

Report of the
Comptroller and Auditor General of
India

For the year ended 31 March 2000

GOVERNMENT OF MANIPUR

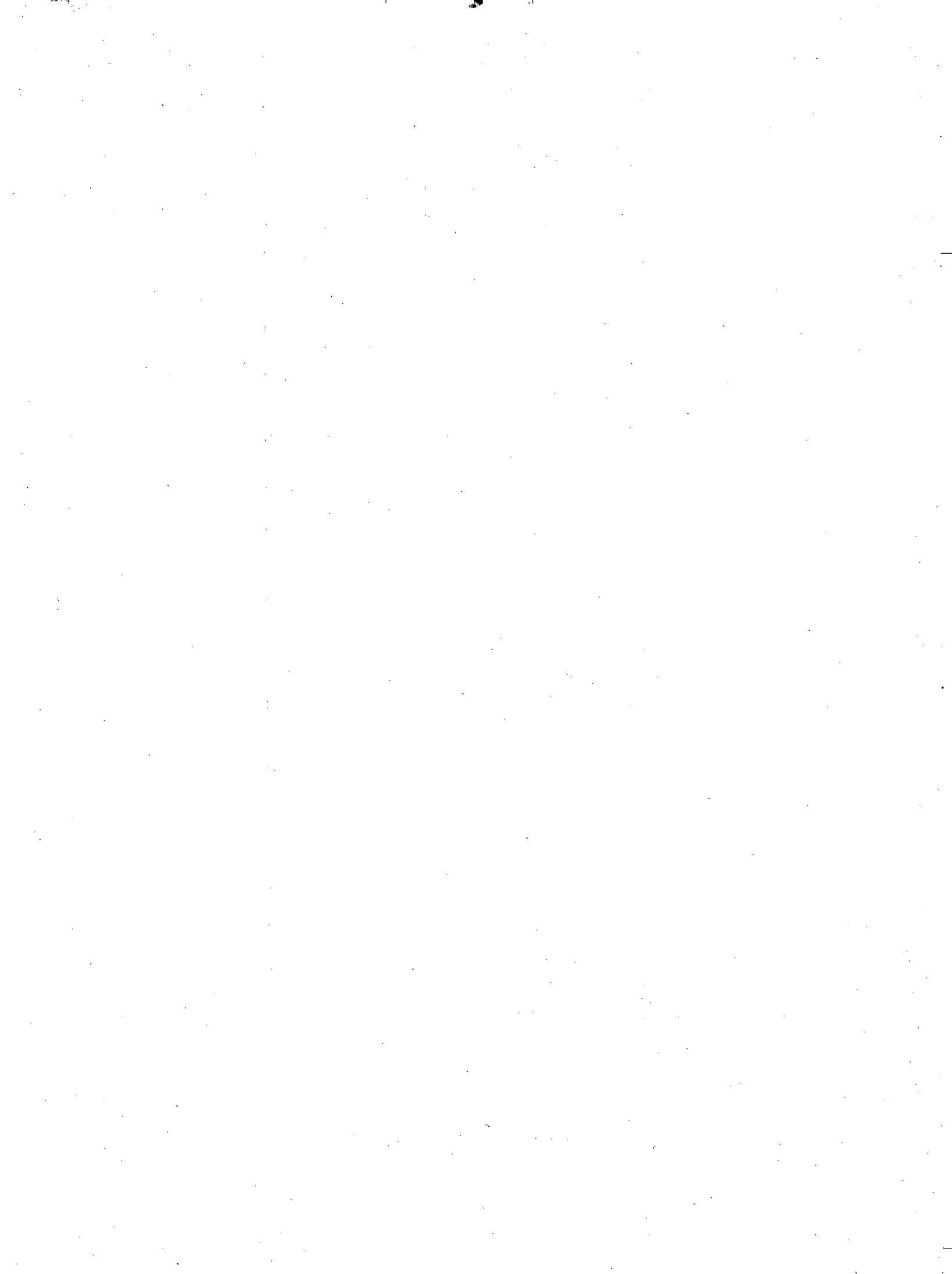


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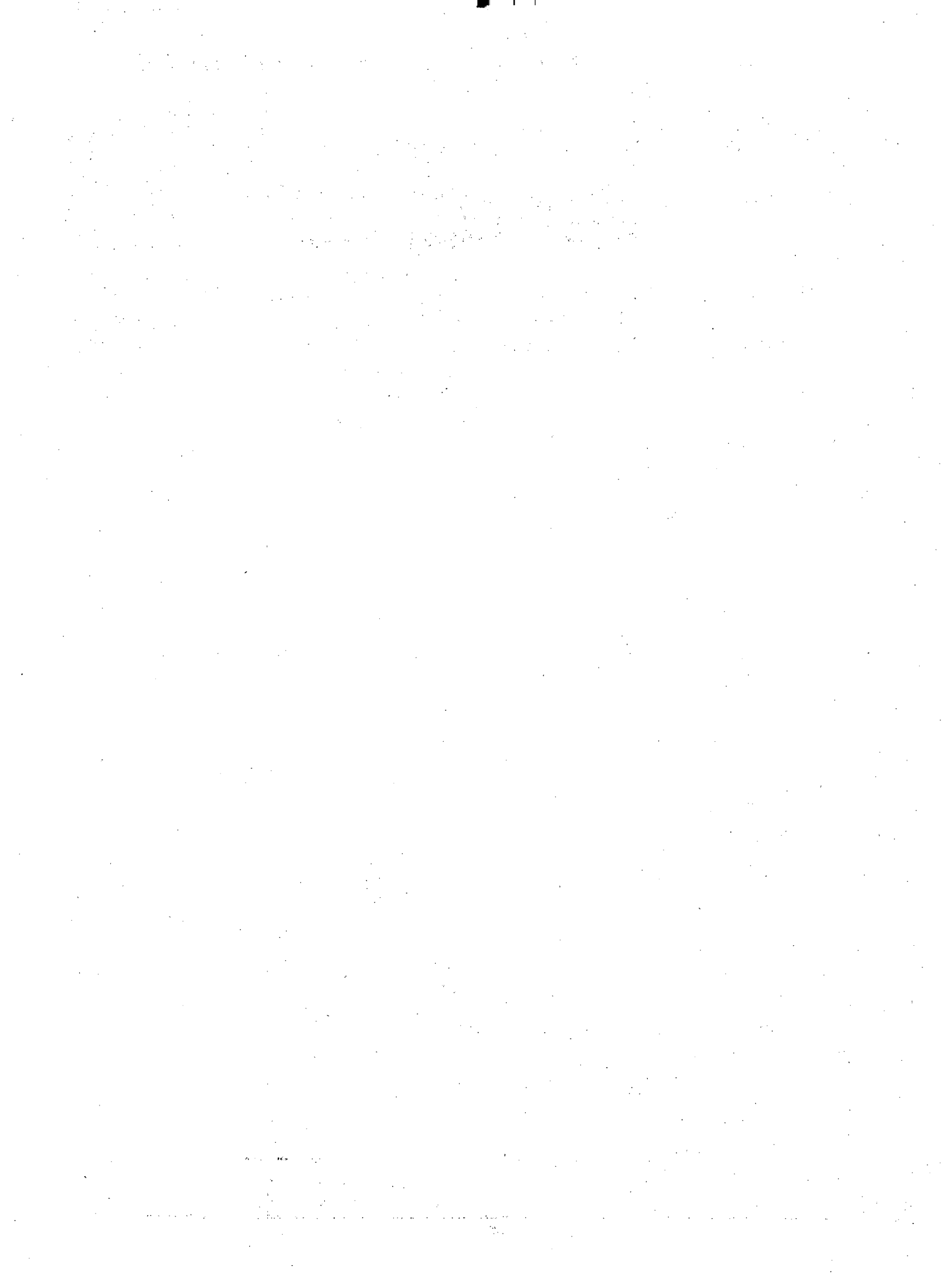
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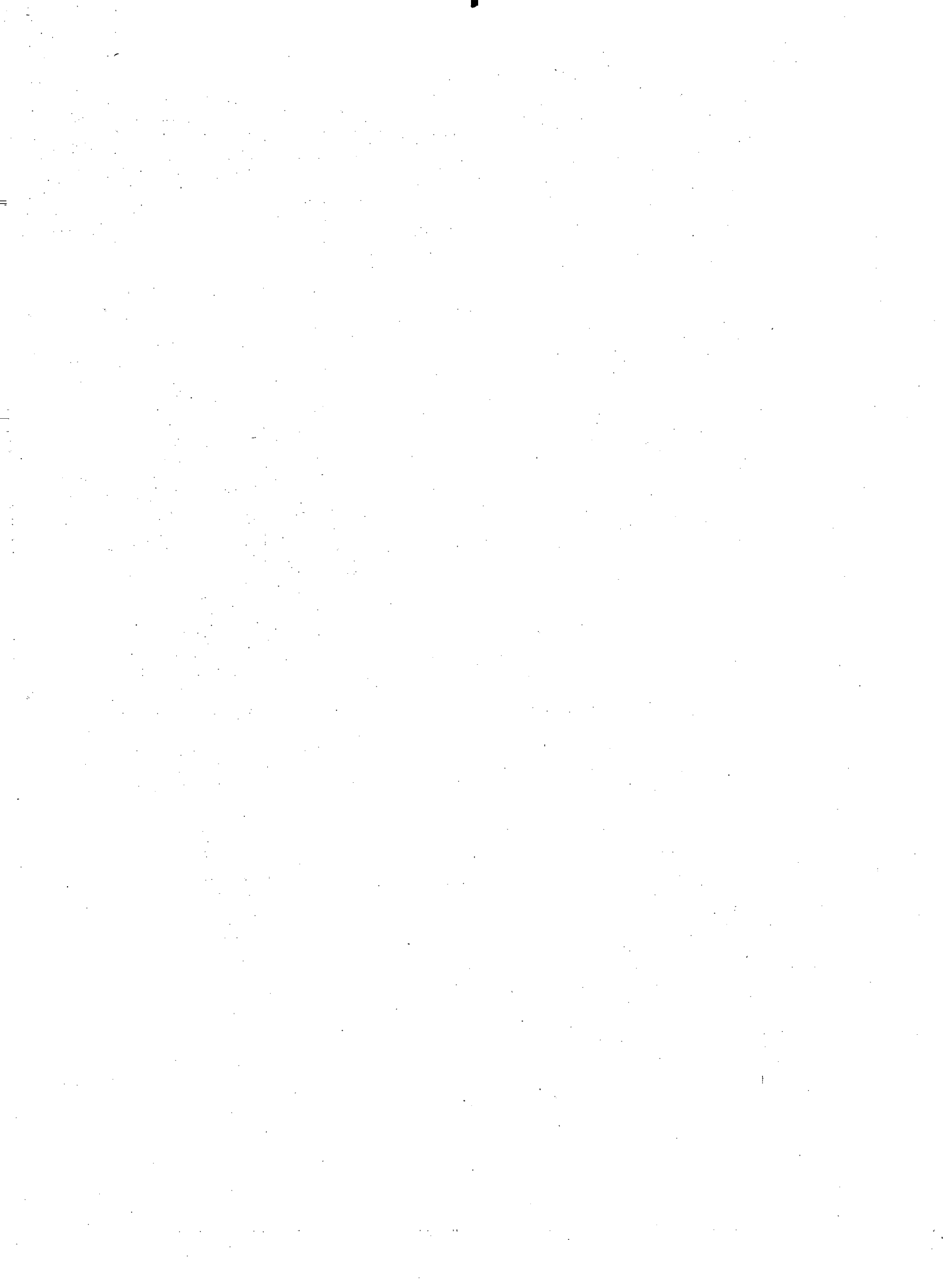
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PREFACE

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 2000.*
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 1999-2000, 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 1999-2000 have also been included wherever necessary.*



OVERVIEW

This Report contains eight chapters. Chapter-I contains a detailed analysis of the financial position of the State. Chapter-II reviews the Government's control over expenditure during the year. The remaining six chapters contain 8 reviews and 22 paragraphs based on audit of certain selected schemes and programmes and financial transactions of the Government. A synopsis of the findings contained in the reviews and important paragraphs is presented in this overview.

1. Financial position of the State Government

The assets of the State Government declined from Rs.2739.70 crore in 1998-99 to Rs.2729.96 crore in 1999-2000, while the liabilities grew from Rs.1430.09 crore to Rs.1698.49 crore during the same period. The ratio of assets to liabilities declined from 2.51 in 1995-96 to 1.61 in 1999-2000.

During 1999-2000 the Revenue receipts of the State Government were Rs.1069.85 crore against which Revenue expenditure was Rs.1347.99 crore resulting in revenue deficit of Rs.278.14 crore.

The fiscal deficit increased from Rs.104.76 crore in 1995-96 to Rs.643.94 crore during 1999-2000.

The interest payment increased from Rs.57.55 crore in 1995-96 to Rs.131.96 crore in 1999-2000.

The amount of Capital expenditure increased from Rs.214.25 crore in 1998-99 to Rs.363.77 crore in 1999-2000 and its share in total expenditure was 21 *per cent* each during the same period.

As on 31 March 2000, 8 of the Government companies in which Government had invested Rs.13.30 crore, were running under loss. While the interest on market borrowings during the year was 12.25 *per cent* the investment in Government companies *etc.* fetched nil.

During the period from 1995-96 to 1999-2000 the total liabilities of the Government had grown by 157 *per cent*. This was on account of 167 *per cent* growth in internal debt, 103 *per cent* in loans and advances from Government of India and 192 *per cent* growth in other liabilities.

Analysis of financial data of the Government revealed that the State Government had negative BCRs in all the five years, suggesting that Government had to depend only on borrowings for meeting its Plan expenditure. The ratio of Capital expenditure to Capital receipts was steadily decreasing from 3.60 to 0.85 during

All abbreviations used in this Report are expanded in the Glossary of Abbreviations vide *Appendix LXVI* at pages 227-229.

1995-96 to 1999-2000 indicating that a substantial part of the Capital receipts was not available for investment.

(Paragraphs 1.1 to 1.11)

2. Appropriation audit and control over expenditure

During 1999-2000 expenditure of Rs.3029.40 crore was incurred against the total grants and appropriations of Rs.2526.85 crore resulting in an excess of Rs.502.55 crore. The overall excess was the result of saving of Rs.342.33 crore in 60 cases of grants and appropriations offset by excess of Rs.844.88 crore in 16 cases of grants and appropriations. The excess of Rs.844.88 crore required regularisation by the Legislature under Article 205 of the Constitution.

Supplementary provision of Rs.1016.80 crore obtained during 1999-2000 constituted 67 per cent of original budget provision of Rs.1510.05 crore. In 8 cases, supplementary provision of Rs.27.61 crore proved unnecessary in view of final saving in each case being more than supplementary provision obtained in March 2000.

In 7 cases there were persistent savings in excess of Rs.10 lakh in each case and 20 per cent or more of the provision.

In 18 cases expenditure fell short by more than Rs.1 crore in each case and also by more than 10 per cent or more of the total provision.

(Paragraphs 2 to 2.3)

3. Audit Reviews on development and welfare activities

3.1 Integrated Audit on Primary Education including Man-power Management

An integrated audit on Primary Education including man-power management conducted by test-check of records covering the period from 1995-96 to 1999-2000 revealed poor budgeting, reduction in number of schools and enrolment; locking up of funds, shortfall in inspection and irregular expenditure on teachers and excess staff under non-formal education.

Poor budgeting resulted in overall saving of Rs.116.39 crore (19 per cent) during 1995-96 to 1999-2000.

Rupees 7.71 crore was drawn in 30 Abstract Contingent bills but Detailed Countersigned Contingent bills had not been submitted.

Numbers of primary schools decreased from 3031 in 1993 to 2572 in 2000 with consequent reduction in enrolment.

The percentage of school dropouts during 1995-96 to 1999-2000 ranged between 27 and 44.

Procurement of excess Radio-cum-Cassette Players resulted in locking up of funds to the extent of Rs.7.41 lakh.

There was shortfall ranging between 57 to 100 *per cent* in inspection of schools by DIs/AIs in respect of 4 ZEOs.

Retention of Ad-hoc teachers in service for more than 3 months in violation of the provisions of the Employment Exchange Compulsory Notification of Vacancies Act, 1959 resulted in irregular expenditure of Rs.2.65 crore.

Under Non Formal Education, the SCERT spent Rs.1.22 crore during 1998-99 and 1999-2000 on excess staff.

(Paragraph 3.1)

3.2 National Family Welfare Programme

The National Family Welfare Programme is a demographic as well as a Welfare Programme meant for stabilising population level and at the same time improving maternal and child health care. The programme (except training component) is a cent per cent Centrally Sponsored Scheme. A review of the programme through test check of records relating to the period from 1995-96 to 1999-2000 revealed retention of funds in deposit account, irregular/excess expenditure, shortage of establishment of health centres, and non-achievement of targets under sterilisation/oral pill.

The expenditure figure of Rs.29.80 crore for the period from 1995-96 to 1999-2000 included Rs.57.52 lakh retained in deposit account and Rs.16.69 lakh retained in the form of bankers' cheque.

Rupees 1.22 lakh drawn during October 1997 to February 1999 was spent on items not relating to the Family Welfare Programme.

Against 274 posts of Reproductive and Child Health Contractual staff, the State Committee on Voluntary Action appointed 443 staff during 1999-2000, resulting in excess expenditure of Rs.76.87 lakh (approximate).

In the State, there is a shortage of 34 Sub-Centres, 4 Primary Health Centres and 4 Community Health Centres. Further, 15 Primary Health Centres (PHCs) were running without doctors and 52 Centres without female multipurpose workers.

The achievement under sterilization and oral pills in the State were 58 and 24 *per cent* respectively. There was negligible or nil performance of sterilisation in certain districts. No target was fixed in respect of PPCs. Under TT for pregnant women *cent per cent* target was not covered.

Decennial Growth Rate was 23.14 *per cent* against the All India Rate of 15.37.

In the absence of proper records in the Directorate as well as in the districts test-checked, the actual quantity of aid-materials (worth Rs.5.10 crore) allocated by Government of India and received by the State could not be verified. As of March 2000, 37 Ice Lining Refrigerators and 31 Deep Freezers in 9 districts were not functional/serviceable.

(Paragraph 3.2)

3.3 Manipur State Lotteries

To augment its resources, the State Government launched lottery schemes from December 1980. Prior to 1994, all its lotteries were State authorised. After May 1994, the form of the schemes was altered to resemble State organised lotteries; however, in character they remained in the nature of State authorised lotteries. Several lapses in its implementation leading to serious irregularities occurred. A summary of the important findings is as under—

From May 1994 to March 2000 the Directorate held 156728 draws, with a total face value of tickets at Rs. 53039 crore. Of this, it collected Rs.86.33 crore as its revenue. This amounted to 0.16 *per cent* of the value of tickets printed.

Of the 12 parties appointed as distributors, five were erstwhile organising agents, three had been appointed without call of tenders and four had been appointed by amending the rules. Conditions of bringing bank guarantee of Rs.60 lakh from scheduled banks had been relaxed in respect of these newly inducted parties to minimise their financial risk.

The distributors were irregularly allowed to deduct administrative expenses totalling Rs.43.13 crore from taxable prizes distributed by the Government.

Draws were cancelled at short notices. But steps were not taken to ensure that all the tickets of such draws were properly accounted.

Tickets were sold in States where the sales were prohibited by the laws of these States.

The distributors sold fake tickets against unapproved lotteries and published fictitious results, and collected public money.

The amount of 'part consideration' was continually decreased; however, the dues on this account mounted to Rs.4.18 crore.

The judges declared results against non-existent lotteries and the distributors retained the prize money.

Results were published in the State Gazette before the actual date of draw.

The distributors altered the prize winning ticket numbers while publishing the same in the newspapers and retained undisbursed prize money.

Income tax amounting to Rs.31.77 crore had not been deducted from the prizes drawn by the distributors.

Compensatory amount in lieu of unclaimed prizes had been fixed below the lowest prizes and the differential amount of Rs.35.02 lakh was not recovered from the distributors.

Balance amount of Rs.1662.79 crore representing Government profits was retained by the distributors.

(Paragraph 3.3)

3.4 Implementation of Prevention of Food Adulteration Act and Rules

With a view to ensuring availability of unadulterated food and drink to consumers the Prevention of Food Adulteration Act, 1954 (PFA) was enacted by Government of India. For implementing the PFA Act the State Government made Manipur Prevention of Food Adulteration Rules 1958 and it was enforced in the State with effect from November 1959. A review conducted by test-check of records relating

to the period from 1995-96 to 1999-2000 revealed that Food Health Authority had no information regarding the number of food establishments. The Central grant for establishment of Food Testing Laboratory was not released. There was shortage of food inspectors. Prosecution of cases could not be initiated for want of creation of the post of Public Analyst. There was shortfall in testing of samples.

The Central grant of Rs.7.00 lakh for strengthening the Food Testing Laboratory was not released by the State Government.

There was a shortage of 19 Food Inspectors.

The post of Public Analyst was not created due to which cases of prosecution could not be initiated by the Local Health Authority.

The number of food establishments was not available with the Food Health Authority.

Results of many samples sent for testing outside the State were not received.

Each Food Inspector collected 11 samples per annum on an average against the norms of 48 samples. The overall shortfall was 77 per cent.

(Paragraph 3.4)

3.5 Upgradation of District Administration and Primary Education and Special Problem Grants recommended by The Xth Finance Commission

Tenth Finance Commission recommended grants to the State for upgradation of District Administration (Police, Fire Service, Jails, Record Room), Primary Education and for Special Problems and Calamity Relief Works. A review conducted by test-check of records relating to the period from 1995-96 to 1999-2000 revealed that the State Government had not utilised the entire Central assistance and retained certain amount in deposit account/bankers' cheque. There were cases of shortfall in achievement of targets, extra expenditure, diversion of fund and excess procurement of stores.

Out of the total funds of Rs.77.38 crore released by the Central Government during 1996-97 to 1999-2000, the State Government released Rs.77.19 crore and utilised only Rs.63.62 crore resulting in non-utilisation of Rs.14.16 crore. Of this, Rs.8.13 crore was retained in Deposit Account/bankers cheque etc.

Under Police Housing, the construction of dwelling units exceeded the specifications prescribed by the Tenth Finance Commission which resulted in extra liability of Rs.18.57 crore.

Rupees 32.37 lakh was diverted for constructing the Administration building by Loktak Development Authority (LDA) though such work was not approved by TFC.

In respect of pump sets for Rs.1.10 crore procured and distributed to the District level officers by three departments of the State Government for relief works the officers had not furnished details of the benefits provided to the beneficiaries though as per the sanction order the departments were required to maintain such details.

GI pipes and MS slotted pipes valued at Rs.25.81 lakh procured for drought relief work for the year 1999 remained unutilised in stock. Besides there was loss of Rs.2.24 lakh on account of short accountal of pipes.

(Paragraph 3.5)

3.6 Members of Parliament Local Area Development Scheme

A review of the Members of Parliament Local Area Development Scheme covering the period from 1997-98 to 1999-2000 conducted by test-check of records revealed that all the sanctioned works were not taken up. There were cases of diversion of funds. Expenditure proved unproductive due to abandonment of works.

Against the total funds of Rs.17.89 crore available during 1997-98 to 1999-2000, the expenditure was Rs.14.31 crore leaving a closing balance of Rs.3.58 crore as on March 2000.

Against 1292 works (estimated cost: Rs.11.18 crore) recommended by the MPs, 1285 (estimated cost: Rs.11.80 crore) were sanctioned by the District Administration and 1277 works were taken up, of which 874 works (cost: Rs.7.62 crore) were actually completed during 1997-98 to 1999-2000.

Scheme funds of Rs.55.20 lakh were diverted for private institutes which was irregular.

29 works (estimated cost: Rs.23.95 lakh) were abandoned after incurring expenditure of Rs.14.54 lakh.

(Paragraph 3.6)

3.7 Working of Manipur Plantation Crops Corporation

The Company was incorporated in 1981 to promote cultivation of tea and coffee in a planned, organised and systematic manner. A review on the working of the Company relating to the period from 1993-94 to 1998-99 revealed that—

Out of the total borrowings of Rs.1.57 crore of the Company during 1993-94 to 1998-99, Rs.0.70 crore meant for factory loan was kept in short-term deposit for one year (1996-97). Interest earned on the deposit fell short of the borrowing cost by Rs.3.85 lakh.

Shortfall in achieving the target for tea plantation during 1993-94 to 1999-2000 ranged between 7 and 67 per cent.

Tea yield per hectare was 27 per cent lower than the estimated yield resulting in loss of Rs.0.40 crore.

During 1993-94 to 1998-99, expenditure on tea plantation (Rs.2.57 crore) exceeded the estimated cost (Rs.0.84 crore) by Rs.1.73 crore (206 per cent).

The Company invested Rs.1.24 crore for coffee plantation on 373 hectares (1983-84 to 1990-91) of land against the target of 5000 hectares. The project was abandoned in 1992-93. The Company incurred expenditure of Rs.0.48 crore till March 2000 towards payment of salary on idle staff of coffee plantation.

(Paragraph 8.2)

3.8 Generation, transmission and distribution of power

Review of generation, transmission and distribution of power relating to the period from 1994-95 to 1999-2000 revealed the following—

Target for generation of power could not be achieved in any year during 1994-95 to 1999-2000. The shortfall ranged from 33.17 to 84.50 per cent.

Expenditure of Rs.10.66 crore incurred on seven Micro Hydel Projects shut down/abandoned proved infructuous.

Transmission loss of 316.902 MU was in excess of maximum permissible of 15.5 per cent, valued at Rs.50.91 crore.

There was loss of revenue due to theft of conductors and other line material valued at Rs.2.16 crore. Further, the department incurred loss of Rs 71.28 crore due to less billing.

There was locking up of funds amounting to Rs.5.04 crore and loss of interest of Rs.1.06 crore due to excess procurement of store material, plants and machinery.

Surcharge amounting to Rs.3.86 crore was not recovered from NHPC.

(Paragraph 8.3)

4. Other points

4.1 Civil

Extra/excess expenditure

Delay in finalising the purchase of land by the General Administration Department for Manipur Bhavan at Guwahati resulted in extra expenditure of Rs.28.30 lakh.

(Paragraph 3.7)

Irregular drawal of pays and allowances beyond the called out strength of Home Guard Volunteers led to an excess expenditure of Rs.13.83 lakh.

(Paragraph 3.10)

The Tribal Development Department procured 370.25 tonnes of potato seeds at higher rate which resulted in extra expenditure of Rs.11.11 lakh.

(Paragraph 3.13)

Lapse on the part of the Public Health Engineering Department in clearing equipment on payment of customs duty for the externally aided Kangchup Water Supply Scheme resulted in extra expenditure of Rs.12.09 lakh towards payment of interest.

(Paragraph 4.2)

Diversion/retention/locking up of fund

Fees/charges amounting Rs.21.63 lakh collected from patients by the JN Hospital, Imphal during 1997-98 to 1999-2000 were irregularly retained outside Government account, out of which Rs.2.42 lakh was diverted for meeting departmental expenditure.

(Paragraph 3.8)

Under Urban Employment Generation Programme out of the amount of Rs.8.34 crore released during 1994-95 to 1999-2000 in respect of NRY/PMIUPEP/UBSP/SJSRY schemes an amount of Rs.6.40 crore was retained in deposit account.

(Paragraph 3.12)

Injudicious decision of the Irrigation and Flood Control Department for execution of flood protection work before acquisition of site resulted in locking up of fund of Rs.12.86 lakh.

(Paragraph 4.1)

Fraudulent/irregular drawal/doubtful payment

In the office of the Commandant, 7th Manipur Rifles, Khabeisoi there was fraudulent drawal of Rs.35 lakh by manipulating the original amounts of bills and the Treasury Officer failed to detect while checking the bills for payment.

(Paragraph 3.9)

Failure on the part of a Drawing and Disbursing Officer of Public Works Department to exercise necessary checks led to fraudulent payment of Rs.5.32 lakh against a fictitious bill.

(Paragraph 4.3)

Payment of Rs.16.14 lakh made by Executive Engineer, Public Works Division, Ukhrul against 49 minor works was doubtful.

(Paragraph 4.4)

Irregular and unauthorised expenditure

Excess appointment of 229 officials over the sanctioned strength in three categories in 1st Battalion Manipur Rifles during 1995-96 to 1999-2000 resulted in irregular and unauthorised drawal of pay and allowances of Rs.96 lakh.

(Paragraph 3.11)

4.2 REVENUE

Realisation of penalty below the minimum prescribed limit in 752 offences of 21 Excise Stations resulted in short-levy of penalty of Rs.2.38 lakh by the Excise Department.

(Paragraph 7.6)

Water charges amounting to Rs.12.12 lakh on account of supply of water through departmental tankers and bulk supply through pipe connection remained unrealised by the Public Health Engineering Department for periods ranging from one to 18 years.

(Paragraph 7.7)

Non-realisation of Token tax, Goods tax and Passengers tax from the owners of 221 vehicles by the Transport Department resulted in loss of revenue of Rs.22.94 lakh.

(Paragraph 7.8 (i))

4.3 Commercial

General view of Government Companies and Statutory Corporations

As on 31 March 2000, there were 15 Government companies and one Statutory corporation in the State in which investment of Rs.87.96 crore was made (Government companies: Rs.57.62 crore; Statutory corporation: Rs.30.34 crore).

Out of 15 companies, 14 were working and one was non-working.

The accounts of 14 companies and the corporation were in arrears ranging from 3 to 18 years as on 30 September 2000.

According to the latest finalised accounts aggregate loss incurred by 6 companies was Rs.2.58 crore and that by the corporation was Rs.1.98 crore.

No dividend was declared by any of the 5 profit making companies.

(Paragraph 8.1)

Opening a current account and fixed deposit accounts in a non-scheduled bank by Manipur Agro Industries Corporation Limited led to locking up of funds of Rs.24.14 lakh, besides loss of interest of Rs.7.42 lakh.

(Paragraph 8.4)

Purchase of vegetable seeds by the Manipur Agro Industries Corporation Limited at significantly higher rates resulted in excess expenditure of Rs.5.36 lakh.

(Paragraph 8.5)

Delayed action/inaction on the part of the Government/Manipur Cycle Corporation led to wasteful expenditure of Rs.33.27 lakh on idle staff; further, plant and machinery valued at Rs.10.11 lakh was lying idle and deteriorating with the passage of time.

(Paragraph 8.6)

Non-recovery of penalty by the Power Department from the suppliers of energy meters resulted in loss of Rs.9.51 lakh.

(Paragraph 8.7)

CHAPTER I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

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

1.2 Financial position of the State

In the Government accounting system comprehensive accounting of the fixed assets like land and buildings *etc.*, owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Following table gives an abstract of such liabilities and the assets as on 31 March 2000, compared with the corresponding position on 31 March 1999. While the liabilities in this statement consists mainly of internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balances. It would be seen from the table that while the liabilities grew by 19 *per cent*, the assets decreased marginally by 0.36 *per cent* during 1999-2000. This shows an overall deterioration in the financial condition of the Government.

**SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF
MANIPUR AS ON 31 MARCH 2000**

(Rupees in crore)

As on 31.03.1999	Liabilities		As on 31.03.2000
	Internal Debt —		653.98
201.99	Market Loans bearing interest	223.29	
0.04	Market Loans not bearing interest	0.04	
*9.31	Loans from LIC	8.86	
*111.96	Loans from other Institutions	116.74	
27.66	Ways and Means Advances	28.21	
383.27	Overdrafts from Reserve Bank of India	276.84	
	Loans and Advances from Central Government —		398.83
29.34	Pre 1984-85 Loans	27.46	
84.53	Non-Plan Loans	96.97	
204.07	Loans for State Plan Schemes	254.20	
4.31	Loans for Central Plan Schemes	4.18	
7.62	Loans for Centrally Sponsored Plan Schemes	8.42	
4.52	Loans for Special Plan Schemes	4.09	
0.51	Ways and means advances	3.51	
179.66	Small Savings, Provident Funds, etc.		467.68
170.22	Deposits		164.51
11.08	Reserve Funds		13.50
1309.61	Surplus on Government Account		1031.47
2739.70	Total		2729.97
As on 31.03.1999	Assets		As on 31.03.2000
	Gross Capital Outlay on Fixed Assets —		2709.03
80.66	Investments in shares of Companies, Corporations, etc.	86.65	
2264.60	Other Capital Outlay	2622.38	
	Loans and Advances —		50.99
44.12	Other Development Loans	45.85	
4.83	Loans to Government servants and Miscellaneous loans	5.14	
2.20	Advances		2.22
73.87	Suspense and Miscellaneous Balances		(-)53.83
116.94	Remittances		135.49
152.48	Cash —		(-)113.93
	3.43 Cash in Treasuries	3.36	
	165.45 Deposits with Reserve Bank	(-)109.28	
	Departmental Cash Balance	6.15	
	8.86 Permanent Advance	0.02	
	(-)29.79 Remittance on transit	(-)18.71	
	4.53 Cash Balance Investments	4.53	
2739.70	Total		2729.97

Explanatory Notes

1. The abridged accounts in the above table have to be read with comments and explanations in the Finance Accounts.

* Due to reconciliation of (-) balance as shown in the Finance Accounts for 1998-99 and corrections adopted in the Finance Accounts for 1999-2000.

2. Government accounts being mainly on cash basis, the deficit on Government accounts, as shown in the above table indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures test-checked do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement *etc.*

1.3 Sources and applications of fund

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

(Rupees in crore)

1998-99		Sources	1999-2000
896.78	1.	Revenue receipts	1069.85
0.39	2.	Recoveries of Loans and Advances	0.56
99.19	3.	Increase in Public debt	90.11
	4.	Net receipts from Public account	
7.43		Increase in Small Savings	288.02
(-) 1.61		Increase in Deposits and Advances	(-) 5.73
2.75		Increase in Reserve Funds	2.43
(-) 19.78		Net effect of Suspense and Miscellaneous transactions	127.69
(-) 15.62		Net effect of Remittance transactions	(-) 18.55
178.37	5.	Overdraft from the Reserve Bank of India	(-) 106.43
—	6.	Net effect of Contingency Fund transactions	—
—	7.	Decrease in closing cash balance	266.41
1147.90		Total	1714.36
		Application	
790.77	1.	Revenue expenditure	1347.99
0.44	2.	Lending for development and other purposes	2.60
214.25	3.	Capital expenditure	363.77
—	4.	Net effect of Contingency Fund transactions	—
142.44	5.	Increase in closing cash balance	—
1147.90		Total	1714.36

It would be seen that the revenue receipts constitute the most significant source of funds for the State Government. While their relative share went down significantly from 78.12 *per cent* in 1998-99 to 62.40 *per cent* in 1999-2000. The receipts from Public Debt went down from Rs.99.19 crore to Rs.90.11 crore. Against net payment of Rs.26.83 crore from Public Account during 1998-99,

there was net receipt of Rs.393.86 crore in 1999-2000. This was mainly due to increase in small savings and suspense and miscellaneous transactions.

1.3.2 The funds were mainly applied for revenue expenditure and capital expenditure. The percentage of its application to revenue expenditure and capital expenditure during 1999-2000 went up from 87.55 *per cent* to 99.85 *per cent* and lending for development purposes from 0.04 *per cent* to 0.15 *per cent* as compared to the previous year.

The increase in the revenue expenditure and the consequent revenue deficit was attributable mainly to Rs.782.50 crore spent on pay and allowances (including arrears) on the award of Vth Pay Commission.

1.4 Financial operations of the State Government

1.4.1 Exhibit I gives the details of the receipts and disbursements made by the State Government. The Revenue receipts (Rs.1069.85 crore) during the year were far less than the Revenue expenditure (Rs.1347.99 crore) resulting in revenue deficit of Rs.278.14 crore. The Revenue receipts comprised Tax revenue (Rs.39.95 crore), Non-tax revenue (Rs.42.65 crore), State's share of Union taxes and duties (Rs.317.87 crore) and grants-in-aid from the Central Government (Rs.669.38 crore). The main sources of Tax revenue were sales tax (57 *per cent*). Non-tax revenue came mainly from General Services (27 *per cent*) and Economic Services (57 *per cent*).

1.4.2 Against receipts of Rs.0.56 crore from recoveries of loans and advances and Rs.312.53 crore from public debt, the expenditure was Rs.363.77 crore on capital outlay, Rs.2.60 crore on disbursement of loans and advances and Rs.222.42 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.1034.87 crore, against which the disbursements of Rs.641.01 crore were made. The State Government resorted to overdraft from the Reserve Bank of India and the closing overdraft at the end of the year stood at Rs.276.84 crore. The net effect of the transactions in the Consolidated Fund and Public Account was a decrease in the cash balance from Rs.152.48 crore at the beginning of the year to negative balance of Rs.113.93 crore at the end of the year.

1.4.3 The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in Exhibit I and the time series data for the five years period from 1995-96 to 1999-2000, presented in the following table.

TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

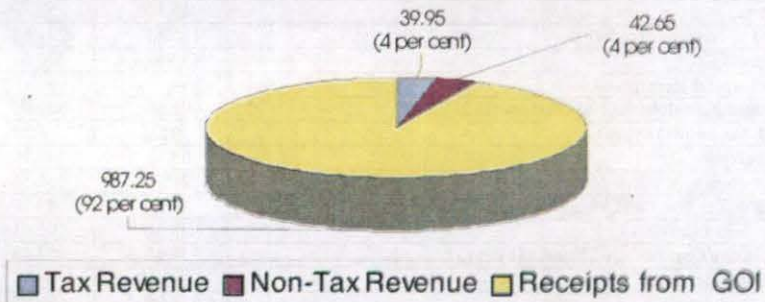
	1995-96	1996-97	1997-98	1998-99	1999-2000
Part A. Receipts					
I. Revenue Receipts	691.68	822.90	863.01	896.78	1069.85
(i) Tax Revenue	27.90	31.18	35.73	30.75	39.95
Taxes on Agriculture Income	—	—	—	—	—
Taxes on Sales, Trade etc.	17.64	19.30	23.98	19.42	22.87
State Excise	1.59	1.80	1.85	1.83	1.39
Taxes on Vehicles	1.34	1.34	1.38	1.11	2.33
Stamps and Registration fees	1.15	1.40	1.44	1.23	1.46
Land Revenue	0.44	0.76	0.30	0.34	0.52
Other Taxes	5.74	6.58	6.78	6.82	11.38
(ii) Non-Tax Revenue	45.50	53.30	40.57	31.52	42.65
(iii) State's share of Union taxes and duties	165.81	231.85	310.82	331.68	317.87
(iv) Grants-in-aid from GOI	452.47	506.57	475.89	502.83	669.38
2. Miscellaneous Capital Receipts	—	—	—	—	—
3. Total revenue and Non-debt capital receipts (1+2)	691.68	822.90	863.01	896.78	1069.85
4. Recoveries of Loans and Advances	0.89	0.82	0.62	0.39	0.56
5. Public Debt Receipts	65.86	141.76	327.91	390.04	143.09
Internal Debt (excluding Ways & Means Advances and Overdrafts)	21.80	32.56	45.98	44.86	50.22
Net transactions under Ways and Means Advances and Overdrafts	20.48	43.79	148.63	198.03	—
Loans and Advances from GOI ¹	23.58	65.41	133.30	147.15	92.87
6. Total receipts in the Consolidated Fund (3+4+5)	758.43	965.48	1191.54	1287.21	1213.50
7. Contingency Fund Receipts	—	—	—	—	—
8. Public Account receipts	534.08	688.95	791.94	556.90	1034.87
9. Total receipts of the State (6+7+8)	1292.51	1654.43	1983.48	1844.11	2248.37
Part B. Expenditure/Disbursement	793.97	972.85	1047.00	1005.02	1711.76
10. Revenue Expenditure	618.77	710.30	792.44	790.77	1347.99
Plan	152.00	172.46	186.74	182.37	258.40
Non Plan	466.77	537.84	605.70	608.40	1089.59
General Services (including Interest Payments)	209.44	242.13	274.97	292.44	558.10
Social Services	238.52	274.94	305.14	307.31	505.86
Economic Services	170.81	193.23	212.33	191.02	284.03
Grants-in-aid and Contributions	—	—	—	—	—
11. Capital Expenditure	175.20	262.55	254.56	214.25	363.77
Plan	173.04	259.19	244.94	213.34	361.36
Non Plan	2.16	3.36	9.62	0.91	2.41
General Services	6.54	7.48	5.20	5.09	5.24
Social Services	44.08	80.08	82.80	60.32	71.31
Economic Services	124.58	175.00	166.56	148.84	287.22
12. Disbursement of Loans and Advances	3.36	7.82	6.38	0.44	2.60
13. Total (10+11+12)	797.33	980.67	1053.38	1005.46	1714.36
14. Repayment of Public Debt	13.31	37.37	81.93	112.48	159.41
Internal Debt (excluding Ways & Means Advances and Overdrafts)	3.18	3.66	7.27	13.89	24.59
Net transactions under Ways and Means Advances and Overdrafts	—	—	—	—	105.88
Loans and Advances from GOI	10.13	33.71	74.66	98.59	28.94
15. Appropriation to Contingency Fund	—	—	—	—	—
16. Total disbursement out of Consolidated Fund (13+14+15)	810.64	1018.04	1135.31	1117.94	1873.77
17. Contingency Fund disbursements	—	—	—	—	—
18. Public Account disbursements	503.28	585.04	806.14	583.73	641.01
19. Total disbursement by the State (16+17+18)	1313.92	1603.08	1941.45	1701.67	2514.78
Part C. Deficits					
20. Revenue Deficit (1-10)	—	—	—	—	278.14
21. Fiscal Deficit (3+4-13)	104.76	156.95	189.75	108.29	643.95
22. Primary Deficit (21-23)	47.21	91.36	110.85	17.01	511.99
Part D. Other Data					
23. Interest Payments (included in revenue expenditure)	57.55	65.59	78.90	91.28	131.96
24. Arrears of Revenue (percentage of Tax & Non-tax Revenue Receipts)	2.27(3)	20.76 (25)	NA	NA	NA
25. Financial Assistance to Local Bodies etc.	20.26	18.07	15.94	25.16	27.38
26. Ways and Means Advances (days)	10	58	82	83	50
27. Interest on Ways and Means Advances/Overdraft	0.07	0.51	1.20	0.83	1.75
28. State Gross Domestic Product (GSDP)	459.90	489.03	520.01	2530.95	2740.30
29. Outstanding Debt (year end)	662.05	823.82	1143.27	1430.09	1698.51
30. Outstanding guarantees (year end)	21.02	30.66	2.76	2.76	2.76 ²
31. Maximum amount guaranteed (year end)	30.73	32.46	32.46	32.46	32.46
32. Number of incomplete projects	—	—	348	348	NA
33. Capital blocked in incomplete projects	—	—	460.85	460.85	NA

¹ Includes Ways and Means Advances from GOI.² From the information made available by Government.

1.5 Revenue receipts

1.5.1 The Revenue receipts consist mainly of Tax and Non-tax revenue and receipts from Government of India. Their relative shares are shown in Figure 1. The Revenue receipts grew by 19 per cent during 1999-2000 with reference to previous year.

Figure 1
Revenue Receipts 1999-2000
(Rupees in crore)



1.5.2 Tax revenue

The Tax revenue constituted only 4 per cent of the Revenue receipts of the Government as indicated in the table in para 1.4.3. The relative contribution of Sales Tax has come down from 63 per cent in 1998-99 to 57 per cent in 1999-2000.

1.5.3 Non-tax revenue

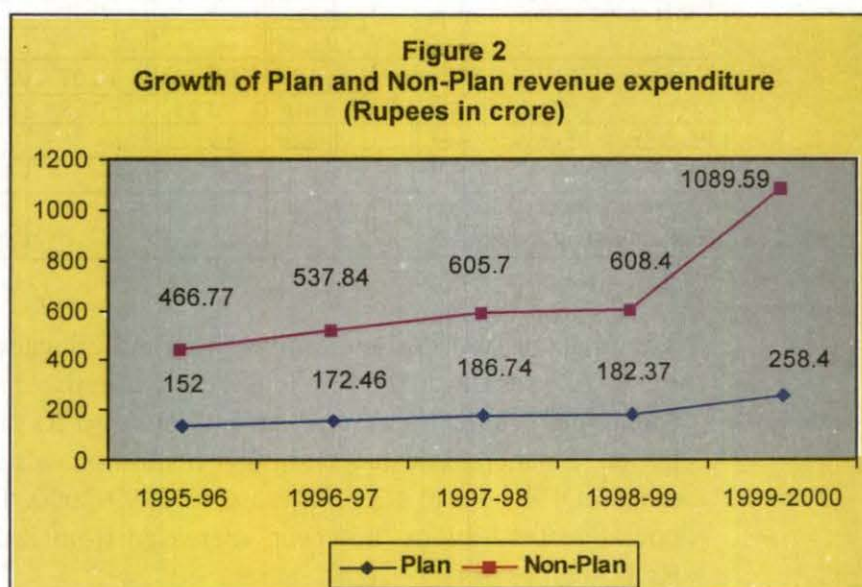
The Non-tax revenue constituted 4 per cent of the Revenue receipts of the Government and their share in the Revenue receipts declined gradually from 7 per cent in 1995-96 to 4 per cent in 1999-2000. Realisation of Non-tax revenue although increased by Rs.11.13 crore during 1999-2000 over the previous year, its share in the Revenue receipts remained the same as in the previous year.

The State's share of Union taxes (excise duty and income tax) increased by 91.71 per cent, while the grants-in-aid from the Central Government increased by 47.94 per cent during the five years period. But the State share of Union Taxes decreased by Rs.13.81 crore as compared to the previous year. The total receipts from the Government of India during 1999-2000 represented 92 per cent of the total Revenue receipts of the Government.

1.6 Revenue expenditure

1.6.1 The Revenue expenditure represented 126 per cent of the total Revenue receipts of the State Government and increased from Rs.618.77 crore in 1995-96 to Rs.1347.99 crore in 1999-2000, representing an increase of 118 per cent. The

expenditure during 1999-2000 increased by 70 per cent over the previous year. The expenditure under Plan increased by Rs.106.40 crore (70 per cent) while that under Non-Plan increased by Rs.622.82 crore (133 per cent) during the five years period. The Plan Revenue expenditure increased by Rs.76.03 crore (42 per cent) during the year in comparison to the previous year. A comparison shows that the rate of growth in Non-Plan component of Revenue expenditure surpassed the Plan expenditure as can be seen in Figure 2.



1.6.2 Sector-wise analysis shows that while the expenditure on General Services increased by 181 per cent, from Rs.151.89 crore in 1995-96 to Rs.426.14 crore in 1999-2000, the corresponding increase in expenditure under Social Services was 112 per cent and that under Economic Services was only 66 per cent during the same period. As a proportion of total expenditure, the share of General Services increased from 24 per cent in 1995-96 to 32 per cent in 1999-2000 whereas it was static under Social Services except in the years 1997-98 and 1999-2000.

1.6.3 Interest payments

Interest payments increased by 129 per cent from Rs.57.55 crore in 1995-96 to Rs.131.96 crore in 1999-2000. This is further discussed in the section on financial indicators.

1.6.4 Financial assistance to local bodies and other institutions

The quantum of assistance provided to different local bodies etc. during the period of five years ending 1999-2000 was as follows—

(Rupees in crore)

		1995-96	1996-97	1997-98	1998-99	1999-2000
Universities and Educational Institutions	Grants	17.51	16.66	14.57	13.91	26.36
	Loans	—	—	—	—	—
Municipal Corporations/ Municipalities	Grants	0.43	0.65	0.98	0.97	0.66
	Loans	—	—	—	—	—
Co-operative Societies & other co-operative Institutions	Grants	1.32	0.36	0.31	0.17	—
	Loans	0.93	0.88	2.26	0.24	1.74
Other institutions	Grants	1	0.40	0.08	10.11	0.36
	Loans	—	—	—	—	—
Total	Grants	20.26	18.07	15.94	25.16	27.38
	Loans	0.93	0.88	2.26	0.24	1.74
Percentage of growth over previous year	Grants	19	—	—	58	9.00
	Loans	933	—	157	—	625.00
Grants as a percentage of revenue expenditure	Grants	3	3	2	3	2.00

The financial assistance to Universities and Educational Institutions increased by 90 *per cent* over the previous year while that to Municipal Corporations/ Municipalities declined from Rs.0.97 crore to Rs.0.66 crore during the same period. Financial assistance to other institutions also decreased from Rs.10.11 crore in 1998-99 to Rs.0.36 crore in 1999-2000. Loans given to other Co-operative Institutions, however, increased from Rs.0.24 crore in 1998-99 to Rs.1.74 crore in 1999-2000.

1.6.5 Loans and Advances by the State Government

The Government gives loans and advances to Government companies, corporations, local bodies, autonomous bodies, co-operatives, non-Government institutions *etc.*, for developmental and non-developmental activities. The position for the last five years given below shows that during the period, there was no improvement in repayment, as a result of which the closing balance increased by about 41 *per cent*.

(Rupees in crore)

	1995-96	1996-97	1997-98	1998-99	1999-2000
Opening balance	33.67	36.14	43.14	48.90	48.95
Amount advanced during the year	3.36	7.82	6.38	0.44	2.60
Amount repaid during the year	0.89	0.82	0.62	0.39	0.56
Closing balance	36.14	43.14	48.90	48.95	50.99
Net addition	2.47	7.00	5.76	0.05	2.04
Interest received	0.27	0.69	0.13	0.16	0.63

Out of loan advanced to Imphal Municipality, the detailed accounts of which were kept by the Accountant General (Accounts and Entitlements), recovery of Rs.8.50 lakh (Principal: Rs.2.62 lakh and interest: Rs.5.88 lakh) was in arrears as on 31 March 2000. Details in respect of loans, the detailed accounts of which were maintained by the departmental officers, have not been furnished to the Accountant General (Accounts and Entitlements).

1.7 Capital expenditure

1.7.1 Capital expenditure leads to asset creation. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government *i.e.* Public Sector Undertakings (PSUs), corporations *etc.* and loans and advances. During 1998-99 the capital expenditure has decreased by 15.8 *per cent* while it increased by 69.8 *per cent* in 1999-2000 although its share in total expenditure has decreased from 27 *per cent* in 1996-97 to 21 *per cent* in 1999-2000. Table in para 1.4.3 shows that most of the capital expenditure during the year has been on Economic Services and Social Services and on the Plan side.

1.8 Quality of Expenditure

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

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

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

	1995-96	1996-97	1997-98	1998-99	1999-2000
1. Plan expenditure as a percentage of:					
—Revenue expenditure					
—Capital expenditure	25	24	24	23	19
2. Capital expenditure (<i>per cent</i>)	99	99	96	99.6	99
3. Expenditure on General Services (<i>per cent</i>)					
—Revenue	22	27	24	21	21
—Capital	24	25	25	25	32
—Capital	4	3	2	2	1
4. Amount of wastages and diversion of funds detected during test audit	—	—	—	—	—
5. Non-remunerative expenditure on incomplete projects (Rupees in crore)	—	—	—	460.85	NA
6. Unspent balances under deposit heads, booked as expenditure at the time of their transfer to the deposit head (Rupees in crore)	—	1.24	4.85	5.57	---

It would be seen that the share of Plan expenditure on the revenue has declined in 1999-2000. The share of Plan expenditure on Capital also has marginally declined in 1999-2000 with reference to previous year. The expenditure on General

Services, at the same time, has increased during 1999-2000 on the Revenue side though it had a decline on the Capital side.

1.9 Financial Management

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

1.9.1 Investments and returns

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

(Rupees in crore)

Sector	Number of concerns	Amount invested	
		as on 31.03.2000	Dividend declared/ interest received during 1999-2000
1. Statutory corporations	2*	25.55	—
2. Government companies	10*	42.71	—
3. Co-operative Institutions	3312	18.39	—
Total	3324	86.65	—

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

(Rupees in crore)

Year	Investment at the end of the year	Return	Percentage of return	Rate of interest on Government borrowing (%)
1995-96	65.76	0.02	0.03	14.00
1996-97	70.23	Nil ^(a)	—	13.75
1997-98	73.91	Nil ^(b)	—	13.75
1998-99	80.66	0.05	0.06	12.50
1999-2000	86.65	—	—	12.25

Thus, while the Government was raising high cost borrowings from the market, its investments in Government companies *etc.*, fetched insignificant returns. As on 31 March 2000, 7 of the Government companies in which Government had invested Rs.6.65 crore, were running under loss.

* Number of companies/statutory corporations and amount invested differs from Chapter VIII. The matter is under reconciliation.

^(a) Below Rs.one thousand (Rs.247 only)

^(b) Rs.11,480 only

1.9.2 Ways and means advances and overdraft

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

The position of ways and means advances/overdraft taken by the State Government and interest paid thereon during 1995-96 to 1999-2000 is detailed below—

(Rupees in crore)

	1995-96	1996-97	1997-98	1998-99	1999-2000
Ways and Means Advances					
(i) Taken during the year	67.54	144.46	208.92	224.13	169.44
(ii) Outstanding at the end of year	10.04	5.88	8.00	27.66	28.21
(iii) Interest paid	0.07	0.51	1.20	0.83	1.75
Overdraft					
(i) Taken during the year	10.44	116.72	347.55	384.50	961.69
(ii) Outstanding at the end of year	10.44	58.39	204.90	383.27	276.84
(iii) Interest paid	0.07	0.10	0.75	0.80	2.20

The position indicates poor cash management by the State Government leading to drawal of huge amount of ways and means advances and overdrafts and consequent payment of interest thereon. The annual interest liability has increased from Rs.0.14 crore in 1995-96 to Rs.3.95 crore in 1999-2000.

1.9.3 Deficit

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

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

(Rupees in crore)

CONSOLIDATED FUND				
Receipt	Amount		Disbursement	Amount
Revenue	1069.85	Revenue deficit 278.14	Revenue	1347.99
Misc. capital receipts	Nil		Capital	363.77
Recovery of loans & advances	0.56		Loans & advances disbursement	2.60
Sub- Total	1070.41	Gross fiscal deficit 643.95	Sub- Total	1714.36
Public debt receipt	143.09		Public debt repayment	159.41
Total	1213.50	A: Deficit in Consolidated Fund 660.27		1873.77
PUBLIC ACCOUNT				
Small savings, PF etc.	334.05		Small savings, PF etc.	46.03
Deposits & advances	93.81		Deposits & advances	99.54
Reserve funds	2.64		Reserve funds	0.21
Suspense & Misc.	179.25		Suspense & Misc.	51.56
Remittances	425.12		Remittances	443.67
Total Public Account	1034.87	B: Surplus in Public Account financed to meet deficit in Consolidated Fund: 393.86		641.01
Decrease in cash balance (A-B): 266.41				

The table shows that the surplus in Public Account of Rs.393.86 crore was utilised to meet the deficit in Consolidated Fund. Table in para 1.4.3 shows that fiscal deficit of Rs.104.76 crore in 1995-96 increased to Rs.643.95 crore in 1999-2000.

1.9.3.3 Application of the borrowed funds (Fiscal Deficit)

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

Ratio	1995-96	1996-97	1997-98	1998-99	1999-2000
RD/FD	(-) 0.69	(-) 0.71	(-) 0.37	(-) 0.98	0.43
CE/FD	1.67	1.67	1.34	1.98	0.57
Net loans/FD	0.02	0.04	0.03	—	—
Total	1.00	1.00	1.00	1.00	1.00

As there was continued revenue surplus from 1995-99, revenue expenditure had not been made from borrowed funds. During 1999-2000, there was however, revenue deficit and the revenue expenditure had to be made from borrowed funds.

1.9.4 Guarantees given by the State Government

Guarantees are given by the State Government for due discharge of certain liabilities like repayment of loans, share capital, etc., raised by the statutory corporations, Government companies and co-operative institutions etc., and payment of interest and dividend by them. They constitute contingent liability of the State. No law under Article 293 of the Constitution had been passed by the

State Legislature laying down the maximum limits within which Government may give guarantees on the security of the Consolidated Fund of the State. Table in para 1.4.3 lists the amounts of guarantees given by the Government and the amounts outstanding at the end of each year during 1995-2000. According to the information furnished by the State Government the amount outstanding was Rs.2.76 crore.

1.10 Public debt

1.10.1 The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law had been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government as at the end of the last five years are given in the following table. During the five year period, the total liabilities of the Government had grown by 157 per cent. This was on account of 167 per cent growth in internal debt, 103 per cent growth in loans and advances from Government of India and 192 per cent growth in other liabilities. During 1999-2000 Government borrowed Rs.30.39 crore in the open market at interest rates of 11.85 and 12.25 per cent per annum.

(Rupees in crore)

Year	Internal debt	Loans and advances from Central Government	Total Public debt	Other liabilities ³	Total liabilities	Ratio of debt to GSDP
1995-96	245.20	196.01	441.21	220.84	662.05	1.44
1996-97	317.89	227.70	545.59	278.23	823.82	1.68
1997-98	505.23	286.34	791.57	351.80	1143.27	2.20
1998-99	734.23	334.90	1069.13	360.96	1430.09	0.56
1999-2000	653.98	398.83	1052.81	645.70	1698.51	0.61

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

(Rupees in crore)

	1995-96	1996-97	1997-98	1998-99	1999-2000
Internal Debt					
— Receipt	99.78	293.74	602.45	653.49	1181.35
— Repayment (principal + interest)	85.48	249.87	428.35	463.07	1319.68
— Net funds available (per cent)	14.30(14)	43.87(15)	174.10(29)	190.42(29)	(-)138.33 (12)
Loans & advances from Government of India					
— Receipt during the year	23.58	65.41	133.30	147.15	92.87
— Repayment	27.96	54.72	122.77	131.80	68.49
— Net funds available (per cent)	(-) 4.38	10.69(16)	10.53(8)	15.35(10)	24.38 (26)
Other liabilities					
— Receipt during the year	112.03	137.16	198.94	126.95	424.57
— Repayment	111.57	110.48	143.02	137.17	174.17
— Net funds available (per cent)	0.46(0.4)	26.68(19)	55.92(28)	(-)10.22	250.40(59)

³ Other liabilities include small savings, provident funds, reserve funds and deposits, etc.

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

1.11 Indicators of the financial performance

1.11.1 A Government may either wish to maintain its existing level of activity or increase its level of activity. For maintaining its current level of activity it would be necessary to know how far the means of financing are sustainable. Similarly, if Government wished to increase its level of activity it would be pertinent to examine the flexibility of the means of financing. Finally, Government's increased vulnerability in the process. All the State Governments continue to increase the level of their activity principally through Five Year Plans which translate to Annual development plans and are provided for in the State Budget. Broadly, it can be stated that Non-Plan expenditure represents Government maintaining the existing level of activity⁴, while Plan expenditure entails expansion of activity. Both these activities require resource mobilisation increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, flexibility and vulnerability. These terms are defined as follows—

(i) *Sustainability*

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

(ii) *Flexibility*

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

(iii) *Vulnerability*

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

(iv) *Transparency*

There is also the issue of financial information provided by the Government. This consists of annual Financial Statement (Budget) and the Accounts. As regards the budget the important parameters are timely presentation indicating the efficiency of budgetary process and the accuracy of the estimates. As regards, accounts

⁴ There are exceptions to this, notably transfer of Plan to the Non-Plan at the end of Plan period.

timeliness in submission, for which milestones exist and completeness of accounts would be the principal criteria.

1.11.2 Information available in Finance Accounts can be used to flush out Sustainability, Flexibility and Vulnerability that can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. The list of such indices/ratios is given in the *Appendix I B*. Exhibit II indicates the behaviour of these indices/ratios over the period from 1995-96 to 1999-2000. The implications of these indices/ratios for the state of the financial health of the State Government are discussed in the following paragraphs.

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

(i) *Balance from current revenues (BCR)*

BCR is defined as revenue receipts minus Plan assistance grants minus non-Plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting Plan expenditure. The table shows that the State Government has negative BCRs in all the five years, suggesting that Government had to depend only on borrowings for meeting its Plan expenditure.

(ii) *Interest ratio*

The higher the ratio the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. In case of Manipur the ratio has moved significantly from 0.07 in 1996-97 to 0.12 in 1999-2000. A rising interest ratio has adverse implications on the sustainability since it points out to the rising interest burden.

(iii) *Capital outlay/ capital receipts*

This ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than one would not be sustainable in the long term inasmuch as it indicates that a part of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance. In the case of Manipur, the ratio was steadily decreasing from 3.60 in 1995-96 to 0.85 in 1999-2000 showing not only steady reduction in availability of fund from revenue surplus for capital investment but also indicated diversion of capital receipts to unproductive revenue expenditure in 1999-2000.

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

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

analysis shows that in case of Manipur this ratio has been fluctuating between 0.42 and 0.88 during 1995-96 to 1997-98 and had declined to 0.14 in 1998-99 and to 0.13 in 1999-2000. Similarly, the ratio of State tax receipts compared to GSDP ranged between 0.06 and 0.07 during 1995-96 to 1997-98 and declined to 0.01 during 1998-99 and 1999-2000. This ratio suggests that the State Government had the option to raise more resources through taxation to generate more revenue for capital formation.

(v) Return on Investment (ROI)

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability. The table presents the return on Government's investments in statutory corporations, Government companies, joint stock companies and co-operative institutions. It shows that the ROI in case of Government of Manipur has been very negligible and has moved in the narrow range of 0.0003 *per cent* to 0.0006 *per cent* during the period of five years ending 1999-2000.

(vi) Capital repayments vs Capital borrowings

This ratio would indicate the extent to which the capital borrowings are available for investment, after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. In case of Manipur Government this ratio increased during 1995-96 to 1999-2000 from 0.29 to 0.37 with even higher levels in the intervening years. This indicated lesser amount of funds being available on investment.

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

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. In the case of Government of Manipur, this ratio showing an upward trend from 1.44 in 1995-96 to 2.20 in 1997-98 had come down to 0.57 in 1998-99 but again increased to 0.62 in 1999-2000. This shows that Government's ability to meet its debt obligations although improved significantly in 1998-99 was again reduced in 1999-2000.

(viii) Revenue deficit/ Fiscal deficit

The revenue deficit is the excess of revenue expenditure over revenue receipts and represents the revenue expenditure financed by borrowings *etc.* Evidently, the higher the revenue deficit, the more vulnerable is the State. Since fiscal deficit represents the aggregate of all the borrowings the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus the higher the ratio the worse of the state because that would indicate that the debt burden is increasing without adding to the repayment capacity of the State. Although there was no Revenue deficit during the period from 1995-96 to 1998-99, but in 1999-2000 the State having a revenue deficit, 43 *per cent* of the borrowing were applied to meet revenue expenditure. This indicated a steep decline in the financial position of the State.

(ix) Primary deficit vs Fiscal deficit

Primary deficit is the fiscal deficit minus interest payments. This means that the less the value of the ratio the less the availability of funds for capital investment. In case of Government of Manipur, this ratio has been between 0.16 and 0.80 during 1995-96 to 1999-2000. The ratio increased significantly during 1999-2000 and would *prima facie* suggest increased availability of funds for capital investment.

(x) Guarantees vs Revenue receipts

Outstanding guarantees, including the letters of comfort issued by the Government, indicate the risk exposure of a State Government and should therefore be compared with the ability of the Government to pay *viz.*, its revenue receipts. Thus, the ratio of the total outstanding guarantees to total revenue receipts of the Government would indicate the degree of vulnerability of the State Government. In case of Manipur this ratio remained static since 1997-98 indicating no improvement in the position.

(xi) Assets vs Liabilities

This ratio indicates the solvency of the Government. A ratio of more than 1 would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than 1 would be a contra indicator. In respect of Manipur State the ratio was steadily declining from 2.51 in 1995-96 to 1.61 in 1999-2000 indicating that the liabilities are fast overtaking the assets.

(xii) Budget

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

(xiii) Accounts

There was no significant delay in the submission of accounts by the treasuries/departments during 1999-2000. However, out of 104 divisions of Public Works Department, Electricity Department, Irrigation and Flood Control/Minor Irrigation Department and Public Health Engineering Department in case of 31 divisions there were delays in submission of accounts ranging from 1 month to 5 months. In case of Forest Department out of 32 divisions there was delay up to 11 months resulting in exclusion from the monthly cash accounts/delay in accountal and finalisation of their accounts.

1.11.4 Conclusion

The year 1999-2000 witnessed Revenue deficit for the first time during the period of five years ending 1999-2000. This was due to impact of award of Pay Commission (Rs.782.50 crore approximately). This had compelled the Government to apply borrowed funds for revenue expenditure including large interest payment thus, making the financial condition of the State Government unsustainable. The borrowed funds were also inefficiently employed as would be seen from insignificant return on investment.

EXHIBIT I

Abstract of receipts and disbursements for the year 1999-2000

(Rupees in crore)

Receipts				Disbursements			
1998-99		1999-2000	1998-99		Non-Plan	Plan	1999-2000
	Section-A: Revenue						
	I. Revenue receipts	1069.85		I. Revenue expenditure—			
30.75	-Tax revenue	39.95	292.44	General Services	551.26	6.84	558.10
				Social Services			
31.52	-Non-tax revenue	42.65	187.44	-Education, Sports, Art and Culture	287.68	47.48	
40.88	-State's share of Union Taxes	38.50	48.05	-Health and Family Welfare	57.59	17.75	
290.80	-Union Excise Duties	279.37	14.95	-Water Supply, Sanitation, Housing and Urban Development	9.48	10.86	
52.52	-Non-Plan grants	16.49	2.75	-Information and Broadcasting	1.67	0.68	
366.85	-Grants for State Plan Scheme	497.62	23.54	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2.93	26.37	
60.28	-Grants for Central and Centrally Sponsored Plan Schemes	79.78	2.52	-Labour and Labour Welfare	2.84	1.39	
23.18	-Grants for Special Plan Schemes for North Eastern Council and for other purposes	75.49	25.98	-Social Welfare and Nutrition	22.27	13.55	
			2.08	-Others	3.32	—	
				Total	387.78	118.08	505.86
				Economic Services			
			67.35	-Agriculture and Allied Activities	74.51	42.17	
			19.47	-Rural Development	9.21	16.23	
			0.17	-Special Areas Programmes	—	0.27	
			21.35	-Irrigation and Flood Control	11.21	22.01	
			42.38	-Energy	30.96	0.52	
			15.85	-Industry and Minerals	10.16	22.60	
			11.64	-Transport	6.68	19.81	
			1.17	-Science, Technology and Environment	—	1.65	
			11.64	-General Economic Services	7.82	8.22	
				Total	150.55	133.48	284.03
			790.77	Total	1089.59	258.40	1347.99
	II. Revenue deficit carried over to Section-B	278.14	106.01	II. Revenue Surplus carried over to Section-B.			—
896.78	Total (Section-A)	1347.99	896.78				1347.99

Audit Report for the year ended 31 March 2000

Receipts			Disbursements				
1998-99		1999-2000	1998-99				1999-2000
	Section-B						
10.04	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	152.48		III. Capital Outlay	Non-Plan	Plan	
			5.09	General Services	—	5.24	5.24
				Social Services			
			19.23	-Education, Sports, Art and Culture	1.47	2.61	
			1.70	-Health and Family Welfare	—	0.08	
			39.33	-Water Supply, Sanitation, Housing and Urban Development	0.02	67.07	
			— ⁵	-Information and Broadcasting	—	—	
			0.03	-Social Welfare and Nutrition	—	0.06	
			0.03	-Others	—	—	
				Total	1.49	69.82	71.31
				Economic Services			
			2.82	-Agriculture and Allied Activities	0.92	2.09	
			0.07	-Rural Development	—	0.03	
			6.58	-Special Areas Programmes	—	0.74	
			33.43	-Irrigation and Flood Control	—	44.17	
			49.76	-Energy	—	185.66	
			7.86	-Industry and Minerals	—	6.47	
			48.09	-Transport	—	46.95	
			0.16	-General Economic Services	—	0.14	
			0.07	-Science, Technology and Environment	—	0.05	
				Total	0.92	286.30	287.22
			214.25	Total	2.41	361.36	363.77

⁵ Rs.42,586 only

Receipts			Disbursements			
1998-99		1999-2000	1998-99		1999-2000	
—	IV. Miscellaneous Capital receipts	—		IV. Loans and Advances disbursed	2.60	
			0.18	-To Government Servants	0.84	
			0.26	-To Others	1.76	
	V. Recoveries of Loans and Advances	0.56	—	V. Revenue deficit brought down	278.14	
0.35	-From Government Servants	0.53				
0.04	-From Others	0.03				
106.01	VI. Revenue surplus brought down			VI. Repayment of Public Debt	159.41	
	VII. Public debt receipts	143.09	13.89	-Internal debt other than Ways and Means Advances and Overdraft	24.59	
44.86	-Internal debt other than Ways and Means Advances and Overdraft	50.22	—	-Net transactions under Ways and Means Advances including Overdraft	105.88 ⁶	
198.03	-Net transactions under Ways and Means Advances including Overdraft	—	98.59	-Repayment of Loans and Advances to Central Government	28.94	
147.15	-Loans and Advances from Central Government	92.87	—	VII. Appropriation to Contingency Fund	—	
—	VIII. Appropriation to Contingency Fund	—	—	VIII. Expenditure from Contingency Fund	—	
—	IX. Amount transferred to Contingency Fund	—	—	IX. Public Account Disbursement	641.01	
			45.08	-Small Savings and Provident Funds	46.03	
			0.01	- Reserve funds	0.21	
			63.45	-Suspense and Miscellaneous	51.56	
			397.85	-Remittance	443.67	
			77.34	-Deposits and Advances	99.54	
	X. Public Account Receipts	1034.87	152.48	X. Cash Balance at end-	(-)113.93	
52.51	-Small Savings and Provident Funds	334.05				
2.76	-Reserve funds	2.64		-Cash in Treasuries	3.36	
43.67	-Suspense and Miscellaneous	179.25		-Deposits with Reserve Bank	(-)109.28	
382.23	-Remittance	425.12		-Departmental Cash Balance including permanent Advances	6.17	
75.73	-Deposits and Advances	93.81		-Cash Balance Investment	4.53	
				Remittance in transit	(-) 18.71	
1063.38	Total (Section-B)	1331.00	1063.38		1331.00	

Explanatory Note

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

⁶ Represents receipts: Rs.1131.13 crore and disbursement: Rs.1237.01 crore.

Exhibit II

Financial indicators for Government of Manipur

	1995-96	1996-97	1997-98	1998-99	1999-2000
1	2	3	4	5	6
Sustainability					
BCR (Rs. in crore)	(-) 66.59	(-) 80.15	(-) 161.17	(-) 161.93	(-) 672.63
Primary Deficit (PD) (Rs. in crore)	47.21	91.36	110.85	17.01	511.99
Interest Ratio	0.08	0.07	0.09	0.10	0.12
Capital outlay/Capital receipts	3.60	2.61	1.32	1.07	0.85
Total Tax receipts/ GSDP	0.42	0.88	0.67	0.14	0.13
State Tax Receipts/ GSDP	0.06	0.06	0.07	0.01	0.01
Return on Investment ratio	0.0003	—	—	0.0006	—
Flexibility					
BCR (Rs.in crore)	(-) 66.59	(-) 80.15	(-) 161.17	(-) 161.93	(-) 672.63
Capital repayments/Capital borrowings	0.29	0.38	0.46	0.59	0.37
State tax receipts/ GSDP	0.06	0.06	0.07	0.01	0.01
Debt/GSDP	1.44	1.68	2.20	0.57	0.62
Vulnerability					
Revenue Surplus (RS)/Revenue Deficit (RD) (Rs.in crore)	72.91	112.60	70.57	106.01	(-)278.14
Fiscal Deficit (FD) (Rs.in crore)	104.76	156.95	189.75	108.29	643.95
Primary Deficit (PD) (Rs.in crore)	47.21	91.36	110.85	17.01	511.99
PD/FD	0.45	0.58	0.58	0.16	0.80
RD/FD	(-) 0.69	(-) 0.71	(-) 0.37	(-) 0.98	0.43
Outstanding Guarantees/ Revenue receipts	0.030	0.031	0.003	0.003	0.003
Assets/ Liabilities	2.51	2.38	2.05	1.92	1.61

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

CHAPTER II
APPROPRIATION AUDIT AND CONTROL OVER
EXPENDITURE

2. Introduction

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.

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.

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.

2.1 Summary of Appropriation Accounts – 1999-2000

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

Appropriation Accounts	:	Government of Manipur
Total number of Grants/ Appropriations	:	49 (46 Grants; 3 Appropriations)

Total provision and actual expenditure

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	1510.05		
Supplementary	1016.80		
Total gross provision	2526.85	Total gross expenditure	3029.40
Deduct – Estimated recoveries in reduction of expenditure	80.46	Deduct – Actual recoveries in reduction of expenditure	24.51
Total net provision	2446.39	Total net expenditure	3004.89

Voted and Charged provision and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	1379.38	134.36	1235.87	135.78
Capital	423.08	590.03	367.21	1290.54
Total Gross :	1802.46	724.39	1603.08	1426.32
Deduct-Recoveries in reduction of expenditure	80.46	—	24.51	—
Total : Net	1722.00	724.39	1578.57	1426.32

The summarised position of actual expenditure, excess and savings during 1999-2000 against grants and appropriations was as follows—

(Rupees in crore)

	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving(-)/Excess (+)
Voted	I. Revenue	900.74	478.64	1379.38	1235.87	(-) 143.51
	II. Capital	252.33	158.17	410.50	364.61	(-) 45.89
	III. Loans & Advances	6.89	5.69	12.58	2.60	(-) 9.98
	Total Voted	1159.96	642.50	1802.46	1603.08	(-) 199.38
Charged	IV. Revenue	102.27	32.09	134.36	135.78	(+) 1.42
	V. Capital	—	—	—	—	—
	VI. Public Debt	247.82	342.21	590.03	1290.54	(+) 700.51
Total Charged	350.09	374.30	724.39	1426.32	(+) 701.93	
Appropriation to Contingency Fund (if any)	—	—	—	—	—	—
Grand Total		1510.05	1016.80	2526.85	3029.40	(+) 502.55

2.2 Excess over provision relating to previous years requiring regularisation

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.293.66 crore for the year 1998-99 was yet to be regularised.

Year	No. of grants/ appropriations	Grant/Appropriation No(s)	Amount of excess	Amount for which explanations not furnished to PAC
			(Rupees in crore)	
1998-99	8	Appn. 2, 1, 8, 8, 20, 34, Appn. 2 and 23	293.66	293.66
		Total:	293.66	293.66

2.3 Results of Appropriation Audit

2.3.1 The overall excess of Rs.502.55 crore was the result of saving of Rs.342.33 crore in 60 cases of grants and appropriations offset by excess of Rs.844.88 crore in 16 cases of grants and appropriations.

2.3.2 Supplementary provision made during the year constituted 67 per cent of the original provision as against 15.66 per cent in the previous year.

2.3.3 Supplementary provision of Rs.27.61 crore made in 8 cases during the year proved unnecessary in view of aggregate saving of Rs.38.78 crore as detailed in *Appendix II*.

2.3.4 In 33 cases against additional requirement of Rs.296.08 crore supplementary grants and appropriations of Rs.457.93 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating Rs.161.85 crore. Details of these are given in *Appendix III*.

2.3.5 The excess of Rs.142.58 crore under 13 grants and Rs.702.30 crore under 1 appropriation require regularisation under Article 205 of the Constitution. Details of these are given in *Appendix IV*.

2.3.6 In 11 cases, supplementary provision of Rs.412.56 crore proved insufficient by more than Rs.10 lakh each, leaving an aggregate uncovered excess expenditure of Rs.719.01 crore as per details given in *Appendix V*.

2.3.7 In 18 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 1 of the above cases the entire provision totalling Rs.13.40 crore was not utilised.

2.3.8 (a) In 7 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*.

2.3.8 (b) Significant excess was persistent in 1 case as detailed below—

Number and name of Appropriation	1997-98		1998-99		1999-2000	
	Total Appropriation	Total excess (percentage to the total provision)	Total Appropriation	Total excess (percentage to the total provision)	Total Appropriation	Total excess (percentage to the total provision)
	(R u p e e s i n l a k h)					
Appropriation No.2—Interest Payment and Debt Services (capital charged)	11989.76	36987.89 (308)	23940.09	28368.04 (118)	59003.57	70050.56 (119)

Persistent excess requires investigation by the Government for remedial action.

2.3.9 In 7 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*. In 3 (Sl. No. 1, 2 and 7) out of above 7 cases the expenditure exceeded the approved provision by over 100 *per cent*.

2.3.10 Excessive/unnecessary re-appropriation of funds

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. Cases where injudicious re-appropriation of funds proved excessive or resulted in savings by over Rs.10 lakh are given in *Appendix IX*.

2.3.11 Expenditure without provision

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.134.84 crore was incurred in 14 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.

2.3.12 Anticipated savings not surrendered

2.3.12 (a) 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 1999-2000 there were 35 cases in which large savings had not been surrendered by the departments. The amount involved was Rs.211.23 crore. In 13 cases, the amount of available savings not surrendered amounted to more than Rs.1 crore in each case. Details are given in *Appendix XI*.

2.3.12 (b) In 15 cases Rs.60.68 crore was surrendered on the last day of March 2000 indicating inadequate financial control over expenditure. Details are given in *Appendix XII*.

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

2.3.13 Trend of Recoveries and Credits

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.

In 9 grants the actual recoveries adjusted in reduction of expenditure (Rs.24.51 crore) were less than the estimated recoveries (Rs.80.47 crore) by Rs.55.96 crore. More details are given in *Appendix XIII*.

2.3.14 Non-receipt of explanations for savings/excesses

For the year 1999-2000 explanations for savings/excesses were either not received or where received were incomplete in respect of 63 Heads of Accounts (out of 109) which form 58 *per cent* of the number of heads.

2.3.15 Unreconciled expenditure

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, 42 Controlling Officers did not reconcile before the final closing and 4 Controlling Officers of 46 divisions (PWD: 28 and PHED: 18) did the reconciliation partly.

2.3.16 Treasury inspection

Results of inspection of 1 District Treasury and 3 Sub-Treasuries carried out during 1999-2000 by the Office of the Sr. Deputy Accountant General (A&E), Manipur are as under—

Overpayment of pensionary benefits of Rs.3 lakh was made to 21 pensioners/ family pensioners. The overpayment was due to (i) incorrect fixation of pension with effect from 1.1.1986 in 7 cases (Rs.0.99 lakh), (ii) non-reduction of enhanced rate of family pension from the specified date in 7 cases (Rs.1.35 lakh), (iii) non-payment of reduced rate of pension after commutation in respect of 5 cases (Rs.0.21 lakh) and (iv) non-recovery of provisional pension/ overpayment of pay in 2 cases (Rs.0.45 lakh).

**HORTICULTURE AND SOIL CONSERVATION
DEPARTMENT**

**2.4 Drawal of money without emergent requirement and retention
in deposit account**

**Central grant of Rs.2.25 crore was drawn and kept in Deposit Account but
shown as expenditure**

Rule 69 of General Financial Rules provides that no saving should be held in reserve for possible future excesses, instead the savings should be surrendered to Government immediately. Rule 290 of the Central Treasury Rules provides that no money shall be drawn from the treasury unless it is required for immediate disbursement.

Test-check of records (August-September 1999) of the Director of Horticulture and Soil Conservation revealed that central grant of Rs.2.25 crore relating to the Mushroom Cultivation (Rs.0.43 crore), Drip Irrigation System (Rs.0.63 crore), Water Development Project in Shifting Cultivation (Rs.0.65 crore), Development of Cashewnut (Rs.0.36 crore), Development of Spices (Rs.0.18 crore) were drawn and kept in 8449-Other Deposits (Rs.0.02 crore in March 1997 and Rs.2.23 crore in March 1999) by the Director of Horticulture and was withdrawn between July 1999 and May 2000 against the schemes. Of this, expenditure of Rs.2.17 crore was incurred by the department and the balance of Rs.8.20 lakh was kept in cash balance (September 2000).

Thus, the Department not only violated the financial norms by showing the drawal of Rs.2.25 crore as expenditure against the Revenue Expenditure heads concerned without actually incurring any expenditure but also resulted in wrong reflection of the Accounts.

The matter was referred to Government (June 2000); reply had not been received (November 2000).

CHAPTER III CIVIL DEPARTMENTS

SECTION 'A' REVIEWS

EDUCATION DEPARTMENT

3.1 Integrated Audit on Primary Education including Man-power Management

Highlights

The main objective of universalisation of Primary Education is to make education available to all children of the age group 6 to 11. The Department could not achieve the plan target of enrolment. The quantum of teachers training was inadequate. There were delays in construction of school buildings and there were chronic delays in utilisation of Central assistance. The funds remained parked in civil deposits. Funds were drawn ahead of immediate requirement leading to huge accumulation of cash balance.

Poor budgeting resulted in overall saving of Rs.116.39 crore (19 per cent) during 1995-96 to 1999-2000. Of these, savings under Primary Education were Rs.50.37 crore.

(Paragraph 3.1.4)

Numbers of primary schools decreased from 3031 in 1993 to 2572 in 2000 with consequent reduction in enrolment.

(Paragraph 3.1.6.2)

The percentage of school drop outs during 1995-96 to 1999-2000 ranged between 27 and 44.

(Paragraph 3.1.6.4)

Procurement of excess Radio-cum-Cassette Players resulted in locking up of funds to the extent of Rs.7.41 lakh.

(Paragraph 3.1.8)

The shortfall in inspection of schools by DIs/AIs in respect of 4 ZEOs ranged between 57 and 100 per cent.

(Paragraph 3.1.10)

Retention of *Adhoc* teachers in service for more than 3 months in violation of the provisions of the Employment Exchange Compulsory Notification of Vacancies Act, 1959 resulted in irregular expenditure of Rs.2.65 crore.

(Paragraph 3.1.12.1)

Under Non Formal Education, the SCERT spent Rs.1.22 crore during 1998-99 and 1999-2000 on excess staff.

(Paragraph 3.1.12.3)

3.1.1 Introduction

Free and compulsory education of children up to 14 years of age is one of the Directive Principles of the State Policy. Education including primary education is administered by both the Central and the State Governments. Primary Education, covering children of the age group 6 to 11 (in Classes I to V) forms a distinct segment and is the responsibility of the State Government.

3.1.2 Organisational set-up

The State Government has no separate directorate for primary education. Director of Education (Schools) administers Primary, Elementary, Secondary and Higher Secondary education. For primary education he is assisted by 13 Zonal Education Officers (ZEOs) and 2 Deputy Inspectors (DIs) of Schools in the 15 Zones in the State. In the hill districts, primary education is imparted by the 6 Autonomous District Councils. Non-Formal Education, Primary Teachers Training, Educational Technology, Curriculum and publication of text books are implemented by the Director of State Council of Educational Research and Training (SCERT).

3.1.3 Audit coverage

In the absence of separate directorate for primary education, expenditure on primary education remained amalgamated with expenditure on "Elementary Education" which includes Classes I to VIII. Test-check of records of the Director of Education (Schools), Director of SCERT, 3 Zonal Education Officers (*viz.* Thoubal, Churachandpur and Tamenglong) and 2 Autonomous District Councils (Churachandpur and Tamenglong) relating to the period from 1995-96 to 1999-2000 was conducted between May and July 2000. The area of scrutiny was confined to primary education as far as possible.

3.1.4 Financial outlay and expenditure

The Budget provision and expenditure incurred by the Education Department and Autonomous District Councils for primary education (including upper primary) during 1995-96 to 1999-2000 are given in *Appendix XIV*. Against the budget provision of Rs.607.54 crore during 1995-96 to 1999-2000 the actual expenditure was Rs.491.15 crore resulting in overall savings of Rs.116.39 crore (19 per cent). There were persistent savings in each year. Of these the provision for Primary Education was Rs.468.79 crore against which the expenditure was Rs.418.42 crore resulting in overall saving of Rs.50.37 crore. The saving of Rs.51.60 crore was mainly under Non-Plan (Government Primary Schools—Rs.46.75 crore, Non-Government Primary Schools—Rs.3.53 crore and under Inspection of Primary Schools—Rs.1.32 crore) which is partly offset by excess of Rs.1.23 crore under Plan expenditure. Reasons for these savings were not stated. Of the amount

Poor budgeting resulted in overall savings of Rs.116.39 crore (19 per cent) in 1995-2000 period.

spent detailed countersigned bills for Rs.7.71 crore drawn on AC bills during 1994-95 to 1999-2000 (*Appendix XV*) were not submitted (August 2000) which included 2 AC bills from April 1995. Thus AC bills were drawn without submission of DCC bills for earlier period.

3.1.5 *Control of expenditure*

3.1.5.1 *Compilation of monthly expenditure*

Compilation of monthly accounts of DDOs was not done at the Directorate level.

The Director of Education (Schools) who is the Controlling Officer was to compile monthly accounts sent by each DDO. However he did not maintain any compilation register for the period covered under review. It was further noticed that the DDOs had not sent the accounts regularly. 15 DDOs had sent 115 monthly accounts against 360 during 1998-2000. The Director stated that it could not be done due to large number of DDOs (250).

3.1.5.2 *Cash management system*

3.1.5.2.1 *Accumulation of huge cash balance*

There was accumulation of huge cash balance at the end of each year from 1996 to 2000.

The balances in the cash book of the Director of Education (S) at the end of March every year, from 1996 to 2000, were Rs.5.27 crore, Rs.1.20 crore, Rs.3.52 crore, Rs. 4.11 crore and Rs. 3.20 crore respectively. The huge accumulation was due to disbursement in piece-meal basis to suppliers and implementing agencies over periods ranging from 4 to 30 months after the close of the financial *i.e.* 31 March. This indicates that the funds were drawn without immediate requirements.

Retention of huge cash balances is not desirable as it can lead to misuse, mis-utilisation and misappropriation. Surprise check of cash balances by an officer other than the DDO was never conducted.

3.1.5.2.2 *Improper recording in cash book*

Revenue receipt though deposited into treasury was not entered in cash book.

(a) Scrutiny of records revealed that Rs.1.08 lakh collected between April 1996 and March 2000 as admission fees of students deposited into treasury, was not entered in the cash book of ZEO, Churachandpur.

(b) *Bills drawn not reflected in the cash book*

Amount though disbursed was not recorded in cash book.

Zonal Education Officer, Ukhrul drew Rs.2.71 lakh through 9 bills between May 1998 and February 1999, but the amount though disbursed to the payees, was not recorded in the cash book. This indicated lack of supervision by the Drawing and Disbursing Officer.

All these irregularities indicated poor financial and cash management.

3.1.6 *Education at primary stage*

3.1.6.1 *Habitations with primary schooling facilities*

As per the State Report of the 6th All India Educational Survey (AIES), out of 3369 habitations in the 8 districts of Manipur, primary education facilities were

available (during 1993) in 2959 habitations (88 per cent), within 1 km of the locality of which in 2489 habitations (74 per cent) the facility was within the locality.

Thus, 5.88 per cent of the total rural population in 410 habitations (12 per cent) remained uncovered till 1993. Targets for setting up of new schools were not fixed except in the years 1997-98 and 1998-99. Although there were targets in the Annual Plans for setting up schools (1997-98: 100 schools; 1998-99: 202 schools), but no schools were set up as of March 2000. Thus the Annual Plan targets for Universalisation of Education were not achieved.

3.1.6.2 Decrease in number of schools

According to the 6th AIES, there were 3031 primary schools in the State as on 30 September 1993. The number of primary schools stood at 2572 (including private and aided schools) at the end of 1999-2000. The reason for reduction in number of schools was due to amalgamation of certain schools in valley area and closure of certain private schools.

3.1.6.3 Decrease in enrolment and non-achievement of Plan targets

The enrolment in Class I to V (in the age group 6 to below 11) in all categories of schools as on 30 September 1993 were 2.67 lakh. The Annual Plan target for enhancement of enrolment during 1994-95 to 1999-2000 and achievement thereagainst are given in Appendix XVI. It would be seen that the Annual Plan targets were never achieved. At the end of the 8th V Year Plan (1996-97) the achievement (2,35,041) was below the 5 year's Plan target (2,94,000) by 20 per cent. Similarly in the 3rd year (1999-2000) of the 9th V Year Plan, the achievement (2,70,092) was below the target (3,45,000) by 22 per cent. This was mainly due to reduction in enrolment from 2.54 lakh students in 1994-95 to 2.32 lakh students in 1995-96 due to closure of certain private schools.

Thus, the National target of Universalisation of Education by the year 1995 was not achieved in the State.

3.1.6.4 Dropout in primary stage

Dropout at Class V stage has been calculated taking into consideration enrolment in Class I, four years ago, and excluding pass outs in Class V which also includes repeaters. Details are as follows—

Year	Enrolment in Class I	Year	Enrolment in Class V	Passout in Class V	Dropout per cent	
					On enrolment in Class V	Excluding passout (repeater included)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1991-92	66,593	1995-96	38,091	37,301	43	44
1992-93	67,006	1996-97	38,558	37,718	42	44
1993-94	74,877	1997-98	41,757	40,884	44	45
1994-95	65,300	1998-99	42,301	41,400	35	37
1995-96	60,613	1999-2000	43,998	N.A	27	—

Number of primary schools decreased from 3031 in 1993 to 2572 in 2000.

Annual Plan targets were never achieved.

The percentage of dropout ranged between 27 and 44.

The percentage of dropout on the basis of enrolment in Class V ranged between 27 and 44 and the percentage excluding passout in Class V (including repeaters) ranged between 37 and 45. The reduction in dropout rates in 1998-99 and 1999-2000 was due to increase in enrolment in Class V and decrease in enrolment in Class I in the years 1994-95 and 1995-96.

3.1.7 Construction of School buildings

Under the Operation Blackboard construction of school buildings was to be carried out in respect of 2550 primary schools (Government: 2135, Aided: 415) existing on 30 September 1986 with provision of funds from VIIIth and IXth Finance Commission, NEC and JRY.

Director of Education (S), the implementing authority for school construction, reported (December 1998) to State Government that out of 2550 school buildings, 2016 (Government: 1894, Aided: 122) were constructed whereas in the quarterly progress report (December 1999) sent to the Government of India, 1811 school buildings were shown as completed and 205 buildings were under construction. Regarding construction of these 205 school buildings, under the Jawahar Rozgar Yojana, scrutiny of records revealed that Central share of Rs.1.48 crore (48 per cent) was released in 1997-98, the State share of Rs.1.60 crore (52 per cent) was not released (July 2000).

Under Jawahar Rozgar Yojana, construction was to be undertaken by the DRDAs. Records of 3 DRDAs test-checked revealed that on account of non-receipt of the State share, the DRDA, Imphal West reduced the target from 17 schools to 8 schools. The DRDA, Bishnupur started (1997-98) construction of 5 schools (allotted target) at a total cost of Rs.7.50 lakh but the buildings remained incomplete after spending Rs.3.58 lakh. The DRDA, Thoubal had not started construction and Rs.10.80 lakh remained unspent since March 1998. Thus the reporting of construction of school was incorrect. Further the reasons for incomplete work was stated to be due to non-release of State share.

3.1.8 New educational technology

The National Policy on Education emphasised that modern educational technology should also reach out to distant areas and the most deprived sections of beneficiaries. The approach included transmissions of educational programmes over the radio and TV. To enable schools benefit from this programme, Radio-cum-Cassette Players (RCCPs) were to be supplied to them.

Excess procurement of RCCPs resulted in locking up of funds of Rs.7.41 lakh.

In 1995-96, Government of India (MHRD) sanctioned (October 1995) Rs.11.49 lakh for purchase of 821 number of RCCPs (@ Rs.1,400 each). The amount was drawn on 31 March 1997 (after revalidating the sanction twice) and 821 RCCPs were purchased (May 1997) at a cost of Rs.11.49 lakh although there were 819 RCCPs lying in stock since April 1995. The SCERT distributed 1111 RCCPs to schools between April 1995 and March 2000 leaving a balance of 529 numbers RCCPs (valued Rs.7.41 lakh) as on 31 March 2000. Thus procurement of excess RCCPs resulted in locking up of funds to the extent of Rs.7.41 lakh.

Scrutiny of records further revealed that out of 231 RCCPs sent (between August 1996 and March 1999) by the SCERT to the ZEOs¹, 95 RCCPs were not received² resulting in loss of Rs.1.32 lakh.

3.1.9 Non-Formal Education (NFE)

This programme was introduced for children from remote areas and deprived socio-economic sections of society who, cannot attend regular schools. The management structure of NFE was to be organised on project basis. Each project was to ideally include 100 NFE centres (90 for primary and 10 for upper primary). The components of NFE are (i) general centres of NFE (ii) NFE centres for girls (iii) projects of voluntary agencies and (iv) innovative projects.

The implementation of NFE was transferred in January 1990 from the Director of Education (S) to the Director of SCERT. He is assisted by a Joint Director, 2 Assistant Directors, 4 Consultants and 55 Project Officers.

3.1.9.1 Financial arrangement

(a) Of the four components of the programme, only two viz. (i) general centres of NFE (financed by Central and State Government on 60:40 basis) and (ii) NFE centres for girls (financed by Central and State on 90:10 basis) were implemented in the State.

Budget provision made, funds sanctioned and expenditure incurred during 1995-96 to 1999-2000 are given in *Appendix XVII*.

(b) During 1995-96 to 1999-2000, the State Government made inadequate budget provision of Rs.15.31 crore against the allocated funds of Rs.16.90 crore (Government of India: Rs.13.10 crore; State Government: Rs.3.80 crore). Of this, State Government sanctioned Rs.12.08 crore (71 per cent of the allocation) against which Rs.9.95 crore was drawn during 1995-96 to 1999-2000. Although reported expenditure during the period was Rs.9.95 crore, scrutiny of records revealed that an amount of Rs.45.28 lakh was lying under 8449-Other Deposits (June 2000). Though Government of India directed to refund the unspent balance of allocation after the close of the financial year, the amount was retained and the action was therefore irregular.

3.1.9.2 Physical target and achievement

Physical targets and achievements during 1995-96 to 1999-2000 under the programme are given in *Appendix XVIII*.

Against 100 centres required for each project, the shortfall of centres per project ranged between 30 and 45 per cent. Funds were allocated by the Government of India on the basis of 25 students per centre. The shortfall in enrolment on the above basis ranged between 13 and 30 per cent. Reasons for the shortfall were not furnished.

¹ Churachandpur: 114, ZEO, Tamenglong: 68 and CEO, Churachandpur: 49.

² ZEO, Churachandpur: 41; ZEO, Tamenglong: 40 and CEO, Churachandpur: 14

Unspent balance of Central funds was retained irregularly.

3.1.9.3 Training

No training was imparted to the supervisors and instructors.

NFE functionaries, specially instructors and supervisors, require intensive training supplemented by regular training. Cost of training was included under each project. Total funds sanctioned for training during 1995-2000 period was Rs.147.45 lakh (1995-96: Rs.23.36 lakh; 1996-97: Rs.30.85 lakh; 1997-98: Rs.30.85 lakh; 1998-99: Rs.31.19 lakh; 1999-2000: Rs.31.20 lakh). No training was imparted to the supervisors (Numbers 300 up to 1996-97, 311 thereafter) and instructors (Numbers 3000 up to 1997-98, 3112 thereafter) during the entire period. Rs.37.36 lakh sanctioned by Government of India in 1996-97 for this purpose was retained under 8449-Other Deposits till date (June 2000). Thus, the essential component of the programme was not implemented.

3.1.9.4 Purchase of cars instead of motor cycles

Purchase of cars instead of motor cycles was irregular.

Government of India sanctioned Rs.11.50 lakh (1995-96: Rs.0.75 lakh; 1996-97: Rs.7.75 lakh; 1997-98: Rs.3 lakh) for purchase of 46 motor cycles to be used by the supervisors for supervision of 55 projects. Not a single motor cycle was provided to the supervisors. Instead of purchasing motor cycles, the SCERT purchased two cars (Maruti Gypsy) in January 1999 at a cost of Rs.6.94 lakh without authorisation from Government of India. The cars are not used for NFE work. Diversion of funds for purchase of cars/vans which were not used for the projects was irregular.

3.1.10 Inspection of schools

The Director intimated (August 2000) that the number of inspections to be done in each school were not prescribed. However, taking at least one visit per school per year the shortfall in respect of the 4 DDOs (test-checked) are detailed below—

In 3 ZEOs shortfall in inspection ranged between 57 and 100 per cent.

In respect of 3 ZEOs,³ the shortfall in inspection ranged between 57 and 100 per cent. In case of ADC, Churachandpur the quantum of inspection was achieved only in the year 1999-2000. In rest of the years the shortfall ranged between 20 (1996-97) and 100 per cent (1997-98).

3.1.11 Training of teachers

3.1.11.1 District Institute of Education and Training (DIET)

Under the National Policy on Education (NPE), a Centrally sponsored scheme called "Restructuring and Reorganisation of Teachers Education" approved in October 1987 by Government of India the DIETs were to provide academic and resource support to the grass root level for the success of various strategies and programmes being undertaken in the area of elementary education.

Out of 8 DIETs, only 5 were set up.

Out of 8 DIETs sanctioned by Government of India, only 5 (Imphal, Kakching, Churachandpur from 1991-92, Moirang and Senapati from 1998-99 onwards) were set up till 1999-2000.

³ Tamenglong, Kakching and Churachandpur.

The number of programmes organised in the DIETs during 1995-96 to 1999-2000 along with targets and achievements are given in *Appendix XIX*.

Only 335 teachers were trained in 4 years.

It would be seen that no targets were fixed for pre-service training for any of the DIETs during 1995-96 to 1999-2000 except for the DIET at Imphal and Kakching for 1997-98. Against the target of pre-service training for 100 during 1997-98 in respect of Imphal and Kakching, the achievement was only 29. Against the target of in-service training for 1067 (of 3 centres in 1995-96 to 1997-98 and 4 centres in 1998-99) during 1995-96 to 1998-99, the achievement was 335. As per information furnished (July 2000) by the Director of Education (S), the number of trained and untrained teachers in primary schools (Government and Aided) during 1998-99 were 3973 and 4623 respectively. DIETs are the only institutions imparting training to primary teachers. Considering this, the achievement (335 numbers in 4 years during 1995-96 to 1998-99) was very inadequate.

3.1.11.2 Construction of DIET Building

Land for DIET building at Tamenglong had not been acquired and the amount of Rs.55 lakh remained locked up with the Construction Agency.

For construction of DIET building at Tamenglong Rs.55 lakh was paid to a construction agency *i.e.* Manipur Police Housing Corporation (Government undertaking) in March 1997 but the land for the building had not been acquired as of April 2000 and the amount was lying with the Corporation.

3.1.12 Manpower management

3.1.12.1 Adhoc appointments

Irregular expenditure on *adhoc* teachers worked out to Rs.2.65 crore.

As per provisions of the Employment Exchange Compulsory Notification of Vacancies Act 1959, *adhoc* appointment without notifying the vacancies cannot be made for more than 3 months. As per information furnished by the Director of Education (S) (August 2000), 62 graduate teachers and 155 primary teachers appointed on *adhoc* basis between March 1997 and May 1999 were still in service (August 2000). The details of pay and allowances drawn beyond the prescribed period were not furnished. However, based on the minimum of the scale the irregular expenditure on *adhoc* teachers continued beyond the prescribed period (as intimated by the Director) worked out to Rs.2.65 crore till March 2000.

Test-check of records of the ZEOs, Churachandpur, Tamenglong and Thoubal revealed that 53 primary teachers and 37 graduate teachers appointed on *adhoc* basis were allowed to continue in service even after 3 months and Rs.80.85 lakh was paid (as of 31 March 2000) as pay and allowances to the teachers beyond the prescribed period which was irregular.

3.1.12.2 Utilisation of teachers in the Directorate

Shortage of teachers in schools in the State under the Directorate as on 30 April 2000 were as follows—

Sl. No.	Category	Sanctioned strength	Men-in-position	Shortage
(I n n u m b e r s)				
1.	Headmaster of High Schools	189	139	50
2.	Lecturer in Higher Secondary School	490	458	32
3.	Headmaster, Jr. High School	306	64	242
4.	Graduate teachers	4448	4153	295
5.	Primary teachers	6528	5469	1059

Despite shortage of teachers in schools, services of 22 teachers were utilised in the Directorate for other works.

The records of the Directorate revealed that out of the above mentioned teachers the services of 22 were being utilised in the Directorate for other works. The period and actual expenditure incurred had not been furnished to Audit.

3.1.12.3 Excess appointment of staff under Non-Formal Education

As per guideline for NFE scheme, one project officer, one accounts clerk, one LDC and one peon were to be appointed for each project. Against 55 projects, the Director of SCERT appointed 106 accounts clerks, 114 LDCs and 94 peons during 1998-99 and there were equal number in 1999-2000 also.

Rs.1.22 crore was spent on excess of staff during 1998-99 and 1999-2000.

Thus, SCERT spent Rs.1.22 crore⁴ on the excess staff during 1998-99 and 1999-2000.

3.1.13 The above points were referred to the Government in October 2000; reply had not been received (November 2000).

3.1.14 Recommendation

The control mechanism in the Directorate is required to be strengthened. The recurring delays in release of funds, both Central allocation and State share are required to be avoided. *Adhoc* appointment beyond the prescribed period should be avoided.

⁴ Accounts clerk: 51 @ Rs.4000 for 24 months; LDC: 59 @ Rs.3500 for 24 months and Peon: 39 @ Rs.2500 for 24 months.

FAMILY WELFARE DEPARTMENT

3.2 National Family Welfare Programme

Highlights

The National Family Welfare Programme is a demographic as well as a Welfare Programme meant for stabilising population level and at the same time improving maternal and child health care. The programme (except training component) is a cent per cent Centrally Sponsored Scheme. A review of the programme through test check of records revealed, inter alia, that funds were retained in Deposit Account/Banker's cheque etc. There were cases of diversion of fund, excess appointment of staff while some PHCs were without doctors and multipurpose workers. The Decennial Growth rate of population was 23.14 per cent against All India rate of 15.37. The implementation of the programme has not been monitored.

The expenditure figure of Rs.29.80 crore for the period from 1995-96 to 1999-2000 included Rs.94.21 lakh not spent but retained in Deposit account (Rs.57.52 lakh) and in the form of bankers' cheque (Rs.16.69 lakh).

(Paragraph 3.2.4 (i))

Rupees 1.22 lakh drawn during October 1997 to January 1999 was spent on items not relating to the Family Welfare Programme.

(Paragraph 3.2.4 (ii))

Against 274 posts of Reproductive and Child Health Contractual staff, the State Committee on Voluntary Action appointed 443 staff during 1999-2000, resulting in excess expenditure of Rs.76.87 lakh (approximate).

(Paragraph 3.2.6 (iv))

In the State, there is a shortage of 34 Sub-Centres, 4 Primary Health Centres and 4 Community Health Centres. Further, 15 Primary Health Centres were running without doctors and 52 Centres without female multipurpose workers.

(Paragraphs 3.2.5.1 (i) & (iii))

The achievement under sterilisation and oral pills in the State were 58 and 24 per cent respectively. There was negligible or nil performance of sterilisation

in certain districts. No target was fixed in respect of PPCs. Under TT for pregnant women the coverage exceeded the number of women registered in 1 PPC and in 3 PPCs all registered women were not covered.

(Paragraphs 3.2.5.3.1 (ii), (iii) & (iv))

Decennial Growth Rate was 23.14 per cent against the All India Rate of 15.37.

(Paragraph 3.2.5.3.1 (i))

In the absence of proper records in the Directorate as well as in the districts test-checked, the actual quantity of aid-materials (worth Rs.5.10 crore) allocated by Government of India and received by the State could not be verified. As of March 2000, 37 Ice Lining Refrigerators and 31 Deep Freezers in 9 districts were not functional/serviceable and the possibility of deterioration of vaccines cannot be ruled out.

(Paragraphs 3.2.4 (v) & 3.2.11)

3.2.1 Introduction

The Family Welfare Programme was introduced in the First Five Year Plan in 1952. It was made target oriented and time bound with effect from 1966-67. Maternal and Child Health Services (MCH Services) designed to improve the health of mothers and children were also integrated with it during the Fourth Plan period. The National Health Policy (NHP) approved by the Parliament in 1983 envisaged attainment of twin goals of 'Health for All' and a 'Net Reproductive Rate' (NRR) of unity by the year 2000 AD. Keeping in view the level of achievements made in the Seventh Plan period it was stated in the Eight Five Year Plan document that NRR-1 would be achievable during the period 2011-16 A.D. However, the Report of the Technical group on Population Projection (constituted by the Planning Commission) indicated that the replacement level of NRR-I is achievable only by 2026 AD.

The main objectives of the National Family Welfare Programme (NFWP) was to stabilise population level consistent with the needs of national development by adopting following measures/methods—

(i) To bring down the birth and death rates through various family planning measures and temporary methods of birth control.

(ii) To persuade people to adopt small family norms by popularising the use of conventional contraceptive devices or oral pills *etc.*

(iii) To provide medical services, medicines and incentives free of cost at the doorsteps of the acceptors of family planning measures. These objectives of NFWP were to be achieved through implementation of following schemes—

- (a) Minimum Needs Programme (Redesigned as Basic Minimum Services) (BMS)
- (b) Sterilisation Bed Scheme⁵
- (c) Post Partum PAP Smear Test facility Programme
- (d) All India Hospital Post Partum Programme
- (e) Population Research Centre Scheme⁶
- (f) Child Survival and Safe Motherhood (CSSM) Programme (Redesigned as Productive & Child Health Programme).

3.2.2 *Organisational set-up*

At the State level the Family Welfare Department (FWD) is the nodal authority to oversee the implementation of the programme. The programme is implemented by the Director of FWD assisted by the 9 District Family Welfare Officers/District Immunisation Officers through nine Rural/Urban Family Welfare Centres, sixty-nine Primary Health Centres (PHCs), fourteen Community Health Centres (CHCs), four hundred and twenty Sub Centres and four Post Partum Centres. Besides there are two Family Welfare Training Centres.

3.2.3 *Audit coverage*

The review covered the period from 1995-96 to 1999-2000 by test-check of records of the Director of Family Welfare and 6⁷ selected district offices (out of nine districts) covering 46 PHCs, 9 CHCs and 4 PPCs during the period from February to May 2000.

The services of the ORG Centre for Social Research, a division of ORG-Marg Research Ltd. was commissioned by the Comptroller and Auditor General of India with a view to obtaining the beneficiary perception of the programme and related matters. The ORG-Marg carried out survey over a sample⁸, determined on the basis of socio cultural characteristics and development status. Findings of the survey on matters discussed in the report have been included in this review at appropriate places.

3.2.4 *Finance and expenditure*

The programme is *cent per cent* centrally assisted. For orientation training of medical and para medical personnel the grant is admissible on 50:50 sharing basis between Government of India and the State Government which is to be utilised for rent of hostel, contingency expenses on consumables and training materials,

⁵ The scheme had not been sanctioned by Government of India.

⁶ The scheme has not been implemented in the State.

⁷ Imphal West, Bishnupur, Thoubal, Churachandpur, Senapati and Tamenglong.

⁸ The sample covered in Manipur included 1484 household (442 urban and 1042 rural) and 12 health facilities.

additional teaching staff, class rooms for Heath and Family Welfare Training Centres etc. The establishment of PHC, CHC, Sub-Centres in rural areas and hospitals and dispensaries in urban areas are met under Minimum Needs Programme which is funded by the State Government only.

Finance and expenditure figures for the period from 1995-96 to 1999-2000 are detailed below—

Family Welfare Programme (Other than RCH and MNP)

Year	Budget Provision		Total	Central assistance received	Expenditure		Total	Less(=) or excess (+) utilisation of Assistance	Value of aid material
	Salary component	Non-Salary component			Salary component	Non-Salary component			
1995-96	3.56	1.37	4.93	4.57	4.55	0.74	5.29	(+) 0.72	0.70
1996-97	2.66	1.17	3.83	4.12	4.23	0.69	4.92	(+) 0.80	0.89
1997-98	3.81	1.08	4.89	4.53	4.60	0.75	5.35	(+) 0.82	-
1998-99	5.11	1.02	6.13	5.93	4.27	0.70	4.97	(-) 0.96	2.43
1999-2000	5.11	1.02	6.13	8.94	8.76	0.51	9.27	(+) 0.33	1.08
Total	20.25	5.66	25.91	28.09	26.41	3.39	29.80	1.71	5.10

Rs.57.52 lakh retained in Deposit Account and Rs.16.69 lakh as bankers' cheque and shown as expenditure.

Funds of Rs.1.22 lakh diverted for other purpose.

An amount of Rs.13.36 lakh was temporarily misappropriated.

Aid material valued at Rs.5.10 crore could not be verified in audit.

- (i) The expenditure shown for the years 1995-96 and 1999-2000 included an amount of Rs.57.52 lakh retained in Deposit account and Rs.16.69 lakh in the form of banker's cheque in the respective years.
- (ii) Funds to the extent of Rs.1.22 lakh were diverted during October 1997 to January 1999 for the purposes (on training expenses for State tennis players) other than what were specified in the programme.
- (iii) Detailed Countersigned Contingent bills in respect of an amount of Rs.1.50 lakh drawn by Deputy Director (Administration), (FWD) on Abstract Contingent bills during June 1999 for incentive money under sterilisation programme was yet to be submitted (July 2000).
- (iv) A total amount of Rs.13.36 lakh was drawn during 1997-98 to 1999-2000 was retained (May 2000) and not handed over by previous DDOs resulting in temporary misappropriation of Central funds. The Deputy Director, Family Welfare stated (November 2000) that the matter is with the Vigilance Department and when finalised would be intimated to Audit.
- (v) Aid material valued at Rs.5.10 crore received from Government of India could not be verified in the absence of adequate documentation in the Directorate and in the districts.

3.2.5 Implementation Minimum Needs Programme

3.2.5.1 Family Welfare Services are to be provided to the community through a network of Sub-Centres (SCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs) in the rural areas and hospitals and dispensaries in the urban areas in a phased manner by 2000 A.D. The population norms for setting up

the centres and their staffing norms and activities/services to be delivered are as detailed in *Appendix XX*.

Test-check of records revealed the following target and achievement in respect of establishment of these centres—

Centres	No. of Centres required as per 1991 Census	Target fixed	In position as on 31 March 2000	Shortfall (Percentage)	Funds released during 1995-2000 by the State Government	Actual Expenditure
					(Rupees in crore)	
SCs	454	NA	420	34	0.55	0.55
PHCs	73	NA	69	4	14.66	8.34
CHCs	18	NA	14	4	6.26	5.16

There were shortfall of 4 PHCs, 34 SCs and 4 CHCs.

(i) There were shortfall in the establishment of PHCs (4), SCs (34) and CHCs (4) even though the State funds were available. The reason for non-utilisation of funds could not be furnished by the Department.

The survey report of the ORG-Marg indicated that there was a need to set up additional SCs in the State.

(ii) Amongst the existing SCs, only 275 are under the control of the Family Welfare Department while the remaining 145 SCs, and all 69 PHCs and 14 CHCs, are under the administrative control of the Health Department and the Family Welfare activities are also carried out through these centres.

No doctor was posted in 15 PHCs and no female MPW in 52 PHCs.

(iii) Records revealed (March 2000) that 15 PHCs were operating without doctors and 52 PHCs without female multipurpose worker. Thus, shortfall in staff in the Centres/Sub-Centres resulted in depriving of medical services in 67 centres in seven of the nine districts.

3.2.5.2 *PAP Smear Test Facility Programme*

The PAP smear test facility for early detection of cervical cancer among women was introduced by GOI in 25 Medical Colleges in 1977 and extended to other Medical Colleges. One Post of Cyto technician is provided. The Government of India is to provide funds for the salary of the Cyto technician as per respective State Governments scale of pay, and provide Rs.3000 per annum for purchase of glass ware, chemicals *etc.* The technician is required to collect/examine smears for women acceptors/non-acceptors of Family Welfare methods, report results of confirmation by Cyto Pathologist, to follow up both positive and negative cases and send quarterly report of Post Partum Centres to the Department of Family Welfare of Government of India through State Family Welfare Officers.

No report was submitted to Government of India.

In Manipur, the Regional Institute of Medical Sciences (RIMS) was implementing the Programme from July 1991 and according to their information during 1995-96 to 1999-2000, Rs.0.43 lakh was spent against the total grant of Rs.0.70 lakh released (for glass ware, slides and consumables) by the Government of India. One Cytologist of RIMS was looking after the works of Cyto technician and had examined 3116 slides during 1995-96 to 1999-2000 of which 21 cases detected as

cancerous. The nature of reports to be submitted was not prescribed by RIMS (May 2000). During 1995-96 to 1999-2000, reports were neither submitted to the Government of India nor to the State Family Welfare Officer.

3.2.5.3 All India Hospitals Post Partum Programme

The district/sub district level Post Partum Centres (PPC) were to motivate women within the reproductive age group (15-44 years) and their husbands for adopting small family norms through education and motivation during pre-natal, post natal period and after Medical Termination of Pregnancy. The basic objective of the programme was to provide integrated package of maternal, child health and Family Welfare Services, in-service training to medical/para medical staff, out reach services to allotted population and to promote spacing method to reduce IMR and MMR rate. Under this programme *cent per cent* Central assistance was provided for recurring and non-recurring items.

Funds provided by Government of India and expenditure incurred during 1995-96 to 1999-2000 are given below—

Year	Funds provided by Government of India	Expenditure incurred (Rupees in lakh)
1995-96	16.50	27.65
1996-97	18.00	32.95
1997-98	28.00	29.33
1998-99	19.37	24.71
1999-2000	52.00	51.60
Total	133.87	166.24

Against the total grants-in-aid of Rs.1.34 crore released by the Government of India total expenditure incurred by the PP Centres during 1995-96 to 1999-2000 was Rs.1.66 crore resulting in excess expenditure of Rs.0.32 crore. Reasons for excess expenditure could not be furnished by the department.

3.2.5.3.1 The performance in respect of family welfare methods and immunisation during the period from 1995-96 to 1999-2000 were as under—

Activity	Overall achievement under NFWP in the State		Target of PPCs	Achievement of PPCs (District and Sub-District PPCs)	Percentage of Achievement
	Eligible couples	Achievement (Percentage)			
	(In numbers)				
Family Welfare Method					
(I) Sterilisation	20477	11801 (58)	NA	7074	NA
(II) Oral Pills	48680	11754 (24)	NA	6064	NA
Immunisation					
TT (for pregnant Women)	239206	169806 (71)	NA	33095	NA
BCG	217820	202922 (93)	NA	22160	NA
Polio	217820	177190 (81)	NA	19204	NA
DPT	217820	177021 (81)	NA	19054	NA
Measles	217820	147105 (68)	NA	15817	NA
DT (for infant)	254580	108589 (43)	NA	2331	NA

In Manipur, the target and achievement of demographic goals laid down by NHP for 2000 AD are detailed below—

	Target	Achievement
(a) Crude Birth Rate (per thousand)	21	20.3
(b) Crude Death Rate (per thousand)	9	4.8
(c) Infant Mortality Rate (per thousand)	60	22
(d) Effective couple protection rate (<i>per cent</i>)	60	41.84
(e) Annual Natural Growth rate (<i>per cent</i>)	1.2	2.31

Decennial Growth Rate was 23.14 *per cent* against All India Rate of 15.37.

(i) The population of the State as per 1991 Census was 18.37 lakh and the projected population as of March 2000 is 22.62 lakh indicating the Decennial Growth Rate of 23.14 *per cent* against the All India Rate of 15.37 *per cent* during the same period (Decennial Growth Rate of India was calculated at 100 crore population of 2000). Even though the targets for Infant Mortality Rate, Crude Birth Rate and Crude Death Rate were achieved, the non-achievement of target of Couple Protection Rate resulted in increase of growth rate above the All India level.

Achievement under Sterilisation and Oral pills were 58 and 24 *per cent* respectively.

(ii) The achievement of the State under Sterilisation and Oral pills of Family Welfare methods were 58 *per cent* and 24 *per cent* respectively. The performance in the districts of Tamenglong, Senapati and Chandel during 1995-96, 1997-98 and 1999-2000 were either nil or negligible, while in Ukhrul district the performance in all the years covered by review was nil. During 1999-2000, the performance in the districts of Imphal East, Thoubal and Bishnupur was between 6 *per cent* and 14 *per cent* only. In respect of Immunisation it ranged between 43 *per cent* and 93 *per cent* during 1995-96 to 1999-2000.

No target was fixed for PPCs.

(iii) No target was fixed in respect of PPCs. The figures of eligible couples and number of beneficiaries to be covered in respect of the districts covered by PPCs were not available. Due to non-availability of target in respect of PPCs, the percentage of achievement thereof could not be worked out.

(iv) Under Immunisation, the objective in Ninth Plan is 100 *per cent* coverage for all vaccine preventable diseases. However, from the information furnished to Audit by the Deputy Director (Administration), Family Welfare Bureau, Manipur it was revealed that in respect of TT of expectant mothers figures of immunisation furnished for the period from 1995-96 to 1999-2000 far exceeded the number of expectant mothers registered in one PPC whereas in three other PPCs all women were not covered though all expectant women were to be covered. The details are as under—

Coverage under TT (For pregnant women)

Name of PPC	Number of women registered each year ranged between	Number of women stated to have been covered under TT each year ranged between
(a) Excess coverage		
(i) PPC-Kakching, Thoubal	329 to 468	572 to 1134
(b) Low coverage		
(i) PPC-RIMS, Imphal	6066 to 8958	1840 to 3169
(ii) PPC-Imphal District	2352 to 3434	1137 to 1491
(iii) PPC-Churachandpur	3116 to 4695	1114 to 2568 ⁹

It is not clear how TT could be given to women in excess of the registered number. The discrepancy was not reconciled.

The survey report of the ORG-Marg indicated that post partum care was reported to be quite poor in the State and facility-wise PPCs were found to be poorly equipped.

3.2.5.3.2 Under Out Reach Services, ANMs are to make house visits every fortnight within an area of 5-6 kms. The department had no details/reports regarding the visits made by ANMs.

3.2.5.3.3 Information regarding supply and distribution of Iron Folic Acid (IFA) and Vitamin A solution for the State against the target are as detailed below—

Year	Vitamin A (doses)		IFA (numbers)	
	Target	Achievement	Target	Achievement
1995-96	56,100	20,984	1,24,100	40,733
1996-97	Nil	Nil	Nil	Nil
1997-98	1,28,465	32,266	1,05,480	37,475
1998-99	Nil	Nil	Nil	Nil
1999-2000	Nil	40,551	Nil	33,022
Total	1,84,565	93,801	2,29,580	1,11,230

The above table reveals that during 1995-96 to 1999-2000, the shortfall in the distribution of Vitamin A solution and IFA were 49 and 52 per cent respectively, while there was nil performance during 1996-97 and 1998-99 and no target was fixed during 1998-2000.

3.2.6 Child Survival and Safe Motherhood (CSSM) – renamed as Reproductive and Child Health (RCH) Programme

In the Eight Plan (1992-97), programmes like Universal Immunisation, Oral Rehydration Therapy (ORT) and various other related programmes of Maternal

⁹ Excludes the figure for 1997-98.

and Child Health (MCH) were integrated under CSSM Programmes. In Ninth Plan (1997-2002) CSSM was renamed as RCH.

The objective of the programme was to ensure relevant services for assuring Reproductive and Child Health to all citizens for obtaining stable population in the medium and long term.

Funds released by Government of India and expenditure incurred under CSSM and RCH are as under—

Year	Funds released by Government of India	(Rupees in lakh)	
		Expenditure	(+) Excess (-) Saving
CSSM			
1995-96	31.50	32.78	(+) 1.28
1996-97	32.60	26.76	(-) 5.84
1997-98	23.20	33.57	(+) 10.37
Total	87.30	93.11	(+) 5.81
RCH			
1998-99	133.19	20.75	(-) 112.44
1999-2000	373.49	285.05	(-) 88.44
Total	506.68	305.80	(-) 200.88

Component wise details are given in *Appendix XXI*.

(i) Against the total funds of Rs.5.07 crore released by the Government of India during 1998-99 and 1999-2000, Rs.3 crore was kept in fixed deposit for 45 days to 1 year and earned interest of Rs.10.05 lakh to the end of March 2000. Expenditure incurred under RCH programme was Rs.3.06 crore only and there was an unspent balance of Rs.2.01 crore in bank. Reasons for saving were not stated.

(ii) A sum of Rs.9.94 lakh was spent during 1999-2000 for minor improvement works of PHCs in Senapati district but the District Immunisation Officer of the district reported that the works were not carried out. The expenditure on works thus appeared doubtful.

(iii) 20 Solar Refrigerators (valuing Rs.48 lakh) allocated by Government of India in January 1998 under UNICEF assistance were received by the State in March 1998. Subsequently, the Government of India instructed (29 February 2000) Government of Assam to collect these from Manipur State and accordingly these were collected by the Government of Assam in March and June 2000. Necessary adjustment in the accounts had not been made so far (November 2000).

(iv) Against the sanctioned strength of 274 posts of RCH Contractual staff (as per the approved norms of Government of India), the State Committee on Voluntary Action (SCOVA) engaged 443 staff during 1999-2000 resulting in excess expenditure of Rs.76.87 lakh (approximate) on payment of salary to the excess staff. It was stated that considering the local factors there was excess staff for periods varying from 3 to 10 months only.

Excess expenditure of Rs.76.87 lakh incurred on 169 excess staff.

3.2.7 Medical Termination of Pregnancy

Medical Termination of Pregnancy (MTP) is permissible under MTP Act 1971 under certain conditions. MTP in unauthorised places with improper facilities and unqualified staff causes many deaths. Government of India is to provide MTP equipment, where trained teams and operation theatres are available in district Hospitals, CHCs and PHCs. Doctors trained in MTP are to be engaged to PHCs once in a week or fortnight on a fixed day for performing MTP. Remuneration of Rs.500 per day is given from Central assistance but this is not admissible to Government servant posted in PHCs. MTP kits are to be procured Centrally and supplied to State Government in kind. It is also extended to hospitals under NGO or Trust.

During 1995-96 to 1996-97, Central assistance of Rs.2.05 lakh only was released by Government of India. No assistance was released from 1997-98 onwards. Details of expenditure incurred and MTP kits procured Centrally and supplied to the State Government could not be furnished by the department. As such performance of MTP as compared with reference to funds provided was not available with the Directorate or at District levels.

3.2.8 Training

There are two training centres for training of ANMs, Medical and Para medical staff in the State viz. the Regional Health and Family Welfare Training Centre and the Family Health Workers Training School. While the former is imparting training to officers and staff the latter is imparting training to fresher. Funds released and expenditure incurred during 1995-96 to 1999-2000 were as follows—

Category of Training	Funds released and expenditure incurred (Rupees in lakh)	Period					Total 1995-2000
		1995-96	1996-97	1997-98	1998-99	1999-2000	
(i) ANM/LHV	Funds released	17.66	12.50	16.00	17.00	30.00	93.16
	Expenditure incurred	16.57	12.79	Nil	8.48	21.80	59.64
(ii) In service training in health and Family Welfare	Funds released	9.00	11.00	13.00	14.63	21.00	68.63
	Expenditure incurred	32.76	17.94	Nil	14.31	35.11	100.12
(iii) Multipurpose worker	Funds released	5.00	10.00	15.00	11.00	15.00	56.00
	Expenditure incurred	Nil	9.66	54.44	7.21	19.27	90.58
(iv) Village Health Guide	Funds released	Nil	6.05	Nil	Nil	Nil	6.05
	Expenditure incurred		1.60				1.60

Excess expenditure of Rs.28.10 lakh incurred on training.

3.2.8.1 During 1995-96 to 1999-2000 against the total grant of Rs.2.24 crore expenditure incurred on training was Rs.2.52 crore, excess expenditure being Rs.28.10 lakh. The reason for excess expenditure could not be furnished by the department.

3.2.8.2 The target and achievement in respect of training conducted during 1995-96 to 1999-2000 are given in Appendix XXII. During the period, there were shortfalls in achievement of target ranging from 19 to 74 per cent in respect of 7 different courses out of 10 courses taken up by the department though there was excess of expenditure over the grants during the period. The shortfall in respect of main functionaries was very high being 56 to 74 per cent.

3.2.9 Information, Education & Communication (IEC)

3.2.9.1 Amount received from Government of India for IEC activities and expenditure incurred during 1995-96 to 1999-2000 are detailed below—

Year	Funds allotted	Expenditure incurred	Excess Saving (+) (-)
(R u p e e s i n l a k h)			
1995-96	12.36	15.32	(+) 2.96
1996-97	15.74	15.13	(-) 0.61
1997-98	15.17	16.40	(+) 1.23
1998-99	11.67	7.05	(-) 4.62
1999-2000	5.84	5.30	(-) 0.54
Total	60.78	59.20	(-) 1.58

The Department stated that raising of hoarding, printing of IEC material in regional language *etc.* could not be taken up during 1995-96 to 1999-2000 due to financial constraints.

The availability of IEC material at the institution was found to be dissatisfactory.

3.2.9.2 The departmental officer stated (May 2000) that the work of evaluation of IEC activities was entrusted to Indian Institute of Management Studies, Calcutta by Government of India but the evaluation reports were not available to the Department. Thus impact of IEC activities was yet to be known to the department.

3.2.10 Idle stock of drugs and other materials

Drugs and other store material valued at Rs.43.12 lakh relating to the period 1996-99 were lying idle/unutilised for periods ranging between one and five years and of these drugs/material valued at Rs.4.45 lakh became time-barred.

3.2.11 Other points

(i) Against norms of 85 vehicles laid down by Government of India under FW schemes there were only 62 vehicles (March 2000). Of these, 32 vehicles were reported to be in use, 27 off-road and beyond economic repairs and 3 Gypsies valued at Rs.7.20 lakh were hijacked during January 1997 to January 2000 by unknown persons and the matter was reported to police. Deputy Director (Administration), FW stated (February 2000) that action for condemnation of 27 vehicles was to be processed.

(ii) Utilisation certificates for grants-in-aid of Rs.52.82 lakh sanctioned and released during 1995-96 to 1997-98 to non-Government organisations (5 to 40 organisations) were not furnished.

(iii) According to the department 37 Ice Lining Refrigerators and 31 Deep Freezers in 9 districts were not functional/serviceable as of March 2000. The possibility of deterioration of vaccines due to non-functional refrigerators cannot be ruled out.

Drugs/material valued at Rs.4.45 lakh became time-barred.

37 Ice Lining Refrigerators and 31 Deep Freezers were not functional.

3.2.12 *Monitoring and Evaluation*

The Department stated that monitoring was to be done by the Demography and Evaluation Cell of the Department but due to lack of transportation facilities and prevailing law and order situation in the State monitoring could not be taken up for the last few years.

The programme has not been evaluated by the State Government to assess its impact.

3.2.13 The above points have been referred to the Government in September 2000; reply had not been received (November 2000).

3.2.14 *Recommendation*

Retention of funds outside Government account to be avoided. Staff should be appointed as per sanctioned strength. Monitoring and evaluation of the programme are required to be carried out to assess its impact.

FINANCE DEPARTMENT

3.3 Manipur State Lotteries

Highlights

To augment its resources, the State Government launched lottery schemes from December 1980. Prior to 1994, all its lotteries were State authorized. After May 1994, the form of the schemes was altered to resemble State organized lotteries; however, in character they remained in the nature of State authorized lotteries. Several lapses in its implementation leading to serious irregularities occurred. A summary of the important findings is as under—

From May 1994 to March 2000 the Directorate held 156728 draws, with a total turnover of Rs. 53039 crore. Of this, it collected Rs.86.33 crore as its revenue. This amounted to 0.16 per cent of the turnover.

[Paragraph 3.3.1]

Of 12 parties appointed as distributors, five were erstwhile organising agents, three had been appointed without call of tenders and four had been appointed by amending the rules. Conditions of bringing bank guarantee bonds of Rs.60 lakh from scheduled banks had been relaxed in respect of these newly inducted parties to minimize their financial risk.

[Paragraph 3.3.4]

The distributors were irregularly allowed to deduct administrative expenses totalling Rs.43.13 crore from taxable prizes distributed by the Government.

[Paragraph 3.3.5 (a)]

Draws were cancelled at short notices. But the tickets sold by the distributors were not accounted for.

[Paragraph 3.3.6 (2)]

Tickets were sold in States where the sales were prohibited by the laws of these States.

[Paragraph 3.3.7 (1)]

The distributors sold fake tickets against unapproved lotteries and published fictitious results, and collected public money.

[Paragraph 3.3.7 (3)]

The amount of 'part consideration' was continually decreased; however, the dues on this account mounted to Rs.4.18 crore.

[Paragraph 3.3.8]

The draw judges declared results against non-existent lotteries and the distributors retained the prizes.

[Paragraph 3.3.9 (1)]

Results were published in the State Gazette before the actual date of draw.

[Paragraph 3.3.9 (2)]

The distributors altered the prize winning ticket numbers while publishing the results in the newspapers and retained the undisbursed prizes.

[Paragraph 3.3.9 (3)]

Income tax amounting to Rs.31.77 crore had not been deducted from the prizes drawn by the distributors.

[Paragraph 3.3.10]

Compensatory amount in lieu of unclaimed prizes had been fixed below the lowest prizes and the differential amount of Rs.35.02 lakh was not recovered from the distributors.

[Paragraph 3.3.11]

Balance amount of Rs.1662.79 crore representing Government profits was retained by the distributors.

[Paragraph 3.3.12]

3.3.1 Introduction

With a view to augmenting its resources, the State Government launched lottery schemes from December 1980. All lottery-related activities were entrusted to Agents (called Organising Agents) and the Government received a part of the profit in the form of royalty.

In April 1994, the Supreme Court ruled that all lottery transactions were to be treated as state organised, the following conditions should be fulfilled.

(a) The tickets, which bear the imprint and logo of the State, must be printed directly or on behalf of the State Government so as to ensure authenticity and

genuineness and further to ensure that any possibility of duplication of tickets and sale of fake tickets is eliminated;

(b) The State itself must sell the tickets; however, if it considers necessary or proper so to do, through a sole distributor or selling agent or several agents or distributors under terms and conditions regulated by the agreement reached between the parties. The sale proceeds of the tickets either sold in retail or wholesale shall be credited to the funds of the Government;

(c) The draws for selecting the prize winning tickets must be conducted by the State itself irrespective of the size of the prize money; and

(d) If any prize money is unclaimed or is otherwise not distributed by way of prize, it must revert and become the property of the State Government.

As a result, the State Government re-framed its rules and regulations and entered into fresh contracts with the erstwhile Organising Agents now called Distributors.

From May 1994 to March 2000, the Directorate conducted 156728 draws under the new framework with a total face value of Rs.53039 crore. Twelve distributors were appointed during this period and statistical information on these lotteries is indicated below—

Category of lotteries	Number of lotteries	Number of draws	Turnover (Rupees in crore)
Dailies	893	89366	25783.05
Instants	2616	3430	3966.84
Bumpers	15	30	35.92
Weeklies	4661	63902	23253.19
Total	8185	156728	53039.00

(Distributor-wise data is shown in *Appendix XXIII*)

Out of turnover of Rs.53039 crore the revenue of the Government was Rs.86.33 crore.

From these lotteries, the Directorate had collected Rs.86.33 crore as revenue of the Government, which was a marginal 0.16 per cent of the total face value (details shown in *Appendix XXIV*).

The Government replied (December 2000) that the Directorate held only 127648 draws. However, supporting details could not be furnished to Audit, while the number of draws ascertained by Audit (1,56,728) was based on the records of the Directorate.

3.3.2 Organisational set-up

The Directorate of Manipur State Lotteries is under the State Finance Department and is headed by the Commissioner (Finance) who is ex-officio Director of the State Lotteries. One Joint Director and one Assistant Director assist him.

3.3.3 Audit coverage

The transactions of the Manipur State lotteries for the period May 1994 to March 2000 were reviewed in audit during the period from January to July 2000 in the head office of the Directorate at Imphal and its branch office at New Delhi. The samples selected for audit varied with the issues identified for comment. Accordingly, the number of draws selected for scrutiny varied between 20 to *cent per cent* of the total draws held.

3.3.4 Appointment of distributors

Prior to the notification of the Manipur State Lottery Rules (MSLR), 1994 the following five Agents organised State lotteries—

	Date of Agreement
1. Messrs. Limras Lotteries and Trading Co.	30.1.1993
2. Messrs. I.C. Khurana	15.4.1993
3. Messrs. R.K. Agencies	18.12.1993
4. Messrs. Mukund Enterprises	27.12.1993
5. Messrs. S.S. Associates	30.12.1993

The MSLR, 1994 provided that distributors should be appointed through open tenders (Rule 5(2)); however, it made an exception for Organising Agents appointed prior to the introduction of the rules (Rule 14). Under this provision, the above mentioned parties were now appointed as distributors and agreements were entered in May 1994 for a period of one year. In May 1995, without calling for tenders, the Directorate executed fresh agreements with the parties for another period of two years. This was irregular, since Rule 14 of MSLR, 1994 only covered initial appointments, of existing Organising Agents, at the commencement of these rules.

The Government replied (December 2000) that it extended the appointment of the five distributors for a period of two years as sufficient time was not available for calling tenders and appointing new distributors before the expiry of the existing agreements.

The reply is not acceptable as the Directorate had adequate time to plan and call tenders between May 1994 and May 1995.

During 1995-96, the Directorate floated tenders on four occasions during August, September 1995, January and March 1996; however, they were subsequently cancelled. The Government stated (December 2000) that the first three tenders had been cancelled as sufficient responses were not forthcoming because wide publicity was not given. The last tender was cancelled (April 1996) on the grounds that State Assembly elections were due.

From July 1995 to March 1998, the Directorate appointed the following three parties without floating tenders and agreements were executed for a period of 2 years. This was irregular and in violation of rule 5 (2).

1. Messrs. R.K. Agencies (Sports)	(22.7.95 - 21.7.97)
2. Messrs. Goyal Enterprises	(15.9.97 - 14.9.99)
3. Messrs. Archana Associates	(21.2.98 - 20.3.2000)

The circumstances under which these parties were appointed are outlined below—

(a) Messrs. R.K. Agencies (Sports) was an extension of Messrs. R.K. Agencies and had common proprietor. Though there was only one month before floating of tenders in September 1995, separate agreement had been drawn up with the party for distribution of Sports Lotteries.

(b) In May 1997, *Shri Ram Kishan Dass*, the proprietor of Messrs. R.K. Agencies and Messrs. R.K. Agencies (Sports) approached the Directorate to appoint his son's firm, Messrs. Goyal Enterprises, as a distributor. The Directorate inducted Messrs. Goyal Enterprises in September 1997. The party did not furnish a bank guarantee (BG) bond of Rs.60 lakh as required under the agreement. However, the Directorate allowed it to hold draws up to July 1998. In August 1998, the party submitted a BG bond of Rs.30 lakh only.

The Government stated (December 2000) that Messrs. Goyal Enterprises distributed the sports lotteries and a lower Bank Guarantee was allowed as a special consideration for generation of income for all round development of sports infrastructure for the Fifth National Games held at Imphal.

(c) In January 1998, Messrs. Archana Associates submitted an application to the State Finance Minister expressing its desire to become a distributor. It stated that further terms and conditions could be finalised across the table. The Finance Minister ordered its appointment on the grounds of earning more State revenues.

In September 1998, the Government amended Rule 5(2) of the MSLR, 1994 by inserting a provision that alternatively the State Government may directly appoint any distributor at terms and conditions similar to those of the existing distributors.

The Directorate allowed distributors to hold draws though they did not fulfil the contractual provisions.

After this amendment, the Directorate inducted four new applicants and executed agreements¹⁰ with them (October 1998) for a period of two years. These were - Messrs. Martin Lottery Agencies, Messrs. Allwyn Agencies, Messrs. Subham International and Messrs. N.R Enterprises. The agreements required that distributors should obtain a BG bond of Rs.60 lakh from a scheduled bank. Messrs. Subham International brought a bond of Rs.30 lakh only. Yet the Finance Minister ordered (24 April 1999) that their lottery schemes should be approved and draws be held up to December 1999. Messrs. N.R. Enterprises and Messrs. Allwyn Agencies brought bonds from non-scheduled banks. In their cases too, the Finance Minister ordered (26.10.99) that the distributors could hold draws till December 1999. The Finance Minister extended this date till March 2000. Thus, the Directorate allowed the distributors to hold draws, though they did not fulfil contractual obligations.

¹⁰ The agreements with the distributors were on identical terms and conditions.

In the absence of open tenders, the lottery business of the State was essentially in the hands of the same Organising Agents who ran the lotteries before the notification of MSLR, 1994. The proprietors of Messrs. R.K. Agencies, Messrs. R.K. Agencies (Sports) were common and Messrs. Goyal Enterprises, Messrs. S.S. Associates and Messrs. N.R. Enterprises were inter-linked to the above firms. Further, Messrs. Mukund Enterprises and Messrs. Martin Lottery Agencies had common financial interests and were linked to Messrs. Goyal Enterprises. As the appointments were not made through open tenders the benefits of competitive selection of distributors were not available to the Government.

3.3.5 Lottery schemes

According to the agreements, the State Lottery schemes were to be formulated by the Government (Clauses 5 and 6). However, the distributors prepared the schemes and the Directorate approved them routinely. As a result, most of the schemes gave undue benefit to the distributors, while others were inherently defective. During audit, the following instances were *inter alia* noticed.

(a) Even though as per Clause 26 of the agreement the Government should make disbursement of taxable prizes, there was also a provision for deduction of administrative expenses at the rate of 20 *per cent* of the prize amount for single digit lotteries and 35 *per cent* for instant, bumper and weekly lotteries (Clause 27) from taxable prizes disbursed by the distributor on behalf of the Government. However, the Directorate irregularly allowed the distributors to deduct such expenses even from the taxable prizes actually distributed by the Government. Consequently in respect of 13976 draws out of 156728 draws the distributors derived illegal benefit of Rs.43.13 crore on this account, as shown below—

Distributors derived a benefit of Rs.43.13 crore by making unlawful deductions from the taxable prizes.

	(Rupees in lakh)
Messrs. Limras Lotteries and Trading Co.	1131.61
Messrs. I.C. Khurana	1106.98
Messrs. Allwyn Agencies	1058.43
Messrs. S.S. Associates	414.40
Messrs. Martin Lottery Agency	245.63
Messrs. R.K. Agencies (S)	158.95
Messrs. Mukund Enterprises	112.98
Messrs. N.R. Enterprises	50.65
Messrs. Goyal Enterprises	23.67
Messrs. R.K. Agencies	10.16

(Details shown in Appendix XXV)

The Government stated (December 2000) that administrative expenses were allowed to the distributors according to Clause 27 of the agreement. However, this contention is incorrect because Clause 27 deals with taxable prizes disbursed by the distributor on behalf of the Government. Audit was highlighting taxable prizes actually disbursed by the Government, for which administrative expenses were irregularly deducted by the distributors.

The Directorate continued approving schemes with prizes on single digit, instant and daily lotteries even after these were banned by the Central Act.

(b) The Central Government, by an Ordinance promulgated in October 1997, banned all single digit, instant and daily lotteries with effect from 2 October 1997. In July 1998, the Ordinance was converted into an Act. The Act stated that prizes shall not be offered on the basis of a single digit or on the basis of a pre-announced number and no lottery shall have more than one draw in a week. In violation of the Act, the Directorate approved a number of schemes that were actually daily lotteries but merely termed as weeklies. For instance, the Directorate approved the weekly scheme of 'Vairam 6' (draws held from 14 December 1998 to 21 March 1999 – Messrs. N.R. Enterprises). Draws were held daily (Monday to Sunday) by suffixing the words Monday, Tuesday and Wednesday *etc.* while the essential characteristics which distinguish each lottery scheme (MRP, number of tickets printed, prize structure) remained identical. Similarly, 376 daily lotteries were misleadingly described as weekly lotteries (2632) and 11251 draws were held after the Act came into force. A consolidated account of such lotteries is shown in *Appendix XXVI*.

Although the Act had also banned declaration of prizes on the basis of single digit and pre-announced numbers, the Directorate continued approving schemes with prizes on single digit and schemes of instant lotteries up to 7 May 1999 (Illustrative list of such schemes is shown in *Appendices XXVII and XXVIII*).

The Government replied (December 2000) that Guwahati High Court issued stay orders (October 1997, May, July and August 1998) in favour of the State against operation of certain sections of the Act and therefore these forms of lotteries were continued till May 1999. In May 1999, the Supreme Court upheld the validity of the October 1997 Ordinance and the subsequent enactment banning single digit lottery *etc.*

(c) Clause 5 of the agreement provides that the State Government will decide the trade names of the lotteries. However, in practice, the distributors decided the lottery names. Lengthy and complicated trade names, such as "Raja Radha Kunj U.P. Rekha Rajshree Royal Special Kala Ghora Weekly", "Sunny Sartaj Shalimar Shakti Rajrani Jackpot (set) Monday", *etc.* were adopted. An illustrative list of trade names is shown in *Appendix XXIX*. Such names create confusion amongst ticket holders while looking up draw results in newspapers, leading to unclaimed prizes.

The Government replied (December 2000) that cumbersome and confusing trade names shall be avoided in future.

3.3.6 *Printing of tickets*

The rules and agreement provide that the State Government shall print the tickets, pay the printing costs and deliver the tickets to the distributors on 'all sold basis' (Clauses 9, 10 and 12). Contrary to these provisions, the distributors directly collected the printed tickets from the Press after making payments for printing on behalf of the Government.

There was dispute on payment of printing charges of Rs.72.39 lakh.

It was noticed that there were cases of complaints regarding non-payment of printing charges. The Directorate in its letter (7 June 1999) intimated the Government that the distributors were to take delivery of tickets by making payment of the printing charges on behalf of Directorate and no claim should lie against the Government for delivery without payment. Thus there was a dispute of Rs.72.39 lakh in respect of 22 lotteries, draws of which were held from September 1995 to October 1997, towards printing charges (*Appendix XXX*). There was no information whether the concerned distributors have discharged this liability on behalf of the Government (December 2000).

Tickets were printed against cancelled draws leading to the possibility of their being sold for a sale proceed of Rs.1.82 crore.

(2) The Directorate issued instruction (27.6.96) for cancelling the print order of the lottery tickets of "Raj Rekha Royal Baby" with effect from 28.6.96. By then, 10 lakh tickets (printing cost: Rs.23000) had already been printed. In another case, on the request of the distributor (Messrs. S.S. Associates) the print orders of "Rajshree 300" was cancelled (12.3.1996); however, 5.50 lakh tickets (at MRP of Rs.33 per ticket) had already been printed (based on the number indicated in the scheme) against the cancelled draws (draw nos. 139/12.3.1996 to 149/22.3.1996). The Directorate could not account for these printed tickets. As a result, the possibility of the tickets being sold and sale proceeds amounting to Rs. 1.82 crore, being retained by the distributor cannot be ruled out.

The Government stated (December 2000) that orders of cancellation had been issued only after confirming non-printing of the tickets. However, it was noticed that tickets had been printed. There was no information as to who paid the printing charges.

Such situations occurred because the cancellation orders were issued at very short notice. Other instances of cancellation at short notices are at *Appendix XXXI*.

(3) The agreement prescribes that the Directorate shall exercise adequate control and supervision on the printing of tickets by periodic inspection of the printing presses (Clause 9). But there were no records to establish that the Directorate inspected the presses during the period covered in the review. Further, no accounts were maintained of the printing charges, number of tickets actually delivered *etc.* Therefore lottery-wise printing costs could not be ascertained.

3.3.7 Sale of tickets

The rules and the agreements provide that the distributors shall not sell MS lottery tickets in States where sale of lottery tickets is prohibited by the laws of the State (Rule 5(7) and Clause 7). In violation of these provisions, the distributors sold tickets in States where the sale was prohibited.

Distributor sold instant lottery tickets of Manipur in Karnataka where sale of such tickets was prohibited.

(1) The sale of instant lottery tickets was banned in Karnataka. However, during July-August 1996, the Karnataka Police detected that tickets of 29 Manipur State instant lottery schemes were being sold in Karnataka, and 6 police cases were registered. It sought information from the Directorate (November 1996) regarding the authenticity of the tickets and whether it had permitted the distributors to sell the tickets in Karnataka. Subsequently, the Karnataka Police communicated (September 1997) that for want of clarifications from the

Directorate the cases were still pending. The Directorate neither replied nor took any action against the distributors.

Of these 29 lottery scheme tickets sold in Karnataka, the Directorate could not produce to Audit schemes of 16 lotteries (details shown in *Appendix XXXII*). Therefore, these schemes did not appear to be authorised by the Directorate and were fraudulent.

The Government replied (December 2000) that the above mentioned 16 lotteries were conducted by the State and the connected schemes and the records of their draws were all available. However, the Government could not produce these details to Audit. It was also stated that the Karnataka Government had not further pursued the matter.

Distributor sold tickets of 20 unapproved lotteries in U.P.

(2) It was observed from the injunction application (247 of 1997) before the Monopoly and Restrictive Trade Practices Court, New Delhi that Messrs. R.K. Agencies sold (September 1997) tickets of 44 lotteries in the State of U.P.; however, approval for the sale of tickets of only 24 lottery schemes was granted by the Government of U.P. The distributor suffixed deceptive words to the names of the approved lotteries to give an impression that these schemes were being conducted by the State of U.P. and introduced additional 20 lotteries. For instance, the distributor added the word 'Savera' to the name of an approved lottery 'U.P. Manisha' and sold tickets under the description of an unapproved lottery called 'U.P. Manisha Savera'. (List of these lotteries is shown in *Appendix XXXIII*). No action was taken against this distributor.

In its reply (December 2000) the Government forwarded the list of lotteries approved by the State of U.P. for sale in U.P. However, the list did not include the 20 lottery schemes commented upon by Audit, confirming that these schemes were not approved and their sale was illegal.

Distributor collected Rs.1.35 crore by selling tickets of discontinued lotteries and publishing fictitious results thereof.

(3) Messrs. N.R. Enterprises made unauthorised sales of tickets of the following discontinued lotteries and published results of fictitious draws in the newspaper, Athristam Daily, Madras—

Name of lotteries	Period during which there were no official draws	Date of fictitious draws
Shivam	29.3.99 – 5.6.99	16.5.99
Kubera 4	11.5.99 onwards	17.5.99
Vairam 6 (Monday)	11.5.99 – 30.5.99	17.5.99
Vairam 6 (Tuesday)	12.5.99 – 31.5.99	18.5.99
Naga Super	25.3.99 – 1.6.99	19.5.99
Swarna Money	1.4.99 – 1.6.99	19.5.99

The entire sale proceed of these lotteries (Rs.1.35 crore) went to the distributor. Although initially the Directorate took up the matter with the distributor in May 1999 no further action was taken.

In addition, the same distributor also made unauthorised sale of the under-mentioned lotteries and published results of fictitious draws—

Name of lotteries	Date of fictitious draws
Tamil Mani 12 Royal	16.5.99
Tamil Mani 15 Gold	16.5.99
Athipathy Gold 15	17.5.99
Athipathy Royal 12	17.5.99
Sun Super Deluxe 12	18.5.99
Sun Super 15	18.5.99

However, due to non-production of the connected schemes, the sale proceeds of these lotteries could not be ascertained by Audit.

In its reply the Government stated (December 2000) that of the above-mentioned twelve lotteries, the draws of Shivam, Tamil Mani 12 Royal and Tamil Mani 15 Gold had been held by the State on 16.5.1999 and therefore the draws were genuine. In support, three draw result sheets were forwarded. This contention was not acceptable because close examination of these result sheets revealed that in the case of Shivam, the name of the lottery had been overwritten from Shivam 4 to Shivam. In the other two cases the result sheets were of Tamil Mani Royal and Tamil Mani Gold and not those of Tamil Mani 12 Royal and Tamil Mani 15 Gold. The Tamil Mani Royal and Tamil Mani Gold were independent lotteries.

Distributor collected Rs.1.98 crore by selling tickets against cancelled draws.

(4) In another case, Messrs. Allwyn Agencies sold (August 1999) tickets of 18 draws, at Rs.1.98 crore, of Gulshan Yash Bankebihari and Khushboo Yash Bankebihari sets of weeklies. However, the Directorate cancelled (August 1999) the draws because of non-deposit of PC, draw expenses and compensatory amount against unclaimed prizes. No action was taken to recover the sale proceeds.

The Government stated (December 2000) that necessary legal proceedings had since been taken up against the distributor under Criminal Case No. 60/2000.

3.3.8 *Part Consideration: First instalment of Government profit*

The agreement provides that before each draw, the distributor shall deposit a fixed sum (Clause 18). This was termed as 'part consideration' (PC). The Government fixed its size arbitrarily and not always with reference to the turnover of the draws. During the period under review, the Government continually reduced this amount, from Rs.15500 per draw in May 1994 to Rs.1375 per draw in February 1999. (Rates fixed from time to time are shown in *Appendix XXXIV*).

Lowering of the PC correspondingly increased the balance amount of sale proceeds retained in the hands of the distributors and increased the Government's exposure to subsequent default by the distributor.

Part consideration required to be paid by distributors before draws remained outstanding to the extent of Rs. 4.18 crore.

The distributors were obliged to deposit the PC at least one day before the draw. However, this requirement was not enforced and PC arrears mounted. By the end of March 1998, the outstanding PC reached a level of Rs.4.30 crore (Limras: Rs.293 lakh, R.K. Agencies: Rs. 65 lakh, Mukund: Rs.37 lakh, R.K. Agencies (Sports): Rs.19 lakh, Goyal: Rs.11 lakh, and S.S. Associates: Rs.5 lakh). Nevertheless, on the request of the distributors, the State Finance Minister relaxed

(May 1998) recovery of the outstanding PC till July 1998. Further, the Finance Minister offered a benefit package to expedite recovery. He agreed levying a single PC for a set of three draws up to the end of June 1998. This was increased to four draws in August 1998 provided the outstanding dues were cleared within three months.

Despite these relaxation, the outstanding balance of PC remained high at Rs.4.18 crore (May 2000) (Limras: Rs.275 lakh, R.K. Agencies: Rs.71 lakh, R.K. Agencies (Sports): Rs.45 lakh, Mukund: Rs.11 lakh and Goyal: Rs.16 lakh).

Banks refused to encash BG bonds of Rs.1.50 crore due to late presentation of claims.

Finally, the Directorate sought to recover Rs.2.5 crore of the dues by invoking the BG bonds. However, the claims were presented to the banks after the deadline for presentation. Consequently, the banks refused to honour claims amounting to Rs.1.50 crore. Settlement of the balance amount of Rs.1.00 crore was also awaited (details shown in *Appendix XXXV*). Reasons for delay in presenting the claims were not on record.

In its reply the Government stated (December 2000) that Rs.11.50 lakh had since been recovered from two parties (Messrs. Mukund Enterprises: Rs.10.50 lakh and Messrs. Limras Lotteries: Rs. 1 lakh). Money suits had been filed against Messrs. Limras Lotteries and Messrs. Goyal Enterprise for recovery of the outstanding dues (Nos. 56/2000 and 57/2000). Suits were under preparation for Messrs. R.K. Agencies and Messrs. R.K. Agencies (Sports).

Regarding the BG bond of Messrs. Limras lotteries (Rs.25 lakh), for which the Directorate lodged the claim for encashment within the prescribed deadline, the Government stated that the Bank had refused encashment on the ground that the bond pertained to pre-1994 agreement and not to post-1994 agreement.

3.3.9 *Draws, declaration and publication of results*

MSLR, 1994 lays down that the draws shall be held in public under the supervision of a panel of three Judges nominated by the Director/Joint Director for the purpose, provided that at any time during the draws two Judges shall form the quorum. The prize-winning ticket numbers shall be published in the State Government Gazette, which shall be deemed to be the official announcement of the results. The Government shall also publish the results in the leading newspapers.

Distributors retained the prize money of Rs.3.40 crore though the results declared by the judges did not correspond to the lottery schemes in operation.

(1) Test-check of randomly selected 100 draws held during March – April 1999 revealed that in respect of 8 draws (turnover: Rs.3.74 crore, prizes: Rs.3.40 crore), the Judges declared the results of the draws against names of lotteries which were not in operation. However, the names of these lotteries closely resembled other lotteries, which were in operation. Hence, the concerned distributor (Messrs. Martin) retained the prize money of Rs 3.40 crore since the published results would never correspond to any lottery scheme in operation (details shown in *Appendix XXXVI*).

The Government stated (December 2000) that on the request of the Distributor the names of the lotteries had been changed to the names shown in the result sheets after confirming that the tickets had not been printed in the original names.

However, the Government failed to produce evidence to establish this claim since it was unable to provide specimen copies of the tickets printed under the names corresponding to the result sheets. It was also seen from the documents forwarded by the Government that applications dated 25 March 1999 and 4 April 1999 of the distributor (Palakkad, Coimbatore) for changing the names had been respectively received at the Directorate (Imphal) on 25 March 1999 and 5 April 1999. The Directorate issued orders to the Press (Hyderabad) for effecting the changes on 25 March 1999 and 6 April 1999. For the draws to be held on 29 March 1999, 5 April 1999 and 13 April 1999, the possibility of effecting the changes at such short notice was remote as the Government itself stated that tickets were normally printed at least 15/20 days ahead of the draws.

(2) Further, results of draws were not published in the State Gazette after November 1997. The last occasion, on which the results were stated to have been published in the Gazette, was in November 1997. Reasons for discontinuing the official announcement of results were not on record.

In this regard, the copy of a Gazette notification (November 1997) produced to Audit appeared to be reconstructed because the results of the draw held on 15th November 1997 (4th draw of Manipur State Shri Ganesh (Saturday) – Messrs. Limras) were published on 4th November 1997 – eleven days before the actual date of draw.

It was not possible to ascertain if the results were actually published in the newspapers, since on most occasions, the distributors submitted no copies of the relevant newspapers though it was a contractual obligation on their part to do so (Rule 8(6), Clause 23). There is thus no assurance that the public had an opportunity to verify whether they won prizes or not in respect of tickets bought by them.

The Government stated (December 2000) that regarding publication of the results on 4 November of a draw held on 15 November the matter was being verified from the Government Press.

Distributors retained the prize money of Rs.23.93 lakh by altering the number of prize-winning tickets while publishing the results.

(3) Further, it was noticed from a letter of the Directorate (17 April 1995) that in some cases, the number on prize winning tickets were altered while publishing the results in newspapers. For instance, the distributor of "Manipur Laxmi" (draw held on 5.4.95), Messrs. Limras, altered the third prize number from 29389 to 98389 while publishing the results. Similarly, from February 1995 to May 1999, three distributors altered altogether 9183 prize winning ticket numbers (17 first prizes, 7 second prizes, 159 third prizes and 9000 fourth prizes) involving a total sum of Rs.23.93 lakh as summarised below—

	Number of prizes				Connected prize amount (Rupees in lakh)
	1 st	2 nd	3 rd	4 th	
Messrs. Limras	16	5	157	-	13.32
Messrs. Mukund	1	-	-	-	2.50
Messrs. Subham	-	2	2	9000	8.11

(Details shown in Appendix XXXVII)

The manipulated results were not subsequently corrected nor were the undisbursed prizes recovered from the distributors. No action was taken against the distributors.

The Government replied (December 2000) that legal proceedings had since been initiated by filing criminal cases for cheating and fraud against Messrs. Subham International (Case No.63/2000). Regarding the case relating to Messrs. Mukund Enterprises it stated that suitable corrections had been made and the prize was disbursed against the prize-winning ticket. However, evidence sought by Audit to establish this claim could not be produced.

3.3.10 Major prizes and income tax

During the period from May 1994 to March 2000, the Directorate disbursed Rs.119.88 crore against 19830 taxable prizes (*Appendix XXXVIII*). Taxable prizes comprised less than 1 *per cent* of the total prizes earmarked for distribution. The remaining were non-taxable prizes, which were to be disbursed by the distributors.

Prizes won by the distributors against their unsold stock of tickets were adjusted against their deposits for future draws. Test check of 8119 draws revealed that distributors had adjusted prizes valued at Rs.83.87 crore in this manner (details shown in *Appendix XXXIX*).

The Directorate did not deduct income tax of Rs.31.77 crore from the taxable prizes won by the distributors.

Income tax is deductible at source, at the rate of 40 *per cent*, on winnings from lotteries, under Section 194 B of the Income Tax Act. While deductions were made regularly from the prizes actually won by the public, in respect of prize winning tickets that were lying with the distributors as unsold stock, the Directorate did not effect such deductions despite demand from the Income Tax Department. In September 1994, the Deputy Commissioner (Income Tax) clarified that income tax was deductible from prize moneys declared on unsold tickets lying with distributors. The distributors argued that the provisions of Section 194 B of the Act were applicable only on actual cash payment of prizes and not on deemed payments.

However, the Assistant Director (Lotteries) stated (September 1995) that the adjustment of prize moneys against future deposits was not covered by the provisions of MSLR, 1994 nor by the agreement entered with the distributors. The Joint Director decided that imposing the tax at source would deter the distributors from organising the MS lotteries. Non-deduction of tax at source enabled the distributors to evade a tax payment of Rs.31.77 crore¹¹, which became due during May 1994 to March 2000.

The Government replied (December 2000) that according to a clarification issued by the Ministry of Finance in November 1993, prizes awarded to organisers on their unsold stock did not fall within the purview of Section 194 B of the Income Tax Act. Such income was to be treated as normal trading/business income of the

¹¹ 40 *per cent* of (Rs. 83.87 crore – 8876 prizes x Rs.5000) — tax chargeable only on the excess over Rs.5000 in each prize.

organiser, subjected to tax accordingly and not to be taxed under Section 194 B of the Income Tax Act.

However, this reply was not acceptable because the clarification was in respect of those lottery operations that were in existence prior to the Supreme Court Orders of April 1994. Prior to April 1994, all lottery-related activities were entrusted to Organising Agents and the Government simply received a royalty. After April 1994, the lotteries were to be State-organised and the distributor was to receive only a margin for distributing the tickets. Hence, prizes won by the distributors against their unsold stock could not be treated as business income.

3.3.11 *Unclaimed prize*

One of the characteristics of a State-organised lottery as laid down by the Supreme Court in April 1994 was that all unclaimed prizes must be the property of the Government and must revert to it. The MSLR, 1994 provides that where it was impractical for the Government to assess the unclaimed prizes draw-wise, it may fix a reasonable compensatory amount, on the basis of a random sampling at intervals of six months, to be recovered from the distributors in lieu of the unclaimed prizes. The agreements incorporated that the distributors must deposit such pre-determined compensatory amounts in advance of each draw (Clause 18).

The Directorate undertook a sampling exercise in April 1995 and fixed the compensatory amount at Rs.200 per draw. The details of this exercise were not produced to Audit and the reasonableness of this amount could not be ascertained. No sampling exercise was subsequently undertaken. On 11th August 1998, on the verbal orders of the Finance Minister, Rs.200 was fixed as compensation for a set of 4 draws. Hence, the amount recoverable from the distributors per draw was reduced to Rs.50 per draw. The unreasonableness of this amount can be measured against the smallest prize available in each draw. For instance, the smallest prize in the "Rajshree Moti Daily" was Rs.1000, while the compensatory amount was Rs.200. Even if one of the smallest prizes remained unclaimed in each draw, the total differential sum was Rs.1.68 lakh in respect of the 210 draws held between January to August 1997.

Distributors derived a benefit of Rs.35.02 lakh due to fixation of compensatory amount in lieu of unclaimed prize below the lowest prize.

Out of the total number of 156728 draws held during the period covered in the review such anomalies occurred in 10,715 draws; the differential amount in these draws worked out to Rs.35.02 lakh as shown in *Appendix XL*. The distributors had retained this amount.

The Government stated (December 2000) that the matter was being examined for taking up fresh sampling exercise or for actual verification as might be convenient.

3.3.12 *Profit sharing and Government profit*

The MSL Rules 1994, as amended from time to time, provide that for each lottery scheme the Government will determine a wholesale price for issue of the tickets to the distributors (Rule 4 (A)). The difference between the total face value of the tickets printed and the wholesale price so fixed shall be the discount allowed to the distributor (Rule 2(viii)). Expenses on sales tax, result publication and other

promotional advertisements are to be borne by the distributor from this discount (Rule 8(6) and Clause 8).

However, on no occasion did the Government fix the wholesale price (Face value of the tickets – Discount) and therefore lottery-wise discount allowed to the distributors were not ascertainable, though in principle, as noticed from Directorate's file noting and correspondence, the discount was not to exceed 8 to 10 *per cent* of the face value of the tickets. Further, while the final accounts were to be settled within 15/60 days of each draw, the distributors had not submitted the accounts since the inception of the lotteries. In March 1998, the Directorate sought these accounts but the distributors did not respond. No action was taken against them in this regard.

As a result, after 1994, the Directorate was not in a position to determine the profit of the Government from each draw. This is also evident from the correspondence made by the Directorate (January and July 2000) to the Finance Department seeking clarification on the definition of wholesale price and balance amount. Hence, the part consideration was treated as the only component of Government revenue due from the lottery activities and the remaining profits of Government were retained by the distributors.

Considering 10 *per cent* as distributor's discount and another 5 *per cent* for printing and draw expenses, the Government could earn profits if only the prizes earmarked fell below 85 *per cent* of the face value of the tickets. However, the Directorate maintained the prize level higher than 85 *per cent* of the face value in 78 *per cent* of the draws (that is, in 122113 draws) compelling the Government to incur loss on this account.

An amount of Rs.1662.79 crore was due to Government from distributors.

The remaining 34615 draws, out of 156728 draws (22 *per cent*), involving a turnover of Rs.13270.89 crore, were selected for detailed scrutiny to ascertain the balance amount of Government profit retained by the distributor. This exercise revealed that the Government was yet to recover Rs.1662.79 crore from eleven distributors as shown below. This was 12.5 *per cent* of the turnover of Rs.13270.89 crore.(Calculation model of balance amount is shown in *Appendix XLI*).

	(Rupees in crore)
1. Messrs. Limras Lotteries and Trading Co.	551.31
2. Messrs. Mukund Enterprises	370.39
3. Messrs. I.C. Khurana	155.53
4. Messrs. Martin Lottery Agencies	154.06
5. Messrs. N.R. Enterprises	147.19
6. Messrs. Allwyn Agencies	113.79
7. Messrs. S.S. Associates	83.30
8. Messrs. R.K. Agencies	47.32
9. Messrs. R.K. Agencies (Sports)	20.56
10. Messrs. Goyal Enterprises	19.30
11. Messrs. Subham International	0.04

(Details shown in *Appendix XLII*).

The Government stated (December 2000) that its profit from the lottery trade was only the total of the part consideration, draw expenses and compensatory amount in lieu of the undisbursed prizes. However, the Government has not commented on the balance amount as incorporated in Clause 19 of the agreements entered with the distributors.

3.3.13 Conclusion

The Supreme Court of India laid down four characteristics of a State organised lottery. The tickets must be printed directly at the instance of the State to render sale of fake tickets impossible, the sale proceeds of the tickets sold either in retail or wholesale shall be credited to the funds of the Government, the draws must be conducted by the Government and the unclaimed or the undistributed prizes shall be the property of the Government and must revert to it. While the MSL tickets were printed at its instance, the Government refused to pay the printing charges on several occasions. Instances of sale of fake tickets were also noticed. Deficiencies in the publication of draw results were noticed. On no occasion were the full sale proceeds credited to Government accounts, though the tickets were delivered to the distributors on 'all sold basis'. Undisbursed prizes, differential amount of the unclaimed prizes over the compensatory amount and the balance amount of the sale proceeds of the tickets never reverted to the Government.

In 1996 the Punjab High Court also held that MSL did not fall under the definition of State organised lotteries.

The Government replied (December 2000) that in some respect the present system was short of the guidelines prescribed by the Supreme Court for want of necessary infrastructure. It also admitted that some of the unscrupulous distributors had taken recourse to unfair and illegal practices. Further, it stated that in view of the existing shortcomings it had decided to suspend operation of all forms of lotteries in the State with immediate effect till the system was reviewed and revised to conform to the Supreme Court guidelines.

HEALTH DEPARTMENT

3.4 Implementation of Prevention of Food Adulteration Act and Rules

Highlights

The Prevention of Food Adulteration Act, 1954 (PFA) was adopted by the State from November 1959. During the last 40 years the State Government could not formulate a clear cut policy for implementing this Act as the number of establishments were not assessed. Public Analyst was not appointed and the collection samples were negligible.

Information regarding the number of food establishments were not available with the Food Health Authority.

(Paragraph 3.4.5)

The Central grant of Rs.7.00 lakh for strengthening the Food Testing Laboratory was not released by the State Government.

(Paragraph 3.4.6)

There was a shortage of 19 Food Inspectors.

(Paragraph 3.4.6)

The post of Public Analyst was not created due to which cases of prosecution could not be initiated by the Local Health Authority.

(Paragraph 3.4.6)

Each Food Inspector collected 11 samples per year on an average against the norms of 48–60 samples per annum. The overall shortfall was 77 per cent.

(Paragraph 3.4.7 (a))

Results of many samples sent for testing outside the State were not received.

(Paragraph 3.4.7 (b))

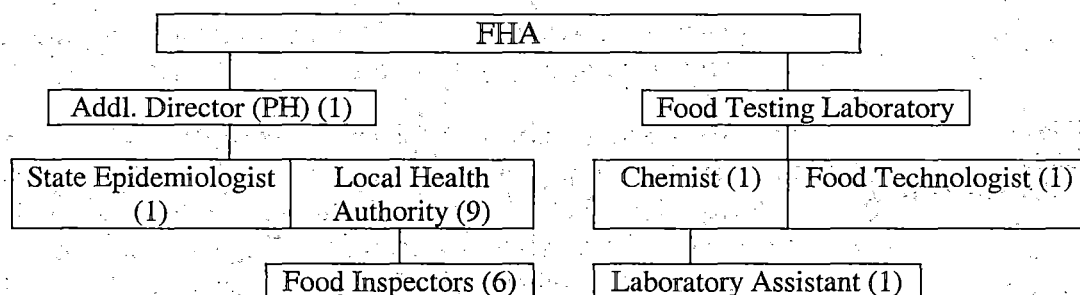
3.4.1 Introduction

With a view to ensuring availability of unadulterated food and drink (other than drugs) to consumers, protecting them from fraudulent trade practices and providing guidance/norms to the manufacturers/dealers of food articles, Government of India enacted the Prevention of Food Adulteration Act, 1954 (PFA). For implementing the PFA Act, the Government of Manipur made the

Manipur Prevention of Food Adulteration Rules, 1958 and it was enforced in the State with effect from November, 1959.

3.4.2 Organisational set-up

The Director of Health Services, who is under the Secretary of Health functions as Food Health Authority (FHA). He is the overall in-charge for implementing the PFA Act in the State. The organisational set up is indicated below—



The Chief Medical Officers are appointed as Local Health Authorities and there are 9¹² such Authorities in the State including one for Imphal Municipal Council. They are responsible for implementing the PFA in the area under their jurisdiction.

3.4.3 Audit coverage

Records relating to the implementation of the PFA Act for the period from 1995-96 to 1999-2000 were test-checked in the Office of the Director of Health Services and Imphal Municipal Council during March -April 2000.

3.4.4 Financial outlay and expenditure

Yearwise budget provision and expenditure incurred are indicated below—

Year	Budget provision (Rupees in lakh)	Expenditure	(+) Excess/ (-) Savings
1995-96	0.63	0.64	(+) 0.01
1996-97	1.30	1.69	(+) 0.39
1997-98	1.75	1.54	(-) 0.21
1998-99	1.75	0.86	(-) 0.89
1999-2000	2.19	1.88	(-) 0.31
Total	7.62	6.61	(-) 1.01

The average annual expenditure on Prevention of Food Adulteration establishment was Rs.1.32 lakh. There were savings in the last three years for which reasons have not been stated.

¹² Imphal East and West, Bishnupur, Chandel, Thoubal, Churachandpur, Ukhrul, Senapati, Tamenglong and Imphal Municipal Council.

3.4.5 Licensing Authority

The Prevention of Food Adulteration Act and Rules are applicable to all manufacturers, agents and sellers of food articles in the State. Under Rule 7 of Manipur Prevention of Food Adulteration Rules, 1958 the Health Officer having jurisdiction over the local area concerned or such other Officer or Officers as may be appointed by the Chief Commissioner or the local authority, as the case may be for granting licence under this rule, are the licensing authorities.

However, the Directorate (PH) had no information regarding the total number of such manufacturers, agents, sellers *etc.*

All food establishments were not covered for issue of licenses.

Licence was to be issued on payment of fee of Rs.20 per annum. Issue of licence to all the food establishments was not on the record. It was, however, stated by the Director (PH) that the Local Health Authorities issued licences to hotels and restaurants. Test-check of records of Imphal Municipal Council revealed that licences were issued only to 158 (46 *per cent*) out of 341 food establishments.

Thus the objective of prevention of food adulteration could not be achieved in respect of certain establishments.

3.4.6 Infrastructure

There was shortage of 19 Food Inspectors.

The Office of the Food Health Authority includes 9 Local Health Authorities and 6 Food Inspectors. However, applying the existing norms of the Government of India, the required number of Food Inspectors works out to 25 (one Inspector for 80,000 population) for the State population of 20 lakh. Thus, there was a shortage of 19 Food Inspectors.

Central grant of Rs.7 lakh for strengthening the Food Testing Laboratory was not released by the State Government for the last 3 years.

The Food Laboratory Unit functioning under the Health Department is not well equipped. Although the Government of India, Ministry of Health & Family Welfare conveyed sanction (March 1997) of Rs.7 lakh for strengthening the Food Laboratory, the equipment and instruments (approximate cost: Rs.7 lakh) required for the Laboratory were not procured as the State Government had not released the amount.

The post of Public Analyst has not been created.

Section 8 of the PFA Act, 1954 provides appointment of Public Analyst by the State Government. The Public Analyst is to provide reports on test of food samples to the local health authorities for taking up necessary legal action. The Prevention of Food Adulteration establishment remained without a Public Analyst from the inception (1959). No post of Public Analyst has been created (April 2000) by the Government.

3.4.7 Collection of samples, testing and prosecution of cases

Rule 9 of Prevention of Food Adulteration Rules, 1955 stipulates that it is the duty of Food Inspectors to inspect, as prescribed by the rules, all establishments licensed for the manufacture, storage or sale of an article of food within the area assigned to him. A laboratory initially started by the Chemistry Department of a Science college in Imphal was taken over by the Health Department in 1994. However, it could not function satisfactorily due to lack of essential staff and

equipment and food samples were sent to Agartala (Tripura)/Guwahati (Assam) for testing. The following shortcomings were noticed.

Each Food Inspector collected 11 samples per year on an average against the norms of 48-60 samples.

(a) The Director (PH), fixed (July 1993) the minimum norms of 4/5 samples every month (48-60 per annum) per inspector. However, average number of samples collected by each Food Inspector per year was 11. Details of samples taken against requirement are indicated below—

Year	Norms fixed for collection of samples by Food Inspector (per year)	Average No. of samples taken by Food Inspector (per year)	Percentage of shortfall in achievement
1995-96	48	12	75
1996-97	48	4	92
1997-98	48	4	92
1998-99	48	27	44
1999-2000	48	9	81
Average	48	11	77

Thus there was an overall shortfall of 77 per cent per month in collection of samples which indicated that the collection of samples was negligible.

The reasons for shortfall in collection of samples as stated (April 2000) by the department were due to existing law and order problem and bad transport facility.

Results of many samples sent for testing outside the State were not received and also could not be acted upon.

(b) Transmitting the samples to Guwahati took about a week and on many occasions the samples were spoilt in transit. Test results were received late. In many cases the results were not received at all.

The position is reflected in the table below—

Year	Name of Laboratory	No. of samples sent for testing	Report received	Report not received
1998	Analyst, Guwahati	38	33	5
1999	—do—	38	16	22

Thus the results of samples collected could not be relied upon for adulteration of food articles.

District Medical Officers and Local Health Authorities could not institute prosecution in the designated Court due to non-posting of Public Analyst.

(c) The Government of Manipur appointed (September 1978) District Medical Officers as the authority to sanction prosecution of cases under Section 2 (VIII) of Food Adulteration Act, 1954 and read with Section 13 of the PFA Act to institute prosecution in the designated Court in case the report of Public Analyst establishes adulteration. Scrutiny of records revealed that no case was instituted during 1995-96 to 1999-2000. However, the following instances of adulterated food items drawn by the Food Inspectors from Imphal Municipal area had been detected.

(i) *Edible oils, fats & vanaspati*

Out of 9 samples of edible oils drawn and tested during 1995, 3 samples *i.e.* 33 per cent were adulterated.

(ii) Milk

4 samples of milk were lifted during 1997 of which 2 *i.e.* 50 *per cent* were adulterated.

(iii) Spices and condiments

Spices and condiments are used by all categories of population. 6 samples during 1997 were drawn in which the adulteration was 17 *per cent*. In 1999, 7 samples of spices were lifted of which 5 samples (71 *per cent*) were adulterated.

(iv) Curd

2 samples of curd lifted and tested during 1999 were found adulterated (100 *per cent*).

The Director stated (April 2000) that the present Food Laboratory had no Public Analyst and therefore cases for prosecution could not be instituted. Absence of such follow-up action would have resulted in continuation of such adulteration in food article.

3.4.8 The above points were referred to Government in August 2000; reply had not been received (November 2000).

3.4.9 Recommendation

Entire Central fund is to be released for better implementation of Prevention of Food Adulteration. The required Public Analyst is to be appointed immediately for proper functioning of Food Testing Laboratory to enable the Government to initiate timely prosecutions. The Department is to collect samples as per norms to safeguard the public from food adulteration. Arrangement is to be made for prosecution of cases.

HOME, JAILS, EDUCATION (SCHOOL), IRRIGATION AND
FLOOD CONTROL, RURAL DEVELOPMENT, MUNICIPAL
ADMINISTRATION HOUSING AND URBAN
DEVELOPMENT, FISHERIES, MINOR IRRIGATION,
AGRICULTURE AND PUBLIC HEALTH ENGINEERING
DEPARTMENTS

3.5 Review on upgradation of District Administration and Primary
Education and Special Problem Grants recommended by the
Tenth Finance Commission

Highlights

Tenth Finance Commission recommended grants to the State for upgradation of District Administration (Police, Fire Service, Jails, Record Room), Primary Education and for Special Problems and Calamity Relief Works. The State Government had not utilised the entire assistance provided by Government of India and retained certain amount in deposit account and in bankers cheque. There were cases of shortfall in achievement of targets, extra expenditure, diversion of fund and excess procurement of stores.

Out of the total funds of Rs.77.38 crore released by the Central Government during 1996-97 to 1999-2000, the State Government released Rs.77.19 crore and utilised only Rs.63.62 crore resulting in non-utilisation of Rs.14.16 crore. Of this, Rs.8.13 crore was retained in Deposit Account/bankers cheque etc.

(Paragraph 3.5.4)

Under Police Housing, the construction of dwelling units exceeded the specifications prescribed by the Tenth Finance Commission which resulted in extra liability of Rs.18.57 crore.

(Paragraph 3.5.5.1 (ii))

Rupees 32.37 lakh was diverted for constructing the Administrative building by Loktak Development Authority (LDA) though such work was not approved by TFC.

(Paragraph 3.5.6.1.4)

In respect of pump sets for Rs.1.10 crore procured and distributed to the District level officers by three departments of the State Government for relief works the officers had not furnished details of the benefits provided to the beneficiaries though as per the sanction order the departments were required to maintain such details.

(Paragraph 3.5.8.1)

GI pipes and MS slotted pipes valued at Rs.25.81 lakh procured for drought relief work for the year 1999 remained unutilised in stock. Besides, there was loss of Rs.2.24 lakh on account of short-accountal of pipes.

(Paragraph 3.5.8.1.1 (a))

3.5.1 Introduction

The Tenth Finance Commission (TFC) constituted in June 1992 *inter alia* recommended grants to the State of Manipur for (i) Upgrading (a) District Administration (Police, Fire Service, Jails and Record Room) and (b) Primary Education (ii) for tackling special problems and for Calamity Relief.

The grants were for the following activities—

- (i) District Administration
 - (a) Buildings for police stations/out posts, housing facilities and training of police personnel.
 - (b) To strengthen and upgrade fire fighting services.
 - (c) To improve existing accommodation and medical facilities in jails.
 - (d) Upkeep and maintenance of land records.
- (ii) Primary Education

Promotion of girls' education in upper primary schools (including toilet facilities) and provision of drinking water facilities to all primary schools.
- (iii) Special problems
 - (a) Development of Loktak lake.
 - (b) Construction of sports complex at Imphal.
 - (c) Construction of Art complex at Imphal and Improvement of INA martyr's memorial at Moirang.
 - (d) Providing calamity relief.
- (iv) Grants to Panchayati Raj Institutions and urban local bodies.

3.5.2 Organisational set-up

The State Level Empowered Committee (SLEC) headed by the Chief Secretary to the Government of Manipur as Chairman was in charge in the implementation of the schemes. The SLEC was assisted by the Director General of Police, Director of State Fire Service Organisation, Inspector General of Prisons, Commissioner of Revenue Department, Director of Education (Schools), Chief Engineer of Irrigation and Flood Control, Director of Youth Affairs and Sports, Director of

Art and Culture, Director of Municipal Administration, Housing and Urban Development, Director of Rural Development and Panchayati Raj Institutions and Commissioner of Relief.

3.5.3 *Audit coverage*

Records relating to the receipt and utilisation of funds during 1996-97 to 1999-2000 under TFC awards in respect of Director General of Police, Inspector General of Prisons, 7 Directorates,¹³ Deputy Commissioner, Imphal West, Loktak Development Authority, Executive Engineer of Minor Irrigation Division No.I, Chief Engineer of Public Health Engineering (Rural) (including 6 Divisions) were covered under review during January 2000 to April 2000. Out of the total funds of Rs.77.19 crore released by the State Government during 1996-97 to 1999-2000, Rs.34.51 crore (45 per cent) was covered under audit.

3.5.4 *Financial outlay and expenditure*

The amount released by the Government of India, the State Government and the expenditure incurred by the implementing agencies are given in *Appendix XLIII*.

Of the total funds of Rs.77.38 crore, Rs.14.16 crore remained unutilised.

It would be seen that out of the total funds of Rs.77.38 crore released by the Government of India during 1996-97 to 1999-2000, the State Government released Rs.77.19 crore to the implementing agencies. Of the amount received from Government of India the State Government utilised only Rs.63.22 crore during the said period resulting in non-utilisation of Rs.14.16 crore. Of the amount released to Home Department for the activities (Police Housing and Training) under Police an amount of Rs.6.63 crore remained unutilised of which Rs.6.57 crore was retained in Deposit Account. An amount of Rs.3.88 crore was not utilised by the Education Department. Under special problem an amount of Rs.4.97 crore remained unutilised. In respect of local bodies, of the unspent balance of Rs.1.77 crore an amount of Rs.1.74 crore was retained in the form of bankers cheque (April/May 2000).

Reasons for non-utilisation of the amount was attributed by Education Department to deferment of implementation of drinking water facilities to primary school until further orders of Government.

3.5.5 *District Administration*

3.5.5.1 *Police*

The TFC recommended construction of buildings for Police Station/Outposts and housing facility for the lower subordinate staff. It also recommended upgrading training facilities for these police personnel. The targets and achievements on these activity for the period from 1996-97 to 1999-2000 are detailed below—

¹³ Director of Fire Service, Director of Education (Schools), Director of Youth Affairs and Sports, Director of Arts and Culture, Director of Municipal Administration, Housing and Urban Development (including 7 Municipal Councils and 20 Nagar Panchayats/Town Committees), Director of Rural Development and Panchayati Raj Institutions (including 2 Zila Parishads), Director of Agriculture, Director of Fisheries and Director of Animal Husbandry.

(i) Against Rs.21 lakh released by Government of India, the State Government released Rs.14.70 lakh to implementing agencies for construction of 7 Police Stations/Outposts. Of these, 2 Police Stations/Outposts were constructed and the remaining were in progress and an amount of Rs.14.50 lakh was spent. Thus against the financial achievement of 69 *per cent* the physical achievement was 29 *per cent*.

(ii) For Police Housing against the release of Rs.12.44 crore by Government of India, the State Government released Rs.13.83 crore and incurred an expenditure of Rs.7.26 crore during the above period. Against the target of 1106 quarters the department constructed 146 quarters and in addition procured 362 dwelling units from Planning and Development Authority (PDA) as per the orders (September 1999) of the State Government. Thus against the financial achievement of 52 *per cent* the physical achievement was 46 (excluding the works in progress).

In respect of the dwelling units procured from PDA, against the plinth area of each unit of 435 square feet at a cost of Rs.1.25 lakh per unit recommended by the Tenth Finance Commission, the department had procured 362 units each having a plinth area of 649 to 829 square feet at an average cost of Rs.6.38 lakh per unit. Against the total cost of Rs.23.10 crore the department paid (December 1999) Rs.4.35 crore (including cost of land Rs.3.89 crore) as first instalment and took over the dwelling units. Thus procurement of these dwelling units at a higher plinth area and cost resulted in extra liability of Rs.18.57 crore. This extra amount could have provided housing for 1486 more police personnel, worked out on the basis of the norm of Rs.1.25 lakh per dwelling unit.

(iii) Under training the department proposed to construct one mini gymnasium (Rs.13 lakh), one class room block (Rs.11 lakh) and introduce a special obstacle course during 1996-97 to 1999-2000 (Rs.2.46 lakh) at an estimated cost of Rs.26.46 lakh. Construction of the mini gymnasium was in progress (29 *per cent* completed), however, the other two items were not taken up (April 2000). Against Rs.19.89 lakh released so far an amount of Rs.13.89 lakh was shown as spent (*i.e.* 70 *per cent*). Thus the objective has not yet been achieved as proposed.

3.5.5.2 Fire services

To strengthen and upgrade fire fighting services by construction of fire service stations/sub-stations providing modern equipment, effective fire communication system, rescue equipment, adequate water availability, training of manpower *etc.* the Government of India released Rs.1.80 crore during 1996-97 to 1999-2000. An amount of Rs.25.46 lakh was released by the State Government (March 1998) for constructing the fire sub-station at Moirang (estimated cost: Rs.25.46 lakh). The work was entrusted to a State Government undertaking (Manipur Police Housing Corporation) without any formal agreement. No work order was issued to the Corporation. The Director of Fire Service however, advanced (May 1998) the entire amount of Rs.25.46 lakh to the Corporation. As of March 2000 the Corporation incurred expenditure to the extent of Rs.17.63 lakh and showed progress of work ranging between 65 and 98 *per cent* in respect of 3 components of works (February 2000).

The State Government also released Rs.1.10 crore during 1999-2000 for the construction of a fire station at Imphal (estimated cost: Rs.60 lakh) and two sub-stations at Mayang Imphal and Moreh (estimated cost: Rs.25.46 lakh each). The work was entrusted to the Planning and Development Authority (a State Autonomous Body). Advance payment of Rs.1.10 crore was made to the Authority between September 1999 and January 2000. However, no agreement was executed between the agency and the department. According to the information furnished by the Authority, the physical progress at Mayang Imphal ranged between 35 and 70 *per cent* and at Moreh it was between 70 and 95 *per cent*. The actual expenditure incurred was not stated. There was no progress in respect of work of fire station at Imphal.

Construction of fire station/sub-station remained incomplete though these were due for completion by March 2000.

Thus it could be seen that works were awarded without executing agreements/period for completion of works. Though according to the action plan the works were to be completed by 1999-2000 but these remained incomplete/or not started and the objective of providing fire fighting services remained to be achieved.

In respect of other components such as providing of equipment, static water tank, communication system *etc.* there were no achievements.

3.5.5.3 Jails

Out of Rs.38.70 lakh released by the Central Government during 1998-99 and 1999-2000 for repairs and renovation of jails, the State Government released Rs.19.35 lakh only for 5 works in respect of 3 jails in January 2000 to Manipur Police Housing Corporation.

Against the target of 23 renovation and repair works, in respect of 6 jails, during 1996-97 to 1999-2000, only works of 2 jails were taken up as of October 2000 and expenditure to the tune of Rs.2.20 lakh was incurred. Thus no work was actually completed and there was *cent per cent* shortfall in physical achievement.

The shortfall was on account of delayed release of funds by the State Government affecting the activities of upgradation of jails.

3.5.5.4 Education

The TFC provided assistance to States with low female literacy rates. Assistance of Rs.20 lakh (per district per year) was provided to districts with literacy rates of lower than 20 *per cent* and Rs.10 lakh (per district per year) to districts having literacy rates between 20 and 40 *per cent*. TFC also recommended grants to upper primary schools (80 *per cent* of schools) and all primary schools for provision of drinking water facilities. Besides, upper primary schools were to be provided toilet facilities for girls.

The target set and achievement made in respect of the components under this scheme during 1996-97 to 1999-2000 are detailed below—

(As on March 2000)

	Target	Achievement	Shortfall (Percentage)
(a) Promotion of girls' education (Number of students)	187038	136476	50562 (27)
(b) Drinking water			
(i) Upper Primary (Number of schools)	216	NA	—
(ii) Primary School (Number of schools)	2359	NA	—
(c) Separate toilet (Number of schools)	448	159	289 (65)

The reasons for shortfall in achieving the target were not on record.

3.5.5.4.1 Female literacy

The percentage of the girl students to the total enrolment at primary level in Manipur was 44.9 per cent (1991). However, in four districts (Thoubal, Senapati, Chandel and Tamenglong) the female literacy per cent was below 40. An action plan was formulated to provide free supply of selected text books and exercise books as incentive to the girl students during 1996-97 to 1999-2000 in the said four districts.

Out of Rs.1.80 crore released by Government of India during 1996-97 to 1999-2000 the department procured (March 1998 to August 1999) text books and exercise books worth Rs.1.10 crore (Text Books: Rs.0.89 crore and Exercise Books: Rs.0.21 crore) for free distribution to 1,36,476 girl students during the years 1997-98 and 1998-99 in the said four districts against the admissible amount of Rs.80 lakh as per norms (Rs.40 lakh per year for 2 years) fixed by the TFC. This resulted in excess expenditure of Rs.30 lakh (Rs.1.10 crore – Rs.0.80 crore) with less coverage of students to the extent of 27 per cent.

3.5.5.4.2 Separate toilet facility

Action plan was formulated to provide separate toilet facility (low cost latrine with covered tank) for girls in 448 upper primary schools at a projected cost of Rs.44.80 lakh. The Central Government had released Rs.40.32 lakh during 1996-97 to 1999-2000 and the State Government released Rs.44.74 lakh (Rs.17.81 lakh in 1997-98 and Rs.15.79 lakh in 1998-99 and Rs.11.14 lakh in 1999-2000) to the Director of Education (Schools) for construction of low cost latrines in 452 upper primary schools. Of this, Rs.15.79 lakh was drawn and deposited (May 1999) by the Director of Education (Schools) in 8449 – Other Deposits. The Director of Education withdrew (October 1999) the amount (Rs.15.79 lakh) and disbursed Rs.3.16 lakh (February 2000) to three Zonal Education Officers and one Deputy Inspector of Schools and the balance amount of Rs.12.63 lakh was retained in cash (April 2000). The Director of Education could not state the amount actually utilised by the Zonal Education Officer. However, the department incorrectly reported (March 1999) to the Government of India utilisation of Rs.15.79 lakh while same amount was also retained in Deposit account up to September 1999.

There was excess expenditure of Rs.30 lakh in procuring text books and exercise books.

The Director of Education (Schools) incorrectly reported utilisation of Rs.15.79 lakh to Government of India while same amount was retained in deposit. The objective of providing toilets facilities was still to be achieved.

Further against the actual disbursement of Rs.3.16 lakh released for the agencies, it is not clear how achievements could be 159 toilets while at the rate of projected cost it works out to Rs.15.90 lakh.

Thus the objective of providing toilet facilities to schools was still to be achieved to the extent targeted.

3.5.6 *Special problems*

The Government of India released the special problem grants for the following purposes—

- (i) Development of Loktak lake
- (ii) Construction of Sports Complex at Imphal
- (iii) Construction of Art Complex at Imphal and improvement of INA Martyr's memorial at Moirang.

3.5.6.1 *Development of Loktak lake*

Loktak lake is the largest natural fresh water lake in the North-Eastern region. The lake however, is under stress mainly due to anthropogenic¹⁴ pressure, deforestation and shifting cultivation (jhuming) in catchment area which resulted in soil erosion and increase in siltation. The problem has further been aggravated due to prolific growth of floating weedmats locally called *phumdis*. Under the award of the Commission action plan was formulated to take up the following activities for development of the lake during 1996-97 to 1999-2000.

- (a) Desilting of lake and feeding channels to enhance the water holding capacity and maintaining proper inflow and outflow of the water.
- (b) Enlargement of capacity by controlling *phumdis*¹⁵ which occupies 40 per cent of the lake area.
- (c) Catchment area treatment to control soil erosion by extensive afforestation and undertaking measures to prevent soil erosion.

The physical target and achievement during 1996-97 to 1999-2000 as furnished by the Loktak Development Authority (LDA) are given in *Appendix XLIV*.

3.5.6.1.1 *Desiltation*

No record in support of desiltation work done could be produced to audit.

The LDA stated to Audit (April 2000) that 27.56 lakh cubic metres of desilting were completed at a cost of Rs.1.02 crore; however, no records regarding execution of the work were produced to Audit.

¹⁴ Anthropogenic pressure: Population pressure.

¹⁵ *Phumdis*: floating weed mats.

3.5.6.1.2 Procurement of pipes

Against the requirement of 174 pipes, the LDA procured (between September 1997 and June 2000) 317 pipes at a cost of Rs.80.11 lakh.

There was an additional expenditure of Rs.30.77 lakh on excess procurement of pipes.

In reply, the LDA stated (April 2000) that pipes in excess of projected quantity, as per action plan, were required as distance of disposal area of mud had increased and desiltation from the interior of the lake was carried out. The reply of the LDA was not tenable as achievement in desiltation was over 27.56 lakh cubic metres against the projected target of 37.5 lakh cubic metres. No document in support of any proposal or approval of Government of India for the deeper siltation by changing the size of specification of pipe indicated in the action plan was made available. Thus, there was an additional expenditure of Rs.30.77 lakh (*Appendix XLV*) on the pipes in excess of projected quantity.

3.5.6.1.3 Enlargement capacity

In respect of removal of *phumdi* from lake there was shortfall to the extent of 31 per cent.

In order to enlarge the capacity of the lake, removal of *phumdi* (floating bio-mass) which occupies 40 per cent of the lake area is of prime importance. 48.68 lakh cubic metres of *phumdi* was removed during 1996-97 to 1999-2000 at a cost of Rs.6.46 crore¹⁶ (including machines *etc.*) against the target of 71 lakh cubic metre (Rs.7.39 crore including machines) resulting in shortfall of 31 per cent.

3.5.6.1.4 Diversion of funds provided for infrastructure

Funds of Rs.32.37 lakh were diverted towards construction of Administrative building.

Against the provision of Rs.33.50 lakh for constructing 5 number of barracks, expenditure of Rs.34.07 lakh was incurred by the LDA during 1996-97 to 1999-2000. However, only one barrack was constructed at Sendra at a cost of Rs.1.70 lakh and the remaining amount of Rs.32.37 lakh was spent towards constructing an Administrative building, including the boundary wall of LDA at Imphal, which was beyond the approved programme.

In reply, the LDA stated (April 2000) that there was no requirement for the remaining four barracks as the workers were from the localities around the lake and there was necessity for Administrative building.

However, approval of the Government of India for incurring expenditure towards the construction of the Administrative building was not obtained. This resulted in diversion of funds of Rs.32.37 lakh.

3.5.7 Local Bodies

The Government of India released Rs.4.77 crore to local bodies (Rs.4.07 crore to Panchayati Raj Institutions (PRIs) and Rs.0.70 crore to Urban Local Bodies (ULBs). Against this, the State Government released Rs.5.19 crore (Rs.4.07 crore

¹⁶ Hydraulic excavator	—Rs.2.09 crore
High bed trailer	—Rs.0.18 crore
Dumper/Tipper	—Rs.0.83 crore
Maintenance <i>etc.</i>	—Rs.2.23 crore
Manpower	—Rs.1.12 crore
Total	—Rs.6.46 crore

to PRIs and Rs.1.12 crore to ULBs). Out of Rs.4.07 crore, the Director of PRI distributed Rs.2.33 crore between December 1998 to August 1999 to 4 Zilla Parishads¹⁷ and 5 DRDAs¹⁸ and the balance amount of Rs.1.74 crore was retained (April 2000). Against the total amount of Rs.4.77 crore released by Government of India the actual expenditure was shown as Rs.3.42 crore.

The target and achievement in respect of works as per approved work programme during 1996-97 to 1999-2000 as furnished (April 2000) to Audit by the Director, of Municipal Administration, Housing and Urban Development Department (MAHUD) and the Director of PRI are given in *Appendix XLVI*.

No matching share contribution was provided either by the local bodies or State Government.

According to Government of India guidelines (15 October 1997) matching contribution (which was revised in 1999 as one-third in the case of rural local bodies) was to be provided by the local bodies. In case of failure on the part of the local bodies, the matching share was to be arranged by the State Government. The Central Government released Rs.0.70 crore for ULBs and Rs.4.07 crore to PRIs during 1996-97 to 1999-2000; however, no matching contribution was provided either by the local bodies or State Government. Thus without the share of contribution from the State/local bodies the *cent per cent* achievement reported to audit by MAHUD could not be confirmed in Audit for want of records.

3.5.8 Calamity Relief Fund

There was shortfall in depositing Rs.1.70 crore into the fund.

The TFC recommended creation of Calamity Relief Fund for the States by annual contribution of Central and State in the proportion of 75:25. The Government of India released Rs.9.25 crore as Central share to the Government of Manipur during 1995-96 to 1999-2000. Of this, the State Government deposited Rs.7.86 crore to the Calamity Relief Fund during the period and retained Rs.1.39 crore (April 2000). The State Government released Rs.2 crore as State share against the requirement of Rs.2.31 crore. Thus, there was shortfall in depositing Rs.1.70 crore into the fund during this period.

3.5.8.1 Procurement and distribution of pump sets/pipes for agricultural purposes

In order to undertake relief measures, the State Government released Rs.2.33 crore (Minor Irrigation: Rs.0.20 crore, Fisheries: Rs.0.31 crore and Agriculture: Rs.1.82 crore) during 1999-2000.

No supporting documents showing the details of the benefits provided to the beneficiaries were made available to Audit.

Out of the amount of Rs.2.33 crore based on the sanctions accorded by the State Level Calamity Relief Committee the departments procured pump sets (446 numbers) and pipes (16000 running metres) valued at Rs.1.10 crore (Minor Irrigation: Rs.0.12 crore, Fisheries: Rs.0.18 crore and Agriculture: Rs.0.80 crore) during May to September 1999. 415 pump sets (under Agriculture: 333, under Fisheries: 25 and under Minor Irrigation: 57) and 7800 running metres of pipes (by Fisheries Department) were distributed to the District level officers under the departments during May 1999 to March 2000. The sanctions included the condition that details of expenditure including details of areas where irrigation has

¹⁷ 4 Zilla Parishads – Imphal East, Imphal West, Bishnupur and Thoubal.

¹⁸ 5 DRDAs – Chandel, Tamenglong, Churachandpur, Senapati and Ukhrul.

been provided; their owners, patta number *etc.* shall be maintained by the departments. Documents in support of the fulfilment of this condition were not made available to Audit. In the absence of the details, it could not be ensured in audit whether the benefit had reached the beneficiary affected by the calamity. It was further noticed from the reply of the Executive Engineer, MI Division II furnished (28 March 2000) to Audit that if pumps are given to the farmers hire charges are recoverable and the rate for the same was not fixed and the total dues on this account had not been assessed.

3.5.8.1.1 Procurement and distribution of pipes and pump sets

Pipes valued Rs.25.81 lakh procured for calamity relief remained unutilised.

(a) Against the supply orders issued (May 1999) by the Chief Engineer, PHE (Rural), Manipur the Store Division received (July 1999) 8908 running metres of GI pipes (Rs.24.41 lakh) and 1567 running metres of MS slotted pipes (Rs.14.19 lakh) and payment to the supplier was made out of the Calamity Relief Fund. The Store Division issued (July and August 1999) 8113.7 running metres of GI pipes valued Rs.19.72 lakh and 1567 running metres of MS pipes valued Rs.14.19 lakh to Investigation, Planning and Design Division (IPD). Scrutiny of records of the IPD Division revealed that 5763.61 running metres of GI pipes valued Rs.13.62 lakh and 1373.74 running metres of MS slotted pipes valued Rs.12.19 lakh were lying in stock unused (April 2000). Thus pipes valued at Rs.25.81 lakh was lying unutilised.

There was loss of Rs.2.24 lakh on account of pipes.

The Store Division issued (November 1999) 798.20 running metres of 100 mm GI pipes valued Rs.2.24 lakh to Water Supply Maintenance Division. However, the Executive Engineer, Water Supply Maintenance Division stated (April 2000) that no material for drought relief was received by the Division. Thus there was shortfall in accounting of pipes resulting in loss of Rs.2.24 lakh.

(b) As per the supply orders of the Chief Engineer, PHE (Rural), the Investigation, Planning and Design Division procured (May 1999) 119 Mark II Deep Tube well hand pumps at the total cost of Rs.6 lakh to ameliorate the drought conditions. However, the Division utilised only 29 hand pumps up to March 2000 and the remaining 90 Mark II hand pumps valued Rs.4.54 lakh were lying in stock (April 2000). Thus procurement of Mark II hand pumps was made in excess of actual requirement and without proper assessment.

3.5.8.1.2 Video documentary film

Expenditure of Rs.2.82 lakh on video documentary film could not be vouchsafed in audit.

The Executive Engineer, Water Supply Maintenance Division, Imphal made payment of Rs.2.82 lakh (July 1999) to M/s North Eastern Frontier TV, Imphal for making one video documentary on the water awareness campaign. However, approval of the Government, Stock Register entries in this regard and the details of the use of this film were not made available to audit. The expenditure could not be vouchsafed.

3.5.8.1.3 *Community nurseries*

Actual payees receipt for Rs.39.46 lakh could not be produced to audit.

The State Government released (June 1999) an amount of Rs.50 lakh for raising community nurseries in 500 hectares of land with the target of transplantation in 5000 hectares of paddy field during 1999. The amount was distributed (August 1999 to December 1999) to 8 District Agriculture Officers (Rs.38.80 lakh), 1 Project Officer (Rs.10 lakh), 1 Specialist (Rs.0.10 lakh) and 3 officers of the Agriculture Department (Rs.1.05 lakh) in Imphal. The department, however, failed to produce details of the location of nurseries (dag number and patta number) and the details of beneficiaries to whom seedlings were distributed. The actual payees receipt from beneficiaries amounting to Rs.39.46 lakh could not be produced to audit by the respective District Agriculture Officers. The achievement of transplantation in 5000 hectares of paddy fields could not be verified in Audit.

3.5.9 *Monitoring and evaluation*

The State Level Empowered Committee headed by the Chief Secretary to the Government of Manipur as Chairman was responsible for overall implementation of the scheme. Test-check of records revealed that physical and financial progress reports in respect of Police, Fire Services and Deputy Commissioner (Calamity Relief Fund) were not submitted by the departments (April 2000).

3.5.10 The observations referred to above were sent to the Government in September 2000; reply had not been received (November 2000).

3.5.11 *Recommendation*

The amount of assistance provided by the Government of India should be utilised for the purposes for which it was sanctioned or refunded at the end of the prescribed period.

The targets fixed for various programmes should be achieved.

The monitoring mechanism should be made more effective.

PLANNING DEPARTMENT

3.6 Members of Parliament Local Area Development Scheme

3.6.1 Introduction

A review of the Members of Parliament Local Area Development Scheme (MPLADS) was included in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997. The scheme was reviewed again in audit during May–August 2000 in 9 districts/constituencies covering the period from 1997-98 to 1999-2000. In the State there are two MPs for Lok Sabha and one MP for Rajya Sabha. According to the scheme each MP was to recommend works up to Rs.1 crore per year (revised to Rs.2 crore from 1998-99). Total amount of funds released and spent for implementation of the scheme during the period covered in audit were Rs.17.89 crore (including opening balance of Rs.5.86 crore and interest of Rs.0.53 crore) and Rs.14.31 crore respectively. Amount of expenditure covered in the current audit was Rs.1.45 crore.

Audit findings

Previous review covering the period from 1993-94 to 1996-97 revealed mainly the following deficiencies and irregularities in the implementation of the scheme—

- (i) Funds not spent in full resulting in denial of full benefits envisaged under the scheme.
- (ii) Works recommended by Members of Parliament (MP) either not taken up or left incomplete.
- (iii) Scheme funds spent on inadmissible works/items by the implementing agencies.
- (iv) Works though completed, not handed over to the concerned agencies/beneficiaries
- (v) Utilisation Certificates not furnished by the executing agencies.
- (vi) Non-inspection of works by the District Collectors.

The current review indicated that these audit findings were not fully addressed and the irregularities/deficiencies continued as noticed from the following—

3.6.2 Financial outlay and expenditure

Against the total funds of Rs.17.89 crore (opening balance: Rs.5.86 crore plus receipt: Rs.11.50 crore and interest Rs.0.53 crore) available during 1997-98 to

1999-2000, the expenditure was Rs.14.31 crore leaving a closing balance of Rs.3.58 crore as on March 2000. The cash book balance varied from the balance of Rs.4.21 crore shown in the pass book which has not been reconciled.

The funds received under MPLADS were retained in different bank accounts under the control of the Deputy Commissioner (nodal districts) and the implementing offices¹⁹. MP-wise bank accounts for the operation of the programme were not opened. As a result, the MP wise actual position of funds received and utilised could not be ascertained in audit.

3.6.3 Physical performance

Against 1292 works (estimated value Rs.11.18 crore) recommended by the MPs, 1285 (value: Rs.11.10 crore) were sanctioned by the district administration and 1277 works were taken up of which 874 works (Rs.7.62 crore) were actually completed during 1997-98 to 1999-2000.

The reasons for not taking up the remaining 15 works as recommended by the MPs were not on records.

3.6.4 Diversion of funds/Misuse of funds for establishing private institutions/organisations

(a) According to the MPLAD Scheme expenditure cannot be incurred or amount given for the works relating to private institutes. It was, however, noticed that in respect of the following, expenditure was incurred for private institutes.

Period	Sanctioning authority/DDO who drew and spent the amount	Name of the private institute	Purpose	Amount (Rupees in lakh)
(i) 1997-98 to 1999-2000	Deputy Commissioner, Imphal West	Manipur Vocational Institute, Mekola and Hiyanthang Bazar	Building for the institute	10.45
(ii) December 1997 to March 2000	Deputy Commissioner, Chandel	Manipur Vocational Institute, Moreh	—do—	8.00
(iii) February to April 1999	Deputy Commissioner, Imphal East	Private Computer Centre, Thongju Boro Naorem Leikai	Computer Centre	15.00
(iv) December 1998 and February 2000	Deputy Commissioner, Imphal West	Manipur Computer Centre, Imphal	—do—	15.00
(v) 1997-98 to 1999-2000	Deputy Commissioner, Ukhrol,	Private Floriculture and Horticulture farms	Floriculture and Horticulture Development	3.00
	Deputy Commissioner, Tamenglong		Horticulture Development	3.75
			Total:	55.20

Thus the scheme funds to the extent of Rs.55.20 lakh was spent for private institutes which was irregular.

(b) The MP (Rajya Sabha) recommended (February 1999) for supply of computers valued Rs.10 lakh by Manipur Vocational Institute to Mekola Gulap

¹⁹ Deputy Commissioners, District Rural Development Agencies, Block Development Officers and two Municipalities.

Higher Secondary School. The Deputy Commissioner, Imphal (West) accorded (May 1999) administrative approval. Rs. 5 lakh was transferred to the Manipur Vocational Institute (February 2000). However, no documentary evidence to establish supply of computers to the school could be produced to audit (August 2000).

3.6.5 *Execution of works not covered under the scheme*

(a) *Construction of a pond on the land belonging to a Co-operative Society*

On the recommendation of the MP, the Deputy Commissioner (Imphal West), accorded administrative approval (January 2000) of Rs.9 lakh for providing a water supply scheme at Sajor Laukol. An estimate of Rs.20.76 lakh was framed for construction of water storage reservoir without indicating the area and population to be covered for providing drinking water. An amount of Rs.8.73 lakh was paid during January to May 2000 to the beneficiary committee (as recommended by the MP). The beneficiary committee submitted utilisation certificate of Rs.8.68 lakh (as hire charge of earth excavator) and Rs.0.35 lakh (as payment to muster roll labourers). The estimate revealed that the land belonged to Utlou Joint Farming Co-operative Society Ltd. As expenditure out of the scheme fund cannot be incurred for the benefit of Co-operative Society, the expenditure was irregular.

(b) *Donation of funds to private committee*

As per recommendation of the 3 MPs (2 Lok Sabha and 1 Rajya Sabha) administrative approval for expenditure of Rs.62 lakh was accorded for construction of Mapal Kangjeibung mini stadium and construction of Nupilal Complex at Imphal by Deputy Commissioner, Imphal West and Rs.2 lakh by the Deputy Commissioner, Imphal East. The amount was paid as donation to two private committees *i.e.* Mapal Kangjeibung Pologround Improvement Committee (Rs.40 lakh) and Committee for Construction of Nupilal Complex (Rs.22 lakh) between 1998 and April 1999. But as per guideline, donation to any committee from MPLADS funds was not permissible.

3.6.6 *Abandoned works*

Twenty-nine works at an estimated cost of Rs.23.95 lakh recommended by the MPs and sanctioned by 3 Deputy Commissioners (Imphal West, Imphal East and Tamenglong) during 1997-98 and 1998-99 were abandoned after incurring an expenditure of Rs.14.54 lakh. The reasons for abandonment of the works were not on record. Thus, the expenditure incurred on these works proved unproductive.

3.6.7 *Irregularities in the recording of works executed*

The works were recommended by the MPs, with the selected beneficiary committees for executing the works in certain cases. Estimates were framed and after approval by the Deputy Commissioners (nodal agencies), the works were awarded to the beneficiary committees. While the estimates were framed on finished items of works as per Manipur PWD schedule of rates, the beneficiary

committee submitted utilisation certificates against procurement of material along with vouchers towards payment of muster roll labourers. There was no co-relation between the estimates and the records of payment against execution of the works. Test-check of muster rolls revealed that although the muster roll bills were prepared in prescribed form (CPWA-21), Part II of the forms showing the quantity of works done against engagement/payment of labourers were not duly filled in. The works were not check measured by the Assistant Engineers or the Executive Engineers. There was no record of inspection by the senior officers/Heads of the district.

3.6.8 The above observations were communicated to Government in September 2000 and their reply had not been received (November 2000).

SECTION 'B' PARAGRAPHS

GENERAL ADMINISTRATION DEPARTMENT

3.7 Extra expenditure on the purchase of land for Manipur Bhavan at Guwahati

Extra expenditure of Rs.28.30 lakh on purchase of land

Test-check of records (January 2000) of General Administration Department indicated that Chief Engineer, Public Works Department, Manipur invited rate quotation (June 1996) from land owners in Guwahati for purchase of land for construction of Manipur Bhavan at Guwahati. The lowest rate was offered by two individual land owners (July 1996) at Rs.234.70 per sq. foot. Government of Manipur conveyed acceptance to the offer after a lapse of two years (June 1998). Meanwhile the land owners revised their earlier offer to Rs.306.00 per sq. foot. This was accepted by the Government in September 1998.

Two sale deeds were executed with the land owners and payment of Rs.1.21 crore was made in April 1999, being the cost of land measuring 39,686 sq. feet. Thus, delay in finalising the purchase of land resulted in avoidable extra expenditure of Rs.28.30 lakh.*

On being reported (May 2000), the Government stated (August 2000) that delay in acceptance was caused due to prolonged waiting for assurance from the Government of Assam for a suitable plot of land acceptable to the Government of Manipur. Reply of the Government is not acceptable since tenders for purchase of land from private individuals were already invited in June 1996 and the decision was taken only in September 1998.

* 39,686 X Rs.306 = Rs.1,21,43,916
39,686 X Rs.234.70 = Rs. 93,14,304
Rs. 28,29,612

HEALTH DEPARTMENT

3.8 Non-recording of transactions in cash book and irregular utilisation of departmental receipts for departmental expenditure

Irregular retention of Rs.21.63 lakh outside the Government Account

The Central Treasury Rules provide that all moneys received by or tendered to Government officers on account of the revenues of the Government shall without delay be paid in full into Treasury or Bank for inclusion in the Government account. Moneys received as aforesaid shall not be appropriated to meet departmental expenditure, nor otherwise kept apart from the accounts of the Government.

Test-check (September 1999) of records of the Superintendent, JN Hospital, Imphal for the period from November 1997 to July 1999 revealed that fees/charges amounting to Rs.21.63 lakh were collected during 1997-98 (Rs.1.32 lakh), 1998-99 (Rs.13.50 lakh) and 1999-2000 (Rs.6.81 lakh) from the patients for services rendered by the different wings²⁰. Collections of the fees/charges were not handed over to the cashier for depositing into the treasury but retained the money with them. The hospital authorities failed to exercise proper checks for deposit of the amount. The aforesaid amount remained unaccounted for in the cash book.

On being pointed out by audit, the hospital authorities deposited a sum of Rs.11.12 lakh in September 1999 (21.9.1999) retaining the balance of Rs.9.91 lakh in hand. The Medical Superintendent stated (November 2000) that out of Rs.9.91 lakh, Rs.5.16 lakh was deposited between October 1999 and July 2000 and Rs.2.42 lakh had been utilised for unavoidable day to day maintenance of hospital services and Rs.2.33 lakh was yet to be deposited.

This had not only resulted in irregular retention of departmental money outside the Government account but also diversion of Rs.2.42 lakh for meeting departmental expenditure. Thus, action of the Drawing and Disbursing Officer was irregular.

The matter was referred to Government in March 2000; reply had not been received (November 2000).

²⁰ OPD-Rs.4.80 lakh; Private Ward-Rs.2.12 lakh; Haemodialysis-Rs.2.36 lakh; C.T. Scan-Rs.6.87 lakh; Admission-Rs.1.91 lakh; Ultrasound-Rs.0.60 lakh; Laboratory-Rs.1.16 lakh; X-Ray-Rs.1.11 lakh and ECG-Rs.0.10 lakh.

HOME DEPARTMENT

3.9 Fraudulent drawal of bills from treasury by manipulating the original amounts of bills

Fraudulent drawal of Rs.35 lakh from treasury

According to Rule 181 and 183 of Central Treasury Rules (Vol. I) special precautions are to be taken by the Treasury Officer in respect of bills and documents showing signs of alteration *etc.* besides exercising check on arithmetical computations of bills.

Test-check (October 1999) of records of the Commandant, 7th Manipur Rifles, Khabeisoi, Imphal for the period from July 1997 to September 1999 revealed that the Commandant drew 17 (seventeen) bills for Rs.2.73 crore (Pay and allowances: Rs.2.21 crore, *Adhoc* bonus: Rs.0.16 crore and Advance Ration Money: Rs.0.36 crore) from Sub-Treasury, Imphal between September 1997 and May 1998. The original net total of Rs.2.38 crore of these bills was manipulated to Rs.2.73 crore by the Head Clerk-cum-Cashier, after the bills were countersigned by Drawing and Disbursing Officer, while they were in transit between Office of the Commandant, 7th Manipur Rifles, Khabeisoi and the treasury. The totals written in words as well as in figures were erased and overwritten. However, net receipt and disbursement of Rs.2.38 crore was recorded in the Cash book. This resulted in fraudulent drawal as well as misappropriation of Government money of Rs.0.35 crore (Rs.2.73 crore—Rs.2.38 crore).

Thus Rs.0.35 crore was drawn fraudulently by the delinquent official due to failure on the part of treasury officer to raise objection for erasing/overwriting without proper attestation as well as detection of totalling mistake in the bills.

The matter was referred to Government (May 2000); reply had not been received (November 2000).

3.10 Payment of pay and allowances of Home Guard Volunteers beyond the called out strength

Irregular drawal of pay and allowances beyond the call out strength led to excess expenditure of Rs.13.83 lakh

Government of Manipur increased (June 1999) the existing call out strength of Home Guard Volunteers (HGVs) from 1200 to 2000 (June 1999 to February 2000) and again in March 2000 from 2000 to 2350 (December 1999 to February 2000). Accordingly, 1150 HGVs were called out in between June 1999 (1st group:

800 numbers) and November 1999 (2nd group: 350 numbers) by the Commandant, Home Guards (VA), Imphal.

Test-check (July 2000) of records revealed that—

- (i) The names of 55 HGVs already included in the 1st called out list of June 1999 for the period from 15.6.99 to 29.2.2000 were shown again in the 2nd called out list of November 1999 for the period from 1.12.99 to 29.2.2000. The pay and allowances²¹ for the months of December 1999, January and February 2000 were drawn for all the 55 HGVs from both the lists resulting in an excess drawal of Rs.2.51 lakh.
- (ii) Pay and allowances of Rs.4.77 lakh for the months of July and August 1999, January and February 2000 were drawn in excess of the total called out strength of the HGVs for 300 HGVs as detailed below—

Months	Called out strength of HGVs	No. of HGVs for whom pay and allowances were drawn	No. of HGVs in excess of called out strength for whom pay and allowances were drawn	Amount drawn in excess of admissible (Rupees in lakh)
1	2	3	4	5
July 1999	2000	2041	41	0.64
August 1999	2000	2122	122	1.90
January 2000	2350	2424	74	1.15
February 2000	2350	2424	74	1.08
		Total	300	4.77

- (iii) Further, scrutiny of pay and allowances bills for 350 HGVs (called out in November 1999) for the months of December 1999, January to February 2000 revealed that the names of 134 HGVs included in the bills were not enlisted in the called out orders of November 1999 which resulted in fictitious drawal of Rs.6.11 lakh.
- (iv) Pay and allowances are admissible to the HGVs from the date of reporting to duty. In July 1999, an amount of Rs.0.44 lakh was paid to 40 HGVs as pay and allowances for the month of June 1999 in excess of their entitlement ranging between 12 and 25 days.

Thus, irregular drawal of pay and allowances of HGVs led to an excess expenditure of Rs.13.83 lakh (Rs.2.51 lakh + Rs.4.77 lakh + Rs.6.11 lakh + Rs.0.44 lakh).

The matter was reported to the Government (September 2000); reply had not been received (November 2000).

²¹ Pay and allowances include : Duty allowance @ Rs.30 per day, Food allowance @ Rs.15 per day, Transportation allowance @Rs.5 per day and Washing allowance @ Rs. 4 per month.

3.11 Excess appointment of staff resulted in irregular and unauthorised drawal of pay and allowances

Unauthorised and irregular expenditure of Rs.0.96 crore on excess appointment of staff

Test-check (January 1999) of records of the Commanding Officer, 1st Bn. Manipur Rifles for the period from 1995-96 to 1999-2000 revealed excess appointment of 229 officials over the sanctioned strength in three categories as indicated below—

Category and scale of pay	Sanctioned strength	Men-in-position	Excess (during the entire period)	Amount paid in excess (Rupees in lakh)
(i) Havildar Rs.975-1660	58	Ranged between 69 and 100	89	39.23
(ii) Lance Naik Rs.825-1200	75	Ranged between 76 and 157	109	45.77
(iii) Follower Rs.750-940	103	Ranged between 108 and 150	31	10.83
Total:				95.83

Consequent upon excess appointment, the Battalion had made unauthorised and irregular expenditure of Rs.0.96 crore based on minimum of pay scale and corresponding dearness allowance thereon.

The Commandant stated (October 1999) that there were excess of staff against sanctioned strength as transfer and posting was done in police headquarter in order to meet any eventuality in view of present law and order situation. The Commandant further added (June 2000) that a lot of manpower was required as a measure of security for organising various functions *etc.* The reply is not tenable since the sanctioned strength was not increased in view of the required manpower.

The matter was referred to Government (June 2000); reply had not been received (November 2000).

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

**3.12 Irregularities in the implementation of Urban Employment
Generation Programme**

Out of total funds of Rs.8.34 crore, Rs.6.40 crore was kept in deposit by the department. Of the amount of Rs.1.94 crore released to MUDA, Rs.1.70 crore was given to the DUDAs. No utilisation certificate was furnished. Beneficiaries were not identified. There was excess allocation of Rs.11.03 lakh on A&OE. Under PMRY 610 micro enterprises out of 1367 in three districts were non-functional resulting in unproductive investment of subsidy of Rs.45.75 lakh.

With a view to alleviating poverty in urban areas, the Government of India launched the schemes of Nehru Rozgar Yojana (NRY) from 1989, Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) from 1995 and Swarna Jayanti Shahari Rozgar Yojana (SJSRY) from December 1997 replacing NRY/PMIUPEP and Urban Basic Services for the Poor (UBSP). Main components of NRY/PMIUPEP/SJSRY were to provide self employment through setting up micro enterprises, and to provide wage employment by creating socially useful assets. Prime Minister's Rozgar Yojana (PMRY) was also implemented in 1993 for educated unemployed youths to provide self employment opportunities. While PMRY was a *cent per cent* Centrally sponsored scheme, the funding patterns in respect of other schemes ranged between 60:40 and 75:25 between Central and State Governments. The State Government implemented the scheme of PMRY through District Industries Centres (DICs) under Commerce and Industries Department and the other schemes through District Rural Development Agencies (DRDAs), Manipur Urban Development Agency (MUDA) and five District Urban Development Agencies (DUDAs) under Municipal Administration, Housing and Urban Development Department (MAHUD).

Test-check (January to April 2000) of records of the implementing agencies covering the period from 1995-96 to 1999-2000 revealed the following irregularities—

(a) NRY/PMIUPEP/UBSP/SJSRY

(i) During 1995-96 to 1999-2000, out of total funds of Rs.8.34 crore available (Central share: Rs.6.58 crore and State share: Rs.1.76 crore against Rs.3.61 crore due), the MAHUD (nodal authority) released only Rs.1.94 crore to MUDA and kept the Central share of Rs.2.41 crore relating to NRY/PMIUPEP/UBSP in 8449-Other Deposits and the balance amount of Rs.3.99 crore relating to SJSRY (Central share: Rs.3.58 crore for 1997-98 to 1999-2000 and the State share:

Rs.0.41 crore for 1997-98) was also retained in 8449-Other Deposits. The MUDA in turn released Rs.1.70 crore to five DUDAs during March to December 1999. The nodal authorities did not obtain the utilisation certificates for the amounts released to MUDA for submission to Government of India.

(ii) Government of India allowed a maximum of 5 *per cent* of the allocation to the State Government for Administrative and Operational Expenses (A&OE). However, it was noticed that an amount of Rs.17.93 lakh (on Central share of Rs.1.38 crore out of the total of Rs.1.70 crore) was shown as A&OE allocation as against maximum permissible amount of Rs.6.90 lakh resulting in excess release of Rs.11.03 lakh.

(iii) The schemes were to cover urban poor living below poverty line (BPL) to be identified by house to house survey. It was however seen from the records of MUDA that the forms for house to house survey were issued to DUDAs only in July 1999. However, MUDA had fixed targets for only two years (1997-98: 3552 and 1998-99: 826) without identifying the beneficiaries.

(iv) The implementing agencies did not maintain records of muster rolls, asset registers, value of material, mandays generated and wages earned by the beneficiaries. The achievements made therefore, could not be verified in audit.

(b) PMRY

Under the scheme, self employment opportunities are to be provided to educated unemployed (with family income of Rs.40,000 per annum) and the project cost (up to Rs.2 lakh for industries and other activities and Rs.1 lakh for business) of each beneficiary was to be met by a way of subsidy to the extent of 15 *per cent* of the cost subject to maximum of Rs.15,000 (to be paid to the Bank after disbursement of loan) and the balance cost was to be met by credit from financial institution and 5 *per cent* as margin money to be contributed in cash by the beneficiary. The element of subsidy to the beneficiaries was not routed through the State Government but directly given to banks. The scheme also provides compulsory training after the loan is sanctioned and the expenditure on training was limited to Rs.1,000 per beneficiary including Rs.300 as stipend. In addition, an amount of Rs.250 per beneficiary is sanctioned by Government of India for contingencies and to be released to DICs for meeting the expenditure on administering and supervising including stationery *etc.*

(i) Out of Rs.41.58 lakh received from Government of India during 1995-96 to 1999-2000 for training, the Director of Industries kept Rs.10.12 lakh in the deposit account of Government and disbursed Rs.28.40 lakh to the DICs and retained the balance amount of Rs.3.06 lakh. Expenditure incurred on training was not furnished by the Directorate. In respect of contingencies, Rs.13.84 lakh was received from Government of India during the said period, of which Rs.5.73 lakh was not released to the DICs.

(ii) Out of target of covering 6650 beneficiaries for loans during 1995-96 to 1998-99, 67437 applications were received of which 7989 cases were recommended to the banks. The banks sanctioned loans to 5011 cases and

disbursed loans of Rs.33.87 crore to only 4549 cases. Thus the target was not achieved.

(iii) As on 31 December 1999, out of loan of Rs.37.58 crore recoverable from beneficiaries recovery of Rs.0.38 crore (1.01 *per cent*) was effected by the banks which indicated that the beneficiary could not either get benefit from the enterprises to repay even the loan or wilfully became defaulters.

(iv) As per survey conducted by the Industries Department during 1997-98, covering the period from 1995-96 to 1997-98 in three districts (Imphal, Thoubal and Churachandpur) out of 1367 micro enterprises 610 were found non-functional against which total loans of Rs.5.08 crore were outstanding. Thus subsidy of Rs.45.75 lakh²² involved in these cases proved unproductive.

The matter was referred to Government (August 2000); reply had not been received (November 2000).

TRIBAL DEVELOPMENT DEPARTMENT

3.13 Extra expenditure on purchase of potato seeds

Extra expenditure of Rs.11.11 lakh on purchase of potato seeds

Under Special Central Assistance (SCA) for Tribal Sub-Plan (potato cultivation programme) the Government of Manipur accorded administrative approval and expenditure sanction of Rs.40.72 lakh during 1996-97 and 1997-98 for purchase of potato seeds and distribution thereof to the selected beneficiaries (460 in 1996-97 and 479 in 1997-98).

Test-check of records (September 1999) of the Director, Development of Tribals and Scheduled Castes, Imphal revealed that the Director had purchased (January and July 1997) a total quantity of 370.25 tonnes of potato seeds (K. Jyoti variety) valued at Rs.40.72 lakh at the rate of Rs.11 per kg from Manipur Tribal Development Corporation (209.25 tonnes at Rs.23.01 lakh) and M/s Delbros India (161 tonnes at Rs.17.71 lakh). It was noticed from the records that based on the reference made (June 1998) to the Horticulture Department, Director of Horticulture and Soil Conservation intimated (3 July 1998) the approved rate of potato as Rs.8 per kg. Reasons for purchase of potato seeds at higher rate were not on record.

²² Worked out at the rate of Rs.7500 (maximum amount admissible per beneficiary under the scheme).

Thus, the procurement at higher rate resulted in an extra expenditure of Rs.11.11 lakh²³. It was further observed that out of the above quantity, only 305.650 tonnes were actually distributed and whereabouts of the balance quantity was not intimated.

The matter was reported to Government (March 2000); reply had not been received (November 2000).

3.14 Diversion of Special Central Assistance

Diversion of Special Central Assistance of Rs.49.20 lakh

Under Special Central Assistance (SCA) for Tribal Sub-Plan the State Government had received Rs.7.50 crore during 1997-98 from the Government of India for implementation of different developmental programmes. Of the funds received, Rs.51 lakh was earmarked as Grants-in-aid to Manipur Tribal Development Corporation (MTCD) during 1997-98.

The expenditure norms of SCA stipulated that the funds were to be expended on income generating family oriented schemes and that activities of non-plan nature should not be catered to from SCA. Test check of records (September 1999) of the Director, Development of Tribals and Schedule Castes, Imphal revealed that the Government sanctioned Rs.20.45 lakh (November 1997) and Rs.28.75 lakh (March 1998) for payment of salaries of the staff of MTDC. Accordingly the Managing Director, MTDC had utilised the fund for payment of salaries/wages of the staff for 1997-98 and submitted the utilisation certificates to the Director. This had resulted in diversion of SCA of Rs.49.20 lakh.

The matter was reported to Government (June 2000); reply had not been received (November 2000).

²³ 370.25 tonnes x Rs.11.00 x 1000 = Rs.40,72,750.00
370.25 tonnes x Rs. 8.00 x 1000 = Rs.29,62,000.00
Difference = Rs.11,10,750.00
or Rs.11.11 lakh

VETERINARY & ANIMAL HUSBANDRY DEPARTMENT

3.15 Locking up of Central funds under Food and Fodder Development Scheme

Locking up of Central funds of Rs.21.15 lakh for 41 months

Under a Centrally Sponsored Scheme, Food and Fodder Development, a sum of Rs.26.15 lakh was sanctioned (March 1996) by the Government of India as one time grant for implementing three specific components of the programme (Enrichment of Cellulosic Waste: Rs.5.00 lakh; Establishment of Silvipasture System: Rs.12.75 lakh and Grassland Development: Rs.8.40 lakh). The programmes could not be implemented by the Government of Manipur during the year 1995-96. The Government of India revalidated the sanction in October 1996.

It was noticed during test-check of records (August 1999) of the Director of Veterinary & Animal Husbandry, Imphal that the entire amount of Rs.26.15 lakh was drawn through Abstract Contingent bill (March 1997), in accordance with a Government sanction order of March 1997. Of this, an expenditure of Rs.5.00 lakh only was incurred towards Enrichment of Cellulosic Waste during 1997-98, leaving an unspent balance of Rs.21.15 lakh. This was retained in cash for over 29 months (August 1999) leading to irregular locking of Central funds to the tune of Rs.21.15 lakh. The amount should have been deposited promptly into Government Account.

The Department stated (November 2000) that expenditure of the remaining amount of Rs.21.15 lakh was incurred up to November 2000 on the other two schemes implemented from September 2000. The delay in implementation was due to unavoidable condition for the sake of security reasons.

But the reply was silent on the aspect of irregular retention of heavy funds in cash for as long as 41 months (August 2000).

The matter was reported to Government (March 2000); reply had not been received (November 2000).

CHAPTER IV

WORKS EXPENDITURE

SECTION 'A' REVIEW-NIL SECTION 'B' PARAGRAPHS

IRRIGATION AND FLOOD CONTROL DEPARTMENT

4.1 Locking up of fund and objective of flood protection work not achieved

Execution of work before acquisition of site resulted in locking up of funds of Rs.12.86 lakh

According to Central Public Works Department Manual availability of site is pre-requisite for planning and designing of a work.

The Government of Manipur, Irrigation and Flood Control Department accorded administrative approval (January 1992) for Rs.31.64 lakh for construction of embankments of 3 km length each on both left and right banks of Thoubal river (8 to 11 km down stream of Thoubal bridge) with a view to protect 2000 hectares of paddy crop. The Executive Engineer, Flood Control and Drainage Division No.III awarded the work (July 1993) to a contractor at tendered amount of Rs.41.31 lakh (estimated cost Rs.22.69 lakh) to complete the work within July 1995. Scrutiny of records (September 1999) of the Division revealed that acquisition of land and settlement of compensation for standing properties were not finalised. Survey for left bank was also not completed (August 1994). The proposal for land acquisition was sent to the collector in 1995 and Government approval was conveyed in February 1997. The department paid (up to March 1998) Rs.6.43 lakh (compensation for standing properties on right bank: Rs.7.68 lakh) against total compensation of Rs.72.57 lakh (Land compensation: Rs.32.89 lakh; standing properties on left bank: Rs.32 lakh and right bank: Rs.7.68 lakh).

The contractor started the work after August 1994, and after executing the work for about 2 km on right bank valued at Rs.13.19 lakh (29 *per cent*), abandoned it (February 1998) on account of opposition by the land owners for non-payment of value of land and compensation for standing properties. Total payment of Rs.12.86 lakh was made to the contractor up to October 1998. The Executive Engineer reported (August 1998) to the Superintending Engineer for closure of the work and the contract, however, the work was resumed in September 1999 on the right bank. Work on the left bank was yet to start (October 2000).

Hence, the injudicious decision of the department for execution of work before acquisition of site resulted in locking up of funds to the tune of Rs.12.86 lakh. The

objective of protection of the area (2000 hectare) from recurrence of flood every year was also frustrated.

The matter was reported to Government (April 2000); reply had not been received (November 2000).

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.2 Departmental lapse leading to interest payment

Departmental lapse led to interest payment of Rs.12.09 lakh

The Public Health Engineering (PHE) Department, Government of Manipur undertook the Kangchup Water Supply Scheme (November 1999) with a view to augment the supply of drinking water to Imphal town. The scheme was externally aided by the Government of France which provided pipes, water treatment equipment *etc.*

Article 6.4 of the agreement signed (26 June 1999) between the AQUA TECHNIQUE SA, France and the Government of Manipur provides that the customs duty on this equipment was to be borne by the State Government. Order for transportation of imported pipes was issued (2 September 1999) by the PHE Department to the transporting agency with a condition that the transportation should be completed within 40 days from the date of customs clearance. The date of actual landing of the material at the port was not available in the records furnished to audit.

The equipment was to be cleared from the Calcutta Port by 4th February 2000 on payment of customs duty of Rs.5.89 crore. The Executive Engineer, Water Supply Project Construction Division, Imphal, however, cleared the materials on 31st March 2000 on payment of Rs.6.01 crore which included an interest component of Rs.12.09 lakh on account of delay of 57 days (4 February to 31 March 2000) in getting it cleared from the port.

In reply, the department stated (June 2000) that custom clearance could not be effected in time due to financial difficulties. However, no records could be produced to Audit to establish that the Government was informed of the penal interest liability in the event of delayed payment of customs duty and steps taken to obtain the necessary funds. It is seen from the reply that the money was released by the Finance Department under order dated 4 February 2000 and the Reserve Bank of India imposed ban on 7 February 2000 on encashment of cheques/bills due to overdraft.

As a result, the Government incurred extra expenditure of Rs.12.09 lakh towards payment of interest.

On being reported (September 2000), the Government stated (October 2000) that the payment of interest could not be avoided as the Reserve Bank of India imposed ban on encashment of cheques/bills at that time due to overdraft.

PUBLIC WORKS DEPARTMENT

4.3 Fraudulent payment on a fictitious bill and irregular payment

Fraudulent payment of Rs.5.32 lakh on a fictitious bill and irregular payment of Rs.29 lakh as 100 per cent advance

Additional Chief Engineer II (March 1997) accorded administrative approval and technical sanction for Rs.55.43 lakh for constructing a bridge over Chakpi river on Chandel-Vomku road. Supply order for one set of Bailey type portable steel bridge was placed (19 March 1997) by the Superintending Engineer II with M/s Garden Reach Ship builders and Engineers (GRSE) Ltd., Calcutta at a cost of Rs.26.60 lakh (excluding Central Excise duty, Central Sales Tax and insurance charges) with the condition that the delivery would be completed within six months from the date of receipt of 60 per cent advance.

Test-check of records (August 1999) of the Executive Engineer (EE), Chandel Division revealed that the Division had made payments of Rs.29 lakh under two bills on 26 March 1997 to GRSE including Central Excise duty and Central Sales Tax), of which one bill representing 60 per cent was as advance payment for Rs.15.96 lakh and another bill for Rs.13.04 lakh was for the balance amount against the total claim of Rs.31.82 lakh (including transportation). Scrutiny of records further revealed that another bill was preferred (March 1999) for Rs.5.32 lakh. The amount was paid (31 March 1999) by the Division which resulted in total payment of Rs.34.32 lakh against the final claim of Rs.31.32 lakh.

On being pointed out in audit (March 2000), the matter was taken up (May 2000) by the EE with the GRSE. The GRSE stated (June 2000) that they had neither claimed any bill for Rs.5.32 lakh nor had received the amount and stated that the said bill was fictitious. Subsequently, it was ascertained by Audit, that the cheque for Rs.5.32 lakh was issued in favour of a local contractor but the name of GRSE was written in the counterfoil.

Thus, on account of failure by the DDO to exercise the necessary checks a fraudulent payment of Rs.5.32 lakh was made against a fictitious bill. The EE stated (November 2000) that the then EE had been placed under suspension (August 2000) and the matter was under investigation.

It was further seen from the reply given (29 April 2000) by the Executive Engineer, Mechanical Division II that bailey bridge part to be transported by the department from the supplier was yet to be done and it has been confirmed by the Executive Engineer, Chandel Division that they had not received these parts as

these are to be transported by the Mechanical Division II. Thus 100 per cent payment of advance to the supplier in April 1997 was not only irregular but also the material valuing Rs.29 lakh had not been received by the Department.

The matter was referred to Government (September 2000); reply had not been received (November 2000).

4.4 Doubtful execution of works and fraudulent drawals

Doubtful execution of works and fraudulent drawals of Rs.16.14 lakh

According to the provision contained in para 4.6, 2.5, 2.24 and 2.32 of CPWD Manual preparation of estimate, administrative approval, expenditure sanction, technical sanction, invitation of tender are the pre-requisite for execution of works through contractors. CPW Account Code provides that every payment must be supported by a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts. Further, rules *inter alia* provide that payment for all work done otherwise than by daily labour is made on the basis of measurements recorded in Measurement Books. All vouchers (other than Muster Rolls) in support of payments to contractors are to be submitted to the Accountant General.

Test-check of records (November- December 1999) of the Executive Engineer (EE), Public Works Division, Ukhru revealed that the EE had recorded in the Cash Book Rs.16.14 lakh as having been paid (March 1999) to seven construction agencies. The payment to contractors/agencies was made by drawing cheques on treasury against first and final bills showing execution of 49 minor works (*Appendix XLVII*). The Division failed to produce tender documents, agreements, technical sanctions, measurement books, completion certificates, copies of payment vouchers *etc.* in support of execution of works and the payment.

On being pointed out by audit, the EE stated that the tender documents, agreements, measurement books and payment vouchers *etc.* of those works were not available in the Division.

It is further seen from the letter of the Division (16 October 2000) that all relevant records were handed over to Vigilance Department on 16 October 2000. The correctness of payments or otherwise would be known only when the case is decided by that Department.

The matter was referred to Government (May 2000); reply had not been received (November 2000).

CHAPTER V
STORES AND STOCK

SECTION 'A' REVIEW-NIL
SECTION 'B' PARAGRAPH

PUBLIC WORKS DEPARTMENT

5.1 Locking up of funds due to injudicious purchase

Locking up of funds of Rs.15.37 lakh due to injudicious purchase of stores

Test check of records (September 1999) of the Executive Engineer, Store Division (PWD), Chingmeirong revealed that the Division purchased (July 1997-July 1998) stationery items (5 items) valued at Rs.16.32 lakh as detailed in *Appendix XLVIII*. There was already stock of 2 items valuing Rs.0.45 lakh since 1993-94. During 1997-98 to 1999-2000 the Division issued these items for a value of Rs.1.40 lakh. The percentage of issue of these items ranged between 2 to 18 *per cent* leaving a total balance quantity to a value of Rs.15.37 lakh (March 2000). The Executive Engineer in November 2000 stated that the procurement was made by the Division with reference to indents received from the working Divisions but the forms were not lifted by them. This confirms the fact that materials not required immediately were indented and procured resulting in locking up of funds to extent of Rs.15.37 lakh.¹

The matter was referred to Government (September 2000); reply had not been received (November 2000).

¹ Rs.0.45 lakh + Rs.16.32 lakh-Rs.1.40 lakh=Rs.15.37 lakh.

CHAPTER VI
FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1 General

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 programme 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.

During 1999-2000 financial assistance of Rs.29.12 crore was paid to various autonomous bodies and others grouped as under—

Sl. No.	Name of institution	Amount of assistance paid	
		Grants	Loans
		(Rupees in crore)	
1.	Universities and Educational Institutions	26.36	—
2.	Municipal Corporations and Municipalities	0.66	—
3.	Co-operative Societies and Other Co-operative Institutions	—	1.74
4.	Other Institutions	0.36	—
	Total	27.38	1.74

The above assistance constituted 2.16 *per cent* of Governments total expenditure on revenue account (Rs.1347.99 crore). In 1998-99 such assistance aggregated to Rs.25.16 crore.

6.2 Delay in furnishing utilisation certificate

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

All Administrative Departments of the State Government, including Finance Department, were requested in July and August 2000 to furnish information about grants and loans sanctioned by the Departments and their subordinate offices to various bodies and authorities during the year 1999-2000 and the total expenditure incurred by these bodies and authorities during the year and to certify to Audit proper utilisation of grants.

6.3 Delay in submission of accounts

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 1999-2000 called for in July and August 2000 had not been furnished by departments/Government (November 2000).

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 of which were attracted for audit under Section 14 of the Act, *ibid*, in earlier years, were in arrears. The details are given in *Appendix XLIX*.

6.4 Entrustment of audit

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

6.5 Audit arrangement

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.

Of the 32 bodies/authorities, whose accounts for 1998-99 or previous years were received during the year, audit of 9 bodies/authorities were taken up during the year 1999-2000.

SECTION 'A' REVIEW-NIL
SECTION 'B' PARAGRAPH

HILL COMMISSIONER'S DEPARTMENT

SADAR HILLS AUTONOMOUS DISTRICT COUNCIL, KANGPOKPI

6.6 Irregular continuance in service of *ad hoc* teachers resulted in unauthorised expenditure

Ad hoc appointment without notifying the vacancies can be made for a period less than three months as envisaged in Employment Exchanges Compulsory Notification of Vacancies Act, 1959 and also in Government of Manipur, Department of Personnel and Administrative Reforms (Personnel Division) O.M. dated July 1996 and March 1998.

Test-check (January 2000) of accounts of the Chief Executive Officer, Sadar Hills Autonomous District Council, Kangpokpi for the years 1997-98 and 1998-99 revealed that in violation of above provision, 16 *ad hoc* teachers were irregularly allowed to continue in service for 69 months beyond three months for the period from 1993-94 to 1998-99. Thus, an expenditure of Rs.34.11 lakh (1993-94: Rs.3.33 lakh, 1994-95: Rs.4.94 lakh, 1995-96: Rs.5.44 lakh, 1996-97: Rs.6.10 lakh, 1997-98: Rs.6.77 lakh and 1998-99: Rs.7.53 lakh) was unauthorisedly incurred on pay and allowances for irregular continuance of services of *ad hoc* teachers.

The District Council Administration stated (October 2000) that the appointment to the posts were made with the approval of Government for a period of 3 months and extended from time to time and most of them were reappointed through regular DPC under the sponsorship of the Employment exchange and the *ad hoc* teachers were terminated (April 1999) but the reply is not tenable since the teachers were entertained for 69 months beyond three months and also supporting documents for their regular appointments (now stated) were not made available to audit.

The matter was referred to Government (June and October 2000); reply had not been received (November 2000).

CHAPTER VII

REVENUE RECEIPTS

General

7.1 Trend of Revenue receipts

The total receipts of the Government of Manipur for the year 1999-2000 were Rs.1069.85 crore. Of this, the State Government raised Rs.82.60 crore comprising Rs.39.95 crore as tax revenue and the balance of Rs.42.65 crore as non-tax revenue. Receipts from the Government of India were Rs.987.25 crore which accounted for 92 *per cent* of the total receipts.

7.2 Analysis of Revenue receipts

(a) Tax revenue raised by the State

Receipts from tax revenue during 1999-2000 constituted 48 *per cent* of the revenue raised by the State.

An analysis of tax revenue for the year 1999-2000 and the preceding two years is given below—

Sl. No	Head of Revenue	1997-98	1998-99	1999-2000	Percentage of Increase(+)/Decrease(-) in 1999-2000 over 1998-99
(R u p e e s i n l a k h)					
1.	Sales Tax	2398.03	1942.21	2287.47	(+) 17.78
2.	Other Taxes on Income and Expenditure	515.76	560.16	957.93	(+) 71.01
3.	State Excise	185.37	182.51	139.01	(-) 23.83
4.	Stamps and Registration Fees	144.02	123.20	146.39	(+) 18.82
5.	Taxes on Vehicles	137.74	110.88	233.29	(+) 110.40
6.	Other Taxes and Duties on Commodities and Services	123.40	89.31	75.48	(-) 15.49
7.	Land Revenue	29.99	33.95	52.10	(+) 53.46
8.	Taxes on Goods and Passengers	38.05	32.29	48.74	(+) 50.94
9.	Taxes and Duties on Electricity	0.09	0.04	54.62	(+) 136450.00
Total :		3572.45	3074.55	3995.03	

Reasons for variations though called for (July and August 2000) from the departments had not been received (November 2000).

(b) Non-tax revenue raised by the State

Power, Public Works, Forestry and Wild Life, Water Supply and Sanitation, Other Administrative Services, Interest Receipts, Education, Sports, Art and Culture, Major and Medium Irrigation, Social Security and Welfare were the principal sources of non-tax revenue of the State. Receipts from non-tax revenue during 1999-2000 constituted 52 per cent of the revenue raised by the State.

An analysis of non-tax revenue under the principal heads for the year 1999-2000 and the preceding two years is given below—

Sl. No.	Head of Revenue	1997-98	1998-99	1999-2000	Percentage of Increase(+)/ Decrease(-) in 1999-2000 over 1998-99
(Rupees in lakh)					
1.	Miscellaneous General Services (State Lotteries) ¹	1508.52 (830.12)	652.39 (436.09)	431.93 (NA)	(-) 33.79
2.	Power	871.68	1304.19	2221.73	(+) 70.35
3.	Public Works	504.16	330.22	402.17	(+) 21.79
4.	Forestry and Wild Life	297.97	70.46	79.42	(+) 12.72
5.	Police	49.44	75.12	71.32	(-) 5.06
6.	Interest Receipts	90.86	81.65	69.44	(-) 14.95
7.	Water Supply and Sanitation	86.54	43.47	61.94	(+) 42.49
8.	Education, Sports, Art and Culture	62.44	41.99	81.72	(+) 94.62
9.	Other Administrative Services	225.04	331.77	236.29	(-) 28.78
10.	Major and Medium Irrigation	42.49	18.48	37.87	(+) 104.92
11.	Medical and Public Health	18.32	16.00	79.07	(+) 394.19
12.	Social Security and Welfare	46.22	2.04	319.35	(+) 15554.41
13.	Crop Husbandry	13.39	13.26	18.54	(+) 39.82
14.	Housing	37.25	26.22	43.11	(+) 64.42
15.	Co-operation	4.15	5.37	4.68	(-) 12.85
16.	Others	198.87	139.64	106.21	(-) 23.93
	Total :	4057.34 (3378.94)	3152.27 (2935.97)	4264.79 (NA)	

Reasons for variations under non-tax revenue though called for (July and August 2000) from the departments had not been received (November 2000).

7.3 Variations between Budget estimates and actuals

The variations between Budget estimates and the actual receipts for the year 1999-2000 under the principal heads are given below—

¹ Figures in bracket indicate receipts from lotteries as net of expenditure on prize-winning tickets.

Sl. No.	Head of Revenue	Budget estimates	Actuals	Variations Increase(+)/ Decrease(-)	Percentage of variation
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in lakh)					
A. Tax Revenue					
1.	Sales Tax	3275.00	2287.47	(-) 987.53	(-) 30.15
2.	Other Taxes on Income and Expenditure	652.05	957.93	(+) 305.88	(+) 46.91
3.	Other Taxes and Duties on Commodities and Services	175.00	75.48	(-) 99.52	(-) 56.87
4.	Stamps and Registration Fees	177.00	146.39	(-) 30.61	(-) 17.29
5.	Taxes on Vehicles	154.76	233.29	(+) 78.53	(+) 50.74
6.	State Excise	282.00	139.01	(-) 142.99	(-) 50.71
7.	Land Revenue	50.00	52.10	(+) 2.10	(+) 4.20
8.	Taxes on Goods and Passengers	53.00	48.74	(-) 4.26	(-) 8.03
9.	Taxes and Duties on Electricity	0.15	54.62	(+) 54.47	(+) 36313.33
	Total:	4818.96	3995.03	(-) 823.93	(-) 17.10
B. Non-tax Revenue					
1.	Miscellaneous General Services (including State Lotteries)	570.00	431.93	(-) 138.07	(-) 24.22
2.	Power	4657.00	2221.73	(-) 2435.27	(-) 52.29
3.	Public Works	469.64	402.17	(-) 67.47	(-) 14.37
4.	Forestry and Wild Life	371.00	79.42	(-) 291.58	(-) 78.59
5.	Police	100.00	71.32	(-) 28.68	(-) 28.68
6.	Interest Receipts	159.58	69.44	(-) 90.14	(-) 56.49
7.	Water Supply and Sanitation	104.71	61.94	(-) 42.77	(-) 40.85
8.	Education, Sports, Art and Culture	102.82	81.72	(-) 21.10	(-) 20.52
9.	Other Administrative Services	96.90	236.29	(+) 139.39	(+) 143.85
10.	Major and Medium Irrigation	68.40	37.87	(-) 30.53	(-) 44.63
11.	Medical and Public Health	47.70	79.07	(+) 31.37	(+) 65.77
12.	Social Security and Welfare	52.50	319.35	(+) 266.85	(+) 508.29
13.	Crop Husbandry	25.80	18.54	(-) 7.26	(-) 28.14
14.	Housing	45.90	43.11	(-) 2.79	(-) 6.08
15.	Co-operation	7.42	4.68	(-) 2.74	(-) 36.93
16.	Others	264.55	106.21	(-) 158.33	(-) 59.85
	Total:	7143.12	4264.79	(-) 2910.49	(-) 40.75

The departments stated that—

- (i) Decrease (30.15 per cent) under Sales Tax was due to higher fixation of target and disturbance of market in view of law and order situation.
- (ii) Decrease (56.87 per cent) under Other Taxes and Duties on Commodities and Services was due to non-receipt of revenue from Rural Cinema Halls and disturbance of market in view of law and order situation.
- (iii) Decrease (52.29 per cent) under Power was due to non-payment of energy consumption charges by various categories of consumers.
- (iv) Decrease (14.37 per cent) under Public Works was due to non-realisation of arrears of hire charge of machinery.
- (v) Decrease (44.63 per cent) under Major and Medium Irrigation was due to non-payment of water taxes by the farmers/land owners.

Reasons for variations under the remaining heads of account though called for (July and August 2000) had not been furnished by the respective departments (November 2000).

7.4 Outstanding Inspection Reports and Audit observations

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.

The number of Inspection Reports and Audit Observations issued up to December 1999 but pending settlement by the departments as on 30 June 2000 along with corresponding figures for the preceding two years are given below—

Revenue Head	Number of Inspection Reports			Number of Audit observations			Money value		
	Up to 1997-98	1998-99	1999-2000	Up to 1997-98	1998-99	1999-2000	Up to 1997-98	1998-99	1999-2000
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
							(Rupees in lakh)		
Sales Tax	30	—	4	142	—	25	220.92	—	33.63
Forestry and Wild Life	43	5	5	124	26	7	736.67	237.01	18.09
Land Revenue	53	5	6	183	19	20	512.49	66.79	56.13
Fisheries	45	2	3	96	4	6	79.38	1.19	7.60
Taxes on Vehicles	34	2	4	113	5	20	188.29	2.54	188.34
Public Health Engineering	4	2	2	10	2	7	114.57	0.78	21.80
State Lotteries	6	—	—	26	—	—	2046.18	—	—
Stamps and Registration Fee	11	—	3	18	—	8	2.99	—	6.68
Power	35	2	4	145	11	6	2139.63	1059.43	1253.00
State Excise	1	—	1	2	—	3	—	—	2.38
Total :	262	18	32	859	67	102	6041.12	1367.74	1587.65

Out of 312 Inspection Reports with money value of Rs.8996.51 lakh pending settlement, even the first reply has not been received in respect of 109 Inspection Reports containing 438 Audit Observations with money value of Rs.7571.76 lakh. Further 133 Inspection Reports up to 1989-90 containing 456 Audit Observations with money value of Rs.1358.95 lakh have been pending for settlement for more than 10 years.

7.5 Results of audit

Test-check of the records of Power, Taxation, Transport, Land Revenue, Excise and Public Health Engineering Departments conducted during 1999-2000 revealed short-demand/under-assessment/loss of revenue *etc.* amounting to Rs.704.34 lakh in 29 cases.

SECTION 'A' REVIEW-NIL
SECTION 'B' PARAGRAPHS

EXCISE DEPARTMENT

STATE EXCISE

7.6 Short-levy of penalty

Short levy of penalty of Rs.2.38 lakh

Under the Manipur Liquor Prohibition Act, 1991(Act), 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 liquor, uses, keeps or has in his possession any materials, 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 for the second offence with imprisonment for a term of not less than nine months or with a fine of not less than Rs.1000 and for the third and subsequent offences with imprisonment for a term of not less than one year or with a fine of not less than Rs.2000 or with both.

Test check of records (January 2000) of the Commissioner of Excise, Manipur, Imphal revealed that in 21 Excise Stations,* 752 offences were disposed of between August 1998 and December 1999 imposing a total penalty of Rs.2.04 lakh against the minimum leviable penalty of Rs.4.42 lakh. Thus, the realisation of penalty below the minimum prescribed limit resulted in short levy of penalty of Rs.2.38 lakh.

On this being pointed out (August 2000) the department stated (November 2000) that the compounding of the offences were made under Section 70(2) of the Eastern Bengal and Assam Excise Act, 1910 and under Section 72(2) of the Manipur Liquor Prohibition Act, 1991 on case to case basis and these two Sections do not prescribe the minimum amount of fine/penalty. The reply is not tenable since Section 43 of the Manipur Liquor Prohibition Act, 1991 clearly prescribed the minimum amount of fine.

The matter was reported to Government (August and October 2000); reply had not been received (November 2000).

* Lilong : 41, Hiyangthang : 43, Lamalai : 43, Sugnu : 52, Saparmeina : 63, Zone- I : 17, Zone- III : 22, Zone-IV : 16, Sekmai : 21, Bishnupur : 65, Jesami : 42, Kakching : 5, Senapati : 47, Kangchup: 4, Akampat : 22, Mayang Imphal : 20, Tadubi : 30, Thoubal : 68, Churachandpur : 63, None : 30, Saikul : 38.

PUBLIC HEALTH ENGINEERING DEPARTMENT

7.7 Non-recovery of water charges

Water charges of Rs.12.12 lakh were outstanding for one to 18 years

Under the provision of Section 11 of the Manipur Water Supply Act, 1992 the Government may from time to time fix the flat rate or rates of charges on metered basis or on the basis of number of points installed or the dimension of water pipe connected or otherwise, payable by the consumers for supply of water.

Test check of records (February 2000) of the Executive Engineer, Water Supply Maintenance Division, Imphal revealed that an amount of Rs.15.04 lakh was lying outstanding against various Government Departments, institutions and private individuals/elected members of Legislative Assembly on account of supply of water through departmental tankers (Rs.5.67 lakh) and bulk supply through pipe connection (Rs.9.37 lakh) since 1982 against which an amount of Rs.2.92 lakh only (Rs.0.73 lakh against supply of water through departmental tankers and Rs.2.19 lakh for bulk supply through pipe line) was realised during February to September 2000. The department failed to serve the demand notices to the consumers timely and did not pursue regularly. This resulted in non-realisation of revenue of Rs.12.12 lakh by the Division for periods ranging from one to 18 years.

On being reported (July 2000), the Government stated (November 2000) that strenuous efforts were being taken for recovery of these dues. Further development is awaited (November 2000).

TRANSPORT DEPARTMENT

TAXES ON VEHICLES

7.8 Non-realisation of taxes

Non/short-realisation of revenue of Rs.26.63 lakh

(i) Assam Motor Vehicles Taxation Act, 1936 as adopted by the Government of Manipur provides levy of taxes (Token tax, Goods tax and Passenger tax) on Motor Vehicles. Section 5 of the Act *ibid* stipulates collection of taxes in advance either annually or quarterly.

Test-check (September 1999 and November 1999) of the records of three District Transport Officers (Imphal, Churachandpur and Kangpokpi) revealed that taxes of Rs.22.94 lakh (Token tax, Goods tax and Passenger tax) for the period from

November 1995 to October 1999 from the owners of 221 vehicles was neither paid by the owners nor demanded by the department. This resulted in non-realisation of revenue of Rs.22.94 lakh.

The matter was reported to the department (September 2000) and Government (September and October 2000); their replies have not been received (November 2000).

(ii) Under the provisions of Section 192(I) of the Motor Vehicles Act, 1988 read with Government of Manipur, Transport Department Notification of July and September 1989, whoever drives a motor vehicle without the valid permit shall be punishable with a fine of Rs.500 for the first offence, Rs.1000 for the second, Rs.1500 for the third and Rs.2000 for the fourth and subsequent offence.

Test check of records (September-November 1999) of 3 District Transport Officers (DTO) (Churachandpur, Kangpokpi and Imphal) for the different periods commencing from November 1995 to October 1999 revealed:

(a) DTO, Churachandpur renewed permits against 257 time-barred cases (253 cases of first offence, 2 cases of second offence 1 case of third offence and 1 case of fourth offence) involving total leviable fine of Rs.1.38 lakh. Of these, only Rs.0.01 lakh was levied and realised in 18 cases at rates varying from Rs.5 to Rs.50 resulting short-realisation of revenue of Rs.1.37 lakh.

(b) DTO, Kangpokpi renewed 165 cases of time-barred road permits without imposing any fine. These cases include 142 numbers of first offence and 23 numbers of second offence, resulting in loss of revenue of Rs.1.06 lakh.

(c) DTO, Imphal renewed 252 numbers of time-barred permits with first offence in each case without charging fine as per the provision of the Act, which resulted in loss of revenue of Rs.1.26 lakh.

Incorrect application of the provisions of Act in the above cases resulted in non/short-realisation of revenue of Rs.3.69 lakh.

The matter was reported to the Department (December 1999 and February 2000) and Government (September and October 2000); reply had not been received (November 2000).

**CHAPTER VIII
GOVERNMENT COMMERCIAL AND TRADING
ACTIVITIES**

8.1 General view of Government Companies and Statutory Corporations

8.1.1 Introduction

As on 31 March 2000 there were 15 Government companies and one Statutory corporation 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 appointed by Government of India on the advice of 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 by CAG under Section 619 (2) of the Companies Act, 1956. The audit of Manipur State Road Transport Corporation is conducted solely by CAG under section 33(2) of the Road Transport Corporations Act, 1950.

8.1.2 Investment in Public Sector Undertakings (PSUs)

As on 31 March 2000, the total investment in 16 Public Sector Undertakings (15 Government companies and one Statutory corporation) was Rs.87.96 crore (equity: Rs.80.97 crore and long-term loans: Rs.6.99 crore) as against a total investment of Rs.79.28 crore (equity : Rs.74.40 crore and long-term loans: Rs.4.88 crore) as on 31 March 1999. The analysis of investment in PSUs is given in the following paragraphs.

8.1.2.1 Government companies

Total investment in 15 companies (excluding companies at Sl.No.4 and 5 of Appendix LI) as on 31 March 2000 was Rs.57.62 crore (equity: Rs.50.63 crore and long-term loans: Rs.6.99 crore) as against total investment of Rs.50.13 crore (equity : Rs.45.25 crore and long-term loans : Rs.4.88 crore) as on 31 March 1999. The classification of the Government companies was as under—

Status of companies	Number of companies	Investment	
		Paid-up capital	Long-term loans
(Rupees in crore)			
(a) Working companies	14	50.63 (45.25)	6.99 (4.88)
(b) Non-working companies	1 ¹	NA	NA

(Figures in bracket are for the previous year 1998-99)

¹ Manipur Cycle Corporation Ltd. (Sl.No.4 of Appendix LI).

One company, namely Manipur Cycle Corporation Limited, was non-working for the last 4 years. The investment made in this company could not be assessed in audit and effective steps need to be taken for its liquidation or revival.

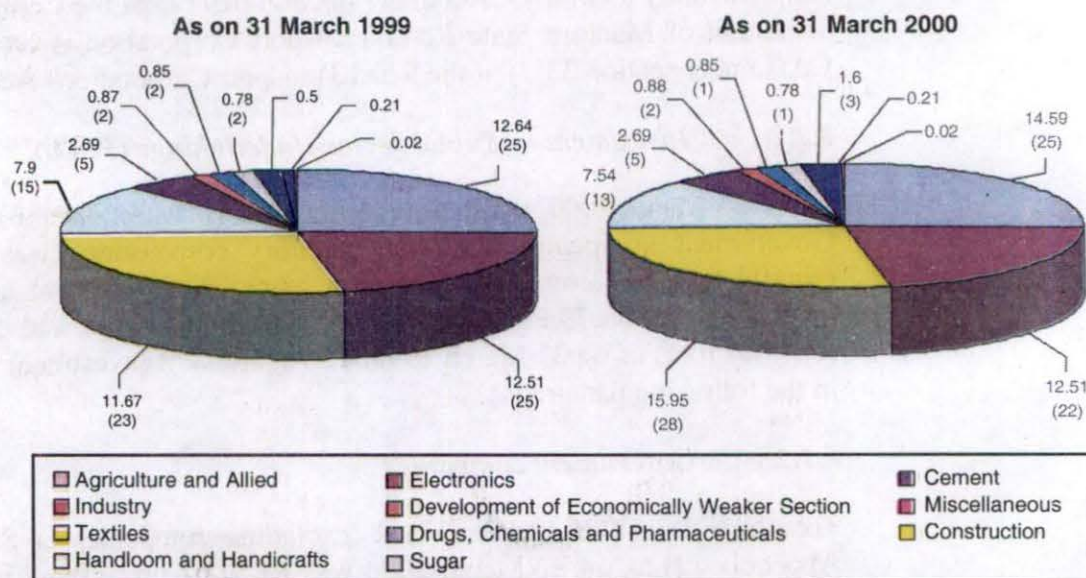
The summarised financial results of Government companies are detailed in *Appendices LI and LII*.

Sectorwise investment in Government companies

As on 31 March 2000, of total investment in Government companies, 87.87 per cent comprised equity capital and 12.13 per cent comprised loans compared to 90.27 per cent and 9.73 per cent respectively as on 31 March 1999.

The sectorwise investment in Government companies (equity and long term loans) as on 31 March 1999 and 31 March 2000 is given below in two pie diagrams.

(Rupees in crore)



(Figures in bracket indicate percentages of investment)

8.1.2.2 Statutory corporations

The total investment in the sole Statutory corporation at the end of March 2000 and March 1999 was as follows—

Name of corporation	1998-99		1999-2000	
	(Rupees in crore)			
	Capital	Loan	Capital	Loan
Manipur Road Transport Corporation	29.14	—	30.34	—

The summarised financial results of the above corporation as per the latest finalised accounts are given in *Appendix LI*. Financial position and working results of the corporation are given in *Appendices LIV and LV*.

8.1.3 Budgetary outgo, subsidies, guarantees and waiver of dues

The details of budgetary outgo, subsidies, guarantees issued, waiver of dues and conversion of loans into equity by State Government to Government companies and Statutory corporations are given in *Appendices LI* and *LIII*.

The budgetary outgo from the State Government to Government companies and Statutory corporations for the 3 years up to 1999-2000 in the form of equity and subsidy is given below—

(Amount in Rupees in crore)

	1997-98				1998-99				1999-2000			
	Companies		Corporations		Companies		Corporations		Companies		Corporations	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Equity Capital	4	4.58	1	2.14	2	0.08	1	1.47	3	3.32	1	1.20
Subsidy	2	0.50	-	-	1	0.48	-	-	1	0.49	-	-
Total outgo	6	5.08	1	2.14	3	0.56	1	1.47	4	3.81	1	1.20

The State Government gave guarantee to one Government company for Rs.1.32 crore during 1999-2000 for repayment of loans given by banks and other sources and payment of interest thereon. No information of default in repayment was received from the State Government. Further, guaranteed amount of Rs.2.19 crore was outstanding against three companies at the end of 1999-2000.

8.1.4 Finalisation of accounts by PSUs

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

However, as could be noticed from *Appendix LII*, out of 15 Government companies and one Statutory corporation, only one company (Manipur State Drugs and Pharmaceuticals Ltd.) had finalised their accounts for the year 1999-2000 within the stipulated period. The accounts of the remaining 14 Government companies and the Statutory corporation were in arrears ranging from 3 years to 18 years as on 30th September 2000 as detailed below—

Sl. No.	Year from which accounts are in arrears	Number of years for which accounts are in arrears	Number of companies/corporations		Reference to Sl.No. of Appendix LII	
			Government companies	Statutory corporation	Government companies	Statutory corporation
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	1982-83	18	2		A 7, 10	-
2.	1984-85	16	1		2	-
3.	1986-87	14	1		8	-
4.	1987-88	13	1		1	-
5.	1988-89	12	1		3	-
6.	1990-91	10	2		12, 15	-
7.	1991-92	9	1	1	4	B 1
8.	1992-93	8	1		9	-
9.	1993-94	7	1		5	-
10.	1994-95	6	1		11	-
11.	1995-96	5	1		6	-
12.	1997-98	3	1		14	-

Of the above 14 Government companies, whose accounts were in arrears, one company was non-working company (Sl.No.4 of Appendix LII).

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

8.1.4.2 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 year 1981-82 to 1990-91 along with Audit Certificates had been sent to the State Government in June 1997. No information had been received (November 2000) from the Government regarding placement of the reports in the State Legislature.

8.1.5 Working results of Public Sector Undertakings

According to latest finalised accounts of 14 Government companies and one Statutory corporation, six companies and one corporation had incurred an aggregate loss of Rs.2.58 crore and Rs.1.98 crore respectively, three companies incurred no profit no loss (pre-operative stage) and the remaining five companies earned an aggregate profit of Rs.0.57 crore. In addition, one company (Manipur State Power Development Corporation Ltd.) had not finalised its accounts since incorporation.

The summarised financial results of Government companies and Statutory corporation as per latest financial accounts are given in Appendix LII.

8.1.5.1 Government companies

8.1.5.1.1 Profit making companies and dividend

None of the five profit making companies, as per latest finalised accounts, declared any dividend. Only one company (Manipur Electronics Development Corporation Ltd.) earned profit for three consecutive years.

8.1.5.1.2 Loss incurring companies

Of the seven loss incurring companies, 4 companies had accumulated losses aggregating to Rs.9.61 crore which had far exceeded their aggregate paid up capital of Rs.2.84 crore.

In spite of poor performance relating to complete erosion of paid up capital, the State Government continued to provide financial support to Manipur Agro Industries Corporation Limited in the form of contribution of Rs 8.00 lakh towards equity, during 1999-2000.

8.1.5.2 Statutory corporation

8.1.5.2.1 Loss incurring Statutory corporation

According to the latest audited accounts (as on 31 March 1991) Manipur State Road Transport Corporation had accumulated loss aggregating to Rs.16.70 crore which was 99 per cent of its aggregate paid up capital of Rs.16.80 crore. In spite of this, the State Government continued to provide financial support by way of equity capital of Rs.1.20 crore during 1999-2000 to the corporation.

8.1.5.2.2 Operational performance of Statutory corporation

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

8.1.6 Return on capital employed

During 1999-2000 the capital employed worked out to Rs.11.03 crore in 14² companies and total return thereon amounted to (-) Rs.0.03 crore against (-) Rs.0.21 crore in 1998-99. The details of capital employed and total return on capital employed in case of Government companies and corporations are given in *Appendix LII*.

² One company (Sl.No.14 of *Appendix LII*) did not prepare its accounts since inception.

8.1.7 *Position of discussion of Commercial Chapter by the Committee on Public Undertakings*

The status of Commercial Chapter-VIII and their reviews/paragraphs pending for discussion at the end of 30 September 2000 are shown as below—

Period of Audit Report	Total number of reviews/ paragraphs appeared in the Chapter	
	Reviews	Paragraphs
1995-96	-	3
1996-97	1	4
1997-98	-	2
1998-99	—	2

SECTION 'A' REVIEWS

AGRICULTURE DEPARTMENT

MANIPUR PLANTATION CROPS CORPORATION

8.2 Working of Manipur Plantation Crops Corporation

Highlights

The Company was incorporated in 1981 with a view to promote cultivation of tea and coffee in a planned, organised and systematic manner.

(Paragraph 8.2.1)

Out of the total borrowings of Rs.1.57 crore of the Company during 1993-94 to 1998-99, Rs.70 lakh meant for factory loan was kept in short-term deposit for one year (1996-97). Interest earned on the deposit fell short of the borrowing cost by Rs3.85 lakh.

(Paragraph 8.2.4 (b))

The Company diverted Rs.16.13 lakh on payment of salaries, wages and other expenses not related to plantation works.

(Paragraph 8.2.5)

Land measuring 1100 acres allotted by the State Government was not registered in favour of the Company due to non-payment of premium.

(Paragraph 8.2.8)

Shortfall in achieving the target for tea plantation during 1993-94 to 1999-2000 ranged between 7 and 67 per cent.

(Paragraph 8.2.9 (i))

The Company suffered loss of Rs.13.63 lakh due to poor quality of tea seedlings.

(Paragraph 8.2.9 (ii))

Tea yield per hectare was 27 per cent lower than the estimated yield resulting in loss of Rs.40.34 lakh.

(Paragraph 8.2.9 (iii))

During 1993-94 to 1998-99, expenditure on tea plantation (Rs.2.57 crore) exceeded the estimated cost (Rs.0.84 crore) by Rs.1.73 crore (206 per cent).

(Paragraph 8.2.9 (v))

The Company invested Rs.1.24 crore for coffee plantation on 373 hectares (1983-84 to 1990-91) of land against the target of 5000 hectares. The project was abandoned in 1992-93. The Company incurred expenditure of Rs.47.63

lakh till March 2000 towards payment of salary on idle staff of coffee plantation.

(Paragraph 8.2.11)

8.2.1 Introduction

With a view to promote cultivation of tea and coffee in a planned, organised and systematic manner the Manipur Plantation Crops Corporation Limited (MPCCL) was incorporated as a wholly owned Government Company in March 1981.

The broad objectives of the Company are (i) to acquire land suitable for establishment of plantation and take over estates offered for sale which the Company considers suitable for tea and coffee plantation, (ii) economic rehabilitation of the jhumias³, (iii) to carry on the business of plantation and (iv) to provide employment to rural working class and to create employment opportunity for educated youth.

The Company mainly confined its activities to tea plantation, setting up a tea factory at Jiribam and allied matters.

8.2.2 Organisational set-up

The management of the Company is vested in a Board of Directors consisting of six Directors headed by the Managing Director (MD). The Board is assisted by General Manager, Manager (Tea), Manager (Headquarter), Sr. Assistant Manager, Field Officers and Accounts Officer.

8.2.3 Audit coverage

Test-check of records, for the period from 1993-94 to 1999-2000 was conducted during February to April 2000, of the Headquarters' office, Manager (Tea) office at Jiribam and three farm offices (out of five) of Churachandpur District.

8.2.4 Sources of funds

(a) Capital structure

The initial authorised capital of Rs.2 crore of the Company was increased to 25 crore in December 1999. As on 31 March 2000, the subscribed and paid up capital stood at Rs.10.64 crore. This was subscribed wholly by the Government.

(b) Borrowings

The Company borrowed Rs.1.57 crore (Factory loan: Rs.70 lakh; Plantation loan: Rs.86.80 lakh) during 1993-94 to 1998-99 from the Tea Board of India, Calcutta which was guaranteed by the State Government. The whole amount of loan including interest has been repaid by 31 March 2000.

Loss of Rs.3.85 lakh due to retaining loans in term deposit.

³ Jhumias are nomadic tribal people who for their sustenance move from one place to another.

Records revealed that the Factory loan of Rs.70 lakh was kept in short term bank deposits from April 1996 to March 1997 @ 8 per cent per annum and Rs.5.60 lakh accrued on this account as interest. But Rs.9.45 lakh was paid to the lender as interest @ 13.5 per cent per annum for the aforesaid period resulting in a loss of Rs.3.85 lakh.

(c) *Budgetary control*

The Agriculture Department of the State Government released funds to the Company by acquiring equity shares.

Significant gaps between allotment of funds (Rs.7.12 crore) and corresponding release (Rs.6.32 crore) therefrom were noticed during 1993-94 to 1999-2000. The State Government had not released funds (Rs.0.80 crore) as per budget provisions and retained the funds in 8449-Other Deposits.

8.2.5 *Diversion of funds*

Expenditure of Rs.16.13 lakh incurred was not related to plantations.

Out of the total plantation loan of Rs.86.80 lakh received from the Tea Board of India, Calcutta during 1993-94 to 1998-99 it was noticed that a loan of Rs.57 lakh (April 1993) for plantations and Rs.5 lakh (April 1993) as subsidy for creation of new plantation (285 hectares) were received by the Company and the entire sum was retained in its current account till 5 February 1996 without opening a separate bank account.

Out of this amount, the Company spent Rs.16.13 lakh on payment of salaries, wages and other recurring expenditure not relating to plantations resulting in diversion of funds from the loan amount.

8.2.6 *Finalisation of accounts*

Accounts were in arrears for the last 17 years.

As on March 2000, the accounts of the Company were in arrear for the last 17 years as the Company had not finalised its accounts from 1983-84.

8.2.7 *Financial position and working results*

Financial position and working results of the Company during 1993-94 to 1998-99 based on provisional accounts were as under—

(a) *Financial position (Provisional)*

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
	(R u p e e s i n l a k h)					
A. Liabilities						
(a) Paid-up Capital	457.29	530.86	574.86	670.42	774.42	821.14
(b) Grants and Subsidies	31.94	31.94	31.94	46.15	60.16	61.66
(c) Borrowings	61.88	61.88	131.88	143.24	153.24	161.68
(d) Trade dues and Current liabilities	0.60	0.20	0.20	—	0.41	0.12
Total A:	551.71	624.88	738.88	859.81	988.23	1044.60
B. Assets						
(a) Gross block	536.53	602.88	634.07	758.11	882.47	934.60
(b) Less Depreciation	—	—	—	—	—	—
(c) Net Assets	—	—	—	—	—	—
(d) Current Assets, Loans and Advances	14.78	21.60	104.41	101.30	105.36	109.60
(e) Preliminary expenses to the extent not written off	0.40	0.40	0.40	0.40	0.40	0.40
Total B:	551.71	624.88	738.88	859.81	988.23	1044.60
C. Capital Employed	69.73	128.31	240.75	328.78	466.29	529.20

(b) *Working results*

On the basis of the provisional accounts (on cash basis) for the 6 years up to 1998-99 the working results of the Company are summarised below—

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	Total
	(R u p e e s i n l a k h)						
Administrative expenses	24.28	21.86	12.78	42.18	23.87	24.56	148.93
Income generated	5.87	6.27	11.22	9.08	33.38	31.81	97.63
Profit(+)/Loss(-)	(-) 18.41	(-) 14.99	(-) 1.56	(-) 33.10	(+) 9.51	(+) 7.25	(-) 51.30

8.2.8 *Non-registration of Tea Estate*

During 1981-82, the State Government allotted land measuring 1100 acres (440 hectares) to MPCCL. This plot of land remained unregistered till March 2000 for non-payment of premium.

Of the allotted land of 440 hectares the Company utilised 318.21 hectares for tea cultivation against the target of 425 hectares and 15 hectares was utilised for infrastructure. The reason for not achieving the target as stated by the Corporation was non-availability of funds.

8.2.9 *Implementation of programme*

(i) *Tea plantation*

Targets fixed for plantation as per Annual Plan and the achievements made thereon under Tea Plantation scheme during 1993-94 to 1999-2000 were as under—

Year	Target	Achievement	Shortfall	Percentage of shortfall
Area in hectares				
1993-94	30	26.22	3.78	12.60
1994-95	30	15.00	15.00	50.00
1995-96	50	50.00	—	—
1996-97	15	12.02	2.98	19.86
1997-98	35	30.02	4.98	14.22
1998-99	30	28.00	2.00	6.66
1999-2000	30	10.00	20.00	66.66
Total	220	171.26	48.74	22.15

The shortfall in achieving targets varied between 6.66 and 66.66 per cent. Non-achievement of target was attributed by the Management mainly to paucity of funds. The contention of the Management was not tenable as the plantation loan of Rs.57 lakh and subsidy amounting to Rs.5 lakh were retained in a Current Bank Account till February 1996.

(ii) *Loss to Tea Nursery Farm*

The Company had raised 27.30 lakh seedlings at a cost of Rs.68.41 lakh and planted 21.86 lakh during 1993-94 to 1999-2000. The balance quantity of 5.44 lakh (27.30 lakh minus 21.86 lakh) seedlings could not be utilised, as stated (April 2000) by the Management, because of the poor quality of these seedlings. This had resulted in loss of Rs.13.63 lakh (at the rate of Rs.2,506 per thousand seedlings). This indicated a significantly high rate of failure (20 per cent) while cultivating seedlings.

High mortality was attributed by the Management mainly to climatic condition, natural calamity and improper maintenance of seedlings. But no supporting records in this regard could be produced to audit.

(iii) *Yield of green tea leaves*

The estimated yield and actual yield in 171.26 hectares of tea plantation during 1993-94 to 1999-2000 were as under—

Year	Estimated yield	Actual yield	Shortfall	Sale price per kg	Estimated loss of revenue
(in kilogram)				(In Rupees)	(Rupees in lakh)
1993-94	321368	191724	129644	4.00	5.19
1994-95	358990	224372	134618	4.00	5.38
1995-96	394845	155742	239103	4.00	9.56
1996-97	435760	226226	209534	4.50	9.43
1997-98	495561	498100	—	5.00	—
1998-99	549548	513029	37519	6.00	2.19
1999-2000	628551	505788	122763	7.00	8.59
Total	3184623		872181		40.34

Low production of green tea leaves resulted in estimated loss of Rs.40.34 lakh.

Thus, the total shortfall in yield was 872181 quintals of green tea leaves during 1993-94 to 1999-2000. Low production of green tea leaves resulted in estimated loss of Rs.40.34 lakh. The shortfall represented 27 per cent of the total estimated yield during this period, which was abnormally high.

(iv) Sale of green tea leaves

The sale of green tea leaves during 1993-94 to 1999-2000 along with the selling price per kg and total revenue earned was as under—

Year	Quantity of green tea leaves sold (in kg)	Selling price per kg (Rs.)	Total revenue earned (Rupees in lakh)
1993-94	190000	4.00	7.60
1994-95	227000	4.00	9.08
1995-96	155712	4.00	6.23
1996-97	226226	4.50	10.18
1997-98	498882	5.00	24.74
1998-99	508885	6.00	30.53
1999-2000	505788	7.00	31.59
Total:	2312493		119.95

The Management stated (May 2000) that the Company was compelled to sell the green leaves at a much lower price since there was only one buyer and their own factory had not been commissioned. The Management has not, however, explored the feasibility to sell the leaves outside the State.

(v) Excess expenditure on plantation

Yearwise estimated expenditure vis-à-vis expenditure actually incurred are indicated below—

Year of plantation	Area in hectares	Estimated expenditure		Total	Actual expenditure		Total	Excess(+)/ Less(-)
		Plantation	Maintenance		Plantation	Maintenance		
(R u p e e s i n l a k h)								
1993-94	26.22	8.39	5.24	13.63	60.38	—	60.38	(+)46.75
1994-95	15.00	4.80	3.00	7.80	10.39	21.52	31.91	(+)24.11
1995-96	50.00	16.00	10.00	26.00	0.28	19.52	19.80	(-) 6.20
1996-97	12.02	3.85	2.40	6.25	19.32	30.88	50.20	(+)43.95
1997-98	30.02	9.62	6.01	15.63	7.48	38.36	45.84	(+)30.21
1998-99	28.00	8.96	5.66	14.62	16.13	32.87	49.00	(+)34.38
1999-2000	NA	NA	NA	NA	NA	NA	NA	NA
Total	161.26	51.62	32.31	83.93	113.98	143.15	257.13	(+)173.20

Actual expenditure on plantation exceeded the estimated cost by Rs.1.73 crore.

From the above table it would be observed that during 1993-94 to 1998-99, annual total expenditure on plantation and maintenance exceeded the estimates except during 1995-96. Against the estimated expenditure of Rs.83.93 lakh, the aggregate expenditure was Rs.257.13 lakh and that too for 113.98 hectares plantation against estimated plantation of 161.26 hectares. Thus, actual expenditure exceeded the estimated cost by Rs.173.20 lakh (206 per cent). Average expenditure per hectare incurred was Rs.1.59 lakh as against the norm of Rs.0.52 lakh resulting in excess expenditure of Rs.1.07 lakh per hectare.

(vi) Mortality of plants

After taking into consideration the climatic condition of this region, the mortality rate was fixed at 6 per cent of the plants actually planted during a period/year as stated in the Project Report.

Year-wise details of tea seedlings planted, actual number of mortality and mortality in excess of norm during 1993-94 to 1999-2000 in Manipur Tea Estate, Jiribam is indicated below—

Year	Number of seedlings planted	Actual number of mortality	Permissible number of mortality @ 6 per cent	Mortality in excess of norm	Cost of failed plants	Cost of plants failed in excess of 6 per cent
	(Numbers in lakh)			(Rupees in lakh)		
1993-94	3.42	0.51	0.21	0.30	1.53	0.93
1994-95	1.95	0.29	0.12	0.17	0.87	0.51
1995-96	6.50	0.97	0.39	0.58	2.91	1.74
1996-97	1.56	0.23	0.09	0.14	0.69	0.42
1997-98	3.91	0.59	0.23	0.36	1.77	1.08
1998-99	3.64	0.55	0.22	0.33	1.65	0.99
1999-2000	0.88	0.13	0.05	0.08	0.39	0.24
Total :	21.86	3.27	1.31	1.96	9.81	5.91

The average mortality rate was 15 per cent against the norm of 6 per cent. Thus, the Company had sustained a loss of Rs.5.91 lakh during the aforementioned years.

Reasons for the high mortality was attributed by the Management (April 2000) to climatic features, natural calamity and lack of proper maintenance.

The contention of the Management was not tenable as the Project Report took into consideration the climatic features. This showed lack of supervision and control in maintenance of the tea estates.

8.2.10 Setting up of Tea Factory

With a view to arresting the sale of green leaves at un-remunerative prices the Board of Directors of MPCCL, on the recommendation of the Tea Board decided (October 1992) to set up a tea factory in Manipur Tea Estate at Jiribam at an estimated cost of Rs.2.02 crore.

An agreement deed on construction work including installation and commissioning of the tea factory was signed (June 1995) with a Calcutta based firm at the tendered value of Rs.2.06 crore to be completed by January 1997 i.e. 10 months from the date of release of 1st instalment of advance.

The terms and conditions of the agreement *inter alia* envisaged payment of advance of Rs.30 lakh within 30 days from the date of finalisation of agreement and also payment of price escalation by the MPCCL.

Due to delay in payment, the Company was liable to pay price escalation of Rs.7.72 lakh.

The MPCCL failed to pay the advance within the agreed period (July 1995). Advance of Rs.30 lakh was paid in March 1996. Thus the payment was delayed by seven months. Consequently, the Company was liable for price escalation of Rs.7.72 lakh up to the end of March 2000, and Rs.2.14 crore has been paid (March 2000) against tendered value of Rs.2.06 crore. Ninety *per cent* of the work was reported to have been completed till November 2000.

As a result of non-completion of the factory, the company sustained loss of Rs.82.50 lakh during 1995-96 to 1999-2000 at the rate of Rs 16.50 lakh per year as envisaged in the Project Report.

8.2.11 Abandonment of coffee plantation scheme

According to the Project Report, approved by the Coffee Board, the Company was to develop coffee plantation in five coffee estates covering 2000 hectares in first phase (1983-84 to 1987-88) and 3000 hectares in the second phase (1988-89 to 1992-93). Against this target, only 373 hectares were brought under coffee cultivation at the end of March 1991. The total investment on these estates was Rs.1.24 crore. Harvesting of coffee crops was last done in 1991-92 with a marginal yield of 2250 kg valued (sale price) at Rs.0.43 lakh.

Further cultivation of coffee was discontinued on the advice of the Coffee Board (March 1990) since there was global surplus production, declining prices in the international market and an almost stagnant domestic consumption.

Investment of Rs.1.24 crore on coffee plantation proved unproductive.

The Company, on the advice of the Planning Commission of India and the Coffee Board abandoned coffee plantation from 1992-93. However, the Company could not avoid recurring financial burden on the pay and allowances of staff even after abandoning the project. Twenty-three staff members employed against regular posts exclusively for coffee plantation were kept idle since 1 April 1992. Expenditure incurred towards payment of salary from 1 April 1992 to 31 March 2000 on these employees worked out to Rs.47.63 lakh.

Thus total investment of Rs.1.24 crore on coffee plantation during 1984-85 to 1992-93 proved unproductive.

8.2.12 Monitoring and evaluation

No mechanism to monitor and evaluate the progress of the schemes was formulated by the Company. The schedule of inspection, prescribing the number of field visits required to be conducted, was not drawn up. There were no reports/returns to ascertain the percentage of inspections carried out. For strengthening the system of monitoring, the State Government had not also formulated any system till date. (November 2000).

8.2.12.1 Internal Audit System

The Company is yet to introduce a Manual laying down accounting procedures and statutory responsibility of staff even though mention was made in paragraph 8.5.6 of the Report of the Comptroller and Auditor General of India for 1988-89 (Government of Manipur). An internal audit system was also not developed.

The last Annual General Body meeting of the Company was held on 11 May 1992, thereafter the Company had not held the AGM. Though as per Section 108 of Memorandum and Articles of Association, the Board shall hold a meeting at least once in every three months and at least four such meeting shall be held in every year.

8.2.12.2 Non-maintenance of records

(a) Inventory control/physical verification of stock

Physical verification of stock was not done since inception.

Inventory Register, showing the position of stock as on 31 March each year was not maintained by the Company and annual physical verification of stock had not been carried out till April 2000. In case of stock of fertilizers, chemicals and other stores physical verification was not done since inception. Details of the stock held could not be made available to audit.

(b) Fixed Assets Register

The Company had not so far maintained any Fixed Assets Register to show full particulars of its fixed assets. Due to non-maintenance of Fixed Assets Register, the value of fixed assets held could not be evaluated.

8.2.13 Conclusion

The targets for increasing areas under tea plantation had not been achieved even after 16-17 years of establishing the Tea Estates. The capital structure of the Company has been totally eroded by losses over the years. The factors responsible for the losses were payment of salary on idle staff of Coffee estates, poor yield in production, low sales, delay in construction of tea processing factory and lack of monitoring. Efforts should be made to achieve the target in tea plantation. High mortality rate of the seedlings/plants should be arrested by taking proper care. The tea factory at Jiribam should be set up immediately. Idle staff of the coffee plantation should be utilised properly.

8.2.14 The above points were referred to Government (August 2000); reply had not been received (November 2000).

POWER DEPARTMENT

8.3 Generation, transmission and distribution of power

Highlights

Target for generation of power could not be achieved in any year during 1994-95 to 1999-2000. The shortfall ranged from 33.17 to 84.50 per cent.

(Paragraph 8.3.5.1)

Expenditure of Rs.10.66 crore incurred on seven Micro Hydel Projects shut down/abandoned proved infructuous.

(Paragraph 8.3.7)

Transmission loss of 316.902 MU valued at Rs.50.91 crore was in excess of maximum permissible of 15.5 per cent.

(Paragraph 8.3.9.1)

There was loss of revenue due to theft of conductors and other line material valued at Rs.2.16 crore.

(Paragraph 8.3.9.2)

Loss incurred by the Department due to less billing was Rs.71.28 crore.

(Paragraph 8.3.11)

There was locking up of funds amounting to Rs.5.04 crore and loss of interest of Rs.1.06 crore due to excess procurement of store material, plants and machinery.

(Paragraphs 8.3.12.1)

Surcharge amounting to Rs.3.86 crore was not recovered from NHPC.

(Paragraph 8.3.12.3)

8.3.1 Introduction

The State of Manipur depends primarily on power allocated from Central Sector Power Plants in the North East Region for its power requirements.

The number of power consumers in Manipur increased from 1,25,728 in 1994-95 to 1,50,938 in 1999-2000 and the demand for energy increased from 324.1 MU in 1994-95 to 529.0 MU in 1999-2000. However, generation of power by the State Government fell from 2.747 MU in 1994-95 to 1.236 MU in 1999-2000. During

this period energy allocated by Central Power Plants and purchased from all sources rose from 271.28 MU to 449.13 MU. The demand for energy outstripped supply from all sources by 8.01 per cent to 15.45 per cent during 1994-2000 (*Appendix LVII*).

To cope with power supply shortages, the Government of Manipur has taken up two Hydel Projects as a long-term measure viz. (i) Irang HE Project (4 x 15 MW) and (ii) Barak HE Projects (3 x 30 MW) in Tamenglong District during 1983-84. As a short-term measure, one Heavy Fuel Based Power Project (6 x 6 MW) at Leimakhong in Senapati District, funded under Non-Lapseable Central Resource Pool with a project cost of Rs.126 crore, was taken up during 1977-98. NEC⁴ funds were awaited (March 2000) for completion of survey and investigation work of Irang HE Project and for starting survey and investigation work of Barak HE Project. The Heavy Fuel Based Power Project was yet to be commissioned (November 2000).

8.3.2 *Organisational set-up*

The Chief Engineer, (Power) heads the Power Department. He also functions as Electrical Inspector of the State as per provisions under Indian Electricity Act, 1910 and Rules made thereunder. He is assisted by two Additional Chief Engineers (Power), one Additional Chief Engineer (Civil), eight Superintending Engineers on technical matters and one Financial Advisor. There are 33 Divisions under nine circles including five Transmission divisions headed by Executive Engineers.

8.3.3 *Scope of audit*

The review on Generation, transmission and distribution of power was included in the Report of the Comptroller and Auditor General of India for year ended March 1994. The review has been discussed by PAC in 1996-97, however, recommendations are awaited (December 2000). The present review conducted during the period March-June 2000 covers the generation, transmission and distribution of power in the State for the period from 1994-95 to 1999-2000. For this purpose test-check of records was carried out in the Office of the Chief Engineer (Power), Additional Chief Engineer (Power) II, Five Superintending Engineers and twelve Executive Engineers covering Revenue cum Maintenance Divisions, Working Divisions, Transmission Construction and Sub-Station Construction Divisions and Generation Divisions.

8.3.4 *Financial outlay and expenditure*

The financial outlay and expenditure in respect of Diesel and Hydel Generation, and Transmission and Distribution of Power for the period from 1994-95 to 1999-2000 are given at *Appendix LVIII*.

⁴ North Eastern Council.

Expenditure was not commensurate with the diesel and hydel power generation.

Total expenditure on diesel power generation varied widely from Rs.10.85 crore during 1994-95 to Rs.28.57 crore during 1998-99 and was not commensurate with the quantum of power generated. During 1994-95, 2.696 MU of diesel power was generated at a total cost of Rs.10.85 crore whereas during 1998-99, 0.696 MU of diesel power was generated at a total cost of Rs.28.57 crore.

Total expenditure on hydel power generation also varied from Rs.19.77 crore during 1994-95 to Rs.9.74 crore during 1998-99. Further, it was inconsistent with the quantum of hydel power generated. During 1994-95, 0.271 MU of hydel power was generated at a total cost of Rs.19.77 crore, whereas during 1998-99, only 0.127 MU of hydel power was generated at a total cost of Rs.9.74 crore.

Proforma accounts were not prepared by the Chief Engineer (Power) since 1994-95.

The Chief Engineer (Power) did not prepare Proforma Accounts in respect of the Power Department for purchase, generation, transmission and distribution of power since 1994-95. The reason for non-finalisation of accounts was stated to be mainly due to non-availability of approved average rate of interest on capital outlay in commercial departments. The general average rate of interest was not obtained from the Ministry of Finance, Department of Economic Affairs, New Delhi (June 2000).

8.3.5.1 Physical targets and achievements

The table below indicates the annual target and achievement for generation of power both Diesel and Hydel during the period from 1994-95 to 1999-2000.

Year	Item	Target (MU)	Achievement ⁵ (MU)	Percentage of shortfall
(1)	(2)	(3)	(4)	(5)
1994-95	Diesel	4.800	2.477	48.40
	Hydel	0.530	0.270	49.06
1995-96	Diesel	2.846	1.902	33.17
	Hydel	0.515	0.197	61.75
1996-97	Diesel	1.801	1.805	—
	Hydel	0.200	0.132	34.00
1997-98	Diesel	2.000	0.649	67.55
	Hydel	0.200	0.031	84.5
1998-99	Diesel	2.378	0.630	73.51
	Hydel	0.705	0.127	81.99
1999-2000	Diesel	2.426	0.829	65.83
	Hydel	0.705	0.407	42.27

Shortfall in generation of power ranged from 33.17 to 84.50 per cent.

The department could not achieve the generation target in any year. The shortfall ranged from 33.17 to 84.50 per cent during the last six years (1994-2000). The Superintending Engineer (Planning and Design) stated (November 2000) that generation of power under Hydel and Diesel was a standby measure and there was no consequential shortfall in generation, on the other hand, there was saving as generation cost was higher than the purchase cost. However, it was noticed in

⁵ Net i.e. energy generated – auxiliary consumption

Audit that several DG sets were defective, as commented in the subsequent paragraphs.

8.3.5.2 Operational performance

The operational performance of the Diesel and Micro Hydel Power Houses during 1994-95 to 1999-2000 are given in *Appendix LIX*.

8.3.6 Diesel Power Generation (DPG)

The table below indicates the operational performance of the Diesel Power Generation sets during the period from 1994-95 to 1999-2000—

Year	Number of power houses in existence	Number of DPG sets in existence	Number of power houses in operation	Number of DPG sets in operation	Gross unit generated (MU)
(1)	(2)	(3)	(4)	(5)	(6)
1994-95	22	42	10	27	2.696
1995-96	22	42	9	21	1.961
1996-97	22	42	6	17	1.899
1997-98	22	42	5	19	0.7077
1998-99	23	43	8	24	0.6957
1999-2000	23	43	5	19	0.8750

Test-check of records relating to Diesel Power Generation revealed that the number of DPG sets in operation during 1994-2000 ranged between 17 and 27. The balance sets were defective. During the last six years, 8.8344 MU of power was generated against the target of 16.251 MU, resulting in a shortfall of 46 per cent.

8.3.6.1 Idle DPG sets

Scrutiny of records revealed that seven numbers defective DPG sets (total cost: Rs.150 lakh) were lying idle in Imphal DG Power House for periods ranging from 13 to 19 years as on 31 March 2000 as shown below—

Description of DG sets	Year of installation	Year from which lying out of order
1. 1100 KVA SKL DG Set 990 KW	1978	1987
2. 1100 KVA SKL DG Set No.I	1978	1987
3. 460 KVA GRSE DG Set No.1	1980	1981
4. 460 KVA GRSE DG Set No.2	1980	1981
5. 730 KVA SKODA DG Set 657 KW	1968	1983
6. 248 KW Kirloskar DG Set No.6 (old)	1979	1985
7. 248 KW Kirloskar DG Set No.8 (old)	1980	1984

The department did not take any steps to repair or dispose the DPG sets.

8.3.7 *Hydel Power Generation*

Infructuous expenditure of Rs.10.66 crore on account of shut down/abandonment of 7 Micro Hydel projects.

Mention was made in paragraph 8.5.8 of the Report of the Comptroller and Auditor General of India for the year ended March 1994 regarding eight Micro Hydel Projects taken up for construction in four districts of Manipur (seven prior to 1987-88 and one during 1987-88) originally targeted to be completed during 1980-81 to 1990-91, with a total installed capacity of 6 MW.

The year of commencement, estimated cost, targeted year of completion, expenditure incurred up to March 2000 and the physical progress achieved as on 31 March 2000 in respect of each of these projects are given in *Appendix LX*.

Four projects were shut down (Leimakhong Hydel Project Stage II in September 1985, Nungsangkhong Hydel Project in July 1990, Lokchao Hydel Project in May 1991 and Gelnel Hydel Project in 1995), two were abandoned (Booning Hydel Project in 1992 and Keithelmanbi Hydel Project in 1983), one was yet to be commissioned (Leimakhong Hydel Project Stage III) and the installed capacity of Maklang Hydel Project was proposed to be increased over the initial capacity only after the construction of preliminary works were completed.

As a result of shut down, abandonment and change of design, the entire expenditure of Rs.10.66 crore incurred on the seven hydel projects proved infructuous.

8.3.8 *Cost of generation of power*

The cost of generation of power during 1994-95 to 1999-2000 in respect of Diesel Power Houses are given in *Appendix LXI*.

The power generated fell from 2.696 MU in 1994-95 to 0.6957 in 1998-99 and the cost per unit of power generated increased from Rs.3.25 in 1994-95 to Rs.6.32 in 1998-99.

The information regarding cost of generation of power in respect of Hydel Power Houses could not be made available by the department.

8.3.9 *Transmission and Distribution*

Electricity is generated at the stations at 11 KV (11000 volts) and then stepped up by power transformers to 440/220/132 KV or 66 KV and transmitted to sub-transmission and distribution sub-stations where it is stepped down to 66 KV, 33 KV and 11 KV.

(a) Year-wise existence of sub-stations and year-wise target and achievement in construction of sub-stations are given in table I and II of *Appendix LXII*.

There were shortfalls in construction of sub-stations in each year except during 1997-98 and 1998-99 (other than 11/0.4 KV S/S). This was attributed to paucity of funds.

8.3.9.1 *Transmission and Distribution (T&D) loss*

Transmission and Distribution loss in excess of permissible limit of 15.5 per cent was 16.902 MU valued at Rs.50.91 crore.

Test-check of records revealed that during the period 1994-2000, the T&D losses varied from 21.5 per cent to 61.5 per cent which was significantly higher than the prescribed CEA norm of 15.5 per cent. The total loss in excess of 15.5 per cent during the six years ending 31 March 2000 was 316.902 MU valued at Rs.50.91 crore (Appendix LIX).

The main factors leading to such T&D loss were attributed to pilferage of energy by way of tapping and hooking, non-metering of energy and ever increasing loads in the already overloaded existing Sub-Transmission and Distribution systems.

8.3.9.2 *Theft of conductors/line material*

Loss of Rs.2.16 crore in four Divisions on account of theft of conductors/line material etc.

(i) The department suffered a loss of Rs.1.91 crore due to theft of 927.83 km of ACSR (Weasel) Conductor, 665 number of steel poles, 54 transformers (1 number 100 KVA, 12 number 63 KVA and 41 number 25 KVA) and other allied line material pertaining to Churachandpur Division, during an ethnic clash in 1997-98.

(ii) During 1995-2000, there were 26 theft cases in Transmission Construction Division I and II, Imphal causing a loss of Rs.21.10 lakh to the department.

(iii) During 1994-95 to 1997-98, ACSR (Weasel), AAC (Gnat) Conductors valued at Rs.4.03 lakh in Yairipok Sub-Division of the Thoubal Electrical Division Thoubal were stolen.

Thus, the Department lost Rs.2.16 crore on account of theft in four Divisions.

8.3.10 *Infructuous expenditure on erection and commissioning of Hydel sets at Leimakhong Stage III*

The work of "Erection and Commissioning of 2 x 500 KW (Jyoti make) Hydel sets at Leimakhong Hydel Project Stage III" was awarded to M/s Swamina International Pvt. Ltd., Calcutta (October 1997) by the Superintending Engineer (Purchase). The firm was to hire engineers/technical staff for 60 days (working days with minimum 8 hours per day) at a total cost of Rs.4.59 lakh.

Scrutiny of records (June 2000) of the EE Civil Division No. III revealed that the Division had paid (June-August, 1998) an amount of Rs.9.24 lakh to the contractor for the staff hired beyond the stipulated 60 days (3.11.1997 to 3.6.1998). However, the work of erection and commissioning was not completed. Thus, the Division incurred extra expenditure of Rs.4.65 lakh without completing the work. As a result, the entire expenditure of Rs.9.24 lakh was rendered infructuous.

8.3.11 *Loss of revenue due to less billing*

During the years from 1994-95 to 1999-2000 the total energy sold to consumers was 1590.432 MU; out of which 1013.316 MU was billed to the consumers.

The loss incurred by the Department due to less billing was Rs.71.28 crore as shown below—

Loss of Rs.71.28 crore due to less billing.

Year	Energy sold (MU)	Energy billed (MU)	Difference (MU)	Rate per unit (Rupees)	Amount (Rupees in lakh)
(1)	(2)	(3)	(4)	(5)	(6)
1994-95	213.738	117.820	95.918	0.92	882.45
1995-96	247.315	101.950	145.365	1.12	1628.09
1996-97	286.381	118.410	167.971	1.12	1881.28
1997-98	322.181	322.181	—	1.12	—
1998-99	347.317	179.889	167.428	1.63	2729.08
1999-2000	173.500	173.066	0.434	1.63	7.07
Total:	1590.432	1013.316	577.116	—	7127.97

8.3.12 Other points

8.3.12.1 Locking up of funds due to purchase of store material without any immediate requirement

(a) Test-check of records of the EE, Sub-station Construction Division No.I, Yurembam revealed that equipment/tools and plants valued at Rs.3.31 crore for major items like 5 MVA, 3.15 MVA Transformers, 11 KV Switch gear, 33 KV panel feeder, battery sets *etc.* were lying unutilised since 1996. In some cases the equipment, tools and plants were found damaged due to prolonged storage and exposure to sun/rain.

Hence, procurement of material without immediate requirement resulted in locking up of funds of Rs.3.31 crore and loss of interest of Rs.68.27 lakh.

Locking up of funds of Rs.1.73 crore on poles procured in September 1995.

(b) Test-check of records of Transmission and Construction Division No.I, Imphal revealed that 3547 numbers of swaged type steel tubular poles (designated 410 SP-48) along with suitable base plates and caps valued at Rs.3.67 crore were procured from a New Delhi based firm (M/s Siddhartha Steel Pvt. Ltd.) in September 1995. Out of which, 1871 numbers of poles were issued to work leaving a balance of 1676 numbers (May 2000) valued at Rs.1.73 crore. Hence, this amount was blocked after September 1995 resulting in loss of interest of Rs.37.85 lakh.

8.3.12.2 Unspent Government money with Manipur State Power Development Corporation (MSPDC)

Test-check of records (June 2000) of the Generation Division, Imphal revealed that during 1996-97 and 1997-98, the MSPDC received a sum of Rs.8.48 crore from the Government of Manipur as subsidy for the project "Heavy Fuel Based Power Plant at Leimakhong". Out of this, expenditure of Rs.8.05 crore was incurred by the MSPDC leaving an unspent balance of Rs.42.86 lakh as on 31 March 1999 in its Current Account with SBI, Imphal.

The Project was transferred from MSPDC to the State Government in July 1998. But the unspent balance of Rs.42.86 lakh was not transferred to the Power Department so far (June 2000).

8.3.12.3 *Surcharge recoverable from NHPC*

Surcharge of Rs.3.86 crore was not recovered from NHPC.

Test-check of records of Sub-station Construction Division No. I, Yurembam revealed that the department made payment of Rs.117.30 crore to NHPC against the energy charge of Rs.115.22 crore for the period from June 1983 to October 1997. Thus, there was an excess payment of Rs.2.08 crore (Rs.117.30 crore – Rs.115.22 crore). Further, NHPC received direct payment of Rs.16.97 crore through Central Plan Assistance (CPA) on account of surcharge for late payment (@ 2 per cent per month) during April 1992 to October 1997 against the actual due of Rs.8.59 crore from the State Government resulting in excess payment of surcharge of Rs.8.38 crore (Rs.16.97 crore – Rs.8.59 crore). Thus, NHPC had received excess payment of Rs.9.23 crore after adjustment of Rs.1.23 crore being excess recovery on account of royalty, Manipur Tax etc. (Rs.2.08 crore + Rs.8.38 crore – Rs.1.23 crore). However, NHPC had released only Rs.3 crore on *ad hoc* basis in March 1998. Surcharge recoverable from NHPC was Rs.3.86 crore⁶ as on 31 March 2000.

8.3.13 *Conclusion*

The State of Manipur generates only 0.23 per cent of its power requirement. The Diesel sets are only to be used in case of failure of supply by Grid Power. The Hydel Projects were either abandoned or not commissioned in time. Transmission and distribution loss was higher than accepted norm of 15.5 per cent, ranging from 21.5 to 61.5 per cent. Hence, the State needs to improve its transmission and distribution network and enhance its generation capacity. The difference between energy billed and energy available for sale was more than 65 per cent, resulting in revenue loss of Rs.71.28 crore. A complete overhaul of the Transmission and Distribution System is required to reduce losses. Theft of power should be checked and meters installed. Internal generation of power is required to be increased by augmentation/revival of the hydel projects and by operationalising the Diesel Generation systems

8.3.14 The above points were referred to Government (August 2000); reply had not been received (November 2000).

⁶ (1) Surcharge on Rs.9.23 crore @ 2 per cent from November 1997 to February 1998 = Rs.0.74 crore
 (2) Surcharge on Rs.6.23 crore @ 2 per cent from March 1998 to March 2000 = Rs.3.12 crore
 Total Rs.3.86 crore.

SECTION 'B' PARAGRAPHS
AGRICULTURE DEPARTMENT

MANIPUR AGRO INDUSTRIES CORPORATION LIMITED

8.4 Blockage of funds

Transactions made in non-scheduled bank led to blockage of funds of Rs.24.14 lakh

The Company maintained a current bank account with the Manipur Industrial Co-operative Bank Ltd (MICBL), a non-scheduled bank. Test check of records (December 1999 to January 2000) revealed that the Company kept Rs.6.04 lakh in the MICBL in short term deposit schemes (Rs.3.04 lakh for 91 days from 24.11.83 and Rs.3 lakh for 15 months from 2.8.83), which (the principal amounts) were renewed for the period up to June 1987. On maturity (June 1987), the Company neither withdrew the amount nor renewed the deposits. As on 31st May 1988, the Company had a balance of Rs.24.14 lakh (Rs.17.72 lakh in the current account, Rs.6.04 lakh under fixed deposits scheme and Rs.0.38 lakh as interest accrued on the fixed deposits) with the MICBL. No transaction with the bank was carried out since May 1988. However, when the MAICL sought withdrawal (22 July 1996) of Rs.24.14 lakh as per direction of the Government, the bank authority stated (30 July 1996) that the financial position of the bank had deteriorated since 1984 and it was not in a position to repay the amount. The bank authority further stated that it had prepared (July 1996) a 10 years time-bound action plan with the approval of the Government (May 1996) for repayment of the frozen deposits.

Thus, opening a current account and fixed deposit accounts in a non-scheduled bank led to blockage of funds of Rs.24.14 lakh, besides loss of interest of Rs.7.42 lakh (up to November 2000).

The Company stated (October 2000) that legal notice has been served to the bank in June 2000.

The matter was referred to Government (October 2000); reply had not been received (November 2000).

8.5 Avoidable expenditure

Excess expenditure of Rs.5.36 lakh for purchase of seeds

It was noticed during test check of records (December 1999) of the Company that it procured vegetable seeds valued at Rs.14.94 lakh between September 1997 and April 1998, placing 3 supply orders during August 1997 to April 1998 on a

Manipur based private firm. However, the Corporation neither invited competitive quotations nor made any enquiry with the National Seeds Corporation Ltd (NSC), Guwahati to ensure fairness and reasonableness of rates. Further, the supply orders did not contain the rates at which the seeds were to be supplied.

The rates charged by the firm, for the seeds, were significantly higher than the rates determined by NSC in the same period. This resulted in excess expenditure of Rs.5.36 lakh as shown in the *Appendix LXIII*.

The matter was reported to Government (August and October 2000); reply had not been received (November 2000).

COMMERCE AND INDUSTRIES DEPARTMENT

MANIPUR CYCLE CORPORATION LIMITED

8.6 Idle expenditure

Expenditure Rs.33.27 lakh was incurred on pay and allowances, bonus etc. of the idle staff of the Corporation

Mention was made in para 8.5.4 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1993 regarding taking over of the Manipur Cycle Corporation (MCC), originally a private limited company, by the State Government (1985) without conducting a feasibility study or critical examination of the Detailed Project Report, despite categorical advice of the Planning Commission and a reputed private manufacturer about its non-viability at the contemplated production levels.

It was noticed during test-check of records of the Company (November-December 1999) that it sustained losses since inception which continued even after it was taken over by the Government in 1985. The Government instructed (October 1991) the MCC to initiate action for its amalgamation with the Manipur Electronic Development Corporation (MANITRON) to facilitate commercial manufacture of cycles on a competitive basis as well as to meet MANITRON's requirement for the engineering skills of the MCC and use of the large building of the Corporation. Accordingly, the Board of Directors (BoD) of the MCC resolved (December 1991) in its extra ordinary General Body meeting to amalgamate it with the MANITRON. But the amalgamation could not take place without the recommendation of the State Cabinet Committee (SCC). Subsequently, on the recommendation of the SCC (14 March 1996), the BoD resolved (19 March 1996) to wind up the MCC and transfer the assets, liabilities and workers to MANITRON. No action in this regard has been taken.

Since 1992-93, MCC did not carry out any commercial activity. However, it continued to retain the idle staff and incurred expenditure of Rs.33.27 lakh during 1992-93 to 1999-2000 (up to November 1999), on pay and allowances, bonus, wages, leave salary and gratuity etc. (indicated in *Appendix LXIV*). Besides, the plant and machinery of the factory valued at Rs.10.11 lakh, awaiting transfer/disposal, also remained idle.

Thus, delayed action/inaction on the part of the Government/MCC led to wasteful expenditure of Rs.33.27 lakh on idle staff. Further, plant and machinery valued at Rs.10.11 lakh was lying idle and deteriorating with the passage of time.

The Managing Director of MCC stated (November 2000) that action for winding up had already been initiated and 9 (nine) workers were retrenched. No other action taken towards winding up have been intimated.

The matter was referred to Government (September and November 2000); reply had not been received (November 2000).

POWER DEPARTMENT

8.7 Non-recovery of penalty

Non-recovery of penalty of Rs.9.51 lakh resulted in loss to the Government

Administrative approval and expenditure sanction of Rs.2.29 crore (March 1998) and Rs.2.44 crore (January 1999) was accorded by the Government of Manipur for procurement of 47,000 and 50,000 single phase pilfer proof energy meters from M/s Elymar Electronics, New Delhi and M/s Capital Power System Ltd., Noida respectively. Supply orders were issued to both the firms (March 1998 and January 1999 respectively) with instructions (Clause VI of agreement) to complete the delivery within six months by supplying 8,333 meters (minimum) per month from the date of receipt of the order. According to contract a penalty at the rate of 0.5 per cent per week of the tendered value subject to a maximum of 5 per cent of the value of undelivered material (within the stipulated date) was leviable.

Test-check of records (January 1999 and May 2000) of the Store Division, Yurembam (Consignee) revealed that only 54,000 energy meters were supplied (M/s Elymer Electronics: 24,000 and M/s Capital Power System Ltd.: 30,000) within the stipulated date. The balance quantity (with a short supply of 96) of 42,904 was supplied after the stipulated date (27 weeks by Capital Power system Ltd. and 2 to 74 weeks by Elymer Electronics) as shown in *Appendix LXV*. Reasons for delay in delivery were not available. No extension of time was sought for by the suppliers.

However, the penalty of Rs.9.51 lakh recoverable from the suppliers (M/s Elymer Electronics: Rs.4.63 lakh + M/s Capital Power System Ltd.: Rs.4.88 lakh) was not claimed by the Power Department.

Thus, failure of the Department to recover penalty from the suppliers resulted in loss of Rs.9.51 lakh to the Government.

The matter was referred to Government (August 2000); reply had not been received (November 2000).

Imphal
The

Roy Mathrani

(ROY MATHRANI)
Accountant General (Audit) Manipur

Countersigned

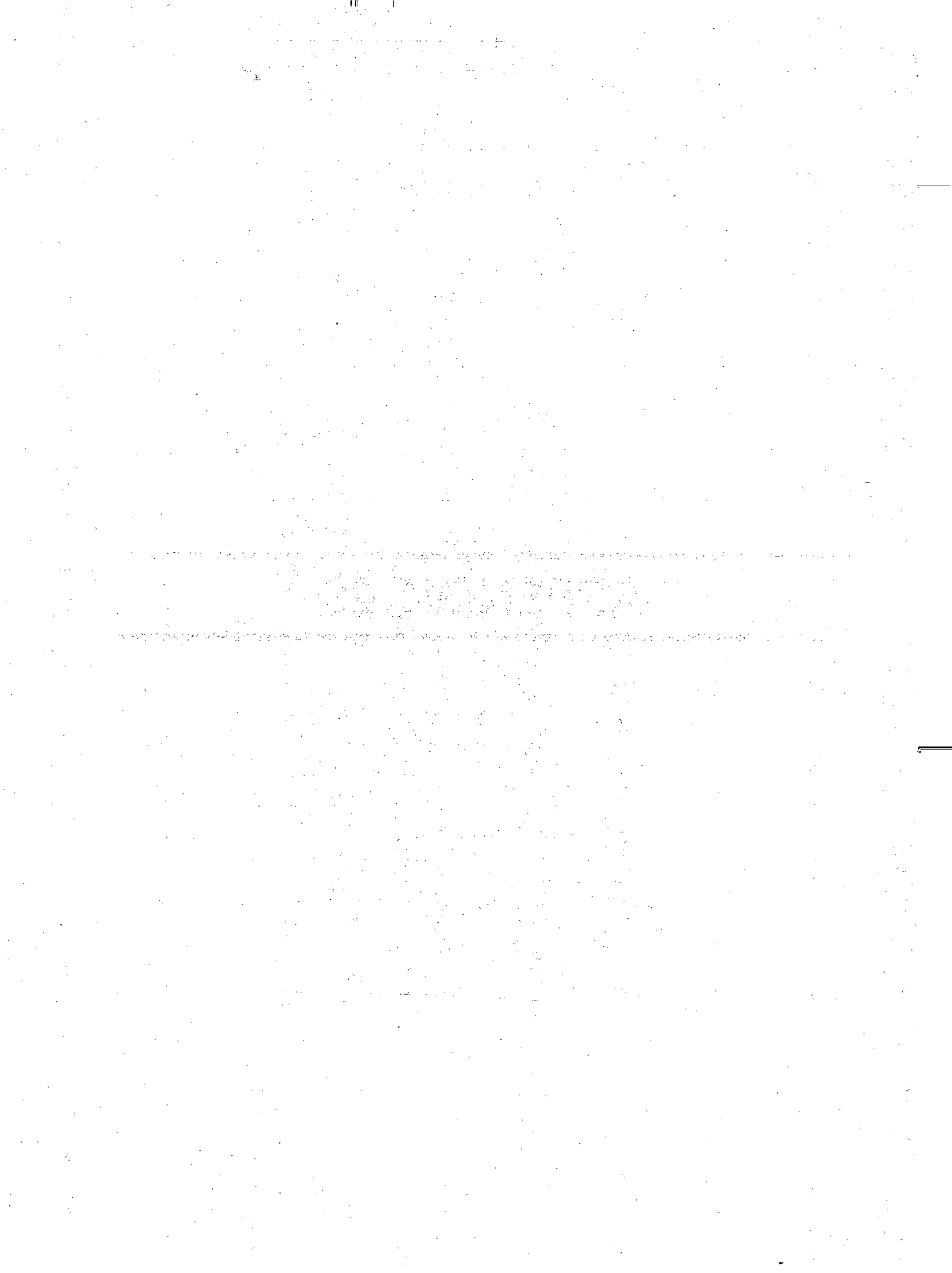
New Delhi
The

V. K. Shunglu

(V.K. SHUNGLU)
Comptroller and Auditor General of India



APPENDICES



APPENDIX I

(Referred to in Paragraph 1.1; page 1)

Statement showing the structure of Government Accounts

Part-A - Government Accounts

I. Structure

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

Part-I Consolidated Fund

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

Part-II Contingency Fund

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

Part-III Public Account

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

II. Form of Annual Accounts

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

(Referred to in paragraph 1.11.2 at page 15)

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

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

APPENDIX II

(Referred to in paragraph 2.3.3 at page 25)

Cases where supplementary provisions were wholly unnecessary

Sl. No.	Number and name of grant/appropriation	Original grant/appropriation	Supplementary grant/appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(R u p e e s i n l a k h)					
Revenue—(Voted)					
1.	9-Information and Publicity	247.98	6.21	235.11	19.08
2.	12-Municipal Administration, Housing and Urban Development	496.66	423.51	271.12	649.05
3.	38-Panchayat	511.08	372.42	293.43	590.07
4.	43-Horticulture and Soil Conservation	2283.05	591.17	2163.37	710.85
Revenue—(Charged)					
5.	Finance Department	0.02	4.35	—	4.37
Total:		3538.79	1397.66	2963.03	1973.42
Capital—(Voted)					
6.	10-Education	3.50	1337.00	—	1340.50
7.	11-Medical, Health and Family Welfare	—	17.47	—	17.47
8.	41-Art and Culture	538.15	8.38	—	546.53
Total:		541.65	1362.85	—	1904.50
Grand total:		4080.44	2760.51	2963.03	3877.92

APPENDIX III

(Referred to in paragraph 2.3.4 at page 25)

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

Sl. No.	Number and name of grant/appropriation	Original provision	Expenditure	Additional requirement	Supplementary provision obtained	Saving
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(R u p e e s i n l a k h)						
	Revenue-(Voted)					
1.	1- State Legislature	525.45	614.33	88.88	146.55	57.67
2.	2- Council of Ministers	174.40	201.28	26.88	47.44	20.56
3.	3- Secretariat	1538.41	2127.76	589.35	672.66	83.31
4.	6- Transport	125.46	212.68	87.22	137.17	49.95
5.	7- Police	8979.68	16982.39	8002.71	9062.31	1059.60
6.	8- Public Works Department	4780.35	5412.62	632.27	1411.78	779.51
7.	10- Education	20851.00	31418.65	10567.65	17793.41	7225.76
8.	11- Medical, Health and Family Welfare Services	5281.49	7467.37	2185.88	3313.31	1127.43
9.	13- Labour and Employment	302.92	422.64	119.72	142.03	22.31
10.	14- Development of Tribal and Backward Classes	4028.20	4155.26	127.06	2327.00	2199.94
11.	15- Food and Civil Supplies	425.67	546.83	121.16	168.90	47.74
12.	16- Co-operation	513.75	824.20	310.45	403.05	92.60
13.	17- Agriculture	1473.18	2475.76	1002.58	1091.92	89.34
14.	18- Animal husbandry and Veterinary including Dairy Farming	1645.32	2606.70	961.38	1035.15	73.77
15.	19- Forestry and Soil Conservation	1716.81	2279.93	563.12	645.76	82.64
16.	22- Public Health Engineering	1793.62	1973.73	180.11	261.63	81.52
17.	25- Youth Affairs and Sports Department	726.37	814.04	87.67	131.58	43.91
18.	26- Administration of Justice	349.81	487.87	138.06	181.71	43.65
19.	27- Election	426.03	1037.46	611.43	686.51	75.08
20.	28- State Excise	403.02	790.89	387.87	408.87	21.00
21.	31- Fire Protection and Control	246.96	494.39	247.43	361.12	113.69
22.	32- Jails	369.69	523.50	153.81	250.99	97.18
23.	35- Stationery and Printing	201.66	302.30	100.64	123.10	22.46
24.	37- Fisheries	675.22	1035.70	360.48	380.18	19.70

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(R u p e e s i n L a k h)						
25.	40- Irrigation and Flood Control Department	2021.75	2497.91	476.16	1303.01	826.85
26.	45- Tourism	88.56	120.08	31.52	43.58	12.06
27.	46- Science and Technology	126.57	173.48	46.91	129.73	82.82
Total:		59791.35	87999.75	28208.40	42660.45	14452.05
28.	Revenue--(Charged) Appropriation 1- Governor	115.74	129.73	13.99	27.22	13.23
29.	Appropriation 3- Manipur Public Service Commission	82.20	95.04	12.84	24.47	11.63
Total:		197.94	224.77	26.83	51.69	24.86
Capital--(Voted)						
30.	7- Police	452.63	672.67	220.04	517.43	297.39
31.	16- Co-operation	3.06	384.24	381.18	719.07	337.89
32.	22- Public Health Engineering	5134.62	5837.96	703.34	1178.47	475.13
33.	36- Minor Irrigation	386.35	454.65	68.30	665.65	597.35
Total:		5976.66	7349.52	1372.86	3080.62	1707.76
Grand total:		65965.95	95574.04	29608.09	45792.76	16184.67

APPENDIX IV

(Referred to in paragraph 2.3.5 at page 25)

Statement showing the details of excess over grants/appropriations

Sl. No.	Number and name of grant/appropriation	Total grant/appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
(I n R u p e e s)				
1.	1-State Legislature (Revenue)-Charged	834000	1105189	271189
2.	Appropriation No.2-Interest Payment and Debt Services (Revenue)-Charged	1301708000	1319645842	17937842
3.	8-Public Works Department (Revenue)-Charged	850000	969451	119451
	Total:	1303392000	1321720482	18328482
4.	4-Land Revenue, Stamps and Registration and District Administration (Revenue)-Voted	308387000	318354902	9967902
5.	5-Finance Department (Revenue)-Voted	691092000	1506343969	815251969
6.	20-Community Development and ANP, IRDP and NREP (Revenue)-Voted	129068000	226674920	97606920
7.	21-Industries and Weights and Measures (Revenue)-Voted	227664000	259679277	32015277
8.	29-Sale Tax, Other Taxes/Duties on Commodities and Services (Revenue)-Voted	16233000	17695428	1462428
9.	33-Home Guards (Revenue)-Voted	38611000	41045046	2434046
10.	34-Rehabilitation (Revenue)-Voted	31233000	34330842	3097842
11.	39-Sericulture (Revenue)-Voted	75346000	81590101	6244101
12.	44-Social Welfare (Revenue)-Voted	171951000	181284085	9333085
	Total:	1689585000	2666998570	977413570
13.	Appropriation No. 2-Interest Payment and Debt Services (Capital)-Charged	5900357000	12905413433	7005056433
	Total:	5900357000	12905413433	7005056433
14.	21-Industries and Weights and Measures (Capital)-Voted	28721000	33696576	4975576
15.	23-Power (Capital)-Voted	1450000000	1857718192	407718192
16.	25-Youth Affairs and Sports (Capital)-Voted	465000	35816000	35351000
	Total:	1479186000	1927230768	448044768
	Grand total:	10372520000	18821363253	8448843253

APPENDIX V

(Referred to in paragraph 2.3.6 at page 25)

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

Sl. No.	Number and name of grant/appropriation	Original provision	Supplementary provision	Total expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)
(R u p e e s i n l a k h)					
1.	Revenue-(Voted) 4- Land Revenue, Stamps and Registration and District Administration	1699.28	1384.59	3183.55	99.68
2.	20- Community Development and ANP, IRDP and NREP	977.70	312.98	2266.75	976.07
3.	21- Industries and Weights and Measures	1171.68	1104.96	2596.79	320.15
4.	29- Sales Tax, Other Taxes/Duties on Commodities and Services	145.23	17.10	176.95	14.62
5.	33- Home Guards	370.22	15.89	410.45	24.34
6.	34- Rehabilitation	23.95	288.38	343.31	30.98
7.	39- Sericulture	566.23	187.23	815.90	62.44
8.	44- Social Welfare	1360.07	359.44	1812.84	93.33
9.	Appropriation 2 Interest Payment and Debt Services (Revenue)-Charged (Capital)-Voted	9872.14	3144.94	13196.46	179.38
10.	21- Industries and Weights and Measures	68.00	219.21	336.97	49.76
11.	(Capital)-Charged Appropriation 2 Interest Payment and Debt Services	24782.33	34221.24	129054.13	70050.56
Total:		41036.83	41255.96	154194.10	71901.31

APPENDIX VI

(Referred to in paragraph 2.3.7 at page 25)

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

Sl. No.	Number and name of grant	Total grant/ appropriation	Amount of saving and its percentage to the provision
(1)	(2)	(3)	(4)
(R u p e e s i n c r o r e)			
1.	7- Police (Capital-Voted)	9.70	2.97 (31)
2.	8- Public Works Department (a) (Revenue-Voted)	61.92	7.80 (13)
3.	(b) (Capital-Voted)	83.29	27.43 (33)
4.	10- Education (a) (Revenue-Voted)	386.44	72.26 (19)
5.	(b) (Capital-Voted)	13.40	13.40 (100)
6.	11- Medical, Health and Family Welfare Services (Revenue-Voted)	85.95	11.27 (13)
7.	12- Municipal Administration, Housing and Urban Development (a) (Revenue-Voted)	9.20	6.49 (71)
8.	(b) (Capital-Voted)	6.69	6.41 (96)
9.	14- Development of Tribal and Backward Classes (Revenue Voted)	63.55	22.00 (35)
10.	23- Power (Revenue-Voted)	77.39	40.37 (52)
11.	30- General Economic Services and Planning (Revenue-Voted)	46.44	33.86 (73)
12.	31- Fire Protection and Control (Revenue- Voted)	6.08	1.14 (19)
13.	36- Minor Irrigation (Revenue-Voted)	7.86	2.75 (35)
14.	38- Panchayat (Revenue-Voted)	8.84	5.90 (67)
15.	39- Sericulture (Capital-Voted)	11.50	11.26 (98)
16.	40- Irrigation and Flood Control Department (a) (Revenue-Voted)	33.25	8.27 (25)
17.	(b) (Capital-Voted)	56.89	17.21 (30)
18.	43- Horticulture and Soil Conservation (Revenue-Voted)	28.74	7.11 (25)
Total:		997.13	297.90

APPENDIX VII

(Referred to in paragraph 2.3.8 (a) at page 25)

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

Sl. No	Number and name of grants	1997-98		1998-99		1999-2000	
		Total grant	Total savings (percentage to the total provision)	Total grant	Total savings (percentage to the total provision)	Total grant	Total savings (percentage to the total provision)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(R u p e e s i n l a k h)							
1.	10-Education (Capital-Voted)	116.32	116.32 (100)	12.20	12.20 (100)	1340.50	1340.50 (100)
2.	30-General Economic Services and Planning (Revenue-Voted)	2294.75	1352.52 (59)	4610.50	3643.54 (79)	4643.80	3385.63 (73)
3.	36-Minor Irrigation (Revenue-Voted)	449.90	193.84 (43)	734.24	457.09 (62)	785.86	274.62 (35)
4.	39-Sericulture (Capital-Voted)	2500.01	2500.01 (100)	1475.00	1054.30 (71)	1150.00	1125.80 (98)
5.	40-Irrigation and Flood Control Department (Revenue-Voted)	2111.00	759.69 (36)	2209.57	626.50 (28)	3324.76	826.85 (25)
6.	41-Art and Culture (Capital-Voted)	250.00	250.00 (100)	461.85	461.85 (100)	546.53	546.53 (100)
7.	45-Tourism (Capital-Voted)	65.90	28.70 (44)	55.15	39.53 (72)	54.30	39.86 (73)

APPENDIX VIII

(Referred to in paragraph 2.3.9 at page 26)

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

Sl. No.	Number and name of grant/appropriation	Total grant/appropriation	Expenditure	Excess amount
(1)	(2)	(3)	(4)	(5)
(Rupees in lakh)				
1.	Appropriation No.2-Interest Payment and Debt Services (Capital-Charged)	59003.57	129054.13	70050.56 (119)
2.	Grant 5- Finance Department (Revenue-Voted)	6910.92	15063.44	8152.52 (118)
3.	20-Community Development and ANP, IRDP and NREP ((Revenue-Voted)	1290.68	2266.75	976.07 (76)
4.	21-Industries and Weights and Measures (a) Revenue-Voted	2276.64	2596.79	320.15 (14)
5.	(b) Capital-Voted	287.21	336.97	49.76 (17)
6.	23-Power (Capital-Voted)	14500.00	18577.18	4077.18 (28)
7.	25-Youth Affairs and Sports (Capital-Voted)	4.65	358.16	353.51 (7602)

APPENDIX IX

(Referred to in paragraph 2.3.10 at page 26)

Cases of injudicious/unnecessary re-appropriation resulting in excess/saving by over
Rs.10 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)
(R u p e e s i n l a k h)						
1.	Appropriation No.2-Interest Payment and Debt Services					
	2049- Interest Payment (Non-Plan) (Charged)					
	04- Interest on Loans and Advances from Central Government					
	107- Interest on Pre 1984-85 Loans	171.07	(-) 128.77	42.30	242.98	(+) 200.68
	108- Interest on Pre 1984-88 State Plan Consolidated Loans	135.42	(+) 21.43	156.85	35.21	(-) 121.64
2.	Grant No.5-Finance Department					
	2054- Treasury and Accounts Administration (Non-Plan)					
	097- Treasury Establishment					
	637- Imphal East District Treasury	1.21	(+) 23.38	24.59	10.77	(-) 13.82
	2071- Pension and Other Retirement Benefits (Non-Plan)					
	01- Civil					
	101- Superannuation and Retirement Allowances	3629.20	(-) 434.20	3195.00	6579.24	(+) 3384.24
	104- Gratuities	815.60	(-) 5.60	810.00	2318.32	(+) 1508.32
	105- Family Pension	1587.90	(-) 187.90	1400.00	2389.77	(+) 989.77
	2250- Other Social Services (Non-Plan)					
	800- Other Expenditure					
	921- Remittance	37.00	(+) 29.02	66.02	9.13	(-) 56.89
3.	Grant No.8- Public Works Department					
	2059- Public Works (Non-Plan)					
	01- Office Buildings					
	053- Maintenance and Repairs					
	191- Public Administration Buildings	147.00	(-) 71.00	76.00	171.17	(+) 95.17
	80- General					
	001- Direction and Administration					
	137- Direction	116.50	(+) 53.20	169.70	122.50	(-) 47.20
	138- Execution	146.05	(+) 69.60	215.65	167.73	(-) 47.92
	141- Store Control	55.25	(+) 41.50	96.75	43.10	(-) 53.65
	3054- Roads and Bridges (Non-Plan)					
	01- National Highway					
	337- Road Works	635.83	(+) 165.17	801.00	286.67	(-) 514.33
	03- State Highway					
	337- Road Works	76.00	(+) 24.81	100.81	—	(-) 100.81
	101- Direction and Administration					
	141- Store Control	23.60	(+) 14.00	37.60	3.89	(-) 33.71

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(R u p e e s i n l a k h)						
799-	Suspense					
195-	Stock	800.00	(-) 200.00	600.00	689.11	(+) 89.11
4059-	Capital Outlay on Public Works (Plan)					
01-	Office Buildings					
215-	Construction of Non-Residential PAB Buildings					
	Valley Areas	503.20	(-) 164.75	338.45	470.17	(+) 131.72
4202-	Capital Outlay on Education, Sports, Art and Culture (Plan)					
02-	Technical Education					
105-	Engineering/Technical Colleges and Institutions					
4210-	Capital Outlay on Medical and Public Health (Plan)					
02-	Rural Health Centres					
104-	Community Health Centres					
	Valley Areas	15.00	(+) 8.56	23.56	(-) 23.16	(-) 46.72
80-	General					
102-	I.S.M. and Homeopathy					
110-	Hospitals and Dispensaries					
	Hill Areas	22.27	(+) 7.88	30.15	—	(-) 30.15
	Valley Areas	39.73	(+) 22.85	62.58	14.42	(-) 48.16
4216-	Capital Outlay on Housing (Plan)					
01-	Government Residential Buildings					
106-	General Pool Accommodation					
849-	Building at State Capital					
	Valley Areas	102.50	(+) 122.50	225.00	165.57	(-) 59.43
4408-	Capital Outlay on Food Storage and Ware Housing (Plan)					
02-	Storage and Ware Housing					
101-	Rural Godown Programmes					
640-	Construction of Godowns					
	Valley Areas	3.00	(+) 2.00	5.00	(-) 149.63	(-) 154.63
5054-	Capital Outlay on Roads and Bridges (Plan)					
03-	State Highways					
052-	Machinery and Equipment					
161-	New Supply					
	Hill Areas	23.20	(+) 12.90	36.10	—	(-) 36.10
101-	Bridges					
	Hill Areas	7.50	(+) 61.50	69.00	17.39	(-) 51.61
337-	Road Works					
	Hill Areas	315.00	(+) 26.20	341.20	289.93	(-) 51.27
	Valley Areas	212.50	(+) 5.00	217.50	188.61	(-) 28.89
04-	District and Other Roads					
337-	Road Works					
221-	Other Rural Works					
	Valley Areas	300.00	(+) 350.00	650.00	248.77	(-) 401.23

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(R u p e e s i n l a k h)				
	800- Other Expenditure					
	212- Major District Roads					
	Hill Areas	158.70	(+) 62.55	221.25	—	(-) 221.25
	Valley Areas	226.30	(+) 4.95	231.25	—	(-) 231.25
	220- National Games Works					
	Valley Areas	63.00	(+) 57.00	120.00	—	(-) 120.00
4.	Grant No.10 - Education					
	2204- Sports and Youth Services (Non-Plan)					
	102- Youth Welfare Programme					
	226- National Cadet Corps	69.79	(+) 35.79	105.58	58.39	(-) 47.19
	2202- General Education (Plan)					
	102- Assistance to Non- Government Primary Schools					
	Hill Areas	140.22	(+) 15.78	156.00	145.55	(-) 10.45
	800- Other Expenditure					
	455- Remuneration of Part Time Lecturers					
	Hill Areas	39.60	(+) 0.56	40.16	12.99	(-) 27.17
	80- General					
	004- Research					
	800- Other Expenditure					
	217- 10th Finance Commission Award	89.86	(+) 0.14	90.00	—	(-) 90.00
	2203- Technical Education (Plan)					
	112- Engineering/Technical College and Institutions					
	843- Engineering College	32.62	(+) 62.88	95.50	67.98	(-) 27.52
	2202- General Education (CPS)					
	80- General					
	800- Other Expenditure					
	970- DIET	65.57	(+) 58.19	123.76	79.62	(-) 44.14
5.	Grant No.11- Medical, Health and Family Welfare Services					
	2210- Medical and Public Health (CSS)					
	06- Public Health					
	101- Prevention and Control of diseases					
	204- National Leprosy Control Programme	12.85	(+) 2.13	14.98	4.65	(-) 10.33
	338- National AIDS Control Programme	98.47	(+) 90.53	189.00	177.58	(-) 11.42
6.	Grant No.12- Municipal Administration, Housing and Urban Development					
	2217- Urban Development (Plan)					
	800- Other Expenditure					
	340- Municipalities	43.10	(+) 18.02	61.12	50.46	(-) 10.66
	961- National Slum Development Programme	100.00	(+) 10.00	110.00	—	(-) 110.00
	963- Swarna Jayanti Sahari Rojgar Yojana (SJSRY)	39.43	(+) 16.53	55.96	—	(-) 55.96

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(R u p e e s i n l a k h)						
7.	Grant No.13- Labour and Employment					
	2230- Labour and Employment (Plan)					
	01- Labour					
	101- Industrial Relation					
	351- Administration of Labour Laws					
	Valley Areas	37.71	(+) 12.29	50.00	31.55	(-) 18.45
8.	Grant No.14- Development of Tribal and Backward Classes					
	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Plan)					
	796- Tribal Area Sub-Plan					
	348- Medical and Public Health Hill Areas	32.00	(+) 1.00	33.00	12.00	(-) 21.00
9.	Grant No.15- Food and Civil Supplies					
	2408- Food Storage and Ware Housing (Plan)					
	01- Food					
	001- Direction and Administration					
	137- Direction					
	Valley Areas	69.95	(+) 0.05	70.00	51.49	(-) 18.51
10.	Grant No.18- Animal Husbandry and Veterinary including Dairy Farming					
	2403- Animal Husbandry (Plan)					
	101- Veterinary Services and Animal Health					
	545- District and Sub-Divisional Veterinary Hospital					
	Hill Areas	65.66	(+) 19.15	84.81	51.47	(-) 33.34
	103- Poultry Development					
	548- Poultry Farms					
	Valley Areas	16.50	(-) 8.55	7.95	22.30	(+) 14.35
11.	Grant No.19- Forestry and Soil Conservation					
	2402- Soil and Water Conservation (Plan)					
	001- Direction and Administration					
	102- Soil Conservation					
	655- Afforestation					
	Hill Areas	69.59	(+) 2.61	72.20	58.23	(-) 13.97
	2406- Forestry and Wild Life (Plan)					
	01- Forestry					
	001- Direction and Administration					
	137- Direction					
	Valley Areas	9.05	(-) 1.75	7.30	18.38	(+) 11.08
	138- Execution					
	Valley Areas	30.49	(-) 5.49	25.00	44.88	(+) 19.88

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(R u p e e s i n l a k h)				
	2406- Forestry and Wild Life (CSS)					
	01- Forestry					
	101- Forest Conservation, Development and Regeneration					
	404- Association of Scheduled Tribes and Rural Poor in Regeneration of Degraded Forest in Manipur (100 % CSS)					
	Hill Areas	9.36	(-) 9.36	—	35.69	(+) 35.69
	02- Environmental Forestry and Wild Life					
	110- Wild Life Preservation					
	231- Yaingangpokpi Lokchao Sanctuary Valley Areas	8.33	(+) 8.79	17.12	—	(-) 17.12
12.	Grant No.20- Community Development, ANP, IRDP and NREP					
	2501- Special Programme for Rural Development (Plan)					
	101- Subsidy to District Rural Development Agencies Hill Areas	52.92	(+) 7.08	60.00	20.00	(-) 40.00
	2505- Rural Employment (Plan)					
	01- National Programme					
	892- Jawahar Rozgar Yojana Valley Areas	32.88	(+) 7.12	40.00	19.95	(-) 20.05
	2515- Other Rural Development Programme (Plan)					
	102- Community Development 759- Development Programmes Hill Areas	5.00	(-) 5.00	—	17.45	(+) 17.45
13.	Grant No.21- Industries and Weights and Measures					
	2851- Village and Small Industries (Plan)					
	003- Training					
	583- Handicraft Training Centres Hill Areas	39.65	(+) 0.85	40.50	17.51	(-) 22.99
	Valley Areas	54.11	(-) 0.85	53.26	68.71	(+) 15.45
	2851- Village and Small Industries (CPS)					
	800- Other Expenditure					
	805- Critical Infrastructure Balance Scheme Valley Areas	93.00	(+) 2.00	95.00	—	(-) 95.00

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(R u p e e s i n l a k h)						
14.	Grant No.22- Public Health Engineering					
	4215- Capital Outlay on Water Supply and Sanitation (Plan)					
	01- Water Supply					
	101- Urban Water Supply					
	800- Other Expenditure Valley Areas	10.26	(+) 1.74	12.00	0.11	(-) 11.89
	02- Sewerage and Sanitation					
	101- Urban Sanitation Services					
	589- Urban Drainage System Valley Areas	238.76	(+) 3.92	242.68	126.30	(-) 116.38
	4215- Capital Outlay on Water Supply and Sanitation (CPS)					
	01- Water Supply					
	101- Urban Water Supply					
	694- Accelerated Urban Water Supply Programme (AUWSP) Valley Areas	149.86	(-) 26.54	123.32	256.97	(+) 133.65
15.	Grant No.23- Power					
	2801- Power (Non-Plan)					
	01- Hydel Generation					
	001- Direction and Administration					
	453- Loktak Down Stream Hydro Electric Project	—	(+) 27.84	27.84	—	(-) 27.84
	04- Diesel Power Generation					
	001- Direction and Administration					
	138- Execution	449.68	(+) 360.73	810.41	443.62	(-) 366.79
	4801- Capital Outlay on Power Project (Plan)					
	04- Diesel/Gas Power Generation					
	904- Rehabilitation of Old DG Sets at Imphal and Leimakhong Power House Valley Areas	11.60	(+) 1.99	13.59	—	(-) 13.59
	05- Transmission and Distribution					
	138- Execution Valley Areas	2012.23	(+) 395.65	2407.88	631.27	(-) 1776.61
	908- 132/33 KV Supply System at Churachandpur Hill Areas	45.99	(-) 30.35	15.64	33.62	(+) 17.98
	06- Rural Electrification					
	001- Direction and Administration					
	138- Execution Hill Areas	511.16	(-) 2.50	508.66	935.12	(+) 426.46
16.	Grant No.25- Youth Affairs and Sports Department					
	2552- North Eastern Areas (NEC)					
	800- Other Expenditure					
	973- Improvement of Provision of Equipment, Kits etc. Valley Areas	14.00	(+) 1.00	15.00	—	(-) 15.00

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(R u p e e s i n l a k h)						
17.	Grant No.26- Administration of Justice					
	2014- Administration of Justice (Non-Plan)					
	105- Civil and Session Courts					
	878- Family Court (West)	17.37	(-) 0.89	16.48	36.04	(+) 19.56
18.	Grant No.27- Election					
	2015- Election (Non-Plan)					
	102- Electoral Office	195.58	(+) 0.01	195.59	169.88	(-) 25.71
	103- Preparation and Printing of Electoral Rolls	252.70	(+) 0.01	252.71	204.60	(-) 48.11
19.	Grant No.30- General Economic Services and Planning					
	3451- Secretariat Economic Services (Plan)					
	102- District Planning Machinery					
	135- Planning at District Level Hill Areas	7.50	(+) 5.20	12.70	—	(-) 12.70
	3454- Census Survey and Statistics (Plan)					
	01- Census					
	201- National Sample Survey Organisation Valley Areas	11.55	(+) 8.35	19.90	1.45	(-) 18.45
20.	Grant No.32- Jails					
	2056- Jails (CSS)					
	800- Other Expenditure					
	242- Modernisation of Jails Valley Areas	16.00	(+) 4.00	20.00	—	(-) 20.00
21.	Grant No.36- Minor Irrigation					
	4702- Capital Outlay on Minor Irrigation (Plan)					
	101- Surface Water					
	528- Pick-up Weir, Low Head Barrage percolation Tank Hill Areas	80.00	(-) 80.00	—	48.97	(+) 48.97
	Valley Areas	60.00	(-) 60.00	—	83.23	(+) 83.23
	102- Ground Water					
	529- Strengthening of Ground Water Hill Areas	3.00	(-) 3.00	—	95.57	(+) 95.57
	Valley Areas	54.00	(-) 54.00	—	27.45	(+) 27.45
	800- Other Expenditure					
	471- Irrigation Projects Hill Areas	16.00	(-) 16.00	—	82.66	(+) 82.66
	Valley Areas	46.35	(-) 46.35	—	21.31	(+) 21.31
	472- Accelerated Irrigation Beneficiary Programme (AIBP) Valley Areas	765.65	(+) 286.35	1052.00	—	(-) 1052.00

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(R u p e e s i n l a k h)						
22.	Grant No.37- Fisheries					
	2405- Fisheries (CSS)					
	800- Other Expenditure					
	817- Fish Farmer's Development Agency Valley Areas	6.00	(+) 10.00	16.00	—	(-) 16.00
	818- National Welfare Fund for Fisherman Valley Areas	8.85	(+) 6.00	14.85	—	(-) 14.85
23.	Grant No.38- Panchayat					
	2015- Election (Non-Plan)					
	101- Election Commission					
	217- State Election Commission	13.88	(-) 0.88	13.00	39.25	(+) 26.25
	2515- Other Rural Development Programme (Non-Plan)					
	101- Panchayati Raj					
	137- Direction	334.62	(+) 0.88	335.50	194.74	(-) 140.76
24.	Grant No.39- Sericulture					
	2851- Village and Small Industries (Plan)					
	107- Sericulture Industries					
	444- Extension Centre Valley Areas	5.75	(-) 0.13	5.62	17.21	(+) 11.59
25.	Grant No.40- Irrigation and Flood Control Department					
	4701- Capital Outlay on Major and Medium Irrigation (Plan)					
	02- Major Irrigation (Non-Commercial)					
	051- Construction					
	831- Singda Irrigation Project Hill Areas	78.65	(+) 67.35	146.00	—	(-) 146.00
	832- Khuga Irrigation Project Hill Areas	934.87	(+) 290.13	1225.00	1092.65	(-) 132.35
	04- Medium Irrigation (Non-Commercial)					
	80- General					
	005- Survey and Investigation					
	833- Water Development Valley Areas	40.39	(+) 121.61	162.00	20.37	(-) 141.63
	4711- Capital Outlay on Flood Control Projects (Plan)					
	01- Flood Control					
	103- Civil Works Valley Areas	189.15	(-) 4.15	185.00	199.66	(+) 14.66
26.	Grant No.46- Science and Technology					
	2810- Non-Conventional Sources of Energy (CSS)					
	02- Solar					
	102- Photovoltaic					
	596- Installation of Solar Photovoltaic Systems Valley Areas	49.57	(+) 0.01	49.58	—	(-) 49.58

APPENDIX X

(Referred to in paragraph 2.3.11 at page 26)

Cases where expenditure incurred without provision

Sl. No.	Number and name of grant/ appropriation and head of account	Total provision	Actual expenditure
(1)	(2)	(3)	(4)
(Rupees in lakh)			
1.	Appropriation No.2 – Interest Payment and Debt Services		
	2049– Interest Payment (Non-Plan) (Charged)		
	200– Interest on Other Internal Debts		
	110– Interest on Loans from Autonomous or Statutory Organisation	—	191.47
	04– Interest on Loans and Advances from Central Government		
	106 Interest on Ways and Means Advances	—	37.59
	6003– Internal Debt of the State (Charged)		
	209– Loans from Other Institutions		
	109– Loans from Other Institutions (REC)	—	9.42
	6004– Loans and Advances from Central Government (Charged)		
	01– Non-Plan Loans		
	104– Special Force	—	127.00
2.	Grant No.4– Land Revenue, Stamps and Registration and District Administration		
	2029– Land Revenue (Non-Plan)		
	102– Survey and Settlement		
	157– Ukhrl District	—	3.40
	2245– Relief on Account of Natural Calamities (Non-Plan)		
	05– Calamity Relief Fund		
	101– Transfer to Reserve Fund and Deposit Account — Calamity Relief Fund	—	7.00
	2029– Land Revenue (Plan)		
	104– Management of Government Estates		
	604– State Land Use Board Valley Areas	—	6.01
3.	Grant No.8– Public Works Department		
	4202– Capital Outlay on Education, Sports, Art and Culture (Non-Plan)		
	03– Sports and Youth Services		
	102– Sports Stadia		
	217– 10th Finance Commission Awards	—	147.12

(1)	(2)	(3)	(4)
		(Rupees in lakh)	
	5054- Capital Outlay on Roads and Bridges (Plan)		
	04- District and Other Roads		
	223- Senapati Phaibung Road Valley Areas	—	500.00
4.	Grant No.14- Development of Tribal and Backward Classes		
	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Plan)		
	277- Education Valley Areas	—	10.89
	796- Tribal Area Sub-Plan		
	348- Medical and Public Health Valley Areas	—	20.12
	800- Other Expenditure		
	370- District Council Hill Areas	—	7.97
5.	Grant No.19- Forestry and Soil Conservation		
	2406- Forestry and Wild Life (CSS)		
	105- Forest Produce		
	671- Minor Forest Produce (Plantation) Hill Areas	—	53.94
	800- Other Expenditure		
	673- Development of Infrastructure Hill Areas	—	5.50
	02- Environmental Forestry and Wild Life		
	110- Wild Life Preservation		
	231- Yaingangpokpi Lokchao Sanctuary Hill Areas	—	8.37
	800- Other Expenditure		
	177- Integrated Afforestation and Eco- Development Project Hill Areas	—	428.26
	178- Area Oriented Fuel Wood and Fodder Project Hill Areas	—	59.76
6.	Grant No.20- Community Development, ANP, IRDP and NREP		
	2505- Rural Employment (Plan)		
	01- National Programme		
	893- Indira Awaz Yojana Hill Areas	—	36.26
	980- Employment Assurance Scheme (20 % State Share) Valley Areas	—	179.72

(1)	(2)	(3)	(4)
		(Rupees in lakh)	
	981- Rehabilitation of Fisherman in Loktak Lake		
	Hill Areas	—	71.62
	Valley Areas	—	11.17
	179- Programme Implementation		
	Hill Areas	—	230.00
	Valley Areas	—	500.00
7.	Grant No.21- Industries and Weights and Measures		
	2851- Village and Small Industries (CSS)		
	001- Direction and Administration		
	919- Health Package Scheme		
	Valley Areas	—	12.88
8.	Grant No.22- Public Health Engineering		
	4215- Capital Outlay on Water Supply and Sanitation (Plan)		
	01- Water Supply		
	101- Urban Water Supply		
	800- Other Expenditure		
	Hill Areas	—	11.65
	02- Sewerage and Sanitation		
	102- Rural Sanitation Services		
	Hill Areas	—	4.65
	4215- Capital Outlay on Water Supply and Sanitation (CPS)		
	01- Water Supply		
	101- Urban Water Supply		
	694- Accelerated Urban Water Supply Programme (AUWSP)		
	Hill Areas	—	145.28
9.	Grant No.23- Power		
	2801- Power (Non-Plan)		
	102- Hydro Electric Scheme		
	453- Lokchao Hydel Project	—	27.84
	4801- Capital Outlay on Power Project (Plan)		
	01- Hydel Generation		
	001- Direction and Administration		
	138- Execution		
	Valley Areas	—	101.45
	04- Diesel/Gas Power Generation		
	138- Execution		
	Hill Areas	—	38.53
	Valley Areas	—	1376.51

(1)	(2)	(3)	(4)
		(Rupees in lakh)	
	800- Other Expenditure		
	674- Leimakhong Heavy Fuel Based Power Project		
	Valley Areas	—	8600.00
10.	Grant No.36- Minor Irrigation		
	4702- Capital Outlay on Minor Irrigation (Plan)		
	101- Surface Water		
	527- River Lift Irrigation Scheme		
	Hill Areas	—	12.23
	800- Other Expenditure		
	472- Accelerated Irrigation Beneficiary Programme (AIBP)		
	Hill Areas	—	81.50
11.	Grant No.40- Irrigation and Flood Control Department		
	4701- Capital Outlay on Major and Medium Irrigation (Plan)		
	02- Major Irrigation (Non-Commercial)		
	054- Improvement of Irrigation Project		
	106- Improvement of Irrigation Project under Operation (Loktak Lift Irrigation/Imphal Barrage/Sekmai Barrage/Khoupum Dam)		
	Hill Areas	—	8.81
	04- Medium Irrigation (Non-Commercial)		
	80- General		
	004- Research		
	Valley Areas	—	4.89
	005- Survey and Investigation		
	833- Water Development		
	Hill Areas	—	336.84
12.	Grant No.44- Social Welfare Department		
	2235- Social Security and Welfare (CSS)		
	02- Social Welfare		
	102- Child Welfare		
	966- Parbung ICDS Project		
	Hill Areas	—	9.01
	967- Samulamlan ICDS Project		
	Hill Areas	—	6.62
	974- Purul ICDS Project		
	Hill Areas	—	9.39
	975- Machi ICDS Project		
	Hill Areas	—	13.14

(1)	(2)	(3)	(4)
(Rupees in lakh)			
13.	Grant No.45- Tourism		
	3452- Tourism (Non-Plan)		
	800- Other Expenditure		
	846- Hotel Imphal	—	20.03
14.	Grant No.46- Science and Technology		
	2810- Non-Conventional Sources of Energy		
	(Plan)		
	800- Other Expenditure		
	151- Hydro Electric Scheme		
	Valley Areas	—	10.00
	Grand Total:		<u>13483.84</u>

APPENDIX XI
(Referred to in paragraph 2.3.12 (a) at page 26)

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

Sl. No.	Number and name of grant/appropriation	Total grant/appropriation	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)
(Rupees in lakh)				
Revenue Section (Voted)				
1.	1- State Legislature	672.00	57.67	57.67
2.	2- Council of Ministers	221.84	20.56	20.56
3.	3- Secretariat	2211.07	83.31	83.31
4.	6- Transport	262.63	49.95	49.95
5.	7- Police	18041.99	1059.60	1059.60
6.	8- Public Works Department	6192.13	779.51	779.51
7.	9- Information and Publicity	254.19	19.08	19.08
8.	10- Education	38644.41	7225.76	7225.76
9.	11- Medical, Health and Family Welfare Services	8594.80	1127.43	1127.43
10.	12- Municipal Administration, Housing and Urban Development	920.17	649.05	649.05
11.	13- Labour and Employment	444.95	22.31	22.31
12.	14- Development of Tribal and Backward Classes	6355.20	2199.94	2199.94
13.	15- Food and Civil Supplies	594.57	47.74	47.74
14.	16- Co-operation	916.80	92.60	92.60
15.	17- Agriculture	2565.10	89.34	89.34
16.	18- Animal Husbandry and Veterinary including Dairy Farming	2680.47	73.77	73.77
17.	19- Forestry and Soil Conservation	2362.57	82.64	82.64
18.	22- Public Health Engineering	2055.25	81.52	81.52
19.	23- Power	7739.38	4037.07	3596.48
20.	25- Youth Affairs and Sports Department	857.95	43.91	43.91
21.	26- Administration of Justice	531.52	43.65	43.65

(1)	(2)	(3)	(4)	(5)
(Rupees in lakh)				
22.	27- Election	1112.54	75.08	75.08
23.	28- State Excise	811.89	21.00	21.00
24.	30- General Economic Services and Planning	4643.80	3385.63	962.36
25.	31- Fire Protection and Control	608.08	113.69	113.69
26.	32- Jails	620.68	97.18	97.18
27.	35- Stationery and Printing	324.76	22.46	22.46
28.	36- Minor Irrigation	785.86	274.62	137.40
29.	37- Fisheries	1055.40	19.70	19.70
30.	38- Panchayat	883.50	590.07	590.07
31.	40- Irrigation and Flood Control Department	3324.76	826.85	826.85
32.	42- State Academy of Training	65.27	5.72	5.72
33.	43- Horticulture and Soil Conservation	2874.22	710.85	710.85
34.	45- Tourism	132.14	12.06	12.06
35.	46- Science and Technology	256.30	82.82	82.82
			Total :-	21123.06

APPENDIX XII

(Referred to in paragraph 2.3.12 (b) at page 26)

Amount surrendered on the last day of March 2000

Sl. No.	Number and name of grant	Amount surrendered (Rupees in lakh)
Revenue--(Voted)		
1.	5- Finance Department	304.87
2.	23- Power	440.59
3.	30- General Economic Services and Planning	2423.27
4.	36- Minor Irrigation	137.22
Revenue--(Charged)		
5.	1- State Legislature	0.22
Capital--(Voted)		
6.	8- Public Works Department	742.60
7.	12- Municipal Administration, Housing and Urban Development	609.15
8.	13- Labour and Employment	8.00
9.	17- Agriculture	86.95
10.	18- Animal Husbandry and Veterinary including Dairy Farming	13.00
11.	20- Community Development, ANP, IRDP and NREP	2.25
12.	25- Youth Affairs and Sports	4.65
13.	37- Fisheries	4.61
14.	39- Sericulture	250.00
15.	40- Irrigation and Flood Control Department	1040.16
Total :		6067.54

APPENDIX XIII

(Referred to in paragraph 2.3.13 at page 27)

Instances of major variations in recoveries

Sl. No.	Number and name of the grant	Budget estimate	Actual recoveries	Excess (+)/ Shortfall (-)
(Rupees in crore)				
1.	8 – Public Works Department (Revenue)	33.78	12.50	(-) 21.28
	(Capital)	12.00	–	(-) 12.00
2.	15 – Food and Civil Supplies (Revenue)	0.90	–	(-) 0.90
	(Capital)	1.30	0.64	(-) 0.66
3.	17 – Agriculture (Capital)	0.47	0.18	(-) 0.29
4.	21 – Industries and Weights and Measures (Capital)	0.08	—	(-) 0.08
5.	22 – Public Health Engineering (Revenue)	9.00	5.35	(-) 3.65
6.	23 – Power (Revenue)	16.98	5.82	(-) 11.16
7.	36 – Minor Irrigation (Revenue)	1.00	–	(-) 1.00
8.	40 – Irrigation and Flood Control Department (Revenue)	4.71	—	(-) 4.71
9.	43 – Horticulture and Soil Conservation (Capital)	0.25	0.02	(-) 0.23
	Total:	80.47	24.51	(-) 55.96

APPENDIX XIV

(Referred to in Paragraph 3.1.4 at page 30)

Budget provision and expenditure

(Rupees in lakh)

Major Head/Sub-Major Head, Minor Head	1995-96			1996-97			1997-98			1998-99			1999-2000		
	Budget provision	Expen- diture	Savings (-) Excess (+)	Budget provision	Expen- diture	Savings (-) Excess (+)	Budget provision	Expen- diture	Savings (-) Excess (+)	Budget provision	Expen- diture	Savings (-) Excess (+)	Budget provision	Expen- diture	Savings (-) Excess (+)
Grant No.-10															
2202- General Education (NP)															
01- Elementary Education															
001- Direction & Administration	140.62	140.72	0.10	165.93	166.04	0.11	173.95	174.04	0.09	208.02	318.88	110.86	335.70	281.04	(-) 54.66
101- Government Primary Schools	5134.14	5211.15	77.01	6098.97	6106.70	7.73	6347.51	6504.38	156.87	7804.60	5759.15	(-)2045.45	14306.45	11436.01	(-) 2870.44
102- Assistance to Non-Government Primary Schools	597.53	596.66	(-)0.87	392.40	388.54	(-) 3.86	400.00	380.56	(-)19.44	400.00	351.36	(-)48.64	1069.79	789.51	(-) 280.28
104- Inspection - Primary Schools	111.86	111.89	0.03	129.70	129.76	0.06	141.35	141.44	0.09	169.35	120.31	(-)49.04	295.55	212.55	(-) 83.00
TOTAL: NON-PLAN	5984.15	6060.42	76.29	6787.00	6791.04	4.04	7062.81	7200.42	137.61	8581.97	6549.70	(-)2032.27	16007.49	12719.11	(-) 3288.38
2202- General Education (Plan)															
01- Elementary Education															
001- Direction & Administration	13.19	15.28	2.09	9.80	9.87	0.07	4.80	6.00	1.20	5.42	7.25	1.83	5.74	5.31	(-) 0.43
052- Equipment	1.50	2.00	0.50	8.00	8.01	0.01	13.00	12.18	(-)0.82	0.50	1.50	1.00	4.81	0.16	(-) 4.65
101- Government Primary Schools	293.66	278.91	(-)14.75	275.50	275.80	0.30	302.12	302.12	—	523.44	537.34	13.90	545.78	665.41	(+) 119.63
102- Assistance to Non-Government Primary Schools	260.34	259.50	(-)0.84	329.02	328.78	(-)0.24	275.70	239.71	(-)35.99	306.00	421.29	115.29	368.00	293.29	(-) 74.71
105- Non-Formal Education	31.80	31.80	—	44.00	44.00	—	44.00	44.00	—	44.00	170.82	126.82	44.00	43.79	(-) 0.21
194- Mid-Day Meal	0.75	0.75	—	5.75	2.80	(-)2.95	0.25	0.25	—	0.30	0.19	(-)0.11	0.20	—	(-) 0.20
TOTAL: PLAN	601.24	588.24	(-)13.00	672.07	669.26	(-)2.81	639.87	604.26	(-)35.61	879.66	1138.39	258.73	968.53	1007.96	(+) 39.43
2202- General Education (CSS)															
01- Elementary Education															
052- Equipment	12.88	—	(-)12.88	—	—	—	180.20	14.20	(-)166.00	—	—	—	—	—	—
678- Operation Blackboard (CSS)															
105- Non-Formal Education (CPS)	168.00	—	(-)168.00	269.50	269.49	(-)0.01	290.80	133.99	(-)156.81	—	—	—	206.29	151.02	(-) 55.27
217- 10 th Finance Commission(CPS)	—	—	—	126.77	—	(-)126.27	157.84	57.04	(-)100.80	204.41	189.19	(-)15.22	397.45	289.90	(-) 107.55
TOTAL: CPS	168.00	—	(-)168.00	395.77	269.49	(-)126.28	448.64	191.03	(-)257.61	204.41	189.19	(-)15.22	603.74	440.92	(-) 162.82
TOTAL: PRIMARY EDUCATION - NON-PLAN+PLAN+CSS+CPS	6766.27	6648.68	(-)117.59	7254.84	7729.79	(-)125.05	8331.52	8009.91	(-)321.61	9666.04	7877.28	(-)1788.76	17579.76	14167.99	(-) 3411.77
Grant No. 14															
2202- General Education (NP)															
01- Elementary Education															
370- District Councils	1180.50	128.05	(-)1052.45	1341.99	652.07	(-)689.92	1450.00	936.99	(-)513.01	1642.00	—	(-)1642.00	2912.04	954.03	(-) 1958.01
2225- Welfare of SC/ST/OBC Sub-Plan	175.00	184.37	9.37	330.28	358.76	28.48	396.84	379.84	(-)17.17	417.00	383.41	(-)33.59	710.00	703.60	(-) 6.40
347- General Education (Plan)															
TOTAL	1355.50	312.42	(-)1043.08	1672.27	1010.83	(-)661.44	1846.84	1316.83	(-)530.01	2059.00	383.41	(-)1675.59	3622.04	1657.63	(-) 1964.41
TOTAL: ELEMENTARY EDUCATION	8121.77	6961.10	(-)1160.67	9527.11	8740.62	(-)786.49	10178.36	9326.74	(-)851.62	11725.04	8260.69	(-)3464.35	21201.80	15825.62	(-) 5376.18

APPENDIX XV

(Referred to in Paragraph 3.1.4 at page 31)

Non-submission of Detailed Countersigned Contingent Bills

Sl. No.	AC bill No. and Date	Particulars	Amount (Rupees in lakh)
1.	724 dated 30.3.1995	In favour of Ch. Nandakishore, Dy DE (Lit)- Payment of publication grant 1994-95	2.23
2.	725 dated 30.3.1995	Th. Bira Singh (DE(S)- Science equipment	2.20
3.	674 dated 5.2.1996	Th. Shamungou Singh A/DE – legal fee	0.39
4.	339 dated 21.9.1996	—do— legal fee for Advocate Supreme Court	0.52
5.	384 dated 28.9.1996	Ng. Amumacha for purchase of computer	33.15
6.	866 dated 29.3.1997	Teacher's quarter	169.49
7.	907 dated 24.3.1997	DE(S) – Science equipment	4.11
8.	886 dated 29.3.1997	Furniture	58.75
9.	910 dated 29.3.1997	Computer	9.30
10.	914 dated 31.3.1997	Th. Shamungou Singh – 512 Dictionaries	1.87
11.	915 dated –do-	DE(S) – 592 Wooden Almirah	5.85
12.	916 dated –do-	DE(S) – 1055 tool kits	5.15
13.	919 dated –do-	Science equipment	2.95
14.	920 dated –do-	DE(S) – 4447 charts for Elementary Schools	10.07
15.	921 dated –do-	DE(S) – Purchase of maps	4.48
16.	922 dated –do-	DE(S) – Science equipment	11.00
17.	137 dated 25.6.1997	DE(S) – Yoga programme	2.18
18.	1095 dated 31.3.1998	DE(S) – Furniture	66.84
19.	1096 dated –do-	L. Ibopishak Singh – Blow pipe	0.81
20.	1098 dated –do-	-do- - Science equipment	4.18
21.	1099 dated –do-	DE(S) – Laboratory working table	10.08
22.	385 dated 25.1.1999	Komnath – Scholarship	0.21
23.	515 dated 31.3.1999	-do- - Construction of compound wall	8.60
24.	620 dated –do-	L. Ibopishak Singh – purchase of text books	48.28
25.	626 dated –do-	-do- Girls toilet	15.79
26.	26 dated 20.4.1999	Komnath – Khongjam day 1999	0.35
27.	326 dated 12.11.1999	DE(S) – Science exhibition	1.67
28.	327 dated –do-	-do-	0.88
29.	420 dated 5.1.2000	DE(S) – Drinking water	24.40
30.	421 dated –do-	-do-	265.50
		Total:	771.28

1994-95: Rs.4.43 lakh; 1995-96: Rs.0.39 lakh; 1996-97: Rs.316.70 lakh; 1997-98: Rs.84.08 lakh; 1998-99: Rs.72.88 lakh and 1999-2000: Rs.292.80 lakh.

APPENDIX XVI

(Referred to in Paragraph 3.1.6.3 at page 32)

Enrolment of students in the age group of 6 to below 11 years — Class I to V

								(In number)
Year	Category (Schools)	Class-I	Class-II	Class-III	Class-IV	Class-V	Total	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Enrolment position as on 30 September 1993	Government Aided	Class I to V					137967	
	Unaided						31270	
	Total						98229	
			267466					
1994-95	Government Aided	32987	26308	21161	20186	17984	118626	Annual plan target: 6000 Achievement (-) 13006
	Unaided	7696	14395	4722	4335	4252	35400	
	Total:	24617	15087	21185	20217	19328	100434	
		65300	55790	47068	44738	41564	254460	
1995-96	Government Aided	36646	27581	22510	20507	18752	125996	APT: 6000 Achievement: (-) 22281
	Unaided	7664	6162	5173	4827	4598	28424	
	Total:	16303	15638	15708	15369	14741	77759	
		60613	49381	43391	40703	38091	232179	
1996-97	Government Aided	36765	28111	22340	20551	18832	126599	APT: 5400 Achievement: 2862
	Unaided	8401	6870	5250	4752	4580	29853	
	Total:	16197	15261	16213	15772	15146	78589	
		61363	50242	43803	41075	38558	235041	
1997-98	Government Aided	36742	29352	23057	20940	19441	129532	APT: 17000 Achievement: 16610
	Unaided	8472	6772	5277	4878	4762	30161	
	Total:	20242	17652	18659	17851	17554	91958	
		65456	53776	46993	43669	41757	251651	
1998-99	Government Aided	41692	29930	22232	20068	18407	132329	APT: 17000 Achievement: 8052
	Unaided	9489	8044	6029	5572	5897	35031	
	Total:	19707	17632	18937	18070	17997	92343	
		70888	55606	47198	43710	42301	259703	
1999-2000	Government Aided	43360	31127	23120	20870	19143	137620	APT: 17000 Achievement: 10389
	Unaided	9868	8366	6270	5795	6133	36432	
	Total:	20496	18338	19696	18793	18717	96040	
		73724	57831	49086	45458	43993	270092	

APPENDIX XVII

(Referred to in Paragraph 3.1.9.1 (a) at page 34)

Statement showing allocation as per norms, budget provision and sanction and expenditure (NFE)

(Rupees in lakh)

Sl. No.	Year	Allocation as per norm			Budget provision			Funds released by State Government			Expenditure		
		Central Share	State share	Total	Central Share	State share	Total	Central Share	State share	Total	Central Share	State share	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1.	1995-96	162.05	46.26	208.31	168.00	38.80	206.80	168.00	31.80	199.80	26.17	29.76	55.93
2.	1996-97	269.50	75.84	345.34	269.50	44.00	313.50	269.50	44.00	313.50	269.49	44.00	313.49
3.	1997-98	268.02	74.10	342.12	268.02	44.00	312.02	134.01	44.00	178.01	133.99	44.00	177.99
4.	1998-99	305.40	91.85	397.25	305.40	44.00	349.40	222.35	44.00	266.35	211.82	41.39	253.21
5.	1999-2000	305.40	91.85	397.25	305.40	44.00	349.40	206.29	44.00	250.29	151.02	43.79	194.81
	Total:	1310.37	379.90	1690.27	1316.32	214.80	1531.12	1000.15	207.80	1207.95	792.49	202.94	995.43

¹ Retention under 8449-Other Deposit in 1996-97 was Rs.189.46 lakh, of which Rs.144.18 lakh was withdrawn (Rs.74.68 lakh: 1997-98, Rs.36.27 lakh: 1998-99, Rs.33.23 lakh: 2000-2001 (5/2000)); retaining Rs.45.28 lakh still under 8449 (June 2000).

APPENDIX XVIII
(Referred to in Paragraph 3.1.9.2 at page 34)
Target and achievement (NFE)

Year	Unit/item	Target as per norm	Target as per projected report	Achievement	Shortfall as per norm		Shortfall as per projected report	
					Number	Percentage	Number	Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1995-96	I. Project	43	43	43				
	II. Centres	Co-Ed(60%) Girls (40%)						
	(a) General Primary (Co-Education)	2322	558	558				
	(b) Girls Primary	1548	2256	2256				
	(c) General Upper Primary (Co-Education))	258	62	62				
	(d) Girls Upper Primary (Girls)	172	124	124				
	Total:	4300	3000	3000	1300	30		
	III. Enrolment							
	(a) General Primary (Co-Education)		22276	19491				
	(b) Girls Primary		34292	30005				
	(c) General Upper Primary (Co-Education))		1200	1050				
	(d) Girls Upper Primary (Girls)		2232	1953				
	Total:	75000	60000	52449	22501	30	7501	13
1996-97	I. Project	55	55	55				
	II. Centres							
	(a) General Primary (Co-Education)	2970	620	620				
	(b) Girls Primary	1980	2380	2380				
	(c) General Upper Primary (Co-Education))	330	—	—				
	(d) Girls Upper Primary (Girls)	220	—	—				
	Total:	5500	3000	3000	2500	45		
	III. Enrolment							
	(a) General Primary (Co-Education)		13640	11007				
	(b) Girls Primary		52360	41783				
	(c) General Upper Primary (Co-Education))		—	—				
	(d) Girls Upper Primary (Girls)		—	—				
	Total:	75000	66000	52790	22210	30	13210	20
1997-98	I. Project	55	55	55				
	II. Centres							
	(a) General Primary (Co-Education)	2970	620	620				
	(b) Girls Primary	1980	2380	2380				
	(c) General Upper Primary (Co-Education))	330	—	—				
	(d) Girls Upper Primary (Girls)	220	112	112				
	Total:	5500	3112	3112	2388	43		
	III. Enrolment							
	(a) General Primary (Co-Education)		15500	12446				
	(b) Girls Primary		59500	46469				
	(c) General Upper Primary (Co-Education))		—	—				
	(d) Girls Upper Primary (Girls)		2800	2116				
	Total:	77800	77800	61031	16769	22	16769	22

* Norms worked out with reference to the number of centres shown in the project report and on the basis of 25 students per centre (as per allocation of fund met by Government of India).

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1998-99	I. Project	55	55	55				
	II. Centres							
	(a) General Primary (Co-Education)	2970	620	620				
	(b) Girls Primary	1980	2380	2380				
	(c) General Upper Primary (Co-Education))	330	—	—				
	(d) Girls Upper Primary (Girls)	220	112	112				
	Total:	5500	3112	3112	2388	43		
	III. Enrolment							
	(a) General Primary (Co-Education)		15500	13430				
	(b) Girls Primary		59500	51335				
	(c) General Upper Primary (Co-Education))		—	—				
	(d) Girls Upper Primary (Girls)		2800	2435				
	Total:	77800	77800	67200	10600	14	10600	14
1999-2000	I. Project	55	55	55				
	II. Centres							
	(a) General Primary (Co-Education)	2970	620	620				
	(b) Girls Primary	1980	2380	2380				
	(c) General Upper Primary (Co-Education))	330	—	—				
	(d) Girls Upper Primary (Girls)	220	112	112				
	Total:	5500	3112	3112	2388	43		
	III. Enrolment							
	(a) General Primary (Co-Education)		15500	14097				
	(b) Girls Primary		59500	49195				
	(c) General Upper Primary (Co-Education))		—	—				
	(d) Girls Upper Primary (Girls)		2800	2315				
	Total:	77800	77800	65607	12193	16	12193	16

APPENDIX XIX

(Referred to in Paragraph 3.1.11.1 at page 36)

Statement showing training programme conducted by DIETs

(In number)

Year	Name of DIET	Pre-service training			In-service training		
		Target	Achievement	Percentage	Target	Achievement	Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1995-96	1. Imphal	Nil	Nil	—	170	86	51
	2. Kakching	Nil	Nil	—	70	13	19
	3. Churachandpur	Nil	Nil	—	70	40	57
1996-97	1. Imphal	Nil	Nil	—	170	Nil	—
	2. Kakching	Nil	Nil	—	70	Nil	—
	3. Churachandpur	Nil	Nil	—	47	40	85
1997-98	1. Imphal	50	13	26	Nil	Nil	—
	2. Kakching	50	16	32	Nil	Nil	—
	3. Churachandpur	Nil	Nil	—	Nil	Nil	—
1998-99	1. Imphal	Nil	Nil	—	170	71	41
	2. Kakching	Nil	Nil	—	100	32	32
	3. Churachandpur	Nil	Nil	—	100	—	—
	4. Moirang	Nil	Nil	—	50	24	48
	5. Senapati	Nil	Nil	—	50	29	58
Total:		100	29	—	1067	335	—

APPENDIX XX

(Referred to in Paragraph 3.2.5.1 at page 42)

Population norms for setting up the centres and their staffing norms and activities/services

Centres	Population norms for establishment in Plain Area/Hill Area		Agencies responsible for establishment and maintenance of centre	Staffing norm	Services to be provided
	Plain Area	Hill/Tribal area			
SCs	5000	3000	All SCs established after 1 April 1981 were funded by Government of India. Sub-centres functioning prior to 1 April 1981 were funded by State Minimum Needs Programme	One Multipurpose worker (Male) MPW (Female or ANM)	Contact point between primary health care and community
*PHCs	30,000	20,000	State Government under MNP	A medical officer assisted by 14 para medical and Non-medical staff	First contact point between village community and MO. It has 4—6 beds for treatment of patients and act as referred unit for 6 Sub Centres.
CHCs	1,20,000	80,000	-do-	4 Medical specialist supported by 21 Medical and Para Medical staff	It serves as referral centres for 4 PHCs and has 30 indoor beds with Operation Theatre, X-ray and Lab facilities.

APPENDIX XXI

(Referred to in Paragraph 3.2.6 at page 46)

Component wise details of expenditure under RCH programme

Particulars	1998-99	1999-2000
	(Rupees in lakh)	
1. Salaries of contractual staff including SCOVA Consultants, Public Health Nurse, Additional ANM, SM Consultants.	15.97	108.83
2. Civil works		
(a) Major		85.00
(b) Minor		49.09
3. Strengthening Existing Infrastructures	4.07	1.33
4. Computer, Fax, Generator etc.		5.77
5. Furniture	0.22	3.06
6. Printing & Stationery		1.58
7. TA/DA	0.33	2.34
8. Awareness Generation Training		4.45
9. Cold Chain maintenance		0.50
10. IEC Activities	—	9.00
11. Hospital Equipment		1.52
12. Drugs & Consumables		7.67
13. Other Miscellaneous Expenses	0.16	4.91
Total :	20.75	285.05

APPENDIX XXII

(Referred to in Paragraph 3.2.8.2 at page 47)

Target and achievement in respect of trainings conducted during 1995-96 to 1999-2000

Name of Course	Target	Achievement	Shortfall	Percentage of shortfalls
Medical officers	420	167	253	60
Health Assistant	245	64	181	74
Extension Educator	70	39	31	56
Health Worker	630	277	353	56
Computer/ Statistical Assistant	70	71	Nil	Nil
Tutor of ANM	70	20	50	29
Promotional Training of ANM	140	169	Nil	Nil
Multipurpose worker	240	314	Nil	Nil
Dais	350	204	146	42
Target Free Approach	245	198	47	19

The target is worked out with reference to the total number of courses conducted in respect of each category taking into account the capacity of 35 candidates per course (for other than multipurpose workers) and 60 for multipurpose workers.

APPENDIX XXIII
(Referred to in Paragraph 3.3.1 at page 52)
Statement of lotteries, draws and turnover

Distributors	Category of lotteries	No. of lotteries	No. of draws	Total turnover (Rupees in lakh)
1. Messrs. Limras Lotteries	Daily	124	16071	495132.25
	Instant	1384	1610	177051.60
	Bumper	7	7	1902.00
	Weekly	254	20570	832046.25
	Total	1769	38258	1506132.10
2. Messrs. R.K.Agencies	Daily	206	26234	857183.05
	Weekly	43	619	16827.50
	Instant	286	419	55631.00
	Total	535	27272	929641.55
3. Messrs. Mukund Enterprises	Daily	127	13297	279913.55
	Instant	499	668	71526.50
	Weekly	227	10513	429619.00
	Total	853	24478	781059.05
4. Messrs. S.S. Associates	Daily	211	15211	543694.60
	Instant	156	176	29655.00
	Weekly	35	1407	60720.00
	Total	402	16794	634069.60
5. Messrs. R.K. Agencies (S)	Daily	200	15198	341711.25
	Weekly	15	1596	52115.00
	Instant	164	338	40870.50
	Bumper	1	1	50.00
	Total	380	17133	434746.75
6. Messrs. Archana Associates	Weekly	1036	5266	197797.00
7. Messrs. I.C. Khurana	Daily	13	3237	59390.10
	Weekly	38	3729	112979.00
	Instant	10	99	12043.00
	Bumper	4	16	1450.00
	Total	65	7081	185862.10
8. Messrs. N.R. Enterprises	Instant	71	72	3420.00
	Weekly	476	4872	147843.00
	Bumper	2	5	140.00
	Total	549	4949	151403.00
9. Messrs. Goyal Enterprises	Daily	12	118	1280.50
	Instant	25	27	2963.40
	Weekly	592	4641	144970.28
	Total	629	4786	149214.18
10. Messrs. Martin Lottery	Instant	5	5	2110.00
	Weekly	460	3576	140390.00
	Total	465	3581	142500.00
11. Messrs. Subham International	Weekly	860	1817	99118.00
12. Messrs. Allwyn Agencies	Bumper	1	1	50.00
	Instant	16	16	1413.00
	Weekly	625	5296	90894.00
	Total:	642	5313	92357.00
Grand Total		8185	156728	5303900.33

APPENDIX XXIV
(Referred to in Paragraph 3.3.1 at page 52)
Statement of revenues collected

Year	Amount collected (Rupees in crore)
1994-95	23.35
1995-96	15.86
1996-97	20.50
1997-98	15.09
1998-99	6.76
1999-2000	4.77
Total:	86.33

APPENDIX XXV
(Referred to in Paragraph 3.3.5 (a) at page 55)
Statement of unauthorized deductions from prizes

Distributor	Category of lotteries	No. of draws	Amount deducted (Rupees in lakh)	Connected Scheme Nos.
1. Messrs. Limras Lotteries	Weeklies (IMPH)	3741	1081.91	15, 18, 23, 24, 33, 34, 43, 45, 47, 48, 51, 54, 55, 58 to 62, 67, 68, 69, 71, 73, 74, 77, 78, 79, 83, 84 to 88, 90
	Weeklies (DLH)	160	32.15	91, 94
	Bumpers	6	17.55	1, 3, 5 to 8, 35 to 37
	Total:	3907	1131.61	
2. Messrs. I.C. Khurana	Bumpers	35	65.00	17 to 20
	Weeklies	5577	1041.98	1 to 14, 16 to 22, 23 to 27, 29 to 52, 54, 56 to 62
Total:	5612	1106.98		
3. Messrs. Allwyn Agencies	Weeklies (DLH)	75	5.63	74
	Weeklies (IMPH)	2263	1052.80	3, 3 (ii), 6 to 18
	Total:	2338	1058.43	
4. Messrs. S.S. Associates	Weeklies (DLH)	1036	414.40	502
5. Messrs. Martin Lottery	Weeklies (IMPH)	192	245.63	1 to 4, 16 to 22, 27 to 64, 73 to 107, 173 and 174
	Weeklies	396	158.40	4, 4A, 4B, 6, 8, 9, 12, 13, 19
6. Messrs. R. K. Agencies (Sports)	Bumpers	2	0.55	22
	Total:	398	158.95	
7. Messrs. Mukund Enterprises	Weeklies (DLH)	49	25.91	38, 39
	Weeklies (IMPH.)	227	79.53	18 to 21, 25, 27, 41, 42, 44
	Instants (DLH)	9	7.55	458, 459, 462, 463, 464
Total:	285	112.98		
8. Messrs. N.R. Enterprises	Weeklies (IMPH)	45	50.65	1, 4, 18, 19, 76, 78, 81, 93 and 94
9. Messrs. Goyal Enterprises	Weeklies (IMPH)	80	15.80	7
	Weeklies (DLH)	14	7.87	309, 310
Total:	94	23.67		
10. Messrs. R.K. Agencies	Dailies	60	2.52	29, 51
	Weeklies	9	7.64	21, 26, 27, 28, 30
Total:	69	10.16		
Grand total	13976	4313.46		

APPENDIX XXVI

(Referred to in Paragraph 3.3.5 (b) at page 56)

Consolidated account of daily lotteries drawn as weekly lotteries

Distributor	Number of weeklies	Number of draws
1. Messrs. Mukund Enterprises	1029	4623
2. Messrs. Subham International	742	1356
3. Messrs. Archana Associates	315	2490
4. Messrs. Allwyn Agencies	245	306
5. Messrs. Goyal Enterprises	238	1120
6. Messrs. Limras Lotteries	63	1356
Total:	2632	11251

APPENDIX XXVII

(Referred to in Paragraph 3.3.5 (b) at page 56)

Statement of single digit lotteries (Illustrative)

Distributor	Scheme No.	Name of lottery	Period of draws
Messrs. Subham International	1	Rajlakshmi Sangam	1.12.98 to 23.12.98
	2	Bhagya Super	1.12.98 to 23.12.98
Messrs. Martin Lottery Agency	5	Shirpa Suraj 500 Regal	15.3.99 to 18.4.99
	49	Surya Kiran Regal	15.3.99 to 18.4.99
Messrs. N.R. Enterprises	75	Taj Askhari Khel	22.2.99 to 18.4.99
	82	Sikka Sone Ka Rajkumari	16.4.99 to 7.5.99

APPENDIX XXVIII

(Referred to in Paragraph 3.3.5 (b) at page 56)

Statement of instant lotteries (Illustrative)

Distributor	Name of lotteries	Date of draw	
Messrs. Mukund Enterprises	Sri Ganapathi	15.10.98	
	Sri Swarna Lakshmi	15.10.98	
	Lion	15.10.98	
	Sri Rani	10.10.98	
	Sri Raja	10.10.98	
	Prince Night Queen	1.03.99	
	Prince Rubby	1.03.99	
	Prince Indica	1.03.99	
	Jai Maharashtra Bhagyalakshmi	1.03.99	
	Golden New Game	22.03.99	
	Golden Double Game	22.03.99	
	Messrs. N.R. Enterprises	Vicky Harse 5	20.02.99
		Vicky Harse 10	20.02.99
Vicky Harse 22		20.02.99	
Vicky Harse 55		20.02.99	
Madhur		20.02.99	
Dampy		20.02.99	
Messrs. Martin Lottery Agency	Sri Raja	8.04.99	
	Sri Rani	15.04.99	
	Swarna Lakshmi	1.05.99	

APPENDIX XXIX

(Referred to in Paragraph 3.3.5 (c) at page 56)

Lengthy names of lotteries (Illustrative)

Name of distributor	Scheme No.	Name of lottery
Messrs. Goyal Enterprises	339	Jai Radha Banke Bihari U.P. Rekha Rajshree Weekly
	353	Rani Radha Kunj U.P. Rekha Rajshree Royal Special Weekly
	354	Raja Radha Kunj U.P. Rekha Rajshree Royal Special Kala Ghora Weekly.
	374	Raj Radha Krishan U.P. Rekha Rajshree Lucky Weekly
	402	Rani Radha Raman U.P. Rekha Rajshree Good Morning Weekly
	416	Dev Radha Madhusudhan U.P. Rekha Rajshree Good Night Weekly.
	465	Om Radha Mahamaya U.P. Rekha Rajshree Samrati Banarasi Babu Weekly
	472	Shri Radha Dwarika U.P. Rekha Rajshree Royal Noon Weekly
	493	Guru Radha Vrindaban U.P. Rekha Rajshree Super Weekly

APPENDIX XXX

(Referred to in Paragraph 3.3.6 at page 57)

Cases of non-payment of printing charges

Printing firms	Number of lotteries	Period	Printing cost
			(Rupees in lakh)
1. Messrs. Druck Grafen India Ltd.	5	5/96- 8/97	62.23
2. Messrs. Orient Colour Crafts	5	10/97	5.29
3. Messrs. Pranav Print N Pack Ltd.	11	10/96- 1/97	3.14
4. Messrs. Thomson Press	1	9/95- 3/96	1.73
Total:			72.39

APPENDIX XXXI

(Referred to in Paragraph 3.3.6 (2) at page 57)

Cases of cancellation of print orders at short notices (Illustrative)

Cancellation Order No. and Date	Name of lottery	Effective date of cancellation
1. No.5/1/94-FD-L/Lim dt.12.1.97	Janata Morning Daily	13.1.97
2. No.5/1/94-FD-L/Lim dt.12.1.97	Janata Evening Daily	13.1.97
3. No.5/1/94-FD-L/Lim dt.12.1.97	Janata Gold	13.1.97
4. No.3/89/97-MSL/GE dt.17.8.98	Kuberan Weekly	17.8.98
5. No.3/104/99-MSL/AA/03 dt.23.6.99	Sangam Queen Weekly	23.6.99
6. No.3/104/99-MSL/AA dt.8.7.99	Sangam Gold Weekly	8.7.99
7. No.3/115(4)/98-MSL/AA dt.12.7.99	Jackot Apple Weekly	12.7.99
8. No.3/121/99-MSL/NR dt.16.7.99	Vasantham 800 Weekly	16.7.99
9. No.3/115(4)/98-MSL/AA dt.16.8.99	Yash Bankebihari Set of Weekly	16.8.99
10. No.3/115(4)/98-MSL/AA dt.27.3.2000	Sri Athipathi Weekly	27.3.2000

APPENDIX XXXII

(Referred to in Paragraph 3.3.7 (1) at page 58)

List of lotteries suspected to be fake

	Draw No.	Distributors
1. Indira 500 Instant	5/19.12.95	Messrs. Limras Lotteries
2. Jackpot Silver Instant	9/23.2.96	Messrs. Limras Lotteries
3. Shri Shankari Instant	2/4.3.96	Messrs. Limras Lotteries
4. Royal Gold 100 Instant	8/1.5.96	Messrs. Mukund Enterprises
5. Lion Gold Instant	9/4.5.96	Messrs. Mukund Enterprises
6. City Express Instant	10/6.5.96	Messrs. Mukund Enterprises
7. Manikanta Super Instant	2/27.5.96	Messrs. Mukund Enterprises
8. Swathi Instant	2/27.5.96	Messrs. Mukund Enterprises
9. Lion King Instant	6/27.5.96	Messrs. Mukund Enterprises
10. Nandi Instant	3/31.5.96	Messrs. Mukund Enterprises
11. City Diamond Instant	4/10.6.96	Messrs. Mukund Enterprises
12. Baba Deluxe Instant	3/17.6.96	Messrs. Mukund Enterprises
13. Silver Gold Instant	5/19.6.96	Messrs. Mukund Enterprises
14. Nagmani Instant	1/20.6.96	Messrs. Mukund Enterprises
15. City Crown Instant	7/10.7.96	Messrs. Mukund Enterprises
16. Mani Silver Instant	9/10.7.96	Messrs. Mukund Enterprises

APPENDIX XXXIII

(Referred to in Paragraph 3.3.7 (2) at page 58)

List of approved and unapproved lotteries

Sl.	Approved lotteries	Sl.	Non-approved lotteries
1.	U.P. Manisha	25.	U.P. Manisha Savera
2.	U.P Anmol	26.	U.P Anmol Kohinoor
3.	U.P Karishma	27.	U.P Karishma Savera
4.	U.P. Ambika	28.	U.P. Ambika Dursa
5.	U.P Rekha	29.	U.P Rekha Priya
6.	U.P Kashi	30.	U.P Kashi Viswa
7.	U.P. Madhuri	31.	U.P. Madhuri Sundari
8.	U.P Ganpati	32.	U.P Ganpati Kuber
9.	U.P Ambe	33.	U.P Ambe Shakti
10.	U.P. Natraj	34.	U.P. Natraj Kanheiya
11.	U.P Saraswati	35.	U.P Saraswati Veena
12.	U.P Aradhana	36.	U.P Aradhana Apsara
13.	U.P. Kismat	37.	U.P. Kismat Khajana
14.	U.P Samrat	38.	U.P Samrat Sartaj
15.	U.P Neelam	39.	U.P Neelam Sona
16.	U.P. Ratan	40.	U.P. Ratan Panna
17.	U.P Minakshi	41.	U.P Minakshi Mayuri
18.	U.P Divya	42.	U.P Divya Diamond
19.	U.P. Anuradha	43.	U.P. Anuradha Laxmi
20.	U.P Sandhya	44.	U.P. Sandhya Chanda
21.	U.P Pooja		
22.	U.P. Arti		
23.	U.P Sheetal		
24.	U.P Shiva		

APPENDIX XXXIV

(Referred to in Paragraph 3.3.8 at page 59)

Rates of Part Consideration

Effective date	Daily	Weekly	Bumper	Instant
12.5.94	Rs.15,500	Rs.15,500	Rs.15,500	Rs.15,500
8.5.95	Rs.11800 + 0.05 p.c. of the turnover exceeding Rs. 100 lakh	Rs.11800 + 0.05 p.c. of the turnover exceeding Rs.100 lakh	Rs.11800 + 0.10 p.c. of the turnover	Rs.11800 + 0.05 p.c. of the turnover
16.9.95	Rs.7500 + 0.05 p.c. of the turnover exceeding Rs.100 lakh	Rs.7500 + 0.05 p.c. of the turnover exceeding Rs.100 lakh	Rs.11800 + 0.05 p.c. of the turnover exceeding Rs. 20 lakh	Rs.10000 + 0.05 p.c. of the turnover exceeding Rs.100 lakh
1.7.96	Rs. 5000 + 0.05 p.c. of the turnover exceeding Rs.100 lakh (for Sports)	Rs.5000 + 0.05 p.c. of the turnover exceeding Rs.100 lakh (for Sports)	--	--
9.9.96	Rs.5500	Rs.5500	--	Rs.8200 + 0.05 p.c. of the turnover exceeding Rs.100 lakh
1.2.99	----	Rs.1375 Rs.1389 (for newly inducted parties)		

APPENDIX XXXV

(Referred to in Paragraph 3.3.8 at page 60)

Information on invocation of bank guarantee bonds

Party	BG bond No & date	Amount (Rs. in lakh)	Claim deadline	Date of claim	Date of receipt in the Bank	Status
Messrs. R.K. Agencies	012/95-96 dt.25.9.95 State Bank of Mysore, New Delhi	25	24.12.97	2.7.98	3.8.98	Late claim, invocation refused
	024/95-96 dt.19.12.96 State Bank of Mysore, New Delhi.	25	18.5.98	2.7.98	3.8.98	—do—
	03/97 dt.10.4.97 State Bank of Mysore, New Delhi	10	9.7.98	2.7.98	3.8.98	—do—
	01/97 dt.24.6.97 City Union Bank, New Delhi	10	24.6.99	24.3.98		Settlement awaited
Messrs. R.K. Agencies (Sports)	02/97 dt.10.4.97 State Bank of Mysore, Delhi	30	9.7.98	2.7.98	3.8.98	Late claim, invocation refused
Messrs. S.S. Associates	1/97 dt.10.4.97 State Bank of Mysore, Delhi	35	9.7.98	2.7.98	3.8.98	Late claim, invocation refused
	03/98 dt.17.8.98 State Bank of Patiala, Moradabad	35	16.12.99	7.7.99		Settlement awaited
Messrs. Mukund Enterprises	34/12 dt.22.6.94 SBI, New Delhi	25	24.6.99	25.6.99		Late claim
Messrs. Goyal Enterprises	12/98-99 dt.24.8.98 State Bank of Mysore, Delhi	30	23.11.99	6.7.99		Settlement awaited
Messrs. Limras Lotteries	69/92-93 dt.21.1.93 Indian Bank, Chennai	25	19.1.2000	7.7.99		Settlement awaited

APPENDIX XXXVI

(Referred to in Paragraph 3.3.9 (1) at page 60)

Statement of declaration of results against unconnected lotteries

Draws of		Results declared against
1. NIKHA Jyoti 200 Regal	(1/29.3.99 – 12 noon)	NIKITA Jyoti 200 Regal
2. AMBER Jyoti 500 Regal	(1/29.3.99 –12 noon)	GANGA Jyoti 500 Regal
3. AMBER Venus 500 Regal	(1/29.3.99 –2 p.m.)	SON Venus 500 Regal
4. NIKHA Jyoti 200 Regal	(2/5.4.99 – 12 noon)	NIKITA Jyoti 200 Regal
5. AMBER Jyoti 500 Regal	(2/5.4.99 – 12 noon)	GANGA Jyoti 500 Regal
6. AMBER Venus 500 Regal	(2/5.4.99 – 2 p.m.)	SON Venus 500 Regal
7. NISHA VENUS 500 Regal	(3/13.4.99 - 3p.m.)	VISHAL SURAJ 500 Regal
8. Agni VENUS 500 Regal Evening	(4/13.4.99 - 6 p.m.)	Agni KIRAN 500 Regal Evening

APPENDIX XXXVII

(Referred to in Paragraph 3.3.9 (3) at page 61)

Statement of alteration of prize winning numbers while publishing in the newspaper

Name of lotteries	Category of prizes	Correct PWT Nos.	Altered Nos.
1	2	3	4
Messrs. Limras Lotteries and Trading Co.			
1. Manipur Laxmi (26.2.95)	First Prize	314200	414200
	First Prize	398031	598031
	Third Prize	06479	36479
		15500	45500
		10759	60759
		24001	84001
2. Manipur Laxmi (27.2.95)	Third Prize	17611	57611
		23782	73782
3. Manipur Laxmi (7.3.95)	First Prize	233881	33881
4. Manipur Laxmi (8.3.95)	First Prize	438192	138192
		515380	575380
5. Manipur Laxmi (10.3.95)	First Prize	303851	363851
6. Manipur Laxmi (11.3.95)	First Prize	334437	134437
		506080	566080
7. Manipur Laxmi (12.3.95)	First Prize	420336	120336
		394302	294302
8. Manipur Laxmi (13.3.95)	First Prize	295007	395007
9. Manipur Laxmi (14.3.95)	First Prize	405739	105737
		513298	563298
	Second Prize	475826	175826
10. Manipur Laxmi (23.3.95)	First Prize	454209	464209
	Third Prize	37802	07802
		29639	59639
		32302	62302
		12557	72557
		37773	87773
11. Manipur Laxmi (24.3.95)	Third Prize	49258	09258
		60347	10347
12. Manipur Laxmi (5.4.95)	Third Prize	29389	98389
13. Manipur Meena (26.2.95)	Third Prize	19318	16318
		20351	26351
		37617	38617
		53551	56551
		63893	69893
14. Manipur Meena (12.3.95)	Second Prize	61321	11321
	Third Prize	24518	25518
		39830	36830
		42653	40153
		53806	58806
		68858	63858
		79169	75169
		81411	87411

15. Manipur Taj (27.2.95)	Third Prize	23349	23549
		38651	37651
		40314	49314
		67659	64659
		81302	82302
16. Manipur Taj (13.3.95)	Second Prize	67828	17828
	Third Prize	43525	47625
		59539	55539
		62503	65503
		79728	70728
		82451	80451
17. Manipur Roja (7.3.95)	Third Prize	18462	12462
		28506	29506
		54322	56522
		66534	64034
18. Manipur Roja (14.3.95)	Third Prize	11326	15326
		43218	47218
		52652	54652
19. Manipur Rekha (8.3.95)	First Prize	28587	28087
	Third Prize	21462	22462
		38648	36648
		41410	40410
		58634	58034
		70341	70541
		83516	88516
20. Manipur Malar (10.3.95)	Third Prize	38893	34893
		59933	59433
		62156	67156
		89942	88942
21. Manipur Malar (24.3.95)	Third Prize	28525	27525
		30825	36825
		45320	46320
		61641	63641
22. Manipur Manju (11.3.95)	Second Prize	17452	97452
	Third Prize	18653	14653
		28384	20384
		31529	30529
		42230	45230
		58552	52552
		60715	61715
		72437	76437
23. Manipur Manikkam (23.3.95)	First Prize	239500	239600
24. Manipur Rani (23.3.95)	Third Prize	11920	14920
		22431	24431
		37433	30433
25. Om Muruga Weekly (28.5.97)	Third Prize	70975	75975
		86269	81269
		94375	96375

Messrs. Mukund Enterprises			
26. Lagan Super Bumper (10.5.97)	First Prize	980149	203861
Messrs. Subham International			
27. Kamdhenu Diamond Weekly (22.5.99)	Second Prize	HH 111826	AA 111826
		CC 113357	KK 113357
	Third Prize	LL 112189	LL 112186
		KK 119048	KK 119008
	Fourth Prize	[9000 prizes, out of 10000 prizes, wrongly published]	

APPENDIX XXXVIII

(Referred to in Paragraph 3.3.10 at page 62)

Amount of Taxable Prizes

Distributor	No. of draws	No. of prizes	Total amount of prizes (Rupees in lakh)
1. Messrs. I.C.Khurana	3376	12874	6682.10
2. Messrs. Limras Lotteries	2804	3386	2596.60
3. Messrs. S.S. Associates	1036	2072	1139.60
4. Messrs. R.K. Agencies (Sports)	481	610	610.75
5. Messrs. Mukund Enterprises	483	533	551.42
6. Messrs. Allwyn Agencies	50	85	118.00
7. Messrs. Martin Lottery	639	97	110.10
8. Messrs. R.K. Agencies	42	45	75.05
9. Messrs. N.R. Enterprises	111	48	58.00
10. Messrs. Goyal Enterprises	40	80	46.00
	9062	19830	11987.62

APPENDIX XXXIX
(Referred to in Paragraph 3.3.10 at page 62)

Cases of major prizes drawn by distributors

Sl.	Name of distributors	No. of draws	No. of prizes	Gross amount of prizes	Net amount drawn
(Rupees in lakh)					
1.	Messrs. I.C. Khurana	3362	3405 (1 st)	5129.00	2734.25
		3356	3221 (2 nd)	1218.80	635.54
		44	220 (3 rd)	61.25	47.40
		5	25 (4 th)	6.25	4.60
		6767	6871	6415.30	3421.79
2.	Messrs. Martin Lottery	183	663 (1 st)	748.80	499.25
		58	58 (2 nd)	6.90	4.48
		241	721	755.70	503.73
3.	Messrs. Limras Lotteries	479	479 (1 st)	479.00	359.95
4.	Messrs. Mukund Enterprises	347	347 (1 st)	391.00	254.15
		8	8 (2 nd)	4.00	2.60
		8	8 (3 rd)	0.80	0.72
		363	363	395.80	257.47
5.	Messrs. N.R. Enterprises	51	142 (1 st)	166.00	116.45
		35	90 (2 nd)	14.20	12.58
		15	42 (3 rd)	5.40	4.68
		101	274	185.60	133.71
6.	Messrs. Allwyn Agencies	49	49 (1 st)	98.50	65.775
		35	35 (2 nd)	8.75	7.875
		84	84	107.25	73.65
7.	Messrs. Goyal Enterprises	42	42 (1 st)	42.00	26.65
		42	42 (2 nd)	6.30	4.41
		84	84	48.30	31.06
Grand total:		8119	8876	8386.95	4781.36

APPENDIX XL

(Referred to in Paragraph 3.3.11 at page 63)

Cases where the smallest prizes were higher than the Compensatory Amount

Sl.	Name of Distributor	No. of draws	Differential Amount (In Rupees)
1.	Messrs. R.K. Agencies	1096	781375
2.	Messrs. Limras Lotteries	1194	752735
3.	Messrs. R.K. Agencies (S)	891	548640
4.	Messrs. S.S. Associates	1563	510000
5.	Messrs. Subham International	836	348510
6.	Messrs. Archana Associates	2881	217250
7.	Messrs. Martin Lottery	732	147600
8.	Messrs. Allwyn Agencies	1138	120720
9.	Messrs. Mukund Enterprises	206	60400
10.	Messrs. N.R. Enterprises	174	14700
11.	Messrs. I.C. Khurana	4	400
	Total:	10715	3502330

APPENDIX XLI

(Referred to in Paragraph 3.3.12 at page 64)

Calculation Model of Balance Amount

Name of distributor: Messrs. S. S. Associates
 Place of draw: New Delhi
 Category of lottery: Dailies

	Rupees in lakh)
Total turnover	5217.00 ^A
Less 10 p.c. discount to the distributor	522.00
	4695.00
Less total amount of prizes	4251.00 ^B
	444.00
Less printing cost of tickets (998.60 lakh ^C tickets X Rs. 8450 per lakh ^D)	84.00
	360.00
Less part considerations (255 draws X Rs.5500 per draw)=Rs.14.00 lakh (192 draws X Rs.1375 per draw)=Rs.2.64 lakh	16.64
	343.36
Less draw expenses (447 draws X Rs.500 per draw)	2.24
Balance Amount:	341.12
	Say, Rs.3.41 crore

^A Data based on the schemes available with the Directorate.

^B Data based on the schemes available with the Directorate.

^C Data based on the schemes available with the Directorate.

^D Average of available rates ruling from 1994 to 2000.

APPENDIX XLII

(Referred to in Paragraph 3.3.12 at page 64)

Statement of balance amount awaiting recovery from the distributors

Name of party	Category of lottery	No. of draws	Total turnover (Rs. in crore)	Balance Amount (Rs. in crore)
1. Messrs. Limras Lotteries	Daily	1073	95.12	10.74
	Bumper	7	17.10	4.92
	Instant	855	701.15	63.24
	Weekly	8465	3288.69	472.41
	Total:	10400	4102.06	551.31
2. Messrs. Mukund Enterprises	Daily	1981	276.62	13.77
	Instant	358	292.83	12.41
	Weekly	5969	3001.67	344.21
	Total:	8308	3571.12	370.39
3. Messrs. I.C. Khurana	Bumper	16	14.50	3.85
	Instant	41	34.33	2.92
	Weekly	3541	1037.54	148.76
	Total:	3598	1086.37	155.53
4. Messrs. Martin Lottery	Instant	2	2.40	0.12
	Weekly	2846	1206.45	153.94
	Total:	2848	1208.85	154.06
5. Messrs. N.R. Enterprises	Bumper	5	1.40	0.46
	Instant	24	7.98	0.79
	Weekly	3289	1186.95	145.94
	Total:	3318	1196.33	147.19
6. Messrs. Allwyn Agencies	Bumper	1	0.50	0.19
	Instant	3	2.35	0.13
	Weekly	1821	545.48	113.47
	Total:	1825	548.33	113.79
7. Messrs. S.S. Associates	Daily	447	52.17	3.41
	Instant	100	172.44	12.33
	Weekly	1113	429.80	67.56
	Total:	1660	654.41	83.30
8. Messrs. R.K. Agencies	Daily	638	68.40	4.78
	Instant	234	273.44	24.11
	Weekly	612	167.51	18.43
	Total:	1484	509.35	47.32
9. Messrs. R.K. Agencies (S)	Daily	731	72.16	0.11
	Bumper	1	0.50	0.16
	Instant	222	221.66	20.29
	Total:	954	294.32	20.56
10. Messrs. Goyal Enterprises	Instant	13	11.31	1.15
	Weekly	191	87.48	18.15
	Total:	204	98.79	19.30
11. Messrs. Subham International	Weekly	16	0.96	0.04
Grand Total:		34615	13270.89	1662.79

APPENDIX XLIII

(Referred to in Paragraph 3.5.4 at page 73)

Statement showing the funds released by Government of India, the State Government and the expenditure incurred by the implementing agencies

	1996-97		1997-98		1998-99		1999-2000		Total	
	Amount released		Amount released		Amount released		Amount released		Amount released	
	(R u p e e s i n l a k h)									
A.	GOI	State	GOI	State	GOI	State	GOI	State	GOI	State
Amount released by Government of India and the State Government										
(i) Police										
Police Station/ outpost	—	—	4.20	4.20	10.50	10.50	6.30	—	21.00	14.70
Police Housing	—	—	207.37	207.50	518.44	518.44	518.44	656.56	1244.25	1382.50
Police Training	—	—	3.97	3.97	9.92	9.92	5.95	5.95	19.84	19.84
(ii) Fire Service	30.00	—	—	25.46	120.00	—	30.00	154.35	180.00	179.81
(iii) Jails										
Repair and Renovation	—	—	—	—	19.35	19.35	19.35	—	38.70	19.35
Medical facilities	3.90	—	6.18	6.83	9.42	12.67	3.90	5.47	23.40	24.97
(i) Record Room	—	—	—	—	5.49	5.49	5.51	6.72	11.00	12.21
(v) Education										
Female literacy	30.00	—	—	49.97	75.00	59.78	75.00	87.60	180.00	197.35
Separate toilet facility	6.72	—	—	17.81	26.88	15.79	6.72	11.14	40.32	44.74
Drinking water facility	—	—	—	—	—	—	347.62	289.90	347.62	289.90
(vi) Special Problem										
Development of Loktak lake	450.00	300.00	712.50	488.00	412.50	787.00	1125.00	1125.00	2700.00	2700.00
Construction of Sports Complex at Imphal	500.00	500.00	500.00	500.00	—	—	—	—	1000.00	1000.00
Construction of Art Complex at Imphal and improvement of INA memorial	—	—	—	—	447.17	—	258.16	705.00	705.33	705.00
(vii) Local Bodies										
Urban Local Bodies,	56.00	—	14.00	—	—	28.00	—	84.00	70.00	112.00
Panchayat Raj Institution and DRDAs	233.00	—	58.25	—	—	58.25	116.00	349.00	407.25	407.25
(viii) Calamity Relief Fund	186.00	46.50	196.00	196.00	206.00	206.00	161.25	161.25	749.25	609.75
Total	1495.62	846.50	1702.47	1499.74	1860.67	1731.19	2679.20	3641.94	7737.96	7719.37

¹ Rs. 176.00 lakh was released by Central Government for the year 1995-96 and State Government deposited into CRF.

		1996-97	1997-98	1998-99	1999-2000	Total
		(Rupees in lakh)				
B.	Expenditure incurred					
(i)	Police					
	Police Station/outpost	—	12.40	2.10	—	14.50
	Police Housing	—	207.50	83.66	434.78	725.94
	Police Training	—	3.97	9.92	—	13.89
(ii)	Fire Service	—	25.46	—	110.00	135.46
(iii)	Jails					
	Repair and Renovation	—	—	—	19.35	19.35
	Medical facilities	—	6.83	12.22	5.47	24.52
(iv)	Record Room	—	—	5.49	6.72	12.21
(v)	Education					
	Female literacy	—	50.00	60.00	—	110.00
	Separate toilet facility	—	17.81	15.79	—	33.60
	Drinking water facility	—	—	—	—	—
(vi)	Special Problem					
	Development of Loktak lake	300.00	488.00	787.00	886.00	2461.00
	Construction of Sports Complex	250.00	750.00	—	—	1000.00
	Construction of Art Complex at Imphal and improvement of INA memorial	—	—	—	447.00	447.00
	Local Bodies					
	Urban Local Bodies	—	—	28.00	80.90	108.90
	Panchayati Raj Institutions and DRDAs	—	—	58.25	174.75	233.00
	Calamity Relief Fund	12.41	51.00	104.64	814.74	982.79
	Total	562.41	1612.97	1167.07	2979.71	6322.16
D.	Amount retained by the State Government	933.21	89.50	693.60	(-) 300.51	1415.80

APPENDIX XLIV

(Referred to in Paragraph 3.5.6.1 at page 77)

Physical target and achievement during 1996-97 to 1999-2000 for development of Loktak lake

	Target	Achievement	Shortfall
A. Desiltation			
(i) Dredger	3 number	1	2
(ii) Dredging pipe	174 number	317 number	—
(iii) Desiltation work	37.5 lakh m ³	27.56 lakh m ³	9.94 lakh m ³
B. Enlargement capacity			
(i) Hydraulic excavator	5 number	5 number	—
(ii) Bull dozer	1 number	—	1
(iii) High bed trailer	1 number	—	1
(iv) Dumper/Tipper	20 number	12	8
(v) Removal of floating weed	71.25 lakh m ³	48.68 lakh m ³	22.57 lakh m ³
C. Afforestation of catchments area			
(i) Afforestation/fuel wood fodder plantation	3100 Ha	2040 Ha	1060 Ha
(ii) Plantation of Altus	300 Ha	—	300 Ha
(iii) Plantation of Horticulture	200 Ha	110 Ha	90 Ha
(iv) Pasture Development	200 Ha	—	200 Ha
(v) Alternative energy sources	1000 number	—	1000 number
D. Soil conservation and engineering structure			
(i) Silt detention dam	39 number	39 number	—
(ii) Boulder sousage wall	3200 RM	7593 RM	—
(iii) Vegetative check dam	600 Ha	5040 Ha	—
E. Infrastructure	5 number	1	4 (80 per cent)

APPENDIX XLV

(Referred to in Paragraph 3.5.6.1.2 at page 78)

Additional expenditure on procurement of pipes

Item	Quantity procured	Projected quantity as per action plan for 3 dredger	Quantity procured in excess	Rate	Amount
	(In Number)			(In Rupees)	
Floating dredging pipe 6 metre long	105	60	45	30445.00	1370025.00
Shore dredging pipe 6 metre long	120	45	75	17765.00	1332375.00
Rubber Hose 2 metre long	20	60	20	15578.00	311560.00
2.5 metre long	60				
Rubber Hose 2 4 metre long	12	9	3	20937.00	62811.00
Total:	317	174	143		3076771.00

APPENDIX XLVI

(Referred to in Paragraph 3.5.7 at page 79)

Target and achievement in respect of works as per approved programme during 1996-97 to 1999-2000

	Target	Achievement	Shortfall
Municipal Councils			
(i) Improvement, shingling of Municipal Road	35.363 metres	35.363 metres	—
(ii) Construction of drain	826 metre	826 metre	—
(iii) Construction of fencing parking	638 metre	638 metre	—
(iv) Construction of market shed/bus waiting shed, crematorium and garbage bin—	165 number	165 number	—
(v) Construction of culvert	23 RM	23 RM	—
(vi) Installation of street light	12 number	12 number	—
Nagar Panchayats			
(i) Improvement, shingling, earth filling of road	11.54 KM	11.54 KM	—
(ii) Construction/repairing of drains	768 metre	768 metre	—
(iii) Construction of fencing/ parking gate	958 metre	958 metre	—
(iv) Construction of market shed, culvert wooden bridge <i>etc.</i>	210 number	210 number	—
(v) Improvement of office building	372 sq metre	372 sq metre	—
Panchayati Raj Institutions and DRDAs (for 5 Hill districts)			
(i) Community building	353 number	353 number	—
(ii) Construction and improvement of Minor Irrigation canals	113.18 KM	113.18 KM	—
(iii) Construction and improvement of drinking water tank	36 number	36 number	—
(iv) Construction of public latrine/ bath room	26 number	26 number	—
(v) Construction of drainage	3 KM	3 KM	—
(vi) Construction of inter village road	216.58 KM	216.58 KM	—
(vii) Construction of culvert and bridge	105 number	105 number	—
(viii) Construction/improvement of play ground	19 number	19 number	—
(ix) Procurement of boat for ferry service	1	1	—
(x) Construction of cremation ground/ shed	17 number	17 number	—
(xi) Street light	1	1	—

APPENDIX XLVII

(Referred to in Paragraph 4.4 at page 99)

Statement showing agency-wise reported payments made through cheques by the Executive Engineer, PW Division, Ukhrul for 49 minor works

Sl. No.	Name of the agency	Cheque No. and date	Amount (Rupees)	Voucher No. and date
1.	M/s Pandit Leikai LCCS Ltd., Imphal	C/865963/008660 dated 31.3.1999	4,78,346.00	From 39 to 52 of 3/1999
2.	M/s East Khongman LCCS Ltd., Imphal	C/865964/008660 dated 31.3.1999	4,21,654.00	From 53 to 62 of 3/1999
3.	Sinam Mangi Singh	C/865965/008660 dated 31.3.1999	5,58,249.00	From 63 to 81 of 3/1999
4.	M/s East Khongman LCCS Ltd., Imphal	C/872036/008721 dated 31.3.1999	19,000.00	151 of 3/1999
5.	Y.Yaima Singh	C/872038/008721 dated 31.3.1999	20,000.00	153 of 3/1999
6.	Z.V. Raiphung	C/872059/008721 dated 31.3.1999	13,000.00	192 of 3/1999
7.	M/S V.S. Raising Son	C/872062/008721 dated 31.3.1999	40,000.00	195 of 3/1999
8.	K.S. John	C/872072/008721 dated 31.3.1999	34,000.00	204 of 3/1999
		C/872073/008721 dated 31.3.1999	30,038.00	205 of 3/1999
		Total:	16,14,287.00	

APPENDIX XLVIII

(Referred to in Paragraph 5.1 at page 100)

Statement showing the purchase and issue of stores

Sl. No.	Name of store	Opening balance (Quantity)	Value (Rs.)	Quantity purchased (Nos.)	Purchased value (Rs.)	Quantity issued during 1997-98 to 1999-2000 (Nos.) (Percentage)	Value of issued material (Rs.)	Balance quantity as of March 2000 (Nos.)	Value of balance quantity (Rs.)
1.	Agreement Form No.7	200	6000	11400	3,42,000	1500 (13)	45,000	10,100	3,033,000
2.	Agreement Form No.8	1300	39,000	11,200	3,36,000	2240 (18)	67,200	10,260	3,07,800
3.	Indent Book	-	-	5,700	8,62,500	106 (2)	16,006	5,594	8,44,694
4.	Price stores Ledger	-	-	150	67,500	24 (16)	10,800	126	56,700
5.	Imprest Cash Book	-	-	493	25,020	14 (3)	710	479	24,309
	Total:		45,000		16,32,020		1,39,716		15,36,503

APPENDIX XLIX

(Referred to in paragraph 6.3 at page 102)

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

Sl. No.	Name of body/ authority	Source of funds	Amount of grant/loan		Years for which accounts due
			1998-99	1999-2000	
1	2	3	4	5	6
(Rupees in lakh)					
1.	Manipur Development Society, Imphal	State Government Others	100 —	150 —	—
2.	Manipur University, Canchipur	State Government Others	475.00 —	817.61 —	1999-2000
3.	Manipur State Kala Academy, Khuman Lampak, Imphal	State Government Others	50.00 —	48.50 —	1999-2000
4.	Directorate of Science and Technology, Old Lambulané, Imphal	State Government Others	3.55 —	33.26 —	NA
5.	Regional Institute of Medical Science, Imphal	State Government Others	311.77 —	229.83 —	1999-2000
6.	Autonomous District Council, Tamenglong	State Government Others	520.00 —	762.00 —	—
7.	Sadar Hills Autonomous District Council, Kangpokpi	State Government Others	455.34 —	707.32 —	—
8.	District Rural Development Agency, Thoubal	State Government Others	386.05 —	237.70 —	—
9.	District Rural Development Agency, Churachandpur	State Government Others	183.17 222.53	59.72 156.48	1999-2000
10.	District Rural Development Agency, Bishnupur	State Government Others	38.06 180.11	54.82 84.85	1995-96 to 1999-2000
11.	District Rural Development Agency, Imphal	State Government Others	55.28 142.93	50.04 66.19	1995-96 to 1999-2000
12.	District Rural Development Agency, Senapati	State Government Others	70.71 210.41	54.89 169.72	1999-2000
13.	District Rural Development Agency, Chandel	State Government Others	54.85 207.12	44.28 77.03	1997-98 to 1999-2000

APPENDIX L

(Referred to in paragraph 6.4 at page 102)

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 upto which accounts certified	Certification of accounts in arrears	Reasons for arrears
(1)	(2)	(3)	(4)	(5)	(6)
(a) Under Section 19 (3)					
1.	Senapati Autonomous District Council	Not specified	1997-98	1998-99 to 1999-2000	Due to non-receipt of accounts
2.	Sadar Hills Autonomous District Council, Kangpokpi	—do—	1996-97	1997-98 to 1999-2000	—do—
3.	Ukhrul Autonomous District Council	—do—	1996-97	—do—	—do—
4.	Churachandpur Autonomous District Council	—do—	1998-99	1999-2000	—do—
5.	Tamenglong Autonomous District Council	—do—	1996-97	1997-98 to 1999-2000	—do—
6.	Chandel Autonomous District Council	—do—	1996-97	1997-98 to 1999-2000	—do—
(b) Under Section 20 (1)					
1.	Kendriya Vidyalaya, Komkeirap	Up to 2000-2001	1994-95	1995-96 to 1999-2000	—do—
2.	Kendriya Vidyalayas, Imphal and Leimakhong (2 numbers)	—do—	1996-97	1997-98 to 1999-2000	—do—
3.	Kendriya Vidyalayas, Churachandpur and Langjing (2 numbers)	—do—	1993-94	1994-95 to 1999-2000	—do—
4.	Jawahar Novodaya Vidyalayas, Bishnupur and Khumbong (2 numbers)	1999-2000	1994-95	1995-96 to 1999-2000	—do—
5.	Jawahar Novodaya Vidyalayas, Churachandpur and Ukhrul (2 numbers)	—do—	1995-96	1996-97 to 1999-2000	—do—
6.	Jawahar Novodaya Vidyalayas, Mao, Kakching and Chandel (3 numbers)	—do—	1996-97	1997-98 to 1999-2000	—do—
7.	Jawahar Novodaya Vidyalaya, Tamenglong	—do—	1996-97	1997-98 to 1999-2000	—do—

(1)	(2)	(3)	(4)	(5)	(6)
8.	Nehru Yuva Kendras, Bishnupur, Thoubal, Churachandpur, Ukhrul Senapati and Kangpokpi (6 numbers)	Up to 2001-2002	1995-96	1996-97 to 1999-2000	Due to non- receipt of accounts
9.	Nehru Yuva Kendras, Imphal and Tamenglong (2 numbers)	—do—	1996-97	1997-98 to 1999-2000	—do—
10.	Jawaharlal Nehru Dance Academy, Imphal	NA	1997-98	1998-99 to 1999-2000	—do—
11.	Sports Authority of India, Imphal	Up to 2001-2002	1997-98	1998-99 to 1999-2000	—do—
12.	Sports Hostel, Guwahati	—do—	—do—	1998-99 to 1999-2000	—do—
13.	Sports Hostel, Dimapur	—do—	—do—	1998-99 to 1999-2000	—do—
14.	Sports Hostel, Imphal	—do—	1994-95	1995-96 to 1999-2000	—do—

APPENDIX LI

(Referred to in paragraphs 8.1.2.1, 8.1.2.2 and 8.1.3 at pages 111, 112 and 113)

Statement showing particulars of capital, loans/equity received out of budget, other loans outstanding as on 31 March 2000 in respect of Government companies and statutory corporations

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 1999-2000			Debit equity ratio for 1999-2000 [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)
(R u p e e s i n a k h)													
1.	A. Government Companies Agriculture and Allied Manipur Agro Industries Corporation Ltd	246.46	—	—	—	246.46	8.00	—	—	—	—	—	—
2	Manipur Plantation Crops Corporation Ltd.	1063.52	—	—	—	1063.52	107.05	-	-	—	—	148.97	0.17:1 (0.17:1)
3	Industry Manipur Industrial Development Corporation Ltd.	793.00	—	—	421.00 (IDBI)	1214.00	—	—	—	—	—	36.99	0.03:1 (—)
4	Manipur Cycle Corporation Ltd.	N.A	—	—	—	—	—	—	—	—	—	—	—
5	Manipur Pulp and Allied Products Ltd.	N.A	—	—	—	—	—	—	—	—	—	—	—
6.	Electronics Manipur Electronics Development Corporation Ltd.	269.28	—	—	—	269.28	—	—	—	—	—	—	—
7.	Textiles Manipur Spinning Mills Corporation Ltd.	1383.92	—	—	—	1383.92	217.00	NA	NA	—	—	211.24	(-)0.15:1
8.	Handloom and Handicrafts Manipur Handloom and Handicrafts Development Corporation Ltd.	386.68	90.00	—	—	461.68	—	—	—	—	—	277.18	0.60:1 (0.60.1:1)
9.	Construction Manipur Police Housing Corporation Ltd.	2.00	—	—	—	2.00	—	—	—	—	—	—	—
10.	Development of economically weaker sections Manipur Tribal Development Corporation Ltd.	77.50	—	—	—	77.50	—	—	—	—	—	10.00	0.13:1 (0.13:1)
11.	Sugar Manipur Food Industries Corporation Ltd.	78.39	—	—	—	78.39	NA	NA	NA	—	—	—	—

(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)
		(R u p e e s i n l a k h)											
12.	Cement Manipur Cement Ltd.	159.79	—			159.79	NA	NA	NA	—	—	—	—
13.	Drugs, Chemicals and Pharmaceuticals Manipur State Drugs and Pharmaceuticals Ltd.	—	—	43.35	41.65	85.00	—	—	—	—	—	—	—
14.	Power Manipur State Power Development Corporation	NA	—	—	—	—	—	—	—	—	—	—	—
15.	Miscellaneous Manipur Film Development Corporation Ltd.	6.00	—	—	—	6.00	—	—	—	—	—	15.00	2.50:1 (2.50:1)
	Total (A-All Sector-wise Government Companies)	4466.54	90.00	43.35	462.65	5062.54	332.05	—	—	—	—	699.38	—
	B. Statutory Corporations												
1.	Transport Manipur State Road Transport Corporation	2691.36	343.01	—	—	3034.37	120.00	—	—	—	—	—	—
	Total (B-All Sector-wise Statutory Corporations)	2691.36	343.01	--	--	3034.37	120.00	--	--	--	--	--	--
	Grand Total (A+B)	7157.90	433.01	43.35	462.65	8096.91	452.05	—	—	—	—	699.38	—

(Figures in brackets indicate budgetary outgo during the year)

APPENDIX LII

(Referred to in paragraph 8.1.2.1, 8.1.2.2, 8.1.4.1, 8.1.5 and 8.1.6 at pages 112, 113, 114 and 115)

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

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	Status of the company/ corporation
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(R u p e e s i n l a k h)														
1.	A. Government companies Agriculture and Allied Manipur Agro Industries Corporation Ltd.	Agriculture	March 1981	1986-87	2000-2001	(-) 5.19	—	31.25	(-) 33.22	(-) 1.96	(-) 2.65	(-) 264.80	13	Working company
2.	Manipur Plantation Crops Corporation Ltd.	-do-	March 1981	1983-84	2000-2001	—	—	51.15	—	60.00	—	—	16	—do—
3.	Industry Manipur Industrial Development Corporation Ltd.	Commerce and Industries	June 1969	1987-88	1998-99	(+) 21.05	—	331.86	(-) 10.78	75.51	(+) 0.28	(+) 27.88	12	—do—
4.	Manipur Cycle Corporation Ltd.	-do-	June 1985	1990-91	1993-94	(-) 6.33	—	42.15	(-) 24.28	24.76	(-) 0.26	(-) 25.55	9	Non working company
5.	Manipur Pulp and Allied Products Ltd.	-do-	October 1988	1992-93	1997-98	(-) 46.92	—	73.31	(-) 126.02	93.16	(-) 0.50	(-) 50.36	7	Working company
6.	Electronics Manipur Electronics Development Corporation Ltd.	-do-	April 1987	1994-95	2000-2001	(+) 19.88	—	239.28	(+) 56.71	361.38	(+) 0.10	(+) 5.50	5	Working company
7.	Textiles Manipur Spinning Mills Corporation Ltd.	-do-	March 1974	1981-82	2000-2001	—	—	113.20	—	327.22	—	—	18	Working company
8.	Handloom and Handicrafts Manipur Handloom and Handicrafts Development Corporation Ltd.	-do-	October 1976	1985-86	2000-2001	(-) 31.52	—	95.00	(-) 150.08	58.82	(-) 0.54	(-) 53.59	14	Working company
9.	Construction Manipur Police Housing Corporation Ltd.	Home	April 1986	1991-92	1996-97	(+) 0.10	—	2.00	(+) 8.27	10.27	(+) 0.01	(+) 0.97	8	Working company
10.	Development of Economically Weaker Section Manipur Tribal Development Corporation Ltd.	Tribal Area Backward Classes Development	June 1979	1981-82	1996-97	(+) 4.58	—	1.00	(+) 5.87	6.64	(+) 0.69	(+) 68.98	18	Working company
11.	Sugar Manipur Food Industries Corporation Ltd.	Commerce and Industries	April 1987	1993-94	2000-2001	—	—	78.39	—	63.00	—	—	6	Working company

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(R u p e e s I n L a k h)														
12.	Cement Manipur Cement Ltd.	Commerce and Industries	May 1988	1989-90	1997-98	(+) 11.43	—	19.94	(+) 11.43	30.21	(+) 0.38	(+) 37.84	10	Working company
13. ²	Drugs, Chemicals and Pharmaceuticals Manipur State Drugs and Pharmaceuticals Ltd.	Chemicals and Petrochemical	July 1989	1999- 2000	—	(-) 166.75	—	85.00	(-) 651.91	(-) 37.99	—	—	—	Working company
14.	Power Manipur State Power Development Corporation Ltd.	Electricity	March 1997	—	—	—	—	—	—	—	—	—	3	Working company
15.	Miscellaneous Manipur Film Development Corporation Ltd.	Art and Culture	May 1987	1989-90	1993-94	(-) 1.32	—	6.00	(-) 1.32	31.89	(-) 0.04	(-) 4.14	10	Working company
	Total (A Government companies)	—	—	—	—	(-) 200.99	—	1169.53	(-) 915.33	1102.91	(-) 2.53	(-) 257.27	149	—
1.	B. Statutory Corporations Transport Manipur State Road Transport Corporation	Transport	March 1976	1990-91	1997-98	(-) 198.03	(+) 9.82	1679.51	(-) 1670.21	29.08	—	—	9	Working company
	Total (B Statutory Corporations)	—	—	—	—	(-) 198.03	(+) 9.82	1679.51	(-) 1670.21	29.08	—	—	—	—
	Grand Total (A+B)	—	—	—	—	(-) 399.02	(+) 9.82	2849.04	(-) 2585.54	1131.99	(-) 2.53	(-) 257.27	158	—

(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) Total return on capital employed represents net profit by capital employed.

(C) Position in respect of Sl. No. 4, 7, 9, 11, 12 and 15 differs from previous year's Report due to rectification and in respect of Sl. No. 3 and 10 due to subsequent revision of accounts.

² As per information furnished by the Company.

APPENDIX LIII

(Referred to in paragraph 8.1.3 at page 113)

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 2000

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
(R u p e e s l a k h)																
1.	A. Government companies															
	Manipur Agro Industries Corporation Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2.	Manipur Plantation Crops Corporation Ltd.	NA	—	—	—	—	—	—	—	(14.20)	—	—	—	—	—	—
3.	Manipur Cement Ltd.	NA	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.	Manipur Food Industries Corporation Ltd.	NA	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5.	Manipur Handloom and Handicrafts Development Corporation Ltd.	6.41	—	—	6.41	—	—	—	—	—	—	—	—	—	—	—
6.	Manipur Electronics Development Corporation Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7.	Manipur Industrial Development Corporation Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8.	Manipur Spinning Mills Corporation Ltd.	NA	—	—	—	—	—	—	—	(32.00)	—	—	—	—	—	—
9.	Manipur Cycle Corporation Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10.	Manipur Pulp and Allied Products Ltd.	NA	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11.	Manipur State Drugs and Pharmaceuticals Ltd.	—	—	—	—	60.00	72.00	—	—	132.00 (174.87)	—	—	—	—	—	—
12.	Manipur Film Development Corporation Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13.	Manipur Police Housing Corporation Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14.	Manipur Tribal Development Corporation Ltd.	—	49.20	—	49.20	—	—	—	—	—	—	—	—	—	—	—
15.	Manipur State Power Development Corporation Ltd.	N.A.	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Total A	6.41	49.20	—	55.61	60.00	72.00	—	—	132.00 (220.92)	—	—	—	—	—	—
	B. Statutory Corporations															
	Manipur State Road Transport Corporation Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Total B	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Grand Total (A+B)	6.41	49.20	—	55.61	60.00	72.00	—	—	132.00 (220.92)	—	—	—	—	—	—

APPENDIX LIV

(Referred to in paragraph 8.1.2.2 at page 112)

Statement showing financial position of Manipur State Road Transport Corporation

Particulars	1997-98	1998-99	1999-2000
	(Rupees in lakh)		
A. Liabilities			
Capital (including capital loan and equity capital)	213.66	147.00	120.00
Borrowings—			
Government—	—	—	—
Others—	—	—	—
Funds ³	—	—	—
Trade dues and other current liabilities (including provisions)	439.23	469.23	—
Total-A	652.89	616.23	120.00
B. Assets			
Gross Block			
Less: Depreciation			
Net fixed assets	943.74	931.22	—
Capital works-in-progress (including cost of chassis)	—	—	—
Investments	—	—	—
Current assets, loans and advances	3144.65	3335.17	—
Deferred cost	—	—	—
Accumulated losses	3176.86	3460.48	—
Total-B	7265.25	7726.87	—
C. Capital employed⁴	1157.40	1078.22	—

³ Excluding depreciation funds⁴ Capital employed represents net fixed assets (including works-in-progress) plus working capital. While working out working capital the element of deferred cost and investments are excluded from current assets.

APPENDIX LV

(Referred to in paragraph 8.1.2.2 at page 112)

Statement showing working results of Manipur State Road Transport Corporation

Particulars	1997-98	1998-99	1999-2000
	(Rupees in lakh)		
Operating			
(a) Revenue	53.33	18.57	15.98
(b) Expenditure	20.19	21.74	8.18
(c) Surplus (+)/Deficit(-)	(+) 33.14	(-) 3.17	(+) 7.80
Non-operating			
(a) Revenue	8.00	2.88	120.00
(b) Expenditure	287.52	283.74	202.90
(c) Surplus (+)/Deficit(-)	(-) 279.52	(-) 280.86	(-) 82.90
Total			
(a) Revenue	61.33	21.45	135.98
(b) Expenditure	307.71	305.48	211.08
(c) Net profit (+)/Loss (-)	(-) 246.38	(-) 284.03	(-) 75.10
Interest on capital and loans	25.00	25.00	Nil
Total return on capital employed	(-) 246.38	(-) 284.03	(-) 75.10

APPENDIX LVI

(Referred to in paragraph 8.1.5.2.2 at page 115)

Statement showing operational performance of Manipur State Road Transport Corporation

Particulars	1997-98	1998-99	1999-2000
Average number of vehicles held	55	55	25
Average number of vehicles on road	21	21	7
Percentage of utilisation of vehicles	38	38	28
Number of employees	479	427	369
Employee vehicle ratio	23	20	15:1
Number of routes operated at the end of the year	4	4	7
Route kilometres	1265	1265	1422
Kilometres operated (in lakh)			
(a) Gross	6.41	4.15	1.26
(b) Effective	6.19	3.94	1.16
(c) Dead	0.22	0.21	0.10
Percentage of dead kilometres to gross kilometres	3.43	5.06	7.93
Average kilometres covered per bus per day	264	205	49.31
Operating revenue per kilometre (Paise)	1381	619	655
Average expenditure per kilometre (Paise)	—	—	181.96
Profit (+)/Loss (-) per kilometre (Paise)	—	—	(-) 17541
Number of operating depots	2	2	1
Average number of break-down per lakh kilometres	—	—	—
Average number of accidents per lakh kilometres	—	—	—
Passenger kilometre operated (in crore)	—	—	0.25
Occupancy ratio	—	—	53

APPENDIX LVII

(Referred to in Paragraph 8.3.1 at page 127)

Demand and supply

Year	Power Requirement (MW)	Peak Demand met (MW)	Percentage of shortfall	Energy Requirement (MU)	Energy Demand met (MU)	Percentage of shortfall
1994-95	92	70.6	23.26	324.1	274.02	15.45
1995-96	102	71.0	30.39	362.0	315.05	12.97
1996-97	114	68.0	40.35	404.4	364.82	9.29
1997-98	126	86.0	31.75	451.6	410.42	9.11
1998-99	117	94.0	19.66	481.0	442.44	8.01
1999-2000	129	97.0	24.81	529.0	450.37	14.86
Total:	680	486.6		2552.1	2257.12	

APPENDIX LVIII

(Referred to in Paragraph 8.3.4 at page 127)

Statement showing the financial outlay and expenditure

Year		Diesel			Hydel			Transmission and Distribution		
		Outlay	Expenditure	Excess (+)/ Savings (-)	Outlay	Expenditure	Excess (+)/ Savings (-)	Outlay	Expenditure	Excess (+)/ Savings (-)
		(R u p e e s i n l a k h)								
1994-95	Non-Plan	1667.00	997.89	(-) 669.11	1878.50	1874.55	(-) 3.95	—	—	—
	Plan	36.00	87.45	(+) 51.45	179.02	102.31	(-) 76.71	2121.17	2431.01	(+) 309.84
	Total:	1703.00	1085.34	(-) 617.66	2057.52	1976.86	(-) 80.66	2121.17	2431.01	(+) 309.84
1995-96	Non-Plan	2401.20	1625.10	(-) 776.10	3259.60	2060.36	(-) 1199.24	—	—	—
	Plan	45.00	22.24	(-) 22.76	85.00	133.16	(+) 48.16	2878.50	2856.27	(-) 22.23
	Total:	2446.20	1647.34	(-) 798.86	3344.60	2193.52	(-) 1151.08	2878.50	2856.27	(-) 22.23
1996-97	Non-Plan	2353.10	2229.73	(-) 123.37	3881.50	3438.50	(-) 443.00	—	—	—
	Plan	34.00	12.57	(-) 21.43	85.90	87.33	(+) 1.43	2488.75	2391.58	(-) 97.17
	Total:	2387.10	2242.30	(-) 144.80	3967.40	3525.83	(-) 441.57	2488.75	2391.58	(-) 97.17
1997-98	Non-Plan	2591.53	1929.95	(-) 661.58	5825.89	6160.27	(+) 334.38	—	—	—
	Plan	832.00	926.55	(+) 94.55	72.36	72.15	(-) 0.21	1945.94	2056.03	(+) 110.09
	Total:	3423.53	2856.50	(-) 567.03	5898.25	6232.42	(+) 334.17	1945.94	2056.03	(+) 110.09
1998-99	Non-Plan	2498.20	1448.77	(-) 1049.43	5035.70	917.80	(-) 4117.90	—	—	—
	Plan	1036.51	1162.25	(+) 125.74	59.51	55.85	(-) 3.66	1629.40	1915.49	(+) 286.09
	Total:	3534.71	2611.02	(-) 923.69	5095.21	973.65	(-) 4121.56	1629.40	1915.49	(+) 286.09
1999-2000	Non-Plan	2554.38	2137.85	(-) 416.53	4744.41	1731.32	(-) 3113.09	—	—	—
	Plan	8654.48	41.40	(-) 8613.08	82.91	91.22	(+) 2.95	3010.30	3335.61	(+) 325.31
	Total:	11208.86	2179.25	(-) 9029.61	4827.32	1822.54	(-) 3010.14	3010.30	3335.61	(+) 325.31

APPENDIX LIX

(Referred to in Paragraphs 8.3.5.2 and 8.3.9.1 at pages 129 and 131)

Operational performance of the Diesel and Micro Hydrel Power Houses

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
I. Installed capacity (MW)						
Diesel	9.422	9.422	9.422	9.422	9.798	8.645
Hydel	3.200	3.200	3.200	3.200	3.200	3.200
Total:	12.622	12.622	12.622	12.622	12.998	11.845
II. Energy generated (MU)						
Diesel	2.696	1.961	1.899	0.7077	0.6957	0.875
Hydel	0.271	0.205	0.136	0.0312	0.1272	0.411
Total:	2.967	2.166	2.035	0.7389	0.8229	1.286
Percentage of shortfall with reference to installed capacity	76.49	82.84	83.88	94.15	93.67	92.58
Less auxiliary consumption (MU)						
Diesel	0.219	0.059	0.094	0.0586	0.0659	0.046
Hydel	0.001	0.008	0.004	0.0001	0.0001	0.004
Total:	0.220	0.067	0.098	0.0587	0.0660	0.050
III. Net energy generated (MU)	2.747	2.099	1.937	0.6802	0.7569	1.236
IV. (i) Add energy purchased (MU)	238.321	255.026	303.799	346.314	378.1872	388.836
(ii) Free energy from Loktak	32.955	57.920	59.080	63.515	63.4976	60.294
V. Energy available for sale (MU)	274.023	315.045	364.816	410.509	442.442	450.366
VI. Energy sold (MU)	213.738	247.315	286.381	322.181	347.317	173.500
VII. Loss in transmission (MU)	60.285	67.730	78.435	88.328	95.125	276.866
VIII. Percentage of loss	22	21.5	21.5	21.5	21.5	61.5
IX. Permissible loss @ 15.5 per cent	42.474	48.832	56.546	63.629	68.579	69.807
X. Quantity of excess loss (MU)	17.811	18.898	21.889	24.699	26.546	207.059
XI. Value of excess loss (Rupees in lakh at average rate)	137.14 @ Rs.0.77 per unit	202.21 @ Rs.1.07 per unit	291.12 @ Rs.1.33 per unit	353.20 @ Rs.1.43 per unit	422.08 @ Rs.1.59 per unit	3685.65 @ Rs.1.78 per unit

(i) Total quantity of excess loss = 316.902 MU

(ii) Money value @ annual average rate = Rs.5091.40 lakh from 1994-95 to 1999-2000

APPENDIX LX

(Referred to in Paragraph 8.3.7 at page 130)

DATA ON HYDEL PROJECTS

Sl.	Name of project	Installed capacity (MW)	Year of commencement	Estimated cost		Target year of commissioning		Expenditure incurred till March 2000	Physical progress
				Original	Revised	Original	Revised		
1	2	3	4	(R u p e e s i n l a k h)				5	6
1	2	3	4	5	6	7	8	9	10
1.	Leimakhong Hydel Project Stage II (3 x 100 KW)	0.3	1978	14.23	35.48	1980-81	—	41.84	Commissioned in April 1982 but shut down in September 1985 due to defect in power channel.
2.	Leimakhong Hydel Project Stage III (2 x 500 KW)	1.0	March 1980	91.66	270.87	1982-83	March 1999	413.50	Testing and trial run of single unit conducted satisfactorily in August 1999. Formal commissioning was yet to be announced (November 2000). Testing and trial run temporarily suspended due to law and order problem and paucity of funds.
3.	Nungsangkhong Hydel Project (3 x 500 KW)	1.5	1978	96.08	268.00	1981-82	—	278.66	Commissioned in 1985 but shut down in July 1990 due to washing away of power channel etc. by flood.
4.	Lokchao Hydel Project (2 x 200 KW)	0.4	1977-78	86.44	194.46	1981.82	—	207.94	Commissioned in January 1988 but shut down in May 1991 due to collapse of 260 M of walls of power channel etc. by flood for defective construction.
5.	Booming Hydel Project (2 x 500 KW)	1.0	1980-81	158.00	351.50	1983	—	207.24	The project could not be commissioned due to delay in execution of work and change in design. Kept in abeyance since 1994-95.
6.	Gelnel Hydel Project (2 x 200 KW)	0.4	February 1983	66.16	257.70	1987-88	May 1994	233.66	The project was shut down in 1995 and improvement was taken up in 1997-98. Expenditure on improvement was Rs.10.43 lakh up to 1999-2000 but no energy was generated due to decrease in discharge on account of deforestation and defective governor (November 2000).
7.	Keithelmanbi Hydel Project (2 x 200 + 2 x 100 KW)	0.6	March 1984	74.52	—	—	—	48.36	Abandoned in July 1987 as the area was already under grid power supply.
8.	Maklang Hydel Project (3 x 200 + 2 x 100 KW)	0.8	1987	223.72	259.74	June 1990	—	48.36	Preliminary work done. The project was under process of privatisation (1993-94) but this was not materialised. Proposed for upgrading the installed capacity to 3 x 500 KW. Applied for REC loan (March 2000).

APPENDIX LXI

(Referred to in Paragraph 8.3.8 at page 130)

Statement showing the cost of Generation of Power (Diesel)

Year	Number of Power Houses (In operation)	Number of Diesel Generator commissioned	Installed capacity (KW)	Unit generated (MU)	Fuel consumed (KL)	Cost of fuel (Rupees in lakh)	Fuel consumed per unit generated (litre per unit)	Diesel expenditure (Rupees in lakh)	Cost per unit (Rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1994-95	10	—	7478	2.6960	920	63.02	0.341	87.580	3.25
1995-96	09	—	7430	1.9610	662	45.35	0.337	70.815	3.61
1996-97	06	—	6086	1.8990	640	52.36	0.337	69.640	3.67
1997-98	05	—	5886	0.7077	239	24.18	0.337	40.409	5.71
1998-99	08	01	6662	0.6957	238	23.49	0.342	43.947	6.32
1999-2000	05	—	6116	0.8750	158	18.06	0.337	35.730	4.08

Note: Direct expenditure includes

- (i) Cost of HSD oil, (ii) Cost of lubricating oil, (iii) Salary of operational staff and (iv) Maintenance charges.

APPENDIX LXII

(Referred to in Paragraph 8.3.9 (a) at page 130)

Table I

Year-wise existence of sub-station with capacity

		1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
132/33 KV S/S	Number	9	9	10	10	10	10
	Capacity in MVA	151.30	151.30	171.30	171.30	171.30	171.30
33/11 KV S/S	Number	39	41	43	45	48	51
	Capacity in MVA	130.35	136.65	144.80	154.80	169.80	172.80
11/0.4 KV S/S	Number	2061	2088	2111	2209	2221	2232
	Capacity in MVA	186	192	202	212	237	238

(MVA = Mega Volt Ampere)

Table II

Target and achievement in construction of Sub-stations

Year	132/33 KV S/S			33/11 KV S/S			11/0.4 KV S/S		
	T	A	S	T	A	S	T	A	S
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1994-95	2	1	1	7	6	1	60	26	34
1995-96	1	-	1	6	2	4	34	9	25
1996-97	2	1	1	6	2	4	20	13	7
1997-98	2	-	2	7	-	7	20	20	-
1998-99	1	-	1	4	-	4	20	6	14
1999-2000	1	-	1	5	2	3	10	2	8

(T=Target, A=Achievement and S=Shortfall)

APPENDIX LXIII

(Referred to in paragraph 8.5 at page 135)

Statement showing the particulars of excess expenditure for procurement of vegetable seeds

Date of payment	Date of Supply order	Bill No. of supplier & date	Name of seed	Rate of payment	Rate of NSC Ltd.	Difference in rate	Quantity supplied	Excess amount paid
				(In Rupees)			(In kgs)	(In Rupees)
06.04.98	02.08.97	222/30.9.97	Pea-Arkel	47.50	32.00	15.50	1950	30,225
-do-	-do-	221/-do-	-do-	-do-	-do-	15.50	1950	30,225
-do-	-do-	223/-do-	Carrot	380.00	99.00	281.00	200	56,200
-do-	-do-	220/-do-	Pea Arkel	47.50	32.00	15.50	1950	30,225
-do-	-do-	218/-do-	Onion MR	190.00	144.00	46.00	200	9,200
-do-	-do-	-do	Cauli flower S-16	1500.00	1080.00	420.00	30	12,600
-do-	-do-	-do-	Rabi	250.00	113.00	137.00	30	4,110
-do-	-do-	219/-do-	Cabbage Pol	380.00	270.00	110.00	50	5,500
-do-	-do-	-do-	Tomato Pusa Rabi	570.00	450	120.00	30	3,600
-do-	-do-	-do-	Radish J.W.	190.00	90.00	100.00	200	20,000
-do-	-do-	-do-	Pea Arkel	47.50	32.00	15.50	150	2,325
-do-	-do-	228/29.9.97	Cabbage Pol	380.00	270.00	110.00	200	22,000
-do-	-do-	-do-	Cabbage Hyb. Fuji	10450.00	5760.00	4690.00	1.75	8,208
-do-	-do-	231/-do-	Cabbage Pol	380.00	270.00	110.00	100	11,000
-do-	-do-	-do-	Tomato P.R.	570.00	450.00	120.00	50	6,000
-do-	-do-	229	Cabbage Hyb. Fuji	10450.00	5760	4690.00	9	42,210
-do-	-do-	230	-do-	10450.00	5760	4690.00	9	42,210
27.4.98	-do-	232/29.9.97	Onion M.R.	190.00	144	46.00	200	9,200
-do-	-do-	-do-	Pea Arkel	47.50	32	15.50	1000	15,500
-do-	-do-	233/24.9.97	Pea Arkel	47.50	32	15.50	1400	21,700
25.09.98	-do-	502/21.04.98	Brinjal P.Plng	261.25	203	58.25	20	1,165
			Tomato P.R.	570.00	450	120.00	20	2,400
			French Bean	142.50	60	82.50	350	28,875
26.09.98	-do-	503/21.04.98	Bhendi P.S.	95.00	68	27.00	960	25,920
28.09.98	-do-	501/-do-	French Bean	142.50	60	82.50	650	53,625
06.10.98	09.04.98	428/21.04.98	Tomato Hyb.	20900.00	11700	9200.00	4.5	41,400
							Total:	5,35,623

APPENDIX LXIV

(Referred to in Paragraph 8.6 at page 136)

Statement showing pay and allowances paid to the employees of Manipur Cycle Corporation Limited during 1992-93 to 1999-2000 (up to November 1999)

Year	Total No. of employees	Pay and allowances	Wages	Bonus	Leave salary and gratuity	Advance pay	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1992-93	16	4,46,262.20	—	—	—	—	4,46,262.20
1993-94	15	3,50,855.30	89,790.70	11,000.00	—	—	4,51,646.00
1994-95	15	2,76,576.20	76,148.00	—	—	—	3,52,724.20
1995-96	15	1,42,685.20	40,871.80	—	—	—	1,83,557.00
1996-97	14	1,96,457.00	56,875.00	—	—	—	2,53,332.00
1997-98	14	—	—	—	—	—	—
1998-99	14	12,12,766.00	—	—	—	7,000.00	1,21,976.00
4/99 to 11/99	14	3,62,995.00	—	—	55,967.00	1,000.00	4,19,962.00
Total		29,88,596.90	2,63,685.50	11,000.00	55,967.00	8,000.00	33,27,249.40

N.B:- The above amount of pay and allowances have been shown excluding the pay and allowances of the General Manager and the Managing Director of the Corporation, who are deputed from the Government Department.

APPENDIX LXV

(Referred to in Paragraph 8.7 at page 136)

Statement showing the penalty leviable for delay in supply of meters

Stipulated period for delivery		Invoice number (date of delivery)	Quantity (in number)	Cost per meter (inclusive of Excise duty, CST etc.)	Total cost	Delay (in weeks)	Penalty		
							@ 0.5 per cent per week of the tendered value	5 per cent (Maximum) of the tendered value	Maximum leviable
							(Rs.)	(Rs.)	(Rs.)
1. Penalty to be recovered from M/s Capital Power System									
August 1999	(i)	123 dated 23.3.2000	20,000	487.80	97,56,000	27	13,17,060	4,87,800	4,87,800
	(ii)	124 dated 24.3.2000							
2. Penalty to be recovered from M/s Elymer Electronics Ltd.									
12 October 1998	(i)	HSM-0400 dated 7.11.1998	4,000	487.80	19,51,200	2	19,512	97,560	19,512
	(ii)	HSM-464 dated 15.12.1998	4,000	487.80	19,51,200	8	78,048	97,560	78,048
	(iii)	HSM-493 dated 11.1.1999	3,000	487.80	14,63,400	11	80,487	73,170	73,170
	(iv)	HSM-520 dated 4.2.1999	4,000	487.80	39,02,400	14	2,73,168	1,95,120	1,95,120
	(v)	HSM-521 dated 4.2.1999	4,000						
	(vi)	HSM-529 dated 10.2.1999	3,904	487.80	19,04,371	15	1,42,828	95,219	95,219
	(vii)	Not supplied	96	487.80	46,829	74 ⁵	17,327	2,341	2,341
Total:			23,000						4,63,410
Grand total:			43,000						9,51,210

⁵ Up to March 2000.

APPENDIX LXVI

GLOSSARY OF ABBREVIATIONS

Abbreviation	Expanded form
A&E	Accounts and Entitlement
A&OE	Administrative and Operational Expenses
AC	Abstract Contingent
ADC	Autonomous District Council
AIDS	Acquired Immuno Deficiency Syndrome
AIES	All India Educational Survey
ANM	Auxiliary Nurse cum-Midwife
ANP	Applied Nutritional Programme
BCR	Balance from Current Revenue
BG	Bank Guarantee
BMS	Basic Minimum Service
BPL	Below Poverty Line
CE	Chief Engineer
CEA	Central Electrical Authority
CEO	Chief Executive Officer
CHC	Community Health Centre
CPA	Central Plan Assistance
CPS	Central Plan Scheme
CPWA	Central Public Works Account
CSS	Centrally Sponsored Scheme
CSSM	Child Survival and Safe Motherhood
DCC	Detailed Countersigned Contingent
DDO	Drawing and Disbursing Officer
DG	Diesel Generation
DI	Deputy Inspector
DIC	District Industries Centre
DIET	District Institute of Education and Training
DPC	Departmental Promotion Committee
DPC	Duties, Power and Conditions of Service
DPG	Diesel Power Generation
DRDA	District Rural Development Agency
DTO	District Transport Officer
DUDA	District Urban Development Authority
ECG	Electro Cardiograph
EE	Executive Engineer
FD	Fiscal Deficit
FHA	Food Health Authority
FWD	Family Welfare Department
GI	Galvanised Iron
GOI	Government of India
GRSE	Garden Reach Shipbuilders and Engineers
GSDP	Gross State Domestic Product
HE	Hydro Electric

HGV	Home Guard Volunteer
IEC	Information, Education and Communication
IFA	Iron Folic Acid
INA	Indian National Army
IPD	Investigation, Planning and Design
IRDP	Integrated Rural Development Programme
JN	Jawaharlal Nehru
JRY	Jawahar Rozgar Yojana
KV	Kilo Volt
KVA	Kilo Volt Ampere
LDA	Loktak Development Authority
LDC	Lower Division Clerk
LHV	Lady Health Visitor
MAHUD	Municipal Administration, Housing and Urban Development
MAICL	Manipur Agro Industries Corporation Limited
MANTRON	Manipur Electronic Development Corporation
MCC	Manipur Cycle Corporation
MCH	Maternal and Child Health
MD	Managing Director
MHRD	Ministry of Human Resource Development
MICBL	Manipur Industrial Co-operative Bank Limited
MMR	Maternal Mortality Rate
MNP	Minimum Needs Programme
MP	Member of Parliament
MPCCL	Manipur Plantation Crops Corporation Limited
MPLAD	Members of Parliament Local Area Development
MPW	Multipurpose Worker
MRP	Maximum Retail Price
MS	Manipur State
MSL	Manipur State Lottery
MSLR	Manipur State Lottery Rule
MSPDC	Manipur State Power Development Corporation
MTCDC	Manipur Tribal Development Corporation
MTP	Medical Termination of Pregnancy
MU	Million Unit
MUDA	Manipur Urban Development Authority
MW	Mega Watt
NA	Not Available
NEC	North Eastern Council
NFE	Non-Formal Education
NFWP	National Family Welfare Programme
NGO	Non-Government Organisation
NHP	National Health Policy
NHPC	National Hydro-electric Power Corporation
NPE	National Policy on Education
NREP	National Rural Employment Programme
NRR	Net Reproductive Rate
NRY	Nehru Rozgar Yojana

NSC	National Seeds Corporation
OD	Overdraft
OM	Office Memorandum
OPD	Out Patient Department
ORT	Oral Rehydration Therapy
PC	Part Consideration
PD	Primary Deficit
PDA	Planning and Development Authority
PF	Provident Fund
PFA	Prevention of Food Adulteration
PH	Public Health
PHC	Primary Health Centre
PHE	Public Health Engineering
PHED	Public Health Engineering Department
PMIUPEP	Prime Minister's Integrated Urban Poverty Eradication Programme
PMRY	Prime Minister's Rozgar Yojana
PP	Post Partum
PPC	Post Partum Centre
PRI	Panchayati Raj Institution
PSU	Public Sector Undertaking
PWD	Public Works Department
RCCP	Radio-cum-Cassette Player
RCH	Reproductive and Child Health
RD	Revenue Deficit
REC	Rural Electrification Corporation
RIMS	Regional Institute of Medical Sciences
ROI	Return on Investment
RS	Revenue Surplus
SC	Sub-Centre
SCA	Special Central Assistance
SCC	State Cabinet Committee
SCERT	State Council of Educational Research and Training
SCOVA	State Committee on Voluntary Action
SJSRY	Swarna Jayanti Shahari Rozgar Yojana
SLEC	State Level Empowered Committee
T&D	Transmission and Distribution
TFC	Tenth Finance Commission
TT	Tetanus Toxoid
TV	Television
UBSP	Urban Basic Services for the Poor
ULB	Urban Local Body
UNICEF	United Nations International Children's Emergency Fund
UP	Uttar Pradesh
ZEO	Zonal Education Officer

