 16 | Glass/Broken Glass/ Bottles | Sale to Vendor for recycle | Rs. 1/- per kg. |
| 17 | Thermocol Polystyrene | Deep into petrol | |
| 18 | Tyre/Rubber | Used in protection/decoration at trees | |
| 19 | Construction & Demolition of waste | Improvement of paths/galli | |
| 20 | PVC pipe | Sale to Vendor for recycle | Rs. 3/- per kg. |
| 21 | Dead animals | Disposal in burial | |
| 22 | Fruit & vegetable market waste | Disposal in burial | |

### 2.3.10.2 Non-setting up of waste deposition centres for domestic hazardous waste

As per Rule 15(i) of Solid Waste Management Rules, the local authorities shall establish waste deposition centres for domestic hazardous waste[39] and give direction for waste generators to deposit domestic hazardous wastes at these centres for safe disposal. One such facility shall be established for an area of twenty square kilometres or part thereof. Timings of receiving domestic hazardous waste at such centres shall be notified.

However, audit noticed that no such centre for depositing domestic hazardous waste had been set up in all the seven test checked ULBs for its safe storage and disposal. This would pose a risk/threat to the environment and human health as a result of leakage/seepage or through unsafe treatment and discharge.

The matter was brought to the notice of the Department (December 2023); however, no reply was received (May 2024).

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[38] Para 3.2.11.1 of the SWM, Manual 2016.

[39] As per Rule 3 (17) of SWM Rules 2016, "domestic hazardous waste" means discarded paint drums, pesticide cans, CFL bulbs, tube lights, expired medicines, broken mercury thermometers, used batteries, used needles and syringes and contaminated gauge, *etc.,* generated at the household level.

## 2.3.11 Collection of solid waste

### 2.3.11.1 Unregistered households for door-to-door collection of waste

As per Schedule II of Municipal SWM Rules, 2000 and SWM Rules, 2016, ULBs are responsible to arrange door-to-door collection of segregated solid waste from all households including slums and informal settlements, commercial, institutional and other non-residential premises. As per the Service Level Benchmark of the Ministry of Urban Development, 100 *per cent* collection efficiency should be ensured so that uncollected waste do not pose risks to health and contaminate the environment.

All the households under IMC were registered for door-to-door collection of waste *i.e.,* 100 *per cent*. The status of ward-wise registration for door-to-door collection of waste in seven test-checked ULBs is indicated in the following **Table**:

**Table 2.3.3: Status of registration for door-to-door collection of waste by the test-checked ULBs**
***(as on 31 March 2022)***

| Name of ULB | Total no. of households* | No. of households registered for door-to door collection as on March 2022 | % of door-to-door collection |
|---|---|---|---|
| Imphal MC | 57,614 | 58,485 | *101.51* |
| Jiribam MC | 1,406 | 1,386 | *98.58* |
| Samurou MC | 3,224 | 1,172 | *36.35* |
| Andro MC | 1,669 | 0 | *0.00* |
| Thoubal MC | 9,454 | 6,385 | *67.54* |
| Kakching MC | 7,144 | 6,032 | *84.43* |
| Bishnupur MC | 2,501 | 1,194 | *47.74* |
| **Total** | **83,012** | **74,654** | **89.93** |

*Source: Records of test-checked ULBs.*
** As per census 2011*

As seen from the above table, Audit noticed that as on 31 March 2022, out of 83,012 households in seven test-checked ULBs (as per census 2011), only 74,654 households (89.93 *per cent*) were registered for door-to-door collection of waste. As such, 8,358 households (10.07 *per cent*) remained unregistered. In Andro MC, no household had been registered for door-to-door waste collection. In other MCs, the registration ranged from 36.35 *per cent* (Samurou MC) to 98.58 *per cent* (Jiribam MC).

The high percentage of unregistered households shows that collection of segregated solid waste from these households had not been effected which posed risks to health and environment.

During the exit conference (February 2024), the Department accepted the audit observation.

### 2.3.11.2 Uncollected garbage fee/ user charges

Audit noticed that Jiribam MC started door-to-door collection of waste from November 2019. During the period from November 2019 to March 2022, the Council had collected scavenging Tax/garbage collection fees from 1386 registered households at the rate of ₹ 50 per month.

However, it was observed that an amount of ₹ 10.96 lakh remained uncollected by the Council. There was no record of demand notice issued to the defaulters. In respect of other test checked ULBs the records relating to collection charges were not maintained.

While accepting the audit observation, the Executive Officer of Jiribam MC stated (February 2024) that the council has started collecting scavenging tax/ garbage collection fees from registered households by restricting the issue of birth certificates *etc.,* to the households not paying such taxes/fees.

## 2.3.12 Transportation

### 2.3.12.1 Vehicles not covered and without partition

Rule 3(52) of Solid Waste Management Rules, 2016 stipulated that conveyance of solid waste, either treated; partly treated or untreated from a location to another location should be made in an environmentally sound manner through specially designed and covered transport system to prevent the foul odour, littering and unsightly conditions.

Audit noticed during Joint Physical Verification (October 2022 to February 2023), that except in Jiribam MC (JMC), uncovered and un-partitioned vehicles were used in the remaining six test checked ULBs for collection and transportation of solid waste as illustrated in the photographs below.

*Vehicles uncovered and without partition*

Audit further noticed that in Jiribam MC, though the vehicles had partitions for wet waste and dry waste, the waste collected were put in both the sections thereby defeating the purpose of segregation of waste.

Thus, the usage of uncovered vehicles and inappropriately designed vehicles cause odour, littering and exposure of waste and mixing up of segregated waste resulting in unhygienic and insanitary conditions.

During exit conference the Municipal Commissioner, Imphal MC stated (February 2024) that all vehicles for transportation of waste under Imphal MC are covered and uncovered vehicles are prohibited as per rule. However, no documentary evidence in this regard was furnished to audit during the exit conference. In respect of other test checked ULBs, no reply was received (May 2024).

### 2.3.12.2 Unregistered vehicles and non-maintenance of Petrol, Oil and Lubricants (POL) Account

Transportation plays a vital role in SWM services. Depending on the local conditions and location of landfill site, ULBs use different types of vehicles such as pushcarts, auto tippers, tractors, tipper trucks and compactors for collection and transportation of waste.

In Manipur transportation of Solid Waste is carried out through Non-Government Organisations (NGOs) and Self Help Groups (SHGs) or by engaging daily wage staff for collecting different types of wastes using ULB vehicles.

The status of vehicles used for SWM activities in the test-checked ULBs is shown in the following **Table**:

**Table 2.3.4: Status of vehicles used for management of waste**

| Sl. No. | ULB | No. of Sanitation Vehicles | No. of off-road vehicles | No. of unregistered vehicles | POL Account |
|---|---|---|---|---|---|
| 1 | Imphal MC | 38 | 13 | 15 | Not maintained |
| 2 | Jiribam MC | 7 | 0 | 7 | |
| 3 | Samurou MC | 5 | 1 | 5 | |
| 4 | Andro MC | 18 | 2 | 18 | |
| 5 | Thoubal MC | 35 | 5 | 35 | |
| 6 | Kakching MC | 7 | 2 | 7 | |
| 7 | Bishnupur MC | 6 | 0 | 6 | |
| **Total** | | **116** | **23** | **93** | |

*Source: Information furnished by test-checked ULBs.*

However, as seen from the table above, out of 116 sanitation vehicles in the test checked ULBs, 93 vehicles were not registered.

As per Motor Vehicle Act, all public transport vehicles are required to obtain vehicle fitness certificate and possess a valid insurance for vehicle. All the vehicles used by the ULBs were without registration, fitness certificate and valid insurance. Due to violation of Motor Vehicle Act, the following disadvantages may accrue to ULBs:

(i) If vehicles were not registered, they would not be traceable if lost;

(ii) In the absence of fitness certificate the vehicles may encounter serious accident which may cause loss of life and property;

(iii) Vehicle running without insurance is a major risk factor in case of loss of life or damage due to accident.

Further, audit noticed that none of the selected ULBs maintained consumption/utilisation of diesel/petrol (POL) account and mandatory information *i.e.* meter reading, distance run, purpose of use of the vehicle, place of visit and by whom the vehicle was used and to whom the vehicles were allotted *etc.* In absence of such mandatory information, the consumption of POL used in the vehicles *vis-à-vis* the distance covered could not be verified/ascertained. Moreover, documents/records *viz.*, bills, vouchers, Actual

Payee Receipts (APRs) *etc.,* for purchase of POL and any token system for issue of POL could not be shown to audit.

No reply has been received from the Department (May 2024).

### 2.3.12.3 Monitoring transportation or vehicles

Transportation of MSW from source of generation to the authorised destination is important to ensure its proper disposal. MSWM Manual, 2016 stipulates that communication technologies such as global positioning system (GPS) are to be integrated as part of monitoring of SWM system. This also helps in improving the collection and transportation efficiency of the vehicles.

None of the vehicles in the test-checked ULBs had GPS based solution for tracking and monitoring of vehicles. In the absence of GPS, ULBs were unable to utilise advantages of effective tracking mechanism.

During the exit conference, the Municipal Commissioner of IMC stated (February 2024) that the GPS based vehicles though available in IMC, remain non-functional due to high cost of upkeep and maintenance.

However, the required cost of upkeep and maintenance would have been known to the Municipal Corporation prior to their procurement.

### 2.3.12.4 Idle expenditure on procurement of SWM vehicles

The Department purchased (November 2020) 75 E-carts out of the fund provided under NLCPR for ₹ 1.50 crore (@ ₹ 2 lakh per E Cart) for distribution to seven ULBs for transportation of solid waste as per the following **Table**:

**Table 2.3.5: Details of E Card issued to Seven ULBs and their status of utilisation**

| Sl. No. | Name of ULB | No. of E-Carts issued | Date of Issue to the ULB | Status of utilisation |
|---|---|---|---|---|
| 1 | Andro MC | 12 | August 2021 | Not yet put to use |
| 2 | Thoubal MC | 18 | August 2021 | Not yet put to use |
| 3 | Lilong MC | 9 | August 2021 | Not known as these ULBs were not selected for audit |
| 4 | Yairipok MC | 9 | August 2021 | |
| 5 | Wangjing MC | 9 | August 2021 | |
| 6 | Sikhong Sekmai MC | 9 | August 2021 | |
| 7 | Heirok MC | 9 | August 2021 | |
| | **Total** | **75** | | |

During joint physical verification (December 2022) of two sampled ULBs *viz.,* Andro MC (12 E-carts) and Thoubal MC (18 C-carts), none of the vehicles were utilised (March 2023) and were lying idle since their handing over (August 2021) to the ULBs.

Thus, non-utilisation of E-cart resulted in idle expenditure of ₹ 60 lakh (₹ 2 lakh X 30 E Cart) for more than 19 months.

During exit conference, the Department stated (February 2024) that the E-carts could not be utilised due to non-availability of technical manpower. Further,

non-recruitment of adequate manpower was due to financial constraint of the State Government.

It is evident that the Department procured the vehicles without ensuring technical manpower to run the vehicles which resulted in idle expenditure.

## 2.3.13 Processing and disposal of waste

### 2.3.13.1 Processing of solid waste

Schedule II of MSW Rules, 2000 and Rule 15 of SWM Rules, 2016 specifies that municipal authorities shall adopt suitable technology to minimise burden on landfill. Criteria to be followed included composting, vermi-composting, anaerobic digestion, or any other appropriate biological processing for stabilisation of waste. Incineration with or without energy recovery including palletisation could also be used for processing wastes in specific cases.

Audit observed that in all the test-checked ULBs, waste was not processed before its disposal but being dumped without processing in open dumping sites and landfills. This not only showed ineffective waste management by the ULBs but also resulted in reduction of quality and quantity of compost. Further, Audit noticed that mixed waste were dumped at unauthorised sites as shown in the following picture.

*Mixed waste dumped near the roadside at Lamphelpat, Imphal*

During the exit conference (February 2024), the Department accepted the audit observation.

### 2.3.13.2 Non pre-sorting of waste

As per Para 8.10.5 of Manual on MSWM 2000, Pre-sorting of waste at waste processing facilities ensures that the processed output (such as compost) meets the regulatory standards. At small or decentralised waste processing facilities, receiving less than 25 tonnes per day of waste, manual pre-sorting is recommended prior to processing.

Audit noticed that in all the test-checked ULBs, there were compost processing facilities within the landfill sites or within the municipal areas. However, except Jiribam MC and Imphal MC, none of the test-checked ULBs practised

pre-sorting of waste at waste processing site. The following photograph shows mixed waste dumped at the sites.

*Mixed waste dumped at the landfill site of TMC & BMC*

In view of the above, the implementing agencies need to create more awareness among citizens through Information Education and Communication (IEC) activities explaining the necessity of segregation of solid waste at source which is not being practiced in the test checked ULBs. In order to make the system effective, there is also a need to create the necessary facilities to avoid mixing of segregated wastes at subsequent stages.

During the exit conference (February 2024), the Department accepted the audit observation.

### 2.3.13.3 No authorisation from Manipur State Pollution Control Board (MSPCB) for setting up of landfill

As per Rule 4 (2), of MSW Rules, 2000, the municipal authority or an operator of a facility shall obtain authorisation from the MSPCB to set up waste disposal facility including landfills and comply with the provisions of Schedule I to the Rules *ibid*. As per SWM Rules, 2016, ULBs shall obtain authorisation from MSPCB for disposal facility if the volume of waste exceeds five metric tons per day.

It was noticed that no authorisation was obtained from MSPCB for operating landfills/dumpsites by four sampled ULBs (Jiribam MC, Thoubal MC, Kakching MC and Bishnupur MC). Though Andro MC requested (June 2019) MSPCB for inspection and issue of NOC/authorisation for landfill (June 2019), MSPCB had neither inspected the site nor taken any action in this regard (December 2022).

The volume of waste generated by the four ULBs exceeds five MTD (Imphal MC 140, Kakching MC 12.1, Thoubal MC 17.3 and Jiribam MC eight). Thus, utilisation of landfills without obtaining authorisation from MSPCB and without considering the feasibility for setting up of landfill at the specified sites is in violation of the Rules *ibid*.

### 2.3.13.4 Burning of waste

National Green Tribunal (NGT) directed (December 2016) ULBs to ensure complete prohibition of open burning of waste on lands, including at landfill

sites and to penalise violators including ULBs responsible for burning waste with an environmental compensation amount of ₹ 5,000 in case of simple burning and ₹ 25,000 in cases of burning of bulk waste.

(i) Instances of burning of mixed waste were noticed in four of the seven sampled ULBs, *viz*. at Imphal MC areas and at the dumping site of Thoubal MC, Bishnupur MC and Kakching MC. The ULBs could not contain burning of waste. Further, no records for imposition of penalty were made available to Audit. The following photographs indicated burning of waste at Imphal MC areas:

*Burning of waste at Minuthong bridge, near Imphal River*

(ii) During joint physical verification (28 December 2022 and 17 March 2023) at Thoubal landfill site with the officials of Thoubal MC (TMC) it was noticed that heaps of mixed waste were dumped across various parts of the town without any processing. Moreover, instances of the burning of the dumped waste were noticed at the dumping site.

Thoubal MC stated (December 2022) that the waste started burning 14 days back without any known source. The burning of the waste was still continuing at the time of the second joint verification of the site (17 March 2023). This indicates that no action to contain the burning of waste was taken by the Municipality. Due to continuous burning of waste at the landfill site, mixed waste collected by seven MCs under Cluster B were temporarily kept beside the vehicle shed near Composting and Segregation Shed. The following photographs show burning of waste at landfill sites:

*Burning of waste at the dumpsite of TMC*

During the exit conference (February 2024), the Department accepted the audit observation.

### 2.3.13.5 Personal protective equipment

MSWM Manuals, 2000 and 2016 prohibit manual handling of waste. If unavoidable due to constraints, it should be carried out under proper precaution with due care for safety of workers. As per Rule 15 (z d) of SWM Rules, 2016, local bodies shall ensure that the operator of a facility provides personal protection equipment including uniform, fluorescent jacket, hand gloves, raincoats, appropriate foot wear and masks to all workers handling solid waste and are used by workforce.

During joint physical verification (October 2022-February 2023) audit observed that the work force handling waste in the sampled ULBs were without protective equipment particularly gloves and boots though these were provided by the ULBs. No efforts were made by the operators to ensure wearing of these personal protection equipment by the work forces.

Exposure to solid waste without proper protective equipment can have adverse effects on the health of the workers. The ULBs should ensure adequate awareness amongst the workforce for necessity of protective equipment.

*Workers without gloves and boots at Jiribam MC*

*Workers without gloves and boots at Lamdeng Waste Management Plant*

During the exit conference (February 2024), the Department accepted the audit observation.

#### 2.3.13.6 Responsibility of Urban Local Bodies on E-waste

Schedule III of E-Waste Rules, 2011 and Schedule IV of EWM Rules, 2016 stipulate the responsibilities of municipal authorities/local bodies as follows:

(i) to ensure segregation of e-waste from MSW, their collection and to channelise them to authorised dismantler or recycler; and

(ii) to ensure e-waste pertaining to orphan products is collected and channelised to either authorised collection centre or dismantler or recycler.

It was observed that e-waste was not handed over separately by the households in any the test-checked ULBs but was mixed with MSW. The waste collectors also did not insist/direct the households for segregation of e-waste. Further, no e-waste collection centre was established by the test-checked ULBs.

### 2.3.14 Monitoring & Evaluation

#### 2.3.14.1 Idle expenditure

Test check of records of the Executive Officer, Samurou MC revealed that seven number of Segregation Sheds and one dumpsite in different locations were constructed from the funds provided under State Finance Commission and Central Finance Commission Awards at a total cost of ₹ 75.99 lakh. All the construction works were completed during the period from 2018 to 2020 and full payments were also made. Details are shown in ***Appendix 2.19***.

During joint physical verification (November 2022), it was noticed that despite completion of the construction works, the Sheds have not been used till date of inspection. The Executive Officer stated that the main Segregation Shed constructed at a cost of ₹ 20.07 lakh beside the Samurou MC office could cater to/manage for all the waste collected from all the nine Wards under the Council. This indicated that the Council did not make proper planning for construction of the Segregation Sheds as the only shed constructed earlier near the Council office could manage the whole waste collected under the Council.

Construction of sheds without requirement due to lack of proper planning led to idle expenditure of ₹ 55.92 lakh.

Similarly, Thoubal MC had taken up construction of nine items of work related to SWM out of the funds provided under Non-Lapsable Central Pool of Resources during the period from 2018 to 2020. The works were completed in 2020 at the cost of ₹ 94.01 lakh. However, the services of the completed projects and the machineries had not been utilised (March 2023) without any recorded reason (February 2024). The details are shown in ***Appendix 2.20***.

During the exit conference, Samurou MC stated that they have started utilising the segregation shed. However, Thoubal MC has not furnished any reply.

### 2.3.14.2 Information, Education and Communication (IEC) Activities

Provisions of MSW Rules, 2000 (S. No. 2 of Schedule II) and SWM Rules, 2016 (Clause 15 (zg)); Manuals on MSWM, 2000 (Section 25.4.2.12) and 2016 (Section 1.4.5.13) underscored the importance of IEC activities and required the State Government and ULBs to create public awareness and educate waste generators to achieve the overall objectives of MSWM. Consumers as well as the general public are required to be educated about the benefits of the 'Reduce, Reuse and Recycle' of waste, so as to get significant public support for recycling and reduction strategies.

All the seven test-checked ULBs had conducted IEC activities by conducting seminars, meetings, wall paintings, stickers *etc.,* encouraging waste generators to segregate wet and dry wastes (i.e. bio-degradable and non-bio-degradable) and to avoid littering *etc.* The table below indicates the status of various modes of communication used in the test-checked ULBs.

**Table 2.3.6: Status of modes of communication in the test-checked ULBs**

| Sl. No. | Modes of communication | IMC | JMC | SMC | AMC | TMC | KMC | BMC |
|---|---|---|---|---|---|---|---|---|
| 1 | Audio | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Video | Yes | No | No | No | No | No | No |
| 3 | Mass communication | Yes | No | Yes | Yes | No | Yes | Yes |
| 4 | Wall Paintings | Yes | Yes | No | No | No | No | No |
| 5 | Schools | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 6 | Hoardings | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 7 | Street plays (jathas) | No | No | No | No | No | No | Yes |
| 8 | Pamphlets | Yes | Yes | Yes | Yes | No | Yes | Yes |

*Source: Information furnished by test-checked ULBs.*

It was, however, observed that the following issues related to IEC were not addressed:

- Domestic hazardous waste included both toxic and bio-medical wastes. However, neither the State level authorities (MAHUD and MSPCB) nor district/ULB level authorities notified and publicised the list of domestic hazardous waste. In the test-checked ULBs, segregation of waste at source was not encouraged through IEC activities;
- None of the test-checked ULBs created awareness on provisions regarding levy of penalty for littering, non-segregation of different waste, *etc.;*
- ULBs did not create adequate awareness amongst the work force for utilisation of protective equipment;
- None of the test-checked ULBs encouraged community participation adequately to conduct awareness programme through IEC activities.

The Department replied (February 2024) that the ULBs will be instructed to notify and publicise the list of domestic hazardous waste and also to address the issues related to IEC on waste segregation, penalty and protective equipment *etc*.

### 2.3.14.3 Levy of penalty for violation of rules

Rule 15 (zf) of SWM Rules, 2016 stipulates that ULBs shall frame bye-laws and prescribe criteria for levying of penalties for the persons who litter or fail to comply with the provisions of the rules and delegate powers to officers or the local bodies to levy spot fines.

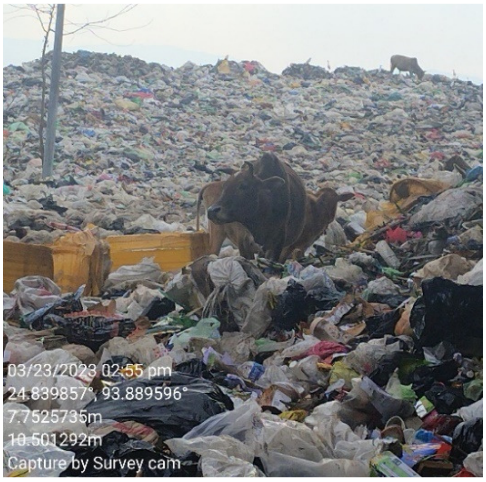
It was noticed that rubbish such as paper, bottles, plastics *etc.,* were left lying in open and public places in the municipal areas. However, inspite of having powers under relevant rules/bye laws, the test checked ULBs did not levy any spot fines except Imphal MC for violation of waste related laws during the period of audit.

During exit conference (February 2024), the Department accepted the audit observation.

### 2.3.14.4 Ingestion of waste by animals

As per Schedule II to MSW Rules, 2000 and Schedule I (B) (i) 2016, storage facilities should be maintained in such a way that stray animals do not have access to the waste. Poor segregation at source, deficiency in door-to-door collection resulted in improper disposal of kitchen waste/discarded food packed in plastic bags on roadsides, vacant lands and near market areas. Disposal of such waste at such places attracted cattle (stray and domestic) to eat kitchen wastes including plastic.

Audit noticed stray animals feeding on the waste dumped on roadsides/bins and kitchen wastes in plastic bags were pulled out and scattered, rendering the surroundings unclean and unhygienic.




*Stray animals feeding on the mixed waste dumped at Lamdeng Waste Management Plant*

*Stray animals feeding waste lying on open space at New Checkon road opposite to Bazar India store, Imphal*

During exit conference (February 2024), the department accepted the audit observation.

### 2.3.14.5 Non-designation of land for setting up landfills

Rule 11 (f) and 12 (a) of SWM Rules, 2016, states that the State and District authorities shall facilitate identification and allocation of suitable land to set up

solid waste processing and disposal facilities to local authorities within one year from the date of notification of the Rules.

However, out of the seven sampled ULBs, Samurou MC was yet to identify and allocate land to set up landfill facility despite request to the concerned District authority (May 2019). Due to non-availability of suitable land, segregation shed was constructed within the local areas for storage of waste, resulting in unauthorised and unhygienic disposal of mixed MSW dumped in the vicinity of the local area. This would led to unhygienic conditions causing harm to human health and contamination of the surrounding environment.

During exit conference (February 2024), the Department accepted the audit observation.

### 2.3.15 Management of plastic and biomedical waste

#### 2.3.15.1 Biomedical waste

As per Schedule III of the Bio-Medical Waste Rules 2016, Local Bodies are to provide or allocate suitable land for development of common bio-medical waste treatment facilities in their respective jurisdictions as per the guidelines of Central Pollution Control Board.

Audit noticed that in all the sampled ULBs, there was no common biomedical waste treatment facility. It was observed that biomedical waste was found mixed with other waste. During physical verification (November 2022), it was noticed that biomedical waste such as syringes, ampoules, *etc.*, were openly dumped in the garbage bins placed at public places. Thus, due to non-allocation of dedicated site for treatment of bio-medical waste by the ULBs the same was mixed with the waste which may have serious health impact.

*Bio-medical waste mixed with other MSW in Jiribam MC*

#### 2.3.15.2 Usage of banned plastic waste

GoM banned (September 2017) use of plastic carry bags made of less than 50 microns in thickness with effect from September 2017. Further for effective implementation of plastic waste, Manipur High Court issued an order (21 May 2018) directing the ULBs to take up necessary action against the

violators to control rampant use of plastic carry bags in terms of the Plastic Waste Management Rules, 2016.

However, it was observed that no action plan for effective implementation of Plastic Waste (M&H) Rules was prepared in the test-checked ULBs. Records made available showed that no raids had been conducted on commercial establishments and no fines/penalty imposed in the test-checked ULBs, to ensure compliance to the Government notification *ibid*. Only official orders prohibiting rampant use of plastic bags below the thickness of 50 microns had been issued by the ULBs.

During exit conference (February 2024), the IMC stated that raids were conducted and fines for rampant use of banned plastic waste. However, no documentary evidence was furnished to audit.

#### 2.3.15.3 Collection, segregation, transportation and disposal of plastic waste

As per Plastic Waste (Management) Rules, 2016 and 2011 (i) municipal authority is responsible for regulating the usage of plastics and for setting up, operationalisation and co-ordination of the waste management systems and associated functions to ensure safe collection, storage, segregation, transportation and disposal of post-consumer plastic waste; (ii) the municipal authorities may ask the manufacturers either collectively or individually as per the principle of Extended Producers Responsibility (EPR) principles to set up plastic waste collection centres to finance establishment of such collection centres; and (iii) to ensure that open burning of plastic waste does not take place.

In this regard, Audit observed that:

- None of the ULBs had established a mechanism or issued direction for collection, handling, storage, transportation and disposal of plastic waste. Thus, implementation of these rules is yet to commence even after 11 years of their notification.
- No plastic waste collection centres were established in the ULBs either by manufacturers or by concerned ULBs.

*Drain full of plastic bottles at JNIMS Hospital, Imphal*

During exit conference (February 2024), the Department accepted the audit observation.

### 2.3.15.4 Findings on construction and demolition waste

As per Rule 6(8) of Construction and Demolition (C&D) Wastes Rules, 2016 the local authority shall keep track of the generation of C&D waste within its jurisdiction and establish a data base and update it once in a year.

However, the information on quantum of C&D waste generated in the State/ Urban areas was not available with any ULBs except Thoubal MC and Jiribam MC.

Rule 13 (Schedule III) of C&D Rules, 2016 stipulated an 18-month timeframe for identification of sites for collection and processing facility of C&D waste from the date of notification of this Rule.

However, it was observed that none of the ULBs had identified site for disposal of C&D waste.

Rule 5 (3) of C&D Rules, 2016 authorised local bodies to levy charges for generation of debris and the amount collected may be used to lift, transport and for disposal of C&D waste.

It was observed that none of the test-checked ULBs fixed any charges for management of C&D waste.

*C&D waste lying at the roadside of Paona Bazar, Imphal MC*

Construction and demolition wastes have increasingly created serious problems in environmental, social and economic realms. There was no coherent framework for utilisation of those wastes which were disposed illegally. This harms the environment, contributes to the increase of energy consumption, and depletes finite landfills resources.

During exit conference (February 2024), the Department accepted the audit observation.

## 2.3.16 Focus areas covered in the audit

### 2.3.16.1 Non-involvement of Self Help Groups and waste pickers in door-to-door waste collection

As per Rule 15(c) of SWM Rules, 2016, the local bodies shall establish a system to recognise waste pickers/informal waste collectors and promote and establish a system for integration of these authorised waste pickers and waste collectors to facilitate their participation in SWM and door to door collection of waste. Further, Rule 11 (m) of the Rules *ibid* stipulates that the ULBs shall start a scheme for registration of waste pickers and waste dealers.

Audit noticed that four (Imphal MC, Thoubal MC, Jiribam MC and Kakching MC) out of the seven sampled ULBs recognised the services of informal waste collectors, three ULBs (Samurou MC, Andro MC and Bishnupur MC) did not recognise organisations of informal waste collectors and integrate them in SWM. As such, no system was established to identify and register waste pickers in the three sampled ULBs.

During the exit conference (February 2024), the Department accepted the audit observation.

### 2.3.16.2 Training and Capacity Building

As per Para 1.4.5.5 of SWM Manual 2016, there is an urgent need to train and enhance the capacities of staff in MSWM activities. Professionalising the MSW sector will not only build the capacities of workers to perform more effectively and efficiently in the existing conditions, but will also inculcate a sense of responsibility and pride towards their profession. Provision of hygienic and safe working conditions for workers and encouraging the use of personal protective equipment (PPE) should also be part of this effort. The positive impact of such actions on the well-being of all workers (specifically the women) is far-reaching. These efforts will also lead to an improvement in service delivery and hence better management of activities.

It is important that the approach to capacity building in MSW should not only focus on technology but also on different aspects including governance, financing, planning, and improved service delivery. The capacity building approaches that can be adopted for different stakeholders are based on the ULB's requirements.

It was also observed that capacity building activities were neither conducted at State level nor in any of the test checked ULBs.

As per Rule 15(l) of the Solid Waste Management Rules 2016, Municipal Authorities shall provide training on solid waste management to waste-pickers and waste collectors. However, no training was imparted to waste pickers/collectors and staff of any of the test-checked ULBs.

The Department stated during Exit Conference (February 2024) that training and capacity building activities are conducted regularly at State and ULB levels every year and the relevant documents for conducting the same along with the

calendar of training would be furnished. However, no such document has been furnished (May 2024). In this connection, audit asserted that in two of the selected ULBs, *viz*. Andro MC and Samurou MC, no field level functionaries like Junior Engineer, Sanitary Inspector are available as those ULBs have only one regular Executive Officer and one Chowkidar.

### 2.3.17 Environment Impact Assessment

#### 2.3.17.1 Assessment of risk to environment and human health posed by waste

Paragraph 22.2.1 of the MSW Manual 2000 stipulated that Environment and Health Impact Assessment (EHIA) of Municipal Solid Waste Management is intended to identify and predict the impact of these activities and to suggest preventive measures as appropriate on the environment and on people's health and wellbeing and to interpret and communicate information about the impacts.

It was observed that MAHUD and MSPCB did not conduct any assessment of risks to environment and human health posed by waste. Also, the test-checked units did not assess risks to environment and human health posed by waste in the area falling under their jurisdiction.

The Department during exit conference (February 2024) stated that ULBs would be instructed to carry out assessment of risks posed by waste to the environment and humans in consultation with stakeholders.

#### 2.3.17.2 Absence of Water Quality Monitoring of Landfill Sites

As per paragraph 23 of Schedule III of MSW Manual 2000, the MCs should collect baseline data of ground water quality in the area before establishing any landfill site and keep on record for future reference. The MCs should periodically monitor the quality of ground water within 50 metres of the periphery of landfill site to ensure that the ground water is not contaminated beyond acceptable limits.

It was observed that the test-checked ULBs had not collected the baseline data of ground water quality near the segregation sheds/ landfill sites and did not maintain the related records.

During exit conference (February 2024), the Department accepted the audit observation.

**Good Practice**

It was observed that during joint physical verification (March 2023), Lamdeng waste management plant Imphal has started construction of leachate tank for collecting leachate flowing from the open dumpsite. They were designed to hold contaminated ground water which was extracted from the open dumpsite. Once the leachate tank is full the contents were transferred for further treatment or for removal to an appropriate and safe disposal. As a result of this construction, the leachate tanks prevented the hazardous substances from flowing from the dumpsite and entering surface water, ground water or soil.

#### 2.3.17.3 Non-existence of Ambient Air Quality Monitoring Mechanism

Paragraph 28 of Schedule III of MSW Manual 2000 provides that installation of landfill gas control system including gas collection system should be made at landfill site to minimise odour generation, prevent off-site migration of gases and to protect vegetation planted on the rehabilitated landfill surface. Ambient air quality at the landfill site and at the vicinity should be monitored twice, four times or six times in a year depending on the size of population of the MC.

It was noticed that none of the ULBs had installed the air quality monitoring system at the landfill site.

During exit conference (February 2024), the Department accepted the audit observation.

### 2.3.18 Service level benchmark data

As a part of the on-going endeavour to introduce greater accountability among urban local bodies to improve urban services, Ministry of Urban Development (MoUD) has prepared Service Level Benchmarks (SLBs) at the national level for service provision in four key sectors *i.e.,* water supply, sewerage, municipal solid waste management and storm water management. The XIII and XIV FCs have also endorsed the principle of benchmarking and included SLB as one of the conditions for the allocation of performance-based grants to ULBs. Current SLBs achievements and future targets for improved service levels are to be furnished annually by ULBs to the State Government and notified in the Gazette. MoUD defined a common minimum framework for monitoring and reporting on performance indicators of which eight performance indicators (detailed in ***Appendix 2.21***) pertain to SWM (Para 1.4.2 of MSWM 2016).

Analysis of SLB declarations (2021-22) in respect of these performance indicators by the seven test-checked ULBs showed that in certain cases extent of segregation, household level coverage, efficiency of collection, extent of scientific disposal and efficiency in redressal of customer complaints were up to the targets fixed/benchmarks in most of these ULBs. Achievements of the test checked ULBs *vis-à-vis* targets and benchmarks in respect of these performance indicators are depicted in ***Appendix 2.22.***

It was noticed that 100 *per cent* door-to-door collection of waste is yet to be achieved as pointed out at **Paragraph 2.3.11.1** which is contrary to the achievements in SLB claimed (100 *per cent*) by the sampled ULBs. Segregation of waste at household level is yet to be practiced by all the test-checked ULBs. Moreover, efficiency of MSW collection (total waste collected against waste generated) was not satisfactory as it was observed in many areas that unattended wastes were seen lying on roadsides or in public places, with burning of waste at dumpsite. Further, no documentary evidence was furnished in support of the achievements claimed by any of the ULBs.

During exit conference, the Department accepted the audit observation.

### 2.3.19 Conclusion

During the period 2018-22, Department did not earmark funds for municipal solid waste management in its budget and none of the test-checked ULBs assessed requirement of funds for waste management. The Solid Waste Management activities were carried out without any proper financial assessment in the sampled ULBs.

There were no means to determine reliable quantum of solid waste generated and six out of seven sampled ULBs lacked weighbridges. Solid waste generated was not segregated at source/household level and there was absence of waste deposition centres for domestic hazardous waste.

The Plastic Waste Management Rules, 2016 are yet to be enforced effectively even after 7 years of their notification.

Audit noticed instances of uncovered and un-partitioned vehicles being used by the ULBs for door-to-door collection of solid waste and none of the vehicles used GPS based solution for tracking and monitoring for effective tracking.

E-carts distributed by the Department for transportation of solid waste to ULBs were not being utilised due to lack of required technical persons.

Waste was not processed before its disposal but being dumped without processing in open dumping sites and landfills. Instances of burning of mixed waste in open and dumpsites were noticed in sampled ULBs.

There were deficiencies in conduct of Information, Education and Communication (IEC) activities in the ULBs. ULBs have not allocated dedicated site for treatment facilities of bio-medical waste. No action plan was prepared by ULBs for effective implementation of Plastic Waste Management Rules 2016.

Impact assessment of risks posed by Municipal Solid Waste to environment and people's health was not conducted.

### 2.3.20 Recommendations

***The Government may ensure that:***

- ***The Department should earmark funds for management of Municipal Solid Waste in its budget;***
- ***Segregation of solid waste at source should be strictly enforced and implemented and weighbridges should be installed in all the ULBs for assessment of Solid Waste generated;***
- ***Transportation of Solid Waste should be done in an environmentally sound manner to prevent spreading of odour, littering etc.;***
- ***ULBs should ensure stoppage of the practice of burning solid waste in open/dumping site;***
- ***E-carts should be utilised by the ULBs for transportation of solid waste***

- ***The ULBs should prepare action plan for implementation of Plastic Waste Rules 2016; and***
- ***Assessment of risks to environment and human health posed by waste should be conducted periodically in consultation with stakeholders.***

## COMPLIANCE AUDIT

## RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT (RD&PR)

### 2.4 Recovery of liquidated damages

***Two Programme Implementation Units (PIUs) did not adhere to contractual terms and conditions while recovering liquidated damages from contractors executing Pradhan Mantri Gram Sadak Yojana (PMGSY) works***

As per Clause 44 of the General Conditions of Contract included in the Standard Bidding Document (SBD) of Pradhan Mantri Gram Sadak Yojana (PMGSY), the contractor is required to pay liquidated damages at one *per cent* the rate per week or part thereof as stated in the Contract Data.

Audit scrutiny (October 2020- January 2021) of records and information furnished to audit in respect of works taken up under PMGSY by Programme Implementation Units (PIU)-II Bishnupur and PIU-I Churachandpur for the period 2017-2020 revealed that during 2013-19, 32 number of works at the cost of ₹ 93.38 crore were awarded to contractors for execution of road works under the scheme. According to General Conditions of Contract included in the agreements, amount of liquidated damages for delay in completion of works shall be one *per cent* of the initial contract price per week subject to a maximum limit of 10 *per cent* of the initial contract price in the event of failure to complete the work within the stipulated time period as given in the contract.

Audit noticed that the contractors did not complete the works within the stipulated period and there were delays in completion ranging from three to 208 weeks as given in ***Appendix 2.23***. However, records made available did not indicate reasons for delays in execution. As per the terms and conditions of the contracts, the total amount of liquidated damages recoverable from the contractors for delay in completion of works amounted to ₹ 8.58 crore.

During the exit meeting (January and September 2021)[40], the Executive Engineers stated that necessary steps would be taken to recover liquidated damages applicable as per agreement of the works. Out of the recoverable amount of ₹ 8.58 crore, the PIUs recovered (till 14 May 2025) an amount of ₹ 0.77 crore (PIU-II Bishnupur – ₹ 28.59 lakh and PIU-I Churachandpur – ₹ 48.18 lakh) leaving unrecovered liquidated damages of ₹ 7.81 crore. Further, in the cases in which LD was recovered, the basis for the recoveries effected,

[40] PIU-II, Bishnupur – 13-09-2021 and PIU-I & II, Churachandpur – 12-01-2021

was not provided. As delays do not automatically absolve any agency from the liability of payment of LD except if specifically waived, the PIUs were responsible for imposing/recovering LD timely, from defaulting contractors, as per terms of the contracts. However, there was inability to ensure timely enforcement of contractual clauses which indicated weakness in internal controls and lapses in contract management.

***Recommendation: Government should take necessary steps to recover liquidated damage applicable as per agreement of the works to avoid such undue delay in execution of further works.***

## 2.5 Extra expenditure due to award of works at higher rates

***There was extra expenditure of ₹ 1.73 crore due to award of works at higher rates***

The Rural Roads Manual [41] of the Government of India (GoI) prescribes that roads constructed under the Pradhan Mantri Gram Sadak Yojana (PMGSY) are to be executed providing Water Bound Macadam (WBM) sub-base, preferably by mechanical means so as to minimise their manipulation by hand.

Rule 144 of GFR 2017 states that every authority delegated with the financial powers of procuring goods (including procurement of works) in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement.

The Manipur Schedule of Rates (MSR) (Rural Roads) provides two different rates for execution of works *viz*., (a) manual means and (b) mechanical means in various types of soil strata e.g., soil, ordinary rock. As per MSR, execution of works by mechanical means is cheaper than execution by manual means.

Audit scrutiny (September 2020 – January 2021) revealed that four Programme Implementation Units (PIUs) namely, PIU-I Churachandpur, PIU-III Churachandpur, PIU-II Bishnupur and PIU-III Senapati executed works including *inter alia* Hill cutting, construction of culverts, Providing and compacting of Water Bound Macadam (WBM) and construction of unlined surface drain *etc*. The works were executed during March 2017 to March 2020 in Bishnupur District (Bishnupur and Moirang block), Churachandpur District (Henglep, Parbung, Tipaimukh and Thanlon Blocks) and Senapati District by adopting the rate for execution of WBM items by manual means instead of adopting the comparatively economical rate of execution by mechanical means. Due to execution of works by manual means, the PIUs incurred extra expenditure of ₹ 63.73 lakh ***(Appendix 2.24)***.

Similarly, three PIUs namely, PIU-II Bishnupur, PIU-III Churachandpur and PIU-III Senapati, worked out item rates for construction of surface drains by

[41] Para 8.5.1 (b) of the Rural Roads Manual (Indian Roads Congress Special Publication 20-2002)

manual means and awarded works at higher rates. This resulted in an extra expenditure of ₹ 1.10 crore (***Appendix 2.25***).

During the exit meeting[42], PIU- II Bishnupur, stated that (September 2021) manual means were adopted due to non-suitability of using machineries for a 3m width carriageway village roads. PIU, Bishnupur further stated that there were verbal instructions of encouraging local labour during the road construction, so that, economic condition of the village labour may be increased to some extent. The reply about non-suitability of using machineries was not acceptable because scrutiny of detailed estimates of the same works showed that machinery were to be used on the same roads for excavation of earth. Thus, mechanical means for the Water Bound Macadam (WBM) component could have been employed for such roads.

PIU-I Churachandpur, PIU-III Churachandpur and PIU-III Senapati, stated (January 2021) that the DPRs and estimates were approved by National Rural Roads Development Agency (NRRDA) and the items of works were executed in accordance with the approved DPRs and estimates.

The reply of the PIUs is not acceptable as approvals from NRRDA do not absolve PIUs from their obligation to ensure economy in public procurement as required under GFR Rule 144. The absence of any recorded justification for opting for costlier manual execution further highlights lack of efforts to ensure cost-efficiency in work execution.

No reply has been furnished by the Department and Government (May 2024). Thus, due to execution of works by manual means instead of mechanical means there was an extra expenditure of ₹ 1.74 crore.

***Recommendation: The Government should issue specific instructions to all implementing agencies to ensure that the most economical method of execution is adopted in accordance with applicable manuals and schedules of rates***.

[42] (i) PIU-I, Churachandpur–12-01-2021, (ii) PIU-III, Churachandpur-12-01-2021, (iii) PIU-II, Bishnupur- 13-09-2021, (iv) PIU-III, Senapati- 13-01-2021

# Chapter III

# Economic Sector

## (Other than State Public Sector Enterprises)

# CHAPTER III

# ECONOMIC SECTOR (OTHER THAN STATE PUBLIC SECTOR ENTERPRISES)

## 3.1 Introduction

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

The Economic Sector is one of the most important sectors of the economy of any State. This Sector is directly responsible for production of goods and services and responsible for generation of employment in the economy. The Economic Sector has three sub-sectors *i.e.* Primary sector includes raw materials, mining, fishing, agriculture, *etc.*, Secondary includes production of finished goods and the Tertiary sector includes production and supply of intangible goods and services to the consumers *e.g.* retail, tourism, banking, insurance, transport, entertainment, IT services, *etc.* Government's investment in this Sector and the health of an economy has direct relationship and thus, it requires steady attention of the government.

The Government of Manipur has accorded due importance to the Economic Sector in the State by allocating a significant part of its financial resources to this Sector. During 2022-23, the Agriculture, Industry and Service sectors grew at the rate of (-) 0.63 *per cent,* 1.00 *per cent* and 6.69 *per cent* respectively as compared to the previous year 2021-22[43]. The expenditure incurred during the last five years by some major Departments under Economic Sector are as tabulated below:

**Table 3.1.1: Expenditure of the major departments under Economic Sector during 2018-23**

***(₹ in crore)***

| Years | Public Works | Power | Public Health Engineering | Total on Economic Sector (In *per cent)* | Total Expenditure# |
|---|---|---|---|---|---|
| 2018-19 | 692.76 | 556.79 | 372.14 | 2,673.17 (18.32) | 14,590.22 |
| 2019-20 | 392.34 | 408.89 | 351.55 | 2,033.12 (11.84) | 17,165.50 |
| 2020-21 | 562.79 | 409.99 | 710.58 | 3,182.60 (14.14) | 22,505.98 |
| 2021-22 | 574.86 | 426.54 | 878.42 | 2,963.23 (11.03) | 26,855.94 |
| 2022-23 | 811.55 | 317.95 | 882.01 | 3,085.96 (13.97) | 22,096.84 |

*Source: Appropriation Accounts.*
*# General, Economic (Other than PSUs) and Social Sectors.*

Department-wise details of budget provisions and expenditure incurred by the 18 departments pertaining to the Economic Sector during 2022-23 are as follows.

[43] Based on Advance Estimates furnished by Directorate of Economics & Statistics, Manipur.

**Table 3.1.2: Budget Provision and Expenditure of departments under Economic Sector during 2022-23**

*(₹ in crore)*

| Sl. No. | Department | 2022-23 | | | |
|---|---|---|---|---|---|
| | | Budget Provision | Expenditure | Savings | Savings as *per cent* of Budget Provision |
| 1 | Public Works | 1,134.99 | 811.55 | 323.44 | 28.50 |
| 2 | Environment and Forest | 749.84 | 198.06 | 551.78 | 73.59 |
| 3 | Water Resources | 939.36 | 258.77 | 680.59 | 72.45 |
| 4 | Power | 518.38 | 317.95 | 200.43 | 38.66 |
| 5 | Public Health Engineering | 2,348.60 | 882.01 | 1466.59 | 62.45 |
| 6 | Agriculture | 399.72 | 133.92 | 265.80 | 66.50 |
| 7 | Minor Irrigation | 379.27 | 28.90 | 350.37 | 92.38 |
| 8 | Textiles, Commerce and Industries | 211.01 | 56.47 | 154.54 | 73.24 |
| 9 | Veterinary and Animal Husbandry | 238.56 | 93.82 | 144.74 | 60.67 |
| 10 | Horticulture and Soil Conservation | 93.22 | 56.13 | 37.09 | 39.79 |
| 11 | Tourism | 316.57 | 60.18 | 256.39 | 80.99 |
| 12 | Fisheries | 62.07 | 30.94 | 31.13 | 50.15 |
| 13 | Transport | 59.36 | 14.09 | 45.27 | 76.26 |
| 14 | Co-operation | 41.63 | 25.11 | 16.52 | 39.68 |
| 15 | Sericulture | 42.26 | 23.72 | 18.54 | 43.87 |
| 16 | Information Technology | 195.15 | 74.94 | 120.21 | 61.60 |
| 17 | Economics and Statistics | 29.48 | 14.55 | 14.93 | 50.64 |
| 18 | Science and Technology | 5.49 | 4.85 | 0.64 | 11.66 |
| **Total** | | **7,764.96** | **3,085.96** | **4,679.00** | **60.26** |

*Source: Budget documents and Appropriation Accounts.*

As it can be seen from **Table** above, there was overall savings of ₹ 4,679.00 crore (60.26 *per cent*) against Budget provision under Economic (Other than Public Sector Undertakings) Sector. In terms of percentage, Minor Irrigation Department had the maximum savings of ₹ 350.37 crore (92.38 *per cent*) followed by Tourism Department of ₹ 256.39 crore (80.99 *per cent*) and Transport Department ₹ 45.27 crore (76.26 *per cent*) against their respective Budget provisions.

### 3.1.1 Planning and execution of Audit

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

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

and Auditor General of India for placing of the same before the State Legislative Assembly as mandated by the Constitution.

Keeping in view the importance accorded to the Economic Sector by the State, we in Audit also accorded due importance to the audit of this Sector. Out of a total of 125 units selected for compliance audit pertaining to Economic Sector during 2022-23, we conducted audit of all 125 units (100 *per cent*) involving expenditure of ₹ 2,536.12 including expenditure of previous years. As of March 2023, 37 Inspection Reports containing 171 paras have been issued to the State Government with copies to the heads of the concerned departments.

Year-wise details of expenditure audited in respect of Economic Sector during 2022-23 are shown in ***Appendix 3.1***.

This Chapter contains one Performance Audit and two compliance audit paragraphs as discussed in the succeeding paragraphs.

## PERFORMANCE AUDIT

## TOURISM DEPARTMENT

### 3.2 Performance Audit on Development and Promotion of Tourism

The Performance Audit on 'Development and Promotion of Tourism' covered the period from 2017-18 to 2022-2023. The major audit findings are highlighted below:

**Highlights:**

***Due to non-preparation of Tourism Master Plan, Perspective Plan and Annual Action Plans, the tourism development projects were taken up in an ad hoc manner.***

***(Paragraph 3.2.7.1)***

***No State Level Tourism Steering Committee and Tourism Advisory Committee had been formed though envisaged in State Tourism Policy. The Department did not involve private entrepreneurs to promote tourism in the State.***

***(Paragraph 3.2.7.2 & 3.2.7.3)***

***The State Government could not avail GoI grant amounting to ₹ 92.45 crore in respect of 13 Product Infrastructure Development for Destinations and Circuits (PIDDC) projects due to non-completion of the projects. The 13 projects were lying incomplete/abandoned after incurring ₹ 50.85 crore even after delays ranging from seven to 13 years.***

***(Paragraph 3.2.9.3)***

***In respect of the project "Development of Eco-Tourism Destinations in each Assembly Constituency" items of work worth ₹ 2.88 crore were not executed though payments had been made.***

***{Paragraph 3.2.9.4.2 (a)}***

***The non-opening of the light and sound show under Swadesh Darshan Scheme after its inauguration on 14 August 2018 rendered the Light and Sound Show non-functional thereby resulting in wasteful expenditure of ₹ 6.35 crore.***

***(Paragraph 3.2.9.6.1)***

***In respect of the project "Development of Spiritual Circuits" taken under Swadesh Darshan Scheme, assets worth ₹ 16.83 crore were either lying idle/unutilised or not utilised for the intended purposes.***

***(Paragraph 3.2.9.6.2)***

## 3.2.1 Introduction

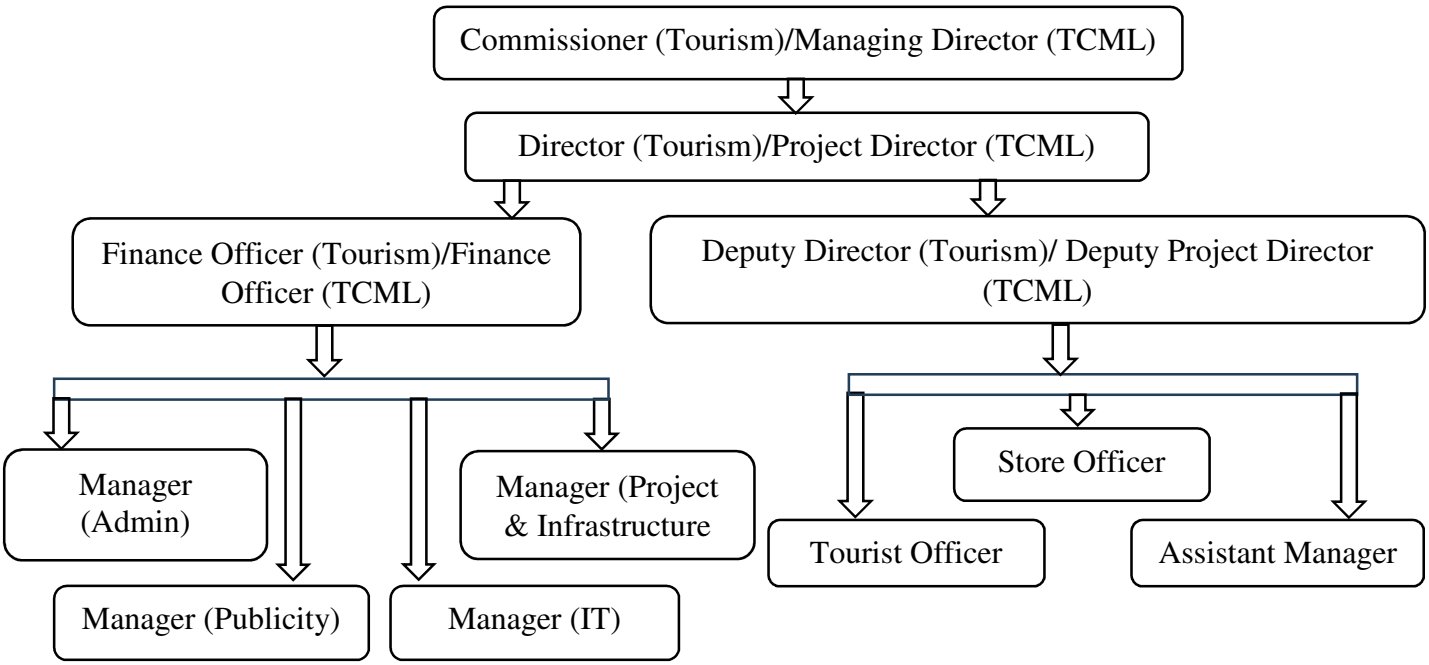
Manipur is strategically located in the North-eastern corner of India bordering Myanmar. Nestled in the foothills of the Eastern Himalayas, the State is considered the Gateway to South East Asia. The state is a promising tourist destination for adventure and nature lovers alike. For growth of tourism in the State, the Government of India (GoI) and the State Government have been funding several tourism projects for creation of infrastructure, promotion and publicity.

The Tourism Department and the Tourism Corporation of Manipur Limited (TCML), a public sector undertaking, are responsible for development and promotion of tourism in the state. The Tourism Department and TCML take up various infrastructure works such as development of spiritual circuit, amusement park, eco-tourism destination lodges, *etc.,* and promote tourism through publicity, tourism festivals *etc*.

## 3.2.2 Organisational set-up

The Commissioner, Tourism Department, who is also the Managing Director of TCML is the administrative head of the Department. At the Directorate level, the Director, who is also the Project Director of TCML is the functional head. TCML is headed by a Chairman, appointed by the Government from among the elected members of State Legislative Assembly. The Organisational set up of the Department is as shown below:

**Organisational set up**




### 3.2.3 Audit Objectives

The Performance Audit was conducted to assess whether:

- State Tourism Policies and Plans were formulated in line with National Tourism Policy and Perspective Plan and implemented effectively;
- Implementation of tourism infrastructure development projects and tourism promotional activities were as per prescribed guidelines/procedures and whether implemented in an economic, efficient and effective manner;
- Management of funds and development of human resources were economical, efficient and effective and the operations & maintenance of tourism infrastructure were proper; and
- Monitoring, evaluation and impact assessment were adequate and effective.

### 3.2.4 Audit Scope and Methodology

The Performance Audit (PA) was carried out for the period from 2017-18 to 2022-2023 covering 36 out of 76 tourism projects implemented by Tourism Department. The projects were selected based on Simple Random Sampling Without Replacement method. The details of sample selection of schemes/projects for audit examination were as under:

**Table 3.2.1: Statement showing sample selection of schemes/projects**

| Sl. No. | Scheme | Total Projects | Sample Selected |
|---|---|---|---|
| 1. | Central Financial Assistance for setting up new Institute of Hotel Management | 01 | 01 |
| 2. | One time Special Assistance of Central Plan Schemes | 01 | 01 |
| 3. | Shyama Prasad Mukherji Rurban Mission | 01 | 01 |
| 4. | Non-Lapsable Central Pool of Resources (NLCPR) | 02 | 02 |
| 5. | Swadesh Darshan Scheme | 02 | 02 |
| 6. | Special Assistance to States for Capital Expenditure | 03 | 03 |
| 7. | North-East Special Infrastructure Development Scheme (NESIDS) | 04 | 01 |
| 8. | Product/Infrastructure Development for Destination & Circuits-*Completed* (PIDDC) | 07 | 03 |
| 9. | North Eastern Council (NEC) | 8 | 02 |
| 10. | State Plan | 13 | 06 |
| 11. | Product/Infrastructure Development for Destination & Circuits-*Incomplete/Abandoned* (PIDDC) | 34 | 14 |
| **Total** | | **76** | **36** |

An Entry Conference with the Departmental officials was held on 21 September 2022 wherein audit objectives, scope, criteria and methodology of the PA were discussed.

Audit was conducted during October 2022 to October 2023 by test check of records in Tourism Directorate office, TCML office, and 11 Offices (Work Agencies) executing the sampled projects. An Exit Conference was held on 26 February 2024 wherein the audit findings were discussed, and the replies of the Department have been incorporated in appropriate places in the report. From the Government/Department side, the Exit Conference was attended by the Special Secretary (Tourism), Director (Tourism), Project Director (MDS), Deputy Director (Tourism) and other officers of the work agencies.

### 3.2.5 Audit Criteria

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

- Manipur Tourism Policy 2014 and 2022;
- Scheme Guidelines;
- Detailed Project Reports of the selected projects;
- General Financial Rules and CPWD Works Manual;
- Directions/Guidelines issued by Ministry of Tourism, GoI and the State Government.

### 3.2.6 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the authorities of the Tourism Department, TCML and various work agencies (like MPHCL, PWD, MDS and EEW) during the conduct of the Performance Audit.

## Audit Findings

Significant Audit findings relating to the development of tourism infrastructure and promotional activities in the State noticed during the Performance Audit are discussed in succeeding paragraphs.

## 3.2.7 Planning

Proper planning is essential for bringing holistic growth of tourism in the State. A long-term action plan (Master Plan/Perspective Plan) based on reliable database enables preparation of Annual Action Plans which would enable systematic development and promotion of tourism.

### 3.2.7.1 Non-preparation of Tourism Master Plan, Perspective Plans and Annual Action Plans by Tourism Department

Manipur Tourism Policy 2014 was prepared in line with the National Tourism Policy 2002. As per Manipur Tourism Policy 2014, the choice of new destinations for development will have to be based on their intrinsic attractions, potential for development and the carrying capacity as well as availability of resources and such development will be guided by well-conceived Master Plans.

Audit noticed that the Tourism Department did not prepare any such Master Plan even after nine years of formulation of the first State Tourism Policy in 2014. Moreover, no Perspective Plans and Annual Action Plans were prepared for prioritising the available resources. As such, tourism projects were taken up in an *ad hoc* manner.

The implementation of tourism projects without preparing Tourism Master Plan, Perspective Plan and Annual Action Plans would not be effective in achieving sustainable development of tourism in the State.

During Exit Conference (February 2024), the Department accepted the audit observation and stated that steps would be initiated to ensure preparation of Master Plan, Perspective Plans and Annual Action Plans without further delay.

### 3.2.7.2 Non-constitution of Tourism Development Committees

Manipur Tourism Policy envisaged constitution of Committees at different levels for effective monitoring and co-ordination to ensure comprehensive and sustained development of tourism in the State.

A State Level Tourism Steering Committee (SLTSC) was to be constituted by the Tourism Department. The Committee was to meet every six months and deliberate upon the issues for comprehensive development and growth of tourism industry in the State. Further, a Tourism Advisory Committee (TAC) was to be constituted for fostering inter-departmental and inter-agency co-operation & co-ordination. The Committee was to meet every three months to take stock of actions taken by the concerned departments/agencies and to

make constructive suggestions for promotion of Travel and Tourism Industry in the State.

The Tourism Department did not constitute the Committees as per the State Tourism Policy. The non-constitution of Tourism Development Committees was an indication of reduced focus on the direction for tourism development in the State.

During Exit Conference (February 2024), the Department accepted the audit observation and stated that proposal for formation of State Level Tourism Steering Committee and Tourism Advisory Committee is being forwarded to the Government for approval. However, no further development has been intimated (May 2024).

#### 3.2.7.3 Non-involvement of private entrepreneurs

Manipur Tourism Policy envisaged integrated development of tourism infrastructure through Public Private Partnership (PPP)/Public Private Community Partnership (PPCP) to achieve sustainable and economic development by extending incentives to encourage private entities. Financial assistance of 20 *per cent* of the capital cost of investment up to a maximum of ₹ 35.00 lakh was admissible for development of new 'Tourism Unit' subject to the condition that financial assistance will be released only after the completion and commencing operation of the 'Tourism Units'.

During 2017-18 to 2022-23, the Tourism Department did not take any initiative to involve private stakeholders for development of sustainable tourism units in the State.

During Exit Conference (February 2024) while accepting the audit observation, the Department stated that one project was running under PPP mode and Government approval was awaited for another project. However, the details of the project running in the State under PPP mode had not been furnished to Audit.

However, there were no schemes in the State during audit coverage period to encourage private entities by providing incentives/subsidies for development of new tourism units, though envisaged in the State Tourism Policy.

#### 3.2.7.4 Non-implementation of other policy measures of Manipur Tourism Policy

As per State Tourism Policy, tourism is considered as the major engine of economic growth and employment generation. The policy aimed to harness the tourism potential of the State to attract tourists and investments by developing world class infrastructure and by undertaking effective promotion, publicity and marketing.

Audit noticed that the following significant measures had not been implemented (May 2024) though envisaged in the State Tourism Policy:

- Financial cost-benefit analysis of the sampled projects;

- Homestays, especially in the interior areas for providing a unique experience of the local culture to the visiting tourists;
- Policy for sub-letting of Tourism Infrastructure/Assets on PPP basis;
- To set up Nature Interpretation centre to educate people including tourists about the richness of biodiversity of the State, Acts, Rules and Guidelines of Ecotourism;
- Legislative framework to regulate tourism trade and industry, ensure safety and security of tourists;
- Inter-departmental working committee for better coordination amongst various departments;
- Introduction of tourist police at important tourist centres;
- Policy for promotion of medical tourism;
- Market surveys and studies to understand the requirements of tourists as also the impact of past promotional measures to take requisite corrective or new policy initiatives.

During Exit Conference (February 2024), the Department accepted the audit observation and stated that steps would be initiated to ensure preparation of financial cost benefit analysis of projects and to set up policy for medical tourism, inter-departmental working committee and nature interpretation centres.

## 3.2.8 Financial Management

### 3.2.8.1 Budget Provision and Expenditure

The budget provision and expenditure of Tourism Department during 2017-18 to 2022-23 were as follows:

**Table 3.2.2: Budget Provision and Expenditure**

***(₹ in crore)***

| Year | Budget | Expenditure | Savings *(Percentage of Savings)* |
|---|---|---|---|
| 2017-18 | 78.40 | 30.90 | 47.50 (60.59) |
| 2018-19 | 62.25 | 51.64 | 10.61 (17.04) |
| 2019-20 | 60.28 | 32.65 | 27.63 (45.84) |
| 2020-21 | 225.35 | 94.35 | 131 (58.13) |
| 2021-22 | 381.74 | 80.38 | 301.36 (78.94) |
| 2022-23 | 316.57 | 60.17 | 256.40 (80.99) |
| **Total** | **1,124.59** | **350.09** | **774.50** |

*Source: Appropriation Accounts*

As can be seen in the above table, the budget provision depicted an increasing trend in 2020-21 and 2021-22 and decreasing trend in 2018-19, 2019-20 and 2022-23. There were persistent savings ranging from 17.04 *per cent* to 80.99 *per cent* during 2017-18 to 2022-23. Against total budget provision of ₹ 1,124.59 crore during 2017-18 to 2022-23, the total expenditure was ₹ 350.09 crore. There was overall savings of ₹ 774.50 crore which indicated that the Department could not optimally utilise the budgetary allocation.

#### 3.2.8.2 Delay in release of funds

As per guidelines of NLCPR funded projects, funds were to be transferred by the State Government to the implementing agency within 15 days of release by GoI. For North East Special Infrastructure Development Scheme (NESIDS) project, funds were to be released by the State Government to the implementing agency immediately after receipt of fund from GoI. Further, funds were to be released along with State Matching Share within 30 days for NEC funded projects. The Utilisation Certificates (UCs) were to be submitted to the Ministry of Development of North Eastern Region within 12 months of the closure of the financial year.

Audit noticed that there were delays in release of funds by the State Government to the implementing agencies. The delays ranged from 83 days to 421 days for NLCPR projects, 69 days to 468 days for NESIDS projects and 40 days to 573 days for NEC projects. This has delayed submission of UCs for five months to 24 months (Details are given in ***Appendix 3.2***).

During Exit Conference (February 2024), the Department stated that the delay in release of funds by the Finance Department was due to poor financial condition of the State.

#### 3.2.8.3 Non-submission of Detailed Countersigned Contingent (DCC) Bills

As per Central Treasury Rules (Rule 308 and Rule 309) (as adopted by Government of Manipur), Abstract Contingent (AC) bills should be regularised by Detailed Countersigned Contingent (DCC) bills. AC bills should not be drawn without certificate to the effect that DCC bills in respect of earlier AC bills drawn more than a month before have been submitted to the Controlling Officer.

Audit noticed that DCC bills for a total amount of ₹ 102.40 crore, drawn during 2017-18 to 2022-23 through 13 AC bills by the Tourism Department and transferred to the work agencies, were outstanding as of March 2023 in violation of the extant Rules (Details are given in ***Appendix 3.3*****).** Thus, due to non-submission of DCC bills against 13 AC bills, audit could not ascertain whether the expenditure of ₹ 102.40 crore was incurred for the purpose for which it was sanctioned.

During Exit Conference (February 2024), the Department stated that action would be initiated for adjustment of pending AC Bills. However, no further development has been received (May 2024).

#### 3.2.8.4 Diversion of funds

As per Rule 26 of the General Financial Rules, expenditure should be incurred for the purpose for which funds have been provided.

Audit noticed diversion of funds in respect of three sampled projects:

(i) *Development of Spiritual Circuit in Manipur:* The project taken up under Swadesh Darshan Scheme (fully funded by GoI) for development of a spiritual circuit at Shri Govindaji Temple-Imphal, Shri Bijoy Govindajee Temple-Imphal, Shri Gopinath Temple-Ningthoukhong, Shri Bungsibudon Temple-Thoubal, Shri Kaina Temple-Yairipok in the State was completed in October 2020 at a total cost of ₹ 42.91 crore. The approved cost (₹ 45.33 crore) of the project was without agency charge. The State Government did not release separate fund for payment of agency charge and incurred ₹ 2.52 crore out of central fund for payment of agency charge.

Thus, central fund amounting to ₹ 2.52 crore was utilised towards payment of agency charge.

(ii) *Infrastructure Development of Tourist Destination at Shanthei Natural Park, Andro, Imphal East District, Manipur:* The project is funded by NEC and was completed (June 2017) at a total cost of ₹ 4.78 crore. The approved cost of the project (₹ 4.78 crore) was without agency charge. The State Government did not release separate fund for payment of agency charge and incurred ₹ 48.78 lakh out of central fund for payment of agency charge.

Thus, central fund amounting to ₹ 48.78 lakh was diverted towards payment of agency charge.

The central fund utilised for payment of agency charge could have been utilised for completion of construction of vehicle parking, internal electrical installation (IEI) and water supply & sanitary installation (WSSI) works for Cafeteria and Public Kitchen which were not completed.

(iii) Similarly, there was utilisation of ₹ 12.92 lakh of central fund towards payment of agency charges in respect of the PIDDC project "Providing Infrastructure in and around Imphal City".

The Department had not furnished any specific reply (May 2024).

#### 3.2.8.5 Undue favour to Contractors due to award of work without collecting Performance Guarantee Bond

As per Para 5.2 & 5.3 of CPWD Works Manual 2019 (as adopted by the Government of Manipur), the successful tenderer shall deposit an amount equal to 5 *per cent* (reduced to 3 *per cent* for contract entered during November 2020 to March 2023 on account of economy slow down due to CoVID-19) of the tendered and accepted value of the work and the letter for commencement of work shall be issued to the contractor only after he submits the performance guarantee in an acceptable form.

Audit observed that out of six sampled State Plan Projects, four projects[44] were awarded without collecting Performance Guarantee Bonds. Three of the projects were awarded in April 2021 at a total tendered value of ₹ 391.32 lakh for which Performance Guarantee Bonds amounting to ₹ 11.74 lakh (3 *per cent* of ₹ 391.32 lakh) was to be collected from the contractors. The other project was awarded in November 2016 at a tendered value of ₹ 10.41 crore for which Performance Guarantee Bond of ₹ 52.05 lakh (5 *per cent* of ₹ 10.41 crore) was to be collected from the contractor.

The award of the works to the contractors without collecting Performance Guarantee Bonds amounting to ₹ 63.79 lakh resulted in undue favour to the Contractors.

During Exit Conference (February 2024), the Department and the Work Agencies accepted the audit observation and stated that Performance Guarantee Bonds would be collected henceforth.

#### 3.2.8.6 Non-deposit of Income Tax, Labour Cess, TDS on GST and Agency Charge

➢ ***Income Tax***

As per Section 194C of the Income Tax Act, any person responsible for paying any sum exceeding ₹ 30,000 to a contractor for carrying out any work shall at the time of payment deduct an amount equal to one *per cent* of the value and deposit it to Central Government Account within seven days from the end of the month in which tax was deducted.

Audit noticed that income tax amounting to ₹ 76.41 lakh deducted during March 2021 to January 2023 in respect of seven sampled projects was not deposited (May 2024) to Central Government Account despite delays ranging from over 15 months to 37 months.

➢ ***Labour* Cess**

As per Office Memorandum (OM) of January 2011 read with OM of November 2017 of the Finance Department, Government of Manipur, one *per cent* of the basic cost of construction shall be deducted at source by the Drawing and Disbursement Officer (DDO) as Labour Cess and the same shall be transferred by Challan in favour of Secretary, Manipur Building & Other Construction Workers' Welfare Board, Manipur.

Audit noticed that labour cess amounting to ₹ 83.88 lakh was deducted during March 2018 to December 2022 in respect of nine sampled projects but had not been transferred to Manipur Building & Other Construction Workers' Welfare Board deposited till date (May 2024).

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[44] i) Renovation of Thangal General Statue and Eco-Tourism Complex at Mayangkhang, Senapati. ii) Improvement and beautification of Hao Salam Eco-Tourism Destination Park. iii) Development of Eco-Tourism Complex at Noney near Railway Bridge and iv) Infrastructure Development for destination & circuit (SH: Construction of Administrative Building, Statue, Landscaping *etc.,* at Marjing).

➢ ***Tax Deduction at Source on Goods and Service Tax (TDS on GST):***

As per section 51 of GST Act 2017 (Central GST and State GST Acts), the amount deducted as tax shall be paid to the Government by deductor within ten days after the end of the month in which such deduction is made.

Audit noticed that TDS of GST amounting to ₹ 86.37 lakh deducted from Central share bills during February 2021 to December 2022 in respect of five sampled projects was not deposited (May 2024) despite delays ranging from 16 months to 38 months.

➢ ***Agency Charge***

As per Office Memorandum No.5/6/2006-FC dated 14/9/2012 of Finance Department, Government of Manipur, out of 11.75 *per cent* of basic construction cost as Agency Charge, the work agency was entitled to 3.75 *per cent* and the balance 8 *per cent* Agency Charge was to be deposited to Government Account.

Manipur Police Housing Corporation Limited (MPHCL) was the executing agency for all the three sampled projects funded under Special Assistance to States for Capital Expenditure. The cost of the projects was inclusive of 11.75 *per cent* Agency Charge. The executing agency was to deposit a total amount of 4.48 crore as Agency Charge. However, the amount had not been deposited till date (May 2024). The details are given below:

**Table 3.2.3: Details of Agency Charge not deposited**

***(₹ in crore)***

| Sl. No. | Project | Expenditure exclusive of GST | Agency charge to be deposited (8 *per cent of Expenditure)* |
|---|---|---|---|
| 1 | Development of Ropeway Project at Ibudhou Marjing, Heingang, Imphal East, Manipur. | 10.49 | 0.84 |
| 2 | Development of Water Amusement Park at Thenguchingjin, Imphal East, Manipur. | 28.67 | 2.29 |
| 3 | Development of INA Headquarters at Moirang | 16.87 | 1.35 |
| **Total** | | **56.03** | **4.48** |

The Department and the work agencies had not furnished any specific reply on non-deposit of income tax, labour cess, TDS on GST and Agency Charge (May 2024).

### 3.2.8.7 Irregular payment of Advance

Manipur Police Housing Corporation Limited (MPHCL) was the executing agency for all the three sampled projects funded under Special Assistance to States for Capital Expenditure.

Audit scrutiny of payments made to the contractors revealed irregular payment of advances as detailed below:

➢ An advance of ₹ 3.50 crore was paid to the contractor for the work "Development of INA Headquarters at Moirang" without any provision for payment of such advance in the agreement;

- Mobilisation advance of ₹ 2.25 crore was paid to a contractor (September 2021) for the Engineering, procurement, and construction (EPC) contract of the project "Development of Ropeway Project at Ibudhou Marjing, Heingang, Imphal East, Manipur". However, Audit noticed that another advance of ₹ 3.00 crore was paid (July 2022) to the contractor without any provision in the agreement. Till date of audit (March 2023) recovery of mobilisation advance amounting to ₹ 97.87 lakh had been made resulting in short recovery of advance of ₹ 4.27 crore;
- Similarly, without any provisions in the agreement advances amounting to ₹ 8.25 crore[45] were paid to the contractors of the projects *viz.,* 'Establishment of State Institute of Hotel Management at Nongmaiching' and 'Eco - Tourism project at Cheiraoching'.

The payment of advances to the contractors without any provision for payment of such advances resulted in extension of undue favour to the contractor.

The Department and the work agencies had not furnished any specific reply (May 2024).

#### 3.2.8.8 Non-refund of unutilised amount

The Tourism Department transferred ₹ 7.21 crore to MPHCL for the work "Development of Cave Tourism Project at prominent Tourist sites at Khangkhui Cave, Ukhrul District, Manipur" during March 2019 to June 2021. The work had been completed in December 2022. Out of ₹ 7.21 crore, MPHCL incurred a total expenditure of ₹ 7.02 crore including admissible Agency charge. Thus, there was a balance amount of ₹ 19.33 lakh which was refundable to the Tourism Department. However, the amount had not been refunded to the Tourism Department till date (May 2024).

Further, out of ₹ 104.35 crore released by the Ministry of Tourism (MoT), GoI for the two projects under Swadesh Darshan Scheme, the Tourism Department/TCML transferred ₹ 103.61 crore to the work agencies and retained ₹ 0.74 crore purportedly for monitoring & supervision expenses. However, no supporting vouchers for monitoring & supervision expenses were available.

As the projects had been completed and closed, the unutilised amount of ₹ 0.74 crore should have been refunded to the Ministry. However, the Tourism Department refunded (November 2022) ₹ 20 lakh only to the Central Nodal Agency Account of the Ministry of Tourism resulting in irregular retention of ₹ 54 lakh of unutilised project fund released by the Ministry.

The Department and the work agencies had not furnished any specific reply (May 2024).

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[45] 'Establishment of State Institute of Hotel Management at Nongmaiching' - ₹ 2.85 crore + 'Eco - Tourism project at Cheiraoching' - ₹ 5.40 crore

### 3.2.8.9 Non-levy of compensation due to delay in completion of work

As per clause 2 of the Conditions of Contract in respect of the two sampled NLCPR funded projects, the contractor who fails to complete the work within the stipulated date shall be liable to pay an amount of compensation equal to one *per cent* or such smaller amount as the Superintending Engineer /Managing Director may decide on the estimated cost of the work for every day that the due quantity of work remains incomplete subject to a maximum of 10 *per cent* of the estimated cost of the work. For the works taken up under the project "Establishment of State Institute of Hotel Management" the amount of compensation equal to 1.5 *per cent* per month on the tender value of the work was to be levied for every month that the quantity of work remains incomplete subject to a maximum of 10 *per cent* on the tender value of the work.

Audit scrutiny revealed that the delays in completion of the two sampled NLCPR funded projects were 29 months and 44 months whereas the delays in respect of nine sub-works of the project "Establishment of State Institute of Hotel Management" ranged from six to 43 months as detailed in the following **Table**:

**Table 3.2.4: Details of delay in execution of works**

*(₹ in lakh)*

| Sl. No. | Name of Project | Estimated Cost (EC) | Stipulated date of completion as per Work Order | Status as on May 2025 | Delay |
|---|---|---|---|---|---|
| 1 | Development of Cave Tourism Project at prominent Tourist sites at Khangkhui Cave, Ukhrul District, Manipur. | 659.36 | March 2019 | Completed in December 2022 | 45 months |
| 2 | Eco- Tourism project at Cheiraoching (Thangmeiband), Imphal west. | 1285.39 | September 2018 | Completed in February 2021 | 29 months |
| **Total** | | **1944.75** | | | |
| **Sl. No.** | **Name of work** | **Tender Amount (TA)** | **Stipulated date of completion** | **Status as on May 2025** | **Delay** |
| 1 | Construction of Compound drain | 24.28 | January 2021 | Completed in March 2024 | 26 |
| 2 | Construction of hostel | 149.71 | February 2021 | | 25 |
| 3 | IEI of hostel block | 13.23 | September 2022 | | 6 |
| 4 | Construction of Principal Quarter | 32.88 | January 2021 | | 20 |
| 5 | Land Development | 17.63 | August 2019 | | 43 |
| 6 | Construction of Compound fencing | 69.82 | January 2020 | | 38 |
| 7 | Construction of Gate (2 nos.) | 3.84 | January 2021 | | 26 |
| 8 | Construction of Hotel Management Building | 464.10 | August 2021 | | 19 |
| 9 | IEI of Hotel Management Building | 41.46 | September 2022 | | 06 |
| **Sub-total** | | **816.95** | | | |

As per clause 5 of the conditions of contract, if the contractor shall desire an extension of time for completion of the work on the grounds of his having been unavoidably hindered in its execution or on any other ground, he shall apply in writing to the Engineer-in-charge within 30 days of the date of hindrance on account of which he desires such extension as aforesaid and the Engineer-in-charge shall if in in his opinion reasonable grounds be shown thereof authorise

such extension of time if any, as may, in his opinion be necessary or proper. However, hindrance register was not on record and despite delay in completion of the works, no compensation had been levied on the Contractors.

## 3.2.9 Implementation

### 3.2.9.1 Tourist Arrivals

Manipur Tourism Policy envisaged making the State one of the leading tourist destinations in North-East India in terms of international tourist arrivals and domestic tourist arrivals. The details of year-wise tourist arrivals in the State during 2018-2022 were as under:

**Table 3.2.5: Tourist Arrivals in Manipur**

*(figures in lakh)*

| Year | FTA (India) | FTA (Manipur) | DTA (India) | DTA (Manipur) | Total (Manipur) | FTA (%) | DTA (%) |
|---|---|---|---|---|---|---|---|
| 2018 | 105.60 | 0.064 | 18,537.78 | 1.76 | 1.824 | 0.06 | 0.009 |
| 2019 | 109.30 | 0.124 | 23,219.80 | 1.65 | 1.774 | 0.11 | 0.007 |
| 2020 | 27.40 | 0.031 | 6,102.20 | 0.497 | 0.528 | 0.11 | 0.008 |
| 2021 | 15.20 | 0.006 | 6,776.30 | 0.496 | 0.502 | 0.04 | 0.007 |
| 2022 | 61.90 | 0.039 | 17,310.10 | 1.48 | 1.519 | 0.06 | 0.008 |

*(FTA: Foreign Tourist Arrivals; DTA: Domestic Tourist Arrivals) to all States/UTs in India*
*Source: 2018 figure from India Tourism Statistics published by Ministry of Tourism and others are departmental figures. Data for 2023 were not available.*

During 2018-2022, FTA in Manipur ranged merely from 0.04 *per cent* to 0.11 *per cent* of the total FTA in India. The share of DTA was even lesser which ranged merely from 0.007 *per cent* to 0.009 *per cent* of the total DTA in India. The number of tourists arriving in the State decreased during 2019, 2020, 2021 and increased during 2022. The major tourist destinations in Manipur are given in the following **Table**.

**Table 3.2.6: Major Tourist Destinations in Manipur**

| Category of Destination | Major Destination | Attractions |
|---|---|---|
| Nature & Wild Life | Loktak Lake | It is the largest freshwater lake in northeast India famous for its unique floating swamps, known as Phumdis, and the world's only floating National Park (Keibul Lamjao). |
| | Shirui hills | Known for its scenic hill-top panorama covered with stretches of vibrant wildflowers and the rare state flower, the Shirui lily. |
| | Khangkhui Lime Caves | Enclosed by different patterns of stalagmites and stalactites, caving in here through the depth and in darkness is an enthralling experience for tourists, archaeologists, and researchers. |
| | Kangla | It is the most important historical and archaeological site in the State. Kangla served as the royal palace since the period of *Pakhangba*. The enticing beauty of the fort and the dramatic elegance of the surrounding makes it a major tourist destination for tourists. |

| Category of Destination | Major Destination | Attractions |
|---|---|---|
| Historical Site | INA Memorial | A place of great significance in India's struggle for freedom. This memorial honours the noble sacrifices made by Indian soldiers under the leadership of Netaji Subhash Chandra Bose. |
| | Imphal War Cemetery | A poignant site dedicated to soldiers who sacrificed their lives in the battle against Japanese forces during World War II. |
| Exclusive Destination | Ema Market | It is the only "all women" market in the world and the best shopping destination in the State for local and exquisite goods. |
| | Moreh | A busy town on the Indo-Myanmar border and a huge commercial hub known as Shoppers' paradise. |
| | Mapal Kangjeibung | It is the world's oldest Polo ground. |
| Culture & Heritage | Shree Shree Govindaji Temple | It is a historic Centre of the Vaishnavites in the State. Twin domes covered with gold plated sheets, paved courtyard, and large congregation hall are noted features. The presiding deity, Radha-Krishna is carved out of a jackfruit tree. |
| | Shri Bijoy Govindajee Temple | Considered the oldest temple in the State, it is believed that the elder brother of the God in the Shree Shree Govindaji Temple resides here. Peaceful and serene, the temple gives the visitor a sense of tranquility and utter bliss. |
| | Shri Gopinath Temple | It is the second largest temple in the State. The sheer grandeur of the temple shows itself in a white, humongous structure the very sight of which sends all into a transcendental state. |

*Source: www.manipurtourism.gov.in*

The destination-wise tourist footfall in the State was not available (except for Kangla). The details of tourist arrivals to the North-Eastern States during 2018-2022 were as under:

**Table 3.2.7: Inflow of Tourists (Foreign and Domestic) in the North-Eastern States**

***(Figures in lakh)***

| State | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tourist Arrival | Share *per cent* | Tourist Arrival | Share *per cent* | Tourist Arrival | Share *per cent* | Tourist Arrival | Share *per cent* | Tourist Arrival | Share *per cent* |
| Arunachal Pradesh | 5.20 | 5.88 | 5.63 | 5.67 | 0.44 | 2.27 | 1.03 | 4.07 | 2.23 | 1.87 |
| Assam | 47.26 | 53.46 | 54.75 | 55.11 | 12.74 | 65.82 | 14.10 | 55.73 | 83.91 | 70.14 |
| Manipur | 1.82 | 2.06 | 1.81 | 1.82 | 0.53 | 2.74 | 0.50 | 1.98 | 1.43 | 1.19 |
| Meghalaya | 12.16 | 13.75 | 12.71 | 12.79 | 0.27 | 1.39 | 1.55 | 6.13 | 9.45 | 7.90 |
| Mizoram | 0.77 | 0.87 | 1.66 | 1.67 | 0.31 | 1.60 | 0.87 | 3.44 | 2.21 | 1.85 |
| Nagaland | 1.06 | 1.20 | 1.31 | 1.32 | 0.11 | 0.57 | 0.24 | 0.95 | 1.00 | 0.84 |
| Sikkim | 14.97 | 16.93 | 15.55 | 15.65 | 3.36 | 17.36 | 5.23 | 20.68 | 16.94 | 14.16 |
| Tripura | 5.17 | 5.85 | 5.92 | 5.96 | 1.60 | 8.26 | 1.78 | 7.03 | 2.44 | 2.04 |
| **Total** | **88.41** | | **99.34** | | **19.36** | | **25.30** | | **119.61** | |

*Source: India Tourism Statistics published by Ministry of Tourism*

It is evident from the above **Table** that Assam continued to be the largest attraction to tourists arriving in the North-East. The tourist arrival in Manipur

ranged from merely 1.19 *per cent* to 2.74 *per cent* of the total tourist arrivals in the North-East during the period 2018-22.

#### 3.2.9.2 Non-availability of basic facilities for tourists

Accessibility to the tourist destinations, availability of basic amenities, safety and security and cleanliness of the tourist destinations would enhance the overall tourist inflow and satisfaction.

Audit noticed that there were no dedicated public transport facilities for any of the tourist destinations in the State. For tourist accommodation, there were around 63 hotels in the district headquarters including one each of 4-star and 3-star category. For far flung hill areas, accommodations like hotels and cottages were not available but private run homestays were available. None of the homestays in the State were registered with the Tourism Department though guidelines for registration and classification of homestays were issued in 2020. There were only two tourist facilitation counters/centres in the State (one at Bir Tikendrajit International Airport and the other at TCML office).

Audit noticed that the public utility in respect of the Art and Craft Centre at Maibam Lokpa Ching Bishnupur District, Manipur was not maintained and in dilapidated condition as shown in the following photograph:

*Dilapidated public toilet in Art & Crafts Centre at Nambol Maibam Lokpa ching (23/10/2023)*

As per Manipur Tourism Policy, the State Government was to enact suitable legislation on travel trade/tourist police for protection and security of tourists and for providing institutional mechanism to deal with complaints received from tourists and the industry to create a better security perception amongst actual and potential visitors. However, no such legislation has been enacted till date (May 2024).

#### 3.2.9.3 Incomplete/abandoned projects under PIDDC

The Ministry of Tourism, Government of India introduced the scheme of Product/Infrastructure Development for Destinations and Circuits (PIDDC) in 2007-08 for improving existing tourism products and developing new tourism products. Under this scheme, the first instalment (80 *per cent* of the approved cost) was to be released on sanction of the project and the second instalment (20 *per cent* of the approved cost) was to be released on the completion of the work and on receipt of the Utilisation Certificate. The scheme was discontinued

*w.e.f.* 2015-16. As per NEC Guidelines 2018, support from NEC was admissible for completion of PIDDC projects which were more than 50 *per cent* complete.

Audit noticed that out of the 17 sampled PIDDC projects, the State Government could avail full GoI grant in respect of four projects only. There was short receipt/non-availment of GoI grant in respect of the remaining 13 projects. The details of 17 sampled projects are given below:

**Table 3.2.8: Status of sampled PIDDC projects**

*(₹ in lakh)*

| Sl. No. | Name of Project | Executing Agency | Approved Cost | Date of Sanction | Stipulated date of completion | Fund Receipt | Short Receipt of GoI | Completed /Not Completed | Delay in completion as of March 2023 (Year) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Construction of Art and Craft Centre at Maibam Lokpa Ching Bishnupur District, Manipur under Destination Development. | Manipur Tribal Development Corporation Limited (MTDC) | 218.36 | 28-03-2008 | 27-03-2010 | 174.7 | 43.66 | Not completed | 13 |
| 2 | Tourist Destination Development at Ishingthingbi Lake, Manipur | Manipur Tribal Development Corporation Limited (MTDC) | 315.22 | 12-11-2009 | 11-11-2012 | 252.18 | 63.04 | Not completed. | 10 |
| 3 | Integrated Development of Tourist Destination, Bishnupur, Manipur. | Manipur Tribal Development Corporation Limited (MTDC) | 357.42 | 27-03-2008 | 26-03-2010 | 285.94 | 71.48 | Not completed. | 13 |
| 4 | Tourist Destination at Khongjom War Memorial Complex, Manipur. | Manipur Development Society (MDS) | 361.16 | 08-07-2009 | 07-01-2011 | 288.90 | 72.26 | Not completed | 12 |
| 5 | Upgradation of Integrated Tourist Destination at Sendra, Moirang, Bishnupur District, Manipur) | Manipur Development Society (MDS) | 433.64 | 21-12-2009 | 20-12-2012 | 346.91 | 86.73 | Not completed | 10 |
| 6 | Integrated Tourist Destination at Kotsophai, Chakpikarong, Chandel District, Manipur | Manipur Development Society (MDS) | 480.7 | 16-08-2013 | 15-08-2014 | 96.14 | 384.56 | Not completed | 9 |
| 7 | Development of Tourist Destination at Sadu Chiru Waterfall, Senapati District. | Manipur Development Society (MDS) | 482.12 | 01-10-2014 | 30-09-2015 | 96.42 | 385.7 | Not completed | 7 |
| 8 | Integrated Tourist Destination at Chingkhei Ching, Imphal East, Manipur. | Manipur Development Society (MDS) | 485.58 | 16-08-2013 | 15-08-2014 | 97.11 | 388.47 | Not completed | 9 |
| 9 | Integrated Development of Tourist Circuit Imphal-Bishnupur-Churachandpur, Manipur | Manipur Tribal Development Corporation Limited (MTDC) | 580.32 | 22-12-2008 | 21-12-2011 | 464.26 | 116.06 | Not completed | 11 |
| 10 | Integrated Tourist Circuit at Karang-Chaoba Ching and Thanga Bishnupur District, Manipur | Manipur Development Society (MDS) | 762.89 | 31-03-2014 | 31-03-2015 | 610.3 | 152.59 | Not completed | 8 |
| 11 | Mega Project INA Memorial Complex at Moirang, Manipur. | Manipur Development Society (MDS) | 1238.59 | 02-11-2010 | 01-11-2013 | 619.3 | 619.29 | Not completed | 9 |
| 12 | Providing of Infrastructure project In and Around Imphal City. | Manipur Tribal Development Corporation Limited (MTDC) | 4095.14 | 05-12-2014 | 04-12-2015 | 819.03 | 3276.11 | Not completed | 7 |
| 13 | Development of Tourist Resort at Sendra Hillock, Water Sports Complex at Takmu and other facilities in adjoining areas of Bishnupur District, Manipur. | Manipur Development Society (MDS) | 4518.62 | 21-02-2014 | 20-08-2015 | 933.72 | 3584.90 | Not completed | 8 |
| **Total** | | | **14329.76** | | | **5084.91** | **9244.85** | | |
| **Projects for which full GoI grant have been availed** | | | | | | | | | |
| 1. | Integrated Tourist Destination at Longmai, Noney in Manipur. | Manipur Development Society (MDS) | 338.49 | 28-9-2010 | 27-9-2013 | 338.49 | Nil | Completed | |

| Sl. No. | Name of Project | Executing Agency | Approved Cost | Date of Sanction | Stipulated date of completion | Fund Receipt | Short Receipt of GoI | Completed /Not Completed | Delay in completion as of March 2023 (Year) |
|---|---|---|---|---|---|---|---|---|---|
| 2. | Integrated Tourist destination at Kakching Garden, Manipur | Manipur Development Society (MDS) | 478.15 | 30-09-2013 | 29-09-2014 | 478.15 | Nil | Completed | |
| 3. | Manipur Adventure and Allied Sports Institute Complex (MAASIC), Keirao, Imphal East, Manipur | Manipur Development Society (MDS) | 485.64 | 29-03-2013 | 28-03-2014 | 485.64 | Nil | Completed | |
| 4. | Infrastructure Development of Adventure Tourism Complex at Lamdan, Manipur. | Manipur Tribal Development Corporation Limited (MTDC) | 374.41 | 23-12-2008 | 22-12-2012 | 374.41 | Nil | Completed | |
| **Total** | | | **1676.69** | | | **1676.69** | **Nil** | | |
| **Grand Total** | | | **16006.45** | | | **6761.60** | **9244.85** | | |

From the **Table**, it could be seen that against the total approved GoI share of ₹ 160.06 crore for the 17 sampled PIDDC projects, the State Government received ₹ 67.61 crore only resulting in short receipt/non-availment of GoI share amounting to ₹ 92.45 crore. The short receipt of GoI share for the 13 projects was due to delay in completion of the projects. Further, after the closure of the PIDDC Scheme in 2015-16, the State Government could not complete the projects from its own fund.

Thus, 13 projects remained incomplete after incurring ₹ 50.85 crore and even after delays ranging from seven to 13 years from the stipulated date of completion and resultantly the objective of establishing tourist destinations/Circuit could not be achieved.

Out of the 13 incomplete projects, joint physical verification was conducted during December 2022 to October 2023 for 11 projects and it was found that nine projects with a total project cost of ₹ 88.57 crore had been abandoned after incurring a total expenditure of ₹ 25.31 crore (Details are given in ***Appendix 3.4)***.

In respect of the project "Tourist Destination at Khongjom War Memorial Complex, Manipur", components such as Open-Air Theatre, Children's Amusement Park constructed at a cost of ₹ 35.31 lakh were not found during physical verification. The structures were reported to have been demolished.

The abandonment of the nine projects before completion resulted in non-achievement of the intended objective of development of tourist destinations/circuits and ultimately resulted in wasteful expenditure of ₹ 25.31 crore ***(Appendix 3.4)***.

During Exit Conference (February 2024), the Department accepted the audit observations and stated that the balance part of GoI share could not be availed due to delay in completion of works by the Work Agencies. Further, the Department stated that the projects implemented by Manipur Development Society (MDS) remained incomplete as MDS was embroiled in financial irregularities and was under investigation by the Central Bureau of Investigation (CBI).

### 3.2.9.4 Projects under State Plan

During 2017-18 to 2022-23, thirteen Projects with a total approved cost of ₹ 76.12 crore were taken up under State Plan of which six projects with a total approved cost of ₹ 54.92 crore were sampled for audit examination. The audit findings are discussed in subsequent paragraphs:

#### 3.2.9.4.1 Improvement and beautification of Hao Salam Eco tourist destination park

The improvement and beautification of Hao Salam Eco-tourist destination park was taken up at a cost of ₹ 1.50 crore by the Tourism Department. The Executive Engineer TP Cell-(Valley 2) was selected as the work agency and the Tourism Department transferred (October 2021) ₹ 1.37 crore to TP Cell-(Valley 2) for execution of the project after deduction of ₹ 0.13 crore towards labour cess, agency charge and GST.

The work was completed in November 2021 and handed over to the Tourism Department in December 2021. However, on Joint Physical Verification of the work site (January 2023), Audit observed that items worth ₹ 80.07 lakh were found not executed though payments had been made.

The Executive Engineer, TP Cell-(Valley 2)[46] stated (February 2024) that the unexecuted items have now been executed. However, payment of ₹ 80.07 lakh was made based on false entries in the measurement book and undue financial benefit was given to the work agency. Also, the destination park was yet to be opened to the public thereby resulting in idle expenditure of ₹ 1.50 crore.

During the Exit Conference (February 2024), the Department stated that a District Management Committee (DMC) would be entrusted with the maintenance and upkeep of the completed assets.

#### 3.2.9.4.2 Development of Eco-Tourism Destinations in each Assembly Constituency

**(a) Delays in completion and non-utilisation of created assets**

The Government of Manipur decided (October 2020) to develop Eco-Tourism Destination in each Assembly Constituency (AC) at a cost of ₹ 50 lakh per AC through respective District Rural Development Agency (DRDA). Out of ₹ 50 lakh, ₹ 30 lakh was to be funded from the State Plan and ₹ 20 lakh was to be funded from MLA Local Area Development Fund (MLALAD). The project was taken up with the objective of promoting tourism and providing sustainable income for local communities.

Audit noticed that out of 27 Eco-Tourism Destinations executed by the four sampled DRDAs (Imphal West DRDA-13, Bishnupur DRDA-06, Senapati DRDA-06 and Chandel-02), the construction works of Eco-Tourism Destinations under three Assembly Constituencies (Sagolband, Bishnupur and

[46] Renamed as Engineering Cell (Valley-2) under Health & Family Welfare Department

Moirang[47]) had not commenced till date of audit (October 2023). In 11 ACs, works had not been completed despite delays ranging from eight to 15 months from the stipulated date of completion. Out of the remaining 13 works, nine works were completed with delays ranging from one to 12 months (Details are given in ***Appendix 3.5***).

The agencies for operation and maintenance of the completed Eco-Tourism Destinations in 13 ACs were yet to be selected (May 2024) and there was no record of any tourist footfall in any of these destinations. During joint physical verification (January to March 2023) of the destinations, Audit observed that items of works in 14 ACs worth ₹ 2.88 crore remained unexecuted though payments had been made. Further, Audit observed that the destinations lacked attraction and the constructed infrastructures were lying idle/unutilised resulting in idle expenditure of ₹ 6.50 crore (13 x ₹ 50 lakh).

The Department had not furnished any specific reply regarding the unexecuted items worth ₹ 2.88 crore till date (May 2024). On non-utilisation of the created assets, the Department stated (February 2024) that the assets could not be utilised due the present turmoil in the State since May 2023 and a District Management Committee would be entrusted for maintenance and upkeep of the completed assets.

**(b) Wasteful Expenditure due to wrong selection of site**

The work "Development of Eco-Tourism Destination in Moirang Assembly Constituency" was taken up at Moirang Sendra Foothill near Hubida Lake by DRDA-Bishnupur. The work order was issued (September 2021) to the Secretary of the Construction Committee of Moirang AC with the stipulation to complete the work within six months *i.e.* by March 2022. The proposed site for the work at Moirang Sendra Foothill near Hubida Lake, was approved by the Government in May 2021.

The first installment of ₹ 14.22 lakh was released in November 2021 to the Construction Committee. However, as the progress of the work was slow, Show Cause Notice was issued (May 2022) to the Secretary of the Construction Committee. In June 2022, the Executive Director, DRDA Bishnupur directed Sub Divisional Officer-Moirang to re-verify the project site as the site was likely within the areas already acquired by Director, Youth Affairs and Sports (YAS) and accordingly the construction committee was informed to stop the construction work. On re-verification, it was confirmed that the site had already been acquired by YAS Department and thereby no construction work was taken up further.

The value of the work executed by the Construction Committee worked out to ₹ 5.52 lakh and as such the construction committee was intimated in August and September 2022 to refund the balance amount of ₹ 8.70 lakh. However, the

[47] Work site changed after incurring ₹ 5.52 lakh and construction work not started in the new site.

amount was yet to be refunded by the construction committee as on the date of audit (January 2023).

Thus, inappropriate site selection resulted in wasteful expenditure of ₹ 14.22 lakh (including amount of ₹ 8.70 lakh which was not refunded).

During Exit Conference (February 2024), the Department accepted the audit observation and stated that the construction work was taken up based on "No Objection Certificate" for the selected site issued by the then Sub-Divisional Officer, Moirang.

However, lack of due diligence in site selection resulted in wasteful expenditure of ₹ 14.22 lakh.

**(c) Excess payment of consultancy charge for preparation of DPR.**

Survey and Investigation are critical activities for preparation of any Detailed Project Report (DPR). The DPR for the project "Development of Eco-Tourism Destination in each Assembly Constituency" was prepared by M/S Rajeshor & Associate (approved architect for tourism projects under TCML). However, no work order/agreement was on record.

The DPR for the project was prepared as a model DPR for the 60 Assembly Constituencies of the State and the honourable Chief Minister released the model DPR on 27th September 2020. The DPR contained only estimates and drawings and did not mention the objective of the project and its cost benefit analysis. The Project sites were approved by the Government in 2021 indicating the fact that the DPR had been prepared without any survey and investigation of the proposed sites.

The cost of preparation of DPR was ₹ 0.52 lakh and accordingly, the Architect submitted bill of ₹ 0.52 lakh for preparation of the model DPR. However, the Director (Tourism) in its letter dated 9th May 2021 intimated all Deputy Commissioners (Executive Directors, DRDA) executing the project to release consultancy charge @ ₹ 0.52 lakh per AC. Accordingly, DRDA-Imphal West, DRDA-Bishnupur, DRDA-Senapati and DRDA-Chandel incurred ₹ 6.21 lakh[48], ₹ 2.07 lakh, ₹ 3.10 lakh and ₹ 1.03 lakh respectively towards payment of consultancy charge.

The payment of consultancy charge to the consultant for every AC for preparation of a single model DPR was irregular and resulted in excess expenditure of ₹ 11.89 lakh in respect of the four sampled districts.

The Department stated that the consultancy charge included expenditure for printing, binding, site visit, modification of design or layout based on terrain of the proposed project site and monitoring of each AC.

The reply is not acceptable as it was not supported by any documentary evidence of site visit, modification of design and monitoring of the project sites.

[48] For 12 ACs excluding Sagolband AC (work had not been started as on January 2023)

#### 3.2.9.4.3 Idle expenditure on construction of Guest house at Saivom Village, Tengnoupal

The State Government accorded (March 2018) Administrative Approval & Expenditure Sanction amounting to ₹ 35.00 lakh for the work "Construction of Guest house at Saivom Village". Initially, the Tourism Department engaged (August 2018) Manipur Infrastructure Development Agency (MIDA) as the Work Agency. However, the Work Agency was changed (December 2019) to Manipur Police Housing Corporation Limited (MPHCL) as MIDA could not commence the work.

The Construction of the Guest House was completed at a cost of ₹ 33.67 lakh and handed over to the Tourism Department in February 2021. However, the Guest House was yet to be inaugurated and opened to the public. The Tourism Department had not recruited staff to run the Guest House. On Physical Verification (April 2023), Audit observed that the Guest House was lying idle even after more than two years of its completion. The Tourism Department had not taken up any step to furnish and operate the Guest House. The Guest House was found un-authorisedly utilised by the Village Level Federation, indicating non-utilisation of the Guest House for the intended purpose.

During Exit Conference (February 2024), the Department stated that a District Management Committee (DMC) would be entrusted for maintenance and upkeep of the completed assets.

### 3.2.9.5 Projects under the funding of North Eastern Council (NEC)

The audit finding on implementation of Projects under NEC are discussed in subsequent paragraphs:

#### 3.2.9.5.1 Non- completion of Renovation works at Yatri Niwas at Moreh

The project of "Renovation of Yatri Niwas at Moreh" to provide accommodation to tourists was sanctioned in March 2011 under NEC funding at a cost of ₹ 4.08 crore with the stipulation to complete the work by March 2014. The entire project cost was to be borne by NEC. The work was implemented by Manipur Development Society (MDS). NEC had released a total amount of ₹ 3.58 crore directly to MDS in three instalments during March 2011 to May 2014.

Audit observed that the work had been 60 *per cent* physically completed and a total expenditure of ₹ 1.14 crore had been incurred as of October 2023. The project remained incomplete despite a delay of over nine years from the stipulated date of completion and despite having un-utilised fund of ₹ 2.44 crore with the work agency.

Thus, the objective of providing accommodation to tourists could not be achieved due to non-completion of the project thereby rendering expenditure of ₹ 1.14 crore idle.

During Exit Conference (February 2024), the Department stated that the work could not be completed due to involvement of the work agency in financial

irregularities cases. Regarding parking of unutilised fund, the Project Director (MDS) stated that the case is being investigated by CBI and the status would be intimated once the CBI clears the case.

#### 3.2.9.5.2 Non-utilisation of Infrastructure Developed at Tourist Destination at Shanthei Natural Park

The project of "Infrastructure Development of Tourist Destination at Shanthei Natural Park-Andro" was taken up under NEC funding at a sanctioned cost of ₹ 4.78 crore. The objective of the project was to strengthen the aesthetic view of the existing natural park for promoting eco-tourism. The work was entrusted to Education Engineering Wing by the Tourism Department in 2014. The work was completed in April 2017 and inaugurated in June 2017. The components of the project *inter alia* included Cafeteria, Vehicle Parking, Yard lighting & Illumination and Landscaping.

On physical verification (September 2023) of the project site with the officials of Education Engineering Wing, Audit observed that the cafeteria constructed at a cost of ₹ 32.63 lakh was still lying idle/unutilised. The construction of vehicle parking was found abandoned before completion after incurring expenditure of ₹ 6.44 lakh. None of the 35 Solar Lights installed at a cost of ₹ 23.63 lakh were found working. Moreover, landscaping items worth ₹ 71.82 lakh (1,998 Arica Palm-₹ 9.99 lakh, 5,870 Juniperous plant-₹ 46.96 lakh, 2,990 Jasmine Plant-₹ 2.39 lakh, Standard Doob Grass Lawn-₹ 1.98 lakh, Land development including filling up of good earth fit for plantation & making of doob grass lawn-₹ 10.50 lakh) were not found.

The non-utilisation of the asset (Cafeteria), the abandonment of work before completion (Vehicle Parking), the non-functioning of the solar lights and unsuccessful plantation work under landscaping resulted in wasteful expenditure of ₹ 1.34 crore.

The Executive Engineer (EE), Education Engineering Wing stated that the non-functioning of the solar lights, Cafeteria, and mortality of huge number of plants for landscaping was due to non-maintenance by the Tourism Department. Further, the EE stated that the vehicle parking could not be completed due to shortage of fund. The Tourism Department stated that tender had been floated for operation and maintenance of the park and approval of the Government for finalisation of bidder was awaited (May 2024).

However, non-utilisation of the assets after construction and non-maintenance of the park resulted in wasteful expenditure of ₹ 1.34 crore.

### 3.2.9.6 Projects under Swadesh Darshan

Ministry of Tourism (MoT), GoI, launched (2014-15) the Swadesh Darshan Scheme for integrated development of theme-based tourist circuits in the country. This scheme was envisioned with the idea of positioning the tourism sector as a major engine for job creation, driving force for economic growth, building synergy with various sectors to enable tourism to realise its potential.

Under the Scheme, the Ministry of Tourism, GoI sanctioned two projects at an estimated cost of ₹ 117.56 crore for Manipur. The projects were fully funded by the Ministry of Tourism. The two projects were completed at a total cost of ₹ 103.55 crore with delays of 13 months and 27 months. The details of the two projects are given below:

**Table 3.2.9: Projects under Swadesh Darshan Scheme**

*(₹ in crore)*

| Sl. No. | Name of Project | Project Cost | Date of Sanction | Stipulated date of completion | Actual date of completion | Delay in completion | Expenditure |
|---|---|---|---|---|---|---|---|
| 1 | Development of Tourist Circuit in Manipur: Imphal-Khongjom under North East Circuit of Swadesh Darshan scheme. | 72.23 | 29-06-2015 | 28-06-2017 | 14-08-2018 | 13 months | 60.64 |
| 2 | Development of Spiritual Circuit in Manipur: Shri Govindaji Temple-Shri Bijoy Govindajee Temple Shri Gopinath Temple- Shri Bungsibudon Temple-Shri Kaina Temple under Swadesh Darshan Scheme. | 45.33 | 25-07-2016 | 24-07-2018 | 28-10-2020 | 27 months | 42.91 |
| **Total** | | **117.56** | | | | | **103.55** |

The audit findings on implementation of these projects are discussed in subsequent paragraphs:

### 3.2.9.6.1 Wasteful expenditure on Development of Tourist Circuit in Manipur: Imphal-Khongjom under North East Circuit

The project "Development of Tourist Circuit in Manipur: Imphal-Khongjom" was taken up by the Tourism Department through the Public Works Department as the work agency. The work was completed (August 2018) by the Monitoring & Quality Control Division of Public Works Department at a cost of ₹ 60.64 crore and handed over (October 2018) to Tourism Department. One of the components of the project was installation of Light and Sound Show at Kangla. The installation of Light and Sound Show was completed at a cost of ₹ 6.35 crore with inauguration on 14 August 2018.

In preparation for opening the show to the public, trial runs were conducted to ensure proper functioning of the show. However, the Light and Sound Show was never opened to the public except for selected guests during Sangai Festival 2019.

On physical verification (November 2023) of the works taken up at Kangla, Audit observed that major hardware equipment like projectors, servers, uninterruptible power supply (UPS) were not functional, and the gallery was found damaged due to lack of operation & maintenance.

The non-opening of the light and sound show for public after its inauguration on 14 August 2018 and lack of operation & maintenance rendered the Light and Sound Show non-functional thereby resulting in wasteful expenditure of ₹ 6.35 crore incurred for the work including its installation.

During Exit Conference (February 2024), the Department accepted the audit observation and stated that the Light & Sound Show had never been opened to

the public after its trial run. The Department also stated that the public show could not be performed after inauguration due to strong objection from the Commissioner (Arts & Culture). Further, the Department stated that all the tools & equipment were outdated, and replacement was not possible as they are no longer manufactured.

Thus, the execution of the work of light and sound show without holding deliberations with other stake holders resulted in wasteful expenditure of ₹ 6.35 crore.

#### 3.2.9.6.2 Non-utilisation of infrastructure developed at the Spiritual Circuit in Manipur

The project "Development of Spiritual Circuit in Manipur-Shri Govindaji Temple and Shri Bijoy Govindajee Temple at Imphal, Shri Gopinath Temple at Ningthoukhong, Shri Bungsibudon Temple at Thoubal and Shri Kaina Temple at Yairipok" was taken up by the Tourism Department through the Public Works Department. The Building Division-I of Public Works Department was the Executing Agency.

The work was completed in October 2020 at a cost of ₹ 42.91 crore and handed over to Tourism Department in January 2021. During physical verification (November 2022) along with officials of the executing division, Audit observed that assets worth ₹ 16.82 crore were either lying idle/unutilised or not utilised for the intended purposes. The details are given below:

**Table 3.2.10: Details of Assets lying idle/not utilised for intended purposes**

***(₹ in crore)***

| Sl. No. | Component | Cost of construction | Result of Physical Verification |
|---|---|---|---|
| **Shri Govindajee Temple** | | | |
| 1. | Multipurpose Hall | 2.90 | First floor found modified and utilised as living rooms. 2nd floor was empty and dirty due to non-maintenance. |
| 2. | Reception cum cloakroom | 0.14 | Utilised as living room for Village Defence Force personnel |
| 3. | Facilitation Centre | 3.28 | Ground floor (nine rooms) fully occupied by Pala loisang and other temple personnel. First floor-nine rooms and one hall empty were not furnished. |
| 4. | Interpretation Centre | 1.10 | Utilised as accommodation for Pandit Loishang and Maibi Loishang |
| 5. | CCTV Camera System | 0.09 | Non-functional |
| **Shri Bijoy Govindajee Temple** | | | |
| 1. | Administrative Office | 0.31 | Found utilised as kitchen |
| 2. | CCTV Camera | 0.07 | Reported as not working since installation |
| **Shri Gopinath Temple** | | | |
| 1. | Multipurpose Hall | 4.62 | The three rooms and one hall at first floor was yet to be furnished and as such lying idle. |

| Sl. No. | Component | Cost of construction | Result of Physical Verification |
|---|---|---|---|
| **Shri Bungshibodon Temple** | | | |
| 1. | Administrative Office | 0.89 | The Administrative Office was lying idle/unutilised. |
| 2. | Compound lighting including façade lighting | 0.64 | The two high mast lights were not working, six of the eight flood lights were without electric connection. |
| 3. | Toilet Block & Hand wash Station | 0.17 | There was no water supply. |
| 4. | CCTV Camera System | 0.04 | Reported not working since installation |
| **Shri Kaina Temple** | | | |
| 1. | Multipurpose hall | 2.57 | Lying idle since construction as there was already a multipurpose hall of 500 capacity. |
| **Total** | | **16.82** | |

Thus, the assets created at a cost of ₹ 16.82 crore in five temples for Development of Spiritual Circuits were either lying unutilised or not utilised for the intended purposes.

The Department stated that, as the assets were constructed at the famous ritual places of the State, the State Government had handed over the assets to the concerned Temple Board/Committee during the inauguration of the project and the temple Boards/Committees are responsible for maintenance of these assets.

The reply was not acceptable because the Government should ensure that the assets are utilised only for the purpose for which they are created. However, there was either non-utilisation of assets, non-functioning of assets or utilisation of assets for purposes other than the intended purposes.

### 3.2.9.7 Projects under Special Assistance to States for Capital Expenditure

During 2017-18 to 2022-23, three Projects with a total approved cost of ₹ 131.61 crore were taken up under Special Assistance to States for Capital Expenditure. All the three projects were selected for the Performance Audit. The projects were yet to be completed despite delays ranging from three months to eleven months. The details of the projects are given below:

**Table 3.2.11: Projects under Special Assistance to States for Capital Expenditure**

***(₹ in crore)***

| Sl. No. | Name of Project | Project Cost | Stipulated date of completion | Status as of March 2023 | Delay as of March 2023 | Upto date expenditure (as of March 2023) |
|---|---|---|---|---|---|---|
| 1 | Development of Ropeway Project at Ibudhou Marjing, Heingang, Imphal East, Manipur. | 51.61 | EPC-December 2022 Civil-March 2023 | Ongoing | EPC-3 months | 16.42 |
| 2 | Development of Water Amusement Park at Thenguchingjin, Imphal East, Manipur. | 40.00 | April 2022 | Ongoing | 11 months | 34.25 |
| 3 | Development of INA Headquarters at Moirang | 40.00 | June 2022 | Ongoing | 9 months | 23.03 |
| **Total** | | **131.61** | | | | **73.70** |

The audit findings on implementation of the projects are discussed in subsequent paragraphs:

**3.2.9.7.1 Development of Ropeway Project at Ibudhou Marjing, Heingang, Imphal East, Manipur.**

**(a) Commencement of execution of the work without obtaining Environmental Clearance and Forest Clearance**

The work "Development of Ropeway Project at Ibudhou Marjing, Heingang, Imphal East, Manipur" was approved (October 2020) by the Ministry of Finance at a cost of ₹ 35.00 crore under Special Assistance to States for Capital Expenditure. The total project cost was ₹ 51.61 crore and the State Government had to bear the additional amount of ₹ 16.61 crore. The stipulated date of completion of the work was March 2023. The objective of the project was to develop Ibudhou Marjing, Heingang as a tourist destination.

As per the Environment Impact Assessment (EIA) notification issued (2006) by the Ministry of Environment and Forest (MoEF), no Aerial Ropeways project shall be undertaken without prior environmental clearance from the State Level Environment Impact Assessment Authority. Further, as per Section 2 of the Forest Conservation Act, 1980, prior approval of GoI was mandatory for use of forest land for non-forest purposes.

Audit observed that forest clearance was required for diversion of 0.9001 ha of forest land for the project. The Tourism Department applied (February 2022) for forest clearance and in-principle/Stage-I approval of the Central Government was obtained (January 2023). The State Forest Department intimated (February 2023) the Tourism Department for payment of ₹ 18.72 lakh as cost of Net Present Value, Compensatory Afforestation and cost of felling trees and erection of boundary pillars. Audit noticed that no payment in this regard had been made as of August 2023. As such, the State Forest Department had not handed over the forest land to the Tourism Department till date (August 2023). However, the construction work had been carried out in forest land and expenditure of ₹ 16.42 crore had been incurred till date (March 2023). Also, there was no environmental clearance for the project.

Thus, the execution of the project without obtaining Forest Clearance and Environmental Clearance was highly irregular.

During Exit Conference (February 2024), the Department accepted the fact that the Ropeway project had started before obtaining forest clearance and environmental clearance. Further, the Department stated that payment for compensatory afforestation would be made in due course and intimated to audit. However, the latest status in this regard has not been furnished till date (May 2024).

**(b) Non-completion of project**

The ancillary work (Civil works, Electrical work, Development works, Fire Extinguisher *etc*.) of the project "Development of Ropeway Project at Ibudhou

Marjing, Heingang, Imphal East, Manipur" was awarded (July 2022) to a local contractor at ₹ 20.16 crore with the stipulation to complete the work by March 2023.

As per Progress Report and Joint Physical Verification, Audit noticed that construction of only one component (*i.e.* Main Gate) out of the 12 components had been taken up as of March 2023. However, audit examination of Measurement Book and vouchers revealed that the payment of ₹ 1.96 crore was made to the contractor out of which works valued at ₹ 0.71 crore were not actually executed.

Thus, payment of ₹ 0.71 crore was made to the contractor based on the false entries in the Measurement Book. Moreover, execution of 11 out 12 components of the project had not yet commenced thereby resulting in delayed achievement of the objective of developing the spot as a tourist destination.

No specific reply was furnished by the Department (May 2024).

#### 3.2.9.7.2 Delay in completion of Development of Water Amusement Park at Thenguchingjin, Imphal East, Manipur.

The Project "Development of Water Amusement Park at Thenguchingjin" was taken up at a cost of ₹ 40.00 crores with the objective of developing the spot as main tourist destination. The Tourism Department entrusted the work (December 2020) to Manipur Police Housing Corporation Limited (MPHCL). The Tourism Department had deposited a total amount of ₹ 36.00 crores to MPHCL in three instalments during the period from June 2021 to June 2022.

The Project was split into two components-EPC Contract for Survey & Planning, Design & Construction, Supply & Installation, Testing & Commissioning, Supervision for Operation & Maintenance for three months and Construction of Secondary Civil Components, IEI, Solar Lighting, CCTV and PA System. The EPC contract was awarded in July 2021 at a cost of ₹ 31.74 crore with the stipulation to complete the work by April 2022 and the work for secondary civil components was awarded in October 2021 at ₹ 3.61 crore with the stipulation to complete by April 2022.

Audit noticed that the works were not completed till the date of audit (April 2023) despite a delay of 12 months from the stipulated date of completion. Thus, the objective of developing Thenguchingjin as a major tourist destination was not achieved till the date of audit (April 2023).

As per agreement, liquidated damages shall be levied for delay in completion of the works for reasons attributable to the contractor @ 1.5 *per cent* of tendered value of work per month of delay up to a maximum of 10 *per cent* of the tendered amount. However, no compensation for delay in completion of the work was levied on the contractors resulting in undue favour to the contractor.

The Department stated (May 2025) that the project was completed and inaugurated in March 2024, however, no reply was furnished regarding delay in completion of work and non- levy of compensation on the contractor.

#### 3.2.9.7.3 Delay in Development of INA Headquarters at Moirang

The Government of India sanctioned ₹ 40.00 crore (January 2022) for the development of INA Headquarter at Moirang, Bishnupur District, Manipur. However, the State Government released ₹ 30.81 crore to the Tourism Department for implementation of the project. The work was entrusted to MPHCL, and the work was awarded in December 2021 at a cost of ₹ 25.79 crore (excluding labour cess and agency charge) with the stipulation to complete the work by July 2022.

Audit noticed that three items of work (installation of water fountain, pond development and Gazebo in pond area) valued at ₹ 2.75 crore were yet to be commenced as of March 2023 despite a delay of eight months from the stipulated date of completion. Moreover, the construction of parking area and gates were not completed till the date of audit (March 2023).

As per clause 2 of the Conditions of Contract, the contractor if fails to complete the work within the stipulated date shall be liable to pay an amount of compensation equal to one and half *per cent* per month on the tender value of the work for every month that the quantity of work remains incomplete subject to a maximum of 10 *per cent* of the Tender Value of the work. As such, the Contractor was liable to pay compensation for delay (10 *per cent* of the tendered value). However, records made available did not indicate levy of compensation on the contractor for delay in completion of the work.

No reply was furnished by the Department (May 2024).

### 3.2.9.8 Projects under Non-Lapsable Central Pool of Resources

The two NLCPR projects costing ₹ 20.80 crore implemented during 2017-18 to 2022-23 were selected for the Performance Audit. The details of the projects are given below:

**Table 3.2.12: Projects under NLCPR**

| Sl. No. | Name of Project | Project Cost (*₹ in crore*) | Stipulated date of completion as per Sanction Order | Status as on March 2023 | Delay | Upto date expenditure (*₹ in crore*) |
|---|---|---|---|---|---|---|
| 1 | Eco- Tourism project at Cheiraoching (Thangmeiband), Imphal west. | 13.30 | December 2019 | Completed in February 2021 | 14 months | ₹14.15 crore (including outstanding Advance of ₹ 4.18 crore & cost of stores ₹ 2.38 crore) |
| 2 | Development of Cave Tourism Project at prominent Tourist sites at Khangkhui Cave, Ukhrul District, Manipur. | 7.50 | November 2019 | Completed in December 2022 | 36 months | ₹ 7.11 crore |
| | | **20.80** | | | | **21.26** |

Audit findings on implementation of the Projects are discussed in subsequent paragraphs.

#### 3.2.9.8.1 Idle expenditure on Eco-Tourism project at Cheiraoching, Thangmeiband

The project "Eco-Tourism project at Cheiraoching, Thangmeiband, Imphal West" was sanctioned (December 2017) by the Ministry of Development of North-Eastern Region (MoDONER) at a cost of ₹ 13.30 crore under NLCPR. The Central share was ₹ 11.63 crore, and the balance amount of ₹ 1.67 crore was to be borne by the State Government. The MPHCL was the Executing Agency of the project.

The work was completed and handed over to the Tourism Department in February 2021. On joint physical verification (August 2023) of the project site along with Officials of MPHCL, Audit observed that components of the project such as Resource Building, Information Centre, Ticket Counter and Public Toilet were lying idle/unutilised. The Department had not deployed any staff to make the project operational. Thus, the assets created under Eco-Tourism project at Cheiraoching, Thangmeiband, Imphal West" were lying idle.

The Department stated (March 2024) that the management of the assets was entrusted to Cheiraoching Management Committee on trial basis in the year 2021 and had been put on hold after COVID pandemic in the year 2021-22.

The reply of the Department is not acceptable as the project is still not operational even after COVID pandemic.

#### 3.2.9.8.2 Un-utilised infrastructure regarding 'Development of Cave Tourism Project at prominent tourist sites at Khangkhui Cave, Ukhrul District'

The work "Development of Cave Tourism Project at prominent tourist sites at Khangkhui Cave, Ukhrul District" was sanctioned (December 2017) by the Ministry of Development of North-Eastern Region at a cost of ₹ 7.5 crore under NLCPR. The Central share was ₹ 6.55 crore, and the balance amount of ₹ 0.95 crore was to be borne by the State Government. MPHCL was the Executing Agency of the project.

The work was completed in December 2022 at a cost of ₹ 7.11 crore. On Joint physical verification (April 2023), Audit observed that components of the project such as tourist lodge and community hall were lying unutilised.

During Exit Conference (February 2024), the Department stated that the project was recently inaugurated, and steps are being taken up for handing of the project to local authorities.

### 3.2.9.9 Project under Shyama Prasad Mukherjee Rurban Mission (SPMRM)

Shyama Prasad Mukherji Rurban Mission (SPMRM) was launched in February 2016. The Mission strives to strengthen rural areas by providing economic, social and infrastructure amenities, thus leading to sustainable and balanced regional development in the country.

Audit findings are discussed below:

**(i) Payments without execution of works on Establishment of Eco-Tourism Park at Thangal Surung**

Rural Development and Panchayati Raj Department (RD&PR) entrusted Tourism Department for Establishment of Eco-Tourism Park at Thangal Surung under SPMRM at a cost of ₹ 99.98 lakh. The RD & PR Department transferred (October 2020) ₹ 50.60 lakh to Tourism Department for execution of the project.

The Office of the Executive Engineer Technical and Promotion Cell-(Valley 2) was selected as the work agency and the Tourism Department transferred (April 2021) ₹ 50.60 lakh to Technical and Promotion Cell-(Valley 2) for execution of the project.

The work consisted of 12 components and work orders for the twelve components were awarded in April 2021 and utilisation certificate for ₹ 50.60 lakh was submitted to Tourism Department in July 2021.

On joint physical verification of the work site (January 2023), Audit observed that items of works amounting to ₹ 19.55 lakh had not been executed though payments had been made for those items. The details of the items not executed are given below:

**Table 3.2.13: Details of items not executed**

*(₹ in lakh)*

| Sl. No. | Component | Items not yet executed | Amount paid for unexecuted items (in ₹) |
|---|---|---|---|
| 1 | Booking Counter | Wood work, panelled and glazed shutter, Steel Work and Plastering | 1.13 |
| 2 | Drinking Water Point | GI Pipe fittings (Item No 22) not executed but ₹ 42550 paid | 0.42 |
| 3 | Community Toilet | Steel Reinforcement | 4.12 |
| 4 | Pavement | Not started/executed at the proposed location in the DPR | 4.40 |
| 5 | Gate | Item No 9 (Steel Work) and 10 (Plastering) | 2.31 |
| 6 | Solar Lights-10 Nos | Not started/executed | 4.45 |
| 7 | Landscaping | Standard Doob Grass Lawn, plantation and allied works and balance work of land preparation and land development work | 2.72 |
| **Total** | | | **19.55** |

Thus, payment of ₹ 19.55 lakh was made to the contractors without execution of works. Further, the work remained abandoned since July 2021 due to non-receipt of the balance fund. The abandonment of the work resulted in wasteful expenditure of ₹50.60 lakh. The following photographs show the major incomplete components of the project:

*Gate (as on 21st January 2023)*

*Drinking water point (As on 21st January 2023)*

*Booking Counter (As on 21st January 2023)*

*Toilet (As on 21st January 2023)*

During Exit Conference (February 2024), the Department stated that the project could not be completed since the Ministry had stopped releasing funds. However, reason for non-release of fund by the Ministry was not stated. No specific reply was furnished for the unexecuted items of work (May 2024).

### 3.2.9.10 Central Financial Assistance for setting up new Institute of Hotel Management

**Establishment of State Institute of Hotel Management at Nongmaiching Ching**

**(a) Payment for suspected execution of work**

The Ministry of Tourism accorded Administrative and Financial Sanction of ₹ 12.00 crore for setting up of the State Institute of Hotel Management (SIHM) at Nongmaiching, Imphal.

The construction work of State Institute of Hotel Management (SIHM) was entrusted to MDS in March 2014. In June 2015, MDS submitted Utilisation Certificate (UC) to Tourism Department for ₹ 1.00 crore claiming that the amount had been utilised from its own resources for construction of RCC Approach Road, Compound Fencing and Land Development and requested Tourism Department to deposit the amount.

The incumbent Director in his field visit on 28 May 2018 along with representatives from MIDA confirmed that no work of SIHM had been started by MDS. Thereafter, the work agency was changed from MDS to MIDA in July 2018. In the same month, the Chief Engineer, MDS once again requested

Director (Tourism) to release/deposit the amount of ₹ 1.00 crore for which UC had been submitted by them. In August 2018, the Director informed the Chief Engineer, MDS to submit details of the works executed for the project along with the measurement, photos of work. As against the earlier claimed amount of ₹ 1.00 crore, the Project Director, MDS submitted a claim of ₹ 34.46 lakh for construction of compound wall fencing at Eastern and Western side and main gate. Audit observed that there were two separate bills for the same work. As the bills had two separate completion dates for the same work, the bills appeared fictitious. However, the Department could not detect the irregularity and did not insist on relevant documents such as tender papers, work order copy and measurement book *etc*. before paying ₹ 34.47 lakh to MDS.

As the incumbent director had in his field visit confirmed that no work for SIHM had been executed by MDS, the payment of ₹ 34.47 lakh to MDS based on fictitious bills was not acceptable.

Thus, the Department made payment of ₹ 34.47 lakh to MDS based on fictitious bills.

The Department had not furnished any specific reply (May 2024).

**(b) Excess Payment**

The work "Establishment of State Institute of Hotel Management at Nongmaiching Ching" *inter alia* included "Construction of compound fencing" which was awarded to a local contractor in July 2019 at a tendered amount of ₹ 69.82 lakh with the stipulation to complete the work by January 2020.

The work was initially taken up by MIDA and 1st RA bill amounting to ₹ 32.81 lakh had been paid to the contractor by MIDA in September 2019. The balance work was handed over to MPHCL in December 2019.

Audit scrutiny revealed that MPHCL paid an advance of ₹ 25.00 lakh to the contractor in March 2020. Thereafter, the contractor was paid ₹ 33.45 lakh in July 2023 (2nd RA bill). The payment of ₹ 25.00 lakh advance to the contractor was overlooked by MPHCL, and no recovery was made. Thus, as against the tendered amount of ₹ 69.82 lakh, the contractor had been paid a total amount of ₹ 91.26 lakh resulting in overpayment of ₹ 21.44 lakh (excess over tendered amount).

The work agency (MPHCL) stated (September 2023) that the advance was not recovered from the contractor's bill through oversight and the contractor had been informed for refund of the amount. However, no further reply has been received (May 2024).

### 3.2.9.11 Projects under North East Special Infrastructure Development Scheme (NESIDS)

**Incomplete works on Development of Road Connectivity from Khabam Lamkhai to Hannaching Heingang via Marjing Polo Complex, Heingang Ching, Imphal East**

The project "Development of Road Connectivity from Khabam Lamkhai to Hannaching Heingang via Marjing Polo Complex, Heingang Ching" was sanctioned (December 2018) by MoDONER at a cost of ₹ 29.20 crore (Central Share-₹ 25.48 crore & State Share-₹ 3.72 crore). The objective of the project was to develop well connected tourist circuit for promotion of pilgrimage at the tourist sites of Marjing Polo Complex, Hannaching and Khabam Lamkhai. The Tourism Department entrusted the work to MPHC.

MPHC awarded the work (March 2019) to a local contractor at a cost of ₹ 26.99 crore with the stipulation to complete the work by March 2020. An expenditure of ₹ 22.16 crore was incurred, and the work was not yet completed (November 2023). Audit observed that out of ten components, only two components had been completed as of March 2023. In respect of five components, the physical progress ranged from 25 *per cent* to 98 *per cent*. Three components were yet to commence. Thus, the work remained incomplete after incurring expenditure of ₹ 22.16 crore despite a lapse of three years from the stipulated date of completion.

During Exit Conference (February 2024), the Department attributed the delay due to land acquisition issues and stated that the matter was being taken up by the District Administration.

Thus, the execution of the project without clear site resulted in delay in completion of the project and the objective of the project was yet to be achieved.

## 3.2.10 Promotion of Tourism

**(a) Festivals**

The State celebrates various tourism festivals every year to showcase the tourism potential of the State with a view to promoting the State as a world class tourist destination. Among these festivals, the Sangai Festival and the Shirui Lily Festival are the major festivals which started from 2010 and 2017 respectively. The Sangai Festival is held in the month of November. The first, 2nd, 3rd and 4th Shirui Lily Festivals were held in May 2017, April 2018, October 2019 and May 2022. Due to Covid-19 pandemic, these festivals were not held in 2020 and 2021.

The Sangai Festival is labelled as the grandest festival of the State and helps promote the State as a world class tourism destination. The Festival showcased the tourism potential of the State in the field of Arts & Culture, Handloom, Handicrafts, indigenous sports, cuisine, Music and Adventure sports of the state

*etc.* The Shirui Lily festival showcases cultural events, artifacts, games, music and food of the State in general and particularly that of the Tangkhul Naga tribe.

The expenditure incurred during last five years for organising Sangai and Shirui lily festival were as below:

**Table 3.2.14: Expenditure for organising Sangai and Shirui Festival**

*(₹ in crore)*

| Year | Sangai Festival | Shirui Lily festival | Total Expenditure |
|---|---|---|---|
| 2017-18 | 11.21 | 2.08 | 13.29 |
| 2018-19 | 10.72 | 5.05 | 15.77 |
| 2019-20 | 8.43 | 3.15 | 11.58 |
| 2020-21 | 0.00 | 1.00 | 1.00 |
| 2021-22 | 0.00 | 0.00 | 0.00 |
| 2022-23 | 17.55 | 4.63 | 22.18 |
| **Total** | **47.91** | **15.91** | **63.82** |

*Source: Departmental figures*

The expenditure was incurred from State Plan except for ₹ 20.00 lakh from NEC during 2018-19. Thus, the Tourism Department incurred a total expenditure of ₹ 63.82 crore in organising the Sangai Festival and Shirui Lily Festival during 2017-18 to 2022-23. The details of tourist footfall during 2019 to 2022 were as below:

**Table 3.2.15: Month wise Tourist Footfall**

| Month | 2019 | | | 2020 | | | 2021 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DTV | FTV | Total | DTV | FTV | Total | DTV | FTV | Total | DTV | FTV | Total |
| January | 12,904 | 1,385 | 14,289 | 14,467 | 1,172 | 15,639 | 5,836 | 29 | 5,865 | 6,928 | 102 | 7,030 |
| February | 12,046 | 1,534 | 13,580 | 15,337 | 1,308 | 16,645 | 6,813 | 31 | 6,844 | 8,817 | 123 | 8,940 |
| March | 13,392 | 1,624 | 15,016 | 8,000 | 557 | 8,557 | 8,561 | 60 | 8,621 | 10,194 | 176 | 10,370 |
| April | 14,681 | 1,163 | 15,844 | 0 | 0 | 0 | 1,195 | 31 | 1,226 | 12,377 | 174 | 12,551 |
| May | 12,887 | 846 | 13,733 | 0 | 0 | 0 | 147 | 3 | 150 | 11,793 | 263 | 12,056 |
| June | 13,352 | 1,027 | 14,379 | 24 | 15 | 39 | 286 | 5 | 291 | 13,482 | 261 | 13,743 |
| July | 13,524 | 797 | 14,321 | 15 | 41 | 56 | 634 | 8 | 642 | 11,359 | 264 | 11,623 |
| August | 13,345 | 796 | 14,141 | 3 | 12 | 15 | 5,660 | 22 | 5,682 | 11,214 | 299 | 11,513 |
| September | 13,519 | 750 | 14,269 | 351 | 3 | 354 | 3,725 | 38 | 3,763 | 13,208 | 352 | 13,560 |
| October | 14,511 | 714 | 15,225 | 2,813 | 3 | 2,816 | 4,314 | 126 | 4,440 | 13,641 | 574 | 14,215 |
| November | 14,621 | 844 | 15,465 | 3,688 | 12 | 3,700 | 6,033 | 95 | 6,128 | 24,744 | 743 | 25,487 |
| December | 16,224 | 962 | 17,186 | 5,013 | 28 | 5,041 | 6,376 | 199 | 6,575 | 10,259 | 587 | 10,846 |
| **Total** | **1,65,006** | **12442** | **177448** | **49,711** | **3,151** | **52,862** | **49580** | **647** | **50,227** | **1,48,016** | **3918** | **1,51,934** |

*Source: Departmental figures*

From the above, it could be seen that trend of tourist footfall in the State increased during October to December except for 2020. During 2022, the tourist footfall was highest in November *i.e.* the month in which the Sangai festival was held.

The Department stated (October 2023) that the evaluation of the impact of organising festivals such as Sangai and Shirui lily festivals had not been carried out till date.

### (b) Other promotional measures

In addition to organising festivals for promotion of tourism in the State, the Tourism Department had been taking up other promotional measures to

showcase the rich potential of tourism in the State. Some promotional measures taken up by the Department were as given below:

- Printing of tourist guide books, leaflets and placing them at hotels and tourist arrivals (Airport *etc*.);
- Participating in tourism related events like travel & tourism fair, investor meet, destination north east, India Travel Mart *etc*.
- Media campaign in major cities like Delhi, Calcutta, Guwahati, Mumbai *etc*.

### 3.2.11 Capacity Building Programme

According to Manipur Tourism Policy, capacity building for the service providers of tourism sector is essential for the growth of tourism industry. The policy envisaged training of the officers and staff for enhancing their knowledge and capabilities and induction of tour guides and their training. There were seven private service providers in the State as per information furnished by the Department.

Audit observed from records made available that during the period under review, the Department had not prepared any long-term plan for training needs analysis or setting of Annual targets for number of persons to be trained. During the audit period, the department had not inducted any tour guide. Also, no training programme for capacity building for the departmental officials and service providers was organised as per Manipur Tourism Policy.

During Exit Conference (February 2024), the Department stated that due to shortage of manpower, the preparation of long-term plan, training needs of the Staff and other issues pertaining to capacity building could not be addressed.

### 3.2.12 Monitoring & Evaluation

An effective monitoring system is a prerequisite to ensure that the tourism projects are executed economically and efficiently and completed in time. Manipur Tourism Policy envisaged that Tourism Advisory Committee will act as a State Level Monitoring Committee and shall obtain reports on a regular basis and undergo periodical inspection of projects/sites through independent agencies having technical expertise.

Audit observed that Tourism Advisory Committee had not been formed and there was no structured monitoring system in place to oversee the execution and management of tourism projects. Also, there was no effective system of review/evaluation of achievement of the envisaged benefits of the implemented projects.

During Exit Conference (February 2024), the Department stated that due to shortage of manpower, monitoring and evaluation issues could not be addressed in a way it should be.

### 3.2.13 Conclusion

Audit noticed that the development of tourist infrastructure in the Manipur was taken up in *ad hoc* manner due to non-preparation of Tourism Master Plan, Perspective Plan and Annual Action Plans. No State Level Tourism Steering Committee and Tourism Advisory Committee had been formed though envisaged in the State Tourism Policy. The Department did not involve private entrepreneurs to promote tourism in the State.

There were persistent savings of Budget provision which indicated weak budgetary management. There were instances of delays in release of funds and diversion of funds.

The Tourism Department executed projects without conducting any cost-benefit analysis. The State Government could not avail Central grant in respect of 13 Product Infrastructure Development at Destinations and Circuits (PIDDC) projects due to non-completion of the projects on time. The 13 projects were lying incomplete/abandoned even after delays ranging from seven years to 13 years. Further, the implementation of the projects was marred by delays in completion, wasteful expenditure, overpayment, and payment without execution *etc*. Assets were lying idle/unutilised after construction due to lack of arrangement for operation and maintenance. No Capacity Building Programme for service providers of tourism infrastructure was taken up during the review period. There was absence of effective monitoring mechanism. No evaluation of the achievement of the envisaged benefits of the implemented projects had been conducted.

### 3.2.14 Recommendations

**The following recommendations may be considered by the State Government:**

- ***To prepare Tourism Master Plan, Perspective Plan and Annual Action Plans and the development of tourism infrastructure based on these plans to ensure sustainable development of Tourism in the State;***
- ***To review and strengthen budgetary management to ensure optimal utilisation of budget provisions to avoid persistent savings;***
- ***To ensure feasibility studies/cost-benefit analysis before taking up of projects;***
- ***To ensure that the completed projects are properly utilised through proper arrangements for their operation & maintenance;***
- ***To ensure that projects are executed after obtaining due environmental clearance;***
- ***To ensure that all projects are completed in a timely manner and to fix responsibility on the concerned officers/officials for undue delay/non-completion of projects or for making fictitious payments;***
- ***To ensure effective monitoring in implementation of the projects.***

# COMPLIANCE AUDIT

# PUBLIC WORKS DEPARTMENT

## 3.3 Non-completion of work

***The work taken up in May 2014 was not yet completed due to inability of the Department to take timely action.***

The work "Construction of Tombisana Market for Rehabilitation of Women Vendors at Khwairamband Bazar (Market), Imphal" was approved (February 2014) by the erstwhile Ministry of Housing & Urban Poverty Alleviation under 10 *per cent* Lump-sum provision for North Eastern Region (NER) States at a cost of ₹ 49.34 crore[49]. The Department of Municipal Administration, Housing and Urban Development (MAHUD) was the executing and monitoring agency. The construction of the Market was entrusted (February 2014) to Public Works Department (PWD), Manipur.

Audit of the Building Division I, PWD (June 2022) revealed that the division awarded (May 2014) the work to a work agency (1st contractor)[50] at a tendered amount of ₹ 39.67 crore with the stipulation to complete the work by May 2016.

The Agency could not complete the work by the agreed upon date. The Department served four show-cause notices during the period from August 2016 to April 2017 due to unsatisfactory progress or abandonment of the work. However, the work remained incomplete and physical progress was 30 *per cent*.

Considering that the rescission will consume extra cost if the work was awarded to another contractor and will cause further delay in completion, another MoU was signed in July 2017 between PWD and the Agency giving the agency one last opportunity to expedite and complete the work by 31 March 2018. As per the MoU if the Agency fails to complete the work, the agreement will be terminated.

Once again, the Agency could not complete the work leaving balance work of ₹ 32.09 crore (with 30 *per cent* physical progress). Two show cause notices were served in September 2018 and the agreement was finally terminated on 11 October 2018. The balance work was awarded (October 2020) to another work agency[51] (2nd contractor) at a tendered (through e-tender) amount of ₹ 38.01 crore (₹ 5.92[52] crore more than the original cost) with the stipulation to complete the work by April 2022 (18 months). The reasons for retendering of the work only after two years from the date of termination of the contract with the 1st contractor were not available.

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[49] Central Share = ₹ 36.21 crore and State Share = ₹ 13.13 crore
[50] M/S Simplex Projects Limited, Kolkata
[51] M/S Sri Avantika Contractors (I) Limited, Hyderabad
[52] ₹ 38.01 crore – ₹ 32.09 crore = ₹ 5.92 crore

**(a) Non-recovery of ₹ 3.97 crore from the Contractor**

As per clause 14 of the agreement with the 1st contractor, if the contractor at any time makes default during currency of work or does not execute any part of the work with due diligence and continues to do so even after a notice in writing of seven days in this respect from the Engineer-in-Charge, the Engineer-in-Charge shall determine the amount, if any, recoverable from the contractor for completion of the part work/ part incomplete work of any item(s) taken out of his hands and execute at the risk and cost of the contractor. The liability of contractor on account of loss or damage suffered by Government because of action under this clause shall not exceed 10 *per cent* of the tendered value of the work payable within 30 days of termination. As such, out of the extra cost of ₹ 5.92 crore, ₹ 3.97[53] crore was recoverable from the 1st contractor. However, the same is yet to be recovered from the Contractor. There was no record of any claim made against the contractor under Clause 14 of the Agreement.

Thus, the delay in completion of the work resulted in cost overrun of ₹ 5.92 crore and inability of the department to invoke agreement clause 14 resulted in non-recovery of ₹ 3.97 crore from the 1st contractor.

The Department stated that clause number 14 of the agreement was not applicable.

The reply of the Department is not acceptable because as per clause 14 of the agreement a minimum of 10 *per cent* of the tendered value is recoverable from the contractor if the contractor does not complete the work in stipulated time.

**(b) Inability to avail Central share of ₹ 12.07 crore**

As per terms and conditions, the Central share of ₹ 36.21 crore for the work was to be released in three equal instalments where the second and third instalments were to be released depending upon the physical and financial progress of implementation and subject to utilisation of previous release(s). The Ministry released 1st instalment of ₹ 12.07 crore to the State Government in February 2014 and 2nd instalment of ₹ 12.07[54] crore.

In January and February 2021, the Ministry reminded the State Government that the release of 3rd and final installment was subject to submission of utilisation certificate of Central Share as well as State Share and furnishing of progress report, inspection report, photograph, *etc.* However, the State Government did not submit the required documents in time. The Utilisation Certificate for ₹ 25.48[55] crore and physical and financial progress reports were submitted in October 2021.

Further, Audit noticed that as on date (May 2024), out of total State Matching Share of ₹ 13.13 crore only ₹ 1.34 crore was released. The work remained

[53] 10 per cent of tendered value
[54] March 2018 (₹ 4.17 crore) and June 2018 (₹ 7.90 crore)
[55] Central Share – ₹ 24.14 crore and State Share – ₹ 1.34 crore

incomplete with overall financial progress of ₹ 25.48 crore and overall physical progress of 70 *per cent* as on May 2024.

The Department stated that the balance work was awarded on 08 October 2020 and UC was submitted on 26 March 2021. However, the scheme had been closed by the Central Government by 31 March 2021 as such there is no fault of the Department.

However, due to ineffective action/monitoring by the Department the work was not completed on time even as it was due to be completed by the 1st contractor by March 2018 and the work was again retendered after two years of termination of the contract with the 1st contractor. The reasons for delay in retendering were not on record.

Thus, inability of the department to invoke agreement clause 14 resulted in non-recovery of ₹ 3.97 crore from the 1st contractor and due to delay in submission of Utilisation Certificates and non-release of full State Matching Share, the State Government could not avail 3rd installment Central Share of ₹ 12.07 crore for the work and the work remained incomplete.

## TRADE, COMMERCE AND INDUSTRIES DEPARTMENT

### 3.4 Wasteful expenditure

***Lack of monitoring and inability of the State Government to contribute its share for Honey Processing Facilities at Toupokpi, Bishnupur resulted in wasteful expenditure to the tune of ₹ 3.23 crore***

Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Commerce & Industry, Government of India accorded (15 December 2015) approval for Establishment of Common Infrastructure Facilities for Honey Processing at Toupokpi in Bishnupur at a total project cost of ₹ 6.94 crore. The financial assistance of Ministry for the project was ₹ 4.09 crore and the remaining amount of ₹ 2.85 crore was to be contributed by State Government.

As per the tripartite Memorandum of Understanding (MoU) signed (March 2016) by APEDA, Directorate of Commerce & Industries (the Implementing Agency) (IA) and Manipur Industrial Development Corporation Limited (the Executing Agency (MANIDCO) (EA) the first instalment of fund was to be released to IA after receiving Bank Guarantee (BG) for ₹ 1.64 crore *i.e.,* 40 *per cent* of the Central fund of ₹ 4.09 crore from the State Government.

As per the terms of the MoU, the IA was to commission the project within a period of 18 months from the date of signing of MoU *i.e.,* by September 2017. APEDA reserved the right to invoke the BG at any time if the project completion and implementation was delayed beyond the stipulated time.

Test check of records (April–May 2022) of the Directorate, Trade, Commerce and Industries, Government of Manipur revealed that the Director (Commerce

& Industries) submitted (January 2016) BG for ₹ 1.64 crore to APEDA with the request to release 1st instalment of ₹ 1.64 crore. The Government of India sanctioned 1st instalment of ₹ 1.64 crore, out of which ₹ 0.10 crore was deducted as processing fee and service charges, and the balance amount ₹ 1.54 crore was released (April 2016) to the State Government. The State Government contributed ₹ 5.00 lakh as its share (March 2018).

Further scrutiny revealed that in January 2017 the Director (Commerce & Industries) submitted Utilisation Certificate (UC) of ₹ 1.54 crore to APEDA and requested for release of 2nd instalment.

APEDA informed (January 2018) the IA that financial assistance scheme for common infrastructure had been discontinued effective from 2017-18 and advised the Department to submit re-validated BG along with other information. The Department was also asked to complete the project and submit the running bills/invoices, UC and completion certificate by 28 February 2018 to enable them to release the financial assistance as per approval.

In response to APEDA's letter, the IA submitted (March 2018) the re-validated BG along with the other required information and requested APEDA to extend the completion of the project upto 31 March 2019.

APEDA observed (October 2018) that the project which was to be implemented in 18 months could not be implemented even after lapse of 30 months and that the State Government had contributed only ₹ 5.00 lakh out of its share of ₹ 2.85 crore. Considering the uncertainty in the funding of state share and delay in the project by more than 1 year, APEDA invoked the BG of ₹ 1.64 crore as per terms 1(b) of the MoU with the decision that the BG of ₹ 1.64 crore forfeited would be kept with APEDA as security deposit instead of BG which shall be released on reimbursement basis after submission of UC, running bills/invoices and assessment of physical and financial progress. The IA was also advised to complete the project by 31 March 2019. Scrutiny of records revealed that no further fund was released by the State Government till date (March 2024) and no further works could be carried out after exhaustion of ₹ 1.59 crore[56] (₹ 1.54 crore central share + ₹ 0.05 crore State share) in January 2017.

A Joint Physical Verification (JPV) of the project was conducted (April 2022) by the audit team along with the officials of the Directorate. During the JPV, it was noticed that the construction works had stopped due to non-receipt of further funds from APEDA and non-release of State Government share and the building was left incomplete and found in a dilapidated condition. Thus, expenditure of ₹ 1.59 crore incurred on the project proved infructuous.

However, considering that the BG amount of ₹ 1.64 crore had been forfeited by the APEDA and its release appears bleak in the present situation, an amount of

[56] Land Development- 100 % by incurring ₹ 0.11 crore and civil work of construction of Processing Centre- 56 % by incurring ₹ 1.43 crore

₹ 1.64 crore has been rendered as wasteful expenditure in the exchequer of the State Government.

During the Exit Meeting (May 2022), the Department stated (March 2024) that the project could not be completed due to non-release of the state share.

Thus, inability of the State Government to release its due share led to non-completion of the project resulting in wasteful expenditure of ₹ 3.23 crore (₹ 1.59 crore + ₹ 1.64 crore).

***Recommendation: The Department should impress upon the State Government to release its due share to complete the work so that the objectives of the project is fulfilled.***

# Chapter IV

# Economic Sector

## (State Public Sector Enterprises)

# CHAPTER IV
# ECONOMIC SECTOR
# (STATE PUBLIC SECTOR ENTERPRISES)

## 4.1 Functioning of State Public Sector Enterprises

### 4.1.1 Introduction

As of 31 March 2023, the State of Manipur had 14 State Public Sector Enterprises (SPSEs) (all Government Companies including one non-working) as detailed in the following **Table**.

**Table 4.1.1: Total number of SPSEs as on 31 March 2023**

| Type of SPSEs | Working SPSEs | Non-working SPSEs | Total |
|---|---|---|---|
| **Government Companies**[57] | 11 | 3 | 14 |
| **Statutory Corporations** | Nil | Nil | Nil |
| **Total** | **11** | **3** | **14** |

None of these SPSEs were listed on the Stock Exchange, which means that shares of these SPSEs cannot be traded in the stock exchange. During the year 2022-23, one new company[58] was incorporated under the Companies Act, 2013.

### 4.1.2 Investment in SPSEs

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

As on 31 March 2023, investment of the State Government (capital and long-term loans) in 13 SPSEs[59] was ₹ 45.90 crore[60] as per details given in the following **Table**:

**Table 4.1.2: Details of State's investment in SPSEs**

***(₹ in crore)***

| Year | Equity Capital | Long term Loans | Total |
|---|---|---|---|
| **2022-23** | 45.32 | 0.58 | 45.90 |
| **2018-19** | 40.07 | 0.68 | 40.75 |

State Government's investment as on 31 March 2023 consisted of 98.74 *per cent* (₹ 45.32 crore) towards capital and 1.26 *per cent* (₹ 0.58 crore) in long-term loans as against 98.33 *per cent* (capital) and 1.67 *per cent*

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

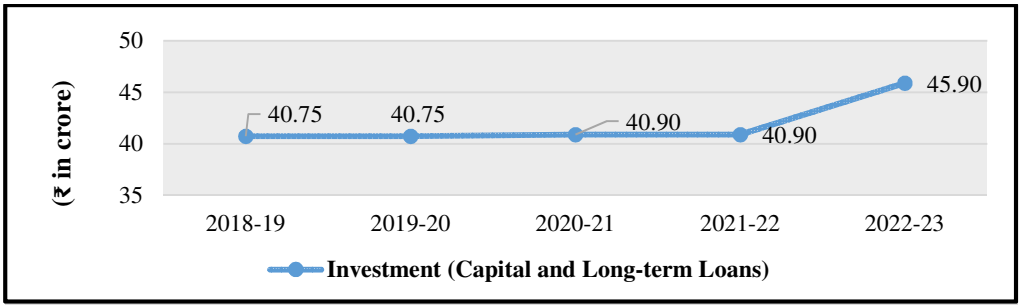
[58] 'Manipur Food & Distribution Corporation Limited' was incorporated (14 November 2022) under the Companies Act, 2013.

[59] Excluding one company (serial No. B3 of ***Appendix 4.2***, a subsidiary of company at serial No. A1), which had no direct investment from the State Government as on 31 March 2023.

[60] Investment figures are provisional and as provided by the SPSEs.

(long-term loans) as on 31 March 2019. A graphical presentation of the State Government's investment in SPSEs during the last five years (2018-19 to 2022-23) has been given in **Chart 4.1.1**.

**Chart 4.1.1: State's investment in SPSEs**




*Source: As provided by the SPSEs.*

As can be noticed from the **Chart** above, State Government's investment in SPSEs during the last five years remained almost steady except during 2022-23, when it increased to ₹ 45.90 crore. During last five years, the State's investment grew by 12.64 *per cent* (₹ 5.15 crore) from ₹ 40.75 crore (2018-19) to ₹ 45.90 crore (2022-23).

During 2022-23, out of 11 working SPSEs, eight SPSEs incurred loss (₹ 45.56 crore) and only one SPSE earned profit (₹ 0.29 crore) as per their latest finalised accounts. Remaining two SPSEs[61] had not finalised their first accounts (2016-17 & 2022-23) as of September 2023. The profit-making SPSE had not declared any dividend during the year. There was no recorded information about existence of any specific policy of the State Government regarding payment of minimum dividend by the SPSEs.

### 4.1.2.1 Sector-wise total investment in SPSEs

Details of total investment (equity capital and long term loans) of State Government and Other Stakeholders (Central Government, Holding companies, Banks, Financial Institutions, *etc.*) in SPSEs (all Government companies) under various important sectors at the end of 31 March 2019 and 31 March 2023 have been given in the following **Table**:

**Table 4.1.3: Sector-wise details of total investments[62] (equity capital & long term loans) in SPSEs**

***(₹ in crore)***

| Name of Sector | Investment in SPSEs | |
|---|---|---|
| | **2018-19** | **2022-23** |
| **Power** | 458.18 | 780.58 |
| **Manufacturing** | 10.15 | 14.15 |
| **Finance** | 16.47 | 15.53 |
| **Agriculture & Allied** | 15.17 | 1.72 |
| **Miscellaneous** | 16.59 | 18.11 |
| **Total** | **516.56** | **830.09** |

[61] Serial Nos. A9 & A11 of ***Appendix 4.2***.
[62] Investment figures are provisional and as provided by the SPSEs.

It can be noticed from the **Table** above that during last five years (2018-19 to 2022-23), the combined investment of the State Government and other stakeholders in State SPSEs had increased in Power sector (₹ 322.40 crore), Manufacturing (₹ 4.00 crore) and Miscellaneous (₹ 1.52 crore) while the investment in Agriculture & Allied sector and Finance sector had decreased by ₹ 13.45 crore and ₹ 0.94 crore, respectively. The increase in the investment during 2017-22 under Power sector (more than 70 *per cent*) was attributable to net increase of ₹ 322.40 crore[63] in the long term borrowings of Power sector PSEs from ₹ 438.08 crore (2018-19) to ₹ 760.48 crore (2022-23) whereas the equity investment in Power sector PSEs during these years remained constant at ₹ 20.10 crore.

### 4.1.3 Reconciliation with Finance Accounts

The figures in respect of equity and loans provided by State Government as per the records of SPSEs should agree with the figures appearing in the Finance Accounts of the State for that year. In case the figures do not agree, the SPSEs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard as on 31 March 2023 is shown in the following **Table**.

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

***(₹ in crore)***

| Investment in the form of | Investment as per | | Difference |
|---|---|---|---|
| | Finance Accounts | SPSEs records | |
| **Equity** | 72.31 | 45.32[64] | 26.99 |
| **Loans** | - | 0.58 | 0.58 |
| **Guarantee** | 813.04[65] | 985.98[66] | 172.94 |

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

From the **Table** above, it can be noticed that there were unreconciled differences in the figures of equity (₹ 26.99 crore), loans (₹ 0.58 crore) and guarantees (₹ 172.94 crore) as per two sets of records. The difference in equity occurred in respect of 12 SPSEs[67] and some of the differences were pending reconciliation over a period of more than 24 years.

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[63] Increase in loans (₹ 372.29 crore) borrowed by State's power distribution company *minus* loan repayments (₹ 49.89 crore) by the State's power transmission company during 2019-23.

[64] Excluding equity contribution (₹ 10.00 crore) in the form of Assets transferred from the erstwhile State Electricity Department to the newly formed State DISCOM (MSPDCL) consequent upon implementation of power sector reform.

[65] Represents the Guarantee outstanding against the borrowings of Manipur State Power Distribution Company Limited (₹ 694.31 crore) and Manipur Police Housing Corporation Limited (₹ 118.73 crore).

[66] As per information furnished by SPSEs, guarantee outstanding is only with respect to Manipur State Power Distribution Company Limited amounting to ₹ 985.98 crore,

[67] Except for two SPSEs (Manipur Police Housing Corporation Limited and Manipur Food & Distribution Corporation Limited), in which no difference in equity investment was noticed.

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

***Recommendation:*** *State Government and the SPSEs concerned may take concrete steps to reconcile the differences in a time-bound manner. Government should ensure an appropriate system in place to reflect the correct figures of finances provided to the SPSEs in the Finance Accounts.*

### 4.1.4 Accountability framework

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

***Statutory Audit/ Supplementary Audit***

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

***Role of Government and Legislature***

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

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

### 4.1.5 Arrears in finalisation of accounts

The financial statements of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year *i.e.* by the end of September in accordance with the provisions of Section 96 (1) of

the Companies Act, 2013 and Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956 in respect of the financial statements pertaining to the period prior to 1 April 2014. Failure to do so may attract penal provisions under Section 99 of the Companies Act, 2013 and Section 210 (5) of the Companies Act 1956.

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

**Table 4.1.5** provides details of progress made by working SPSEs in finalisation of their annual accounts as of 30 September 2023.

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

| Sl. No. | Particulars | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|---|
| 1 | Number of Working SPSEs | 10 | 10 | 11 | 10 | 11 |
| 2 | Number of accounts finalised during the year | 10 | 1 | 5 | 7 | 2 |
| 3 | Number of accounts in arrears | 94 | 103 | 109 | 105[68] | 114 |
| 4 | Number of Working SPSEs with arrears in accounts | 10 | 10 | 10 | 9 | 11 |
| 5 | Extent of arrears (numbers in years) | 1 to 31 years | 2 to 32 years | 1 to 33 years | 1 to 34 years | 1 to 35 years |

*Source: Departmental Records.*

As can be seen from the **Table** above, during last five years, the overall pendency of SPSE accounts had increased from 94 Accounts (2018-19) to 114 Accounts (2022-23). Increase in the pendency of accounts was attributable to less number of Accounts finalised (25 Accounts) by the SPSEs during 2019-23 as compared to the number of accounts due for finalisation (52 Accounts) during the said period. Against the total arrears of 114 Accounts (11 SPSEs) as on 30 September 2023, 60 Accounts (53 *per cent*) pertained to two SPSEs namely, Manipur Tribal Development Corporation Limited (35 Accounts) and Manipur Police Housing Corporation Limited (25 Accounts) ***(Appendix 4.2)***.

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

The Reports of the CAG have repeatedly highlighted the issue of arrears in preparation of accounts. Keeping in view the seriousness of the matter, the Principal Accountant General (Audit) Manipur took up (17 April 2023) the matter with the Chief Secretary of the State impressing upon to review the reasons for the huge pendency of State PSE accounts and initiate appropriate action to clear the arrears of accounts in a time bound manner. However, the

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

State Government and the SPSEs concerned were yet to address the issue of clearing the pendency of accounts in a time bound manner.

***Recommendations:***

***i. State Government may ensure the clearance of arrears of accounts and set targets for individual SPSEs; and***

***ii. The SPSEs may get the figures of equity and loans reconciled with the State Government Departments to reflect correct position in the State Finance Accounts.***

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

The State Government had invested ₹ 76.40 crore in seven SPSEs (equity: ₹ 7.05 crore and grants: ₹ 69.35 crore) during the years for which these SPSEs had not finalised their accounts as detailed in ***Appendix 4.1***. One Power sector SPSE (Manipur State Power Company Limited) was the major recipient of State Government funding amounting to ₹ 15.58 crore (Grants) during the period when its accounts were in arrears.

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

***Recommendation: State Government may consider taking appropriate action against the Company Management responsible for arrears of accounts.***

### 4.1.7 Special support and Guarantees to SPSEs during the year

The State Government provides financial support to SPSEs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans and grants/subsidies in respect of the State SPSEs for the last three years ended 2022-23 are shown in **Table 4.1.6** below:

**Table 4.1.6: Details of budgetary support to SPSEs**

*(₹ in crore)*

| Sl. No. | Particulars | 2020-21 | | 2021-22 | | 2022-23 | |
|---|---|---|---|---|---|---|---|
| | | No. of SPSEs | Amount | No. of SPSEs | Amount | No. of SPSEs | Amount |
| 1 | Equity Capital outgo from Budget | 1 | 0.25 | - | - | 1 | 5.00 |
| 2 | Loans given from budget | - | - | | | - | - |
| 3 | Grants/ subsidy from budget (including Capital Grant) | 4 | 299.26 | 6 | 495.69 | 5 | 328.40 |
| 4 | **Total outgo (1+2+3)** | **5** | **299.51** | 6 | **495.69** | 6 | **333.40** |
| 5 | Guarantee issued | 1 | 111.48 | 1 | 193.62 | 1 | 290.33 |
| 6 | Guarantee commitment[69] | 1 | 502.03 | 1 | 695.65 | 1 | 985.98 |

*Source: As furnished by SPSEs.*

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

As can be noticed from the **Table** above, the budgetary support provided by State Government to SPSEs during the last three years (2020-23) witnessed an increase from ₹ 299.51 crore in 2020-21 to ₹ 333.40 crore in 2022-23, which was mainly in the form of Grants/subsidy. The major recipient of the grants/subsidy during last three years was one power sector SPSE (Manipur State Power Distribution Company Limited), which received the grant/subsidy of ₹ 120.00 crore (2020-21), ₹ 323.23 crore (2021-22) and ₹ 286.60 crore (2022-23).

### 4.1.8 Performance of SPSEs as per their latest financial accounts

The financial position and working results of working SPSEs (Government Companies) are detailed in ***Appendix 4.2***. **Table 4.1.7** provides the comparative details of working SPSEs turnover and State GDP for the period of previous five years ending 2022-23.

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

***(₹ in crore)***

| Particulars | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| **Turnover**[70] | 232.60 | 232.63 | 480.88 | 584.92 | 583.87 |
| **GSDP**[71] | 27,388.00 | 29,813.00 | 29,776.09 | 36,594.47 (Q) | 40,661.97 (A) |
| **Percentage of Turnover to GSDP** | 0.85 | 0.78 | 1.61 | 1.60 | 1.44 |

*(Q): Quick Estimates; (A): Advance Estimates*

It can be noticed from **Table 4.1.7** above that during 2018-23, the GSDP had increased by 48.47 *per cent* from ₹ 27,388 crore (2018-19) to ₹ 40,661.97 crore (2022-23). In comparison, the SPSE-turnover during the corresponding period had grown by 151.02 *per cent* from ₹ 232.60crore (2018-19) to ₹ 583.87 crore (2022-23). Higher pace of growth in SPSE-turnover compared to that of GSDP had led to increase in the contribution of SPSE-turnover to GSDP from 0.85 *per cent* (2018-19) to 1.44 *per cent* (2022-23). The increase in the SPSE-turnover was mainly driven by increase in turnover of power sector from ₹ 231.00 crore (2018-19) to ₹ 582.24 crore (2022-23).

***Erosion of capital due to losses***

The paid-up capital and overall accumulated losses of nine[72] working SPSEs as per their latest finalised accounts as on 30 September 2023 were ₹ 53.39 crore and ₹ 327.68 crore[73], respectively ***(Appendix 4.2)***.

During 2022-23, out of the nine working SPSEs, only one SPSE[74] earned profit (₹ 0.29 crore) as per its latest finalised accounts. Return on Equity (RoE) in

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

[71] Source: Department of Economics and Statistics, GoM (at current price).

[72] Excluding two newly incorporated SPSEs, *viz.*, Tourism Corporation of Manipur Limited (13 July 2016) and Manipur Food & Distribution Corporation Limited (14 November 2022) which have not finalized their first Annual Accounts.

[73] After netting off the accumulated profits (₹ 0.59 crore) of Manipur Police Housing Corporation Limited.

[74] Manipur Police Housing Corporation Limited.

respect of this profit-making SPSE was 47.54 *per cent*[75]. Further, ROE of three[76] out of eight loss making SPSEs was negative.

ROE of the remaining five working SPSEs[77] was not ascertainable as the accumulated losses (₹ 327.16 crore) of these SPSEs had completely eroded their paid-up capital (₹ 47.19 crore) as per their latest finalised accounts.

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

**Table 4.1.8: SPSEs with primary erosion of paid up capital**

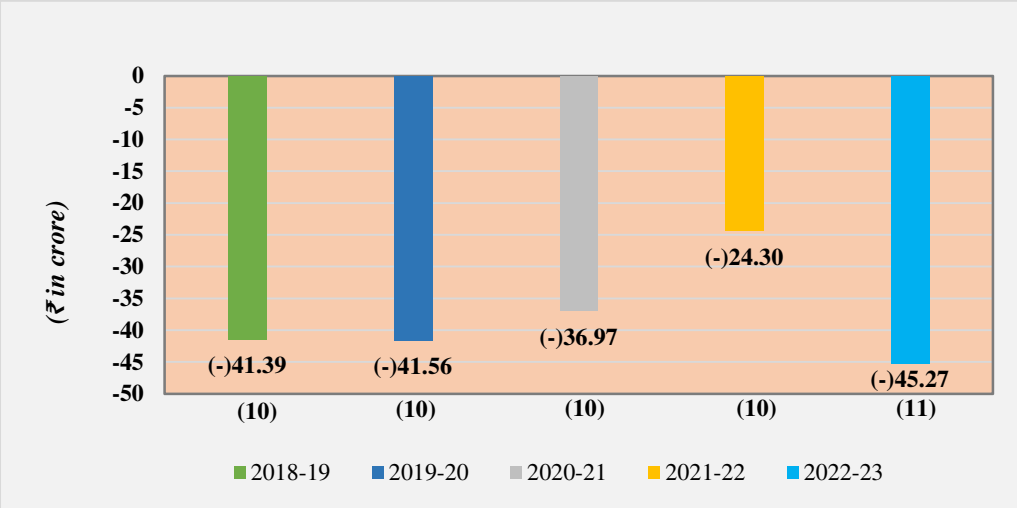
*(₹ in crore)*

| Name of PSE | Latest finalised accounts | Paid up capital | Accumulated losses |
|---|---|---|---|
| Manipur State Power Distribution Company Limited | 2021-22 | 10.05 | 156.70 |
| Manipur State Power Company Limited | 2021-22 | 10.05 | 115.39 |
| Manipur Industrial Development Corporation Limited | 2009-10 | 12.14 | 31.78 |
| **Total** | | **32.24** | **303.87** |

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

The overall position of losses incurred by the working SPSEs during 2018-19 to 2022-23 as per their latest finalised accounts as on 30 September of the respective year has been depicted in **Chart 4.1.2**.

**Chart 4.1.2 Overall losses of working SPSEs**




***(Figures in bracket show the number of working SPSEs in the respective years)***

As depicted in the **Chart** above, the overall losses of working SPSEs showed a decreasing trend between 2019-20 and 2021-22 but the SPSE-losses increased

[75] ROE = Net Profit (₹ 0.29 crore) ÷ Shareholders' Fund (₹ 0.61 crore) % = 47.54 *per cent.*
[76] Serial no. A2, A4 and A10 of ***Appendix 4.2***.
[77] Serial no. A1, A5, A6, A7 and A8 of ***Appendix 4.2***.

significantly during 2022-23 by more than 86 *per cent* (₹ 20.97 crore). This deterioration in the performance of SPSEs during 2022-23 was attributable to increase (₹ 20.98 crore) in losses of the two power sector SPSEs from ₹ 22.30 crore (2021-22) to ₹ 43.28 crore (2022-23).

During the year 2022-23, out of eleven working SPSEs, only one SPSE[78] earned profit of ₹ 0.29 crore while eight SPSEs incurred losses aggregating to ₹ 45.56 crore as per their latest finalised accounts. Remaining two SPSEs[79] had not finalised their First Accounts (2016-17 & 2022-23) as of September 2023. The major contributors to SPSE-losses were two power sector SPSEs as detailed in **Table 4.1.9**.

**Table 4.1.9: Major contributors to the losses of working SPSEs**

***(₹ in crore)***

| SPSE | Latest finalised accounts | Losses |
|---|---|---|
| Manipur State Power Company Limited | 2021-22 | 32.17 |
| Manipur State Power Distribution Company Limited | 2021-22 | 11.11 |
| **Total** | | **43.28** |

## 4.1.9 Key parameters

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

**Table 4.1.10: Key parameters of SPSEs**

***(₹ in crore)***

| Particulars | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| **Debt** | 151.71 | 160.56 | 493.11 | 477.51 | 477.51 |
| **Turnover**[80] | 232.60 | 232.63 | 480.88 | 584.92 | 583.87 |
| **Debt/Turnover Ratio** | 0.65:1 | 0.69:1 | 1.03:1 | 0.82:1 | 0.82:1 |
| **Interest Expenses** | 0.89 | 0.89 | 2.73 | 10.12 | 10.12 |
| **Accumulated losses** | 166.35 | 166.52 | 250.06 | 302.77 | 334.94 |

➢ ***Debt-Turnover Ratio***

A low debt-to-turnover ratio (DTR) demonstrates a good balance between Debt and Income. Conversely, a high DTR can signal of having too much of Debt against the Income of SPSEs from core activities. Thus, the SPSEs having lower DTR are more likely to comfortably manage their Debt servicing and repayments.

As can be seen from **Table 4.1.10**, during the period of five years (2018-19 to 2022-23), the SPSE debts had increased by 'more than three-fold' (215 *per cent*) from ₹ 151.71 crore (2018-19) to ₹ 477.51 crore (2022-23) while the pace of growth of the SPSE-turnover during the corresponding period was comparatively low at around 'two and a half fold' (151 *per cent*) from ₹ 232.60 crore (2018-19) to ₹ 583.87 crore (2022-23). As a result, the Debt to

[78] Manipur Police Housing Corporation Limited.

[79] Tourism Corporation of Manipur Limited (incorporated on 13 July 2016) and Manipur Food & Distribution Corporation Limited (incorporated on 14 November 2022).

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

Turnover Ratio during 2018-23, has increased from 0.65:1 (2018-19) to 0.82:1 (2022-23), which indicated deteriorated position of SPSEs in servicing and repayment of their long-term debts as compared to previous years.

Further, the accumulated losses of SPSEs during the last five years (2018-23) increased by ₹ 168.59 crore (101.35 *per cent*) mainly due to increase of ₹ 168.42 crore in the accumulated losses of power sector SPSEs from ₹ 103.67 crore (2018-19) to ₹ 272.09 crore (2022-23).

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

The Rate of Real Return (RORR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for their time value. To determine the Rate of Real Return on Government Investment (RORR), the investment of State Government[81] in the form of equity, interest free loans and grants/subsidies given by the State Government for operational and management expenses less the disinvestments (if any), should be considered, and indexed to their Present Value (PV) and summated. The RORR is then to be calculated by dividing the 'profit after tax' (PAT) by the sum of the PV of the investments.

During 2022-23, out of nine working SPSEs[82], eight PSEs incurred losses (₹ 45.56 crore) and only one SPSE[83] earned profit (₹ 0.29 crore) as per their latest finalised accounts as on 30 September 2023 ***(Appendix 4.2)***. On the basis of return on historical value of investment,the State Government investment eroded by 2.17 *per cent* during 2022-23. Further, as per the Rate of Real Return worked out based on the present value of investment, the State Government investment eroded by 1.56 *per cent* as shown in ***Appendix 4.3***. This difference in the percentage of investment erosion was on account of adjustments made in the investment amount for the time value of money.

### 4.1.11 Impact of Audit Comments on Annual Accounts of SPSEs

During October 2022 to September 2023, two SPSEs submitted their two Financial Statements (Accounts) for the previous year (2021-22). Both the Accounts were selected for supplementary audit by CAG, which was completed during 2022-23. The Statutory Auditors had given unqualified opinion on both[84] the Accounts.

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

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[81] State Government investment in SPSEs as per the records of respective SPSEs.

[82] Excluding two SPSEs at serial Nos. A9 and A11 of ***Appendix 4.2***, which had not submitted their first Accounts.

[83] Manipur Police Housing Corporation Limited

[84] Two accounts: (i) Manipur State Power Company Limited - (2021-22) and (ii) Cyber Corporation Manipur Limited (2021-22)

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

**Non-compliance with Accounting Standard 5**

'Other Expenses' amounting to ₹ 1.62 crore pertaining to 'prior periods' should have been shown separately in a manner that their impact on the current profit or loss can be perceived as per the requirements of Accounting Standard 5.

**Incorrect capitalisation of revenue expenses under 'Capital Work-in-Progress'**

'Capital Work-in-Progress' was overstated by ₹ 1.64 crore due to incorrect capitalisation of revenue expenditure (annual fixed charges) pertaining to 'SCADA/ EMS system of SLDCs of North Eastern Region' instead of charging the same to the Statement of Profit & Loss.

**Non-capitalisation of works cost under 'Buildings'**

Value of 'Building' (Gross Block) was understated by ₹ 1.57 crore due to non-accounting of the capital cost of 10 different civil works completed during the current year (2021-22).

***Cyber Corporation Manipur Limited (2021-22)***

**Non-accounting of Revenue expenses**

Current year's loss and 'Current Liabilities' were understated by ₹ 0.09 crore each due to non-accounting of 'Corporate Consultancy Charges' and expenses relating to the 7th Board of Directors' meeting in the Statement of Profit & Loss.

### 4.1.12 Winding up of non-working SPSEs

As on 31 March 2023, there were three non-working SPSEs (***Appendix 4.2***), which had been non-functional for the last 19 to 23 years. Since the non-working SPSEs were neither contributing to the State economy nor meeting the intended objectives of their formation, the liquidation process to wind up these SPSEs needs to be expedited.

### 4.1.13 Follow up action on Audit Reports

***Replies/Explanatory notes outstanding***

The Reports of the CAG represent the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive authorities. As per the recommendation of the Shakdher Committee[85], all Administrative Departments are required to submit Replies/Explanatory notes to paragraphs/performance audits included in the

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

Audit Reports of the CAG within a period of three months[86] of their presentation to the State Legislature in the prescribed format without waiting for any questionnaires from the Committee on Public Undertakings (CoPU).

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

**Table 4.1.11: Status of Explanatory notes not received (as on 31 March 2024)**

| Year of the Audit Report (Commercial/ SPSE) | Date of placement of Audit Report in the State Legislature | Total number of Performance Audits (PAs) and Paragraphs included in the Audit Report | | Number of PAs/ Paragraphs for which explanatory notes were not received | |
|---|---|---|---|---|---|
| | | PAs | Paragraphs | PAs | Paragraphs |
| 2013-14 | 29 June 2015 | - | 3 | - | 3 |
| 2014-15 | 2 September 2016 | 2 | 1 | - | - |
| 2015-16 | 21 July 2017 | - | 2 | - | - |
| 2016-17 | 23 July 2018 | - | 1 | - | - |
| 2017-18 | 17 February 2020 | - | 1 | - | - |
| 2018-19 | 25 March 2022 | 1 | 2 | - | - |
| 2019-20 | 22 February 2023 | | 1 | - | 1 |
| 2021-22 (combined Report for 2020-21 and 2021-22) | 29 February 2024 | - | - | - | - |
| **Total** | | **3** | **11** | **0** | **4** |

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

From **Table 4.1.11**, it could be seen that explanatory notes to four paragraphs relating to two SPSEs[87], included in the Audit Reports 2013-14 and 2019-20 respectively, were not submitted by the State Government (March 2024).

### 4.1.14 Discussion of Audit Reports by CoPU

The status as on 31 March 2024 of Performance Audits (PAs) and compliance Audit paragraphs relating to SPSEs that appeared in the Audit Reports of CAG for the last nine years (2013-14 to 2021-22) and discussed by the Committee on Public Undertakings (CoPU) is shown in the following **Table**.

**Table 4.1.12: Position on discussion of Audit Reports by CoPU**

| Period of Audit Report[88] | Number of performance audits/ paragraphs | | | |
|---|---|---|---|---|
| | Appeared in Audit Report | | Paragraphs discussed | |
| | PAs | Paragraphs | PAs | Paragraphs |
| **2013-14** | Nil | 3 | Nil | Nil |
| **2014-15** | 2 | 1 | Nil | 1 |
| **2015-16** | Nil | 2 | Nil | 2 |
| **2016-17** | Nil | 1 | Nil | 1 |
| **2017-18** | Nil | 1 | Nil | Nil |
| **2018-19** | 1 | 2 | 1 | 2 |
| **2019-20** | Nil | 1 | Nil | Nil |
| **2021-22** | Nil | Nil | Nil | Nil |

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

[87] Manipur Tribal Development Corporation Limited and Manipur Police Housing Corporation Limited.

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

| Period of Audit Report[88] | Number of performance audits/ paragraphs | | | |
|---|---|---|---|---|
| | Appeared in Audit Report | | Paragraphs discussed | |
| | PAs | Paragraphs | PAs | Paragraphs |
| (combined Audit Report for the years 2020-21 and 2021-22) | | | | |
| **Total** | **3** | **11** | **1** | **6** |

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

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

### 4.1.15 Compliance to Reports of the CoPU

Action Taken Notes (ATNs) relating to 122 recommendations pertaining to six Reports of the CoPU presented to the State Legislature between March 1986 and March 2023 had not been received from the Government (31 March 2024) as indicated in the following **Table**.

**Table 4.1.13: Compliance to CoPU Reports**

| Year of COPU Report | Total number of CoPU Reports | Total No. of recommendations in CoPU Report | No. of recommendations where ATNs not received |
|---|---|---|---|
| **10th Report (1986-87)** | 1 | 8 | 8 |
| **11th Report (1995-96)** | 1 | 53 | 53 |
| **12th Report (1998-99)** | 1 | 9 | 9 |
| **13th Report (2010-11)** | 1 | 40 | 40 |
| **14th Report (2018-19)** | 1 | 4 | 4 |
| **15th Report (2022-23)** | 1 | 8 | 8 |
| **Total** | **6** | **122** | **122** |

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

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

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

# Chapter V

# Revenue Sector

# CHAPTER V
# REVENUE SECTOR

## 5.1 Trend of revenue receipts

The Tax and Non-tax revenue raised by the Government of Manipur during the year 2022-23, the State's share of net proceeds of Union taxes and duties and Grant-in-aid (GIA) received from the Government of India (GoI) during the year and the corresponding figures for the preceding four years are given in the following Table.

**Table 5.1.1: Trends of revenue receipts**

*(₹ in crore)*

| Sl. No. | Particulars | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|---|
| 1 | **Revenue raised by the State Government** | | | | | |
| | Tax revenue | 1,046.05 | 1,201.12 | 1,294.49 | 1,648.51 | 1,867.90 |
| | Non-tax revenue | 166.24 | 134.53 | 148.07 | 108.13 | 457.59 |
| | **Total** | **1,212.29** | **1,335.65** | **1,442.56** | **1,756.64** | **2,325.49** |
| 2 | **Receipts from the GoI** | | | | | |
| | State's share of Union taxes and duties | 4,698.59 | 4,047.77 | 4,271.97 | 6,009.64 | 6,795.08 |
| | Grants-in-Aid | 4,650.83 | 5,300.74 | 7,268.12 | 6,324.72 | 6,772.58 |
| | **Total** | **9,349.42** | **9,348.51** | **11,540.09** | **12,334.36** | **13,567.66** |
| **Total receipts of State Government (1 & 2)** | | **10,561.71** | **10,684.16** | **12,982.65** | **14,091.00** | **15,893.15** |
| **Percentage of 1 to 3** | | **11.48** | **12.50** | **11.11** | **12.47** | **14.63** |

*Source: Finance Accounts.*

During 2022-23, the revenue raised by the State Government was ₹ 2,325.49 crore which was 14.63 *per cent* of its total revenue receipts of ₹ 15,893.15 crore. The balance receipts of ₹ 13,567.66 crore (85.37 *per cent*) during 2022-23 were from Government of India as State's share of net proceeds of Union taxes and duties and GIA.

### 5.1.1 Tax Revenue

Details of Budget Estimates (BEs) of tax revenue and actual receipts of tax revenues raised during the period 2018-19 to 2022-23 are given in the following **Table**.

**Table 5.1.2: Details of Tax Revenue**

*(₹ in crore)*

| Head of revenue | 2018-19 | | 2019-20 | | 2020-21 | | 2021-22 | | 2022-23 | | Increase (+)/ decrease(-) in 2022-23 over 2021-22 (in *per cent*) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bes | Actuals | Bes | Actuals | Bes | Actuals | Bes | Actual | BE | Actual | |
| Taxes on sales, trade *etc.* | 204.66 | 253.02 | 288.45 | 235.53 | 274.74 | 336.45 | 350.00 | 411.66 | 450.00 | 288.89 | (-)29.82 |
| Goods and Services Tax | 400.98 | 694.70 | 754.78 | 852.58 | 913.58 | 866.51 | 1500.00 | 1125.56 | 1735.40 | 1426.15 | (+)26.71 |
| Motor Vehicles Tax | 45.60 | 39.83 | 45.28 | 47.70 | 51.62 | 37.96 | 70.00 | 56.67 | 80.00 | 83.21 | (+)46.83 |
| Stamps & Registration Fees | 34.20 | 17.62 | 16.01 | 16.60 | 16.01 | 8.66 | 24.00 | 7.98 | 24.00 | 13.95 | (+)74.81 |
| State Excise | 13.68 | 8.18 | 8.79 | 11.60 | 14.50 | 11.85 | 18.00 | 16.00 | 18.00 | 19.24 | (+)20.25 |

| Head of revenue | 2018-19 | | 2019-20 | | 2020-21 | | 2021-22 | | 2022-23 | | Increase (+)/ decrease(-) in 2022-23 over 2021-22 (in *per cent*) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bes | Actuals | Bes | Actuals | Bes | Actuals | Bes | Actual | BE | Actual | |
| Land Revenue | 5.70 | 3.54 | 2.70 | 4.10 | 2.70 | 3.81 | 7.00 | 3.36 | 7.00 | 6.58 | (+)95.83 |
| Others[89] | 44.81 | 29.16 | 51.08 | 33.01 | 51.51 | 29.25 | 85.60 | 27.28 | 85.60 | 29.88 | (+)9.38 |
| **Total** | **749.63** | **1,046.05** | **1,167.09** | **1,201.12** | **1,324.66** | **1,294.49** | **2,054.60** | **1,648.51** | **2,400.00** | **1,867.90** | **(+)13.31** |

*#Bes: Budget Estimates.*
*Source: Annual Financial Statements and Finance Accounts.*

- The State's own tax revenue increased during 2022-23 by ₹ 219.39 crore (13.31 *per cent*) over 2021-22 mainly due to increase in Goods and Service Tax, Motor Vehicle Tax.
- The Excise Department attributed (January 2024) the increase in revenue collection in 2022-23 to the increase of Para Military forces deployed in Manipur and State Armed Police thereby resulting in more supply of liquor and increase in License Fee and Excise Duty.
- Other Departments despite being requested (January 2024) did not furnish the reasons for variation in tax-revenue (April 2024).

### 5.1.2 Non-tax Revenue

Details of budget estimates of non-tax revenue and actual realisation of non-tax revenues during the period 2018-19 to 2022-23 are given in the following Table

**Table 5.1.3: Details of Non-Tax Revenue**

***(₹ in crore)***

| Sl. No. | Head of revenue | 2018-19 | | 2019-20 | | 2020-21 | | 2021-22 | | 2022-23 | | Increase (+)/decrease (-) in 2022-23 over 2021-22 (in *per cent*) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | BEs | Actuals | Bes | Actuals | BEs | Actuals | BEs | Actual | BEs | Actual | |
| 1 | Miscellan-eous General Services | 150 | 111.37 | 220.11 | 101.13 | 206.86 | 123.77 | 300 | 84.23 | 310.00 | 81.44 | (-)3.31 |
| 2 | Interest receipts | 42.57 | 18.68 | 20.23 | 6.39 | 20.23 | 2.25 | 15 | 1.36 | 15.00 | 3.15 | (+)131.62 |
| 3 | Forestry and Wild Life | 35 | 15.26 | 24.8 | 9.7 | 10 | 6.65 | 40 | 7.76 | 40.00 | 27.52 | (+)254.64 |
| 4 | Medium Irrigation | 2.21 | 2.68 | 0.28 | 0.76 | 0.29 | 0.22 | 2.5 | 0.1 | 3.10 | 0.30 | (+)200.00 |
| 5 | Public Works | 2.33 | 1.62 | 1.96 | 1.23 | 1.96 | 1.56 | 4 | 0.84 | 4.00 | 3.18 | (+)278.57 |
| 6 | Other Administrati ve Services | 1.52 | 3.09 | 2.46 | 2.75 | 2.46 | 2.68 | 6 | 3.67 | 7.00 | 13.14 | (+)258.04 |
| 7 | Police | 1.32 | 1.42 | 0.96 | 0.81 | 1.04 | 1.23 | 1.5 | 1.69 | 1.50 | 1.72 | (+)1.78 |
| 8 | Medical and Public Health | 0.37 | 0.69 | 1.22 | 0.69 | 1.31 | 0.45 | 1.44 | 0.99 | 1.44 | 1.25 | (+)26.26 |
| 9 | Co-operation | 0.29 | 0.41 | 0.36 | 0.45 | 0.46 | 0.34 | 0.9 | 0.14 | 0.90 | 0.45 | (+)221.43 |
| 10 | Other non-tax receipts[90] | 12.93 | 11.02 | 10.4 | 10.62 | 12 | 8.92 | 16.19 | 7.35 | 17.06 | 325.44 | (+)3989.66 |
| | **Total** | **248.54** | **166.24** | **282.78** | **134.53** | **256.61** | **148.07** | **387.53** | **108.13** | **400.00** | **457.59** | **(+)323.19** |

*#BEs: Budget Estimates*
*Source: Annual Financial Statements and Finance Accounts.*

[89] Other Taxes include other Taxes on income and expenditure, other taxes and Duties on Commodities and Services and Taxes on Goods and Passengers

[90] Comprising of 38 Major Heads amounting to ₹325.44 crore

Collection of Non-tax revenue increased by ₹ 349.46 crore in 2022-23 as compared to 2021-22. The increase is mainly due to increased collection under Public Works, Other Administrative Services, Forestry and Wild Life and Other non-tax receipts.

In respect of Tourism Department, the increase in revenue raised during 2022-23 was stated (March 2024) to be due to improvement in Covid situation in the State.

General Administration Department attributed (March 2024) the increase in revenue collection to the surge of room occupancy during the year.

Other Departments despite being requested (January 2024) did not furnish the reasons for variation in non tax-revenue (April 2024).

## 5.1.3 Revenue and return filing trends under GST

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

The comparison of budget estimates and the corresponding actual collection of State Goods and Service Tax (SGST) during the period from 2018-19 to 2022-23 is shown in the following **Table**.

**Table 5.1.4: Revenue from GST during 2018-19 to 2022-23**

*(₹ in crore)*

| Year<br>State GST | Budget Estimates (BE) | Revised Estimates (RE)<br>State GST | Actuals<br>State GST |
|---|---|---|---|
| 2018-19 | 400.98 | 662.09 | 694.70 |
| 2019-20 | 754.78 | 861.87 | 852.58 |
| 2020-21 | 913.58 | 1,000.00 | 866.51 |
| 2021-22 | 1,500.00 | 1,445.00 | 1,125.56 |
| 2022-23 | 1,735.40 | 1,705.40 | 1,426.15 |

*Source: Information furnished by Taxation Department, Manipur.*

It could be seen from the above Table that the actual collection of revenue from SGST in last four years from 2019-20 to 2022-23 was less than the targets as projected in the revised estimates 2019-20 to 2022-23.

### 5.1.3.2 Bi-monthly compensation received from Union Government

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

The State did not receive any bi-monthly compensation during the year 2022-23.

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

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

The trends of IGST apportionment to the State and its cross utilisation are given in the following Table.

**Table 5.1.5: Integrated Goods and Services Tax**

*(₹ in crore)*

| IGST[91] component | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| IGST apportioned to the State as per Section 17 of IGST Act, 2017 | 49.15 | 71.92 | 623.85 | 808.61 | 1,093.30 |
| IGST provisionally/ad-hoc apportioned to the State | 56.51 | 16.60 | 32.92 | 50.48 | 21.05 |
| IGST cross utilised between | | | | | |
| SGST[92] as IGST | (-) 3.04 | (-) 2.10 | NA | (+) 4.46 | (+) 6.07 |
| IGST as SGST | (+) 414.36 | (+) 561.14 | NA | (+) 672.54 | (+) 900.39 |

*NA – Not furnished*

*Source: Information furnished by the Taxation Department, Manipur.*

As can be seen from the above Table, the IGST apportioned to the State that stood at ₹ 49.15 crore in 2018-19, increased significantly to ₹ 1,093.30 crore during 2022-23.

### 5.1.3.4 Registration under GST

The category- wise registrations under GST as on 31 March 2023 are as given in the following Table.

**Table 5.1.6: Details of GST registrations upto 31 March 2023**

| Category of Registrant | No. of Registrants | Percentage of total |
|---|---|---|
| Normal taxpayers | 11,133 | 83.44 |
| Composition taxpayers | 1,470 | 11.02 |
| Tax Deductors at Source | 610 | 4.57 |
| Tax Collectors at Source | 124 | 0.93 |
| Input Service Distributors | 0 | 0.00 |
| Others (Casual. NRTP, OIDAR) | 5 | 0.04 |
| **Total Registrants** | **13,342** | **100** |

*Source: Information furnished by the Taxation Department, Manipur*

As on 31 March 2023, the total registration under GST was 13,342 of which normal taxpayers were 11,133 which accounted for 83.44 *per cent* and composition taxpayers were 1,470 which accounted for 11 *per cent*.

### 5.1.3.5 GST Return filling pattern of GSTR-1 and GSTR-3B

The trends of filing of GSTR-1[93] and GSTR-3B [94] in Manipur as on 31 March 2023 are as shown in the following **Table**.

[91] IGST: it is a tax collected by the Central Government for an inter-State Sale

[92] SGST: It is a tax collected by the State Government for an intra-State Sale

[93] GSTR-1: It is a sales return that is required to be filed by every GST registered person

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

**Table 5.1.7: Details of return filing (GSTR-1 and GSTR-3B) during 2022-23**

| GSTR – 1 | | | | GSTR – 3B | | | | |
|---|---|---|---|---|---|---|---|---|
| **Months*** | **Due for filing** | **Return filed** | **Return filing *per cent*** | **Due for filing** | **Returns filed as on last day of the report period 31.03.2023** | **Return filing *per cent*** | **Returns filed by due date** | ***Per cent* filed by due date** |
| April-22 | 8,665 | 3,878 | 44.75 | 8,665 | 7,579 | 87.47 | 3,205 | 36.99 |
| May-22 | 8,768 | 5,835 | 66.55 | 8,768 | 7,692 | 87.73 | 6,158 | 70.23 |
| June-22 | 10,104 | 5,793 | 57.33 | 10,104 | 9,473 | 93.75 | 5,975 | 59.15 |
| July-22 | 9,069 | 5,114 | 56.39 | 9,069 | 7,761 | 85.58 | 5,264 | 58.04 |
| August-22 | 9,113 | 4,872 | 53.46 | 9,113 | 7,898 | 86.67 | 4,932 | 54.12 |
| September-22 | 10,314 | 6,295 | 61.03 | 10,314 | 9,760 | 94.63 | 6,526 | 63.27 |
| October-22 | 9,113 | 5,574 | 61.17 | 9,113 | 7,910 | 86.80 | 5,108 | 56.05 |
| November-22 | 9,113 | 5,918 | 64.94 | 9,113 | 7,934 | 87.06 | 5,491 | 60.25 |
| December-22 | 10,314 | 7,211 | 69.91 | 10,314 | 9,718 | 94.22 | 6,763 | 65.57 |
| Jannuary-23 | 9,113 | 6,074 | 66.65 | 9,113 | 7,727 | 84.79 | 5,588 | 61.32 |
| February-23 | 9,113 | 5,689 | 62.43 | 9,113 | 7,435 | 81.59 | 4,977 | 54.61 |
| Mar-23 | 10,314 | 6,339 | 61.46 | 10,314 | 5,588 | 54.18 | 5,588 | 54.18 |

*Source: Information furnished by the Taxation Department, Manipur*

During 2022-23, filing of GSTR-1 returns ranged from 44.75 *per cent* to 69.91 *per cent* while filing of GSTR-3B returns within the due date ranged from 36.99 *per cent* to 70.23 *per cent*.

### 5.1.3.6 Revenue earning from top 10 commodities/ Services

The details of the revenue earning from top 10 commodities/services during 2022-23 are as given in the following table.

**Table 5.1.8: Revenue from top 10 commodities/services during 2022-23**

***(₹ in crore)***

| **Sl. No.** | **Name of commodity** | **Revenue under GST** | **Ranking** |
|---|---|---|---|
| 1 | Automobiles | 68.46 | 1 |
| 2 | Misc. Edible Preparations | 32.80 | 2 |
| 3 | Iron & Steel | 31.38 | 3 |
| 4 | Mineral fuel & Oil and Products | 18.54 | 4 |
| 5 | Electrical, Machinery & Equipment | 18.54 | |
| 6 | Dairy Products | 17.11 | 5 |
| 7 | Pharmaceutical products | 17.11 | |
| 8 | Machinery & Mechanical Appliances | 11.41 | 6 |
| 9 | Plastics & Plastic Articles | 9.98 | 7 |
| 10 | Textiles & Textiles Articles | 9.98 | |
| **Sl. No.** | **Name of Services** | **Revenue under GST** | **Ranking** |
| 1 | Construction Services | 248.15 | 1 |
| 2 | Financial services | 84.14 | 2 |
| 3 | Support Services | 65.60 | 3 |
| 4 | Transport services | 39.93 | 4 |
| 5 | Communication Services | 32.80 | 5 |
| 6 | Other services | 21.39 | 6 |
| 7 | Real Estate, Leasing, rental services | 17.11 | 7 |
| 8 | Accommodation, Food & Beverage Services Professional Services | 12.84 | 8 |
| 9 | Professional Services | 11.41 | 9 |
| 10 | Maintenance & Repair services | 5.70 | 10 |

*Source: Information furnished by the Taxation Department, Manipur.*

During 2022-23, under the Commodity Sector, Automobiles (₹ 68.46 crore), Miscellaneous Edible Preparations (₹ 32.80 crore) and Iron & Steel (₹ 31.38 crore) were the main contributors of SGST, while Construction Services (₹ 248.15 crore), Financial Services (₹ 84.14 crore) and Support Services (₹ 65.60 crore) were the main contributors of SGST under Service Sector.

### 5.1.3.7 Analysis of arrears of revenue

The arrears of revenue on account of Taxes/VAT and GST as on 31 March 2021 to 31 March 2023 are as shown in the following **Table**.

**Table 5.1.9: Arrears of revenue**

*(₹ in crore)*

| SI. No. | Head of revenue | Total amount outstanding as on 31 March | | | Amount outstanding for more than five years as on 31 March | | |
|---|---|---|---|---|---|---|---|
| | | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| 1 | Taxes/ VAT | 91.00 | 0.73 | 1.57 | 0.00 | 0.00 | 0.00 |
| 2 | GST | 0.00 | 1.57 | 0.87 | 0.00 | 0.00 | 0.00 |
| **Total** | | **91.00** | **2.30** | **2.44** | **0.00** | **0.00** | **0.00** |

*Source: Information furnished by the Taxation Department, Manipur.*

It can be seen from the above table that the arrear of Taxes/VAT which were ₹ 91.00 crore at the end of March 2021 decreased considerably to ₹ 2.44 crore at the end of March 2023. There was no arrear of revenue (GST/VAT) outstanding for more than five years during 2020-21 to 2022-23.

## 5.2 Non-production of records to audit

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

During the year 2022-23, there was one case under Transport Department where records[95] such as supporting vouchers for encashment of fully vouched Contingent bills of ₹ 81.25 lakh were not made available to audit. Break-up of the cases are given in the following table.

**Table 5.2.1: Details of non-production of records**

(*₹ in lakh*)

| Name of the office/Department | Year in which it was to be audited | Number of cases not audited | Amount |
|---|---|---|---|
| Transport | 2022-23 | 1 | ₹ 81.25 |

*Source: Records of the Office of the Principal Accountant General (Audit), Manipur.*

Details are shown in ***Appendix 5.1***.

As the records were not produced for scrutiny, Audit was unable to vouch for the genuineness of the underlying transactions and therefore, possibilities of mis-utilisation of fund in those offices could not be ruled out.

[95] Supporting vouchers for encashment of fully Vouched Contingent Bills.

## 5.3 Audit Planning

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

During the year 2022-23, there were 93 auditable units, of which 8 units were planned and audited, which was 100 *per cent* of the total planned units.

## 5.4 Results of Audit

***Position of local audit conducted during the year***

Test check of the records of Sub-Registrar (HQ), Imphal during the year 2022-23 showed short deposit of revenue collected to Government account to the tune of ₹ 0.03 crore. During the course of the year, the Department did not furnish any reply regarding under assessment and other deficiencies, which were pointed out in audit during 2022-23.

For the other units planned for audit during 2022-23 *viz*. Chief Secretary, Finance, Commissioner of Excise, Directorate of Settlement and Land Records, Sub-Registrar Offices, Inspection Reports have not been issued/are under process. Therefore, the amount involving underassessment/short levy/loss of revenue/non-realisation of outstanding revenues cannot be ascertained in respect of these Departments.

## 5.5 Coverage of this Report

This Chapter contains one Subject Specific Compliance Audit and three compliance audit paragraphs involving financial effect of ₹ 81.55 crore as discussed in the succeeding paragraphs.

# COMPLIANCE AUDIT

# TAXATION DEPARTMENT

## 5.6 Subject Specific Compliance Audit (SSCA) on Department's Oversight on GST Payments and Returns Filing

### 5.6.1 Introduction

Introduction of Goods and Services Tax (GST) has replaced multiple taxes levied and collected by the Centre and States. GST, which came into effect from 1 July 2017, is a destination-based consumption tax on the supply of goods or

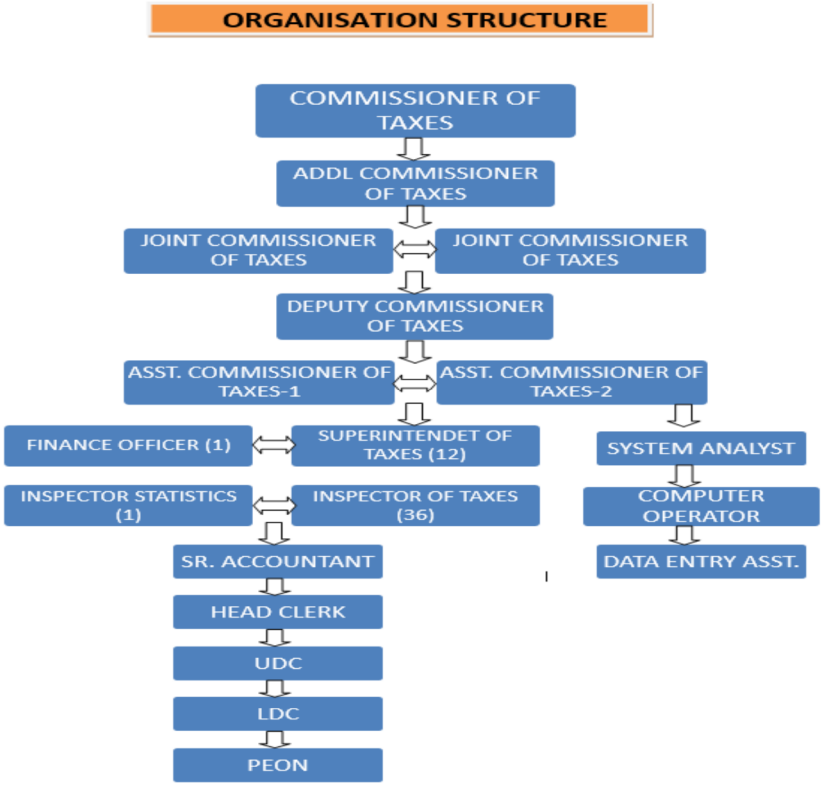
services or both levied on every value addition. The Centre and States simultaneously levy GST on a common tax base. Central GST (CGST) and State GST (SGST)/Union Territory GST (UTGST) are levied on intra-state supplies, and Integrated GST (IGST) is levied on inter-state supplies.

Section 59 of the Manipur GST (MGST) Act, 2017 stipulates GST as a self-assessment based tax, whereby the responsibility for calculating tax liability, discharging the computed tax liability and filing returns is vested with the taxpayer. The GST returns must be filed online regularly on the common GST portal, failing which penalties will be payable. Even if the business has no tax liability during a particular tax period, it must file a nil return mandatorily. Further, Section 61 of the MGST Act read with Rule 99 of MGST Rules, 2017 stipulate that the proper officer may scrutinize the return and related particulars furnished by taxpayers, communicate discrepancies to the taxpayers and seek an explanation.

This Subject Specific Compliance Audit (SSCA) was taken up considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Commissioner of Taxes (Department), Government of Manipur (GoM) in this new tax regime.

### 5.6.2 Organisational set up

The organisational set up of the Taxation Department, Manipur under GST regime is given in the following chart:




### 5.6.3 Audit objectives

This audit was oriented towards providing assurance on the adequacy and effectiveness of systems and procedures adopted by the Department with

respect to tax compliance under GST regime. Audit of 'Department's oversight on GST Payments and Returns filing' was taken up with the following audit objectives to seek an assurance on:

I. Whether the rules and procedures were designed to secure an effective check on tax compliance and were being duly observed by taxpayers; and

II. Whether the scrutiny procedures, internal audit and other compliance functions of the Zones were adequate and effective.

### 5.6.4 Audit methodology and scope

This SSCA was predominantly conducted based on data analysis, which highlighted risk areas and red flags pertaining to the period July 2017 to March 2018. Through data analysis a set of 12 deviations were identified across the domains of input tax credit (ITC), discharge of tax liability, registration and return filing. Such deviations were followed up through a Centralised Audit, whereby these deviations were communicated to the relevant jurisdictional formations of State departmental field formations and action taken by the (Zones) on the identified deviations was ascertained without involving field visits. The centralised audit was supplemented by a Detailed Audit involving field visits for verification of records available with the jurisdictional field formations. Returns and related attachments and information were accessed through the back-end system of the State Taxes Department's application (boweb) as much as feasible to examine data/documents relating to taxpayers (*viz.*, registration, tax payment, returns and other departmental functions). The detailed audit also involved accessing relevant granular records from the taxpayers such as invoices through the respective field formations. This apart, compliance functions of the departmental formations such as scrutiny of returns, action on late filers of returns, delay in cancellation of registration, *etc.* were also reviewed in selected Zones.

The review of the scrutiny of returns by the Department and verification of taxpayers' records covered the period from July 2017 to March 2018, while the audit of the functions of five selected Zones covered the period from July 2017 to March 2021. The SSCA covered only the State administered taxpayers. The field audit was conducted from April 2022 to December 2022.

Entry conference of this SSCA was held on 7 January 2022 with the Commissioner, Department of Taxes, Government of Manipur in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 2 February 2023 with the Commissioner, Department of Taxes in which the audit findings were discussed. The views expressed by the Commissioner, Department of Taxes during the Exit Conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs.

### 5.6.5 Audit sample

A data-driven approach was adopted for planning, as also to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for Centralised audit that did not involve field visits; a sample of taxpayers for detailed audit that involved field visits and scrutiny of taxpayer's records at departmental premises; and a sample of Zones for evaluating their compliance functions.

There were three distinct parts of this SSCA as under:

**(i) Part I-Audit of Zones**

Five Zones[96] with jurisdiction over more than one selected sample of cases for Detailed Audit were considered as the sample of Zones for evaluation of their oversight functions.

**(ii) Part II-Centralised Audit**

The sample for Centralised Audit was selected by identification of high-value or high-risk deviations from rules and inconsistencies between returns through data analysis for evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department. Accordingly, 151 cases were selected for Centralised Audit under this SSCA.

**(iii) Part III-Detailed Audit**

It was conducted by accessing taxpayers' records through Zones for evaluation of the extent of tax compliance by taxpayers. The sample of taxpayers for Detailed Audit was selected on the basis of risk parameters such as excess ITC, tax liability mismatch, disproportionate exempted turnover to total turnover and irregular ITC reversal. The 20 taxpayers selected for Detailed Audit comprised of Large[97] , Medium[98] and Small[99] strata taxpayers as well as taxpayers selected randomly.

The details of sample for limited audit, detailed audit and audit of Zones selected for this SSCA are brought out in ***Appendix 5.2***.

### 5.6.6 Audit criteria

The source of audit criteria comprised the provisions contained in the MGST Act, IGST Act, 2017 and Rules made thereunder. In addition, the notifications and circulars issued by State Tax Department relating to filing of returns, notifying the effective dates of filing of various returns, extending due dates for filing returns, rates of tax on goods and services, payment of tax, availing and utilising ITC, scrutiny of returns, oversight of tax compliance *etc.* and Standard

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[96] Work Contract, Zone-3, Zone-8, Zone 9-1 and Zone 9-2.

[97] First category strata comprising large taxpayers – top 2.0 *per cent* of taxpayers based on turnover.

[98] Second category strata comprising medium taxpayers – next 8.0 *per cent* of taxpayers' based on the turnover.

[99] Third category strata comprising the small taxpayers – remaining 90 *per cent* of taxpayers.

Operating Procedures (SoP) containing instructions to Departmental officers on various aspects related to filing returns, scrutiny of returns and cancellation of registrations *etc*., also formed part of the audit criteria.

## Audit findings

The audit findings are categorised into the following three categories:

a. Oversight on Zone functions - Audit of Zones
b. Centralised Audit
c. Detailed Audit.

## 5.6.7 Oversight on Zone functions – Audit of zones

The role of Zones is to provide oversight for ensuring compliance by taxpayers in respect of accuracy of the taxable value declared, calculation and payment of tax liabilities, filing of returns *etc.* For evaluating the functions of the Zones, the audit areas included (i) Action on non-filers (ii) Effectiveness of scrutiny (iii) Cancellation of registration.

### 5.6.7.1 Lack of action on non-filers

Section 46 of the MGST Act, 2017 read with Rule 68 of MGST Rules, 2017 stipulates issue of a notice in Form GSTR-3A requiring filing of return within fifteen days if the taxpayer had failed to file the return within the due date. Further, Section 62 of MGST Act, 2017 read with Rule 100 of MGST Rules, 2017 stipulates in case the taxpayer fails to file the returns even after such notice, the proper officer may proceed to assess the tax liability of the said person to the best of their judgment, taking into account all the relevant material which is available or gathered and issue an assessment order in Form ASMT-13.

Filing of returns is related to payment of tax as the due date for both the actions are the same, which implies risk of non-payment of tax/penalty in the case of non-filers.

During Audit, it was noticed in the MIS GST back-end portal that 4,783 taxpayers in the five sampled zones did not file 68,623 returns for the years 2017-18 to 2020-21 ***(Appendix 5.3)***. Out of 68,623 cases of non-filers identified, GSTR-3A was issued in 8027 cases only for the year 2020-21 ***(Appendix 5.4)***. Further, the due process of issue of GSTR-3A followed by ASMT 13 was not observed in all the other remaining cases. Total estimated loss (Here expected SGST is calculated based on previous year total average SGST paid and the number of return defaulters and cumulative figure of each financial year is taken at the month of March) for the years 2017-18 to 2020-21 for the five zones amounted to ₹ 13.22 crore as per MIS report.

On this being pointed out (November 2022), the department stated (February 2023) that reply/clarification to audit observation would be given after due verification with departmental records. However, the reply is awaited (June 2023).

#### 5.6.7.2 Slow pace of scrutiny of returns/non-initiation of scrutiny of returns

As per Section 61 of the MGST Act, 2017 various returns filed by taxpayers have to be scrutinized by the Proper Officer to verify the correctness of the returns, and suitable action has to be taken on any discrepancies or inconsistencies reflected in the returns. The Proper Officer designated for this purpose is the Zonal Officer (Superintendent of Taxes). Further, Rule 99 of the MGST Rules, 2017 mandates that the discrepancies, if any noticed, shall be communicated to the taxpayer to seek his explanation.

The Commissioner, Department of Taxes, Government of Manipur issued SoP for scrutiny of returns vide Instruction No. 01/2022 – GST dated 4th October 2022.

From the information provided by the five Zonal Superintendent of Taxes (ST) for the years 2017-18 to 2020-21, it was noticed that out of five zones, three zonal offices (Zone-8, Zone-9(1) & Zone-9(2) had not carried out any scrutiny of taxpayers' returns during any of the years between 2017-18 and 2020-21. Further, for Zone-3 and Work Contract zone, scrutiny of returns was conducted for one and four taxpayers' returns respectively during 2017-18 to 2020-21. During the years 2017-18 to 2020-21, in Zone-3, SCN for nine returns intimating discrepancies of ₹ 16.76 lakh was issued to one taxpayer wherein the whole amount was recovered. Furthermore, during this period in respect of Work Contract zone, SCN to four taxpayers for 55 returns with discrepancies amount of ₹ 73.39 lakh were issued and the same amount was collected.

The matter was reported to the Department (November 2022). During exit conference (February 2023), the department stated that reply/clarification to audit observation would be given after due verification with departmental records. However, the reply is awaited (June 2023).

***Recommendation 1: The Department may ensure to scrutinise the returns for all Zones with reference to the prescribed SoP.***

#### 5.6.7.3 Cancellation of registration

##### 5.6.7.3.1 Date of cancellation prior to date of application

Rule 20 of MGST Rules, 2017 read with Circular No. 04/2018-GST dated 26 October 2018 provides that the taxpayer applying for cancellation of registration shall submit the application in Form GST REG-16 on the GST portal within a period of 30 days of the "occurrence of the event warranting the cancellation". The circular also specifies that the order for cancellation being the same as the date from which the applicant has sought cancellation in Form GST REG-16, in any case, the effective date should not be a date earlier than the date of application for the same.

Scrutiny of records revealed that 430 cases out of total 951 cases of cancellation on taxpayers' request were cancelled with effect from dates prior to the date of application of the taxpayers. The observation was communicated

(November 2022) to the Department. In response, the Department replied (February 2023) that after due verification detailed reply would be furnished.

#### 5.6.7.3.2 Inadequate follow-up action on non-filing of GSTR-10

Section 45 of the MGST Act, 2017 read with Rule 81 of MGST Rules, 2017 stipulates that any person whose registration was cancelled should file final return in form GSTR-10 within three months of the effective date of cancellation or the date of order of cancellation, whichever is later. The last date for furnishing of GSTR-10 by those taxpayers whose registration has been cancelled on or before 30.09.2018 was extended till 31.12.2018 vide notification No. 22/2018-State Tax dated 26 October 2018.

Section 46 of the MGST Act read with rule 68 of the MGST Rules, 2017 requires issuance of a notice in FORM GSTR-3A to a registered person who fails to furnish return under section 39 or section 44 or section 45. If the taxpayer still fails to file the final return within 15 days of the receipt of notice, then an assessment order in FORM ASMT-13 under Section 62 of the MGST Act read with Rule 100 of the MGST Rules shall have to be issued to determine the liability of the taxpayer under sub-section (5) of Section 29 of MGST Act. If the taxpayer files the final return within 30 days of the date of service of the order ASMT-13, then the said order shall be deemed to have been withdrawn. However, the liability for payment of interest and late fee shall continue.

From MIS GST back-end portal, Audit noticed that 1,610 cases of GSTR-10 were liable to be filed during the financial year 2017-18 to 2020-21 ***(Appendix 5.5)*** for five zones. However, only 101 cases of GSTR-10 were filed before due date and 22 cases of GSTR-10 filed after due date. As per information provided by the ST, no action was taken on defaulters in filing GSTR-10. The ST neither issued notice in GSTR-3A nor was any ASTM 13 issued during the period. Thus, no recovery proceedings were initiated by the ST against the defaulters.

During exit conference (February 2023) the department stated that reply/clarification to audit observation would be given after due verification with departmental records. However, the reply is awaited (June 2023).

***Recommendation No. 2. The Department may exercise due diligence in cancellation of registrations.***

### 5.6.8 Inconsistencies in GST returns -Centralised audit

Audit analysed GST returns data pertaining to 2017-18 as made available by GSTN. Rule-based deviations, and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 12 parameters, which can be broadly categorised into two domains - ITC and Tax payments.

Out of the 13 prescribed GST returns, the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns/data:

- GSTR-1: monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.
- GSTR-3B: monthly summary return of outward supplies and input tax credit claimed, along with payment of tax by the taxpayer to be filed by all taxpayers except those specified under Section 39(1) of the Act. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.
- GSTR-6: monthly return for Input Service Distributors providing the details of their distributed input tax credit and inward supplies.
- GSTR-8: monthly return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST, introduced in October 2018.
- GSTR-9: annual return to be filed by all registered persons other than an Input Service Distributor (ISD), Tax Deductor at Source/Tax Collector at Source, Casual Taxable Person and Non-Resident taxpayer. This document contains the details of all supplies made and received under various tax heads (CGST, SGST and IGST) during the entire year along with turnover and audit details for the same.
- GSTR-9C: annual audit form for all taxpayers having a turnover above ₹ 5 crores in a particular financial year. It is basically a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited annual financial statements.
- GSTR-2A: a system-generated statement of inward supplies for a recipient. It contains the details of all B2B transactions of suppliers declared in their Form GSTR-1/5, ISD details from GSTR 6, details from GSTR-7 and GSTR-8 respectively by the counterparty and import of goods from overseas on bill of entry, as received from ICEGATE Portal of Indian Customs.

The pan-state data analysis pertaining to state jurisdiction on 151 selected samples of the 12 identified parameters and extent of deviations observed are summarised below.

**Table 5.6.1: Summary of pan-state data analysis**

***(₹ in crore)***

| Sl. No. | Parameter | Algorithm used | Number of deviations/ mismatches | Amount of deviations/ mismatches |
|---|---|---|---|---|
| **Domain: ITC** | | | | |
| 1. | Mismatch in availing of ITC | ITC available as per GSTR2A with all its amendments was compared with the ITC availed in GSTR 3B {Table 4A(5)} (accrued on domestic supplies) considering the reversals in Table 4B(2) but including the ITC availed in the subsequent year 2018-19 from Table 8(C) of GSTR 9. | 25 | 6.41 |

| Sl. No. | Parameter | Algorithm used | Number of deviations/ mismatches | Amount of deviations/ mismatches |
|---|---|---|---|---|
| 2. | Mismatch in availing of ITC under RCM | RCM payments in GSTR 3B Table 3.1(d) was compared with ITC availed in GSTR 9 Table (6C+6D+6F). In cases where GSTR 9 was not available, RCM liability in GSTR-3B Table 3.1(d) was compared with GSTR-3B Table {4A(2) + 4A(3}. | 25 | 4.11 |
| 3. | Mismatch in availing of ITC under RCM without payment | RCM liability declared in GSTR 9 Table 4G was compared with ITC availed in GSTR-9 Table (6C+6D+6F). In cases where GSTR-9 was not available, RCM payments in GSTR 3B Table 3.1(d) was compared with GSTR-3B 4(A)(2) and 4A(3). | 1 | 0.00[100] |
| 4. | Incorrect availment of ISD credit | ISD received in GSTR-9 Table 6G was compared with ITC transferred in GSTR-6 (sum of Table 5A +Table 8A +Table 9A of GSTR-6) of the distributor. In cases where GSTR-9 is not available then GSTR-3B Table 4(A)(4) compared with sum of Table 5A +Table 8A +Table 9A of GSTR-6. | 9 | 0.54 |
| 5. | Mismatch in ITC availed between annual returns and financial statement (Table 12 F of GSTR 9C) | Positive entries in 12F of GSTR 9C. | 10 | 0.92 |
| 6. | Reconciliation between ITC availed in annual returns with expenses in financial statements (Table 14T of GSTR 9C) | Positive entries in 14T of GSTR 9C. | 10 | 32.81 |
| **Domain-Tax payments** | | | | |
| 7. | Mismatch in turnover between annual return and financial statement (Table 5R of GSTR 9C) | Negative figure in GSTR 9C Table 5R. | 20 | 32.33 |
| 8. | Mismatch in taxable turnover between annual return and financial statement (Table 7G of GSTR 9C) | Negative figure in GSTR 9C Table 7G. | 5 | 19.93 |
| 9. | Mismatch in tax paid between books of accounts and annual returns (Table 9R of GSTR 9C) | Negative figure in GSTR 9C Table 9R. | 25 | 1.51 |
| 10. | Undischarged tax liability | Greater of tax liability between GSTR-1 (Table 4 to 11) and GSTR-9 (Table 4N, 10 & 11) was compared with tax paid details in GSTR-3B Table {3.1 (a) + 3.1 (b)}. In cases where GSTR-9 was not available, tax paid in GSTR-3B was compared with GSTR-1 liability. The amendments and advance adjustments declared in GSTR-1 and GSTR-9 were duly considered. | 10 | 5.33 |
| 11. | Cases where GSTR-3B not filed but GSTR-1 or GSTR 2A available | Taxpayers who had not filed GSTR-3B but filed GSTR-1 or where GSTR-2A available, indicating taxpayers had carried the business without discharging tax. | 1 | 0.01 |

[100] 5,994 (amount in ₹)

| Sl. No. | Parameter | Algorithm used | Number of deviations/ mismatches | Amount of deviations/ mismatches |
|---|---|---|---|---|
| 12. | Short payment of interest on delayed payments | Interest calculated at the rate of 18 *per cent* on cash portion of tax payment on delayed filing of GSTR-3B *vis-a-vis* interest declared in GSTR-3B Table 6.1. | 10 | 1.96 |
| | **Total** | | **151** | **105.86** |

Audit selected a sample of 151 cases with a total deviation of ₹ 105.86 crore from amongst the top deviations in each of the 12 parameters for the year 2017-18. The audit check in these cases was limited to verifying the Department's action on the identified deviations/mismatches.

The audit observations are summarised below:

### 5.6.8.1 Results of centralised audit

Based on responses received from the Department to the Audit Queries, the extent to which each of the 12 parameters translated into compliance deviations is summarised below.

**Table 5.6.2: Responses received from the Department to the Audit Queries**

***(₹ in crore)***

| Audit Dimension | Cases where reply received | | Department reply accepted by Audit | | | | | | Compliance deviation | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Accepted by Dept. including cases where action is yet to be initiated | | | | Total | |
| | | | Data entry errors | | Action taken before query (proactively) | | Other valid explanation[101] | | Recovered | | Under correspondence /not issued with taxpayer | | | |
| | No | Amt | No | Amt | No | Amt | No | Amt | No | Amt | No | Amt | No | Amt |
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* | *(6)* | *(7)* | *(8)* | *(9)* | *(10)* | *(11)* | *(12)* | *(13)* | *(14)=10+12* | *(15)=11+13* |
| Mismatch in availing of ITC | 25 | 6.41 | 0 | 0.00 | 1 | 0.10 | 0 | 0.00 | 1 | 0.18 | 18 | 4.86 | 19 | 5.04 |
| Mismatch in availing of ITC under RCM | 25 | 4.11 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6 | 0.03 | 13 | 1.01 | 19 | 1.04 |
| Mismatch in availing of ITC under RCM without payment | 1 | 0.00[102] | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1 | 0.00[103] | 1 | 0.00[104] |
| Incorrect availment of ISD credit | 9 | 0.54 | 1 | 0.00[105] | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 7 | 0.52 | 7 | 0.52 |
| Mismatch in ITC availed between Annual return and financial statement (Table 12F of 9C) | 10 | 0.92 | 0 | 0.00 | 4 | 0.14 | 0 | 0.00 | 1 | 0.03 | 4 | 0.58 | 5 | 0.61 |
| Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of 9C) | 10 | 32.81 | 0 | 0.00 | 0 | 0.00 | 3 | 8.93 | 0 | 0.00 | 4 | 20.26 | 4 | 20.26 |
| Mismatch in turnover between annual return and financial statement (Table 5R of 9C) | 20 | -[106] | 0 | 0.00 | 1 | - | 4 | - | 2 | - | 12 | - | 14 | - |
| Mismatch in taxable turnover between annual return and financial statement (Table 7G of 9C) | 5 | -[107] | 0 | 0.00 | 1 | - | 1 | - | 0 | 0.00 | 3 | - | 3 | - |

[101] ***Appendix 5.6***
[102] 5994 (amount in ₹)
[103] 5994 (amount in ₹)
[104] 5994 (amount in ₹)
[105] 4319 (amount in ₹)
[106] Total unreconciled turnover (TO) in table 5R of GSTR-9C in the 20 cases is ₹ 32.33 crore, out of which five cases of mismatched TO of ₹ 5.47 crore was accepted by Audit, in 12 cases involving mismatched TO of ₹ 26.57 crore were under correspondence with taxpayers and in two cases of mismatched TO of ₹ 0.11 crore were recovered by the department. In one case involving mismatched TO of ₹40416 was under examination by the department.
[107] Total unreconciled taxable turnover (TTO) in table 7G of GSTR-9C in the five cases is ₹ 19.93 crore, out of which two cases involving mismatched TO of ₹ 6.25 crore was accepted by Audit, in three cases of mismatched TO of ₹ 13.68 crore were under correspondence with taxpayer.

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14)=10+12 | (15)=11+13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mismatch in tax paid between books of accounts and annual return (Table 9R of 9C) | 25 | 1.51 | 0 | 0.00 | 4 | 0.03 | 2 | 0.24 | 2 | 0.00[108] | 15 | 1.23 | 17 | 1.23 |
| Undischarged tax liability | 10 | 5.33 | 2 | 0.87 | 0 | 0.00 | 0 | 0.00 | 1 | 0.37 | 6 | 3.84 | 7 | 4.21 |
| Cases where GSTR 3B not filed but GSTR 1 or 2A available | 1 | 0.01 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Short payment of interest on delayed payment | 10 | 1.96 | 0 | 0.00 | 2 | 0.83 | 0 | 0.00 | 2 | 0.47 | 6 | 0.66 | 8 | 1.13 |
| **Total** | **151** | **53.60** | **3** | **0.87** | **13** | **1.10** | **10** | **9.17** | **15** | **1.08** | **89** | **32.96** | **104** | **34.04** |

| Audit Dimension | Deptt. reply not furnished with appropriate documentary evidence/ Reply not accepted | | Deptt. stated they are examining the Audit Query[109] | | Total | |
|---|---|---|---|---|---|---|
| | No | Amt | No | Amt | No | Amt |
| (1) | (16) | (17) | (18) | (19) | (20)=16+18 | (21)=17+19 |
| Mismatch in availing of ITC | 2 | 0.31 | 3 | 0.96 | 5 | 1.27 |
| Mismatch in availing of ITC under RCM | 1 | 0.02 | 5 | 3.05 | 6 | 3.07 |
| Mismatch in availing of ITC under RCM without payment | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Incorrect availment of ISD credit | 1 | 0.02 | 0 | 0.00 | 1 | 0.02 |
| Mismatch in ITC availed between Annual return and financial statement (Table 12F of 9C) | 0 | 0.00 | 1 | 0.17 | 1 | 0.17 |
| Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of 9C) | 0 | 0.00 | 3 | 3.62 | 3 | 3.62 |
| Mismatch in turnover between annual return and financial statement (Table 5R of 9C) | 0 | 0.00 | 1 | 0.00[110] | 1 | 0.00[111] |
| Mismatch in taxable turnover between annual return and financial statement (Table 7G of 9C) | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Mismatch in tax paid between books of accounts and annual return (Table 9R of 9C) | 0 | 0.00 | 2 | 0.01 | 2 | 0.01 |
| Undischarged tax liability | 1 | 0.25 | 0 | 0.00 | 1 | 0.25 |
| Cases where GSTR 3B not filed but GSTR 1 or 2A available | 1 | 0.01 | 0 | 0.00 | 1 | 0.01 |
| Short payment of interest on delayed payment | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| **Total** | **6** | **0.61** | **15** | **7.81** | **21** | **8.42** |

## Summary of Centralised Audit

Audit noticed deviations from the provisions of the Act in 104 cases (Col Nos. 10 and 12) involving mismatch in ITC/tax liability of ₹ 34.04 crore (Col. Nos. 11 and 13) constituting 68.87 *per cent* of the 151 inconsistencies/mis-matches in data for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as mismatch in availing of ITC, mismatch in tax paid, short payment of interest on delayed payment *etc.*

In 26 cases (Col. Nos. 4, 6 and 8) constituting 17.22 *per cent*, where the Department's reply was acceptable to Audit involving mismatch in tax paid, mismatch in availing of ITC amounting to ₹ 11.14 crore (Col. Nos. 5, 7 and 9), data entry errors by taxpayers comprised three cases (Col. No. 4)

In 15 cases (Col. No.18) constituting 9.93 *per cent*, the Department stated that it was examining the underlying deviation (including mismatch in tax paid, mismatch in availing of ITC) of ₹ 7.81 crore (Col. No. 19). In the remaining 6 cases (Col. No. 16) involving deviation amount of ₹ 0.61 crore (Col. No. 17) constituting 3.97 *per cent*, though the department did not accept the deviations as pointed out by Audit, its contention was not borne out by evidence and was thus not amenable to verification by Audit.

[108] 34549 (amount in ₹)
[109] ***Appendix 5.7***
[110] 40416 (amount in ₹)
[111] 40416 (amount in ₹)

Illustrative case as detailed in Table 5.6.3 below, for dimension of Centralised audit (for compliance deviation pertaining to recovery and notice issued/under correspondence with taxpayer) are as under:

**Table 5.6.3: Top case for each dimension of Centralised audit**

***(₹ in crore)***

| Sl. No. | Dimension | Name of the taxpayer (GSTIN) | Jurisdictional zone | Mismatch | Action taken |
|---|---|---|---|---|---|
| 1 | Mismatch in availing of ITC | M/S Solitaire (14AHEPT6513G2ZE) | Zone-9-1 | 1.14 | The department stated (September 2022) that the taxpayer did not furnish reply to the notice served and reminder notice was issued. |
| 2 | Mismatch in availing of ITC under RCM | K Morung and Sons (14AAHFK3607J1ZG) | WC | 0.32 | The department stated (August 2022) that reply to the notice issued was not furnished by the taxpayer. |
| 3 | Mismatch in availing of ITC under RCM without payment | M/S Delta (14AFQPT9427H3ZS) | Zone-4 | 0.00[112] | The department stated (June 2022) that notice was served to the taxpayer. |
| 4 | Incorrect availment of ISD credit | M/S Khagemba Transmission & Construction (14AAMFK3477D1ZC) | WC | 0.45 | The department stated (August 2022) that reply to the notice served was not received and second reminder notice was issued. |
| 5 | Mismatch in ITC availed between Annual returns and financial statement (Table 12F of GSTR 9C) | M/S Achy Cassette Gallery (14EYKPS0653F1ZC) | Zone-9-1 | 0.27 | The department stated (September 2022) that reply to the notice served was not furnished by the taxpayer and reminder notice was issued. |
| 6 | Reconciliation between ITC declared in Annual returns with expenses in financial statements (Table 14T of GSTR 9C) | M/S Manipur Trading Corporation (14ABWPJ7023R1ZX) | Zone-3 | 12.29 | The department stated (August 2022) that notice was issued to the taxpayer. |
| 7 | Mismatch in turnover between Annual return and financial statement (Table 5R of GSTR-9C) | M/S Gazal Caterers (14aadfg9247l1z4) | Zone-9-1 | 13.70 | The department stated (August 2022) that reply to the notice served was not furnished by the taxpayer and reminder notice was issued. |
| 8 | Mismatch in taxable turnover declared between Annual return and financial statement (Table-7G of GSTR-9C) | M/S Ph. Adim 14AKDPA9561D1ZK (WC) | WC | 9.92 | The department stated (August 2022) that notice was issued to the taxpayer but reply awaited. |
| 9 | Mismatch in tax paid between books of accounts | M/S Vensar Constructions Company | WC | 0.58 | The department stated (August 2022) that the reply to the notice served was not furnished by the |

[112] 5994

| Sl. No. | Dimension | Name of the taxpayer (GSTIN) | Jurisdictional zone | Mismatch | Action taken |
|---|---|---|---|---|---|
| | and annual return (Table 9R of GSTR-9C) | (14AAACV 8199G1Z0) | | | taxpayer and second reminder notice was issued. |
| 10 | Undischarged tax liability | Konsam Inakhunba Meitei (14DZEPS2 144p1zy) | WC | 1.26 | The department stated (August 2022) that the reply to the notice served was not furnished by the taxpayer and second reminder notice was issued. |
| 11 | Short payment of interest on delayed payments | M/S Coastal Project Limited (14AABCC 1907E1ZC) | Zone-8 | 0.24 | The department stated (September 2022) that reply to the notice served was not received from the taxpayer. |

**Illustrative cases for each highest value case from each dimension for the above table are as shown below:**

**(i) Dimension - Mismatch in availing of ITC**

GSTR-2A is a purchase related dynamic tax return that is automatically generated for each business by the GST portal, whereas GSTR 3B is a monthly return in which summary of outward supplies along with ITC declared and payment of tax are self-declared by the taxpayer.

To analyse the veracity of ITC utilisation, relevant data were extracted from GSTR-3B and GSTR-2A for the year 2017-18, and the ITC paid as per suppliers' details was matched with the ITC credit availed by the taxpayer. The methodology adopted was to compare the ITC available as per GSTR-2A with all its amendments and the ITC availed in GSTR-3B in Table 4A (5)[113] considering the reversals in Table 4B (2)[114] but including the ITC availed in the subsequent year 2018-19 from Table 8C of GSTR-9.

Audit observed that in case of a taxpayer, M/S Solitaire (GSTIN no. 14AHEPT6513G2ZE) under Zone-9-1 the ITC available as per GSTR 2A is ₹ 0.02 crore and ITC availed in table 4A (5) of GSTR-3B was ₹ 1.16 crore. This resulted in mismatch of ITC availed amounting to ₹ 1.14 crore which was communicated to the department (May 2022). In response, the department stated (September 2022) that the taxpayer did not furnish reply to the notice served and reminder notice was issued.

**(ii) Dimension - Mismatch in availing of ITC under RCM**

In Reverse Charge Mechanism (RCM), the liability to pay tax is fixed on the recipient of supply of goods or services instead of the supplier or provider in respect of certain categories of goods or services or both under Section 9(3) or Section 9(4) of the MGST Act, 2017.

GSTR-9 is an annual return to be filed once for each financial year, by the registered taxpayers who were regular taxpayers, including SEZ units and SEZ

[113] All other eligible ITC.
[114] Other ITC reversed.

developers. The taxpayers are required to furnish details of purchases, sales, input tax credit or refund claimed, or demand created *etc.*

To analyse the veracity of ITC availed on tax paid under RCM for the year 2017-18, the datasets pertaining to GSTR-3B and annual return GSTR-9 were compared to check whether the ITC availed on RCM was restricted to the extent of tax paid. The methodology adopted was to compare the RCM payments in GSTR-3B Table 3.1(d)[115] with ITC availed in GSTR-9 Table 6C[116], 6D[117] and 6F[118]. In cases where GSTR-9 was not available, the check was restricted within GSTR-3B where the tax discharged part in Table 3.1(d) was compared with the ITC availed part of Table 4A (2)[119] and 4A (3)[120].

Audit observed that in case of a taxpayer K Morung and Sons (GSTIN no. 14AAHFK3607J1ZG under Zone-WC) the ITC available in Table 3.1(d) of GSTR-3B was ₹ 0 and the ITC availed in Table 4A (2) and 4A (3) of GSTR-3B was ₹ 31.68 lakh resulting in mismatch of ITC availed amounting to ₹ 31.68 lakh which was communicated to the department (May 2022). In this regard, the department stated (August 2022) that the reply to the notice issued was not furnished by the taxpayer.

**(iii) Dimension – Mismatch in availing of ITC on RCM without payment of tax**

The extent of availing of ITC under RCM for the year 2017-18 without discharging equivalent tax liability or, in other words, short payment of tax under RCM was analysed by comparing the datasets pertaining to GSTR-3B and annual return GSTR-9 to check whether the tax has been discharged fully on the activities/transactions under RCM. In cases where GSTR 9 was filed, the RCM payments in Table 4G[121] was compared with ITC availed in Tables 6C, 6D and 6F. In cases where GSTR-9 was not available, RCM payments in GSTR-3B Table 3.1(d)[122] was compared with GSTR-3B 4(A) (2)[123] and 4A (3)[124].

Audit observed that in case of M/s Delta (GSTIN no. 14AFQPT9427H3ZS under Zone-4), RCM payments in Table 4A (3) of GSTR 3B was ₹ 5,994 and compared with Table 3.1(d) of GSTR-3B of ₹ 0. This resulted in excess availment of ITC of RCM without payment of tax amounting to ₹ 5,994, which was pointed out (May 2022) to the department. In response, the department stated (June 2022) that notice was served to the taxpayer.

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[115] Inward supplies (liable to reverse charge).
[116] Inward supplies received from unregistered persons liable to reverse charge.
[117] Inward supplies received from registered persons liable to reverse charge.
[118] Import of services.
[119] Import of services.
[120] Inward supplies (liable to reverse charge).
[121] Inward supplies on which tax is to be paid on reverse charge basis.
[122] Inward supplies (liable to be reverse charge).
[123] Import of services.
[124] Inward supplies liable to be reverse charge other than Import of Goods and Services.

**(iv) Dimension - Incorrect availing of ISD credit**

To analyse whether the ITC availed by the taxpayer is in excess of that transferred by the Input Service Distributor (ISD), ITC availed as declared in the returns of the taxpayer was compared with the ITC transferred by the ISD in their GSTR-6. The methodology adopted was to compare Table 6G[125] of GSTR-9 or Table 4(A)(4)[126] of GSTR-3B of the recipient taxpayers under the jurisdiction of this State with the sum of Table 5A[127], Table 8A[128], and Table 9A[129] of GSTR-6 of the respective ISD.

In case of a taxpayer M/S Khagemba Transmission & Construction (Zone-Works Contract & GSTIN no. 14AAMFK3477D1ZC), Audit observed that the ITC availed in Table 6G of GSTR-9 was ₹ 44.93 lakh and the ITC transferred by the ISD in Table (5A+8A+9A) of GSTR-6 was ₹ 0. This resulted in incorrect availing of ITC to the tune of ₹ 44.93 lakh, which was communicated to the department. On this being pointed out (June 2022), the department stated (August 2022) that reply to the notice served was not received and second reminder notice was issued.

**(v) Dimension - Mismatch in ITC between Annual Return and Financial Statement (Table 12F of GSTR-9C)**

Table 12 of GSTR 9C reconciles ITC declared in annual return (GSTR-9) with ITC availed as per audited annual financial statements or books of accounts. Row 12F of this table deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of MGST Rules, 2017 in form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the Financial Statements.

Unreconciled ITC of ₹ 26.66 lakh declared in Table 12F of GSTR-9C, being ITC availed in GST returns in excess of eligible ITC based on financial statements, in case of M/s Achy Cassette Gallery under Zone-9-1 with GSTIN No. 14EYKPS0653F1ZC was noticed and communicated to the department (May 2022). The department stated (September 2022) that reply to the notice served was not furnished by the taxpayer and reminder notice was issued.

**(vi) Dimension – Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)**

Table 14 of GSTR-9C reconciles ITC declared in annual return (GSTR-9) with ITC availed on expenses as per audited annual financial statements or books of accounts. Column 14T of this table deals with unreconciled ITC.

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[125] ITC received from ISD.
[126] Inward supplies from ISD.
[127] Distribution of the amounts of eligible ITC for the tax period.
[128] Mismatch of ITC reclaimed and distributed.
[129] Redistribution of ITC distributed to a wrong recipient.

The certified reconciliation statement submitted by the taxpayer as required under the Rule 80(3) of MGST Rules, 2017 in form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the expenses reported in the Financial Statements.

Unreconciled ITC of ₹ 12.29 crore declared in Table 14T of GSTR-9C, being ITC availed in GST returns in excess of eligible ITC based on expenses reported in financial statements, in case of M/S Manipur Trading Corporation (GSTIN No. 14ABWPJ7023R1ZX) under Zone-3 was noticed and communicated to the department (May 2022). In response, the department replied (August 2022) that notice was issued to the taxpayer.

**(vii) Dimension - Mismatch in turnover between Annual Return and Financial Statement (Table 5R of GSTR-9C)**

Table 5 of GSTR-9C is the reconciliation of turnover declared in audited annual financial statements with turnover declared in annual return (GSTR-9). Column 5R of this table captures the unreconciled turnover between the annual return GSTR-9, and that declared in the Financial Statement for the year after the requisite adjustments.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of MGST Rules, 2017 in form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in turnover reported in the Annual Return *vis-à-vis* the Financial Statements. The unreconciled amount in cases where the turnover declared in GSTR-9 is less than the financial statement indicates non-reporting, under-reporting, short-reporting, omission, error in reporting of supplies leading to evasion or short payment of tax. It could also be a case of non-reporting of both taxable and exempted supplies.

Audit query on unreconciled turnover in Table 5R of GSTR-9C, amounting to ₹ 13.70 crore issued in respect of taxpayer, M/S Gazal Caterers under Zone-9-1 (GSTIN no. 14AADFG9247L1Z4) was communicated to the department. On this being pointed out (May 2022), the department stated (September 2022) that reply to the notice served was not furnished by the taxpayer and reminder notice was issued.

**(viii) Dimension - Mismatch in taxable turnover between Annual return and financial statement (Table 7G of GSTR-9C)**

Table 7 of GSTR 9C is the reconciliation of taxable turnover. Row 7G of this table captures the unreconciled taxable turnover between the annual return GSTR-9 and that declared in the financial statement for the year after the requisite adjustments.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of MGST Rules, 2017 in Form GSTR 9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in

taxable turnover reported in the Annual Return *vis-à-vis* the Financial Statements. The unreconciled amount in cases where the taxable turnover in GSTR 9 is less than the financial statement indicates non-reporting, under-reporting, short-reporting, omission, error in reporting of taxable supplies. It could also be on account of non-reporting of both taxable and exempted supplies.

Audit query on unreconciled taxable turnover in Table 7G of GSTR-9C amounting to ₹ 9.92 crore was issued in respect of taxpayer M/S Ph. Adim (GSTIN No. 14AKDPA9561D1ZK under Works contract zone) and communicated (May 2022) to the department. In response, the department stated (August 2022) that the reply to the notice served was not furnished by the taxpayer and second reminder notice was issued.

**(ix) Dimension - Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)**

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of MGST Rules, 2017 in form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in tax paid between the Annual Return and the books of account. Table 9 of form 9C attempts to reconcile the tax paid by segregating the turnover rate-wise and comparing it with the tax discharged as per annual return GSTR-9. The unreconciled amounts could potentially indicate tax levied at incorrect rates, incorrect depiction of taxable turnover as exempt or *vice versa* or incorrect levy of CGST/SGST/IGST. There can also be situations wherein supplies/tax declared are reduced through amendments (net of debit notes/credit notes) in respect of the 2017-18 transactions carried out in the subsequent year from April to September 2018. Consequential interest payments – both short payments and payments under incorrect heads - also need to be examined in this regard.

Unreconciled payment of tax declared in Table 9R of GSTR-9C amounting to ₹ 58.40 lakh in case of M/s Vensar Constructions Company under Works Contract (GSTIN No. 14AAACV8199G1Z0) was communicated to the department (May 2022). In response, the department stated (August 2022) that the reply to the notice served was not furnished by the taxpayer and second reminder notice was issued.

**(x) Dimension - Undischarged tax liability**

GSTR-1 depicts the monthly details of outward supplies of Goods or Services. This details also assessed by the taxpayer are mentioned in annual return GSTR-9 in the relevant columns. Further, taxable value and tax paid thereof are also shown in GSTR-3B.

To analyse the undischarged tax liability, relevant data were extracted from GSTR-1 and GSTR-9 for the year 2017-18 and the tax payable in these returns was compared with the tax paid as declared in GSTR-9. Where GSTR-9 was not available, a comparison of tax payable between GSTR-1 and GSTR-3B was

resorted to. The amendments and advance adjustments declared in GSTR-1 and 9 were also considered for this purpose.

For the algorithm, Tables 4 to 11 of GSTR-1 and Tables 4N, 10 and 11 of GSTR-9 were considered. The greater of the tax liability between GSTR-1 and GSTR-9 was compared with the tax paid declared in Tables 9 and 14 of GSTR-9 to identify the short payment of tax. In the case of GSTR-3B, Tables 3.1(a)[130] and 3.1(b)[131] were taken into account.

It was observed that in case of taxpayer in the name of Konsam Inakhunba Meitei (Work Contract & GSTIN no. 14DZEPS2144P1ZY) the tax payable in GSTR-1 was ₹ 38.26 lakh and the tax payable declared in GSTR-9 was ₹ 164.07 lakh, and the greater of the two, the tax payable in GSTR-9 was taken into consideration. The tax payable was compared with tax paid as declared in GSTR-9 *i.e.*, ₹ 38.26 lakh. This resulted in a mismatch of tax liabilities of ₹ 125.81 lakh which was communicated to the department. On this being pointed out (May 2022), the department stated (August 2022) that the reply to the notice served was not furnished by the taxpayer and second reminder notice was issued.

**(xi) Dimension - Short payment of interest on delayed payments**

Section 50 of the Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made there under but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay interest at the rate notified.

The extent of short payment of interest on account of delayed remittance of tax during 2017-18 was identified using the tax paid details in GSTR-3B and the date of filing of GSTR 3B. Only the net tax liability (cash component) has been considered to work out the interest payable.

Audit observed that in case of taxpayer in the name of M/S Coastal Project Limited (GSTIN No. 14AABCC1907E1ZC) under Zone-8 the returns (GSTR-3B) pertaining to the months of July 2017 to March 2018 involving tax liability (tax paid in cash) amounting to ₹ 430.48 lakh were filed with delay. This resulted in short payment of interest to the tune of ₹ 24.35 lakh which was communicated to the department. On this being pointed out (June 2022), the department (September 2022) stated that reply to the notice served was not received from the taxpayer.

During exit conference (February 2023), the Commissioner stated that the department would take immediate action on audit observations regarding ITC cases and issue notices, call for hearing, *etc.* However, the action taken in this regard is awaited (June 2023).

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[130] Outward taxable supplies (other than zero rated, nil rated and exempted).
[131] Outward taxable supplies (Zero rated).

#### 5.6.8.2 Analysis of causative factors

**1. Deviations from GST law and rules: Cases accepted or action initiated by the department:** Out of the 151 deviations summarised in Table 5.6.2 above, the Department has accepted the audit observations or initiated departmental examination in 104 cases with mismatch in ITC/tax liability of ₹ 34.04 crore. Out of these cases, the department has recovered ₹ 1.08 crore in fifteen cases ***(Appendix 5.8)*** and was in correspondence with the respective taxpayers in 89 cases ***(Appendix 5.9)*** involving mismatch in ITC/tax liability of ₹ 32.97 crore.

Two illustrative cases where the Department accepted or initiated action are given below:

i. It was observed in the case of M/S Ideal Computer (14BHXPK8032R1ZF, Zone-1) that the tax payable in GSTR-1 was ₹ 59.22 lakh and the tax payable declared in GSTR-9 was ₹ 62.07 lakh, and considering the greater of the two, the tax payable in GSTR-9 is taken into consideration and the tax payable was compared with tax paid as declared in GSTR-9 *i.e.,* ₹ 25.01 lakh. This resulted in a mismatch of tax liabilities of ₹ 37.06 lakh which was communicated to the department. On this being pointed out (May 2022), the department stated (August 2022) the discrepancy amount had been paid through DRC-03 dated 30 June 2022.

ii. Audit observed that in case of M/S Keystone Infra Private Limited (14AACCK6531F1ZV -WC) the return (GSTR-3B) pertaining to the months of July 2017 to March 2018 involving tax liability (tax paid in cash) amounting to ₹ 3.49 crore were filed with delay. This resulted in short payment of interest to the tune of ₹ 23.05 lakh which was communicated to the department. On this being pointed out (June 2022), the department (September 2022) stated that the discrepancy amount had been paid through DRC-03 dated 28 September 2022.

**2. Cases where department's reply is not furnished with appropriate documentary evidence**

Out of the 151 replied cases, the Department has not accepted six cases amounting (including mismatch) to ₹ 0.61 crore ***(Appendix 5.10)***. In these cases, the department only forwarded explanation of the taxpayers either without explicitly commenting on the audit observations or without appropriate documentary evidence. An illustrative case is given below:

It was observed that in the case of M/s Gonakar Nandi (GSTIN no. 14AKZPN6115C1Z3) under Zone-8 the tax payable in GSTR-1 was ₹ 41.33 lakh and tax payable declared in GSTR-9 was ₹ 16.29 lakh, and the greater of the two, tax payable in GSTR-1 was taken into consideration. The tax payable was compared with tax paid as declared in GSTR-9 *i.e.,* ₹ 16.29 lakh. This resulted in a tax liability amounting to ₹ 25.04 lakh which was communicated to the Department (May 2022). In response, the department forwarded (September 2022) only the copies of GSTR-9 and GSTR-1 for FY-2017-18 without clarification. As such, Audit could not accept their reply on the basis of lack of proper clarification.

**3. Data entry errors by taxpayers:** The data entry errors constituted 1.98 *per cent* (Three out of 151 cases) of the total responses received and 17.21 *per cent* (26 out of 151) of cases where the Department's responses were accepted by Audit. These data entry errors involved ₹ 0.87 crore ***(Appendix 5.11)***. The data entry errors relate to undischarged liability and ISD. An illustrative case is brought out below:

A deviation amounting to ₹ 0.49 crore was identified as undischarged tax liability of the taxpayer M/S Dhana Lakshmi Private Limited (GSTIN No. 14AABCD8080D1ZZ under Zone-2) and was communicated to the department (May 2022). On being pointed out, the department replied (June 2022) that the taxpayer did not make any taxable supplies during the FY 2017-18. The discrepancy was due to clerical error while filing GSTR-1 where the taxable supplies belonging to other verticals business was erroneously entered in taxpayer's GSTR-1 and it was later rectified in December 2017.

**4. Action taken before issue of Audit Queries:** As summarised in Table 5.6.2 above, the Department had already taken action in 13 cases ***(Appendix 5.12)***. constituting 8.61 *per cent* out of the 151 responses received.

An illustrative case is brought below:

Audit observed that in case of a taxpayer, M/s Vensar Constructions Company (GSTIN no. 14AAACV8199G1Z0 under WC), the returns (GSTR-3B) pertaining to the months of July 2017 to March 2018 involving tax liability (tax paid in cash) of ₹ 13.41 crore, were filed with delay. This resulted in a short payment of interest amounting to ₹ 0.58 crore which was communicated (May 2022) to the department. The department stated (September 2022) that the taxpayer paid the interest payment of ₹ 0.58 crore through DRC-03 dated 14 September 2021.

***Recommendation No. 3. The Department may take up the matter with the GST Council to insert validation controls in GST Portals as highlighted above to curb data entry errors, enhance taxpayer compliance and facilitate better scrutiny.***

### 5.6.9 Detailed audit of GST returns

In a self-assessment regime, the onus of compliance with the law is on the taxpayer. The role of the Department is to establish and maintain an efficient tax administration mechanism to provide oversight. With finite level of resources, for an effective tax administration, to ensure compliance with law and collection of revenue, an efficient governance mechanism is essential. An IT driven compliance model enables maintaining a non-discretionary regime of governance on scale and facilitates a targeted approach to enforce compliance.

From an external audit perspective, Audit also focused on a data-driven risk-based approach. Thus, apart from identifying inconsistencies/deviations in GST returns through pan-state data analysis, a detailed audit of GST returns was also conducted as a part of this review. A risk-based sample of 20 taxpayers was

selected for this part of the review. The methodology adopted was to initially conduct a desk review of GST returns and financial statements filed by the taxpayers as part of the GSTR 9C and other records available in the back-end system to identify potential risk areas, inconsistencies/deviations and red flags. Desk review was carried out in the Office of the Principal Accountant General (Audit), Manipur. Based on desk review results, detailed audit was conducted in the Office of the Commissioner of Taxes, Government of Manipur by requisitioning corresponding granular records of taxpayers such as financial ledgers, invoices *etc.* to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

As brought out in the previous paragraphs detailed audit involved a desk review of GST returns and other basic records to identify risks and red flags, which were followed up by field audit to identify the extent of non-compliance by taxpayers and action taken by the department. Non-compliance by taxpayers at various stages ultimately impacts the veracity of returns filed, utilisation of ITC and discharge of tax payments. The audit findings are, therefore, categorised under a) Returns, b) Utilisation of ITC, and b) Discharge of tax liability.

#### 5.6.9.1 Scope limitation (non-production of records)

There was scope limitation of audit due to non-production of granular record by the Department. During the desk review of taxpayers' records available in the back-end system, Audit identified the risks related to excess ITC and tax liability mismatches for detailed examination. On the ITC dimension, the mismatches were identified by comparing GSTR-3B with GSTR-2A and GSTR-9, and the declarations made in Table 12 and 14 of GSTR-9C. On the tax liability dimension, the mismatches were identified by comparing GSTR-3B with GSTR-1 and GSTR-9 and the declarations in Table 5, Table 7 and Table 9 of GSTR-9C. However, in 13 cases out of 20 sampled cases, the Department did not produce the corresponding granular records such as the supplementary financial ledgers, invoices, agreement copies, returns, vouchers, credit note debit note, *etc*. required for examining the causative factors for mismatches of ITC and tax liability. Audit requisitioned these granular records of the taxpayers through the respective zones. The jurisdiction-wise non- production of records is summarised in **Table 5.6.4**. The case-wise listing of non-production is given in ***Appendix 5.13***.

**Table 5.6.4: Non-production of records**

| Jurisdictional zone of State Tax Department | Sample | No of cases where records were not provided |
|---|---|---|
| | Number of taxpayers | Number of taxpayers |
| Works contract | 9 | 8 |
| Zone-1 | 1 | 1 |
| Zone-2 | 1 | 0 |
| Zone-3 | 2 | 1 |
| Zone-8 | 4 | 2 |
| Zone-9(1) | 2 | 0 |
| Zone-9(2) | 1 | 1 |
| **Total** | **20** | **13** |

The granular records were not produced in 65 *per cent* of cases, as a result deviation/mismatches in ITC and tax liability amounting to ₹ 19.52 crore could not be examined in detail by Audit.

***Recommendation 4: The Government may instruct the Departmental units for ensuring timely and complete production of records to Audit.***

#### 5.6.9.2 Filing of Returns

**1. Non-payment of interest by taxpayers on delayed filing of returns**

Section 50 of the MGST Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made there under but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay interest at the rate as such rate, not exceeding 18 *per cent* as may be notified.

As per CBIC notification[132] *vide* F.No.CBEC-20/01/08/2019-GST dated 18 September 2020, the taxpayer is liable to pay interest only on net cash tax liability *i.e.*, cash component, if there is delay in payment of tax.

Scrutiny of GSTR-3B returns for the period 2017-18 filed by 20 taxpayers of seven zonal offices revealed that four taxpayers of three zones submitted returns with delay as enumerated in ***Appendix 5.14***. This resulted in short payment of interest amounting to ₹ 0.40 lakh for the tax liability (cash payment of tax amounting to ₹ 1.31 crore) which was communicated to the department (November 2022). The department replied (February 2023) that immediate action will be taken up.

**2. Registration not cancelled even on continuous default in GST return filing for over six months**

Section 29(2) of MGST Act, 2017 states that the proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where any person, other than composition scheme taxpayers, has not furnished returns for a continuous period of six months.

Audit noticed that four taxpayers filed GSTR 3B returns for the year 2017-18 with delays of more than 180 days in contravention of Section 29(2) of MGST Act, 2017. Thus, there were delays ranging from 203 to 635 days *i.e.,* delays of more than six months.

**Table 5.6.5: Details of taxpayers with delays more than 180 days for filing GSTR-3B**

| Sl. No. | Trade-name & GSTIN of the taxpayer (jurisdiction) | Number of returns where delay is more than 180 days for filing GSTR-3B | Delay (days) |
|---|---|---|---|
| 1 | HCC CP PL (JV) & 14AAAAH5541G1Z2 (WC) | 6 | 203 to 350 |
| 2 | Kh. Jiten Singh &14ATYPS6558C1Z2 (WC) | 3 | 571 to 630 |

[132] There was no such notification from the State Tax Department

| Sl. No. | Trade-name & GSTIN of the taxpayer (jurisdiction) | Number of returns where delay is more than 180 days for filing GSTR-3B | Delay (days) |
|---|---|---|---|
| 3 | S. Mani Filling Centre & 14BUCPD9914P1ZB (Zone-8) | 9 | 227 to 470 |
| 4 | Manipur State Power Company & 14AAJCM2960M2Z5 (Zone-9-1) | 9 | 395 to 635 |

In none of the above cases, registration was cancelled by the ST.

When audit pointed this out (September to December 2022), the department stated (February 2023) that the department would take immediate action.

#### 5.6.9.3 Mismatch relating to Input Tax Credit

Input Tax Credit (ITC) means the Goods and Services Tax (GST) paid by a taxable person on purchase of goods and/or services that are used in the course or furtherance of business. To avoid cascading effect of taxes, credit of taxes paid on input supplies can be used to set-off for payment of taxes on outward supplies.

Section 16 and 17 of the MGST Act, 2017 prescribe the eligibility and conditions to avail ITC. Credit of CGST cannot be used for payment of SGST/ UTGST and credit of SGST/ UTGST cannot be utilised for payment of CGST. Rule 36 to 45 of the MGST Rules, 2017 prescribes the procedures for availing and reversal of ITC.

Audit analysed the dataset of GSTR-2A in respect of selected taxpayers along with datasets of GSTR-3B, GSTR-9 and GSTR-9C filed by the taxpayers and noticed mismatches of input tax credit among returns. Audit could not examine mismatches in detail since relevant granular records were not produced by the Department.

Audit observed 25 instances of mismatches, amounting to ₹ 23.65 crore out of 20 sampled cases examined. The deficiencies were due to availing ITC irregularly, availing ineligible ITC and non or short reversal of ITC. Hence, these cases remain as mismatches.

The details of mismatches in input tax credit noticed by Audit are given in **Table 5.6.6**.

**Table 5.6.6. Mismatch in input tax credit claimed by taxpayers**

| Sl. No. | Parameter | No. of cases | No. of zonal offices | Amount of mismatch *(₹ in crore)* | Remarks |
|---|---|---|---|---|---|
| 1 | **Mismatch between ITC availed in GSTR-9/3B and ITC availed in GSTR-2A:** To analyse, the data were extracted from GSTR-9/GSTR-3B and GSTR-2A, and the ITC paid as per suppliers' details was matched with the ITC credit availed by the taxpayer and compare the ITC available as per GSTR-2A with all its amendments and the ITC availed in GSTR-3B in Table 4A(5) considering the reversals in Table 4B(2) but | 12 | 5 | 14.16 | On this being pointed out in audit (October 2022), the Department replied that (October 2022 to January 2023) in 11 cases, reply to the notice served were not furnished by the taxpayers.<br><br>In the remaining one case, the Department replied (November 2022) |

| Sl. No. | Parameter | No. of cases | No. of zonal offices | Amount of mismatch (*₹ in crore*) | Remarks |
|---|---|---|---|---|---|
| | including the ITC availed in the subsequent year 2018-19 from Table 8C of GSTR-9 ***(Appendix 5.15).*** | | | | that the taxpayer[133] had not availed excess ITC. However, Audit could not verify the correctness of claim made by the Department in the absence of supporting documents. |
| 2. | **Mismatch of ITC in ECL than declared in annual return:** ITC claimed gets credited to ECL of the taxpayer through GSTR-3B. Table 6A of GSTR-9, which is the sum total of ITC availed in Table 3B is auto populated. Through Table 6B to 6H, the taxpayer provides bifurcation of the ITC availed in form of inputs, input services, and capital goods. Table 6J of GSTR-9 brings out the difference of ITC actually availed through 3Bs, and ITC entered in table 6B to 6H. A negative figure in 6J is indicative of excess availment of ITC ***(Appendix 5.16).*** | 4 | 3 | 1.52 | On this being pointed out in Audit (October 2022), the Department replied (November 2022 to January 2023) that notices were issued in all the four cases. |
| 3. | **Mismatch of ITC reversal in GSTR-9 in lieu of common inputs for taxable and exempted/Nil supplies:** If there is any exemption availed and there is no corresponding reversals/short reversal in 7C or 7H of GSTR-9 then this check applied as red-flagged for detailed examination ***(Appendix 5.17).*** | 4 | 4 | 1.97 | On this being pointed out in Audit (October 2022), the Department replied (November 2022) that notice was issued to one taxpayer[134] however, reply to the notice served was not furnished.<br>In the remaining three cases, the Department replied that the taxpayer had not availed ITC for common input, however, Audit could not verify the correctness of claim made by the Department in the absence of supporting documents. |
| 4. | **Mismatch in availing of ITC in GSTR-9 (Table 8D) than eligible ITC available in GSTR-2A (Table 8A of GSTR-9):** To check whether the taxpayer has availed more than the eligible ITC after all the adjustments. Table 8D of GSTR-9 captures the difference between ITC available as per GSTR-2A and availed as per GSTR-9 after considering subsequent period's adjustment ***(Appendix 5.18).*** | 5 | 2 | 6.00 | On this being pointed out in Audit (October 2022), the Department replied (January 2023) that in 4 cases notices have been issued.<br>In the remaining one[135] case, the Department replied that the taxpayer had not availed excess, however, Audit could not verify the correctness of claim made by the Department in the absence of supporting documents. |

### 5.6.9.4 Mismatches relating to discharge of tax liability

The taxable event in the case of GST is supply of goods and/or services. Section 9 of the MGST Act, 2017 is the charging section authorizing levy and collection of tax called Central/State Goods and Services Tax on all intra-State supplies of goods or services or both, except on supply of alcoholic liquor for human consumption, on value determined under section 15 of the Act *ibid* and at such rates not exceeding 20 *per cent* under each Act, *i.e.*, CGST Act and SGST Act.

Audit findings and mismatches noticed related to discharge of tax liabilities are discussed below:

[133] M/s Shyama Power (GSTIN No. 14AA8CS6024L2Z8)
[134] Airport Authority of India
[135] SBI Banking Business

Audit scrutinised GSTR-1, GSTR-3B and GSTR-9 returns filed by the taxpayers for the year 2017-18 and noticed mismatch in discharge of tax liability by comparing the tax liability furnished in the returns. Audit observed eight[136] instances of mismatches, amounting to ₹ 7.34 crore out of 20 sampled cases examined. Audit could not examine these mismatches in detail since relevant granular records were not produced by the Department. The details of mismatches are given in **Table 5.6.7**.

**Table 5.6.7: Mismatch related to discharge of tax liability**

| Sl. No. | Parameter | No. of cases | No. of zonal offices | Amount of mismatch (₹ in crore) | Remarks |
|---|---|---|---|---|---|
| 1. | **Mismatch of tax payable between GSTR-1 and GSTR-3B or GSTR-9:** Tax liability of GSTR-1 was not matching with the tax liability declared in GSTR-3B or GSTR-9 ***(Appendix 5.19).*** | 1 | 1 | 1.10 | On this being pointed out in Audit (October 2022), the Department replied (November 2022) that notice was issued, however, no reply was furnished by the taxpayer. |
| 2. | **Un-discharged tax liability on comparing greater of the tax liability of GSTR-1, GSTR-9 with reference to Tax payment in GSTR-9 or GSTR-3B:** GSTR-1 and GSTR-9 for the year 2017-18 and the tax payable in these returns was compared with the tax paid in GSTR-9 or GSTR-3B.<br>Where GSTR-9 not filed Tax payable in GSTR-1 should not be greater than GSTR-3B Table 3.1 (a + b) ***(Appendix 5.20)***. | 4 | 3 | 5.12 | On this being pointed out in Audit (October to December 2022), the Department replied (November 2022 to January 2023) that notices were issued in all the cases, however, the replies were not furnished by the taxpayers. |
| 3. | **Unreconciled Tax payment declared in GSTR-9C:** Table 9R of GSTR-9C captures reconciliation between tax payment declared in annual return GSTR-9 and audited Annual Financial Statements ***(Appendix 5.21)***. | 1 | 1 | 1.12 | On this being pointed out in Audit (October 2022), the Department replied (January 2023) that no reply to the notice served was furnished by the taxpayer and second reminder was issued. |
| 4. | **Mismatch in turnover between Annual return and Financial Statement (Table 5R of GSTR- 9C)** ***(Appendix 5.22)*** | 2 | 1 | -[137] | On this being pointed out in Audit (October 2022), the Department stated (January 2023) that for both cases second reminder was issued however, no reply from the taxpayer was received. |

***Recommendation No. 5. The Department may initiate remedial action for all the compliance deviations brought out in this report before they get time barred.***

## 5.6.10 Conclusion

The SSCA on Department Oversight on GST Payments and Return Filing was undertaken in the context of varying trend of return filing and continued data

[136] Two cases involved mismatch in turnover.
[137] Total unreconciled turnover (TO) in table 5R of GSTR-9C in 2 cases is ₹109.78 crore.

inconsistencies with an objective of assessing the adequacy of the system in monitoring return filing and tax payments, extent of compliance and other departmental oversight functions.

This SSCA was predominantly based on data analysis, which highlighted risk areas, red flags and in some cases, rule-based deviations and logical inconsistencies in GST returns filed for 2017-18. The SSCA entailed assessing the oversight functions of State jurisdictional formation at two levels – at the data level through global data queries and at the functional level with a deeper detailed audit of both Zones and of the GST returns, which involved accessing taxpayer records.

A review of five zones disclosed that there were deficiencies in oversight functions of Zones such as monitoring of return filing, scrutiny of returns and cancellation of registration.

Further, out of 151 high value data inconsistencies identified by Audit the Department responded to all the cases. Of these, 104 cases constituting 68.87 *per cent,* turned out to be compliance deficiencies with mismatch of ITC/tax liability of ₹ 34.04 crore. Relatively higher rates of deviations were noticed in risk parameters such as mismatch in availing of ITC, mismatch in tax paid, short payment of interest on delayed payment *etc*.

Detailed Audit of GST returns also suggested significant non-compliance. At the outset, essential records such as financial statements and granular records such as supplementary financial ledgers, invoices, agreement copies, returns, vouchers, credit note, debit note, *etc*. were not produced, which constituted a significant scope limitation. These cases represent potential risk exposure towards identified mismatches in ITC availment and tax payments. Out the 20 cases that were audited either fully or partially, Audit observed 41 compliance deficiencies consisting of mismatches of ₹ 30.99 crore.

### 5.6.11 Recommendation

1. ***The Department may ensure scrutiny of returns for all Zones with reference to the prescribed SoP;***

2. ***The Department may exercise due diligence in cancellation of registrations;***

3. ***The Department may take up the matter with the GST Council to insert validation controls in GST Portals as highlighted above to curb data entry errors, enhance taxpayer compliance and facilitate better scrutiny;***

4. ***The Government may instruct the Departmental units for ensuring timely and complete production of records to Audit; and***

5. ***The Department may initiate remedial action for all the compliance deviations brought out in this report before they get time barred.***

## TRANSPORT DEPARTMENT

### 5.7 Non-realisation of vehicle tax

***Inability of the Tax Authorities to realise tax led to non-realisation of government revenue to the tune of ₹ 34.92 lakh.***

As per Section 3 of the Manipur Motor Vehicles Taxation Act, 1998 (MMVTA), tax shall be levied on all motor vehicles used or kept for use in the State. The rates of tax to be levied for different types are prescribed in the First Schedule of the Act. As per Section 5 of the Act, such tax shall be payable in advance on annual or quarterly basis.

Further, as per Section 3 of the Manipur Passengers and Goods Taxation Act (MPGTA), 1977 read with Government Notification dated 9 March 2010; goods tax shall be levied, charged and paid to the State Government on all fares and freights in respect of all passengers and goods carried in taxable vehicles at the rates fixed by the Government.

Scrutiny of records (July 2019) of the District Transport Office (DTO), Imphal East revealed that the owners of 112 commercial vehicles (Goods vehicles: 64; Special vehicles: 33 and Tanker: 15) were required to pay taxes amounting to 34.92 lakh (Token tax[138]: ₹ 27.47 lakh and Goods tax ₹ 7.45 lakh). The amount of tax due ranged for a period from nine months to 56 months as of June 2019 as shown in the table below:

**Table 5.7.1: Non-realisation of Vehicle Tax**

*(₹ in lakh)*

| Sl. No. | Category/ Type of vehicle | No. of vehicles | Token tax | Goods Tax | Total | Period of outstanding tax as of June 2019 |
|---|---|---|---|---|---|---|
| 1. | Goods | 64 | 16.23 | 7.45 | 23.68 | 3-17 |
| 2. | Special | 33 | 6.03 | - | 6.03 | 4-25 |
| 3. | Tanker | 15 | 5.21 | - | 5.21 | 5-28 |
| | **Total** | **112** | **27.47** | **7.45** | **34.92** | **3-28** |

The details are as shown in ***Appendix 5.23, 5.24 and 5.25***.

On this being pointed out by Audit, the Department recovered ₹ 11.77 lakh from the defaulters as of April 2024. The Department in its reply (April 2024) stated that demand notice had been served to the defaulters for the remaining amount of ₹ 23.15 lakh.

***Recommendation: Government should take necessary steps such as serving demand notice, field checking of the vehicles by the Enforcement Wing, reconciliation with other DTOs etc. in order to realize the outstanding vehicle taxes.***

[138] Tax levied under Section 3 of Manipur Motor Vehicle Taxation Act 1998 are issued a token under Section 6 of the Act *ibid*. As such, tax levied under Section 3 are referred here as Token Tax.

# TAXATION DEPARTMENT

## 5.8 Evasion of tax

***Inability of Taxation Department to detect suppression of sales turnover under GST Act resulted in evasion of tax amounting to ₹ 0.76 crore.***

Section 39 (1) of the MGST Act, 2017 states that every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of Section 10, Section 51 or Section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both on or before the twentieth day of the month succeeding such calendar month or part thereof. Further, Section 44 (1) of the act *ibid* states that every registered person shall furnish an annual return for every financial year electronically in such form and manner as may be prescribed on or before the thirty first day of December following the end of such financial year.

Further, Section 46 of MGST Act, 2017 provides that where a registered person fails to furnish a return, a notice shall be issued requiring him to furnish such return within fifteen days in such form and manner as may be prescribed. Section 62 of MGST Act, 2017 provides that in case of non-compliance of the notice, tax liability may be assessed to the best judgement of the Department and issue an assessment order within a period of five years from the date specified under Section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.

Section 122 (1) (xv) of MGST Act, 2017 provides that where a person suppresses his turnover leading to evasion of tax, he shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded whichever is higher.

On cross verification of records (March to May 2022) such as GST return data available with State Tax Department with Income Tax return data available in Income Tax Department for the financial years 2018-19 to 2019-20, Audit noticed that 6 tax payers failed to file GST returns (GSTR-3B, GSTR-9) or short filed turnover to the tune of ₹ 15.20 crore in GST returns as against sales turnover/higher sales turnover as disclosed in the income tax return (**Appendix 5.26**). Thus, inability of the department to detect suppression of sales turnover in GST returns and suppression of facts resulted in evasion of GST amounting to ₹0.76[139] crore. Besides, penalty equivalent to the tax amount was also leviable.

On this being pointed out (May 2022) by Audit, during the Exit Meeting (August 2022), the Department stated that notices were served to the concerned taxpayers under provisions of MGST Act, 2017 and detailed reply would be furnished after receipt of the replies. However, no further action in this regard has been intimated to audit (June 2024).

[139] Calculated at minimum tax rate of 5 *percent* of ₹ 15.20 crore as no details of sales turnovers are available.

Thus, inability of the Department to invoke the provisions of the Act for assessing the tax liability of the 6 taxpayers and demanding of the taxes concealed due to non-filing of returns/suppression of sales turnover has resulted in evasion of GST amounting to ₹ 0.76 crore.

## RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT (RD&PR)

### 5.9 Loss of Government Revenue due to non-enforcement of GST Act on ongoing works

The Goods and Services Tax (GST) Act, 2017 was implemented throughout India *w.e.f.* 01 July 2017 by subsuming various indirect taxes for both Central and State Governments, such as Central Excise Duty, Service Tax, Central Sale Tax, State Value Added Tax (VAT), *etc*.

Section 51 of the Manipur Goods and Service Tax Act (MGST Act), 2017, provided for Tax Deduction at Source (TDS) by the Government departments, Local authority and the Governmental agencies from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees.

TDS provisions were finally made operational from 1 October 2018 *vide* notification no. Notification No. 17/2018 – State Tax dated 13 September, 2018.

Section 142(10) of the Act states that the goods or services or both supplied on or after 01 July 2017 in pursuance of a contract entered into prior to this date shall be liable to tax under the provisions of the Act.

Ministry of Rural Development, Government of India (Ministry) issued (06 June 2018) guidelines that for the ongoing works sanctioned prior to 01 July 2017 under different phases of Pradhan Mantri Gram Sadak Yojana (PMGSY), GST shall be applied on the value of works arrived at by separating the value of subsumed taxes under GST from the contracted amount for the remaining amount of work.

As per the guidelines *ibid* supplemental agreement may be entered into with revised agreement value *i.e.,* original contracted value minus the value of subsumed tax arrived plus GST of 12 *percent* for the portion of works not completed or not paid for as on 01 July 2017. The contractor will have to pay GST on revised agreement value.

Further, as per Rule 7 of General Financial Rules 2017 all moneys received by or on behalf of the Government either as dues of Government or for deposit, remittance or otherwise, shall be brought into Government Account without delay.

Test check of records of four Programme Implementing Units (PIUs)[140] revealed that during July 2017 to March 2020 the PIUs paid 95 bills amounting

[140] PIU-I, Churachandpur, PIU-III, Churachandpur, PIU-II, Bishnupur and PIU-III, Senapati

to ₹ 3,853.34 lakh to 20 tax payers for 34 ongoing works which were sanctioned prior to 01 July 2017 and executed after 01 July 2017 ***(Appendix 5.27)***.

However, it was noticed that the payments were made without revising the agreement value by applying GST on the portion of works not completed or not paid for as on 01 July 2017 in violation of the guidelines *ibid*. Therefore, the PIUs did not implement GST on all ongoing works which were sanctioned prior to 01 July 2017. This had resulted in loss of Government revenue (GST) applicable to work value amounting to ₹ 3,853.34 lakh.

Out of the 20 taxpayers GSTIN numbers of two taxpayers could not be found. Therefore, audit analysed the GST Returns of the 18 number of taxpayers and observed the following:

- During 2017-18 the PIUs paid bills amounting to ₹ 1,725.93 lakh to 16 taxpayers. Out of these, 12 taxpayers[141] filed zero turnover in their GST returns. The returns of the remaining four taxpayers showed turnover more than the bill amounts paid by the PIUs.
- During 2018-19 the PIUs paid bills amounting to ₹ 1,367.82 lakh to 13 taxpayers. Out of these, four[142] taxpayers filed zero turnover and five[143] taxpayers showed turnover less than amount paid by PIUs in their respective GST Returns. The returns of the remaining four taxpayers showed more turnover than the bill paid by the PIUs.
- Similarly, during 2019-20, the PIUs made payment of ₹ 633.24 lakh to 11 taxpayers. Out of these, three[144] taxpayers filed zero turnover and two[145] taxpayers showed turnover less than amount paid by PIUs in their respective GST returns. The remaining six taxpayers showed more turnover than the bill paid by the PIUs.

  However, due to non-availability of invoices of 2017-18, 2018-19 and 2019-20 of above taxpayers, Audit could not verify whether the turnover filed included the bills paid by the PIUs.

The irregularities observed during analysis of GST returns of the taxpayers corroborate the fact that the PIUs did not implement GST on all ongoing works and contractors as a result did not pay the applicable GST to the Government.

Further scrutiny revealed the following irregularities:

***a) Non-deduction of TDS***

Out of the total amount of ₹3,853.34 lakh paid a sum of ₹ 1,781.65 lakh ***(Appendix 5.28)*** was paid after operationalisation of section 51 of GST Act.

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[141] Taxpayers having GSTIN numbers *viz.,* 14AADPO9660M1Z8, 14BNVPM7283E1ZI, 14CNUPK7470F1ZL, 14AJKPV8315Q1ZD, 14AOPPK7138E1ZV, 14AAJFN3225H1ZI, 14AMNPN3063H1Z0, 14AVSPS1353D2ZI, 14BRQPS7445K1Z0, 14ABCFM1770C1ZS, 14AABFL8752D2ZH and 14ARLPB6796N1Z5

[142] Taxpayers having GSTIN numbers *viz.,* 14AAJFN3225H1ZI, 14AMNPN3063H1Z0, 14BRQPS7445K1Z0 and 14AAHFK3607J1ZG

[143] Taxpayers having GSTIN numbers *viz.,* 14AADPO9660M1Z8, 14BNVPM7283E1ZI, 14CNUPK7470F1ZL, 14AVSPS1353D2ZI and 14ARLPB6796N1Z5.

[144] Taxpayers having GSTIN numbers *viz.,* 14AMNPN3063H1Z0, 14BRQPS7445K1Z0 and 14ABCFM1770C1ZS

[145] Taxpayers having GSTIN numbers *viz.,* 14AAJFN3225H1ZI and 14BGPPS1797E1ZY

However, the PIUs did not deduct TDS amounting to ₹ 35.62 lakh from the payment made in violation of the Act *ibid.*

***b) Non-deposit of Value Added Tax (VAT) deducted to Government Account***

The PIUs deducted 5.6 *per cent* VAT portion amounting to ₹215.77 lakhs ***(Appendix 5.27)*** from 95 numbers of bills (bill amount ₹ 3,853.34 lakh) from 34 ongoing works which was included in the estimates of the works and kept in the bank account of Empowered Officer, Manipur State Rural Road Development Agency (MSRRDA). However, the PIUs did not deposit the amount deducted in Government Account till date of Audit (February 2021).

Reasons for non-deposition of Government revenue to Government Account were not furnished by the PIUs (May 2024).

During the exit meeting (between January 2021 to September 2021), the Executive Engineers accepted the audit observation and stated that since the works were sanctioned before the commencement of GST Act, GST components were not included in the estimate. However, as per GST act and instructions contained in Ministry of Rural Development Government of India's letter dated 06 June 2018, consultation with higher authority will be done for deducting required GST amount.

***Recommendation: The State Government may consider it appropriate to abide by the provisions of the Act from the due date.***

# Chapter VI
# Follow up of Audit Observations

# CHAPTER VI
# FOLLOW UP OF AUDIT OBSERVATIONS

## 6.1 Follow up on Audit Reports

As per the recommendations made by the High Powered Committee[146], *suo moto* Explanatory Notes on all paragraphs in the Audit Reports are to be submitted to the Public Accounts Committee (PAC)/ Committee on Public Undertakings (CoPU) by the concerned departments. A copy of the *suo moto* Explanatory Notes shall also be furnished to the Principal Accountant (Audit), Manipur office for vetting.

Audit Report for the year 2021-22 (Report No. 2 of 2023) featured two Subject Specific Compliance Audits and nine Compliance Audit paragraphs. The Report was placed in the State Legislature on 29 February 2024. In respect of earlier Audit Reports for the years 1999-2020, *suo moto* Explanatory Notes pertaining to 427 Performance Audits and Compliance Audit paragraphs were not received within the stipulated period of three months from the Departments.

## 6.2 Action taken on the Recommendations of Public Accounts Committee

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

As of March 2024, the PAC had published 38 Reports[147] on the findings in the Audit Reports. These PAC Reports altogether contained 1,592 recommendations based on the examination of Audit Reports by the PAC. In respect of 21 Reports[148] of the PAC containing 737 recommendations, the Action Taken Notes (ATN) had been received. Of the remaining 855 recommendations contained in 17 Reports[149] of the PAC, no ATNs were received.

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

[147] Out of the 56 Reports published so far by PAC, 38 Reports pertain to Audit Report on Social, Economic, Revenue and General Sectors. The remaining 18 Reports pertains to SFARs (Excess Regularisations) and ATIRs.

[148] 1st to 10th, 21st, 23rd, 25th, 26th, 28th, 30th, 31st, 33rd, 34th, 35th and 36th PAC Reports.

[149] 11th to 19th, 38th, 40th, 45th, 47th, 49th, 51st, 54th and 56th PAC Reports, which are not included for the purpose of this analysis.

## 6.3 Monitoring compliance of Audit Observations

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

**Departmental Audit and Accounts Committees**: Departmental Audit and Accounts Committees (DAAC) were formed (January 2010) by all the Departments of the State Government under the Chairmanship of the concerned Departmental Administrative Secretary to monitor the follow-up action on the audit related matters. The function of the DAACs were to monitor the progress in disposal of the outstanding audit paras and Inspection Reports issued by the Principal Accountant General (Audit), Manipur and to review and supervise the working of the Departmental Audit and Accounts Sub-Committees constituted. The DAACs were to hold meeting once in three months. During 2022-23, no meeting of the DAAC was held.

**State Audit and Accounts Committee:** State Audit and Accounts Committees (SAAC) were formed (January 2010) at the State Level under the Chairmanship of the Chief Secretary to monitor the progress in disposal of outstanding audit objections and pending Inspection Reports and to review and oversee the working of the Departmental Audit and Accounts Committee (DAAC). The SAAC was to meet once in six months. During 2022-23, no meeting of the SAAC was held.

## 6.4 Outstanding Inspection Reports and Paragraphs

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

### 6.4.1 Outstanding IRs and Paragraphs

Details of outstanding IRs and Paragraphs pertaining to General, Social and Economic (other than SPSEs) Sectors at the end of March 2023 and corresponding figures for the previous four years are as follows:

**Table 6.4.1: Details of outstanding IRs and Paragraphs**

| Particulars* | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| General Sector | 335 (1,547) | 376 (1,687) | 389 (1,743) | 402 (1,788) | 429 (1,914) |
| Social Sector | 777 (3,668) | 869 (4,143) | 904 (4,311) | 923 (4,426) | 936 (4,489) |
| Economic Sector | 919 (4,421) | 992 (4,788) | 1,011 (4,886) | 1,093 (5,376) | 1,133 (5,469) |
| **Total** | **2,031 (9,636)** | **2,237 (10,618)** | **2,304 (10,940)** | **2,418 (11,590)** | **2,498 (11,872)** |

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

## 6.4.2 Outstanding IRs and Paragraphs (Revenue sector)

At the end of June 2023, there were 343 pending Inspection Reports with 1263 outstanding audit paragraphs involving ₹ 299.83 crore as outstanding audit observations. The corresponding figures for the preceding three years are also given in the following **Table**.

**Table 6.4.2: Details of pending Inspection Reports**

| | June 2020 | June 2021 | June 2022 | June 2023 |
|---|---|---|---|---|
| Number of pending IRs | 315 | 322 | 334 | 343 |
| Number of outstanding audit observations | 1061 | 1,117 | 1,181 | 1,263 |
| Amount involved *(₹ in crore)* | 233.03 | 237.22 | 242.66 | 299.83 |

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

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2023 and their financial implications are mentioned in the following **Table**.

**Table 6.4.3: Department wise details of Outstanding Inspection Reports during 2022-23**

| Name of Department | Nature of receipts | No. of outstanding | | Money value involved *(₹ in crore)* |
|---|---|---|---|---|
| | | IRs | Audit observations | |
| Taxation | Taxes on sales, trade *etc.* | 67 | 264 | 127.49 |
| Finance | Finance (Director Treasuries & Institutional Finance Cell) | 1 | 2 | 2.49 |
| | Small Saving | 2 | 7 | 0.11 |
| | Local Fund Audit | 3 | 20 | 0.48 |
| Excise | State Excise | 15 | 45 | 7.23 |
| Revenue | Land revenue | 133 | 428 | 37.26 |
| Transport | Taxes on Motor Vehicles | 94 | 348 | 116.74 |
| Stamp and Registration | Stamp & Registration Fees | 28 | 149 | 8.03 |
| **Total** | | **343** | **1,263** | **299.83** |

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

In respect of eight IRs issued during 2022-23, Audit did not receive even the first replies from one head of the office (Stamp and Registration Department) within the prescribed period from the date of issue of the IRs. In respect of Transport Department out of a total of six IRs issued during 2022-23, first replies have been received for two IRs while replies for four IRs are still pending. As of June 2023, there were 343 IRs pending for settlement. The large pendency was due to the non-receipt of the replies/ further clarification and is indicative of the fact that the Head of Offices and the Departments had not given due importance to the audit findings and had not initiated necessary action to rectify the omissions and irregularities pointed out by Audit.

## 6.5 Response of departments concerned to draft audit paragraphs

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

Nine draft paragraphs including one Subject Specific Compliance Audit and three Performance Audit reports proposed to be included in the Audit Report for the year ended 31 March 2023 were sent to Principal Secretaries/ Commissioners / Secretaries of the respective departments for their responses. Government response was received in respect of six paragraphs and three performance audits which have been incorporated at appropriate places. No response was received from Government/Department in respect of three paragraphs.

## 6.6 Recommendations

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

i. ***Submission of Action Taken Notes to the recommendations of the Public Accounts Committee (PAC)/ Committee on Public Undertakings (CoPU); and***

ii. ***Convening of regular meetings of Departmental Audit and Accounts Committee (DAAC) and State Audit and Accounts Committee (SAAC) to review, discuss and monitor the progress in disposal of outstanding Inspection Reports and paragraphs.***

**Imphal** **(HARI PRAKASH)**
**The 10 September 2025** **Accountant General (Audit), Manipur**

**Countersigned**

**New Delhi** **(K. SANJAY MURTHY)**
**The 22 September 2025** **Comptroller and Auditor General of India**

# APPENDICES

## Appendix 1.1

*(Reference: Paragraph 1.1.1)*

### Year-wise details of expenditure audited in respect of General Sector during 2022-23

*(₹ in crore)*

| Year | Expenditure during 2022-23 |
|---|---|
| 2014-15 | 0.11 |
| 2015-16 | 0.68 |
| 2016-17 | 1.33 |
| 2017-18 | 1.90 |
| 2018-19 | 1.71 |
| 2019-20 | 21.87 |
| 2020-21 | 23.55 |
| 2021-22 | 348.50 |
| **Total** | **399.65** |

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

## Appendix 1.2

*(Reference: Paragraph 1.2)*

### Statement showing details of work

*(₹ in crore)*

| Sl. No. | Name of work | Name of contractor | Tendered Amount | Performance Guarantee |
|---|---|---|---|---|
| 1 | Beautification and preservation of Monolith Stone for tourism at Chakumai, Pudunamai, Makhan Centre and Mao Pungdung Village | Envision Construction and Suppliers | 2.70 | 0.14 |
| 2 | Model Traditional Naga Village (SH: Drain, Culvert, Retaining Wall and approach road) | Adalu Kaisii | 4.93 | 0.25 |
| 3 | Model Traditional Naga Village (SH: Sports ground, Boundary wall, Gate, Landscaping and Water supply) | Adalu Kaisii | 3.10 | 0.16 |
| 4 | Model Traditional Naga Village (SH: Morung, Tokhu, chief house, Monolith, Toilet, etc) | Adalu Kaisii | 3.58 | 0.18 |
| 5 | Construction of Indoor Stadium Multipurpose Hall at Mao Song Song Village | Adalu Kaisii | 1.80 | 0.09 |
| 6 | Construction of Kitchen and Dining block for ST Girls Hostel at Luwangsangbam, Imphal east District | M/s Ema Ebema Langol Lairembi Construction | 1.33 | 0.06 |
| 7 | Construction of Indoor Stadium Multipurpose Hall at Thonglang Akutpa, Senapati | Adalu Kaisii | 2.25 | 0.11 |
| 8 | Setting up of Raja Chilli (U Morok) Pickle Sauce & Paste Processing Unit in Sadar Hills | Kapesa Catherine | | |
| | SH: Construction of processing unit | | 0.63 | 0.03 |
| | SH: Plant and Machinery | | 0.78 | 0.04 |
| | SH: Other fixed assets | | 0.21 | 0.01 |
| 9 | Infrastructure Development of EMRS, Tamenglong, SH: Renovation of School Building | M/s Ema Ebema Langol Lairenbi Constreuction | 0.30 | 0.02 |
| 10 | Infrastructure Development of EMRS, Moreh, SH: Construction of Science block | M/s Ema Ebema Langol Lairenbi Constreuction | 0.73 | 0.04 |
| 11 | Construction of traditional wrestling Arena, Senapati District | Envision Construction | 1.61 | 0.08 |

| Sl. No. | Name of work | Name of contractor | Tendered Amount | Performance Guarantee |
|---|---|---|---|---|
| 12 | Infrastructure Development of Existing Girl's Hostel at Chakpikarong, Chandel (SH: Construction of retaining wall, Fencing, Gate, Kitchen) | Pasel Molun Anal | 1.32 | 0.06 |
| 13 | Construction of Rainwater Harvesting along with Solar Pump at 3 EMRS at (i) Tamenglong, (ii) Sapermeina and (iii) Moreh | Pasel Molun Anal | 1.31 | 0.06 |
| 14 | Construction of Rehabilitation centre for Drug Addicts at Charongching, Chakpikarong, Chandel District | A Dhanajeet Sharma | 1.74 | 0.09 |
| 15 | Construction of EMRS at Beru Pam, Chandel District | Pasel Molun Anal | 13.97 | 0.70 |
| 16 | Construction of Community Hall at Taphou Rikhumai Village, Senapati | Envision Construction | 1.22 | 0.06 |
| 17 | Construction of community Hall at Somdal Village, Ukhrul District | Adalu Kaisii | 2.41 | 0.12 |
| 18 | Construction of Indoor Stadium Multipurpose Hall at Tamenglong | Envision Construction | 1.81 | 0.09 |
| 19 | Construction of Community Hall at C Mungpi village, Churachandpur | A Dhanajeet Sharma | 0.33 | 0.01 |
| **Total** | | | **48.06** | **2.40** |

## Appendix 2.1

*(Reference: Paragraph 2.1.1)*

**Year-wise details of expenditure audited in respect of Social Sector during 2022-23**

*(₹ in crore)*

| Year | Expenditure during 2022-23 |
|---|---|
| 2017-18 | 17.03 |
| 2018-19 | 130.55 |
| 2019-20 | 314.40 |
| 2020-21 | 545.93 |
| 2021-22 | 561.41 |
| **Total** | **1,569.32** |

## Appendix 2.2

*(Reference: Paragraph 2.2.10.4)*

**Year wise registration of construction workers**

| Sl. No. | Year | Number of Registered workers |
|---|---|---|
| 1 | 2010-11 | 477 |
| 2 | 2011-12 | 2,399 |
| 3 | 2012-13 | 1,311 |
| 4 | 2013-14 | 5,493 |
| 5 | 2014-15 | 12,108 |
| 6 | 2015-16 | 17,629 |
| 7 | 2016-17 | 37,010 |
| 8 | 2017-18 | 16,419 |
| 9 | 2018-19 | 6,297 |
| 10 | 2019-20 | 14,760 |
| 11 | 2020-21 | 5,366 |
| 12 | 2021-22 | 912 |
| 13 | 2022-23 | 212 |
| | | **1,20,393** |

*Source: Departmental Records*

## Appendix 2.3

*(Reference: Paragraph 2.2.10.4)*

**District wise registration of construction workers**

| Sl. No. | District | No of Registered worker | Percentage | Demographic distribution |
|---|---|---|---|---|
| 1 | Imphal West | 35,842 | 29.77 | 18.14 |
| 2 | Imphal East | 26,311 | 21.85 | 15.97 |
| 3 | Bishnupur | 21,226 | 17.63 | 8.31 |
| 4 | Thoubal | 20,106 | 16.70 | 14.78 |
| 5 | Senapati | 5,811 | 4.83 | 16.78 |
| 6 | Churachandpur | 5,211 | 4.33 | 9.60 |
| 7 | Ukhrul | 2,254 | 1.87 | 6.44 |
| 8 | Tamenglong | 2,076 | 1.72 | 4.93 |
| 9 | Chandel | 1,556 | 1.29 | 5.05 |
| **Total** | | **1,20,393** | | |

*Source: Departmental records and Census 2011*

## Appendix 2.4

***(Reference: Paragraph 2.2.10.9)***

### List of same beneficiary having different registration number

| Sl. No. | Registration Number | Name in Payment List | Amount (₹) | Name in Registration Database | Father's Name | Date of Birth |
|---|---|---|---|---|---|---|
| 1 | MBCWB/01745/BPR | Kh. Biren Singh | 10,000 | Khangembam Bijen Singh | Kh. Pandit Singh | 10-06-1968 |
| 2 | MBCWB/05892/TBL | Khangembam Bijen Singh | 10,000 | Khangembam Bijen Singh | Kh. Pandit Singh | 01-07-1968 |
| 3 | MBCWB/05129/BPR | Heisnam Yaima Singh | 10,000 | Heisnam Yaima Singh | Lt H. Mani Singh | 03-01-1969 |
| 4 | MBCWB/05134/BPR | Heisnam Yaima Singh | 10,000 | Heisnam Yaima Singh | Lt H. Girani Singh | 03-04-1963 |
| 5 | MBCWB/10942/IW | Hemam Ganga Devi | 10,000 | Hemam Ganga Devi | H. Supamani Singh | 16-06-1988 |
| 6 | MBCWB/12331/IW | Ningthoujam Monorama Devi | 10,000 | Hemam Ganga Devi | H. Supamani Singh | 07-04-1968 |
| 7 | MBCWB/01486/TBL | Loitongbam Surjit Singh | 10,000 | Loitongbam Surjit Singh | Late L Manglemba Singh | 01-04-1975 |
| 8 | MBCWB/01742/BPR | Loitongbam Surjit Singh | 10,000 | Loitongbam Surjit Singh | (L) L Manglemba Singh | 10-01-1971 |
| | | **Total** | **80,000** | | | |

## Appendix 2.5 (A)

***(Reference: Paragraph 2.2.10.11)***

### Statement showing awareness of workers on the Schemes implemented

| No. of scheme known | Beneficiary survey | Work site surveyed | Total | Percentage of total beneficiary surveyed |
|---|---|---|---|---|
| 0 | 0 | 281 | 281 | 28.36 |
| 1 | 477 | 11 | 488 | 49.24 |
| 2 | 163 | 2 | 165 | 16.65 |
| 3 | 44 | 1 | 45 | 4.54 |
| 4 | 10 | 0 | 10 | 1.01 |
| 5 | 2 | 0 | 2 | 0.20 |
| **Grand Total** | **696** | **295** | **991** | **100.00** |

## Appendix 2.5 (B)

***(Reference: Paragraph 2.2.10.11)***

### Statement showing awareness of workers on the Schemes implemented

| Sl. No. | Name of Scheme | Beneficiaries who were aware of the scheme | | | Beneficiaries who were unaware of the scheme | | | Percentage of unawareness |
|---|---|---|---|---|---|---|---|---|
| | | Beneficiary Survey | Worksite survey | Total | Beneficiary Survey | Worksite survey | Total | |
| 1 | Education | 336 | 14 | 350 | 360 | 281 | 641 | 64.68 |
| 2 | Major Ailments | 202 | 2 | 204 | 494 | 293 | 787 | 79.41 |
| 3 | Natural Death | 31 | 0 | 31 | 665 | 295 | 960 | 96.87 |
| 4 | Accidental | 179 | 2 | 181 | 517 | 293 | 810 | 81.74 |
| 5 | Maternity | 77 | 0 | 77 | 619 | 295 | 914 | 92.23 |
| 6 | Other(Tools) | 98 | 0 | 98 | 598 | 295 | 893 | 90.11 |
| 7 | Skill Development | 62 | 0 | 62 | 634 | 295 | 929 | 93.74 |

# Appendix 2.6

*(Reference: Paragraph 2.2.12.3)*

## List of cheques dishonoured by bank for the period from 2017-18 to 2021-22

*(₹ in lakh)*

| Sl. No. | Date | Month | Particular | Amount | Bank | Year |
|---|---|---|---|---|---|---|
| 1 | 17-03-2018 | Mar-18 | REJECT:242861: PRESENT IN PROPER ZONE | 0.36 | ICICI | 2017-18 |
| 2 | 27-12-2017 | Dec-17 | REJECT:247105: INSTRUMENT OUT DATE/STALE | 2.29 | ICICI | 2017-18 |
| 3 | 31-03-2018 | Mar-18 | DEBIT /ERR CR NW REVRS | 1,415.79 | SBI Saving | 2017-18 |
| 4 | 10-01-2019 | Mar-19 | REJECT:88302: OTHER REASONS | 0.01 | ICICI | 2018-19 |
| 5 | 15-01-2019 | Mar-19 | REJECT:516767: DRAWERS SIGNATURE DIFFERS | 0.07 | ICICI | 2018-19 |
| 6 | 11-03-2019 | Mar-19 | REJECT:802319: FUNDS INSUFFICIENT | 0.07 | ICICI | 2018-19 |
| 7 | 10-01-2019 | Mar-19 | REJECT:103344: FUNDS INSUFFICIENT | 0.08 | ICICI | 2018-19 |
| 8 | 11-03-2019 | Mar-19 | REJECT:103344: FUNDS INSUFFICIENT | 0.08 | ICICI | 2018-19 |
| 9 | 10-01-2019 | Mar-19 | REJECT:71444: OTHER REASONS | 0.08 | ICICI | 2018-19 |
| 10 | 10-01-2019 | Mar-19 | REJECT:61159: OTHER REASONS | 0.08 | ICICI | 2018-19 |
| 11 | 10-01-2019 | Mar-19 | REJECT:61160: OTHER REASONS | 0.08 | ICICI | 2018-19 |
| 12 | 15-01-2019 | Mar-19 | REJECT:520351: DRAWERS SIGNATURE DIFFERS | 0.08 | ICICI | 2018-19 |
| 13 | 15-01-2019 | Mar-19 | REJECT:53795: DRAWERS SIGNATURE DIFFERS | 0.08 | ICICI | 2018-19 |
| 14 | 15-01-2019 | Mar-19 | REJECT:53794: DRAWERS SIGNATURE DIFFERS | 0.08 | ICICI | 2018-19 |
| 15 | 15-01-2019 | Mar-19 | REJECT:521071: DRAWERS SIGNATURE INCOMPLETE | 0.09 | ICICI | 2018-19 |
| 16 | 15-01-2019 | Mar-19 | REJECT:530179: DRAWERS SIGNATURE DIFFERS | 0.09 | ICICI | 2018-19 |
| 17 | 27-06-2018 | Mar-19 | REJECT:280: FUNDS INSUFFICIENT | 0.20 | ICICI | 2018-19 |
| 18 | 07-04-2018 | Apr-18 | DEBIT /ERR CR BRIDGE CH 027012 D310318 NOW REVV | 0.58 | SBI Saving | 2018-19 |
| 19 | 06-02-2019 | Mar-19 | REJECT:540999: REFER TO DRAWER | 2.39 | ICICI | 2018-19 |
| 20 | 18-02-2019 | Mar-19 | REJECT:70806: OTHER REASONSCONNECTIVITY FAILURE | 7.26 | ICICI | 2018-19 |
| 21 | 07-01-2019 | Mar-19 | REJECT:810296: FUNDS INSUFFICIENT | 21.85 | ICICI | 2018-19 |
| 22 | 19-03-2019 | Mar-19 | TRF TO 0010383412957 /ERRO POST NOW REVERSED | 22.38 | SBI Saving | 2018-19 |
| 23 | 05-12-2018 | Dec-18 | DEBIT /ERROR TXN DATED 22/11/201EE TBL CLEARING REVERS | 40.00 | SBI Saving | 2018-19 |
| 24 | 23-04-2019 | Apr-19 | DEBIT /DOUBLE ENTRY REVERSED | 0.01 | SBI Saving | 2019-20 |
| 25 | 28-05-2019 | May-19 | REJECT:133194:NO SUCH ACCOUNT | 0.01 | ICICI | 2019-20 |
| 26 | 30-10-2019 | Oct-19 | REJECT:87890: OTHER REASONSCONNECTIVITY FAILURE | 0.04 | ICICI | 2019-20 |
| 27 | 30-10-2019 | Oct-19 | REJECT:87892: OTHER REASONSCONNECTIVITY FAILURE | 0.04 | ICICI | 2019-20 |
| 28 | 08-07-2019 | Jul-19 | REJECT:135768: DRAWERS SIGNATURE DIFFERS | 0.05 | ICICI | 2019-20 |
| 29 | 19-11-2019 | Nov-19 | REJECT:31137: DRAWERS SIGNATURE DIFFERS | 0.06 | ICICI | 2019-20 |

| Sl. No. | Date | Month | Particular | Amount | Bank | Year |
|---|---|---|---|---|---|---|
| 30 | 16-04-2019 | Apr-19 | REJECT:295313: REFER TO DRAWER | 0.06 | ICICI | 2019-20 |
| 31 | 16-04-2019 | Apr-19 | REJECT:718534: REFER TO DRAWER | 0.07 | ICICI | 2019-20 |
| 32 | 16-04-2019 | Apr-19 | REJECT:146: DRAWERS SIGNATURE DIFFERS | 0.07 | ICICI | 2019-20 |
| 33 | 17-01-2020 | Jan-20 | REJECT:872689: OTHER REASONS | 0.07 | ICICI | 2019-20 |
| 34 | 16-04-2019 | Apr-19 | REJECT:145: DRAWERS SIGNATURE DIFFERS | 0.07 | ICICI | 2019-20 |
| 35 | 19-11-2019 | Nov-19 | REJECT:136369: FUNDS INSUFFICIENT | 0.08 | ICICI | 2019-20 |
| 36 | 19-11-2019 | Nov-19 | REJECT:136370: FUNDS INSUFFICIENT | 0.08 | ICICI | 2019-20 |
| 37 | 25-09-2019 | Sep-19 | REJECT:764164: DRAWERS SIGNATURE DIFFERS | 0.09 | ICICI | 2019-20 |
| 38 | 14-02-2020 | Feb-20 | REJECT:764995: OTHER REASONS | 0.09 | ICICI | 2019-20 |
| 39 | 19-11-2019 | Nov-19 | REJECT:136371: FUNDS INSUFFICIENT | 0.10 | ICICI | 2019-20 |
| 40 | 08-07-2019 | Jul-19 | REJECT:135756: DRAWERS SIGNATURE DIFFERS | 0.11 | ICICI | 2019-20 |
| 41 | 17-07-2019 | Jul-19 | REJECT:375928: ALTERATION REQUIRE DRAWERS AUTHENTIC | 0.12 | ICICI | 2019-20 |
| 42 | 27-12-2019 | Dec-19 | REJECT:488883: PAPER NOT RECEIVED | 0.13 | ICICI | 2019-20 |
| 43 | 09-09-2019 | Sep-19 | REJECT:991428: DRAWERS SIGNATURE DIFFERS | 0.14 | ICICI | 2019-20 |
| 44 | 15-01-2020 | Jan-20 | REJECT:280521: OTHER REASONS | 0.18 | ICICI | 2019-20 |
| 45 | 12-07-2019 | Jul-19 | REJECT:543902: REFER TO DRAWER | 0.20 | ICICI | 2019-20 |
| 46 | 30-10-2019 | Oct-19 | REJECT:31131: FUNDS INSUFFICIENT | 0.22 | ICICI | 2019-20 |
| 47 | 20-04-2019 | Apr-19 | DEBIT /MISC DEBIT D/E TR TO TRADCOMM N IND DDO AC | 0.28 | SBI Saving | 2019-20 |
| 48 | 23-04-2019 | Apr-19 | DEBIT /DOUBEL ENTRY: NOW REVERSED | 0.28 | SBI Saving | 2019-20 |
| 49 | 24-04-2019 | Apr-19 | REJECT:28360: INSTRUMENT OUTDATEDVSTALE | 0.34 | ICICI | 2019-20 |
| 50 | 20-04-2019 | Apr-19 | DEBIT /MISC DEBIT D/E TR TO TRADCOMM N IND DDO AC | 0.37 | SBI Saving | 2019-20 |
| 51 | 20-04-2019 | Apr-19 | DEBIT /MISC DEBIT D/E TR TO TRADCOMM N IND DDO AC | 0.45 | SBI Saving | 2019-20 |
| 52 | 03-04-2019 | Apr-19 | TRF TO 0010383411964 /CHQ NO 026ERRO POSTED NOW REVERSED | 0.78 | SBI Saving | 2019-20 |
| 53 | 04-03-2020 | Mar-20 | REJECT:69001: DRAWERS SIGNATURE TO OPERATE AVC | 0.80 | ICICI | 2019-20 |
| 54 | 27-12-2019 | Dec-19 | REJECT:690219: PAPER NOT RECEIVED | 1.06 | ICICI | 2019-20 |
| 55 | 09-07-2019 | Jul-19 | REJECT:884770: FUNDS INSUFFICIENT | 3.14 | ICICI | 2019-20 |
| 56 | 23-04-2019 | Apr-19 | DEBIT /DOUBEL ENTRY: NOW REVERSED | 5.16 | SBI Saving | 2019-20 |
| 57 | 04-04-2020 | Apr-20 | OUTCHQ RETURN 000000 | 0.01 | SBI Saving | 2020-21 |
| 58 | 25-03-2021 | Mar-21 | OUTCHQ RETURN /85ALTERATIONS ON INSTRUMENTOTHER THAN DATE FIELD 035535 | 0.13 | SBI Saving | 2020-21 |
| 59 | 25-03-2021 | Mar-21 | OUTCHQ RETURN /12DRAWER'S SIGNATURE DIFFERSPER MANDATE 2125) AINR 151743 | 0.19 | SBI Saving | 2020-21 |
| 60 | 29-03-2021 | Mar-21 | OUTCHQ RETURN /01FUNDS INSUFFICIENTECTIVITY FAILUREPRESENT AGAINR 766403 | 0.37 | SBI Saving | 2020-21 |

| Sl. No. | Date | Month | Particular | Amount | Bank | Year |
|---|---|---|---|---|---|---|
| 61 | 31-03-2021 | Mar-21 | OUTCHQ RETURN /88OTHERS REASONS (PLEASE SPECIFY) LURETICATIONIVEDER 515303 | 0.59 | SBI Saving | 2020-21 |
| 62 | 26-11-2020 | Nov-20 | REJECT:733396: OTHER REASONS | 52.35 | ICICI | 2020-21 |
| 63 | 13-04-2021 | Apr-21 | BY CLEARING /PSB 795023003-000010 795002518 000010 | 0.10 | SBI | 2021-22 |
| 64 | 13-04-2021 | Apr-21 | BY CLEARING /UNI 795027003-466432 795002518 466432 | 0.11 | SBI | 2021-22 |
| 65 | 13-04-2021 | Apr-21 | BY CLEARING /795614005-116740 795002518 116740 | 0.19 | SBI | 2021-22 |
| 66 | 13-04-2021 | Apr-21 | BY CLEARING /AXS 795211002-174415 795002518 174415 | 0.21 | SBI | 2021-22 |
| 67 | 26-04-2021 | Apr-21 | BY CLEARING /795614006-102429 795002518 102429 | 0.30 | SBI | 2021-22 |
| 68 | 26-07-2021 | Jul-21 | BY CLEARING /795614005-156945 795002518 156945 | 0.19 | SBI | 2021-22 |
| 69 | 01-10-2021 | Oct-21 | BY CLEARING /BOI 795013002-074409 795002004 074409 | 0.04 | SBI | 2021-22 |
| 70 | 07-10-2021 | Oct-21 | BY CLEARING /UNI 795027005-164108 795002002 164108 | 0.09 | SBI | 2021-22 |
| 71 | 27-10-2021 | Oct-21 | BY CLEARING /795614005-156949 795002002 156949 | 0.19 | SBI | 2021-22 |
| 72 | 04-11-2021 | Nov-21 | BY CLEARING /AXS 795211003-085559 795002002 085559 | 8.78 | SBI | 2021-22 |
| 73 | 14-02-2022 | Feb-22 | BY CLEARING /PNB 795024004-523170 795002518 523170 | 15.10 | SBI | 2021-22 |
| | | | **Total** | **1,607.76** | | |

## Appendix 2.7

***(Reference: Paragraph 2.2.12.4)***

### Details of cheque/DD/PFMS entered in the cheque receipt register which were not reflected in the bank statement

***(₹ in lakh)***

| Sl. No. | Bank | Cheque /DD | Date | Amount | Name of the Department (Central & State)/Public Sector & Private Sector |
|---|---|---|---|---|---|
| 1 | Bank of India | 30223 | | 0.67 | M/s GD Engineers, Sagolband Thangjam Leirak, Imphal West |
| 2 | Syndicate Bank | 069997 | 25-04-2019 | 62.48 | National Highways & Infrastructure Development Corporation Ltd. |
| 3 | SBI | 813336 | 03-05-2019 | 0.07 | Power Grid Corporation of India Ltd. |
| 4 | Axis Bank | 489467 | 11-03-2019 | 10.28 | Finance Controller, SSA, State Mission Authority, Manipur |
| 5 | SBI | 33034 | 22-05-2019 | 0.25 | Executive Engineer, Flood Control & Drainage Division No. II |
| 6 | SBI | 963011 | 30-03-2019 | 10.59 | National Projects Construction Corporation Limited |
| 7 | SBI | 320805 | 25-04-2019 | 7.97 | Garrison Engineer |
| 8 | SBI | 320816 | 25-05-2019 | 4.85 | Garrison Engineer |
| 9 | MRB | 135737 | 02-07-2019 | 0.12 | Kshetrigao CD Block |
| 10 | MRB | 149870 | 02-07-2019 | 0.20 | Kshetrigao CD Block |
| 11 | MRB | 127210 | 28-06-2019 | 0.06 | Kshetrigao CD Block |
| 12 | MRB | 143629 | 28-06-2019 | 0.15 | Kshetrigao CD Block |
| 13 | SBI | 320840 | 23-08-2019 | 2.19 | Garrison Engineer |
| 14 | Bank of Baroda | 000005 | 12-11-2019 | 0.11 | Patsoi CD Block-Moidangpok GP |
| 15 | Indian Overseas Bank | 173597 | 13-11-2019 | 0.10 | Patsoi CD Block-Takyel GP |
| 16 | SBI | *488883* | 04-12-2019 | 0.13 | MedaInfrastructurer, Shillong by Reliance Corporate IT Park Ltd. |
| 17 | UBI | 724135 | 20-12-2019 | 0.12 | Haorangsabal CD Block |
| 18 | UBI | 103351 | 20-12-2019 | 0.10 | Haorangsabal CD Block-Phumlou GP |
| 19 | SBI | 693361 | 13-01-2020 | 0.06 | SHQ BSF CI (OPS), Manipur |
| 20 | MRB | 104768 | 25-10-2019 | 0.13 | Wangoi CD Block |
| 21 | UCO | 000016 | 25-10-2019 | 0.13 | Wangoi CD Block |
| 22 | Indian Overseas Bank | 028828 | 29-01-2020 | 0.01 | Horticulture & Soil Conservation, Tamenglong |
| 23 | Axis Bank | 031139 | 30-01-2020 | 0.15 | M/S Maibam Boudhajit Singh |
| 24 | Indian Overseas Bank | 028827 | 09-12-2020 | 0.06 | Horticulture & Soil Conservation, Tamenglong |
| 25 | SBI | 893178 | 14-02-2020 | 1.31 | HQ 25 Border Roads Task Force |
| 26 | UBI | 248634 | 21-10-2019 | 0.10 | Sawongbung CD Block |
| 27 | Induslnd | 026600 | 19-03-2020 | 2.96 | NPCC |

| Sl. No. | Bank | Cheque /DD | Date | Amount | Name of the Department (Central & State)/Public Sector & Private Sector |
|---|---|---|---|---|---|
| 28 | PNB | 267730 | 28-02-2020 | 0.56 | HSCC (India) Limited. |
| 29 | PNB | 267651 | 12-02-2020 | 1.47 | HSCC (India) Limited. |
| 30 | Bank of Baroda | 000003 | 29-06-2020 | 0.27 | Haorangsabal CD Block |
| 31 | Central Bank | 035144 | 29-06-2020 | 0.15 | Haorangsabal CD Block |
| 32 | Bank of Baroda | 000020 | 26-06-2020 | 0.11 | Haorangsabal CD Block |
| 33 | UBI | 726825 | 29-06-2020 | 0.12 | Haorangsabal CD Block |
| 34 | Central Bank | 035106 | 29-06-2020 | 0.11 | Haorangsabal CD Block |
| 35 | UBI | 542329 | 29-06-2020 | 0.13 | Haorangsabal CD Block |
| 36 | UBI | 798423 | 29-06-2020 | 0.14 | Haorangsabal CD Block |
| 37 | Bank of Baroda | 000004 | 29-06-2020 | 0.13 | Haorangsabal CD Block |
| 38 | UBI | 482974 | 29-06-2020 | 0.19 | Haorangsabal CD Block |
| 39 | PNB | 872695 | 28-09-2020 | 0.13 | Keirao Bitra CD Block |
| 40 | PNB | 872694 | 28-09-2020 | 0.11 | Keirao Bitra CD Block |
| 41 | PFMS | | 20-06-2020 | 0.27 | Heingang CD Block |
| 42 | PFMS | | 31-08-2020 | 0.27 | Heingang CD Block |
| 43 | Bank of Baroda | 2032350320 | 18-11-2020 | 0.13 | Planning & Development Authority |
| 44 | Voucher[1] | | 27-01-2021 | 0.33 | Kshetrigao CD Block |
| 45 | PNB | 268390 | 25-11-2020 | 0.65 | HSCC (India) Limited. |
| 46 | UBI | 466432 | 23-03-2021 | 0.11 | BDO Patsoi CD Block |
| 47 | Punjab & Sind Bank | 10 | 23-03-2021 | 0.10 | BDO Patsoi CD Block |
| 48 | UBI | 257735 | 23-03-2021 | 0.21 | District Officer, Horticulture & Soil Conservation, Thoubal |
| 49 | HDFC | 17669 | 06-03-2021 | 0.18 | Ex-Officio Project Officer, MIDH (HSSC), Thoubal |
| 50 | | 495411 | 04-05-2021 | 8.05 | Loktak Power Station, NHPC |
| 51 | | RTGS | 25-08-2021 | 3.08 | PDA, Manipur |
| 52 | SBI | 905781 | 24-07-2021 | 1.49 | Garrison Engineer |
| 53 | SBI | 746254 | 06-09-2021 | 0.09 | BDO Heingang CD Block |
| 54 | SBI | 938921 | 27-11-2021 | 0.75 | Executive Engineer, Thoubal, PWD |
| 55 | PNB | 269245 | 03-11-2021 | 3.18 | HSCC (India) Ltd |
| 56 | SBI | 248496 | 18-09-2021 | 0.16 | BDO Heingang CD Block |
| 57 | | | | 0.09 | BDO Heingang CD Block |

[1] FFC/2020-21/P/16

| Sl. No. | Bank | Cheque /DD | Date | Amount | Name of the Department (Central & State)/Public Sector & Private Sector |
|---|---|---|---|---|---|
| 58 | SBI | 754364 | 06-12-2021 | 1.30 | Airport Authority of India, Imphal |
| 59 | SBI | 757182 | 23-09-2021 | 1.12 | Samagra Shiksha SIS Manipur |
| 60 | PNB | 269317 | 13-12-2021 | 4.11 | HSCC (India) Ltd |
| 61 | | | (Entry date) 05-01-2022 | 0.56 | Director, YAS |
| 62 | | BARBU213610 20345 | 27-12-2021 | 4.26 | PDA, Manipur |
| 63 | SBI | | 04-02-2022 | 3.54 | PDA, Manipur |
| | | | **Total** | **143.00** | |

## Appendix 2.8

*(Reference: Paragraph 2.2.12.6)*

**Short realization of Registration and Renewal fee**

*(₹ in crore)*

| Sl. No. | Year | Number of Beneficiaries Registered | Registration and Renewal fee during 2017-18 to 2021-22 | Amount to be realized |
|---|---|---|---|---|
| 1 | 2010-11 | 477 | 600 | 0.03 |
| 2 | 2011-12 | 2,399 | 600 | 0.14 |
| 3 | 2012-13 | 1,311 | 600 | 0.08 |
| 4 | 2013-14 | 5,493 | 600 | 0.33 |
| 5 | 2014-15 | 12,108 | 600 | 0.73 |
| 6 | 2015-16 | 17,629 | 600 | 1.06 |
| 7 | 2016-17 | 37,010 | 600 | 2.22 |
| 8 | 2017-18 | 16,419 | 650 | 1.07 |
| 9 | 2018-19 | 6,297 | 530 | 0.33 |
| 10 | 2019-20 | 14,760 | 410 | 0.61 |
| 11 | 2020-21 | 5,366 | 290 | 0.16 |
| 12 | 2021-22 | 912 | 170 | 0.01 |
| **Total** | | **1,20,181** | | **6.77** |
| | | | **Amount deposited during 2017-22** | **2.63** |
| | | | **Short Realisation** | **4.14** |

*Source: Departmental Record.*

Calculation of Registration and Renewal fee:

1. For the year 2010-11 to 2016-17: Renewal fee ₹ 10 per month X 12 X 5 (2017-18 to 2021-22) = ₹ 600
2. 2017-18: Registration fee ₹ 50 + Renewal fee ₹ 10 per month X 12 X 5 (2017-18 to 2021-22) = ₹ 650
3. 2018-19: Registration fee ₹ 50 + Renewal fee ₹ 10 per month X 12 X 4 (2018-19 to 2021-22) = ₹ 530
4. 2019-20: Registration fee ₹ 50 + Renewal fee ₹ 10 per month X 12 X 3 (2019-20 to 2021-22) = ₹ 410
5. 2020-21: Registration fee ₹ 50 + Renewal fee ₹ 10 per month X 12 X 2 (2020-21 to 2021-22) = ₹ 290
6. 2021-22: Registration fee ₹ 50 + Renewal fee ₹ 10 per month X 12 X 1 (2021-22) = ₹ 170

## Appendix 2.9

*(Reference: Paragraph 2.2.12.7)*

**Labour Cess money collected by State Government**

*(₹ in crore)*

| Sl. No. | Year | Amount | Amount to be released to the Welfare Board |
|---|---|---|---|
| *(1)* | *(2)* | *(3)* | *(4) [(99% of (3)]* |
| 1 | 2010-11 | 0.00 | 0.00 |
| 2 | 2011-12 | 0.77 | 0.76 |
| 3 | 2012-13 | 16.14 | 15.98 |
| 4 | 2013-14 | 12.46 | 12.34 |
| 5 | 2014-15 | 19.73 | 19.53 |
| 6 | 2015-16 | 14.52 | 14.37 |
| 7 | 2016-17 | 15.70 | 15.54 |
| 8 | 2017-18 | 17.00 | 16.83 |
| 9 | 2018-19 | 2.43 | 2.41 |
| 10 | 2019-20 | 2.51 | 2.48 |
| 11 | 2020-21 | 0.70 | 0.69 |
| 12 | 2021-22 | 0.22 | 0.22 |
| **Total** | | **102.18** | **101.15** |

## Appendix 2.10

### *(Reference: Paragraph 2.2.14.4 (b))*

### List of vehicles of the Board

***(₹ in lakh)***

| Sl. No. | Type of Vehicle | Registration No. | Cheque No. | Date | Amount | Allotted to |
|---|---|---|---|---|---|---|
| 1 | Gypsy Hard Top | MN01AK 7764 | 951413[2] | 11-08-16 | 6.17 | Chairperson/MBOCWB |
| 2 | Omni E | MN06LA 1852 | 951257 | 24-06-17 | 3.52 | Chairperson/MBOCWB |
| 3 | Omni E | MN06LA 1853 | | | 3.52 | Board Office |
| 4 | Tata Hexa | Not yet allotted | 951259 | 24-06-17 | 17.35 | Minister/ Labour & Employment |
| 5 | Safari Storme | | | | 16.61 | Chairperson/MBOCWB |
| **Total** | | | | | **47.17** | |

*Source: Departmental records*

## Appendix 2.11

### *(Reference: Paragraph 2.2.15.3)*

### Excess payment due to payment to same registration number twice/thrice

***(Amount in ₹)***

| Benefit Amount (A) | Count of Registration number (B) | Frequency (C) | Excess Payment= (C-1) X (A) X (C) |
|---|---|---|---|
| 5,000 | 45 | 2 | 2,25,000 |
| 7,500 | 3 | 2 | 22,500 |
| 10,000 | 369 | 2 | 36,90,000 |
| 10,000 | 1 | 3 | 20,000 |
| 12,500 | 11 | 2 | 1,37,500 |
| 15,000 | 3 | 2 | 45,000 |
| 17,500 | 1 | 2 | 17,500 |
| 37,500 | 4 | 2 | 1,50,000 |
| 42,500 | 2 | 2 | 85,000 |
| **Total** | | | **43,92,500** |

*Source: Departmental Records*

[2] SBI Porompat

## Appendix 2.12

***(Reference: Paragraph 2.2.15.4)***

### Summary of excess payment

***(Amount in ₹)***

| Benefit Amount (A) | Frequency of A/c No. (B) | No. of individual A/c No. (C) | Excess Amount (B-1) X (A) X (C) |
|---|---|---|---|
| 5,000 | 2 | 61 | 3,05,000 |
| 7,500 | 2 | 4 | 30,000 |
| 10,000 | 2 | 355 | 35,50,000 |
| 10,000 | 3 | 5 | 1,00,000 |
| 10,000 | 4 | 1 | 30,000 |
| 12,500 | 2 | 10 | 1,25,000 |
| 15,000 | 2 | 2 | 30,000 |
| 17,500 | 2 | 2 | 35,000 |
| 20,000 | 2 | 1 | 20,000 |
| 37,500 | 2 | 3 | 1,12,500 |
| 42,500 | 2 | 1 | 42,500 |
| **Total** | | **445** | **43,80,000** |

*Source: Departmental Records.*

## Appendix 2.13

***(Reference: Paragraph 2.2.15.5)***

### District wise distribution of welfare benefits

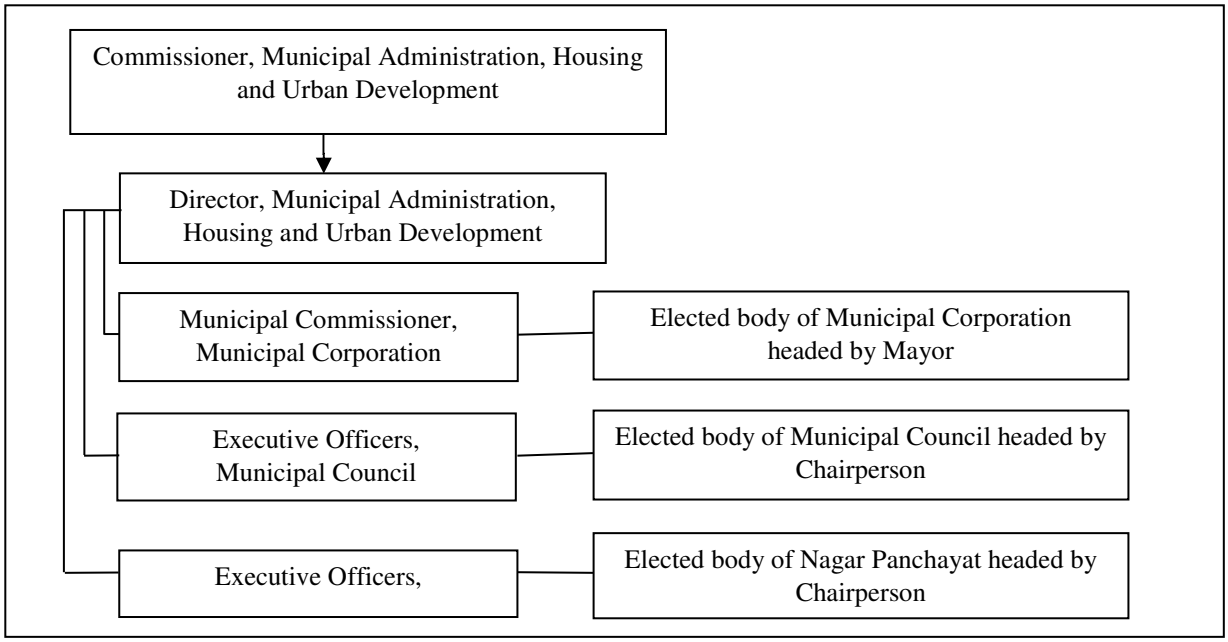
| District | Accidental | Education | Maternity | Medical | Natural Death | Skill Development | Tools | Total | Percentage |
|---|---|---|---|---|---|---|---|---|---|
| Bishnupur | 11 | 4,722 | 14 | 533 | 44 | 2,824 | 551 | 8,699 | **17.75** |
| Chandel | 0 | 224 | 0 | 11 | 2 | 113 | 0 | 350 | **0.71** |
| Churachandpur | 0 | 106 | 2 | 17 | 4 | 36 | 0 | 165 | **0.34** |
| Imphal East | 8 | 5,504 | 11 | 415 | 55 | 5,148 | 1,309 | 12,450 | **25.41** |
| Imphal West | 5 | 5,576 | 17 | 763 | 94 | 8,217 | 1,724 | 16,396 | **33.46** |
| Jiribam | 0 | 0 | 0 | 0 | 0 | 23 | 0 | 23 | **0.05** |
| Kangpokpi | 0 | 0 | 1 | 1 | 0 | 0 | 8 | 10 | **0.02** |
| Senapati | 0 | 2,380 | 41 | 61 | 14 | 88 | 25 | 2,609 | **5.32** |
| Tamenglong | 0 | 50 | 0 | 8 | 0 | 561 | 1 | 620 | **1.27** |
| Tengnoupal | 0 | 0 | 0 | 0 | 0 | 36 | 2 | 38 | **0.08** |
| Thoubal | 4 | 3,006 | 9 | 240 | 24 | 3,051 | 706 | 7,040 | **14.37** |
| Ukhrul | 0 | 350 | 4 | 17 | 1 | 212 | 12 | 596 | **1.22** |
| **Grand Total** | **28** | **21,918** | **99** | **2,066** | **238** | **20,309** | **4,338** | **48,996** | |

*Source: Departmental record*

## Appendix 2.14

***(Reference: Paragraph 2.3.2)***

**Organisational setup at State level and Local Body level with linkage between the administrative setup and elected body of ULBs in the State**



# Appendix 2.15

*(Reference: Paragraph 2.3.6)*

## List of ULBs and selected ULBs for Performance Audit

| Sl. No. | District | Name of ULB | Selected ULBs for Performance Audit |
|---|---|---|---|
| 1 | Imphal West | Imphal Municipal Corporation | Selected |
| 2 | | Samurou Municipal Council | Selected |
| 3 | | Wangoi Municipal Council | |
| 4 | | Mayang Imphal Municipal Council | |
| 5 | | Thongkhong Laxmi Municipal Council | |
| 6 | | Lilong (I/W) Municipal Council | |
| 7 | | Sekmai Municipal Council | |
| 8 | | Lamshang Municipal Council | |
| 9 | Imphal East | Andro Municipal Council | Selected |
| 10 | | Yairipok Municipal Council | |
| 11 | | Lamlai Municipal Council | |
| 12 | Bishnupur | Bishnupur Municipal Council | Selected |
| 13 | | Ningthoukhong Municipal Council | |
| 14 | | Kwakta Municipal Council | |
| 15 | | Moirang Municipal Council | |
| 16 | | Kumbi Municipal Council | |
| 17 | | Oinam Municipal Council | |
| 18 | | Nambol Municipal Council | |
| 19 | Thoubal | Thoubal Municipal Council | Selected |
| 20 | | Wangjing Lamdeng Municipal Council | |
| 21 | | Sikhong Sekmai Municipal Council | |
| 22 | | Lilong (Thoubal) Municipal Council | |
| 23 | | Heirok Municipal Council | |
| 24 | Kakching | Kakching Municipal Council | Selected |
| 25 | | Kakching Khunou Municipal Council | |
| 26 | | Sugnu Municipal Council | |
| 27 | Jiribam | Jiribam Municipal Council | Selected |

*Source: Departmental records*

# Appendix 2.16

## *(Reference: Paragraph 2.3.8.2)*

## Details of ULB wise expenditure on SWM

*(₹ in crore)*

| Year | Funds received | Expenditure on SWM | Percentage of Expenditure on SWM |
|---|---|---|---|
| Andro MC | | | |
| 2018-19 | 2.82 | 0.02 | 0.71 |
| 2019-20 | 2.76 | 0.23 | 8.32 |
| 2020-21 | 1.91 | 0.58 | 30.17 |
| 2021-22 | 1.08 | 0.71 | 66.03 |
| **Sub Total** | **8.57** | **1.54** | **17.97** |
| Samurou MC | | | |
| 2018-19 | 8.30 | 0.70 | 8.42 |
| 2019-20 | 9.81 | 1.92 | 19.52 |
| 2020-21 | 3.95 | 1.59 | 40.23 |
| 2021-22 | 2.10 | 1.22 | 58.27 |
| **Sub Total** | **24.16** | **5.43** | **22.48** |
| Jiribam MC | | | |
| 2018-19 | 1.39 | 0.70 | 50.37 |
| 2019-20 | 1.38 | 0.66 | 48.18 |
| 2020-21 | 1.81 | 0.25 | 13.69 |
| 2021-22 | 1.23 | 0.06 | 4.77 |
| **Sub Total** | **5.81** | **1.67** | **28.74** |
| Thoubal MC | | | |
| 2018-19 | 21.55 | 0.32 | 1.50 |
| 2019-20 | 14.33 | 0.38 | 2.65 |
| 2020-21 | 11.17 | 0.50 | 4.51 |
| 2021-22 | 6.04 | 0.37 | 6.11 |
| **Sub Total** | **53.09** | **1.57** | **2.96** |
| Kakching MC | | | |
| 2018-19 | 8.56 | 0.14 | 1.60 |
| 2019-20 | 3.21 | 0.90 | 28.00 |
| 2020-21 | 6.05 | 0.96 | 15.79 |
| 2021-22 | 4.02 | 1.01 | 25.12 |
| **Sub Total** | **21.84** | **3.01** | **13.78** |
| Bishnupur MC | | | |
| 2018-19 | 3.28 | 0.61 | 18.62 |
| 2019-20 | 7.56 | 0.63 | 8.32 |
| 2020-21 | 5.46 | 0.88 | 16.09 |
| 2021-22 | 2.55 | 0.19 | 7.51 |
| **Sub Total** | **18.85** | **2.31** | **12.25** |
| Imphal MC | | | |
| 2018-19 | 15.77 | 1.08 | 6.81 |
| 2019-20 | 42.17 | 0.85 | 2.01 |
| 2020-21 | 64.69 | 0.76 | 1.18 |
| 2021-22 | 46.46 | 1.15 | 2.48 |
| **Sub Total** | **169.09** | **3.84** | **2.27** |
| **Total** | **301.41** | **19.37** | **6.43** |

# Annexure 2.17

## *(Reference: Paragraph 2.3.8.4)*

## Statement showing month-wise retention of cash balances (MAHUD)

*(₹ in crore)*

| Month | Cash Balance | Cash Book Page No. |
|---|---|---|
| March 2013 | 2.10 | 1 |
| | 2.77 | 11 |
| April 2013 | 4.01 | 13 |
| May 2013 | 3.95 | 14 |
| June 2013 | 2.27 | 16 |
| July 2013 | 2.25 | 17 |
| August 2013 | 2.14 | 20 to 27 |
| September 2013 | | |
| October 2013 | | |
| November 2013 | | |
| December 2013 | | |
| January 2014 | | |
| February 2014 | | |
| March 2014 | 2.14 | 35 |
| April 2014 | | 36 |
| May 2014 | 2.12 | 37 |
| June 2014 | 2.08 | 38 to 41 |
| July 2014 | | |
| August 2014 | | |
| September 2014 | 2.07 | 44 to 46 |
| October 2014 | 2.06 | 47 |
| November 2014 | 2.01 | 48 to 49 |
| December 2014 | | |
| January 2015 | 1.99 | 50 to 69 |
| February 2015 | | |
| March 2015 | | |
| April 2015 | | |
| May 2015 | | |
| June 2015 | | |
| July 2013 | | |
| August 2015 | | |
| September 2015 | | |
| October 2015 | | |
| November 2015 | | (CB.P/69) |
| December 2016 | 1.94 | (CB.P/71) |
| January 2016 | 1.93 | (CB.P/72) |
| February 2016 | | (CB.P/73) |
| March 2016 | | (CB.P/82) |
| April 2016 | | (CB.P/74-83) |
| May 2016 | | |
| June 2016 | | |
| July 2016 | | |

| Month | Cash Balance | Cash Book Page No. |
|---|---|---|
| August 2016 | 1.92 | (CB.P/84 to 99) |
| September 2016 | | |
| October 2016 | | |
| November 2016 | | |
| December 2016 | | |
| January 2017 | | |
| February 2017 | | |
| March 2017 | | |
| April 2017 | | |
| May 2017 | | |
| June 2017 | | |
| July 2017 | 1.91 | 101 to 110 |
| August 2017 | | |
| September 2017 | | |
| October 2017 | | |
| November 2017 | | |
| December 2017 | | |
| January 2018 | | |
| February 2018 | | |
| March 2018 | 3.90 | 119 |
| April 2018 | | |
| May 2018 | 1.95 | 119 to 120 |
| June 2018 | | |
| July 2018 | 1.96 | 121-128 |
| August 2018 | | |
| September 2018 | | |
| October 2018 | | |
| November 2018 | | |
| December 2018 | | |
| January 2019 | | |
| February 2019 | | |
| March 2019 | 1.95 | 137 |
| April 2019 | | |
| May 2019 | | |
| June 2019 | | |
| July 2019 | 1.95 | 138 to 147 |
| August 2019 | | |
| September 2019 | | |
| October 2019 | | |
| November 2019 | | |
| December 2019 | | |
| January 2020 | 1.95 | 148 to 150 |
| February 2020 | | |
| March 2020 | 1.95 | 155 to 161 |

| Month | Cash Balance | Cash Book Page No. |
|---|---|---|
| April 2020 | | |
| May 2020 | | |
| June 2020 | | |
| July 2020 | | |
| August 2020 | | |
| September 2020 | | |
| October 2020 | 1.95 | 162 |
| November 2020 | | |
| December 2020 | 1.95 | 165 |
| January 2021 | | |
| February 2021 | 1.98 | 166 |
| March 2021 | 1.94 | 174 |
| April 2021 | | 174 |
| May 2021 | | 175 |
| June 2021 | | 175 |
| July 2021 | | 176 |
| August 2021 | | 177 |
| September 2021 | | 178 |
| October 2021 | | 179 |
| | | |
| November 2021 | | 180 |
| December 2021 | | 182 |
| January 2022 | | 182 |
| February 2022 | | 183 |
| March 2022 | | 188 |
| April 2022 | | 190 |
| May 2022 | 2.09 | 191 |
| June 2022 | | 192 |
| July 2021 | 1.94 | 194 |
| August 2022 | | 194 |
| September 2022 | | 195 |
| October 2021 | | 196 |
| November 2022 Last entry in CB | 2.01 | 198 |
| Not updated from December onwards | | |

*Source: Departmental records.*

# Annexure 2.18

## *(Reference: Paragraph 2.3.8.4)*
## Statement showing closing balance at the end of each month (MUDA)

*(₹ in crore)*

| Sl. No. | Month | Balance | Cash Book Page. |
|---|---|---|---|
| 01. | Oct 2014 | 9.96 | 1 of No. 9 |
| 02. | Oct 2014 | 9.97 | 7 of No. 9 |
| 03. | Nov 2014 | 9.82 | 11 of No. 9 |
| 04. | Dec 2014 | 8.20 | 20 of No. 9 |
| 05. | Jan 2015 | 8.05 | 30 of No. 9 |
| 06. | Feb 2015 | 8.21 | 40 of No. 9 |
| 07. | Mar 2015 | 15.86 | 54 of No. 9 |
| 08. | Apr 2015 | 28.97 | 59 of No. 9 |
| 09. | May 2015 | 28.81 | 67 of No. 9 |
| 10. | Jun 2015 | 28.84 | 75 of No. 9 |
| 11. | Jul 2015 | 28.03 | 88 of No. 9 |
| 12. | Aug 2015 | 27.66 | 102 of No. 9 |
| 13. | Sep 2015 | 27.39 | 111 of No. 9 |
| 14. | Oct 2015 | 27.28 | 117 of No. 9 |
| 15. | Nov 2015 | 26.56 | 129 of No. 9 |
| 16. | Dec 2015 | 26.55 | 137 of No. 9 |
| 17. | Jan 2016 | 26.34 | 149 of No. 9 |
| 18. | Feb 2016 | 26.15 | 158 of No. 9 |
| 19. | Mar 2016 | 27.04 | 172 of No. 9 |
| 20. | Apr 2016 | 33.17 | 180 of No. 9 |
| 21. | May 2016 | 33.10 | 185 of No. 9 |
| 22. | Jun 2016 | 32.79 | 197 of No. 9 |
| 23. | Jul 2016 | 32.52 | 204 of No. 9 |
| 24. | Aug 2016 | 32.44 | 02 of No. 10 |
| 25. | Sep 2016 | 32.45 | 13 of No. 10 |
| 26. | Oct 2016 | 31.81 | 25 of No. 10 |
| 27. | Nov 2016 | 31.82 | 31 of No. 10 |
| 28. | Dec 2016 | 31.96 | 38 of No. 10 |
| 29. | Jan 2017 | 31.62 | 53 of No. 10 |
| 30. | Feb 2017 | 31.60 | 57 of No. 10 |
| 31. | Mar 2017 | 30.61 | 72 of No. 10 |
| 32. | Apr 2017 | 31.45 | 80 of No. 10 |
| 33. | May 2017 | 35.74 | 87 of No. 10 |
| 34. | Jun 2017 | 34.54 | 104 of No. 10 |
| 35. | Jul 2017 | 34.53 | 111 of No. 10 |
| 36. | Aug 2017 | 32.88 | 128 of No. 10 |
| 37. | Sep 2017 | 34.34 | 135 of No. 10 |
| 38. | Oct 2017 | 27.96 | 144 of No. 10 |
| 39. | Nov 2017 | 27.41 | 153 of No. 10 |
| 40. | Dec 2017 | 26.59 | 167 of No. 10 |
| 41. | Jan 2018 | 25.77 | 183 of No. 10 |
| 42. | Feb 2018 | 24.45 | 195 of No. 10 |
| 43. | Mar 2018 | 22.25 | 223 of No. 10 |
| 44. | Apr 2018 | 27.11 | 234 of No. 10 |
| 45. | May 2018 | 24.25 | 248 of No. 10 |
| 46. | Jun 2018 | 24.32 | 261 of No. 10 |
| 47. | Jul 2018 | 24.25 | 261of No. 10 |
| 48. | Aug 2018 | 23.29 | 283 of No. 10 |
| 49. | Sep 2018 | 20.69 | 18 of No. 11 |
| 50. | Oct 2018 | 20.48 | 30 of No. 11 |
| 51. | Nov 2018 | 19.13 | 44 of No. 11 |
| 52. | Dec 2018 | 18.67 | 55 of No. 11 |
| 53. | Jan 2019 | 15.52 | 62 of No. 11 |
| 54. | Feb 2019 | 14.46 | 70 of No. 11 |
| 55. | Mar 2019 | 13.10 | 95 of No. 11 |
| 56. | Apr 2019 | 36.02 | 102 of No. 11 |
| 57. | May 2019 | 36.87 | 115 of No. 11 |
| 58. | Jun 2019 | 32.28 | 129 of No. 11 |
| 59. | Jul 2019 | 30.26 | 140 of No. 11 |
| 60. | Aug 2019 | 18.79 | 162 of No. 11 |
| 61. | Sep 2019 | 15.86 | 176 of No. 11 |
| 62. | Oct 2019 | 16.31 | 189 of No. 11 |
| 63. | Nov 2019 | 15.61 | 194 of No. 11 |
| 64. | Dec 2019 | 15.28 | 205 of No. 11 |
| 65. | Jan 2020 | 17.80 | 217 of No. 11 |
| 66. | Feb 2020 | 16.99 | 233 of No. 11 |
| 67. | Mar 2020 | 21.93 | 245 of No. 11 |
| 68. | Apr 2020 | 21.70 | 266 of No. 11 |
| 69. | May 2020 | 21.47 | 266 of No. 11 |
| 70. | Jun 2020 | 21.90 | 275 of No. 11 |
| 71. | Jul 2020 | 20.87 | 293 of No. 11 |
| 72. | Aug 2020 | 20.37 | 302 of No. 11 |
| 73. | Sep 2020 | 19.46 | 313 of No. 11 |
| 74. | Oct 2020 | 19.17 | 323 of No. 11 |
| 75. | Nov 2020 | 17.32 | 335 of No. 11 |
| 76. | Dec 2020 | 17.39 | 345 of No. 11 |
| 77. | Jan 2021 | 16.46 | 361 of No. 11 |
| 78. | Feb 2021 | 18.14 | 13 of No.12 |
| 79. | Mar 2021 | 21.11 | 44 of No.12 |
| 80. | Apr 2021 | 19.68 | 66 of No.12 |
| 81. | May 2021 | 19.71 | 69 of No.12 |
| 82. | Jun 2021 | 19.26 | 80 of No.12 |
| 83. | Jul 2021 | 18.65 | 89 of No.12 |
| 84. | Aug 2021 | 18.06 | 104 of No.12 |
| 85. | Sep 2021 | 17.06 | 114 of No.12 |
| 86. | Oct 2021 | 16.04 | 126 of No.12 |
| 87. | Nov 2021 | 17.49 | 148 of No.12 |
| 88. | Dec 2021 | 17.18 | 166 of No.12 |
| 89. | Jan 2022 | 20.28 | 191 of No.12 |
| 90. | Feb 2022 | 21.31 | 233 of No.12 |
| 91. | Mar 2022 | 44.87 | 275 of No.12 |

*Source: Departmental records.*

## Appendix 2.19

***(Reference: Paragraph 2.3.14.1)***

### Statement showing Idle Outlay due to constructions without requirement

***(₹ in lakh)***

| Sl. No. | Name of work | Amount |
|---|---|---|
| 1. | Construction of a Common Segregation Shed & Composting Pit at Mutum Leirak, Haoreibi Awang Leikai, Ward No.1 (for Ward Nos. 1,2 & 3). | 24.37 |
| 2. | Construction of a Common Segregation Shed & Composting Pit at Nganglou Lampak, Haoreibi Makha Leikai (for Ward Nos. 9,10 & 11) | |
| 3. | Construction of Segregation (3rd Portion) at the Eastern Side of Samurou Market near Municipal Council Office. | |
| 4. | Solid Waste Management (Temporary Dumpsite Management) | 1.05 |
| 5. | Construction of a Common Segregation Shed & Composting Pit at Naorem Chaprou Maning, Ward No.7 (for Ward Nos. 5, 6 & 7). (1st Portion) | 9.75 |
| 6. | Construction of a Common Segregation Shed & Composting Pit at Naorem Chaprou Maning, Ward No.7 (for Ward Nos. 5, 6 & 7). (2nd Portion) | |
| 7. | Construction of a Common Segregation Shed & Composting Pit near Dam Makhong, Oinam Sawombung (W-8). | 9.75 |
| 8. | Construction of a Common Segregation Shed & Composting Pit at Samurou Makha Leikai, Ward No.6 | 11.00 |
| | **Total** | **55.92** |

*Source: Departmental records.*

## Appendix 2.20

***(Reference: Paragraph 2.3.14.1)***

### Statement showing non-utilisation of services which resulted in Idle Outlay

***(₹ in lakh)***

| Sl. No. | Name of Work | Sanctioned Amount | Tendered amount | Amount paid to contractor |
|---|---|---|---|---|
| 1. | Construction of Sanitary Vehicle Shed at Dumping side of Thoubal Khunou. | 27.07 | 21.19 | 21.19 |
| 2. | Due portion of Faecal Sludge Treatment Plan | 22.13 | 17.07 | 17.07 |
| 3. | Construction of Secondary Storages for non-biodegradable waste at the campus of Composting Plant, Thoubal Khunou | 10.90 | 8.53 | 8.53 |
| 4. | Construction of Retaining wall due portion of Composting Plant (northern back side) | 19.91 | 15.36 | 15.36 |
| 5. | Construction of checking gate No. 1 of Dumpsite. | 3.68 | 2.84 | 2.84 |
| 6. | Construction of checking gate No.2 of Dumpsite. | 3.68 | 2.84 | 2.84 |
| 7. | Construction of Ring Band and earth filling at the site adjoining the retaining wall of the ongoing faecal sludge treatment plant project. | 8.97 | 6.90 | 8.97 |
| 8. | Construction of RCC Retaining Wall at Northern Side of Faecal Sludge Treatment Plant at Thoubal Khunou Dumpsite (18.50 m) | 14.91 | 11.46 | 11.46 |
| 9. | Construction of Composting Plant due portion (Composting work) at Thoubal Khunou. | 7.48 | 5.75 | 5.75 |
| | | | **Total** | **94.01** |

*Source: Departmental records.*

# Appendix 2.21

***(Reference: Paragraph 2.3.18)***

## SLB performance indicators and benchmarks pertaining to SWM

| Sl. No. | Performance Indicator | Unit as percentage of | Benchmark (in %) |
|---|---|---|---|
| 1 | Household level coverage of SWM services | Households and establishments covered by daily doorstep collection system | 100 |
| 2 | Efficiency of collection of municipal solid waste | Total waste collected against waste generated within the project area | 100 |
| 3 | Extent of segregation of municipal solid waste | Households and establishments that segregate their waste | 100 |
| 4 | Extent of municipal solid waste recovered | Quantum of waste collected, which is either recycled or processed | 80 |
| 5 | Extent of scientific disposal of municipal solid waste | Waste disposed in a sanitary landfill against total quantum of waste disposed in landfills and dumpsites | 100 |
| 6 | Extent of cost recovery in SWM Services | Recovery of all operating expenses related to MSWM services that the ULB is able to meet from the operating revenues of sources related exclusively to MSWM | 100 |
| 7 | Efficiency in redressal of customer complaints | Total number of MSWM related complaints resolved against total number of MSWM complaints received within 24 hours | 80 |
| 8 | Efficiency in collection of SWM user charges | Current year revenues collected against total operating revenues for the corresponding period | 90 |

*Source: MoUD website*

## Appendix 2.22

*(Reference: Paragraph 2.3.18)*

### Status of achievements (2021-22) of the test-checked ULBs *vis-à-vis* targets fixed and benchmarks

*(Figures in per cent)*

| Sl. No. | Indicator | Benchmark | IMC | | SMC | | JMC | | KMC | | BMC | | TMC | | AMC | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Target | Achievement as on March 2022 | Target | Achievement as on March 2022 | Target | Achievement as on March 2022 | Target | Achievement as on March 2022 | Target | Achievement as on March 2022 | Target | Achievement as on March 2022 | Target | Achievement as on March 2022 |
| 1 | Household level coverage of SWM services | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 2 | Efficiency of MSW collection | 100 | 100 | 85 | 82 | 77 | 100 | 100 | 100 | 80 | 75 | 70 | 100 | 100 | 90 | 79 |
| 3 | Extent of MSW segregation | 100 | 100 | 39 | 55 | 50 | 100 | 100 | 100 | 100 | 80 | 75 | 100 | 60 | 100 | 96 |
| 4 | Extent of recovered MSW | 80 | 80 | 70 | 2.6 | 1.6 | 100 | 100 | 80 | 40 | 78 | 70 | 80 | 40 | 50 | 35 |
| 5 | Extent of scientific disposal of MSW | 100 | 100 | 85 | 100 | 100 | 100 | 100 | 80 | 35 | 55 | 49 | 100 | 100 | 90 | 100 |
| 6 | Efficiency in redressal of customer complaints | 80 | 80 | 70 | 75 | 70 | 100 | 100 | 80 | 76 | 0 | 0 | 80 | 80 | 70 | 75 |
| 7 | Extent of cost recovery in SWM services | 100 | 100 | 70 | 54 | 44 | 27 | 30 | 90 | 40 | 35 | 20 | 100 | 60 | 50 | 10 |
| 8 | Efficiency in collection of SWM charges | 90 | 90 | 60 | 67 | 54 | 43 | 45 | 90 | 50 | 55 | 40 | 90 | 70 | 90 | 60 |

*Source: Departmental records.*

# Appendix 2.23

## *(Reference: Paragraph 2.4)*

## Statement showing recoverable liquidated damage percentage

*(₹ in lakh)*

| Sl. No. | Package No. | Road Name | Status of Work | Tendered cost | Date of commencement | Stipulated date of completion | Date of actual completion | Delay (Weeks) | Recoverable Liquidated damages (percentage) | Liquidated damage recoverable | Liquidated damage recovered | Less recovery |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PIU-II Bishnupur** | | | | | | | | | | | | |
| 1 | MN0128 (B) | Keibul Kaina Bazar to Chingmei Awang, Part-II | Completed | 151.70 | 09-09-14 | 08-09-15 | 05-01-19 | 174 | 10 | 15.17 | 1.25 | 13.92 |
| 2 | MN0126 | Moirang Kumbi Road to Thanga Lawai Makha | Completed | 116.03 | 10-09-14 | 09-09-15 | 20-03-19 | 184 | 10 | 11.6 | 1.36 | 10.24 |
| 3 | MN0121 (A) | NH-150 to Potsangbam Maning | Completed | 100.29 | 21-09-17 | 20-09-18 | 01-03-19 | 23 | 10 | 10.03 | 1 | 9.03 |
| 4 | MN0124 (A) | Moirang Sendra Road to Ithing | Completed | 67.38 | 27-04-16 | 26-04-17 | 20-03-19 | 99 | 10 | 6.74 | 0.67 | 6.07 |
| 5 | MNO124 (B) | Thanga Keibul to Keibul Awang (Sagram) | Completed | 80.05 | 27-04-16 | 26-04-17 | 29-09-18 | 74 | 10 | 8.01 | 0.8 | 7.21 |
| 6 | MN0131 | Sagangto Sugnu Road | Completed | 478.08 | 09-01-16 | 08-01-17 | 01-05-19 | 120 | 10 | 47.81 | 4.78 | 43.03 |
| 7 | MN0143 | Sagang Sugnu Road to Khoijumantabi | Completed | 226.05 | 10-09-15 | 09-09-16 | 13-12-19 | 170 | 10 | 22.61 | 0 | 22.61 |
| 8 | MN0145 | Saiton to Wathalambi | Completed | 237.19 | 26-03-16 | 25-03-17 | 28-03-20 | 157 | 10 | 23.72 | 2.81 | 20.91 |
| 9 | MN0152 | Moirang Road to Kumbi Kangjeibung | Completed | 93.06 | 28-07-16 | 27-07-17 | 05-01-19 | 75 | 10 | 9.31 | 0.93 | 8.38 |
| 10 | MN0173 (C) | Thanga Keibul Road to Keibul East West | Completed | 44.85 | 13-02-19 | 12-02-20 | 02-03-20 | 3 | 3 | 1.35 | 0 | 1.35 |
| 11 | MN01102 | Construction of Bridge over Ungamel River at 4.0 Km (Ungamel) MN01102 | In progress* | 547.05 | 08-12-18 | 07-12-20 | Ongoing | 3 | 3 | 16.41 | 5.47 | 10.94 |
| 12 | MN01104 | Construction of Bridge over Khuga river at 2.20 Km (Ithai Mapa) MN01104 | In progress* | 574.56 | 15-11-18 | 14-11-20 | Ongoing | 7 | 7 | 40.22 | 2.5 | 37.72 |
| 13 | MN01105 | Construction of Bridge over Ngaram river at 11.65 Km (Ngaram) MN01105 | In progress* | 583.65 | 15-11-18 | 14-11-20 | Ongoing | 7 | 7 | 40.86 | 5.84 | 35.02 |
| 14 | MN0121 (B) | ODR(Potsangbam to Potsangbam Mamang) | In progress* | 117.70 | 21-09-17 | 20-09-18 | Ongoing | 119 | 10 | 11.77 | 1.18 | 10.59 |
| **Sub Total** | | | | **3,417.64** | | | | | | **265.61** | **28.59** | **237.02** |
| **PIU-I Churachandpur** | | | | | | | | | | | | |
| 15 | MN0358 | NH-150/Thanlon to Muntha/ Irang | Completed | 484.59 | 02-12-14 | 01-06-16 | 28-01-17 | 34 | 10 | 48.46 | 0.00 | 48.46 |
| 16 | MN0359 | NH-150/Thanlon to Muntha/ Irang | Completed | 455.09 | 08-06-13 | 07-12-14 | 13-01-17 | 110 | 10 | 45.51 | 4.91 | 40.60 |
| 17 | MN0367 (A) | "(A) Construction of Bailey Bridge (70ft.span) over Vadung on River near Shermun village Pherzawl to Leisen Road at 17.00 km | Completed | 68.49 | 25-11-15 | 24-11-17 | 24-03-20 | 122 | 10 | 6.85 | 0.68 | 6.17 |
| 18 | MN0367 (B) | "(B) Construction of Bailey Bridge (70ft. Span) over Vadung on River near Shermun village on Pherzawl to Leisen Road at 8.00km | Completed | 67.07 | 25-11-15 | 24-11-17 | 24-03-20 | 122 | 10 | 6.71 | 0.68 | 6.03 |

| Sl. No. | Package No. | Road Name | Status of Work | Tendered cost | Date of commencement | Stipulated date of completion | Date of actual completion | Delay (Weeks) | Recoverable Liquidated damages (percentage) | Liquidated damage recoverable | Liquidated damage recovered | Less recovery |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 19 | MN0396 | Bukpi to Bukpilon Pt III | Completed | 377.80 | 18-09-14 | 17-03-16 | 04-07-16 | 16 | 10 | 37.78 | 3.78 | 34.00 |
| 20 | MN0397 | Bukpi to Aibulon -I | Completed | 258.59 | 04-09-14 | 03-03-16 | 17-11-17 | 89 | 10 | 25.86 | 1.00 | 24.86 |
| 21 | MN0398 | Bukpi to Aibulon -II | Completed | 335.60 | 04-09-14 | 03-03-16 | 21-11-17 | 90 | 10 | 33.56 | 1.00 | 32.56 |
| 22 | MN0399 | Bukpi to Aibulon -III | Completed | 415.66 | 04-10-14 | 03-04-16 | 30-06-18 | 117 | 10 | 41.57 | 4.52 | 37.05 |
| 23 | MN03100 | Galkapkot to Gamhui -I | Completed | 324.58 | 04-09-14 | 03-03-16 | 24-05-19 | 168 | 10 | 32.46 | 3.43 | 29.03 |
| 24 | MN03101 | Galkapkot to Gamhui -II | Completed | 350.05 | 04-10-14 | 03-04-16 | 31-03-20 | 208 | 10 | 35.01 | 3.79 | 31.22 |
| 25 | MN03102 | Galkapkot to Gamhui -III | Completed | 390.38 | 04-10-14 | 03-04-16 | 31-03-20 | 208 | 10 | 39.04 | 4.20 | 34.84 |
| 26 | MN03104 | Nabil to Nalone | Completed | 300.26 | 20-10-14 | 19-04-16 | 23-10-16 | 27 | 10 | 30.03 | 0.00 | 30.03 |
| 27 | MN03115 | JT Rd. To NH-150 -I | Completed | 359.27 | 11-10-14 | 10-04-16 | 28-03-20 | 207 | 10 | 35.93 | 3.88 | 32.05 |
| 28 | MN03116 | JT Rd. To NH-150 -II | Completed | 248.34 | 11-10-14 | 10-04-16 | 30-03-20 | 207 | 10 | 24.83 | 2.67 | 22.16 |
| 29 | MN03117 | JT Rd. To NH-150 -III | Completed | 323.19 | 19-11-14 | 18-05-16 | 29-04-19 | 154 | 10 | 32.32 | 3.23 | 29.09 |
| 30 | MN03118 | JT Rd. To NH-150 -IV | Completed | 494.74 | 07-11-14 | 06-05-16 | 13-05-19 | 157 | 10 | 49.47 | 5.48 | 43.99 |
| 31 | MN03111 | Tiddim Road to Nabil khuman Pt III | Completed | 449.18 | 14-05-15 | 13-11-16 | 28-01-20 | 167 | 10 | 44.92 | 4.93 | 39.99 |
| 32 | MN03114 | Torbung to Ukha Pt III | Completed | 217.95 | 10-12-15 | 09-06-17 | 28-03-18 | 42 | 10 | 21.80 | 0.00 | 21.80 |
| **Sub Total** | | | | **5,920.83** | | | | | | **592.11** | **48.18** | **543.93** |
| **Total** | | | | **9,338.47** | | | | | | **857.72** | **76.77** | **780.95** |

* Since the work is under progress liquidated damage recoverable is calculated till date of audit i.e., 31-12-2020

# Appendix 2.24

*(Reference: Paragraph 2.5)*

## Statement showing extra expenditure (Water Bound Macadam)

| Sl. No. | Name of work | Agreement item | As per Agreement | | Rate Manual means (estimated by Department)* | Rate mechanical means (calculated by Audit)** | Rate at which work could have been awarded (calculated by Audit)# | Difference | Quantity executed (cum) | Extra expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Quantity (cum) | Rate at which the works were awarded (manual) | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) =(5)-(8) | (10) | (11) |
| **PIU-II, Bishnupur** | | | | | | | | | | |
| 1 | Sagang Sugnu Road to Khoijumantabi (143) | WBM Grading 2 (By Manual Means) | 1,090.13 | 2,482.25 | 2,328.58 | 2,192.99 | 2,337.71 | 144.54 | 1,147.61 | 1,65,875.55 |
| | | WBM Grading 3 (By Manual means) | 1,090.13 | 2,842.85 | 2,666.87 | 2,531.28 | 2,698.31 | 144.54 | 1,100.22 | 1,59,025.80 |
| 2 | NH-150 to Potsangbam Maning (121 A) | WBM Grading 2 (By Manual Means) | 652.50 | 1,667.73 | 1,874.96 | 1,756.32 | 1,562.20 | 105.53 | 649.18 | 68,507.97 |
| | | WBM Grading 3 (By Manual means) | 652.50 | 1,941.33 | 2,163.27 | 2,044.63 | 1,834.86 | 106.47 | 649.19 | 69,119.26 |
| 3 | ODR(Potsangbam to Potsangbam Mamang) (121B) | WBM Grading 2 (By Manual Means) | - | 2,042.32 | 1,893.10 | 1,774.46 | 1,914.33 | 127.99 | 596.25 | 76,314.04 |
| | | WBM Grading 3 (By Manual means) | - | 2,405.38 | 2,176.58 | 2,057.95 | 2,274.28 | 131.10 | 596.25 | 78,168.37 |
| 4 | Keibul Kaina Bazar to Chingmei Awang, Part-II (128) | WBM Grading 2 (By Manual Means) | 630.00 | 1,927.85 | 2,066.86 | 1,948.22 | 1,817.19 | 110.66 | 768.39 | 85,030.04 |
| | | WBM Grading 3 (By Manual means) | 630.00 | 2,191.78 | 2,350.82 | 2,232.18 | 2,081.17 | 110.61 | 768.39 | 84,991.62 |

| Sl. No. | Name of work | Agreement item | As per Agreement | | Rate Manual means (estimated by Departme nt)* | Rate mechanical means (calculated by Audit)** | Rate at which work could have been awarded (calculated by Audit)# | Difference | Quantity executed (cum) | Extra expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Quantity (cum) | Rate at which the works were awarded (manual) | | | | | | |
| 5 | Thanga Keibul Road to Chandpur Bamon Leirak (173B) | WBM Grading 3 (By Manual means) | 236.25 | 2,587.13 | 2,894.37 | 2,702.67 | 2,415.78 | 171.35 | 235.58 | 40,366.63 |
| 6 | Thanga Keibul Road to Keibul East West (173 C) | WBM Grading 3 (By Manual means) | 247.50 | 2,605.92 | 2,915.39 | 2,723.69 | 2,434.57 | 171.35 | 247.50 | 42,409.13 |
| 7 | Sagang to Sugnu Road (131) | WBM Grading 2 (By Manual Means) | 2,501.55 | 2,115.73 | 2,385.50 | 2,249.91 | 1,995.47 | 120.26 | 2,987.03 | 3,59,220.23 |
| | | WBM Grading 3 (By Manual means) | 2,501.55 | 2,529.28 | 2,711.63 | 2,576.04 | 2,402.81 | 126.47 | 3,176.89 | 4,01,781.28 |
| 8 | Saiton to Wathalambi (MNO145) | WBM Grading 2 (By Manual Means) | 1,698.30 | 1,661.84 | 2,369.22 | 2,233.63 | 1,566.73 | 95.11 | 1,645.41 | 1,56,494.95 |
| | | WBM Grading 3 (By Manual means) | 1,698.30 | 1,891.55 | 2,696.71 | 2,561.12 | 1,796.44 | 95.11 | 1,715.19 | 1,63,131.72 |
| | **Sub Total** | | | | | | | | | **19,50,436.57** |
| **PIU-I, Churachandpur** | | | | | | | | | | |
| 9 | Construction of road from JT Road to NH 150 part 3 (MNO3117) | 16-WBM Grading 2 (By Manual Means) | 1,659.38 | 2,747.83 | 2,985.65 | 2,867.01 | 2,638.64 | 109.19 | 1,659.25 | 1,81,173.51 |
| | | 17- WBM Grading 3 (By Manual means) | 1,659.38 | 3,030.25 | 3,291.78 | 3,173.14 | 2,921.04 | 109.21 | 1,659.25 | 1,81,206.69 |
| 10 | Construction of Road from Nabil to Nalon (Mno-3104) | 16-WBM Grading 2 (By Manual Means) | 2,475.00 | 2,197.00 | 2,367.84 | 2,249.20 | 2,086.92 | 110.08 | 2,475.00 | 2,72,448.00 |
| | | 17- WBM Grading 3 (By Manual means) | 2,475.00 | 2,478.00 | 2,666.44 | 2,547.80 | 2,367.74 | 110.26 | 2,524.80 | 2,78,384.45 |

| Sl. No. | Name of work | Agreement item | As per Agreement | | Rate Manual means (estimated by Departme nt)* | Rate mechanical means (calculated by Audit)** | Rate at which work could have been awarded (calculated by Audit)# | Difference | Quantity executed (cum) | Extra expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Quantity (cum) | Rate at which the works were awarded (manual) | | | | | | |
| 11 | Construction of road from JT Road to NH 150 part 4 (MNO3118) | 16-WBM Grading 2 (By Manual Means) | 3,256.69 | 2,784.00 | 3,125.87 | 3,007.23 | 2,678.34 | 105.66 | 3,259.61 | 3,44,410.39 |
| | | 17- WBM Grading 3 (By Manual means) | 3,259.69 | 3,055.00 | 3,434.18 | 3,315.54 | 2,949.46 | 105.54 | 3,259.68 | 3,44,026.63 |
| 12 | Construction of road from T01(Bukpi) to Aibulon Part 1 | 14.1-WBM Grading 2 (By Manual Means) | 1,575.00 | 2,653.19 | 2,944.69 | 2,826.05 | 2,546.29 | 106.90 | 1,575.00 | 1,68,367.50 |
| | | 14.2- WBM Grading 3 (By Manual means) | 1,575.00 | 2,927.17 | 3,250.19 | 3,131.55 | 2,820.32 | 106.85 | 1,575.00 | 1,68,288.75 |
| 13 | Construction of road from T01(Bukpi) to Aibulon Part 2 | 14.1-WBM Grading 2 (By Manual Means) | 1,350.00 | 2,790.43 | 2,779.07 | 2,660.43 | 2,671.31 | 119.12 | 1,350.00 | 1,60,812.00 |
| | | 14.2- WBM Grading 3 (By Manual means) | 1,350.00 | 3,061.62 | 3,081.99 | 2,963.35 | 2,943.76 | 117.86 | 1,350.00 | 1,59,111.00 |
| 14 | Construction of road from T01(Bukpi) to Aibulon Part 3 | 12-WBM Grading 2 (By Manual Means) | 2,364.75 | 2,879.50 | 3,389.01 | 3,270.37 | 2,778.70 | 100.80 | 2,364.75 | 2,38,366.80 |
| | | 13- WBM Grading 3 (By Manual means) | 2,364.75 | 3,138.54 | 3,701.41 | 3,582.77 | 3,037.94 | 100.60 | 2,364.75 | 2,37,893.85 |
| | **Sub Total** | | | | | | | | | **27,34,489.57** |
| **PIU-III, Churachandpur** | | | | | | | | | | |
| 15 | Construction of Road from Zezaw to T Khajang (3162) | 22- WBM Grading 3 (By Manual means) | 1,650.11 | 2,760.97 | 3,124.15 | 2,932.46 | 2,591.56 | 169.41 | 1,677.39 | 2,84,166.64 |

| Sl. No. | Name of work | Agreement item | As per Agreement | | Rate Manual means (estimated by Department)* | Rate mechanical means (calculated by Audit)** | Rate at which work could have been awarded (calculated by Audit)# | Difference | Quantity executed (cum) | Extra expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Quantity (cum) | Rate at which the works were awarded (manual) | | | | | | |
| 16 | Construction of Road Sangaikot to Khongkhai, Pt-II (3144) | 20- WBM Grading 2 (By Manual means) | 3,298.83 | 2,750.81 | 2,580.50 | 2,444.91 | 2,606.27 | 144.54 | 3,298.83 | 4,76,812.89 |
| | | 17- WBM Grading 3 (By Manual means) | 3,298.83 | 3,093.83 | 2,902.34 | 2,766.75 | 2,949.29 | 144.54 | 3,298.83 | 4,76,812.89 |
| 17 | Construction of Road from Sagang to Tuining (346) | 19-WBM Grading 2 (By Manual means) | 1,559.48 | 2,343.48 | 2,198.39 | 2,062.80 | 2,198.94 | 144.54 | 1,558.14 | 2,25,213.56 |
| | | 20- WBM Grading 3 (By Manual means) | 1,559.48 | 2,694.83 | 2,527.98 | 2,392.39 | 2,550.29 | 144.54 | 1,558.12 | 2,25,210.66 |
| | **Sub Total** | | | | | | | | | **16,88,216.64** |
| | **Grand Total** | | | | | | | | | **63,73,142.78** |

* Calculated by the Department (SoR rate for the item + Conveyance charge)
** Calculated by Audit (SoR rate for the item + Conveyance charge)
# Column 7 + escalation factor (difference between Col 6 and Col 5 in percentage terms)

# Appendix 2.25

## *(Reference: Paragraph 2.5)*

## Statement showing extra expenditure (Surface drain works)

***(Amount in ₹)***

| Sl. No. | Package No | Name of work | Agreement item number | Qty. executed (m) | Rate (Manual means) as per SOR[3] | Rate at which the works were awarded | Awarded amount | Rate (mechanical means) as per SOR | Rate at which work could have been awarded# | Amount at which work could have been awarded | Difference | SOR/ MSR[4] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| **PIU-II, Bishnupur** | | | | | | | | | | | | |
| 1 | 143 | Sagang Sugnu Road to Khoijumantabi | Surface drains in soil | 740.00 | 49.32 | 52.00 | 38,480.00 | 12.12 | 12.78 | 9,457.20 | 29,022.80 | 2014 |
| 2 | 124B | Thanga Keibul to Keibul Awang (Sagram) | Surface drains in soil | 1,190.00 | 49.32 | 46.01 | 54,751.90 | 12.12 | 11.31 | 13,458.90 | 41,293.00 | 2014 |
| 3 | 124A | MoirangSendra Road to Ithing | Surface drains in soil | 1,810.00 | 49.32 | 36.18 | 65,485.80 | 12.12 | 8.89 | 16,090.90 | 49,394.90 | 2014 |
| 4 | 173(A) | Thanga Chinglak to Ngaram | Surface drains in soil | 1,525.00 | 66.51 | 53.07 | 80,931.75 | 14.57 | 11.63 | 17,735.75 | 63,196.00 | 2016 |
| 5 | 173(B) | Thanga Keibul Road to Chandpur Bamon Leirak | Surface drains in soil | 400.00 | 66.51 | 53.07 | 21,228.00 | 14.57 | 11.63 | 4,652.00 | 16,576.00 | 2016 |
| 6 | 131 | Sagangto Sugnu Road | Surface drains in soil | 11,600.00 | 49.32 | 46.01 | 5,33,716.00 | 12.12 | 11.31 | 1,31,196.00 | 4,02,520.00 | 2014 |
| 7 | 128A | Keibul Kaina Bazar to Chingmei Awang, Part-I | Surface drains in soil | 1,900.00 | 49.32 | 50.01 | 95,019.00 | 12.12 | 12.29 | 23,351.00 | 71,668.00 | 2014 |
| 8 | 128 | Keibul Kaina Bazar to Chingmei Awang, Part-II | Surface drains in soil | 300.00 | 42.30 | 39.45 | 11,835.00 | 10.96 | 10.22 | 3,066.00 | 8,769.00 | 2012 |
| 9 | 121A | NH-150 to Potsangbam Maning | Surface drains in soil | 1,500.00 | 49.32 | 39.89 | 59,835.00 | 12.12 | 9.80 | 14,700.00 | 45,135.00 | 2014 |
| 10 | 121B | ODR(Potsangbam to Potsangbam Mamang) | Surface drains in soil | 1,000.00 | 49.32 | 66.51 | 66,510.00 | 12.12 | 16.34 | 16,340.00 | 50,170.00 | 2014 |

[3] Schedule of Rates
[4] Manipur Schedule of Rates

| Sl. No. | Package No | Name of work | Agreement item number | Qty. executed (m) | Rate (Manual means) as per SOR[3] | Rate at which the works were awarded | Awarded amount | Rate (mechanical means) as per SOR | Rate at which work could have been awarded# | Amount at which work could have been awarded | Difference | SOR/ MSR[4] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 11 | 126 | Moirang Kumbi Road to Thanga Lawai Makha | Surface drains in soil | 2,740.00 | 42.30 | 39.45 | 1,08,093.00 | 10.96 | 10.22 | 28,002.80 | 80,090.20 | 2012 |
| 12 | 152 | Moirang Road to Kumbi Kangjeibung | Surface drains in soil | 2,600.00 | 49.32 | 39.44 | 1,02,544.00 | 12.12 | 9.69 | 25,194.00 | 77,350.00 | 2014 |
| 13 | 145 | Saiton to Wathalambi | Surface drains in soil | 9,680.00 | 49.32 | 34.60 | 3,34,928.00 | 12.12 | 8.50 | 82,280.00 | 2,52,648.00 | 2014 |
| | | | **Sub Total** | | | | **15,73,357.45** | | | **3,85,524.55** | **11,87,832.90** | |
| **PIU-III, Churachandpur** | | | | | | | | | | | | |
| 14 | 3162 | Const. of road from Tolbung to Matijang | Surface drains in soil | 6,020.00 | 66.51 | 58.78 | 3,53,855.60 | 14.57 | 12.88 | 77,537.60 | 2,76,318.00 | 2016 |
| | | | Surface drains in ordinary rock | 330.00 | 99.77 | 88.17 | 29,096.10 | 32.27 | 28.52 | 9,411.60 | 19,684.50 | |
| 151 | 3144 | Const. of road from Sangaikot to Khongkhai Pt. II | Surface drains in soil | 10,607.86 | 49.32 | 52.58 | 5,57,761.28 | 12.12 | 12.92 | 1,37,053.55 | 4,20,707.73 | 2014 |
| | | | Surface drains in ordinary rock | 3,792.14 | 73.98 | 78.86 | 2,99,048.16 | 27.23 | 29.03 | 1,10,085.82 | 1,88,962.34 | |
| 16 | 346 | Const. of road from Sanang to Tuining | Surface drains in soil | 4,880.00 | 49.32 | 52.58 | 2,56,590.40 | 12.12 | 12.92 | 63,049.60 | 1,93,540.80 | 2014 |
| | | | Surface drains in ordinary rock | 570.00 | 73.98 | 78.86 | 44,950.20 | 27.23 | 29.03 | 16,547.10 | 28,403.10 | |
| 17 | 3166 | Const. of Road from Pangjang to K Geljang | Surface drains in soil | 5,000.00 | 66.51 | 69.15 | 3,45,750.00 | 14.57 | 15.15 | 75,750.00 | 2,70,000.00 | 2016 |
| | | | Surface drains in ordinary rock | 1,000.00 | 99.77 | 103.72 | 1,03,720.00 | 32.27 | 33.55 | 33,550.00 | 70,170.00 | |
| 18 | 3207 | Const. of Road from TO1(Bukpi) to Bungpilon | Surface drains in soil | 7,000.00 | 66.51 | 69.15 | 4,84,050.00 | 14.57 | 15.15 | 1,06,050.00 | 3,78,000.00 | 2016 |
| | | | Surface drains in ordinary rock | 1,000.00 | 99.77 | 103.72 | 1,03,720.00 | 32.27 | 33.55 | 33,550.00 | 70,170.00 | |
| 19 | 3237 | L022-NH/150 (Thanlon) to Mongon | Surface drains in soil | 7,635.00 | 66.51 | 69.00 | 5,26,815.00 | 14.57 | 15.12 | 1,15,441.20 | 4,11,373.80 | 2016 |
| | | | **Sub Total** | | | | **31,05,356.74** | | | **7,78,026.47** | **23,27,330.27** | |
| **PIU-III, Senapati** | | | | | | | | | | | | |
| 20 | 6344 | L022-T01 To Laikoptkom | Surface drains in soil | 6,240.00 | 66.51 | 69.15 | 4,31,496.00 | 14.57 | 15.15 | 94,536.00 | 3,36,960.00 | 2016 |

| Sl. No. | Package No | Name of work | Agreement item number | Qty. executed (m) | Rate (Manual means) as per SOR[3] | Rate at which the works were awarded | Awarded amount | Rate (mechanical means) as per SOR | Rate at which work could have been awarded# | Amount at which work could have been awarded | Difference | SOR/ MSR[4] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| | | | Surface drains in ordinary rock | 1,680.00 | 99.77 | 103.72 | 1,74,249.60 | 32.27 | 33.55 | 56,364.00 | 1,17,885.60 | |
| 21 | 6341 | L032-Ngairomchingjin To Salampatong | Surface drains in soil | 12,780.00 | 66.51 | 69.52 | 8,88,465.60 | 14.57 | 15.23 | 1,94,639.40 | 6,93,826.20 | 2016 |
| | | | Surface drains in ordinary rock | 3,450.00 | 99.77 | 104.28 | 3,59,766.00 | 32.27 | 33.73 | 1,16,368.50 | 2,43,397.50 | |
| 22 | 6322 | L032-Ngairomchingjin To Salampatong | Surface drains in soil | 9,950.00 | 66.51 | 69.52 | 6,91,724.00 | 14.57 | 15.23 | 1,51,538.50 | 5,40,185.50 | 2016 |
| | | | Surface drains in ordinary rock | 2,050.00 | 99.77 | 104.28 | 2,13,774.00 | 32.27 | 33.73 | 69,146.50 | 1,44,627.50 | |
| 23 | 6382 | L023-Makokching To KhongbalTangkhul | Surface drains in soil | 8,340.00 | 66.51 | 67.94 | 5,66,619.60 | 14.57 | 14.88 | 1,24,099.20 | 4,42,520.40 | 2016 |
| | | | Surface drains in ordinary rock | 1,350.00 | 99.77 | 101.92 | 1,37,592.00 | 32.27 | 32.97 | 44,509.50 | 93,082.50 | |
| 24 | 6342 | L047-Thingsat To Phaileng | Surface drains in soil | 9,000.00 | 66.51 | 69.15 | 6,22,350.00 | 14.57 | 15.15 | 1,36,350.00 | 4,86,000.00 | 2016 |
| 25 | 6347 | L045-Nurathel To Mongbung | Surface drains in soil | 4,520.00 | 66.51 | 69.52 | 3,14,230.40 | 14.57 | 15.23 | 68,839.60 | 2,45,390.80 | 2016 |
| | | | Surface drains in ordinary rock | 1,320.00 | 99.77 | 104.28 | 1,37,649.60 | 32.27 | 33.73 | 44,523.60 | 93,126.00 | |
| 26 | 6368 | L027-Laikoiching To South Lonsing | Surface drains in soil | 7,190.00 | 66.51 | 69.00 | 4,96,110.00 | 14.57 | 15.12 | 1,08,712.80 | 3,87,397.20 | 2016 |
| | | | Surface drains in ordinary rock | 810.00 | 99.77 | 103.50 | 83,835.00 | 32.27 | 33.48 | 27,118.80 | 56,716.20 | |
| 27 | 6303 | L036-L035 Lairokkom To Kamukoireng | Surface drains in soil | 3,170.00 | 66.51 | 63.37 | 2,00,882.90 | 14.57 | 13.88 | 43,999.60 | 1,56,883.30 | 2016 |
| | | | Surface drains in ordinary rock | 1,890.00 | 99.77 | 84.30 | 1,59,327.00 | 32.27 | 27.27 | 51,540.30 | 1,07,786.70 | |
| 28 | 6370 | L036-L035 Lairokkom To Kamukoireng | Surface drains in soil | 4,670.00 | 66.51 | 69.15 | 3,22,930.50 | 14.57 | 15.15 | 70,750.50 | 2,52,180.00 | 2016 |
| | | | Surface drains in ordinary rock | 630.00 | 99.77 | 103.72 | 65,343.60 | 32.27 | 33.55 | 21,136.50 | 44,207.10 | |

| Sl. No. | Package No | Name of work | Agreement item number | Qty. executed (m) | Rate (Manual means) as per SOR[3] | Rate at which the works were awarded | Awarded amount | Rate (mechanical means) as per SOR | Rate at which work could have been awarded# | Amount at which work could have been awarded | Difference | SOR/ MSR[4] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 29 | 6369 | L021-T01 To Tuinaijang | Surface drains in soil | 1,950.00 | 66.51 | 69.00 | 1,34,550.00 | 14.57 | 15.12 | 29,484.00 | 1,05,066.00 | 2016 |
| | | | Surface drains in ordinary rock | 2,045.00 | 99.77 | 103.50 | 2,11,657.50 | 32.27 | 33.48 | 68,466.60 | 1,43,190.90 | |
| 30 | 6377 | L024-Tusam To Maojang | Surface drains in soil | 8,450.00 | 66.51 | 67.94 | 5,74,093.00 | 14.57 | 14.88 | 1,25,736.00 | 4,48,357.00 | 2016 |
| | | | Surface drains in ordinary rock | 2,050.00 | 99.77 | 101.92 | 2,08,936.00 | 32.27 | 32.97 | 67,588.50 | 1,41,347.50 | |
| 31 | 6372 | T07-Saikul SH 7 To Simol N 150 | Surface drains in soil | 13,070.00 | 66.51 | 68.92 | 9,00,784.40 | 14.57 | 15.10 | 1,97,357.00 | 7,03,427.40 | 2016 |
| | | | Surface drains in ordinary rock | 2,050.00 | 99.77 | 103.38 | 2,11,929.00 | 32.27 | 33.44 | 68,552.00 | 1,43,377.00 | |
| 32 | 6299 | L027-Laikoiching To South Lonsing | Surface drains in soil | 3,500.00 | 66.51 | 63.37 | 2,21,795.00 | 14.57 | 13.88 | 48,580.00 | 1,73,215.00 | 2016 |
| | | | Surface drains in ordinary rock | 450.00 | 99.77 | 84.30 | 37,935.00 | 32.27 | 27.27 | 12,271.50 | 25,663.50 | |
| 33 | 6345 | L023-Makokching To KhongbalTangkhul | Surface drains in soil | 9,950.00 | 66.51 | 67.94 | 6,76,003.00 | 14.57 | 14.88 | 1,48,056.00 | 5,27,947.00 | 2016 |
| | | | Surface drains in ordinary rock | 2,050.00 | 99.77 | 101.92 | 2,08,936.00 | 32.27 | 32.97 | 67,588.50 | 1,41,347.50 | |
| 34 | 6302 | L028 - Thayong To Tanthouphai | Surface drains in soil | 8,610.00 | 66.51 | 62.63 | 5,39,244.30 | 14.57 | 13.72 | 1,18,129.20 | 4,21,115.10 | 2016 |
| | | | Surface drains in ordinary rock | 1,390.00 | 99.77 | 84.30 | 1,17,177.00 | 32.27 | 27.27 | 37,905.30 | 79,271.70 | |
| | | | **Sub Total** | | | | | | | **24,13,887.90** | **74,95,498.10** | |
| | | | **Grand Total** | | | | | | | **35,77,438.92** | **1,10,10,661.27** | |

# Column 9 + escalation factor (difference between Col 7 and Col 6 in percentage terms

# Appendix 3.1

***(Reference: Paragraph 3.1.1)***

## Year-wise details of expenditure audited in respect of Economic Sector during 2022-23

***(₹ in crore)***

| Year | Expenditure incurred during 2022-23 |
|---|---|
| 2017-18 | 68.85 |
| 2018-19 | 361.13 |
| 2019-20 | 426.68 |
| 2020-21 | 777.93 |
| 2021-22 | 901.53 |
| **Total** | **2,536.12** |

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

# Appendix 3.2

## *(Reference: Paragraph 3.2.8.2)*

## Statement showing delays in release of fund and delays in submission of Utilisation Certificates

*(₹ in crore)*

| Name of Project (Name of Scheme) | Sanctioned Cost | Particulars | Amount released | Date of release by GoI | Amount released by state to PIA | Date of release by state to PIA | Due date of release[5] | Delay in days | Date of submission of UC | Due date of submission of UC | Delay in submission of UC (month)as of March 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Development of Cave Tourism Project at prominent Tourist sites at Khangkhui Cave, Ukhrul District, Manipur. (NLCPR) | 7.50 | Token Money | 0.10 | 19-12-2017 | 0.10 | 28-02-2019 | 03-01-2018 | 421 | 11-02-2020 | 31-03-2019 | 10 |
| | | Ist instalment | 2.52 | 14-08-2018 | 2.52 | 27-03-2019 | 29-08-2018 | 210 | 11-02-2020 | 31-03-2020 | No delay |
| | | 2nd Instalment | 3.93 | 04-05-2020 | 3.93 | 08-06-2021 | 19-05-2020 | 385 | UC not available | 31-03-2022 | 12 |
| Eco- Tourism project at Cheiraoching (Thangmeiband), Imphal west. (NLCPR) | 13.30 | Token Money | 0.10 | 19-12-2017 | 0.10 | 27-03-2018 | 03-01-2018 | 83 | 11-02-2020 | 31-03-2019 | 10 |
| | | Ist instalment | 4.55 | 25-06-2018 | 4.55 | 17-02-2019 | 09-07-2018 | 223 | 11-02-2020 | 31-03-2020 | No delay |
| | | 2nd Instalment | 6.98 | 08-12-2020 | 6.98 | 07-06-2021 | 23-12-2020 | 166 | UC not available | 31-03-2022 | 12 |
| | | Ist Instalment | 6.84 | 16-04-2021 | 6.84 | 28-10-2021 | 15-05-2021 | 166 | 23-03-2022 | 31-03-2023 | No delay |
| "Development of Road Connectivity from Khabam Lamkhai to Hannaching Heingang via Marjing Polo Complex, Heingang Ching, Imphal East, Manipur for promoting Tourism (NESIDS) | 29.20 | Token Money | 0.10 | 10-12-2018 | 0.10 | 23-03-2019 | 12-12-2018 | 101 | 12-02-2020 | 31-03-2020 | No delay |
| | | Ist instalment | 10.09 | 07-06-2019 | 10.09 | 17-08-2019 | 09-06-2019 | 69 | 12-02-2020 | 31-03-2021 | No delay |
| | | Part of 2nd and Final Instalment | 13.36 | 25-02-2020 | 13.36 | 09-06-2021 | 27-02-2020 | 468 | Not yet submitted | 31-03-2021 | 24 |
| | | Balance amount of 2nd and final instalment | 1.93 | 12-05-2020 | 1.93 | 16-01-2021 | 14-05-2020 | 247 | Not yet submitted | 31-03-2022 | 12 |
| Infrastructure Development of Tourist Destination at Shanthei Natural Park, Andro, Imphal East District, | 4.78 | Ist instalment (Central) | 1.72 | 27-02-2014 | 0.86 | 13-06-2014 | 26-03-2014 | 79 | UC copy not furnished. | 31-03-2015 | |
| | | | | | 0.86 | 17-12-2014 | 26-03-2014 | 266 | | | |
| | | Ist instalment (State) | 0.48 | 20-10-2015 | 0.48 | 20-10-2015 | 26-03-2014 | 573 | UC not available | 31-03-2017 | |

[5] NLCPR-Funds must be released within 15 days of release by the Ministry; NESIDS-Funds must be released immediately after receipt from Ministry, NEC-Funds must be released within one month of release by the Ministry along with State Matching Share

| Name of Project (Name of Scheme) | Sanctioned Cost | Particulars | Amount released | Date of release by GoI | Amount released by state to PIA | Date of release by state to PIA | Due date of release[5] | Delay in days | Date of submission of UC | Due date of submission of UC | Delay in submission of UC (month)as of March 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Manipur (NEC) | | 2nd instalment (Central) | 1.00 | 14-03-2016 | 1.00 | 15-11-2016 | 13-04-2016 | 216 | 04-09-2017 | 31-3-2017 | 05 |
| | | 3rd instalment (Central) | 1.58 | 02-03-2017 | 1.58 | 11-05-2017 | 01-04-2017 | 40 | 04-09-2017 | 31-03-2018 | No delay |

# Appendix 3.3

## *(Reference: Paragraph 3.2.8.3)*

## Statement showing details of outstanding AC Bills

***(₹ in crore)***

| Name of Scheme/Project | Work Agencies | Amount drawn | AC bill no. and date | Delays in months as of March 2023 |
|---|---|---|---|---|
| Infrastructure Development of Tourist Destination at Shanthei Natural Park, Andro, Imphal East District, Manipur. | Education Engineering Wing | 1.58 | 26 of 11 May 2017 | 69 |
| Construction of Guest House at Saivom Village, Tengnoupal District | Manipur Police Housing Corporation Limited | 0.35 | 230 of 31 March 2018 | 59 |
| "Development of Road Connectivity from Khabam Lamkhai to Hannaching Heingang via Marjing Polo Complex, Heingang Ching, Imphal East, Manipur for promoting Tourism" | Manipur Police Housing Corporation Limited | 1.93 | 138 of 27 January 2021 | 25 |
| | | 13.36 | 15 of 14 June 2021 | 20 |
| Development of Eco-Tourism Complex at Noney near the Railway bridge. | Engineering Cell, Health & FW (Valley Division No.2) | 3.00 | 164 of 23 March 2021 | 23 |
| Infrastructure Development for Destination & Circuit (SH: Construction of Administrative Building, Statue Landscaping at Marjing (2.82 Ha Clearance completed from Forest) | Monitoring & Quality Control Division-PWD | 5.77 | 168 of 30 March 2021 | 23 |
| Development of Eco-Tourism Destination in each Assembly Constituency of Manipur under State Plan. | District Rural Development Authority (DRDA) | 11.25 | 158 of 18 March 2021 | 23 |
| | | 6.75 | 159 of 18 March 2021 | 23 |
| Development of Water Amusement Park at Thenguchingjin, Imphal East, Manipur. | Manipur Police Housing Corporation Limited | 15.00 | 160 of 16/3/2021 | 23 |
| | | 15.00 | 75 of 6/12/2021 | 14 |
| Development of Ropeway Project at Ibudhou Marjing, Heingang, Imphal East, Manipur. | Manipur Police Housing Corporation Limited | 17.50 | 161 of 16/3/2021 | 23 |
| Development of Cave Tourism Project at prominent Tourist sites at Khangkhui Cave, Ukhrul District, Manipur. | Manipur Police Housing Corporation Limited | 3.93 | 17 of 14 June 2021 | 20 |
| Eco- Tourism project at Cheiraoching (Thangmeiband), Imphal west. | Manipur Police Housing Corporation Limited | 6.98 | 16 of 11 June 2021 | 20 |
| **Total** | | **102.40** | | |

# Appendix 3.4

***(Reference: Paragraph 3.2.9.3)***

## Statement showing list of projects abandoned before completion

***(₹ in crore)***

| Sl. No. | Name of Project | Project Cost | Date of Sanction | Stipulated date of completion as per Sanction | Expenditure |
|---|---|---|---|---|---|
| 1 | Construction of Art and Craft Centre at Maibam Lokpa Ching Bishnupur District, Manipur under Destination Development. (Project Code: 5057) | 2.18 | 28-03-2008 | 27-03-2010 | 1.63 |
| 2 | Integrated Development of Tourist Destination, Bishnupur, Manipur. (Project Code: 4126) | 3.57 | 27-03-2008 | 26-03-2010 | 3.23 |
| 3 | Tourist Destination at Khongjom War Memorial Complex, Manipur. Project (Code :4731) | 3.61 | 08-07-2009 | 07-01-2011 | 1.81 |
| 4 | Upgradation of Integrated Tourist Destination at Sendra, Moirang, Bishnupur District, Manipur (Project Code :4862) | 4.34 | 21-12-2009 | 20-12-2012 | 2.75 |
| 5 | Integrated Tourist Destination at Kotsophai, Chakpikarong, Chandel District, Manipur | 4.81 | 16-08-2013 | 15-08-2014 | 0.40 |
| 6 | Integrated Tourist Destination at Chingkhei Ching, Imphal East, Manipur. | 4.86 | 16-08-2013 | 15-08-2014 | 0.97 |
| 7 | Integrated Tourist Circuit at Karang-ChaobaChing and Thanga Bishnupur District, Manipur | 7.63 | 31-03-2014 | 31-03-2015 | 0.90 |
| 8 | Mega Project INA Memorial Complex at Moirang, Manipur. (Project Code :5280) | 12.38 | 02-11-2010 | 01-11-2013 | 7.02 |
| 9 | Development of Tourist Resort at Sendra Hillock, Water Sports Complex at Takmu and other facilities in adjoining areas of Bishnupur District, Manipur. | 45.19 | 21-02-2014 | 20-08-2015 | 6.60 |
| **Total** | | **88.57** | | | **25.31** |

## Appendix 3.5

***{Reference: Paragraph 3.2.9.4.2 (a)}***

### Statement showing details of Eco-Tourism Destinations in the Sampled Districts

| Sl. No. | Name of AC | Work Order Date | Stipulated date of completion | Status as on March 2023 | Delay (Months) |
|---|---|---|---|---|---|
| **Eco-Tourism Destination in each Assembly Constituency of Imphal West District** | | | | | |
| 1 | Patsoi | 05-06-2021 | 04-12-2021 | Completed in October 2021 | Nil |
| 2 | Konthoujam | 10-06-2021 | 09-12-2021 | Completed in December 2021 | Nil |
| 3 | Lamsang | 03-06-2021 | 02-12-2021 | Completed in June 2022 | 6 |
| 4 | Sekmai | 10-06-2021 | 09-12-2021 | Not completed | 15 |
| 5 | Singjamei | 03-07-2021 | 02-01-2022 | Completed in December 2021 | Nil |
| 6 | Keishamthong | 03-07-2021 | 02-01-2022 | Not completed | 14 |
| 7 | Langthabal | 03-07-2021 | 02-01-2022 | Completed in August 2022 | 7 |
| 8 | Wangoi | 03-06-2021 | 02-12-2021 | Not completed | 15 |
| 9 | Mayang Imphal | 03-06-2021 | 02-12-2021 | Completed in March 2022 | 3 |
| 10 | Thangmeiband | 18-08-2021 | 17-02-2022 | Not completed | 13 |
| 11 | Uripok | 06-07-2021 | 05-01-2022 | Not completed | 14 |
| 12 | Sagolband | 03-07-2021 | 02-01-2022 | Not started | 14 |
| 13 | Naoriya Pakhanglakpa | 14-11-2022 | 13-05-2023 | Not completed | Nil |
| **Eco-Tourism Destination in each Assembly Constituency of Bishnupur District** | | | | | |
| 1 | Nambol | 15-09-2021 | 14-03-2022 | Completed in October 2022 | 7 |
| 2 | Bishnupur | 31-03-2022 | 30-09-2022 | Not started | 6 |
| 3 | Oinam | 15-09-2021 | 14-03-2022 | Completed in October 2022 | 12 |
| 4 | Moirang | 15-09-2021 | 14-03-2022 | Project site changed-Not started | 12 |
| 5 | Thanga | 15-09-2021 | 14-03-2022 | Not completed | 12 |
| 6 | Kumbi | 13-10-2022 | 12-04-2023 | Not completed | Nil |
| **Eco-Tourism Destination in each Assembly Constituency of Senapati & Kangpokpi District** | | | | | |
| 1 | Saitu | 28-07-2021 | 27-07-2022 | Not completed | 8 |
| 2 | Saikul | 28-07-2021 | 27-07-2022 | Not completed | 8 |
| 3 | Kangpokpi | 28-07-2021 | 27-07-2022 | Completed in September 2022 | 2 |
| 4 | Karong | 28-07-2021 | 27-07-2022 | Not completed | 8 |
| 5 | Mao | 28-07-2021 | 27-07-2022 | Completed in September 2022 | 2 |
| 6 | Tadubi | 28-07-2021 | 27-07-2022 | Completed in August 2022 | 1 |
| **Eco-Tourism Destination in each Assembly Constituency of Chandel & Tengnoupal District** | | | | | |
| 1 | Tengnoupal | 24-08-2021 | 23-04-2022 | April 2022 | Nil |
| 2 | Chandel | 17-08-2021 | 16-04-2022 | Completed in May 2022 | 1 |

# Appendix 4.1

*(Reference: Paragraph 4.1.6)*

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

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

| Sl. No. | Name of the Public Sector Enterprises | Year up to which accounts finalised | Paid up capital | Period of accounts pending finalisation | Investment made by State Government during the year of which accounts are in arrears @ | | |
|---|---|---|---|---|---|---|---|
| | | | | | Equity | Grants | Total |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Manipur Tribal Development Corporation Limited | 1987-88 | 0.52 | 1988-89 to 2022-23 | - | 1.50 | 1.50 |
| 2 | Manipur Police Housing Corporation Limited | 1997-98 | 0.02 | 1998-99 to 2022-23 | - | 10.67 | 10.67 |
| 3 | Manipur Food Industries Corporation Limited | 2010-11 | 5.41 | 2011-12 to 2022-23 | 2.00 | 9.88 | 11.88 |
| 4 | Manipur State Power Company Limited | 2021-22 | 10.05 | 2022-23 | - | 15.58 | 15.58 |
| 5 | Manipur Handloom & Handicrafts Development Corporation Limited | 2009-10 | 12.21 | 2010-11 to 202-23 | - | 21.15 | 21.15 |
| 6 | Tourism Corporation of Manipur Limited | - | 0.05 | 2016-17 to 2022-23 | 0.05 | 10.57 | 10.62 |
| 7 | Manipur Food & Distribution Corporation Limited | First Accounts yet to be finalised | 5.00 | 2022-23 | 5.00 | - | 5.00 |
| | **Total** | | **33.26** | | **7.05** | **69.35** | **76.40** |

# Appendix 4.2

## *(Reference: Paragraphs 4.1.8, 4.1.10 and 4.1.12)*

## Summarised financial position and working results of State Public Sector Enterprises (all Government companies) as per their latest finalised financial statements as on 30 September 2023

***(Figures in columns 5 to 12 and 14 to 16 are ₹ in crore)***

| Sl. No. | Sector / name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital @ | Loans outstanding at the end of year | Accumulated Profit (+) /Loss(-) | Free Reserves & Surplus | Turnover | Net profit (+) /loss (-) | Capital Employed | Return on capital employed (EBIT) | ROCE (per cent) | Net worth | Interest | Tax | ROE (per cent) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| **A. Working Government Companies** | | | | | | | | | | | | | | | | |
| **FINANCE** | | | | | | | | | | | | | | | | |
| 1 | Manipur Industrial Development Corporation Limited | 2009-10 | 2014-15 | 12.14 | 6.31 | -31.78 | 0 | 0.07 | -1.45 | -13.33 | -1.45 | Not workable | -19.64 | 0 | 0 | Not workable |
| 2 | Manipur Tribal Development. Corporation Limited | 1987-88 | 2013-14 | 0.52 | 0 | -0.22 | 0 | 0.02 | -0.12 | 0.30 | -0.12 | -40 | 0.30 | 0 | 0 | -40 |
| | **Sector wise total** | | | **12.66** | **6.31** | **-32.00** | | **0.09** | **-1.57** | **-13.03** | **-1.57** | **Not workable** | **-19.34** | **0** | **0** | **Not workable** |
| **INFRASTRUCTURE** | | | | | | | | | | | | | | | | |
| 3 | Manipur Police Housing Corporation Limited | 1997-98 | 2012-13 | 0.02 | 0 | 0.59 | 0 | 0.11 | 0.29 | 0.61 | 0.29 | 47.54 | 0.61 | 0 | 0 | 47.54 |
| | **Sector wise total** | | | **0.02** | **0** | **0.59** | **-** | **0.11** | **0.29** | **0.61** | **0.29** | **47.54** | **0.61** | **0** | **0** | **47.54** |
| **MANUFACTURING** | | | | | | | | | | | | | | | | |
| 4 | Manipur Food Industries Corporation Limited | 2010-11 | 2019-20 | 5.41 | 15.74 | -0.88 | 0 | 0.02 | -0.17 | 20.27 | -0.17 | -0.84 | 4.53 | 0 | 0 | -3.75 |
| 5 | Manipur Electronics Development Corporation Limited | 2017-18 | 2018-19 | 2.74 | 0 | -7.11 | 0 | 1.26 | -0.23 | -4.37 | -0.23 | Not workable | -4.37 | 0 | 0 | Not workable |
| | **Sector wise total** | | | **8.15** | **15.74** | **-7.99** | **0** | **1.28** | **-0.40** | **15.9** | **-0.40** | **-2.52** | **0.16** | **0** | **0** | **-250** |
| **POWER** | | | | | | | | | | | | | | | | |
| 6 | Manipur State Power Company Limited | 2021-22 | 2022-23 | 10.05 | 0 | -115.39 | 0 | 64.2 | -32.17 | -105.34 | -38.06 | Not workable | -105.34 | 0 | -5.89 | Not workable |
| 7 | Manipur State Power Distribution Company Limited | 2021-22 | 2021-22 | 10.05 | 451.95 | -156.7 | 0 | 518.04 | -11.11 | 305.3 | **-22.52** | **-7.38** | -46.65 | 10.12 | -21.53 | Not workable |
| | **Sector wise total** | | | **20.10** | **451.95** | **-272.09** | | **582.24** | **-43.28** | **199.96** | **-60.58** | **-30.30** | **-251.99** | **10.12** | **-27.42** | **Not workable** |
| **MISCELLANEOUS** | | | | | | | | | | | | | | | | |
| 8 | Manipur Handloom & Handicrafts Development Corporation Limited | 2009-10 | 2018-19 | 12.21 | 1.69 | -16.18 | 0 | 0.15 | -0.31 | -2.28 | -0.31 | Not workable | -3.97 | 0 | 0 | Not workable |

| Sl. No. | Sector / name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital @ | Loans outstanding at the end of year | Accumulated Profit (+) /Loss(-) | Free Reserves & Surplus | Turnover | Net profit (+) /loss (-) | Capital Employed | Return on capital employed (EBIT) | ROCE (per cent) | Net worth | Interest | Tax | ROE (per cent) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 9 | Tourism Corporation of Manipur Limited | First accounts not finalised | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not workable |
| 10 | Cyber Corporation Manipur Ltd. | 2021-22 | 2022-23 | 0.25 | 0 | -0.01 | 0 | 0 | 0 | -0.24 | 0 | Not workable | 0.24 | 0 | 0 | Negative[2] |
| 11 | Manipur Food & Distribution Corporation Ltd. | First accounts not finalised | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sector wise total** | | | | **12.46** | **1.69** | **-16.19** | **0** | **0.15** | **-0.31** | **-2.04** | **-0.31** | **Not workable** | **-3.73** | **0** | **0** | **Not workable** |
| **Total A (All sector wise working Government companies)** | | | | **53.39** | **475.69** | **-327.68** | **0** | **583.87** | **-45.27** | **201.40** | **-62.57** | **-31.07** | **-274.29** | **10.12** | **-27.42** | **Not workable** |
| **B. Non-working Government Companies** | | | | | | | | | | | | | | | | |
| **AGRICULTURE & ALLIED** | | | | | | | | | | | | | | | | |
| 1 | Manipur Agro Industries Corporation Limited | 1988-89 | 2005-06 | 0.32 | 0 | -0.45 | 0 | 0.19 | -0.04 | -0.13 | -0.04 | Not workable | -0.13 | 0 | 0 | Not workable |
| 2 | Manipur Plantation Crops. Corporation Limited | 1983-84 | 2000-01 | 0.51 | 0.07 | 0 | 0 | 0 | 0 | 0.58 | 0 | 0 | 0.51 | 0 | 0 | 0 |
| **Sector wise total** | | | | **0.83** | **0.07** | **-0.45** | **0** | **0.19** | **-0.04** | **0.45** | **-0.04** | **-8.89** | **0.38** | **0** | **0** | **-10.53** |
| **MISCELLANEOUS** | | | | | | | | | | | | | | | | |
| 3 | Manipur Pulp & Allied Products Limited | 2002-03 | 2017-18 | 0.90 | 1.75 | -6.81 | 0 | 0 | -0.83 | -4.16 | -0.25 | Not workable | -5.91 | 0.58 | 0 | Not workable |
| **Sector wise total** | | | | **0.90** | **1.75** | **-6.81** | **-** | **-** | **-0.83** | **-4.16** | **-0.25** | **Not workable** | **-5.91** | **0.58** | **0** | **Not workable** |
| **Total B (All sector wise working Government companies)** | | | | **1.73** | **1.82** | **-7.26** | | **0.19** | **-0.87** | **-3.71** | **-0.29** | **Not workable** | **-5.53** | **0.58** | **0** | **Not workable** |
| **Grand Total (A+B)** | | | | **55.12** | **477.51** | **-334.94** | **0** | **584.06** | **-46.14** | **197.69** | **-62.86** | **-31.80** | **-279.82** | **10.70** | **-27.42** | **Not workable** |

1. Accumulated loss (₹ 16.18 crore) of SPSE at serial no. A8 have been derived by adjusting the capital reserves (₹ 0.63 crore).
2. Net Loss (₹ 23,600/-) of SPSE at serial no. A10 rounded off to 'zero', hence the ROE of this SPSE was 'Negative'.
3. SPSE at serial No. B2 was at pre-operational stage, hence, did not prepare Profit and Loss Account.
4. Tourism Corporation of Manipur Limited (date of incorporation: 13 July 2016) and Manipur Food & Distribution Corporation Limited (Date of incorporation: 14 November 2022) had not submitted their first accounts.

# Appendix 4.3

## *(Reference: Paragraphs 4.1.10)*

## Statement showing Rate of Real Return on Government Investment

*(Figures in column No. B to I and K to M are '₹ in crore')*

| Financial Year | Present value of total investment at the beginning of the year | Equity infused by the State government during the year | Net interest free loan given by the State Government during the year | Grants/subsidies given by the State government for operational and Administrative expenditure | Total investment during the year | Total investment at the end of the year | Average rate of interest on Government Borrowings (*per cent*) | Present value of total investment at the end of the year | Minimum expected return to recover cost of funds for the year | Total earnings/profit after tax (PAT) for the year |
|---|---|---|---|---|---|---|---|---|---|---|
| A | B | C | D | F | H | I | J | K<br>K=I x (1+J÷100) | L<br>L= I x J÷100 | M |
| Up to 2012-13** | | 43.19 | 0.10 | 1.28 | 44.57 | 44.57 | 6.52 | 47.48 | 2.91 | 0.18 |
| 2013-14 | 47.48 | 0.00 | 0.00 | 0.00 | 0.00 | 47.48 | 6.42 | 50.52 | 3.05 | 0.78 |
| 2014-15 | 50.52 | 20.10 | 0.00 | 0.00 | 20.10 | 70.62 | 6.56 | 75.26 | 4.63 | (-)20.95 |
| 2015-16 | 75.26 | 2.05 | 0.00 | 259.93 | 261.98 | 337.24 | 6.67 | 359.73 | 22.49 | (-)24.59 |
| 2016-17 | 359.73 | 0.05 | 0.00 | 250.65 | 250.70 | 610.43 | 6.42 | 649.62 | 39.19 | (-)48.58 |
| 2017-18 | 649.62 | 0.00 | 0.00 | 286.89 | 286.89 | 936.51 | 6.13 | 993.92 | 57.41 | (-)48.75 |
| 2018-19 | 993.92 | 0.00 | 0.00 | 299.36 | 299.36 | 1,293.28 | 7.44 | 1,389.50 | 96.22 | (-)42.26 |
| 2019-20 | 1,389.50 | 0.00 | 0.00 | 165.41 | 165.41 | 1,554.91 | 7.84 | 1,676.81 | 121.90 | (-)42.43 |
| 2020-21 | 1,676.81 | 0.25 | 0.00 | 191.91 | 192.16 | 1,868.97 | 8.86 | 2,034.56 | 165.59 | (-) 37.84 |
| 2021-22 | 2,034.56 | 0.00 | 0.00 | 348.95 | 348.95 | 2,383.51 | 5.84 | 2,522.71 | 139.20 | (-) 25.17 |
| 2022-23 | 2,522.71 | 5.00 | 0.00 | 249.24 | 254.24 | 2,776.95 | 6.60 | 2,960.23 | 183.28 | (-) 46.14 |
| **Total** | | | | | **2124.36** | | | | | |

***These are cumulative figures up to 2012-13 for Columns C, D, F and H*

| Year | Total Earnings/Loss in 2022-23 *(₹ in crore)* | Investment by the State Government as per total of the column H above *(₹ in crore)* | Return on State Government investment on the basis of historical value *(per cent)* | Present value of State Government investment at the end of 2022-23 *(₹ in crore)* | Real return on State Government investment considering the present value of investments *(per cent)* |
|---|---|---|---|---|---|
| | A | B | C | D | E |
| **2022-23** | **-46.14** | **2,124.36** | **-2.17** | **2,960.23** | **-1.56** |

## Appendix 5.1

*(Reference: Paragraph 5.2)*

### Records not produced to Audit for scrutiny by DDOs of departments under Revenue Sector during 2022-23

| Sl. No. | Name of the DDO/ Office | Name of the Department | Nature of records not produced to audit for scrutiny | Period for which records were not produced | Whether Audit pursued the matter with the Department |
|---|---|---|---|---|---|
| 1 | Director, Transport | Transport | Supporting vouchers for encashment of fully Vouched Contingent bills | 18.10.2019 to 31.03.2020 | Yes |

## Appendix 5.2

*(Reference: Paragraph 5.6.5)*

### a) Range Audit sample

| Sl. No. | Name of the zone selected |
|---|---|
| 1 | Work contract |
| 2 | Zone-3 |
| 3 | Zone-8 |
| 4 | Zone-9-1 |
| 5 | Zone-9-2 |

### b) Limited audit sample

i) Excess availing of ITC

| Sl. No. | Name of the taxpayer, (GSTIN No.) | Excess ITC (in ₹) |
|---|---|---|
| 1 | M/S MANIPUR SANGAI ENTERPRISES, (14DTSPS5693R1Z8) | 12,70,849.10 |
| 2 | M/S DIGI ENTERPRISES, (14AHPPS4376P1ZD) | 25,60,343.03 |
| 3 | M/S S.N. PAVEI, (14BBQPP8905F1ZC) | 60,82,533.53 |
| 4 | M/S L.N AGENCY, (14ADFPA7082C1Z3) | 12,86,154.07 |
| 5 | M/S CREATIVE CONSULTANT AND BUILDER, (14AAEFC4594R1ZV) | 14,39,964.98 |
| 6 | M/S RAILTEL CORPORATION OF INDIA LTD, (14AABCR7176C1ZK) | 21,40,125.62 |
| 7 | M/S L. KULABIDHU SINGH & Co, (14AATPL5211B1Z3) | 18,22,235.75 |
| 8 | M/S SK ENTERPRISES, (14BUDPS3917E1ZR) | 20,22,756.66 |
| 9 | M/S TRIBENI CONSTRUCTIONS LIMITED, (14AABCT8186C1ZE) | 13,93,331.31 |
| 10 | M/S REVEX WATCH, (14ACVPT6882G1ZS) | 21,32,507.66 |
| 11 | HINDUSTAN STEELWORKS CONSTRUCTION LIMITED, (14AAACH9524R1Z4) | 10,86,357.28 |
| 12 | M/S MANIPUR AGENCY HOUSE, (14AADFH1263K1ZL) | 9,85,596.96 |
| 13 | M/S RELIANCE CORPORATE IT PARK LIMITED, (14AABCD7169H1ZN) | 39,18,281.38 |
| 14 | M/S VIRGO ENTERPRISE, (14APKPP8875M3ZW) | 37,63,044.48 |
| 15 | SBI GENERAL INSURANCE CO LTD, (14AAMCS8857L1ZJ) | 36,36,371.85 |

| Sl. No. | Name of the taxpayer, (GSTIN No.) | Excess ITC (in ₹) |
|---|---|---|
| 16 | M/S SOLITAIRE, (14AHEPT6513G2ZE) | 1,13,94,643.66 |
| 17 | M/S BHARTI HEXACOM LIMITED, (14AAACH1766P1ZC) | 21,05,494.48 |
| 18 | M/S A2Z INFRA ENGINEERING LTD, (14AAECA1203A1ZU) | 17,33,638.00 |
| 19 | M/S VIKAS & ASSOCIATES, (14AAFFV5330B1ZO) | 17,39,569.68 |
| 20 | M/S SIDDHARTHA ENGINEERING LIMITED, (14AADCS1603H1ZV) | 21,15,205.44 |
| 21 | M/S KHONGNANG GAS AGENCY, (14AADFK8632P1ZX) | 18,37,226.02 |
| 22 | M/S K.K. STORE, (14BANPS5316K2ZB) | 9,81,053.69 |
| 23 | M/S PUJA TRADING COMPANY, (14ACRPG7006R1Z4) | 24,29,959.05 |
| 24 | M/S BHARTIA INFRA PROJECTS LTD, (14AACCB3413B1ZL) | 22,94,118.71 |
| 25 | M/S MM GAS SERVICE, (14AHDPS8418E3ZB) | 19,62,978.42 |
| | **Total** | **6,41,34,340.81** |

ii) Excess availing of ITC under RCM

| Sl. No. | Name of the taxpayer, (GSTIN No.) | Excess ITC availed under RCM (in ₹) |
|---|---|---|
| 1 | K MORUNG AND SONS, (14AAHFK3607J1ZG) | 31,68,408.50 |
| 2 | ONYCON INFRASTRUCTURE, (14AADFO6703B1ZU) | 1,29,45,067.00 |
| 3 | RKEC PROJECTS PRIVATE LIMITED, (14AACCR9682A1ZG) | 93,206.00 |
| 4 | LAMPHEL PHARMACY, (14AACFL5039N1Z6) | 3,02,314.22 |
| 5 | SORAM BHUMESHOR SINGH, (14AVJPS0066L1ZB) | 13,138.11 |
| 6 | POTSANGBAM DEEPU, (14APJPD0640R1ZU) | 40,545.90 |
| 7 | HARMINDER KAUR, (14AOUPK0441B1Z) | 1,06,920.54 |
| 8 | KHALING MILAN, (14AXFPM3923J1ZH) | 9,00,000.00 |
| 9 | VIJAY KUMAR RAI, (14AINPR5098N1ZC) | 2,66,916.87 |
| 10 | THONGAM DEBAN SINGH, (14DZAPS3419F1ZJ) | 1,55,08,830.00 |
| 11 | ASHOK KUMAR KAR, (14AGIPK8067H1Z7) | 1,18,983.60 |
| 12 | SAGAPAM MANGOL SINGH, (14AVOPS5801Q2ZU) | 1,30,657.47 |
| 13 | LOITONGABAM DANIEL SINGH, (14EYCPS9901J1Z2) | 81,445.00 |
| 14 | NAYAK INFRASTRUCTURE PRIVATE LIMITED, (14AACCN6519N1Z7) | 1,87,971.00 |
| 15 | VIRENDRA KUMAR SHARMA, (14BNYPS5681R1ZK) | 24,10,458.45 |
| 16 | RAJESH KUMAR GUPTA, (14AHHPG6006E2ZW) | 18,76,072.88 |
| 17 | MANIPUR TIMES, (14AAZFM9720G1ZT) | 19,863.24 |
| 18 | PROSHANTA KUMAR KAR, (14AQUPK4792R1ZP) | 13,388.00 |
| 19 | PAWAN KUMAR DUGAR & COMPANY (HUF), (14AAKHP2125F1ZI) | 26,902.00 |
| 20 | NIMIWON LUNGLENG, (14AHQPL4429D1ZE) | 64,370.26 |
| 21 | RAJESH KUMAR SAHANI, (14BJHPS4919R1ZE) | 1,52,250.01 |
| 22 | LEISHANGTHEM BIRA SINGH, (14FLPPS0274H1ZR) | 2,02,196.00 |
| 23 | OINAM IBUNGO MEETEI, (14CIEPM2059K1Z7) | 24,10,800.00 |
| 24 | KHULEM ROHENJIT SINGH, (14AURPS3058H2Z7) | 12,737.68 |
| 25 | PARAS JAIN, (14AROPJ4907A2Z3) | 79,130.59 |
| | **Total** | **4,11,32,573.32** |

iii) Availing of ITC under Reverse Charge Mechanism (RCM) without payment

| Sl. No. | Name of the taxpayer (GSTIN No.) | Excess ITC under RCM without payment (in ₹) |
|---|---|---|
| 1 | M/s DELTA ENTERPRISE (14AFQPT9427H3ZS) | 5,994.00 |

iv) ISD credit incorrectly availed by the recipients

| Sl. No. | Name of the taxpayer, (GSTIN) | Incorrect ISD (in ₹) |
|---|---|---|
| 1 | INDIAN OIL CORPORATION (14AAACI1681G2ZV) | 22,528.20 |
| 2 | M/S AGARWAL GENERAL STORE (14ADFPA7081B1Z6) | 2,90,435.91 |
| 3 | HERBALIFE INTERNATIONAL INDIA PVT LTD (14AAACH8025R1ZA) | 10,370.14 |
| 4 | M/S SWIFT INFOTECH (14AFQPA6657L1Z2) | 3,46,784.81 |
| 5 | M/S L.D. MEDICINE (14DRYPS5593A1Z6) | 1,064.00 |
| 6 | M/S KHAGEMBA TRANSMISSION & CONSTRUCTION (14AAMFK3477D1ZC) | 44,93,232.00 |
| 7 | M/S RIVOLTA MEDICOS & PHARMACEUTICAL (14CAWPS2468G1Z4) | 24,617.42 |
| 8 | J. P. ENTERPRISE (14AEAPP7233G1ZQ) | 4,319.00 |
| 9 | M/S RELIANCE JIO INFOCOMM LTD (14AABCI6363G1ZQ) | 1,88,708.46 |
| | **Total** | **53,82,059.94** |

v) Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of Form 9C)

| Sl. No. | Name of the taxpayer (GSTN No.) | Mismatch in Table 12F 9C (in ₹) |
|---|---|---|
| 1 | M/S ACHY CASSATTE GELERY, (14EYKPS0653F1ZC) | 26,66,260.00 |
| 2 | M/S PUJA TRADING COMPANY, (14ACRPG7006R1Z4) | 23,72,900.00 |
| 3 | M/S ABCI INFRASTRUCTURES PVT. LTD., (14AACCM3317R1ZA) | 17,37,591.60 |
| 4 | M/S EVEREADY INDUSTRIES INDIA LTD., (14AAACE5778N1Z7) | 6,22,853.20 |
| 5 | M/S G M TRADERS, (14BYNPS1475F1Z6) | 5,03,113.47 |
| 6 | TATA AIA LIFE INSURANCE COMPANY LIMITED, (14AABCT3784C1ZK) | 3,60,718.00 |
| 7 | M/S BHARTIA INFRA PROJECTS LTD, (14AACCB3413B1ZL) | 3,08,460.70 |
| 8 | M/S GOODWILL PHARMA, (14AKCPC8297K1ZX) | 2,50,004.10 |
| 9 | M/S N.R. MOTORS, (14ADEPA8321R2ZG) | 2,22,909.66 |
| 10 | M/S MAMTA ELECTRICALS, (14ADGPM0552L1ZM) | 2,00,338.30 |
| | **Total** | **92,45,149.03** |

vi) Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of Form 9C)

| Sl. No. | Name of the taxpayer, (GSTIN No.) | Mismatch in Table 14T of form 9C (in ₹) |
|---|---|---|
| 1 | M/S MANIPUR TRADING CORPORATION, (14ABWPJ7023R1ZX) | 12,28,75,617.71 |
| 2 | M/S ABCI INFRASTRUCTURES PVT. LTD., (14AACCM3317R1ZA) | 5,13,25,258.00 |
| 3 | M/S MAMTA ELECTRICALS, (14ADGPM0552L1ZM) | 3,75,69,651.08 |
| 4 | M/S DHANA LAKSHMI, (14AABCD8080D2ZY) | 3,67,02,420.00 |
| 5 | M/S B.H. ENTERPRISES, (14ABQPC3499Q2ZV) | 1,50,23,478.78 |

| Sl. No. | Name of the taxpayer, (GSTIN No.) | Mismatch in Table 14T of form 9C (in ₹) |
|---|---|---|
| 6 | M/S DINESH TV ELECTRONICS, (14AHYPS6108G1ZX) | 1,44,58,430.09 |
| 7 | M/S D.S. ELECTRONICS, (14AHYPS6078B1ZU) | 1,39,78,565.35 |
| 8 | M/S MANGAL MEDICAL STORE, (14ABYPJ2150R1Z1) | 1,39,62,164.96 |
| 9 | M/S JAIN MEDICOS, (14ASPPS9136G1Z9) | 1,11,77,757.22 |
| 10 | M/S SANITARY HOUSE, (14AESPJ0814M1ZC) | 1,10,69,275.84 |
| | **Total** | **32,81,42,619.03** |

vii) Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)

| Sl. No. | Name of the taxpayer, (GSTIN No.) | Mismatch in Table 5R 9C (in ₹) |
|---|---|---|
| 1 | GAZAL CATERERS, (14AADFG9247L1Z4) | -13,70,45,760.00 |
| 2 | M/S M.M. CONSTRUCTIONS CO., (14AADPO9660M1Z8) | -6,21,88,560.00 |
| 3 | M/S L I STEEL, (14CADPS9913F1ZL) | -3,67,71,348.00 |
| 4 | M/S PUNYA MOTORS PRIVATE LIMITED, (14AADCP8485E1ZA) | -3,18,49,162.00 |
| 5 | M/S CREATIVE CONSULTANT AND BUILDER, (14AAEFC4594R1ZV) | -2,62,94,934.00 |
| 6 | M/S. MAIBIA GAS DISTRIBUTOR, (14AGFPM9831Q1ZR) | -1,52,36,146.00 |
| 7 | M/S PUNYA AUTOMOBILES PRIVATE LIMITED, (14AAGCP4167J1Z9) | -54,90,681.00 |
| 8 | M/S S D INDUSTRIES, (14DKNPS3742F1ZY) | -22,09,536.80 |
| 9 | M/S I.S ENTERPRISE, (14AVSPS1351B2ZO) | -19,46,980.80 |
| 10 | M/S DYNASTY TRADERS, (14AINPM3801A1ZT) | -15,71,025.00 |
| 11 | M/S RAJIV GLASS & HARDWARE HOUSE, (14ANIPS1303B1ZN) | -11,11,402.00 |
| 12 | FASHION SUITINGS PVT LTD, (14AAACF3294L1ZJ) | -10,04,246.56 |
| 13 | M/S MANIPUR DIESELS, (14ABWPA7618M3Z5) | -2,20,162.95 |
| 14 | M/S K & K INDANE SERVICE, (14ATFPS4826C1ZU) | -1,23,492.40 |
| 15 | M/S THE PEOPLE S CHRONICLE, (14AXPPD2043Q1Z9) | -1,16,875.64 |
| 16 | M/S HEE-YAI, (14CJFPD5959R1ZK) | -85,485.90 |
| 17 | UNITED BANK OF INDIA, (14AAACU5624P1Z2) | -40,438.87 |
| 18 | M/S SIDDHARTHA ENGINEERING LIMITED, (14AADCS1603H1ZV) | -15,578.86 |
| 19 | M/S NEST ADVERTISING & MARKETING PRIVATE LIMITED, (14AABCN7515P1Z6) | -12,500.00 |
| 20 | THE ORIENTAL INSURANCE COMPANY LIMITED, (14AAACT0627R2Z5) | -4,108.80 |
| | **Total** | **-32,33,38,425.58** |

viii) Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of Form 9C)

| Sl. No. | Name of the taxpayer, (GSTIN No.) | Mismatch in Table 7G 9C (in ₹) |
|---|---|---|
| 1 | M/S PH. ADIM, (14AKDPA9561D1ZK) | -9,92,24,080.00 |
| 2 | M/S MONOHARMAYUM SANAYAMBA SHARMA, (14CLTPS8556B2ZK) | -6,24,44,189.00 |
| 3 | N.R. MATHAI ENTERPRISES, (14BAJPR5813E2ZR) | -3,75,30,824.00 |
| 4 | SHANA AGENCY, (14CHSPS8304J3ZQ) | -73,200.00 |
| 5 | M/S MAYASHEEL RETAIL LLP, (14AAZFM9422H1ZS) | -18,528.00 |
| | **Total** | **-19,92,90,821.00** |

ix) Mismatch in tax paid between books of accounts and Annual Return (Table 9R of Form 9C)

| Sl. No. | Name of the taxpayer, (GSTN No.) | Mismatch in Table 9R 9C (in ₹) |
|---|---|---|
| 1 | M/S VENSAR CONSTRUCTIONS COMPANY, (14AAACV8199G1Z0) | 58,39,743.00 |
| 2 | M/S PROJECT HBS ENTERPRISES, (14CAEPS0289P1Z4) | 46,00,044.66 |
| 3 | M/S PUNYA MOTORS PRIVATE LIMITED, (14AADCP8485E1ZA) | 23,73,152.00 |
| 4 | M/S ELANGBAM ENTERPRISE, (14BNXPS2933P2ZZ) | 6,07,626.58 |
| 5 | M/S BHARTI HEXACOM LIMITED, (14AAACH1766P1ZC) | 5,88,693.45 |
| 6 | PUNJAB NATIONAL BANK CIRCLE OFFICE, (14AAACP0165G1ZW) | 3,45,854.02 |
| 7 | FASHION SUITINGS PVT LTD, (14AAACF3294L1ZJ) | 1,08,481.10 |
| 8 | NBCC (INDIA) LIMITED, (14AAACN3053B1Z7) | 85,390.00 |
| 9 | M/S GR (JV), (14AACAG4418P1ZK) | 62,726.28 |
| 10 | M/S G M TRADERS, (14BYNPS1475F1Z6) | 58,629.36 |
| 11 | M/S CD BYTE COMPUTER, (14AOFPK7210P1ZT) | 54,645.06 |
| 12 | V.M. TEXTILES, (14AANPM8484D1ZF) | 52,806.96 |
| 13 | M/S GTL INFRASTRUCTURE LTD., (14AACCG2107K1Z0) | 52,420.00 |
| 14 | M/S PUNYA AUTOMOBILES PRIVATE LIMITED, (14AAGCP4167J1Z9) | 40,123.90 |
| 15 | M/S NES IMPHAL CITY-2, (14AKPPD4174P1ZP) | 39,227.22 |
| 16 | M/S AXIS BANK LTD., (14AAACU2414K1ZM) | 37,591.95 |
| 17 | M/S RATAN STORE, (14AHPPA5280J1ZA) | 33,870.62 |
| 18 | M/s. RUBY and Co, (14AYXPB0556F2ZH) | 28,649.92 |
| 19 | M/S BHARTI AIRTEL LIMITED, (14AAACB2894G1ZU) | 27,953.39 |
| 20 | M/S EMOINU OILS, (14AIEPH3840D1ZU) | 22,811.10 |
| 21 | NORTH EASTERN CARRYING CORPORATION LIMITED, (14AABCN5129K1ZI) | 21,267.00 |
| 22 | M/S K & K INDANE SERVICE, (14ATFPS4826C1ZU) | 17,535.66 |
| 23 | M/S N.R. MOTORS, (14ADEPA8321R2ZG) | 17,012.66 |
| 24 | M/S PAWAN TRADING CO., (14ABYPJ1664Q1ZU) | 14,924.36 |
| 25 | M/S MAYASHEEL RETAIL LLP, (14AAZFM9422H1ZS) | 14,626.75 |
| | **Total** | **1,51,45,807.00** |

x) Undischarged tax liability

| Sl. No. | Name of the taxpayer, (GSTIN No.) | Mismatch in tax liability (in ₹) |
|---|---|---|
| 1 | M/S H.MANOJ SINGH, (14CLZPS2925Q2ZY) | 63,63,389.00 |
| 2 | M/S DHANA LAKSHMI PRIVATE LIMITED, (14AABCD8080D1ZZ) | 49,05,000.50 |
| 3 | M/S PH. ADIM, (14AKDPA9561D1ZK) | 41,72,038.00 |
| 4 | M/S S D INDUSTRIES, (14DKNPS3742F1ZY) | 34,20,128.80 |
| 5 | M/S DELTA ENTERPRISES (14BOLPS5310B1ZA) | 72,47,664.00 |
| 6 | KONSAM INAKHUNBA MEITEI, (14DZEPS2144P1ZY) | 1,25,80,974.00 |
| 7 | M/S PROJECT HBS ENTERPRISES, (14CAEPS0289P1Z4) | 45,99,984.00 |
| 8 | M/S IDEAL COMPUTER, (14BHXPK8032R1ZF) | 37,05,513.00 |
| 9 | GONAKAR NANDI, (14AKZPN6115C1Z3) | 25,04,002.00 |
| 10 | M/S N.R. MOTORS, (14ADEPA8321R2ZG) | 38,10,320.00 |
| | **Total** | **5,33,09,013.30** |

xi) Cases where GSTR 3B not filed but GSTR 1 or GSTR 2A available

| Sl. No. | Name of the taxpayer, (GSTIN No.) | Deviation amount (in ₹) |
|---|---|---|
| 1 | M/S TECHNOLOGY ICON, (14AAIFT4531B1ZM) | 89,000.00 |
| | **Total** | **89,000.00** |

xii) Short payment of interest on delayed payments

| Sl. No. | Name of taxpayer, (GSTN No.) | Short payment of interest on delayed payments (in ₹) |
|---|---|---|
| 1 | M/S ONYCON INFRASTRUCTURE, (14AADFO6703B1ZU) | 8,92,256.40 |
| 2 | M/S VENSAR CONSTRUCTIONS COMPANY, (14AAACV8199G1Z0) | 58,39,754.00 |
| 3 | M/S KEYSTONE INFRA PRIVATE LIMITED, (14AACCK6531F1ZV) | 23,04,981.00 |
| 4 | M/S ARUN ENTERPRISES, (14ABXPT3470H3Z2) | 2,89,811.50 |
| 5 | M/S NINGOMBAM IBOCHOUBA SINGH, (14CIHPS2843C1ZF) | 23,43,038.00 |
| 6 | M/S Delta Enterprises, (14BOLPS5310B1ZA) | 6,04,038.40 |
| 7 | M/S COASTAL PROJECT LIMITED, (14AABCC1907E1ZC) | 24,34,812.00 |
| 8 | MS. SHANGREIHAN MOIVAH, (14CMTPM6845E1ZN) | 20,65,658.00 |
| 9 | M/S BHARTIA INFRA PROJECTS LTD, (14AACCB3413B1ZL) | 24,86,550.00 |
| 10 | R L POWER CONSTRUCTION, (14EFOPS4339B1ZC) | 3,62,431.80 |
| | **Total** | **1,96,23,331.10** |

c) **Detailed audit sample**

| Sl. No. | GSTIN No. | Name of the taxpayer | Jurisdiction/ zone |
|---|---|---|---|
| 1 | 14AAACD5767E1ZU | M/S DISHNET WIRELESS LIMITED | Work Contracts |
| 2 | 14ATYPS6558C1Z2 | M/S KH. JITEN SINGH | Work Contracts |
| 3 | 14BUCPD9914P1ZB | S. MANI FILLING CENTRE | Zone-8 |
| 4 | 14AAAAH5541G1Z2 | M/S HCC CP PL (JV) | Work Contracts |
| 5 | 14AAACA6412D1ZF | AIRPORTS AUTHORITY OF INDIA | Work Contracts |
| 6 | 14AAJCM2960M2Z5 | MANIPUR STATE POWER COMPANY | Zone-9-1 |
| 7 | 14AAACH0968B1Z3 | HINDUSTAN CONSTRUCTION COMPANY LTD. | Work Contracts |
| 8 | 14AAACS4457Q1ZX | VODAFONE MOBILE SERVICES LIMITED | Work Contracts |
| 9 | 14AAACS8577K1ZW | M/S SBI BANKING BUSINESS | Zone-9-2 |
| 10 | 14AABAH4497G1ZO | M/S HCC VCCL (JV) | Work Contracts |

| Sl. No. | GSTIN No. | Name of the taxpayer | Jurisdiction/ zone |
|---|---|---|---|
| 11 | 14AABCR1718E1ZW | M/S RELIANCE RETAIL LIMITED | Zone-8 |
| 12 | 14AACCN6194P1ZW | AIR INDIA LIMITED | Zone-9-1 |
| 13 | 14AAHCS6024L2Z8 | M/s SHYAMA POWER INDIA LIMITED | Work Contracts |
| 14 | 14AGOPJ0452H1ZL | M/S NAMAN ELECTRICALS | Zone -3 |
| 15 | 14AAAGC0025L1ZZ | M/S CENTRAL POLICE CANTEEN | Zone-8 |
| 16 | 14AABCD8080D3ZX | M/S PADMAWATI MARKETINGS | Zone -2 |
| 17 | 14AADCC8088Q1ZZ | M/S CHENNAI NETWORK INFRASTRUCTURE LTD. | Work Contracts |
| 18 | 14AYXPT1086A1Z7 | THOUNAOJAM ENTERPRISE | Zone -3 |
| 19 | 14BSVPD1929D1ZU | M/s N.S.MEDICOS | Zone -1 |
| 20 | 14BZIPS9423H1Z1 | M/s KAKCHING PRESS | Zone-8 |

## Appendix 5.3

***(Reference: Paragraph 5.6.7.1)***

### Estimated loss of revenue due to non-taking of any action against GSTR-3B Non filers (MIS COMP 01)

| Year | Number of Taxpayers | | | | | No. of returns | | | | | Estimated loss (in ₹ lakh) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Zone-3 | WC | Zone-8 | Zone-9-1 | Zone-9-2 | Zone-3 | WC | Zone-8 | Zone-9-1 | Zone-9-2 | Zone-3 | WC | Zone-8 | Zone-9-1 | Zone-9-2 |
| 2017-18 | 6 | 47 | 310 | 344 | 108 | 43 | 285 | 1,910 | 2,149 | 721 | 0.69 | 17.69 | 5.12 | 3.89 | 5.12 |
| 2018-19 | 5 | 92 | 549 | 460 | 148 | 69 | 1,193 | 6,944 | 5,656 | 1,803 | 1.54 | 139.32 | 70.28 | 97.55 | 49.81 |
| 2019-20 | 11 | 123 | 466 | 449 | 183 | 152 | 2,445 | 6,558 | 6,388 | 2,970 | 0.29 | 17.73 | 164.11 | 504.05 | 30.78 |
| 2020-21 | 12 | 143 | 433 | 650 | 244 | 259 | 3,963 | 7,015 | 12,695 | 5,405 | 36.73 | 27.07 | 53.22 | 67.84 | 29.63 |
| **Total** | **34** | **405** | **1,758** | **1,903** | **683** | **523** | **7,886** | **22,427** | **26,888** | **10,899** | **39.25** | **201.81** | **292.73** | **673.33** | **115.34** |
| **Grand total** | **4,783** | | | | | **68,623** | | | | | **1,322.46** | | | | |

## Appendix 5.4

***(Reference: Paragraph 5.6.7.1)***

### Action initiated but not completed, GSTR-3A issued but assessment not completed

| Year | Number of GSTR3A issued | | | | | Returns filed in pursuance of GSTR3A | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Zone-3 | WC | Zone-8 | Zone-9-1 | Zone-9-2 | Zone-3 | WC | Zone-8 | Zone-9-1 | Zone-9-2 |
| *(1)* | *(2)* | | | | | *(3)* | | | | |
| 2017-18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2018-19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2019-20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2020-21 | 71 | 735 | 2,985 | 3,120 | 1,116 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **71** | **735** | **2,985** | **3,120** | **1,116** | **0** | **0** | **0** | **0** | **0** |
| **Sub total** | **8,027** | | | | | **0** | | | | |

## Appendix 5.5

***(Reference: Paragraph 5.6.7.3.2)***

### Details of GSTR-10

| Year | GSTR-10 liable to be filed during financial year | | | | | GSTR-10 filed before due date | | | | | GSTR-10 filed after due date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Zone-3 | WC | Zone 8 | Zone 9-1 | Zone 9-2 | Zone-3 | WC | Zone 8 | Zone 9-1 | Zone 9-2 | Zone 3 | Zone 8 | WC | Zone 9-1 | Zone 9-2 |
| 2017-18 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2018-19 | 2 | 6 | 28 | 107 | 32 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 1 | 0 |
| 2019-20 | 1 | 4 | 451 | 374 | 252 | 0 | 3 | 31 | 32 | 9 | 0 | 4 | 0 | 3 | 2 |
| 2020-21 | 1 | 2 | 322 | 16 | 12 | 0 | 0 | 14 | 8 | 2 | 0 | 7 | 0 | 4 | 1 |
| **Total** | **4** | **12** | **801** | **497** | **296** | **0** | **3** | **45** | **40** | **13** | **0** | **11** | **0** | **8** | **3** |
| **Grand total** | **1,610** | | | | | **101** | | | | | **22** | | | | |

## Appendix 5.6

***(Reference: Table 5.6.2)***

### Valid explanation

| Sl. No. | Name & GSTIN No. of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark |
|---|---|---|---|---|
| 1 | M/S. MAIBIA GAS DISTRIBUTOR & 14AGFPM9831Q1ZR (Zone-10) | Mismatch in turnover between annual return and financial statement (Table 5R of GSTR-9C) | - | The department stated (July 2022) that the difference in turnover between annual return and financial statement was due to non- reported in GSTR-9, however, the difference had been reported in GSTR-9C. Hence audit would not pursue the case further. |
| 2 | M/S K & K INDANE SERVICE & 14ATFPS4826C1ZU (Zone-9-2) | Mismatch in turnover between annual return and financial statement (Table 5R of GSTR-9C) | - | The department stated (September 2022) that the mismatch was due to non-reported on non-GST/nil rate/no supply turnover in GSTR-1 but reflected in GSTR-9C. The non-GST component are Interest and IOC incentive for Ujjwala scheme. Hence audit would not pursue the case. |
| 3 | M/S PUNYA MOTORS PRIVATE LIMITED & 14AADCP8485E1ZA (Zone-9-2) | Mismatch in turnover between annual return and financial statement (Table 5R of GSTR-9C) | - | Audit checked the reply (September 2022) of the department and in its reply the department clarified the discrepancy in table 15A of GSTR-9C. Hence, Audit would pursue the case further. |

| Sl. No. | Name & GSTIN No. of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark |
|---|---|---|---|---|
| 4 | M/S PUNYA AUTOMOBILES PRIVATE LIMITED & 14AAGCP4167J1Z9 (Zone 9-2) | Mismatch in turnover between annual return and financial statement (Table 5R of GSTR-9C) | - | Audit checked the reply (September 2022) of the department and in its reply the department clarified the discrepancy in table 15A of GSTR-9C. Hence, Audit would pursue the case further. |
| 5 | M/S MONOHARMAYUM SANAYAMBA SHARMA & 14CLTPS8556B2ZK (Zone-9-2) | Mismatch in taxable turnover between annual return and financial statement (Table 7G of GSTR-9C) | - | Audit checked the department replies and the department stated (November 2022) that unreconciled turnover reflected in table 7G GSTR-9C is due to inclusion of VAT regime turnover as declared in table 5M of GSTR-9 of FY-2017-18. Hence audit would not pursue it. |
| 6 | M/S PUNYA MOTORS PRIVATE LIMITED & 14AADCP8485E1ZA (Zone 9-2) | Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C) | 23,73,152 | Audit checked the department replies (September 2022) and in its reply the taxpayer clarified the discrepancy in table 10A of GSTR-9C. Hence, Audit would pursue the case further. |
| 7 | M/S PUNYA AUTOMOBILES PRIVATE LIMITED & 14AAGCP4167J1Z9 (Zone-9-2) | Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C) | 40,124 | Audit checked the department replies (September 2022) and in its reply taxpayer clarified the discrepancy in table 10A, 10B and 10C of GSTR-9C. Hence, Audit would not pursue the case further. |
| 8 | M/S MAMTA ELECTRICALS & 14ADGPM0552L1ZM (Zone-4) | Reconciliation between ITC declared in annual return with expenses in financial statement (Table 14T of GSTR-9C) | 3,75,69,651 | The department stated (June 2022) that the taxpayer chose not to fill the above entries as it was not mandatory as per CBIC, Ministry of Finance, Govt. of India-Notification No.56/2019 dated 14-11-2019 Hence, Audit would not pursue further the case. |
| 9 | M/S DHANA LAKSHMI & 14AABCD8080D2ZY (Zone-2) | Reconciliation between ITC declared in annual return with expenses in financial statement (Table 14T of GSTR-9C) | 3,67,02,420 | (June 2022) -same as above- |
| 10 | M/S B.H. ENTERPRISES & 14ABQPC3499Q2ZV (Zone-8) | Reconciliation between ITC declared in annual return with expenses in financial statement (Table 14T of GSTR-9C) | 1,50,23,479 | (September 2022) -same as above- |
| | **Total** | | **9,17,08,826** | |

# Appendix 5.7

*(Reference: Table 5.6.2)*

## Department examining the taxpayer reply

| Sl. No. | Name & GSTIN of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark |
|---|---|---|---|---|
| 1 | M/S TRIBENI CONSTRUCTIONS LIMITED & 14AABCT8186C1ZE (WC) | Mismatch in availing of ITC | 13,93,331 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination. |
| 2 | M/S SIDDHARTHA ENGINEERING LIMITED & 14AADCS1603H1ZV (WC) | Mismatch in availing of ITC | 21,15,205 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination. |
| 3 | M/S S.N. PAVEI & 14BBQPP8905F1ZC (Work Contract) | Mismatch in availing of ITC | 60,82,534 | The department stated (August 2022) that the reply from the taxpayer had been received and was under examination |
| 4 | ONYCON INFRASTRUCTURE & 14AADFO6703B1ZU (WC) | Mismatch in availing of ITC under RCM | 1,29,45,067 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination. |
| 5 | RKEC PROJECTS PRIVATE LIMITED & 14AACCR9682A1ZG (WC) | Mismatch in availing of ITC under RCM | 93,206 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination. |
| 6 | PAWAN KUMAR DUGAR & COMPANY (HUF), & 14AAKHP2125F1ZI (Zone-3) | Mismatch in availing of ITC under RCM | 26,902 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination. |
| 7 | RAJESH KUMAR GUPTA & 14AHHPG6006E2ZW (Zone-1) | Mismatch in availing of ITC under RCM | 18,76,073 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination |
| 8 | THONGAM DEBAN SINGH & 14DZAPS3419F1ZJ (Zone-1) | Mismatch in availing of ITC under RCM | 1,55,08,830 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination. |
| 9 | UNITED BANK OF INDIA & 14AAACU5624P1Z2 (Zone-1) | Mismatch in turnover between annual return and financial statement (Table 5R of GSTR-9C) | - | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination. |
| 10 | M/S GR (JV) & 14AACAG4418P1ZK (WC) | Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C) | 62,726 | The department stated (August 20220 that the reply from the taxpayer has been received and is under examination. |
| 11 | M/S GTL INFRASTRUCTURE LTD. & 14AACCG2107K1Z0 (WC) | Mismatch in tax paid between books of accounts and annual return (Table 9Rof GSTR-9C) | 52,420 | The department stated (August 20220 that the reply from the taxpayer has been received and is under examination. |
| 12 | M/S ABCI INFRASTRUCTURES PVT. LTD. & 14AACCM3317R1ZA (WC) | Mismatch in ITC availed between annual return and financial statement (Table 12F of GSTR-9C) | 17,37,592 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination. |

| Sl. No. | Name & GSTIN of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark |
|---|---|---|---|---|
| 13 | M/S MANGAL MEDICAL STORE & 14ABYPJ2150R1Z1 (Zone-3) | Reconciliation between ITC declared in annual return with expenses in financial statement (Table 14T of GSTR-9C) | 1,39,62,165 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination |
| 14 | M/S JAIN MEDICOS & 14ASPPS9136G1Z9 (Zone-3) | Reconciliation between ITC declared in annual return with expenses in financial statement (Table 14T of GSTR-9C) | 1,11,77,757 | The department stated (August 2022) that the reply from the taxpayer has been received and is under examination |
| 15 | M/S SANITARY HOUSE & 14AESPJ0814M1ZC (Zone-3) | Reconciliation between ITC declared in annual return with expenses in financial statement (Table 14T of GSTR-9C) | 1,10,69,276 | The department stated (August 20220) that the reply from the taxpayer has been received and is under examination |
| | **Total** | | **7,81,03,084** | |

## Appendix 5.8

***(Reference: Paragraph 5.6.8.2 (1))***

**Recovered**

| Sl. No. | Name & GSTIN of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark |
|---|---|---|---|---|
| 1 | M/S KHONGNANG GAS AGENCY & 14AADFK8632P1ZX (Zone-9-1) | Mismatch in availing of ITC | 18,37,226 | The department stated (September 2022) that excess ITC to the tune of ₹ 18,37,226 had been paid through DRC-03 on 20-08-2019 and 14-7-2022. |
| 2 | SORAM BHUMESHOR SINGH & 14AVJPS0066L1ZB (Zone-4) | Mismatch in availing of ITC under RCM | 13,138 | The department stated (June 2022) that the taxpayer had paid the discrepancy amount through DRC-03 dated 30-06-2022. |
| 3 | POTSANGBAM DEEPU & 14APJPD0640R1ZU (ZONE-9-1) | Mismatch in availing of ITC under RCM | 40,546 | The department stated (September 2022) that the taxpayer had paid the amount through DRC-03 dated 14-10-2022. |
| 4 | HARMINDER KAUR & 14AOUPK0441B1ZC (Zone-9-1) | Mismatch in availing of ITC under RCM | 1,06,920 | The department stated (September 2022) that excess ITC availed under reverse charge mechanism to the tune of ₹ 1,06,920 has been paid through DRC-03 on 05-07-2022. |
| 5 | RAJESH KUMAR SAHANI & 14BJHPS4919R1ZE (Zone 1) | Mismatch in availing of ITC under RCM | 1,52,250 | The department stated (August 2022) that the taxpayer had paid the discrepancy amount through DRC-03 of ₹ 1,52,250 on 03-08-2022. |
| 6 | MANIPUR TIMES & 14AAZFM9720G1ZT (Zone-9-1) | Mismatch in availing of ITC under RCM | 19,863 | The department stated (September 2022) that the excess ITC availed under reverse charge mechanism to the tune of ₹ 19,864 has been paid through DRC-03 by cash on 08-07-2022. |

| Sl. No. | Name & GSTIN of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark |
|---|---|---|---|---|
| 7 | PROSHANTA KUMAR KAR & 14AQUPK4792R1ZP (Zone-1) | Mismatch in availing of ITC under RCM | 13,388 | The department stated (August 2022) that the taxpayer had paid the discrepancy amount of ₹ 13,388 through DRC-03 on 28-06-2022. |
| 8 | M/S RAJIV GLASS & HARDWARE HOUSE & 14ANIPS1303B1ZN (Zone-4) | Mismatch in turnover between annual return and financial statement (Table 5R of GSTR-9C) | -[6] | The department stated (August 2022) that discrepancy amount of ₹ 55,570 @5% has been paid through DRC-03 dated 07-07-2022. |
| 9 | M/S NEST ADVERTISING & MARKETING PRIVATE LIMITED & 14AABCN7515P1Z6 (Zone-9-1) | Mismatch in turnover between annual return and financial statement (Table 5R of GSTR-9C | -[7] | The department stated (September 2022) that an amount of ₹ 12,500 has been paid on 13-07-2022 through DRC-03. |
| 10 | M/S K & K INDANE SERVICE & 14ATFPS4826C1ZU (Zone-9-2) | Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C) | 17,536 | The department stated (September 2022) that the taxpayer had paid ₹ 17,534 through DRC-03 dated11-07-2022 |
| 11 | M/S N.R. MOTORS & 14ADEPA8321R2ZG (Zone-2) | Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C) | 17,013 | The department stated (June 2022) that the taxpayer had paid the discrepancy amount through DRC-03 dated 24-06-2022. |
| 12 | M/S GOODWILL PHARMA & 14AKCPC8297K1ZX (Zone-3) | Mismatch in ITC availed between annual return and financial statement (Table 12F of GSTR-9C) | 2,50,004 | The taxpayer had paid the discrepancy amount through DRC-03 dated 16-06-2022. |
| 13 | M/S IDEAL COMPUTER & 14BHXPK8032R1ZF (Zone-1) | Undischarged tax liability | 37,05,513 | The discrepancy amount had been paid through DRC-03 dated 30-06-2022. |
| 14 | M/S KEYSTONE INFRA PRIVATE LIMITED & 14AACCK6531F1ZV (WC) | Short payment of interest on delayed payment | 23,04,981 | The discrepancy amount had been paid through DRC-03 dated 28-09-2022 |
| 15 | M/S NINGOMBAM IBOCHOUBA SINGH & 14CIHPS2843C1ZF (WC) | Short payment of interest on delayed payment | 23,43,038 | The taxpayer had paid an amount of ₹ 23,43,038 through DRC-03 dated 16-09-2022. |
| | **Total** | | **1,08,21,416** | |

[6] Mismatch in turnover- ₹ 11,11,400
[7] Mismatch in turnover- ₹ 12,500

## Appendix 5.9

*(Reference: Paragraph 5.6.8.2(1))*

### Under correspondence with taxpayer (89 out 151 cases)

*(Amount in ₹)*

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Dimension | Deviation amount | Remark |
|---|---|---|---|---|
| 1 | M/S MANIPUR SANGAI ENTERPRISES & 14DTSPS5693R1Z8) (Zone-9-1) | Mismatch in availing of ITC | 12,70,849 | The department stated (September 2022) that reply to the notice issued was not furnished by the taxpayer and reminder notice has been sent. |
| 2 | M/S DIGI ENTERPRISES & 14AHPPS4376P1ZD (Zone-8) | Mismatch in availing of ITC | 25,60,343 | The department stated (June 2022) that notice has been issued to the taxpayer and replies thereof was awaited. |
| 3 | M/S L.N AGENCY & 14ADFPA7082C1Z3 (Zone-9-2) | Mismatch in availing of ITC | 12,86,154 | The department stated (September 2022) that reply from the taxpayer was not received. |
| 4 | M/S CREATIVE CONSULTANT AND BUILDER & (14AAEFC4594R1ZV) Zone-13 | Mismatch in availing of ITC | 14,39,965 | The department stated (September 2022) reply to the notice issued was not furnished by the taxpayer and reminder notice has been sent. |
| 5 | M/S L. KULABIDHU SINGH & Co. & 14AATPL5211B1Z3 (Zone-1) | Mismatch in availing of ITC | 18,22,236 | The department stated (August 2022) that reply from the taxpayer was not yet received and second reminder was issued. |
| 6 | M/S SK ENTERPRISES & 14BUDPS3917E1ZR (Zone-9-1) | Mismatch in availing of ITC | 20,22,757 | The department stated (September 2022) that reply to the notice issued was not furnished by the taxpayer and reminder notice has been sent. |
| 7 | M/S REVEX WATCH & 14ACVPT6882G1ZS (Zone-6) | Mismatch in availing of ITC | 21,32,508 | The department stated (June 2022) that notice was served to the taxpayer but reply awaited. |
| 8 | HINDUSTAN STEELWORKS CONSTRUCTION LIMITED & 14AAACH9524R1Z4 (Zone-9-1) | Mismatch in availing of ITC | 10,86,357 | The department stated (September 2022) that reply to the notice issued was not furnished by the taxpayer and reminder notice has been sent. |
| 9 | M/S RELIANCE CORPORATE IT PARK LIMITED & 14AABCD7169H1ZN (WC) | Mismatch in availing of ITC | 39,18,281 | The department stated (August 2022) that reply from the taxpayer was not yet received and second reminder was issued. |
| 10 | M/S VIRGO ENTERPRISE & 14APKPP8875M3ZW (Zone-8) | Mismatch in availing of ITC | 37,63,044 | The department stated (June 2022) that notice has been sent to the taxpayer and replies thereof was awaited. |
| 11 | SBI GENERAL INSURANCE CO LTD & 14AAMCS8857L1ZJ (Zone-9-1) | Mismatch in availing of ITC | 36,36,372 | The department stated (September 2022) that reminder notice has been sent. |
| 12 | M/S Solitaire & 14AHEPT6513G2ZE (Zone-9-1) | Mismatch in availing of ITC | 1,13,94,644 | The department stated (September 2022) that reply from the taxpayer not yet received and second reminder was issued. |
| 13 | M/S BHARTI HEXACOM LIMITED & 14AAACH1766P1ZC (WC) | Mismatch in availing of ITC | 21,05,494 | The department stated (August 2022) that reply from the taxpayer not yet received and second reminder was issued. |
| 14 | M/S A2Z INFRA ENGINEERING LTD & 14AAECA1203A1ZU (WC) | Mismatch in availing of ITC | 17,33,638 | The department stated (August 2022) that reply from the taxpayer not yet received and second reminder was issued. |

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Dimension | Deviation amount | Remark |
|---|---|---|---|---|
| 15 | M/S VIKAS & ASSOCIATES & 14AAFFV5330B1ZO (WC) | Mismatch in availing of ITC | 17,39,570 | The department stated (August 2022) that reply from the taxpayer not yet received and second reminder was issued. |
| 16 | M/S PUJA TRADING COMPANY & 14ACRPG7006R1Z4) (Zone-1) | Mismatch in availing of ITC | 24,29,959 | The department stated (August 2022) that reply from the taxpayer not yet received and second reminder was issued. |
| 17 | M/S BHARTIA INFRA PROJECTS LTD & 14AACCB3413B1ZL (WC) | Mismatch in availing of ITC | 22,94,119 | The department stated (August 2022) that reply from the taxpayer not yet received and second reminder was issued. |
| 18 | M/S MM GAS SERVICE & 14AHDPS8418E3ZB (Zone-9-1) | Mismatch in availing of ITC | 19,62,978 | The department stated (September 2022) that reply from the taxpayer not yet received and reminder notice has been sent. |
| 19 | K MORUNG AND SONS & 14AAHFK3607J1ZG (Work Contracts) | Mismatch in availing of ITC under RCM | 31,68,408 | The department stated (August 2022) that reply to the notice issued was not furnished and second reminder was served. |
| 20 | LAMPHEL PHARMACY & 14AACFL5039N1Z6 (Zone-9-2) | Mismatch in availing of ITC under RCM | 3,02,314 | The department stated (September 2022) that notice was served to the taxpayer but reply awaited. |
| 21 | KHALING MILAN & 14AXFPM3923J1ZH (Zone-12) | Mismatch in availing of ITC under RCM | 9,00,000 | The department stated (September 2022) that notice was served to the taxpayer but reply awaited. |
| 22 | VIJAY KUMAR RAI & 14AINPR5098N1ZC (Zone-1) | Mismatch in availing of ITC under RCM | 2,66,917 | The department stated (August 2022) that reply from the taxpayer not yet received and second reminder notice was served. |
| 23 | ASHOK KUMAR KAR & 14AGIPK8067H1Z7 (Zone-7) | Mismatch in availing of ITC under RCM | 1,18,984 | The department stated (September 2022) that notice has been issued to the taxpayer but reply awaited. |
| 24 | SAGAPAM MANGOL SINGH & 14AVOPS5801Q2ZU (Zone-9-1) | Mismatch in availing of ITC under RCM | 1,30,657 | The department stated that notice was served (June 2022) to the taxpayer but reply awaited. |
| 25 | LOITONGABAM DANIEL SINGH & 14EYCPS9901J1Z2 (Zone-9-2) | Mismatch in availing of ITC under RCM | 81,445 | The department stated (September 2022) that reply not yet received from the taxpayer. |
| 26 | NAYAK INFRASTRUCTURE PRIVATE LIMITED & 14AACCN6519N1Z7 (WC) | Mismatch in availing of ITC under RCM | 1,87,971 | The department stated (August 2022) that reply not yet received and second reminder notice issued. |
| 27 | VIRENDRA KUMAR SHARMA & 14BNYPS5681R1ZK (Zone-6) | Mismatch in availing of ITC under RCM | 24,10,458 | The department stated (June 2022) that reply not yet received from the taxpayer. |
| 28 | NIMIWON LUNGLENG & 14AHQPL4429D1ZE (Zone-8) | Mismatch in availing of ITC under RCM | 64,370 | The department stated (July 2022) that notice was served to the taxpayer but reply awaited. |
| 29 | OINAM IBUNGO MEETEI & 14CIEPM2059K1Z7 (Zone 13) | Mismatch in availing of ITC under RCM | 24,10,800 | The department stated (June 2022) that notice was served to the taxpayer but reply awaited. |
| 30 | KHULEM ROHENJIT SINGH & 14AURPS3058H2Z7 (Zone-9-1) | Mismatch in availing of ITC under RCM | 12,738 | The department stated (September 2022) that reminder notice has been sent. |
| 31 | PARAS JAIN & 14AROPJ4907A2Z3 (Zone-7) | Mismatch in availing of ITC under RCM | 79,130 | The department stated (September 2022) that notice has been issued to the taxpayer but reply awaited. |

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Dimension | Deviation amount | Remark |
|---|---|---|---|---|
| 32 | DELTA & 14AFQPT9427H3ZS (Zone-4) | Mismatch in availing of ITC under RCM without payment | 5,994 | The department stated (June 2022) that notice was served to the taxpayer and reply awaited. |
| 33 | GAZAL CATERERS & 14AADFG9247L1Z4 (Zone-9-1) | Mismatch in turnover[8] between annual returns and financial statement (Table 5R of GSTR-9C) | - | The department stated (September 2022) that reply to the notice served was not furnished by the taxpayer and reminder notice was issued. |
| 34 | M/S M.M. CONSTRUCTIONS CO. & 14AADPO9660M1Z8 (WC) | -do- | - | The department stated (August 2022 that reply to the notice served was not furnished by the taxpayer and second reminder notice was issued. |
| 35 | M/S L I STEEL & 14CADPS9913F1ZL (Zone-8) | -do- | - | The department stated (June 2022) that notice has been issued to the taxpayer and replies thereof are awaited. |
| 36 | M/S CREATIVE CONSULTANT AND BUILDER & 14AAEFC4594R1ZV (Zone-13) | -do- | - | The department stated (September 2022) that notice was served to the taxpayer and reply awaited. |
| 37 | M/S S D INDUSTRIES & 14DKNPS3742F1ZY (Zone-9-1) | -do- | - | The department stated (September 2022) that reminder notice has been sent. |
| 38 | M/S DYNASTY TRADERS & 14AINPM3801A1ZT (Zone-3) | -do- | - | The department stated (September 2022) that notice was issued to the taxpayer. |
| 39 | FASHION SUITINGS PVT LTD & 14AAACF3294L1ZJ (Zone-8) | -do- | - | The department stated (June 2022) that notice has been issued to the taxpayer and reply thereof are awaited. |
| 40 | M/S MANIPUR DIESELS & 14ABWPA7618M3Z5 (Zone-8) | -do- | - | The department stated (June 2022) that notice has been issued and replies thereof awaited. |
| 41 | M/S THE PEOPLE'S CHRONICLE, & 14AXPPD2043Q1Z9 (Zone-9-1) | -do- | - | The department stated (September 2022) that reminder notice has been served. |
| 42 | M/S HEE-YAI & 14CJFPD5959R1ZK (Zone-1) | -do- | - | The department stated (August 2022) that reply to the notice issued was not furnished and second reminder was served. |
| 43 | M/S SIDDHARTHA ENGINEERING LIMITED & 14AADCS1603H1ZV (WC) | -do- | - | The department stated (August 2022) that reply to the notice issued was not furnished and second reminder was served. |
| 44 | The ORIENTAL INSURANCE COMPANY LIMITED & 14AAACT0627R2Z5 (Zone-1) | -do- | - | The department stated (August 2022) that reply to the notice issued was not furnished and second reminder was served. |
| 45 | M/S PH. ADIM & 14AKDPA9561D1ZK (WC) | Mismatch in taxable turnover between annual turnover and financial statement (Table 7G of GSTR-9C) | - | The department stated (August 2022) that notice was issued to the taxpayer but reply awaited. |
| 46 | N.R. MATHAI ENTERPRISES & 14BAJPR5813E2ZR (Zone-9-2) | -do- | - | The department stated (July 2022) that notice has been issued to taxpayer but reply awaited. |

[8] Involved mismatch in turnover (from Sl. No. 33 to 47) amounting □ 40.44 crore

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Dimension | Deviation amount | Remark |
|---|---|---|---|---|
| 47 | Shana Agency & 14CHSPS8304J3ZQ (Zone -1) | -do- | - | The department stated (August 2022 that reply to the notice issued was not furnished and second reminder was served. |
| 48 | M/S VENSAR CONSTRUCTIONS COMPANY & 14AAACV8199G1Z0 (WC) | Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C) | 58,39,743 | The department stated (August 2022) that reply to the notice issued was not furnished and second reminder was served. |
| 49 | M/S PROJECT HBS ENTERPRISES & 14CAEPS0289P1Z4 (WC) | -do- | 46,00,045 | The department stated (August 2022) that reply to the notice issued was not furnished and second reminder was served. |
| 50 | M/S BHARTI HEXACOM LIMITED & 14AAACH1766P1ZC) (WC) | -do- | 5,88,693 | The department stated (August 2022) that the reply not yet received from the taxpayer and second reminder notice was issued. |
| 51 | PUNJAB NATIONAL BANK CIRCLE OFFICE & 14AAACP0165G1ZW (Zone -1) | -do- | 3,45,854 | The department stated (August 2022) that the reply not yet received from the taxpayer and second reminder notice was issued. |
| 52 | M/S RATAN STORE & 14AHPPA5280J1ZA (Zone -1) | -do- | 33,871 | The department stated (August 2022) that the reply not yet received from the taxpayer and second reminder notice was issued. |
| 53 | M/s. RUBY and Co. & 14AYXPB0556F2ZH (Zone -8) | -do- | 28,650 | The department stated (September 2022) that notice had been issued to the taxpayer and replies thereof are awaited. |
| 54 | M/S BHARTI AIRTEL LIMITED & 14AAACB2894G1ZU (WC) | -do- | 27,953 | The department stated (August 2022) that the reply not yet received and second reminder notice was issued. |
| 55 | M/S EMOINU OILS & 14AIEPH3840D1ZU (Zone-9-1) | -do- | 22,811 | The department stated (July 2022) that reminder notice has been sent but reply awaited. |
| 56 | NORTH EASTERN CARRYING CORPORATION LIMITED & 14AABCN5129K1ZI (Zone -1) | -do- | 21,267 | The department stated (August 2022) that the reply not yet received and second reminder notice issued. |
| 57 | M/S MAYASHEEL RETAIL LLP & 14AAZFM9422H1ZS (Zone-8) | -do- | 14627 | The department stated (June 2022) that notice had been issued to the taxpayer and replies thereof are awaited. |
| 58 | M/S PAWAN TRADING CO. & 14ABYPJ1664Q1ZU (Zone -1) | -do- | 14,924 | The department stated (August 2022) that the reply not yet received and second reminder notice was issued. |
| 59 | M/S ELANGBAM ENTERPRISE & 14BNXPS2933P2ZZ (Zone-9-2) | -do- | 6,07,627 | The department stated (September 2022) that reply not yet received. |
| 60 | NBCC (INDIA) LIMITED & 14AAACN3053B1Z7 (Zone-8) | -do- | 85,390 | The department stated (June 2022) that notice had been issued to the taxpayer and replies thereof are awaited. |
| 61 | M/S G M TRADERS & 14BYNPS1475F1Z6 (WC) | -do- | 58,629 | The department stated (June 2022) that notice had been issued to the taxpayer and replies thereof are awaited |
| 62 | M/S NES IMPHAL CITY-2 & 14AKPPD4174P1ZP (Zone-9-2) | -do- | 39,227 | The department stated (September 2022) that reply not yet received. |

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Dimension | Deviation amount | Remark |
|---|---|---|---|---|
| 63 | M/S ACHY CASSATTE GELERY & 14EYKPS0653F1ZC (Zone-9-1) | Mismatch in ITC availed between annual return and financial statement (Table 12F of GSTR-9C) | 26,66,260 | The department stated (September 2022) that reminder notice has been sent. |
| 64 | M/S PUJA TRADING COMPANY & 14ACRPG7006R1Z4 (Zone-1) | -do- | 23,72,900 | The department stated (August 2022) that the reply not yet received and second reminder notice was issued. |
| 65 | M/S GM TRADERS & 14BYNPS1475F1Z6 (Zone-8) | -do- | 5,03,113 | The department stated (September 2022) that notice issued to the taxpayer and reply not yet received. |
| 66 | M/S BHARTIA INFRA PROJECTS LTD. & 14AACCB3413B1ZL (WC) | -do- | 3,08,461 | The department stated (August 2022) that the reply not yet received from the taxpayer and second reminder was issued. |
| 67 | M/S MANIPUR TRADING CORPORATION & 14ABWPJ7023R1ZX (Zone-3) | Reconciliation between ITC declared in annual return with expenses in financial statement (Table 14T of GSTR-9C) | 12,28,75,618 | The department stated (August 2022) that notice was issued to the taxpayer but reply awaited. |
| 68 | M/S ABCI INFRASTRUCTURES PVT. LTD. & 14AACCM3317R1ZA (WC) | -do- | 5,13,25,258 | The department stated (August 2022) that the reply not yet received from the taxpayer and second reminder notice was issued. |
| 69 | M/S DINESH TV ELECTRONICS & 14AHYPS6108G1ZX (Zone-1) | -do- | 1,44,58,430 | The department stated (August 2022) that reply not yet received from the taxpayer and second reminder notice was issued. |
| 70 | M/S D.S. ELECTRONICS & 14AHYPS6078B1ZU (Zone-1) | -do- | 1,39,78,565 | The department stated (August 2022) that reply not yet received from the taxpayer and second reminder notice was issued. |
| 71 | M/S H. MANOJ SINGH & 14CLZPS2925Q2ZY (WC) | Undischarged tax liability | 63,63,389 | The department stated (August 2022) that reply not yet received from the taxpayer and second reminder notice was issued. |
| 72 | M/S PH. ADIM & 14AKDPA9561D1ZK (WC) | Undischarged tax liability | 41,72,038 | The department stated (August 2022) that reply not yet received from the taxpayer and second reminder notice was issued. |
| 73 | M/S SD INDUSTRIES & 14DKNPS3742F1ZY (Zone-9-1) | Undischarged tax liability | 34,20,129 | The department stated (September 2022) that reply not yet received from the taxpayer and reminder notice was issued. |
| 74 | M/S DELTA ENTERPRISES & 14BOLPS5310B1ZA (Zone-7) | Undischarged tax liability | 72,47,664 | The department stated (September 2022) that notice was served to the taxpayer but reply awaited. |
| 75 | KONSAM INAKHUNBA MEITEI & 14DZEPS2144P1ZY (WC) | Undischarged tax liability | 1,25,80,974 | The department stated (August 2022) that the reply to the notice served was not furnished by the taxpayer and second reminder notice was issued. |
| 76 | M/S PROJECT HBS ENTERPRISES & 14CAEPS0289P1Z4 (WC) | Undischarged tax liability | 45,99,984 | The department stated (August 2022) that the reply not yet received from the taxpayer and second reminder notice was issued. |

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Dimension | Deviation amount | Remark |
|---|---|---|---|---|
| 77 | M/S ONYCON INFRASTRUCTURE & 14AADFO6703B1ZU (WC) | Short payment of interest on delayed payment | 8,92,256 | The department stated (September 2022) that notice issued to the taxpayer but reply not yet received. |
| 78 | R L POWER CONSTRUCTION & 14EFOPS4339B1ZC (WC) | -do- | 3,62,432 | The department stated (September 2022) that notice was issued to the taxpayer but reply not yet received. |
| 79 | MS. SHANGREIHAN MOIVAH & 14CMTPM6845E1ZN (Zone-1) | -do- | 20,65,658 | The department stated (September 2022) that notice was issued to the taxpayer but reply not yet received. |
| 80 | M/S COASTAL PROJECT LIMITED & 14AABCC1907E1ZC (Zone-8) | -do- | 24,34,812 | The department stated (September 2022) that the reply to the notice served was not received from the taxpayer. |
| 81 | M/S DELTA ENTERPRISES & 14BOLPS5310B1ZA (Zone-7) | -do- | 6,04,038 | The department stated (September 2022) that notice was issued to the taxpayer but reply awaited. |
| 82 | M/S ARUN ENTERPRISES & 14ABXPT3470H3Z2 (Zone-8) | -do- | 2,89,812 | The department stated (September 2022) that notice was issued to the taxpayer but reply awaited. |
| 83 | INDIAN OIL CORPORATION & 14AAACI1681G2ZV (ZONE-9-1) | Incorrect availment of ISD credit | 22,528 | The department stated (June 2022) that notice was issued to the taxpayer but reply awaited. |
| 84 | M/S AGARWAL GENERAL STORE & 14ADFPA7081B1Z6 (Zone-9-1) | Incorrect availment of ISD credit | 2,90,436 | The Department stated (September 2022) that reply to the notice served was not yet received and reminder notice has was issued. |
| 85 | HERBALIFE INTERNATIONAL INDIA PVT LTD & 14AAACH8025R1ZA (Zone-9-1) | Incorrect availment of ISD credit | 10,370 | The Department stated (September 2022) that reply to the notice served was not yet received and reminder notice was issued. |
| 86 | M/S SWIFT INFOTECH & 14AFQPA6657L1Z2 (Zone-7) | Incorrect availment of ISD credit | 3,46,785 | The Department stated (September 2022) that notice has been sent and replies thereof are awaited. |
| 87 | M/S L.D. MEDICINE & 14DRYPS5593A1Z6 (Zone-9-1) | Incorrect availment of ISD credit | 1,064 | The department stated (September 2022) that reply to the notice served was not yet received and reminder notice was issued. |
| 88 | M/S KHAGEMBA TRANSMISSION & CONSTRUCTION & 14AAMFK3477D1ZC (WC) | Incorrect availment of ISD credit | 44,93,232 | The department stated (August 2022) that reply to the notice served was not received and second reminder notice was issued. |
| 89 | M/S RIVOLTA MEDICOS & PHARMACEUTICAL & 14CAWPS2468G1Z4 (Zone-3) | Incorrect availment of ISD credit | 24,617 | The department stated (August 2022) that reply not yet received from the taxpayer and second reminder notice was issued. |
| | **Total** | | **32,97,79,588** | |

# Appendix 5.10

## *(Reference: Paragraph 5.6.8.2 (2))*

## Department's reply not furnished with appropriate documentary evidence/ reply not accepted

| Sl. No. | Name & GSTIN of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark |
|---|---|---|---|---|
| 1 | M/s K.K. Store & 14BANPS5316K2ZB (Zone-10) | Mismatch in availing of ITC | 9,81,000 | As per the information by the tax department, the taxpayer has ceased to exist and discontinued the business. As such, the department cancelled the registration of the firm on portal. However, the firm had already availed excess ITC of ₹ 9.81 lakh. |
| 2 | M/S RAILTEL CORPORATION OF INDIA LTD & 14AABCR7176C1ZK (Zone-9-2) | Mismatch in availing of ITC | 21,40,126 | The department forwarded (September 2022) the reply of taxpayer without explaining details of the discrepancies. In their reply, the taxpayer stated that ITC availed as per GSTR-2A (FY-2017-18) is ₹ 68,31,535 while total ITC as per their record/purchase ledger is ₹ 76,72,770. Taxpayer further stated that they have mistakenly claimed ITC of ₹ 78,25,571 instead of ₹ 76,72,770 and excess ITC of ₹ 2,10,710 was reversed in GSTR-3B return filing of April-2018 and July-2018 without utilizing the same. Taxpayer claimed that there should be excess ITC of only ₹ 8.41 lakh (₹ 76,72,770-₹ 68,31,535) instead of ₹ 21.4 lakh as pointed out by audit. Out of this ₹ 8.41 lakh, ₹ 8.29 lakh was reversed in GSTR-3B return filing of October 2018. However, audit could not verify the claim of the taxpayer as GSTR-2A and details of invoices for claim of ITC by the taxpayer was not furnished to audit by the department. |
| 3 | M/S YAIMABI STELLA SHOES STORE & 14FLPPS0274H1ZR (Zone-8) | Mismatch in availing of ITC under RCM | 2,02,196 | The department stated (September 2022) the taxpayer had wrongly entered on GSTR-1 of the said period but not claimed ITC on GSTR-3B return filing for the period from September 2017 to March 2018 and conveyed audit to drop the case. However, audit could not accept the reply of the department as the ITC availed as per table 6D of GSTR-9 (reverse charge) is ₹ 2,02,196. The department does not furnish electronic cash and credit ledger for the same for cross verification. Therefore, audit could not accept the reply of the department. |
| 4 | M/S RELIANCE JIO INFOCOMM LTD & 14AABCI6363G1ZQ (Zone-8) | Incorrect availment of ISD credit | 1,88,708 | The department stated (September 2022) that the ISD availed by the taxpayer matched with their ISD register and the same amount was reflected in GSTR-9 and conveyed to drop the case.<br>However, Audit could not accept the reply of the department as the sum of tax (ISD) under GSTR-6 table 6G is ₹ 89,84,553 and tax payment under table 5a of GSTR-6 is ₹ 87,95,844. Moreover, there was no adjustment in table 8 or 9 of GSTR-6. So, there was non reversal of ₹ 18,87,080 between taxable and tax paid under ISD. Hence audit could not accept department reply. |
| 5 | GONAKAR NANDI & 14AKZPN6115C1Z3 (Zone-8) | Undischarged tax liability | 25,04,002 | The department (September 2022) furnished only the copies of GSTR-9 and GSTR-1 for FY-2017-18 without clarification. As such, Audit could not accept their reply on the basis of lack of proper clarification. |
| 6 | M/S TECHNOLOGY ICON & 14AAIFT4531B1ZM (Zone-4) | Cases where GSTR-3B not filed but GSTR-1 or 2A available | 89,000 | The department stated (March 2023) that the taxpayer does not reply to notice issued by the department and department had cancelled registration of the taxpayer upon not receiving the reply vide GST Reg-19 order dated 28-12-2022 under section 29 of CGST Act. However, the department has not taken any action to offset the liabilities of the taxpayer. Hence audit could not accept the reply of the taxpayer. |
| | | **Total** | **61,05,032** | |

## Appendix 5.11

***(Reference: Paragraph 5.6.8.2 (3))***

### Data entry error

| Sl. No. | Name & GSTIN of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark |
|---|---|---|---|---|
| 1 | M/S DHANA LAKSHMI PRIVATE LIMITED & 14AABCD8080D1ZZ (Zone-2) | Undischarged tax liability | 49,05,000 | The department stated (June 2022) that the taxpayer did not make any taxable supplies during FY-2017-18. The discrepancy was due to clerical error while return filing. |
| 2 | M/S N.R. MOTORS & 14ADEPA8321R2ZG (Zone-2) | Undischarged tax liability | 38,10,320 | The department stated (June 2022) that sales figure of ₹ 1,36,36,093.25 for the month of November 2017 was erroneously added again in the GSTR-1 of December 2017 while the actual sales turnover for December 2017 was ₹ 93,06,833 as declared in the GSTR-3B return. |
| 3 | J. P. ENTERPRISE& 14AEAPP7233G1ZQ (Zone-2) | Incorrect availment of ISD credit | 4,319 | The department stated (September 2022) that the taxpayer claimed the ISD credit claimed was erroneously entered in Table 4(A-4) instead of table 4 (A-3) which was meant for ITC on RCM while filing GSTR-3B of January 2018. The amount of ₹ 4,319 has been paid as tax on RCM while filing return of January 2018. Moreover, the taxpayer could not rectify wrong entry of the ITC claimed while filing GSTR-9. |
| | **Total** | | **87,19,639** | |

## Appendix 5.12

***(Reference: Paragraph 5.6.8.2 (4))***

### Action taken before audit query

| Sl. No. | Name and GSTIN of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark/ response received |
|---|---|---|---|---|
| 1 | M/S MANIPUR AGENCY HOUSE & 14AADFH1263K1ZL (Zone-2) | Mismatch in availing of ITC | 9,85,597 | The department stated (June 2022) that the taxpayer had reconciled the discrepancy with supporting document at the instance of show cause noticed served (ASMT-10) dated 27-10-2020 to the taxpayer. Hence the audit would not pursue the case further. |
| 2 | M/S EVEREADY INDUSTRIES INDIA LTD. & (14AAACE5778N1Z7 (Zone-3) | Mismatch in ITC availed between annual return and financial statement (Table 12F of GSTR-9C) | 6,22,853 | The department stated (September 2022) that the discrepancy is due to transitional credit availed through TRAN-1 (₹ 5,23,129), TRAN-2 (₹ 86,349) and excess availed of ITC of ₹ 13,372 for October 2017 that had been paid in GSTR-3B of April 2018. Therefore, audit would not pursue the case further. |

| Sl. No. | Name and GSTIN of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark/ response received |
|---|---|---|---|---|
| 3 | TATA AIA LIFE INSURANCE COMPANY LIMITED & 14AABCT3784C1ZK (Zone-9-1) | Mismatch in ITC availed between annual return and financial statement (Table 12F of GSTR-9C) | 3,60,718 | The department stated (September 2022) that mismatch in the annual return and financial statement for ₹ 3,60,718 has been reversed by the taxpayer while filing the GSTR-3B for the month of October 2018. Hence, Audit would not pursue the case further. |
| 4 | M/S N.R. MOTORS & 14ADEPA8321R2ZG (Zone-2) | Mismatch in ITC availed between annual return and financial statement (Table 12F of GSTR-9C) | 2,22,910 | Audit checked the department reply and the department stated (June 2022) that the taxpayer had paid the discrepancy amount vide DRC-03 dated 08-02-2020 along with interest. Hence, it would not be pursued further. |
| 5 | M/S MAMTA ELECTRICALS & 14ADGPM0552L1ZM (Zone-4) | Mismatch in ITC availed between annual return and financial statement (Table 12F of GSTR-9C) | 2,00,338 | The department stated (June 2022) that the taxpayer had reversed excess ITC of ₹ 2,00,338 in the subsequent financial year which was correctly reported in part-V point-12 of GSTR-9. Hence the audit would not pursue the case further. |
| 6 | M/S I.S ENTERPRISE & 14AVSPS1351B2ZO (Zone-9-2) | Mismatch in turnover between annual return and financial statement (Table 5R of GSTR-9C) | - | The department stated (September 2022) that the taxpayer had paid tax for unreconciled turnover as declared in GSTR-9C of 2017-18. Hence the audit would not pursue the case further. |
| 7 | M/S MAYASHEEL RETAIL LLP & 14AAZFM9422H1ZS (Zone-8) | Mismatch in taxable turnover between annual return and financial statement (Table 7G of GSTR-9C) | - | The department stated (September 2022) that the taxpayer had paid the tax of ₹ 3,424 for unreconciled turnover on 18-12-2019 by electronic cash ledger vide reference no. DC1412190002977. Hence the audit would not pursue the case further. |
| 8 | V.M. TEXTILES & 14AANPM8484D1ZF (Zone-12) | Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C | 52,807 | The department stated (September 2022) that mismatch between books of account and annual return to the tune of ₹ 54,645 has been paid on 09-07-2019 bearing reference no. DC1407190000943 in the credit ledger. The taxpayer made payment of ₹ 1,08,482 on 29-05-2020 vide DRC-03. Hence the audit would not pursue the case further. |
| 9 | FASHION SUITINGS PVT LTD & 14AAACF3294L1ZJ (Zone-8) | -do- | 1,08,481 | The taxpayer had paid the discrepancy amount through DRC-03 dated 29-05-2020. Hence the audit would not pursue the case further. |
| 10 | M/S CD BYTE COMPUTER & 14AOFPK7210P1ZT (Zone-9-1) | -do- | 54,645 | The taxpayer paid the discrepancy amount through DRC-03 dated 09-07-2019. Hence the audit would not pursue the case further. |
| 11 | M/S AXIS BANK LTD. & 14AAACU2414K1ZM (Zone-2) | Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C | 37,592 | The taxpayer paid discrepancy amount through DRC-03 dated 28-08-2019. Hence, Audit would not pursue it further. |
| 12 | M/S VENSAR CONSTRUCTIONS COMPANY & 14AAACV8199G1Z0 (WC) | Short payment of interest on delayed payment | 58,39,754 | The taxpayer paid the interest payment of ₹ 57,66,711 through DRC-03 dated 14-09-2021. Hence, Audit would pursue the case further. |

| Sl. No. | Name and GSTIN of taxpayer (Zone) | Dimension | Deviation amount (₹) | Remark/ response received |
|---|---|---|---|---|
| 13 | M/S BHARTIA INFRA PROJECTS LTD & 14AACCB3413B1ZL (WC) | Short payment of interest on delayed payment | 24,86,550 | The taxpayer had made the interest payment of ₹ 25,21,059 for 2017-18 against ₹24,86,550 through DRC-03 dated 17-12-2019. Hence, Audit would not pursue further. |
| | **Total** | | **1,09,72,245** | |

## Appendix 5.13

***(Reference: Paragraph 5.6.9.1)***

## Detail of records not furnished to audit

| Sl. No. | Trade-name & GSTIN (Zone) | Records pending | Mismatch amount of ITC/tax liability (₹ in crore) |
|---|---|---|---|
| 1 | M/S DISHNET WIRELESS LIMITED & 14AAACD5767E1ZU (Work Contracts) | GSTR-3B of February and March, 2017-18, GSTR-9/9C of three year, Show Cause Notice (SCN) of the sales and purchase, Trial balance, Balance Sheet, Profit & Loss Account, Director's Report, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, Declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, All credit/debit note amendments, Sales register, *etc*. | 0.02 |
| 2 | M/s HCC CP PL (JV) & 14AAAAH5541G1Z2 (WC) | Trial balance, balance sheet, P& L statement for Manipur jurisdiction. , Electronic cash ledger, Director's Report ,Auditor report, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, Declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, all credit/debit note amendments, Sales register, purchase register *etc*. | 2.13 |
| 3 | Airports Authority of India & 14AAACA6412D1ZF (WC) | Trial balance, balance sheet, P& L statement for Manipur jurisdiction. , Electronic cash ledger, Director's Report, Auditor report, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, Declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, all credit/debit note amendments, Sales register, purchase register *etc*. | 1.78 |
| 4 | Hindustan Construction Company Ltd. & 14AAACH0968B1Z3 (WC) | Trial balance, balance sheet, P& L statement for Manipur jurisdiction. , Electronic cash ledger, Director's Report, Auditor report, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, Declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, all credit/debit note amendments, Sales register, purchase register *etc*. | 1.56 |

| Sl. No. | Trade-name & GSTIN (Zone) | Records pending | Mismatch amount of ITC/tax liability (₹ in crore) |
|---|---|---|---|
| 5 | M/s Vodafone Mobile Service Limited & 14AAACS4457Q1ZX (WC) | Trial balance, balance sheet, P& L statement for Manipur jurisdiction, Electronic cash ledger, Director's Report, Auditor report, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, Declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, all credit/debit note amendments, Sales register, purchase register *etc*. | 0.86 |
| 6 | HCC VCCL (JV) & 14AABA H4497G1ZO (WC) | Trial balance, balance sheet, P& L statement for Manipur jurisdiction. , Electronic cash ledger, Director's Report, Auditor report, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, Declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, all credit/debit note amendments, Sales register, purchase register *etc*. | 4.19 |
| 7 | M/s Reliance Retail Ltd. & 14AABCR1718E1ZW (Zone-8) | Sales and purchase register, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in GSTR-1, Declared invoices in the GSTR-2A, Undeclared invoices in the GSTR-2A, Agreement, PO, all credit/debit note amendments, Sales register, Separate Balance, Profit & Loss account for Manipur jurisdiction, *etc*. | 1.44 |
| 8 | M/s Chennai Network Infrastructure Ltd. & 14AADCC8088Q1ZZ (WC) | Sales and purchase register, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, Declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, ITC mismatch, invoices, and other underlying documents, All credit/debit note amendments, GSTR-2A for the year 207-18, Sales & Purchases Register, Separate Balance, Profit & Loss account for Manipur jurisdiction, *etc*. | 0.22 |
| 9 | M/s Thounaojam Enterprise & 14AYXPT1086A1Z7 (Zone-3) | Sales and purchase register, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, Declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, ITC mismatch, invoices, and other underlying documents, All credit/debit note amendments, GSTR-2A for the year 207-18, Sales & Purchases Register, *etc*. | 0.46 |
| 10 | M/s N.S. Medicos & 14BSVPD1929D1ZU (Zone-1) | Sales and purchase register, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, Declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, ITC mismatch, invoices, and other underlying documents, All credit/debit note amendments, Balance Sheet, Profit & Loss Account, Sales & Purchases Register, GSTR-9, GSTR-9C, Electronic Credit Ledger for the year 2017-18, *etc*. | 0.63 |

| Sl. No. | Trade-name & GSTIN (Zone) | Records pending | Mismatch amount of ITC/tax liability (₹ in crore) |
|---|---|---|---|
| 11 | M/s Shyama Power India Ltd. & 14AAHCS6024L2Z8 (WC) | Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, all credit/debit note amendments, Sales register, Auditor Report *etc.* | 3.84 |
| 12 | M/s Central police Canteen & 14AAAGC0025L1ZZ (Zone-8) | GSTR-9C, Invoices/ Bills of supplies/ Receipt Vouchers/Payment vouchers, Other underlying documents (Agreement, Purchase Order/register), a minimum of 20% of declared invoices in R1, declared invoices in the GSTR 2A, Undeclared invoices in the GSTR-2A, Agreement, PO, all credit/debit note amendments, Sales & Purchase register, GSTR-2A, *etc*. | 2.08 |
| 13 | M/s SBI Banking Business & 14AAACS8577K1ZW (Zone-9-2) | Sales and purchase register, Director report, Auditor's Report, Undeclared invoices in the GSTR-2A, Trial balance, Agreement, PO, all credit/debit note amendments, *etc*. | 0.31 |
| | **Total** | | **19.52** |

## Appendix 5.14

*(Reference: Paragraph 5.6.9.2 (1))*

### Interest on delay payment of GST tax (Cash payment portion)

| Sl. No. | Name & GSTIN no. of the taxpayer (Zone) | Month of GSTR-3B | Due date of filing | Actual date of filing | No. of days delayed | Tax paid in cash | Interest @ 18% |
|---|---|---|---|---|---|---|---|
| 1 | M/s THOUNAOJAM ENTERPRISE & 14AYXPT1086A1Z7 (Zone-3) | Jul-17 | 25-08-2017 | 24-09-2017 | 30 | 1,28,872 | 1,906.60 |
| 2 | M/s CHENNAI NETWORK INFRASTRUCTURE LTD & 14AADCC8088Q1ZZ (WC) | Jul-17 | 25-08-2017 | 28-08-2017 | 3 | 15,86,513 | 2,347.17 |
| | | Aug-17 | 20-09-2017 | 25-09-2017 | 5 | 12,14,659 | 2,995.05 |
| | | Sep-17 | 20-10-2017 | 23-10-2017 | 3 | 13,51,490 | 1,999.46 |
| 3 | S. Mani Filing & 14BUCPD9914P1ZB (Zone-8) | Aug-17 | 20-09-2017 | 03-01-2019 | 470 | 40,520 | 9,391.76 |
| | | Sep-17 | 20-10-2017 | 05-01-2019 | 442 | 22,210 | 4,841.17 |
| | | Oct-17 | 20-11-2017 | 05-01-2019 | 411 | 5,532 | 1,121.25 |
| | | Nov-17 | 20-12-2017 | 05-01-2019 | 381 | 3,272 | 614.78 |
| | | Dec-17 | 22-01-2018 | 05-01-2019 | 348 | 4,464 | 766.10 |
| | | Jan-18 | 20-02-2018 | 05-01-2019 | 319 | 3,744 | 588.99 |
| | | Feb-18 | 20-03-2018 | 05-01-2019 | 291 | 4,352 | 624.54 |
| | | Mar-18 | 20-04-2018 | 31-03-2019 | 345 | 4,400 | 748.60 |
| 4 | Airport Authority of India & 14AAACA6412D1ZF (WC) | Aug-17 | 20-09-2017 | 23-09-2017 | 3 | 86,98,135 | 12,868.47 |
| **Total** | | | | | **3,051** | **1,30,68,163** | **40,813.94** |

## Appendix 5.15

*(Reference: Paragraph Table 5.6.6)*

### Mismatch in ITC availed between GSTR-2A and GSTR-3B/ GSTR-9

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | ITC available as per GSTR-2A (₹) | ITC availed in GSTR-3B & Electronic credit ledger (₹) | ITC claimed as declared in GSTR-9 (₹) | Excess ITC claimed (₹) |
|---|---|---|---|---|---|
| *1* | *2* | *3* | *4* | *5* | *6=Higher value of (4-3) or (5-3)* |
| 1 | M/S RELIANCE RETAIL LIMITED & 14AABCR1718E1ZW (Zone-8) | 3,95,34,192 | 5,40,85,829 | 5,40,85,829 | 1,45,51,637 |
| 2 | M/S CENTRAL POLICE CANTEEN & 14AAAGC0025L1ZZ (Zone-8) | 1,04,24,025 | 2,02,31,484 | 1,01,84,233 | 98,07,459 |
| 3 | M/s THOUNAOJAM ENTERPRISE & 14AYXPT1086A1Z7 (Zone-3) | 2,28,26,224 | 2,74,30,867 | 2,23,40,097 | 46,04,643 |
| 4 | M/s N.S. Medicos & 14BSVPD1929D1ZU, (Zone-10) | 5,07,712 | 68,86,238 | -- | 63,78,526 |

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | ITC available as per GSTR-2A (₹) | ITC availed in GSTR-3B & Electronic credit ledger (₹) | ITC claimed as declared in GSTR-9 (₹) | Excess ITC claimed (₹) |
|---|---|---|---|---|---|
| 5 | M/s CHENNAI NETWORK INFRASTRUCTURE LTD. & 14AADCC8088Q1ZZ (WC) | 80,39,871 | 1,02,74,669 | 22,34,798 | 22,34,798 |
| 6 | M/s HCC CP PL (JV) & 14AAAAH5541G1Z2 (WC) | 18,23,30,045 | 20,36,65,844 | 20,36,65,844 | 2,13,35,799 |
| 7 | M/s Airports Authority of India & 14AAACA6412D1ZF (WC) | 54,40,129 | 2,32,55,614 | 2,32,55,614 | 1,78,15,484 |
| 8 | M/s Hindustan Construction Company Ltd. & 14AAACH0968B1Z3 (WC) | 20,45,84,871 | 22,03,33,569 | 22,01,77,489 | 1,55,92,617 |
| 9 | M/s Shyama Power India Limited & 14AAHCS6024L2Z8 (WC) | 5,59,09,444 | 9,19,12,547 | 9,19,12,551 | 3,60,03,107 |
| 10 | Vodafone Mobile Services Ltd. & 14AAACS4457Q1ZX (WC) | 4,94,78698 | 5,77,43,265 | 5,68,08,032 | 82,64,567 |
| 11 | SBI Banking Business & 14AAACS8577K1ZW (Zone-9-2) | 1,76,70,201 | 2,07,84,116 | 1,88,99,784 | 31,13,915 |
| 12 | HCC VCCL (JV) & 14AABA H4497G1ZO (WC) | 8,97,07,780 | 9,15,78,176 | 9,15,78,180 | 18,70,400 |
| | **Total** | **68,64,53,192** | **82,81,82,218** | **79,51,42,451** | **14,15,72,952** |

## Appendix 5.16

***(Reference: Paragraph Table 5.6.6)***

### Mismatch of ITC in ECL than that declared in annual return

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Value in 6I of GSTR-9 (in ₹) | Value in 6A of GSTR- 9 (in ₹) | Value in 6J of GSTR-9 Difference of 6I - 6A (negative value only) (in ₹) |
|---|---|---|---|---|
| 1. | M/s HINDUSTAN CONSTRUCTION COMPANY Ltd.& 14AAACH0968B1Z3 (WC) | 21,82,56,152.00 | 21,83,60,217.00 | -1,04,065.00 |
| 2. | VODAFONE MOBILE SERVICES LIMITED & 14AAACS4457Q1ZX (WC) | 5,45,33,667.94 | 5,45,47,689.16 | -14,021.22 |
| 3. | M/S CENTRAL POLICE CANTEEN & 14AAAGC0025L1ZZ (Zone-8) | 1,01,84,233.00 | 20,23,14,83.24 | -1,00,47,250.24 |
| 4. | M/s THOUNAOJAM ENTERPRISE & 14AYXPT1086A1Z7 (Zone-3) | 2,22,62,140.26 | 2,73,52,910.28 | -50,90,770.02 |
| | **Total** | **30,52,36,193.20** | **32,04,92,299.68** | **1,52,56,106.48** |

## Appendix 5.17

***(Reference: Paragraph Table 5.6.6)***

### Non reversal of ITC for common input

| Sl. No. | Name &GSTIN of the taxpayer (Zone) | Reversal workout as per section 42 of MGST Act 2017* (in ₹) | Value of ITC reverse as per table 7C of GSTR-9 (in ₹) | Non reversal (in ₹) |
|---|---|---|---|---|
| 1 | M/S Air India Limited & 14AACCN6194P1ZW (Zone-9-1) | 55,92,157 | 3,04,049 | 52,88,108 |
| 2 | M/S DHANA LAKSHMI PVT. LTD. & 14AABCD8080D3ZX (Zone-2) | 2,426 | 0 | 2,426 |
| 3 | M/s Airports Authority of India & 14AAACA6412D1ZF (WC) | 1,88,654 | 0 | 1,88,654 |
| 4 | SBI Banking Business & 14AAACS8577K1ZW (Zone-9-2) | 1,73,96,614 | 31,34,096 | 1,42,62,518 |
| | **Total** | **2,31,79,851** | **34,38,145** | **1,97,41,706** |

**Data from desk review*

## Appendix 5.18

*(Reference: Paragraph Table 5.6.6)*

### Mismatch in availing of ITC in GSTR-9 (Table 8D) than that eligible ITC available in GSTR-2A (Table 8A of GSTR-9)

*(Amount in ₹)*

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Value in table 8A of GSTR-9 | Value of table 8B+8C of GSTR- 9 | Table 8D of GSTR- 9 Difference |
|---|---|---|---|---|
| *1* | *2* | *3* | *4* | *5=3-4 (negative value only)* |
| 1. | VODAFONE MOBILE SERVICES LIMITED & 14AAACS4457Q1ZX (WC) | 5,10,33,870.60 | 5,68,22,055.67 | -57,88,185.07 |
| 2. | SBI BANKING BUSINESS & 14AAACS8577K1ZW (Zone-9-2) | 1,56,44,273.99 | 2,20,33,880.27 | -63,89,606.28 |
| 3. | M/s AIRPORTS AUTHORITY OF INDIA & 14AAACA6412D1ZF (WC) | 6,26,15,57.27 | 2,32,55,614.00 | -1,69,94,056.73 |
| 4. | M/s HINDUSTAN CONSTRUCTION COMPANY LTD. & 14AAACH0968B1Z3 (WC) | 19,10,19,422.82 | 22,01,77,483.00 | -2,91,58,060.18 |
| 5. | M/s CHENNAI NETWORK INFRASTRUCTURE LTD.& 14AADCC8088Q1ZZ (WC) | 79,34,084.35 | 96,42,011.00 | -17,07,926.65 |
| | **Total** | **27,18,93,209.03** | **33,19,31,043.94** | **-6,00,37,834.91** |

## Appendix 5.19

*(Reference: Paragraph Table 5.6.7)*

### Mismatch of tax payable between GSTR-1 and GSTR-3B or GSTR-9

*(Amount in ₹)*

| Sl. No. | Name &GSTIN of the taxpayer (Zone) | Tax declared as per GSTR-1 | Tax declared as per GSTR-3B | Tax declared as per GSTR-9 |
|---|---|---|---|---|
| 1 | M/S CENTRAL POLICE CANTEEN & 14AAAGC0025L1ZZ (Zone-8) | 1,16,17,717 | 5,71,028 | 5,71,028 |

## Appendix 5.20

*(Reference: Paragraph Table 5.6.7)*

### Un-discharged tax liability on comparing greater of the tax liability of GSTR-1, GSTR-9

*(Amount in ₹)*

| Sl. No. | Name &GSTIN of the taxpayer (Zone) | Tax declared as per GSTR-1 | Tax paid in GSTR 3B/ 9 | Undischarged liability |
|---|---|---|---|---|
| 1 | M/S CENTRAL POLICE CANTEEN & 14AAAGC0025L1ZZ (Zone-8) | 1,16,17,717 | 5,71,028 | 1,10,46,689 |
| 2 | Dishnet Wireless Ltd. & 14AAACD5767E1ZU (WC) | 5,11,12,720 | 5,09,41,687 | 1,71,033 |
| 3 | M/s HCC VCCL (JV) & 14AABAH4497G1ZO (WC) | 9,81,99,094 | 5,82,07,774 | 3,99,91,320 |
| 4 | M/s N.S. Medicos & 14BSVPD1929D1ZU (Zone-1) | 2,78,577 | 2,77,824 | 752 |
| | **Total** | **16,12,08,108** | **10,99,98,313** | **5,12,09,794** |

## Appendix 5.21

*(Reference: Paragraph Table 5.6.7)*

### Mismatch in tax payment as declared in Table 9R of GSTR-9C

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Value in 9Q of GSTR -9C (Total amount paid as declared in Annual Return (GSTR 9) (in ₹) | Value in 9P of GSTR- 9C (Total amount to be paid) (in ₹) | Value in 9R of GSTR- 9C (Un-reconciled payment 9Q-9P) Negative value only (in ₹) |
|---|---|---|---|---|
| 1. | M/s HCC CP PL (JV) & 14AAAAH5541G1Z2 (WC) | 15,34,31,332.00 | 16,46,85,384.56 | -1,12,54,052.56 |

## Appendix 5.22

*(Reference: Paragraph Table 5.6.7)*

### Mismatch in turnover between Annual return and financial statement (Table 5R of GSTR-9C)

| Sl. No. | Name & GSTIN of the taxpayer (Zone) | Turnover of GSTR-9 as declared in 9C (5Q) (₹) | Turnover in GSTR-9C (5P) (₹) | Difference (₹) |
|---|---|---|---|---|
| 1 | HINDUSTAN CONSTRUCTION COMPANY LIMITED &14AAACH0968B1Z3 (WC) | 1,91,61,79,446 | 2,01,93,50,298 | 10,31,70,852 |
| 2 | M/S HCC CP PL (JV) &14AAAAH5541G1Z2 (WC) | 1,32,66,26,486 | 2,32,13,18,239 | 99,46,91,753 |
| | **Total** | **3,24,28,05,932** | **4,34,06,68,537** | **1,09,78,62,605** |

## Appendix 5.23
*(Reference: Paragraph 5.7)*

### Statement showing outstanding vehicle tax (token tax and goods tax) of heavy goods vehicles

*(Amount in ₹)*

| Goods vehicles (Truck, Tipper *etc*.) | | | | | | | Token Tax | | | | Goods Tax | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Regn No** | **Vehicle Type** | **GVW/ Laden Wt.** | **Tax due from** | **Tax due upto** | **No. of quarter due** | **Rate per ton per annum** | **Rate per ton per quarter** | **Amt due per quarter** | **Total Amt** | **Rate per Quarter** | **Amt due** | **Total** |
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* | *(6)* | *(7)=(6)-(5)/3* | *(8)* | *(9)=(8)/4* | *(10)=(4) x(9)* | *(11)=(7) x(10)* | *(12)* | *(13)=(7) x(12)* | *(14)=(11) +(13)* |
| 1 | MN06T0932 | Truck 20 ton | 31 | 30-06-2016 | 30-06-2019 | 12 | 700 | 175 | 5,425.00 | 65,100 | 3300[9] | 39,600 | 1,04,700 |
| 2 | MN06T0993 | Tata 9 ton truck | 31 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 5,425.00 | 48,825 | 3300 | 29,700 | 78,525 |
| 3 | MN06T0935 | Truck 20 ton | 30 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 5,250.00 | 47,250 | 3150 | 28,350 | 75,600 |
| 4 | MN06T0991 | Truck 20 ton | 26.5 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175 | 4,637.50 | 27,825 | 2625 | 15,750 | 43,575 |
| 5 | MN06T0798 | Tata 15 ton truck | 25 | 30-06-2018 | 30-06-2019 | 4 | 700 | 175 | 4,375.00 | 17,500 | 2400 | 9,600 | 27,100 |
| 6 | MN06T0803 | Tata 15 ton truck | 25 | 30-06-2018 | 30-06-2019 | 4 | 700 | 175 | 4,375.00 | 17,500 | 2400 | 9,600 | 27,100 |
| 7 | MN06T0804 | Tata 15 ton truck | 25 | 30-06-2018 | 30-06-2019 | 4 | 700 | 175 | 4,375.00 | 17,500 | 2400 | 9,600 | 27,100 |
| 8 | MN06T0915 | Tata 15 tons truck | 25 | 30-09-2018 | 30-06-2019 | 3 | 700 | 175 | 4,375.00 | 13,125 | 2400 | 7,200 | 20,325 |
| 9 | MN06T0969 | Tata 15 tons truck | 25 | 30-09-2016 | 30-06-2019 | 11 | 700 | 175 | 4,375.00 | 48,125 | 2400 | 26,400 | 74,525 |
| 10 | MN06T1016 | Tata 15 tons truck | 25 | 30-06-2017 | 30-06-2019 | 8 | 700 | 175 | 4,375.00 | 35,000 | 2400 | 19,200 | 54,200 |
| 11 | MN06T1019 | Tata Tipper | 25 | 30-09-2017 | 30-06-2019 | 7 | 700 | 175 | 4,375.00 | 30,625 | 2400 | 16,800 | 47,425 |
| 12 | MN06T1025 | Tata 15 tons truck | 25 | 30-06-2017 | 30-06-2019 | 8 | 700 | 175 | 4,375.00 | 35,000 | 2400 | 19,200 | 54,200 |
| 13 | MN06T0821 | Tata Tipper | 16.2 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,835.00 | 25,515 | 1080 | 9,720 | 35,235 |

[9] Good Tax = Rs. 900 + Rs. 150 for every additional one ton = 900+150*(Col. 4 – 15 ton)

| Goods vehicles (Truck, Tipper *etc*.) | | | | | | | Token Tax | | | | Goods Tax | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Regn No** | **Vehicle Type** | **GVW/ Laden Wt.** | **Tax due from** | **Tax due upto** | **No. of quarter due** | **Rate per ton per annum** | **Rate per ton per quarter** | **Amt due per quarter** | **Total Amt** | **Rate per Quarter** | **Amt due** | **Total** |
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* | *(6)* | *(7)=(6)-(5)/3* | *(8)* | *(9)=(8)/4* | *(10)=(4) x(9)* | *(11)=(7) x(10)* | *(12)* | *(13)=(7) x(12)* | *(14)=(11) +(13)* |
| 14 | MN06T0823 | Tata Tipper | 16.2 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,835.00 | 25,515 | 1080 | 9,720 | 35,235 |
| 15 | MN06T0825 | Truck | 16.2 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,835.00 | 25,515 | 1080 | 9,720 | 35,235 |
| 16 | MN06T0827 | Truck | 16.2 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,835.00 | 25,515 | 1080 | 9,720 | 35,235 |
| 17 | MN06T0835 | Truck | 16.2 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,835.00 | 25,515 | 1080 | 9,720 | 35,235 |
| 18 | MN06T0874 | TP 1618 | 16.2 | 31-03-2016 | 30-06-2019 | 13 | 700 | 175 | 2,835.00 | 36,855 | 1080 | 14,040 | 50,895 |
| 19 | MN06T0881 | Truck | 16.2 | 30-06-2015 | 30-06-2019 | 16 | 700 | 175 | 2,835.00 | 45,360 | 1080 | 17,280 | 62,640 |
| 20 | MN06T0893 | Tata Tipper | 16.2 | 30-09-2018 | 30-06-2019 | 3 | 700 | 175 | 2,835.00 | 8,505 | 1080 | 3,240 | 11,745 |
| 21 | MN06T0920 | Tata 7.5 ton truck | 16.2 | 30-09-2018 | 30-06-2019 | 3 | 700 | 175 | 2,835.00 | 8,505 | 1080 | 3,240 | 11,745 |
| 22 | MN06T0933 | Truck | 16.2 | 31-03-2016 | 30-06-2019 | 13 | 700 | 175 | 2,835.00 | 36,855 | 1080 | 14,040 | 50,895 |
| 23 | MN06T0934 | Truck | 16.2 | 31-03-2016 | 30-06-2019 | 13 | 700 | 175 | 2,835.00 | 36,855 | 1080 | 14,040 | 50,895 |
| 24 | MN06T0956 | Tata 7.5 ton truck | 16.2 | 31-12-2016 | 30-06-2019 | 10 | 700 | 175 | 2,835.00 | 28,350 | 1080 | 10,800 | 39,150 |
| 25 | MN06T0961 | Tata 7.5 ton truck | 16.2 | 30-06-2016 | 30-06-2019 | 12 | 700 | 175 | 2,835.00 | 34,020 | 1080 | 12,960 | 46,980 |
| 26 | MN06T0966 | Tata 9 ton truck | 16.2 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,835.00 | 25,515 | 1080 | 9,720 | 35,235 |
| 27 | MN06T0967 | Tata 9 ton truck | 16.2 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,835.00 | 25,515 | 1080 | 9,720 | 35,235 |
| 28 | MN06T0971 | Tata 9 ton truck | 16.2 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,835.00 | 25,515 | 1080 | 9,720 | 35,235 |
| 29 | MN06T0976 | Tata 10 ton truck | 16.2 | 30-09-2017 | 30-06-2019 | 7 | 700 | 175 | 2,835.00 | 19,845 | 1080 | 7,560 | 27,405 |
| 30 | MN06T0980 | Tata 9 ton truck | 16.2 | 30-09-2017 | 30-06-2019 | 7 | 700 | 175 | 2,835.00 | 19,845 | 1080 | 7,560 | 27,405 |
| 31 | MN06T0985 | Tata 9 ton truck | 16.2 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175 | 2,835.00 | 17,010 | 1080 | 6,480 | 23,490 |
| 32 | MN06T0998 | Tata 9 ton truck | 16.2 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175 | 2,835.00 | 17,010 | 1080 | 6,480 | 23,490 |

| Goods vehicles (Truck, Tipper *etc.*) | | | | | | | Token Tax | | | | Goods Tax | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Regn No** | **Vehicle Type** | **GVW/ Laden Wt.** | **Tax due from** | **Tax due upto** | **No. of quarter due** | **Rate per ton per annum** | **Rate per ton per quarter** | **Amt due per quarter** | **Total Amt** | **Rate per Quarter** | **Amt due** | **Total** |
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* | *(6)* | *(7)=(6)-(5)/3* | *(8)* | *(9)=(8)/4* | *(10)=(4) x(9)* | *(11)=(7) x(10)* | *(12)* | *(13)=(7) x(12)* | *(14)=(11) +(13)* |
| 33 | MN06T0999 | Tata 9 ton truck | 16.2 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175 | 2,835.00 | 17,010 | 1080 | 6,480 | 23,490 |
| 34 | MN06T1000 | Tata 9 ton truck | 16.2 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175 | 2,835.00 | 17,010 | 1080 | 6,480 | 23,490 |
| 35 | MN06T1001 | Tata 9 ton truck | 16.2 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175 | 2,835.00 | 17,010 | 1080 | 6,480 | 23,490 |
| 36 | MN06T1002 | Tata 9 ton truck | 16.2 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175 | 2,835.00 | 17,010 | 1080 | 6,480 | 23,490 |
| 37 | MN06T1010 | Tata Tipper | 16.2 | 31-03-2018 | 30-06-2019 | 5 | 700 | 175 | 2,835.00 | 14,175 | 1080 | 5,400 | 19,575 |
| 38 | MN06T0997 | Tata 9 ton truck | 16 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,800.00 | 25,200 | 1050 | 9,450 | 34,650 |
| 39 | MN06T1003 | Tata 7.5 ton truck | 15.66 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 2,740.50 | 24,664 | 999 | 8,991 | 33,655.50 |
| 40 | MN06T0815 | 2518TP Truck | 15 | 31-12-2015 | 30-06-2019 | 14 | 700 | 175 | 2,625.00 | 36,750 | 1200[10] | 16,800 | 53,550 |
| 41 | MN06T0792 | Tata Tipper | 13.16 | 30-09-2016 | 30-06-2019 | 11 | 750 | 187.5 | 2,467.50 | 27,142.50 | 1089.6 | 11,986 | 39,128.10 |
| 42 | MN06T0796 | Tata Tipper | 13.16 | 03-09-2016 | 30-06-2019 | 11 | 750 | 187.5 | 2,467.50 | 27,142.50 | 1089.6 | 11,986 | 39,128.10 |
| 43 | MN06T0936 | Truck 407 Truck | 13 | 31-12-2016 | 30-06-2019 | 10 | 750 | 187.5 | 2,437.50 | 24,375 | 1080 | 10,800 | 35,175 |
| 44 | MN06T1017 | Tata 7.5 ton truck | 13 | 30-06-2017 | 30-06-2019 | 8 | 750 | 187.5 | 2,437.50 | 19,500 | 1080 | 8,640 | 28,140 |
| 45 | MN06T0826 | Tusker Super Truck | 12 | 31-03-2015 | 30-06-2019 | 17 | 750 | 187.5 | 2,250.00 | 38,250 | 1020 | 17,340 | 55,590 |
| 46 | MN06T1022 | Tata 5 ton truck | 12 | 30-06-2017 | 30-06-2019 | 8 | 750 | 187.5 | 2,250.00 | 18,000 | 1020 | 8,160 | 26,160 |
| 47 | MN06T1023 | Tata 5 ton | 12 | 30-06-2017 | 30-06-2019 | 8 | 750 | 187.5 | 2,250.00 | 18,000 | 1020 | 8,160 | 26,160 |

[10] Good Tax = Rs. 900 + Rs. 60 for every additional one ton = 900+60*(Col. 4 – 10 ton)

| Goods vehicles (Truck, Tipper *etc*.) | | | | | | | Token Tax | | | | Goods Tax | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Regn No** | **Vehicle Type** | **GVW/ Laden Wt.** | **Tax due from** | **Tax due upto** | **No. of quarter due** | **Rate per ton per annum** | **Rate per ton per quarter** | **Amt due per quarter** | **Total Amt** | **Rate per Quarter** | **Amt due** | **Total** |
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* | *(6)* | *(7)=(6)-(5)/3* | *(8)* | *(9)=(8)/4* | *(10)=(4) x(9)* | *(11)=(7) x(10)* | *(12)* | *(13)=(7) x(12)* | *(14)=(11) +(13)* |
| | | truck | | | | | | | | | | | |
| 48 | MN06T0800 | Shaktiman truck | 10.61 | 31-03-2016 | 30-06-2019 | 13 | 750 | 187.5 | 1,989.38 | 25,861 | 936.6 | 12,176 | 38,037.68 |
| 49 | MN06T0925 | Tata 7.5 ton truck | 10.5 | 31-12-2015 | 30-06-2019 | 14 | 750 | 187.5 | 1,968.75 | 27,562.50 | 930 | 13,020 | 40,582.50 |
| 50 | MN06T0814 | TP 1618 Truck | 10 | 31-03-2016 | 30-06-2019 | 13 | 750 | 187.5 | 1,875.00 | 24,375 | 900 | 11,700 | 36,075 |
| 51 | MN06T0816 | TP 1618 Truck | 10 | 31-03-2016 | 30-06-2019 | 13 | 750 | 187.5 | 1,875.00 | 24,375 | 900 | 11,700 | 36,075 |
| 52 | MN06T0818 | TP 1618 Truck | 10 | 30-09-2015 | 30-06-2019 | 15 | 750 | 187.5 | 1,875.00 | 28,125 | 900 | 13,500 | 41,625 |
| 53 | MN06T0820 | TP 1618 | 10 | 31-03-2016 | 30-06-2019 | 13 | 750 | 187.5 | 1,875.00 | 24,375 | 900 | 11,700 | 36,075 |
| 54 | MN06T0831 | Tata Tipper | 10 | 31-03-2015 | 30-06-2019 | 17 | 750 | 187.5 | 1,875.00 | 31,875 | 900 | 15,300 | 47,175 |
| 55 | MN06T0832 | Tata Tipper | 10 | 31-03-2015 | 30-06-2019 | 17 | 750 | 187.5 | 1,875.00 | 31,875 | 900 | 15,300 | 47,175 |
| 56 | MN06T0833 | Tata Tipper | 10 | 31-03-2015 | 30-06-2019 | 17 | 750 | 187.5 | 1,875.00 | 31,875 | 900 | 15,300 | 47,175 |
| 57 | MN06T0834 | Tata Tipper | 10 | 31-03-2015 | 30-06-2019 | 17 | 750 | 187.5 | 1,875.00 | 31,875 | 900 | 15,300 | 47,175 |
| 58 | MN06T0986 | Tipper LPK909 | 9.6 | 30-09-2018 | 30-06-2019 | 3 | 750 | 187.5 | 1,800.00 | 5,400 | 900 | 2,700 | 8,100 |
| 59 | MN06T1020 | Tata Tipper | 9.6 | 31-12-2017 | 30-06-2019 | 6 | 750 | 187.5 | 1,800.00 | 10,800 | 900 | 5,400 | 16,200 |
| 60 | MN06T0996 | Earthmaster | 7.62 | 31-12-2017 | 30-06-2019 | 6 | 850 | 212.5 | 1,619.25 | 9,715.50 | 750 | 4,500 | 14,215.50 |
| 61 | MN0670994 | Earthmaster | 7.57 | 31-12-2017 | 30-06-2019 | 6 | 850 | 212.5 | 1,608.63 | 9,651.75 | 750 | 4,500 | 14,151.75 |
| 62 | MN06T0995 | Earthmaster | 7.57 | 31-12-2017 | 30-06-2019 | 6 | 850 | 212.5 | 1,608.63 | 9,651.75 | 750 | 4,500 | 14,151.75 |
| 63 | MN06T0918 | Shaktimaan Truck | 7.5 | 30-09-2015 | 30-06-2019 | 15 | 850 | 212.5 | 1,593.75 | 23,906.25 | 750 | 11,250 | 35,156.25 |
| 64 | MN06T0992 | 7.5 ton truck | 7.5 | 31-03-2017 | 30-06-2019 | 9 | 850 | 212.5 | 1,593.75 | 14,343.75 | 750 | 6,750 | 21,093.75 |
| **Total** | | | | | | | | | | **16,23,392.88** | | **7,44,708** | **23,68,100.88** |

# Appendix 5.24

*(Reference: Paragraph 5.7)*

## Statement showing outstanding vehicle tax (token tax) of special vehicles

*(Amount in ₹)*

| Special Vehicles | | | | | | | Token Tax | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Regn No | Vehicle Category | GVW/ Laden Wt. | Tax due from | Tax due upto | No. of qtr due | Rate per ton per annum | Rate per ton per quarter | Amt due per quarter | Total Amt |
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* | *(6)* | *(7)* | *(8)* | *(9)=(8)/4* | *(10)=(4)x(9)* | *(11)=(7)x(10)* |
| 1 | MN06T0809 | Case 851 loader backhoe | 16.5 | 30-06-2013 | 30-06-2019 | 24 | 750 | 187.5 | 3,093.75 | 74,250 |
| 2 | MN06T0774 | JCB Excavator | 16.2 | 31-03-2013 | 30-06-2019 | 25 | 750 | 187.5 | 3,037.50 | 75,937.50 |
| 3 | MN06T0867 | Grader | 12.65 | 31-12-2014 | 30-06-2019 | 18 | 700 | 175 | 2,213.75 | 39,847.50 |
| 4 | MN06T1011 | LT case loader backhoe | 11.5 | 31-03-2018 | 30-06-2019 | 5 | 700 | 175 | 2,012.50 | 10,062.50 |
| 5 | MN06T0957 | Case 1107 DXD Vibratory | 11 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 1,925 | 17,325 |
| 6 | MN06T0987 | Concrete Mixer | 9.59 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175 | 1,678.25 | 15,104.25 |
| 7 | MN06T0988 | Concrete Mixer | 9.59 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175 | 1,678.25 | 10,069.50 |
| 8 | MN06T0917 | JCB Excavator | 8.03 | 30-06-2016 | 30-06-2019 | 12 | 650 | 162.5 | 1,304.88 | 15,658.50 |
| 9 | MN06T1018 | JCB Excavator | 8.03 | 31-03-2018 | 30-06-2019 | 5 | 650 | 162.5 | 1,304.88 | 6,524.38 |
| 10 | MN06T0887 | JCB Excavator | 7.8 | 31-12-2015 | 30-06-2019 | 14 | 650 | 162.5 | 1,267.50 | 17,745 |
| 11 | MN06T0888 | JCB Excavator | 7.8 | 31-12-2015 | 30-06-2019 | 14 | 650 | 162.5 | 1,267.50 | 17,745 |
| 12 | MN06T0891 | JCB Excavator | 7.8 | 30-09-2015 | 30-06-2019 | 15 | 650 | 162.5 | 1,267.50 | 19,012.50 |
| 13 | MN06T0908 | Case 770 ex loader backhoe | 7.8 | 31-12-2015 | 30-06-2019 | 14 | 650 | 162.5 | 1,267.50 | 17,745 |
| 14 | MN06T0927 | JCB Excavator | 7.8 | 30-09-2016 | 30-06-2019 | 11 | 650 | 162.5 | 1,267.50 | 13,942.50 |
| 15 | MN06T0984 | JCB Excavator | 7.8 | 30-09-2017 | 30-06-2019 | 7 | 650 | 162.5 | 1,267.50 | 8,872.50 |

| Special Vehicles | | | | | | | Token Tax | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Regn No** | **Vehicle Category** | **GVW/ Laden Wt.** | **Tax due from** | **Tax due upto** | **No. of qtr due** | **Rate per ton per annum** | **Rate per ton per quarter** | **Amt due per quarter** | **Total Amt** |
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* | *(6)* | *(7)* | *(8)* | *(9)=(8)/4* | *(10)=(4)x(9)* | *(11)=(7)x(10)* |
| 16 | MN06T1004 | JCB Excavator | 7.8 | 30-09-2017 | 30-06-2019 | 7 | 650 | 162.5 | 1,267.50 | 8,872.50 |
| 17 | MN06T1013 | JCB Excavator | 7.8 | 31-03-2018 | 30-06-2019 | 5 | 650 | 162.5 | 1,267.50 | 6,337.50 |
| 18 | MN06T0790 | JCB Excavator | 7.74 | 30-06-2013 | 30-06-2019 | 24 | 650 | 162.5 | 1,257.75 | 30,186 |
| 19 | MN06T0791 | JCB Excavator | 7.74 | 30-06-2013 | 30-06-2019 | 24 | 650 | 162.5 | 1,257.75 | 30,186 |
| 20 | MN06T0793 | JCB Excavator | 7.74 | 30-06-2013 | 30-06-2019 | 24 | 650 | 162.5 | 1,257.75 | 30,186 |
| 21 | MN06T0894 | Case 851 loader backhoe | 7.71 | 31-12-2016 | 30-06-2019 | 10 | 650 | 162.5 | 1,252.88 | 12,528.75 |
| 22 | MN06T1015 | Case 851 loader backhoe | 7.71 | 31-03-2018 | 30-06-2019 | 5 | 650 | 162.5 | 1,252.88 | 6,264.38 |
| 23 | MN06T1024 | LT case loader backhoe | 7.71 | 31-03-2018 | 30-06-2019 | 5 | 650 | 162.5 | 1,252.88 | 6,264.38 |
| 24 | MN06T0909 | Case 851 loader backhoe | 7.65 | 31-12-2015 | 30-06-2019 | 14 | 650 | 162.5 | 1,243.13 | 17,403.75 |
| 25 | MN06T0910 | Case 851 loader backhoe | 7.65 | 31-12-2017 | 30-06-2019 | 6 | 650 | 162.5 | 1,243.13 | 7,458.75 |
| 26 | MN06T1027 | Mahindra Earthmaster | 7.62 | 31-03-2018 | 30-06-2019 | 5 | 650 | 162.5 | 1,238.25 | 6,191.25 |
| 27 | MN06T0906 | Case 851 loader backhoe | 7.6 | 31-12-2015 | 30-06-2019 | 14 | 650 | 162.5 | 1,235 | 17,290 |
| 28 | MN06T1030 | Mahindra Earthmaster | 7.57 | 30-06-2018 | 30-06-2019 | 4 | 650 | 162.5 | 1,230.13 | 4,920.50 |
| 29 | MN06T0883 | JCB Excavator | 7.52 | 30-09-2015 | 30-06-2019 | 15 | 650 | 162.5 | 1,222 | 18,330 |
| 30 | MN06T0886 | LT case loader backhoe | 7.52 | 31-12-2015 | 30-06-2019 | 14 | 650 | 162.5 | 1,222 | 17,108 |
| 31 | MN06T0958 | Self loading mobile Mixer | 7.5 | 31-03-2017 | 30-06-2019 | 9 | 650 | 162.5 | 1,218.75 | 10,968.75 |

| Special Vehicles | | | | | | | Token Tax | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Regn No** | **Vehicle Category** | **GVW/ Laden Wt.** | **Tax due from** | **Tax due upto** | **No. of qtr due** | **Rate per ton per annum** | **Rate per ton per quarter** | **Amt due per quarter** | **Total Amt** |
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* | *(6)* | *(7)* | *(8)* | *(9)=(8)/4* | *(10)=(4)x(9)* | *(11)=(7)x(10)* |
| 32 | MN06T1028 | Terex TLD Backhoe Loader | 7.5 | 31-03-2018 | 30-06-2019 | 5 | 650 | 162.5 | 1,218.75 | 6,093.75 |
| 33 | MN06T1029 | Terex TLD Backhoe Loader | 7.5 | 31-03-2018 | 30-06-2019 | 5 | 650 | 162.5 | 1,218.75 | 6,093.75 |
| | | | | | | | | | **Total** | **6,02,525.63** |

## Appendix 5.25

*(Reference: Paragraph 5.7)*

### Statement showing outstanding vehicle tax (token tax) of tanker

*(Amount in ₹)*

| Tankers | | | | | | | Token Tax | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No** | **Regd. No** | **Vehicle Name** | **GVW/ Laden Wt.** | **Tax paid upto** | **Tax due upto** | **No. of qtr due** | **Rate per ton per annum** | **Rate per ton per quarter** | **Amt due per quarter** | **Total Amt** |
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* | *(6)* | *(7)* | *(8)* | *(9)=(8)/4* | *(10)=(4)x(9)* | *(11)=(7)x(10)* |
| 1 | MN06T0959 | Tanker | 25.00 | 31-03-2017 | 30-06-2019 | 9 | 700 | 175.00 | 4,375.00 | 39,375. .00 |
| 2 | MN06T0973 | Oil Tanker | 25.00 | 30-09-2017 | 30-06-2019 | 7 | 700 | 175.00 | 4,375.00 | 30,625.00 |
| 3 | MN06T0974 | Oil Tanker | 25.00 | 30-09-2017 | 30-06-2019 | 7 | 700 | 175.00 | 4,375.00 | 30,625.00 |
| 4 | MN06T0806 | Tata LPT 1613 | 16.20 | 30-09-2013 | 30-06-2019 | 23 | 700 | 175.00 | 2,835.00 | 65,205.00 |
| 5 | MN06T0811 | Tata LPT 1613 | 16.20 | 30-09-2013 | 30-06-2019 | 23 | 700 | 175.00 | 2,835.00 | 65,205.00 |
| 6 | MN06T0999 | LPT Tanker | 16.20 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175.00 | 2,835.00 | 17,010.00 |
| 7 | MN06T0990 | LPT Tanker | 16.20 | 31-12-2017 | 30-06-2019 | 6 | 700 | 175.00 | 2,835.00 | 17,010.00 |
| 8 | MN06T1021 | Oil Tanker | 16.20 | 31-03-2018 | 30-06-2019 | 5 | 700 | 175.00 | 2,835.00 | 14,175.00 |
| 9 | MN06T0977 | Tanker | 25.00 | 30-09-2017 | 30-06-2019 | 7 | 700 | 175.00 | 4,375.00 | 30,625.00 |
| 10 | MN06T0978 | Tanker | 25.00 | 30-09-2017 | 30-06-2019 | 7 | 700 | 175.00 | 4,375.00 | 30,625.00 |
| 11 | MN0670979 | Tanker | 25.00 | 30-09-2017 | 30-06-2019 | 7 | 700 | 175.00 | 4,375.00 | 30,625.00 |
| 12 | MN06T0778 | Oil Tanker | 13.16 | 30-06-2012 | 30-06-2019 | 28 | 750 | 187.50 | 2,467.50 | 69,090.00 |
| 13 | MN06T0937 | Tata 7.5ton truck | 13.16 | 31-03-2016 | 30-06-2019 | 13 | 750 | 187.50 | 2,467.50 | 32,077.50 |
| 14 | MN06T0938 | Tata 7.5ton truck | 13.16 | 31-03-2016 | 30-06-2019 | 13 | 750 | 187.50 | 2,467.50 | 32,077.50 |
| 15 | MN06T0975 | Tanker | 12.99 | 30-09-2017 | 30-06-2019 | 7 | 750 | 187.50 | 2,435.63 | 17,049.38 |
| | | | | | | | | | **Total** | **5,21,399.38** |

# Appendix 5.26

*(Reference: Paragraph 5.8)*

## Statement showing difference in gross turnover as per IT returns and GST returns

*(₹ in crore)*

| Sl. No. | Name of taxpayer (GSTIN No.) | Zone | Gross Turnover as per IT return 2018-19 | Gross Turnover as per GST filing 2018-19 | Difference | Gross Turnover as per IT return 2019-20 | Gross Turnover as per GST filing 2019-20 | Difference | Total GTO difference (2018-20) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | M/S SK ENTERPRISE (14FMYPS2590Q1ZQ) | Zone 04 | 1.38 | 1.38 | 0.00 | 1.10 | 0.57 | 0.53 | 0.53 |
| 2 | L. MAIKHO & SONS (14AAGFL1775M2Z0) | Zone 11 - Senapati & Kangpokpi Districts | 1.14 | 0.00 | 1.14 | 1.66 | 0.00 | 1.66 | 2.80 |
| 3 | SOIBAM TECHNOLOGY PRIVATE LIMITED (14AAVCS3400L2Z4) | Zone 09-1 | 2.59 | | 2.59 | 2.50 | | 2.50 | 5.09 |
| 4 | M/S YUMKHAIBAM DORENKUMAR SINGH (14BRQPS7445K1Z0) | zone 09-1 | 2.49 | 0.00 | 2.49 | 1.81 | | 1.81 | 4.30 |
| 5 | SANASAM SARAT SINGH (14CXPPS7271F1ZZ) | Work Contracts | 2.03 | 0.00 | 2.03 | 1.10 | 0.67 | 0.43 | 2.46 |
| 6 | NINGTHOUJAM DEEPAK SINGH (14BYTPS3379A2Z2) | Work Contracts | 0.00 | 0.00 | 0.00 | 0.19 | 0.17 | 0.02 | 0.02 |
| | **Total** | | **9.63** | **1.38** | **8.25** | **8.36** | **1.41** | **6.95** | **15.20** |

# Appendix 5.27

*(Reference: Paragraph 5.9)*

## Statement showing payment to the contractors of the works

*(₹ in lakh)*

| Sl. No. (Work) | Sl. No. (Bills) | Package No. | Bill Date | Name of Contractor | Bill Amount | 5.6% VAT deducted and kept in Empowered Officer's/CE Bank Account | Bill passed |
|---|---|---|---|---|---|---|---|
| **PIU-I, Churachandpur** | | | | | | | |
| 1 | 1 | MN03112 | 31-07-17 | M/s Lk. & Sons | 92.97 | 5.21 | 87.76 |
| 2 | 2 | MN03109 | 05-07-17 | M/s MM. Construction | 18.88 | 1.06 | 17.82 |
| 3 | 3 | MN03114 | 05-07-17 | Md. Liyakat Ali | 58.02 | 3.25 | 54.77 |
| | 4 | MN03114 | 10-07-18 | Md. Liyakat Ali | 35.11 | 1.97 | 33.14 |
| 4 | 5 | MN03111 | 06-11-18 | M. Dama | 115.09 | 6.44 | 108.64 |
| | 6 | MN03111 | 21-02-20 | M. Dama | 25.80 | 1.44 | 24.35 |
| 5 | 7 | MN0-3113 | 31-07-17 | Genlal Khaute | 110.71 | 6.2 | 104.51 |
| | 8 | MN0-3113 | 01-03-18 | Genlal Khaute | 112.22 | 6.28 | 105.93 |
| 6 | 9 | MN0395 | 09-03-18 | Angphung Maring | 61.15 | 3.42 | 57.73 |
| 7 | 10 | MN0397 | 16-08-17 | M. Dama | 9.03 | 0.51 | 8.52 |
| | 11 | MN0397 | 20-11-17 | M. Dama | 67.11 | 3.76 | 63.35 |
| | 12 | MN0397 | 09-03-18 | M. Dama | 11.81 | 0.66 | 11.15 |
| 8 | 13 | MN0398 | 16-08-17 | M. Dama | 14.47 | 0.81 | 13.66 |
| | 14 | MN0398 | 23-11-17 | M. Dama | 58.11 | 3.25 | 54.86 |
| | 15 | MN0398 | 09-03-18 | M. Dama | 12.96 | 0.73 | 12.24 |
| 9 | 16 | MN0399 | 16-08-17 | M. Dama | 60.10 | 3.37 | 56.73 |
| | 17 | MN0399 | 23-11-17 | M. Dama | 60.46 | 3.39 | 57.07 |
| | 18 | MN0399 | 18-12-17 | M. Dama | 36.84 | 2.06 | 34.78 |
| | 19 | MN0399 | 06-10-18 | M. Dama | 28.24 | 1.58 | 26.66 |
| 10 | 20 | MN03100 | 16-08-17 | M. Dama | 34.23 | 1.92 | 32.32 |
| | 21 | MN03100 | 19-02-19 | M. Dama | 54.24 | 3.04 | 51.21 |
| | 22 | MN03100 | 03-05-19 | M. Dama | 18.09 | 1.01 | 17.08 |
| | 23 | MN03100 | 13-03-20 | M. Dama | 48.99 | 2.74 | 46.25 |
| 11 | 24 | MN03101 | 16-08-17 | M. Dama | 72.23 | 4.04 | 68.19 |
| | 25 | MN03101 | 18-02-19 | M. Dama | 33.40 | 1.87 | 31.53 |
| 12 | 26 | MN03102 | 16-08-17 | M. Dama | 47.72 | 2.67 | 45.05 |
| | 27 | MN03102 | 19-02-19 | M. Dama | 48.16 | 2.70 | 45.46 |
| | 28 | MN03102 | 03-05-19 | M. Dama | 14.09 | 0.79 | 13.30 |
| 13 | 29 | MN03115 | 08-03-18 | M/s MM. Construction. | 52.94 | 2.96 | 49.97 |
| | 30 | MN03115 | 29-11-18 | M/s MM. Construction. | 66.60 | 3.73 | 62.87 |
| 14 | 31 | MN03116 | 08-03-18 | K.S Baite | 42.48 | 2.38 | 40.10 |
| | 32 | MN03116 | 29-11-18 | K.S Baite | 35.96 | 2.01 | 33.95 |
| 15 | 33 | MN03117 | 08-03-18 | Rolland Ralsun | 21.94 | 1.23 | 20.71 |
| | 34 | MN03117 | 29-11-18 | Rolland Ralsun | 46.40 | 2.60 | 43.80 |
| | 35 | MN03117 | 30-05-19 | Rolland Ralsun | 37.92 | 2.12 | 35.80 |
| 16 | 36 | MN03118 | 30-06-18 | M/s MM. Construction. | 29.26 | 1.64 | 27.62 |
| | 37 | MN03118 | 14-01-19 | M/s MM. Construction. | 82.06 | 4.60 | 77.46 |
| | 38 | MN03118 | 17-03-19 | M/s MM. Construction. | 39.07 | 2.19 | 36.89 |
| | 39 | MN03118 | 28-06-19 | M/s MM. Construction | 38.22 | 2.14 | 36.08 |
| 17 | 40 | MN0358 | 27-07-17 | M. Dama | 102.81 | 5.76 | 97.06 |
| 18 | 41 | MN0359 | 20-10-17 | Vs. Vareiyo | 59.20 | 3.31 | 55.88 |
| 19 | 42 | MN0367 (A) | 08-03-18 | M. Dama | 41.07 | 2.30 | 38.77 |
| 20 | 43 | MN0367 (B) | 08-03-18 | M. Dama | 41.04 | 2.30 | 38.74 |
| | | | | **Sub Total** | **2097.20** | **117.44** | **1979.76** |
| **PIU-III, Churachandpur** | | | | | | | |
| 21 | 44 | MN03144 | 05-06-18 | M/s Morung & Sons | 76.13 | 4.26 | 71.87 |
| | 45 | MN03144 | 22-06-18 | M/s Morung & Sons | 24.78 | 1.39 | 23.39 |
| | 46 | MN03144 | 10-07-18 | M/s Morung & Sons | 74.79 | 4.19 | 70.61 |
| | 47 | MN03144 | 19-10-18 | M/s Morung & Sons | 53.92 | 3.02 | 50.90 |

| Sl. No. (Work) | Sl. No. (Bills) | Package No. | Bill Date | Name of Contractor | Bill Amount | 5.6% VAT deducted and kept in Empowered Officer's/CE Bank Account | Bill passed |
|---|---|---|---|---|---|---|---|
| 22 | 48 | MN0346 | 26-09-18 | Genlal Khaute | 44.53 | 2.49 | 42.03 |
| | 49 | MN0346 | 18-10-18 | Genlal Khaute | 57.06 | 3.20 | 53.87 |
| | | | | **Sub Total** | **331.21** | **18.55** | **312.67** |
| **PIU-II, Bishnupur** | | | | | | | |
| 23 | 50 | MN0126 | 26-02-18 | Lunsat Kipgen | 30.10 | 1.69 | 28.41 |
| | 51 | MN0126 | 15-06-19 | Lunsat Kipgen | 34.47 | 1.93 | 32.54 |
| | 52 | MN0126 | 30-07-19 | Lunsat Kipgen | 9.91 | 0.55 | 9.35 |
| 24 | 53 | MN0128 | 16-03-18 | M/S. MD Salamkhan & brother | 18.54 | 1.04 | 17.50 |
| | 54 | MN0128 | 09-04-19 | M/S. MD Salamkhan & brother | 24.90 | 1.39 | 23.51 |
| | 55 | MN0128 | 03-07-19 | M/S. MD Salamkhan & brother | 6.10 | 0.34 | 5.76 |
| 25 | 56 | MN0131 | 16-08-17 | M/S N. Jilla & Sons | 70.20 | 3.93 | 66.27 |
| | 57 | MN0131 | 26-02-18 | M/S N. Jilla & Sons | 112.70 | 6.31 | 106.39 |
| | 58 | MN0131 | 20-12-18 | M/S N. Jilla & Sons | 65.41 | 3.66 | 61.75 |
| | 59 | MN0131 | 25-02-19 | M/S N. Jilla & Sons | 43.25 | 2.42 | 40.83 |
| | 60 | MN0131 | 29-04-19 | M/S N. Jilla & Sons | 31.42 | 1.76 | 29.66 |
| | 61 | MN0131 | 12-06-19 | M/S N. Jilla & Sons | 53.75 | 3.01 | 50.74 |
| 26 | 62 | MN0143 | 28-08-17 | KS Ngaile | 16.02 | 0.90 | 15.12 |
| | 63 | MN0143 | 26-02-18 | KS Ngaile | 18.58 | 1.04 | 17.54 |
| | 64 | MN0143 | 03-11-18 | KS Ngaile | 45.94 | 2.57 | 43.36 |
| | 65 | MN0143 | 27-12-18 | KS Ngaile | 29.19 | 1.63 | 27.55 |
| | 66 | MN0143 | 11-01-19 | KS Ngaile | 34.77 | 1.95 | 32.82 |
| | 67 | MN0143 | 24-10-19 | KS Ngaile | 16.00 | 0.90 | 15.10 |
| | 68 | MN0143 | 06-03-20 | KS Ngaile | 8.80 | 0.49 | 8.31 |
| 27 | 69 | MN0145 | 26-08-17 | O. Premjit Singh | 21.47 | 1.20 | 20.27 |
| | 70 | MN0145 | 19-02-18 | O. Premjit Singh | 42.62 | 2.39 | 40.24 |
| | 71 | MN0145 | 19-12-18 | O. Premjit Singh | 33.39 | 1.87 | 31.52 |
| | 72 | MN0145 | 07-02-19 | O. Premjit Singh | 41.82 | 2.34 | 39.48 |
| | 73 | MN0145 | 29-04-19 | O. Premjit Singh | 20.16 | 1.13 | 19.03 |
| | 74 | MN0145 | 26-06-19 | O. Premjit Singh | 12.16 | 0.68 | 11.48 |
| | 75 | MN0145 | 02-03-20 | O. Premjit Singh | 10.03 | 0.56 | 9.47 |
| 28 | 76 | MN0152 | 01-03-18 | N. Jugeshwar | 10.89 | 0.61 | 10.28 |
| | 77 | MN0152 | 13-12-18 | N. Jugeshwar | 32.66 | 1.83 | 30.83 |
| | 78 | MN0152 | 06-02-19 | N. Jugeshwar | 12.22 | 0.68 | 11.53 |
| 29 | 79 | MN0121A | 19-12-17 | Y. Dorenkumar Singh | 14.38 | 0.81 | 13.57 |
| | 80 | MN0121A | 24-02-18 | Y. Dorenkumar Singh | 46.10 | 2.58 | 43.52 |
| | 81 | MN0121A | 16-03-19 | Y. Dorenkumar Singh | 23.16 | 1.30 | 21.87 |
| | 82 | MN0121A | 27-08-19 | Y. Dorenkumar Singh | 23.71 | 1.33 | 22.38 |
| 30 | 83 | MN0124A | 18-09-17 | M/S. NDS Construction | 26.04 | 1.46 | 24.58 |
| | 84 | MN0124A | 26-02-18 | M/S. NDS Construction | 6.68 | 0.37 | 6.31 |
| | 85 | MN0124A | 03-11-18 | M/S. NDS Construction | 22.52 | 1.26 | 21.26 |
| | 86 | MN0124A | 27-03-19 | M/S. NDS Construction | 4.69 | 0.26 | 4.43 |
| | 87 | MN0124A | 08-08-19 | M/S. NDS Construction | 26.75 | 1.50 | 25.25 |
| 31 | 88 | MN0124B | 18-09-17 | M/S. NDS Construction | 19.83 | 1.11 | 18.72 |
| | 89 | MN0124B | 26-02-18 | M/S. NDS Construction | 32.44 | 1.82 | 30.62 |
| | 90 | MN0124B | 03-11-18 | M/S. NDS Construction | 33.04 | 1.85 | 31.19 |
| | 91 | MN0124B | 16-02-19 | M/S. NDS Construction | 0.96 | 0.05 | 0.91 |
| | | | | **Sub Total** | **1,187.77** | **66.50** | **1,121.25** |
| **PIU-III, Senapati** | | | | | | | |
| 32 | 91 | MN0663 | 28-05-19 | O. Premjit Singh | 64.52 | 3.61 | 60.90 |
| | 92 | MN0663 | 31-07-19 | O. Premjit Singh | 83.74 | 4.69 | 79.05 |
| | 93 | MN0663 | 21-02-20 | O. Premjit Singh | 8.33 | 0.47 | 7.87 |
| 33 | 94 | MN6106 | 03-10-19 | M/S Continental | 15.36 | 0.86 | 14.50 |
| 34 | 95 | MN6257 | 16-09-19 | V.S Ngainingkhui | 65.21 | 3.65 | 61.56 |
| | | | | **Sub Total** | **237.16** | **13.28** | **223.88** |
| | | | | **Total** | **3,853.34** | **215.77** | **3,637.56** |

## Appendix 5.28

*{Reference: Paragraph 5.9 (a)}*

### Statement showing TDS on GST deductible from the payments

*(₹ in lakh)*

| Sl. No. | Package No. | Bill Date | Name of Contractor | Bill Amount | TDS @ 2 *per cent* |
|---|---|---|---|---|---|
| **PIU-I, Churachandpur** | | | | | |
| 5 | MN03111 | 06-11-18 | M. Dama | 115.09 | 2.30 |
| 6 | MN03111 | 21-02-20 | M. Dama | 25.80 | 0.52 |
| 19 | MN0399 | 06-10-18 | M. Dama | 28.24 | 0.56 |
| 21 | MN03100 | 19-02-19 | M. Dama | 54.24 | 1.08 |
| 22 | MN03100 | 03-05-19 | M. Dama | 18.09 | 0.36 |
| 23 | MN03100 | 13-03-20 | M. Dama | 48.99 | 0.98 |
| 25 | MN03101 | 18-02-19 | M. Dama | 33.40 | 0.67 |
| 27 | MN03102 | 19-02-19 | M. Dama | 48.16 | 0.96 |
| 28 | MN03102 | 03-05-19 | M. Dama | 14.09 | 0.28 |
| 30 | MN03115 | 29-11-18 | M/s MM. Construction | 66.60 | 1.33 |
| 32 | MN03116 | 29-11-18 | K.S Baite | 35.96 | 0.72 |
| 34 | MN03117 | 29-11-18 | Rolland Ralsun | 46.40 | 0.93 |
| 35 | MN03117 | 30-05-19 | Rolland Ralsun | 37.92 | 0.76 |
| 37 | MN03118 | 14-01-19 | M/s MM. Construction | 82.06 | 1.64 |
| 38 | MN03118 | 17-03-19 | M/s MM. Construction | 39.07 | 0.78 |
| 39 | MN03118 | 28-06-19 | M/s MM. Construction | 38.22 | 0.76 |
| **PIU-III, Churachandpur** | | | | | |
| 48 | MN03144 | 19-10-18 | M/s Morung & Sons | 53.92 | 1.08 |
| 50 | MN0346 | 18-10-18 | Genlal Khaute | 57.06 | 1.14 |
| **PIU-II, Bishnupur** | | | | | |
| 52 | MN0126 | 15-06-19 | Lunsat Kipgen | 34.47 | 0.69 |
| 53 | MN0126 | 30-07-19 | Lunsat Kipgen | 9.91 | 0.20 |
| 55 | MN0128 | 09-04-19 | M/S. MD Salamkhan & brother | 24.90 | 0.50 |
| 56 | MN0128 | 03-07-19 | M/S. MD Salamkhan & brother | 6.10 | 0.12 |
| 59 | MN0131 | 20-12-18 | M/S N. Jilla & Sons | 65.41 | 1.31 |
| 60 | MN0131 | 25-02-19 | M/S N. Jilla & Sons | 43.25 | 0.87 |
| 61 | MN0131 | 29-04-19 | M/S N. Jilla & Sons | 31.42 | 0.63 |
| 62 | MN0131 | 12-06-19 | M/S N. Jilla & Sons | 53.75 | 1.08 |
| 65 | MN0143 | 03-11-18 | KS Ngaile | 45.94 | 0.92 |
| 66 | MN0143 | 27-12-18 | KS Ngaile | 29.19 | 0.58 |
| 67 | MN0143 | 11-01-19 | KS Ngaile | 34.77 | 0.70 |
| 68 | MN0143 | 24-10-19 | KS Ngaile | 16.00 | 0.32 |
| 69 | MN0143 | 06-03-20 | KS Ngaile | 8.80 | 0.18 |
| 72 | MN0145 | 19-12-18 | O. Premjit Singh | 33.39 | 0.67 |
| 73 | MN0145 | 07-02-19 | O. Premjit Singh | 41.82 | 0.84 |
| 74 | MN0145 | 29-04-19 | O. Premjit Singh | 20.16 | 0.40 |
| 75 | MN0145 | 26-06-19 | O. Premjit Singh | 12.16 | 0.24 |
| 76 | MN0145 | 02-03-20 | O. Premjit Singh | 10.03 | 0.20 |
| 78 | MN0152 | 13-12-18 | N. Jugeshwar | 32.66 | 0.65 |

| Sl. No. | Package No. | Bill Date | Name of Contractor | Bill Amount | TDS @ 2 *per cent* |
|---|---|---|---|---|---|
| 79 | MN0152 | 06-02-19 | N. Jugeshwar | 12.22 | 0.24 |
| 82 | MN0121A | 16-03-19 | Y. Dorenkumar Singh | 23.16 | 0.46 |
| 83 | MN0121A | 27-08-19 | Y. Dorenkumar Singh | 23.71 | 0.47 |
| 86 | MN0124A | 03-11-18 | M/S. NDS Construction | 22.52 | 0.45 |
| 87 | MN0124A | 27-03-19 | M/S. NDS Construction | 4.69 | 0.09 |
| 88 | MN0124A | 08-08-19 | M/S. NDS Construction | 26.75 | 0.54 |
| 91 | MN0124B | 03-11-18 | M/S. NDS Construction | 33.04 | 0.66 |
| 92 | MN0124B | 16-02-19 | M/S. NDS Construction | 0.96 | 0.02 |
| **PIU-III, Senapati** | | | | | |
| 93 | MN0663 | 28-05-19 | O. Premjit Singh | 64.52 | 1.29 |
| 94 | MN0663 | 31-07-19 | O. Premjit Singh | 83.74 | 1.67 |
| 95 | MN0663 | 21-02-20 | O. Premjit Singh | 8.33 | 0.17 |
| 96 | MN6106 | 03-10-19 | M/S Continental | 15.36 | 0.31 |
| 97 | MN6257 | 16-09-19 | V.S Ngainingkhui | 65.21 | 1.30 |
| | | | **Total** | **1,781.65** | **35.62** |

# GLOSSARY

# GLOSSARY OF ABBREVIATIONS

| Abbreviation | Expanded form |
|---|---|
| **AC** | Abstract Contingent |
| **ADC** | Autonomous District Council |
| **APEDA** | Agricultural and Processed Food Products Export Development Authority |
| **APR** | Actual Payee Receipt |
| **ATNs** | Action Taken Notes |
| **BOC** | Building and Other Construction Workers |
| **C&D** | Construction and Demolition |
| **CAG** | Comptroller and Auditor General of India |
| **CCTV** | Closed Circuit Television |
| **CoPU** | Committee on Public Undertakings |
| **CPHEEO** | Central Public Health & Environmental Engineering Organisation |
| **CPWD** | Central Public Works Department |
| **CTR** | Central Treasury Rules |
| **DBT** | Direct Benefit Transfer |
| **DCC** | Detailed Countersigned Contingent |
| **DDO** | Drawing and Disbursing Officer |
| **DPR** | Detailed Project Report |
| **DTA** | Domestic Tourist Arrivals |
| **DTR** | Debt-to-Turnover Ratio |
| **EHIA** | Environment and Health Impact Assessment |
| **EPC** | Engineering, Procurement and Construction |
| **EPR** | Extended Producers Responsibility |
| **FTA** | Foreign Tourist Arrivals |
| **GFR** | General Financial Rules |
| **GIA** | Grants-in-Aid |
| **GoM** | Government of Manipur |
| **GPS** | Global Positioning System |
| **GST** | Goods and Service Tax |
| **GSTR** | Goods and Services Tax Return |
| **IEC** | Information, Education and Communication |
| **IEI** | Internal Electrical Installation |
| **IGST** | Integrated GST |
| **IRs** | Inspection Reports |
| **ITC** | Input Tax Credit |
| **JPV** | Joint Physical Verification |
| **MAHUD** | Municipal Administration, Housing & Urban Development Department |
| **MANIDCO** | Manipur Industrial Development Corporation Limited |
| **MBOCW** | Manipur Building and Other Construction Workers |
| **MDS** | Manipur Development Society |
| **MIDA** | Manipur Infrastructure Development Agency |
| **MLALAD** | Member of Legislative Assembly Local Area Development Fund |
| **MoDONER** | Ministry of Development of North-Eastern Region |
| **MoEF** | Ministry of Environment and Forest |
| **MoHUA** | Ministry of Housing and Urban Affairs |

| Abbreviation | Expanded form |
|---|---|
| **MoT** | Ministry of Tourism |
| **MoU** | Memorandum of Understanding |
| **MSPCB** | Manipur State Pollution Control Board |
| **MSR** | Manipur Schedule of Rates |
| **MSW** | Municipal Solid Waste |
| **MTDC** | Manipur Tribal Development Corporation |
| **MUDA** | Manipur Urban Development Agency |
| **MVAT** | Manipur Value Added Tax |
| **NEC** | North Eastern Council |
| **NESIDS** | North-East Special Infrastructure Development Scheme |
| **NGO** | Non-Government Organisations |
| **NGT** | National Green Tribunal |
| **NLCPR** | Non Lapsable Central Pool of Resources |
| **NRRDA** | National Rural Roads Development Agency |
| **PAC** | Public Account Committee |
| **PAs** | Performance Audits |
| **PHED** | Public Health Engineering Department |
| **PIDDC** | Product Infrastructure Development at Destinations and Circuits |
| **PIU** | Programme Implementing Unit |
| **PMGSY** | Pradhan Mantri Gram Sadak Yojana |
| **POL** | Petrol, Oil and Lubricants |
| **PPCP** | Public Private Community Partnership |
| **PPE** | Personal Protective Equipment |
| **PPP** | Public Private Partnership |
| **PWD** | Public Works Department |
| **RD&PR** | Rural Development and Panchayati Raj Department |
| **RoE** | Return on Equity |
| **SBD** | Standard Bidding Document |
| **SFC** | State Finance Commission |
| **SHGs** | Self Help Groups |
| **SLTSC** | State Level Tourism Steering Committee |
| **SPMRM** | Shyama Prasad Mukherji Rurban Mission |
| **SPSEs** | State Public Sector Enterprises |
| **SWM** | Solid Waste Management |
| **TAC** | Tourism Advisory Committee |
| **TCML** | Tourism Corporation of Manipur Limited |
| **TDS** | Tax Deducted at Source |
| **UCs** | Utilisation Certificates |
| **ULB** | Urban Local Body |
| **UPS** | Uninterruptible Power Supply |
| **VTP** | Vocational Training Provider |
| **WBM** | Water Bound Macadam |
| **WSSI** | Water Supply & Sanitary Installation |

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