

Report of the
Comptroller and Auditor General of
India

For the year ended 31 March 2003

GOVERNMENT OF MANIPUR



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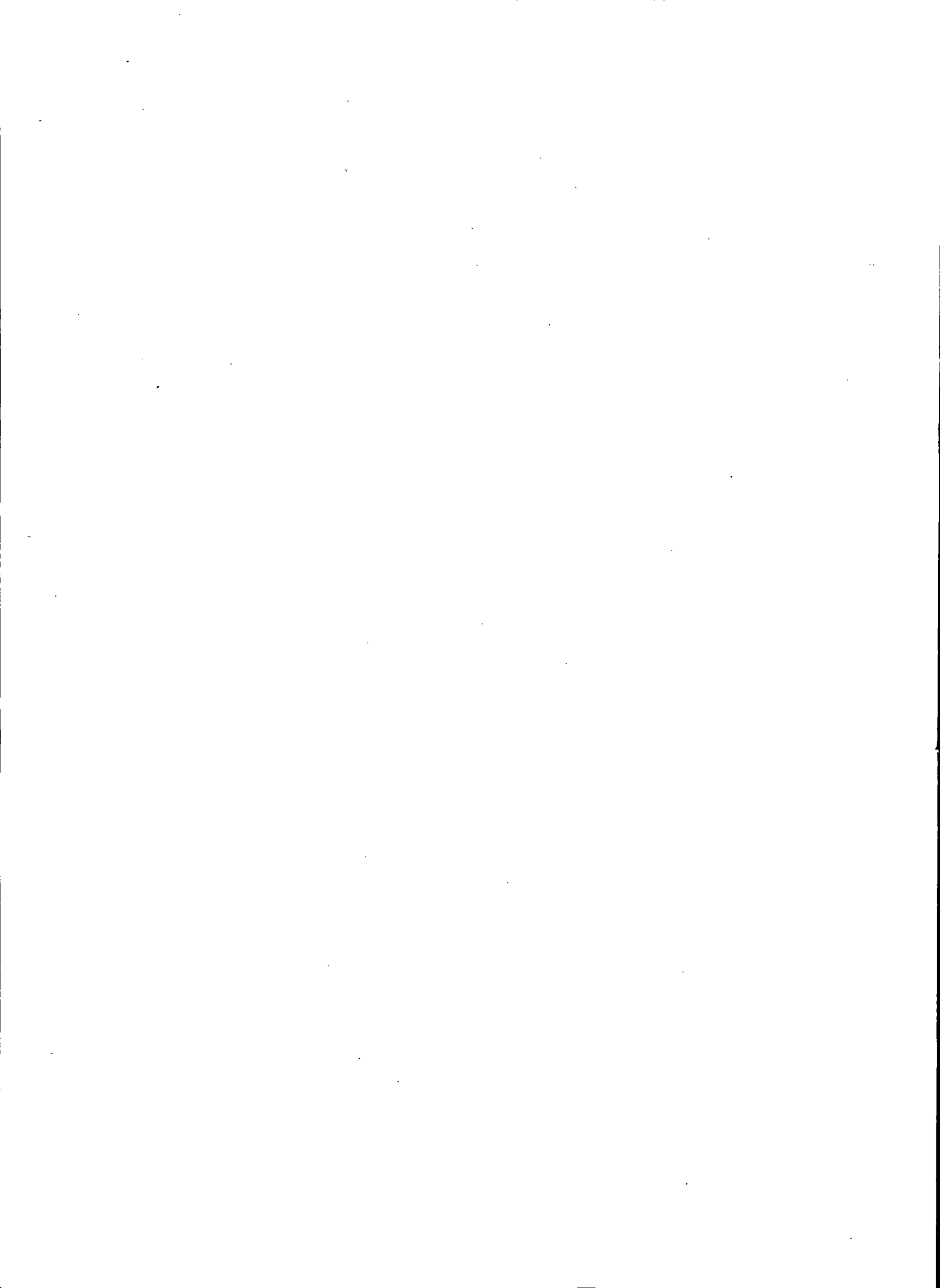
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PREFACE

1. *This Report has been prepared for submission to the Governor under Article 151 of the Constitution.*
2. *Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2003.*
3. *The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation Department, audit of Stores and Stock, Revenue Receipts, audit of Autonomous Bodies, Statutory Corporation, Government Companies and departmentally run commercial undertakings.*
4. *The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2002-03, as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2002-03 have also been included wherever necessary.*



OVERVIEW

OVERVIEW

OVERVIEW

This Report contains nine chapters. Chapter-I contains a detailed analysis of the financial position of the State. Chapter-II reviews the Government's control over expenditure during the year and also contains 3 paragraphs on regularity issues relating to Treasury Rules. Chapter III to Chapter VIII contain 3 reviews and 24 paragraphs based on audit of certain selected schemes and programmes and financial transactions of the Government. Chapter IX relates to comments on internal control and internal audit arrangements of Government. A synopsis of the findings contained in the reviews and important paragraphs is presented in this overview.

1. Financial position of the State Government

The revenue deficit which is the excess of revenue expenditure over revenue receipts stood at Rs.87 crore in 2002-03 from a revenue surplus of Rs.106 crore in 1998-99.

The fiscal deficit, which represented the total borrowings of the Government and its resource gap, increased from Rs.108 crore in 1998-99 to Rs.249 crore in 2002-03.

Overall expenditure of the State comprising revenue expenditure, capital expenditure and loans and advances increased from Rs.1005 crore in 1998-99 to Rs.1577 crore in 2002-03 at an average annual trend rate of 8.81 *per cent*. In total expenditure revenue expenditure had the predominant share, which stood at Rs.1415 crore in 2002-03 and its ratio to total expenditure was 89.73 *per cent*. The ratio of revenue expenditure to revenue receipts also increased from 88.18 *per cent* in 1998-99 to 106.55 *per cent* in 2002-03, indicating increase in dependence on borrowing for meeting even the current expenditure.

Fiscal liabilities of the State showed upward trend from Rs.1430 crore in 1998-99 to Rs.2225 crore in 2002-03 at an average growth rate of 14.79 *per cent* constituting about 56.50 *per cent* to 59.49 *per cent* of the GSDP during the period. Analysis of financial data of the Government revealed that the State Government had negative BCRs in all the five years, suggesting that Government had to depend only on borrowings for meeting its Plan expenditure.

The amount locked up in 328 incomplete projects was Rs.784.43 crore at the end of the year 2002-03.

The arrears of revenue pending collection (sales tax) was Rs.2.44 crore as of March 2003.

(Paragraphs 1.1 to 1.13)

2. Appropriation audit and control over expenditure

During 2002-03 expenditure of Rs.3939.52 crore was incurred against the total grants and appropriations of Rs.3562.83 crore resulting in an excess of Rs.376.69 crore. The overall excess was the result of excess of Rs.956.68 crore in 4 cases of grants and appropriations offset by saving of Rs.579.99 crore in 77 cases of grants and appropriations. The excess of Rs.376.69 crore required regularisation under Article 205 of the Constitution.

Supplementary provision of Rs.677.42 crore obtained during 2002-03 constituted 23.48 *per cent* of original budget provision of Rs.2885.41 crore. In 33 cases, supplementary provision of Rs.140.86 crore proved unnecessary in view of final saving in each case being more than supplementary provision obtained in March 2003. On the other hand in 3 cases supplementary provision of Rs.279.21 crore obtained during the year proved inadequate as the actual expenditure exceeded the budget provision by Rs.956.68 crore.

In 45 cases expenditure fell short by more than Rs.1 crore in each case and also by more than 10 *per cent* of the total provision.

In 12 cases there were persistent savings in excess of Rs.10 lakh in each case and also by more than 20 *per cent* or more of the total provision.

(Paragraphs 2.1 to 2.4)

3. Performance/reviews of schemes/programmes

3.1 Welfare of Handicapped

Action taken for implementation of various activities under the provisions of Persons With Disability (PWD) Act was either insufficient or absent. There were no co-ordination between Social Welfare Department (nodal department) and other implementing organisations including NGOs. The schemes were neither monitored nor evaluated.

Out of Central assistance of Rs.2.57 crore received under National Programme for Rehabilitation of Persons with Disabilities (NPRPD) during 1999-2000 to 2001-02, the State Government had not released Rs.2.37 crore.

(Paragraph 3.1)

3.2 Working of Public Health Engineering Department including Manpower Management

There was shortfall in achievement of targets both in Centrally Sponsored Schemes and State Plan Schemes.

Restriction of check drawing authority had led to non-utilisation of amount of Rs.122.28 crore. Capital fund of Rs.24.97 crore was diverted towards maintenance and operation works. Manpower management was deficient leading to engagement of excess staff. Collection of revenue was poor. There was under-assessment of revenue to the extent of Rs.32.94 crore.

(Paragraph 4.1)

3.3 Stores and Stock Management in Electricity Department

Procurement of stores was made without actual assessment of requirements, as a result of which fifty-one works were incomplete/delayed due to non-supply of materials. Advances amounting to Rs.1.70 crore were lying unadjusted with suppliers. No reserve stock limit had been fixed by the Government and no physical verification of stores was conducted during 1998-99 to 2002-03.

Against the budget provision of Rs.59.66 crore expenditure incurred was only Rs.19.23 crore during 1998-2003 due to non-release of sufficient cheque drawal authority.

Excise duty of Rs.46.21 lakh had been reimbursed without production of excise document.

Penalty of Rs.34.81 lakh was not imposed on delay in supply of materials.

(Paragraph 5.1)

4. Other points

4.1 CIVIL

Loss/non-recovery of Government money

Payment of Rs.16.82 lakh was made in advance to a firm for supply of cryocans without obtaining security. The firm neither supplied the materials nor was the recovery of amount effected so far.

(Paragraph 3.9)

Locking up of Government funds/undue favour to contractor/supplier

Delay in construction of three DIET centres resulted in locking up of funds of Rs.1.22 crore with construction agencies besides depriving the State Government of further assistance of Rs.2.16 crore from Government of India.

(Paragraph 3.5)

Non completion of double circuit line for want of right of way etc. resulted in locking up of Government money of Rs.1.80 crore.

(Paragraph 4.2)

Due to departmental inability to clear the contractors dues and issue of construction materials, construction of two bridges over Merakhong river were discontinued midway resulting in unfruitful expenditure of Rs.19.79 lakh.

(Paragraph 4.3)

Bailey bridge components for three bridges procured at a cost of Rs.2.31 crore, remained idle due to incomplete civil works (Rs.12.44 lakh) in one case and non-starting of civil works in other two cases.

(Paragraph 4.4)

Injudicious advance payment of Rs.27 lakh without obtaining security resulted in the short supply of CGI sheets to the extent of Rs.15.23 lakh.

(Paragraph 7.6)

Unproductive/Infructuous/Wasteful expenditure

Vegetable Seeds Multiplication Farm, Liyai established in 1986-87 failed to achieve its objectives and the expenditure of Rs.28.82 lakh proved infructuous.

(Paragraph 3.8)

Due to non-commissioning of the Hot Mix Plant at Kakching even after eight years of its procurement, the expenditure of Rs.23.27 lakh incurred by the Executive Engineer, Mechanical Division-I, PWD, Imphal rendered unproductive.

(Paragraph 4.5)

Irregular/Unauthorised expenditure/Diversion of fund

Director of Education (Schools), Manipur incurred unauthorised expenditure of Rs.15.24 lakh from undisbursed balances of scheme funds lying unutilised for 1 to 5 years.

(Paragraph 3.4)

Out of Rs.2 crore released by Government of India for Modernisation of Police Force for 1998-99, Rs.1.68 crore was utilised by the Home Department for purchase of items not covered by the scheme and the diversion deprived the State Police additional fund of Rs.7 crore.

(Paragraph 3.7)

Amount kept outside Government Account

Director of Commerce and Industries drawn various scheme funds amounting to Rs.5.91 crore during August 2000 to October 2002 and kept in bank account before disbursement. Of these Rs.1.00 crore were still lying in bank and implementation of various programmes hampered.

(Paragraph 3.2)

4.2 REVENUE

Realisation of penalty below minimum prescribed limit resulted in loss of revenue of Rs.1.27 lakh.

(Paragraph 6.7)

Loss of revenue to the tune of Rs.5.92 lakh due to non-tapping of latex from rubber trees.

(Paragraph 6.8)

Against minimum sales tax of Rs.6.98 lakh one Public Works Division deducted only Rs.3.55 lakh from contractors' bills and on pointing out in audit the division recovered Rs.2.84 lakh and Rs.0.59 lakh remained unrealised.

(Paragraph 6.9)

Concealment of purchase turnover led to tax evasion of Rs.15.62 lakh and penalty of Rs.23.43 lakh.

(Paragraph 6.10)

Levy of Central Sales Tax at concessional rate on inter-state sales turnover of 5 dealers without supporting declarations/valid declaration in Form 'C' resulted in short levy of Rs.15.52 lakh, interest of Rs.3.41 lakh and penalty of Rs.1.53 lakh.

(Paragraph 6.11)

Professional tax amounting to Rs.2.27 lakh was not realised from 227 permit holders of Goods Vehicles, Trucks, Taxies and Minibuses by Transport Officer, Thoubal.

(Paragraph 6.13)

4.3 COMMERCIAL

General view of Government companies and Statutory corporation

As on 31 March 2003 there were 15 Government companies (13 working companies and 2 non-working companies) and one Statutory corporation in the State. The total investment of working Public Sector Undertakings was Rs.133.38

crore (working Government companies Rs.99.67 crore and working Statutory corporation Rs.33.71 crore).

The total investment in two non-working companies was Rs.1.37 crore as on 31 March 2003.

Out of two non-working Government companies one company was under liquidation for four years and an investment of Rs.0.64 crore was involved in this company.

The accounts of 13 working companies and one working corporation were in arrears ranging from six to 21 years.

Of the 5 loss incurring working companies, accumulated loss incurred by four working companies was Rs.5 crore and that by one working corporation was Rs.16.70 crore.

Two companies, which finalised their previous year's accounts during the year and earned an aggregate profit of Rs.75.58 lakh, did not declare any dividend.

(Paragraphs 8.1 to 8.7)

Heavy fuel based power project at Leimakhong having installed capacity of 36 MW, was utilised to generate 14 MW of power due to non-construction of transmission line resulting in loss of potential revenue of Rs.2.09 crore.

(Paragraph 8.15)

CHAPTER I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

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

1.2 Financial position of the State

The Government accounting system does not attempt a comprehensive accounting of fixed assets i.e. land and buildings *etc.*, owned by the Government. However, these accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by it. Exhibit-I presents an abstract of such liabilities and the assets as on 31 March 2003, compared with the corresponding position on 31 March 2002. While the liabilities in this statement consists mainly of moneys owed by the State Government such as internal borrowings, loans and advances from the Government of India, receipts from the Public Account and reserve funds, the assets comprise mainly the capital expenditure and loans and advances given by the State Government. Exhibit-I shows that while the liabilities grew by 7.34 *per cent*, the assets grew by 2.82 *per cent* during 2002-03. This shows an overall deterioration in the financial condition of the Government.

1.3 Sources and application of fund

Exhibit-II gives the position of sources and application of funds during the current and the preceding year. The main sources of funds include the revenue receipts of the Government, recoveries of loans and advances and public debt. These are applied mainly on revenue and capital expenditure and on lending for development and other purposes. Revenue receipts constituted the most significant source of fund for the State Government. Their relative share decreased from 77.54 *per cent* in 2001-02 to 65.56 *per cent* in 2002-03; even though there was increase in total gross receipts by 33.47 *per cent*. The share of recoveries of loans and advances decreased from 0.03 *per cent* to 0.02 *per cent*. There was a net outflow from public accounts, while public debt receipts increased from (-) Rs.41.68 crore in 2001-02 to Rs.536.92 crore in 2002-03. The revenue expenditure accounted for 70 *per cent* of total funds. This was higher than

the share of the revenue receipts in the total receipts. This led to revenue deficit and increasing the liabilities of the State.

1.4 Revenue Receipts

The revenue receipts of the State consist mainly of its own taxes and non-tax revenue, central tax transfers and grants-in-aid from the Government of India. Overall revenue receipts of the State increased from Rs.897 crore in 1998-99 to Rs.1328 crore in 2002-03 at an average trend rate of 9 *per cent* per annum. Rate of growth of revenue receipts was 12.83 *per cent* in 2002-03. Overall revenue receipts, its annual and trend rate of growth, ratio of its receipts to the State Gross Domestic Product (GSDP) and its buoyancy are indicated in Table-1.1.

Table No. 1.1

Revenue Receipts – Basic Parameters (Value Rs. in crore and others in *per cent*)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Revenue Receipts (RR)	897	1070	1045	1177	1328	1103
Rate of Growth (ROG)	3.94	19.29	-2.34	12.63	12.83	8.78
Revenue Receipt/GSDP	35.44	39.05	33.08	32.78	35.51	35.00
Revenue Buoyancy	0.315	2.336	*	0.924	3.092	0.780
GSDP Growth	12.489	8.258	15.292	13.675	4.149	11.254

*Rate of growth of Revenue Receipts was negative.

The rate of growth of revenue receipts and GSDP fluctuated over the years. However, during 1998-2003, rate of growth of revenue receipt failed to keep pace with GSDP growth in three out of the five years and overall buoyancy was less than one.

Composition of the revenue receipts of the State and relative share of the four components over last five years is indicated in Table-1.2. On an average, only 8 *per cent* of the revenue came from State's own resources and central tax transfers and grants-in-aid together contributed about 92 *per cent* of total revenue. The grants-in-aid continued to grow in importance and from around 56 *per cent* of total revenue in 1998-99 it increased to 81.14 *per cent* in 2001-02. There was a marginal decline in 2002-03 at 76.66 *per cent*. Central tax transfers as percentage to total revenue of the State witnessed a relative decline from 37 *per cent* in 1998-99 to 12.06 *per cent* in 2001-02 and marginally increased to 14.16 *per cent* in 2002-03.

Table No. 1.2

Components of Revenue Receipt- Relative share in *per cent*

	1998-99	1999-2000	2000-01	2001-02	2002-03	average
Own Taxes	3.34	3.74	4.69	4.33	4.89	4.26
Non-Tax Revenue	3.57	4.02	4.02	2.46	4.29	3.68
Central tax Transfers	37.01	29.72	15.69	12.06	14.16	20.74
Grants-in aid	56.08	62.52	75.60	81.14	76.66	71.32

Overall growth of the four components of revenue during 1998-2003 also differed significantly. While the revenue from own taxes and non-tax revenue of the State recorded a trend growth of 14.53 and 3.87 *per cent* respectively during

1998-2003, central tax transfers recorded negative growth of (-) 15.09 *per cent*. Grants-in-aid on the other hand registered growth of 18.33 *per cent* during this period. The trend annual growth of the various components of State's revenue, their buoyancy, average ratio as percentage of GSDP and average annual rate of shift in the relative contribution is indicated in Table-1.3

Table No. 1.3
Components of Revenue- Basic Parameters 1998-2003 (per cent)

	ROG	GSDP	Buoyancy	Relative share	Shift rate
Own Taxes	14.53	1.491	1.291	4.26	5.29
Non-Tax Revenue	3.87	1.288	0.344	3.68	-4.52
Central tax Transfers	-15.09	7.258	*	20.74	-21.95
Grants-in aid	18.33	24.967	1.629	71.32	8.78

* Rate of growth of central tax transfers was negative.

The State's own taxes and grants-in-aid had a high buoyancy of 1.291 and 1.629 respectively. However, non-tax revenue registered a low buoyancy of 0.344. As a result of the negative growth of central tax transfers and relatively lower growth of its non-tax revenue compared to the other two components of revenue, the relative share of these in State's total revenue declined. Average annual shift rate was (-) 21.95 *per cent* for central tax transfers, and (-) 4.52 *per cent* for non-tax revenue. However, since 71 *per cent* of the State's total revenue was received through grants-in-aid, grants-in-aid GSDP ratio averaged 24.967 compared to a ratio of 7.258 for central tax transfers and 1.491 for its own taxes.

1.5 Expenditure

Overall expenditure of the State comprising revenue expenditure, capital expenditure and the loans and advances increased from Rs.1005 crore in 1998-99 to Rs.1577 crore in 2002-03, at an average annual trend rate of 8.81 *per cent*. The rate of growth of total expenditure was lower than the rate of growth of State's GSDP and slightly higher than that of revenue receipts. During 1998-2003 total expenditure witnessed an increasing trend mainly due to increase of expenditure on general services and interest payments. The relatively high growth rates of expenditure on general services and interest payments, notwithstanding a moderate growth of developmental expenditure (7.55 *per cent*), kept the overall buoyancy of total expenditure close to one. For every one *per cent* increase in the State's GSDP and revenue receipts, expenditure increased by 0.783 *per cent* and 1.003 *per cent* respectively. Overall expenditure, its annual and trend growth ratio of total expenditure to State's GSDP and the buoyancy of expenditure is indicated in Table-1.4 below:

Table No. 1.4
Total Expenditure-Basic Parameters (Value Rs. in crore and others in per cent)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Total Expenditure (TE)	1005	1714	1272	1518	1577	1417
Rate of Growth	-4.55	70.47	-25.80	19.37	3.88	8.81
TE/GSDP Ratio	39.73	62.55	40.26	42.28	42.17	44.96
Revenue Receipt/TE Ratio	89.21	62.43	82.17	77.53	84.21	77.85
Expenditure buoyancy						
GSDP	*	8.534	*	1.416	0.934	0.783
Revenue Receipts	*	3.654	**	1.533	0.302	1.003

*Rate of growth of expenditure was negative.

** Rate of growth of expenditure and revenue receipts were negative.

In terms of the activities total expenditure could be considered as being composed of expenditure on general services, interest payments, social and economic services, grants-in-aid and loans and advances. The relative share of these components in the total expenditure is indicated in Table-1.5.

Table No. 1.5
Components of Expenditure –Relative share in per cent

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
General Services	20.59	25.15	26.73	24.70	25.43	24.75
Interest Payments	9.05	7.70	13.92	12.58	16.17	11.94
Social Services	36.50	33.72	34.44	32.87	33.99	34.12
Economic Services	33.82	33.31	24.85	29.58	24.35	29.07
Loans & Advances	0.04	0.12	0.06	0.27	0.06	0.12

The movement of relative share of these components indicate that the share of economic services in total expenditure declined sharply from 33.82 per cent in 1998-99 to 24.35 per cent in 2002-03. The relative share of interest payments and general services increased sharply. Interest payments and expenditure on general services considered as non-developmental, together accounted for nearly 42 per cent of total expenditure in 2002-03 as compared to around 30 per cent in 1998-99.

In total expenditure, revenue expenditure had the predominant share. Revenue expenditure is incurred to maintain the current level of services and does not represent any addition in the State's service network. Overall revenue expenditure of the State increased from Rs.791 crore in 1998-99 to Rs.1415 crore in 2002-03, at an average trend rate of 13.06 per cent per annum. Rate of growth of revenue expenditure reached its maximum in 1999-2000 at 70.42 per cent. Revenue expenditure-GSDP ratio increased from 31.25 per cent in 1998-99 to 49.20 per cent in 1999-2000 and stood at 37.83 per cent in 2002-03. Further, the ratio of revenue expenditure to total expenditure increased from 78.67 per cent in 1998-99 to 89.73 per cent in 2002-03. On an average 85 per cent of total expenditure of the State was on current consumption. The ratio of revenue expenditure to revenue receipt also increased from 88.18 per cent in 1998-99 to 106.55 per cent in 2002-03 indicating increasing dependence on borrowing for meeting even the current expenditure. Overall revenue expenditure, its rate of growth, ratio of revenue

expenditure to State's GSDP and revenue receipts and its buoyancy with both GSDP and revenue receipts is indicated in Table-1.6 below:

Table No. 1.6
Revenue Expenditure-Basic Parameters (Value Rs. in crore and others in per cent)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Revenue Expenditure	791	1348	1123	1338	1415	1203
Rate of Growth	-0.13	70.42	-16.69	19.15	5.75	13.06
Revenue Expenditure /GSDP	31.25	49.20	35.55	37.26	37.83	38.16
Revenue Expenditure as % of Total Expenditure	78.67	78.65	88.30	88.13	89.73	84.88
Revenue Expenditure as % of Revenue Receipt	88.18	125.98	107.46	113.68	106.55	109.03
Buoyancy of Revenue Expenditure						
GSDP	*	8.528	*	1.400	1.387	1.160
Revenue Receipts	*	3.651	**	1.516	0.449	1.487

* Rate of growth of Revenue expenditure was negative.

** Rate of growth of Revenue expenditure and revenue receipts were negative.

The growth in revenue expenditure exceeded the rate of growth of State's GSDP and revenue receipts. Average buoyancy of revenue expenditure to GSDP during 1998-2003 was 1.160 indicating that for each one percentage increase of GSDP, revenue expenditure increased by 1.160 *per cent*. Similarly, for each one percentage point increase in the State's revenue receipts, revenue expenditure increased by 1.487 *per cent*.

The plan, capital and developmental expenditure reflect its quality. The higher the ratio of these components to total expenditure the better is the quality of expenditure. Table-1.7 below gives the ratio of these components to total expenditure.

Table No. 1.7
Quality of Expenditure (percentage to total expenditure)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Plan Expenditure	39.30	36.16	26.20	24.83	19.04	28.58
Capital Expenditure	21.29	21.26	11.64	11.62	10.22	15.02
Development Expenditure	70.35	67.11	59.32	62.62	58.38	63.27

All the three components of expenditure showed a relative decline during 1998-2003. Plan expenditure declined from 39.30 *per cent* of total expenditure in 1998-99 to 19 *per cent* in 2002-03. Similarly, capital expenditure also declined from 21.29 to 10.22 *per cent*. There was also a decline in the share of development expenditure from 70.35 *per cent* in 1998-99 to 58.38 *per cent* in 2002-03.

Activity-wise expenditure also revealed that the average trend growth of various components had significant variations. Interest payments and expenditure on general services were the fastest growing components with an average growth of 27.04 *per cent* and 15.35 *per cent* per annum respectively. Loans and advances of the State had a negative growth of (-) 9.34 *per cent*. As percentage to GSDP, non-development expenditure comprising general services and interest payments averaged 16.50 *per cent*, social services 15.34 *per cent* and the economic services

13.07 per cent. Activity-wise trend growth, ratio to GSDP, relative share of the various activities, shift in their relative share and buoyancy with GSDP and revenue receipt are indicated in Table-1.8.

Table No. 1.8
Activity wise expenditure- Basic Parameters in per cent

	ROG	GSDP share	Relative share	Shift rate	Buoyancy with	
					GSDP	Revenue Receipt
General Services	15.35	11.13	24.752	6.012	1.36	1.75
Interest Payments	27.04	5.37	11.938	16.753	2.40	3.08
Social Services	6.67	15.34	34.122	-1.967	0.59	0.76
Economic Services	0.88	13.07	29.070	-7.285	0.08	0.10
Loans & Advances	-9.34	0.05	0.119	-16.682	*	*

* Rate of growth of loans and advances was negative

The relative shares of the expenditure on general services and interest grew by an average of 6.012 per cent and 16.753 per cent per annum respectively and witnessed a positive shift in their shares. On the other hand, the share of expenditure on economic services, loans and advances and social services actually declined. Expenditure on general services and interest payments had a buoyancy greater than one with respect to GSDP and revenue receipt, while the buoyancy of other three components was relatively low. The relatively lower buoyancy of social services and economic services resulted in decline in their relative share and their annual rate of shift was (-)1.967 per cent and (-)7.285 per cent respectively.

1.6 Fiscal Imbalances

The deficits in the Government accounts represent the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed are important pointers to the fiscal health. Revenue deficit, which is the excess of its revenue expenditure over revenue receipts stood at Rs.87 crore in 2002-03 from a revenue surplus of Rs.106 crore in 1998-99. Fiscal deficit, which represents the total borrowings of the Government and its total resource gap, increased from Rs.108 crore in 1998-99 to Rs.249 crore in 2002-03. State also had a primary deficit increasing from Rs.17 crore in 1998-99 to Rs.149 crore till 2001-02.

The existence of revenue deficit indicated that the revenue receipts of the State were not able to meet its revenue expenditure and Government had to borrow funds to meet its current obligations. However, the deficits show a declining trend in 2002-03 from the previous year mainly due to higher receipts from revenue and lower growth of expenditure. The ratio of revenue deficit to fiscal deficit also decreased from 43.17 per cent in 1999-2000 to 34.94 per cent in 2002-03. As a proportion to State's gross domestic product revenue deficit was 2.33 per cent in 2002-03 and fiscal deficit 6.66 per cent.

Table No. 1.9
Fiscal imbalances-Basic Parameters (value Rs. in crore and ratios in per cent)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Revenue Deficit (RD)	106	-278	-79	-161	-87	-100
Fiscal Deficit (FD)	-108	-644	-227	-340	-249	-314
Primary Deficit (PD)	-17	-512	-50	-149	6	-144
RD/GSDP	4.19	-10.15	-2.50	-4.48	-2.33	-3.17
FD/GSDP	-4.27	-23.50	-7.19	-9.47	-6.66	-9.95
PD/GSDP	-0.67	-18.69	-1.58	-4.15	0.16	-4.58
RD/FD	*	43.17	34.80	47.35	34.94	31.82

* There was a revenue surplus during the year.

Deficit is indicated with a (-) sign and a positive sign indicates surplus.

1.7 Fiscal Liabilities-Public Debt and Guarantees

The Constitution of India provides that State may borrow within the territory of India, upon the security of Consolidated Fund, within such limits, as may from time to time, be fixed by an act of Legislature. However, no such law was passed by the State to lay down any such limit. Table 1.10 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP revenue receipts and own resources and the buoyancy of these liabilities with respect to these parameters. It would be observed that the overall fiscal liabilities of the State increased from Rs.1430 crore in 1998-99 to Rs.2225 crore in 2002-03 at an average annual rate of 14.79 per cent. These liabilities as ratio to GSDP increased from 56.50 per cent in 1998-99 to 59.49 per cent in 2002-03 and stood at 1.75 times of its revenue receipts and 22 times of its own resources comprising its own tax and non-tax revenue.

In addition to these liabilities Government had guaranteed loans of its various Corporations and others which in 2002-03 stood at Rs.9 crore. The guarantees are in the nature of contingent liabilities. Currently the fiscal liabilities were more than the revenue receipts of the State. The direct fiscal liabilities of the State grew much faster compared to its rate of growth of GSDP, revenue receipts and own resources in three out of five years during 1998-2003. On average for each one per cent increase in GSDP, revenue receipts and own resources the direct fiscal liabilities of the State increased by 1.315, 1.684 and 1.567 per cent respectively.

Table No. 1.10
Fiscal Liabilities-Basic Parameters

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Fiscal Liabilities	1430	1699	2093	2198	2225	1929
Rate of Growth	25.11	18.81	23.19	5.02	1.23	14.79
Ratio of Fiscal Liabilities to						
GSDP	56.50	62.01	66.26	61.21	59.49	61.20
Revenue Receipt	159.42	158.79	200.29	186.75	167.55	174.82
Own Resources (OR)	2,306.45	2,046.99	2,300.00	2,747.50	1,823.77	2,202.05
Buoyancy of Fiscal Liabilities to						
GSDP	2.011	2.278	1.516	0.367	0.296	1.315
Revenue Receipt	6.373	0.975	*	0.397	0.096	1.684
Own Resources	*	0.555	2.406	*	0.023	1.567

* Revenue receipts and own resources had a negative growth.

Increasing liabilities had raised the issue of sustainability. Fiscal liabilities are considered sustainable if the average interest paid on these liabilities is lower than the rate of growth of GSDP. In Manipur average interest rate on fiscal liabilities at 11.53 *per cent* during 2002-03 had exceeded the GSDP growth by 7.38 *per cent* as indicated in Table-1.11.

Table No. 1.11
Debt sustainability-Interest Rate and GSDP Growth in *per cent*

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Weighted Interest Rate	7.07	8.44	9.34	8.90	11.53	9.06
GSDP Growth	12.49	8.26	15.29	13.68	4.15	11.25
Interest Spread	5.42	-0.18	5.96	4.77	-7.38	2.20

Another important indication of debt sustainability is net availability of funds after payment of the principal on account of the earlier contracted liabilities and interest. Table-1.12 below gives the position of the receipt and repayment of fiscal liabilities over last five years. The net funds available in a year on account of the internal debt, loans and advances from Government of India and other liabilities after providing for interest and repayments decreased from Rs.217 crore in 2000-01 to (-) Rs.228 crore in 2002-03.

Table No. 1.12
Net availability of Borrowed Funds (Rupees in crore)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Internal Debt¹						
Receipt	654	1181	1234	1609	1408	1217
Repayment (Principal+ Interest)	463	1320	1145	1537	1851	1263
Loans and Advances from Government of India						
Receipt	147	93	237	504	1025	401
Repayment (Principal + Interest)	132	68	136	663	703	340
Other Liabilities						
Receipt	127	425	199	189	145	217
Repayment (Principal + Interest)	137	174	172	189	252	185
Total Liabilities						
Receipt	928	1699	1670	2302	2578	1835
Repayment (Principal + Interest)	732	1562	1453	2389	2806	1788
Net Fund available	196	137	217	-87	-228	47
Net Fund available (<i>per cent</i>)	21.12	8.06	12.99	-3.78	-8.84	2.56

Ways and Means advances and overdraft

The Government could not maintain minimum cash balance of Rs.24 lakh on any day with the Reserve Bank of India during 2002-03 even after availing of Ways and Means advances of Rs.101.54 crore. Further the Government obtained overdraft of Rs.1227.45 crore on 135 days. Interest of Rs.21.91 crore was paid during the year on Ways and Means advances and overdraft.

1.8 Investments and returns

As on 31 March 2003, Government had invested Rs.115 crore in statutory corporations, Government companies and co-operatives. Government investments in these companies, corporations did not fetch any return during 2002-03 as indicated in Table-1.13 below:

Table No. 1.13
Return on Investment

Year	Investment at the end of the year	Return	Percentage of return	(Rupees in crore)
				Average rate of interest on Government borrowing (<i>per cent</i>)
1998-99	81	0.05	0.06	7.07
1999-2000	87	NIL	—	8.44
2000-01	91	NIL	—	9.34
2001-02	108	0.08	0.07	8.90
2002-03	115	NIL	—	11.53

In addition to investment, Government has also been providing loans and advances to many of these parastatals. Total outstanding loans was Rs.56 crore as on 31 March 2003. Overall interest received had declined from Rs.0.63 crore in

¹ Including Ways and Means advances and overdraft.

1999-2000 to Rs.0.26 crore in 2002-03 (Table 1.14). Government has, therefore, been providing an explicit subsidy varying from 6.75 *per cent* to 11.06 *per cent* in this intermediation.

Table No. 1.14
Average Interest Received on Loans advanced by the State Government
(Rupees in crore)

	1998-99	1999-2000	2000-01	2001-02	2002-03
Opening Balance	48.90	48.95	50.99	51.29	54.96
Amount Advanced during the year	0.44	2.60	0.82	4.14	1.55
Amount repaid during the year	0.39	0.56	0.52	0.47	0.47
Closing Balance	48.95	50.99	51.29	54.96	56.04
Net Addition	0.05	2.04	0.30	3.67	1.08
Interest Received	0.16	0.63	0.13	0.22	0.26
Interest received as <i>per cent</i> to loans advanced	0.33	1.26	0.25	0.41	0.47
Average interest paid by the State	7.07	8.44	9.34	8.90	11.53
Difference between interest paid and received	6.75	7.18	9.08	8.49	11.06
Implicit Subsidy	3.30	3.51	4.63	4.35	6.08

In these two functions of financial intermediation and investment, low returns indicated implicit subsidy. During 2002-03 alone, the implicit subsidy (the difference between the cost of raising funds and the returns) amounted to Rs.6.08 crore.

1.9 Financial results of irrigation works

The financial results of major and medium irrigation works with capital expenditure of Rs.515.66 crore as of March 2003 showed that revenue realised during 2002-03 (Rs.0.24 crore) was only 0.046 *per cent* of the capital expenditure.

1.10 Incomplete Projects

As informed by the State Government, there were 328 incomplete projects in which Rs.784.43 crore were blocked. This showed that the Government was spreading its resources thinly without prioritisation. Reasons for incomplete projects were land dispute, change in site/design of the project(s), defective planning etc.

1.11 Arrears of revenue

The arrears of revenue pending collection were Rs.2.44 crore as of March 2003 in respect of sales tax department which was 0.18 *per cent* of the revenue collected

during the year. Other revenue collecting departments had not furnished information regarding arrears.

1.12 Financial Indicators of the Government of Manipur

The finances of a State should be sustainable, flexible and non-vulnerable. Table 1.15 below presents a summarized position of Government finances over 1998-2003, with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their applications, highlight areas of concern and captures its important facets.

The ratio of revenue receipt and State's own taxes to GSDP indicate the adequacy of resources. The buoyancy of revenue receipt indicates the nature of the tax regime and the State's increasing access to resources. Revenue receipts comprise not only the tax and non-tax resources of the State but also Central transfers. It indicates the sum total of the State's access for which there is no direct service provision obligations, recovery of users' charges for the social and economic services provided by it and its entitlement from the Central pool of resources. These ratios indicate a mixed trend. Revenue receipt-GSDP ratio, though fluctuating over the years had actually increased to 35.51 *per cent* in 2002-03 from 32.78 *per cent* in the previous year. The buoyancy of revenue receipts though on an average was less than one. Higher buoyancy in 2002-03 was due to a moderate growth in GSDP rather than any significant surge in revenue receipts.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resource mobilisation. The ratio of revenue expenditure to total expenditure has shown an increase from 1999-2000 to 2002-03 while its capital expenditure and development expenditure as percentage to total expenditure had declined during 1998-2003. Both its revenue and total expenditure have been buoyant compared to its revenue receipts. All these indicate the State's dependence on borrowings for meeting its revenue expenditure and inadequate expansion of its developmental activities.

Table No. 1.15
Indicators of Fiscal Health (in per cent)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Resource Mobilisation						
Revenue Receipt/GSDP	35.44	39.05	33.08	32.78	35.51	35.00
Revenue Buoyancy	0.315	2.336	*	0.924	3.092	0.780
Own Tax/GSDP	1.185	1.460	1.551	1.420	1.738	1.491
Expenditure Management						
Total Expenditure/GSDP	39.73	62.55	40.26	42.28	42.17	44.96
Revenue Receipt/Total Expenditure	89.21	62.43	82.17	77.53	84.21	77.85
Revenue Expenditure /Total Expenditure	78.67	78.65	88.30	88.13	89.73	84.88
Plan Expenditure /Total Expenditure	39.30	36.16	26.20	24.83	19.04	28.58
Capital Expenditure /Total Expenditure	21.29	21.26	11.64	11.62	10.22	15.02
Development Expenditure /Total Expenditure	70.35	67.11	59.32	62.62	58.38	63.27
Buoyancy of TE with RR	*	3.654	*	1.533	0.302	1.003
Buoyancy of RE with RR	*	3.651	*	1.516	0.449	1.487
Management of Fiscal Imbalances						
Revenue Deficit (Rs. in crore)	106	-278	-79	-161	-87	-100
Fiscal Deficit (Rs. in crore)	-108	-644	-227	-340	-249	-314
Primary deficit (Rs. in crore)	-17	-512	-50	-149	6	-144
Revenue Deficit/Fiscal Deficit	**	43.17	34.80	47.35	34.94	31.82
Management of Fiscal Liabilities (FL)						
Fiscal Liabilities/GSDP	56.50	62.01	66.26	61.21	59.49	61.20
Fiscal Liabilities/RR	159.42	158.79	200.29	186.75	167.55	174.82
Buoyancy of FL with RR	6.373	0.975	*	0.397	0.096	1.684
Buoyancy of FL with OR	*	0.555	2.406	*	0.023	1.567
Interest Spread	5.42	-0.18	5.96	4.77	-7.38	2.20
Net Funds Available	21.12	8.06	12.99	-3.78	-8.84	2.56
Other Fiscal Indicators						
Return on Investment	0.06	0.00	0.00	0.07	0.00	0.03
BCR (Rs. in crore)	-162	-673	-339	-567	-575	-463
Financial Assets/Liabilities	1.92	1.61	1.45	1.36	1.27	1.52

* Revenue Receipts, Own Resources, Total Expenditure and Revenue Expenditure had a negative growth.

** There was a revenue surplus during the year.

Continued revenue and fiscal deficit indicates fiscal imbalances of the State. Ratio of fiscal liabilities to GSDP and revenue receipts were showing the decreasing trend since 2000-01 but their levels remained high. Continued existence of deficits showed that State's finances were vulnerable to sources of funding outside its control.

It is not uncommon for a State to borrow for increasing its social and economic infrastructure support and creating additional income generating assets. However,

borrowings are not available for development expenditure as repayments on borrowings exceeded the receipts by 87 crore and Rs.228 crore in 2001-02 and 2002-03 respectively. This indicated that funds obtained through borrowings for servicing of debt were leading the State into a debt trap. The State's low return on investment indicated an implicit subsidy and use of high cost borrowing for investments, which yields very little to it. The ratio of State's total financial assets to liabilities also declined indicating decrease in asset back up to liabilities. This indicated that either the State has to generate more revenue from out of its existing assets or need to provide from its current revenues for servicing its debt obligations. The balance from current revenue of the State has also continued to be in the negative. The BCR plays a critical role in determining its plan size and a negative BCR adversely affects the same and reduces availability of fund for additional infrastructure support and other revenue generating investment.

1.13 Impact of Government policies

Exhibit-V depicts the progress achieved during 2002-03 as compared to 2001-02 in various sectors. It would be seen that the percentage of literacy has remained at 68.68 *per cent* since 2002. No new institutions were opened in the Health and Family Welfare sector. In Power sector, though the generation has increased during 2002-2003, the Government had to purchase more power from outside agencies to fulfil the demand of the consumers. Total cultivable area remained constant at 2,34,025 hectare during 2001-02 and 2002-03.

EXHIBIT – I
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF MANIPUR
AS ON 31 MARCH 2003

(Rupees in crore)

As on March 2002		Liabilities	As on 31 March 2003		As on March 2002		Assets	As on March 2003	
-1-	-2-		-4-	-5-	-6-	-7-		-8-	-9-
465.80		Internal Debt (excluding overdrafts from Reserve Bank of India)		555.63	3031.98		Gross Capital Outlay		3192.69
	290.14	Market Loans Bearing interest	367.42			107.57	Investment in shares of Companies, Corporations, etc.	115.06	
	0.04	Market Loans not bearing interest	0.04			2924.41	Other capital expenditure	3077.63	
	8.50	Loans from the Life Insurance Corporation of India	8.44		54.96		Loans and Advances		56.04
	—	Loans from the General Insurance Corporation of India	—			—	Loans for Energy		
	0.80	Loans from the National Bank for Agriculture and Rural Development	0.72			49.97	Other Development Loans	51.35	
	23.53	Loans from the National Cooperative Development Corporation	21.93			4.99	Loans to Government Servants and Miscellaneous Loans	4.69	
	100.39	Loans from other institutions	101.38		40.58		Suspense and Miscellaneous Balances		
	42.40	Ways and Means Advances from the Reserve Bank of India	55.70		2.22		Advances		2.22
	—	Special securities issued to National small savings Funds of the Central Government			64.41		Cash		10.04
460.35		Loans and Advances from the Central Government		907.44		51.66	Cash in Treasuries and Local Remittances	1.60	
	23.73	Pre 1994-85 Loans	27.03			8.30	Departmental Cash Balance including Permanent Advances	3.99	
	91.57	Non-Plan Loans	52.82			4.45	Cash Balance Investment Account	4.45	
	325.24	Loans for State Plan Schemes	770.05						
	3.92	Loans for Central Plan Schemes	3.74						
	9.55	Loans for Centrally Sponsored Plan Schemes	9.31						
	4.02	Loans for Spl. Plan Schemes	3.99						
	2.32	Way and means Advances	40.50						
600.40		Small Savings, Provident Funds, etc.		552.94					
		Suspense and Miscellaneous Balances		36.51					
159.23		Deposits		143.74					
497.86		Overdrafts from the Reserve Bank of India		49.75					
13.89		Reserve Funds		15.06 ²					
223.50		Deposits with the Reserve Bank of India		337.62					
791.47		Surplus on Government Account		704.35	18.35		Remittance Balances		42.05
		Net Surplus as on 31.3.2002	791.47						
		Less deficit of the current year	87.12						
3212.50		Total: —		3303.04	3212.50		Total: —		3303.04

² Actual balance Rs.150512648 taken as Rs.15.06 crore for balancing.

EXHIBIT - II
SOURCES AND APPLICATION OF FUND

(Rupees in crore)

2001-02		Sources	2002-03	
1176.78		1. Revenue Receipts		1327.99
0.47		2. Recoveries of Loans and Advances		0.47
(-) 41.68		3. Increase in Public Debt other than Overdraft		536.92
(-) 120.59		4. Net receipts from Public Account		(-) 8.39
	41.30	Increase in small savings, Provident Funds, etc.	(-) 47.46	
	7.90	Increase in Deposits and Advances	(-) 15.49	
	—	Increase in Reserve Funds	1.17	
	(-) 210.05	Net effect of suspense and Miscellaneous transactions	77.09	
	40.26	Net effect of Remittance transactions	(-) 23.70 ³	
97.36		Increase in overdraft		
405.22		Decrease in closing cash balance		168.49
1517.56		Total: —		2025.48
2001-02		Application	2002-03	
1337.96		1. Revenue expenditure		1415.11
4.14		2. Lending for development and other purposes		1.55
175.46		3. Capital expenditure		160.71
		4. Decrease in overdraft		448.11
1517.56		Total: —		2025.48

³Rs. 4213482423-Rs. 4450407445= (-) Rs.237025022 say (-) Rs.23.70 crore

EXHIBIT-III
ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2002-03
(Rupees in crore)

Receipts					Disbursements						
2001-02		2002-03			2001-02		2002-03				
1	2	3	4	5	6	7	8	9	10	11	
							Non-Plan	Plan	Total		
Section-A: Revenue											
I. Revenue receipts					1327.99	1337.96	I. Revenue expenditure	1276.42	138.69	1415.11	1415.11
1176.78	51.01	(j) Tax revenue	65.16		562.35		General Services	649.13	1.46	650.59	
	28.73	(ii) Non-tax revenue	56.49		289.06		Social Services	376.27	85.16	461.43	
	142.14	(iii) State's share of Union Taxes and Duties	188.12		69.20		Education, Sports, Art and Culture	260.71	23.51	284.22	
	350.60	(iv) Non-plan Grants	391.54		23.64		Health and Family Welfare	46.10	13.59	59.69	
	521.89	(v) Grants for State Plan Scheme	525.71		1.87		Water Supply, Sanitation, Housing and Urban Development	44.68	3.68	48.36	
	77.23	(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	83.59		32.45		Information and Broadcasting	1.45	0.30	1.75	
	5.18	(vii) Grants for Special Plan Schemes for North Eastern Council and for other purposes	17.38		3.56		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	5.34	26.20	31.54	
					26.38		Labour and Labour Welfare	3.31	0.20	3.51	
					4.00		Social Welfare and Nutrition	11.41	17.68	29.09	
							Others	3.27	—	3.27	
							Total				
							Economic Services	251.02	52.07	303.09	
						91.18	Agriculture and Allied Activities	66.24	15.68	81.92	
						28.03	Rural Development	9.77	11.44	21.21	
						0.22	Special Areas Programmes	—	0.67	0.67	
						21.82	Irrigation and Flood Control	22.07	8.20	30.27	
						99.39	Energy	86.09	0.47	86.56	
						28.69	Industry and Minerals	16.87	7.49	24.36	
						29.64	Transport	41.72	—	41.72	
						1.41	Science, Technology and Environment	0.50	2.21	2.71	
						25.06	General Economic Services	7.76	5.91	13.67	
							Grants-in-aid and Contribution	—	—	—	
161.18		Revenue deficit carried to Section 'B'		87.12							
							Total				
1337.96		Total		1415.11	1337.96		Total	1276.41	138.69	1415.11	1415.11

1	2	3	4	5	6	7	8	9	10	11
		Section B - Capital								
246.13		III-Opening cash balance including Permanent Advances and Cash Balance Investment Account etc.		(-) 159.09	175.46	Capital Outlay	(-) 0.04	160.75	160.71	160.71
					4.29	General services	0.01	5.17	5.18	
					48.36	Social services	—	74.76	74.76	
					1.54	Education, Sports, Art and Culture	—	2.03	2.03	
					3.01	Health and Family Welfare	—	2.69	2.69	
					43.51	Water Supply, Sanitation, Housing and urban Development	—	65.86	65.86	
					—	Information and Broadcasting	—	—	—	
					0.30	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	—	—	—	
					—	Social Welfare and Nutrition	—	4.18	4.18	
					—	Others	—	—	—	
					122.81	Economics Services	(-) 0.05	80.82	80.77	
					2.35	Agriculture and Allied Activities	(-) 0.05	0.74	0.69	
					20.10	Rural Development	—	0.18	0.18	
					3.70	Special Areas Programmes	—	3.34	3.34	
					43.13	Irrigation and Flood Control	—	22.22	22.22	
					21.51	Energy	—	16.44	16.44	
					114.48	Industry and Minerals	—	7.40	7.40	
					20.61	Transport	—	30.35	30.35	
					(-) 0.10	Science and Technology Communication	—	—	—	
					0.03	General Economic Services	—	0.15	0.15	
0.47		IV Recoveries of Loan and Advance		0.47	4.14	III- Loans and Advances disbursed				1.55
		From Power Projects		—	—	For Power Projects			—	
	0.43	From Government Servants	0.41		0.38	To Government Servants			0.20	
	0.04	From others	0.06		3.76	To Others			1.35	
					161.18	IV- Revenue deficit brought down				87.12
655.18		V-Public Debt Receipt		1103.65	599.50	V-Repayment of Public Debt				1014.84

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1	2	3	4	5	6	7	8	9	10	11
	53.05	Internal Debt and Other than Ways and Means Advances and Overdraft	78.71		7.01	Internal Debt and Other than Ways and Means Advances and Overdraft			2.18	
	97.93	Net transactions under Ways and Means Advances including Overdraft	—		—	Net transactions under Ways and Means Advances including Overdraft			434.81	
	504.20	Loans and Advances from the Central Government	1024.94		592.49	Repayment of Loans and Advances to Central Government			577.85	
127.25		VI-Public Account Receipts		698.77	247.84	VI-Public Account Disbursement				707.16
	145.26	Small Savings and Provident Funds	118.19		103.96	Small Savings and Provident Funds			165.65	
	—	Reserve Funds	1.17		—	Reserve Funds			0.01	
	45.30	Deposits and Advances	26.74		37.40	Deposits and Advances			42.23	
	(-) 446.36	Suspense and Miscellaneous	131.32		(-) 236.31	Suspense and Miscellaneous			54.23	
	383.05	Remittance	421.35		342.79	Remittance			445.04	
					(-) 159.09	VII-Cash Balance at end				(-) 327.58
					51.66	Cash in Treasuries and Local Remittances			1.60	
					8.30	Departmental Cash Balance including Permanent Advances			3.99	
					(-) 223.50	Deposit with Reserve Bank			(-) 337.62	
					4.45	Cash Balance investment			4.45	
2366.99				3058.91	2366.99					3058.91

(Source: Finance Accounts)

Exhibit-IV
TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	1998-99	1999-2000	2000-01	2001-02	2002-03
Part A. Receipts					
1. Revenue Receipts	897	1070	1045	1177	1328
(i) Tax Revenue	30 (3)	40 (4)	49 (5)	51 (4)	65 (5)
Taxes on Sales, Trade etc.	19 (63)	23 (57)	31 (64)	30 (21)	43 (23)
State Excise	2 (7)	1 (3)	1 (3)	1 (1)	2 (1)
Taxes on Vehicles	1 (3)	2 (6)	3 (6)	3 (2)	3 (2)
Stamps and Registration fees	1 (3)	1 (3)	2 (4)	1 (1)	2 (1)
Taxes and duties on Electricity		1 (2)	1 (2)	2 (1)	
Land Revenue	W1	1	W2	W3	1
Taxes on Goods and Passengers	W4	W5	W6	W7	1
Other Taxes and duties on commodities and services	1 (3)	1 (2)	1 (1)		
Other Taxes	6 (21)	10 (25)	10 (17)	14 (10)	13 (7)
(ii) Non-Tax Revenue	32 (4)	43 (4)	42 (4)	29 (3)	57 (4)
(iii) State's share of Union taxes and duties	332 (37)	318 (30)	164 (15)	142 (12)	188 (14)
Customs				34 (24)	47 (25)
Union Excise Duties				53 (37)	73 (39)
Service Tax				3 (2)	6 (3)
Other Union Taxes and Duties				52 (37)	62 (33)
(iv) Grants-in-aid from Government of India	503 (56)	669 (62)	790 (76)	955 (81)	1018 (77)
2. Miscellaneous Capital Receipts					
3. Total revenue and Non-debt capital receipts (1+2)	897	1070	1045	1177	1328
4. Recoveries of Loans and Advances	W8	X	Y	W9	W10
5. Public Debt Receipts	390	143	417	655	1104
Internal Debt (excluding Ways & Means Advances and Overdrafts)	45	50	43	53	79
Net transactions under Ways and Means Advances and Overdrafts	198	—	137	98	—
Loans and Advances from Government of India	147	93	237	504	1025
6. Total receipts in the Consolidated Fund (3+4+5)	1287	1213	1462	1832	2432
7. Contingency Fund Receipts	—	—	—	—	—
8. Public Account receipts	557	1035	963	127	699
9. Total receipts of the State (6+7+8)	1844	2248	2425	1959	3131
Part B. Expenditure/Disbursement	1005	1712	1271	1514	1576
10. Revenue Expenditure	791 (79)	1348 (79)	1123 (88)	1338 (88)	1415 (90)
Plan	182 (23)	258 (19)	188 (17)	199 (15)	139 (10)
Non Plan	609 (77)	1090 (81)	935 (83)	1139 (85)	1276 (99)
General Services (including Interest Payments)	293	558	515	562	651
Social Services	307	506	398	450	461
Economic Services	191	284	210	326	303
Grants-in-aid and Contributions	—	—	—	—	—
11. Capital Expenditure	214 (21)	364 (21)	148 (12)	176 (12)	161 (10)
Plan	213 (100)	361 (99)	145 (98)	177 (100)	161 (100)
Non Plan	1	3 (1)	3 (2)	(-) 1	—
General Services	5	5	2	4	5
Social Services	60	72	40	49	75
Economic Services	149	287	106	123	81
12. Disbursement of Loans and Advances	W11	2*	1	4	1*
13. Total (10+11+12)	1005	1714	1272	1518	1577
14. Repayment of Public Debt	113	160	101	599	1015
Internal Debt (excluding Ways & Means Advances and Overdrafts)	14 (12)	25 (16)	14 (14)	7 (1)	2
Net transactions under Ways and Means Advances and Overdrafts	—	106 (66)	—	—	435 (43)
Loans and Advances from Government of India	99 (88)	29 (18)	87 (86)	592 (99)	578 (57)
15. Appropriation to Contingency Fund	—	—	—	—	—
16. Total disbursement out of Consolidated Fund (13+14+15)	1118	1874	1373	2117	2592

W1 to W11 (Rs.0.34 crore, Rs.0.36 crore, Rs.0.40 crore, Rs.0.32 crore, Rs.0.49 crore, Rs.0.48 crore, Rs.0.44 crore, Rs.0.39 crore, Rs.0.47 crore, Rs.0.47 crore, Rs.0.44 crore) X- Rs.0.56 crore; Y-Rs.0.52 crore

* Taken as 2 and 1 in place of 2.60 and 1.55 respectively for the sake of rounding.

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17.	Contingency Fund disbursements	—	—	—	—	—
18.	Public Account disbursements	584	641	693	248	707
19.	Total disbursement by the State (16+17+18)	1702	2515	2066	2365	3299
Part C. Deficits						
20.	Revenue Deficit [1-10]	106	-278	-79 ⁴	-161	-87
21.	Fiscal Deficit (3+4-13)	-108	-644	-227	-340 ⁵	-249
22.	Primary Deficit (21-23)	-17	-512	-50	-149	6
Part D. Other Data						
23.	Interest Payments (included in revenue expenditure)	91	132	177	191	255
24.	Arrears of Revenue (percentage of Tax & Non-tax Revenue Receipts)	35 (56)	NA	NA	NA	NA
25.	Financial Assistance to Local Bodies etc.	25	27	23	34	35
26.	Ways and Means Advances (days)	83	50	45	—	—
27.	Interest on Ways and Means Advances/Overdraft	2	4	8	12	22
28.	State Gross Domestic Product (GSDP)	2531	2740	3159	3591	3740
29.	Outstanding Debt (year end)	1430	1699	2093	2198	2225
30.	Outstanding guarantees (year end)	2.76	3	3	9	9
31.	Maximum amount guaranteed (year end)	32	32	32	215	215
32.	Number of incomplete projects	348	323	328	328	328
33.	Capital blocked in incomplete projects	460	385	784	784	784

(Source: Finance Accounts)

⁴ Rs.1044.62 crore – Rs.1123.44 crore = (-) Rs.78.82 crore

⁵ (Rs.1176.78 crore + Rs.0.47 crore) – Rs.1517.56 crore = Rs.340.31 crore

EXHIBIT – V
STATEMENT SHOWING IMPACT OF GOVERNMENT POLICIES IN THE STATE

Sl. No	Particulars/Information	Position as on	
		31.3.2002	31.3.2003
-1-	-2-	-3-	-4-
1.	<u>Education</u>		
	(i) No. of Universities	2	2
	(ii) No. of Colleges	68	69
	(iii) No. of Hr. Sec. Schools	95	96
	(iv) No. of High Schools	542	543
	(v) No. of Jr. High Schools	795	834
	(vi) No. of Primary Schools	1752	1755
	(vii) No. of Technical Institutions	3	2
	Enrolment in schools	6,14,757	6,35,130
	(viii) Literacy (percentage)	68.87	NA
2.	<u>Health</u>		
	(i) No. of PHCS	72	72
	(ii) No. of Dispensaries	20	20
	(iii) No. of Hospitals	14	14
	(iv) No. of Medical Colleges	1	1
	(v) Infant mortality (2001) (per thousand)	20	NA
3.	<u>Transport and Communication</u>		
	(i) Length of roads (in kms.)	7172	N.A.
	(ii) Length of railway lines (km)	1	1
	(iii) No. of telephones.	33,945	41,468
4.	<u>Irrigation</u>		
	Irrigation (in hect) potential created	N.A.	20,910
5.	<u>Agriculture</u>		
	(i) Total cultivable area (in hect)	2,34,025	2,34,025
	(ii) Total wasteland area (in hect)	29,010	29,010
6.	<u>Urban Development</u>		
	(i) No. of Houses	16,222	16,222
7.	<u>Power</u>		
	(i) Details of power generated (MKWH)	0.667	3.577
	(ii) Details of power purchased (MKWH)	379.826	427.184

Source: Directorate of Economics and Statistics, Manipur.

1.14 Memorandum of Understanding between Government of India and Government of Manipur in pursuance of Medium Term Fiscal Restructuring Policy 2000-05

1.14.1 The State Government submitted a Medium Term Fiscal Restructuring Policy (MTFRP) to Government of India in compliance to the recommendation of the Eleventh Finance Commission. Thereafter a Memorandum of Understanding (MOU) based on the fiscal situation of the State was signed between the Government of India and the State on 20 June 2002. Accordingly the State Government is required to take specific and discernible measures and implement in a structured and time bound manner to correct the fiscal imbalance in a medium term perspective.

The main objectives of the MOU were to: —

- (i) compress revenue expenditure,
- (ii) enhance revenue and non-debt capital receipts to control debt levels and
- (iii) increase overall transparency and efficiency in governance

Finance Department, Government of Manipur headed by the Principal Secretary (Finance) is responsible for implementation of the reform programme.

1.14.2 Information furnished by the Finance Department (August-September 2003) on the progress of implementation of the commitments as on 31 May 2003, revealed the following shortcomings:

Revenue Expenditure Compression

1.14.3 The Government was to monitor steadfastly its decision to abolish 14385 posts (Regular Establishment: 9385 Work Charged Establishment: 5000). But the Finance Department identified 13,132 posts of which orders for abolition of 12,012 posts (including 4666 vacant posts) have been issued as on 31 May 2003.

1.14.4 The Government was to maintain a comprehensive nominal roll of State Government Employees/Employees of Government owned or funded organisation by 30 September 2002. Finance Department stated (May 2003) that the roll was under preparation.

1.14.5 The Government was to evolve an appropriate Voluntary Retirement Scheme (VRS) for Government employees during 2002-03, but the same was yet to be evolved (May 2003).

1.14.6 The Government was to issue specific order by 30 September 2002 for no fresh grant-in-aid commitments to any institution. Though no fresh

commitments were given by Government during 2002-03 a specific Government order was awaited (May 2003).

1.14.7 A legislative cap was to be introduced by 30 September 2002 on the amount of guarantee to be provided by the State Government for loans to be taken by other entities sponsored by State Government and to exclude totally the private sector from being extended guarantee on their borrowings. Though no new guarantee has been extended the bill in this connection is yet to be introduced to the Legislature (August 2003).

Revenue Receipt Enhancement

1.14.8 As regards commitments made in the MOU on revenue enhancing measures, like revision of taxes and user charges, explore the possibility of lifting prohibition and a cap on announcing new tax concessions, the Government revised the rates of land revenue, hill house tax and drinking water supply during 2002-03. However, action on other commitments was yet to be taken (September 2003).

Power Sector Reforms

1.14.9 The State Government was to complete 100 *per cent* metering and billing of all consumers by 31.3.2003. But only 1,10,956 consumers (out of 1,66,562) were provided with energy meters (March 2003) corresponding to 66.62 *per cent* achievement as against the target of 100 *per cent*.

1.14.10 Electricity dues (as on 31 December 2001) against various State Government Departments, Government companies and Autonomous Bodies amounting to Rs.23.42 crore were to be cleared by 30 June 2002. As per information furnished (August 2003), an amount of Rs.10.82 crore only was received during 2002-03.

1.14.11 The State Government was committed to Power Sector reforms by signing Memorandum of Agreement (MOA) with the Ministry of Power by 31 July 2002. According to Finance Department (August 2003), draft MOA prepared by Power department was under active scrutiny.

1.14.12 The State Government is also committed to the setting up of a Joint Regulatory Authority alongwith other North Eastern States and to implement its recommendation in full. Setting up of the same was awaited (August 2003).

CHAPTER II
APPROPRIATION AUDIT AND CONTROL OVER
EXPENDITURE

2.1 Introduction

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

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

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

2.2 Summary of Appropriation Accounts—2002-03

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

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

Table No. 2.1
Total provision and actual expenditure

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	2885.41		
Supplementary	677.42		
Total Gross Provision	3562.83	Total gross expenditure	3939.52
Deduct – Estimated recoveries in reduction of expenditure	75.42	Deduct – Actual recoveries in reduction of expenditure	18.32
Total net provision	3487.41	Total net expenditure	3921.20

Table No. 2.2

Voted and Charged provision and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	1427.27	202.45	1176.40	256.98
Capital	471.16	1461.95	162.30	2343.84
Total Gross :	1898.43	1664.40	1338.70	2600.82
Deduct-Recoveries in reduction of expenditure	75.42		18.32	
Total : Net	1823.01	1664.40	1320.38	2600.82

2.2.2 The summarised position of actual expenditure, excess and savings during 2002-03 against grants and appropriations was as follows:

Table No. 2.3

(Rupees in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving(-)/ Excess (+)
Voted	I. Revenue	1243.32	183.95	1427.27	1176.40	(-) 250.87
	II. Capital	241.70	215.94	457.64	160.75	(-) 296.89
	III. Loans & Advances	12.04	1.48	13.52	1.55	(-) 11.97
	Total Voted	1497.06	401.37	1898.43	1338.70	(-) 559.73
Charged	IV. Revenue	190.09	12.36	202.45	256.98	(+) 54.53
	V. Capital	—	—	—	—	—
	VI. Public Debt	1198.26	263.69	1461.95	2343.84	(+) 881.89
	Total Charged	1388.35	276.05	1664.40	2600.82	(+) 936.42
Appropriation to Contingency Fund (if any)	—	—	—	—	—	—
Grand Total		2885.41	677.42	3562.83	3939.52	(+) 376.69

2.3 Excess over provision relating to previous years requiring regularisation

2.3.1 As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.2504.08 crore for the years 1997-98 to 2001-02 is yet to be regularised.

Table No. 2.4

(Rupees in crore)

Year	No. of grants/ appropriations	Grant/Appropriation No (s)	Amount of excess	Amount for which explanations not furnished to PAC
1997-98	12	5,11,16,21,26,34,44 Appn. 2,16,23,25 and Appn. 2	384.57	384.57
1998-99	8	Appn. 2,1,8,8,20,34 Appn. 2 and 23	293.66	293.66
1999-00	16	1, Appn. 2,4,5,8,20,21, 29,33,34,39,44, appn.2, 21,23 and 25	844.88	844.88
2000-01	9	1, Appn. 2,5,8,21,23, 26,27 and 34	85.77	85.77
2001-02	8	Appn. 2, 8,21,33,34,41, and Appn. 2	895.20	895.20
	53	Total:	2504.08	2504.08

2.4 Results of Appropriation Audit

2.4.1 The overall excess of Rs.376.69 crore was the result of excess of Rs.956.68 crore in 4 cases of grants and appropriations offset by saving of Rs.579.99 crore in 77 cases of grants and appropriations. The excess of Rs.956.68 crore required regularisation under Article 205 of the Constitution.

2.4.2 Supplementary provision made during the year constituted 23.48 per cent of the original provision as against 27.05 per cent in the previous year.

2.4.3 Supplementary provision of Rs.140.86 crore made in 33 cases during the year proved unnecessary in view of aggregate saving of Rs.315.62 crore as detailed in *Appendix II*.

2.4.4 In 21 cases against additional requirement of Rs.83.87 crore supplementary grants and appropriations of Rs.252.55 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating Rs.168.68 crore. Details of these are given in *Appendix III*.

2.4.5 The excess of Rs.18.74 crore under 2 grants and Rs.937.94 crore under 2 appropriations requires regularisation under Article 205 of the Constitution. Details of these are given in *Appendix IV*.

2.4.6 In 3 cases, supplementary provision of Rs.279.21 crore proved insufficient by more than Rs.10 lakh each, leaving an aggregate uncovered excess expenditure of Rs.956.68 crore as per details given in *Appendix V*.

2.4.7 In 45 cases, expenditure fell short by more than Rs.1 crore in each case and also by more than 10 *per cent* of the total provision as indicated in *Appendix VI*. In 4 of the above cases (Sl. No. 29,34,41 and 43) the entire provision totalling Rs.56.75 crore was not utilised.

2.4.8 In 12 cases there were persistent savings in excess of Rs.10 lakh in each case and 20 *per cent* or more of the provision. Details are given in *Appendix VII*. In one case there was persistent excess in excess of Rs.10 crore ranging from 8 to 28 *per cent* of the provision as detailed below:

Table No. 2.5

(Rupees in crore)

Sl. No.	Number and Name of grant/ appropriation	2000-01		2001-02		2002-03	
		Total grant/ appropriation	Total excess (percentage to the total provision)	Total grant/ appropriation	Total excess (percentage to the total provision)	Total grant/ appropriation	Total excess (percentage to the total provision)
1	2	3	4	5	6	7	8
1.	Appropriation No.2- Interest Payment and Debt Services (Revenue) charged	158.58	18.58 (12)	177.20	14.21 (8)	198.62	56.05 (28)

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

2.4.10 In 3 cases, expenditure exceeded the approved provisions by Rs.25 lakh or more and also by more than 10 *per cent* of the total provision. Details are given in *Appendix VIII*.

Excessive/unnecessary re-appropriation of funds

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

Expenditure without provision

2.4.12 As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was, however, noticed that expenditure of Rs.31 crore was incurred in 18 grants/appropriations as detailed in *Appendix X* without the provision having been made in the original estimates/supplementary demands and no re-appropriation orders were issued.

Anticipated savings not surrendered

2.4.13 According to rules framed by Government the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 2002-03 there were 75 cases in which large savings had not been surrendered by the departments. The amount involved was Rs.547.69 crore. In 44 cases, the amount of available savings not surrendered amounted to more than Rs.1 crore in each case. Details are given in *Appendix XI*.

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

Trend of Recoveries and Credits

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

2.4.16 In 9 grants the actual recoveries adjusted in reduction of expenditure (Rs.18.32 crore) were less than the estimated recoveries (Rs.75.42 crore) by Rs.57.10 crore. More details are given in *Appendix XII*.

Non-receipt of explanations for savings/excesses

2.4.17 After the closure of accounts each year, the detailed Appropriation Accounts showing the Final Grant/Appropriation, the actual expenditure and the resultant variations are sent to the controlling officers (COs) who are required to explain the variation in general and those under important sub-heads in particular. The COs were to furnish promptly all such information to the Dy. Accountant General (A&E) for preparation of the Appropriation Accounts.

Appropriation Accounts 2002-03 included 47 Grants and three appropriations involving 1667 sub-heads. Of this 866 sub-heads attracted comments from the Government for savings/excesses. The reasons for savings/excesses were called for by the Dy. Accountant General (A&E) in respect of these sub-heads. In 62 *per cent* cases (538 sub-heads), explanations for variations were not received. The replies received in respect of 328 sub-heads were incomplete.

Unreconciled expenditure

2.4.18 Financial rules require that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General. Out of 97 Controlling Officers, 67 Controlling Officers did not reconcile before the final closing.

Treasury inspection

2.4.19 Results of Treasury inspection carried out during 2002-03 by the Office of the Sr. Deputy Accountant General (A&E), Manipur are as under:

Overpayment of pensionary benefits of Rs.0.92 lakh (including family pension of Rs.0.46 lakh) was made to six pensioners due to (i) non-deduction and premature restoration of commuted pension, (ii) payment of family pension at the enhanced rate beyond the admissible period and (iii) double payment of family pension *etc.*

SECTION 'A'
(AUDIT REVIEWS)

NIL

SECTION 'B'
(AUDIT PARAGRAPHS)

HEALTH DEPARTMENT

2.5 Non-submission of Detailed Countersigned Contingent bill

Against the drawal of Rs.3.69 crore in Abstract Contingent (AC) bills, Detailed Countersigned Contingent (DCC) bills were not submitted but it was certified that the same was submitted violating the financial rules.

According to Rules 308 and 309 of Central Treasury Rules, Detailed Countersigned Contingent (DCC) bills are to be presented to the Controlling Officer for countersignature in respect of Abstract Contingent (AC) bills drawn more than a month before the date of bill and a certificate to that effect is to be attached to every AC bill.

Test check of records (January 2003) of the Director of Health Services, Manipur, however, revealed that the Director had drawn Rs.3.69 crore through 13 AC bills during 2001-02 and 2002-03 by recording an incorrect certificate that DCC bills in respect of AC bills drawn prior to that bill had been submitted to the controlling officer when in fact no DCC bill was prepared and submitted to the controlling officer till date of audit (January 2003). This indicated gross negligence of financial procedure by the drawing officer. Actual utilisation of the fund (Rs.3.69 crore) drawn on AC bills could not be verified in the absence of DCC bills. Details are given in *Appendix-XIII*.

The matter was reported to Government/department (July 2003). The department in reply intimated (October 2003) that DCC bills have since been prepared during August 2003 to October 2003. But the DCC bills were not supported by detailed accounts of expenditure and sub-vouchers.

PLANNING DEPARTMENT

2.6 Drawal of fund to avoid lapse of grant

Out of Rs.1.93 crore for Border Area Development Programme, Rs.1.52 crore were lying in the bank accounts and banker's cheques.

Rule 290 of Central Treasury Rules provides 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 to prevent the lapse of budget grant. Rule 69 of General Financial Rules provides that no saving should be held in reserve for possible future excesses and instead the savings should be surrendered to Government immediately. Also, it is not permissible to retain scheme fund in DDO's bank account/Banker's cheque *etc.* which is tantamount to keeping money outside Government accounts and has adverse effect on Government cash balance.

Test-check of records (March 2003) of the Director, Planning, Imphal, however, revealed that Central fund for Border Area Development Programme amounting to Rs.1.93 crore were drawn in the year 2002-03 (Rs.1.55 crore in November 2002 and Rs.38 lakh in February 2003) and kept in banker's cheques, demand draft and current account immediately after drawal (Rs.1.48 crore in nine banker's cheques incurring bank charges Rs.0.26 lakh, Rs.6.50 lakh in one demand draft and Rs.38 lakh in current account). Of this three banker's cheques for Rs.40.24 lakh were released to implementing agencies during December 2002 to January 2003 and the remaining amount (Rs.1.52 crore) was lying undisbursed till the end of the year (March 2003). Details of amounts drawn, released and undisbursed are shown in the *Appendix-XIV*.

Thus the money (Rs.1.52 crore) was not only drawn by Director of Planning to avoid lapse of budget grant, but also kept outside the Government account while the Government depends on borrowed funds incurring interest of Rs.3.30¹ lakh on the corresponding amount.

While accepting the fact the Government stated (September 2003) that the amounts were released to the implementing agencies in the following year between April 2003 and August 2003.

¹ (i) @ 8% per annum on overdraft on Rs.114.32 lakh from December 2002 to March 2003.
(ii) @ 8% per annum on overdraft on Rs.38.00 lakh for March 2003.

SOCIAL WELFARE DEPARTMENT

2.7 Non-submission of accounts against an advance drawn

Against the drawal of Rs.7.37 crore in Abstract Contingent (AC) bills, Detailed Countersigned Contingent (DCC) bills were not submitted.

As per provisions contained in Rules 308 and 309 of Central Treasury Rules (CTR), Detailed Countersigned Contingent (DCC) bill is to be presented to the Controlling Officer for countersignature within one month of drawal of every Abstract Contingent (AC) bill. On no account can an AC bill be drawn from treasury unless a certificate is attached to it that DCC bills in respect of AC bills drawn more than a month before the date of that bill have been submitted to the Controlling Officer. Further, Rule 177 of CTR also provided that careful attention must be given by the Treasury Officer to the instructions contained in CTR.

Test check of records (January 2003) of the Director of Social Welfare Department, Manipur, however, revealed that the Director had drawn Rs.7.37 crore through 5 AC bills during 2000-01 and 2001-02.

While drawing AC bills, certificate regarding submission of DCC bills in respect of AC bills drawn prior to that bill, had not been attached with the AC bill and no DCC bill was prepared and submitted to the Controlling Officer till date of audit (January 2003). This indicated gross negligence of financial procedure by the drawing officer and deficiency in treasury function. Moreover, actual utilisation of the fund (Rs.7.37 crore) drawn on AC bills could not be verified in the absence of DCC bills. Details are given in *Appendix XV*.

The matter was reported to Government/department (May 2003); their reply had not been received (November 2003).

CHAPTER III
CIVIL DEPARTMENTS

SECTION 'A'
(AUDIT REVIEW)

SOCIAL WELFARE DEPARTMENT

3.1 Review on Welfare of Handicapped

Various welfare measures envisaged in the Persons With Disability Act 1995 have not been implemented. Survey, investigation and research on prevention and occurrence of disabilities had not been taken up in the State. Action for imparting non-formal education, training, employment and rehabilitation for the disabled persons as well as special measures for access to places by disabled people were either insufficient or absent. Co-ordination between nodal department and implementing agencies were also absent. Out of Central assistance of Rs.2.57 crore received under National Programme for Rehabilitation of Disabled Persons (NPRPD) scheme during 1999-2000 to 2001-02 State Government had not released Rs.2.37 crore.

Highlights

Out of Central assistance of Rs.2.57 crore received under National Programme for Rehabilitation of Persons with Disabilities during 1999-2000 to 2001-02, the State Government had not released Rs.2.37 crore.

(Paragraph 3.1.4)

State Co-ordination Committee (SCC) and State Executive Committee (SEC) did not hold any meeting during 1998-99 to 2002-03, and monitoring and evaluation of implementation of policies and programmes thus suffered.

(Paragraph 3.1.7)

There was lack of co-ordination among implementing departments and the organisations.

(Paragraph 3.1.20)

Introduction

3.1.1 People with disabilities form the largest disadvantaged group in the society. For the welfare of disabled people, Government of India enacted the Persons with Disabilities Act 1995. There are dedicated schemes viz. National Programme for Rehabilitation of Persons with Disabilities (NPRPD), Integrated Education for Disabled Children (IEDC), Assistance to Disabled Persons for

Purchase/Fitting Aids/Appliances (ADIP Scheme) of Government of India, while Scheme for Employment of Handicapped, District Disability Rehabilitation Centre (DDRC) and the programme for the Welfare of Handicapped are run by the State Government.

Organisational set-up

3.1.2 The schemes/programmes were implemented by the Director of Social Welfare, being the nodal officer under the administrative control of Commissioner/Secretary, Social Welfare Department and 12 other departments of the State, nodal officer of DDRC, Imphal and Non-Government Organisations (NGOs).

Audit Coverage

3.1.3 The implementation of programmes during the period from 1998-99 to 2002-2003 was reviewed in audit during April to June 2003 by test check of records of the Commissioner (Social Welfare), the Directorate of Social Welfare, the State Council of Educational Research and Training (SCERT), the Special Employment Exchange, Nehru Yuva Kendra, Imphal, DDRC Imphal and seven NGOs covering three districts (out of 9 districts) and 6158 persons with disabilities (out of 24474) in the State.

The details of category wise number of disabled in the State are shown in Appendix-XVI.

Financial Arrangement

3.1.4 Year-wise position of fund received and expenditure incurred thereagainst under various schemes and programmes in the Government sector during 1998-99 to 2002-03 are indicated below:

National Programme for Rehabilitation of Persons with Disabilities (NPRPD)

Table No.3.1

(Rupees in lakh)

Year	Central Assistance released by the Ministry of Social Justice and Empowerment			Expenditure	Unutilised amount
	Fund released during the year	Unspent amount of previous year	Fund available		
1998-99	Nil	Nil	Nil	Nil	Nil
1999-2000	12.50	Nil	12.50	Nil	12.50
2000-01	136.40	12.50	148.90	12.50	136.40
2001-02	108.20	136.40	244.60	Nil	244.60
2002-03	Nil	244.60	244.60	7.50	237.10
Total	257.10			20.00	

Out of Central assistance of Rs. 2.57 crore released during 1999-2000 to 2001-02 Rs.20 lakh was spent leaving a balance of Rs.2.37 crore. The reason for non-release of Rs.2.37 crore by the State Government was not stated.

Integrated Education for Disabled Children (IEDC)**Table No.3.2****(Rupees in lakh)**

Year	Opening balance	Amount released during the year	Total fund available	Expenditure	Balance lying unutilised	Name of sponsoring Ministry/ Department
1998-99	14.15	26.56	40.71	40.04	0.67	Ministry of Human Resource Development, Government of India
1999-2000	0.67	45.18	45.85	38.04	7.81	
2000-01	7.81	63.42	71.23	66.21	5.02	
2001-02	5.02	33.10	38.12	32.61	5.51	
2002-03	5.51	NIL	5.51	NIL	5.51	
Total		168.26		176.90		

3.1.5 Out of Central assistance of Rs.1.82 crore (Rs.1.68 crore+Rs.0.14 crore)

Rs.5.51 lakh had not been released by the State Government (June 2003).

Implementation of PWD Act 1995

3.1.6 The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act-1995 (PWD Act 1995) was enforced from February 1996. The objectives are prevention of disabilities, provision of medical care, education, training, employment and rehabilitation, creation of free environment, removal of any discrimination and protection of rights and elimination of any situation of abuse and exploitation of persons with disabilities.

State Co-ordination Committee and State Executive Committee

3.1.7 The Act 1995 provides for setting up of a State Co-ordination Committee (SCC) to review and co-ordinate activities of all the departments of Government and Non-Government Organisations and advise the Government on the formulation of policies, co-ordination of programmes, legislation with respect to disability.

The State Co-ordination Committee (SCC) constituted in October 1997 under the Chairmanship of Minister in charge of Social Welfare was to meet at least twice in a year. The State Executive Committee (SEC) under the Chairmanship of Commissioner/Secretary in charge of Social Welfare was constituted in October 1997 and was required to meet once in three months. However the Department stated (June-2003) that due to unavoidable circumstances no meetings of SCC and SEC could be held during 1998-99 to 2002-03.

In the absence of meetings the objectives were defeated.

Prevention and Early Detection of disabilities

3.1.8 As stated by the Additional Director of Health Services (July 2003) no survey, investigation and research concerning prevention and occurrence of disabilities had been taken up by the Health Department.

Education, Training, Employment and Rehabilitation

3.1.9 There are seven special schools for disabled persons (2 run by State Government and 5 by NGOs financed by Government of India) providing free education and vocational training facilities to the children with disabilities (*Appendix- XVII*).

The Government Ideal Blind School received six (6) computers with accessories (cost Rs.7.57 lakh) during March October 2002 for Information Technology for Braille Literacy in Indian languages-Developing and Networking, a project sponsored by Ministry of Information and Technology (MIT). Commissioning of the project was not yet done (May 2003) due to non-arrival of expert from MIT (May-2003).

No information on imparting of non-formal education in rural areas was furnished to audit. No institute was set up in the State to develop teachers' training programme specialising in disabilities. No provision was made for transport facility, removal of architectural barriers from schools/colleges and restructuring curriculum were also not made by the Government. However, books and uniforms, scholarships and braille paper (Rs.8.17 lakh) for blind students were provided during 1998-99 to 2002-03 from state fund.

Identification and reservation of posts for handicapped persons and ensuring employment

3.1.10 State Government identified 3 *per cent* of Group-C and D post in civil services for reservation purpose for disabled people and notification was issued (February 1982) for reservation of 1 *per cent* of post for each of the following categories.

- Visually impaired;
- Hearing impaired;
- Locomotor disabilities.

A full-fledged Special Employment Exchange for persons with disabilities was established in the year 1997. As of 31st March 2003 1744(Male-1195; Female-549) number of disabled persons were registered with the Special Employment Exchange of which 1668 persons (including 528 females) had registered more than two years earlier. During the period 41 establishments reported vacancies to Special Employment Exchange and 389 disabled persons were sponsored by the Special Employment Exchange. However, no appointment had been made during 1998-99 to 2002-03 due to ban on recruitment.

Similarly, no record of reservation of vacancies in poverty alleviation schemes could be furnished by the Department.

No scheme for rehabilitation/insurance scheme/unemployment allowance for persons with disabilities were taken up.

Non-discrimination

3.1.11 According to the Act, for the benefit of disabled persons, State Government/local authorities, are required to take special measures like easy access to rail compartments, buses, aircraft, toilets, waiting rooms etc. and to provide following facilities.

- i) Auditory signals at red lights in public roads for visually handicapped person
- ii) Engraving on the surface of Zebra-crossing for blind persons
- iii) Ramps in public buildings, and,
- iv) suitable adjustment of disabled employees in some other available post.

However, except for construction of one ramp at the ground floor of the Directorate of Social Welfare at a cost of Rs.0.23 lakh during 2001-02, no information regarding implementation of the above measures and facilities could be furnished by the Department.

Commissioner for Persons with Disabilities

3.1.12 The Act 1995 required the appointment of a Commissioner for Persons with Disabilities exclusively for implementation and monitoring of the activities and to look into non-implementation of laws, rules, bye-laws, regulations etc. The Chief Commissioner was to prepare an annual report and forward the same to the State Government for laying before the Legislature.

Test check of records revealed that no full-fledged Commissioner (Disabilities) was appointed. The Commissioner of Social Welfare was appointed (February 1998) as ex-officio Commissioner for disabilities as additional charge. Further, no meeting was held for co-ordination work with different departments since 1998-99 and no report made on the assessment of needs of persons with disabilities to enable them to have a more purposeful interaction with the State Government Departments. The Department stated that only one complaint was received against deprivation of rights of persons with disabilities during the period 1998-99 to 2002-03. It did not state the action taken on the complaint. The Commissioner (Disabilities) had never visited the NGOs during 1998-99 to 2002-03. Copies of quarterly and annual performance reports, if any, submitted to the Government could not be made available to audit.

Implementation of Dedicated Scheme

Grants-in-aid released to NGOs

3.1.13 Government of India, Ministry of Social Justice and Empowerment has been administering two grant-in-aid schemes with the participation of NGOs. They are:

Scheme of Assistance to Disabled persons for purchase/fitting of aids/appliances (ADIP), and, (ii) Scheme to promote voluntary action for persons with disabilities.

Information regarding name of the agency, financial assistance received and amount utilised under the scheme could not be furnished by the Department of Social Welfare.

However year wise position from 1998-99 to 2002-03 as ascertained in test checked units are summarised below:

Scheme of Assistance to Disabled persons for purchase/fitting of aids/appliances (ADIP).

Table No.3.4

(Rupees in lakh)

Sl. No.	Name of NGO/ Implementing Agency	Central Assistance					Utilisation
		1998-99	1999-2000	2000-01	2001-02	2002-03	
1	Community Development Programme Centre (NGO), Thoubal	1.50	6.50	Nil	Nil	Nil	NGOs utilised entire funds received from GOI within the year for free distribution of aids/ appliances to PWD.
2	Social Reformation and Development Organization (NGO), Thoubal	3.00	2.50	2.50	Nil	Nil	
3	District Disability Rehabilitation Centre(DDRC), Imphal	-	-	-	10.54 (received in kind)	-	Rs.6.08 lakh (in kind) distributed to districts (2002-03).
4	Nehru Yuva Kendra, (NYK), Imphal	-	22.19	-	-	-	Rs.22.15 lakh utilised during 2000-02.

Scheme to promote Voluntary Action for persons with disabilities (special school)

Table No.3.5

(Rupees in lakh)

Sl. No.	Name of the organization	Address	Grants received from the Ministry					Total expenditure				
			98-99	99-00	00-01	01-02	02-03	98-99	99-00	00-01	01-02	02-03
1	All Manipur Mentally Handicapped Persons Welfare Association	Mongshange I/W	6.43	9.03	12.06	15.67	16.90	8.01	10.03	13.59	17.16	16.90
2	Centre for Mental Hygiene	Sangaiprou I/W	9.59	19.32	14.50	7.25	20.08	10.71	21.37	16.19	9.21	22.86
3	Kangchup Area Tribal Women Society	Senapati	7.07	16.70	16.95	16.23	16.00	7.86	18.61	20.19	18.33	17.82
4	Social Health Development Organisation	Thoubal HQ at I/East	NA	NA	NA	1.12	4.01	NA	NA	NA	1.72	5.32
5	Type Writing Institute and Rural Development	Thoubal	NA	0.28	7.04	6.27	NA	NA	0.31	13.62	8.12	NA

(NA-not available)

Recommendations of NGOs

3.1.14 Social Welfare Department is authorized to recommend proposals of NGOs to the Ministry of Government of India. The Department could not furnish information about professional/technical expertise and infrastructure available with NGOs. Only the disability card/certificate holders identified by Social Welfare Department are the beneficiaries under the scheme.

Wheel chair, tricycle, hearing aids etc. costing not less than Rs.50 and not more than Rs.6000 are distributed to the disabled under ADIP.

Copies of audited accounts and utilisation certificate are also required to be collected from NGOs for submission to the Ministry. However, the department could not furnish any information about number of proposals recommended, amount of grants sanctioned and released by the Ministry and expenditure incurred by the NGOs. The ADC¹ (Social Welfare) stated (June 2003) that statistical data are not available in the Directorate as the sanctions were directly communicated by the Ministry to NGOs. No information about inspection conducted by the Director at implementing agencies could be furnished.

Implementation of Dedicated Programmes**District Disabilities Rehabilitation Centre (DDRC) Programme**

3.1.15 To provide comprehensive rehabilitation service to persons with disabilities Government of India took the initiative to establish one district disabilities rehabilitation centre at Imphal district. The Centre was established in May 2001 with technical and financial support from Artificial Limbs

¹ Additional Development Commissioner

Manufacturing Company (ALIMCO), Kanpur and was functioning under the supervision of the Medical Superintendent of Jawaharlal Nehru Hospital as Nodal Officer.

Activities of the DDRC include (i) identifying persons with disability, (ii) assessment and early prevention, (iii) fitment of aids/appliances (Assistive Devices), (iv) follow up and repair of assistive devices, (v) promoting education/vocational training and placement, (vi) organisation of orientation programme for teachers/ communities/families and (vii) facilitation of issue of disability certificate by district boards.

Except for the issue of 2000 disability certificates through camps in 2001-02 and 2002-03 and distribution of aids and appliances, other activities were not taken up. While identification of disabled persons was stated to be done by Director of Social Welfare, the assessments were made by specialists in Health Department. Although Board for issue of Disability Certificate exists in the districts, no Board meeting was held in any district during 1998-99 to 2002-03, except in Churachandpur district where first meeting of the Board was held in March 2003.

It is further seen that the DDRC had not engaged adequate staff with professional and technical manpower as would be evident from the manpower position given below:

Table No.3.6

Name of the post	Category of post	Prescribed strength	Man-in-position	(-)Shortfall
Special Educator (Mentally Retarded)	Technical and professional	1	1	Nil
Special Educator (Hearing Handicapped)	-do-	1	0	-1
Special Educator (Visually Handicapped)	-do-	1	0	-1
Psychologist	-do-	1	0	-1
Prosthetist /Orthotist	-do-	1	1	Nil
Prosthetist/Orthotist Technician	-do-	1	2	+1
Audiologist	-do-	1	1	Nil
Ear-mould technician-cum-hearing aid repairer	-do-	1	0	-1
Mobility Instructor	-do-	1	0	-1
Clerk/Accountant-cum-Storekeeper	General	1	1	Nil
Attendant/peon/messenger	-do-	1	1	Nil

Reason for excess and shortage of staff was not stated by DDRC, Imphal.

Idling equipment

3.1.16 Test check of records of DDRC, Imphal revealed that aids/appliances worth Rs.3.25 lakh received from Artificial Limbs Manufacturing Corporation (ALIMCO), Kanpur by the Deputy Commissioner, Thoubal (February/March 2003) for distribution to the beneficiaries of Thoubal District were lying idle at the office of the Deputy Commissioner, Thoubal (June 2003).

Deluxe Illuminated Reduce App. 20 mm trail case (an apparatus for checking visual impairment of persons) with accessories worth Rs.0.07 lakh received by DDRC in July 2001 from ALIMCO were lying unused due to non-availability of service of technician and consultant (June 2003).

National Programme for Rehabilitation of Persons with Disabilities (NPRPD)

3.1.17 The programme intended to create service delivery system at state/district/block/gram panchayat level through Community Based Rehabilitation Workers (CBRW) at GP² level and Multiple Rehabilitation Workers (MRW) at block level who were to undertake screening of cases of children and expectant mothers at risk to avoid occurrence of disability, provide counselling and advice to check increase in the extent of disability and provide simple services like rehabilitation therapy, physiotherapy etc.

Only Imphal district (covering 2 blocks) having DDRC was taken up during 2000-01 under the programme. However, selection of CBRWs and MRWs are yet to be made. No State committee for implementation of the programme was constituted. District level committee constituted for Imphal district met only once during 2002-03 but the outcome of the meeting was not furnished.

Centrally Sponsored Scheme for Integrated Education for Disabled Children (IEDC)

3.1.18 The scheme purports to provide educational opportunities for disabled children in common schools, to facilitate their retention in the school system. The disabled children who are placed in special schools were also to be integrated in common schools once they acquired the communication and daily living skills at the functional level. Financial assistance in the form of uniform allowance, books and stationery allowance, transport allowance and escort allowances are provided under the scheme.

The IEDC was implemented in the State by the State Council of Educational Research and Training (SCERT) with hundred *per cent* financial assistance from the Ministry of Human Resources Development (HRD) in eight different blocks of five districts viz., (i) Imphal-West, (ii) Imphal East, (iii) Thoubal, (iv) Bishnupur and (v) Churachandpur.

Against the teacher pupil ratio of 1:8 there were 49 special teachers for one thousand pupils, ratio being 1:20. Thus there was shortfall of 76 special teachers under the scheme.

Monitoring and Evaluation

3.1.19 Monitoring of the schemes had not been carried out. The compiled annual/quarterly performance reports required to be submitted to the State

² Gram Panchayat

Government and the Government of India were not available in the Department. None of the schemes has been evaluated.

Recommendation

3.1.20 The State Co-ordination Committee, and State Social Welfare Department should meet more often for monitoring the implementation of the Act. Different programmes/schemes for welfare of handicapped should be better administered. There should be co-ordination among implementing departments and organization in implementing schemes by utilising the funds available.

SECTION "B"
(AUDIT PARAGRAPHS)

COMMERCE AND INDUSTRIES DEPARTMENT

3.2 Drawal of scheme funds and retention in Bank account/chest

Rs.1 crore was drawn during August 2000 to October 2002, in advance of requirement (out of drawal of Rs.5.91 crore) and retained in bank account (Rs.0.97 crore) and chest (Rs.0.03 crore) till 2 December 2002 in violation of rules and directives of Government.

Rule 290 of Central Treasury Rules (CTRs) prohibit drawal of money from the treasury unless it is required for immediate disbursement. It is also not permissible to open bank accounts and retain the money in banks by Drawing and Disbursing Officers after its drawal from treasury.

However, State Government issued orders (September 2000) allowing the Drawing and Disbursing Officers of valley districts to open current accounts in treasury linked Public Sector Banks for disbursement of salaries to Class III employees.

Test check (November-December 2002) of records of Director of Commerce and Industries revealed that in violation of rules and Government orders, the Directorate had drawn scheme funds amounting to Rs.5.91 crore from treasury during August 2000 to October 2002 and kept the money in bank account for periods between 9 days and 9 months before disbursement. Of these Rs.1.00³ crore relating to 5 schemes were still lying in bank account as of 2 December 2002 (*Appendix-XVIII*). Reasons for partial/non-implementation of schemes were not stated.

Thus, keeping the money outside Government account not only violated the provisions of CTRs and Government orders but also hampered the progress of various programmes.

The Government was resorting to overdraft and availing ways and means advances from RBI during the period. The interest of Rs.9.84 lakh⁴ charged by RBI could have been avoided had the department observed the treasury rules.

³ Rs.5.60 lakh since August 2000
Rs.40.05 lakh since March 2001
Rs.0.82 lakh since December 2001
Rs.51.24 lakh since March 2002
Rs.2.00 lakh since October 2002

⁴ Calculated @ 8 per cent per annum i.e. 2 per cent below the prevailing bank rate.

The matter was reported to Government (May 2003); their reply have not been received (November 2003)

3.3 Idle Outlay

Due to non-installation of weigh bridge there was an idle outlay of Rs.8.09 lakh and wasteful expenditure of Rs.4.50 lakh on civil works due to its installation on disputed land.

For proper checking and identification of the quantum of goods declared in the lorry receipts, invoice and bill of entry of export-import, Ministry of Commerce and Industry, Government of India, provided Rs.15.50 lakh (March 2000) for installation of a weigh bridge at Moreh Land Customs Station (LCS) to the State Government under the Critical Infrastructure Balance Scheme. The installation was to be completed by November 2000.

Directorate of Commerce and Industries placed orders (March 2000) with a Kolkata based firm for one 40 Metric Tonne capacity Avery Electronic Road Vehicle Weigh bridge and paid Rs.8.09 lakh in November 2000. For civil foundation work for installation of weigh bridge Rs.7.41 lakh was paid (November 2000) to M/s MANIDCO⁵ (a Government of Manipur Undertaking). As per Directorate's letter dated 8 November 2000, the civil foundation work was to be completed by 15 November 2000.

Test-check (November-December 2002) of records of the Director of Commerce and Industries, Manipur revealed that RCC work for foundation was completed inside LCS complex in November 2000 but installation work was stopped (February 2001) due to objection to the construction site by Custom. Subsequently land dispute was settled (August-September 2001) and work was started (May 2002) at a new site. RCC work for foundation involving Rs.4.50 lakh on the old site was thus rendered wasteful. As per MANIDCO's letter dated 4 March 2002, estimated cost for installation of weigh bridge and its allied works etc. at the new site was Rs.28.77 lakh. In March 2002, an additional fund of Rs.11 lakh was provided by Government of India for the purpose. The works at the new site were however not completed (September 2002) as components of weigh bridge (received in January 2001) were not yet installed (December 2002). The supplier of the weigh bridge components vide his letter dated 22 November 2002 apprehending damage to some parts, stated that the cost of repair/replacements was to be borne by the department.

Thus, due to non-installation of weigh bridge there was an idle outlay of Rs.8.09 lakh and a wasteful expenditure of Rs.4.50 lakh on civil works.

The matter was referred to Government in May 2003. Reply has not been received (November 2003).

⁵ Manipur Industrial Development Corporation.

EDUCATION DEPARTMENT

3.4 Irregular retention of cash balances and suspected misappropriation of cash

Unauthorised payments of Rs.15.24 lakh from unutilised scheme funds without recording in the cash book.

Rule 290 of CTR provides that money should not be drawn from treasury in anticipation of payments and without immediate requirement. It is also not permissible to keep scheme funds in bank account.

Rule 6 of GFR further provides that no authority may incur any expenditure or enter into any liability involving expenditure from Government account unless such expenditure had been duly sanctioned by general or special orders of Government or by any authority to which power has been duly delegated in this behalf. Rule 77 (ii) of the CTR also provides that all monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of Office in token of cheque.

Test check of records (February 2002) of the Director of Education (Schools), Manipur, Imphal revealed retention of heavy cash balances at the end of each month during the period February 2001 to January 2002 as per cash book ranging from Rs.4.85 crore (February 2001) to Rs.8.47 crore (April 2001). The funds kept in bank accounts showed balances ranging from Rs.2.43 crore (March 2001) to Rs.7.17 crore (April 2001) at the end of the month during this period. Balance of Rs.6.46 crore in bank at the end of January 2002 included unutilised amount of Rs.6.23 crore for various schemes drawn between September 1997 and April 2001. The Director stated (September 2003) that the funds were kept in bank account under compelling circumstances of law and order. However, approval for keeping the scheme funds in bank accounts was not obtained from the Government.

Cash book balance worked out to be Rs.6.62 crore and balance in bank account was Rs.6.46 crore at the end of January 2002 and as such there should have been Rs.15.74⁶ lakh in chest. Physical verification of cash carried out (29 January 2002) by the DDO in the presence of audit revealed a balance of Rs.0.50 lakh only. The DDO explained that urgent expenses (Rs.15.24 lakh) were incurred from undisbursed balances for which sanction of expenditure by the Government was not available. The explanation of the DDO is not acceptable as the expenditure should have been recorded in the cash book. Further there were no sub-vouchers against these expenditures. Payment not recorded in the cash book and not supported by vouchers amount to misappropriation of cash.

⁶ Rs.6.62 crore – Rs.6.46 crore.

The matter was brought to the notice of the Government/department (August 2002); reply has not been received (November 2003).

3.5 Locking up of funds for DIET buildings with Construction agencies

Delay in construction of three DIET centres resulted in locking up of funds of Rs.1.22 crore with construction agencies besides depriving the State Government of further assistance of Rs.2.16 crore from Government of India

Under the Centrally sponsored scheme of the structuring and re-organisation of Elementary Teacher Education, Government of India, Ministry of Human Resource Development (Department of Education) sanctioned (October 1995) first instalment of Rs.1.65 crore for setting up of 3 District Institutes of Education and Training (DIET) projects⁷ in Ukhrul, Chandel and Tamenglong districts of Manipur @ Rs.55 lakh each (approved assistance for each DIET for Civil works: Rs.1.10 crore and equipment: Rs.17 lakh). The balance amount of Central assistance for civil works (@ Rs.55 lakh for each DIET) was to be released on utilisation of 75 per cent of first instalment and corresponding physical progress of work. Amount for equipments (@ Rs.17 lakh for each DIET) was to be released when hostel building was nearing completion and dust free accommodation for computers etc. was available.

Test check of records (February 2002) of the Director of State Council of Educational Research and Training (SCERT), Manipur revealed that Finance Department authorised (July 1996) expenditure for Rs.1.65 crore and the Director, SCERT drew the amount (Rs.1.65 crore) in March 1997. Of this, Rs.55 lakh were deposited for civil works at Chandel with Manipur Development Society (MDS) (March 1997) and Rs.1.10 crore with Manipur Police Housing Corporation (MPHC) (March 1997) for Ukhrul and Tamenglong respectively.

As per MDS letter dated 4 September 2001 five staff quarters (estimated cost: Rs.15.11 lakh) were constructed so far against construction of (i) institution building (ii) Hostels and (iii) ten staff quarters under DIET at Chandel. Progress in construction of remaining buildings was not stated.

For DIET buildings at Ukhrul, site was finalised only in May 1999 and as per the progress report (1st December 2000), out of Rs.55 lakh for DIET at Ukhrul, expenditure of Rs.27.53 lakh (land development: Rs.5.92 lakh, construction of Chowkidar's quarters; Rs.3.30 lakh and institution buildings: Rs.18.31 lakh with 40 per cent physical progress) stood incurred. Further development was not on record/produced to audit. Land for DIET centre in Tamenglong district was under the final stage of handing and taking over between land donor and department of

⁷ comprising (i) Institution buildings (ii) Hostel (iii) Staff quarters

SCERT as per Government order dated 25 September 2002 published in Manipur gazette of 18 July 2003.

Thus, progress in setting up of three DIETs was poor and funds were lying unutilised since March 1997 with the construction agencies (MDS: Rs.39.89 lakh as on September 2001; and MPHC: Rs.82.47 lakh as on December 2000).

Due to non-utilisation of DIET funds (Rs.1.65 crore) even after seven years from its date of release by the Government of India, the department could not claim the balance amount of Rs.2.16 crore (civil work: Rs.1.65 crore; equipment: Rs.51 lakh) for three DIETs and the State was deprived of assistance of Rs.2.16 crore from the Government of India.

The matter was brought to the notice of the Government/department (January 2003); reply has not been received (November 2003).

FAMILY WELFARE DEPARTMENT

3.6 Loss to Government due to non-deposit of sale proceeds of condemned vehicles by the purchaser

26 condemned vehicles were handed over to a firm without following auction procedure resulting in non-realisation of Rs.3.44 lakh

According to the Finance Department Notification dated 29 April 1995 all condemned vehicles/machineries etc. should be disposed off through a process of public auction.

The Condemnation Board meeting held on 10 November 1998 recommended disposal of 26 vehicles of the department and fixed a total minimum reserve price of Rs.6.25 lakh.

Test check of records (February 2003) of the Director, Family Welfare Services revealed that in violation of the aforesaid notification for disposal through public auction the Deputy Secretary, Family Welfare Department allowed (27 April 1999) an Imphal based firm to purchase all the condemned vehicles (17 Diesel Jeep, 1 Petrol Jeep, 3 Mini Bus (FC) Diesel, 4 Matador Mini Bus, 1 Mini Truck) at the minimum reserve price of Rs.6.25 lakh on their application for the same.

The department handed over (10 May 1999) all the vehicles to the firm. The firm deposited Rs.2.81 lakh (June 1999) in treasury against the payable amount of Rs.6.25 lakh. It did not deposit the balance amount of Rs.3.44 lakh (February 2003). The department had also not obtained any security from the firm to safeguard the interest of Government. The action taken to recover balance amount was not on record.

The matter was reported to Government (August 2003); their reply have not been received (November 2003).

HOME DEPARTMENT

3.7 Diversion of fund

Out of Rs.2 crore released for modernisation of Police Force for 1998-99, Rs.1.68 crore were utilised on items not covered by the scheme which deprived state police of additional funds of Rs.7 crore under MPF scheme during 1999-2000.

Under Modernisation of State Police Forces scheme (MPF), Government of India, Ministry of Home Affairs released (23 December 1998) special financial assistance of Rs. 2 crore (grants-in-aid: Rs.1 crore; loan :Rs.1 crore) for specific purposes viz., for purchase of arms, ammunition, vehicles, bullet-proof jackets etc. for 1998-99. The amount according to DGP was basically meant to modernise the state police to meet the challenge of terrorism and insurgency related activities.

As per letter dated 2. August 1999 from Director General of Police (DGP), Manipur to the Commissioner (Home), Government of Manipur, Rs.2 crore received for MPF were however, diverted by the Home Department for purchase of POL, telephone connections, printing of information booklets, physical security arrangements, pre-fabricated shelters, clothing and wages of Home Guards etc. in connection with Fifth National Games and the Government was requested to release Rs.2 crore for purchase of arms, ammunition etc. under MPF. In his letter, DGP also reported that unless the fund (Rs.2 crore) was spent for the specific purpose, utilisation certificate (UC) could not be furnished and Ministry of Home Affairs (MHA) would not release further amount of Rs.7 crore allotted to state police for modernisation for 1999-2000. In October 1999, Home Department furnished utilisation certificates of Rs.2.44 crore (Rs.2 crore released by MHA, Rs.44.37 lakh released by State Government) showing utilisation on the items purchased in connection with Fifth National Games. Ministry of Home Affairs disallowed (February 2000) purchase of items like POL, telephone connections, printing of information booklets, physical security arrangements, pre-fabricated shelters, clothing and wages of Home Guards, amounting to Rs.1.68 crore, as these were not covered under MPF and asked the State Government to utilise the fund for the purpose for which these were released and to submit fresh utilisation certificate so as to enable them to consider the request for additional fund under MPF scheme.

As per Under Secretary (Home), Government of Manipur letter dated 9 June 2000, due to financial problems faced by State Government, Finance Department was not in a position to provide Rs.2 crore so that police department could spend it as provided in the guidelines of MPF scheme.

Diversion of Rs.1.68 crore released by MHA for modernisation of police force for purchase of items pertaining to Vth National Games resulted in non-implementation of MPF scheme during 1998-99. Besides, the State was deprived of additional fund of Rs.7 crore for modernisation of police force during 1999-2000 due to non-submission of utilisation certificate.

The matter was reported to Government (August 2003); their reply has not been received (November 2003).

HORTICULTURE AND SOIL CONSERVATION DEPARTMENT

3.8 Infertuous expenditure on running Vegetable Seed Multiplication Farm

Vegetable Seeds Multiplication Farm, Liyai established in 1986-87 failed to achieve its objectives and the expenditure of Rs.28.82 lakh in running the farm during 1998-99 to 2002-03 proved infertuous.

To produce reliable and good quality seeds of improved varieties of vegetables at lower cost and to ensure its timely availability to farmers the Vegetable Seed Multiplication Farm at Liyai was established (1986-87) during Seventh Plan period with the financial assistance of North Eastern Council. The farm was established at a cost of Rs.40.25 lakh and was expected to be self-supporting and earn profits from 1992-93.

As per scheme formulated and sanctioned, of 40 hectares of land under the farm, 35 hectares were to be brought under different crops from 1992-93 and the firm was to earn gross annual income of Rs.7 lakh to meet the cost of cultivation (Rs.4.30 lakh) and cost of supervision, office contingency, pay, miscellaneous etc. (Rs.2.50 lakh). The farm had 6 employees on its roll (May 2003). Besides, there were 4 power tillers, 2 pumping sets, 3 power sprayers and 9 rocker sprayers since its establishment.

Test-check (February 2003) of records of Vegetable Seed Multiplication Farm, Liyai revealed that against the target coverage of 35 hectares, the area actually covered under crops during 1998-99 to 2002-03 ranged between 7.71 hectares (1999-2000) and 3.9 hectares (2001-02). The department fixed a revenue target of Rs.23 lakh for 1998-99 and no revenue targets were set after 1998-99. During

1998-2003 the farm produced 10,490 Kg. of different seeds and 2672 Kg. of fresh vegetables against the production target of 1,27,350 Kg. of seeds. Most of the seeds were of inferior quality as only 1,000 Kg. potato seeds and 2,672 Kg. of vegetables could be sold to farmers earning a revenue of Rs.0.17 lakh only. Reasons for low production as well as inferior quality of seeds were stated (August 2003) to be due to heavy rainfall and attack of pests. During 1998-99 to 2002-03 Rs.28.82 lakh (salaries: Rs.22.99 lakh; wages: Rs.3.52 lakh; office expenses: Rs.1.95 lakh; input: 0.36 lakh) were spent on the farm and only Rs.0.17 lakh could be earned from sale of seeds and vegetables. Thus, the objectives of establishment of the farm to provide quality seeds in time to farmers of the State was entirely frustrated. It has also failed to be self-supporting as envisaged in the scheme.

The expenditure of Rs.28.82 lakh in running the farm only to get a meagre return of Rs.0.17 lakh proved infructuous. Action taken to make the farm economically viable was not on record/stated.

The matter was reported to Government (August 2003). The Government while accepting the audit observations stated (November 2003) that law and order problem, change of climate condition of the area and bad financial condition of the State were some of the reasons which had affected the proper management of the farm. Government was considering to take measures for more production of the farm by providing required fund.

VETERINARY AND ANIMAL HUSBANDRY DEPARTMENT

3.9 Advance payment to an agent without obtaining security

Payment of Rs.16.82 lakh was made in advance without security against which neither were materials received nor recovery effected

As per Government of India decision No. 4 below Rule 258 of General Financial Rules, advance payment to private firms for supply of stores are permissible only in case where adequate safe guards have been taken to ensure Government interest. Rule 273 further provides that a private person or a firm contracting with Government to supply store is required to furnish security for due fulfilment of the contract and a suitable provision regarding security shall be incorporated in the agreement.

Director of Veterinary and Animal Husbandry Services, Manipur entered into an agreement (4 June 1999) for importing cryocans (33 numbers of 2 litres and 34 numbers of 35 litres capacity each) from United Kingdom through a Guwahati based agent and their local agent for Manipur. The agreement stipulated full payment for the cost of cryocans (Rs.16.82 lakh) in advance for opening letter of

credit in favour of the manufacturer (M/s State Bourne Cryogenics, UK). According to the agreement consignments of cryocans were to be delivered at Dairy Plant, Imphal within two months after issue of supply orders otherwise the supplier (party to the agreement) was to refund the amounts with 12 *per cent* simple interest. The agreement did not incorporate furnishing of securities by the agents against advance payment/fulfilment of contract as required under the rules.

On 7 June 1999, bank drafts for Rs.16.82 lakh drawn in favour of Guwahati based agents were handed over to the local agent (M/s Sophia Traders, Imphal) along with supply orders dated 7 June 1999 for supply of cryocans as per agreement. However, the agents did not supply the cryocans though reminders were issued in July 1999 and September 2000. On 28 August 2001, the Director filed a police case against the local agent and Managing Director of the Guwahati based agent. As per police report, dated 4 July 2003, the Managing Director had gone to Delhi and his locations could not be ascertained and the local agent after evading arrest had appeared (25 August 2001) with anticipatory bail order. In July 2003, Director sought State Government's advice regarding course of action for recovery of the amount. Further development in this regard was not stated.

Thus advance payment without incorporating security clause in the agreement by the department resulted in non-recovery of Rs.16.82 lakh so far (August 2003). Besides, objective for procurement of cryocans for artificial insemination works under Integrated Dairy Development Programme also remained frustrated (August 2003).

The matter was referred to Government in September 2003; reply has not been received (November 2003).

3.10 Unproductive expenditure

Out of Rs.22 lakh drawn by the Director of Veterinary and Animal Husbandry Services Rs.8 lakh spent on infrastructure improvement remained unproductive due to non-procurement of pigs and Rs.14 lakh were lying unutilised in cash balance of the Directorate

Mention was made in para 2.4 (c) of the Report of the C&AG of India for the year ended 31 March 1999 that Rs.44 lakh was drawn by the Director of Animal Husbandry and Veterinary Services (March 1998) for development of infrastructure facilities for two pig breeding farms (Tarungpokpi in Bishnupur District and Dugailong in Tamenglong District, at Rs.22 lakh each) under Centrally Sponsored Scheme during 1997-98 and kept in deposit account. Of this, Rs.22 lakh only (for Tarungpokpi farm) was withdrawn (February 1999) but no expenditure was incurred till June 1999 and the money was retained in cash balance.

Test check (January 2003) of records of the Director of Animal Husbandry and Veterinary revealed that out of Rs.22 lakh (for Tarungpokpi farm) withdrawn from deposit account, Rs.8 lakh had been utilised in 1999-2000 for infrastructural improvement (Rs.6.50 lakh paid to MANIDCO⁸ for construction of Piggery shed and Rs.1.50 lakh spent for feeding utensils and training) and Rs.14 lakh in cash was kept for import of pure bred exotic pigs for the farm. State Government had accorded approval (January 2000) for import of pigs from Australia and obtained import licence from Government of India on two occasions (July 2000 and August 2001). However, the Government of India instructed the department to surrender both the licences since the department did not surrender the earlier licence at the time of issue of new licence. Accordingly both the import licences were surrendered to the Government of India (August 2002) and no further licence was obtained (January 2003). Thus, pigs were not procured due to repeated change of decisions on selection for different varieties of pig breeds. The piggery shed was handed over by MANIDCO in January 2001, but remain idle due to non-import of pigs.

Thus, besides continued retention of cash balance of Rs.14 lakh in deposits since February 1999, the expenditure of Rs.8.00 lakh incurred on infrastructure proved unfruitful.

The matter was reported to Government (April 2003); their reply has not been received (November 2003).

⁸ Manipur Industrial Development Corporation.

CHAPTER IV
WORKS EXPENDITURE

SECTION "A"
(AUDIT REVIEW)

PUBLIC HEALTH ENGINEERING DEPARTMENT

**4.1 Working of Public Health Engineering Department including
Manpower Management**

Public Health Engineering Department undertakes planning, investigation, execution, operation and maintenance of urban and rural water supply schemes in the State besides looking after the rural sanitation programme and surface drainage system in Imphal and other towns. Restrictions in cheque drawal authority led to 33.6 per cent of savings against the budget allocation. Capital funds were diverted on maintenance work due to inadequate budget provision under operation and maintenance. Manpower Management was deficient leading to engagement of excess staff. Collection of revenue was poor. Stocks were held in excess of reserve stock limit and resulted in blocking of fund.

Highlights

Of Rs.338.33 crore of capital fund provided during the five years (1998-2003) the department could not utilize Rs.122.28 crore because of less cheque drawing power issued by the Finance Department.

(Paragraph 4.1.4 to 4.1.6)

Capital fund of Rs.24.97 crore was diverted for maintenance and operation works.

(Paragraph 4.1.8)

The department could collect a revenue of only Rs.3.45 crore during the five years while operation and maintenance expenditure was Rs.30.09 crore.

(Paragraph 4.1.14)

Due to billing at flat rates without metering the water supply connection there was under assessment of revenue to the extent of Rs.32.94 crore.

(Paragraph 4.1.16)

Funds of Rs.39.79 crore received from the Central Government for Prime Minister's Gramodaya Yojana were not released by the State Government to the implementing agency.

(Paragraph 4.1.20)

There was shortfall, both in the Centrally Sponsored Schemes and the State Plan Schemes.

(Paragraph 4.1.24)

441.50 MT of MS Rods (value: Rs.96.54 lakh) procured for Imphal Sewerage Project were not accounted for.

(Paragraph 4.1.32)

17 working divisions were yet to clear cash settlement suspense accounts claims of Rs.6.36 crore by the end of March 2003.

(Paragraph 4.1.33)

Introduction

4.1.1 The Public Health Engineering Department deals with planning, investigation, execution and operation and maintenance of urban and rural water supply schemes in the State. In addition, it looks after the rural sanitation programme and surface drainage system in Imphal and other towns of the State.

Organisational set-up

4.1.2 Commissioner/Secretary, Public Health Engineering Department was the administrative head of the department. The department was headed by the Chief Engineer assisted by one Additional Chief Engineer, Executive Engineers, one Executive Director (Human Resource Development), Surveyors, one Accounts Officer and one Engineering Officer.

Audit coverage

4.1.3 Records maintained in the offices of the Chief Engineer and five Executive Engineers¹ for the period 1998-99 to 2002-03 were test-checked during the course of the review from 19 April 2003 to 30 June 2003 — covering 29 per cent of total expenditure (Rs.300.43 crore) incurred by the department.

Budget allocation and control over expenditure

4.1.4 Funds provided by the Government and expenditure incurred by the department during 1998-99 to 2002-03 were as follows:

¹ Churachandpur PHE Division, Imphal West PHE Division (most advanced), Project Construction Division, Thoubal PHE Division and Tamenglong PHE Division (most backward).

Table No. 4.1

(Rupees in crore)

Component	Budget allocation	Expenditure	Savings (Percentage)
Revenue	107.34	84.38	(-) 22.96 (21.4)
Capital	338.33	216.05	(-) 122.28 (36)
Total:	445.67	300.43	(-) 145.24 (33.6)

4.1.5 Year-wise position including expenditure during March is indicated in *Appendix-XIX*. The break-up of expenditure on original works, maintenance and restoration, direction and administration *etc.* are indicated in *Appendix-XX*.

4.1.6 The main reason of savings, as confirmed by Chief Engineer was restriction in cheque drawal authority issued by Finance Department.

4.1.7 There was excess under revenue expenditure during 2002-03 (Budget allocation Rs.28.66 crore, Expenditure Rs.31.77 crore) due to booking of advances to suppliers by the Stores Division under Miscellaneous works advances.

4.1.8 Expenditure incurred on Maintenance and Restoration works (Rs.30.09 crore) include Rs.24.97 crore diverted by 14 divisions from capital funds. The department stated (October 2003) that as there was no adequate budget provision for O&M² under Non-Plan head the amount was incurred out of capital fund.

4.1.9 Capital fund of Rs.2.14 crore kept under "8449-Other Deposits" during March 2000 to October 2000 had not been released (June 2003) in spite of directives of the Executive Council of Planning Department.

4.1.10 There was rush of expenditure in March ranging from 11 to 40 *per cent* of total expenditure of the respective years due to delay in issue of cheque drawal authority at the fag end of the year.

Manpower Management

4.1.11 The department had 1440 employees against sanctioned strength of 1490 posts as on 1 April 1998. In January, 1999, the sanctioned strength was increased to 2114 posts due to regularisation of work charged staff under regular establishment. The Government abolished 275 posts (47 in August 2001 and 227 in September 2002) reducing the sanctioned strength to 1839. Against this the department deployed 2036 staff resulting in excess engagement of 259 without sanction and non-utilisation of 62 posts in different cadres as on 31 March 2003 (details given in *Appendices-XXI and XXII*).

4.1.12 The department could not intimate the period since when these had been employed, the salary amount irregularly paid and the reasons for their employment.

² Operation and Maintenance.

Revenue and Operational Management

4.1.13 During the five years, the collection of revenue and expenditure incurred on maintenance were as follows:

Table No. 4.2

Year	Revenue collected			Outstanding water rates (progressive)	Expenditure on maintenance	Gap between maintenance cost and revenue collection	Maintenance expenditure for every Re.1/- of revenue
	Water rates	Fees and fines	Total				
(Rupees in crore)							
1998-99	0.24	0.03	0.27	0.47	6.71	6.44	25
1999-2000	0.31	0.56	0.87	0.71	9.12	8.25	10
2000-01	0.47	0.03	0.50	1.41	5.13	4.63	10
2001-02	0.46	0.03	0.49	1.81	7.76	7.27	16
2002-03	0.72	0.60	1.32	2.91	1.37	0.05	1
Total	2.20	1.25	3.45		30.09	26.64	9

(Source: Departmental figure)

4.1.14 Against the maintenance expenditure of Rs.30.09 crore, the department could collect a revenue of Rs.3.45 crore only during 1998-99 to 2002-03. The outstanding water rates also increased from Rs.0.47 crore in 1998-99 to Rs.2.91 crore in 2002-03 due to poor collection. The reason for poor collection, attributed (October 2003) by the department, was due to lack of awareness among the consumers to clear their respective dues and non-clearance of bills by Government Departments/institutions.

4.1.15 The department stated that the poor generation of revenue was due to non-levying of water tax in the hill areas and non-clearance of dues in time by the consumers in plain areas. However, efforts were on to reduce the gap through completion of augmentation schemes which would increase the number of consumers, and, handing over the schemes to beneficiaries, local bodies, village panchayats etc. Nothing has so far been achieved in these directions.

4.1.16 According to Manipur Water Supply Act, 1992 the Government may, from time to time, fix flat rates on rates of charges on metered basis (Section 11) and the department may install meters for measuring and recording the quantity of water consumed in any premises (Section 12). As the department did not provide meters, it billed at flat rates for the connections provided to the consumers (Rs.75 per connection per month for domestic connections, Rs.100 for public hydrants, Rs.300 for offices and educational institutions and Rs.750 for hotels, hostels, factories and industries). The department supplied 156,572 million litres (ML) of drinking water during 1998-99 to 2002-03 which even at the lowest rate of Rs.2.43 per 1000 litres of piped water supply to hospitals would generate a revenue of Rs.38.05 crore³. However, the department assessed a water rate of Rs.5.11 crore⁴ only and collected Rs.3.45 crore against this supply. Thus there

³ 156572000000 x Rs.2.43/1000 = Rs.38,04,69,960/-
Say Rs.3804.70 lakh
Say Rs.38.05 crore

⁴ Water rate collection = Rs. 2.20 crore.
Outstanding water rates = Rs. 2.91 crore.
Rs.5.11 crore

was an underassessment of revenue to the tune of Rs.32.94 crore (Rs.38.05 crore — Rs.5.11 crore) against the quantity of water supplied.

In reply the department stated (October 2003) that on account of old distribution system in the greater Imphal areas water pressure was inadequate to run the water meters and the department was attempting to provide meters in the areas where water pressure was adequate.

4.1.17 During the five years, three divisions⁵ supplied 5776.42 million litres of drinking water without treatment. Of this, two divisions stated that the supplies (5770.74 ML) were from traditional sources such as springs, tube wells and community ponds where there was no facility for their treatment. The other division⁶ stated that the treatment could not be done (5.68 ML) due to non-availability of chemicals. During the same period the department had supplied 150,795.48 million litres of water after treatment with chemicals used less than the norms as detailed below:

Table No. 4.3

Name of chemicals	Norm KG/ML (PPM)	Quantity treated (ML)	Requirement as per norm (MT)	Actual utilisation (MT)	Less utilisation (MT)
Bleaching powder	12	150795.48	1809.55	1193.655	615.895
Alum	30	150795.48	4523.86	3691.220	832.640

(Source: Departmental figure)

Supply of untreated water as well as water treated with less chemicals than the norms was not safe.

4.1.18 The department has two laboratories: one mobile and the other at Imphal. During 1998-99 to 2002-03 the mobile laboratory conducted chemical and physical tests only for 191 samples while the other laboratory conducted such tests only for 6 samples. No norm had been fixed for periodicity of testing, bacteriological tests were also not conducted. The department stated (October 2003) that bacteriological tests could not be conducted due to irregular power supply. Therefore, supply of completely safe drinking water could not be ensured.

Programme implementation

Funding pattern

4.1.19 The funding pattern of the Centrally Sponsored Schemes vis-à-vis funds released by the Centre to the State and those released by the State Government to the department were as follows:

⁵ Tamenglong PHE Division, Chandel PHE Division and Ukhrul PHE Division.

⁶ Ukhrul PHE Division.

Table No. 4.4

Name of scheme	Funding pattern (In percentage)		Period of release	Fund released by Centre (Rs. in crore)	Amount releasable by the State including State share (in crore)	Amount released by State (Rs. in crore)	Shortfall in release (Rs. in crore)
	Centre	State					
Accelerated Rural Water Supply Programme (ARWSP)	100	00	2001-03*	17.35	17.35	19.89	—
Prime Minister's Gramodaya Yojana (PMGY)	100	00	2000-03	39.79	39.79	—	39.79
5 Hill District Headquarters (HDHQ)	100	00	2002-03	19.67	19.67	19.67	—
Accelerated Urban Water Supply Programme (AUWSP)	50	50	2001-03*	4.16	8.32	5.70	2.62
Augmentation of Imphal Water Supply Scheme (AUG-IWSS)	100	00	1999-03	30.75	30.75	30.75	—
North-Eastern Urban Water Supply Scheme (NEUWS)	100	00	NA	NA	NA	2.13	NA
Central Rural Sanitation Programme (CRSP)	40	40 ⁷	1998-03	1.025	2.05	1.43	0.62

Source: Departmental figure

4.1.20 For Prime Ministers Gramodaya Yojana (PMGY) the State Government did not release the Central fund of Rs.39.79 crore and the reasons thereof were not stated.

4.1.21 For Accelerated Urban Water Supply Programme (AUWSP), the State Government released Rs.5.70 crore only out of the releasable amount of Rs.8.32 crore. Reasons for short release of Rs.2.62 crore by the state were not intimated.

4.1.22 The Government could not intimate the amount of Central release for the North-Eastern Urban Water Supply Scheme (NEUWS).

4.1.23 For Central Rural Sanitation Programme (CRSP), the State Government provided only Rs.1.43 crore, the shortfall being Rs.0.62 crore. Reasons for shortfall could not be furnished by the State Government. No information was available with the department during the period regarding beneficiaries' contribution.

Target and achievement

4.1.24 Targets and achievements in respect of the major schemes taken up by the department during the period were as follows:

*Implementation of ARWSP and AUWSP for the period (1995-2001) was reviewed earlier. The report appeared at para 4.1 of C&AG's Report for the year ended 31 March 2001.

⁷ Beneficiaries share

Table No. 4.5

(A) Centrally Sponsored Schemes

Schemes	Year	Target	Achievements	Shortfall	Percentage of shortfall
ARWSP ⁸	2001-02	108 habitations	63 habitations	45 habitations	42
	2002-03	43 habitations	43 habitations	—	—
AUWSP ⁹	2001-02	Nil	Nil	—	—
	2002-03	5 towns	1 town	4 towns	75
AUG-IWSS ¹⁰	2002-03	21.50 km pipe laying	16.125 km pipe laying	5.375 km	25
CRSP ¹¹	1998-99	1000 units	221 units	779 units	80
	1999-2000	1000 units	561 units	439 units	44
	2000-01	1000 units	180 units	820 units	82
	2001-02	800 units	135 units	665 units	83
	2002-03	1000 units	168 units	832 units	83

(Source: Departmental figure)

The department attributed the shortfall to inadequate and untimely release of cheque drawal authority, shortage of construction materials and law and order problems.

Targets were not fixed in respect of augmentation of Imphal Water Supply Scheme (AUG IWSS) for the years (1999-2002) despite Central releases made as early as December 1999. No reasons were intimated.

Targets fixed and achievements in respect of PMGY were not available in departmental records. However, in January 2002 the State Government sent to the Ministry of Rural Development, Government of India, utilisation certificate of Rs.3.64 crore for the year 2000-01 and physical and financial progress reports for the year 2001-02 (details not available). The Government could not explain the submission of utilisation certificates and progress reports when no fund was released by the State under PMGY.

Of the State Plan Schemes, the department could not achieve the targets in respect of the following:

⁸ Accelerated Rural Water Supply Programme

⁹ Accelerated Urban Water Supply Programme

¹⁰ Augmentation of Imphal Water Supply Scheme

¹¹ Central Rural Sanitation Programme

Table No. 4.6

Schemes	Year	Target	Achievement	Shortfall	Percentage of shortfall
Rural Water Supply (RWS)	2001-02	105 habitations	52	53	50
	2002-03	72 habitations	72	—	—
Imphal Sewerage (IS)	2002-03	27 MLD	Nil	27	100
Urban Drainage System (UDS)	1998-99	5000 RM	1500	3500	70
	1999-2000	3000 RM	2000	1000	33
	2000-01	4000 RM	1500	2500	63
	2001-02	5000 RM	3000	2000	40
	2002-03	5000 RM	2000	3000	60
Rural Low Cost Latrines (RLCL)	1998-99	1000 units	368	632	63
	1999-2000	1000 units	450	550	55
	2000-01	1000 units	254	746	75
	2001-02	800 units	120	680	85
	2002-03	1000 units	175	825	83

(Source: Departmental figure)

The shortfalls were stated to be due to paucity of cheque drawal authority, shortage of construction materials and law and order problems.

For one scheme, namely Imphal Sewerage (Externally Aided Project), the Government provided a fund of Rs.14.80 crore for the year 2002-03. But the department did not fix any target for the year. It stated that, as the scheme was sanctioned in the year 2002-03, it could not be taken up.

Delay in completion of schemes

4.1.25 Departmental initiative for speedy completion of schemes was poor. As a result completion of schemes was delayed. In three divisions¹² alone, of the 25 works, 22 works were delayed for periods ranging from 2½ months to 8½ years. The time overrun ranged from 87 to 3442 per cent. The details are given in Appendix-XXIII.

Implementation of Externally Aided Projects

4.1.26 An agreement was executed (April 1997) with Messers Aqua Technique SA, France for supply and installation of integrated package of water treatment kiosks at four locations under Imphal Water Supply Project.

Integrated package water treatment kiosks for high grade drinking water were installed (July 1998) at 4 locations¹³. Of this, two kiosks (one at Zomi Villa and other at Canon Veng procured at a total cost of Rs.1.75 crore) suffered breakdown (25 August 2000). Though the department stated (June 2003) that these installations were in working condition no revenue could be generated in one kiosk and a revenue of only Rs.0.02 lakh was earned by another kiosk during

¹² Other Town Division, Chandel PHE Division and Ukhrul PHE Division.

¹³ (a) JN Hospital, Porompat (b) Sports Complex, Khuman Lampak (c) Zomi Villa Village, Minuthong and (d) Canon Veng, Minuthong.

1998-99 to 2002-03 whereas the revenue generated by the other two was Rs.7.23 lakh. The department stated (October 2003) that appropriate action would be taken to collect revenue/proper utilisation.

A total payment of Rs.3.49 lakh was made to a clearing agent¹⁴ beyond the scope of terms and conditions of appointment. The details are tabulated below:

Table No. 4.7

Sl. No.	Name of the work/project in connection with which clearing of imported equipment/material was made	Particulars of payment	Amount paid (Rs. in lakh)	Reasons
1.	Integrated package of water treatment kiosks at 4 locations	Ground rent	0.60	Department could not clarify the reasons
2.	Improvement and Extension of the existing Kangchup Water Treatment Plant	Security charge	1.88	—do—
3.	—do—	Warehouse rent from April to August 2000	1.01	—do—
Total:			3.49	

Material management

4.1.27 Up to the middle of November 2002, the department had two store divisions—Stores (Urban) and Stores (Rural). It did not assess its annual requirements of stores by obtaining requirements of the working divisions which indicated lack of efficient planning.

4.1.28 During the five years (1998-2003), the two divisions procured stores of the value of Rs.15.03 crore as shown below:

Table No. 4.8

(Rupees in crore)

	Opening balance	Receipt (Debit)	Issues (Credit)	Closing balance
Stores (Urban)	1.50	8.10	4.51	5.09
Stores (Rural)	1.99	6.93	6.14	2.78
Total	3.49	15.03	10.65	7.87

(Year-wise details shown in Appendix-XXIV)

4.1.29 The issues of Stores (Urban) were inclusive of Rs.17.13 lakh, which were yet to be issued to 8 working divisions as of March 2003 against advances received and already credited to stock account. The department admitted (October 2003) the wrong procedure of crediting stock before actual issue of stores, and assured to avoid the same in future.

¹⁴ M/s Rajesh Shipping and Clearing Agency, Calcutta.

4.1.30 Cast iron pipe fittings of the value of Rs.10.72 lakh remained unmoved for the last three years in Stores (Urban). The procurement of stores, which were not required for immediate or in near future use was not explained by the department.

4.1.31 Stores (Rural) division was abolished in November 2002 and all its balances and accounts had been merged with those of the Stores (Urban). During 1998-99 to 2002-03 the department did not conduct physical verification of the stores, although this was required to be done annually. As a result pilferages, deterioration and discrepancies, if any, between the book and physical balances, remained undetected. On being pointed by audit the department stated (October 2003) that orders were issued for physical verification of stores with a target to complete the same by November 2003.

4.1.32 The department incurred an expenditure of Rs.96.54 lakh (March 2003) for procurement of 441.50 MT of mild steel rods from Water Supply Store Division for the work Sewerage Project Phase I (Zone I) under Imphal Sewerage scheme but accountal of the store could not be shown to audit (June 2003).

4.1.33 Rupees 6.36 crore under Cash Settlement Suspense Account (CSSA) remained to be recovered by the Stores Division from 17 working divisions by the end of March 2003. The department assured (October 2003) that pending CSSA would be settled in the near future.

Monitoring and Evaluation

4.1.34 The department has one Monitoring and Evaluation Division headed by one Executive Engineer since September 1995. No reports and returns and evaluation sheets have been designed for watching the progress of works, collection of revenues *etc.*, nor any mechanism evolved so far for monitoring and evaluating the impact of various programmes undertaken by the department.

4.1.35 In December 1999, the Government constituted one Apex Committee named State Level Water and sanitation Mission (SWSM) with Commissioner/Secretary (PH&S) as nodal officer, for formulation of policy guidelines, project implementation and monitoring and evaluation programme. One Executive Committee under the SWSM and one District Level Water & Sanitation Mission (DWSM) for the Imphal West District were also constituted (December 1999) for implementation of institutionalising community participation with programmes. The committees were to meet at least twice in a year. Except for two meetings held by DWSM in September 2001 and October 2001 the committees had never met after its constitution. The meeting held by DWSM transacted nothing about community participation.

4.1.36 In August 2001, the Government also constituted a Task Force (Additional Chief Secretary as Chairman and CE (Urban) as Member Secretary) on drinking water and sanitation to monitor the progress of implementation of development scheme and to resolve problems concerning their implementation. It was to meet once a week and to submit weekly reports. But after the first meeting held on 17 August 2001 no other meeting was held by the Task Force.

Recommendation

4.1.37 Financial management may be improved and adequate funds provided for capital expenditure.

Funds for implementation of development schemes should not be diverted/withheld.

Water supplies are required to be metered to avoid under-assessment of water rate.

Completion of schemes as per target needs to be ensured.

Monitoring and evaluation of schemes need to be strengthened.

SECTION "B"
(AUDIT PARAGRAPHS)

ELECTRICITY DEPARTMENT

4.2 Locking up of Government money in works kept incomplete

Non-completion of double circuit line for want of right of way etc. resulted in locking up of Government money of Rs.1.80 crore

Survey, design, fabrication, supply, erection testing and commissioning of 33 KV double circuit line on towers from Yurembam 132/33 KV sub-station to Mongsangei 33/11 KV sub-station etc. (administrative approval accorded for Rs.1.72 crore in May 1996) was awarded to a New Delhi based firm (May 1996) on turn key basis. As per agreement, department was to arrange right of way (ROW), way leaves and complete route clearance etc. for execution of work to the firm free of all costs. The work, started by the firm on July 1996 (targeted for completion in 8 working months/February 1998), was delayed and stopped in April 2000 after erection of towers in 35 locations (out of 47) and stringing of 2.905 Km (out of 8.136 Km.). The delay and non-execution of work since April 2000 was due to non-clearance of right of way on account of non-settlement of land acquisition matters and non-release of payments in time to the firm. Line materials worth Rs.39.32 lakh procured by the firm during December 1996 to April 1999 for the work was still lying unutilised with the department as stated by the divisional officer of Transmission Construction Division No.1 (May 2003).

During 1996-97 to 2001-02 the division incurred an expenditure of Rs.1.80 crore¹⁵ which included Rs.1.50 crore paid to the firm (Rs.1.10 crore on materials and Rs.40.06 lakh as erection charges). The balance amount of Rs.29.36 lakh comprised departmental expenses on muster roll/work charged establishment (Rs.9.68 lakh), petty purchases (Rs.0.79 lakh) and departmental charges (Rs.18.89 lakh). The divisional officer stated (March 2003) that due to increase in route length, revised estimate was proposed (January 2001) for Rs.2.30 crore. Further development in this regard was not intimated by the division and the firm was yet to resume the balance work (September 2003).

The department did not fulfil contractual obligation for providing right of way etc. to the contractor and as a result the work has been kept incomplete delaying the construction of double circuit line for uninterrupted power supply in and around Imphal, and Government money amounting to Rs.1.80 crore remained locked up.

The matter was reported to Government; their reply has not been received (November 2003).

¹⁵ Rs.179.67 lakh

IRRIGATION AND FLOOD CONTROL DEPARTMENT

4.3 Unfruitful expenditure due to incomplete bridge works across Merakhong river

Rs.19.79 lakh was incurred on two bridge works discontinued midway by contractors due to (i) non-payment of dues by the department in one case and (ii) inadequate issue of construction materials in the other.

Under Merakhong Flood Control Project (sanctioned amount: Rs.1.16 crore (November 1984); expenditure upto March 2000: Rs.3.14 crore; revised estimate for Rs.4.28 crore prepared but not submitted for approval for reasons not stated), construction of two pucca bridges across Merakhong river was awarded to two contractors in November 1995 and January 1996 with stipulation for completion by November 1996 and December 1996 respectively.

Test check of records (October-November 2002) of Flood Control and Drainage Division No.II revealed that the contractor executed works valued at Rs.10.05 lakh (tendered amount: Rs.15.67 lakh) and thereafter (end of 1996) discontinued bridge works (at Keirambi RD 3.55 Km) due to non-payment (Rs.4.14 lakh) for work done. The contractor was paid only Rs.5.91 lakh and divisional officer in his letter dated 19 August 2000 to Superintending Engineer proposed to close the work since the division was not in a position to clear the outstanding bill due to lack of funds. However, further developments were not on record (November 2002).

Similarly, another contractor executed works (at Meitram Awang Leikai RD 5.90 Km) valued at Rs.9.74 lakh (tender amount :Rs.15.55 lakh) and thereafter (last measurement taken: March 1998) did not continue the bridge work. In August 2001, divisional officer served show cause notice to terminate the contract at his risk and cost (31 December 1996).

The Department in reply stated (August 2003) that due to departmental inability to clear the contractor's dues in one case and inadequate issue of construction materials in the other, contracts for both the works were closed (May 2003) with the intention to complete the balance works departmentally as and when adequate funds become available.

Due to failure of the department to fulfil contractual obligation the entire expenditure of Rs.19.79 lakh (including the amount of Rs.4.14 lakh due to the contractor) remained unfruitful.

PUBLIC WORKS DEPARTMENT

4.4 Locking up of fund due to non-completion of bridges over Barak, Tuivai and Irang

Bailey bridge components for three bridges procured at a cost of Rs.2.31 crore remained idle due to (i) incomplete civil works (Rs.12.44 lakh) in one case and (ii) non-starting of civil works in other two cases even after six years of their sanction.

Administrative approval and expenditure sanction were accorded by the Government of Manipur in March 1997 for construction of three Bailey bridges at different places at a total cost of Rs.3.48 crore under Basic Minimum Service Programme. Components of civil works of substructures (Rs.39.74 lakh) of the three bridges were awarded to three different contractors in March 1997 with stipulation to complete the same by September 1998 to December 1998.

An amount of Rs.2.07 crore was paid on 29 March 1997 to a Kolkata based firm for supply of Bailey bridge components. Bailey bridge components for all the three¹⁶ bridges were received in March 1999 with a total expenditure of Rs.2.31 crore (including Rs.24.32 lakh departmental charges). According to the Executive Engineer, National Highway Division No.V, bridge components were stored in Mechanical Division No.II at Imphal.

Test-check (July 2002) of records of the Executive Engineer, National Highway Division No.V, Churachandpur revealed that contractor started (June 1997) civil works of the bridge over river Barak and was paid Rs.12.44 lakh (Tender value : Rs.26.53 lakh). The progress report revealed that the work was discontinued midway (March 1999) due to ethnic clashes. The contractor did not resume the work despite notices served (September 1999, June 2003) by the division. Civil works of substructures of other two bridges over river Tuivai and Irang were not started by the other two contractors. The Divisional Officer stated (June 2003) that works for other two bridges could not be taken up due to non-completion of approach roads to the bridge sites.

The Divisional Officer further stated that the matter regarding approach roads was brought to the notice of the higher authority. Further development was not stated.

Due to non-fulfilment of contractual obligations by a contractor to complete civil works of one bridge and award of civil works of other two bridges to contractors without constructing approach roads to bridge sites by the department resulted in locking up of funds of Rs.2.44 crore (Bridge components: Rs.2.31 crore;

¹⁶ Bridge over Barak river on Taithu-Patpuimun road (400' span)
Bridge over Tuivai river on Thanlon Mualnam road (150' span)
Bridge over Irang river on Nungba- Thanlon road (150' span)

contractor's payments for civil works: Rs.12.44 lakh) besides depriving the public of the benefit of construction of bridges even after six years from their sanctions.

The matter was reported to Government (August 2003); reply had not been received (November 2003).

4.5 Unproductive expenditure

Due to non-commissioning of the Hot Mix Plant at Kakching even after eight years of its procurement, expenditure of Rs.23.27 lakh has been rendered unproductive.

Government of Manipur, Public Works Department accorded (May 1994) administrative approval for Rs.1.28 crore for purchase of machinery and equipment for mechanised road construction for State roads.

Test-check of records (January 2003) of the Executive Engineer, Mechanical Division-I, PWD, Imphal revealed that for two Drum Mix Plants ((Hot Mix Plants) and Paver Finishers (2 numbers), a supply order was placed (August 1994) with an Ahmedabad based firm at a total cost of Rs.69.63 lakh.

The firm supplied machinery between February and June 1995 and one Hot Mix Plant was installed at Churachandpur and the other at Kakching. The firm was paid Rs.66.17 lakh between March 1995 and January 2002 and balance Rs.3.46 lakh was not released by the division due to non-commissioning of the plant at Kakching.

The Hot Mix Plant installed at Kakching is yet to be commissioned and made operational (August 2003). The firm in their letter dated 26 May 1997 had asked the division to ensure availability of all materials and work lead and site without any further delay to put the Kakching plant to commercial production failing which they would not depute their erection team.

On this being pointed out in Audit, the Chief Engineer stated (October 2003) that arrangement for commissioning was going on.

Thus, due to non-commissioning of the plant at Kakching even after eight years of its receipt, expenditure of Rs.23.27 lakh¹⁷ has been rendered unproductive so far (October 2003).

The matter was reported to Government (May 2003); reply had not been received (November 2003).

¹⁷ Cost of machinery	Rs.25.45 lakh
Less: Balance amount not released	<u>Rs. 3.46 lakh</u>
	Rs.21.99 lakh
Add : Civil Works for erection	Rs. <u>1.28 lakh</u>
	Rs.23.27 lakh

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

ELECTRICITY DEPARTMENT

5.1 Stores and Stock Management in Electricity Department

The Stores Division, Yurembam and Project Store Division, Porompat are vested with centralised procurement of various materials required for execution of works by 25 divisions of the department. Procurement of stores during 1998-2003 was made without assessment of actual requirements. As a result 52 works were incomplete/delayed due to non-supply of materials. Materials worth Rs.10.27 crore has not been supplied as per terms of supply orders. Physical verification of stores was not conducted during 1998-99 to 2002-03.

Highlights

Against the budget provision of Rs.59.66 crore expenditure incurred was only Rs.19.23 crore during 1998-2003.

(Paragraph 5.1.5)

Materials valued at Rs.10.27 crore had not been supplied as per terms of supply orders.

(Paragraph 5.1.9)

Excise duty of Rs.46.21 lakh had been reimbursed without production of excise document.

(Paragraph 5.1.10)

Penalty of Rs.34.81 lakh was not imposed on delay in supply of materials.

(Paragraph 5.1.11)

Introduction

5.1.1 The material component plays a significant role in the construction of sub-stations, high tension (HT) and low tension (LT) lines for efficient and uninterrupted power supply. Therefore, planned procurement of stores is of vital importance to reduce uneconomic and excessive purchase.

5.1.2 The task of procurement of materials and issue to the 25 working divisions under the Electricity Department vest mainly with the Stores Division. In addition, Project Stores Division was also involved in procurement and issue of materials.

Organisational set-up

5.1.3 The general management of stores of the Department was carried out by Executive Engineer (EE), Planning and Purchase Division, EE Store Division and Project Store Division under overall supervision of the Chief Engineer (Power) assisted by an Additional Chief Engineer (1998-99 and 1999-2000) and one Superintending Engineer.

Audit coverage

5.1.4 The purchase and issue of materials during the period from 1998-99 to 2002-03 were reviewed by test-check of records of Chief Engineer and Executive Engineers Store Division, Project Store Division and 8¹ working divisions (out of 27) during April and May 2003. The result of test-check (36 per cent of the total expenditure of Rs.21.90 crore) have been incorporated in the succeeding paragraphs.

Financial outlay

5.1.5 The expenditure incurred on procurement of stores is charged to Suspense head "Stock" under the major head of Electricity Department.

Year-wise details of budget allotment and savings and excess thereon, debit, credit and balances under the Suspense Head for the period from 1998-99 to 2002-03 were as under:

Table No. 5.1

(Rupees in crore)						
Year	Budget provision	Opening balance	Receipt	Issues	Closing balance	Savings(=) Excess(+)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1998-99	12.22	2.67	5.36	5.54	2.49	(-) 6.86 (56)
1999-2000	8.00	2.49	3.56	4.61	1.44	(-) 4.44 (55)
2000-01	12.22	1.44	4.04	4.12	1.36	(-) 8.18 (66)
2001-02	12.22	1.36	2.44	1.38	2.42	(-) 9.78 (80)
2002-03	15.00	2.42	3.83	0.37	5.88	(-) 11.17 (74)
Total	59.66	—	19.23	16.02	—	—

Source : Departmental figure (Figures in the bracket represent percentage)

Persistent savings during 1998-99 to 2002-03 was attributed by the Department to non-release of sufficient cheque drawal authority (CDA) due to financial crunch in the State.

¹ Sub-station Construction Division I and II, Imphal Electrical Division I and III, Transmission and Construction Division I and III, Generation Division and Chandel Division.

Planning

5.1.6 According to the Central Public Works Department Manual, Executive Engineers of the Works division are required to furnish annual requirement of stores well in advance before the commencement of financial year so that the Stores division can arrange bulk purchases. It was the duty of the Stores division to consolidate such requirements to facilitate planning, control of expenditure and receipt and issue of stores. However, this system was not followed in the department. Procurement of stores was made during the entire period of 1998-99 to 2002-03 without assessment of requirements. This had resulted in frequent failure of the department to arrange supply of poles, Aluminium Conductor Steel Reinforced (ACSR)/cables, transformer *etc.* in the right quantity and at the right time to the works leading to delay in completion of works.

5.1.7 Between November 1987 and March 1996, six divisions started construction of four sub-station works including 33 KV lines targeted for completion between November 1990 and March 1998, but due to non-supply of materials in time (total requirement worth Rs.7.19 crore) there were delay in completion ranging from two to nine years (*Appendix XXV*). In addition, Rural Electrification Scheme taken up in 47 villages by Chandel Electrical division involving 7 schemes sanctioned between February 1996 and July 2002 either remained incomplete or were delayed due to non-receipt of materials from Store/Project Store Division.

Procurement of materials in advance of requirement

5.1.8 The Stores Division, Yurembam and Project Store Division deal with around 2000 items. During 1998-99 to 2002-03 the divisions purchased 49 items, valued Rs.2.44 crore (Store Division: Rs.1.15 crore — 22 items and Project Stores division: Rs.1.29 crore — 27 items), which were not utilised as of 31 March 2003 (Details are given in *Appendix XXVI*).

Materials not supplied as per terms of supply orders

5.1.9 Between October 1998 to November 2002 supply orders were issued to 7 firms by the Project Store division for supply of poles, conductors, disc insulators etc valued Rs.14.79 crore. These were to be supplied within 3 to 7 months from the date(s) of supply orders. At the end of March 2003, materials valued Rs.4.52 crore only were supplied by the firms leaving a balance of materials worth Rs.10.27 crore yet to be supplied (June 2003). Of the 7 firms 5 were paid advances amounting to Rs.3.15 crore out of which Rs.1.70 crore were still lying unadjusted. (Details given in *Appendix-XXVII*).

Payment of excise duty without production of documentary evidence

5.1.10 As per terms and condition of the supply order, the excise duty was to be reimbursed to the firm on production of documentary evidence of payment of excise duty. Project Stores division reimbursed Rs.46.21 lakh between September 1997 and March 2003 on account of excise duty to 7 suppliers (for supply of

poles and transformer) despite the absence of proof of payment of excise duty by the suppliers.

Penalty not recovered

5.1.11 Between September 1996 to March 1999, Project Store division placed 5 supply orders for poles conductors ACSR with stipulation to complete supply within three to six months from the date of supply order. For delay in supply penalty @ ½ per cent per week of the tendered value subject to a maximum of 5 per cent was to be imposed on the supplier.

Records, however, revealed that there were delays in supply ranging between 18 to 57 weeks for which penalty of Rs.34.81 lakh was not levied. On being pointed out the Executive Engineer accepted (August 2003) that the penalty would be deducted from the pending bills of suppliers. Further development was awaited.

Departure from prescribed system

5.1.12 The practice of Cash Settlement Suspense Account (CSSA) was discontinued and the Store Division switched over to a new system known as “Proforma Bill System” from August 1983.

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

During review it was noticed that on receipt of the indents from the works divisions, the stores division preferred proforma bills without ascertaining the availability of materials in the stores. On receipt of the cheque against the proforma bill, the Store Division entered them in the cash book as credit to suspense stock.

Switching over to new system, without considering its consequential effect, has given scope for excess credit to Suspense Stock on one hand and the works concerned have been over debited in the working divisions without receiving material valued Rs.29.15 lakh.

Again, electrical line materials valued Rs.1.68 crore² were sold on credit during 2002-03 by the Store Division to 16 working divisions on the ground of emergency maintenance works on the basis of indents received from the later. Further, store materials valued Rs.20.43 lakh³ were issued on loan basis during

² Of the total sales on credit these line materials were sold to the divisions viz., IED-II: Rs.11.37 lakh, Chandel: Rs.7.22 lakh, SCD-I: Rs.5.80 lakh, Bishnupur: Rs.10.51 lakh, IED-III: Rs.19.85 lakh, IED-I: Rs.8.79 lakh, RED-I, Kakching: Rs.16.16 lakh, Thoubal: Rs.18.02 lakh, Jiribam: Rs.1.32 lakh, Ukhrul: Rs.12.55 lakh, Senapati: Rs.19.31 lakh, Churachandpur: Rs.11.12 lakh, Kangpokpi: Rs.8 lakh, Tamenglong: Rs.4.46 lakh, IMD: Rs.13.20 lakh, SCD-II: Rs.0.63 lakh.

³ Of the total issue on loan, the store materials were issued to the divisions viz., IED-II: Rs.3.28 lakh, IED-I: Rs.1.55 lakh, IED-III: Rs.2.77 lakh, Thoubal: Rs.2.59 lakh, Senapati: Rs.1.47 lakh, IMD: Rs.0.28 lakh, Bishnupur: Rs.0.53 lakh, Tamenglong: Rs.2.86 lakh, Kangpokpi: Rs.0.18 lakh, Chandel: Rs.3.21 lakh and RED-I Kakching: Rs.1.71 lakh.

2002-03 by the Project Store Division to 11 works division, on the ground of exigency of works. None of the foregoing transactions (Rs.1.68 crore and Rs.20.43 lakh) were accounted for under Miscellaneous Public Works Advance (MPWA). Neither was the material received back nor was any payment received. The issue of materials without realising cost goes against the principle of “Proforma Bill System”.

Stock taking

5.1.13 CPWD Manual provides for physical verification of stores by a responsible officer other than the custodian at least once a year, but no such verification of stores was conducted during the period covered by review. The Chief Engineer (Power), however, stated (June 2003) that verification of receipt and issue of stores covered by review are checked by the Superintending Engineer and countersigned on the GRS *etc.* The reply was not convincing because of the fact that verification of receipts and issue does not constitute verification of stores.

Reserve Stock limit

5.1.14 CPWD Manual stipulates that no reserve stock should be kept except with the specific sanction of the competent authority who would also prescribe the monetary limit. Test-check of records of Store Division and Project Store Division revealed that value of stock that stood at Rs.1.36 crore in 2000-01 (Store Division: Rs.0.80 crore and Project Store Division: Rs.0.56 crore) rose to Rs.5.88 crore in 2002-03 (Store Division: Rs.5.22 crore and Project Store Division: Rs.0.66 crore) without any reserve stock limit fixed by the Government (June 2003).

Recommendation

5.1.15 Financial management of allocation of fund may be strengthened.

Appropriate accounting may be ensured.

Need based planning may be adopted.

Locking up of funds due to procurement of materials without immediate requirement may be avoided.

Steps may be taken for adjustment/recovery of advances as and when due.

Physical verification of stores may be conducted regularly as per rules.

**SECTION “B”
(AUDIT PARAGRAPH)**

IRRIGATION AND FLOOD CONTROL DEPARTMENT

5.2 Locking up of fund due to procurement of stores without assessment of requirement

Purchase beyond requirement led to locking up of funds amounting to Rs.14.85 lakh and stock costing Rs.2.66 lakh was rendered unserviceable

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

Test-check of records (November 2002) of the Executive Engineer, Project Stores Division, Irrigation and Flood Control Department (IFCD), Imphal revealed that the division had procured 37 items of various stores during 1980-1995 at Rs.18.22 lakh most of which could not be utilised and as of October 2002 stores worth Rs.14.85 lakh were lying in stock for a period ranging from 6–22 years. Of this 23 items of stores procured during 1980-1994 valued at Rs.6.71 lakh were not issued since procurement. Details of items are indicated in the *Appendix-XXVIII*.

According to the Assistant Engineer, Project Stores Sub-division No.II, out of 37 items of stores, 9 items (cost: Rs.2.66 lakh) became unserviceable for which survey report was prepared but no action was taken to write off the unserviceable items.

Thus, purchase without assessing the requirement led to unnecessary locking up of funds of Rs.14.85 lakh and stock costing Rs.2.66 lakh was rendered unserviceable.

The matter was reported to the Government (July 2003); in reply (August 2003) it was stated that some materials became unserviceable on account of a flash flood in July 1989 which submerged the office premises and godowns of the division for quite some time. It was also stated that materials costing Rs.2.84 lakh were issued after October 2002. The reply of the department is not tenable as the materials were procured 6-9 years before the flash flood occurred, except 2 items (Rs.0.67 lakh) procured in 1987.

CHAPTER VI
REVENUE RECEIPTS

6. General

6.1 Trend of Revenue receipts

6.1.1 The tax and non-tax revenue raised by the Government of Manipur during the year 2002-03, the State's share of divisible Union Taxes and grants-in-aid received from the Government of India during the year and corresponding figures for the preceding four years are given below:

Table No. 6.1

(Rupees in crore)

		1998-99	1999-2000	2000-01	2001-02	2002-03
I.	Revenue raised by the State Government					
	(a) Tax Revenue	30.75	39.95	49.07	51.01	65.16
	(b) Non-Tax Revenue	31.52 (29.36)*	42.65 Nil	41.66	28.73	56.49
	Total:	62.27 (60.11)*	82.60 —	90.73	79.74	121.65
II.	Receipts from Government of India					
	(a) State's share of net proceeds of divisible Union Taxes	331.68	317.87	163.52	142.14	188.12
	(b) Grants-in-aid	502.83	669.38	790.37	954.90	1018.22
	Total:	834.51	987.25	953.89	1097.04	1206.34
III.	Total receipts of State Government (I+II)	896.78 (894.62)*	1069.85	1044.62	1176.78	1327.99
IV.	Percentage of I to II	7	8	10	7	10

(Source: Finance Accounts)

6.2 Analysis of Revenue receipts

6.2.1 The details of tax revenue raised during the year 2002-03 along with the figures for the preceding four years are given below:

* The figures shown in the Brackets are the figures net of expenditure on prize-winning tickets of the lotteries conducted by the Government.

Table No. 6.2

(Rupees in crore)

Sl. No.	Head of Revenue	1998-99	1999-2000	2000-01	2001-02	2002-03	Percentage of Increase(+)/Decrease(-) in 2002-03 over 2001-02
1.	Sales Tax	19.42	22.87	31.30	29.52	43.18	(+) 46.27
2.	State Excise	1.83	1.39	1.24	1.46	2.29	(+) 56.85
3.	Stamps and Registration Fees	1.23	1.46	1.80	1.48	1.90	(+) 28.38
4.	Taxes and Duties on Electricity	—	0.55	0.97	2.17	¹	(-) 100.00
5.	Taxes on Vehicles	1.11	2.33	2.80	2.77	3.44	(+) 24.19
6.	Taxes on Goods and Passengers	0.33	0.49	0.48	0.44	0.67	(+) 52.27
7.	Other Taxes on Income and Expenditure	5.60	9.58	9.61	12.64	12.68	(+) 0.32
8.	Other Taxes and Duties on Commodities and Services	0.89	0.76	0.50	0.13	0.17	(+) 30.77
9.	Land Revenue	0.34	0.52	0.37	0.40	0.83	(+) 107.50
	Total:	30.75	39.95	49.07	51.01	65.16	(+) 27.74

(Source: Finance Accounts)

Reasons for variations though called for in August 2003 from the Government/departments had not been received (November 2003).

Non-tax revenue raised by the State

6.2.2 The details of major non-tax revenue raised during the year 2002-03 alongwith the figures for the preceding four years are given below:

¹ Rs.0.37 lakh only.

Table No. 6.3

(Rupees in crore)

Sl. No.	Head of Revenue	1998-99	1999-2000	2000-01	2001-02	2002-03	Percentage of Increase(+)/ Decrease(-) in 2002-03 over 2001-02
1.	Interest Receipts	0.82	0.70	0.76	1.00	0.61	(-) 39.00
2.	Housing	0.26	0.43	0.58	1.00	0.75	(-) 25.00
3.	Water Supply and Sanitation	0.44	0.62	0.66	0.67	1.43	(+) 113.43
4.	Forestry and Wild Life	0.70	0.79	0.97	0.75	0.81	(+) 8.00
5.	Education, Sports and Art and Culture	0.42	0.82	2.16	1.03	1.13	(+) 9.71
6.	Miscellaneous General Services	6.52 (4.36)*	4.32 (NA)	1.67	0.05	1.59	(+) 3080.00
7.	Power	13.04	22.22	26.33	19.73	43.90	(+) 122.50
8.	Major and Medium Irrigation	0.19	0.38	0.31	0.31	0.24	(-) 22.58
9.	Medical and Public Health	0.16	0.79	0.26	0.32	0.34	(+) 6.25
10.	Co-operation	0.05	0.05	0.05	0.04	0.42	(+) 950.00
11.	Public Works	3.30	4.02	2.19	1.23	3.18	(+) 158.54
12.	Police	0.75	0.71	0.97	0.59	0.56	(-) 5.08
13.	Other Administrative Services	3.32	2.36	0.68	1.20	0.49	(-) 59.17
14.	Crop Husbandry	0.13	0.19	0.07	0.03	0.08	(+) 166.67
15.	Social Security and Welfare	0.02	3.19	3.16	0.02	0.01	(-) 50.00
16.	Others	1.40	1.06	0.84	0.76	0.95	(+) 25.00
	Total :	31.52 (29.36)	42.65 (NA)	41.66	28.73	56.49	(+) 96.62

(Source: Finance Accounts)

Reasons for variations under non-tax revenue though called for in August 2003 from the departments had not been received (November 2003).

6.3 Variations between Budget estimates and actuals

6.3.1 The variations between budget estimates and the actuals of revenue receipts for the year 2002-03 in respect of the principal heads of tax and non-tax revenue are given below:

* Figures in bracket indicate receipts from lotteries as net of expenditure on prize winning tickets.

Table No. 6.4

(Rupees in crore)

Sl. No.	Head of Revenue	Budget estimates	Actuals	Variations Increase(+)/ Decrease(-)	Percentage of variation
(1)	(2)	(3)	(4)	(5)	(6)
A. Tax Revenue					
1.	Sales Tax	36.00	43.18	(+) 7.18	(+) 20
2.	Other Taxes on Income and Expenditure	13.75	12.68	(-) 1.07	(-) 8
3.	Other Taxes and Duties on Commodities and Services	2.30	0.17	(-) 2.13	(-) 93
4.	Stamps and Registration Fees	2.68	1.90	(-) 0.78	(-) 29
5.	Taxes on Vehicles	3.00	3.44	(+) 0.44	(+) 15
6.	State Excise	2.00	2.29	(+) 0.29	(+) 15
7.	Land Revenue	0.56	0.83	(+) 0.27	(+) 48
8.	Taxes on Goods and Passengers	0.75	0.67	(-) 0.08	(-) 11
9.	Taxes and Duties on Electricity	2.56	²	(-) 2.56	(-) 100
	Total:	63.60	65.16	(+) 1.56	(+) 2
B. Non-tax Revenue					
1.	Miscellaneous General Services	0.10	1.59	(+) 1.49	(+) 1490
2.	Power	35.00	43.90	(+) 8.90	(+) 25
3.	Public Works	4.00	3.18	(-) 0.82	(-) 21
4.	Forestry and Wild Life	1.20	0.81	(-) 0.39	(-) 33
5.	Police	1.00	0.56	(-) 0.44	(-) 44
6.	Interest Receipts	0.80	0.61	(-) 0.19	(-) 24
7.	Water Supply and Sanitation	0.80	1.43	(+) 0.63	(+) 79
8.	Education, Sports, Art and Culture	2.25	1.13	(-) 1.12	(-) 50
9.	Other Administrative Services	0.60	0.49	(-) 0.11	(-) 18
10.	Major and Medium Irrigation	0.60	0.24	(-) 0.36	(-) 60
11.	Medical and Public Health	0.90	0.34	(-) 0.56	(-) 62
12.	Social Security and Welfare	0.01	0.01	—	—
13.	Crop Husbandry	0.08	0.08	—	—
14.	Housing	0.75	0.75	—	—
15.	Co-operation	0.07	0.42	(+) 0.35	(+) 500
16.	Others	1.21	0.95	(-) 0.26	(-) 21
	Total:	49.37	56.49	(+) 7.12	(+) 14

(Source: Budget document/Finance Accounts)

The reasons as furnished by the Department for the variation in receipts during 2002-03 against budget estimates are as under:

Stamps and Registration Fees: Decrease (29 per cent) was due to less number of transactions registered.

Taxes on goods and passengers: Decrease (11 per cent) was due to enhancement of target in December 2002 and less availability of time to achieve that.

Public Works: Decrease (21 per cent) was due to non-realisation of hire charges of machinery during 2002-03.

Forestry and Wild Life: Decrease (33 per cent) was due to ban on felling of timber in the state since December 1996.

² Rs.0.37 lakh only.

Major and Medium Irrigation: Decrease (60 per cent) was due to non-collection of water tax from farmers and land owners.

Medical and Public Health: Decrease (62 per cent) was mainly due to machines like CT Scan, ECG, ultrasonography etc. remaining out of order off and on.

Reasons for variation under remaining heads of account though called for in April 2003 had not been received from the respective Departments (November 2003).

6.4 Cost of collection

6.4.1 The gross collection in respect of major revenue receipts, expenditure incurred on their collection and percentage of such expenditure to gross collection during the year 2000-01, 2001-02 and 2002-03 alongwith all India average percentage of expenditure on collection to gross collection for 2001-02 are given below:

Table No.6.5

(Rupees in crore)

Head of Revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India percentage of expenditure to gross collection for the year 2001-02
1	2	3	4	5	6
Sale Tax	2000-01	31.30	1.26	4.03	
	2001-02	29.52	1.34	4.54	1.26
	2002-03	43.18	1.16	2.69	
Taxes on Vehicles	2000-01	2.80	1.07	38.21	
	2001-02	2.77	1.20	43.32	2.99
	2002-03	3.44	1.19	34.59	

(Source: Finance Accounts)

It can be seen from the above that the cost of collection in respect of above heads of revenue were much higher than the all India average.

6.5 Outstanding Inspection Reports and Audit observations

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

6.5.2 The number of inspection reports and audit observations issued up to December 2002 but pending settlement by the Departments as on 30 June 2003 along with corresponding figures for the preceding two years are given below:

Table No. 6.6

(Rupees in crore)

Department	Number of Inspection Reports			Number of Audit observations			Money value		
	Up to 2000-01	2001-02	2002-03	Up to 2000-01	2001-02	2002-03	Up to 2000-01	2001-02	2002-03
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Taxation	48	5	—	234	32	—	8.73	1.40	—
Excise	12	2	—	29	5	—	1.53	0.03	—
Land Revenue	80	9	—	246	24	—	5.21	0.46	—
Motor Vehicle	44	1	4	150	5	11	2.10	0.02	0.38
Electricity	55	3	8	163	15	33	29.20	2.42	11.25
Fisheries	45	1	1	101	1	3	0.83	0.06	0.04
Lotteries	8	—	—	45	—	—	23.16	—	—
Forest	56	1	6	148	1	12	13.14	—	0.24
Registration	11	—	—	17	—	—	0.03	—	—
PHED/Water Tax	10	1	2	23	3	4	0.27	0.85	0.21
Total :	369	23	21	1156	86	63	84.20	5.24	12.12

Out of 413 inspection reports with money value of Rs.101.56 crore pending settlement, even the first reply has not been received in respect of 95 inspection reports containing 318 audit observations with money value of Rs.56.00 crore. Further 44 inspection reports up to 2002-03 containing 104 audit observations with money value of Rs.5.90 crore have been pending for settlement for more than 10 years.

6.6 Results of audit

6.6.1 Test-check of the records of Power, Forest, Taxation and Excise Departments conducted during 2002-03 revealed short-demand/under-assessment/loss of revenue etc. amounting to Rs.1.88 crore in 11 cases.

This chapter contains 7 paragraphs relating to loss of revenue, short-levy of tax, interest and penalty etc. involving Rs.72.40 lakh of which audit observations for Rs.50.67 lakh was accepted by the departments and a recovery of Rs.2.84 lakh out of the accepted amount has been made by the Department.

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

EXCISE DEPARTMENT

6.7 Short realisation of penalty

Realisation of penalty below the minimum prescribed limit resulted in loss of revenue of Rs.1.27 lakh.

Under the Manipur Liquor Prohibition Act, 1991, whoever, in contravention of the provision of the Act or of any rule, regulation or order made or of any pass, permit or authorisation granted thereunder, sells or buys any liquor, uses, keeps or has in his possession any material, utensils, implements or apparatus for the purpose of manufacturing of liquor, shall on conviction, be punished for the first offence with imprisonment for a term of not less than six months or with a fine of not less than Rs.500 or with both.

Test-check of records of the Commissioner of Excise, Manipur, Imphal revealed that in 27 Excise Stations³ and one sub-zone, 611 offences were disposed of between January 2002 to October 2002 imposing a total penalty of Rs.1.78 lakh against the minimum leviable penalty of Rs.3.05 lakh. Thus, realisation of penalty below the minimum prescribed limit resulted in a loss of revenue of Rs.1.27 lakh.

The matter was brought to the notice of the Department and the Government between February and June 2003; their reply had not been received (November 2003).

³ Akampat, Bishnupur, Churachandpur, Jiribam, Jessami, Chandel, Kangpokpi, Kakching, Lamlai, Moirang, Pallel, Saparmeina, Sugnu, Saikul, Ukhrul, Yairipok, Thoubal, Moreh, Mayang Imphal, Tadubi, Tamenglong, Lairouching, Hiyangthang, Lilong, Nambol, Noney and Senapati.

FOREST DEPARTMENT

6.8 Non-tapping of latex resulted in loss of revenue

Loss of revenue to the tune of Rs.5.92 lakh due to non-tapping of latex from rubber trees.

Rubber plantation on trial basis was taken up in 1977 in Jiribam areas of Manipur. On its being successful, a full fledged Rubber Plantation Division was created (1991-92) for plantation and maintenance of rubber plants, tapping and processing of latex, and disposal of smoked rubber sheets with the objective of producing raw rubber for enhancing revenue of the state and for generation of employment opportunities for rural people. The Division was earning yearly revenue from the sale of raw rubber.

Test-check of records of Rubber Plantation Division, Jiribam, revealed that during 1999-2000, the Division tapped latex from rubber trees and produced 54,621 numbers of smoked rubber sheets weighing 27,310 Kg., earned an amount of Rs.9.93 lakh during 2000-01 by sale of 38,200 Kg. @ Rs.26 per Kg. out of total available stock of 65,200 Kg. of previous years. The balance quantity could not be sold due to paucity of fund for advertisement and timely finalisation of tender. The Divisional Forest Officer stated in December 2003 that in the previous years, customers for rubber sheets were always available and the balance quantity of 27,000 Kg. was sold (March 2003) at the same rate as there was no scarcity of ready market for the product.

No tapping of latex was done due to non-release of fund for tapping/processing and due to labour strike except for limited tapping with production of 377 Kg. of smoked rubber sheets during 2001-02. As per Department, smoked rubber sheets weighing 59,815 Kg. could have been produced from latex from tappable rubber trees during these years.

Thus, due to non-tapping of latex from rubber trees, there was no production of smoked rubber sheets (except 377 Kg.), resulting in loss of an estimated revenue to the tune of Rs.5.92⁴ lakh by the Government.

⁴ Gross revenue against sale of 59438 kg. (59815-377 kg)
calculating at the last accepted rate of Rs.26 per kg. Rs.15,45,388
less:

(i) Wages for 2 years Rs.7,99,848 (approx.)
(ii) Material cost/component for 2 years Rs.104000 (approx)
(iii) Charge for advertisement (on the basis of
last advertisement charges incurred) Rs.50000

Rs.9,53,848

Rs.5,91,540

i.e. Rs.5.92 lakh

The matter was reported to the Government in May 2003 and December 2003; but reply had not been received (December 2003).

PUBLIC WORKS DEPARTMENT

6.9 Short deduction of sales tax at source

Against minimum sales tax of Rs.6.98 lakh a Public Works Division deducted only Rs.3.55 lakh from contractors' bills and subsequently recovered Rs.2.37 lakh and Rs.1.06 lakh remained unrealised.

As per government notification dated 15 July 1994, any person or persons responsible for paying any sum as sales tax on the execution of works contracts on behalf of the State Government, shall at the time of credit of such sum to the account of the contractor or payment thereof in cash or by issue of a cheque or draft or by any other mode whichever is earlier, deduct tax at the minimum rate of 4.9 *per cent*. The Government vide its notification dated 15 July 1994 stipulated that tax shall be deducted on all works whether subject to an existing contract or contract freshly entered, executed on or after 24 November 1992.

Test-check of records of Bishnupur Division, Public Works Department, revealed that the division deducted sales tax amounting to Rs.3.55 lakh only against tax deductible at the minimum rate of 4.9 *per cent* amounting to Rs.6.98 lakh from contractors' bills for six works completed between April 1997 to March 2000, resulting in short deduction of Rs.3.43 lakh.

On this being pointed out in audit the Executive Engineer intimated in May 2003 that in 4 cases an amount of Rs.2.37 lakh was recovered (March 2003) and efforts were being made to recover the balance amount of Rs.1.06 lakh in the remaining cases.

Government stated in November 2003 that effort was being made to recover the balance amount from the contractors concerned. Information as to the recovery of balance of Rs.0.59 lakh is awaited (December 2003).

TAXATION DEPARTMENT

6.10 Evasion of tax due to suppression of purchase turnover

Concealment of purchase turnover led to tax evasion of Rs.15.62 lakh and penalty of Rs.23.43 lakh.

The Manipur Sales Tax Act, 1990 provides that every dealer liable to pay tax under any of the earlier laws shall be liable to pay tax under this Act on all sales or purchases of goods other than goods specified in Schedule-III. The Act further provides that if any dealer conceals the particulars or deliberately furnishes inaccurate particulars, the Commissioner may direct that such dealer shall pay by way of penalty, in addition to the tax payable, a sum not exceeding one and a half times of that amount.

Test-check of records of the Commissioner of Taxes, Manipur revealed that assessments of 5 dealers were finalised during August 2000 to October 2001 on the taxable turnover of Rs.4.80 crore as per returns furnished by the dealers for the quarter ending 31 December 1998 to 30 September 2001.

Cross check with the records maintained by the taxation check post at Kangpokpi, however, revealed that the dealers had imported taxable goods valued at Rs.8.31 crore during the above period.

The concealment of turnover of Rs.3.22 crore resulted in evasion of tax of Rs.15.62 lakh, besides maximum leviable penalty of Rs.23.43 lakh.

On this being pointed out the Commissioner of Taxes stated in September 2002 that the dealers had been re-assessed and demand notices for tax as well as penalty were issued between October 2001 and August 2002. However, report on realisation is awaited (November 2003).

The matter was reported to Government in June 2003, their reply had not been received (November 2003).

6.11 Short-levy of Central Sales Tax and non-levy of penalty

Levy of Central Sales Tax at concessional rate on inter-state sales turnover of 5 dealers without supporting declarations/valid declarations in Form C resulted in short levy of tax of Rs.15.52 lakh, interest of Rs.3.41 lakh and penalty of Rs.1.53 lakh.

Under the provisions of Central Sales Tax (CST) Act, 1956 and the Central Sales Tax (Registration and Turnover) Rules, 1957 tax is leviable on inter-state sale of goods other than declared goods at the rate of 10 *per cent* or at the rate applicable to the sale or purchase of such goods within the state, whichever is higher. However, tax at the concessional rate of 4 *per cent* is leviable if such sales of goods are covered by valid declarations in Form-C issued by the purchasing dealer. Further, the Act provides that if the tax payable by any dealer is not paid in time, the dealer shall be liable to pay interest for delayed payment of such tax at the rate applicable as per the general sales tax law of each state. Under the taxation laws of the state of Manipur, if any dealer evades in any way the liability to pay tax, penalty not exceeding one and a half times the tax due is leviable on the dealer.

A test-check of records of the Superintendent of Taxes, Moreh revealed that 4 dealers were assessed between December 2001 and June 2002 to tax at the rate of 4 *per cent* on inter-state sales valued at Rs.2.45 crore shown by them in their returns for the period ending between September 2000 and December 2001. Since the sales amounting to Rs.2.42 crore were not supported by the prescribed declarations in Form 'C', the dealers were liable to pay tax at the rate of 10 *per cent*. This resulted in short levy of tax of Rs.14.50 lakh. Besides, the dealers are also liable to pay interest amounting to Rs.3.41 lakh up to February 2003.

Test check of assessment records of the Superintendent of Taxes, Moreh in the case of another dealer revealed that five invalid 'C' Forms covering total transactions amounting to Rs.17.65 lakh were accepted in January 2002 by the Assessing Authority and tax at the concessional rate of 4 *per cent* only, as against 10 *per cent* otherwise leviable, was realised for the period from July 2000 to October 2001. This resulted in short levy of tax amounting to Rs.1.02 lakh and non-levy of penalty of Rs.1.53 lakh.

The matter was reported to the Department/Government (June 2003); their replies had not been received (November 2003).

6.12 Internal Audit System in Sales Tax Department

The Sale Tax Department, Manipur, having 4 units, is headed by the Commissioner of Taxes. It has no internal audit system of its own. The duties of internal audit of the department have been entrusted to the Directorate of Local Fund Audit (DLFA) since March 1989 by executive orders.

Units covered and periodicity

Four units of Sales Tax Department are to be covered by DLFA in internal audit but neither has periodicity been fixed nor audit plan prepared. It was noticed that whenever audit was taken up, periods ranging from 1 to 7 years were covered in a single inspection. Out of four units, one unit Superintendent of Taxes, Churachandpur has not been covered since 1989-90 by internal audit; one unit Commissioner of Taxes, Imphal was audited upto June 2000; third unit Superintendent of Taxes, Moreh was covered up to June 2002 and the remaining unit Superintendent of Taxes, Kangpokpi up to July 2002. DLFA attributed the pendency of audit to shortage of manpower and the prevailing law and order situation in the state.

Inspection Reports (IR) and Paragraphs issued

Against three units covered between 1988-89 to 2002-03 in internal audit, eight inspection reports containing one hundred forty paragraphs were issued between June 1991 and January 2003.

DLFA stated in August 2003 that follow up action on inspection reports was taken by them. But replies for only five inspection reports issued up to 2002-03 were furnished by Sales Tax Department. The compliance from the auditee was not satisfactory resulting in non-clearance of 75 paras as on August 2003 as detailed below:

Table No.6.9

Year	Opening balance		Addition during the year		Clearance during the year		Balance at the end of the year		Percentage of disposal	
	I R	Paras	I R	Paras	I R	Paras	I R	Paras	I R	Paras
1999-2000	5	35	NIL	NIL	NIL	NIL	5	35	NIL	NIL
2000-01	5	35	1	20	NIL	NIL	6	55	NIL	NIL
2001-02	6	55	NIL	NIL	NIL	NIL	6	55	NIL	NIL
2002-03	6	55	2	22	NIL	2	8	75	NIL	2.6

During last 4 years only 3 inspection reports covering 3 units were issued and disposal of inspection reports paras was nil except during 2002-03 where 2 paras were cleared.

It could be seen from the above that the internal audit system in the Department is far from satisfactory. DLFA has no proper audit planning and there was no close pursuance of inspection reports which rendered internal audit inadequate.

The matter was referred to Government in October 2003, their replies had not been received (November 2003).

TRANSPORT DEPARTMENT

6.13 Non-Collection of Professional Tax

Professional tax amounting to Rs.2.27 lakh was not realised from 227 permit holders of goods vehicles, trucks, taxies and mini buses by Transport Officer, Thoubal

Under the provision of the Manipur Professions, Trades, Callings and Employment Taxation Act, 1981, Government of Manipur, by a notification issued in October 2000 appointed the District Transport Officer (DTO) posted in every district of the state as the Additional Taxation Officer for collection of professional tax in his/her administrative jurisdiction from person/persons holding permit/permits for taxies, goods vehicles, trucks, buses and three wheelers at the rate of Rs.1,000 per annum (from 1 January 2001), and to deposit the same into government account.

Test check of records of the DTO, Thoubal revealed that he issued/renewed 227 permits for 2001-02 and 2002-03 in respect of various vehicles but professional tax amounting to Rs.2.27⁵ lakh was not collected from the permit holders (April 2003).

On this being pointed out in audit in January 2003 the DTO, Thoubal stated in April 2003 that no collection could be made till April 2003.

The Government accepted the audit observation and stated in December, 2003 that all DTOs were instructed to collect professional tax from the vehicle owners. However the details of collection are awaited (December 2003).

⁵ (93+31+9) x 1000 + (70+21+3)x1000 = Rs.2,27,000

CHAPTER VII
FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1 General

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

7.1.2 During 2002-03 financial assistance of Rs.36.24 crore was paid to various autonomous bodies and others grouped as under:

Table No. 7.1

(Rupees in crore)

Sl. No.	Name of institution	Amount of assistance paid	
		Grants	Loans
1.	Universities and Educational Institutions	34.10	—
2.	Municipal Corporations and Municipalities	0.64	—
3.	Co-operative Societies and Other Co-operative Institutions	0.16	—
4.	Other Institutions	0.53	0.81
	Total	35.43	0.81

(Source: Finance Accounts)

7.1.3 The above assistance constituted 2.56 *per cent* of Governments total expenditure on revenue account (Rs.1415 crore). In 2001-02 such assistance aggregated to Rs.37.34 crore.

7.2 Delay in furnishing utilisation certificate

Financial rules of Government require that where grants are given for specific purposes, certificates of utilisation are to be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within one year from the date of sanction unless specified

otherwise. Detailed information in this regard was not furnished by the State Government/departments though called for in May and August 2003.

7.3 Delay in submission of accounts

7.3.1 In order to identify the institutions which attract audit under Section 14 and 15 of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971, Government/ Heads of Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Information for the year 2002-03 called for in June, 2003 and in August 2003 had not been furnished by departments/Government (November 2003).

7.3.2 The accounts of the 13 institutions/bodies which had been receiving grants of more than Rs.25 lakh continuously from the State Government and others, and the accounts due for audit under Section 14 of the Act, *ibid*, in earlier years, were in arrears. The details are given in *Appendix-XXIX*.

7.4 Entrustment of audit

The audit of accounts of the 27 bodies, as detailed in *Appendix-XXX* entrusted to the Comptroller and Auditor General of India under Section 19 (3) and 20 (1) of the Comptroller and Auditor General's (DPC) Act, 1971, were in arrears due to non-receipt of accounts from these bodies.

7.5 Audit arrangement

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

7.5.2 The 9 bodies/authorities, whose accounts for 2001-02 or previous years were received during the year, were audited during the year 2002-03.

**SECTION “A”
(AUDIT REVIEW)
NIL
SECTION “B”
(AUDIT PARAGRAPHS)**

RURAL DEVELOPMENT DEPARTMENT

7.6 Undue financial aid to the supplier

Injudicious advance payment of Rs.27 lakh without security resulted in the short supply of CGI sheets to the extent of Rs.15.23 lakh

According to Rule 258 of GFR, advance payment to private firms for supply of stores may be made subject to certain conditions. Accordingly, the amount of such advance should not exceed 90 *per cent* of the total value of supplies or Rs.1 lakh whichever is less against proof of despatch and after inspection of stores regarding its quality. Such advances should be adjusted within one month of the drawal of advance. A second advance should not be drawn for making advance payment unless the earlier advance made to the same supplier has been adjusted.

Test-check (March 2003) of records of District Rural Development Agency (DRDA), Churachandpur revealed that for construction of 373 houses under Indira Awas Yojana (IAY) for 2002-03, Chairman, DRDA placed (September 2002) a supply order (Rs.37.64 lakh) with a Imphal based firm for supply of 110 MT (1698 bundles) of corrugated galvanised iron (CGI) sheets (size: 0.50 x 800 x 3000 mm) of “Ispat” brand at their offered rate of Rs.2217 per bundle (weight per bundle: 65 to 70 kg). According to the supply order, supply was to be completed within 30 days from the issue of order (9 September 2002) and 50 *per cent* of the cost of CGI sheets was to be paid in advance. Neither was any agreement made with the firm nor security obtained to safeguard Government interest.

The firm was paid an advance of Rs.15 lakh (September 2002) and it supplied (November 2002) 531 bundles of CGI sheets valued at Rs.11.77 lakh (517 bundles of CGI sheets distributed to 113 beneficiaries out of 373). Thereafter, the DRDA paid another advance of Rs.12 lakh on 15 November 2002 against the same supply without full adjustment of earlier advance.

Chairman, DRDA, issued reminders (21 December 2002, 27 January 2003 and 14 March 2003) for supply of balance quantity of CGI sheets but the firm did not supply the materials. On 2 April 2003, Chairman, DRDA lodged an FIR with Churachandpur Police Station against the proprietor of the above firm for non-supply of the balance quantity of CGI sheets and the police case was reported to be under process.

Meanwhile, 260 (373 – 113) beneficiaries under IAY scheme suffered as they could not complete the construction of their houses due to non-supply of CGI

sheet by the supplier. Injudicious advance payment of Rs.27 lakh to supplier resulted in undue financial aid amounting to Rs.15.23 lakh (Rs.27 lakh – Rs.11.77 lakh) due to non-supply of materials and the same was lying unadjusted/unrecovered till July 2003.

The matter was reported to the Government (July 2003); reply was awaited (November 2003).

7.7 Diversion of scheme fund for salary payment

DRDA, Senapati diverted Rs.17.16 lakh out of MPLAD and JGSY schemes fund for payment of staff salary etc. due to non-release of its share for DRDA Administration scheme by State Government

From 1 April 1999, administrative cost of District Rural Development Agency (DRDA) is to be met out of fund under DRDA-Administration scheme shared by Centre and State in 75:25 ratio. The cost is not to be met out of fund for different anti-poverty programmes.

During 1999-2000 to 2001-02, the Government of India released Rs.58.10 lakh being Centre's share to DRDA, Senapati under DRDA Administration. State Government did not release its share during these years for reasons not stated (February 2003).

Test-check of records (February 2003) of the DRDA, Senapati revealed that the agency had incurred an expenditure of Rs.17.16 lakh (2001-02: Rs.7.37 lakh; 2002-03: Rs.9.79 lakh (up to February 2003)) on administrative expenses (salary, TA/DA, office expenses, POL & maintenance of vehicle, printing and stationery, Audit fee and loan to staff) out of funds for Member of Parliament Local Area Development (MPLAD) scheme (Rs.13.36 lakh) and Jawahar Gram Samridhi Yojana (JGSY) scheme (Rs.3.80 lakh) in violation of the guidelines for DRDA Administrative scheme.

On this being pointed out in Audit (February 2003) the Chairman, DRDA stated (February 2003) that State Government did not release funds under DRDA Administration scheme for the past three years, and, as a result DRDA, Senapati diverted different programmes fund for payment of salaries of staff on humanitarian grounds and these amounts would be transferred to the concerned programme fund once State Government released its matching share for DRDA Administration scheme.

Thus, diversion of Rs.17.16 lakh from MPLAD scheme and JGSY scheme fund mainly for payment of staff salary resulted in non-implementation of these schemes to that extent so far (February 2003).

The matter was reported to the agency/Government (August 2003); their reply had not been received (November 2003).

CHAPTER VIII
GOVERNMENT COMMERCIAL AND TRADING
ACTIVITIES

Overview of Government companies and Statutory corporations

8.1 Introduction

As on 31 March 2003 there were 15 Government companies (13 working companies and two non-working companies) and one working Statutory corporation as against same number of companies/corporations as on 31 March 2002 under the control of the State Government. The accounts of the Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors who are appointed by the Comptroller and Auditor General of India (CAG) as per provision of Section 619 (2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 of the Companies Act, 1956. The audit arrangement of the Statutory corporation is as shown below:

Table No. 8.1

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

8.2 Working Public Sector Undertakings (PSUs)

Investment in working PSUs

8.2.1 The total investment in 14 working PSUs (13 Government companies and one Statutory corporation) at the end of March 2002 and March 2003 was as follows:

Table No.8.2

(Rupees in crore)

Year	Number of working PSUs	Investment in working PSUs		
		Equity	Loan	Total
2002-03	14	95.91	37.47	133.38
2001-02	14	87.23	16.38	103.61

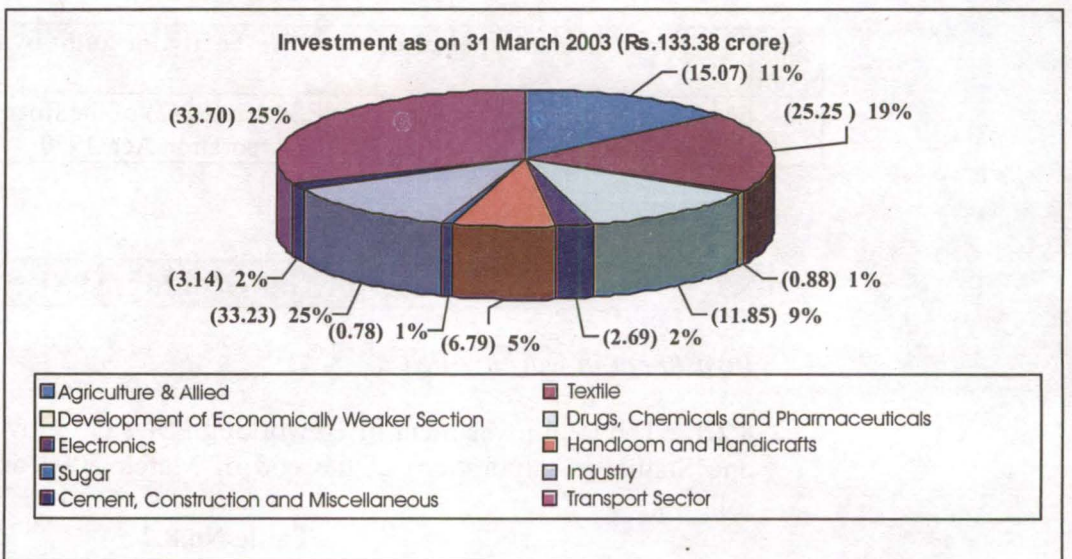
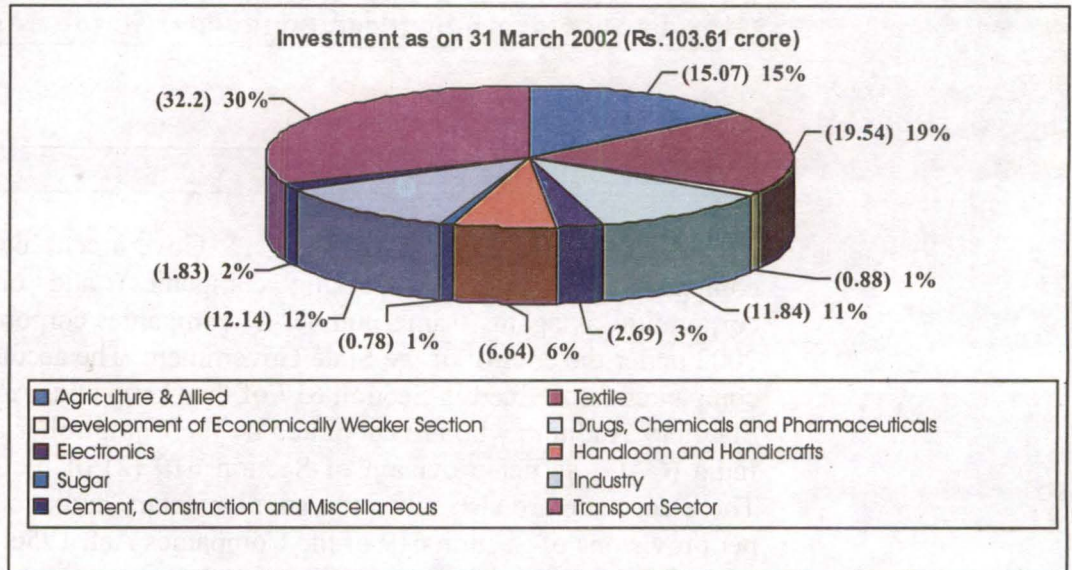
The analysis of investment in PSUs is given in the following paragraphs.

Sector-wise investment in working Government companies and Statutory corporations

The investment (equity and long term loans) in various sectors and percentage thereof at the end of 31 March 2002 and 31 March 2003 are indicated below in the pie charts:

Chart 8.1

(Rupees in crore)



Working Government companies

8.2.2 The total investment in 13 working Government companies at the end of March 2002 and March 2003 was as follows:

Table No.8.3

(Rupees in crore)

Year	Number of Government Companies	Investment in working Government Companies		
		Equity	Loan	Total
2002-03	13	62.20	37.47	99.67
2001-02	13	55.03	16.38	71.41

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

8.2.4 As on 31 March 2003, the total investment of working Government companies, comprised 62.41 *per cent* of equity capital and 37.59 *per cent* of loans as compared to 77.06 and 22.94 *per cent* respectively as on 31 March 2002.

8.2.5 Due to significant increase in long term loan under Industry sector, the debt equity ratio increased from 0.30: 1 in 2001-02 to 0.60: 1 in 2002-03.

Working Statutory corporations

8.2.6 The total investment in the working Statutory corporation at the end of March 2002 and March 2003 was as follows:

Table No. 8.4

(Rupees in crore)

Name of corporation	2001-02*		2002-03*	
	Capital	Loan	Capital	Loan
Manipur State Road Transport Corporation	32.20	—	33.71	—

8.2.7 The summarised statement of Government investment in working Statutory corporation in the form of equity and loans was as indicated in *Appendix-XXXI*.

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

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

8.3.2 The budgetary outgo (in the form of equity capital and loans) and grants/subsidies from the State Government to working Government companies

* Figures are provisional.

and working Statutory corporation for the three years up to 2002-03 are given below:

Table No. 8.5

(Rupees in crore)

	2000-01				2001-02				2002-03			
	Companies		Corporations		Companies		Corporations		Companies		Corporations	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Equity Capital outgo from budget	1	0.65	1	1.87	3	0.98	1	1.50	2	7.03	1	1.50
Grants/subsidy toward;												
(i) Projects/ Programmes/Schemes												
(ii) Other subsidy	1	0.20	—	—	2	0.59	—	—	—	—	—	—
Total outgo	2	0.85	1	1.87	5	1.57	1	1.50	2	7.03	1	1.50

8.3.3 No information regarding guarantee given by State Government was received from the companies/corporation (September 2003).

8.4 Finalisation of accounts by working PSUs

8.4.1 The accounts of the companies for every financial year are required to be finalised within six months from the end of relevant financial year under Section 166, 210, 230, 619 and 619-B of the Companies Act, 1956 read with Section 19 of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in case of Statutory corporation, their accounts of Manipur State Road Transport Corporation are finalised, audited and presented to the Legislature as per provisions of the Road Transport Corporation Act, 1950.

8.4.2 However, as could be noticed from *Appendix-XXXII*, out of 14 working PSUs (13 Government companies and one Statutory corporation) none had finalised the accounts for the year 2002-03 within stipulated period. During the period from October 2002 to September 2003, two working Government companies finalised their accounts for previous years.

8.4.3 The accounts of 13 working Government companies and one Statutory corporation were in arrears for periods ranging from six to 21 years as on 30 September 2003 as per details given below:

Table No. 8.6

Sl. No.	No. of working companies /corporations Number of years for which accounts are in arrears		Year from which accounts are in arrears	Number of years for which accounts are in arrear	Reference to Sl.No. of <i>Appendix XXXII</i>	
	Government companies	Statutory corporation			Government companies	Statutory corporation
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2	—	1982-83	21	5, 8	-
2.	1	—	1984-85	19	2	-
3.	1	—	1987-88	16	6	-
4.	1	—	1988-89	15	1	-
5.	2	—	1990-91	13	3, 13	-
6.	1	1	1991-92	12	10	B1
7.	2	—	1995-96	8	7, 9	—
8.	1	—	1996-97	7	4	—
9.	2	—	1997-98	6	11, 12	—
Total:	13	1				

8.4.4 It is the responsibility of the administrative departments to oversee and ensure that the accounts are finalised and adopted by the PSUs within prescribed period. Though the concerned administrative departments and officials of the Government were apprised quarterly by the Accountant General regarding arrears in finalisation of accounts, no effective measures had been taken by the Government and as a result, the net worth of these PSUs could not be assessed in Audit.

8.5 Financial position and working results of working PSUs

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

8.5.2 According to the latest finalised accounts of 13 working Government companies and one working Statutory corporation, five companies and one corporation had incurred an aggregate loss of Rs.1.81 crore and Rs.1.98 crore respectively, four companies earned an aggregate profit of Rs.0.81 crore and four companies had not commenced commercial activities.

8.6 Working Government companies

Profit earning working companies and dividend

8.6.1 Two companies (serial no. A-3, A-4 of *Appendix-XXXII*) which finalised their previous years accounts during the year, had earned an aggregate profit of Rs.75.58 lakh but did not declare any dividend.

Loss incurring working Government companies

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

Working Statutory corporations

Loss incurring working Statutory corporation

8.6.3 According to the latest audited accounts (as on 31 March 1991), Manipur State Road Transport Corporation had accumulated loss aggregating Rs.16.70 crore which was 99 per cent of its aggregate paid up capital of Rs.16.80 crore.

Operational performance of Statutory Corporation

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

Return on capital employed

8.6.5 As per their latest accounts, the capital employed worked out to Rs.24.73 crore in 13 working companies and total return thereon amounted to Rs.0.97 crore which was 3.92 per cent as compared to total return of Rs.0.71 crore (3.50 per cent) in the previous year (accounts finalised up to September 2002). Similarly, the capital employed in case of working Statutory corporation as per the latest accounts worked out to Rs.0.09 crore. The details of capital employed and total return on capital employed in case of working Government companies and Statutory corporation are given in *Appendix -XXXII*.

8.7 Non-working PSUs

Investment in non-working PSUs

8.7.1 As on 31 March 2003, the total investment in two non-working PSUs (two non-working Government companies only) was Rs.1.37 crore (equity Rs.1.37 crore) as against total investment of Rs.1.15 crore (equity Rs.1.15 crore) as on 31 March 2002.

Table No. 8.7

(Rupees in crore)

Sl No.	Status of non-working PSUs	Number of companies	Investment
			Companies
			Equity
(i)	Under liquidation	1	0.64
(ii)	Under closure	1	0.73
	Total	2	1.37

8.7.2 Of the above non-working PSUs one Government company was under liquidation under Section 560 of the Companies Act, 1956 for four years and substantial investment of Rs.0.64 crore was involved in this company. Effective steps need to be taken for its expeditious liquidation or revival.

Finalisation of accounts by non-working PSUs

8.7.3 The accounts of two non-working companies were in arrear for periods ranging from 10 to 12 years as on 30 September 2003 as could be noticed from *Appendix -XXXII*.

Financial position and working results of non working PSUs

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

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

Table No. 8.8

(Rupees in crore)		
Year	Paid-up capital	Accumulated loss
A. Non working companies	1.37	1.50
Total:	1.37	1.50

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

Separate Audit Reports on the accounts of the Manipur State Road Transport Corporation for the years 1981-82 to 1990-91 along with Audit Certificates had been sent to the State Government in June 1997. No information had been received (September 2003) from the Government regarding placement of the Reports in the State Legislature.

8.9 Results of audit by Comptroller and Auditor General of India

8.9.1 During the period from October 2002 to September 2003, the audit of accounts of two Government companies were selected for review. The net impact of the important audit observations as a result of review was as follows:

Table No. 8.9

(Rupees in crore)

Details	Number of accounts	
	Government companies	Government companies
	Working	Working
(i) Error of classification	1	9.30
(ii) Non disclosure of material facts	2	0.58

Errors and Omissions noticed in case of Government companies

Manipur Police Housing Corporation Limited (1994-1995)

8.9.2 The accounts for the year 1994-95 had been certified on 12 September 2000 by the Statutory Auditors before adoption of the previous years certified account (1993-94) in the Annual General Meeting (AGM) held on 22 April 2002 which was in contravention of the provisions for certification of annual accounts under the Companies Act, 1956.

Manipur Industrial Development Corporation. (1989-1990)

8.9.3 Loan from IDBI amounting to Rs.9.80 crore against refinance, working capital and seed capital have been obtained under a general agreement with the Management without any security. This amount should have been shown under unsecured Loans as per Schedule-VI Part-I of the Companies Act, 1956.

8.10 Internal Audit/Internal Control System in Public Sector Units in Manipur

8.10.1 The statutory auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including the internal control/internal audit systems in the companies audited in accordance with the directions issued by the Comptroller and Auditor General of India to them under section 619 (3) (a) of the Companies Act 1956 and to identify areas which needed improvement. An illustrative resume of major recommendations made/comments made by statutory auditors in their last reports on the internal audit/internal control system in respect of State Government companies is indicated below:

8.10.2 Three companies (out of total 15 numbers) had no internal audit system, as revealed from the statutory auditors comments on their accounts¹.

8.10.3 One company viz. Manipur Plantation Crops Corporation Limited had an internal audit system which was inadequate considering the size and nature of

¹ Manipur Industrial Development Corporation Limited, Manipur Spinning Mills Corporation Limited and Manipur Food Industries Corporation Limited for the year 1989-90, 1981-82 and 1994-95 respectively.

activities of the company, as revealed from the statutory auditors comments on its accounts for 1983-84.

Internal Control System

8.10.4 One company viz. Manipur Handloom & Handicrafts Development Corporation Limited had no internal control procedure for purchase of stores, raw materials etc. as revealed from the statutory auditor's comments on its accounts for the year 1986-87.

8.10.5 Three companies had internal control procedure which was not commensurate with the size and nature of their business, as revealed from the statutory auditors' comments on their accounts².

8.11 Recommendations for Closure of PSUs

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

8.12 Response to Inspection Reports, Draft paras and reviews

8.12.1 Audit observations noticed during audit and not settled on the spot are communicated to the head of PSUs and concerned administrative departments of the State Government through Inspection Reports. The heads of PSUs are required to furnish replies to the Inspection Reports through the respective heads of departments within a period of six weeks. Inspection Reports issued up to March 2003 pertaining to 13 PSUs disclosed that 228 paragraphs relating to 43 Inspection Reports remained outstanding at the end of September 2003. Of these 110 paragraphs relating to 18 Inspection Reports had not been replied for more than 2 to 10 years. Department-wise break-up of Inspection Reports and Audit Observations outstanding as on 30 September 2003 is given in *Appendix -XXXIV*.

8.12.2 It is recommended that (a) the Government should ensure that procedure exists for action against the officials who failed to send replies to Inspection

² Manipur Spinning Mills Corporation Limited, Manipur Plantation Crops Corporation Limited and Manipur Cements Limited for the year 1981-82, 1983-84 and 1990-91 respectively.

Reports as per prescribed time schedule; (b) action is taken to recover loss/outstanding advances/overpayments in a time bound schedule; and (c) the system of responding to the audit observation is revamped.

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

8.13.1 The status of Commercial Chapter (Chapter VIII) of the Audit Report and number of reviews/paragraphs pending for discussion at the end of 30 September 2003 are as shown below:

Table No.8.10

Period of Audit Report	Number of reviews and paragraphs appeared in the Audit Report		Number of reviews/paragraphs pending for discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1995-96	—	3	—	3
1996-97	1	4	1	4
1997-98	—	2	—	2
1998-99	—	2	—	2
1999-2000	2	4	2	4
2000-01	1	2	1	2
2001-02	—	1	—	1

8.14 Reforms in Power Sector

8.14.1 A draft Memorandum of Understanding between Government of India and Government of Manipur was sent to Government of India in May 2002 but the same was yet to be signed (November 2003).

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

NIL

**SECTION "B"
(AUDIT PARAGRAPH)**

ELECTRICITY DEPARTMENT

8.15 Under-utilisation of installed capacity of Power Project and consequent loss of revenue

Heavy fuel based power project at Leimakhong having installed capacity of 36 MW was utilised to generate only 14 MW of power due to non-construction of transmission line resulting in loss of potential revenue of Rs.2.09 crore

To meet shortage of power in the State, heavy fuel based power project at Leimakhong with installed capacity of 36 Mega Watt (6 X 6 MW) was commissioned during March to April 2002 at a cost of Rs.123.80 crore (up to June 2002) out of funds Rs.124.43 crore provided by Central and State Government (Central: Rs.116.66 crore during 1998-99 to 2001-02 and State: Rs.7.77 crore only during 1997-98).

Test check of records (April to June 2002) of Generation Division, Imphal revealed that an estimate for Rs.4.46 crore was prepared in July 1999 for construction of a new 33 KV double circuit sub-transmission line from Leimakhong to Iroisemba to evacuate power generated by the above project. The Planning Commission, GOI, was requested (September 2001) to approve the scheme and provide fund. The scheme was sanctioned by DONER³ for Rs.4.31 crore (approved cost). An amount of Rs.1 crore was released by GOI (February 2002) from Non-lapsable Central Pool of Resources. Meanwhile the Department of Electricity floated (October 2000) limited tenders and decided (February 2001) to award the work to a New Delhi based lowest tenderer (Rs.5.55 crore) as and when administrative approval and expenditure sanction would be accorded. The same was not obtained/given since the amount released by DONER was not sufficient to meet the expenditure. In the meantime the validity of tender expired on 31 March 2002 and the contractor refused to extend the validity of their offer. Tender was invited for the second time and the Tender Committee proposed (June 2003) to award the work at the lowest rate of Rs.8.49 crore offered by a Kolkata based firm for which approval was also accorded by Government on 10 July 2003 as the Government was considering to provide the additional fund from the State Plan as stated (August 2003) by the Chief Engineer (Power). The formal administrative approval and expenditure sanction, however, have not been issued (August 2003).

³ DONER: Department of Development of North Eastern Region.

The amount of Rs.1 crore released by Government of India could not be utilised (November 2003) and further release of fund from the Government of India could not be obtained due to non-submission of utilisation certificate.

The department, therefore, due to line constraint could start (May 2002) generation of only 14 MW of power against the installed capacity of 36 MW and distributed it through the old transmission line.

Thus, the delay in taking decision in financing a minor part of the project (4.48 *per cent* of total project cost) and issue of administrative approval and expenditure sanction led to delay in awarding the work of construction of transmission line and has resulted in an estimated loss of potential revenue of Rs.2.09 crore (up to March 2003) (calculated at the current tariff) and an estimated cost overrun of Rs.2.94 crore.

While furnishing the reply the Government stated (November 2003) that the power plant was basically meant to meet any shortfall in power supply during peak period like examination time, national and state festivals and critical period like natural calamities but not for regular running. The contention of the Government was not tenable as the quantum of power purchased from outside the states during 2002-03 was 97.5 MW and 93.2 MW during 2003-04 (up to August 2003). Further there is continued load shedding at least for minimum of five hours in a day throughout the year in the State.

CHAPTER IX
INTERNAL CONTROL AND INTERNAL AUDIT

FINANCE DEPARTMENT

9.1 Internal Audit Arrangements of Government Entities

Director of Local Fund Audit (DLFA) is entrusted with the internal audit of Government departments. However, auditing standards had not been prescribed, and audit planning was inadequate. Response to audit was also poor.

Highlights

Against the planned coverage of 565 units during 2000-03 only 348 units could be covered.

(Paragraph 9.1.10)

Auditing standards for conduct of internal audit by DLFA was not prescribed.

(Paragraph 9.1.12)

Against 663 paras issued under 323 inspection reports during 2000-03 replies to 44 paras only were received.

(Paragraph 9.1.13 and 9.1.14)

Introduction

9.1.1 Internal auditing is an important activity and in every Government entity or organisation, there should be in operation an effective system of internal control. Internal audit of Government departments and offices including those of Commercial departments/ State Public Sector Undertakings is conducted by the Director of Local Fund Audit (DLFA).

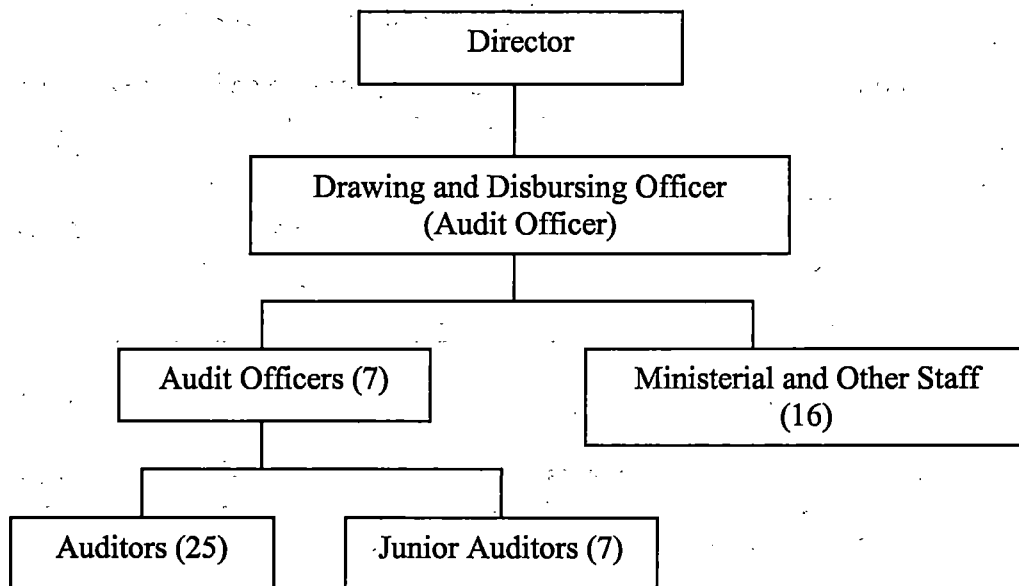
9.1.2 The DLFA was constituted (January 1986) to examine and audit the accounts of local authorities as per Manipur Local Fund (Accounts and Audit) Act, 1976 as amended from time to time. Audit of accounts of Government departments and offices was entrusted to DLFA by executive orders issued by State Government in January-March 1989. Internal audit of Government departments is required to be conducted with special emphasis on the checking of

- (a) Accounts of revenue receipts including land revenue and its timely remittances to Government account:
- (b) drawals from and remittances to treasury,
- (c) sanctions for entitlements of staff,
- (d) service books and leave accounts, GPF accounts of Group 'D' staff, accounts of short term loans and advances and
- (e) accounts of stores and stock including food grain accounts, realisation of sale proceeds and timely remittances to treasury.

9.1.3 The number of units under the audit jurisdiction of the DLFA was 1062 (local bodies:106; Government offices:956) as of 31 March 2003.

Organisational set-up, manpower and training

9.1.4 The DLFA is under the administrative control of the Finance Department and headed by a Director. There were 8 Audit Officers, 25 Auditors, 7 Junior Auditors and 16 ministerial and other staff as shown below-



Of the total sanctioned strength of 69, 57 posts were filled up and 12 posts were vacant (31 March 2003). Of the 8 Audit Officers only 5 Audit Officers were available for field duties.

There was no arrangement for imparting training to the staff of the DLFA in the connected discipline and none of its staff had been trained.

Fund and Expenditure

9.1.5 During the last three financial years, against the allocation of Rs.193.21 lakh the directorate spent Rs.179.38 lakh leading to a saving of Rs.13.83 lakh as detailed below:-

Table No.9.1

(Rupees in lakh)			
Year	Budget Provision	Expenditure	Savings
2000-01	63.17	57.38	5.79
2001-02	66.36	63.31	3.05
2002-03	63.68	58.69	4.99
Total	193.21	179.38	13.83

The directorate stated that the savings were due to non-filling up of vacant posts.

Audit Planning, Target and Coverage

9.1.6 Audit planning was not professional. Neither the periodicity of audit nor the admissible working days were prescribed. Audit teams were not constituted as per norms. Supervision of audit works was either inadequate or managed by non-supervisory staff.

During the three years 2000-01 to 2002-03 the directorate planned to cover 565 units but it could cover only 348 units shown below:

Table No.9.2

Year	Units planned			Units covered			Shortfall
	Local Bodies	Government Offices	Total	Local Bodies	Government Offices	Total	
2000-01	59	78	137	36	61	97	40
2001-02	78	142	220	38	64	102	118
2002-03	105	103	208	71	78	149	59
Total	242	323	565	145	203	348	217

The directorate stated that the shortfalls were due to postponements/ cancellation of programmes, employees' strikes *etc.*

Auditing Standards and Important findings

9.1.7 Internal audit standards have not been prescribed by the Government. Major irregularities pointed out by the DLFA during the last three years (2000-03) related to of the following categories:

- a) Non-deduction of sales tax at source,
- b) Non-deposit of rents, taxes, fees and sale proceeds,
- c) Non-remittance of income tax and sales tax
- d) Non-adjustment of Travel Expenses and Medical Advances, and
- e) Outstanding recoveries of rents, taxes, fees, loans and sale proceeds.

Inspection Reports and response to audit

9.1.8 During 2000-01 to 2002-03 the directorate issued a total of 323 inspection reports (including 15 special audit cases referred by the Vigilance and the police) raising 663 objections. In response, the auditee units furnished replies to 44 objections only. The replies received were casual in nature and did not always focus on the contents of the paras. The directorate recorded that most of the local bodies and Government offices did not pay proper attention to the disposal of the observations due to lack of stringent action from administrative departments.

Year-wise position of issue of Inspection Reports and replies furnished were as follows:

Table No.9.3

Year	Inspection Report issued	No. of paras		Paras replied to	Rate of response (in percentage)
		Number	Value (Rs. in lakh)		
2000-01	67	167	135.81	23	13.8
2001-02	107	250	2342.28	11	4.4
2002-03	149	246	490.62	10	4.1
	323	663	2968.61	44	6.6

Inspection Report objections consisted of mainly suggestions for recovery, from the officers at fault, avoidable expenditure and violation of codal provisions.

Internal Control mechanism of the departments

9.1.9 The DLFA was the sole internal control mechanism available for all Government departments. In addition, two departments viz. (i) Education and (ii) Food and Civil Supplies had one Internal Audit Officer for each, whose duties involved preparation/ checking of the accounts of the departmental DDOs.

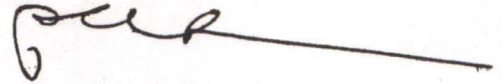
Conclusion

Audit Planning was inadequate.

Auditing standards had not been prescribed.

Response to audit was poor. Replies furnished were mostly casual in nature and the auditee units had not furnished conclusive replies to the objections raised in internal audit.

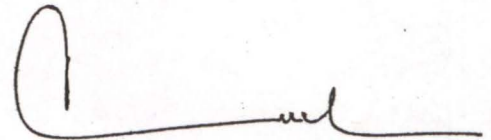
Imphal
The 19 MAR 2004



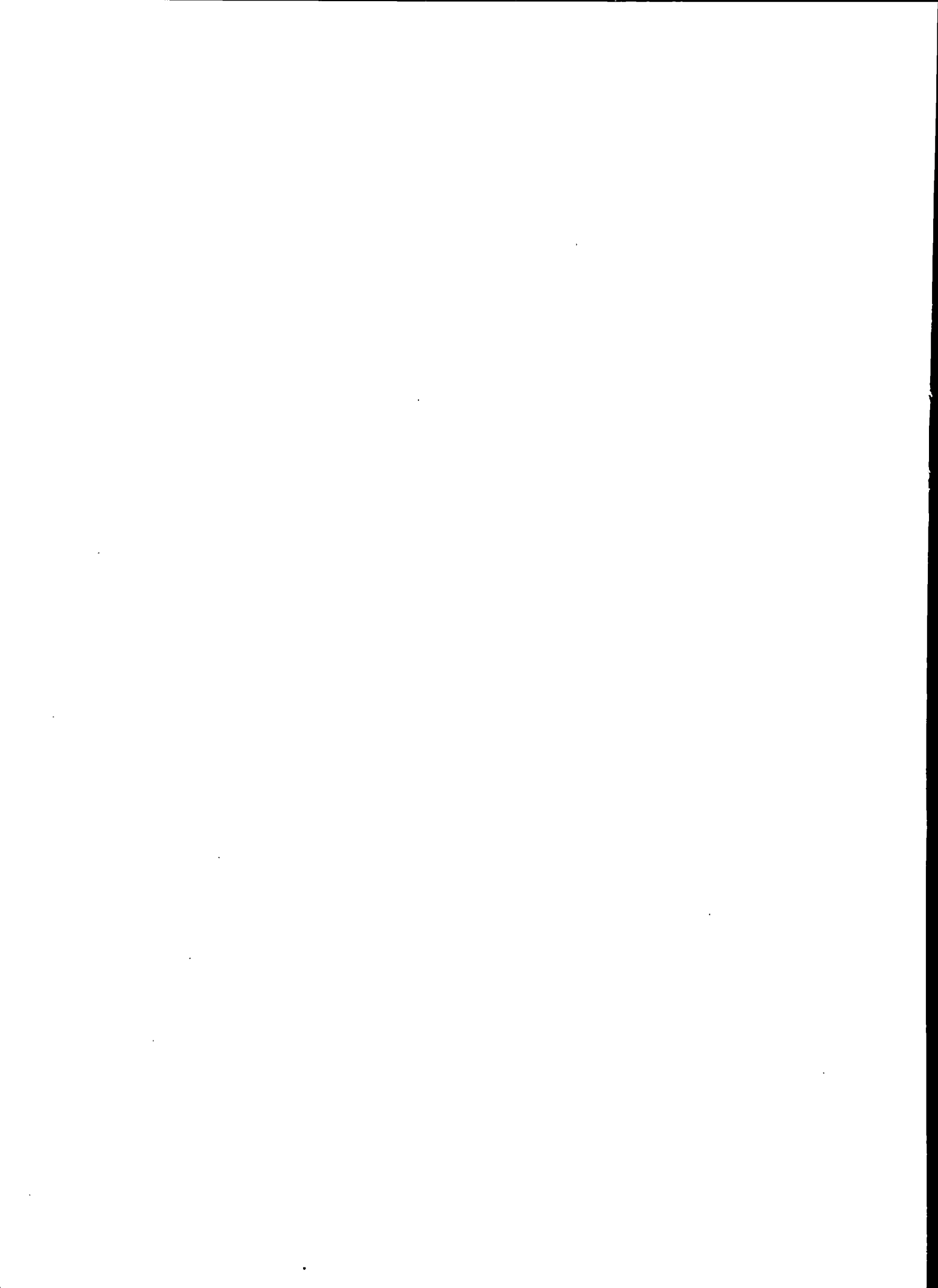
(R. CHAUHAN)
Accountant General (Audit) Manipur

Countersigned

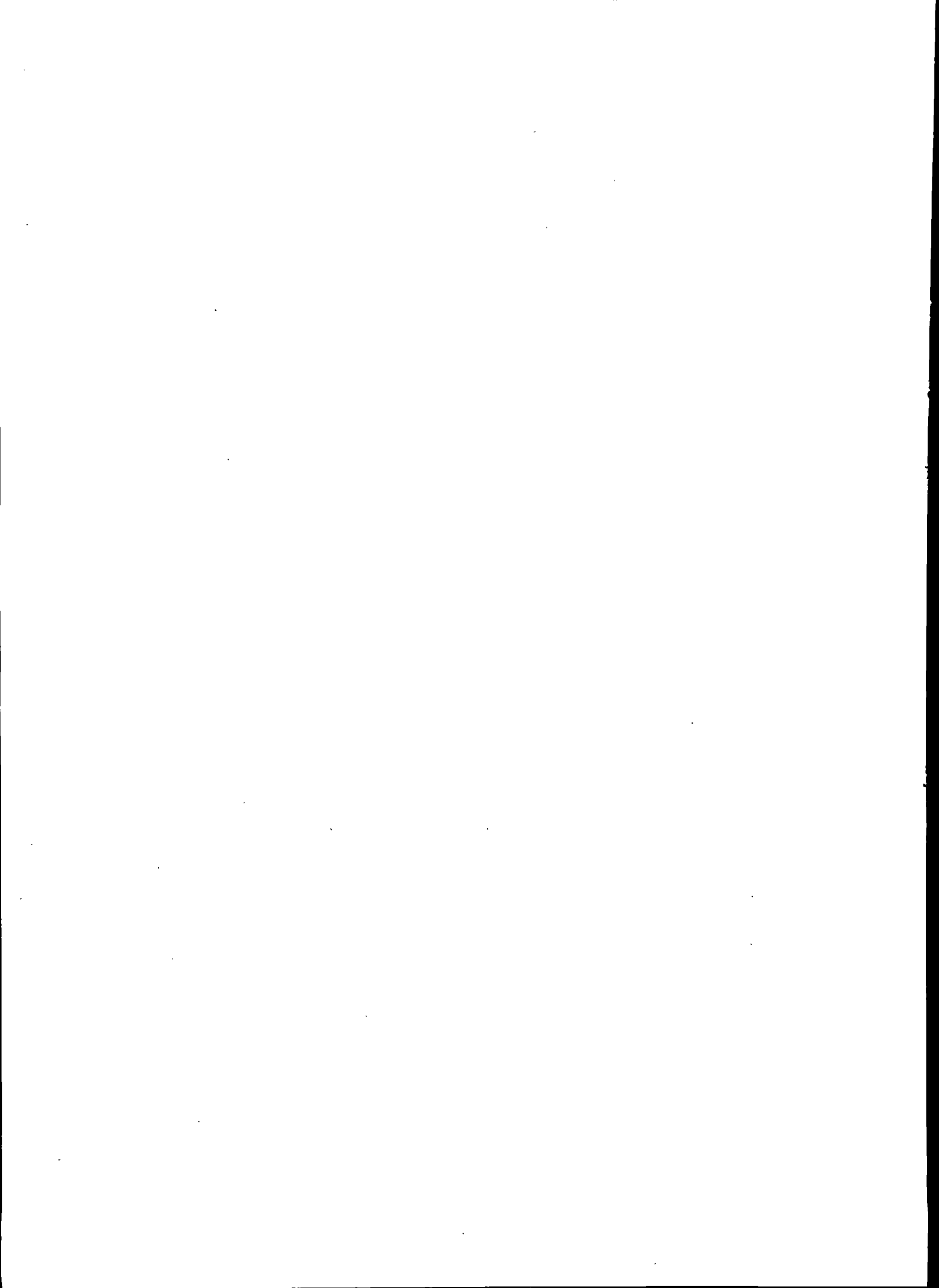
New Delhi
The 07 APR 2004



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



APPENDICES



APPENDIX I**(Referred to in paragraph 1.1 at page 1)****Statement showing the structure of Government Accounts****Part-A - Government Accounts****I. Structure**

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

Part-I Consolidated Fund

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

Part-II Contingency Fund

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

Part-III Public Account

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

II. Form of Annual Accounts

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

APPENDIX I

Part – B List of terms used in Chapter-I and basis for their calculation

(Referred to in paragraph 1.1 at page 1)

Terms	Basis for calculation
Buoyancy of a parameter	$\frac{\text{Rate of Growth of the parameter}}{\text{GSDP}}$
Buoyancy of a parameter (X) with respect to another parameter (Y)	$\frac{\text{Rate of Growth of the parameter (X)}}{\text{Rate of Growth of the parameter (Y)}}$
Rate of growth (ROG)	$[(\text{Current year amount}/\text{previous year amount})-1]*100$
Trend/Average	Trend of growth over a period of 5 years (LOGEST (amount of 1997-98 :amount of 2002-03)-1)*100
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	$\text{Interest payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2]*100$
Interest spread	GSDP growth – Weighted Interest rates
Interest received as per cent to Loans Advanced	$\text{Interest received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2]*100$
Revenue Deficit: Fiscal Deficit:	$\frac{\text{Revenue Receipt}-\text{Revenue Expenditure}}{\text{Revenue Expenditure} + \text{Capital Expenditure} + \text{Net Loans and Advances} - \text{Revenue Receipts} - \text{Miscellaneous Capital Receipts}}$
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all plan grants and Non-plan Revenue Expenditure excluding debits under 2048- Appropriation for Reduction or Avoidable of Debt.

APPENDIX II
(Referred to in paragraph 2.4.3 at page 26)
Cases where Supplementary Provisions were wholly unnecessary

(Rupees in lakh)					
Sl. No.	Number and name of grant/appropriation	Original grant/ appropriation	Supplementary grant/ appropriation	Expenditure	Savings
1	2	3	4	5	6
	Revenue- Charged				
1.	Appropriation No.1-Governor	128.43	2.00	109.62	20.81
2.	Appropriation No.3-Manipur Public Service Commission	89.96	1.18	87.28	3.86
	Total	218.39	3.18	196.90	24.67
	Revenue-Voted				
3.	Grant No.2-Council of Ministers	201.91	5.01	195.51	11.41
4.	Grant No.4-Land Revenue, Stamps and Registration and District Administration	2230.75	655.43	2039.14	847.04
5.	6- Transport	198.33	0.37	163.70	35.00
6.	9-Information and Publicity	178.74	18.10	175.47	21.37
7.	11-Medical Health and Family Welfare Services	7603.56	1316.20	5879.57	3040.19
8.	15- Food and Civil Supplies	461.50	101.14	345.61	217.03
9.	18-Animal Husbandry and Veterinary including Dairy Farming	2217.18	168.09	1820.74	564.53
10.	19-Forestry and Soil Conservation	2200.72	1209.97	1728.13	1682.56
11.	20-Community Development, ANP, IRDP and NREP	2035.62	684.76	1793.47	926.91
12.	26- Administration of Justice	511.22	72.37	502.23	81.36
13.	28-State Excise	563.34	9.54	514.59	58.29
14.	30-General Economic Services and Planning	1234.69	1101.61	1067.47	1268.83
15.	32-Jails	454.36	162.89	447.46	169.79
16.	38-Panchyat	497.75	11.63	284.71	224.67
17.	39-Sericulture	616.76	111.76	605.30	123.22
18.	40- Irrigation and Flood Control Department	3634.00	225.90	2153.68	1706.22
19.	42-State Academy of Training	78.50	0.67	54.98	24.19
20.	43- Horticulture and Soil Conservation	1390.00	237.04	1098.96	528.08
21.	44- Social Welfare Department	2584.93	1057.06	2169.11	1472.88
	Total (Revenue-Voted)	28893.86	7149.54	23039.83	13003.57
	Capital- Voted				
22.	9-Information and Publicity	—	1.80	—	1.80
23.	11-Medical Health and Family Welfare Services	542.47	51.53	213.00	381.00
24.	12-Municipal Administration Housing and Urban Development	1598.53	1088.29	120.26	2566.56
25.	15- Food and Civil Supplies	300.00	130.93	—	430.93
26.	18- Animal Husbandry and Veterinary including Dairy Farming	—	51.00	—	51.00
27.	23-Power	4182.00	3737.35	1654.52	6264.83
28.	25-Youth Affairs and Sports Department	75.00	50.00	54.48	70.52
29.	36- Minor Irrigation	435.00	184.00	180.42	438.58
30.	39- Sericulture	4832.00	198.00	—	5030.00
31.	40-Irrigation and Flood Control Department	3795.00	1340.00	2041.63	3093.37
32.	45-Tourism	72.69	83.75	14.79	141.65
33.	47-Welfare of Minorities and Other Backward Classes	46.92	17.01	—	63.93
	Total (Capital- Voted)	15879.61	6933.66	4279.10	18534.17
	Grand Total	44991.86	14086.38	27515.83	31562.41

APPENDIX- III

(Referred to in paragraph 2.4.4 at page 26)

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

(Rupees in lakh)

Sl. No.	Number and name of grant/ appropriation	Original provision	Expenditure	Additional requirement	Supplementary provision obtained	Saving
1	2	3	4	5	6	7
	Revenue – Voted					
1.	3- Secretariat	1843.86	1862.90	19.04	175.04	156.00
2.	8-Public Works Department	6345.79	6450.75	104.96	255.15	150.19
3.	10-Education	22114.16	24372.78	2258.62	4948.05	2689.43
4.	12-Municipal Administration Housing and Urban Development	470.63	740.96	270.33	948.47	678.14
5.	13- Labour and Employment	319.60	350.95	31.35	84.24	52.89
6.	14-Development of Tribal and Schedule Castes	5781.59	5857.93	76.34	1451.53	1375.19
7.	16-Co-operation	576.16	602.16	26.00	161.16	135.16
8.	21-Industries and Weights and Measures	1651.35	1917.36	266.01	617.88	351.87
9.	25-Youth Affairs and Sports Department	700.71	897.92	197.21	509.61	312.40
10.	33- Home Guards	417.51	591.23	173.72	187.00	13.28
11.	34-Rehabilitation	41.13	55.55	14.42	315.82	301.40
12.	37-Fisheries	792.32	838.46	46.14	185.33	139.19
13.	45-Tourism	119.83	131.27	11.44	44.14	32.70
14.	46-Science and Technology	225.09	275.40	50.31	328.34	278.03
15.	47- Welfare of Minorities and Backward Classes	150.36	194.99	44.63	235.21	190.58
	Total (Revenue-Voted)	41550.09	45140.61	3590.52	10446.97	6856.45
	Capital – Voted					
16.	8-Public Works Department	3001.24	4136.10	1134.86	3674.31	2539.45
17.	10-Education	142.00	208.96	66.96	710.39	643.43
18.	16-Co-operation	0.01	24.00	23.99	650.91	626.92
19.	21-Industries and Weights and Measures	54.00	821.25	767.25	1152.49	385.24
20.	22-Public Health Engineering	3781.22	6167.04	2385.82	8136.26	5750.44
21.	44-Social Welfare Department	—	418.00	418.00	484.14	66.14
	Total Capital Voted	6978.47	11775.35	4796.88	14808.50	10011.62
	Grand Total	48528.56	56915.96	8387.40	25255.47	16868.07

APPENDIX IV
(Referred to in paragraph 2.4.5 at page 27)
Statement showing the details of excess over grants/appropriation

Sl. No.	Number and names of grants/ appropriation	Total grants/ appropriation Rs.	Expenditure Rs.	Excess Rs.
1	2	3	4	5
1.	Appropriation No.2- Interest Payment and Debt Services (Revenue) charged	1,98,62,46,000	2,54,67,89,158	56,05,43,158
2.	8- Public Works Department (Revenue) charged	15,20,000	15,20,669	669
	Total	1,98,77,66,000	2,54,83,09,827	56,05,43,827
3.	22- Public Health Engineering (Revenue) Voted	28,66,35,000	47,40,99,393	18,74,64,393
	Total	28,66,35,000	47,40,99,393	18,74,64,393
4.	Appropriation No.2- Interest Payment and Debt Services (Capital) charged	14,61,95,35,000	23,43,83,61,669	8,81,88,26,669
	Total	14,61,95,35,000	23,43,83,61,669	8,81,88,26,669
	Grand total	16,89,39,36,000	26,46,07,70,889	9,56,68,34,889

APPENDIX V

(Referred to in paragraph 2.4.6 at page 27)

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

(Rupees
in lakh)

Sl. No.	Number and name of grants/ appropriation	Original provision	Supplementary provision	Total expenditure	Excess
1	2	3	4	5	6
	Revenue – Voted				
1.	22- Public Health Engineering	2535.02	331.33	4740.99	1874.64
	Total	2535.02	331.33	4740.99	1874.64
	Revenue – Charged				
2.	Appropriation No.2- Interest Payment and Debt Services	18641.09	1221.37	25467.89	5605.43
	Total	18641.09	1221.37	25467.89	5605.43
	Capital – Charged				
3.	Appropriation No.2- Interest Payment and Debt Services	119826.57	26368.78	234383.62	88188.27
	Total	119826.57	26368.78	234383.62	88188.27
	Grand Total	141002.68	27921.48	264592.50	95668.34

APPENDIX VI

(Referred to in paragraph 2.4.7 at page 27)

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

(Rupees in crore)

Sl. No.	Number and name of grant/ appropriation	Total grant/ appropriation	Amount of saving and its percentage to the provision
1	2	3	4
	Revenue - Voted		
1.	4- Land Revenue, stamps and Registration ad District Administration	28.86	8.47 (29)
2.	6- Transport	2.98	1.35 (45)
3.	10-Education	270.62	26.89 (10)
4.	11-Medical Health and Family Welfare Services	89.20	30.40 (34)
5.	12-Municipal Administration Housing and Urban Development	14.19	6.78 (48)
6.	14- Development of Tribal and Scheduled Castes	72.33	13.75 (19)
7.	15- Food and Civil Supplies	5.63	2.17 (39)
8.	16- Co-operation	7.37	1.35 (18)
9.	17- Agriculture	25.26	5.45 (22)
10.	18-Animal Husbandry and Veterinary Dairy Farming	23.85	5.65 (24)
11.	19-Forestry and Soil Conservation	34.11	16.83 (49)
12.	20-Community Development ANP, IRDP and NREP	27.20	9.27 (34)
13.	21-Industries and Weights and Measures	22.69	3.51 (15)
14.	23-Power	126.96	39.03 (31)
15.	25-Youth Affairs and Sports Department	12.10	3.12 (26)
16.	30-General Economy Services and Planning	23.36	12.69 (54)
17.	32- Jails	6.17	1.70 (28)
18.	34- Rehabilitation	3.57	3.01 (84)
19.	36- Minor Irrigation	17.40	10.80 (62)
20.	37-Fisheries	9.78	1.39 (14)
21.	38-Panchayat	5.09	2.25 (44)
22.	39-Sericulture	7.29	1.23 (17)
23.	40-Irrigation and Flood Control Department	38.60	17.06 (44)
24.	41-Arts and Culture	7.73	2.18 (28)
25.	43- Horticulture and Soil Conservation	16.27	5.28 (32)
26.	44- Social Welfare	36.42	14.73 (40)
27.	46-Science and Technology	5.53	2.78 (50)
28.	47-Welfare of Minorities and Other Backward Classes	3.86	1.91 (49)
	Total	944.22	251.03
	Capital - Voted		
29.	6- Transport	1.00	1.00 (100)
30.	8-Public Works Department	66.76	25.39 (38)
31.	10-Education	8.52	6.43 (75)
32.	11- Medical, Health and Family Welfare Services	5.94	3.81 (64)
33.	12-Municipal Administration Housing and Urban Development	26.87	25.67 (95)
34.	15-Food and Civil Supplies	4.31	4.31 (100)
35.	16-Co-operation	6.51	6.27 (96)
36.	20-Community Development ANP,IRDP and NREP	20.08	19.91 (99)
37.	21-Industries and Weights and Measures	12.06	3.85 (32)
38.	22- Public Health Engineering	119.17	57.50 (48)
39.	23- Power	79.19	62.65 (79)
40.	36- Minor Irrigation	6.19	4.39 (71)
41.	39- Sericulture	50.30	50.30 (100)
42.	40-Irrigation and Flood Control Department	51.35	30.93 (60)
43.	41-Arts and Culture	1.14	1.14 (100)
44.	45-Tourism	1.56	1.42 (91)
	Total	460.95	304.97
	Revenue -Charged		
45.	26-Administration of Justice	1.24	1.24
	Total	1.24	1.24
	Grand Total	1406.41	557.24

APPENDIX VII

(Referred to in paragraph 2.4.8 at page 27)

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

(Rupees in lakh)

Sl. No.	Number and name of grant	2000-01		2001-02		2002-03	
		Total grant	Total saving (percentage to the total provision)	Total grant	Total saving (percentage to the total provision)	Total grant	Total saving (percentage to the total provision)
1	2	3	4	5	6	7	8
1.	10- Education (Capital Voted)	872.00	872.00 (100)	269.00	269.00 (100)	852.39	643.43 (75)
2.	15- Food and Civil Supplies (Revenue- Voted)	557.90	189.59 (34)	515.28	134.25 (26)	562.64	217.03 (39)
3.	23- Power (Revenue Voted)	7838.65	2443.29 (31)	11500.50	1369.65 (12)	12696.40	3902.79 (31)
4.	26- Administration of Justice (Revenue Voted)	482.29	129.07 (29)	729.74	245.77 (37)	583.59	81.36 (14)
5.	30- General Economic Services and Planning (Revenue Voted)	3120.09	2338.12 (75)	2741.09	623.96 (23)	2336.30	1268.83 (54)
6.	36- Minor Irrigation (Revenue Voted)	1525.83	1211.63 (79)	1782.74	1156.47 (65)	1740.01	1079.75 (62)
7.	39- Sericulture (Capital Voted)	3660.00	3246.41 (89)	4654.00	3749.07 (81)	5030.00	5030.00 (100)
8.	40- Irrigation and Flood Control Department						
	(a) Revenue Voted	2113.28	501.84 (24)	2818.00	1344.49 (48)	3859.90	1706.22 (44)
	(b) Capital Voted	5782.71	3653.83 (63)	7790.94	3631.40 (47)	5135.00	3093.37 (60)
9.	41- Art and Culture (Capital voted)	326.37	38.00 (12)	448.00	344.77 (77)	114.00	114.00 (100)
10.	44- Social Welfare (Revenue Voted)	2141.19	619.02 (29)	2507.20	488.87 (20)	3641.99	1472.88 (40)
11.	45- Tourism (Capital Voted)	121.06	121.06 (100)	172.69	169.69 (98)	156.44	141.65 (91)
12.	46-Science and Technology (Revenue Voted)	381.64	311.17 (82)	443.64	266.32 (60)	553.43	278.03 (50)

APPENDIX VIII

(Referred to in paragraph 2.4.10 at page 27)

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

(Rupees in lakh)

Sl. No.	Number and name of grant/ appropriation	Total grant/ appropriation	Expenditure	Excess amount
1	2	3	4	5
	Revenue -Charged			
1.	Appropriation No.2-Interest payment and Debt Services	19862.46	25467.89	5605.43 (28)
	Total	19862.46	25467.89	5605.43
	Capital -Charged			
2.	Appropriation No.2-Interest Payment and Debt Services	146195.35	234383.62	88188.27 (60)
	Total	146195.35	234383.62	88188.27
	Revenue-Voted			
3.	Grant No.22-Public Health Engineering	2866.35	4740.99	1874.64 (65)
	Total	2866.35	4740.99	1874.64
	Grant total	168924.16	264592.50	95668.34

APPENDIX IX
(Referred to in paragraph 2.4.11 at page 27)
Cases of injudicious/unnecessary re-appropriation resulting in excess/saving
by over Rs.50 lakh

(Rupees in lakh)

Sl. No.	Number and name of grant/ appropriation and head of account	Provision (including supplementary)	Re-appropriation	Total grant	Actual expenditure	Saving(-)/ Excess(+)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Appropriation No.2 - Interest Payment and Debt Services					
	2049- Interest Payment (Non-Plan) (Charged)					
	200- Interest on Other Internal Debts					
	111724- Life Insurance Corporation of India (including GIC/ NIC)	33.00	(+) 47.00	80.00	—	(-) 80.00
	111883- National C-operative Development Corporation	106.07	(+) 129.23	235.30	91.29	(-) 144.01
	03- Interest on Small Savings Provident Fund etc.					
	104- Interest on State Provident Fund					
	111655- Interest on State Provident Fund	5200.00	(+) 36.60	5236.60	4471.68	(-) 764.92
	106- Interest on Group Insurance Schemes					
	112528- Interest on Group Insurance Schemes	3.80	(+) 55.05	58.85	5.13	(-) 53.72
	04- Interest on Loans and Advances from Central Government					
	104- Interest on Loans for Non-Plan Schemes					
	111650- Interest on Loans for Non-Plan Schemes	1685.00	(-) 586.10	1098.90	1657.05	(+) 558.15
	108- Interest on Pre 1984-88 State Plan Consolidated Loans					
	111657- Interest on Pre 1984-88 State Plan Consolidated Loans	93.76	(-) 4.18	89.58	233.37	(+) 143.79
	6003- Internal Debt of the State (Charged)					
	104- Loans from General Insurance Corporation of India					
	111726-Loans from General Insurance Corporation of India	56.66	(+) 195.34	252.00	3.33	(-) 248.67
	6004- Loans and Advances from Central Government (Charged)					
	02- Loans for State/ Union Territories Plan Schemes					
	101- Block Loans					
	111116-Block Loans	1448.35	(-) 266.02	1182.33	1307.42	(+) 125.09
2.	Grant No.3 – Secretariat					
	2052- Secretariat General Services (Non-Plan)					
	090- Secretariat					
	111942- Other Secretariat	1220.91	(+) 14.44	1235.35	1179.21	(-) 56.14
3.	Grant No.4- Land Revenue, Stamps and Registration and District Administration					
	2053- District Administration (Non-Plan)					
	094- Other Establishment Sub-Divisional Establishment					
	112392- Ukhrul Sub-Divisions	77.92	(+) 8.51	86.43	19.10	(-) 67.33

(1)	(2)	(3)	(4)	(5)	(6)	(7)
4.	Grant No.5- Finance Department					
	2070- Other Administrative Services (Non-Plan)					
	800- Other Expenditure					
	111773- Electric and Water Charges	—	(+) 1200.00	1200.00	19.78	(-) 1180.22
	2071-Pension and Other Retirement Benefits (Non-Plan)					
	01- Civil					
	101-Superannuation and Retirement Allowances					
	112314-Superannuation and Retirement Allowances	8100.00	(-) 742.00	7358.00	7511.02	(+) 153.02
	104- Gratuities					
	111504- Gratuities	2657.00	(-) 326.00	2331.00	2671.62	(+) 340.62
5.	Grant No.7 – Police					
	2055- Police (Non-Plan)					
	001- Direction and Administration					
	111001- Direction	745.24	(+) 107.36	852.60	772.84	(-) 79.76
	111150- Centralised procurement	290.00	(+) 24.00	314.00	139.46	(-) 174.54
6.	Grant No.8 -Public Works Department					
	2059- Public Works (Non-Plan)					
	799- Suspense					
	112470- Workshop Suspense	90.00	(+) 6.00	96.00	40.55	(-) 55.45
	3054- Roads and Bridges (Non-Plan)					
	337- Road Works					
	112136- Road Works	100.00	(+) 361.75	461.75	120.84	(-) 340.91
	04- District and Other Roads					
	102-Bridges					
	111758- Major District Roads	1.80	(-) 0.80	1.00	86.04	(+) 85.04
	111936- Other District Roads	2.25	(-) 0.25	2.00	338.40	(+) 336.40
	101- Direction and Administration					
	111398- Execution	1130.36	(+) 95.74	1226.10	1117.44	(-) 108.66
	799- Suspense					
	112286-Stock	855.15	(+) 150.85	1006.00	729.65	(-) 276.35
	4059- Capital Outlay on Public Works (Plan)					
	01- Office Buildings					
	101- Construction of General Pool Accommodation					
	211216- Construction of Non-Residential PAB Buildings					
	Hill Areas	315.77	(+) 11.80	327.57	40.90	(-) 286.67
	4210- Capital Outlay on Medical and Public Health (Plan)					
	80- General					
	102- ISM and Homeopathy					
	211558- ISM and Homeopathy					
	Valley Areas	115.00	(+) 10.00	125.00	2.54	(-) 122.46
	5054- Capital Outlay on Roads and Bridges (Plan)					
	04- District and Other Roads					
	800- Other Expenditure					
	211646- Inter Village Roads					
	Hill Areas	49.40	(+) 114.10	163.50	68.85	(-) 94.65
	211758- Major District Roads					
	Valley Areas	27.00	(+) 255.63	282.63	63.71	(-) 218.92
	211936- Other District Roads					
	Valley Areas	15.00	(+) 131.90	146.90	74.02	(-) 72.88

(1)	(2)	(3)	(4)	(5)	(6)	(7)
7.	Grant No.10- Education					
	2202- General Education (Non-Plan)					
	01- Elementary Education					
	104- Inspection					
	112015- Primary Schools	144.04	(-) 0.57	143.47	882.01	(+) 738.54
	02- Secondary Education					
	101- Inspection					
	112188- Secondary Schools	19.17	(-) 1.28	17.89	72.29	(+) 54.40
	04- Adult Education					
	001- Direction and Administration					
	211001- Direction					
	Valley Areas	70.50	(+) 1.50	72.00	5.98	(-) 66.02
	2202- General Education (CSS)					
	01- Elementary Education					
	800- Other Expenditure					
	312501- Sarva Siksha Abhiyan/ UEE	36.16	(+) 73.77	109.93	—	(-) 109.93
	02- Secondary Education					
	052- Equipment					
	311200- Computer Literacy and Studies in Schools (Class)	181.27	(+) 68.73	250.00	—	(-) 250.00
8.	Grant No. 11- Medical, Health and Family Welfare Services					
	2210- Medical and Public Health (Non-Plan)					
	01- Urban Health Services-Allopathy					
	001- Direction and Administration					
	111001- Direction	146.84	(+) 65.14	211.98	147.85	(-) 64.13
	110- Hospitals and Dispensaries					
	111545- Hospitals	622.54	(+) 3.36	625.90	560.74	(-) 65.16
	2210- Medical and Public Health (Plan)					
	01- Urban Health Services- Allopathy					
	110- Hospitals and Dispensaries					
	211545- Hospitals					
	Valley Areas	698.00	(+) 5.00	703.00	11.63	(-) 691.37
	03- Rural Health Services- Allopathy					
	104- Community Health Centre					
	211194- Community Health Centre					
	Valley Areas	100.60	(+) 38.40	139.00	—	(-) 139.00
	04- Rural Health Services- Other Systems of Medicine					
	200- Other Schemes					
	211861- Multipurpose Worker's Schemes					
	Valley Areas	50.00	(+) 55.00	105.00	3.52	(-) 101.48
	80- General					
	004- Health Statistics and Evaluation					
	271218- Schemes under EFC Award					
	Hill Areas	—	(+) 50.00	50.00	—	(-) 50.00
	4210- Capital Outlay on Public Health (Plan)					
	03- Rural Health Services- Allopathy					
	103- Primary Health Centre (PMGY)					
	Valley Areas	116.00	(+) 104.00	220.00	169.15	(-) 50.85
	200- Other Systems					
	211861- Multipurpose Worker's Scheme (PMGY)					
	Valley Areas	56.31	(+) 38.69	95.00	28.00	(-) 67.00

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	06- Public Health					
	800- Other Expenditure					
	212524- Scheme for under NABARD					
	Valley Areas	45.00	(+) 55.00	100.00	—	(-) 100.00
	2210- Medical and Public Health (CSS)					
	01- Urban Health Services- Allopathy					
	110- Hospitals and Dispensaries					
	312571- Strengthening of State Hospitals located on National Highways	—	(+) 149.92	149.92	—	(-) 149.92
	06- Public Health					
	101- Prevention and Control of diseases					
	311892- National Malaria Programme	319.73	(-) 154.38	165.35	330.64	(+) 165.29
	2211- Family Welfare (CSS)					
	001- Direction and Administration					
	312269- State Family Welfare	230.76	(+) 120.71	351.47	126.84	(-) 224.63
	101- Rural Family Welfare Services					
	312148- Rural Family Welfare Sub-Centres	789.60	(+) 139.10	928.70	448.27	(-) 480.43
9.	Grant No.12-Municipal Administration Housing and Urban Development					
	6216- Loans for Housing (Plan)					
	80- General					
	800- Other Loans					
	211554- Housing (EWS)					
	Valley Areas	—	(+) 252.00	252.00	—	(-) 252.00
	2217- Urban Development (CSS)					
	01- State Capital Development					
	800- Other Expenditure					
	311745- Low Cost Sanitation Scheme	169.34	(+) 0.02	169.36	16.21	(-) 153.15
10.	Grant No.14-Development of Tribal and Scheduled Castes					
	2202- General Education (Non-Plan)					
	01- Elementary Education					
	800- Other Expenditure					
	111313- District Council	2637.16	(+) 53.87	2691.03	2621.04	(-) 69.99
	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Plan)					
	283- Housing					
	211023- State Share of CSS					
	Hill Areas	71.00	(+) 65.00	136.00	—	(-) 136.00
	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Sub-Plan)					
	02- Welfare of Scheduled Tribes					
	796- Tribal Area Sub-Plan					
	711078- Ashram School					
	Valley Areas	27.44	(-) 22.11	5.33	89.81	(+) 84.48
	711246- Special Development Programme under Proviso to Article 275 (1) of the Constitution					
	Hill Areas	250.00	(+) 401.03	651.03	—	(-) 651.03
11.	Grant No.17 – Agriculture					
	2401 – Crop Husbandry (Plan)					
	102 – Food grains Crops					
	211015 - 25% State share for Oil Seeds Production Programme					
	Valley Areas	—	(+) 130.59	130.59	45.00	(-) 85.59

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	2705 – Command Area Development (Plan)					
	800 – Other Expenditure					
	211075 – Area Development Authorities for Irrigation in Command Area					
	Valley Areas	145.00	(+) 249.00	394.00	75.35	(-) 318.65
12.	Grant No.18 – Animal Husbandry and Veterinary Dairy Farming					
	2403 – Animal Husbandry (CSS)					
	103 – Poultry Development					
	312304- Strengthening of State Poultry/Duck Farm (100% Central Share)	45.00	(+) 34.29	79.29	—	(-) 79.29
	2552– North Eastern Areas (NEC)					
	800- Other Expenditure					
	512558 - Integrated Project for Self-sufficiency in Animal Origin Food (Poultry Base Farm)	193.09	(+) 6.91	200.00	—	(-) 200.00
13.	Grant No.19 – Forestry and Soil Conservation					
	2406- Forestry and Wild Life (Plan)					
	02- Environmental Forestry and Wild Life					
	111- Zoological Park					
	212483- Zoological Park					
	Valley Areas	51.88	(+) 16.82	68.70	3.00	(-) 65.70
14.	Grant No.20 – Community Development, ANP, IRDP and NREP					
	2501- Special Programme for Rural Development (Plan)					
	101- Subsidy to District Rural Development Agency					
	212312- Subsidy to District Rural Development Agency					
	Valley Areas	277.92	(+) 10.18	288.10	154.70	(-) 133.40
	2505- Rural Employment (Plan)					
	01- National Programme					
	701- Jawahar Rozgar Yojna					
	211360- Employment Assurance Scheme (20% State Share)					
	Valley Areas	—	(+) 60.00	60.00	—	(-) 60.00
	211673- Jawahar Rozgar Yojna					
	Valley Areas	116.54	(+) 124.50	241.04	—	(-) 241.04
	231602- Indira Awaaj Yojna (PMGY)					
	Hill Areas	315.00	(+) 5.50	320.50	—	(-) 320.50
15.	Grant No.22 – Public Health Engineering					
	2215- Water Supply Sanitation (Non-Plan)					
	101- Urban Water Supply					
	112436- Water Supply Installation and Connection	341.00	(-) 27.66	313.34	392.36	(+) 79.02
	02- Sewerage and Sanitation					

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	102- Rural Water Supply Programme					
	111398 - Execution	442.10	(+) 7.52	449.62	391.48	(-) 58.14
	4215- Capital Outlay on Water Supply and Sanitation (Plan)					
	01- Water Supply					
	101- Urban Water Supply					
	211583- Imphal Water Supply					
	Valley Areas	6.95	(+) 1110.44	1117.39	1046.92	(-)70.47
	212438 - Water Supply in Other Towns					
	Valley Areas	0.20	(+) 741.80	742.00	663.88	(-) 78.12
	102- Rural Water Supply					
	111398- Execution					
	Valley Areas	—	(+) 69.85	69.85	—	(-) 69.85
16.	Grant No.23 – Power					
	2801- Power (Non-Plan)					
	01- Hydel Generation					
	101- Purchase of Power					
	112065- Purchase of Power from Others	5437.00	(+) 385.48	5822.48	—	(-)5822.48
	04- Diesel Power Generation					
	001- Direction and Administration					
	111398- Execution	3433.90	(-) 110.40	3323.50	3621.72	(+) 298.22
	800- Other Expenditure					
	111517- Imphal Diesel Power House	60.00	(+) 245.00	305.00	3.64	(-) 301.36
	111580- Imphal Supply System	170.00	(-) 29.62	140.38	469.69	(+) 329.31
	4801- Capital Outlay on Power Project (Plan)					
	06- Rural Electrification					
	799- Rural Electrification Schemes					
	211645- Intensification of Electrified Villages					
	Valley Areas	391.00	(+) 75.00	466.00	129.75	(-) 336.25
	211824 - Minimum Needs Programme					
	Valley Areas	—	(+) 70.00	70.00	7.88	(-) 62.12
	211972- Pilferage Prove Domestic Energy Meter Single Phase/Three Phase					
	Valley Areas	—	(+) 80.00	80.00	6.11	(-) 73.89
	212496- Replacement of damaged Transformers (REC)					
	Valley Areas	—	(+) 50.00	50.00	—	(-) 50.00
	221359- Electrification of Border Areas Villages					
	Hill Areas	—	(+) 60.90	60.90	—	(-) 60.90
	262500- Kutir Jyotir Scheme					
	Valley Areas	—	(+) 53.40	53.40	—	(-) 53.40
	4801- Capital Outlay on Power Project (CPS)					
	05- Transmission and Distribution					
	799- Transmission and Distribution System					

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	412505- Non-Lapsable Central Pool of Resources (NLCPR)					
	Hill Areas	564.00	(+) 110.49	674.49	17.44	(-) 657.05
	Valley Areas	459.00	(-) 110.49	348.51	523.09	(+) 174.58
17.	Grant No. 25- Youth Affairs and Sports Department					
	2204- Sports and Youth Services (Plan)					
	104- Sports and Games					
	211291- Development of Sports and Games					
	Valley Areas	101.13	(+) 0.68	101.81	20.86	(-) 80.95
18.	Grant No.40 – Irrigation and Flood Control Department					
	2701- Major and Medium Irrigation (Non-Plan)					
	02- Major Irrigation (Non-Commercial)					
	005- Survey and Investigation					
	112433- Water Development	115.00	(+) 1.00	116.00	38.09	(-) 77.91
	2711- Flood Control (Non-Plan)					
	80- General					
	800- Other Expenditure					
	111444- Flood Control	259.90	(+) 10.10	270.00	151.82	(-) 118.18
	4701- Capital Outlay on Major and Medium Irrigation (Plan)					
	02- Major Irrigation (Non-Commercial)					
	051- Construction					
	212348- Thoubal River Irrigation Project Valley Areas	1495.00	(+) 405.00	1900.00	1154.65	(-) 745.35
19.	Grant No.43 – Horticulture and Soil Conservation					
	2402-Soil and Water Conservation (Plan)					
	102- Soil Conservation					
	212439- Watershed Development Project in Shifting Cultivation Areas					
	Valley Areas	277.54	(+) 55.46	333.00	141.00	(-) 192.00
	2401- Crop Husbandry (CSS)					
	800- Other Expenditure					
	312505- Macro Management of Agriculture					
	Valley Areas	100.00	(+) 111.25	211.25	21.25	(-) 190.00
20.	Grant No.44- Social Welfare Department					
	2235- Social Security and Welfare (CPS)					
	02- Social Welfare					
	101- Welfare of Handicapped					
	412537- District Disability Rehabilitation Centre (NRPD) Scheme					
	Valley Areas	101.79	(+) 139.81	241.60	7.49	(-) 234.11

(1)	(2)	(3)	(4)	(5)	(6)	(7)
21.	Grant No.46 – Science and Technology					
	2501- Special Programme for Rural Development (Plan)					
	04- Integrated Rural Energy Planning Programme					
	105- Project Implementation					
	211782- Manipur Renewable Energy Development Agency (MANIREDA)					
	Valley Areas	35.50	(+) 82.50	118.00	36.00	(-) 82.00

APPENDIX X
(Referred to in paragraph 2.4.12 at page 28)
Cases where expenditure incurred without provision

(Rupees in lakh)

Sl. No.	Number and name of grant/ appropriation and head of account	Total provision	Actual expenditure
1	2	3	4
1.	Grant No.1- State Legislature		
	2011- Parliamentary State/Union Territory Legislature (Non-Plan)		
	02- State/Union Territory Legislature		
	103- Legislative Secretariat		
	112006- Press Establishment	—	6.40
2.	Grant No.4- Land Revenue, Stamps and Registration and District Administration		
	2029-Land Revenue (Non-Plan)		
	001- Direction and Administration		
	101-Collection charges		
	112328-Tamenglong District	—	0.24
	102-Survey and Settlement		
	111170-Churachandpur District	—	0.14
	112389-Ukhrul District	—	2.33
	2235-Social Security and Welfare (NP)		
	60-Other Social Security and Welfare		
	200-Other scheme		
	112198-Self Employment of Ex-servicemen	—	0.50
	2029-Land Revenue (Plan)		
	102-Survey and Settlement Operations		
	211023-50% State share of CSS Valley Areas	—	0.40
3.	Grant No.5- Finance Department		
	2250- Other Social Service (Non-Plan)		
	103-Upkeep of Shrines/temples		
	800-Other Expenditure		
	112432-Wakf Board Manipur	—	3.00
4.	Grant No.8- Public Works Department		
	5054- Capital Outlay on Roads and Bridges (Plan)		
	04- District and Other Roads		
	337- Road Works		
	211886- National Games Works Hill Areas	—	5.88
	Valley Areas	—	76.08
	211946- Other Village Roads Hill Areas	—	60.45
	Valley Areas	—	196.71
	80- General		
	004- Research		
	212116- Research Works Hill Areas	—	6.36
	4059-Capital Outlay on Public Work (Non-Plan)		
	01-Office Buildings		
	111221-Construction of General Pool Accommodation	—	1.25
	4202-Capital outlay on Education Sports, Art and Culture (Plan)		
	600- General		
	211298-Directorate of Education Valley Areas	—	0.60
	4408-Capital outlay on Food Storage and Ware Housing (Plan)		
	02-Storage and Ware Housing		

1	2	3	4
	211222-Cosntruction of Godowns Valley Areas	—	0.09
	5054- Capital outlay on Roads and Bridges (Plan)		
	01-National Highways		
	337-Road Works		
	211887-National Highways-39 Valley Areas	—	1.58
	5054-Capital Outlay on Roads and Bridges (Plan)		
	05-Roads		
	212135-Road Submerged by Loktak Lake Hill Areas	—	34.31
	Valley Areas	—	178.71
	5055-CO on Road Transport (Plan)		
	050-Lands and Buildings		
	211217-Construction of Terminal for Bus/Trucks etc. Hill Areas	—	2.12
	5054-Co on Roads and Bridges (CPS)		
	02-Strategic and Border Roads		
	411122-Bridges	—	34.36
	337-Road Works		
	412136-Road Works	—	77.62
	04-District and Other Roads		
	411287-Development of Roads in Tribal Areas	—	108.26
5.	Grant No.9-Information and Publicity		
	2220-Information and Publicity (plan)		
	212056-Publications Hill Areas	—	0.27
6.	Grant No.10-Education		
	2202-General Education (Plan)		
	02-Secondary Education		
	212336-Teaching Aids Valley Areas	—	99.00
	03-University and Higher Education		
	103-Government College and Institutes		
	211169-Churachandpur College	—	1.75
	211255-D.M. College of Arts Valley Areas	—	7.71
	211256-D.M. College of Science valley Areas	—	1.30
	211964-Pettigreue College, Ukhrul	—	0.28
	212327-Tamenglong College	—	3.85
	05-Language Development		
	102-Promotion of Modern Indian Language		
	211281-Development of Manipuri Language and Major Tribal Dialects Hill Areas	—	3.33
7.	Grant No.14-Development of Tribal and Scheduled Castes		
	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (sub-Plan)		
	796- Tribal Area (Sub-Plan)		
	712020- Primitive Tribes	—	9.48
	02-Welfare of Scheduled Tribes		
	277-Education		
	211477-Economic Upliftment Valley Areas	—	3.00
	282-Health		

1	2	3	4
	211521-Medical and Public Health Valley Areas	—	6.00
	796-Tribal Areas Sub-Plan		
	211040-Administration Hill Areas	—	21.00
	211346-Economic Upliftment Hill Areas	—	21.50
	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Sub-Plan)		
	796-Tribal Area Sub-Plan		
	711056-Agriculture Valley Area	—	70.00
	711063-Animal Husbandry Valley Areas	—	37.00
	711246-Special Development Programme under proviso to Article 275 (I) of the Constitution Valley Areas	—	365.98
	711383-Relief to tribal victims Valley Areas	—	6.50
	711477-General Education Valley Areas	—	12.50
	711809-Medical and Public Health valley Areas	—	10.00
	711851-Monitoring and Evaluation Valley Areas	—	2.80
	712384-Tribal Training Institutes Valley Areas	—	10.82
8.	Grant No.19-Forestry and Soil Conservation		
	2406-Forestry and Wild Life (Plan)		
	02-Environmental Forestry and Wild Life		
	110-Wildlife Preservation		
	211023-50% State Share of Centrally Sponsored Schemes Valley Areas	—	0.36
	2406-Forestry and Wildlife (CSS)		
	02-Environmental Forestry and Wild Life		
	311692-Keibul Lamjao National Park Hill Areas	—	7.72
	312475-Yangoupokpi Lokchao Sanctuary Hill Areas	—	26.00
	800-Other Expenditure		
	311076-Area Oriental Fuel Wood and Fodder Project Hill Areas	—	19.58
	311658-Integrated Afforestation and Eco Development Project Hill Areas	—	56.31
	311827-MFP Hill Areas	—	0.14
	312533-Research of Department of Medicinal Plants Valley Areas	—	10.00
9.	Grant No.20-Community Development, ANP, IRDP and NREP		
	2515-Other Rural Development Programme (Plan)		
	102-Community Development		
	211113-Development Programme Hill Areas	—	5.00
	Valley Areas	—	5.00

1	2	3	4
10.	Grant No.22- Public Health Engineering		
	4215- CO on Water Supply and Sanitation (Plan)		
	800-Other Expenditure		
	211937-Other Expenditure Hill Areas	—	0.04
	4215-CO on Water Supply and Sanitation (CPS)		
	02-Sewerage and Sanitation		
	102-Rural Sanitation Services		
	411145-Central Rural Sanitation Programme (CRSP) Hill Areas	—	0.29
	411721-Liberation Scavenger Valley Areas	—	992.33
11.	Grant No.23- Power		
	4801-CO on Power Project (Plan)		
	00-Power Project		
	001- Direction and Administration		
	212494-Installation of 132 KV S/S at Tipaimukh Hill Areas	—	0.98
	01-Hydel Generation		
	001-Direction and Administration		
	211398-Execution Hill Areas	—	6.58
	Valley Areas	—	14.48
	05-Transmission and Distribution		
	799-Transmission and Distribution System		
	211310-Distribution System Valley Areas	—	8.61
	212473-Yaingangpokpi 2x20 MVA 132 KV system Valley Areas	—	40.24
	212474-Power Supply improvement of District Hospitals Hill Areas	—	50.17
	2552-North Eastern Areas (NEC)		
	01-Hydel Generation		
	005-Investigation		
	511667-Irang Maklong and Tuyangbi Hydro- Electric Project Hill Areas	—	15.83
12.	Grant No.25-Youth Affairs and Sports Department		
	2204-Sports and Youth Services (Plan)		
	001-Direction and Administration		
	211001-Direction Hill Areas	—	1.00
13.	Grant No.36- Minor Irrigation		
	4702- Co on Minor Irrigation (Plan)		
	101-Surface Water		
	212132-River Lift Irrigation Scheme Hill Areas	—	21.01
14.	Grant No.37-Fisheries		
	2405-Fisheries (Plan)		
	004-Research		
	101-Inland Fisheries		
	211273-Development of Cold Water Fisheries Hill Areas	—	0.28
15.	Grant No.39- Sericulture		
	2851- Village and Small Industries (Plan)		
	107- Sericulture Industries		
	312538-Catalytic Development Schemes Valley Areas	—	1.20

1	2	3	4
16.	Grant No.40- Irrigation and Flood Control Department		
	2701- Major and Medium Irrigation (Non-Plan)		
	01-Salaries		
	111398-Execution	—	0.81
	2701-Major and Medium Irrigation (Plan)		
	04-Medium Irrigation (Non-Commercial)		
	001-Direction and Administration		
	211001-Direction Valley Areas	—	216.27
	4701-Co on Major and Medium Irrigation (Plan)		
	02-Major Irrigation (Non-Commercial)		
	051-Construction		
	211701-Khuga Irrigation Project Valley Areas	—	10.02
	212215-Singda Irrigation Project Valley Areas	—	9.46
17.	Grant No.41- Arts and Culture		
	2205-Arts and Culture (CSS)		
	104-Archives Valley Area	—	0.18
18.	Grant No.44- Social Welfare Department		
	2235- Social Security and Welfare (CSS)		
	02- Social Welfare		
	102- Child Welfare		
	311676-Jiribam ICDS Projects Valley Areas	—	28.09
	311753- Machi ICDS Project Hill Areas	—	22.13
	312067-Purul ICDS Project Hill Areas	—	19.53
	312168-Samulamlan ICDS Project Hill Areas	—	12.26
	312387-Twin District ICDS Cell: Chandel and Thoubal District ICDS Cell Hill Areas	—	6.73
	Total		3100.09

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

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

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total grant/appropriation	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)
	Revenue -Voted			
1.	1- State Legislature	654.42	59.58	15.39
2.	2-Council of Ministers	206.92	11.41	11.41
3.	3-Secretariat	2018.90	156.00	156.00
4.	4- Land Revenue, Stamps and Registration and District Administration	2886.18	847.04	847.04
5.	5- Finance	18480.84	895.95	443.97
6.	6-Transport	198.70	35.00	35.00
7.	7-Police	13914.18	231.38	0.70
8.	8-Public Works Department	6600.94	150.19	150.19
9.	9-Information and Publicity	196.84	21.37	21.37
10.	10-Education	27062.21	2689.43	2689.43
11.	11-Medical Health and Family Welfare Services	8919.76	3040.19	3040.19
12.	12-Municipal Administration Housing and Urban Development	1419.10	678.14	678.14
13.	13-Labour and Employment	403.84	52.89	52.89
14.	14-Development of Tribal and Scheduled Castes	7233.12	1375.19	1375.19
15.	15-Food and Civil Supplies	562.64	217.03	217.03
16.	16-Co-operation	737.32	135.16	135.16
17.	17-Agriculture	2526.05	545.21	498.06
18.	18-Animal Husbandry and Veterinary Dairy Farming	2385.27	564.53	564.53
19.	19-Forestry and Soil Conservation	3410.69	1682.56	1682.56
20.	20-Community Development ANP, IRDP and NREP	2720.38	926.91	926.91
21.	21-Industries and Weights and Measures	2269.23	351.87	351.87
22.	23-Power	12696.40	3902.79	3630.03
23.	24-Vigilance	66.35	7.50	5.20
24.	25-Youth Affairs and Sports Department	1210.32	312.40	312.40
25.	26-Administration of Justice	583.59	81.36	81.36
26.	27-Election	213.61	2.16	2.16
27.	28-State Excise	572.88	58.29	58.29
28.	29-Sales Tax, Other Taxes/Duties on Commodities and Services	153.57	12.42	8.98
29.	30-General Economic Services and Planning	153.57	12.42	8.98
30.	31-Fire Protection and Control	326.45	70.45	54.81
31.	32-Jails	617.25	169.79	169.79
32.	33-Home Guards	604.51	13.28	13.28
33.	34-Rehabilitation	356.95	301.40	301.40
34.	35-Stationery and Printing	274.43	76.35	54.28
35.	36-Minor Irrigation	1740.01	1079.75	1060.57
36.	37-Fisheries	977.65	139.19	139.19
37.	38-Panchayat	509.38	224.67	224.67
38.	39-Sericulture	728.52	123.22	123.22
39.	40-Irrigation and Flood Control Department	3859.90	1706.22	1706.22
40.	41-Arts and Culture	773.20	217.78	217.78

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(1)	(2)	(3)	(4)	(5)
41.	42-State Academy of Training	79.17	24.19	24.19
42.	43- Horticulture and Soil Conservation	1627.04	528.08	528.08
43.	44-Social Welfare Department	3641.99	1472.88	1472.88
44.	45-Tourism	163.97	32.70	32.70
45.	46-Science and Technology	553.43	278.02	278.02
46.	47-Welfare of Minorities and Backward Classes	385.57	190.58	190.58
	Total			25851.90
	Revenue- Charged			
47.	Appropriation No.1-Governor	130.43	20.81	20.81
48.	3-Manipur Public Service Commission	91.14	3.86	3.86
49.	Grant No.1-State Legislature	9.59	1.49	1.49
50.	5-Finance Department	12.00	2.25	2.25
51.	26-Administration of Justice	124.36	124.36	109.90
			Total :	138.31
	Capital- Voted			
52.	5- Finance Department	34.01	13.85	13.85
53.	7- Police	150.00	11.86	11.86
54.	8- Public Works Department	6675.55	2539.45	2539.45
55.	9-Information and Publicity	1.80	1.80	1.80
56.	10- Education	852.39	643.43	643.43
57.	11- Medical, Health and Family Welfare Services	594.00	381.00	381.00
58.	12- Municipal Administration, Housing and Urban Development	2686.82	2566.56	2566.56
59.	15- Food and Civil Supplies	430.93	430.93	430.93
60.	16- Co-operation	650.92	626.92	626.92
61.	17- Agriculture	33.00	33.00	33.00
62.	18- Animal Husbandry and Veterinary including Dairy Farming	51.00	51.00	51.00
63.	21- Industry and Weights and Measures	1206.49	385.24	385.24
64.	22- Public Health Engineering	11917.48	5750.44	5750.44
65.	23- Power	7919.35	6264.83	6264.83
66.	25- Youth Affairs and Sports	125.00	70.52	70.52
67.	36-Minor Irrigation	619.00	438.58	438.58
68.	37-Fisheries	51.24	51.24	50.24
69.	39-Sericulture	5030.00	5030.00	5030.00
70.	40- Irrigation and Flood Control Department	5135.00	3093.37	3093.37
71.	41- Art and Culture	114.00	114.00	114.00
72.	43- Horticulture and Soil Conservation	25.00	25.00	10.00
73.	44-Social Welfare Department	484.14	66.14	66.14
74.	45-Tourism	156.44	141.65	141.65
75.	46-Welfare of Minorities and Other Backward Classes	63.93	63.93	63.93
			Total:	28778.74
			Grand Total:	54768.95

APPENDIX – XII
(Referred to in paragraph 2.4.16 at page 28)
Instances of major variations in recoveries

(Rupees in Crore)

Sl. No.	Number and name of grant	Budget estimate	Actual recoveries	Excess (+) Savings (-)
1	2	3	4	5
1.	8- Public Works Department (Revenue) (Capital)	29.58 5.00	5.15 —	(-) 24.43 (-) 5.00
2.	15- Food and Civil Supplies (Revenue) (Capital)	0.90 3.00	— —	(-) 0.90 (-) 3.00
3.	17- Agriculture (Revenue) (Capital)	— 0.33	— 0.05	— (-) 0.28
4.	21- Industries and Weights and Measures (Revenue) (Capital)	— 0.08	— —	— (-) 0.08
5.	22- Public Health Engineering (Revenue) (Capital)	10.57 —	11.38 —	(+) 0.81 —
6.	23- Power (Revenue) (Capital)	20.20 —	1.69 —	(-) 18.51 —
7.	36- Minor Irrigation (Revenue) (Capital)	1.00 —	— —	(-) 1.00 —
8.	40- Irrigation and Flood Control Department (Revenue) (Capital)	4.51 —	0.05 —	(-) 4.46 —
9.	43- Horticulture and Soil Conservation (Revenue) (Capital)	— 0.25	— —	— (-) 0.25
	Total Voted	75.42	18.32	57.10

APPENDIX XIII

(Referred to in paragraph 2.5 at page 30)

Statement showing the details of drawals in Abstract Contingent bills etc. during 2001-02 and 2002-03

Year	Sanction order No. and date	Bill No. and date	Purpose	Amount drawn Rs.	Date of drawal	Period of retention with respect to date of drawal in AC bill (January 2003) (In months)	Remarks
1	2	3	4	5	6	7	8
2001-02	No. 2/1/2001- FD (11) dt. 24.4.01	520 of 26.12.2001	Construction of eye ward and OT at J.N. Hospital	1000000	12/2001	12	DCC bills not submitted to the controlling officer as of January 2003.
2001-02	14/6/2001-M dt.6.12.01	757 of 11.2.02	Repairing of 4 PHC buildings	299969	2/2002	10	-do-
2001-02	14/6/2001-M dt.10.12.01	756 of 11.2.02	Repairing of 5 community health centres buildings	479947	3/2002	9	-do-
2001-02	19/3/2002-M (purchase) dt.25.3.02	831 of 25.3.02	Purchase of 5 operation tables for use of J.N. Hospital, district hospital, Senapati and community health centre, Wangoi	3000692	3/2002	9	-do-
2001-02	29/2/2000-M (BMS) PMGY (B) dt.27.3.02	925 of 27.3.02	Construction of PHCs under medical department	9812000	3/2002	9	-do-
2001-02	29/2/2000-M (BMS) PMGY (B) dt.27.3.02	926 of 27.3.02	Construction of quarters	3354000	3/2002	9	-do-
2001-02	29/2/2000-M (BMS) PMGY (B) dt.27.3.02	927 of 27.3.02	Construction of urban health centre, Singjamei	5062000	3/2002	9	-do-
-		1004 of 27.3.02	Construction of UHC, Singjamei	750000	3/2002	9	-do-
2001-02	13/2/95-M dt.27.3.02	1005 of 27.3.02	Construction of PHC, Singzol	1450000	3/2002	9	-do-
2001-02	14/8/2001-M dt.27.3.02	1006 of 27.3.02	Construction of RCC Water tank, repair of type Qtr. and IEI in another type IV qtr. at district hospital, Bishnupur.	350734	3/2002	9	-do-
				25559342			
2002-03	29/7/2000-M (N/P) A dt.25.10.02	292 of 31.10.02	Construction of one OPD block at CHC, Wangoi	1500000	10/2002	2	-do-
2002-03	29/7/2000-M (W/P) A dt.25.10.02	291 of 31.10.02	Construction of 4 PHCs	7000000	10/2002	2	-do-
2002-03	29/7/2000-M (W/P) A dt.25.10.02	290 of 31.10.02	-do-	2800000	10/2002	2	-do-
				11300000			
				36859342			

APPENDIX XIV

(Referred to in paragraph 2.6 at page 31)

Statement showing drawal of money without immediate requirement and kept in bankers' cheque, demand draft and current account

(In rupees)

Year	Date of drawal	Amount drawn	Banker's cheque/ draft No. & date	Amount of bankers' cheque/ draft	Bank charge paid	Total	Amount released with date of release	Undisbursed amount as on 31 March 2003
2002-03	13.11.2002	1,54,82,000	(1) 00-026- 330009 dt.15.11.2002	4,99,000	1,000	5,00,000	—	4,99,000
			330010 -do-	43,35,000	5,000	43,40,000	—	43,35,000
			330011 -do-	19,33,126	3,874	19,37,000	19,33,126 (Dec.02)	—
			330012 -do-	16,96,600	3,400	17,00,000	—	16,96,600
			330013 -do-	9,08,180	1,820	9,10,000	—	9,08,180
			330014 -do-	6,93,610	1,390	6,95,000	6,93,610 (Jan. 03)	—
			330016 -do-	13,47,300	2,700	13,50,000	—	13,47,300
			330017 -do-	19,96,000	4,000	20,00,000	—	19,96,000
			330018 -do-	13,97,200	2800	14,00,000	13,97,200 (Jan. 03)	—
		Total		148,06,016	25,984	148,32,000	40,23,936	107,82,080
			(2) D/Draft No. 801357 dt. 13.11.02	6,50,000	—	6,50,000	—	6,50,000
		Total		154,56,016	25,984	154,82,000	40,23,936	114,32,080
—do—	6.2.2003	38,00,000	Current A/C No. 0100018892 with SBI Imphal Sectt. Branch	38,00,000	—	38,00,000	—	38,00,000
	Grand Total	1,92,82,000		1,92,56,016	25,984	1,92,82,000	40,23,936	1,52,38,080

APPENDIX XV
(Referred to in paragraph 2.7 at page 32)
Details of amounts drawn in AC Bills

Year	Sanction No. & date	AC bill No. & date	Amount Rs.	Purpose of drawal
2000-01	No. 29/19/90-S(SW) dt.14.3.2001	475 of 23.3.2001	3,64,20,000.00	Central assistance under Pradhan Mantri Gramodaya Yojana (PMGY) for 2000-01 for purchase of Skimmed Milk Powder.
2001-02	No.3/9/2000-S(SW) dt.26.3.2002	675 of 27.3.02	3,34,45,000.00	For advance payment to M/S Gujarat Co-operative Milk Marketing Federation for Skimmed Milk Powder (ISI).
-do-	-do-	676 of 27.3.02	12,06,000.00	Transportation charges of Skimmed Milk from Directorate to Project Offices.
-do-	-do-	677 of 27.3.02	17,69,000.00	Advance payment to Anganwadi Helpers/Workers for distribution of Milk Powder.
-do-	No.17/2/2000-S(SW) Pt. dt.27.3.2002	703 of 27.3.02	9,00,000.00	Construction of the First Floor of the Bal Bhawan at Khuman Lampak.
Total			7,37,40,000.00 say 7.37 crore	

APPENDIX XVI

(Referred to in paragraph 3.1.3 at page 34)

Disabled population (district-wise) based on the primary census conducted by the field functionaries of the Social Welfare Department in the year 1993-94

Sl. No.	Nature of disabled	Imphal (East & West)	Bishnupur	Thoubal	Churachandpur	Chandel	Ukhrul	Senapati	Tamenglong	Total
1.	Visual Impaired									
	Partial blind	861	441	459	314	214	318	400	250	3257
	Total Blind	750	317	310	400	113	190	190	150	2420
2.	Hearing Impaired									
	Partial	800	338	506	210	219	469	250	247	3039
	Total	789	352	420	345	157	290	220	280	2833
3.	Mentally retarded									
	Mild	320	166	212	210	98	160	180	175	1521
	Moderate	545	214	247	220	87	189	375	200	2077
	Severe	652	215	100	120	55	93	300	205	1740
	Profound	100	99	50	100	31	65	105	80	630
4.	Locomotors disabilities	2736	480	802	480	464	645	510	417	6534
5.	Spastics	100	110	40	60	43	20	30	20	423
	Total	7653	2732	3146	2459	1481	2439	2540	2024	24474

Based on 1991 Census. Percentage of disabled is 1.33 per cent.

APPENDIX –XVII

(Referred to in paragraph 3.1.9 at page 36)

Statement showing number of special schools for children with disabilities in Manipur

Sl. No.	Name of special school	Name of district	Whether run by Government or otherwise	No. of school children (No. of hostellers)					Whether provided with vocation training facilities	Whether provided with special books etc. at free of cost
				1998-99	1999-2000	2000-01	2001-02	2002-03		
1.	Government Ideal Blind School	Imphal West	By state Government	92 (91)	86 (85)	80 (79)	76 (75)	71 (70)	Yes. In carpentry, wool-knitting and handloom	Yes
2.	Government Deaf and Mute School	-do-	-do-	82 (57)	81 (57)	83 (55)	82 (58)	82 (46)	-do-	-do-
3.	Ch. Ibohal Institute of Mental Hygiene	-do-	NGO	100 (NIL)	100 (NIL)	100 (70)	100 (70)	100 (70)	-do-	-do-
4.	B.B. Paul Memorial School for mentally retarded	-do-	-do-	83 (83)	85 (85)	90 (90)	90 (90)	97 ((97)	-do-	-do-
5.	Social and Health Development Organisation	-do-	-do-	—	—	—	60 (30)	90 (30)	-do-	-do-
6.	Typewriting Institute and Rural Development	-do-	-do-	—	—	—	67 (50)	75 (50)	-do-	-do-
7.	Kangchup Area Tribal Women Society	Senapati	-do-	100 (50)	100 (50)	110 (60)	110 (60)	110 (60)	-do-	-do-

APPENDIX XVIII

(Referred to in paragraph 3.2 at page 43)

Statement showing the retention of money in closing balance as on 2 December 2002

Sl. No.	Month of drawal	Purpose of drawal (name of scheme/purpose)	Amount drawn	Amount retained in closing balance as on 2.12.02	Period of retention
			(In Rupees)		
1.	8/2000	Organising of five district level Festive Fair	9,33,578	5,60,146	2 years 4 months
2.	9/2000	Project package scheme (Central Share) for 30 societies	1,37,90,000	11,213	2 years 3 months
3.	3/2001	Improvement of roads and street lightening in the Moreh Town under Critical Infrastructure Balance scheme	94,95,999	40,04,416	1 year 9 months
4.	12/2001	Project package scheme (State Share) for 44 societies	1,17,39,000	81,920	1 year
5.	1/2002	Land compensation of Limestone Query of Hundung Cement Plant	1,84,000	271	11 months
6.	2/2002	Project package scheme (Central Share) for 12 societies	38,95,000	6	10 months
7.	3/2002	Deen Dayal Hatkargar Protsahan Yojana for 64 societies (Central and State share)	1,88,50,000	51,22,099	9 months
8.	3/2002	Publication/ Advertisement charges 14, 15 and 16 January 2002	3804	2044	9 months
9.	10/2002	Integrated HL Village Development Project (Khoijuman Village, Bishnupur District)	2,00,000	2,00,000	2 months
Total:			5,90,91,381	99,82,115	

APPENDIX XIX

(Referred to in paragraph 4.1.5 at page 55)

Statement showing year-wise budget allocation and expenditure including expenditure during March in respect of Public Health Engineering Department for 1998-99 to 2002-03

(Rupees in crore)

Year	Revenue component		Capital component		Total allocation	Total expenditure	Savings (-) Excess(+)	Expenditure during March	
	Budget allocation	Expenditure	Budget allocation	Expenditure				Amount	Percentage of total expenditure
1998-99	18.38	11.04	49.47	33.06	67.85	44.10	(-) 23.75	14.42	33
1999-2000	20.55	18.63	55.33	56.87	75.88	75.50	(-) 0.38	30.54	40
2000-01	21.04	9.29	47.10	27.16	68.14	36.45	(-) 31.69	4.04	11
2001-02	18.71	13.65	68.09	38.05	86.80	51.70	(-) 35.10	19.07	37
2002-03	28.66	31.77	118.34	60.91	147.00	92.68	(-) 54.32	34.10	37
Total	107.35	84.38	338.33	216.05	445.67	300.43	(-) 145.24		

APPENDIX XX

(Referred to in paragraph 4.1.5 at page 55)

Statement showing break-up of expenditure on original works, maintenance and restoration, direction and administration and others

(Rupees in crore)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Total
1. Direction and Administration	1.62	2.97	2.27	2.34	2.35	11.55
2. Maintenance and Restoration	6.71	9.12	5.13	7.76	1.37	30.09
3. Original works						
(a) State Plan	19.32	34.39	11.36	19.20	38.33	122.60
(b) Externally aided projects	4.76	12.86	8.62	4.06	0.18	30.48
(c) Centrally sponsored schemes	4.66	4.53	3.12	9.04	22.40	43.75
4. Others	7.03	11.63	5.95	9.30	28.05	61.96
Total:	44.10	75.50	36.45	51.70	92.68	300.43

APPENDIX XXI

(Referred to in paragraph 4.1.11 at page 55)

Posts against which excess staff had been entertained

Sl. No.	Name of posts	Sanctioned strength (31.3.2003)	Men-in-position (31.3.2003)	Excess	Scale
1.	Assistant Engineer/Assistant Surveyor of works/Engineering Assistant	54	63	9	(7500-12000)
2.	Geo-Hydrologist	—	1	1	—do—
3.	Geo-Physicist	—	1	1	—do—
4.	SO Grade-I	182	247	65	(5000-8000)
5.	SO Grade-II	—	11	11	(4500-7000)
6.	Draftsman Grade II	10	20	10	—do—
7.	Diesel Mechanic	—	1	1	(4000-6000)
8.	Head Mistry	2	3	1	(3200-4900)
9.	Assistant Driller	2	3	1	—do—
10.	Assistant Mechanic	—	10	10	(3050-4590)
11.	Engine Operator	16	18	2	—do—
12.	Assistant Engine Operator	103	105	2	(2650-4000)
13.	Technical Jugali	386	508	122	—do—
14.	Khallasi	1	21	20	(2610-3540)
15.	Lineman	3	6	3	—do—
	Total:	759	1018	259	

APPENDIX XXII

(Referred to in paragraph 4.1.11 at page 55)

Posts against which staff had been employed less than sanctioned strength

Sl. No.	Name of posts	Sanctioned strength (31.3.2003)	Men-in-position (31.3.2003)	Shortfall	Scale
1.	Manager	2	1	1	(7500-12000)
2.	Superintendent	6	4	2	(5000-8000)
3.	Draftsman	14	11	3	—do—
4.	Head Clerk	14	4	10	(4500-7000)
5.	Divisional Accountant	14	4	10	—do—
6.	Driller	3	2	1	—do—
7.	UDC	84	83	1	(4000-6000)
8.	Draftsman Grade II	54	53	1	—do—
9.	Steno Grade I and II	19	17	2	—do—
10.	Surveyor	3	2	1	—do—
11.	Driver	68	67	1	(3050-4590)
12.	Junior Bill Clerk	39	37	2	—do—
13.	Junior Mechanic	5	4	1	(2650-4000)
14.	Assistant Carpenter	3	2	1	—do—
15.	Daftly	18	17	1	(2610-3540)
16.	Handimen	2	1	1	—do—
17.	Peon	137	135	2	(2550-3200)
18.	Chowkidar	160	139	21	—do—
	Total:	645	583	62	

APPENDIX XXIII

(Referred to in paragraph 4.1.25 at page 60)

Statement showing delay in completion of schemes

Sl. No.	Name of work	Total time allowed	Total time taken to complete	Excess (figures in parenthesis given % of excess)	Cause of delay
	OTD				
1.	AUWS scheme at Moirang (SH: Construction of Stores and filter 10.6 x 10.60 x 2 beds)	1 year	1270 days	905 days (247)	The contractor has not applied for time extension. As such reason for delay are not known
2.	AUWS scheme at Moirang (SH: Construction of service reservoir 86.00 GC)	6 months	1016 days	831 days (455)	—do—
3.	AUWS scheme at Moirang (SH: Construction of chowkidar Quarter-cum-godown)	6 months	1228 days	1044 days (572)	—do—
4.	Augmentation of Mayang Imphal W/S scheme (SH: Construction of RCC work service reservoir 60,000 GC at Treatment site)	1 year	1722 days	1357 days (378)	—do—
	Chandel PHE Division				
5.	ARWS scheme at old Wangparol (SH: Improvement of tradition source)	20 days	93 days	73 days (365)	Due to non-availability of store materials and heavy rain.
6.	Rehabilitation of Thuncheng (SH: Construction of approach road from village to p/site for a length of 2 km)	10 days	85 days	75 days (750)	Due to heavy rain
7.	Implementation of Hnathan w/s scheme (SH: Improvement of IB approach road and resectioning of side drain at Chandel Headquarter, Chandel)	10 days	85 days	75 days (750)	—do—
8.	RWS scheme at Feljang (SH: Construction of s/tank-cum-S/R)	20 days	65 days	75 days (375)	Due to non-availability of store materials and heavy rain
9.	ARWS scheme at Chanjang (SH: Reconstruction of intake arrangement)	1 month	1 year 4 months	1 year 3 months (1516)	—do—
10.	Improvement of Lankang Khuman (SH: Construction of Anchor block along the newly main line)	20 days	1 year 20 days	1 year (1825 days)	—do—
11.	ARWS scheme at T. Teraphai (SH: Construction of Community tank 1 No. and construction of compound fencing around the community tank)	3 months	3 years 8 months	3 years 5 months (1383)	Due to non-availability of Dozer/Earth Excavator from store
12.	Construction of low cost latrine at Chakpikarong – 26 units	6 months	5 years	4 years 6 months (911)	Due to non-availability of cement from store division

	Ukhrul PHE Division				
13.	ARWS scheme at Maphou (SH: P/L of pipe line) construction of Intake Water of S/T, S/R	8 months	6 years 11 months	6 years 3 months (950)	Due to non-availability of pipe.
14.	Improvement of Mongkot Chepu (SH: P/L of pipeline) Construction S/R, S/T, Fencing public hydrants	6 months	5 years 10 months	5 years 4 months (1880)	—do—
15.	Augmentation of Tora w/s scheme (SH: P/L of pipe line) Construction of S/T, S/R, D/Tank, T/path cutting	1 year	5 years 8 months	4 years 8 months (465)	—do—
16.	August of Chatrik w/s scheme (SH: P/L of pipe line) Construction of Intake	4 months	6 years 9 months	6 years 5 months (1950)	—do—
17.	Rehabilitation of w/s scheme at Kachai (SH: P/L of pipe line) Construction of S/T, S/R, D/Tank	2 years	5 years 8 months	3 years 8 months (183)	—do—
18.	RWS of w/s scheme at Lamlong (SH: C/F of pipe line) construction of Intake D/Tank, T/Path cutting	6 months	4 years 9 months	4 years 8 months (944)	—do—
19.	Rehabilitation of w/s scheme at Champhungi (SH: L/F of pipe line) Construction of S/T, S/R, Intake fencing and D/Tank	2 years	3 years 9 months	1 year 9 months (87)	—do—
20.	AWS scheme at Yengdang (SH: L/S of Pipe line)	6 months	9 years	8 years 6 months (1722)	—do—
21.	Improvement of water supply scheme at Nonrei (SH: L/F of pipe line) construction of Intake, D/Tank	2 months	5 years 10 months	5 years 8 months (3442)	—do—
22.	Rehabilitation of water scheme at Kachai Phengthan (SH: L/F of pipe)	1 year	4 years 4 months	3 years 4 months (333)	—do—

APPENDIX XXIV

(Referred to in paragraph 4.1.28 at page 61)

**Statement showing year-wise details of receipt and issue of stores during
1998-99 to 2002-03**

(A) STORE DIVISION (URBAN)

(Rupees in lakh)

Year	Opening Balance	Receipt (Debit)	Issue (Credit)	Closing Balance
1998-99	150.62	220.86	23.49	347.99
1999-2000	347.99	106.91	1.00	453.90
2000-01	453.90	(-) 4.24	0.86	448.80
2001-02	448.80	136.77	(-) 247.19	832.76
2002-03	832.76	349.67	673.02	509.41
	150.62	809.97	451.18	509.41

(B) STORE DIVISION (RURAL)

(Rupees in lakh)

Year	Opening Balance	Receipt (Debit)	Issue (Credit)	Closing Balance
1998-99	198.82	100.72	79.33	220.21
1999-2000	220.21	211.68	141.75	290.14
2000-01	290.14	21.20	88.49	222.85
2001-02	222.85	13.44	12.45	223.84
2002-03	223.84	345.96	292.03	277.77
	198.82	693.00	614.05	277.77

APPENDIX XXV

(Referred to in paragraph 5.1.7 at page 70)

Statement showing details of works delayed/remaining incomplete due to non-supply of materials in time
(Rupees in lakh)

Sl. No.	Name of Division	Name of works	Awarded on	To be completed on	Physical position in percentage	Date of commission	Delay (in month)	Value of the total requirement of materials	Remarks
1	2	3	4	5	6	7	8	9	10
1.	i) Transmission Construction -II ii) Substation Construction -II iii) Civil Division - III	33/11 KVS/ Station at Tolloi with 33 KV line (28 Km)	7.2.92	7.2.94	—	28.2.99	60	206.79	Details of issue of materials were not made available to Audit despite persuasion.
2.	i) Transmission Construction -II ii) Substation Construction -II iii) Civil Division - III	2x1 MVA, 33/11 KVS/S at Kamjong with 33 KV line (156 Km)	12.11.87	12.11.90	—	12.2.03	27	249.26	
3.	i) Transmission Construction -II ii) Substation Construction -II iii) Civil Division - III	33/11 KVS/S at Saikul with 33 KV line (30 Km)	20.2.91	20.2.93	—	30.6.02	112	126.18	
4.	i) Transmission Construction -I ii) Substation Construction -I iii) Civil Division - II	2x1 MVA, 33/11 KVS/S at Nambol with 33 KV line (6 Km)	25.3.98	25.3.98	—	22.2.02	47	136.62	
	Total:							718.85 (Say Rs.7.19 crore)	

APPENDIX XXVI

(Referred to in paragraph 5.1.8 at page 70)

Statement showing stores lying unutilised as on 31 March 2003

A. Store Division, Yurembam

Sl. No.	Name of Sub-Division	Materials	Quantity	Value (Rs. in lakh)	Period of purchase	Lying unused as on 31.3.2003
1	2	3	4	5	6	7
1.	Purchase Sub-Division, Yurembam	Ismal hand-operated Hydraulic (Model VC-300)	43 nos.	7.49	1998-2001	Since purchase
2.	-do-	Ismal Bimetallic lags VCBML 2.30	4475	0.27	1998-2001	-do-
3.	-do-	-do- Lugs VCBML 2.4	671	0.06	1998-99	-do-
4.	-do-	-do-	2297	0.30	2000-01	-do-
5.	-do-	-do- VCBML (AE400)	1460	2.42	1998-2001	-do-
6.	-do-	Ismal Patch Sleeves (VCAPS 1.1)	1250	0.60	1998-2001	-do-
7.	-do-	-do- (VCAPS 1.2)	1230	1.12	1998-2001	-do-
8.	-do-	-do- (VCARS 1.1)	627	0.17	1998-2001	-do-
9.	-do-	-do- (VCARS 1.2)	900	0.63	1998-2001	-do-
10.	-do-	Ismal Angle Taps (VCATC 3.2)	1500	0.31	1998-2001	-do-
11.	-do-	Ismal Flip-Top (FT-400)	67	12.51	1998-2001	-do-
12.	-do-	Ismal hand operated (Flip-Top (FT-500)	48	9.71	1998-2001	-do-
13.	-do-	PVC Cable 300 sq. mm. single core	2 coils	0.27	-do-	-do-
14.	-do-	11 Bracing Set of MS angle iron 50x50x6 mm	90 sets	1.33	2001-02	-do-
15.	-do-	Ismal Hydraulic Cutter	18	2.79	2001-02	-do-
16.	Electrical Store Sub-Division, Yurembam	Kit kat 300 AMP	240	0.66	2001-02	-do-
17.	-do-	Kit kat 400 AMP	251	0.75	-do-	-do-
18.	-do-	11 KV single pole X-ARM	1744	4.80	-do-	-do-
19.	-do-	Tin coated fuse wire 100 Amps	391	0.98	2000-01	-do-
20.	-do-	Energy meter 5-20 Amps	13639	66.90	1999-2000	-do-
21.	-do-	X ARM Channel	14	0.22	1998-99	-do-
22.	-do-	#/S of PBBX Cross Arm	106	0.34	1999-2000	-do-
	Total:			114.63		

B. Project Store Division

1	2	3	4	5	6	7
1.	System Control Sub-Division	Steel tubular pole 8 mtr. 410-SP-14	400 Nos.	25.86	2002-03	2002-03
2.	-do-	Steel tubular pole 9 mtr. 410-SP-32	295	20.99	2002-03	2002-03
3.	-do-	D.O. fuse Element 1.5, 3, 5,10, 15,20, 30 and 35 AMPS	3160	0.468	1998-99	1998-99
4.	-do-	Turn Buckle for LT line 0.44 KV	80	0.11	1998-2000	1998-2000
5.	-do-	Turn Buckle for 11 KV	64 nos.	0.10	1998-2001	1998-2001
6.	-do-	DO Catcher for 11 KV DO Switch	83 nos.	0.08	1998-99	1998-99
7.	-do-	11 KV DO fuse Element 25,30,40 and 60 AMPS	2545 nos.	0.36	2001-02	2001-02
8.	-do-	DO fuse Barrel with metal pant	73 nos.	0.09	2001-02	2001-02
9.	-do-	HT Bushing Rod for Distribution Transformer 63 KVA	20 nos.	0.05	2001-02	2001-02
10.	-do-	LT Bushing Rod for distribution Transformer 25,63 and 100 KVA	44 nos.	0.09	2001-02	2001-02
11.	-do-	Bimetallic Thimble 10 and 25 sq. mm	429 nos.	0.18	2001-02	2001-02
12.	-do-	Bran GI and 120 sq. mm	51 nos.	0.09	2001-02	2001-02
13.	-do-	H KV 25 KV Disc insulator	3263 metre	11.90	1998-2000	1998-2000
14.	-do-	Tension Hardware fitting for 45 KV Disc Insulator	9757 metres	26.147	1998-2002	1998-2002
15.	-do-	Steel Rect. Pole 8 mtr. long	140 Nos.	5.91	1999-2000	1999-2000
16.	-do-	LT GI pine	17925	4.10	2001-02	2001-02
17.	-do-	Shackle Insulator	9700 Nos.	3.33	2002-03	2002-03
18.	-do-	63 KV Distributor Transformer	4 Nos.	2.21	2002-03	2002-03
19.	-do-	25 KV Distributor Transformer	19 Nos.	7.44	2002-03	2002-03
20.	-do-	100 KV Distributor Transformer	5 Nos.	3.40	2002-03	2002-03
21.	-do-	Different size of Bolt Nuts	2720 Kg.	3.18	2002-03	2002-03
22.	-do-	ACSR (weasel conductor)	18.582	2.57	2001-02	2001-02
23.	-do-	AT Pin Insulator Type I	9800	2.24	2002-03	2002-03
24.	-do-	Screw Driver 8"x4/6" and 10x3/8"	40 Nos.	0.098	2001-02	2001-02
25.	-do-	Tester set with screw driver	150 Nos.	0.18	2002-03	2002-03
26.	-do-	DO fuse Element 25,30,35,40,2,5,10,15,20,50,60,80,100, 120,150,200,250,300,350,400,450,500, 550,600,650,700,750, and 800 AMPS	5569 Kg	2.80	2002-03	2002-03
27.	-do-	LT Pin Insulator	18415	5.52	2000-01	2000-01
Total:				129.53		

APPENDIX XXVII

(Referred to in paragraph 5.1.9 at page 70)

Statement showing materials not supplied as per terms of supply orders

Year	Name of supplier	Supply order No. and date	Stipulated period of supply	Amount of advance payment with date (Rs.)	Name of material and rate	Quality to be supplied Value (Rs.)	Material received		Balance yet to be received	Value of materials not supplied (Rs.)	Amount lying with the firms against which supplies were yet to be made (Rs.)
							Quantity	Value (Rs.)			
1	2	3	4	5	6	7	8	9	10	11	12
1998-99	M/s Padmavati Electricals, Howrah	1/18/45-DISC/96-ED(Purch)Pt/3271-83 dt.31.3.1998	Within 6 months from the date of receipt of the supply order	6612,494 Vr. No.1 dt.13.10.1998	45 KN, 11 KV Disc Insulator @ Rs.255	21000 Nos. 53,55,000	20996	5353980	4	1020	1258514
	M/s Fabrico (India) Pvt. Ltd., Meerut (UP)	2/1/98-ED (Purch)/Pt.1/449-62 dt.31.3.1999	—do—	2533516 Vr.No.7 dt.31.3.1999	8 metre long 2 pieces hollow steel rectangular poles @ Rs.3246.26	6000 Nos. 19477560	780	2532082	5220	16945478	1434
	M/s Indiana Iron & Steel Unit, Khoyathong Road, Imphal	2/1/98-ED(Purch) Pt.II/463-75 dt.31.3.1999	3 months from the date of receipt of order	422252 Vr. No.8 of 31.3.1999	—do— @ Rs.4122.52	1000 Nos. 4122520	283	1166673	717	2955847	
	M/s Manipur Steel Industries (India)	2/1/98-ED (Purch) Pt.III/476-88	—do—	422252 Vr. No.9 of 31.3.1999	—do— @ Rs.4152.52	1000 Nos. 4152520	530	2200836	470	1951684	
1999-2000	M/s Fabrico (India) Pvt. Ltd., Meerut (UP)	2/1/98-ED(Purch) Pt.I/449-62 dt.31.3.1999	Within 6 months from the date of receipt of the supply order	2500000 Vr. No.11 dt.21.7.1999	—do— @ Rs.3446.26	6000 Nos. 20677560	2000	6892520	4000	13785040	
	M/s Modern Iron Steel Industries, Imphal	2/2/98-ED(Purch) Pt.I/16972-85 dt.21.1.2000	7 months from the date of receipt of order	2000000 Vr. No.34 dt.31.3.2000	8 metres long Swaged Type Steel Tubular Poles @ Rs.4640	2800 Nos. 12992000	1776'	8240640	1024	4751360	
2000-01	—	—	—	—	—	—	—	—	—	—	—
	C/F			14490514		66777160		26386731		40390429	

1	2	3	4	5	6	7	8	9	10	11	12
2001-02	M/s North Eastern Cable and Conductors Pvt. Ltd., Jorhat	2/1/97-ED(Purch) 8590-612 dt.25.11.1997	5 months from the date of receipt of order	3837848 Vr. No.10 dt.24.9.2001 3620000 Vr. No.71 dt.29.3.2003 and Vr. No.84 dt.29.3.2003	ACSR (Weasel) Conductors @ Rs.13862	2600 km 36041200	583.666 303.16 Km in 2002-03 Total 886.826	12293182	1713.174 Km	23748018	
2002-03	M/s S.K. Steel Industries, Thangal Bazar	2/21/2002-ED (Purch)/11128-39 dt.13.11.2002 (price clause amended in 31.3.2003)	6 months from the date of receipt of order	10156000 dt.20.11.2002, 29.3.2002 and 29.3.2002	8 metres long rectangular steel pole @ Rs.6060	3600 Nos. 21816000	335	2030100	3265 Nos.	19785900	8125900
	M/s Manipur Steel Industries	2/19/2002-ED (Purch)/11116-27 dt.13.11.2002 (price clause amended in 31.3.2003)	4 months from the date of receipt of order	6345000 Vr. No.3 dt.20.11.2002	9 metres long steel tubular pole @ Rs.6450	1800 Nos. 11610000	300	1935000	1500 Nos.	9675000	4410000
	M/s Welmout Poles Ltd., New Delhi	2/20/2002-ED (Purch)/11104-15 dt.13.11.2002	—do—	5822000 Vr. No.7 dt.27.11.2002 Vr. No.8 dt.27.11.2002	8 metres long steel tubular pole @ Rs.6466.50	1800 Nos. 11639700	400	2586600	1400	9053100	3235400
	Total:			44271322		147884060		45231613		102652447	17031248

APPENDIX XXVIII

(Referred to in paragraph 5.2 at page 73)

Statement showing items of stores procured during 1980-1995 but lying unutilised in stock for six to 22 years

Sl. No.	Name of Article	Bin card No.	Year of procurement	Rate Rs.	Quantity	Amount Rs.	Quantity issued	Date of last issue	Balance Quantity	Value of Balance quantity Rs.	Remarks
1	2	3	4	5	6	7	8	9	10	11	12
1.	Fire Extinguisher	044095	1980	2450.90	5 nos.	12254.50	NIL	NIL	5	12254.50	
2.	-do- 10 Kg	4329	1980	2200.00	27 nos.	59400.00	NIL	NIL	27	59400.00	Unserviceable as stated by A.E. Project Store sub-divn.II
3.	Refill for dry chemical power 10 Kg.	4330	1980	635.00	72 nos.	45720.00	NIL	NIL	72	45720.00	-do-
4.	Water stop special compound rubber 'F' type	4397	1980	41.29 per mtr.	520 mtr.	21470.00	NIL	NIL	520	21470.00	-do-
5.	Emergency Lamp	0982	1981	1988.57	6 nos.	11931.42	NIL	NIL	6	11931.42	
6.	Edge binding machine	4356	1983	2400.00	15 nos.	36000.00	NIL	NIL	15	36000.00	
7.	Electric Grinding Machine	4444	1985	2598.50	2 nos.	5197.00	NIL	NIL	2	5197.00	
8.	Wheel wrench	4439	1985	122.00	163 nos.	19886.00	NIL	NIL	163	19886.00	
9.	Hygrometer (water dry)	4343	1986	2000.00	86 nos.	172000.00	NIL	NIL	86	172000.00	
10.	Electric raftly device	4352	1986	3480.00	2 nos.	6960.00	NIL	NIL	2	6960.00	
11.	Horizontal drill stand HPS	4448	1986	1070.00	6 nos.	6420.00	NIL	NIL	6	6420.00	
12.	Steel folding chair	4375	1987	120.00	143 nos.	17160.00	NIL	NIL	143	17160.00	-do-
13.	Plain meter	4419	1987	3332.00	3 nos.	9996.00	NIL	NIL	3	9996.00	
14.	Plain filing caleinch	4372	1988	20700.00	2 nos.	41400.00	NIL	NIL	2	41400.00	
15.	Karnat (15'x6')	04087	1988	8.57 per sft	540 sft.	4627.80	NIL	NIL	540	4627.80	
16.	Shamyana (30'x30')	04088	1988	9.64 per sft.	900 sft.	8676.00	NIL	NIL	900	8676.00	
17.	High power megaphone	4350	1990	1500.00	6 nos.	9000.00	NIL	NIL	6	9000.00	
18.	Amplifier let	4351	1990	12000.00 per set	1 set	12000.00	NIL	NIL	15	12000.00	
19.	Automatic Level	04072	1993, 1994	44990.00	2 nos.	89980.00	NIL	NIL	2	89980.00	
20.	Flood Light	4340	1987	365.85	21 nos.	7683.00	NIL	NIL	21	7683.00	
21.	Water stop social compound rubber 'U' type	4392	1980	91.69 per mtr.	135 mtr.	12379.00	NIL	NIL	135	12379.00	-do-
22.	-do- 'R' type	4393	1980	39.17 per mtr.	585 mtr.	22915.00	NIL	NIL	585	22915.00	-do-
23.	-do- 'B' type	4396	1980	31.80 per mtr.	750 mtr.	23850.00	NIL	NIL	750	23850.00	-do-
24.	Mini Revolving Chair	4374	1983	2000.00	7 nos.	14000.00	NIL	NIL	7	14000.00	-do-
25.	Calculator cum printing adaptor	4346	1980 & 1981	4480.00	9 Nos.	40320.00	3 nos.	3.8.1990	6 nos.	26880.00	
26.	80 watt active fluorescent tube	4349	1980-1993	2000.00	105 nos.	210000.00	23 nos.	13.12.1993	82 nos.	164000.00	
27.	Pressumatic Binocular	4416	1980-1990	6500.00	19 nos.	123500.00	6 nos.	30.3.1990	13 nos.	84500.00	
28.	Steel fulscape filing cabinet with four drawers	4371	1982-1987	3680.00	25 nos.	92000.00	16 nos.	25.2.1997	19 nos.	69920.00	
29.	Press numbering machine	4347	1985	1678.50	7 nos	11750.00	1 no.	27.5.1992	6 nos.	10071.00	
30.	Multipurpose dumpy level	4418	1985	23650.00	8 nos.	189200.00	1 no.	3.12.1991	7 nos.	165550.00	
31.	'D' clamp for wire rope	4478	1986	240.00	200 nos.	48000.00	83 nos.	31.12.1994	117 nos.	28080.00	
32.	Emergency lamp tube fitting	4337	1987	1600.00	38 nos.	60800.00	7 nos.	17.10.1991	31 nos.	49600.00	-do-
33.	Compartmental tray -stainless steels	4315	1988-1995	360.00	224 nos.	80640.00	50 nos.	3.7.1995	174 nos.	62640.00	
34.	Survey umbrella	4409	1989-1995	1900.00	61 nos.	115900.00	22 nos.	15.1.1997	39 nos.	74100.00	
35.	Electrical grinding machine (AG-7)	4445	1989	6138.00	3 nos.	18414.00	1 no.	17.7.1993	2 nos.	12276.00	
36.	Life Saving Jacket	4401	1991-1992	1800.00	40 nos	72000.00	6 nos.	10.1.1995	34 nos.	61200.00	
37.	Portable Emergency lamp	4861	1993-1995	1320.00	67 nos	88440.00	63 nos.	21.2.1997	4 nos.	5280.00	
Total:						1821869.72				1485002.72	

N.B. 1) Value of stores not issued since procurement (Sl. Nos.1 to 24)= Rs.670905.72

2) Value of unserviceable items (Sl. Nos..2,3,4,12,21,22,23,24 and 32) = Rs.266494.00

APPENDIX -XXIX

(Referred to in paragraph 7.3.2 at page 88)

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

(Rupees in lakh)

Sl. No.	Name of body/ authority	Source of funds	Amount of grant/loan		Years for which accounts due
			2001-02	2002-03	
1	2	3	4	5	6
1.	Manipur Development Society, Imphal	State Government Others	91.00 —	86.00 —	2000-01 to 2002-03
2.	Manipur University, Canchipur	State Government Others	780.00 —	912.77 —	2000-01 to 2002-03
3.	District Rural Development Agency, Churachandpur	State Government Others	152.79 99.59	316.57 184.70	2002-03
4.	District Rural Development Agency, Imphal West	State Government Others	6.19 144.62	6.74 188.54	2002-03
5.	District Rural Development Agency, Bishnupur	State Government Others	4.42 142.97	96.02 102.17	2002-03
6.	Regional Institute of Medical Sciences, Imphal	State Government Others	239.50 3078.95	455.77 3947.11	2000-01, 2001-02, 2002-03
7.	Manipur State Kala Academy, Imphal	State Government Others	84.75 —	68.00 —	1998-99 to 2002-03
8.	District Rural Development Agency, Imphal East	State Government Others	9.57 169.12	148.08 333.18	2001-02 and 2002-03
9.	District Rural Development Agency, Chandel	State Government Others	36.62 306.83	52.29 122.81	2001-02 and 2002-03
10.	District Rural Development Agency, Senapati	State Government Others	120.48 1293.50	54.20 510.86	2002-03
11.	District Rural Development Agency, Ukhrul	State Government Others	4.10 110.64	97.45 52.74	2000-01 to 2002-03
12.	District Rural Development Agency, Thoubal	State Government Others	10.50 166.85	118.88 185.60	2000-01 to 2002-03
13.	District Rural Development Agency, Tamenglong	State Government Others	90.85 211.20	78.27 330.35	2001-02 and 2002-03

APPENDIX - XXX
(Referred to in paragraph 7.4 at page 88)

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

Sl. No.	Name of body	Period of entrustment	Year up to which accounts certified	Certification of accounts in arrears	Reasons for arrears
(1)	(2)	(3)	(4)	(5)	(6)
(a) Under Section 19 (3)					
1.	Senapati Autonomous District Council	Not available	2000-01	2001-02 2002-03	Accounts not received
2.	Ukhrul Autonomous District Council	—do—	1999-2000	2000-01 2001-02 2002-03	DAR ¹ under process. —do— Accounts not received.
3	Tamenglong Autonomous District Council	—do—	1999-2000	2000-01 2001-02 2002-03	DAR under process —do— Accounts not received
4	Churachandpur Autonomous District Council	—do—	2000-01	2001-02 2002-03	Further information awaited Accounts not received
5	Chandel Autonomous District Council	—do—	2000-01	2001-02 2002-03	DAR under process Accounts not received
6.	Sadar Hills Autonomous District Council, Kangpokpi	—do—	2000-01	2001-02 2002-03	Further information awaited. Accounts not received.
(b) Under Section 20 (1)					
1.	Kendriya Vidyalaya, Imphal	Up to 2006-07	2000-01	2001-02 and 2002-03	Non-receipt of accounts
2.	Kendriya Vidyalaya, Langjing	—do—	2000-01	2001-02 and 2002-03	—do—
3.	Kendriya Vidyalaya, Komkeirap	—do—	1994-95	1995-96 to 2002-03	—do—
4.	Kendriya Vidyalaya, Churachandpur	—do—	2000-01	2001-02 and 2002-03	—do—
5.	Kendriya Vidyalaya, Leimakhong	—do—	2000-01	2001-02 and 2002-03	—do—
6.	Jawahar Novodaya Vidyalaya, Kakching	2002-03	1996-97	1997-98 to 2002-03	—do—
7.	Jawahar Novodaya Vidyalaya, Bishnupur	—do—	1994-95	1995-96 to 2002-03	—do—
8.	Jawahar Novodaya Vidyalaya, Khumbong	—do—	1994-95	1995-96 to 2002-03	—do—
9.	Jawahar Novodaya Vidyalaya, Chandel	—do—	1999-2000	2000-01 to 2002-03	—do—
10.	Jawahar Novodaya Vidyalaya, Mao	—do—	1996-97	1997-98 to 2002-03	—do—
11.	Jawahar Novodaya Vidyalaya, Churachandpur	—do—	1995-96	1996-97 to 2002-03	—do—
12.	Jawahar Novodaya Vidyalaya, Ukhrul	—do—	2000-01	2001-02 to 2002-03	—do—

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(1)	(2)	(3)	(4)	(5)	(6)
13.	Nehru Yuva Kendra, Thoubal	2002-03	1994-95	1995-96 to 2002-03	Non-receipt of accounts
14.	Nehru Yuva Kendra, Imphal	—do—	1994-95	1995-96 to 2001-02	—do—
15.	Nehru Yuva Kendra, Tamenglong	—do—	1996-97	1997-98 to 2001-02	—do—
16.	Nehru Yuva Kendra, Bishnupur	—do—	1995-96	1996-97 to 2001-02	—do—
17.	Nehru Yuva Kendra, Chandel	—do—	1995-96	1996-97 to 2001-02	—do—
18.	Nehru Yuva Kendra, Churachandpur	—do—	1995-96	1996-97 to 2001-02	—do—
19.	Nehru Yuva Kendra, Ukhrul	—do—	1995-96	1996-97 to 2001-02	—do—
20.	Nehru Yuva Kendra, Kangpokpi	—do—	2001-02	2002-03	—do—
21.	Sports Authority of India, NER Centre, Takyelpat	—do—	2000-01	2001-02 and 2002-03	—do—

APPENDIX - XXXI

(Referred to in paragraphs 8.2.3., 8.2.7 and 8.3.1 at page 93)

Statement showing particulars of up-to-date paid-up capital, budgetary outgo, loans given out of budget and loans outstanding as on 31 March 2003 in respect of Government Companies and Statutory corporations

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

Sl. No.	Sector and name of the company	Paid-up capital as at the end of the current year					Equity/loans received out of Budget during the year		Other loans received during the year	Loans outstanding at the close of 2002-03			Debt equity ratio for 2002-03 [4 (f)/3(e) (previous year)]
		State Govt.	Central Govt.	Holding Companies	Others	Total	Equity	Loans		Govt.	Others	Total	
(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	(5)
A. Working Government companies													
1.	AGRICULTURE & ALLIED SECTORS Manipur Agro Industries Corporation Ltd.	306.46	-	-	-	306.46	-	-	-	-	-	-	-
2.	Manipur Plantation Crops Corporation Ltd.	1161.79	-	-	-	1161.79	-	-	-	-	38.25	38.25	0.03:1 (0.03:1)
	Sector wise total	1468.25	-	-	-	1468.25	-	-	-	-	38.25	38.25	-
3.	INDUSTRY SECTOR Manipur Industrial Development Corporation Ltd.	793.00	421.00	-	-	1214.00	-	-	-	-	2108.75	2108.75	1.74:1
	Sector wise total	793.00	421.00	-	-	1214.00	-	-	-	2108.75	2108.75	2108.75	1.74:1
4.	ELECTRONICS SECTOR Manipur Electronics Development Corporation Ltd.	269.28	-	-	-	269.28	-	-	-	-	-	-	-
	Sector wise total	269.28	-	-	-	269.28	-	-	-	-	-	-	-
5.	TEXTILES SECTOR Manipur Spinning Mills Corporation Ltd.	2224.92	-	-	-	2224.92	571.00	-	-	-	299.82	299.82	0.13:1 (0.18:1)
	Sector wise total	2224.92	-	-	-	2224.92	571.00	-	-	-	299.82	299.82	0.13:1 (0.18:1)
6.	HANDLOOM AND HANDICRAFT SECTOR Manipur Handloom and Handicrafts Development Corporation Ltd.	386.69	117.00	-	-	503.69	-	-	-	175.38	-	175.38	0.35:1 (0.36:1)
	Sector wise total	386.69	117.00	-	-	503.69	-	-	-	175.38	-	175.38	0.35:1 (0.36:1)
7.	CONSTRUCTION SECTOR Manipur Police Housing Corporation Ltd.	2.00	-	-	-	2.00	-	-	-	-	-	-	-
	Sector wise total	2.00	-	-	-	2.00	-	-	-	-	-	-	-
8.	DEVELOPMENT OF ECONOMICALLY WEAKER SECTIONS SECTOR Manipur Tribal Development Corporation Ltd.	77.50	-	-	-	77.50	-	-	-	10.00	-	10.00	0.13:1 (0.13:1)
	Sector wise total	77.50	-	-	-	77.50	-	-	-	10.00	-	10.00	0.13:1 (0.13:1)
9.	SUGAR SECTOR Manipur Food Industries Corporation Ltd.	78.39	-	-	-	78.39	-	-	-	-	-	-	-
	Sector wise total	78.39	-	-	-	78.39	-	-	-	-	-	-	-
10.	CEMENT SECTOR Manipur Cement Ltd.	291.34	-	-	-	291.34	131.55	-	-	-	-	-	-
	Sector wise total	291.34	-	-	-	291.34	131.55	-	-	-	-	-	-

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	(5)
11.	DRUGS, CHEMICALS & PHARMACEUTICALS SECTOR Manipur State Drugs & Pharmaceuticals Ltd.	41.65	-	43.35	-	85.00	-	-	-	1099.43	-	1099.43	12.93:1 (12.93:1)
	Sector wise total	41.65	-	43.35	-	85.00	-	-	-	1099.43	-	1099.43	12.93:1 (12.93:1)
12.	POWER SECTOR Manipur State Power Development Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
	Sector wise total	-	-	-	-	-	-	-	-	-	-	-	-
13.	MISCELLANEOUS Manipur Film Development Corporation Ltd.	6.00	-	-	-	6.00	-	-	-	15.00	-	15.00	2.5:1 (-)
	Sector wise total	6.00	-	-	-	6.00	-	-	-	15.00	-	15.00	2.5:1 (-)
	Total (A-All Sector-wise Government Companies)	5639.02	538.00	43.35	-	6220.37	702.55	-	-	1299.81	2446.82	3746.63	0.60:1 (0.30:1)
	B. Working Statutory Corporations												
1.	TRANSPORT SECTOR Manipur State Road Transport Corporation	3027.46	343.01	-	-	3370.47	150.00	-	-	-	-	-	-
	Total (B)	3027.46	343.01	-	-	3370.47	150.00	-	-	-	-	-	-
	Grand Total (A+B)	8666.48	881.01	43.35	-	9590.84	852.55	-	-	1299.81	2446.82	3746.63	0.39:1 (0.30:1)
	C. Non-working Companies												
1.	INDUSTRY SECTOR Manipur Cycle Corporation Ltd.	64.22	-	-	-	64.22	22.22	-	-	-	-	-	-
2.	Manipur Pulp and Allied Products Ltd.	73.00	-	-	-	73.00	-	-	-	-	-	-	-
	Sector wise total	137.22	-	-	-	137.22	22.22	-	-	-	-	-	-
	D. Non-working Statutory Corporations												
	Grand total (C+D)	137.22	-	-	-	137.22	22.22	-	-	-	-	-	-
	Grand Total (A+B+C+D)	8803.70	881.01	43.35	-	9728.06	874.77	-	-	1299.81	2446.82	3746.63	0.39:1 (0.30:1)

APPENDIX XXXII

(Referred to in paragraphs 8.4.2, 8.4.3, 8.5.1, 8.6.1, 8.6.5, 8.7.3 and 8.7.4 at pages 94 to 97)

Summarised financial results of Government companies and statutory corporations for the latest year for which accounts were finalised

(Figures in columns 7 to 12 and 15 are Rupees in lakh)

Sl. No.	Sector and name of the company	Name of Department	Date of incorporation	Period of accounts	Year in which accounts finalised	Net profit(+) /Loss (-)	Net impact of audit comments	Paid up capital	Accumulated profit (+)/Loss (-)	Capital employed (A)	Total return on capital employed	Percentage of total return on capital employed	Arrears of accounts in terms of years	Turn-over	Man-Power as on March 2003
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	A- Government Companies														
1.	Agriculture and Allied Sector Manipur Agro Industries Corporation Ltd.	Agriculture	19.3.81	1987-88	2000-01	(-) 8.62	-	32.25	(-) 41.25	(-) 9.58	(-)8.62	-	15	3.25	30
2.	Manipur Plantation Crops Corporation Ltd.	-do-	19.3.81	1983-84	2000-01	-	-	51.15	-	60.00	-	-	19	Pre-operative stage	81
	Sector wise Total					(-) 8.62	-	83.40	(-) 41.25	50.42	(-)8.62			3.25	111
3.	Industry Sector Manipur Industrial Development Corporation Ltd.	Commerce and Industries	6/1969	1989-90	2003-04	(+) 64.39	-	806.48	(+) 82.32	1109.71	(+) 136.91	12.34	13	-	NA
	Sector wise total					(+) 64.39	-	806.48	(+) 82.32	1109.71	(+) 136.91	12.34			NA
4.	Electronics Sector Manipur Electronics Development Corporation Ltd.	-do-	4/1987	1995-96	2003-04	(+) 11.19	-	269.28	(+) 61.90	372.57	12.19	3.27	7	292.85	NA
	Sector wise total					(+) 11.19	-	269.28	61.90	372.57	12.19	3.27		292.85	NA
5.	Textiles Sector Manipur Spinning Mills Corporation Ltd.	-do-	27.3.74	1981-82	2000-01	-	-	200.00	-	218.00	-	-	21	Pre-operative stage	84
	Sector wise total					-	-	200.00	-	218.00	-	-		NIL	84
6.	Handloom and Handicrafts Sector Manipur Handloom and Handicrafts Development Corporation Ltd.	-do-	16.10.76	1986-87	2002-03	(-) 19.58	-	100.00	(-) 169.65	75.62	(-) 19.58	--	16	11.42	135
	Sector wise total					(-) 19.58	-	100.00	(-) 169.65	75.62	(-) 19.58	-		11.42	135

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
7	Construction Sector Manipur Police Housing Corporation Ltd.	Home	26.4.86	1994-95	2001-02	(+) 0.47	-	2.00	(+) 2.15	4.15	(+) 0.47	11.33%	8	44.51	80
	Sector wise total					(+) 0.47	-	2.00	(+) 2.15	4.15	(+) 0.47			44.51	80
8.	Development of Economically Weaker Section Sector Manipur Tribal Development Corporation Ltd.	Tribal Area Backward Classes Development	6/79	1981-82	1996-97	4.58	-	1.00	5.87	6.64	4.58	69%	21	13.14	84
	Sector wise total					4.58	-	1.00	5.87	6.64	4.58	69%		13.14	84
9.	Sugar Sector Manipur Food Industries Corporation Ltd.	Commerce and Industries	4/87	1994-95	2001-02	-	-	78.39	-	65.62	-	-	8	Pre-operative stage	8
	Sector wise total					-	-	78.39	-	65.62	-	-		NIL	8
10.	Cement Sector Manipur Cement Ltd.	Commerce and Industries	10.5.88	1990-91	2002-03	(-)28.03	-	19.94	(-)47.59	270.49	(-)28.03	-	12	33.59	60
	Sector wise total					(-)28.03	-	19.94	(-)47.59	270.49	(-)28.03	-		33.59	60
11.	Drugs, Chemicals & Pharmaceuticals Sector Manipur State Drugs & Pharmaceuticals Ltd.	Chemicals & Pharmaceuticals	7/89	1996-97	1998	(-)123.08	-	85.00	(-)241.48	267.45	-	-	6	NA	NA
	Sector wise total					(-) 123.08	-	85.00	(-)241.48	267.45	-	-		NA	NA
12.	Power Manipur State Power Development Corporation Ltd.	Electricity	3/97	-	-	-	-	-	-	-	-	-	6	NA	NA
	Sector wise total					-	-	-	-	-	-	-		NA	NA

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
13.	Miscellaneous Sector Manipur Film Development Corporation Ltd.	Art and Culture	1.5.87	1989-90	1993-94	(-)1.32	-	6.00	(-)1.32	31.90	(-)1.32	-	13	1.18	26
	Sector wise total.					(-)1.32	-	6.00	(-)1.32	31.90	(-)1.32			1.18	26
	Total (A- Working Government companies)	—				(-)100.00		1651.49	(-)349.05	2472.57	96.60	3.92		399.94	588
	B. Statutory Corporations														
1.	Transport Sector Manipur State Road Transport Corporation	Transport	27.3.76	1990-91	1997-98	(-)198.03	(+) 9.82	1679.51	(-)1670.21	9.00	(-)177.00		12	108.36	341
	Sector wise total					(-) 198.03	(+) 9.82	1679.51	(-)1670.21	9.00	(-) 177.00			108.36	341
	Total -(B Statutory Corporations)	—	—	—	—	(-) 198.03	(+) 9.82	1679.51	(-) 1670.21	9.00	(-) 177.00	—	—	108.36	341
	Grand total (A+ B)					(-) 298.03	9.82	3331.00	(-)2019.26	2481.57	(-)80.40	-	-	508.30	929
	C- Non-Working Companies														
1.	Manipur Cycle Corporation Ltd ² .	Commerce and Industries	6/85	1990-91	1993-94	(-)6.33	-	64.37	(-)24.28	29.70	(-)6.33	-	12	4.43	NA
2.	Manipur Pulp and Allied Products Ltd.	-do-	10/88	1992-93	1996-97	(-)46.91	-	73.31	(-)126.02	93.16	(-)46.91	-	10	30.41	NA
	Sector wise total					(-)53.24	-	137.68	(-)150.30	122.86	(-)53.24			34.84	NIL
	Grand total (C)					(-) 53.24	-	137.68	(-) 150.30	122.86	(-) 53.24			34.84	
	Grand total (A + B + C)					(-)351.27		3468.68	(-)2169.56	2604.43	(-) 133.64			543.14	929

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

(B) Companies at serial no.A-2, A-5, A-9 and A-12 have not commenced commercial activities.

² Company at Sl. No. C-1 is under liquidation.

APPENDIX XXXIII

(Referred to in paragraph 8.3.1 at page 93)

Statement showing subsidy, guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year and subsidy receivable and guarantees outstanding at the end of March 2003

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

Sl. No.	Name of Public Sector Undertaking	Subsidy received during the year				Guarantees received during the year and outstanding at the end of the year (in bracket)					Waiver of dues during the year				Loan on which moratorium allowed	Loans converted into equity during the year
		Central Govt.	State Govt.	Others	Total	Cash credit from banks	Loans from other sources	Letters of credit opened by banks in respect of imports	Payment obligation under agreement with foreign consultants or contracts	Total	Loan repayment written off	Interest waived	Penal interest	Total		
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	6	7
(Rupees in lakh)																
1.	A. Working Government companies															
	(i) MHHDC Ltd.	15.00			15.00											
	Total — A	15.00			15.00											
	B. Working Statutory Corporations															
	Grand Total (A+B)	15.00			15.00											
	C. Non-Working Government Companies															
	D. Non-Working Statutory Corporations															
	Grand Total (C+D)	NA														

APPENDIX- XXXIV

(Referred to in paragraph.8.12.1 at page 99)

Statement showing the department-wise Inspection Reports outstanding

Sl. No.	Name of department	No. of SLPSU's ³	No. of outstanding IR	No. of outstanding paragraph	Years from which observation outstanding
1.	Agriculture	2	10	75	1991-2002
2.	Tribal development	1	5	31	—do—
3.	Industries	7	19	83	—do—
4.	Home	1	5	21	—do—
5.	Arts and culture	1	3	17	—do—
6.	Chemical and Pharmaceuticals	1	1	1	NA
	Total:	13	43	228	

³ State Level Public Sector Undertakings

APPENDIX -XXXV
(Referred to in paragraph 8.5.1 at page 95)
Statement showing financial position of Statutory Corporation
State Road Transport Corporation

(Rupees in crore)

Particulars	1988-89	1989-90	1990-91
A. Liabilities			
Capital (including capital loan and equity capital)	13.24	15.17	16.79
Borrowings:	0.55	0.08	—
Government:-			
Others:-			
Funds			
Trade dues and other current liabilities including provisions	1.27	1.60	1.86
Total	15.06	16.85	18.65
B. Assets			
Gross Block	3.75	4.08	4.40
Less depreciation	2.04	2.43	2.94
Net fixed assets	1.71	1.65	1.46
Capital works-in-progress (including cost of chassis)	—	—	—
Investments	—	—	—
Current assets, loans and advances	0.50	0.48	0.49
Accumulated losses	12.85	14.72	16.70
Total	15.06	16.85	18.65
Capital employed ⁴	0.94	0.53	0.09

⁴ Capital employed represents net fixed assets (including capital work-in-progress) plus working capital.

APPENDIX – XXXVI

(Referred to in paragraph 8.5.1 at page 95)

Statement showing working results of Statutory Corporations

State Road Transport Corporation

(Rupees in crore)

Sl. No.	Particulars	1988-89	1989-90	1990-91
	Operating			
	(a) Revenue	1.41	1.32	1.04
	(b) Expenditure	2.34	2.57	2.42
	(c) Surplus (+)/Deficit (-)	(-) 0.93	(-)1.25	(-)1.38
	Non-operating			
	(a) Revenue	0.11	0.11	0.04
	(b) Expenditure	0.65	0.73	0.64
	(c) Surplus (+)/Deficit (-)	(-) 0.54	(-)0.62	(-)0.60
	Total			
	(a) Revenue	1.52	1.43	1.08
	(b) Expenditure	2.99	3.30	3.06
	(c) Net Profit(+)/Loss(-)	(-) 1.47	(-)1.87	(-)1.98
	Interest on capital and loans	0.21	0.21	0.21
	Total return on Capital employed⁵	(-) 1.26	(-) 1.66	(-) 1.77

⁵ Total return on capital employed represents net surplus/deficit plus total interest charged to profit and loss account (less interest capitalised).

APPENDIX – XXXVII
(Referred to in paragraph.8.6.4 at page 96)
Statement showing operational performance of Statutory corporations

State Road Transport Corporation

Particulars	2000-01	2001-02	2002-03
Average number of vehicles held	17	17	17
Average number of vehicles on road	—	7	3
Percentage of utilisation of vehicles	—	41	17
Number of employees	347	341	327
Employee vehicle ratio	20:1	20:1	18:1
Number of routes operated at the end of the year	—	NA	—
Route kilometres	NA	NA	1000
Kilometres operated (in lakh)			
(a) Gross	NA	NA	NA
(b) Effective	NA	NA	NA
(c) Dead	NA	NA	NA
Percentage of dead kilometres to gross kilometres	NA	NA	NA
Average kilometres covered per bus per day	NA	NA	NA
Average operating revenue per kilometre (Paise) over previous year's income (per cent)			NA
Average operating revenue per kilometre (paise)	NA	NA	NA
Increase in operating expenditure per kilometre over previous year's expenditure (percent)	NA	NA	NA
Loss per kilometre (paise)(-)	—	—	NA
Number of operating depots	NA	NA	NA
Average number of break-down per lakh kilometres	NA	NA	NA
Average number of accidents per lakh kilometres	NA	NA	NA
Passenger kilometre operated (in crore)	NA	NA	NA
Occupancy ratio	NA	NA	NA
Kilometres obtained per litre of:			
(a) Diesel Oil	NA	NA	NA
(b) Engine Oil	NA	NA	NA

APPENDIX - XXVII

Referred to in paragraph 2.6.4 of the report
in order of increasing operational performance of the system

State of the system at the end of the period

System	Performance	State of the system at the end of the period
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
11	11	11
12	12	12
13	13	13
14	14	14
15	15	15
16	16	16
17	17	17
18	18	18
19	19	19
20	20	20
21	21	21
22	22	22
23	23	23
24	24	24
25	25	25
26	26	26
27	27	27
28	28	28
29	29	29
30	30	30
31	31	31
32	32	32
33	33	33
34	34	34
35	35	35
36	36	36
37	37	37
38	38	38
39	39	39
40	40	40
41	41	41
42	42	42
43	43	43
44	44	44
45	45	45
46	46	46
47	47	47
48	48	48
49	49	49
50	50	50
51	51	51
52	52	52
53	53	53
54	54	54
55	55	55
56	56	56
57	57	57
58	58	58
59	59	59
60	60	60
61	61	61
62	62	62
63	63	63
64	64	64
65	65	65
66	66	66
67	67	67
68	68	68
69	69	69
70	70	70
71	71	71
72	72	72
73	73	73
74	74	74
75	75	75
76	76	76
77	77	77
78	78	78
79	79	79
80	80	80
81	81	81
82	82	82
83	83	83
84	84	84
85	85	85
86	86	86
87	87	87
88	88	88
89	89	89
90	90	90
91	91	91
92	92	92
93	93	93
94	94	94
95	95	95
96	96	96
97	97	97
98	98	98
99	99	99
100	100	100